MOBILE MARKETING ASSOCIATION

What are the Facts about Mobile Advertising

And what Does it mean to a marketer's business

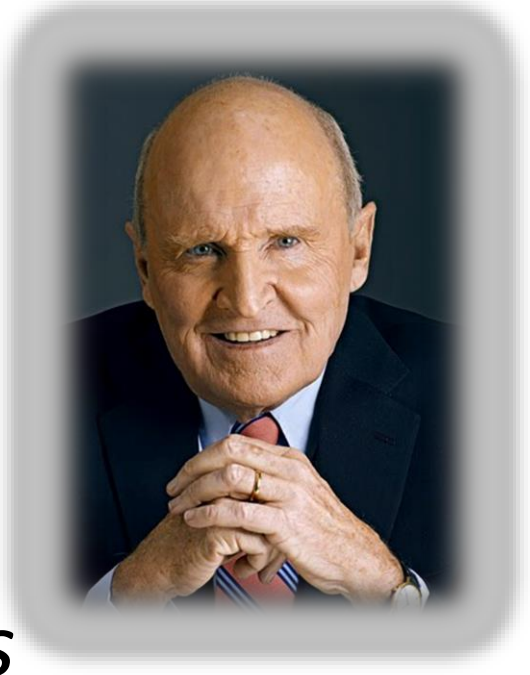
March 2016

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But what do you expect from a channel that has this kind of influence?



Jack Welch Once Said…



There are only two sources of competitive advantage:

the ability to learn more about our customers faster than the competition and;

the ability to turn that learning into action faster than the competition.

Which is why we built….



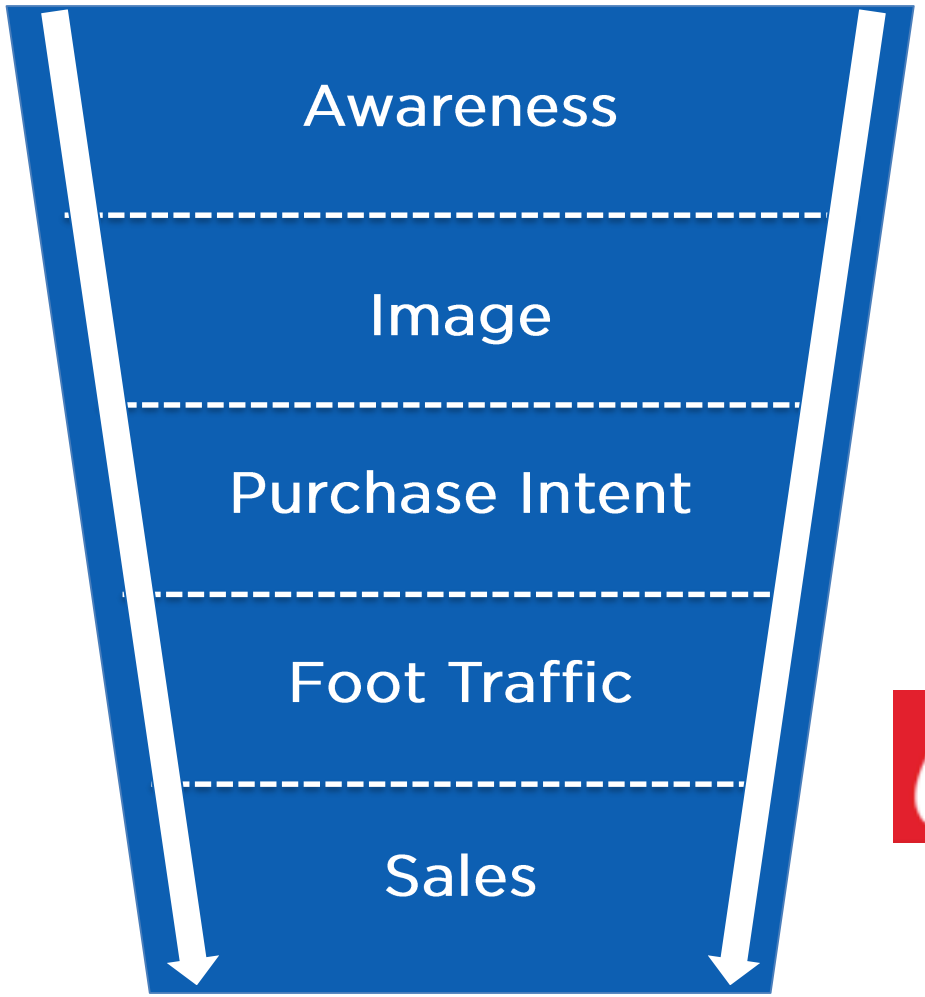
SMoX.me = Smart Mobile Cross Marketing Effectiveness Studies



What Has SMoX Taught Us



SMoX: Industry Consortium Coming together to understand business value of Mobile in advertising Mix



5 Brands

at&t

MasterCard

Walmart

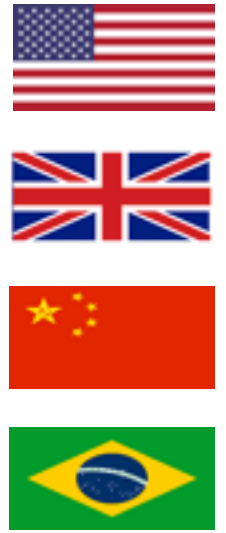
Coca-Cola



Unilever



4 Countries



Using a Revolutionary Approach: Developed by Marketing Evolution & Millward/Brown's Insight Express

1 Leveraging Mobile ad tech to target DID

Integrated Partners target DID of panelists

InsightExpress checks for cross over in panel and sends list of panelists back to Networks

Ads, tagged by InsightExpress, are targeted to panelist devices



4 Track multiple KPIs, perceptual or behavioral

3 Experimental Design for media allocation

Assess multiple scenarios of cross media exposure and frequency

2 Individual Level data for cross media exposure

Brand KPIs /attitudinal with Surveys

Foot traffic with actual location data

Actual sales with panel match

5 Regression analysis to identify drivers

6 Budget Optimization Software to operationalize insights

MMA

What Have We Learned From SMoX?

1. That Mobile works across the Purchase Funnel through to sales – and now proven globally
2. There is lots to get right; and its different from plain-old digital (video, native, location)
3. First mover has real competitive advantage; not just for sales but to Market Cap

Let's review….

Variety of media in each campaign mix

	at&t	MasterCard	Walmart	Coca-Cola	Coca-Cola 可口可乐	Coca-Cola Brasil [1]	Coca-Cola [1]	MAGNUM / Unilever [1]
TV	✓	✓	✓	✓	✓	✓	✓	✓
Print	✓	✓		✓				✓
Internet	✓	✓	✓	✓	✓	✓	✓	✓
FSI			✓					
Cinema						✓	✓	
Social		✓				✓	✓	✓
OOH				✓	✓	✓	✓	
Mobile	Display	Display, video, social	Display, video, native, location	Display, audio, video social	Display, video, social	Display, video, social	Display, video, social	Display, RM, Weather targeting, social, video

1 Study not public yet

What do we know – U.S. SMoX

Campaign Information					Change in Campaign Due to Mobile			
					Impact on Campaign just as Brand Executed Mobile[i]		Impact when Optimizing within Mobile Mix Also[ii]	
Company (Brand)	Country of Study	Overall Campaign Goal & Optimization	All Media in Campaign	Mobile Formats in Mobile Portion of Campaign	Optimized % of Mobile in Mix vs. Total Budget[iii]	Boost in Overall Campaign Perf.[iv]	Opt. % Of Mobile in Mix with Mobile Best Practices [v]	Boost in Overall Campaign Perf.
AT&T (MotoX)	U.S.	Awareness	TV Print Desktop	Display	16% →	+12% Increase people aware of MotoX by 2.5M	20% →	+18% Increase for those aware MotoX by 3.9M
MasterCard	U.S.	Image *("MC is good card to use when traveling")*	TV Print Desktop Social	Display Video Social	8% →	+7% Increase people who know "MC is good card for Travel" 0.9M	12% →	+17% Increase people who know "MC is good card for Travel" 2.2M
Walmart (Back-to-School Grocery)	U.S.	Purchase Intent & Sales	TV FSI Desktop	Display Native Social Location Targeting	11% →	+6% Increase in sales for whole campaign	15% →	+14% Increase in sales for whole campaign
Coca-Cola Co. (Gold Peak Tea)	US	Awareness, Image, & Sales	TV Print OOH Desktop	Display Audio Video	10% →	+4% Increase in sales for whole campaign	15% →	+7% Increase in sales for whole campaign
Unilever (Magnum)	U.S.	Awareness, Sales	TV, Print, Desktop	Display Rich Media Social Video Weather targeting				

1 Study not public yet

What do we know – Coca-Cola Worldwide SMoX

Campaign Information					Change in Campaign Due to Mobile			
					Impact on Campaign just as Brand Executed Mobile[i]		Impact when Optimizing within Mobile Mix Also[ii]	
Company (Brand)	Country of Study	Overall Campaign Goal & Optimization	All Media in Campaign	Mobile Formats in Mobile Portion of Campaign	Optimized % of Mobile in Mix vs. Total Budget[iii]	Boost in Overall Campaign Perf.[iv]	Opt. % Of Mobile in Mix with Mobile Best Practices [v]	Boost in Overall Campaign Perf.
Coca-Cola Co. (Gold Peak Tea)	US	Awareness, Image, & Sales	TV Print OOH Desktop	Display Audio Video	10% →	+4% Increase in sales for whole campaign	15% →	+7% Increase in sales for whole campaign
Coca-Cola Co. (Red Can)	China	Sales	TV OOH Desktop	Display Video Social	8% →	+7% Increase in sales for whole campaign	15% →	+16% Increase in profit
Coke (Red Can) (1)	UK	Sales	TV, Desktop Social	Display Video Social				
Coke (Red Can) (1)	Brazil	Sales	TV OOH Desktop Social	Display Video Social				(TBD)

(1) Study not public yet

[i] Assumes that overall campaign budget is optimized without making any changes in terms of how mobile mix was allocated
[ii] Assumes that overall campaign budget is optimized and best practices are used to further improve the performance of mobile
[iii] The % of the total advertising budget that should be allocated to mobile in order to maximize the performance of the campaign
[iv] The incremental lift in performance generated by optimizing the budget for mobile / increasing mobile allocation

In Summary – SMoX Proves

	Allocation to Mobile in the Mix, when mobile done right	Increase in Brand Metrics	Increase in Sales
All Studies	**12% to 20%**	**+/-17%**	**7% to 16%**
Coke Studies	**15% to 20%**	**- -**	

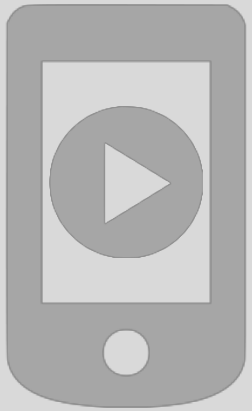
Capitalizing on Mobile is a 2-Step Process

1. Optimization of Mobile in the Marketing Mix
   - That's a law of the physics of media
2. Building capabilities within Mobile
   - Education, test & learn, access to industry,

Using the mobile toolkit to improve results

FORMATS	CHANNELS	TARGETING	CREATIVE
Audio Video Display Rich Media Native Coupons	Websites Apps Push SMS/MMS Social Search Email	Audience Context Day part Location Weather Programmatic	Dynamic Integrated Closed loop to payment

Mobile Video improved results for Coke.
Manage frequency or rotate creative

	Price	Effectiveness at High Frequency
Mobile Video 	320	350
Mobile Display 	100	100

Better ROI!

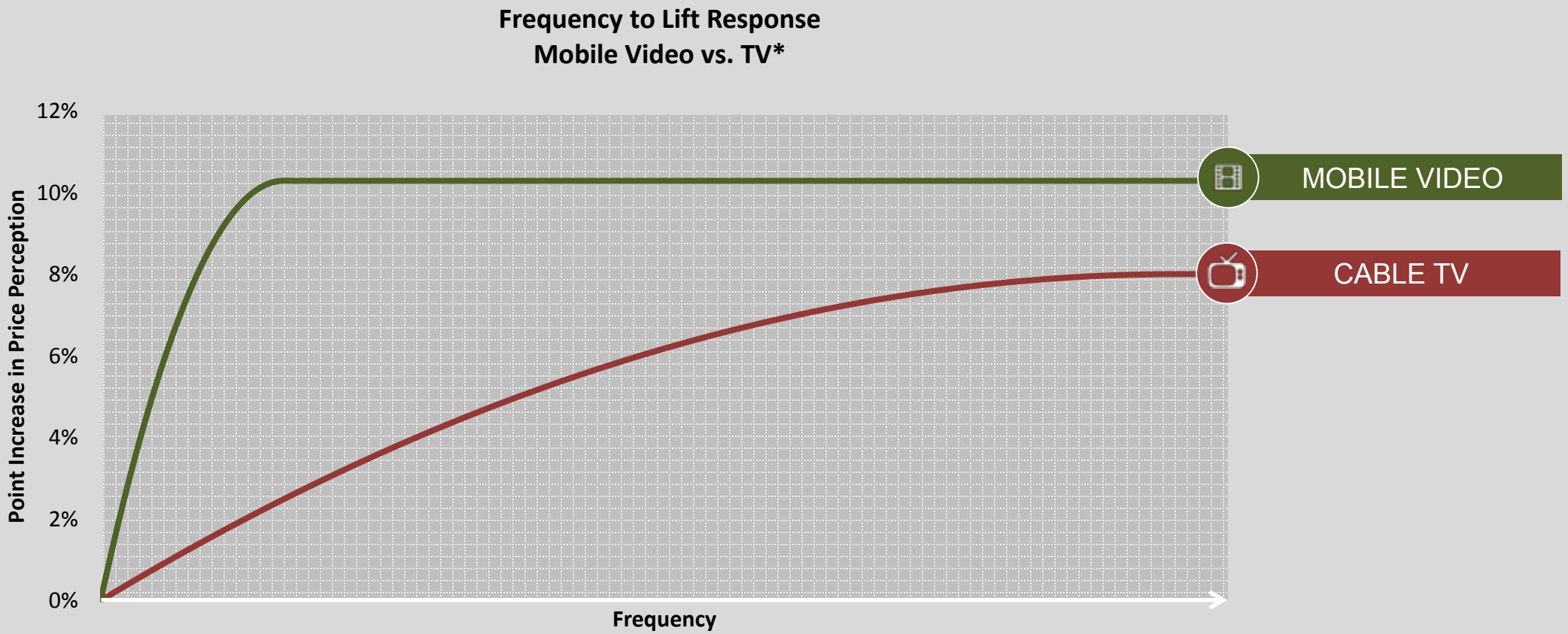
Mobile Video could further improve results for Coca Cola

	Price	Effectiveness
Mobile Video	88	300
Mobile Display	100	100

Better ROI!

Impact in this case is defined as purchase intent for Gold Peak tea.

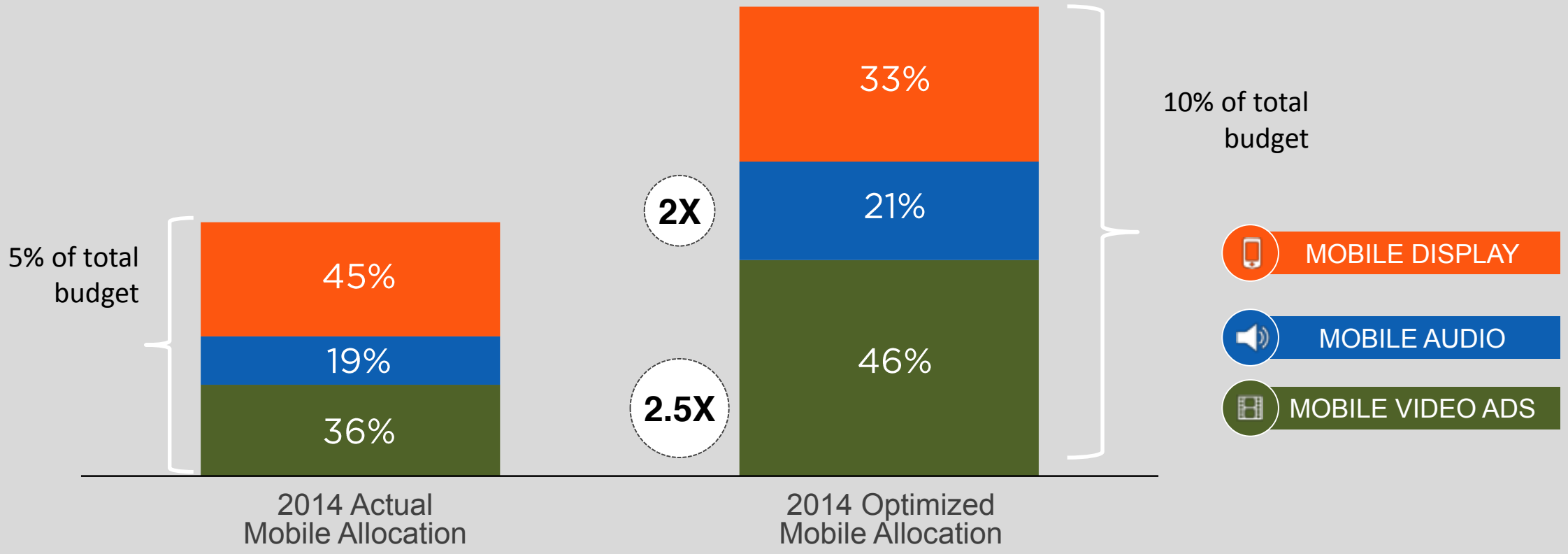
With the same creative, Mobile Video had more impact than video on other platforms



ce: Walmart SC Survey; Data Collected from: 8/4-9/28

Re-allocation toward video and audio would be needed to drive additional revenue.

Optimal Budget Allocation to Drive Revenue:
Mobile Media Deep Dive



Mobile Native improved results for Walmart. Manage frequency or rotate creative

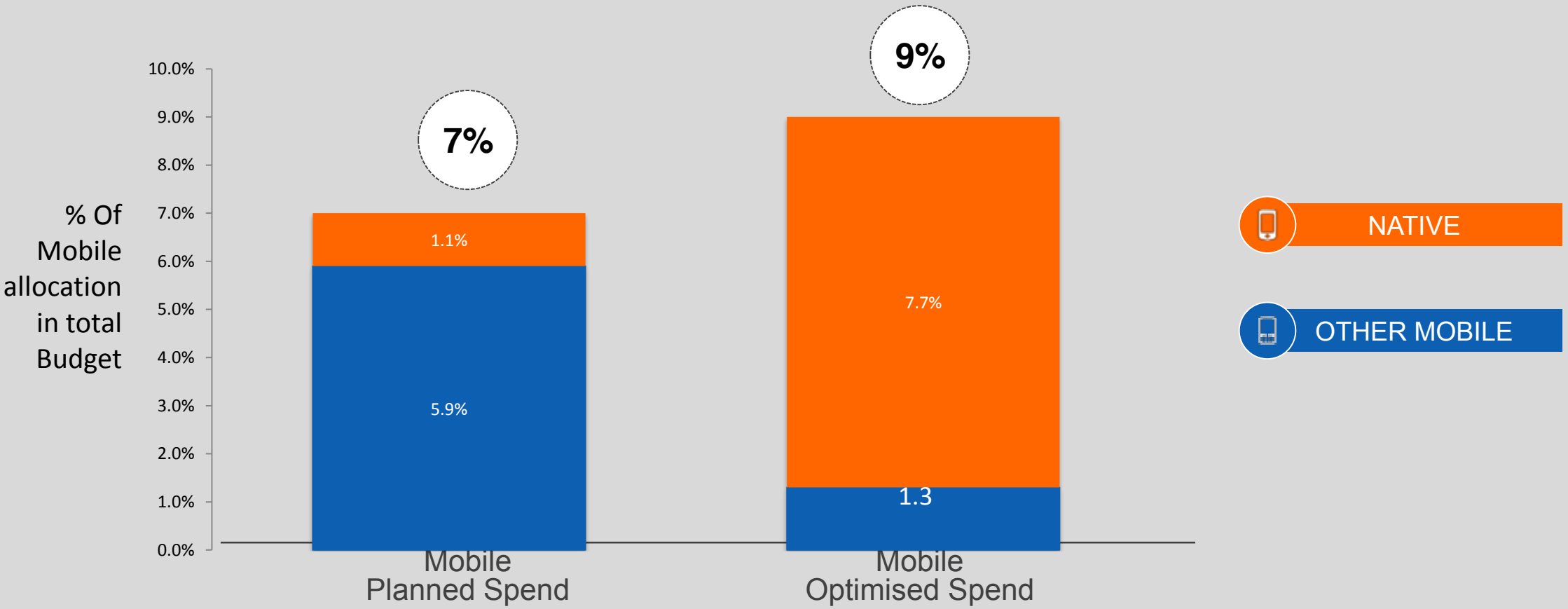
	Price	Effectiveness at High Frequency
Mobile Native 	500	1300
Mobile Display 	100	100

Better ROI!

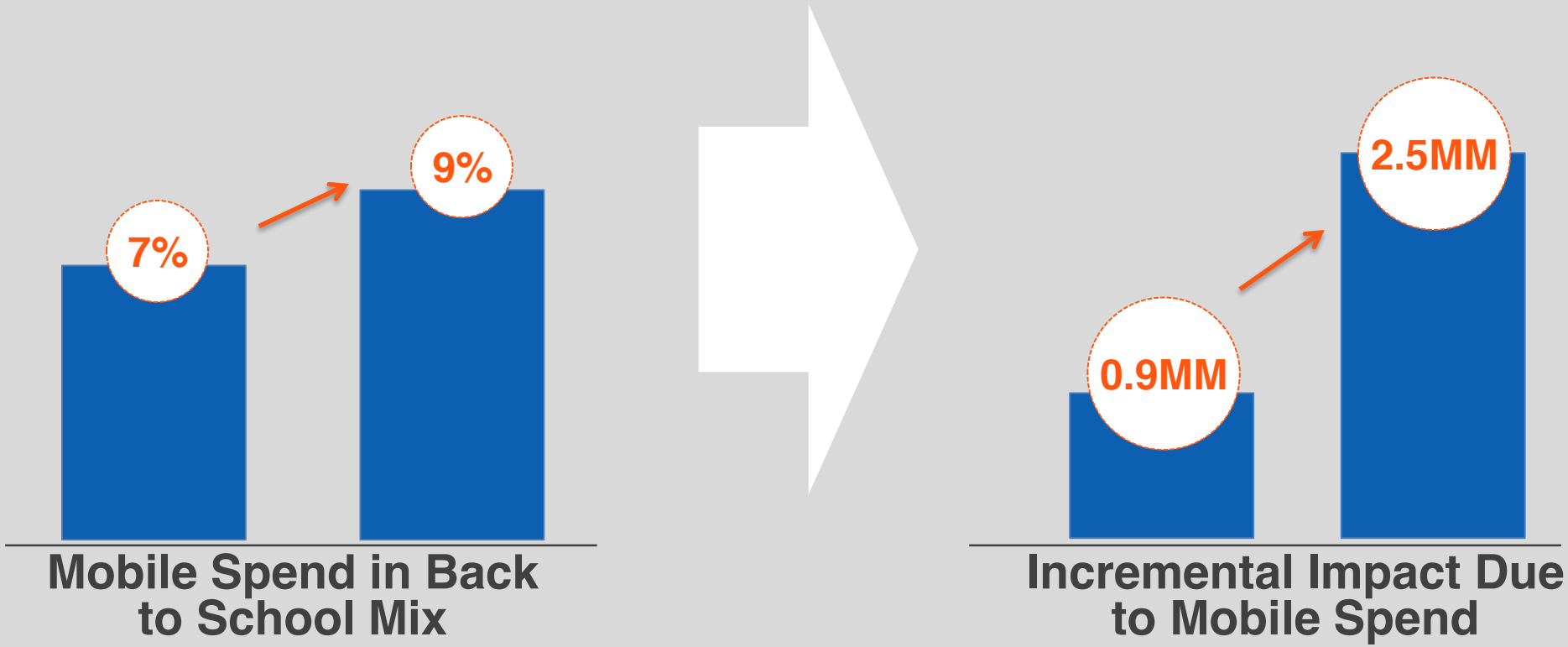
Walmart

MMA

Mobile Native's performance yields it the majority of optimized spend across the mobile formats used.



By reallocating within mobile, a 30% increase in Mobile spend results in an 2.8X increase in impact.



MM = Millions of people converted on Intent to Shop Walmart BTS

But can Mobile be made to work even harder. But what is the opportunity?

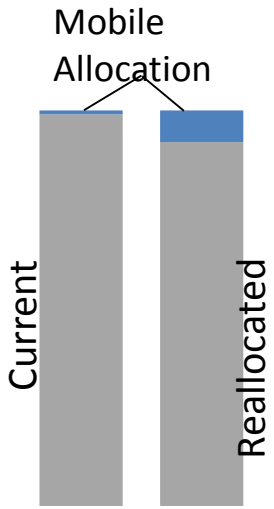
Optimization focus	ROI Upside (based on SMoX)	ROI Upside (expert opinion)
1.Optimize by Format (display size, audio, video, native, social)	20%-40%	+ 80%
2. Leverage Location targeting (Audience, proximity targeting & role of creative)	20%+	+120%
3. Leverage Context targeting (Time of the day, day of the week)	20%+	+ 60%
4. Build on Creative (AB testing, relevance by target group)	40%-60%	+ 200%
Total	**100%-160%**	**+ 460%**

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Coke Studies	**15% to 20%**	**- -**	

Does this Matter: Market Cap Impact by Marketer for First Mover Advantage

Using a large Consumer Goods company as an example. . .



Move aggressively, bring mobile spend to about $500M worldwide

Move revenue across the board by 2%

And the Company's current Revenue and market value . . .

$185.2B Market Cap

2013 Revenue of $43.9B

2% Share Shift Revenue Gain of $922M

Yields a material value creation opportunity.

MV / R = 4.2

Market Cap Gain = 4.2 x $922M

$3.9B

Our current goal recommended percent mobile allocation of mix overtime



The Math: Mobile will be a **$70 Billion U.S.** business and **over $200 Billion worldwide** (just from big brands)

Opportunity knocks



What's Next: SMoX – Wave II

Even given our success with SMoX, there are still more questions the MMA wants to answer:

More sectors to assess:

1. ~~Insurance~~
2. Automotive
3. QSR
4. Alcoholic Beverage
5. Consumer Electronics
6. Travel
7. Fashion
8. Anyone with a youth target!
9. Maybe multi-cultural too

Video (for example) Insights Desired:

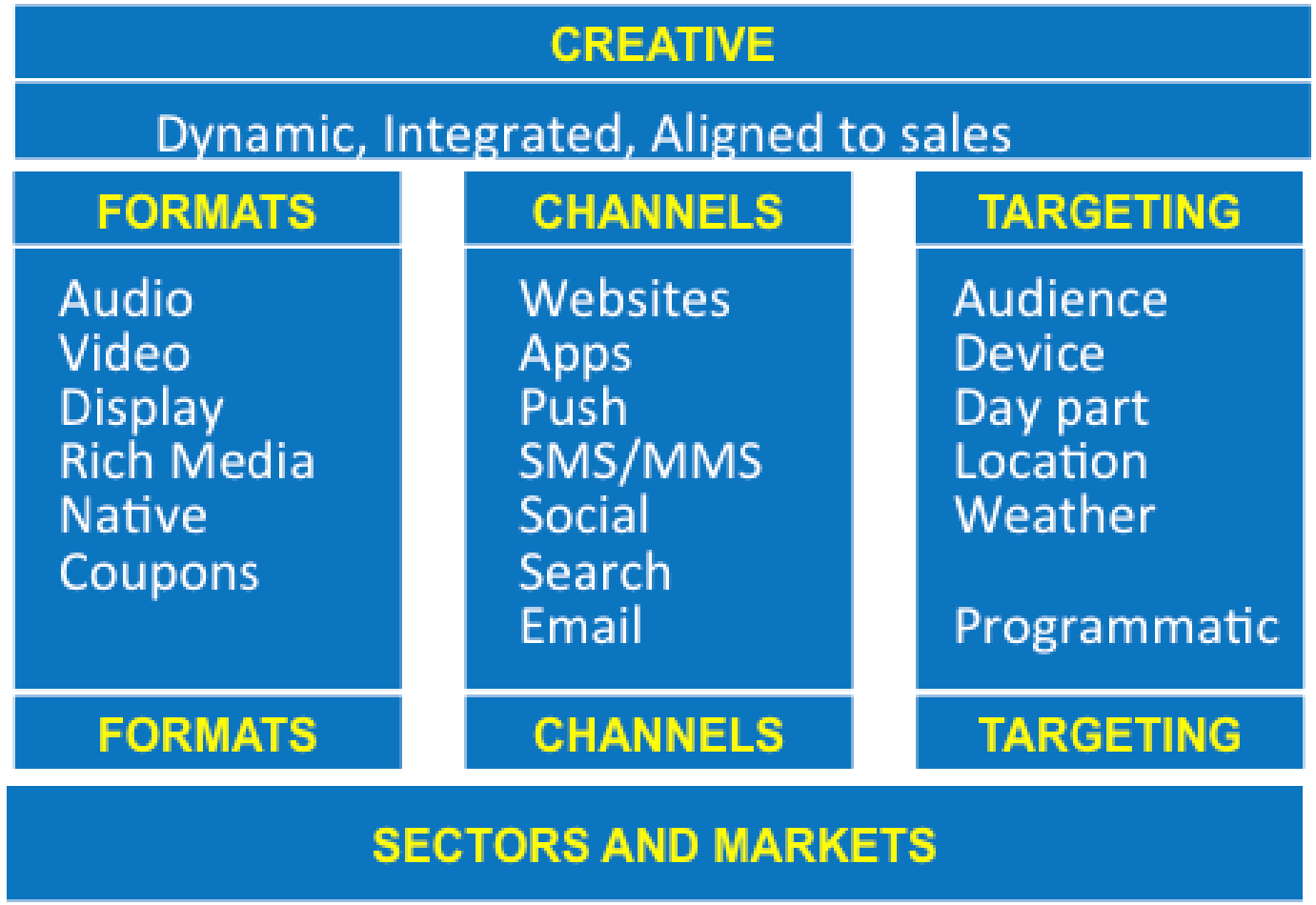
- Linear: pre-/mid-/post-roll
- Interstitial
- Value Exchange
- In stream, sound turned off
- In page video
- Tablet vs. Device
- :15 vs. :30
- Time of day
- iOS vs. Android
- Audience

Inviting Brands and Sellers to join us in Wave II

greg@mmaglobal.com

Learning agenda for Wave 2

Our goal is to cover more industries (Automotive, Insurance, QSR etc.) but also uncover best practices in key areas of Mobile as shown below



Thought Starters: What are your questions?

1. How can we win in **mobile video**? (impact of unit length, type, channel/screen)
2. What is the value of **native** and which formats (i.e. in feed) and platforms /genres work better?
3. How does **content marketing** work in mobile and what is its value?
4. How can we maximize **creative effectiveness** in mobile? What is the value of dynamic creative and designing specifically for mobile vs. repurposing?
5. What is the impact of **view ability** and premium content in mobile ROI?
6. What is the value that **data** add to audience targeting in mobile?
7. How can we better leverage **location** targeting? What other elements of context matter?
8. What is the value of **cross screen** targeting?
9. What is the value of **push** across the customer journey?
10. Other?

Indicative: Detailed Overview of formats and channels

FORMATS

- **Audio**
  - Podcast
  - In stream
- **Video**
  - Linear: pre-/mid-/post-roll
  - Interstitial
  - Value Exchange
  - In stream, sound turned off
- **Display/Readable**
  - Banners/MMA Universal Mobile Ad Package (UMAP) 2.0
  - Non-Standard
- **Rich Media**
  - Banner
  - Expandable
  - Interstitial
  - Other interactions
    - Embed a video
    - Embed audio
    - Play animations
    - Integrate touch interactions
    - Add an event to the user's calendar
    - Send a SMS message
    - Call a phone number
    - Save a picture
- **Native**
  - In-Feed (Social)
  - In-Feed (Content)
  - In-Feed (Commerce)
  - In-Map
  - In-Game
  - Paid Search
  - Recommendation Widgets
  - Custom
- **Coupons**
  - Click to Print
  - Save to Loyalty Card
  - Display
  - In-App
- **QR**
  - Static
  - Dynamic

CHANNELS

- **Advertising**
  - In App
  - Mobile Web
- **Websites**
  - Responsive
  - HTML 5
- **Apps**
  - iOS and/or Android
  - Beacons/In-store
- **Push notifications**
  - In-App
  - Mobile Web
- **Text Marketing**
  - SMS
  - MMS
- **Social**
  - In-Feed
  - Sponsorship
- **Search**
  - Paid
  - Organic
- **Email**
  - Mobile Optimized

**Testing feasibility to be confirmed, subject to specification of campaign.*

Thank you to these Innovation Leaders

Supporters



Partners

ANA
Association of National Advertisers

ARF ADVERTISING RESEARCH FOUNDATION

AAAA
American Association of Advertising Agencies

MMA

Thank You!

Seizing the Mobile Opportunity

Mobile Marketing Association

Here to lead the greatest transformation in marketing we'll see in our generation

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