

# MOBILE COMMERCE 2014:





## Mobile commerce and the connected consumer

It's been a year since our last Mobile Commerce report that explores the consumer trends and attitudes towards mobile shopping and how the UK's top retailers are delivering against those expectations.

The backdrop to our 2013 report was an ecommerce industry where mobile was no longer a 'nice to have' or something you should be planning for. Mobile was a channel that consumers expected as standard. UK smartphone adoption had tipped 50% and mobile was going mainstream.

It was clear that retailers were working hard to meet consumer expectations as mobile became important in the digital marketing mix, but approaches to dealing with smartphone proliferation was a mixed bag. While there were some standout examples, strategies were typically confused and many came up short against consumer demands.

Our annual report for 2014 shows that the role of mobile in commerce has continued to evolve, and we've seen some significant changes toward a 'mobile first' economy.

Smartphone adoption has continued to grow, but the big difference is that 'mobile' no longer only means smartphone. According to Ofcom, tablet ownership was at 19% at the time of our last report, but in 2014 that figure shoots up to 32% and tablet devices are now found in almost half of UK homes.

Our own research this year supports this trend and also reveals that tablet ownership among those who own a smartphone has risen from 47% to 56%. The majority of 'mobile consumers' are now using multiple devices and it's critical that retailer strategies cater to this.



Commerce is evolving and no one channel is the 'be all and end all'. Your customers are multiple device-owning, connected consumers and they expect to be able to contact and buy from you on desktop, tablet and smartphone, via social media, email, chat, phone and in person.

This trend for omnichannel commerce is one that is driving the big 'pure play' online retailers such as Amazon and eBay to open real world stores and the big high street retailers to up their game online. It's also driving the development of rich features and connected experiences that personalise omnichannel retailing, such as 'click and collect', bar code scanning and location-based services.

This year, our Mobile Commerce report examines the extent of the shift towards a 'mobile first' mind set, from both retailers and the consumer, and we explore which retailers are going the extra mile with 'omnichannel' customer experiences that carve out their differentiation against the competition.

## Mobile commerce and the connected consumer

Consumer research - To achieve an accurate view of what consumers expect from their mobile commerce experiences, we commissioned an independent survey of 1,000 smartphone and tablet owners in the UK, mirroring our approach in 2013.

We repeated questions from our 2013 benchmark survey, to identify how mobile shopping habits, attitudes and frustrations have changed. New questions to reflect the evolution of mobile commerce were also added, to explore consumer attitudes towards 'omnichannel' experiences and emerging features.

This year we also asked for more detail about whether smartphone and tablet devices used are iOS, Android, Windows or Blackberry, allowing us to understand the extent of multiple device ownership and shopping, to better inform mobile app strategies.

Retail experience scoring - In line with our 2013 approach, we identified the top 20 online retailers in the UK, according to IMRG, and scored each against the mobile experience they offer customers across their mobile website and apps for iPhones, iPads, Android smartphones and Android tablets.

The experiences provided by the mobile site and each app were scored against a set of criteria covering functionality and, importantly, the omnichannel features that mobile device users are demanding, as revealed by the consumer research.

Support for swipe gestures and zooming	An 'in store' crossover experience is offered
Simple log-in and social log-in options	Essential information is easy to find
Collection services are offered (e.g. Click & Collect)	Clearly visible and efficient search function
Transactions are easy to complete	Map and/or directions are easy to find
Video content is used	Location-based services indicate the nearest store
Social sharing and social follow buttons are included	Text boxes and typing is kept to a minimum
Personalisation based on customer or social login	A direct way to communicate with customer services
Matches the look and feel of the main site	Clear call to action buttons

\*The consumer research was conducted by independent research company OnePoll in April 2014

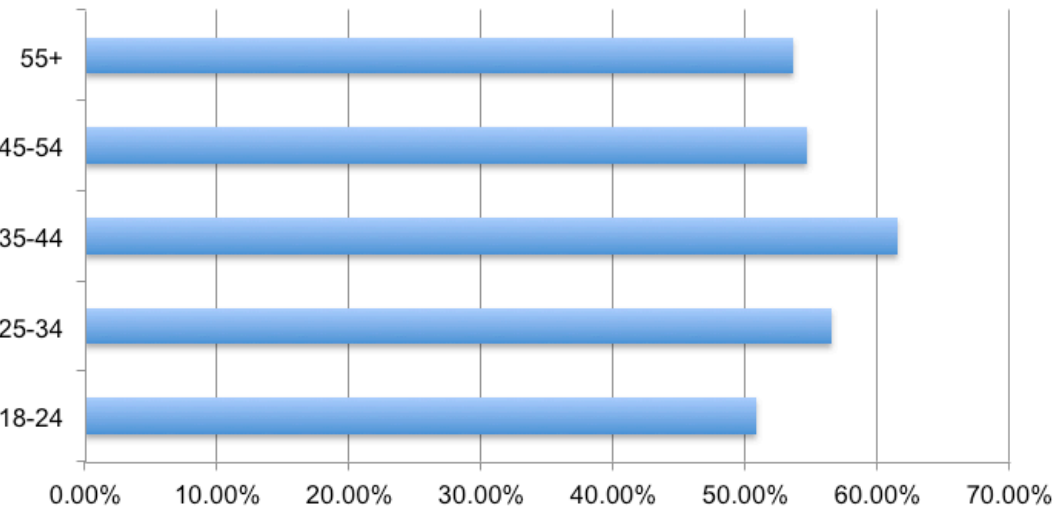
\*\* Each app and website was scored in April 2014

## Trends in mobile spending behaviour

### Understanding the mobile shopping audience

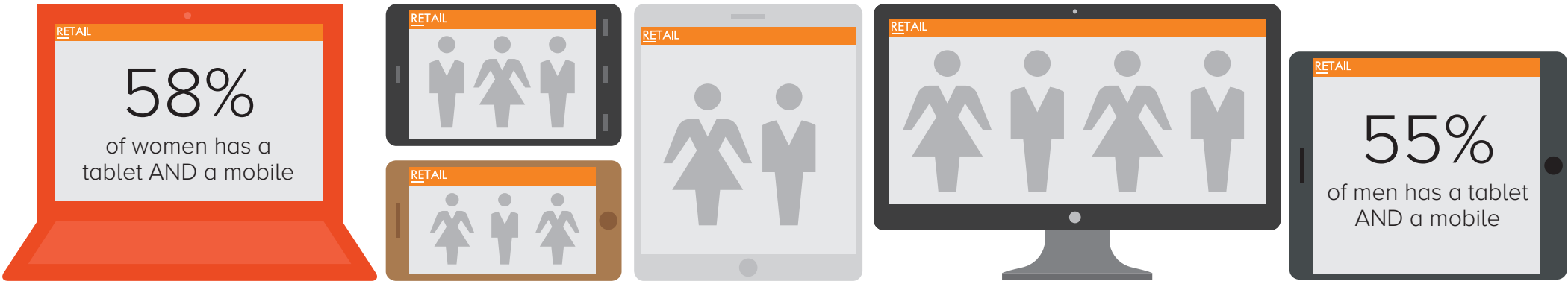
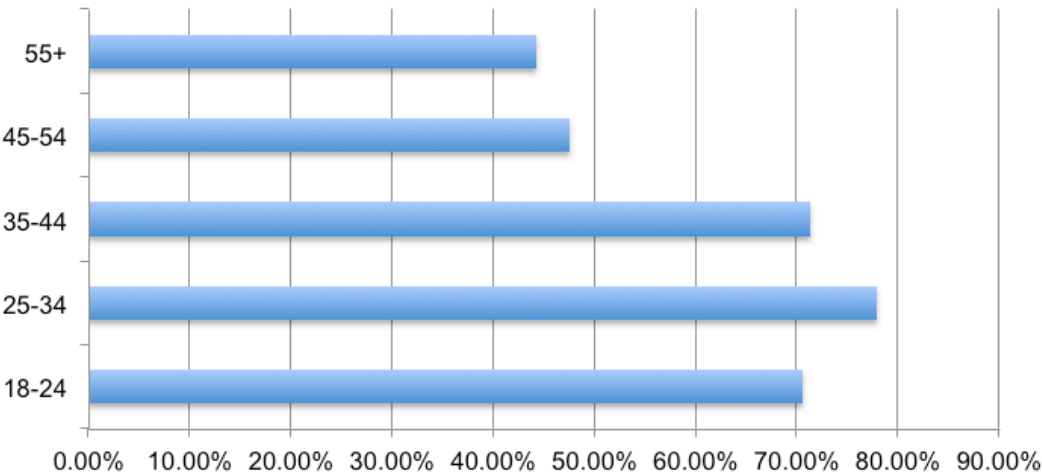
Our research clearly supports our assumption that omnichannel retail strategies will be critical, as the majority of mobile shopping customers own multiple types of mobile device. As many as 58% of women own both a tablet and smartphone, compared to 55% of men, and this multi-device ownership is particularly evident for those aged 35 to 44 years.

Percentage of people who own both a smartphone and tablet by age group



When it comes to likelihood to purchase using a smartphone or tablet, 65% of women and 64% of men have used their mobile device to shop in the last six months. However there are significant differences in behaviour depending on age. Over three quarters (78%) of those aged 25 to 34 years have used their mobile device to make a purchase in the last six months, compared to less than half for smartphone and tablet owners aged 45 years or over.

Percentage of those who have made a purchase using their mobile device in the last 6 months by age group



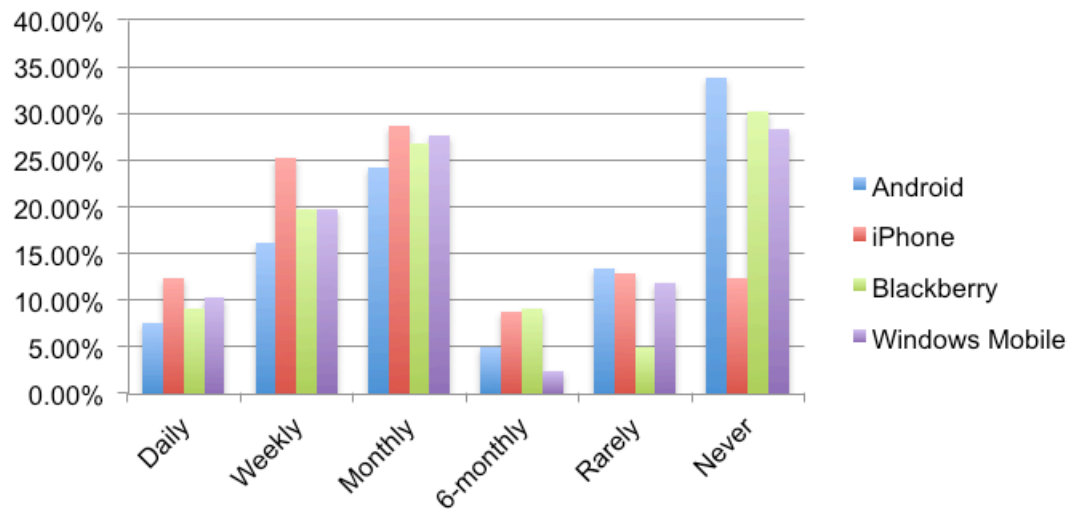
### Buying habits and differences across operating systems

Buying via mobile devices is on the up in 2014, with 55% of mobile device owners using them to make purchases via websites at least once a month, compared to 51% last year. Slightly less (44%) buy via mobile apps, a figure that has also increased from 40% in 2013.

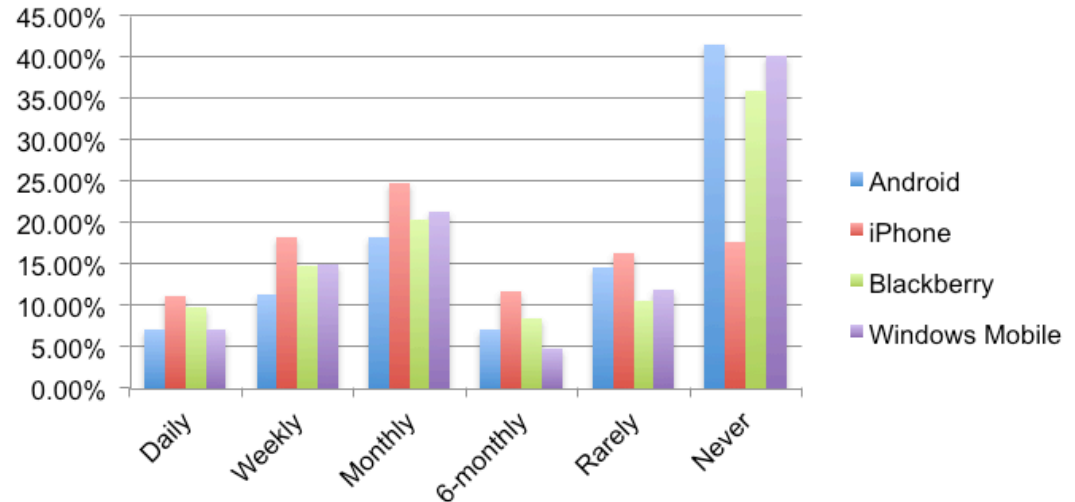
This year we also explored how this mobile shopping behaviour varies across four different operating systems, iOS, Android, Windows Phone and Blackberry. Android is dominant for smartphones, representing 44% of the market, with iOS following at 38%, and Blackberry and Windows making up 8% and 7% respectively.

However, out of the four major platforms, Android users are the least likely to purchase via their smartphone. The lack of retailer apps on Android may explain why app-based shopping is not as popular, but the reluctance for Android users to buy via mobile sites suggests this group is less engaged with mobile commerce.

*How often do you make purchases on your mobile device via a website?*

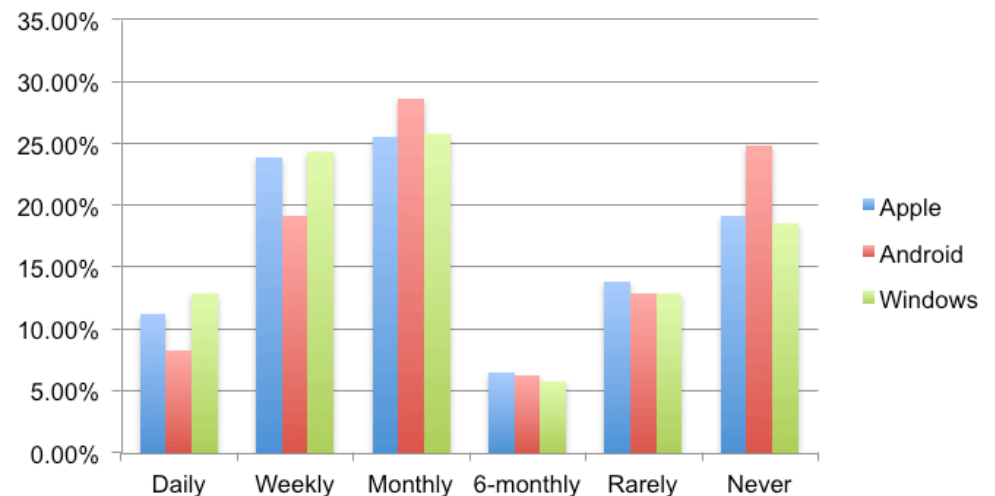


*How often do you make purchases on your mobile device via an app?*



On tablets, the figures for making purchases are higher across the board than for smartphones. In contrast to smartphones, it is Windows users that are most likely to make a purchase via a mobile website, with 63% doing so at least monthly, compared to 61% of iPad users and 56% on Android. The most frequent buyers via tablet apps, however, are Apple device users, as is the case with smartphones.

*How often do you make purchases on your tablet device through a website?*

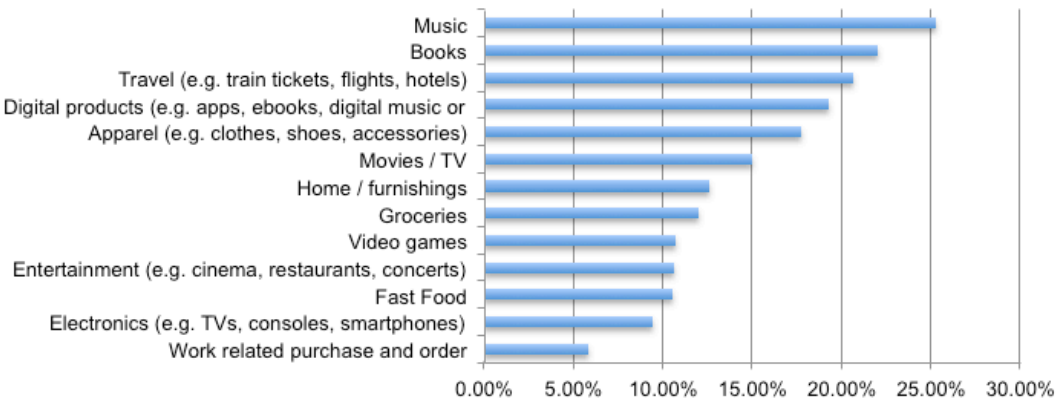


## What, where and why we buy

We know that Android is the more popular operating system, but that frequency of purchase and likelihood to buy increases for iOS and Windows across both smartphones and tablets. So what are these mobile device owners spending their money on?

The most common type of purchase is music, followed by books, travel, digital products (such as apps or ebooks) and apparel. The variety of purchase choices in the top five suggests that it is convenience rather than price that drives mobile purchases, as users are opting for high-value items such as train tickets, hotels and clothing alongside less expensive items.

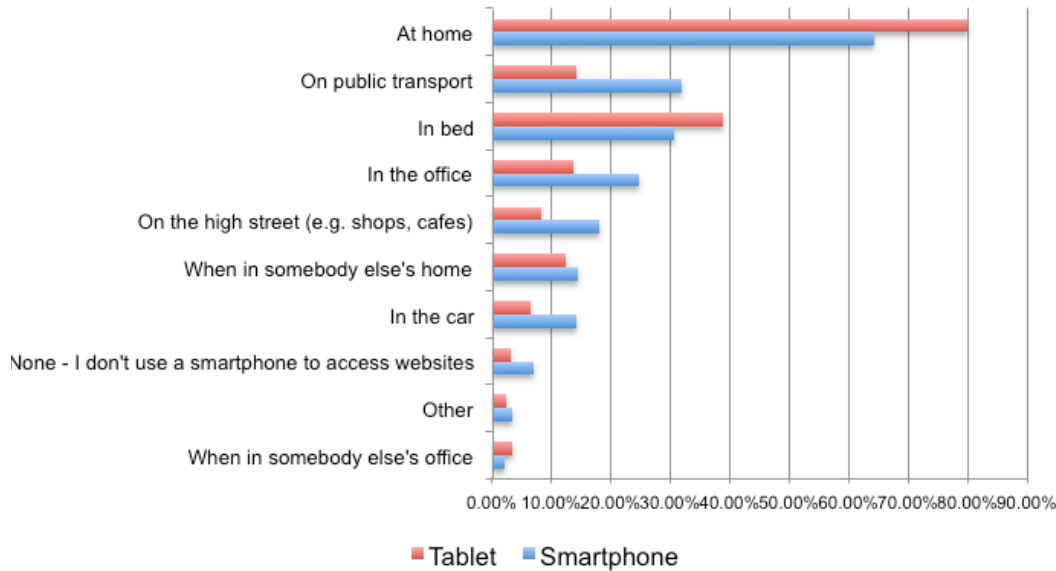
*Which type of products have you purchased via your mobile device in the last six months?*



When it comes to location, mobile does not necessarily mean 'out and about'. Mobile browsing is taking place at home more than anywhere else, with 64% of mobile device owners telling us 'at home' is a primary place where their mobile website browsing takes place, a figure that is even higher for tablet browsing at 80%. Browsing on mobile devices while on public transport and when in bed makes up the top three for both smartphone and tablet users.

'On the high street' was selected as a prime location for around one in five (18%) of smartphone users, suggesting a link with the trend for mobile 'show rooming', as consumers use smartphones in shops to look up items and compare prices.

*What are the top three places you use your smartphone to browse mobile websites?*



Our research also reveals what is triggering smartphone and tablet users to make purchases on their mobile device as opposed to the desktop or in store.

The top reason is 'speed and convenience', cited by 50% of those who make mobile purchases. Regardless of your location, whether that's at home, on a bus or in the office, it seems picking up a phone or tablet can be easier than sitting down at a computer.

Other reasons cited include email offers (16%) and mobile coupons (13%), which indicates the potential of a timely or location-based mobile offer in driving sales.

## Mobile retail frustrations and expectations

As in previous years, we asked consumers what frustrates them about buying using their mobile, but this time we also wanted to identify their expectations of the mobile commerce experience, given that this is becoming an everyday activity.

### Mobile shopping expectations

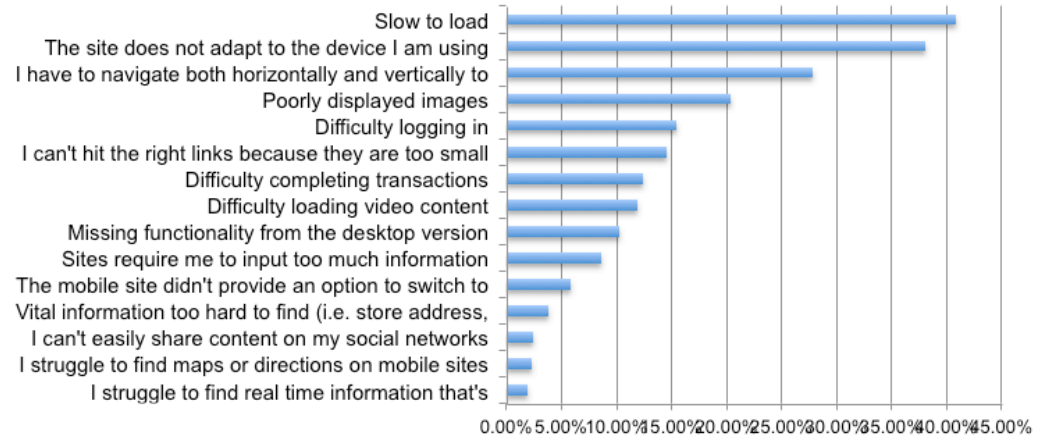
We asked consumers to identify the main features they expect from a mobile retail experience (beyond the obvious like products for sale) and there were five clear areas:

- An easy and direct way to contact customer services (39%): Mobile shoppers want a simple route to seek help from within a mobile site or app. With recent innovations such as Amazon Mayday, which allows users to video chat with customer services at the touch of a button, consumers are increasingly expecting seamless and instant contact with the brands they are looking to buy from.
- User reviews of products (38%): As on desktop sites, customers expect to see reviews on products to guide their buying decisions or validate their purchases. User reviews are frequently used on desktop websites and are common in mobile app stores, so consumers expect to see social proof on mobile.
- Automatic adaptation to a device's screen size (31%): Consumers expect to see content that suits whatever device they are using. However, while a site optimised for mobile may seem a fairly obvious expectation, the broad variety of screen sizes now available for smartphones and tablets means this is not necessarily straightforward for retailers to deliver.
- A collection service to pick up in store (27%): Convenience is driving mobile shopping, so new services such as 'click and collect', which allows them to pick and choose, is also an effective way to connect online and offline experiences, and embrace an omnichannel strategy.
- A map that uses your location to show the nearest store (25%): Mobile devices lend themselves to location-based services and users expect an app or site to use these to full effect. Identifying nearby stores adds to the convenience and ease of shopping on mobile devices, while complementing services like 'click and collect'.

### Mobile shopping frustrations

The top frustration in respect to shopping via a smartphone or tablet is the same as in previous years: speed. Mobile sites and apps that are slow to load are the biggest bugbear, followed by automatic screen size adaptation.

*When browsing mobile sites from your smartphone or tablet, what frustrations concern you the most?*



Retailers would be wise to take heed, as the impact of these frustrations is clear – the majority of mobile browsers will simply leave the site. Speed and convenience are the key drivers to buying via a mobile device, so when these elements are not delivered the primary benefits to shopping on a smartphone or tablet quickly disappear.

These findings were similar in 2013, however a noticeable difference is the extent of consumer forgiveness; in 2014 only 37% of consumers will wait and visit the brand's site from a desktop, compared to 47% last year, which means potentially losing almost two-thirds of buyers to the competition.

It's a clear reflection of rising customer expectations for an omnichannel retail experience. It is no longer acceptable to have a sub-par mobile site as long as the desktop version works later. Mobile is fast becoming the first choice for purchase and it is now the expectation that the mobile version will work first time.



## How retailers are performing

We understand what consumers expect from their mobile retail experiences, but are retailers delivering against these expectations?

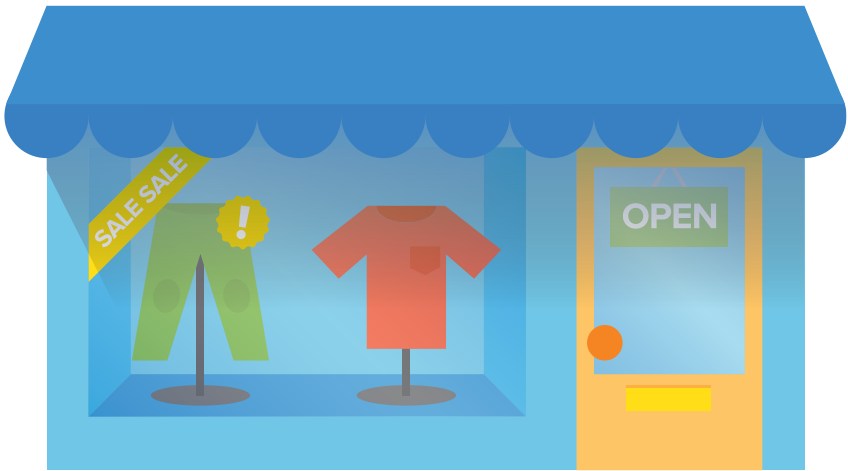
This year we updated our retail benchmarking criteria to reflect the evolution of mobile commerce, to measure whether retailers are providing the services that consumers want and taking advantage of new mobile retail technologies to deliver a personalised and connected omnichannel service.

Our 2013 mobile commerce report saw an overall improvement across the top 20 UK online retailers, with an average score of 55%. This year, the average score has returned to its 2012 value, at 47%.

This is not to say that retailer performance has notably worsened, but rather that retailers are struggling to deliver a more sophisticated and connected mobile experience. We were looking for retailers to deliver more than 'basic' mobile experiences, and for evidence they are meeting the omnichannel mobile expectations of today's consumers. Some did, but not all.

Our top 20 league table reveals inconsistencies in mobile strategies from UK retailers. Overall scores vary by almost 30% between the top and bottom retailers and there is significant differences in retailer approaches to mobile devices and operating systems. For example, iPhone apps performed well, even better than mobile sites, however in contrast iPad apps were either not catered for or, generally, poorly delivered.

	Retailer	Mobile strategy	Mobile site	iPad app	iPhone app	Android app	Android tablet app	TOTAL
1	John Lewis	67%	69%	62%	92%	83%	83%	75%
2	Argos	67%	71%	62%	75%	81%	82%	72%
3	Amazon UK	67%	72%	54%	75%	78%	79%	71%
4	Amazon.com	67%	71%	52%	75%	78%	79%	70%
5	Debenhams	67%	60%	62%	79%	80%	78%	69%
6	Tesco	67%	66%	35%	75%	83%	83%	67%
7	Your M&S	56%	73%	31%	79%	77%	72%	65%
8	Next	56%	46%	58%	75%	75%	63%	60%
9	ASOS	67%	64%	42%	46%	59%	62%	57%
10	ASDA Direct	56%	66%	0%	63%	71%	70%	54%
11	The Train Line	56%	52%	0%	83%	72%	69%	54%
12	New Look	33%	80%	0%	83%	0%	0%	39%
13	Netflix	56%	16%	37%	50%	44%	44%	37%
14	Lovefilm	67%	58%	24%	54%	0%	0%	36%
15	Currys	44%	90%	0%	0%	0%	0%	30%
16	Thomson	44%	50%	0%	8%	0%	9%	22%
17	B&Q	22%	7%	0%	50%	65%	0%	21%
18	Tesco Direct	22%	52%	0%	0%	0%	0%	17%
19	Apple	11%	5%	0%	83%	0%	0%	16%
20	Thomas Cook	22%	2%	0%	4%	31%	0%	8%
	AVERAGE	51%	53%	26%	58%	49%	44%	47%





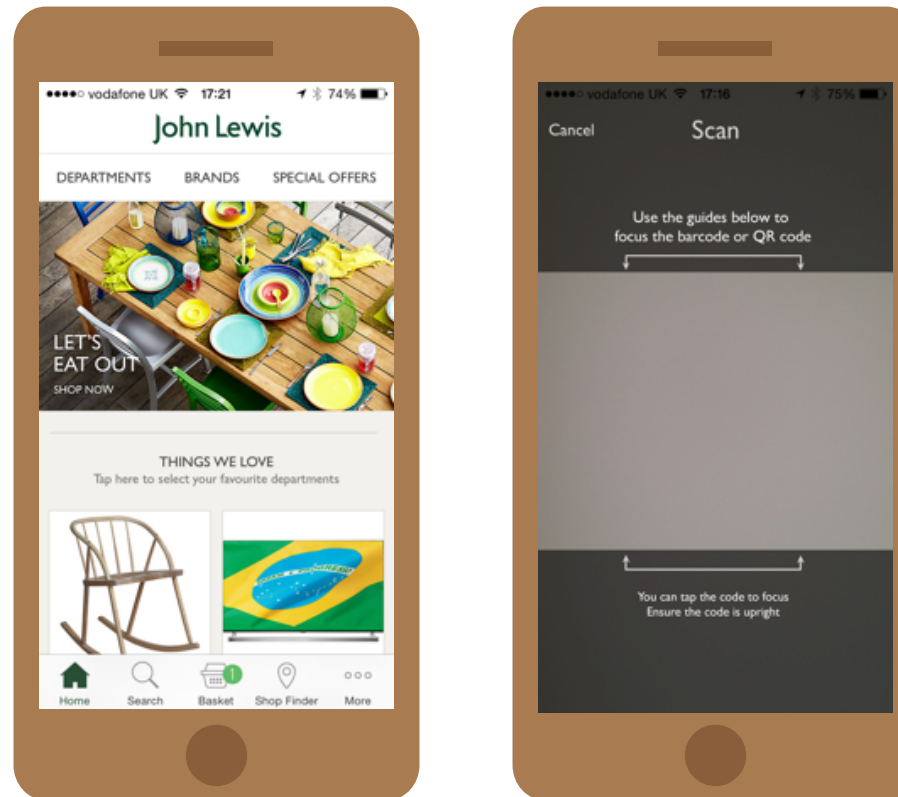
## Best overall mobile retailer: John Lewis

Our top scoring retailer is John Lewis with 75%, replacing Debenhams, which slipped to fifth with 68%. This is not to say the experience at Debenhams had worsened, but they are no longer ahead of the competition in driving innovative mobile services.

John Lewis achieved the top spot by delivering a consistently solid experience across the board. The retailer offers great user experience features, such as a 'double tap to zoom' and pop up on product images, but it was its consistently good app strategy and features across the board that really clinched the top spot.

Having an effective mobile website is the first step in any mobile strategy and John Lewis has demonstrated its ability to not only deliver in this aspect, but expand its approach to cater for Android and iOS apps and users of both smartphone and tablet devices.

Apps are nicely designed, delivering smooth experiences that reflect the main site and John Lewis' overall branding. Customer services can be emailed from within the app, search functionality is simple and the location-enabled store finder is easy to find. The iPhone app also features an in-store crossover feature in the form of a barcode scanner that makes looking up products even easier.

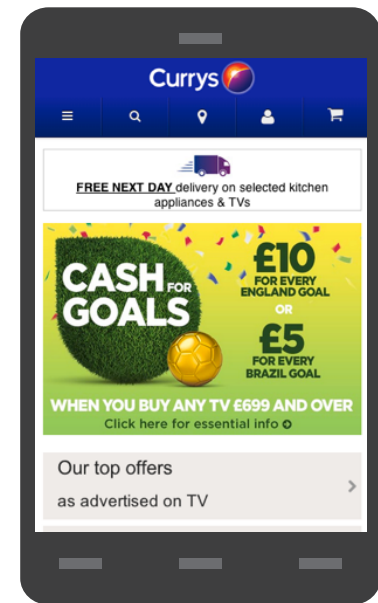
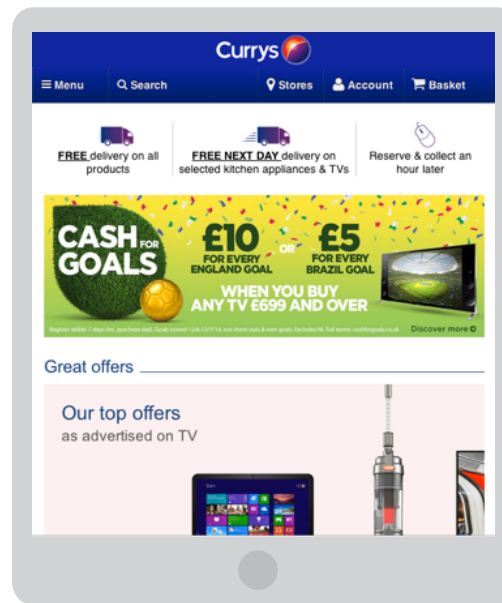
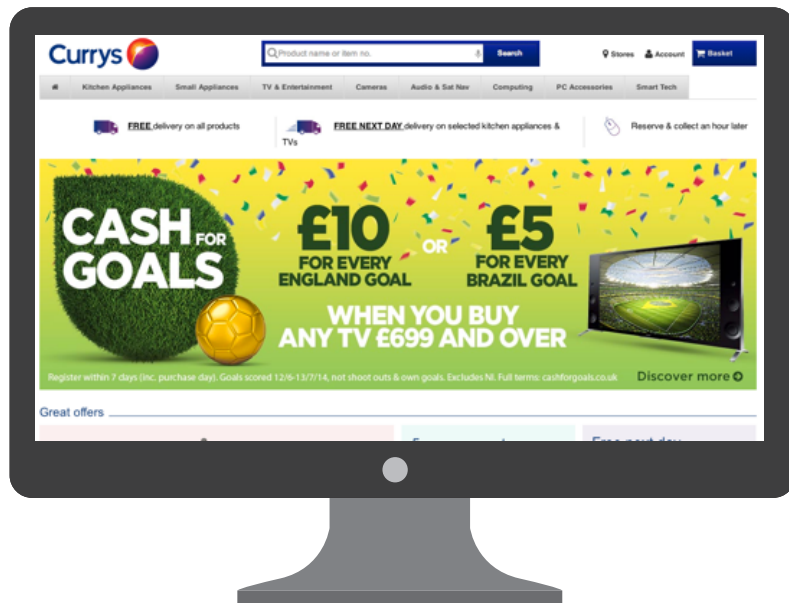


## Best mobile website: Currys

Currys is not an overall performer due to the lack of any apps, but with an impressive 90% score for its mobile website, beating all its rivals, this retailer is worthy of note. Of all 20 online retailers, Currys was the only one to deliver an optimal viewing experience across multiple devices and operating systems, adapting to screen or browser size with a focus on ease of use and navigation, whether on desktop, tablet or smartphone.

The site is easy to use and many of the services expected by consumers such as product reviews, simple customer service contacts and location tracking maps were all there. It was also one of the only mobile sites or apps to utilise video content and, according to Google's PageSpeed Insights, one of the fastest to load, topped only by Amazon UK.

Overall Currys' site is an excellent example of a great multichannel strategy delivered with a non-device specific, one experience approach.



## Five steps to a perfect mobile commerce strategy

The insights we have uncovered into consumer expectations and analysis of the UK's top online retailers reveal clear steps that a retailer can take to evolve its mobile commerce.

1

### Responsive site first

The majority of the top online retailers have a site that is optimised for mobile, and this is a critical first step. This is demonstrated in the exemplary Currys site, the only retailer we benchmarked that had a responsive rather than mobile site, which offers an experience that rivals many of the apps, delivering a consistent, quality experience to every user, regardless of what device or platform they are using. By offering a responsive mobile website, you can reach a broader audience and increase your chances of being found through mobile search, while still delivering a unified brand experience.

2

### Mixing clicks with bricks

Retail is no longer 'online' or 'offline'. The once pure-play ecommerce sites such as Amazon and Ebay are launching real world stores, whereas almost all of the big high street names are now online. Consumers should receive a consistent experience whether they are purchasing in person, on desktop or on a mobile device, and retail strategies should address this. That means delivering omnichannel commerce experiences, offering tie-ups like a barcode scanner in your mobile app, being able to email your local store or customer service directly from a mobile site, product locator when in store or providing click and collect services.

3

### Deliver added value experiences

In scoring our retailers, we came across a number of examples where they had gone the extra mile to deliver a special experience. Little touches that can make a big difference include the John Lewis 'double tap to zoom' message, Thomson's box to ask customer service a question direct from the mobile site, Asda providing petrol prices at your nearest store on its app home screen and ASOS using editorial content to highlight celebrity looks and recommend products. These creative approaches add to the experience, giving a reason for customers to come back to your app time and again.

4

### Know your context

Contextualising the mobile experience can be a huge differentiator. Our research has shown that consumers use multiple mobile devices with differing operating systems in a variety of locations. Use this insight and data collected from their browsing or search behaviours to your advantage to personalise content, offers and product recommendations for a better experience. A great example of this is the Argos app, which once you've determined your local store via its location enabled map, will tell you stock levels at that store for individual products when on the product page.

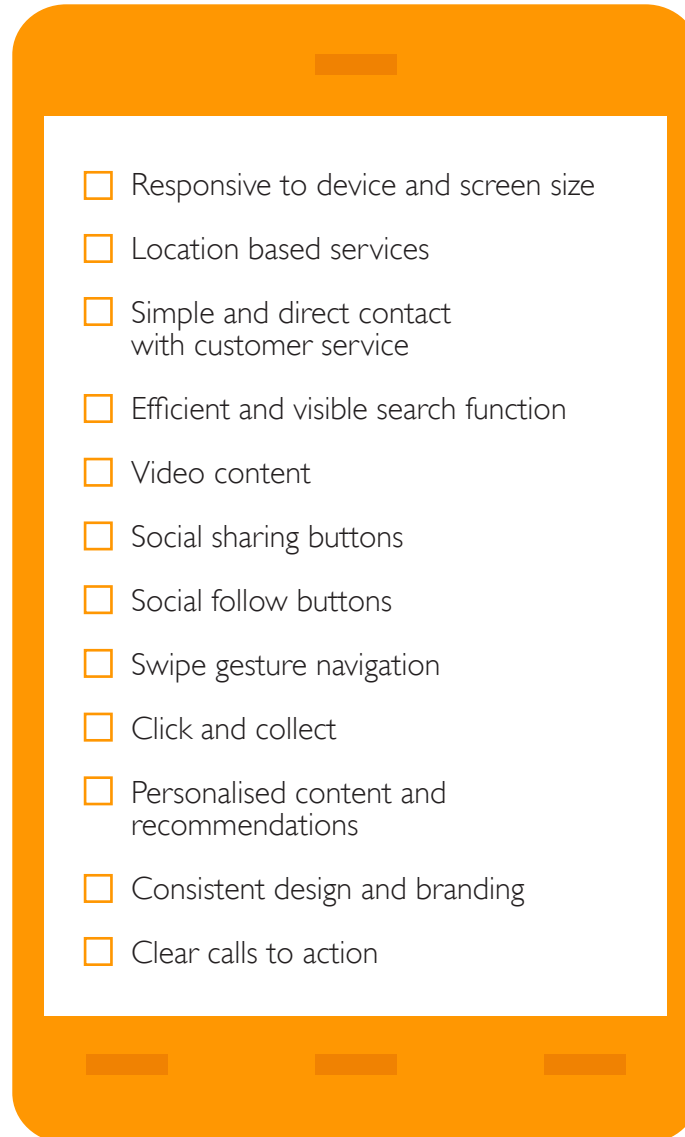
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### Speed is of the essence

Most of the time, your customers pick up a mobile device, rather than sitting at a desk or in front of a laptop, because it is a quick and easy way to browse and buy. For this reason, it is hard to understate the importance of making sure that your mobile site or app not only runs quickly, but delivers an effective path for users to get to exactly what they want to buy. It is not necessarily about how fast information loads from the server, but more about how many clicks it takes to make a purchase and features that make it easy to ask questions, select products and arrange delivery or collection.

## The mobile commerce checklist

How many boxes can you tick in this quick mobile commerce feature checklist?



- ☐ Responsive to device and screen size
- ☐ Location based services
- ☐ Simple and direct contact with customer service
- ☐ Efficient and visible search function
- ☐ Video content
- ☐ Social sharing buttons
- ☐ Social follow buttons
- ☐ Swipe gesture navigation
- ☐ Click and collect
- ☐ Personalised content and recommendations
- ☐ Consistent design and branding
- ☐ Clear calls to action



## Conclusion

In 2013, our mobile commerce report was all about getting the basics right. Make call to action buttons easy to see, don't use too much text, emulate the design and branding from your main site.

Now in 2014, this is all generally accepted wisdom, and the retailers that are really performing successfully are going further by making mobile not only another channel in their strategy, but an integral part of a joined up omnichannel approach.

This is achievable with some creativity that really takes advantage of the features mobile offers, in order to deliver customer experiences that are just a little bit special. Online commerce is still a relatively young industry in the grand history of retail, and mobile is the evolution that offers the opportunity to really mature.

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## Related material

➡ [Mobile Commerce 2013: What Customers Really Want](#)

➡ [How to Win in a Mobile First World](#)



## About us

EPiServer connects e-commerce and digital marketing to help business create unique customer experiences which generates business results. EPiServer's platform combines content, e-commerce and multi-channel marketing capabilities to work full-circle for businesses online, from intelligent optimization, lead-generation through to conversion and repeat business.

Sitting at the centre of the digital marketing ecosystem, EPiServer empowers online and IT professionals to create superior customer experience for more than 25,000 websites worldwide. Built on .net, and supported by a pioneering partner network of over 715 partners in over 30 countries, EPiServer's platform gives customers the ability to deliver the right content to the right person in the right format at a time that suits them. This approach means customers can maximize their investment in digital marketing and increase ROI. The company was founded in 1994 and has offices in the United States, Sweden, Denmark, Norway, Finland, The Netherlands, South Africa, Australia, Spain, UAE and the United Kingdom. EPiServer is controlled by the IK2007 Fund. IK Investment Partners is a European private equity firm with Nordic roots, managing €5.7 billion in fund commitments.

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