CRISP

2017 Mobile Advertising & Marketing Survey

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Background & Objectives

Background

In 2015, Crisp and P2Pi partnered with GfK to better understand the mobile landscape within shopper marketing programs.

The key findings of this research were presented at P2Pi's League of Leaders meeting on June 9, 2015.

In 2016, Carbonview Research repeated the same survey in order to measure year-over-year changes in mobile usage and brand awareness.

In 2017, the research division of EnsembleIQ, formerly Carbonview, repeated the same survey, again to measure year-over-year changes in mobile usage and brand awareness. There were a handful of new questions in the 2017 study.

Objectives

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The key objective of this research is to track annual growth in the use of various mobile platforms, approaches, and service providers.

Research Objectives

- Mobile channels & platforms
- Types of mobile advertising
- Targeting methods
- Shopping apps
- Shopper content / data providers
- Mobile measurement services
- Aided brand familiarity of mobile marketing / advertising firms
- Relative importance of audience targeting and user experience for a successful mobile marketing program

Methodology

This research was conducted as an online quantitative survey.

In 2015 and 2016, the median time it took to complete the survey was 6 minutes. With the addition of questions to this years survey, the median time to completion was 10 minutes.

Survey Base Sizes:

- In 2015, 213 surveys were collected but participants were allowed to skip questions and / or answer items. In order to provide a true year-over-year comparison, Carbonview removed partially completed records from the original data set. The revised results included herein is n=119.
- In 2016, participants were required to answer all questions in order to qualify as a "completed" survey. The final number of completes included in this analysis is n=117.
- In 2017, participants were required to answer all questions in order to qualify as a "completed" survey. The final number of completes included in this analysis is n=104.

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Key Findings

Key Findings

1 Mobile Channels and Platforms

Although mobile web and email continue to be the most frequently used platforms, the use of push notifications maintained significant increases compared to 2015.

- 9 out of 10 respondents are using mobile web and 8.5 out of 10 are using email.
- The use of mobile apps remains relatively stable and is being used by 7 out of 10 respondents.
- The use of push notifications fell from 2016 to 2017, but the 2017 numbers (4 out of 10) remained significantly higher than 2015.
- SMS / MMS and Bluetooth both dropped down to 2015 usage numbers, with just one-third using SMS / MMS and a very low 8% using Bluetooth.

2 Types of Mobile Advertising

The 2017 numbers continued with their showing from 2016 where there were significant increases in the use of most advertising formats with display: basic banners, social media, and video being used the most often.

- 9 out of 10 respondents are using display: basic banners and social media.
- Video saw one of the larger increases from 2015 to 2016 and continued with 8 out of 10 respondent usage in 2017.
- Rich media display and paid search have not seen much fluctuations over the years and are in the middle of the pack in usage.
- Native and text-based maintained their large gains from 2015 to 2016.
- Audio is lagging other formats and has not experiencing any uptick in usage.

3 Rich Media Feature Usage and Effectiveness

New to the 2017 survey was the information gathered on rich media features, where the most commonly used features understandably lead the pack on effectiveness.

- In ad integration with 3rd party shopper content providers have been used by 90% of respondents and have an effectiveness top two box rating of 51%.
- Although equally as commonly used, expandable banners had an effectiveness top two box rating of 37%.

Key Findings

4 Targeting Methods

Demographic, geo-targeted, and behavioral methods are the most popular forms of mobile targeting and are being used by between 80% and 85% of respondents.

- Search and contextual methods are in the middle of the pack and haven't seen much change in usage over the years.
- Re-targeting saw significant increases from 2015 to 2016 and maintained those increases in 2017.
- Geo-behavioral was new to the 2017 survey and at the bottom of the pack of usage.

5 Shopping Apps

Retailer-owned and 3rd party shopping apps continue to be the most popular.

- Brand-owned apps continue to lag retailer-owned and 3rd party apps by a wide margin, and actually fell significantly in usage from 2016 to 2017.
- New to the 2017 was to gather information on the benefits of shopping apps where it was found that retailer-owned and 3rd party shopping apps are beneficial in triggering sales, while brand-owned apps are beneficial in driving brand awareness.
- Open text responses about why a respondent was no longer using a shopping app was also gathered in 2017 and can be reviewed in detail on page 28.

6 Aided Brand Familiarity

Although aided familiarity for MaxPoint dropped from 2016, it remained the most well known brand.

- Crisp was the second most well known brand and although not statistically significant increases this year like last year, there were still directional increases in brand familiarity.
- Conversant's top box of familiarity slipped directionally while Verve's top box increased directionally.
- The less well known brands remained similar for the most part year-over-year with minimal noise in familiarity.

7 Shopper Content / Data Providers and Satisfaction

Over half of participants continue to use iBotta and Quotient (Coupons.com).

- Cartwheel (Target) and Shopkick saw dramatic decreases in usage as did some other less used providers (Cellfire, Retailigence, and CoFactor (ShopLocal)).
- New to the 2017 survey was gathering satisfaction metrics where we found the most frequently worked with providers, iBotta, Quotient (Coupons.com), and Cartwheel (Target), had the highest satisfaction.

Key Findings

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Mobile Campaigns and Mobile Measurement

New to the 2017 study was deducing the importance of mobile campaigns, which had a high top two box score of importance of 58%.

- Additionally it was also found in 2017 that the preferred KPI's when running mobile shopper marketing or retail campaigns is product sales.
- When it comes to mobile measurement, Nielsen Catalina continued to dominate the category being used by more than half of respondents.
- Although IRI is the second most popular, it's rate of usage is quite a bit lower than Nielsen Catalina.
- All other vendors are used by far fewer respondents and nearly 3 in 10 reported not using any vendor for measuring the success of their mobile shopper marketing campaigns.

9

Element Importance for Success

Audience targeting and user experience are important to most respondents in order to drive a successful mobile shopper / retailer marketing program.

- In 2017, the importance scores fell for both of these elements, but both remain important aspects to consider with audience targeting ahead of user experience.

10

Mobile Advertising Elements and Industry Issues

The last portion of the study and also new to the 2017 survey dealt with mobile advertising elements and industry issues, where it was found that personalization and relevant content are equally important elements.

- Half of the respondents were in the top two box of agreement that digitally-based coupons / rebates, circulars, and loyalty programs will replace their traditional counterparts such as paper coupons and FSI's in the next five years.
- Brand safety, ad fraud, and ad viewability are important to the majority of respondents with ad viewability being the most important mobile advertising industry issue of all three.
- However, very few respondents (less than 5%) think these issues are being addressed extremely well by the industry.

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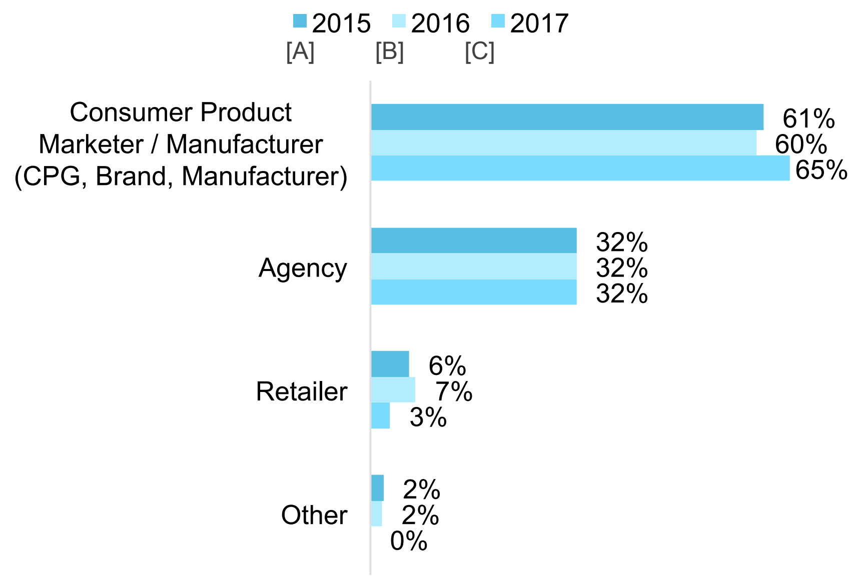
Detailed Findings

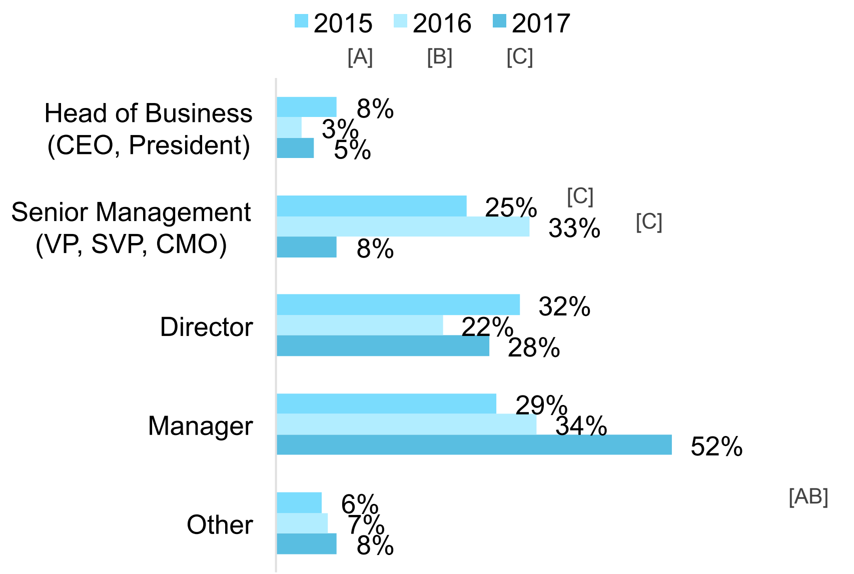
Respondent Demographics

Once again, a majority of participants came from senior leadership of CPG companies. The respondent job titles varied from year to year with 2017 including the most Managers to date and fewer Senior Management compared to past years.

Company Type



Respondent Job Title



Q1. Which of the following best describes your company?
Q2. Which of the following best describes your job title?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

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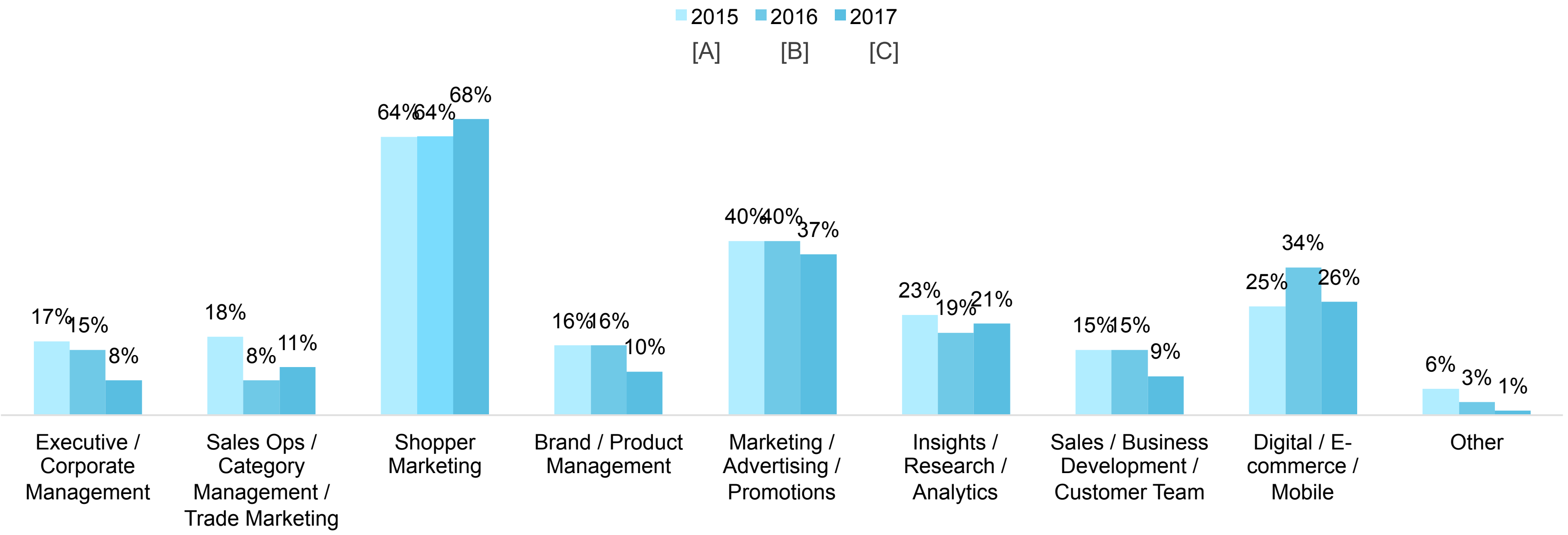
Respondent Demographics

The majority of respondents are responsible for shopper marketing and many are involved with marketing / advertising / promotions. The increase of 2016 respondents being involved in digital / e-commerce / mobile, although not statistically significant, fell back similar to 2015 results.

Job Functions

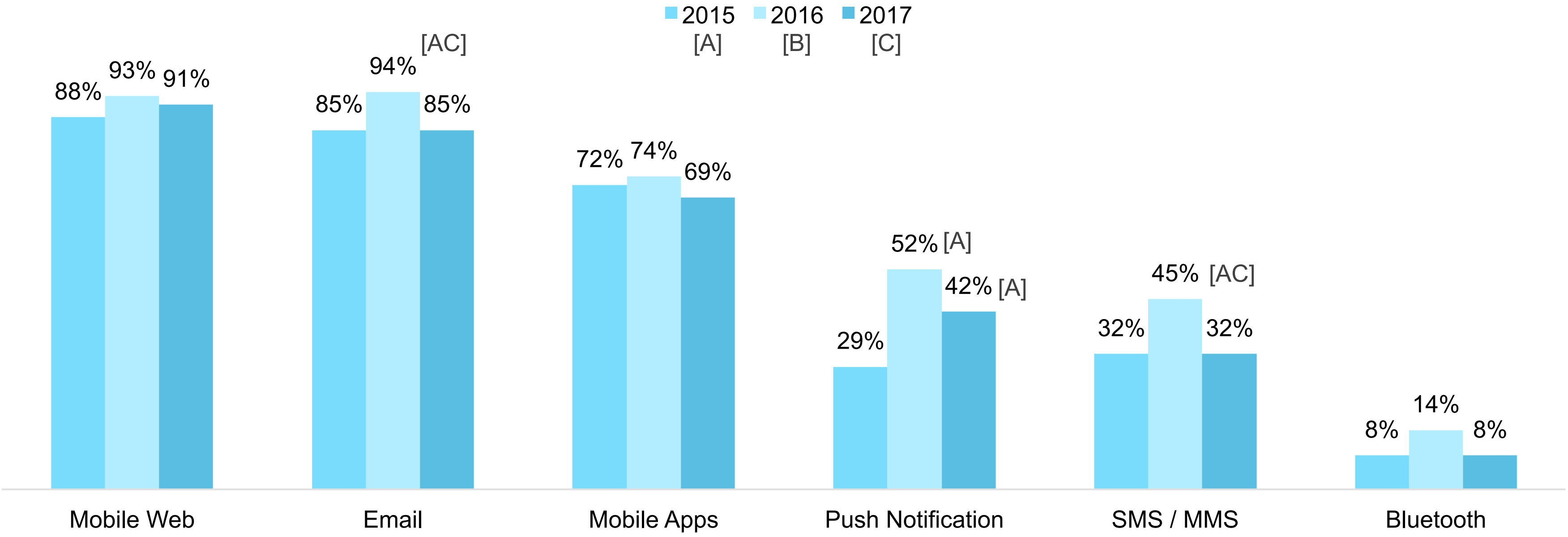


Q3. Please select your job functions / primary areas of responsibility.
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Mobile Channels and Platforms

Mobile web and email are the most frequently used platforms. Most of the usage increases observed from 2015 to 2016 fell back closer to 2015 numbers in the 2017 survey, and although push notification dropped from 2016 to 2017, it was still significantly higher than 2015.

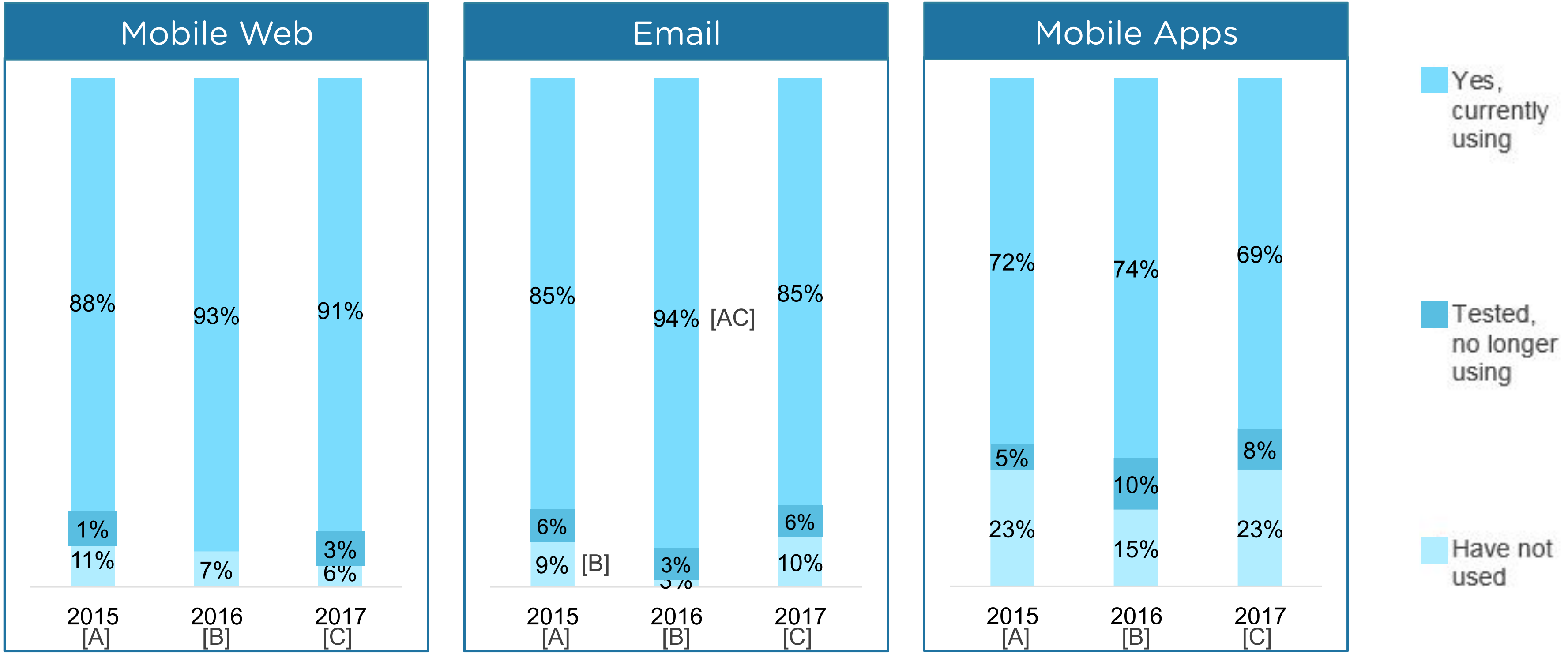
Yes, Currently Using



Q4. Which of the following mobile channels and platforms are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Mobile Channels and Platforms

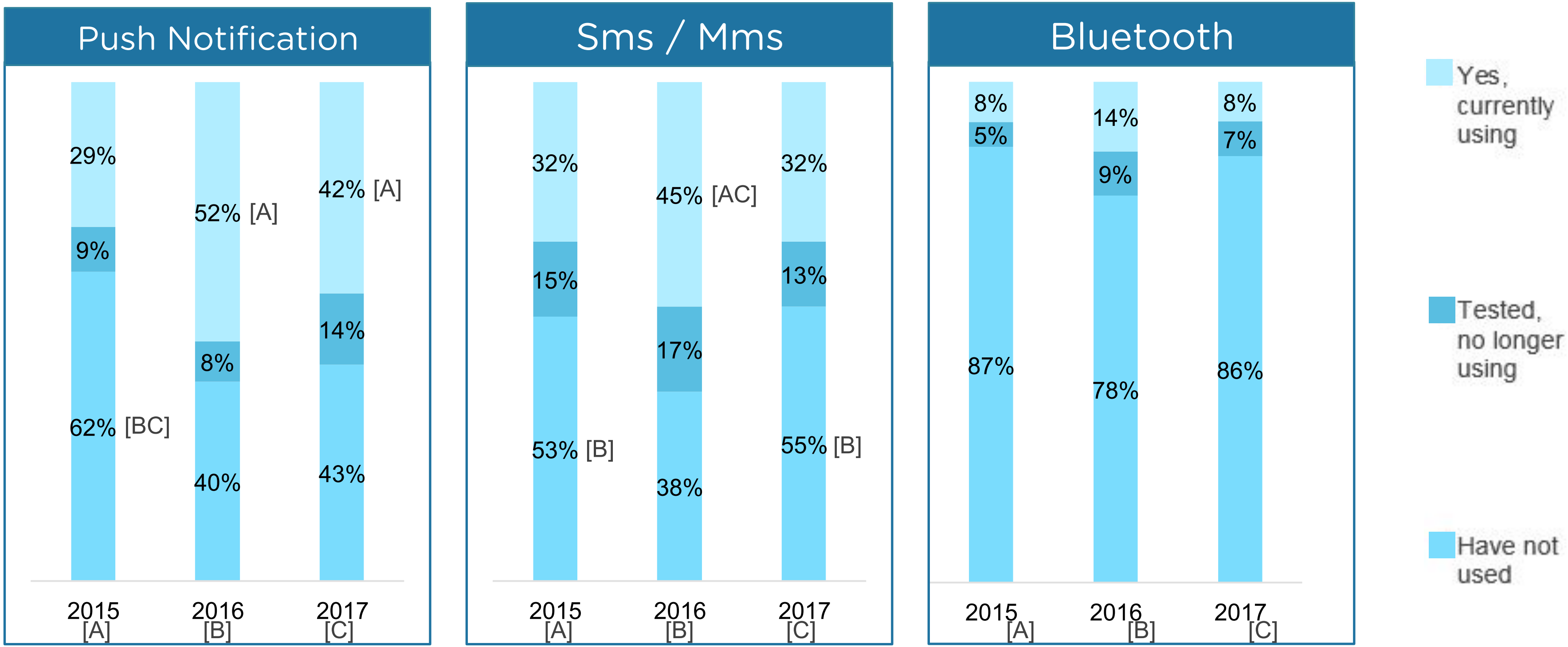
Mobile web and email dominate the platforms used in digital shopper marketing programs. Mobile apps, the next most frequently used platform, rose a little in 2016 but fell back closer to 2015 numbers in 2017.



Q4. Which of the following mobile channels and platforms are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Mobile Channels and Platforms

The usage of push notification had massive increases from 2015 to 2016 and although still higher than the 2015 numbers, it dropped in 2017. SMS / MMS resembled the lower 2015 usage numbers as did Bluetooth.

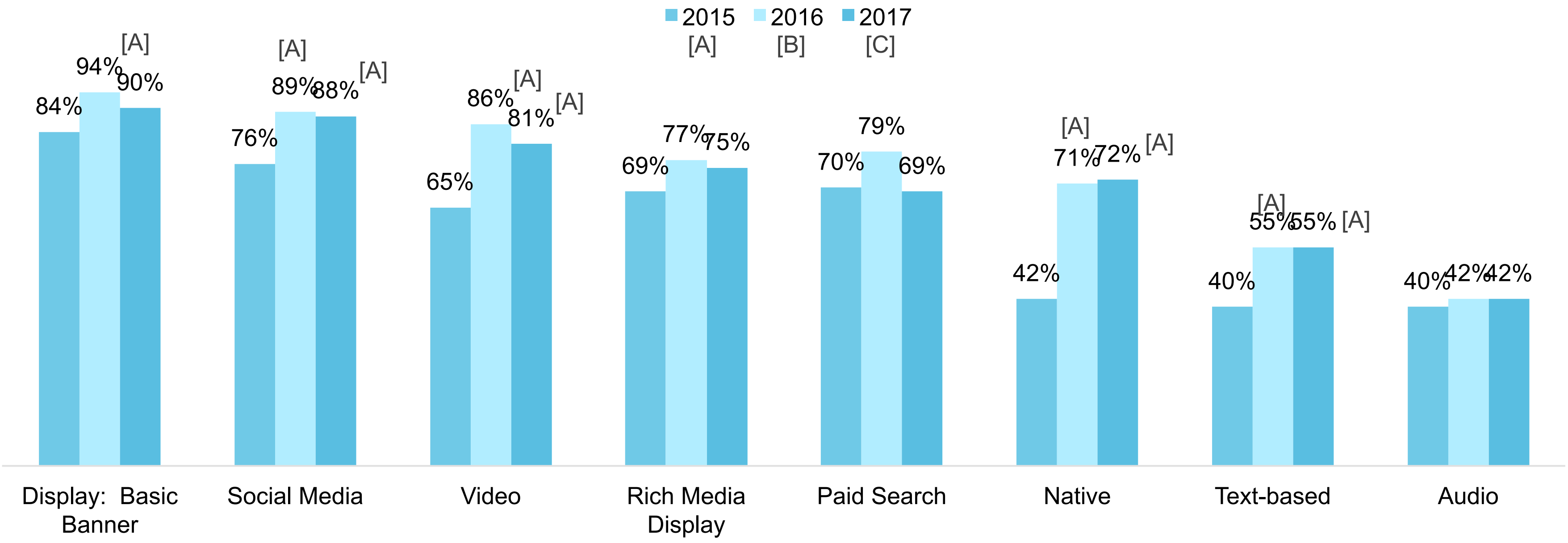


Q4. Which of the following mobile channels and platforms are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Types of Mobile Advertising

Although they dropped slightly from 2016 numbers, display: basic banners are still the most frequently used types of mobile advertising, followed closely by social media which maintained its increases seen in 2016. Video, native, and text-based also maintained their significant increases from 2015.

Yes, Currently Using



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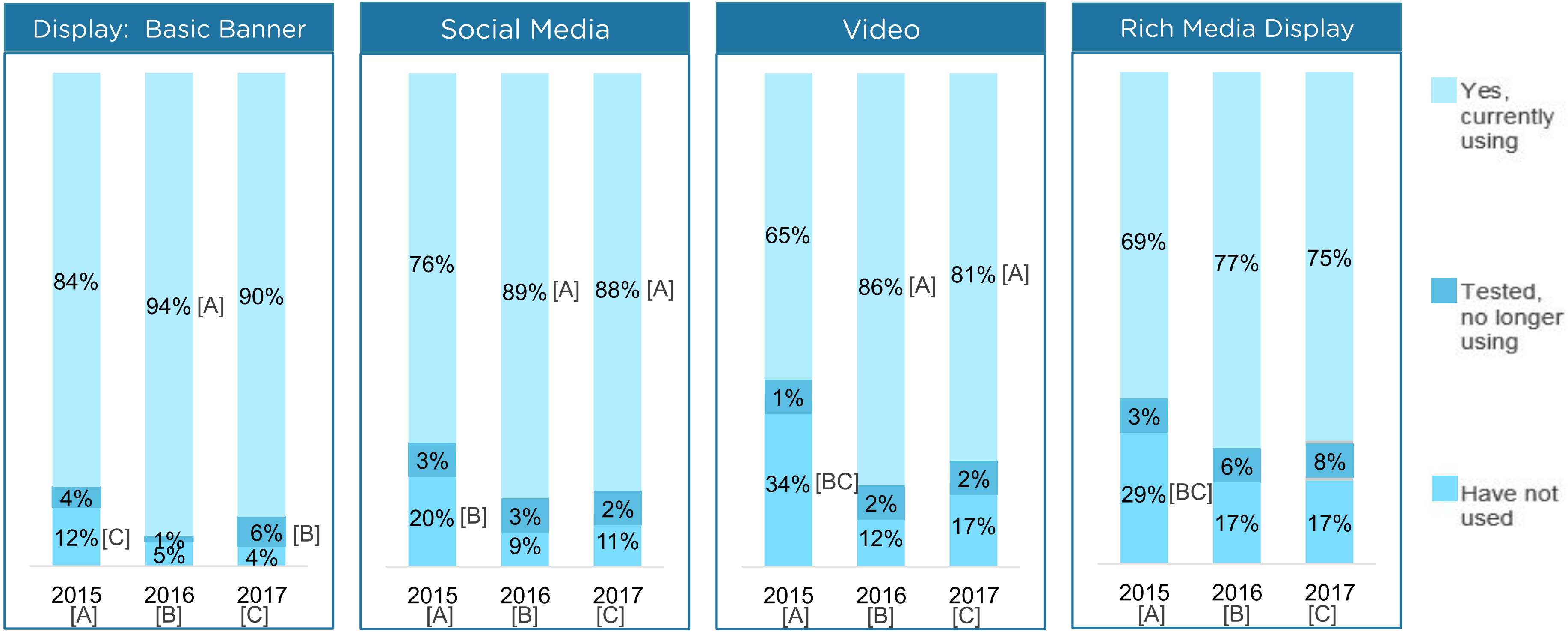
Q5. Which of the following types of mobile advertising are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Types of Mobile Advertising

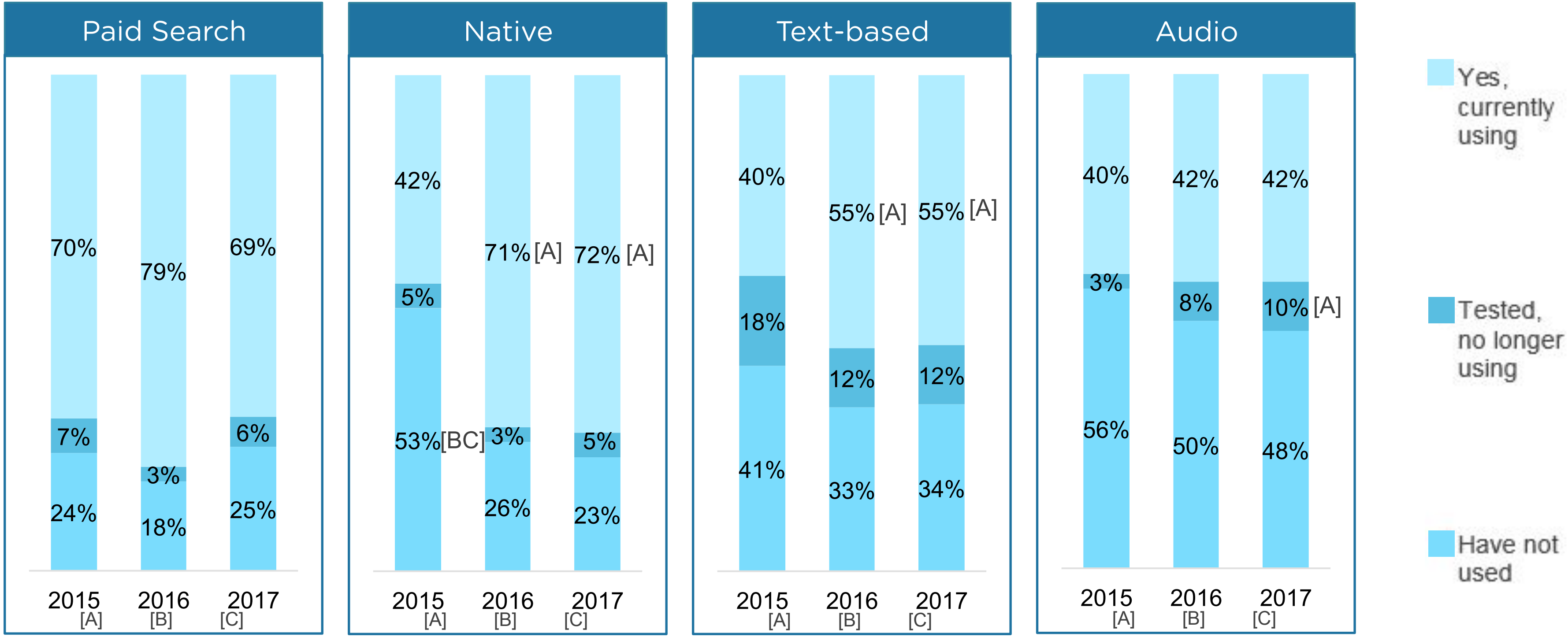
The use of display: basic banners had large significant increases from 2015 to 2016, and although still used most frequently, dropped slightly in 2017. Social media and video usage remained significantly higher than 2015 usage and rich media display usage continued with minor increases from 2015 as well.



Q5. Which of the following types of mobile advertising are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Types of Mobile Advertising

Paid searches fell back to the 2015 number with 69% currently using, while native held onto the 2016 number with 72%. Text based ads maintained their upswing from the previous year as well holding steady at 55%, but they still lag the other platforms. Audio ads have remained constant over the three years, but are the least commonly used types of mobile advertising.



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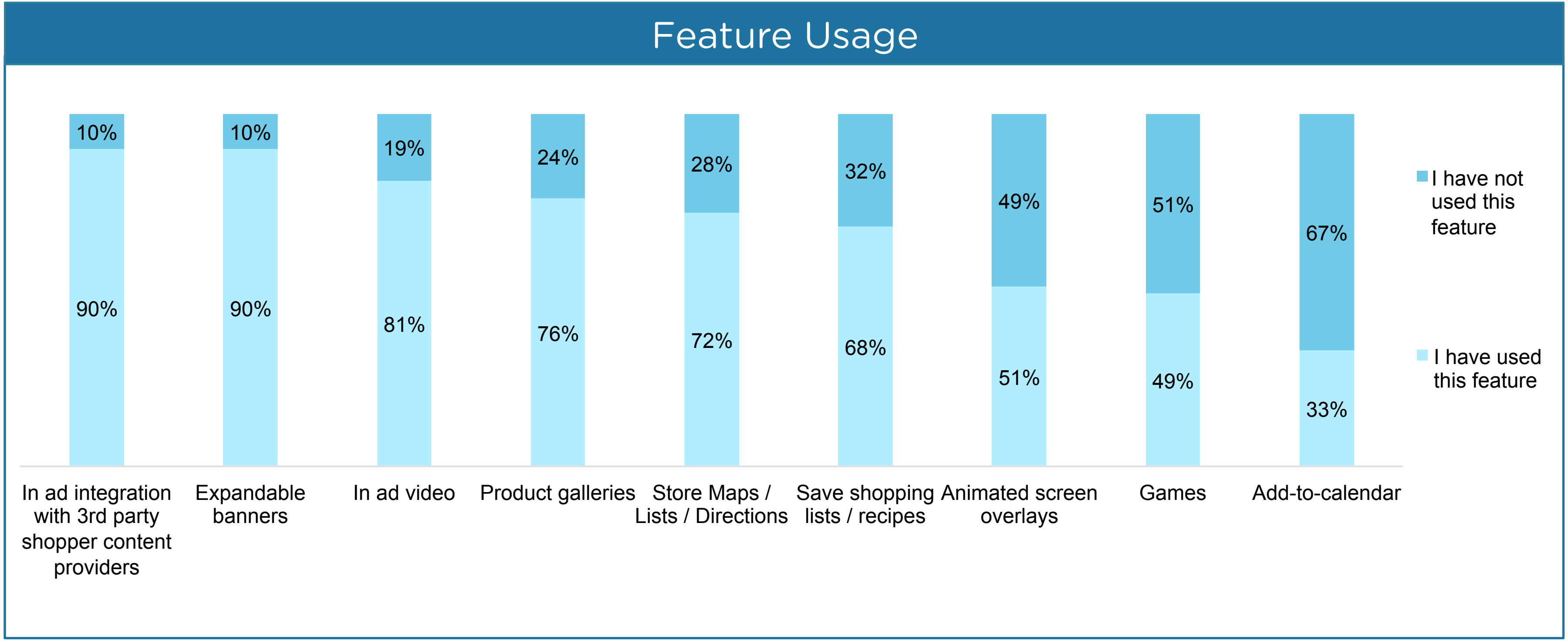
Q5. Which of the following types of mobile advertising are you using in your digital shopper marketing programs? (2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Rich Media Feature Usage

The most commonly used mobile advertising rich media features are in ad integration with 3rd party shopper content providers and expandable banners with only 10% of respondents reporting they have not used those features.

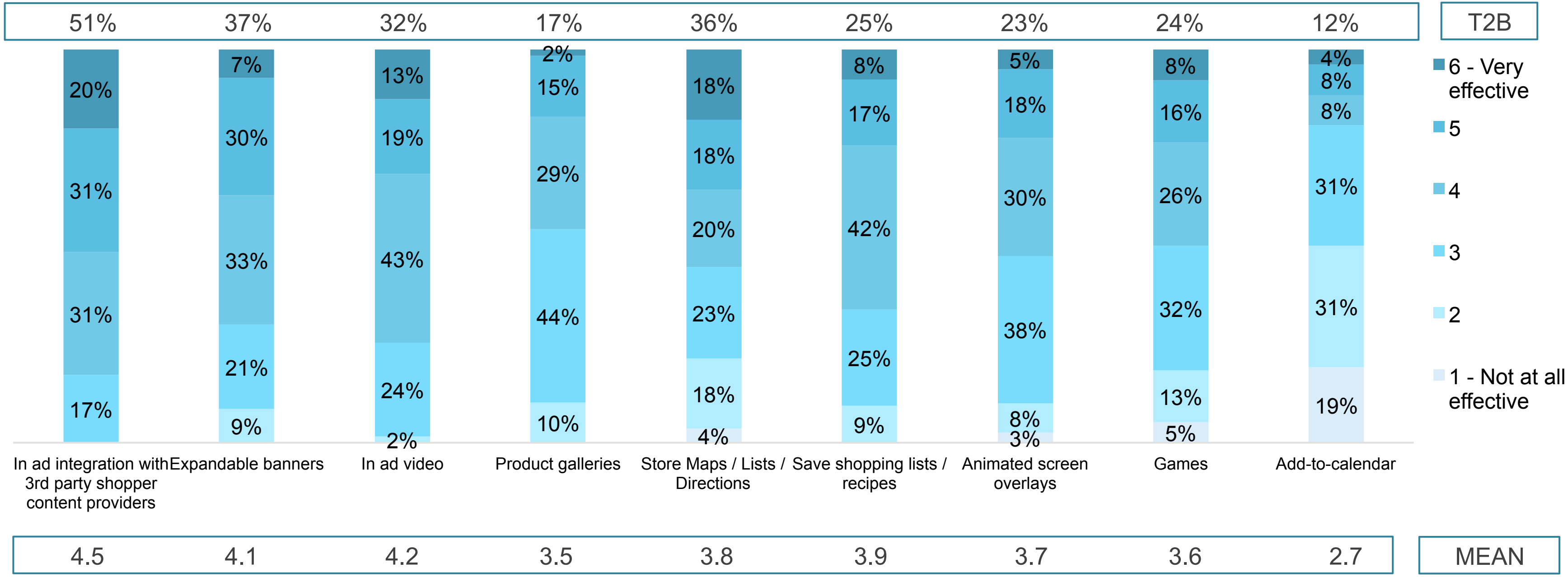


Q5A. How effective do you find the following mobile advertising rich media features to be in driving your shopper and / or retail KPI's?
(2017: n=78)

Rich Media Feature Effectiveness

It is no surprise that one of the most commonly used features is the most effective mobile advertising rich media feature driving shopper and / or retail KPI's. Add-to-calendar was one of the least used features, and of those who have used it, it was rated the least effective.

FEATURE EFFECTIVENESS



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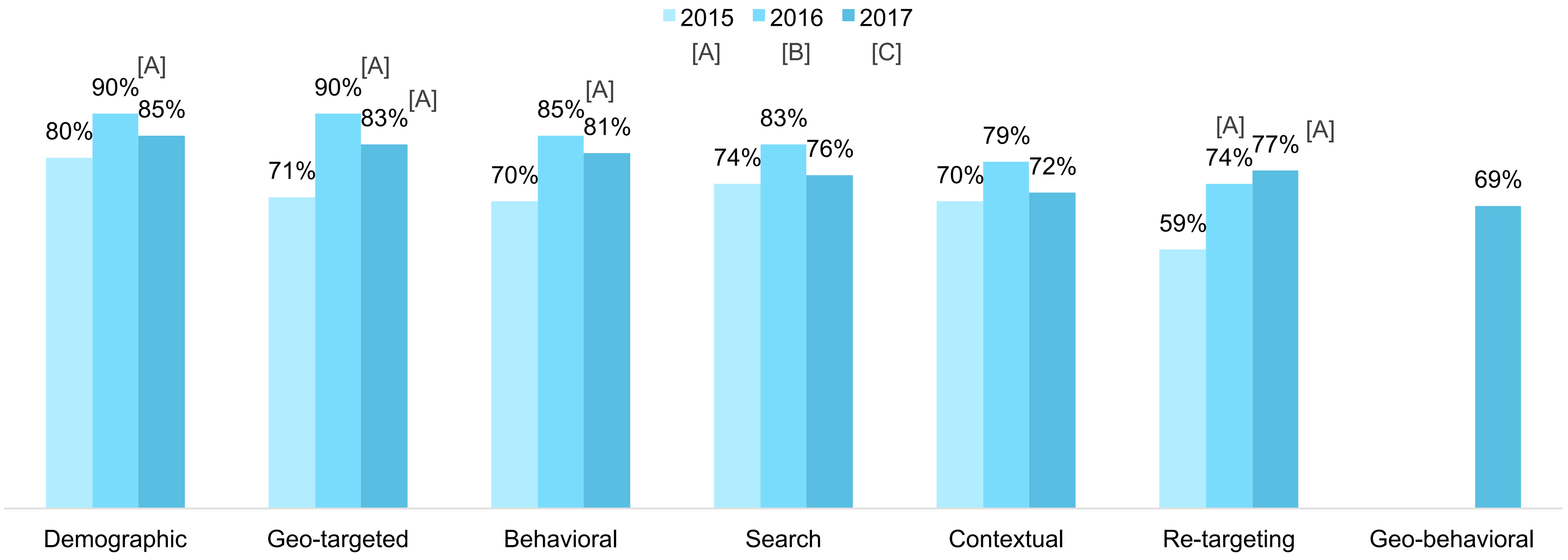
Q5A. How effective do you find the following mobile advertising rich media features to be in driving your shopper and / or retail KPI's?
(2017 Feature Effectiveness for Users by Feature: n=70, n=70, n=63, n=59, n=56, n=53, n=40, n=38, n=26)

Mobile Advertising Targeting Methods

Although most of the increases seen in 2016 fell slightly in 2017, the general order of the most frequently used mobile advertising targeting methods remained the same, with the exception of re-targeting which continued its growth. New to the 2017 survey was gathering information on geo-behavioral, which currently is at the bottom of the pack in usage.

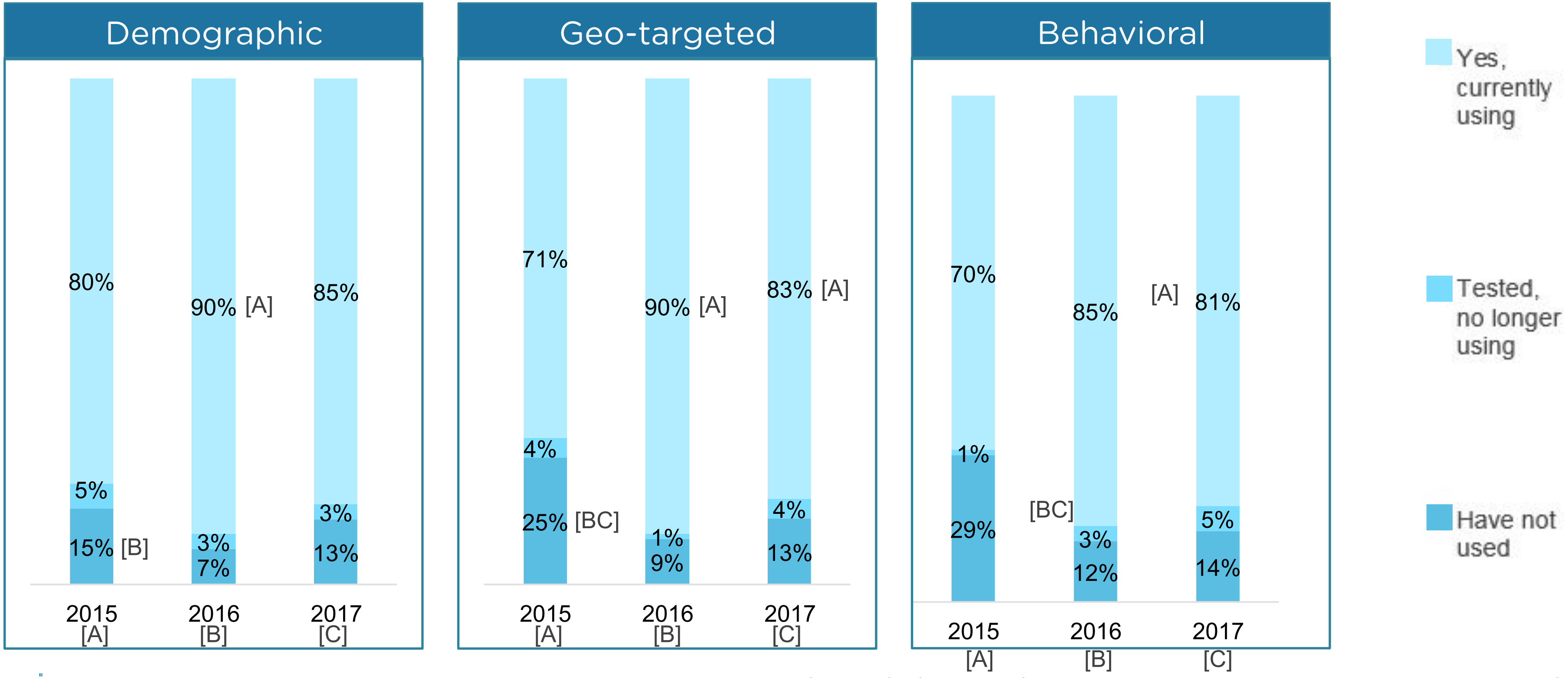
Yes, Currently Using



Q6. Which of the following types of mobile advertising targeting are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Mobile Advertising Targeting Methods

Although usage for demographic, geo-targeted, and behavioral methods fell slightly from 2016 to 2017, the geo-targeted methods remained significantly higher than 2015.



Q6. Which of the following types of mobile advertising targeting are you using in your digital shopper marketing programs? (2015: n=119, 2016: n=117, 2017: n=104)
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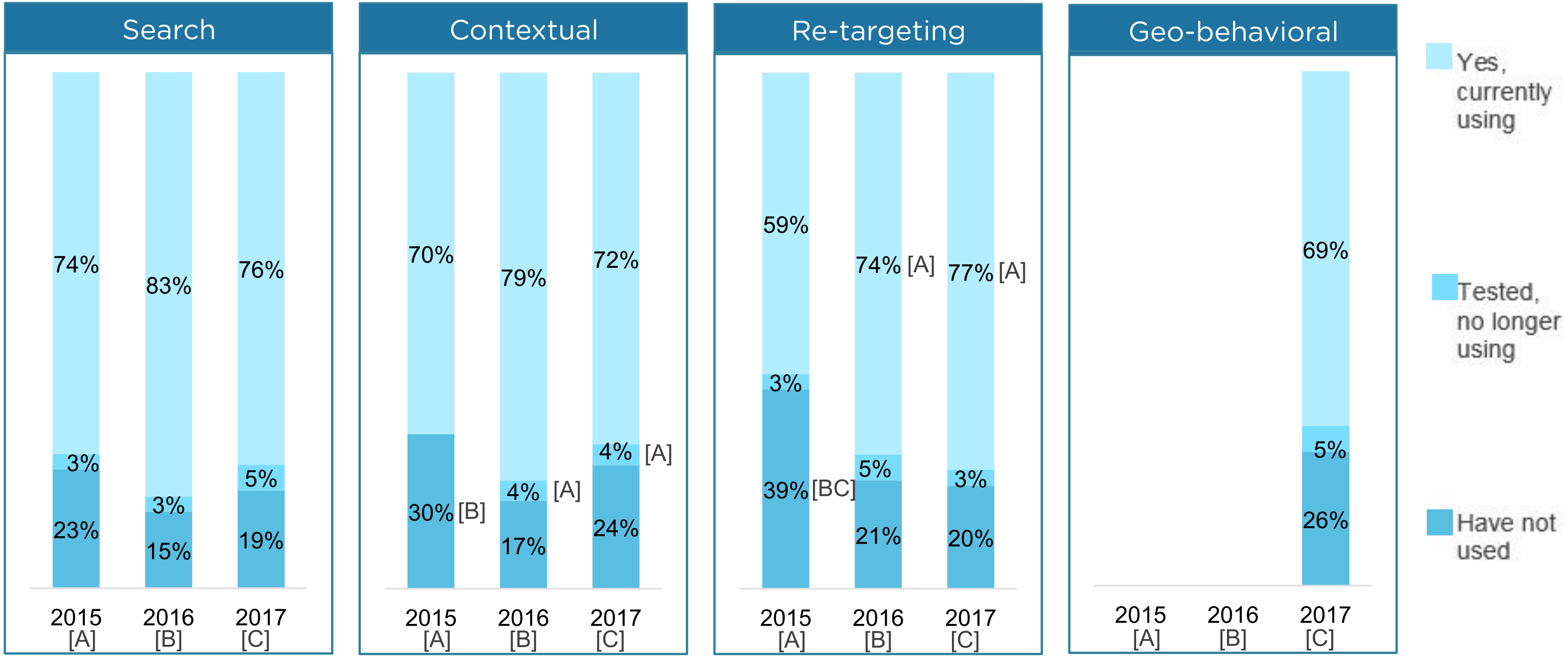
Mobile Advertising Targeting Methods

Although there were no significant changes in those currently using search and contextual methods, the numbers directionally fell closer to 2015 findings. Re-targeting was the only method that continued to be significantly greater than 2015.



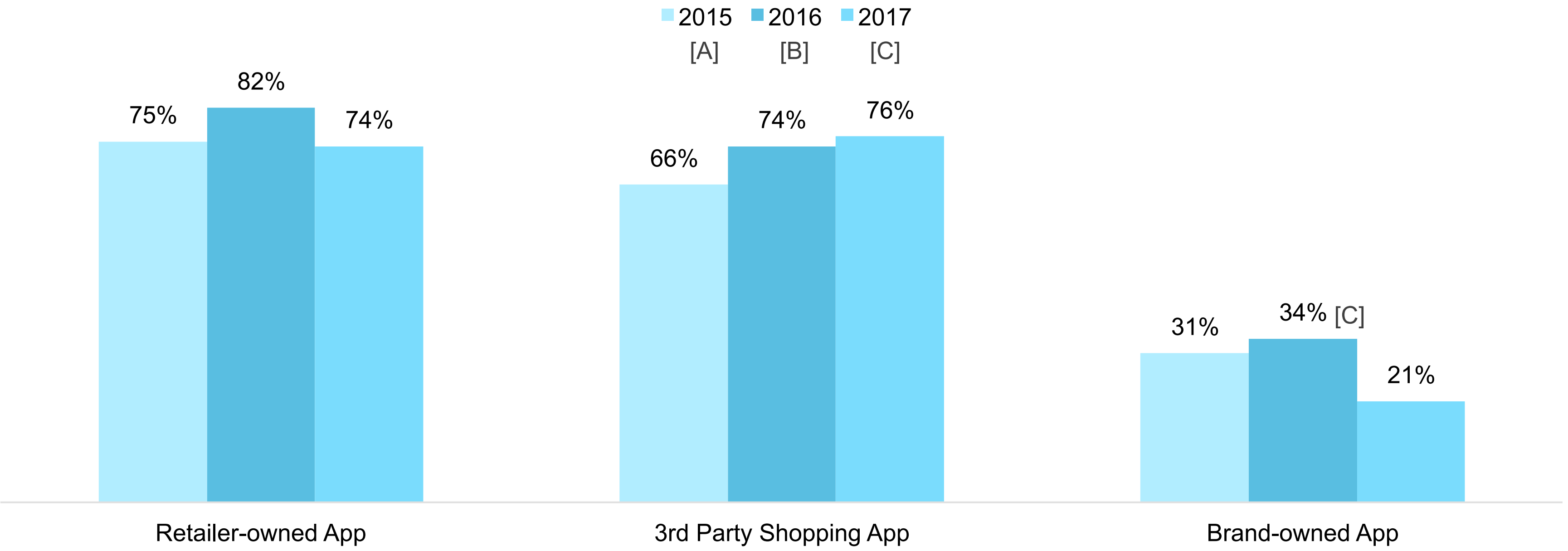
Q6. Which of the following types of mobile advertising targeting are you using in your digital shopper marketing programs? (2015: n=119, 2016: n=117, 2017: n=104)

Upper case letters indicate significance at the 95% level.

Shopping Apps

Although not statistically significant, usage of retailer-owned apps dropped closer to 2015 numbers and 3rd party shopping app usage continued to rise slightly. The only significant change was the decrease in brand-owned app usage which fell from 2016 to 2017.

YES, CURRENTLY USING



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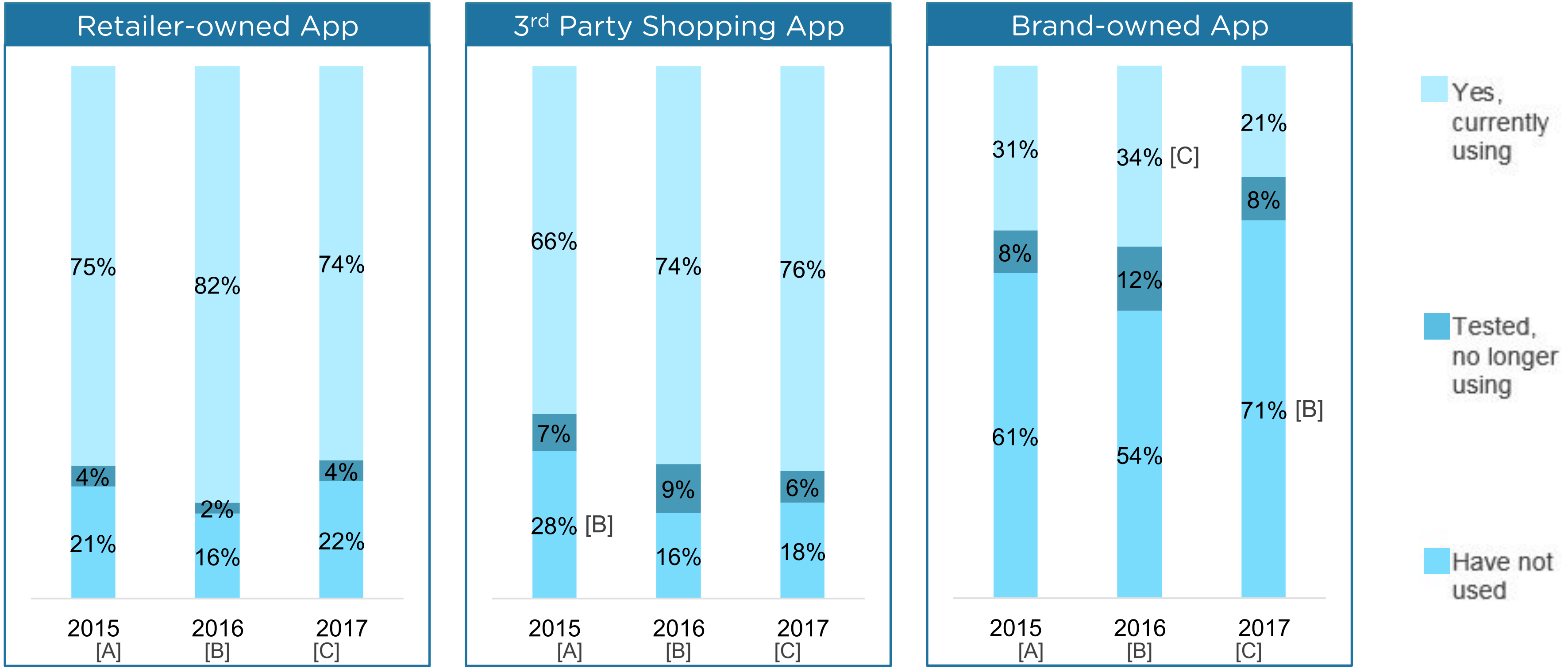
Q7. Which of the following types of retail, brand, or 3rd party shopping apps are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Shopping Apps

The usage of retailer-owned apps has remained consistent over the years, while use of 3rd party shopping apps has increased directionally, and use of brand-owned apps has decreased.

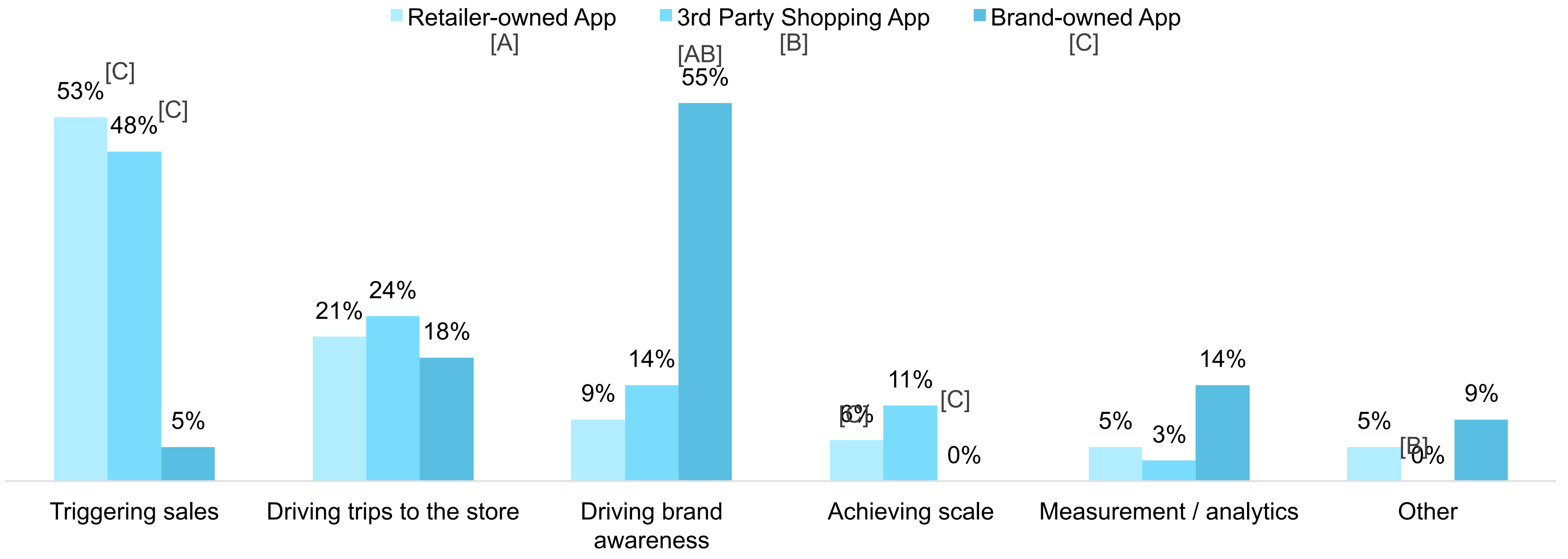


Q7. Which of the following types of retail, brand, or 3rd party shopping apps are you using in your digital shopper marketing programs?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Benefit of Shopping Apps

The primary benefit for a retailer-owned app and a 3rd party shopping app is triggering sales, while the primary benefit for a brand-owned app is driving brand awareness. A secondary benefit of all three apps is driving trips to the store.

Shopping Apps Benefits



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Q7A1. What is the primary benefit of the retailer-owned app your company currently uses?
Q7B1. What is the primary benefit of the brand-owned app your company currently uses?
Q7C1. What is the primary benefit of the 3rd party shopping app your company currently uses?
(2017 by Shopping App: n=77, n=79, n=22)
Upper case letters indicate significance at the 95% level.

Reasons No Longer Using Apps

Only 4%, 6%, and 8% of respondents tested but were no longer using retailer-owned apps, 3rd party shopping apps, and brand-owned apps, respectively.

Retailer-Owned App

- Legalities
- No insightful data shared back
- Was kind of a bore

3rd Party Shopping App

- As I work on the Target team Cartwheel works much better than these. Although, we may entertain using iBotta again as it reaches a different guest / user than Cartwheel. Especially if Target continues to not allow linking to our Cartwheel offers.
- Didn't deliver on KPIs (mainly instore displays) - retailers didn't care that we were leveraged the app & wouldn't give us the instore support needed.
- There are better ways to drive sales.
- We tested Shopkick and it performed well with 1 retailer. Trying to determine how to scale it across all national retailers and fit within current budgets before we use again.

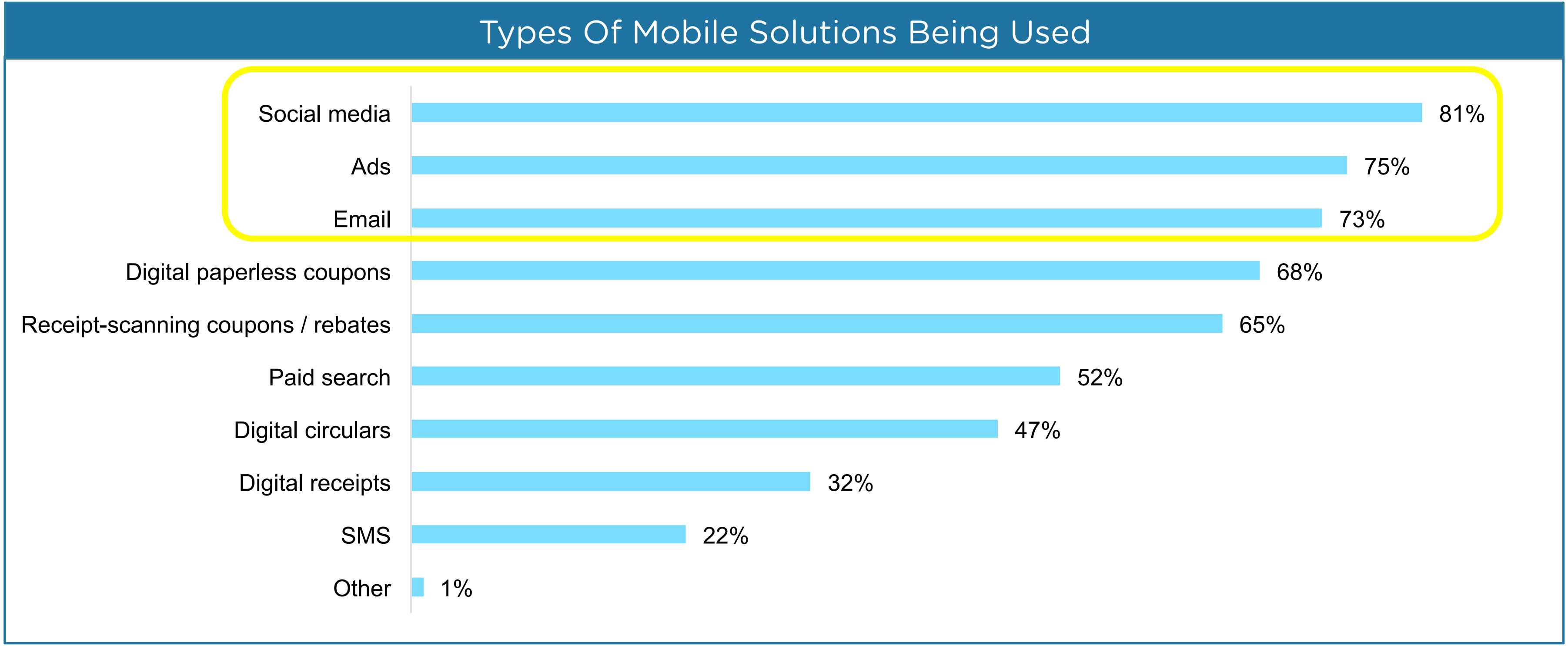
Brand-Owned App

- For Shopper specifically, not on strategy
- Low usage
- Not viable for impacting shopper decisions: (1) content not owned by shopper / sales team and (2) research proves retailer-owned assets are more used and influential.
- Our clients moved away from investing in this.
- PR issue
- Too expensive to manage, and required more content / updates than bandwidth could allow. We also didn't allocate the appropriate budget to promote it.
- Using retailer app instead
- Was not effective for my brand.

Q7A2. Why do you no longer use the retailer-owned app your company tested?
Q7C2. Why do you no longer use the 3rd party shopping app your company tested?
Q7B2. Why do you no longer use the brand-owned app your company tested?
(2017 by Shopping App: n=3, n=4, n=8)

Mobile Solutions Being Utilized

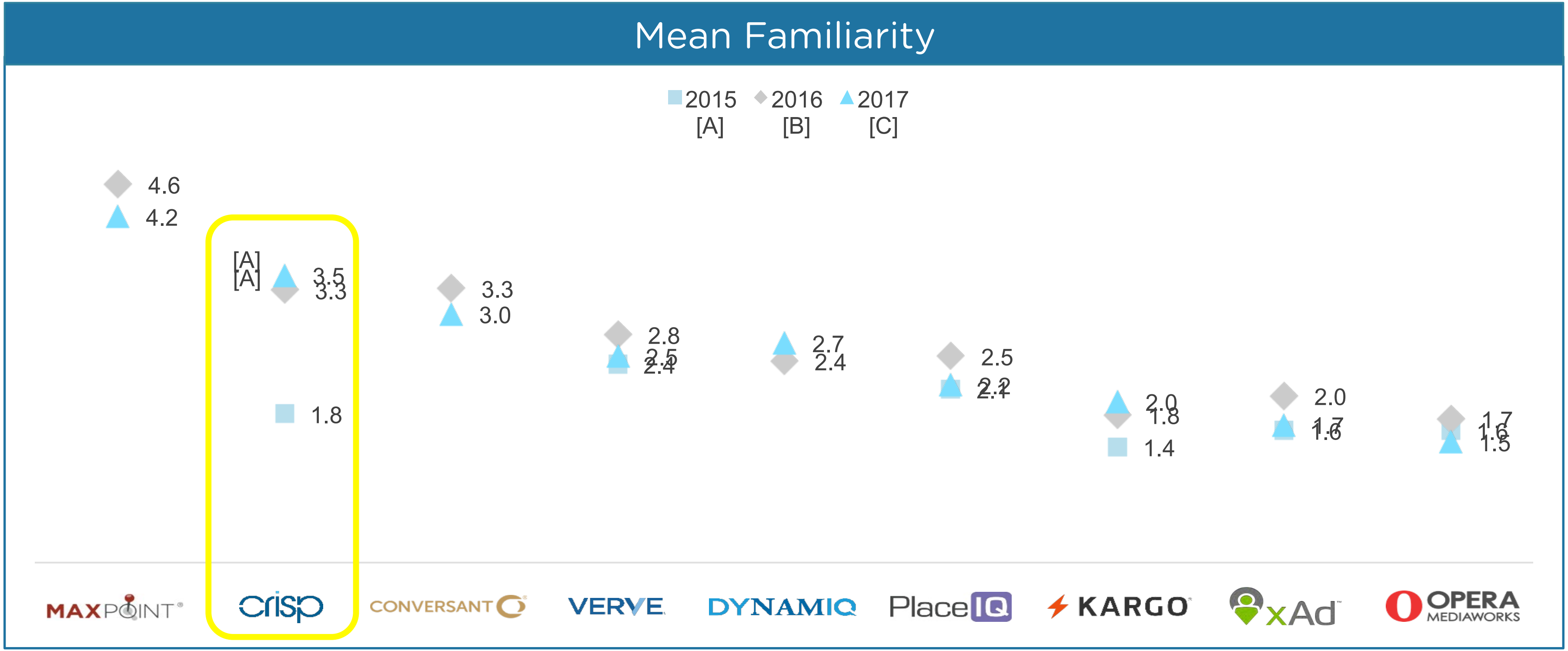
The vast majority are using social media most often (81%), followed closely by ads (75%) and email (73%). Least frequently used is SMS (22%).



Q7D. Which of the following types of mobile solutions are you using in your digital shopper marketing programs? (2017: n=104)

Aided Brand Familiarity

There were minor fluctuations in the mean brand familiarity score of all advertising / marketing firms, from 2016 to 2017, but the same firm stood out as the most well known, MaxPoint, with Crisp then next most well known firm.



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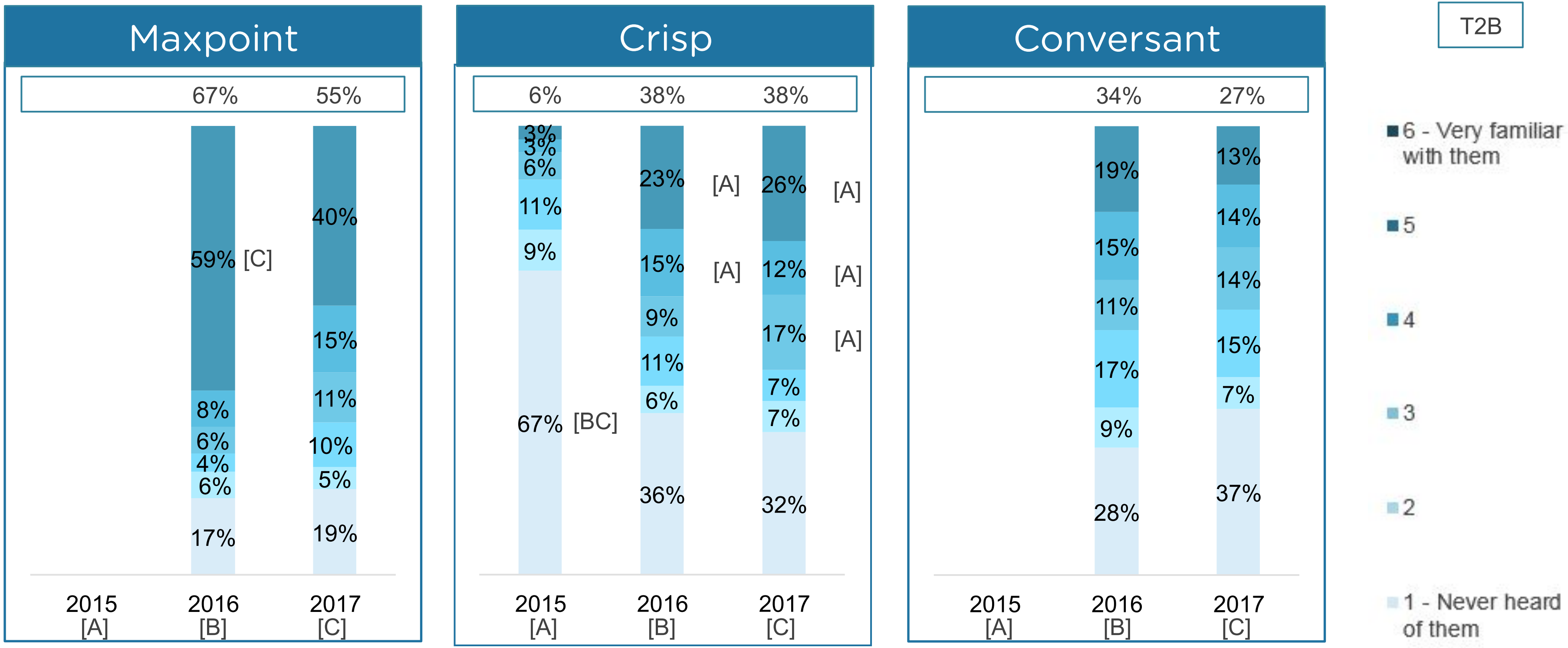
Q8. Are you familiar with any of the following advertising / marketing firms?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Aided Brand Familiarity

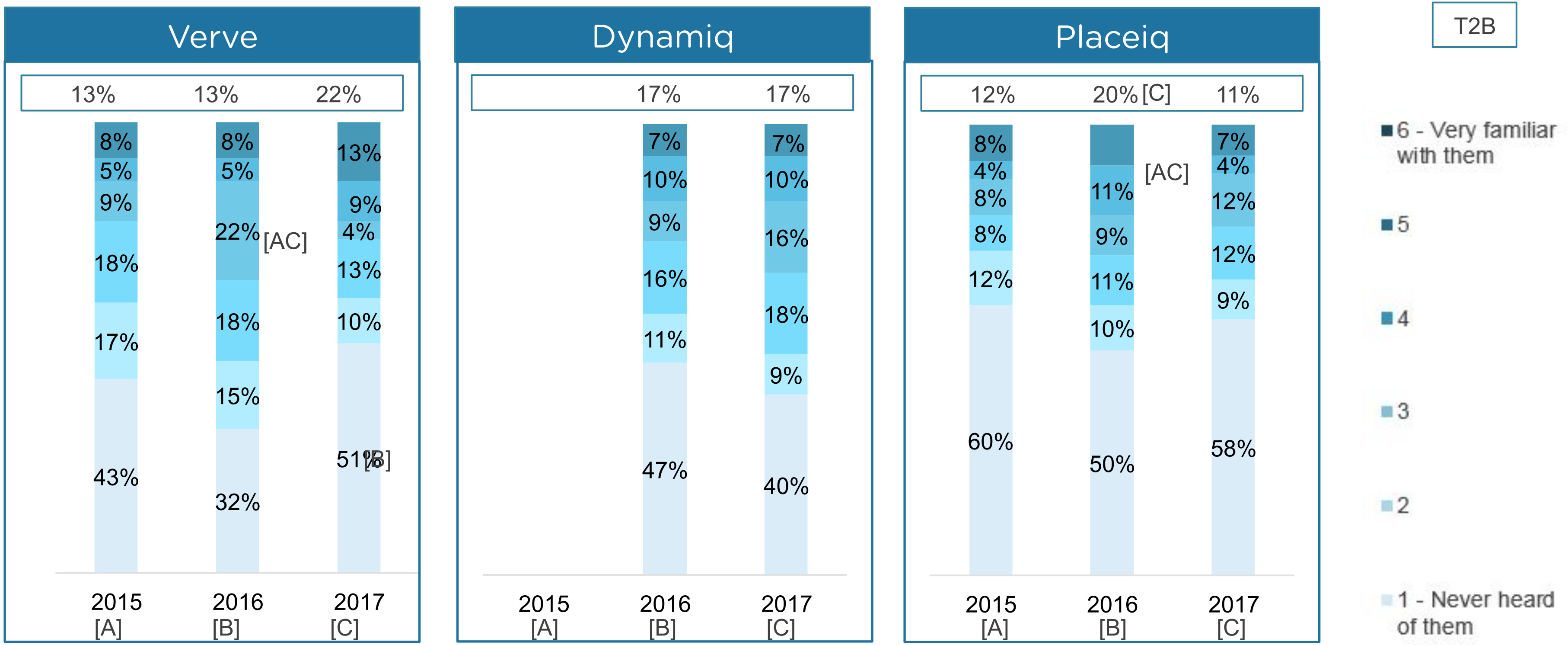
While MaxPoint and Conversant both had downward shifts in familiarity from 2016 to 2017, Crisp maintained the increases that had been observed from 2015 to 2016.



Q8. Are you familiar with any of the following advertising / marketing firms?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Aided Brand Familiarity

Verve saw increases in familiarity in their top two box score, but also saw increases in those saying they had never heard of them. DynamIQ remained similar year-over-year while PlaceIQ saw decreases and returned closer to 2015 scores.



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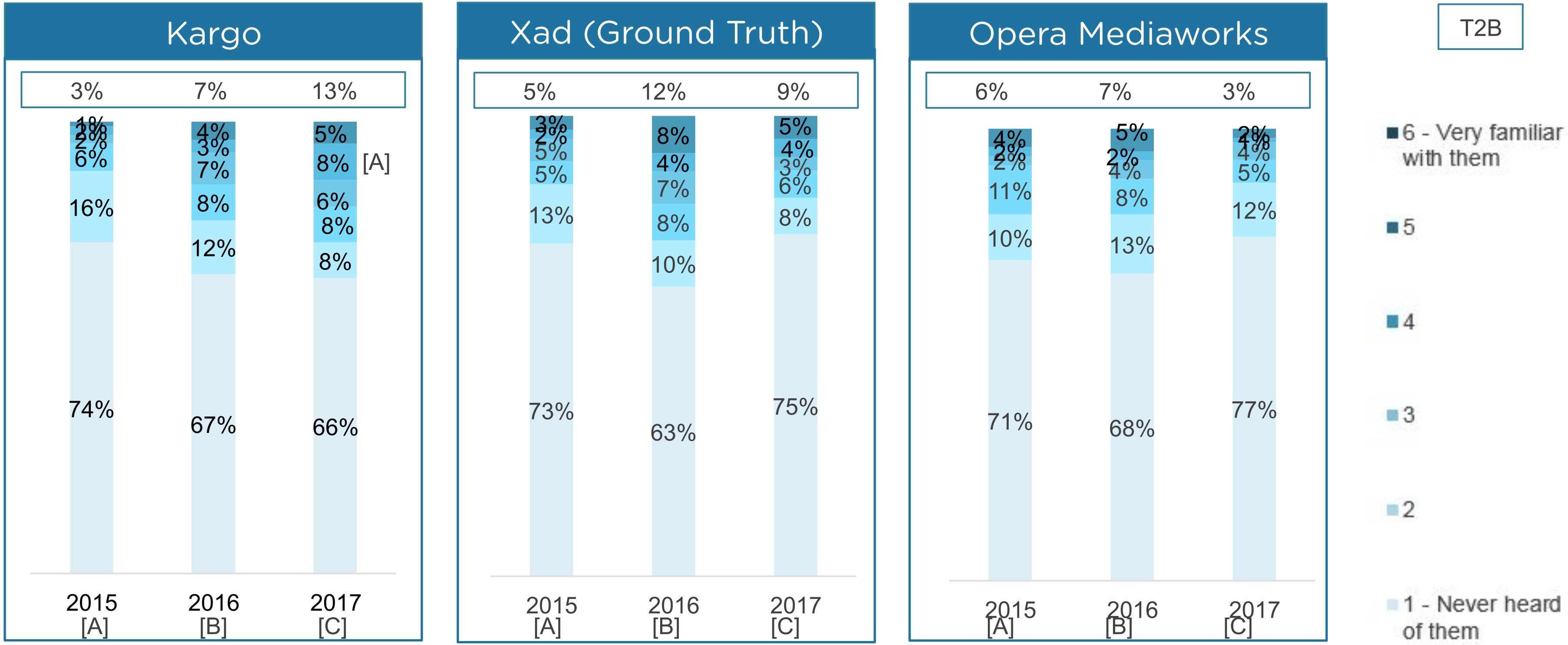
Q8. Are you familiar with any of the following advertising / marketing firms?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Aided Brand Familiarity

The three least well known advertising / marketing firms also saw some directional variance with Kargo increasing in familiarity, xAd (Ground Truth) decreasing back to 2015 levels, and Opera Mediaworks decreasing even lower than 2015 levels.



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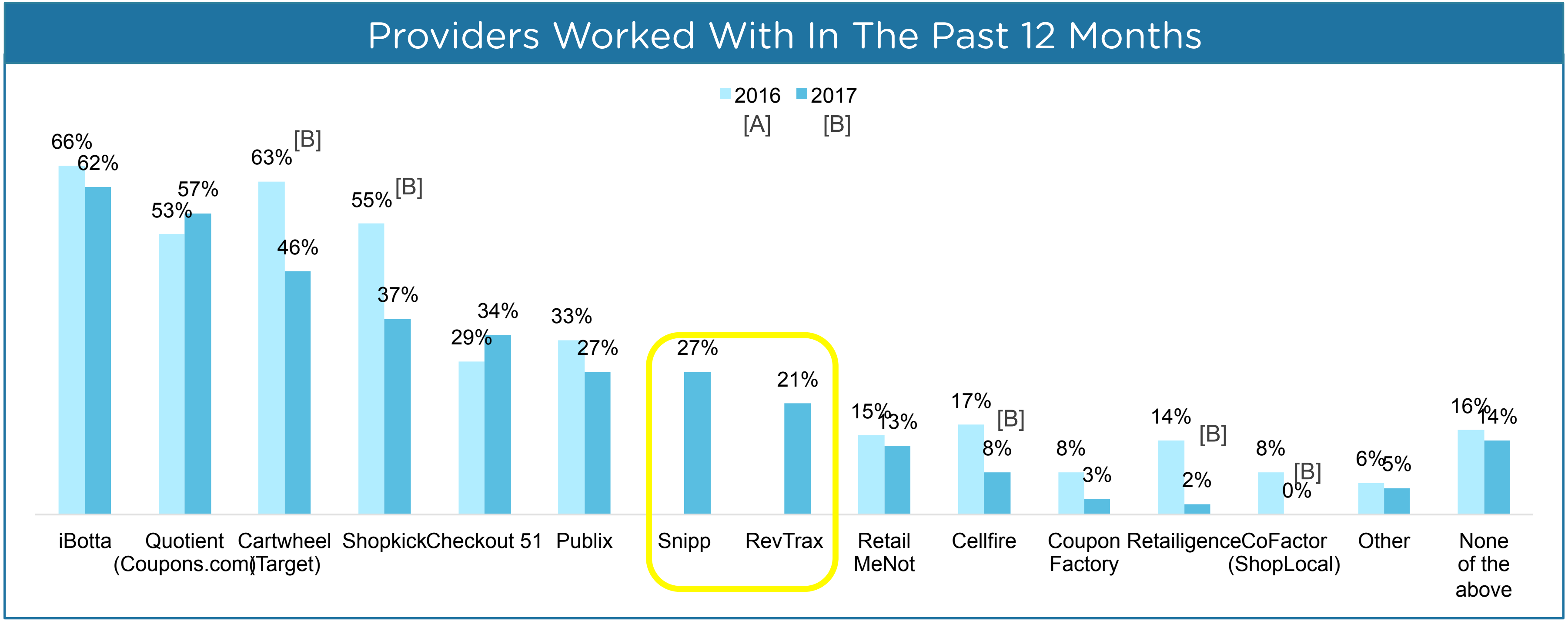
Q8. Are you familiar with any of the following advertising / marketing firms?
(2015: n=119, 2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Shopper Content/Data Providers

Over half of participants still work with iBotta and Quotient (Coupons.com), but those working with Cartwheel (Target) and Shopkick decreased dramatically compared to 2016. Snipp and RevTrax, which were new to the 2017 survey, were in the middle of the pack with 27% and 21% usage, respectively.



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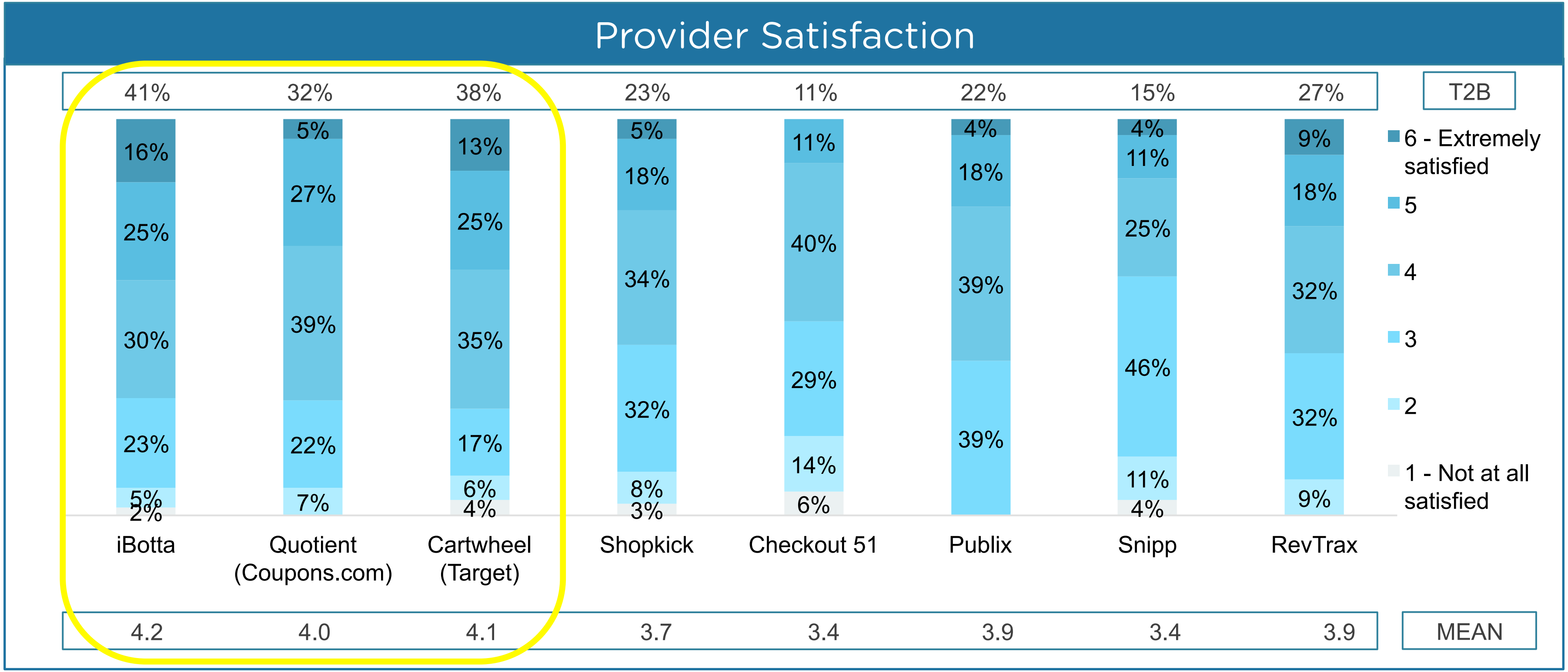
Q9. Which of the following shopper content / data providers have you worked with in the past 12 months to support your mobile programs? (2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Satisfaction with Providers

The three most frequently used providers in 2017 had the three highest top two box scores of satisfaction (and the three highest means).



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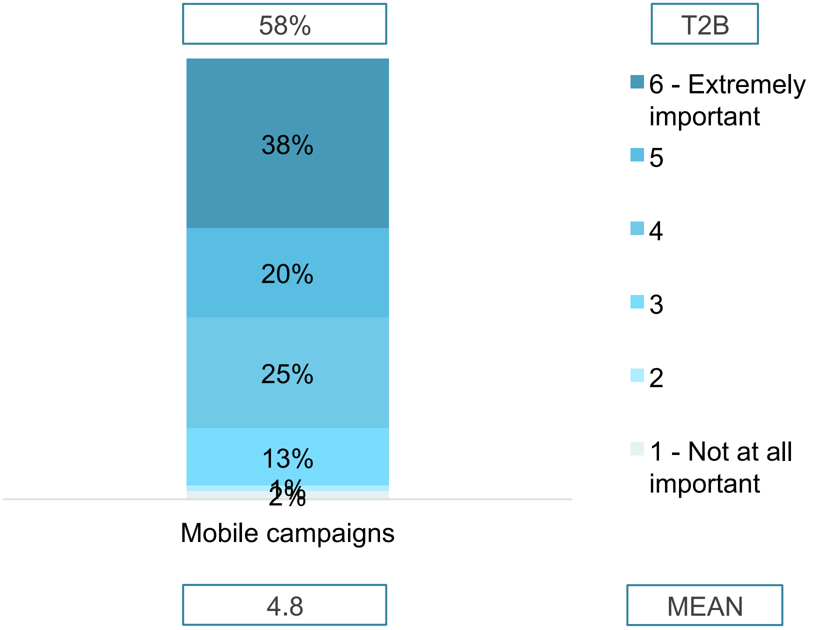
Q9A. In terms of achieving your goals, how satisfied are you with the following provider(s)?
(2017 Satisfaction for Those Who Have Worked with the Shopper Content / Data Provider: n=64, n=59, n=48, n=38, n=35, n=28, n=28, n=22)

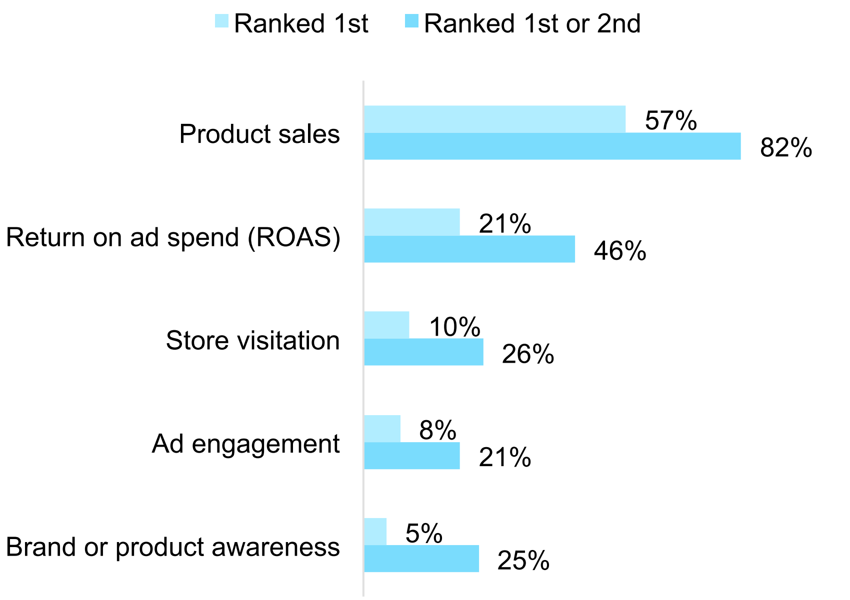
Mobile Campaigns

New to the 2017 study was gathering information on the importance of mobile campaigns in terms of driving digital shopper marketing program success. The average importance rating on a 1 to 6 scale was 4.8, and more than half of respondents were in the top two box for importance. When it comes to the KPI's, they favor product sales as their key performance indicator followed by return on ad spend (ROAS).

Importance



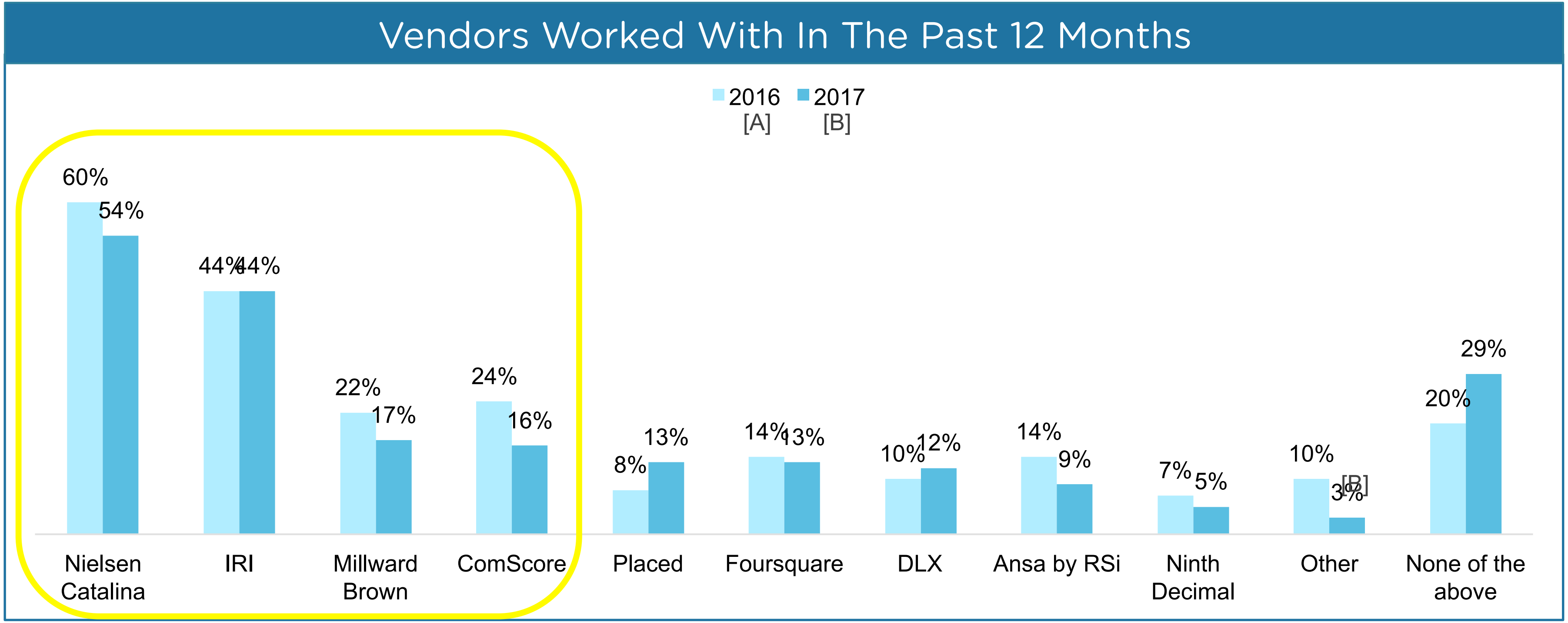
KPI's Ranking



Q9B. In your opinion, how important are mobile campaigns in terms of driving digital shopper marketing program success?
Q9C. When running mobile shopper marketing or retail campaigns, what is your preferred KPI (key performance indicator)?
(2017: n=104)

Mobile Measurement

Although there were a few drops from 2016 to 2017 on vendors worked with in the past 12 months, most of the numbers looked quite similar, with the majority of respondents using Nielsen Catalina, IRI being utilized the next most frequent, and a third tier represented by Millward Brown and ComScore.

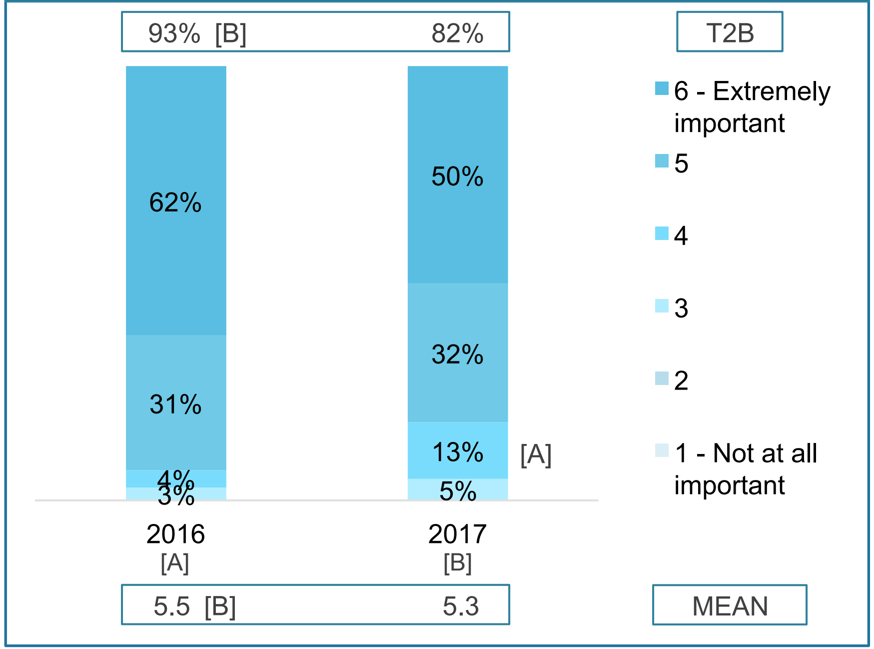


Q10. Have you worked with any of the following vendors to measure the success of your mobile shopper marketing campaigns?
(2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

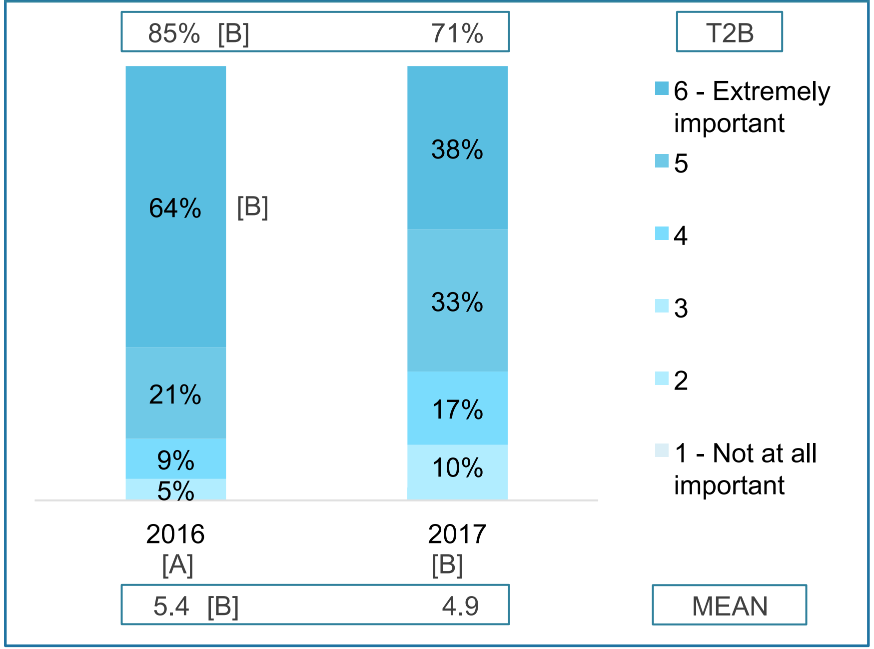
Element Importance for Success

Although top two box scores for the importance of audience targeting and user experience remain high, we did observe decreases from 2016 for both of these elements. Audience targeting still has the edge over user experience in the importance of driving a successful mobile shopper / retail marketing program.

Audience Targeting



User Experience



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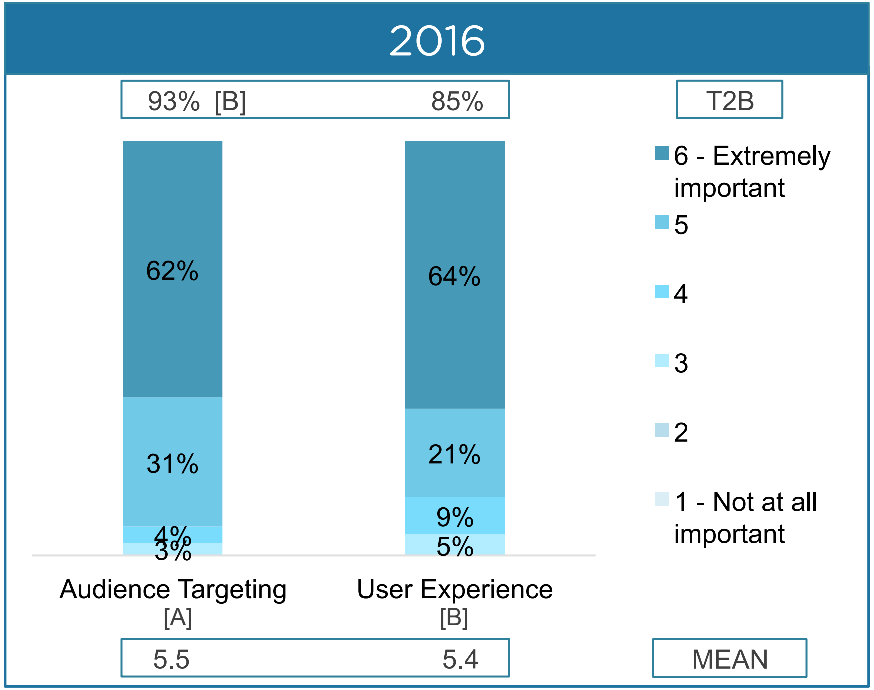
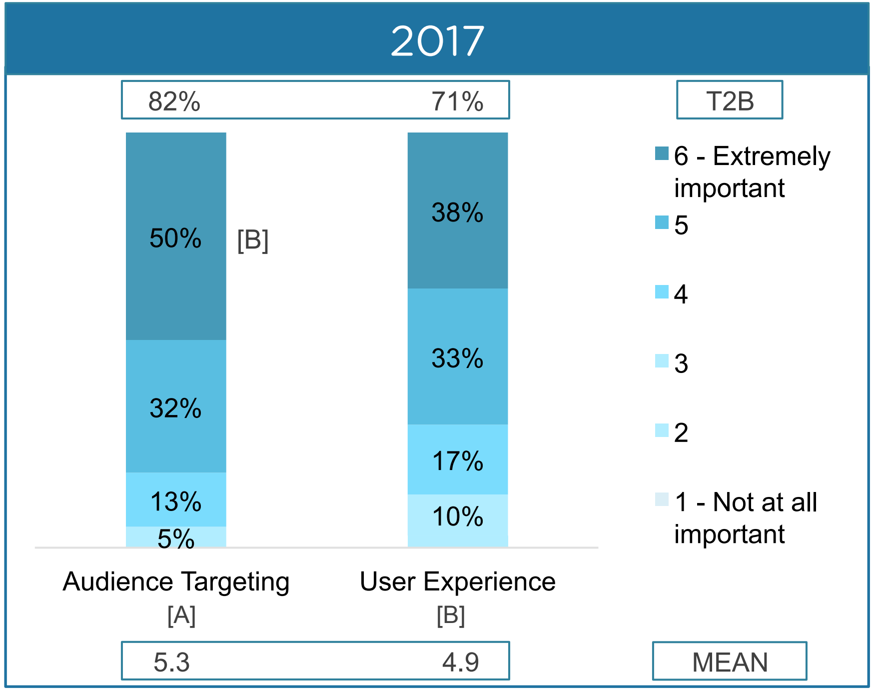
Q11. In your opinion, how important are the following elements in helping to drive a successful mobile shopper / retail marketing program?
(2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

Element Importance for Success

In 2016, the top box scores of importance for audience targeting and user experience were very similar, even though their top two box scores showed audience targeting was significantly more important. Conversely, in 2017, although there were no significant differences in the top two boxes between the two elements, the top box was significantly higher for audience targeting.



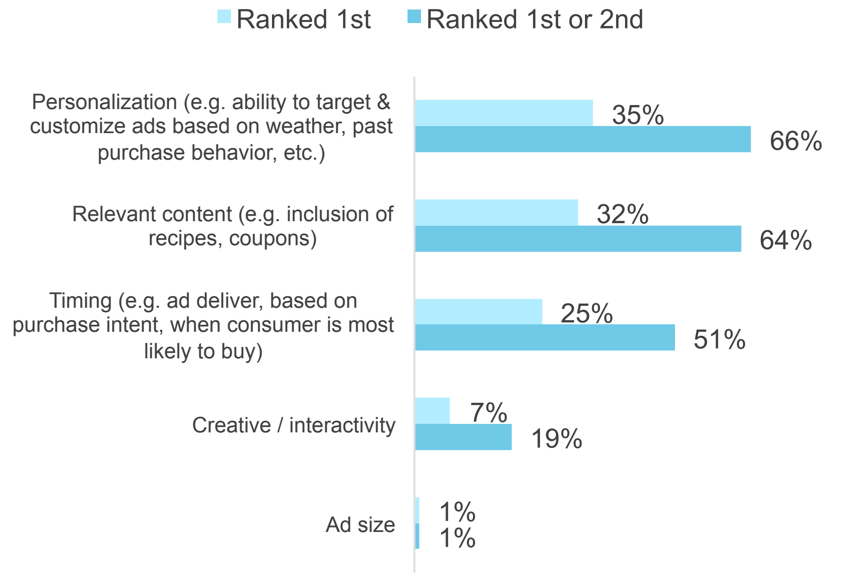


Q11. In your opinion, how important are the following elements in helping to drive a successful mobile shopper / retail marketing program?
(2016: n=117, 2017: n=104)
Upper case letters indicate significance at the 95% level.

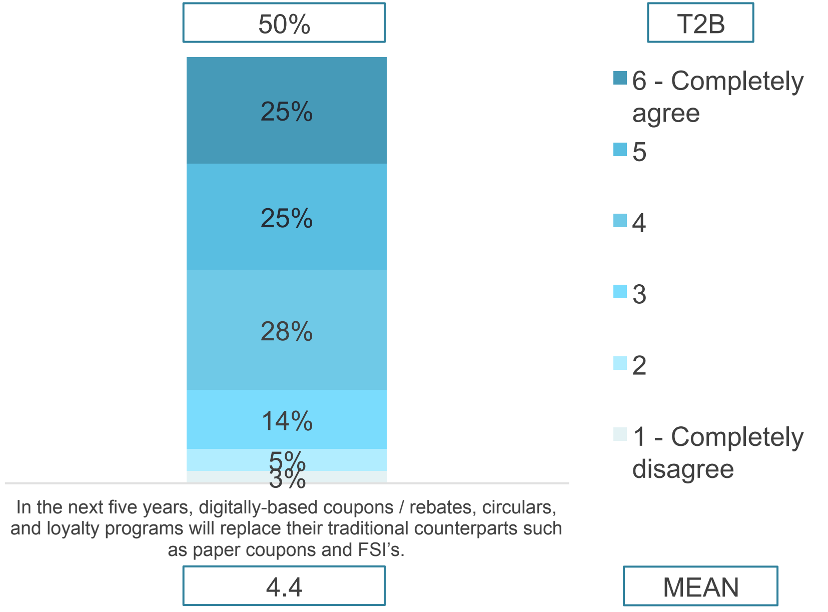
Mobile Advertising Elements

New to the 2017 study was gathering information on the importance of mobile advertising elements in terms of driving success for a mobile shopper / retail marketing advertising program. Respondents equally preferred personalization and relevant content followed closely by timing. Respondents also agree that in the next five years, digitally-based coupons / rebates, circulars, and loyalty programs will replace their traditional counterparts such as paper coupons and FSI's.

Element Ranking



Level Of Agreement



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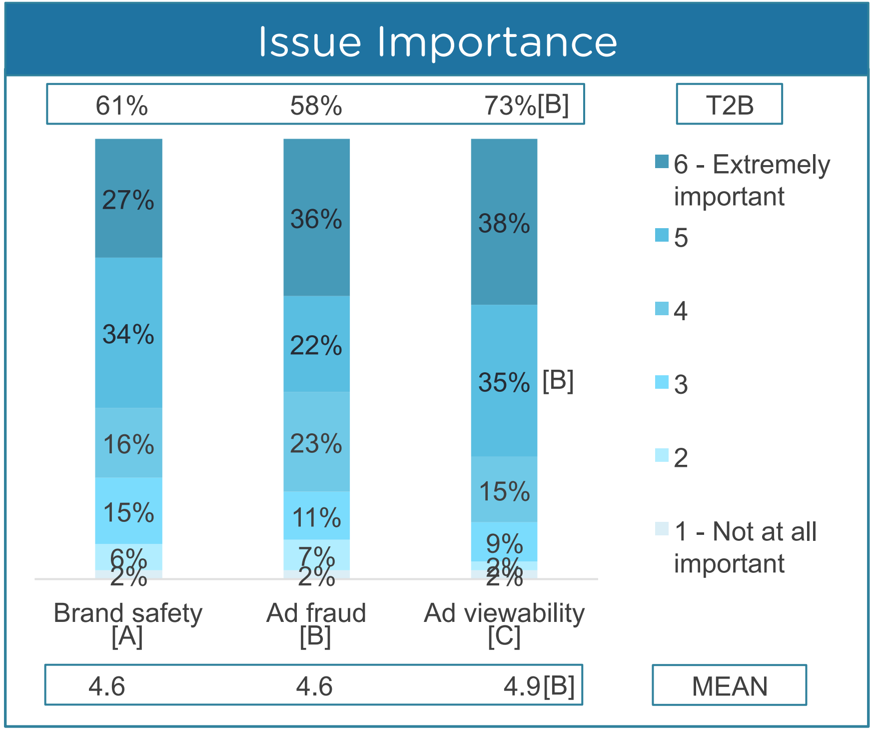
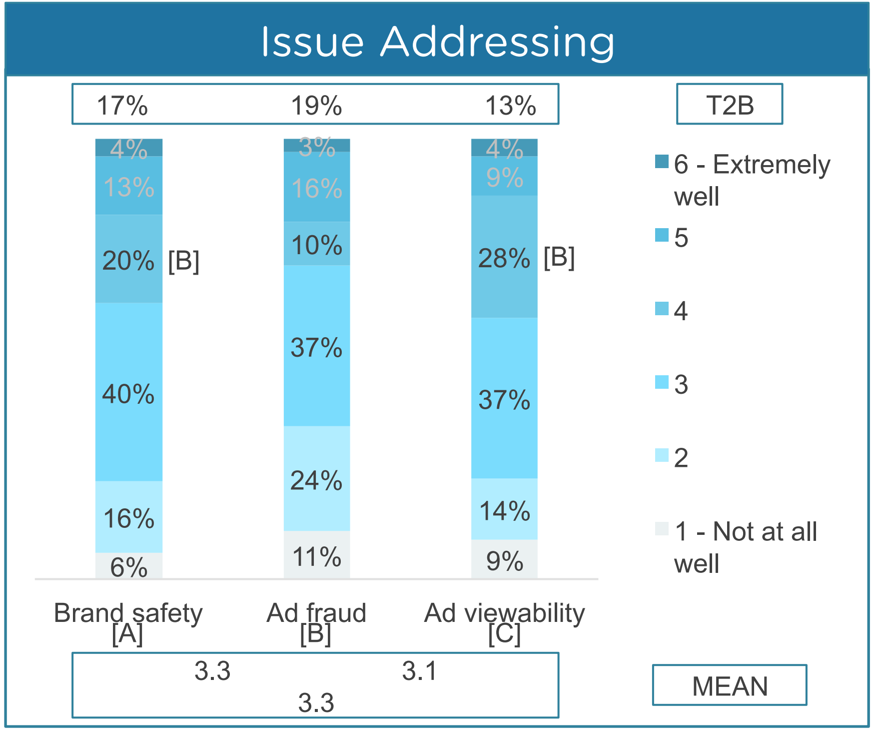
Q11A. Rank the mobile advertising elements below from most important to least important in terms of driving success for a mobile shopper / retail marketing advertising program.
Q11B. How much do you agree or disagree with the following statement?
(2017: n=104)

Mobile Advertising Industry Issues

Finally, our last new addition to the 2017 study included asking about the importance of issues and how well the industry is address them. Ad viewability (e.g. ads served "below the fold" or out of sight of the intended audience) was the most important issue; however, top two box scores indicate respondents think it is being handled the least well compared to the other two issues.





Q12A. In your opinion, how important are the following mobile advertising industry issues to you?
Q12B. In your opinion, how well do you think the industry is addressing these mobile advertising industry issues?
(2017: n=104)
Upper case letters indicate significance at the 95% level.