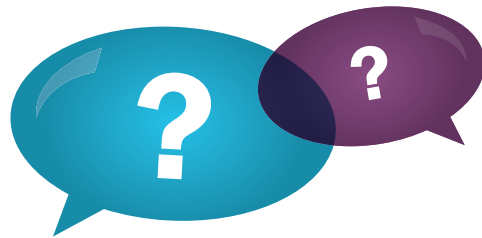


Chief Marketer

2013 Mobile Marketing Survey



The Mobile Movement

Chief Marketer's annual research shows mobile marketing on the rise in 2013

BY BETH NEGUS VIVEIROS

Consumers' online lives are ever increasingly mobile, and marketers are running fast to keep up the pace.

In Chief Marketer's recently completed annual Mobile Marketing Survey, nearly half of respondents (47.8%) plan to run specific campaigns directed to mobile users in 2013, compared to only 35.9% in 2012. Over 60% integrate mobile into their overall marketing mix.

Mobile marketing budgets increased in the last 12 months for 30.8% of respondents. Still, less than 10% of the total marketing budget was allocated to mobile for 68%, and the challenges when it come to mobile marketing are still great for many companies. One hurdle is still getting C-suite buy-in.

"We have little support from senior management for mobile marketing," wrote one respondent. "They simply 'don't get it' and, as a result, don't really care."

The speed at which mobile technology is evolving, and the lag time for development is another challenge, wrote one marketer. "They're clearly not in sync, and there's often there's a rush to develop and execute before it's ready."

Integrated Approach

Many respondents are taking advantage of the opportunity mobile provides in driving traffic to non-mobile platforms like social media, microsites or retail stores, with 50.8% planning to do so this year. The most popular tactics utilized by respondents include scannable QR codes or tags (60.5%), apps (49%) and text messaging (43.9%).

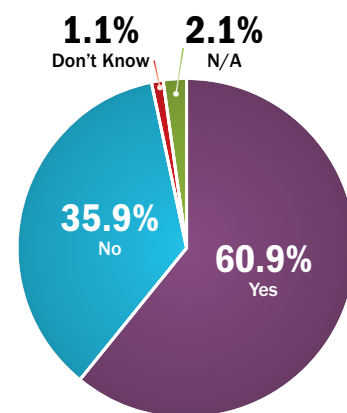
Of course, using these tactics and tools still require strategic thinking and planning.

"Getting marketers to use mobile tools with the same thought and strategy they would use for other marketing tools instead of throwing them around like candy is a challenge," wrote one respondent. "QR codes are a great example—they get a bad rap because we marketers do a poor job of using them strategically."

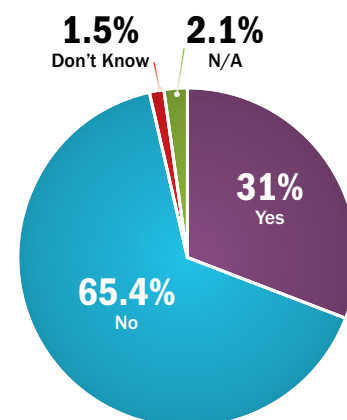
Who Are They?

Over 28% of respondents said they know how often their customers are using mobile, on what types of devices, and can segment based on that activity. Just over 20% said they have no direct mobile knowledge of their audience, and base their mobile marketing decisions on third

DO YOU INTEGRATE MOBILE INTO YOUR MARKETING MIX?

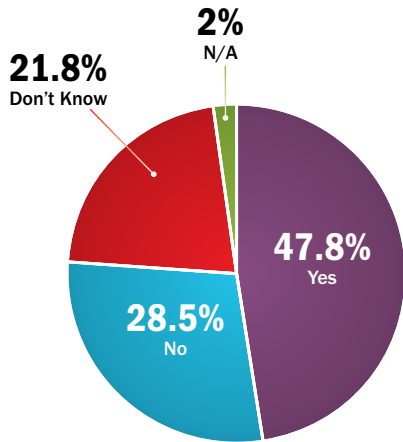


DID YOUR BRAND/AGENCY CLIENT RUN CAMPAIGNS DIRECTED PRIMARILY AT MOBILE USERS IN 2012?

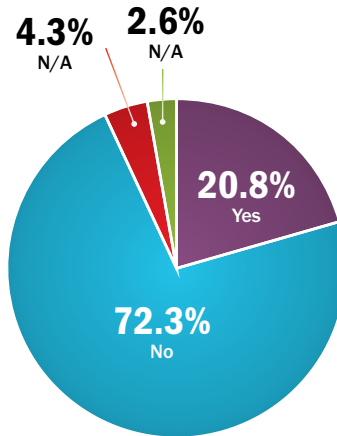




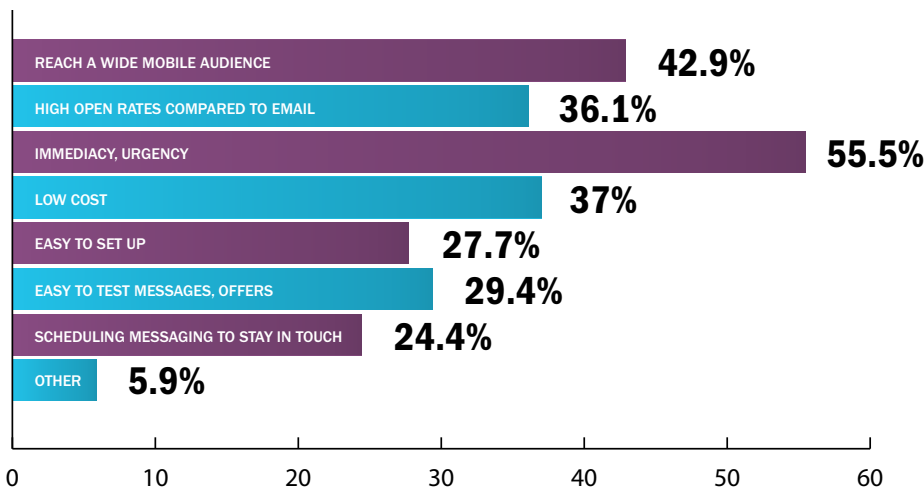
WILL YOU RUN MOBILE SPECIFIC CAMPAIGNS IN 2013?



DID YOUR BRAND/AGENCY CLIENT RUN SMS CAMPAIGNS IN 2012?



WHAT BENEFITS DO YOU PERCEIVE IN TEXT MESSAGING CAMPAIGNS?



party research.

Over a third said they assume customers are on mobile devices but don't have a clear picture of how they use them. Eleven percent said they don't know what their customers are doing in mobile, while 5.9% said they know their customers aren't using mobile more than in the past and it isn't really relevant to these marketers to contact their audience.

"It's difficult to measure the impact of mobile," wrote one respondent. "We don't have enough information about our customers' usage of mobile."

"The B2B audience is difficult to isolate," added another. "It's difficult to gather data from clients and know all the possible ways to use mobile to its greatest advantage for each vertical [market]."

Mobile Optimization

Optimization of email messages for mobile devices seems to be the standard, with 75.7% reporting that they optimize for mobile viewing. Still, only 40.3% are connecting those email campaigns with a landing page optimized for mobile, and only 38.8% measure how many of their

email opens occur on a mobile device.

Only a small percentage of respondents (15.3%) run a mobile-specific website. Why? The main reasons ranged from no budget (35.8%) to mobile not being a primary focus of the respondent's marketing efforts (20.7%), to simply no one at the brand or agency taking charge of mobile optimization (26.8%).

Respondents also commented that they simply didn't have the proper training, time, budget and resources to properly implement a stronger mobile marketing strategy.

"We'd need the data to show the investment [in mobile] would be worth it for us, and we don't believe that it currently is," wrote one respondent.

Mobile Display

Mobile display advertising was not in the 2013 plans for over 40% of respondents. Nearly 19% said they currently run display ads in mobile networks, sites, apps or content, while 15.8% said they had plans to begin doing so by the end of 2013. Another 5.4% said they had used mobile display advertising in the past but would not do so this year, while almost 20% had never run mobile ads and would not experiment with them this year.

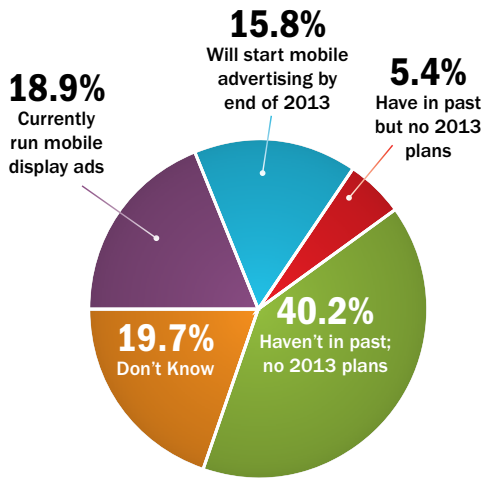
For those that had used mobile display, ads on mobile ad networks (57.9%) were the most popular choice. One third placed ads directly on specific mobile sites, while 23.7% did branded sponsorships of mobile content and 21.6% purchased space within or around mobile video.

The biggest reason for purchasing mobile display advertising was the simple fact that target audiences' time on mobile devices is increasing (66.7%). Reaching users close to point of sale was another popular reason (34.4%) as was reach-

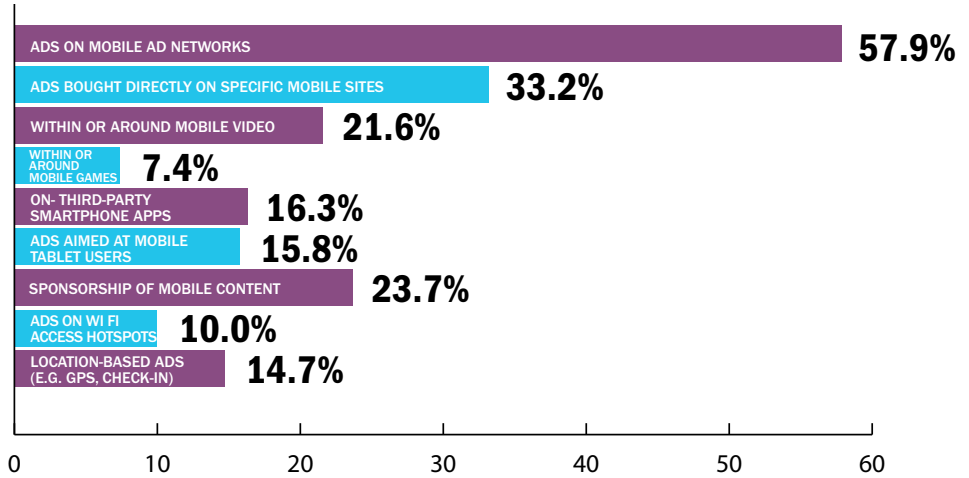
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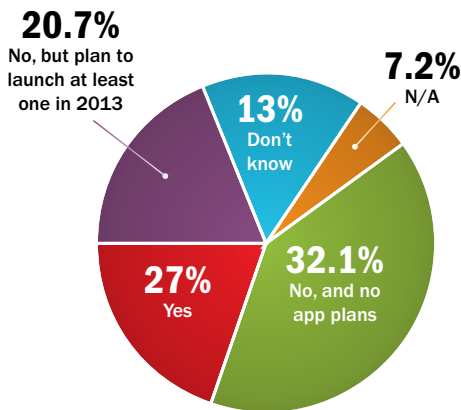
HOW DO YOU DESCRIBE YOUR PRESENT USE OF MOBILE DISPLAY ADVERTISING?



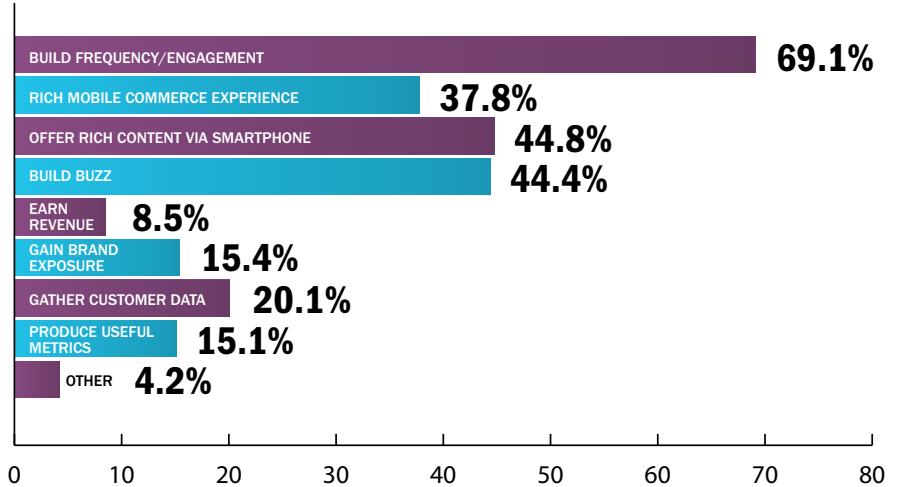
WHAT KIND OF MOBILE ADS HAVE/WILL YOU RUN?



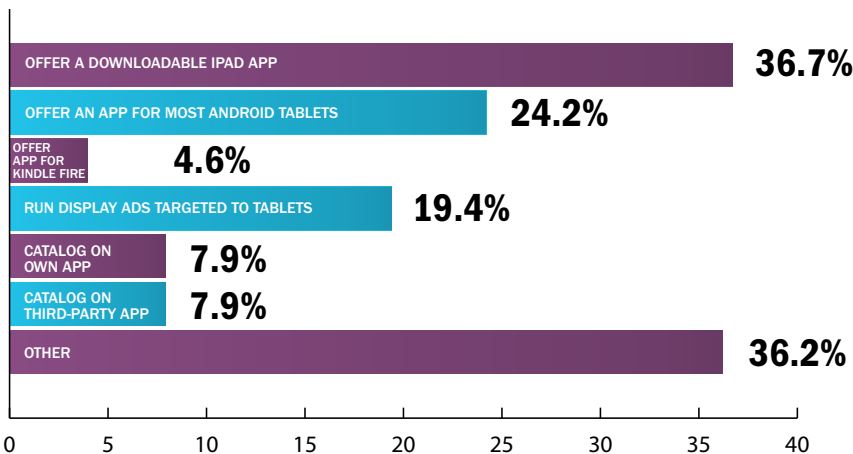
DO YOU CURRENTLY OFFER ONE OR MORE MOBILE APPS, OR PLAN TO LAUNCH ONE?



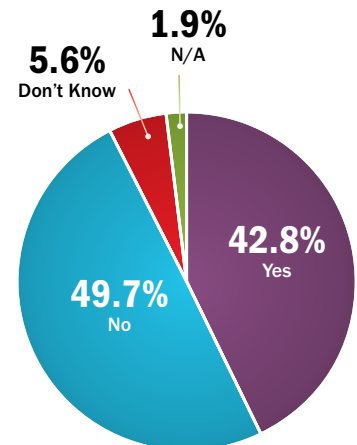
WHAT ARE YOUR MARKETING AIMS FOR MOBILE APPS?



HOW DO YOU TARGET TABLET USERS?



HAVE YOU RUN A QR CODE CAMPAIGN IN THE LAST YEAR?





Continued from page 2

ing a desirable audience demographic (48.7%).

Those who aren't using mobile display cited a weak ROI (38.2%), target audiences ignoring or being irritated by mobile advertising (28.5%), inability to track mobile ads (28.5%) and inability to track deliverability to avoid duplicating web ad reach (10.6%).

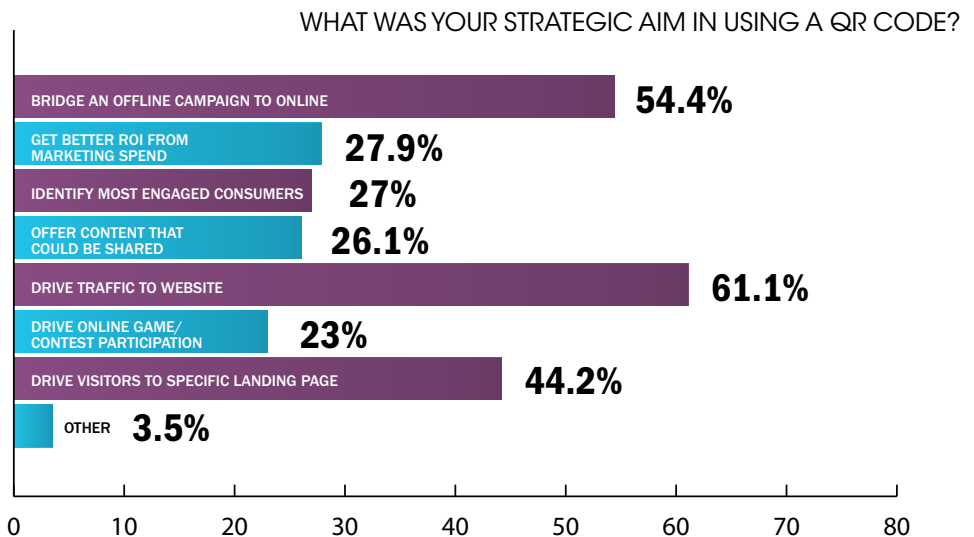
Abundance of Apps

Nearly 48% of respondents either already have one or more mobile apps, or plan launch at least one in 2013. It was no surprise that for these companies, the iPhone (91.7%) and Android devices (79.5%) were the most popular choices for creating apps for this year. Just over 70% will create apps for the iPad, while only 25% and 14% are looking to create apps for Blackberry devices or the Kindle Fire.

Those who don't have apps cited a high cost of development (29.4%), too lengthy/complex development process (14.1%), an inability to identify a value proposition for users (45.8%), lack of ROI (10.7%), an unwillingness to share revenue/data with app stores (5.1%), difficulty of getting the app discovered within app stores (6.8%) or simply not knowing where to start (8.5%).

A major challenge for marketers using apps to build engagement is creating enough value in the app so consumers don't just take the initial offer to use the app and then uninstall, noted one respondent. "You need to encourage the consumer to keep you in their very limited mobile phone space every day. The average consumer is uninstalling apps at a dramatic rate. It becomes clutter to them if the value and benefit is not continual and compelling."

Another concern for survey respondents when it comes to apps is the dan-



ger of "being lost in the sea of millions of apps that dilute your online/app store presence." It's crucial for marketers, they said, to "target the correct market segment for higher engagement rates."

Mobile Commerce

Over half of respondents (51.4%) sell products or services directly over the Internet. But only a little over a quarter of them (26.2%) are currently involved in mobile commerce, either for themselves or clients. A transactional mobile site was in the plans for 23.4% of respondents in 2013.

Estimated sales via mobile for those

currently engaging in m-commerce is small: 76.3% said 0-10% of their sales came from mobile. Just under 13% said 11-20% of their sales were from m-commerce; 8.5% said 20-50% of their sales came from mobile. Less than 3% reported mobile as representing over 50% of their total sales.

The main reason for not selling in mobile commerce was simply that the target audience isn't interested in mobile shopping (28.6%). Other reasons included no budget for m-commerce site (17.4%) no staff to manage such as site (13.1%) and the back-office tasks for managing m-commerce being too complex (9.4%). !

METHODOLOGY

Chief Marketer's 2013 Mobile Marketing Survey was conducted via email from April 10 to May 13, 2013. 666 responses were received. Respondents identified themselves as B2B marketers (48.9%), B2C marketers (18.6%) or as a company that targeted both (32.5%).

Areas of business for respondents included advertising/sales/promotion/DM agency or consultant (31.7%), manufacturer or CPG (9.4%), retailer/cataloger/wholesaler (10.1%), banking/insurance/financial (7.5%) or publisher/media (5.5%). About a quarter of respondents reported 2012 revenue of over \$1 billion; approximately 22% were in the \$5-50 million range; nearly 17% reported \$1-5 million; and 36% under \$1 million.

Over half of respondents (54.4%) sell their products or services online. Over three-quarters (76.1%) market entire or mostly in North America, and only 5.1% market mainly outside North America. About 17% reported that their efforts were split equally between marketing in and outside of North America.