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Optimizing Every Customer Experience

maxymiser

STUDY

AUG. 2013



Mobilizing The Retail Shopping Experience

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Introduction

The retail shopping experience has evolved drastically from the days when shoppers walked into brick-and-mortar stores to view and touch products before making purchases. With the introduction of new technologies and the rapid adoption of mobile devices worldwide, relevance and convenience have emerged as key factors in shaping how *and* where consumers make their retail purchases.

As of May 2013, Pew Internet Project estimated that 91 percent of American adults have a cell phone and 56 percent of American adults own a smartphone. In addition, 34 percent of American adults own a tablet device.

As Gian Fulgoni, chairman of web measurement firm comScore Inc., stated at the Internet Retailer Conference and Exhibition 2013: “Mobile is not an option. If you don’t have your website tuned for mobile devices, you are missing major sales opportunities. Consumers are not only using these devices to get information whenever they are and wherever they are, but also to buy.”

In order to forge a meaningful relationship and long-term engagement with customers, it is critical that retailers present their brand messaging and product offerings on the devices consumers are using, wherever they may be and, most importantly, do it in a way that is easy to find and use, relevant, engaging and authentic. Because mobile devices carry with them many benefits – convenience, ease

of use, portability and seamless integration into their everyday lives – consumers have also become more demanding and impatient in their needs.

Mobile-first consumers are spending more time each day on mobile devices to perform dozens of tasks simultaneously. But it’s not as simple as an either-or approach. A growing number of consumers are using mobile devices to supplement more traditional shopping channels, such as online and in-store shopping. Consumers’ growing reliance on mobile devices is also evidenced in the rapid growth of mobile commerce sales in the United States, which eMarketer forecasts will reach \$108 billion by 2017.

As the frequency of mobile shopping rises, so do consumer expectations. These mobile-specific customer experience expectations range from a simple and easy-to-use experience and fast load times of pages/images to segmenting audiences with targeted offers/experiences and optimizing navigation layout, product/category pages and shopping carts. Regardless of what actions consumers are taking while visiting mobile-optimized retail sites, failure to meet these consumer expectations can have detrimental effects on how customers feel about a brand, how much money they are willing to spend and their willingness to return, or worse yet, go to a competitor’s mobile site that is easier to use and gives them more personalized, relevant content and offers.

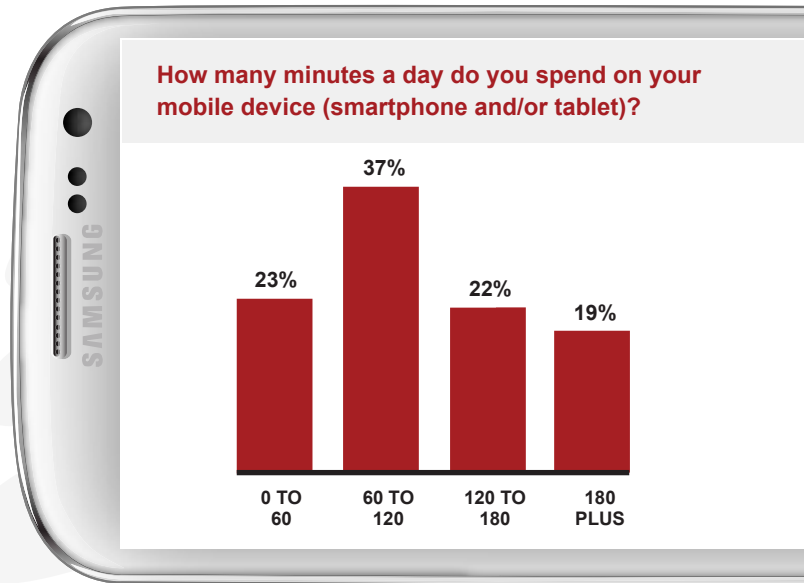
Objectives & Methodology

In order to gain insight into the behavior of US adults who own smartphones and tablets, Maxymiser conducted a research study to understand the role mobile devices play in the retail shopping experience as well as the impact of the mobile customer experience on customer loyalty, engagement and long-term sales across multiple channels. The study was fielded from July 2 – July 5, 2013 and garnered 1,000 completes. It targeted a random sample of consumers, 18 years or older, who own at least one smartphone and one tablet and who self-identified as having an interest in retail shopping.

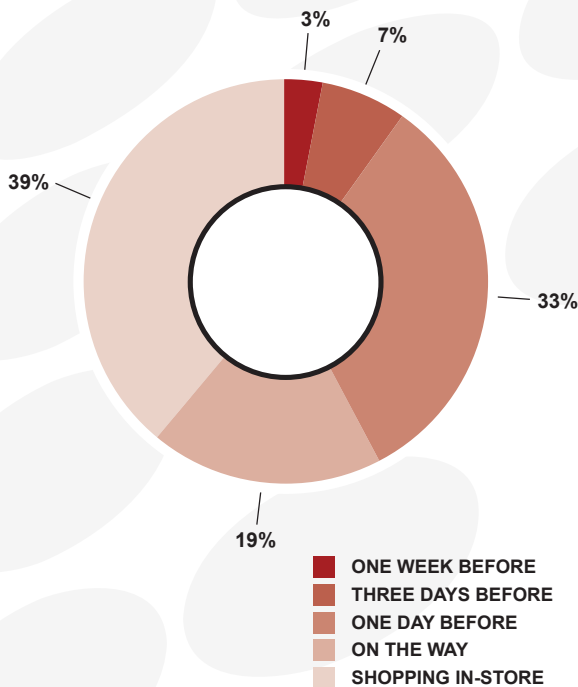
Daily mobile usage surges.

41 percent of respondents spend 120 minutes or more each day on their mobile devices. In contrast, only 23 percent of respondents indicated spending 60 minutes or less daily on their mobile devices.

These figures point to the tremendous benefits - both in terms of engagement and revenue - that retailers can and should leverage by delivering an optimal and personalized customer experience for mobile savvy shoppers.



When are you most likely to use your smartphone or tablet for a store-related shopping trip?

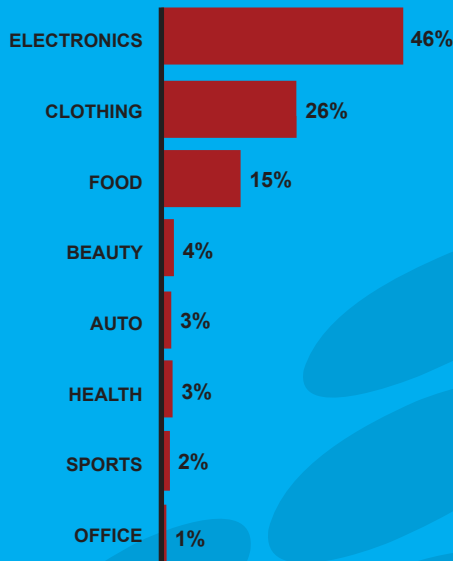


Mobile devices become the norm in-store or on the way to the store.

58 percent of respondents use their smartphone or tablet on the way to a retail store or while shopping in-store.

Recent eMarketer estimates show that 25 percent of online sales will take place via mobile devices by 2017. Nevertheless, mobile drives ecommerce sales in more ways than one. In addition to consumers turning to mobile devices to satisfy their impulsive shopping urges, another trend is emerging whereby consumers are also using their smartphones and tables to supplement their in-store retail shopping experience.

Which of the following retailers are you most likely to visit on their mobile site prior to going into the store?



Mobile optimization tops retailers' priorities.

The top three retail categories consumers are most likely to visit on their mobile sites prior to going into a physical store are: electronics and appliances (46 percent), clothing and accessories (26 percent) and food and beverage (15 percent).

Our data reinforces the findings of the 2013 Shop.org/Forrester Research Inc. State of Retailing Online study. The study points to a clear trend and urgency among retailers to focus on strategies to improve the customer experience and increase web conversions and loyalty across all devices. In fact, more than half (51 percent) of retailers surveyed by Shop.org and Forrester Research said their top priority for 2013 is site optimization, including checkout optimization, alternative payments, user experience, testing and product detail page enhancements. Additionally, 43 percent of retailers surveyed noted that mobile and tablets are among their top three priorities for 2013. These companies plan to invest in new or improved mobile apps and mobile-optimized sites, analytics, and traffic and conversion growth.

Mobile complements in-store retail shopping.

19 percent of respondents reported using their mobile devices to browse/comparison shop while inside a retail store, 14 percent use their mobile devices to find the nearest retail store location/look up directions or business hours, and 12 percent use their mobile devices to find/redeem mobile coupons or offers.

Which of the following mobile activities do you do most often as part of your retail shopping process?



Customer experience is king on mobile devices.

65 percent of respondents reported a simple, easy-to-use experience and fast loading of pages and images as the most important factors when visiting a retailer's mobile site. Meanwhile, 12 percent of respondents reported having an easy-to-find and use search bar as being important when visiting a retailer's mobile site.

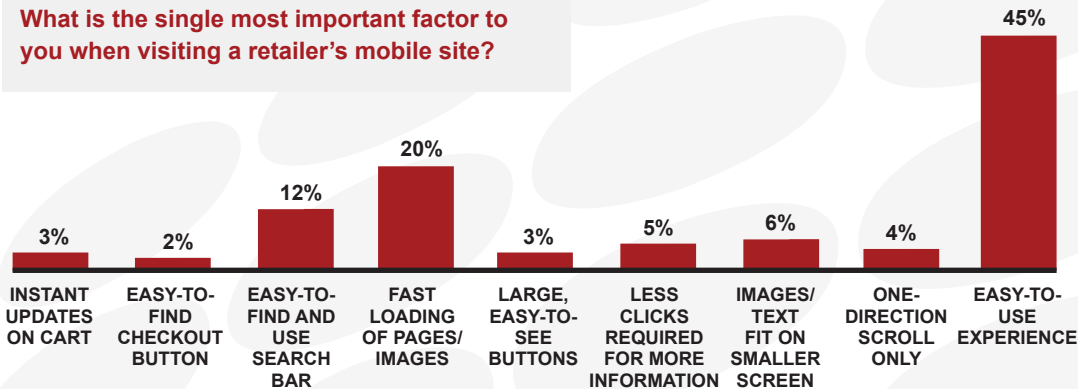
Because consumers are often multi-tasking, on-the-go and finicky about what information they want now, retailers with an average customer experience on their mobile site risk losing valuable eyeballs, traffic, clicks, conversions and, most unfortunate of all, multichannel sales.

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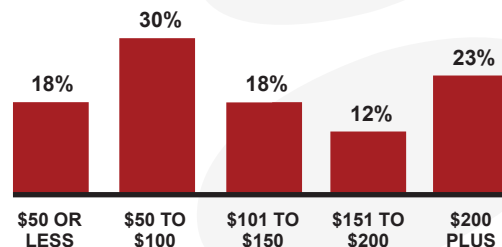
What is the single most important factor to you when visiting a retailer's mobile site?



How much are customers willing to spend on mobile?

As consumers become more comfortable with using mobile devices in the retail shopping process, the amount of money they are willing to spend in one single purchase on these “always on, always connected” devices has also risen. 48 percent of respondents are willing to spend between \$50 and \$150 on a single retail purchase from their smartphone or tablet, while 23 percent of respondents are comfortable spending over \$200 on a single retail purchase from their mobile device.

What is the maximum amount of money you would be comfortable spending on a single retail purchase on your smartphone or tablet?

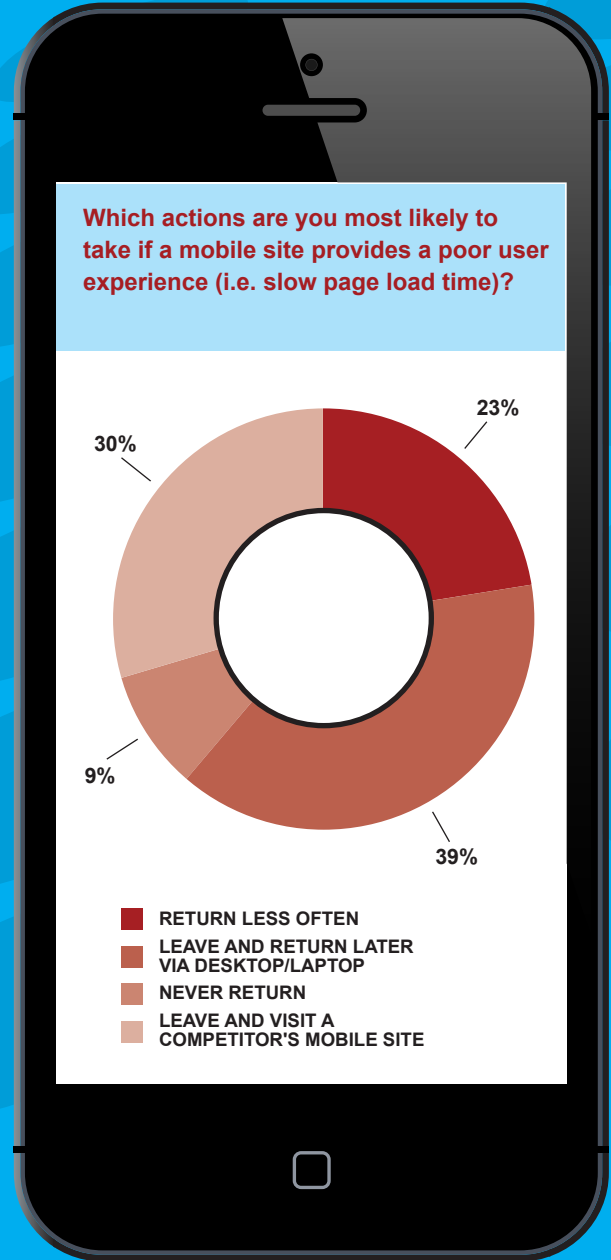


American consumers have limited patience on mobile devices.

39 percent of respondents stated they would leave and visit a competitor's mobile site, or never return, as a result of a "poor" user experience on a mobile site. Additionally, 23 percent of respondents stated they would return less often if they had a poor user experience on a mobile site.

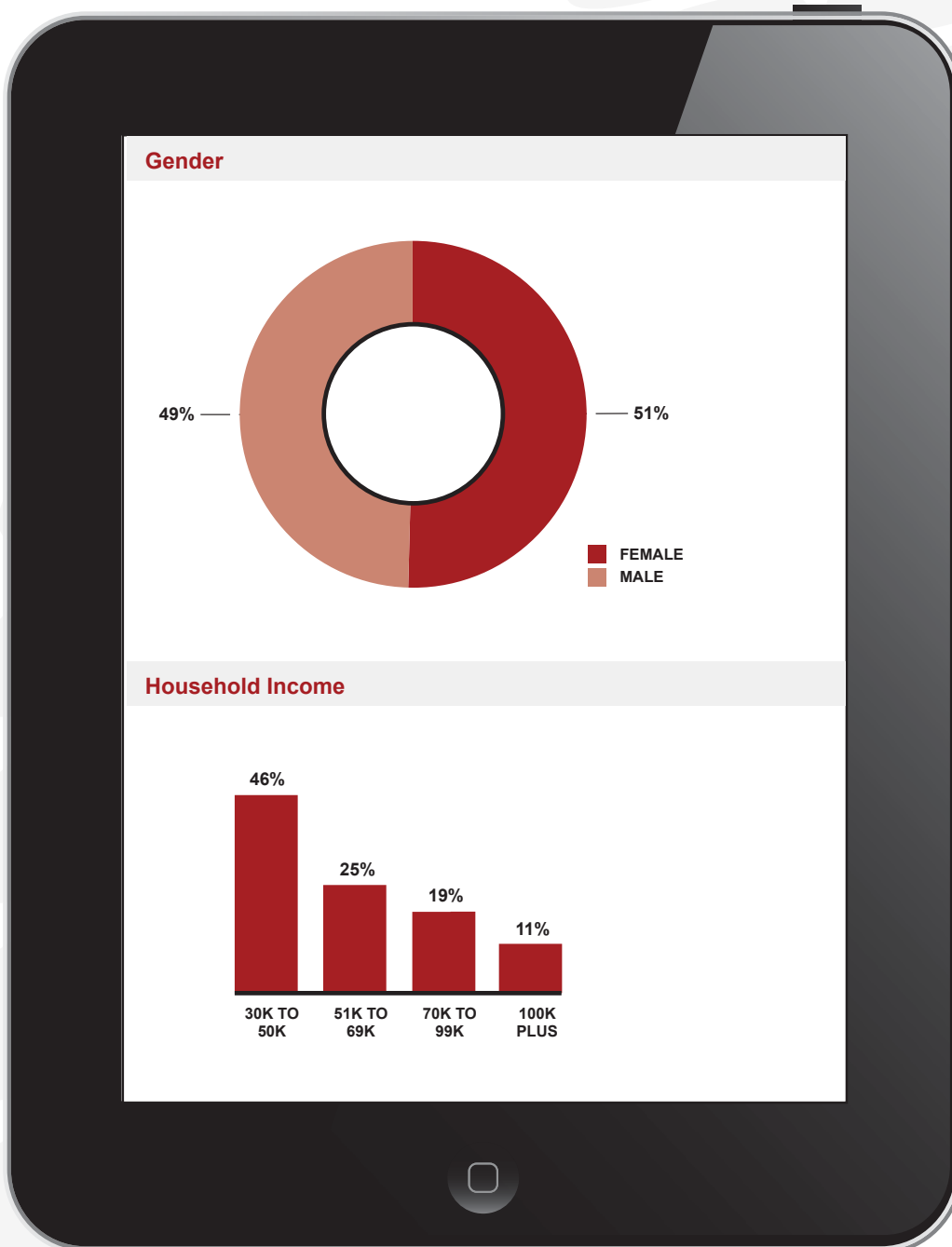
As we move into the "Age of the Customer," retailers are fast becoming aware of the tremendous impact and influence the quality of the user experience has on consumers' perception, loyalty, engagement and purchase intent with their brand.

While a growing number of consumers favor the convenience and speed of retail shopping on-the-go, barriers such as hard-to-find search bars, delayed loading of pages/images and complicated/long checkout processes, are among some of the reasons consumers fail to complete an attempted purchase on their smartphones and tablets. Having a customer experience on mobile devices that makes customers' shopping process simple, fast, relevant and intuitive will pay off for retailers in the form of increased click-through rates, higher Average Order Values, more conversions and long-term revenue growth. Failure to do so, however, can cause a dramatic reduction in page views, conversions and dollars.



Demographics of Mobile Retail Shoppers

Of the 1,000 respondents in the Maxymiser research study, 51 percent of respondents were female and 49 percent were male. In addition, the annual household income of respondents in this study ranged from \$30,000 to over \$100,000. While 71 percent of respondents reported earning an annual salary between \$30,000 and \$69,000, 30 percent of respondents earn an annual salary of \$70,000 or more.



Conclusion

Despite the many benefits mobile devices bring to consumers and rapidly increasing usage worldwide, there are still some significant roadblocks standing in the way of mobile commerce. Forrester Research estimates that of the 132 million US mobile Internet users in 2012, only a quarter of those users have ever made purchases via their mobile devices.

For brands' Chief Marketing Officers, this points to a clear demand and urgency to not only make mobile users' experience as personal, targeted and relevant as possible, but also to optimize product pages, category pages and the checkout process. By doing so, retailers will see dramatic lifts in their mobile site traffic, product and landing page views, Average Order Values, conversions and sales across all channels.

Recommendations

- Reinforce the test-and-learn culture already in place within your digital strategy across all mobile site teams
- Move beyond basic testing of your mobile site; Leverage advanced multivariate testing to deliver the most intuitive and relevant product pages and shopping cart, as well as checkout and payment processes
- Establish the optimal, most intuitive layouts and structures for search and global navigation on mobile devices
- Segment your audience based on the mobile activities, behaviors and preferences of your customers, thereby creating customer experiences and offers that are highly personal, relevant and engaging
- Test and optimize the impact of key functions, such as surveys, customer reviews, recommendations, price presentations and product animations in a mobile context



About Maxymiser

Maxymiser empowers brands to transform every digital interaction into seamless, relevant and engaging customer experiences with its cloud-based testing, personalization and cross-channel optimization solutions. Known for serving billions of individual experiences across every device, Maxymiser leverages customer data to dramatically boost engagement and revenue, while also driving long-term business value. Combined with a team of vertically focused digital experts, Maxymiser's Customer Experience Optimization suite quickly delivers measureable results to every client through A/B and multivariate testing, segmentation, behavioral targeting and product recommendations for the web, mobile, social and email.

Maxymiser works with some of the world's most iconic brands, including Progressive, Office Depot, Alaska Airlines, Harry & David, LIDS, Sovereign Bank, Teleflora and Wyndham Hotel Group. Founded in 2006, Maxymiser is headquartered in New York with offices in Chicago, Edinburgh, Dnipropetrovsk, Dusseldorf, London, Munich and San Francisco. To learn more about Maxymiser, please visit www.maxymiser.com and connect with us on Facebook, Twitter and LinkedIn.

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