The Psychology of Mobile Usage & Its Impact on Advertising

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You need a mobile-first approach in 2016 because consumers are mobile-first.

More than two-thirds of American adults own smartphones; when Pew first measured smartphone ownership in 2011, only 35% of American adults had smartphones.

On a global scale, more than <u>600 million people will own their first smartphone this year</u> (joining the other 3 billion of us that have already joined the party), meaning now more than 50% of people in the world will have the world at their iOS, Android, and Windows-powered fingertips.

We're reaching the tipping point here, folks.

But the rise in mobile device ownership doesn't tell the whole story.

10% fewer young adults own desktop or laptop computers than did in 2010 (a drop to 78%) while 86% of young adults own a smartphone. And though it reigns as the most-watched screen, the average daily time spent on television has also declined 12%.

The Psychology of Mobile Usage

The mobile mind is subtly different from the desktop-engaged mind.

Yahoo recently found mobile ads achieve <u>a more emotional response</u> than traditional television spots. Millennials in particular were found to be the most responsive to mobile **advertising**, even amongst multitaskers who were on their phones while watching TV.

Facebook's research echoes this, saying people <u>are more attentive</u> when consuming media on mobile devices and feel more positively toward the information presented on a smartphone.

Even the type of content viewed on mobile gets treated differently than on desktop. The allure of vertical video (as in, viewing a video with your phone upright vs. on its side) is so great, users are 9X more likely to watch through an ad <u>if it's shot in portrait mode</u>. That laser focus is reflected in mobile video ad engagement rates, which are 5x that of static banner ads.

1/3

At the same time, mobile devices are a constant companion to most people who own them – 80% keep their phones within 3 feet of them at all times. Music to advertisers' ears.

Use this Info for Social Advertising to Drive Mobile Commerce

It only makes sense that advertisers should treat mobile differently in order to take maximum advantage of this shift in attention.

Mobile ad formats are becoming richer and more varied, giving you more to work with and more opportunity to make an impact.

Yet, though mobile ad revenues are increasing rapidly, mobile is still only 8% of global **advertising** spend. That figure *might* creep up to 13% within the next year.

In terms of how that 8% is being spent, for every \$5 spent on U.S. mobile **advertising**, about \$1 of it goes to Facebook.

Facebook has routinely advised us that 80% of client ad spend should be on mobile. EIGHTY PERCENT. We're following their guidance, by the way, and it's paying off in spades.

- For one jewelry ecommerce client, 80% of their traffic comes from mobile, and then 66% of those conversions happen on desktop.
- One of our major education lead gen clients spends exclusively on mobile on Facebook because of its performance, something they committed to last year.
- One women's fashion client spent 72% of their ad budget last year only on mobile and experienced a 26% higher return.

Our direct buys on Facebook help clients target ads more accurately and understand their mobile **advertising** return on investment more clearly. They know their mobile ad spend delivers results.

But you have to pay money to make money.

It's tempting to set your goal at \$2-3 CPAs, and if you're willing to put up with low-quality inventory that doesn't buy, doesn't subscribe, and doesn't look anything like your high-lifetime value shoppers, it's feasible. But on mobile, VentureBeat found that spends of \$20-50 per are much more realistic for high-quality acquisitions.

If your expectations are practical, you should expect to be rewarded with more purchases.

Facebook found 56% of shoppers say they <u>have made a purchase on a mobile device</u> because, well, they were already using it. <u>BizRate Insights expects</u> upwards of 42% of all e-commerce purchases to come from mobile devices by the time the holidays roll around this year.

But these aren't just any mobile purchases; these are specific to mobile web visitors. Retailers got a taste of it already during this past holiday season. Mobile made up more than 70% of

2/3

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traffic to Walmart.com and was nearly half of the site's orders in the week after Thanksgiving.

You absolutely must prioritize a seamless mobile website experience and a checkout flow that surprises users with how easy it is to purchase.

If your mobile website rivals your desktop site? It positions you as a future-ready **brand**.

"In 5-10 years, everyone is going to be a mobile shopper." -Facebook IQ

Reducing this friction should be top priority, and it's not just for the obvious reasons – helping guide consumers through an easier path to purchase – it's essential to be able to understand a customer's journey through funnel across devices, a must-have in being able to inform your **digital** ad buying.

Adapting to change is a challenge, but there's no question that mobile must come first for any eretailer that wants to drive an increase in their number of mobile shoppers and scale their business.

The trends in usage and associated buying power of the mobile audience – including Millennials and their younger Gen Z siblings – will only increase in coming years. Get in done now, and you'll have figured out the best practices, nuances, and ways to succeed while everyone else is playing catch up.

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