



Mobile Still Tops Retailers' Priority Lists, According to Shop.org/Forrester State of Retailing Online Report

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Despite Conservative Investments, Retailers Reaping the Benefits of Mobile Shopping - Report Finds Mobile as a Percentage of Online Sales Increased 50% in 2014

WASHINGTON--(BUSINESS WIRE)--Feb. 9, 2015-- As more consumers take to smartphones and tablets to shop with their favorite retail brands, retailers agree that keeping mobile at the top of their marketing priority lists is a smart move. According to the 2015 Shop.org/Forrester Research Inc. (Nasdaq: FORR) State of Retailing Online, mobile remains the top priority for retailers in 2015, with 58 percent of surveyed retailers placing it at the top of their list, up from 53 percent last year.

The survey found smartphone sales as a percentage of online sales grew from 8 percent in 2013 to 12 percent in 2014, an increase of 50 percent; tablets' share of the pie also grew from 13 percent of online sales in 2013 to 16 percent in 2014.

Additionally, many of those who list mobile as the top priority have stated their digital marketing budgets remain modest, knowing consumers are coming to their mobile sites whether they are ready for them or not. Of those retailers surveyed, 32 percent report spending less than \$100,000 on their smartphone development efforts in 2014; 68 percent report spending less than \$1 million on smartphone developments last year. When it comes to tablets, just 4 percent say they invested between \$100,000 and \$250,000 last year. That said, eight in 10 surveyed plan to increase their mobile budgets by at least 20 percent in 2015.

"Consumers are flocking to retailers' mobile sites at a faster pace and with more interaction than ever before, so naturally they expect retailers to offer fast, well-designed mobile services that meet their needs," said NRF Senior Vice President and Shop.org Executive Director Vicki Cantrell. "With that in mind and with several years of mobile commerce now under the industry's belt, retailers feel confident in their mobile investments. For retailers – when it comes to mobile strategies, small but continuous incremental changes really do go a long way to keep their savvy customers happy."

Omnichannel, marketing strategies round out top 3 priorities for online retailers

Looking to tie together store and digital touch points for a truly seamless customer experience, retailers surveyed cite omnichannel efforts as their second priority behind mobile. The survey found 45 percent of those surveyed hope to improve or invest in programs like buy online-pick up in store, ship-from-store and inventory visibility, up significantly from 26 percent who listed omnichannel efforts as a priority last year. Additionally, nearly four in 10 (38%) surveyed say marketing optimization was their third priority for 2015, which includes initiatives around customer retention and acquisition.

Apps lose ground to mobile optimized websites

High costs to develop and manage company-specific apps – compared to optimizing mobile websites – have changed how some companies are prioritizing their mobile marketing budgets. More than half (56%) of retailers surveyed say that apps are not a key component of their mobile marketing strategy, and an even greater percentage agree apps are not critical to their employee strategy either.

"Apps are simply too expensive to build and maintain for most retailers, begging the question – what's after apps?" says Forrester Research Vice President and Principal Analyst Sucharita Mulpuru. "We'll see retailers focus spending on redesigning the core site, which benefits the site experience beyond mobile, and embracing responsive design - an approach that retailers favor over apps, with nearly half already applying it to their mobile site."

About the State of Retailing Online

The State Of Retailing Online research series, which provides eBusiness & Channel Strategy Professionals with annual industry benchmarks of marketing and business investment and activities, surveyed 71 companies in November and December 2014. Industries surveyed included apparel, footwear, general merchandise, home furnishings, and personal care.

About Forrester Research

Forrester Research is one of the most influential research and advisory firms in the world. We work with business and technology leaders to develop customer-obsessed strategies that drive growth. Forrester's unique insights are grounded in annual surveys of more than 500,000 consumers and business leaders worldwide, rigorous and objective methodologies, and the shared wisdom of our most innovative clients. Through proprietary research, data, custom consulting, exclusive executive peer groups, and events, the Forrester experience is about a singular and powerful purpose: to challenge the thinking of our clients to help them lead change in their organizations.

About Shop.org

Shop.org, a division of the National Retail Federation, is the world's leading community for digital retail, offering thought leadership through original research and gold standard events. The community is made up of exclusive networking groups and committees that lead the global conversation surrounding innovative e-commerce trends and digital retail. Shop.org members include some of the world's largest most respected retail, technology, research, and consulting companies. www.shop.org

Source: Shop.org and Forrester Research

NRF:

Kathy Grannis, (855) NRF-PRESS

press@nrf.com

or

Forrester Research:

Simone Levien, (212) 857-0754

press@forrester.com