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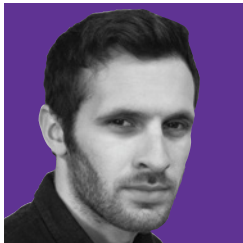
REPORTS

In association with **criteo**.

Mobile apps for the modern consumer

How shoppers interact with retailer apps on their smartphones and tablets

RETAIL WEEK FOREWORD



ALEX HAMILTON
HEAD OF RESEARCH, RETAIL WEEK CONNECT

How much do consumers shop using retailers' mobile apps? Which retailers are doing well with their mobile app strategy? And how important is it for retailers to invest in mobile apps?

These are just some of the questions covered in this report published by *Retail Week*, in association with digital performance marketing business Criteo.

The findings and direction of this piece aim to better inform those responsible for mobile app development, as well as those considering venturing down the app path, on what a modern-day consumer wants from this form of brand–customer interaction. The findings in this report relate to a research study conducted last month of 2,000 UK consumers – nationally

representative of the wider UK population.

Not many technology propositions pull such contrasting opinions as mobile apps. Some industry experts feel the app should solely drive sales, others see them as a tool for assisted selling, while an increasing proportion believe apps are the perfect platform to build loyalty and facilitate mobile payment.

This report also assesses consumer views on apps outside the retail space. Understanding how people view retailer apps in relation to apps for Uber, Snapchat and online banking is key in getting to the bottom of where retailer apps sit within the wider landscape.

We hope you enjoy reading this report. Any comments, please get in touch via Twitter, @retailweek.

“
**Not many
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”

RETAIL WEEK CONNECT: CONNECTING RETAIL WITH CREATIVE INTELLIGENCE

Head of Research

Alex Hamilton 020 7715 6387
alex.hamilton@emap.com

Commercial Sub-Editor

Abigail O'Sullivan 020 3033 2940
abigail.osullivan@emap.com

Production Manager

Paddy Orchard 020 3033 2679
paddy.orchard@emap.com

Commercial Production Editor

Tracey Gardner 020 3033 2769
tracey.gardner@emap.com

Contributors

Nick Hughes, Emily Kearns

Account Director

Daniel Capel 020 3033 2914
daniel.capel@emap.com

RetailWeek
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PARTNER VIEWPOINT



JON BUSS
MANAGING DIRECTOR, NORTHERN EUROPE, CRITEO

Consumers today are downloading and interacting with apps more than ever before. Savvy retailers are maximising this new sales channel and, as a result, it is fast becoming the highest performing route to market.

Criteo's latest *State of Mobile Commerce Report*, which analysed 1.4 billion online transactions, found that brands that prioritise apps have a conversion rate 3.7 times higher than mobile browsers and two times more than desktop in terms of adding to basket and buying.

In the worldwide retail category, brands that make their app experience a priority generate nearly 60% of mobile revenue from the app.

Apps work because they make browsing fun and buying easy, and are generally used by retailers' most loyal customers.

So it is not surprising that this *Retail Week* report found that nearly half of all

UK consumers have recently used an app to purchase products from at least one retailer.

But of course, apps are just one part of the mobile mix. The Criteo report also found that m-commerce now represents 35% of all online transactions globally – that figure is 46% in the UK, which has the second highest percentage behind only Japan. So it is clear mobile is no longer only about browsing, it is about buying too.

The problem is, though, consumers don't just use one mobile device; they regularly flit between smartphones, tablets and laptops. Indeed, our research shows that 50% of ecommerce transactions include a cross-device journey, which can be a challenge for many retailers.

Looking to the future, retailers need to put mobile at the centre of their marketing strategy if they want to engage with today's multi-screen consumer. What's more, they need to pay close attention to the consumer's purchase journey if they want to attract buyers and maximise sales.



**Apps work
because they
make browsing fun
and buying easy**



EXECUTIVE SUMMARY

AN APP FOR EVERY OCCASION

By the year 2010, the slogan ‘There’s an app for that’ had become such a familiar part of the English lexicon that Apple decided to trademark it.

At the time, mobile apps were at the threshold of becoming ubiquitous accessories to people’s everyday lives. Five years on and whether you want to check the weather forecast, place a bet, order a pizza or complete a crossword, the chances are you’ll find an app that meets your every need.

Retailers have historically had something of a love-hate relationship with mobile apps. The cost of development can be high and persuading consumers to download them is often a challenge.

At the same time, consumers have increasingly come to expect that retailers will have an app – even if they choose to ignore it. A retailer having a mobile-optimised website is no longer enough for many shoppers.

This report, based on exclusive research, examines the role of mobile apps and how they are being used and perceived by consumers.

The results paint a complex picture of a landscape where simply having a mobile app is no guarantee of generating usage and driving incremental sales growth.

Bombarded as they are with apps that promise the world and often fail to deliver, consumers are ruthless in jettisoning those that add little or no value to their lifestyles.

The aim of this report is to understand how to maximise the value of an app in order to drive sales, generate insight and ensure customers keep coming back for more.

“Consumers are ruthless in jettisoning those apps that add little or no value to their lifestyles”

95%
of us have **apps** on our
phones and **tablets**

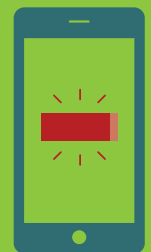


and

41%
of us have used an app to
purchase products
from at least one retailer recently



Over a third
of our devices are **running**
out of memory space



and

Games
are the most likely apps
to be **deleted** first



EXECUTIVE SUMMARY

CONCISE

CONCLUSIONS

CHAPTER ONE

MOBILE APP USAGE

- Over 80% of those surveyed bought items online from retailers in the past two months, and almost 40% confirmed they bought using a retailers' mobile app.
- Mobile app usage complements (and does not compete with) browser/website usage. In addition to using the retailer's app, 69% of those surveyed also use the retailer's website on their smartphone.
- Retailers are seeing encouraging results from social media campaigns, with up to 16% of respondents confirming they have made a purchase after clicking on an ad on social media.

CHAPTER TWO

THE ROLE OF MOBILE APPS

- 60% of consumers say the main role of a smartphone app is to browse for products and almost 50% consider apps to be very important for purchasing products.
- Apps are a valuable acquisition and retention channel, but, like any channel, their success relies on a fully discovered proposition.
- Building a strong loyalty and rewards element into an app is one means of ensuring that customers are incentivised to use it, creating the feeling that the retailer is giving them something back.

CHAPTER THREE

APPETITE FOR APPS

- Over 55% of respondents confirm they have at least one retailer app on their smartphone, and 43% have at least one retailer app on their tablet.
- A lack of memory space is often cited as a reason for people deleting apps from their devices: 37% say they are close to running out of memory on their smartphone, with 47% saying they have previously deleted an app because of a lack of memory space.
- Games apps are the most likely to be jettisoned, followed by news apps. Shopping apps, including retailer apps, are less likely to be deleted than those two genres.



CHAPTER ONE
**MOBILE
APP USAGE**



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- **Mobile app usage complements (and does not compete with) browser/website usage. In addition to using the retailer's app, 69% of those surveyed also use the retailer's website on their smartphone**
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Such is the ubiquity of smartphone and tablet devices that the mobile channel has emerged as a critical branch of the customer journey. The upshot is that the mobile app has moved from a point of difference for the biggest retailers to a near must-have accessory in the space of just a few years.

Research carried out for this report into the way in which consumers use mobile apps found that more than 93% of those surveyed own a smartphone and two-thirds own a tablet.

Of those owning a smartphone, 94% have apps of some description on their device, with 95% saying the same for a tablet (see charts 1.1 and 1.2).

More than 80% of respondents say they have bought from at least one retailer's website via their desktop in the past two months, with 4% saying they have purchased more

than 10 items. Interestingly, this figure was highest among over 55 year olds, a statistic that challenges the accepted wisdom that young people are the most prolific online shoppers.

By far the most popular online retailers were Amazon and eBay, with 46% and 32% of respondents respectively having purchased an item via their desktop websites in the past two months. Tesco, Argos and Asda were the three next most popular retailers.

When it comes to mobile apps, almost 40% of respondents confirm they have made a purchase using a retailers' app in the past two months.

Once again, Amazon and eBay were by far the most popular retailers with 15% and 14% of shoppers respectively having purchased a product via their apps. Argos was the next most

popular retailer with 6%, followed by Tesco and Asda.

These top-line findings suggest that, although a significant number of shoppers now buy using mobile apps, there are many more consumers that retailers need to reach out to.

It begs the question: how important is it for retailers to have a mobile app and do customers really value them?

DIFFERING OPINIONS

Unsurprisingly, the answer is not as clear cut as one might hope.

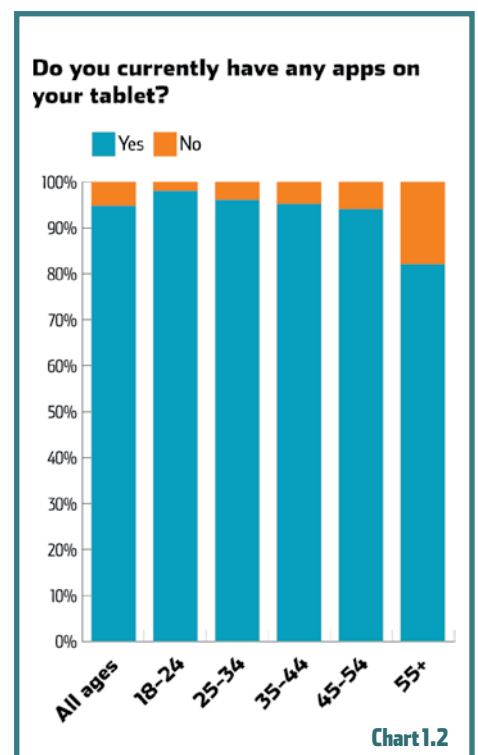
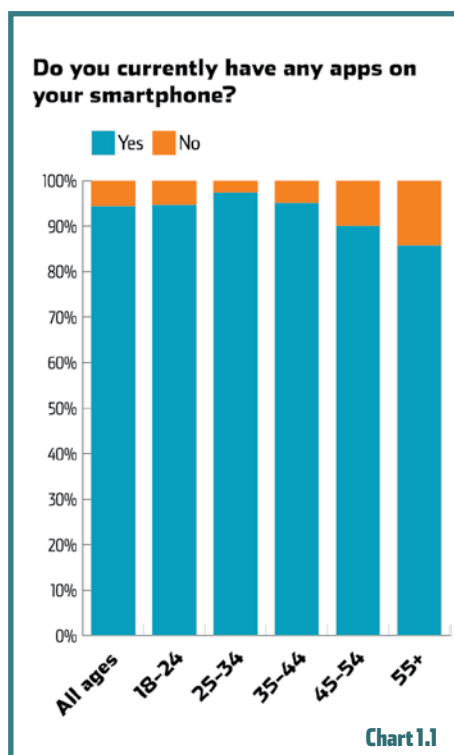
For the most part, retailers consider a mobile app a vital part of their digital proposition, although not necessarily for the right reasons. "Many have focused on the 'me too' approach of providing a mobile app for their customers as they are afraid of being left out, rather

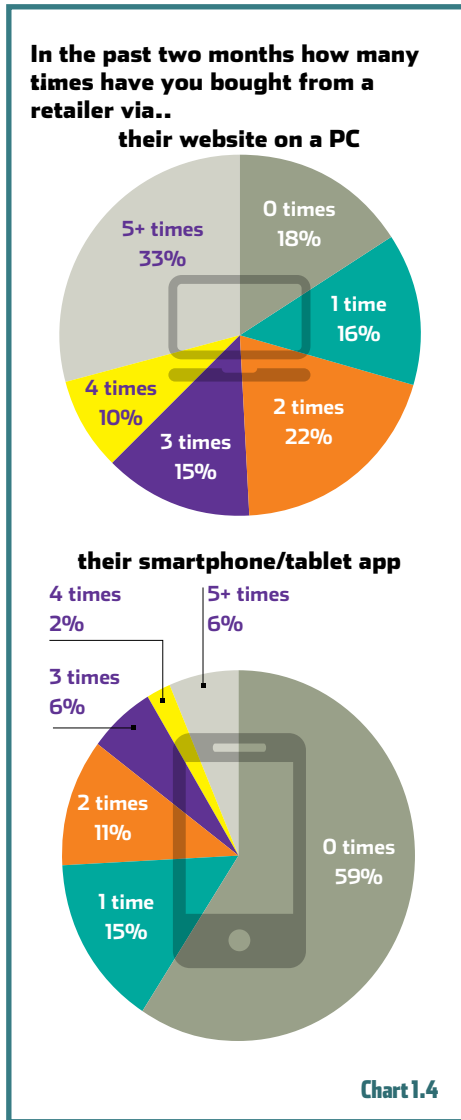
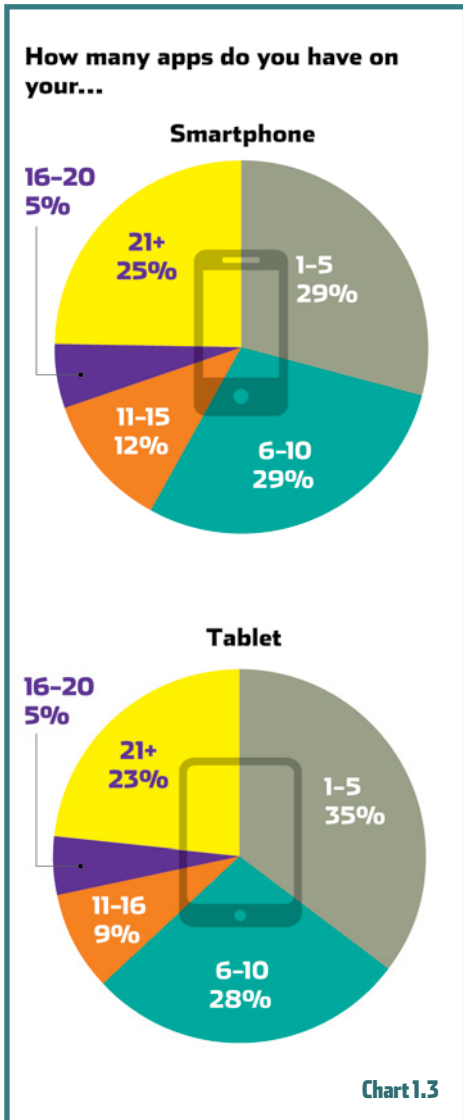
"Many retailers have focused on the 'me too' approach of providing a mobile app for their customers as they are afraid of being left out, rather than thinking about what they can add to the overall customer experience"

Kevin Murray, Greenlight



Amazon and eBay (left), along with Tesco, were named as some of the top online retailers





“Consumers are now spending more time using apps than watching television, which makes them an attractive marketing platform for us to reach our target audience and drive additional downloads of the popular Groupon mobile app”

Irena Hsu, Groupon

than thinking about what they can add to the overall customer experience and engagement,” says Kevin Murray, director of ecommerce and technology at digital agency Greenlight.

For those shoppers who have mobile apps on their phones but don't make purchases through them, the apps are often used for the purpose of research, and represent one of many steps on the path to purchase.

“At present, retailer mobile apps are predominantly a browse capability supported

“At present, retailer mobile apps are predominantly a browse capability supported by content that often replicates mobile web functionality”

Rupert Blackham, Salmon

by content that often replicates mobile web functionality,” says Rupert Blackham, consultant at global commerce service provider Salmon.

When asked to rank different functions of a retailer's app on their smartphone, consumers say that by far the most important role is to browse for products. However, purchasing products and price checking are also considered important functions, while receiving special offers and promotions or locating a store were of considerably less importance.

Even more so than with smartphones, browsing was by far the most important function for using a retailer's app on a tablet. Purchasing products and price checking was cited as the next most important reason, while receiving special offers and locating stores are relatively inconsequential for most shoppers.

What's clear from the research is that the mobile app is just one of many important touchpoints on the consumer path to purchase, and it may or may not be the final destination.

Even though they have downloaded a retailer's app, 69% of those surveyed say they still use the retailer's website to shop on their smartphone.

Indeed, among all respondents there was a strong preference when shopping on a smartphone to use the retailer's website, with only 31% preferring to use an app (see chart 1.5).

“We use app pushes as a trading tool to drive transactions when launching new campaigns and promotions and have consistently seen a direct uplift on sales from this approach”

Briony Garbett, Oasis

For shopping on smartphones, do you prefer using apps or the retailer's website?

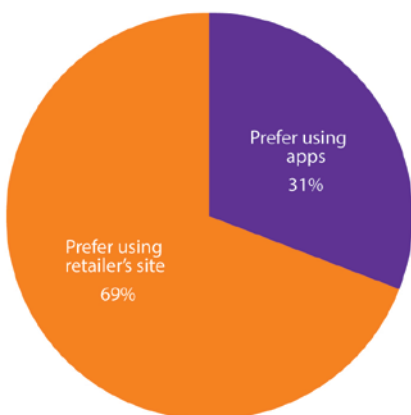


Chart 1.5

Have you ever purchased an item on the following devices after clicking on an advert/promotion running on social media?

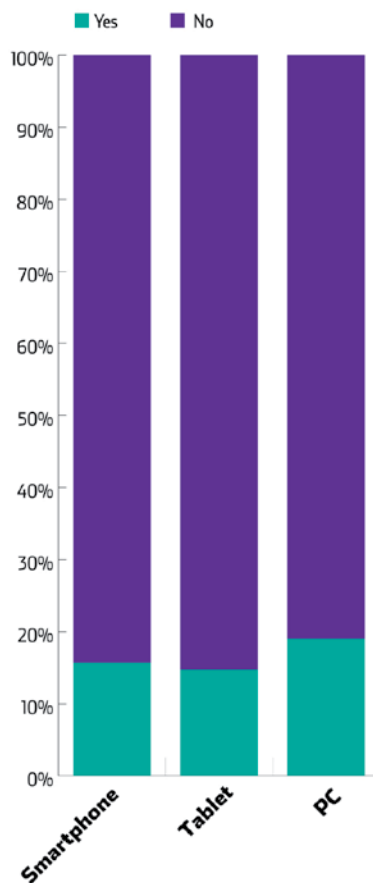


Chart 1.6

The research also shows that retailers are having some success from social media campaigns, with 16% of respondents confirming they have made a purchase after clicking an ad on social media. It is also interesting to note that the likelihood of a user clicking an ad and buying on mobile is not significantly lower than on desktop – indicating mobile advertising response rates are getting closer to desktop.

PUSHING SALES

For some retailers, the use of push notifications has delivered a tangible increase in sales.

“We use app pushes as a trading tool to drive transactions when launching new campaigns, exclusive events and promotions, and have consistently seen a direct uplift on sales from this approach,” says Briony Garbett, director of digital at fashion retailer Oasis.

Garbett notes that Oasis does not currently

prompt customers on its mobile site to download the app and hence the assumption is that the mobile app is having an incremental impact on sales.

Footwear retailer Schuh says it too is generating sales directly from an iOS app, although ecommerce director Sean McKee admits that “the gap between app and web volumes has widened considerably” in favour of web volumes in recent times.

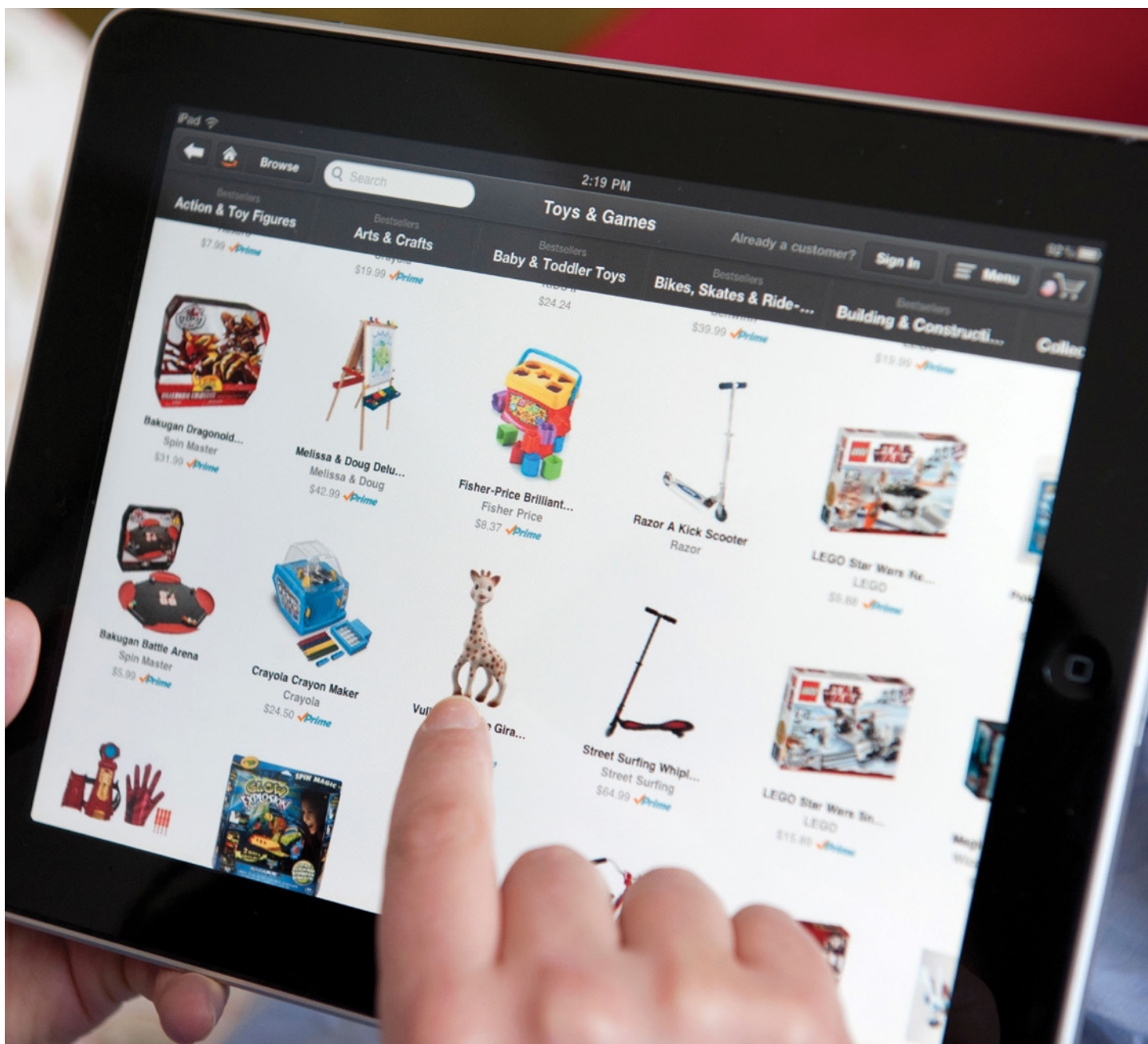
What’s notable is that 74% of Schuh’s app customers, while a relatively small group, only shop on the app.

This finding reflects data from our consumer survey which suggests that, once they have experienced purchasing through an app, customers are likely to feel a greater sense of loyalty towards that brand, with a little over 60% saying their use of a retailer’s app made them more loyal to this brand in terms of spend.

CRITEO ACTION POINTS

- Your app is up and running, but don’t stop there. Make sure you give your customers a great in-app experience
- Brands that prioritise apps have a conversion rate 3.7 times higher than mobile browsers and two times more than desktop in terms of adding to basket and buying
- When done well, apps can be your highest performing sales channel

CHAPTER TWO THE ROLE OF MOBILE APPS



- **60% of consumers say the main role of a smartphone app is to browse for products**
- **Apps are a valuable acquisition and retention channel, but, like any channel, their success relies on a fully discovered proposition**
- **Building a strong loyalty and rewards element into an app is one means of ensuring that customers are incentivised to use it, creating the feeling that the retailer is giving them something back**

If mobile apps are only responsible for a small proportion of direct sales, is this necessarily a problem if they are fulfilling other vital functions in the customer journey?

“Although shoppers are predominantly using apps for browsing, the app still plays an important part in their decision to buy, and contributes to final sales,” says Mark Haviland, managing director at Rakuten Marketing Europe. “[Retailers] must take an omnichannel approach to measurement to understand the real value of their marketing channels and gather a full view of how their consumers are behaving. Just because apps are one piece in the consumer journey puzzle, doesn’t mean they shouldn’t be part of a marketing strategy. Removing that one piece could disrupt the whole puzzle.”

Blackham agrees that correlating app downloads with purchases is an exercise best completed carefully. “To assume every customer who downloads an app wants to buy something is naive,” he says.

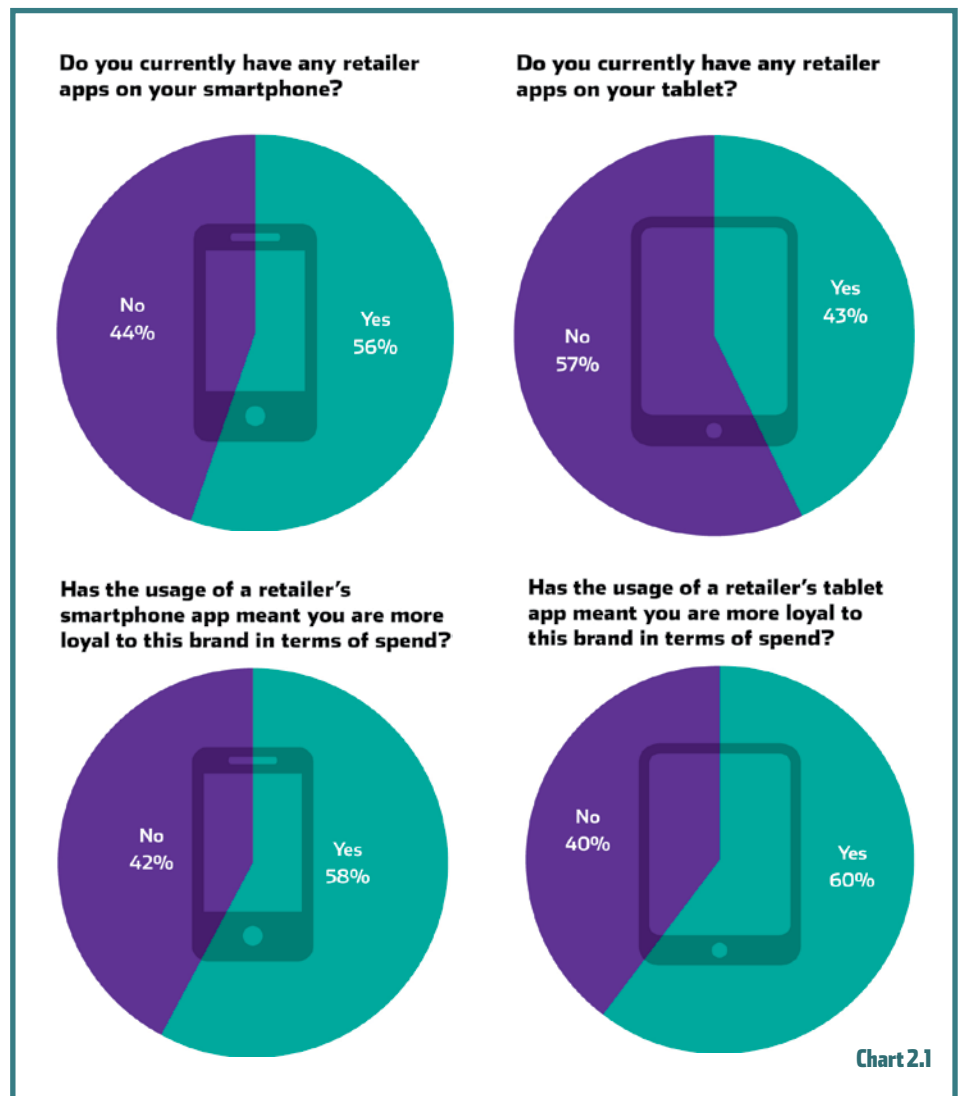
“Apps are a valuable acquisition and retention channel, but, like any channel, their success relies on a fully discovered proposition. Retailers need to ask themselves: ‘How do customers want to interact with us?’”

Blackham points out that the very fact a shopper was inclined to download a retailer’s app is testament to the fact that the marketing messaging worked. However, he adds that if the app isn’t delivering on its promise or doesn’t meet the needs of the customer then transactional conversion will achieve low results. “For apps that replicate a mobile or tablet web view with limited or no further functionality, the inclination to use the app over mobile web will be negligible.”

BUILDING LOYALTY

Simply having an app through which consumers can shop for goods that are available through other channels is often not enough motivation to use it. Building a strong loyalty and rewards element into an app is one means of ensuring that customers are incentivised to use it, creating the feeling that the retailer is giving them something back.

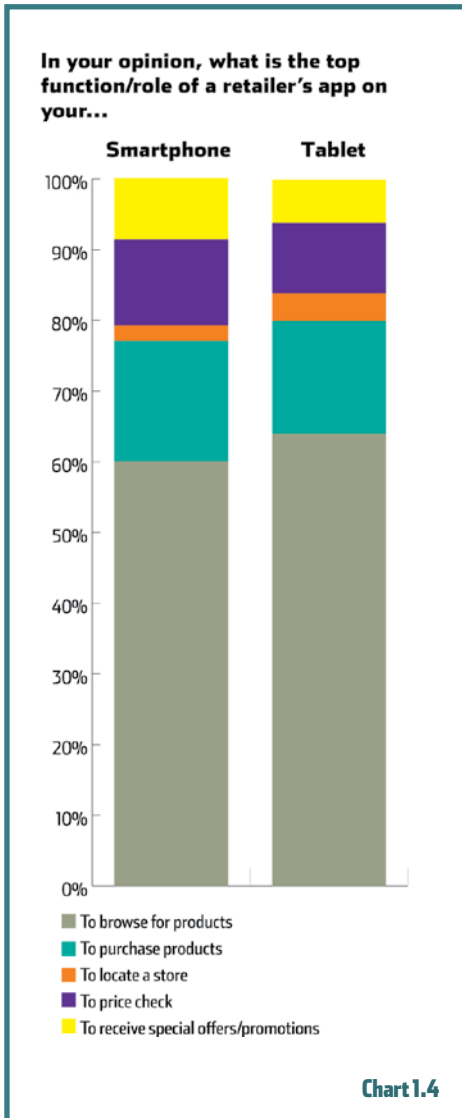
“Building a strong rewards policy into an app will be a much more effective method



for retailers to target their customers with personalised offers and deals,” says Sarah Kellett, associate director for consumer-facing industries in the UK and Ireland at Fujitsu.

In a sign of the times, Harvey Nichols recently decided to use an app for its first loyalty scheme,

as opposed to the traditional loyalty card. Loyalty is central to the concept of its Harvey Nichols Rewards app, which goes beyond the normal model of shoppers earning money off for every pound spent and offers complimentary services, exclusive perks and privileges.



Rewards begin with a smoothie or botox and scale up to a Champagne dinner for four at the Oxo Tower.

“Rewards by Harvey Nichols is uniquely different to competitors’ loyalty schemes, firstly because it’s an app, which we believe is the future of communication with our customers – instant, personalised and modern – and secondly it offers brilliant and indulgent experiences, which will help our customers be fearlessly stylish,” says Harvey Nichols group marketing and creative director Shadi Halliwell.

Kellett says one of the benefits of having a loyalty programme within an app is that customers are likely to make the most of reward schemes because they have instant access.

“Moreover, through establishing a strong loyalty and rewards programme into their mobile app, retailers can be much more targeted with their customers through harnessing their data – such as past purchasing or browsing history –

and send them offers within their app which are personalised,” she says.

Haviland agrees that there is huge value in the data a rewards app can generate for a retailer. “This data is worth its weight in gold, as it tells brands what their shoppers want, when they want it and how they want to buy it.”

Another benefit of an app is that it can help build an organisation’s community, says Anthony Galvin, technical director at creative consultancy Wolff Olins. “Connecting users or even merchants through an app can take loyalty to a completely new level at the touch of a finger,” he says.

Galvin believes partnerships that offer the end user a more personalised service are another great means of increasing loyalty.

“Think of Spotify and Uber, where you can enter a hired car and be welcomed by your favourite playlist. A partnership that enhances your customer’s experience will reinforce your value more than a spring deal ever could.”

CRITEO ACTION POINTS

- Apps are the key channel to engage your loyal customers
- Average order value on an app is 16% higher than desktop purchases and 27% higher than transactions via mobile browsers
- To maximize sales promote your app usage, not just downloads

CHAPTER THREE APPETITE FOR APPS



ALAMY

- **More than 55% of respondents confirm having at least one retailer app on their smartphone, a figure that drops to 43% for owners of tablet devices**
- **A lack of memory space is often cited as a reason for people deleting apps from their devices: 37% say they are close to running out of memory on their smartphone, with 47% saying they have previously deleted an app because of a lack of memory space**
- **Games apps are the most likely to be jettisoned, followed by news apps. Shopping apps, including retailer apps, are less likely to be deleted than those two genres**

Retailer apps are not just competing with one another for consumers' attention. From games and travel, to banking and weather, there's seemingly an app for everything, so much so that apps have to work hard to justify taking up the limited space on a person's smartphone or tablet.

Of the respondents to our survey who have apps on their smartphone or tablet, 25% have more than 20 apps, a number that increases to almost 30% for 35 to 44 year olds (see chart 1.3, page 8).

Of those smartphone users, more than half have the eBay app and nearly as many have the Amazon app – making these by far the two most commonly downloaded apps. Other popular apps include those from Argos (23%), Tesco (17%), Boots (14%) and Asda (12%).

The pattern was similar for those with tablet devices with Amazon (51%) and eBay (47%) by far the most popular again, followed by Argos (26%), Tesco (22%) and Asda (16%). A third of tablet users surveyed say they spend the most time on the Amazon app, with eBay (26%) the next most popular. For smartphone users, the order was reversed with respondents spending the most time on eBay (30%) followed by Amazon (29%).

A lack of memory space is often cited as a reason for people deleting apps from their devices: 37% say they are close to running out of memory on their smartphone, and 47% say they have previously deleted an app because of a lack of memory space (see chart 3.1, page 17).

Games apps are the most likely to be jettisoned, followed by news apps. Shopping apps, including retailer apps, are less likely to be deleted than those two genres, but more likely than social apps and apps containing travel information and life admin such as banking.

RETURN ON INVESTMENT

Given the crowded app landscape and the challenge in maintaining a presence on a potential customer's device, retailers need to think long and hard about how much they invest in app development and promotion.

Schuh's McKee concedes that in terms of true customer-facing apps, development is pretty low on the retailer's agenda, although not entirely off the radar. "We know that the web delivers on most

of our needs, but when we arrive at a true function and USP for a Schuh app we intend to revisit or refresh the offer. There is a very engaged niche out there who want an app from us, and it would be great to justify the effort."

Oasis, on the other hand, has embraced app development with vigour. "An innovative, multichannel, social shopping experience is at the heart of everything Oasis does and mobile app development continues to play an important part in this omnichannel strategy," says Garbett.

Oasis continues to experience increasing levels of customer engagement via its mobile app, with higher numbers of downloads and launches year on year. "Customer engagement via mobile devices as a whole has increased significantly in recent years and it comes as no surprise to see app growth as a significant part of that," adds Garbett.

PAIN POINTS

The technological challenges involved in creating a winning mobile app are great and there are inevitably pain points during the process. Garbett notes that Oasis currently operates through a native Apple app, which brings challenges when making ad-hoc and immediate functional changes, particularly as these require formal approval by Apple, which can be a lengthy process.

Money and time constraints are other obvious concerns, says Juha Mattsson, chief marketing officer at in-store analytics provider Walkbase, who also raises the question of app penetration. "How can retailers ensure consumers download the application? That can take some creative thinking."

Salmon's Blackham argues that possibly the largest pain points are when applications are delivered without a unique channel strategy.

"It is easy to assume that native apps are grouped in with mobile channel as they are both experienced by customers on hand-held devices, but the capability of the device and the opportunity native apps offer as part of a purchasing journey can reap massive reward for retailers. Retailers need to think of it as unique."

APPS THAT INSPIRE

Murray from Greenlight suggests the best retailer apps understand what mobile can do and have a

"Mobile apps that inspire brand engagement, not just shopping, are the ones that are really getting noticed. A loyalty app that tracks purchases and makes suggestions is a great 'value-add' to the end customer"

Kevin Murray, Greenlight

specific use, rather than being considered another wrapper over an existing mobile web browser.

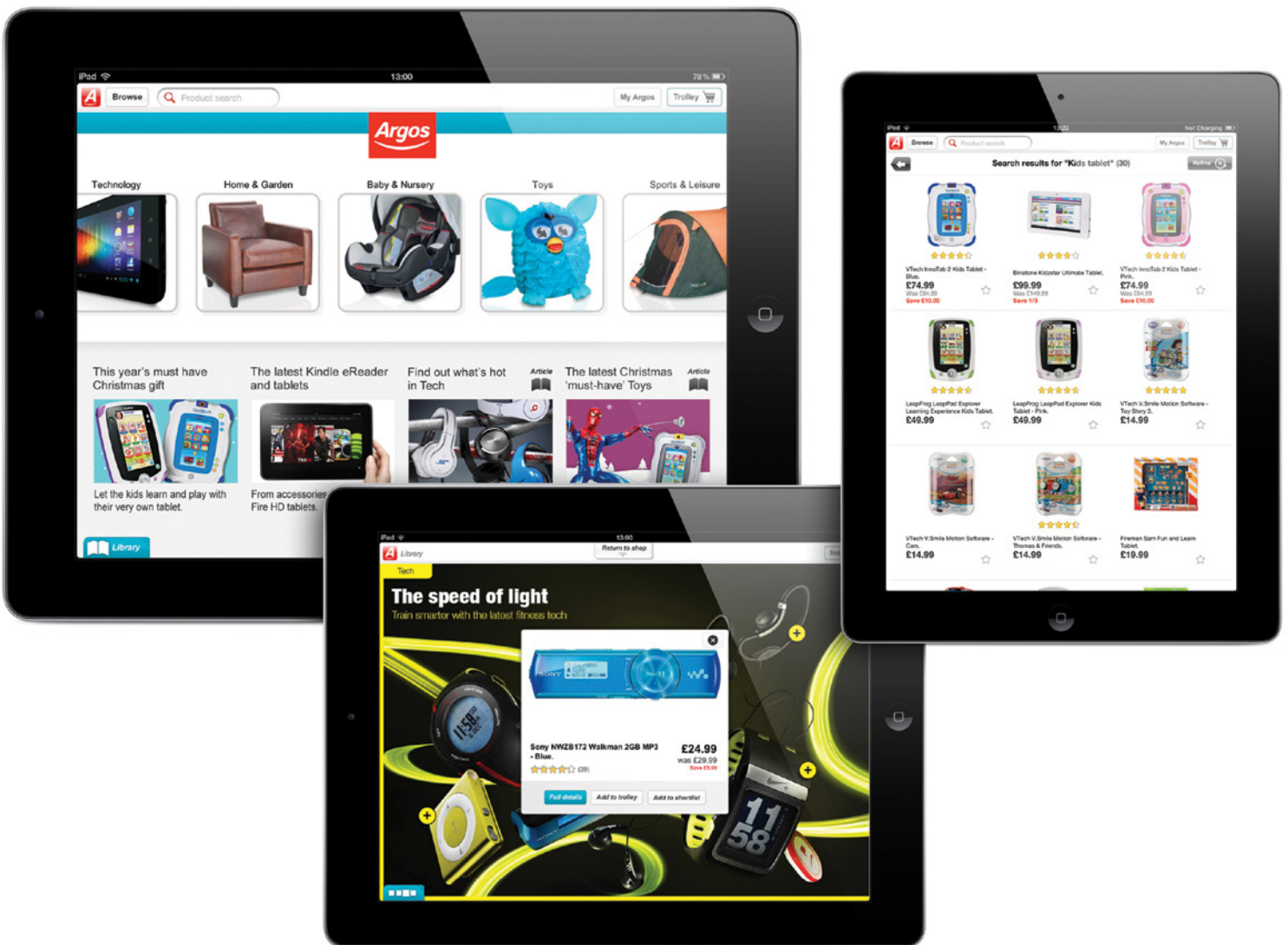
"Mobile apps that inspire brand engagement, not just shopping, are the ones that are really getting noticed. A loyalty app that tracks purchases and makes suggestions about how to spend points based on your location provides a great 'value-add' to the end customer," he says.

"Similarly, a DIY retailer that can help you select paint by providing colour matches to a photo or scan is another example of how retailers have established a specific use for the app."

The best apps encourage engagement and interaction, and benefit the customer by providing a better experience of the brand, according to Eric Bilange, executive vice-president of enterprise at technology company Xura. "Apps like Asap54 are using visual recognition technology to help customers discover items online that they've seen in store, allowing them to buy directly from their mobile. The app is bridging the gap between what you see and what you buy, creating engaging experiences that make it easier for the consumers to find and purchase the item they want."

Apps that are able to harness mobile device data and location to gather real-time, relevant consumer insights are also highly prized, according to Theo Theodorou, head of EMEA at global location marketplace xAd. "The real winners in the mobile app space will be the ones that couple the use of intelligent location data with effective measurement. Knowing if somebody has been in store as a result of an ad is gold dust for retailers – it is this knowledge that brings accountability to mobile advertising and, in turn, drives ROI."

Getting the basics right is equally important. Mattsson suggests the best characteristic a mobile



app can possess is having a user-friendly interface. “One example of an app that is good at this is JustEat, the take-away food service. JustEat makes the shopping experience very smooth and takes less than 10 seconds for you to choose your meal, pay and place your order.”

Fujitsu’s Kellett agrees that simplicity is key. “Retailers such as Amazon have really got it right; its ‘one-click’ shop is, in my opinion, the best solution an online retailer could have invented.

“Argos is another example where they have thought about their mobile app and properly integrated it into their omnichannel offering. For example, customers are able to use Argos’ app

to check if a product is in stock at their local store and are guaranteed that their item will still be in store when they go to collect it.”

One retailer that consistently wins praise from experts for its approach to mobile app development is Starbucks, whose loyalty app was one of the first to have a strong rewards element. Starbucks’ latest mobile order and pay app allows customers to order their coffee from their phone and then pick it up from the counter when they arrive. Having been successfully rolled out in the US, the app was launched in the UK earlier this year.

Retailers are not alone in developing apps to enhance the customer shopping experience. In

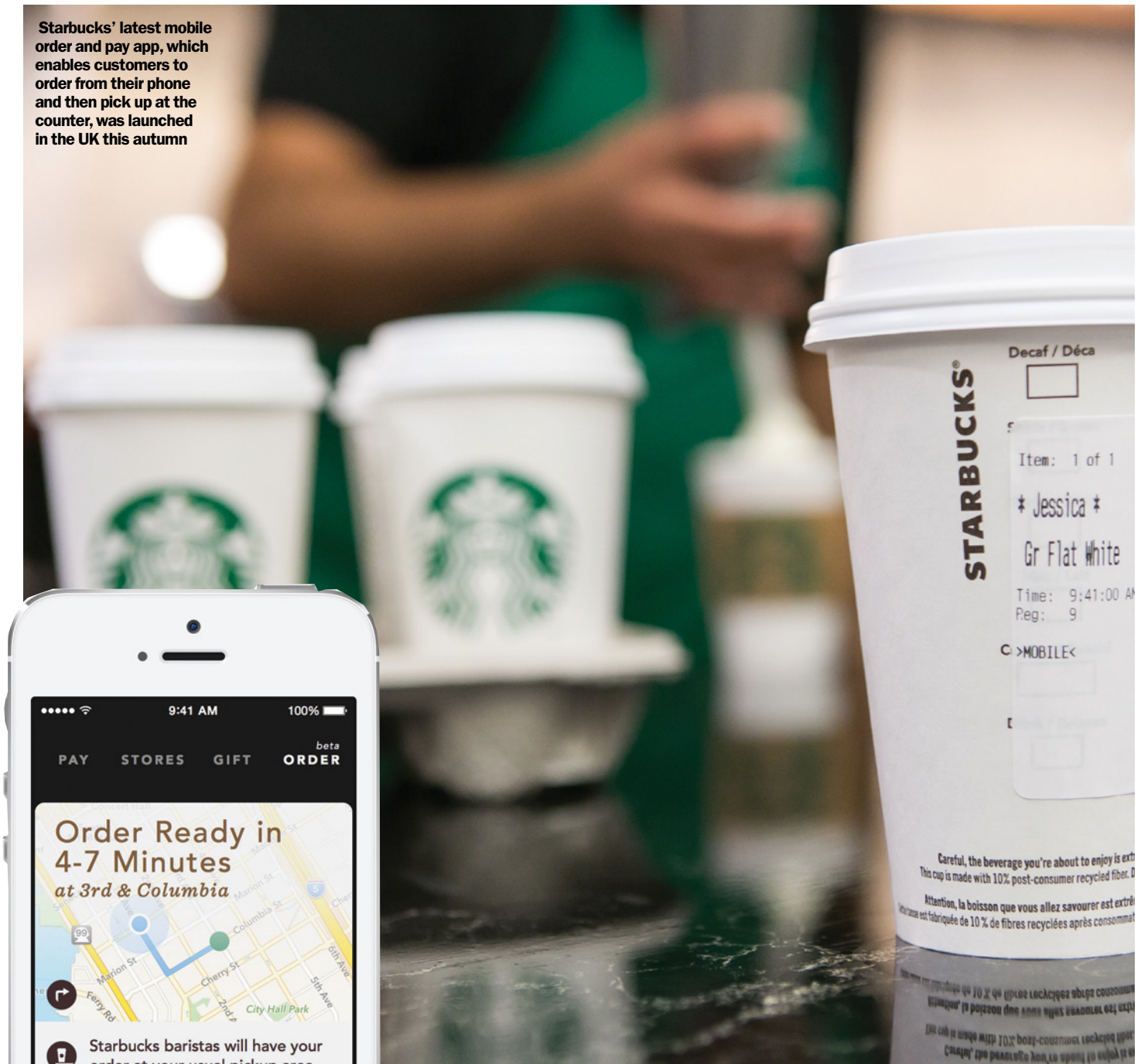
“Apps are now shopping destinations for consumers in the same way that the high street was 10 years ago”

Mark Haviland, Rakuten

fact, many of the most innovative apps are being developed by start-ups such as ShopStyle and Grabble (see box, page 18), which enable users to seamlessly browse and purchase items for a huge range of retailers from one single platform.

Rakuten’s Haviland says such apps are now shopping destinations for consumers in the same

Starbucks' latest mobile order and pay app, which enables customers to order from their phone and then pick up at the counter, was launched in the UK this autumn



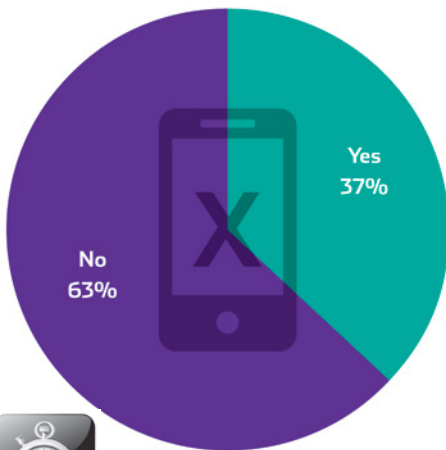
way that going to the high street was 10 years ago. “They’re highly valuable because these publishers allow retailers to find and engage new audiences based on the app’s loyal following. Equally the app publisher provides value to their own users by inviting them to discover new brands that join it.”

In many ways, apps such as Grabble owe their success to the opportunity retailers did not take, says Blackham. “These apps learn and move with the customer. They inspire and recommend. In most cases they don’t hold stock themselves, so for a product edit app like Grabble, offering tailored recommendations and a simple purchase

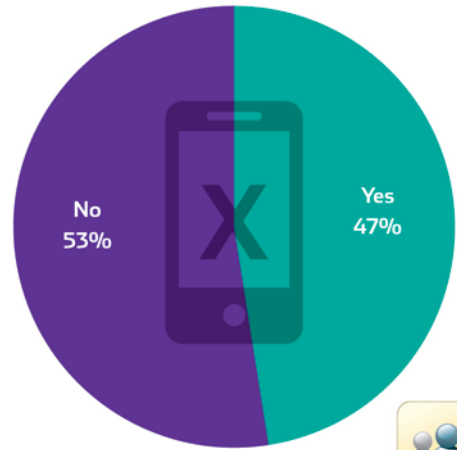
experience gives them an edge.” Blackham adds that third-party apps offer value to retailers in that they are incremental revenue streams with the side benefit that they also provide a customer acquisition channel opportunity.

However, retailers thinking of partnering with app publishers should ensure the app reflects their brand values, says Haviland. “For example, if the app speaks to the high street audience and you’re a luxury brand it’s not going to be appropriate for you to appear there. Any app your brand appears on is an extension of your own identity, so it must be protected and carefully considered.”

Are you close to running out of memory space on your smartphone?



Have you ever had to delete an app on your smartphone due to a lack of memory space?



Which type of apps would you delete first due to lack of memory space on your smartphone/tablet?

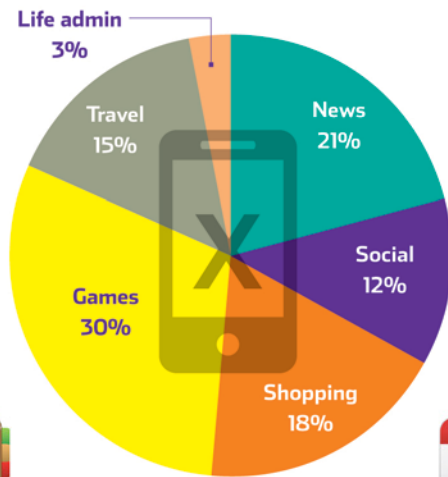


Chart 3.1



CASE STUDY: GRABBLE

For an example of a mobile app that is redefining the way in which we shop, look no further than Grabble. The app, which pitches itself as ‘Tinder for Fashion’, allows users to browse products from the online shops of high street retailers and store favoured items by swiping right. Consumers can then choose to purchase items with a couple of taps of their mobile device.

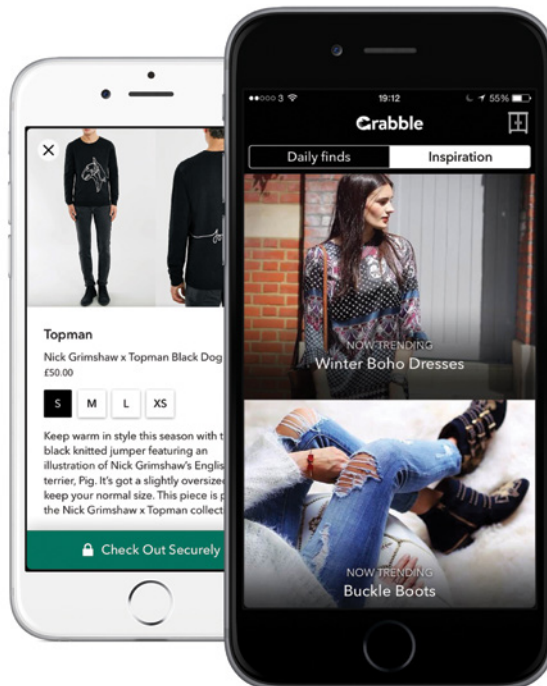
Grabble currently has 180,000 active users generating more than 2 million sessions a month, leading to 100 million swipes and almost a billion data points being captured. Co-founder Joel Freeman claims that there were no great app experiences specifically designed for a mobile consumer before he and co-founder Daniel Murray decided to create an app that was fun to use and fitted in with a mobile lifestyle.

The result is an app that integrates seamlessly with retailers’ websites and drives incremental sales. “We have a large engaged audience that enjoys browsing fashion, and a great checkout experience ensuring a high conversion rate,” says Freeman.

“Most retailers currently have a mobile experience that devalues their brand, as consumers have a high bar for user experience. Grabble ensures that this is not the case and allows sales to be made seamlessly on mobile, where users are now browsing.”

Freeman stresses that a great user experience is a quality shared by the best mobile apps. “Apps have to be enjoyable to use otherwise they are pointless. Companies like Uber and Instagram have raised the bar and have created a new level of consumer expectation that is hard to match.”

The next frontier for Grabble is around transactions and ensuring that consumers are comfortable making payments on their phone. “Uber has been pioneering this process to a point that it makes it easier for companies like Grabble to



keep the momentum going,” says Freeman. “We are finding that our users are becoming more and more relaxed buying on their mobile as our sales are increasing 30% a week at the moment.”

In the future the company will also be providing more editorial content and is working on technology that will enable it to share the data back to retailers about the popularity of their products.

CRITEO
ACTION POINTS

- The app experience is perfect for swiping through visually appealing images
- The average app user sees 14 products compared with four on the browser, and is 2.4 times more likely to add products to the basket
- App usage is also more likely to lead to purchases with conversion rates 3.7 times higher than on mobile browser

CHAPTER FOUR CONCLUSION



Mobile apps have come a long way in a short space of time. Our research demonstrates that they are now a key touchpoint in the shopper's path to purchase, and the best apps can inspire loyalty among customers and drive incremental sales.

Yet there remains a sense that few retailers have really capitalised on the opportunity to date and that the mobile apps of the future will need to contribute more to the customer experience than simply providing another channel through which to purchase items.

"As mobile devices and their operating systems advance further, the new features they offer will power more innovative contributions to shopping and customer service," says Greenlight's Murray.

"For example, photo capture for digital wish lists, face-to-face camera customer service and assistance, or even personalisation based on behavioural tracking of your location will start to make its way into the customer journey.

"Some of these features will be obvious to the

customer but the biggest impact will be from the ones that are not obvious to the customer, yet subtly affect the way they engage with the retailer."

Fujitsu's Kellett believes the future of mobile apps rests on retailers being able to offer customers a specific service through the app, rather than the whole shopping experience.

Ultimately, it is those apps that serve a clear purpose, foster loyalty and add value to the customer experience that will stand out from the crowd.

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