

The Mobile Shopping Basket

This whitepaper is an extract from:

**Mobile Marketing & Retail Strategies
Advertising, Coupons & Smart Posters 2009-2014**



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Introduction

Major (often global) household brands, retailers and top tier MNOs are either launching mobile marketing campaigns or extending existing campaigns. These companies are all seeing the potential of the mobile as a retail tool and specifically the potential for targeted and more cost effective campaigns.

Juniper Research believes that the mobile device has a central role to play now and increasingly in the future as customers do their shopping at supermarkets, stores, bookshops and other retail bricks and mortar locations. The explosion of Smartphones, the growth of the mobile web, the availability of high speed mobile broadband networks, and the ever-growing usage of SMS are offering retailers, brands and merchants new opportunities to communicate with customers and potential customers and to offer the ability for them to shop by mobile.

To scope out the role of the mobile device in the retail shopping experience we have mapped out below our view of the retail cycle for any purchase, whether or not it involves a mobile device in Figure 1.

This chart does not need much explanation, but typically the cycle is as follows:

- It begins with the customer becoming aware of a product (take a hi-fi system for example) that may satisfy their requirement or which they may be interested in acquiring as a result of marketing and advertising by retailers or brands via multiple channels including traditional, media, online and viral.
- This then results in a store visit and product purchase.
- The post purchase customer relationship is often conducted by means of a warranty or loyalty programme, with subsequent direct mail marketing. This CRM (customer relationship management) experience in turn contributes to the customer's awareness for their next purchase of similar products.

Figure 1: The Retail Customer Journey



Source: Juniper Research

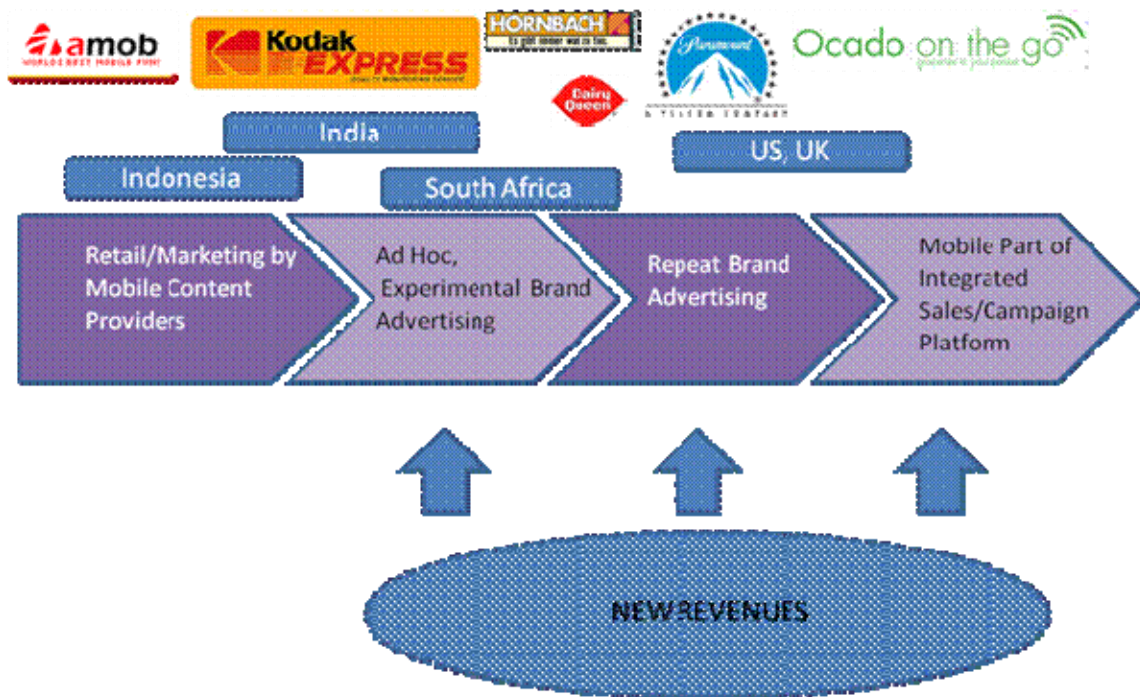
Increasingly the retailing industry and brands are becoming aware of, and implementing the mobile device into this process. They realise that sometimes, even ahead of their wallets, people will usually make sure they do not leave home without their mobile device. Retailers, merchants and brands are also becoming aware that the mobile device is being personalised more and more and therefore is becoming an opportunity for unique, individual personal marketing programmes. The mobile channel offers merchants the opportunity to differentiate from their competition and acquire customers that become loyal.

The Evolution of the Mobile Retail Market

Mobile retail and marketing has evolved (and is continuing to evolve in broadly linear fashion) as depicted in Figure 2 below. In the first instance, the overwhelming majority of products available for sale via the mobile (and the products advertised/marketed via the medium) are forms of mobile content: games, ringtones, screensavers, videoclips; the mobile content providers simply take out on- or off-portal banner space to promote their products. From the perspective of the mobile industry, this is not ideal, because while it helps to promote sales of digital products, there is no interaction with the world of retail beyond the mobile; no new advertising revenues enter the business. The next stage involves external brands – selling goods or services from beyond the mobile environment – trying out the medium for the first time, usually in the form of an ad-hoc advertising campaign, and it is at this stage for the first time we see new revenues enter the industry.

Once brands have successfully engaged in an initial ad hoc campaign, they will hopefully return for repeat advertising, which may for the first time enable direct purchase – via the mobile – of the marketed products. Lastly, having (again, hopefully) reaped sufficient benefits from repeat marketing, brands will then seek to make mobile part of their integrated multimedia/multi-platform strategy, both in terms of marketing and direct sales.

Figure 2: Mobile Retail Market Evolution



Source: Juniper Research

As can be seen from the figure, different markets (and retailers!) are at different stages along this evolutionary path. In Indonesia, for example, the bulk of advertising/marketing is conducted by the mobile content providers such as AMob. In India, the market is at a transitional phase, with many brands now testing the mobile medium for the first time (e.g. Kodak Express). Other markets are more advanced: in the US and UK, some brands (but still a small minority) are now seeking to go down the integrated route, both in terms of marketing and direct sales: Ocado on the Go is a landmark example of this approach.

In addition from this transition from ad hoc mobile campaigns to multimedia integrated campaigns, another trend can be discerned. That is the gradual evolution of the sales and marketing technology itself, from bulk SMS, through banner advertising, into targeted advertising and apps enabling direct retail.

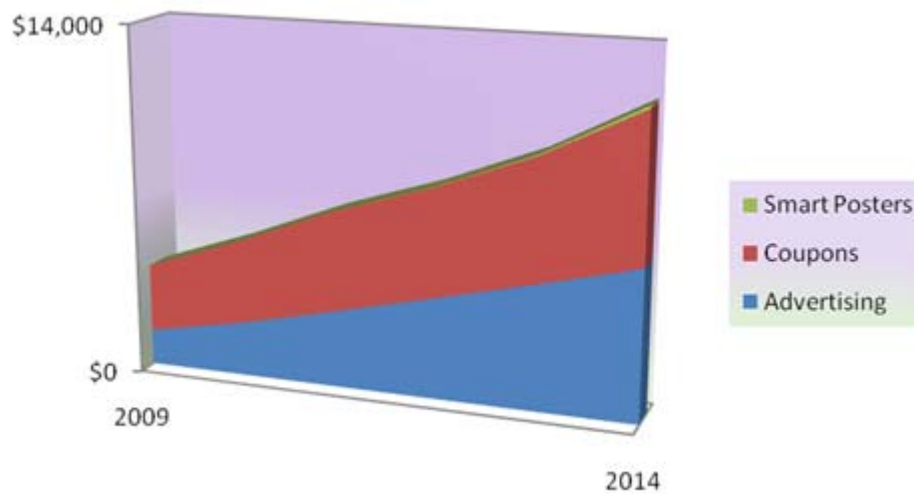
The Market for Mobile Retail

Juniper Research has defined the size of the Mobile Retail opportunity as comprising the sum of the following three segments:

- Mobile Coupons – total redemption value of mobile coupons;
- Mobile Smart Posters – total fees resulting from smart poster product information downloads and sales; and,
- Mobile Advertising – total adspend upon mobile distribution channels.

Juniper Research believes that, by 2014, the mobile retail market so defined will be worth just over \$12 billion, up from \$4.1 billion in 2009, representing average annual growth over the forecast period of nearly 24%.

Figure 3: The Mobile Retail Opportunity (\$m) Split by Smart Posters, Coupons & Advertising 2009-2014



Source: Juniper Research

At the present time the market is dominated by revenues from mobile coupons, which accounted for two-thirds of the market in 2009. However, as digital adspend is increasingly transferred into the mobile space, then mobile advertising will gradually reel in and overhaul coupons, and will comprise the bulk of revenues by 2013. Meanwhile, despite the fact that smart posters exhibit far greater average annual growth than the other sectors, it will remain a comparatively niche market throughout the forecast period, and will not even exceed 1% of the total market until 2014.

Order Full Report

This whitepaper is taken from the **Mobile Marketing & Retail Strategies: Advertising, Coupons & Smart Posters 2009-2014** report. This major investigation into the opportunities for marketing on the mobile provides reputable industry intelligence and forecasts for the three markets which together comprise mobile retail: mobile coupons; smart posters; and, mobile advertising. Incisive analysis of key players and their recent product launches are provided, along with discussions on the evolution of the mobile retail market over the next five years.

Key forecasts in this report include mobile adspend per subscriber, smart poster download and product fee values, together with the total size of the mobile retail opportunity, all split by eight regions. The report also includes analysis of key campaigns in each of the major mobile advertising distribution channels (SMS, MMS, in-content downloads, idle screen, mobile TV, mobile internet, on-portal advertising and augmented reality).

This report is aimed at all those seeking to optimise their spend on the mobile channel, including retailers seeking to enter the mobile space, digital marketing agencies, advertising networks, vendors and operators.

Key questions the report answers:

- What are the key factors driving growth across the mobile retail market?
- How much is the mobile retail market worth, and how much will it grow to by 2014?
- Which mobile coupon campaigns have been most successful?
- What are the key strengths of mobile as a retail channel?
- What are the primary distribution channels for mobile advertising?
- How was mobile retail impacted by the economic downturn?
- In which regions is mobile retail likely to be most successful?

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