

Mobile Search Engine Optimization Part I: Mobile Landscape

Josh Tuscan, November 2009

Mobile Search Landscape

Introduction

The mobile search space is one of the most explosive markets in the entire search landscape, seeing phenomenal growth year after year since its emergence in the middle of the past decade. According to a report released March 16, 2009 by market researcher comScore, the number of U.S. residents using mobile devices to access news and information more than doubled to 63.2 million in January of 2009 over the previous year.¹

Google CEO Eric Schmidt anticipates mobile search revenues will surpass search on the PC within the next several years, "not decades," citing the increasing sophistication and affordability of smartphones as the catalyst behind the paradigm shift. "The fact of the matter is that mobile devices are going to be the majority of the way that people get information," Schmidt said during an appearance at the Morgan Stanley Technology Conference in San Francisco. "The argument is relatively simple: You already have them. They're called your phones."

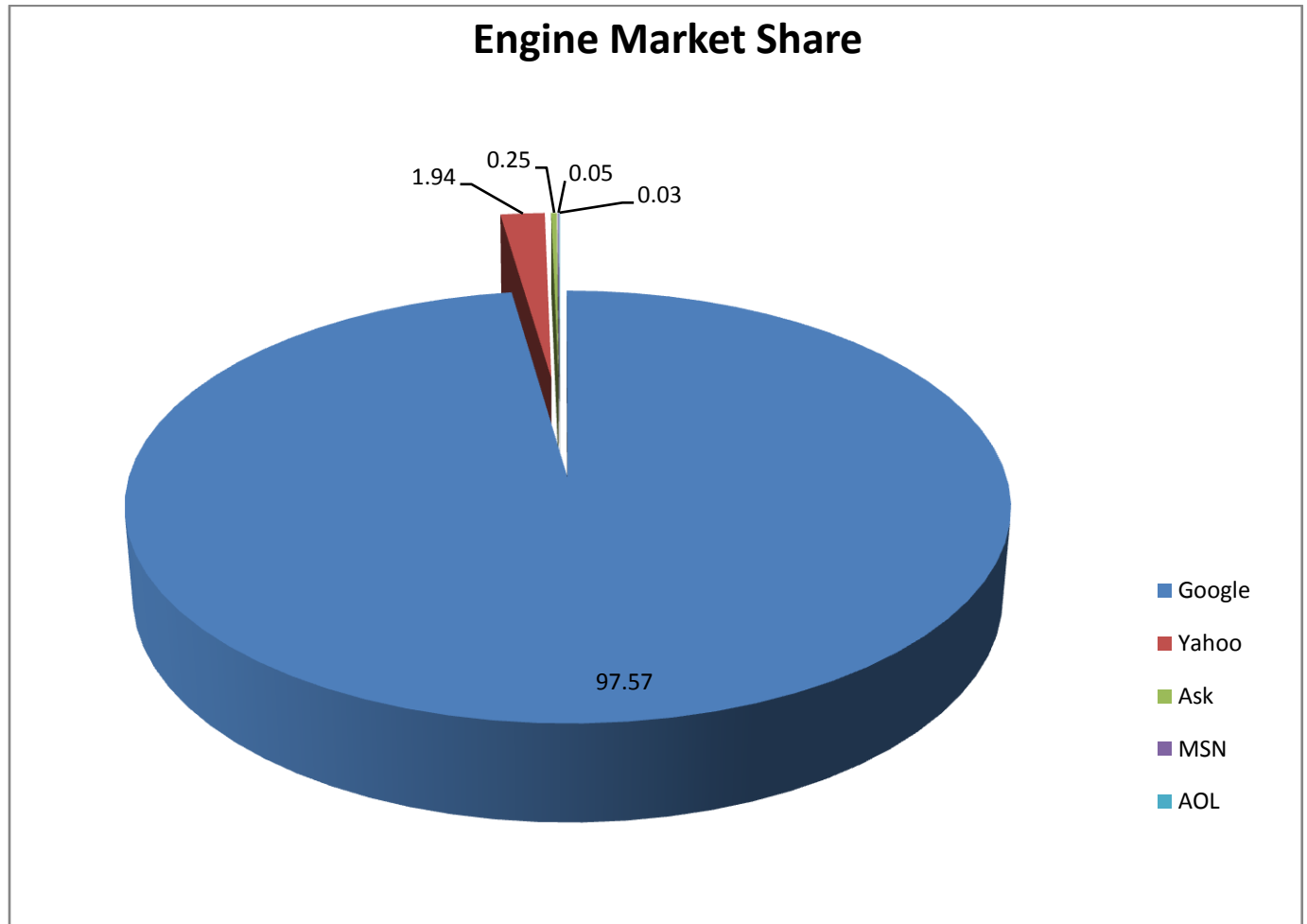
Google has even confirmed through presentations² that they will return mobile results ahead of desktop results, where relevant, for queries. This means that marketers who want to become more visible to mobile users must now, without question, have mobile-optimized content. The mobile content should present a value to the user beyond being a smaller version of your site.

¹- http://news.cnet.com/8301-1035_3-10197136-94.html

²- <http://www.brysonmeunier.com/transcript-of-scott-huffman-presentation-on-mobile-search-at-google-searchology-2009/>

Mobile Search Engine Market Share

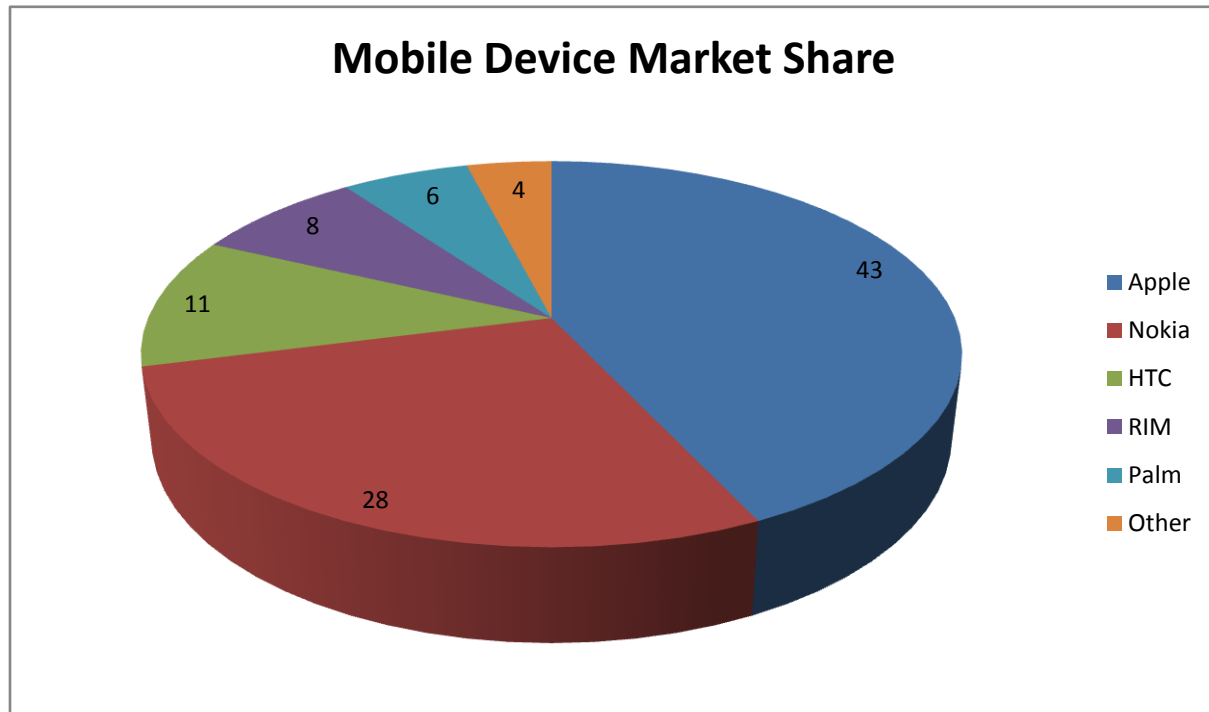
The mobile search engine landscape looks a lot like the PC search engine space, with Google far out in the lead and Yahoo in a distant second place. Part of Google's dominance is aided by being the default mobile search engine on the iPhone, which is the number one smartphone. This, however, doesn't solely account for Google's huge lead in the mobile market even when compared to its reach with desktop search. According to <http://marketshare.hitslink.com>, the top five mobile search engines are displayed in the chart below.



Mobile Device Market Share

There are a multitude of players in the mobile device space. According to the Mobile Metrics Report¹ released Oct. 29, 2009, Apple devices (iPhone and iPod Touch) claim the top two spots on both the U.S. and the worldwide charts of top handsets. However, feature phones like the RAZR v3 and Samsung's R450 are still making the top ten and account for 60 percent of ad requests in the U.S. – a figure that's likely due to the unlimited data plans available with each of these devices.

The top devices in order of market share percentage are:

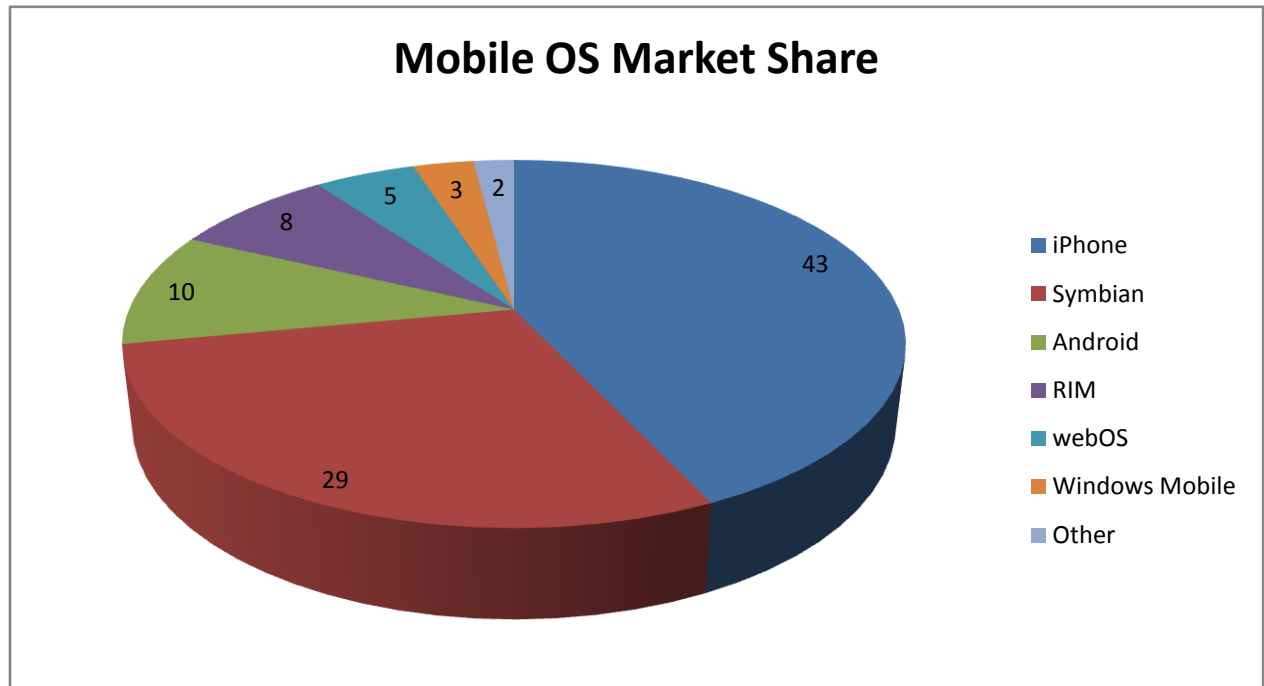


The key takeaway here is that the iPhone is the top smartphone on the market by a large margin. Among the devices making the heaviest use of the mobile web are the iPhone and its non-smartphone counterpart, the iPod Touch. The data traffic created by these two handhelds has increased 19 times from September 2008 to October 2009 and now accounts for 43 percent of all smartphone requests worldwide. In the U.S., that percentage is even slightly higher, with iPhone traffic accounting for nearly half (48 percent) of all smartphone requests.

¹ <http://metrics.admob.com/2009/10/september-2009-mobile-metrics-report/>

Mobile Device Operating System Market Share

This perspective is skewed compared to the device share due to the variety some device manufacturers offer for operating systems on the devices that they produce. According to the Mobile Metrics Report¹, the top mobile operating systems by market share are:

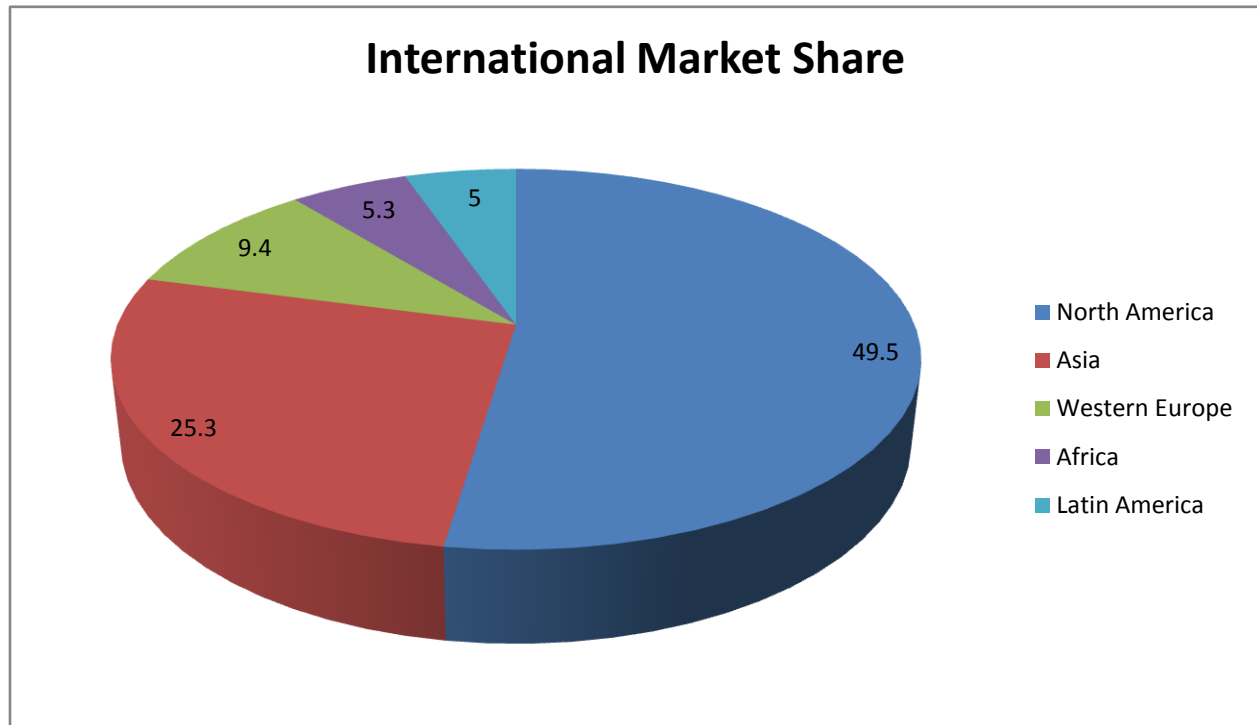


The key takeaway here is the Android OS and its rapid growth within a short amount of time. From August to September of 2009, the percentage of smartphone traffic generated by devices running the Android OS grew 13 percent over the course of the month. This increase is dramatic in such a short period of time and leads us to believe that Android is poised to become the number two smartphone OS in the worldwide market.

¹<http://metrics.admob.com/2009/10/september-2009-mobile-metrics-report/>

International Mobile Usage

When looking at the number of ad requests by country¹, the U.S. is still firmly in front with 47.3 percent of all requests. The next in line is India, which only comes in at 6.5 percent. The top five are rounded out with Indonesia, the U.K., and the Philippines. These numbers point to heavy mobile web use in each of these countries as compared with the rest of the world.



When grouped by larger regions, North America is number one with 49.5 percent of requests, most of that from the U.S., and the second-largest region is Asia, accounting for 25.3 percent of requests. Western Europe, Africa, and Latin America follow with 9.4, 5.3 and 5.0 percent respectively.

Looking at just percentage increases in traffic growth, a different picture appears. Latin America is showing a large percent increase year-over-year at 0.6, second only to North America's 1.1. Other regions in the top five, while still accounting for large numbers of requests, actually saw slight decreases in growth (less than 0.5 percent) over the past year.

¹- <http://metrics.admob.com/2009/10/september-2009-mobile-metrics-report/>

Future of the Mobile Web

The mobile web, and access to it, is expanding along with mobile device subscription expansion. According to Morgan Stanley's Internet Trends Report¹, there were 311 million subscribers with 3G broadband equivalent mobile Internet access worldwide. The number of users with data connections appears to track around 20-25 percent of the total number of handsets. At the beginning of 2009 there were 4 billion mobile phone subscribers in the world³. Nielson⁴ projects that the majority of mobile phones by 2011 in the U.S. will be smartphones, with the devices used by half of cell phone subscribers, or 150 million people, by mid-2011.

It is expected that the global mobile subscription penetration rate will eventually hit 120 percent, which means that there will be 120 percent more mobile subscriptions than there are people in the world. It stands now at 64 percent, but the trend of mobile subscriptions surpassing the number of citizens in a given country has been steadily rising.

Europe today is at 115 percent penetration rate, the USA is past 90 percent penetration rate per capita, and leading countries like Hong Kong, Italy, Israel, Portugal and Singapore are past 130 percent penetration levels - and still growing³. These numbers are not surprising when you consider users having multiple subscriptions for one person or carrying multiple devices such as an iPhone in addition to a Blackberry. This is to be expected of affluent markets. The bigger question is will the developing world ever reach those levels of penetration rates? It was widely believed that the ceiling for those countries would be well below 100 percent.

The facts on mobile phone penetration rates for the developing world are now contradicting that belief. The following countries all have greater penetration rates than the United States: Ukraine is at 140 percent, Russia is past 130 percent, Chile has passed 120 percent, and Colombia is at 110 percent. Malaysia, South Africa, and Argentina have all reached 100 percent penetration rates for mobile phones. These markets are still growing at a rapid rate, and the countries represent areas where consumers have far fewer economic resources. It is also a notable trend that bordering countries soon adopt the trends of their neighbors. Argentina has had an effect on Brazil; Malaysia on Indonesia; and so forth. Brazil is currently past 80 percent penetration rate and Indonesia is past 70 percent.

This information will have a large impact on the mobile Internet because of the opportunities these hand held devices give to those of lower economic means. One of the trends in the mobile data space is that, for societies with a high rate of fixed Internet subscriptions, the adoption rate of mobile data access slows compared to countries where the users' first experiences of the Internet are through mobile devices, such as what happened in India.

Mobile devices with Internet capabilities have a lower threshold for adoption than traditional Internet access methods. Prepaid phones are much easier to obtain when compared to a PC with a wired connection. Currently, Asia and Europe are adopting mobile data subscriptions at more than double the rate of the rest of the world. 85 percent of mobile subscribers and 87 percent of mobile data subscribers are not in U.S markets. China is number one in both of those segments. As of June 2009, subscribers in China with mobile Internet access are 155 million strong², which is a 32.1 percent increase over six months.

From these numbers, it appears that the path into the digital world passes through mobile devices and subscriptions for a large portion of the globe's population. It only stands to reason that as more and more users are coming to the Internet from mobile devices, the demand and opportunity for content optimized for mobile will also grow. This is a market that simply cannot be ignored anymore.

1- <http://www.sherpalo.com/resources/InternetTrends031808.pdf>

2- <http://chinanewswrap.com/2009/07/16/total-number-of-chinese-internet-users-reaches-338-million/>

3- Tomi Ahonen Almanac 2009

4- <http://blog.nielsen.com/nielsenwire/consumer/the-droid-is-this-the-smartphone-consumers-are-looking-for/>

About the Author



Joshua Tuscan is an SEO Analyst at Razorfish in Philadelphia. He is focused on technological solutions for organic search optimization and comes with a five-year background in web development and design. Josh has been the lead SEO Analyst for clients such as ABC, Amway and WellPoint providing results-driven SEO solutions.

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