



The mobile-first enterprise report

How brands are being transformed by mobile devices

A quantitative and qualitative study of the mobile practices of leading executives in large corporations **with insights from Adobe**

November 2021

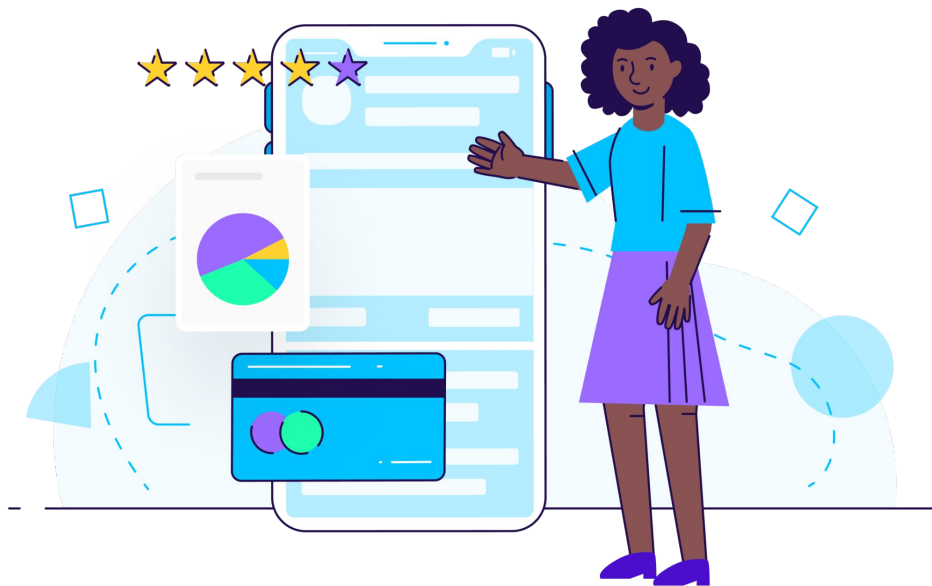


Table of contents

01 Introduction, objectives and methodology

02 Key findings

03 The results

04 The Challenges of Mobile:
Operations, Budgets, Measurement

05 Perspectives from the industry experts at Adobe

06 Conclusions and takeaways





Introduction

Introduction and premise

Over the past 20 years, companies have undertaken the massive challenge of changing from legacy “offline” operations to becoming digital-first.

Beyond that, they needed to further reinvent themselves for a world where the always-on consumer is becoming a reality, thanks to mobile devices.

The “mobile-first” process is still underway and being accelerated by the pandemic, with many companies moving from having informational apps to developing more functional, transactional ones.

With this study, AppsFlyer and Adobe set out to understand the dynamics of mobile transformation within enterprise corporations.



Objectives and methodology

The mobile-first enterprise: How corporations are being transformed by mobile devices seeks to explore and increase understanding of the role of mobile as a channel for businesses to engage and grow their customer base.

It demonstrates the pain points and key developments that companies have taken on over the last decade related to mobile. It delves into areas such as current objectives with mobile initiatives, challenges and expectations for where mobile will take their company in the next ten years and how Covid has changed their timelines and processes.

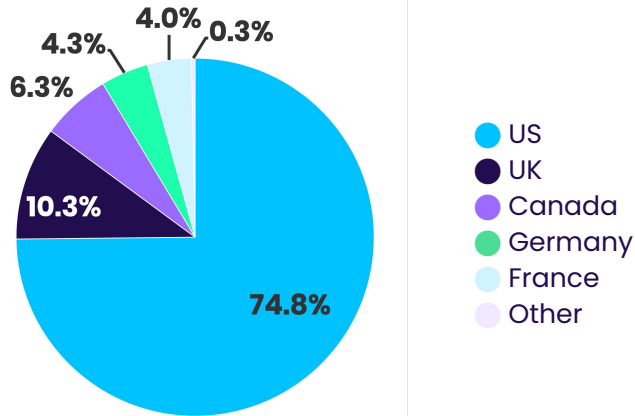
Methodology: This B2B survey was conducted among executives at enterprise companies, here defined as those with 1,000+ employees, involved in digital operations, growth and marketing roles. AppsFlyer developed the survey with participation from Adobe. 302 respondents total for the quantitative survey plus 8 qualitative surveys of VP-level executives were conducted. The survey was fielded between August 29 and October 5, 2021 by NewtonX, a B2B research company which verified and screened all participants.



Majority are US respondents, 25% rest of world

Respondents by country

Percent of total (n - 302)

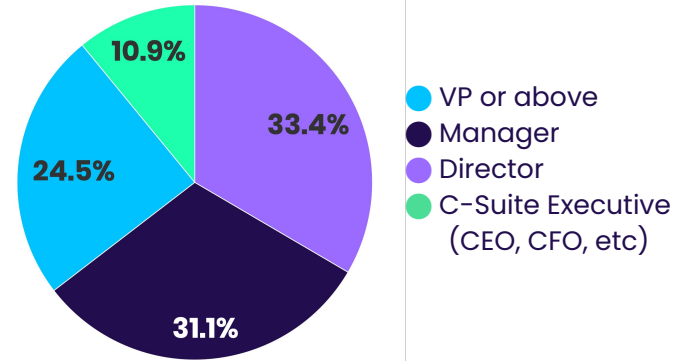


The survey was conducted in English, but those in primary markets outside the US were invited to participate.

Over 35% VPs, C-Suite executives

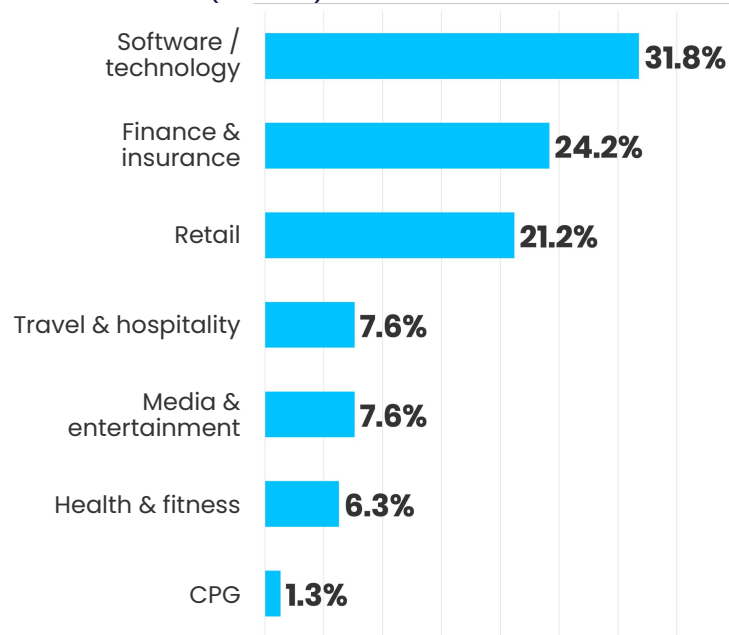
Respondents by job title

Percent of total (n - 302)



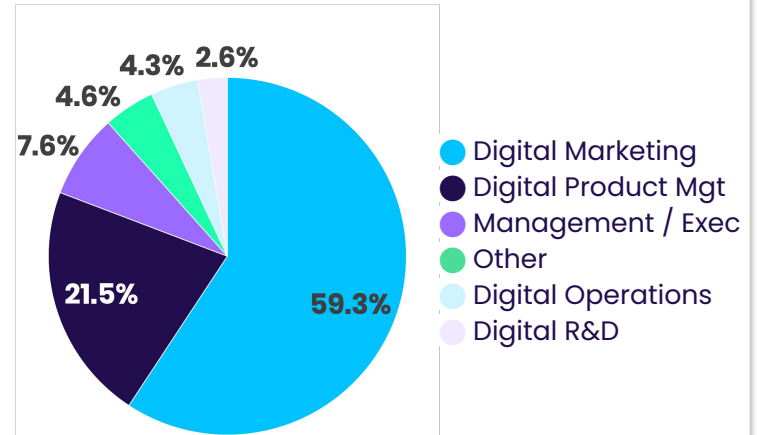
7 verticals represented

Respondents by industry vertical
Percent of total (n - 302)



Focus on digital marketing and product

Respondents by job function
Percent of total (n - 302)



A majority of respondents worked in the fields of digital marketing / advertising and product management





Key Findings

Key findings

- 01** Mobile has become an integral part of the customer lifecycle with **more than 40% of total customers engaging** through mobile.
- 02** The **pandemic was the biggest force of change** to impact the mobile transformation process.
- 03** Enterprise corporations today see mobile as an **acquisition as well as a retention** channel.
- 04** On average, **40% or more of existing sales** are now being conducted through mobile.
- 05** Mobile is now **replicating much of business functionality** and for nearly a quarter of respondents, the goal is for it to replicate 100%.
- 06** The biggest challenges with mobile strategy involve a **lack of organizational change management** and **hiring experienced personnel**.
- 07** A wide range of metrics are used to evaluate mobile success but **cross-channel measurement** and **incrementality remain challenges**.
- 08** **Privacy** issues are of growing concern but many are developing strategies for getting consumers to opt in to measurement.

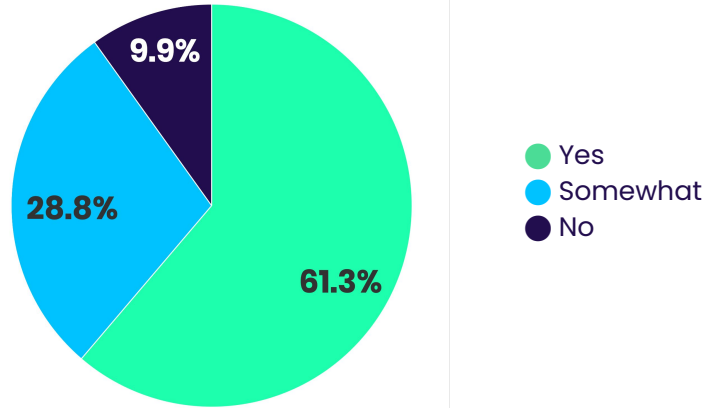




The Results

Company has a “mobile-first” marketing goal

Percent of total



Nearly two-thirds of enterprises are strongly “mobile-first”

Being mobile-centric in their marketing efforts is not a far off objective for the majority of enterprise companies. It is the here and now.

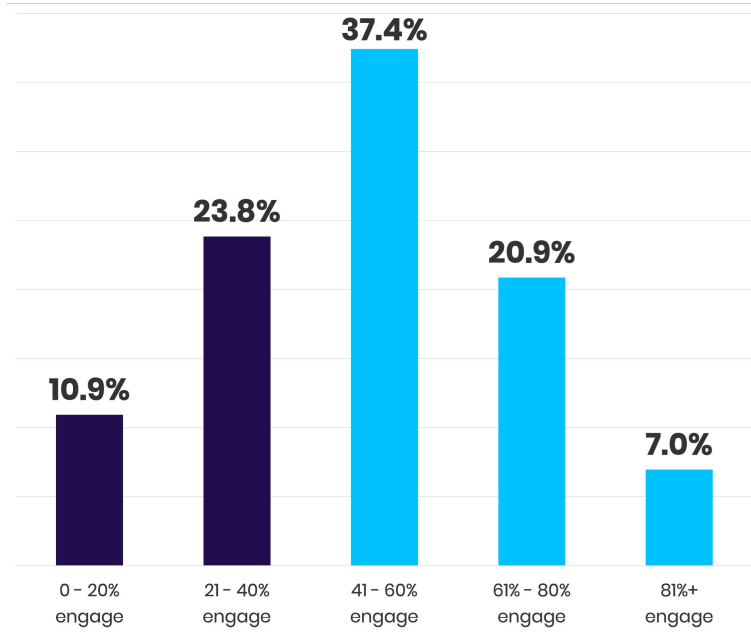


Q5. Over the last decade, many companies have made being “digital-first” a primary business objective. Looking beyond that, would you say your company has a “mobile-first” marketing goal? Why?

65% of corporations say that more than 40% of their customers engage through mobile

Mobile has become fully ingrained within enterprise corporations with the majority saying that 40% or more of their customers engage through mobile.

Percent of current customers who engage through mobile
Percent of total



“Mobile-first is not just about features and functions, but about whether the customer has everything they need. The moment you lose them from the flow they are gone.”

Finance Executive

“Our investors want to know that we are mobile-first and we should be. It’s a more engaged customer.”

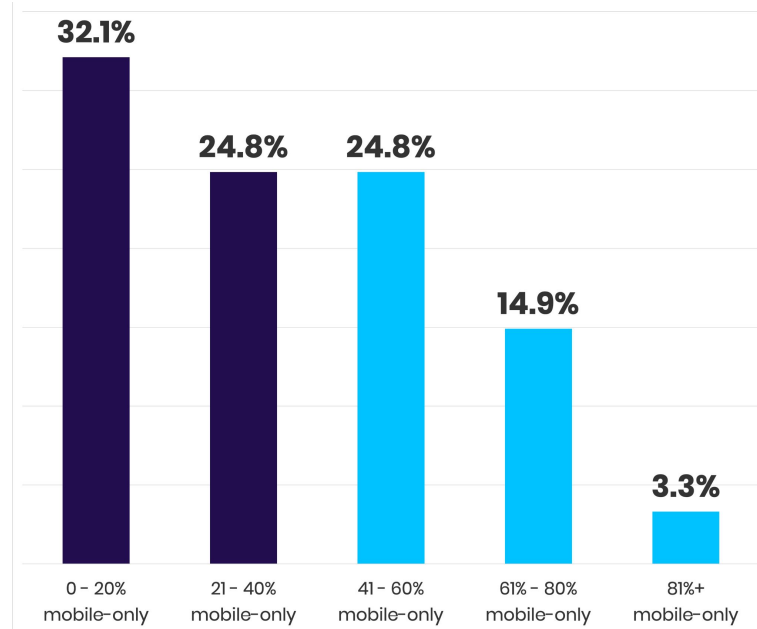
Healthcare Executive



Many businesses see over 40% “mobile-only” customers

All enterprise companies report significant percentages of customers who are mobile-only. Mobile has established itself as a way of reaching a distinct customer base.

Share of “mobile-only” customers
Percent of total





“Mobile-only is close to 40% of our total customers and is very specific to age groups. Millennials are a strong mobile-only persona.”

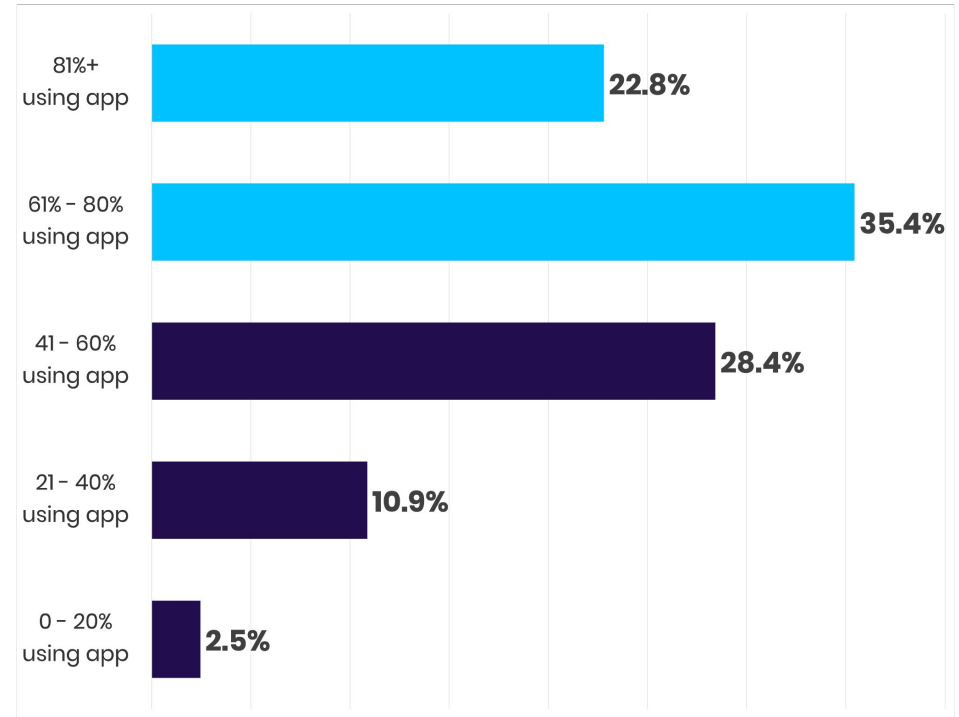
Finance Executive



Goal for majority is to have 60%+ of customers on mobile apps

The goal for enterprise companies is to very quickly have the majority of their customers connecting through mobile.

Adoption objectives for mobile app in next 5 years Percent of total



Why Mobile first?

"Because consumers are shopping on their phones more than ever and more than on any other channels today."

"This represents a significant growth opportunity for our brand"

"Our conversion is greater when users are using app."

"Because it can improve the efficiency of the company."

"In order to view our content anywhere, anytime."

"Mobile is in the hands and pockets of everyone."

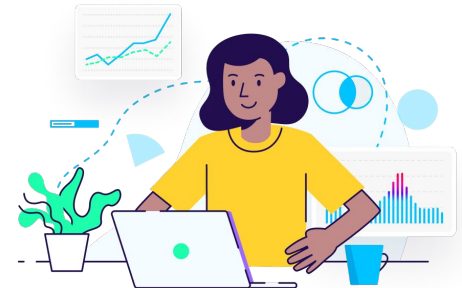
"Mobile is more personal."

"Mobile is the most rapidly growing business opportunity for my business."

"Our target consumers are increasingly expecting it."

"We want more and more members to self service and connect with us digitally."

"This is simply where the world is going."

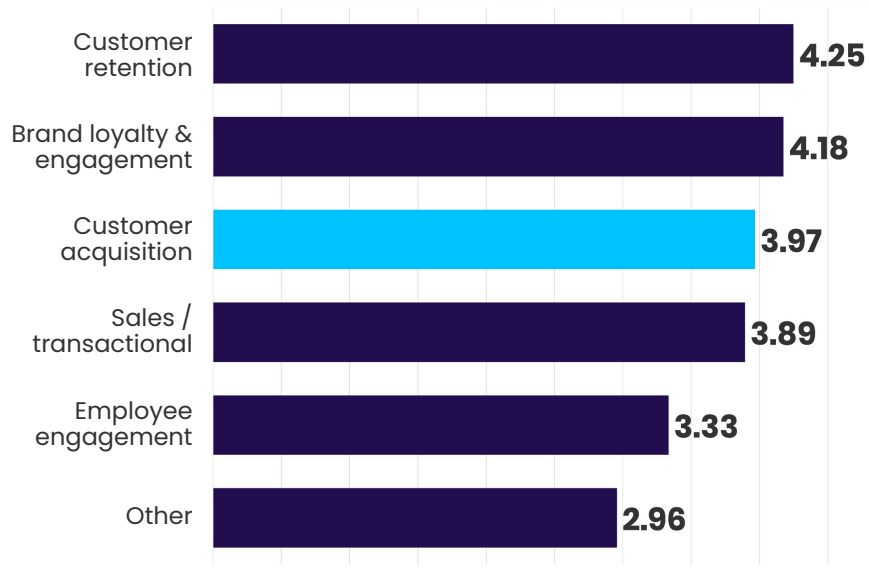


Q5. Over the last decade, many companies have made being "digital-first" a primary business objective. Looking beyond that, would you say your company has a "mobile-first" marketing goal? Why?



The role of mobile apps, ranked

Scale: 1 = Not important at all, 5 = Extremely important



Customer acquisition nearly as important as retention

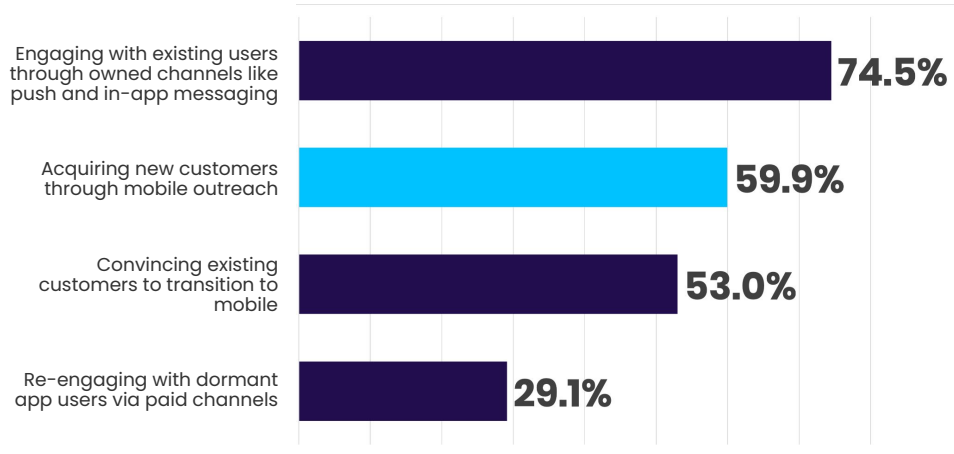
While mobile apps in the enterprise space may have established themselves as customer retention and engagement channels, they are now also seen as a significant way of acquiring new customers.

Mobile apps are also now recognized for their transactional capabilities. As the data shows, all functions of mobile apps became more essential.



Role marketing plays in the mobile app

Percent of total



App marketing fuels acquisition *and* engagement

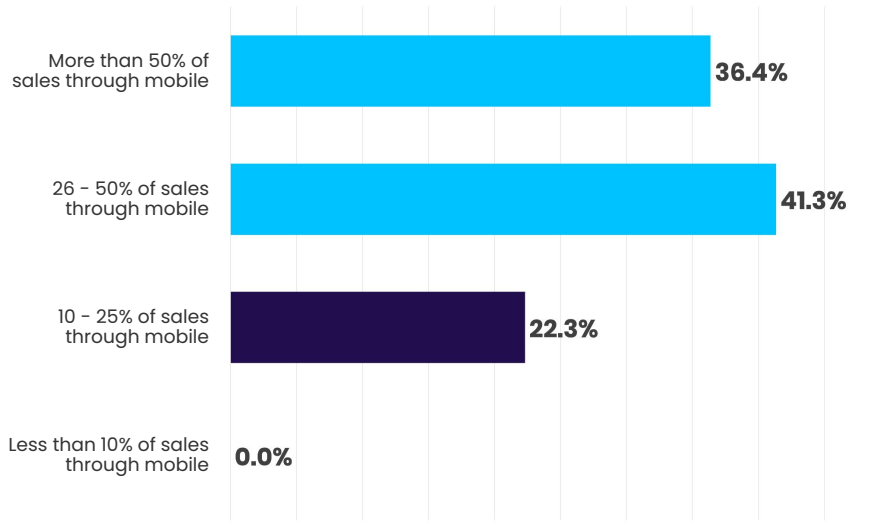
Marketing plays several significant roles connected to mobile apps. Nearly 75% engage with existing users through push and in app messaging and over a third use them to upsell current customers. But, apps are also a significant way of acquiring new customers.

Not just the presence of an app, but a highly functional and convenient one are becoming key customer acquisition tools.



Future mobile app sales target

Percent of total



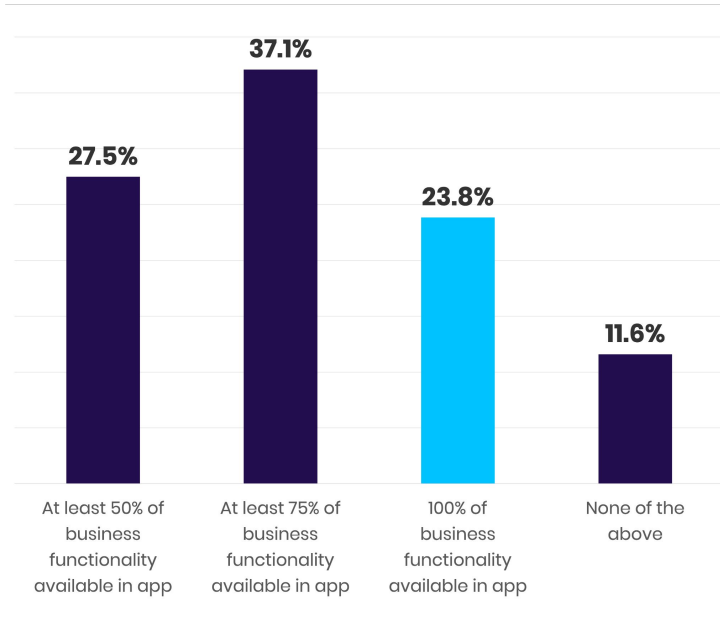
**For the majority,
more than 25% of
sales will come
through the app**

What is that future mobile apps sales target? Over one-third of respondents see 50% plus of their sales coming through their mobile apps.



Future goal of app functionality

Percent of total



Nearly 25% aim to conduct all business via their app

The goal for over half is to be able to conduct 75%+ of their functionality via their app.

Soon there is very little that consumers will not be able to do with their favorite services and products through mobile.





The Challenges of Mobile: Operations, Budgets, Measurement

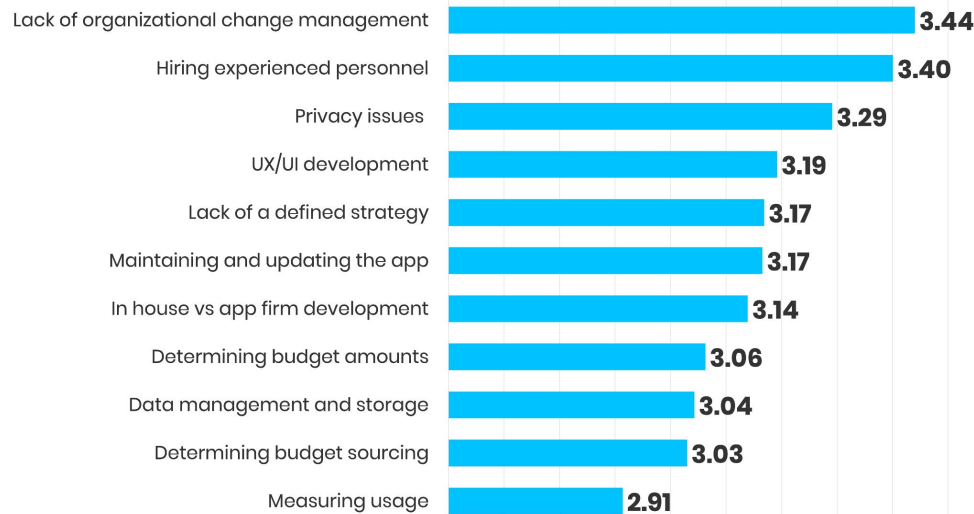
Lack of organizational change and hiring pose the greatest challenges

Realizing mobile success continues to pose serious challenges within enterprise corporations. The most significant of these involves problems with top leadership such as lack of change management and hiring experienced personnel.

Privacy issues also rank high as a challenge which makes sense given the latest developments in app tracking from Apple and future developments from Google.

Challenges with mobile app strategy

Scale: 1 = Not challenging at all, 5 = Very challenging





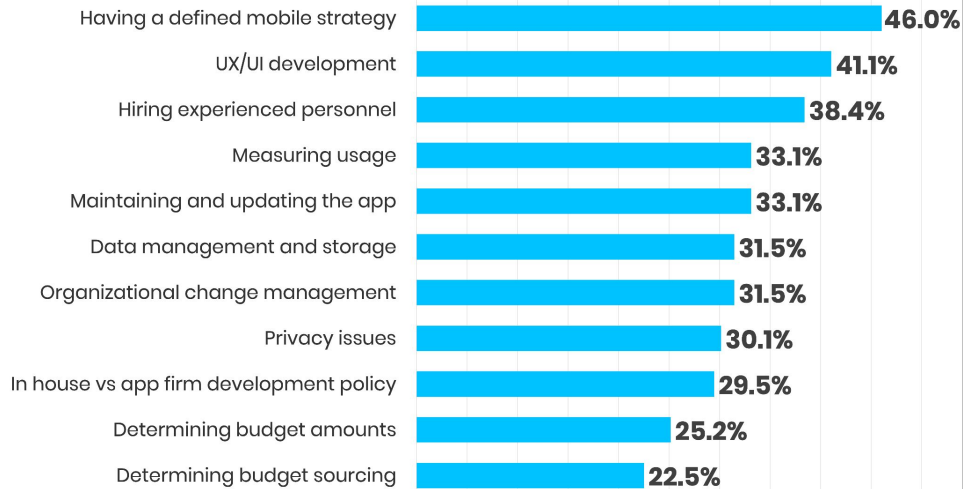
“We started by hiring a CIO first as change has to start from the top. You really have to have agile management.”

Healthcare Executive



Mobile challenges with positive developments


Last 2 years, percent of total agreeing



Gains have been made in strategy, UX/UI dev, and staffing

On the positive side, there have been great organizational gains made with respect to mobile over the last two years. It has gotten easier to develop defined mobile strategies, manage UX/UI development and hire experienced personnel.



A woman with long dark hair and a man with glasses and a denim jacket are sitting at a wooden table. They are both smiling and looking at each other. On the table is a silver Samsung laptop, a glass of water, and a brown leather notebook. The background is a dark, textured wall.

“Productivity was super high when we started remote. People were really happy. But over time, we now know that there is nothing that can replace in person interaction. Strong relationships are the key to good performance. The new world is hybrid kind of culture.”

Retail Executive

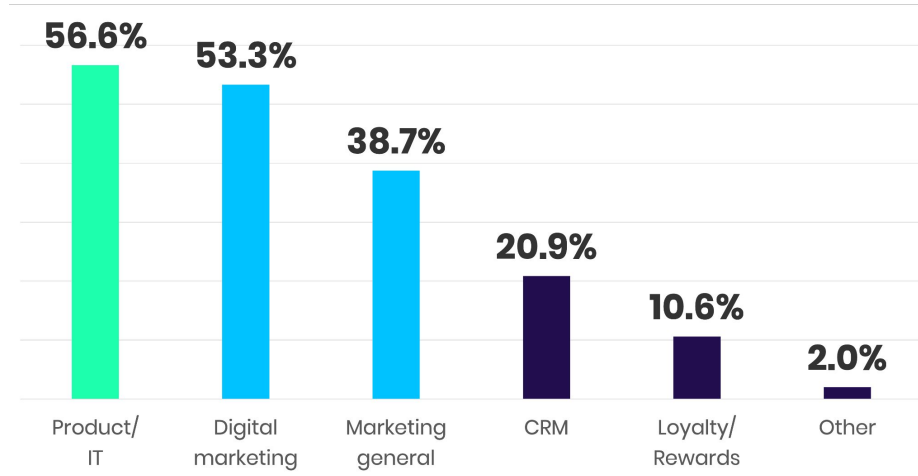
“It’s harder to hire people because everyone wants remote for roles that we never thought would be. They really want to be drawing a California salary sitting in Texas. It has an impact on everything.”

Finance Executive



Budget sources for mobile dev and maintenance

Percent of total



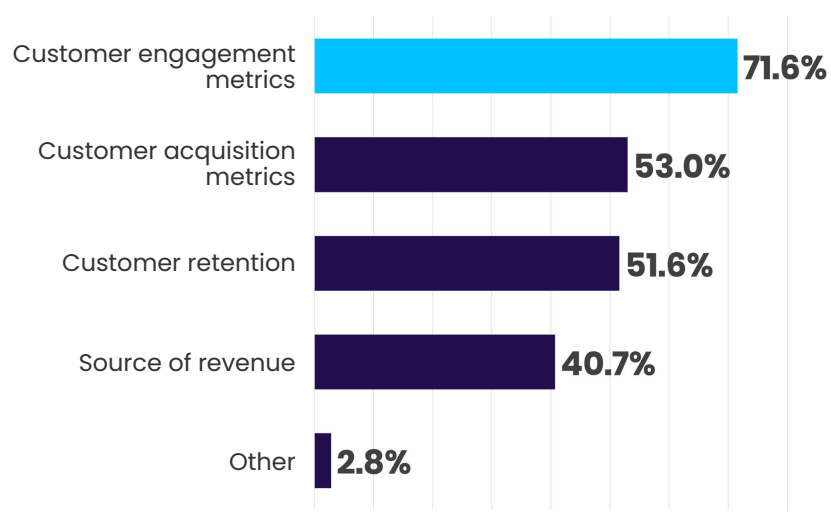
Budgets for mobile tend to sit in IT and marketing

In such a relatively new medium, as noted from both the quantitative data and the interviews, there have been challenges with what budgets mobile development and maintenance fall into. Here we see that mobile budgets are now most likely to be pulled from product/IT or marketing budgets.



How mobile app budgets are justified

Percent of total



Budgets tend to be justified by engagement metrics

While mobile app budgets are most likely to be justified with customer engagement metrics, over half also use customer acquisition metrics and over 40% are measuring them as a source of revenue.

Mobile apps are fulfilling various marketing objectives and are measured accordingly.



Significance of various mobile metrics

Scale: 1 = Not significant at all, 5 = Very significant



Retention, installs, Net Promoter Score (NPS) tend to be most significant for measuring success

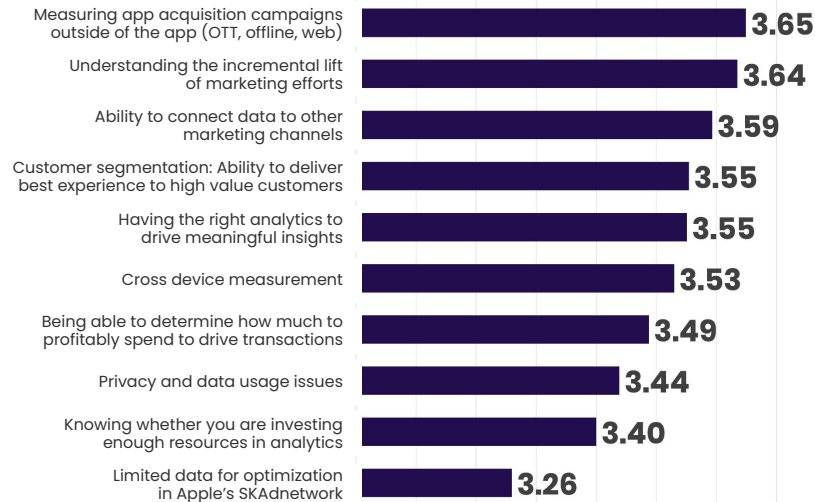
A very broad range of metrics is used to measure the success of the mobile app. Retention focused metrics that include NPS, ratings, reviews and % of customers using mobile rank highly.

At the lower end in importance are metrics like Basket Size and time to purchase which are typically specific to ecommerce apps.



Challenges with measurement of mobile apps

Scale: 1 = Not challenging at all, 5 = Very challenging



Leading measurement challenges: Cross channel and incrementality testing

While enterprise marketers have a large range of metrics in their arsenal, there are challenges that remain. They struggle with measuring acquisition across channels and understanding incrementality, or determining what amount of conversions are naturally occurring vs the result of marketing initiatives.

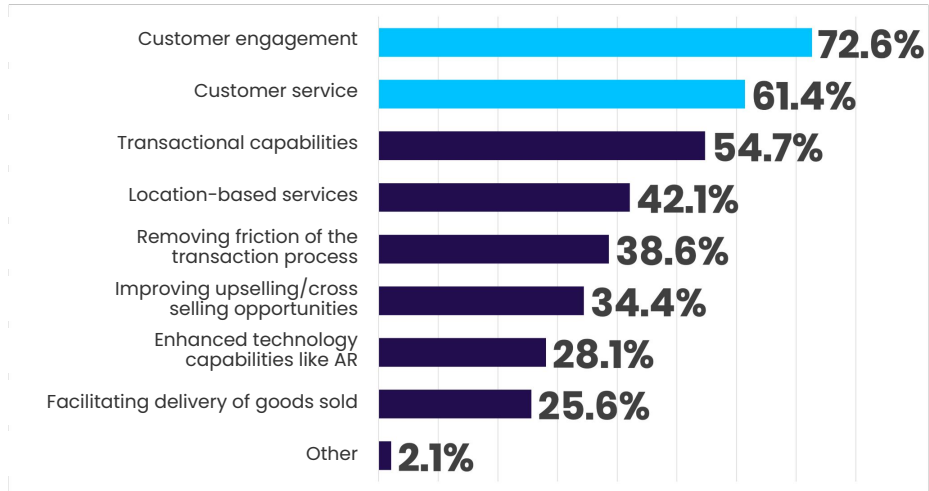
These challenges are not specific to mobile and impact all channel measurement.



Customer engagement and service most enhanced by mobile

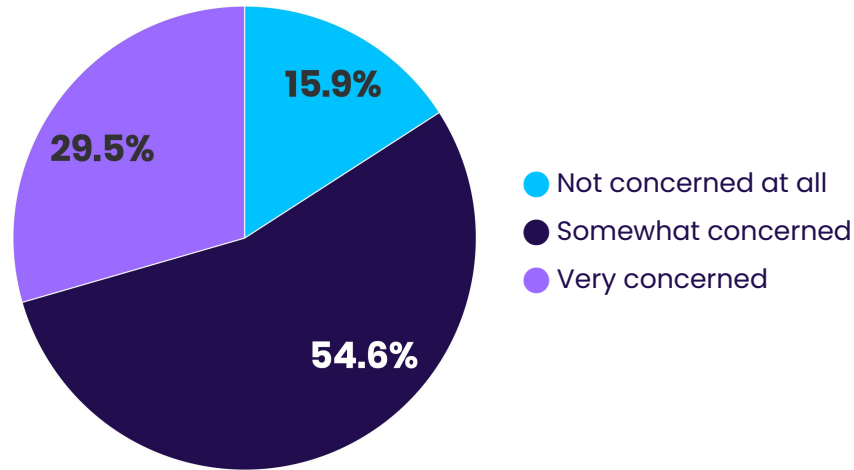
Mobile has enhanced many offline processes, most notably customer engagement and customer service. But transactional capabilities were noted by more than half of respondents. Distinct mobile technology capabilities like location based services and Augmented Reality (AR) were also noted.

Which offline processes have been enhanced by mobile? Percent of total



How concerned is your company about privacy developments?

Percent of total



Nearly 85% are concerned about privacy developments

Only 16% of respondents report NOT being concerned by privacy development like Apple requiring user opt-in to share device IDs and the future deprecation of tracking cookies. Almost a third state they are “very concerned”.



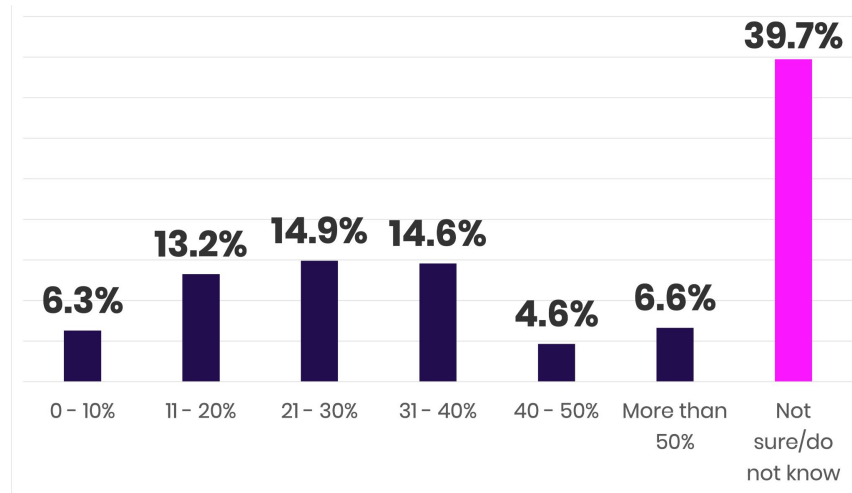
“It’s overwhelming to store more data than you need. It opens you up for risk everytime you store without a need. It’s a chicken and egg problem. You can store interesting data from enough users to use for a big program but hard to justify if we cannot explain it to users.”

Entertainment Executive



Percent of iOS users rejecting tracking

Percent of total



Nearly 40% don't know their ATT opt-in rate

User opt-in to Apple's App Tracking Transparency (ATT) framework is now a prerequisite for sharing many aspects of user-level data on iOS. Nonetheless, a large share of respondents are unsure or unaware of how many users of their app would reject the prompt.



What have you done to get user opt-in?

"Nothing yet."

"Sent out marketing emails that clearly explain why we want to gather this data to help customers make an informed decision."

"Promotion of in-app exclusive offers and discounts."

"Showing clear value add."

"Giving a reason for tracking"

"Be transparent in terms of what limited data they share through our apps."

"Consent tool and clear communication"

"Just being transparent with clear messages."

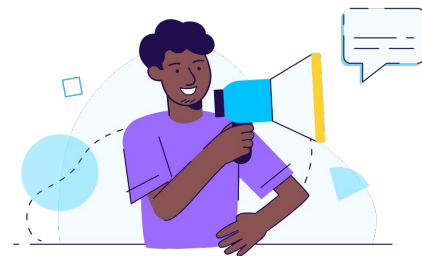
"Messaging on why privacy is core in every transaction for our company."

"We have a robust privacy consent center that includes multiple categories of cookies/tracking."

"We made a decision to not track users."

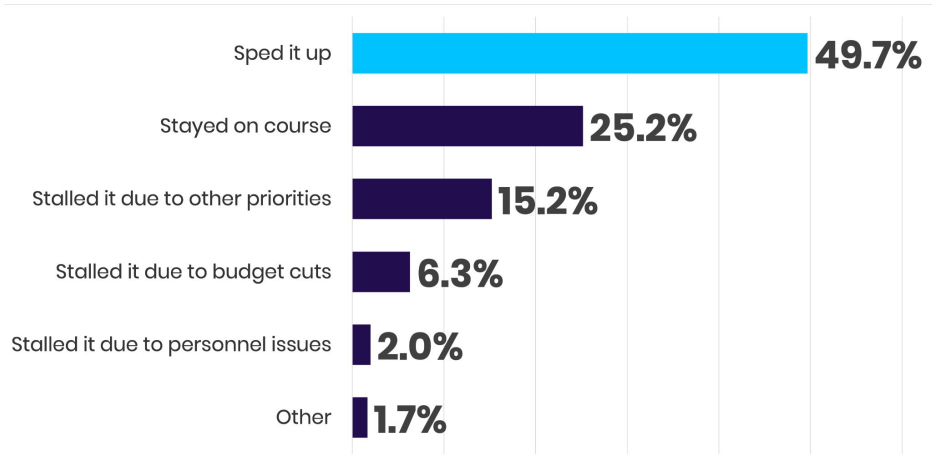
"TBD."

"Privacy messaging to elicit company trust in data protection."



Impact of the pandemic on mobile transformation

Percent of total



The pandemic sped up mobile transformation

While the work lives of enterprise employees certainly looked different during Covid, the main effect was a speeding up of the transformation process for nearly half of the mobile executives surveyed.

The executive interviews revealed the pandemic to be a period where customers took charge and leapt forward in their usage of app features and functionality, all in a quest to handle things they previous might have gone into a physical locations for or placed calls to customer service.





“Focus on mobile increased dramatically with Covid. We have been forced to push features on mobile quickly now that people don’t want to walk into a branch. Mobile check deposit took off. And we had to scale it. It forced us to make mobile-first even better.”

Banking Executive

“The pandemic forced a huge change in our business model that the app had to deliver on. Prior, people used it to buy tickets to live events, we suddenly had to pivot to selling streaming content.”

Entertainment Executive





Perspectives from the industry experts at



Q. What do you think changed most with apps from a consumer perspective during Covid?

- A. “Before the pandemic we accepted that the customer experience in healthcare was not a good one. Healthcare consumers are now demanding access to info, convenience and transparency. They are empowered by apps. ‘Why can’t I manage doctors appointments and prescriptions through mobile?’ The pandemic offered silver linings in terms of placing the customer at the center of the engagement model, much of which was accomplished through mobile.”

Q. How did enterprise healthcare companies respond to changing consumer demand?

- A. “Functionality leapt forward during Covid. A great example is United Healthcare and Mercy Health using mobile apps to perform digital triage on Covid symptoms, including whether to get tested, find where facilities were located, get directions from home. Based on a quick mobile survey, the app generates a QR code so the patient could drive through a testing facility, scan the code on a phone that connects your physical info to the test. We have come so far from clipboards.”

Industry focus: Mobile healthcare



Thomas Swanson

Head of Industry Strategy & Marketing -
Health & Life Sciences

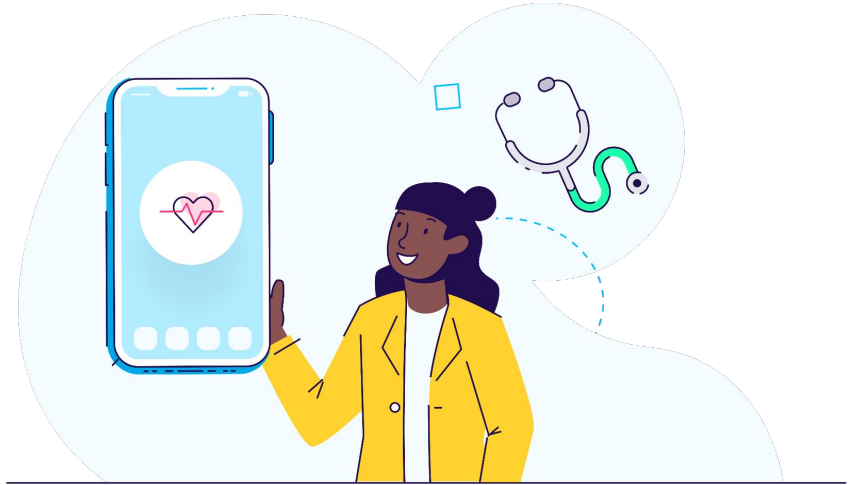


Q. The study highlighted the challenges posed with maintaining the highly skilled personnel needed to achieve an effective mobile strategy. Comments?

- A. “In industries like healthcare it’s been impossible to find people with the experienced digital chops. They have to go outside the industry.”

Q. How have changes in privacy regulations impacted the healthcare sector?

- A. “There is nothing unique about privacy challenges in the healthcare sector: personal data is personal data. But measurement has gotten more complicated – it’s especially challenging in the healthcare sector as data is by nature personal and protected – and ever more data is available.”



Industry focus: Mobile finance



Christopher Young
Director, Financial Services
Industry Strategy



Q. What do you think is distinct about mobile and the finance sector today?

- A. “Mobile is now the primary channel in terms of usage. It’s a highly efficient time saving application to manage money. In banking, the established players are competing against mobile-only companies, where the entirety of experience is delivered through mobile.”

Q. What did financial services companies realize during a period where so many real-world locations were closed?

- A. “If someone is not going to the branch and engages consistently on mobile, things need to be rethought. The priority for the financial services industry is to create more meaningful digital experiences that improve the financial health and well-being of their customers. Banking apps have to evolve beyond transactional and provide more personal financial management capabilities.”



Q. We hear so much about the challenging hiring environment and in mobile it has always been tough. What happened in finance?

- A. "Hiring personnel with digital skill sets has become more challenging. Competition has intensified for talent with so many people finding startups more appealing than experienced brands. Enabling your tech personnel to work fully remote is one solution."

Q. Are apps an important acquisition as well as retention factor for financial services enterprises?

- A. "Absolutely. Apps change behavior permanently. Once you do something more convenient on an app you will stick with it. For banks, the mobile app is the 2nd most significant factor in choosing a bank behind fees."

Q. How did the pandemic change the mobile transformation process for financial enterprises?

- A. "The pandemic accelerated mobile transformation as other channels became unavailable. Mobile adoption went way up. There was an increase in people of age groups that formerly did not consider mobile purely as they had no other choice. Think of how Baby Boomers gave up going to a bank to deposit a check and switched to mobile."





Conclusions and Takeaways

Conclusions and takeaways

- 01** The force of **mobile transformation** within enterprise corporations has reached **critical momentum**, spurred on by the Pandemic.
- 02** With so many in person and phone options limited, **apps became a way to securely connect with essential brands** and broadened their usage beyond younger demographics.
- 03** While many enterprises initially saw their apps as a way of connecting with existing customers, they have become an **important conduit to new customers**. The mobile app is now a key decision factor in customer acquisition.
- 04** Mobile is becoming so important that most corporations now see **100% of their business functionality** being able to be conducted through mobile.
- 05** **Lack of organizational change** management and **ability to hire experienced personnel** are critical issues to be addressed. The pandemic enabled key mobile talent to work from anywhere and many prefer pure remote work.
- 06** **Privacy issues** are a concern to the vast majority but there is a **knowledge gap** in respect to what many executives know about their company's privacy developments. Many note that their plans in respect to privacy communication with customers are yet to be defined.
- 07** With "mobile-first" now the norm, we have entered a new era where the **app-centric customer is truly in control** of their relationship with enterprise brands.





AppsFlyer helps brands make good choices for their business and their customers through innovative, privacy-preserving measurement, analytics, fraud protection, and engagement technologies.

Built on the idea that brands can increase customer privacy while providing exceptional experiences, AppsFlyer empowers thousands of creators and 8,000+ technology partners to create better, more meaningful customer relationships.

www.appsflyer.com