

# THE THUMB IS IN CHARGE

A marketer's guide to seizing the mobile opportunity.  
Fresh insights and best practices, brought to you by Facebook IQ.

**PLUS:**  
**INSIDE...**  
BEST PRACTICES  
THAT WILL STOP  
THE THUMB IN  
ITS TRACKS

## MEET THE **3 GROUPS** DRIVING OUR MOBILE FUTURE

### The M-Factor:

We shine a light  
on mobile's starring  
role in the path  
to purchase

We saw buying  
on mobile jump

**35%**

in the first half  
of 2015. Are  
you ready for  
what's next?

facebook IQ



# THE THUMB IS DEMANDING

It's quick to scroll. It's quick to close. Quick to flip the page. But with the right approach, the thumb is also highly likely to stop, engage and buy.

There are  
**258 million**  
people who use mobile  
phones in the US<sup>1</sup>

We spend  
**174 minutes**  
on mobile devices  
each day<sup>2</sup>

Mobile has changed everything. A pocket knife, an extension of ourselves, our lifeline to the world—mobile has been described as all of these things and more. But it's less about the device and more about the person behind the device. Power is literally in the hands of people, and it has revolutionized how we spend our time, how we connect, how we share, how we stay informed, how we discover and how we shop.

Read on for insights into how people are using mobile, and turn that into business impact today.

IN THIS MOBILE-FIRST WORLD, WE MUST REMEMBER 3 THINGS...



Know the **journey**.



Think **people**, not devices.



Design for the **thumb**.

THIS MAGAZINE WILL HELP YOU DO THAT...

COVER: Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis. <sup>1</sup> "Global Mobile Landscape 2015: A Country-by-Country Guide to Mobile Phone and Smartphone Usage" by eMarketer, Jul 2015. <sup>2</sup> "Average Time Spent per Day with Major Media by US Adults" by eMarketer, Oct 2015.



# KNOW THE JOURNEY

The path from connection to conversion is rarely a straight line.

People are switching devices and channels at will. They're discovering in one place, considering in another and buying somewhere else—all with total fluidity.

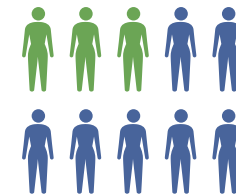
The more complete the measurement picture, the better we can account for mobile's role in driving buying behavior—both online and offline.

There are **3 major shifts** that help us understand this ecosystem and illustrate mobile's role in the consumer path...

## SHIFT #1 DESKTOP TO MOBILE

The shift from desktop to mobile is one of the biggest stories of our time for marketers, and it cannot be understated. It has also been one of the biggest disruptions in the history of retail.

### M-Commerce Is Mainstreaming



From January to May 2015, we saw **3 in 10 online purchases** take place on mobile<sup>1</sup>



We saw **buying on mobile jump 35%** in the first half of 2015<sup>1</sup>



In Q4, we predict that the percentage of online purchasers who buy on mobile will grow 30%<sup>2</sup>

## \$74 billion

US retail **m-commerce sales are estimated to reach \$74 billion this year**—that's up 32% from 2014<sup>3</sup>

### Now What?

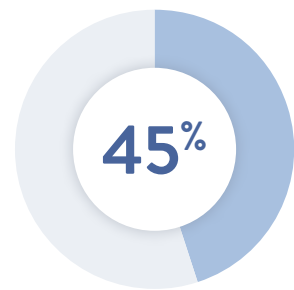
**Learn from the past and be future-ready.** Think back to the early ecommerce days. If you have “could've, should've, would've” regrets knowing what you know now, the rise in m-commerce presents another chance to act—to be bolder, to move faster, to be adaptive and to build a future-ready business.

<sup>1</sup> Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis. <sup>2</sup> Facebook internal data, US only, Oct 2014–Sep 2015. Predictive modeling and analysis of conversion pixel or App Events data for ads that were shown to people ages 18+ on Facebook and that led to purchases between \$2–\$1,000. Gaming ads were not tracked. Predictive modeling was used to distinguish mobile and desktop shoppers. <sup>3</sup> “US Retail Mcommerce Sales, 2013–2019” by eMarketer, Aug 2015.

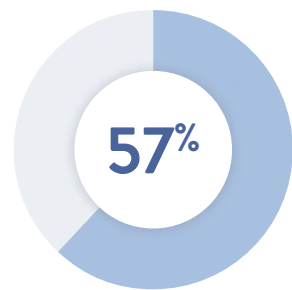
# SHIFT #2 ONE DEVICE TO MANY, ONE CHANNEL TO MANY

Different channels address different needs and different concerns in the path to purchase. Mobile is at the center of complex omni-channel behavior.

Mobile influences every step of the omni-channel shopping journey...



45% of all shopping journeys contain mobile<sup>1</sup>



For Millennials, that number jumps to 57%<sup>1</sup>

## Now What?

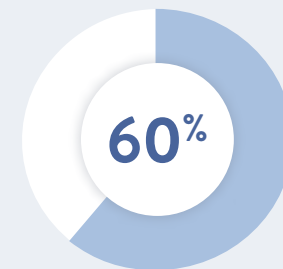
**Don't underestimate the M-Factor.** Mobile is increasingly where we go to research products and services, compare prices, check availability and get information while in-store. We're spending more time on digital than on other media, and mobile, with its inherent functionality and convenience, is where we spend the majority of our time on digital devices.<sup>3</sup> *Account for and measure mobile's role in driving buying behavior—across all devices and all channels.*

<sup>1</sup> "Omni-channel Shoppers" by GfK, US only (Facebook-commissioned online study of 2,407 people ages 18+ who have researched online and bought 1 of 5 key categories in last 3 months), Sep 2015. <sup>2</sup> "Multi-device Usage" by GfK, US only (Facebook-commissioned online survey of people ages 18+), Nov-Dec 2013. <sup>3</sup> "Average Time Spent per Day with Major Media by US Adults" by eMarketer, Oct 2015.

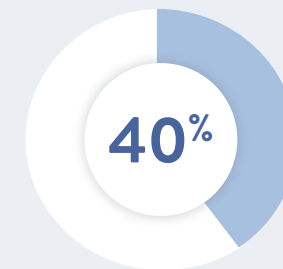


## The Omni-Channel Journey Is Complex

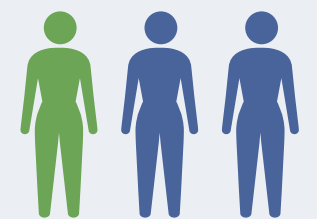
In the US:



More than 60% of online adults in the US use at least 2 devices every day and almost one quarter use 3<sup>2</sup>



More than 40% of online adults sometimes start an activity on one device only to finish it on another<sup>2</sup>



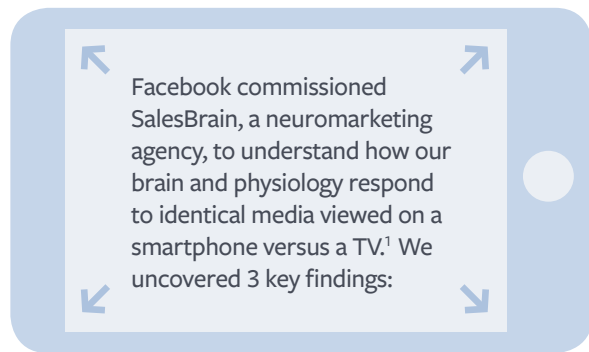
1 out of 3 omni-channel shoppers do research on mobile before buying on desktop or offline; that figure jumps to 1 in 2 for 18-34-year-olds<sup>1</sup>



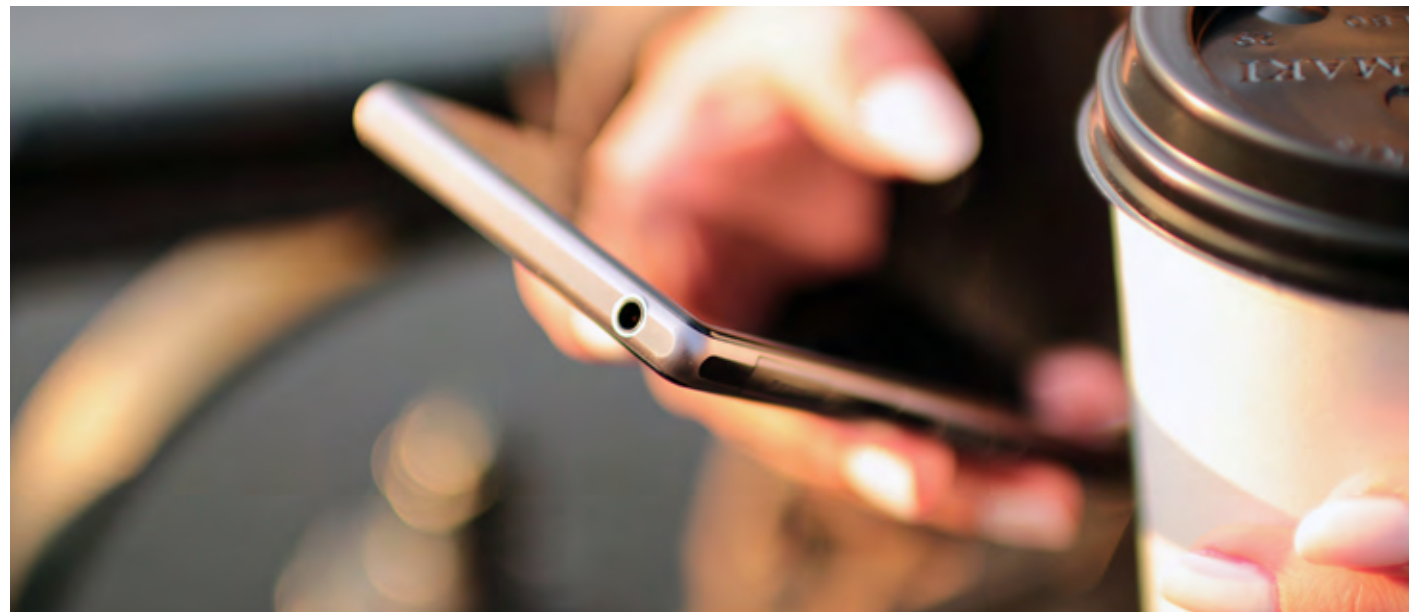
# SHIFT # 3 BIG SCREEN TO SMALL SCREEN

Our connection to mobile devices is more personal and constant than our relationship with larger screens. This has created both opportunities and challenges for marketers.

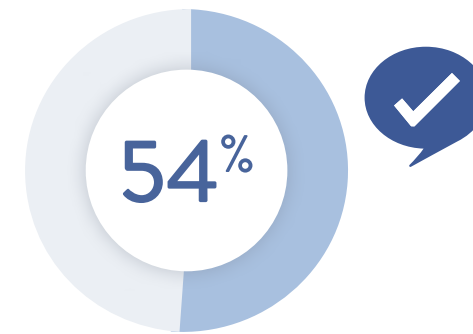
## The Small Screen Isn't So Small



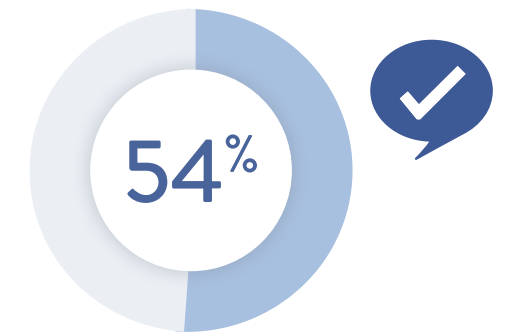
- 1. **Mobile is bigger than you think**  
Mobile screens held close are perceived as larger than they are.<sup>1</sup>
- 2. **Mobile is less distracting**  
People are more attentive when consuming media on mobile devices.<sup>1</sup>
- 3. **Mobile elicits positive feelings**  
People feel more positively toward the information presented on a smartphone.<sup>1</sup>



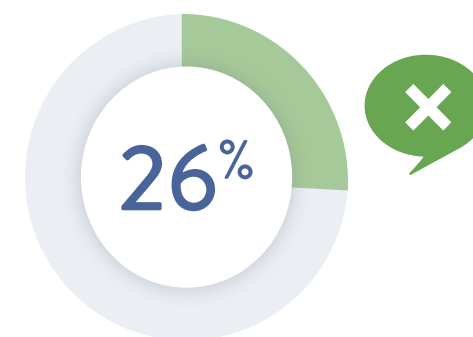
Despite this shift, people face friction points on mobile devices. The top reasons people cited for buying on their desktop or laptop versus their smartphone or tablet?<sup>2</sup>



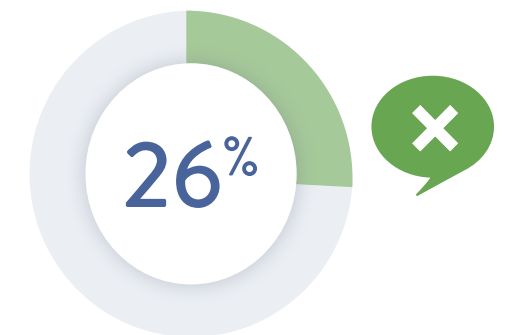
Easier to use **devices with a bigger screen**



Easier to see **all the available products** on desktop/laptop



Difficult on a smartphone/tablet to **compare products/retailers** and get all of the information I need



Entering **personal data** (address, credit card number, etc.) is **not very user friendly** on these devices

## Now What?

**Consider the mobile mind.** The brain engages differently when on a mobile versus a TV screen; people are locked in. *Treat mobile differently, just as people's brains do. It should no longer be an afterthought—because it's definitely not for consumers.*

The friction points that arise from this are an opportunity for brand building—for disruption that improves user experience. With the shift from big screens to small screens, *rewrite the rules of success.*

<sup>1</sup> "Neuro Mobile" by SalesBrain (study of US adults commissioned by Facebook), May 2015. <sup>2</sup> "Omni-channel Shoppers" by GfK, US only (Facebook-commissioned online study of 2,407 people ages 18+ who have researched online and bought 1 of 5 key categories in last 3 months), Sep 2015.



# THINK PEOPLE NOT DEVICES

It's tempting to get caught up in channels and devices, but it's always been about people. To reach the right people in the right place at the right time, we need to understand who they are and where they engage, discover and share.



# WHO IS DRIVING M-COMMERCE? MILLENNIALS. MOMS. MULTICULTURAL.

Collectively, these groups drove

# 81%

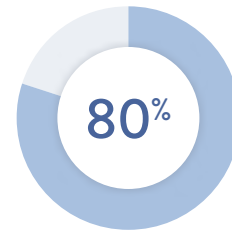
of all mobile transactions during last year's Holiday season.<sup>1</sup>



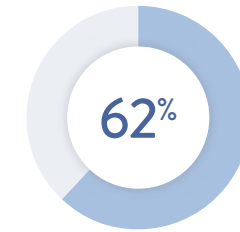
<sup>1</sup> Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis.

## MILLENNIALS

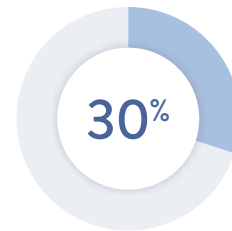
What Millennials are doing now is what everyone will be doing soon. Millennials have grown up online and on mobile. Over the course of their lifetime, they've seen the mobile phone evolve from a simple texting and talking device into an "everything hub."



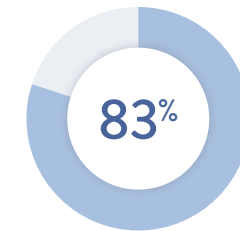
say their **mobile is always with them**<sup>1</sup>



admit to checking their mobile phone **more than 30 times a day**<sup>1</sup>



of their online purchases **are made on mobile devices**<sup>2</sup>



research products on their smartphones compared to **66%** of Gen Xers<sup>1</sup>

### The Millennial App-titude



Millennials tend to use apps more than older generations.<sup>2</sup> Their app behavior signals their generational comfort with all things built for mobile.

### Now What?

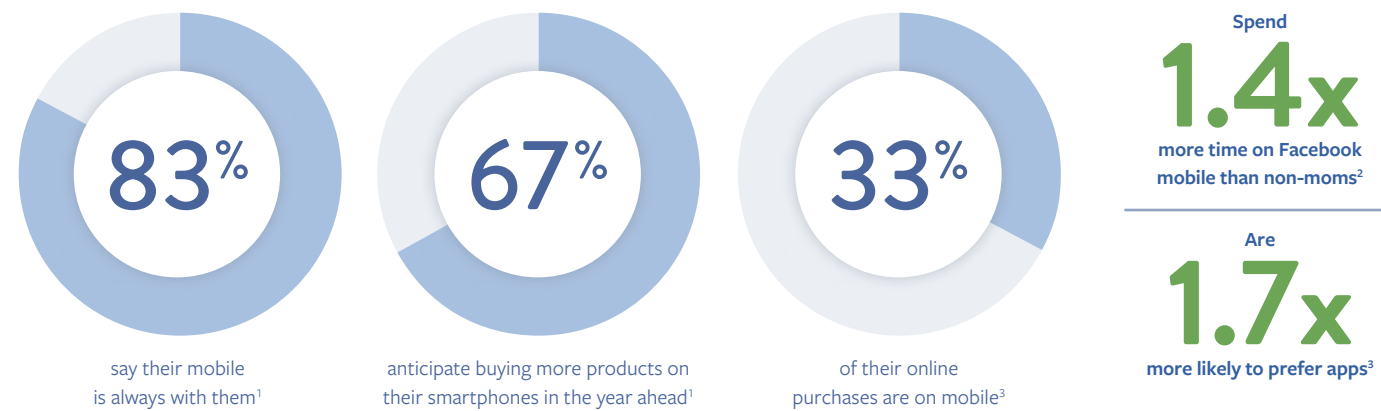
**Think and act like a Millennial.** Because Millennials are mobile-first, they inherently and organically expect mobile. Meanwhile, older generations are translating their desktop habits onto mobile devices, ultimately adapting easily to tablets and purchasing on m-sites over apps. *Adopt the "M-lens" and start to think and act like a Millennial.*

<sup>1</sup> "Omni-channel Shoppers" by GfK, US only (Facebook-commissioned online study of 2,407 people ages 18+ who have researched online and bought 1 of 5 key categories in last 3 months), Sep 2015. <sup>2</sup> Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis.



# MOMS

**Mobile is a lifeline for moms**, who spend more time on Facebook mobile than non-parents. Living in a world that can feel chaotic, moms see mobile as a medium they can readily consume. Their mobile devices help them stay connected and informed, capture and share their kids' key milestones, retain their sense of identity and get things done.



## Now What?

### Seize the mobile opportunity with Millennial moms.

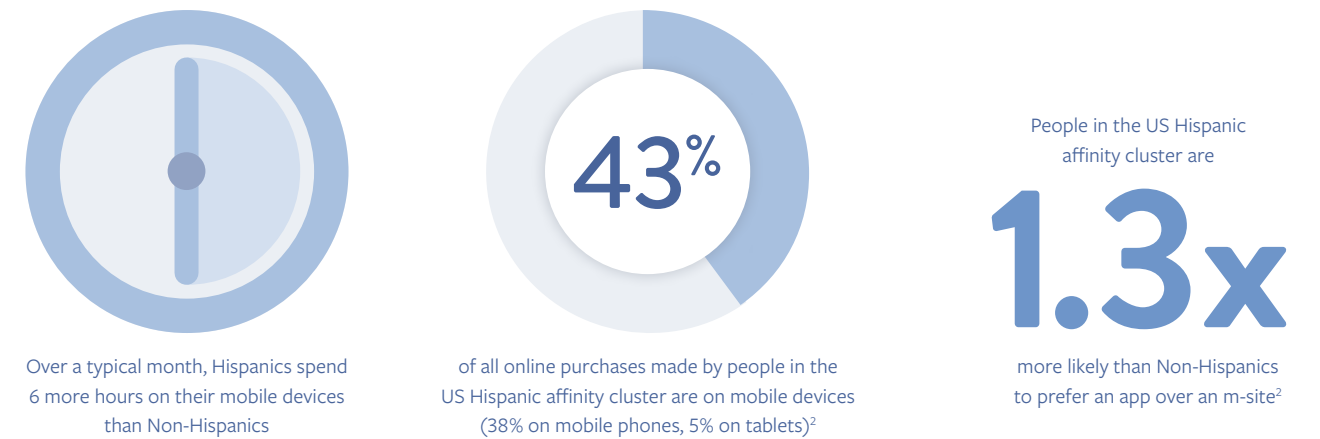
Not all moms are the same. This is the first year that more Millennials are parents than not. Millennials are transitioning into marriage and parenthood and bringing their tech-savvy with them to help in their decision making. 53% of Millennial moms say that mobile devices help them be better consumers when making purchases for their family, compared to 42% of Gen X moms and 29% of Boomer moms.<sup>4</sup> *Reach and drive purchases among the next generation of buyers on mobile.*



<sup>1</sup> "Omni-channel Shoppers" by GfK, US only (Facebook-commissioned online study of 2,407 people ages 18+ who have researched online and bought 1 of 5 key categories in last 3 months), Sep 2015. <sup>2</sup> Facebook internal data based on reported and inferred data, US only, Jul 2015. The Parents affinity segment is a result of reported and inferred data combined with a proprietary method of assessing affinity. Non-moms are defined as those who do not belong to the Parents affinity segment. <sup>3</sup> Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis. <sup>4</sup> "Meet the Parents" by Ipsos Media CT (a Facebook-commissioned online study of self-identified parents ages 25–65 in US only), Mar–Apr 2015.

# MULTICULTURAL

For US Hispanics, mobile is the main connector to family, friends and information. This group is helping to lead the mobile revolution in the US, with more mobile devices and more time spent on those devices than Non-Hispanics.<sup>1</sup>



## Now What?

**Evolve with these mobile-savvy shoppers.** The Hispanic population is the fastest growing ethnic group in the US.<sup>1</sup> As the minority becomes the majority in the US, *keep pace with this cultural shift and evolve with these mobile-savvy shoppers.*

<sup>1</sup> "Hispanic Americans Foreshadow the Future of Media" by Specific Media and SMG Multicultural, 2014. All references to ethnic identity are based on self-identification. <sup>2</sup> Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis.





# DEVICES

## SMARTPHONES VS TABLETS VS DESKTOPS

### LEARNING FROM THE PEOPLE DRIVING THE SHIFT

In exploring people's mobile shopping behaviors, we were able to surface **3 key findings related to devices, interfaces and the future.**

- Devices: smartphones vs tablets vs desktops
- Interfaces: m-sites vs apps
- The Future: today vs tomorrow

When it comes to basket sizes in the US:



**\$.60 to the dollar**

A **smartphone is worth \$.60 to the dollar** vs a desktop transaction



**Dollar for dollar**

A **tablet matches, dollar for dollar, the value** of a desktop transaction

When people buy on both their smartphone and on desktop from the same stores, basket sizes are on par.

This tells us **it's about the people behind the devices**, not the devices themselves.

**Now What?**

**Concentrate on increasing the number of mobile shoppers.** Given that the basket sizes of people who buy on both smartphones and desktop computers from the same stores are on par, we know it's not about the size of the screen. People who own both a smartphone and a desktop are less likely to be mobile dependent and more likely to be wealthier and tech-savvy. Rather than focus on increasing basket sizes, *focus on eliminating the friction points that stand in the way of more people buying on mobile.*

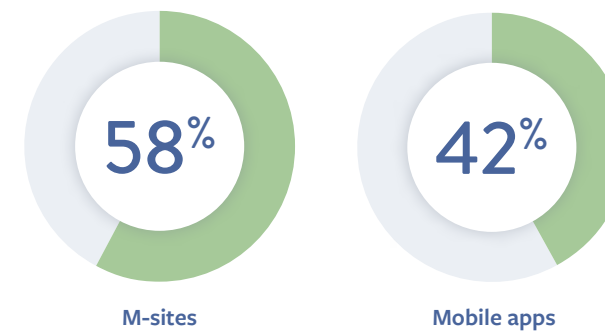
Facebook internal data, US only, Oct 1, 2014-Aug 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook and that led to purchases between \$5-\$500. Gaming ads were not tracked.

# INTERFACE

## M-SITES VS APPS

It's the debate of the mobile age: To invest in an m-site or an app... or both.

58% of observed mobile purchases are on m-sites and 42% are on mobile apps.<sup>1</sup>



People spend **42.7 cents in app to every \$1 spent on an m-site.**<sup>2</sup>

But there are **fewer transactions on m-sites** and **more transactions in apps** for people who are frequent mobile shoppers.<sup>3</sup>

Based on recent shopping experiences, omni-channel shoppers prefer apps on smartphones over m-sites. Compared to m-sites, apps...<sup>4</sup>

- ✓ Provide a safe checkout (+42%pp in app compared to m-site)
- ✓ Have a smoother checkout process (+8%pp)
- ✓ Hold payment information (+12%pp)
- ✓ Are easier to navigate when browsing compared to m-sites (+8%pp)
- ✓ Feature product details that are easier to read (+11%pp)

### Now What?

**Determine your primary goal.** M-sites are important for acquisition and apps are important for frequency (and possibly loyalty). While m-sites do tend to attract larger purchases, people visit them less frequently. And while apps attract smaller purchases, people frequent them more—making them possibly just as lucrative, if not more so over the course of a year. *Ask yourself if your primary goal is about driving customer acquisition or frequency and loyalty and use the answer to direct your investment in your mobile commerce experience.*

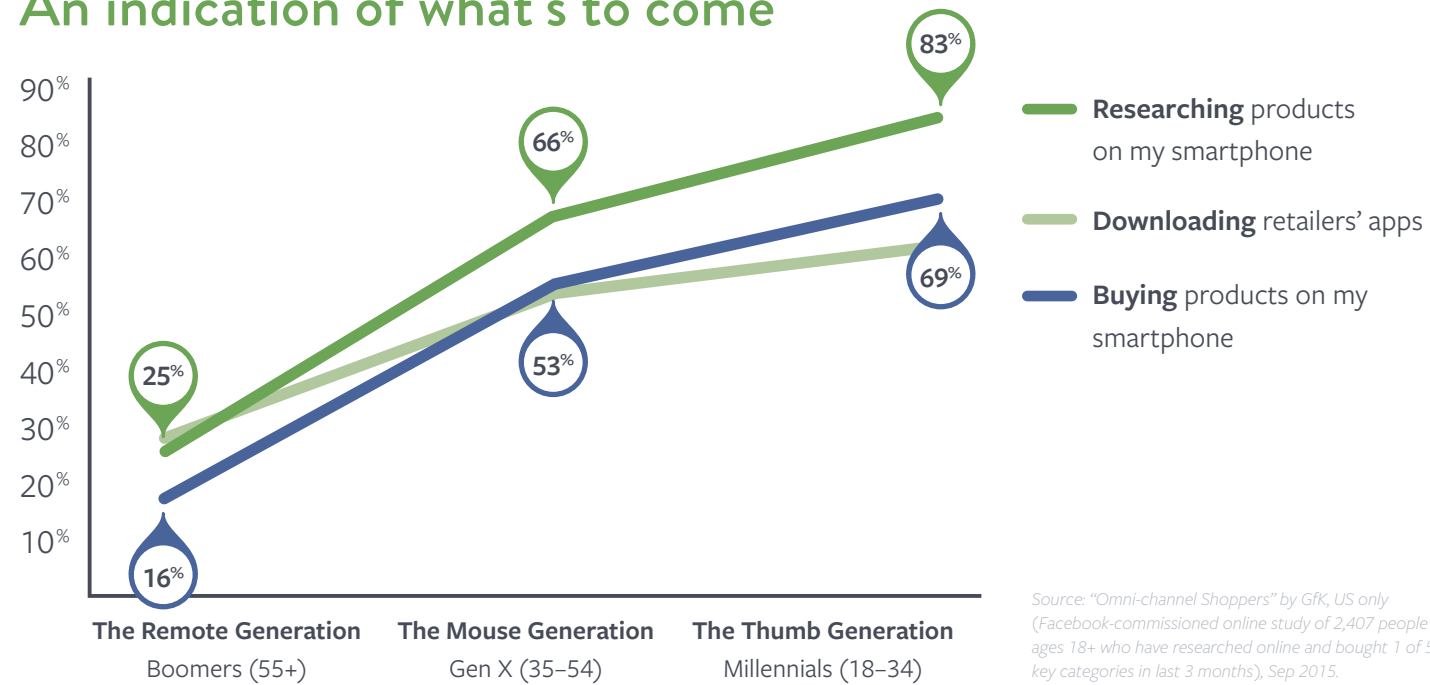
<sup>1</sup> Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis. <sup>2</sup> Facebook internal data, US only, Oct 1, 2014–Aug 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook and that led to purchases between \$5–\$500. Gaming ads were not tracked. <sup>3</sup> Facebook internal data, US only, Mar 1, 2015–May 30, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis. <sup>4</sup> “Omni-channel Shoppers” by GfK, US only (Facebook-commissioned online study of 2,407 people ages 18+ who have researched online and bought 1 of 5 key categories in last 3 months), Sep 2015.



# THE FUTURE TODAY VS TOMORROW

The mobile shift has happened—the thumb is in charge—and mobile’s role in the path to purchase is only going to grow. Millennials, who grew up swiping their thumbs across screens, are driving this growth; they are the Thumb Generation. This Thumb Generation is more likely to conduct commerce-related activities on their mobile devices than the older generations who came of age exerting control through a remote or a mouse.

## An indication of what’s to come



## Now What?

**In 5–10 years, everyone is going to be a mobile shopper.** Millennials’ purchasing power is increasing, and they are likely becoming your core consumers. Gen Zers, also mobile natives, are sure to follow, meaning that the power of the thumb will only become more important. *Understand and quickly adapt to people’s mobile-native and shifting behaviors to prepare for tomorrow.*

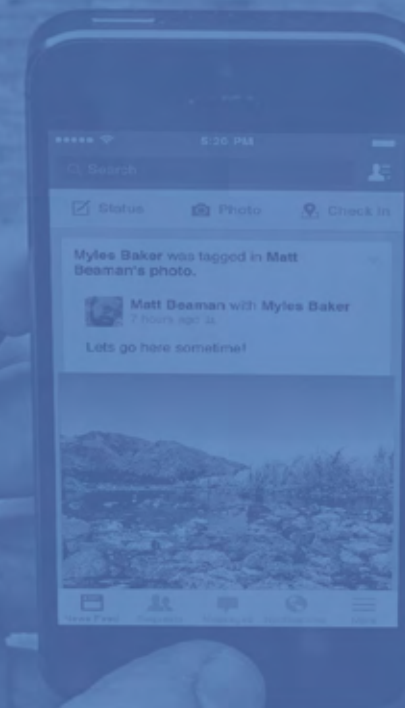


# DESIGN FOR THE THUMB

Stopping the thumb takes more than mobile design; it takes personalization, visualization and experimentation. Above all, it takes empathy.

Help people discover products and services that are most relevant to them, rethink how you can present product details to be more visually oriented and get comfortable testing, iterating and optimizing for mobile.

Let's hone in on designing, building, measuring and leveraging the Holidays through a mobile lens. These pillars are critical to overcoming friction points, and we're here to help.



# HOW TO BUILD

How do you build a mobile experience that's both right for customers and maximizes business impact? Apply the right analytics, tools and techniques for an efficient, personalized mobile environment at scale.

**Test and scale.** Build a robust A/B testing framework that allows you to analyze, learn and eventually personalize user experience, at scale.

**Grow.** Aggressively manage your app size and new user process to simplify and optimize from the start.

**Engage.** Boost number of sessions and minutes spent per day by providing fresh, relevant content every time a user comes back.

**Retain.** Identify users at risk of lapsing, and test strategies to prevent churn.

**Monetize.** Test strategies like exclusive deals, personalized notifications and machine learning to increase transactions and basket size over time.

## We're here to help!

Facebook can help you achieve business success. Here are some helpful resources...

### FACEBOOK ANALYTICS:

With Facebook Analytics, marketers can understand their app's audience, measure how people interact with their business across devices and learn how to grow their business. [More about Facebook Analytics](#)

### PARSE:

Parse helps to simplify and optimize mobile push notifications. [More about Parse](#)

# HOW TO DESIGN

User experience can dramatically impact path to purchase. It's time to think smarter about guiding consumers from consideration to purchase with exceptional, people-driven experiences.

**Give people what they want, and design for where they are.** Build for specific platforms. Account for non-wifi or low bandwidth connections. Build for discovery and browse modes. Be sure to direct people to the right landing page.

**Keep it clean. Be focused and clear.** Time is limited and screen real estate is small. Design clear hierarchies of information.

**Reduce, reuse. Don't redesign.** All of your app's components should feel at home in the app. When you change a design/interaction/flow, make sure it adds value to the user experience.

**Build for repeated use.** Inspire people to take action now. Make common actions easy to find and perform. Give people a reason to come back.

**Be fast. Time matters.** Loading time greatly impacts how long people will stay on your site. Make even the hardest processes fast and efficient.



# HOW TO MEASURE

Today's complex path to conversion means that if we only look at clicks, we're missing a lot. Facebook can help to unpack new ways of looking at measurement and the true magnets to a business.

**People-based measurement.** The most accurate form of advertising measurement in this cross-device/channel world.

**Attribution.** Ensure you are accurately accounting for the impact of your mobile ad efforts in your attribution models.

**Lift.** To understand how much additional business you receive from your ad efforts, measure your ad campaigns using Lift methodology.

## We're here to help!

Facebook can help you achieve business success. Here are some helpful resources...

### FACEBOOK PIXEL AND APP EVENTS:

Simply, these tools allow us to measure people's path-to-purchase across devices.

### CONVERSION LIFT:

This is a measurement tactic that helps to determine the additional business driven online, offline or to your mobile app from people reached by Facebook ads across devices.

[More on Conversion Lift](#)

# HOW TO HOLIDAY

The Holidays can be great for business. But they can be even better when you know how shoppers think. Let's arm our businesses with the right products and strategies to get ahead of the Holidays.

**Everyone can use a helping hand during the Holidays.** Service (and surprise) shoppers in a way that acknowledges and helps solve for peoples' perennial Holiday problems through the device that is with them at all times.

**People are observing old traditions in new, very visual ways.** Leverage still and moving pictures to stand out in the sea of seasonal offers—to spark discovery, entice engagement and accelerate purchase.

**Gift-giving can be a challenge—but experiences may hold the answer.** Frame “things” through the lens of the shared experiences that they'll enable—whether that's the gift card that brings family together or the new phone that will document amazing adventures to come.

**Old habits are up for review, and new loyalties are up for grabs.** The Holidays are your gateway moment: Deliver a frictionless mobile-first, multichannel experience to turn experimental behaviors into entrenched habits.

**Mobile is a constant companion throughout the Holidays.** Make mobile the center of your Holiday ecosystem to reflect how shoppers leverage mobile in their daily lives.

## We're here to help!

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### CAROUSEL ADS:

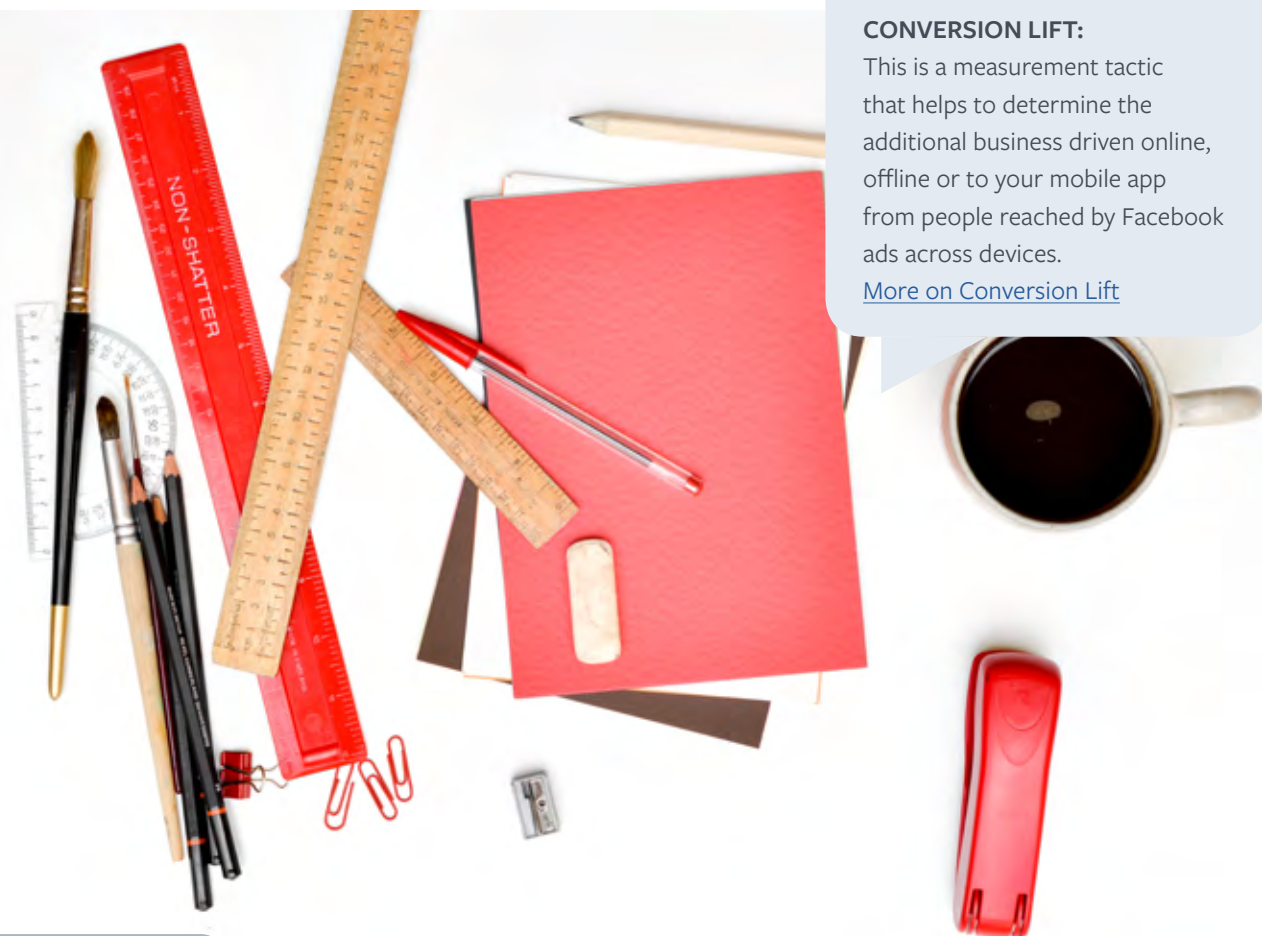
The carousel format offers more creative real estate in News Feed to showcase compelling videos and images for products, driving people to websites to convert. [More about Carousel Ads](#)

### DPA:

Dynamic product ads (DPA) enable automatic promotion relevant to products from an entire catalog with unique creative, showcasing one or more products, across any device. [More about DPA](#)

### MORE ABOUT HOLIDAY PREPARATION:

[Facebook Holiday Guide](#)  
[Holiday Advertising Prep](#)  
[Direct Response Marketing Guide](#)



# THE THUMB IS IN CHARGE

## CHEAT SHEET

The 7 Most Important Mobile Insights, from our treasure trove of data, to a quick-hit cheat sheet.

### 1 M-commerce is mainstreaming.

From January to May 2015, we saw 3 in 10 online purchases take place on mobile.<sup>1</sup> In Q4, we predict that the percentage of online purchasers who buy on mobile will grow 30%.<sup>2</sup>

### 2 Mobile is a constant in the shopping journey.

45% of all shopping journeys contain mobile.<sup>3</sup> For Millennials, that number jumps to 57%.<sup>3</sup>

### 3 Basket size is about the people behind the devices.

When people buy on *both* their smartphone and desktop from the same stores, basket sizes are on par. People who own both are less likely to be mobile dependent and more likely to be wealthier and tech-savvy.<sup>4</sup>

### 4 Today's mobile shoppers are young, diverse and tech-savvy.

Millennials, Moms and the Multicultural affinity segments drove 81% of all mobile transactions in the 2014 Holiday season.<sup>1</sup>

### 5 In 5–10 years, everyone is going to be a mobile shopper.

Millennial behavior is indicative of things to come: 69% of Millennials buy products on their smartphones compared to 53% of Gen Xers and 16% of Boomers.<sup>3</sup>

### 6 M-sites are for acquisition, apps are for frequency.

Apps attract smaller purchases than m-sites, but those smaller purchases are more frequent—and possibly just as lucrative over the course of a year.

### 7 The small screen needs to work harder to eliminate friction points.

In a world where screen real estate is shrinking, personalization, visualization and experimentation are becoming more and more important.

**facebook IQ**

For more information, visit [insights.fb.com](https://insights.fb.com)

For more marketing resources, visit [Facebook.com/Business](https://Facebook.com/Business)



<sup>1</sup> Facebook internal data, US only, Oct 1, 2014–May 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook. The gaming vertical is excluded from this analysis. <sup>2</sup> Facebook internal data, US only, Oct 2014–Sep 2015. Predictive modeling and analysis of conversion pixel or App Events data for ads that were shown to people ages 18+ on Facebook and that led to purchases between \$2–\$1,000. Gaming ads were not tracked. Predictive modeling was used to distinguish mobile and desktop shoppers. <sup>3</sup> “Omni-channel Shoppers” by GfK, US only (Facebook-commissioned online study of 2,407 people ages 18+ who have researched online and bought 1 of 5 key categories in last 3 months), Sep 2015. <sup>4</sup> Facebook internal data, US only, Oct 1, 2014–Aug 31, 2015. Analysis of conversion pixel and App Events data for ads that were shown to people ages 18+ on Facebook and that led to purchases between \$5–\$500. Gaming ads were not tracked.





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