

IMRG Capgemini Quarterly Benchmarking Report

February 2021 to April 2021
(Q1 2021)



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.

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.

IMRG Capgemini Quarterly Benchmark 1

Key Findings:

- Product Page views hit an all-time high with an average of 62% of sessions visiting a PDP.
- In tandem, add to bag rates dropped to a low of 15%
- Both of the above findings are likely a cause of the ‘product page start rate’ being high at 33% for Q1.

Quarterly Benchmark 1 – Q1 2021 – Platform Split

Q1 2021 (Feb,Mar,Apr)	Total Online Retail Market Average	Smartphone Market Average	Tablet Market Average	Desktop/Laptop Market Average
Visitor bounce rate	37%	40%	33%	29%
Basket abandonment rate	52%	59%	58%	52%
Checkout abandonment rate	39%	44%	36%	36%
Active Customer retention rate	28%	N/A	N/A	N/A
% of new customers	44%	40%	40%	37%
Percentage of units returned	20%	N/A	N/A	N/A
Average selling price per item	£27.87	£26.76	£27.25	£27.81
Average order value	£75.78	£65.72	£72.77	£81.57
PPC ROI per pound spent	£4.20	N/A	N/A	N/A
Affiliate ROI per pound spent	£10.01	N/A	N/A	N/A
Online marketing ROI per pound spent	£5.80	N/A	N/A	N/A
% revenue derived from marketing method: paid	26%	23%	24%	25%
% revenue derived from marketing method: affiliate	9%	9%	6%	12%
% revenue derived from marketing method: email	12%	12%	13%	10%
% revenue derived from marketing method: Organic	28%	25%	29%	31%
% revenue derived from marketing method: direct	19%	21%	22%	19%
% revenue derived from marketing method: social	3%	6%	4%	1%
% revenue derived from marketing method: display	0%	0%	0%	0%
% revenue derived from marketing method: other	4%	4%	2%	1%
Percentage of Sales via mobile devices	57%	N/A	N/A	N/A
Percentage of Visits via mobile devices	68%	N/A	N/A	N/A
Percentage of Click and Collect sales	19%	N/A	N/A	N/A

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.

Quarterly Benchmark 2 – Q1 2021 – Extra Quarterly Metrics

		Q1 2021 Market Average	Smartphone	Tablet	Desktop
Customer Funnel	Percentage of total visits that view a product page	62%	62%	62%	60%
	Percentage of sessions that convert from a product page view to 'Add item to bag'	15%	15%	16%	20%
	Percentage of 'Add to bag' sessions that convert to checkout	49%	51%	50%	58%
	Percentage of checkout sessions that convert to payment	58%	56%	63%	65%
Site Navigation	Length of user session (secs)	237	231	331	370
	Home page bounce rate	16%	13%	10%	15%
	Home page exit rate	16%	15%	13%	17%
	Site search Percentage	15%	14%	15%	18%
	Search page exit rate	15%	13%	13%	12%
	Product page exit rate	38%	37%	34%	31%
	Home page start rate	26%	28%	25%	37%
Product Page Start Rate	33%	35%	27%	25%	
Customer engagement	Old customer reactivation rate	N/A			
	New visitor conversion rate	N/A			
Discounting	Discount rate (% of gross revenue generated from items on sale/discount)	36%			

Figure 2: IMRG Quarterly benchmark for Q1 2021 – Feb,Mar,Apr

Quarterly Benchmarking KPIs

CLOTHING MARKET ONLY	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 4 2020	Quarter 1 2021
Visitor bounce rate	35%	33%	30%	29%	39%
Active customer retention rate	N/A	42%	46%	N/A	N/A
New customer %	N/A	33%	32%	68%	69%
Average selling price per item	£30	£32	£26	£26	£41
Average order value	£54	£84	£58	£50	£79
PPC ROI per pound spent	N/A	£11	N/A	£4	N/A
Affiliate ROI per pound spent	N/A	£22	N/A	£12	N/A
Online marketing ROI per pound spent	N/A	£23	N/A	£7	N/A
% revenue derived from marketing method: paid	N/A	18%	26%	30%	31%
% revenue derived from marketing method: affiliate	N/A	8%	12%	15%	15%
% revenue derived from marketing method: email	N/A	15%	23%	15%	17%
% revenue derived from marketing method: natural	N/A	27%	20%	21%	20%
% revenue derived from marketing method: direct	N/A	24%	14%	13%	12%
% revenue derived from marketing method: social	N/A	3%	1%	2%	2%
% revenue derived from marketing method: display	N/A	0%	1%	1%	1%
% revenue derived from marketing method: other	N/A	9%	2%	2%	1%
% of sales via mobile (including tablets)	57%	57%	55%	69%	53%
% of visits via mobile (including tablets)	71%	71%	68%	78%	62%

Figure 3: IMRG Quarterly benchmark for showing clothing retailers only

Customer Funnel

The IMRG Capgemini Quarterly Benchmarking 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.

In Q1 2021 the first stage of the customer funnel increased to the highest rate its ever been at 62%,

Customer Funnel - All Devices combined. Market Averages

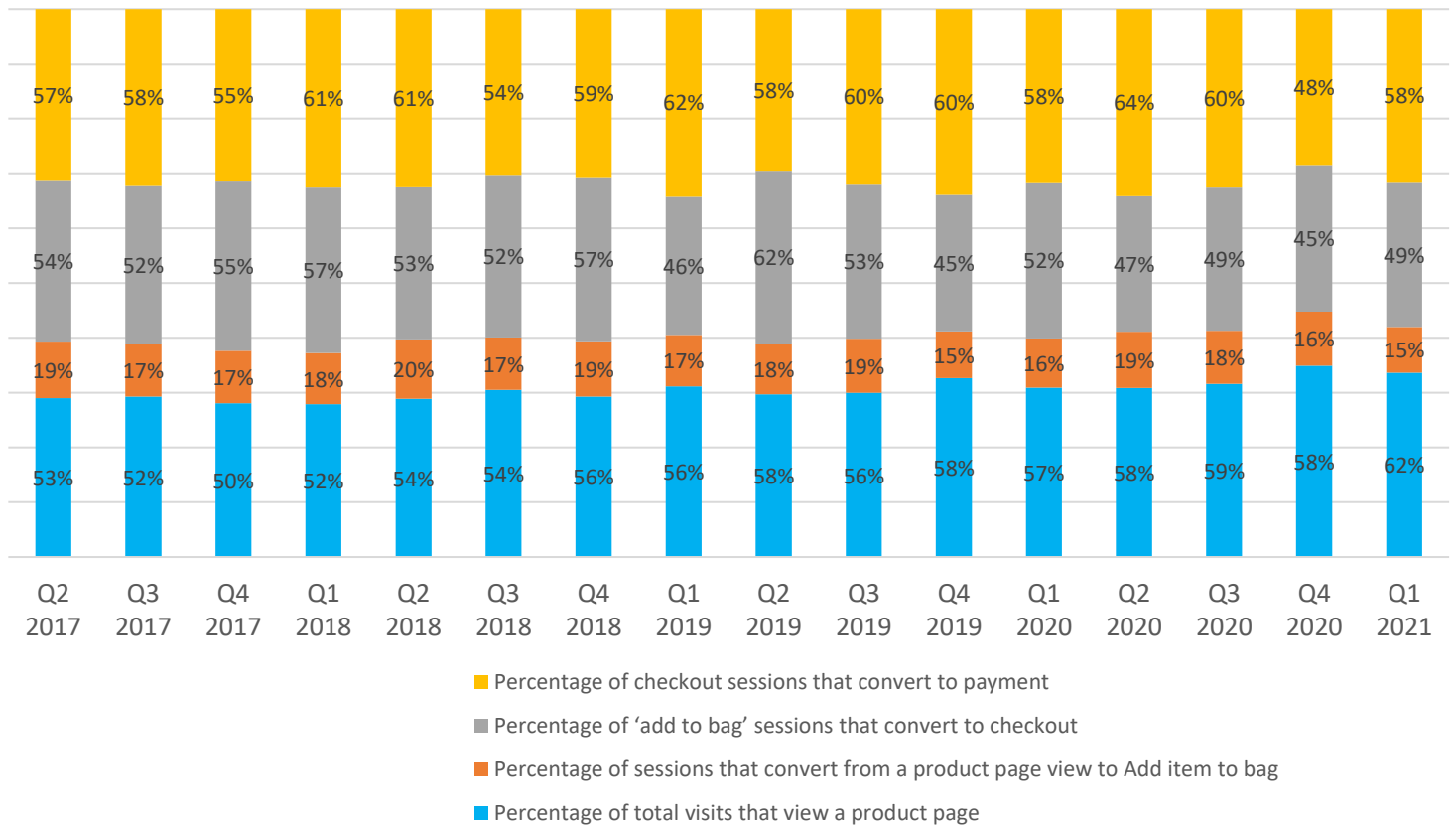


Figure 4: Historic trend of the average customer funnel rates.

The first stage of the funnel has been on a slow but upwards trend since the start of the pandemic in early 2020. At the same time the ‘add to bag’ rate reported its joint lowest score of 15%. This suggests shoppers are doing a lot more searching and general browsing, but not committing to adding items to basket as highly. It could also be caused by an increase in shoppers landing directly

onto product pages as the starting point for their session. The ‘Product page start rate’ is at a very high level at the moment at 33% (it has been as low as 22% 3 years ago). A theory here could be the rise of product linked adverts or product linked search results from Google, instead of a direct homepage link.

Product and Home Page Start Rate

Historically the home page start rate had always been 5-10% higher than the average product page start rate. However since the start of the pandemic, the two have switched positions. Product pages are now the most popular location to begin a session. This is likely a reflection of the increased competition online and retailers adjusting acquisition techniques to direct shoppers directly to product pages (e.g product ad links and improved SEO).

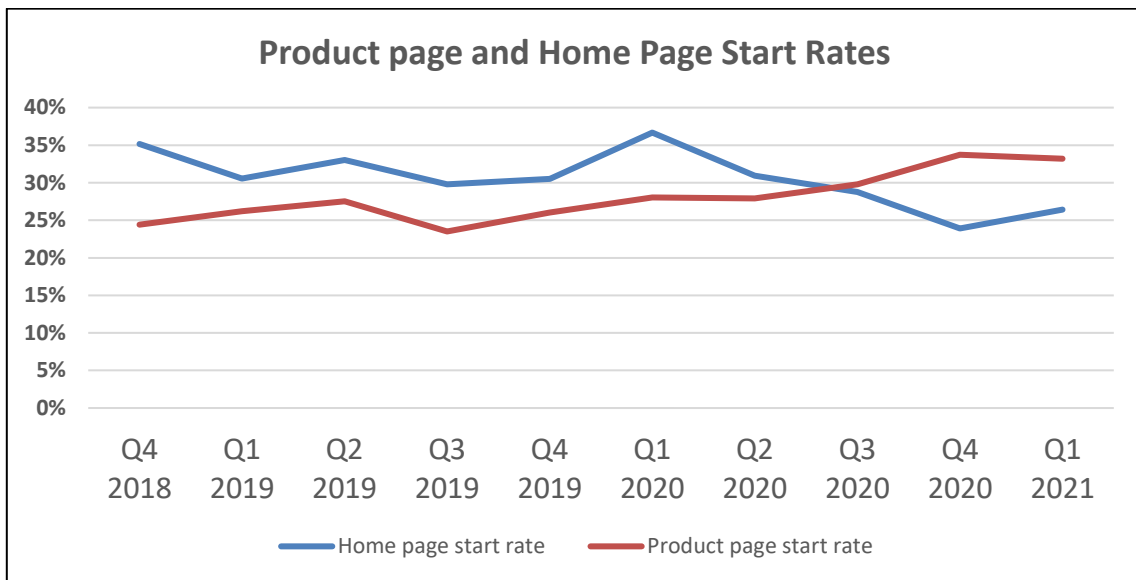


Figure 5: Historic trend of Product Page and Home Page Start Rates.

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:

Website Performance:	visitor bounce rate basket abandonment rate checkout abandonment rate
Customer Acquisition	active customer retention rate
& Retention:	percentage of new customers
Commercial:	average selling price per item average order value
Channel:	percentage of sales via mobile percentage of visits via mobile percentage of click & collect sales
Marketing:	PPC ROI affiliate ROI online marketing ROI revenue split by marketing method – paid, affiliate, email, natural, direct, social, display & other visits split by marketing method - paid, affiliate, email, natural, direct, social, display & other orders split by marketing method – paid, affiliate, email, natural, direct, social, display & other
Order Fulfilment:	percentage of total orders cancelled due to fraud percentage of units returned no. of items / products per order
Geographical Split:	percentage of sales within the UK percentage of sales within the EU 27 (excluding the UK) percentage of sales rest of the world (excluding the UK and EU27)
Customer Funnel	Percentage of total visits that view a product page Percentage of sessions that convert from a product page view to Add item to bag Percentage of 'add to bag' sessions that convert to checkout Percentage of checkout sessions that convert to payment
Site Navigation	Length of user session Home page bounce rate Home page exit rate

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

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