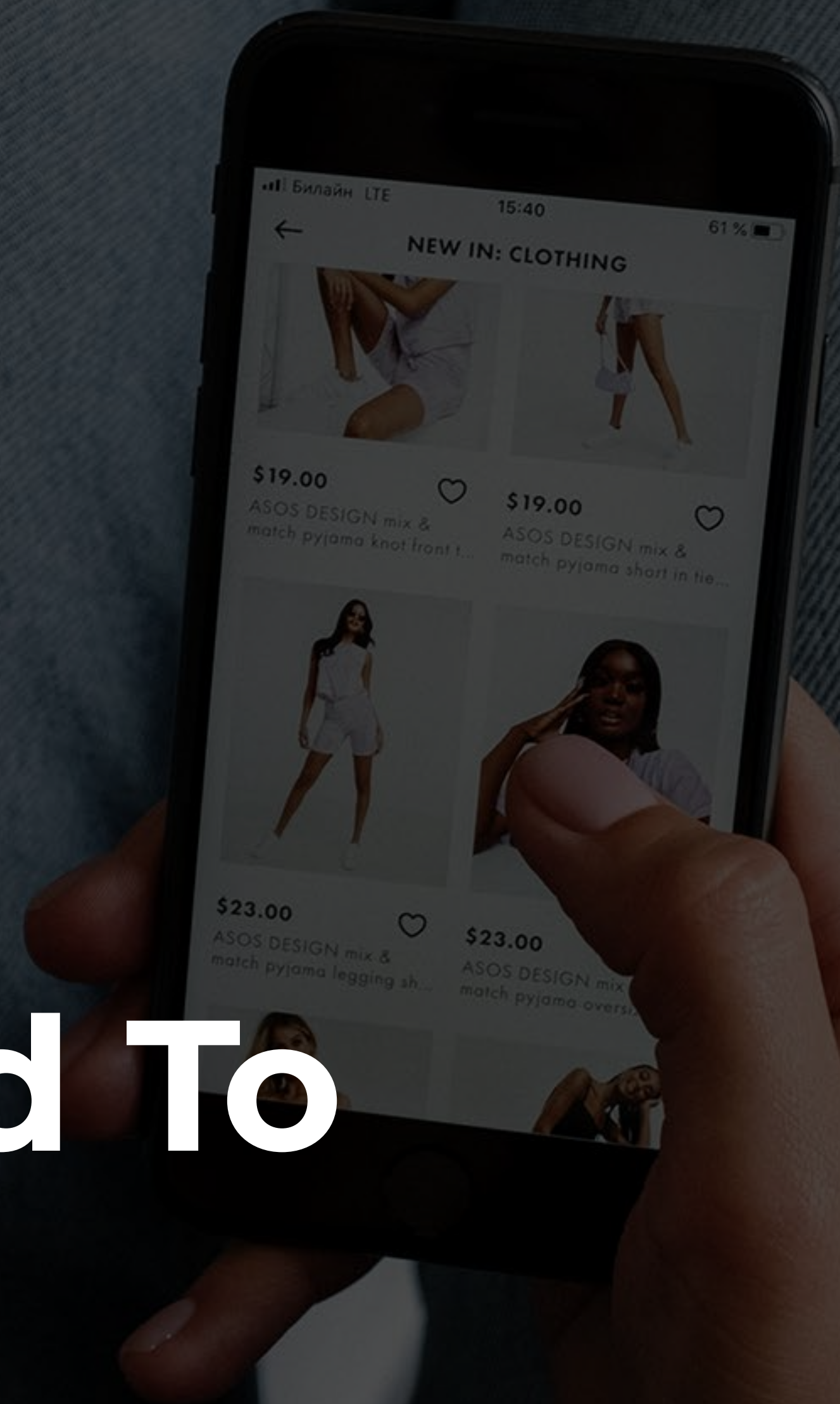


APADMI

Going Mobile: The Only Retail Report You Need To Read This Year



Apadmi is the UK's leading mobile-first, digital agency. We've been creating digital products for mobile users for twenty years.

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INTRODUCTION

Don't Be A 2021 Retail Casualty

A lot changed in the past year.

- Online retail sales in the UK [grew by a staggering 74%](#) from January 2020 – January 2021.
- Mobile saw the largest increase in percentage gain, with m-commerce sales growing by [169% year-on-year](#).
- A [2021 report by Retail Economics](#) found that, since the outbreak of the pandemic, nearly half (46%) of UK consumers have purchased a product online that they had previously only ever purchased in-store.

The retail sector as a whole has changed. High-street, brick-and-mortar retailers are now facing a serious crisis, while digital sellers have experienced a boom.

Mobile apps are quickly becoming the preferred way to interact with brands for many consumers. In 2020, there were more than [592 million app downloads](#) every single day.



“No one was expecting the world to change the way it did in 2020. Overnight purchase habits changed, the interactions between retailers and their customers were thrust forward into a digital world, as people who were previously slow in digital uptake were forced to use digital, and found they enjoyed it! As we come out of lockdown, and the pandemic as a whole, each retailer must acknowledge and adapt to the new customer behaviours that have developed during the last year.”

- Garry Partington, CEO & Founder

Why is this the only report you need to read this year?

Apadmi conducted a nationally representative research survey polling 1,000 consumers aged 16 and over, asking the public questions that covered everything from shopper values to which mobile experiences people are most excited for in 2021.

To generate a full view of the marketplace, we balanced our findings with qualitative interviews featuring several leading retailers from across the industry.

Taken as a whole, *Going Mobile: The Only Retail Report You Need To Read This Year* will:

- Identify changing consumer behaviours and priorities
- Address the challenges retailers are facing
- Demonstrate the role of data in designing innovative retail digital solutions
- Show the power of world-class mobile experiences in building loyalty

For retailers, the future holds two divergent paths:

The laggards will hold onto the old ways of operating, watching their market share dwindle and customer acquisition decline.

The winners will pivot, adapt and harness the power of data, to design mobile experiences that provide the digital customer experience that today's shoppers expect.

Which route will you take?

New Challenges

With the rising popularity of mobile retail platforms comes a new wave of challenges and opportunities.

For retailers, customer acquisition and retention now depend upon a host of factors ranging from UX design to scalability to personalisation.

The challenge for today's retail players is to design a mobile shopping experience that delivers on all user requirements. Just one aspect of this, such as page load speed, can make or break the entire customer journey, with [53% of mobile users](#) abandoning a page if it takes more than 3 seconds to load.

"Traditionally, when we've spoken about world-class mobile experiences, that conversation has been around the functionality of the platform or website. World-class now needs to be fast, it needs to be seamless, it needs to enable people to buy products as quickly as possible. It needs to show what the brand stands for. It's the full package."

Chris Delahunty, Digital Marketing Director, Eastpak



"The retail industry is facing some of its greatest challenges. The highstreet is rapidly falling behind mobile and digital as a primary source of revenue. Customers are being empowered to find cheaper alternatives to their regular shopping choices. New entrants into the retail sector are causing constant disruption. It's taking more and more skill to stand out in the market."

- Marcus Hadfield, Chief Strategy Officer

“Data from Deloitte’s Global Consumer Tracker shows that 1 in 10 consumers across Europe now shop online for food”

- Deloitte

“Customer behaviour continually changes and the pandemic accelerated a shift towards hyper-convenient services with minimal effort. This was obviously felt through growth in eCommerce, but more nuanced was the shift towards shopping local which enables customers to still achieve same-day convenience but with the added benefit of supporting their local community. This is a relatively untapped space from a mobile perspective and is one to watch.”

Adam Warburton, Head of Digital Products, Co-op

Through our conversations with industry leaders we identified three key challenges to focus on within the mobile retail sector:

- *The Modern Retail Shopper:* Customer bases and behaviours have changed in light of the pandemic
- *The Future Of Mobile Experiences:* User experience has become critical to brand loyalty
- *Transitioning To A Mobile-Based Economy:* Mobile apps are becoming the primary platform for retail

In each case, we’ve combined our experience of mobile development and retail to offer tangible insights into best practices through relevant case studies.

CHALLENGE

The Modern Retail Shopper

While the rise of mobile commerce has been apparent for some time, it's clear that COVID-19 tilted the scales in a defining way. UK online sales exceeded expectations in 2020-2021, with a [36% year-on-year growth](#) that set the highest yearly percentage gain since 2007.

COVID-19 can certainly explain part of this meteoric rise, but a more in-depth analysis of the research offers another explanation – the move away from desktop to mobile.

For the first time, mobile has overtaken desktop as the main device that consumers use to search online, with [55% of all internet searches](#) now taking place on mobile devices.

Advanced data modelling and predictive forecasting have shown that around [54% of all UK retail e-commerce sales](#) in 2021 will take place on a mobile device.

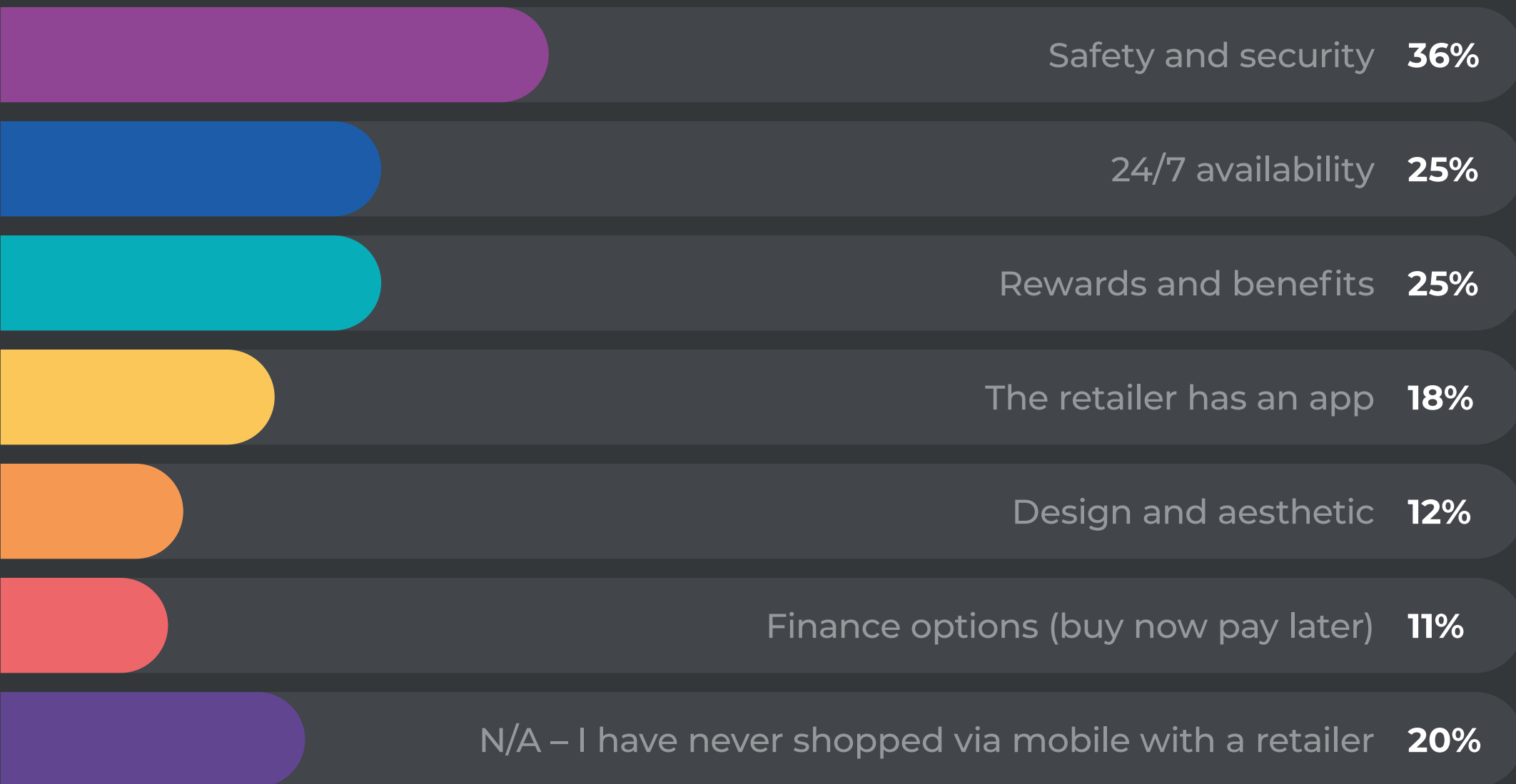
For retailers, then, it's more important than ever to embrace change, adapt to new user behaviours and embrace a mobile-first approach.



“M-commerce is increasing at a rapid pace and is expected to account for a majority of online sales by 2021, reflecting both consumers’ changing habits and retailers’ increased investment in mobile platforms.”

- CBRE, ‘What is the role of M-commerce in retail sales?’

“When shopping with a retailer, what values matter most to you?”



OUR SURVEY SAID

Customer values and the shift to mobile

To understand the specific values that are driving the shift to mobile, we asked consumers:

“When shopping with a retailer, what values matter most to you?”

They answered:

- Safety and security – 36%
- 24/7 availability – 25%
- Rewards and benefits – 25%
- The retailer has an app – 18%
- Design and aesthetic – 12%
- Finance options (buy now pay later) – 11%
- N/A – I have never shopped via mobile with a retailer – 20%

Breaking down the stats a little further by demographic we found that:

- Safety and security is of even greater importance

for older consumers, as this rises to 39%

- Rewards and benefits are much more important to younger consumers, with 35% of shoppers aged 25-34 citing this as an important value compared to just 17% of consumers aged 55+
- 98% of consumers aged 25-34 have shopped with a retailer via a mobile app, compared to just 58% of respondents aged 55+
- Design and aesthetic play a much more important role for younger shoppers, with over 1 in 5 16-24 year olds citing it as important compared to just 6% of those aged 55 and over
- 24/7 availability is a key-value across all age groups, but particularly for respondents aged 25-34, as over a third cited this as their top value when shopping with a retailer via mobile
- Nearly 1 in 5 shoppers (19%) aged 16-44 say finance options are an important value when shopping with a retailer via mobile.

THE TOP-LINE TAKEAWAY

A definite increase in security concerns

Over a third of all respondents placed safety at the top of the priority list when it comes to retailer values.

Not an unsurprising shift – we've already seen how a loss of trust can damage a brand, with the [WhatsApp data privacy controversy](#) – so retailers must ensure sensitive customer information is protected at all costs.

It's notable too that values such as 'availability' and 'rewards and benefits' were key for a quarter of all shoppers. Offering 24/7 availability meets the needs of modern users, as they want to buy from brands that work around their lifestyle, while reward

schemes give shoppers a reason to purchase from your brand over the competition, so providing discounts and benefits can encourage repeat engagement and help drive brand loyalty.

The most interesting side to these statistics though is the light it sheds on younger consumers, highlighting the need for a mobile-focus, strong design and persuasive incentives.

98% of that younger demographic using mobile for retail.

Clearly, this isn't going to be an important growth area – it's *already* critical.



Retail no longer consists of the high street store or the online equivalents – these consumers are aware that stores like Amazon provide the convenience factor, while the likes of Etsy showcase and enable the growth of those independent creators and start-up retailers.

Choice is not something the younger consumer needs to worry about – so the question turns to:

- Who can get this to me the quickest?
- Who has the most engaging or enjoyable online experience?
- Who can help me on the platform that I choose?

...and the list goes on.

Being able to recognise and deliver on subtle nuances in user behaviour will help retailers drive preference over and above the competition. Plus, while we know that security, accessibility and incentive will always remain top concerns – the fact that a retailer app is more important than design and even the finance options available to them in many cases, tells us something crucial around customer experience...

Mobile design and a mobile-first digital journey can provide solutions to those critical retailer challenges outlined earlier.

CASE STUDY

Reconnecting the Co-op with its customers

Following a report produced by the Co-op, it was clear many members were craving a better way to manage their membership through a mobile solution. Much like many companies in the current post-COVID situation, Co-op's customer base and their expectations had shifted.

The Co-op embarked on a journey to find out if a mobile app would help members to manage their memberships with greater ease and efficiency. Members told them they wanted a digital card on their phone, with the ability to access their loyalty scheme benefits all in one place.

Apadmi worked with the Co-op team to build the Co-op Membership app for both iOS and Android platforms.

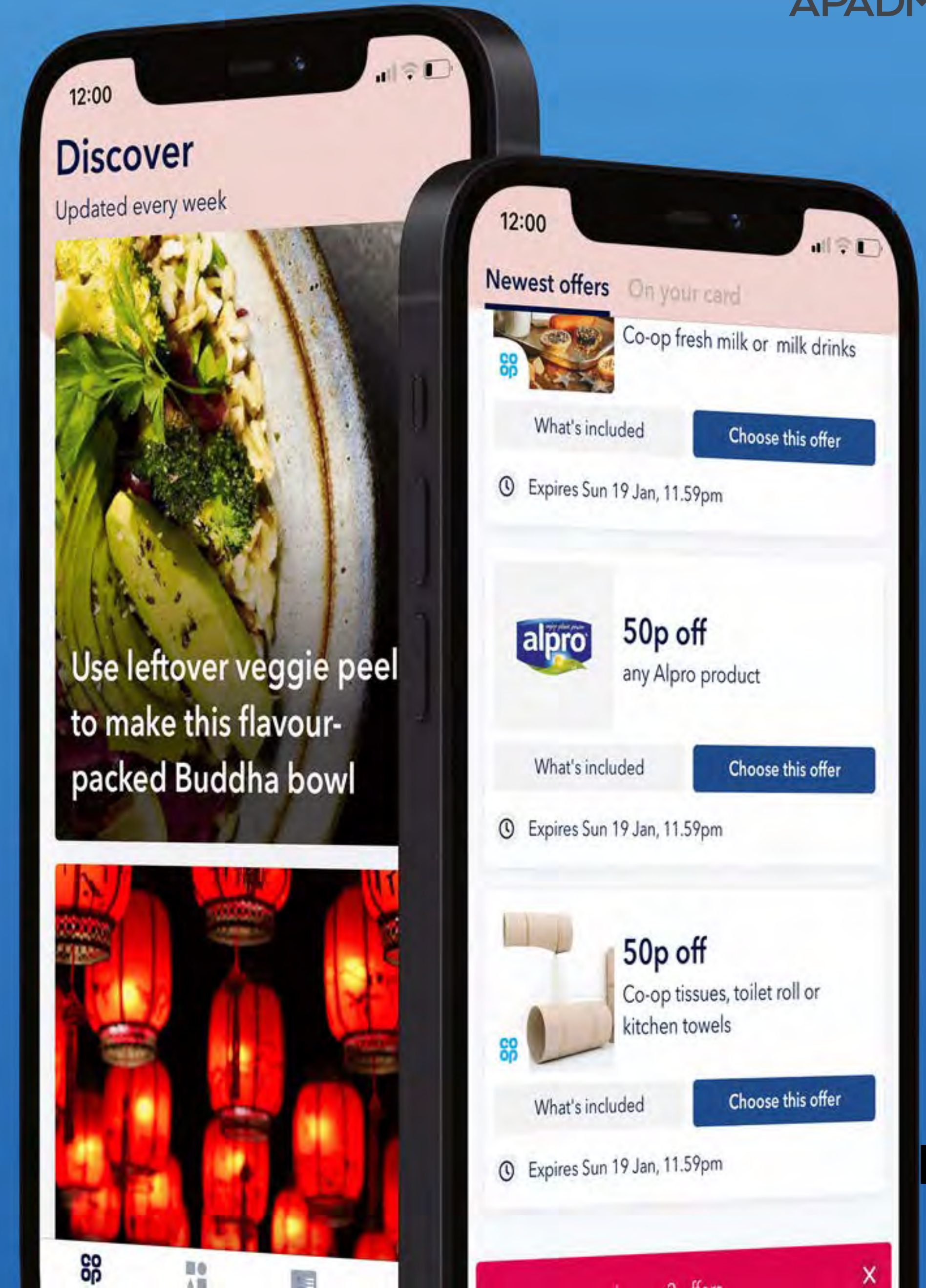
We launched the Co-op Membership app in beta in 2018 for review by Co-op employees and members. After 12 months of testing, improving and enhancing the original version of the app, it was successfully

launched in September 2019 to the wider Co-op membership base.

The paperless version of coupons allowed members to scroll through current Co-op offers and add two to their card per week, and then redeem them in-store using their smartphone.

Over 450,000 mobile users and a year of innovation later, a new bundle of exclusive features developed by us landed in September 2020, driven by the needs of the Co-op membership communities.

It was important to the Co-op to help both their members, with a seamless membership experience, and their causes. We provided new functionality, enhanced their offering and drove more digital presence during the COVID-19 pandemic. The way shoppers spend both online and in-store changed in 2020, and Co-op wanted to ensure all members had improved access to their rewards, but could also do-good and donate to local causes close to them.



CHALLENGE

The Future Of Mobile Experiences

From an experience perspective, mobile is always evolving.

We've seen several revolutions in the way users interact with their devices from the touchscreen take over of the late-2000s, to the recent boom in voice technology.

Alongside these hardware changes, we've seen an iterative evolution within user experience design, as companies have got better at optimising their customer journeys.

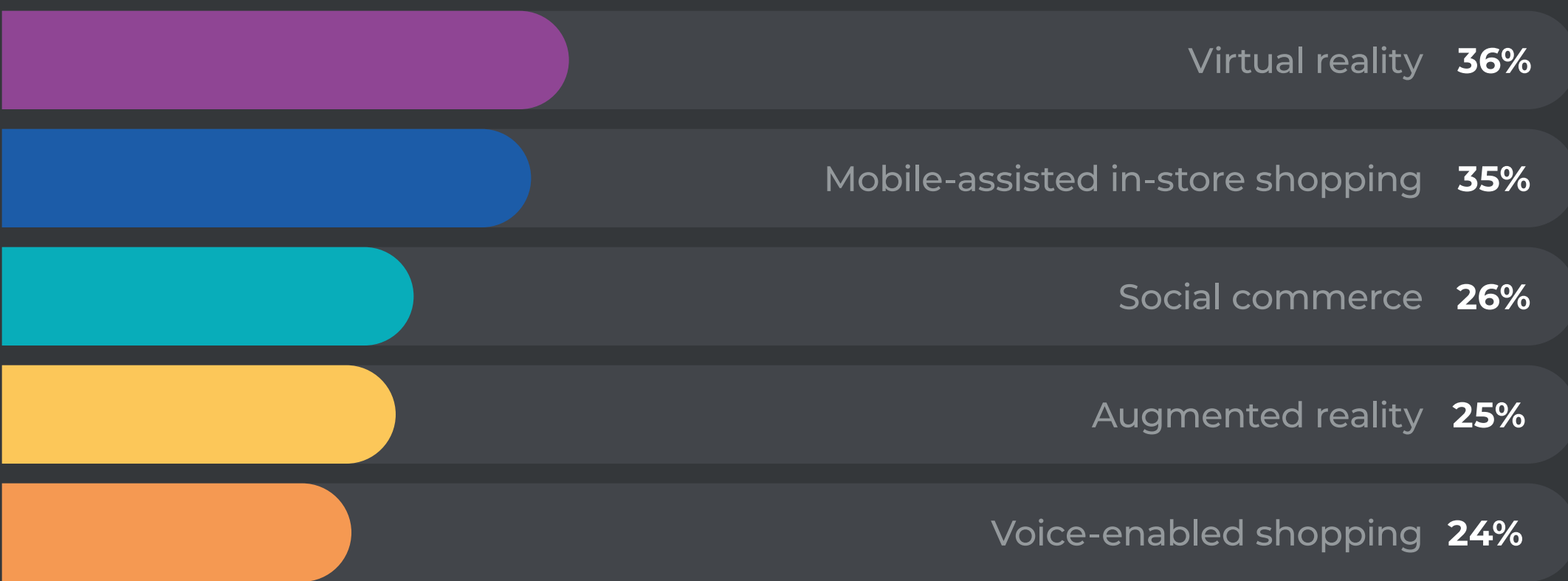
We wanted to find out how important these journeys are and how, specifically, a customer journey can sway a user.



"We've been saying it for years; the future is mobile. People spend more time browsing on their phones now than they do browsing the high street and that's only going to continue post-covid. Mobile is becoming the lead sales platform for many businesses and that will continue through 2021 and beyond."

- Nick Black, Mobile Commerce Roundup

“What mobile experiences are you most excited for in 2021?”



OUR SURVEY SAID

Mobile expectations in 2021

To get a better sense of shopper expectation around what mobile can enhance, we asked:

“What mobile experiences are you most excited for in 2021?”

They answered:

- Virtual reality – 36%
- Mobile-assisted in-store shopping – 35%
- Social commerce – 26%
- Augmented reality – 25%
- Voice-enabled shopping – 24%

Breaking down the stats a little further by demographic we found that:

- Women are most looking forward to mobile-assisted in-store shopping (37%), while men are most looking forward to virtual reality experiences (40%).
- Social commerce is a key area of interest for consumers aged 25-34, with nearly 1 in 3 (31%) saying they’re excited about this in 2021.
- 38% of consumers aged 25-44 are excited about mobile-assisted in-store shopping, compared to just 25% of respondents aged 55+.

THE TOP-LINE TAKEAWAY

Virtual reality and mobile-assisted shopping are hotly anticipated

Since our last Retail Report in 2015, we've been stressing that the high street isn't dead – it's just evolving to provide a different type of experience.

Six years on, our new research is only supporting the strength of this trend. Shoppers still want in-person interaction – they just want them to be smoother and more efficient.

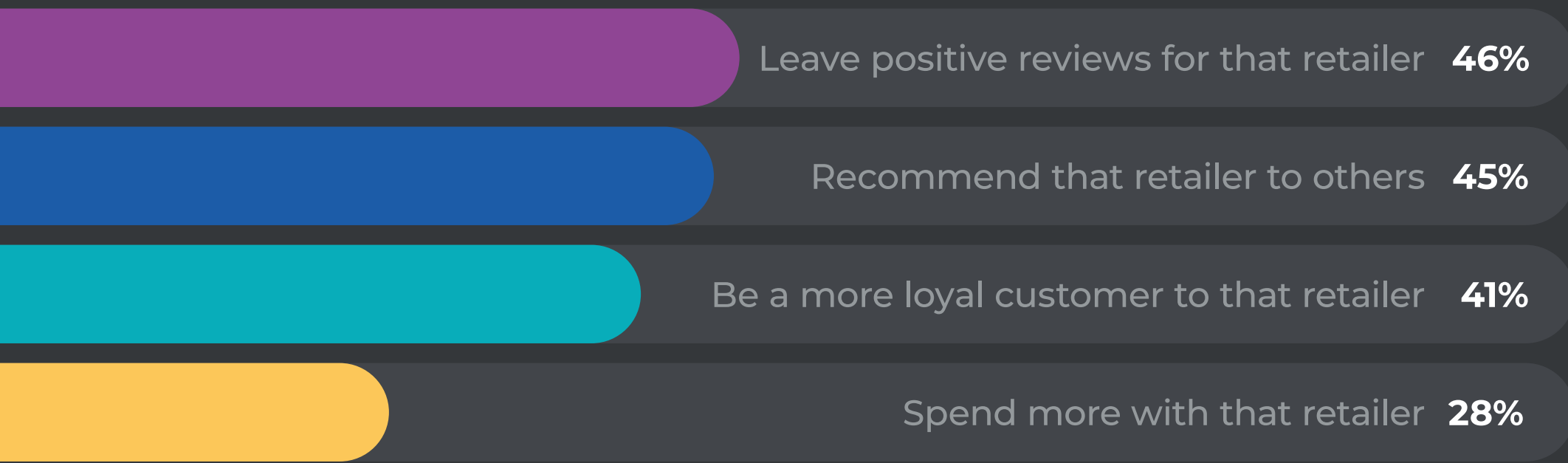
Mobile-assisted in-store shopping may prove to be of particular interest as we move into a post-lockdown world. In this environment, mobile could serve as a bridge in the omnichannel journey, making health-conscious consumers feel more secure by enabling them to use their own devices to interact with their favourite brands once again.

And let's not forget the power of social media in this industry, as over a quarter of shoppers are most excited for social commerce – browsing and purchasing products entirely on a social media app. Particularly compelling for younger consumers, it's possible that this highlights the next potential trend once mobile-assisted shopping has been perfected – but it also shows a sure-fire way of engaging and connecting with younger audiences for more traditional brands.

The interest in virtual reality amongst 36% of those polled is worth discussing too, as VR tech is becoming a hot topic post-COVID.



“If a retailer offered you a world-class mobile experience, would you do any of the following?”



We recently saw [cult fashion boutique Machine-A](#) and the [Institute of Digital Fashion](#) team up to deliver a full virtual reality shopping experience using AR technology, which allows customers to ‘try on’ various clothes without ever stepping into a store. This technology could even offer some businesses a new opportunity to serve nervous customers as we come out of the pandemic.

“AR and VR are going to become a part of many businesses’ marketing vocabulary like eCommerce is today.”

Adam Flemming, CTO and Founder

For retailers, the important takeaway from this research is that mobile experiences must constantly evolve and flex to changing consumer expectations. This is a serious challenge for brands, given the variety of platforms, channels and devices that mobile experiences can take place on.

Whether a mobile experience is harnessing the latest developments in virtual reality or simply taking a customer through the checkout journey, it all needs to work quickly, intuitively and seamlessly.

Our survey said: The user experience evolution

To place this conversation within a relevant and appropriate context, we also need to understand how mobile could impact consumer behaviour. We asked shoppers:

“If a retailer offered you a world-class mobile experience, would you do any of the following?”

They answered:

- Leave positive reviews for that retailer – 46%
- Recommend that retailer to others – 45%
- Be a more loyal customer to that retailer – 41%
- Spend more with that retailer – 28%

THE TOP-LINE TAKEAWAY

Nearly a third of consumers would spend more money with a retailer that offered a world-class mobile experience.

A 28% increase in sales represents a substantial rise in profitability for any retailer – regardless of size or industry – and this finding demonstrates a clear and undeniable link between mobile experience and purchasing intent.

This evidence alone highlights the need for brands to approach their marketing strategy by looking through a mobile-first lens – but paired with the fact that almost a third would also leave a positive review, it has big impacts on things like community management and driving digital adoption.

Once you launch an app, the struggle then is to make ensure it remains “sticky” on the home screen of the user; there are several conversion optimisation strategies that can help you achieve this. At Apadmi we offer our ‘Drive’ service which helps you find the right strategy for your mobile solution to ensure regular use and loyalty from your users.



“Site crashes, late deliveries and faulty discount codes reflect badly on retailers, leaving customers unsatisfied. In fact, only 15% of consumers in a recent survey were happy with their online shopping experiences, according to Contentsquare.”

- Retail Dive, 9 retail trends to watch in 2021



Digging into the detail a little more here, we found that 50% of women are likely to leave positive reviews for a retailer if it offers a world-class mobile experience. – purveyors of female-focused retailers take note! This has huge repercussions on post-launch success.

If you can appeal to your customers by not just creating a mobile solution, but crafting a high-quality bespoke experience, you're more likely to gain good reviews and a strong community within the app store, driving more downloads, greater engagement, and ultimately revenue.

We can also see that a world-class mobile experience would also have a marked impact on factors like 'positive reviews' (46%), 'recommendations' (45%) and 'customer loyalty' (41%).

As any retailer can attest to, positive reviews and recommendations are essential to continued business success, particularly in an age of increased transparency and social sharing.

Loyalty, too, seems to be a prominent benefit of delivering world-class mobile experiences. For brands that are plagued with one-stop customers and heightened competition, this should serve as a clear reminder that the mobile experience must be prioritised within the wider omnichannel journey.

Especially for brands targeting the younger generation of shoppers; we found that 47% of consumers aged 16-24 would be more loyal to a brand if it offered a world-class mobile experience – the highest of any age category. This is another indicator about the types of functionality and promotions that will ensure long-term success in turning these young customers into life-long brand advocates

While today's retailers face challenges across an ever-increasing number of platforms and channels, it's clear that to succeed in 2021 and beyond, brands will need to adopt a mobile-first lens that puts digital experiences at the top of the marketing agenda.

CASE STUDY

Apadmi increased Argos' customer interaction through UX design

Over 1.5m customers spend over £700m in-store and online using their Argos card.

Argos wanted to create a My Argos Card app for this service that would give customers the ability to manage their account, their credit limits and payments – all increasing customer engagement. They also wanted their customers to be able to receive regular personalised offers through the mobile app, driving loyalty.

At the same time, the app needed to reduce calls to customer service centres working close to capacity, and provide richer data insights for the business.

We worked with Argos to deliver an end-to-end consultancy; product vision workshops, minimum viable product (MVP) definition, UX/UI design, development, testing and – ultimately – the successful launch of a self-service iOS and Android app.

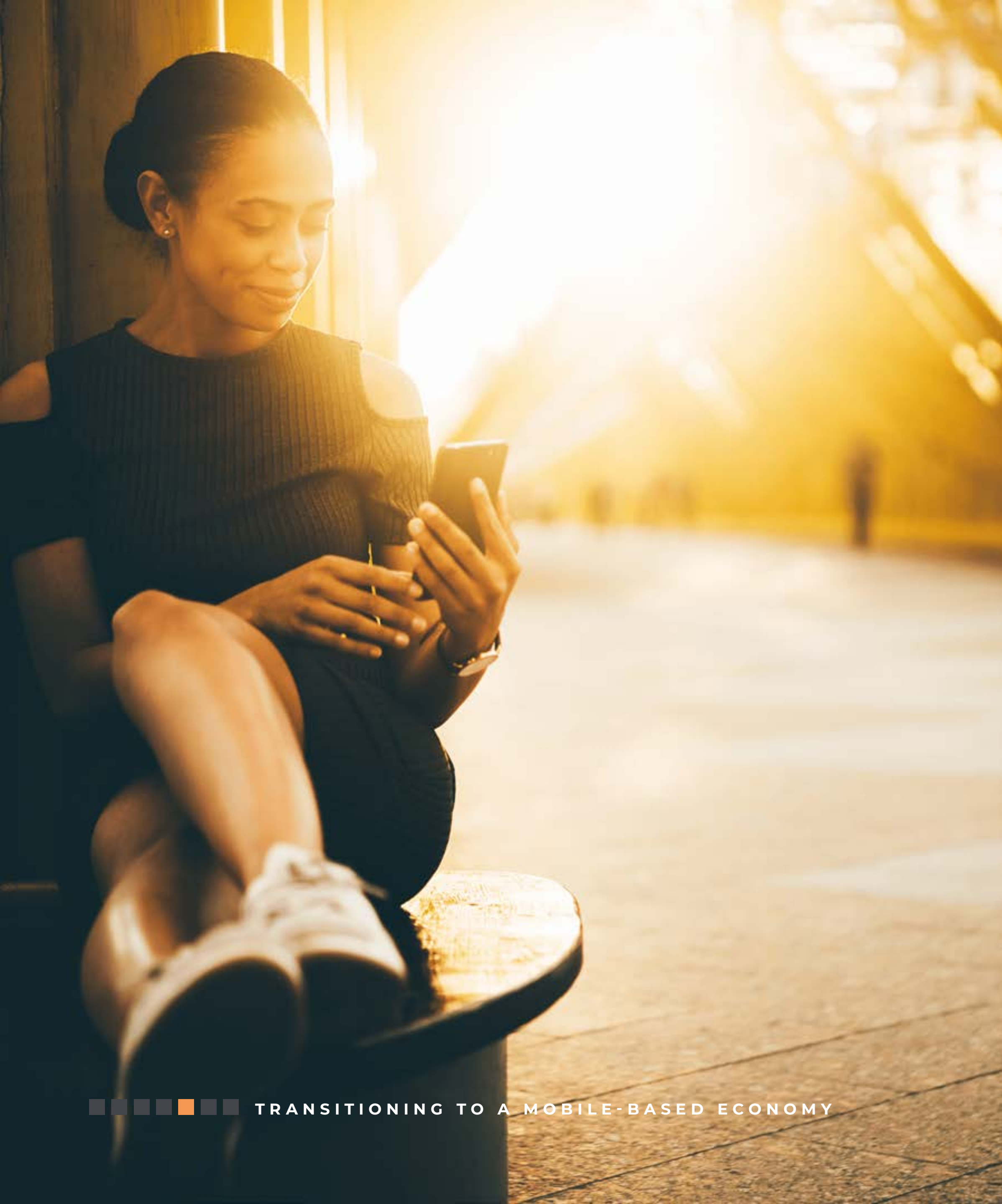
The mobile app launch was just the start of the solution though – since then, we've worked closely with Argos to optimise the app, introduce new features and explore how we can continually innovate.

The app had 544,000+ downloads in its first year alone and has 500k+ active monthly users.

The mobile solution helped drive a 66% increase in transactional value and reduced fraudulent activity by 72% compared to non-digital channels.

It continues to be the biggest account servicing payment channel in terms of value and volume for Argos Financial Services. And with 30,000-40,000 new registrations every month, this will only increase.





OUR SURVEY SAID

What does this mean for industry leaders?

To understand the power of mobile apps in the retail sector we asked several industry leaders:

“How important is mobile user experience to you?”

“The user experience on mobile is really important. Not only are people looking for a fast experience, but they’re also looking for a quality experience.”

Chris Delahunty, Digital Marketing Director, Eastpak



“Mobile is a critical channel for us, and getting the user experience right is vital. When someone opens their phone and our app, we only have a small micro-moment to service the customer’s needs in a friction-free way and a seamless user experience is the way to do that. Customers don’t frequently use lots of apps so we need to ensure every time they use our app, they have a fantastic experience.”

Adam Warburton, Head of Digital Products, Co-op



For retailers, native mobile apps offer many benefits that can lead to stronger business performance.

We've seen that a world-class mobile experience can have a direct impact on customer loyalty and the amount of money that an individual would spend with a brand. For retailers, then, the goal should be to find innovative digital solutions that maximise the mobile user experience.

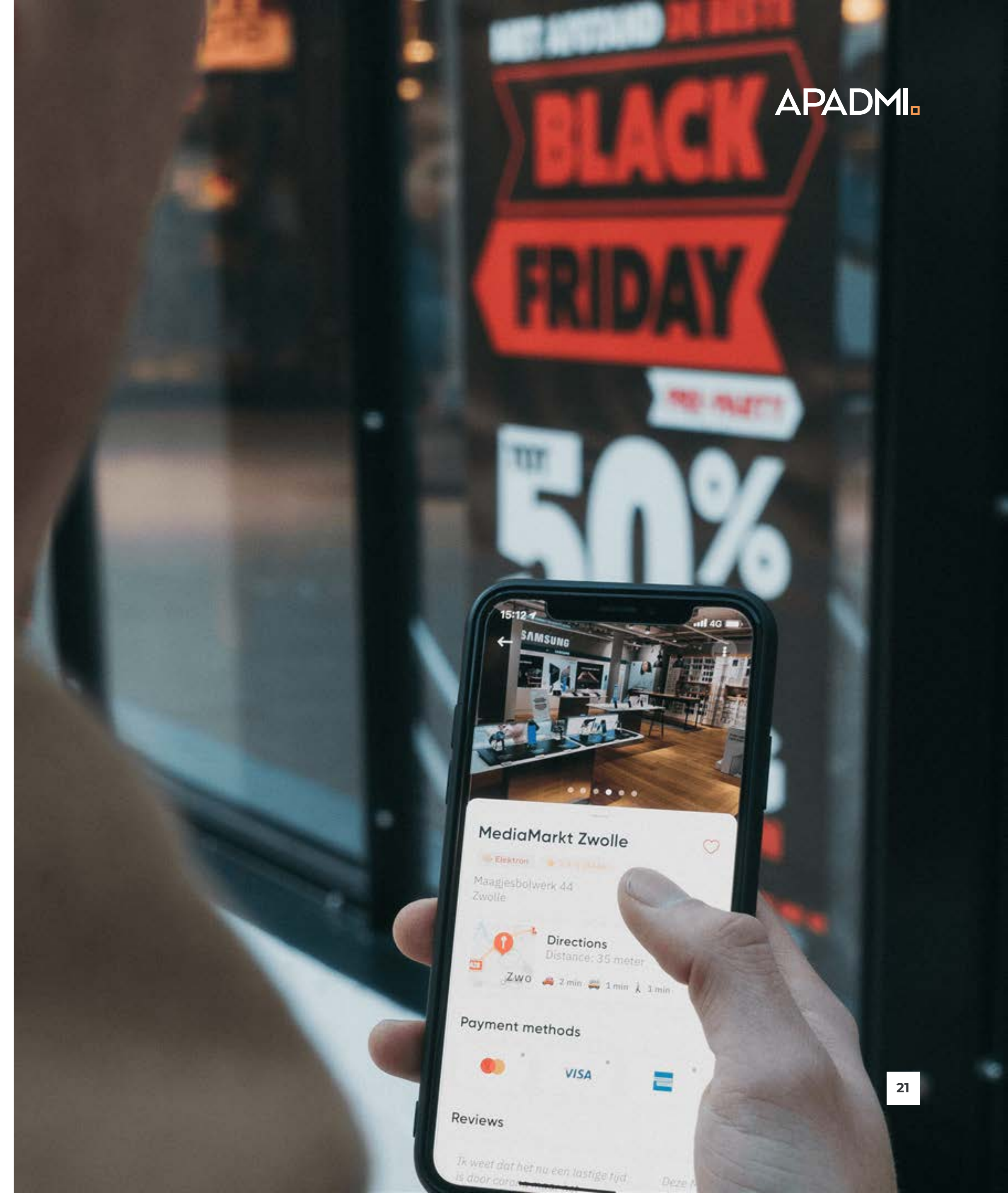
Enter native mobile apps. Android and iOS make up 99% of the market share for mobile operating systems, so designing native mobile apps for these platforms not only helps brands reach wider audiences, but takes advantage of built-in features, functionality and faster performance.

With the right thinking and strategic design, mobile

apps can help retailers meet new customer needs such as speed, availability and choice. Additionally, mobile apps can help brands unlock greater levels of customer data and analytics, which in turn drives stronger personalisation and control.

Together, these benefits can elevate mobile commerce strategies and take customer acquisition and retention to new heights. With digital becoming the preferred platform to browse, shop and buy, brands must adapt to these changes and deliver innovative solutions that will resonate with a new generation of shoppers.

Success today means meeting consumers on their terms and in their world – today, that world is mobile-centric, and consumers are considered end users.



CASE STUDY

Apadmi enhanced Lexus' mobile retail service with augmented reality

Apadmi was tasked with digitising Lexus' global showroom sales and replacing paper brochures.

The vision was to enhance the purchasing journey for Lexus customers, immersing prospective buyers in an interactive, digital environment for the launch of the new Lexus IS model.

Our challenge was to create a mobile tool that would be used by the Lexus sales team, helping them highlight key attributes of the new car and simply display complex technological innovations.

The solution had to be interactive – the sales team wanted to change specifications in front of the customer based on their feedback. And Lexus being Lexus, it had to offer a premium user experience.

The experience we created was built around an interactive 360-degree view of the user's chosen car model, allowing them to rotate the car in any direction, change its colour and wheels or add in

optional extras for the interior or exterior.

This made for a much richer sales conversation.

The app was used in 35 different countries, meaning a multitude of environments needed to be catered for, including operating without an internet connection. The app downloaded and stored data locally, and we balanced the need for high-quality visual and audio files with application performance and UX.

Lastly, it was a sales tool, so the pricing and other information were continually changing. We integrated with Lexus' CMS servers for real-time data feeds.

The Lexus IS Series app was successfully launched in 35 countries and configured for 27 languages.

The solution was so successful that we were commissioned to develop a secondary app to further showcase interactive videos of the IS model.





OUR KEY TAKEAWAYS

Creating a post-covid action plan

To protect your business you need to act now, this report has identified the following areas that you need to discuss with the key stakeholders within your company as soon as possible:

- The issues shoppers care about have changed. Safety and security, 24/7 availability and rewards are now their top priorities.
- 1 in 5 consumers say the most important value a retailer can offer is a mobile app.
- New experiences such as virtual reality, social commerce and mobile-assisted in-store shopping are firmly set expectations of consumers.
- 28% of shoppers say they would spend more money with a brand that offers a world-class mobile experience.
- 41% of shoppers reported they would be more loyal to a brand that delivered a top-notch mobile experience.

Collectively, these cultural shifts point towards a mobile-dominant future.

As the economy rebounds in the wake of the pandemic, and the retail sector faces new challenges and opportunities, it's unequivocally clear there will be winners and losers.

So – this brings us back to that first question we asked in this report, and those two divergent paths ahead of you. One well-trodden against old ways, and one unknown but fuelled by ambition and adaptation.

Which route will you take?

About Apadmi

Who we are

Apadmi is the UK's leading mobile-first digital agency. Our experienced team of over 200 mobile specialists has delivered apps for global brands like BBC, Lexus, Range Rover, SailGP and Chelsea FC, alongside some of the UK's largest institutions, from the NHS and Co-op to Argos, The Guardian and United Utilities.

Our ability and proven experience in systems integration set us apart, helping us deliver complex mobile solutions that offer true business value to ambitious organisations that wish to innovate and grow.

What we do

At Apadmi, we use a simple, four-step methodology to create holistic mobile experiences for end-users:

- **Define** – Create a product roadmap underpinned by a digital strategy informed through a process of ideation and research.
- **Design** – Design sprints to create interactive UX & UI blueprints that can be used for everything from prototyping to app refresh.
- **Develop** – Create mobile apps, web apps and handle development tasks around system integration, cloud and data.
- **Drive** – Launch and evaluate your solution, managing services and suggesting ways to improve conversion rate optimisation and app store optimisation.

How to contact us

If you would like to discuss the mobile future of your business with Apadmi you can contact us through our website or directly through the following methods:

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Censuswide

Research conducted by Censuswide. 1,000 people were polled aged 16 and over across Britain from a diverse range of demographics.

For further information about the research and methodology of this report, [contact Censuswide.](#)