



Technology Trends in Retail

The 2014/2015 Retailer Benchmarking Report



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WORLDWIDE BUSINESS RESEARCH

A WBR Industry Benchmark Whitepaper

Technology Trends in Retail

The 2014/2015 Retailer Benchmarking Report

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Executive Summary

Now in its 16th year, eTail presents senior-level case studies, workshops, and roundtable discussions covering the challenges faced in all areas of multichannel retail. At eTail, industry leaders examine an array of key issues, including technology spending, digital marketing, social media, mobile, customer experience optimization, search, email marketing, personalization, analytics, and consumer engagement, to name a few. These sessions are focused on providing innovative tactics and strategies to address the most fundamental challenges facing retailers.

During Q2 2014, eTail surveyed more than 210 retailers in order to uncover the industry's technology spending trends, social media initiatives, and mobile commerce strategies. The present report, which marks the fourth annual retailer benchmarking report compiled by eTail, revealed the following results:

Key Findings

Most retailers lack long-term marketing plans.

Due to the fast pace of the industry, marketing strategy development tends to be short-term in nature.

While retailers are spending heavily on mobile capabilities, most are not seeing strong returns.

In fact, the majority of respondents lack a clearly defined mobile strategy or the ability to measure their mobile efforts.

As retailers continue to invest in social media, it is one of their top brand engagement tools.

But social media is having an impact beyond just engagement – it has become part of the overall retention mix, as well.



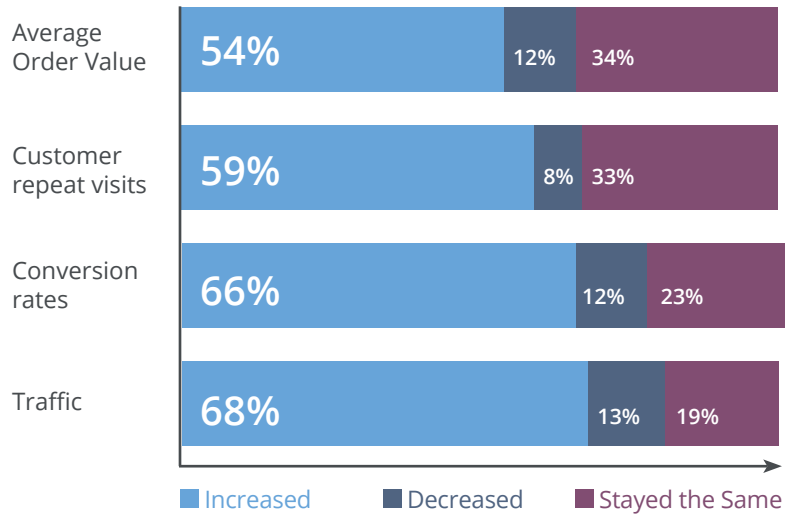
Research Findings

The 2014/2015 Retailer Benchmarking Report

Key Finding:

The great news is that AOV, Repeat Visits, Conversion Rates and Traffic have been increasing for the majority of respondents. AOV has seen the smallest increase, at only 54%.

Looking at my online business from 2013-2014, my:



What were your top e-commerce priorities in 2013?

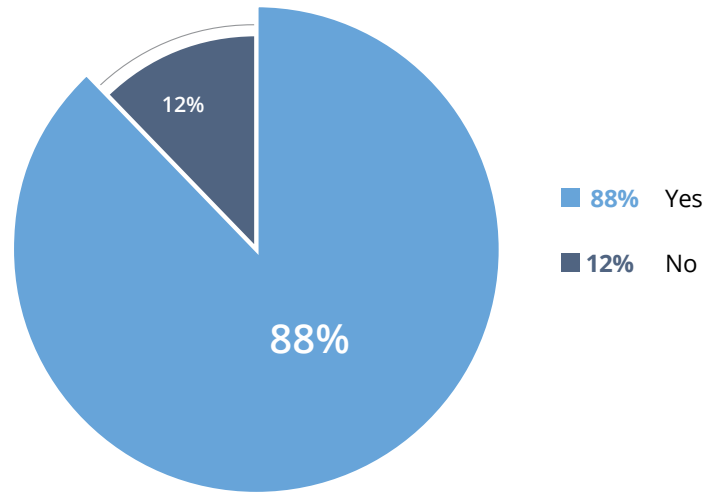




Key Finding:

12% of respondents do not have a clearly defined plan for the year ahead, which is concerning considering the importance of Q4 for the majority of retailers.

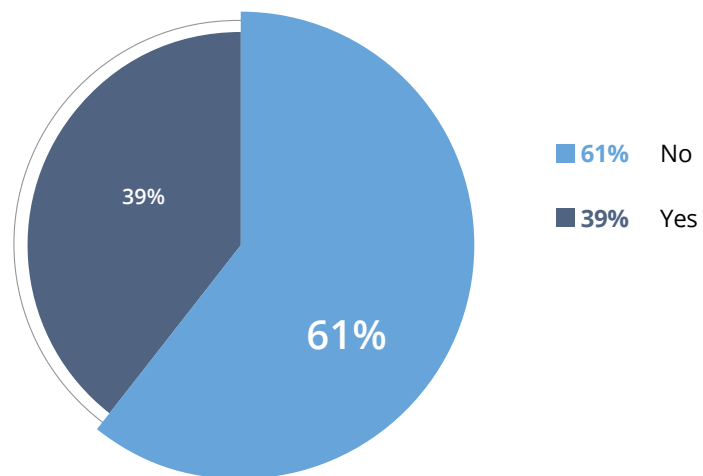
Do you have a clear marketing strategy for FY13 and FY14?



Key Finding:

Over 60% of respondents stated that they do not have a clearly defined five year marketing strategy. Marketing strategy development can tend to be more short-term due to the fast-paced nature of the retail industry and the desire for companies to become more nimble, flexible, and responsive to changing customer expectations.

Do you have a clear 3 year or 5 year marketing strategy?

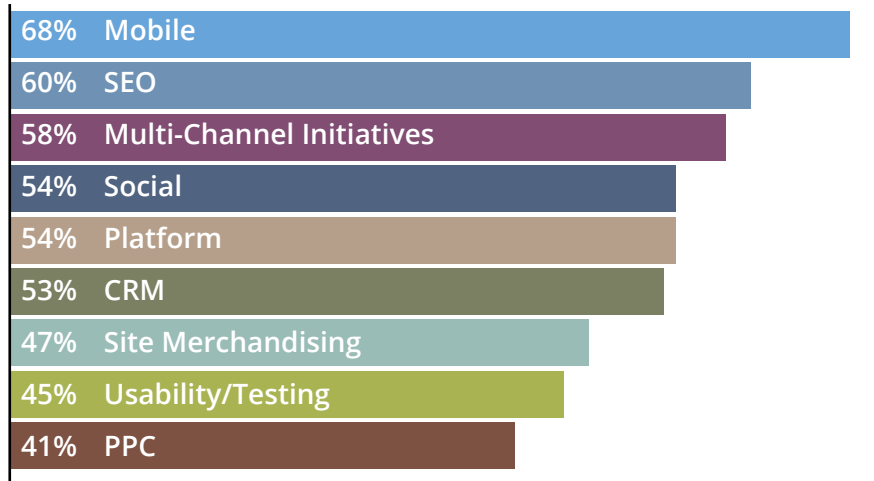




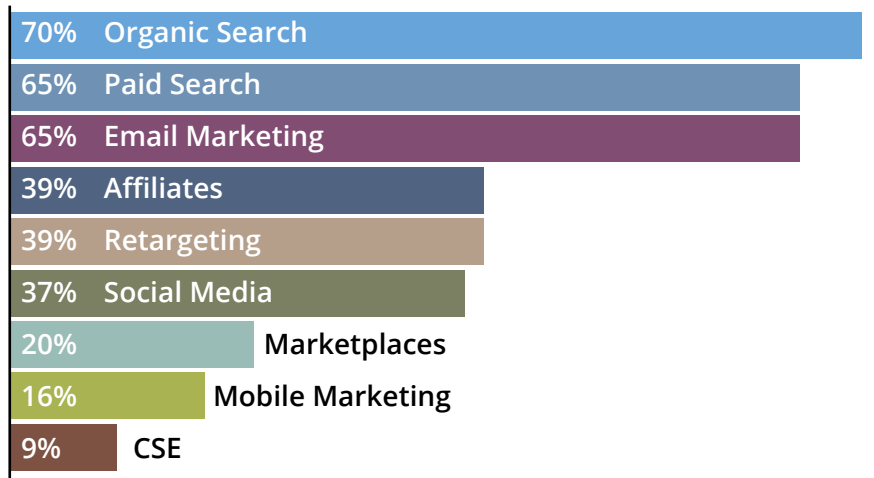
Key Finding:

Although only 40% of survey respondents stated that they are investing in paid search, it is the #2 driver of online acquisition. There is also a significant drop from the top acquisition activities to the next group of online drivers. Comparison shopping engines are primary traffic drivers for only 9% of attendees.

In which areas are you planning to invest in e-commerce technology in the next 12-18 months.



What online activities primarily drive customer acquisition at your company?

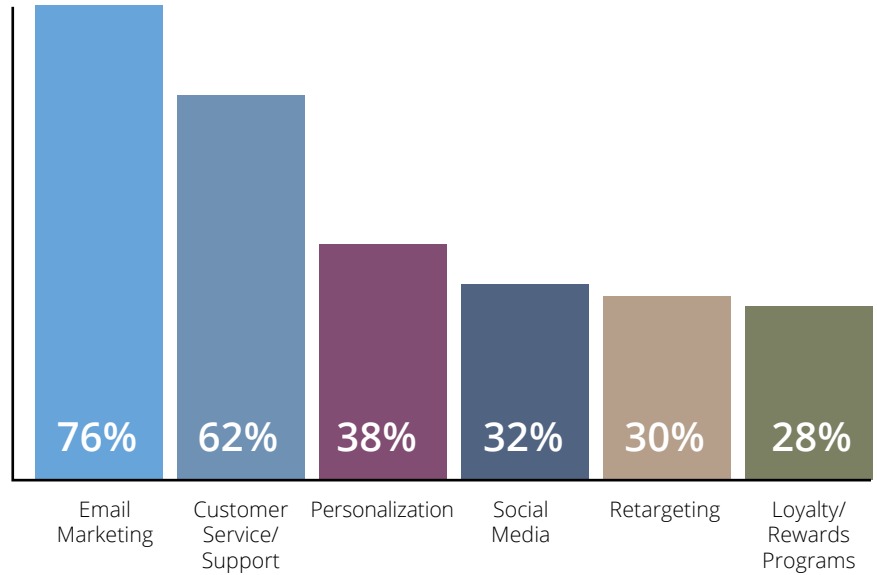




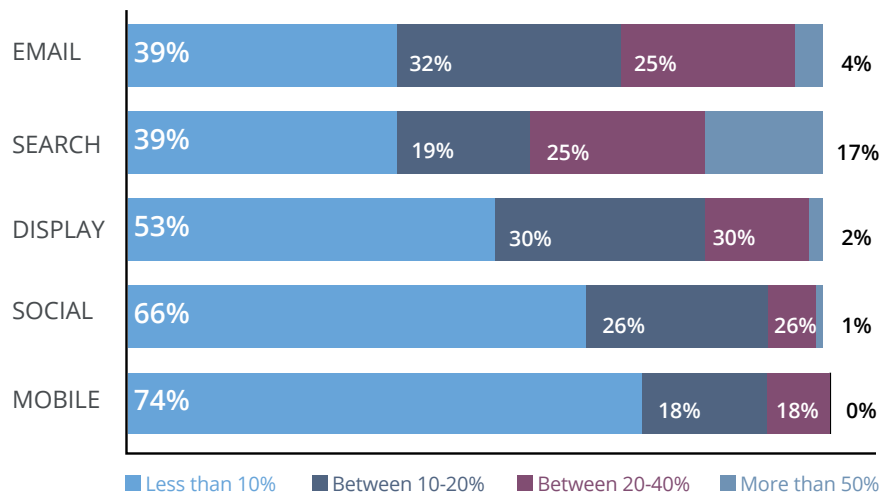
Key Finding:

Email marketing is the number one retention driver for survey respondents. Especially as email is increasingly opened on mobile devices, the importance of the role of CRM programs will continue to grow.

What online activities primarily drive customer retention at your company?



What percentage of your overall marketing budget do you spend in these areas?

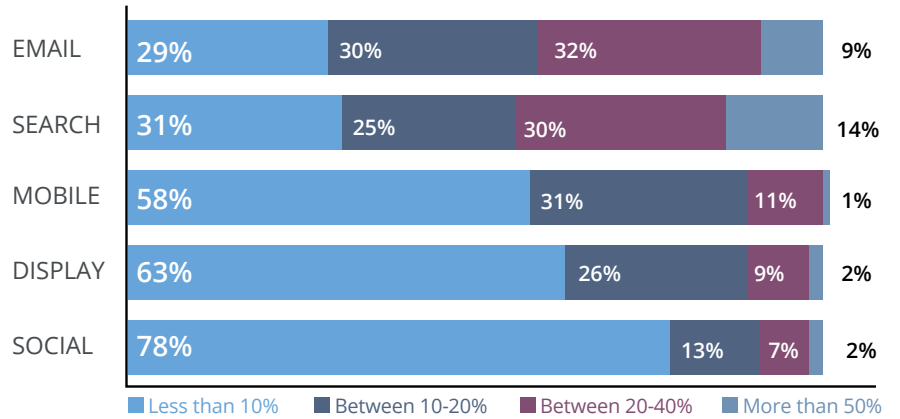




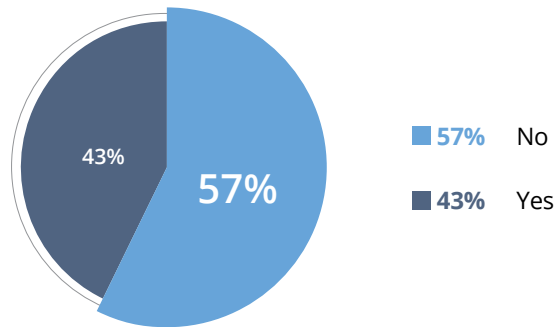
Key Finding:

Mobile spending is dominating e-commerce investments for survey respondents, yet the majority of respondents stated that it contributes to less than 10% of overall sales. There is a huge gap in investment versus return, which presents a tremendous mobile growth opportunity for retailers. This is further evidenced by the fact that over 57% of respondents do not have a clearly defined mobile marketing strategy in place, and 60% cannot clearly measure the success of their mobile efforts. Retailers need to have clearly outlined KPIs for their mobile initiatives, and mobile marketing will continue to grow in importance to close the ROI gap. Search marketing investments continue to offer the greatest ROI in comparison to other channels for retailers.

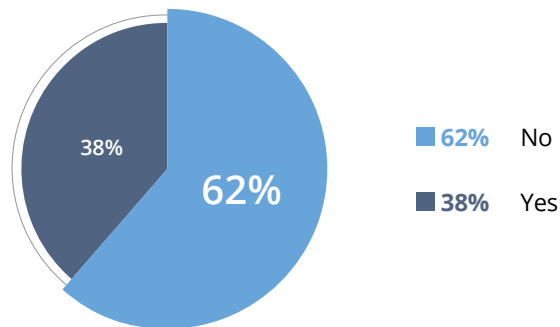
What percentage of total revenue do each of these areas contribute?



Do you have a mobile marketing strategy in place?



Have you had measureable success from your mobile marketing efforts?

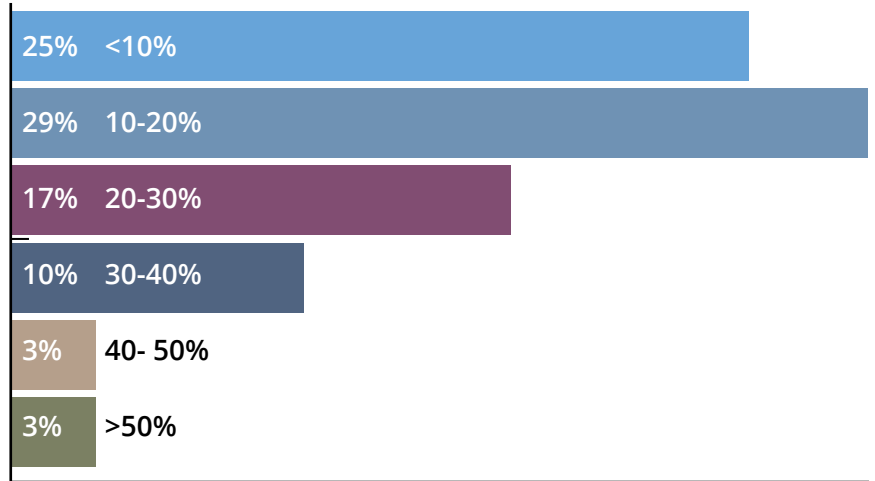




Key Finding:

This chart further illustrates the conversion gap for mobile, only 3% of respondents receive traffic and/or sales from mobile devices. Mobile traffic numbers will continue to grow, and the goal for retailers is to increase sales from these devices.

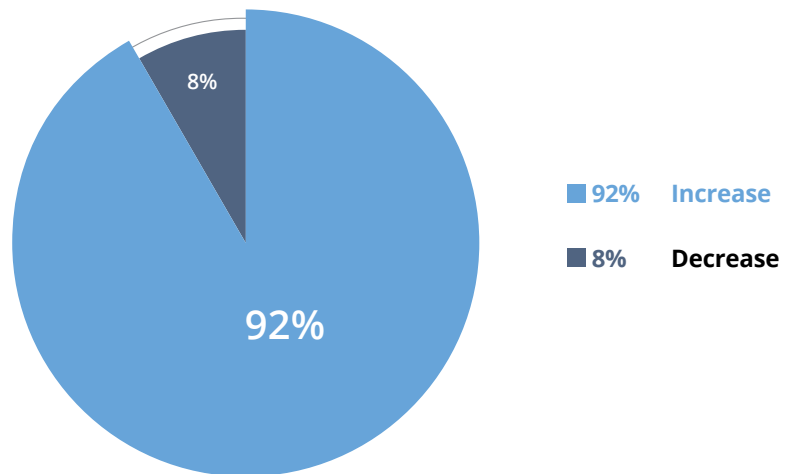
What percentage of your traffic and your sales came from mobile devices in 2013?



Key Finding:

Traffic from mobile devices has grown year to year significantly, yet mobile conversion rates are not increasing. Closing the mobile conversion gap is top of mind for almost every retailer who has a mobile presence.

Was this an increase or decrease from mobile sales in 2012?

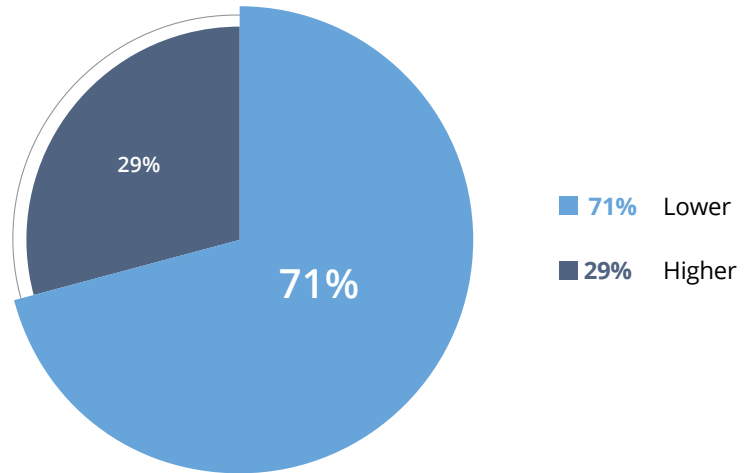




Key Finding:

Conversion rates on mobile devices are not outpacing desktop, hence the popularity of responsive and adaptive design practices with many retailers.

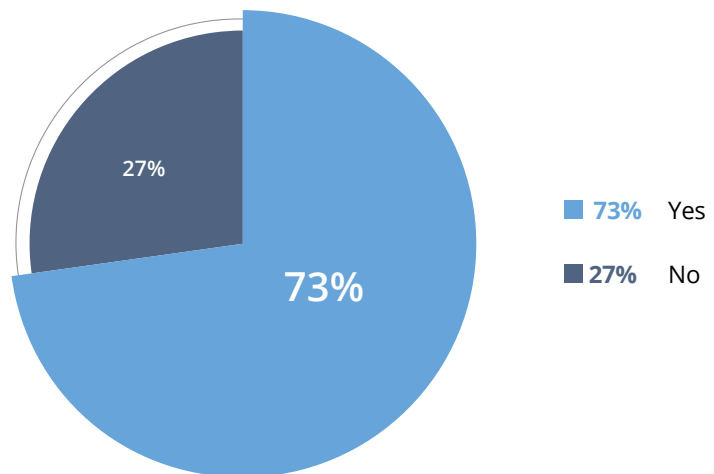
Are your mobile conversion rates higher or lower than your web site rates?



Key Finding:

As the number of emails opened on mobile devices increases, it is important that every retailer optimize email for mobile (regardless of whether your site is responsive).

Are you planning to start/continue a mobile e-mail optimization program this year?

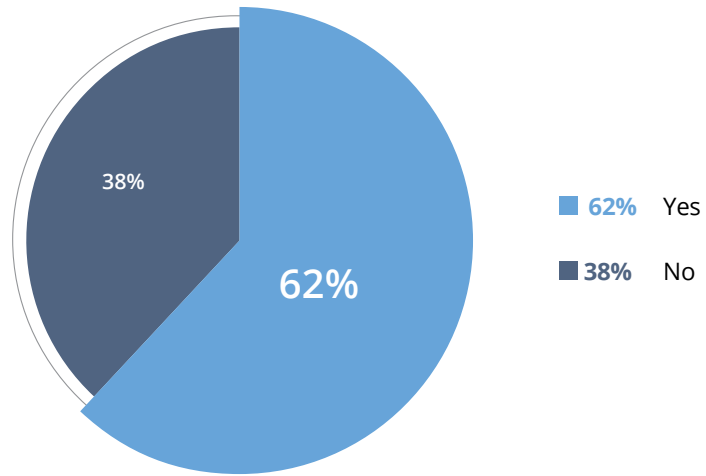




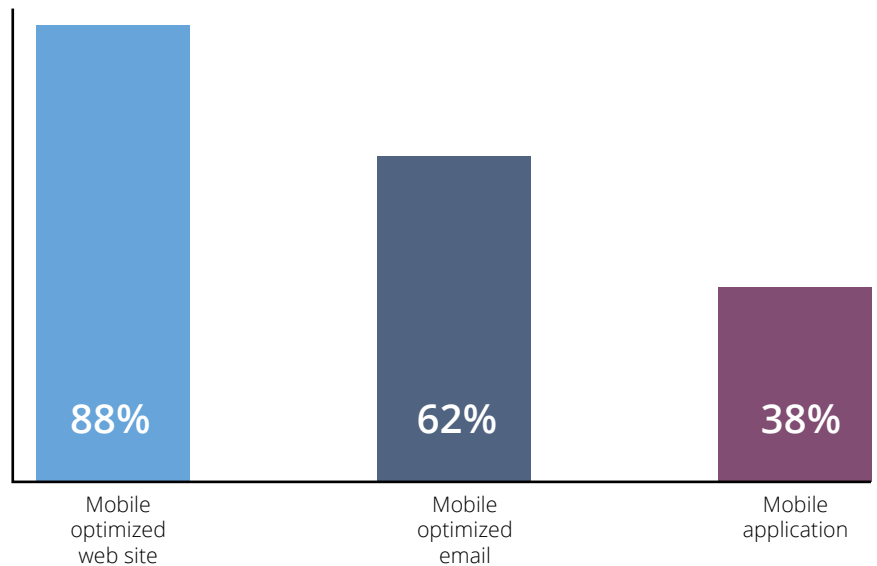
Key Finding:

Tapping into the ubiquity of mobile devices, it is equally as important for retailers to optimize for search on these devices. This directly impacts conversion rates as PPC is a top driver for online sales.

Are you planning to start/continue a mobile search optimization program this year?



For your mobile strategy, which of the following do you have in place (or plan to have in place this year)?





Key Finding:

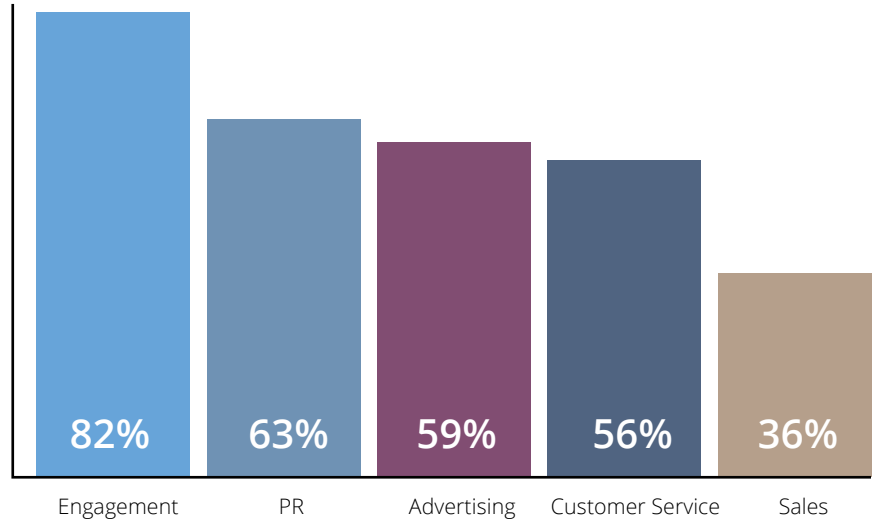
Brand engagement numbers for social media programs continue to increase, versus commerce numbers. Social needs to be an integrated part of the the online marketing mix, as it helps to drive engagement across multiple marketing channels.

Key Finding:

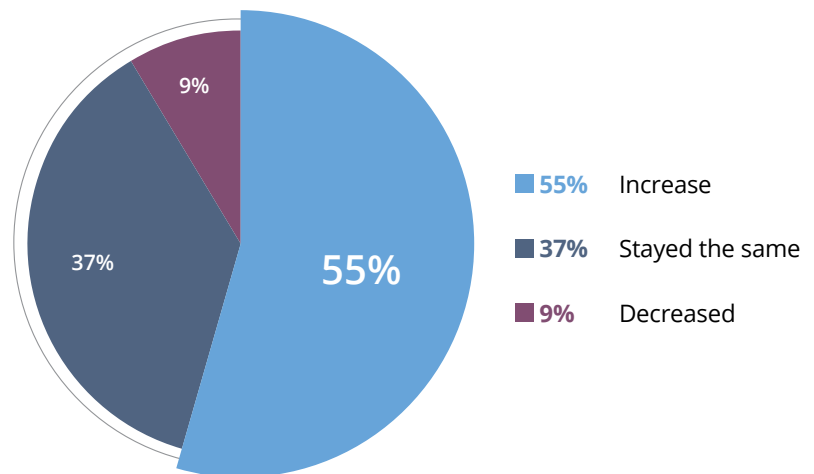
Over 50% of respondents are increasing their investment in social media, and the primary social strategy is around brand engagement. The importance of CRM programs, which are increasingly integrating social media, will continue to grow in the future. Social media programs are now a part of the retention marketing mix, and investments in this area will continue to grow.



How are you using social media?



Has your spend on social media marketing increased or decreased for 2014?



Appendices

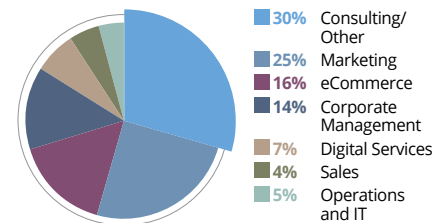
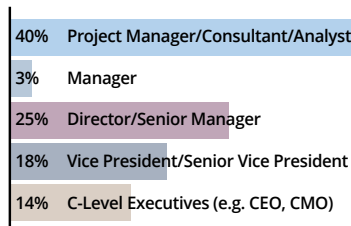
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Appendix A: Methodology

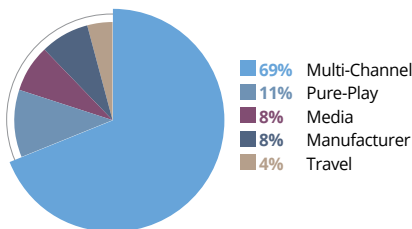
For this report, Worldwide Business Research conducted in-person and online surveys of 213 retail professionals from a variety of industries, including apparel, beauty, consumer electronics, hard and soft goods, home furnishings, books, music, and department stores. Survey participants included decision-makers and executives with responsibility for their firms' marketing, eCommerce, sales, and operations capabilities and strategies. In-person surveys and interviews were conducted on-site at the 2014 eTail West Conference. Responses were collected in May and June of 2014.

Appendix B: Demographic Information

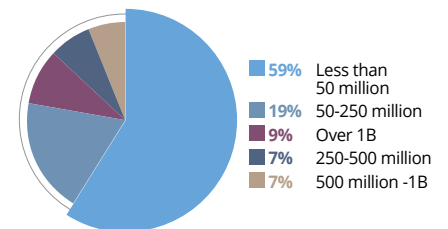
Roles and Departments



Company Type



Annual Online Revenues



Appendix C: Related Research

"The 2014 State of Ecommerce Report," WBR Digital, Fall 2013.





About eTail



"I would rate eTail East 2013 event as one of the most value-adding and productive industry conferences I've been to in many years. The conference was full of presentations that offered clear, actionable strategies in key areas of e-commerce, shared by business leaders who have achieved real-world success in their particular markets. eTail featured especially helpful information in the important categories of mobile e-commerce (phone and tablet,) responsive design, and analytics, among others [...] Budgets these days are pretty tight, but I can without hesitation recommend eTail conferences as being a good investment in the future of anyone's e-business."

- Jack W. Whitley, Senior Vice President, E-Commerce, REPLACEMENTS, LTD.

eTail is a conference series held bi-annually in the United States, as well as internationally, offering best practices and tactical strategies presented by retail innovators from every facet of the industry. It is the premier multi-channel and online retail conference dedicated to supporting the growth of the retail industry through high-level networking and extensive thought leadership.

WBR, the creator of the eTail conference series, is an independent research organization, devoting 100% of its resources towards executing industry-leading conferences.

As many retailers have learned, the eCommerce industry never allows for complacency. Trends have been combining to create an explosion of innovation and investment in the online retailing channel. The result is a dynamic and competitive selling environment that will challenge every online seller to satisfy and thrill online shoppers – before another retailer does.



[DOWNLOAD THE ETAIL EAST 2014 AGENDA HERE](#)



About WBR/WBR Digital

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WBR is the world's biggest large-scale conference company and part of the PLS group, one of the world's leading providers of strategic business intelligence with 16 offices worldwide. Our conference divisions consistently out-perform their industry sector competitors on the quality of the events we produce and the relationships we nurture with both attendees and sponsors.

Every year, over 10,000 senior executives from Fortune 1,000 companies attend over 100 of our annual conferences – a true “Who’s Who” of today’s corporate world. From Automotive events in Bucharest to Logistics conferences in Arizona to Luxury conferences in New York and Finance summits in Hong Kong, WBR is dedicated to exceeding the needs of its customers around the world.



In addition to our industry leading conferences, our professional services marketing division, WBR Digital, connects solution providers to their target audiences with year-round online branding and engagement lead generation campaigns. WBR's marketers act as an extension of your team, relieving strain on your internal resources while promoting your brand and solutions to your prospects. Solution providers can target identified accounts or relevant industry/function segments of WBR's entire global database of over 500K senior-level decision makers.

Be a Part of eTail East 2014

Be a part of next year's report. Make sure you're there in 2014.

Take a stand on the issues that matter to you and your industry. Be a part of the next report, onsite at eTail East 2014.



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