



Brands have a long way to go to overcome mobile strategy disconnect, reveals latest WARC-MMA – Festival of Media Asia Pacific survey

- *'Skills' identified as the biggest barrier to industry growth*
- *Mobile budgets expected to rise sharply by 2019*

Singapore, 26 February, 2014 – The latest wave of research, conducted by Warc in association with the Festival of Media Asia Pacific (FOMAP), and the Mobile Marketing Association (MMA), found that while 91% of marketers appreciate the importance of the mobile marketing channel in Asia Pacific, its full potential is still to be realised, with 71% of agencies admitting that most clients do not have formal mobile strategies in place.

Results suggest that mobile is still not a priority for brand owners, with the majority of respondents (78%) admitting that only 10% or less of marketing budgets are currently allocated to mobile. Even though this represents a fall of two percentage points since last year, almost all respondents expect to see the proportion of budget assigned to mobile grow by up to 30% by 2019, while nearly a third (29%) believe budgets will rise by over 50% in five years' time.

Findings also showed that where formal strategies are in place, mobile is being integrated into other marketing campaigns much more than in the past, with 40% of respondents reporting close integration, compared with just 27% last year. This would seem to suggest greater familiarity with the mobile channel, however, results also showed that despite recognising the need for integration as part of a successful marketing campaign, 62% of respondents said they seldom use mobile to gauge audience interest and engagement in other advertising campaigns.

Taking in 316 respondents from across 24 markets in Asia Pacific, the study, which was conducted in January 2014, is the third iteration of research designed to gauge the attitudes of client-side advertisers and marketing services agencies towards mobile marketing.

"It's clear from the study that there is still a long way to go before brands and agencies in Asia Pacific understand the full potential of mobile for reaching consumers. It is encouraging to see however that those brands that have taken the leap are now learning to use mobile in innovative ways that integrate with other marketing activities, demonstrating mobile's gradual move from the periphery to the centrepiece of marketing strategies," said, **Edward Pank**, Managing Director at **Warc** Asia Pacific.

Other findings from the survey revealed that the majority of respondents (61%) felt that programmatic buying – the automatic buying and selling of display ads, would become more important to marketing strategies by 2019, with almost a third (30%) saying it would be 'very important.' Interestingly, when asked to identify the greatest barrier to growth of mobile marketing in 2014, 45% of respondents identified 'skills' in relation to the emergence of new technology as the greatest challenge. This aligned with respondent's thoughts on programmatic buying, with 52% admitting to having little or no knowledge of it. Other concerns for the industry, included the availability of reliable metrics to assist informed marketing decisions (37%) and consumer concerns surrounding privacy and security, which dropped by 5% since the last survey, indicating wider reassurance among consumers.

The 2014 survey is released ahead of Festival of Media Asia Pacific which takes place at Capella Hotel in Singapore from March 16-18, 2014. The event brings together over 700



delegates from across 22 countries in Asia, who will gather to hear from some of the media industry's most agile and forward-thinking leaders.

"As the mobile industry continues to grow and develop, with the emergence of new technologies like programmatic buying on mobile providing new and improved ways to effectively target audiences, it is crucial that marketers stay up-to-date to remain ahead of the game," said, Charlie Crowe, Founder of **Festival of Media** and Chairman of **C Squared**. "The ability for agencies and brands to be agile in the light of new mobile marketing tools and methodologies will be essential for their survival in this increasingly competitive marketplace. This is the theme of this year's Festival of Media Asia Pacific, which takes place next month, providing a platform for discussion on some of the most pressing issues challenging the industry today.

The first and second iteration of the survey, conducted in February and August 2013, also in association with FOMAP and MMA, highlighted that marketers are facing a mobile strategy disconnect. Brands in Asia Pacific are struggling to develop formal mobile strategies, putting the future effectiveness of their marketing programmes at risk, even as they realise the power and potential of mobile.

"For brands to really see the impact of mobile on their operations, they need to focus on three I's – Investment, Innovation, and Integration. Instead of looking at mobile in isolation as a marketing channel with a certain set of capabilities, brands need to leverage its unique features to innovate and push their creative limits," said **Rohit Dadwal**, Managing Director, **Mobile Marketing Association Asia Pacific**. "This is our third study with Warc and Festival of Media Asia, and the results are definitely encouraging. As we see more brands choose to devote greater attention to mobile, it won't be long before mobile takes its true place in the advertising mix."

Among the study's other findings:

- The most innovative markets for mobile are China (43%), Singapore (38%), Japan (33%) and Australia (31%).
- Travel, transport and tourism are currently seen as the most innovative industries using mobile, up 11 percentage points from 23% in 2013. Other innovative industries included leisure and entertainment (32%), telecoms (29%) and financial services (29%).
- Multi-screening is now viewed as the most significant mobile consumer behaviour, ahead of mobile payments which was cited top in 2013.
- Location-based marketing is viewed as crucial to both current (73%) and future marketing activities (79%) in the region.
- The fastest growing technology in terms of adoption is the mobile wallet, intended to be utilised by 35% of respondents in 2014/15, before rising to 62% adoption in 2019.
- The use of QR codes, currently deployed in 45% of the marketing activities of those surveyed, is expected to halve over the next five years, suggesting the technology is viewed as somewhat dated in such a fast-evolving industry.



- Samsung, whose smartphones are the most prevalent in Asia Pacific was recognised as the most innovative brand in 2014, with a share of 10% of all responses. Respondents also believed Samsung to be the most innovative brand in last year's survey, but at a much higher rate (30%). Other innovative brands included Coca Cola (7%), Apple (4%), McDonalds (4%), Unilever (4%), Nike (3%), Proctor and Gamble (2%) and Google (2%).

Detailed survey findings can be downloaded by following the [link](#).

Festival of Media Asia Pacific 2014 takes place at The Capella Hotel in Singapore from 16 – 18 March, 2014.

Follow Festival of Media Asia Pacific 2014 on Twitter and use the #FOMA14 hashtag.

###

About C Squared

C Squared is one of the fastest-growing specialist publishing, events and technology companies in Europe. Its mission is to help the media and marketing industry become more connected and better informed so that it is fully equipped to respond to the challenges and opportunities brought about by digital technology and globalization. C Squared launched the Festival of Media in Venice in 2007 and the brand now has 3 major events across the world, attended by 4,000 senior delegates and receiving over 3,000 Awards entries. In 2009, C Squared acquired the leading brand M&M Global; plus the M&M Global Awards and the popular media training course, IMM. The company also owns Cream which has now become the world's largest database of media innovation and its bespoke technology serves many of the leading global agency groups and multinational advertisers. More information is available at: www.csquared.cc

About the Mobile Marketing Association (MMA)

The Mobile Marketing Association (MMA) is the premier global non-profit trade association representing all players in the mobile marketing value chain. With more than 700 member companies, the MMA is an action-oriented organization with global focus, regional actions and local relevance. The MMA's primary focus is to establish mobile as an indispensable part of the marketing mix. The MMA works to promote, educate, measure, guide and protect the mobile marketing industry worldwide. The MMA's global headquarters are located in the United States and it has regional chapters including North America (NA), Europe, Middle East and Africa (EMEA), Latin America (LATAM), and Asia Pacific (APAC) branches. For more information, please visit www.mmaglobal.com

About Warc

Warc is the global provider of ideas and evidence to marketing people. Warc's premium online intelligence service, warc.com, includes more than 7,000 case studies and a huge resource of articles on new thinking and best practice across all areas of marketing. With users in over 100 countries, it is a unique resource relied upon by agencies, brand owners and media groups. Alongside the Warc service we publish five highly respected magazines and journals: Admap, Market Leader, International Journal of Advertising, Journal of Advertising Research and International Journal of Market Research. We also host market leading



conferences on key industry issues such as measuring advertising performance. For more information, please visit www.warc.com

Media Contacts

Amala Naravane / Anna Goulding

Rice Communications on Festival of Media Asia Pacific 2014

Tel: +65 6221 8324

Email: amala.naravane@ricecomms.com / anna.goulding@ricecomms.com