SNIPP

TOP 10 MOBILE MARKETING TRENDS FOR 2017

by Ritesh Bhavnani, President & CTO – Snipp Interactive, on Mobile Marketer

Mobile continues to be the marketer's medium of focus, with mobile increasingly subsuming the overall digital advertising landscape.

In 2016, the number of people accessing the Internet through mobile devices worldwide surpassed those using desktops, according to StatCounter. And it was not just in numbers, but in usage too: in the United States, two-thirds of all digital media time was spent on mobile devices, per comScore. Where go eyeballs, so goes the money.

www.snipp.com

SMART MONEY

Nearly 60 percent of Google's ad revenues came from mobile ads this year. In fact, eMarketer expects mobile advertising spend to overtake total television ad spend as soon as 2020, a staggering fact when you think of how long and dominant TV has been in brand advertising budgets.

Mobile, therefore, is rapidly maturing even as it continues to grow.

60% of Google's ad revenues came from mobile ads this year.

In many cases, it is no longer a question of "if" but "when" certain long-awaited trends such as mobile payments reach their tipping points. But despite the fact that the market is maturing, innovation in the space continues at an amazing pace – livestreaming anyone? – creating plenty of opportunities to spin out new predictions.

No longer does one need to question the need for dedicated mobile marketing budgets or justify the spend on the medium. Existentially speaking, mobile is here to stay.

For a prognosticator such as myself though, that makes my job that much more difficult. Many of the early trends bandied around have now become self-evident truths.

These then are my key trends for mobile marketing in 2017:

1. SMARTPHONE AS THE HUB FOR YOUR LIFE

Smartphones have already become the hub for people's digital lives. There is an application for everything you want to do, and you can increasingly do it all from your phone.

With more connected devices and the slow but increasing prevalence of the Internet of Things, the smartphone's dominance extends into the offline world as well. It is the default remote for all connected devices, including smart watches.

Even though there are many connected devices that are not smartphones, they all end up using the smartphone anyway.

For marketers, this means that the focus of their marketing efforts must remain on the smartphone, which despite device proliferation remains the primary connected device for most consumers.
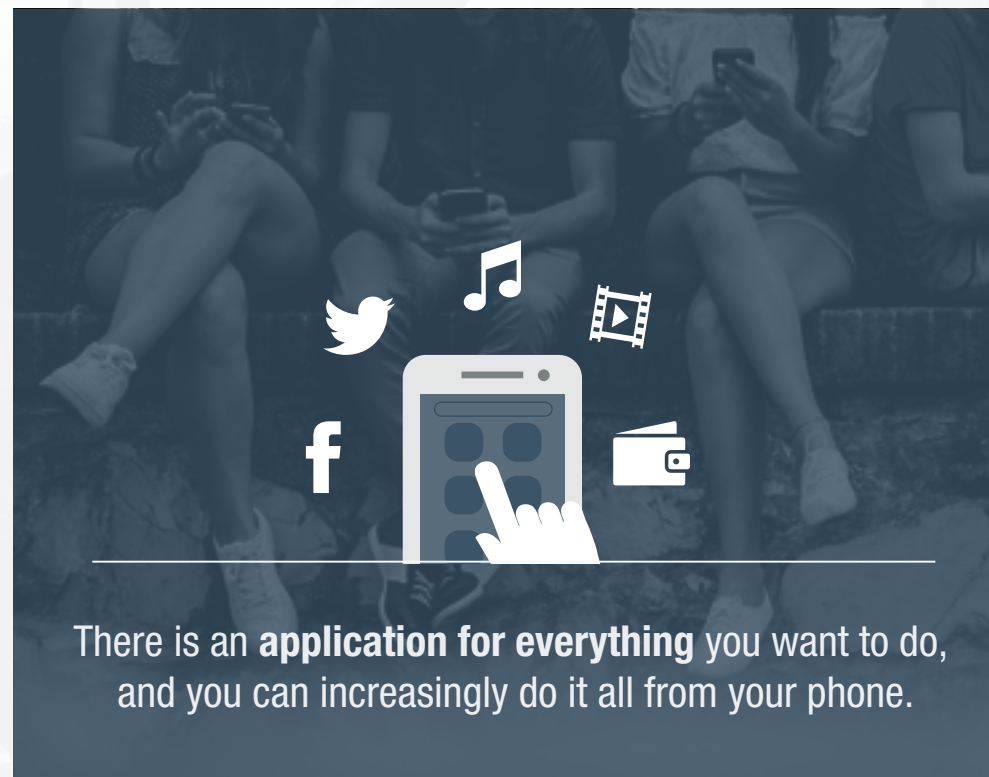
There is an **application for everything** you want to do, and you can increasingly do it all from your phone.

2. MOBILE BRIDGES THE REAL WORLD

We have definitely talked about this before, but in 2017, mobile's ability to assist with real-world interactions and transactions will really come to the fore.

There are three online/offline bridge functions that I would highlight in particular:

LOCATION-BASED SERVICES IN RETAIL

iBeacon

2017 may be the year we finally see actual widespread implementations and usage of beacons and other location-based technologies. In particular, in-store implementations will provide consumers with enhanced shopping experiences.

AUGMENTED REALITY

POKÉMON GO

Pokemon Go proved to be the killer app for augmented reality – at least briefly.

Snapchat has also shown how brands can effectively capture consumer attention and monetize augmented reality experiences at scale.

Expect more augmented reality experiences in 2017.

SHOPPER MARKETING

OFFER

Eighty percent of millennials use their phones in-store, according to DMA, as part of their purchase process, providing marketers with plenty of opportunities to appropriately target these consumers and effect real-world purchases.

For everything from couponing to receipt processing to promotions, brands will increasingly adopt mobile as the platform of choice for their shopper marketing efforts.

3. MANY CHANNELS, MANY DEVICES, ONE CUSTOMER

Consumers are increasingly using multiple devices to remain connected. In fact, according to the DMA, the average U.S. customer connects to the Internet through at least five different devices.

Furthermore, customers continue to transact in the offline world with a multiplicity of different identities and across multiple different channels – for example, different store loyalty cards at different retailers.

As marketers become increasingly comfortable managing Big Data and vendors create systems that can target marketing efforts down to the individual, there is a need to have a consistent, unified view of the customer across all those devices and to be able to track all their actions across all channels – offline and online.

Customers **continue to transact** in the offline world with a multiplicity of different identities.

53%
of customers feel retailers must recognize them.

69%
of companies don't have data alignment.

Customers themselves expect this: 53 percent of customers feel it is important for retailers to recognize them as the same person across all channels and devices, according to DMN.

However, as many as 69 percent of companies say they do not have sufficient data alignment within their companies. Expect that to change in 2017.

4. LOYALTY EMBRACES MOBILE

Thus far, mobile's role in loyalty has been limited to creating apps that enable consumers to view and manage their loyalty accounts. Expect that to change in 2017, as smart brands realize that loyalty is more than simply collecting points for transactions, but also about engagement and advocacy.

Mobile is the perfect tool to reward brand interactions beyond just transactions.

Further, mobile allows multichannel brands to communicate with and capture transaction information directly from consumers through receipt processing, thereby enabling whole industries such as consumer packaged goods and apparel to create their own loyalty programs.

Forward-thinking brands are re-imagining their entire loyalty programs from top to bottom with a view towards deeply integrating mobile into their programs.

Reward **brand interactions** beyond just transactions.

> 5. APP FEVER

Apps account for the vast majority of all mobile usage – greater than 85 percent of all mobile usage is on apps as compared to the mobile Web.

Despite the popularity of apps, app usage remains highly concentrated, with the top five apps accounting for 80 percent of usage time, according to comScore.

Most apps are downloaded very infrequently and used even less, and most brands and businesses have found it challenging to actually justify the dollars spent on app development.

However, in 2016 Google announced Instant Apps that launch immediately when clicked on – no app store, no purchase, no download needed. It is the app equivalent of streaming instead of downloading a song or video.

85%
Of all mobile usage is on apps as compared to the mobile Web.

Coupled with Google's work on integrating app content into its search results, one can see how Instant Apps could be revolutionary and further invigorate app usage into the future.

Brands can create one-time, single-use apps that consumers can consume easily and effectively.
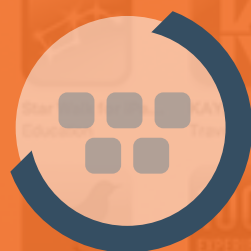
Top five apps account for
80%
of usage time.

6. NATIVE AD FORMATS GROW, BUT FURTHER FRAGMENT

Apps continue to dominate the mobile experience and are likely do so even more in the future.

Further, 28 percent of United States Internet users already use ad-blocking software, according to Adobe, and that number is likely to increase. Display ad formats, which have always been of dubious efficacy, are likely to continue to decline in relative value.

Native ad formats will continue to grow and multiply, creating both opportunities and challenges for advertisers and publishers.
On the one hand, they continue to innovate with less intrusive but more effective advertising formats.

On the other hand, the complexity of managing the messaging becomes that much more difficult with each new format and platform.
Do not expect to see standardization anytime soon as each publisher and platform looks to capture maximal spend in their own walled garden and with their own unique formats.

28%
of US Internet users already use ad-blocking software, according to Adobe.
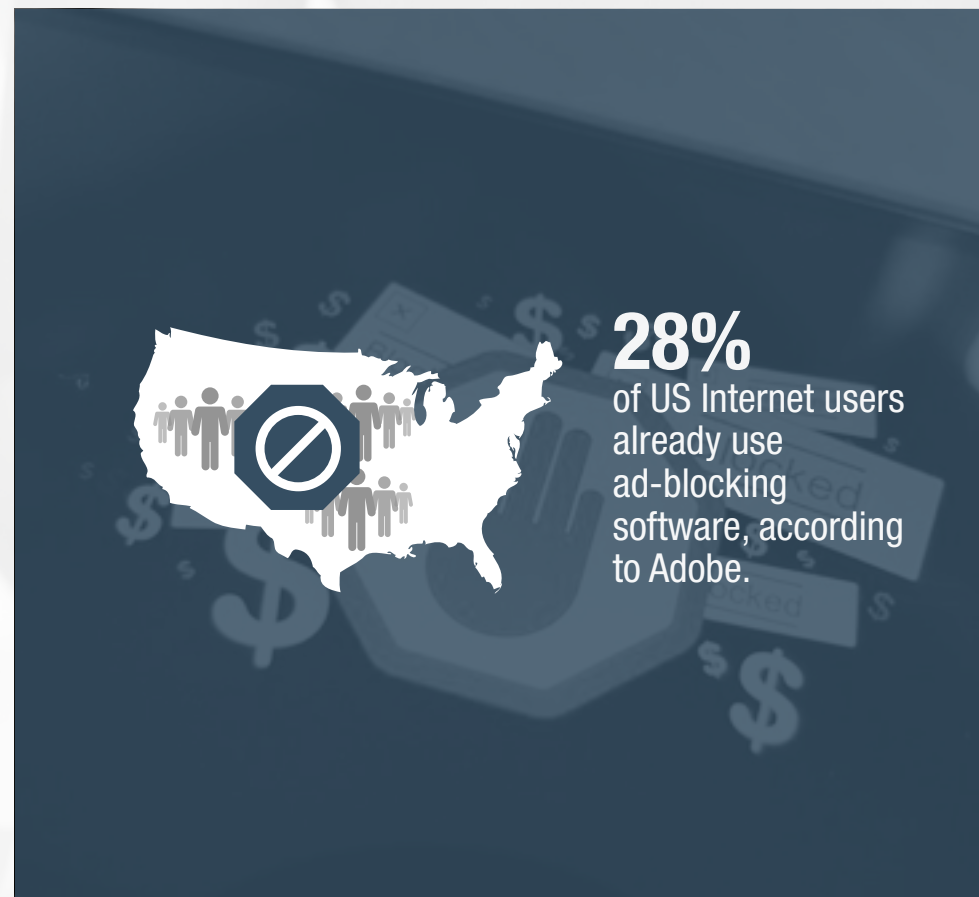
7. MOBILE VIDEO ROCKS ON

Social media has more or less been overwhelmed by video, with four times as many consumers preferring digestible video content over text.

Facebook's daily video views jumped from 1 billion to 8 billion in this past year, with 500 million people watching videos every day – even as text posts decline.

Not surprisingly, ad expenditure on mobile video is expected to grow more than 30 percent next year, according to eMarketer.

However, there is still plenty of runway for future growth, as ad spend in mobile video still significantly lags actual time spent by consumers watching videos.

8 Bn

1 Bn

2016 · 2017

Facebook's daily video views jumped from **1 billion to 8 billion** in this past year

30%
Growth is expected in ad expenditure on mobile video according to eMarkerter.
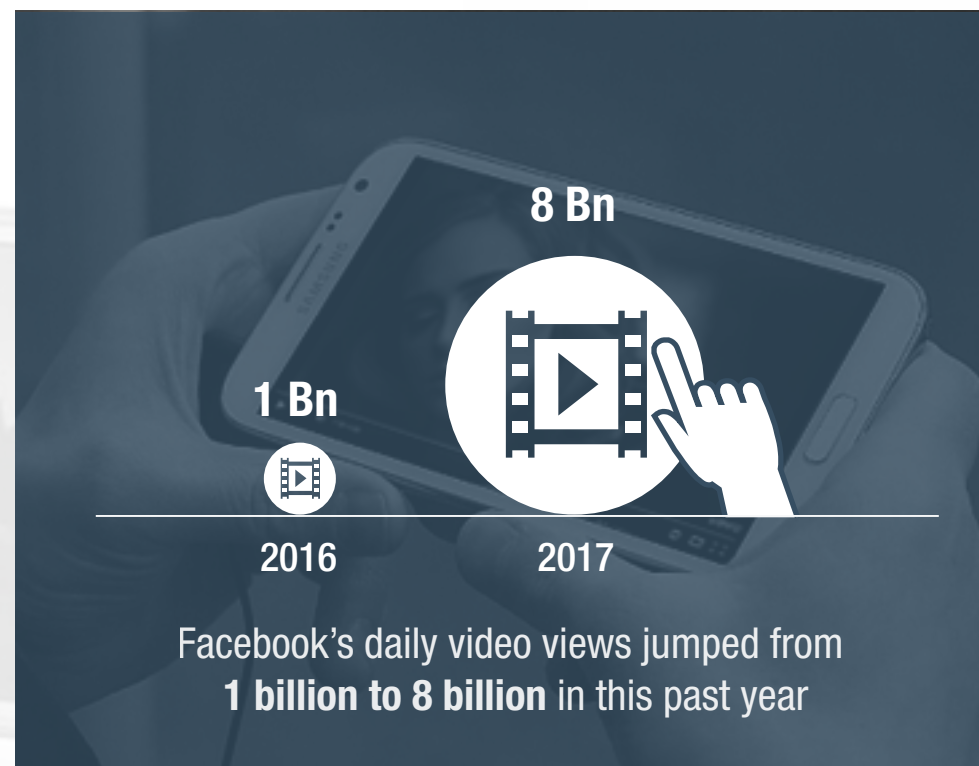
Expect to see more innovation in pre-roll, live video and video embedded directly into email.

8. MESSAGING IS THE NEW MEDIUM

More people use messaging apps today than they do social media, according to Business Insider, and adoption continues to increase rapidly.

Further, the messaging apps are slowly but surely evolving into full-fledged marketing and commerce platforms. In 2016, Facebook slowly opened up Messenger to automated bots and the ability to natively pay for services, but the experiences were undercooked and overhyped.

WeChat has long been at the forefront of what is possible in creating an ecosystem atop messaging – and others will inevitably follow.

Marketers should look to jump on as quickly as possible, as moving transactions and engagement onto messaging platforms is likely to have seismic and long-lasting impact on mobile.

Expect to see 2017 as the year in which U.S. messaging apps finally start catching up.

More people use **messaging app**s today than they do social media, according to Business Insider.

9. FRAUD

Since mobile is accounting for a growing share of overall digital spend, expect it to become an increasing focus for fraud as well.

Where the money goes, so do the ad bots.

Advertisers and publishers alike are increasingly focusing on ad fraud, but so are increasingly sophisticated scammers.

With increasing use of machine learning and artificial intelligence techniques, it is becoming harder to effectively differentiate bot behavior from human behavior.

As bots become more sophisticated and prevalent, expect to see click-throughs become further devalued as advertising currency and become replaced with more end-user, action-based payment structures such as purchases.

Advertisers and publishers alike are increasingly **focusing on ad fraud**, but so are increasingly sophisticated scammers.

10. SECURITY AND PRIVACY

Among many things, 2016 will be remembered as the year some of the largest data breaches so far came to light.

Yahoo, Dropbox, LinkedIn, the Internal Revenue Service and many more trusted institutions – and not so trusted ones such as AdultFriendFinder – were found to have serious security breaches. As mobile devices continue to become more intimate and indispensable, they capture increasing amounts of highly sensitive data.

Random apps that we download will often routinely ask for access to our location, contact book and other highly personal information.

Privacy and security were already a big deal in 2016: cue Apple's refusal to hack open a phone for the Federal Bureau of Investigation. In 2017, they will be an even bigger deal all around. IT IS HARD to say exactly how all these trends will play out in the new year.

The one thing we can say for sure is that 2017 is definitely not going to be more of the same, and there will certainly be unforeseen surprises that we never saw coming. Here's to finding out what they are.
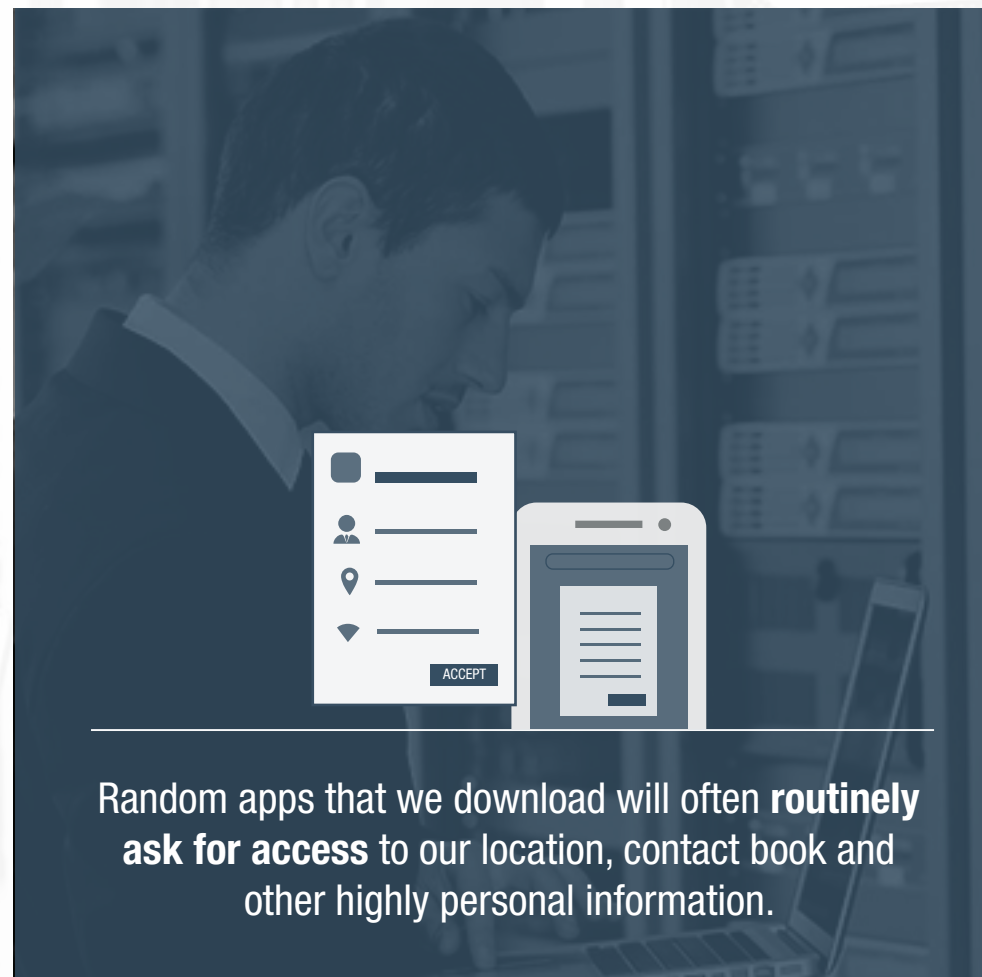
Random apps that we download will often **routinely ask for access** to our location, contact book and other highly personal information.

SNIPP!

CONTACT US

✉ lets.talk@snipp.com

🌐 www.snipp.com

f www.facebook.com/SnippInc

t www.twitter.com/snippinc

in www.linkedin.com/company/snipp

Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.