

Smoothing out the experience

Paul Skeldon, mobile editor, M-retailing, investigates the mobile Christmas experience.

MY SEVEN year old, glitter-covered daughter aside, most of us don't feel that Christmassy in July, but as every retailer knows, this is the season to be planning for peak. Of course, in the ecommerce world much of that planning centres around system robustness and being ready to handle an as-yet unknown volume at a yet-to-be-decided time: every year is different, after all.

With 60% of sales now coming through smartphones, according to the latest study by eMarketer, gearing up for a mobile Christmas is more important than ever. And this has two major facets that must work in harmony with each other – pure mobile commerce and mobile in-store.

Naturally, you have to make sure that all the cogs and wheels of your ecommerce platforms are aligned to seamlessly and effortlessly deliver to the mobile traffic you are going to attract; that is ecommerce peak planning 101. What many people miss in the July melee to test systems is that the user experience has to be smooth – and this perhaps is the most important aspect, as far as consumers are concerned, when shopping with you in the run up to the festive season.

Retail is shifting towards an experience-based affair and those retailers that can deliver that are going to be the winners. This will be delivered in spades around Christmas 2017 and there is everything to play for in such a competitive market. Experience has to be part of your peak plan.

According to analysts at Retail Economics and global law firm Squire Patton Boggs, there are four key factors determining a customer's shopping experience: Environment, Education, Escapism and Entertainment and, more interestingly, 24% of shoppers claim that they would willingly pay more for the same product if it meant they would receive a meaningful experience when purchasing it.

No wonder then that a report from Calabrio found that UK and US C-level business executives rank customer experience above sales and revenue as the key focus in 2017.



IN-STORE EXPERIENCE

One of the areas where experience is going to be key is the impact mobile is going to have on the high street this Christmas. Beleaguered as it is with falling sales and a bad rep on the experience front, high street shops need to start work now on bringing mobile into their store experience and be ready to handle the peaks that will occur in the run up to Christmas.

“43% of shoppers said that they are likely to spend more money in the future with a retailer who offered a meaningful shopping experience in-store,” confirms Richard Lim, Chief Executive, Retail Economics. “And a retailer’s abilities to predict, analyse and adapt to forthcoming waves of these behavioural shifts will stand as the differentiating factor from their competitors.”

Matthew Lewis, head of the Retail Industry Group at Squire Patton Boggs, adds: “As the Experience Economy evolves, retailers must embrace consumers’ demands for the shopping experience to become more integrated and focused on their lifestyles. We have seen recent reports that US retail sales have risen but stores are closing and it is clear this is a global issue and retailers need to make a significant adjustment to stay ahead of the curve. From a digital perspective, retailers will have access to unprecedented sets of data as they strive to create an entirely unique customer experience and the introduction of the EU’s General Data Protection Regulation in a year’s time will have significant implications for multichannel retailers. Retailers will also need to focus on how to ensure their employees are aligned to the Retail Experience Economy to deliver the best possible customer journey.”

PURE MOBILE

Similar issues around maintaining mobile experience during peak will also impact pure play ecommerce providers. On mobile, getting the UX right is also becoming an essential part of closing the sale. With sales slowing but smartphone shopping booming, mobile first seems to have won the day.

Andy Burton, CEO of Tryzens, explains: “In quieter sales periods, retailers should make driving traffic to the site their priority for boosting sales. Using real-time analytics to evaluate and assess ecommerce performance and KPIs can inform better and more timely

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business decisions to target products, special offers and upsell opportunities.”

He continues: “Of course once securing a visitor to the site it is essential to maximise conversion and reduce abandoned baskets. Thinking about this on a mobile device requires a different approach to a traditional ecommerce desktop experience as you not only have the small screen space that drives a different navigation and customer journey, but you also have different ergonomic functions as well as additional capabilities to tap like location data and biometrics to simplify and enrich the shopping experience. Building this from the ground up and thinking about the consumers’ needs first before anything else is the most important facet of a ‘mobile first’ ecommerce strategy. Removing friction along mobile pain points such as during payment on checkout and leveraging the opportunity for innovation are key trends in this area that retailers should seek to benefit from.”

This need for experience in a mobile first world is seeing a surge in interest in apps.

Apps provide a more engaging shopping experience and as a result, app commerce company Poq has seen app shoppers spending longer browsing, better conversion rates and greater revenue.

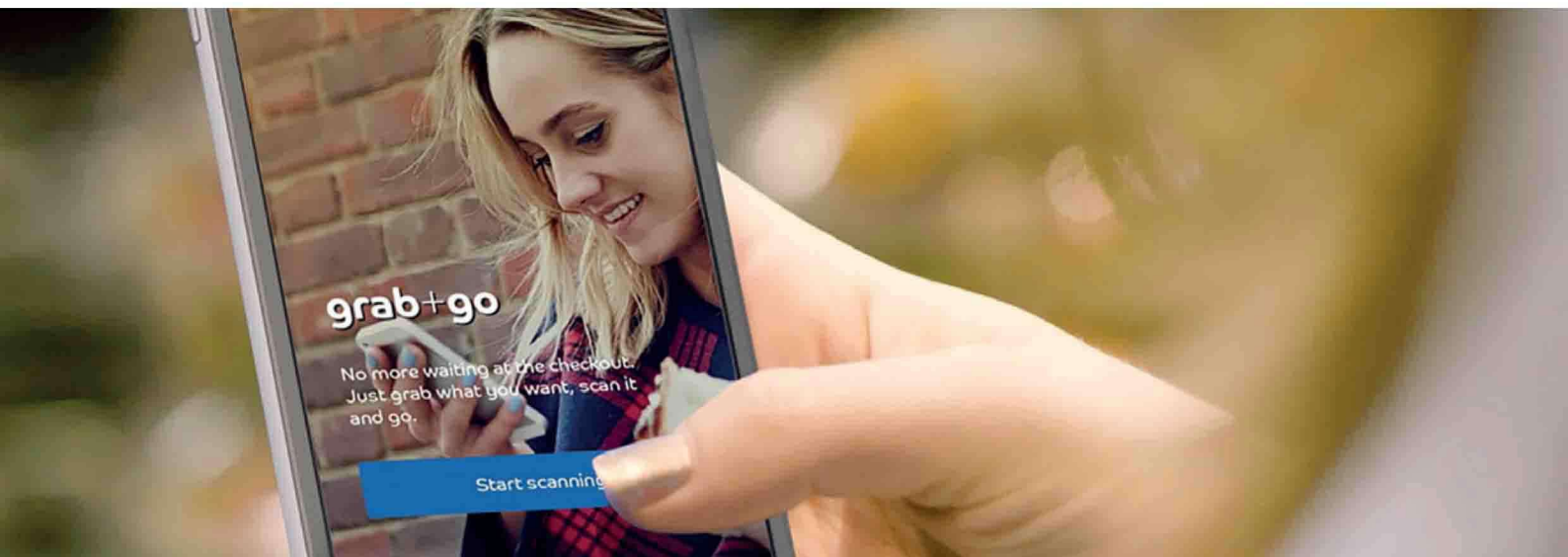
In fact, Poq has analysed the performance of its clients’ apps on its platform in Q1 and compared them to last year. And the findings are interesting. App shopping, it appears, has become even more popular and app shoppers are more keen to engage with retailers through the channel.

Poq’s clients have seen a 90% increase year-on-year in conversion rates in Q1 2017. The company attributes this to the innovative features that apps have, offering qualities that make the app shopping experience unique, easy and convenient. Interestingly while mobile web conversion rates have improved, in Q1 2017, apps again outperformed mobile web conversion rates by 40%, indicating that apps provide a more engaging experience.

INVISIBLE PAYMENTS

One area of experience that both in-store and pureplay mobile retailers need to work on is the friction associated with payments. In stores, payments are usually associated with queues, which are increasingly obtunding the impatient shopper’s desire to spend.

According to a study by Qudini, queues cost retailers £3.4bn a year in stores, simply because queues cost around 10% of footfall lost. ►



Revamping payments in store – making them invisible – can help sales.

This is the thinking behind Barclaycard's Grab+Go 'pocket checkout', which allows consumers to scan goods with their phone using the Grab+Go app and then just tap and pay as they leave.

Usman Sheikh, Director of Design & Experimentation at Barclaycard, explains: "One of the key customer frustrations with shopping is the time spent queuing to pay for items they want to buy – especially when they are in a hurry. Using the latest technology, we've developed Grab+Go to streamline the shopping experience by removing the need to physically check out every time you want to buy something."

He continues: "The way in which people shop and pay has evolved significantly over the past decade, and as the use of mobile and wearable payments grows, we are constantly looking at how we can use technology to make our customers' lives easier."

Amazon's Go store pilot seeks to take this one step further and Uber-ise the whole process and just charge people based on what the in-store tech has seen them take.

Online, payments is also a sticking point for many and retailers need to make the online payment area on mobile similarly slick. Tools such as Apple Pay, Android Pay and Amazon 1-click all make this relatively simple: it has to come down to one click.

THE DISCONNECT

While getting each of these pain points smoothed out on their own is a challenge – not least when trying to make them work seamlessly under peak load – the real challenge

lies in making them all work together.

A recent study by MuleSoft found that more than half (53%) of UK consumers believe that UK retailers provide a disconnected shopping experience that does not adequately join online and the store – and 61% say that they would consider changing retailers due to a disconnected shopping experience.

Perhaps more pressingly, 70% of under 35s want a total rethink of the shopping experience: longer shopping hours, a single click and collect hub at shopping malls and a single digital loyalty programme, according to research by Omnicore.

Taken together, there is a ground-swell among consumers to change how shopping works – and Christmas 2017 is going to be where they vote with their feet.

"Changing consumer expectations dictate that retail, hospitality, entertainment and leisure come together in one connected experience," says Mel Taylor, CEO, Omnicore. "Consumers, especially the rising generation of younger shoppers who have grown up in the digital world, want to move between experiences without hitch or hassle, no matter what they are doing. They don't want to be held up when they buy something and they don't want to be juggling loyalty schemes to get the most out of where they are. It all has to be seamless and connected."

Taylor concludes: "Everyone in retail or hospitality needs to address these requirements urgently if the decline in performance we see in our quarterly gap barometer is not to be reversed. There are tremendous opportunities in the experience economy – it just takes the right technology to bring it together for everyone to benefit." 🇬🇧