



MOBILE

PATH TO PURCHASE

2014

THE NEW SHOPPER MINDSET

Overview

The mobile path to purchase continues to evolve with more and more consumers owning and relying on mobile devices. With this increase in mobile adoption, we see people turning to mobile as a necessary part of their everyday lives and purchase decisions. In fact, share of online time spent on mobile now eclipses that of desktop. As mobile becomes an essential decision-making tool, we have seen an important and positive shift in consumer comfort and a subsequent rise in satisfaction with the amount of mobile information available. This increased trust in the medium is driving users to reach for their mobile devices first, even when a PC is nearby. In fact, mobile is often the only tool used to make a purchase decision – this is especially true for restaurants and entertainment purchases.

The impact of this increased mobile usage is significant and it 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. Not only are most mobile shoppers using their devices to look for nearby locations to visit as part of the purchase decision, nearly two thirds of conversions are happening in person. While the length and intent behind the path to purchase varies by vertical (with telecom and auto generally being longer considered purchases than restaurant and entertainment), across all categories a substantial amount of mobile activity is happening at the start of the purchase funnel when consumers are just beginning to evaluate options. This leaves plenty of room for advertisers to reach consumers and influence decisions.

Understanding how consumers' engage with mobile to make a purchase decision is now more important than ever for marketers. Mobile is a fully integrated part of consumers lives and so too should it be a part of an advertiser's way of reaching them.

Study methodology

xAd, and long-time partner Telmetrics, have collaborated with Nielsen to execute a third year of our first-to-market mobile behavior study. The Mobile Path to Purchase research tracks consumers from initial purchase intent to conversion, while exploring ad effectiveness across key industries.

This study contains online survey data from over 2,000 US Tablet and Smartphone users, as well as actual observed behaviors from Nielsen's Smartphone Analytics Panel of 6,000 iOS and Android users – each group reporting that they had used their device to make a purchase decision in at least one of four key industries in the past 30 days.

Respondent Totals

SMARTPHONE



n=1,822

TABLET



n=1,346

TELECOM



n=756

RESTAURANT



n=962

AUTO



n=718

ENTERTAINMENT



n=1,043

Key findings



Consumers are relying on their devices as everyday, essential decision tools

Mobile now accounts for 51% of time spent online for key categories



Mobile is a powerful part of consumer purchase decisions

42% of shoppers say mobile is the most important media for their decision



Most mobile activity takes place at the start of the purchase funnel but decisions are fast

2/3 of mobile consumers are looking to make a purchase the same day



Proximity and easy access to location information are key

Pricing and location lookups are top activities for purchase research (nearly 60%)



Increased use and portability of mobile is driving significant offline, in-store activity

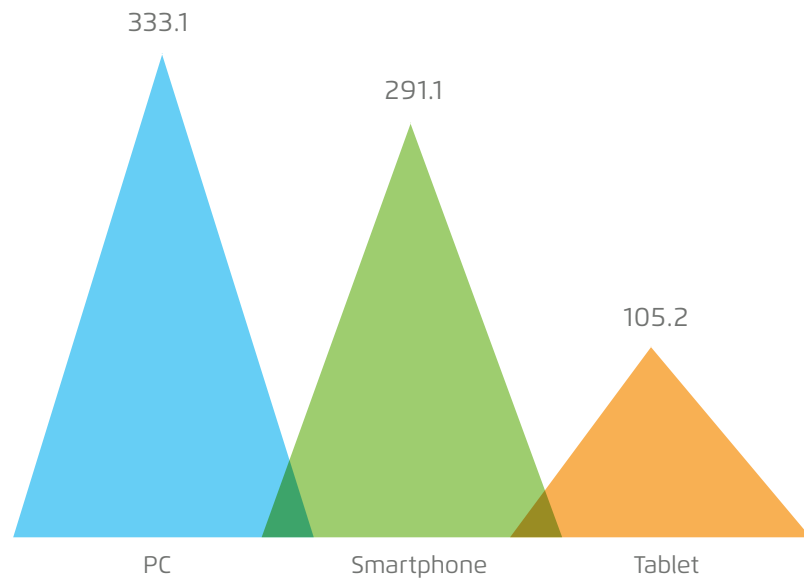
56% of mobile-related purchases are made in person

Mobile is an
everyday tool.

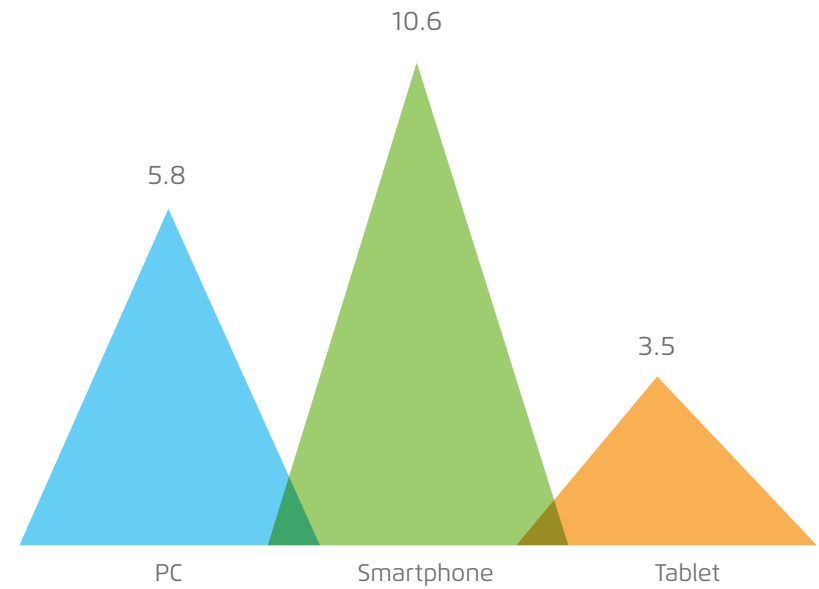
The number of smartphone users now rivals desktop.

Number of online Smartphone visits are nearly 2x those of desktop.

Number of Online Consumers
(Millions, not unique)

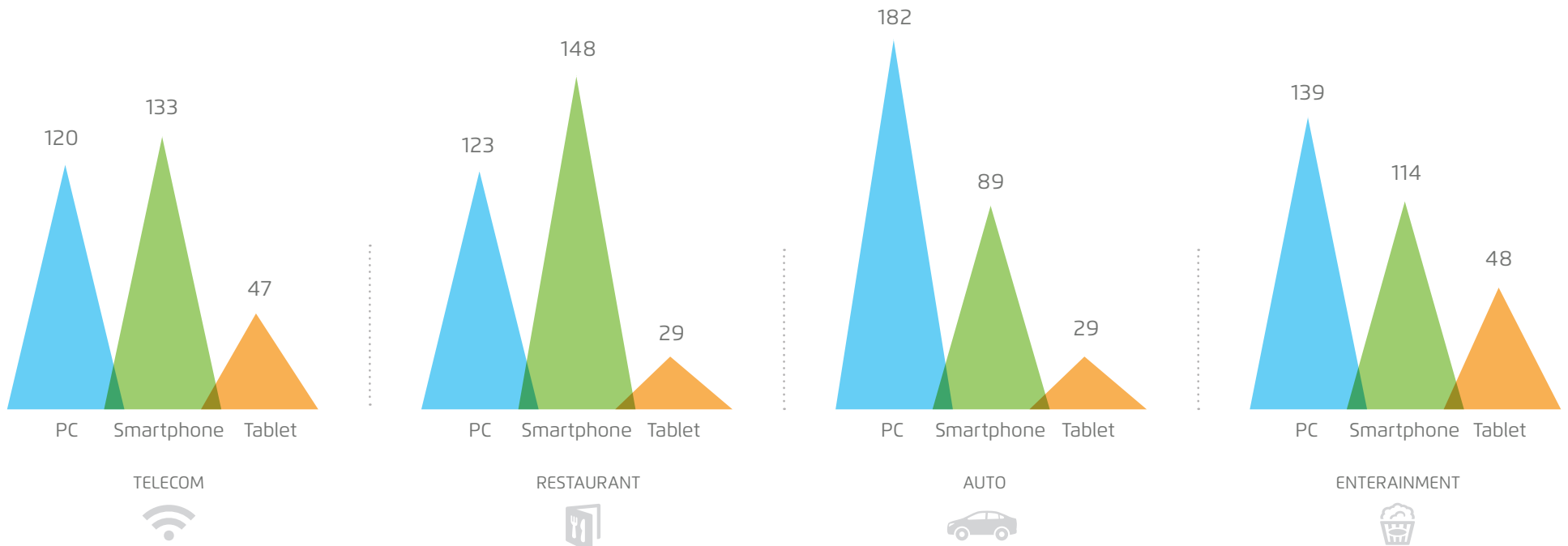


Number of Online Visits
(Billions)



Different devices are leveraged depending on the needs of the category.

Relative Category Device Usage
Online Consumers Indexed Against Category Average



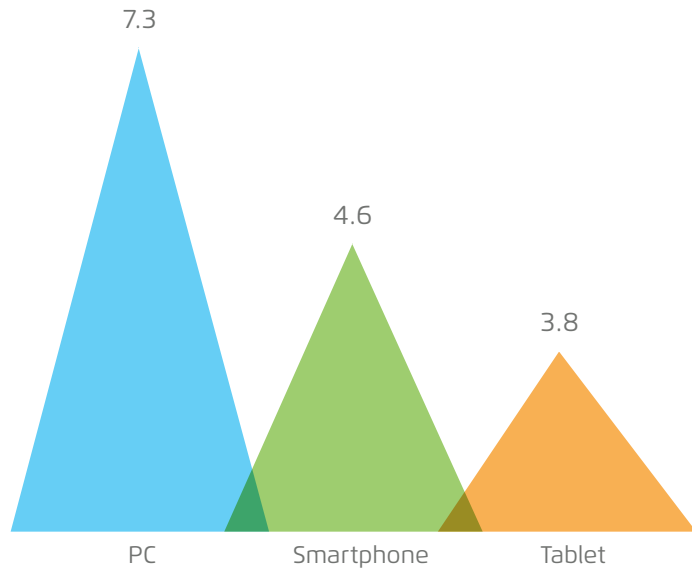
Telecom and Restaurant research is often on-the-go, drawing in heavy Smartphone usage.

Auto are big ticket purchases that also rely on PC.

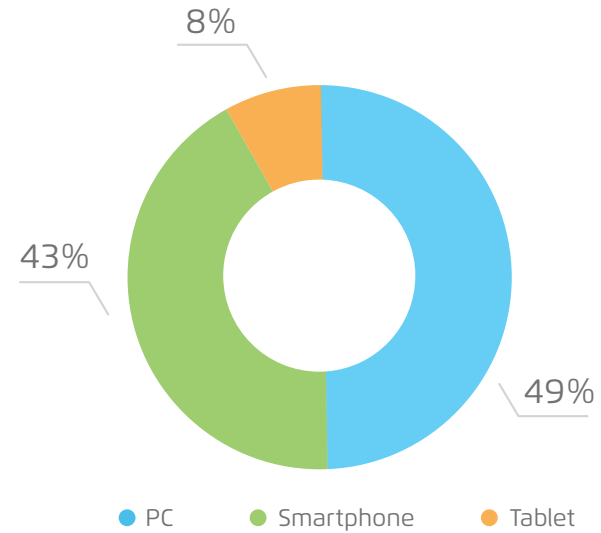
Viewing Entertainment purchases leads to heavier tablet use.

Despite shorter sessions mobile accounts for 51% of total time online – eclipsing desktop.

Average Page Visit Length
(Minutes)

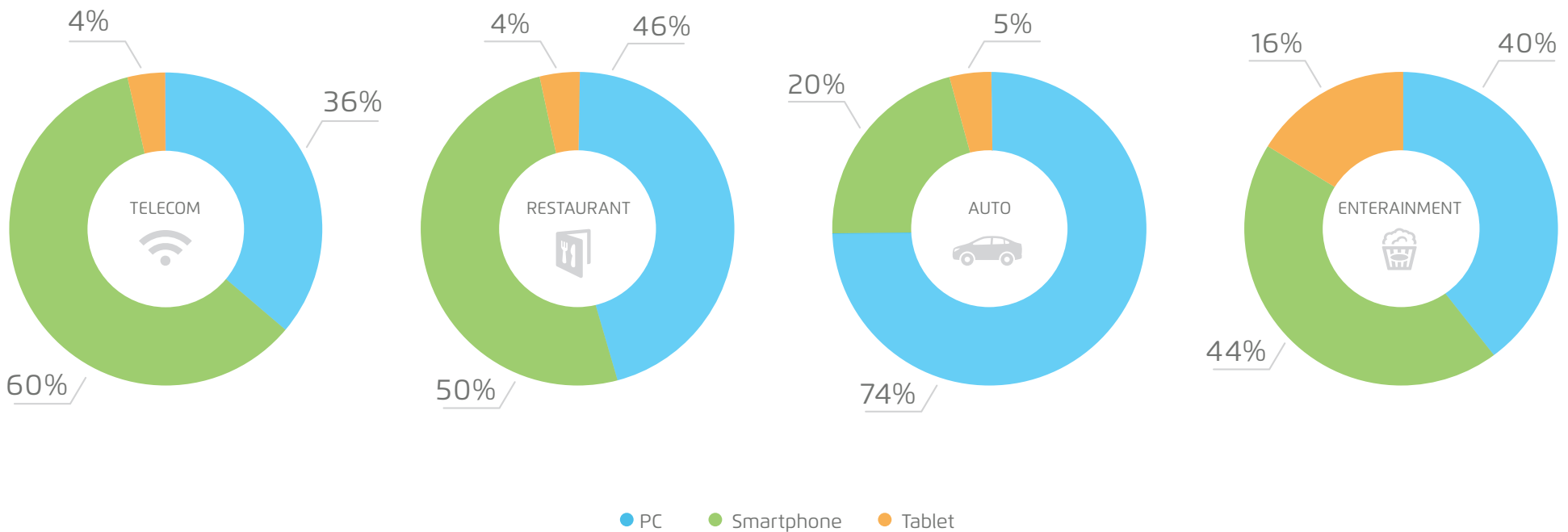


Average Percent of Time Spent Online by Device
(Includes consumers who do not have all three devices)



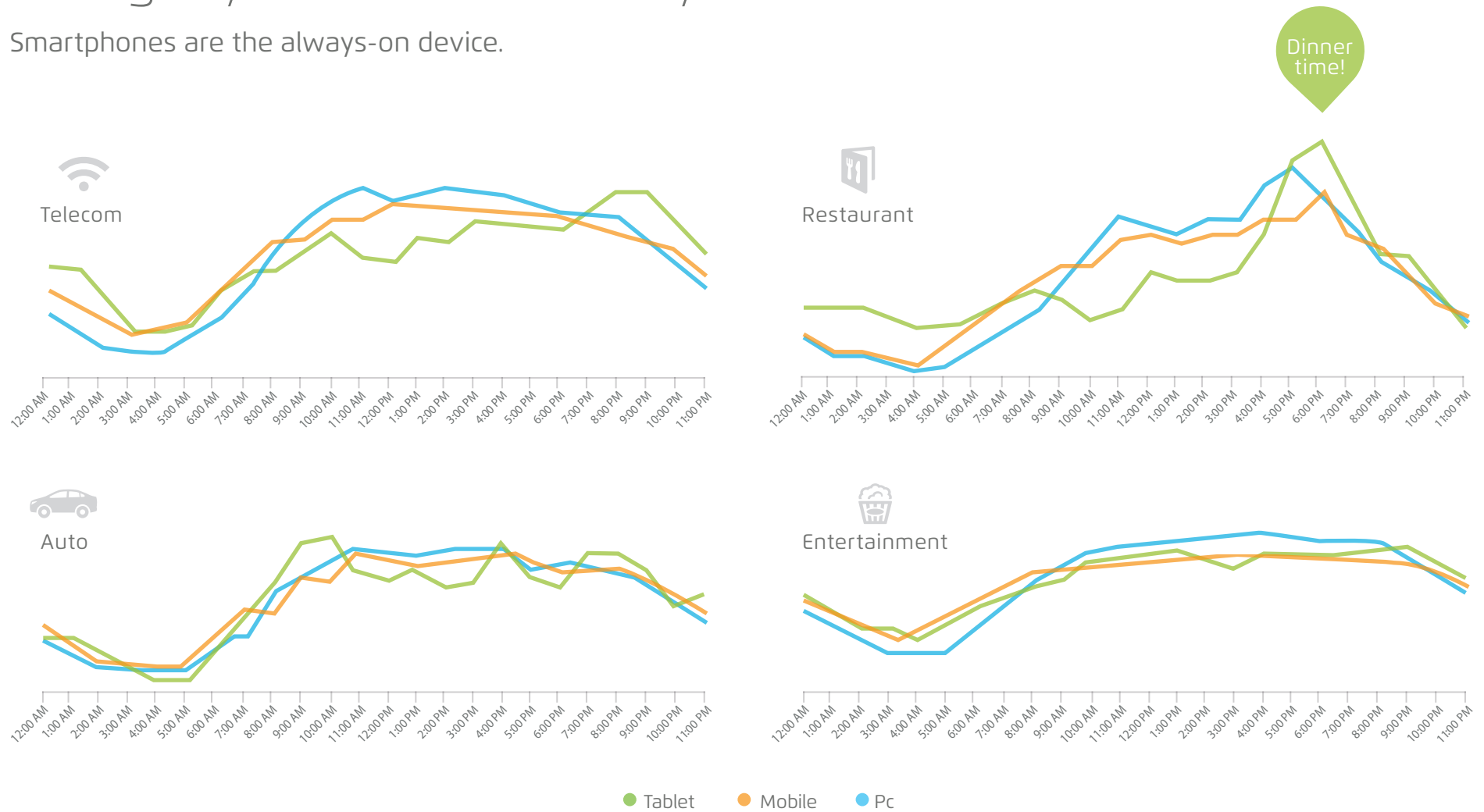
Depending on the category, mobile devices can account for as much as 64% of time spent online.

Percent of Time Spent Online by Category
 (Includes consumers who do not have all three devices)



Connected device usage varies by category and time of day.

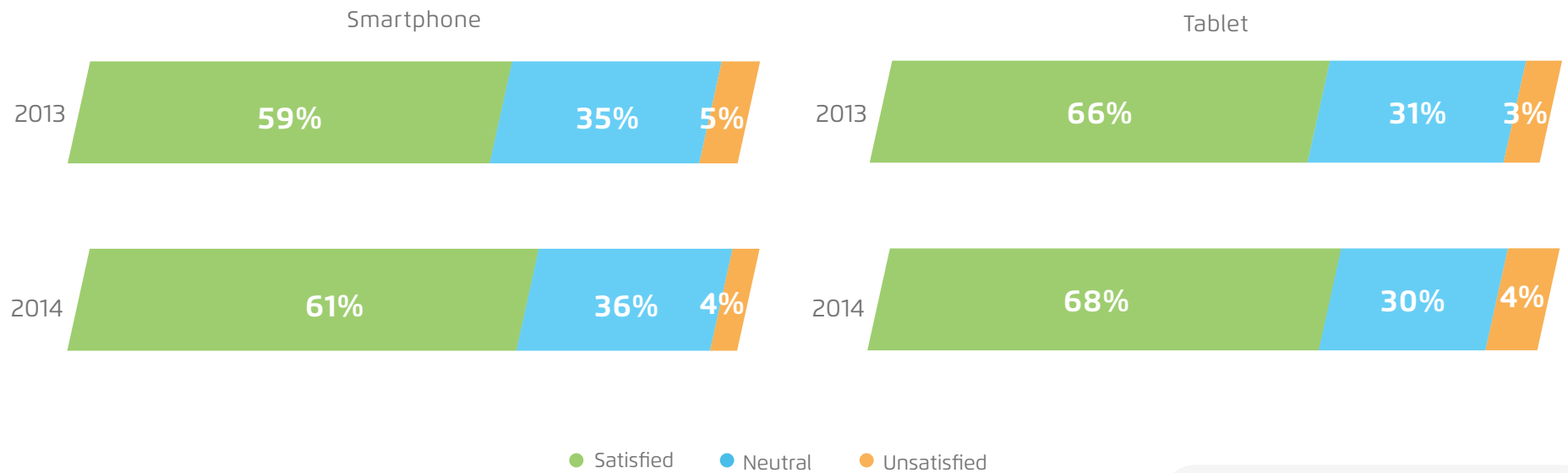
Smartphones are the always-on device.



Mobile's impact
on purchases.

As consumers get more comfortable with mobile, satisfaction has increased.

Satisfaction with Information Found on Device



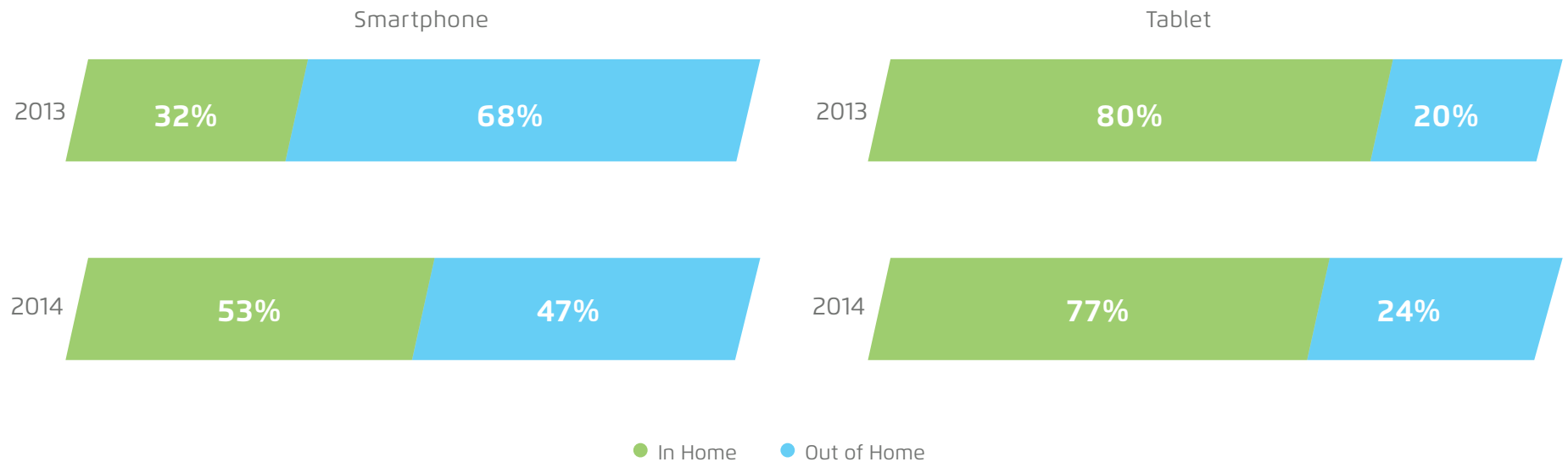
Top Reasons for Dissatisfaction

- Not enough information
- Slow connection
- Small screen

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.

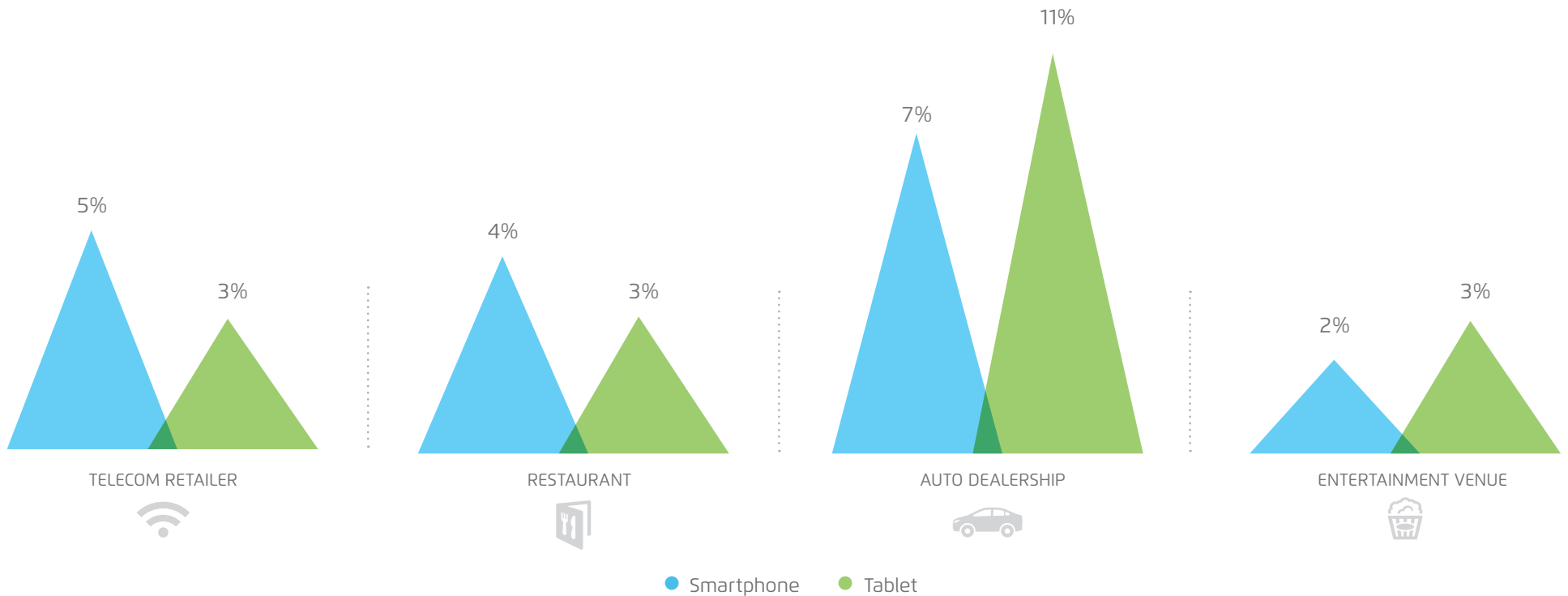
Location When Accessing Device



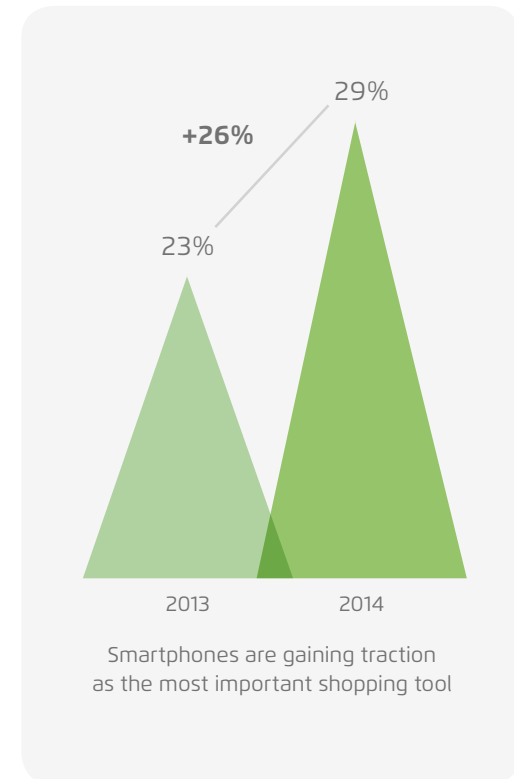
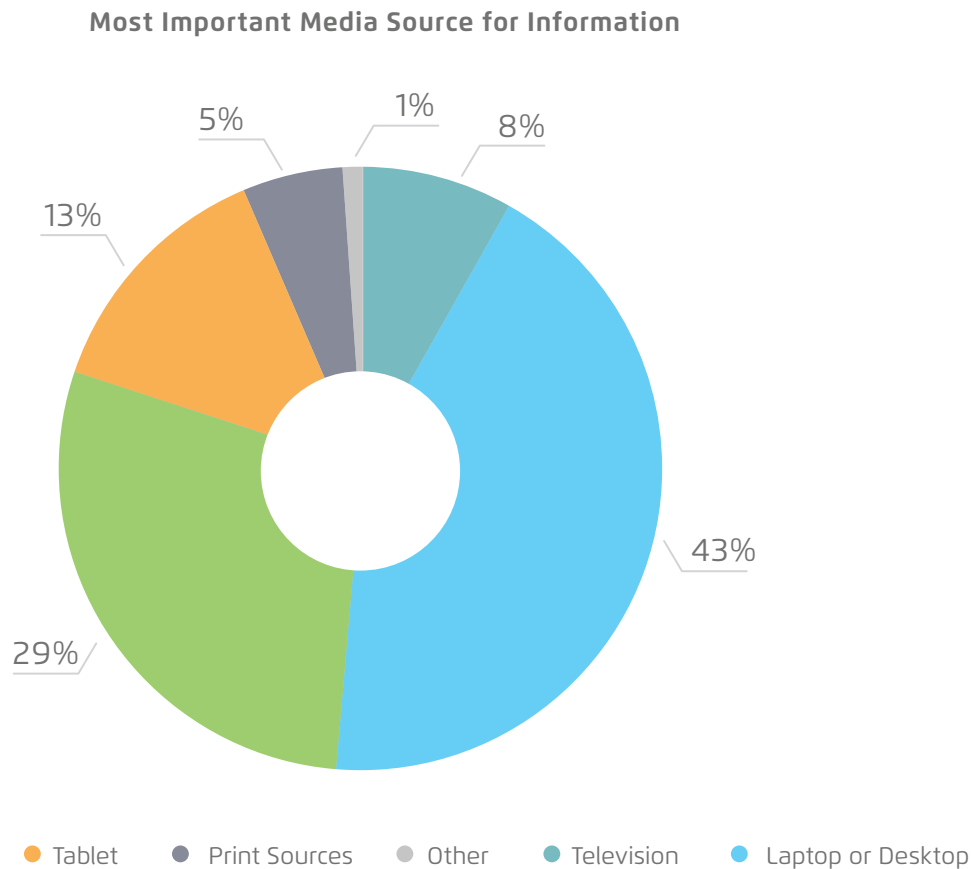
Mobile continues to be an essential tool on-the-go- even when visiting a physical location.

Nearly 1 in 10 auto shoppers was at a dealership the last time they accessed auto information on their device.

Percent of Consumers at Location During Last Use



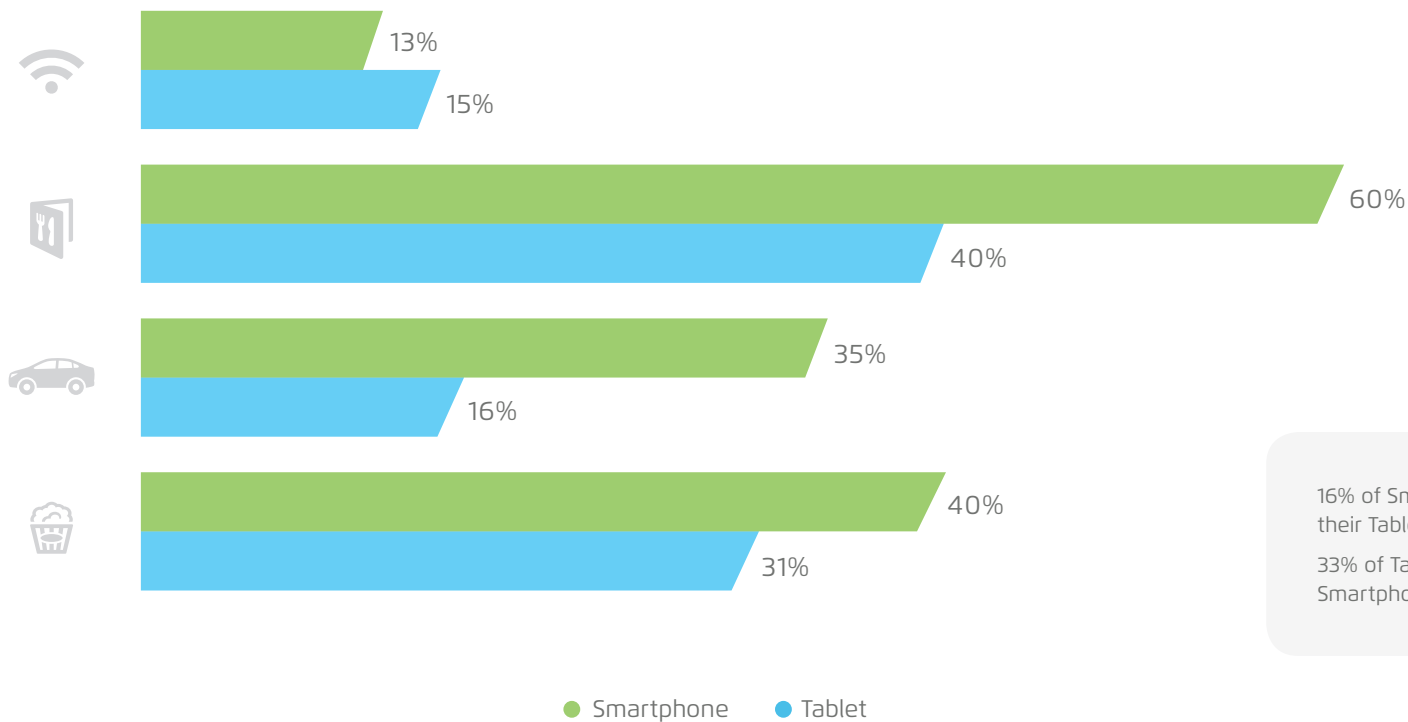
Over 40% of consumers consider mobile the most important resource for a purchase decision.



Up to 60% of consumers used mobile exclusively to make a purchase decision.

Percent of Consumers That Only Used Single Mobile Device in Purchase Decision

(No Other Media Outlets)



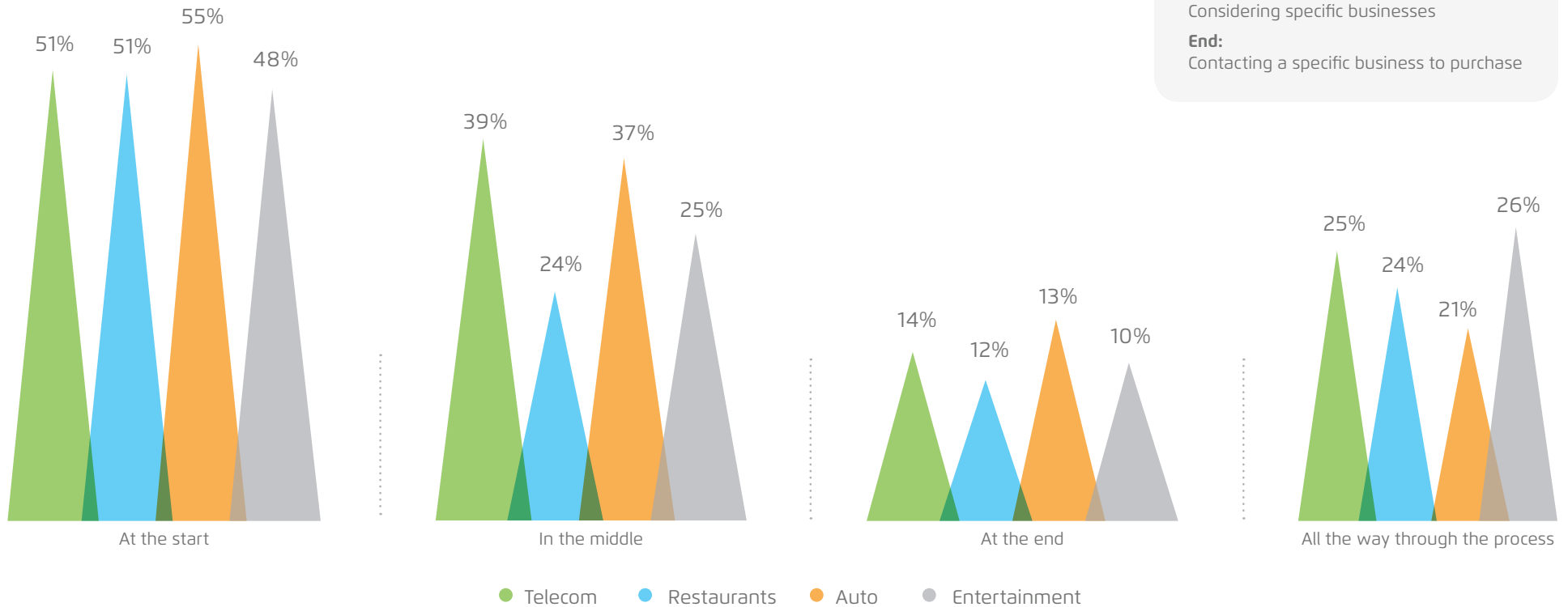
16% of Smartphone owners also used their Tablets

33% of Tablet owners also used their Smartphones

The purchase
funnel.

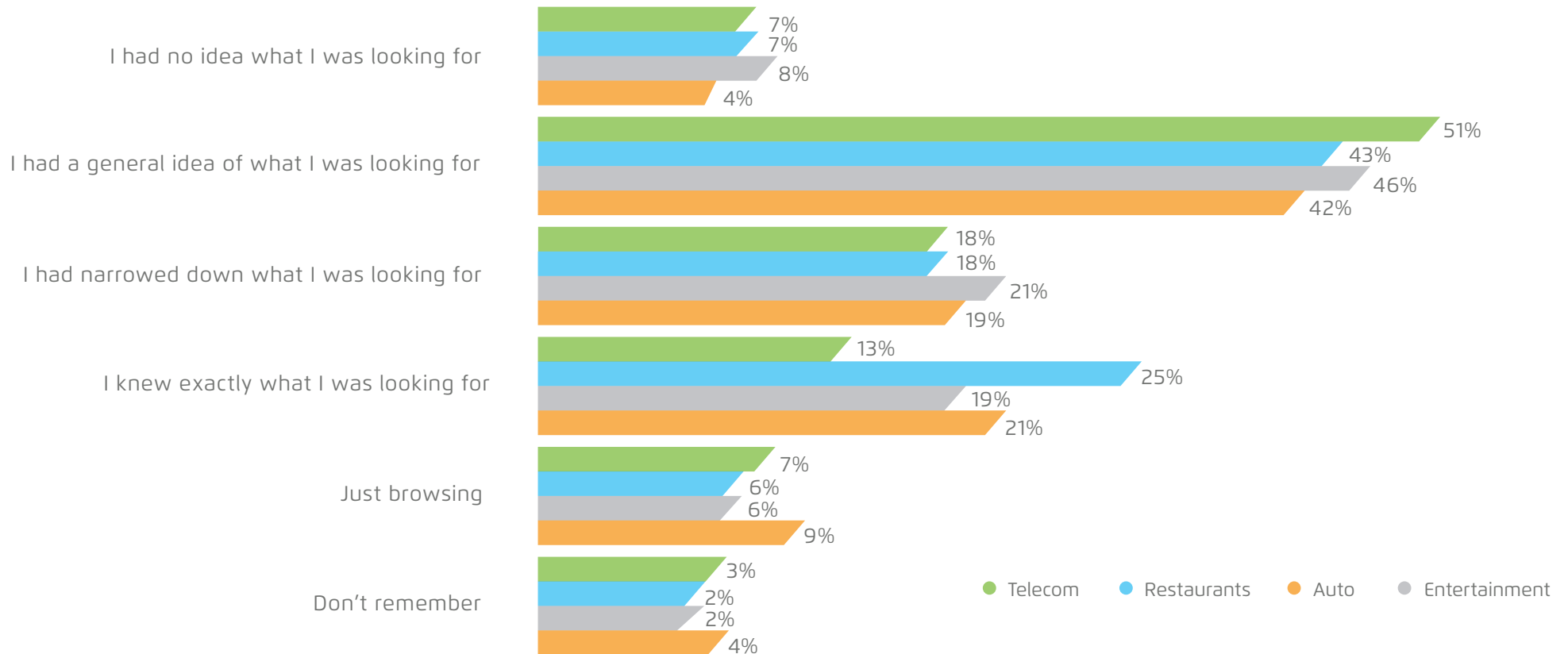
Most mobile activity happens at the beginning of the path to purchase, 1 in 4 users utilize device throughout.

Where in Research Process Device was Used



Mobile users often only have a general idea of what they're looking for – leaving room for influence.

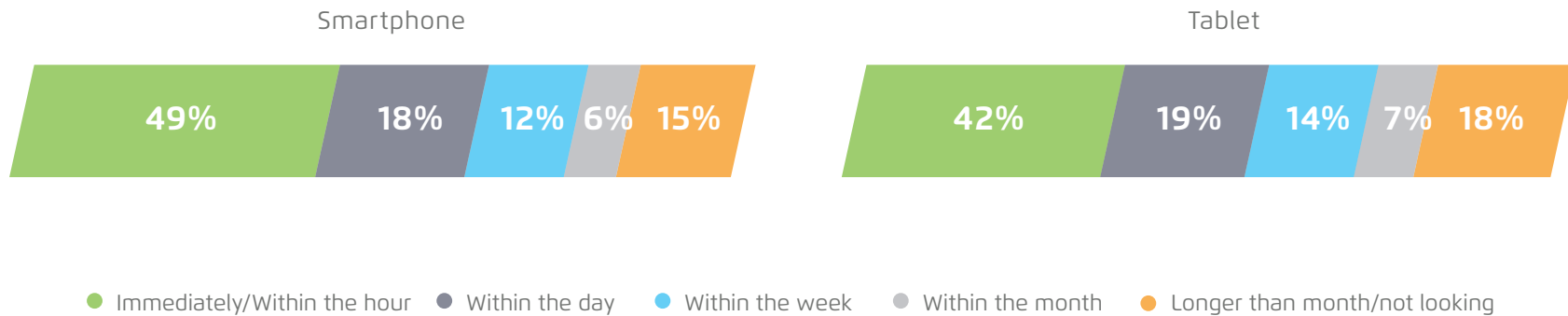
Mindset at Beginning of Search



When it comes time to make a purchase, decisions happen quickly.

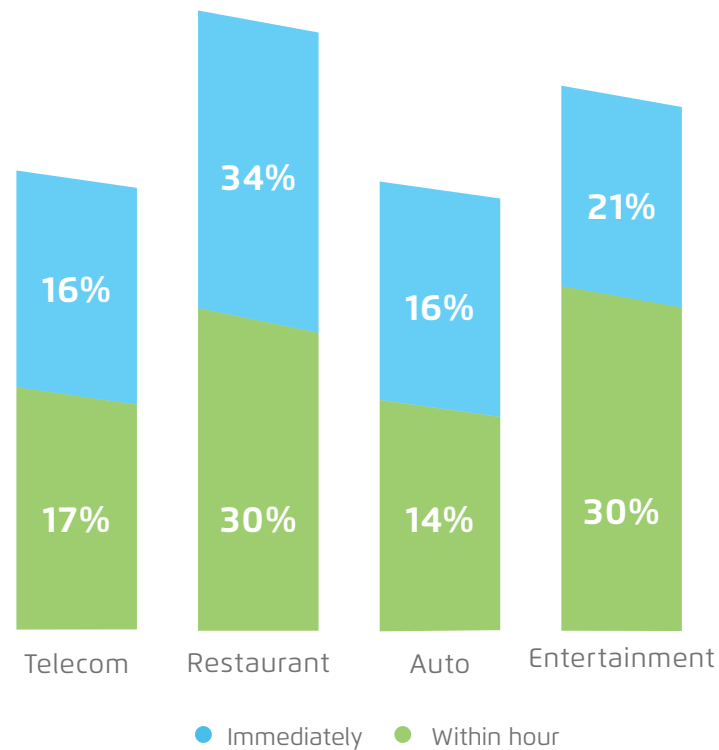
65% of all mobile consumers are looking to make a purchase that day.

How Quickly Looking to Complete Most Recent Purchase



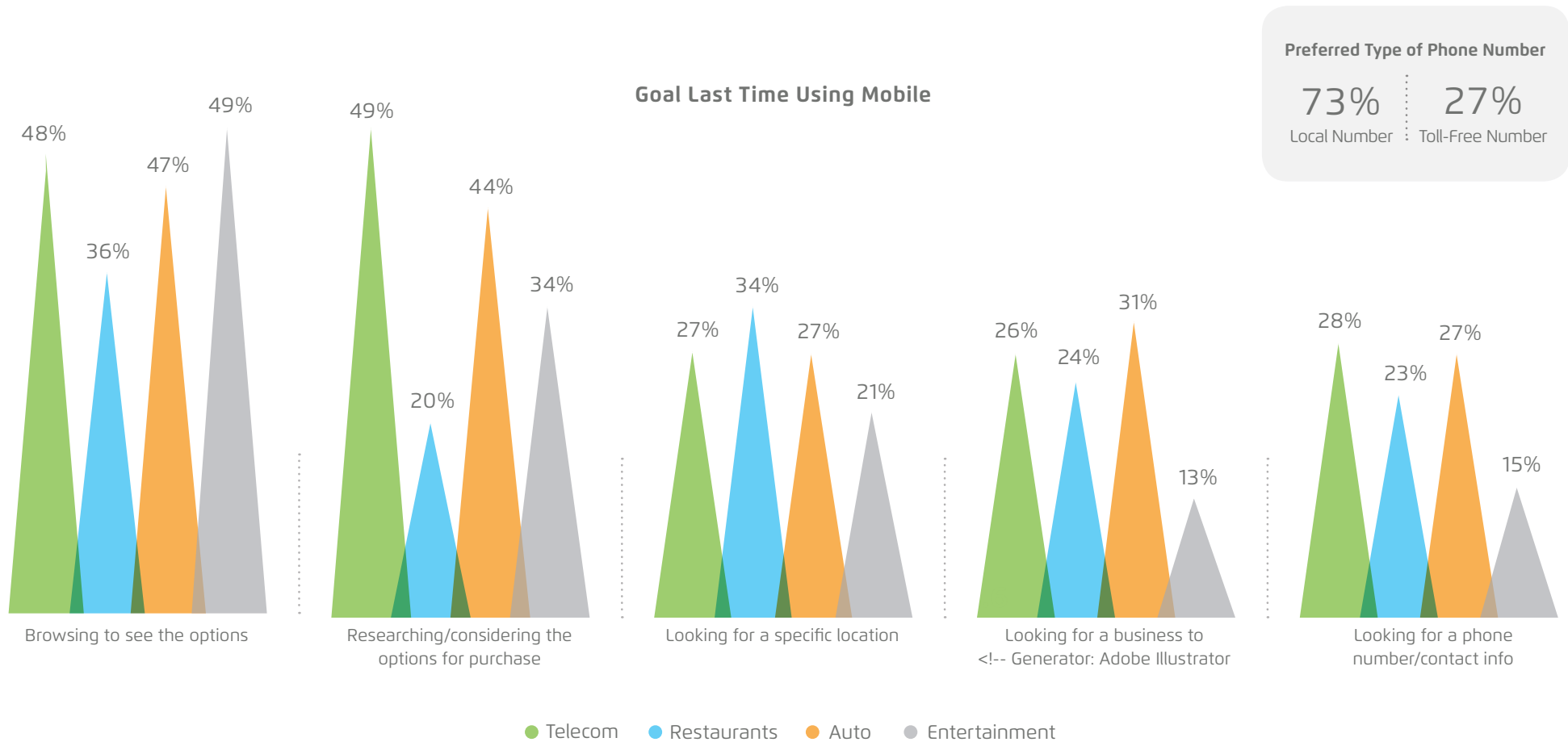
Urgency is especially key for restaurants and entertainment, telecom and auto purchases take more consideration.

How Quickly Looking to Complete Most Recent Purchase



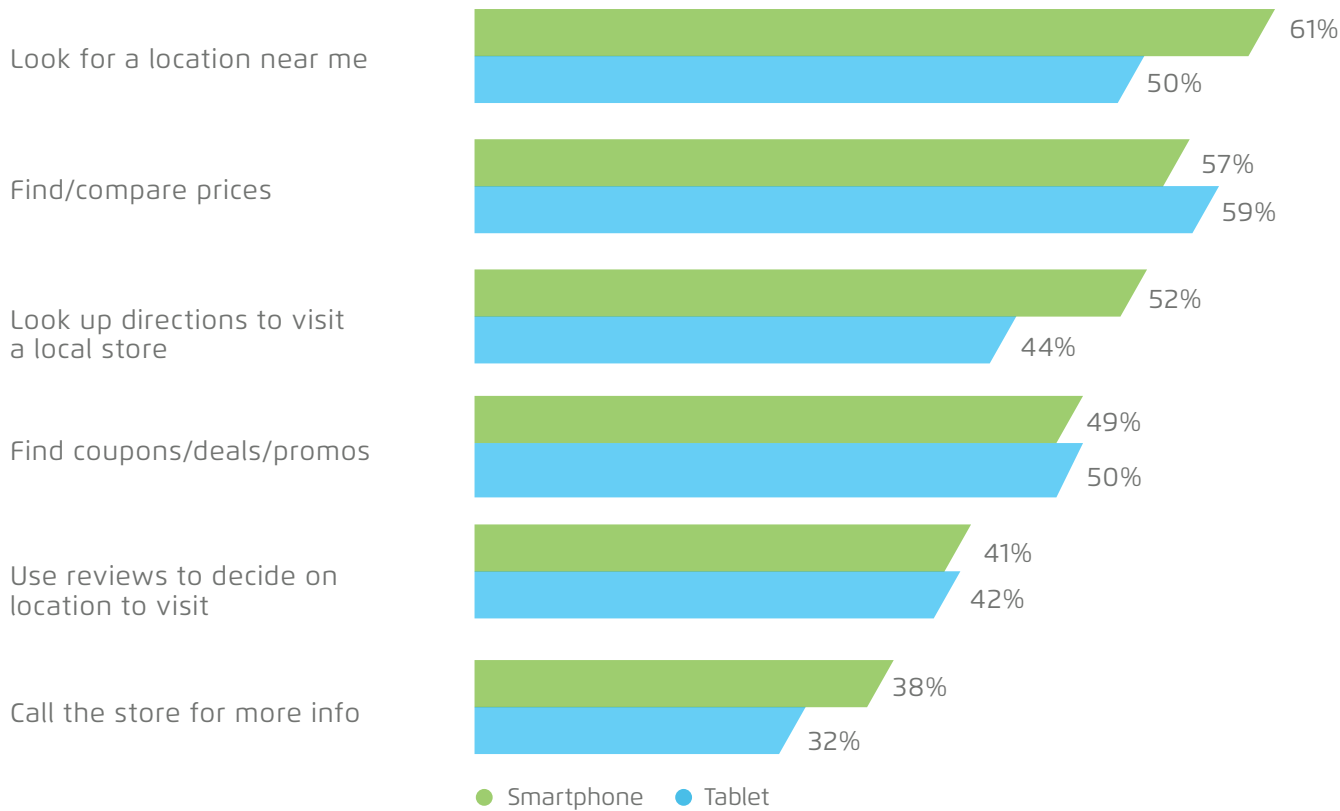
Proximity and
location.

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



Specific actions include looking for nearby locations, comparing prices, and getting directions.

Ways Mobile Apps/Websites Used



Mobile Needs Vary by Device

Smartphone users are more likely to:

- Look for a nearby location
- Look up directions
- Call the business

Tablet users are more likely to:

- Compare prices
- Look for deals
- Use reviews

Easy access to information, deals, and nearby business locations is essential for mobile users.

Most Important Features on Mobile

Good online reviews	17%	18%	18%	17%
Easy to find contact info	19%	15%	18%	17%
Coupons/offers	15%	19%	14%	17%
Close business location	13%	16%	16%	14%
Access to maps/directions	12%	16%	11%	15%

TELECOM



RESTAURANT



AUTO



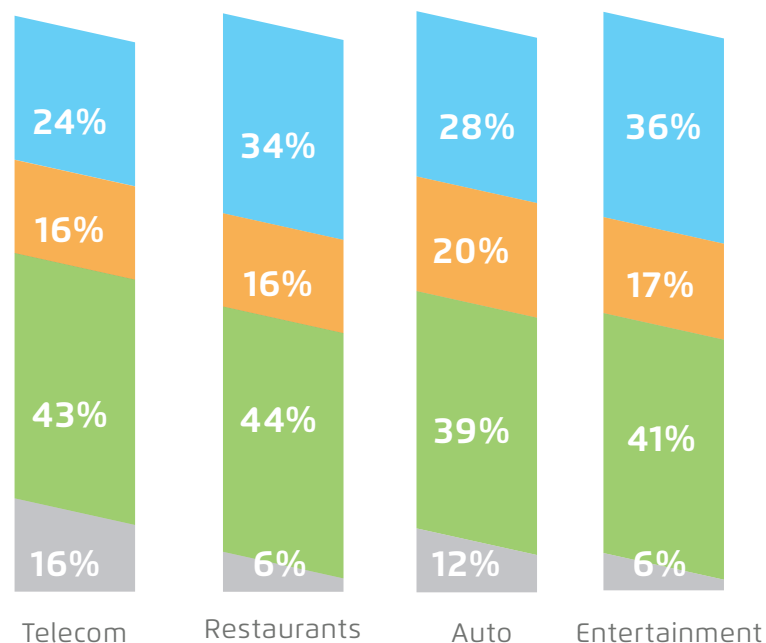
ENTERTAINMENT



Most mobile shoppers expect locations to be within 5 miles.

The vast majority of commerce is still happening offline. Nearby store locations are essential complements to using mobile in the path to purchase.

Expectations Regarding Location



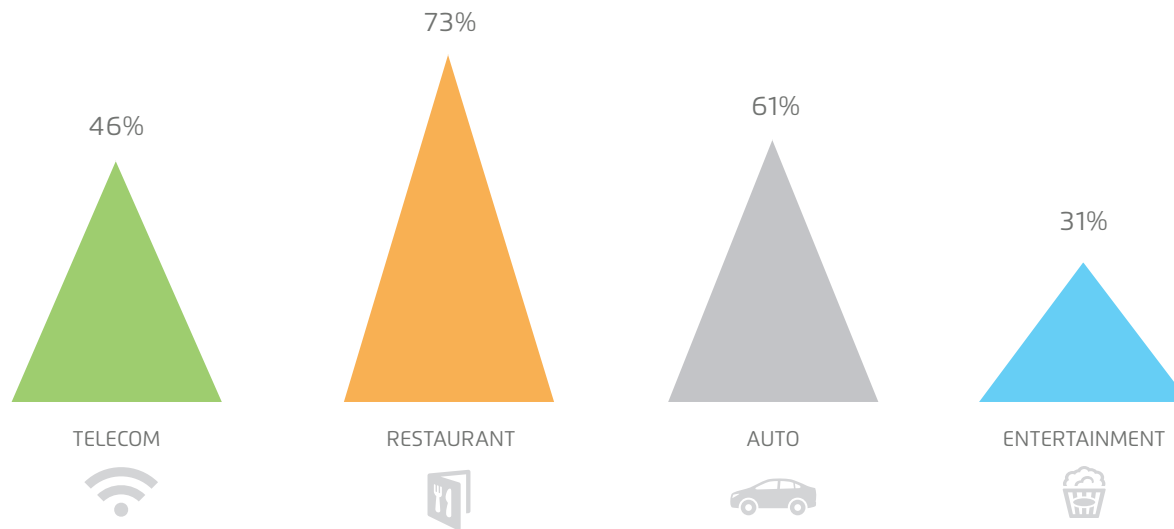
● I don't expect any specific distance ● Within a farther driving distance (> 5 mi.) ● Within local driving distance (1-5 mi.) ● Within walking distance (< 1 mi.)

In-store
activity.

Visiting a physical store location is a necessary part of the purchase process.

52% of consumers report visiting a store during their search.

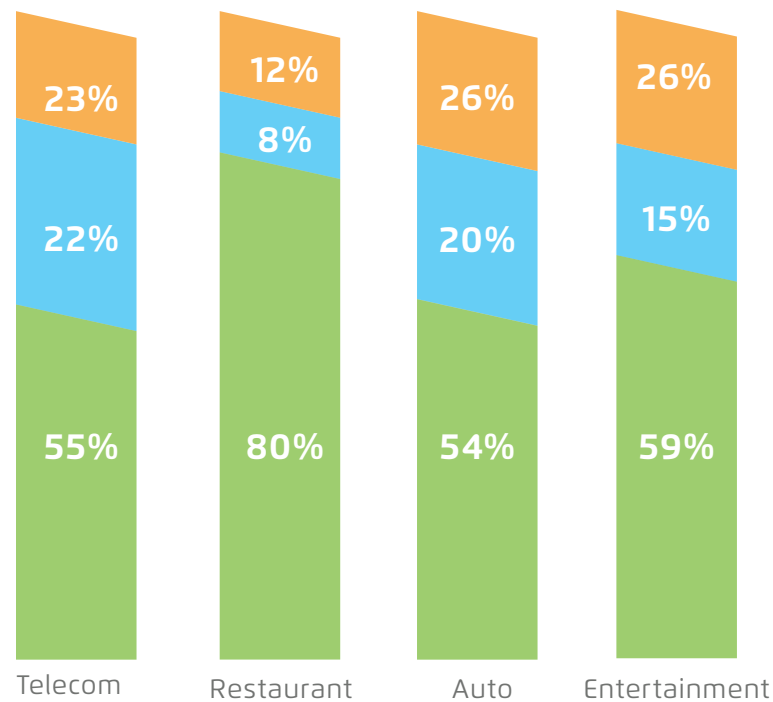
Visited a Physical Location During Purchase Consideration



Conversion rates are high

80% of restaurant users report making a transaction. Bigger purchases, like telecom and auto, require more consideration but still plan to purchase.

Completed Purchase Related to Research



● Yes, I completed a transaction/purchase

● Not yet but I plan to in the near future

● No, I did not complete a transaction/purchase

Transactions are driven by price, brand, good reviews, and location.

Top Reasons For Purchasing

Right Price	21%	15%	24%	25%
Right Brand	21%	18%	18%	18%
Had a Location in Mind	10%	19%	13%	13%
Reviews Were Good	14%	12%	10%	16%
Close to My Location	8%	20%	13%	7%

TELECOM



RESTAURANT



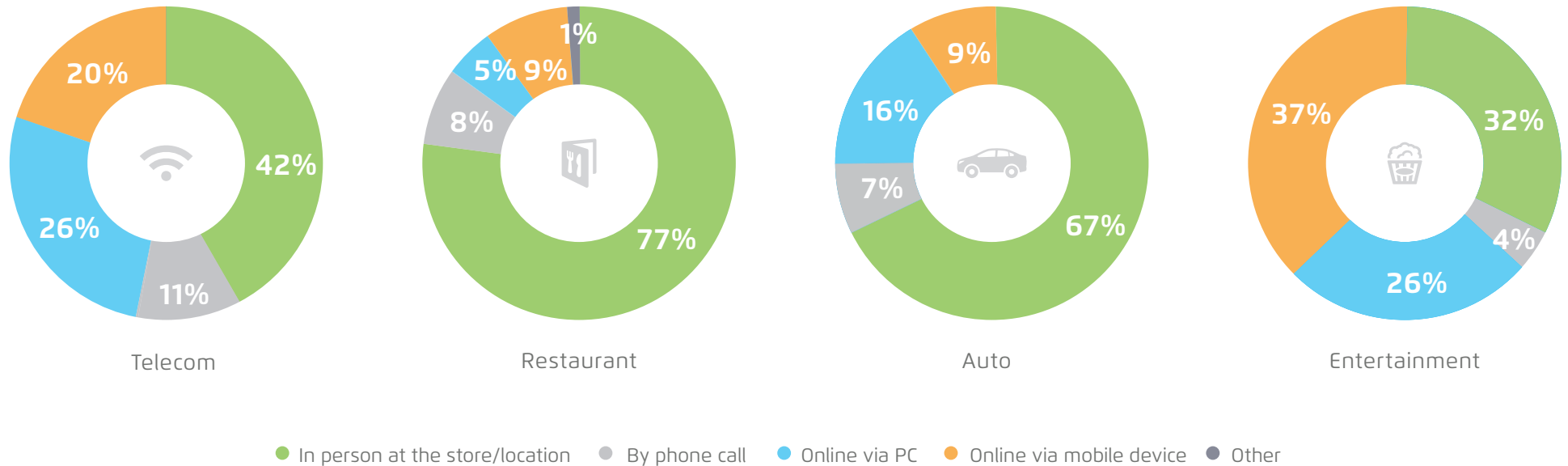
AUTO



ENTERTAINMENT



Over half of all purchases were made in store; Preferred purchase methods vary by category.



Online restaurant transactions include reservations, delivery, and take-out orders

Conclusions

- With people relying on their devices to watch movies, decide on a restaurant, sign up for household services, or even purchase a new car, mobile is now a part of consumers' daily lives that cannot be ignored. Understand when and how mobile is used for each vertical to integrate this important media into overall plans.
- Although across all verticals a lot of mobile activity happens early when consumers are just starting to evaluate options, they are often looking to act quickly and locally. Mobile can be used to not only raise brand awareness and influence decisions but also drive immediate actions.
- The majority of overall commerce activity is still happening in-person. The on-the-go nature of mobile means that it can complement and encourage visits to physical locations and be used as a tool to easily drive in-store activity and purchases.

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, 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.

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. For questions or to provide feedback, please contact us at 888.234.7893 or requests@xAd.com