



Digital Marketing
Center



The State of Mobile Shopping Apps

An International Study of How Retailers Utilise Mobile
Apps to Engage Their Audience

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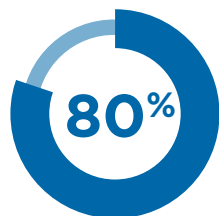
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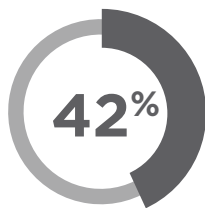
Marketing
Applications

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According to the 2015 Mobile 500 guide¹, the 500 companies adopting a mobile-centric approach when selling to customers saw their online sales grow 80% in 2014



42% of all mobile sales by 500 leading merchants came from apps

Shopping apps are growing — but could retailers do better?

Mobile shopping apps are a powerful way to reach out to customers. Tapping into people's growing awareness of apps, many retailers are using mobile apps to boost sales by offering convenient 24/7 shopping, while also keeping their brands prominently in front of customers.

Yet, are retailers getting everything they can from apps? To help answer this question, Teradata conducted a study looking at the top online retailers in 4 countries to see how they are using mobile apps to engage their users. The participating countries were: The US, UK, France and Germany. After downloading the app, push notifications were enabled and observed over a four-week period, while other aspects such as individualisation and special offers were also assessed.

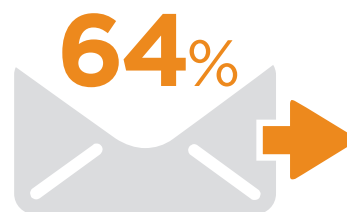
¹ Source: Mobile 500 Guide, Internet Retailer, 2015.



Key findings

- UK is leading the list with 96% of the top brands already have at least 1 app. The US was not far behind with 94%. France and Germany are lagging behind with 62% in France and 70% in Germany.
- In the US, the average number of apps per brand is 5.76, versus only 1.98 in France. The average number of apps per brand across all 4 countries is 3.94.
- Surprisingly, the majority of the top brands did not send push notifications, with only 35% of US brands recorded sending during the term of the study.
- Similarly, most brands were not personalising their apps' content. In UK only 31% of the brands individualised content in their app.
- In regards to using a push preference centre, we saw major differences between the countries, with 64% of the US apps and 56% of UK apps offering a push preference centre, versus only 20% in Germany and 19% in France.

While retailers believe it is important to have a mobile presence, they are clearly not making full use of their apps to build closer customer relationships. Push messages provide a powerful opportunity to engage closely with customers, benefiting both retailers and shoppers. With only a fifth to a third of the top 50 retailers even sending push messages, it's clear that this opportunity is far from being fully exploited.



64% of the US apps offer
a push preference centre



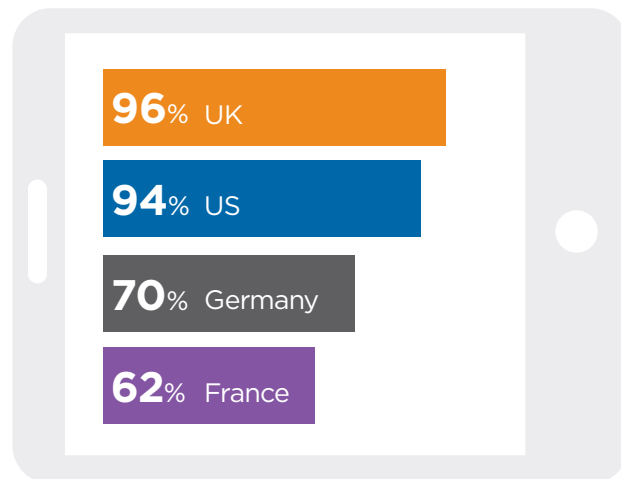
31%
of UK brands
personalised
content

Study highlights and best practices

The 2015 Teradata survey looked at a number of features of shopping apps and identified their features and benefits for retailers. As well as ranking their importance as 'Best Practice', 'Recommended', or 'Low Priority', we also give some tips for using the feature to the best advantage.

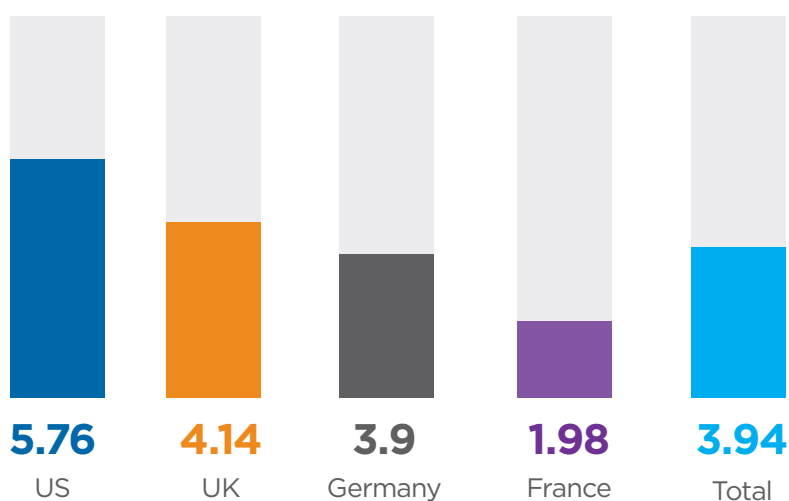
The majority of the top 50 retailers already have mobile apps. UK is leading with 96% of the top brands already having at least one app with US not far behind with 94%. France and Germany are lagging behind with 62% in France and 70% in Germany. Even though these countries were lagging behind the US and UK, the majority of the top retailers are still invested in mobile apps.

Out of the top 50 retailers, how many have apps?



Apps per enterprise

Even though in the UK more brands have apps than in the US, when it comes to the number of apps per brand the US is definitely leading with almost 6 apps per brand. Some brands for example Tesco have different apps for different purposes, one for general users and one for their loyalty? The overall average across the 4 countries is 3.94 with UK brands slightly above the average with 4.14 and Germany slightly below with 3.9. France was the last one on this list with less than 2 apps per brand.



Think strategically about the number of apps your brand truly needs. The more apps you have the harder it is to manage and maintain them. You need to have at least two apps – one for Android users and one for iOS, and you should also consider having an iPad app if you see that a large portion of your audience is using this device.



How many app's sent push notifications?

US France UK Germany

35% 29% 21% 20%

Push notifications

Push messages are a key tool for brands to communicate with their app users. Unfortunately, our research showed that the majority of the top brands were not leveraging them. It's not surprising to see that the US is in the lead with 35% of the apps recorded using push notifications during the term of our study. However, this is still low compared with other industries. In a similar study we conducted in the gaming industry we found that almost 80% of the apps were sending push notification.



Teradata tip

80-90% of the apps downloaded are deleted after only one use. After 30 days only a portion of the users will still be active, and the majority of those will be your push enabled users. Don't be afraid to engage your users. They've downloaded your app, therefore they are interested in your content. But if you don't continuously engage with them they might stop using the app and you've lost them.

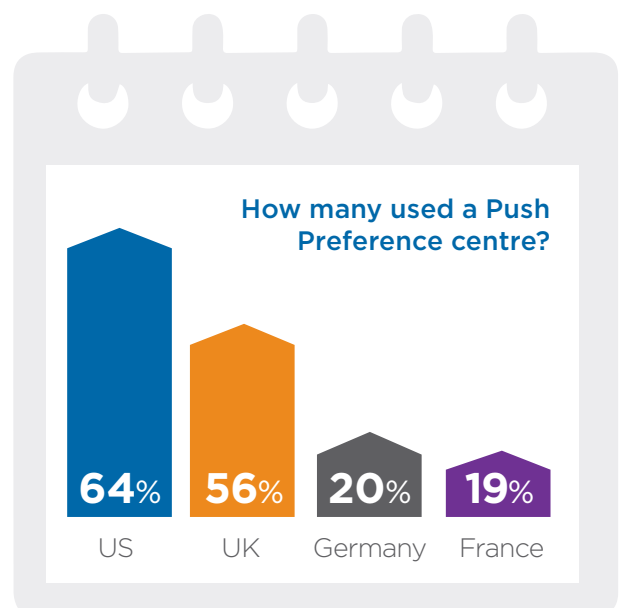
Push Preference centre

Giving the customer a feeling of control over the level of information they can expect to receive, increases push opt-in rate and individualisation. People are more likely to opt in when they are in control of the content they'd like to receive.



Teradata tip

Ensure the push preference centre always opens on initial activation, before the operating system message pops up. It also needs to be easily accessible from the settings page.



How many used a Push Preference centre?

64%

56%

20%

19%

US

UK

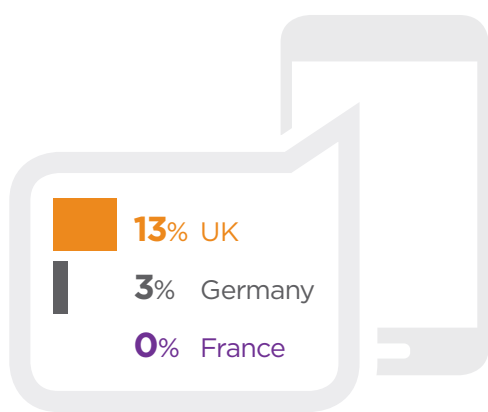
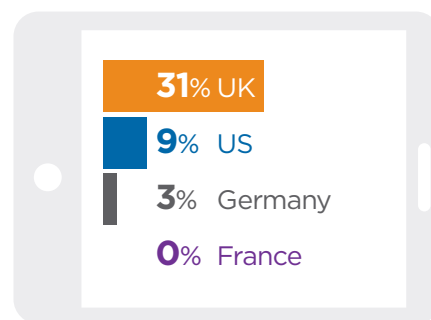
Germany

France

Individualise your apps content

Individualisation is crucial in order to reach out and motivate customers. 31% of the UK's online retailers use some form of individualisation. Unfortunately, in the US only 9% of the apps were individualised, in Germany only 3% and France 0%. This is unfortunate as individualisation is key to building relationships with the customer.

How many individualised their app's content?



How many individualised their push messages?

Individualised push messages

When it comes to individualisation of push messages we see that only a few of the apps used individualisation in their push messages. In the UK only 13% sent personalised messages and Germany 3%. With France none of the apps sent individualised push messages.



Teradata tip

Get personal; don't send out messages that are generic. Know your customers' needs and behaviour patterns. This information will assist you in sending out targeted messages that work. Messages can be individualised by demographic information such as: name, age, gender and behavioural information like: past purchases, content they've read location etc.

Sign In to use

Whether mandatory or optional, the sign in feature collects details of the customer to enable more individualisation of future interaction and also acts as an additional channel for communication through email, SMS and social media.

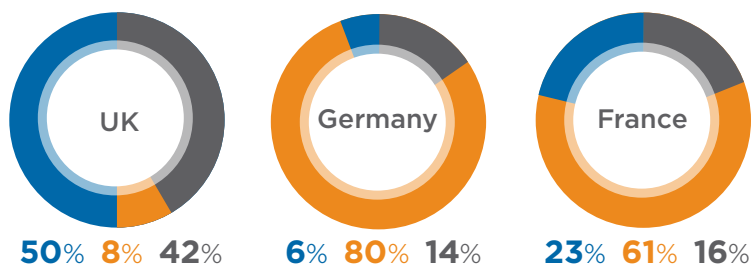


Teradata tip

This step should be added during the onboarding process, when the customer's attention is at its highest. It is also important that the sign in to optional and not mandatory, so that you will not lose the users who do not want to sign in.



How many ask users to sign in?



Asking your users to sign in to an app using their email, you are then able to connect the user profile on this user on your CRM. This will allow you to send campaigns based on all the data available to you and not only the data gathered from the activity in the app.

■ Sign in mandatory ■ Sign in optional ■ No option to sign in

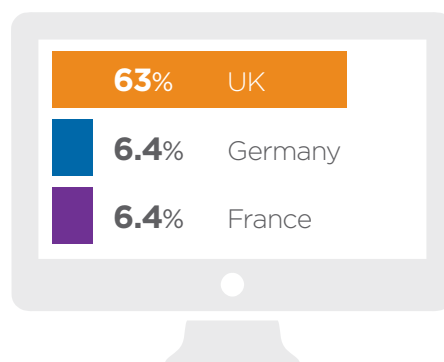
Incentive to buy online

This increases revenue by helping to monetise the customer's interest in a product or service when they are at their most attentive.



Teradata tip

Don't send too many incentives. Instead, analyse your database and see which customers are likely to increase their purchasing following an incentive.



How many incentivised to buy online?





Incentive to buy in physical store

If your business is 'bricks and mortar' based, it is important to encourage the customer to visit the physical store to increase revenue, otherwise the sale could be lost.

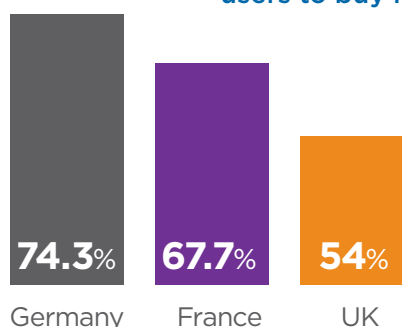


Teradata tip

Use geo-fencing to discover when your customers are close to one of your stores and send them an offer they cannot refuse. You can also surprise customers that have not visited the store recently by sending them offers that will encourage them to come back.



How many apps incentivised users to buy in store?



Location request

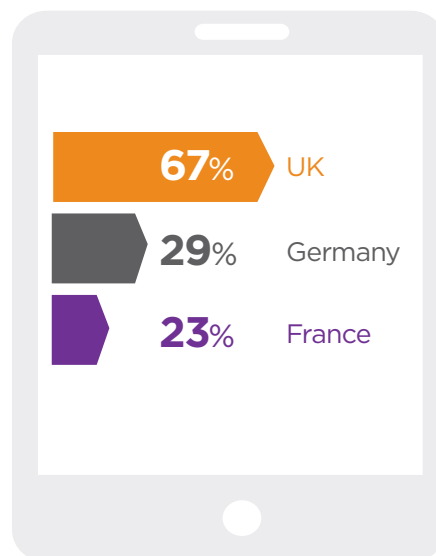
Location technology is important for retailers who have a brick and mortar store in order to combine the online and in-store experience. Knowing your customer's location allows you to send him the right message at the right time and the right place. The UK is clearly in the lead here with 67% of their apps asking for the user's location. Germany lagging behind with 29% and we can see that France is even further behind with only 23 of the apps asking for access to the customer's location.



Teradata tip

For 'bricks and mortar' based companies, send promotions based on location to encourage customers to go to the store and spend more. Start with a personal greeting once they arrive at your store, you can also send targeted offers based on past purchases. Also, send a push message when something happens at a customer's current location, for example a delayed train service, or a sports score in a local stadium.

How many apps ask for location?



Abandoned basket notification

In Europe, none of the countries used an abandoned cart push campaigns. This is very surprising as we have found this to be a very effective way to greatly increase conversions. This capability enables the retailer to send a purchase incentive to customers who have started shopping but not completed their purchase. Sending basket abandoners reminders for completing the purchase or discount vouchers for the product category of interest, a retailer can generate substantially higher conversion rates, improve customer retention and boost the customer's long term value.



Teradata tip

Send a message in the initial 24 hours after an item in the basket is abandoned. For specific customers that are more valuable to the company, add a coupon or discount offer, but not every time, or customers will come to expect it.

In-app messages

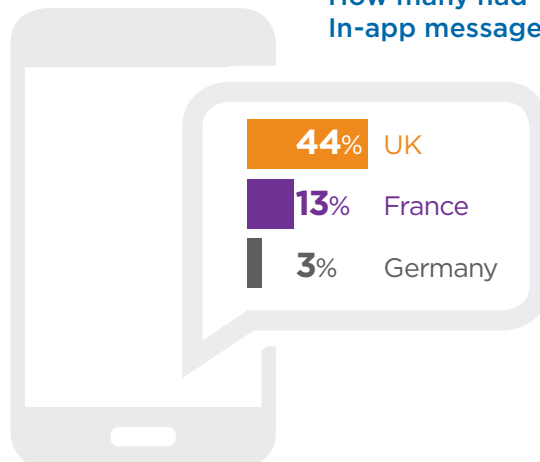
This capability enables the retailer to send rich and interactive messages that can include images, video, surveys, and coupons. This encourages higher engagement and is a way to keep in touch with customers when they are using the app. It is particularly important for customers that have turned off push messaging.



Teradata tip

This is particularly useful when engaging with active customers to help increase their engagement without being too intrusive.

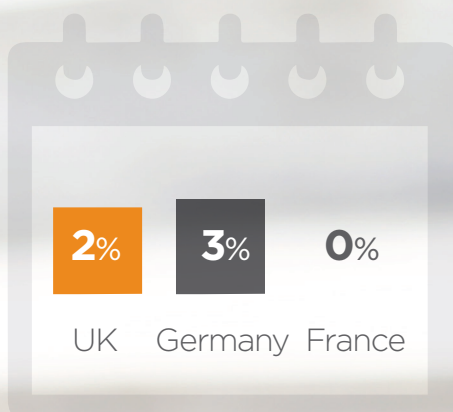
How many had In-app messages?



Birthday message

A further way to individualise interaction and an opportunity to contact customers is with a special offer that has a good chance of being taken up.

How many sent a birthday message?



Teradata tip

Don't just send a birthday message. Add a special and individualised offer as a gift to maximise impact.

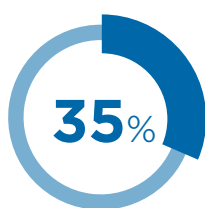


Conclusion:

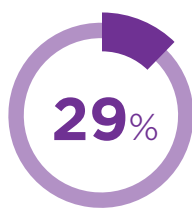
Retailers must up their app game with more interaction and more individualisation.

Nearly all of the UK and US's top 50 retailers have an app, with Germany and France slowly catching up. This shows the importance of the mobile channel in the digital marketing mix. Even though in the UK more brands have apps than in the US, when it comes to the number of apps per brand the US is definitely winning with almost 6 apps per brand. Some brands for example Tesco have different apps for different purposes. One for general users and one for their reward club members.

However, we found some important shortcomings in the range of features that the apps deployed:



The US is leading with 35% of the apps using push notifications



France with 29% using push notifications



UK with 21% using push notifications



Germany with 20% using push notifications

- Across UK, Germany and France the majority of the apps offered incentives, such as discounts and coupons, for buying in store. Surprisingly, in Germany and France only a few of the apps offered incentives to buy in the app.
- Only 31% of UK apps individualised their app's content, and only 13% individualised their push messages with France and Germany lagging even further behind.

Teradata recommends that retailers increase the amount of individualisation of their mobile marketing and also improve their outreach to customers by using strong calls to action and powerful incentives. Such measures have been shown to substantially increase customer engagement and lead to higher revenue and brand loyalty.



How well does your app measure up?

Now that you've learned from the top online retailers, go back to your app and reassess. Are you doing everything you can with your app? Are you engaging your users enough? Review our tips and best practices that we have laid out for you and make sure you are offering your users the best customer experience that you possibly can.

Study methodology

- The top 50 online retailers were identified from:
<https://www.internetretailer.com/top500/#/>
www.imrg.org
<http://marketing.teradata.com/FR/cloud-stories/Whitepaper/Top-50-Ecommerce/>
<http://marketing.teradata.com/DE/cloud-stories/Whitepaper/Top-50-Ecommerce/>
- Apps from these retailers' websites were downloaded.
- Push notifications were enabled and app activity was observed over a four-week period.
- Data from the apps was logged and analysed.

Find out about how Teradata can help you at **Marketing.Teradata.com/mobile**



How Teradata can help

Teradata's Digital Marketing Centre enables individualised and automated push messages that extend your app's life cycle and increase customer lifetime value.

- Send messages based on any user data or behaviour.
- Automate your campaigns to increase user engagement.
- Track app usage to instantly measure the impact of your campaigns.

- A/B test your messages to send the top performing messages to your audience.
- Use rich messaging, deep linking and other advanced features to provide a top notch user experience and maximise results.

Find out about how Teradata can help you at **Marketing.Teradata.com/mobile**





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