

# Look to the clouds

InternetRetailing's Mobile Editor, *Paul Skeldon*, investigates the issues around mobile first, customer first and being adaptive-responsive.

**T**HE TECHNOLOGY sector tells us that we live in a mobile-first era. Wrong. Retailers live and operate in a customer-first world where the shoppers they want to bag arrive through all sorts of channels, on all sorts of devices, at all sorts of times – and they are driven to that point of purchase in myriad combinations of ways. So, how do you design online, mobile and app strategies to fit? And, more importantly, how do you make the experience seamless across them all?

This is where the idea of 'mobile first' is often mooted, but in reality what is actually called for is an adaptive-responsive philosophy. Now, before you yawn and think you know what that means, listen up. These days it is about adapting and responding not in terms of design, but to the full gamut of sensory information that you have about the customer: their location, their device, their network connection and, increasingly, any context you can also glean.

The conundrum facing retailers is this: shopping basket creation in the UK on mobile is up 45% on last year – accounting for 25% of all online transactions, according to the Q2 2015 Shopping Index from Demandware. However, there are the other 75% of transactions, which are clearly happening on something other than a mobile. What this means is that shoppers are browsing on mobile, with the occasional purchase, but mainly converting elsewhere.

The big challenge for retailers is that consumers are starting to demand different things from all their different devices that they use in the shopping process.

## PERFORMANCE MATTERS

Research by Akamai suggests that UK consumers on mobile and tablet spend an average of £500-£700 more per year than desktop-only shoppers and are twice as likely to make a purchase of £200 or more.

The research also shows that these same consumers expect pages to load really fast on mobile, quite fast on tablets and are slightly more tolerant of slower web pages.

"Only 11% expect a one second load time



“Shoppers are browsing on mobile, with the occasional purchase, but mainly converting elsewhere”

on desktop, but 14% expect near instant on mobile and tablet,” says Jason Miller, Chief Strategist, Commerce at Akamai. “The problem is that, even though desktop is the fastest device, the more engaged, active and decisive consumers are found on mobile and tablet. These consumers, being more likely to participate in ecommerce represent a more discerning audience and expect a higher level of website performance.”

Things get more complicated still when you consider that the same study also finds that seven in ten consumers in the UK prefer the richness of the desktop experience for actual shopping.

“This is against a backdrop of there being a two fold increase in making an online purchase on mobile since 2009,” says Miller. “Clearly they want the richness of desktop, with the instant load times of super fast broadband – but all on a mobile.”

Apps go some way to making this possible, offering the rich experience and often some form of offline or low bandwidth mode. In fact a study by Criteo finds that, worldwide, retail brands that make their app experience a priority generate nearly 60% of mobile revenue from the app, up from 50% in Q2 and heavily outperforming desktops.

“Brands that prioritise apps as a key revenue driver see profits surge,” says the report author and Criteo's Chief Product Officer, Jonathan Wolf. “Ensuring that the app experience is seamless, intuitive and engaging is central to boosting engagement

and conversions. Globally, for retailers who have prioritised their app experience, 58% of all mobile revenue is generated through the app; travel is at 49%. Also, apps convert at a rate 3.7 times higher than mobile browsers and two times more than desktop in terms of adding to basket and buying.”

### FLUID & RELEVANT

Apps only go part of the way to solving the problem of needing to offer a fast and rich experience on a mobile device – while making sure that online also works well. What is really needed is a combination of adaptive responsive design and a move to cloud based ERM and POS systems to offer a truly versatile solution to the problem.

Of course, adaptive responsive design is important – as are all the other aspects of making sure that you service all devices and network types, such as image sizes and page wireframes and so on – but delivering it all from a single platform, ideally in the cloud but not necessarily so, allows for the real-time integration needed to deliver what customers want to see based on where they are and what they are doing.

Today’s highly connected consumers expect fluid and relevant interactions where their information with the brand is never lost across channels. Unfortunately, too many retailers still treat the in-store experience as completely separate from the online experience – and vice versa – as well as often treating the mobile experience as separate from the desktop experience. Most treat the app as separate to the m-web and there are even differences between the m-web on phone and tablet.

All of this frustrates customers and prevents retailers from capitalizing on opportunities for cross-sell, upsell and improved customer loyalty.

For many retailers there is the issue of bringing in-store into the digital realm too. A study by RSR Research on behalf of cloud based ERP provider NetSuite found that 95% of retailers agree that the store and the digital experience must be brought together for a continuous, seamless experience.

However, as many as 77% believe that legacy systems and lack of knowledge as to how to actually make it all happen is what is really holding them back from proper cross and omnichannel retailing, rather than whether to go mobile first or not.

Many retailers are unsure of how to address these challenges. Replacing point systems like ecommerce or POS does not solve the underlying problem of a lack of visibility

across the enterprise into customers, orders and inventory that is required to unify the customer experience between online, mobile and in-store.

“When it comes to how to support the convergence of digital and the full shopping journey, retailers are stuck – waiting for something better to come along than the disparate systems they have,” says Steve Rowan, Managing Partner of RSR Research and an author of the NetSuite report. “The reality is there are options out there, but even better-performing retailers are cautious in approaching them, fearing both the cost and the pain of making the change.”


The answer to the in-store conundrum lies in a combination of the adaptive-responsive and app strategy that all online retailers need to embrace and the cloud.

Rowan believes that by providing services on the cloud, the retailer can combine their ecommerce platform and their in-store and ERP tech into one place – making it much easier to create an experience across all channels, including the store.

One company that has done it is Lovesac, a fast-growing designer and retailer of high-end sectional furniture and accessories, which has opted for handling e- and m-commerce in the cloud and integrate it with its ERP and POS to offer a seamless solution.

The pain of not knowing in real time what inventory it had in store and online caused many problems. “The Tuesday after cyber Monday used to see the office full of people in tears dealing with refunds and all sorts of problems,” says Ryan Johnson, Lovesac COO. “Running a unified ecommerce platform in the cloud has taken this pain away. This year there were no tears.”

Johnson also points to how this cloud-based approach has seen a rethink in how they understand how their customers shop. “We can see that they are using the website on their mobile while in store and where the pain points are,” he says. “It has made us rethink our customer service, rather than redesign our website, as we can now see them calling us while looking at the website in the store. That has been crucial.”

Designing for these customers will also come into its own in the coming months though, when the company goes for a totally mobile first POS policy, again based in the cloud, to make sure that consumers get a seamless experience across all channels when they check out. 

“Apps convert at a rate 3.7 times higher than mobile browsers”