

COLUMNS

Why are consumers not converting on mobile?

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By A LUXURY DAILY COLUMNIST

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We all know the world is moving to mobile. But many mobile marketers feel like they have thrown a party and no one came. They have invested in mobile Web sites, applications and mobile ad campaigns only to be rewarded with miserable conversion rates. Where did everyone go?

We analyzed data from more than 100 companies to paint a picture of consumers' research and purchase behavior on mobile and desktop. Part of the challenge we have found is that people use their mobile devices differently and more often than they use their desktop.

Peak interest

The average U.S. consumer has 3.3 devices, according to Forrester Research, and 80 percent of millennials reach for their smartphones as soon as they wake up, Kleiner Perkins Caufield & Byers partner Mary Meeker has reported. Yet, for many companies, mobile conversion rates remain low.

Data shows that consumers' propensity to make purchases on mobile instead of desktop varies by industry, from a high of 36 percent of purchases happening via mobile channels for retail marketplaces (sellers of niche products) down to 4 percent for sports-related purchases. That is not very surprising: For high-consideration purchases, you are more likely to pull the trigger when you are at a desktop or laptop computer, after weighing all the alternatives and making a deliberate and thoughtful choice.

[Click here to download chart 1](#)

What is more surprising is that even for categories where purchase activity on mobile is low, mobile research activity can still be high.

For example, in education (online universities), 11 percent of conversions (submitting an application) happen on mobile, but 32 percent of research happens on mobile. This goes to show that when purchase consideration is high, consumers are using mobile for comparison-shopping, information gathering and other activities that may lead them to purchase.

[Click here to download chart 2](#)

Additionally, time of day greatly affects consumers' propensity to make purchases on mobile.

The peak is during commuter hours in morning (8 a.m. to 11 a.m.) and afternoon (4 p.m. to 6 p.m.) when people are 30 percent to 50 percent more likely to convert on mobile than ordinarily.

The third peak is after 11 p.m., when people typically spend 30 minutes browsing on their phones before going to sleep and when they are 20 percent more likely to convert.

[Click here to download chart 3](#)

There is no surprise that some companies are far more successful at winning mobile conversions than others.

Individual companies are able to drive 30 percent to 40 percent of their conversions on mobile platforms such as entertainment and banking.

[Click here to download chart 4](#)

So, what are these companies doing differently?

Here are three takeaways:

Investing in mobile. Even if a small number of conversions initially happen on mobile, these companies understand that mobile is a critical part of the decision path.

When looking at the relationship between the percentage of conversions happening on a mobile device and the percentage of research activity happening on a mobile device, it turns out that there is not a 1:1 relationship between mobile research and mobile conversions, but roughly a 2:1 relationship.

Optimizing mobile campaigns separately. There are different priorities for mobile users than for desktop users, and therefore, different keywords and different trigger points.

For example, one brand found that mobile users were generally further up the funnel than desktop users.

Understanding that its consumers struggled to complete paid registration forms on its mobile device, the brand found success by focusing its mobile campaigns on lead generating events such as a request for information.

Finding the ideal mobile cadence. There are sweet spots in the 24-hour cycle when consumers are more willing to convert on their mobile device.

For example, First Choice Holidays, a seller of premium vacations, saw more converters on mobile than desktop during key evening commute and late night hours. By understanding its consumers' mobile consumption habits and leveraging it in their targeting, the marketer was able to lower its mobile cost-per-action (CPA) by 96 percent.

AS MOBILE CONTINUES to dominate our time spent online, having a well-thought-out mobile experience is table stakes for driving mobile conversions.

Even for advertisers who are not quite there yet, investing in your mobile audience can pay off massively.

Finally, do not be discouraged by initial lower conversion rates. To throw a good party, you have to first bring people to the door, before you can convince them to stay.

Methodology: To analyze this market more deeply, we examined purchase and research activity in nine different industry verticals using insights from, hundreds of millions of mobile, web and app destinations, and integrating demographic data along with activity metrics. In each vertical tracked, we examined activity for 10 to 15 large companies, producing a unique dataset comprising more than 100 companies and hundreds of thousands of conversion events across both mobile and desktop clients.

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