

2016 MOBILE-FIRST ECOMMERCE REPORT

Paid Search Data, Insights & Strategies



STATE OF ECOMMERCE PAID SEARCH: *THE NEW REIGN OF MOBILE*

Mobile's rise has been relentless.

Continuing at a pace in keeping with the most aggressive of projections, AdWords mobile clicks are virtually on par with desktop. Restrict data to the top-performing Google Shopping channel, and the mobile future has already arrived. **Mobile shopping clicks overtook desktop clicks sometime in the summer of 2015** and continue to rise.

In managing over \$200 million yearly in paid search spend for ecommerce merchants, our insights are far beyond anecdotal. The mobile trend line, while not unexpected, is alarming nonetheless.

Over half of all Google paid search clicks are now coming from mobile devices.

Retailers can no longer afford to snooze the mobile alarm. It's already noon – time to get out of bed! Post-desktop ecommerce is approaching as the new reality. Even so, too many retailers continue to function as if mobile were merely an add-on strategy.

This is by no means a call to abandon desktop search optimizations in favor of mobile. While desktop clicks have indeed been stagnant for a couple years, the click volume doesn't appear to have fallen – *yet*. Instead, mobile clicks have risen to the level of desktop, but so far appear to be additive.

Report Structure:

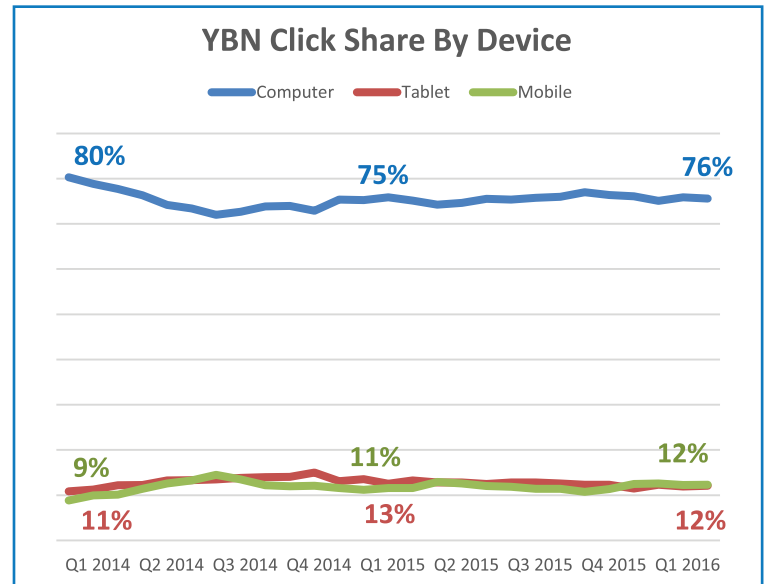
- The first section of this report will highlight the most critical mobile paid search trends based on our latest paid search data. **We've plotted the transformation in search device click share over the past 9 quarters.**
- The second section will present some high-level recommendations to guide you in reexamining your mobile strategy in light of the new mobile reality.



MOBILE PAID SEARCH DATA & INSIGHTS

Since iPhone and Android users tend to stick with Google search, the mobile revolution hasn't come upon Yahoo! & Bing yet.

Yahoo/Bing Network (YBN) desktop click share is at 76%, with mobile and tablet both at 12%. We've kept our analysis on the following pages to Google since YBN device click data hasn't changed much over the past 2 years and as a whole represents less than 25% of all search traffic.



**Continue reading for
Google Charts and Analysis.**

- Google Text & Shopping Ads by Device
- Google Shopping Click Volume by Device

GOOGLE TEXT & SHOPPING ADS BY DEVICE

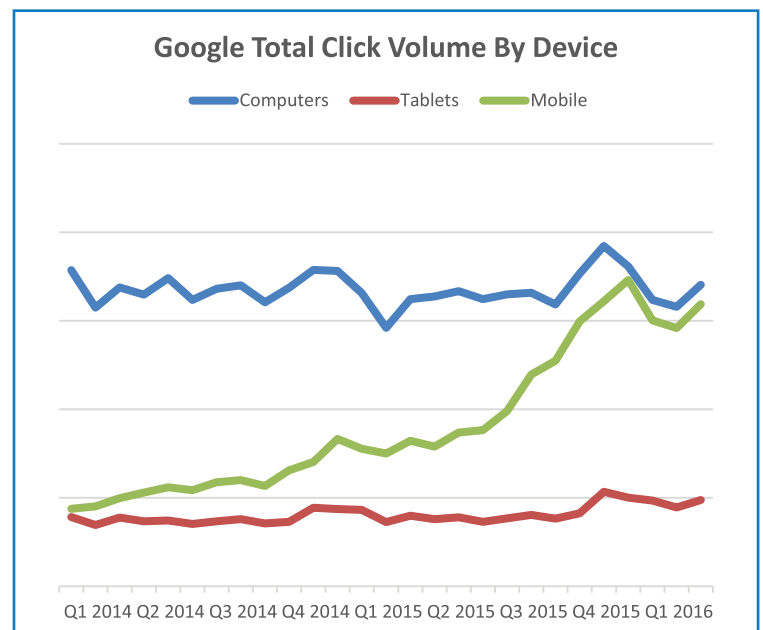
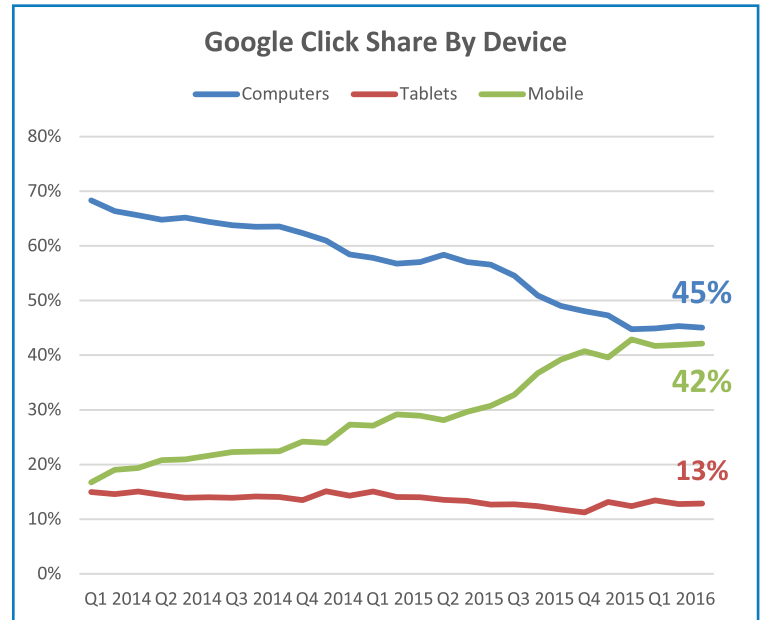
Mobile is nearly at parity with desktop computers.

Two years ago, 70% of the click share was coming from desktops. Now desktop click share has fallen to 45%, with mobile clicks just shy of this mark, rising to 42%.

It gets worse for retailers relying on a primary desktop browser experience. When you consider that a touch-focused tablet experience is often closer to a mobile than desktop, the dominance of desktop is already a thing of the past. **Mobile + tablet click share is now 55%.**

Not shown in the charts, but desktop text ad CTR has fallen by nearly 25% Y/Y according to our Q1 2016 data. An increase in search impressions over the same period has almost exactly compensated for the lower CTR, keeping desktop click volume steady.

Google may be artificially supporting desktop clicks for the time being through their ongoing aggressive optimizations of the desktop search experience. **We expect to see a gradual decline of desktop clicks over the next few quarters.**

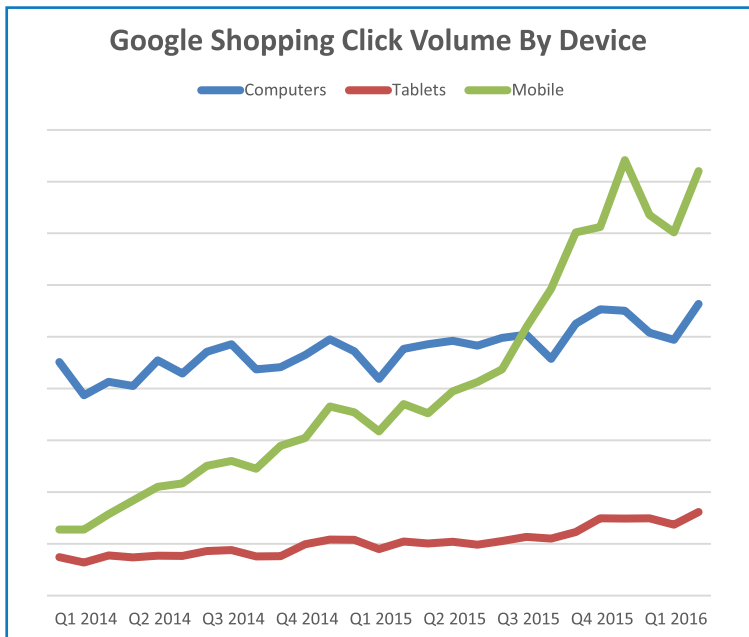
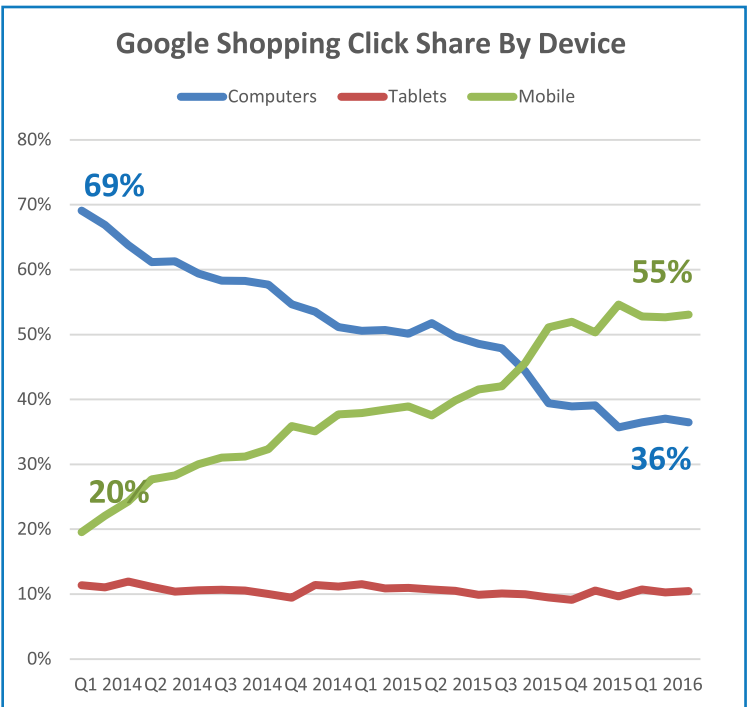


GOOGLE SHOPPING CLICK VOLUME BY DEVICE

Google Shopping represents 51% of all Google search ad clicks. As seen in the first chart, among these Google Shopping clicks, we're currently seeing 55% coming from mobile. In looking at the raw volume of clicks, Google shopping clicks have been steadily increasing across all devices.

The second chart shows a mobile shopping click volume explosion, especially at the tail end of last year.

Shopping ads now dominate Google Search on mobile devices as a result of much larger ad units. This is pushing text ads and organic results nearly below the fold.



RECOMMENDATIONS FOR MOBILE-FIRST ECOMMERCE GROWTH

Let's face it: *mobile conversion rates tend to suck compared to desktop.*

Yet when you consider that **70% of all of Amazon's holiday sales were from mobile**, it is clear that near-perfect mobile optimization has the power to dramatically boost conversion rate. So, stop feeding yourself the line about mobile traffic being impossible to convert. You may not be able to replicate Amazon's mobile experience, but there is oh-so-much potential for growth when your mobile strategy lines up with current and future reality.

This 2-part section examines the following:

MOBILE-FIRST SALES FUNNELS

It probably hasn't been more than three years since you went all-in on your current mobile strategy, yet retailer success is defined by the ability to appropriately adapt to changing trends. I'm sure you've noticed, the mobile trend has been changing quickly.

The currently accepted strategies were formulated in the previous reality of 10%-20% mobile traffic. **Now with 50% - 60% coming from mobile, both your website and campaign structure demand reexamination.**

MOBILE-FIRST SALES CHANNELS

Yes, mobile has reached the tipping point in paid search. Yet for two other major channels the scales have long since tipped in mobile's favor. Suggested approaches to Facebook and Amazon are discussed as part of a mobile-first strategy.

MOBILE-FIRST SALES FUNNELS

WEBSITE STRUCTURE

Things would be different if, on the day the iPhone was released, mobile traffic immediately made up 50%+ of your website's traffic, bringing with it the promise of catapulting your ecommerce success to new heights. The revenue potential wrapped up in the sheer size of this distinct, albeit distracted, audience would likely have produced a from-the-ground-up mobile website strategy. **Instead, the last five years have seen the slow, gradual climb of mobile**, and a "mobile too" website strategy.



Yes, **responsive design is beautiful and efficient**. A purely responsive design certainly does a wonderful job altering the look of a site by hiding, displaying, and resizing objects. **Sadly though, this structure is unable to alter the entire mobile experience from page flow to checkout**. It would be one thing if the audiences were functionally equivalent except for the size of the device. Yet the reality is that differing impulses, concerns, and even product affinities are present between the man on toilet and the man sitting in front of his desktop computer.



MOBILE-FIRST SALES FUNNELS

WEBSITE STRUCTURE

Perhaps you can't think of any major gains to be had in your current mobile website experience, responsive or not. This could very well be true. Just make sure you're being honest with yourself in this estimation. "I wouldn't change it" and "It's not important enough to change" can easily become masks covering up the true reality of "I can't change it."

This isn't a riff against responsive design as much as a riff against making mobile subservient to desktop. Looking at their mobile-heavy sales volume, one of our clients decided to go responsive with their website, but in the opposite direction. They designed a mobile-first website, with the entire structure and flow optimized for mobile users. The responsive elements then expand out the mobile-first design for a user-friendly desktop experience. Given that **we are fast approaching a world with mobile as the primary traffic source for virtually all retailers**, such a mobile-first strategy is becoming just as reasonable as desktop-first responsive websites appeared to be three years ago.



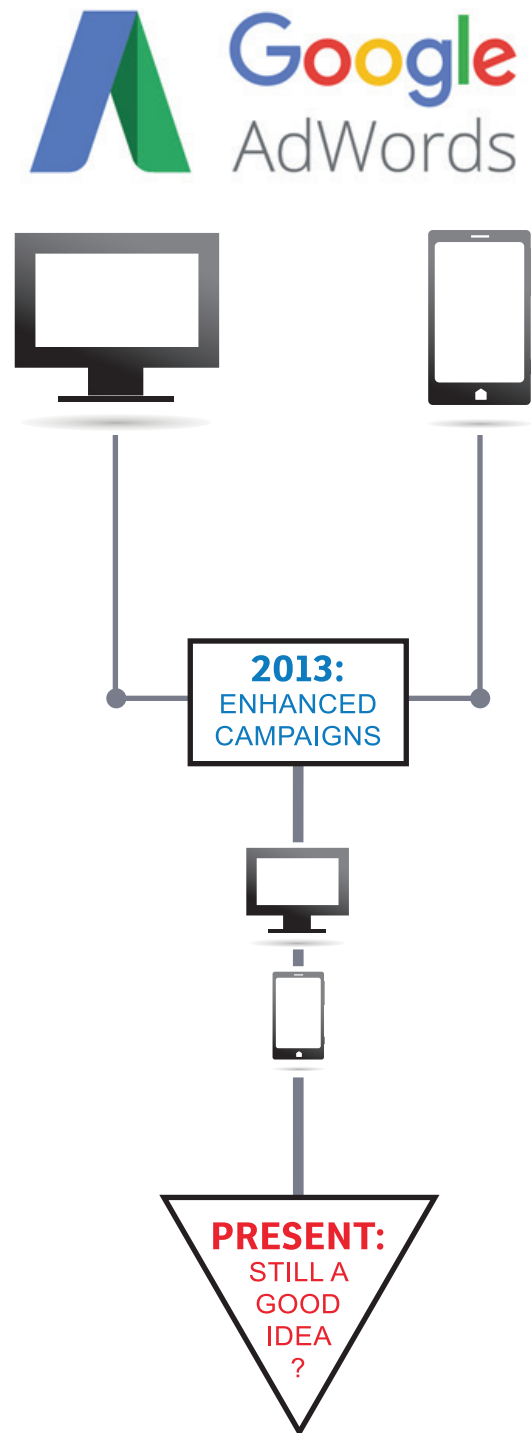
MOBILE-FIRST SALES FUNNELS

PAID SEARCH CAMPAIGN STRUCTURE

Up until a few years back – assuming you weren't crazy enough to want exactly the same mobile and desktop bids and ads – **advertisers were required to create separate AdWords campaigns to target mobile devices.** Due to the poor performance and low traffic of mobile, however, **too many advertisers simply ignored mobile targeting altogether.**

In an attempt to push advertisers to follow the rising trend of mobile search, Google converted all legacy campaigns to "Enhanced Campaigns." Under this structure, which persists to the present, **campaigns must now target all devices.** To account for differences in performance, additional levers provide mobile-specific bid adjustment and ads.

This AdWords campaign structure has served both Google and advertisers well. While this **default mobile targeting** has indeed been a net gain as mobile has taken off over the past few years, **reexamination may be warranted** here as well. This model was also conceived during a time when mobile traffic represented only a sliver of desktop. The very same argument made about mobile-specific websites can also be made for mobile-specific campaigns. Counteracting the normal functionality of standard campaigns simply requires a small hack.



MOBILE-FIRST SALES FUNNELS

PAID SEARCH CAMPAIGN STRUCTURE

The hack is straightforward and unimpressive: A desktop campaign would have your true desktop bid within ad groups, with a -100% mobile bid modifier for the campaign. The mobile campaign, on the other hand, would have dummy “desktop” bids in the ad groups. These bids would be smaller than the ones in the true desktop campaign so as to not attract desktop traffic, but large enough to allow meaningful percentage-based mobile bid modifiers.

Mobile-specific campaigns not only allow distinct control over product & keyword groupings, there’s also a psychological benefit to seeing top-level mobile campaign data at first glance. A mobile-subservient mindset is only reinforced when mobile stats are relegated to a line-item in desktop-first campaigns. **In-your-face mobile awareness encourages individualized optimization.**

At the risk of making the case for separate campaigns too strongly, keep in mind that as an agency, we haven’t been pushing all accounts to separate mobile and desktop campaigns. At this point, we’ve only begun to implement such a strategy in specific high-value campaigns where we’ve noticed enough of a difference in device performance that we deem the benefits of full control over campaign optimization to surpass the extra overhead involved in managing additional campaigns.

Decrease by ▾ 100 %

Example: A \$10.00 bid will become \$0.00.

Save Cancel

Stay attentive.

Our exception here proves the rule.

Ecommerce merchants must continue to look at the mobile data afresh to ensure they are giving mobile traffic the highest opportunity for success.

MOBILE-FIRST SALES CHANNELS

AMAZON MARKETPLACE

70% of all of Amazon's holiday SALES were from mobile. Amazon has done the hard work to make it simple and fast for consumers to get what they want – and they are at least a couple years ahead of others in their mobile success.

Of course, in many ways retailers are justified in seeing Amazon as competitor. But since **44% of all online product searches START on Amazon.com**, with a vast amount of this traffic from mobile, you are sabotaging your business by not considering a workable Amazon Marketplace strategy.

Amazon makes it brain-dead easy for customers, but not so much for their merchants. The problem is, **selling on Amazon can be rather complicated...** fluctuating prices, scheming competitors, an ever-changing list of required product data requirements, new beta programs. Plus their ever-changing emphasis on the Amazon Sponsored Products platform brings search advertising elements into to the mix.

Additional Resource:



Join us for our Amazon Marketplace web clinic to hear straight from our Senior Marketplace Manager.

Request the registration/replay link at marketplaces@roirevolution.com

ABOUT US

ROBUST TECHNOLOGY. RESPONSIVE EXPERTS.

We are ecommerce marketing experts who manage over \$200 Million in ad spend yearly for our 270+ clients, operating out of 7 different countries.

Our unique approach puts our proprietary software suite in the hands of dedicated account teams whose singular focus is delivering remarkable results for our clients.

Dedicated to Achieving Client Success through:

- Industry-leading paid search management or Google, Bing, and Yahoo.
- Reaching and expanding your audience through Facebook Ads management.
- Driving additional customers and sales through Amazon Marketplace management.
- Giving clients a competitive advantage with our ecommerce-empowered proprietary software suite.
- Offering expert resources and Special Reports such as this one!



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