

FEBRUARY 2018

THE NEXT MOBILE DECADE

*A report on the state of mobile
maturity, ten years after the
introduction of the iPhone.*

X.

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INTRODUCTION

*The power of
transformation.
In the palm of
your hand.*

Ten years ago, the iPhone came into our lives and our world was utterly transformed. Since then, mobile devices have changed the way we communicate, take photos, find our way, even find our soul mates. With the advent of new technologies like artificial intelligence and virtual reality, the next decade promises to be even more transformative.

Between September and October 2017, Adobe surveyed close to 500 marketers and IT professionals to explore current mobile trends and priorities, get a glimpse of where they're going with their mobile efforts, and learn what the most advanced organizations are doing to create the next wave of transformative mobile experiences.

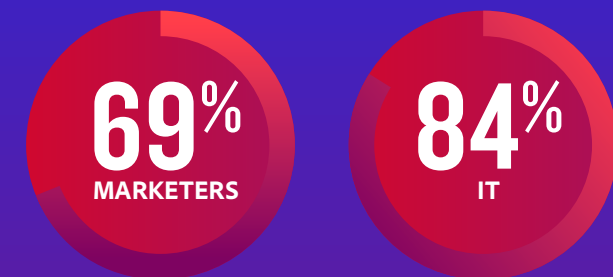
As the smartphone evolved, so did our approach to digital marketing.

Ten years into the iPhone and four years into our mobile maturity study, most enterprise companies have matured their mobile marketing to a point where it's treated as a key part of their overall marketing strategy. At least two-thirds of respondents say that both mobile apps and mobile websites are extremely or very important to their marketing strategies.

IT decision-makers report a much higher importance of mobile apps than their marketing counterparts. This year we saw a YOY decline in the importance of mobile apps and mobile websites for marketers, with more ranking them as "very" important versus "extremely." This might suggest that marketers are beginning to see mobile as a central component of an integrated strategy and no longer the hot new thing.

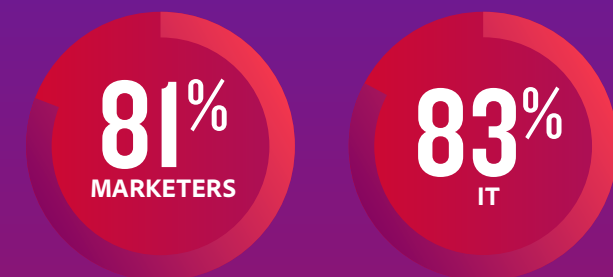
Importance to marketing strategy.

MOBILE APPS:



EXTREMELY OR VERY IMPORTANT

MOBILE WEBSITES:



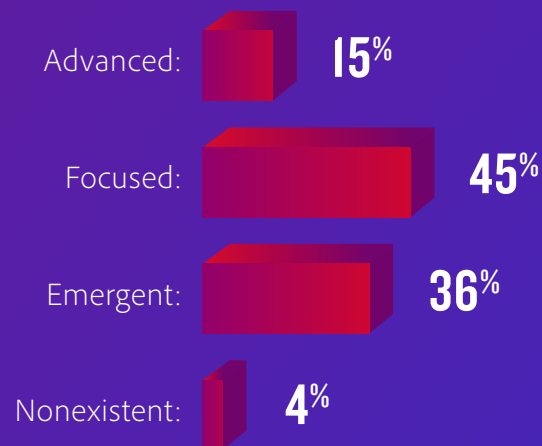
EXTREMELY OR VERY IMPORTANT

MOVING TOWARD MOBILE MATURITY.

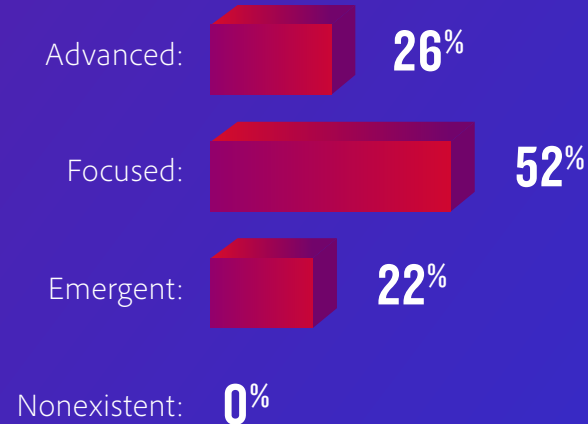
While companies are striving to create transformative mobile experiences, many of the numbers haven't changed much from last year. Most organizations feel they have further to go to reach mobile maturity.

2017 self-reported mobile maturity rating.

MARKETERS:



IT PROFESSIONALS:



DIGITAL MATURITY DEFINITIONS:

Advanced: data mostly integrated, best practices generally followed, automation common, strong technical skills

Focused: data and processes somewhat integrated, automation common, solid and expanding technical skills

Emergent: basic data integration, some automation, growing technical capacity

Non-existent: limited data in silos, no automation, no technical capability

A TWO-PART RALLYING CRY FOR THE NEXT DECADE.

Two overall themes pervade this year's findings. One, the importance of mobile is indisputable, and two, viewpoints differ between marketers and IT professionals.

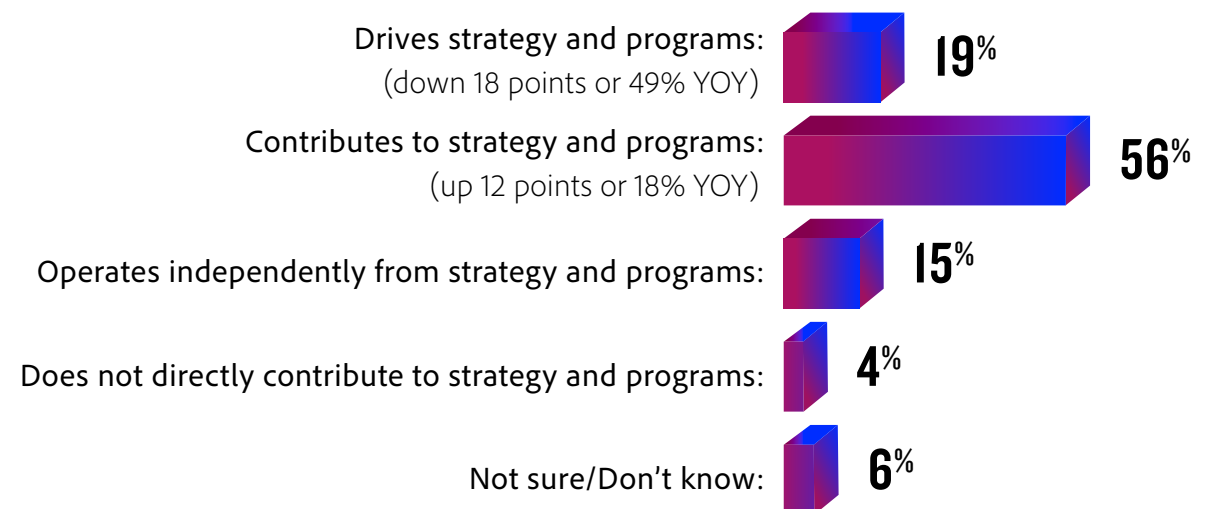
THEME I:

A transformative mobile strategy must be integrated, not isolated.

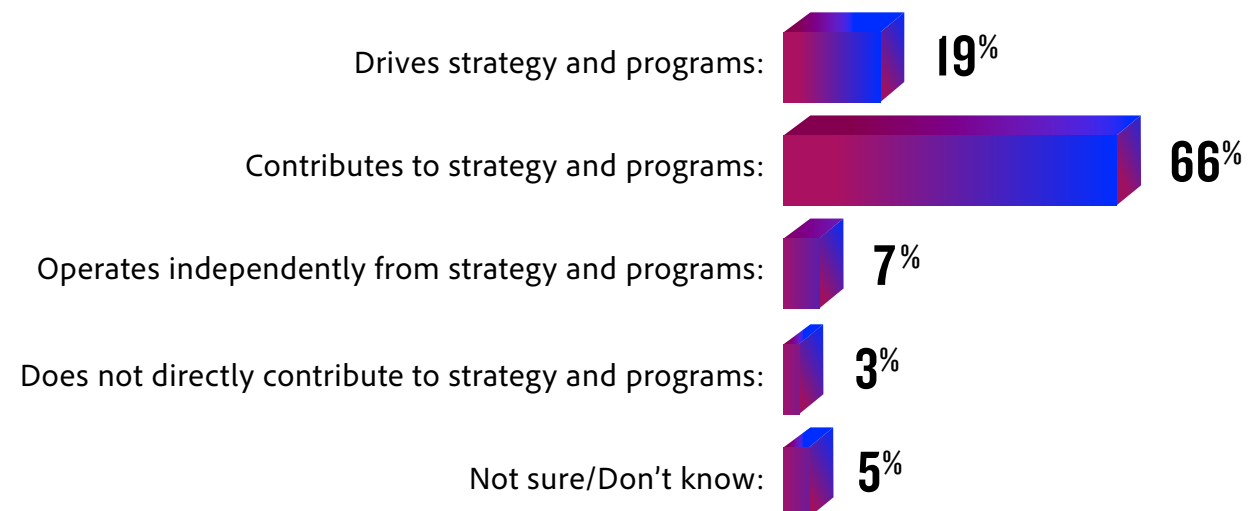
Seventy-five percent of marketers and 85 percent of IT report that mobile is finding its role at the hub of a fully integrated customer experience. While 20 percent of both groups say mobile drives strategy and programs, the number of marketers saying this was significantly lower than last year.

How mobile strategy contributes to customer experience efforts.

MARKETERS:



IT PROFESSIONALS:



THEME 2:

Transformative marketing and IT departments must also be integrated, not isolated.

Throughout this report you'll see that marketing and IT are still two very different groups with marked differences in their outlooks. This split is best illustrated by the divergent answers to the following question, "Who owns your organization's mobile app strategy?" Sixty-one percent of marketers say they own it while 81 percent of IT decision-makers say they do. This exposes a need for greater departmental integration and better collaboration. Transformative mobile experiences require engagement and communication across your entire organization.

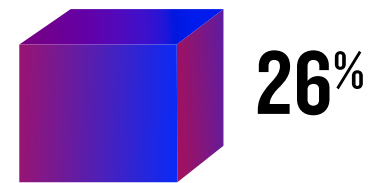
Who owns your organization's mobile app strategy?

MARKETERS:

Marketing department:

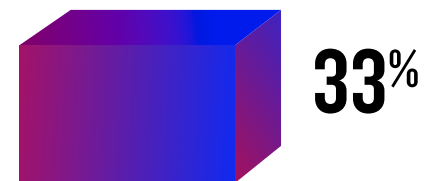


IT department:



IT:

Marketing department:



IT department:

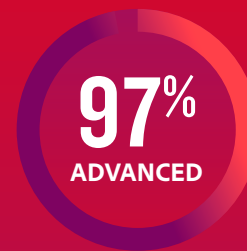


A screenshot of advanced mobile maturity.

The most advanced companies have made mobile apps and websites an integral part of their marketing strategy. They've put a leadership team in place, along with KPIs, and they're investing in web and app development.

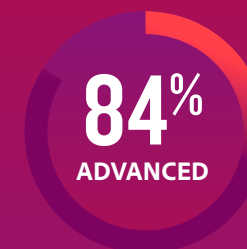
Profile of an advanced experience maker.

Say mobile apps and websites are extremely or very important to marketing strategy:



Have a central mobile leadership team:

Tie mobile objectives directly to business objectives:



Use personalization for mobile apps:

Invest in web development
(average annual investment):

\$9.6M
ADVANCED

\$3.6M
OTHERS

Invest in app development
(average annual investment):

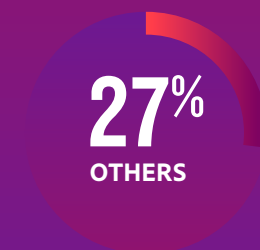
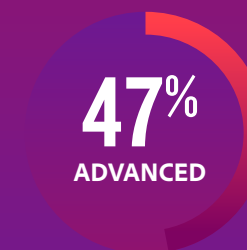
\$6.7M
ADVANCED

\$2.7M
OTHERS

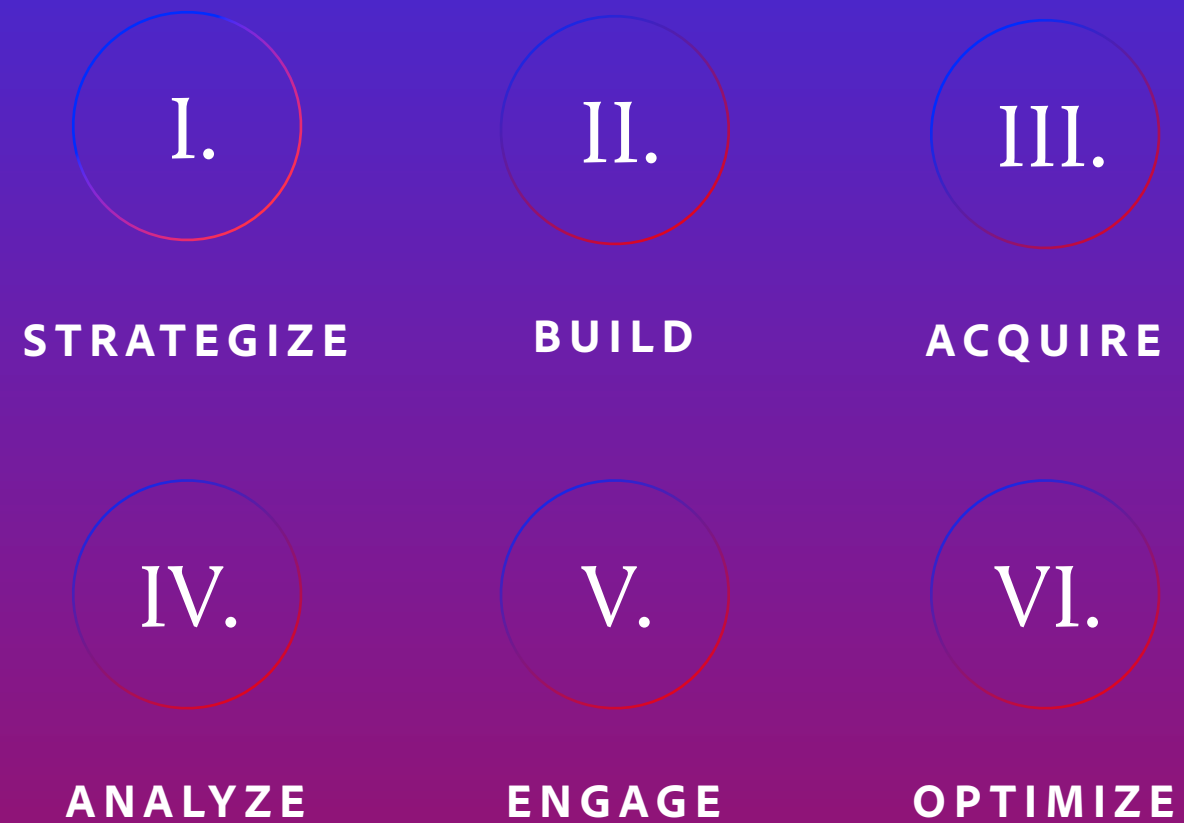
Have a defined strategy for virtual reality:



Have a defined strategy for artificial intelligence:



Chances are, your organization is more like the 85 percent of respondents who feel they still have further to go. With that in mind, we used the data from the survey to highlight six steps you can take to move toward advanced maturity and transformative mobile experiences:



I.

STRATEGIZE

THINK BIG PICTURE, BUT SMALL SCREEN.

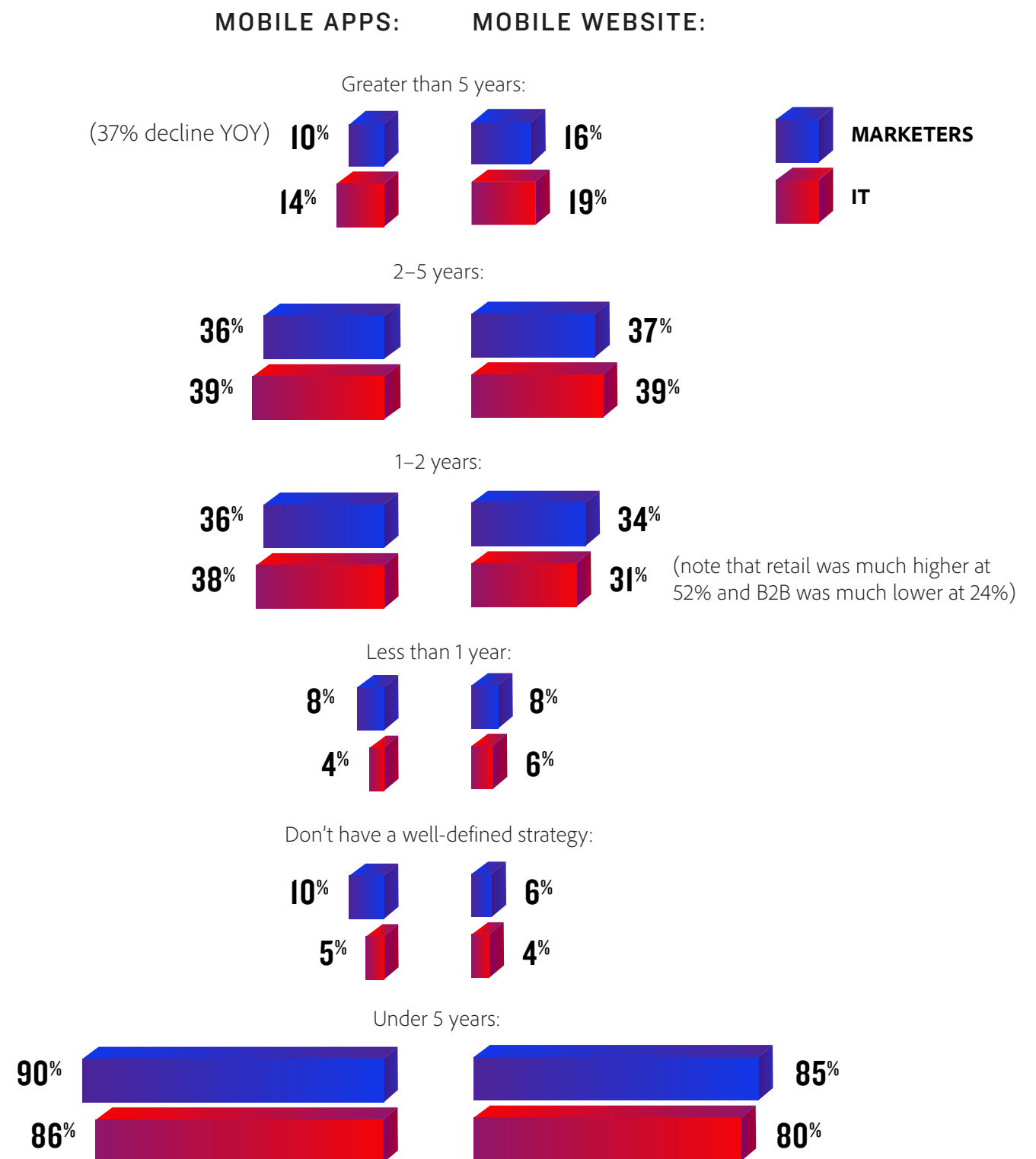
Ninety-five percent of adults now use smartphones.¹ And they're not just using them, they can't live without them.

¹ "Mobile Fact Sheet," Pew Research Center, January 12, 2017, <http://www.pewinternet.org/fact-sheet/mobile/>

To create transformative customer experiences, mobile has to be at the heart of your marketing efforts. Every customer experience has to be designed with mobile in mind—whether it's for a phone, a tablet, or another device. That means having a well-defined strategy with mobile-specific objectives. Yet most respondents haven't had a well-defined mobile app strategy for very long—if at all. And they're not that much further ahead with their mobile website strategies.

Media and entertainment companies are more likely to have had a mobile app strategy for more than five years.

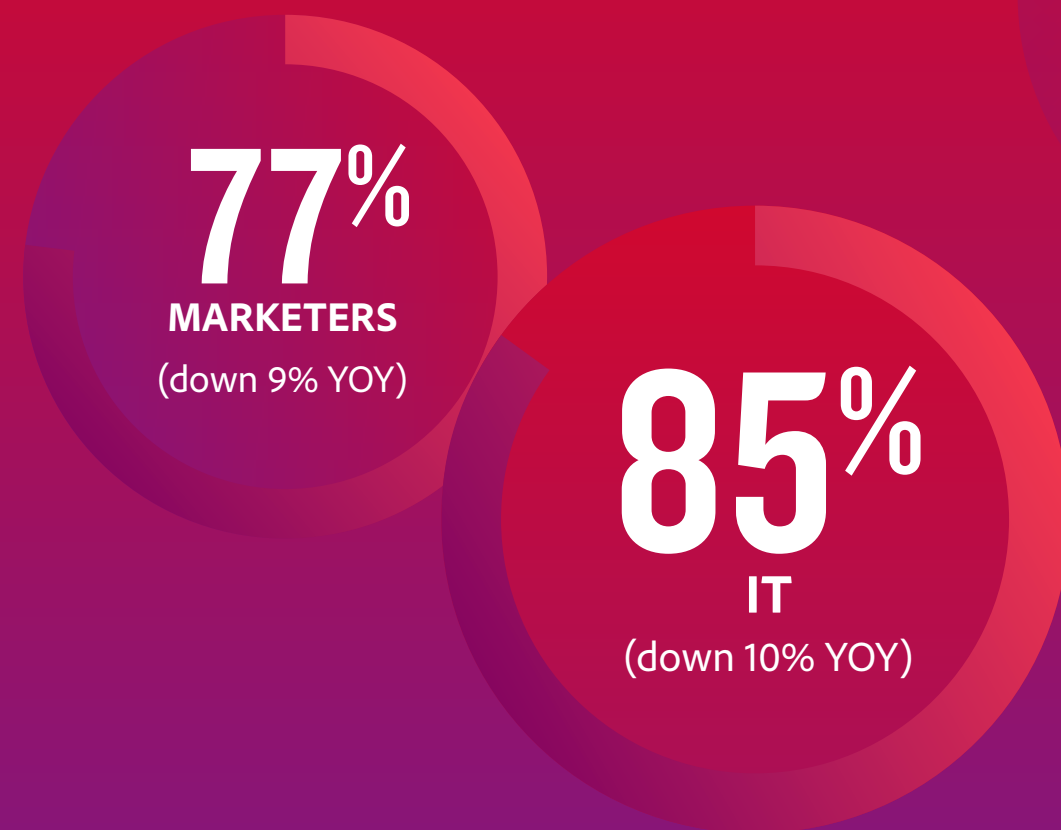
Length of time with a well-defined mobile strategy.



Mobilize your team.

Most respondents report having a centralized mobile leadership team, which demonstrates that their mobile strategy is not just an afterthought. But it's interesting to note that the numbers have declined since last year's study—perhaps suggesting, again, that mobile is becoming less of a standalone focus and is now being integrated as an important component into their overall marketing strategies.

Have a central mobile leadership team.



A KPI-ROI disconnect.

The vast majority of respondents say at least some of their teams currently have mobile-specific objectives or KPIs, but far fewer think those KPIs directly support overall business objectives.

Teams have mobile-specific objectives or KPIs to measure effectiveness.

MARKETERS:

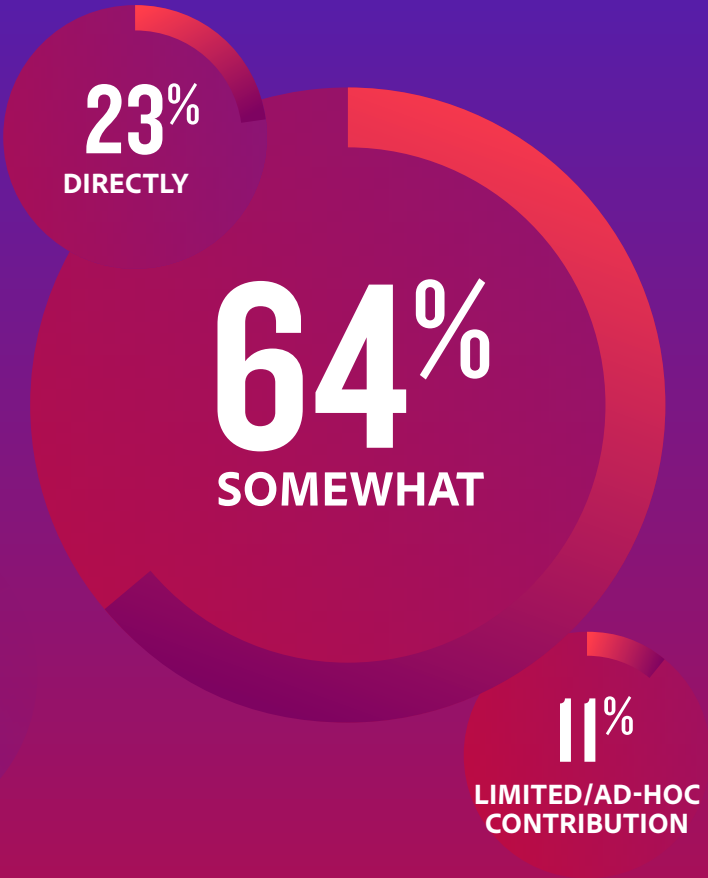


IT:

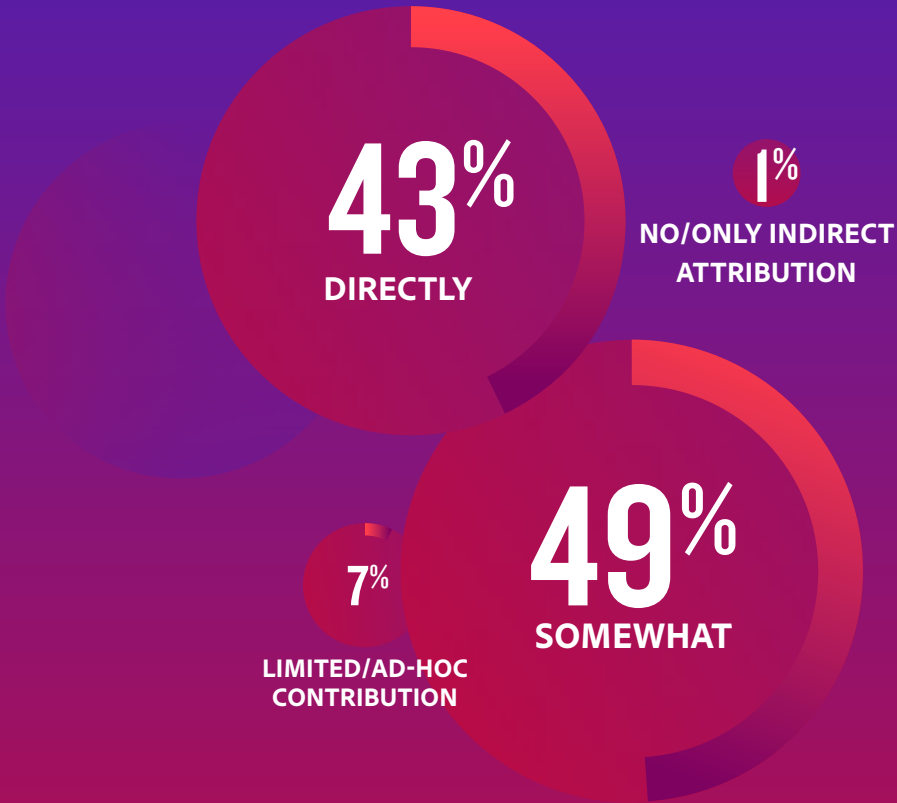


Say KPIs support organization's overall objectives.

MARKETERS:



IT:





II.

BUILD

PUT EFFORT INTO EFFORTLESSNESS.

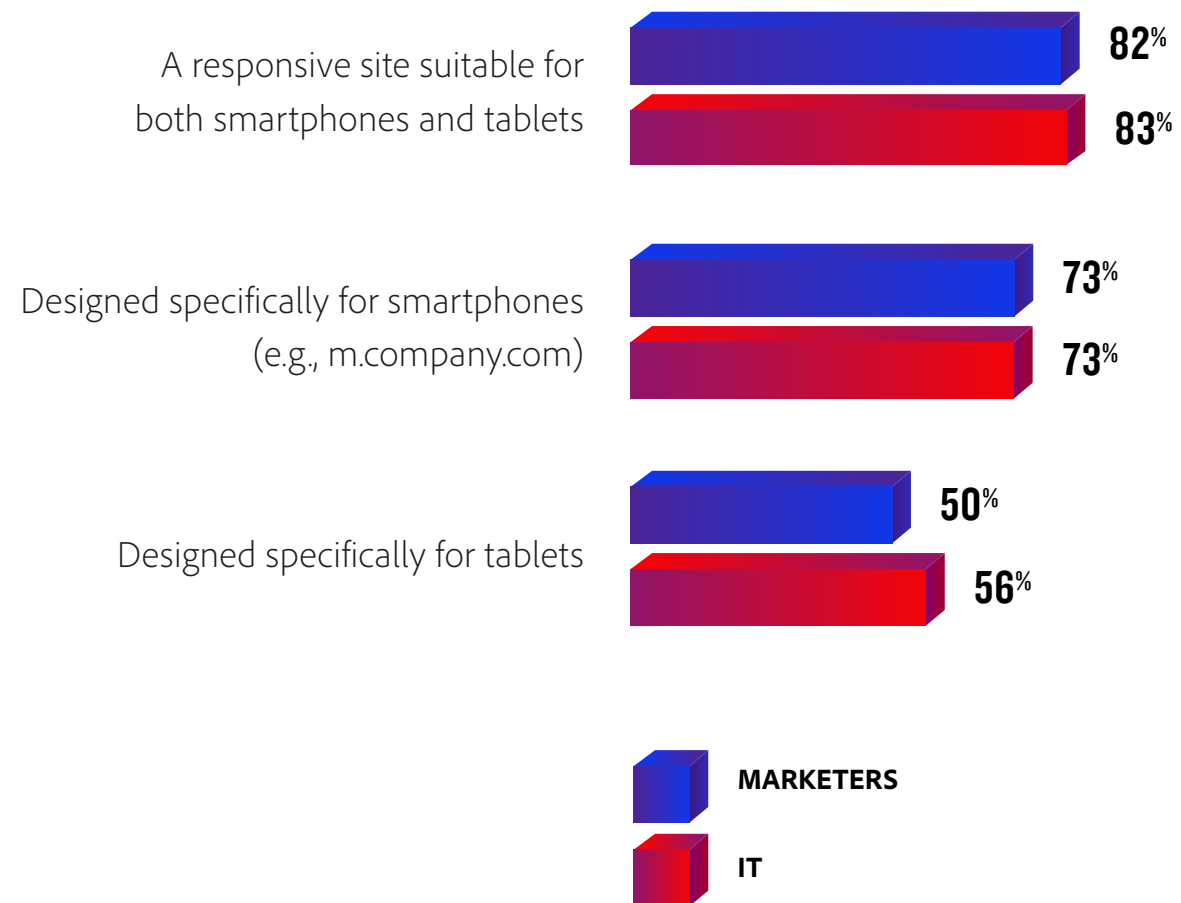
Every day, we use our phones to effortlessly do things—book a flight, deposit a check, buy shoes.

To create these kinds of intuitive mobile experiences, you need versatile content, broad capabilities, and agile processes—for both mobile websites and mobile apps.

Apps vs. mobile. Not one, but both.

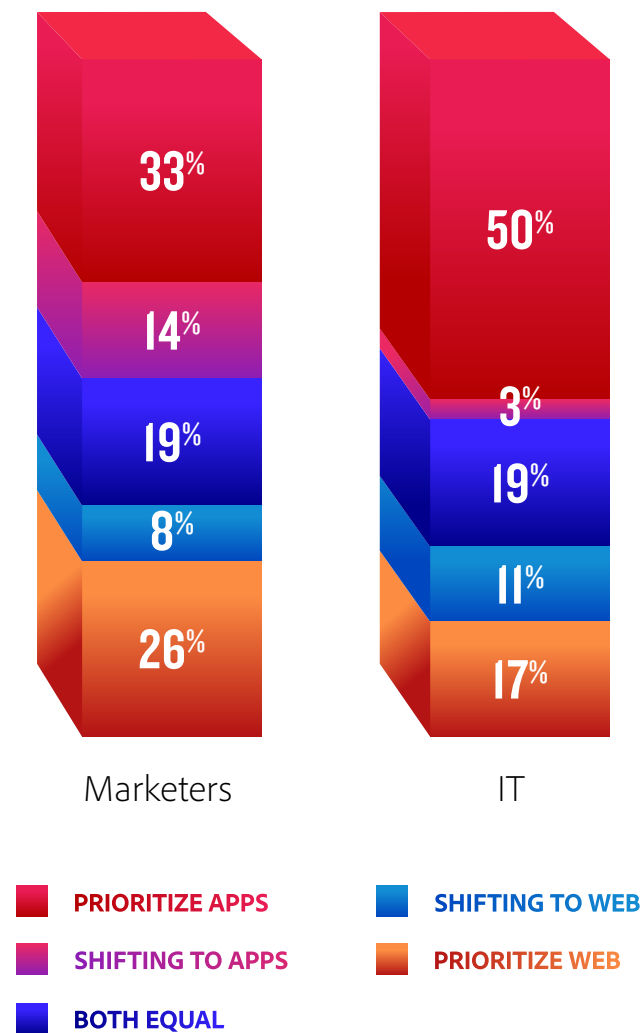
Like last year, mobile websites that are suitable for both smartphones and tablets remain most prevalent. Forty-two percent of marketers report having all three types of mobile websites (designed for smartphones, tablets, and both).

Currently have mobile website that is...



But both groups say they're somewhat more likely to focus their mobile efforts on apps over web, especially IT. One in five respondents plan to prioritize web and apps equally.

Focus of organization's mobile efforts.



Top reason for focusing on apps over web:

BROADER REACH/CUSTOMER PREFERENCE



Top reason for prioritizing apps and web equally:

BOTH ARE EQUALLY IMPORTANT

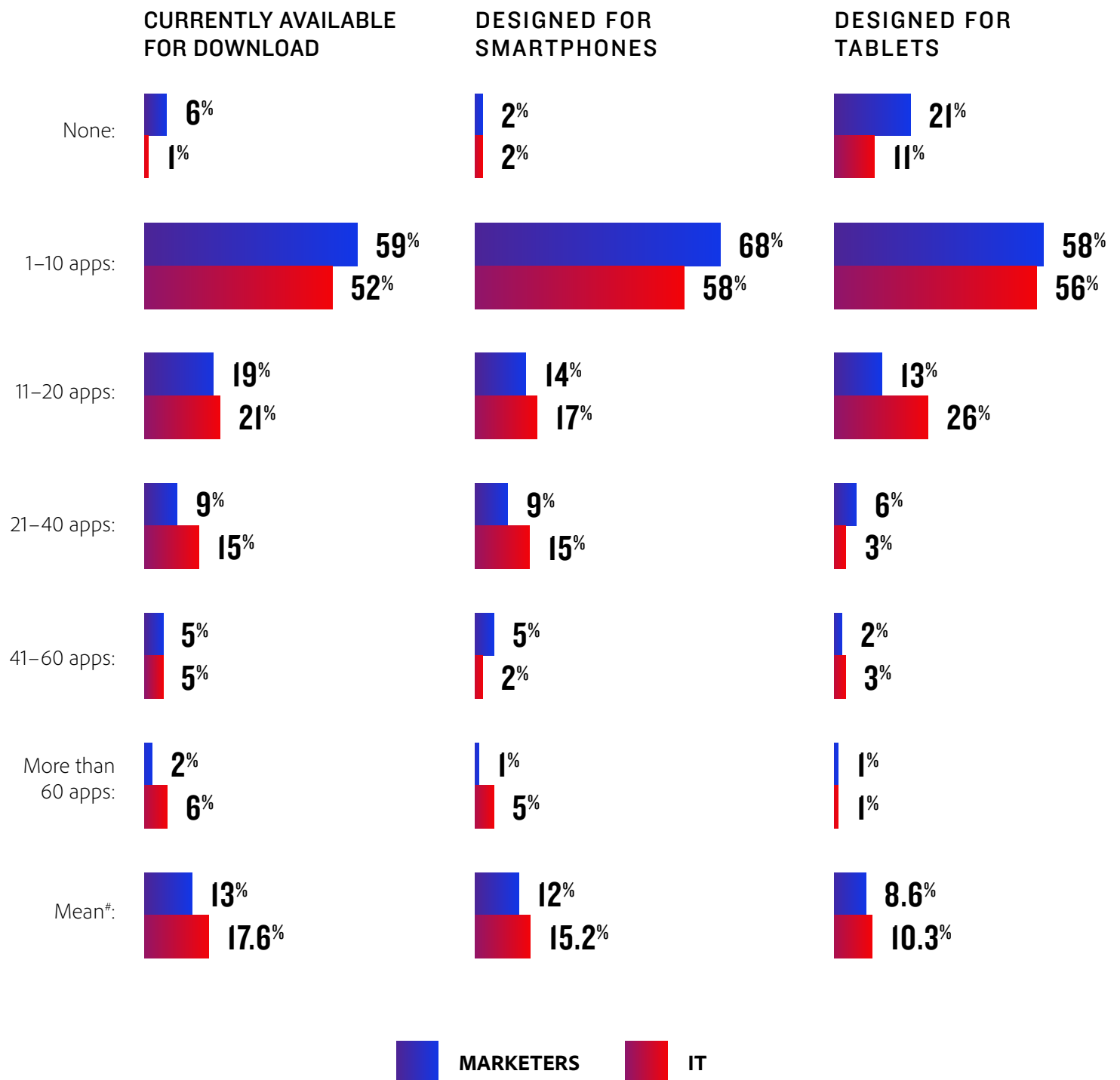


Less is more.

Companies are developing fewer—but more focused—enterprise apps. Marketers reported an average of 13 apps (down from 17), and IT professionals reported 18 (down from 21). This year showed a 52 percent increase in the number of IT professionals who say they have just 1–10 apps currently available for download. Are we nearing an app plateau?

B2B tech has the highest mean number of apps available for download (19), as well as apps designed for both smartphones (16) and tablets (12), while travel and hospitality has the fewest (an average of 7 available for download, 7 for smartphones, 6 for tablets).

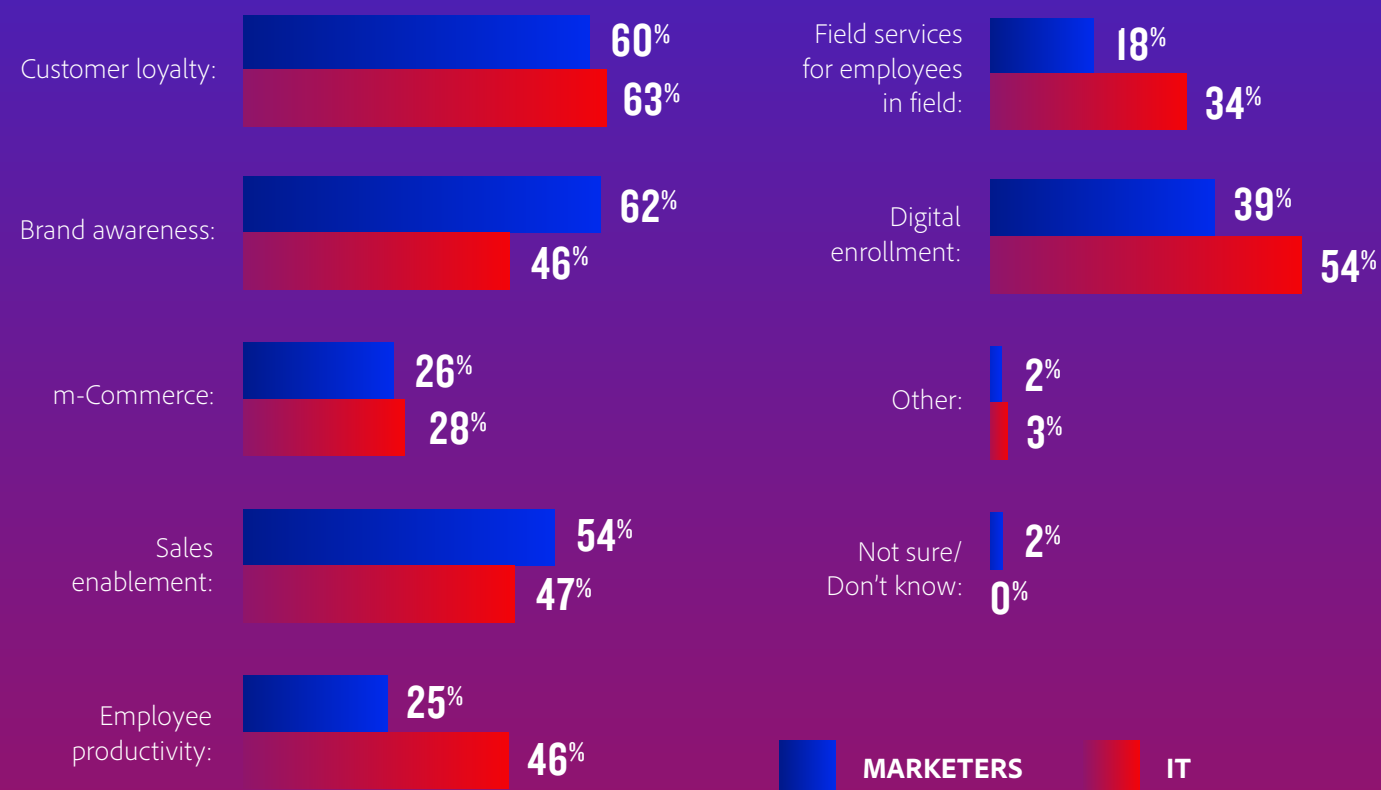
Mobile apps.



All about apps.

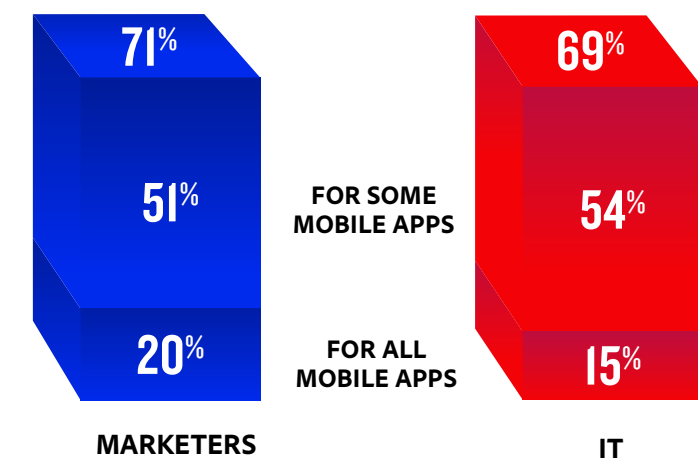
At least two-thirds of marketers and IT decision-makers report apps being an extension of their web strategy. The primary functions and use cases for apps vary, but customer loyalty is still key to both audiences.

Primary functions and use cases for mobile apps.

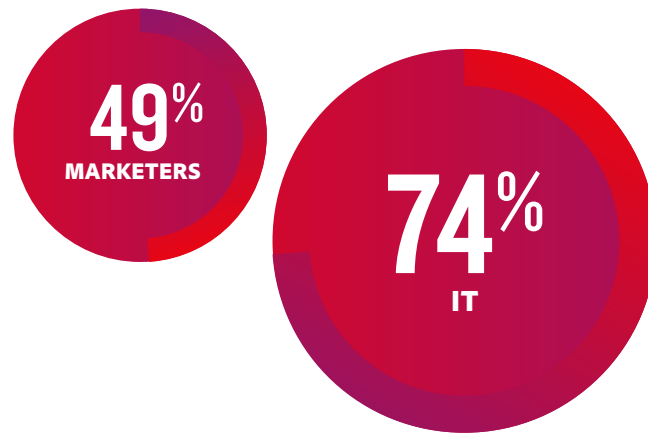


Most use third-party developers to build at least some of their apps.

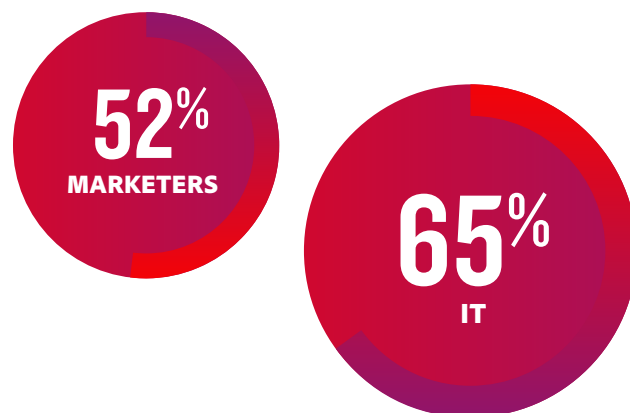
Uses third parties to develop mobile apps.



Build native mobile apps (e.g., Objective C, Java, etc):

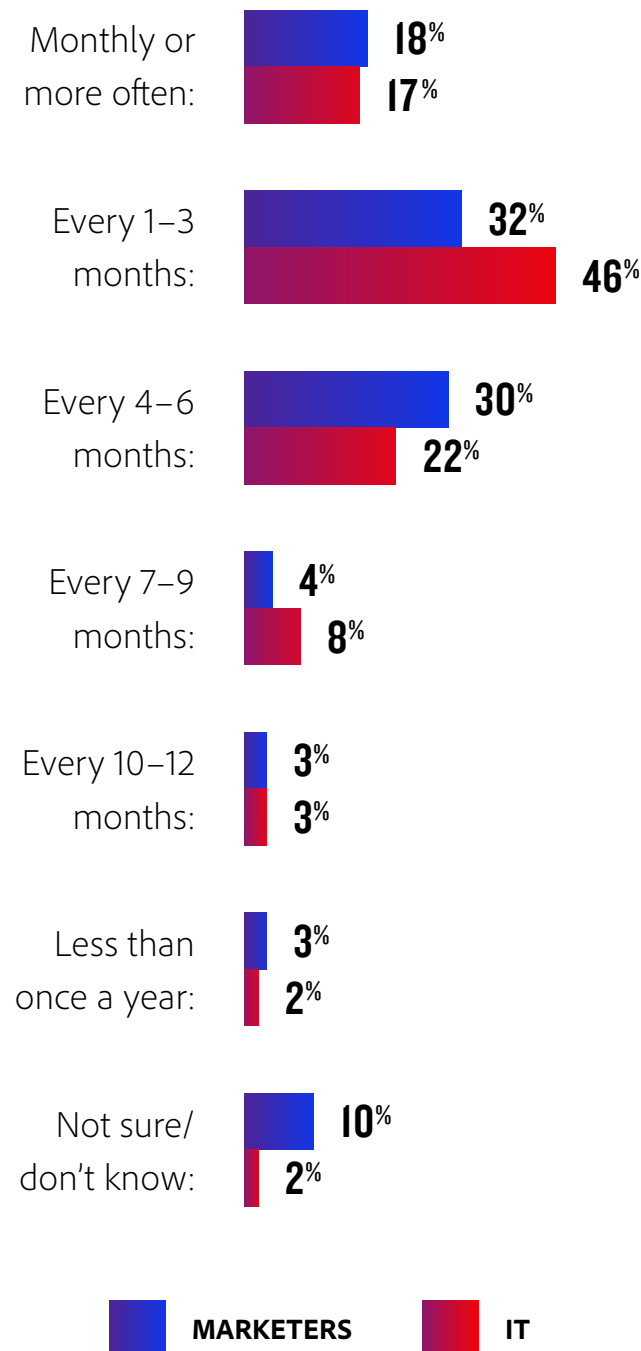


Build hybrid mobile apps (e.g., using HTML5, etc):



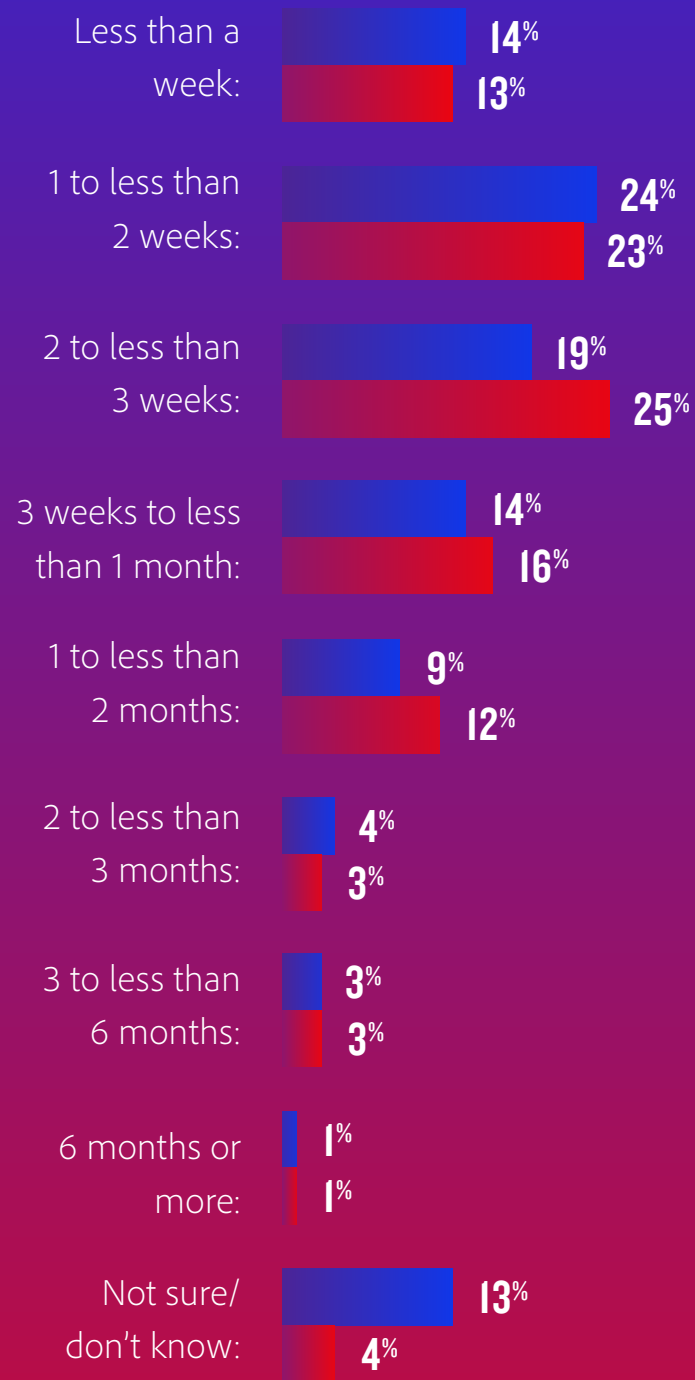
Updates are happening quite frequently, with about half of IT respondents updating every one to three months. Developers typically do the updates, which generally take less than one month to process and publish.

Frequency of updates.

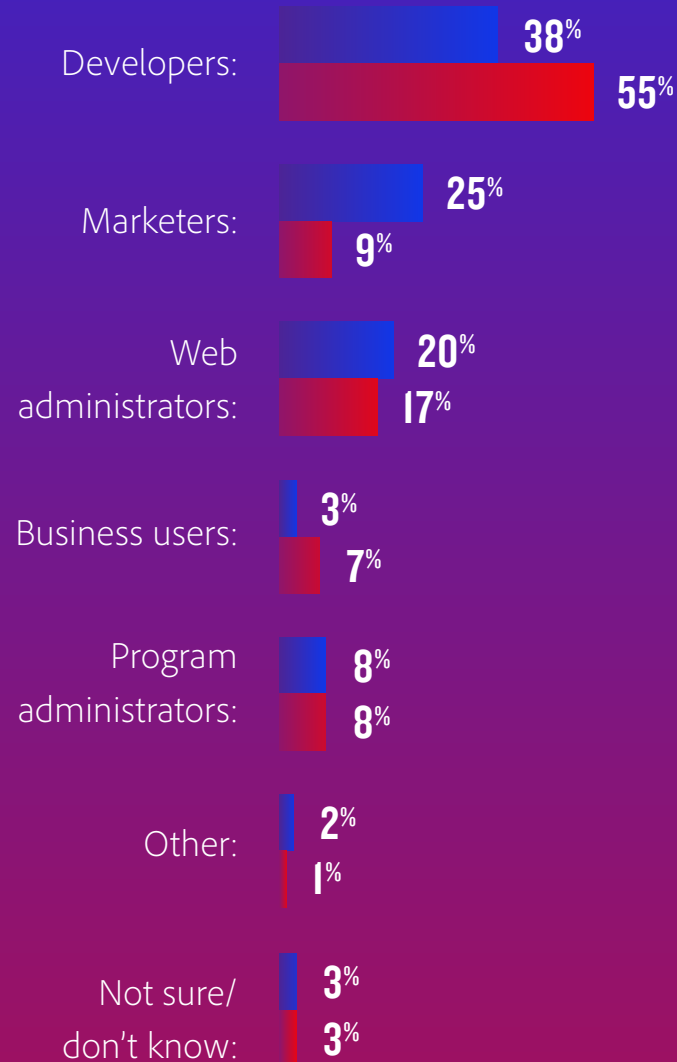


Almost a third of media and entertainment industry respondents say they update apps monthly or even more frequently.

Time to process/publish updates to apps.

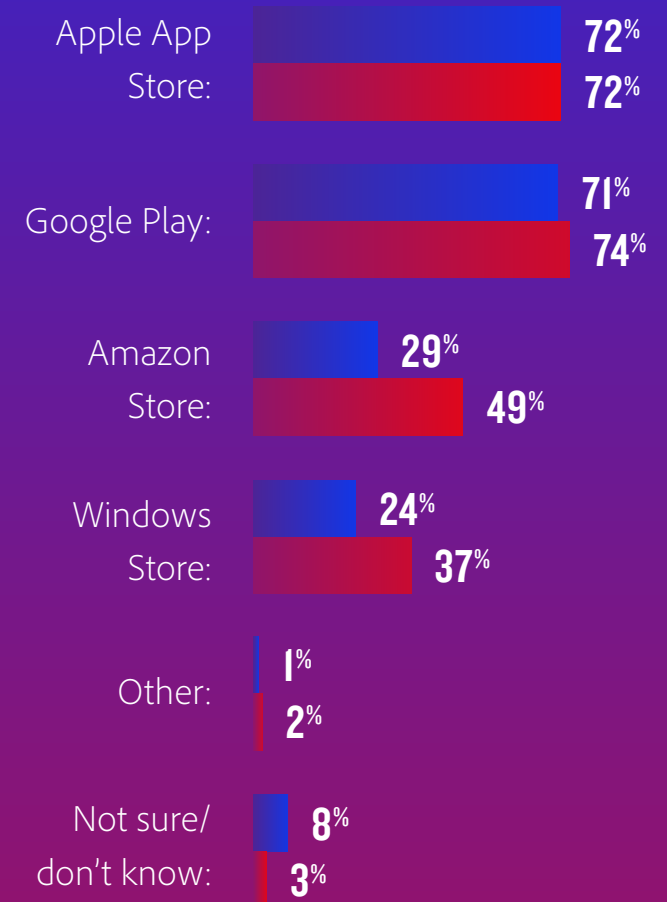


Primarily responsible for mobile app content updates.



MARKETERS IT

App marketplaces being used.

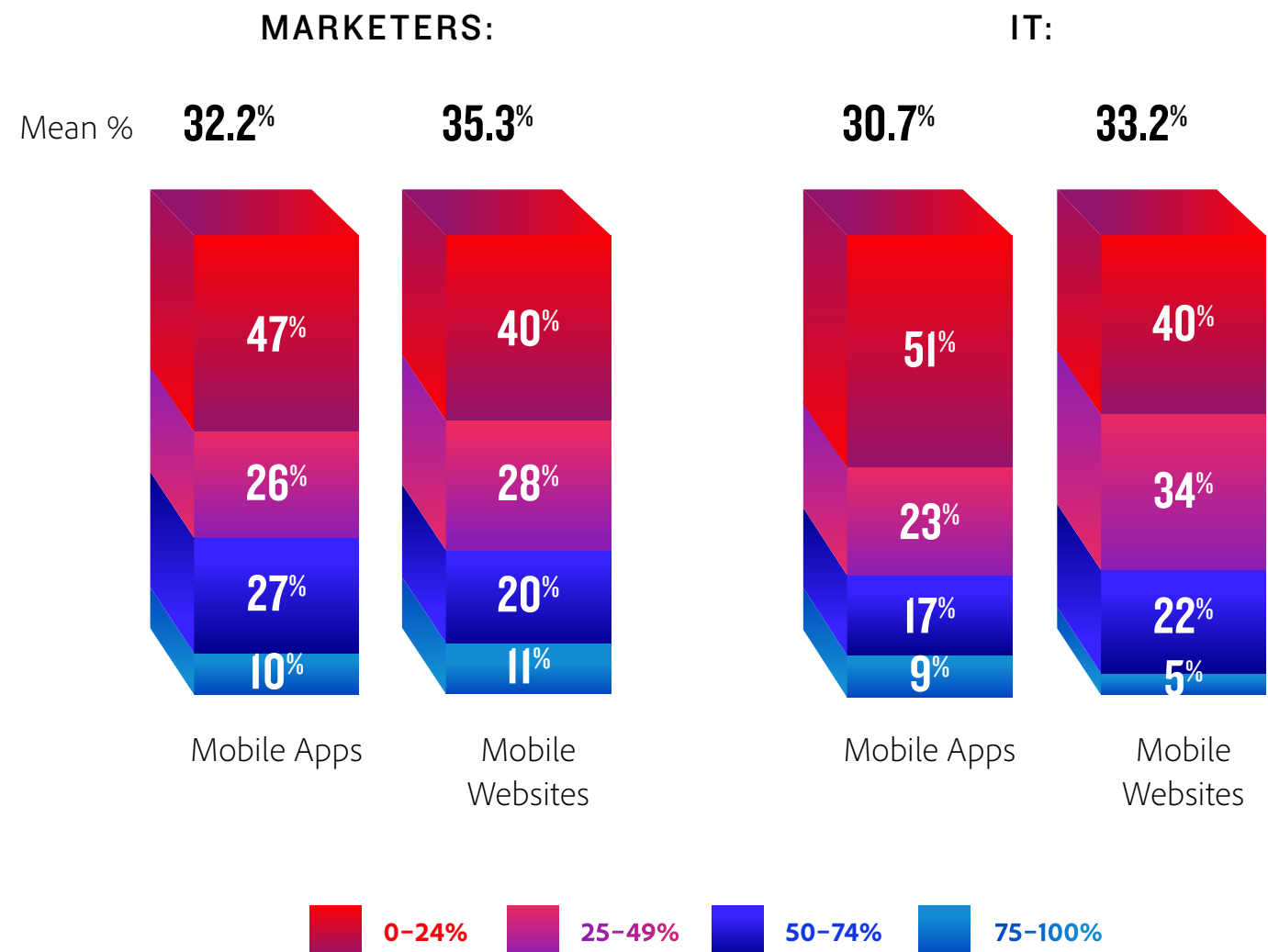


Developers continue to be the ones primarily responsible for updates.

Putting money behind mobile.

Mobile is exploding, and budgets need to keep up. Both IT pros and marketers say roughly one-third of current technology spend goes to mobile apps or sites.

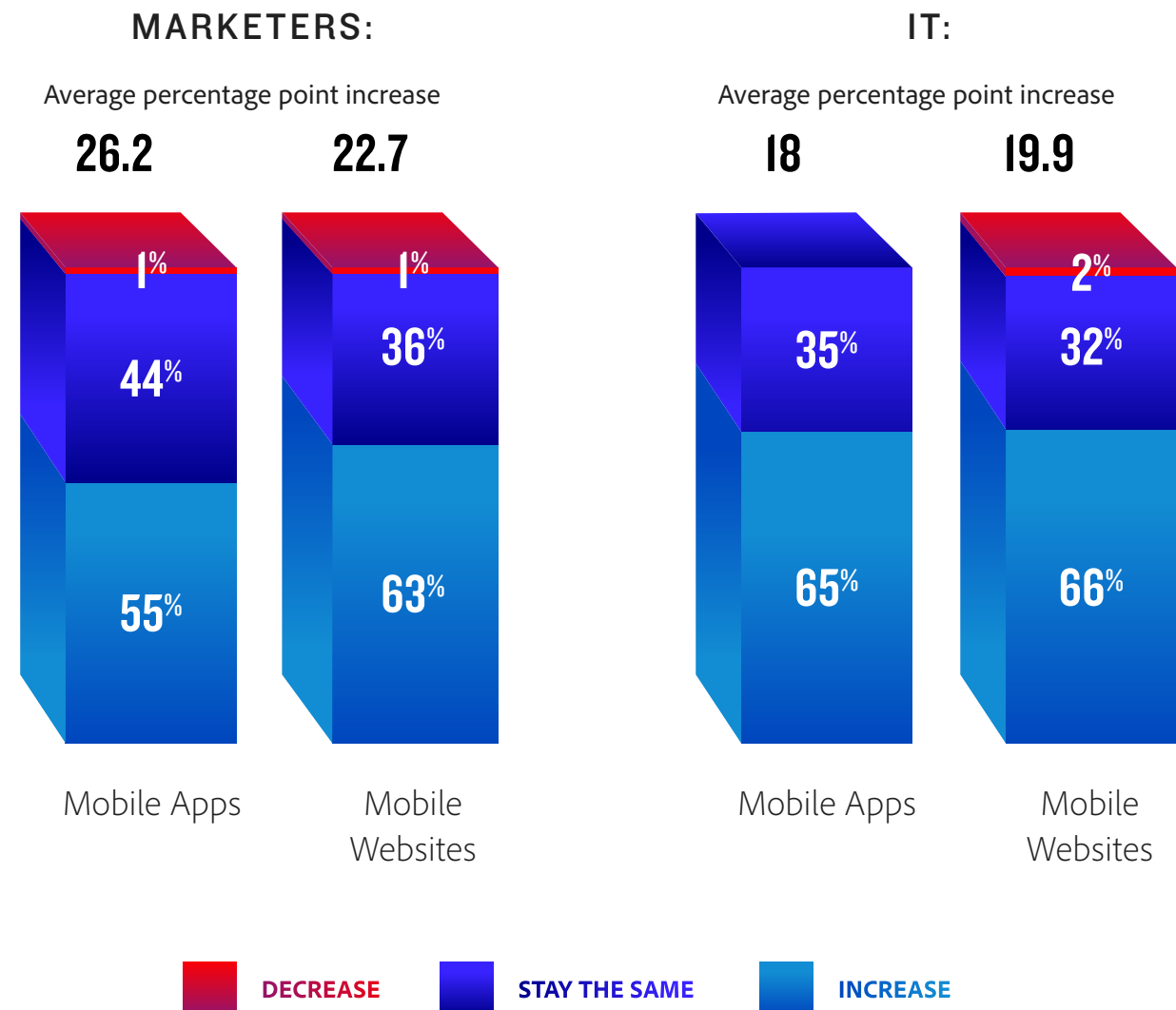
Percent of technology spend allocation.



Retail companies report the highest overall technology spend allocation for mobile apps and websites, with 42 percent going toward mobile apps and 45 percent toward mobile websites.

The majority of both groups expect to increase their mobile budgets next year—marketers by an average of about 25 percent, and IT by slightly less.

Budget change for 2018.



III.

ACQUIRE

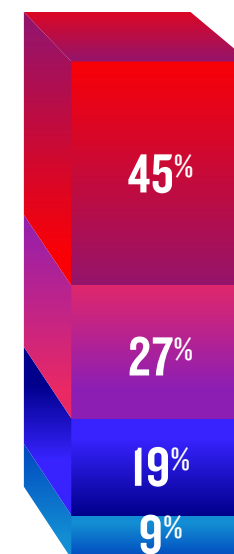
FIND YOUR TRIBE.

Before your message can resonate with the right audience, you first need to find them. More than half of marketers say at least a quarter of their total digital marketing budget is allocated to mobile acquisition, with an average of 34 percent. (No IT data was collected.)

Percent of digital marketing spend allocated to mobile programs to drive acquisition, engagement, or loyalty.

MARKETERS:

Mean % **34.2%**

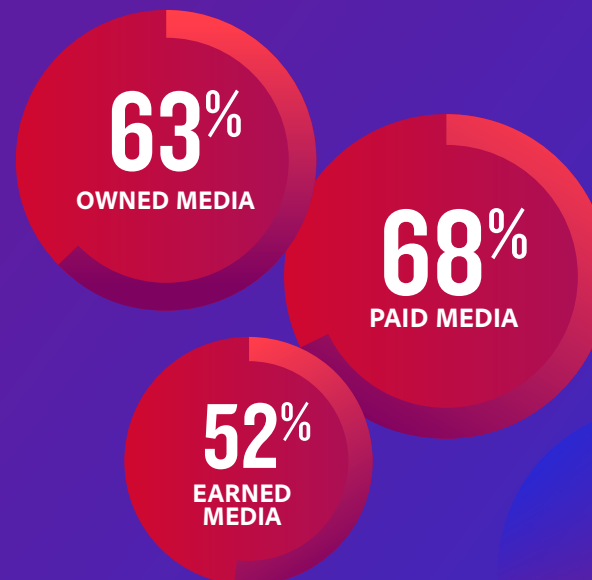


Mix things up.

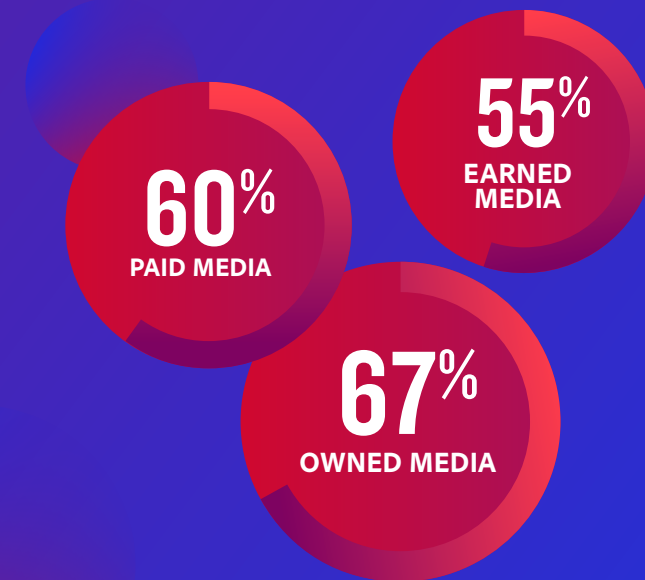
For acquisition, a balanced approach to media works best. This means a mix of paid, earned, and owned media. For mobile apps, paid media is still chosen most often to drive customer acquisition (despite a 12 percent decline), whereas owned media is preferred for mobile websites.

Media used to drive customer acquisition.

MOBILE APPS:



MOBILE SITES:



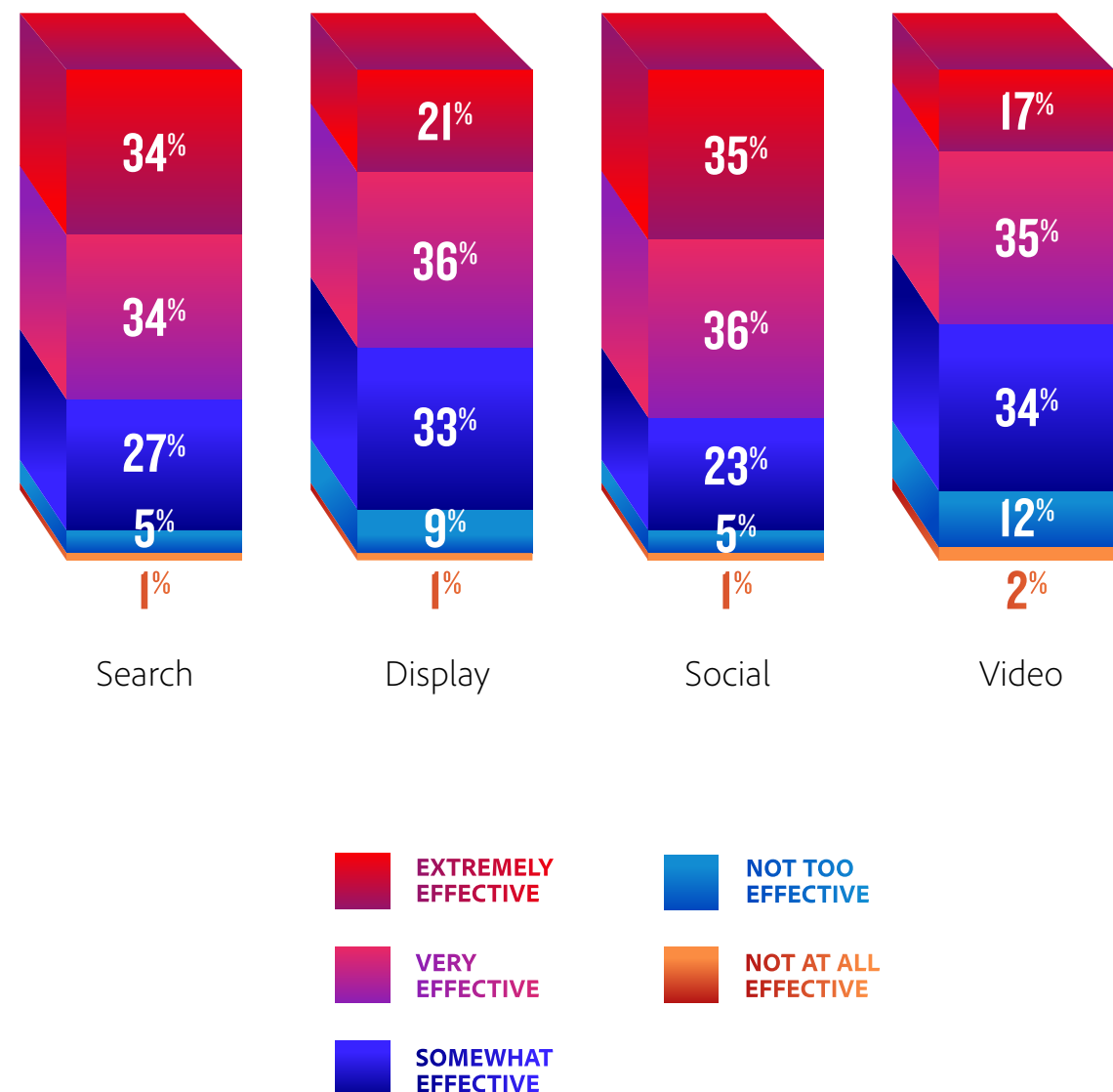
The payoffs of paid media.

We asked marketers which paid media worked best for acquisition. For mobile apps, social and search rose to the top.

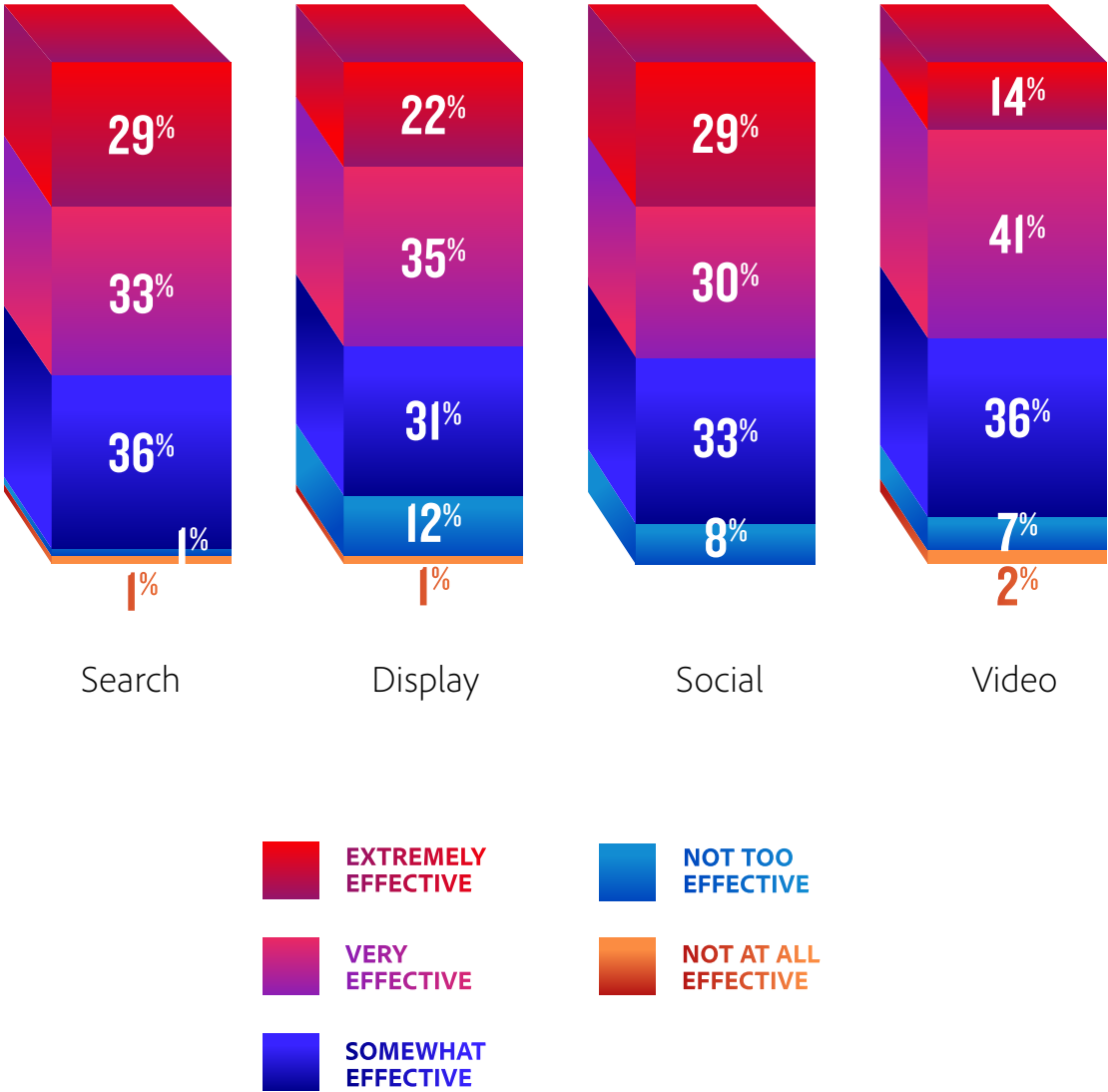
For acquiring mobile website users, scores were more evenly split between all paid media, despite a 17 percent decline for social media.

The travel and hospitality industry ranked search significantly higher than other industries for acquiring mobile app users. Video was the top paid media pick for B2B tech companies.

Effectiveness of paid media in acquiring mobile app users.



Effectiveness of paid media in acquiring mobile website visitors.



OPINIONS VARY ABOUT WHICH PAID MEDIA IS BEST FOR ACQUIRING MOBILE WEBSITE VISITORS.

Eighty-one percent of the media and entertainment industry ranked social as extremely or very effective, while 78 percent of the healthcare industry and 80 percent of the travel industry said search was extremely or very effective. Likewise, media and entertainment ranked social (81 percent), video (71 percent) and display (69 percent) much higher in effectiveness than other industries.



IV.

ANALYZE

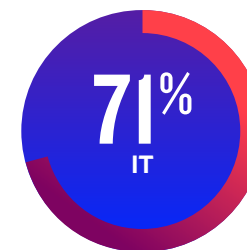
**RUN THE
MOBILE NUMBERS.**

The smartphone decade coincided with the data decade. Now, more than ever, it's possible to collect information on how your audience interacts with your brand. And it's imperative you do. Transformation only happens when you have a good understanding of how your customers are interacting with your app or website, and what the impact is on your overall business.

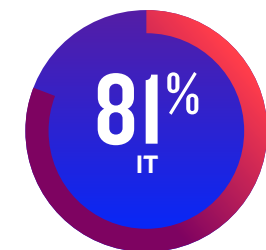
IT decision-makers are more likely than their marketing counterparts to measure mobile app engagement (e.g., time spent, screen views) and usage over time (e.g., launches per week). In fact, the survey showed two significant declines in measurement by marketers. With access to good data now better than ever, marketers seem to be missing an important opportunity to learn more about their customers and their marketing efforts.

Does your organization do the following?

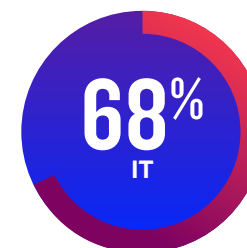
Use analytics technology:



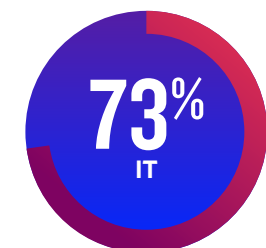
Measure customers level of engagement and usage over time:



Calculate lifetime values for customers based on in-app behaviors:

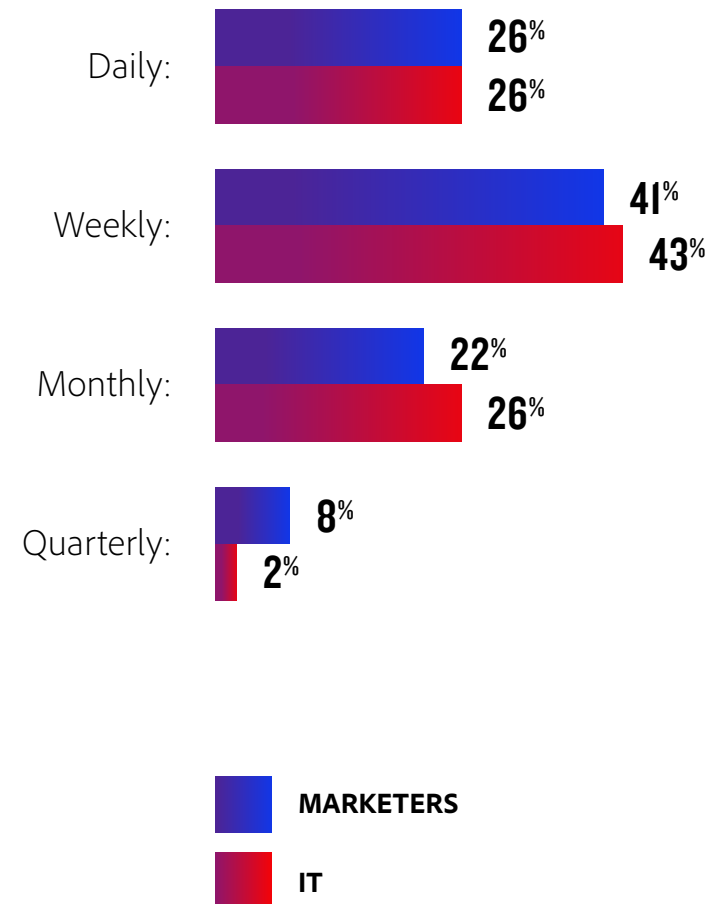


Optimize conversion funnels in its mobile apps via A/B testing:



The travel and hospitality industry is least likely to measure app engagement (50 percent), calculate lifetime values (30 percent), or optimize conversion funnels in apps via A/B testing (46 percent).

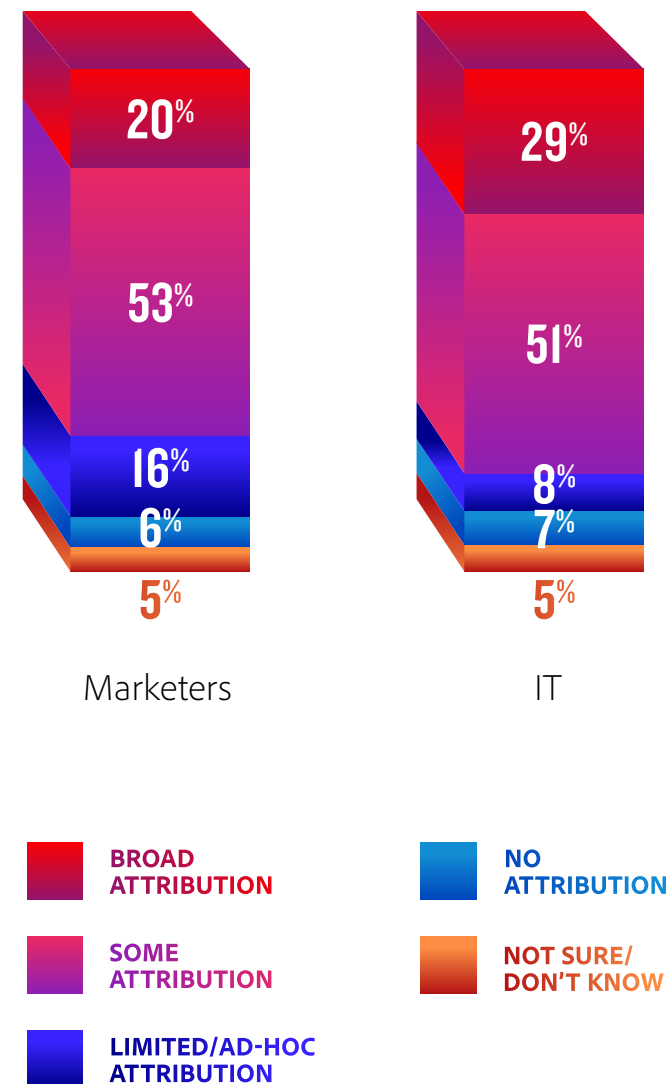
How frequently is engagement and usage measured?



Giving credit where it's due.

Both audiences report mobile having at least some influence on related conversions or transactions that are completed over other channels.

How organizations measure the influence of mobile experiences over other channels.





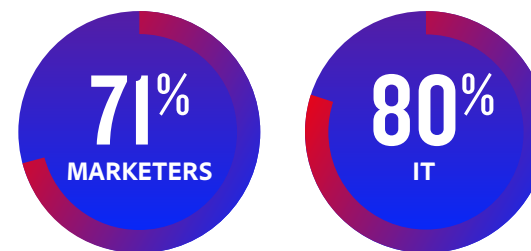
ENGAGE

GET PERSONAL.

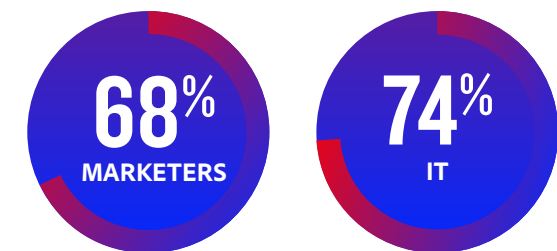
It's all about relevance. If you want to improve user engagement and drive conversions, you need to deliver the right message to the right person at just the right time.

Top ways audience segmentation is used to personalize an app experience.

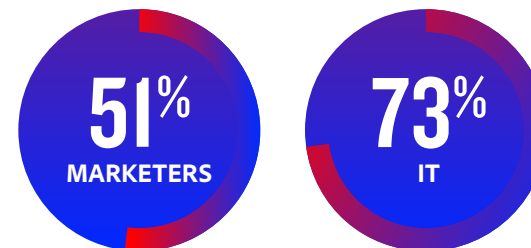
In-app notifications:



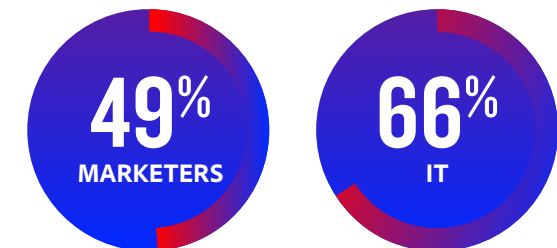
Home screen:



Check-out process:



User onboarding process:



While personalization is a top priority for mobile web experiences, privacy and data security came out slightly higher in importance for 2018.

PERSONALIZATION AND PRIVACY?

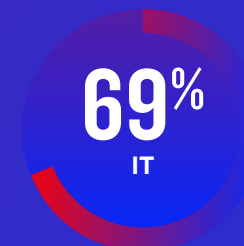
"The two are not mutually exclusive," says Dave Dickson, senior manager of mobile and emerging technologies at Adobe. "Enterprise organizations can respect users' opt-in arrangements and allow them to opt-in at the right points. This will keep their data secure and still allow for a personalized mobile experience."

Priorities for mobile web experiences in the coming year.

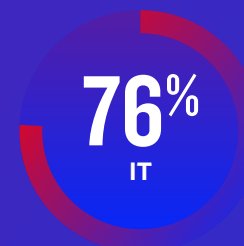
Privacy and data security:



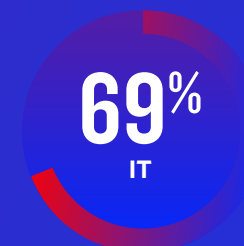
Personalization:



Progressive mobile web experience:



Design and layout:



Be where your customers are.

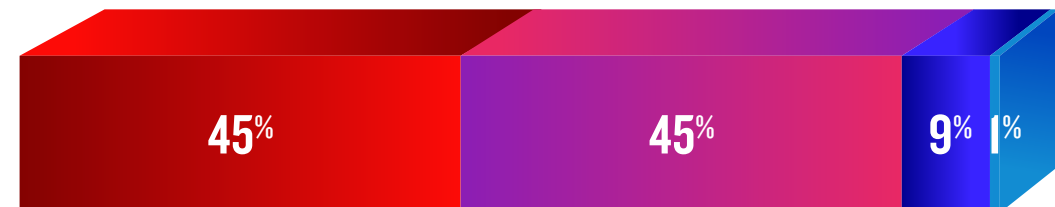
Mobile offers the opportunity to reach your customers wherever they. Close to half of survey respondents currently use GPS location data, although the numbers have gone down since last year. On the other hand, the use of beacon technology went up for both groups, especially IT, which reported a staggering 288 percent increase.

Use of GPS location data.

MARKETERS:

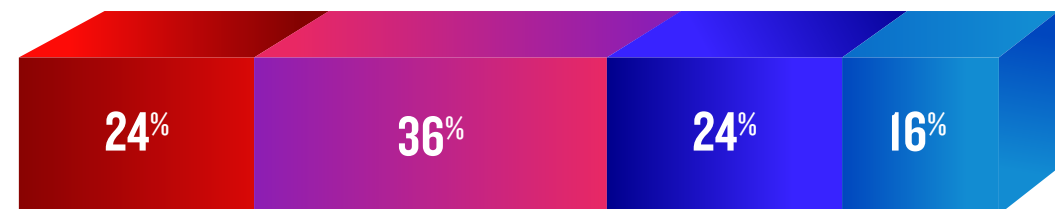


IT:

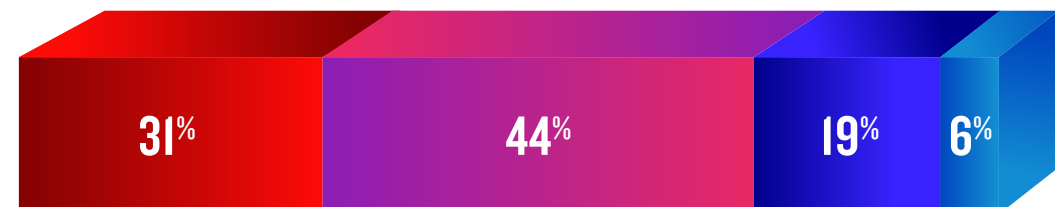


Use of beacon technology.

MARKETERS:



IT:



CURRENTLY USING



NO, BUT PLAN TO USE
IN NEXT 12 MONTHS



NO, AND NO PLAN TO USE
IN NEXT 12 MONTHS



NOT SURE

Engage, then re-engage.

About half of survey respondents use push messaging and relaunch campaigns via owned media to drive reengagement among app users. Yet one in ten doesn't use any reengagement tactics.

Tactics used to drive mobile reengagement.

MARKETERS:

Push messaging:



Re-launch campaigns via owned media:



Re-launch campaigns via paid media:



Nonexistent:



Not sure/don't know:



IT:

Push messaging:



Re-launch campaigns via owned media:



Re-launch campaigns via paid media:



Nonexistent:



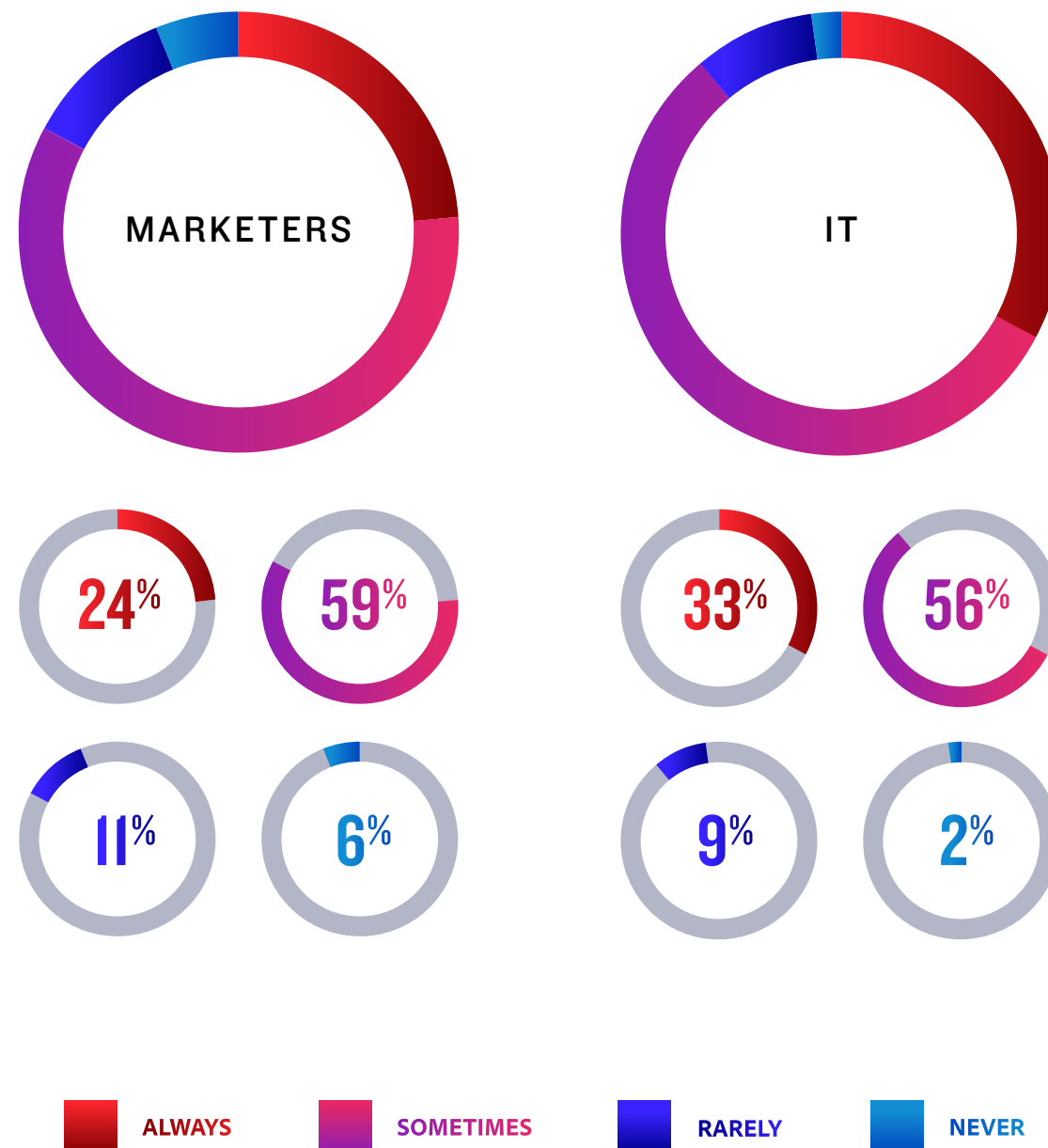
Not sure/don't know:



Eighty-three percent of marketers and 89 percent of IT professionals say they orchestrate their mobile messaging with content appearing in other channels at least some of the time.

The media and entertainment industry is more likely to use any tactic to drive reengagement. Retail and B2B companies are most likely to always orchestrate their mobile messaging with content in other channels (38 percent and 36 percent, respectively).

How often mobile messaging is orchestrated with content in other channels.





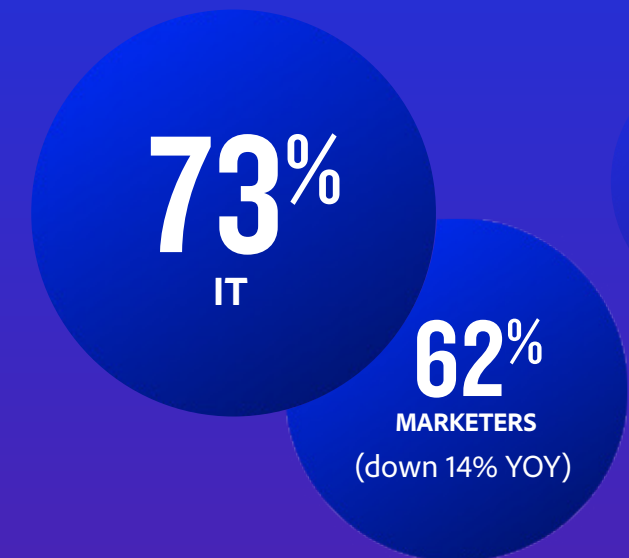
OPTIMIZE

MODIFY OR DIE.

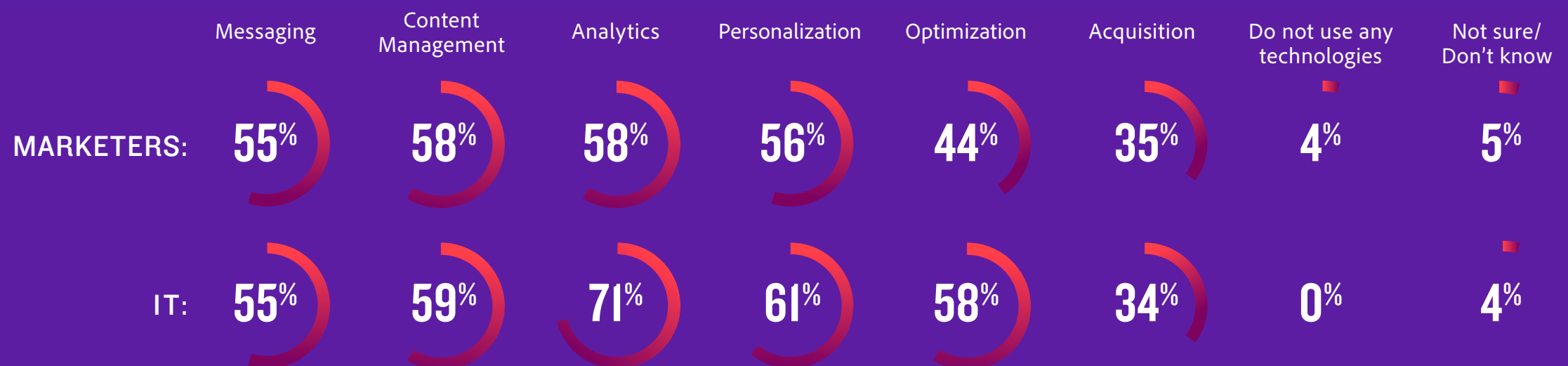
To create transformative mobile experiences, you need to continually test your assets to determine what's working and what isn't. More than that, you need to draw the right insights and modify your mobile strategy accordingly. The survey shows that IT departments are more likely to test than marketers.

IT decision-makers are also more likely to report the use of analytics and optimization for mobile apps than their marketing counterparts. But close to half of all respondents report the use of at least five of the technologies in the accompanying chart. Companies that employ artificial intelligence to increase the velocity of optimized, micro-targeted experiences will see even greater bottom-line results.

Use of A/B testing to optimize conversion funnels in mobile apps.



Technologies currently used for mobile apps.

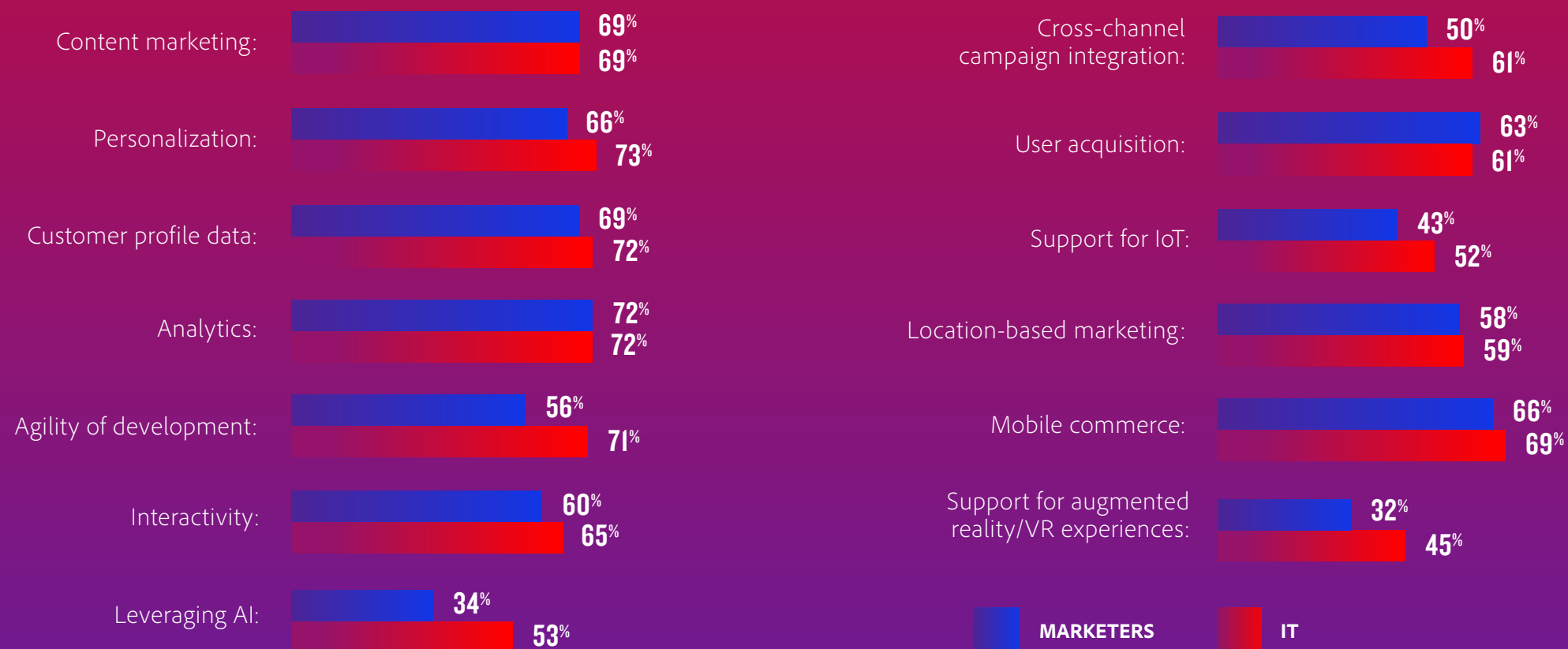


LOOKING AHEAD TO THE NEXT TEN YEARS.

It's hard to say what the next decade will bring. But at the moment, organizations are putting a lot of emphasis on contextualizing the experience—one of the few areas where marketers and IT professionals agree.

However, IT professionals are more concerned than marketers about leveraging AI and agility of development, even though marketers are now tasked to keep up with the explosion of content.

Areas for improving the mobile experience rated extremely or very important in the next three years.



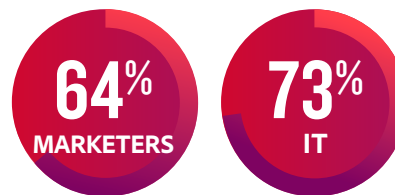
Keeping up means upping your game.

At least one-third of all marketers say they have a defined strategy for all mobile tactics surveyed, and the IT audience even more so. This means exciting new technologies such as artificial intelligence, virtual reality, augmented reality, and mixed reality are all on their radars.

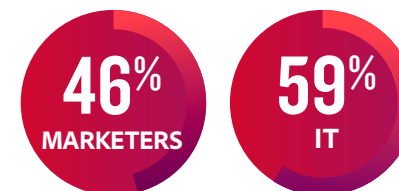
While it shouldn't come as a surprise, B2B tech companies are much more likely to have a defined strategy for NFC, virtual reality, mixed reality, Internet of Things, and AI. They're also more likely to say leveraging AI and supporting Internet of Things are important areas for improvement.

Mobile tactics with a defined strategy in deployment or in limited release/test.

Location-based marketing:



Internet of Things:



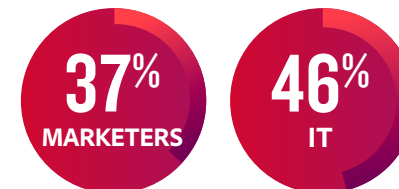
Personal assistants:



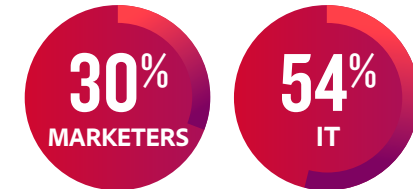
NFC for content/offer delivery:



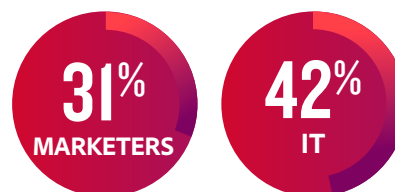
Chatbots:



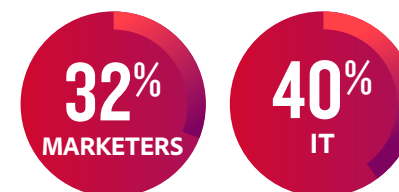
Artificial Intelligence:



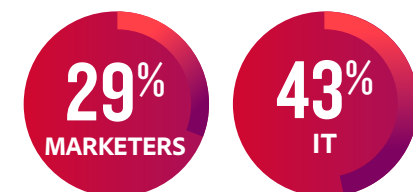
Augmented reality:



Virtual reality:



Mixed reality:



**How much mobile efforts have
differentiated organization
from competition.**

MARKETERS:

82%

definitely or
somewhat
differentiated

IT:

85%

definitely or
somewhat
differentiated

The organizations most advanced in mobile maturity are committed to harnessing mobile technology to create transformative digital experiences. They're on the move with mobile. And they're the first to tell you that their efforts have set them apart from their competition.



CONCLUSION

TEN YEARS OF TRANSFORMATION.

A.

Just ten short years ago, we never dreamed that our phones would be helping us shop, playing movies, or leading social movements. Yet in a single decade, mobile has become an integral part of our lives—and our marketing strategies—with the pace of innovation only getting faster.

The next mobile revolution promises to be even more transformative, with immersive technologies like VR, AR, and the power of AI combined with neuromarketing. During the next decade, the experience-makers will be those organizations that are committed to harnessing mobile technology to fuel a dynamic and integrated marketing strategy that transforms digital experiences for their customers and for the world. If you commit, you can be one of them.

ADOBE *can help.*

Adobe is committed to helping you differentiate your mobile game. Delight high-value customers. And drive ROI by delivering timely, relevant, and personalized mobile experiences. Adobe Experience Cloud is an integrated set of solutions powered by artificial intelligence that allows you to combine data, insights, and digital content to deliver the best mobile experiences to your customers.

[Learn more](#) about the topics explored in this study and how we can help you create transformative mobile experiences.



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