



# MOBILE

## PATH TO PURCHASE

2014

TRANSFORMING THE PURCHASE PROCESS

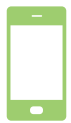
# Study methodology

xAd and long-time partner Telmetrics, have collaborated with Nielsen for a second year of our first-to-market mobile shopping study in the UK. The Mobile Path to Purchase research tracks consumers from initial purchase intent to conversion, while exploring ad effectiveness among mobile consumers.

**This study contains online survey data from over 2,000 UK Tablet and Smartphone users. Respondents reported that they had used their device to make a purchase decision in at least one of three key industries in the past 30 days.**

## Respondent Totals

Smartphone



n=1,901

Tablet



n=1,320

Insurance



n=730

Telecom



n=671

Retail



n=1,548

# Overview

With more and more consumers owning and relying on mobile devices as a source of convenience and a compliment to their daily lives, mobile is rapidly changing consumer purchase behavior. As mobile becomes an essential decision-driving tool, we see consumers turning to their mobile devices for research, even when a PC is nearby. Furthermore, mobile is often the only tool used to make a purchase decision – as in the case of retail.

In our research we see shoppers becoming increasingly comfortable with mobile as a purchase tool. In fact, on-device purchasing is often the first or second most popular method for conversions. But mobile's full impact on the path to purchase isn't limited to on-device activity. With mobile consumers looking to make decisions quickly and locally, mobile is having a clear offline influence as well.

While the length and intent behind the path to purchase varies by vertical (with telecom and insurance generally being more considered purchases than retail) across all categories a substantial amount of mobile activity is happening at the start of the purchase process when consumers are just beginning to evaluate options. This leaves plenty of room for advertisers to reach and influence consumer decisions or drive them into physical locations.

Understanding how consumers engage with mobile to make a purchase decision is now more important than ever for marketers. As consumers grow more comfortable with their devices and mobile becomes a fully integrated part of their lives, advertisers need to consider this medium a necessary part of their plans to reach them.

# Key findings



## **Mobile is becoming a key part of consumers' purchase process**

Satisfaction with information on smartphones is on the rise and up to 46% of shoppers now say mobile is the most important media for their purchase.



## **Consumers are open to influence but urgency is key**

More than half of mobile activity happens when consumers are just beginning to consider business options but, 30% of consumers are looking to purchase within the hour.



## **Proximity matters – especially for Telecom and Retail**

Nearly half of mobile users are looking to make a purchase same day and 51% of consumers expect to find a business within 8 kilometers.



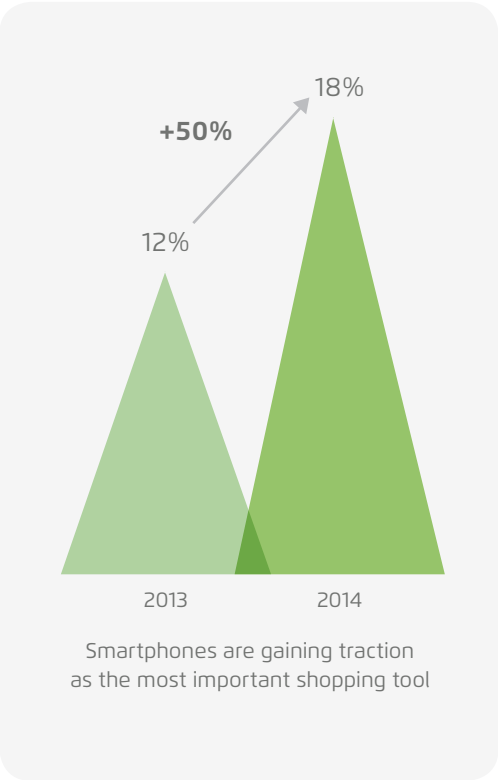
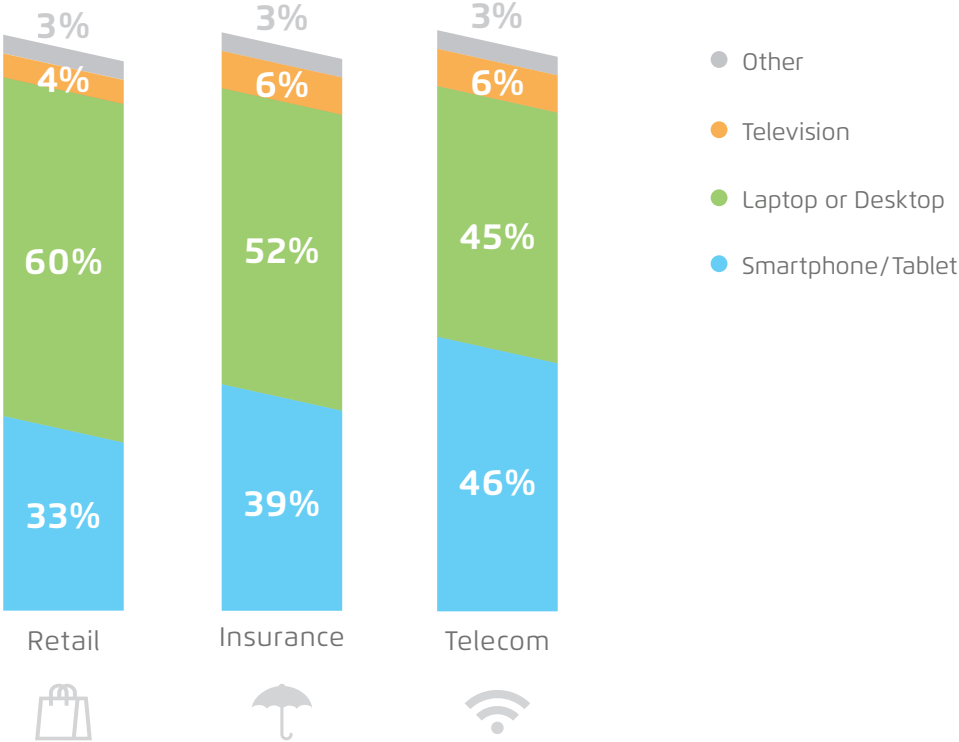
## **Conversion rates are high with purchase method varying by category**

3/4 of shoppers converted or plan to in the near future. Insurance purchases happen online, retail in-person, and telecom is split between online and offline methods.

# Mobile's Impact on Purchases.

Mobile is a key part of the purchase process – up to 46% consider it the most important resource.

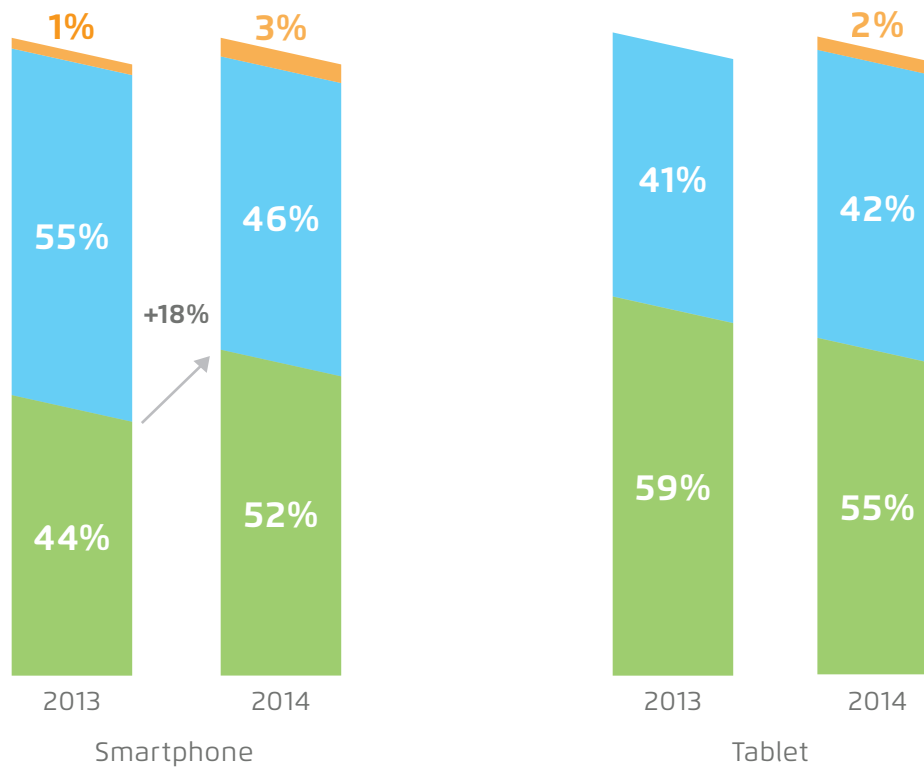
**Most Important Media Sources for Information**



CQ13: When thinking of all the media platforms and devices available to search for information about <<CATEGORY>>, which is most important? 2013 (n=1608), 2014 (n=2032)

As consumers become more comfortable with mobile, smartphone satisfaction has increased.

Satisfaction with Information Found on Device



Top Reasons for Dissatisfaction

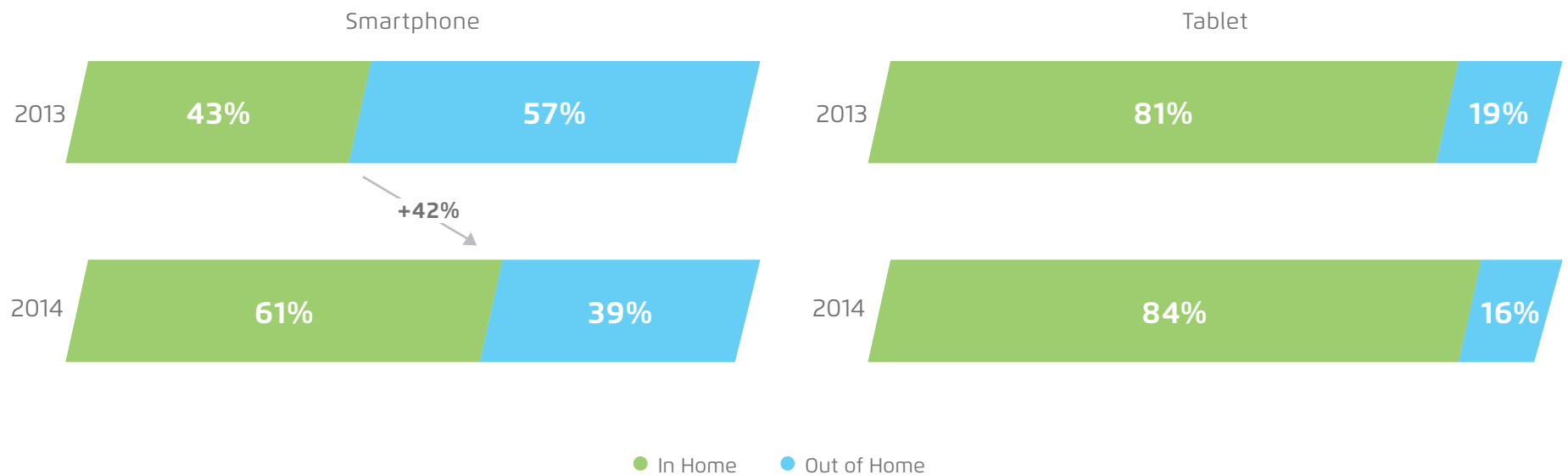
- Slow connection
- Small screen
- Not mobile-friendly

- Unsatisfied
- Neutral
- Satisfied

# Consumers are using mobile to shop and explore even when there is a computer nearby.

Smartphones are still used on-the-go but in-home usage has increased 42% year over year

## Location When Accessing Device



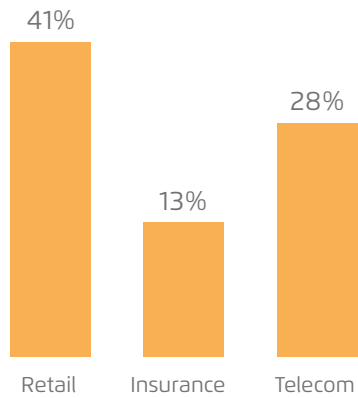


# Mobile is an important tool on-the-go as a complement to visiting physical locations.

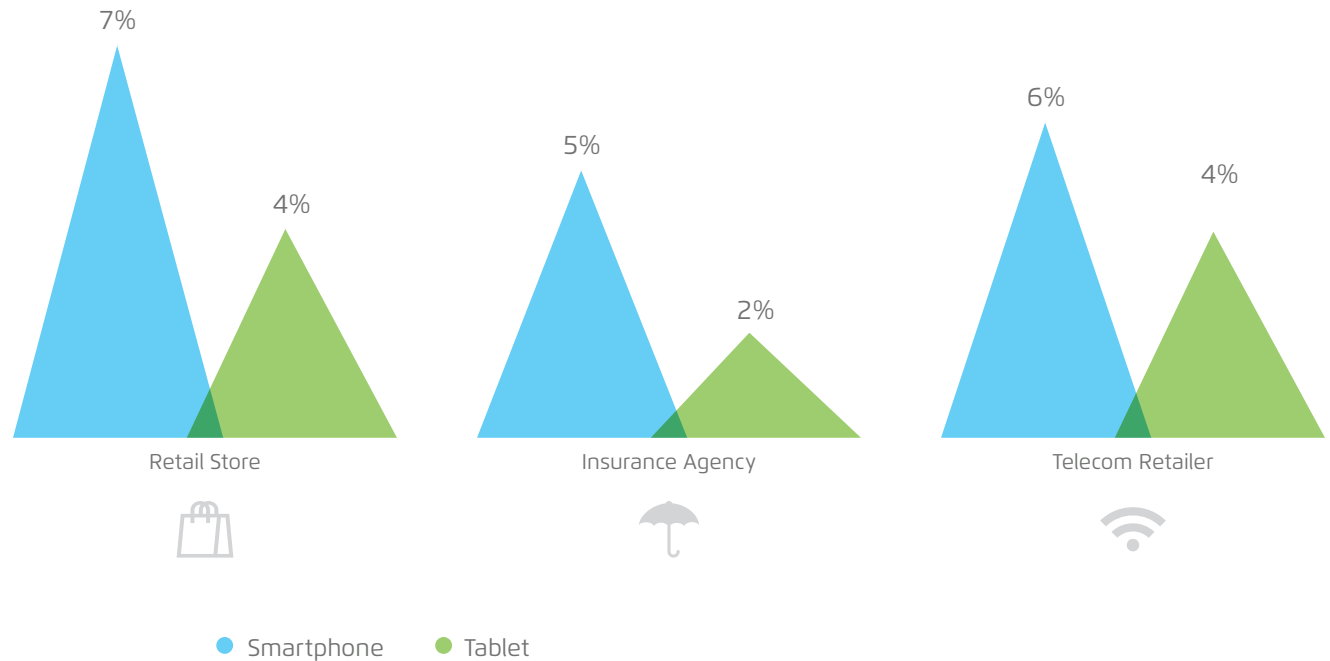
31% of consumers report visiting a store during their search

Showrooming Is Happening But Only 6% Of Retail Shoppers Were At A Store Last Time They Accessed Information

### Visited a Physical Location During Purchase Consideration

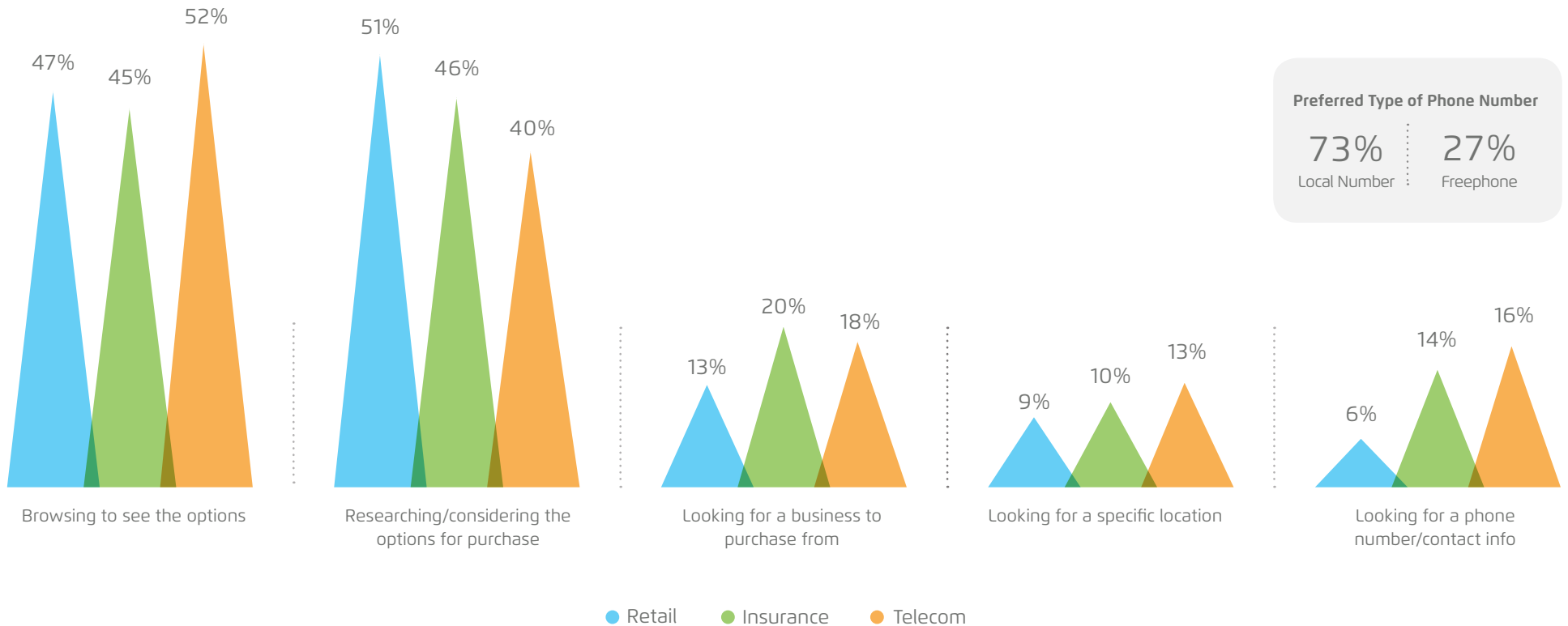


### Percent of Consumers at Location During Last Use



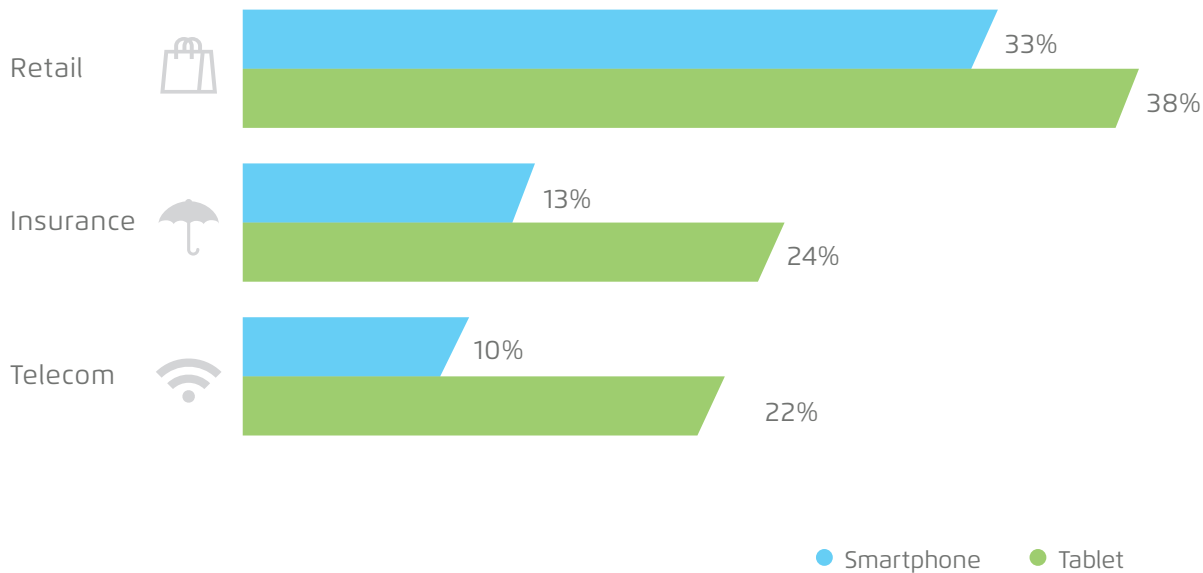
Mobile is used for both general research and specific business information.

### Consumer Intention When Using Mobile



# 1 In 4 smartphone and tablet owners use mobile exclusively in their purchase decisions.

**% of Consumers That Used Single Mobile Device in Purchase Decision**  
No other media outlets used



**26%**  
of Smartphone owners also used Tablets

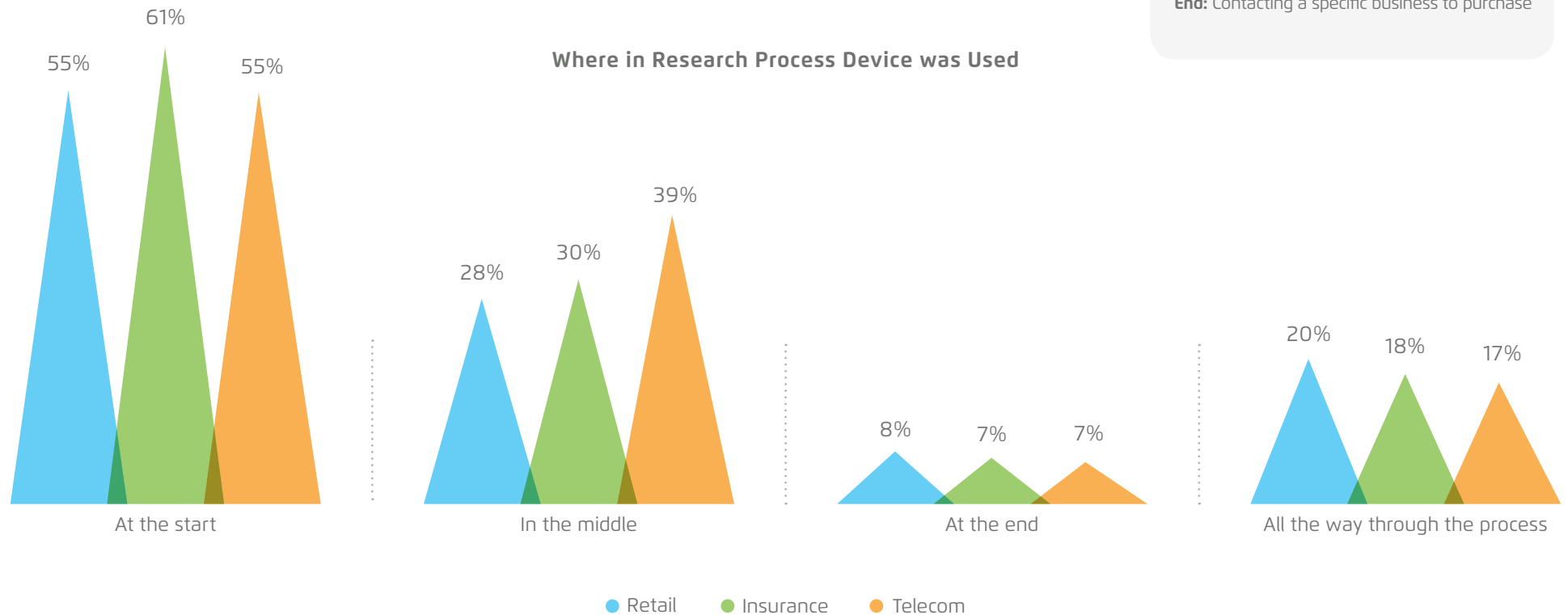
**21%**  
of Tablet owners also used Smartphones

# The Purchase Funnel.

# Most mobile activity happens at the beginning of the purchase process, 1 in 5 users utilizes device throughout.

Mobile users looking for Telecom information also turn to their devices to consider specific businesses.

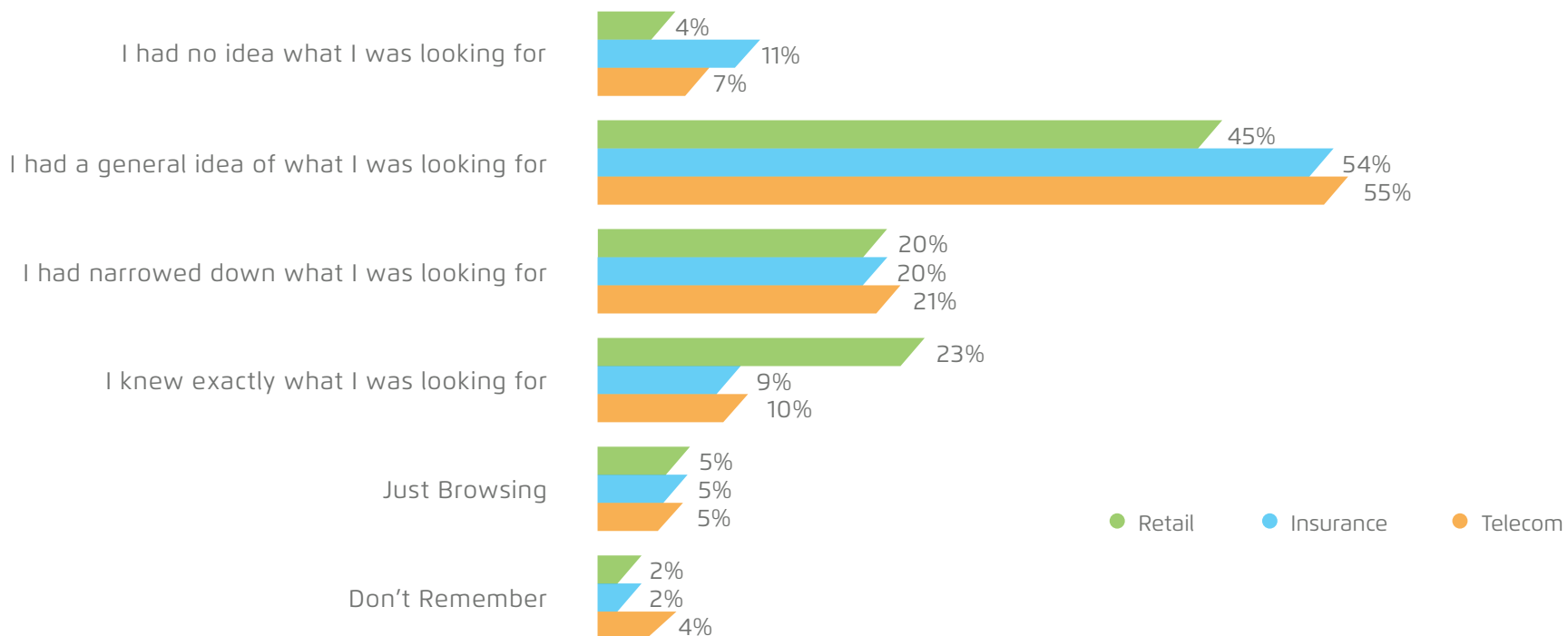
**Start:** Researching all the options  
**Middle:** Considering specific businesses  
**End:** Contacting a specific business to purchase



# Many consumers only have a general idea of what they're looking for when first accessing their device.

Insurance users are more likely to have no specific service in mind – leaving them the most open to influence.

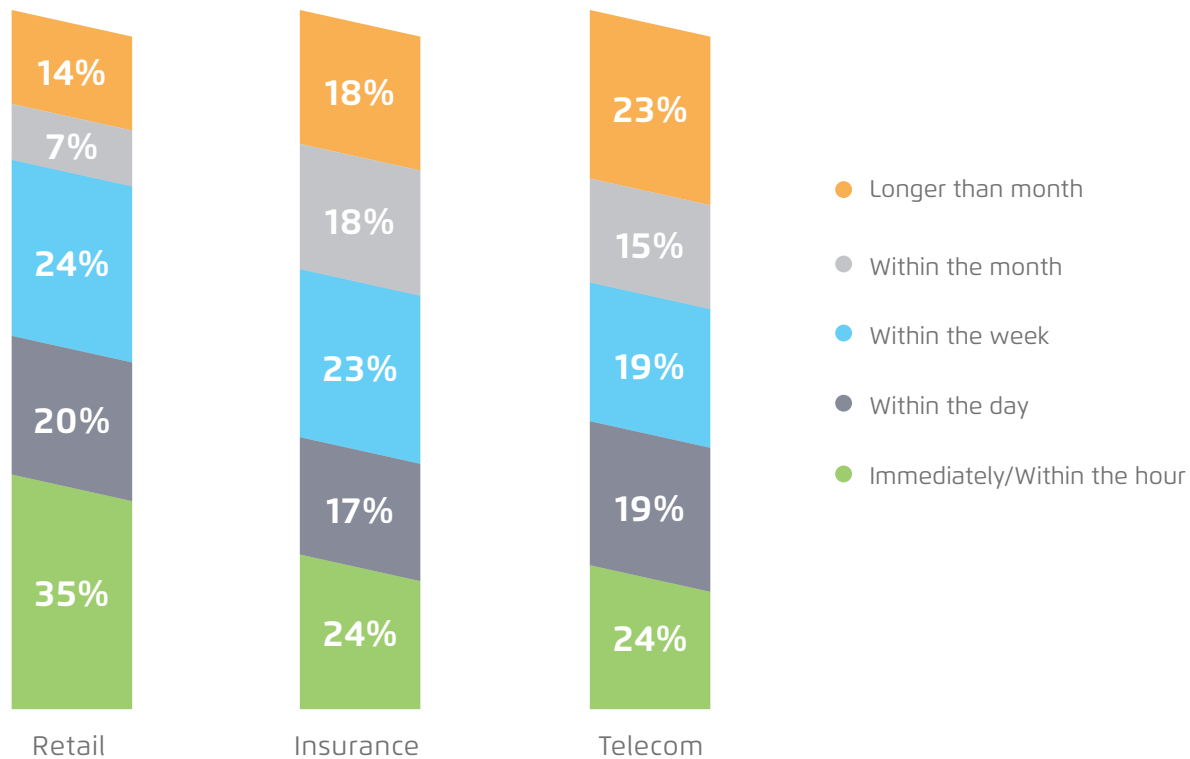
## Mindset at Beginning of Search



# Urgency is key, with many users wanting to complete a purchase within the day or week.

Retail shoppers have more immediate needs than insurance or telecom shoppers.

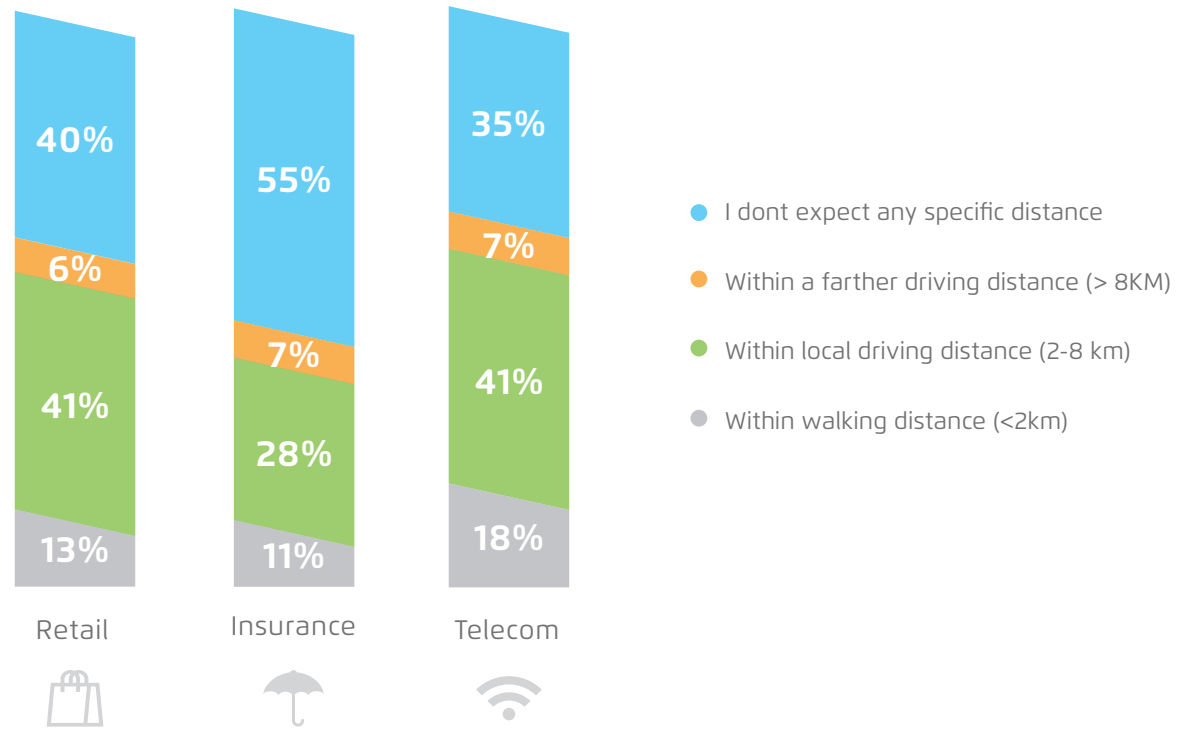
**How Quickly Looking to Complete Most Recent Purchase**



# Proximity matters – especially for Telecom and Retail shoppers.

Over half of consumers expect to find a location within 8 kilometers.

Expectations Regarding Location

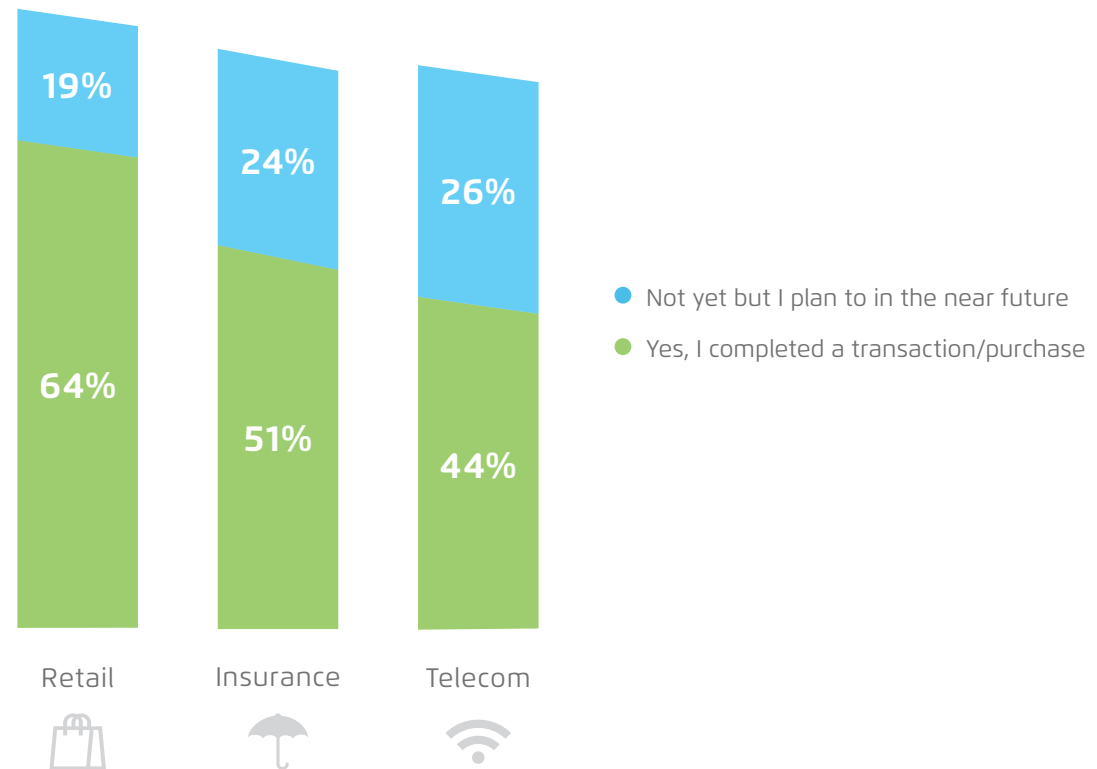




# Conversion rates are high.

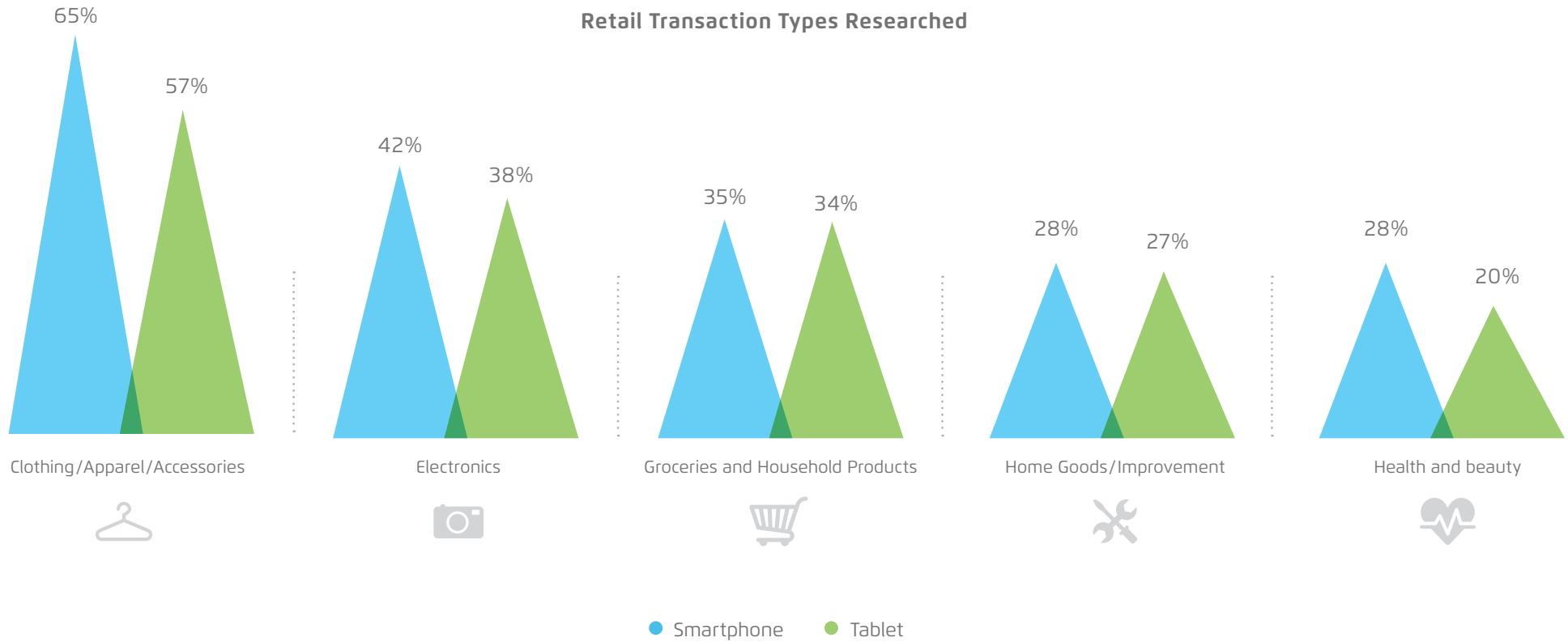
64% of Retail users report making a transaction; Insurance and Telecom require more consideration but most still plan to purchase.

## Completed Purchase Related to Research



Retail.

Clothing/accessories and electronics are the most commonly searched for retail products.



Retail customers utilize mobile to compare prices, find promotions, and look for locations.

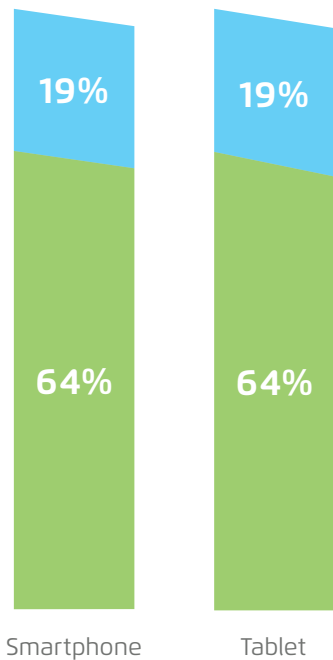
#### Retail Mobile Research Activities

	Smartphone	Tablet
Look up/compare pricing	76%	77%
Find coupons/deals	50%	43%
Look for locations	42%	34%
Look up directions/maps	37%	29%
Use reviews	27%	25%



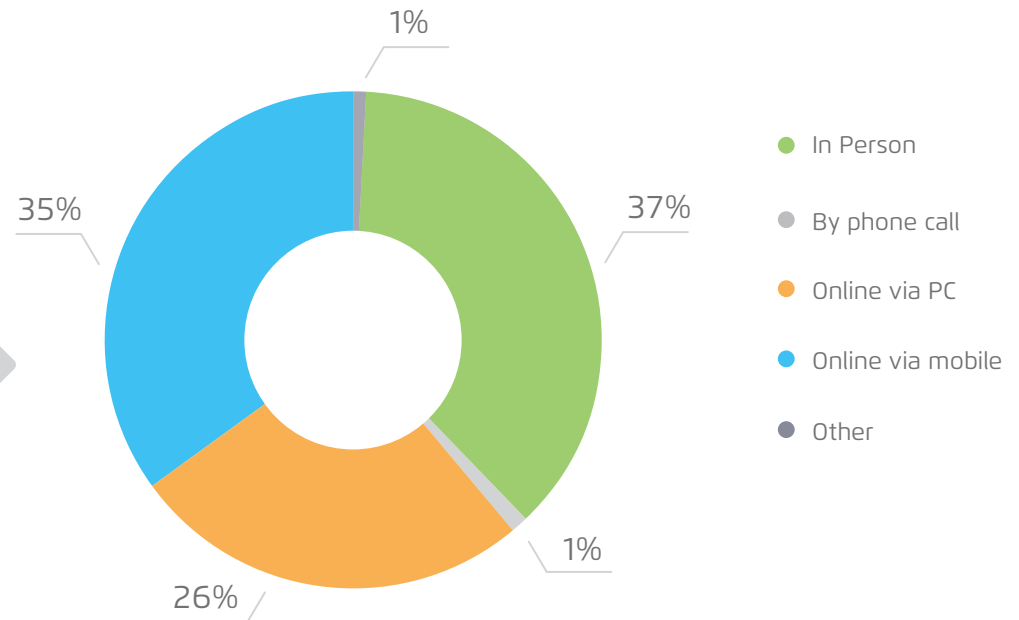
Retail has the highest conversion of any category, with most transactions happening in person or on mobile.

Completed Retail Purchase



- Not yet but I plan to in the near future
- Yes, I completed a transaction/purchase

How Purchase Was Made



- In Person
- By phone call
- Online via PC
- Online via mobile
- Other

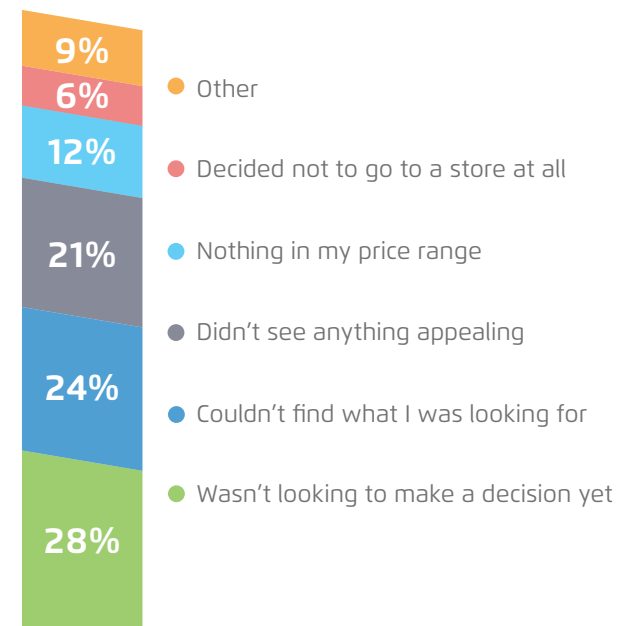
# Retail consumers purchase for price or brand.

Reasons for Making a Retail Transaction



Retail

Reasons for NOT Making a Retail Transaction

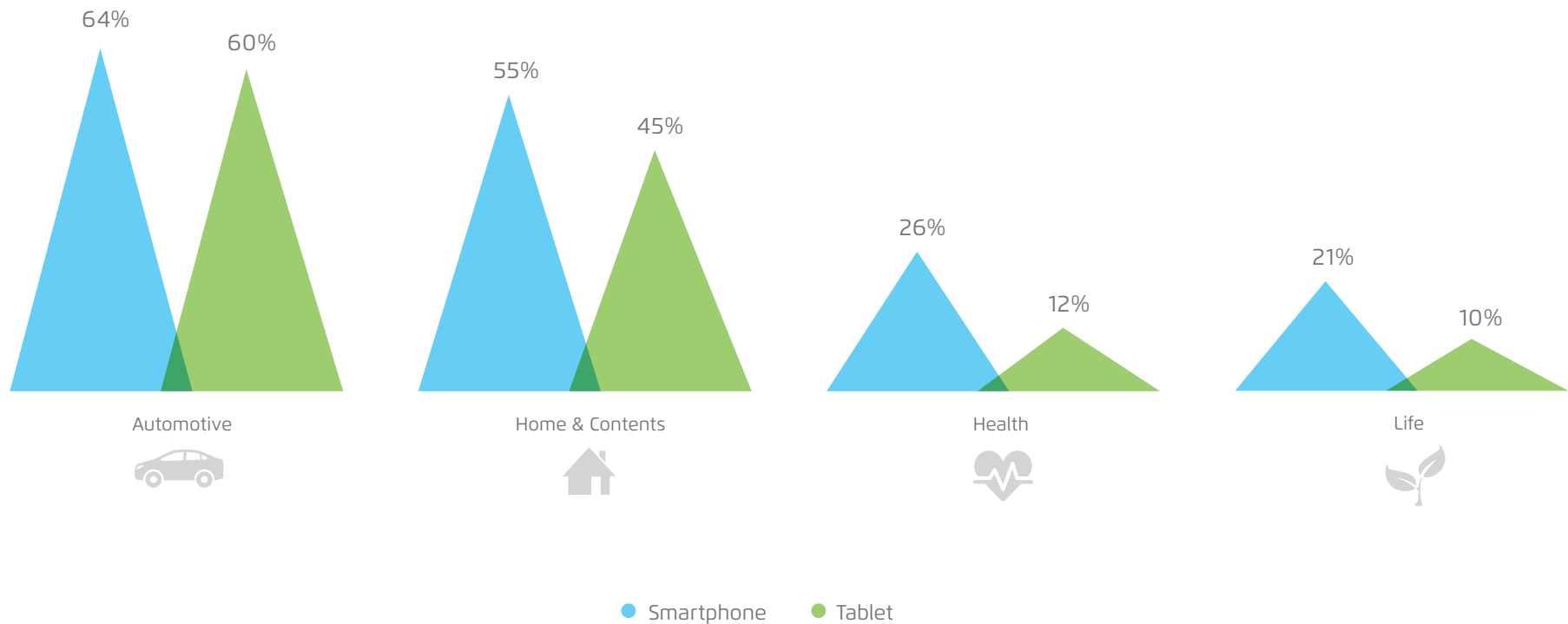


Retail

Insurance.

Automotive and home are the most commonly searched for types of insurance on mobile.

### Insurance Transaction Types Researched





Insurance consumers are on mobile predominantly to research pricing information.

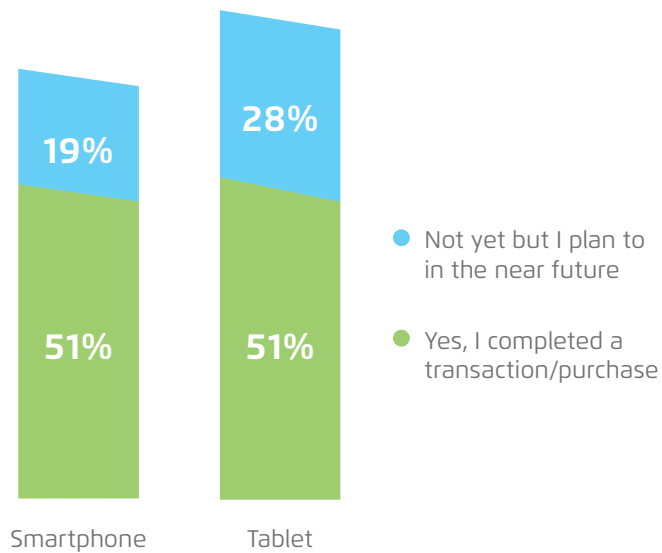
#### Insurance Mobile Research Activities

	Smartphone	Tablet
<b>Look up/compare pricing</b>	<b>71%</b>	<b>79%</b>
Find coupons/deals	38%	36%
Use reviews	29%	19%
Call for more information	28%	14%
Look for locations	24%	12%

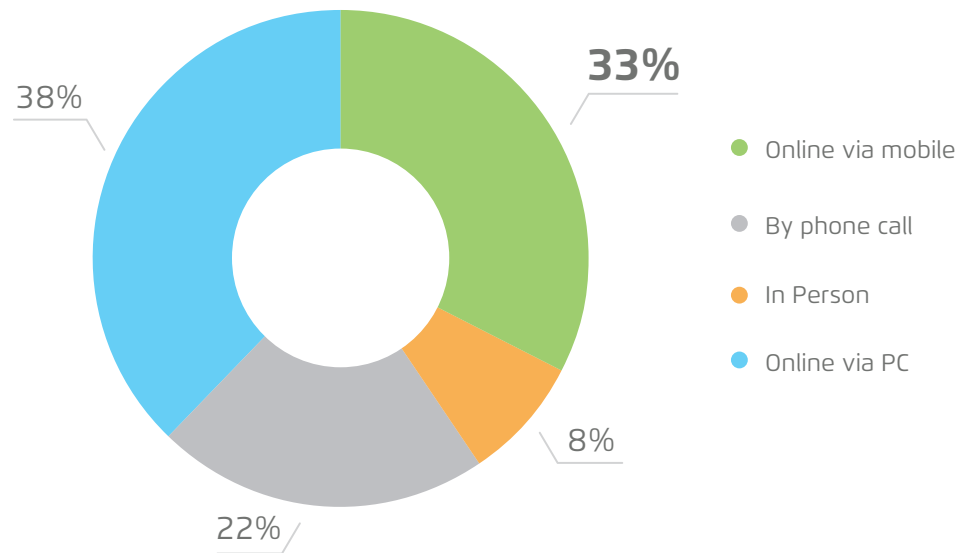


Over 50% of users made an insurance purchase – 1 in 3 completed the transaction on their mobile device.

Completed Retail Purchase



How Purchase Was Made

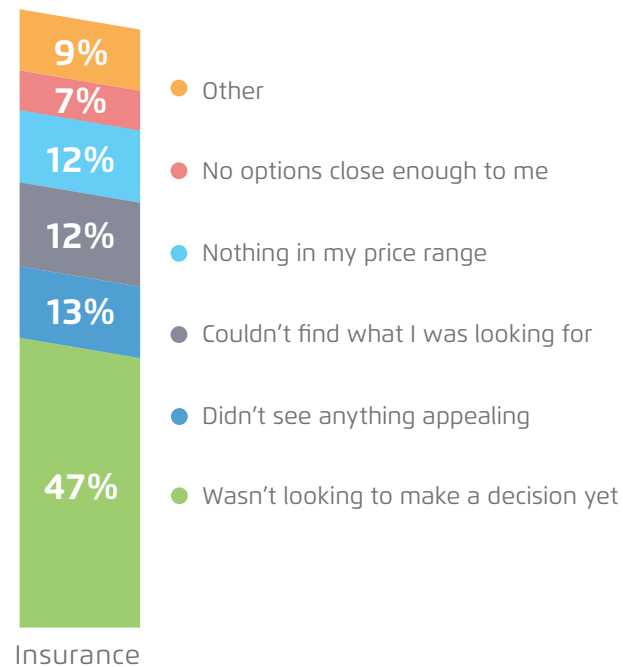


Insurance users purchase based on price, if they don't make a transaction it's because they're not ready.

Reasons for Making an Insurance Transaction



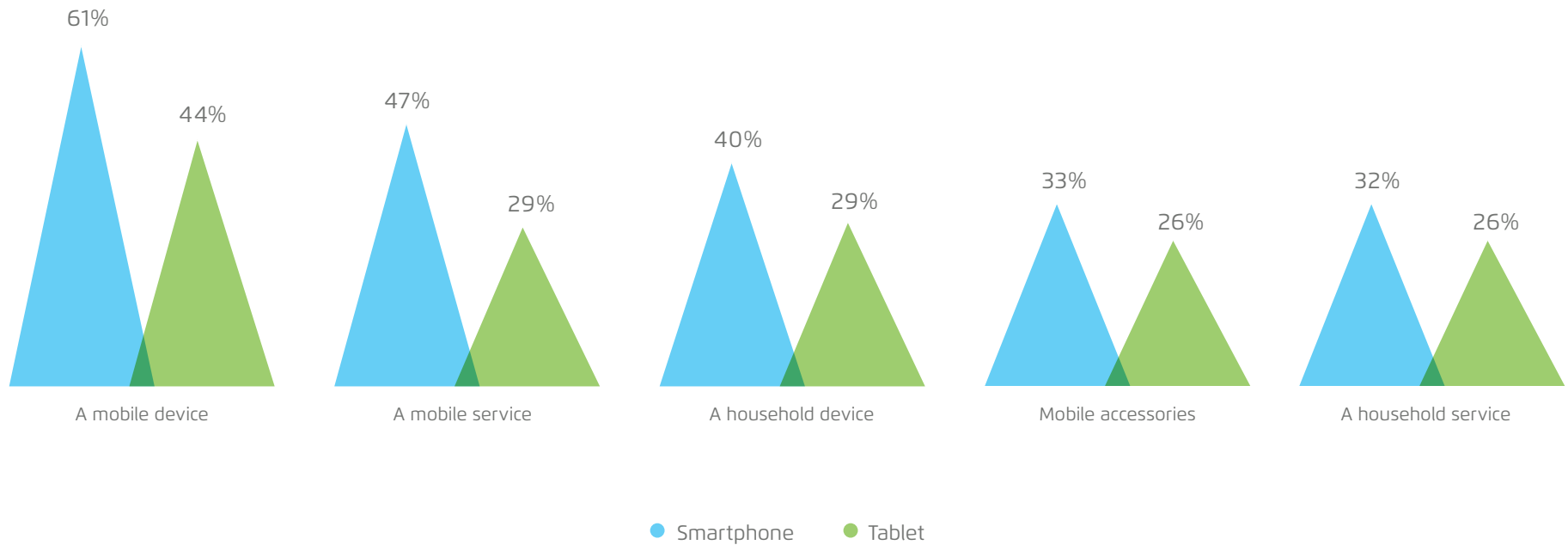
Reasons for NOT Making an Insurance Transaction



Telecom.

The most common research in Telecom on both smartphone and tablet is for a mobile device.

Telecom Transaction Types Researched



Telecom consumers use mobile to compare pricing; nearly half are looking for deals.

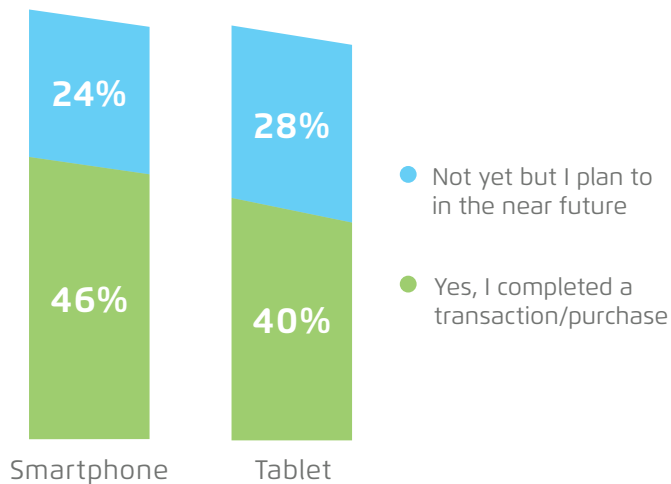
#### Telecom Mobile Research Activities

	Smartphone	Tablet
Look up/compare pricing	70%	67%
Find coupons/deals	48%	44%
Use reviews	36%	26%
Look for locations	36%	20%
Look up directions/maps	32%	18%

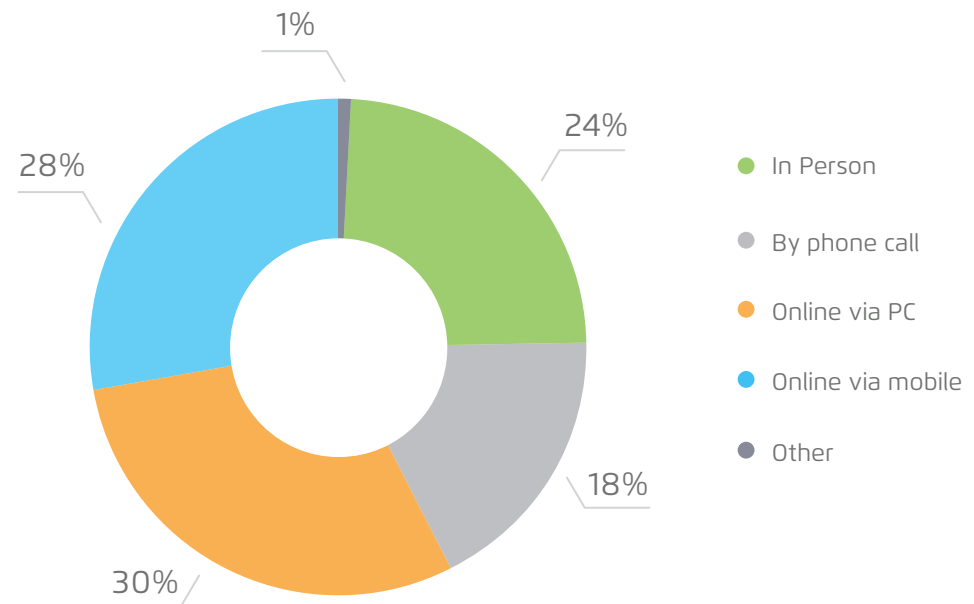


Over 65% of Telecom shoppers made a purchase or plan to do so – purchase methods are split between online and offline.

Completed Retail Purchase



How Purchase Was Made

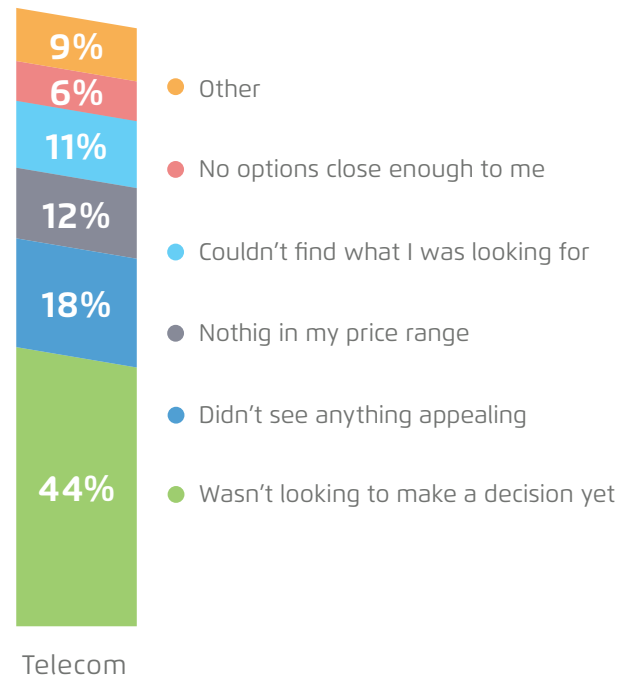


# Telecom users purchase for price, brand, and reviews.

Reasons for Making a Telecom Transaction



Reasons for NOT Making a Telecom Transaction





# Conclusions

- Consumers are becoming more comfortable with mobile as an everyday shopping tool. Whether browsing at home, finding businesses on the go, or investigating products at a business location, shoppers are looking to their devices to make informed decisions. Mobile is well on its way to becoming a fixture in the path to purchase and therefore needs to be considered in all media plans.
- Smartphones and tablets are incredibly diverse tools. Users may be looking to locate a store nearby, researching products and comparing prices for a later purchase, or looking to make a transaction immediately on their mobile device. Through mobile, marketers have a unique opportunity to reach consumers at multiple touch points and influence their decisions.
- Urgency is key to mobile-related purchases. Nearly half of users are looking to make a same-day purchase. Consumers on mobile are on-the-go and armed with information at their finger tips. The fast nature of mobile has shortened the purchase process. Access to easy price comparison and location tools is key to handle these fast-moving consumer demands.
- Mobile users have different needs by industry and even by device. Marketers should aim to understand how users engage with each device along their specific purchase journey to design a mobile strategy that effectively reaches target consumers.

# For More Information:

## **About xAd**

xAd helps brands harness the power of accurate location data to produce measurable results from mobile advertising. Through award-winning location technology that is precise, measurable and scalable, xAd's platform pinpoints target audiences by neighborhood, across the country and around the globe at pivotal moments during the consumer's path-to-purchase. xAd's platform drives results powered by search-enhanced targeting, ultimately yielding unparalleled performance. Founded in 2009, xAd serves more than 1.5 million national and local advertisers, while managing more than 40 billion location-verified ad requests monthly. Connect with xAd at [www.xad.com](http://www.xad.com), Facebook, Twitter and LinkedIn.

## **About Telmetrics**

Telmetrics is a leading call measurement technology company that powers mobile, digital and traditional marketers' use of calls as a cross-media advertising performance metric. For nearly 25 years, Telmetrics has delivered scalable and quality call measurement innovations that reveal the lead generation impact of direct response ad programs. As a proven global technology partner, Telmetrics helps media publishers, agencies and the leading brands in local, mobile and vertical search leverage calls for millions of SMB and national franchises' ad performance and monetization models. For more information, please visit [Telmetrics.com](http://Telmetrics.com).

## **About Nielsen**

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

Additional study details and findings can be found at [MobilePathtoPurchase.com](http://MobilePathtoPurchase.com). For questions or to provide feedback, please contact us at 888.234.7893 or [requests@xAd.com](mailto:requests@xAd.com)