

DIMENSION REPORT

MOBILE & CROSS-CHANNEL: NOVEMBER 2018

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“Technology has at last enabled retail to fit around customers’ lives, rather than forcing shoppers to adapt to the way that retailers prefer to sell **”**

INSIDE

- Are you listed? Discover the Top100 retailers that stand out for their mobile and multichannel strategies.
- Real-world experiences: joined-up approaches to using mobile.
- Find out how to meet the expectations of the Generation Z customer.

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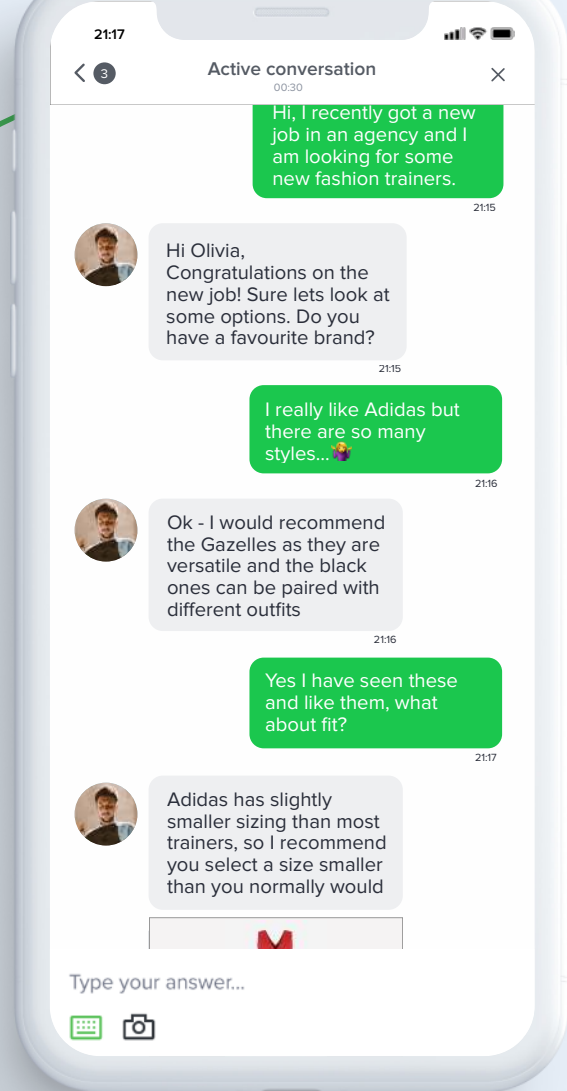


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INTRODUCTION



MOBILE IS AN important tool for all retailers. More than any other device, the smartphone has empowered shoppers to buy what they want, when they want to, and have it delivered to the most convenient place. Technology has at last enabled retail to fit around customers' lives, rather than forcing shoppers to adapt to the way that retailers prefer to sell.

Customers are responding positively, and it's small wonder that Top500 retailers are reporting ever-higher proportions of traffic and sales taking place via the supercomputer that's now in most people's pockets. This presents both challenges and opportunities for retailers. The opportunities lie in the widening out of the shopping moment: retailers' wares can be laid before a customer at any moment of the day or night, enabling an impulse or a remembered task to turn much more easily into a sale.

The challenges come as retailers jostle for space on the small screen for a share of customers' attention. If smartphones make shopping that little bit easier, then retailers must ensure their user experience is just that – plus convenient and efficient into the bargain. It's also important to remember that most retail transactions still take place in stores, making the kinds of strategies that tie mobile into a wider, cross-channel framework critical.

Retailers and brands are responding to this cross-channel challenge in imaginative and innovative ways. Throughout the pages of this report, we're analysing how they're doing that. We look in detail at the findings of RetailX research into how Top500 retailers are using mobile websites and apps, and what they're doing to build cross-channel links between the store and online, and we investigate through practical examples, case studies and interviews just how retailers are responding to changing behaviour when it comes to retail.

It's clear from our findings that retailers of all shapes and sizes are understanding and responding to new, connected retail. We hope that you find this report a useful read and we also look forward to your feedback on new areas that we should consider in future iterations of this research.

Ian Jindal,
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EDITOR'S COMMENT

RETAIL CHANNELS HAVE multiplied in recent years. In addition to desktop and mobile websites, there's now the ability to buy straight from social media posts, using a voice assistant and to enable smart devices to buy their own refills. Connections and intersections between the channels have improved at the same time: click and collect is now not only commonly found but also improved upon, so that some traders enable shoppers to collect and try on their item, returning it immediately if need be. Similarly, voice commerce intersects with new, fast delivery services that enable products to arrive in the moment when they're most relevant to the customer's needs.

In this IRUK Top500 Mobile & Cross-channel report, we're examining how retailers enable their shoppers to engage with them – and how they ensure they have the information that they need to hand. Our Strategic overview (page 8) sets the context, while Martin Shaw and Fernando Santos of InternetRetailing's RetailX research division lay out their findings on how retailers perform in this area with two research focused features, starting with Analysing the Numbers on page 12. Our New research feature takes a look at what Generation Z shoppers want – and indeed expect – of the retailers that serve them. Our Emerging Practice feature (page 29) takes a look at how retailers and brands might go about shaping their strategies for the Internet of Things. Best practice also comes to the fore in the 12 approaches to Mobile & Cross-channel feature on page 24. We take a detailed look, too, at the work of Sainsbury's, eBay, Specsavers and M&S through a series of case studies, which is rounded out by an in-depth look at voice commerce with Paul Wilkinson of Tesco Labs.

You'll also find the list of Top100 retailers that stand out in this area in this Dimension report, as well as our overall Top500. We hope you find this Dimension report useful. We look forward to hearing your feedback on this approach, as well as any ideas you may have for our future explorations of this subject.

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MEET THE TEAM...



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MOBILE IS THE KEY TO FORMING TRUE RELATIONSHIPS WITH YOUR CUSTOMERS

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Saima Alibhai, managing principal consultant at Oracle Bronto on putting mobile at the centre of the engagement strategy

Top 500 retailers understand that they must treat their key customers differently, and one of the most effective ways to do so is with mobile. Let's look at some key strategies that can help build your SMS following.

SAY IT RIGHT

The most important aspect of any great mobile campaign are the words. A clear, concise message will lead to higher conversions, whether that be SMS subscriptions or sending more traffic to your app. Your message should reference your brand or at least remind customers of it. When you're building your mobile audience, you'll want to keep it as simple as possible.

Invite shoppers to receive all your latest news and exclusive offers via SMS notifications, and connect the program directly back to your website or app with a short, sweet message that's easy to remember.

PROMOTE YOUR PROGRAMME

You want highly engaged subscribers to opt in to SMS, but not just anyone will want to give you their mobile number. Focus your efforts on areas where you're more likely to have highly engaged customers. Here are a few suggestions:

Existing customers: It has become more common for customers to opt in to receiving order updates, such as shipping confirmations, via text, as well as email. If you offer transactional messaging updates via SMS, you can use this opportunity to invite customers to sign up for your marketing program, too.

Newly engaged customers: Highlight your channels in your welcome series, whether it be asking them to visit your app, join your SMS database or engage with your social channels – this one's been a best practice for a while. Allow new subscribers to further engage with your brand, and give the customer the opportunity to choose the channel that's right for them.

OPTIMISE YOUR FREQUENCY:

With email marketing, it's common for retailers to email once a day, but that send frequency is unlikely to work with SMS messages. Our clients have seen more success when they send SMS messages less frequently, even as little as once a fortnight. Just remember to set expectations at sign-up.

FEATURE THE BEST CONTENT

Your mobile program will only be successful if you can convince subscribers to interact with you on their mobile device. Featuring content that has a broader appeal can encourage recipients to convert, as can imagery. Perhaps test a delivery discount, your new arrivals or a flash sale, and see what resonates best with your audience.

A strong mobile program is a great way to engage your customers – the ones who truly love your brand and want to receive exclusive offers and products. If they're willing to hand over their details and consent to receiving regular messages, they're much more likely to interact with you on mobile. Begin with the above, and you'll be on your way toward growing a strong mobile audience, increasing customer engagement and generating more revenue.

ABOUT ORACLE BRONTO

Oracle Bronto arms high-growth retailers with sophisticated marketing automation to maximise revenue opportunities. The Bronto Marketing Platform powers personalised multichannel content that generates the higher engagement needed for retail success. Keenly focused on the commerce marketer, Bronto continues its longstanding tradition as a leading email marketing provider to the global Internet Retailer Top 1000 and boasts a client roster of leading brands, including Euro Car Parts, notonthehighstreet.com, Oak Furniture Land, Joseph Joseph and OKA. For more information, visit bronto.com

GOING BEYOND THE SPONSORED POST: THE FUTURE OF ONLINE CUSTOMER ENGAGEMENT



Choice amongst hyper connected consumers breeds curiosity and the need for authentic advice goes hand in hand with the endless choices on offer. Marie Sagarzazu, Head of UK for iAdvize talks about how retailers can stand out from the crowd by providing an authentic customer experience, not focused on the technology but on the respondent.

WHAT'S NEXT ON THE AGENDA?

Social media apps are now so well established with over 39 million users in the UK. Because of this, often brands turn to influencers to promote their products and services through paid sponsorship posts - but the reality is that the engagement is relatively low, with a recent study from Bazaarvoice stating that 47% of consumers are 'fatigued' by repetitive influencer posts that lack trust and authenticity. Retailers spend massive marketing budget to acquire traffic as the acquisition is increasing while the average CTR now rarely exceeds 0.05%.

The reality is that "Consumers decide what to pay attention to based on emotions and conversation" (James McQuivey, VP, Principal Analyst) and so what is important to online visitors is how a brand makes them feel - you don't necessarily remember what the brand said. Retailers need to ensure they are focusing on personalised and authentic online experiences. With consumers often asking their peers for advice we now see that independent experts, passionate about brands are a very valuable way to increase customer lifetime value and assist brands in standing out and becoming the destination of choice.

GROWTH AREAS FOR RETAILERS

Retailers are now branching out into new areas of growth for example Sainsbury's will ramp up in-store beauty services - introducing more cult and premium brands along with vegan beauty products. Customers are now inspired to browse as opposed to just shopping for essentials. Paving the way for a more holistic in-store experience brands should now look at ways in which they can replicate this online. Offering visitors the chance to chat with experts in real time (in the same way you would chat with specially trained beauty assistants in store

for example) allows retailers to showcase a premium customer experience, directly impacting bottom line but also enabling them to stand out from the competition.

CUSTOMER CENTRICITY AT BOARD LEVEL

As we consider the notion of "changing consumer demands" and "providing a frictionless customer experience" it is important to take a look at businesses as a whole, ensuring the customer is the central pillar of business functions across the board. For example the IT department may not actually talk to the customers, but their whole raison d'être is to ensure that customers get the best experience and the engagement they require across all channels. Commercial leaders need to drive at board level interoperability between systems across the company and instill an attitude of 'customer first and last and always'

Of course, we have a long way to go yet but in today's digital world functions are beginning to work together, with eCommerce teams servicing and influencing policy teams through the integration of social data for example. Once all functions are bought into a customer centric vision it allows for both efficiency internally and also puts the focus on how a brand makes their customers feel. This impacts on one of the most important KPIs - Customer lifetime Value.

ABOUT IADVIZE

iAdvize is a conversational marketing platform that allows more than 1,500 brands worldwide to make their customer experience authentic - including Vodafone, L'oreal, Tui and Decathlon. iAdvize connects customers or prospects in need of advice with experts who are available 24/7 via real-time messaging.

ALL CHANGE FOR RETAIL

Customers expect retailers and brands to adapt to their evolving shopping behaviour. Chloe Rigby takes a look at how the landscape is changing

MAKING A PURCHASE is becoming simpler than ever, thanks to the fast growth and evolution of mobile technology. Customers can now browse, buy and pay with a few clicks, while improved and more secure payment methods such as Apple Pay, digital wallets and one-click ordering, mean that more are willing to do so, often buying higher value items on the move. Smartphones continue to drive retail growth: IMRG figures suggest that mobile sales grew by 38.5% in February 2018, while overall online sales grew by 13.1%. The UK's Office for National Statistics found shoppers spent 3.9% across all retail sales channels that month, buying 1.5% more goods. The pivotal role of mobile in this is unmistakable and yet, despite the convenience of the phone as a shopping tool, mobile alone is not enough for customers who want to be able to choose how they buy according to what is easier and more convenient for them at any given moment.

British Retail Consortium (BRC) figures underline the point that while retail sales are moving steadily onto online channels that include mobile, most retail transactions still take place in shops. In March 2018, the BRC-KPMG Retail Sales Index estimated that 22% of sales were online – up from 20.6% the previous year. That leaves 78% of sales that are very firmly offline. Nonetheless, while the general trend remains of a gradual shift online – with mobile claiming a growing share of that business – some sectors are seeing their business move faster. ONS figures suggest that in March 2018, department stores saw online sales grow by 33%, accounting for 17.1% of all sales in the category. This is well ahead of grocery, where 5.5% of all retail sales took place online and the rest in the store.

It's in response to such long-term trends that retailers continue to reshape the way they sell. For several years now, multichannel retailers have noted that shoppers who buy via more than one shopping channel spend more overall. Both they and those that sell purely online are seeing mobile come to account for a greater share of their business. Multichannel retailer Shop Direct says 69% of its sales were made via mobile devices in its latest financial year, with smartphones accounting for 53% of total sales. Brand Alley UK chairman Bruce MacInnes says that about 85% of its traffic is via mobile, but that Brand Alley shoppers browse even more via tablet computers and their smartphones once they're home at night. Around 70% of its sales are via the mobile channel.

“ Mobile alone is not enough for customers who want to be able to choose how they buy at any given moment ”

Retailers can see from such figures that people still like to go to shops. The challenge now lies in giving shoppers good reasons to get off the sofa and visit actual stores.

That's a challenge that many first answered through offering cross-channel services such as click and collect and in-store returns of online orders, alongside mobile apps that bridge the gap between online and the store by giving customers the power to check that the item they want, in the size and colour they desire, will be in the store when they visit.



Credit: John Lewis

John Lewis is putting the emphasis on experiences in its newest stores

COMPELLING REASONS TO VISIT THE STORE

Shopping centre developer and operator Hammerson has set out its vision of how the retail world is developing under the influence of digital shopping. Its analysis, set out in its 2017 full-year results, suggests that ongoing structural change in retail means retailers – and brands too – now need different kinds of store space that are aligned to the needs of consumers in a multichannel world. The analysis notes that the store remains “the cornerstone” of retail journeys, where retailers showcase products, provide service and fulfil click and collect orders. Against this context, it sees growing demand from retailers for stores in large sites that attract higher visitor numbers and where consumers visit clusters of stores. At the same time, consumer brands are opening their own stores where they can “directly control the brand experience with their end customers”. As a result, there’s growing competition for space in premium destinations.

“Not all retail is equal and not all locations are well placed to support the future needs of brands,” said chief executive David Atkins. Hammerson summarises its approach, in its full-year results, like this: “We own, operate and develop retail and leisure locations where more happens, that interact seamlessly with digital and bring together the very best brands.”

Leading IRUK Top500 retailers are also finding compelling reasons for shoppers reasons to visit their stores. Given that ONS figures suggest department stores are seeing their business move online faster, it’s logical that this sector should be at the forefront.

When John Lewis, a Leading retailer in IRUK Top500 research, recently opened its fiftieth shop at Westfield London, its managing director Paula Nickolds explained its current thinking on what the department store now does, and on how it “can be a place in which you can shop, do and learn in a way you haven’t been able to before.”

STRATEGIC OVERVIEW

The store contains the retailer's first 'discovery room' where customers can learn new skills in areas ranging from how to light a room or hang a picture, to how to make a house a smart home. There's an experience desk and lounge, where partners provide 'concierge style' services, offering a booking service for in-store events, consultations and restaurants. There's also a new style studio, staffed by personal stylists. The discovery room doubles as a showroom, showcasing smart home technology in a setting where shoppers can learn how to control it. The emphasis is firmly on service, with staff trained by the National Theatre to "engage customers and provide outstanding customer service", and stylists trained at the London College of Style.

Nickolds said: "This shop offers customers something different. You can get style advice for yourself or your home, learn a new skill, play with the latest smart home technology and so much more. It's also a place where we can build a far more personal relationship with our customers, bringing together the very best of our service offer and our outstanding partners."

In its stores, John Lewis also gives space to online brands such as Boden and Hush that have few, if any, stores of their own. Similarly, rival department store Debenhams has given space to online furniture brand Swoon Editions in its own Westfield London store. This, said chief executive Sergio Bucher when he announced the move, would reinforce its position "as a major player in the UK homeware and furniture market."

“ Our home-obsessed customers are increasingly requesting that they want to see our furniture in real life ”

Swoon Editions' chief customer officer, Nicki Lynch, said the move met demand from its customers. "Our home-obsessed customers are increasingly requesting that they want to see our furniture in real life," she said. "In an online-only world, it is harder to bring people into your brand in the same way you can with a physical store." She added that its Debenhams partnership would, "complement our own temporary showroom that pop-up regularly across the UK, and give us a permanent space for customers to be able to experience our furniture."

Such moves at the department store sit alongside a 'social shopping' strategy that puts mobile to work as a way for customers to negotiate and interact with the store. Debenhams' own research suggests that about 40% of its customers shop with family or friends and that when they do so, they spend more money. Ross Clemmow, managing director, retail, digital, food and events, told InternetRetailing Magazine that shoppers who visit in social groups spend up to 80% more and want different things. But encouraging them to visit a store requires something different. "The differentiator is about creating retail environments with the right mix of product, experience and food and drink," said Clemmow. Currently, Debenhams makes around 8% of its revenue from food and drink, although it aims to lift that to 15% or more.

MULTICHANNEL SERVICES

Debenhams' strategy is building on some established multichannel services. Its Click, Try and Buy service, piloted in Stevenage earlier this year, enables customers to book a changing room to try on an online order, or to talk to a personal shopper who can have accessories ready for the shopper to look at when they try on their online purchases. If they don't like any items, they can return them straight away, enabling an instant refund and letting Debenhams get items back on sale quickly.

"It's all about best use of time," says Clemmow, along with the right combination of product, service and experience. "If we do well, the customer is happy too." Since this strategy depends on mobile web being available on the move, even where an internet connection may be patchy, Debenhams has invested in progressive web app (PWA) technology to ensure that its mobile web remains available throughout its stores.



Credit: Shop Co-op

Co-op shoppers can now pay for purchases in the aisle

Others are putting mobile at the heart of their strategies through apps that aim to remove friction from the customer experience. Tesco is among the supermarkets that have enabled shoppers to pay in-store using their own mobile phone. In 2017/18 full-year results, it said its Pay+ app, which enables easy in-store payment and Clubcard point collection, had been downloaded close to half a million times. The Co-op expects to roll out a scheme this year that enables shoppers to pay in the aisle using their smartphone. Customers walk around the shop, scanning items on the dedicated app as they add them to their baskets and, at the end of their shop, pay for them through a single click. When the technology trial was first unveiled in March 2018, Matthew Speight, director of retail support at the Co-op, said: "It is a challenging marketplace for retailers and the Co-op is responding positively. Our ambition is to harness technology to deliver the shopping experience that our diverse customer base requires – when, where and how they need it. It is all about consumer choices and convenience." He added: "We recognise there are many communities where customers pop into their local Co-op and enjoy a friendly chat – it is all part of the service. Whereas for others, perhaps with a train to catch or on a school run, every second can count as consumers seek increased convenience."

LOOKING FORWARD

In the future, multichannel retailers may incorporate new shopping channels that emerge as highly convenient for customers. At the cutting-edge, Tesco, Amazon and Ocado are among the retailers already using voice commerce, enabling customers to update their shopping lists via voice assistants such as Alexa and Google Home. Amazon is behind early iterations of the Internet of Things, through the Dash Replenishment Service that enables smart devices such as printers, washing machines and even water filters to order their own refills. (Read more about strategies for IoT in our Emerging Practice feature on p29) When these technologies – and the devices that support them – become important to their customers, retailers will have to start investing in them.

Speaking at IRX 2017, Paul Wilkinson, head of technology research and open innovation at Tesco Labs, said that voice commerce lent itself particularly well to grocery shopping, enabling shoppers, for example, to buy last-minute recipe ingredients and have them delivered within an hour where that service is available. Children, he said, who were growing up in homes with voice commerce, would simply expect such services to be available. "We think this will be a massive part of the future of shopping," he said. "The technology curve is rampant and if you don't get onto this now, you'll be left behind." But while this was "particularly convenient" for grocery shoppers, it might not as yet lend itself so well for customers in search of a new dress.

These new technologies bring with them specific technical challenges to overcome. In voice commerce, for example, there's the question of delivering frictionless search. Since there is no interface to show search results, how does the assistant know exactly what product has been ordered? At Tesco, says Wilkinson, the answer lay in personalised search: when milk is ordered, the system makes a call on what product is intended, based on previous purchases. That becomes more challenging when a shoppers doesn't always buy from the same retailer. But despite the challenges, says Wilkinson, the ease of speaking a few words to have an item added to an online basket and subsequently delivered, cannot be ignored.

This is just one of the challenges that inevitably lie ahead and in a cross-channel future. Nonetheless, this is clearly change that is coming. Leading IRUK Top500 retailers are working out how exactly they will negotiate this change but it's already clear that formulating a roadmap now is an imperative for retailers of all sizes.

BRIDGE THE GAP BETWEEN STORE AND ONLINE

On-the-go shoppers are now using mobile to connect the store with the online experience, writes Martin Shaw, RetailX head of research

THE GROWING POPULARITY of mobile shopping has powered cross-channel services that now give shoppers real flexibility in the way they buy. Initially, customers were able to buy online and collect in store. Then a growing cohort of retailers enabled shoppers to return online orders to a shop. At the same time, the fast development of mobile websites and apps has enabled shoppers to connect their own online and store-based customer experiences, using a retailer's app or mobile website to check store locations and stock levels before they make the journey to the store.

Together, these services and functionalities have created a foundation on which leading retailers in this Mobile & Cross-channel Performance Dimension are now building for the future. In the research underpinning this Dimension, RetailX researchers explore that evolution by mapping some of the increasingly sophisticated services that are now available to help shoppers bridge the gap between website and store. In doing so, we have found that mobile and cross-channel services are broadly becoming more sophisticated. While, for example, click-and-collect used to be the exception rather than the rule, most IRUK Top500 retailers now offer the service, while many are improving on it with the addition of, for example, same-day pick up, while a few are working to offer it even faster.

In this latest 2018 edition of this research, we have returned to metrics that we've previously used in order to assess how performance is developing around cross-channel services, and functionality and performance in mobile websites and apps. We have asked questions such as: are mobile websites connecting shoppers with information faster than they were last year? Do more retailers now allow customers to check an item is in stock before they make the journey to the store?

To that we have added new metrics in order to understand how retailers are improving on existing services and introducing new and innovative services. As a result of this, we are seeing how retail practice is developing in this Dimension. This year, and for the first time, we've investigated how speedily shoppers can collect their online orders from a store and how much it costs them. We've broadened our scope to look at some of the new locations where retailers now enable customers to return their online orders. We've also considered what role emerging technologies play in retail. For example, do Top500 retailers use AR in their iOS mobile apps?

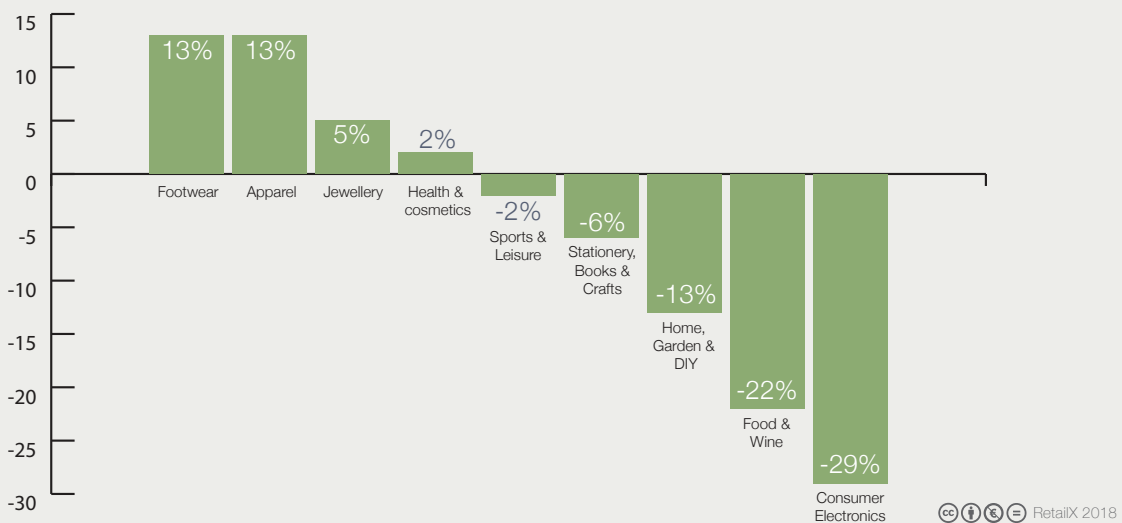
“ We've returned to previously used metrics in order to assess how performance is developing around cross-channel services ”

WHAT THE TOP500 DO: COLLECTION AND RETURNS

The research suggests steady growth in the uptake of collection services among leading UK traders. In 2018, 62% of IRUK Top500 retailers enabled shoppers to pick up their online orders in-store. That's up from 57% in 2017. Fewer (14%) offer reserve and collect, a service that means shoppers don't have to pay for an item until they pick it up. It may be that this service has less uptake because payment is not made until the item is collected, implying a lower level of commitment on the part of the customer and higher levels of abandoned orders. However, in our assessment, we judge that reserve and collect offers customers more choice.

SECTOR VARIATION: RETURN TO STORE OF AN ECOMMERCE ORDER

Each bar shows how much more – or less – commonly retailers in this category enable customers to return their online order to the store than the average Top500 multichannel trader. Footwear and apparel retailers are more likely to offer this service than those selling consumer electronics.



Those retailers that offer collection from store do so from a median of 50 stores and take a median of three days to fulfil the order for collection. There seems to be a general move towards offering faster collection services. For the first time, RetailX research shows that a significant minority are beating the three-day median, with 44% enabling next-day pick-up, and 22% same-day.

Having lockers in store for shoppers to pick up their item can make for a convenient service but in 2018, it's not one that is widely found. RetailX research found this service was available from only 1%, or 5, of the Top500 retailers.

Most retailers appear to absorb the cost of offering click and collect services, perhaps because they see this as vital in order to compete. The median charge is £0, while the average fee is 83p, reflecting a decision by a minority of retailers to pass on the cost.

Our analysis suggests that returns are becoming more flexible, with more retailers now able to accept orders back in a channel other than that in which it was purchased. Almost half (46%) of Top500 retailers enable shoppers to return their online orders to a store. More than a quarter (26%) enable returns via a third party location, up from 24% a year earlier.

WHAT THE TOP500 DO: MOBILE APPS AND WEBSITES

In 2018, RetailX research has found, more Top500 retailers have mobile apps. Almost half (49%) have iOS apps. The figure is up by seven percentage points from 2017, when 42% had them. Slightly fewer (46%) have an Android app – up by eight percentage points from 38% in 2017.

Some features have become more common through this proliferation of apps, while others have become less popular. This is because new apps are likely to have fewer features than those that have been developed and then subsequently improved over a number of years.

ANALYSING THE NUMBERS

We looked in more detail at retailers' iOS apps. It makes more sense to look in detail at these since they are more commonly found than Android apps and because where retailers have both, they tend to replicate the experience.

We found that more than half (57%) of iOS apps are transactional, with native shopping – which allows the full transaction to take place in the app rather than going through to a website – available in 26%. Both figures are down from 2017, when 64% were transactional and native shopping was offered by 35% of retailers.

“ Having lockers in-store for shoppers to pick up their item can make for a convenient service but, in 2018, it's not widely found ”

Enabling shoppers to see if an item is in stock in the right size or colour can save them a wasted trip to a store. This useful feature has become more popular in 2018.

This year more mobile apps feature store stock checkers (23%) than in 2017 (18%). Fewer, however, had store finders (42% from 48% in 2017). Slightly fewer used push notifications (52% from 54% in 2018). As already mentioned, this is likely to reflect the greater number of mobile apps available in 2018.

Fewer apps have a serious bug, at 18% in 2018, down from 29% in 2017.

It's clear from the figures that some cutting-edge features set retailers apart: only 3% offered augmented reality in their mobile apps.

When shoppers visit a retail website from their mobile phone, they get a result even if the retailer has not optimised that site for mobile. Leading retailers are now ensuring their websites work well from mobile device and offer multichannel services and, in 2018, RetailX research assesses the availability of store finders and stock visibility via the mobile web. The team found that 34% of mobile

websites enable customers to see stock levels, and that 20% enable them to check whether an item is available in store. More than half (58%) of mobile websites feature a store finder.

We judge that the speed at which mobile websites download is a fundamental part of the service that retailers offer to their customers. It's well-documented that customers move on when a mobile website doesn't load quickly, so leading retailers are putting great effort into ensuring that their sites do. Across the Top500, we found that mobile websites download in a median of 8.8s, starting to render in 2s and become visually complete in 7.2s. Average site speeds are slower than in 2017, when sites downloaded in 7.4s and were visually complete in 6.3s. However, the start of render has stayed similar at 2.1s. Sites are probably 18% slower to render because they are 20% larger, at 2.6MB, up from 1.8MB in 2017.

WHAT THE LEADERS DO

Argos and Screwfix both stand out for a mobile and cross-channel performance that includes offering reserve and collect alongside same-day collection. Shoppers using their mobile apps can check stock, while they are both among the 23% of iOS apps that offer additional stock checking features.

Apple is among the leaders in this Dimension, with a suite of services that include same day collection and extra stock checking functionality alongside store-owned collection lockers.

Dunelm offers same-day collection alongside reserve and collect. It is one of the 26% of Top500 retailers that enable shoppers to return an item via drop-off at a third party location.

Sainsbury's detailed mobile performance includes the use of native shopping from its app, a store finder, extra stock checking features and return via a third-party drop-off point.

Wickes' flexible service offers same-day collection, returns via a third party site, as well as visibility of stock and a store finder in its mobile app.

IRUK 500 MOBILE & CROSS-CHANNEL DIMENSION

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The Top100 retailers of the IRUK Top500 2018 Mobile & Cross-channel Dimension, as measured across dozens of metrics for innovative practice in this area

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MOBILE & CROSS-CHANNEL TOP50

Amazon	Halfords	Schuh
Apple	Holland & Barrett	Screwfix
Argos	Hollister	Simply Be
Asda	Home Bargains	Smyths
ATS Euromaster	House of Fraser	Superdry
B&Q	John Lewis	Tesco
Blackwell's	Just Eat	Thomas Sabo
Boots	Lakeland	Toolstation
Burton Menswear	Maplin Electronics	Topman
Clarks	Marks & Spencer	Topshop
Currys PC World	Miss Selfridge	Toys R Us
Debenhams	Morrisons	Waitrose
Dorothy Perkins	New Look	Wallis
Dunelm	Next	Waterstones
Evans	Oasis	Wickes
Game	The Perfume Shop	Yours Clothing
GO Outdoors	Sainsbury's	

MOBILE & CROSS-CHANNEL TOP100

Accessorize	Guitarguitar	Missguided
Ann Summers	H&M	Mole Valley Farmers
Arco	Homebase	Nespresso
Axminster	Hughes Electrical	Nisbets
Burberry	IKEA	The North Face
Carphone Warehouse	Interflora	Pets at Home
Chain Reaction Cycles	Jack Wills	Quiz
CycleSurgery	JD Sports	River Island
Dreams	Jessops	RS Components
Dulux Decorator Centres	Karen Millen	size?
Dune London	L'Occitane	Skechers
The Entertainer	Mamas & Papas	Snow+Rock
Euro Car Parts	Mango	Superdrug
Evans Cycles	Matalan	Uniqlo
Footasylum	Max Spielmann	Urban Outfitters
The Fragrance Shop	Millets	Zara
Goldsmiths	Mint Velvet	

THE IRUK500

THE ELITE OF 2018: AMAZON, ARGOS, BOOTS, MARKS & SPENCER, SCREWFIX, TESCO

InternetRetailing congratulates all the members of the Top500 in 2018 as leaders in UK multichannel and commerce retailing. This list was put

together by an assessment of retailers' size and performance. For more, see the InternetRetailing 2018 Top500 Report, <http://etail.li/IRUK2018>

Amazon	Elite	Accessorize	Top_100	Andertons Music	Top_150	Adidas	Top_250	Links of London	Top_250
Argos	Elite	American Golf	Top_100	AppliancesDirect	Top_150	Aldo	Top_250	Lipsy	Top_250
Boots	Elite	Ann Summers	Top_100	Bathstore	Top_150	Arco	Top_250	Long Tall Sally	Top_250
Marks & Spencer	Elite	Axminster	Top_100	Blacks	Top_150	Aria Technology	Top_250	Louis Vuitton	Top_250
Screwfix	Elite	Blue Inc	Top_100	Bonmarché	Top_150	Beaverbrooks	Top_250	Lovehoney	Top_250
Tesco	Elite	Chain Reaction Cycles	Top_100	Boux Avenue	Top_150	Bensons for Beds	Top_250	Lush	Top_250
Asda	Leading	Claire's	Top_100	Cath Kidston	Top_150	Blackwell's	Top_250	Mango	Top_250
B&Q	Leading	Cotton Traders	Top_100	Crew Clothing Company	Top_150	Boden	Top_250	Marisota	Top_250
Currys PC World	Leading	Early Learning Centre	Top_100	Decathlon	Top_150	The Body Shop	Top_250	MenKind	Top_250
Debenhams	Leading	eBay	Top_100	Ebuyer.com	Top_150	Boohoo.com	Top_250	Microsoft	Top_250
Dunelm	Leading	Ellis Brigham	Top_100	Euro Car Parts	Top_150	Burberry	Top_250	Mint Velvet	Top_250
Halfords	Leading	The Entertainer	Top_100	Evans	Top_150	Burton	Top_250	Molton Brown	Top_250
Holland & Barrett	Leading	Estée Lauder	Top_100	Fat Face	Top_150	Burton Menswear	Top_250	Mr Porter	Top_250
House of Fraser	Leading	Footasylum	Top_100	Fragrance Direct	Top_150	Cass Art	Top_250	Net-A-Porter	Top_250
John Lewis	Leading	The Fragrance Shop	Top_100	Freemans.com	Top_150	Charles Clinkard	Top_250	The North Face	Top_250
Morrisons	Leading	Goldsmiths	Top_100	Getthelabel.com	Top_150	Charles Tyrwhitt	Top_250	NotOnTheHighStreet.com	Top_250
New Look	Leading	H.Samuel	Top_100	Grattan	Top_150	Clas Ohlson	Top_250	Oliver Bonas	Top_250
Next	Leading	Jacamo	Top_100	Hobbs London	Top_150	Coast	Top_250	Orvis	Top_250
Oasis	Leading	JD Williams	Top_100	Hobbycraft	Top_150	Costco	Top_250	Outdoor & Country	Top_250
Sainsbury's	Leading	Kaleidoscope	Top_100	Home Bargains	Top_150	Cotswold Outdoor	Top_250	Overclockers UK	Top_250
Schuh	Leading	Laura Ashley	Top_100	Hughes Electrical	Top_150	CycleSurgery	Top_250	Pandora	Top_250
Superdrug	Leading	M&Co	Top_100	Jack Wills	Top_150	Deichmann	Top_250	Paperchase	Top_250
Toys R Us	Leading	MAC Cosmetics	Top_100	Jigsaw	Top_150	Disney Store	Top_250	Peacocks	Top_250
Waterstones	Leading	Mamas & Papas	Top_100	JoJo Maman Bébé	Top_150	Dr. Martens	Top_250	Phase Eight	Top_250
Wickes	Leading	Matalan	Top_100	Joules	Top_150	Dreams	Top_250	PrettyLittleThing	Top_250
Ao.com	Top_050	Millets	Top_100	Karen Millen	Top_150	Ernest Jones	Top_250	Reebok	Top_250
Apple	Top_050	Miss Selfridge	Top_100	L'Occitane	Top_150	F. Hinds	Top_250	Robert Dyas	Top_250
Asos	Top_050	Missguided	Top_100	Laitwhite's	Top_150	FeelUnique.com	Top_250	Rohan	Top_250
Carphone Warehouse	Top_050	Moss Bros.	Top_100	Lakeland	Top_150	Fitness Superstore	Top_250	Route One	Top_250
Clarks	Top_050	Nisbets	Top_100	Lloyds Pharmacy	Top_150	Foot Locker	Top_250	RS Components	Top_250
Dorothy Perkins	Top_050	Office	Top_100	MajesticWine	Top_150	Foyles	Top_250	Scan	Top_250
Dune London	Top_050	Pets at Home	Top_100	Monsoon	Top_150	French Connection	Top_250	Skatehut.co.uk	Top_250
Evans Cycles	Top_050	Post Office Shop	Top_100	Mountain Warehouse	Top_150	Furniture Village	Top_250	Snow+Rock	Top_250
Game	Top_050	Richer Sounds	Top_100	Nike	Top_150	GAP	Top_250	SoleTrader	Top_250
GO Outdoors	Top_050	Selfridges	Top_100	Pavers	Top_150	Gear4music.com	Top_250	Stella McCartney	Top_250
H&M	Top_050	Shoe Zone	Top_100	Quiz	Top_150	Guitarguitar	Top_250	Surfdome	Top_250
Homebase	Top_050	size?	Top_100	Radley	Top_150	Harrods	Top_250	Swarovski	Top_250
Hotel Chocolat	Top_050	SportsDirect.com	Top_100	Reiss	Top_150	Harvey Nichols	Top_250	Sweaty Betty	Top_250
JD Sports	Top_050	TK Maxx	Top_100	River Island	Top_150	Hollister	Top_250	T.M. Lewin	Top_250
Littlewoods	Top_050	Toolstation	Top_100	Ryman	Top_150	HP	Top_250	Ted Baker	Top_250
Maplin Electronics	Top_050	Topman	Top_100	Samsung	Top_150	Hugo Boss	Top_250	Thorntons	Top_250
Mothercare	Top_050	Topps Tiles	Top_100	Space.NK	Top_150	Iceland	Top_250	USC	Top_250
Ocado	Top_050	Uniqlo	Top_100	Specsavers	Top_150	Ikea	Top_250	Vans	Top_250
The Perfume Shop	Top_050	Urban Outfitters	Top_100	Ugg	Top_150	Interflora	Top_250	Victoria's Secret	Top_250
Simply Be	Top_050	Very	Top_100	Victorian Plumbing	Top_150	Jaeger	Top_250	Warehouse	Top_250
Smyths	Top_050	White Stuff	Top_100	Wallis	Top_150	Jessops	Top_250	Watch Shop	Top_250
Superdry	Top_050	Whittard of Chelsea	Top_100	Wex Photographic	Top_150	Just Eat	Top_250	Whistles	Top_250
Topshop	Top_050	WHSmith	Top_100	The Works	Top_150	Kurt Geiger	Top_250	The White Company	Top_250
Waitrose	Top_050	Wiggle	Top_100	Zalando	Top_150	Lands' End	Top_250	Wynsors World of Shoes	Top_250
Wilko	Top_050	Yours Clothing	Top_100	Zara	Top_150	LaptopsDirect	Top_250	Yankee Candle	Top_250

Abercrombie & Fitch	Top_350	Jones Bootmaker	Top_350	Abel & Cole	Top_500	G-Star Raw	Top_500	Plumbase	Top_500
Agent Provocateur	Top_350	Kiddicare	Top_350	Achica	Top_500	Gabor	Top_500	Polarn O. Pyret	Top_500
Aldi	Top_350	Kiehl's	Top_350	Acne Studios	Top_500	GAK	Top_500	Prada	Top_500
AllSaints	Top_350	Kitbag.com	Top_350	Adobe	Top_500	Garmin	Top_500	Printing.com	Top_500
Anthropologie	Top_350	L.K.Bennett	Top_350	AliExpress	Top_500	GearBest	Top_500	RedBubble	Top_500
Avon	Top_350	La Redoute	Top_350	Armani	Top_500	Glasses Direct	Top_500	Regatta Outdoor Clothing	Top_500
Banana Republic	Top_350	Leekees	Top_350	Asics	Top_500	Google	Top_500	Rich Tone Music	Top_500
Barbour	Top_350	Lego	Top_350	Aspinal of London	Top_500	Graze	Top_500	Rokit	Top_500
BonPrix	Top_350	Liberty	Top_350	Asus	Top_500	GroWell	Top_500	Roman Originals	Top_500
The Book People	Top_350	Machine Mart	Top_350	ATS Euromaster	Top_500	Guess	Top_500	The Royal Mint	Top_500
Bose	Top_350	MandM Direct	Top_350	Austin Reed	Top_500	Habitat	Top_500	Samuel Windsor	Top_500
Bravissimo	Top_350	MatchesFashion.com	Top_350	Balenciaga	Top_500	Hamleys	Top_500	ScS	Top_500
Calendar Club	Top_350	Max Spielmann	Top_350	Bang Good	Top_500	Harveys	Top_500	Seasalt Cornwall	Top_500
Card Factory	Top_350	Mobile Fun	Top_350	bareMinerals	Top_500	Hattons	Top_500	SecretSales	Top_500
CarpetRight	Top_350	Mole Valley Farmers	Top_350	Barker & Stonehouse	Top_500	Hawes & Curtis	Top_500	See Tickets	Top_500
Cloggs	Top_350	Monica Vinader	Top_350	Belkin	Top_500	Hawkshead Country Wear	Top_500	Select	Top_500
The Cotswold Company	Top_350	Mulberry	Top_350	Berry Bros. & Rudd	Top_500	The Idle Man	Top_500	Sevenoaks Sound and Vision	Top_500
Countrywide	Top_350	Musto	Top_350	Bershka	Top_500	ITS	Top_500	Sneakersstuff	Top_500
Craghoppers	Top_350	Myprotein	Top_350	Bettys	Top_500	J Crew	Top_500	SportsBikeShop	Top_500
Dell	Top_350	Naked Wines	Top_350	Billabong	Top_500	John Smith's	Top_500	Steam	Top_500
DFS	Top_350	Nespresso	Top_350	Bondara	Top_500	Juno Records	Top_500	Stradivarius	Top_500
Dobbies Garden Centres	Top_350	Novatech	Top_350	Build-A-Bear Workshop	Top_500	Kärcher	Top_500	Superga	Top_500
Dulux Decorator Centres	Top_350	The Outnet	Top_350	Calvin Klein	Top_500	Kenzo	Top_500	Swatch	Top_500
EAST	Top_350	PartyCity	Top_350	Carhartt	Top_500	Lacoste	Top_500	Tate Shop	Top_500
Ecco	Top_350	Paul Smith	Top_350	CeX	Top_500	Levi's	Top_500	Thomann	Top_500
The Edinburgh Woollen Mill	Top_350	Pretty Green	Top_350	Chaos Cards	Top_500	LightInTheBox	Top_500	Timpson	Top_500
Esprit	Top_350	Pull & Bear	Top_350	Christian Louboutin	Top_500	Lindex	Top_500	TomTom	Top_500
Everything5pounds.com	Top_350	Puma	Top_350	Clinique	Top_500	Loaf	Top_500	Toolstop	Top_500
Fashion World	Top_350	QVC	Top_350	The Co-operative Electrical	Top_500	LookFantastic	Top_500	Travis Perkins	Top_500
Figleaves.com	Top_350	Ralph Lauren	Top_350	Converse	Top_500	Lyle & Scott	Top_500	Tredz	Top_500
Firebox	Top_350	The Range	Top_350	COS	Top_500	Made.com	Top_500	Triumph	Top_500
Flannels	Top_350	Rapha	Top_350	Crabtree & Evelyn	Top_500	Mainline Menswear	Top_500	UK Ecig Store	Top_500
Forbidden Planet	Top_350	Russell & Bromley	Top_350	Cromwell	Top_500	Massimo Dutti	Top_500	United Colors of Benetton	Top_500
Forever 21	Top_350	Sally	Top_350	Demon Tweaks	Top_500	Mobile Phones Direct	Top_500	Vape Club	Top_500
Fortnum & Mason	Top_350	Skechers	Top_350	Diesel	Top_500	Monki	Top_500	Versace	Top_500
Fossil	Top_350	Slaters	Top_350	Dior	Top_500	Montblanc	Top_500	Walls and Floors	Top_500
Fred Perry	Top_350	Staples	Top_350	Dover Street Market	Top_500	Moonpig	Top_500	Warren James	Top_500
Games Workshop	Top_350	Sunglass Hut	Top_350	Dunnes Stores	Top_500	Muji	Top_500	Watches of Switzerland	Top_500
Gant	Top_350	Tessuti	Top_350	END.	Top_500	Muscle Food	Top_500	Watchfinder	Top_500
Gucci	Top_350	Thomas Pink	Top_350	Escapade	Top_500	National Trust Shop	Top_500	Wedgwood	Top_500
Hackett	Top_350	Thomas Sabo	Top_350	Farfetch	Top_500	Neptune	Top_500	Weekday	Top_500
Heal's	Top_350	Tiffany & Co.	Top_350	Farrow & Ball	Top_500	New Balance	Top_500	WeirdFish	Top_500
hmv.com	Top_350	TJ Hughes	Top_350	Fendi	Top_500	Offspring	Top_500	Wish	Top_500
Home Essentials	Top_350	Tommy Hilfiger	Top_350	Field & Trek	Top_500	OnePlus	Top_500	Wolf & Badger	Top_500
Hotter	Top_350	Trainline	Top_350	Fired Earth	Top_500	The Original Factory Shop	Top_500	Woodhouse Clothing	Top_500
Jack & Jones	Top_350	Trespass	Top_350	Fitbit	Top_500	Oysho	Top_500	Wyevale Garden Centres	Top_500
Jacques Vert	Top_350	Tripp	Top_350	FitFlop	Top_500	Pepe Jeans London	Top_500	YvesSaintLaurent	Top_500
Jewson	Top_350	Under Armour	Top_350	Footpatrol	Top_500	Photobox	Top_500	Zawi	Top_500
Jimmy Choo	Top_350	Viking	Top_350	Fraser Hart	Top_500	Planet Organic	Top_500	Zooplus	Top_500
Joe Browns	Top_350	Wayfair	Top_350	funkypigeon.com	Top_500	Playstation Store	Top_500	& Other Stories	Top_500

M&S: LEADING THE CHARGE IN SHOPPABLE SOCIAL MEDIA

SHOPPERS ARE INCREASINGLY turning to new platforms to shop from and social site Instagram, with its 500m daily users, is leading the charge. M&S has become one of the early retail adopters of the channel, which has now been enhanced by being made shoppable.

Where shoppers once turned to search to find what they were looking for, they are now seeing what they want from brands, celebrities and their own friends on social. In the UK, M&S has been selling on Instagram and found it so successful, it's now planning to roll it out as a sales channel later this year.

To accelerate this trend, Instagram has launched Instagram shopping across Europe to help retailers leverage the social media traffic they have and make it directly shoppable. Instagram shopping was launched in the US last year and has been trialled in the UK.

Erin Roy, head of media and digital marketing at M&S, said about it: "Instagram shopping offers us the opportunity to realise the huge potential of our 760,000 followers. Instagram has always been a great platform through which to showcase our products and engage with customers. Shoppable posts take this to a new level."

The retailer has already been using Instagram to great effect and has used the channel to create "the must-have jumper of 2018" by flooding Instagram with images of one ladies' sweater and creating, at a single stroke, a trend.

Getting fashion bloggers to show themselves in this sweater helped it to sell out and the job was done. This is the power of Instagram to the mobile shopping generation. It is a powerful, visual medium that now allows brands to not only put up the content – or in this case get their fashion bloggers to do it for them – but also to allow people to buy from the Instagram feed rather than having to come out of the Instagram app and get into the website.

This is the genius move of making Instagram shoppable – and why M&S is forward thinking in terms of being one of the first to get on board.

Since Instagram is already seen by the younger shoppers as a fun, popular photo-sharing app for mobile, it's now being seen as the venue for choice for merchants in fashion, jewellery, beauty, furniture and home decor to grow their customer base in a meaningful way.

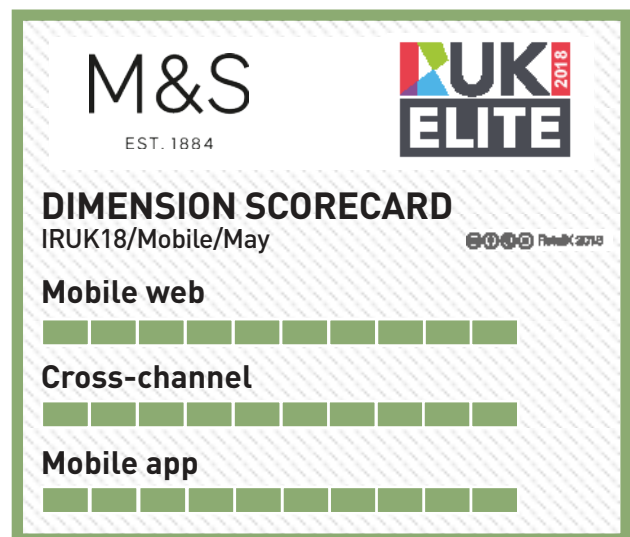
Susan Rose, director of product marketing, Instagram, says: "We know that people come to Instagram to be



Image credit: M&S

inspired and to discover new products from the businesses they love. We want them to easily be able to learn more, consider and, ultimately, purchase those products. We're giving even more businesses the ability to reach people at that moment of inspiration while making it easier for their potential customers to shop directly from Instagram."

Instagram shopping is now available to merchants selling in the US, Canada, the United Kingdom, Australia, Germany, France, Italy, Spain and Brazil.



SAINSBURY'S: TRIALLING CHECK-OUT FREE SHOPPING



Image credit: Sainsbury's

THE HEADLINES GARNERED by Amazon's Go store, especially the ability to just grab and go without queuing up to pay, have had a profound impact on retailers. Of all the technologically advanced stuff that Amazon's pilot store can do, many high street retailers realise they can do something similar with the technology they already have.

We've therefore seen a spate of 'scan and go' shopping trials across the retail sector – the latest of which is to be found in Sainsbury's.

As part of plans to radically overhaul its app, the supermarket – recently linked to a £10bn merger with Asda – is planning to give its shoppers the ability to use the app in-store to scan and leave.

The smartphone app is still a work in progress but was previously trialled at Sainsbury's London Euston station store with a single range – the supermarket's £3 'on the go' meal-deal of a sandwich or salad, side and a drink. Consumers involved in the experiment were asked to download the app to their smartphones then scan their three items of choice from the meal-deal incentive, before paying within the app itself and walking out the bricks-and-mortar store past the checkout rather than through it.

"We are always looking for new ways to help our customers live well – and saving them time is one way we can do so," says Natalie Dunn, Sainsbury's head of customer experience. "Experimenting with a checkout-free experience is a first for Sainsbury's and for many of our customers, so we are keen to understand how we can take the concept and develop an offering that is genuinely useful for those who shop with us. We may be some way off from rolling this out but we're excited to have taken the first step."

The move ties in with Sainsbury's belief that its customers like going to the store – so if technology can continue to enhance that experience, they'll stick with it.

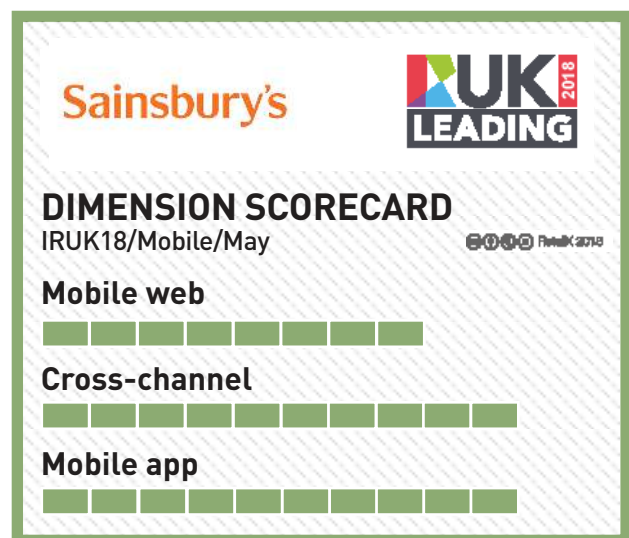
"At present, we're 30% online but we believe that shoppers want to go in and shop in the physical stores," says Simon Roberts, retail and operations manager at Sainsbury's.

The SmartShop programme linked to the app will be seen over the summer in stores in London and will be in 50 other stores by the end of the year, says Roberts.

The scan and go trial sees Sainsbury's join the Co-op and – perhaps surprisingly – Budgens, in becoming among the first to go 'Amazon Go Lite' with existing tech.

Co-op has already trialled its 'shop, scan and go' initiative its store at the retailer's support centre in Manchester, with a wider roll-out beginning as early as this summer. This is expected to include a further trial at the Co-op's store in the UK HQ of Microsoft.

Meanwhile, Budgens has turned the sleepy Cotswolds into a hotbed of smart shopping, with the roll-out of a shopping app that not only allows shoppers to scan, pay and go, but which also will tie their shopping list to the phone's GPS and will guide shoppers around the store along the most efficient route.



WHAT SOPHIE WANTS, SOPHIE GETS: VOICE COMMERCE AT TESCO

Tesco is taking voice commerce seriously. Paul Skeldon explains why

PAUL WILKINSON'S DAUGHTER Sophie doesn't really know what a supermarket is: groceries arrives at the door, carried by a driver. They got there because her dad told a small round thing in the kitchen what he needs.

If you don't yet think that voice commerce is important, think again. Sophie, and many other people young and old, are increasingly talking to the internet – and buying things. According to research by Walker Sands, a fifth of US shoppers have made a purchase with a voice-controlled personal device such as a Google Home, Amazon's Echo and Alexa this year.

Investment firm Mizuho goes further, predicting that revenue generated by the Amazon selling through just its Alexa services could exceed £5.33bn. Consumers, it seems, are increasingly talking to retailers. So are you listening?

Tesco certainly is. "Around 10% of UK households now have a smart speaker device, so we think voice activation is set to be one of the next big retail shifts when it comes to technology," says Paul Wilkinson, who's Sophie's dad. He's also head of technology research at Tesco Labs. "We're continuing to test in this area and want to make shopping using these devices really simple and helpful. You can now buy Tesco groceries using Google Home – as well as Amazon's Alexa – so when I'm in my kitchen, I can just say 'Hey Google, put bananas in my Tesco basket' and it's done right then and there, without having to touch



Credit: Google

More Tesco shoppers are buying through voice commerce, using Google Home

anything. It's early days and we'll be very interested to listen to what customers think."

He continues: "I am an early adopter, I can turn lights on and off, control temperature, do the shopping," he says. "Music tends to be the entry drug on these voice devices but looking at the figures, kitchen timers and grocery shopping are also driving it."

But what convinces him of its power – and why Tesco has got behind it so powerfully – comes down to Sophie.

"She has lived in a world where this has always been possible," he notes. "Her level of expectation is that there's this thing she can talk to that does stuff. Tesco thinks that because of this, voice commerce will be the future of shopping. The technology curve is rampant – if you don't get onto this now, you'll get left behind. People will expect it there as a channel."

Voice is already finding a home in grocery shopping, where the repetitive nature of purchases and need for convenience can both be answered by voice. It also taps into the growing move by consumers to do their grocery shopping online.

“The technology curve is rampant – if you don't get onto this now, you'll get left behind



Paul Wilkinson, head of tech research, Tesco Labs



“No-one loves grocery shopping – we just buy whatever’s on offer,” says Wilkinson. “But it does need to have an ecosystem and the ability to connect into everywhere makes it easier.”

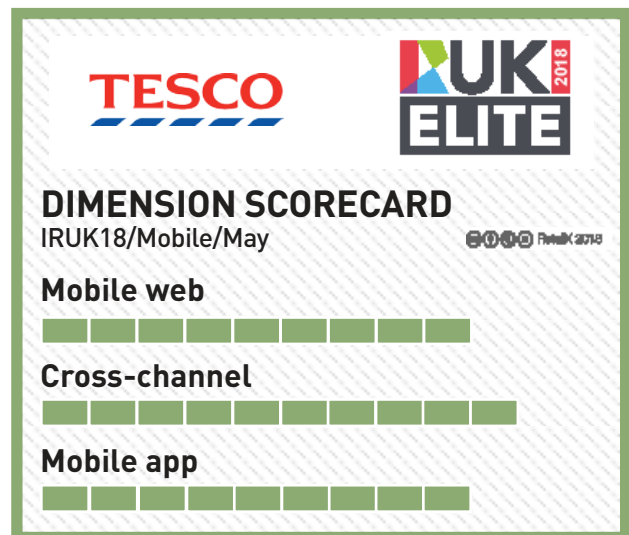
The first step towards this ecosystem is personalised search. “If I say ‘Buy milk’, what I buy might be different from the one you buy,” he explains. “The retailer has to understand what milk it is that you want. We have built it so that it looks at what you bought most recently and what you buy usually before deciding what you want now. The individual nature of the search result is key in voice – there’s no interface to tell you about search results.

“Having personalised search is key, so it has been one of the things we brought to the voice channel first. When you say ‘milk’, we get you the right kind of milk. Since I do most of my shopping at Tesco and mostly online, this helps the system understand what I buy normally and then adapt my requests to that.”

The key to making this fly lies in bringing it all together and this is why Tesco has turned to innovative app company If This Then That (IFTTT), which has connected everything together to make a more seamless, personal experience.

“For instance,” says Wilkinson, “six major washing machine manufacturers use IFTTT to set a rule in the Tesco shopping basket so that every time the connected washing machine gets switched on, it deducts one wash pod from the total bought on the list. When it gets to a predefined low level, it orders more. You can even set up a rule so that when your Fitbit hits your weekly steps target, it buys you a cake.”

So, is this the end of shops as we know them? Wilkinson smiles. “It will be a long time before we get to voice for more considered purchases like clothes. One of the biggest barriers to shopping for online groceries generally is considered perception of fresh foods - people want to go into shop and touch/feel – so it isn’t the death of the website or the store. It’s just another string to the bow.”



EBAY: WORKING WITH MASHABLE AND TIME INC TO CHANGE THE NATURE OF SHOPPING

THE MOBILE PHONE has impinged on retail in many different ways since the introduction of the iPhone. However, one innovation using its camera functionality is set to have an impact on ecommerce perhaps more profound than everything else so far. Could this be the end of the retailer as we know it?

A trial by eBay with two publishers – Time Inc and Mashable – could mark a seismic shift in what retailers do. The two trials involve the same idea: Time and Mashable make their content shoppable whenever a consumer points their phone at an item online or in a magazine, or clicks on an item in a Mashable or Time Inc story. In doing so, these publishers suddenly become the retail outlet, with the retailer relegated to a supplier.

How does it work? This new, immersive mobile shopping experience capitalises on Mashable’s role as the go-to source for all things new and next. Combining Mashable’s expert recommendations with the consumer discovery power of eBay, the partnership allows Mashable’s audience to use eBay to shop, browse and purchase products matching those featured on Mashable – all without ever leaving the Mashable site.

The companies have focused on a mobile-first experience that is as friction-free as possible for the audience and, so far, 65% of traffic to the widget has come via a mobile or tablet.

Dan Burdett, head of eBay EMEA marketing lab, says, “We know a lot about how people shop on our site but less about how they shop off it. So we wanted to bring a simplified shopping experience that brings products to Mashable’s passionate audience, rather than expecting them to come to us.”

The Time pilot is the same, allowing consumers to ‘Shop the celebrity look’. Again optimised for mobile, the experience allows shoppers to buy direct from photos of celebrity influencers in bespoke fashion articles. These will feature shoppable images of each celebrity wearing the latest trends, all of which can be purchased on eBay. In this way, consumers can shop the exact items worn by the celebrity, or find similar items from eBay’s marketplace, depending on their budget.

Murray Lambell, vice president of UK trading at eBay, says, “Our latest pilot creates a simplified yet appealing

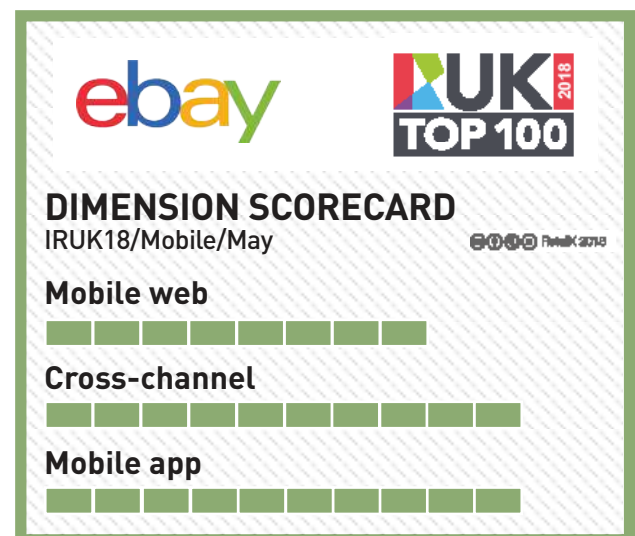


Image credit: eBay

shopping experience that brings clothing to life in a new and exciting way. We know celebrity-style shopping leads to high engagement and now, visitors will be able to shop the latest celebrity trends, brands and luxe items for less.”

According to Lambell, “By applying Time Inc’s exclusive content to eBay’s AI technology and inventory, eBay has created a unique and memorable shopping experience that speaks to its audience.”

The move with Mashable and Time adds to eBay’s growing roster of tie-ups with media companies that are starting to bypass search – and even using eBay directly – by creating a world where shoppers see something they like, point their phone at it and buy it from eBay. Retailers still have a role to play but if this sort of thing takes off, then the retailer will have to partner with whoever is partnering with the media company – in this case eBay.



SPECSAVERS: USING MOBILE PAYMENTS TO ENHANCE IN STORE CUSTOMER EXPERIENCE



Image credit: Specsavers

RETAIL IS ABOUT experience, with mobile devices now part of the varied tool kit that retailers can access in order to boost their in-store experience. High street optician Specsavers is embracing mobile devices to make a visit to the store an experience that, it hopes, will prove more attractive than heading online to its rivals.

The retailer has already used iPads to add that personal touch post-eye test, using the devices to help calculate not only how various frames may look on the customer, but also how the lenses need to be ground in order to offer the best optical results for each user. Using complex software, the iPads have made the process easier and quicker, as well as making the experience feel modern.

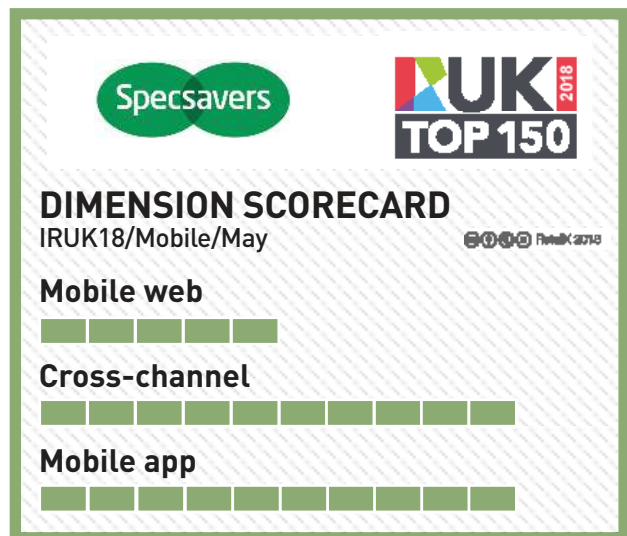
But now the retailer is now looking to up its game and use mobile as a way of also handling payments. Mobile payments are increasingly popular with consumers, driven by familiarity with Apple Pay and one-click m-commerce payments online. According to a new Forrester Data report – *Mobile Payments Forecast 2016 to 2021* – payments will almost triple over the next five years, from \$52bn at the end of 2015 to \$148bn by 2021, driven by the need to improve and ‘internet-ise’ in store experience.

Specsavers says that use of iPads has proved hugely popular with its customers. However, it has also faced a challenge since it wants to be able to improve the customer journey even more by allowing customers to make card payments at the desk rather than taking the customer to a busy till point. If done right, this would enable them to create a very personalised customer experience.

But to achieve this, the company faced the challenge of managing mobile payments in a bank-approved manner and making this work with its ageing POS, which didn’t naturally support m-payments.

Specsavers turned to PMC and its mobile payment solution, Store Enabler. The end result is an easy-to-use solution on an iPad which allows the Specsavers associate to extend the highly personal customer experience all the way through to the end of the card payment transaction, without the need for the customer to move around the store. This now allows Specsavers to put more till points in the store very economically, therefore easing transaction completion without causing crowding.

The mobile payment option even gives the store associate the option of printing the customer’s receipt to the nearest available printer. Within weeks of implementation in the initial trial stores, more than 45% of card transactions were being managed by the mobile system. So far, £10.2m in transactions has been taken this way and 126 stores already have Store Enabler live.

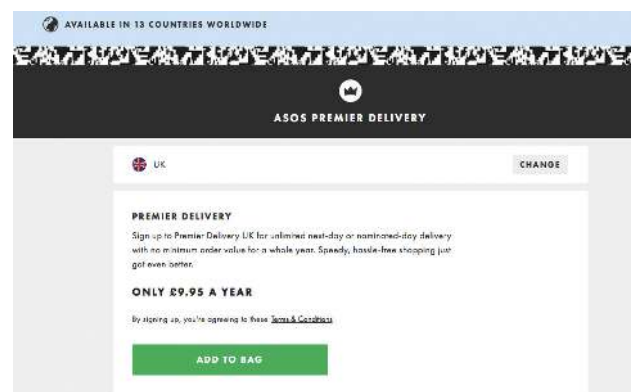


12 APPROACHES THAT WORK

Mobile now plays an integral role in all parts of the omnichannel shopping journey. Across in-store and online key changes are being wrought by mobile, writes Paul Skeldon.

1 Keep it simple

Anything any retailer does with mobile has to be simple. Pages should be simple: any processes that consumers have to follow to find what they want, or to buy things have to be quick and straightforward. Sign customers up in no more than three clicks, gathering the minimum of information as you do so. Anything more and they are gone.



Asos Premier offers unlimited free delivery

2 Give them what they want

Part of this simplicity lies in making sure that what you offer via mobile is what the customers tell you they want. Don't read this list and implement it, ask your customers. Budgens has reinvigorated the supermarket app by adding in a shopping list that adjust itself to take shoppers round the store in the right order. And this was prompted by customer feedback. See what customers want from your mobile offerings – app, website, Progressive Web Apps (PWAs) – check out how they use them and give them those things as simply as possible.

3 Make joining you worthwhile

Getting customers to 'join' you, whether as a member or subscriber, has many advantages for the retailer, not least the opportunity to see shoppers' buying behaviour in great detail. But what is in it for the shoppers? Asos charge members a fee but give them free next-day delivery. It's important to show customers how their lives become easier if they sign up – and even more so via the mobile app, where experiences can be so much better.

4 Visualisation

Augmented reality (AR) and virtual reality (VR) are no longer the stuff of science fiction, but technologies now hardwired into most modern smartphones – so make use of it. AR often requires no specialist equipment to work and can add a whole new layer to the in-store and online experience. In fact, research by ecommerce agency PushON found that almost half of shoppers would spend more online if they had access to technology that helped them to better visualise and understand how products work, without having to go in store to see them. Specifically, 40% of consumers would like to use Augmented Reality (AR) technology on mobile to test a product before they buy it, such as via an app that would allow them to place virtual images of products over a real-world view – this way, they can get a feel for how it will look in real life. That said, it works in store too: fashion retailer Zara's new collection comes as an AR add on to the retailer's app that will allow shoppers to see the clothes 'come to life' in the store on top models – who will even speak!



Image credit: Zara

5 Marketplaces

Today anyone looking to create an omnichannel strategy has to work marketplaces into what they do. Like them or not, Amazon and eBay already attract about 40% of online retail traffic in the UK – they are where your customers are shopping. While marketplaces deliver customer numbers, there are also other reasons why they should also be part of the omnichannel mix. For starters, they are a good way to mobilise content, the marketplace doing the work both in terms of apps, PWAs and indeed good old-fashioned websites. There is also the added advantage that marketplaces can provide an ideal way to extend a retailer's reach into other territories – especially if the retailer selects local ones. This can at a sloop overcome much of the grunt work of entering a new market: language, currency, logistics and returns.

6 Kill the checkout

Amazon Go – the automated, mobile-powered pilot shop in the US – has kickstarted something that retailers should have done long ago: get rid of queuing to pay. If you want to trend in retail to pin your hopes on in 2018, it's going checkout-less. In the UK, the Co-op is trialling 'shop, scan and go' technology at its own store in its service centre in Manchester. 'Big four' – possibly soon to be part of the 'Big three' – grocery store Sainsbury's is also working on a scan, pay and go app add-on, while Austrian electronics store MediaMarktSaturn, has also developed a scan and pay app at its flagship store in Innsbruck. The reality is, Amazon hit on the one thing we all hate about shops: queuing. The

genius thing is that many retailers are realising that you don't need billions of dollars investment in AI to make it happen – you can do it with some QR scanning, payments processing, an app and a bit of trust. And suddenly, the in-store experience is on the up.



Image credit: Co-op

The Co-op's new app enables it to dispense with the in-store checkout

Image credit: Omatic



Mobile tickets enable retailers to cut queues

7 Kill all queues

At least half of UK consumers have had an in-store experience ruined as a result of queuing in-store, with Londoners twice as likely to have had more than 10 bad experiences this year alone. So finds research conducted by Qudini, a SaaS customer experience management platform, which also suggests that making better use of mobile devices and social media could go some way to stopping this happening. So why not try and kill off queues altogether? Mobile Ticket enables retailers to significantly improve the in-store customer experience by enabling shoppers to use their mobile device to select a service and join a virtual queue, without needing to stand in a physical line, the company says. Customers open a web app, or scan a QR code if they prefer, and select the service they require, such as the collection of online orders in store, a meeting with an expert, personal or VIP shopping, and customer services. This eliminates the friction of waiting in line and maximises the opportunity to browse, increasing basket, customer satisfaction scores and brand loyalty. Job done.

8 Experiences

Aside from killing off the queuing nightmare that makes in-store a bit of a no-no for many people, especially the youngsters, shopping in-store and to some extent online needs to be an experience, rather than a chore. For some customers, the reality of in-store shopping can be frustrating when preferences and past experiences are not seamlessly connected, as they usually are with mobile-first brands. This, combined with cross-channel inconsistency and lack of personalised experience is just one reason why customers prefer to shop off the high-street. Retailers must abandon orthodox strategies to leverage the value of technology to deliver a unified shopping experience across the full spectrum of customer touchpoints. European fashion retailer, Mango is a prime example of the brand that is set to merge the two realities of the online world and physical retail, as part of the digital transformation programme. Shoppers visiting Mango's store in Barcelona will soon be able to use fitting rooms featuring a digital mirror which will allow them to contact staff directly, request sizes, colours as well as pick the recommended items to complements the consumers' original choice.

Image credit: Vodafone



Mango is trialling a virtual wardrobe in partnership with Vodafone



More than two-thirds of UK customers have bought a product they saw in a retailer's social media feed, says Curalate

9 Social media

Social media has long been a bedrock of m-commerce, with Twitter, Facebook and Instagram having long been primarily used on mobile. The power they wield, carrying recommendations and user-generated marketing content, mustn't be underestimated. Visual content shared via social media on mobile produces as much as a 111% uplift in conversion and can generate a 180% boost in revenue per visitor to a website, according to a study by Bazaarvoice. Almost 60% of its clients say that customer pictures and video content are now standard in ecommerce, and 81% say that integrating social media and online shopping is a priority for their business. Shoppers themselves are embracing it too. More than two thirds of UK consumers go on to purchase products they discover on retailer's social media channels, a study of 1,000 consumers aged between 18 and 65 by marketing technology company Curalate found. It also found that 46% spend time thinking about it then buy later online, while 17% will buy in-store. A small but significant 4% make the purchase immediately online after seeing the product. Overall, 39% of consumers were influenced by user-generated content, saying real-life images of people who had previously bought the product would make them more likely to make a purchase. Instagram is particularly lively in this space, tweaking its tools to make it easier for retailers to sell from their Instagram feeds – marking a move towards social media sites also becoming quasi-marketplaces.

10 Distributed retail

Taken together, the rise of marketplaces and the move by Instagram to drive sales from its platform marks a move towards a new paradigm in retailing. The model of distributed retail is something that has long been touted, but increasingly it is becoming something that all retailers need to be aware of. Trials by eBay to let publishers Mashable and Time Inc sell things, via eBay, from their pages marks the start of this move. Combine that with Instagram's shoppable posts – and in some ways work in the 'scan, pay, go' moves in-store, and suddenly the mobile phone is a direct connection to seeing something and buying it. What does this mean for retailers? Suddenly, they are just supplying goods to eBay, Instagram and whoever else gets in on this to make the sale. Moves by Google to turn its search results into sales don't help either. Sick of passing on searchers to Amazon, Google is looking to make its results shoppable too. Suddenly, this changes very much how people shop and that changes how retailers act. Having a mobile-optimised website isn't enough, even a 'traditional' omnichannel approach isn't either: now you have to look at a myriad of new platforms to sell through.

11 Voice

There is another new channel to add to the multitude of channels in multichannel retail: voice. A fifth of US shoppers have made a purchase with a voice-controlled personal device, such as a Google Home, Amazon's Echo and Alexa, or, if they have deep pockets, Apple's Siri-enabled HomePod this year, according to research by Walker Sand. This number rises to 43% amongst millennials. Investment firm Mizuho, goes further, predicting that revenue generated by the Amazon Echo and Amazon Alexa services could exceed £8.37bn (\$11bn) by 2020. The firm also predicts that £3.04bn (\$4bn) of that would come from the sales of the Echo device itself (including the Tap and Dot), while the other £5.33bn (\$7bn) would come from all the commerce transactions derived from those devices to Amazon.com.

This has serious implications for retail. Not only are shoppers wanting these devices in their home to help them do all manner of things from play music to finding recipes to shopping, but they are also starting to expect retail apps and retail websites – especially on mobile – to also be voice-controlled. Some of the forward-thinking retailers are already starting to exploit these home devices, but for the majority who are still struggling to deliver a good mobile user experience, it is simply seen as a bridge too far. But they ignore voice at their peril. Voice is calling, and retailers need to answer.



Amazon enables voice commerce via Alexa

12 Get personal, not discount

Mobile and voice commerce both offers the chance to create a deep and personal connection with retailers and drive sales by forming a relationship with them. However, marketers still aren't getting personalisation right – with most not matching what they do with the personalisation consumers want and most not delivering the level of customer service they crave, new research has revealed. According to Epsilon's new report *The Power of me: The impact of personalisation on marketing performance*, there is a disconnect between marketers and consumers, with brands failing to understand what their customers want from personalisation. The personalised experiences most wanted by consumers are customisation and service, with a third of consumers (32%) wanting brands to suit something exactly to them and their needs, and another third (32%) considering service, a company knowing their likes and dislikes, as the most important aspect of personalisation. However, this does not correlate with the personalised experiences most commonly offered by brands. Brands aren't focusing on customisation and service but are instead providing consumers with discounts and rewards programmes (31%) or simple recommendations based on previous purchases (22%). In fact, both of these factors are considered far less important by consumers (16% and 8% respectively). Time to get personal, time to use as many platforms as you can and time to wake up the changing face of retail.

GET CONNECTED TO THE INTERNET OF THINGS

The Internet of Things has long been seen to have enormous potential. But as yet, relatively few brands and retailers have got to grips with how the IoT might enhance their multichannel strategies. Chloe Rigby finds out more about the opportunities

RETAILERS AND BRANDS are now starting to use the Internet of Things (IoT) at scale. They are connecting smart devices and low tech items alike to the internet, enabling them to send messages, broadcast locations and orders that result in increased brand awareness or commerce transactions. According to Vodafone's *2017/18 IoT Barometer Report*, worldwide adoption of the technology rose among retail businesses to 26% in 2017 from 20% in 2016, while 9% of retailers now have 10,000 or more connected devices. It's not just the products themselves, either: smart packaging and retail space are also being connected up in a way that presents new opportunities – and challenges – for those that seek to deploy them.

What does this look like in practice? Cameron Worth, founder of UK IoT agency SharpEnd, thinks that the technology enables a new kind of retailing in which the best customer engagement is barely there.

"It's about being invisible a lot of the time," says Worth. "We work a lot on invisible service design, where those things that happen around you that you don't play a part in are the most wonderful things."

Take the IoT-enabled drinking vessels made from coconuts that SharpEnd designed for the Malibu rum brand. Visitors drinking Malibu registered their details to their specific coconut cup so that it acted as a bar tab. When they wanted to reorder their drink, they twisted the connected base of their vessel. Doing so broadcast the order to the bar, allowing staff to find them by tracking the coconut cup in order to refill their drink. At the end of the night, customer just to settle the bill.

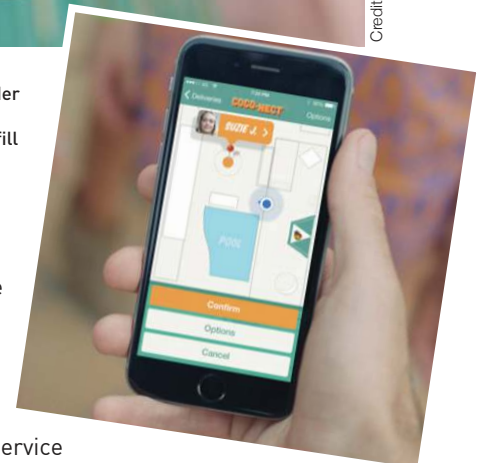
"You can twist the base of a vessel, then all this stuff happens on the back end and the output is you have a pina colada delivered to you without needing to queue," says Worth. "These are the services that are more interesting



Credit: SharpEnd

Above: Connected coconut vessels twist at the base to order a Malibu refill

Right: Bar staff know when to fill up the coconut by tracking the vessel from a mobile device



right now. It's when customers leave a space saying everything just worked." He adds, "That was very much a nod in the right direction of where we think overall service design is going to go in on-trade environments. While definitely not the finished solution, it was certainly a step in the right direction.

"The biggest thing we've found, one of my favourite learnings from a pilot ever, was when we were trying to scale it up. Since every coconut is unique, there's not a one-format shape for a coconut, so when doing injection moulding to protect circuit boards at the base of a vessel, there wasn't actually any factory solution that you could go into. We really got stumped by nature at that point."

THE IOT AT WORK

Other current examples of the Internet of Things at work include Seattle convenience store Amazon Go, which acts as a connected retail space. Shoppers who have pre-downloaded the Amazon Go app on their smartphone collect their shopping in the usual way but as they add items to an actual basket, they are also added to a virtual basket. When they leave the shop without going through a check-out, their linked credit card is automatically billed.

Amazon customers elsewhere can top up on commonly ordered products using wi-fi connected Amazon Dash buttons, with dozens of brands now using these devices. Amazon has said that UK shoppers tend to use their Dash buttons to buy the super-essentials such as toilet paper, cat food and... coffee. Between its 2016 launch and June 2017, the five most commonly used buttons were from Andrex, Finish, Ariel, Gillette and Nescafé Dolce Gusto. Connected devices can also order their own refills, using another Amazon innovation, the Amazon Dash Replenishment Service. A growing range of smart products, from printers to washing machines and water filters, are enrolled in this service.

Nike is testing a retail app that personalises the customer shopping experience. When a shopper with a smartphone equipped with the app arrives in the store, it recognises them and shows them relevant products in the app. It also enables them to check for product availability locally, checkout and pay through the app, or reserve products that are held in lockers so that customers can try on items before they buy. The approach is now being trialled in flagship stores in Los Angeles and Portland, with plans to scale it up.

IoT technology can also be very straightforward. Vodafone, which operates the V by Vodafone IoT network, has enabled consumers to attach their own items, everything from cars to briefcases and even pets, to the Internet of Things through products including connected car dongles as well as activity and location trackers. The simplicity is key to uptake. Vodafone Group launched this capability late last year, when its chief executive Vittorio Colao said the IoT was already beginning to transform the way that businesses operate. "Over the next decade, the expansion of IoT into consumer markets will bring about an equally dramatic shift in how people manage their daily lives," he said. "V by Vodafone makes it simple to connect a wide range of IoT-enabled devices."

“ The expansion of IoT into consumer markets will bring about an equally dramatic shift in how people manage their daily lives ”

FIRST STEPS TO AN IOT STRATEGY

Smart packaging, space activation and connected products are the three key areas, says SharpEnd's Worth, in which brands and retailers are starting to think about developing their IoT strategies.

Smart packaging can carry NFC chips or, still more simply, printed QR codes, allowing the customer to interact with the box via their smartphone. "One of the most obvious opportunities right now is looking at the products people buy and thinking how to connect to consumers through those," says Worth. He also sees opportunities in using existing retail space to connect with customers, turning it into a platform that underpins new types of services and customer experiences. Currently, he says, SharpEnd tends to approach retailers on behalf of the brands that they stock, finding the opportunities where brands can use the space where they are stocked to interact with customers. "We're working brand-first, taking innovations to retailers and saying, 'Can we pilot this in your stores?' I think there needs to be a lot more work done with the retailers themselves to find out how to create the capabilities to be able to take this to brands in order to create all kinds of new revenue opportunities."

But in all these areas, he notes, the most important thing is to start with the retailer or brand's pain points in order to develop solutions that work. The Malibu trial, for example, overcame the pain of queueing for a drink, while Amazon Go also aims to remove the pain of queueing – this time in a supermarket. Amazon Dash Replenishment removes the pain of running out of items such as laundry liquid, water filters or printer ink.

It's important, thinks Worth, that solutions are trialled at a small scale with low-cost versions of the technology to show how this might work at scale. That enables brands and retailers to get boardroom buy in before investing in larger scale and more expensive roll outs.



Credit: Vodafone

IoT technology can be as low-tech as a bag location tracker

THINK ABOUT TOILET PAPER

Oddly enough, it might help to think about toilet roll when considering how an IoT concept might work. “We think about toilet paper a lot at SharpEnd because if you can make it work for toilet paper, you can make it work for anyone,” says Worth. Andrex, he says, uses pictures of puppies on its packaging because they’re cute – and also because no-one wants to talk about toilet paper, or to give the buying of it much thought. “There’s an opportunity for a new type of product or service,” says Worth. “What about putting a sensor on the toilet roll holder so it monitors and knows when you’ve just run out of your 11th roll and you have one toilet roll left? Then it adds that to your basket and promises not to advertise to you as the result of a subscription service, but passes savings to you because it doesn’t need to message you, advertise you, track your data or spend on data and analytics. Then the question is, do you prefer Andrex or this other brand that gives decent toilet paper and service? I think people would be more likely to say they prefer the brand that gives decent toilet paper and leaves us alone. These will be the brands that will work in the future.”

Indeed, Worth foresees the Internet of Things enabling a future of retail in which brands don’t need to advertise at all in the way they do now. “I think people are sick of being beamed adverts across different screens, emails following them everywhere, having a conversation in the real world and then an ad popping up on Instagram. I think that’s an old world thing of getting your logo in front of as many people as possible. I think what’s going to drive brands in the future is being more contextual about how you deliver services. So, understanding the retail space you’re in, understanding what you might need, being able to get you

that service and then being able to leave you alone straight afterwards, without having to take part in an email sign up.” The role of retailers in that, he says, is to build the capabilities that enable brands to use the retail space to deliver services that work both for individual consumers and for businesses.

IOT BENEFITS – AND CHALLENGES

Better collection of data and cutting costs are emerging as the chief business opportunities of IoT technology: each was named as a benefit by 47% respondents to Vodafone’s 2017/18 IoT Barometer. Increased revenue and an improved customer experience were both cited by 41% of respondents. Where organisations saw a reduction in costs, it came in at 16% on average, and where they saw a boost in revenue, that revenue increased by an average of 19%.

But with these benefits come challenges. Security tops the list of concerns among respondents to the Vodafone study: 18% named this as the leading barrier to their organisation using the IoT. In a recent InternetRetailing webinar, *Maintaining availability while under attack*, Jay Coley, senior director, security, planning and strategy at Akamai Technologies, illustrated the risks associated with IoT devices through references to the Mirai botnet, which first emerged in 2016. “Mirai is a botnet based on IoT devices, which can be shipped with little or no security features built into them and, once they’re plugged into the internet, can be taken over by malicious users malicious actors and used at will,” said Coley. “With the explosion of these devices, we’ve seen the number of unique IP count and the size of these botnets grow dramatically.” He noted the botnet could carry out multiple functions at once, running a DDoS while operating credential abuse, for example. He added: “We should expect to see more of these as more IoT devices come onto the market.”

Clearly security must be a priority in any IoT strategy and more adopters of IoT technology are now investing in it. According to Vodafone’s IoT Barometer, 46% of IoT adopters were recruiting specialists in this area in 2017, up from 41% in 2016, while 47% were working with a specialist security provider and 48% were training existing staff.

It’s probably a given that it will be important to invest in security around the IoT. For many, it seems, the opportunities will outweigh the costs. For IRUK Top500 retailers, this is likely to prove an important channel in years to come.

MEETING EXPECTATIONS?

What do younger consumers find frustrating about the in-store shopping experience, and what does that say about how retailers can plan stores that meet their needs more accurately? Martin Shaw, RetailX head of research, considers new findings that have come out of the InternetRetailing Knowledge Partner programme.

RETAILERS LOOKING TO attract young shoppers to their stores could do worse than to consider the findings of a new study from InternetRetailing Knowledge Partner Cybertill. The organisation commissioned a YouGov survey that questioned 2,004 UK shoppers aged between 18 and 55. They included 183 members of Generation Z, aged between 18 and 24, and 304 Millennials, aged between 25 and 34, while the balance were older shoppers. The study asked about what the different age groups found more or less frustrating about the in-store experience and multichannel services such as click and collect, and what it was that would encourage them to visit a store instead of shopping online. We then contrasted that with how IRUK Top500 retailers approach this area.

EMERGING SHOPPER STYLES

Shoppers from the Millennial and Generation Z generations have often been characterised as the 'want it now' generation. These, suggests the Cybertill study, are individuals often described as 'lazy' or 'selfish and who are more interested in watching cat videos and absolutely uninterested in waiting in a queue. But, notes Cybertill chief executive Ian Tomlinson, many of the insights that we have about this age group currently come from across the Atlantic. "The media is shouting about Gen Z, and retailers are listening, but a majority of the research on 18 to 24-year-olds is US-based," he said, adding: "We're changing that." Since the study questions UK shoppers, it's interesting to contrast their expectations with what Top500 retailers offer.

ATTITUDES IN-STORE

It's a lack of connectivity that bothers Gen Z and Millennial shoppers the most. Both find it more frustrating than the average shoppers when they cannot get a mobile phone signal. It's also frustrating for 48% of Gen Z shoppers when that lack of mobile signal means they can't retrieve their

order confirmation when they come to pick up a click-and-collect item in store, and 45% would like free wifi in store to make it easier to find their order confirmation. The biggest frustration, however, is when an item arrives later than promised. More than two thirds (67%) said they would like real-time update via text message, email or push notification so that they know exactly when to pick up an item. More than half (59%) would like a dedicated click and collect till or area, but fewer said they'd like a dedicated area to examine or try on their item straight away (41%) or a dedicated car park, drive through or separate entrance for collection (17%). The study confirms that most Gen Z shoppers don't like queuing: 57% said queuing for a fitting room in-store was the most frustrating, while 37% said queuing for a checkout was frustrating.

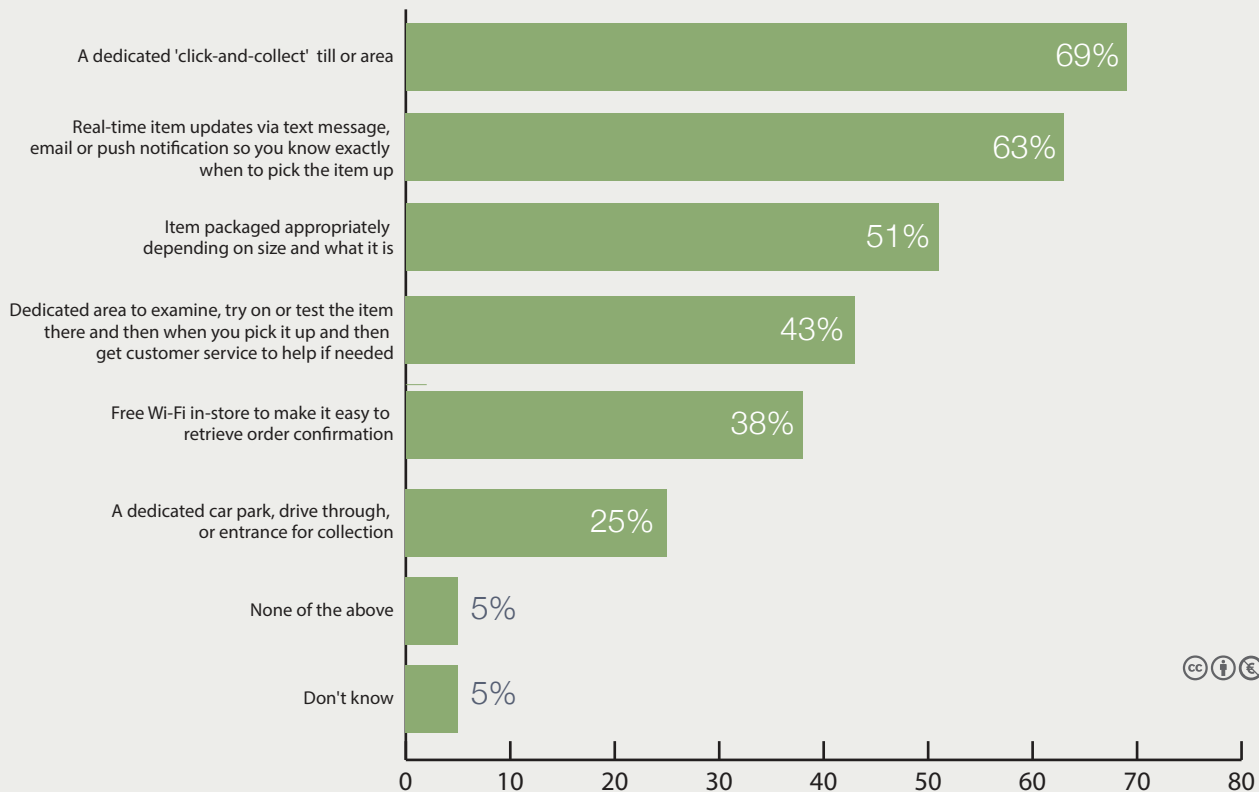
Gen Z shoppers are more likely than the average to be encouraged into store by the offer of a free sample. But they're less keen than average to have face-to-face customer service from store staff: 65% don't like it when shop staff approach them after they've entered a shop. Features that they say would improve their in-store experience include contactless and/or mobile payments (55%), as well as being offered an e-receipt.

ALL STOCKED UP?

Finding items in stock is most important to Gen Z shoppers who come into the store: 70% said it was most frustrating when they couldn't find an item in-store. That may well be an item that they have seen online, since 49% said their in-store fashion purchases were influenced by ecommerce. Some 32% said they browsed and bought fashion in-store, while 23% take that activity online. Gen Zers are most likely to research electricals online: two-thirds said they bought electricals in-store after researching online. That may be why

WHICH SERVICES DO CLICK-AND-COLLECT SHOPPERS WANT MOST IN STORES?

UK adults aged 18 and over were asked: Imagining you are shopping online and you choose to 'click-and-collect' (i.e. buying online on the store's website and then collecting in-store). Which, if any, of the following features do you think you would want? (Please select all that apply)



CC BY NC ND RetailX 2018

Source: research by YouGov, commissioned by InternetRetailing Knowledge Partner Cybertill

Generation Z shoppers are more relaxed than other shoppers if staff know less than they do about a product: that suggests this cohort may well be happy to look up the information on their phones – as long as they can get a signal.

Guaranteeing an item is there through click and collect may prove a good answer, says Cybertill. That's something that is offered by 62% of IRUK Top500 retailers in 2018, up from 60% in 2017. More than a third (38%) said in the Cybertill study they would like to be able to check stock themselves, while 35% want self-checkout in store. According to RetailX research, 23% of IRUK Top500 retailers offer the ability to check store stock from their mobile app – up from 18% in 2017 – and the same proportion offer extra stock checker features. It's important such technology is accurate: the biggest frustration for Gen Z shoppers, Cybertill found, was when an item was marked in stock online, but was not available when the

shopper got to the store.

GETTING IN TOUCH

Gen Z shoppers say they'd like to hear about their order updates via push notifications more than the average. Perhaps this is another sign of how important mobile phones are in their lives. More than half (52%) of IRUK Top500 retailers offer push notifications from their mobile app.

Gen Z shoppers are open to signing up for loyalty programmes – as long as there's a money off: 75% said they would sign up to a scheme for the discounts and promotions. Only 22% said personal recommendations – based on order history – would encourage them to sign up, while still fewer – 18% of Gen Z shoppers and 12% of Millennials – said VIP events would encourage them to be loyal to a brand.

CONCLUSION

CONCLUSION

WE WRITE THIS Mobile & Cross-channel Performance Dimension Report at a time of fast change. More and more channels are emerging as important to the customer, and therefore to retailers. This means that there's work to be done to find out what each channel means to customers, and whether it needs to be a priority.

While some retailers are taking a lead in innovative fields such as the Internet of Things and voice commerce, we'd suggest there's always been an argument to be made for being a late adopter. Granted, retailers that came to ecommerce late lost ground initially against their competitors. But many have since moved swiftly from the back foot into pole position since investing at a later stage gave them an entrance point that was not only more informed but also less costly. The research for this report suggests that there's still plenty of room for manoeuvre in mobile and the other emerging channels. What matters most is to make sure that when investment is made, it's done strategically and in a way that works for the customer.

This report is designed as a tool that retailers can use to benchmark their own performance in mobile and cross-channel. We also believe it will serve as inspiration by showing what can be done, and what good looks like, while reassuring with insights into where the average Top500 retailer lies.

We're always interested in how we can extend our research and improve the quality of our findings in this and other areas. Is there a new or emerging tool or approach that you consider vital and that we should monitor in future reporting? Get in touch with your ideas and any potential datasets via research@internetretailing.net or tweet @detail with #IRUK500.

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