

RETAIL

Mobile search ads dominate digital channels: Forrester

January 5, 2018



Brands such as Tiffany have predicted that search engines will soon be shoppable as well. Image credit: Tiffany & Co.

By DANNY PARISI

Over the next five years, mobile will contribute 69 percent of the projected \$19 billion in revenue that comes from paid search advertising.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

While the overall share of advertising revenue from search will decrease, it will remain the biggest driver of digital advertising, according Forrester's "Search Marketing Forecast, 2017 to 2022" report. This presents an opportunity for luxury brands to capitalize on mobile advertising and the unique capabilities afforded by the channel.

"Forrester's Consumer Technographics data shows that there is room from upside in the number of people who use search weekly on their mobile device," said Brandon Verblow, associate forecast analyst at **Forrester** and author of the report, New York. "There is still a noticeable gap between the number of mobile search users and PC search users.

"Mobile searches per mobile user is also growing as mobile phones generally continue to improve in terms of screen size, performance and connectivity," he said. "One indication of this is that Merkle, an agency that offers search marketing, has reported growth in mobile phone search clicks that far exceeds what would be driven by an increase in users alone."

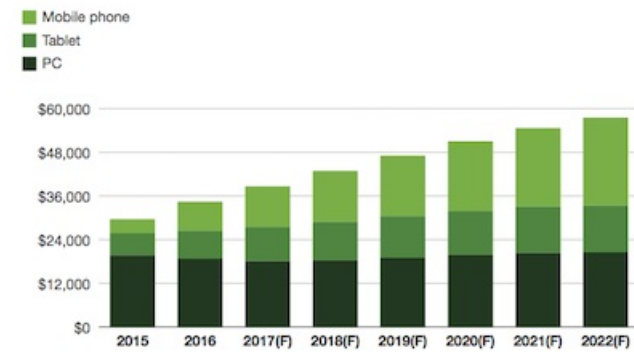
Mobile search

For luxury brands, mobile advertising and search advertising may seem less important than for other brands. After all, most luxury consumers already know what they want before they go looking to make a purchase.

But this ignores some of the changes in luxury retail in recent years. More luxury startups are popping up and younger consumers have more options and information at their fingertips to help them make purchase decisions.

Young luxury consumers are especially susceptible to search advertising because they are so often looking for information about brands and products, sometimes even while they are in a store.

Paid search advertising spending in the US (US\$ millions)



F = Forecast

Source: Forrester Data: Search Marketing Forecast, 2017 To 2022 (US)

Paid search advertising is rising. Image credit: Forrester

"Mobile moments are important," Forrester's Mr. Verblow said. "More broadly speaking, mobile search ads help marketers capitalize on what Forrester refers to as 'mobile moments' - the brief but crucial instants in which your customer needs service, information or just about anything else."

Most of that ad revenue came from Google, which controlled 78 percent of search ad revenue in 2016.

While that may sound daunting, that is down from 88 percent only five years before. The decline is because mobile has made search options much more fragmented, with Amazon and social media taking a larger role in how consumers search for new products.

Search commerce

While the fashion industry has embraced social influencers and messaging commerce, a recent campaign from French label Chlo demonstrated just how much potential search strategies have for luxury marketers.

WeChat is China's most-influential social platform today, with consumers completing almost every type of daily task on the mobile application. According to Fashionbi's "Key Opinion Leaders in Fashion Industry Report," WeChat also has immense potential as selling vehicle for brands, citing Chlo as a prime example after the Richemont-owned brand sold all 85 of a limited-edition handbag through an influencer campaign hosted on the app's search engine ([see story](#)).

Shop for black leather jacket on Google

Sponsored

H&M - Biker Jacket - Black/... \$54.99 H&M	Theory Bristol Leather Jacket <... \$995.00 Bloomingdale's Free shipping	Bb Dakota Gabrielle Faux ... \$105.00 Bloomingdale's Special offer	Ted Baker Minimal ... \$595.00 Bloomingdale's ★★★★★ (3)	(Minus The) Leather Quilted ... \$103.60 Express 20% price drop

Women's Leather & Faux-Coats | Nordstrom
shop.nordstrom.com/c/leather-coats-for-women
\$650.00. Andrew Marc Felicity Leather Moto Jacket. BLACK, WHISKEY. Andrew Marc Felicity Leather Moto Jacket. Was: \$330.00. Now: \$249.9020% off.
Madewell Washed Leather ... · Topshop Lightning Leather ...

black leather jacket | Nordstrom
shop.nordstrom.com · All Results
Shop for black leather jacket at Nordstrom.com. Free Shipping. Free Returns. All the time.

Commerce within Google search. Image credit: Google

A Tiffany & Co. senior director revealed at Luxury Interactive 2017 that she believes the future of online commerce will rely on search engines, as Google and others become more robust with offering shopping and booking experiences ([see story](#)).

"These search engine shopping platforms will undoubtedly be the most usable on mobile, presenting luxury brands with a unique opportunity," Forrester's Mr. Verblow said.

"Even though luxury brands may be less likely than regular brands to see conversions from mobile search ads,

mobile search ads can still be valuable for capitalizing on mobile moments and generating influence," he said.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.