

Shop.org Report Provides Insight into Online Retailers' Mobile Strategies

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Online retailers are ramping up their mobile marketing initiatives, according to Shop.org, the National Retail Federation's digital division. Shop.org, in partnership with Forrester Research Inc., conducted a survey of 109 companies as part of its "The State of Retailing Online" research series, which aims to provide online and multi-channel retailers with an annual industry benchmark for marketing and business activity.

Nearly three quarters (74 percent) of the online retailers polled said they have or are developing a mobile strategy, according to the "The State of Retailing Online: Marketing, Social Commerce and Mobile Report." One in five said they have a fully-implement mobile strategy in place.

"It's imperative for online retailers to stay on top of what their customers want and these days it's all mobile all the time," said Scott Silverman, executive director of Shop.org. "Mobile commerce has tremendous potential and will no doubt grow to become a significant part of overall sales volume in years to come. Whether to increase customer satisfaction, grow their brand or drive traffic and sales, online retailers are in this game to stay."

Sucharita Mulpuru, vice president and principal analyst for Forrester Research and lead author of the report, said mobile investment is modest now, "but we see that it will pick up in the future, especially among the biggest brands that have already invested significant amounts in their mobile operations."

According to Shop.org, online retailers with mobile strategies invest in features that support the cross-channel experience. Product and price information, store information and coupons to support the in-store experience rank as among the most popular features retailers offer consumers. Retailers have varied level of investment. While respondents anticipated spending an average of \$170,000 on their mobile sites this year, large multichannel retailers spend several times that amount. Retailers reported that their mobile browsers at this juncture generate a little less than 3 percent of overall site traffic and 2 percent of revenue.

In addition, Shop.org found that more traditional marketing tactics, such as paid search, e-mail and affiliate marketing, command the biggest percentage of an online retailer's marketing budget. Retailers spend nearly 40 percent of their marketing budget on paid search, according to the report.

When it comes to social marketing, Shop.org reported that retailers find value in the practice, but the return on investment for driving online sales remains murky. Listening to customers proves the most significant objective for social tools, according to the report, with 80 percent of retailers reporting that they pursue social strategies to experiment and learn. While 28 percent said social marketing helped grow their businesses, direct sales from social tactics are not widely measured.