

State of Mobile 2017

Insights on Mobile Product,
Marketing and UX



How does your mobile strategy stack up against that of your peers? Are you prepared to ride the waves of change in the mobile industry or are you falling behind? Open Mobile Media's annual State of Mobile whitepaper will provide the answers, letting you benchmark your mobile product, marketing and UX strategy and implementation against the competition and calibrate your priorities for the year ahead.

Here at Open Mobile Media, we recently surveyed 500 senior mobile experts working across a range of industry verticals. Survey respondents represented every aspect of the mobile industry: brands, publishers, agencies, developers, telecoms, and hardware and software vendors. Their roles also spanned the gamut from product or project management to strategy and transformation to payments, testing and human resources.

We wanted to find out how they're reacting to the constantly shifting mobile marketplace. What are their challenges? What are they doing to meet those challenges by partnering, staffing up and adjusting budgets? We also wanted to know how they foresee the coming year shaping up.

This survey will give you invaluable insight into how the mobile world may evolve in next 12 months—and what you can do to succeed!

We've also compared the results to those of last year's survey to help you understand long-term trends as well as quick shifts.

Read on to gain a clear picture of what the mobile world is thinking and planning—then use this data to inform your own winning mobile strategy.

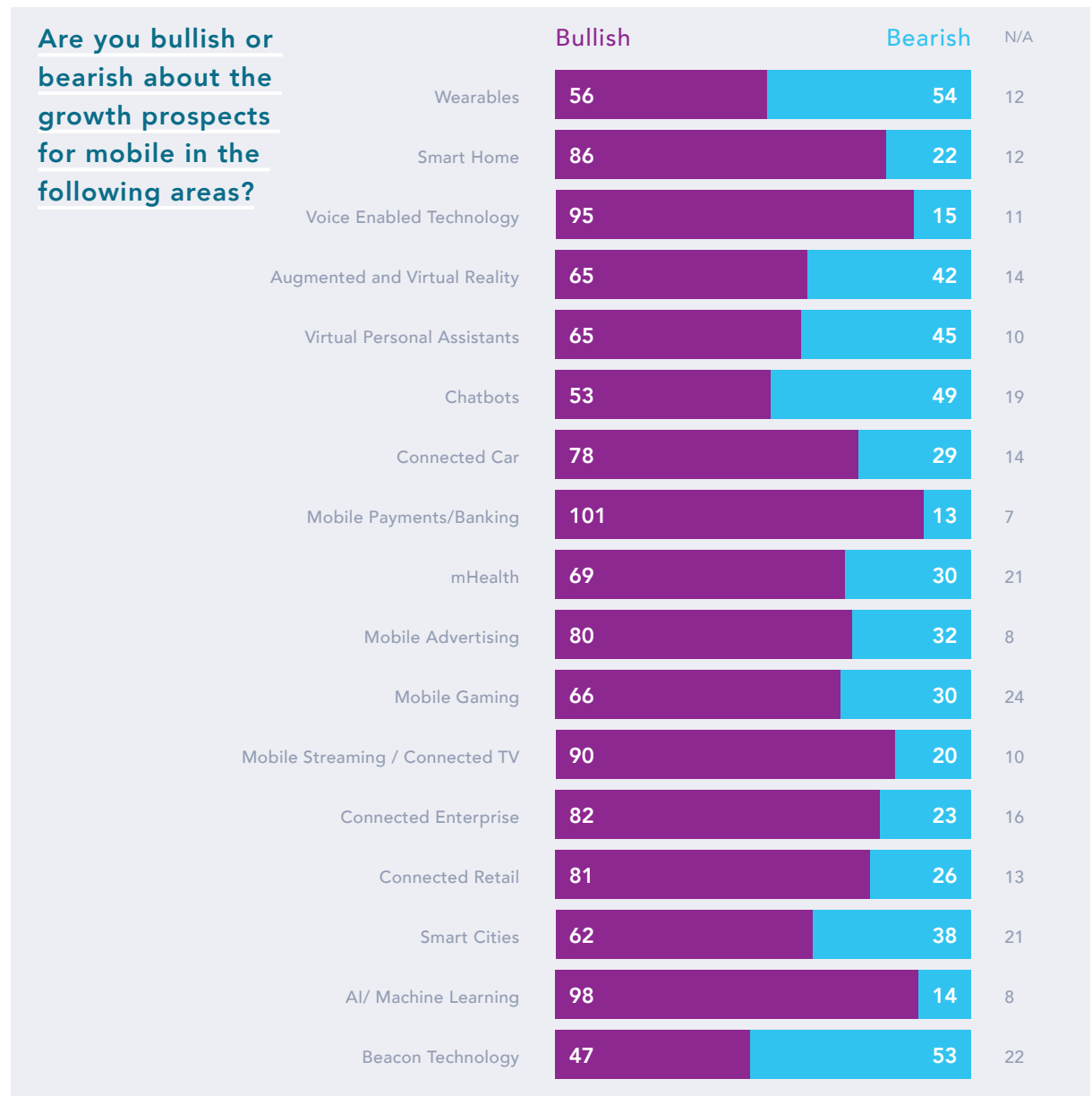
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A Varied Mobile Landscape



ANALYSIS

Our bulls far outnumbered the bears, with mobile experts most excited about mobile payments, artificial intelligence and machine learning, and voice-enabled technologies. Respondents were down on beacon technology and wearables. Compare this to last year, when optimism was equally high for mobile payments and mobile streaming/connected TV. It's noteworthy that we didn't ask about AI last year, but this year it was one of the bulls' top interests.

Folks were equally apathetic about wearables last year, when they ranked above only smart cities.

AI is all the buzz at the minute, with applications across the whole mobile-product lifecycle...
What emerging applications excite you the most?



ANALYSIS

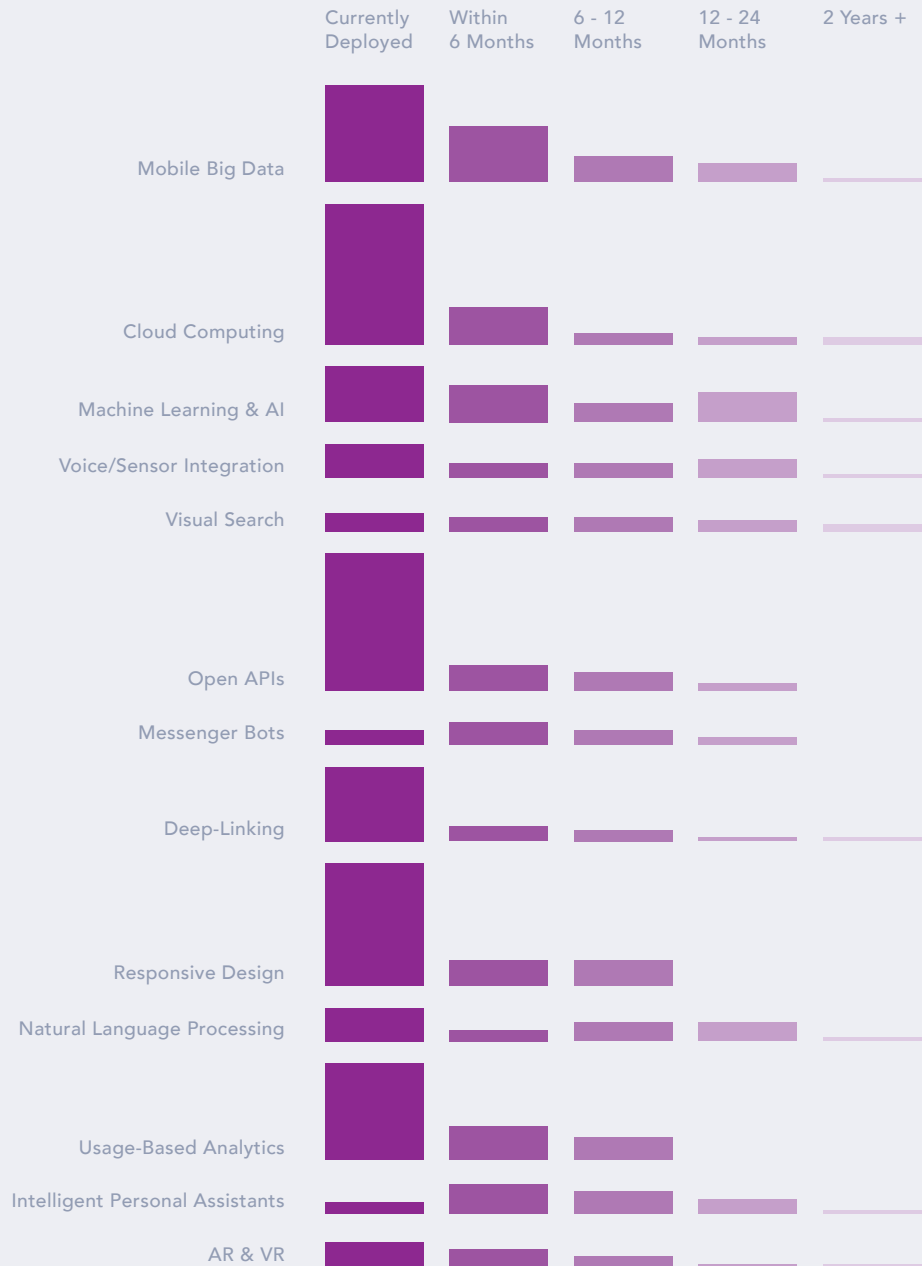
Artificial intelligence is truly a buzzword: While this tech ranked high among bulls, few respondents could agree upon the most exciting application for AI. Chatbots, cars, virtual reality, healthcare? Bring them all on.

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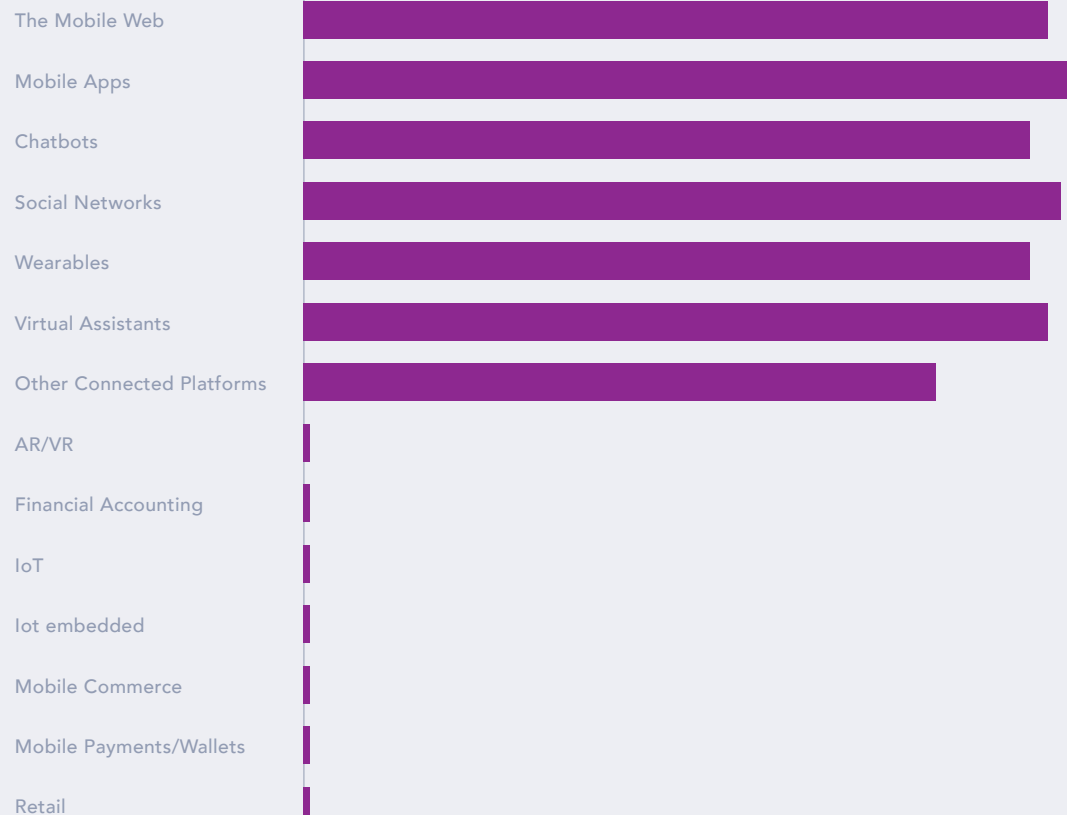
You mentioned that you already use, or are planning to use, these technologies. What are your time scales for deploying them?



ANALYSIS

A healthy percentage of survey respondents—between 20 and 37 percent—already have deployed the most important technologies. The numbers drop off rapidly for those who are planning to but haven't yet implemented them. This indicates that some responses may be more aspirational than realistic, as companies struggle to make the technology leap.

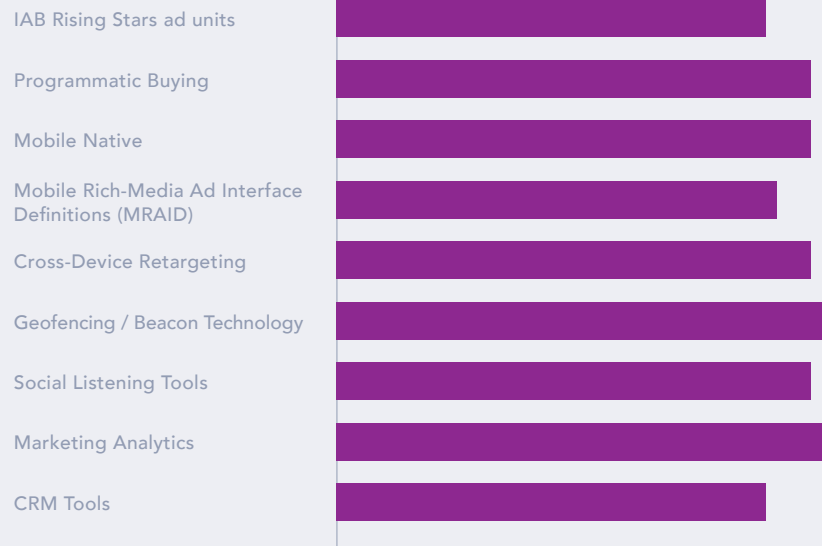
What constitutes “mobile” is getting broader... How significant will the following channels be for the development of mobile products over the next 18 months?



ANALYSIS

While the concept of mobile has broadened to include the Internet of Things, augmented and virtual reality, and other sectors, companies in the survey still have sights firmly fixed on the mainstream channels of mobile apps, social networks and the mobile web. Wearables and virtual assistants have increased in importance. However, this interest hasn’t translated into wearable projects: 55.8 percent of respondents have no plans to develop for wearables platforms, with another 14.4 percent unsure. Only 29.8 percent are working on wearables or plan to.

Which of the following recent developments have had the greatest industry impact within mobile marketing?



ANALYSIS

Our respondents were almost equally divided among these options, with marketing analytics and geofencing/beacon technology taking a very slight lead. Almost equally important were programmatic buying and mobile native. This spread could be due to the diversity of roles among respondents.

This maps closely to last year's responses, in which marketing analytics and mobile native took the top spots, followed by CRM tools and cross-device retargeting.

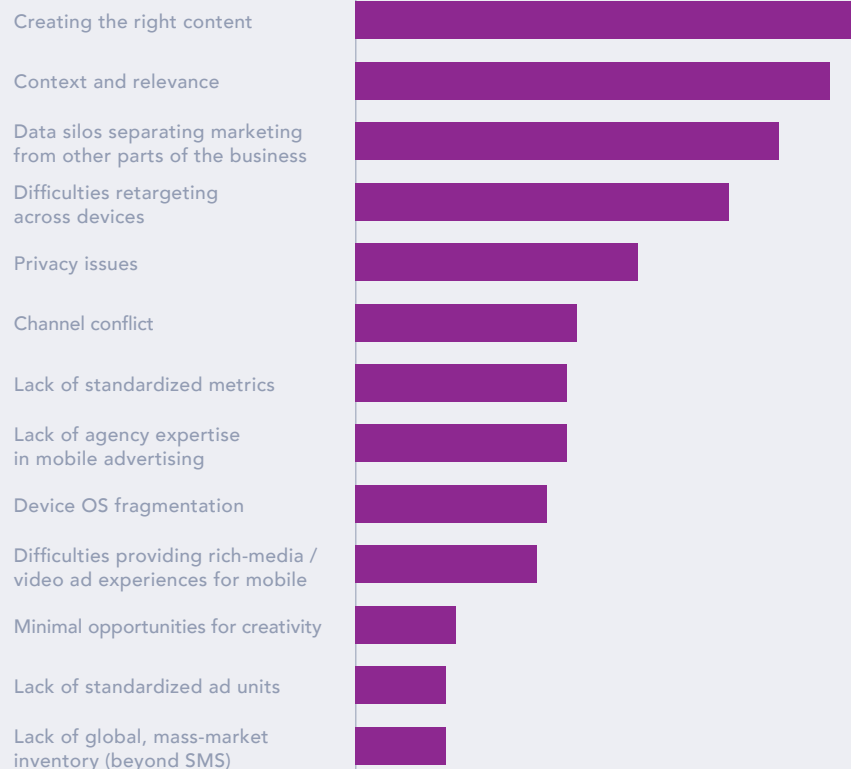
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The Challenges Ahead

What are the 3 biggest challenges marketers face with mobile?



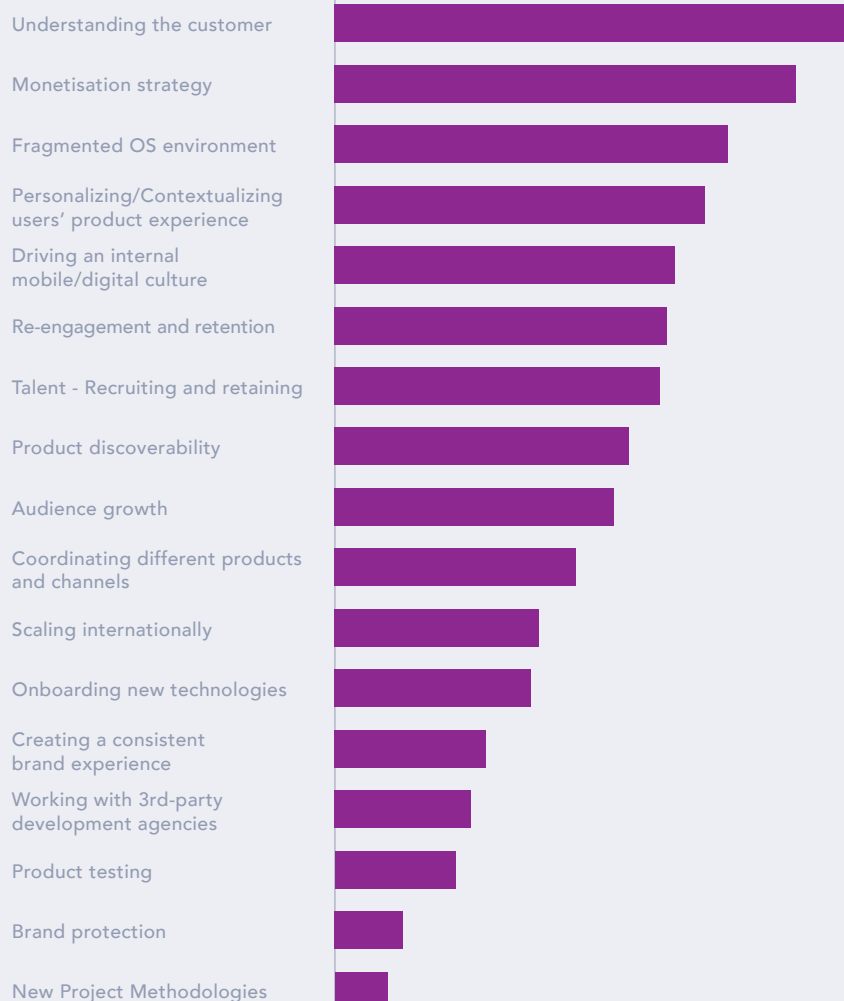
ANALYSIS

With the dominance of content marketing in today's media plans, it's not surprising that creating the right content is seen as the biggest challenge: Agencies, publishers and brands all struggle to identify and produce engaging content that also has relevance to the brand. Context and relevance, the second-biggest challenge, is related to that drive for content, because it's not enough to produce excellent content. Content also must be appropriate to the mobile moment and to an individual's interests.

Finally, tied for third place were difficulties retargeting across devices and data silos separating marketing from other parts of the organization.

Last year, respondents identified lack of agency expertise in mobile advertising as the top challenge. Data silos separating marketing from other parts of the business were the second-biggest concern, followed by privacy issues.

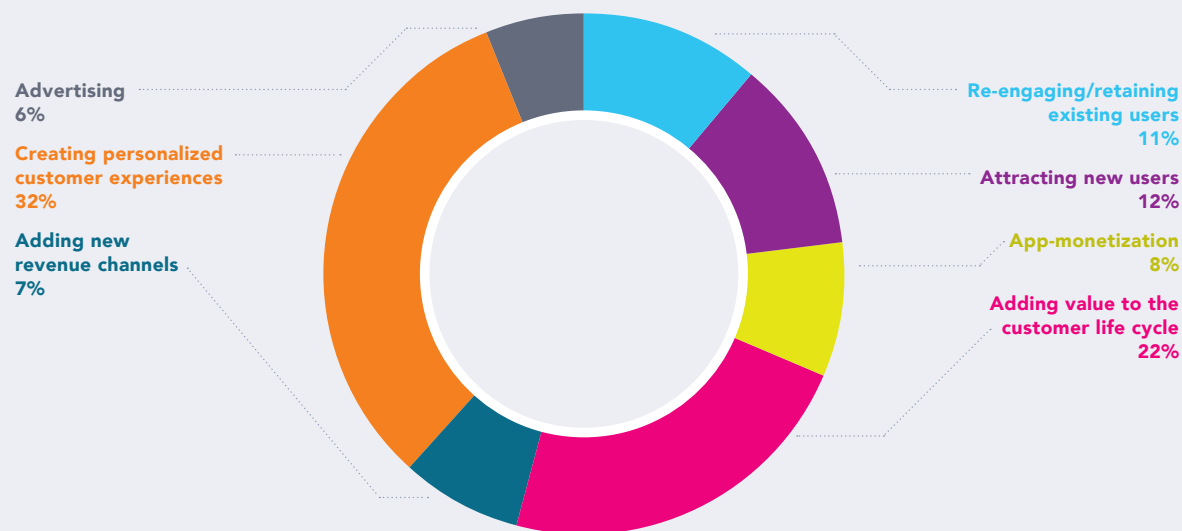
What are the top 3 challenges currently facing mobile product teams?



ANALYSIS

For mobile team members themselves, there are three huge and unrelated challenges. Understanding the customer was supposed to be getting easier thanks to the availability of more first- and third-party data. However, more data does not necessarily equal more insight. Many companies still have siloes for their digital, CRM and mobile data, while attribution techniques are still a work in progress. Monetization strategies must go beyond in-app sales and click-to-buy. At least mobile experts are sanguine about the prospects, as you'll see in the next question. When it comes to OS proliferation, this is not likely to improve: As consumers become more mobile-centric, they're using more and more devices.

Where do you see your greatest long-term growth potential for mobile products?



ANALYSIS

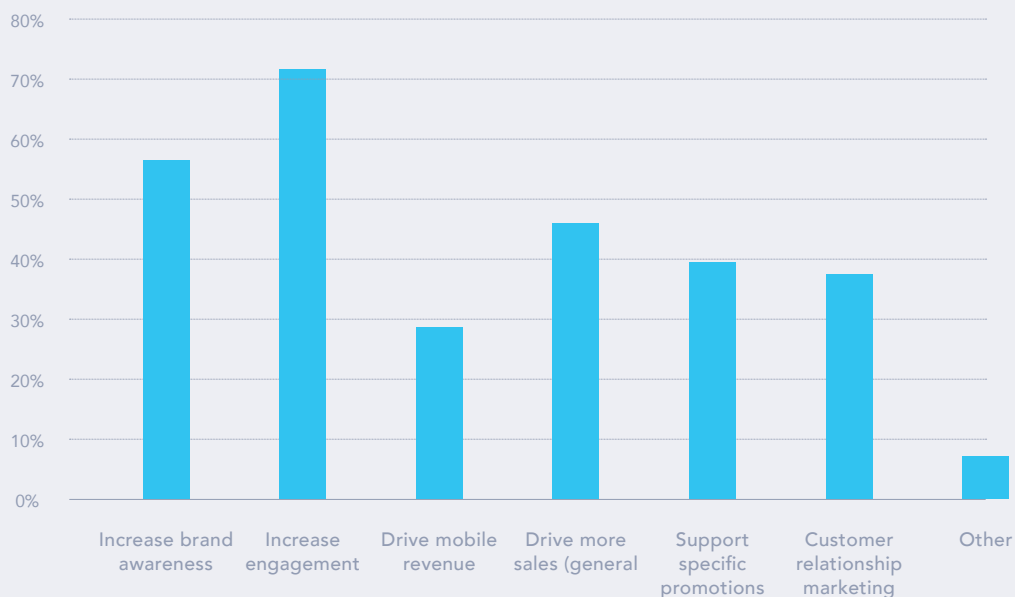
Our mobile experts firmly identified adding new revenue channels as having the greatest potential for growth, with app monetization a strong contender. As we'll see from the next question, revenue has not been top of mind for them so far.

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Drive more sales (general)



ANALYSIS

Branding remains the top objective for mobile advertising at 75.6 percent, up from 68 percent last year, with increased engagement the second biggest objective. We asked about revenue slightly differently this year, including both driving mobile revenue and driving more sales in general.

Last year, 66 percent identified driving more sales in general as one of their top three objectives, tying with engagement. Both of this year's revenue metrics ranked at approximately 20 percent less than increasing brand awareness. This could be because it's been difficult for our experts to close the sales loop on mobile or because of an increased understanding of mobile's role in the complete marketing mix.

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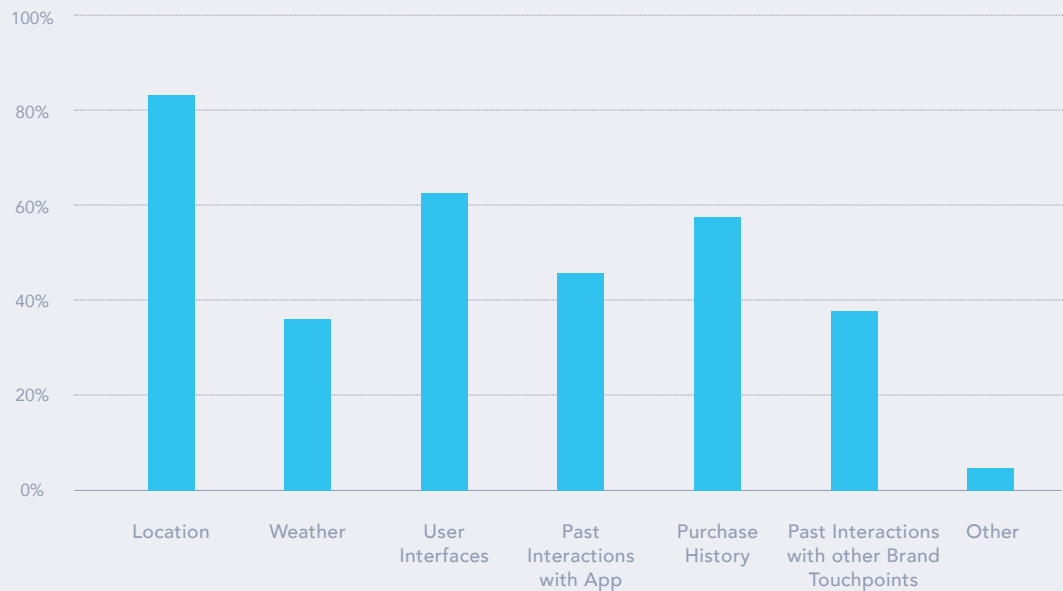
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Are you currently able to offer a personalized/ contextualized experience to users of your mobile/digital product?

Yes 53%
No 47%



You mentioned that you are able to offer users a personalized experience. Which of the following sorts of context are you able to build in?

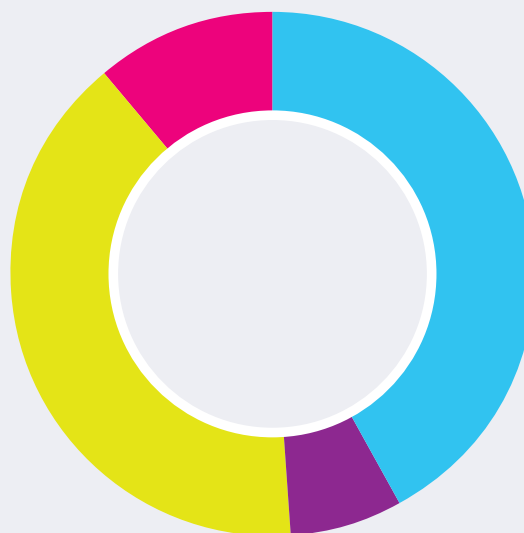


ANALYSIS

A full 52.9 percent have achieved a personalized and contextualized mobile customer experience. They're making use of past interactions with apps or brand touchpoints, as well as purchase histories, but location remains the key personalization tool. In last year's survey, respondents identified personalizing or contextualizing users' product experiences as a top challenge, while only 43 percent were able to use past brand interactions for personalization. This data reflects both a persistent focus on personalization and stronger capabilities in achieving it.

Are you currently developing localized mobile products for markets outside their home country?

Yes	11%
No, but we plan to do so in the next 6 months	7%
We have no plans to	40%
Not sure	11%



ANALYSIS

The answer to this question depends on the scope of the business, but global brands understand that localization is key to success in any specific market; 49.1 percent are already developing localized mobile products or plan to.

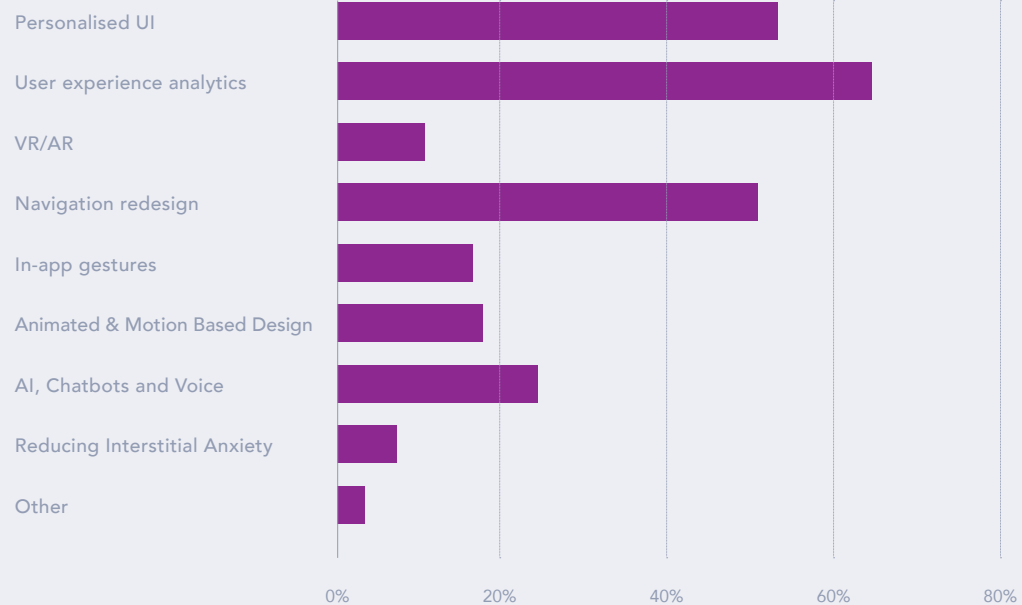
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The Mobile User Experience

Which of the following UX features are you currently focusing on?

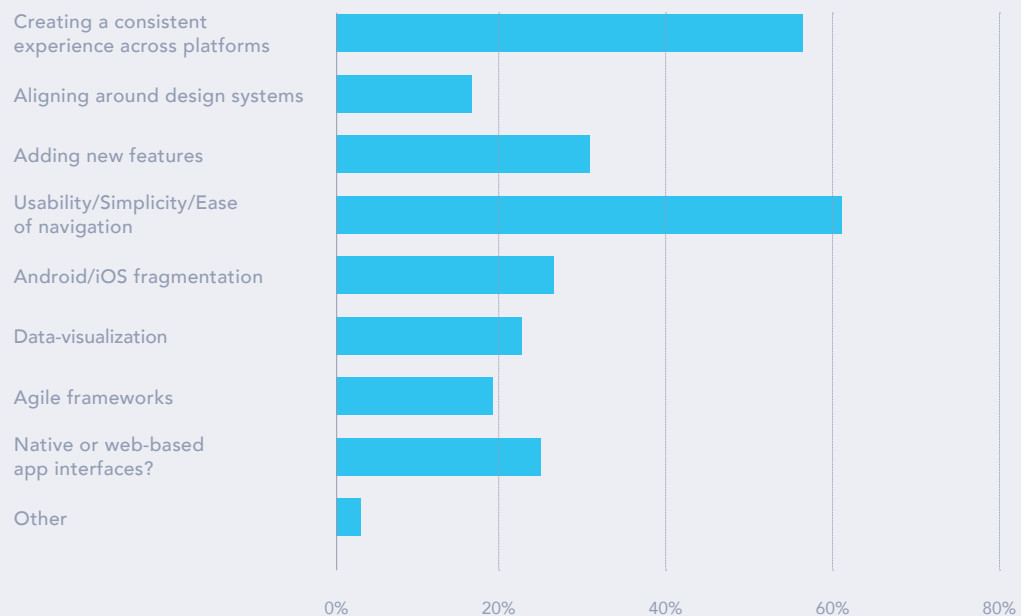


ANALYSIS

As we've seen, personalization remains a top priority for our mobile mavens, and 62.5 percent are focused on creating a personalized user interface. Because user experience analytics are essential for understanding whether that personalization achieves its goals, it makes sense that 53.8 percent also are employing this feature.

It's interesting that augmented and virtual reality are such a large focus, at 50 percent, when these were not on the radar last year. Call it the Pokémon GO Effect: The hype may be stronger than market penetration at this point, but marketers have seen how these technologies can ignite consumer delight, and they're eager to make them work for their brands.

What are your greatest challenges in Mobile UX?



ANALYSIS

One of the fundamental challenges facing designers the world over is usability and simplicity, and unsurprisingly this is replicated by those in mobile design, with ease of navigation striding ahead (60.5 percent) as the number one UX challenge worrying mobile experts. Following closely behind this, is the challenge of creating a consistent experience across platforms (59.3 percent)—a predictable concern as platforms continue to proliferate.

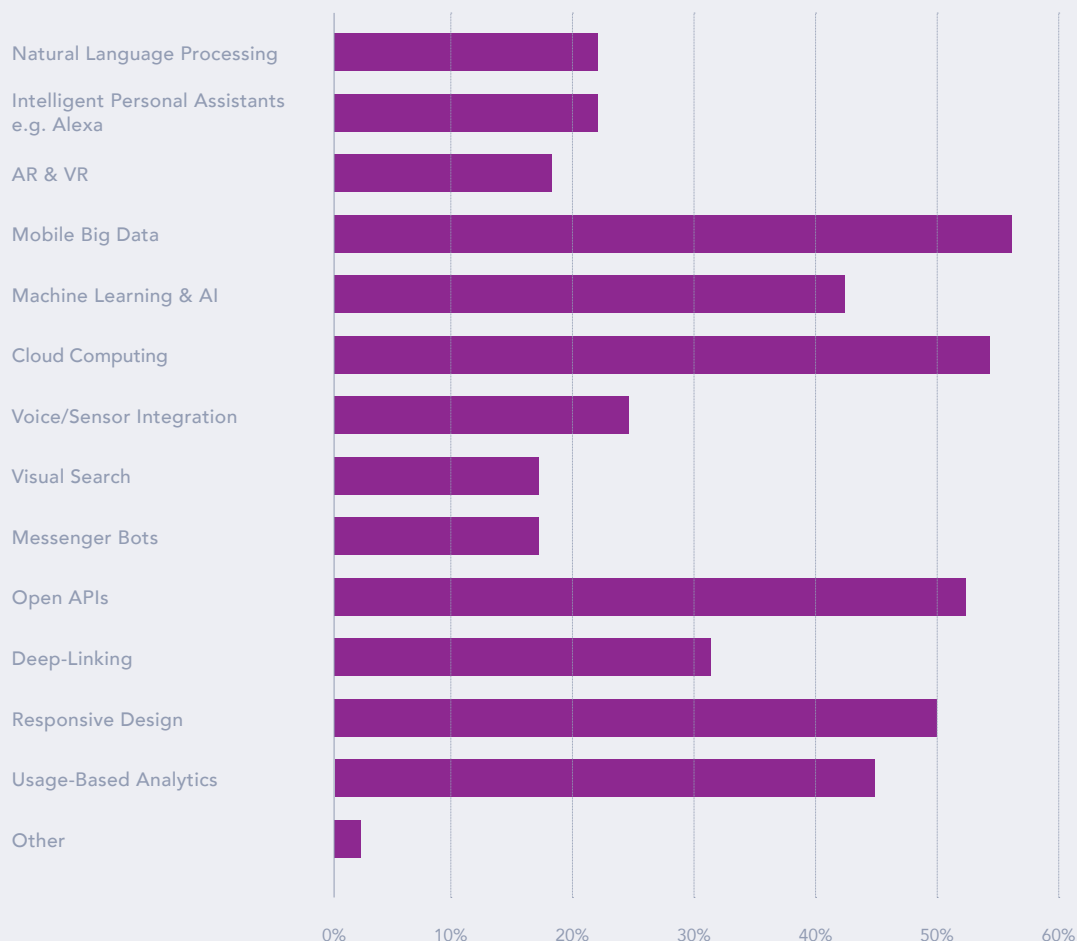
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Tools and Tech Are Keys to Success

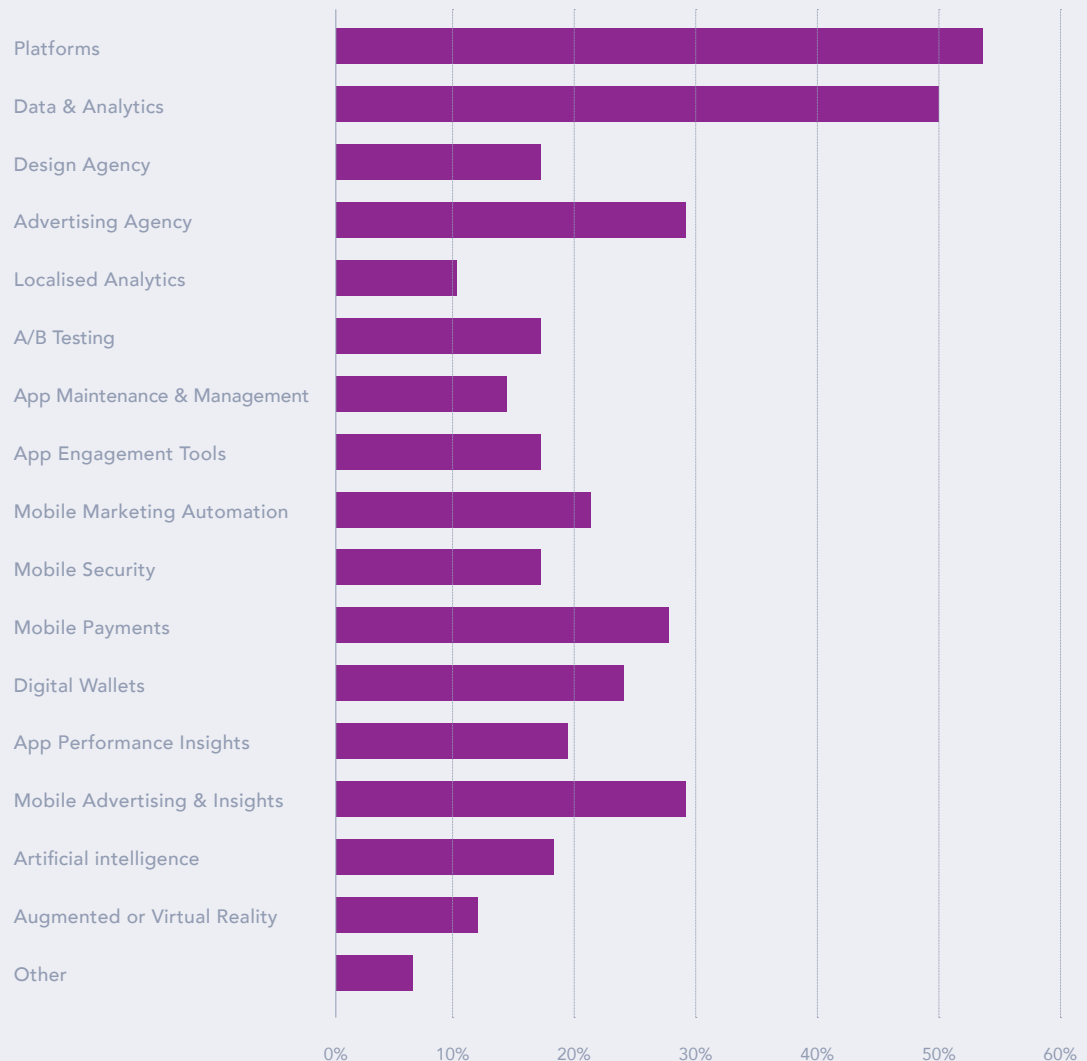
Which of the following tools/technologies are you currently using or planning to leverage?



ANALYSIS

Big data and cloud computing have transformed business, and they are doing the same for mobile. Open APIs and responsive design, the next two most-commonly used or planned-for technologies, will enable companies to provide richer mobile services that work across devices. Intelligent personal assistants have become increasingly mainstream, reflected by voice/sensor integration being a priority for 33.3 percent of respondents. Natural language processing (22.9 percent) is essential for creating assistants that don't drive customers crazy with misinterpretations and will also be important for voice-activated messenger bots.

Externally, which types of Technology Partners do you work with?



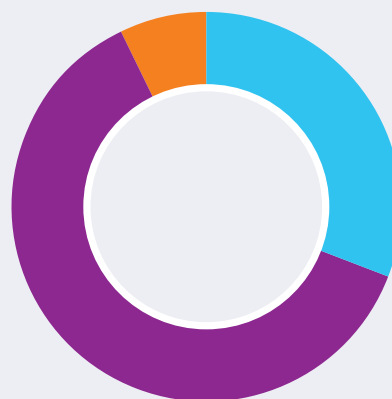
ANALYSIS

With all these areas of endeavor, businesses and agencies must rely on partners to provide platforms, technology and expertise. (Survey respondents were allowed to tick all that applied.) Following trends shown in previous answers, platforms received a high share of the vote (52.6 percent), once again showing how the multiplication of devices and platforms look to be a continual challenge facing mobile. Data and analytics continues to be an area ripe with insights from external parties (50 percent). The future looks bright for vendors that can ease the technology shift and expand functionality for companies and their mobile teams.

Making It Work

Do you have a dedicated mobile marketing team?

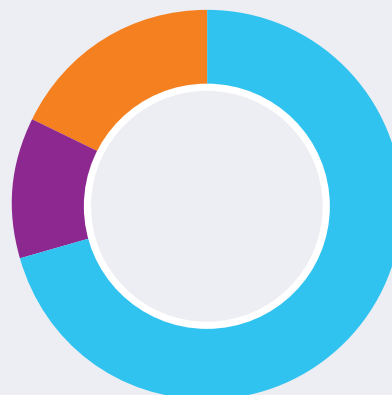
Yes	31%
No	62%
Not sure	7%



The number of companies with a dedicated mobile marketing team dropped sharply from last year's 41 percent, which in turn had dropped from 49 percent in 2015. Does this reflect the growing awareness that marketing must be done holistically and cross-channel?

You mentioned that you have a dedicated mobile marketing team – how big is it?

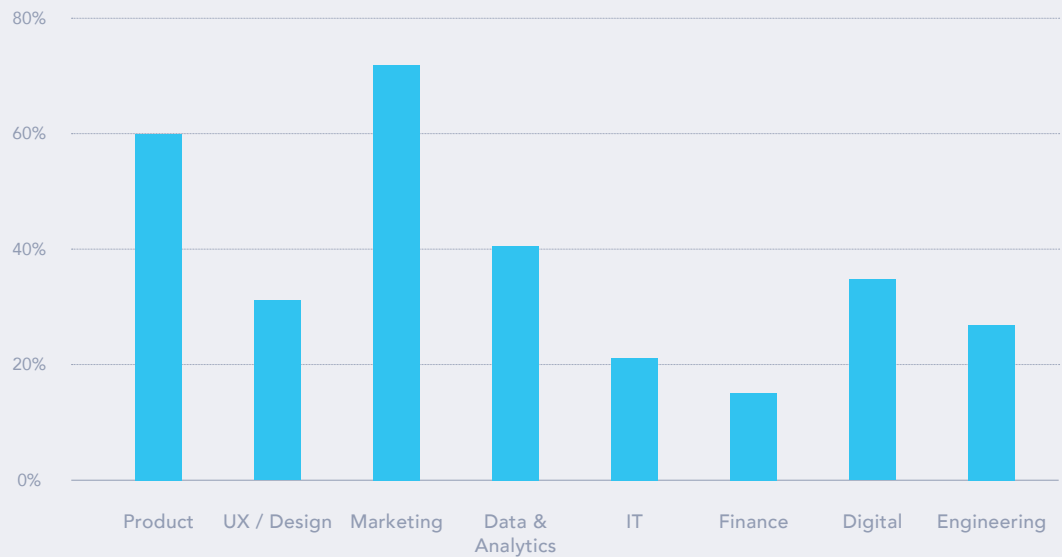
1–3 People	70%
4–9 People	12%
10–20 People	17%



ANALYSIS

The majority of mobile marketing teams remains tiny, with 64.3 percent consisting of only one to three people. Last year, 54 percent reported having such a small team. However, as we discussed in the previous item, this could be because mobile is being integrated into the overall marketing function rather than being seen as a separate discipline.

Internally, which departments/ functions do you work closest with?



Neither is the mobile team siloed from other departments. The fact that the majority of our respondents work directly with product, design and marketing teams reflects industry best practices. In order to create a unified customer experience—and gather data across channels—these teams, along with analytics and IT, should collaborate.

Conclusion

The past year has seen the mobile wave continue to grow, with more than eight in ten people using a mobile device to access the internet this year, according to eMarketer. In response, the mobile experts in our survey have upped their games. Compared to last year, they're leveraging proven technologies like cloud computing and big data while testing the waters of newer technologies like artificial intelligence and natural language processing.

It's inevitable that enthusiasms have waxed and waned. Our mobile experts were quite a bit less enthusiastic about wearables this year, while slightly more excited about connected cars. But the focus on personalization has remained strong, enabled in part by the vast amounts of data companies are continuing to utilize alongside increasingly advanced analytics models. Moreover, while it's still a challenge, it's a challenge that mobile teams have begun to meet, with more than half of them reporting they offer a personalized or contextualized mobile experience.

One thing we did expect, like many business areas today, it seems like mobile is on the cusp of an AI revolution. With high numbers of respondents bullish about its prospects and the number of projects being deployed increasing over the next year, it looks like AI will finally make the move from concept to reality.

The most compelling data point of all may be the drop in the number of companies with a dedicated mobile marketing team. We think this means that mobile has become mainstream. It's no longer seen as an experiment or a sideline but rather as a robust product, marketing and communications program and a central part of organizational strategy.

EDITOR:



Josh Gordon

Head of Strategy

Open Mobile Media

+44 (0) 207 422 4348

josh@openmobilemedia.com / josh@incite-group.com

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