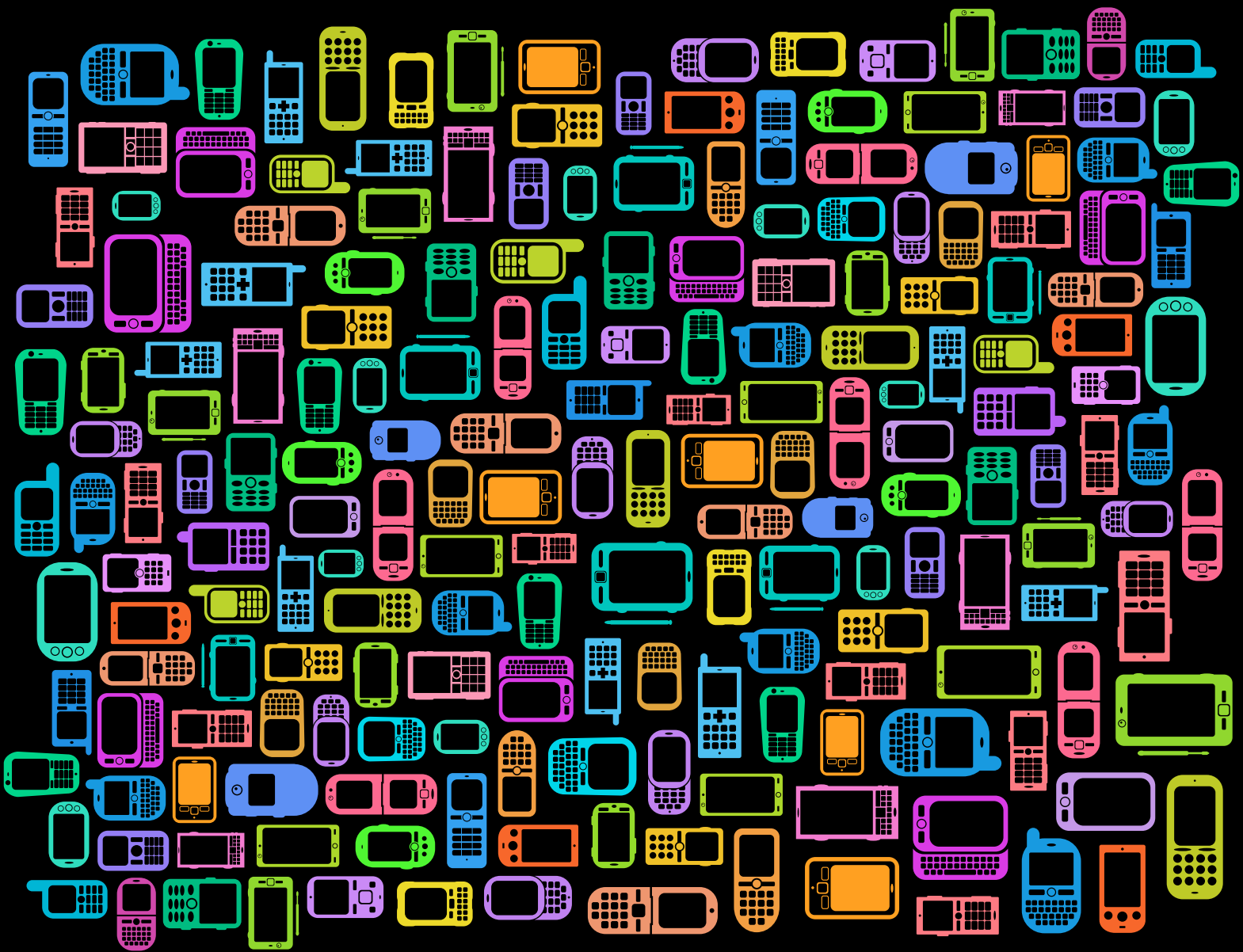


SMART MARKETING

Mobilising your brand



WEBER SHANDWICK
Advocacy starts here.

Foreword

Colin Byrne, CEO EMEA, Weber Shandwick

Mobile is today's digital frontier. From the high street to the boardroom, smart mobile devices that connect consumers to content, communities, businesses and brands are everywhere. And with half of new mobiles sold in Western Europe in 2011 forecast to be smartphones, mobile is set to become arguably the most important digital interface between consumers, businesses and brands. The implications of the 'mobilisation' of everyday life matter profoundly to anyone involved in the business of marketing and communications. Mobile will disrupt the established order (again!), bring new audiences to bear on brands and change the context and drivers for their interaction with businesses.

As an acknowledged leader in digital communications, we recognise the significant opportunities and challenges this mobile revolution presents. Based on research conducted among 2,000 smartphone owners in Europe, this report reveals what mobile consumers want – and what they don't – when they interact with businesses and brands on their mobiles. We all understand that mobile is important, but the findings may still surprise; nearly half of European smartphone users would prefer to do business with 'mobile friendly' brands, and four out of 10 active smartphone users have used mobile to interact with businesses.

The inescapable conclusion is that mobile's rise as the primary route for consumer interaction with brands, and its importance as a catalyst for socialising content and generating advocacy are at odds with the level of focus and budget currently afforded to mobile by the marketing function.

How many brands are taking advantage of mobile as a channel to engage directly with audiences 24/7 wherever they may be? Are marketing teams aware of the potential that mobile holds for personalised and interactive communications? Do marketers and communications leaders know when a mobile strategy is appropriate, and are they aware of the pitfalls and how to avoid them?

The coming year will see mobile users interact more than ever before with brands on phones, tablets and other mobile devices. Organisations that understand the nature of mobile and how their audiences use it stand to gain ground. With our research highlighting a number of simple ways to improve your mobile engagement, now is the time to get smart and think about mobilising your brand.

Setting the scene – the Smart Mobile landscape

Mobiles have, of course, been in our hands and close to our hearts for years. But what has triggered a seismic shift in this landscape has been that smartphones – iPhones, Blackberrys, Android devices and Windows Phones, to name a few – have hit the consumer mass market in huge volumes, putting email, the web, apps, video, social networks and more into the hands of millions of European consumers. According to industry analyst Gartner, of the 1.6 billion phones sold globally in 2010, a sizeable 20 per cent were smartphones¹.

By the end of 2010, combined sales of smartphones and tablets exceeded the number of PCs and laptops sold for the first time² – and in the first quarter of this year, smartphone sales grew a staggering 85 per cent compared to the same period in 2010³, whilst tablet devices are becoming an increasingly mainstream proposition.

Put simply, mobile is *the* next age of computing and the web. Smart mobile culture has already become pervasive and mainstream; for many, mobile has become the first and only port of call for their interaction with friends and family, and the brands and businesses that matter to them.

The mobile channel changes consumer demand and behaviours in important ways. It affects brand audiences, and changes the drivers for consumer engagement and interaction with businesses as well as the content and experiences that they find engaging.

Mobile puts context front and centre as an important driver of consumer behaviour – half of all local searches are thought to be performed on mobile, for instance, whilst 86 per cent of mobile internet users have used their device to complement watching TV⁴.

Social activity is also a major driver of mobile use – social media use on mobile was up over 56 per cent in 2010⁵, with over half of Twitter users on mobile⁶, and mobile Facebook users more than twice as active as those on their PCs⁷. Most mobile social network users are female,

with the most active age group being 35 to 54⁸.

With its uniquely personal nature, including the ability to target consumers depending on location, preferences and behavioural patterns, and campaigns that can deliver measurable real-world results such as foot traffic, smart brands are being increasingly drawn to

the mobile channel. The Mobile Marketing Association estimates that the global mobile advertising market will be worth \$14bn in 2011⁹, whilst 70 per cent of the top 20 brands in the UK claim to have run a mobile marketing campaign¹⁰.

What's clear is that consumer marketing through mobile is a discipline that is set to grow and evolve dramatically. Understanding how consumers behave on the ground, and their experiences and preferences when it comes to interaction via mobile, should be a starting point for those looking to build a strategy around mobile as an audience engagement channel.

“If you don't have a mobile strategy then you don't have a strategy for growth.”

Diane Mermingas,
editor at large,
Mediapost

European smartphone users market research – overview

Weber Shandwick commissioned a survey to explore how mobile is changing European consumer behaviour and consumer perceptions of, and interaction with, brands and businesses.

In spring 2011, KRC Research surveyed a broad spectrum of 2,000 smartphone users online across France, Germany, Italy, Spain and the UK and asked them how they feel about and use their smartphones, what they like and dislike about how companies interact with them via mobile, and ways in which they feel companies could better market to them using mobile.

The findings were striking. We found that mobile is being used broadly as the primary means of interaction with businesses and brands, and also saw clear evidence that the way brands engage via mobile can have a major bearing on their overall success.

With our research also highlighting the crucial role mobile plays in the socialisation of brand content and company information, it's clear that this channel warrants a higher level of strategic focus and marketing investment than it receives today.

Summary

Europe's consumers are already using mobile as a primary touchpoint for engaging with companies and brands

- Smartphones are starting to supplant PCs as a basic information portal. They are widely used to find out information on products and services, download company content and follow news

Quality of interaction via mobile plays a key role in influencing consumer purchasing decisions and brand preference

- Half of consumers prefer to do business with companies that make it easy to interact via mobiles

Consumers are being turned off by poor mobile experiences

- More than half say 'mobile-unfriendly' sites actively generate negative feelings about companies

Smart mobile culture is global, but specific consumer likes and dislikes vary considerably market by market

- Local market culture shapes how consumers perceive mobile within everyday life, and how they use mobile to interact with brands

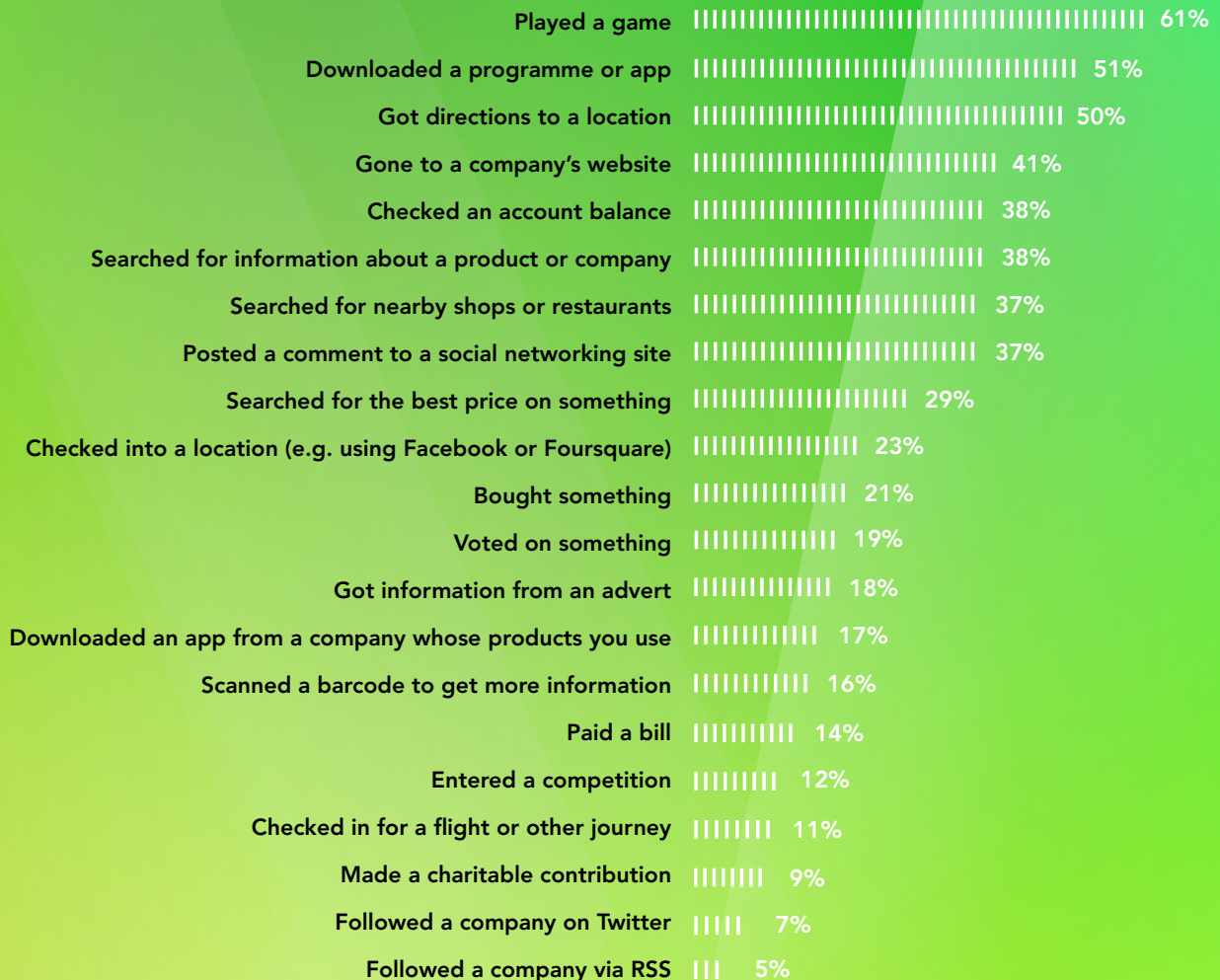
Report detail

Consumers are using mobile intensively to engage with companies and brands

It should come as no surprise that mobile is deeply embedded within the European consumer psyche – that nearly half of the European consumers surveyed said they ‘feel naked’ without their smartphone says a lot about how rapidly mobile culture has become part of our everyday lifestyle. Importantly, mobile is supplanting the PC and laptop as an information portal – in fact nearly one in four of those we surveyed (23 per cent) prefers to use a smartphone rather than a PC to access email and information even when at home.

Consumers are increasingly taking a mobile-led approach to their interaction with business and brands. Four out of 10 active smartphone users have used their phone to visit specific company websites (41 per cent) and to find out information on a company or its products (38 per cent), with a significant proportion of frequent users doing either at least once or twice a month. Nearly one in five (17 per cent) have downloaded a company’s specific app.

What have you done on your smartphone in the past year?

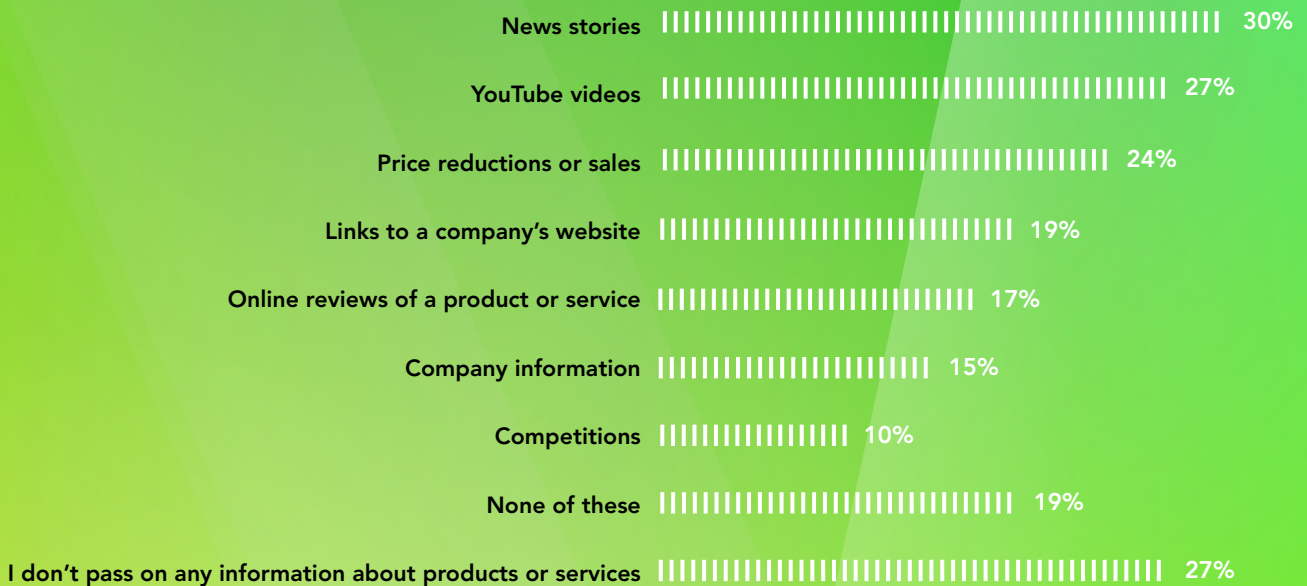


The strong connection between mobile and social interaction is apparent. Thirty-seven per cent of active users say they have used their mobile device to post a comment on Facebook or Twitter, and 23 per cent have updated information on their location via a site such as Foursquare or Facebook.

Age is an important factor here – those aged 18-29 are more likely than older people to have checked into a location (31 per cent versus 21 per cent of older users) or to have posted a comment to a social networking site (55 per cent versus 30 per cent of older users).

Mobile is also acting as a significant catalyst for sharing information about products and services. Company news is in fact the most widely shared type of content on mobile, with 30 per cent of consumers having passed on a story about a company or its services. This points to the important role that mobile plays as a force driving consumer conversations in real-time around the news environment. Videos (27 per cent) and information on sales or price reductions (24 per cent) are the next most widely shared types of content.

Which of the following types of information have you shared via your smartphone in the past year?



Report detail

The quality of mobile interaction offered by a company plays a key role in consumer purchasing decisions and in shaping brand preference

We found that the way in which companies engage via mobile has a significant degree of influence on overall brand perception and consumer preference.

Nearly half (45 per cent) of those surveyed say that they actively prefer to do business with mobile friendly companies, and over a third (36 per cent) agree that

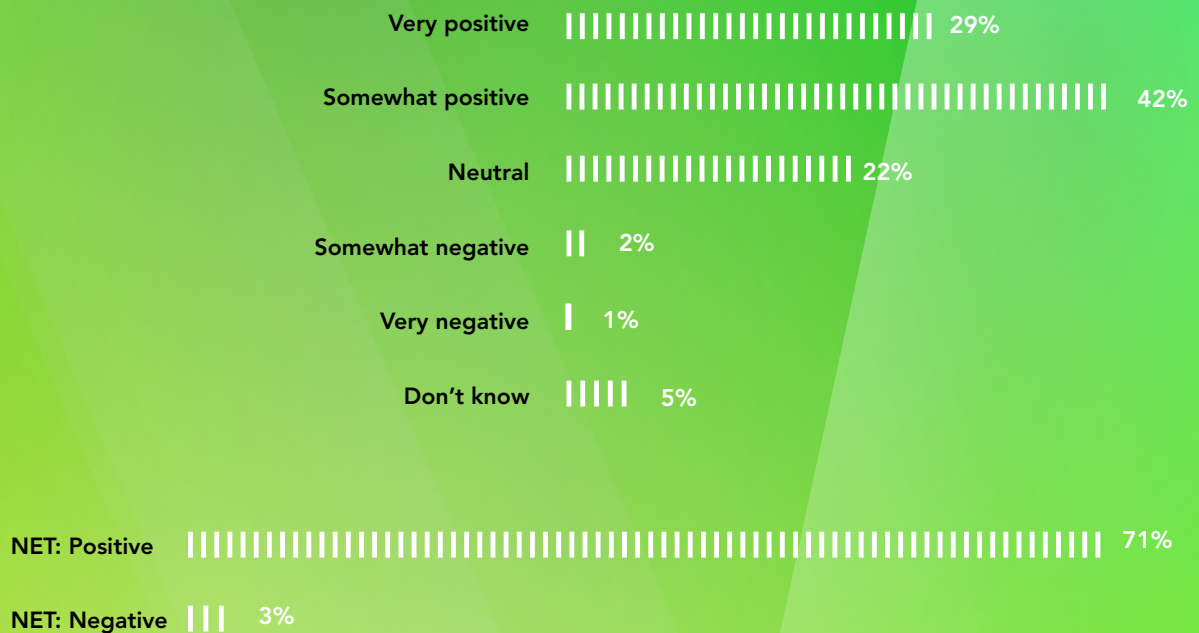
mobile is changing the way that they think about and interact with products and companies. There is a huge opportunity for brands that get it right – over 70 per cent of European consumers, for example, say they feel more positive about companies that make it easy to access their site on a mobile.

Do you agree or disagree with the following statements?

% agree:



When a company makes it easy to get information or interact with it by using a smartphone, how does it make you feel about that company?



Mobile is actively shaping the decisions consumers are making about what they buy. One in three say their purchasing is affected directly by their mobile experience, whether by using mobile to help decide where to go and what to buy (32 per cent), trying new products and services because of information gained

via mobile (31 per cent) or just because it was easy to do using their mobiles (35 per cent). Twenty-nine per cent of active users have used their phone to search for a best price, whilst 21 per cent have actually bought something using their mobile in the last year.

“Consumers are highly mobilised and actively using this channel to conduct relationships with companies and brands. Marketing professionals should take steps to understand how mobile fits into their audiences’ everyday lives and evaluate how and when their audiences are using mobile channels to reach them.”

Michelle McGlocklin

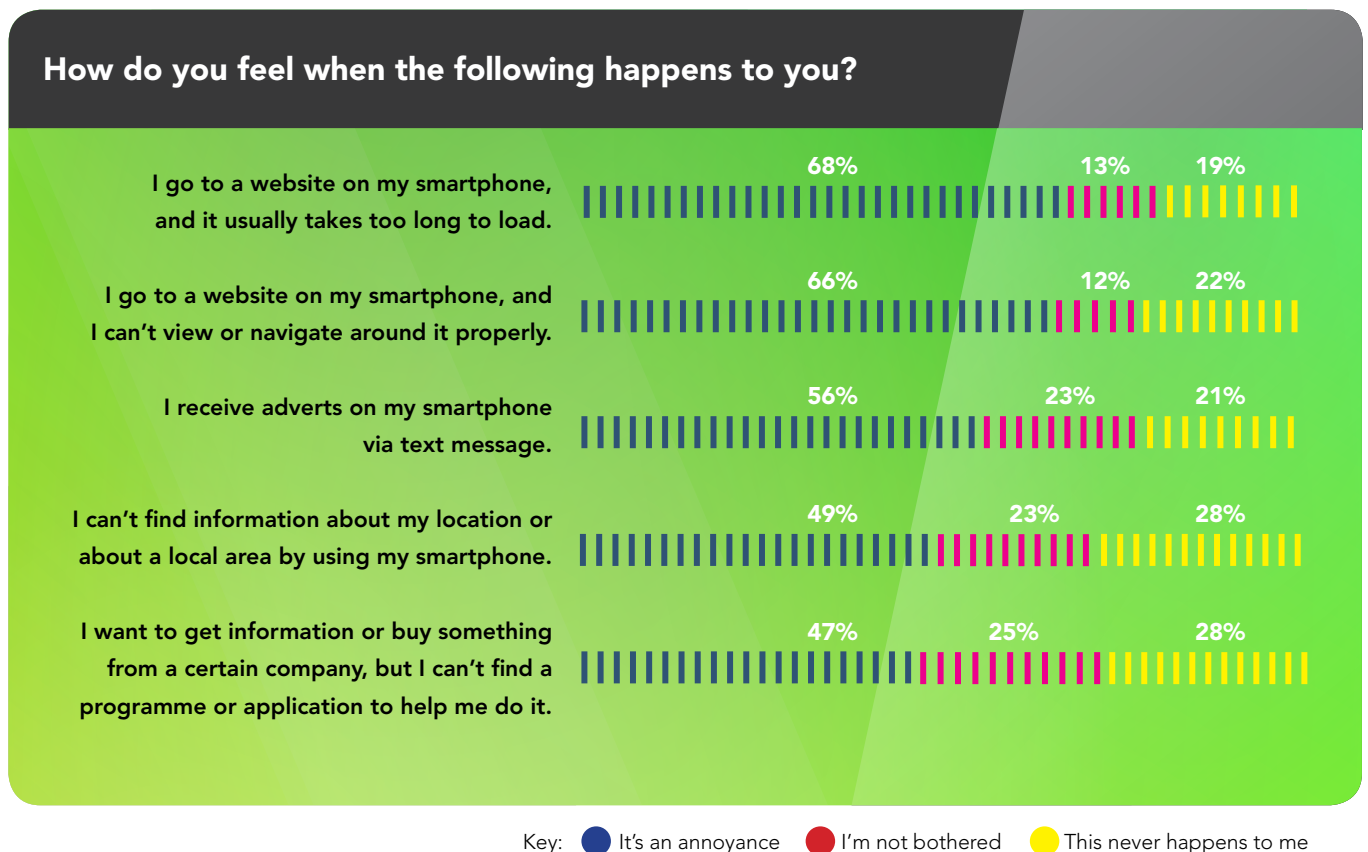
Chair, European Technology Practice, Weber Shandwick

Report detail

But consumers are being turned off brands by poor mobile experiences

We found significant issues with the experiences that companies are delivering to customers via mobile. Crucially, many are failing to deliver against the benchmark of expectations set by the utility and usability of the PC-based online experience.

Consumers are experiencing frustration when the way in which they've become accustomed to working with brands on the web isn't translated into similar experiences on mobile.



- Two-thirds of consumers identify websites that are slow to load (68 per cent) or difficult to navigate (66 per cent) on mobile devices as their top annoyances
- Nearly half (49 per cent) are annoyed by not being able to find information about companies in the local area
- 47 per cent are annoyed by not being able to find information or make a purchase on their mobile

Topping the European consumer 'wish list' for a better mobile experience are websites that are easy to use on mobiles (45 per cent), whilst a third of consumers (33 per cent) want promotions or offers from companies that are near their location.

Consumers are also keen to receive offers and promotions based on their specific interests (32 per cent), and are open to receiving rewards for buying products or services using their phones (31 per cent).

What would you want a company to offer you on your smartphone?



“Consumers have clear views on what turns them off when using a mobile – and the experiences being delivered through this channel are in many instances poor. Marketers need to understand how their mobile touch points perform, and identify where mobile can deliver new or improved experiences. The good news is that there are opportunities for brands that use the mobile channel well, and that getting the basics of mobile engagement right can be achieved without major investment.”

James Warren
Chief Digital Creative Officer, Weber Shandwick

Report detail

A global movement with local roots – consumer preferences are highly localised

Above all, whilst the proliferation of smartphones is a global phenomenon, our research reveals striking differences between neighbouring European geographies in terms of their sentiment towards mobile, and their mobile preferences and behaviours.

- Smartphone users in the UK (51 per cent) and France (54 per cent) are most likely to feel naked without their smartphone
- Italian and Spanish users are most likely to prefer to do business with companies that make it easier to interact with them using their smartphones (53 per cent)
- German consumers are least likely to agree that mobile is changing the way they think about products and companies (24 per cent)
- Active Spanish smartphone users are not only more likely to use their phones to visit company websites (54 per cent) but also more likely (32 per cent) to share links to these sites with others
- French users are most annoyed by websites that are difficult to navigate via mobile (45 per cent) or take too long to load (48 per cent) and least likely (6 per cent) to have visited company sites recently

“Mobile is a global phenomenon but nuances in local consumer culture are critical. Marketers need to assess how their audience changes market-by-market in how they use mobile, and prioritise their mobile initiatives accordingly. Ultimately, it’s about knowing how your audience’s lifestyle and preferences play out through mobile.”

Jan Dirk Kemming

Creative Director, Continental Europe, Weber Shandwick

Conclusion – Think about mobilising your brand

Our research shows how firmly established mobile is across Europe as a channel for helping to enhance consumer relationships with businesses and brands. The inescapable truth is that mobile is close to your audience, whoever they are – but at present much of the potential that exists in the mobile channel to attract new audiences and engage consumers in new ways is not being maximised.

Mobile has the power to tear up existing rules on brand loyalty and inserts a new dynamic based on

individual context and preference. Given its potential, communications professionals need to develop a specific focus on the mobile channel within their digital communications strategies.

To outline a way forward, Weber Shandwick has developed a core set of guiding principles to help communicators rapidly mobilise their brand.

“Mobile is not only a catalyst for changing consumer sentiment and preference, it can also directly impact the bottom line. Marketers need to understand how mobile is influencing consumer relationships with their brand and business, and where the potential lies to mobilise aspects of their offerings. If you don’t, you might find that your competitors will.”

Rose de la Pascua

Chair, Weber Shandwick Spain and Executive Vice President Europe

Mobilising your communications strategy

Our research shows there's a clear opportunity to use mobile to extend and enhance the relationship between your audience and your brand. And with millions more users set to gravitate towards smart devices in the next 12 months the time to act is now. But if you haven't thought about mobile as a communications channel, where should you start? Here are some key considerations when building a strategy for mobile.

1. Understand your audiences' mobile touchpoints

If the PC is a personal computer then the smartphone is an IC: intimate computer. The opportunity mobile provides is to create deeper and more personal connections between your brand's story and your audience. The fact that mobile devices are generally loved by their owners means that any interaction that you can generate on behalf of your brand will be taking place in a particularly 'personal' place. This level of intimacy enables organisations to create an unprecedented level of relevancy and immediacy, building real, personal relationships with their target audiences.

Start with the basics, invest time understanding how your audiences are using smartphones to interact with your organisation. Critically assess if that experience can be improved. Then think about how you can use mobile to deliver new utility or deliver an additional spark of engagement that will stimulate discussion e.g. a great game that fits how consumers think about your brand.

2. Focus on user intent

The use of the internet on mobile devices is far more 'intent-focused' than on a PC. With the act of going online via many mobile devices still in most cases a slower and less slick experience than on a PC, if someone is taking the trouble to access your organisation's information on a mobile browser, the chances are that there is a specific intent and desire fuelling that action.

The content you serve therefore may need to be less marketing oriented and more transactional in function and purpose. Consider the type of information that a user might need from your business if they're not at a desk and focus on those. For example, what information will a journalist working remotely want to be able to get easy access to and share?

3. Context is king

There's a big clue in the name: mobile. Many mobile users are accessing information on the road or in the city street. Can you take advantage of their location (and yours) to provide context as well as content? If your organisation has multiple locations, how can you enhance their interaction with you by recognising where they are and delivering locally relevant insight and information? By building location-based elements into a mobile app or web service, you can create deeper and richer engagement models with your audiences, providing them with far greater utility and benefit.

4. App or a mobile site?

Should you develop a mobile app or build an optimised-for-mobile site? Apps make fantastic use of some of the core elements of mobile devices such as location and contacts but they are often restricted to a specific type of phone platform or a particular app store (which are now crowded with many thousands of other apps).

Conversely, the web is available wherever there is an internet connection and a browser. While the depth of functions you can offer are more limited, the cost of building out mobile content for the web is often significantly lower than developing an app. Watch out also for the widespread rollout of HTML5, a powerful new version of the web content language that will bring app-like levels of sophistication and integration to the web towards the end of the year.

5. Mobile is a complementary channel – think **INLINE!**

Finally, and most importantly, establishing a mobile strategy doesn't mean throwing out established communications approaches and channels; building mobile-optimised content merely extends existing messaging and communications initiatives seamlessly into an entirely new experience.

Maximising your communications assets by sharing them in new channels simply amplifies them and helps optimise thought leadership opportunities through an innovative and immediate medium. Weber Shandwick's view is that communications need to be "INLINE" – combining both online and offline activities to tell a consistent story. The goal, as always, is to create seamless cross-platform experiences utilising your PR, marketing and social assets to engage effectively with audiences.

Weber Shandwick's mobile marketing capability

We know that our audiences' worlds have fragmented and that they expect to be able to engage with brands in a multitude of ways. We also know that brand communication is increasingly becoming experienced and that audiences require these interactions to be immersive, engaging, relevant and valuable.

Mobile is a critical part of our creative vision. Weber Shandwick brings together audience understanding and insight, communications expertise and an end-to-end production business to create mobile campaigns as well as build the assets required to make them happen.

At Weber Shandwick we believe in having production capabilities in-house, ensuring that we are able to create the most effective and engaging ideas for our clients, and that we are able to build them in the most

cutting-edge and efficient way. We have assembled a team that on a daily basis delivers a range of services and assets including:

- Mobile website optimisation
- Mobile content creation and optimisation
- App design and build
- Game development and seeding
- Barcode campaigns
- SMS campaigns
- Mobile analytics

Whether it's a way to deepen an audience's interaction with a campaign via mobile, or as an alternative channel through which to deliver a message, Weber Shandwick has the capability to help you use mobile to grow your business and extend your brand.

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About the Survey

Smart Marketing: Mobilising Your Brand examines the perceptions and behaviours of smartphone users across Europe. Research findings come from a survey of 2,000 adults aged 18+ who have a smartphone: with 400 respondents in each of France, Germany, Italy, Spain and the UK. The survey was conducted online between 31st March and 14th April 2011.

Weber Shandwick is a leading global public relations agency with offices in 74 markets around the world. To learn more, go to www.webershandwick.com

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