Maximizing Cross Device Usage



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Agenda

1. **Introduction:** Mobile Commerce Report Q3: Cross Device, Apps and Smartphones
2. **Business Case:** Benchmarking a Leading Retailer's Mobile Business
3. **Challenge:** How to Improve This Retailer's Mobile Benchmarks?
4. **Solution**: Actual Recommendations and Results

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These trends and forecasts come from Criteo's Q3 2015 State of Mobile Commerce Report, based on its unique pool of online shopping data.

#1

Mobile is becoming the preferred purchase device for cross-device shoppers



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4 out of 10 purchases now involve multiple devices*

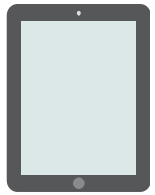
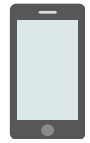
Cross-device shopping is the new normal.

Retailers need to redesign their online buying experience to reflect the fact that almost half of their users visit them using multiple devices in the days leading up to purchase.

For purchases completed on laptops & desktops, 39% of buyers used at least one additional devices to visit the same retailer prior to purchase.

On mobile, 43-47% of buyers used an additional device prior to purchasing on their mobile phone.

U.S. Cross-Device Share of eCommerce Transactions

User completed purchase on	TABLET	SMARTPHONE	DESKTOP
			
% of users who used multiple devices in path to purchase	47%	43%	39%

* Where the consumer has more than one device. Based on Criteo's cross device product providing exact matches of users across multiple devices.

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Mobile is becoming the purchase device for cross-device shoppers

Cross-device purchasers are 20% more likely to use their mobile to complete a transaction than the average.

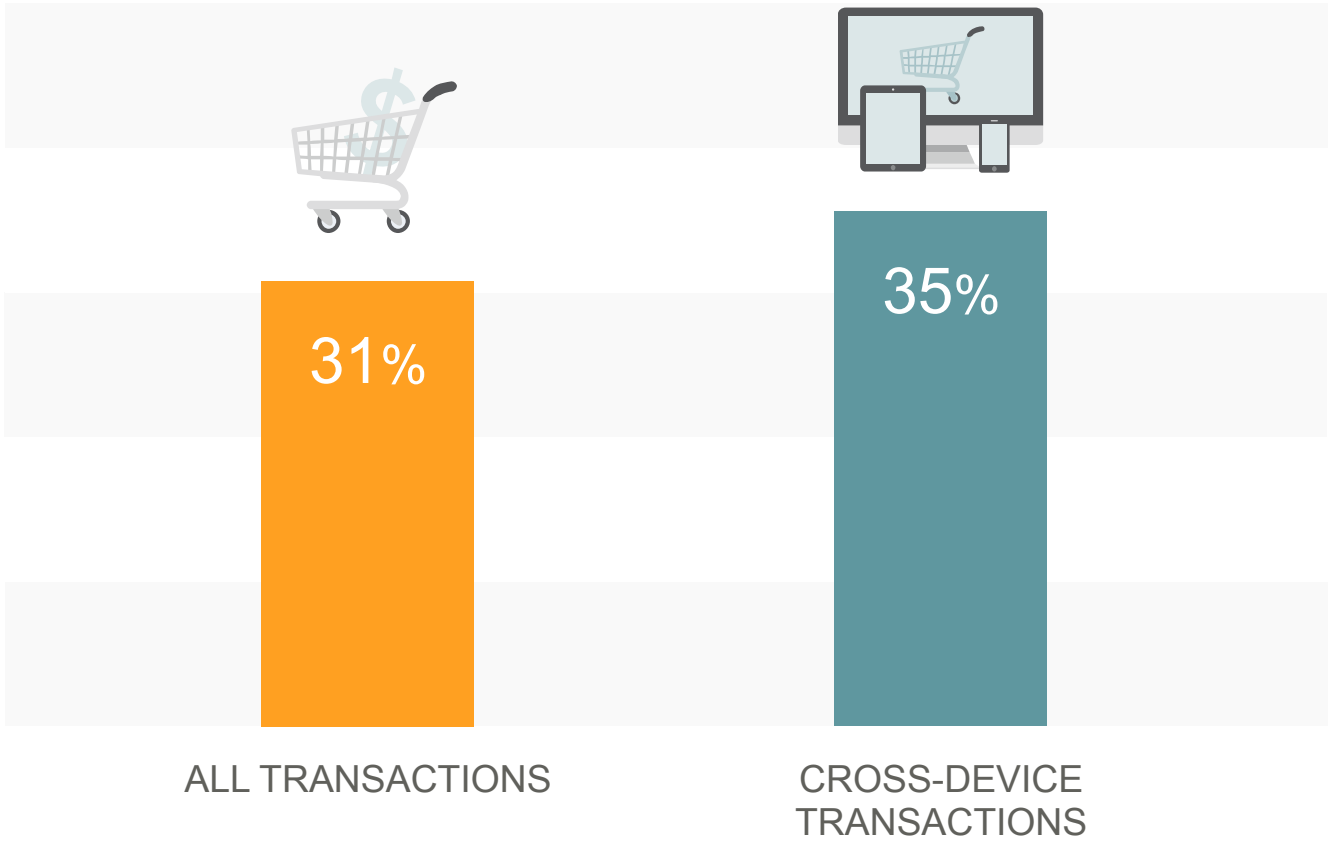
What does this mean? Increasingly, consumers are browsing on one device – perhaps a work PC or home laptop – and then finalizing that transaction when they have their mobile in front of them.

The idea that the mobile is just a research device is simply wrong.

We expect the fraction of cross-device transactions completed on mobile to grow fast as shoppers get more and more comfortable with completing purchases while on the go.

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Mobile Share of Transactions Q3 2015



* Where the consumer has more than one device. Based on Criteo's cross device product providing exact matches of users across multiple devices.

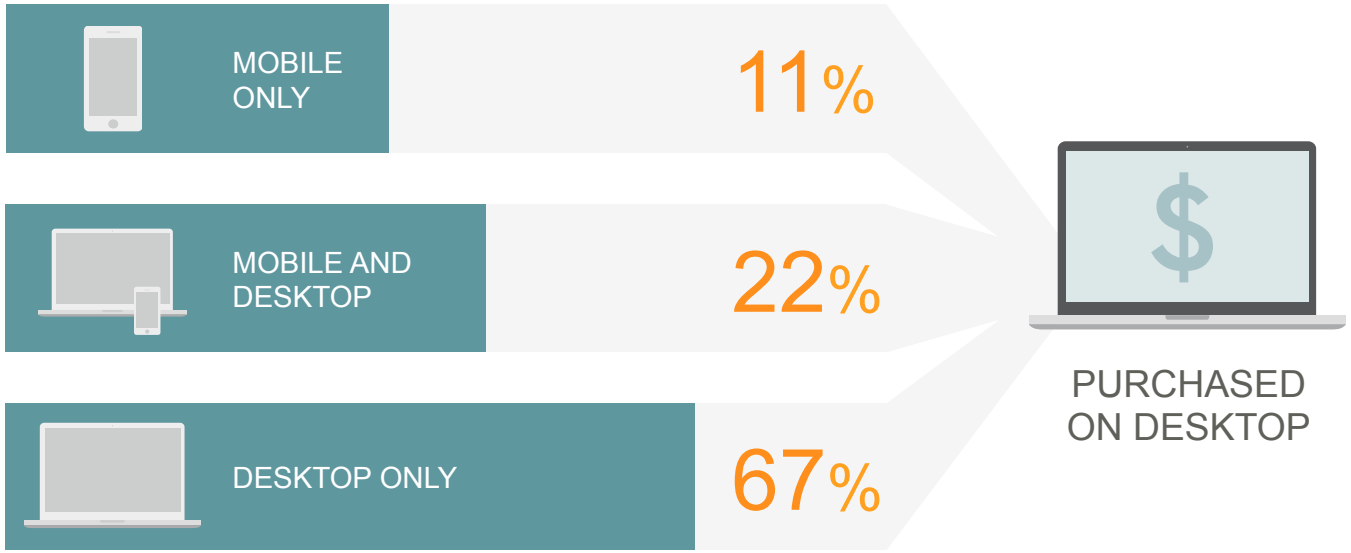
One-third of desktop sales now involve mobile prior to purchase

Mobile is omnipresent in the customer's path to purchase.

Significant amount of cross-device transactions involve some mobile research prior to the purchase event – 33% of desktop transactions involve browsing through at least a mobile prior to purchase.

That means for a single retailer, shoppers are visiting the retailer's desktop and mobile browser sites when researching and making a purchase.

Devices used to visit retail site prior to purchase

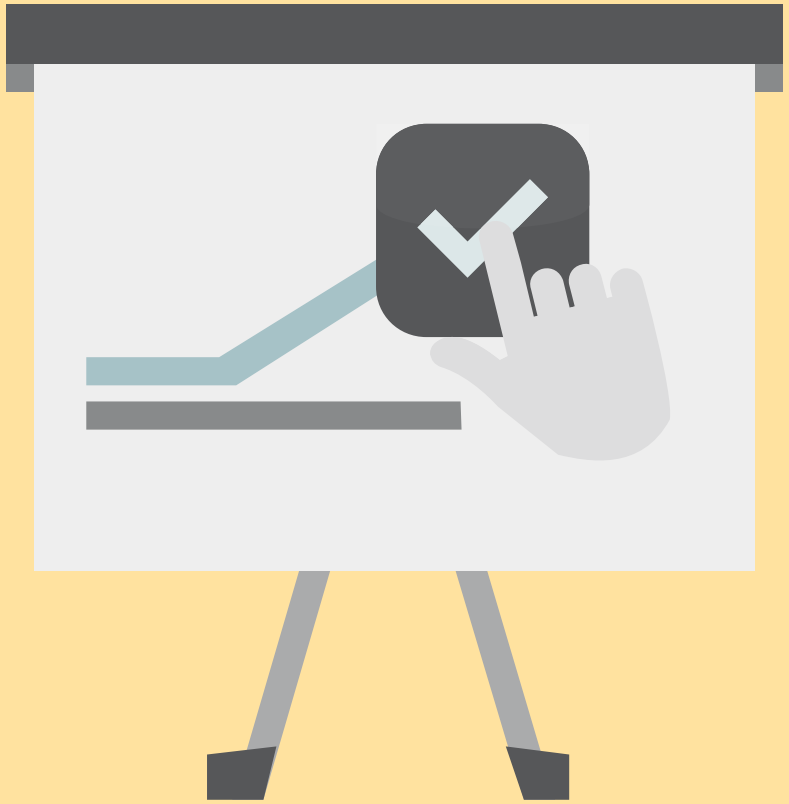


* Based on Criteo's cross device product providing exact matches of users across multiple devices

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#2

Apps can be your highest performing channel



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Apps now generate at least half of all mobile sales for retailers who have made their app experience a priority*

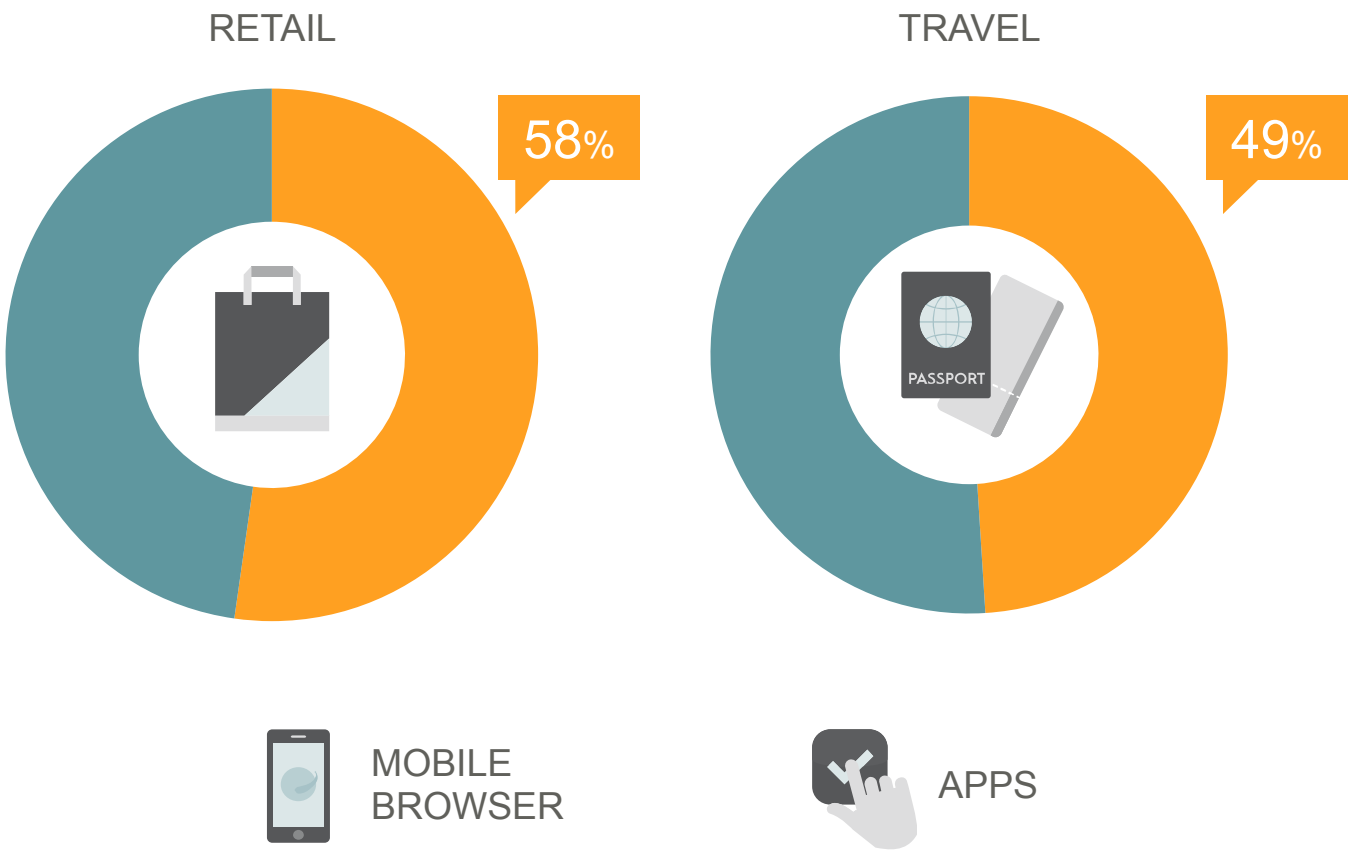
Retailers who have prioritized their mobile app experience as a key revenue driver see a significant share of transactions via their app.

For these retailers, apps generate 58% of all mobile revenue.

Travel is slightly less at 49% of mobile transactions.

It is important to note that many retailers have not made this investment in apps, in which case sales from apps are often negligible.

Average App vs. Mobile Browser Share of Mobile Transactions for a Single Retailer



* Definition: Retailers that have over 25% of eCommerce transactions on mobile. Of those mobile transactions, more than 10% are from mobile apps.

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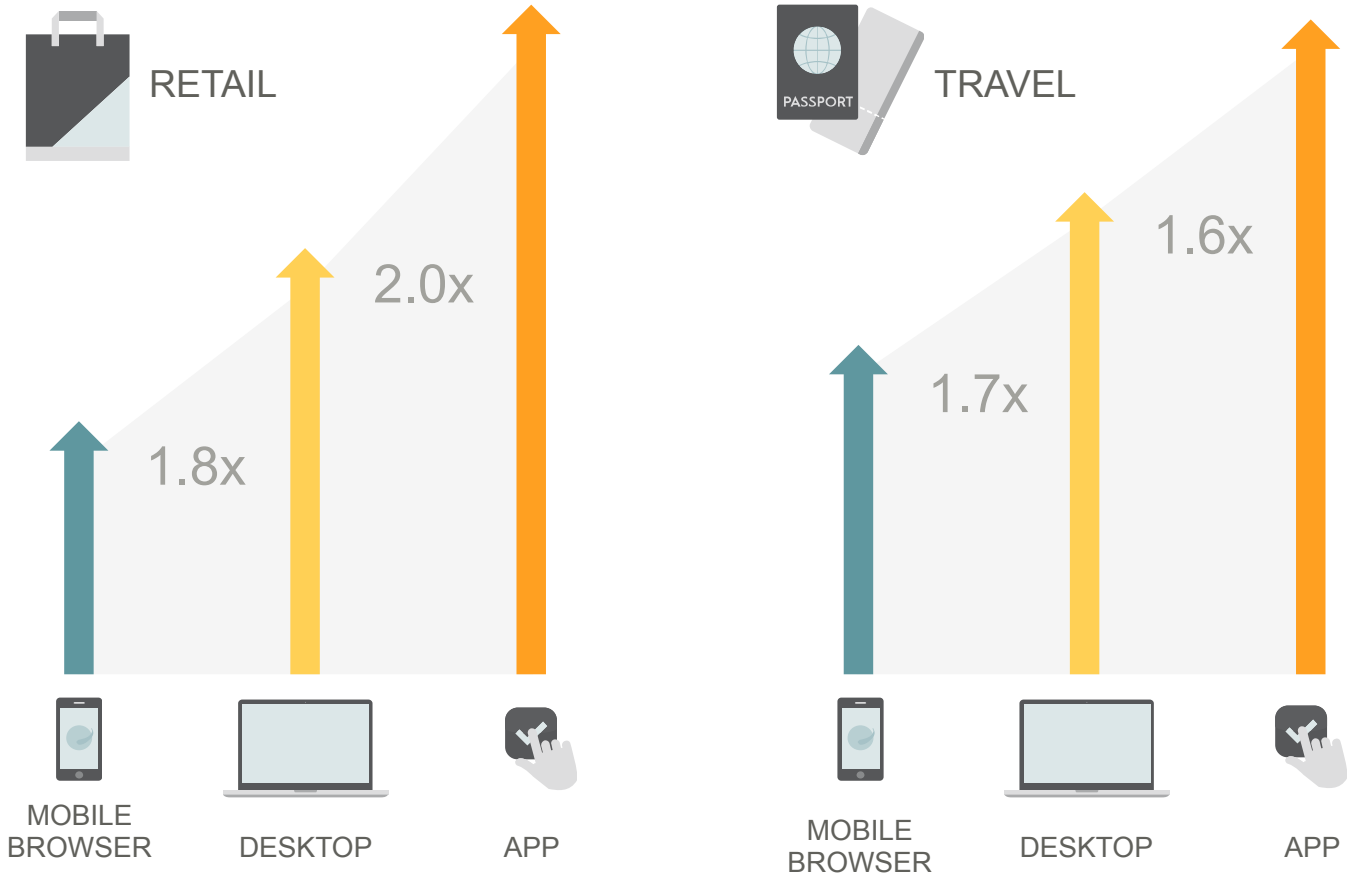
Apps convert visits to sales better than the desktop site

Apps convert at a higher rate than mobile browser – by a factor of 3.7x in the case of retail.

More remarkably, apps convert twice as high as the desktop for retail, and 1.6x higher than the desktop for travel.

In other words, apps are a better consumer experience than any other technology.

*Mobile Retail Conversion Rates for Committed App Retailers**



* Definition: Retailers that have over 25% of eCommerce transactions on mobile. Of those mobile transactions, more than 10% are from mobile apps.

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Apps work because they make browsing products fun, and buying them easy

Apps deliver a 3.7 times higher conversion rate than mobile browser.

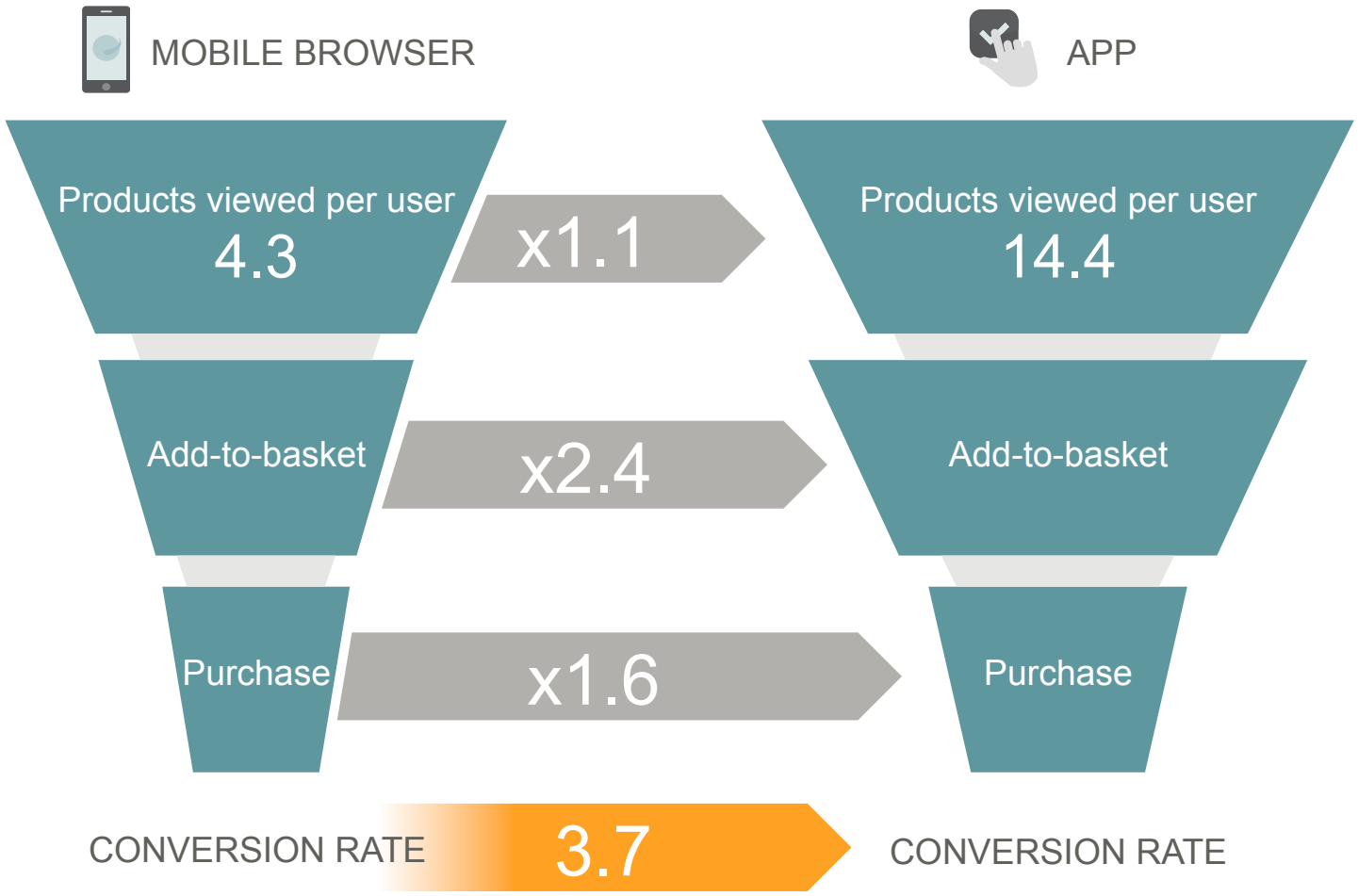
This is driven by two main factors:

Browsing products is easy and fun on apps. The mobile app experience is perfect for swiping through visually appealing images. As a result, the average user sees 14 products via the app, v.s. 4 products on the browser. Also, an app user is 2.4 times as likely to add products into the basket.

It is also easier to complete a purchase, leading to a purchase rate that is 1.6x higher than via the mobile browser.

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Conversion Funnel from Landing on Site



* Definition: Retailers that have over 25% of eCommerce transactions on mobile. Of those mobile transactions, more than 10% are from mobile apps.

#3

Smartphones are the key for top quartile retailers



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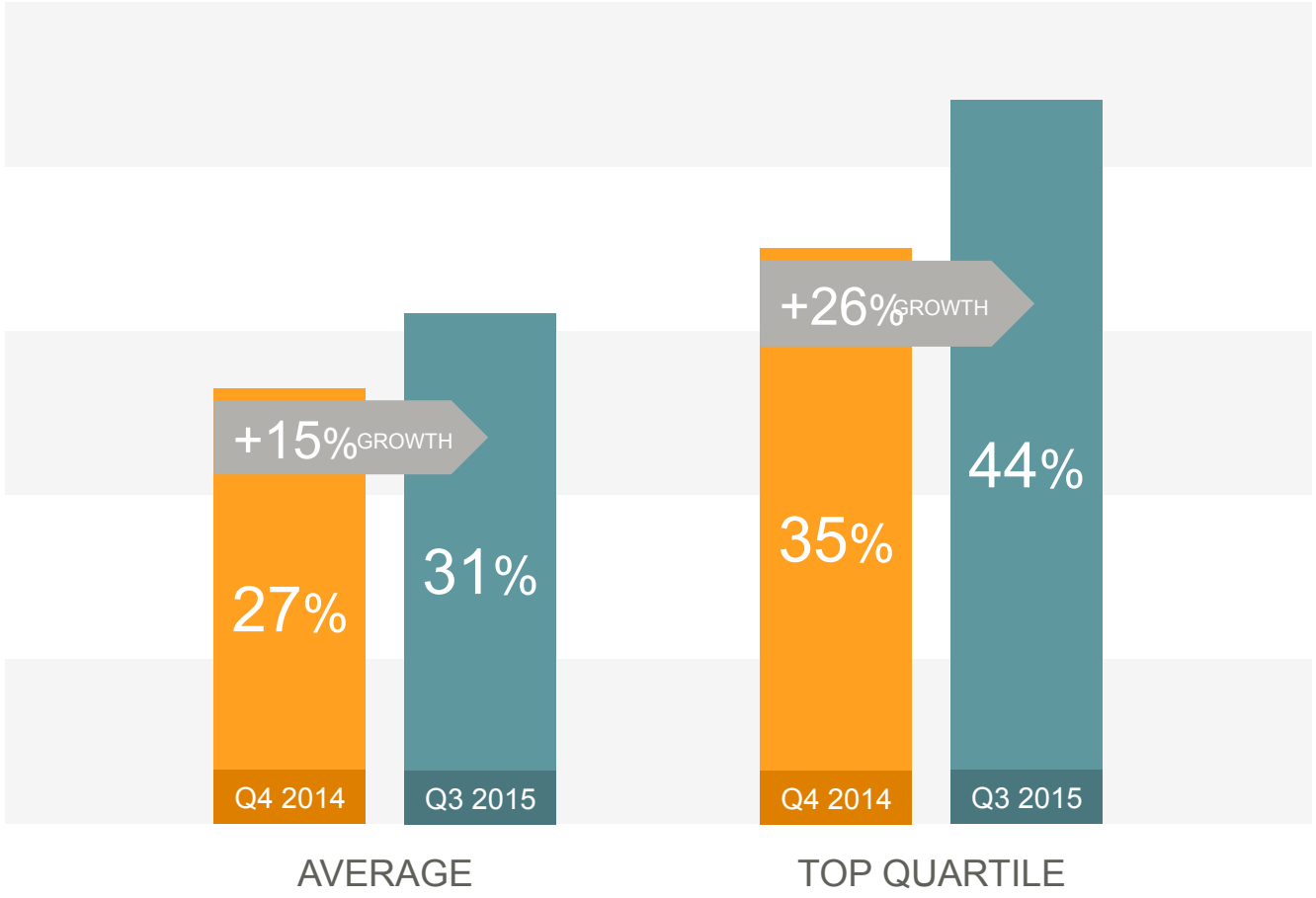
Top quartile retailers are growing mobile almost twice as fast as the average

Over the last three quarters, mobile commerce has grown fast in the U.S.

The average retailer has seen their mobile transaction share grow 15% from 27% share to 31% share this quarter.

Top quartile retailers are performing at twice this rate. They have grown mobile transaction share 26% over the last 3 quarters, and now close to half of all their transactions are on mobile.

U.S. Mobile Share of eCommerce Transactions

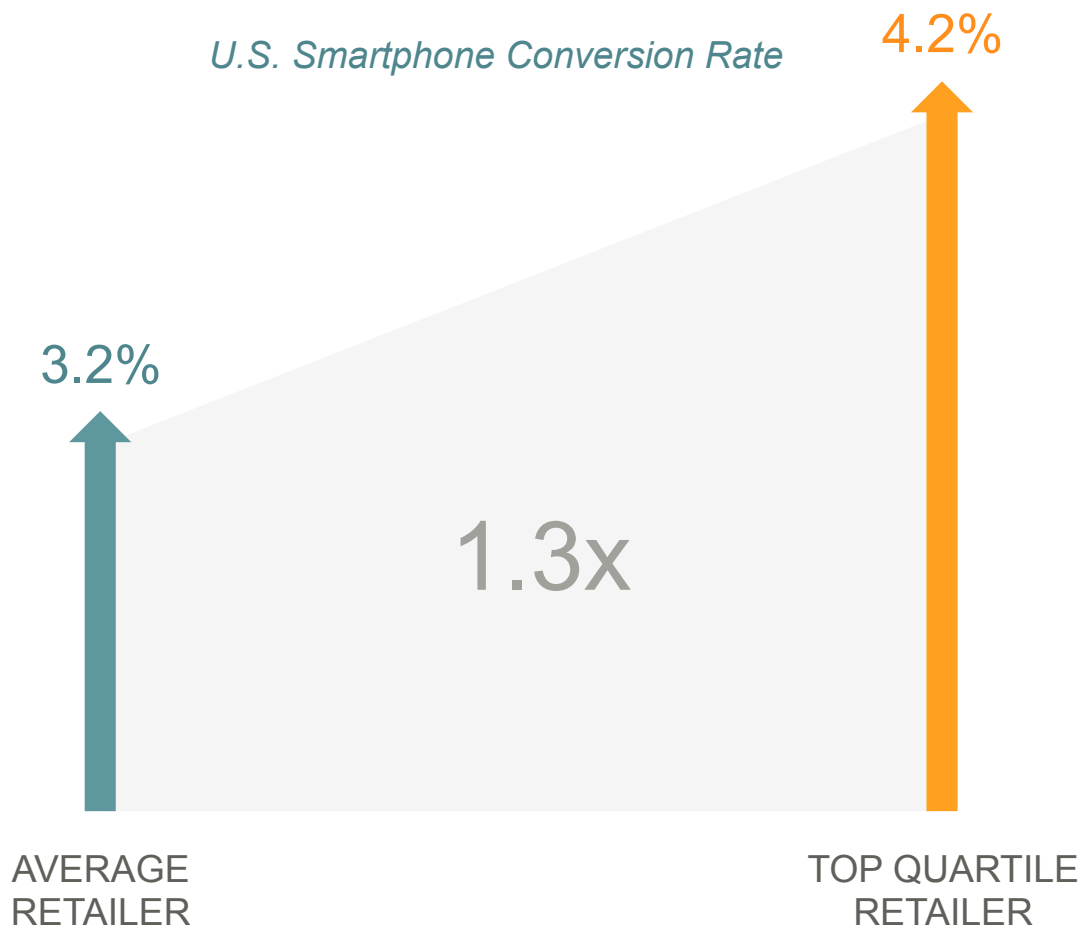


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Top quartile retailers are doing an even better job on smartphones

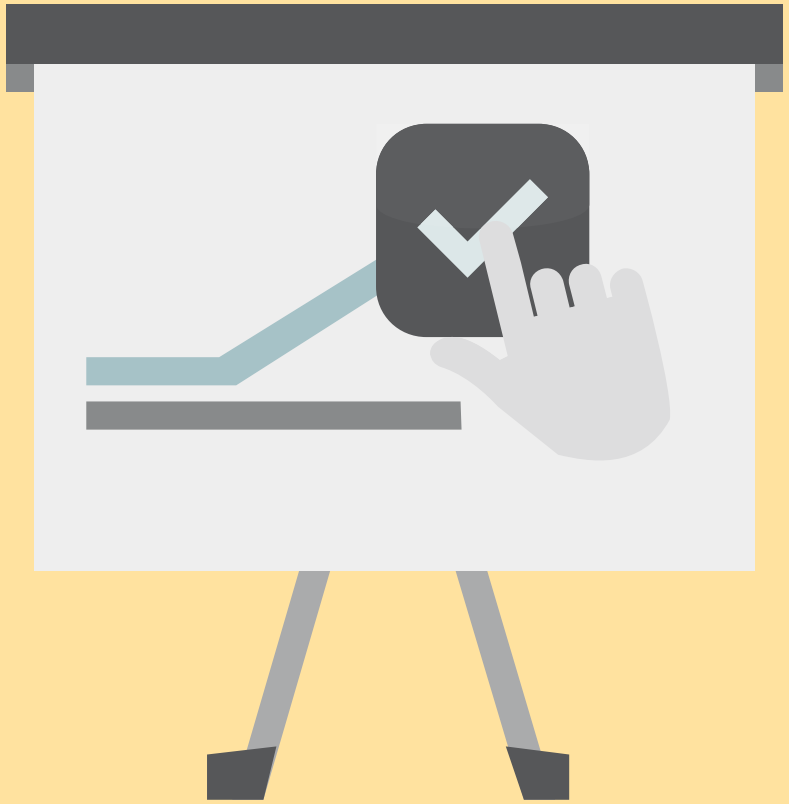
The top quartile retailer has optimized their smartphone conversion rate and is two times better than the average retailer. The conversion rate for top retailers is 4.2% while the conversion rate for the average retailer is 3.2%.

The top quartile retailer also sees 64% of their mobile transactions via smartphones versus the average is eight points lower at 56%.



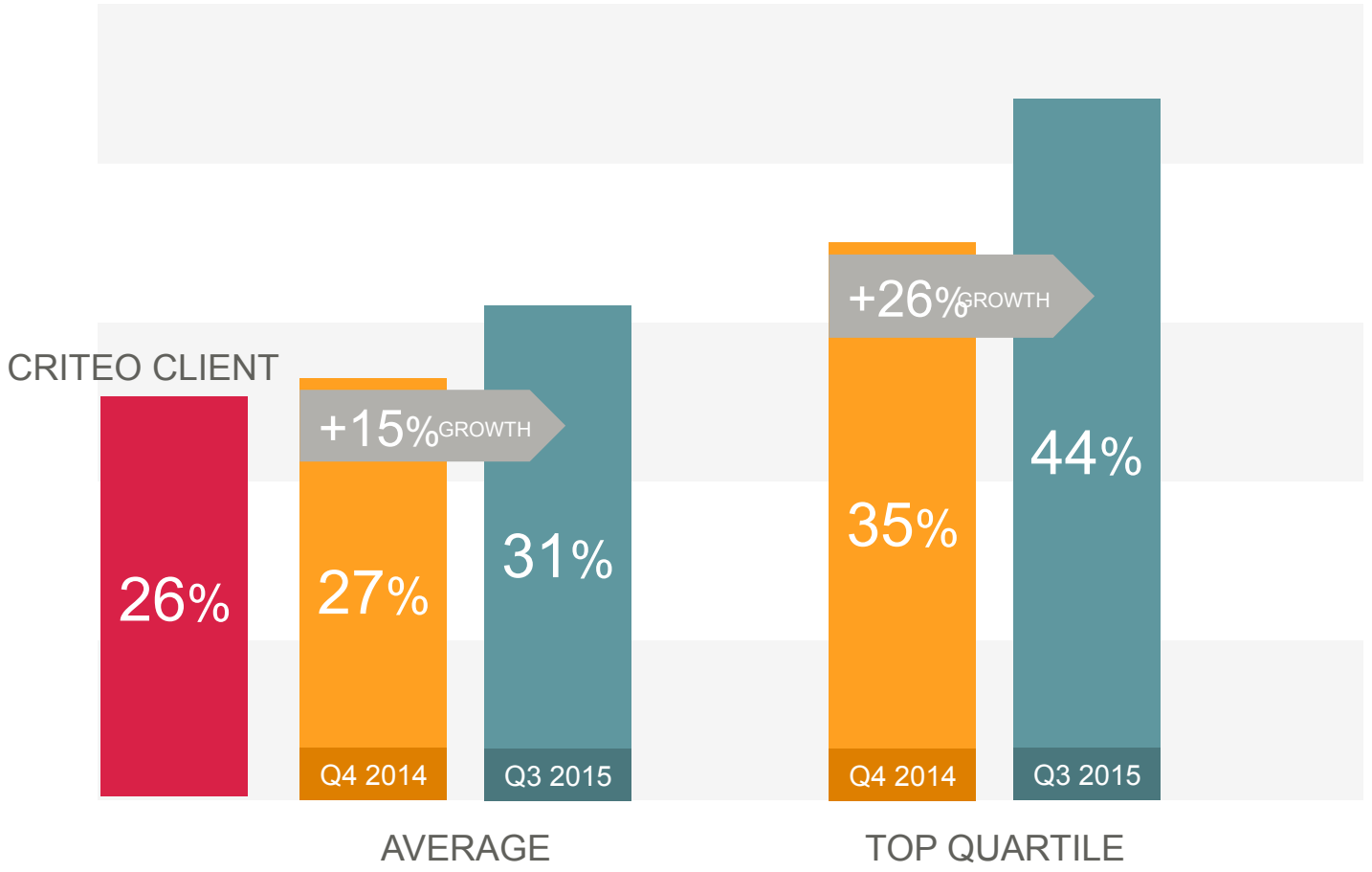
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Business Case and Challenge



Mobile Browser Share of eCommerce Transactions

U.S. Mobile Share of eCommerce Transactions

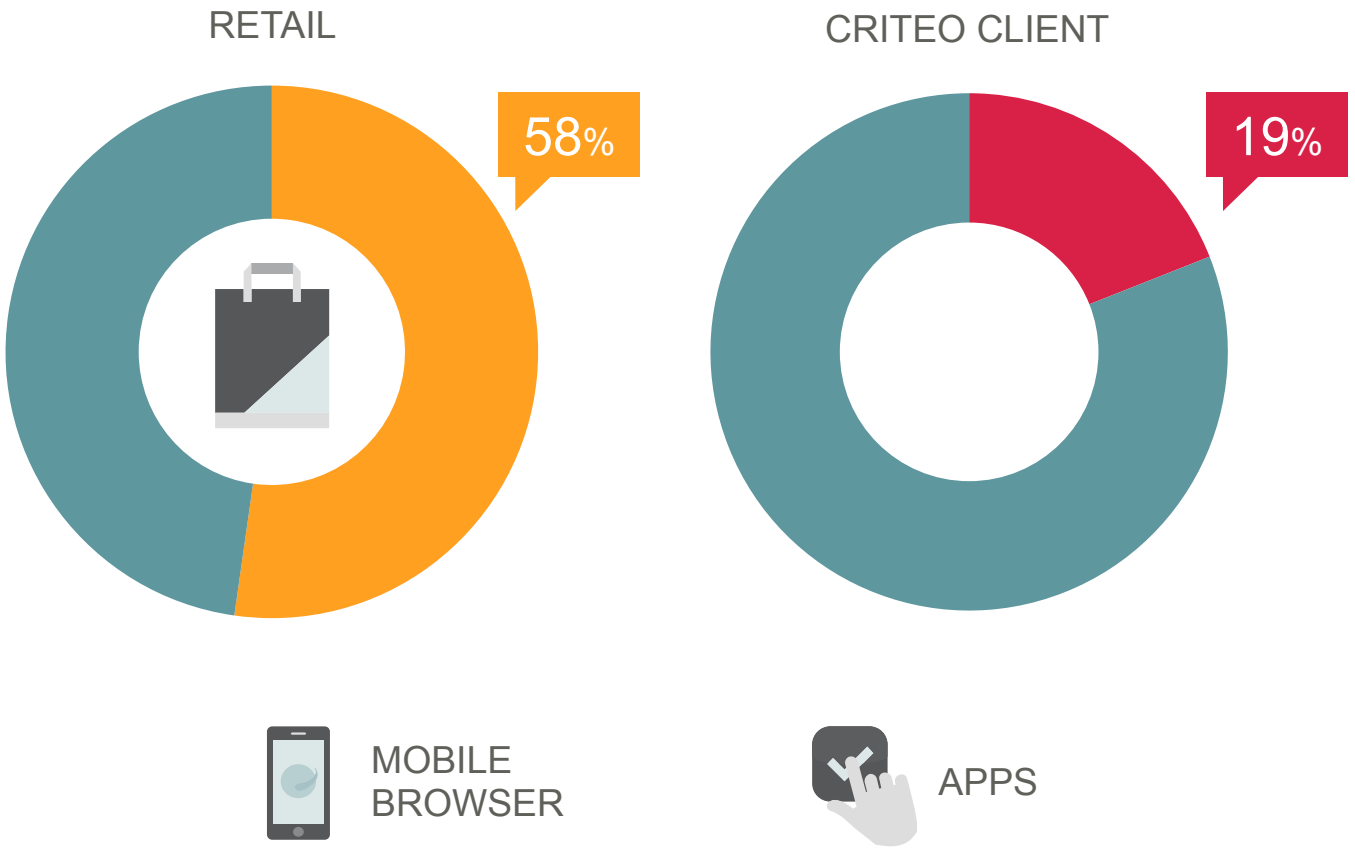


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Apps Share of Mobile Transactions

Average App vs. Mobile Browser Share of Mobile Transactions for a Single Retailer

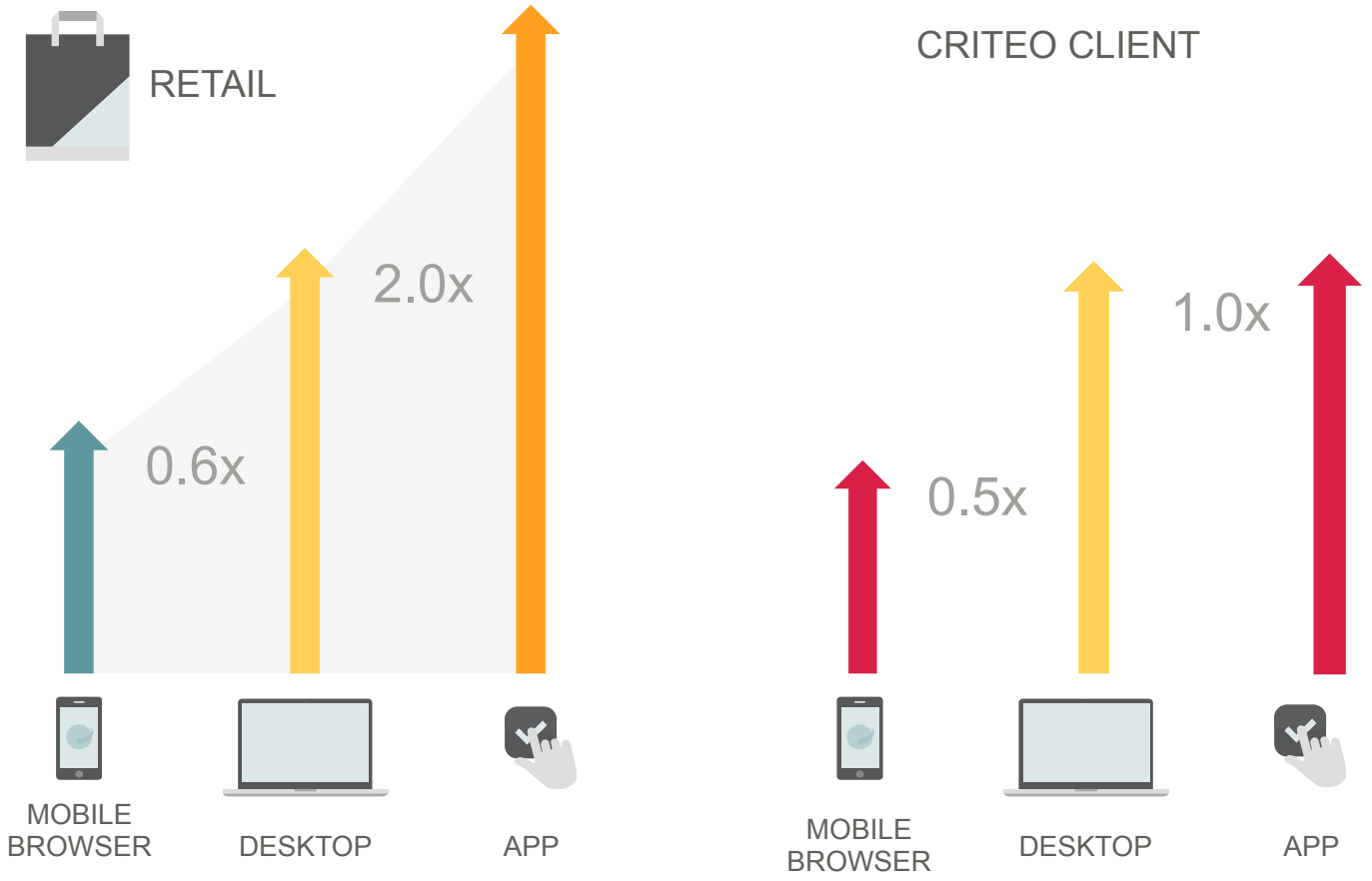


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Conversion Rates

Mobile Retail Conversion Rates

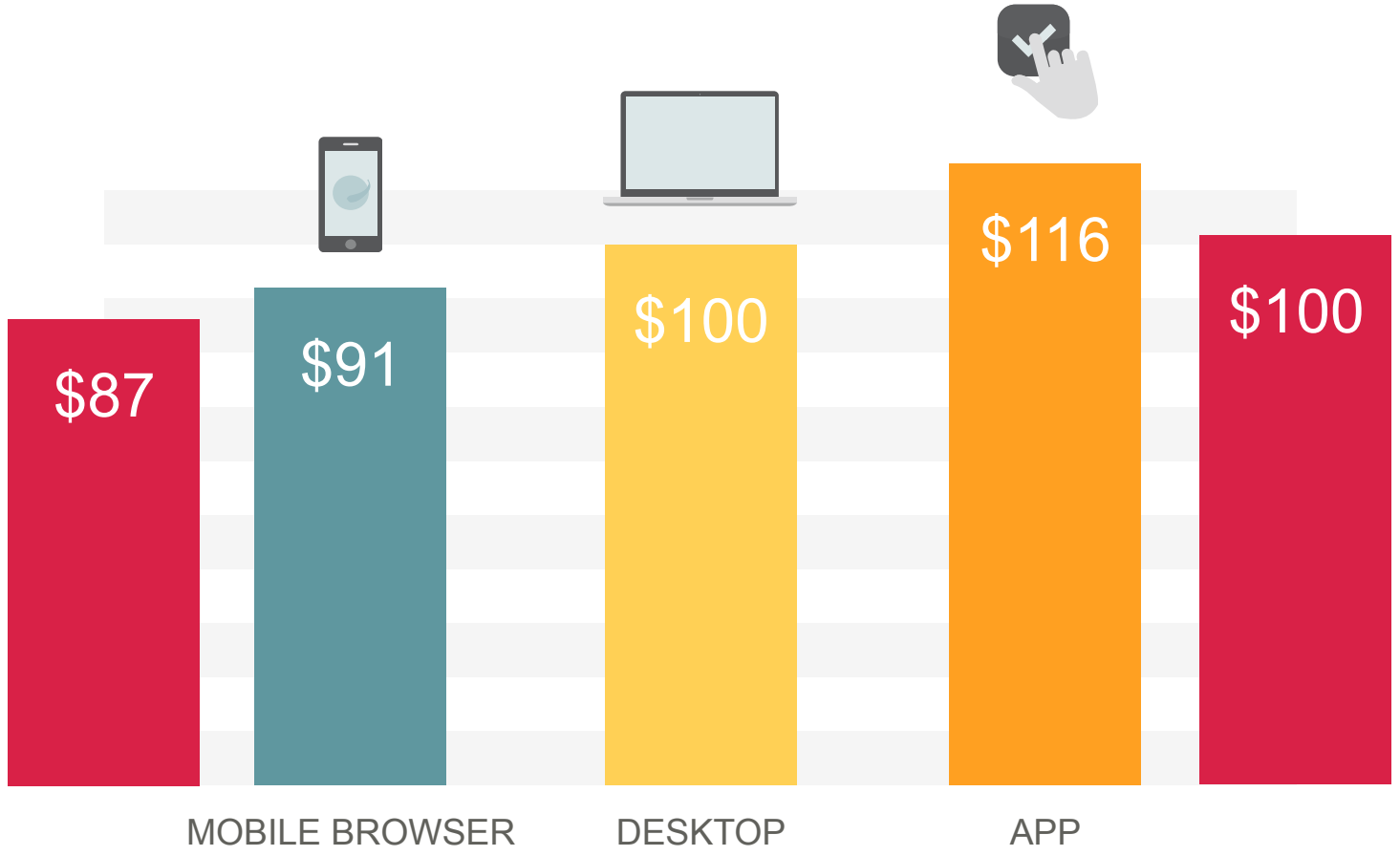


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AOV

*Mobile Order Values Compared to $100 Spent on the Desktop for Committed App Retailers**

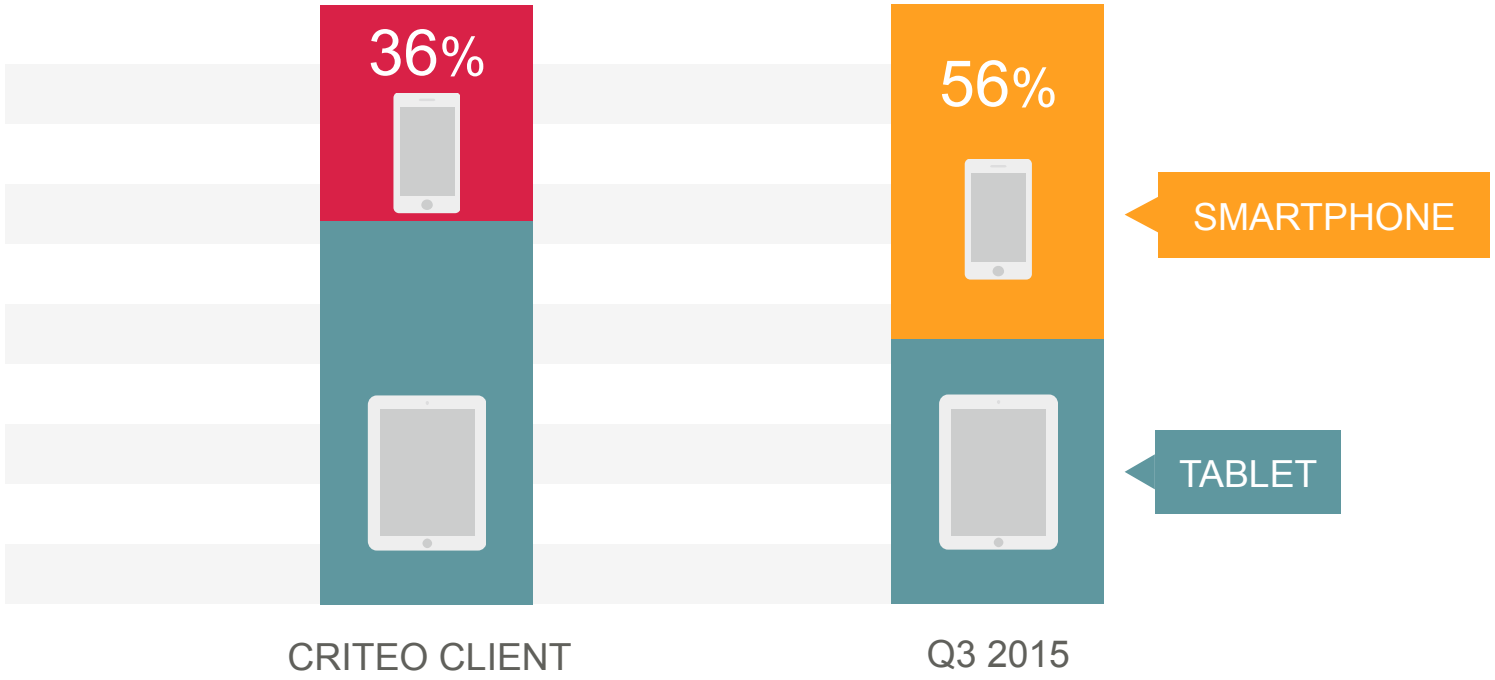


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Smartphone Share of Mobile Transactions

U.S. Smartphone Share of Mobile Transactions



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Challenge

What strategies can this retailer implement to improve the following?

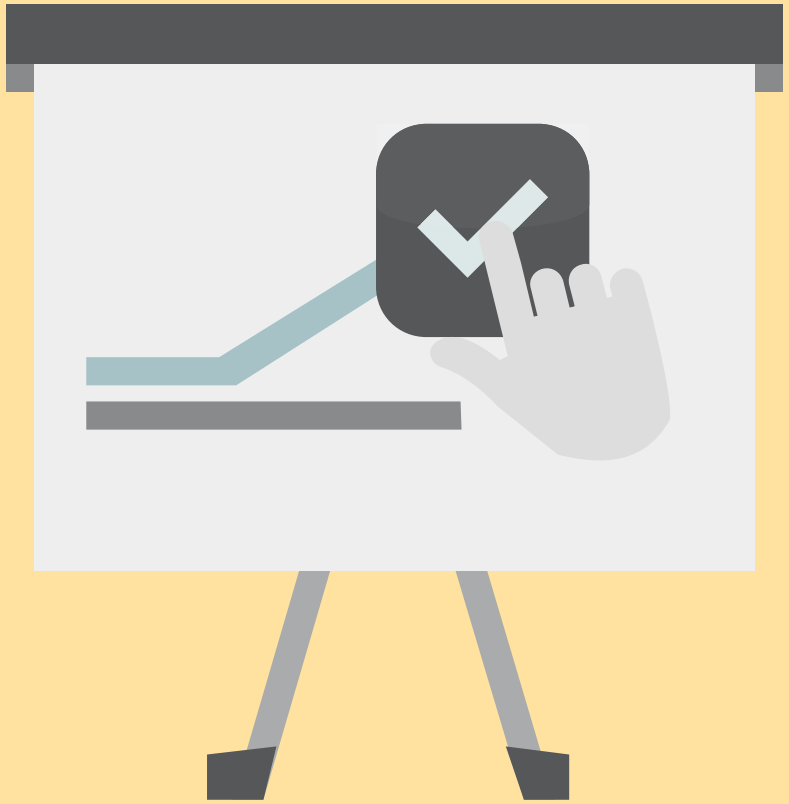
- Mobile browser transaction share
- Apps transaction share
- Mobile browser/apps conversion rate
- Mobile browser/apps AOV
- Smartphone transaction share

Think of how cross-device is central to improving each of these benchmarks

Benchmark	Industry	Criteo Client
Mobile browser transaction share		
Average	35%	27%
Top quartile	44%	
App transaction share	58%	19%
Conversion rate		
Mobile browser	0.6x of desktop	0.5x of desktop
Apps	2.0x of desktop	1.0x of desktop
AOV		
Mobile browser	$91	$87
Apps	$116	$100
Smartphone transaction share	56%	36%

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Solution



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What did the Criteo Client do?

CROSS DEVICE



Targeted desktop users when they were on mobile to provide expanded reach on mobile

Connected shopping events across customer's desktop, mobile devices and all browsers (Firefox, Safari), resulting in better targeted ads and conversion rate.

APPS



Improved payment process for mobile users, especially the checkout user flow.

Launched free shipping app campaign with a minimum purchase to improve AOV in conjunction with improved checkout user flow

Deployed in app retargeting campaign, with ads optimized by customer shopping behavior.

SMARTPHONES



Optimized the mobile web experience. Optimized websites have 41% more mobile transactions than sub-optimal sites.

Implemented Mobile Web Tracking solution to expand reach with iPhone users.

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Translating to Real Results After 6 Months

1. **Mobile Browser Transaction Share:** Went from 27% to 31% due to mobile reach from cross device.

2. **App Transaction Share:** Went from 19% to 39% with improved user flow and app-specific campaigns.

3. **Smartphone Transaction Share:** Went from 36% to 51% by reaching iPhone users.

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