

MCM Outlook 2013: Ecommerce

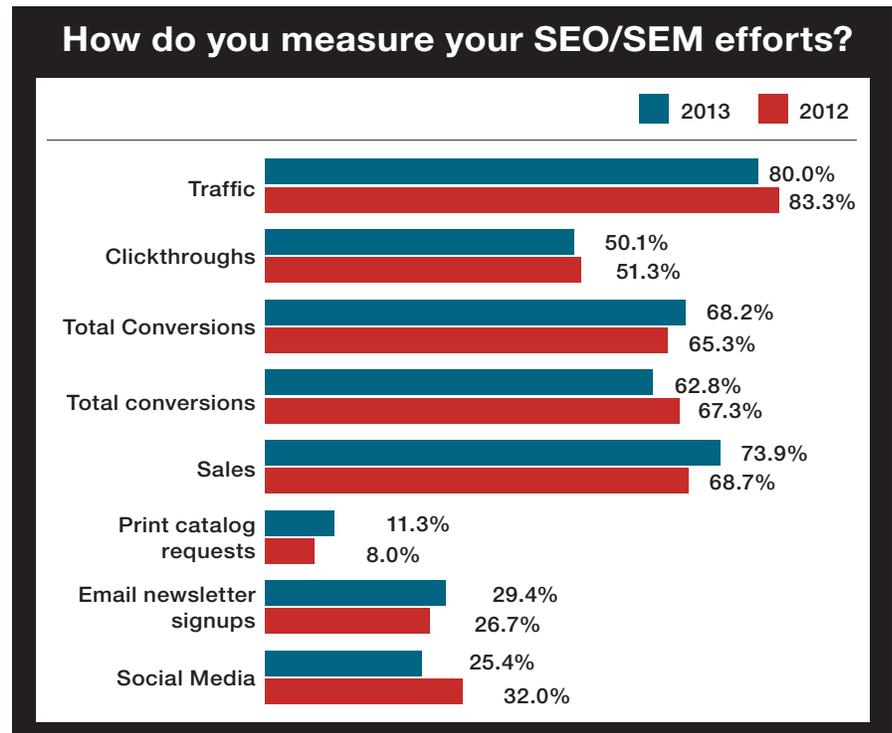
BY DANIELA FORTE

Despite fiscal cliff worries and woes, merchants saw their ecommerce sales grow 11.1% collectively during holiday 2012. Online sales figures for January released by Macy's for its macys.com site were up 48.9% year-over-year, while bloomingdales.com figures, up 47.4%, indicated that consumers are shifting their patterns to include ecommerce.

Although merchants acknowledge that ecommerce growth has helped them make their sales (a 10% increase in online sales helped Best Buy break even over the holiday season), they may not be completely ready to serve the cross-device customer.

According to the results of MCM Outlook 2013, 41.7% of respondents are not participating in mobile commerce. But the trend appears to be moving in the right direction; in 2012, the percentage of non-participants was higher—49.3%.

Meanwhile, 30.5% of respondents said they have a mobile commerce site, and 17.1% said they have a site optimized for use on mobile devices. Last year, 26% of respondents said they had a



mobile commerce site, while 11.6% said they had a mobile-optimized site.

The number of respondents without mobile apps is still high in 2013. Accord-

ing to the survey, 75.7% of merchants do not offer their customers a mobile app. That number has actually grown: In 2012, 70.4% of respondents said they did not offer a mobile app.

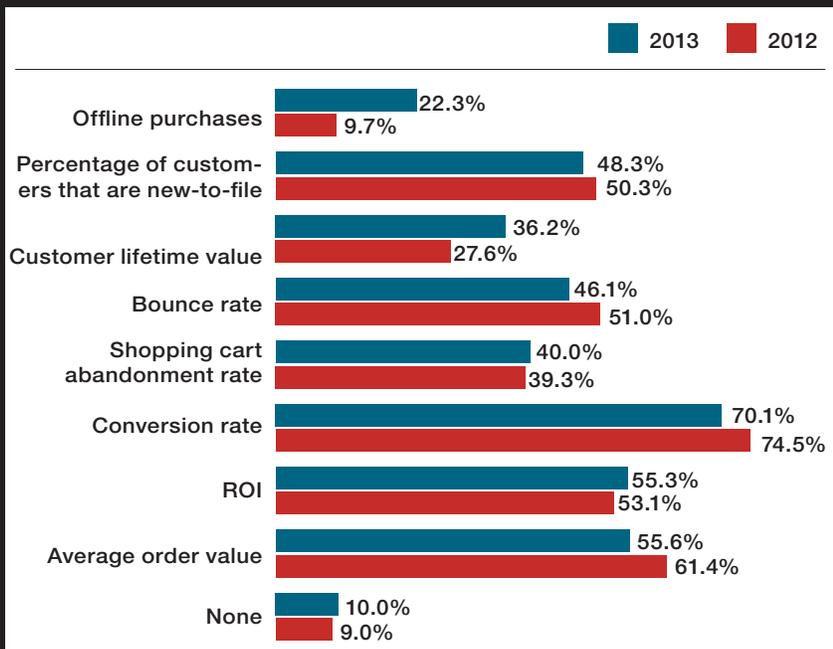
This is the first year a question about tablet app offerings was asked in an MCM Outlook survey. More than four-fifths of respondents (82.8%) said they do not have a tablet app offering.

But merchants are leaning toward

75.7% of merchants do not offer their customers a mobile app.



Specifically with your SEO & PPC efforts, which of the following are you tracking?



making their ecommerce sites mobile friendly in 2013. According to the survey, nearly one-third of respondents (32.4%) who said they are redesigning their ecommerce sites in the next 12 months will use responsive design to make their sites render across a variety of devices.

Video is the top function merchants plan to add to their ecommerce sites over the next 12 months. Nearly 40% (39.8%) said they plan to add video. That percentage is down from 46.5% last year, but it may be that merchants are already there: More than half of respondents (55.6%) said they are using video on their sites.

While video is a popular value-add for merchants who want the ability to better explain products to potential buyers, merchants also seem to want to keep control of what sorts of videos go on their sites. Only 16.4% of respondents said they allow users to post videos to

their sites.

Merchants are also expanding their use of YouTube as a place to host and share videos. This year, 51.2% of respondents said they have an active presence on YouTube, up from 40.3% of respondents in 2012.

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As for other forms of user-generated content, ratings and reviews are the most-popular, with 56.2% of respondents allowing customers to post them on their sites. Nearly half (48.6%) said they have integrated “share this” buttons

on their sites, and 44.5% said they are using customer testimonials.

Social landscape shifts

Merchant adoption of the “old standbys” of social media—Facebook and Twitter—may have peaked over the past year. Facebook is still the most popular social media used by merchants, at 86.9%, followed by Twitter, at 71.4%. But both those percentages are flat compared to the 2012-13 survey figures.

While Twitter and Facebook adoption is leveling off, merchants are looking at activity on other social media platforms.

Pinterest, which burst onto the social media scene last year, is being used by 39.1% of merchants. That number is up from 31.2% last year.

Photo-sharing service Instagram has also jumped—11.7% of respondents said they have an active Instagram presence, while just 4.2% of respondents were on Instagram last year.

The use of Google+ did shrink slightly this year: 24.5% of respondents said they have an active presence, compared to 29.9% in 2012.

Also shrinking was the number of respondents who said they plan to add more social media tools to their sites in the next 12 months—36.9% this year,

compared to 52.7% in 2012.

“Engagement and conversation” is the primary reason cited by respondents for using social media. In 2013, 73.5% of respondents are using social media for this reason; in 2012, the number was



higher—76.9% of respondents.

In 2012, 73.9% of respondents said they were using social media to monitor what consumers were saying about their brand; this year, 67.1% are tracking the number of followers/fans.

But do they love it? According to survey results, 59.2% of respondents said they are somewhat satisfied with the use of social media. Last year, the number was lower, at 51.4%.

Search engines

To measure SEO/SEM, traffic pulled the highest percentage of respondents (80.0%). In 2012, that number was 83.3%.

This year, optimizing their landing pages is the way 64.5% of respondents plan to improve their search engine rankings—nearly identical to 2012’s result of 64%.

So how much are respondents willing to spend to measure SEM? According to survey results, 31.9% of respondents said they would spend 0% to 4% of their overall marketing budget on SEM this year. In 2012, the number of respondents was much lower at, 20.6%.

Specifically with SEO and PPC efforts, respondents said they are tracking conversion rates, named by 70.1% of respondents this year. In 2012, tracking conversion rates was higher, at 74.5% of respondents.

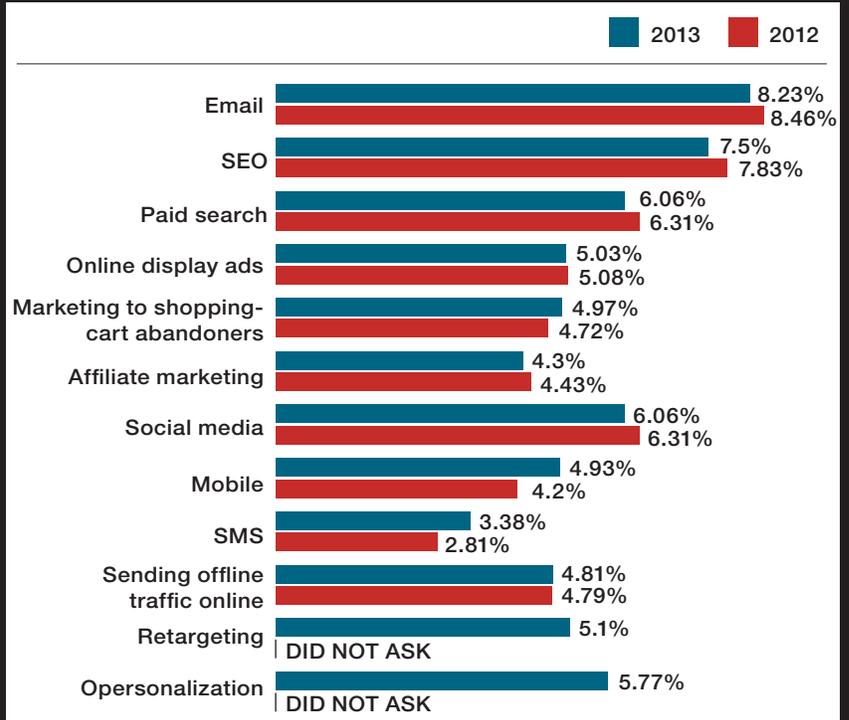
Shopping cart abandonment/payment

For 45.1% of respondents to this year’s survey, email is the way merchants are marketing to shopping-cart abandoners. This number grew from 2012, which saw special offers via email named by 36.2% of respondents.

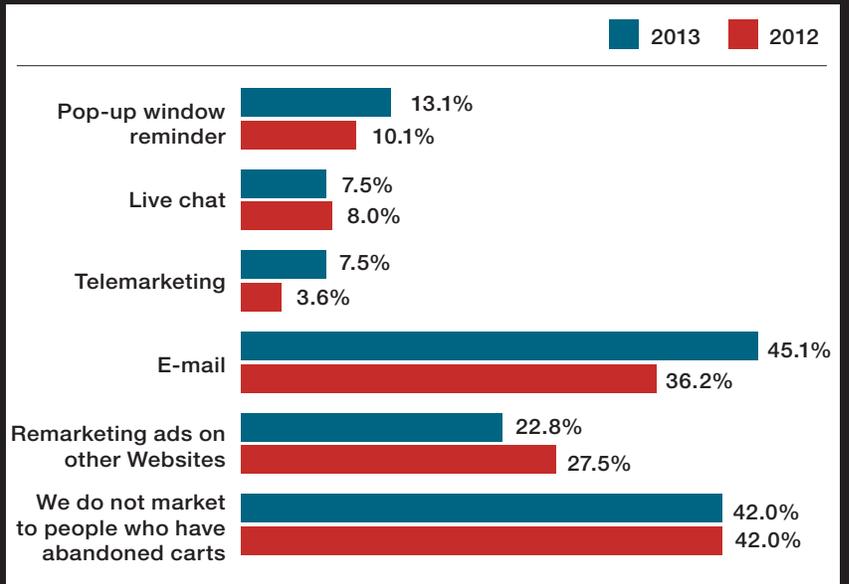
Some things haven’t changed, however. According to survey results, 42.0% of respondents said they don’t target shopping cart abandoners, essentially the same as in 2012.

According to the MCM Outlook 2013

On a scale of 1-10, with 10 being most valuable, how would you rate the value of each of the following to your online strategy?

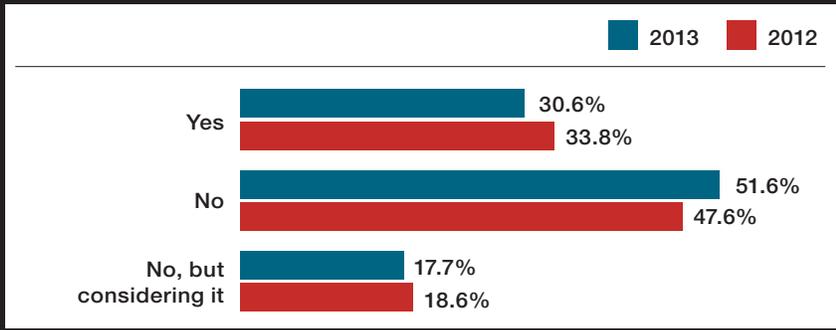


Aside from email reminders, how are you marketing to shopping-cart abandoners?





Are you using live chat on your site?



results, 41.3% of respondents are not offering alternative payment options, while 40.1% are offering PayPal. In 2012, 44.7% of respondents offered PayPal, while 40.4% of merchants did not use any alternatives.

Sites today are less likely to have trustmarks of approval from a third-party company. According to survey results, 60.4% of respondents said they use a trustmark from a third-party company, down from 62.2% of respondents last year. SSL Security was named by 49.3%

of respondents this year, and by 52.0% of respondents in 2012.

QR codes

The growth in QR code use seems to be slowing among this year's respondents. According to survey results, 42.4% of respondents this year are using QR codes; in 2012, the percentage was 45.8%.

If respondents are using QR codes, it is mainly in catalogs, according 59.4% of respondents this year. In 2012, 50%

of respondents were using QR codes in catalogs?.

In 2011, the U.S. Postal Service proposed a QR code promotion. The program offers a discount to catalogers who use two-dimensional mobile barcodes between July 1 and Aug. 31, according to an article on MultichannelMerchant.com.

Commercial retailers that include a mobile barcode inside or on the mail pieces received an upfront 3% discount on the rates for first-class mail and Standard Mail letters and flats, according to the article. Nonprofit mailers are now eligible for the promotion as well—they weren't included in the initial proposal from the Postal Service, according to the article.

METHODOLOGY

This report is based on the online MCM Outlook 2013 survey, which was fielded by Multichannel Merchant from Mar. 5 through Mar. 18, 2013, and drew 1,110 respondents. Of those respondents, 556 described their primary responsibilities at their company as e-commerce marketers.

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