



# 2013 Mobile Trends For Marketers

by Thomas Husson and Julie A. Ask, February 13, 2013

## KEY TAKEAWAYS

### **Advanced Marketers Will Integrate Mobile Into A Multiyear Strategic Vision**

Mobile platforms will act as a catalyst for the next generation of connected experiences. In particular, smart apps connected to products and CRM systems will emerge. In 2013, leading marketers will anticipate the longer-term mobile disruption and shift from tactical efforts to more transformative mobile strategies.

### **Implementing This Strategy Requires Significant Investment And Marketing Control**

Mobile on the cheap is over. Implementing the complex technology to make the most of mobile opportunities requires a new vision of how to interact with customers, significant changes in culture and competencies across business and IT, and more investment. Leading marketers will take back mobile ownership from agencies and services vendors.

### **It Is Still Early Days: Some Hyped Mobile Trends Will Disappoint**

Indoor location, cross-channel attribution, responsive design, analytics solutions, mobile “big data,” and other mobile technologies will make progress, but they won’t be game-changers this year.

## 2013 Mobile Trends For Marketers

Multiyear Strategies And Larger Investments Define This Year

by [Thomas Husson](#) and [Julie A. Ask](#)

with [Christine Spivey Overby](#), [Melissa Parrish](#), [Anthony Mullen](#), [John C. McCarthy](#), Douglas Roberge, and Emily Kwan

### WHY READ THIS REPORT

With more than 1 billion smartphones in consumers' pockets at the beginning of 2013, mobile is driving a second Internet revolution that's even more profound than the first one. Mobile creates new value for consumers and businesses, alters cost structures, and disrupts ecosystems. That's why marketers must move away from tactical mobile efforts to more transformative mobile marketing strategies in 2013. This fourth annual mobile trends report revisits our 2012 mobile trends, elaborates on how they will continue to evolve in 2013, and highlights new mobile trends that we expect to see this year. New to this year's report is a list of the over-hyped topics that we believe will fail to provide real business value in the short term.

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This analysis is based on conversations with marketers and brand managers and uses data from Forrester's Technographics® surveys and Forrester's ForecastView. We also interviewed a number of technology vendors.

### Related Research Documents

[How To Start Bridging The Mobile Monetization Gap](#)

November 19, 2012

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## CHANGES IN BEHAVIOR AND UBIQUITY DRIVE A MOBILE MIND SHIFT IN 2013

Mobile's momentum continues to accelerate in 2013 — more than 1 million apps available, more than 150 million tablets sold, and more than 1 billion smartphones in consumers' pockets globally.<sup>1</sup> As we revisited our 2012 mobile trends, we found that all of them are still evolving and relevant (see Figure 1).<sup>2</sup> A number remain important enough to be key trends in 2013 but for different reasons than last year. But more important than the scale of the numbers is the fact that mobile devices and their connectivity fundamentally shift how people behave and how businesses engage with them. These shifts are happening even faster outside North America and Europe, in countries like China, Brazil, and India. Marketers who were affected early on by this shift in mobile mindset understand that:

- **Immediacy and convenience combine to alter people's behavior.** Consumers are changing their normal routines due to the multiple mobile options at their fingertips. Today's engagements are a series of message exchanges — e.g., “Where are you?” “There in 10.” You leave plans in flux as you do one more errand or get stuck in traffic. Increasingly, people have taken that behavior with them to shopping, banking, and traveling. They do research at the store shelf. They shop on the bus. They check their bank balances multiple times each day.
- **Ubiquity profoundly disrupts business models.** Mobile will recast your go-to-market propositions, revenue streams, cost structures, partner ecosystems, and success metrics. Mobile phones have replaced cameras, maps, cash registers, TV remotes, and portable gaming devices. Now they are supplanting ATMs for check deposits and printouts for boarding passes, tickets, and coupons. Price checks at the store shelf are forcing retailers to rethink pricing policies and signage options. Apps from Uber Technologies and myTaxi disintermediate the need for central dispatch for taxi drivers. Firms must run their businesses in real time to respond to customers, partners, and employees.

**Figure 1** Many 2012 Mobile Trends Will Still Be Significant In 2013

**1-1 Mobile emerged as a key business strategy enabler**

| 2012 mobile trends   | 2013 expected developments   |
|--|--|
| Develop a scalable approach to delivering mobile services.                                     | <ul style="list-style-type: none"> <li>• Businesses will continue to put organizations, staffing, and governance in place to manage the growth in the use of mobile.</li> <li>• Staffing combined with outsourcing decisions will become strategic.</li> </ul>   |
| Craft a mobile strategy that expands beyond phones.  | <ul style="list-style-type: none"> <li>• Most marketers will struggle to migrate their tablet experience beyond one that offers consistent experiences across screens.</li> <li>• A handful of marketers with more resources will create a differentiated strategy for tablets to leverage their effectiveness as a media device, their position as a PC substitute, and the ability of consumers to create — not just consume.</li> </ul> |
| Differentiate on “how well” mobile services work rather than “what” mobile services you offer. | <ul style="list-style-type: none"> <li>• The quality and design of user experiences is a key element of a consumer’s assessment of the relative convenience of any product or service including mobile.</li> <li>• Expect to see marketers move from “We have mobile” to “Mobile helps us differentiate ourselves from our competition.”</li> </ul>  |

**1-2 Success in the mobile ecosystem eluded incumbents and embraced newcomers**

| 2012 mobile trends  | 2013 expected developments   |
|---|--|
| Mobile digital wallets will emerge and go beyond payments.      | <ul style="list-style-type: none"> <li>• A range of stakeholders (e.g., banks, operators, retailers, and third parties) will launch mobile digital wallets by adding receipts, vouchers, and loyalty services to payments to stake their claim.</li> <li>• Expect a lot of innovation, trials, acquisitions, and strategic alliances in the space.</li> <li>• Few offerings will be convenient, limiting usage uptake in 2013.</li> </ul>  |
| The smartphone OS bloodbath will continue.                      | <ul style="list-style-type: none"> <li>• Android will remain the indisputable smartphone OS leader, with Apple a distant (but premium) second.</li> <li>• Competition for the third ecosystem will take place between Windows Phone 8, BlackBerry 10, and, to a lesser extent, new open ecosystems (e.g., Firefox OS, Tizen, Ubuntu).</li> <li>• None of them will gain any meaningful traction among marketers and developers — challenging their longer-term viability.</li> </ul> |
| Amazon.com and Facebook will be disruptive distribution forces. | <ul style="list-style-type: none"> <li>• The role of social media and the need for more personalized retailing in app discovery and distribution will grow in importance.</li> <li>• Both Amazon and Facebook have broader opportunities to establish themselves as key players in the space.</li> </ul>   |

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Source: Forrester Research, Inc.

**Figure 1** Many 2012 Mobile Trends Will Still Be Significant In 2013 (Cont.)

**1-3 Consumer expectations were both high and conflicted**

| 2012 mobile trends  | 2013 expected developments   |
|---|--|
| Consumers will expect more contextual experiences . . .           | <ul style="list-style-type: none"> <li>• Expectations of receiving more relevant content and services on mobile devices will move beyond mobile-savvy users.</li> <li>• Consumers are increasingly task-oriented in their use of mobile devices. As a result, they expect simplicity.</li> </ul>                                 |
| . . . but simultaneously be concerned about privacy and security. | <ul style="list-style-type: none"> <li>• Concerns about privacy, identity, and security issues in the mobile context will continue to grow significantly.</li> <li>• Developing trust and reassurance will start becoming a differentiator, especially for brands crafting an approach around the Internet of Things.</li> </ul> |

**1-4 Emerging technologies needed standards and scale to succeed**

| 2012 mobile trends  | 2013 expected developments   |
|---|--|
| HTML5 has made progress but is not a clear panacea.                                       | <ul style="list-style-type: none"> <li>• HTML5 will continue to see a lot of traction in 2013; it is a viable technology for creating good web-based experiences across devices in situations where budget is an issue or the primary objective is the consistency of experiences across devices.</li> <li>• Savvy marketers will begin to differentiate their mobile service offerings on applications and browsers.</li> </ul> |
| The importance of cloud will grow, but streaming will be hindered by network limitations. | <ul style="list-style-type: none"> <li>• Personal cloud services (e.g., Evernote, iCloud, Spotify) will be increasingly critical in the delivery of cross-device experiences.</li> <li>• While hopefully transparent for consumers, cloud-based technologies will mature and support marketers' need for more seamless experiences.</li> </ul>   |
| NFC will fail to live up to the hype.   | <ul style="list-style-type: none"> <li>• NFC handset shipments will continue to grow significantly and will pass the 250 million mark in 2013.</li> <li>• Despite numerous commercial launches, usage of mobile contactless payments will not take off significantly. Other contactless services will get more traction.</li> <li>• NFC will remain a field for experimentation for the vast majority of marketers.</li> </ul>   |

## MOBILE TRENDS IN 2013

The trends we've identified for 2013 center on multiyear plans and scaled-up investments. Mobile's dynamics of immediacy and ubiquity will challenge the notion that mobile is immature. Innovators will overcome any concerns about maturity to make big, strategic investments in mobile to pull ahead of their competitors. Differentiating with mobile will require marketers to develop the multiyear visions required to drive real change in their business and their approach to implementing mobile services. When we categorized the key 2013 mobile trends and their implications for marketers, they fell into two major groups (see Figure 2):

- **Treat mobile as a strategic priority.** While many marketers will remain hampered by limited budgets and resources, some market leaders will make large investments to differentiate themselves from the pack. For example, food company Mondelez International (formerly Kraft Foods, Inc.) recently announced it would spend 10% of its global marketing budget on mobile.<sup>3</sup>
- **Business and technology changes mean that mobile investments must rise.** Next-generation mobile services will require access to web services, analytics, and data in real time from internal and external sources. This level of integration and these capabilities come at a steep price and involve multiyear investments. These services currently exist in a tightly locked range of eCommerce and legacy business systems that were designed for large-screen PCs connected by high-speed LANs. As a result, leading companies are investing as much as €100 million over the next three years to anticipate the mobile technology architecture shift.<sup>4</sup> A vision for mobility that extends for three to five years will be necessary to set the requirements for the complementary business technology changes.<sup>5</sup>

**Figure 2** 2013 Trends Center On Multiyear Plans And Growing Investments

| Key dynamic  | Trend   | Actions for marketers   |
|--|---|---|
| Treat mobile as a strategic priority by implementing a multiyear strategy. | 1. Marketers will realize that mobile requires a total shift in their marketing approach. | Combine a broad range of variables for rich mobile context.       |
|  | 2. Tablets will be the biggest short-term disruptors.                                     | Address two separate use cases for phones and tablets.            |
|  | 3. Mobile platforms will be the catalyst for next-generation connected experiences.       | Rethink your smart products and create new engagement scenarios.  |
|  | 4. Sophisticated analytics wrapped around big data will power smart apps.                 | Expect the lines between product, content, and marketing to blur. |
|  | 5. Mobile will play a leading role in efforts to engage consumers in emerging markets.    | Evaluate your mobile maturity across different regions.           |
| Business and technology changes mean that mobile investments must rise.    | 6. Mobile will require more formal organizations, processes, and governance.              | Create a mobile governance group.                                 |
|  | 7. Leading marketers will take back ownership of mobile from agencies and vendors.        | Hire and fund the talent to coordinate a mobile strategy.         |
|  | 8. The role of mobile marketing manager will emerge.                                      | Engage a senior executive capable of taking the lead on mobile.   |
|  | 9. Finding the right strategic mix of staff will rise in importance.                      | Build a staffing plan based on your long-term strategy.           |
|  | 10. Spending will increase, especially to enable mobile services.                         | Nurture a working relationship with IT.                           |

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Source: Forrester Research, Inc.

### Treat Mobile As A Strategic Priority By Implementing A Multiyear Strategy

Keeping pace in 2013 and leveraging mobile to differentiate will require marketers to alter their approach to creating a mobile strategy. Marketers must integrate their short-and long-term visions. Furthermore, they must anticipate the shifts in customers and business models that will take place in the next two to five years and where mobile is a catalyst for change.

- 1. Marketers will realize that mobile requires a total shift in their marketing approach.** We believe mobile will be more disruptive than the PC Web was a decade ago. It will transform existing business models in three main ways: 1) deeper consumer engagement; 2) the

combination of real-time interactions with sensitivity to location in the real world; and 3) contextual pricing.<sup>6</sup> Brands that can serve customers' situations, preferences, and attitudes in real time on mobile devices will leapfrog the competition and, more importantly, provide their services at a premium. This requires marketers to reassure people about their privacy, identity, and security. It also means delivering added value in a context where perpetual connectivity will transform the way we experience the world.<sup>7</sup>

**Actions for marketers: Combine a broad range of variables for rich mobile context.** Mobile offers immediacy, intimacy, and context — unique attributes that no other computing form factors offer. Firms will have to integrate elements of context — including time, customer knowledge, and place — to create new products and services. To deliver truly differentiated and engaging mobile experiences, marketers must do more than consider just time, analyze just past customer behaviors, or take into account just physical context.

- 2. Tablets will be the biggest short-term disruptors.** Smartphone penetration has already surpassed 50% in the US and will do so in most developed countries through 2013.<sup>8</sup> In contrast, tablets are in fewer than one in five US households.<sup>9</sup> Still, in spite of a smaller installed base, tablet commerce will outpace mobile Commerce on smartphones.<sup>10</sup> Conversion rates are already higher, and consumers use them as PC replacements — shifting their behavior from laptops to tablets. Smartphones will primarily influence sales and offer support, but new, less sophisticated smartphone owners will be less active users of mobile services.

**Actions for marketers: Address two separate use cases for phones and tablets.** There is tremendous overlap in the use cases on smartphones and tablets today, but they are starting to diverge.<sup>11</sup> Tablet services will affect mobile initiatives by cannibalizing budget and resources. Don't let this happen: Instead, steal the money from your PC initiatives, as tablets are more a PC replacement than a mobile phone "wannabe." Marketers will redefine the brand experience across new screens and look at mobile and tablets as appearing at different points on the mobile spectrum. They will engage consumers on tablets with more convenient experiences and richer media formats for ads.

- 3. Mobile platforms will be the catalyst for next-generation connected experiences.** Mobile operating platforms already extend beyond phones to tablets. They will soon extend to wearable devices (e.g., Google Glasses), TVs, cars, and other "machines."<sup>12</sup> For example, a new Apple TV could potentially pull in existing iOS apps to offer the emotion of TV and the personalization of mobile web experiences. And it's not just devices with embedded platforms: Connectivity and sensors will increasingly turn otherwise "dumb" objects like coffee machines and refrigerators into "smart" ones. Expect mobile phones and tablet apps to serve as interfaces to collect and process data — giving people more insight into the state of the object and more remote control.

**Actions for marketers: Rethink your smart products and create new engagement scenarios.**

While connected devices will remain outside the mainstream in 2013, marketers need to prepare for new scenarios for engagement by capturing and putting to work information about consumers' bodies and the physical environment they inhabit.<sup>13</sup> As a consequence, there will be a further blurring of the lines between digital marketing and digital product development. Marketers should stop considering these new connected devices as just gimmicky shiny objects. Time spent in cars and in front of a TV is too huge to ignore the early opportunity to start experimenting with apps and services that can engage perpetually-connected consumers.<sup>14</sup>

- 4. Sophisticated analytics wrapped around big data will power smart apps.** Mobile phones and connected devices with more sensors will create a phenomenal amount of data. But data alone is not enough to anticipate people's needs and simplify their tasks. Empowering people to take the next most likely action in their moment of need — i.e., to help them complete tasks — will require sophisticated analytics and real-time data housed in systems of engagement rather than systems of record.<sup>15</sup> These new connected apps serve up contextual information — both real-time information observed by mobile phones and profile information and preferences from customer relationship management (CRM) systems. Systems of engagement will also need access to real-time information on products, services, inventory, pricing, etc.<sup>16</sup>

**Actions for marketers: Expect the lines between product, content, and marketing to blur.** This will enable marketers to deliver experiences across more connected devices. To enable smart apps, you must integrate them with back-end campaign management systems and personalize content via advanced real-time push notifications or context-rich apps with analytics at the core. Expect mobile customer relationship management (CRM) and advanced push notifications to gain traction in 2013. Marketers and vendors will integrate mobile more systematically into their multichannel campaign systems. However, until they have more advanced mobile integration with their existing CRM systems, most marketers won't be capable of dealing with the types and volume of data coming from mobile.

- 5. Mobile will play a leading role in efforts to engage consumers in emerging markets.** Mobile phones open up opportunities to reach new consumers — particularly in developing countries. Forrester forecasts that more than 900 million tablets and 3 billion smartphones will be in people's hands globally by 2017.<sup>17</sup> Most of the growth will come from developing economies in Asia, Latin America, and Africa, where people's first digital experiences will be mobile due to the high cost of computers and limited terrestrial broadband infrastructure. Beyond smart devices, there is already a huge opportunity to engage people with more basic phones by using SMS — a technology that already has higher adoption in developing markets than in the US or Europe.<sup>18</sup>

**Actions for marketers: Evaluate your mobile maturity across different regions.** We'll see a growing number of global brands — especially CPG companies like L'Oréal, Nestlé, Procter & Gamble, and Reckitt Benckiser — use mobile to reach out to their next billion customers. If

you're a marketer in one of these companies, you first need to evaluate the mobile maturity of your different brands and local entities to prioritize your actions and investments.<sup>19</sup> You then need to start by investing first in some countries, identifying the right local partners and mobile marketing specialists, and making sure that local teams acquire mobile expertise so that mobile intelligence exists in-house.<sup>20</sup>

### **Mobile On The Cheap Is Over: Mobile Spend And Complexity Are Increasing Rapidly**

The remaining five trends relate to the challenges of scaling mobile. Transforming your strategy into scalable and profitable mobile initiatives requires sophisticated mobile services and deeper technology integration. These middleware costs are rising, due to more sophisticated apps, deeper back-end integration, complex mobile ecosystems, and different design points. Implementing the complex technology required to deliver rich mobile engagement requires not just a new vision of how to interact with consumers but also significant cultural changes and investment in infrastructure, staffing, and skills — the invisible part of the iceberg (see Figure 3).

1. **Mobile will require more formal organizations, processes, and governance.** The cost and stakes are too high to not take an organized, cross-functional approach that puts governance in place to help prioritize initiatives. The ability to scale mobile successfully with the right organization, staff, and governance will become a competitive differentiator.<sup>21</sup>

**Actions for marketers: Create a mobile governance group.** Marketing leaders and CMOs need to work with their business technology and CIO counterparts to establish a mobile governance body — it can be either a standalone affair or part of a larger digital steering committee. The role of the governance body is to help prioritize and select the handful of next-generation mobile services that will really nurture the brand experience. At an operational level, marketers will need playbooks and best practices for implementing mobile initiatives. This approach isn't only about creating consistent brand experiences across mobile; it is also a way to reduce costs when multiple agencies and vendors are involved.

2. **Leading marketers will take back ownership of mobile from agencies and vendors.** Mobile's position as a strategic initiative means that firms can't completely outsource the skills and thinking around it. They will have to hire and/or develop the expertise internally. Forrester knows several brands that have launched hundreds of mobile initiatives with many different agencies and vendors in a totally uncoordinated way. Too many marketers are letting their agencies define and execute the strategy on their behalf — to the extent that they do not even own the customer data and market insights.

**Actions for marketers: Hire and fund the talent to coordinate a mobile strategy.** While giving local brands and agencies enough flexibility to innovate, marketers have to ensure compliance with a set of consistent and systematic guidelines. This requires hiring a core staff to develop the blueprints and coordination points. This ranges from having centralized accounts that submit apps to the Apple App Store or Google Play to having cohesive mobile analytics for comprehensive data analysis. Employees with more advanced internal skills will facilitate the coordination between different agencies, vendors, and IT counterparts, even if part of the work is outsourced.

- 3. The role of mobile marketing manager will emerge.** In order to wrest control back from these third parties, marketing leaders need to appoint a senior executive to lead the mobile efforts. While mobile shouldn't exist in a silo, it does require specific skills and unique strategic considerations. While existing channel managers learn how their online campaigns work and are viewed on mobile screens, task dedicated mobile marketing specialists with spearheading, shepherding, and measuring the results of programs tailored to the special needs of mobile customers.

**Actions for marketers: Engage a senior executive capable of taking the lead on mobile.**

Marketing leaders need to work closely with HR to recruit talented mobile marketing specialists and to build training programs for marketing and communications staff.<sup>22</sup> Your best bet will be to identify smart marketing strategists from within your company, at your competitors, or in adjacent industries who show a penchant for emerging technologies. They will need to apply their knowledge of your brand, products, and culture to meet customers' needs. In the short term, they should be tasked with and measured on the email, search, and display programs for which they're responsible. As your programs grow, you'll gain more insight that will help you clarify their long-term responsibilities and performance metrics.

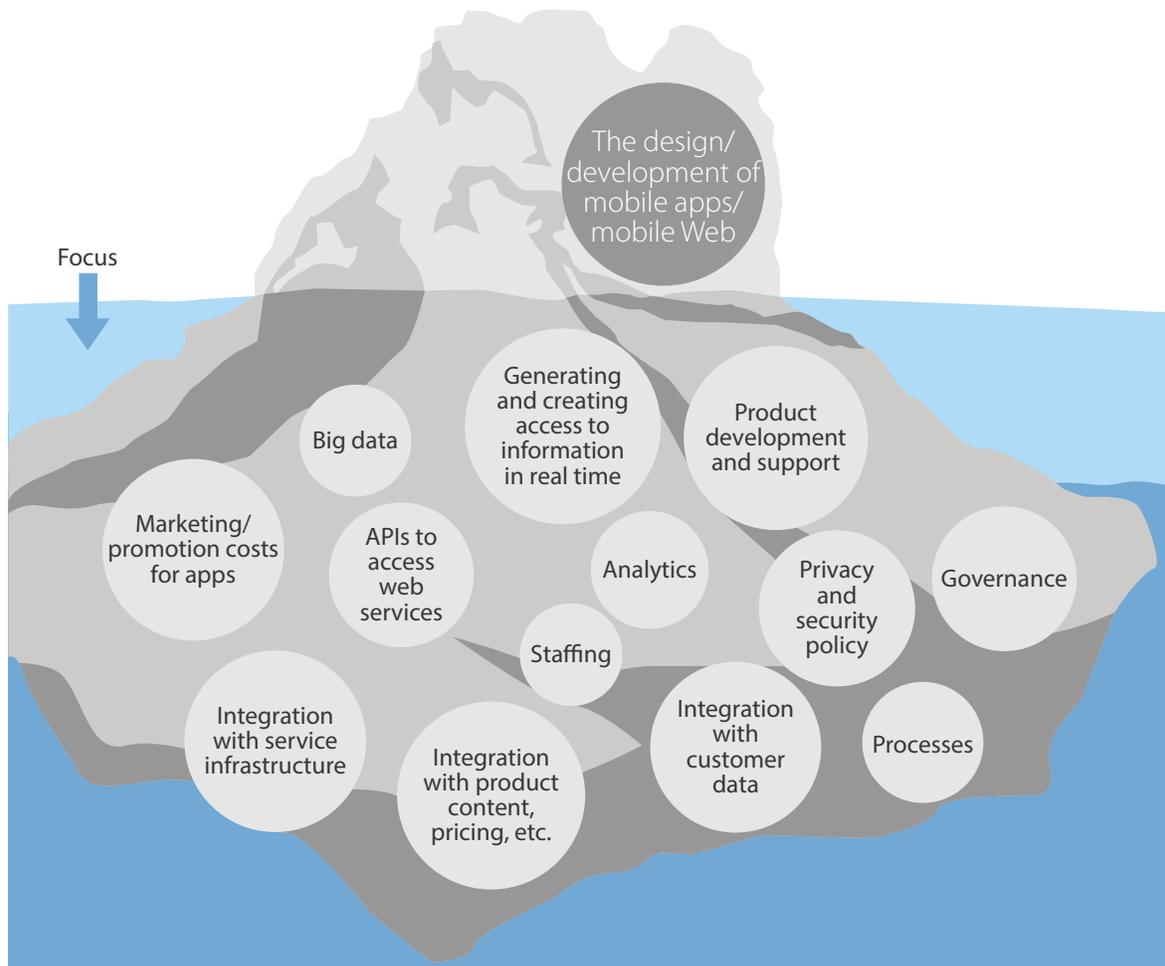
- 4. Finding the right strategic mix of staff will rise in importance.** Finding and keeping the right mix of skills — business, marketing, design, and technology — will be key to implementing your multiyear strategic mobile vision.<sup>23</sup> The mobile marketing manager will have to determine the right mix of in-house employees and external providers. Moreover, as mobile initiatives move from being project-based to being a part of core business delivery and tightly integrated with back-end systems and information, more expertise and work must be in-house.

**Actions for marketers: Build a staffing plan based on your long-term strategy.** Marketing leaders must work backward from a clear business plan to determine what skills, staffing levels, and partners they will need. Mobile product strategists and application developers top the list of people in the shortest supply. Marketing leaders will need to procure funding for competitive salaries and establish career paths. Staff who have the knowledge and relationships to build the links to the back end needed for smart applications will become more important. It will be easier to teach these folks about mobile than to teach a mobile expert about your business in many cases.<sup>24</sup>

5. **Spending will increase, especially to enable mobile services.** 2013 will see spending shift from front-end development to back-end integration and services enablement. Designing smart mobile services requires new skills and expertise — ranging from design to app development via data scientists and analytics specialists. This is especially true for business technology integration. Web services layers, application program interfaces (APIs), and CRM are critical for not only enabling smart mobile services but also reducing costs. These can't be one-off projects; they require scalable projects — implying much more cross-functional collaboration with business technology counterparts.

**Actions for marketers: Nurture a working relationship with IT.** Work much more closely with your technology counterparts and express clear needs that help your CIO justify the need to shift spend from front-end development to back-end integration. You'll suffer if you continue handing off project-based work to external partners or limiting integration to enable future services. Equally important, don't be lulled into complacency by benchmarking your mobile services on content and feature availability. As work and spending shift to back-end enablement, continuous progress will be less visible; change will happen in small steps, not great leaps.

**Figure 3** The Majority Of Mobile Costs Are To Support The Back End



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Source: Forrester Research, Inc.

### BEWARE OF WHAT WILL DISAPPOINT OR NOT SCALE

It's hard to ignore press hype or vendor marketing about magical solutions that will grow revenue, cut costs, and offer amazing insights about your customers. Dream on. Here's a list of the hot mobile topics that you shouldn't count on in 2013:

- **“Game-changing” mobile technologies like NFC and indoor positioning.** Don't get us wrong: We expect significant progress in mobile technologies in 2013 — especially around indoor positioning — but not major breakthroughs.<sup>25</sup> We'll certainly continue to hear a lot about 4G/LTE in Europe or flexible displays, but impressive consumer benefits and scale are

still some way off. While we believe that mobile technologies like GPS, NFC, augmented reality, image recognition, and 2D bar codes will offer phenomenal potential to enhance real-world experiences for consumers, they can't do so in isolation.<sup>26</sup>

- **Solid returns on investment (ROI) or cross-channel attribution.** Forrester forecasts significant growth for mobile retail revenues and mobile Internet advertising spending in 2013: In the US alone, we expect these two markets to reach \$12 billion (up 62% year on year) and \$4.6 billion (up 52% year on year), respectively.<sup>27</sup> While there is no doubt that some retailers and media companies will be able to easily measure a positive mobile ROI, we expect the majority of players to face a mobile monetization gap.<sup>28</sup> Despite revenue and savings from mobile, attribution is an accounting modeling exercise that requires advanced measurement of cross-media and cross-channel metrics — something that few firms will implement. They've struggled with this challenge for years when simply trying to link web and store sales.<sup>29</sup>
- **Automated mobile marketing and targeting solutions.** Expect several acquisitions of mobile automation tools such as real-time bidding platforms by non-mobile players. However, too many vendors looking to add mobile to their portfolio have a very PC- or web-centric view of the world. What advertisers buy on these automated platforms, how they buy it, what they spend on it, and how they measure it should be more specific to the uniqueness of mobile devices. More often than not, analytics and rules for generating messages and content are still based on online or email paradigms. The good news, however, is that advanced analytics techniques for the mobile Web and apps are getting more attention from marketers earlier in the development process; they're also getting a hand from newer technologies like tag management systems. More marketers are really thinking through how to target visitors coming from mobile channels to provide more relevant experiences.
- **Great user experiences.** We're not saying there won't be any great product and marketing experiences; we're saying there will only be a few. In part, this is because too many marketing professionals are designing for mobile with PC-centric use cases in mind; another factor is that the use of context to simplify tasks is just too difficult for most organizations. This expertise doesn't exist yet. It's being developed, but too few marketing professionals have the budget to work with an agency or hire staff with this scarce expertise.
- **Responsive design.** Responsive design will be hyped once again in 2013. The approach offers brands a customer-centric approach to create a consistent and optimized experience across screens.<sup>30</sup> While it will help fix the basics and reduce the complexity of supporting multiple code bases or solutions for the mobile Web, responsive design is neither cheap nor easy to implement, nor is it a magic elixir. Why not? 1) The consistency of experiences across devices is only one small element of the overall picture; 2) companies will need divergent app and web strategies as well as mobile content and service curation; 3) not every portable/mobile device will have a browser; and 4) supporting different use cases across devices requires a process to implement responsive design principles.

- **Context gleaned from mobile devices.** We expect firms to focus their attention on contextual marketing and services, but the learning curve on this extends well beyond 2013. The industry has fixated on the potential of using location for marketing and services for more than a decade. But very few services that rely on real-time or “micro” location will deliver value. Location is still used for “what’s nearby.” And location is just the tip of the iceberg, so to speak, when it comes to mobile context.
  
- **The love of your business technology group.** Many marketers have been doing project-based work and leveraging agencies and external vendors to bypass their internal IT or business technology (BT) organization: Why? “They are too slow to react” or “They don’t get it” or “Mobile isn’t a priority for them.” For years, you’ve treated them like your kid brother who “just doesn’t get it.” In 2013, you will need to build this relationship and convince them to move mobile requirements higher on the list of design parameters — or you’ll find yourself even further behind in 2014. For some organizations, it’s also worth admitting that your IT team is more skilled than you thought and that it’s capable of handling more structured and complex requirements than just shiny, one-off, branded apps.

## ENDNOTES

<sup>1</sup> Source: Forrester Research World Tablet Adoption Forecast, 2012 To 2017 (Global) and Forrester Research Smartphone Forecast, 2012 To 2017 (Global).

<sup>2</sup> Talk of “the year of mobile” is not only passé but also irrelevant. The disruptive forces of mobile arrived more than two years ago and will fundamentally change businesses in the decades to come. That’s why — when we revisited 2011 mobile trends — we found that many, if not all of them, are still evolving and relevant. Mobile is generating both substantial web traffic and revenue for consumer-facing companies. While mobile is maturing as a technology, touchpoint, and medium, it is far from mature. The speed of change is challenging companies to rethink resource allocation, organizational structures, and internal processes ranging from development methodologies to key performance metrics. This report helps consumer product strategy professionals understand the most important trends that will affect their businesses this year. See the February 9, 2012, “[2012 Mobile Trends For CPS Professionals](#)” report.

For more information, read Thomas Husson, “Another Year In Review — Revisiting 2012 Mobile Trends,” Thomas Husson’s Blog, December 20, 2012 ([http://blogs.forrester.com/thomas\\_husson/12-12-20-another\\_year\\_in\\_review\\_revisiting\\_2012\\_mobile\\_trends](http://blogs.forrester.com/thomas_husson/12-12-20-another_year_in_review_revisiting_2012_mobile_trends)).

<sup>3</sup> Source: Ritesh Bhavnani, “Top 10 mobile trends for brands and retailers this year,” Mobile Commerce Daily, January 3, 2013 (<http://www.mobilecommercedaily.com/top-10-mobile-trends-for-brands-and-retailers-this-year>).

<sup>4</sup> Source: Ritesh Bhavnani, “Top 10 mobile trends for brands and retailers this year,” Mobile Commerce Daily, January 3, 2013 (<http://www.mobilecommercedaily.com/top-10-mobile-trends-for-brands-and-retailers-this-year>).

- <sup>5</sup> Few businesses have a mobile services road map that extends beyond the next 12 months. For a more in-depth analysis, see the November 2, 2012, [“Mobile Maturity Equates To Mobile Competency”](#) report.
- <sup>6</sup> Facebook, Groupon, Pandora, Path, Rovio, and Twitter are companies that get a lot of media or investor attention and have a common denominator: Each has a large mobile audience but an unproven business model. Profiting from mobile services is difficult, but mobile will play a decisive role in the future success of these and many other companies. Just as with online businesses more than a decade ago, profiting from mobile business models today is a struggle due to the relative immaturity of the space. This report lays out an approach to close this mobile monetization gap by extending your existing business model. See the November 19, 2012, [“How To Start Bridging The Mobile Monetization Gap”](#) report.
- <sup>7</sup> Source: Melissa Parrish, “Perpetual Connectivity Will Change How We Experience The World,” Melissa Parrish’s Blog, January 8, 2013 ([http://blogs.forrester.com/melissa\\_parrish/13-01-08-perpetual\\_connectivity\\_will\\_change\\_how\\_we\\_experience\\_the\\_world](http://blogs.forrester.com/melissa_parrish/13-01-08-perpetual_connectivity_will_change_how_we_experience_the_world)).
- <sup>8</sup> Buoyed by the availability of less expensive smartphones — including iPhones — smartphone adoption will continue to grow.
- <sup>9</sup> Source: Forrester Research World Tablet Adoption Forecast, 2012 To 2017 (Global).
- <sup>10</sup> Source: Forrester Research World Tablet Adoption Forecast, 2012 To 2017 (Global).

Ownership of tablet devices is poised for rapid growth, with tablet users in the US estimated to grow at a compound annual growth rate (CAGR) of 51% from 2010 to 2015. Already, a significant percent of consumers who currently own tablets report shopping on their tablets; furthermore, many of these shoppers prefer to browse web stores and purchase on their tablets instead of on their PCs or smartphones. Forrester expects that as tablet device ownership and usage grows, consumers will also adopt tablet commerce rapidly, as this simple and portable device both expands the opportunities that consumers have to shop and has the potential to make the experience of shopping more engaging. Furthermore, the most innovative web retailers will also accelerate the tablet commerce trend by using tablets to supplement existing sales tools (e.g., kiosks, POS devices, even sales associates) in stores. See the July 25, 2011, [“Why Tablet Commerce May Soon Trump Mobile Commerce”](#) report.

- <sup>11</sup> Effective mobile marketing begins with understanding how consumers use the two main types of mobile devices that can deliver rich marketing experiences: smartphones and tablets. This short report provides data and insight about how consumers use the two types of devices, analyzes which marketing tactics are best suited for smartphone and tablet devices, and recommends how to move forward with your own initiatives. See the March 28, 2012, [“Mobile Marketing: Not The Same On Tablets As On Smartphones”](#) report.
- <sup>12</sup> For cars and vehicles, developers will need to adapt mobile applications to be voice-controlled. This isn’t to say that the apps will be exactly the same but that with one platform across many devices, new opportunities will emerge.

- <sup>13</sup> Sensor-laden devices (SLDs) such as wearables and embedded devices — sometimes called “the Internet of Things” — will drive the next phase of growth in personal computing and have the potential to transform how we live and work. But today, most product strategists are prioritizing more-immediate product and service opportunities related to smartphones and tablets. Why? SLDs seem niche today; it’s hard for product strategists to quantify the value of the data that sensors capture; and the obstacles to seamless delivery of intelligent experiences are many. But we see the barriers to entering this market falling rapidly as smart product strategists piggyback on already-established mobile ecosystem infrastructure to build compelling products and services. In this report, we will define key scenarios and use cases for SLDs; explain how the “smart body, smart world” promise will become a reality; identify the key success factors of SLDs; analyze how and where these products create value; and describe the consequences of the smart body, smart world transformation in personal computing. See the October 17, 2012, “[Smart Body, Smart World](#)” report.
- <sup>14</sup> Forrester first quantified “how connected consumers are” in a 2010 keynote speech by Charles S. Golvin at Forrester’s annual Consumer Forum in Chicago. For more information, see the January 25, 2011, “[Welcome To The Multidevice, Multiconnection World](#)” report.
- <sup>15</sup> By 2014, smartphones and tablets will put power in the pockets of a billion global consumers, including your employees and partners and customers. However, mobile is not simply another device for IT to support with a shrunken website or a screen-scraped application. Rather, mobile is the visible manifestation of a much broader shift to systems of engagement that marry physical context and digital intelligence to deliver service directly into a person’s hands. This shift will add value and take cost out of every business service, workflow process, and business application. But mobile engagement will also require wholesale changes to your app design, service delivery, IT skills, technology assets, and even your business model. See the November 16, 2012, “[Great Mobile Experiences Are Built On Systems Of Engagement](#)” report.
- <sup>16</sup> Forrester has written about the transformation of corporate back-end systems from those of record to those of engagement — supporting customer engagement in real time based on the consumer’s context. See the February 23, 2012, “[Mobile Is The New Face Of Engagement](#)” report.
- <sup>17</sup> To be more specific, when focusing only on individual consumers who own a tablet or a smartphone, Forrester forecasts that 662 million individual consumers will own a tablet and that 2.4 billion individual users will own a smartphone by 2017. Source: Forrester Research World Tablet Adoption Forecast, 2012 To 2017 (Global) and Forrester Research Smartphone Forecast, 2012 To 2017 (Global).
- <sup>18</sup> In many regions, such as Latin America, the average revenue per user (ARPU) is less than \$20 — a monthly revenue that does not support the subsidization of a smartphone or mobile Internet access. Non-smartphone and lower-priced devices are the majority of mobile phones globally and offer acceptable messaging experiences, whereas the web and application experiences on these phones fall short of those on smartphones. As a result, adoption of messaging is highest outside the US and Europe. See the March 23, 2012, “[Text Messaging \(SMS\) Overview: The Workhorse Of Mobile](#)” report.
- <sup>19</sup> This report provides a road map for interactive marketers who are responsible for mobile marketing. As consumer mobile adoption balloons and as hardware, software, and interfaces evolve, interactive marketers must keep up with an exciting — but complicated — landscape in which mobile eventually becomes the

“connective tissue” that bridges marketers’ online and offline consumer touchpoints. This report helps you mature your mobile marketing practices steadily and efficiently through the phases of mobile maturity to make the most of relationships with always addressable customers. (This report is an update to “Evolving Your Mobile Marketing Presence,” originally published on March 3, 2011.) See the December 18, 2012, [“Advance Through The Stages Of Mobile Maturity”](#) report.

- <sup>20</sup> Translation providers like Lionbridge enable companies to fully outsource the globalization of their web content and mobile applications.
- <sup>21</sup> Forrester took a closer look at the governance and organizations being put in place to handle the growing demand for mobile services across organizations. See the January 25, 2013, [“Building A Pervasive Corporate Mobile Competency”](#) report.
- <sup>22</sup> Marketing leaders will continue to struggle with who to hire as their mobile marketing managers — and how to hire them; the nature of an emerging role means that a pool of applicants with deep experience doesn’t exist.
- <sup>23</sup> More than one company that Forrester interviewed had a mobile team of more than 100 people supporting one core consumer app, developing one or two applications, and publishing one or two relatively inexpensive hybrid applications. As one can imagine, only a handful were dedicated to the front-end application or web development. The majority were working on initiatives to enable mobile services. Source: Forrester Research executive interviews in 2012.
- <sup>24</sup> Forrester took a closer look at the governance and organizations being put in place to handle the growing demand for mobile services across organizations. See the January 25, 2013, [“Building A Pervasive Corporate Mobile Competency”](#) report.
- <sup>25</sup> Forrester has written extensively on the options for indoor positioning services. See the January 23, 2013, [“Next In Tech: Indoor Positioning”](#) report.
- <sup>26</sup> Near Field Communications (NFC) like Bluetooth require technology on both ends, but few point-of-sale (POS) terminals in the US and Europe have NFC today. GPS has limited usability and accuracy indoors, and indoor positioning often relies on supporting technology — Wi-Fi, audio signals, imaging, consumer participation — to be effective. Installing this enabling infrastructure can be costly (lack of scale, size of implementations) and fraught with risks (especially of obsolescence) and will not scale in 2013.
- <sup>27</sup> For more information on Forrester’s mobile retail forecast, see the January 16, 2013, [“US Mobile Retail Forecast, 2012 To 2017”](#) report. The Forrester Research Mobile Advertising Display And Search Forecast, 2012 To 2017 (US) provides more information on mobile advertising.
- <sup>28</sup> Mobile stakeholders are struggling to monetize new mobile services due to the relative immaturity of mobile engagement models. Despite the hype around “freemium” models, the reality is that few companies can now rely on a standalone mobile business model. See the November 19, 2012, [“How To Start Bridging The Mobile Monetization Gap”](#) report.

- <sup>29</sup> Because mobile is bridging the offline and online worlds, fully measuring mobile success and ROI often requires the ability to connect mobile to other touchpoints by tracking consumers across channels. This will raise intense interest among eBusiness professionals and customer insights professionals, but the harsh reality is that implementing such cross-channel attribution models will take at least a few more years.
- <sup>30</sup> Marketing leaders must now support optimized experiences across an increasingly complex landscape of web-enabled touchpoints. Maintaining separate code bases and web development teams for desktop, tablet, and mobile experiences is costly, but has been a necessary evil for many. Others have outsourced their mobile commerce development and maintenance to a solution provider or interactive agency, but this approach can be costly and limits control and flexibility. It is no wonder that marketing professionals are intrigued by responsive design, a new approach to web development intended to support optimized web experiences from a single front-end code base. This document sets out to explain what responsive design is and isn't, as well as why it will become strategically important to many marketing teams. See the July 12, 2012, "[Understanding Responsive Design](#)" report.

## About Forrester

Global marketing and strategy leaders turn to Forrester to help them make the tough decisions necessary to capitalize on shifts in marketing, technology, and consumer behavior. We ensure your success by providing:

- Data-driven insight to understand the impact of changing consumer behavior.
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- Objective advice on tools and technologies to connect you with customers.
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## Forrester Focuses On Interactive Marketing Professionals

In addition to developing and implementing your company's digital marketing strategy and programs, you are responsible for evangelizing the value of digital marketing across your entire organization. Forrester's subject-matter expertise and deep understanding of your role will help you create forward-thinking strategies; weigh opportunity against risk; justify decisions; and optimize your individual, team, and corporate performance.

« ILEANA MENDEZ, client persona representing Interactive Marketing Professionals

