

Growth on Tap:

Smartphones and Tablets dominate visit, basket growth

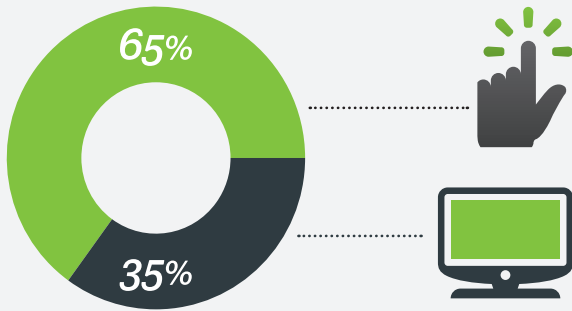
Demandware powers over 1,000 sites for some of the largest and most recognizable retail brands in the world. Analyzing anonymous data across these sites, Demandware is able to identify trends and opportunities to optimize shopper experiences. This community insight, combined with Demandware's Cloud Commerce solutions, empowers brands to continuously innovate and move faster.

Retailers take note: the era of 'click shopping' has evolved. Tap devices – i.e. Smartphones and Tablets – now drive more digital commerce revenue growth than computers. Together, Tap devices account for 65% of the increase in orders, with 55% of that growth directly driven by smartphones. Growth is on Tap.

Tap Devices include smartphones and tablets, and replace the often ambiguous term 'mobile.'



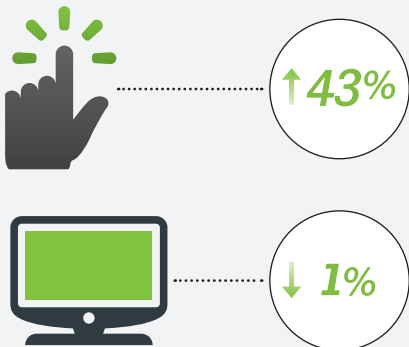
TAP DOMINATES ORDER GROWTH



THE TAPPING POINT: SHOPPERS MIGRATE TO TAP DEVICES

Shoppers are now voting with their thumbs, tapping and swiping their way through the shopper journey. Over the past year, there has been a dramatic shift in digital commerce towards tap devices. This trend is clearest at the outset of the journey, where visits from smartphones and tablet devices are up 52% and 28% respectively, year over year. Strikingly, visits from computers are actually down 1%.

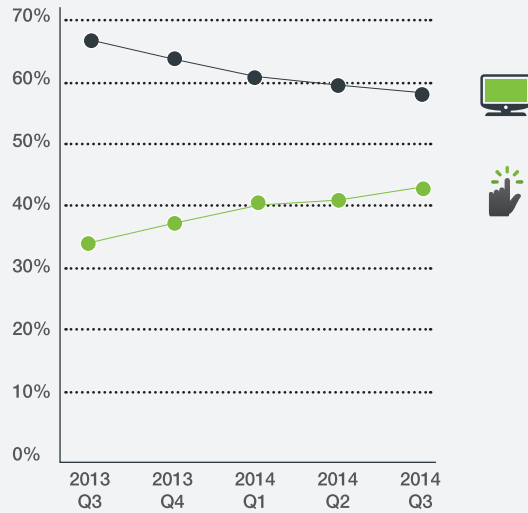
MORE VISITS FROM TAP, FEWER FROM COMPUTER



With shoppers reaching for their phones at an increasing pace, digital traffic has redistributed to tap devices. Over the past year, visit share for smartphones is up 33%, coming at the expense of the computer, whose share is down 13%.

Key takeaway: Taking a 'Mobile-First' approach is a step in the right direction. Successful retailers will employ a 'Tap-First' strategy that puts the shopper first, and ensures a smooth user experience as she moves from device to device during her shopper journey.

TAP CONTINUES TO STEAL VISIT SHARE

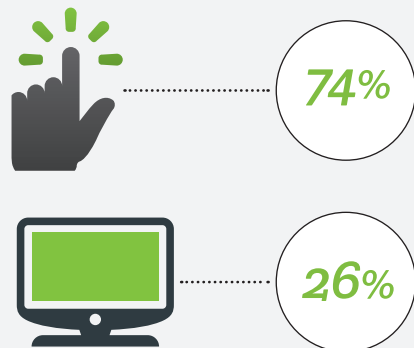


BASKETS, BASKETS, ANYWHERE.

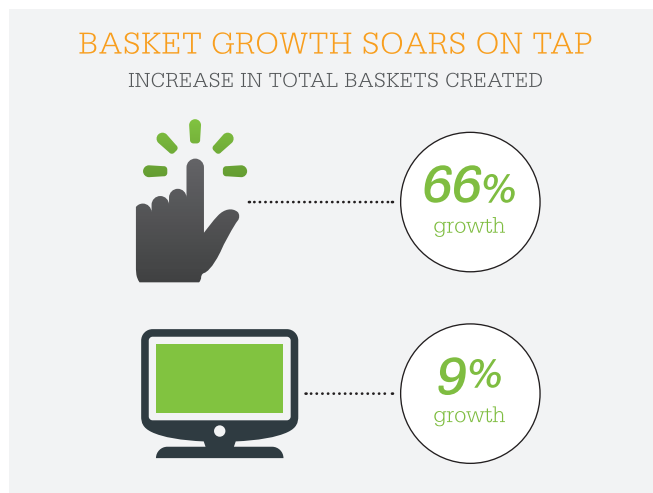
Continuing along the journey, shoppers show intent by creating baskets. Tap devices are driving an astounding 74% of the growth in baskets, with 50% of total basket growth attributed solely to smartphones.

TAP DEVICES DRIVING BASKET GROWTH

SHARE OF BASKET GROWTH BY DEVICE TYPE



In the past year, basket rate has risen steadily each quarter, and is up 29% on smartphones. When combined with the explosive growth in visits, smartphones have created 95% more baskets this year than last. Tablets also experienced strong increases in shopper engagement, as basket rate is up 10% and total baskets created is up 41% year over year. Computers saw 10% growth in basket rate, year over year, and 9% increase in total baskets created.



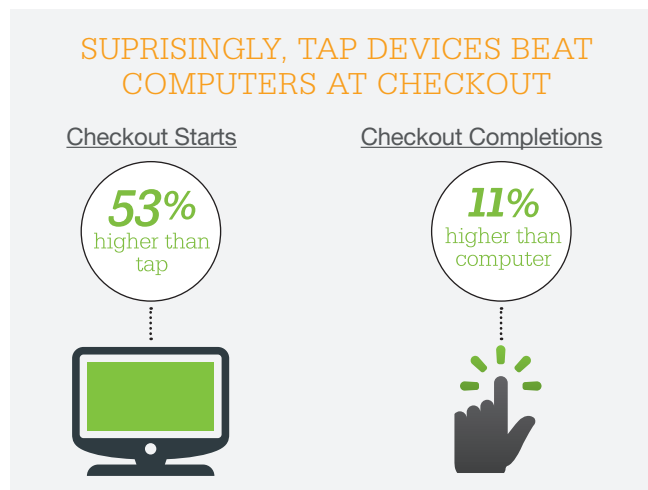
On-site search deserves a measure of credit for driving increased engagement and baskets on smartphone, as usage of on-site search is up 9% year over year. This bolsters conversion, as on-site searchers on smartphone convert at 3.1 times the rate of visitors that do not use on-site search.

Key takeaway: Beware as even the slightest ‘noise’ in your search results is magnified on devices where few products are displayed on-screen. Be sure to emphasize the rigor of on-site search tuning in your merchandising strategy.

SURPRISES AT CHECKOUT

This is where the shopper journey takes some interesting turns. Despite declining visits and low basket rate growth, Computer shoppers are 53% more likely to start a checkout than tap shoppers, 74% higher than shoppers on smartphone. Surprisingly, though, once a shopper begins a checkout, the completion rates are actually 11% higher on tap than computer, and 7% higher on smartphone than computer.

Key takeaway: Smart tactics like extending the life of a basket and allowing shoppers to email their basket increase the chances that the shopper converts. By doing so, retailers can stem the tide of abandonment rate, which is up slightly year over year.



WHAT’S AHEAD?

We expect to see continued shifts in both visit share by device and basket rate for the balance of the year. The migration of shopping towards tap devices will continue, with 45% of traffic attributed to tablets and smartphones in Q4. Specifically, we expect smartphones to see 31% of shopping visits, and tablets about 14%. We expect engagement to be even more pronounced, with smartphone traffic creating baskets at a rate of 8%, reflecting 22% growth over last Q4. Across all devices, we expect to see basket rate up 5%.

Finally, we expect continued conversion rate growth across devices, with smartphone devices leading at 12%, and modest growth on tablets (3%) and computer (6%).



ABOUT THIS REPORT

This snapshot of today's digital shopper provides insight into shopping behavior, specifically, how it varies by device. We provide these findings as directional guidance to understand today's shopper journey, and to allow you, the retailer, to direct shopping experiences on your sites to meet the expectations of your shopper.

Demandware sourced data for this report from digital commerce sites transacting on the Demandware Commerce Cloud. The universe for this analysis is over 600 sites, which serve shoppers across the globe, and across different retail industry verticals. Sites included in the report were live as of Q2 2013 and remained live through Q3 2014. The comparisons noted in this report are Q3 2014 compared to Q3 2013, unless otherwise indicated.



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