Bricks-and-mortar friendly mobile strategies could be key to bringing £7.8bn to Britain's high street this year

Research from RetailMeNot reveals brands across Europe need to do more to meet consumer expectations if they want to capitalise on mobile opportunities

- M-Commerce represents 23% of e-commerce in Europe in 2015 and could reach 50% by 2017. Brits have the highest mobile basket size in Europe, with an average purchase value of £47 on smartphones and £52 on tablets this year, compared to £58 on desktop or laptop computers.
- For consumers, the biggest barrier to purchase is slow performance of websites on mobile (in the UK, 63% of consumers cite this as the biggest barrier). However, only 1 in 4 retailers in Europe have a mobile optimised site
- Although mobile is not the main shopping channel, it plays an important role in the overall shopping journey, with 83% of British smartphone users comparing prices, 69% looking for offers and promotions and 79% using mobile to look for reviews
- The reward for retailers is a financial one; multichannel shoppers in the UK spend 69% more compared to those who shop solely on desktop/laptop (£1,734 average spend this year for multichannel shoppers vs £1,024 for those who buy exclusively on desktop/laptop)

London, July 15th 2015: This year 26.6% of all online sales in the UK will be carried out on mobile devices as Brits embrace 'shopping on-the-go', according to research commissioned by RetailMeNot, the world's largest marketplace for digital offers and owner of Vouchercodes.co.uk. The study, carried out in conjunction with the Centre for Retail Research (CRR), found that Brits are the biggest mobile shoppers in Europe, with m-commerce spend in the UK at £8.41 billion in 2014, and expected to grow by 169% to £22.7 billion by 2016.

Mobile is influencing consumer habits more than ever

- **The constant evolution of m-commerce represents the strongest growth in the ecommerce market.**Sales made on tablet devices have grown by 94% this year in Europe, with sales on smartphones increasing by 70%; this is compared to desktop sales which will grow by just 5% in 2015. In the UK, 27% of online sales this year are expected to be carried out on mobile devices (tablet and smartphone) and this figure is expected to more than double by 2017. With most mobile phone contracts now including data allowance on smartphones, the constantly-connected consumer is driving this growth. In this respect, retailers must consider how the demands of the consumer should shape mobile strategy.
- **Brits are after a bargain.** Although Brits are spending more on mobile than ever before, research shows that the mobile channel means much more to consumers than simply acting as a purchase tool. Today, 83% of British mobile users compare prices on their phone or tablet and 69% to look for offers or deals before purchasing.
- **Mobile baskets are getting bigger.** The research found that the average basket size on mobile is catching up with that of desktop sales. Although shoppers tend to make smaller purchases and spend less per transaction than those shopping on desktop, the average basket size on mobile now amounts to £49 compared to £58 on desktop in the UK and mobile shoppers tend to buy more frequently. The most popular purchases on mobile are digital downloads (32%), fashion (27%) and entertainment media such as books or DVDs (23%).

Retailers must look to develop more mobile-centric strategies

As the evolution of mobile continues, consumers are becoming increasingly demanding in what they expect from a retailer. Retailers need to take these expectations seriously if they are to capture the potential sales on mobile.

- **Site optimisation on mobile is the main challenge for retailers.**63% of Brits say a slow-loading site on mobile is a barrier to purchase and almost half (48%) will be put off a purchase if the screen is not mobile-responsive. However, today, fewer than a third of retailers in the UK (31%) claim to have a mobile-friendly website, which means that retailers risk losing a huge proportion of potential sales as consumers switch off. By having a mobile-optimized website, retailers can ensure they respond to other demands from consumers, such as providing a 360 degree view of an object or information on secure payments.
- **To app, or not to app?** That is the question that many retailers are asking themselves. Apps have high potential for those with a very engaged user base, as an extension to their mobile site. App-users make fewer purchase (18.2% of purchases in the UK), but they do spend on average 68% more than non-app users, which shows the extent to which retailers can potentially benefit from a successful app strategy.

- **Bricks and Mortar stores need to become mobile friendly.**It's not only the website that consumers demand to become better adapted for mobile, but high street stores must align their strategy with the new consumer demands, such as checking availabilities/making reservations on mobile (40%) or mobile loyalty programs (40%). 43% of UK consumers said they would spend more in mobile friendly stores which could bring an additional revenue of £7.8bn pounds [1] to British high street retailers.

- **Consumers want personalised offers.** By sending a digital offer to a mobile device, retailers can also capture significant in-store sales. In 2015, £230 billion worth of vouchers will be issued in Europe, with this figure estimated at £70 billion in the UK. This takes the total value of redeemed vouchers in Europe to £2.1 million, according to the CRR estimates. 40% of Brits surveyed said they appreciate having relevant and targeted offers sent directly to their mobile device so they can then redeem this in-store. By making the move from digital commerce to brick and mortar sales sleeker for both the merchant and consumer, retailers will hear the ring of the tills.

Giulio Montemagno, SVP & GM International, RetailMeNot says,"*Doubling down focus and investments in mobile commerce is more important than ever for retailers: research shows that providing a great mobile experience is a highly effective way to generate customer loyalty. The development of m-commerce is not simply a technology development, but a secular change in the consumers' consumption patterns and therefore should be a change in any retailer's mindset."*

Mobile devices have become an ever more important part in the discovery phase of shopping and retailers who do not adapt their services risk losing out to more innovative competitors. If the biggest barrier for consumers is the unsatisfactory performance of mobile sites, this presents a huge opportunity for retailers to integrate mobile into their strategy and see mobile sales boom. Consumers already feel more confident with the idea of buying on mobile this year than they did in 2014; we must keep the momentum and continue to adapt in step with consumers, rather than simply following them."

ENDS

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About RetailMeNot

RetailMeNot (http://www.retailmenot.com/corp/) operates the world's largest marketplace for digital offers. The company enables consumers across the globe to find hundreds of thousands of digital offers for their favorite retailers and brands. During the 12 months ended March 31, 2015, RetailMeNot, Inc. experienced more than 720 million visits to its websites, and during the three months ended March 31, 2015, monthly mobile unique visitors totaled 18.4 million. In 2014, RetailMeNot, Inc. estimates $4.4 billion in paid retailer sales were attributable to consumer traffic from digital offers in its marketplace. The RetailMeNot, Inc. portfolio includes RetailMeNot.com, the largest digital offer marketplace in the United States; RetailMeNot.ca in Canada; VoucherCodes.co.uk, the largest digital offers marketplace in the United Kingdom; deals.com in Germany; Actiepagina.nl, a leading digital offers site in the Netherlands; Bons-de-Reduction.com and ma-reduc.com, leading digital offers sites in France; Poulpeo.com, a leading digital offers site with cash back in France; and Deals2Buy.com, a leading digital offers site in North America. RetailMeNot, Inc. is listed on the NASDAQ stock exchange under the ticker symbol "SALE." Investors interested in learning more about the company can visit http://investor.retailmenot.com.

Study Methodology:

This report is based on surveys of a combined total of 1,300 major retailers with combined sales of more than £585 billion ($945 bn) and a total of 5,400 consumers in all the countries studied. There were 250 major retailers from a cross section of all vertical markets interviewed in each country, and 150 each in Canada and The Netherlands. One thousand customers were interviewed in every country, and 400 in The Netherlands. The customer sample was a cross-section of the population aged 16 years and above between 1 April and 8 May 2015. The confidential retailer sample was carried out between 1 April and 15 May drawn from a cross section of vertical markets including department stores, supermarkets, convenience, electricals, clothing and footwear and general stores.

[1] Figure calculated upon 43.6% of UK shoppers who stated that they would shop more with retailers who show greater mobile engagement for an average additional amount of £7.30 per shopping trip. The total number of non-food related annual shopping trips in the country is 2.463 billion which would result in an addional spendig of £7.8bn for mobile friendly stores from these shoppers

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Mobile Retailing in Europe and North America
Detailled results of the study (576 KB)

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