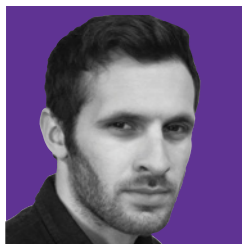**Retail Week REPORTS**

In association with **criteo**

Cross-device retailing

Connecting the digital dots

RETAIL WEEK
FOREWORD

ALEX HAMILTON
RESEARCH EDITOR, RETAIL WEEK

This report on cross-device retailing is particularly relevant as it comes at a time when retail brands (both multi-channel and pure-play) are placing extra focus on the online shopping journey. It is clear that mobile, defined in this study as both smartphone and tablet, is fast becoming a go-to means of shopping for consumers, especially those in the millennial social cohort who crave instant gratification of product and content.

Consumers surveyed for this report – 1,000 in total based on a representative sample of the UK population – are generally positive about the mobile shopping experience offered by retail brands. Retailers nonetheless have some way to go to fully build a truly effective mobile offering

– and one that integrates with other online shopping platforms in a seamless fashion.

Understanding how consumers shop across multiple platforms – where, when and how – will grow increasingly important for retail brands as the online shopping journey grows more complex and intricate. With 68% of shoppers surveyed by *Retail Week* mentioning using multiple devices when purchasing a product online, brands that account for this trend will be best placed to succeed in today's digital world.

New technologies, such as smartwatches, meanwhile, look set to add an extra layer of complexity to the cross-device shopper journey; presenting both opportunities and challenges for retail brands in the near and mid term.

> **Retailers have some way to go to fully build a truly effective mobile offering**

PARTNER
VIEWPOINT

JON BUSS
MANAGING DIRECTOR, NORTHERN EUROPE, CRITEO

Retail Week's connected devices survey confirms Criteo's own findings on cross-device retail ecommerce.

A recent Criteo study, based on its unique pool of online shopping data covering more than 7,000 advertisers worldwide, shows that 44.8% of online retail transactions in the UK have been made on mobile devices so far this year, up from 29.4% in the first quarter last year. Clearly, mobile is now about purchasing, not just researching.

With an average of three devices per household in the UK*, the customer journey is becoming increasingly complex. Nearly a third of smartphone users claim they have at some point researched on a smartphone and later purchased on a desktop.

Retail Week's survey backs that up, with 68% of respondents reporting that they use several devices for research at least half of the time when purchasing a product online.

It's clear that retailers must adjust their marketing strategies. To make the most of this growing opportunity, brands must engage the multi-screen user in a consistent and connected way.

In the past, the main barrier to cross-screen marketing has been the identification of shoppers across different devices to enable personalisation. But the future is bright, as new cross-device technologies provide user identification with exact matching. This development will radically change the game in mobile marketing, enabling retailers to engage and generate incremental sales from mobile users.

> **The future is bright, as new cross-device technologies provide user identification with exact matching**

* Source: Microsoft, Q4 2014 http://searchengineland.com/understanding-cross-device-attribution-210114

EXECUTIVE SUMMARY

DEFINING THE CROSS-DEVICE RETAILING JOURNEY

2 9-year-old Sarah starts browsing for a product on her smartphone on her daily commute based on a friend's recommendation via Facebook. She continues in the office on her desktop and discovers a few retailers that offer said product for a reasonable price. Back at home, she decides which retailer's product is worth purchasing on her tablet while watching TV before transacting on her home computer later that night after putting her children to bed.

The shopping journey taken by Sarah is complex, varied and dependent on a range of social factors that are becoming increasingly hard to capture. It provides an example of how the online path to purchase is difficult to understand, let alone track. Retail brands must, however, attempt to map this journey if they are to succeed in today's digital world.

SHOPPING ON THE GO
Research conducted for this report highlights how consumers are using mobile devices more and more, both in and out of home, to browse, search for and purchase items online. Indeed, 46% of those people surveyed claim

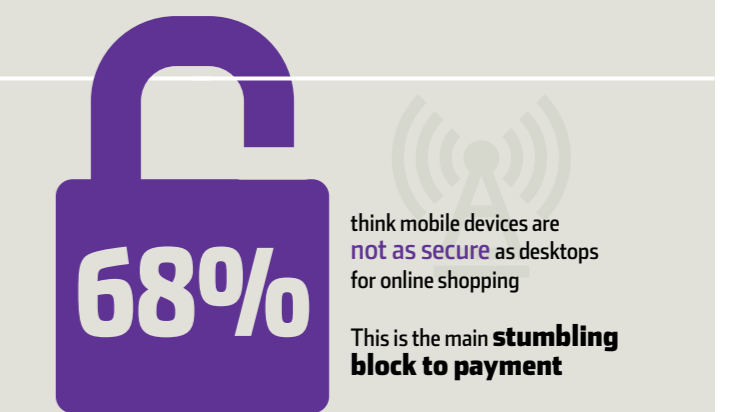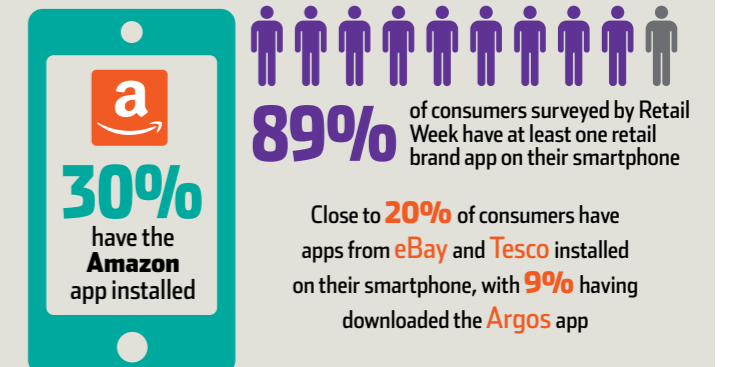> "Retail brands must attempt to map this journey if they are to succeed in today's digital world"

that they had discovered, searched for, and purchased an item online just using their smartphone. Quite a statistic, especially given that this study covers a representative panel of consumers based on the wider UK population – meaning young, early technology adopters, who we would expect to be embracing mobile, make up a relatively small proportion of the panel.

Data also suggests that the multi-device shopping journey, taken by the likes of Sarah, are commonplace, with 48% of consumers noting that they discover, search, and buy products using multiple devices (smartphone, tablet and desktop/laptop) nearly every time/most of the time while shopping online.

When Retail Week asked UK consumers to rate the **'ease of shop'** via the three main online shopping devices...

65% rate the shopping experience on a desktop/laptop as either a **nine or 10 out of 10**

Compared with 26% for tablet and just 13% for smartphone

18–14 year olds somewhat expectedly rate the ease of shop on smartphones higher, with **27%** marking it as a nine or 10 out of 10

52% of shoppers say they most use their mobile devices to shop **at home**

16% of shoppers note that they most use their mobile devices to shop **while travelling**

12% of shoppers say they most use their mobile devices to shop **at work**

30% have the **Amazon** app installed

89% of consumers surveyed by Retail Week have at least one retail brand app on their smartphone

Close to **20%** of consumers have apps from eBay and Tesco installed on their smartphone, with **9%** having downloaded the Argos app

68% of shoppers use **multiple devices** when purchasing a product online at least half the time

Compared with **only 13%** that report that they have **never used multiple devices** to make an online purchase

68% think mobile devices are not as secure as desktops for online shopping

This is the main **stumbling block to payment**

EXECUTIVE SUMMARY
CONCISE CONCLUSIONS

CHAPTER ONE
STANDALONE DEVICES

CHAPTER ONE
STANDALONE DEVICES

- 65% of consumers rate the 'ease of shop' via desktop/laptop as excellent, compared with 26% and 13% for tablet and smartphone respectively
- However, 53% of consumers are fairly happy/satisfied with the 'ease of shop' on smartphones, and 72% on tablets
- 46% of respondents claim they have discovered, searched for, and purchased an item online just using their smartphone
- 60% of respondents note that retailers are doing a 'good job' when it comes to offering mobile-optimised websites
- Retail brands must get up to speed with the latest consumer-led technology trends to keep their retail offering relevant and competitive

CHAPTER TWO
INTEGRATED APPROACH

- 68% of shoppers use multiple devices to purchase a product online on more than, or equal to, 50% of occasions
- 48% say they discover, search and buy products using multiple devices (smartphone, tablet and desktop/laptop) nearly every time/most of the time while shopping online
- When asked when they most use their mobile devices to shop, 52% of shoppers say 'mostly at home'
- Although, 40% feel as comfortable paying for items on their smartphone out of the home as they are on desktop/laptop

CHAPTER THREE
THE FUTURE OF CROSS-DEVICE RETAILING

- Devising new and innovative ways to drive traffic to online platforms will become increasingly key as the battle for online traffic intensifies
- The growth in online traffic will be driven by browsing via multiple devices and it will be important to understand consumers' browsing behaviour across devices and their journey from consideration to sale
- New technologies will add an extra layer of complexity to the cross-device shopper journey; presenting both opportunities and challenges for retail brands
- Smartwatches are fast becoming popular. Retailers need to consider what this means for the shopper journey and how they target customers

- **65% of UK consumers rate the 'ease of shop' via desktop/laptop as excellent, compared with 26% and 13% for tablet and smartphone respectively**

- **However, 53% of consumers are fairly happy/satisfied with the 'ease of shop' on smartphones, and 72% on tablets**

- **46% of respondents claim they have discovered, searched for and purchased an item online just using their smartphone**

- **60% of participants note that retailers are doing a 'good job' when it comes to offering mobile-optimised websites**

- **Retail brands must get up to speed with the latest consumer-led technology trends to keep their retail offering relevant and competitive**

"We continue to see an exponential level of growth in visits from people on mobiles, so in the context of our five-year planning we've just assumed that mobile will get to about two-thirds of retail traffic for the online side of the business"

ECOMMERCE DIRECTOR, LEADING FASHION RETAILER

A discussion around cross-device retailing cannot start without a detailed understanding of the individual place of each online shopping device (desktop/laptop, tablet, smartphone) within the consumer path to purchase online.

How do shoppers rate the ease of shop on a smartphone compared with a tablet and desktop/laptop? Do consumers think that retailers are doing a 'good job' when it comes to offering websites that are optimised for mobile and tablet? And what are retail executives' views on the role mobile will play within their business in the mid to long term?
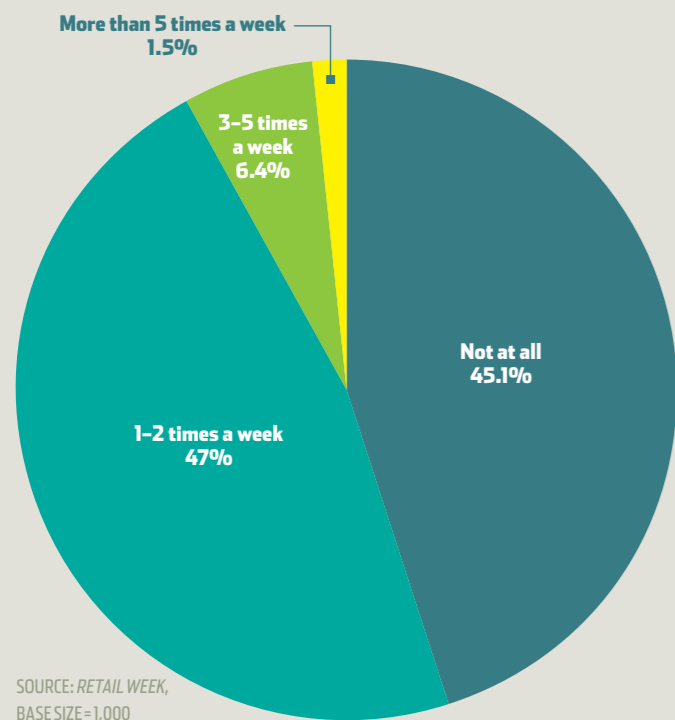
BREAKING DOWN DEVICE SPEND

Understanding the relationship between online and in-store selling and how these different revenue streams can be integrated and better understood has been a major consideration for retailers amid rapid technological change. According to research conducted for this study, the proportion of online to in-store sales varies considerably by retailer and across sector. A fashion retail executive in conversation with *Retail Week* stated that, "online sales accounted for 30%-40% of business", while a head of technology at a leading grocer reported online sales of just 7.5%.
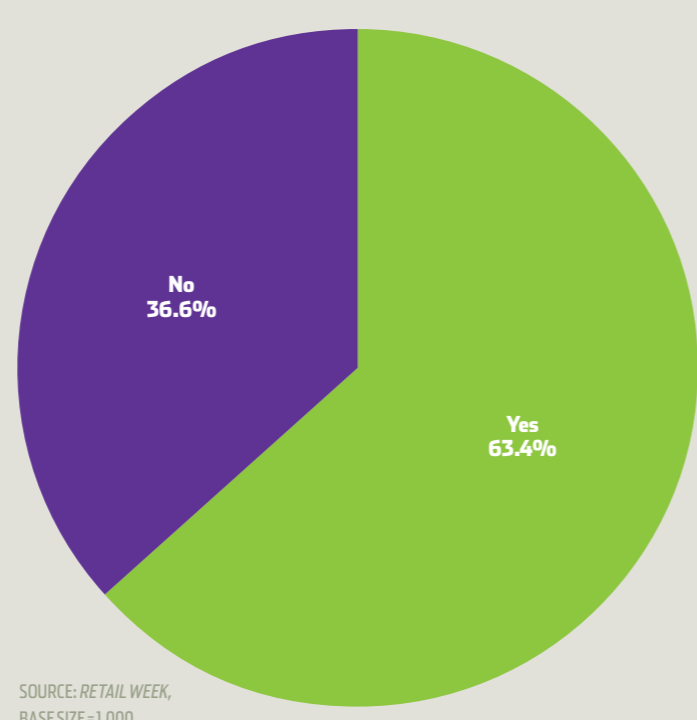
The breakdown of online spend by device showcases the evolution of mobile device retailing in the UK over the past half-decade (see chart 1.3). So much so that, on average, the combination of tablet and mobile device spend is often equal to spend on desktop/laptop. This reflects rapid increases in smartphone usage, improvements in mobile websites and increasing consumer familiarity with smartphone purchasing. This consideration is placing added pressure on retail brands to improve the online experience across tablets and smartphones.

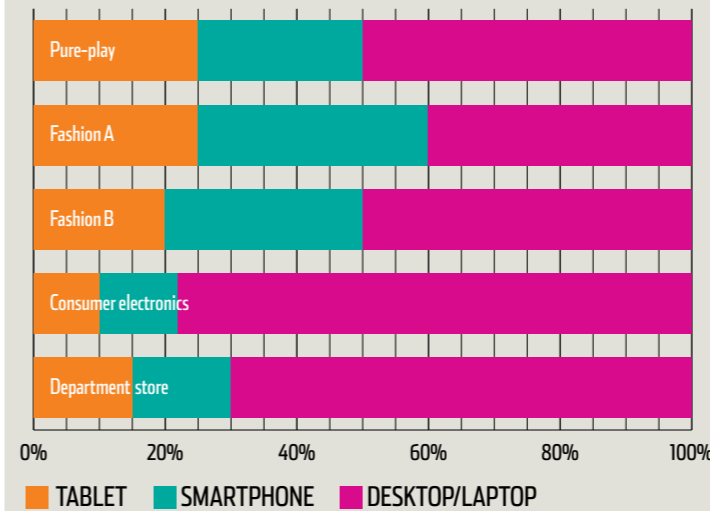Indeed, an unnamed fashion retailer commented to *Retail Week* that desktop/laptop traffic

1.4 Please rate from 1–10 the general ease of shop – overall shopping experience – experienced across each of the following devices:

Legend: SMARTPHONE, TABLET, DESKTOP/LAPTOP

42% of shoppers rate the general ease of shop via desktop/laptop as **EXCELLENT**

Compared with **11%** for tablet and just **6%** for smartphone

SOURCE: *RETAIL WEEK*, BASE SIZE = 1,000

1.1 How often do you shop online using mobile (with a smartphone or tablet)?

- More than 5 times a week 1.5%
- 3–5 times a week 6.4%
- 1–2 times a week 47%
- Not at all 45.1%

SOURCE: *RETAIL WEEK*, BASE SIZE = 1,000

1.2 Do you think that retailers are doing a 'good job' when it comes to offering mobile apps for online shopping?

- No 36.6%
- Yes 63.4%

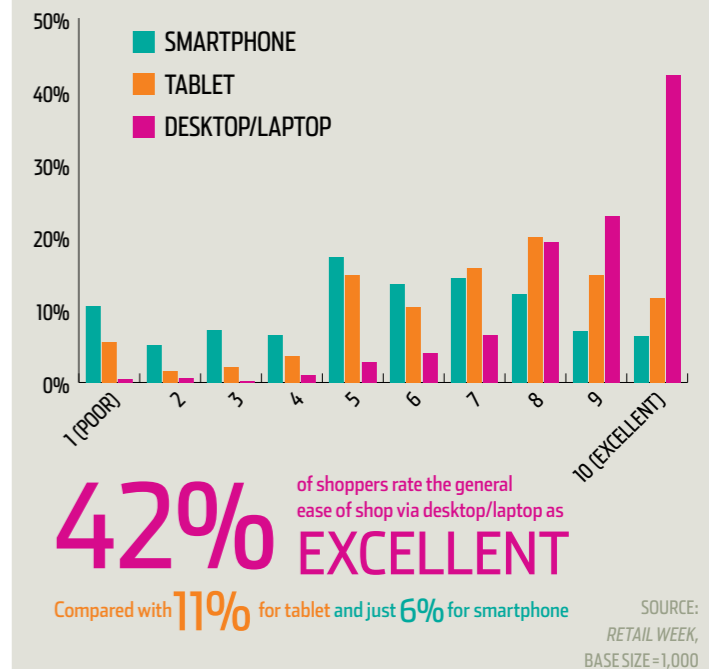SOURCE: *RETAIL WEEK*, BASE SIZE = 1,000

1.3 Total online spend breakdown by anonymous retailer

Categories: Pure-play, Fashion A, Fashion B, Consumer electronics, Department store

Legend: TABLET, SMARTPHONE, DESKTOP/LAPTOP

as a percentage of total online traffic has fallen from 80% in early 2012 to 30% in early 2015, as shopping via tablet and smartphone has grown more popular. For this retail brand, mobile traffic now accounts for close to 50% of total online traffic.

SEASONAL PEAKS

Through discussions with numerous retail executives, it became clear that shopping via mobile devices is highly seasonal. "Total traffic to our website was almost 70% via mobile devices at some points on Black Friday this year," notes the ecommerce director of a high street fashion retailer. As head of ecommerce at a leading etailer noted:"When there is more urgency to buy things we see mobile and tablet sales rising at a rapid clip. Sometimes sales via mobile devices can reach 50% of total online sales."

Ensuring that websites, across all platforms, are fully capable of dealing with seasonal peaks in traffic will become an increasing challenge for

retailers as shopping events, such as Black Friday and Cyber Monday, grow increasingly ingrained in the shopping psyche of consumers.

EASE OF SHOP

When *Retail Week* asked UK consumers to rate the 'ease of shop' via the three main online shopping devices, desktop/laptop comfortably comes out on top, with 65% rating the shopping experience as either a nine or 10 out of 10 (see chart 1.4). This compares with 26% for tablet and just 13% for smartphone. Survey participants aged 18–14 years old somewhat expectedly rated the ease of shop on smartphones higher than both the total population average and any other social cohort, with 27% marking it as a nine or 10 out of 10.
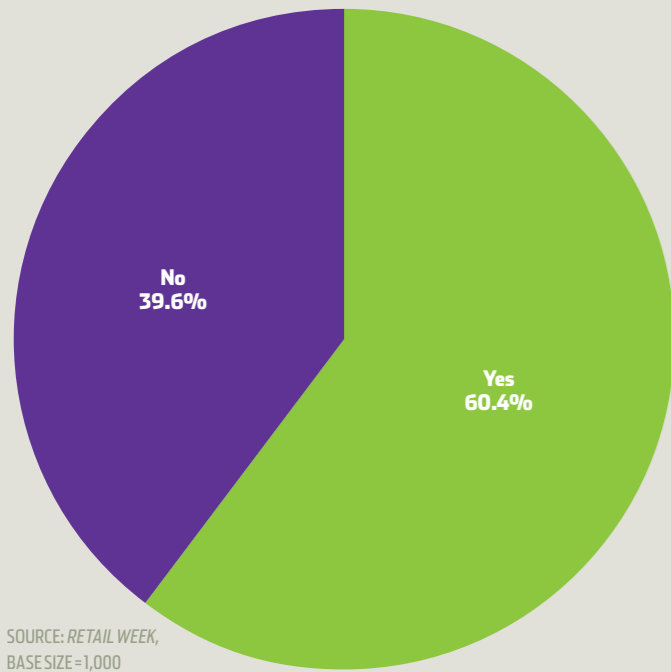
INVESTMENT IN MOBILE

While the shopping experience on mobile still lags behind the ease of shop on both tablet and, most notably, desktop/laptop, it's not to say that

retailers aren't currently meeting consumer expectations around the mobile shopping offer. In fact, 60% of respondents note that retailers are doing a 'good job' when it comes to offering mobile-optimised websites. Thus proving that the effort retail brands are putting into investing in mobile is not going unnoticed by consumers. Many brands see mobile as an important focus for 2015 and beyond. "We expect exponential growth of sales via mobile in the mid to long term and are investing accordingly to meet consumer demand around this offer," says an ecommerce director of a leading fashion retailer. "We are fast becoming a mobile-first business," he adds.
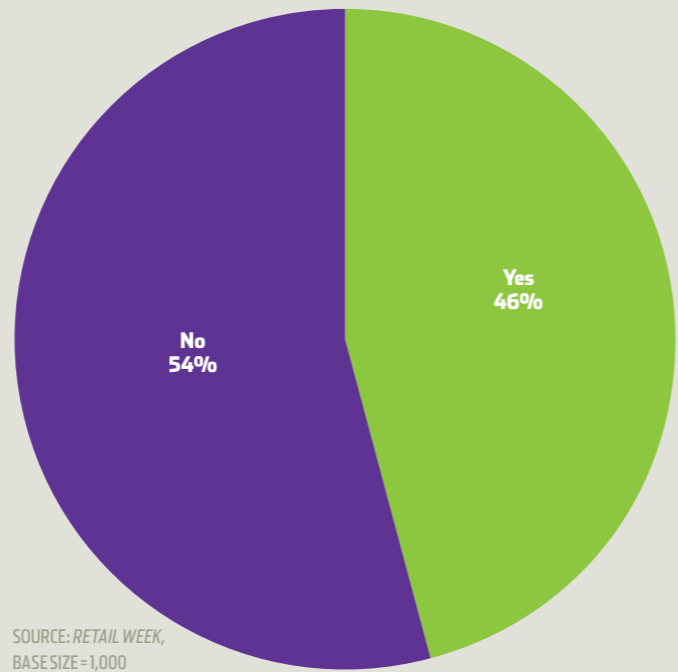
MOBILE APPS

With regards to platforms that are best accustomed to displaying retailer interfaces on mobile devices, the app (smartphone, tablet) is often cited as the most optimal. But do consumers use retailers' apps instead of a web browser? And is engage-

1.5 Do you think that retailers are doing a 'good job' when it comes to offering websites that are optimised for smartphone and tablet?

No 39.6%
Yes 60.4%

SOURCE: RETAIL WEEK, BASE SIZE = 1,000

1.6 Have you ever discovered, searched for and purchased an item online just using your smartphone?

Yes 46%
No 54%

SOURCE: RETAIL WEEK, BASE SIZE = 1,000

CES 2015 – TOP TECHNOLOGY TRENDS

Held in Las Vegas every year, the International Consumer Electronics Show (CES) attracts more than 3,600 exhibitors and 170,000 visitors. It is the world's leading technology showcase, with close to 20,000 products launched across the event over four days. *Retail Week* analysed some of the key trends from this January's event.

● **Augmented reality:** Smart eyewear was on the agenda at CES 2015. Brands are hoping to build upon the buzz created by Google Glass, while avoiding the challenges that promoted Google to stop selling its wearable headset.

● **Virtual reality:** Virtual reality is entering the mass market, with a number if showcases at CES displaying a range of affordable headsets, with prices starting at $25 (£16) and rising to $1,000 (£657).
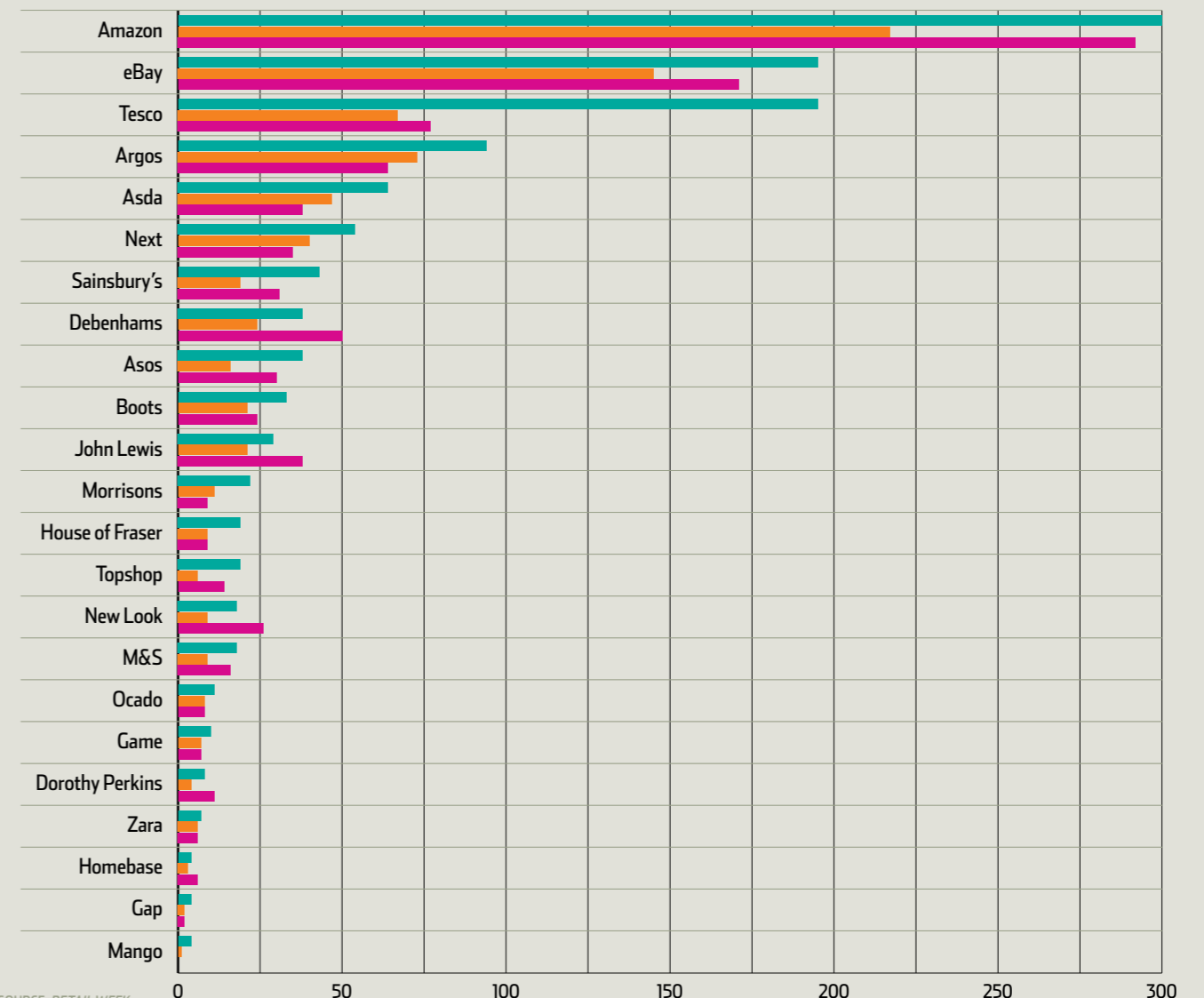
● **3D printing:** The 3D printing space goes from strength to strength. There was further indication at CES that printers are becoming more affordable, necessary for widespread consumer adoption: XYZ Printing offers two printers that retail for under $500 (£328).

● **Fashion-focused wearables:** With growth in the wearables market showing no signs of abating, the dash to produce fashionable and functional pieces is a heightened priority for tech companies. The smartwatch will continue to be the flag bearer for wearables in 2015, but expect a new wave of wearables to hit the headlines soon.

● **Smart wallets:** Public concerns around data security, following breaches from big-box retailers and amid general worries around how data are handled, have sparked smart wallet development and secure payment technology via biometric authentication.

1.7 Please list which retailer

- apps you have on your smartphone
- apps you have on your tablet
- websites you access on a frequent basis from your tablet or smartphone

SOURCE: RETAIL WEEK, BASE SIZE = 1,000

"Our current website isn't responsive – we're introducing a new fully responsive site in a couple of months' time and will be putting a lot more into digital online advertising and pushing our mobile site"

ECOMMERCE DIRECTOR, LUXURY FASHION RETAILER

"I think mobile sales are really important and, as retailers, we're quite early in the journey in terms of trying to understand the role of mobile and how that's going to shape the next 10-to-15 years"

ECOMMERCE DIRECTOR, LEADING FASHION RETAILER

"There is a lot of talk of wearables, internet of things and new disruptive technologies. But we're still focusing on improving the shopper experience across mobile and tablet. We need to get this right"

ECOMMERCE DIRECTOR, LUXURY FASHION RETAILER

"Providing shoppers with sites optimised for each mobile device is now vital, if you want to be considered a truly modern-day retailer. It's no longer a 'nice to have'"

ECOMMERCE DIRECTOR, PURE-PLAY RETAILER

ment anywhere near levels seen for apps linked to social media engagement?

The study conducted by *Retail Week* shows that 89% of UK consumers have at least one retail brand app on their smartphone, with global giant Amazon, at 30%, by far the most popular mobile application among our panel. Close to 20% of consumers have apps from eBay and Tesco installed on their smartphone, with 9% having downloaded the Argos app. The same trend generally holds true for tablets, with Amazon coming out on top, followed by eBay (see chart 1.7.)

Despite the popularity of apps on mobile devices, survey evidence from *Retail Week* suggests that shoppers not only use retailers' applications to shop, if installed on their smartphone. For instance, 55% of consumers who downloaded the Amazon.co.uk mobile app report also accessing Amazon's UK site via their web browser on a frequent basis. For reference, 25% and 21% access Amazon.co.uk via only the app and web browser respectively. The finding highlights a level of indifference from consumers towards shopping solely on mobile apps and that the web browser remains fundamentally important in the online path to purchase.

FINGER ON THE PULSE

Retail brands that have invested in mobile and tablet retailing have generally reaped the rewards as well as getting a jump on those who have yet to, or were slow to, venture into this space. Brands should not rest on their laurels; however, as highlighted by the head of ecommerce at an international fashion retailer who states: "We've seen a slowing down in sales growth via tablet, which we believe could be down to the move towards larger smartphones. There is definitely a grey area here. It's something we're monitoring closely."

This highlights how retail brands need to monitor key consumer-led technology trends if they are to keep their retail offering relevant and competitive. Shopper behaviour and preference can change quickly; leaving some technology redundant and brands struggling to rejig their retail offering. Recent history is littered with examples of brands, both retail and beyond, that have paid the price for being slow to react to changing consumer demands.

TOP TIPS

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YOUR SITE'S MOBILE-OPTIMISED. YOUR APP IS UP. DON'T STOP THERE!

- Fully tag all your properties to leverage advertising vehicles across mobile and desktop
- Activate your campaigns on all devices
- Use data from all your advertising partners for optimisation power
- Promote app usage, not just downloads

CHAPTER TWO

INTEGRATED APPROACH

- **68% of those surveyed use multiple devices to purchase a product online – on more than, or equal to, 50% of occasions**

- **47.8% say they discover, search and buy products using multiple devices (smartphone, tablet and desktop/laptop) nearly every time/most of the time while shopping online**

- **When asked when they most use their mobile devices to shop, a majority of 52% of shoppers say 'mostly at home'**

- **Although, 40% feel as comfortable paying for items on their smartphone out of the home, as they are on desktop/laptop**

Retail brands have been developing effective shopping platforms for all devices independently of one another; improving the usability of websites, optimising sites for smartphone/tablet and ensuring the ease of shop is as smooth and seamless as possible. The next and obvious step for retailers is to develop a shopping experience that is not just seamless across one device, but across all. With consumers increasingly using different devices across numerous locations and at different times of day, retailers that offer the 'best' cross-device retailing experience are those most likely to succeed in today's digital world. Indeed, 68% of shoppers surveyed by *Retail Week* mention using multiple devices when purchasing a product online more, or equal to, 50% of the time. This compares with only 13% that say they never used multiple devices to make an online purchase (see chart 2.1).

STUMBLING DOWN THE PATH

Retail brands need to consider which devices are used more frequently in the different stages of the path to purchase, if they are to target consumers effectively. Of those surveyed by *Retail Week*, 60% say they prefer to use a desktop/laptop to discover new products (step one, see chart 2.3). This percentage increases to 69% when searching with intent to purchase (step two, see chart 2.4) and 75% when making the purchase (third and final step, see chart 2.5). Interestingly, this finding implies that UK shoppers are still somewhat hesitant to use mobile devices (tablet, smartphone) as the path to purchase nears its conclusion. Mobile devices are therefore still mainly seen by consumers as tools to browse for products from an idea-generation standpoint.

UK SHOPPERS ARE STILL SOMEWHAT HESITANT TO USE MOBILE DEVICES AS THE PATH TO PURCHASE NEARS ITS CONCLUSION

2.1 Which statement do you agree with most?
I discover, search for and buy products **using multiple devices** (smartphone, tablet and desktop/laptop) _____ online.

- Never 12.6%
- On the odd occasion 6.7%
- Once in a while 12.4%
- 50% of the time 20.5%
- Most of the time 24.2%
- Nearly every time 23.6%
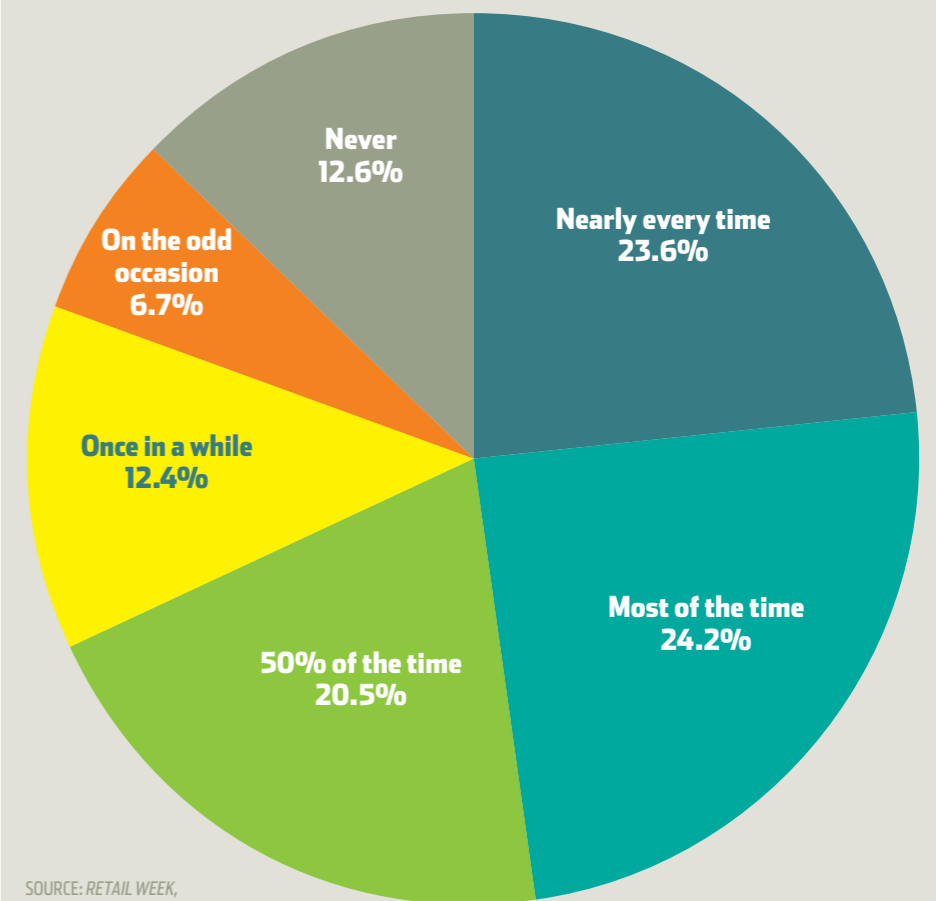
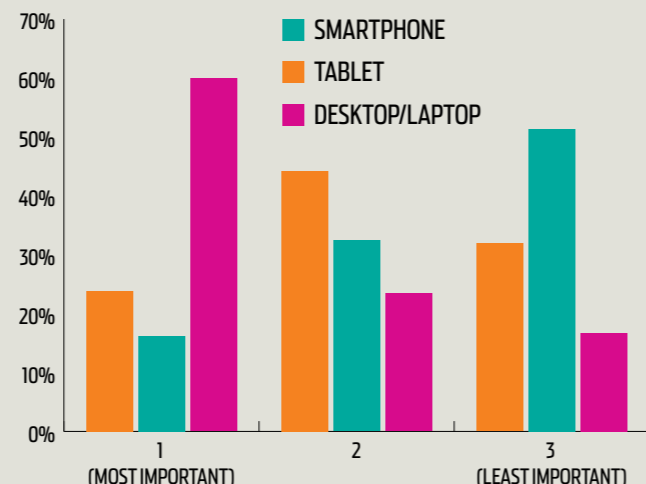SOURCE: *RETAIL WEEK*, BASE SIZE =1,000

WILL APPLE PAY BE SHOT IN THE ARM FOR MOBILE PAYMENT?

The launch of Apple Pay – a mobile payment and digital wallet service by Apple Inc – in the UK later this year could act as the catalyst of change, if the technology giant can leverage its brand strength to address consumers concerns around security. This sentiment was echoed by a fashion retail executive, who notes that, "we know how important Apple can be in terms of moving populations to think that something is very essential. We wouldn't have identified in 2009 and 2010 that we'd all decide a tablet was very important to us, but this came to pass."

Evidence already suggests that Apple Pay has made a strong start in the US, accounting for $2 out of every $3 spent on all purchases using contactless payment across the main three US card networks. Indeed, US grocery retailer Whole Foods Market has seen mobile payments increase by 400%, while Panera Bread has told Apple that Apple Pay accounts for 80% of all mobile payments.

2.3 Which device do you use most for casually **discovering/researching** new products online? Please rank the concepts in the order of importance from 1-3

SMARTPHONE
TABLET
DESKTOP/LAPTOP

60% of shoppers say they use a **LAPTOP** most for product discovery

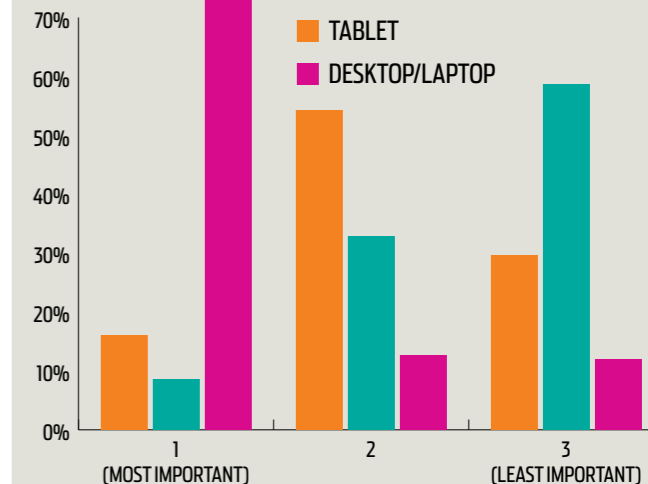SOURCE: RETAIL WEEK, BASE SIZE = 1,000

2.4 Which device do you use most to search for new products online with the **intent to purchase**? Please rank the concepts in the order of importance from 1-3

SMARTPHONE
TABLET
DESKTOP/LAPTOP
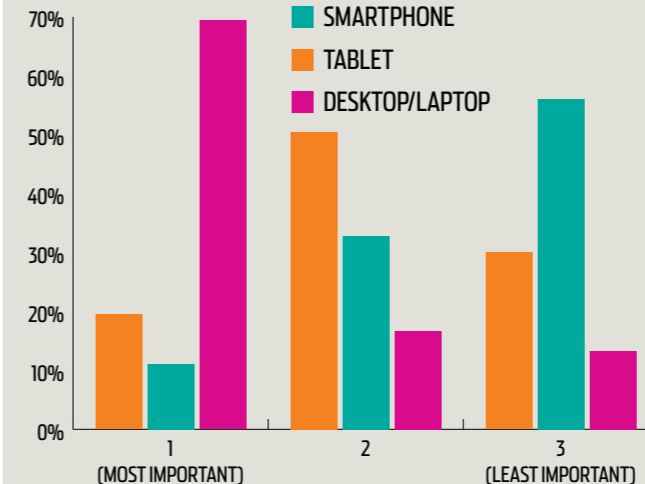
69% of shoppers say they use a **LAPTOP** when searching with intent to purchase

SOURCE: RETAIL WEEK, BASE SIZE = 1,000

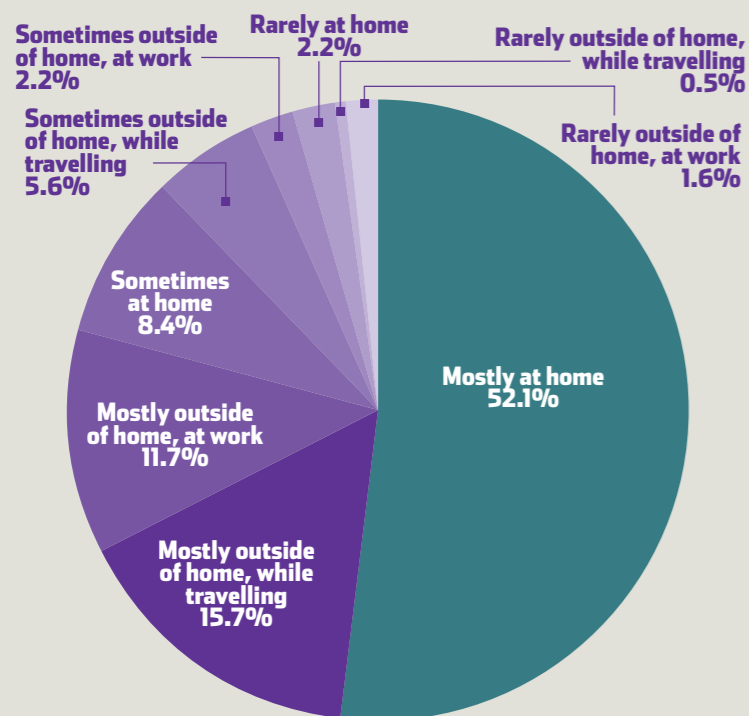**2.5** Which device do you use most to **complete a product purchase**? Please rank the concepts in the order of importance from 1-3

SMARTPHONE
TABLET
DESKTOP/LAPTOP

75% of shoppers say they use a **LAPTOP** most to complete a purchase

SOURCE: RETAIL WEEK, BASE SIZE = 1,000

2.2 When do you shop from your mobile (smartphone or tablet) device?

- Sometimes outside of home, at work 2.2%
- Rarely at home 2.2%
- Rarely outside of home, while travelling 0.5%
- Rarely outside of home, at work 1.6%
- Sometimes outside of home, while travelling 5.6%
- Sometimes at home 8.4%
- Mostly outside of home, at work 11.7%
- Mostly outside of home, while travelling 15.7%
- Mostly at home 52.1%

SOURCE: RETAIL WEEK, BASE SIZE = 1,000

Not much difference in home or out of home

This trend holds true across all sectors – fashion, grocery, home improvement – but to varying degrees. Consumers use mobile devices to discover, search for and purchase products to the greatest extent in the fashion and health and beauty space. For instance, 37% of shoppers report using mobile devices to discover fashion items online. Retail brands within this space therefore need to understand consumer requirements around the mobile device shopping offer if they are to be successful. In contrast, research from Retail Week indicates that consumers are less likely to use mobile devices to shop for consumer electronics and home improvement products.

THE PAYMENT CHALLENGE

The main stumbling block is payment and, more specifically, concerns related to the security of online payment via mobile devices. Indeed, 68% of survey respondents report that they don't think mobile devices are as secure as desktops for online shopping. This payment hurdle is hampering brands in their attempts to engage with shoppers across every digital touchpoint in the path to purchase. Learning, or understanding, how to convert casual browsing on a mobile device into a transaction will be a key consideration for retail brands in the near to mid term.

Unlike in most emerging-market nations, from Colombia to China, shoppers in the UK and much of the so-called Western world remain hesitant when it comes to purchasing on mobile devices.

This story is not new. Mobile as a means of payment has long been heralded as the 'next big thing' in retail, but a combination of a lack of consumer appetite and willingness among different entities – tech companies, financial institutions, retailers themselves – to spearhead its development has seen its evolution stall.

"I think when payment cards were first introduced people were quite sceptical, like my mum wouldn't pay with a card she'd go to the cash machine next door and then go and pay. But it's an evolution and we'll get there eventually," explains an anonymous pure-play retailer executive. "It will become super easy to pay via phone eventually, secure and acceptable. Like all these things, it just takes time," they add.

UNDERSTANDING LOCATION

The ability to use mobile devices in any location with connectivity – via wi-fi or 3G/4G data usage – is the defining characteristic of these platforms as a means of shopping. It's therefore important for retail brands to understand where shoppers most use their mobile devices, in order to better target marketing communications and product

68% of survey respondents say they see mobile devices as not being as secure as desktops for online shopping

Source: Retail Week

messaging. When questioned about what devices are used to shop at different times, an ecommerce director at a global fashion player note that, "in the evening it's the tablet and then desktop during the day, and at commute time it's more mobile phones, it's quite interesting. During the weekend we see more tablet usage for shopping". When asked by Retail Week in what location they most use their mobile devices to shop, a majority 52% of shoppers say 'mostly at home'. In comparison, 16% note shopping on their mobile devices outside of the home while travelling and 12% whilst at work. This indicates that mobile is as important as desktop to engage with users when they are at home.
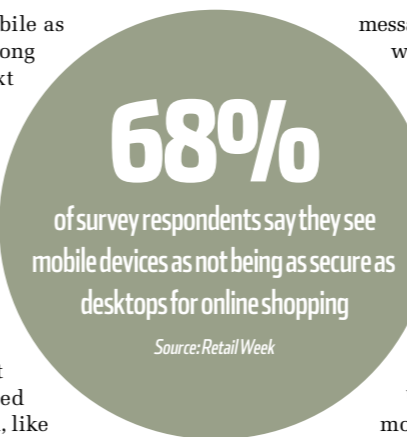
The 'second-screen' trend is applicable here, with people increasingly browsing on their mobile phones while watching TV at home. Indeed, 27% of shoppers report that they have used a mobile device to go online and instantly purchase an item seen being advertised on TV. The key takeaway here is that retailers should not think that mobile is only suitable for certain types of purchases, such as making taxi bookings and for paying at restaurants.

"Online shopping is no longer about how consumers engage with the brand via one device at a certain time of day, but rather how they interact with the brand 24/7 across all the devices they have to hand. It's a complicated network of digital touchpoints"
HEAD OF TECHNOLOGY, LEADING FASHION RETAILER

"We have struggled for a series of years with a separate mobile site and a separate desktop site, what that does is create separate sets of problems and IT requirements, it creates editorial inconsistencies"
HEAD OF TECHNOLOGY, LEADING FASHION RETAILER

CHAPTER THREE
THE FUTURE OF CROSS-DEVICE RETAILING
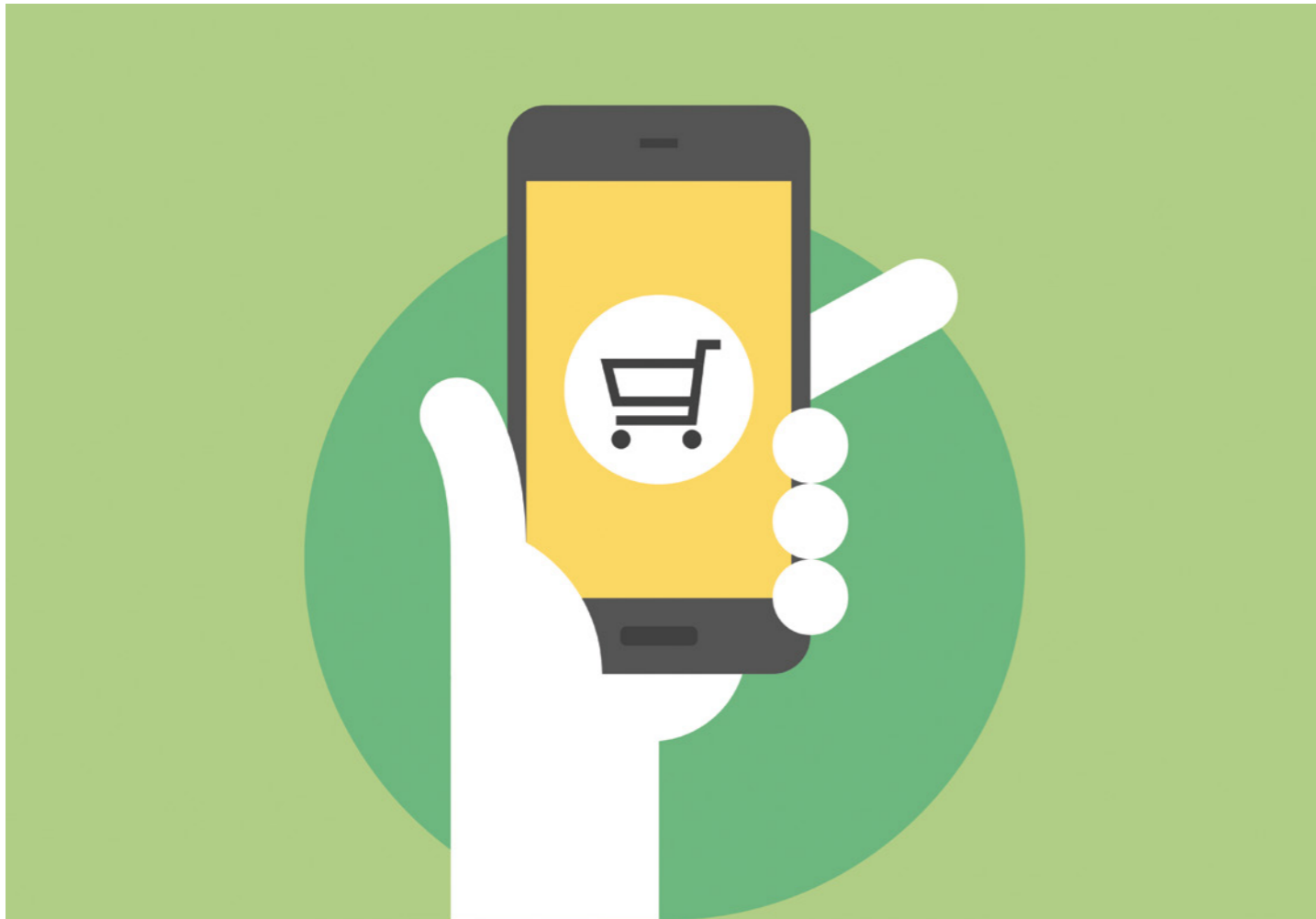
CROSS-DEVICE CHALLENGES

A. TRACKING DIFFICULTIES
Analytical platforms exist allowing retail brands to split out online spend via desktop/laptop, tablet and smartphone. But understanding how shoppers get to the point of purchase on one device is a considerably more difficult challenge. When questioned about how to track the consumer shopping journey across multiple devices, an ecommerce director from a leading fashion retailer simply say, "we don't". He went on to comment that, "the big challenge is that there isn't one path to purchase, there are multiple upon multiple ways of customers purchasing a product. One customer doesn't have a single way of using their device." This underscores the difficulties retail brands have in tracking the modern-day consumer journey.

B. INVESTMENT PRIORITIES
Ultimately, whether to invest in understanding this journey comes down to a question of business priorities. Pure-play retailers are far more likely to place the understanding of the cross-device retailing higher up on their agenda compared with those running a multichannel business. "It will be higher up the agenda of retailers that don't have a bricks-and-mortar presence given the nature of the busi-

ness. For us, it's really 'what is digital doing to our bricks?' – this plays a much bigger role," explains an ecommerce director of a leading fashion player.

C. CONSISTENCY ACROSS SITES
"We all talk about a single view of the customer but actually what the customer needs is a single view of the retailer," notes an ecommerce director at a consumer electronics retailer. This comment sums up the importance of ensuring website consistency across all mobile devices operated by a retail brand. The same retail executive went on to say: "We're actively engaged in making sure things like inventory information, services information and terms and conditions, read the same, look the same, feel the same, irrespective of the customer's channel of choice."

D. IDENTIFYING CONSUMERS
The success of cross-device communication requires a retail brand to effectively identify a shopper across different devices. Sign-in options facilitate this tracking ability effectively. "We can identify customers that are signed into their accounts, so when they've signed in we know when they're connecting, how they're connecting and what they're looking at," comments a retail executive at a leading grocery retailer.

ADVERTISING ACROSS DEVICES criteo.

THERE ARE TWO WAYS TO IDENTIFY A USER ACROSS DEVICES

Exact match identifies devices that correspond to the same user
- Close to 100% accurate
- Generates valuable user behaviour data to inform all your marketing
- Seamlessly supports opt-out / privacy guidelines

Implied match connects devices that are statistically likely to be the same user
- By definition creates false positives
- Typically about 40% to 75% accurate
- Challenging opt-out management

Exact match is the best/only reliable method to engage multi-screen users in a consistent and connected way

- **Devising new and innovative ways in which to drive traffic to online platforms will become increasingly key as the battle for online traffic intensifies**

- **The growth in online traffic will be driven by browsing via multiple devices and it will be important to understand consumers' browsing behaviour across devices and their journey from consideration to sale**

- **New technologies will add an extra layer of complexity to the cross-device shopper journey; presenting both opportunities and challenges for retail brands**

- **Smartwatches are fast becoming popular among consumers. Retailers need to consider what this means for the shopper journey and how they target their customers**

CHAPTER FOUR
CONCLUSION

It's clear from interviewing senior stakeholders within the retail world that a better understanding of how the shopper journey plays out across multiple devices is, and will increasingly be, an important area of focus for retail brands. With the number of devices owned by consumers likely to increase in the near term, the complexity of this dynamic is likely to grow and therefore require greater research into the online customer journey.

ACQUIRING TRAFFIC

With the number of consumers shopping across multiple devices almost certain to grow in the near term, as uptake increases in line with price falls and a rise in popularity, the battle for online traffic among retailers is likely to intensify. "We're very focused on acquisition of traffic and the performance of said traffic. We're shopping around for added value in terms of identifying new sources of traffic to the website," comments an ecommerce director at an international grocery retailer. This race for traffic will likely see retailers attempting to engage with shoppers in new and innovative ways. "We're looking at things that will help stimulate traffic in a different way like gaming, social proofing and video. The role of video is very interesting," notes an ecommerce director at a leading fashion player.

CONNECTED DEVICES 2.0

It's not just an increase in the number of devices, currently on sale that will add and redefine the cross-device retailing story. Looking beyond tablets and smartphones, technologies that were once niche are fast becoming mainstream with disruptive effects – both inside and outside of retail. As head of technology at a luxury fashion brand explains: "If there are more interfaces from which the customer can transact with us, that's naturally of interest to us. Today we're talking about smartwatches – that's our focus at the moment."

The smartwatch is one such technological advancement. Riding the wave of euphoria around the wearable technology craze, smartwatches have fast become one of the most talked about products globally over the past few years. With these devices set to become more deeply ingrained in our everyday lives, retail brands will need to consider how best to engage with consumers via another platform as well as existing mobile devices. Smartphones will disrupt the way in which retailers communicate with consumers and vice versa, likely posing unique challenges and opportunities.

"It will be interesting to see how these new technologies apply to retail, such as the forthcoming Apple Watch. Ultimately, the key will be to understand how we can use new platforms to sell product. This will likely be a stiff learning process"
ECOMMERCE DIRECTOR, CONSUMER ELECTRONIC RETAILER

"It doesn't matter how seamless your online platforms are if you can't drive traffic to your sites with tailored solutions for consumers"
ECOMMERCE PROFESSIONAL, HOME IMPROVEMENT RETAILER

"There's so much technological change happening that will impact retail in the future. The way in which people search and pay for products is evolving fast. We as retailers need to keep up to remain relevant"
ECOMMERCE DIRECTOR, PURE PLAY RETAILER

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WEARABLE PROGRAMMATIC ADS

- Is wearable next? Programmatic advertising is adapting to a booming variety of formats, accommodating even bespoke formats as 'native' ads. Wearables are just a matter of time.

This report highlights the complex challenges that retail brands face in mapping the cross-device shopper journey. Consumers will increasingly look to shop across multiple devices going forward as these mobile shopping platforms become increasingly ingrained in our everyday lives. The emergence of new technologies, such as smartwatches, will add to this dynamic.

With the correct investment in the relevant technology, it will become easier for retail brands to understand the shopping journey across desktops, tablets and smartphones. Retailers will be able to deliver personalised offers and messages to users across devices with accuracy and scale, as a result.

Although payment on mobile remains a pain point for consumers and subsequently retailers, evidence suggests that the growing deployment of HTML and mobile-optimised websites is working to correct this apprehension.

In addition, new mobile payment services, particularly Apple Pay, will likely accelerate consumer willingness to make purchases via their mobile phones. Especially in the fashion and luxury vertical, which already has a high level of mobile adoption, a pattern we see globally.

"Consumers will increasingly look to shop across multiple devices going forward as these mobile shopping platforms become increasingly ingrained in our everyday lives"

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