



HOW EFFECTIVE ARE MOBILE ADS **AT DRIVING TRAFFIC?**

When there's a supercomputer in nearly every pocket, mobile search – and along with it, mobile advertising – is now part of daily life. So for advertisers, it's important to understand the impact of the mobile ads that appear above and below search results. Our latest study explores exactly that, specifically looking at how many unique site visits are driven by search ads. Building on our previous search ads pause research, we asked: If mobile ads were paused, what would the impact be on overall clicks? Would clicks on organic results increase and make up for the loss in paid traffic?

For many of us, smartphones are essential tools in our daily lives — as many as 80% of US smartphone users do not leave home without their device.¹ Aside from keeping us constantly connected to the people or things that matter, smartphones allow us to seek information and act on it, no matter where we are. It follows, then, that mobile has become an important platform for search: 61% of smartphone owners perform searches on their smartphone every day.² Advertisers are taking note by responding with ad campaigns optimized for mobile. But exactly how much of a role do mobile search ads play in driving traffic to businesses' websites?

Previously, we explored the relationship between organic search and search ads³ to find out what impact a pause in ad campaign activity might have on clicks, regardless of device. But as mobile consumer behavior evolves, we felt it was important to study the mobile platform separately. With a smartphone in the pocket of so many consumers today, and the ability of advertisers to tailor their message to the consumer's location or state of mind, we wanted to know what specific impact mobile ads have on the click behavior of mobile consumers.

Between the months of March 2012 and April 2013, we studied 327 advertising accounts from 12 different industry verticals, ranging from automotive to travel to consumer packaged goods.⁴ For each of these accounts we detected a sharp change in advertising spend and assessed how many clicks were lost or gained as a result of the change. For each study we controlled for external factors such as shifting seasonal conditions to ensure that the only thing affecting clicks would be the presence or absence of mobile search ads. Additionally, we aggregated the results of multiple studies to ensure that our findings were representative of many advertisers across multiple verticals.

For mobile, we found similar results to the 2011 cross-platform study. Back then, we found that 89% of search ad clicks were incremental to organic clicks. This time around — looking at the 327 studies that we completed specifically for smartphones — we found that 88% of clicks on mobile search ads are incremental to organic clicks. In other words, these clicks would not have been replaced by organic clicks, if the search ads were paused.

88% of clicks on mobile search ads are incremental to organic clicks.

SEARCH TERMINOLOGY

- 1. Ad spend** — The advertiser's budget, which can be set to a daily amount, with a maximum cost per ad click selected.
- 2. Incremental clicks** — Incremental clicks are those that occur as a result of paid ads that would not be replaced by clicks on organic search results when the ads are paused; in other words, these clicks would not occur when the search ad does not appear.
- 3. Natural, or organic search results** — Non-paid results that appear on the search engine results page.
- 4. Organic clicks** — Clicks to a web page resulting from organic search results.
- 5. Paid, or ad clicks** — Clicks that occur on a paid advertisement.
- 6. Search ad** — An ad, which appears next to, above, or below relevant Google search results on a computer. On mobile, these ads appear above or below organic search results, due to the differing search engine results page (SERP) format.

¹ Google Think Insights Our Mobile Planet: United States, Understanding the Mobile Consumer <http://www.google.com/think/research-studies/our-mobile-planet-united-states.html>

² Ibid.

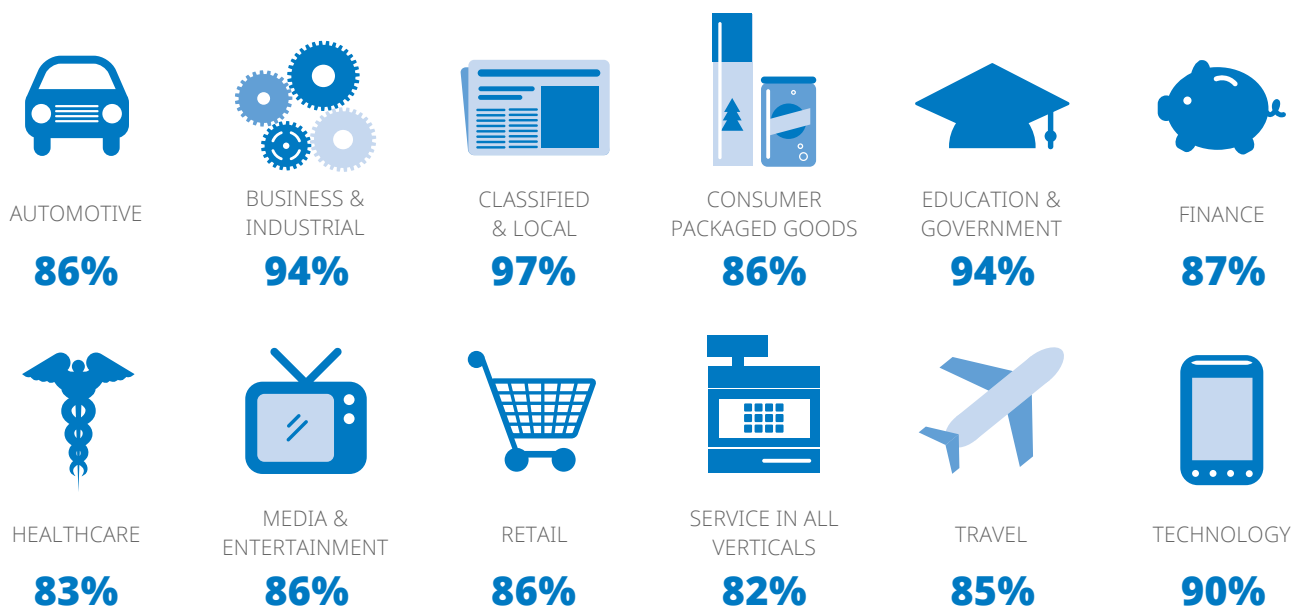
³ Google Search Ads Pause Study, July 2011 <http://www.google.com/think/research-studies/search-ads-pause-study.html>

⁴ Incremental Clicks Impact Of Mobile Search, July 2013 Advertising http://static.googleusercontent.com/external_content/untrusted_dlcp/research.google.com/en/us/pubs/archive/41334.pdf

WHAT DOES THIS MEAN FOR ADVERTISERS?

This is powerful news for advertisers — mobile ads do have significant impact and are complementary to organic search results.

INCREMENTAL MOBILE CLICKS BY VERTICAL



This trend was consistent across all the industries we studied. All verticals saw more than an 80% incremental click rate from mobile search ads confirming that this behavior is universal across verticals. That's an important finding for businesses in any industry. Advertisers, therefore, should think about a mobile strategy when planning campaigns and budgets to ensure that they capture all the consumers looking for their product or service on a smartphone. To simplify campaign management and to allow advertisers to tailor their message across devices to their consumers, we introduced AdWords enhanced campaigns earlier this year.

By taking into account a user's location, device, the time of day and other important context signals, enhanced campaigns allow advertisers to put the right message in front of customers at the right time — and that's often on their mobile screen.

Ultimately, when today's constantly connected consumer is searching for a product or service, it is more important than ever for a business to be found easily. And increasingly that's right there, in their hand.