

# IMRG Capgemini Quarterly Benchmarking Report

November 2019 to January 2020  
(Q4 2019/20)



## What is the Quarterly Benchmarking?

The Quarterly Benchmarking is an additional reporting tool that is open to all participants in the IMRG Capgemini Online Retail Sales Index. It tracks key performance indicators across 12 categories, leading to unique insights into the performance of the UK online retail sector.

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## Introduction

The *IMRG Capgemini Quarterly Benchmarking* tracks key performance indicators across twelve categories, leading to unique insights into the performance of the UK online retail sector. The categories are:

- Website performance
- Customer acquisition & retention
- Commercial
- Order fulfilment
- Geographical split
- Marketing performance
- Channel
- Customer funnel
- Site Navigation
- Mobile and App data
- Customer engagement
- Discounting

This document contains an overview of the findings from the *Quarterly Benchmarking*. Only participants in this initiative receive the full report with all the key performance indicators outlined in the '*About the IMRG Capgemini Quarterly Benchmarking*' section on page 12.

Around 55 retailers currently participate in the IMRG Capgemini Quarterly Benchmarking.

## Executive Summary

### IMRG Capgemini Quarterly Benchmark 1

#### Key Findings:

- Desktop and laptop basket abandonment rate falls to lowest on record of 54% this is 14% lower than smartphone and 8% against tablet.
- In Q4 Tablets were the best device at generating revenue from email clicks, contributing 13% of the average retailers revenue

### IMRG Capgemini Quarterly Benchmark 2

#### Key Findings:

- The average percentage of total visits that view a product page is at its highest for the last two years at 58%.
- The average return rate sinks to a record low of 20% - an interesting occurrence given the period includes peak.

There are two IMRG Capgemini Quarterly Benchmarks. Each one contains a variety of market benchmarks for online retail websites. Quarterly Benchmark 1 has been running since 2010, Quarterly Benchmark 2 has been running since mid-2017.

## Quarterly Benchmark 1 – Q4 2019/20 – Platform Split

Q4 2019/20 (Nov,Dec,Jan)	Total Online Retail Market Average	Smartphone Market Average	Tablet Market Average	Desktop/Laptop Market Average
Visitor bounce rate	34.0%	37.5%	31.2%	26.6%
Basket abandonment rate	57.3%	57.3%	52.5%	47.4%
Checkout abandonment rate	34.0%	39.7%	31.3%	29.4%
Active Customer retention rate	33.8%	36.0%	39.3%	37.2%
% of new customers	41.1%	41.7%	39.9%	43.2%
Cancellations due to fraud	2.0%	N/A	N/A	N/A
Percentage of units returned	14.8%	14.5%	17.9%	17.3%
Average selling price per item	£22.32	£23.51	£24.68	£24.40
Average order value	£61.41	£55.52	£60.15	£64.10
PPC ROI per pound spent	£3.19	N/A	N/A	N/A
Affiliate ROI per pound spent	£13.76	N/A	N/A	N/A
Online marketing ROI per pound spent	£10.55	N/A	N/A	N/A
% revenue derived from marketing method: paid	23.6%	25.5%	23.5%	21.1%
% revenue derived from marketing method: affiliate	8.6%	7.5%	6.5%	10.7%
% revenue derived from marketing method: email	11.0%	12.2%	13.0%	9.7%
% revenue derived from marketing method: Organic	30.0%	25.3%	28.7%	32.3%
% revenue derived from marketing method: direct	20.6%	21.9%	21.8%	19.8%
% revenue derived from marketing method: social	1.2%	1.9%	1.2%	0.4%
% revenue derived from marketing method: display	0.5%	0.5%	0.4%	0.5%
% revenue derived from marketing method: other	4.7%	5.3%	5.0%	5.6%
Percentage of Sales via mobile devices	61.3%	N/A	N/A	N/A
Percentage of Visits via mobile devices	73.6%	N/A	N/A	N/A
Percentage of Click and Collect sales	39.9%	50.4%	45.0%	41.5%

NB. For some metrics you will see the overall average for online retail is higher/lower than the platform split averages. This is due to the fact the sample size by platform is lower than total online retail at present.

Figure 1: IMRG Quarterly benchmark for Q4 2019/20 – Nov,Dec,Jan

## Quarterly Benchmark 2 – Q4 2019/20 – Extra Quarterly Metrics

		Q4 2019 Market Average	Smartphone	Tablet	Desktop
Customer Funnel	Percentage of total visits that view a product page	58.5%	57.5%	56.9%	58.6%
	Percentage of sessions that convert from a product page view to 'Add item to bag'	15.2%	14.1%	16.0%	17.3%
	Percentage of 'Add to bag' sessions that convert to checkout	45.0%	40.1%	44.1%	48.3%
	Percentage of checkout sessions that convert to payment	60.5%	60.0%	63.0%	65.9%
Site Navigation	Length of user session (secs)	319s			
	Home page bounce rate	12.9%			
	Home page exit rate	18.1%			
	Site search Percentage	23.8%			
	Search page exit rate	16.6%			
	Product page exit rate	28.6%			
	Home page start rate	30.5%			
Customer engagement	Product Page Start Rate	26.0%			
	Old customer reactivation rate	8.3%			
Discounting	New visitor conversion rate	8.1%			
	Discount rate (% of gross revenue generated from items on sale/discount)	36.4%			

Figure 2: IMRG Quarterly benchmark for Q4 2019/20 – Nov,Dec,Jan

## Quarterly Benchmarking KPIs

CLOTHING MARKET ONLY	Q4	Q1	Q2	Q3	Q4
	2018	2019	2019	2019	2019
Visitor bounce rate	26.0%	27.6%	33.0%	34.2%	35.6%
Active customer retention rate	31.4%	30.9%	36.8%	31.8%	34.4%
New customer %	59.4%	60.2%	48.0%	47.1%	46.3%
Average selling price per item	£30.60	£35.70	£22.23	£22.74	£21.36
Average order value	£62.07	£57.86	£65.11	£58.84	£60.18
PPC ROI per pound spent	£4.74	£4.11	£6.92	£3.11	£3.65
Affiliate ROI per pound spent	£10.29	£10.28	£11.93	£10.65	£13.36
Online marketing ROI per pound spent	£12.39	£9.54	£10.53	£7.32	£9.60
% revenue derived from marketing method: paid	31.4%	28.9%	25.0%	23.4%	25.5%
% revenue derived from marketing method: affiliate	10.0%	8.1%	8.5%	11.1%	8.4%
% revenue derived from marketing method: email	6.8%	7.4%	12.9%	12.5%	15.3%
% revenue derived from marketing method: natural	30.7%	28.5%	31.5%	33.1%	29.7%
% revenue derived from marketing method: direct	15.0%	19.6%	16.8%	16.0%	17.7%
% revenue derived from marketing method: social	2.0%	1.4%	1.4%	1.3%	1.1%
% revenue derived from marketing method: display	1.2%	1.6%	0.6%	0.5%	0.4%
% revenue derived from marketing method: other	3.0%	4.6%	3.6%	2.1%	2.0%
% of sales via mobile (including tablets)	48.2%	47.6%	56.8%	65.6%	55.7%
% of visits via mobile (including tablets)	58.5%	58.5%	71.3%	81.0%	72.7%

Figure 3: IMRG Quarterly benchmark for showing clothing retailers only

## Average percentage of revenue from Marketing Channels

The IMRG Capgemini Quarterly Benchmarking Report 1 covers the split of revenue received during the quarter that has been attributed to a variety of different marketing channels. It is based on a last click basis – i.e. what was the ‘last click’ the customer clicked on before they landed on a retailers website. There are 8 channels that are tracked: paid, affiliate, email, Natural, direct, social, display and other.

The below graph shows the share that each channel has generated for the average retailer since 2016

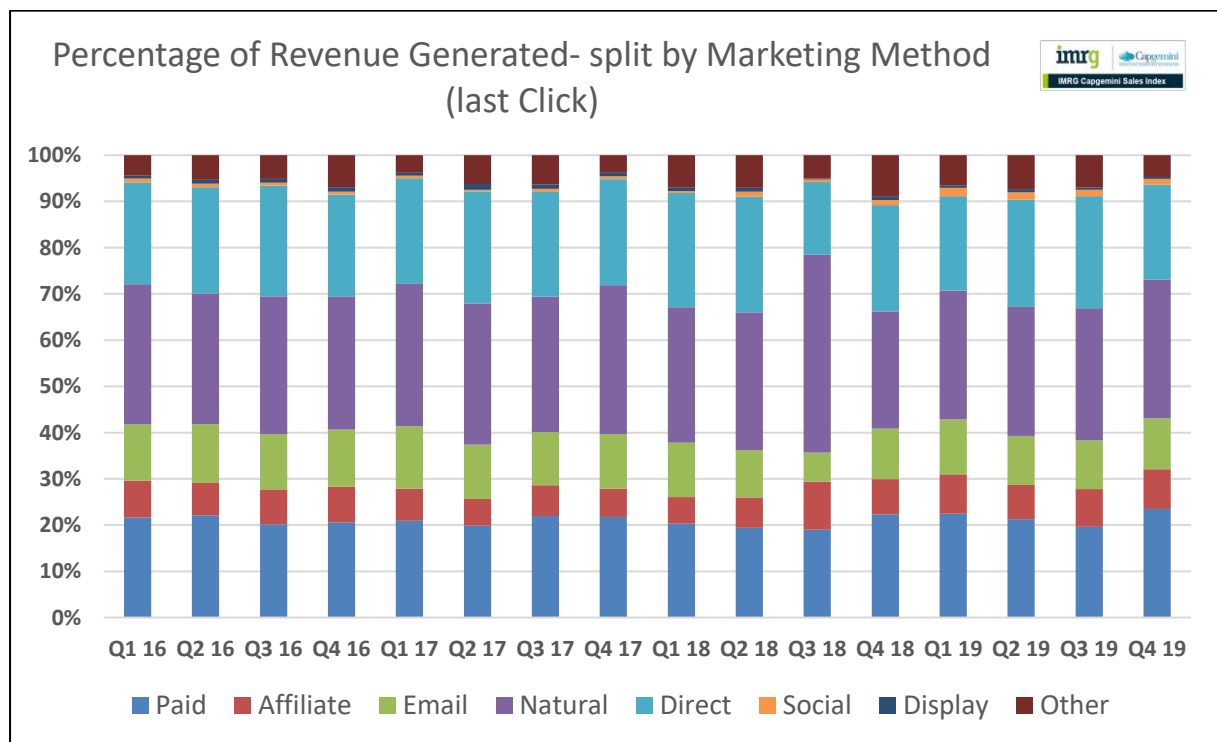


Figure 4: The share of revenue each marketing channel generates for the average retailer. Based on a last click methodology

Each of the channels record a varying share across the quarters, but when viewed from a longer time frame (such as the above graph) its notable that no individual channel is gaining or losing share consistently over time.



## The Customer Funnel

The IMRG Capgemini Quarterly Benchmarking Report 2 reports the average Customer Funnel conversion rate during the quarter. The customer funnel is tracked as 4 stages- the percentage of total traffic that viewed a product page during their session (Stage 1), the percentage of sessions that convert from viewing a product page to adding an item to basket (stage 2), the percentage of add to bag sessions that convert to checkout (stage 3) and finally the percentage of sessions that started the checkout and converted to payment.

The below graph shows the last 3 years of the industry average Customer Funnel rate. The percentage changes between stages varies by a few percent each quarter, which when viewed from a wider time frame shows a small but interesting trend- The percentage of sessions that view a product page has steadily grown, starting at 53% and now currently reporting at 58%.

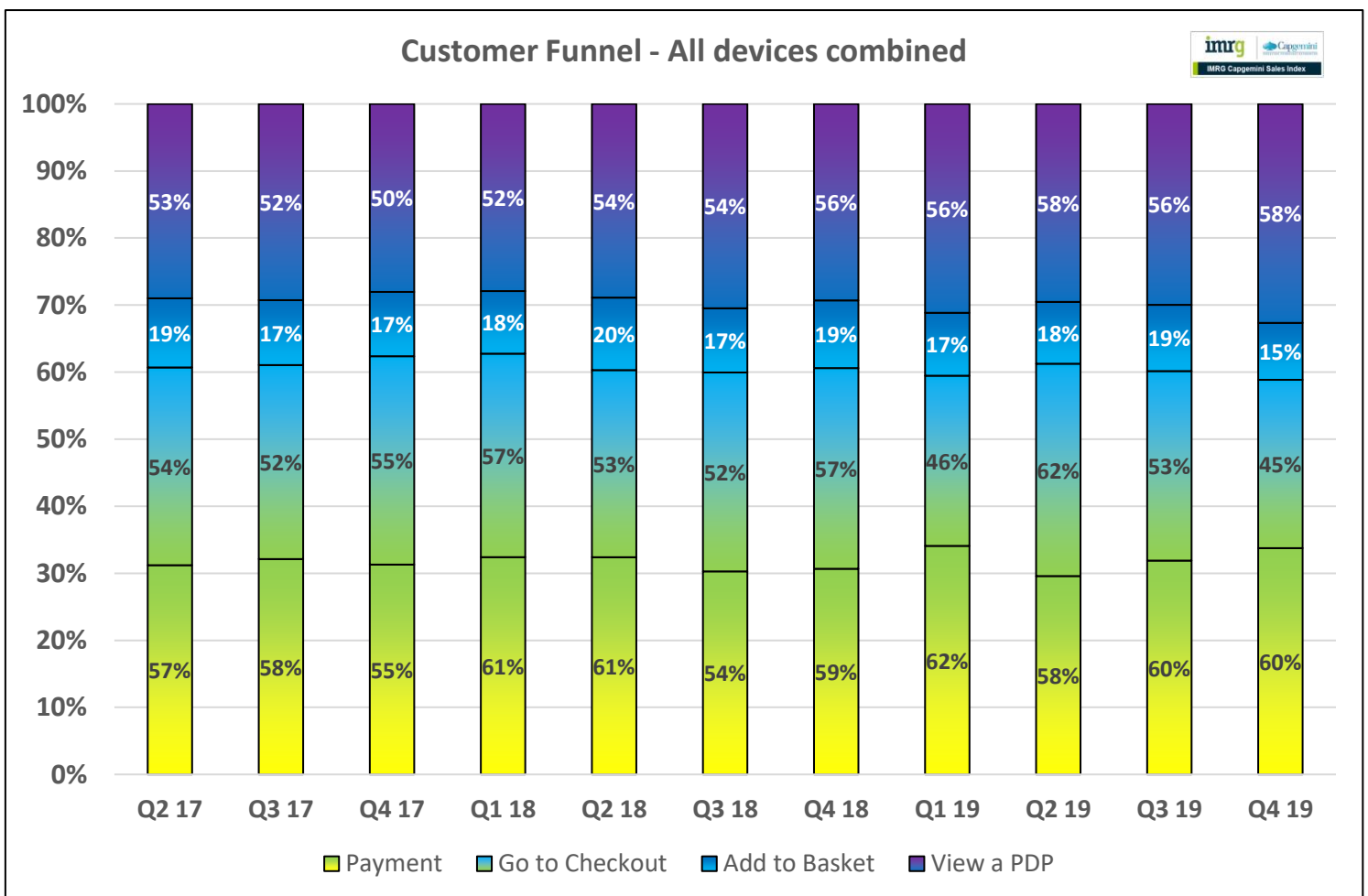


Figure 4: The average customer funnel conversion percentages for UK retailers

## About the IMRG Capgemini Quarterly Benchmarking

The *Quarterly Benchmarking* tracks over 40 key performance indicators across 7 categories, leading to unique insights into the performance of the UK online retail sector. The categories/KPIs are:

<b>Website Performance:</b>	<ul style="list-style-type: none"> <li>visitor bounce rate</li> <li>basket abandonment rate</li> <li>checkout abandonment rate</li> </ul>
<b>Customer Acquisition</b>	<ul style="list-style-type: none"> <li>active customer retention rate</li> </ul>
<b>&amp; Retention:</b>	<ul style="list-style-type: none"> <li>percentage of new customers</li> </ul>
<b>Commercial:</b>	<ul style="list-style-type: none"> <li>average selling price per item</li> <li>average order value</li> </ul>
<b>Channel:</b>	<ul style="list-style-type: none"> <li>percentage of sales via mobile</li> <li>percentage of visits via mobile</li> <li>percentage of click &amp; collect sales</li> </ul>
<b>Marketing:</b>	<ul style="list-style-type: none"> <li>PPC ROI</li> <li>affiliate ROI</li> <li>online marketing ROI</li> <li>revenue split by marketing method – paid, affiliate, email, natural, direct, social, display &amp; other</li> <li>visits split by marketing method - paid, affiliate, email, natural, direct, social, display &amp; other</li> <li>orders split by marketing method – paid, affiliate, email, natural, direct, social, display &amp; other</li> </ul>
<b>Order Fulfilment:</b>	<ul style="list-style-type: none"> <li>percentage of total orders cancelled due to fraud</li> <li>percentage of units returned</li> <li>no. of items / products per order</li> </ul>
<b>Geographical Split:</b>	<ul style="list-style-type: none"> <li>percentage of sales within the UK</li> <li>percentage of sales within the EU 27 (excluding the UK)</li> <li>percentage of sales rest of the world (excluding the UK and EU27)</li> </ul>
<b>Customer Funnel</b>	<ul style="list-style-type: none"> <li>Percentage of total visits that view a product page</li> <li>Percentage of sessions that convert from a product page view to Add item to bag</li> <li>Percentage of ‘add to bag’ sessions that convert to checkout</li> <li>Percentage of checkout sessions that convert to payment</li> </ul>
<b>Site Navigation</b>	<ul style="list-style-type: none"> <li>Length of user session</li> <li>Home page bounce rate</li> <li>Home page exit rate</li> </ul>

	Site search Percentage
	Search page exit rate
	Product page exit rate
	Home page start rate
	Product Page Start Rate
<b>Mobile and App data</b>	Mobile device platform- Android share of sales
	Mobile device platform- IOS- share of sales
<b>Customer engagement</b>	Old Customer reactivation rate
	New visitor conversion rate
<b>Discounting</b>	Discount rate

Full year runs from February to January. The quarters run as follows:

Quarter 1	-	February to April
Quarter 2	-	May to July
Quarter 3	-	August to October
Quarter 4	-	November to January

## What are the Benefits?

All retailers taking part in the Quarterly Benchmarking receive first-hand results and charts, providing insight into over 40 KPIs (dependent on the data they are able to provide), including visitor, basket and checkout abandonment rates, percentage of orders cancelled due to fraud, geographical split of sales (UK, EU, and Rest of World), marketing ROI (PPC, affiliate, online) and revenue, visits and orders split by marketing method.

The retailer reports also include whisker charts, detailing the maximum and minimum value of each benchmark in the quarterly period, together with the range of upper and lower quartiles and median values of the participant data. All participant data remains completely confidential and secure at all times.

Participation in the *IMRG Capgemini Quarterly Benchmarking* is available to reputable online retailers of all sizes. For further details, or to join the *Quarterly Benchmarking* please contact:

Matthew Walsh  
 IMRG  
 Tel : +44 (0)20 3696 0990  
 Email: matthew.walsh@imrg.org