



DIMENSION REPORT

Mobile & Cross-channel: July 2017

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From the editor-in-chief

WELCOME TO THE latest IRUK Top500 report, in which our focus is on Mobile & Cross-channel. The fast growth of mobile commerce makes this a particularly interesting area right now. Our study comes at a time when shoppers who used just to browse and research their purchase decisions via mobile now find the experience so improved and trustworthy that they are happy to complete transactions online. Mobile is proving a useful tool for wider shopping journeys too: by checking store locations and stock, shoppers can ensure that no trip to the shop is a wasted one. This has all taken off because, from the customer point of view, m-retailing is quite simply convenient. It fits in with the rest of the day. The mobile is the device that's to hand on the journey to work, and one that consumers can use to catch up with their digital task lists, whether finding a present for an upcoming birthday party or completing the week's grocery shopping.

As the smartphone experience improves still further, it's likely that we'll see shoppers making still more of their purchases via mobile, asking customer service questions and tracking the progress of their deliveries along the way. We'll also, no doubt, see retailers redesign the multichannel experience more effectively. Already, many are turning to mobile-first design, and a few are introducing some highly useful innovations within the mobile experience, from artificial intelligence and machine learning, to the use of merchandising measures to showcase the most relevant wares on the small screen of the mobile phone. But as we see in the pages of this Dimension Report, the average performance is still far from sophisticated.

That must, and no doubt will, change as shoppers change their habits to embrace and enable the most user-friendly customer experiences to thrive. For it's only by satisfying the needs of shoppers that retailers of all sizes will ultimately benefit as they should from the fast move towards Mobile & Cross-channel shopping.

This Dimension Report flows from IRUK Top500 2017 research, in which we've benefited from the valued input of our skilled Knowledge Partners. We'll be going on over the course of the year to look more closely at our remaining Performance Dimensions: Strategy & Innovation, Merchandising, Operations & Logistics and The Customer. Go to www.internetretailing.net to find our latest Brand Engagement Dimension Report.

As always, we want to hear what our readers think, whether you have views on the metrics we've used, and how they could be improved, or on an innovative approach that's working for your company. Please do share your thoughts.

Ian Jindal
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THE IRUK TOP500 DIMENSION REPORTS SERIES

Don't forget that this Brand Engagement Dimension Report forms part of our wider series analysing the performance of UK retailers.

Reports each year that focus on:

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

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

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

You can also find information about the IREU Top500, our new index of top European retailers, via the InternetRetailing website.

Editors' comment

IN THIS LATEST of our IRUK Top500 Dimension Reports, our focus is on Mobile & Cross-channel. It's worth pausing to consider how far we've come. It's really not so long ago, for instance, since few could imagine people wanting to use their mobiles to make big-ticket purchases. In the era of smartphones, this view of customer behaviour now seems positively quaint.

Nevertheless, as our mobile expert Paul Skeldon reflects in our strategic overview (page 8), many retailers are still adjusting to the rise of the smartphone. It's time to make mobile integral to multichannel strategies, he argues, or risk getting left behind. An effective app, he adds, is no longer a nice-to-have extra, but a way to help customers to shop in ways that suit them. As for an app that lacks functionality, it will simply be ignored by savvy consumers who don't have time to waste.

What else can retailers do to improve their multichannel offerings? In our lead interview, we look at Screwfix (page 20). The retailer has been focusing on mobile because, as Sue Harries, the company's director of ecommerce, explains, the smartphone is a device that those in the building trade always have with them. "Our customers are busy tradespeople, time is money to them," she says. "They require a service that is quick, easy, and enables them to get their jobs done right first time." We also have case studies (page 18) on John Lewis, Next, House of Fraser and Tesco.

In our 12 approaches that work feature (page 24), we take snapshots of strategies employed by leading retailers in this Dimension. For emerging practice (page 29), we look ahead to what it will mean to do business in a mobile-first world. Make no mistake, this will mean huge adjustments. As Alex Mathers, associate partner at OC&C Strategy Consultants, says, "Smartphone shopping is taking over online retail, bringing with it fundamental changes in how, when and where people shop."

Turning to our research work, in analysing the numbers (page 12), we offer an overview of our most recent research in the Mobile & Cross-channel Dimension. For new research (page 32), we outline the findings of one of our Knowledge Partners, Ampersand, for the company's latest *Multichannel Retail Report*, which makes fascinating reading.

FINALLY, PLEASE REMEMBER that we're always reconsidering the metrics that we use to judge Top500 retailers in this Performance Dimension and we'd welcome your thoughts on potential new areas of research. You can share them by emailing jonathan@internetretailing.net and chloe@internetretailing.net

Jonathan Wright and Chloe Rigby, Editors

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Building cross-channel communication experience for customer retention



Céline Brandt, Email Marketing and Strategy Manager at LiveArea, the in-house PFS Agency, considers current achievements and challenges in cross-channel communication



PFS

RECENTLY, TECHNOLOGY— AND especially the evolution of Cross-Channel Campaign Management (CCCM) solutions and predictive techniques – has offered marketers the opportunity to communicate with customers across channels, delivering messages that are relevant and immediate. Additionally, retailers are more successful in winning shoppers' attention when they deliver personalised messages that reflects shoppers' interests, through the communication channel that best suits them, and at the most opportune moment. Retailers will do still better when they offer near-immediate responses, and stand out through distinctiveness, interactivity and agility. Indeed, adapting real-time communication to context and situational factors, such as location or device, will drive interest and engagement.

The result of this cross-channel communication should be a continuous, seamless experience where design, branding and tone of voice stay consistent. Messages and content spread through different channels should reinforce and complement each other, to build confidence and brand trust.

There are technical, marketing and legal challenges to creating an experience in which shoppers engage with the retailer as they move freely between the store, the website, email and SMS communications. Among the technical challenges, the choice of the right technologies and their integration are prerequisites. Having a single view of the customer is vital, while implementing automation is compulsory to deliver messages at the most relevant moment in the shopping journey. The challenge for marketers is to understand how the customer approaches the shopping journey. Through ethnographic research, retailers can learn how and when their customers use different devices and channels. This, in turn, can help retailers identify 'micro-moments' to leverage in communications. These micro-moments can then be mapped to shape

cross-channel consumer journeys, and moments of truth can be leveraged to automate communication in real-time. Marketers can then track and analyse performance – by campaign, channel, segment, individual – to understand where improvements can best be made. One last challenge is legal. With the evolving European legislation around data protection and privacy, the right balance must be found between customer profile enrichment and reasonable data exploitation.

In a context of ad saturation, retailers must work harder to keep the customer engaged with the brand. The ambition of cross-channel communication is to boost customer satisfaction, increase retention and raise profitability. By increasing the relevance of their communications, marketers increase the probability that shoppers will not only re-buy, but will then go on to enhance a retailer's reputation through positive word of mouth and user-generated content. Make no mistake, the seamless customer experience is a real challenge, and cross-channel communication should be accompanied by organisational changes to break internal silos. All of this is taking us towards a future in which cross-channel communication is managed holistically, and integrates ecommerce, marketing, sales and service, connecting the online and the offline. 🌈

About PFS

A leading global commerce service provider, PFS 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
Email us at marketing-europe@pfsweb.com

Mobile drives cross-channel sales



Jason Miller, Chief Strategist of Commerce at Akamai Technologies, explores new ways of connecting channels to promote customer loyalty



THE IDEA THAT today's consumers want to engage across all channels is one that retailers understand all too well. But there's a difficulty around trying to connect up different channels and experiences. You see this when users first browse on a smartphone, and then they start again with the same search on a desktop or laptop. Consumers want these experiences to be better connected.

So what should retailers do to cope with this challenge? Any answer needs to begin with the view that customers don't think about channels, they just think of themselves as interacting with your brand. That even applies when they go into stores. Google data shows that 'near me searches' have grown by 34 times since 2011 and 80% of these searches are performed on mobile. This means that retailers need to support showing real-time inventory, and giving customers the ability to click and collect. The experience on a mobile device and the experience when customers get to the store need to be seamless.


To give an example of great practice, Home Depot, which has massive stores where it can be difficult to find items, has optimised its app to help its customers. Not only does the app show what items are available at specific stores, but if you build a shopping list on your phone and then you go in store, it has beacon technology to guide you to products on the list.

This highlights a key point: while conversion may not happen via mobile, retailers still need to optimise for mobile. Performance is a key part of the customer experience and consumers won't wait for slow-loading pages. In fact, consumers have such high expectations of their interactions with brands to be fast and secure that, in the recent *State of Online Retail Performance* by Akamai/Soasta, data showed a page download slowdown of as little as 100 milliseconds decreased conversions on mobile by 7.1%.

A great example of connecting up the customer experience is Starbucks. The company has a well-designed digital presence, but this goes up a notch when customers sign up for its loyalty programme and download the Starbucks app. Customers can store their credit card details via the app, and now they can

cut out different steps along the way of ordering and picking up coffee. You can order ahead on your phone and then, when you walk in, you just scan the barcode on your phone – it's all paid for and you walk out with the coffee, you don't ever wait in line.

A key way that successful retailers are optimising the experience across all consumer touchpoints is by properly optimising images. Images are often the largest asset downloaded by an app or website and, on average, retail site images make up 60% of the total page weight. A digital asset management process that can dynamically detect the type of device and browser a customer is utilising, and determine the proper size of image and type of image to serve, creates both an operational and performance improvement. Take a large hero image that for the desktop may be 2MB: if you serve this image to a mobile user they will be forced to spend the data to download it and take the additional time to load the page over a cellular network only to see it resized to a postage stamp size. Instead, by taking advantage of an image management solution to send the appropriately sized image for the device, you save the consumer time and data costs.

In summary, it's no longer sufficient to be mobile friendly, you must be mobile-first across all your channels to meet your customers where and how they want to buy from you. 

About Akamai

Akamai is the global leader in Content Delivery Network (CDN) services, making the internet fast, reliable and secure for its customers including the top-20 global ecommerce sites and one out of every three Global 500 companies. The company's advanced web performance, mobile performance, cloud security and media delivery solutions are revolutionising how businesses optimise consumer, enterprise and entertainment experiences for any device, anywhere.

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Linking technology

Many retailers urgently need to rethink their approaches to mobile as part of their cross-channel strategies, argues our m-retailing editor, **Paul Skeldon**

IN THE UK, traffic to mobile is fast approaching, if not surpassing, 50% of internet traffic. Mobile devices are becoming the default way that shoppers access the web and, with retailers with bricks-and-mortar shops struggling to get footfall through the doors, mobile also holds the key to linking the real world and the virtual.

Couple this with the changing shape of retail where shoppers are online, in the shops and using mobile as part of the same shopping journey, and mobile's importance is clear.

So what are UK retailers doing to capitalise on this consumer shift? To give context, according to research we conducted when compiling the IREU Top500, retailers are embracing apps to service these consumer needs, but not necessarily as wholeheartedly as you might expect – and the apps are not always delivering what users want.

The overall percentage of Top500 retailers across the European Economic Area (EEA) with an iOS app is around 70%. However, in some countries such as Italy, Spain and Germany, this figure is around 98-99% of retailers. In the UK, this figure languishes at just 54%. When it comes to Android, the numbers are even lower. The EEA average is 64%, but the UK sees just 49% of retailers with such an app. To put that further in context, the top performer is Ireland, at 93%.

This shows that retailers are still not entirely getting apps. With traffic to mobile devices on the up, it is possible to suggest that retailers are seeing traffic hitting mobile via the web driving sales and aren't necessarily investing in apps.

The number of transactional apps also suggests that retailers are getting sales more from mobile web traffic. The EEA average for apps that are transactional sits at 56%. More positively, the UK sees 63% of retail apps being transactional.



Image credit: Pixabay

The need for better apps

Part of the problem is that retailers that do invest in apps don't see much of return. Despite a third of UK consumers saying they downloaded more retail apps in the last 12 months than they did in the previous year, just 40% said they were satisfied with the current offering.

The figures, from mobile app developer Apadmi, show that nearly one in five consumers would like to see retailers invest in more innovation to improve apps, while 30% would be more likely to use apps if they could do more than just browse and buy.



Only a third of app users said they had noticed any kind of improvement in the shopping tools they have previously downloaded. Worryingly for retailers, more than a quarter said they would think less of a retailer that developed an app but failed to update it regularly.

Of those shoppers who said they wanted to see improved innovation or incentives to use apps, more than a fifth said they would prefer apps that could help them make purchasing decisions, or recommend products based on their browsing histories. More than half said they would be more likely to download apps if they were offered specific rewards for doing so.

The disconnect between what consumers want from apps and what they get, basic features, is a problem. App users are retailers' VIPs and should be treated as such

Nick Black, CEO of Apadmi, says: "These results sound a clear warning message to retailers that, while retail apps are becoming more popular with consumers, many are failing to meet expectations and deliver the kind of service customers clearly expect."

He adds: "New technology is making it possible to offer a genuinely personalised mobile retail experience, helping consumers make purchasing decisions and even recommend new products, and apps are an ideal platform to deliver this service. Retailers should use these findings as a kick-start to improve their apps before consumers start to turn away."

Retailers need to embrace next-generation technologies such as artificial intelligence (AI) and augmented reality (AR) if they want shoppers to continue using their apps. A third of consumers would like to see more innovation in mobile apps, so that they provide a better, more personalised shopping experience. Shoppers surveyed said they would be more likely to download a retail app if it featured technology that helped them to make a buying decision, or let them preview products before purchasing them.

Our research also found that retailers are focusing their app efforts on offering collection of orders (click and collect), barcode scanners, the ability to share items, push notifications, store finders and wishlists.

This disconnect between what consumers want – AI, chatbots and more – and what they actually get – basic features you could find on a website – is a growing problem in UK mobile commerce. And it is a massive issue: app users are retailers' VIPs and should be treated as such. ▶

A privilege, not a right

Being on users’ devices is a privilege that should not be taken for granted. According to comScore, the typical user in the US or Europe downloads just one app a month, and only has between 20 and 40 apps on a phone. Of those, the majority are highly popular apps such as Facebook, Twitter, Instagram, Messenger, or the standard Google or Apple suite.

These apps are starting to become the place where consumers go to shop when on mobile. As well as simply using the web on their devices, many are using the trusted apps that they use for other things, in order to engage with retailers.

According to marketing tech firm Kenshoo, 53% of people in the UK who use mobile messaging apps such as Facebook Messenger and WhatsApp have interacted with a company via mobile messaging, or are open to doing so as long as they can block brands they’re not interested in.

In fact, only 28% of messaging users said they are not interested in interacting with companies over this channel. But to avoid a consumer backlash, companies need to ensure messaging interactions are personalised and responsive.

While messaging apps have until now been largely used for conversing with friends and family, it seems there is a willingness among consumers to use messaging to communicate with brands. More than half (51%) of messaging app users in Kenshoo’s study see messaging as faster and more immediate than email interactions with companies, while 48% think it is going to be less hassle than making a voice call.

In-store

With high street shopping suffering declining footfall, mobile offers a much-needed lifeline to retailers, and capitalising on this in the real world is imperative. This explains the propensity for click and collect, stock check, store location and returns functionality within apps. But mobile has to be much more interwoven than that, it needs to be part of the fabric of the overall retail experience, not least as a younger generation of shoppers comes along.

According to The Institute of Customer Service, 60% of customers don’t tolerate poor service under any circumstances. In light of this, says Vanessa Walmsley, MD of Qmatic, providers of customer journey management solutions, it’s important for retailers to know exactly how to



**The imagination gap:
Retail’s £1bn problem**

Research by DigitalBridge

Independent research of 1,000 UK consumers conducted by Usavvy in October 2016

Image credit: DigitalBridge



Digital Bridge’s *Imagination Gap* report reveals how consumers are keen to use visualisation technology

care for in-store customers, in the same way as they do for online customers.

“Shoppers, especially omnichannel-savvy ‘super-shoppers’, expect the in-store experience to be a complete reflection of what they’ve experienced online and on mobile with zero gaps in the look, feel, offerings, personalisation and level of clarity,” says Walmsley. “This might mean translating an ecommerce site design that proposes items based on the shopper’s past activities into an in-store environment where staff offer observant suggestions.”

Research from retail and shopper marketing agency, Savvy, suggests that the rise of these ‘connected shoppers’ has now reached a tipping point. The mass adoption of smartphones and social media, broader technological advancements and, crucially, the rise of Generation Y as a group of shoppers have fundamentally reshaped the path-to-purchase.

Alastair Lockhart, insight director at Savvy Marketing explains: “The rapid rise of the connected shopper reflects the enormous influence technology now has in our lives as shoppers – digital media inspires us, is our go-to place for product research and, in many cases, is where we buy products. Shopper behaviour is evolving more quickly than ever before, and the onus is now firmly on retailers and brands to keep up and be fit for the future.”

This group of shoppers is constantly connected. Their smartphones sit at the centre of their lives, with 80% of Generation Y saying they look at their phones multiple times an hour. They are also highly active on social media – 97% having accessed social media in the past month, while

95% have used messaging services such as Whatsapp and Facebook Messenger. In contrast, only 55% of this group had read a printed newspaper during the past month.

Some 66% of Generation Y shoppers say they regularly use their smartphones to buy products and nearly half (49%) regularly use their smartphones while in the supermarket.

Lockhart adds: “Retailers and brands need to think outside of the confines of stores and retail websites to unlock the full spending potential of Generation Y. Retailers and brands need to go where there shoppers are – and that place is mainly social media, especially Facebook.”

The generations

But while mobile drives online and high street shopping, don't get dragged into thinking that it is something that merely services the young and Gen Y. They are just the outliers. Everyone else, including older people, is adapting to this new age too. Baby boomers are just as eager to see next-generation technology such as mixed reality and artificial intelligence being adopted by retailers as their millennial counterparts, according to a new retail report, with nearly three quarters saying they would use the platforms if they were offered.

Despite the widespread perception that younger generations are the tech-savvy saviours of a beleaguered British high street, these figures throw a dampener on the stereotype, revealing that consumers of all ages are eagerly waiting for businesses to take better advantage of the technology available to them.

This is particularly true when it comes to visualisation technology that allows users to preview products at home before committing to purchases, with 73% of consumers aged 18 to 34 saying they would be more likely to shop with a retailer that offered this service, exactly the same as the proportion of older shoppers.

More significantly for retailers, of those consumers who said they expected to be able to use this technology either in the store or online, more than half (55%) said they would be more likely to buy something after previewing it.

David Levine, CEO of Manchester-based DigitalBridge, which commissioned *The Imagination Gap: Retail's £1bn Problem* report, says retailers should take the figures as a warning not to ignore the importance of implementing technology in customer offerings.

“There has been a long held belief in the retail sector that increasing the use of technology was only beneficial in attracting younger customers,” he says. “These findings show that this isn't the case and that businesses may have underestimated the demand for a better shopping experience using the latest technology. Older shoppers are just as engaged in the technological revolution of retail as their younger compatriots and businesses could be missing a huge opportunity by not capitalising on this sooner rather than later.”


As well as revealing the number of consumers who would use visualisation technology, DigitalBridge's report also highlights the main benefits consumers think it will offer.

For 61% of consumers, the main advantage of this technology is that they could try different options before committing to a purchase while 29% would use it to get a second opinion on choices – including via social media.

Using this type of technology would also speed up the trend of consumers moving online, with 15% of shoppers who currently prefer shopping in stores saying they would move to a retailer's website if it offered a better shopping experience.

The mobile imperative

There are many drivers for mobile's rise, there are even more that stress its importance to modern retailers. With all generations becoming connected UK shoppers, and with the smartphone becoming the centre of people's lives, retailers need to look closely at how they use mobile.

That doesn't stop at just developing an app: they have to look closely at how to leverage apps that users use regularly across social media and messaging, as well as how to channel all that traffic from the internet. But most importantly, they need to look at how mobile fits into the whole shopping paradigm across the web, apps, stores and more. This is where the ecommerce battles of tomorrow will be fought. 

A building block of multichannel retail

Retailers that successfully integrate store and online, and desktop and mobile for the customer, suggests **Martin Shaw**, are the leading companies at the advent of a mobile-first world

BUSY SHOPPERS DON'T distinguish between channels. Over the course of researching and buying a single item, shoppers can and do move between desktop websites, smartphones, social media and bricks-and-mortar stores. It follows that retailers that perform most strongly in the Mobile & Cross-channel Dimension are those that help customers to switch between channels easily.

In practice, this means that strongly performing retailers make it easy to set up wishlists and shopping baskets in one channel that can be accessed via another channel. It means that consumers who buy items online from a retailer can return them to a store or via a local collection point at a convenience store. It means features such as stock checkers, click-and-collect functionality and offering an app.

Strongly performing retailers make it easy to set up wishlists and shopping baskets in one channel that can be accessed via another channel

In our research for this Dimension, we gave particular attention to retailers' performance in mobile web, apps and cross-channel features.

We partnered with NCC Group to measure mobile web performance. NCC tested the mobile websites of the Top500 on different days of the week and different times of the day. Each retailer's median results from those tests were used to help rank the Top500 in this Dimension.

We measured apps because simply having an app potentially marks out a retailer as approaching cross-channel sales in a sophisticated way. To offer some context here: of the IRUK Top500 retailers, just 204 offered iOS apps at the time we were conducting our research.

That's not to say all apps are equal and we carried out an extensive analysis of app features and usability. Working in conjunction with InternetRetailing Knowledge Partner Poq, we assessed Top500 mobile apps on more than 40 metrics chosen to highlight a dynamic and sophisticated Mobile & Cross-channel strategy.









This means we looked at app features such as the ability to check stock, to scan products and to manage a loyalty card or account. We also looked at the kind of product imagery available via apps, and whether they offered wishlists, product ratings and reviews.

Before moving on, it's worth noting that the uptake of apps is perhaps not as high as many in the industry may expect. Although it's not in the scope of our research, we would guess this is down to two main factors:

- Developing an effective Mobile & Cross-channel strategy is expensive, resource intensive and time-consuming. We would expect the percentage of retailers with apps – both iOS and Android – to increase when we next compile the Top500.
- It may be there are still retailers – worried by the stories of glitchy, expensive and ineffective apps that abounded when this tech was first rolled out – that have held off on making investments here. They have a point. No app is better than an unusable app and our rankings in this Dimension reflect that. That said, most Top500 apps provide a reasonable user experience.

Features in Top500 iOS apps

The fraction of Top100 and Top500 iOS apps with a feature

Feature								
	In-app shopping	Store finder	Barcode scanner	Add to wishlist	Push notifications	Share to social media	Store stock checker	Daily deals
Top100	75%	60%	47%	58%	59%	52%	22%	34%
Top500	62%	47%	33%	44%	52%	43%	17%	28%

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What the Top500 do

Turning to mobile web speed – and remember even incremental improvements in speed improve conversion rates – mobile websites took an average of 8.9s to download, becoming visually complete in 8.1s. Pages were an average of 2.2MB in size, while the median was 1.7MB. Looking at another nuts-and-bolts metric, more than half (57%) of the 469 retailers for whom this metric was relevant enabled shoppers to collect online purchases in stores. More than a third (37%) enabled goods bought online to be returned to stores.

For those retailers that do have iOS apps, we found wide differences in the kind of functionality offered. Most strikingly, just 63% had transactional apps (those offering in-app shopping), with 37% not transactional. A little less than half of multichannel retailers (47%) enabled shoppers to find a store via the app. Just 17% of retailers had stock checkers.

More than half of retailers (52%) had apps that used push notifications, while 28% offered daily deals within the app. In terms of imagery, 53% offered more than one image, while half enabled customers to zoom in on images. While only 1% enabled shoppers to Like products via social media, a far more impressive 44% enabled customers to share products via social media. More than a quarter (27%) showed ratings and 26% offered written product reviews.

If there's a pattern here, it's that overall performance amongst the Top500 declines when it comes to more complex app functions. While there's evidence that retailers are enabling shoppers to use their loyalty cards via the app in a way that links store and online, for example, just 4% enabled app users to create a new loyalty account via the app. More multichannel retailers (9%) enabled customers to enter details of

existing loyalty cards or to scan their cards (8%), but we were surprised at how low these figures were, given the 'single view of customer' axiom.

What the Top100 do

To return to the idea that developing an effective Mobile & Cross-channel strategy is a major undertaking, it's perhaps no surprise to find that bigger retailers performed strongly in this Dimension. The four major supermarkets, for instance, all feature in the Top50, unsurprising when you consider how many people now do their weekly shopping online, a development that's pushed these retailers to invest heavily in their digital offerings.

Tesco, for instance, was rated highly because it emerged as one of the few retailers that enabled shoppers to create a new loyalty account through its app. Researchers found users could also scan existing loyalty cards and enter loyalty card details in the app. It also scored highly for both personalisation and its use of searchandising.

Tesco's competitor Sainsbury's offered an Android app as well as an iOS app, it offered daily deals via the app and also enabled shoppers to enter loyalty card details through the app. As for Asda and Morrisons, both supermarkets scored highly in offering product reviews, product ratings and daily deals.


Another familiar high street name that performed strongly was Marks & Spencer. In particular, the company offered shoppers the ability to scan a loyalty card and enter loyalty card details within its app. Boots offers the same functionality.

Turning to retailers that punched above their weights in terms of their Top500 Footprint ratings, these included Dorothy Perkins, Apple, Topshop, Holland & Barrett and House of Fraser. If there's a unifying theme here, it's that each company has made cross-channel retail a priority. Dorothy Perkins, for example, has an app that's rich in features, and was rated highly for offering a store stock checker, daily deals and a barcode scanner. Apple also offered a store stock checker in its iOS app, while additional features included written product reviews and star ratings.

It's also worth noting that retailers don't need a bricks-and-mortar store presence to make Mobile & Cross-channel a priority. Amazon was highly rated for its click-and-collect convenience via both proprietary and third-party channels, plus its app's product reviews, star ratings and daily deals. eBay was highly rated for its app offering, features such as a barcode scanner and native shopping, as well as for having an Android app.

In conclusion

Set against the fine rhetoric that sometimes surrounds the idea of multichannel retail built around individual customers, measuring such specific metrics may seem a rather functional approach to Mobile & Cross-channel.

However, to look at this from another angle, we need to keep in mind that truly delivering multichannel retail according to the demands of individual customers is tough. Seen in this context, the difference between a retailer that offers a speedy mobile website, a combined store and online loyalty account, and a bells-and-whistles app and another company where the offering lags a few years behind and does not offer click and collect, suggests a huge gap in readiness for a mobile-first world at a time when customers themselves are more and more willing to complete purchases of even big-ticket items via smartphones or continue their purchases through another channel. 

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



The Top100 retailers of the IRUK Top500 2017 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	Go Outdoors	PC World
Ann Summers	Halfords	Pets at Home
Apple	hmv.com	Quiz
Argos	Holland & Barrett	River Island
Asda	House of Fraser	Sainsbury's
Asos	JD Sports	Screwfix
B&Q	John Lewis	Smyths
Boots	MajesticWine	SportsDirect.com
Burton Menswear	Mango	Superdrug
Carphone Warehouse	Marks & Spencer	Tesco
Claire's	Millecs	Topshop
Currys	Miss Selfridge	Waitrose
Dorothy Perkins	Morrisons	Wallis
Early Learning Centre	Mothercare	Waterstones
eBay	New Look	Wiggle
Evans	Next	Zara
Game	Nike	

Mobile & Cross-channel Top100

Abercrombie & Fitch	Fragrance Shop, The	Laithwaite's	size?
Ao.com	Freemans.com	Louis Vuitton	Specsavers
Bershka	GAP	Maplin Electronics	Sweatshop
Blacks	Grattan	Massimo Dutti	Toolstation
Blackwell's	H&M	MatchesFashion.com	Topman
Blue Inc	Hallmark	Missguided	Trainline
Boohoo.com	Harvey Nichols	Naked Wines	Uniqlo
Bose	IKEA	Net-A-Porter	USC
Brantano	Interflora	Ocado	Very
Burton	Jack & Jones	Office	Wagamama
Camper	Kaleidoscope	PrettyLittleThing	Zalando
Debenhams	L'Occitane	Pull & Bear	
Decathlon	La Redoute	Selfridges	



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The full rundown of the IRUK 500, 2017, as measured across six Dimensions: Strategy & Innovation, The Customer, Operations & Logistics, Merchandising, Brand Engagement and Mobile & Cross-channel

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Elite



Leading

- | | | | |
|--------|-------------------|-------------|-----------|
| Ao.com | Debenhams | New Look | Screwfix |
| Argos | Halfords | Next | Superdrug |
| Asos | Holland & Barrett | PC World | Topshop |
| Clarks | House of Fraser | Sainsbury's | Waitrose |
| Currys | Mothercare | Schuh | |

Top50

- | | | | |
|-----------------|--------------------|------------------|-------------|
| American Golf | Early Learning | Matalan | Very |
| B&Q | Centre | Ocado | Waterstones |
| Blue Inc | eBay | Office | White Stuff |
| Carphone | Footasylum | Pets at Home | WHSmith |
| Warehouse | The Fragrance Shop | Selfridges | Wiggle |
| Claire's | Homebase | SportsDirect.com | Wilko.com |
| Dorothy Perkins | JD Sports | Topman | |

Top100

- | | | | |
|----------------|-----------------|--------------------|------------------|
| Ann Summers | F&F | Littlewoods | Ryman |
| Apple | Freemans.com | M&Co | Shoe Zone |
| Bathstore | Game | MajesticWine | Superdry |
| Blacks | Getthelabel.com | Mamas & Papas | TK Maxx |
| Bonmarché | Go Outdoors | Maplin Electronics | Topps Tiles |
| Brantano | H&M | Millets | Toys ʼn Us |
| Cotton Traders | H.Samuel | Miss Selfridge | Wallis |
| Decathlon | Hobbs London | Monsoon | Wex Photographic |
| Dune London | Hotel Chocolat | Morrisons | Wickes |
| Dunelm | Kaleidoscope | Moss Bros. | Yours Womenswear |
| Ebuyer.com | L'Occitane | Quiz | Zalando |
| Evans | Lakeland | Richer Sounds | |
| Evans Cycles | Laura Ashley | River Island | |

Top150

Accessorize
Adidas
Beaverbrooks
Boden
The Body Shop
Boohoo.com
Burton
Chain Reaction Cycles
Cotswold Outdoor
Crew Clothing Company
Disney Store
The Entertainer
Ernest Jones

Estée Lauder
Fat Face
French Connection
Gear4music.com
Harrods
Hobbycraft
Ikea
Interflora
Jack Wills
Jessops
Jigsaw
JoJo Maman Bébé
Joules

Lloyds Pharmacy
Lush
Mr Porter
Net-A-Porter
Nike
NotOnTheHighStreet.com
Pandora
Peacocks
The Perfume Shop
Post Office Shop
PrettyLittleThing
Reiss
Samsung

Simply Be
Smyths
Space.NK
Surfdome
T.M. Lewin
Thorntons
Toolstation
Urban Outfitters
USC
The Works
Zara

Top250

Agent Provocateur
Andertons Music
Appliances Direct
Axminster
BonPrix
The Book People
Bose
Boux Avenue
CarpetRight
Cass Art
Cath Kidston
Charles Tyrwhitt
Coast
Countrywide
CycleSurgey
Dabs.com
Dell
DFS
EAST
The Edinburgh Woollen Mill
Ellis Brigham Mountain Sports
Esprit
Euro Car Parts
F.Hinds
Fashion World
Feelunique.com

Figleaves.com
Firebox
Foot Locker
Forever 21
Fragrance Direct
GAP
George at Asda
Goldsmiths
Grattan
Harvey Nichols
Home Bargains
Home Essentials
Hotter
Jacamo
Jacques Vert
Jaeger
JD Williams
Joe Browns
Jones Bootmaker
Karen Millen
Kiddicare
Kitbag.com
Kurt Geiger
La Redoute
Laithwaite's
Laptops Direct

Liberty
Long Tall Sally
Lovehoney
MAC Cosmetics
Machine Mart
MandM Direct
MatchesFashion.com
MenKind
Missguided
Mobile Fun
Molton Brown
Mountain Warehouse
Myprotein
Naked Wines
Nisbets
Novatech
Oasis
Oliver Bonas
The Outnet
Paperchase
Paul Smith
Pavers
Pull & Bear
QVC
Radley
Ralph Lauren

Reebok
Robert Dyas
Route One
Sally
size?
Slaters
SoleTrader
Specsavers
Staples
Sweaty Betty
Ted Baker
Trainline
Uniqlo
Victoria's Secret
Victorian Plumbing
Viking
Warehouse
Watch Shop
Wayfair.co.uk
The White Company
Whittard of Chelsea
Yankee Candle

Top350

Abercrombie & Fitch
Aldo
AllSaints
Anthropologie
Arco
Aria Technology
Avon
bareMinerals
Bensons for Beds
Berry Bros. & Rudd
Blackwell's
Bondara
Bravissimo
Burberry
Buyagift
Calendar Club UK
Calumet Photographic

Card Factory
Charles Clinkard
Chemist Direct
Clas Ohlson
Cloggs
Costco
Crocs
Deichmann
Dr. Martens
Dreams
Dyson
Euronics
Everything5pounds.com
Farfetch
Find Me A Gift
Fitness Superstore
Forbidden Planet

Fortnum & Mason
funkypigeon.com
Furniture Village
Games Workshop
GettingPersonal.co.uk
Google Play
Gucci
GuitarGuitar
Hawes & Curtis
Heal's
High & Mighty
hmv.com
Hollister
HP
Hughes Electrical
Hugo Boss
Iceland

Ideal World
Just Eat
L.K.Bennett
Lands' End
Lego
Links of London
Lipsy
Louis Vuitton
Mango
Microsoft
Mint Velvet
Misco
Moonpig
Mulberry
The North Face
Orvis
Overclockers UK

Phase Eight
Photobox
Plumbase
Pret A Manger
Printing.com
Puma
The Range
Rapha
Rohan
RS Components
Russell & Bromley
ScS
Snow+Rock
SportsShoes.com
Sunglass Hut
Swarovski
Tate Shop

Thomas Pink
Thompson & Morgan
Tiffany & Co.
Trespass
Tripp
TTS Group
Ugg Australia
Vans
Virgin Wines
Weldricks Pharmacy
Whistles
WorldStores
Wynsors World of Shoes
YOOX.com
Zooplus

Top500

Abel & Cole
Achica
Aldi
Alexandra
Armani
Art.co.uk
Asics
Aspinal of London
ASUS
ATS Euromaster
Banana Republic
Barbour
Barker & Stonehouse
BBC Shop
Belkin
Berghaus
Bershka
Betterware
Betty's
BookDepository.com
Bradford's
BrandAlley
Brandon Hire
Build-A-Bear Workshop
Calvin Klein
Camper

Cartier
CCL Computers
Character
Chums
The Co-operative
Electrical
COS
Crabtree & Evelyn
Craghoppers
Create and Craft
Cromwell
Damart
Denby
Diesel
DJI
DKNY
Dobbies Garden Centres
Dulux Decorator Centres
Dunnes Stores
EAT.
Eco
END
eSpares
EuroOffice
Expansys
Farrow & Ball

Finlux
Fired Earth
Fitbit
FitFlop
Flannels
Fossil
Fraser Hart
Fred Perry
Free People
G-Star Raw
Gabor
GAM
Gant
Garmin
Glasses Direct
Graham & Greene
Graze
Guees
Habitat
Hackett
Hallmark
Hamleys
Harper Collins
Harveys
Hawkin's Bazaar
Hawkshead Country Wear

Hi-Tec Sports
Hornby
The Hut
Intersport
itsu
IWOOT
J Crew
Jack & Jones
Jewson
Jimmy Choo
JML
John Smith's
Joy
Juno Records
Kärcher
Kenzo
Kiehls
Lacoste
Leisure Lakes Bikes
Lenovo
LightInTheBox
Logitech
LookFantastic
Lyle & Scott
Made.com
Massimo Dutti

Max Spielmann
Merlin Cycles
Moda in Pelle
Mole Valley Farmers
Montblanc
Multiyork Furniture
Nespresso
Notcutts Nurseries
Outdoor & Country
Plumbworld
Poetry Fashion
Prada
Pretty Green
Pro-Direct
Protyre
QD Stores
Rapid Electronics
Regatta Outdoor
Clothing
Roman Originals
Rowlands Pharmacy
SecretSales
See Tickets
Sevensounds Sound and Vision
Superfi

Swatch
Thomann
Thomas Sabo
Timpson
TJ Hughes
Toast
Tommy Hilfiger
TomTom
Toolstop
Urban Industry
Vax
Verte-Privee
Vistaprint
Vivienne Westwood
Wagamama
Warren James
Watches of Switzerland
Wedgwood
Wyevale Garden Centres
YumiDirect
Zavvi
Zulily
& Other Stories

John Lewis: power to the partner



Image credit: John Lewis

John Lewis is introducing a partner app to help cement its reputation for customer service

JOHN LEWIS HAS embedded mobile technology at the heart of its digital strategy. Its flagship innovation, being rolled out this year at a cost of £4million, is an iPhone app for partners that it believes will greatly improve customer service. But its commitment goes further, with the company expanding its investment in the brainstorming of disruptive technologies through its start-up accelerator programme.

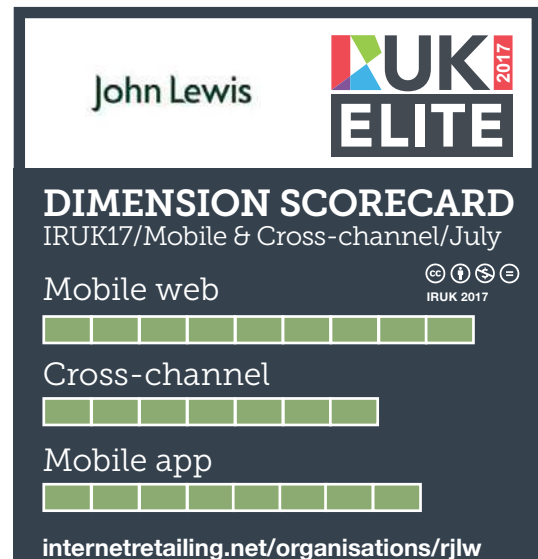
As anyone who has shopped in a John Lewis store will know, any question about a product, whether it be colour options, how it works, or whether it's in stock, is usually met with the news that a partner will have to go to the nearest sales desk to check on the computer and will be back in a minute. But this abandoning of customers on the shop floor is being replaced with the roll-out to 8,000 partners in 20 stores of an iPhone loaded with a 'partner app' that will enable staff to check stock availability and other details of products on the spot. Partners will also be able to place orders through the app.

Designed and built by the John Lewis Partnership's in-house digital team, the app is being rolled out following a successful trial in the Cambridge store, which received positive customer feedback and according to John Lewis customer director, Craig Inglis, significantly speeded up response times to customer queries. During the trial, more than half of the online

purchases made in store with the help of a partner were made via the app.

"As online and physical worlds increasingly come together, this initiative, which forms the foundation of our digital strategy for shops, will support our partners in offering great customer service," noted Inglis. "This is just the beginning. We will keep adding to the partner app in the future with new, innovative ways to help our customers."

In the company's year end results to 28 January 2017, it acknowledged that the continued shift from shopping in the store to online represented one of the biggest trading pressures for the year ahead, but with online sales up by 16.2% on the previous year (shop sales were down 1%) this is a bull the company is ready to take by the horns. To this end, it has decided this year to expand its start-up accelerator programme JLAB, run in association with JL Marks, by including Waitrose in the project. The 12-week programme invites young tech companies with brilliant ideas to tap into development funds and the partnership's retail expertise, in exchange for a share in the company. Innovations that have come out of the scheme in the past include cross-channel wedding service Wedding Planner and a program to show how furnishings could look in a customer's home. 



Next: a directory for the digital age

LIKE MANY RETAILERS facing the challenges of an increasingly digital world, Next's end-of-year results for 2016, published at the end of March 2017 told a story of two halves. While overall revenue was slightly down on the previous year, (£4.1bn compared to £4.2bn), store sales were down 2.9% (to £2.3bn), while Directory sales, which are predominantly online were up 4.2% (to £1.7bn). This represented a fall in profitability in-store of 15.8% and an increase in profitability online of 9.6%. Some 41% of the company's sales are now via the Directory (mainly online).

It's no surprise then that beyond improving their actual products in terms of design, quality and responding more quickly to new trends, the company's main focus for the year ahead will be the next phase for the Directory, especially addressing changes in the way that customers are shopping online. Explicitly, the results state that: "The way our customers trade with us is changing in four important ways. The devices they use to purchase items have changed, their desire for catalogues has reduced, their propensity to take credit has diminished and their preference to collect deliveries from stores has increased."

In 2010, 95% of Directory orders were placed on a desktop PC. By 2015, this had reduced to 37% with the balance moving to tablets and mobile phones, a trend that has kept going in the

same direction. In recognition of this changing landscape. The company has been taking steps to "improve the presentation of our website with particular reference to mobile devices" – something it has restated its commitment to doing for the year ahead.

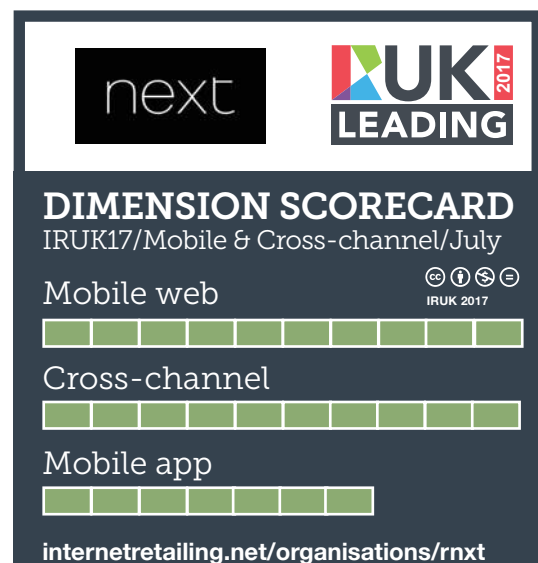
So far, this has resulted in the company launching mobile websites in the UK and Northern Ireland for all hand-held devices, and improving its iPad and iPhone apps. It has enabled shopping carts to be saved across devices and from August will add touch ID to its mobile offering, followed in November by fast checkout. It is also launching 12 new international sites this summer, which will give access to dedicated mobile sites for 70% of its overseas customers.

In 2016, it cut its spend on print catalogues by £3.5m, offsetting some of its £6m increase in online marketing expenditure. It will continue to focus on online advertising this year earmarking £8m for UK and overseas to reactivate existing Directory customers and recruit new ones. This advertising will be personalised so existing customers don't see recruiting adverts, but instead adverts reflecting their browsing and purchasing histories and abandoned baskets. From the autumn, its website will also be personalised. 🇬🇧



Image credit: Next

Next is finding that much of its Directory business now comes via tablets and via mobile phones



Mobile is the fix at Screwfix

Focusing on mobile retail is paying dividends for Screwfix. Sue Harries, director of ecommerce, tells **Dominique Corlett** why this channel works so well for its customer base and how the rest of the Kingfisher Group is learning from its experience

IF MOBILE IS the future of ecommerce, then the Kingfisher Group has a handy secret weapon tucked into its tool belt. The trade and DIY supplies group which owns B&Q and Screwfix in the UK, and Castorama and Brico Depot in France, posted some impressive figures in its end-of-year results in March. Total sales for the year ending 31 January 2017 were £3.7bn, up 7.5% on the previous year, with pre-tax profits of £759m, up 48.2% on the previous year. But with sales down at B&Q and Castorama, and unchanged at Brico Depot, there's no mistaking which of Kingfisher's children is currently the sharpest tool in the box.

In recent years, trade counter business Screwfix has received massive investment in its mobile platform and the strategy is paying off. For the

year ending 31 January 2017 it posted sales of £1.3bn, up 23.2% on the previous year. It also opened 60 new stores (in a period when B&Q closed 65), while click-and-collect sales rose 60% and sales on mobile devices grew by 124%. So pleased is Kingfisher with the Screwfix mobile platform that it is adapting it to be rolled out to the rest of the group.

"Mobile is our fastest-growing channel and it has been a huge driver of the growth in our click and collect business," says Sue Harries, director of ecommerce at Screwfix. "More than 50% of visits to our sites are now from mobile phones."

Dealing with a customer base of tradespeople who are often working on site with a mobile phones in their pockets, but far from access to a desktop computer, has given Screwfix a head start in mobile development, with the company aware for a long time of the importance of exploiting this channel.

Early adopters

"Our customers have been shopping with us on their mobile phones for over 20 years," says Harries. "Initially it was through our contact centre and then on mobile internet. We introduced a truly mobile-optimised site in 2012 and since then we've continuously improved and developed the customer experience. Our customers are busy tradespeople, time is money to them. They require a service that is quick, easy, and enables them to get their jobs done right first time."

So what exactly is it that Screwfix is offering and what does it enable customers to do? First off, its search engine allows customers quickly to find what they are looking for while working within the confines of a small screen. Simple dropdown menus keep things uncluttered and uncomplicated, offering browsing or search options and useful filters. Need a hammer?



Image credits: Screwfix

Screwfix offers next-day delivery, with customers able to get delivery by 10am for orders placed up to 7pm



Screwfix's extensive warehouse capacity backs up its promise to help tradespeople gets items quickly

Choose by brand, product type, head weight, handle type, guarantee or price to take you straight to your list of options.

The platform also allows users to check if a product is in stock at a local store, and to click and collect. Click and collect is not only within the same day, but as of last year within one minute. Screwfix also offers free returns and next-day delivery, with its fastest service promising delivery by 10am for orders placed by 7pm the previous night. For customers within the M25 same-day delivery is available within as little as two hours.

“Thanks to the live stock-check system our customers no longer have wasted journeys,” says Harries. “They often search for the products they need when they are at their workplace, then make the trip to their nearest store to collect, safe in the knowledge that their products are there – 80% of our online orders are collected in store. As the

Busy tradespeople can quickly check availability of items online – and in the store too



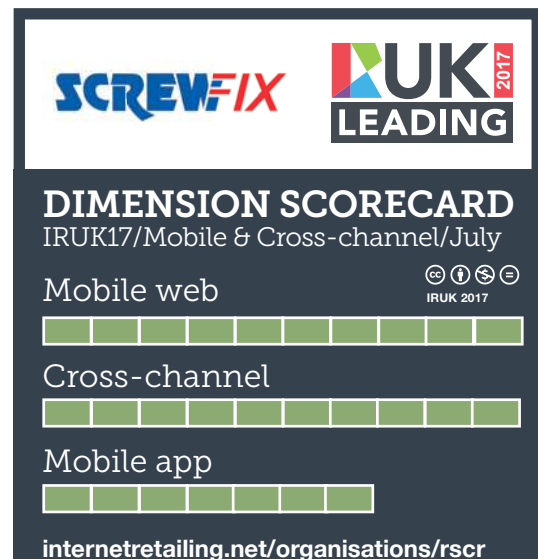
majority of our stock is located in warehouses behind the 530 UK stores, our stock-check system is extremely accurate – if we say it's in stock, it's in stock.”

“To make things even easier, we also have the Screwfix app, which enables customers to view our catalogue on their phone, build lists and place orders quickly online or offline at a store using a barcode shown in the app – all designed to save valuable time.”

So far, so effective, but what of the future? The Screwfix ecommerce team is currently working with colleagues across the Kingfisher group to share their learnings ahead of the rollout of the new group mobile platform, coming first to B&Q, then to Castorama. And, according to Harries, they also have lots of ideas about how mobile can help staff with internal efficiencies.

And what about the 2.3m customers that visit its sites every week? Is there more that can be done to enhance their shopping experience?

“We are continuously working to improve the mobile experience for our customers,” says Harries. “We recently updated the Screwfix app to include integration with the Screwfix Card. We've worked hard to consider how our customers are using their mobiles and we've made sure to build simple journeys to make shopping with us more convenient. We have some further exciting updates planned for later this year. We've come a long way over the past five years and let's just say we plan to do a lot more in the next five!” 🇬🇧



Tesco: thinking big

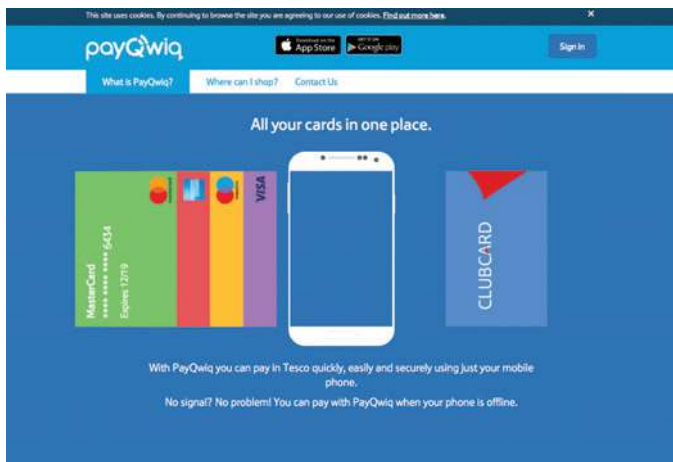


Image credit: Tesco

Tesco's PayQwiq app allows customers to pay for goods by presenting their smartphones at the checkout

THE BIG SUPERMARKETS' tie to large areas of square footage in bricks and mortar is one of their most pressing challenges when it comes to adapting to the digital marketplace, but size can also be an advantage. It gives big players, such as Tesco, the opportunity to try things out on a small scale before rolling out large, transformative projects. These big operators also have the resources to invest, hence InternetRetailing's findings that their mobile websites are among the fastest loading, generally out-performing the fashion sector.

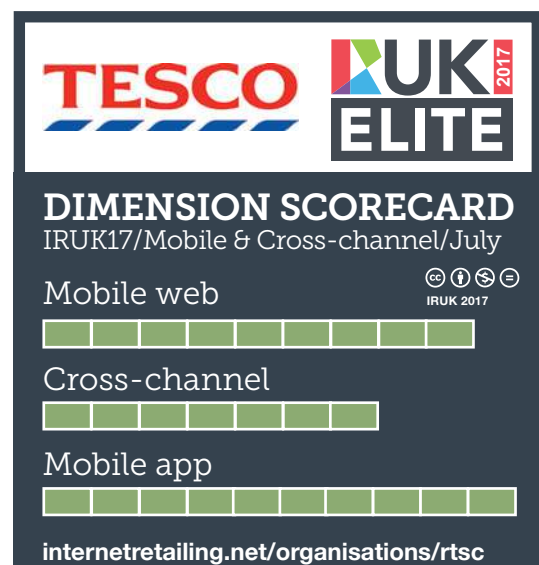
In January 2016, Tesco let it be known it was turning its back on the historical marker of success in the field – building new stores – to take on the challenges of the digital age, when CEO Dave Lewis announced the supermarket was abandoning plans to construct 49 large new stores because it “quite simply could not afford” them. Since then, its efforts in Mobile & Cross-channel developments have earned it a high ranking in IRUK's latest research.

One of its most striking innovations in this area is its roll out to every store of its mobile payment app PayQwiq, which is available to download from the App Store and Google Play Store. PayQwiq enables customers to register

their debit or credit cards on the app, then to pay for shopping (up to £250) with one scan of their phones at the checkout. Their Clubcard points are also automatically updated. Customers can also check their transaction histories and Clubcard points balances on the app.

Initially trialled in 50 stores in Edinburgh, Plymouth, London and Northern Ireland, positive user feedback led to the decision to roll it out across all the company's stores. “PayQwiq offers customers a simple, convenient and secure way to pay that helps them save time at the checkout and collect Clubcard points with one simple scan of their smartphone,” said Mark Loch, Digital Wallet and Group Payments Strategy Director.

Another area where the supermarket is leading the way is in its click-and-collect service, which has seen a 20% increase in users since a year ago. Customers who order their groceries by 9am from 300 stores are now able to pick them up by midday. Previously they could not be picked up until 4pm. The new collection slot was prompted by growing demand for same-day collection, which currently makes up one in 10 click-and-collect orders. 🇬🇧



House of Fraser: a new dawn

IT'S BEEN A tough few years for the long-established department store, which was bought by Chinese investment group Sanpower in 2014, but its plans for a state-of-the-art store that will combine a destination experience with multichannel retail, together with a £25m upgrade of the company's ecommerce platform, sets out a bold vision for its future.

House of Fraser's massive investment in upgrading its digital platform – work on which began in April 2017 – will provide the capacity to double its online sales while also improving its online profit margin. The company's yearly results to January 28 2017 showed that online sales grew by 16.1% on the previous year, with online now accounting for 21.8% of its total sales. The company's pre-tax profits for the year were £3.4m.

The retailer is in the process of designing a new 100,000 square-foot store for the Northgate city-centre development in Chester, where it will be the anchor tenant. According to executive chairman Frank Slevin, the store, which is due to open in 2021, will take HoF into its next phase of development focusing on customer experience, and integrating online and store shopping. It will be, said Slevin, a “multichannel, modern, experience-led retail offering”, and is likely to include the widespread use of digital technology for ordering and collection.

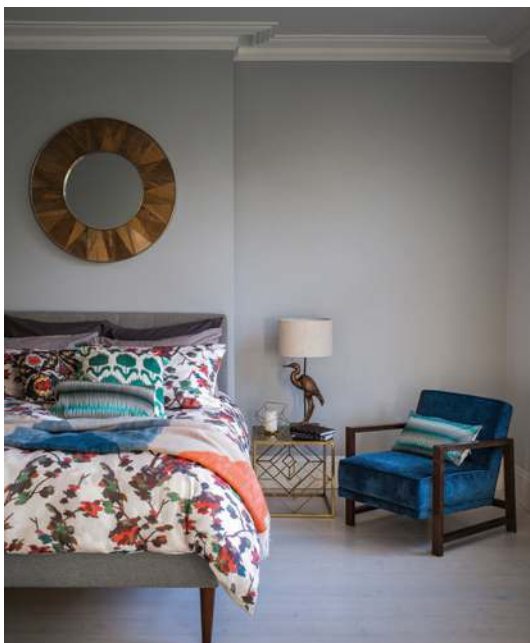
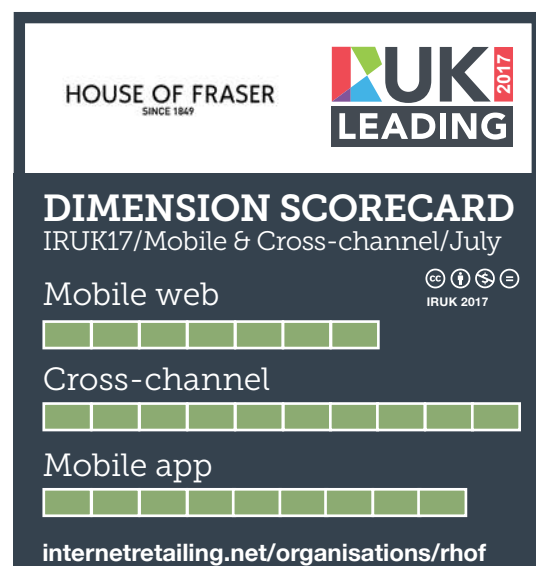


Image credit: House of Fraser

Multichannel development and international expansion were put at the heart of the company's strategy when the Sanpower Group took control. House of Fraser opened its first Chinese store in Nanjing in December 2016, but plans to open two further Chinese stores have been put back due to difficulties getting the Nanjing store up and running. Abu Dhabi is currently home to the only other brick-and-mortar store outside the UK, but international customers can shop on House of Fraser's UK website. The company recently launched its first overseas website for customers in Australia, its biggest-spending overseas market.

Back at home, it has invested in smaller HouseofFraser.com stores where customers can browse the full HoF range online and collect orders, a concept also rolled out on some floors of its bigger stores. It has also trialled virtual queuing and last year signed up digital transformation agency TH_NK to help it envisage what the store of the future might look like.

All of this represents a positive change of fortunes for the store which returned to profit for the first time in a decade in the year ending January 2016. Its pre-tax profits were £1.3m compared to a loss of £2.9m for the year ending January 2015. 🇬🇧



House of Fraser is investing heavily in upgrading its ecommerce platform as it prepares for the future

12 approaches to Mobile & Cross-channel shopping

Prioritising the shopping device that's always close to hand makes sense for IRUK Top500 retailers. Here are 12 strategies that these leading companies use both to improve the m-retailing experience and to put mobile at the heart of their multichannel businesses

1 Mobile-first strategies

As more and more ecommerce traffic comes via mobile devices, it makes sense to ensure that shoppers have the best online experience via their smartphones.

The focus at Asos on “being awesome on mobile” comes in response to the fact that 70% of its traffic came via mobile devices in the first half of its latest financial year, as did 58% of the pureplay's orders. That's up from 60% and 51% respectively a year earlier. One place it has prioritised mobile is at the checkout: it is deploying its mobile checkout across all channels and will soon add to the experience with the introduction of Apple Pay. It plans a new My Account section that enables mobile customers to find their order histories, delivery and returns updates along with wishlists, all in one place. “We now offer a cutting-edge customer experience designed and developed with a mobile-first approach, using the latest technologies to provide a new, seamless checkout experience for our customers,” the retailer said in its half-year results.

Asos reported a 28% in daily app downloads in those results. It says customers who have downloaded the app visit it around eight times a month, and spend more than 1h 20m on it.

Game's app offers features that are designed to build customer loyalty

2 Give shoppers a reason to download an app

Shoppers need to be loyal to download an app: not only is there the initial effort of downloading it, but once installed apps take up valuable storage space. Nonetheless, once downloaded they are likely to be frequently used. It's important, therefore, for retailers to give shoppers a good reason to download.

The major reasons that Game gives its shoppers to download the app include the ability to use augmented reality to play in-store games, and its Reward Account. Members collect loyalty points through actions from registering the app to buying in store. Such a scheme, said Fred Prego, director of loyalty and marketing at the retailer, speaking at IRX 2017 fosters changing behaviour. “By using the app more often, we encouraged them to come into the stores more often and engage with us.”

The data that Game holds on its customers also personalises the shopping experience: when they scan gaming devices and games in any shop, they see what the Game price for that item would be, once their points balances are taken into account. “You can scan a game at our competitors and see the price you would get in our stores,” said Prego. “We're trying to say, ‘Don't buy it from our competitors – buy it from us.’” He added: “It's amazing what you can do with technology and how you can adapt that technology to suit your objectives as a retailer and a business.”



Image credit: Game

3 Bridging the gap

Mobile helps to bridge the gap between online and the store effectively when it's used to offer services that call on both channels, whether that's enabling easier collection of goods ordered online or offering easy ways to navigate a store.

Tesco has taken digital in-store with the introduction of fast payment app PayQwik, which enables shoppers to scan and pay for their in-store grocery shopping via their own smartphones. When it comes time to checkout, shoppers generate a QR code that they scan and pay to complete their purchases.

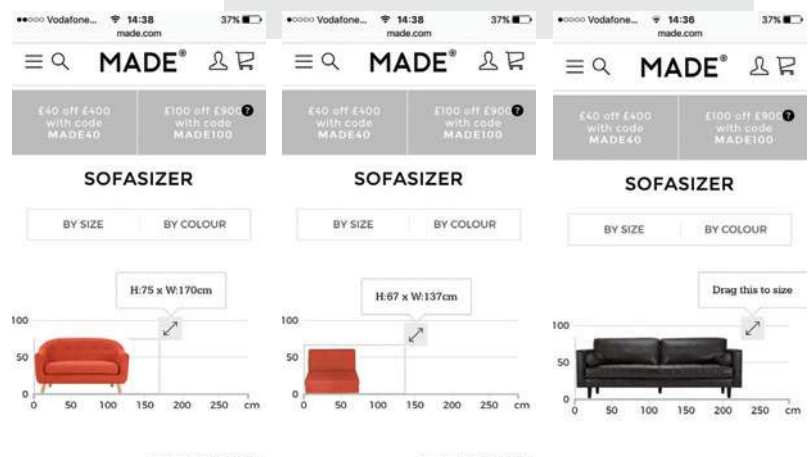
Debenhams aims to use mobile to encourage more shoppers into store. Already, more than 30% of its online sales are collected in stores. The department store now plans to put its fast-growing mobile channel, where sales grew by 64% in the half-year to 4 March 2017, to work to encourage shoppers to its high street presence. From this autumn, it will trial a 'click, collect and play' service, which ties into personal shopping advice. It aims to make Debenhams a leader in mobile-focused 'social shopping', which it defines as "shopping as a fun leisure activity enjoyed with friends and family and shared via social media". To this end it plans to create an "engaging and inspiring" online and offline environment, upgrading its mobile platform to "help us unite channels and connect better with our customers".

4 Narrow down search choices

Shopping via a mobile device brings its own challenges. The relatively small size of smartphone screens, for example, means users can't see as many products as they can on a desktop screen. Technologies that help narrow down their search options mean shoppers move quickly to find the products that are right for them. That might be through effective mobile searches, with dropdown suggestions, or through navigation that takes shoppers to the right categories quickly, and enables filtering to reach the most relevant products.

Some retailers are finding new ways to narrow down search options. Made.com, for example, is using touch-based technology from Hullabalook that enables shoppers using its UK, French, German or Dutch websites to search for the type of furniture they want by the size of the space available, pinching and enlarging a scale. Hullabalook founder Bryony Elliot has noted: "Retailers have a rapidly diminishing window to allow customers to browse a superabundant and burgeoning product catalogue. Together, Made.com and Hullabalook developed SofaSizer to make visual discovery of just the right piece of furniture or storage fast fun and frictionless online, especially via mobile."

Working with Hullabalook, Made.com is helping consumers to visualise how a sofa will look in a specific space



5 Managing delivery

Today's on-the-go shoppers can manage their online deliveries wherever they are – using their smartphones or other mobile devices. It's no longer the case that when their plans change, deliveries get missed. More retailers are offering their customers the ability to change plans in-flight, sending text messages to confirm times of delivery, and offering customers the chance to change where and when items will be delivered, even after they have been sent out for delivery. That means shoppers buying from retailers such as Asos and New Look, which use the DPD Precise service, can change their minds if they are called out at the last minute or find it more convenient to pick up from a neighbour or a local collection point. DPD and UPS are among the delivery companies that have launched their own apps, enabling shoppers to manage deliveries that are sent to them via their services, saving their preferred delivery times and places, and tracking orders.

6 Get mobile payments right

Ordering from mobile devices is growing as shoppers find it easier to pay from these devices. Retailers that inspire trust and make it easier to pay are benefiting. They do this through a variety of approaches that are making inputting credit card numbers and security codes a thing of the past. Retailers offer a variety of mobile-friendly payment options that range from digital wallets, with credit card details saved in advance, or alternative payments that are mobile-friendly. Amazon, for example, offers one-click ordering to signed-in customers when they buy via the mobile web or via its apps. Apple is among the retailers that enable payment by fingerprint ID on iOS devices that carry its own Apple Pay system.

Meanwhile, footwear retailer Schuh uses Klarna technology to give shoppers the option of buying using their email and delivery addresses only. Customers pay after delivery, entering their payment details at a convenient moment. Its ecommerce and customer experience director Sean McKee says this has helped to make the payments process painless, lifting conversions as a result. The service, he says, is “boosting sales while reducing friction for our important online shoppers”.

Image credit: Argos



Argos customers can pick up purchases from digital-format stores at Tube stations and also at branches of Sainsbury's

7 Consider the customer's direction of travel

Smartphones represent a shopping tool that commuters have to hand on often long journeys to and from the office. When retailers track the source of their traffic at different times of day it's often evident that many are browsing on the way to work. When retailers allow it, shoppers will use their mobiles to complete essential tasks, such as grocery shopping at convenient moments in their days.

Forward-thinking retailers have built customer experiences around this use of smartphones. Not only can shoppers place their orders wherever they are, using their mobile phones, they can now pick up their shopping from convenient places on their journeys home – whether that's Argos' digital-format store at Cannon Street Underground station or in branches of Sainsbury's, the John Lewis commuter store at St Pancras station, or from supermarket Ocado at various points on the Transport for London network.

8 Email for mobile

More than half (54%) of emails in the UK are opened on a mobile device, according to Litmus' March 2017 *State of Email* report. It's important to ensure that messages can be easily read and acted on by optimising for mobile: using responsive design will ensure links can be touched to open, and phone numbers to dial. Saima Alibhai, practice manager, professional services at Bronto, suggests setting up reminders to dual-screening consumers who browse while watching television. "Just because someone is browsing on their phone they might not necessarily be that engaged and get distracted by the TV," she says. "A retailer can set an automated trigger that will send a browse recovery email and drive them back to continue that conversation around the product."

9 Social media

Retailers are using social media as a way to communicate directly to customers who favour their mobile devices as a way of shopping. That makes sense since, according to ThinkDigitalFirst.com, 84% of all UK adults use social media, while almost 80% of time spent on social media happens via mobile. Fashion retailers were among the first to use mobile-only social channel Snapchat to tell brand stories. Topshop, for example, uses Snapchat to engage followers around fashion shoots. Burberry was among the retailers using Instagram to livestream its London Fashion Week catwalk shows earlier this year.

Debenhams, meanwhile, promises to put mobile at the heart of a new social shopping experience, and Boohoo.com has added WhatsApp to customer service channels that already include a variety of social media channels. IRUK Top500 research into brand engagement via social media shows that IRUK Top500 retailer Matalan supports six social media channels – Facebook, Twitter, Pinterest, Instagram, YouTube and Google Plus – and also operates a blog. Shoe retailer Schuh has seven social media channels – as well as those operated by Matalan, the retailer also has a Snapchat channel.

10 Think international

International customers are ever-more likely to use their smartphones to search for international brands and to shop. The latest Online Retail Monitor from the British Retail Consortium (BRC) and Google points to 23% growth in interest in UK brands from overseas searches in the fourth quarter of 2016. That interest has grown particularly strongly in Europe. According to Google retail director Martijn Bertisen, it comes both as sterling has weakened against other currencies, and from mobile devices. "Increased demand is largely coming from smartphones, with triple-digit growth observed in some regions," he has noted. But, he warned, "In this mobile-first world, having a great user experience is crucial for our retailers. A recent Google study found that only five of the top-20 UK retailers' mobile sites load in less than two seconds."

Meantime, UK retailers are continuing to benefit from a boost to exports that has come as the pound weakened in the wake of the decision to leave the EU.

One interesting approach to international mobile shopping comes from Asos, which enables customers to personalise their use of the app to their situation: shoppers can be based in one country with its local delivery options but pay in another currency. Thus, an app user might select France to see products presented in the French language, but pay in Norwegian krone or Hong Kong dollars. When users of the Next mobile website localise themselves to any of 72 countries, they see local delivery options, language and currency.

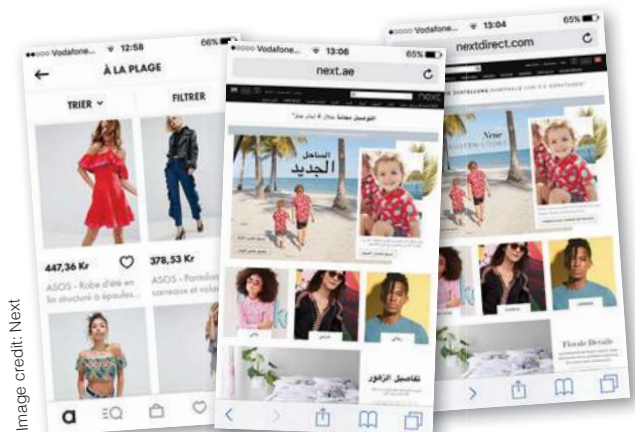


Image credit: Next

Next makes it straightforward for customers to see localised delivery options, languages and currencies – across 72 countries

11 Enable shoppers to check stock levels

Mobile acts as an effective remote control for the store when it gives information about in-store stock levels. That's important for customers who are looking for a specific product and want to know if it's worth making the trip to the store.

Shoppers who save their preferences on the House of Fraser app can see if items that they are looking at via their phones is in stock in a favoured location.

The Schuh mobile website also shows where a product is in stock, based on the viewer's geographic location, while shoppers using the John Lewis app can scan a barcode to see ratings and reviews for that product, as well as how soon the item can be delivered or collected from a store.

12 Learn from the customer

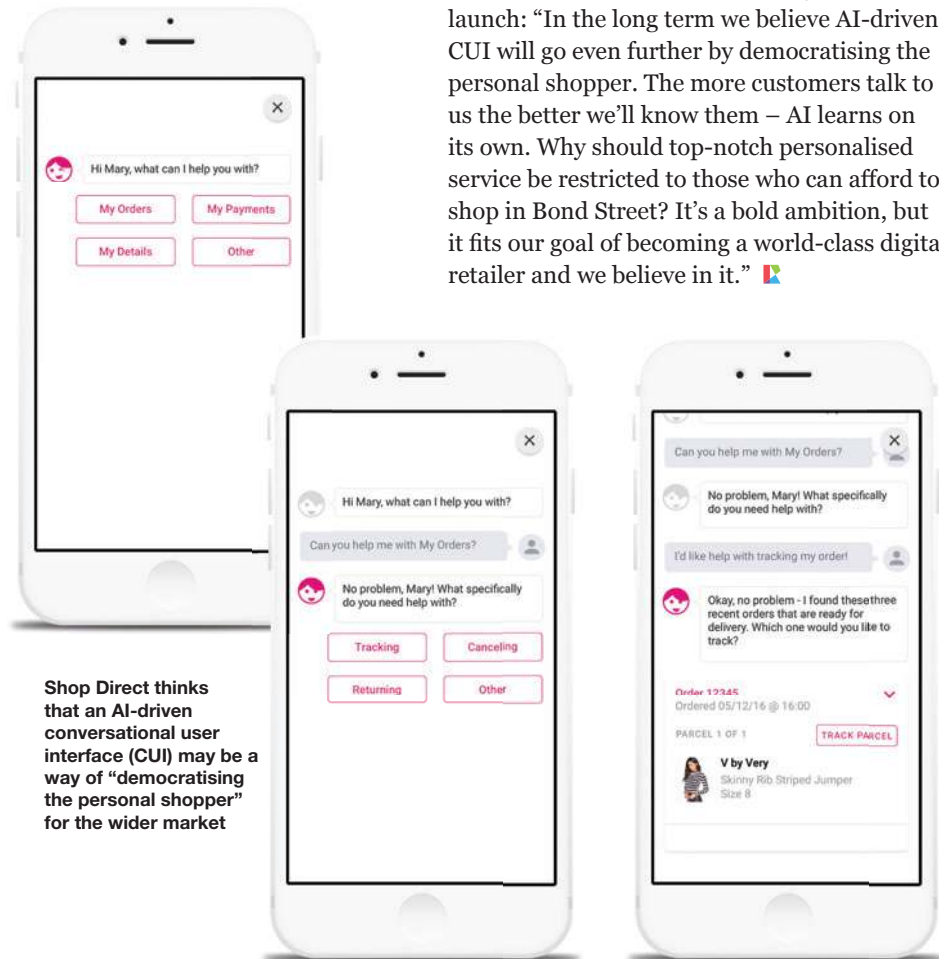
New technologies such as machine learning and artificial intelligence underpin mobile apps and websites that learn from the customer as they browse and buy. This means they are more likely to show the customer relevant items in future, or to answer questions in the most relevant way.

Poq's Tinder-style app for Missguided enables shoppers to flick through items in a way that enables the app to learn their style in order to make future recommendations.

Shop Direct, the retailer behind the Very brand, is building on the WhatsApp-style Very Assistant in its Very app, which provides automated answers to questions, by working with IBM Watson to develop an AI-powered conversational user interface (CUI) that promises a more personalised experience when it's introduced later this year.

Alex Baldock, group chief executive at Shop Direct, said, at the time of the Very Assistant launch: "In the long term we believe AI-driven CUI will go even further by democratising the personal shopper. The more customers talk to us the better we'll know them – AI learns on its own. Why should top-notch personalised service be restricted to those who can afford to shop in Bond Street? It's a bold ambition, but it fits our goal of becoming a world-class digital retailer and we believe in it."

Image credit: Shop Direct



Shop Direct thinks that an AI-driven conversational user interface (CUI) may be a way of "democratising the personal shopper" for the wider market

The journey to mobile-first retail

Consumers have moved quickly towards mobile-first shopping. **Chloe Rigby** considers the retail response

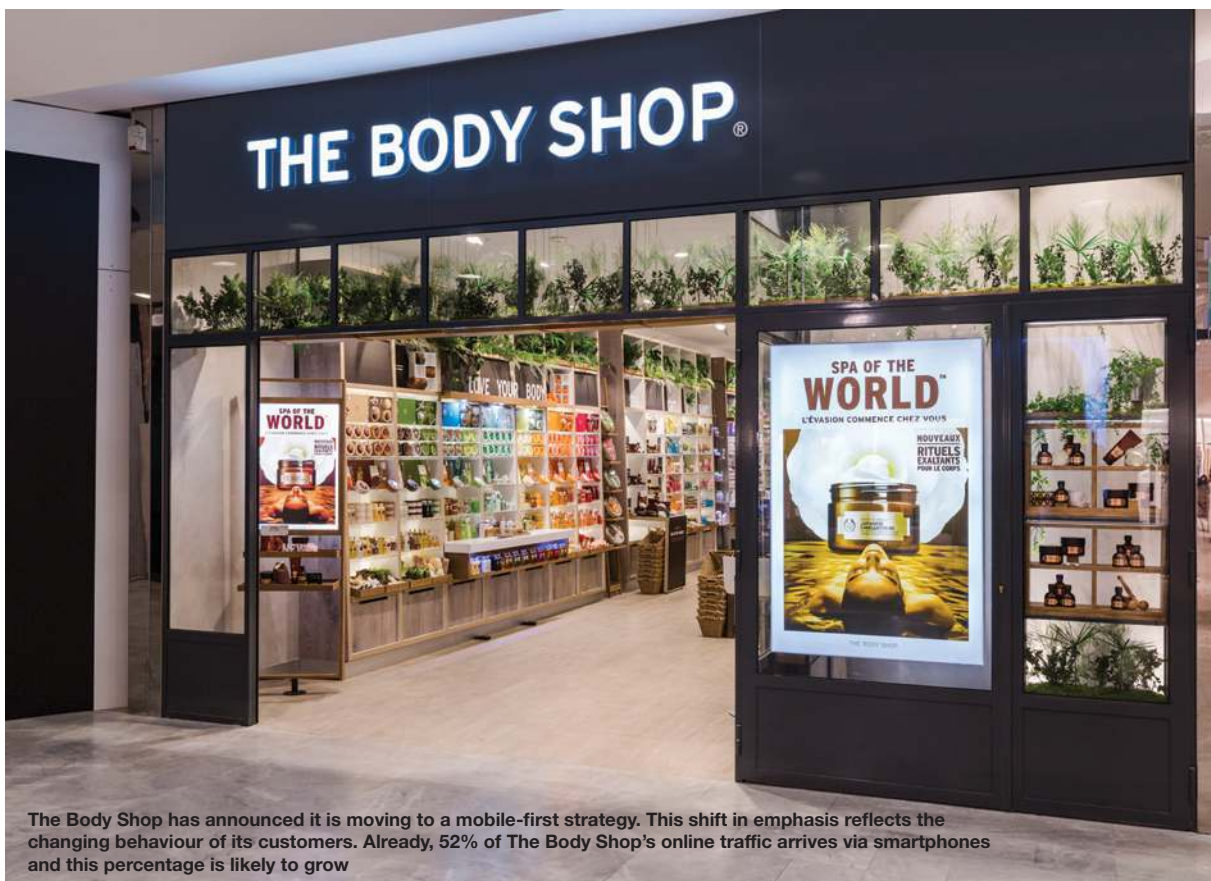
BACK IN 2014, House of Fraser became one of the first major UK retailers to unveil a mobile-first website. It came at a time when m-commerce accounted for 27% of online sales, according to figures from IMRG. But at House of Fraser, smartphones and tablets were already used in more than half of visits to the website.

Fast forward to February 2016 and IMRG signaled a major digital tipping point, as mobile overtook desktop as the channel in which most – 51% – online retail sales were made. More recently, IMRG figures suggest that 56% of e-retail sales took place via mobile devices in the fourth quarter of 2016. Smartphones accounted for 54% of mobile sales in December 2016,

although in March 2017, according to IMRG figures, tablets and mobile phones each had a 50% share of sales.

In their joint *The Mobile Mandate* report, published in February 2017, OC&C Strategy Consultants, Google and PayPal suggested that by 2020 two-thirds of UK online retail, worth £43bn a year, would take place via mobile. That's up from £13.5bn in 2016. Going further, it said, by 2020 some 80% of all online retail would involve a smartphone at some stage in the purchase journey. The report also contained a warning: UK retailers are still lagging behind international competitors in the US and in Asia in terms of their preparedness for the shift to mobile.

Alex Mathers, associate partner at OC&C Strategy Consultants, said at the time of the report's launch: "Smartphone shopping is taking over online retail, bringing with it fundamental ►



The Body Shop has announced it is moving to a mobile-first strategy. This shift in emphasis reflects the changing behaviour of its customers. Already, 52% of The Body Shop's online traffic arrives via smartphones and this percentage is likely to grow

Image credit : The Body Shop

changes in how, when and where people shop. Brits are shopping more whilst out and about, they're using mobile to research and compare prices for later purchases, and they're spending more on mobile while in-store, very often with other retailers. There's money to be made by tapping into these changing behaviours, but on the flip side, retailers that fail to adapt will find themselves haemorrhaging customers. Right now, the average UK retailer's strategy should be mobile first – in a few years, it may well be mobile only.”

Since House of Fraser took the decision to develop a responsive website, it has been followed by many others. Among the most recent, The Body Shop announced its move to a mobile-first ecommerce platform in February, reflecting the fact that 52% of its online traffic is now via smartphone, and 11% via tablet computers. The retailer is aiming to see 20% of sales come from ecommerce, after a year in which its global ecommerce sales grew by 19% in 2016.

Domino's Pizza Group is another notable exponent of mobile commerce: some 73% of its online sales were made via mobile in the year to 25 December 2016. Online sales themselves accounted for 72% of all its delivered sales during that time. By the end of the year, 14.9m people had downloaded the Domino's iPhone, iPad and Android apps.

Now, Google has joined these retailers in deciding that it's time to put mobile first when it comes to search. It's working to prioritise search via mobile devices in its search index, to reflect the fact that most people searching on its site are now doing so via a mobile device. Google is the dominant search engine in the UK, where it has 85.74% of the search engine market, according to 2017 figures from Statista.com. That makes this shift, which swung into action last autumn and is still underway, highly significant for retailers.

Towards mobile-first search and retail

In practical terms, the Google change means that it will prioritise mobile when it indexes website content. Writing on the Google Webmasters blog, product manager Doantam Phan said: “Although our search index will continue to be a single index of websites and apps, our algorithms will eventually primarily use the mobile version of a site's content to rank pages from that site, to understand structured data, and to show snippets from those pages in our results.” Phan noted

that where responsive or dynamic sites prioritise mobile and desktop content and markup equally, no changes will be needed.

However, where there are differences developers must ensure they serve structured markup for the desktop and mobile versions, verifying that through Google's Structured Data Testing Tool and using the robots.txt testing tool to verify that the mobile version is accessible to Googlebot. They should also verify both their desktop and mobile sites in the Google Search Console. Phan advised that those building a mobile version of their site wait until it is complete to launch the site, since an incomplete site may well rank less well than a functional desktop one.

“The web is being rewritten from the ground up. Mobile-first will require significant infrastructure changes. Everything is up for grabs”

Nick Wilsdon, SEO lead, Vodafone

Rowan Merewood, senior developer at Google, speaking to InternetRetailing at IRX 2017, emphasised the importance of focusing on mobile. “Speed and performance is really important, especially on the mobile web,” he said. “As an industry we've been guilty of creating some bad experiences on the mobile web either through poor performance, the need to get something out there or by overloading pages with widgets and so on.”

PayPal UK's mobile commerce director Rob Harper, concurs. “Speed is an important factor in any shopping experience but when it comes to mobile shopping, it's vital,” he said on publication of *The Mobile Mandate* report. “Retailers can reduce the time it takes to browse and select a purchase, but if it takes too long to pay, they may lose that sale.” Speed will continue to be a critical factor, he says, as mobile shopping continues to develop. “The next evolution of mobile shopping will reduce the consumer journey even further. Contextual commerce will enable consumers to buy things at the point of discovery, whether that's in an email, on a Pinterest page or in a



Image credit : Domino's Pizza Group

Customers of Domino's often order pizzas while they're on the way home from work or an evening out

messenger app – rather than needing to click through to an online shop. Mobile technology is determining the future of ecommerce and retailers need to act now to prepare themselves accordingly.” Domino's Pizza Group is one retailer that's moving quickly towards that future, having launched a Facebook Messenger chatbot in August 2016 to handle customer service enquiries.

Ensuring speedy mobile commerce

One way that Google has helped retailers to adapt to its new mobile-first focus has been to develop accelerated mobile pages (AMP). These provide the framework of high-performance pages that retailers can use to highlight frequently searched pages, such as a sale page, a product category or even information about a particular product. These pages load immediately via mobile and, according to Merewood, give the browser enough information to know that customers have found what they were looking for, and means they are less likely to click away rather than wait for a page to load. “This can be a fairly easy way of getting speed issues taken care of without overhauling your entire site,” he said.

Nick Wilsdon, SEO lead for global channel optimisation at Vodafone, says his company reached a key tipping point when more than

50% of SEO traffic came from mobile devices in December 2016. By March 2017, 43% of Vodafone customers used data, and video accounted for a third of traffic. “Everyone is on their phone all the time,” he said, speaking at IRX 2017. “That's where we're spending our time and it's why the mobile search query is increasing all the time.”

He added that retailers' SEO teams will play an important role in preparing for mobile first. Moving to responsive ecommerce platforms will be key to this. He also advised that retailers think about the different journeys that users are taking, and optimise them to be mobile-first. This is something that Domino's Pizza Group did very effectively with its mobile app. “They understand they need to be where their customers are,” said Wilsdon, “and they understand their customers are ordering pizzas on the way home, on the train. Cut out as many unnecessary steps as you can from the experience. Then you will succeed.”

Looking to the future, Wilson said the move towards mobile-first is bringing huge opportunities. “The web is being rewritten now from the ground up. Mobile-first will require significant changes across our infrastructure,” he noted. “Everything is up for grabs. With that impact you have opportunity – and this is the time to come and grab that first.” 🇬🇧

Multichannel metrics

Jonathan Wright outlines some of the key learnings from new research conducted by Ampersand

COMPILED BY ONE of our Knowledge Partners, Ampersand's annual *Multichannel Retail Report* offers fascinating insights into the UK industry. Starting from the premise of assessing companies "based on the core tenets of multichannel retailing", it looks in detail at 187 UK Top500 retailers.

Each of these retailers is assigned a category – fashion, department [store], luxury – and so on, which enables the quick comparison of different sectors. Here, we summarise some of the key findings.

Click and collect

Overall, just 9% of the retailers assessed offered same-day click and collect, while 11% offered next-day click and collect. But perhaps we shouldn't be too critical: 32% of the retailers assessed don't offer click and collect at all. That leaves 46% of retailers offering click and collect, but where consumers have to wait for more than a day before they can pick up goods. What really surprised us, though, was to discover that 15% of the retailers assessed charge for click and collect, a service that's in key respects akin to ordering an item that's out of stock.

The research reveals that some sectors are doing better than others here. Of the 17 retailers classed as department stores, 88% offer click and collect, including 6% that offer same-day click and collect. To benchmark those figures against another sector, just 71% of fashion retailers offer click and collect, with 3% offering same-day click and collect. While this isn't covered by the research, we would guess this difference in performance could be explained by department stores operating at scale, having larger stores, but in fewer locations, making it easier to focus resources.

Fulfilment

Turning to fulfilment services more generally, 81% of retailers now offer next-day home delivery, with 24% offering Sunday delivery and 8% offering evening delivery. While there's always room for improvement, these are impressive figures, especially as, we would argue, the bells-and-whistles features of multichannel retail are a distraction for retailers that cannot offer the basic service levels consumers increasingly demand.

Persistent carts

The report considers a persistent cart – a feature that enables logged-in customers to add an item on one device and then to access it on another device later – to be a key indicator of multichannel sophistication. After all, according to Bronto's 2016 consumer survey, UK consumers use an average of 1.6 devices when purchasing online. Despite this, 22% of retailers don't offer this feature. That's down from 31% in 2015 but still a change, says the report, that's "rather insignificant considering the importance of the technology".

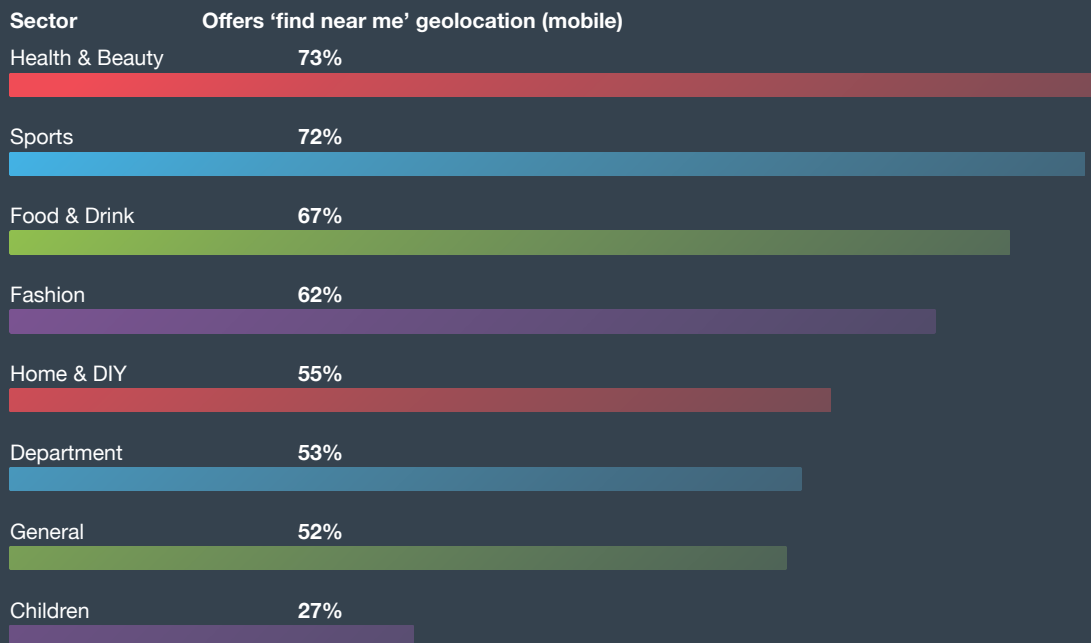
Elsewhere, there are other instances where what should be basic digital offerings are lacking. Glaringly, two of the 187 companies assessed don't even have mobile-optimised websites. Just 1% of retailers achieved a Google PageSpeed Insights Score of 82-100, suggesting significant room for improvement.

Customer experience

If the point of multichannel retail is to remove friction points, how well are retailers doing? One figure above all, in our opinion, suggests plenty of room for improvement. Just 27% of retailers offer a store check stock facility. This means that customers of 73% of the 187 retailers can't check whether a specific item is available at a shop on a local high street.

Sectors that offer “find near me” information on mobile

Sectoral distribution of retailers that offer local/GPS information on mobile




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IRUK 2017

One of the big advantages multichannel retailers have is simply that customers don't have to wait for goods, but can go to pick them up, so this is a big oversight. Upping the ante, many Prime members – in Manchester, Liverpool, Leeds, Greater London, Edinburgh, Glasgow, Birmingham, Bristol and other urban areas – now get free same-day deliveries from Amazon.

Ampersand also offered a rundown of the best-performing retailers. As you might expect, there are definite overlaps with the IRUK Top500. The 10 best-performing retailers in the Ampersand list – and it's worth noting that supermarkets were excluded because “including grocery retailers was skewing the data” – are:

Retailer	Score (out of 100)
House of Fraser	90
Schuh	87
Argos	84
B&Q.....	81
Screwfix.....	80
Karen Millen	78
M&S	78
Superdry	78
Coast	75
Warehouse	73

Just as interesting is a list of retailers that show how incremental improvements can lead to big boosts in performance. F Hinds, for example, achieved a 109% uplift in its overall rating through comparatively straightforward initiatives: introducing a mobile-optimised website and geolocation services. Similarly, Dior achieved a 106% improvement in its rating by introducing a mobile-optimised website. Significantly, it also amended its returns policy to make it more transparent, which is significant with luxury brands where consumers are making sizeable investments in statement pieces.

The overall message? While it's outside the scope of Ampersand's research, we would suggest it shows how multichannel retail isn't at core about the nice-to-have features, but about getting basics right. Are fulfilment options comparable with and better than competitors (including pureplays) and do they work? Is the mobile site optimised? Have retailers thought carefully about how channels can be made to work together in ways that suit their customers? These are the kinds of questions retailers should be asking. 

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Internet Retailing
Internet Retailing Media Services Ltd,
52-54 Gracechurch Street,
London, EC3V 0EH
Printed in Great Britain.

ISSN 1759-0582



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Research information published in InternetRetailing Top500 Dimension Reports is based on data supplied by RetailX
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Conclusion

FROM THE PERSPECTIVE of those working in ecommerce, it may seem that the idea of a mobile-first world has been kicking around for a while. That doesn't make it any less important, or the shift in people's behaviour that it represents any less profound. Look beyond the statistics that tell you which percentage of a particular retailer's traffic comes via smartphones and tablets, and it's clear an age of desktop dominance – the world of web 1.0 – is genuinely coming to an end.

Should retailers therefore prioritise smartphone-wielding customers? Of course, as many articles in this Dimension Report have argued, but we would interject a note of caution here by asking another question: what happens when we look beyond the immediate future?

One answer is that, even as we enter a mobile-first era, we're also beginning to see the first signs of a world where the so-called Internet of Things is a day-to-day reality. This involves more huge changes. Where the smartphone is, at least in its current guise, a device that enables customers to interact with the web primarily via a screen, this is a world where more and more voice-activated devices have a web presence. It's also a world where labels on products will be connected to the internet, enabling, for example, the automated ordering and replenishment of products that consumers or businesses use on a regular basis.

This brings us to our final point. There's a reason we call this the Mobile & Cross-channel Dimension. Start to think of smartphones primarily as small computers that bind together channels rather than merely as mobile communications devices, and retailers will find the leap to the Internet of Things far easier to navigate. Without underestimating the difficulties of preparing for a mobile-first world, it's not where we're going, it's more that it's an important stopping point along the way.



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