



# MOBILE KILLED THE MARKETING FUNNEL



# Executive Summary

## If Mobile has Won, Where is Your Mobile Revenue?

Mobile share of traffic continues to see significant growth, but mobile revenue has yet to follow. While most retailers have mobile-optimized sites, shoppers are clearly converting on other channels. The gap between share of traffic and share of sales represents a huge opportunity for retailers who don't see over 40% of their mobile traffic converting on that channel.

## How the Fractured Marketing Funnel Impacts Retailers

Today's marketing funnel is fractured into short, intent-driven moments, and marketing's role throughout the funnel routinely extends all the way through to purchase. As customers enter mid-funnel, skip stages, or move through this new funnel out of order, the business costs to retailers continue to accrue: customers are lost as repeat visits decline and customer satisfaction suffers, while the cost of acquiring and retaining new customers grows more expensive. In addition, managing the host of technologies that retailers have adopted to meet these challenges has significantly slowed down their ability to respond with speed to changing customer expectations.

## Shifting Focus to Customer Lifetime Value

Mobify helps retailers overcome these challenges by shifting the focus from conversion and average order value to customer lifetime value. By partnering with retailers to develop a mobile customer engagement strategy that unites fragmented mobile moments across screens, Mobify can prevent departures from the funnel and their associated costs. Leveraging a holistic view of customers to deliver a consistent, integrated experience which cultivates and sustains the customer lifetime value that retailers prize.

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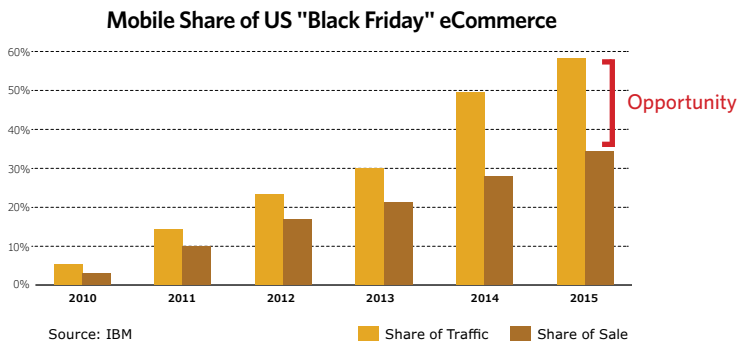
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Download your complimentary PowerPoint presentation of "Mobile Killed the Marketing Funnel."

# If Mobile has Won, Where is Your Mobile Revenue?

Today, saying "mobile internet" is just about as meaningless as saying "color TV." Mobile has won the war for eyeballs on smartphones and tablets (it's already the de facto channel for consumption), so the term "mobile" will simply become irrelevant. Its usage will be phased out because it's implied, in the same way color is a given with TVs. Retailers don't have – and never really had – mobile customers, just customers.

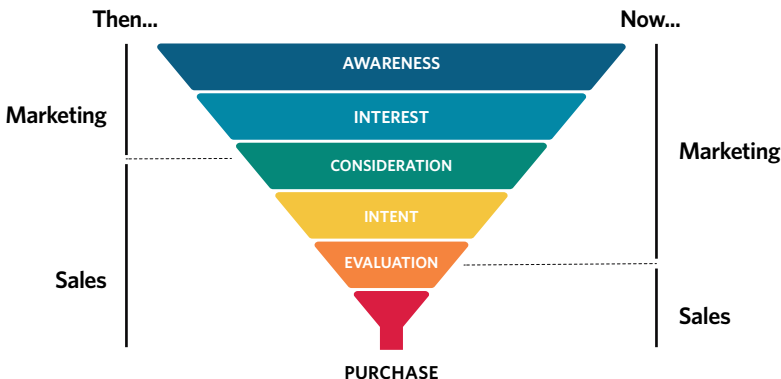
Even as mobile share of traffic grows significantly, retailers have yet to see subsequent mobile revenue growth. Mobile's increased share of traffic is indicative of improved mobile shopping experiences, with many retailers now possessing mobile-optimized sites. We know that some of this traffic reflects pre-shopping activity done on mobile – whether it's browsing or researching products – but clearly, this mobile traffic is converting on other channels. The gap between share of traffic and share of sales highlights money left on the table, and a big opportunity for retailers who don't see over 40% of their mobile traffic converting on that channel.



# Enter the New Marketing and Sales Funnel

The traditional marketing funnel mapped consumer behavior in a linear progression from awareness and consideration to intent, evaluation and purchase. Brands relied upon a one-way engagement model to direct consumers in this top-down path to purchase.

Today's hyper-connected consumers have instant, unlimited access to the world in their pockets. They move fluidly back and forth through awareness, consideration and purchase stages – ignoring an ad, but re-tweeting a meaningful brand post; researching product reviews, but querying their social network to canvass trusted opinions; going in-store to try on items, while simultaneously checking their smartphones for similar items. Their demands and expectations are moving targets, susceptible to revision based on inconsistent or seemingly disjointed interactions with a brand.



Factor in associated challenges around attention and engagement, and it's no wonder that the marketing funnel is fractured into short, intent-driven moments. Marketing's role throughout the funnel now routinely extends all the way through to purchase, and these micro-moments represent opportunities for content marketing, shopping, and brand recognition to have an impact. They form the battleground for the war on engagement between you and your competitors.

# Three Ways Mobile Killed the Marketing Funnel

Research shows that there are at least three concrete ways that mobile has impacted the marketing funnel.

# 1

## Customers are skipping stages.

We found a 16% increase in shoppers purchasing on their first mobile visit. Essentially, shoppers are speeding from the top of the funnel to the bottom of the funnel in one step.



# 2

## Customers are entering mid-funnel.

Many users consume Instagram, Facebook, and Pinterest on their mobile devices. Considering how social media impacts the funnel, it's not surprising to see first-time customers entering mid-funnel, already with intent to purchase. We found a 29% increase in mobile purchases attributed to social media.

# 3

## Customers moving through the funnel out of order.

One-fourth of retail site visitors arrived after using an unbranded keyword search, then moved back to consideration, before finally returning to purchase.<sup>1</sup>



<sup>1</sup> Mobify Research and Development, 2016

# How the Fractured Marketing Funnel Impacts Retailers

The increasing cost of customer acquisition underscores the importance of driving customer lifetime value through repeat purchases in order to sustain growth. This is a difficult feat to achieve throughout the fractured buyer journey, as well-positioned, technologically advanced competitors can readily take control of the buying conversation during your customers' mobile moments.

## **Customers will turn to competitors when they encounter friction in the customer journey, leading to erosion of brand value.**

Customers expect a seamless experience as they bounce around the different stages of the customer journey, and if they encounter any friction, they will turn elsewhere. One car manufacturer made a commitment to improve their mobile strategy after *Cars.com* revealed that many shoppers were accessing its site from the car lot.<sup>2</sup> Any moment when the consumer leaves your site or disengages with your brand is an opportunity for your competitor to take control of the sale and steal that customer. Hard-won gains in brand awareness and interest are effectively nullified when one price check or product review leads to cart abandonment and subsequent revenue loss, decreasing conversion rates while increasing cost of acquisition.

## **Preserving brand equity is difficult in an environment**

**where discounts are the norm.** As customers grow increasingly price sensitive and less brand-loyal, discounts should be offered strategically. Use the intimate connection you have with your customer through their mobile device. It enables you to learn more about your customer, and send them personalized, targeted offers that will help build an ongoing relationship and get the most value out of your promotions.

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<sup>2</sup> Forrester Research, Beyond ROI: Showcasing The True Impact Of Mobile Marketing

**The cost to manage proliferating technologies burdens retailers and decreases their ability to move with speed.**

Most retailers turn to mobile vendors due to lack of sufficient in-house mobile resources and expertise to meet their strategic goals. Forrester recently reported that 56% of retailers work with several partners, including agencies, specialty vendors, and platform providers, to support integrated mobile initiatives.<sup>3</sup> The issue lies in integrating and managing multiple point solutions as there are high costs associated, and they hamper the retailer's agility in responding to changing customer expectations.

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<sup>3</sup> Forrester Research, Beyond ROI: Showcasing The True Impact Of Mobile Marketing



# The Silver Lining

Retailers can overcome these challenges by changing the game and shifting focus from conversion and average order value to customer lifetime value, especially as customer acquisition costs continue to rise. How can you drive repeat visits and encourage loyalty? How do you promote a bigger basket size by delivering a great customer experience and the right personalization? How else can you help your customers to fulfill their goals?

A **mobile customer engagement strategy** enables you to unite fragmented mobile moments across screens, to prevent departures from the funnel and their associated costs. When retailers facilitate and coordinate customer connections independent of device, screen, location and channel by using a holistic view of their customers, they can deliver the integrated customer experience their customer seek.

## How will you combat Amazon Prime?



PRIME IS NOT A DELIVERY OPTION,  
IT'S A CUSTOMER ENGAGEMENT ENGINE.

Technology giants like Amazon, Apple and Google have set a high bar for the customer experience, making it increasingly difficult for retailers to deliver on customer expectations. In order to not only meet, but exceed this high bar, a mobile customer engagement strategy that anticipates shifting consumer needs is critical.

The below excerpt from Amazon's 2015 Letter to Shareholders highlights the customer-centric research, development, testing and execution of Amazon Prime – which might be misconstrued or mislabeled as a delivery option. In all aspects, Amazon Prime is an extremely sophisticated, thoroughly conceived customer engagement engine.

*"Prime Now offers members one-hour delivery on an important subset of selection, and was **launched only 111 days after it was dreamed up**. In that time, a small team built a customer-facing app, secured a location for an urban warehouse, determined which 25,000 items to sell, got those items stocked, recruited and on-boarded new staff, tested, iterated, designed new software for internal use – both a warehouse management system and a driver-facing app – and **launched in time for the holidays.**"*

Today's marketers need to meet their customers wherever they are, whenever they have a moment to spare; each of these moments represents an opportunity to build a connection and drive a purchase. Multiple platforms, screens and locations means that the journey could easily begin on one device and end on another – or even in-store. Legacy engagement strategies based on the traditional marketing funnel can put businesses at a severe disadvantage to their more tech-savvy competitors, who have set a high bar for customer experience as a primary competitive differentiator.

In order to drive mobile share of revenue amidst shrinking margins and rising customer acquisition costs, a mobile customer engagement strategy is imperative. It guarantees a consistent, integrated experience reflective of the modern consumer's interactions with a fractured marketing funnel, while retaining the capacity to evolve in a relevant manner with changing customer needs. This type of engagement cultivates and sustains the growth, loyalty and customer lifetime value that retailers prize.

## Spread the Word

To develop an effective mobile customer engagement strategy, retailers need to accept the reality of today's fractured marketing funnel and pivot their strategic approach to address the expectations and shopping behaviors of the connected consumer. Struggling to spread this message? Download our summary presentation of "Mobile Killed the Marketing Funnel" to easily share this story with the rest of your organization and build the buy-in necessary to make a meaningful impact.

[DOWNLOAD PRESENTATION](#)

## Partner with Mobify

Mobify believes that relationships are the ultimate competitive advantage. Building strong, loyal customer relationships drives our passion to remove complexity from mobile shopping. We do this by providing a singular platform that turns fragmented mobile interactions into meaningful customer connections.

Mobify's Mobile Customer Engagement Platform is used by global retailers to drive hundreds of millions of dollars in revenue every year. Ranked by Forrester as a leader in mobile commerce and engagement, Mobify keeps retailers ahead of the curve by delivering personalized experiences through innovative apps, mobile web, messaging and location-based marketing.

Established in 2007, Mobify serves retailers and brands worldwide, including Ann Taylor, Matalan, BT, Crocs, Carnival Cruises, Bosch, Superdry, Eddie Bauer and Tommy Bahama.



To learn more about taking your mobile customer engagement strategy to the next level, visit [www.mobify.com](http://www.mobify.com) or contact us via [hello@mobify.com](mailto:hello@mobify.com) or **1-866-502-5880**.