
SM2 INNOVATION
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IT'S TIME TO BREAK UP WITH CTR
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# Click-Through-Rate: A Long History



E-Mail



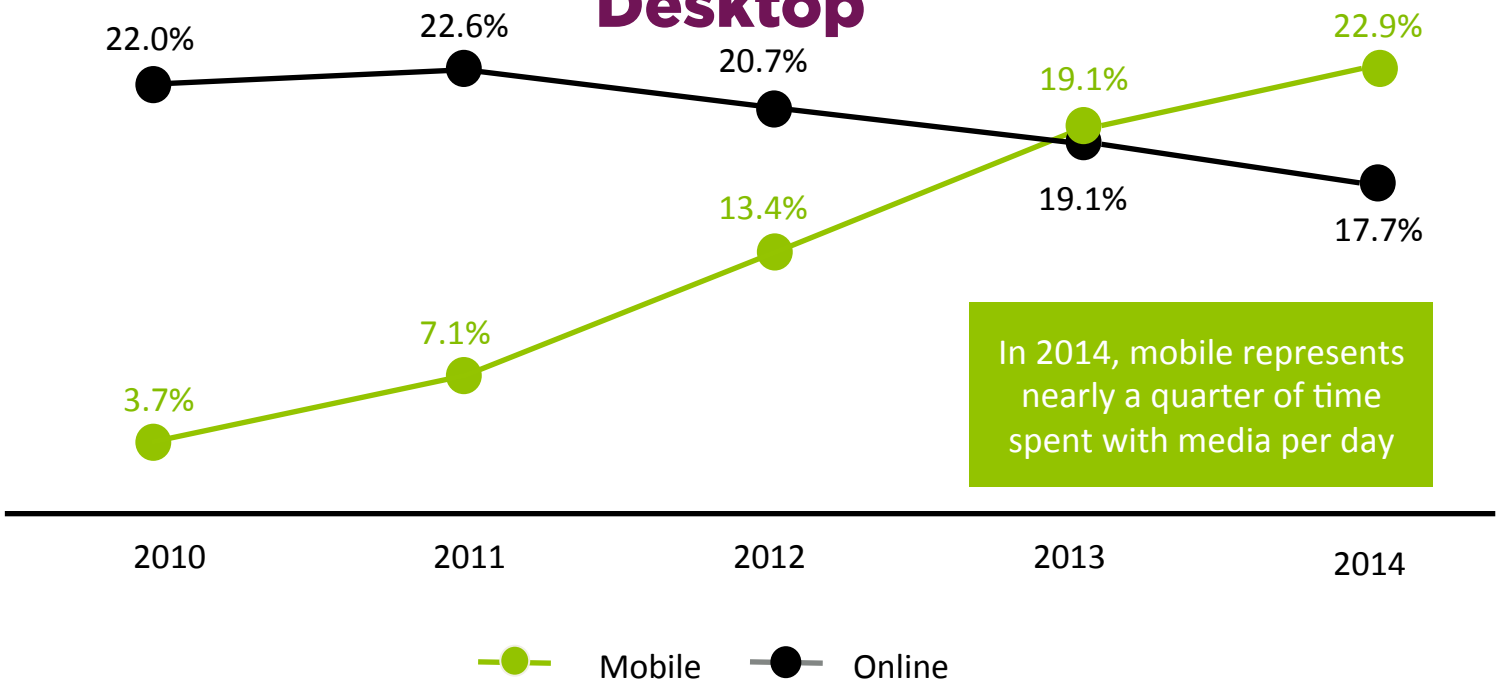
Search



Banner Ads



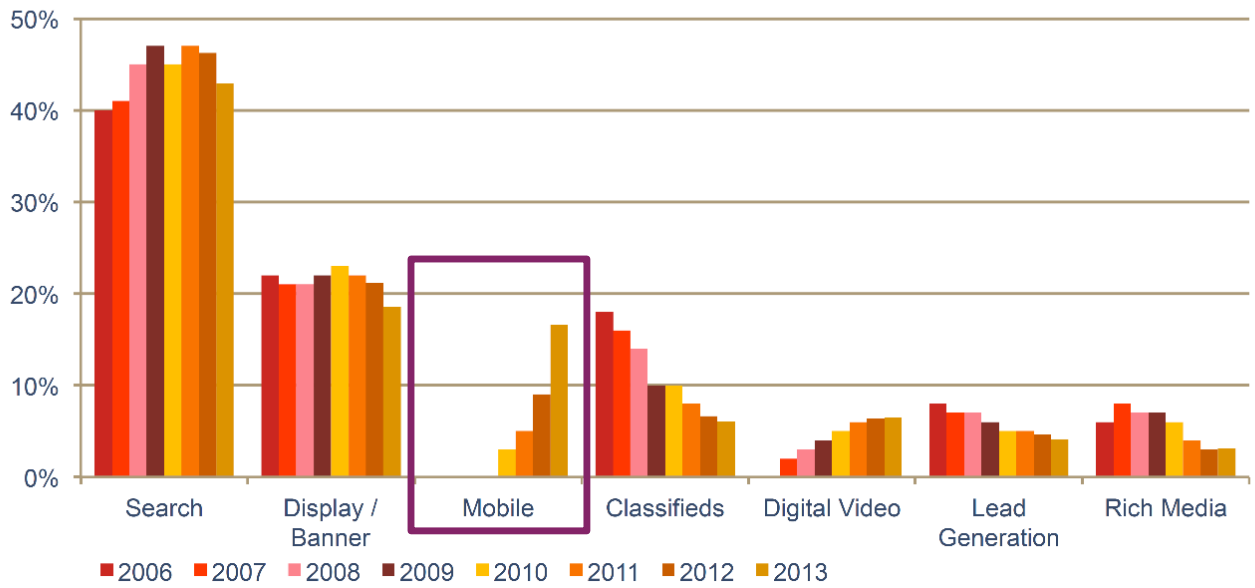
# In 2013 Time Spent With Mobile Caught Up With Desktop




Source: eMarketer, September 2014

# Digital Marketing is Changing

**Advertising format share, 2006 - 2013* (% of total revenue)**




**Mobile revenues totaled $7.1 billion in 2013 (up 110% from 2012)**

Source: IAB Advertising Revenue Report, April 2014

# Mobile Opens a World of Possibilities and Options

Smartphones are on-the-go and personal – and inherently different than computers. Mobile-first measurement takes full advantage of this medium

| Secondary Action Rates (SAR) | Store Visitation Lift (SVL) |
| --- | --- |
| Secondary Actions – including calls, navigations, and clicking through for more information – that happen following the initial click | The increase in foot traffic as a direct result of mobile advertising exposure |

# Research for Understanding Mobile Consumer Behaviors

xAd's 2014 studies conducted with Nielsen

## Mobile Path to Purchase

ENTERTAIMENT TELECOM RESTAURANT AUTO

- Survey and behavioral data from 6,000 smartphone and tablet consumers who made a purchase with the help of their device
- Examine mobile's expanding role in the purchase decision

## Mobile Ad Measurement Study

RETAIL RESTAURANT AUTO

- Examined multiple ways to measure campaign success including CTR, post-click actions (calls, navigation, more information), and store visitation
- Included 12 national brands, nearly 80 individual campaigns, and over 200M impressions

## When it Comes to Mobile…

# It's time to break up with the CTR



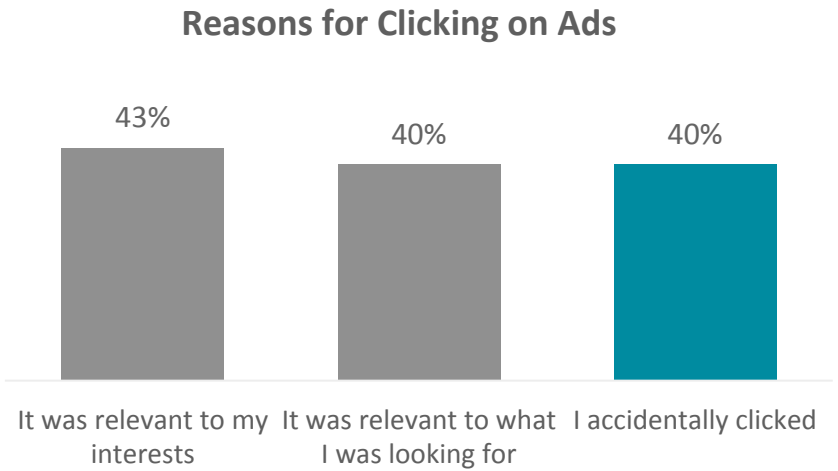

- Easily inflated by accidental clicks
- Doesn't effectively measure secondary actions and engagement
- Downstream activities – including store visits and conversion – are completely missed

# An Accident Waiting to Happen

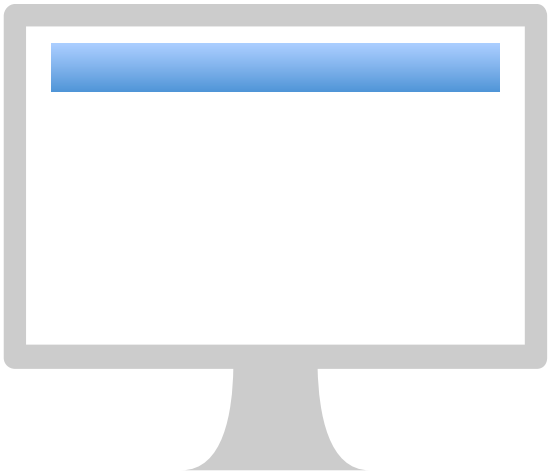
Question for the Audience:

What percent of mobile users clicked on an ad by accident in the past 30 days?

A. 5%
B. 15%
C. 30%
D. 40%
E. 50%



# What Makes Mobile Different?





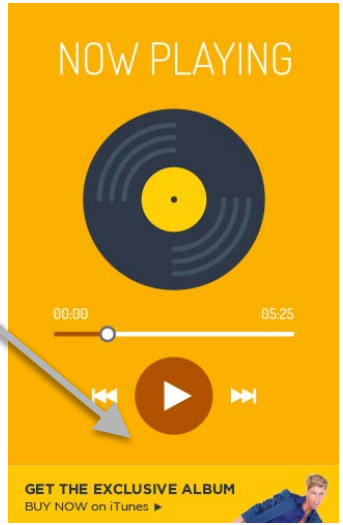
- Two-step process of moving cursor over banner, and clicking on mouse to engage with ad

- Barely a one-step process: Small screens & touchscreens leads to “fat fingers”

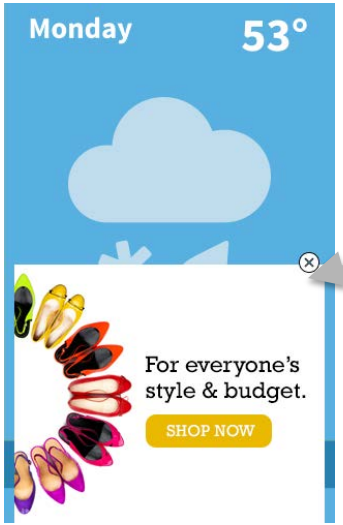
# Clicks are Easily Influenced Outside of the Campaign

Placement of Ad

Accidentally click on ad when trying to press "play"




Design of Ad




Easily click on ad instead of "x" when trying to return to content

# CTR Favors Quantity Over Quality

CTR is often unrelated, or negatively correlated, to engaged actions such as calls, directions, and store visits.

# Increasing CTR Negatively Impacts SAR

Optimizing for CTR leads to more clicks, but it comes at a cost

## Impact on Campaign Metrics When Optimizing

### For CTR

### For SAR

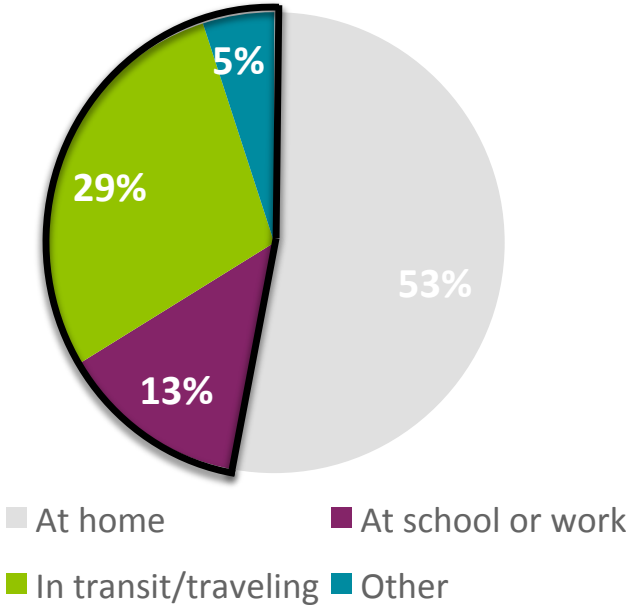


# For Mobile Measurement, Offline Matters

## Question for the Audience:

According to xAd's 2014 Path to Purchase research, what percentage of mobile activity happens outside of the home?

Half of Mobile Activity is Happening On-The-Go

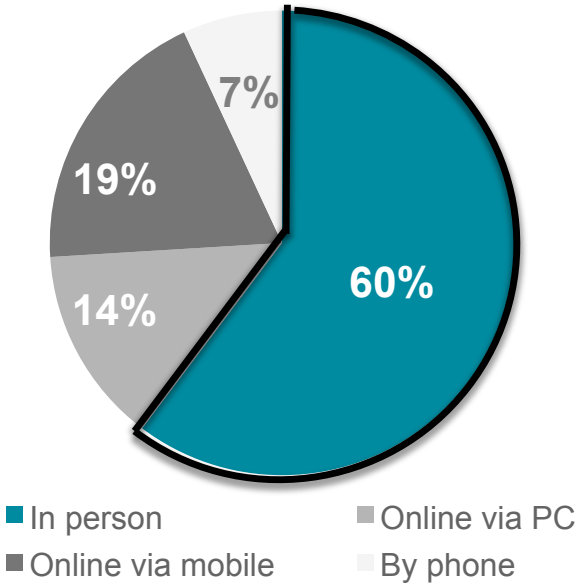


# For Mobile Measurement, Offline Matters

**Question for the Audience:**

What percentage of transactions are completed in person, at a business location?

The Majority of Mobile-Related Conversions are Offline



# Where Commerce Happens



**90% offline**

Yet companies know more about online consumer behaviors than offline ones...

Source: US Department of Commerce, May 2014

# It's Time To Move On

Store Visitation Lift (SVL) is by far the best indicator of purchase intent for mobile



For more information on breaking up with the CTR and the best ways to measure success in mobile, download our newest whitepaper @ www.xad.com/location-labs

# Mobile Ad Measurement: Defining Benchmarks for Mobile Success



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