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MOBILE, MEASURABILITY AND MIXED OPINIONS: A LOOK BACK AT INTERNET RETAILING EXPO



Originally published on the [Clear Digital blog](#), this article looks back at the Internet Retailing Expo 2016, including 3 key overarching trends plus some handy statistics and takeaways from the day.

On Thursday 28th April 2016, I headed to Birmingham's NEC for this year's [Internet Retailing Expo \(IRX\)](#) to catch up with some old colleagues, attend a few conference sessions and generally take the temperature of the ecommerce sector. As one may expect, many of the big themes from the day were to some degree mobile centric and this article pulls out what I considered to be 3 key overarching trends from the day:

1. Mobile commerce is actually still fairly young, with all the growing pains that implies.
2. Measurability remains a problem for retailers, with smartphone growth increasing the complexity here.
3. Is UX ecommerce innovation being left behind by other sectors?

In addition to exploring these points, this article also details some stats that caught my eye while at IRX as well as some recently issued online shopping Ofcom figures.

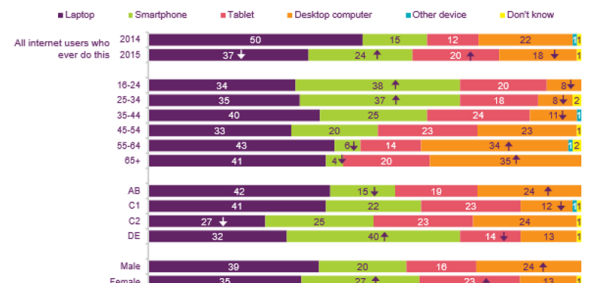


RECENT OFCOM DATA HIGHLIGHTS HOW QUICKLY SMARTPHONES ARE GAINING ON LAPTOPS AS THE PREFERRED ONLINE SHOPPING CHANNEL

An ever accelerating customer shift to smartphone usage means that now is a true time of change for selling via digital channels. This change does however mean that a lot of standard ecommerce best practice (honed ever more knowledgeably over the last 10-15 years based on desktop usage and behaviour) is now steadily becoming outdated for a majority of customer journeys.

Before delving into some data and insights gleaned from IRX itself, it is worth pulling out a couple of pertinent points from Ofcom's recently issued [Adults Media Use and Attributes 2016](#) report. One specific section looking at online shopping really shows the pace of change, highlighting that last year, 24% of users said that the smartphone is the device they most use to shop online; a huge rise from 15% in 2014, with this growth all coming from a decline in laptop preference (falling to 37% from 50% the year before) albeit laptops still remain the most used device overall. This is not the case for all ages, with smartphones preferred by younger consumers, just edging out the laptop for those in the 16-24 and 25-34 brackets.

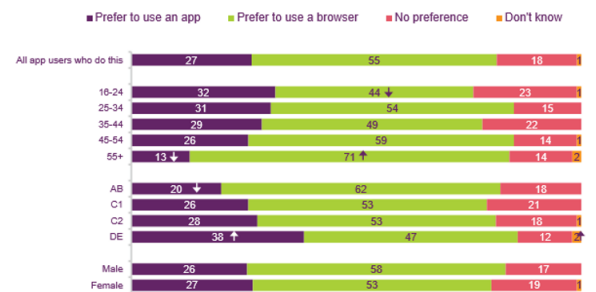
Figure 84: Device mostly used for buying things online, by demographic group



IN20A. Please take a look at this list of devices that can be used to go online. Which one of these devices do you use most for buying things online?
 Base: All adults aged 16+ who go online and who ever buy things online (1176 in 2015, varies by demographic).
 Arrows show significant differences (95% level) between 2014 and 2015 and by age / socio-economic group compared to all internet users, and males compared to females.

So, this helps to provide some newly updated data for an ecommerce trend that is unlikely to surprise anyone. However, something that is perhaps not so well known is customers' preference to transact on smartphone within browsers rather than via an app, a trend that is actually fairly consistent across most age groups. With mobile app strategy a source of much discussion for retailers, with many different viewpoints and strategies, this insight seems highly valuable.

Figure 86: Using an app versus a browser for buying things online



IN22F You said earlier you buy things online. Do you prefer to do this through an app or through a web browser?
 Base: All adults aged 16+ who use apps and buy things online (1032 aged 16+, varies by demographic).
 Arrows show significant differences (95% level) by age / socio-economic group compared to all app users, and males compared to females.

THE MOST VALUABLE IRX INSIGHTS WERE SMARTPHONE RELATED

Moving on to look at IRX itself, Google's Retail Industry Head Paul Goldstein delivered the Digital Sales & Marketing closing keynote address and as one would expect, this well attended session contained some helpful insights, principally centred on the mobile experience (and how to improve your PPC AdWords campaigns of course!).

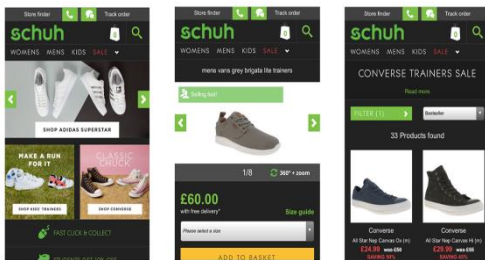
Outlining that 40% of online shoppers research on mobile but then convert on desktop/tablet may have been familiar news, but the fact that 50% of customers who conduct a local search on mobile (e.g. "buy a kettle near me") end up in store within a day was certainly a useful statistic to demonstrate the different and unique nature of



smartphone shopping. Paul’s presentation then looked into the need to “Be Personal, Be Actionable and Be Measured”; important points that I’ll return to when talking about my 3 key trends.

Looking at some specific retailer examples, Schuh’s Deputy Head of Ecommerce Colin McMillan mentioned that from the 15-20% of Schuh’s overall sales that were transacted online, mobile was now accounting for nearly half its traffic (48%, compared to 30% for desktop and 22% for tablet) but a lower percentage of sales; 42% of revenue due to a reduced conversion rate of approximately 1.5% compared to the 2.5-3% seen on desktop/tablet.

Some fairly common ecommerce benchmarks there, but what was intriguing was the fact that 89% of Schuh mobile shoppers only interact with Schuh digitally via mobile, so the oft voiced assumption that customers use mobile early in the buying process only to ultimately convert via desktop rather than mobile (due to factors such as ease of purchase/UX and security concerns) does not seem to apply here. Rather, Schuh has a sizeable proportion of customers for whom a smartphone is their sole ecommerce experience for the whole purchase funnel.

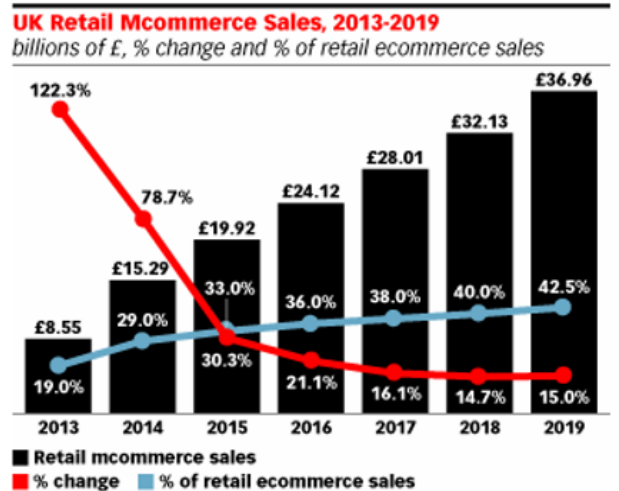


A likely lower than average age of Schuh shoppers would skew usage towards mobile to some degree, but this does also raise the question of why mobile conversion rate should be so much lower than for desktop if 9 out of 10 of mobile shoppers are exclusively using this as a digital channel. I believe that this seems to come down to 2 key factors: continuing difficulty with analysing all channels

together (and understanding of the role each has to play) as well as ecommerce UX innovation proceeding at a slower pace than other mobile customer experiences, both of which I’ll explore more below. Before that though, it’s worth looking at the differences (and similarities) between desktop and mobile ecommerce, not least their different stages of maturity.

1. MOBILE COMMERCE IS STILL FAIRLY YOUNG, WITH ALL THE GROWING PAINS THAT IMPLIES

The art of designing, building and promoting standard desktop ecommerce sites is fairly well established now, with up to 20 years of practical experience, knowledge and research in this field. On the other hand, as more seasoned digital veterans will no doubt recall, despite being promised many times that the “year of mobile” was coming, it was really the iPhone’s launch in 2007 and ensuing smartphone penetration growth from the start of this decade that have led to the profound shift in consumer behaviour that has seen [eMarketer forecast that UK m-commerce sales](#) will grow nearly fourfold from £8.5bn in 2013 to a 2018 forecast of over £32bn.



Note: includes products or services ordered using the internet via mobile devices, regardless of the method of payment or fulfillment; excludes travel and event ticket sales; includes sales on tablets
Source: eMarketer, May 2015

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www.eMarketer.com



So while desktop ecommerce may now have come of age and graduated, mobile commerce is about to start primary school, so it still has a lot to learn and also is likely to keep asking many hard to answer questions, for example:

- "Do I need a mobile app?"
- "Should my mobile site be responsive or adaptive? Or a specific mobile site?"
- "Do we need a separate mobile strategy or should it just form part of multi-channel/omni-channel/ecommerce/digital strategy? Do we need to be "mobile first"?"
- "With so much smartphone time spent on social media, how much do I need to consider this for my mobile plans?"
- "What about local search? Mobile video? Mobile payments?"

Of course, the key point to remember here is that there is no "one size fits all" approach and needs will differ from company to company, even more than with desktop due to the smartphone's nature. With [recent Ofcom research](#) highlighting that we would now miss the smartphone more than any other device – replacing the previous preferred TV and way ahead of the computer – this simply reflects that place that our mobile now takes in our life; as well as being a supremely powerful mini-computer (and of course phone!), it is also our camera, music player, GPS, torch, clock, stepometer, games console, calculator etc etc etc.

Ecommerce operations will also notice this as customers use them in very distinct ways. Having heard from Schuh that mobile is their most important channel (with 48% of traffic and 42% of sales coming from smartphones), we learnt at IRX that this is very different for Eurostar, courtesy of their Head of Digital Neil Roberts. Desktop is by far their most important digital channel, accounting for 53% of research journeys and a huge 81% of purchase journeys; smartphones account for 34% of research and 9% of purchase, with tablets making up the remaining 13% of research and 10% of purchase journeys.

This is likely due to various reasons – e.g. more considered and complex purchase, older demographic – but the fact that Eurostar's mobile experience is not yet fully optimised, albeit moving to a responsive website very soon, is also surely a factor.



One final IRX experience to highlight is that of MySupermarket, courtesy of UK MD Kim Ludlow. The fourth most visited supermarket site in the UK (behind only Tesco, Asda and Sainsburys), this online comparison website actually sees a majority of its customers using it to influence in-store purchases; 35% of its customers purchase online for home delivery while 65% research online and purchase offline. The mobile nature of smartphones therefore proves a strong fit with the MySupermarket experience, with 63% of shoppers using the website on their smartphone – an adoption much higher than their accompanying app which has a much lower transaction/usage rate, prompting Kim to question that if they had known how successful the site would be on mobile "would we have built it [the app]?"

Therefore, Schuh, Eurostar and MySupermarket all have quite different mobile presences (e.g. app or not, responsive or not), something to be expected in this early phase as all companies start to grow up in this area. One thing to be aware of course is both the ever increasing demands that customers have, partly driven by innovation in other sectors, a theme I'll cover shortly.



2. MEASURABILITY REMAINS A PROBLEM FOR RETAILERS, WITH SMARTPHONE GROWTH INCREASING THE COMPLEXITY HERE

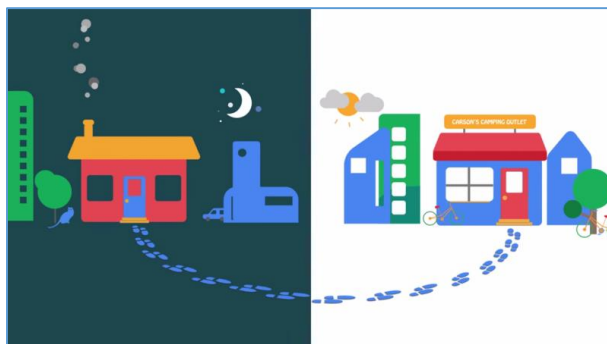
Returning to Google's IRX presentation, their 3rd main point was to "Be Measured" and this constant striving for better analytics and measurement to aid improved decisions was unsurprisingly a key theme from just about everything I heard and discussed at IRX. Of course, this quest for improved data and insights is also not new, but the continuing march of the smartphone is making this more complex to measure as well as changing many previously established dynamics.

For example, Paul Goldstein from Google stated that 90% of consumers use multiple screens when buying online, but the established "last click wins" model is still highly prevalent and the main success metric for the majority of retailers, so many optimise to this. The old ROPO model (research online, purchase offline) has been with us a while but the complexity of measuring this accurately, and then being able to utilise this data in a meaningful way to optimise marketing activity, has long been the holy grail for retailers.

Google stated that 59% of customers researched online before their last in store purchase: an impressive stat that is likely lost in standard day to day digital marketing programmes. With the importance of digital (and Google AdWords of course!) often under-reported, Google have been developing further ways to track both cross devices and in store purchases.

It was reported that advertisers using Google's [cross-device insights](#) are measuring up to 16% more conversions as they benefit from a much wider picture than just tracking a customer on one laptop for example.

Even bigger uplifts were mentioned when looking at digital influence on store purchases, with retailers using Google [Store Visits data](#) (to help tie up the online and physical) being able to measure 4 times more overall conversions that were started digitally, and a huge 10 times more when looking specifically at mobile.



Unsurprisingly, it is not just Google amongst the internet's giants that is looking to help retailers understand this influence (and ultimately shift even more media spend to digital channels). For example, [Facebook last month announced a partnership](#) with Tesco owned Dunhumby to help FMCG brands understand the impact of Facebook campaigns in store at the supermarket.

It's probably safe to say that despite making progress around marketing attribution, the industry overall has still not solved the issue of how to fully measure and assess the importance of all customer touchpoints. With mobile growing in importance (but often further up the funnel and thus not measured via the common "last click wins" method), this will be key for retailers to understand and advertising providers to help them get there. Easier said than done of course, especially with the complexity of the marketing technology landscape as [I blogged about in March](#).



3. IS ECOMMERCE UX INNOVATION BEING LEFT BEHIND BY OTHER SECTORS?

With all this complexity to consider (measurability, multiple channels) plus the aforementioned 20 years of history to fall back on, is it possible that ecommerce is being left behind in the UX stakes by new nimbler, truly mobile first experiences as varied as Instagram, Uber, messaging services such as WhatsApp/Facebook Messenger and even Tinder? With shopping only accounting for 5% of time spent on mobile, these new interfaces are becoming the smartphone norm for customers who may not see the difference between buying a pair of shoes or a lamp with ordering a taxi or even looking for love.

Spotlight on *content*

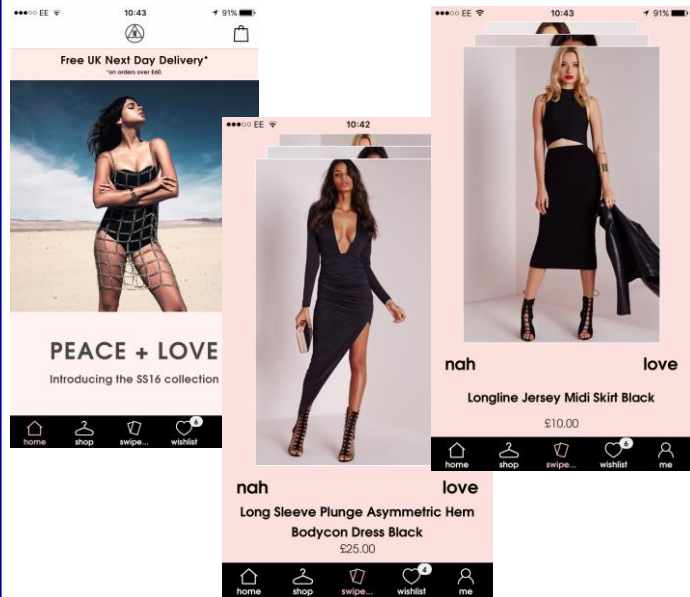


Social Media accounts for 31% of all time spent on mobile devices. Entertainment and Online Gaming accounts for 14% each, while News/Information and Retail sites account for 6% and 5%.

Smartphone users spend the majority of their time on social media and other entertainment.
Source: Comscore (June 2015)

As an example, Tinder's hugely simple interface is [starting to provide inspiration](#) for some fashion brands, such as [Missguided](#), whose mobile app includes a "swipe to hype" feature clearly modelled on [Tinder's swipe left/right functionality](#). This allows you to build your own wish list based on a constant flow of different clothing options, alongside more standard ecommerce features, albeit even these benefit from a design that feels akin to Instagram, seemingly a wise move for this brand's young female demographic.

Of course, this type of experience will not be suited to many retailers, but it does serve as a good example of challenging traditional UX hierarchy and looking wider than just competing ecommerce sites for inspiration.



So, in conclusion, a really stimulating day at IRX with much food for thought. It feels like the world of internet retailing continues to move forward as ever, with a real aspiration to true omni-channel capabilities. The issue of measurement continues to be a challenge (and probably always will), but a challenge with real upsides for those able to streamline their data sets into actionable insights. However, the smartphone space will remain the biggest growth priority by far for most ecommerce operations. Here, it is the different opinions and challenges faced by many retailers, coupled with the need to keep abreast of wider mobile trends and innovations, which means that mobile strategy will no doubt continue to occupy the majority of forward thinking in the coming 12 months.

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