

EBOOK

5 DIGITAL MISTAKES RETAILERS CONTINUE TO MAKE

APPLAUSE^o

A woman with long blonde hair, wearing a dark blue coat and a grey knitted scarf, is looking down at her smartphone. She is holding several shopping bags, including a large red one and a brown one. The background shows a city street with a cafe and outdoor seating.



Ecommerce continues to be a driving force in retail with its sales increasing 14.5% from Q3 2017 to Q3 2018. To put its impact in perspective, total retail sales increased just 5.3% in the same time frame.

The reality is the average consumer is constantly influenced by digital, no matter when and how they choose to make a purchase. Digital and digital-enabled experiences will be the primary growth driver for retailers. Already, digital influences [\\$.56 of every \\$1 spent](#) in physical stores.

Retailers know digital is important, but don't fully understand why or how to best utilize it. Many are not adapting quickly enough to the latest trends and technologies. Further complicating matters, every customer's buying journey is different and they frequently bounce between the physical and digital worlds.

Consumers want control over when and how they interact with a brand, and they expect perfection every time. Avoid these five mistakes to keep your customers happy.

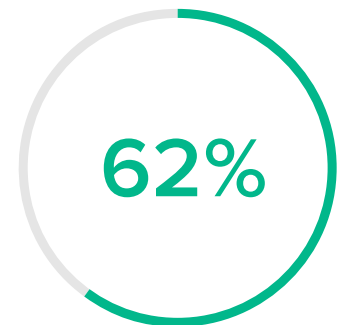
MISTAKE #1: RETAIL APPS AREN'T BUILT WITH SHOPPERS IN MIND

According to a [recent Forrester study](#), 51% of people don't use a mobile phone to shop because they find the desktop experience easier. These shoppers see no benefit from installing these apps, as they provide an inferior experience with no added benefits. This customer sentiment is reflected on the Apple App Store and Google Play Store as a large amount of retail apps have very low (or very few) reviews.

Another problem is the performance of retail apps. 61% of consumers expect an app to load in under 4 seconds, according to research by [Dynatrace](#). And that is just purely opening the app. What is the experience once consumers get past that point?

Moreover, what is the damage from offering a poor mobile experience just to check 'mobile app' off the list? Revenue is damaged by a poor app, for starters. People who have a negative brand experience on mobile are 62% less likely to purchase from that brand in the future.

Retailers need to step up their mobile app game. A bad mobile app drives customers away while a merely adequate app fails to engage them.



Of consumers who have a negative brand experience on mobile are less likely to purchase from that brand in the future.

Source: Dynatrace

Mobile apps must offer a rewarding experience that goes beyond purely replicating the website. These apps should offer features that take advantage of mobile device capabilities and provide added value. For example, barcode scanning, deal notifications, and nearby store locators can become key features for shoppers.

Having your app installed on a device is an opportunity to repeatedly remind consumers of your presence with push notifications and loyalty programs.

By leveraging real-world testers in target markets, Applause helps retailers keep customers in mind when they are building mobile apps. The feedback from these real-world testers guides retailers, highlighting uses and software issues that can't be found in a lab setting. And because Applause testers use their real devices, brands are able to see what the app experience is like across all relevant device profiles and operating systems.





MISTAKE #2: RETAILERS AREN'T THINKING IN OMNICHANNEL

Omnichannel is how consumers think, but retailers often fall into the trap that omnichannel means connecting a single digital experience to a physical one (e.g. buy online, pick up in store). Individual channels don't exist in the mind of the consumer — it's just interacting with your brand.

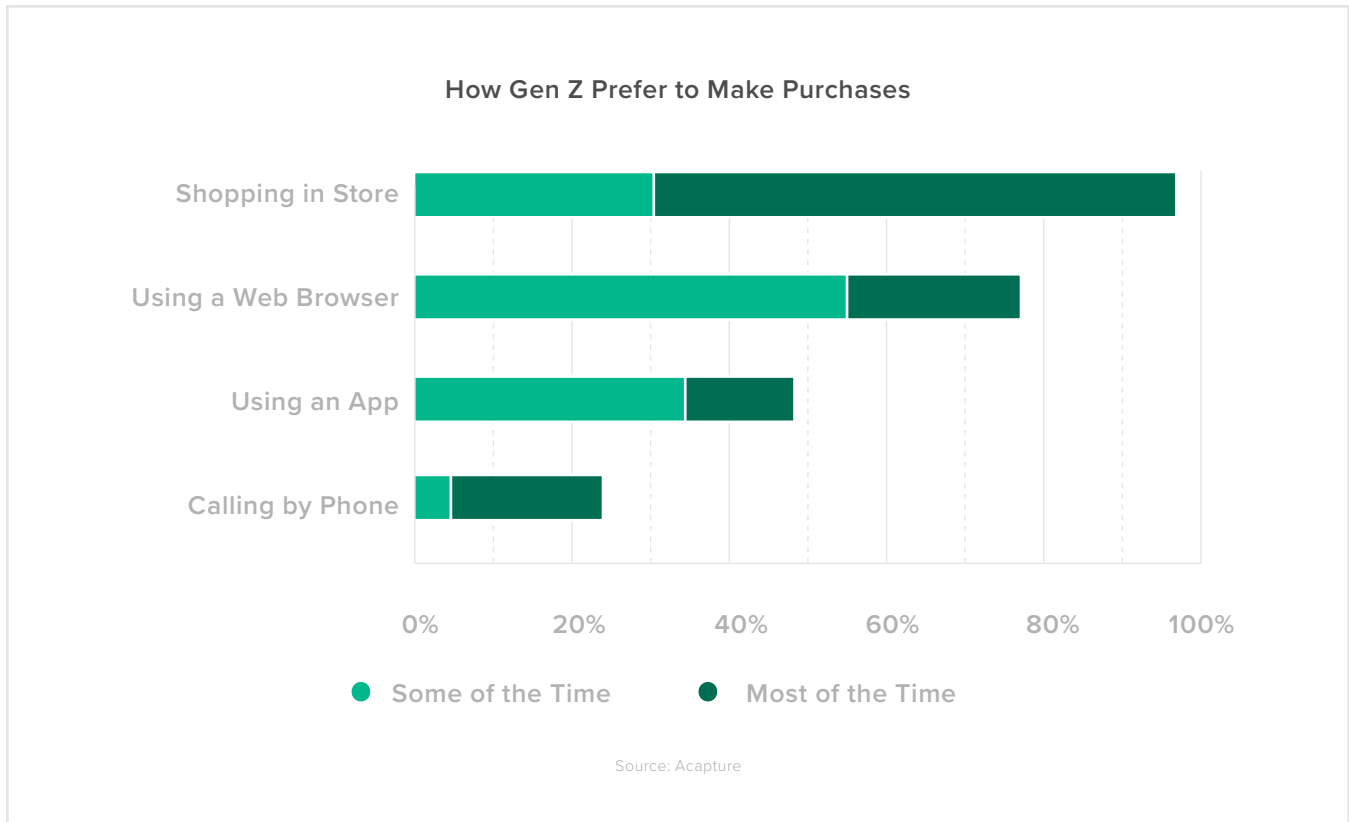
Think of it this way: if two people are talking on the phone or via chat app and then run into each other, what happens? They seamlessly put their phones away and continue the conversation in person, right where they left off. They don't start from the beginning of the conversation or start speaking a different language.

Catering to this trend is immensely valuable to retailers. Single-channel shoppers are a dying breed and multi-channel shoppers are more valuable. [A Harvard Business Review](#) study of 46,000 consumers determined that omnichannel shoppers spend 4% more in-store and 10% more online compared to single-channel shoppers.

High-value customers use more channels. Brands that offer a unified experience across as many channels as possible are able to tap into these loyal shoppers.

Just because omnichannel is how all brands should operate doesn't mean brick-and-mortar is dead. Web and mobile are where the growth is, but brick-and-mortar still provides the largest share of revenue. In-store purchases made up more than 90% of total US retail sales in Q3 2018 according to the US Census Bureau.

Physical interactions offer benefits that digital-only cannot provide. According to [Retail Dive](#), 62% of shoppers buy in store because they like to see, feel, and touch items, and 49% like the instant gratification of taking something home.



But digital plays a large role in these physical interactions. Shoppers are using digital before, during, and after these in-store visits. And it doesn't just apply to younger generations.

Physical locations should be used as a competitive differentiator. It's not purely about convenience and speed—rather, it is an opportunity to provide experiences that reaffirm that your brand “gets” the customer.

If you have a physical presence, use digital to drive people to stores and keep them engaged during their visits. Even something negative on the surface, like product returns, can turn positive. Many consumers will purchase products while they are in store to make returns. Likewise, buy online, pick up in store can lead to more brick-and-mortar purchases.

During Thanksgiving and Black Friday, the start of holiday shopping season, [64% of people](#) who used buy online, pick up in store capabilities bought additional items while they were at the physical retail location. Utilize omnichannel experiences like buy online, pickup in store, beacons, and augmented reality that offer a unique experience and are true value-adds.

Applause gives retailers an end-to-end view of their complete omnichannel experience. With omnichannel testers in-market and based on target demographics, Applause testers follow real customer journeys to provide actionable feedback based on their actual experiences.

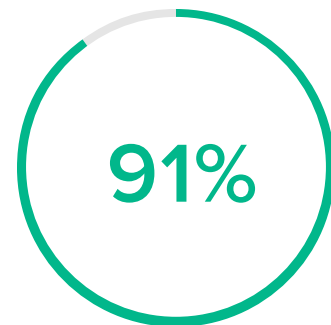
MISTAKE #3: FAILING TO VALIDATE CONTENT, LOCALIZATION, AND PERSONALIZATION

The content that is shown on a retail site or app is what will lead to a purchase. Whether that purchase is made in a physical store or online, the first impression is key. As such, retailers must ensure that the content on their site is kept up to date and accurate, showing only the most recent items and promoting the appropriate supporting marketing material—such as blogs, social media, and infographics—that paint the featured products in the best light.

This content should not only be tested and vetted, it should be personalized and localized to match the location and shopping habits of specific customers.

In fact, the entire site should be localized and personalized to meet customer needs as brands that use personalization see sales rise by up to 10%, according to Boston Consulting Group. And [70% of Millennials](#) said they are comfortable with retailers tracking their purchasing behaviors and patterns if they use that information to provide relevant communications.

Localization, too, is an equally important part of a retail strategy that must be validated through testing.



Of consumers are more likely to shop with brands that recognize and remember them.

Source: Accenture

Localization is the adaptation of a product, application, or document content to meet the language, cultural, or other requirements of a specific target market or locale. The better you can meet the needs of residents on their terms, the better chance you have to grow adoption.

However, localization is more than just a one-to-one translation. Many brands have found this out the hard way. KFC's "finger licking good" slogan was translated to "eat your fingers off" in Chinese while the American Dairy Association's famous "Got Milk?" campaign became "Are You Lactating?" in Spanish speaking countries.

Applause helps retailers validate their content, personalization, and localization efforts by providing real-world testers in-market that speak the languages retailers are trying to reach. And since these real-world testers are made up of real customers in retailers' target demographics, they are able to provide the necessary feedback on how effective personalization and content is in moving them through the buying process, allowing them to adjust their strategies accordingly to best fit their customers' needs.



52% Of consumers are likely to switch brands if a company doesn't make an effort to personalize communications to them.

Source: Salesforce





MISTAKE #4: FAILING TO BE EVERYWHERE CUSTOMERS ARE

Awareness and a compelling value prop are the first steps to driving increased revenue. [Digiday reports](#) that mobile apps were the largest source of online purchases in 2017, with 44% of online purchases occurring on apps, 23% on mobile web, and 33% on desktop computers. However, less than 50% of retailers surveyed by Digiday said they had a consumer-facing mobile app.

Furthermore, “digital” doesn’t only mean having a website and a mobile app. Social shopping accounted for an estimated \$6.5 billion for the top 500 retailers in 2017, [according to Business Insider](#).

The rise of [voice purchasing](#) is adding to the importance of digital as well. 55% of those with smart speakers have used them to search for products via voice, and 44% report using their device to make a purchase.

Customers can only make a purchase and develop a connection with your brand if you have a presence where they spend their time. People who see and interact with you more buy more often.

Year-Over-Year Growth in Share of Retail Site Visits from 2016 to 2017

+146%

Social Networks

+45%

Paid Search

+11%

Email/Newsletter

+7%

Display

-6%

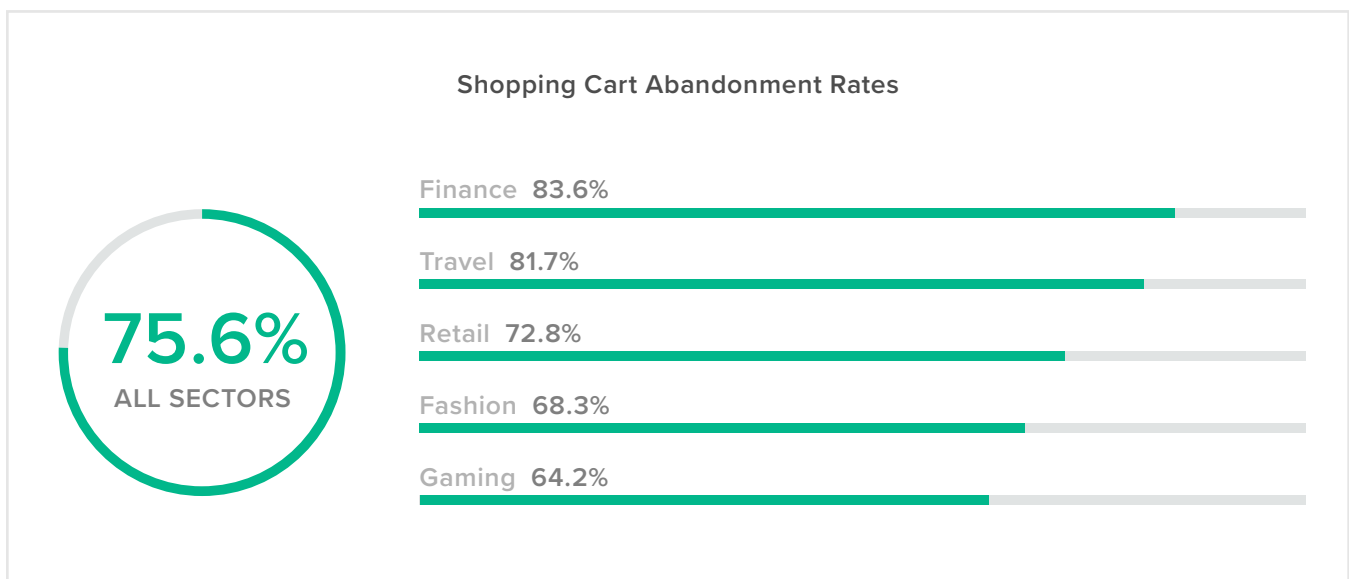
Natural Search

Source: ADI Retail Industry Report, n=50 billion site visits, 2017

MISTAKE #5: MAKING IT DIFFICULT FOR PEOPLE TO SPEND THEIR MONEY

The rate of ecommerce shopping cart abandonment sits around 73% for retailers, though it typically spikes on big shopping days like Black Friday. There are a number of factors driving this high rate.

Poor customer experiences are the main culprit, but they come in many forms. Confusing or lengthy checkout processes often fatigue would-be shoppers, as do a lack of acceptable payment options. Most importantly, though, any kind of functional issues or software bugs (especially during the payment process) will cause potential buyers to look elsewhere for their products.



This is the last step of the buying process and the most important. You've already done the most difficult and costly part—getting the consumer to checkout.

Customers can't (or won't) pay if you don't offer the right payment options, or if you provide a checkout process that makes them second-guess their decision.

Retailers are leaving money on the table that could have easily been captured by understanding customer needs and usability expectations, and better testing of payment flows.

5 Most Common Errors in Omnichannel and Digital



Items are "available" online, but are "out of stock" during checkout or in-store



Promising more online than can actually be bought at the store



Registration and sign-in is required before the product price is revealed



The app is a mirror of the website and not worth downloading



Web/mobile prices don't match in-store prices

Source: Applause



The Solution is a Better Understanding of Your Customers

In the [JDA and PwC CEO Viewpoint report](#), 69% of retail CEOs said they plan to increase their investment in digital transformation over the next year. However, 52% said they haven't defined or started implementing a digital transformation strategy. Mobile-enabled applications and data are the top technologies respondents are investing in or plan to invest in.

Customer experience, across and between every channel, is now the glue that binds consumers to your brand. Each customer's unique search-to-purchase process must be flexible, seamless, and rewarding. Smart investments in digital are the only way to deliver these experiences.

Applause can give you access to consumer feedback from real people using your digital properties and in-store experiences. Get the insight you need to deliver great digital experiences that drive customer engagement, decrease brand risk, and increase sales.

Consumers are demanding and their loyalty needs to be constantly earned. However, the formula is fairly straightforward. Give them the experiences they want, where and when they want them, and make sure they work.



Learn the Strategies Driving the Future of Retail

Find out how top retailers gain and retain customers in this new age of retail.

DOWNLOAD

About Applause

Applause is the worldwide leader in crowdtesting and digital quality. Software is at the heart of how all brands engage users, and digital experiences must work flawlessly everywhere. With 400,000+ testers available on-demand around the globe, Applause provides brands with a full suite of testing and feedback capabilities. This approach drastically improves testing coverage, eliminates the limitations of offshoring and traditional QA labs, and speeds time-to-market for websites, mobile apps, IoT, and in-store experiences.

Thousands of leading companies — including Ford, Fox, Google, and Dow Jones — rely on Applause as a best practice to deliver high-quality digital experiences that customers love.

Learn more at www.applause.com

NORTH AMERICA

100 Pennsylvania Avenue
Framingham, MA 01701
1.844.300.2777

EUROPE

Obentrautstr. 72
10963 Berlin, Germany
+49.30.57700400

ISRAEL

10 HaMenofim Street
Herzliya, Israel 4672561
+972.74.757.1300

APPLAUSE^o