



DIMENSION REPORT

Mobile & Cross-channel: November 2016

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A Performance Dimension
Report as part of IREU 500 2016
InternetRetailing's Europe
Top500 Retailers, 2016



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From the editor-in-chief

WELCOME TO OUR latest IREU Top500 Performance Dimension Report, which this time focuses on Mobile & Cross-channel.

While the mobile sales channel has only emerged in recent years, its strategic importance cannot be underestimated. The fast uptake of smartphones, and the growing appetite to browse and buy with them, is currently driving both online sales and retail sales as a whole. Mobile devices are now remote controls that customers use to organise their lives – including the search for and acquisition of products, from the utilitarian purchases of groceries and school uniforms through to more leisurely hunts for fashion items, entertainment and gifts.

The smartphone is a device as suited to urgent purchases as to gentle browsing, depending on the context. Retailers that understand this are using a variety of means to serve customers along their journeys – from fast mobile websites through to apps equipped with tools such as barcode scanners, store locators and augmented reality – while also offering cross-channel services that link the store and online.

But while some lead, adopting the latest tools and approaches to selling via mobile and across channels, these cutting-edge performers are well ahead of the average. Our research enables us to look for the true picture behind the hype in order to give an understanding of where European performance is, while measuring the incremental improvements that traders are making to their businesses.

This Dimension Report is the latest instalment in a research programme that started in the UK and has now extended to the European context, analysing the ecommerce and multichannel performance of leading retailers. It does so through the prism of six key themes, which are listed in the panel to the right. All are informed by the hard data that our research team produces, working in partnership with our trusted InternetRetailing Knowledge Partners. This data tells us how brands and retailers are working across the European Economic Area, plus Switzerland, to extend services developed in their domestic markets to a far wider audience. Along the way, we're identifying and sharing lessons that can be learned from this deeper understanding of how retailers sell in practice. It's a challenge, but one that we're enjoying.

We hope that our readers will share our fascination with these emerging findings and, as always, we're interested in hearing what you think. Please do share your thoughts.

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The IREU Top500 Dimension Reports Series

Don't forget that this Mobile & Cross-channel Dimension Report forms part of our wider series analysing the performance of Europe's retailers.

Reports each year that focus on:

- Strategy & Innovation
- The Customer
- Operations & Logistics
- Brand Engagement
- Mobile & Cross-channel
- Merchandising

You can download the latest copy of any of our Dimension Reports, along with the overall IREU Top500 report, via www.internetretailing.net/IREU

Once you register, we will also send you the latest Dimension Reports as they are published, allowing you to keep abreast of the latest developments in the industry.

You can also find information about the IRUK Top500, our index of top retailers in Britain, via the InternetRetailing website.

Editors' comment

IN THIS SECOND IREU Top500 Performance Dimension Report, we focus squarely on mobile and cross-channel retail. One device in particular has transformed this area: the smartphone. That's because the smartphone manages to be both the cross-channel glue that binds sales channels together, yet also the lubricant that makes the customer journey across retail touchpoints smoother. It enables a shopper to search the retail store from home and also to look for online information from within the store. Coupled with cross-channel services such as click and collect or in-store returns, this sales channel has become a driver of growth all across Europe.

In this Dimension Report, we explore how retailers are using mobile in their business models as they trade at scale in this continent, and we investigate how the use of mobile varies between markets. Our strategic overview (page 8), from M-Retailing editor Paul Skeldon, considers the context, looking at how retailers use mobile across the continent as well as within its different, distinct, markets.

We drill into the numbers supporting this view in our Analysing the Numbers feature (page 12). Over the following pages, from page 18, we look at best practice examples through a combination of case studies and interviews. Czech general merchandise retailer Alza gives us our interview subject, while supporting case studies focus on Apple, Bon Prix, House of Fraser and Zara. Our 12 approaches that work feature (page 24) aims to learn from best practice to offer retailers a way towards offering exemplary mobile and cross-channel service.

In our emerging practice feature (page 29), Paul Skeldon looks at Internet of Things technology and asks how this will feed into the future of mobile retailing. Finally, in our new research feature (page 31), we consider the impact of page loading times on retailers' performance. Speed, we learn, is hugely important.

We've found much that interested us in this area and we hope that it proves equally interesting to our readers. We're looking forward to exploring these themes in the future through IREU Top500 Dimension Reports over the coming months.

We'd like to thank all of the Knowledge Partners who have contributed their expertise and insights for this Dimension Report. We welcome your thoughts on new areas of research as we add to our primary data and analysis. Please email: jonathan@internetretailing.net and chloe@internetretailing.net

Jonathan Wright and Chloe Rigby, Editors

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IREU Top500 Mobile & Cross-channel 2016

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Make things personal to drive mobile sales

Steven Ledgerwood, UK managing director at Emarsys, considers the critical importance of the mobile sphere to ecommerce and multichannel traders.



How important is it for retailers to think cross-channel and mobile?

Mobile is crucial. Any retailer or brand that neglects mobile risks missing out on substantial revenue, it's as simple as that. Very few shoppers are loyal to one channel or marketplace. Increasingly, we flip between smartphones, laptops, social media, marketplaces and physical stores.

We see something, we buy it. This makes the data about how we browse and interact with our favourite brands a lot more fragmented. For retailers, a unified approach to customer management is more important than ever. As much customer data as possible needs to be brought together to capture a shopper's attention at the right time with the right product.

What suggestions do you have for effective ways retailers can do this?

We've been saying this for some time: personalise, personalise, personalise. Attention spans are extremely limited on mobile. Strategies that worked in-store or for shoppers sitting at a desk do not apply to the channel.

People only part with their hard-earned money when they feel confident that a product fits their needs to perfection. Mobile-focused email marketing campaigns need to convey this clearly, both in their

design with limited screen space and product relevance.

Someone sitting on a train browsing emails on their phone will only click to buy if a product recommendation is tailored to their specific tastes and the checkout process is as simple as possible.

How do you see this area developing in the future?

Artificial intelligence (AI) and machine learning are transforming how marketers deliver campaigns to different audiences. These developments enable smarter product recommendations built on personalised customer data, not rudimentary segments that the retailer believes are correct.


Automation is also becoming increasingly advanced and powerful. Marketers are now able to focus on creating compelling mobile-friendly content rather than data management, segmentation and complicated workflows that hinder progress.

How do retailers need to act now in order to be ready for that future?

Just start – refinement is an ongoing progress and taking too long to embrace mobile can have a negative effect in the longer term. Mobile undeniably means learning which

strategies work for existing customers and prospective buyers. This knowledge will only reveal itself by analysing the data available to you.

Marketing cloud platforms such as Emarsys's offer powerful tools for retailers to target shoppers across a range of channels, mobile included.

Don't forget the value of social ads. Distributing compelling content on Facebook or Twitter and ensuring the same content filters through to a customer's emails will make the individual feel more valued, engaged and willing to purchase a product. 

About Emarsys

Emarsys is a leading global provider of marketing automation software and the first marketing cloud for retail and ecommerce. The Emarsys B2C Marketing Cloud enables true, one-to-one interactions between marketers and consumers across all channels – building loyalty, enriching the customer journey and increasing revenues. Machine learning and data science fuels customer intelligence in an intuitive, cloud-based platform. emarsys.com



Right channel, right customer, right time

Ross Haskell, Senior Director, Products, at BoldChat argues that customer engagement is moving on from multichannel choice, to omnichannel problem-solving



THE WAY THAT retailers communicate with their customers is starting to change. Until recently the priority was ‘channel choice’ – offering customers a myriad of ways to shop and connect. Shoppers could ask questions via live chat, email, social media channels, telephone, and more – and do all this from home or on the go via their mobile device. The result of all these choices was that the decision-making burden for picking the best channel – the one that will actually work – was placed on the shopper themselves. A more strategic approach is emerging and requires us, retailers and their vendors, to solve this problem on behalf of shoppers.


In a way, the era of choice is coming to an end. Consumers don’t want to grapple with a wide range of choices – they simply want their problem solved and limitless, multichannel choice might actually do more harm than good. What shoppers need are the right choices and it’s up to us to abstract away the complexity of those decisions. We already know, based on the summative history of all customer engagement, that certain problems

can be more effectively solved via one channel or another. We also know that this isn’t universally true – based on demographics of the user, for example.

What we have to do is pay attention and tailor the choice of channel based on the context of the problem and historical evidence of effective problem solving. It’s not that we don’t need all the channels – we do. It’s just that not every customer needs every one of them all the time.

Consider a customer who has forgotten their password. Automated reminders or resets will likely be the most effective way to get them back on track. While a phone call may always solve the customer’s ‘what’s my password’ question, it may not be the most convenient route for the customer, and is likely to prove expensive for the retailer.

In the end, customers don’t think about channels or devices when engaging with their retailer. They use the device and channel that they have easy access to, and the one they believe will solve their problem quickly. Omnichannel, put simply,

is what the consumer now expects as standard. The key to being successful in today’s landscape is offering the right channel to the right customer at the right time. 

About Boldchat

BoldChat by LogMeIn is a market-leading live chat and customer engagement solution that helps businesses quickly and effectively engage customers across online, mobile and social channels. BoldChat includes integrated omni-channel communications technologies like live chat, video chat, email management, SMS management, Twitter management, co-browsing and self service, giving customer service teams a single solution for managing customer conversations. As a result, organisations can provide a better overall customer experience, improving conversions, building loyalty and boosting CSAT like never before. www.boldchat.com

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Quick work, slow progress

Today's busy consumers want to be able to shop across channels and with minimum fuss. Enabling them to do this, argues **Paul Skeldon**, is tough, but leading companies don't shirk the challenge

BACK IN 2008, Kleiner Perkins Caufield Byers analyst Mary Meeker predicted that, in 2014, mobile would pass desktop as the main way of accessing the web worldwide. This actually happened in May of that year and now, in many markets, considerably more than 50% of retailer traffic comes from mobile. It now plays a key role in how consumers shop across all channels.

However, while traffic to retailer websites – and apps – is coming from mobile, it doesn't mean that the sale always takes place there. Where Meeker's prediction fell short was its expectation that sales would move to mobile. This hasn't always been the case, with many European retailers seeing mobile becoming part of a more complex purchase path.

For retailers this means that cross-channel integration – with mobile often used as the 'glue' to hold things together – has become a priority. This has been reflected in the InternetRetailing EU Top500 research, and retailers have responded to this consumer move towards

mobile with the development of mobile website and apps. In many cases, retailers are also starting to integrate this work into a cross-channel strategy, yet results in Europe have been mixed.

Top50 retailers in the InternetRetailing EU Top 500 research – such as the Czech general merchandiser Alza, computer and phone giant Apple, and UK department store and fashion retailer House of Fraser – all have highly functional apps which operate across borders and are transactional. Many others don't offer this functionality, with only 30% of all the apps assessed in our research being transactional. So what else are the top performers getting right?

The need for speed

The top retailers across the EU in the IREU500 research all have one thing in common: they have a fast web presence on mobile. Across the body of retailers analysed, the average webpage load speed (out of 100) was 82.5. Retailers in Denmark clocked up an impressive 86, Dutch retailers 85, and brands in Sweden, Belgium, Austria and Switzerland came in at 84 apiece.

Working with Knowledge Partner BuiltWith, the study finds that most top-ranking retailers adhere to the fastest web standards and offer the best download speeds. BonPrix's Swiss and German sites logged a speed score of 93 – the retailer's overall average dragged back to 79 by slower times in Lithuania and Estonia. Albert Heijn in the Netherlands scored the fastest of all in Europe, however, with a mighty 95 out of 100 and the site loading in 7.6s.

On the app front, top-flight retailers also offered speed, although it was in functionality



Czech store Alza has an app with transactional functionality, but two out of three retailers don't



Image credit: House of Fraser

and design where they score highly, separating elite retailers from the rest.

Alza offers a good insight into what makes a top tier pan-European mobile retailer. It runs dedicated iOS and Android apps in the UK, Czech Republic, Slovakia, Germany and Austria. Its pan-European Alzashop app is available in 23 EEA countries and offers product ratings, customer reviews and the ability to share products on social media. The Alza app also offers advanced 'searchandising' through predictive search.

Apple, as you might expect, comes out strongly, with highly interactive and transactional app functionality that works across borders. Available in 14 European languages in the EEA region, the Apple Store app is transactional and native, offers daily deals, displays store finder information, multiple product images and offers the ability to zoom, as well as allowing users to leave product ratings and reviews. It also features a wishlist and a range of interesting app features, including EasyPay receipts and appointment reminders. Customers can return their unwanted goods within 14 days via drop-off at the store in 19 countries within EEA region.

The UK's House of Fraser – already an Elite retailer in the InternetRetailing UK Top500 – also performs well across the EU. House of Fraser allows customers to order via an iOS app, pick their orders from the store

House of Fraser's apps are ahead of the curve, helping the retailer achieve exemplary mobile performance

and return any unwanted goods to stores within 28 days. House of Fraser's iOS app secured top marks for app functionality with rare features, including the ability to enter and scan loyalty cards, a barcode scanner and a store finder available on the app. It achieved top marks on both 'searchandising' and personalisation, and offered augmented reality – the ability to scan pages from the House of Fraser magazine in order to find out more about featured products.

"We expect to see continued growth in the European online retail market, with mobile devices being a real driving force of this growth," Andy Harding, former chief customer officer at House of Fraser, noted early in 2016. "The key to success is having a consistent customer-centric approach that gives a personalised shopping experience. We do this by linking all our channels to market together.

"Being a multichannel retailer in Europe means having a seamless offline and online proposition that engages with customers through mobile and this will continue to be an essential part of what we do."

As Harding points out, the key to being a successful mobile and cross-channel retailer lies in offering what consumers want. Top-rated retailers in the study offer not only a basic transactional app, but also one that improves the shopping process, whether that's online, in-store, or both. ▶

Image credit: Otto Group

The load times of BonPrix's Swiss and German sites prove it adheres to the fastest web standards

The importance of apps

This is the vital part of what makes a good mobile and cross-channel retailer. As Michael Langguth, co-founder of Poq, one of the Knowledge Partners in the IREU500 project, puts it: “An increasing number of shoppers today are app-only or store-and-app-only, meaning that if you don’t offer an app that helps both, you simply don’t have exposure to that customer demographic. App store optimisation and improvements in web search for apps are starting to become hot topics because they help retailers get access to new, especially younger, consumers.”

Ultimately, offering an app means retailers are providing customers with an additional channel to shop from. When shoppers can link their accounts on desktop, mobile web and app, they receive the best possible shopping experience across channels, and it becomes easier for them to spend money with a specific retailer, rather than a competitor.

“Additional benefits of apps such as push notifications reminding of discounts, or in-store app features such as barcode scanners, help to significantly improve trading results,” says Langguth. “At the end of the day, in retail it’s all about how many touchpoints you can offer a consumer and adding an app is a highly engaging and profitable touchpoint.”

Among these touchpoints – and the kind of functionality that top-flight retailers in the research are revealing to be as essential – are relatively simple things such as transactional

apps and websites, store finders, stock checkers and loyalty. These are the bread and butter of app functionality today, and they are frequently used, key features that pull together the online and offline worlds.

Swiss retailers achieved top marks in the IREU500 study for offering store finder and stock checking functionality (61 and 31% respectively), while nearly 10% of Portuguese retailers offered additional stock checkers.

Conversely, no retailers in Iceland offered store finder functionality on their apps, nor any stock checking ability. Both also featured surprisingly low in the UK too, at 49% and 18% respectively.

Other key features that consumers increasingly expect but that many retailers fail to deliver, lie around loyalty schemes. These have been one of the big successes in retail over the past 20 years but they have so far failed to translate into the mobile and cross-channel era.

Some 93% of UK consumers have at some point signed up to a loyalty programme and three quarters reported being an active member for more than 12 months. However, many schemes are not as actively used as brands would like. Despite almost a third of all UK consumers having five or more loyalty

“Customers no longer want to rummage for cards to pay, or keep paper coupons”

*Bjorn Langhorn
Lundt, Coop
Denmark*

cards, almost two-thirds stick to using only one or two favourites on a regular basis.

Integrating loyalty into mobile is one of the key things demanded by consumers and an area where many IREU500 retailers are falling short. The research shows that the ability to enter a loyalty card into the retailer’s app averages out at around 20% across all EU retailers. The ability to scan in an existing loyalty card into an app is around 10%, as is the ability to set up loyalty club membership within the app.

This is a glaring omission for many retailers as loyalty schemes in apps can tie the user to the store, to the app and to the brand. Where schemes have upper AOV in the traditional retail model, they can also help develop the omnichannel model that consumers are increasingly keen to embrace.

Seamless integrating loyalty

IREU Top50 retailer Coop has done a lot of work on its loyalty app, making it something that engages in personalisation, offers and, increasingly, also in payments. In May 2016, the Danish grocery chain announced a pilot of the mobile payment app in its Kvikly and SuperBrugsen stores. Since then, 10% of all purchases in the test stores have come via the Beep and Pay app.

Coop’s mobile app allows customers to scan items into their basket, then seamlessly pay at the till via their device, which is linked

directly to the customer’s dividend, bonus wallet, or credit/debit card.

An extension to the Coop-built app from this initial pilot is the integration with the brand’s loyalty scheme, with targeted promotions delivered straight to the customer via the app. Further enhancing the customer engagement, bonus points are calculated based on their purchases whereas previously, customers had waited until month-end or each quarter to receive these bonuses.

“The promotional aspect of the Coop app is creating a loyal and engaged customer-base for Coop Denmark, one that is rewarded with targeted and personalised bonuses,” notes Bjorn Langhorn Lundt, head of procurement from Coop Denmark. “Customers no longer want to rummage for cards to pay, or keep paper coupons to use at the till. They require fast, convenient and efficient omnichannel retailing options.”

This need for speed and convenience sums up what makes the best of the best in the IREU500. Those that come out on top all have well thought out websites and apps that are fast, easy to use and, above all, offer the degree of functionality that users demand.

The really good ones also view this as part of the much bigger picture of being the cornerstone of omnichannel and cross-channel strategies. Since consumers shop in a very different way these days, retailers need to appreciate that mobile can be used to drive cross-channel behaviour in such a way that it creates actual sales.

Building in all the functionality into mobile apps is part of this process but understanding how that fits into the wider range of customer demands – such as cross-border shopping and returns, click and collect, loyalty and store and stock location – is what makes for a top-tier European retailer. 🇩🇰



Image credit: Coop

Danish grocery chain Coop is putting the smartphone at the centre of the shopping experience

Performing across sales channels

Polina Modenova explains how InternetRetailing researchers assessed the ways that IREU Top500 retailers serve their European customers across channels

THE LEADING RETAILERS in this Mobile & Cross-channel Performance Dimension are those that offer fast mobile experiences and seamlessly link digital experience to the store.

Through our research, we aimed to measure how far the leading retailers trading in the European Economic Area, plus Switzerland, are developing mobile shopping experiences that work for the customer on fast mobile websites and apps. We also looked beyond the mobile experience to see how effectively the IREU Top500 retailers are building links between digital (both desktop and via mobile) and the store, creating seamless customer experiences across channels. InternetRetailing Knowledge Partner BuiltWith contributed its research into determining how closely mobile sites met mobile web standards.

Mobile apps: what the Top500 do

It takes a conscious effort for a customer to download a mobile app and since each one takes up valuable storage space on a mobile device, most shoppers won't make room for many. So when a shopper does choose to download a mobile app, it must improve the shopping journey significantly in order to avoid being quickly deleted.

During our research, we started by looking at whether retailers offer a mobile app, and at its operating system. Mobile apps are in use by more than half of IREU Top500 retailers – 55% of them offer an iOS app, 49% Android apps. They are most commonly found among those retailers serving the Italian, Spanish, German and French markets, where more than 98% of retailers offer iOS apps to their

customers. Not all enable shoppers to buy, however. When we looked at those that do support ecommerce, almost a third (30%) of IREU Top500 retailers offer transactional apps. In Switzerland, more than two thirds (68%) do so.

We then looked at how many retailers give shoppers the choice of viewing the app in another language or for another country. A relatively low number (13% of the Top500) give shoppers this ability to localise their experience. Notably, 60% of Finnish merchants enable customers to change their country or language in the app settings, while 40% of Italian and Spanish retailers offer this language-changing functionality.

We went on to examine mobile apps for cross-channel features that contribute to effective customer service. We found that 10% of IREU Top500 retailer apps enable shoppers to check whether products are in stock in their local store. Around 30% of retailers in Switzerland, Austria, Italy and Germany have a store stock checker.

Wishlists enable shoppers to save products they've spotted to buy at another time. Almost a quarter (23%) of Top500 retailers give customers this capability. This is a particularly common feature in the Czech Republic, Switzerland, Germany and Greece, where one out of every two retailers has it.

Mobile apps: what the leaders do

Apple stands out in this Dimension for its transactional and native store app that's available in 14 European languages within the EEA region. The app covers all the bases, offering features that range from daily deals and zoomable images through to ratings and reviews and the ability to save to a wishlist. It also stores receipts and reminds users of any in-store appointments.

Value fashion retailer BonPrix offers iOS apps in six languages, and Android apps in

Designing an effective app

What actions should retailers be encouraging on their apps?

The average correlation of retention, conversion, and average order value (AOV) with app users' actions.

Effect on retail app performance	Retention increase	Conversion rate increase	AOV increase
Used share	2.1	3.7	1.1
Viewed full screen image	1.7	2.0	1.1
Added to wishlist	1.5	1.6	1.0
Used search	1.5	1.7	0.9
Viewed product reviews	1.5	3.1	1.0
Used lookbook	1.5	0.5	2.0
Used sort or filter	1.4	1.7	1.0
Used store stock checker	1.3	2.8	1.2
Logged in users	1.3	2.6	1.0
Registered new account	1.2	2.5	0.9

This study draws on anonymised usage data from Poq retail clients. Poq is a Knowledge Partner of the Top500



12. Our research found all are transactional and offer a native shopping experience. The retailer's iOS apps scored full marks for 'searchandising' and points users towards other stores that are part of its group. The apps also ask customers for feedback and give them the chance to rate and review products.

UK department store group House of Fraser's iOS app scores top marks for functionality that includes loyalty card scanning, a barcode scanner and an augmented reality feature that brings catalogue content to life.

Spanish fashion retailer Zara's iOS app enables customers in the UK, France and Germany to browse in their own language, to buy and to check stock in local stores.

The analysis of app performance recognised Czech general merchandise retailer Alza for dedicated iOS and Android apps in the UK, Czech Republic, Slovakia, German and Austrian markets. Its pan-European Alzashop app is available in Android and iOS to shoppers in 23 EEA countries, and features include predictive search and payment through fingerprint ID.

Fnac, the high tech to entertainment retailer, was highly rated for its iOS and Android app, designed for the French market

but allowing users to switch language to English. The transactional app includes daily deals, wishlist and scanners to read both barcodes and QR codes. It also lets users leave product reviews. Most users of the Fnac iOS app are from France, Belgium and Spain, while the biggest audiences for its Android app are in France, Spain, Belgium and Portugal.

Dutch department store Albert Heijn supports both iOS and Android apps. Customers can use the iOS app to explore the retailer's range, save preferred products in the wishlist and find a store near them. However, this app is not transactional.

Mobile website: what the Top500 do

While some shoppers may download an app for their favourite retailers, few will download one for every single retailer that they buy from. Other shoppers will always prefer the immediacy of the mobile website. These preference combinations make the mobile site an important part of any retailer's multichannel shopping experience. We measured websites by how long they took to load, how well they performed and whether traders had optimised their sites for the mobile experience. ►

The mobile site has become an important part of any retailer's multichannel experience

Site speed is important because it makes the shopping experience a faster and more pleasant experience. It also gives an indication of how much time and attention the retailer has given to the site. On average, IREU Top500 retailers scored 82 out of a possible 100 for their website performance, as measured through their PageSpeed score.

The fastest websites loaded in less than 3s, and we found the fastest average load times, by country, in Poland, Austria and Greece. Polish and UK retailers were the most successful in optimising their webpages. They loaded html quickly and included a relatively small number of elements in the page.

Research from InternetRetailing Knowledge Partner BuiltWith showed how closely retailers adhered to mobile web standards. The research found the highest standards among Top500 retailers selling in Norway, Germany, the UK, the Netherlands and Denmark.

Mobile website: what the leaders do

Spanish fashion retailer Zara stood out for an average page load time of 3s across all its mobile domains. The fastest was the UK site, at nearly 2s, followed by the Hungarian site at 2.8s. It achieved nearly 96 out of 100 on PageSpeed score across its websites thanks to a small number of page elements; only 17 were observed on Zara websites.

French value fashion trader BonPrix, which operates 21 country and language-specific websites, stood out for fast web loading times across its sites, in nearly 7s. The average PageSpeed score reached 79. Within that business, its Swiss and German sites scored 93 out of 100, while the BonPrix France home page loaded in 1.8s. The Lithuanian and Estonian sites lagged some way behind.

Albert Heijn, with sites in the Netherlands and Belgium, scored highly in the website performance index and achieved 95 out of 100 for PageSpeed score on mobile. The site loaded in 7.6s, thanks to a light page size of just 530kb.

In the UK, House of Fraser's page load time was 18% faster than the average of 4s achieved by IREU Top500 retailers.

Cross-channel: what the Top500 do

It's well documented that when customers use a range of channels to buy from a trader, they go on to spend more with that retailer. Building links between the store and the digital experience makes it easier for shoppers to buy across channels, driving web traffic in store and vice versa.


Our research in this area focused on services that enable shoppers to pick up and return their online orders in the store. We found that almost a third (32%) of IREU Top500 retailers enabled customers to do this. The proportion was higher in Greece, Germany, Denmark and Norway, where two in five of the leading traders offer their shoppers this option.

Click and collect was more widespread. More than half (52%) of retailers enable shoppers to pick up their online orders in the store. In Belgium, the UK and the Netherlands, three out of every five retailers offer this service.

Cross-channel: what the leaders do

UK department store House of Fraser performed strongly in the cross-channel sub-Dimension thanks to a service offering that promises delivery to all 32 countries in the market with standard delivery in eight days and express in three, with the exception of Bulgaria. It enables cross-channel services, including next-day in-store collection and the return of online purchases to a convenient House of Fraser store. Shoppers can order via an iOS app, pick up their order from store and return unwanted goods to stores within 28 days.

At Apple, customers can return unwanted goods within 14 days, dropping them off at stores in 19 countries in the EEA region. Others that stood out for cross-channel services included electricals retailer Darty, with the promise of click and collect within an hour in all its French stores. A fast click-and-collect service was also provided by Matalan, River Island and Smythes. Lingerie-to-swimwear trader Hunkemöller offers free click and collect from its Dutch, Belgian and German websites, while click and collect is also free at Matalan.

River Island offers both expedited and standard click-and-collect services. The expedited service sees parcels delivered in two days to third-party collection shops, and stores around the UK, while the standard service is free. 

**IREU 500 Mobile &
Cross-channel Dimension**
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**The Top100 retailers of
the IREU 2016 Mobile &
Cross-channel Dimension**

Share your thoughts on #IREU500 with @etail

Mobile & Cross-channel Top50

Albert Heijn	Halfords	Otto
Alza	Homebase	Pimkie
Apple Store	House of Fraser	Quiz
Argos	Hunkemöller	River Island
Asda	Jack Wills	s.Oliver
Blue Inc	JBC	Saturn
BonPrix	John Lewis	Screwfix
Darty	Konzum	Smyths
Decathlon	Lidl	Stradivarius
Deichmann	M&S	Tape À L'Oeil
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E-shop.gr	Matalan	Topshop
Empik.com	Media Markt	Wallis
Fnac	Migros	We Fashion
Forbidden Planet	Mothercare	Zara
H&M	Next	

Mobile & Cross-channel Top100

Auchan	Debenhams	Hagebaumarkt	PC World
Auchandrive.fr	Desigual	Hema	Ryman
B&Q	Dorothy Perkins	Hollister	Sainsbury's
Bauhaus	Eduscho	Hornbach	Superdrug
Bershka	eMAG	IKEA	Tesco
Boots	Evans	Jack & Jones	The Body Shop
Boulanger	Ex Libris	JD Sports	Topman
Brantano	F&F	LeroyMerlin	Waitrose
Brico	Forever 21	LloydsPharmacy	Waterstones
C&A	Galeries Lafayette	Lush	Weltbild.at
Carrefour	GAP	MajesticWine	XXXL
Conrad	Giganti	Miss Selfridge	
Coop	Go Outdoors	Oysho	

Congratulations to the IREU Top500, 2016



This is our 2016 ranking of the Top500 in Europe, based upon each retailer's performance across our six Performance Dimensions: Strategy & Innovation, The Customer, Operations & Logistics, Merchandising, Brand Engagement, and Mobile & Cross-channel.

Our Elite retailers are statistically ahead of all others and they represent the pinnacle of European multichannel retailing. Congratulations to Apple, Bon Prix, Decathlon, H&M, Next and Zara.



next

DECATHLON



ZARA



Alza
Amazon
Argos
Asda

The Body Shop
Boots
Carrefour
Currys
Darty
Deichmann
Euronics

IKEA
Intersport
John Lewis
Lidl
M&S
Media Markt
Nike

Otto
Sainsbury's
Saturn
Screwfix
SportsDirect.com
Tesco
Zalando



Asos
Auchan
Bershka

Coop
Debenhams
Dorothy Perkins
eBay
Fnac
Halfords

Homebase
House of Fraser
Kiabi
Leroy Merlin
Mango
Massimo Dutti

Mothercare
New Look
PC World
Pimkie



Accessorize
Albert Heijn
Alternate
B&Q
Bol.com
Boohoo.com
Boulanger
C&A

Carphone Warehouse
Clarks
Conrad
Disney Store
Douglas
Dunelm
eMAG
Empik.com
Ernsting's Family
Eroski
Esprit
Expert
F&F
Hema

Hollister
Hunkemöller
Jack & Jones
JD Sports
La Redoute
Matalan
Migros
Monoprix
OBI
Office
Phone House
Prenatal
Promod
Pull & Bear

River Island
s.Oliver
Stradivarius
Superdrug
Swatch
Tchibo
Thalia
TK Maxx
Topman
Topshop
Toys R Us
Unieuro
Wallis
Weltbild.at



Adidas
Auchandrive.fr
A.S. Adventure
Bauhaus
Blokker
Camaieu
Castorama
Claire's

Clas Ohlson
Conforama
Delhaize.be
E-shop.gr
E.Leclerc
Eduscho
El Corte Ingles
Evans
Foot Locker
Forbidden Planet
George at Asda
H.Samuel
Hagebaumarkt
Hornbach

JYSK
Konzum
Kruidvat
Lindex
Lloyds Pharmacy
Majestic Wine
Matras
Media World
Mein dm
Miss Selfridge
Oasis
Pandora
Quiz
Rossmann

Samsung
Schuh
Simply Be
Smyths
Spar
Staples
Swarovski
Toolstation
United Colors of Benetton
Vero Moda
Waitrose
WHSmith
Wilko.com
Yours Womenswear



Aktiesport
Allegro
Ann Summers
Apotek1
ATS Euromaster
Aubert
A.T.U.
Bata
Bathstore
Billa
Blue Inc
Bose
Bottega Verde
Brantano
Brico
Burberry
Burton
Cache Cache
Christ
D-Mail
Dänisches Bettenlager

Dia
Early Learning Centre
Electro Depot
Elkjop
Etam
Evans Cycles
Ex Libris
Footasylum
Forever 21
Galeria Kaufhof
Galeries Lafayette
Game
GAP
Gemo
Go Outdoors
Goldsmiths
Google Play
Hobbs London
Holland & Barrett
HP
Hugo Boss
Iceland
IKKS
Interflora
Intreza.nl
Jacamo
Jack Wills

JBC
Karen Millen
Karwei
Kasa
Kijkshop.nl
Kik
L'Occitane
Lapeyre
Leen Bakker
Lego
Littlewoods
Lush
Mall.cz
Micromania
Mondadori Store
Monsoon
Morrisons
MS Mode
Nespresso
Ocado
Orchestra
Oysho
Peacocks
Pets at Home
Post Office Shop
Public.gr
Roller.de

RS Components
Ryman
Sally
Scapino
Shoe Zone
Sport Zone
Spreadshirt
Superdry
Tape A L'Oeil
Tommy Hilfiger
Topps Tiles
USC
Vente-Privée
Very
Warehouse
Waterstones
We Fashion
Wickes
Wiggle
Worten
Xenos
XXL
YOOX.com
Yves Rocher
Zeeman



American Golf
Baby-Markt
bareMinerals
BCC
Bijou Brigitte
Boux Avenue
Bristol
BUT
Camper
CarpetRight
Cass Art
Cdiscount

Chaussea
Cotswold Outdoor
Cotton Traders
Crocs
Cultura-Socultur
Czc.cz
Dabs.com
Desigual
Dreams
Dunnes Stores
Dustin
Ebuyer.com
El-Giganten
Electro World
Ellos
The Entertainer
Ernest Jones

Fat Face
Fust
Games Workshop
Gamma
Gifi
Giganti
Go Sport
Görtz
Gucci
Hippoland
hmv.com
Hobbycraft
Home Bargains
JD Williams
Jennyfer
Karstadt
Komplett
Komputronik

Kréfel
Lakeland
Laura Ashley
Libri
Lipsy
Louis Vuitton
M-Electronics Migros
M&Co
Maisons du Monde
MandM Direct
Maplin Electronics
Materiel.net
Medimax
Microspot.ch
Mio
Misco
Miss Etam
Missguided

Morgan
Mountain Warehouse
Müller
Net-A-Porter
The North Face
NotOnTheHighStreet.com
Obaibi-Okaidi
Okay
The Perfume Shop
Philips
Photobox
Plus.de
Puma
Real
Reiss
Rue du Commerce
Sole
Space.NK.apothecary

Specsavers
Stadium
Tati
Thorntons
Timberland
Tokmanni
Urban Outfitters
Vertbaudet
Victoria's Secret
Viking
Vistaprint
Wayfair.co.uk
Women'secret
The Works
XXXL
Zazzle



Achica
Adolfo Dominguez
AKI
Alba Moda
Albert
Alcampo.es
Allopnus.com
AllPosters.co.uk
AllSaints
Altex
American Apparel
ao.com
Apart
Apotek
Asics
AuchanDirect.fr
Avon
Babywalz
Barbour
Baur
BazarChic

Bensons for Beds
Berden
BestSecret
Bever
Bild Shop
Bimba Y Lola
Boden
BookDepository.com
Boozt.com
Bottega Venetta
Brico Depot
BuyVip
Card Factory
Casadellibro.com
Cath Kidston
Ceneo
ChaussExpo
Coast
Contiente
Coolcat
Coradrive.fr
COS
Crazy Factory
DeLonghi
Delticom
Devred 1902
DFS

Dixons
Dr.Max
Dress-for-Less
e-Jumbo
Easy Buy World
Ecco
The Edinburgh
Woolen Mill
Euro Car Parts
Everything5pounds.com
Fashion Days
Fashion ID
Feelunique.com
Flanco
Fossil
France Loisirs
G-Sport
G-Star Raw
Gastrax
Gall & Gall
Grazia Shop
Guess
Habitat
Hervis
Jacques Vert
JouéClub
Just Eat

Kenzo
King Jouet
Kjell & Company
Kotsovolos
Kwantum
LaFeltrinelli
LDLC
Manor
Mercadona
Merlin
Microsoft
Mimovrste
Mindfactory.de
Mister Good Deal
Monica Vinader
Monki
Moonpig
Mr Porter
Myprotein
MyTrendyPhone
Nature & Découvertes
Neonet
NetOnNet
Oscaro
Overclockers UK
Paperchase
Pepé Jeans London

Pizza.be
Plumbase
Plutosport.nl
Poco
Prada
Praktiker
Pret A Manger
Printing.com
Privalia
Ralph Lauren
The Range
Remix.bg
Reservix
Richer Sounds
Robert Dyas
Route One
Rowlands Pharmacy
Runners Point
Saldiprivati
SecretSales
Skatehut.co.uk
Smyk
Sportissimo
T.M. Lewin
T.S. Bohemia
Taobao
TechnoMarket

Thansen.dk
Thomas Sabo
Thuisbezorgd.nl
Ticketmaster
Timpson
Tom Tailor
Topachat.com
Trainline
Trespass
Vanden Borre
VanHaren
Vans
Vente-Exclusive.com
Villeroy & Boch
VM Zona
W. Kruk
Westwing
Witt Weiden
Zavvi
Zero
Zooplus
5.10.15.

Apple Store: a company aesthetic

APPLE HAS LONG set the standard in everything from product design and user interfaces to devices and stores. Now it's doing the same for the mobile retail app. Intuitively and clearly designed, Apple's app is a thing of beauty in its stark simplicity. But under the hood, it is also extremely functional and works across the EU.

Available in 14 European languages in the EEA region, the Apple Store app – not to be confused with the App Store – is a native app that offers not only a great view of Apple's products and services but also transactional functionality.

On opening, it offers a simple menu that runs across the bottom of a display and that, at the time of writing, was a portal to discover more about the iPhone7, which had just been launched. Swiping reveals more details of other products, such as the newly relaunched Apple Watch.

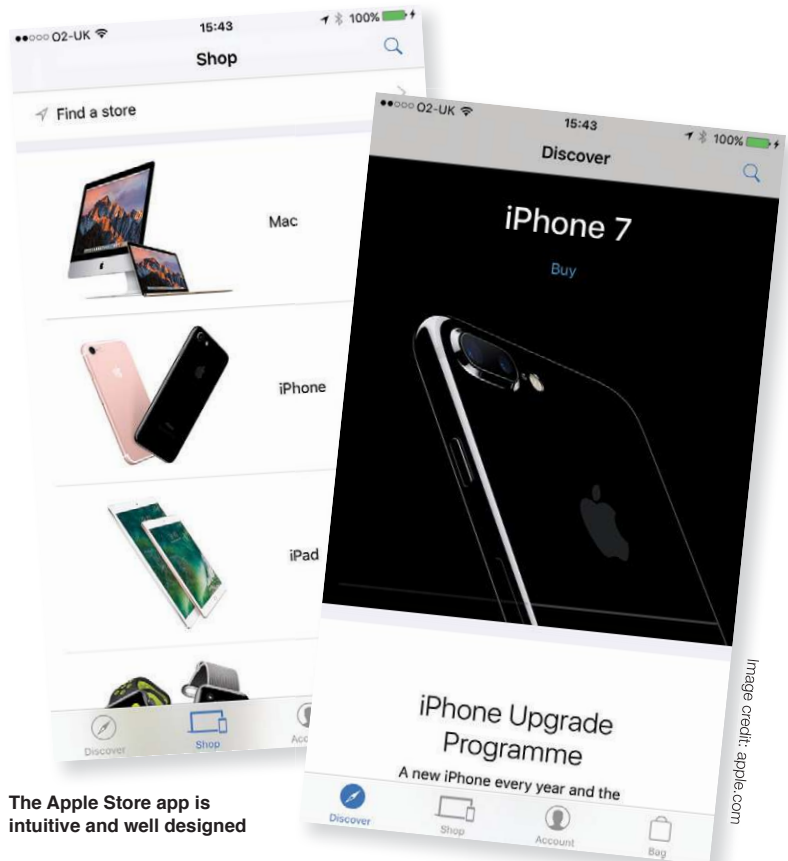
To shop, the user simply has to tap a button. This initial menu also gives access to the user's account and shopping bag. The shopping interface is scroll based and broken into categories of products.

Within the store, the app features at every turn a store finder as a key element of every page. It also has multiple – and high-quality – product images, the ability to zoom, product ratings and reviews, plus the ability to build product wishlists.

Additionally, it gives details of your devices if you are logged in and allows you to contact Apple Support direct from the app. There is a handy list of FAQs, refund policy details and much more, should users wish to dig deep enough. The app is fully searchable, so finding even these obscure corners can be easy.

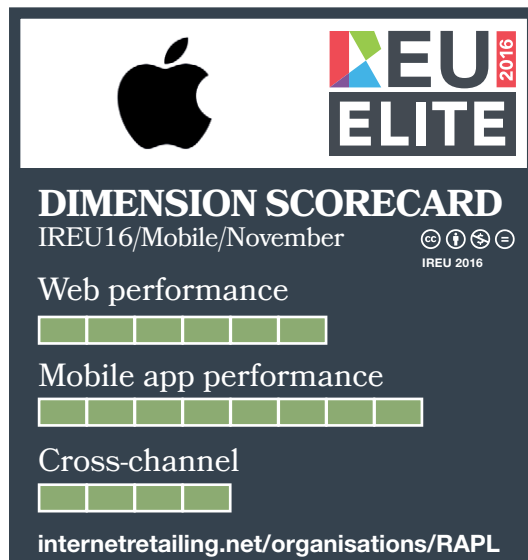
On the downside, it can be slow to open, especially following an upgrade, when it needs the user to agree to the app using location data and other device information.

Overall, it is worth the wait and, if you are in the market to buy an Apple product – even if that's just an Apple-endorsed phone case or charger cable – the app offers an exceptional checkout process, even letting you check out with Apple Pay if you have signed up to it. This allows you to purchase goods using your



The Apple Store app is intuitive and well designed

fingerprint on your iOS device, which adds to the air of a slick and easy user experience that many retailers would do well to try to emulate at some point soon. 🇬🇧



BonPrix: performance at scale

WITH AROUND 30M customers in 29 countries, Hamburg-based Bonprix – part of the Otto Group – offers fashion for women, men and children in a wide range of styles and sizes, as well as accessories, home textiles and furniture.

It currently operates 21 country and language specific websites with iOS available in six languages and 12 language-specific Android apps. Its apps are transactional and offer a great native shopping experience.

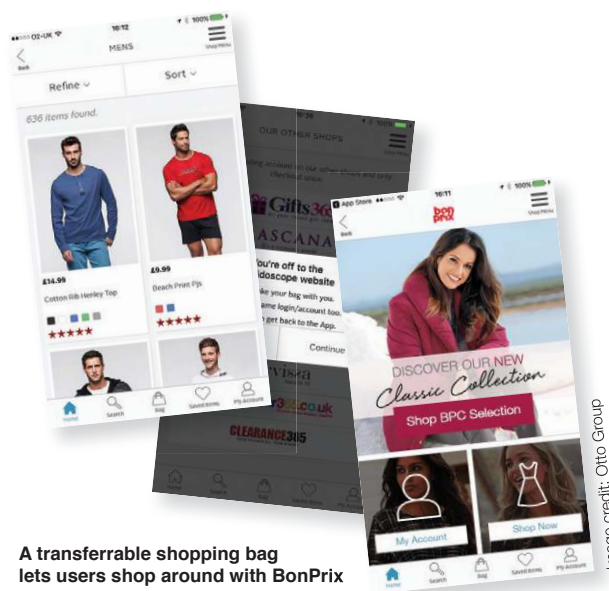
Its iOS apps achieved full marks for ‘searchandising’ in the IREU Top500 research and allow users to save items for later. They also indicate other stores that are part of the group and asked customers for feedback on the user friendliness of the app – a useful feature for any retailer keen on continually honing its user experience.

The iOS app allows customers to rate and review products along with offering related products based on what has been bought by other customers.

The retailer opened up a UK presence in 2005 and its app offers a clear design with good images, which are zoomable. The whole entry experience can be tailored to who you are – male, female or furniture lover – and like Apple’s app, it keeps the menu buttons to a minimum.

Users can navigate to what they want through the main menus on the landing page of the app, or they can use a pulldown at the top, which expedites the process to some degree. A lot of the menus are text only – listing ‘Womens’, ‘Mens’, ‘New in’ and so on – so that they load really rapidly and get users to where they want to be. The menus then switch to being imaged based, but the pulldown at the top can help refine the display to narrow down what you might be looking for to a few short taps.

Although not instant to load when you first start it up, the app does instantly generate a holding page before the initial menu is delivered. On average the BonPrix apps take 7s to open, but the German and Swiss offerings are much more rapid. And once the app is open, navigation around it is fast.

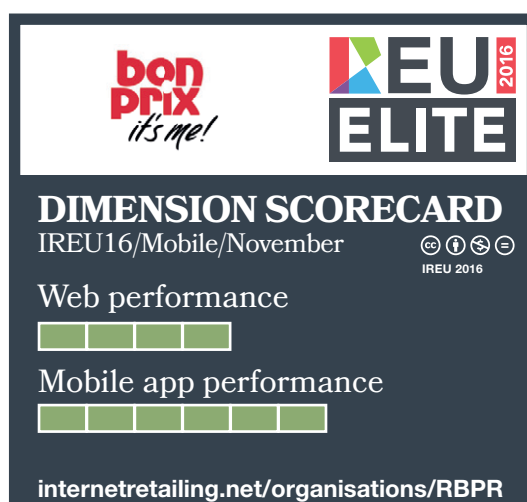


A transferrable shopping bag lets users shop around with BonPrix

Image credit: Otto Group

The ‘Our Other Shops’ feature in the main menu is a handy way to move on from BonPrix to browse for other things in the Otto Group, but perhaps the most appealing aspect here – and what BonPrix gets so right – is that before transferring you, it tells you that you are leaving the BonPrix app or site and that it is taking your shopping bag with you.

All the sites/apps in the Otto Group are linked and you need one login to access them all plus your transferable bag. This is one of the most interesting features of any of the retailers in the IREU500. 🇩🇪



Alza: expanding across Europe to take on Amazon

Alzashop.com's vice-chairman, Tomáš Havryluk, and head of international marketing, Jiri Maly, discuss taking on retail's biggest beast. **Paul Skeldon** listens in

THE LURE OF pan-national cross-channel retail has not been lost of many retailers. The success of brands such as Amazon and Argos – as well as IREU500 Elite retailers such as House of Fraser, BonPrix and Apple – has shown that the idea of retailers selling multiple product categories across borders is quite a winning mix. Now there is a new player that is likely to give even these behemoths a run for their money: Alza.

Established in 1994, the retailer is one of the most recognised brands in the Czech Republic. Alza boasts a range of more than 1,600 brands across more than 50,000 consumer products, including PCs and laptops, smartphones and tablets, games consoles, appliances, healthy and beauty products, to name but a few. The company has won numerous awards for the quality of service that it offers to millions of online shopping customers across Europe. Alza was also the first retailer to open an Apple Store in central Europe back in 2014, and it's taken many of the lessons learned from that experience and brought them to bear on its own stores in the Czech Republic.

The Apple Store – built within one of its own stores in Prague – marked a new way of doing things for the retailer, led to two years of expansion across Europe, and landed the company second place in the 2015 EMEA Channel Academy Awards, for the Retailer of the Year prize in the Central and Eastern Europe region.

The company's expansion plan started with the construction of a host of new distribution centres across Europe to fulfil orders from the expansion of its online and mobile offering to shoppers across the continent.

Alza now delivers to 25 EEA countries and offers four country specific iOS apps and one country specific Android app. Most prominent is the Czech app, but the UK app store offers apps covering the UK, Slovakia, the Czech Republic, Alzashop and Alza media.



Image credit: Alza

Alzashop offers in-app country selection, which automatically detects the appropriate country and currency. It offers multiple pictures, product reviews, ratings and additional product recommendation. A 'Price watch' feature allows customer to receive an email alert if the price of the product changes.

"Alzashop.com is one of the most successful online stores not only in the Czech Republic, but on a European scale," says Tomáš Havryluk, vice-chairman, Alzashop.com. "According to a study by GfK, from the perspective of internet trading, Alzashop.com is among the most advanced in the European market. Almost 40% of technical product sales in the Czech Republic are realised over the internet, and website traffic on Alzashop.com exceeds 300,000 users every day."

Now the company is looking to make a much deeper expansion into the UK and Germany, with stores as well as an increased online and mobile presence, as it looks overseas to replicate the success it has seen in its home market.

Alza: coming soon to a UK high street near you?

"More competition in online shopping means better choice for the consumer"
Jiri Maly, Alza

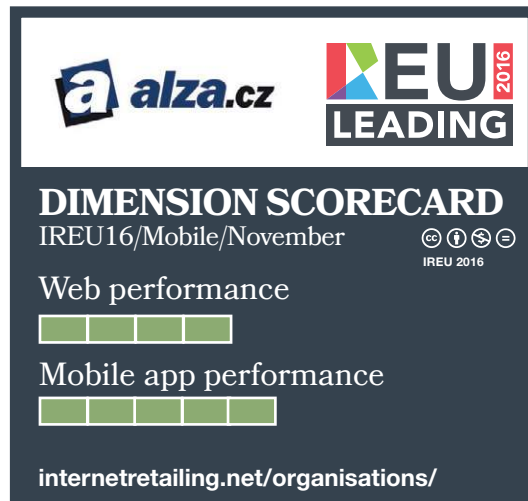
The value of UK expansion

Jiri Maly, Alza's head of international marketing explains: "The UK is a very important part of our international operations. We have invested significantly in providing an alternative source for consumers who are looking for the right products at the right price, backed up by quality of service from an established name that they can trust."

Maly also notes that the UK is a particularly attractive marketplace thanks to the high growth ratio of consumer spending and a record 91% of millennials owning a smartphone. The company recently launched its UK site, www.alza.co.uk, and is hoping that its "competitive pricing model, delivery and after-sales customer servicing" will chime with UK shoppers.

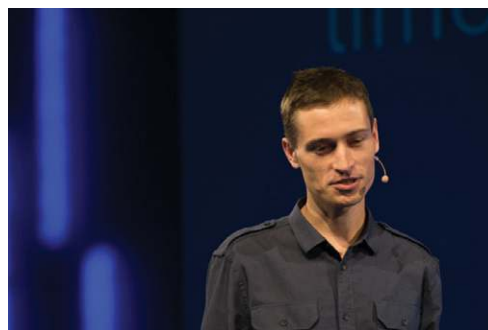
"We like to try and make things as simple as possible for our customers, especially if they need to make a warranty claim," says Maly. "So we offer a free home collection service or the option to return via post to our collection points. As a further indication of our commitment to providing a quality service, we have just announced a tie up with Skynet Worldwide Express to offer a guaranteed delivery time of between one and three days across the whole of the UK."

The move into the UK market is



an interesting one, coming as it does immediately after the Brexit vote. While the plan was in place before the result of this referendum, Havryluk and Maly both agree that now is still the right time for Alza to move into the UK.

"More competition in online shopping for the established players means better choice for the consumer," says Maly. "And especially after the doom and gloom surrounding post-Brexit concerns, it should be encouraging to see that a significant European company wants to develop and trade across the UK." 🇬🇧



Tomáš Havryluk and Jiri Maly see benefits for both UK consumers and Alza in their planned expansion move

Image credits: Alza

House of Fraser: setting standards



Image credit: House of Fraser

Function defines form for House of Fraser's plain but innovative app

HOUSE OF FRASER is already an Elite retailer in the InternetRetailing UK Top500 yet it offers even more standard-setting performance in Europe.

In our research, page load time was 18% quicker than the average of 4s achieved by IREU Top500 retailers and page score was higher by 12%.

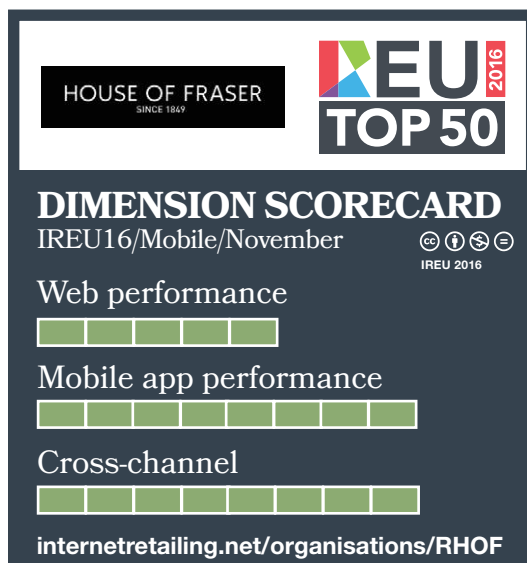
The retailer's iOS app scored top marks for functionality, as it offers a range of useful features that are all too rare among other EU retailers. These include a bar code scanner, a loyalty card scanner that seamlessly adds it to the app, and a store finder. This last feature neatly allows the choice of list by location and by map, which is handy if you are not in your home town and need to find the store.

But it is in 'searchandising' and personalisation where House of Fraser comes into its own. An neat augmented reality function allows users to scan pages from the House of Fraser magazine to find out more about the products. On a more practical level, the retailer has pulled together technologies in its app that are, on their own, standard issue, but taken together can offer something really special. For instance, the app can be used to tell you whether any selected product

is available in your favourite store (not just the closest one) and in your size, both of these details being adjustable in the settings. This useful feature lets the shopper tailor what they are trying to do and it helps involve designated stores, which neatly ties together the online and offline worlds.

The app has a link to the HoF YouTube account that provides users with more content, and allows them to see the clothes they are looking at 'in action' to give a much better idea of fit and texture. HoF allows customers to order via an iOS app, pick up their orders from the store and return their unwanted goods to stores within 28 days. HoF also promises delivery across all 32 EEA countries within eight days, next-day in-store collection and returns to any store.

The app itself is reasonably attractive in design but functionality has certainly won out over form – not that this is a bad thing. The app offers such a great overall experience that design issues are not a problem. It is also much better looking than that it used to be, so House of Fraser is clearly making progress in that department as well as in the marvellous use of technology that it continues to demonstrate so proficiently. 🇬🇧



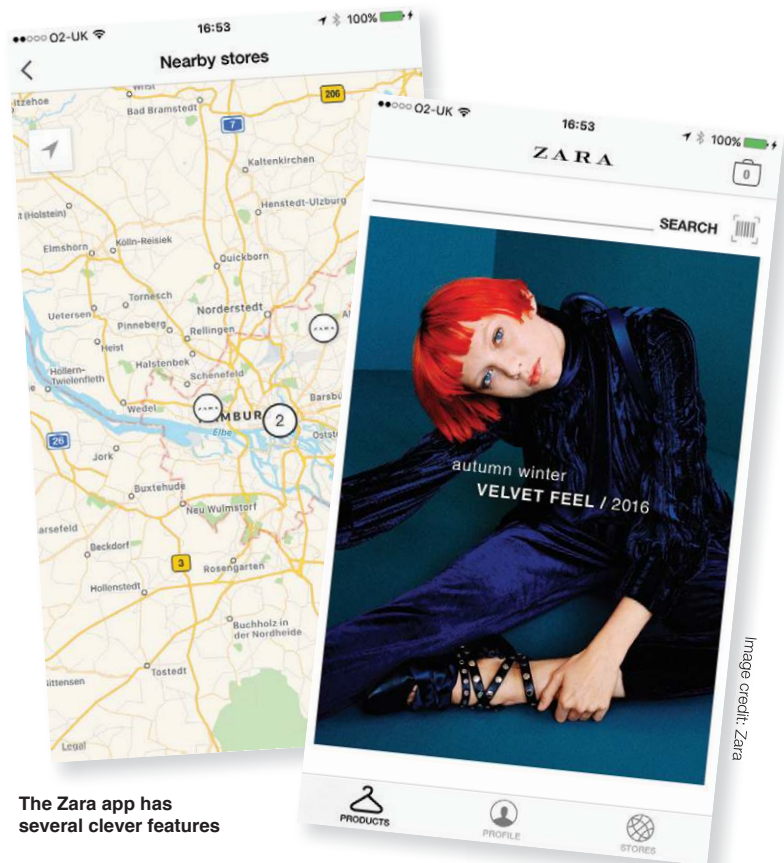
Zara: state-of-the-art app

2015 WAS A boom year online for both fashion retailer Zara and its owner Inditex, which also owns Massimo Dutti. In that year, online sales grew by 16% and off the back of this, Zara has ramped up its app presence by making great strides and showing all European retailers how it should be done.

Its website is one of the fastest around, with the average load time for all of Zara’s domains coming in at 3s – with its UK website loading fastest at 2s and its Hungarian site at 2.8s. For this reason, the site managed to achieve a near perfect score of 96 out of 100 in the IREU500 research.

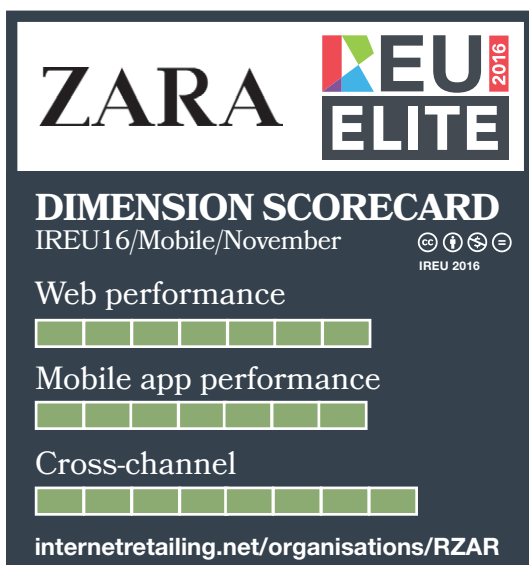
The company runs 16 websites across 16 countries and each offers click and collect shopping for each country. But it is Zara’s app that really takes the prize. It has been beautifully designed, with easy navigation and clear, plentiful images that show clothes from all angles – all of which are zoomable.

Currently available only in the UK, France and Germany, the app does have limited reach. However, it does offer a range of great basic features, such as a scanner and location services and multiple ways to share what you have found. Since these basics are missing



The Zara app has several clever features

Image credit: Zara



from many other retailer apps, their inclusion helps mark Zara out as a clear winner.

The app can also select different languages, is transactional, offers notification of daily deals and allows local store stock checks.

It features a centralised account so that when logged in, the user can move across channels while retaining their basket and settings. However, what really sets it apart here is that new customers are taken straight to the checkout rather than having to create an account before they can buy.

Zara cleverly gets around this by asking for all that information as part of the checkout process, then simply requests a password to set up an account after the checkout is complete. This removes one of the biggest barriers to getting users to sign up and buy.

12 approaches that work

Across Europe, as retailers get to grips with the importance of mobile to consumers, there is still much that they still need to do to deliver the kind of mobile experience that shoppers crave. Retailers looking at developing cross-channel strategies need to think mobile first

1 Go mobile from the off

The UK leads the way in mobile adoption and this summer saw more than 50% of retail sales coming through mobile, according to the IMRG. Other countries in Europe are not at that level yet but European shoppers are rapidly becoming mobile-centric too, so it won't be long before they are also managing their shopping processes via their smartphones.

Retailers everywhere need to be ready. They also need to think mobile-first in terms of redesigning websites as well as considering how mobile disrupts traditional sales models. Shoppers often now loop back from the discovery and research stages of the purchase process to visit the store to check out the goods, to showroom the best price and then to buy on a desktop at a later date. It is therefore vital to rethink how shoppers *might* behave and allow them to do so, which means retailers mobilising everything they do.

2 Fast load times on mobile

While going mobile is essential, getting that mobile experience right is also crucial. Giving shoppers the ability to browse, research, share and buy on mobile is no good if it takes ages to load and causes frustration. Clear and user-friendly design is essential, along with optimising content so that it loads rapidly and is easy to use.

The first of these can be done as part of a mobile-first rethink of the site: large (in size terms, not megabytes) images, clear buttons, easy navigation and clear thought as to what content is really needed on the site can all help make the site much easier to use on mobile.

Keeping it light, with low resolution pictures, not too much text, minimal links and simple framework design can all make apps load quickly, which is crucial for the majority of shoppers.

The best retailers in the Top500 all had very short mobile site loading times because they had applied these principles at the early stages of thinking about their mobile strategies.

3 The importance of well-designed apps

Having a well-designed and speedy mobile website is essential, but a growing number of retailers also need to offer shoppers a worthwhile in-app retail experience too. With apps now coming up in searches and being fired up automatically from retailers' websites, the retailers need to look more closely at their apps as a valuable link in the cross-channel experience.

Having a well-designed app can deliver this in spades but what constitutes 'well-designed'? In essence, any app can potentially have everything, including the kitchen sink, built into it, but what's more important than scope is making it slick and intuitive to use, with functions that are obvious and accessible at the moment that the shopper needs them.

Apple's Apple Store app is a great example of clear and simple design, with minimal menu options that seem to intuitively put what you need at your fingertips, when you need it. Zara too has a clean, well thought-out app that moves the user through various processes slickly and beautifully.

But while these are two great examples of lovely design, what all well-designed apps need is to be transactional. Yet only 30% of those tested in the research offer this. Ask yourself this question: what is the point of getting someone to use your app then not letting them spend money?

House of Fraser makes it easy to find a nearby store for shoppers who are using their smartphones

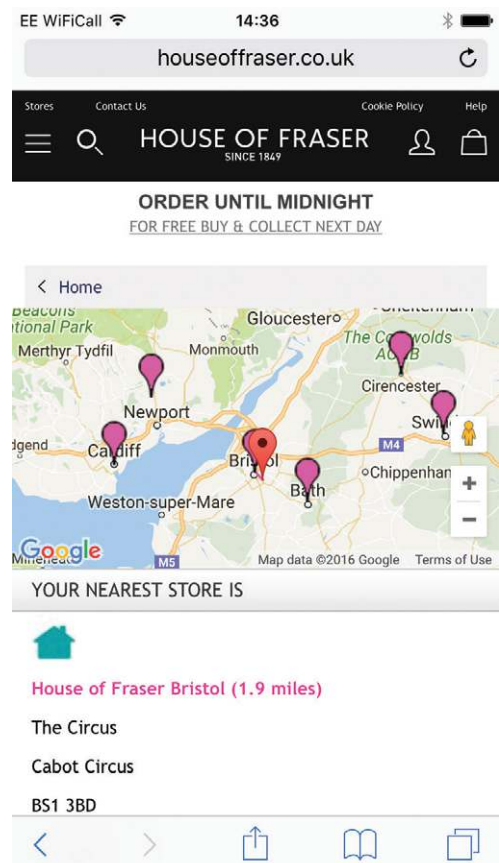
4 Store locators and store information

What makes mobile so crucial, be it an app or mobile web, is its ability to pull together channels by being the cross-channel glue that binds a retail business together. And one of the simplest, most effective ways of doing this is to make a real feature of store locator functionality.

Of the Top5 retailers in the IREU500 research, all offer excellent store locator functionality, with the likes of House of Fraser offering store location across Europe based on a shopper's current location.

They all feature addresses, maps and the ability to get directions but above and beyond this, many of them also offer the ability to see if the goods the shopper is looking at are in stock in a given store, or to find a store where items are available.

This ties together shopping, store locators and the store to create a nifty cross-channel experience that enhances the act of shopping. This is precisely what mobile *should* be delivering.



5 Loyalty schemes

Many retailers have run loyalty schemes for decades now and they have proved to be a hugely successful way for most brands to keep their customers spending with them. The mobile age has the potential to shift loyalty onto devices and incorporate it into a range of processes already up and running, both online and in-store. Loyalty schemes built into apps at a fundamental level can encourage sales, but it is the process of integrating loyalty that many European retailers are now wrestling with.

The leaders of the pack are using simple card-scanning functionality to add the physical loyalty card to the app, while others are looking to tie it in with wallet functionality. Either way, integrating loyalty schemes into apps, using loyalty to target marketing via email at the mobile and then allowing those apps to talk to the POS in-store is one of the most effective ways of building a cross-channel strategy.

6 Mobiles as scanners

Mobile phones come with such a wealth of tools that they are the veritable Swiss Army knives of the gadget world. Cameras, screens, accelerometers, microphones and connectivity – the list goes on and on. Making use of these tools is yet another way that mobile can be used to enhance all of a retailer's online and offline properties.

One simple way to do this is to use the smartphone's camera as a scanner to read bar codes or QR codes. These can do everything from adding loyalty or payment cards to an app, to helping price and stock check when in store, through to learning more about products.

For many grocery retailers, the scanner has already been used to let shoppers scan the items they want to click and collect, or have delivered as they run out of things in their homes.

The use of scanner technology shouldn't be underestimated. All shoppers understand the concept, it empowers them and it can form an interesting extra facet to your app or m-website, acting as a link between the physical and digital world.

7 Transferable baskets

The key thing in any cross-channel strategy is to allow any shopping basket to be seamlessly transferred between those channels. There is nothing more frustrating than browsing on your mobile during the commute home, only to find that when you fire up the same website on your laptop or tablet, your basket is once again empty. Of the 30% of retailers that offer transactional apps, very few look into solving this transferable basket problem. Those that do, however, do so really well.

The stand-out among them is BonPrix, which is part of the Otto Group. Not only can shoppers transfer their basket between BonPrix's site and app once they are logged in, but they can also transfer their baskets between Otto Group apps and websites too. So you can grab a few high-fashion items on BonPrix's site, then move to its other sites and carry on shopping before checking out in one go.

While many retailers are starting to let shoppers transfer baskets between app, web and device – so long as they are logged in – Otto Group is in a whole different league and sets the bar high.

BonPrix's transferable shopping basket is a genuinely useful cross-channel initiative

The screenshot shows the BonPrix website interface. At the top, there is a search bar with the text "Search by keyword / item" and a magnifying glass icon. To the right of the search bar are links for "Saved Items (0)", "Contact Us", and "Help". Below the search bar is a navigation menu with categories: "WOMEN", "MEN", "KIDS", "SALE", and "INSPIRE & BLOG". The main content area features a grid of clothing items. A prominent banner in the center reads "25% Off & Free Standard Delivery with your first order when you open a +account" and "Representative 34.9% APR Variable". To the right of this banner is a price tag that says "£30 & Under". At the bottom of the page, there is a footer with the BonPrix logo, the website URL "bonprix.co.uk", the phone number "08000 744 455", and a "Close X" button. There are also smaller promotional banners at the bottom, including one for "New Customer OFFER" and another for "25% OFF & FREE DELIVERY* with your 1st order when you open a +account".

8 Context and personalisation

Mobile and cross-channel retailing gives retailers a chance to engage shoppers in a variety of new ways, not least based on where they are, what they're doing, what the weather's like and what they like. This combined context and personalisation can be useful for attempting to create one-to-one relationships with customers, an approach that is increasingly being dubbed 'hyper-personalisation'.

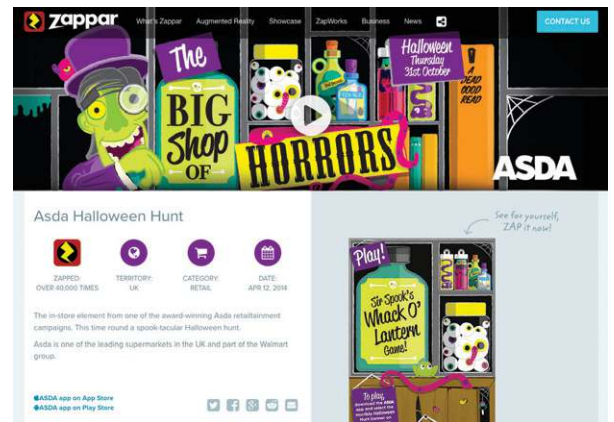
To date, many retailers have segmented customer data to form groups of shoppers that can be targeted in certain ways. Understanding the data that the average mobile user throws off in terms of context, location and habits can make these segments ever smaller and more detailed – in theory, down to the segment of one – which allows for better targeting of marketing and for shoppers to receive relevant offers and information rather than being blasted by broad mail-outs.

9 Language that works for the user, not the location

With many of the retailers in the EU actually operating not only across channels but also across borders, language needs to be considered. Here the adage "think global, act local" resonates. Retailers need to design sites and apps so that they work well across channels, but they also need to look at how the optimisation process based on IP address or location can serve up the right language for the user.

Now this is specifically about the user and even Google gets this wrong. When a shopper is at home in, say, Germany, then a retailer app or m-website is served up in German. But when that same shopper takes that same device to Belgium or France, he or she doesn't necessarily want the retailer app – or any app for that matter – to suddenly switch over to Flemish or French.

It's a simple but fundamental point that many brands fail to address and Google is a prime example. Take your laptop abroad and you'll get the local Google results in the local language. That's a fail.



Augmented reality (AR) technology combines mobile with in-store shopping

Image credit: Asda

10 Talk to customers

Don't forget that a mobile is a communications device too – mobile phones were phones long before they got smart – so retailers should try to create two-way conversations.

Mobile is great as a personalised, contextualised marketing channel for retailers to push messages at shoppers, but retailers that open themselves up to letting customers contact them back can build much more lasting relationships.

Social media – now a mobile-only experience – offers a way to do this, while the rise of chatbots to automate conversations, such as with Facebook Messenger, offers a whole new way to offer personalised communications at scale.

11 Payments matter

Payment is a similarly localised issue to language. When looking to create web and mobile properties that take payments, local currency is a clear consideration – but so too is local payments customs. German shoppers, for example, tend to prefer paying on delivery when they buy goods online, and they rarely use credit cards. The UK, conversely, sees its ecommerce market driven largely by debit cards.

Understanding how these different preferences play out with payments is as critical as knowing the language that the shopper speaks. Serving up the correct payment mechanism for the individual shopper based on nationality, not location, is once again crucial.

One thing to also note is that how people pay for goods is in a state of flux. While German shoppers do like to pay on delivery, they are also increasingly taking an interest in PayPal so within that country, the payments landscape is currently changing. This move to what is in effect a bank transfer rather than a card-based means of paying is going to impact how online and real world retailers take payments.

So too is the rise of mobile payment tools such as Apple Pay and Android Pay. While these aren't bank transfer apps – they essentially mimic a contactless card – with most shoppers having either an Apple or Android phone, it is perhaps reasonable to assume that almost everyone could be paying using one or the other in stores across Europe in the not too distant future.

The fact that both Apple Pay and Android Pay can also now be used to pay online and authorise third party payments means that the way retailers take the money from shoppers is going to shift.



Image credit: Apple

Payments via smartphones allow shoppers to leave their wallets at home

12 AR, VR and beyond...

Mobile offers the chance to bring science fiction-like services to bear on retail. Using augmented reality (AR) allows retailers to overlay computer generated objects via the phone onto the real world while virtual reality (VR) lets them bring the flat 2D digital world to life in 3D for shoppers. Both these processes can be developed to fit in with the personalised, contextualised and communicative way of doing business.

AR, for instance, can be used to let shoppers find out more about goods in shops, such as their provenance, stock level or reviews, simply by holding a device over the goods. AR can also be used for fun promos, as Asda has done in the UK at Halloween in recent years.

VR, meanwhile, allows users to immerse themselves into a virtual world and experience the goods in context, or simply experience a marketing campaign in a wholly new and interesting way.

These technologies are a reality today and are pretty easy to implement thanks to mobile. Why not try them out? 🎮

Push button future

Is Amazon Dash, an early example of Internet of Things technology, set to revolutionise online and mobile retail?

Paul Skeldon reports

THE LAUNCH IN the UK of Amazon Dash buttons could herald a new era in online shopping, making ordering things a matter of ‘fire-and-forget’ convenience for the shopper, and building product and brand loyalty for both Amazon and the retailer attributed to each button.

The device, available only to Prime members in the US and UK at the time of writing, enables shoppers to reorder items at the push of a branded button that can be conveniently placed around the home or office. So you may have one for your favourite detergent by the washing machine or one for toilet rolls in the bathroom.

Each costs £4.99, with the price discounted from the first order, and the shopper simply links the button to a wifi network before each press orders a replacement. Orders are confirmed by email and another order can't be placed until the first has arrived, preventing accidental overuse.

The service is managed through the user's Amazon app, which allows the product barcode to be scanned by the smartphone in order to attribute a product to each button.

The technology can be seen as a middle step between traditional online ordering and a world where, say, the washing machine orders its own supplies without your intervention. This type of automated replenishment – currently being worked on by Bosch, Siemens, Whirlpool and Samsung – is a consumer-facing facet of the Internet of Things (IoT) and will come to pass at some point. Buttons get shoppers used to this.

“We've all experienced the frustration of running out of something we need,” notes Amazon Dash director Daniel Rausch. “Dash Button and Dash Replenishment Service are designed to make that moment a thing of the past by offering offer the convenience of one-click shopping from anywhere in the home. The buttons can be placed near those frequently used items you don't want to run



Image credit: Amazon

out of and when you see supplies running low, the Dash Button makes it easier than ever to order more. Just press the button and your item is on its way.”

The Dash Button has been available in the US since last year. There, according to Taryn Mitchell, global VP digital sales with consumer goods company Reckitt Benckiser, the technology accounts for a “significant number of the orders we see through Amazon today”. She adds, “It's a remarkably convenient way for customers to reorder everyday items and even adds a bit of fun to the process.”

In the last two months, Amazon say that Dash button orders have increased threefold, with orders placed at a rate of more than two

Paper crisis? Dash is here to save you... although probably not this time



Image credit: Amazon

Is convenience worth pressing a button without knowing what the cost is?

a minute. Four times as many Dash Button brands are available this year compared to last year. This marks a distinct evolution of mobile and cross-channel retail as it uses the mobile to manage the shopping process rather than actually undertaking it and almost totally cuts out the use of desktop. This could be ‘pure m-retailing’ and IoT combined: a wholly new form of cross-channel.

Building loyalty

From a retailer point of view, Dash usage builds loyalty to a product. Each button is, in effect, an advert placed right by the point of use by the consumer themselves. It facilitates and encourages reordering of the same product, which as we have seen, could eventually be automated.

But while we will see growing use of this technology across Europe in the coming year, there are drawbacks. For starters, it only works with certain, frequently replenished items. No one is going to want a button for every item. There is also evidence that these buttons could make things more expensive for consumers. Comparing prices on Dash with a wider search for the same branded item shows that Dash products are more expensive – and that’s before you start looking at the generic alternatives Dash cuts out of the loop.

This is backed up by an article by the *Wall Street Journal*, which reported that to use Dash “companies pay Amazon \$15 for each button sold and 15% of each Dash product

sale, atop the normal commission, which typically ranges from 8% to 15%”.

These pricing issues have also been noticed by users of HotUKDeals, the UK’s biggest social commerce platform and founding member of Pepper.com, a global social commerce group. Danny Munday, general manager of HotUKDeals, explains: “It’s exciting to see technological advances and products becoming available for the smart home that are designed to help make our lives easier. But it seems with Amazon Dash, this comes at the expense of the consumer, who are blind ordering without knowing the price of convenience. Our members often comment on Amazon’s price fluctuations in a bid to help other users of our community know whether a deal price is good or not and it’s these price changes that raise concerns about Amazon Dash.”

According to one of HotDeals’ users, who likes the concept of Amazon Dash, Amazon was more expensive on some items. The problem here from a consumer point of view is that clicking on the Dash button means automatically accepting the price on Amazon.

But overall, the move towards IoT technology – albeit in a baby step – is an interesting one that all retailers should be aware of. It changes how people shop online and in-store and it changes how mobile is used, how click and collect and delivery are managed, and it’s the start of a new era in how retail operates. Certainly one to watch. 🌈

Aim for the fast lane

When it comes to speed, retailers' mobile performance is patchy across Europe. Our research shows companies need to pay close attention to improving the load time of mobile sites, suggests **Martin Shaw**

CUSTOMERS HATE DELAYS in being served. This retail truism has become clearer and clearer in the digital age, in great part thanks to usability research showing how even incremental improvements in page speed times can have a radical impact on a retailer's overall performance.

"Online shoppers hate waiting and there's plenty of evidence that slower pages lead to lower conversion rates, higher bounce rates and an overall decrease in visitor engagement," says Andy Davies, associate director for web performance with InternetRetailing Knowledge Partner NCC Group and an expert on site optimisation.

This is as true in the mobile sphere as it is with desktop. A recent study by DoubleClick found that "53% of mobile site visits are abandoned if pages take longer than 3s to load". Despite this, many mobile sites don't achieve this. "The average load time for mobile sites is 19s over 3G connections," DoubleClick noted when revealing the results of the study. "That's about as long as it takes to sing the entire 'Alphabet Song'!"

For busy retailers, it may seem that shoppers are being unreasonable in their expectations, but it's important to realise we often can't help ourselves but to click away. "It's not that shoppers are being impatient," says Davies, "it's just that subconsciously people are aware of even sub-second waits, and a delay of just a few seconds increases our stress levels and forces us to concentrate harder."

In itself, this explains why the idea of a Speed Index (see boxout overleaf), which, in Davies' words, measures "how long the visible part of the page takes to complete" is so powerful. While it may initially seem an overly abstract notion, the Speed Index we've used in our research is actually "a useful proxy for a visitor's experience".

Key findings

How are European retailers performing here? In this article, while we'll touch on desktop performance, we focus largely on mobile, where NCC Group assessed mobile performance via emulated browser rendering. Among the key findings, we found that:

- IREU Top500 retailers' mobile web performance was best by Hungarian and Finnish retailers. In these countries, the Speed Index was 16% lower than the overall average for the Top500.
- The quickest full-page load time was achieved by Belgian and Dutch retailers, 18% quicker than the average IREU Top500 load time.
- The fastest average time to visual completeness is by Ireland, Hungary, and France-localised websites, with an average of 5.3s, 15% quicker than the overall average for the Top500.

But despite the research revealing such granular detail, it's intriguing that regional variations within the Speed Index are surprisingly difficult to pick up. "There are fast sites and slow sites right across Europe," says Davies. "Some multi-country sites are consistently fast across all the countries the retailer operates in, and others vary from country to country. This seems to be due to different content approaches between teams in different countries rather than due to technology itself." ▶

Zooming out, do retailers understand the importance of speed, of consumers not having to wait? Davies says the picture is patchy. “Some retailers understand that being fast is important, but it’s also clear from the results that many retailers don’t treat it as a priority,” he notes. “There are some really fast retail sites across Europe, but there are many that have large pages, made up of many components and so are slower to download.”

Mobile growth

It’s worth reiterating that this is particularly important at this juncture because we’re at a point where shoppers across Europe are becoming more and more comfortable with the idea of shopping on mobile. As in the UK, mobile growth is outstripping even some of the most optimistic predictions.

“For some retailers [mobile represents] more than half their revenue but yet overall mobile conversion rates remain lower than their tablet and desktop counterparts,” says Davies. “One of the biggest problems with many of the sites is they’re trying to scale down a desktop site to fit mobile. Some content is downloaded but never displayed, the images are too large so phones must shrink them, and there’s just too much JavaScript on many pages.

“There needs to be a mind shift amongst retailers, they need to think about how to start with mobile, how to deliver a great mobile experience – and then enhance it for shoppers who have larger screens, reliable internet connections and powerful desktops. Some retailers have demonstrated that a fast mobile experience is possible so the other retailers could achieve that too.”

This begs the question of what do the best-performing retailers do that other retailers don’t? While the research doesn’t reveal specific information about different approaches, Davies has overarching advice.

“Everyone’s experience of the web is different,” he says. “Some people have new iPhones, some older ones, others might have Android phones; people might access the web via wifi, 4G, 3G or even 2G mobile networks and all these factors lead to page load speeds that vary for different visitors.

“To get a real-world understanding of what visitors experience, retailers shouldn’t just test their sites using an iPhone over the office wifi. They need to put themselves in their customers’ shoes and get older iPhones, or mid-range Samsung or Motorola phones, and try using their sites from a coffee shop, walking down the street or even on a train.

“Ideally retailers should use ‘Real User Monitoring’ (RUM), which allows them to measure every visitor’s experience across every page on the site and track the effect on business metrics – there are some startling differences between popular phones. Speed is a feature, it’s all about reducing friction and making the shopping experience as easy as possible. Imagine if a shopper could flick through a website as fast as they could a paper catalogue, how would that change their behaviour?”

Desktop load times

While we’ve focused on mobile here, it’s also worth remembering that many – and, for some retailers, most – purchases now aren’t made via one channel. Rather, customers will, for example, do research via mobile before purchasing via desktop or in-store.

It follows that, even as mobile becomes a more important channel, it’s not enough for retailers to put money and development time into mobile offerings to the exclusion of other channels. Rather, the ideal is for a customer skipping from one channel to another never to have to wait too long in any channel. Consistency here is key.

“Retailers need to think about how to start with mobile, how to deliver a great mobile experience”

Andy Davies
NCC Group

In terms of desktop performance, we found that retailers in Norway, the Netherlands and Denmark scored best in terms of Speed Index ratings. Looking in more detail, we also found the following:

- Customers in Italy were able to see something on the page, 'render time', in less than 3s. This was 7% quicker than the average for the Top500.
- The quickest time for the full page to load was observed for Belgian retailers. The average time for retailers in Belgium was 9% quicker than the average for the Top500.
- The quickest time achieved for the visual completeness was 7.9s, 9% quicker than the average Top500 performance.

To return to where we began, wider usability research suggests that even incremental improvements in the best figures above would be reflected in the bottom line. 🇳🇱

Speed Index explained

Speed Index is a measure of how quickly the visible parts of a web page are displayed. Speed Index is worked out by looking at the video frames of a page as it renders. Each frame is given a score for visual incompleteness above the fold. So the score is 100% for a blank screen and 0% for a visually complete page.


The next step is to multiply that score by the number of milliseconds since the last frame (or since the beginning of the test if it's the first frame). The final step to working out the Speed Index is to add these numbers together. The total is the Speed Index score.

For more on how this works, go to:

<http://etail.li/speedindex>

Mobile Website Speed: Country averages

Average mobile website speed of localised Top500 websites – fastest to slowest



Hungary
Finland
Republic of Ireland
Czech Republic
France
Norway
Austria
Netherlands
United Kingdom
Spain



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Conclusion

IT'S TEMPTING, WHEN looking at the European retail market, to look for differences across countries. French design values, it's often said, mean the country's websites look very different from those elsewhere in Europe. Thrifty German consumers don't like to use credit cards. Fickle Brits love whizzy apps.

While we wouldn't deny that such regional variations are important, our research for this Dimension Report makes us wonder whether we over-estimate their importance. There's much that unites us too: as consumers, we don't like to wait to be served, we want to be treated politely by retailers that understand us, we want consistency, and we want to shop in ways that are primarily convenient to *us* rather than the retailer.

Accordingly, rather than worrying about national stereotypes, which anyway never reflect subtle regional differences within nations, there's much to be said for thinking about those areas of retail craft that apply across Europe. This seems a particularly apposite point to make because of the growth of mobile.

As Paul Skeldon points out in his strategic overview, that growth has outstripped all predictions. Wherever they live, it seems, European consumers want to shop using smartphones and tablet computers. They also want to use these devices to help them make cross-channel purchases, so that a purchase that begins with research online during a commute is completed at lunchtime via an office PC, or at home. Seen in this context, the job for retailers is simple: be better at cross-channel commerce than competitors and success will surely follow.

Of course, things are never really that straightforward. Just implementing the back-end technology required for state-of-the-art cross-channel retail is tough enough in itself – and that's before we've factored in *really* understanding a market segment, merchandising, logistics and, yes, even regional differences.

Nevertheless, a key message from our research, both quantitative and qualitative, rooted in talking to retailers, is that mobile is now so central to retail that it's no longer especially radical to talk about mobile first. Instead, it's a phrase that embodies the idea that our smartphones and, to a lesser extent, tablets are the devices that make cross-channel retail work.

This isn't going to change anytime soon. Just the opposite. Cross-channel retail will become more sophisticated and our smartphones will become more central to running our lives, at least until new kinds of Internet of Things-enabled devices take more of the load. Best prepare for this future now. 🌈



DELIVER ON THE PROMISE OF MARKETING

Truly Personalized Consumer Interactions.

