SensorTower

Mobile Maturity in 2020:

A New Framework for the Future of Mobile

Table of Contents:

SensorTower

Defining Mobile Maturity

What defines success on mobile? Since the debut of the App Store and Google Play in 2008, the art and science of developing a sophisticated mobile program has mostly been a series of furtive stabs in the dark. Now, more than a decade later, companies across all sizes and verticals are faced with a daunting task: As more of the world leverages a smartphone as a primary point for entertainment, ecommerce, fitness, and more, how do you stay relevant and future-proof your business?

The concept of mobile maturity attempts to qualify and categorize mobile strategy. Research institute Forrester defines mobile maturity as a framework that articulates the sophistication of a company's current mobile strategy. The framework contains four progressive levels that serve as strategic anchor points to develop a mobile roadmap, based on the company's overall success in mobile.
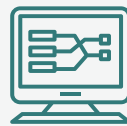
5 Stages of Enterprise Mobile Maturity

1. Ad Hoc

Prototypes, experiments, and one-off attempts to explore mobile

2. In-House & Repeatable

In-house development and sustained, repeated updates to mobile program

3. Integrated

Dedicated mobile program integrated into business operations with goals

4. Optimized

Continued optimization of mobile program (app, user, experience, branding)

5. Innovating & Evolving

Able to drive growth goals for marketing and revenue through predictable efforts

SensorTower

The Future of Mobile Maturity

While mobile maturity as a concept has existed for nearly a decade, very few companies have been able to climb to the "Innovating & Evolving" category -- in general, the category has been filled by trailblazing mobile gaming companies that have built mobile sophistication out of necessity. This, in turn, has created a new segment of technology companies devoted to those finite, mature mobile gaming titans. Outside of that select group, there is still a lot of confusion around how a mobile roadmap can be built for success, and how becoming a model company for mobile maturity can directly lead to industry-agnostic business success. As a result, mobile roadmaps are still mostly a series of disparate, hyper-focused, one-off tactical experiences.

As we enter 2020, a new decade of innovation lies ahead for mobile-minded companies. In order to meet market demand, behavioral changes, and increased technological efficiencies, we will begin to see companies employing more holistic, brand integrated, data-driven strategies to carve a pathway to mobile success. Seizing these opportunities now will be critical to future-proofing business models for the rapid global changes we will see over the next ten years.

Top 6 Mobile Maturity Myths

1. Only for gaming companies	2. You need to "sell" something	3. More data is better data	4. You can't grow multiple apps	5. Mobile ads are for apps only	6. You can't integrate offline with online
While gaming companies have had a jumpstart on Mobile Maturity, all companies considering mobile will benefit from a sophisticated roadmap.	Mobile Mature apps don't necessarily need a dedicated revenue stream to have an impact on your company -- so even if you're not selling an app, you can find value.	Not all data is created equal. Developing a sophisticated mobile roadmap requires judicious use of high-quality data, or else it's all just noise.	While focusing on a single app can be a simpler task, many companies benefit from a multi-app system. Assess your own business needs and don't be afraid to be ambitious.	It's true that apps benefit from unique CTAs on mobile ad networks, but in an increasingly tech-first world, mobile ads can be a novel way to reach your target audience.	Brick-and-mortar businesses that rely on in-person connections are seeing increasing returns from mobile companion apps. A sophisticated mobile strategy could boost your in-store experience.

SensorTower

The New Levers of Mobile Maturity

The forthcoming decade is proving to be bullish for the mobile landscape. According to Deloitte, 90 percent of US consumers either own or use a smartphone, and 52 percent of those consumers spend more than two hours on it daily. With the advent of 5G technology on the horizon for leading countries in mobile, the smartphone is poised to solidify itself as the main access point for internet services for users across the globe.

With that, online behaviors are rapidly following suit -- mobile payments, ecommerce, and media consumption are catching up to mobile gaming and social networking in ubiquity. It's a critical juncture: the opportunity for mobile consumption is only growing, and there are still so few companies taking advantage of it.

With mobile engagement becoming a can't-miss space for all companies, mobile roadmaps in 2020 and beyond will see a movement to strategic methods that entwine general tactical thinking around mobile with three important pillars: context, branding, and advertising.
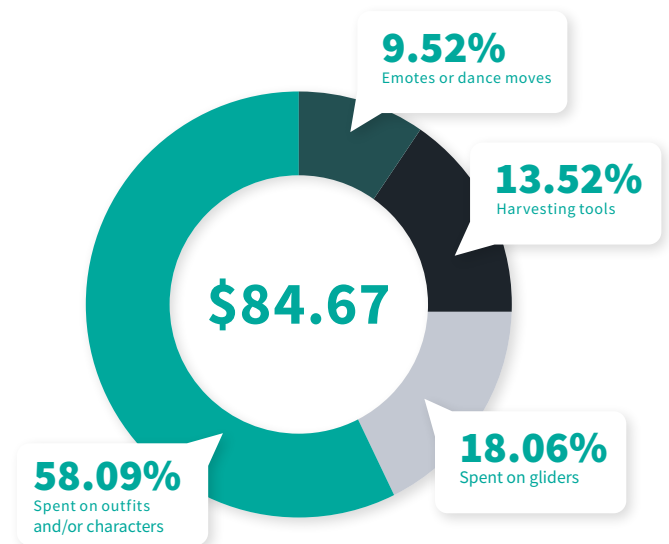
Over the past few years, one of the major fundamental shifts in mobile strategy has been to control and extend the life cycle of a mobile presence by leveraging contextual events. Nowhere is this strategy more robust than in the Games vertical, with Epic Games leading the way. According to a case study conducted by Harvard Business School, Epic Games CEO Tim Sweeney committed to delivering runaway mobile success Fornite as a "live game," making frequent updates that included in-game events, limited-edition items, and other important changes. Between September 2017 and July 2018, Epic Games updated Fornite more than twice the amount of competitors *Players Unknown Battlegrounds and Overwatch*.

These frequent updates had an important effect on player engagement, as well as revenue: A survey conducted in 2018 found that nearly 69 percent of *Fortnite* players participated in in-game microtransactions, with a global average spend of more than $84. This continual cycle -- updated in-game events and accompanying microtransaction bundles -- raised *Fortnite*'s profile and contributed to the game's billions of revenue in 2018 and 2019.

Fortnite Finances
Average *Fortnite* player that has spent money on the game

9.52%
Emotes or dance moves

13.52%
Harvesting tools

$84.67

18.06%
Spent on gliders

58.09%
Spent on outfits and/or characters

Epic continues to explore other methods to bring contextualized events into *Fortnite*, notably with a February 2019 in-game concert with EDM artist Marshmello, reportedly attended by more than 10 million users (and accompanying monetization opportunities). This strategy is a part of Sweeney's larger "Metaverse" concept, which envisions a cross-platform experience with multiple uses that keeps players engaged using the devices they care about most.

Beyond the content and features developed within the mobile experience itself, companies that chase after tighter cohesion of mobile with their overall brand are poised to be the frontrunners in mobile strategy. Over the coming years, the connection of

The New Levers of Mobile Maturity

offline experiences with online engagement through integrated mobile branding -- whether it be through cross-media engagement, second-screen experiences, or in-store prompting -- will become a key to mobile maturity and sophistication. Early adopters in this field hail from the world of ecommerce, where integrating mobile has turned into a huge revenue generator.

Nike reported revenue of $10.7 billion in September 2019, with chairman Mark Parker owing the company's strong FY2020 first quarter earnings to "strong product innovation, combined with our industry-leading digital experiences." One big driver of growth continued to be Nike Direct -- a business unit within the athletic brand that focuses on direct-to-consumer experiences and loyal members of its Nike+ app.

According to Digiday, Nike expects its direct-to-consumer business will reach $16 billion in sales next year. While cutting-edge technology like Nike Fit gives consumers a high-tech shoe and apparel buying experience, a brick-and-mortar Nike experience encourages opening up their various apps to aid in the real-world purchasing process. Additionally, tight integration with Nike's suite of mobile-first training products, Nike Run Club and Nike Training Club, means that the brand's most engaged fitness consumers are delivered unique promo efforts and coupons as a reward for reaching a new in-app milestone. Mobile-forward branding integration has given Nike the opportunity to stand out among its peers, and maintain a strong 2020 financial forecast.

Mobile experiences need not necessarily be app-centered: a major opportunity in the coming decade will be leveraging mobile advertising as a valuable channel to reach brand new markets of users. As Gen Z continues to grow in both cultural influence and purchasing power, companies will need to critically think about engaging this growing market of consumers where they are most active. According to a report by eMarketer, 2019 was the first year that adults spent more time on mobile devices than watching TV, a trend driven by the mobile-first Gen Z coming of age. More importantly, the study showed that adults predominantly spend their time in apps -- nearly three hours of app usage compared to less than a half an hour in a mobile browser.

The growing chase after mobile-forward younger generations for their buying power is apparent in the growth of the ad networks on popular social media app TikTok. The Chinese social media app has experienced skyrocketed growth among Gen Z users, and according to Adweek, parent company ByteDance has begun testing a robust ad network in East Asia. The introduction of biddable ads into TikTok means important opportunities for programmatic access to ads on the popular platform -- making it yet another way to reach young consumers where they spend the most time.

Alongside the rapidly-growing ad systems of Instagram, even businesses that don't yet offer robust app offerings will find value in developing mobile-based ad programs. The decade will only see a growing sophistication of cross-platform ad-retargeting measures, and companies that continue to lag in delivering high-quality ads to potential consumers spending time on their smartphones will miss out on critical revenue opportunities. With phenomena like the Retail Apocalypse and cord-cutting continuing to eat away at long-standing assumptions of consumer behavior, mobile advertising should be at the top of the list for companies looking to future-proof their revenue streams in 2020 and beyond.

The Data Behind Mobile Maturity

While the trends that could define mobile maturity over the next decade are manifesting themselves by the standout work of a small sample of companies, replication of the same magic is difficult without the right data. Taking complete advantage of forthcoming mobile roadmap trends will most certainly involve sophisticated data to help make the right decisions. But what data works, and what data does not? A common conundrum companies stumble into is the misguided notion that mobile data still transactional: all data is good data, and more data is better in the long run.

Key misunderstandings about the value and sophistication of mobile data could keep companies otherwise dominant in their verticals from excelling in mobile. We see it right now: Companies outside the Gaming vertical continue to lag because they do not consider mobile data as part of their business needs, but the user and engagement rise across many categories shows that they will need to think in new ways to reach mobile maturity over the next ten years. Worse, companies falsely assume that because mobile is not a prime business vertical for their product, they have no value to gain from adopting a mobile strategy.

Entertainment goliath Disney has had to reckon with its years-long position as a lagging company in the mobile space. In a November column for the New York Times, veteran technology reporter Kara Swisher thoughtfully outlines the company's historical failure to capture its signature magic in a mobile offering. Throughout the mid-90s and 2000s, the company had been experiencing fairly characteristic missteps for legacy media in mobile -- churning through ideas and burning through acquisitions as, according to Swisher, "new companies like Google, Facebook and Amazon became multibillion-dollar behemoths."

Only now in 2019 the company has seemed to find its footing with Disney+, a streaming media platform that leverages the company's far-reaching and critically acclaimed library of films and tv shows alongside originally produced media. Competing directly with streaming services such as Netflix, Disney+ is comparatively offered at a much lower price point of

$7, which struck early buzz even as the listed library on the platform remains much smaller than that of competitors.

The strategy has proven to be an initial success, as Disney announced the platform reached a massive 10 million subscribers in a single day, roughly double the amount of subscribers HBO Live Now has been able to net in the course of three years. Finding a pathway to mobile maturity proved to be an arduous process for an otherwise beloved company -- not many other organizations have the luxury to reach mobile maturity at Disney's pace.

In order for businesses of all sizes and verticals to tackle the ever-shifting mobile ecosystem, regular access to holistic data that covers more than just downloads and revenue will be instrumental in developing a comprehensive view of performance. Over the next few years, mobile analytics platforms are poised to make great strides in roadmap-oriented data that will supercharge the pathway to mobile maturity.

The future looks bright. As smartphone penetration continues in smaller countries, companies will be able to zoom into particular target regions with greater efficiency and accuracy. Hyper-localized global data, including isolated competitor analysis, will pave the way for sophisticated localization, differentiation, and branding efforts in emerging regions where mobile opportunities may be greater. Individual user data will also become a much stronger signal over the coming decade, as companies learn how to model the behaviors and demographics of those who engage with their apps most. Insights from Ad Networks and Creatives will also see a significant boost, as more ad networks grow and even more companies look to mobile advertising to stay ahead of the curve.

While businesses do have the opportunity to ramp up their analytics and insights for these forthcoming changes, developing a holistic mobile plan should be high on the list of to-dos in 2020. Any more waiting, and catching up may not be possible.

The New Roadmap to Mobile Maturity Beyond 2020

While it is hard to truly qualify what the future of mobile will hold -- if the last decade is any indication, there's plenty to learn -- it is clear that mobile maturity will become essential to thrive in our increasingly technology-focused economy. Over the next decade, as the smartphone continues to supercede other channels (including the computer) for users' time and attention, nearly every aspect of business operations will need to be adjusted in order to fit the major paradigm shifts mobile will bring.

Reaching mobile maturity is a must-do for everyone, and those who act quickest will be in a prime position, the faster your company can implement methods to reach mobile maturity, the greater likelihood that your business will be able to weather forthcoming changes and differentiate from close competitors. From there, only greater innovations await.