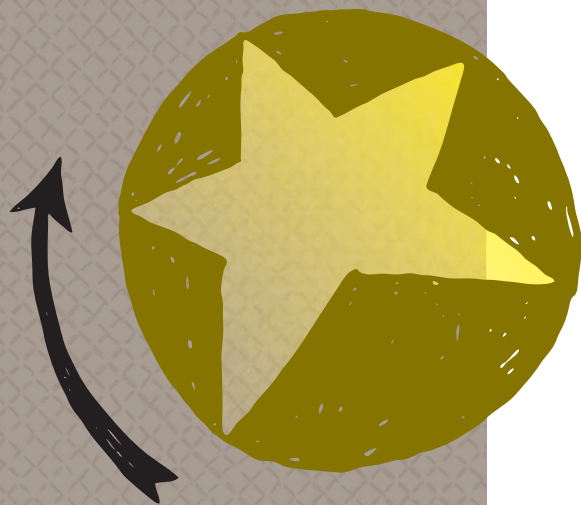




MIR FORUM



In our section, “*MIR Forum*”, we build a bridge between the research article on page 24 and marketing practice. Managers from successful companies discuss the relevance of the findings on branded apps and report on their own activities in this field.





Marc Lengning

oversees Marketing & Sales for DriveNow, the joint car-sharing venture operated by the BMW Group and Sixt. The college-educated engineer has been with the BMW Group since 1998 and has held various positions in R&D and marketing in Germany and the U.S. Before joining DriveNow, Lengning served as Head of MINI Community & Social Media Marketing. DriveNow was founded in 2011 in Munich, Germany. Its services are currently available in Munich, Berlin, Düsseldorf, Cologne and San Francisco. The company's fleet only comprises the brands BMW and MINI, and some of the available models are e-cars. In Germany, DriveNow offers free-floating car sharing, allowing premium cars to be collected and dropped at any place within the same city. Thanks to its modern concept of mobility, DriveNow has experienced rapid growth and now already serves more than 130,000 customers.



Thomas Lukowsky

has been with Allianz Deutschland since 2008 and currently serves as its Director of Market Management. He studied business administration at WHU Koblenz and has worked in sales and online marketing for such companies as P & G, McKinsey and Co. and Arcor. Allianz Deutschland is part of the international Allianz Group and offers a comprehensive range of insurance and asset-management products and services to its clients. Founded in 1890, the company now serves around 20 million customers and generates revenues totaling €28 billion.



Ingo Schäfer

started his career in 1999 at PUBLICIS, where he spent 10 years working for several large FMCG clients, such as P & G and Nestlé. In 2010, he took on the position as Head of Marketing Communication & PR at Nestlé / Maggi. Since then, he has contributed significantly to modernizing the Maggi brand as well as strengthening its digital presence. Nestlé is the world's leading nutrition, health and wellness company, boasting a wide product range comprising water, coffee, baby food, ice cream, confectionery and culinary items. Maggi has been part of German cooking culture for more than 125 years and continues to be Germany's leading brand for culinary products and services.



Branded Apps – Worth the Effort?

Being online whenever and wherever is quite natural for an increasing number of consumers. Companies are trying to tap this trend with different offers. Branded apps are one of the newer tools used to communicate with consumers on the go. But what exactly can these apps offer to consumers? And are they really worth the effort? We asked three marketing experts about their experiences.

MIR: How long have you been using branded apps in your communications mix?

 **MARC LENGNING:** Right from our start in 2011. In addition to playing an essential role in our communications mix, the DriveNow app also serves as a digital car key. DriveNow customers use the app to find cars nearby and to reserve them. The combination of smartphone and app is a key enabler for our innovative new way of car sharing. This combination was one of the reasons why we won a Global Mobile Award in the category 'Best Mobile Product or Service for Automotive' in Barcelona.

 **THOMAS LUKOWSKY:** We offer some Allianz apps for iOS and Android and started offering our first apps in 2009. One app offers financial information and online banking applications. Another app offers worldwide weather forecasts and personalized severe weather warnings.

 **INGO SCHÄFER:** Maggi began experimenting with mobile apps as early as 2009. After starting out with two simple gaming apps (egg timer and balancing an egg), Maggi launched a Maggi Kochstudio recipe app in 2010 with full access to Maggi's recipe database comprising over 8,000 recipes.





MIR: What expectations and objectives do you have for branded apps?

 **MARC LENGNING:** First of all, we wanted the app to be a crucial component in using DriveNow. Secondly, we wanted it to be the center of communication between DriveNow and existing users. Thirdly, we are increasingly leveraging the app to create awareness for the service and to inform prospective customers about DriveNow as well as to allow new customers to sign up for the service with the app. Interconnection with other communication channels in all cases is a key to success.

 **THOMAS LUKOWSKY:** Our branded apps are mobile extensions of our online services. Their primary purpose is to offer additional service to our customers. Brand communication via apps is of secondary importance.

 **INGO SCHÄFER:** To us, mobile apps are a type of loyalty tool that provides services on top of the actual product delivery.

MIR: Do you believe that branded apps will be an important communications tool in future?

 **MARC LENGNING:** In the case of mobile products, such as DriveNow, absolutely. Most people become aware of DriveNow when they see the cars on the street. Hence, the first touchpoint is the car. With the mobile app, people can sign up for the service right at the first touchpoint (the car) and later use the app to reserve cars. The app will always play an important role in the communication of DriveNow due to the nature of the service.

 **THOMAS LUKOWSKY:** It is not always clear whether apps are in fact more useful than mobile websites. From our perspective, apps tend to provide additional value if they use the hardware's other mobile functions, such as GPS or other location-based information. Otherwise you have to balance the better scope of app design against the challenge of raising awareness for them in the app stores.

 **INGO SCHÄFER:** Mobile communication will be important. Whether we will still have apps or mobile websites or both in parallel is still open.

MIR: The authors of our article on branded apps on page 24 distinguish between informational and experiential apps. Which app type did you choose?

 **MARC LENGNING:** DriveNow uses an informational app. But I think both informational and experiential apps can be successful in the future. I believe that apps need to take the "on-the-go" aspect into account. If the apps add value to mobile use, they will be successful.

 **THOMAS LUKOWSKY:** The apps we offer are informational. We focus on real added value and relevance for our customers. Gimmicks don't work. Our most recent app "Allianz Weather-Safe" provides local weather alerts. This safety aspect has a close connection to our insurance products.

 **INGO SCHÄFER:** The Maggi Kochstudio recipe app is clearly informational. For Maggi, service offers related to recipes and cooking advice are at the center of the brand. That's why we chose this format for the app as well.



MIR: The authors further observe that acceptance differs across target groups. What are your experiences in this respect?

 **MARC LENGNING:** The DriveNow target group is highly tech savvy: 75 % of all our customers use the app to reserve a car and 80 % of DriveNow customers come from modern milieus. The acceptance of mobile apps is extremely high in modern milieus.

 **THOMAS LUKOWSKY:** Consumers who use the app have a high affinity for the Internet. But most of all, the content is perceived to be highly relevant.

 **INGO SCHÄFER:** As with all communication, app usage depends on its relevance for a chosen target. Our app focuses on female household leaders. Currently, the app has 40,000 to 50,000 visits a month, which shows there is definitely room for improvement when you consider that there are over 1,000 recipe requests on Google every minute.

MIR: How do you create awareness for the app and stimulate downloads and use?

 **MARC LENGNING:** We promote the app on all of our communication channels. We also create awareness for the app via search-engine marketing, Facebook ads and mobile ads.

 **THOMAS LUKOWSKY:** We offer the apps in our online customer portal “Meine Allianz.” Of course we also offer the apps via app stores, but we do no additional advertising for our apps apart from our communication within the customer portal or other internal media.

 **INGO SCHÄFER:** We mention the app in our own media, such as printed brochures, and on our website but do not provide additional support.

MIR: Do you personally use branded apps?

 **MARC LENGNING:** DriveNow is of course one of my favorites. But other apps that solve problems while I’m on the go are also relevant for me. One category of branded apps that I use regularly are travel apps, such as Lufthansa, airberlin or Airbnb. Besides that, I personally enjoy using entertaining photo apps like the LEGO Photo app.

»

Apps tend to provide additional value if they use the hardware’s other mobile functions, such as GPS or other location-based information.

«



 **INGO SCHÄFER:** Privately, I use Facebook as well as news and entertainment apps, such as the Spiegel or ARD apps, but no apps from any other FMCG manufacturer.

MIR: And finally: What’s your overall verdict on branded apps? Are they worth the effort?

 **MARC LENGNING:** Definitely yes. As long as they create added value for mobile use, you can use branded apps for both shaping your brand and driving up your sales. That’s why we continue to develop our app by adding more features that help people who are on the move.

 **THOMAS LUKOWSKY:** Branded apps make sense if (1) they provide superior value over mobile websites and (2) they offer relevant services to customers. Then, they are worth the effort. We will keep using branded apps at Allianz.

 **INGO SCHÄFER:** Mobile presence is a must, but the costs of developing and maintaining apps are quite high. Input and output still has to be better understood. App design and usage depends on the specific category mechanics. There is no one-size-fits-all solution.