



DIMENSION REPORT

Mobile and Cross-channel: May 2016

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A Performance Dimension Report as part of IRUK 500 2016
InternetRetailing's UK Top500 Retailers, 2016



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From the editor-in-chief

WELCOME TO THE latest in our series of InternetRetailing UK Top500 Dimension Reports, this time focusing on Mobile and Cross-channel. Mobile, in particular, is an area where retailers are concentrating a great deal of work. That's not surprising. After all, if we'd started with mobile commerce, would there have been any need to invent desktop?

The smartphone has become no less than the remote control for the retail business. It's a remote control that's not in the retailer's hands, but under the control of the customer. Shoppers expect to be able to use it whenever and wherever they want to, whether they're browsing on a commuter train, ordering the week's groceries at the bus stop, or finding the store that has the item they need in stock. Leading retailers are designing mobile commerce systems for those shoppers, tailoring the services offered to the needs of customers, rather than the priorities of the business. Companies are doing this for pragmatic reasons. Many retailers are now seeing the majority of online traffic arrive via mobile devices, and some are seeing more than half of ecommerce sales through this channel as well.

In this Dimension Report, we've taken a snapshot of the current state of the Mobile and Cross-channel Commerce Dimension, defining the leaders in this facet of retail. We've analysed what makes them successful – and how others can learn from them. We've gone on to look at emerging practices, while our analysis of what app features correlate most strongly with conversion makes a fascinating read.

We're indebted to our Knowledge Partners in this Dimension. Poq underpinned our analysis of mobile apps, while GTmetrix measured mobile web load times and BuiltWith assessed how closely retailers adhered to mobile web standards.

Over the year ahead we'll be continuing our research, building up rich data sets in the process. We're always interested to hear input from industry professionals as to what we should be measuring. If you have ideas or insights that you think would help us with our measurement of Mobile and Cross-channel Performance, do get in touch.

Ian Jindal
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Editors' comment

MOBILE COMMERCE IS powering growth in sales that take place not only online, but across retail. The smartphone, in particular, is proving its worth not only as a tool for buying, but as a research tool. Increasingly, it acts as a bridge between the online and the offline channels, and offers functions such as barcode scanning and stock checking, as useful in researching from the store as from the home.

However, the smartphone is a tool that only works when the customer wants it to do so. Customers must opt in to download an app, receive geolocated messages and offers from beacons, or to receive marketing emails. It is, therefore the retailers that best engage and inspire loyal shoppers to take this action that will benefit most from the power of on-the-go commerce. In the pages of this Dimension Report we examine what it is that leading retailers are doing for their customers, and how they have enabled the seamless service that extends across sales channels. We do that through qualitative and quantitative research, interviews, case studies and practical examples.

We open with our strategic overview feature (page 8), written by InternetRetailing's mobile editor, Paul Skeldon, which sets the context for the Report, measuring the market, and the scale both of the opportunities and the challenges. Our research findings are presented through two features. In our analysing the numbers feature (page 12), we examine how retailers are putting smartphones and tablet computers at the heart of cross-channel strategies. Looking beyond whether a retailer has an app or a mobile website, InternetRetailing's senior researcher, Martin Shaw, analyses the part these tools play in a wider cross-channel strategy. In our new research feature (page 32) researcher Polina Modenova takes a closer look at analysis from Knowledge Partner Poq that shows how different features in a mobile app correlate with conversions – suggesting which functions do most to drive sales.

Our lead interview (page 22) is with Sarah Stagg, director of digital product at House of Fraser, who tells us how and why the retailer has acted to put mobile first in its business. We examine the performance of other leaders in this field, Zara, Amazon, Halfords and eBay, through in-depth case studies (page 18). In our 12 approaches that work feature (page 24), Paul Skeldon considers key actions retailers can take to boost performance in this dynamic area.

Finally, in our emerging practice feature (page 29) we hear from Mat Braddy of Rock Pamper Scissors about how his business is prioritising mobile as it caters for generation impatient and helps to take the hairdressing industry online.

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

Jonathan Wright and Chloe Rigby, Editors

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Why responsive design matters



More than 60% of consumers used mobile as their primary web device in 2015. If you're not designing for multiple screen sizes right now, you may be falling behind your competition. **Collin Kemble**, an experienced digital marketing development manager for LiveArea, the in-house PFSweb agency, discusses one of the tactics used within leading email campaigns – responsive design

IT'S NO SECRET that ever-demanding consumers expect every digital channel to be intuitive and easy to use. We're now competing for a very limited attention span and need to show customers relevant content immediately. If customers have to zoom in or scroll horizontally when using a mobile device, you've probably already lost their business. Retailers therefore have no choice but to adapt accordingly and think mobile.

There are a lot of terms, techniques and frameworks for going mobile, and each has its pros and cons. The most important thing is to put the needs of the customer first and, because the experience can be dramatically different across various devices, consider what information customers should be presented with on a mobile device, tablet, PC or television. In addition, every aspect of the site and customer journey should be taken into consideration when implementing a cross-channel strategy with multiple devices. It's very important to think about how much content to show, what content to show on each device, how different parts of the content relate to other parts, and how the user interacts with the content.

This cross-device planning naturally leads to many questions. Is the checkout form easy to use on a mobile device? If the customer makes a purchase, is the order confirmation email going to be responsive as well? Will the mobile website, app and digital messaging all flow together in a unified way? Can you recognise your customer through these different channels? All of these questions need to be considered before the design process begins.

Responsive design presents unique challenges to designers because the screen size can take many different forms. Content needs to expand and contract gracefully regardless of the screen

size, while maintaining usability, layout and relevancy. There are two parts of the design process: mobile-aware design and responsive design. Mobile-aware design is the understanding and planning of how content will appear on a smaller screen. This includes making sure images are not fixed in their size, but instead scale by a defined percentage to each screen size. This mobile-aware approach has to be done correctly before the second part of the process can even begin. Responsive design relates to what you do to existing content on smaller screens, how content stacks, resizes and, in a lot of cases, what's removed. Responsive design demands a lot of planning and testing to be implemented properly. It often seems daunting, but there's usually a quick return on investment through higher conversion rates.

Responsive design is still in its infancy. Mobile devices are continually changing and new devices such as wearables are becoming mainstream. We'll probably start seeing more virtual and augmented interfaces in the future, and we're never going to know what type of device content will be displayed on. Techniques may change, but the idea of being screen and device agnostic will remain at the core of responsive design. 🌈

About PFSweb

A leading global commerce service provider, PFSweb enables brand and specialty retailers to achieve their commerce goals. As an ecommerce solutions provider, we combine consulting, agency, technology and operations to deliver unique and branded customer experiences, creating Commerce Without Compromise. Learn more about our solutions at www.pfsweb.com

Right channel, right customer, right time



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

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

In a way, the era of choice is coming to an end. Consumers don’t want to grapple with a wide range of choices – they simply want their problem solved and limitless, multichannel choice might actually do more harm than good. What shoppers need are the right choices and it’s up to us to abstract away the complexity of those decisions. We already know, based on the summative history of all customer engagement, that certain problems can be more effectively solved via one channel or another. We also know that this isn’t universally true – based on demographics of the user, for example.

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

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

In the end, customers don’t think about channels or devices when engaging with their retailer. They use the device and channel that they have easy access to, and the one they believe will solve their problem quickly. Omnichannel, put simply, is what the consumer now expects as standard. The key to being successful in today’s landscape is offering the right channel to the right customer at the right time. 🇬🇧

About BoldChat

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

Mobile first

In the future, even more than today, mobile will drive multichannel retail. Yet many companies, says **Paul Skeldon**, InternetRetailing's mobile editor, are still failing to make the most of mobile

ECOMMERCE TRAFFIC VOLUMES from mobile hover around the 50% mark in most studies and surveys. Ask any retailer and most will probably tell you that all the company's ecommerce growth comes from mobile. Debenhams sees half of its online sales coming via mobile, while Burberry sees digital generally outperforming in-store. The future of retail is multichannel and this will be driven by mobile.

But is this reflected in the findings of this year's IRUK 500 research in the Mobile and Cross-channel Dimension? Looked at qualitatively, the leaders of the pack are embracing mobile and making full use of all the functionality that it offers. Elite IRUK 500 retailer Argos considers itself to have a "proven digital store model", which has allowed it to expand its business, and utilise modern concepts such as click and collect, pop-up stores and franchises. As a result, Argos sees more than a quarter of its £4bn of online sales coming through mobile – that's more than £1bn on mobile alone.

Similarly, House of Fraser, another Elite retailer and the top retailer in the IRUK 500 Mobile and Cross-channel Dimension, sees some

40% of its online sales also coming from mobile, with a year-on-year growth rate of 100%. It has long had a strategy of 'mobile first', redesigning its websites as far back as 2014 so that they work in a framework that naturally suits all manner of screen types and sizes, and were designed to be scrolled – truly revolutionary back then when everyone was still looking at above and below 'the fold' real estate.

Crucial differentiator

However, what marks Argos and House of Fraser apart is that both retailers see mobile as not just a vital ecommerce sales channel, but part of an omnichannel retail offering.

"The key to our success is the consistency of our customer-centric approach, providing a personalised shopping experience and by linking all our channels to market together," says Andy Harding, chief customer officer at House of Fraser. "Being a truly multichannel retailer means having a seamless offline and online offer, and engaging with customers through mobile devices will continue to be an essential part of this. We expect to see continued growth in the online retail market, with mobile devices being a real driving force of this growth."

At Argos the mood is the same: mobile is worth attention, but is part of a much wider company-wide digital strategy.

These two companies set the gold standard in what is possible with mobile in a multichannel world, but as the examples of best practice featured in this Dimension Report demonstrate, the difference between the Elite that really *get* it and the rest is, in mobile, quite marked. Many retailers simply aren't delivering the basics with mobile. As IRUK's senior researcher, Martin Shaw, puts it, "The low-hanging fruit, the off-the-shelf functionality, is missing from the majority of retailer offerings."

For starters, given how important mobile traffic is, just 41% of retailers in the IRUK 500 study had an app. Just 63% of apps we measured were



Via new outlets in Sainsbury's stores, Argos is extending its cross-channel operations

Pic credit: Argos

transactional. Broken down by device operating system, 36% of the Top500 have an iOS app, 30% have Android and just 24% have both – that means that more than three quarters of the Top500 don't have an iOS and Android app, a figure that's worryingly low.

Of those that do have a transactional app, only 55% – a little more than half – have any sort of native checkout, the rest relying on pointing the customer to a standard web checkout. This makes the process more cumbersome, sometimes adds more steps and is dependent on a strong network connection. All these factors are points where the customer may abandon the shopping process.

“The next generation of customers uses apps for everything. Great apps are often very engaging or super-convenient”

This worrying lack of insight into the use of mobile apps points to there being something of a paucity of ideas as to the true power of mobile in the omnichannel world. Consumers are keen to embrace it – and the traffic and sales figures show that they continue to do so – yet many retailers are floundering with not only how to meet this mobile need, but also what that mobile need is.

The case for apps

Apps are becoming increasingly vital to the retail world with almost half of retailers that have an app seeing between 21% and 50% of their web sales coming directly from purchases made on an app, according to Urban Airship.

As Oyvind Henriksen, CEO and Co-Founder of Poq, a Knowledge Partner for the IRUK 500, notes, “The next generation of customers uses apps for everything. Great apps are often either very engaging, like Instagram and Pinterest, or they are super-convenient, like Uber and



Picture credit: House of Fraser

House of Fraser treats mobile and stores as both being intrinsic to creating an omnichannel offering

Citymapper. Missguided, for example, has built a retail app on our platform that combines both of these attributes: it is extremely convenient and deeply engaging. This is the perfect example of what a cutting-edge retail app can offer: customers are always logged in to an addictive and personalised shopping experience, and can check out using just their fingerprint.”

Phone memory is no longer a constraint to app size. Most users are now adept at searching their own devices for an app rather than having to remember it's there. In addition, Google is delivering apps within search results. Such factors have combined to make the use of apps increasingly the norm.

Yet despite all this, one of the more interesting things that comes out of this year's IRUK 500 research in this area is, as senior researcher Martin Shaw notes, the fact that many retailers that have invested in an app – and as anyone who has invested in one knows, these aren't cheap – don't use even the most basic functionality that should be standard.

Take barcode and QR code scanners. These can be built into an app with such ease that they essentially constitute free software, yet their power is huge. Ignore the tech people saying that barcode and QR code scanning is so 2012 – these are features that people will actually ▶

use on a regular basis. Showrooming and home reordering are two simple yet powerful facets of multichannel retailing.

Almost a quarter of millennials admit to making a purchase on their mobile device whilst still in-store, after having looked at and tried on the items they like.

“The modern shopper now wants a shopping experience where they can look at products and try them out, but also want the benefit of being able to purchase them online and not have to worry about carrying the items home with them,” says Markus Jühr-de Benedetti, chief revenue officer at data analytics firm Blue Yonder. “But more than this, the internet has provided us with unparalleled pricing transparency. Unless retailers have their pricing strategy right, based on a competitor’s pricing, they risk losing out.”

Scanners can help leverage this. They can also be used to help people engage with a retailer as a brand and start a conversation across channels. They may have been pooh-poohed by the technorati, but code scanners still have a long way to go.

“Many retailers appear to have, at the very best, a confused strategy when it comes to mobile”

Encouraging loyalty

Take, for example, the humble loyalty card. Loyalty cards could so easily be scanned into the wallet app – or even the actual brand app – yet this is something that virtually no retailer offers. In fact, according to the IRUK 500 research, just 9% of retailers allow this. This is poor as the more retailers know about where people are, what they are doing and what they buy, the better.

Having stock-checking functionality within a device is another simple yet often overlooked

function. Just 20% of IRUK 500 multichannel retailers have this, yet the evidence is that shoppers find it genuinely useful.

A similarly simple technology that is missing from most mobile apps – 55% of them to be precise – is the capacity to compile wishlists. This is another simple, off-the-shelf feature that can be built into an app, and enables shoppers to put things aside when browsing for possible later purchase. No, it’s not an essential tool of retail, but it is relatively cheap and simple to do, adds a layer of customer service that many retailers don’t already have, and can aid in-store shopping too.

These are just two simple examples of how many retailers that do have a mobile presence through apps as uncovered by the IRUK 500 research aren’t making the best use of it. More troubling are the 59% of retailers that don’t even have an app – these companies are relying on just a web presence and, at best, are just making it work.

These days, it is very hard not to build a website that comes with mobile optimisation. Ever since Google changed its search algorithm to give mobile-optimised sites a higher ranking, even the most basic site-building tools offer it. For a multichannel retailer, it is now essential to be mobile optimised – not least for those that have eschewed having an app.

And this is the crux of what this year’s IRUK 500 Mobile and Cross-channel Dimension research reveals: while consumers are way ahead of the game in terms of their adoption of mobile, retailers are lagging behind. Of course, there are time factors and financial factors that mean most retailers can’t simply adopt all the latest mobile tricks and treats at a moment’s notice, but many appear to have, at the very best, a confused strategy when it comes to mobile.

Learn from the best

The top players such as House of Fraser, by contrast, have a strategy that looks clearly at how all digital channels inter-operate and what impact that is going to have on the rest of the business. Sarah Stagg, House of Fraser’s head



House of Fraser is introducing scannable mannequins to its store windows, an imaginative technique to boost sales

of digital, sees digital engagement as the way to boost sales, with multichannel shoppers often spending six times more than online or in-store-only customers.


“Mobile is the bridge,” she says. “It makes the store a 24/7 operation – quite literally with the scannable mannequins in the shop windows that continue to sell goods from the store even when it’s closed.”

While this Dimension Report sets out which retailers do what well – and conversely, which don’t – it also offers advice on ways to look afresh at mobile strategy. Perhaps you work for a retailer that’s invested heavily in mobile, but what can the company still do better? As we have seen, improvements are not just about deploying bleeding-edge technology: some of the tried-and-trusted and simple measures can help retailers right now at minimal cost.

What is yet to be ascertained is whether mobile cannibalises other channels or can actually add new customers. As our sponsor, BoldChat, sees it, shopping now isn’t about choice of channel,

“Investing in mobile isn’t just about bleeding-edge tech: tried-and-trusted and simple measures can help at minimal cost”

it is about using the channel that is right at the time. Customers are going to shop on the device they want to when they want to; the retailer’s challenge is to understand this, understand the context within which they are doing this and provide the right service.

Retailers also have to be prepared to ‘follow’ shoppers as they flit across channels. This is possibly the most important factor going forwards with a mobile and multichannel strategy: consumers will dip in and out on many different devices and locations in many different moods as part of the shopping process. Understanding this and building for it is going to be one of retail’s biggest drivers. 

Analysing the numbers

Martin Shaw, InternetRetailing's senior researcher, outlines how he and his team approached the task of analysing the retail response to mobile and cross-channel selling

HOW ARE RETAILERS responding to the fast growth of mobile commerce and the ever-expanding share of sales that are now made via smartphones and tablet computers? The task that we've set ourselves in the Mobile and Cross-channel Performance Dimension Report is to uncover how retailers are bringing commercial nous to this fast-emerging channel. We wanted to know through our research how retailers are responding to changing shopper behaviour, and exactly how they are putting smartphones and, to a lesser extent, tablet computers at the heart of multichannel strategies.

We're no longer asking simply whether a retailer has an app or a mobile website, but about the part those tools play in a wider cross-channel strategy. Through our research, we've uncovered some fascinating insights into what works – and why.

“Through our research, we've uncovered some fascinating insights into what works in Mobile and Cross-channel – and why”

Martin Shaw, InternetRetailing

Our approach

We've analysed how the Top500 UK retailers, as defined by the IRUK Top500 2016 (see page 16 for the full listing), use mobile apps both for standalone mobile commerce and as part of a seamless shopping experience that links sales channels. We've examined the cross-channel features and load times of mobile websites. Knowledge Partner Poq contributed to our research on apps, helping us to understand, through anonymised data, which app features correlate to higher conversion rates – an area

we consider in more detail in our new research feature on page 32. Poq also analysed apps operated by the Top500 retailers to show what features they employ to improve the mobile browsing and commerce experience, and to enable seamless cross-channel commerce.

GTmetrix was our Knowledge Partner on mobile websites, scoring how long they took to load as html, as well as how quickly they went to fully loaded – with all images and content visible. Finally, BuiltWith helped us to see whether mobile sites conformed to mobile web standards.

The Top6

House of Fraser led this Dimension for a highly effective use of cross-channel links. Shoppers can, for example, look up an item on the website and see if it's in stock in the store that they're standing in, or they can scan an in-store barcode to see more information about that product via their phones. Still further information is available through cutting-edge features, including augmented reality and YouTube videos.

Customers at Zara can research and shop effectively through a fast and easily navigated mobile app, as well as one of the best performing mobile websites in this study. The retailer also stood out for its effective use of product images on mobile.

Fingerprint ID sign-in helps to set third-placed Amazon's app apart from the competition, while comprehensive reviews and social sharing contributed to its ranking. Amazon uses its highly effective app to give a level of service, especially around delivery and collections, that overcomes its lack of stores.

Halfords, in fourth place, stood out for a high-performing app that impressed even against the top retailers in this category, while fifth-placed eBay gained its place, despite being a marketplace, because it has both one of the best mobile websites and a strong app.

In sixth place was Argos, which last year topped this Dimension. Since then we've developed the way we measure performance in this fast-developing area of expertise. The retailer, which has now turned over more than £1bn from mobile commerce in its last two financial years, retains its place in the top 2% of the Top500 in this Dimension and is also an Elite company. Here it stands out for cross-channel services that include digital-powered ordering and collection in-store, as well as a tie-up with eBay that enables the marketplace's buyers to pick up their items on the high street.

What the Top500 do

The leaders in the Mobile and Cross-channel Dimension are well in front of the rest: these are retailers with apps and mobile websites that have new features and standards just a few months after they become available. However, most of the Top500 lack a transactional mobile app and a surprising number don't even have a mobile-ready website. Although the use of retail apps is growing steadily, we found many of those operated by Top500 companies lacked features we'd consider basic. More than a third (36%) of Top500 retailers have iOS apps, while a further 30% have Android apps (24% have both). But, just 63% of iOS apps are transactional. Overall, 23% of Top500 retailers enable shoppers to use their apps to buy. Of those that have a non-transactional app, 48% have a native checkout



that points shoppers towards the website to make a purchase, rather than customers buying via app.

The store finder is a useful way for retailers to link the online with the offline. Shoppers buying on the go often check where the nearest store is through their smartphones. Almost two-thirds (63%) of multichannel retailers enabled them to do so through apps.

One feature that we expected to be commonplace in an app was the barcode scanner. This is a useful tool that enables shoppers to read a barcode on a product to find more information about it, add it to a shopping list, or even buy the item outright. We found 43% of multichannel retailers had an app with a barcode scanner. Among all retailers with iOS apps, including those that only trade online, 32% enabled barcode scanning. Overall, only 11% of the Top500 have this feature.

Top-rated House of Fraser stands out for enabling store stock checking through its app. We found it was among a small minority – 5% of Top500 retailers – that offer this feature.

At the cutting edge, retailers are talking about geofencing – technology that enables traders to send relevant messages to customers when they are near to their stores. When we asked how

many retailers supported a more modest version of this approach, and sent proactive messages to customers through push notifications, we found that 18% did so.

Finding relevant items is harder from a smaller mobile screen – we measured how well Top500 retailers did this both through use of searchandising and of personalisation. Some 9% of Top500 retailers scored top marks for searchandising, while 4% did so for personalisation.

Outside the app, one cross-channel feature that we looked at was the ability to return an online purchase to store. In all, 141, or 28%, of the Top500 enabled this, including all of the multichannel retailers who had apps.

The speed of change

We've seen that more retailers have mobile apps this year than last year. This year, 179, or 36%, of the Top500 retailers have iOS apps. Of the 406 Top500 retailers measured both in 2015 and 2016, 34% had them last year, rising to 38% this year – with 20% boasting transactional apps last year, rising to 23% this year.


Generally we've found apps are adding features rather than taking them away – with the exception of social media sharing. The number of retailers that include this feature in apps has fallen from 17% to 15% among the 406 retailers that we measured in both years. Among that group of 406, 10% had barcode scanners last year, rising to 13% this year, and

“The Top500’s mobile sites have become less cluttered over the year, with a fall in the average number of page elements”

Martin Shaw, InternetRetailing

16% make use of push notifications – a figure that's now reached 19%.

At the same time, mobile web scores are dropping. This year the average PageSpeed Score for Top500 retailers' mobile websites came in at 77. Among the 402 retailers measured in both years, the average was 81 (out of 100) in 2015, but 77 in 2016. Partially, this reflects the way that standards such as PageSpeed continue to rise – but the drop also indicates that constant development is the only way to stay still in terms of competitiveness.

The Top500's mobile sites have become less cluttered over the year, with a fall in the average number of page elements on a home page: last year's average of 102 has fallen by 19 to 83 this year, while html sizes have fallen from 28.1kb to 22.1kb this year. Despite this, load times are increasing. Across this year's Top500, the average was 1.7 seconds, slightly slower than last year. These surprising results lead us to question if retailers are focusing too much on adding new features rather than improving usability. To find some answers we've reviewed the top retailers' approach to mobile and cross-channel in the case studies beginning on page 18 of this Report. 

**IRUK 500 Mobile &
Cross-channel Dimension**
In partnership with our Dimension Sponsor

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The Top100 retailers of the IRUK 500 2016 Mobile and Cross-channel Dimension, as measured across dozens of metrics for mobile web, mobile app, and cross-channel performance

Share your thoughts on #IRUK500 with @etail

Mobile & Cross-channel Top50

Abercrombie & Fitch	Forbidden Planet	Net-A-Porter
Amazon	Getthelabel.com	Ocado
Apple Store	Halfords	Quiz
Argos	House of Fraser	River Island
Asda	Hollister	Screwfix
ASOS	Jack Wills	size?
Blue Inc	John Lewis	Topman
Boohoo.com	LightInTheBox	Topshop
Boots	Littlewoods	Very
The Body Shop	Marks & Spencer	Waitrose
Decathlon	Matalan	Wallis
Deichmann	Miss Selfridge	YOOX.com
Dorothy Perkins	Moonpig	Zalando
eBay	Mothercare	Zara
Evans	Mr Porter	

Mobile & Cross-channel Top100

Achica	funkypigeon.com	Majestic	Sainsbury's
B&Q	Go Outdoors	Mango	Schuh
Bershka	Gucci	Massimo Dutti	Superdrug
BHS	H&M	MinilnTheBox.com	Tesco
Blacks Outdoor	Harvey Nichols	Myprotein	The Outnet
Boden	Hawes & Curtis	New Look	Trainline
Burton	Hobbs	Next	Ugg Australia
Claire's	Homebase	NotOnTheHighStreet.com	Uniqlo
Clarks	IKEA	Oasis	Vente-Privee
Coast	Interflora	Office	Warehouse
Debenhams	JD Sports	Photobox	Waterstones
DHgate.com	Just Eat	Puma	Zooplus
Esprit	Karen Millen	Pull & Bear	
Farfetch	Lacoste	Puma	
Forever 21	Louis Vuitton	Radley	



The full rundown of the IRUK 500, 2016, as measured across six Dimensions: Strategy and Innovation, The Customer, Operations and Logistics, Merchandising, Brand Engagement, and Mobile and Cross-channel.

Share your thoughts on #IRUK500 with @etail

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Homebase
Marks & Spencer

Matalan
New Look
Next
Office
Sainsbury's

Superdrug
Tesco
Topshop
Waitrose
Wilko.com

Top50

Apple Store
Asda
Blacks Outdoor
Carphone Warehouse
Dorothy Perkins
Evans

F&F
H.Samuel
Hobbs
Holland & Barrett
Maplin Electronics
Miss Selfridge

Monsoon
PC World
Pets at Home
River Island
Schuh
SportsDirect.com

Superdry
TK Maxx
Topman
Wallis
WHSmith

Top100

Bathstore
Boden
The Body Shop
Boohoo.com
Burton
Claire's
Cotswold Outdoor
Disney Store
Dune London
Dunelm
Evans Cycles
Fat Face
Footasylum

French Connection
Game
Go Outdoors
H&M
IKEA
Interflora
Jack Wills
JD Sports
Jigsaw
Joules
Lakeland
Laura Ashley
Littlewoods

L'Occitane
M&Co
Majestic
Morrisons
Moss Bros.
Mr Porter
Net-A-Porter
NotOnTheHighStreet.com
Ocado
Peacocks
The Perfume Shop
Post Office Shop
Selfridges

Space NK
Thorntons
Topps Tiles
Toys ʼn Us
Very
Waterstones
White Stuff
Wickes
The Works
Yours Clothing
Zara

Top150

Accessorize
American Golf
Ann Summers
Austin Reed
Beaverbrooks
Blue Inc
Bonmarché
CarpetRight
Cath Kidston
Crew Clothing Company
Dabs.com
Decathlon
DFS

Early Learning Centre
Ebuyer.com
Ernest Jones
Euro Car Parts
The Fragrance Shop
Gear4music.com
George at Asda
Getthelabel.com
Goldsmiths
Harrods
Hobbycraft
Kaleidoscope
Karen Millen

Lloyds Pharmacy
Mamas & Papas
MandM Direct
Missguided
Nike
Oasis
Pandora
Quiz
Reiss
Richer Sounds
Ryman
Samsung
Shoe Zone

Smymths Toys
Staples
Surfdome
Ted Baker
TM Lewin
Trainline
USC
Warehouse
Watch Shop
Wiggle
Zalando

Top250

Adidas
AllSaints
ao.com
BonPrix
The Book People
Boux Avenue
Brantano
Burberry
Cass Art
CC Fashion
Chain Reaction Cycles
Charles Tyrwhitt
Cloggs
Coast
Costco
Cotton Traders
Direct Golf
Dr. Martens
EAST
The Edinburgh Woollen Mill
Ellis Brigham Mountain Sports
The Entertainer
Esprit
Estée Lauder
F.Hinds
Fashion World

Feelunique.com
Foot Locker
Forbidden Planet
Forever 21
Fragrance Direct
Freemans.com
Furniture Village
Games Workshop
GAP
GettingPersonal.co.uk
Google Play
Gucci
Harvey Nichols
Hawes & Curtis
Hollister
Hotel Chocolat.
Hotter
HP
Hugo Boss
Jacamo
Jacques Vert
Jaeger
JD Williams
Jessops
Joe Browns
JoJo Maman Bébé

Jones Bootmaker
Just Eat
Kitbag.com
Kurt Geiger
L.K.Bennett
Liberty
Lipsy
Long Tall Sally
Lovehoney
Lush
Machine Mart
Mango
Menkind
Millets
Mobile Fun
Moonpig
Mountain Warehouse
Myprotein
Novatech
The Outnet
Overclockers UK
Paul Smith
Photobox
Pret A Manger
PrettyLittleThing
Pull & Bear

QVC
Radley
The Range
Route One
ScS
Simply Be
size?
Snow+Rock
Sorry
Specsavers
SportsShoes.com
Swarovski
Sweaty Betty
Thomas Pink
Toolstation
Uniqlo
Urban Outfitters
Viking
Vision Express
Wex Photographic
The White Company
Whittard of Chelsea

Top350

Abercrombie & Fitch
Agent Provocateur
American Apparel
Andertons Music
Anthropologie
Appliances Direct
Arco
Art.co.uk
Axminster
Banana Republic
Berry Bros. & Rudd
Blackwell's
Bondara
Book Depository
Bravissimo
Buyagift
ChemistDirect.co.uk

Countrywide
Create and Craft
CycleSurgery
Deichmann
DKNY
Dreams
Dulux Decorator Centres
EAT.
eSpares
Euroffice
Euronics
Expansys
Farfetch
Figleaves.com
Find Me A Gift
Firebox
Fitness Superstore

Flannels
Fortnum & Mason
Free People
funkypigeon.com
Gemporia
Grattan
Graze
Guitaruitar
Habitat
Harveys
Heal's
Home Bargains
Home Essentials
The Hut
Iceland
Ideal World
IWOOT

Kiddicare
La Redoute
Laithwaite's
Laptops Direct
Lego
LightInTheBox
Lyle & Scott
MAC Cosmetics
Marisota
Massimo Dutti
MatchesFashion.com
MinilnTheBox.com
Mint Velvet
Misco
Molton Brown
Mulberry
Multiyork Furniture

Nisbets
Oki-Ni
Oliver Bonas
The Original Factory Shop
Paperchase
PartyDelights
Pavers
Phase Eight
Printing.com
Ralph Lauren
Robert Dyas
Rohan
Russell & Bromley
See Tickets
Slaters
Sunglass Hut
Thompson & Morgan

Tiffany & Co.
Trespass
Ugg Australia
Urban Industry
Paperchase
PartyDelights
Pavers
Phase Eight
Printing.com
Ralph Lauren
Robert Dyas
Rohan
Russell & Bromley
See Tickets
Slaters
Sunglass Hut
Thompson & Morgan

Top500

Abel & Cole
Ace
Achica
Aldo
Alexandra
All Posters
Approved Food
Aria Technology
Asics
ATS Euromaster
Avon
Baker Ross
Barbour
bareMinerals
BBC Shop
Bensons for Beds
Bershka
Bose
BrandAlley
Brandon Hire
The Brilliant Gift Shop
Build-A-Bear Workshop
Bulk Powders
Buymobiles.net
CafePress

Calendar Club UK
Calvin Klein
Camper
Card Factory
Cargo Home Maker
CCL Computers
Charles Clinkard
Chums
Clistons
Coggles
The Co-operative Electrical
COS
Crabtree & Evelyn
Cromwell
Damart
Dell
Demon Tweaks
DHgate.com
Diesel
Dobbies Garden Centres
Dolphin Music
DealExtreme
Dyson
END.
Everything5pounds.com

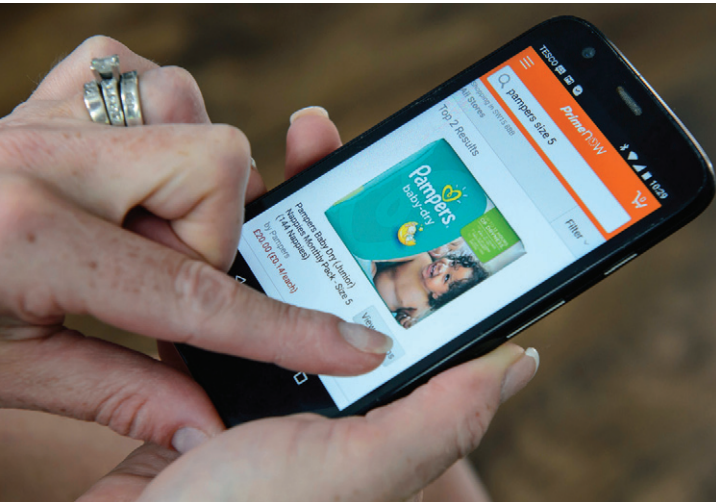
Farrow & Ball
Fired Earth
FitFlop
Fraser Hart
Fred Perry
GAK
Gant
Glasses Direct
GNC
Hackett
Hallmark
Hamleys
HelloFresh
High & Mighty
HMV
Hornby
Hughes Electrical
itsu
Jewson
Jimmy Choo
JML
John Smith's
Joy
Juno Records
JustFab

Kiehls
Lacoste
Lands' End
LED Hut
Lenovo
Links of London
Logitech
LookFantastic.com
Louis Vuitton
Made.com
Mainline Menswear
MedicAnimal
Microsoft
Mobile Phones Direct
Mobiles.co.uk
Monica Vinader
Naked Wines
Nespresso
The North Face
Oakley
Orvis
Pet-Supermarket
Philips
PIXmania.com
Plumbase

Plumbworld
Prada
Premier Man
Pretty Green
Prezzybox
Printerland.co.uk
Pro-Direct
Puma
Rakuten
Rapid Electronics
Reebok
Roman Originals
Rowlands Pharmacy
RS Components
Scholastic
SecretSales
Select
Skechers
Smythson
Sonos
SportPursuit
Spreadshirt
Superfi
Suttons Seeds

Sweatshop
Tate Shop
Thomann
Thomas Sabo
Timberland
Timpon
Toast
Tommy Hilfinger
Tripp
Trueshopping.co.uk
TTS Group
Vans
Vax
Vente-Privee
Warren James
The Watch Hut
Wayfair
Weldricks Pharmacy
WorldStores
Wynsors World of Shoes
Yeomans Outdoor Leisure
Zavvi
Zazzle
& Other Stories
7dayshop

Amazon: innovative and consistent



Pic credit: Amazon

Amazon makes it easy for customers to buy via mobile

AMAZON HAS ALWAYS been something of a leader in mobile retailing, being one of the first retailers to have an app. More importantly, it was one of the first to have an integrated website and app approach that remembers baskets, wishlists, login details and more across the app and the site – log in to both and stay logged in, and details moves from app to web (and across devices seamlessly).

This alone counts, in our book, as multichannel retail, but the retailer – which shifted \$100bn of goods for the first time in 2015 – also uses third parties to fulfil and so, again, is a multichannel retailer of note.

But Amazon hasn't stood still in innovating around online and mobile – and hence its own form of multichannel operations. One of the most impressive mobile features that Amazon has added to its mobile offering is the use of fingerprint ID to pay, making one-click payments even easier, which marks it out as unique in retail – for now.

Another development that sets Amazon apart is in using Apple universal links. This means that a shopper searching on an iPhone and clicking a retailer link will be taken straight to the relevant page in that retailer's app. For Amazon, this allows for it to have a seamless journey from

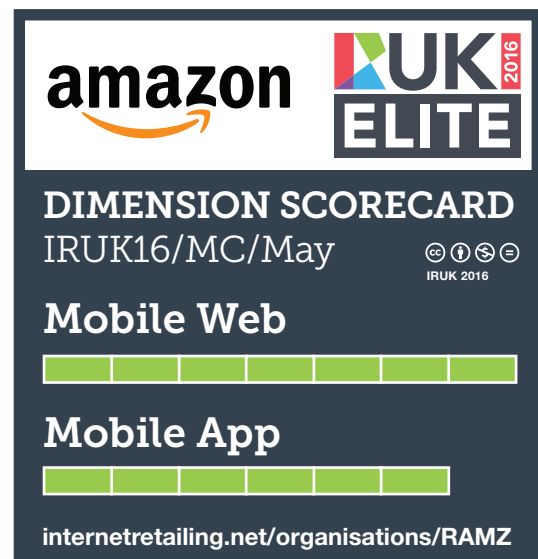
search to app, and being an early adopter here has given it a great advantage – again for now – as it will drive mobile conversion and helps get users into the app.

The advantage for Amazon is that taking searchers into the app rather than the website means that one-click fingerprint ID touch can be used. Together, these technologies streamline the process for shopping on Amazon and increase mobile conversion rates.

Where Amazon has also done well – and helped it rank highly in the IRUK 500 Mobile and Cross-channel Dimension – is in how it has started to use mobile with great effect in the fulfilment part of the shopping process.

The retailer has not only invested in showing when goods are despatched and offering a timeline, but increasingly uses SMS to inform users when the goods will be delivered and reminds them to be home. It also lets users know when the delivery has been made – and if it's not to the home, where it is.

Its pages load quickly. Its html homepage loaded in just over a second, and was fully loaded in between three and four seconds, despite having as many as 35 page elements. 🌈



eBay: two screens are better than one

AS A MARKETPLACE, eBay is a different retail prospect to other companies featured here, but it made it into the IRUK 500 list as consumers see it as a retail brand – a destination and a fascia – and it does accept payment for orders. From a mobile point of view, it has one of the best mobile websites around and has a great app.

What impresses about eBay's mobile presence, is that it has distinct apps and websites that are clearly designed for different uses. While replicating the 'daily deals' and 'featured collections' that are found on the app, for example, the website is driven by search. Its purpose is for looking things up.

The app is much more geared towards offering the user the choice to shop (and search of course is still very prominent), but also to sell and to manage their interactions. In short, the eBay app is also used as a controller for the merchants using it.

Interestingly, research by Similarweb.com found that of all top UK retail sites, eBay has the highest number of visits from direct type-in of its address into mobile browsers, so it has perhaps the most memorable URLs – or its branding is just short and sweet. Organic search was the second biggest deliverer of traffic to its site, from where the retailer encourages shoppers to download the app.

The company's move to 'sales events' across its different ranges, something that has been brought in to stem a plateau in growth, is very effectively managed on the app, allowing the user simply to swipe sideways to move from section to section



Pic credit: ebay

eBay's mobile offering has been carefully planned

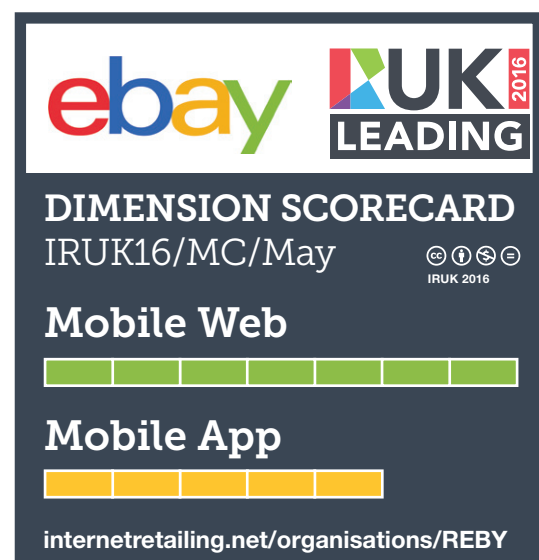
to see the deals – it is designed for browsing. The mobile website also makes use of the scroll and swipe abilities of the phone to offer a rich browsing experience.

Load times are good for both the website and the app. Although having tested all of the Top5 in the IRUK 500 Mobile and Cross-channel Dimension under the same circumstances, its app is noticeably slower to load, it does offer perhaps the most functionality.

The company is also looking at how to harvest dual screening between mobile and TV. It is using its anonymised data to identify and target shoppers' mobiles when they are online and watching TV.

For example, searches for "crochet dress" on ebay.co.uk soared by 37% after Kim Murray was spotted wearing one during the final of the Wimbledon tennis championship in 2013. More recently, searches for "MGB" rose by 48% during the final episode of *Top Gear* last year compared to the same time slot the week before when the MGB GT was positioned by Richard Hammond as the "most iconic British sports car" – indicating the size of the dual-screening opportunity.

Leveraging this effectively will be a key task for eBay through this year. 🇬🇧



Halfords: click-and-collect pioneers

HALFORDS HAS SLOWLY crept up the IRUK 500 rankings, but has always been at the forefront of mobile as an early adopter of the technology. In fact, Halfords is one of the pioneers of both mobile and click and collect, and has inculcated an environment of seamless in-store, online and mobile services for a number of years.

What Halfords does well – and what has seen it rank highly in the IRUK 500 Mobile and Cross-channel Dimension – is letting customers order online and come to collect in the store, where they can be sold additional services and add-ons.

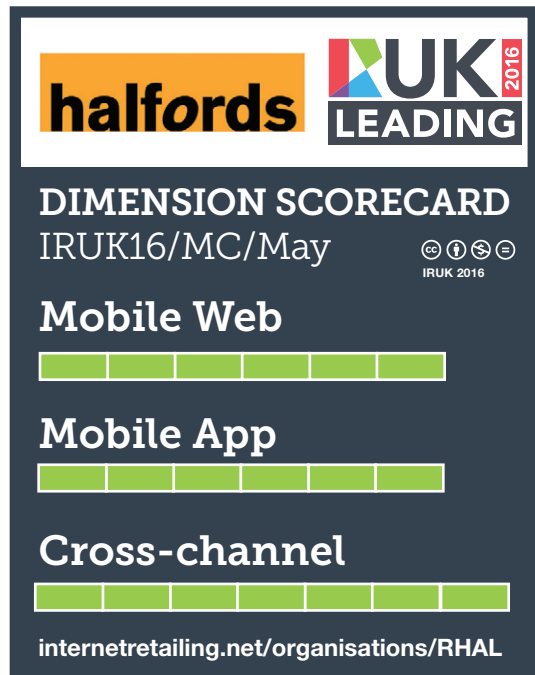
“Retail is simple as long as everyone is looking towards the same goals – it should never be online versus stores,” explains Katrina Jamieson, digital director at Halfords. “Don’t be tempted to go overboard on embracing technology for technology’s sake. Every customer has a mobile phone, for instance, so make it simple for customers. Ensure every change is better for customers, easier for colleagues and ideally faster than the competition.”

The app itself also performs highly, which again is impressive as the app has many elements. Of particular note is that you can use your car registration to get spares that are designed for your make of car – an excellent and time-saving use of the national car registration database and really customer-focused. It also features a barcode scanner, which is handy for then ordering out-of-stock items online if you are in the store, and a store finder plus many other ‘basic features’.



Features such as ‘BikeMiles’ encourage customers to interact with Halfords via their smartphones

Pic credit: Halfords



Halfords has strong plans to develop mobile, and its role in click and collect and other in-store functions. It has been trialling smart watches for click and collect at one of its stores, and has seen collection rates improve, cut paperwork and got staff excited about technology.

Halfords has trialled a range of in-store tablets for customer use, as well as phones and smart watches to help staff pick click-and-collect orders. Using the tech, staff are automatically notified of incoming customers and their orders on the screens and watches. Staff members can then use their phone or smart watch to generate a ‘pick list’, allowing them to put new orders together while they walk around the store.

Customers check in on a touchscreen kiosk at the front of the store and confirm their orders, are shown any relevant upsell products and are told where to go to collect their orders. Customers can also use the kiosk to ask for help, which pages a staff member on their phone or smart watch. It will be interesting to see if Halfords rolls this out across its stores. 🇬🇧

Zara: building on boom times

IT WAS A boom year online for fashion retailers in 2015 and Zara – and its owner Inditex, which also owns Massimo Dutti – saw online sales grow by 16% across the latter part of last year. Within this boom, many fashion retailers have embraced apps as they ramp up mobile strategies to reflect changing customer behaviour. Zara has been an exemplar in this respect.

What has marked Zara out this year has been that it has done a great job of linking its store real estate and its online presence through its app and related digital services.

Zara's app has been beautifully designed, with super-easy navigation and clear and plentiful images that show garments from all angles – and all of which are zoomable. This simple fact alone is one of the essentials in a good retail app and, as the IRUK 500 research shows, is missing from many retailer apps at present. The app also features other such 'essential basics' as a scanner and location services, plus myriad ways to share. Again, these basics are missing from many other retailer apps and help mark Zara out as a winner.

It also features a centralised account so that, when logged in, users can move across



Pic credit: Zara


Zara's app is well designed and features 'essential basics'

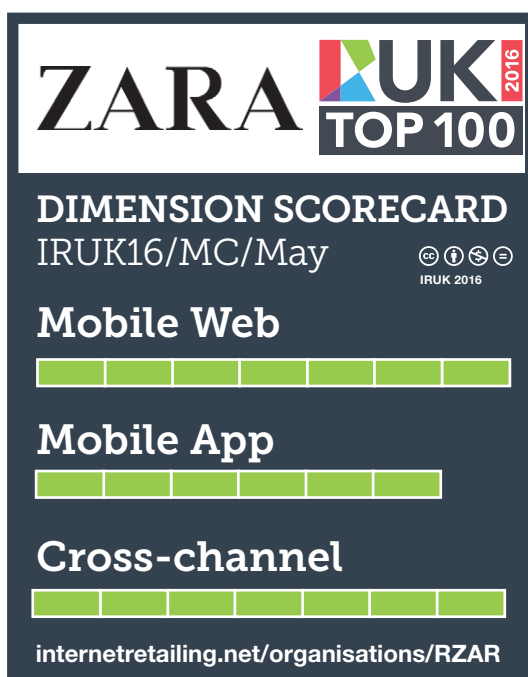
channels, and keep their baskets and settings. However, what really sets it apart here is that new customers are taken straight to the checkout rather than having to create an account before they can then buy. Instead, Zara cleverly asks for all that information as part of the checkout process and then simply requests a password to set up an account after the checkout is complete.

This removes one of the biggest barriers to getting users to sign up and buy.

The other area where Zara's app excelled in the IRUK 500 research was in load speed. The html load time of its mobile homepage was less than 0.5 seconds and the page contained just 12 elements, meaning that in less than a second a user was in and able to interact with the app.

"Even compared to the other retailers in this dimension, Zara has one of the best-performing mobile sites and adheres to all the web standards and best-practice techniques," says IRUK 500 senior researcher, Martin Shaw.

This somewhat prosaic-sounding metric is actually crucial to the success or otherwise of a mobile app or site. The quicker users are in and using the features, the more the momentum of their desire to buy is maintained. This rapid load time combined with a really slick checkout and good design all helped Zara to the number two spot in the IRUK Top500 Mobile and Cross-channel Dimension, and mark it out as an Elite retailer. 



Digital transformation

House of Fraser has topped our list of Elite retailers in the Mobile and Cross-channel Dimension of the IRUK500 for 2016 – so what is the retailer doing right and what can others learn from HoF? **Paul Skeldon** talks to Sarah Stagg, the retailer's director of digital product, about the work behind its success and where the business is going next

HOUSE OF FRASER has long been noted for its innovative approach to mobile – and indeed to selling across different channels. As Martin Shaw, head of research for InternetRetailing, notes, the retailer is “especially strong in multichannel, bringing ecommerce in-store by adding digital information and value to physical goods – and its app even has a store-specific mode”.

This approach has not only won HoF top billing in the IRUK 500 for Mobile and Cross-channel, it has also been delighting customers – and the company is on course to boost sales too.

“Multichannel customers spend some six times more than ‘normal’ customers,” explains Sarah Stagg, director of digital product at the retailer. “Every time you add a channel they become more loyal, and app users are the most loyal and spend the most, as much as eight times more. So with that in mind and with more than 50% of our ecommerce traffic now coming from mobile – with desktop in steady decline for us – it makes sense to focus our efforts of creating the best multichannel offering we can.”

“Mobile really does bridge the gap between the online and offline worlds”

Sarah Stagg, House of Fraser



House of Fraser has long championed a move to mobile first, redesigning all its online properties as early as 2014, with the aim that they all had to work seamlessly on mobile. The retailer has also always had some of the market-leading apps too.

Last year, it rolled out augmented reality-enabled interactive catalogues for mobile. In Christmas 2015, it pioneered the installation of shoppable windows at high street stores, leveraging the relatively underutilised power of beacons to make the store part of the company's overall digital portfolio.

This move has been part of what makes House of Fraser so successful in digital. Strategically, the move to beacon-enabled stores is another step in making the retailer a real leader in multichannel.

“Mobile drives smart shoppers and we have increasingly seen showrooming blossom over the past two years,” says Stagg. “But increasingly we are seeing ‘reverse showrooming’, where shoppers are coming to the store, touching and trying the goods then buying them online. This is an important move and we are determined that our digital strategy will aid this.”

As well as it clearly being what shoppers want, there are other business benefits to the retailer digitising its stores and embracing this reverse showrooming idea. “Shoppers are three times more likely to buy if they can self-fulfil,” says Stagg. “And 21% of people who try on an item go on to buy it – we have to drive digital in-store to take full advantage of this. It's a cliché, but mobile really does bridge the gap between the online and offline worlds.”

House of Fraser is also linking the real and digital worlds through the use of interactive recipes in its real-world and online catalogues. This embraces the ‘lifestyle’ element of the brand, and also encourages a link between the real and virtual worlds.

This is consistent with how consumers are now shopping. Consumers are doing some shopping online, some on mobile and some in-store. The important thing to notice is the way consumers are using each channel to inspire them, and



Pic credit: House of Fraser

House of Fraser sees its stores as having a vital role in pushing multichannel customers towards using its app

then deciding to make purchases wherever and however is most convenient. This is true multichannel retail and House of Fraser is one of the few true proponents of it.

What is particularly interesting is that Stagg sees the stores as vital to converting ‘occasional’ mobile website users into much more loyal – and high-spending – app users.

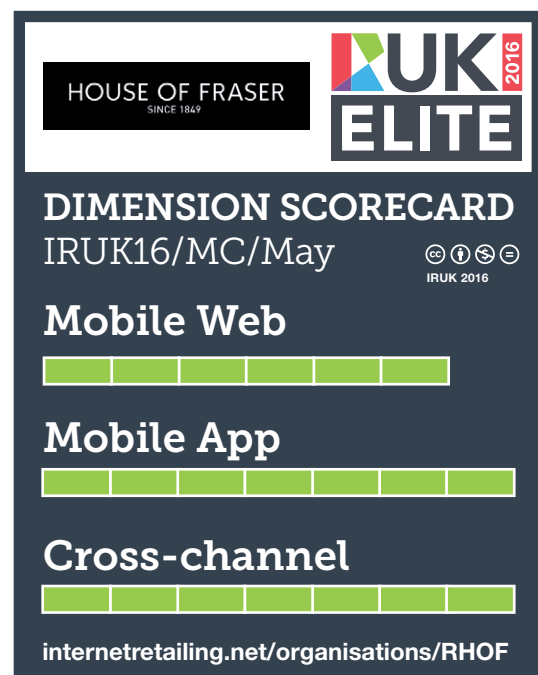
“The stores are the ideal place to push the app through signage and advertising as well as leveraging our store associates to also encourage customers to use the app,” she says. “They are ideally placed to explain and show the customers the benefits of what the app can do – there and then.”

So what’s next on the agenda for House of Fraser? “Like everyone we are looking at how to build on the contextual approach we already take, towards a personal experience for each user and one-to-one journey technology,” says Stagg. “There is also going to be more going on with social and mobile around retail as it too can help with this personal experience, but you have to be so careful with social, and you have to protect your brand, while constantly and personally engaging with customers.

“Mobile is also driving international business, since shoppers are coming in from their mobiles from all over the world, which is also going to be challenging,” she adds. “We also want to do more

to mobile enable our store associates and close that circle. The main trend, however, is that we won’t be thinking in terms of channels, it’s just about retail and it will involve all the channels working in harmony.”

To see an interview with Sarah Stagg (née Baillie), visit <http://etail.li/sarah>



12 steps to mobile commerce

Mobile is the glue that binds the online and offline worlds together within multichannel retail. But it is so much more than that, argues **Paul Skeldon**, mobile editor at InternetRetailing. Here are 12 steps to implementing the best of what mobile has to offer

1 Be found on mobile

Ecommerce sales via mobile and, more significantly, traffic on mobile are growing at such a rate that retailers simply can't afford to ignore the channel. Google's search algorithm gives preferential placement to mobile-optimised websites. That means action is needed in order to rank strongly in that all-important first page of search results. By optimising websites for mobile as well as desktop, traders take an important step towards being found through mobile search.

2 Think mobile-first

While optimising for mobile is a great – and necessary – first step, all retailers should be designing in a 'mobile-first' mindset. At least half of web traffic will soon come from mobile. Eventually it will probably be the bulk of it. Design 'web presence' with a few basic ideas in mind that make it work well on a phone, a tablet and a PC screen (and eventually a TV, a games console, a pair of glasses and a watch face, but that's all for another day). Sites must adapt to the screen size available to any given customer, while responding to network and location – at the very least.

Such adaptive-responsive websites also need to be designed so that there is no 'below the fold', instead being scrollable. All clickable options need to work just as well with a finger as a cursor.

Less is always more: uncluttered design and simple layout, plus easy and clear navigation, have never been so important. House of Fraser has long been an advocate of 'mobile first' design, switching all its sites to a mobile-first proposition back in 2014 and it has seen stunning results in terms of functionality.



Pic credit: House of Fraser

House of Fraser was one of the first retailers to adopt mobile-first design

3 Then think apps

As we have outlined in this Dimension Report, apps are becoming increasingly important to retail. More shoppers are using them thanks to better SEO for apps on Google, combined with better phone memory and better native on-phone search. Apps offer a much better experience, can be much more engaging, and deliver a wealth of extras such as push messaging, scanners, offers and more.

Apps are costly to develop and must be done well. It's important to develop them on the platforms that customers of a given retailer or brand are using. Retailers need to assess traffic and see how many hits come from iOS versus Android. In an ideal world, develop for both.

4 Context is key

One of the most interesting things that mobile brings to ecommerce and high street retail is that it is, well, mobile – it moves about. And with that shifting location comes the idea of context. Mobile shoppers are not necessarily sitting at home using a phone to browse the shops before buying (although they may be). They could well be in the store looking. Or on the bus on their way to work. Or, as some 46% of British and French shoppers do, according to a 2014 Hermes study, sitting on the toilet (1). Understanding the context in which shoppers are arriving at the mobile site is key to making the experience right and engaging.

Mobile experience research carried out by Sitecore and Vanson Bourne earlier this year (2) questioned 4,500 consumers in 11 countries, and suggests that if a shopper doesn't immediately like a retailer's mobile shopping experience, as many as a third won't return to buy. Ever. Alternatively, when a good mobile experience is achieved, 76% report that it has an influence on their loyalty to a brand.

House of Fraser has done a grand job of using location and time data (along with device type and network) to help contextualise the content it serves to the user, but increasingly is adding in other factors such as day of the week and even weather at location to tailor the experience still further – moving slowly towards a truly personal experience.



Pic credit: Oasis

Oasis has responded to customer demand by including scanners and wishlists in its app

5 Give shoppers the tools they want

Don't forget to look at the standard 'off the shelf' tools that come with most apps: scanners, wish lists, native checkouts, messaging, and so on. Scanners are often described in the more technical mobile circles as old hat – even though they are yet to hit their peak – and it is worth investing to include them in an app.

There is more to scanners than just showrooming – although this too can be used to a retailer's advantage. Scanners can be used to interact with ads and content in-store, they let customers 'self serve' and, where in-store stock isn't available, are the ideal way to convert a potentially disappointed customer into a buyer there and then.

Wishlists are another simple feature to add to an app, in order to offer a better all-round customer experience. They allow for shoppers to put things by for later assessment – and often conversion – and are all part of making the app a richer experience overall.

Oasis has put scanners and wishlists in the latest iteration of its app, along with store stock checkers, shoppable pages and reviews. These are the basics, but as this retailer has seen, this is what its customers want.

6 Joining up with loyalty

Loyalty schemes are a means to collect data and insight into the consumer behaviour and purchasing habits. It's odd then that most loyalty cards are only presented when the customer checks out. Wouldn't it be much better to track consumers and reward them while they are doing other things, and then use that information to drive purchases?

Mobile offers the power to do this and combining loyalty cards with apps seems the logical place to start. Data can feed into the personalisation plans outlined above, and create a much more joined-up way of doing things for both retailer and customer.

Customers too are keen. A study of 1,000 people in the UK by mobile app developer Apadmi (3) found that eight in 10 Brits would like to start collecting loyalty points on a retail app. The research also found that 29% of shoppers would be happy to share their location with a retail app to gain incentives and loyalty points when they walk around the store.

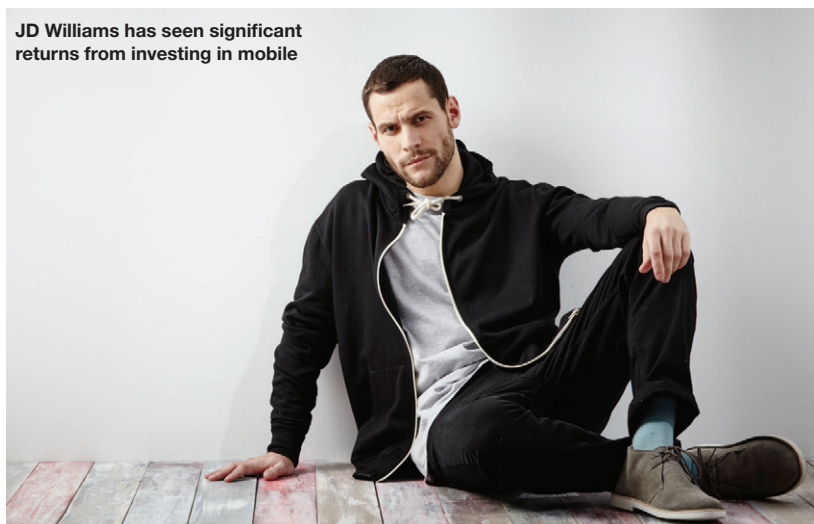
Customer loyalty card schemes are currently a big hit with shoppers, with more than half of consumers (51%) claiming they own more than one loyalty card, and 46% stating that they regularly collect and spend points on a reward card. However, at present, only 20% of UK smartphone users interact with a retail loyalty scheme on their phone, and IRUK 500 research reveals that just 9% of retailers let consumers add a loyalty card to the app.

If retailers bring the loyalty idea into the app, then eventually combine it with payments, companies have the making of a compelling, all-encompassing experience for the consumer – and a compelling experience is something that makes money for the retailer.

In a world where choice is rampant – to the point of rendering people incapable of choosing – it's more necessary than ever to hook consumers into an experience, reward them and make the experience *relevant*.

JD Williams has seen significant returns from investing in mobile

Pic credit: JD Williams



7 Personalisation matters

The idea of a truly personal experience is now the biggest trend within ecommerce in the highest echelons of retail. Building on engagement and context, personalisation is the next step in using mobile to deliver a better experience. A smartphone is, after all, a very personal device.

Personalisation seems to work. Online retailer JD Williams has seen a significant shift towards mobile traffic. The brand, part of the N Brown Group, was able to address this change using Monetate to create personalised experiences for visitors using mobile and tablet devices. The JD Williams team quickly built, tested and implemented a bespoke mobile experience, which generated an uplift of 18% in new visitor conversion within the space of two weeks – demonstrating the value of personalisation to the business.

Further test-specific KPIs included an overall conversion uplift of 8%, revenue per session uplift of 12%, add to basket uplift of 4% and average order value increase of 5%.

This personalisation push – leading to what some retailers dub 'hyper personalisation' – is also leading to new ways to measure the effectiveness of mobile: return on experience (ROE). Where brands are using personalisation to segment and target, or to differentiate experiences between multiple customer types, measuring the return on experience offers the ability individually to measure and improve the experience for each segment.

Typical results observed by ecommerce and experience company Monetate from this include decreasing bounce rates, increased conversions, increased average order values and repeat purchases – all of which in turn generate revenue and contribute to ROI.

8 Making it pay – literally

Mobile has long been vaunted as a payment channel and slowly but surely it is starting to see some adoption. A study by payments provider Adyen (4) in late 2015 found that mobile accounted for 46.9% of all online payments and 40% of PayPal transactions.

The introduction of Apple Pay – where users can link a phone to a card and pay contactlessly using the phone – has also now brought mobile payments into stores (at least for transactions up to £30). Slowly, mobile payments are making in-roads into retail. Slowly.

Many retailers have been slow to adopt any sort of mobile payment, with many retailers not signing up to Apple Pay (admittedly that £30 limit right now is probably putting many off), but the likes of H&M, Jack & Jones, Mango, M&S and even Louis Vuitton are all using it in one shape or form.

Mobile payments offer all manner of advantages to retailers and consumers alike. They are quick and easy, can often be used to queue bust and they are also very secure, often secured by fingerprint recognition, which is almost uncrackable.

An area where retailers should be looking more closely at mobile payments is in terms of how payments can be tied up with apps and loyalty schemes.

Consider the Uber or Hailo models, where taxis can be ordered from within the app and payment is just taken when the ride is done – the consumers in effect doesn't have to physically pay, now that is frictionless! Moving towards integrated payment and loyalty built into retailer apps offers the potential radically to change how shops and websites work. No retailer is doing this today but it will come.

9 Talk to them

Using mobile as a channel of communication shouldn't be a radical idea. It's all about smartphones, after all. However, using the device to create two-way conversations is something that many retailers shy away from.

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

Social media – which is largely now a mobile-only experience – offers a way to do this. The rise of chatbots to automate conversations, such as with Facebook messenger, offer a whole new way to offer personalised two-way communications at scale. This has worked for US food retailer Taco Bell, which has used this technology to handle FAQs with great success. ▶



Pic credit: Apple

Apple Pay has brought mobile payments into stores

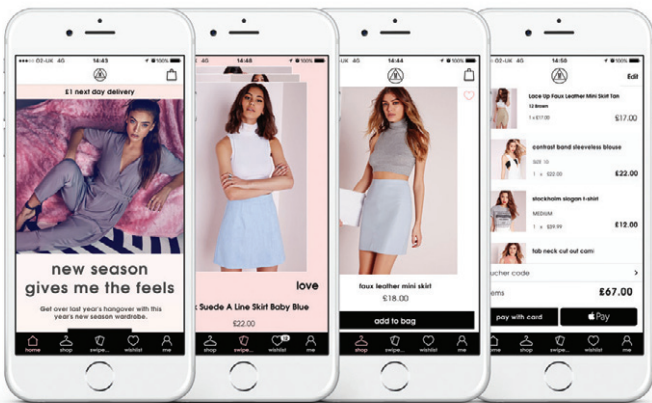
10 Be engaging

Creating an app or a great optimised website (or ideally both) is only a first step towards creating great mobile and multichannel experiences. To ensure customers keep coming back, experiences have to be engaging.

The new-look app from Oasis includes integrated social content, ‘get the look’ shoppable pages and a booking system for personal styling. This is all designed to make the app – and therefore the brand – much more engaging and compelling. The company’s move comes hot on the heels of Missguided’s recent launch of an app that was not only transactional, but also offers a Tinder-like ‘swipe to like’ functionality to make it more engaging and fun.

Both Oasis and Missguided are early adopters of the idea that experience and personalisation (see point 7) are the key tropes of a good omnichannel strategy.

Pic credit: Missguided



Missguided has used Tinder-like ‘swipe to like’ functionality to engage customers

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11 In-store factors

Until recently mobile was considered a separate channel through which to sell, but today this isn’t really the case. As the previous 10 points have shown, mobile is a tool that links online and offline together – and throws in personalisation, context, location, payments, loyalty and even the weather for good measure. But where any top retailer really scores is how mobile is used in-store.

Investing in mobile apps will bring customers back into retail stores, and help avoid the loss of 900,000 jobs, as estimated by the BRC (5), and thousands of high street stores in the next decade. So says app developer Apadmi, which took a poll of 1,000 UK smartphone users and found that mobile apps can drive consumers back to the high street if they add to the overall shopping experience.

However, at present, retailers are failing to connect these channels effectively, and in the way that consumers want. Currently, just 31% of consumers are using retail mobile apps whilst walking around the store, yet the research found that an additional 41% of consumers would use a retail mobile app if it enhanced the in-store experience. On top of this, 29% of consumers would be happy to share their locations with a retail app to receive contextual rich messages, incentives, or offers in-store.

12 Forget mobile!

Mobile is increasingly the central pillar of multichannel retail, linking the online and offline worlds, and being an integral part of ecommerce, marketing and engagement. So now is the time to forget all about ‘mobile’ and focus instead on ‘total retail’. Mobile should be the centre of everything that retailers do, but consumers don’t think in channels, they just want to shop in the way that suits them in that instant, so retailers need to be there for them across all those channels simultaneously. And this is perhaps what makes mobile so daunting – and why relatively few retailers are really doing it well – because it is so key that no-one knows where to start. But start retailers must. Go mobile and then go for it, and let customers lead the way. 🌈

Starting from mobile

How are today's digital newcomers approaching mobile – and what can established retailers learn from them? **Chloe Rigby** talked to Mat Braddy of Rock Pamper Scissors to find out

SHOPPERS WHO HAVE come of age with Uber and Airbnb are driving retail towards a new simplicity that is at its best on mobile. So argues Mat Braddy, founder of Rock Pamper Scissors.

Braddy describes himself as from an impatient generation that can't be bothered to take the time that 'old' retail demands – whether that's committing 45 minutes to finding a pair of pants in a department store, or choosing a takeaway from a wide choice of online restaurants, such as that offered by Just Eat, where he used to be the chief marketing officer.

"I'm of a generation that are Uber's children," says Braddy. "I just want to get the thing I want and move to the next shop. I'm impatient and I want to do something else."

His is a generation, he adds, that is changing its behaviour rapidly – and killing off more traditional businesses, from Blockbuster to BHS, as it does so. It seems that what appeal most to these shoppers, brought up in the always-on age of the internet, are services that enable them to narrow down that choice. "That's why you see restaurant chains like Burger or Lobster," says Braddy. "It's a burger or a lobster. It's quite

relieving and exciting to have no choice, and boil things down to utter simplicity." That's also, he argues, why Giff Gaff, offering a free SIM card that can be thrown away when it's no longer needed, fared better in recent *Which?* awards for consumer satisfaction than O2, with its contracts, upgrade and small print, despite the fact both are ultimately selling the same service on the same network. He also compares Tinder, which offers more flexibility and no commitment, to Match.com, which has a "big form" to fill in and promises the ultimate commitment – of getting married. One, he says, quite simply does flirting better than the other.

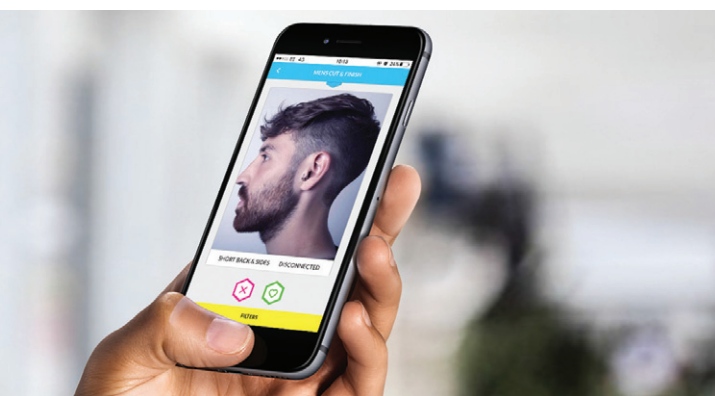
"It's quite exciting to have no choice, and boil things down to utter simplicity"



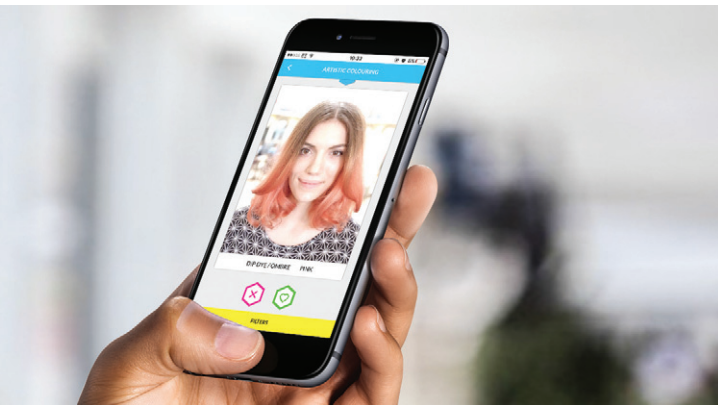
Mat Braddy,
Rock Pamper Scissors

So in this climate, marked by impatient consumers and a fast-changing environment, how does a young contender that is starting from the right place, with no stores of its own and no legacy systems to hold it back, approach mobile?

Through Rock Pamper Scissors, Braddy aims to take the hairdressing industry online – answering what he sees as a growing demand for same-day hair appointments. "It's always puzzled me why there's less than 1% of hairdressing appointments done on the internet," he says. He believes that's because those who have attempted the task have provided a search listing of businesses that cut hair while, he says, "The emotional truth is it's



Rock Pamper Scissors enables busy consumers to search for hairstyle inspiration via their smartphones



Rock Pamper Scissors aims its service at a generation of consumers that has no patience and wants things now

the relationship between you and a person who cuts your hair. What we need to build is a talent search engine of stylists who cut your type of hair.” The salon, he says, is secondary to the individual person who cuts hair in the way a client likes.

So how does this all work in practice? The answer is that it starts with mobile. Users of Rock Pamper Scissors view the site either from a mobile app, or from a responsive, mobile-first website. It’s a product that’s evolving quickly – the latest (and still-in-production at the time of writing) version of the responsive website has done away with the home page altogether. “For this impatient generation, I’ve decided the home page is dead,” says Braddy. “There’s no home page. I’ve decided, what’s the point?” Instead, the site or app will detect the user’s location, showing hairdressers that are near to them and are available today. (The service includes at the time of writing more than 1,500 stylists in Leeds, Manchester and London.) Users can choose to flick away from those assumptions to search for other services – such as pedicures – or press a button to look at images of haircuts for inspiration, spinning through images or filtering by style, whether a bob or a blunt fringe.

By doing away with the home page, the navigation bar and search box that force users to scroll down to see relevant results are removed. Bookings can be made via the app with as few as

two clicks – down from the eight clicks demanded by the previous iteration of the same product. “It’s reducing all these steps down to utter simplicity,” says Braddy, who cites the inspiration of New York pizza service Push for Pizza. Pizza buyers click for cheese or pepperoni. And that’s it. “It’s perfect for the generation coming through,” says Braddy. “I just want a good pizza – and we’ll assume you’ve done the background work to make sure it is. Just bring me a pizza, because I’m drunk. There’s a real attraction in that basicness and simplicity.”

Salons that sign up with Rock Pamper Scissors get a free website, with an online booking system, which provides data on availability. Salons and individual stylists can upload pictures, tagged for type of hair and cut, to showcase their latest

Within hairdressing, the salon is secondary to the individual person who cuts hair in the way a client likes

work. There are two ways of using the database. “You can use it like Uber – I want a haircut today, now, because I’ve left it too late.” Users find someone that looks good and is available nearby, and click to book. Alternatively, browsers might flick through the image gallery for inspiration, discovering a stylist through their work before then going on to book through a pop-out calendar. Rock Pamper Scissors earns its money as a commission when a customer uses its platform to book a haircut.

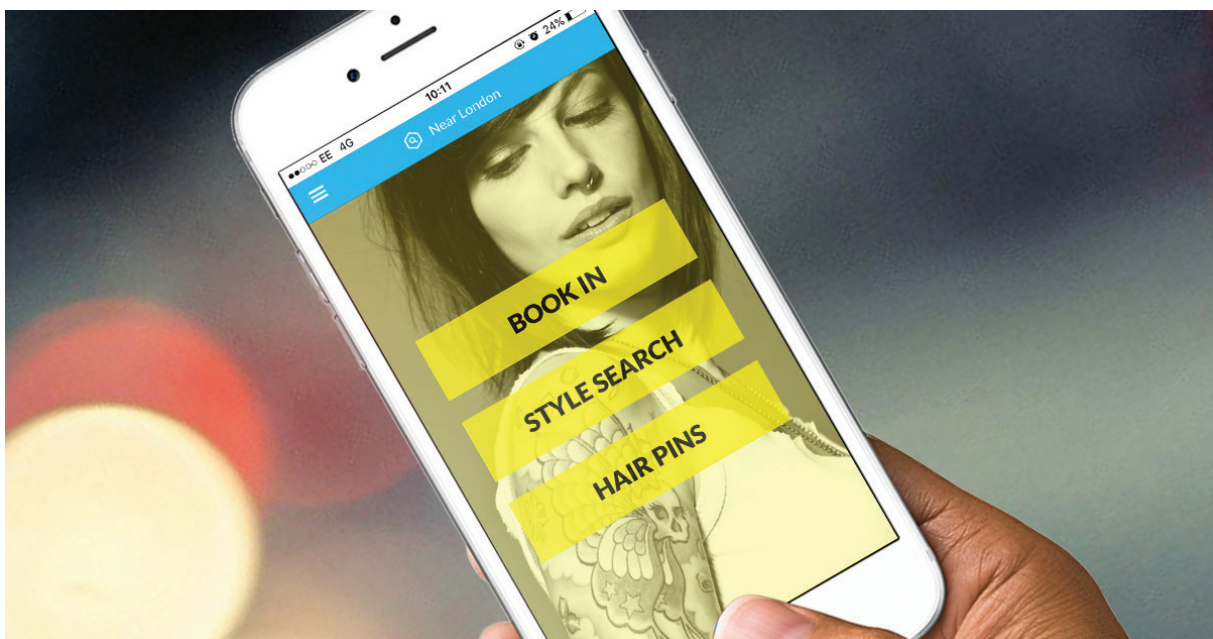
What this market is most certainly not about, says Braddy, is offering discounts. “Offers aren’t what drives the market. What drives long-term earnings for a stylist is loyalty and having a good relationship with clients. If we can get them clients and enable them to closely connect via the internet, then they’ll use the internet to facilitate that relationship.”

Because customers will use the site to find and rate their preferred hairdressers, Braddy sees it acting in the future as a way that salons might attract the best talent to megasalons, charging higher prices. It’s also a way that customers can see whether their favourite stylist is available, wherever they might now work.

“It’s baby days for the number of people using it,” says Braddy, “but the people who are using it really like it – we have a very high net promoter score – and our biggest source of customers is recommendations to each other.”

Rock Pamper Scissors isn’t in itself a retailer, but a platform for those selling their own services. So what can retailers learn from this emerging use of mobile? Braddy emphasises the need to play with new technologies, such as virtual reality. This is the way, he says, to understand what potential customers are doing – and what techniques might work in attracting customers and what might not.

“You have to be optimistic and open-minded about every new tech. Even smart watches, which have turned out to be a flop. You have to buy one and play with it – and see that it is going to be a flop because you got one and had to charge it every single night, and after a week you were bored of charging it. But if I hadn’t bought one I wouldn’t have known. Be optimistic and inquisitive about what’s going to happen next. Suddenly consumers just flip their behaviour – and you have seen that coming if you were one of the consumers, playing with the same stuff.”



Bookings for a haircut can be made via Rock Pamper Scissors with just a couple of clicks on a mobile

The case for apps

Our research shows that apps should be high on the agenda for multichannel retailers. **Polina Modenova** explains why

FOR MULTICHANNEL RETAILERS, we may be reaching a tipping point where an app is not a nice-to-have additional extra, but an essential technology investment. We say this because retailers that have invested in this area are discovering that apps deliver higher conversion rates, better marketing opportunities via geofencing and push notifications, and, because apps are less reliant on mobile data connection than mobile websites, more stability.

For retailers still working on the assumption that a mobile-optimised website is enough in itself to glue together different channels efficiently, this is information that needs to be taken on board because it's no longer an assumption any retailer should lightly make. As InternetRetailing's mobile editor, Paul Skeldon, points out in his strategic overview feature (page 8), consumers are driving change here by using apps – and, conversely, we would add, by declining to use apps that lack what they perceive to be essential functions.

We're not just basing these comments on anecdotal evidence. Over the past year, our research into the Mobile and Cross-channel Dimension has developed and deepened. In the first place, it's research that rests on surveying whether retailers actually have an app at all considering that, when we compiled the IRUK 500 for 2016, we found that, for example, Just 197 (41%) of the Top500 retailers have an app (up from 34% in 2015). For those that do, we looked in more depth at their iOS apps, collating which features they offer. One headline finding here was that of the iOS apps we measured in detail, just 63% are transactional.

Apps on the rise

If these figures seem on the low side, one reason may be that specialist retailers, which have an offer that rests on sector expertise, as yet either don't see the need for apps or don't see a compelling case for making an investment. We would suggest this may change over the coming months and years as more and more retailers see the case for well-designed apps.

In the meantime, for this research, Poq undertook anonymised analysis of retailers using its app platform with the aim of uncovering the extent to which different features contribute to conversion, average order value and browsing time. We then matched these findings to the use of these features by IRUK 500 retailers. The features we looked at included the ability for customers to see and add reviews, a barcode scanner, full-screen product zoom, personal sizes, social media-sharing capability, a store finder facility and so on.

The most common feature we found was the ability to view a wishlist from the app. The figures in themselves show why this may be a wise investment, because Poq analysis suggests apps with this feature have a conversion rate 1.8 times the platform average, browsing time that's 3.5 times longer, and have an average order value of 0.95, where the platform average is 1.0. Just 45% of Top500 iOS apps have this feature.

The usage statistics are even more impressive when it comes to the ability to share on social media. Poq analysis shows apps with this feature have a conversion rate that is 3.7 times the platform average, browsing time that's 4.6 times longer and an average order value 1.05 of the platform average. In total, 39% of iOS apps offered by the Top500 have this feature, which translates to just 14% of the Top500.

The broader picture

We could go on, but the overall message is clear: *well-designed* apps work. This yet again raises the question of why more retailers aren't using mobile apps. Here, to the idea of specialist retailers not yet seeing a need for apps, we might add the cost factor, plus a lingering suspicion of apps rooted in such factors as seeing poorly executed apps or agencies pushing the idea of an app without necessarily being clear enough about the expected ROI.

To tackle those two points head on, we might begin by saying that a state-of-the-art app isn't cheap. Zoom out from looking at the effectiveness of individual app features and it soon becomes clear that the most effective apps have both a lot of features and well-curated features. In website parlance, they're sticky.

To zoom back in, a store stock-checking facility within an app, for example, is one of the most valuable multichannel tools a retailer can employ, with customers checking items available before visiting a specific store. Apps that offer this facility have an average conversion rate

that's 2.7 times higher than the platform average, according to our study drawing on anonymised data from Poq clients.

Make it personal

One answer to the second objection to apps we've identified – a suspicion of the technology rooted in poor execution and uncertainty about ROI – lies within such figures. That's especially true when we also factor in the use of personalisation techniques. For example, apps that allow customers to enter their loyalty details have, according to Poq figures, an average conversion rate 2.4 times higher than the platform average. Apps that facilitate the opening of new loyalty accounts have a conversion rate 2.5 times higher than the same benchmark.

For retailers, this is hugely significant. It's a retail truism that mobile both helps to glue together different channels and helps retailers track customers across different channels. Add in the incremental improvements that employing an effective app brings and there are even greater gains to be made. 🇩🇪

App features: measuring the value © IRUK 2016				
How does a feature contribute to the average app's effectiveness, relative to the Poq platform average?	Conversion rate	Average browsing time	Average order value	Fraction of Top500 apps with the feature
Reviews	3.1	5.3	1.04	25%
Social media share	3.7	4.6	1.05	39%
Store stock checker	2.7	4.7	1.19	15%
Open new loyalty account	2.5	3.5	0.94	3%
Enter loyalty card details	2.4	3.4	0.80	8%
View wishlist	1.8	3.5	0.95	45%
Full screen product zoom	2.0	3.1	1.05	48%
Add to wishlist	1.6	3.0	0.99	45%
Barcode scanner	1.8	3.0	0.40	32%
Store finder	0.8	2.3	1.20	45%

This table shows the average effect of a feature on apps' conversion rates, average browsing times, and average order values. The effect is quantified as a decimal value relative to 1.0, the platform average. These values are then compared to the features' usage by the Top500, with the right column displaying the per centage of Top500 iOS apps with the features. The study into the relative value of features draws on anonymised usage data from Poq retail clients.

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Conclusion

AS WE'VE DISCOVERED time and again compiling this Dimension Report, mobile commerce is driving retail growth. Retailers know this, yet there's a curious paradox here: in practice, many companies still treat mobile as if it's somehow separate from the rest of the business.

This is beginning to change, but for many companies there's still a long way to go. In contrast, those retailers that have performed well in the Mobile & Cross-channel Dimension are not only using mobile to glue together different channels, but are putting mobile first.

This approach will become more commonplace in the years ahead, but we shouldn't underestimate the difficulties here. Not the least of these is finance. Building an app, for example, is not in itself a cheap undertaking. Building an app that's robust and gives customers genuinely useful features, and then testing and updating this app on a regular basis, can be very expensive indeed.

So is there a significant ROI from such work? As yet, those retailers that have decided there is tend, as a group, to be the larger companies in the IRUK Top500. Nevertheless, we've also come across examples of nimble specialist retailers that have been able to utilise mobile technologies in imaginative and innovative ways.

Mat Braddy of Rock Pamper Scissors makes interesting comments here. He posits a world where the convenience of mobile trumps choice. Is he correct? We're not yet sure, but his challenge to longer-established businesses is likely to find echoes in developments elsewhere.

By this, we mean we're moving towards a retail landscape where new business models and new approaches, many of which begin with mobile, are going to become more commonplace. For retailers, this poses profound questions around whether companies are prepared for what lies ahead. 

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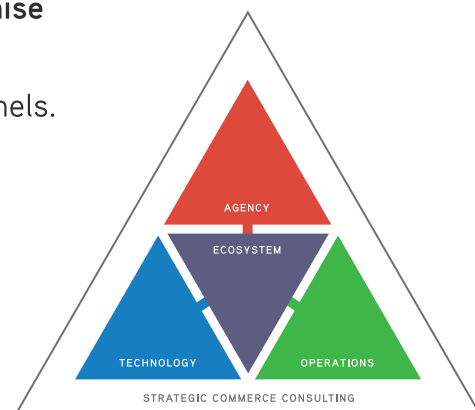
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