

## The New Mobile Marketing Imperative: Measuring What Matters

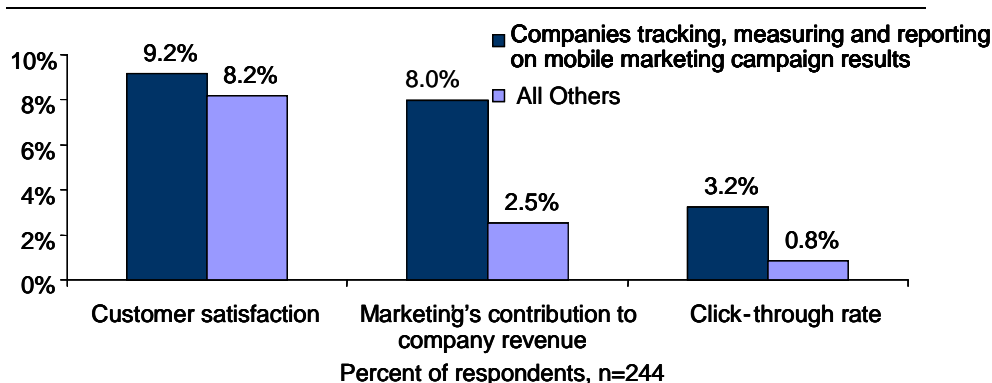
Driven by the increasing adoption of mobile devices by their customers, businesses are increasingly focused on reaching their target audience through the mobile channel. In fact, when asked about their adoption of mobile marketing activities, 15% of organizations participating in Aberdeen's December 2010 *Email Marketing* study indicated that they had mobile marketing initiatives in place, compared to 42% for companies participating in the August 2011 *Metric-Driven Mobile Marketing* study - demonstrating a 280% increase in adoption of mobile marketing in less than a year.

Despite this rapid adoption, our mobile marketing research shows that organizations are challenged to provide visibility into the performance results and business value of these initiatives. Seventy-one percent (71%) of companies are still immature in their ability to measure results of their mobile marketing activities, and 31% don't know the tangible business contribution of their mobile initiatives. This Analyst Insight will outline the impact of mobile marketing performance measurement, and highlight the key factors required to support execution of measurement as a key strategy in order to build a Best-in-Class mobile marketing infrastructure.

### The Performance Impact of Measurement

Aberdeen's *Metric-Driven Mobile Marketing* report reveals that Best-in-Class companies are more than twice as likely (50% vs. 24%) than their peers to track, measure and report on mobile campaign results as a core strategy of their mobile marketing initiatives. Figure 1 illustrates the importance of this strategy in driving performance results.

**Figure 1: Year-over-Year Performance Gains**



Source: Aberdeen Group, September 2011

### Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

### Maturity Class Definitions

The following Key Performance Indicators were used to determine the Best-in-Class for the *Metric-Driven Mobile Marketing* report:

- ✓ Year-over-year change in customer satisfaction
- ✓ Year-over-year change in cross-sell and up-sell revenue
- ✓ Percentage of company revenue that has been positively impacted by marketing campaigns and programs

Best-in-Class: top 20% of aggregate performance scorers

Industry Average: middle 50% of aggregate performance scorers

Laggards: bottom 30% of aggregate performance scorers

In the [study](#) Aberdeen collected data from more than 220 organizations from around the globe to identify the Key Performance Indicators (KPIs) most frequently utilized to measure the results of their mobile marketing initiatives. The top two performance measures indicated by all companies were customer satisfaction (71%) and marketing's contribution to company revenue (60%). These enterprise marketing metrics reflect an organizations' ability to drive both customer delight and revenue from mobile marketing initiatives.

### Mobile-Specific Metrics Improve Channel Performance

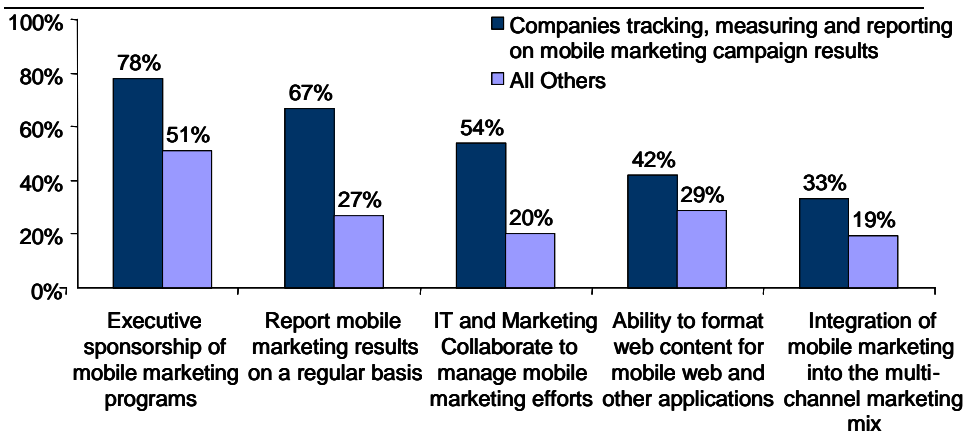
Driving performance improvements in any mobile channel (such as SMS, email, mobile web, mobile apps, or microblogging) starts with the relevant metrics that track activity on a granular level – they help establish a baseline understanding of the tangible and measurable impact of specific mobile marketing activities. For example, click-through rate is an example of an activity-level metric indicating an organization's ability to drive response rates through a specific email campaign or mobile website.

Ultimately, success in mobile marketing is closely aligned with connecting the results of these mobile-specific activities (e.g. mobile website views and mobile shopping basket activities) with business outcomes. While channel-specific metrics are essential to measure and improve a program's success in driving specific or desired behaviors, the [research](#) shows that marketing's contribution to company revenue, customer satisfaction, and cross-sell and up-sell results are ultimately the metrics used to measure overall marketing success. They go above and beyond measuring individual campaign responses rates; they evaluate overall program effectiveness in driving tangible business value.

### Capabilities Required to Build a Best-in-Class Infrastructure

As shown in Figure 2, the [study](#) found that companies adopting measurement as the core of their mobile marketing strategy do so in conjunction with five essential business processes.

**Figure 2: Key Capabilities to Drive Marketing Effectiveness**



Percent of respondents, n=244

Source: Aberdeen Group, October 2011

“Web metrics are very important for us. Our businesses identify key conversion events on their sites, and we track sources of traffic linked to conversions. Then businesses use these insights to continue to improve outcomes.”

~ David Reynolds-Gooch,  
Interactive Marketing Group  
Manager, 3M Corporation

The capabilities to drive marketing effectiveness include:

- Executive sponsorship of mobile marketing programs.** Early findings from Aberdeen's upcoming November 2011 study, *Sales & Marketing Alignment* show that the top factor influencing the marketer's agenda in 2012 (47% of the more than 350 organizations participating in the study) is measuring the business impact of marketing investments. In an environment where marketing is held accountable for demonstrating a clear ROI from each activity, garnering executive buy-in is closely associated with marketing's ability to show the financial impact of each campaign and/or channel. The [Metric-Driven Mobile Marketing](#) study found that every single marketing department conducting a cost/benefit analysis had executive support of their mobile marketing initiatives, compared to only 53% of their peers without this strategy (Table 1).

**Table 1: Metrics Drive Executive Sponsorship**

	Companies with Executive Sponsorship of Mobile Marketing Programs
Companies analyzing cost/benefit of mobile programs	100%
All others	53%

Source: Aberdeen Group, August 2011

- Report mobile marketing results on a regular basis.** The broad capabilities of today's mobile devices enable customers to have almost instant access to information anytime, anywhere. Implementing precision marketing campaigns (delivering the right message to the right customer at the right time) in this new context requires more than just accurate measurement. Companies need to optimize the timing and delivery method (offer, content and channel) of each marketing communication based on information relative to each customer. This enables the organization to have visibility into the most effective ways to target each customer on an ongoing basis. Companies that regularly report their mobile marketing results achieve 3.4% year-over-year improvement in click-through rates, compared to 0.2% decline for those that don't.
- Establish a strategic alliance between IT and marketing to manage mobile marketing efforts.** When asked about the departments involved in execution of mobile marketing initiatives, 59% of companies with a "metric-driven" strategy (e.g. companies using measurement as the core component of their mobile marketing efforts) indicated that marketing and IT are close partners to manage marketing campaigns and programs within the mobile channel. Furthermore, Aberdeen's June 2011 report, [Opposites Attract: the Mobile Channel Unites Marketing and IT](#) found

that 35% of funds to support mobile marketing programs are sourced from internal or external IT services budgets (Table 2). Building a collaborative relationship with IT enables marketers to streamline the flow of data associated with each marketing campaign, from planning to measuring and reporting results, empowering marketers with the most critical information required to achieve their marketing goals. In addition, it leaves the administration of the analytics to the experts who know best - their IT team.

**Table 2: Mobile Marketing Budget Resources**

Department	% of Budget Allocation
Internal Marketing	45%
External marketing services (e.g. marketing, ad or PR agencies, consultants)	17%
Internal IT team	33%
External IT services	2%
External integrated Marketing and IT services (e.g. digital solutions agency)	3%

Source: Aberdeen Group, June 2011

- Ability to format web content for mobile web and other applications.** The [Metric-Driven Mobile Marketing](#) research shows that the primary challenge faced by organizations (51%) in executing mobile marketing activities is the vast number of mobile devices and operating systems used by their customers. As a result of the plethora of browsers, screen sizes and file types, marketers need to focus on formatting website content to ensure consistency and enable the creation of immersive customer experiences through content displayed on mobile devices. Deploying analytical tools and processes helps businesses gather crucial insight into the most relevant platforms and devices to reach their customers through the mobile channel. Data shows that companies addressing the individual formatting requirements of specific mobile platforms and devices achieve a 24-times (4.6% vs. 0.2%) greater year-over-year improvement in their Call-to-Action (CTA) rate, as compared to those that don't.
- Integration of mobile marketing into the multi-channel marketing mix.** The [Metric-Driven Mobile Marketing](#) data also shows that top performing organizations are more than 4-times as likely as their peers to integrate mobility within their broader multi-channel marketing activities. Achieving the desired results via marketing efforts within the mobile channel requires a holistic view. Mobile should not be treated as a stand-alone marketing activity, but rather as a well-coordinated channel that complements other

channel activities to keep in-tune with customers. This results in a stream of multi-channel and cross-channel customer engagements, with channel and campaign performance measurement established as the core strategy. It's essential that the measurement of mobile campaign activity integrates within a multi-channel approach as well. Analysis of mobile marketing data as a separate silo limits marketers understanding of the impact of mobile marketing on cross-channel customer interactions. Ensuring consistency among marketing messages across multiple channels is a key differentiator, allowing businesses to protect the brand by avoiding sending conflicting messages to the market. In fact, companies that integrate mobile in their overall marketing mix are more than 3-times more likely than those that don't to ensure mobile marketing messages are consistent across all campaigns.

### Case in Point: 3M – Measuring for Success

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3M is a diversified technology company serving customers and communities with innovative products and services. With more than 50,000 products, it serves customers in nearly 200 countries. In order to address the increasing adoption of mobile devices by their customers, in late 2010 the company began to roll-out mobile marketing within its multi-channel marketing mix. "We're aware that our customers and prospects are increasingly living on their mobile devices; our mobile marketing activities are meant to enable customers to easily communicate with us, and find the content they're looking for when and where they want it," says David Reynolds-Gooch, Interactive Marketing Group Manager at 3M. "What really got our attention was seeing five-times the increase in traffic to our 3M.com sites coming from mobile devices compared to the previous year."

An essential building block of 3M's mobile marketing channel is a process to track, analyze and improve the results of their mobile marketing activities. This allows the company to ascertain the impact of its mobile marketing programs, repeat ones that are successful and learn how to improve engagement with customers. "We're looking to tie the impact of all marketing touches with marketing's influence on closed business, customer engagement, and brand loyalty," says Reynolds-Gooch. 3M's goal is to integrate mobile with all of its multi-channel marketing activities (e.g. web, social media and email). "It is critical to make your company accessible by customers - integrating mobile marketing with other channels such as social media is a key factor in improving the cross-channel customer experience."

Formatting website content to be easily viewed on the widest possible number of mobile device types is a core aspect of 3M's mobile marketing initiatives. It has 50-plus diverse businesses; currently 10 of the 3M brands have mobile sites—and the company expects to double that by the end of 2011. In addition to supporting customers with streamlined mobile access to web content, this process is also crucial to support 3M with analytics from these sites. "Web metrics are very important for us. Our businesses identify key conversion events on their sites, and we track sources of traffic

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linked to conversions. Then businesses use these insights to continue to improve outcomes,” adds Reynolds-Gooch.

In addition to building mobile-optimized websites, 3M businesses are increasingly creating mobile apps to meet specific customer needs. For example, 3M Littmann stethoscopes created an iPad and iPhone app that medical and nursing students are using to learn distinct heart sounds that correlate to different medical conditions. So far there have been more than 70,000 downloads.

Mobile marketing is on track to become an effective driver for 3M’s cross-channel customer engagement efforts. The company is currently looking to increase the granularity of its mobile marketing metrics. “We’re seeing more sales conversion actions on our mobile sites resulting from mobile ads and organic mobile search traffic. From an overall perspective, one of the primary benefits of focusing on mobile is to discover how delivering relevant mobile information and experiences can improve our products and technical service value to our diverse customers—when and where they need it,” concludes Reynolds-Gooch.

## Key Takeaways

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As described in this document, trend analysis from recent Aberdeen research indicates that use of the mobile channel to reach customers with targeted marketing messages has almost grown three-fold in less than a year. In addition, the data shows that experimenting with the mobile channel as a stand-alone medium or without a clear strategy is insufficient to drive marketing effectiveness. Aberdeen recommends the following actions for businesses to spur potential performance improvements through their mobile channel activities, and achieve Best-in-Class results:

- **Build a clear strategy that fits your business model.** The [Metric-Driven Mobile Marketing](#) research shows that 39% of all marketing departments with mobile marketing initiatives in place don't have a clear strategy. As a result, these businesses are challenged with understanding how the multitude of customer touch-points can be integrated with their mobile channel activities. Top-performing companies are 95% more likely than all others to have a coherent mobile marketing strategy in place. The top two strategies deployed by these Best-in-Class organizations are; 1) tracking, measuring and reporting on mobile marketing results and 2) integrating mobile marketing within the multi-channel marketing mix.
- **Make measurements relevant to your business.** Forty-percent (40%) of businesses identify growing top-line revenue as their primary goal for marketing campaigns and programs. The ability to determine campaign effectiveness requires each organization to measure campaign results within the context of their particular business. This enables them to focus their efforts and resources on those campaigns that provide the greatest

contribution to revenue growth. Indeed, data shows that companies conducting business-actionable analysis of their mobile marketing results outperform those that don't by 41% in terms of marketing's contribution to company revenue.

- **Take a holistic view - integrate mobile marketing within your multi-channel marketing mix.** Despite the benefits of mobile to enable marketers to reach customers almost anytime, anywhere, mobile marketing should be integrated within the broader mix of customer engagement activities across all marketing channels. This enables businesses to leverage the synergies of each customer interaction through the most appropriate means. Companies that integrate mobile within the multi-channel mix in a holistic and well-orchestrated way achieve 49% (9.8% vs. 6.6%) greater year-over-year improvement in the number of sales transactions, as compared to those that don't. The proliferation of multiple mobile channels such as SMS, mobile 'apps', and mobile web make performance measures that ascertain both the individual and overall impact of each mobile campaign a critical part of understanding the impact of mobile within the broader marketing-mix.
- **Use analytic tools to establish a "metric-driven" marketing infrastructure.** While the value of measurement and the associated business processes highlighted in this document are clear in their role in driving marketing results, data shows that the use of analytics tools is the most essential ingredient of building Best-in-Class "metric-driven" mobile marketing initiatives. Top-performing companies using measurement as their core strategy are more than twice as likely as those that don't to deploy analytics tools and solutions to support their mobile marketing efforts. The most effective use of analytics requires that businesses gather a comprehensive and integrated view of the results from each mobile modality (e.g. SMS, QR codes, mobile websites) by breaking down the mobile data "silos" of fragmented information. This will enable companies to understand the specific impact and interrelatedness of each modality, and take advantage of those that are most effective in driving business results.

In conclusion, Best-in-Class mobile marketing initiatives don't operate in a vacuum. They are core to a well-integrated cross-channel marketing strategy, relevant to that particular business. And their performance is measured, analyzed, and improved, in order to maximize their marketing effectiveness and contribution to company revenue.

For more information on this or other research topics, please visit [www.aberdeen.com](http://www.aberdeen.com).

### Related Research

[Metric-Driven Mobile Marketing: Increase Marketing's Revenue Contribution; August 2011](#)

[Opposites Attract: the Mobile Channel Unites Marketing and IT; July 2011](#)

[Optimizing The Marketing-to-Sales Lead Lifecycle; March 2011](#)

[Enterprise Mobility Management 2011: Mobility Becomes Core IT; March 2011](#)

[Email Marketing: Customers Take It Personally; December 2010](#)

[Enterprise-Grade Mobile Applications: Secure Information When and Where It's Needed; November 2010](#)

[The 2011 Marketer's Agenda: Accessing and Understanding Customer Experience Data Is Life or Death; July 2010](#)

[Enterprise Mobility Management: Optimizing the Full Mobile Lifecycle; May 2010](#)

[A Busy Spring in Mobile City: Mobility Moves from Enterprise Periphery to Core IT; May 2010](#)

[More Mobility – Less Budget: Enterprise Strategies for the Current Economic Downturn; March 2009](#)

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