

ModCloth strives to measure mobile impact, sees mobile traffic soar 200%



About ModCloth

- www.modcloth.com

Goals

- Reach 18- to 24-year-old women shoppers via mobile
- Improve segmentation tracking to adjust mobile strategy
- Better understand mobile behaviors

Approach

- Increased focus on new mobile conversions type
- Segmented mobile campaigns for more accurate tracking
- Defined new success metric for mobile

Results

- Over 200 percent jump in mobile traffic
- Nearly 30 percent of email traffic arriving via mobile
- Conversion rate for mobile logged-in users 2X the rate of non logged-in users

Founded in 2002 by husband and wife Eric and Susan Gregg Koger, ModCloth.com is an innovative online retailer of independent designer fashion and decor. Based in San Francisco, with offices in Pittsburgh and Los Angeles, it has attracted a large, devoted following of 18- to 24-year-old women through an extensive selection of indie clothing and engaging promotions on the ModCloth blog and social networks. The company has now been using Google Mobile Ads for several years to reach its young, tech-savvy audience.

Substantial changes in customers' mobile habits

According to a Nielsen report, Smartphones penetration has continued to grow in 2012, with 55.5% of mobile subscribers in the U.S. now owning smartphones. This is a significant increase compared to 2011 when only 41% of mobile subscribers owned smartphones.

ModCloth has seen this trend too: in the first half of 2012, ModCloth's mobile traffic soared 200% year over year. "Our mobile traffic growth represents a shift in both how we're acquiring new visitors and how existing visitors are engaging with our site," says Jeremy Post, Head of Acquisition Marketing at ModCloth.

We live in multi-screen world and smart-phones are the main gate-away to it: the migration to mobile has become a key growth driver for ModCloth. 90% of people use multiple screens sequentially to accomplish a task over time, and 98% of people move between devices in that same day to accomplish a task*. "Our customer spends a lot of time browsing on our site across platforms. She might add something to a wishlist on her desktop, then get a notification that it's almost out of stock while she's on the go. From there, it's simple to click through to the optimized site on a smartphone and snap up that coveted item via mobile checkout," says Shawn Davis, ModCloth's VP of Analytics.

"Today, brands need to understand how their visitors engage across multiple devices and conversion touch points, and customize on and off-line marketing strategies accordingly."

—Jeremy Post, head of acquisition marketing, ModCloth

New standards to measure mobile ROI

Seeing these important changes, the company started delving into cross-device measurement: the company measures IDs, "so that we can have a comprehensive view of what devices and platforms customers are using over time," Davis explains. With the ability to look across sessions and devices, Modcloth discovered that the conversion rate for mobile logged-in users was slightly more than double the rate for non logged-in users. "The direction we're heading is to define segments of visitors and customers," Davis says, "we anticipate that the majority of our customers interact with us on multiple devices – now we can know who is a tablet user, who's a phone user, who's a desktop user, and where those groups overlap."

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Modcloth was initially using Mobile Advertising to achieve the same goals as other online advertising channels, to drive new customer acquisition. As they observed visitors from mobile devices behaving differently, Modcloth began developing new mobile ad strategies. "We've recently started testing a lower threshold for conversions [on mobile devices]. Instead of driving sales, we're focused on generating registrations via mobile ads. Once a visitor is registered, we can leverage channels like email to convert her to a paying customer," says Post.

A lot of other interactions are also happening on ModCloth's mobile-friendly site: adding items to the shopping cart, social sharing, browsing numerous pages... All of these are valuable Mobile Conversions that ModCloth is tracking to better understand the real effectiveness of mobile. "Our investigation into new types of mobile conversions certainly made mobile easier to understand," Davis says.

Assigning value to mobile conversions

ModCloth has determined the value of a new user registration based on understanding the relationship between registration and first purchase. "For every person who registers, we know the likelihood of converting them to a buying customer," Post says. "So, we have identified a target cost to acquire a registrant that's significantly lower than our target cost to acquire a net-new customer." The company eventually will assign specific values to other non-registration actions.

ModCloth's advice for other marketers is simple. "Optimizing your marketing campaigns across multiple channels is not enough. Today, brands need to understand how their visitors engage across multiple devices and conversion touch points, and customize on and off-line marketing strategies accordingly," Post says.



The new optimized website features fewer graphics, larger font sizes, as well as bigger product images and buttons.



* Source: Multi-Screen Study, Google & IPSOS Aug 2012

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