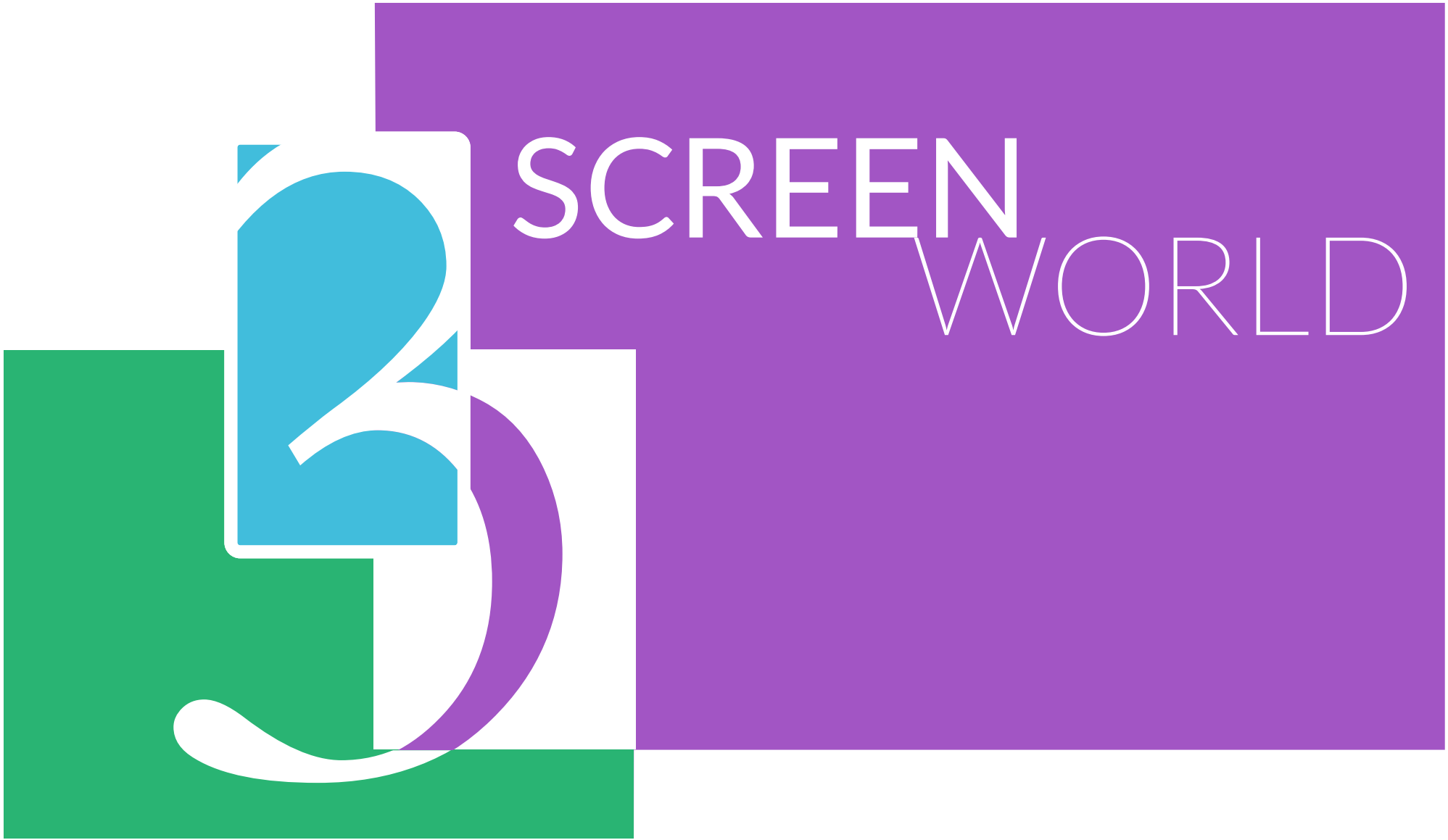


ADVERTISER PERCEPTIONS  
OF THE



SCREEN  
WORLD

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# Introduction

It's estimated that this year 1.75 billion people worldwide will be smartphone users with mobile phone internet penetration maintaining double-digit growth through 2016. Marketers have felt the shift to a multi-device world as adoption of web-enabled mobile devices – including smartphones and tablets – is fundamentally changing consumer behavior.

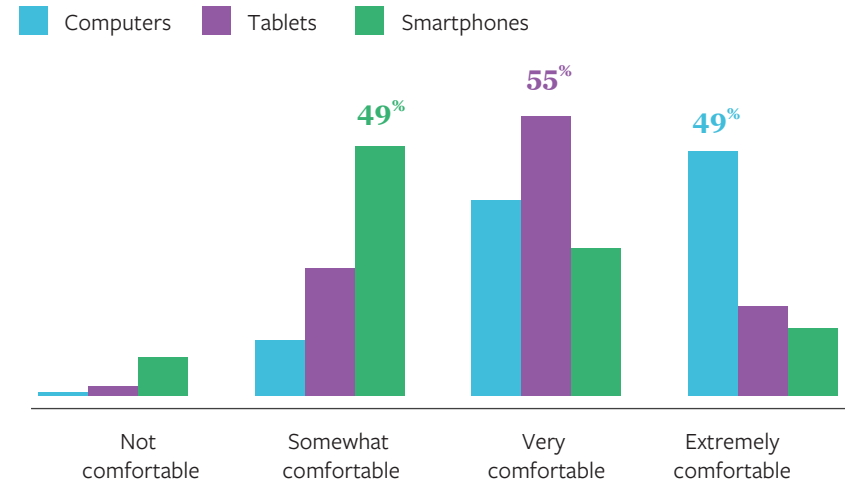
Advertisers are poised to capitalize on this opportunity to capture and engage potential consumers across devices, but do they understand cross-device trends and are they acting on key insights? To better understand how brands and agencies approach the three-screen world from a paid search perspective, Kenshoo surveyed over 350 global marketers and analyzed the results.



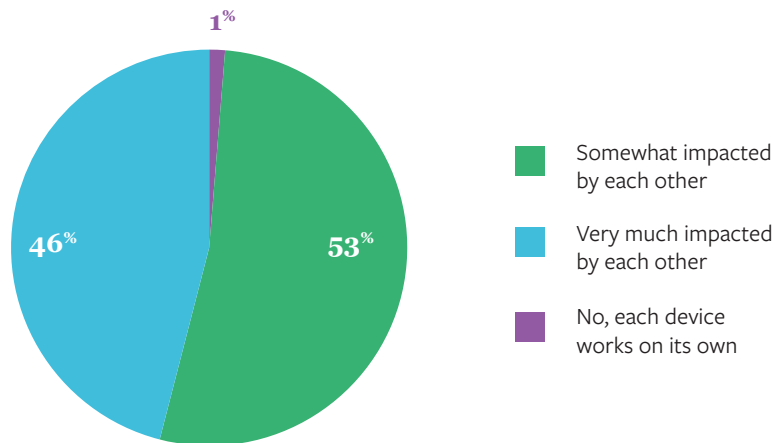
# Paid Search Across Devices

As consumers move from one device to another, advertisers have an opportunity to engage these people and capture intent via paid search ads. 99% of respondents agree that the interplay of paid search across devices carries at least some impact on consumer conversion activity. In terms of device comfort levels, advertisers feel consumers are most inclined to click on a paid search ad when on a desktop, followed by tablet and smartphone. However, despite sentiment that searchers are generally comfortable clicking on ads no matter the device, advertisers are still significantly prioritizing budgets to computers, with most applying roughly an 80-20 split: 80% to desktops, 20% to mobile devices.

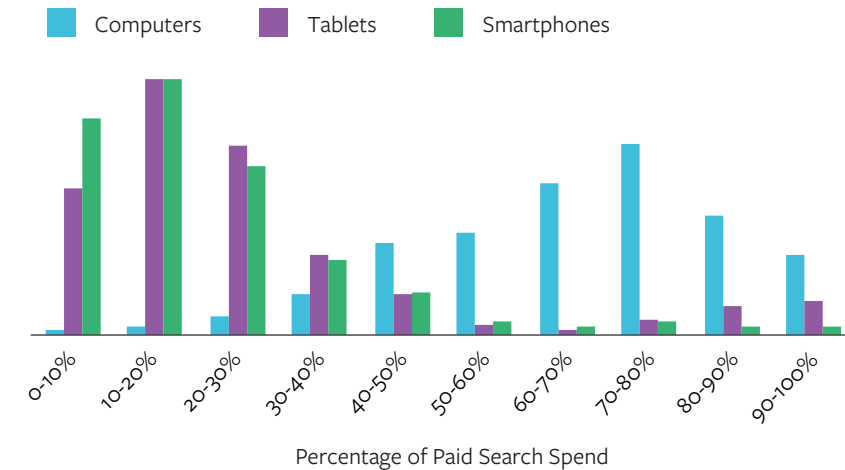
How comfortable do you feel consumers are with clicking paid search ads on the following devices?



Does the interplay between paid search across devices make an impact on consumer conversion activity?



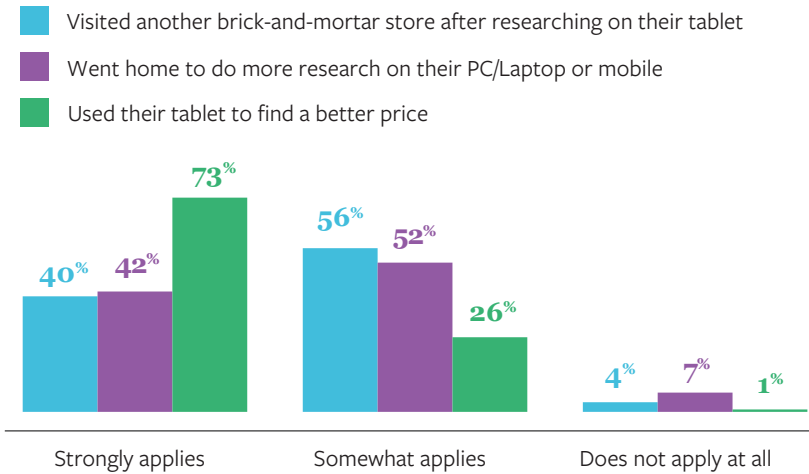
Approximately what percentage of your marketing organization's paid search spend is currently targeting the following devices?



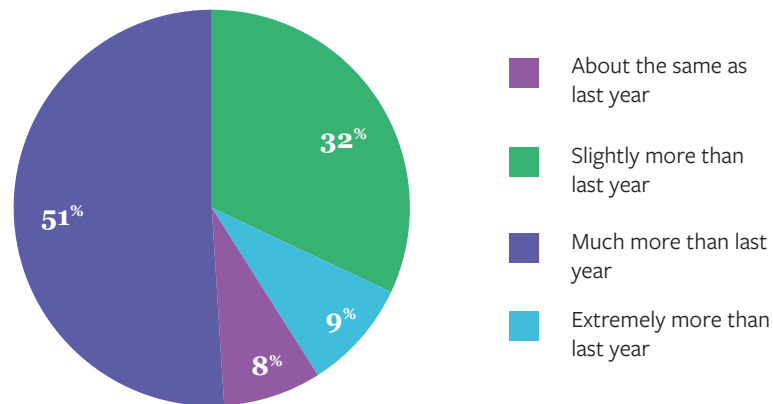
# Mobile Search Consumer Shopping Behavior

92% of marketers recognize that mobile search is becoming an increasingly prominent activity for consumer shopping research with each passing year. When thinking about the traditional purchase funnel, 55% of marketers find paid search ads on smartphones are most effective at driving research and browsing activity in the mid-funnel. When asked about what types of activities consumers might engage in while conducting shopping research in stores, 73% of respondents strongly felt that these in-store shoppers used their mobile devices to research better prices.

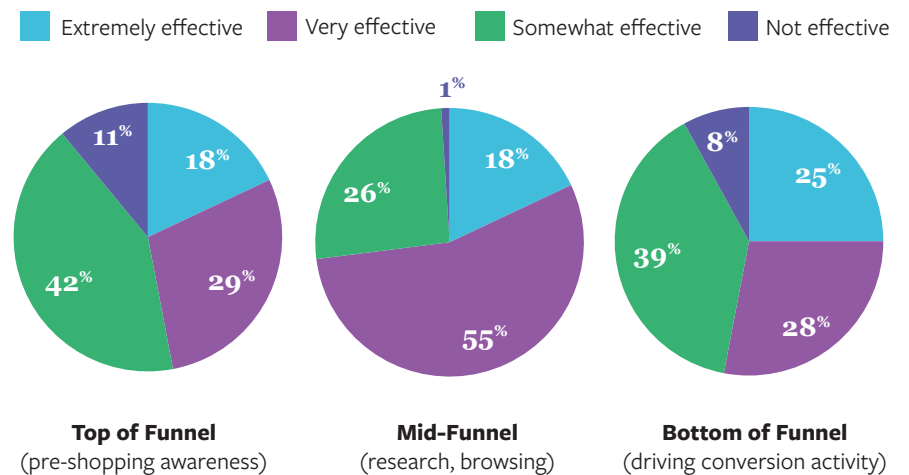
Which of the following activities do you feel applies to consumers that conduct shopping research using their smartphones while in a store or at a place of business?



Do you feel consumers are using search engines more for mobile shopping research this year than last year?



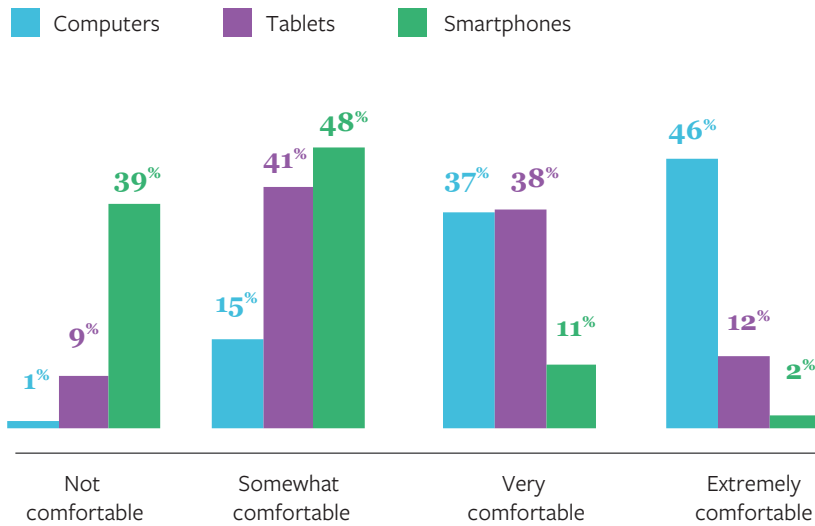
Where in the classical purchase funnel do you feel that paid search ads targeted to smartphones can be effective for retail brands?



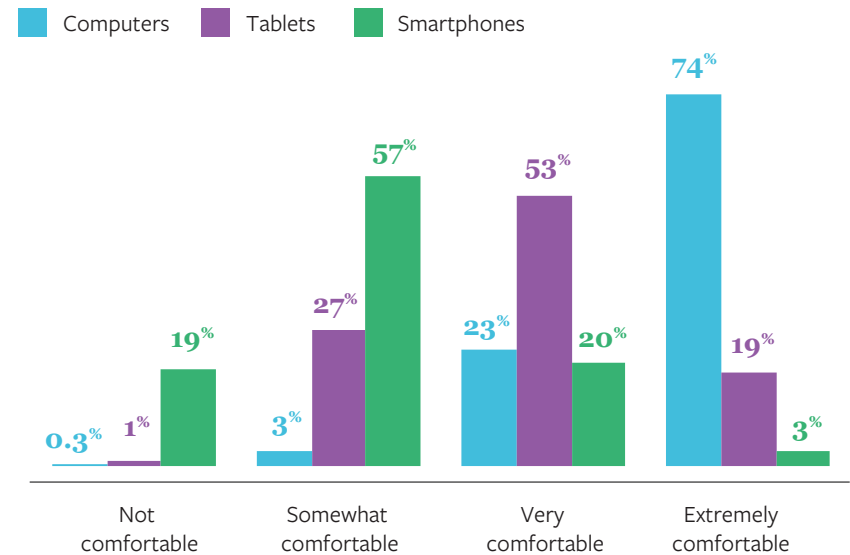
# Consumer Activity Across Devices

Beyond research activity, nearly 40% of marketers believe that consumers on smartphones are not comfortable filling out forms via said device. On the other hand, the larger screen and more leisurely attitude toward tablets likely contributes to the sentiment that consumers are more at ease taking actions and even making purchases on these devices.

How comfortable do you feel consumers are with filling out forms (e.g. request info, quote submission, newsletter signup, etc.) on the following devices?



How comfortable do you feel consumers are with making purchases on the following devices?

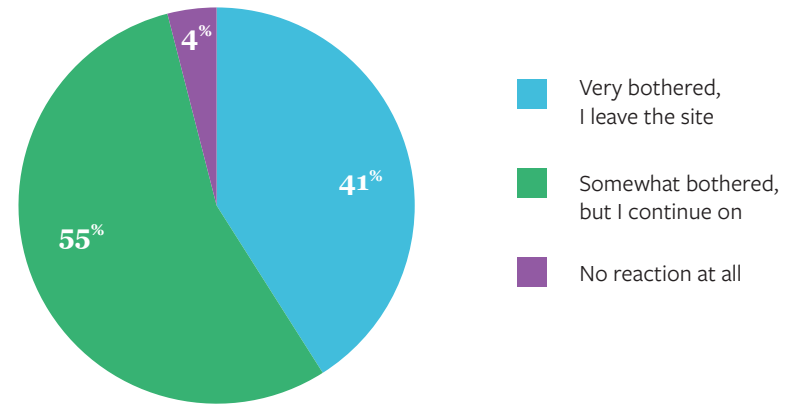


\*Numbers may not add up exactly to 100% due to rounding

# Mobile Web Experience

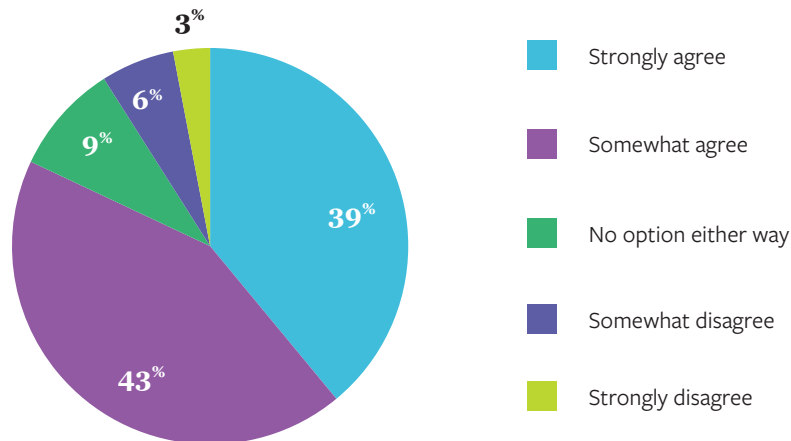
82% of respondents feel that consumers are disappointed when they reach a site not optimized for the mobile experience and 62% think that consumers would be unlikely to return to a non-optimized site after the first visit. When the question was flipped and the marketers were asked how they, as consumers themselves, react to reaching a site non-mobile optimized site, more than half said they are somewhat bothered and 41% reported that they are typically so bothered that they leave the site.

As a consumer yourself, what is your reaction when reaching a non-mobile optimized size via mobile device?

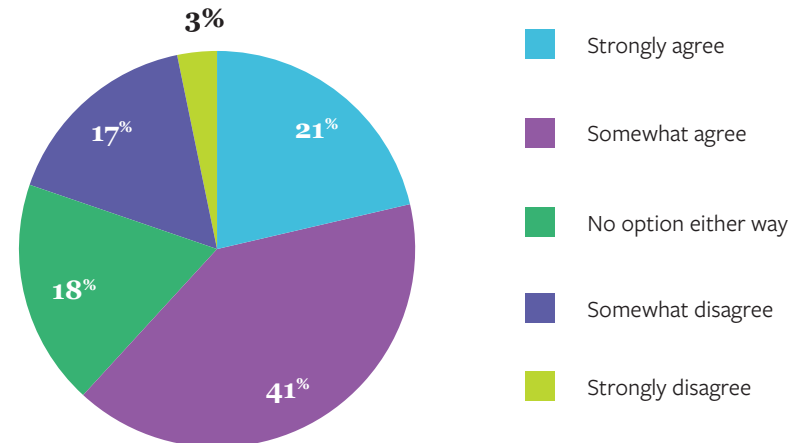


Please indicate how much you feel consumers agree or disagree with each of the following statements:

“I am disappointed when brands or manufacturers don’t have sites optimized for my mobile device.”



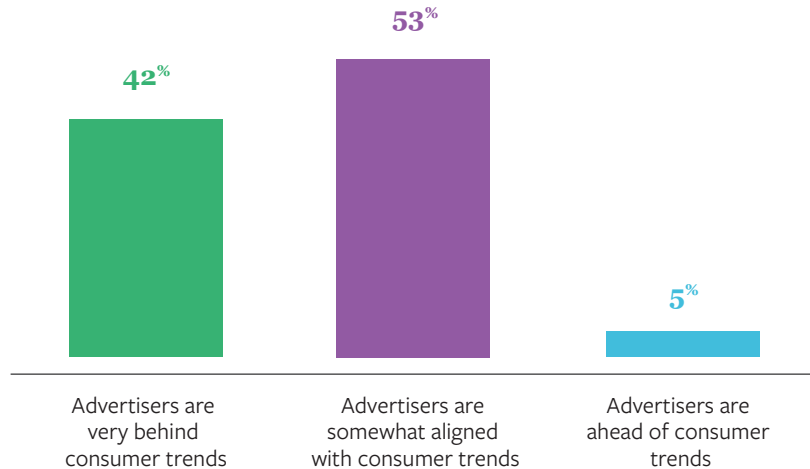
“I am less likely to re-visit a brand/manufacturer’s site if it wasn’t optimized for my mobile device the first time I visited it.”



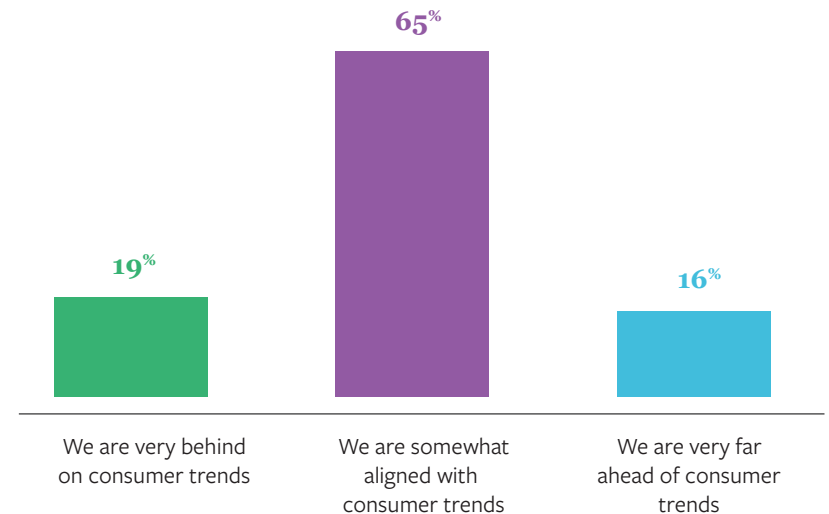
# Cross-Device Marketing Strategy

42% of respondents feel that the majority of advertisers are lagging behind cross-device consumer trends, but when asked to rate the alignment of their own organizations with the trends, only 19% thought of themselves as behind the pack. The wide disparity of sophistication is evident as nearly as many marketers (16%) believe their organizations are very far ahead of consumer trends.

How sophisticated do you feel most advertisers are with regards to cross-device marketing strategy?



How would you rate your marketing organization's sophistication with regards to your cross-device paid search strategy?



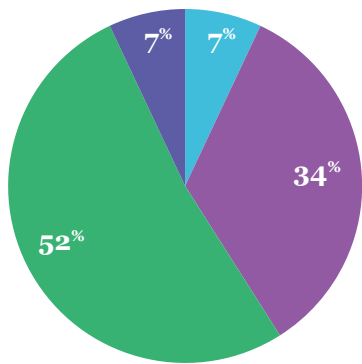


# Tailoring Mobile Search Strategy

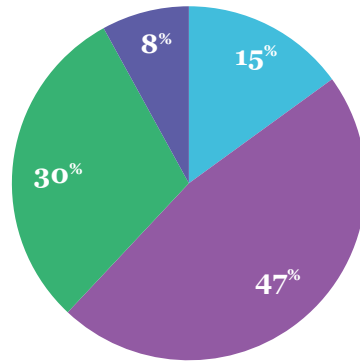
When tailoring paid search strategies across devices, more than half of all marketers admitted to taking basically the same approach to keyword development across all devices. The majority apply slight customization for ad copy with more customization across devices coming into play for bidding strategies. The latter is likely a result of the migration to Enhanced Campaigns and mobile bid adjustments.

Does your marketing organization use different paid search strategies for specific devices across the following activities?

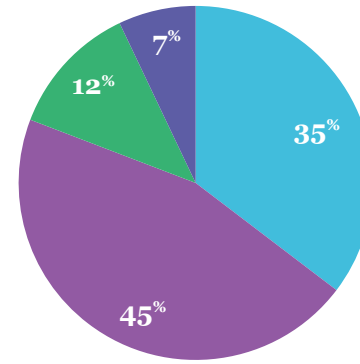
Developing keyword lists



Writing ad copy



Bid strategies



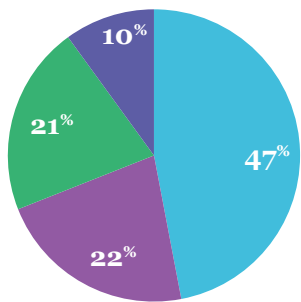
- Very different approach by device
- Slightly different approach by device
- Basically the same approach for all devices
- I don't know

# Future Mobile Search Planning

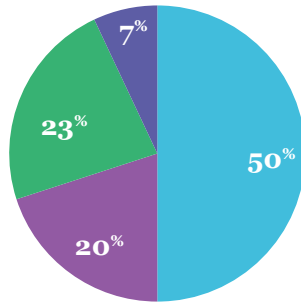
When looking ahead to additional tactics marketer organizations are exploring or engaging in, the responses cover the spectrum. It's positive to see that approximately half of marketers feel like they are already providing rich mobile experiences, but when it comes to deeper, more sophisticated tactics, there is room for marketers to grow.

What is your marketing organization planning to do (or already doing now) to address consumer mobile shopping expectations?

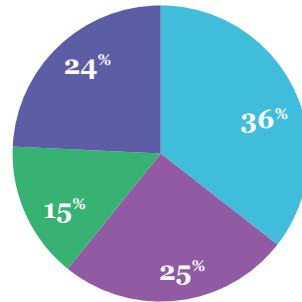
■ Already doing it    
 ■ Planning on doing in 2014    
 ■ Planning on exploring in 2014    
 ■ Not planning on exploring or doing in 2014



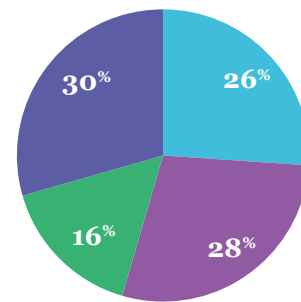
Providing a rich, smart tablet optimized web experience for my visitors



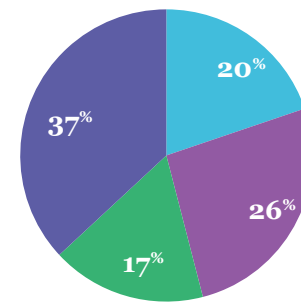
Providing a rich, smart-phone optimized web experience for my visitors



Providing a mobile application (smart-phone and/or tablet)



Offering exclusive offers or content to mobile visitors



Providing a more seamless experience with coupon redemption

# Key Insights and Marketing Imperatives

## **Solidify mobile as a mainstay of your marketing plan and team.**

Mobile can no longer be an afterthought in your marketing mix. As consumer adoption of and interaction with these devices continues to grow, marketers must respond by creating a holistic program to capture and engage potential consumers across devices. This multi-device approach should be reflected in all facets of your search program – from team structure to budget allocation. Resist the urge to create a mobile specialist role or separate mobile planning and execution functions within your organization.

## **Tailor your device strategies to improve effectiveness.**

The next level of opportunity in mobile lies in refining strategies and truly optimizing campaigns for each device type. When crafting your mobile strategy, be thoughtful in developing your keyword lists and your ad copy. If the trends are pointing to mobile search as an influential component in the research phase, create campaign assets from this point-of-view. Leverage mobile bid adjustments to strike an optimal balance with your bidding and pay just what each potential customer is worth based on location and intent signals.

## **Take a consumer-centric approach to create a seamless experience.**

Invest in ways to create a positive mobile experience for your potential customers. Find ways to create a more streamlined, mobile-friendly web environment. Maybe it's time to also consider adding a mobile app to drive new activity. On the local side, enable features like click-to-call so consumers have an easy, accessible way to get in touch with you on the go. Whatever steps you decide to take, keep the consumer in mind throughout the process.

## **Activate more advanced tactics to standout in the market.**

As mobile matures, creating a well-informed and well-rounded mobile program is essential. The market is constantly shifting and evolving so be sure to stay on top of the trends and mobile advertising options available. As your peers (and competitors) grow more comfortable in this multi-device world, it will be critical to up the sophistication level of your program. Explore opportunities like mobile Product Listing Ads and Call Extensions or create exclusive mobile offers for consumers. Going that extra inch can get you ahead of the pack and set you up for mobile success.

## Survey Methodology

The survey data analyzed in this report reflects responses from 359 global search marketing professionals, representative of both in-house and agency marketers. The survey was delivered and responses were compiled and analyzed in August 2013. All survey responses were completed anonymously.