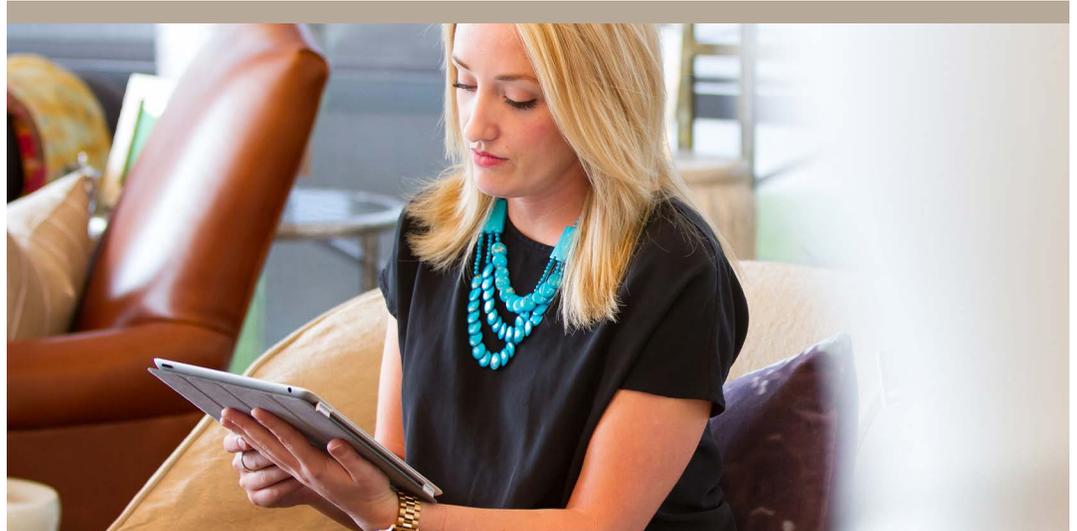# Mobile in media and entertainment: tectonic shifts and big opportunities

Mobile is not a fad; it is here to stay and growing

The media and entertainment industry has been transformed within the last few years, largely due to the introduction of the iPhone and other mobile technologies and devices. Media consumers now have a plethora of choices when consuming content and entertainment. The meteoric rise in the use of mobile devices, apps, broadband, social networking, and other related technologies has fostered a complex ecosystem that continues to spur profound changes in how consumers engage with content and interact with media and entertainment brands.

The mobile world is large, and continues to expand. There are an estimated 7 billion mobile phones globally. In 2013 IDC research found that 1.7 billion mobile phones were shipped, approximately 1.2% higher than the number of units shipped in 2012.[1]

Device proliferation and the Internet of Things

The number and types of connected devices in the mobile ecosystem has skyrocketed. They now include TVs, iOS and Android smartphones, feature phones, "phablets" (emerging smartphone/tablets), tablets, and even connected household appliances.

With the proliferation of devices, the phenomenon of an "access everywhere" world—often termed the Internet of Things—has the potential to transform virtually every digital device into powerful, ever-present entertainment, education, and business tools. The result is that mobile offers a tremendous opportunity to connect with customers in every situation, time, and location across multiple screens. Tablets, in particular, are overtaking other smart devices.

According to Ray Pun, director of mobile strategy at Adobe, "Given explosive growth in visits from tablets, brands should invest now to understand how the consumer shift to tablets is impacting their business and make course corrections to their digital marketing and media strategies to catch up with this tablet transformation."[2]

Mobile closes a huge gap between device and user experience interactions with content in the customer journey and offers the opportunity to obtain more user context; this insight can then be applied in mobile marketing tactics such as personalized app experiences, geo-location, or push notifications. The strategies can have a substantive impact on the ability to stay top of mind with audiences and gain their loyalty.

Additionally, understanding how to optimize for each instance of an app experience provides digital marketers with the power to extend the reach and frequency of their company's brand, deepen engagement, and open doors to new monetization options.

For media and entertainment companies, mobile has entirely transformed the landscape. Digital natives now control their own media and entertainment experiences, and they do it largely on mobile devices. Just 10 years ago, content was highly controlled by media companies and was typically distributed through TV, radio, newspapers, magazines, music CDs, and movies (DVDs and theatrical).

Mobile advertising

Mobile advertising formats are also morphing. Many companies, including Google, now allow app developers to buy ads promoting installed apps in paid mobile search as well as on YouTube downloads. Twitter also started selling app install ads, following Facebook's lead.[3]

The rapid adoption of smart devices is giving rise to an increasingly growing mobile advertising opportunity. Whether ads are placed on app downloads, in-game, in-video, or contextually around relevant content, the message is clear: Mobile advertising is booming, having notched triple-digit growth over the past three years and jumping by more than 110% to reach $7.1 billion in the past year alone, according to a report from the Interactive Advertising Bureau prepared by PricewaterhouseCoopers.[4]

Think mobile first

Although mobile is vital to success in the media and entertainment industry, mobile marketing efforts along with mobile measurement and analysis are often run by and managed by different groups within media companies. There is likely to be a specialized mobile marketing team, separate from a mobile analytics team, or separate from the mobile agency hired to outsource the development and deployment of mobile apps.

Further adding to the challenge is that mobile results are often not cited or included in typical digital marketing reports and dashboards, and successes cannot be measured using the same key performance indicators (KPIs) that apply to other digital media.

Without robust mobile execution, measurement, and optimization, any digital presence in media and entertainment—or any sector, for that matter—is incomplete. Putting mobile into a silo is not productive; instead, mobile must be an integral part of all digital marketing strategies.

Mobile and social TV

Today, Facebook is a 10-year-old social network on which users curate their own content. For six years, many consumers have been obsessed with the iPhone, helping iTunes become a music epicenter that is driven, consumed, and operated primarily by mobile devices. And the trend continues: it is now possible to customize your own musical content and channels through a wide range of popular services such as Pandora and others.

In addition, second-screen experiences are specifically created by content owners and distributed by multichannel video programming distributors (MVPDs) such as Comcast, Rogers, Shaw, Charter, Dish, and DIRECTV for "phablet" mobile devices. The entertainment experience today does not seem to be complete without a mobile counterpart.
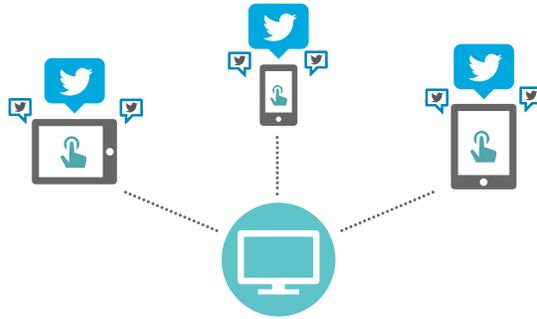
In a recent year, the number of active Twitter users who tweeted about TV-related content jumped by almost 30% in just six months.[5]

A closer look at which devices—and how people use them—highlights various activities underway as viewers watch television.[6]

- Surfing the web: 66% of tablet owners and 49% of smartphone owners
- Shopping online: 44% of tablet owners and 24% of smartphone owners
- Checking sports scores: 29% of tablet owners and 27% of smartphone owners
- Looking up actor, plot lines, athlete, and other program information: 41% of tablet owners and 29% of smartphone owners
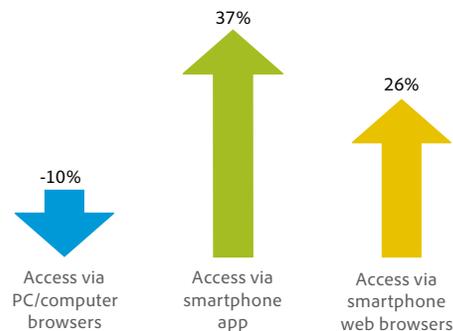
When instinct and hunches aren't enough

With all of these trends, digital marketers should incorporate mobile strategies that address publishing content, apps, and advertising. Yet harnessing the opportunity and managing the multi-device, multichannel environment is an enormous challenge. Without robust measurement, analysis, and reporting solutions for mobile, digital marketers are left asking themselves questions such as:

- Should we deploy everything across all platforms or launch our games or videos just on tablets?
- Perhaps we should create rich media apps connected to advertorials for iOS devices?
- What types of paid media work best for acquiring iOS audiences?

Many marketers are relying on guesswork to make these decisions, versus concrete data and insights.

To succeed, marketers need to be able to connect the dots of their customers' journeys across all channels. They need to be able to collect and integrate data from every touch point, including digital app downloads and engagement, activities in the social sphere, location-specific data, in-game purchases, virtual currency transactions, as well as offline interactions.

37%

26%

-10%

Access via
PC/computer
browsers

Access via
smartphone
app

Access via
smartphone
web browsers

Percent change in unique audience of social media websites and apps, by platform[7]

They then must determine which marketing activities have the most impact, and then deliver the right content and user experience for the right device in real time. Mobile advertising must be woven into the fabric of the strategy so that it is effective and delivers return on ad spend, correlated to "post-run" analysis and media mix attribution.

Mobile personalization

Consumers now have very high expectations that companies and brands will provide them with only relevant content and deeply personalized experiences across a myriad of devices. The first step to mobile personalization is to create and execute on a sound mobile content distribution and application measurement strategy. One effective tactic of mobile personalization is to take advantage of geo-location data to create more personalized experiences and tailor the right companion content (such as advertising, couponing, or value-add content) based on location and analysis of mobile app installation and engagement.

For example, Major League Baseball (MLB) is rolling out iBeacons at stadiums. iBeacons emit an invisible, soundless signal to smartphones when they are in range of a beacon.[8] With the opportunity for instant engagement, vendors can offer consumers easy access to discounts, information, and other experiences directly related to their attendance at a game or to their love of baseball overall.

The popularity and impact of mobile apps and engagement should not be underestimated. Industry analyst firm Gartner predicts smart device popularity will drive opportunities for mobile app stores, which by 2016 will reach 310 billion downloads and $74 billion in revenue.[9] For media publishers, one strategy being adopted to tap into the tremendous demand for mobile content is delivering highly interactive digital magazines.

Adobe has seen a meteoric rise in the creation and downloads of digital magazines created with Adobe Digital Publishing Suite (DPS). Since DPS was launched in March 2011, more than 170 million issues have been delivered through today's most popular digital newsstands. DPS currently powers 80% of the digital issues consumed on mobile devices and is being used by the world's biggest magazine publishers, including Hearst Corporation, National Geographic, Martha Stewart Living Omnimedia, Rodale, Mansueto Ventures, LLC (publisher of *Fast Company*), Nature America, Inc. (publisher of *Scientific American*), and Time Inc. to name a few.

Tablets are driving global consumer adoption of digital magazines

100 Million Downloads*

North America

Asia Pacific

Europe

Source: "*Top Publishers and Brands Adopt Adobe Digital Publishing Suite to Create Apps for Tablets and Smartphones*," Adobe, June 18, 2013

Beyond magazines, organizations are using digital publishing to create immersive brand experiences that captivate and entertain audiences, as well as for marketing communications materials such as brochures, newsletters, and annual reports. For instance, new digital catalogs can display products and related information in an app format, with features such as 360-degree views of products, and allow consumers to purchase. Also increasingly popular are digital event guides and more interactive sales enablement materials. The more dynamic publications support immersive advertising experiences that enhance reader experience and provide improved monetization across publications and titles.

Gaining a stronghold in mobile

There are so many ways for media and entertainment companies to win in digital advertising that many content creators and digital marketers looking to improve onsite engagement, advertising click-through rates, and audience reach can become overwhelmed. Unfortunately, those who wait to act on mobile stand to miss out on an enormous opportunity.

Adobe Marketing Cloud solutions, and in particular Mobile Core Services, help address some of the challenges by providing a framework of Analytics, Targeting, and Personalization to reach and measure the most valuable mobile audiences. Secondly, Mobile Core Services offers an SDK that will enable mobile teams to properly instrument campaign analysis and quickly determine what is working and what needs to be changed for better results. Many media companies are already in market with mobile app, mobile beacon, and mobile social TV applications.

For example:

- During the recent 2014 Sochi Olympics, NBC saw a sharp increase in mobile revenues.[10]
- With a focus on mobile, A&E Networks created engaging mobile applications and saw an increase in its mobile effectiveness across reach and monetization.[11]
- Iconic publisher Condé Nast set out to further engage its loyal readers and attract new ones by migrating audiences to mobile and tablet digital editions. Condé Nast uses Adobe Digital Publishing Suite (DPS) to produce and deliver high-impact digital editions across its vast magazine portfolio. The publisher recently integrated Adobe Experience Manager into its DPS workflow to take *Vanity Fair* onto the iPhone while maintaining cost, workflow, file size, and the DNA of a highly designed publication—plus consistently advancing the on sale date.

Make, manage, measure, and monetize

All of these organizations are measuring the effectiveness of mobile content and apps by looking at new metrics such as launches, monthly engaged users, and lifetime value. They are changing the way mobile campaigns are measured by focusing on KPIs such as cost per install (CPI) and cost per engagement (CPE). Marketers are then correlating these metrics with other insights to determine overall messaging and content effectiveness to convert their audiences to engage with mobile content and apps.

Solutions within Adobe Marketing Cloud such as Adobe Analytics, Mobile Core Services, and Analytics Premium are key. Digital marketers, research executives, and those focused on TV Everywhere within large media companies are also using Adobe Primetime, which brings TV to every IP-connected screen. Others are creating digital magazines and catalogs using Adobe Digital Publishing Suite, as highlighted above. In addition, some are using Adobe Experience Manager to connect customers with content delivered reliably to multiple devices.

Together, these solutions enable content marketers to collect data from mobile websites and apps, create data-driven, engaging content for multiple screens, and then review reports that show mobile app engagement, conversion, and return visitation. Adobe Mobile Core Services also support geo-location analytics and targeting, app optimization, app analytics, and offer an SDK for the entire Adobe Marketing Cloud. With the Adobe solutions, media and entertainment companies can personalize experiences for points-of-interest or iBeacons in a stadium or other venue.

Marketers can drill down to quantify the effectiveness of mobile-specific campaigns such as SMS, mobile search ads, mobile display ads, and QR codes. They can also segment mobile data and view geo-location reports. All of this information assists marketers in determining where content or ads will drive the most engagement, and which channels or app stores such as Google Play or Amazon are most effective. This data can be correlated and attributed within the context of all digital channels— web, social, and email—as well as offline channels.

Adobe & Mobile Marketing

Comprehensive support for mobile marketing lifecycle across mobile web, mobile apps, and marketing tactics

For media and entertainment companies, mobile disruption is not just "coming soon". It has arrived and is moving ahead at full speed. Continued innovation and new devices are reinventing the marketing landscape faster than anyone could have ever imagined. To stay ahead, companies must act quickly and equip themselves with powerful mobile analytics and content solutions that help them move swiftly from content or app creation through to delivery, analysis, and optimization. Success depends on adopting an integrated platform that informs and guides them every step of the way. Only then can they catch and ride the mobile wave.

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[2] *"How Tablets Are Transforming the Marketplace,"* CMO by Adobe, *April 2014.*

[3] *"Google Ramps Up in Fight for App Advertising,"* Ad Age, *April 2014.*

[4] *"Digital Ad Revenue Skyrockets, But Still Lags TV,"* The Wall Street Journal, *April 2014 and "IAB Interactive Advertising Revenue Report," 2013 full year results.*

[5] *"State of the Media: The Social Media Report",* December 2012 , *The Nielsen Company.*

[6] "Nielsen Connected Devices Report, Q3 2013," The Nielsen Company.

[7] Nielsen "NetView," July 2013 and Nielsen "Mobile NetView," July 2013.

[8] *"iBeacons: A Lighthouse for the 21st Century Marketer,"* CMO by Adobe, *March 2014.*

[9] *"Market Trends: Mobile App Stores, Worldwide, 2012,"* Gartner, *August 2012.*

[10] *"NBCU Olympic Ad Revenue Is Snowballing,"* Anthony Crupi, *AdWeek, January 2014.*

[11] *"A+E Networks Shares Mobile Analytics Best Practices at Adobe Summit,"* Adobe Digital Marketing Blog, *April 2014.*

For more information
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