

IMRG Capgemini Quarterly Benchmarking Report

August 2019 to October 2019
(Q3 2019)



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.

Table of Contents

Introduction.....	3
Executive Summary	4
Platform Split (Smartphone / Tablet / Desktop & Laptop)	5
Additional Quarterly Metrics	6
Clothing Quarterly Results	7
Checkout Analysis.....	8
About the IMRG Capgemini Quarterly Benchmarking.....	11

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

Benchmark 1 – Key Findings:

- **The percentage of visits via mobile devices to the average retail website now represents 77.8% (Smartphone and Tablet visits combined)**
- **Click and Collect now accounts for 35.3% of all orders for multichannel retailers that offer the facility**

Benchmark 2 – Key Findings:

- **Desktop continues its dominance at the checkout, recording a 7 percentage point conversion advantage over the average smartphone.**
- **Product page exit rates reported a low of just 27.2% in Q3, which nicely aligns with a healthy PDP conversion rate for the period.**

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 – Q3 2019 – Platform Split

Q3 2019 (Aug, Sep, Oct)	Total Online Retail Market Average	Smartphone Market Average	Tablet Market Average	Desktop/Laptop Market Average
Visitor bounce rate	33.5%	37.1%	30.7%	25%
Basket abandonment rate	61.2%	62.6%	59.1%	54%
Checkout abandonment rate	36.5%	41.1%	33.2%	32%
Active Customer retention rate	44.1%	43.5%	47.9%	46%
% of new customers	36.4%	35.7%	34.4%	37%
Cancellations due to fraud	2.5%	N/A	N/A	N/A
Percentage of units returned	21%	16%	N/A	N/A
Average selling price per item	£26	£25	£26	£27
Average order value	£68	£62	£70	£75
PPC ROI per pound spent	£3.24	£2.32	£1.4	£1.77
Affiliate ROI per pound spent	£11.78	N/A	N/A	N/A
Online marketing ROI per pound spent	£11.36	N/A	N/A	N/A
% revenue derived from marketing method: paid	19.7%	21.7%	18.8%	17.7%
% revenue derived from marketing method: affiliate	8.1%	6.4%	5.8%	9.9%
% revenue derived from marketing method: email	10.6%	10.7%	12.2%	8.6%
% revenue derived from marketing method: Organic	28.6%	24.4%	27.9%	32.7%
% revenue derived from marketing method: direct	24.3%	27.0%	25.9%	22.5%
% revenue derived from marketing method: social	1.4%	1.9%	0.9%	0.4%
% revenue derived from marketing method: display	0.5%	0.4%	0.4%	0.6%
% revenue derived from marketing method: other	7.0%	7.6%	8.3%	7.3%
Percentage of Sales via mobile devices	66.5%	N/A	N/A	N/A
Percentage of Visits via mobile devices	77.8%	N/A	N/A	N/A
Percentage of Click and Collect sales	35.3%	34.9%	25.6%	35.8%

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 Q3 2019 – Aug, Sep, Oct 2019

Quarterly Benchmark 2 – Q3 2019 – Extra Quarterly Metrics

		Q 2019 Market Average	Smartphone	Tablet	Desktop
Customer Funnel	Percentage of total visits that view a product page	56.4	53.6	54.7	52.7
	Percentage of sessions that convert from a product page view to 'Add item to bag'	18.6	16.4	18.4	21.4
	Percentage of 'Add to bag' sessions that convert to checkout	53.2	46.3	47.1	52.6
	Percentage of checkout sessions that convert to payment	60.1	57.1	62.1	64.6
Site Navigation	Length of user session (secs)	199			
	Home page bounce rate	12.5			
	Home page exit rate	16.1			
	Site search Percentage	19.5			
	Search page exit rate	14.9			
	Product page exit rate	27.2			
	Home page start rate	29.8			
	Product Page Start Rate	23.5			
Customer engagement	Old customer reactivation rate	10.1			
	New visitor conversion rate	7.5			
Discounting	Discount rate (% of gross revenue generated from items on sale/discount)	46.8			

Figure 2: IMRG Quarterly benchmark for Q3 2019 – Aug, Sep, Oct

Quarterly Benchmarking KPIs

CLOTHING MARKET ONLY	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Visitor bounce rate	32.8%	33.3%	33.9%	33.0%	34.2%
Active customer retention rate	29.6%	23.0%	56.1%	55.9%	31.8%
New customer %	53.5%	42.6%	47.2%	48.0%	47.1%
Average selling price per item	£47	£29	£21	£22	2£3
Average order value	£102	£65	£54	£65	£59
PPC ROI per pound spent	£6.55	£4.99	£3.32	£6.92	£3.11
Affiliate ROI per pound spent	£12.51	£7.90	£10.19	£11.93	£10.65
Online marketing ROI per pound spent	£9.46	£7.15	£4.96	£10.53	£7.32
% revenue derived from marketing method: paid	26.3%	22.2%	24.2%	25.0%	23.4%
% revenue derived from marketing method: affiliate	8.7%	10.7%	9.3%	8.5%	11.1%
% revenue derived from marketing method: email	16.1%	14.9%	15.7%	12.9%	12.5%
% revenue derived from marketing method: natural	30.4%	28.5%	32.1%	31.5%	33.1%
% revenue derived from marketing method: direct	13.0%	19.2%	13.9%	16.8%	16.0%
% revenue derived from marketing method: social	2.0%	1.4%	1.5%	1.4%	1.3%
% revenue derived from marketing method: display	1.7%	1.5%	1.1%	0.6%	0.5%
% revenue derived from marketing method: other	4.2%	6.0%	2.6%	3.6%	2.1%
% of sales via mobile (including tablets)	56.3%	55.4%	64.8%	56.8%	65.6%
% of visits via mobile (including tablets)	74.3%	70.6%	80.2%	71.3%	81.0%

Figure 3: IMRG Quarterly benchmark for showing clothing retailers only

Checkout Optimisation

The data in the *Quarterly Benchmark 2* is a popular measure for retailers to compare their own website conversion against the market average. Within the figures received by IMRG there is a wide range of performance levels, and the challenge which presents itself is to decode the reasons why some retailers are getting better conversion compared to others. To do this, IMRG carries out extensive research to assess the different features, design and functionality on retail websites and match these up to the retailers’ respective performances. This can often lead to some interesting conclusions on what sort of behaviour is widely adopted by the top performing retailers.

One such area IMRG have examined are retailers checkout pages. IMRG gathered extra information from our retail panel to help give more detail on market benchmarks for the checkout.

IMRG went onto the checkout pages of each retailer and examined the webpage ‘types’ within a retailers checkout, starting immediately after a typical ‘basket review page’. Each checkout page can be categorised to a certain ‘type’ or ‘purpose’. Some retailers choose to split out webpages into individual purposes- for example a dedicated page in the checkout asking the shopper to complete details about ‘who the item is being delivered to’ – represented by the blue head icon in the below figure. Or perhaps a page dedicated solely to the choice of delivery service- represented by the green van in the below figure. Its popular for retailers to combine several types into a single page- for example, a webpage asking for who and where the item is being sent to- represented by both the head icon and the home icon.

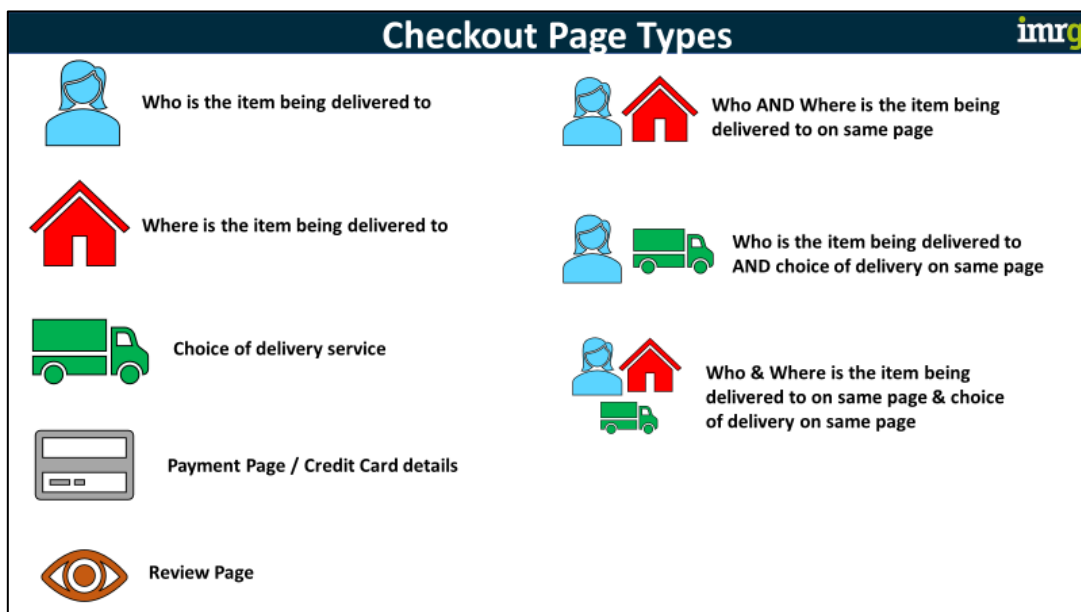


Figure 4: An image showing the classification and icons used for different types of checkout page in IMRGs study

IMRG were able to identify all of the pages within each retailers checkout from our panel. Our objective was to see if one particular structure of pages was more favourable to getting a high conversion.

The below image shows 30 retailers lined up in order of overall checkout conversion, represented by the head icons. The top performers (i.e. the highest checkout conversion) are on the left, moving down to the lowest performers on the right.

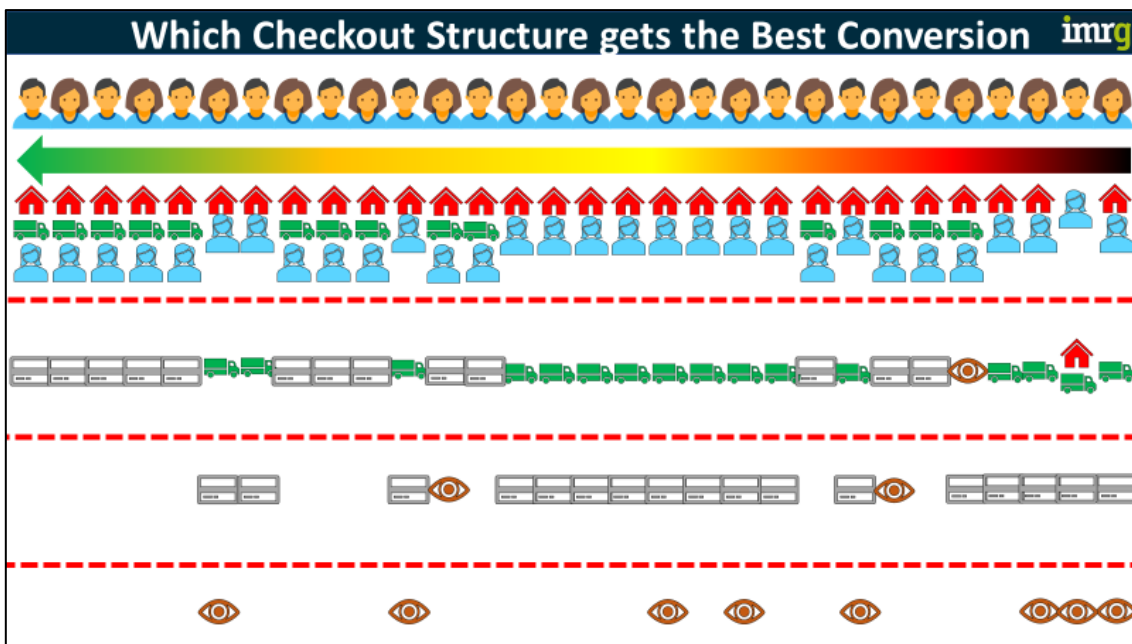


Figure 4: An image showing the checkout structure of 30 different retailers, ranked from highest to lowest conversion

Below each retailer in a vertical alignment is their overall checkout structure. The red dotted line separates the checkout pages. For example, the first retailer on the left, has the 1st page of their checkout asking the shopper for details on who, where and delivery choice (represented by three icons), then below the red dotted line on the second page of the checkout they have a payment page (represented by the credit card icon)

Notably, 8 of the top 10 performing checkouts all follow the same structure – who, where and delivery choice on page 1 followed by credit card page. Whilst those with a ‘review page’ at the end of their checkout (i.e. a summary page with final click for payment) are mainly in the bottom half of the performance.

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:	<ul style="list-style-type: none"> visitor bounce rate basket abandonment rate checkout abandonment rate
Customer Acquisition	<ul style="list-style-type: none"> active customer retention rate
& Retention:	<ul style="list-style-type: none"> percentage of new customers
Commercial:	<ul style="list-style-type: none"> average selling price per item average order value
Channel:	<ul style="list-style-type: none"> percentage of sales via mobile percentage of visits via mobile percentage of click & collect sales
Marketing:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> percentage of total orders cancelled due to fraud percentage of units returned no. of items / products per order
Geographical Split:	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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:

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