



MOBILE RETARGETING BEST PRACTICES

January 2014

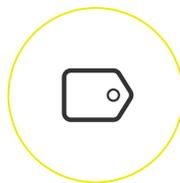


Introduction

On October 1st, 2013, it became official: Mobile leaped above desktop as the king of online retail. Consumers now spend more time interacting with online retailers on smartphones and tablets (55%) than they do on desktops and laptops (45%), according to comScore.

We are noticing this trend first hand as more and more of our customers are experiencing massive growth in the percentage of sales coming from mobile – between 15% and 20% (eMarketer predicts 19% of online retail sales in 2014 will come from mobile channel, almost double the rate in 2012). They are therefore eager to extend their personalized retargeting campaigns to mobile.

The principle of mobile retargeting is the same as on desktop – reconnecting with users outside your website through personalized, relevant advertising. It includes the same building blocks as desktop:



Tagging & identification



Data-driven real time bidding (media buying)



Dynamic creative optimization

However, some of the mechanisms used to build these blocks – specifically tagging, identification, inventory and creative – are different on mobile. Not to mention the fact that the mobile consumer is a different creature than the desktop consumer.

Here's our take on what it takes to win the mobile retargeting front:

1 Maximizing mobile reach

The key to scaling personalized ad campaigns on mobile lies in the ability to serve banners across all operating systems and environments, whether iOS and Android, in-app and mobile web. Why are all these important? Recent data from comScore has Android leading iOS in US market share (52% vs. 39%). However, IBM found that Apple continues to dominate in shopping as iOS generated more than five times higher spend than Android and nearly twice the AOV.

When it comes to in-app vs. mobile web, the former dominates time spent (as much as 4X, according to Flurry). However, for online retailers the mobile web is equally important as it is where users are directed to from search, it does not require user download, and it is the preferred touchpoint of tablet users (56% of time spent vs. apps, according to comScore).

*On Average
17%
of our customers'
online sales are
coming from the
mobile channel*

Bottom line:

Partner with a vendor that can scale mobile ads across iOS and Android, in-app and mobile web inventory.

2 Overcoming the cookie challenge

Running personalized retargeting campaigns across all mobile environments requires clearing the cookie hurdle. While the cookie is at the heart of desktop retargeting, it does not work in apps and it is disabled by default on Apple's Safari browser. Targeting on these environments requires a cookie-less identifier that buyers and sellers can match.

Smartphones and tablets are equally important: the former drives 53% of mobile sales while the latter 47%

Cookie-based identification

Desktop
Android web



Cookie-less identification

iOS
In-app



A common way to target specific users on mobile without a cookie is via a probabilistic device recognition technique – a method that identifies a device according to its attributes. Because it is based on statistical probability, the recognition rate to aim for is at least 85%.

Bottom line:

Focus on providers that have integrated with a device recognition solution.

3 Tagging on mobile

While the tagging mechanism of a mobile web site is the same as desktop (cookie-based), it is very much different on apps. In such a case the retargeting vendor has to integrate with your app's Software Development Kit (SDK). Since app integration is more complex, it is recommended to start tagging your mobile optimized site and tag your app only if it plays a vital role in your mobile strategy.

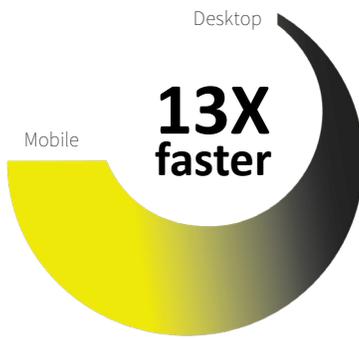
Bottom line:

Decide which mobile environments you want tagged.

4 Understanding the mobile consumer

The mobile environment generates significantly different shopping patterns than desktop. This is also true when referring to interaction with smartphones vs. tablets. A recent study we conducted on our mobile retargeting campaigns (Mobile Performance Review, Dec. 2013) can be summed up as follows:

Time from last visit to conversion



1. Significant revenue generator: Mobile retargeting drove an additional 18% of retargeting-generated sales, a 46% higher click through rate and a 37% lower eCPC.

2. Fast movers: The mobile consumer acts fast during the decision-making phase. The time from the last visit to conversion was 13 times faster on mobile than desktop.

3. Leisure mode: Whereas digital consumers on mobile and desktop are more active in the evening (6-11 p.m.) compared to daytime hours (9 a.m.-5 p.m.), the trend is much stronger in mobile than desktop. For example, the increase rate in the number of conversions in the evening on mobile was over double that of desktop (+33% vs. +14%), while on tablet the rate jumped nearly six-fold. The difference in visits was even higher (+31% vs. +10%).

Similarly, when comparing weekdays and weekends, we found that although consumers were less active over the weekend on desktop and mobile, the data showed that the decrease rate on weekends was 4-5 times higher on desktop compared to mobile (conversions -7% vs. -26% and visits -6% vs. -30%).

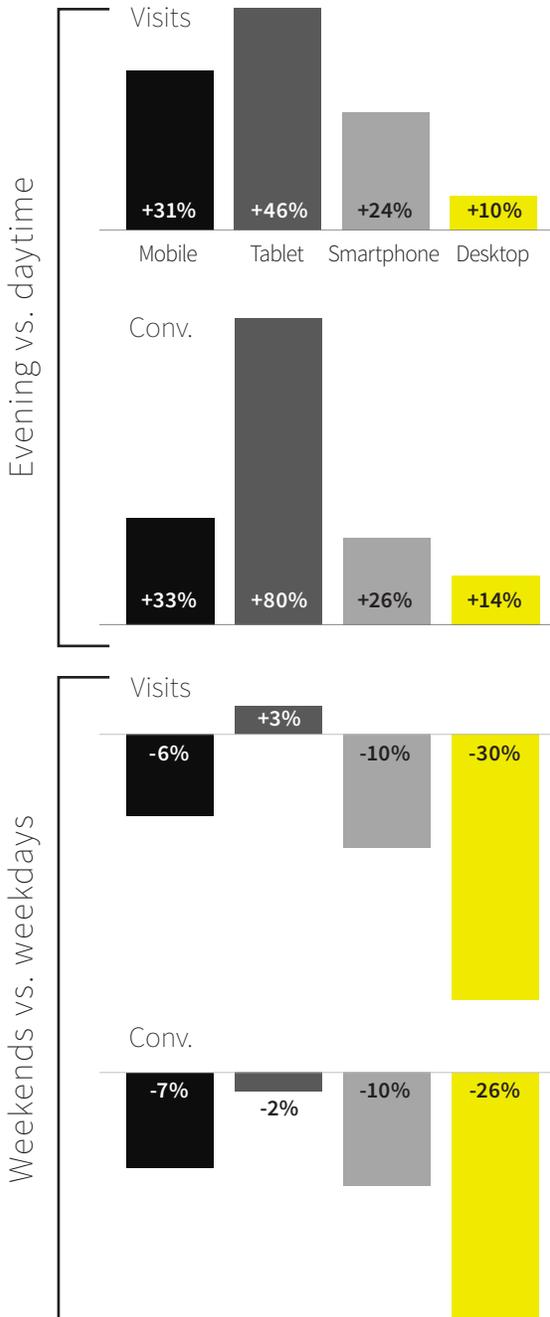
4. Tablets and smartphones both play key role in campaign:

Breakdown of mobile conversions had smartphones slightly ahead with 55% vs. 45%; in post click conversions, the ratio was 53% vs. 47%. Ultimately, smartphones drive sales because of greater reach (9x more devices according to June 2013 data from Gartner) while enhanced usability and greater ease to finalize transactions is the main reason behind the tablet's success.

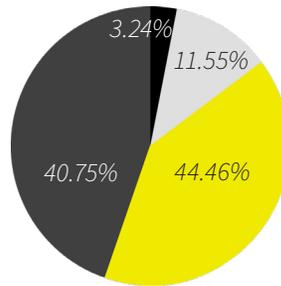
5. Funnel analysis: Tablet and desktop consumers generate very similar patterns related to how deep they browse through the site's funnel. The smartphone, however, is significantly different with the majority of users (55% vs. ~40% on desktop and tablet) reaching as far as the product page. There could be two reasons for this:

- A) The effect of showrooming as consumers search for specific products they see in a brick & mortar store to compare prices - in such a case the product page is often both the entry point and the exit point.
- B) The small size of product images on smartphone category page may drive consumers to continue to the product page.

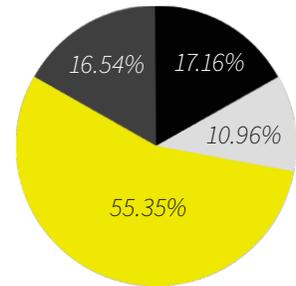
In addition, 18% of smartphone consumers did not go beyond the home page (compared to ~3% on desktop and tablet) - either because they reached the site by mistake or because they were deterred by the greater usability challenges a smaller screen presents.



Desktop & Tablet (avg.)



Smartphone



- Home
- Category
- Product
- Add to Cart

Bottom line:

Gone are the days of the digital consumer. Now there is the desktop consumer, the tablet consumer and the smartphone consumer, each requiring their own unique perspective.

HTML5 offers great flexibility and results in creative design

5 Optimizing mobile real time bidding in line with mobile usage patterns

On top of standard user data available in bidding decisions, the mobile exchange also passes multiple data parameters that can be leveraged to further optimize decision-making in real time. These include mobile OS, time of day, day of week, carrier, device maker, connection type, device, geo, content category per OS, geo and others.

For example, as described above, the mobile consumer is most active during his leisure time. His path to conversion is also faster and more efficient. As a result, a mobile-optimized bidding model should be much more aggressive in leisure hours, while the duration of targeting shorter.

Bottom line:

Ensure the bidder you are using is adapted to mobile and is able to apply business-related learnings in real time buying.

6 Making the most out of HTML5 to generate flash-like level of creative

In a flash-less mobile environment, HTML5 offers great flexibility and results in creative design– including animation, interactivity, video and advanced features that include masking, cropping and zoom-in (naturally, it is best used in tablets because of the smartphone banner size limitation).

Bottom line:

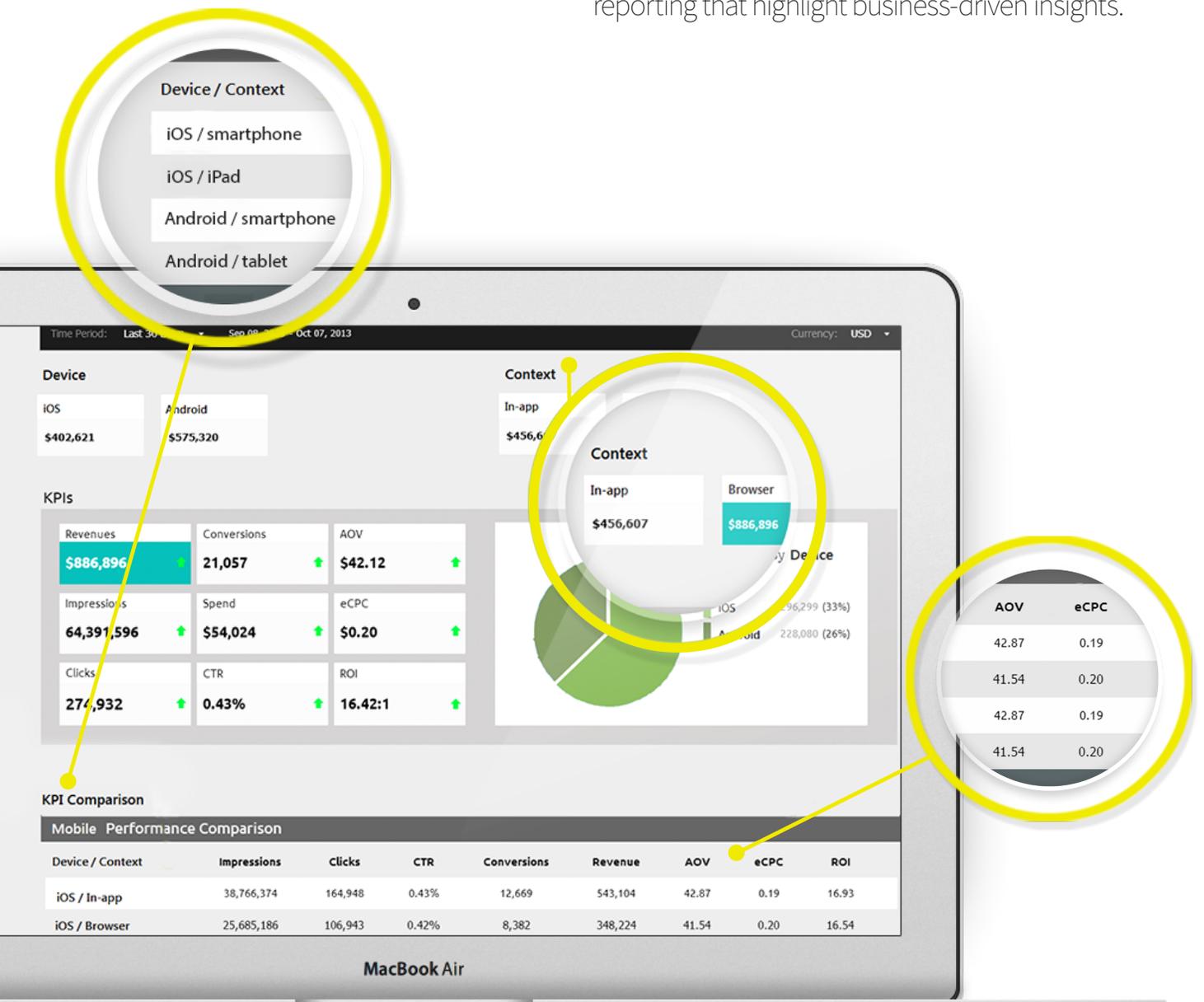
HTML5 dynamic creative expertise is scarce. Ensure your vendor has the necessary skills.

Demand mobile transparency

As much as the mobile opportunity is huge, so too is the gap in how little marketers and the industry at large actually know about it. With mobile retargeting in its early days, insights into mobile performance, reach and most importantly consumer behavior across iOS and Android, mobile web and apps, tablets and smartphones are a goldmine that's waiting to be discovered (we have touched upon some of these insights above but it's only the tip of the iceberg). You are the owner of your campaign's data so it's your goldmine.

Bottom line:

Do not settle for the prevalent black box approach. Look for a provider that will be able to share detailed analytics and reporting that highlight business-driven insights.



At myThings, we have set out to become the #1 mobile retargeting company worldwide

We were early movers in the mobile retargeting space

Developing our next gen platform since 2012 to support multiple identifiers, whether cookie-based or cookie-less.

“myThings is by far the most advanced in mobile retargeting we’ve seen”

 Oct 2013
The smarter buying platform

What sets us apart:



Serving ads on iOS & Android



Unified across mobile web and in-app within same device



100% bespoke HTML5 dynamic creative



Mobile-dedicated reporting



One-stop-retargeting-shop: mobile, desktop & social (FBX)



CONTACT US TO GET STARTED

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