



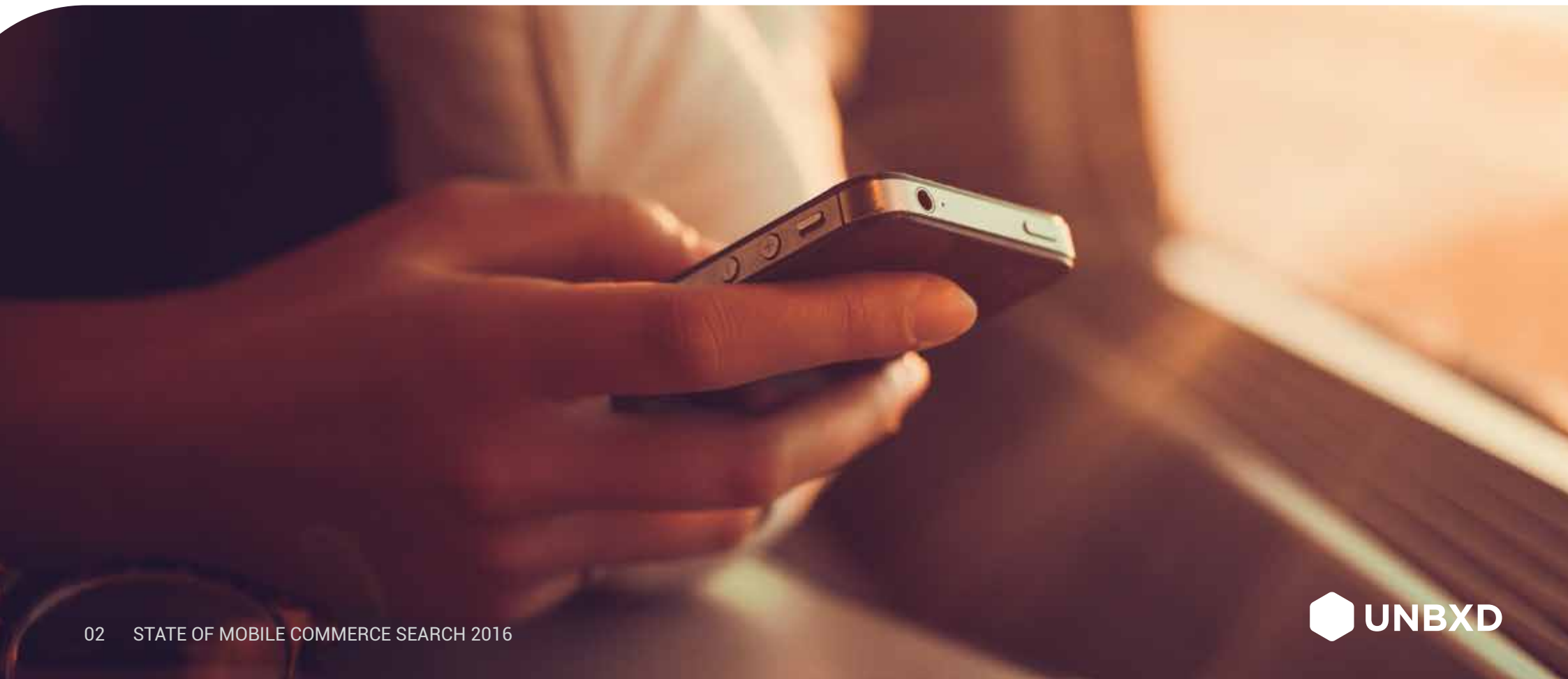
STATE OF MOBILE COMMERCE SEARCH 2016

United States



Preface

Mobile Commerce is no longer the next big thing. It's past its tipping point - a majority of shoppers are now on mobile. Mobile shoppers prefer to use site search, for its ease of use and shorter path to purchase. The Unbx'd State of Mobile Commerce Search report analyzes site search behavior of mobile shoppers across 500 million sessions and transactions worth \$1.1 Billion, to understand what factors are holding mobile back, and leading to 63% lower conversions compared to desktop.



Key Takeaways

Mobile has crossed its tipping point, but conversions significantly lag: Mobile shoppers overtake desktop visitors to reach 61% of the total e-commerce traffic. But conversions are still 63% lower for mobile when compared to desktop.

Mobile users are shopping, but don't want to buy on mobile: Despite a high share of cart additions, order volumes on mobile are still lower compared to desktop.

The critical lever? Mobile Search:

- 70% mobile shoppers prefer site search, and choose it over organic search as well.
- Mobile search is also an area of concern, with 74% higher bounce rates compared to desktop.

Relevance and Personalization drive repeat mobile search sessions:

- Mobile has shorter search sessions, but has a higher contribution to the overall site-search volume
- Repeat visits driven by relevance and personalization.

Mobile engagement drives AOV and conversion rates: Mobile shoppers crossing the 10 minute mark may be your most valuable.

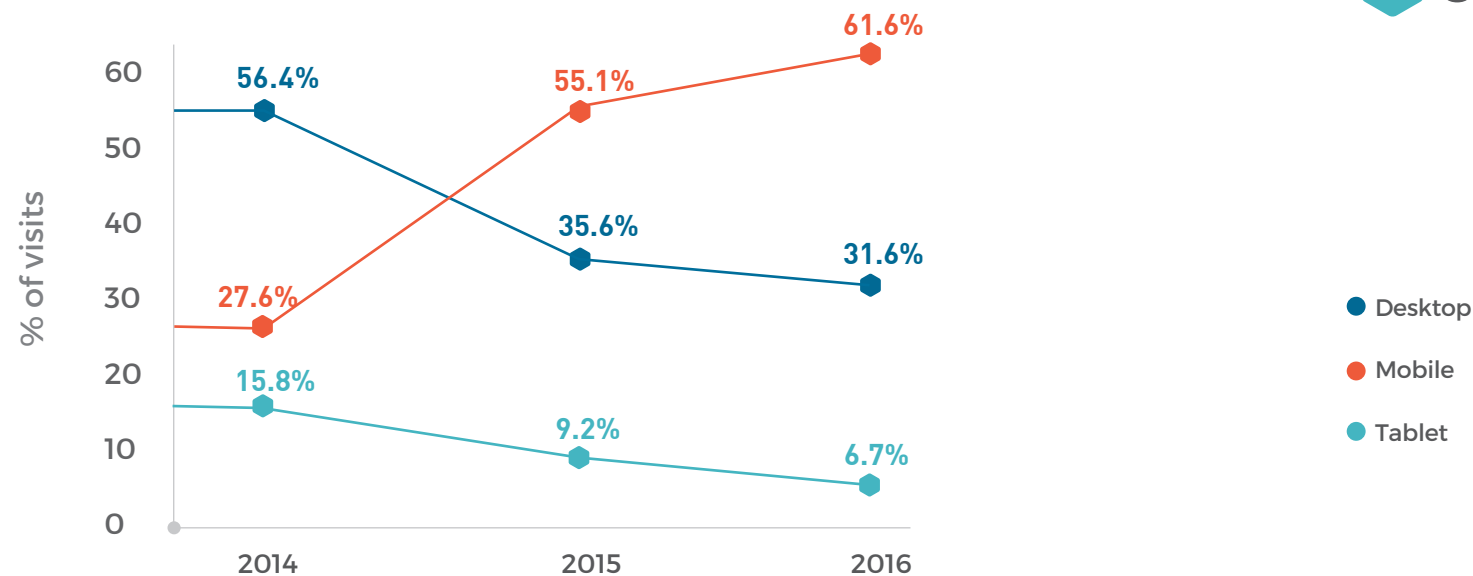
All mobile shoppers are not the same - Segmentation yields significant results:

- Device screen size is a critical segmentation parameter.
- Location based segmentation can improve sales on mobile.

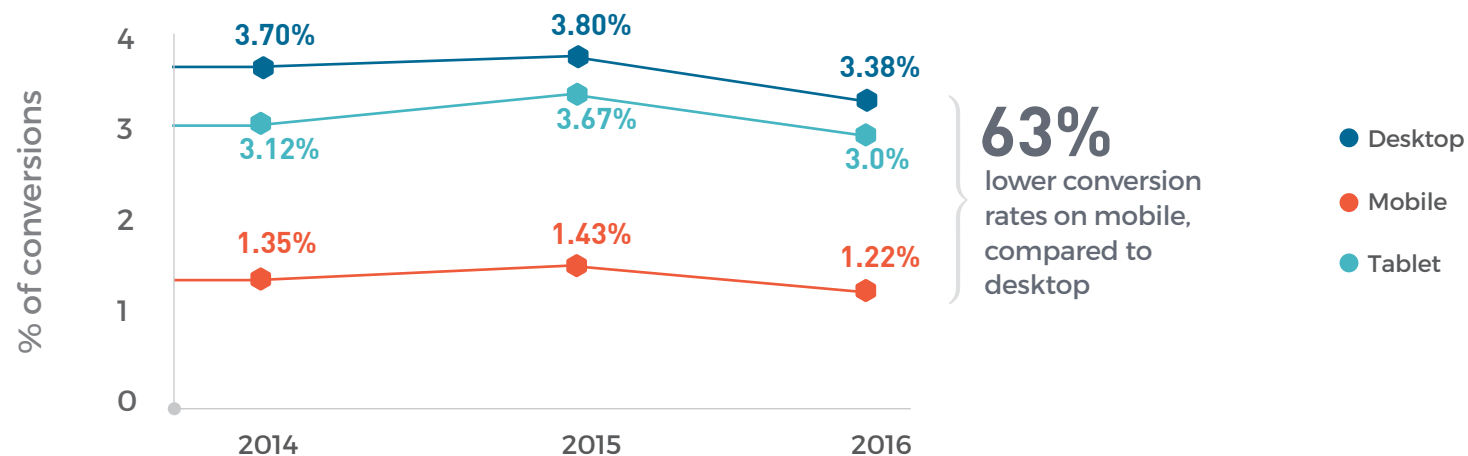


Mobile has crossed its tipping point,
but conversions significantly lag

VISITS



CONVERSION RATES



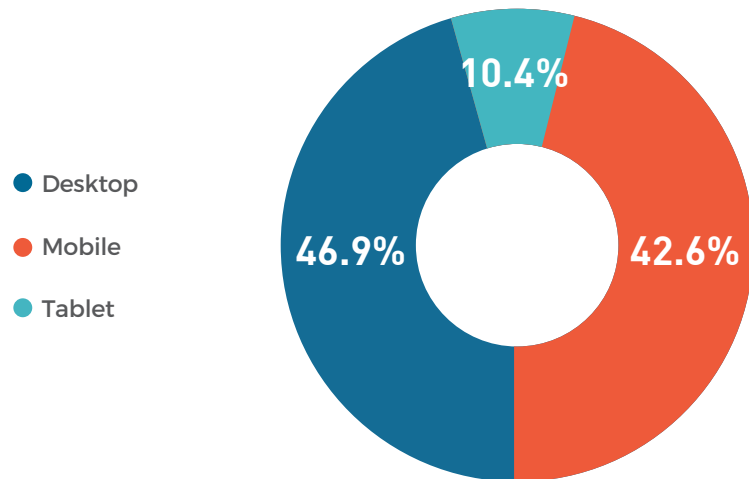


Mobile users are shopping,
but don't want to buy on mobile

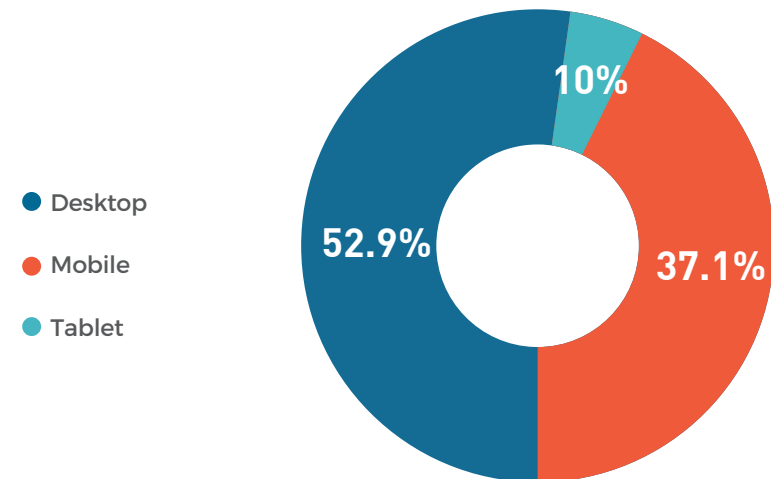
Mobile shoppers are adding to cart, but not ordering

The share of cart additions on mobile is now almost at par with desktop at 43%. However, the share of mobile transactions is far lower than desktop. Mobile consumers are choosing to add to cart on mobile, but not completing their transactions on that device.

CART ADDITIONS



ORDERS





The critical lever? Mobile Search

Mobile shoppers prefer site search over category navigation, and even Google



● 2/3 of shoppers start their search on retail sites

Walmart EXPRESS
newegg etc.

● 1/3 of shoppers start their search on search engines

Google YAHOO!
Bing etc.

"Browsing and Buying Behavior by Category: 2016" by Hooklogic

2/3rd of all shoppers start their product discovery journey with site search rather than a generic search engine

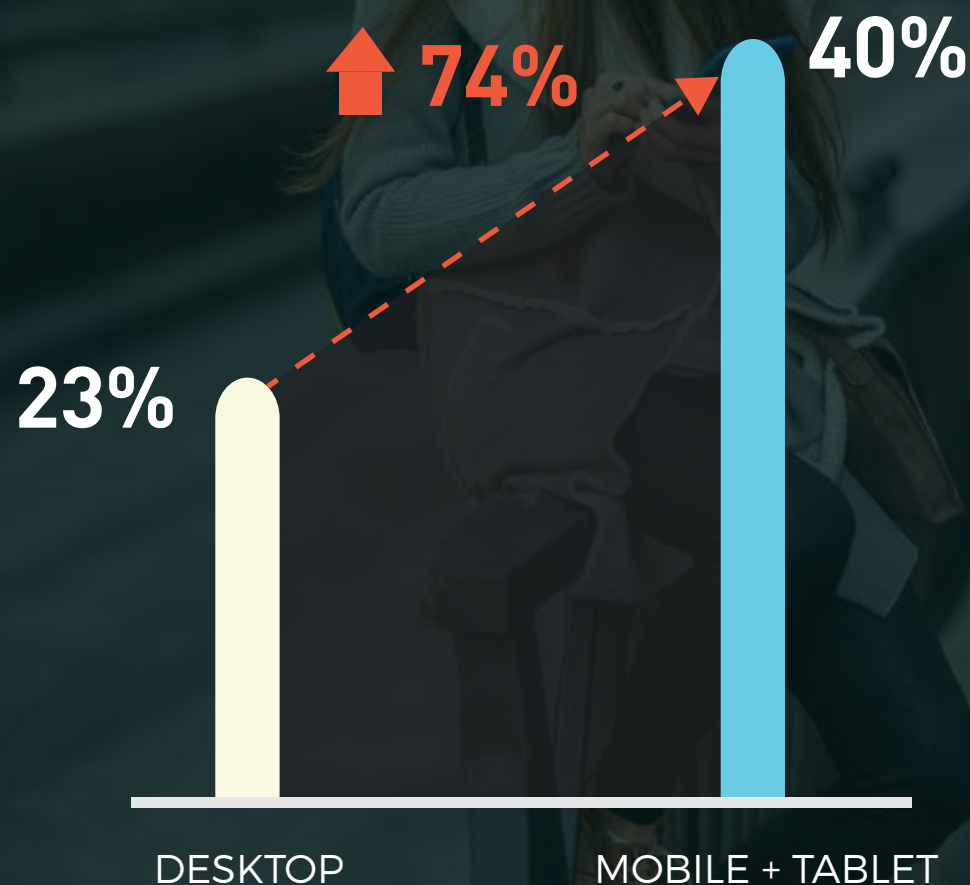


70% of mobile shoppers prefer site search over category navigation due to the ease of use and shorter path to purchase

Mobile search is also an area of concern

Mobile shoppers are unforgiving, and are 74% more likely to bounce because of a poor search experience (without even trying to navigate)

SEARCH EXIT RATE



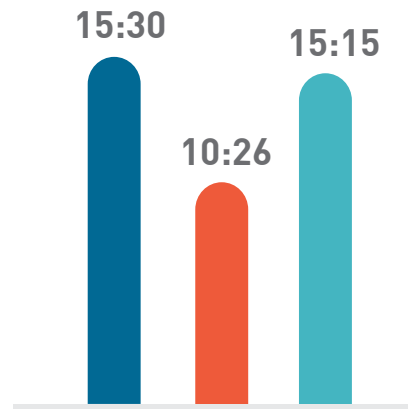


Relevance and Personalization drive
repeat mobile search sessions

Mobile has short-lived search sessions

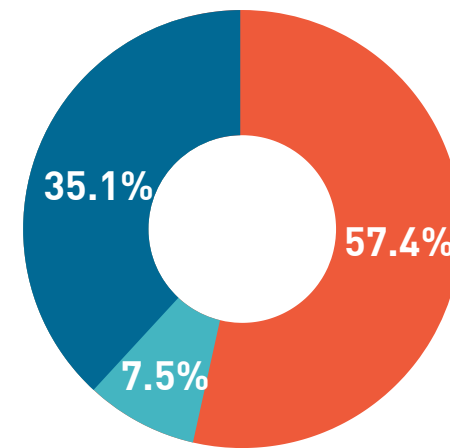
Mobile sessions are 33% shorter compared to desktop, but contribute 57.4% to the overall Site Search volume.

↓ 33%
lower session duration on mobile



Average search session duration (in minutes)

● Desktop
● Mobile
● Tablet



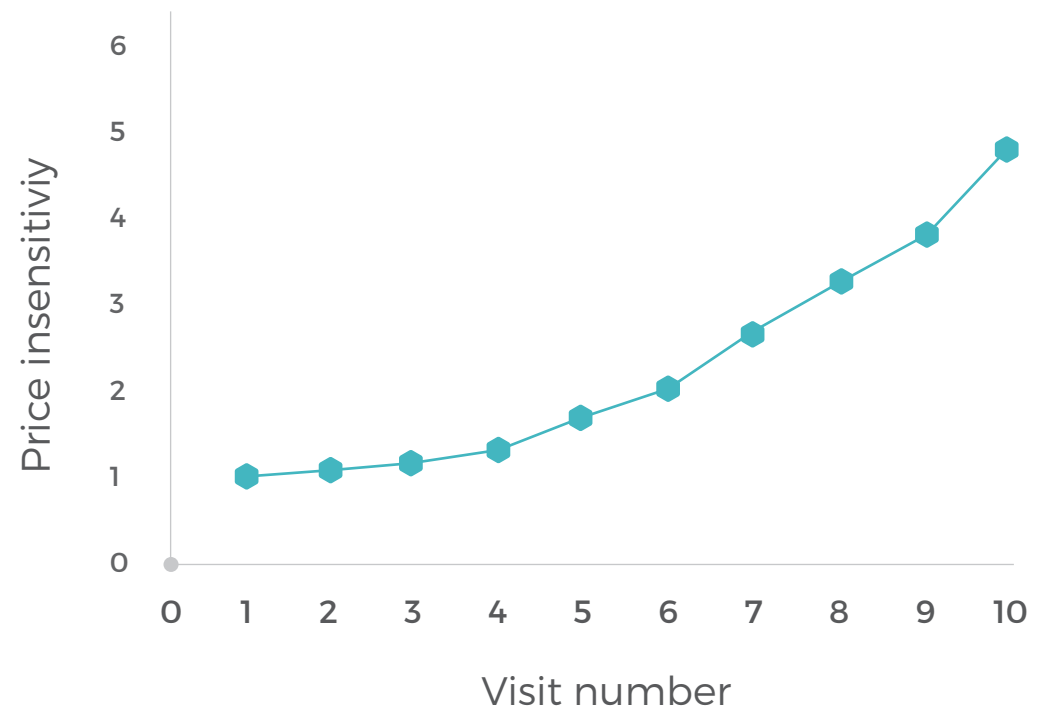
Search Contribution %

● Desktop
● Mobile
● Tablet

Repeat visitors are 5x more likely to purchase

The more you get shoppers to return through higher relevance and personalization, the greater their potential lifetime value. The likelihood of purchase is directly proportional to the number of visits, so if a shopper is returning to you for the 10th time, she is 5X more likely to purchase.

VISIT NUMBER	PURCHASE LIKELIHOOD INDEX
1	1
2	1.03
3	1.07
4	1.23
5	1.65
6	2.01
7	2.65
8	3.2
9	3.8
10	4.9





Mobile engagement
drives AOV & conversion rates

Mobile shoppers who cross the 10 minute mark are your most valuable

The largest cohort of mobile shoppers spends between 1 to 5 minutes shopping. Getting shoppers to spend over 10 minutes can yield over 10X higher conversion rates, and 21% higher average order value (AOV).

VISIT DURATION	VISIT CONTRIBUTION	AOV	CONVERSIONS
Less than 1 minute	15.40%	\$21	0.10%
1-5 minutes	23.40%	\$77	0.50%
5-10 minutes	9.10%	\$82	1.90%
10-30 minutes	9.60%	\$93	5.30%
60 minutes	2.10%	\$111	15.30%
1-2 hours	0.40%	\$131	32.30%
2-5 hours	0.00%	NA	NA

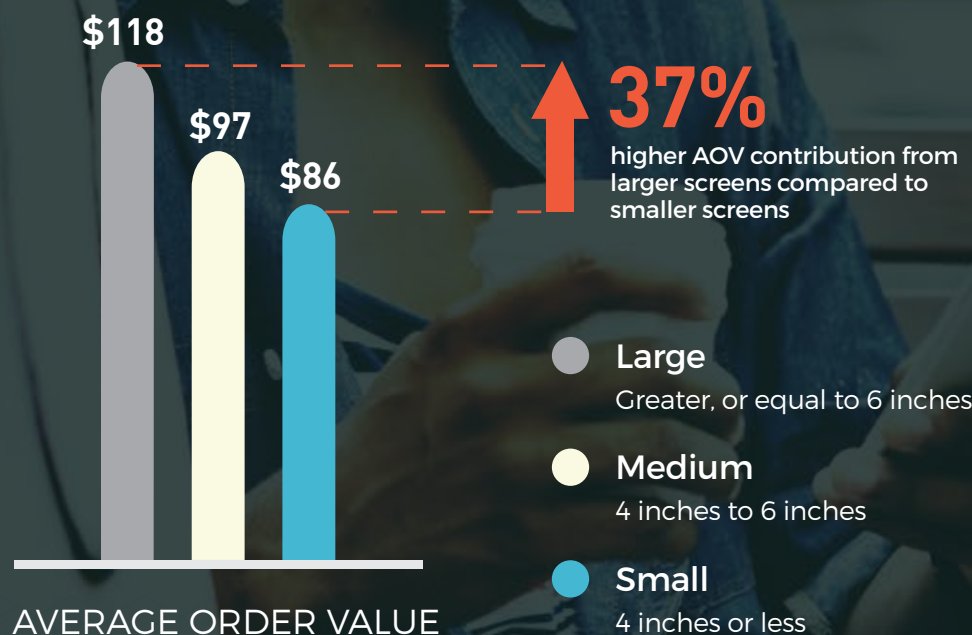


**All mobile shoppers are not the same:
Segmentation yields significant results**

All mobile devices are not the same, with search on phablets converting at 6X higher compared to phones with smaller screens

Screens with sizes greater or equal to 6 inches see 6X higher conversions compared to devices with up to 4 inch screens.

The AOV contribution of smaller screens is 28% lower compared to larger screens.

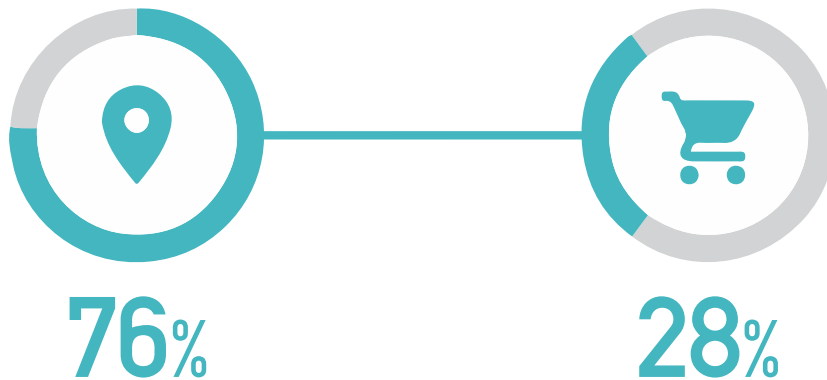


Personalizing search based on shopper location can improve sales on mobile

Shoppers' product discovery behavior changes according to their location.

Shoppers who view products through site search on their mobile devices have a local purchase intent with 76% visiting a nearby store on the same day. 28% of these visits result in a purchase.

6 out of every 10 shoppers check product availability in their nearby stores, on mobile.



of people who search on their smartphones for something nearby
visit a business within a day...

of those local searches for something nearby
result in a purchase



6 in 10

of shoppers check availability online
before visiting a store

*Source: Google/Purchased Digital Diary: How Consumers Solve Their Needs in the Moment, May 2016

Recommendations - working towards mobile commerce search success

1

Evaluate the health of your Site Search:

- ♦ Is your site search constantly learning and evolving, without the need for manual intervention?
- ♦ Does your mobile site search understand shopper intent through user behavior based data signals?
- ♦ Are you optimizing site search experiences for your shoppers based on their device types?

2

Shorten the path to purchase with enhanced Site Search, and advanced data-driven merchandising

- ♦ Focus on the three critical parameters: relevance, personalization, and effective data-driven merchandising

3

Evaluate your site search metrics regularly for continuous optimization

- ♦ Are your mobile bounce rates high? Where are people most likely to exit your site? Are you frequently optimizing the search experience on your site?

Periodic, rigorous audits can be a very rewarding exercise.

The road ahead - the opportunities for growth with mobile commerce search



Mobile as the device of choice for online transactions:

Mobile will eventually become the device of choice for not just shopping, but also for transactions, as an increasing number of retailers focus on improving their mobile experience. With mobile commerce search being the first touchpoint for most mobile shoppers, optimizing it is mission critical.



Personalization and relevancy are key:

With growing maturity, e-tailers will discard the one-size-fits-all approach to product discovery and merchandising. Mobile retailers who focus on providing relevant, and personalized experiences will continue to see high growth.



Advanced Machine Learning is the way to go, across industries:

Search Personalization and Relevance, are being driven at scale by Machine Learning, with growing sophistication. This is resulting in improved shopper engagement on mobile, with higher click through rates, conversion rates, and increased average order values.

Research Methodology

Proprietary data used for analysis



Site-wide analytics data for over 100 online retailers across verticals, including fashion, home improvement, electronics, hardware, beauty and wellness.



Over 500 Million sessions across multiple devices.



Over 10 Million transactions, accounting for \$ 1.1 Billion in revenue.

How can you use this data?



Benchmark your mobile commerce search metrics on relevant KPIs to optimize site-search performance across all your channels.

Ensure you're not leaving money on the table!

About Unbxd

Unbxd is a leading e-Commerce product discovery platform that applies advanced data sciences to connect shoppers to the products they are most likely to buy, while providing predictive actionable insights for merchandising. With Unbxd's Machine Learning Site Search, shoppers receive optimized search results based on merchandiser insight coupled with advanced machine learning algorithms, resulting in higher conversion rates and increased revenue per search session.

Unbxd is the fastest growing e-commerce product discovery platform, and is trusted by over 1,200 e-commerce companies in 40 countries including EXPRESS, Ashley Furniture, Burkes Outlet, hhgregg and ibSupply, to power over 1.5 Billion interactions a month.



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