

The impact of innovation in the mobile customer journey

How new mobile innovations
are shaping the future of retail

October 2017

A whitepaper produced by InternetRetailing in conjunction with Ingenico ePayments


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 Internet
Retailing

Contents

- 2 **Executive summary**
- 3 **Convert customers with a new UX culture**
- 4 **What retailers think of mobile**
- 6 **How important is it to be mobile first?**
- 8 **How gamification brings new ways to play with customer emotion**
- 9 **How messaging and chatbots offer new ways to interact**
- 10 **The value of a frictionless mobile experience**
- 14 **In summary**

KEY SURVEY RESULTS

- 93% of retailers say mobile innovation impacts customer satisfaction and profitability
- 4 in ten retailers describe themselves as being mobile first
- A frictionless experience is seen as an essential part of the commercial offering for 75% of retailers and as a nice to have for 22%
- Frictionless mobile experience is seeing the highest level of investment now, with more than half (51%) already investing in it and most of the remainder planning to invest in the next two years
- Messaging bots are seen as essential for a quarter of retailers and as a nice to have for 59%
- 30% of retailers plan to invest in gamification in the next two years

Executive summary

Mobile retail has never been more important to a retailer's business and it's grown obvious that simply replicating a desktop site isn't good enough. The mobile experience must go above and beyond to provide as smooth a customer journey as possible if the retailer is to avoid losing customer interest and spend. From browsing to ordering and payment, the process has to be designed and executed to be as seamless and frictionless as it can be to take advantage of limited attention spans and to enable retailers to continue to take advantage of the growth in this rapidly accelerating space.

But while the ideology is all well and good what are retailers actually doing in the mobile environment and is it enough to take advantage of the channel and all it offers? In this whitepaper, developed in conjunction with Ingenico ePayments, we look at what retailers are doing and whether they describe themselves as being mobile first. We examine three key innovations – gamification, chat or messenger bots and the concept of a frictionless mobile experience - that are helping to make the modern mobile purchase more engaging than ever.

Taking in research from the IRTop500, as well as a retailer survey and retailer interviews, the results show that retailers appreciate the value of being mobile first and of mobile innovation within their businesses but when it comes to what they are actually delivering as part of that then results are varied.

They know that mobile innovation impacts on both customer satisfaction and profitability but are they delivering that? It would seem not.

The majority of retailers do have a frictionless mobile experience as their highest priority and most cite this as a must-have. Other innovations – which are already having big impacts on the future of mobile for some such as chatbots and gamification – are still in their infancy in terms of their maturity as few retailers see them as immediate priorities. But many have them on longer term roadmaps instead.

But this is likely to change as fast as the pace of mobile innovation itself. In today's lightning speed world all retailers need to have all mobile innovations on their radar – whether it's currently a priority for their business or not. As one respondent to our survey succinctly put it: 'be fit for purpose for a smart phone user offering the best UX, service and speed - or choose to kill your business'.

The choice really is that blunt.

Liz Morrell
Research Editor

Convert customers with a new UX culture

Technology is very personal today. A shared family landline and desktop would be unfathomable to most families nowadays. We're always connected to the internet on our individual handheld gadgets, and have become accustomed to a truly responsive user experience.

For retailers, mobile offers a unique opportunity to turn idle commuters into active shoppers. Even though we can barely recall our lives before smartphones, there's so much room to grow. Mobile phones represented 46% of global ecommerce traffic in Q2 2016 but just 27% of purchases, according to Criteo.

Why such a low conversion rate? It's partly down to the evolution in consumer behaviour. 'Webrooming', where customers browse online but purchase in store, or transfer over to a desktop to complete transactions, is a widespread habit. A December 2016 study found that nearly 100% of millennial shoppers researched their items on their phone before buying it in the store.

For brands, it's important to engage consumers anywhere they are and choose to be. By blending on-and-offline through an omni-channel purchasing experience, merchants stand a much better chance of fostering customer loyalty and conversion.

However, boosting conversion on mobile, where the customer is already battling against a small screen, limited time and potentially slower connections, will also come down to UX. As little as a two-second delay in checkout loading can correlate with up to a 51% decrease in session length.

Friction is dangerous in retail and today's online checkouts need to adapt to the screen size of customers' devices, enable one-click payments and offer more payment options, languages and currencies. At Ingenico ePayments, we believe that we must innovate even beyond this. We believe that checkouts not only need to be extremely responsive and secure, they also need to entice the customer.

We therefore invest heavily in innovation, both within ePayments and at Ingenico Labs, to create the most forward-thinking approaches to payment; gamification gives customers a chance to win back the amount of their purchase, payment-enabled chatbots allow customers to complete transactions without leaving Facebook Messenger or other chat app, and TapHero allows mCommerce customers to pay by simply taping their contactless card against their phone.

The goal of innovation at Ingenico is to go beyond payments and to partner with our retailers to help them boost revenue and increase conversion. We look at all

streams of innovation from the radical, to the disruptive, to incremental innovation that is continuous and optimises conversion.

Working alongside Ingenico Labs, we keep a close eye on the latest trends in mobile commerce, developing the next big opportunities to enhance the UX at the point of payment. We know that a seamless checkout creates a conducive purchasing atmosphere, making buying smoother, more trustworthy and ultimately more appealing.



Gertjan Dewaele
Product intelligence and
innovation manager
Ingenico ePayments

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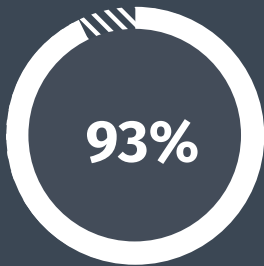
InternetRetailing
SJP Business Media Ltd,
52-54 Gracechurch Street,
London, EC3V 0EH
Printed in Great Britain
ISSN 1759-0582

For circulation enquiries contact:
SJP Business Media
PO Box 6009
Thatcham, Berkshire
RG19 4TT
Tel: 01635 879361
Fax: 01635 868594
Email: internetretailing@circdata.com

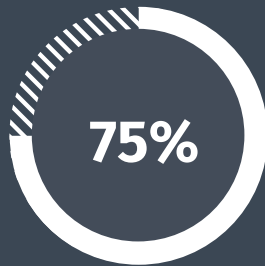
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What retailers think of mobile

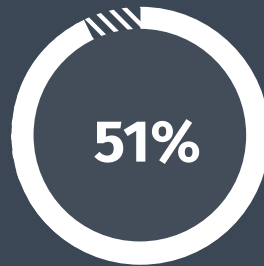
RETAILERS UNDERSTAND THE IMPORTANCE OF MOBILE INNOVATION AND BEING MOBILE FIRST



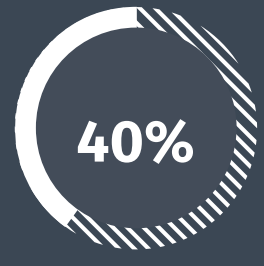
93% say mobile innovation impacts customer satisfaction and profitability



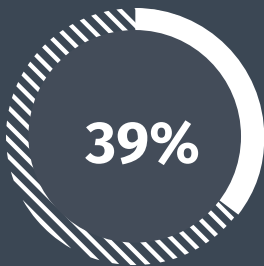
75% of retailers say that a frictionless mobile experience is an essential part of the commercial offering



More than half (51%) of retailers are already investing in a frictionless mobile experience and 40% plan to do so in two years



BUT MANY ARE STRUGGLING TO DELIVER



Only 39% of retailers describe themselves as being mobile first



More than half (57%) of respondents say their main focus is on having a responsive website for desktop and mobile



More than half (58%) say that they strive to keep the experience within mobile formats

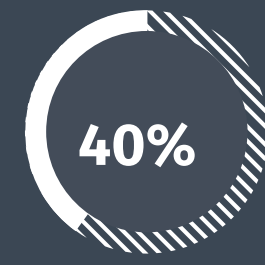


One in five describe mobile as an add on for their business

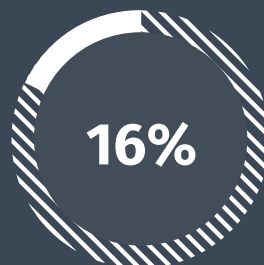
GAME CHANGING INNOVATIONS NEED FURTHER CONSIDERATION



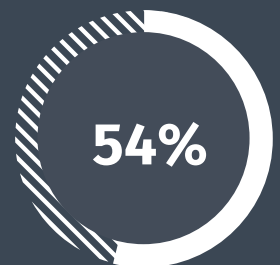
15% of retailers are investing in gamification and a further 30% in the next two years



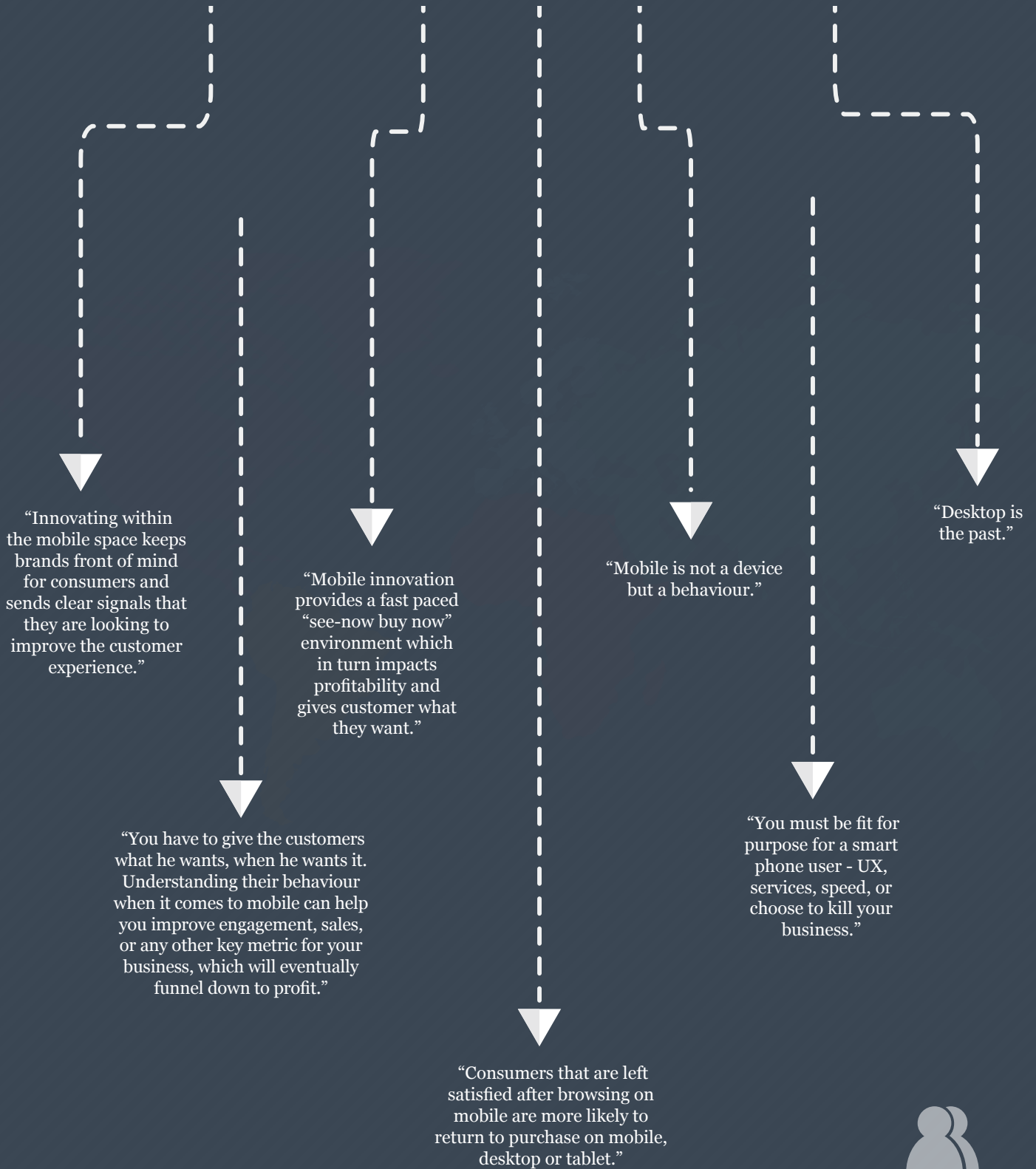
40% of respondents think gamification now is a nice to have



16% are investing in messaging bots now but 54% plan to invest in the next two years



WE ASKED HOW RETAILERS BELIEVED MOBILE INNOVATION AFFECTS CUSTOMER SATISFACTION AND PROFITABILITY:



How important is it to be mobile first?

Mobile is no longer an add-on or a nice to have but an integral part of a retailer's strategy. Being mobile first is more important than ever and major retailers are adopting exactly such a stance.

Department store group House of Fraser was one of the pioneers of a mobile first strategy – being one of the first to unveil a mobile first website back in 2014. It may only be three years ago but the market has accelerated hugely since then with mobile sales overtaking desktop as a sales channel for the first time in December 2016, according to IMRG. At that point mCommerce accounted for 51% of online sales, compared to 27% in 2014.

In February 2017, new figures from OC&C Strategy Consultants suggested the upwards trajectory would continue, predicting that by 2020 two-thirds of online retail in the UK would take place via email and that an even higher proportion – 80% - would include the use of a smartphone at some point in the customer journey.

With these sorts of figures in mind, coupled with the increasing influence that the always on, always at hand mobile device is having in the customer journey – from checking prices or stock to actually ordering whilst out and about – retailers simply can't afford not to have a mobile first strategy.

Craig Wheeler, chief operating officer at Scotts and Co, says that innovation in mobile is vital and that customers won't put up with something that doesn't work as it should. "As more and more customers transact on mobiles they are less tolerant of a poor mobile experience, especially if they know the desktop experience is good," he says.

The ecommerce manager of one of the UK's leading outdoor clothing retailers agrees: "Customers have, in our experience, very little patience with a poor mobile journey. Despite improving mobile data connection speeds and higher spec mobile devices, customer feedback is still clear that a slow site equals a bad experience. And if you don't have a clear critical navigation path from landing page to completion for the common tasks mobile customers want to undertake, you are making the customers job that little bit more difficult."

For many retailers the opportunity is obvious. "Optimising your shopping experience for mobile users is like picking ripe low hanging fruit – the customers are there and they *want* to purchase and browse with their mobiles," says the ecommerce manager of a large UK shoe retailer. "The opportunity is there and it's important to take it before another retailer does. If you have the resources then there's absolutely no reason not to. Mobile is going to become ever more important and is becoming

the dominant device, it would be unwise to ignore that," he says.

And it also comes down to the success of the retailer themselves, "Customers are also put off by avoidable hurdles," says Gertjan Dewaele, product intelligence and innovation manager at Ingenico ePayments. "Successful retailers are working hard to rip these down," he says.

Many retailers are still working towards the goal of mobile first

So what did retailers in our online survey say? The reality shows that for many, mobile strategies still have some maturing to do. Only 39% of respondents to our survey described themselves as being mobile first, 41% said that they were trying mobile and for one in five (20%) mobile was described as an add on.

Our research also showed that retailers have a mixed approach to mobile. One in five (20%) said that their main focus for mobile was across mobile app, a dedicated mobile website and a responsive website for desktop and mobile.

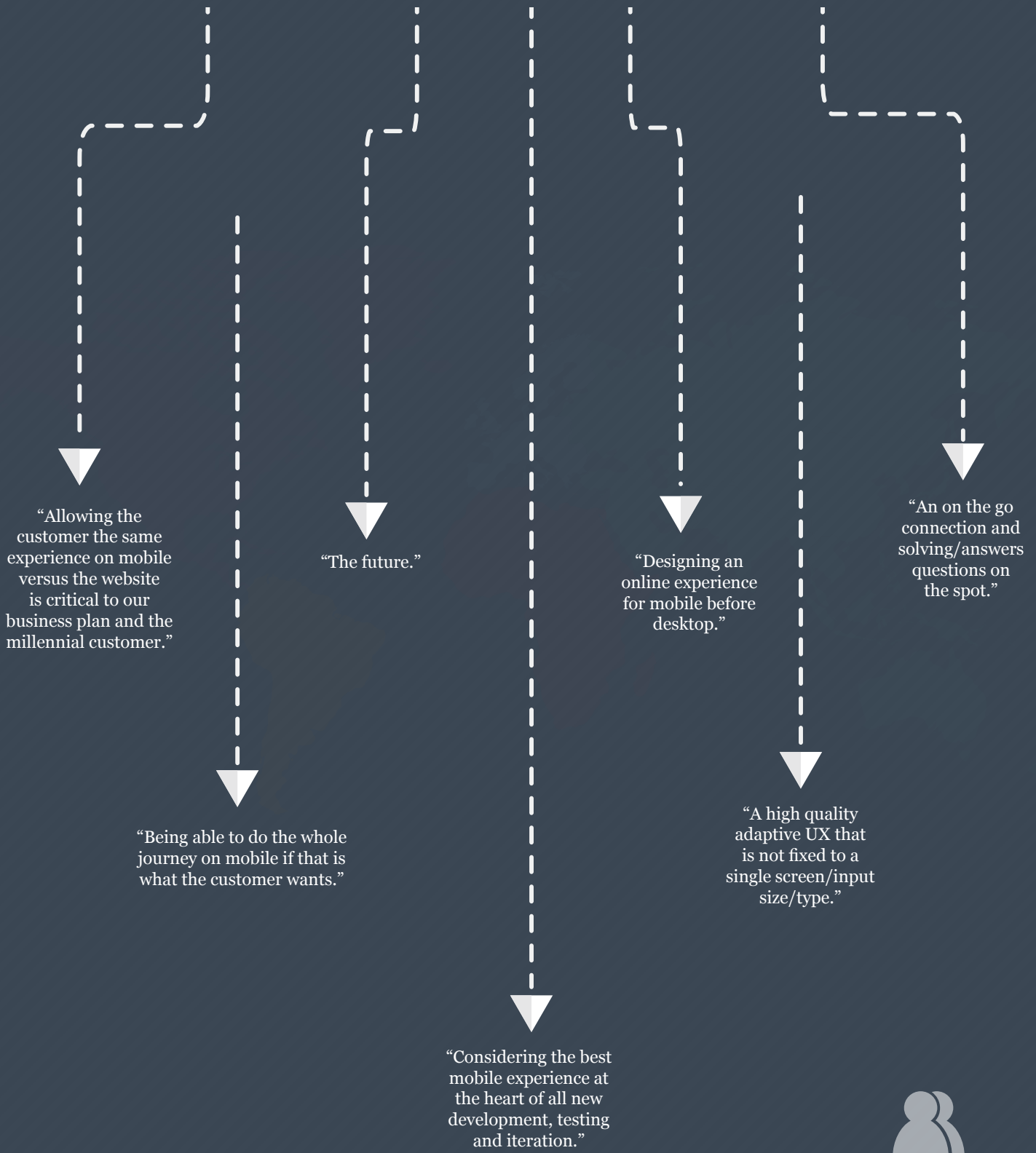
However, for more than half of respondents (57%) the main mobile focus was on having a responsive website for desktop and mobile. 12% said the main focus was their mobile app and 11% a dedicated mobile website.

Our survey also asked how much effort retailers were putting into keeping the experience within mobile formats when developing their multichannel and mobile strategies. The results showed that more than half of respondents (58%) had this as a complete focus. Just over a quarter (27%) said they tried to keep it within mobile formats but it wasn't vital, whilst 15% of respondents said that there was no focus on keeping within mobile and shoppers could continue their journey on any format. 🇬🇧

CONSIDERATIONS FOR ACTION

- Ensure the benefit of being mobile first is appreciated across the business
- Work out how to implement a mobile first strategy – what are your priorities?
- Invest in innovation and understand that mobile is no longer a nice to have

WE ASKED RETAILERS IN OUR SURVEY WHAT BEING MOBILE FIRST MEANT FOR THEM:



How gamification brings new ways to play with customer emotion

As we have seen the pace of change in mobile is relentless. And it's also something that customers have grown to expect. In our survey, a whopping 93% of retailers said that they felt that mobile innovation impacts both customer satisfaction and profitability so they are well aware of its importance in delighting customers.

But it's having the time and resources to invest in those innovations for some retailers. As one retailer in our interviews pointed out it's enough of an effort to keep up with a standing still notion of mobile development let alone the innovation that allows you to stay one step ahead.

Gamification is one such trend which is on the horizon. Gamification is particularly important in loyalty and brand building and a number of retailers are using it in such schemes to boost engagement and take-up,

But it also has a role in payments too – helping to improve the experience of what can otherwise be a rather dull, dry process and boosting conversion too. Luckycycle, a partner of Ingenico ePayments, for example offers the option for gamification at the checkout page – a tactic which not only makes the shopper experience more fun but can also boost conversion since it encourages behaviours such as adding an extra item to a basket for the chance to win that basket for free, or scratch card, slot machine or wheel of fortune type promotions.

In October 2016, confectionary brand Hotel Chocolat ran a Halloween special promotion trick or treating customers using Luckycycle – a campaign which raised social media awareness as well as online customer traffic.

Playing with a new marketing tool

"It's important to recognise that gamification is a marketing tool, not a revolution," says Dewaele. He points out that the tool can also make purchases more impulsive, something that is particularly useful on mobile where customers are often simply passing time than actively shopping. "Our customers have found it to be particularly effective at amplifying a campaign; 30% of winners to our gamified checkout will share their success on social media (and more will of course tell their friends in person), drawing huge amounts of organic attention. It's often far more effective than a regular discount campaign," he says.

Opinion amongst our survey respondents was mixed as to the value of gamification however. More than half (51%)

saw it as a gimmick. 40% said it was a nice to have and 9% saw it as being an essential part of their offering.

But there is a steady stream of investment into the technology. 15% of respondents are already investing in gamification and the same amount plan to do so in the next 12 months and the same amount again in the next two years.

"It's important to recognise that gamification is a marketing tool, not a revolution"

Wheeler suggests that retailers have to be careful how they use gamification however. "I think gamification is important for certain groups of customers, but it is not for everyone. What you need to bring into your programs where you do decide to gamify is something that doesn't make those less inclined to take part feel a poor relation within your business," he warns. Where it does suit though he says the benefits are worth it. "Where you can gamify with customers who are motivated by this engagement definitely increases," he says. 🇧🇪

CONSIDERATIONS FOR ACTION

- Decide if gamification suits your customer base
- Identify areas of the business where gamification could improve customer experience and engagement
- Examine the potential for gamification in drier areas of the business such as payments

How messaging and chatbots offer new ways to interact

In retail, chatbots and messaging bots offer interesting opportunities for the creation of conversational commerce and the benefits this can offer retailers is significant. Such technology uses AI (artificial intelligence) to mimic human conversations – improving the efficiency of such interactions, especially as machine learning develops.

When it's also a payment enabled bot it offers huge opportunities to sell products to consumers without the need to switch apps.

“With the decline of app downloads, retailers need a new means of reaching their audience on mobile and increasingly, they're turning to chatbots,” says Dewaele. “Three billion people worldwide have an account with one or more messaging apps - millennials in particular are spending an increasing amount of time on them, chatting to friends but also browsing items and engaging with retailers. Brands work hard to make it a customised and personal interaction point, but the real challenge is turning those engagements into sales,” he says.

In the US a number of restaurant chains are already using chatbots to improve the experience for their customers. They include Taco Bell whose chatbot engages customers with expected questions such as ‘do you want to add to your order’ but also mimics a human by adding in jokes and trivia if and when relevant. The company hopes that in time it can help use the chatbot learnings to help resolve consumer pain points where digital interactions have previously fallen short.

Beauty brand Sephora meanwhile launched a chatbot based service on teenage messaging platform Kik in 2016, using a bot to interact with customers to provide make-up tips, reviews and product recommendations. This then allows customers to buy from the brand without even leaving the messaging platform – the retailer's site simply pops up on top.

Retailers are showing interest in chatbot capability

Our survey shows that whilst take-up is currently limited interest is there. Part of the worry around investment in such technology is the nervousness of getting such interactions wrong and the customer realising they are simply talking to a computer rather than a human being. For this reason many retailers cited a hesitation around its use. They could see its value but didn't want to be seen

to be replacing traditional help and call centres. But the truth is the two can sit side by side and complement each other, especially when used to answer mundane and routine queries, freeing up human staff to better engage in selling instead. In our survey 25% felt that messaging bots were an essential part of the commercial offering and 16% of respondents said they were investing in messaging bots now.

“Three billion people worldwide have an account with one or more messaging apps”

More than half cited it as a nice-to-have and 26% said they were investing in it during the next twelve months and 28% in the next two years.

It may be early but the potential value they offer and their increased sophistication – particularly as the payment side move to chatbots too rather than returning customers to a mobile site – means that asking this question again in a couple of years could see a hugely different response from customers. 🌈

Considerations for action

- Identify if chatbots can add value to your business
- Take care with where and how you use bots
- Look at how they can combine with payments

The value of a frictionless mobile experience

In the initial stages of mobile, customers accepted a clunky, rather difficult experience from retailers. It was the price they paid for being able to access anytime, anywhere. But today there is no excuse for any sticking points in the journey and user experience is key.

“In my book, a frictionless experience is an experience where interaction feels natural,” says the ecommerce manager of one large shoe retailer. “A user should be able to browse a category, navigate to a product, see all the information they need about it and purchase it without needing to be told where to go and without errors and bugs. Loading should be lightning-speed, and once they’ve viewed a product they should be able to return to the product list they were browsing, at exactly the point they stopped browsing and continue where they left off. Their search terms should be retained, their filters should be retained and absolutely nothing should interrupt their shopping experience – nothing on our end, anyway.”

“It’s 2017 and the technology and skills are available to offer a frictionless mobile experience”

Retailers need to look at everything within this – from optimising text entry to responsive pages, load times and the use of tokenisation to enable easier, faster payments. “You need to focus on the UX – customers are far more likely to buy and remain loyal if they’re offered a smooth experience and nowhere is this more important than the point of payment,” says Dewaele. “Use the latest innovations to make paying easy, engaging and even appealing. Personalising the experience to local languages, payment cultures and currencies will also put the customer at ease and encourage trust.”

No excuse not to be frictionless

In our survey, it was having a frictionless mobile experience that was deemed the most important of all the mobile innovations that we researched. Three quarters (75%) of those we surveyed said that it was an essential part of the commercial offering and a further 22% said it was a nice to have.

The focus on its importance is reflected in investment too. More than half of respondents (51%) are already investing in a frictionless experience. A further 16% plan to invest in the next twelve months and an additional 24% in the next two years.

One ecommerce manager in our study said retailers must have this on their priority list. “The way I see it, it’s 2017 and the technology and skills are available to offer a frictionless mobile experience so there’s no excuse not to offer one. It’s understandable that customers don’t have much patience with it. The line between a successful conversion and an abandoned basket is paper thin, and we have to be empathetic and try to think of ourselves as customers first so that we really understand where they’re coming from” 🇧🇪







Considerations for action

- Analyse your customer journeys for any sticking points
- Investigate all methods of removing friction from your mobile customer experience
- Look at what you can do in traditional sticking points such as payments



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SCOTTS AND CO – Where design is done on a mobile first basis

www.scottsandco.com

At Scotts and Co, which includes online businesses such as Bloom, The Original Gift Company and Scotts of Stow, chief operating officer Craig Wheeler says the company designs on a mobile first basis – ensuring all its emails and websites are responsive and thinking mobile as a key aspect of all design decisions. He says being mobile first is vital. “70% of customers visit on sites on mobile or tablet and even more open emails on these devices. If you make this entry point difficult and mobile sites hard to use then you lose customers. It’s easy to upscale to a full page but harder to downsize functionality,” he says.

As part of being mobile first providing a frictionless experience is vital, he says and the company is currently going through a reskin process on its websites to ensure this. “It is essential customers can sign up and transact with you with the least effort possible, the primary focus of our site re-skin is to reduce clicks and make interacting with our business easier, both on mobile and desktop,” he says.

Wheeler is also looking at gamification although he warns that retailers have to be careful about how they do gamify to ensure that those customers who don’t interact with the concept don’t feel left out. He says the retailer, like many, is looking at gamification as part of its loyalty and reward programme offer. “In fact the reward levels on our Bloom site will be based on levels of interaction rather than spend,” he says.

However Wheeler says he is not a fan of messenger bots and chatbots for his business “Customers who need help want to speak to an agent or are happy with simple old fashioned help areas,” he says.

SCHUH - Where fit must be perfect for mobile www.schuh.co.uk

At Schuh the fact that 70% of the company’s UK traffic comes from mobile means that a mobile first strategy is key. “It’s not exclusively where traffic is growing but it’s consistently where growth is to be found so we are obliged to be mobile first,” says Sean McKee, director of ecommerce at Schuh.

“Typically, baskets are smaller and visits to the site shorter so you need to be working hard on conversion and traffic just to stand still,” he says. This makes innovation in mobile essential, but only where it fits the business. “What innovation isn’t for us is a tech first position. It’s more about how does this make sense to the customer journey and the removal of friction in what is a very fast customer journey. How can it improve that customer experience and visit to the site?” says McKee.

He says his customers spend an average three minutes on a mobile visit. “A focus on the nature of the friction is absolutely key because you have to move them quickly down a theoretical funnel so there is no other focus for us,” he says.

Although he describes gamification as a ‘nice-to-have’ rather than a need-to-have and it’s something that’s on the radar he says the use of messenger and chat bots is more likely. “We are very interested as to what machine learning can do for us as a business so something like chatbots for very routine queries that need defined answers – such as I’m a student can I get a discount? For something like that there is every possibility we could deploy bots but I don’t see it in any way replacing our people,” he says.





SCREWFIX - Where a constantly on the move customer demands a no fuss approach
www.screwfix.com

At Kingfisher owned business Screwfix, mobile is the company’s fastest growing channel. “We’ve seen a 109% growth in sales from mobiles over the past 12 months, so it’s a key business focus for us,” says Sue Harries, director of ecommerce at Screwfix.

“Our customers are on the move every day, often going from job to job. Time is literally money to them. If they are not working, they are often not earning. As such, we are seeing a vast increase in mobile usage as customers increasingly run their businesses on the go,” she says.

As such innovation is key. “With it being our fastest growth channel we need to think mobile first. Screwfix.com is a fully responsive site, allowing content to be viewed easily on mobile, tablet and desktop,” she says.

Whilst Harries says she sees the value of gamification she says her trade customers often see through anything that might be viewed as a gimmick and only use technology when it clearly helps them out. “That said, with increasing ability to target, segment and personalise messages – and also contact customers in the moment – we will continue to look at how we might incorporate elements of gamification and other ‘loyalty’ drivers as part of our overall CRM strategy,” she says.

The company is also keeping an eye on chat bot development too. “If we find a case whereby this technology could enhance the great service we give our customers, then we would look to trial this,” she says.

“Our site was made fully responsive in 2016, and we are continuing to enhance our mobile experience. Our single page checkout was built with a ‘mobile first’ approach and we have seen a significant reduction in checkout abandonment rates since this went live. Earlier this year, we gave customers the ability to ‘add to basket’ from a list of products without having to click through to the product page to buy. For customers who use these new buttons, this has reduced the number of clicks to purchase by 3 on average and we have seen an increase in conversion as a result. For mobile, it’s sometimes about the small subtle changes that can make a big difference to the experience,” she says.

JD SPORTS GROUP – Innovating in all areas
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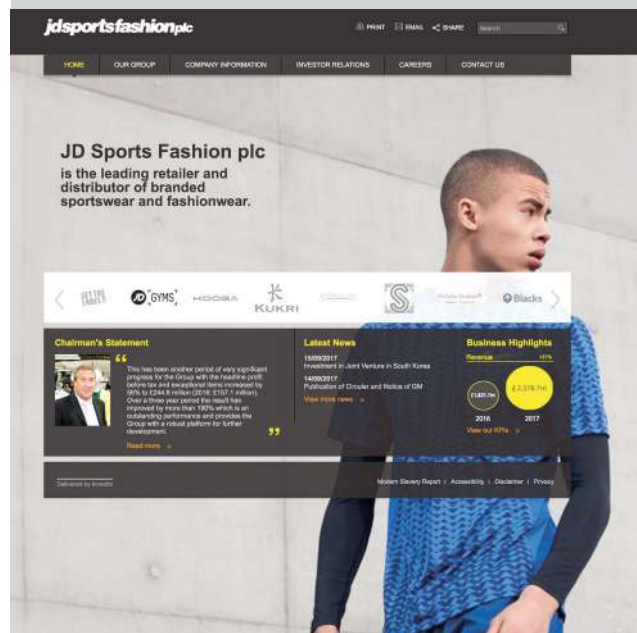
At JD Sports Group, which includes brands such as JD Sports, Blacks and Go Outdoors, chief operating officer Lee Bagnall says mobile is big business. “Mobile browsing has exploded and mobile sales, whilst still a secondary platform, is catching up fast,” he says.

Innovation in the mobile customer journey is crucial, according to Bagnall. “Mobile customers have different requirements and expectations. They are typically at a different stage in the buying cycle,” he says.

And this makes user experience vital. “Mobile is our biggest and fastest growing browser channel, therefore placing the experience as central to strategy is logical,” he says.

The group is innovating in a number of areas including the use of gamification in its sports business. “We have not yet tried it on the outdoor site but we have used it elsewhere in the group to drive engagement, stickiness and dwell time,” he says. The group has also just started to trial messenger bots and chatbots in the mobile experience. “The aim is to improve conversion and get to product KPIs,” says Bagnall.

Whilst he says a frictionless experience on mobile is a target Bagnall says that for a group of his size this takes time. “We want to offer a consistent and exceptional experience to all our customers no matter how they choose to shop with us. That requires aligning all our back-end systems which is something we continue to make progress with. Realistically, a frictionless experience is some way off. We need significant developments in customer relational analysis before we start to make it happen. It is about knowing our customers, their requirements and their history, combined with excellent availability, simple payment and world class logistics,” he says.



LARGE SHOE RETAILER – Where a frictionless mobile experience is top priority

At one of the UK's large shoe retailers a frictionless mobile experience is vital. "Without a doubt, it's my top priority," says the company's ecommerce manager. "I try to design everything as a customer first and a developer second, and I know for a fact that when I'm new to an ecommerce site if I encounter any obstacles I'm gone and there's a chance I'll never come back. The line between a successful purchase and an abandoned cart is paper thin and it's our duty as retailers to really push the boat out to give customers something special. We have to make purchasing from us rather than anyone else worth it and it's in our best interests to make sure that we've secured a returning customer."

"In my book, a frictionless experience is an experience where interaction feels natural. A user should be able to browse a category, navigate to a product, see all the information they need about it and purchase it without needing to be told where to go and without errors and bugs. Loading should be lightning-speed, and once they've viewed a product they should be able to return to the product list they were browsing, at exactly the point they stopped browsing and continue where they left off. Their search terms should be retained, their filters should be retained and absolutely nothing should interrupt their shopping experience – nothing on our end, anyway."

Innovations such as gamification and chatbots are also exciting developments, according to the manager. "Gamification is definitely influencing some of the decisions we're making about how our checkout process looks and how we can incentivise our loyalty schemes. There's definitely that satisfaction for most people around completion and success and that's worth tapping into," she says.

And messenger and chatbots also offer exciting opportunities, especially for retailers with international operations, says the manager. "A bad chatbot is definitely worse than none at all. But a good one is invaluable. Getting answers straight away rather than waiting for a call-back or an email is much better and really helps international customers who might not be online in time for customer service hours. We don't have it implemented at the moment but once we've got some of our current projects completed we'll definitely look into it."

OUTDOORS RETAILER – Why mobile focuses the mind on usability and innovation

The tougher realities of delivering a great experience on a smaller screen means that innovation in mobile is vital, according to the ecommerce manager of one of the UK's leading outdoor clothing retailers. "Armed with an appreciation that the mobile customer has different objectives & expectations than the traditional desktop-based customer, trying to deliver a first-rate experience on smaller real estate places more of an onus on innovation," he says.

Having a mobile first strategy therefore heightens the concentration on true usability and innovation, he says. "It allows us to focus on the core objectives of the service we are providing to the customer; stripped back of all bells and whistles, what is important to them, and how do we ensure that the key tasks are as simple as possible to complete."

He says a frictionless experience is an area in which he puts huge importance. "When operating in a sector as competitive as ours, both from big name brands and from smaller clients selling your own products, the user experience is a key part of the strategy to ensure that the customer both purchases with us and encourage future purchases," he says.

"For me, a frictionless experience is one where the customer does not need to think about what is required to complete a task."

The company's current focus is on improving the core shopping experience but for 2018 he says gamification could be a consideration. "Like any technique used to improve the mobile experience, when used to extremes this can result in excess and have a negative effect on the overall experience. I believe that gamification can be more effective in specific sectors," he says.

And he says he also sees the benefits of messenger bots, although he says for his business the focus is on a well-designed help section. "In the retail sector, there's definitely efficiencies to be made by having a messenger bot active at all times to answer routinely asked questions," he says.

In summary

As we have seen in the pages of this whitepaper mobile innovation is a fast and furious process that retailers simply have to keep up with. Customers are unforgiving of a poor experience and retailers are striving to make their customer journeys as frictionless as possible on mobile to avoid customer frustration and drop-off. This is especially important when it comes to traditional sticking points such as payments.

But innovation isn't just about improving the flow of the experience. It's also about driving excitement and something new for the customer – encouraging loyalty, engagement and ultimately spend which is where innovations such as gamification come in.

Sitting still when it comes to mobile innovation just simply isn't an option. 🇧🇷

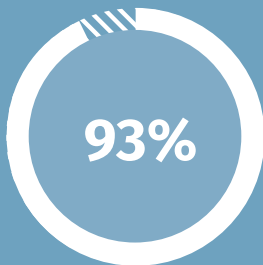
Liz Morrell
Research Editor

KEY CONSIDERATIONS

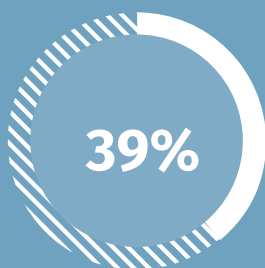
Clearly the survey has shown that 93% of the retailers admit that mobile innovation impacts customer satisfaction and profitability and yet only 39% of retailers identify themselves as mobile first. The wide gap between knowing where to head and taking the steps to get there will affect conversion and ultimately differentiate the retailers that can stay in the race and those that won't.

SOME BEST PRACTICES TO GET STARTED ON THE MOBILE INNOVATION JOURNEY ARE:

- The mobile first strategy is the way forward when designing both new UX experiences and improving mobile conversion.
- Complete the frictionless experience across the consumer journey. And that means not forgetting the checkout experience.
- The time to start investing in conversational commerce such as messaging is now.
- Explore new mobile checkout channels and find ways to monetise the experience around messaging platforms.
- Experiment with creating exciting user experiences such as gamification.



93%
of the retailers admit that mobile innovation impacts customer satisfaction and profitability



39%
Only 39% of retailers describe themselves as being mobile first



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