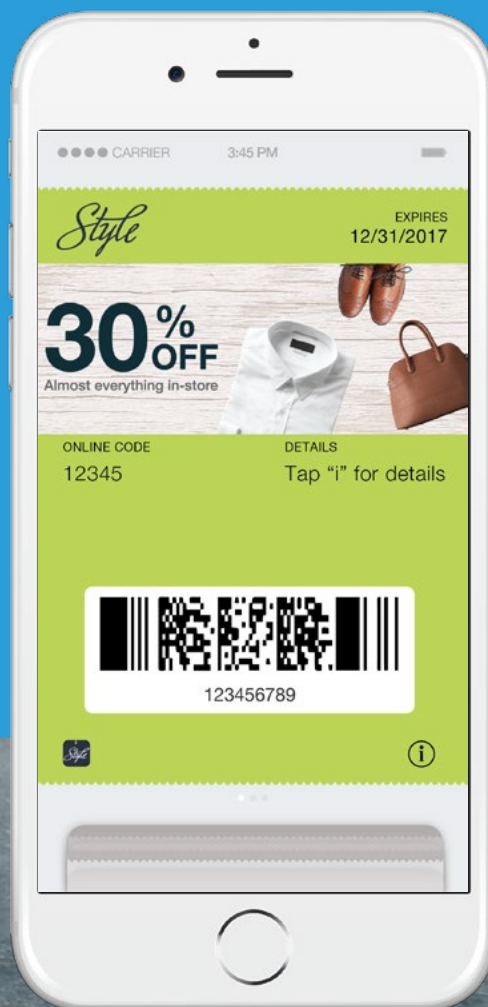


vibes

2017 US MOBILE CONSUMER REPORT

Text HELLO to 84237



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Executive Summary

Vibes is the brainchild of two lifelong friends, who saw the value in mobile before text messaging was introduced to the market. We help brands across the globe engage with their consumers and raise revenue through mobile. As technology has evolved, so have we. Based in Chicago, we now have offices in San Francisco, Miami Beach and in the UK.

The best marketers are determined to be where their customers are. Today, more than ever, that means mobile. Understanding how customers are using their phones to discover, explore, buy, ask and engage with brands ultimately helps to inform mobile marketing strategies and deliver meaningful engagement at scale.

Compared to Vibes' 2016 Mobile Consumer Report, this year's report shows that consumers are even more open to engaging with brands on mobile — but their expectations for relevant, personalized engagement have also increased. This means more opportunities to engage consumers on the most personal device they own, but it also requires a careful, strategic approach. Our data shows consumers carefully

curate every aspect of their mobile experience and are quick to give the boot to brands that just don't get it.

If you want to be one of the marketers that “gets it,” read on. This report will not only examine the ways in which your customers are using various mobile channels, but also how they'd like to use them if given the chance. Armed with our unique consumer insights, you can become a master mobile marketer.

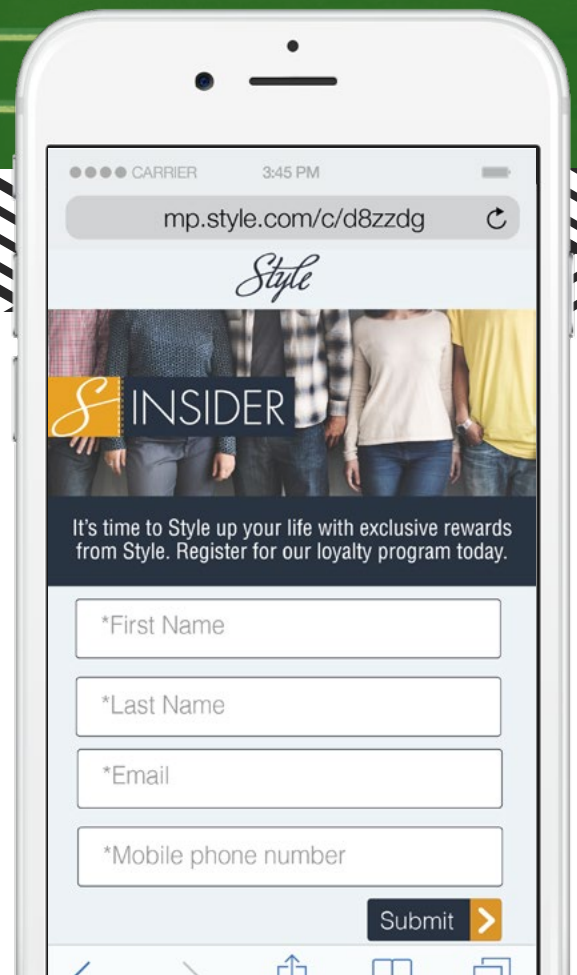
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Mobile Messaging



WHAT YOU'LL LEARN

- 1 Why investing exclusively in apps is not your best bet
- 2 Why an omnichannel approach matters
- 3 How your channels can work together

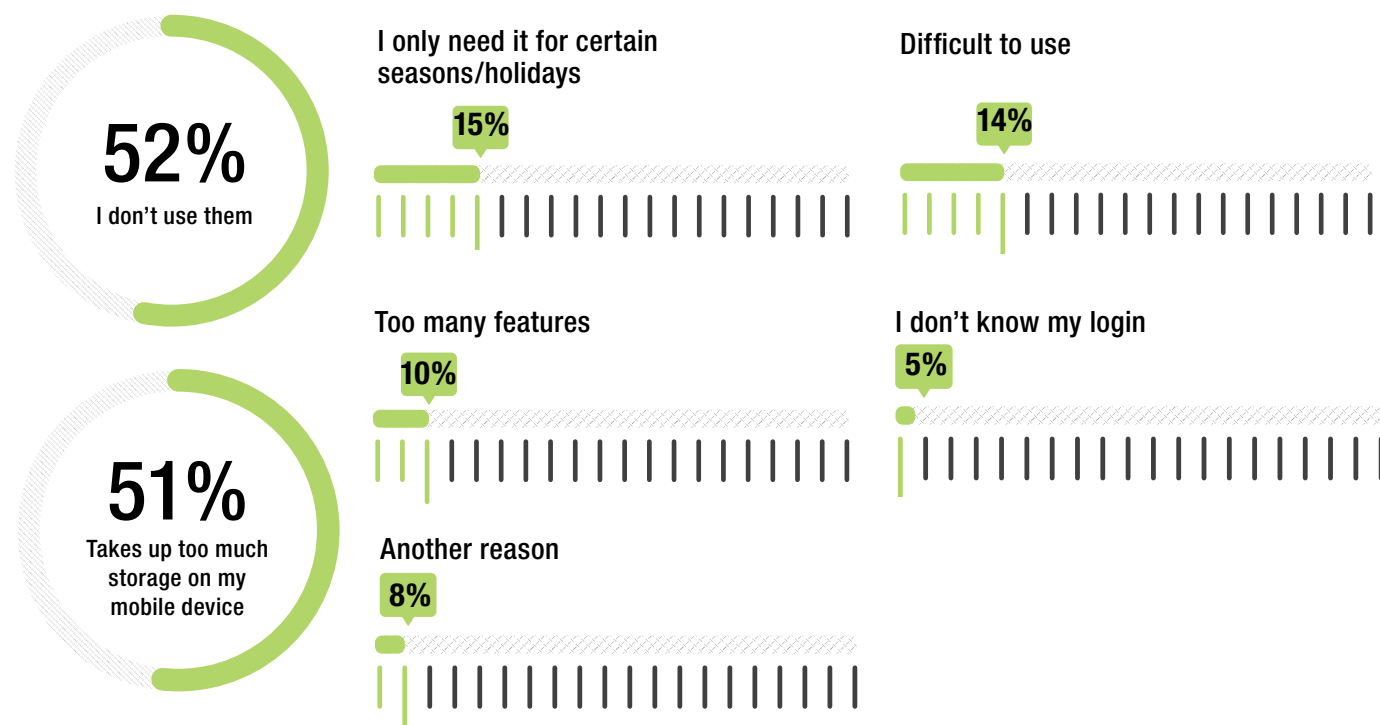


APPS ARE NOT THE END-ALL

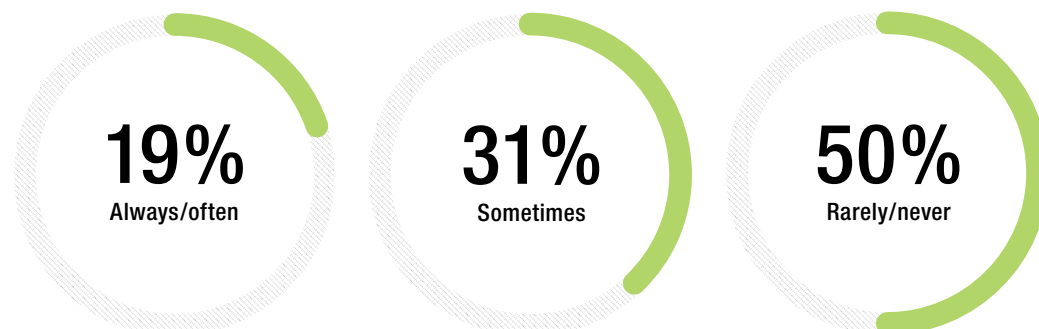
The popularity of apps is waning, with consumers downloading only 4.5 retail apps on average. Older consumers tend to delete them for lack of use, while many younger consumers delete them to save on storage space. And in the end, while in-app usage is high —

80 percent have opened a retail app on their mobile device within the last month — they typically don't drive action — only 4 percent of consumers say that they always make a purchase after checking the app for information.

REASONS FOR DELETING APPS FROM MOBILE DEVICE



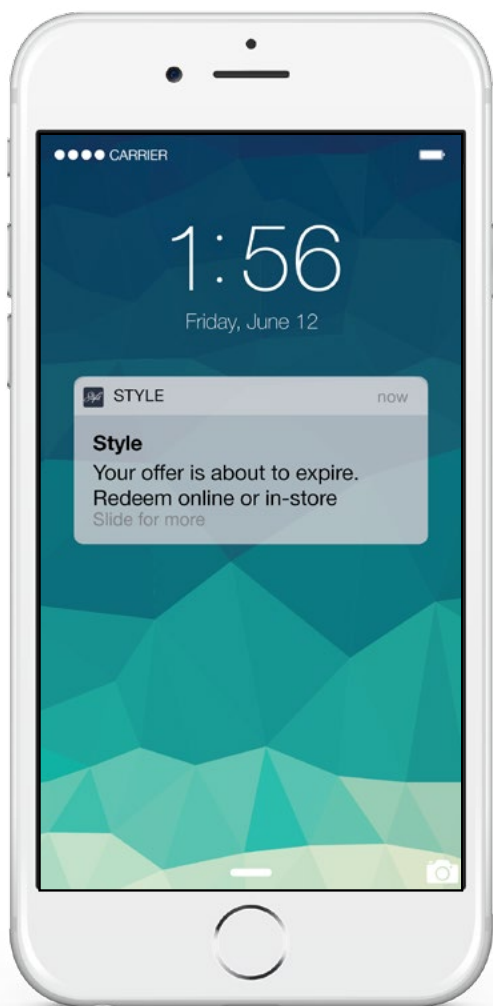
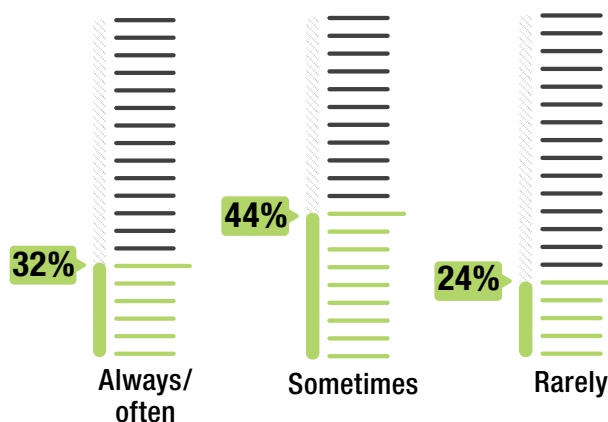
APP USAGE DURING IN-STORE SHOPPING



MAKE YOUR CHANNELS WORK AS A TEAM

That doesn't necessarily mean it's time to kill your app, but it behooves marketers to think of ways to boost those numbers. The good news is that 56 percent of consumers enable notifications for at least one app. Of them, 46 percent of consumers are open to receiving daily notifications, and 17 percent are even up for hearing from your brand twice a day. That's huge growth since last year, according to the Vibes 2016 Mobile Consumer Report, which showed just 10 percent of consumers were interested in daily notifications and only 7 percent were interested to hear more than once a day.

FREQUENCY ACCEPT/OPT-IN TO APP PUSH NOTIFICATIONS



Marketers need to take advantage of this uptick in receptiveness by making their notifications purposeful and powerful. Be strategic about when you reach out, and learn to use all the tools available to you. For example, a geo-fenced notification when they walk by the store may be just the reminder customers need. Approximately 32 percent of those who receive the notifications say they always or often opt-in to these notifications.

Remember, however, that apps should never be the sole focus of your mobile engagement strategy. While apps were once at the top of the heap, research shows they've already plateaued. Adding SMS/MMS or mobile wallet, for example, can extend your reach and enhance your customer relationships outside of apps.



PERSONALIZED CONTENT IS THE NEW KING

That said, your messages still have to be on point. Even better if you personalize them, say consumers. They are highly motivated by personalized messaging around offers, with 59 percent of consumers saying they'd be most inclined to engage with a brand that sends mobile coupons and other deals. This means your messaging should take into account their locations, preferences, and past purchases, as well as personal celebrations like birthdays and anniversaries. That figure is consistent, too, with 55 percent of consumers feeling similarly in Vibes' 2016 Mobile Consumer Report.

Another highly effective way to personalize content is transactional messaging (i.e., receiving text alerts with updates on orders

from retailers or brands). This type of messaging has become more sought after by consumers on their phones. This year, 75 percent of consumers ranked such transactional information as among their top reasons for opting into notifications, a noticeable jump from 59 percent in Vibes' 2016 Mobile Consumer Report.

That's why consumers opt in — what about why consumers opt out? While the top reason consumers unsubscribe from a brand is too many messages or updates (65 percent), a lack of personally relevant information is close behind (57 percent). Both these figures represent a 6 percent increase from Vibes' 2016 Mobile Consumer Report, indicating consumers' patience with brands that spam or fail to personalize is waning.

REASON TO SUBSCRIBE TO BRAND/COMPANY



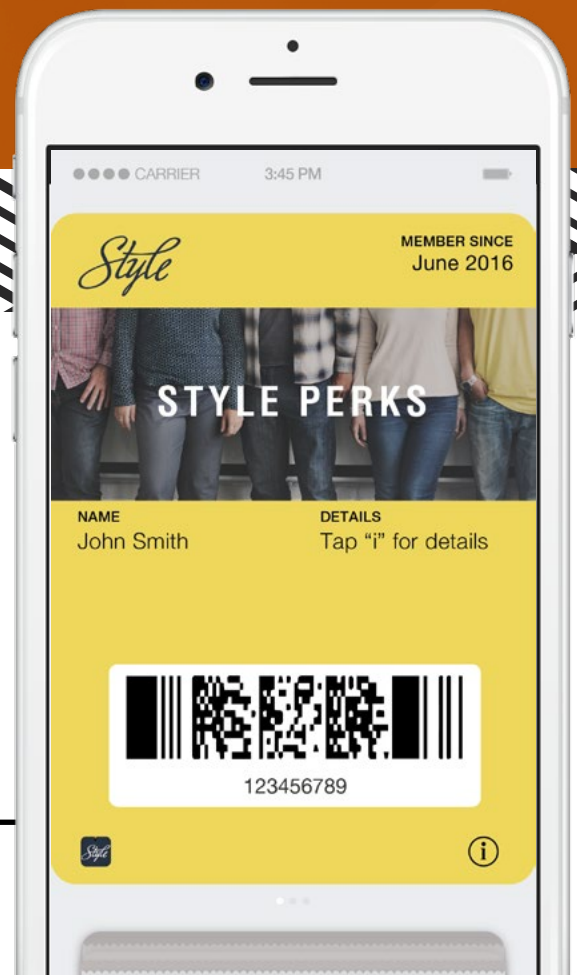
Mobile Loyalty



WHAT YOU'LL LEARN

- 1 The limits of plastic loyalty cards
- 2 How a simple transition can buy goodwill
- 3 Why personalization matters

TEXT [LOYALTY](#) TO 84237

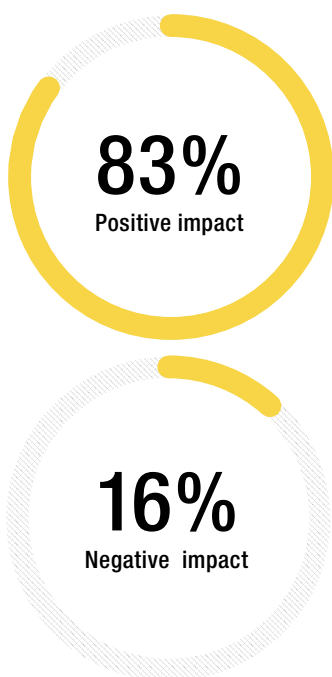


TRADITIONAL LOYALTY IS LIMITED

Consumers are accustomed to collecting those pesky plastic loyalty cards, and saving them in their wallets — or losing them. But wallets have their limits. Once they run out of space in their physical wallets, consumers tend to stop signing up for programs. The sweet spot for loyalty cards is two to nine, and on average, consumers sign up for fewer than four loyalty cards, with supermarket programs leading the pack, along with pharmacies and department stores.

These aren't programs they sign up for and forget about — they are programs they find valuable, with 91 percent of loyalty program participants saying they use at least some of their cards regularly.

IMPACT OF RECEIVING POINTS/REWARDS, EXCLUSIVE CONTENT, SPECIAL MESSAGING ON BRAND LOYALTY



INVOLVEMENT WITH LOYALTY PROGRAMS



GET PERSONAL

And just what do consumers get out of the deal? They want, and get, the obvious: rewards. Eighty-three percent of consumers would have a more positive view of a brand that delivered personalized loyalty messaging, such as points/rewards, exclusive content, and birthday/anniversary messaging. That number has increased from 77 percent just last year, according to Vibes' 2016 Mobile Consumer Report, which shows demand is significantly growing for this sort of convenience and benefit.



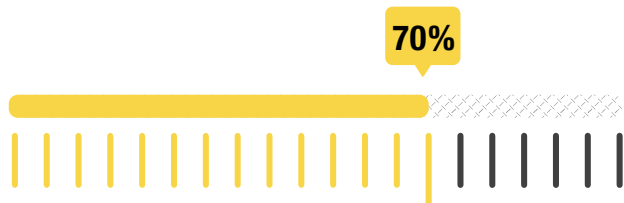
GIVE CONSUMERS WHAT THEY WANT

Marketers take note: Consumers are showing they find real value in what they get out of loyalty programs, so removing any impediments to using them seems like a no-brainer.

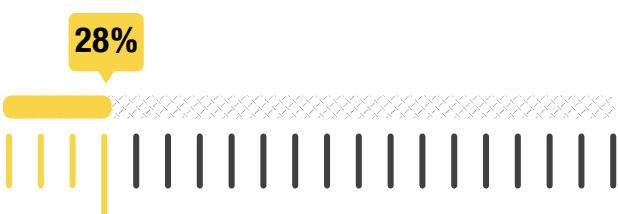
An incredible 72 percent of consumers would be interested in saving their loyalty card to their phones, and 70 percent of them would have a more positive view of any brand that let them do so (up from 62 percent in Vibes’ 2016 Mobile Consumer Report). By merely enabling a function that consumers are craving, brands can leverage more information about their habits and garner their favor — a huge win all around.

CHANGE IN PERCEPTIONS OF BRAND DUE TO DIGITIZED LOYALTY CARDS

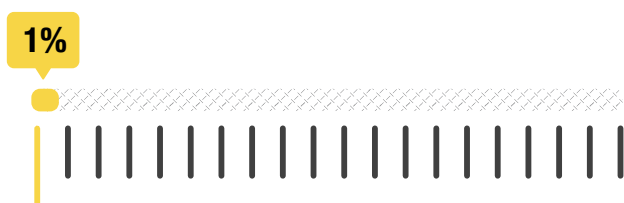
Significantly more positive



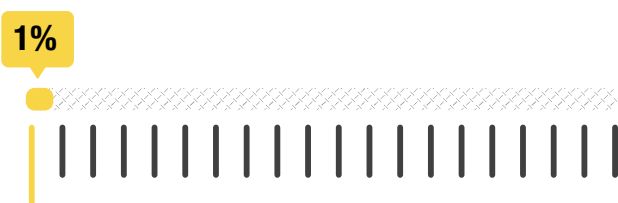
No impact



Less positive



Significantly less positive



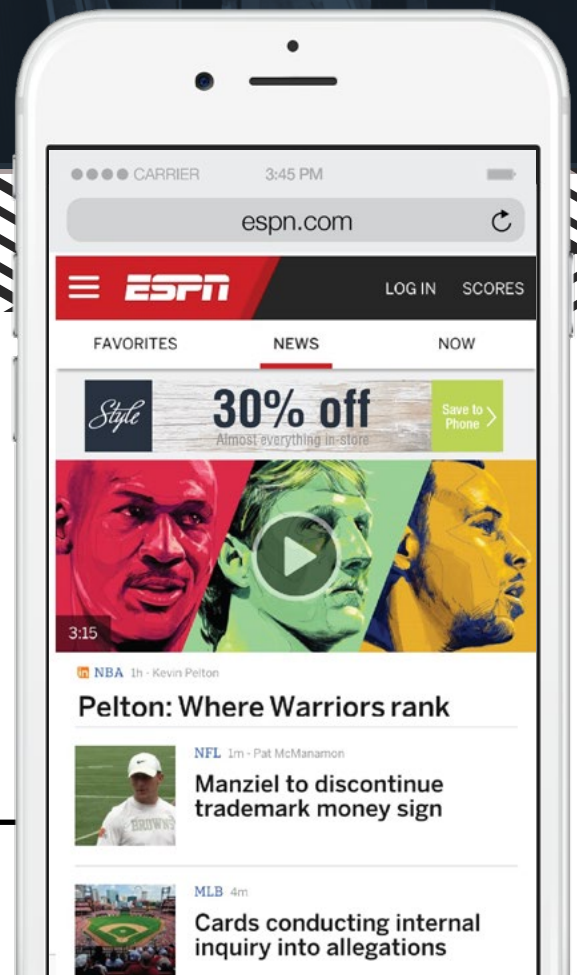
Mobile Advertising



WHAT YOU'LL LEARN

- 1 How often consumers notice mobile ads
- 2 Where they find them most tempting
- 3 How consumers want to use them

TEXT AD TO 84237





MOBILE ADS ATTRACT ATTENTION

When consumers research products from their phones, they are most frequently searching for the best price, (66 percent of consumers say they do so), to learn more about the product (63 percent), or to read reviews of the product (60 percent).

More than any other channel, consumers do this research through a web search.

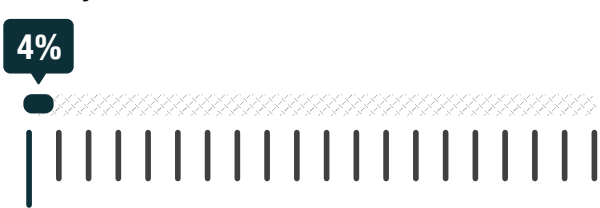
About 58 percent of consumers say they notice mobile ads daily, and 15 percent say they see them weekly. Of them, about 32 percent intentionally tap on the ads at least weekly.

HOW OFTEN CONSUMERS NOTICE MOBILE ADS

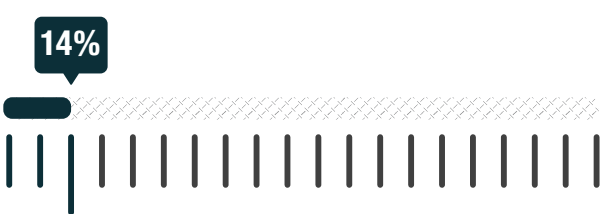
Daily/weekly



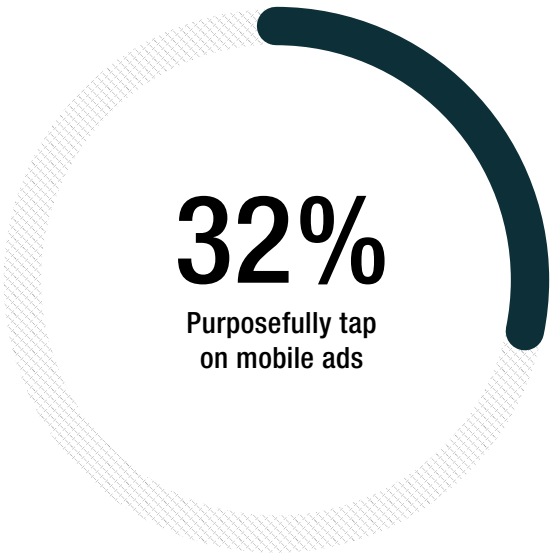
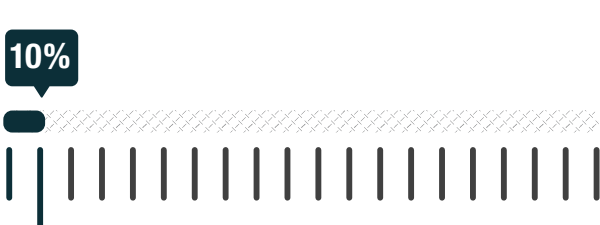
Monthly



Almost Never



Never



WHAT MAKES CONSUMERS CLICK?

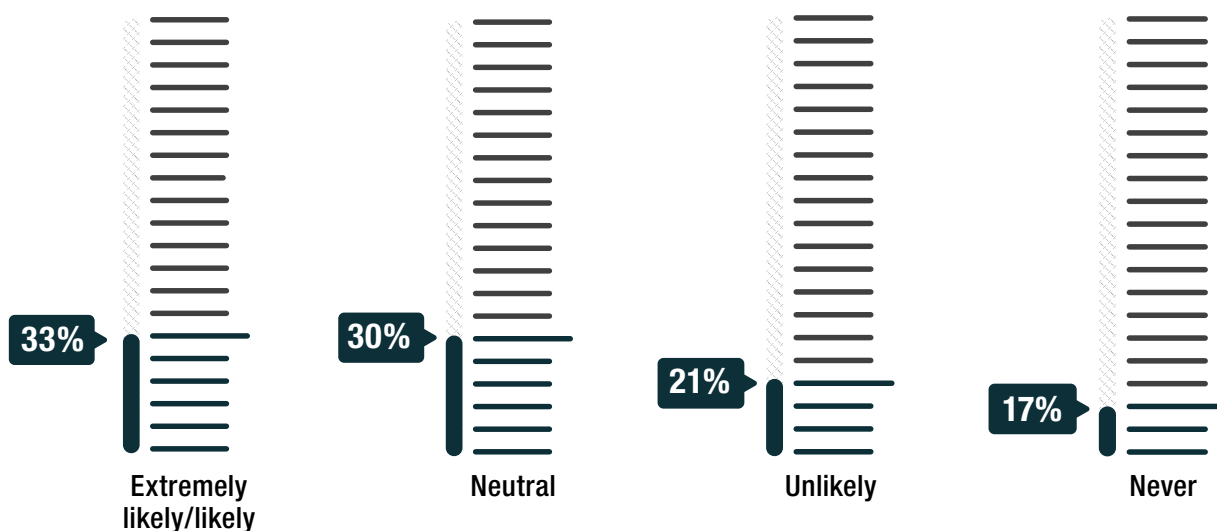
So they are noticing and even tapping on mobile ads, but from where? Consumers say they are most likely to follow an ad they find on social media, with 38 percent finding those the most tempting, and 33 percent saying they'd be likely to make a purchase from their phone after viewing an ad.

It's no surprise then that 56 percent of consumers would like to save coupons and offers from social media directly to their phones, with

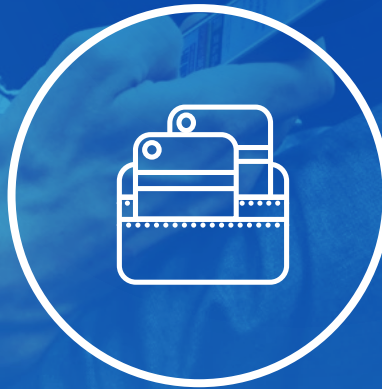
Facebook far and away the leading network choice for 86 percent of consumers.

Mobile ads are relevant for most consumers, so it's important to have the expertise to know when and where to use them, and where the ad should take consumers. Most consumers prefer to click to a product page where they can learn more and order, or to a mobile coupon page where they can store the offer directly to their phone. This indicates the huge opportunity available to brands using mobile wallets.

LIKELIHOOD OF PURCHASING FROM SMARTPHONE AFTER CLICKING ON A MOBILE AD



Mobile Wallet



WHAT YOU'LL LEARN

- 1 Why consumers use mobile wallet
- 2 What they want in a mobile wallet
- 3 Why it's important to track analytics

TEXT [OFFER](#) TO [84237](#)

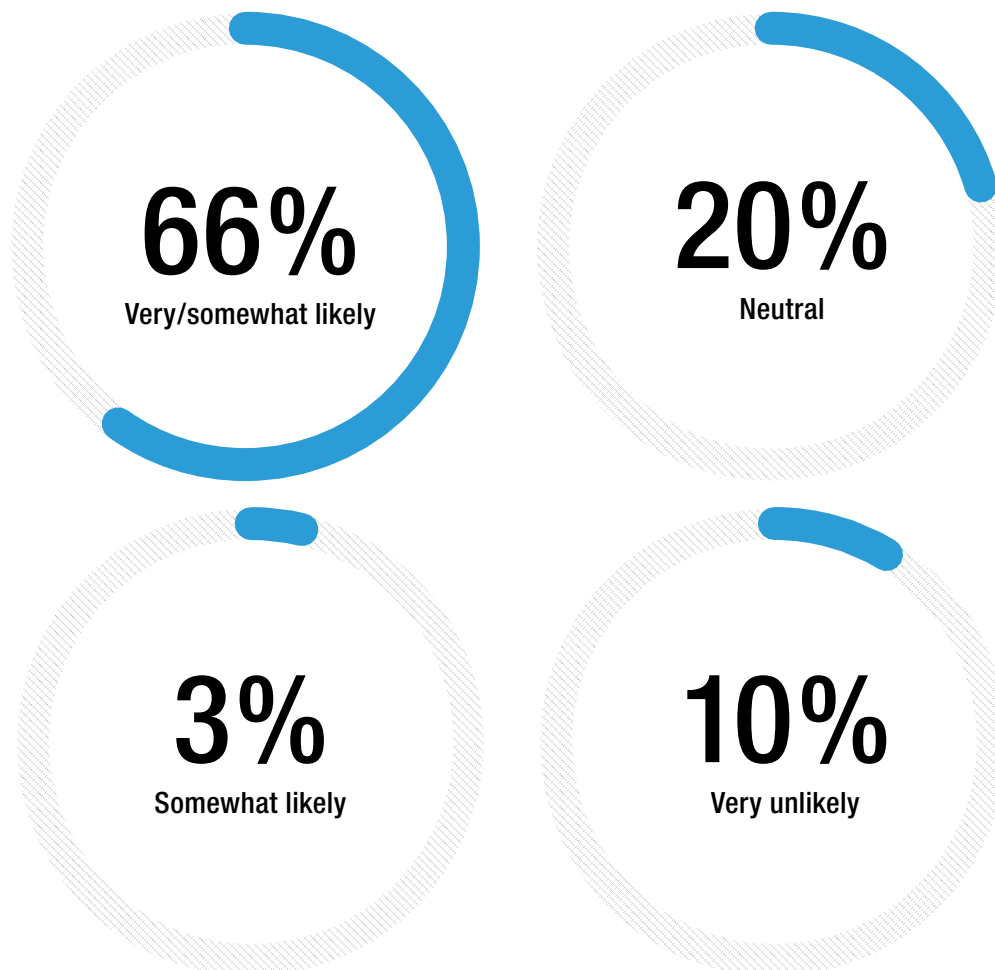


CONVENIENCE MATTERS

Mobile wallet use is also on the rise. Up from 32 percent in Vibes' 2016 Mobile Consumer Report, about 38 percent of consumers already take advantage of the non-payment portion of wallet — for the convenience of storing boarding passes, tickets, and other offers. But that leaves them wanting more. Specifically,

73 percent of consumers are interested in receiving and saving mobile wallet content from retailers, restaurants and brands. Approximately one-third of consumers are also interested in the same content from travel and hospitality companies and financial institutions. This content could include anything from coupons to sale reminders.

LIKELIHOOD OF SAVING PERSONALIZED MOBILE WALLET OFFERS/COUPONS

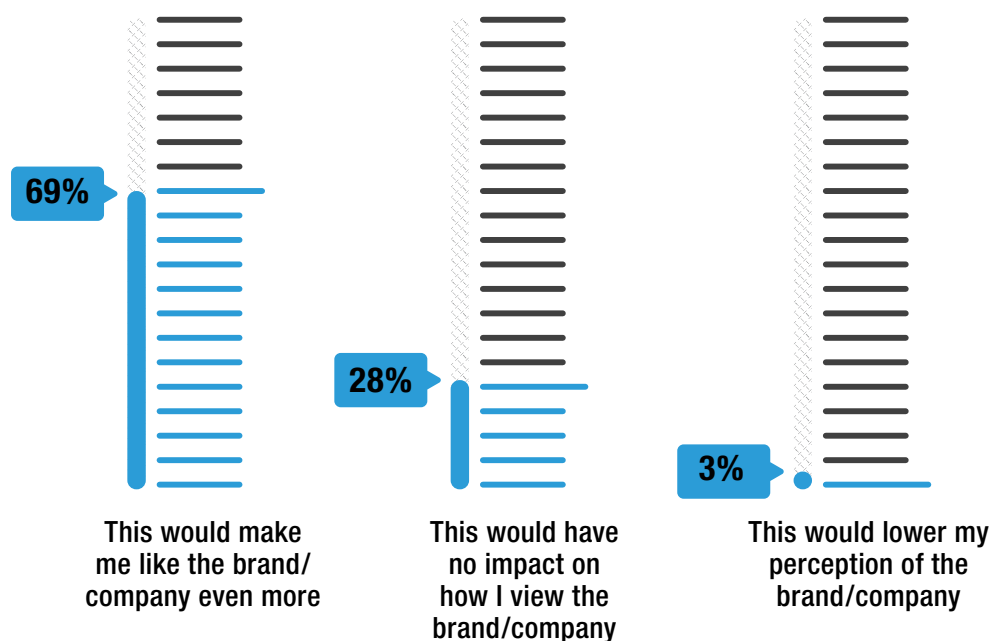


KNOW CONSUMERS' LIMITS

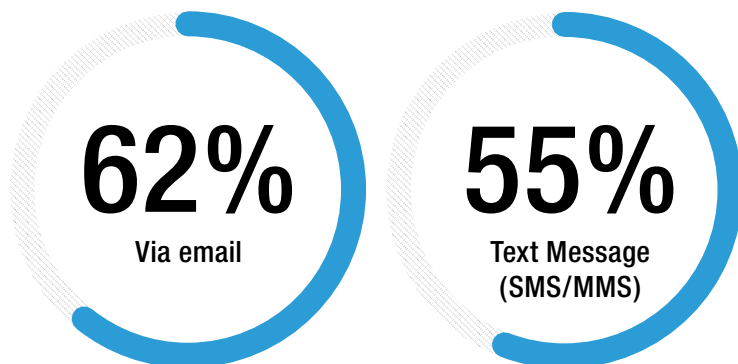
But this assumes brands don't overdo the number of messages they send, with too many messages being the primary reason people unsubscribe. That means you'll need expertise and experience to toe that fine line. We know that 45 percent of consumers find weekly communications are preferable, but 23 percent are even open to daily messages.

It's worth marketers' while to learn how to get the balance right, given 69 percent of consumers say mobile wallet offers would give them a more positive view of a brand, and encourage them to purchase more. Once again, it's clear that consumers are willing make purchases with brands that recognize their busy lifestyles and preferences, so be sure your brand has the analytics expertise to find your consumers' sweet spot.

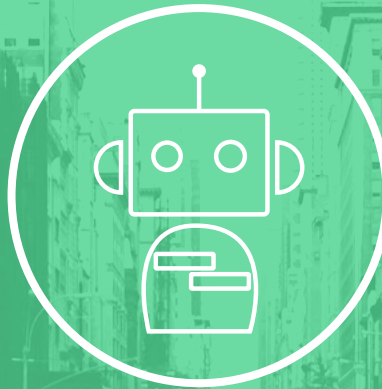
CHANGES IN PERCEPTIONS OF BRAND DUE TO DIGITIZED COUPONS



PREFERRED METHOD FOR RECEIVING MOBILE WALLET ITEMS



Chatbots



WHAT YOU'LL LEARN

- 1 Why consumers are open to new tech
- 2 Why customers like them
- 3 How you can use them

TEXT **BOTS** TO **84237**

Maybe you've been contemplating whether your brand needs a chatbot. Maybe you don't even know what a chatbot is. Watch our webinar, "Chatbots: Your Customer Are Ready, Are You?"

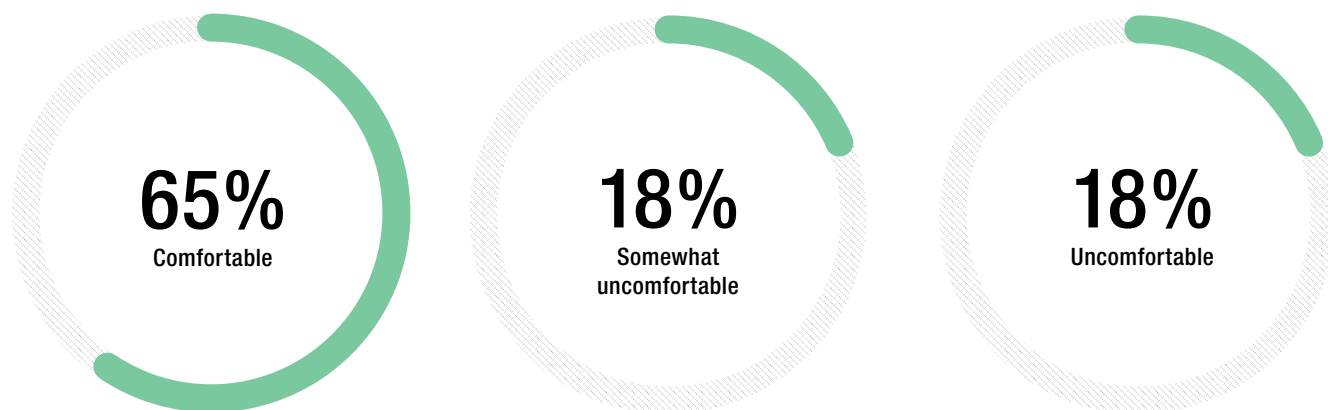


GIVE ME INFO, MAKE IT SNAPPY

Consumers' feelings about chatbots are particularly telling. Chatbots are relatively new to the retail scene, and more than half of consumers have yet to see one. Nonetheless, 65 percent of consumers say they would feel comfortable interacting with one, preferably to obtain information quickly and easily. Other reasons consumers are open to the idea of interacting with a chatbot are that chatbots seem less intrusive to them than dealing with customer service representatives, or because communicating with a chatbot feels more natural in this instant messenger age.

That so many consumers are open to a technology they are completely unfamiliar with shows how pervasive mobile technology has become. A new mobile channel is par for the course for most consumers, who, in their hectic everyday lives, are constantly seeking the next big thing to simplify their lives. Chatbots mean speed and simplicity for the consumer. They mean not having to interact with another person. They mean 24/7 customer service. For these benefits, consumers are willing to try something new.

COMFORT LEVEL WHEN ENGAGING WITH A COMPANY VIA CHATBOT



Key Takeaways

01

An omnichannel approach is vital. No single mobile channel is going to secure your brand's revenue or help you prove ROI on your mobile marketing efforts. As life becomes increasingly busy and technology broadens, consumers largely take advantage of all the tools available to them to find what they're looking for, save money, and do it all quickly. Different consumers will prefer one channel over another, so it's not until you have your channels working in tandem that you're reaching as many consumers as you can in the right time and place, proving the full worth of mobile marketing.

02

Don't shy away from new technology. How many times have you or a colleague said, "I don't know if my customers are using x or y." Evidence shows that the consumers are very much embracing new technology as it comes along, and they want you to do the same. The convenience and simpatico relationship of buying from a company whose priorities are aligned with yours is a great motivator for consumers.



03

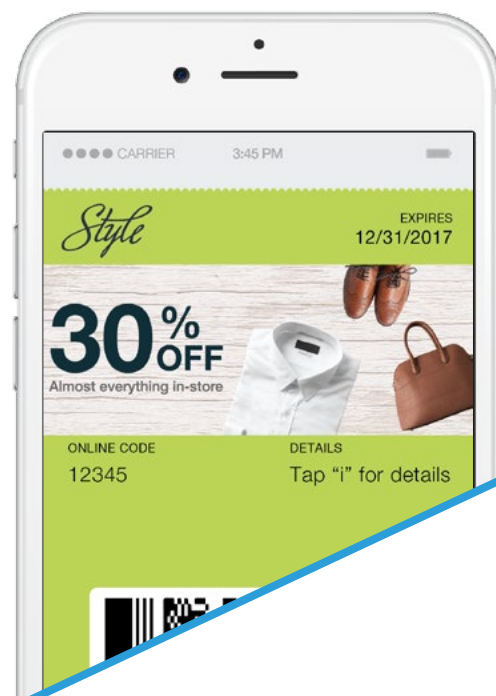
You need mobile-specific expertise. All of this advice is useless to marketers unless you have the expertise to manage these relationships. Most consumers want to receive your messages, but there's a fine line between feeling informed and catered to, and feeling inundated. If you don't know where to draw that line, your mobile marketing will never perform as expected.

Vibes Can Help

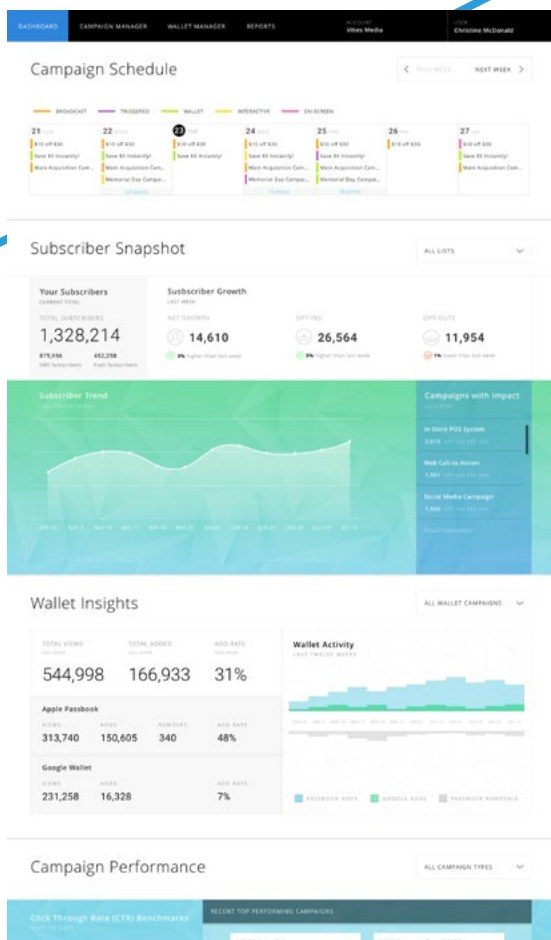
As an international leader in mobile engagement, Vibes understands how the mobile landscape has evolved since its inception — and the ways in which consumers have embraced it. With our expertise and unique platform, which makes it easy to manage all of your mobile channels in one place, our customers see ROI that proves the value of mobile engagement. To learn more about how Vibes can help your brand, visit us or text **HELLO** to **84237** for news and insights.

How to get started

Mobile is not a stand-alone channel. It is what connects each part of your brand's ecosystem.



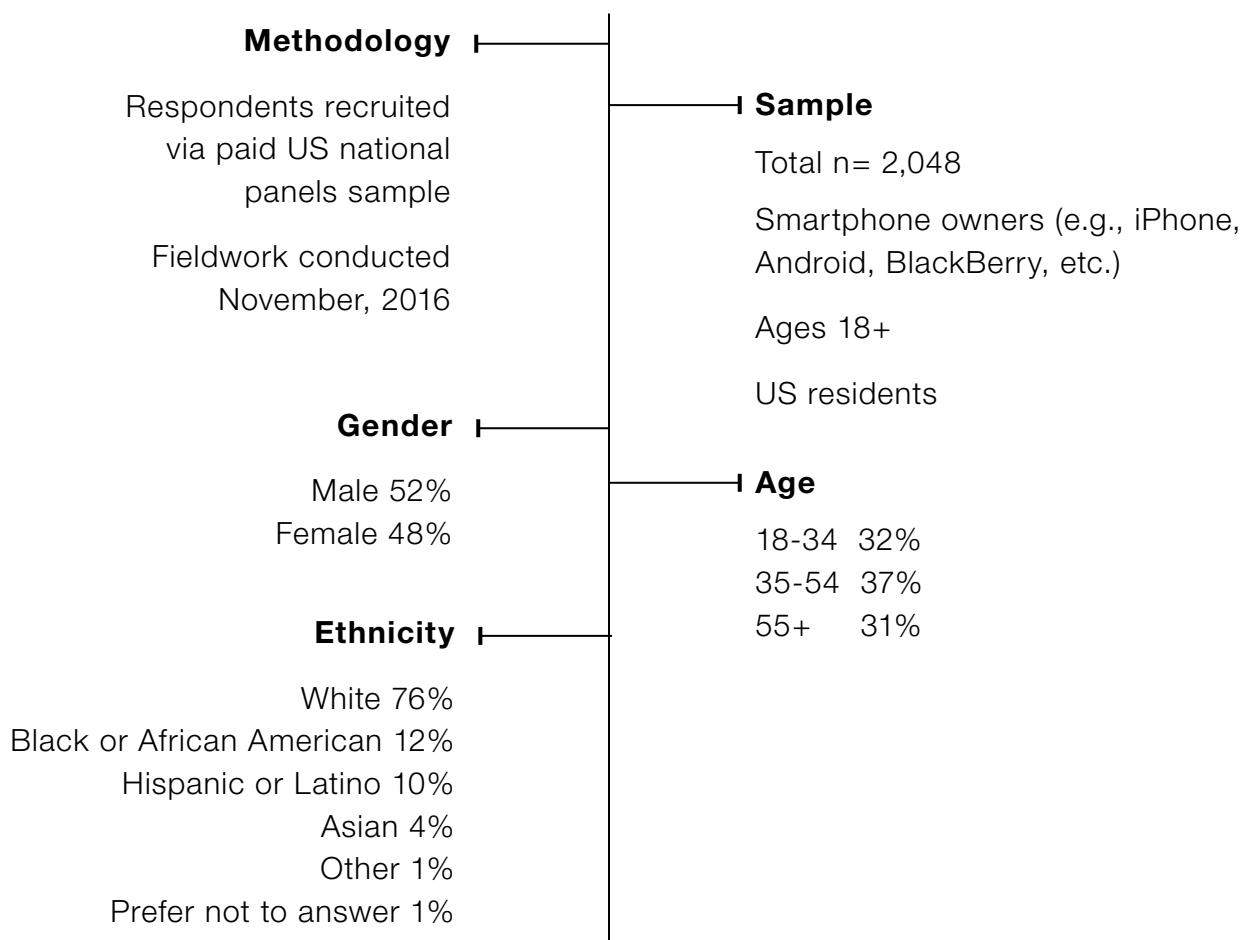
Consumer engagement drives revenue



If you're thinking of starting or expanding a mobile program, our enterprise-grade mobile engagement platform is one-stop shopping. Vibes' platform helps you drive engagement and your bottom line through SMS campaigns, mobile wallet ads, push notifications and loyalty cards. Visit www.vibes.com to learn more about how we can help your brand hit its mobile marketing goals.

Methodology

Vibes partnered with Equation Research to conduct a quantitative research effort to better understand the connected consumer's perceptions and opinions about mobile advertising and loyalty programs



Answers of "not applicable" are not depicted in the graphs, and all percentages are rounded. In some cases, respondents were permitted to choose all that apply. As a result, total shown responses may not add up to 100.



We help marketers unlock new revenue by arming them with the technology and expertise they need to succeed in mobile marketing. Our mobile engagement platform enables marketers to easily manage all mobile communication channels including text messaging, push notifications, Apple Wallet, Android Pay and mobile web campaigns — all through a single interface. Vibes has delivered more than five billion mobile experiences on behalf of customers that include Chipotle, Gap, Old Navy, Home Depot, PetSmart, Foot Locker and Allstate, and is the preferred strategic partner for global mobile engagement company, Syniverse. The Common Short Code Administration (CSCA) recognizes Vibes as one of only four Tier 1 aggregators with secure, direct connections to all the major carriers. To learn more about Vibes, visit www.vibes.com.

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