

intelliAd E-Commerce Industry Index Q4/2016

Mobile commerce is booming, shopping baskets are shrinking



Key Facts

- ✓ Unique, representative analysis of over 2.4 million online purchases between 1st October and 31st December 2016 – from initial search to final purchase
- ✓ Benchmarks of the online retail sectors pharmacies, books, digital printing, electronics, home and garden, cosmetic items and fashion
- ✓ Direct comparison with Q4/2015 to illustrate trends and developments
- ✓ Decision-making basis for marketing professionals for optimising their digital strategy

Key Findings

- ✓ 30% of purchases take place via smartphone and tablet and mobile traffic has risen to 48%
- ✓ Smartphone shopping basket values are around €30 less than for PCs
- ✓ Fashion shops have exceeded 50% mobile traffic share for the first time

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Up-to-the-minute figures regarding online shopping behaviour

Smartphones are continuing to gain ground in e-commerce and are leaving a lasting imprint on the advertising environment in which marketers operate. The proportion of sales on mobile phones increased across all industries from 13% to 20% (meaning a 65% increase in overall mobile sales) and two out of five shop visitors come to the web pages via mobile devices. In the fashion sector, traffic share for mobile devices has even broken through the sound barrier of 50% for the first time. At the same time – compared with the same quarter of the previous year – shopping basket values have shrunk across all devices (desktop, tablet and smartphone).

CPCs remain stable on average, shopping basket values are shrinking

Although e-commerce continues to reach new records in terms of revenue, it is becoming more and more challenging for advertisers to find the right strategy for search engine advertising. “Whilst generalists in the fashion industry are struggling with sinking conversion rates and increasing advertising costs for each purchase, the exact same performance metrics are improving

for online shops specialised in menswear and ladieswear” says Frank Rauchfuß, CEO and director at intelliAd. “However, menswear merchants spend five times as much for an SEA click – 82 cents compared to 15 cents.” For the first time ever, more than half of the web traffic for fashion, the strongest e-commerce segment in terms of revenue, came from mobile devices during the fourth quarter of 2016. At the same time, mobile is “only” responsible for 30% of all sales.

Costs per click (CPCs) for advertisers remain stable across the board when compared to the same quarter of the previous year. However, shopping basket values are continuously declining on all online shopping devices. The average shopping basket value has shrunk by 10% compared with the fourth quarter of 2015. Average values for tablet purchases are €113, €102 for PCs and €72 for smartphone users.

Both costs per click and conversion rates remain stable and unchanged for the most part but SEA costs are developing inconsistently across the industries examined. Costs are rising in five of the eleven segments studied and are falling in four. “Mar-

eters should be doing these two things in order to react to the constant changes and differences between industries: analysing customer behaviour and market shifts through Customer Journey Tracking and using benchmark data such as that from the E-Commerce Industry Index in order to arrange their performance better.”



The fashion industry under the microscope:
 Download the study book Spotlight Fashion from intelliAd and Deloitte for free at www.intelliad.com/spotlight-fashion

Q4 | 2016

Device Performance at a Glance

Device	KPI	Conversion Rate ¹	Shopping basket value ²	Cost-per-Click ³ (SEA)	Share of shopping traffic ⁴	Share of sales ⁵
Desktop		3.8% <small>3.8%</small>	↓ 102 € <small>112 €</small>	0.33 € <small>0.33 €</small>	↓ 52% <small>62%</small>	↓ 70% <small>77%</small>
Smartphone		1.4% <small>1.4%</small>	↓ 72 € <small>82 €</small>	↓ 0.26 € <small>0.29 €</small>	↑ 39% <small>28%</small>	↑ 20% <small>13%</small>
Tablet		2.9% <small>2.9%</small>	↓ 113 € <small>125 €</small>	0.57 € <small>0.56</small>	9% <small>10%</small>	10% <small>10%</small>

Reading Help

↑ 20%
(13%)

— Drastic change compared to previous year









↓ Red: Decline

↓ Green: Improvement

— Value Q4 | 2016

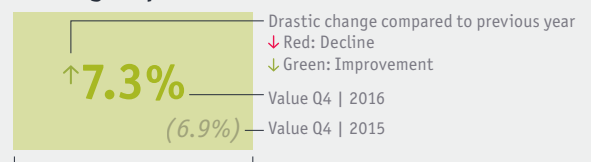
— Value Q4 | 2015

Source: intelliAd Media
 N = over 2.4 million online purchase from a variety e-commerce industries between 1st October and 31st December 2016

Industry	KPI	Conversion rate ¹	Shopping basket value ²	Time taken to reach buying decision ³ (in hours)	Proportion of traffic via mobile ⁴	Proportion of purchases via mobile ⁵	Cost-per-click ⁶ (SEA)	SEA spend per purchase ⁷
 Pharmacies		7.3% <small>6.9%</small>	53 € <small>57 €</small>	↑113 <small>87</small>	32% <small>26%</small>	18% <small>15%</small>	↓0.29 € <small>0.44 €</small>	↓2 € <small>4 €</small>
 Books		4.8% <small>5.3%</small>	27 € <small>26 €</small>	↑102 <small>63</small>	47% <small>38%</small>	33% <small>25%</small>	0.19 € <small>0.21 €</small>	4 € <small>4 €</small>
 Print on demand		↑6.6% <small>4.6%</small>	39 € <small>38 €</small>	74 <small>74</small>	↑49% <small>35%</small>	↑30% <small>22%</small>	↑1.18 € <small>0.97 €</small>	11 € <small>9 €</small>
 Electronic goods		1.7% <small>1.7%</small>	↓239 € <small>260 €</small>	100 <small>97</small>	24% <small>17%</small>	↑14% <small>9%</small>	0.24 € <small>0.24 €</small>	5 € <small>4 €</small>
 Home & Garden *		2.8% <small>3.2%</small>	105 € <small>105 €</small>	81 <small>76</small>	45% <small>36%</small>	27% <small>22%</small>	0.36 € <small>0.36 €</small>	9 € <small>7 €</small>
 Cosmetics		↑5.0% <small>3.8%</small>	↓41 € <small>51 €</small>	151 <small>141</small>	↑55% <small>33%</small>	↑38% <small>19%</small>	↓0.32 € <small>0.53 €</small>	↓3 € <small>7 €</small>
 Fashion **		↓1.8% <small>2.2%</small>	157 € <small>166 €</small>	121 <small>110</small>	50% <small>41%</small>	30% <small>24%</small>	0.30 € <small>0.32 €</small>	7 € <small>6 €</small>
<i>Womenswear</i>		3.7% <small>3.5%</small>	164 € <small>161 €</small>	↑155 <small>134</small>	29% <small>21%</small>	16% <small>13%</small>	↓0.15 € <small>0.22 €</small>	↓2 € <small>4 €</small>
<i>Menswear</i>		↑2.0% <small>1.5%</small>	172 € <small>180 €</small>	110 <small>104</small>	↓33% <small>34%</small>	23% <small>19%</small>	0.82 € <small>0.77 €</small>	14 € <small>15 €</small>
<i>Fashion generalists</i>		↓1.8% <small>2.1%</small>	138 € <small>142 €</small>	143 <small>130</small>	52% <small>43%</small>	↑32% <small>23%</small>	0.31 € <small>0.31 €</small>	10 € <small>8 €</small>
<i>Sportswear</i>		↓1.6% <small>2.4%</small>	176 € <small>186 €</small>	79 <small>87</small>	54% <small>42%</small>	32% <small>27%</small>	↓0.18 € <small>0.25 €</small>	3 € <small>3 €</small>

- 1 Number of purchases / number of website visits
 - 2 Average shopping basket value per purchase (=total revenue / number of purchases)
 - 3 Average time taken from first site visit (e.g. through SEA advert) to final purchase
 - 4 Proportion of total traffic occurring via tablet or smartphone
 - 5 Proportion of total purchases occurring via tablet or smartphone
 - 6 Average click price for search engine advertising
 - 7 Average spend for search engine marketing per purchase (=total SEA spend / number of purchases)
- * Contains the segments DIY, furniture and home accessories
 ** Total value of the segments womenswear, menswear, fashion generalists and sportswear

Reading Help



Green background:
Best performing industry

Gray background:
Worst performing industry



Category
Best SEA Suite 2016

About intelliAd

intelliAd offers agencies and advertisers a performance marketing platform for cross-media tracking and comprehensive optimisation of all online marketing activities with intelligent tools, full control and absolute transparency.



Save money with Bid Management

Control your campaigns with full or partial automation e.g. for click, conversion or profit maximisation – and save money and time.



The entire customer journey in perspective

Use Customer Journey Tracking to learn the real success of your marketing channels and the paths taken by your customers – both online and offline.



Individual customer targeting with RTB

Real Time Bidding enables you to tailor display advertising to the individual user in real time – for both prospecting and retargeting.



Dynamic Attribution & customer insights

We help you to evaluate your marketing activities across all the different channels and transform Big Data into Smart Data.

Would you like to learn more about our products or arrange a demonstration?

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