ENGAGE AT Every Stage™

Using Mobile Relationship Marketing (MRM) to Put More Interaction in the Hands of the Customer

EXECUTIVE SUMMARY

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INTRODUCTION

There are few, if any, experts in the world that would claim mobile engagement is not the wave of the future. The statistics and data around mobile undeniably point to this channel of connected devices and on-the-go communications as rapidly evolving into one of the most influential and potentially game-changing technologies facing today's marketer. Yet despite the excitement, attention, and investment that mobile is generating, marketers are still in the early stages of truly exploiting mobile to the fullest degree. To be sure, there are some impressive early adopters and trailblazers, but what is clear from this study is that a shift in thinking around the entire scope of mobile engagement is not just a suggestion, but a mandate.

Consider these key points:

- By the end of 2011, there were 6 billion mobile subscribers, which equals 87 percent of the world's population (International Telecommunications Union).

- Mobile broadband subscriptions outnumber fixed broadband by 2:1 (ITU).

- There are almost 1.2 billion mobile web users globally (ITU).

- Ten percent of website hits/views came from a handheld or mobile device (Stat Counter).

- In 2011, 7.8 trillion SMS messages were sent. Experts anticipate that number will rise to 9.8 trillion in 2012 (Portio Research).

- Also in 2011, 669.5 million people used mobile email (Portio Research).

- Mobile IM will exceed 1.4 billion users by 2016 (Juniper Research).

- Sixty-four percent of mobile phone time is spent using apps (Nielsen 2012).

- App-to-person (A2P) messaging will over take person-to-person messaging (SMS) by 2016 (Juniper Research).

- Sixty-one percent of smartphone users and 49 percent of mobile and tablet users make local searches from a device (comScore).

- Mobile payments are expected to quadruple to $630 billion by 2014 (Juniper Research).

- In the U.S., 64 million smartphone owners accessed social networking or blog destinations via mobile devices as of December 2011, up 77 percent from December 2010 levels (comScore).

The question certainly isn't whether consumers are moving their lives into a more fully mobile, multi-device, multi-subscription model. The question is how marketers are responding to this new engagement paradigm. So far, the answer has been to throw advertising dollars at the channel, transitioning online and digital spend strategies and morphing them into mobile marketing strategies.

Consider the following:

- The IAB estimates that global expenditures for mobile ads in 2011 topped $5.3 billion.

- Gartner goes on to predict that spend in mobile ads will double each year in the U.S. to reach $20.5 billion by 2015.

- Even in the CMO Council's own "State of Marketing" research, mobile marketing spend has seen steady 2–4 percent increases year over year.

The mobile channel provides an unprecedented opportunity to reach consumers in developed markets in a new and intrusive way, and to access the previously untapped, unreachable, and unbanked mass of humanity in emerging economies. An estimated 2.5 billion adults (more than half of the world's adult population) do not use any form of formal financial services, yet about 70 percent of all people on the planet use a cell phone.

Demographic research by Nielsen indicates mobile social networking reaches important consumer segments for brand marketers. Women account for 55 percent of mobile social networking activity. Men and women between the ages of 35 to 54 account for 36 percent of activity. Close behind are people between ages 25 and 34, who account for 34 percent of activity. According to research by marketing firm Ruder Finn, 91 percent of mobile phone users go online to socialize versus 79 percent of desktop users. Some 4 percent of mobile users go online to advocate compared to 41 percent of desktop users. Google questioned thousands of mobile consumers in 30 countries in 2012 about how they use their mobile devices and found that 79 percent of people turn to their phones to help them shop; 88 percent take action on that information within a day; and 70 percent of all mobile searches result in action within one hour.

The immediacy, convenience, pervasiveness, and personal attachment to mobile phones make the device an ideal means of expanding marketing messages and enhancing engagement with a global customer base. The fact is that mobile has become a more effective channel to better engage and gratify customers. It has also become a channel where the customer decides when, where, and how to start and conclude an engagement, making mobile an even more complex channel to tame.

What was once only discussed in mobile carrier or provider circles has now seeped into the broader business community. The desire for a single consumer to continue and extend a single relationship across a multitude of screens, devices, and locations has become the standard for the mobile experience. This multi-screen/third-screen experience forces today's marketer to break the mold of individual points of execution. No longer can a campaign be developed only for mobile, digital, or at-home experiences. The total relationship and engagement with a single user must constantly reflect insights, intelligence, and behavior-based understanding.

Customer insight, intimacy, and engagement are essential to sustaining successful brands, yet for many companies—especially those who sell through indirect channels or to cash-only customers—connecting with and influencing the customer is a serious struggle. Marketers around the world are now trying to overcome these traditional obstacles by leveraging the power of the web and mobile social networking to create more direct relationships with customers.

Using traditional advertising to engage and activate an audience is rapidly being eclipsed by the pervasive nature of social media networks, massive mobile device dependency, as well as the awesome analytics capability of cloud-based business intelligence providers, which are pioneering new relationship marketing practices.

More targeted, timely, and helpful messaging and info sourcing through mobile communications channels are helping consumers get trusted advice, find the right products, and source the best deals in any place, at any time. In addition, customers are now empowered to transact and interact on demand without limitations or restrictions on where and how they buy.

Mobile relationship marketing (MRM) is the new call to action for companies looking to to ensure continuous customer touch and interaction, sustained support and service, closer and more dependent connectivity, as well as greater insight and intimacy. MRM has vast potential to create business value, improve process efficiency, trigger product consumption and use, further loyalty and repeat purchase, and increase customer feedback, assistance, affinity, and advocacy.

In this new age of the consumer-initiated engagement, marketers cannot afford to allow the mobile channel to simply be another tactical execution point that sits apart from the overall customer experience. An effective MRM strategy integrates social interaction; customer insight gathering and listening; consumer engagement and loyalty; market listening; purchase incentive or inducement; and lifetime revenue optimization, all through optimized use of the mobile channel.

Hence, the Chief Marketing Officer (CMO) Council completed this study to reveal where and how marketers are adopting this more comprehensive model of MRM to advance the customer experience, deepen and enhance relationships, and more seamlessly integrate the mobile channel into their total marketing operations and media mix.

What became clear very early in this investigation is that the interest, demand, and hope for the mobile channel is as high as should be expected. However, the downsides, trepidation, and frustration in successfully developing a strategy and executing beyond the current SMS or app campaign emerged. This report outlines both the aspirations and frustrations of major marketers from brands like Anheuser-Busch, Beam Global, Caesars Entertainment, Coca-Cola, Eastman Kodak, Four Seasons Hotels and Resorts, JP Morgan Chase, NASCAR, PC Mall, Royal Caribbean International, Sony Entertainment Television, Turner Entertainment Networks Asia, Unilever, Virgin America, and Wyndham Hotel Group as they set out to develop more comprehensive mobile relationships with their customers in this new customer-to-business marketplace.

SUMMARY OF KEY FINDINGS

The marketer's appetite for mobile is largely fueled by consumer consumption, the relevance mobile has within the context of customer engagement, and the perceived overall value of the channel. According to 35 percent of marketers, mobile device usage is growing as evidenced by the increased penetration of tablets, smartphones, eReaders, and laptops. Another 20 percent see consumers having a greater reliance on mobile devices for business processes, whereas 19 percent see a high degree of adoption and use of multiple devices across their customer base.

Thanks to this reliance on mobile, marketers see an opportunity to leverage this dependence to better target and reach their consumers. "Mobile gives me the ability to add value to every customer engagement through deep personalization and a real multi-screen experience," explains one marketer. But overall, the responses to the "Engage at Every Stage" study indicate that mobile is being leveraged as a disconnected and standalone tactic and not as a comprehensive strategy based on a customer engagement model where the point of engagement begins and ends with the consumer.

What is revealed is the need for a mindset shift, where the interaction and engagement is not dictated by a pushed message, but by where and how the customer identifies value and need. One online respondent summarized the value of mobile most succinctly. "Mobile lets a customer interact on their terms, when they have the need, and for what they want to consume. It changes the game for me as a marketer and makes me think about marketing from a purely consumer-centric view."

According to 55 percent of respondents, the fact that mobile is an always-on and highly accessible channel to the customer is an essential benefit. Also high on the list is the ability to target and customize engagements (51 percent).

Of greatest interest to marketers are those mobile options that increase frequency, success, and relevance in consumer experiences. According to half of respondents, messaging and communications options are of most interest. Other key applications include social media interactions (35 percent), value-added service delivery (34 percent), rich media content delivery (33 percent), and search and location optimization (31 percent).

Relevance plays a large role in why marketers see such great opportunity in mobile, as many feel they will be able to reach the right audience in a more timely, cost-effective, and direct manner. In fact, 49 percent of marketers believe mobile will help influence customer interactions by providing a more personalized and relevant experience. This personalization and increase in engagement, according to many of our quantitative and qualitative respondents, will lead to new avenues of engagement that will prove, in the end, to be a competitive advantage for the brand.

Primarily, marketers are looking for this edge through value-added services, and 34 percent of respondents also see the ability to increase the frequency of communications as a key way that mobile can influence consumers. "Mobile can create a significant competitive advantage if done correctly due to its ability to provide deeper levels of engagement through instant, two-way communication," comments Lucas Herscovici of Anheuser-Busch. "Our connection strategy is to focus on our fans because we believe that by having our fans engage with us, they will talk

What Makes Mobile Essential to the Marketer?

1. Always on and accessible

2. Targeted and customizable

3. Preference and dependency of users

4. Low-Cost and efficient

5. Global reach and immediacy

positively about us and bring in new consumers. So if mobile is relevant for our fans, we need to use it—it's that simple."

Brands who are adopting strategies based on a continuous, repeatable, and connected mobile relationship are seeing these benefits play out as more consumers are using—and demanding—even more mobile engagement opportunities.

"More than 60 percent of our guests check into our hotels using an iPad compared to zero three years ago," says Susan Helstab of Four Seasons Hotels and Resorts. "Providing consumers with relevant information at the right moment leads to higher levels of engagement, loyalty, and ultimately conversion. In order to do this, we have to maintain a clear, customer-centric view of everything we do, and that involves breaking down all of the silos."

But despite the high levels of interest, excitement, and investment that seem to be sparked by the mobile channel, marketers are struggling to completely embrace a fully connected and integrated mobile relationship. Most telling is that only 16 percent of marketers currently have a comprehensive mobile relationship marketing strategy or plan, and when asked where and how mobile fits into the overall marketing mix, only 18 percent of marketers indicate they will be embracing a comprehensive mobile relationship marketing strategy. With most respondents indicating that their strategies are largely a work in progress, it should not be a surprise that only 14 percent of the marketers surveyed feel they are successfully using mobile to activate their consumers.

Lack of technical understanding is not the issue, but access to qualified talent may be. Most marketers admit to having a growing knowledge of mobile technologies, while only 14 percent of respondents admit they only have a limited or very basic understanding of mobile marketing technologies. But in the face of this interest, 47 percent of those marketers who are not satisfied with their current mobile progress point to a lack of resources and talent to develop and execute mobile engagements. A deficiency in strategy, including the ability to develop creative campaign executions, is also a major roadblock.

In fact, for many marketers, mobile has emerged as just another channel of engagement, leveraged more for its ability to push messaging through a more cost-effective channel. To date, marketers have focused mobile executions and activities around notifying and informing customers (51 percent), delivering content and services (43 percent), and promoting and advertising brands or special offers (37 percent). And marketers, for the most part, are seeing success, albeit in moderate degrees; 27 percent have seen "good" results, and 24 percent have seen "moderate" results. However, many marketers (26 percent) admit that their current investments have yielded inconsistent results at best.

Given that marketers are looking to deepen relationships and improve service, it is surprising to see that mobile is not being widely activated as a service and support agent. Also low on the activity list are those campaigns or tactics that put the customer in control and acknowledge this shift to a customer-centric mobile relationship. Only 15 percent are using mobile to trigger consumption of a product or service, 18 percent are acquiring or reactivating customers, and 18 percent use mobile to enable transactions. Many marketers are also overlooking the ability to gather real-time insights (19 percent) and support customer care and handling (23 percent).

Marketers are getting into a mobile groove, as there is a high level of understanding that web content does not equal mobile content. Forty-one percent are just looking to repurpose online content and make it more accessible across a multi-screen engagement. "A greater level of investment and focus is starting around mobile applications rather than desktop experiences," explains Llyod O'Connor of JP Morgan Chase. "People are conceiving ideas around the mobile experience and then retrospectively considering how they can apply the experience to other channels, so it has been a bit of a mindset reversal."

In fact, many experts believe that the customer engagement model must start at the point of mobile engagement and then extend across other web-enabled touch points. But oftentimes, this process can be costly, confusing, and daunting as it will require a cultural shift to a more CtoB engagement mindset. "The accessibility offered by mobile is an extremely positive thing, partly because it's such an individual medium. But as a result, we as marketers have to think about creating a model that ensures customers are only contacted when they agree to it," says Danish Kan of Sony Entertainment Television–India.

Marketing should aspire to a more dedicated multi-screen experience that can connect and integrate unique experiences through each engagement channel, including mobile. While marketers are looking to translate content into mobile formats, only 24 percent of respondents intend to develop content that is unique to the mobile channel. Our best-practice leaders interviewed for this program point to a more broad and fully connected experience that spans across two or three screens to the every-screen experience.

"We take a three- to four-screen approach because at any given time, consumers can be watching television, on their computers, or using smartphones or tablets," says Kelly Doss of Beam Global. "We have to look at that and understand how the consumer is engaging and socializing."

For others, the multi-screen approach means that mobile may, in specific scenarios, take a back seat, but it must be part of the equation as that position may switch depending on the behavior of the consumer. "The immediacy of the consumer touch point is very beneficial, and Turner Broadcasting System in APAC looks at mobile with respect to other devices [as in second-screen usage]," says Benjamin Grubbs. "For example, within homes, Turner can create a participatory environment for the consumer that positions the mobile phone or tablet as a complement to the TV screen. Outside the home, however, mobile becomes the primary screen."

What was most surprising was that less than one-third of the panel planned to look at mobile advertising. Only 29 percent of marketers are looking at mobile advertising opportunities to reach customers through already-established and valued mobile content channels. This is likely tied to the fact that 26 percent of marketers believe that their current mobile investments have yielded inconsistent results. To date, marketers are primarily testing or allocating mobile marketing dollars across social media (69 percent), search (54 percent), and news and information channels (40 percent). Marketers are investing less across opportunities that have the potential to leverage mobile content to connect across a multi-screen environment like interactive entertainment channels (15 percent), video (15 percent), and music (12 percent).

Strategy and direction are also factors specific to investments in mobile advertising, as some marketers indicate that mobile is being leveraged for relationship and engagement rather than brand building.

"If you can provide relevant, engaging content that adds value for consumers, they will be more likely to have greater engagement with your brand," says Judy Chen of Earthbound Farm. "No longer is advertising about telling consumers why a company is great; it's about how they can add value to a consumer's life."

This disparity in the desire to invest in mobile and the intention to optimize mobile advertising shifts dramatically specific to local marketing strategies where the connection between mobile, social, and local engagements have yielded significant results. While marketers have been actively investing in key applications like messaging (49 percent), social interactions (35 percent), opt-in value-added service delivery (34 percent), and mobile commerce (33 percent), only 15 percent are looking to leverage mobile's ability to drive traffic to retail locations.

Yet best practice leaders are making this SoLoMo (social-local-mobile) connection, using mobile as the connector between the social and local experiences. According to Jay Altschuler of Unilever, this SoLoMo convergence is the "holy grail" for marketers today, as mobile allows a brand to get closer to a relevant, valuable customer in a new, interactive, real-time experience. "Ultimately, we follow our consumers and their needs, and what we're seeing is that mobile is a key tool in the way people shop. We are working with retailers, carriers, and manufacturers to determine the best way to approach mobile."

Major global brands are identifying key SoLoMo campaigns that have provided the engagement consumers desire while yielding the return marketers are mandated to achieve. For entertainment brands like Caesars Entertainment, mobile represents a new opportunity to continue an engagement beyond the confines of a property or casino. "Customers would come to us, enjoy their experience, and that would be the end of it," says Jeffrey Boorjian. "But now, we know it doesn't have to stop there. Customers may leave, but they can stay connected through apps, social media, and other digital and mobile platforms."

Coca-Cola has also successfully leveraged mobile and social to help thirsty customers locate their nearest vending machine location. Brad Taylor of the Coca-Cola Company explained that the company has a "PUSH! + Play" app that enables a consumer to locate the nearest Coca-Cola Freestyle machine to them, view all of the different beverages, and then provide feedback on the drink they dispense. And the innovation and engagement will continue to develop, according to Taylor. "We're also looking to add geo-fencing functionality to that app so we can do more targeted mobile marketing through alerts and app-to-person engagements."

Industry expert and analyst Peggy Anne Salz highlights the Starbucks mobile experience as another best-practice example. "Starbucks is a great example because they use mobile to get people into the stores and integrate that back into the loyalty program." She goes on to explain that via the mobile experience, a consumer is encouraged to engage, consume, return, gain value, and then continue the process as the consumer desires. "It's far too expensive to not think about an ongoing campaign that focuses not only on acquiring customers but keeping them as well."

Until now, mobile has largely been led by in-house teams, who are not only being seen as the primary architects of the strategy, but also the most trusted resources and experts in mobile. This may explain why marketers have a narrow view of where mobile can impact the overall business, as mobile content experts and platform innovators are largely being left out of the strategy and execution mix.

Even through interest is high, skepticism still exists, as many marketers feel that today's mobile channel is filled with false claims, unmet expectations, lack of visibility, and a general lack of best-practice leaders. An overwhelming majority of respondents (77 percent) are calling for more case studies of best practices or success stories. More than half of marketers surveyed would like to see less complexity and carrier control of the mobile ecosystem—a sentiment likely being exacerbated as more brands kick off the development of over-the-top content that most carriers dread as it has the potential to further strain already limited networks and bandwidth. Interestingly, 30 percent of marketers complain of false claims from providers and vendors while 36 percent are demanding more visibility and accountability of providers and vendors in the marketplace—two key points that help bring the decision to keep mobile in-house into focus.

And considering that digital marketing priorities seem to be directing mobile priorities, it is not a surprise that marketing is looking to apply digital measurement standards to the mobile relationship. Marketing is measuring mobile through user feedback and repeated use of content (38 percent), the volume of mobile app downloads (33 percent), mobile transactions (26 percent), and conversion rates (26 percent). And similar to web and digital metrics, marketers are giving less weight to issues

like customer affinity and loyalty (17 percent), audience quality and reach (10 percent), and consumer referrals (8 percent).

But despite all of the skepticism and challenges, marketing is firmly committed to advancing mobile. In fact, 53 percent of respondents have or are developing a dedicated team assigned to mobile programs, and 51 percent are looking at ways to further mobile marketing capabilities through internal training and development. But key to the advancement of mobile strategy will be a mindset shift to view mobile as a relationship catalyst rather than another random act of marketing.

CONCLUSION

MRM will transform the marketing mix and enable brands to "Engage at Every Stage" of the consumer lifecycle. An effective MRM strategy will integrate social interaction; customer insight gathering and analytics; consumer engagement and loyalty; market listening; purchase incentive or inducement; and lifetime revenue optimization, all through optimized use of the mobile channel.

Operationalizing MRM will help companies across multiple industries maintain continuous customer touch and interaction, sustained support and service, closer and more dependent connectivity, as well as greater insight and intimacy. MRM has vast potential to create business value, improve process efficiency, trigger product consumption and use, further loyalty and repeat purchase, and increase customer feedback, assistance, affinity, and advocacy.

Marketers will continue to employ new mobile apps, location-based messaging, proximity marketing, and smart merchandising systems in-store to attract and engage consumers in any place where they are willing to interact, transact, or stay in contact with brands. This includes rich, content-centered, multi-screen experiences that envelop retail, sports, entertainment, destination, education, mass transit, and travel environments. But in order to achieve this fully connected brand experience, marketers will need to adopt new marketing models.

Serving as the guide rails for marketers developing robust experiences, MRM will spark the global brand shift to infinite digital interactions and instant consumer satisfaction. But marketers must embrace a mobile marketing mindset rooted in insights and intentions-based mobile relationship marketing systems and platforms that can truly connect, engage at every stage of the customer experience, and leverage those trusted third-party networks that span a true multi-screen life.

As the CMO Council continues its conversation around MRM—next introducing a new framework that will connect and combine the key drivers and mandates of an MRM strategy—campaigns will evolve and best practices will be shared across the global peer-powered network.

Expert Perspective

PANDORA®

Nothing in our lifetime has made such a sizable transformation to the marketing landscape than the smartphone. The rapid adoption of the device among consumers is astounding. In five years, the adoption rate of smartphones among US consumers leapt from single digits in 2007 to more than 50 percent today, and it is projected to be 75 percent by the end of 2013, according to Nielsen.

These devices have had a pronounced impact on consumer behavior, and they are by far the most intimate and immediate conduits to consumers. It is this rapid adoption and the intense personal connection they carry that are emerging as key drivers for marketers to quickly adapt and seek answers in understanding how to tap into the power of these always-on devices to engage consumers.

We at Pandora have been impacted by this shift in consumer behavior, too. We saw the shift on the horizon and readied our business by creating an outlet for our listeners to experience their personalized music via their mobile devices. In just three short years, listening patterns have taken a vastly new direction. In Q1 of 2010, only 12 percent of our total listening hours were streamed to a mobile device. Fast forward to today, and more than 75 percent of our 150 million registered users' total listening hours are being streamed to mobile. We attribute this seismic shift to the mobile platform's personal nature. Mobile is the perfect environment to enjoy a personalized music experience, and music is undoubtedly the most personal and emotion-evoking content; to deliver that powerful content on the most personal platform in a simple and seamless fashion, anytime or anywhere—well, that's a winning combination. We are entering an era of mobile renaissance, and Pandora embraces the opportunity to be at the forefront, delivering engagement to passionate, large-scale audiences.

Understanding how to harness the power of mobile to augment your brand's consumer relationship management is critical. Mobile is an intimate medium that will demand customization. There is no one-size-fits-all mobile relationship marketing (MRM) strategy. The way in which one person engages and utilizes the mobile device can be wildly different than another. And as device technologies become more sophisticated and widely distributed, so will consumers' habits. Staying on top of these trends is a core competency to achieving insight-driven MRM success.

Being on the cutting edge in the mobile space, Pandora has the distinct position to work with 37 of the top 50 advertisers. In fact, in Q2 of 2012, Pandora supported more than 2,700 brand marketing/advertising campaigns—both local and national in scale. Because of the volume of relationship marketing partner efforts we support, we are privy to thousands of approaches that marketers take to create meaningful and engaging relationship-driving experiences with consumers.

With that, we will leave you with three pieces of practical advice to develop a successful MRM effort:

- Reach: Seek out partners that can deliver your target consumers at scale.

- Personalization: Leverage the personalized nature of the mobile platform and put it to work for your brand.

- Relevance: Deliver a personalized messaging/experience at the appropriate moment.

Pandora is honored to have had the opportunity to partner with the CMO Council to bring you this in-depth look into the state of mobile within the marketing ecosystem and foster the conversations necessary among the marketing and advertising community to advance the knowledge and usage of mobile marketing to engage your respective consumers at every stage.
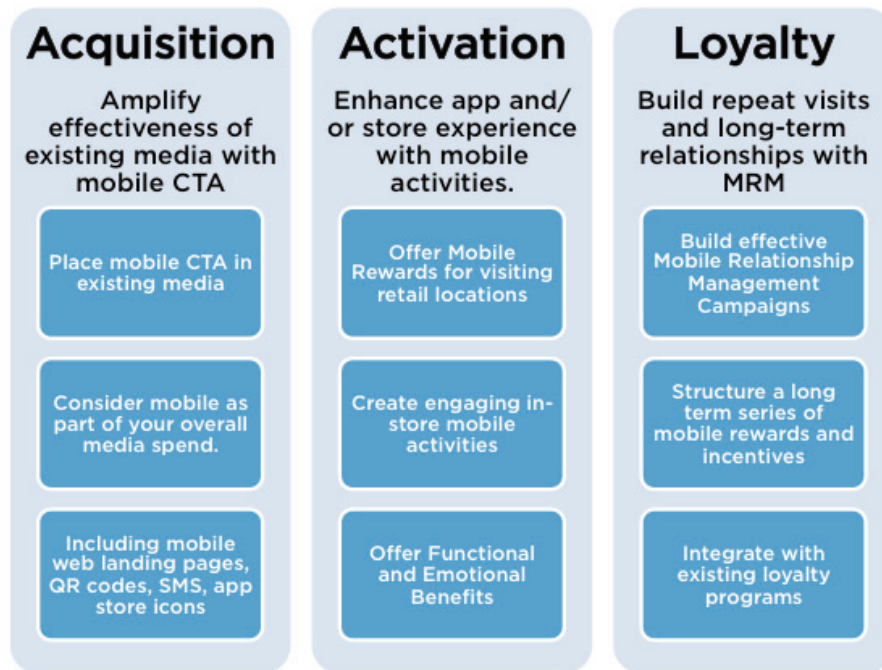
Expert Perspective

FunMobility Contributed Commentary

While many marketers today are anxious about mobile, the reality is that mobile holds the key to retail and brand success on multiple levels. Properly executed, an effective mobile strategy can amplify existing marketing investments, drive door swings, enhance the shopping experience, and create new customer insights. To top it all off, mobile is a low-cost, effective, and intimate mobile relationship management (MRM) tool. Mobile devices are always on, location-aware, and always with consumers. According to General Mills, 40 percent of shoppers now bring a smartphone into retail stores when they shop in order to perform comparison research, scan barcodes, and then alert their friends about their new purchase via social media; that number is going to grow.

How to Define a Mobile Strategy

Marketers need to keep three core elements in mind when designing a mobile strategy: acquisition, activation, and loyalty. These are the pillars of successful MRM. Let's explore what each term means when defining a mobile strategy.

Acquisition	Activation	Loyalty
Amplify effectiveness of existing media with mobile CTA	Enhance app and/or store experience with mobile activities.	Build repeat visits and long-term relationships with MRM
Place mobile CTA in existing media	Offer Mobile Rewards for visiting retail locations	Build effective Mobile Relationship Management Campaigns
Consider mobile as part of your overall media spend.	Create engaging in-store mobile activities	Structure a long term series of mobile rewards and incentives
Including mobile web landing pages, QR codes, SMS, app store icons	Offer Functional and Emotional Benefits	Integrate with existing loyalty programs

Acquisition

Acquisition is all about consumers finding your app (and yes—you want an app.) A mobile website is important, but apps are key. Consumers will spend four minutes using an app for every one minute they spend on a mobile website. Apps run faster, are easier to find, are more fun, are location-aware, and enable push alerts (more about these later)—all things that you want as a marketer.

As you may have heard, there are now hundreds of thousands of apps available to smartphone users. So how does a user find your app amidst these thousands? The key is to have some simple, mobile

call-to-action (CTA) that drives acquisition. For example, add a QR code to every store receipt printed in a given week or to your print media advertising. Savvy consumers and digital omnivores (who constantly need to consume digital assets) will recognize the QR code, whip out their smartphones, and scan it. To them, it's like buried treasure! When scanned, the QR code will display a mobile page where users can download your app.

Including any mobile CTA will immediately force-multiply all of your existing online and offline media buys. A mobile CTA is easy to drop into virtually any form of advertising and won't cost you an extra dime!

The Mighty Mobile Landing Page

Having said all that about app acquisition, the importance of a mobile landing page cannot be overstated. First, it creates an opportunity for you to immediately connect with the customer and drive them to download your app and establish a longer-term relationship. Second, a mobile landing page is an important touch point for measuring conversion across a variety of channels. With a properly executed mobile landing page, you can tell what media source best converts to app downloads (outdoor, catalog, QR code, SMS, in-store, email, etc.). Finally, even an "invisible" landing page that simply redirects to the right app store (iOS or Android, based on the consumer's mobile device) will tell you the conversion and drop-off rate between your acquisition source and the app store, letting you tune and tailor the message to optimize downloads.

A properly designed mobile landing page loads quickly, is easy to interact with, and displays the most important links upfront (like "Get the App!"). Using analytics, it tells you what media best converts to app download, what your drop-off rate is, and a wealth of other user data. By comparison, a standard web page displayed on a mobile device is a dead end.

Activation

Next, it's about activation. After consumers download your app, how can you use the app to keep engaging them and ultimately entice them to spend money in your store or on your brand or product?

Offering location-based rewards and incentives is a great way to encourage consumers to visit your store. For example, send a message via your mobile app that offers a free incentive if the consumer comes to the nearest store (which you can easily determine from the smartphone's location). A mobile reward can be a ringtone, wallpaper, a simple game, an e-card, or a coupon. For more advanced deployments, rewards can and should integrate with existing loyalty programs. But even simple, low-cost, or no-cost mobile rewards can be effective consumer motivators. The point is that customers know they will get something free, and that curiosity and fun factor will compel them to visit your store. In a recent promotion, Chiquita Brands drove 20 percent of their registered app users to visit a retail location simply for the chance to enter a sweepstakes. Consumers love free stuff and will visit your store to get it.

Once they are there, use that app in their pocket to further engage them and provide real utility value (time and money savings). Remember that General Mills statistic that says 40 percent of shoppers carry a smartphone into retail locations? With location information, the app can offer discounts to users while they are in the store. Mobile technology like FunMobility's MRM platform enables you to push an offer to the consumer's smartphone while they are in the store. The alert consists of a tone to get their attention and whatever offer you want, or you can push a simple trivia quiz about store items on sale. All this activity helps pre-empt the practice known as "showrooming," where users go online with their mobile devices in-store to search for lower prices.

Loyalty

The consumer has discovered your app, downloaded it, and as a result, visited your store or website. They've been rewarded with a free game or a discount coupon. So how do you keep that customer coming back (for more door swings)? The key lies in building relationships. We've discussed several ways to manage the mobile relationship through acquisition and activation; let's briefly discuss how these tools can apply to loyalty.

- **Push Messaging**

  Studies have found that there is an 80 percent higher loyalty rate for mobile consumers who receive push messages, and that more than half of app usage is driven by push messaging. Push technology is a relatively new marketing phenomenon (released as Apple Push Notification Service in 2009; Android has developed similar push technology). It uses a persistent, always-available IP connection to forward notifications (icons, sounds, or text alerts) to mobile devices. The beauty of push is that it provides two-way communication; when a user taps a push notice, you know about it and can capture that data for analytics.

  Push helps you to create and maintain an intimate, personalized marketing relationship with the consumer that offers both utility and emotional benefits. It acts as a quick and convenient connection (a cheerful, virtual "Hi there!") while saving users time and money. Users must opt-in to receive push messages, so they tacitly agree to this marketing relationship—that's a huge advantage to retailers! Segmenting users by age, gender, location, and mobile behavior helps you personalize push messaging and avoid "bad push" or annoying messages. Push notifications by their very nature are dynamic, engaging, and interactive—all of which increase the relationship bond.

- **Rewards and Incentives**

  Mobile users are mobile consumers. They crave fresh and engaging mobile content. A smartphone is a toy to a large segment of users, and you can provide a fun and easy way for them to play with that toy—and reward them for it! Mobile games, music downloads, and simple text or email notifications will keep your brand in front of the customer. Companies like FunMobility are pioneering a new generation of interactive AppWidgets (games, trivia quizzes, coupons, etc.) that can be added to mobile apps and used like push alerts.

- **Analytics and Campaigns: Know Thy Customer**

  Using push and other mobile technologies, you can design entire campaigns that include several mobile strategies that extend over a period of time. Real-time reporting and analytics enable you to tweak the campaign for the best results. User segmentation and targeting factor greatly into this process, and predictive algorithms will go far in identifying which user segments are most ripe/actionable for specific types of mobile content (coupons, freebies, games, etc.).

Mobile technology gives us many ways to gather analytics, some of which we have already discussed in this paper, including:

- Mobile landing page conversion rates—users who download the app from the mobile landing page

- Open rate, tap rate—users who respond to push messaging

- Return rate—users who return to the app or mobile page and how often they return

- Check-in analytics—send users a push alert that asks them to check in when they are in your store. This tells you which store they visit, how long they were there, and what mobile behavior they engage in while in the store. This data yields valuable business intelligence on primary, secondary, and undiscovered user segments that actually visit your retail locations.

Gathering, analyzing, and understanding this data is part of the new mobile marketing landscape. It can be easily done with the right software and guidance.

If you are a marketer who wants to take advantage of next-generation MRM, ask yourself these questions:

- What's my mobile strategy?

- What feature tactics support my strategy?

- What reward can I offer my consumers for visiting my store or engaging with my brand?

- How can I leverage MRM to build an ongoing relationship with my customer?

About the CMO Council

The Chief Marketing Officer (CMO) Council is dedicated to high-level knowledge exchange, thought leadership, and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide range of global industries. The CMO Council's 6,000 members control more than $300 billion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include more than 20,000 global executives in more than 100 countries covering multiple industries, segments, and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia-Pacific, India, Middle East, and Africa. The CMO Council's strategic interest groups include the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE), LoyaltyLeaders.org, Marketing Supply Chain Institute, Customer Experience Board, Market Sense-Ability Center, Digital Marketing Performance Institute, GeoBranding Center, the Forum to Advance the Mobile Experience (FAME), and the cause-directed research initiative, Pause to Support a Cause. More information on the CMO Council is available at **www.cmocouncil.org**

About Pandora

Pandora (NYSE: P) gives people music they love anytime, anywhere, through connected devices. (OK, we've added comedy as well so we're also up for playing some jokes you'll love.) Personalized stations launch instantly with the input of a single "seed"—a favorite artist, song, or genre. The Music Genome Project®, a deeply detailed, hand-built musical taxonomy, powers the personalization of Pandora® Internet radio by using musicological "DNA" and constant listener feedback to craft personalized stations from a growing collection of hundreds of thousands of recordings. Tens of millions of people in the U.S. turn on Pandora to hear music they love.

About FunMobility

FunMobility is a mobile industry pioneer defining the art and science of mobile engagement. The company has over 10 years of experience building hundreds of successful mobile social applications for carriers and brands that have touched millions of users and generated billions of interactions. FunMobility customers include some of the world's biggest companies, such as Verizon®, AT&T®, Disney®, Universal Music Group®, MTV®, Little League® Baseball, and Chiquita Brands® . The foundation of the company's offerings is the recently launched AppWidget Platform—a mobile relationship management suite that enables any business to effectively build ongoing relationships with an audience by delivering engaging mobile experiences. AppWidgets™ are cloud-based, HTML5 plug-ins that provide the power to send rich media and promotions via standard push alerts, segment and target users, analyze results, and optimize the user engagement loop, all in real-time. FunMobility is headquartered in Pleasanton, California with offices in San Francisco, California and Baltimore, Maryland. Follow FunMobility on **www.Twitter.com/FunMobility**,**www.Facebook.com/FunMobility**, or visit **www.funmobility.com** or **www.appwidgetplatform.com** to learn more about the company and its products.