



# INSIDE FASHION ECOMMERCE: A CX SCORE REPORT

FASHION MALL

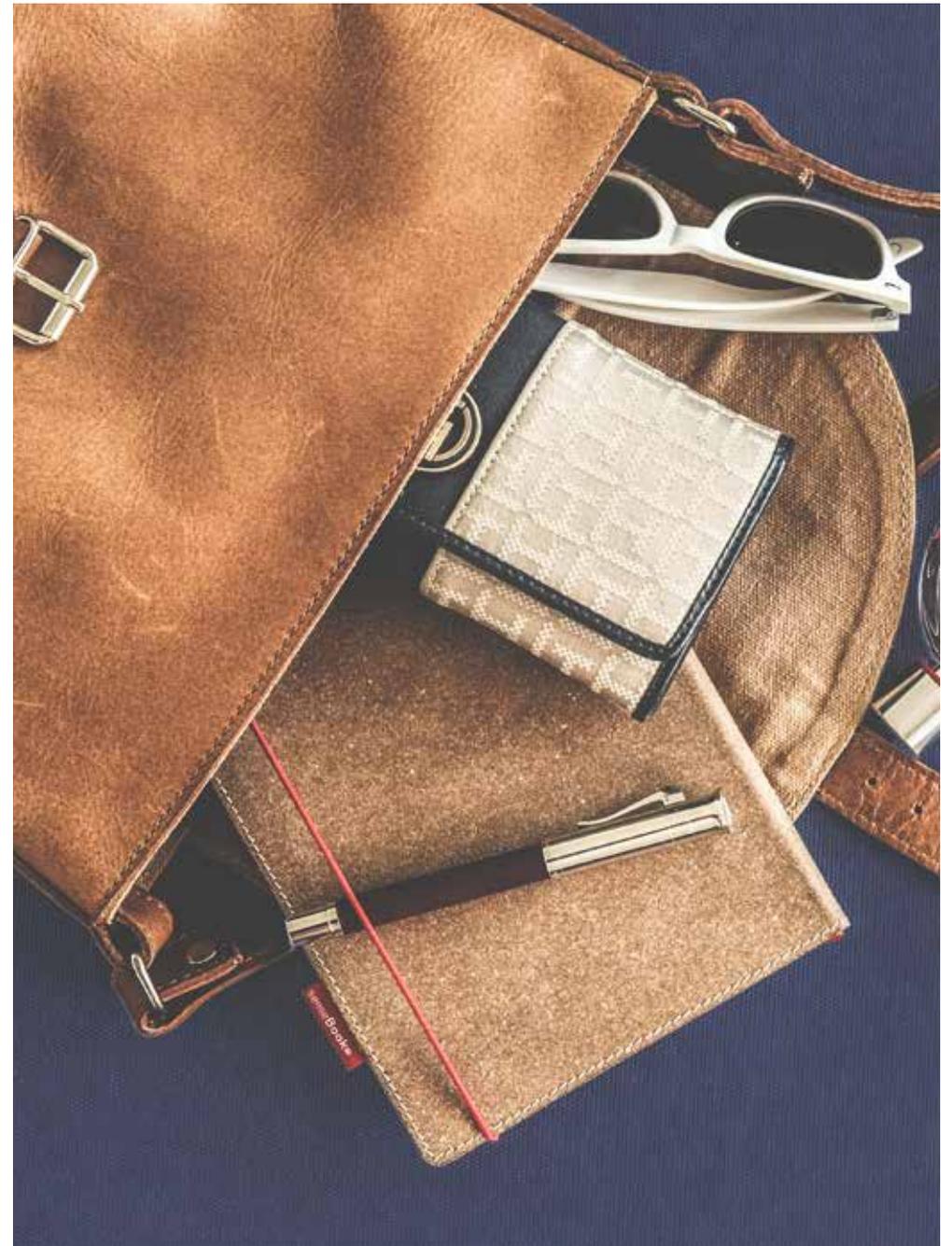
TOD'S  
SALE 70%

ARMANI  
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# INTRODUCTION

## The ecommerce evolution

The first ever secure online transaction took place on 11 August 1994, when a CD of Sting's Ten Summoner's Tales was bought using a credit card for \$12.48, including shipping costs, to Philadelphia.

From the humble beginnings of ecommerce through to the revolutionary moment this year that saw m-commerce overtake desktop as *the* medium of online shopping, we've certainly come a long way in the last two decades.

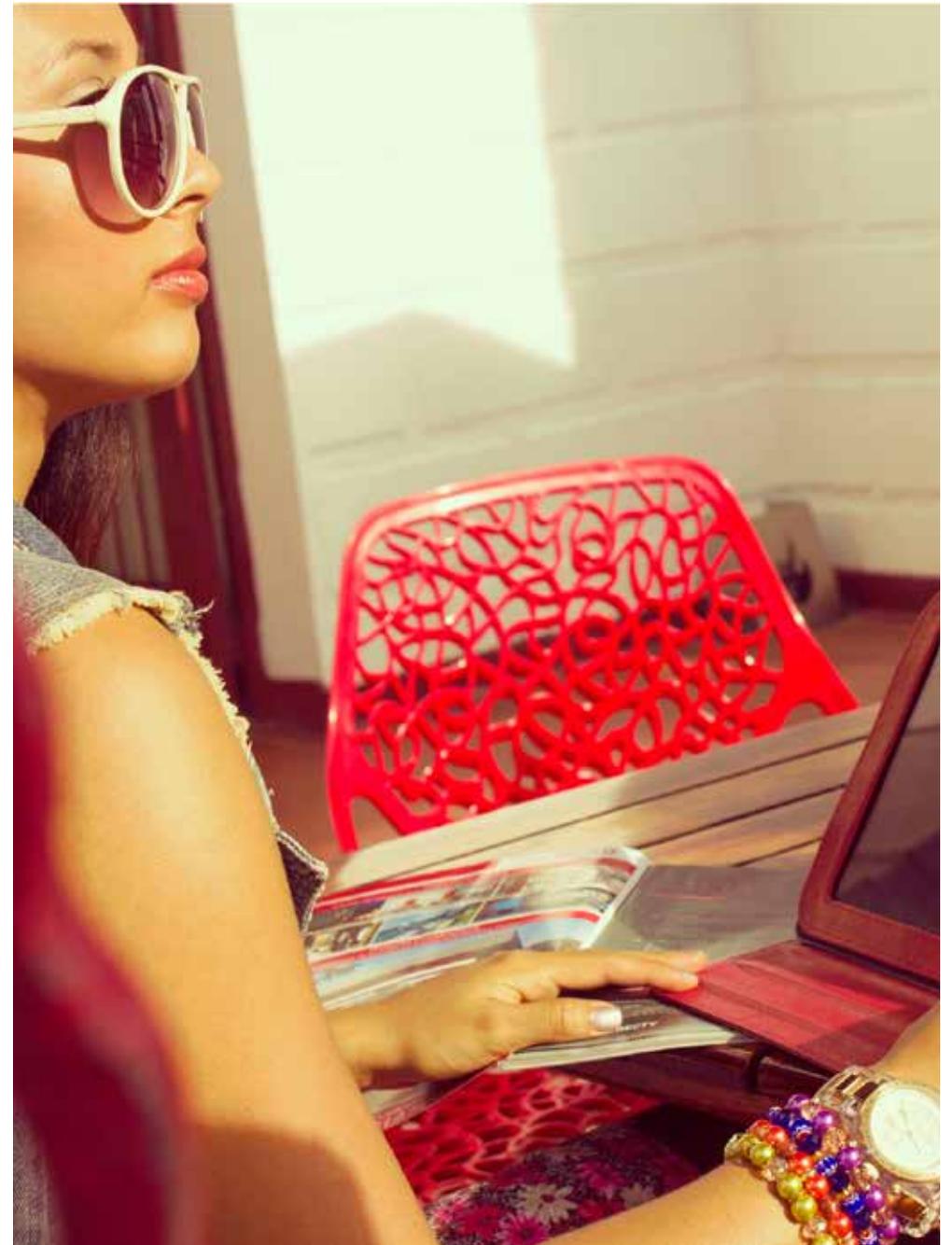
And ecommerce trends are something that brands must continue to monitor, as Forrester predicts online retail sales will hit \$480 billion by 2019. In the UK alone, online retail spending is predicted to grow by 45% over the next five years, reaching £62.7 billion by 2020. And 20% of that spend will be on clothing and footwear.

So how do brands get their share? How people choose to spend their money online

is directly influenced by the quality of the customer experience (CX) offered to them.

Which means that brands looking to maximize their digital potential are focusing on CX to help them increase average transaction values, steal market share and take advantage of the trading opportunities that can open and close in the blink of an eye. And it was with all of these insights in mind that CX Score was born. At Engine, we needed a way to consistently assess the quality of our clients' digital customer experiences to ensure that brands weren't selling themselves short. CX Score quantifies customer experience, comparing scores against rivals and presenting recommendations on how to optimise conversions.

So this report not only offers an insight into the world of fashion ecommerce, but also into CX Score and the lens it can provide for your brand.





## CX Score findings

Fashion is big business. As well as leading the rankings in ecommerce spend, the industry has always been at the head of the comms pack – with heartstopping campaigns and best-in-class content. So to what extent is customer experience helping fashion dominate the landscape?

Using CX Score, we assessed 25 UK online fashion brands and compared 450 data points to give them all an overall score. We reported on online-only brands (such as ASOS), to high street brands (like Topshop), to luxury brands (such as Net-A-Porter) through to affordable brands (like H&M). Our measures included data points (such as time spent on site to bounce rate), expert views (like UX and content) and user testing (such as asking real users how easy a process was to complete).

What we learnt was telling. Digital customer experience within the fashion industry is healthy, with the average CX Score being 71 out of a possible 100. That told us that fashion retailers do the ecommerce basics right and are putting customers at the heart of their business.

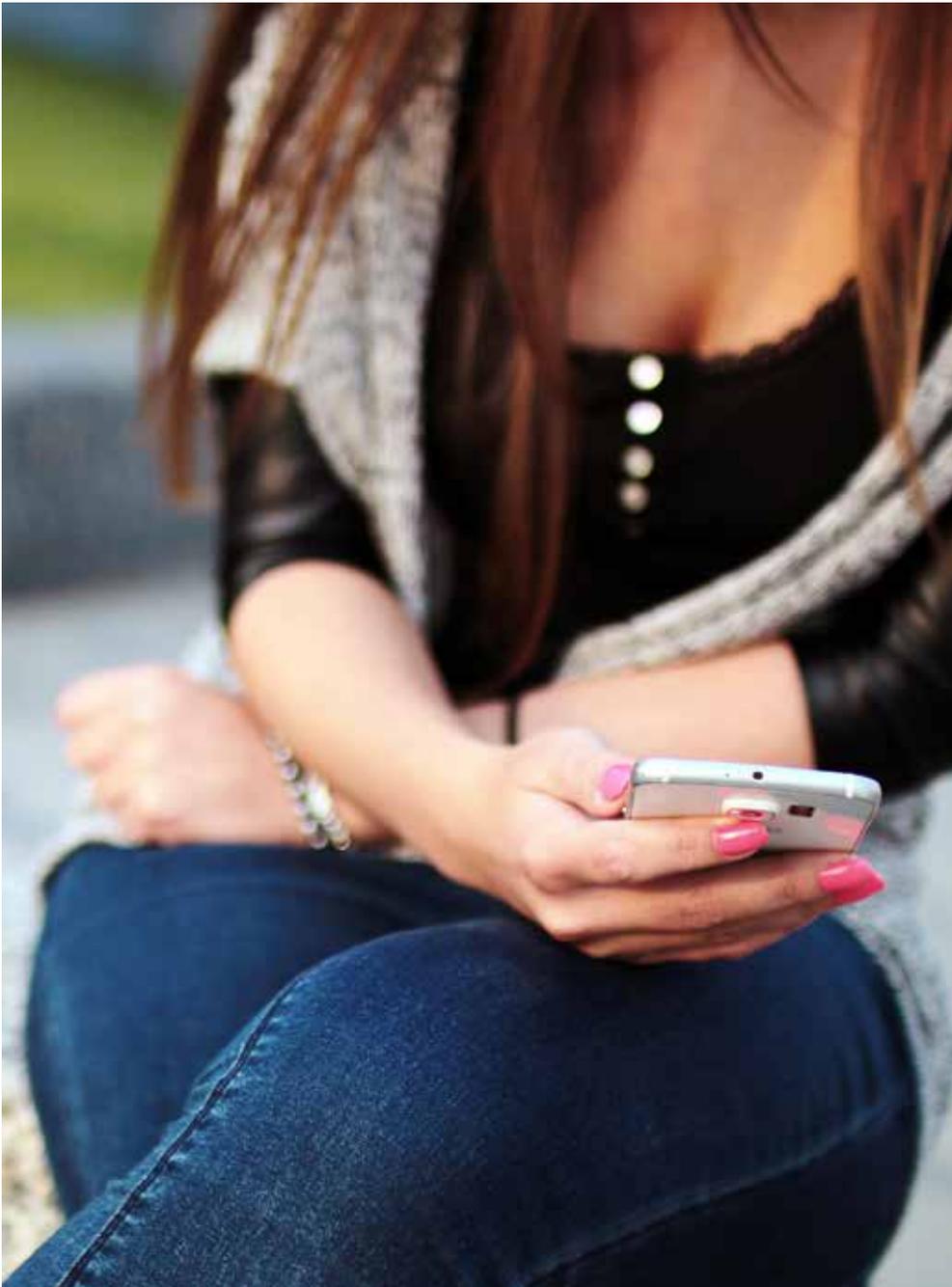
And to put this into context, past CX Score research in the banking, jewelry, automotive and FMCG sectors have uncovered scores ranging between 45 and 68. So fashion really is leading the pack.

H&M, ASOS, Next, New Look and Forever 21 are the top 5 ranked brands from our study, with scores between 76 and 83. We also found that high street brands perform better in the digital space than online-only brands (with the notable exception of ASOS), whilst affordable brands provide a better customer experience than their premium counterparts. And that's just the start.



This report summarises our findings and brings insights and opinion around the trends, watch-outs and tips it exposes. From m-commerce to the growing phygital experience, here's a snapshot of the key themes that can help brands transform their CX.

*To get the full detail behind this report or to find out your brand's CX Score, email [alastair.cole@enginegroup.com](mailto:alastair.cole@enginegroup.com)*



# FROM BROWSING TO BUYING: THE RISE AND RISE OF M-COMMERCE

By Alastair Cole, Chief Innovation Officer  
at Engine Group

It was always on the cards, so it shouldn't come as a surprise – but the time is now.

For several years, we've seen a gradual shift towards mobile commerce being the primary channel for retail sales. It was predicted that there would be an eventual tipping point, where online retail commerce would take place primarily on mobile devices as opposed to desktops. 2016 has proved to be that moment.

CX Score found that users were more likely to successfully complete a fashion transaction on a mobile than on a desktop. The result is close, with a score of 82 for desktop and 84.7 for mobile. But for one task in particular – purchasing a recommended matching item – there's a 5% greater completion rate for mobile. It's a clear indication that change is happening – right now.

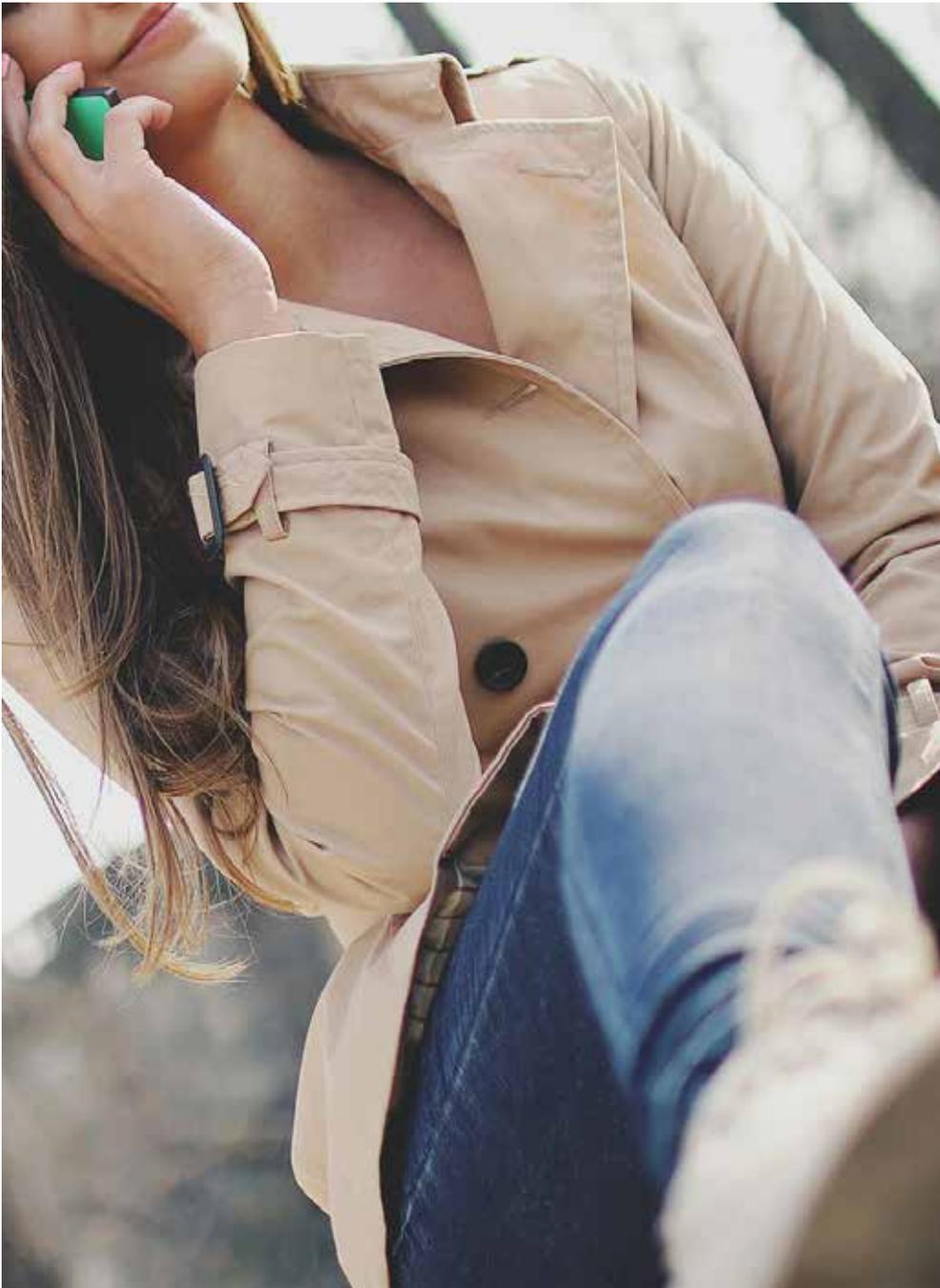
## **Changing behaviour**

The prevalence of downtime browsing on mobile devices is a huge factor affecting m-commerce trends. Whether it's on the

Tube or on the sofa during an ad-break, people are increasingly using their free time to have a look at what's out there. Say you're browsing outfit inspiration for the winter. You might have a board on Pinterest dedicated to your new season wardrobe. And when you've added an item you like, it takes just one click to get you to the product's website.

The retailer websites which provide easily consumable mobile content are then taking the lead in converting browsers to buyers. Taking advantage of popular browsing sites like Pinterest and Instagram to provide click-through content is exactly how to direct customers to your sites and generate sales.

So that's downtime covered. But customers are also using their devices for on-the-go browsing. With retailer websites so readily accessible, consumers are frequently using their devices to look for deals, research products, and compare prices. The immediacy of mobile browsing means the transition from 'want' to 'buy' can be shorter than ever.



## M-commerce vs. the real world

So, which brands need to think about m-commerce? We know how easily mobile browsing can convert to sales, and brands need to recognise that an increasing number of consumers are using their devices to shop and to buy.

Mobile experience is absolutely vital for online-only retailers whose traffic will primarily come from online browsing. For these brands, it's crucial that the transaction process on a mobile is as quick and seamless as possible. How often do we put an item in a basket on a mobile, get to the 'checkout', and give up once it's asked for the 3rd line of your address? An online-only brand cannot afford to lose the customer at any point in the ecommerce purchasing process as it is their only means to securing a sale.

Interacting with a brand through your device is just one of the multiple touchpoints which all brands now have available to them. It is now almost impossible for a customer to solely engage with a brand through one point of contact, making it even more important that m-commerce is optimised to drive sales.

The net is wider, but the holes are bigger. So whilst a far-reaching approach may create more ways to engage and communicate with customers, it can also generate more ways to lose them.

## What are customers looking for?

As more and more brands invest in mobile friendly sites, it's becoming clearer what people are looking for and what exactly has pushed m-commerce to take the lead over ecommerce on sales. Websites need a clean design with simple navigation, minimal clicks and form fields, and pop-up free browsing. No-one wants their customers thinking their personal details are at risk thanks to a load of spammy pop-ups and hundreds of pages to work through.

So what's the future? We know that too much complexity alienates customers. The potential for m-commerce to help simplify and streamline the retail process is constantly growing. Seamless payment services such as Apple Pay make the physical transaction quicker than ever, while devices like

beacons are merging the physical and digital world to mean m-commerce could also become the most enjoyable retail experience. That's something brands can't ignore.

*To find out more about how m-commerce can transform customer experience, contact [alastair.cole@enginegroup.com](mailto:alastair.cole@enginegroup.com)*

### Mobile optimized pages get brands to the top

Platforms are now developing their own projects to help make super-fast mobile pages, for example Google's Accelerated Mobile Pages (AMP). Not only do these initiatives improve mobile experience and thus are more likely to generate sales, in the long run Google search will favour AMP sites over pages with otherwise identical ranking.



# FORGET 'DIGITAL' – WELCOME 'PHYGITAL'

by Gemma Ghelardi, Strategist at Engine Group

Would you be surprised to learn that high street brands actually provide better online customer experience than online-only brands? Seems counter-intuitive doesn't it. But there's something to be said for brands who are navigating beyond just the digital. They are embracing the 'phygital'.

The 'phygital' is where the physical and digital worlds combine. So whilst high street brands receive an average CX Score of 79, online-only brands are trailing with just 71.

It seems there's something to be said for thinking beyond traditional platform definitions.

## **Why it's important to think phygital**

The communications landscape is becoming increasingly complicated for brands. How do you reach your customers, when they are operating beyond the predictable places?

The new 'phygital' shopper was born in the 1990s and doesn't see a difference between the physical and the digital. They use their mobile phones to browse stock levels in the shop they're already standing in.

So ecommerce brands need to think in the same way. It's no longer enough to be simply 'digital'. In fact, for savvy brands, there is no 'digital'.

After all, the very best experiences don't occur on screen – they can now happen instore. Think of Charlotte Tilbury's VR pods in Selfridges or YSL Beauty's Google Glass make-up tutorials, which merge the best of the digital and the real. Augmented and virtual realities have transformed the in-store experience arguably more than an extra sales assistant ever could.

And likewise, we're now realizing the age-old brand ambition of recreating the in-store experience online. Virtual experiences like Ted Baker's shoppable videos give customers the level of immersive experience and customer service they could expect from the real world.

That might go some way to explaining why online ecommerce brands don't perform as well as high street brands online – quite simply, because their thinking is restricted to just one platform.

## Navigating the traps

So, should brands be encouraged to attempt phygital experiences, no matter what their platform bias? Absolutely - but only with proper planning in place.

That's because there are lots of pitfalls involved when you navigate the phygital. Scattergun messaging is an obvious no-go. Instead, brands should work to understand the strengths of each platform. Mobile is the medium of convenience and browsing, for example, but laptops still come top for purchase completion – not forgetting that people can start journeys digitally, but finish them instore too.

With such an inherently complicated purchase journey, marketers should embrace fluidity in their customer experience. It must be easy to move between platforms without interruption – or worse, disruption. Anything that jolts the customer out of their seamless perception of the phygital will be damaging.

To do this, brands need to consider the details. Low stock levels in the real world need to be reflected quickly in the online world in order to manage disappointment and maximize customer experience, for example. What starts out as an advantage can quickly turn sour without proper connections in place.



It's no longer enough to be simply 'digital'. In fact, for savvy brands, there is no 'digital'.

## Getting it right

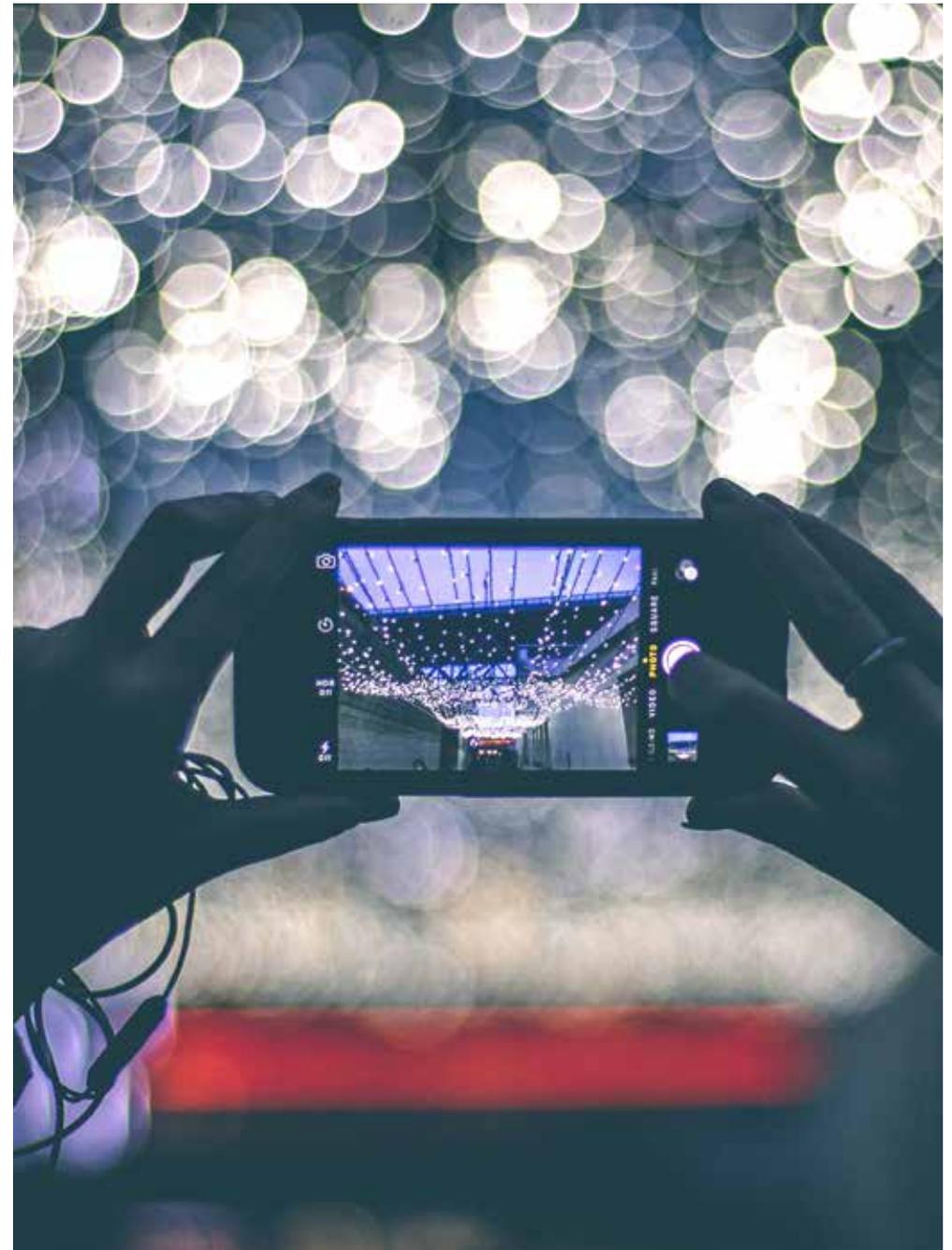
Working through these issues can yield untold rewards. As the lines continue to blur between platforms, fearless brands won't hesitate to tap into the collective power of 'online' and 'instore' to create the ultimate, uninterrupted customer experience. The old adage of a sum being greater than its collective parts holds very true here.

And fortune will favour the brave; it's those brands who admit that traditional channel marketing may have had its day who can win the ecommerce sector. Those who talk about 'digital' or 'in-store' will most likely lose.

It's time to say goodbye to one-dimensional experience forever.

*To find out your score or more about how to navigate the phygital, contact [gemma.ghelardi@enginegroup.com](mailto:gemma.ghelardi@enginegroup.com)*

**9 out of the top 10 CX Score brands came from the high-street. These brands' online presence is more engaging, with people spending on average 73% more time on their sites than with their online-only counterparts.**



# THE STATE OF FASHION ECOMMERCE, ACCORDING TO CX SCORE

25 UK RETAILERS

540 FEMALE USERS (18-45)

## THE METHODOLOGY



CATEGORIES  
AFFORDABLE/PREMIUM  
HIGH STREET/ONLINE-ONLY  
UNISEX/WOMEN-ONLY

Good content makes users stay a third longer on site

Time on site:



Brands with bottom 5 content:

03:55  
minutes

Brands with top 5 content:

05:20  
minutes

Average time on site for the top and bottom 5 content provider brands

Product recommendations give 140% more page views



Average number of page views of top 5 brands with and without recommendations

People spend 73% more time with high street brands

Time on site:



Online only:

03:57  
minutes

High street:

06:51  
minutes

Average time on site of the top 5 high street and online-only brands

Almost 3 minutes more spent on unisex brands than women-only brands



Average time spent on top 5 unisex and women-only brands

Affordable retailers have a third better bounce rate

Bounce rate:



Affordable brands:

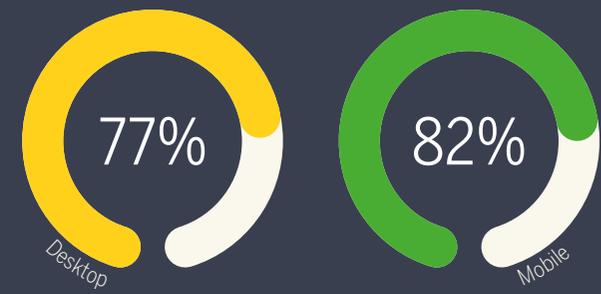
24%

Premium brands:

38%

Average bounce rate of top 5 affordable and premium brands

5% more users were able to successfully 'complete the look' on mobile



Average task completion rate on mobile and desktop

# PRICELESS LEARNINGS FROM AFFORDABLE BRANDS

By Alexa Turnpenney, Content Editor at Engine Group

It's a fact commonly acknowledged in the luxury world – the online experience of most premium brands needs work. Ecommerce is a new and unfamiliar space for lots of luxury brands, who are used to providing world-class experiences and content in-store, but fear that the leap online could undermine the quality they are so renowned for. It's a tricky conundrum.

As such, it may not surprise many luxurians to hear that our CX Score report found that customers browsing affordable websites experience 14% lower bounce rates than those browsing premium sites. They also are 16% more likely to complete a checkout process and spend on average an extra 1 minute and 30 seconds on site, compared with luxury brands.

So how are affordable brands doing it – and what can premium brands learn from their low-budget counterparts?

## **How affordable brands are winning at customer experience**

In the real world, you'd expect a better experience in Versace than you would in Primark. But in the ecommerce world, affordable brands are coming into their own.

That's because affordable brands are concerned with the basics. Like the items they retail, they keep it simple. Sites like ASOS and H&M, which scored highly on CX Score, organise their site with ease of navigation in mind. Simply put, the customer can easily find what they're looking for.

It often might not be pretty (and perhaps this is an insight into why premium brands steer clear), but CX Score found that an affordable brand's primary navigation works best when it follows a simple template which is recognisable and familiar. Best-in-class examples involve big navs, simply categorised – for example, you click on your gender, then your item, and then even down into styles of that item. A clear visual hierarchy, with all of the information in one place, makes it easy for customers who know exactly what they're looking for.

This clear structure is then supported by popular shortcuts in a prominent position on the site – 'new in', 'sale items' and 'this season's must-haves' encourage customers to browse, enticing people who came to the site without a specific purchase in mind.





By catering to different audience needs immediately, the customer easily finds their way into the next level of the site. And that's when brands can really capitalise upon customer experience.

### Facilitation, not frustration, at every stage

Any UX designer worth their salt knows that the key to a good user experience is in a simple journey. Customers drop off fairly quickly when a task becomes too complicated. And this is where brands can often get in their own way.

Take the 'like' or 'wishlist' function as an example. This is pretty crucial for ecommerce sites, as it allows customers to save the items they like for later, without the commitment of adding them to the shopping basket. However, if this function requires a log-in before it can be used, brands can immediately alienate a user who could otherwise have been moved to purchase. Affordable brands often use cookies to initially allow customers to use the wishlist function, then more subtly prompt them to sign in at a more convenient stage of their journey.

Other little shortcuts to purchase – like incorporating the wishlist into the shopping basket or using cookies to personalise categories that users have previously spent time on – are cleverly integrated by the affordable brands that topped CX Score.

According to CX Score, the top 5 scoring fashion ecommerce brands were all affordable.

The first premium brand to make the list was Ted Baker, but didn't appear until number 13.

### Transforming the luxury experience online

Luxury players are traditionally strongest in the personalised content space – both in real life and online. Of the luxury brands we scored, we found that brands like Mr Porter performed best on quality content. Indeed, luxury publishers and high fashion houses have always built lasting relationships with brand advocates by creating exclusive, personalised content that affordable brands have been unable to match.

The issue therefore is often with governance and UX, rather than with the actual content itself. By surfacing premium content at the right point in the online journey, premium brands can begin to make up some of the difference.

After all, according to McKinsey & Co, online sales in the luxury sector are set to triple in the next decade. By 2025, the online share of total luxury sales is expected to be 18%, worth a massive €70 billion annually. With this growth on the horizon, premium brands' CX will have to keep up. And they can learn some lessons about transparency and simplicity from their lower budget counterparts to help them get there.

To find out which affordable brands are winning CX in your sector or how luxury brands can transform their CX, contact [alexa.turnpenney@enginergroup.com](mailto:alexa.turnpenney@enginergroup.com)

# WHY CONTENT IS STILL KING

by Matt Williams, Head of Creative Content at Engine Group

Content. The buzziest of buzzwords for the last few years. 'Content' has been a notoriously difficult definition to pin down, because it means different things to different people and can be applied to almost anything that a brand publishes.

In the case of this report, and in our work with clients more generally, we consider content to be any assets found during the customer experience. Which is a useful insight for brands to think about.

## **Only publish strong content**

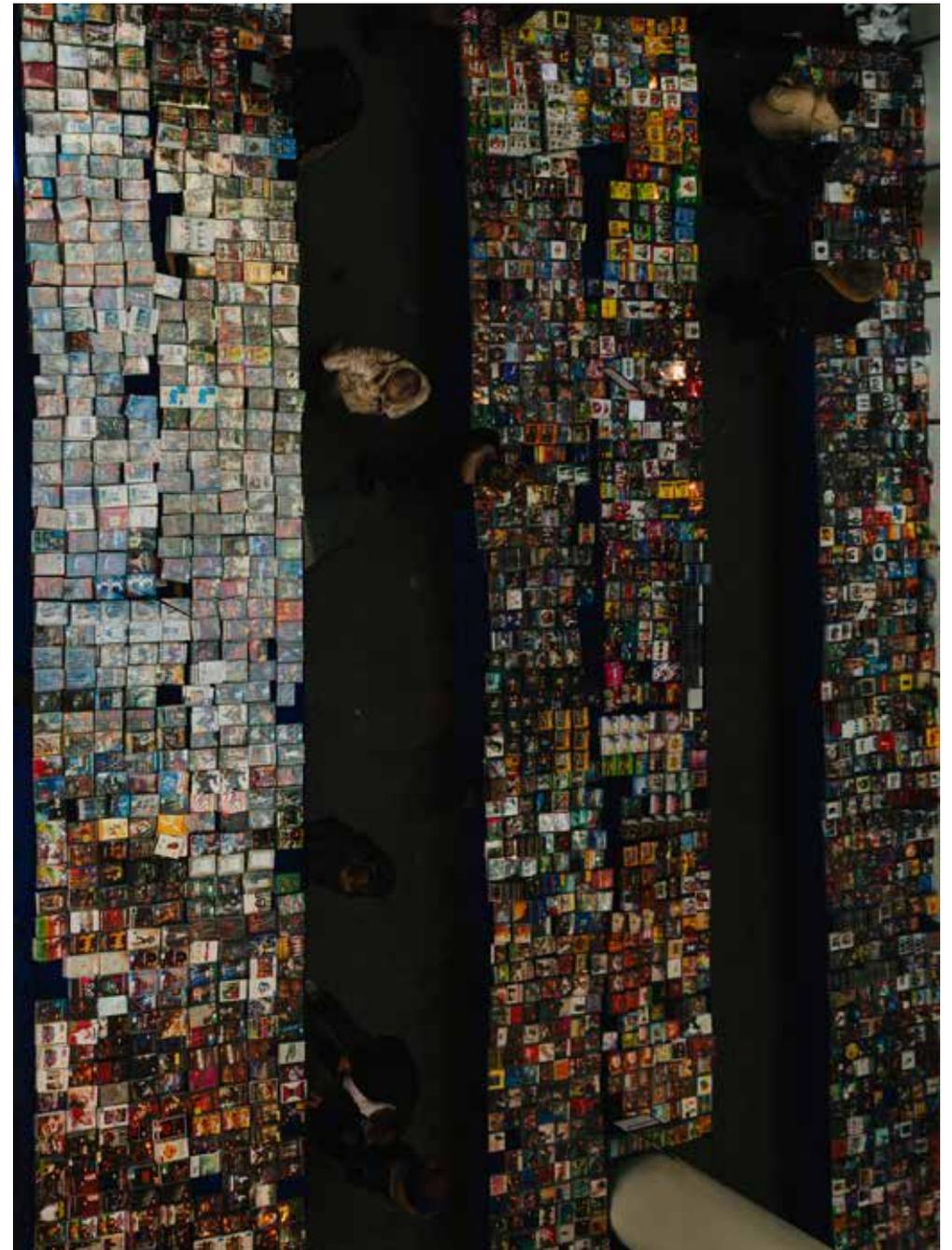
Everything a brand says should be considered, governed, curated and cultivated – with the same degree of rigour that content marketers have been doing with blogs, videos and 'traditional' content formats for years.

After all, you're only as good as your weakest asset. So it's well worth cultivating a critical content eye.

Unsurprisingly, good content encourages users to stay on a brand's website for longer, whilst weaker content fosters a higher drop off rate. CX Score found that the ecommerce retailers who published stronger content experienced 21% lower bounce rates than those with weaker content. And the longer a customer stays on your site, the longer they have to browse and the more likely they are to convert to a sale.

Ecommerce fashion brands have a huge arsenal at their fingertips to create great content. Celebrity style icons, Fashion Week trends, the woman on the street, and their own data of purchase histories give a brand a huge pool of content to pull from.

And with this bank behind them, they can begin to produce the kind of quality content – partnerships with magazines and lifestyle brands, lookbooks, editorial articles, ambassadors, and user-generated communities – that will ensure they're on to a winner.





## The importance of curation

So what is the best content for an ecommerce site? It's actually not that complicated. In fact, a simple product recommendation function could see your brand reap the rewards of 140% more page views. Like that dress? How about these similar dresses, or a pair of shoes or handbag to go with it? This genuinely helpful curation can make all the difference. And that's reflected in the fact that 17/25 brands in the fashion ecommerce sector are already doing it in some form or another.

In fact, CX Score showed that smart, personalised recommendations – either those curated by a stylist, or those garnered via data – result in a 10% higher task completion rate. Upselling and cross-selling are no longer sales techniques – they're a content opportunist's dream.

But it doesn't just stop with the brand. User-curated shopping experiences take the customer's interaction with the brand from monologue to dialogue. By allowing customers to create looks, save items they like and ultimately share those creations with others, they immediately become brand advocates.

And brands can exploit this opportunity even further. Take the Net Set (from ecommerce experts Net-A-Porter) as an example. Marketed as an opportunity to 'share and shop with the world's most

stylish women', it allows customers to express their own style as well as browse the collections of others. And so a whole community of advocates is born.

## Making it easy to say yes

As ecommerce sites gain access to more of their customers' data through interactions with them, they can learn and customise their content to offer a more personalised experience.

And in a world of fierce, immediately available competition, the opportunity to curate personalised content is a sure fire way to prove to your customers that you are worthy of their time. Once you've shown this, they are likely to spend even more time with you as reward.

After all, fashion decisions are rarely as rational as 'I need a new t-shirt'. Rather, they are aspirational, fun,

and ultimately based on friends, influencers and trends. So if you can get a customer to spend more time on your site by providing quality content, you have more chance of converting those page views into sales.

*To find out more about how content can affect customer experience or to find out your score, contact [matt.williams@enginegroup.com](mailto:matt.williams@enginegroup.com)*

**Unisex brands have 312% more page views than women-only brands. Simply put, they have more content. But this isn't an excuse for brands to publish quantity at the expense of quality.**

# OUR METHODOLOGY

Fashion ecommerce was always going to be a fascinating sector. Here's how we got under its skin.

## The process

We applied CX Score to 25 ecommerce fashion brands. We chose well-known brands, with good market share, from all across the sector – including affordable, premium, high street and online-only brands.

We created a comprehensive score for CX based on qualitative and quantitative measures that allow us to gauge the successes and failings of each brand – and of the sector as a whole. Once we ascertained the scores, we created this report to give ecommerce brands an insight into how they can transform their CX.

## How does CX Score work?

CX Score applies weighted scoring algorithms across three distinct views of a brand's customer experience – the data view, the user view and the expert view. We combine all of these weighted measures together to produce a single score.

### 1. The user score

We enlisted 500 online and 40 in-person testers. All candidates performed three tasks and answered five questions about their experiences. All testers were women from the UK, aged between 18 and 45.

### 2. The expert score

A team of five Experience Designers and UI Designers assessed websites based on navigation, content, brands and accessibility.

### 3. The data score

Appropriate metrics were drawn from publically available web analytics and performance data for the month of June 2016.

As the importance of m-commerce is growing (36% of online adults globally are now mobile shoppers), we asked half of our testers to complete the three requested tasks and answer the five questions on their mobile devices (phone or tablet) and the other half to complete them on desktop. Our report analyses sites, not apps, on mobile.

## Contact Us

To get the full detail behind this report or to find out your brand's CX Score, email [alastair.cole@enginegroup.com](mailto:alastair.cole@enginegroup.com)



# HOW WE CHOSE OUR BRANDS

We knew that CX Score would be relevant for the biggest and most familiar names of the fashion industry. So we chose 25 of the most frequently visited UK fashion retailers, taking into consideration their costing and location, and rated their day-to-day ecommerce customer experience.

Here's how we break down the six retailer categories of CX Score:

## Premium brands

'Premium' means different things to different people. So we took its benchmark to be when a retailer's average dress costs over £100. Luxury is synonymous with exclusivity, so it's no surprise that our premium brands have a limited product range and tend to offer discounts to get rid of leftover stock.

## Affordable brands

It's the more affordable brands which really drive high street fashion as we know it. This category covers all retailers with an average dress costing under £100. A wider product range means that affordable brands are more flexible with discounting – although they often coincide with seasons or events to meet mass-consumer trends.

## Online-only brands

Living in the digital world means brands can now survive solely online. Online-only brands have taken out the physical experience of shopping in-store and replaced it with the click of a button. Their products are only stocked online and are rarely offered via external retailers.

## High Street brands

High Street brands are recognised primarily for their in-store locations across the UK, but they have in more recent years made their products available online to keep up with the changing shopping trends.

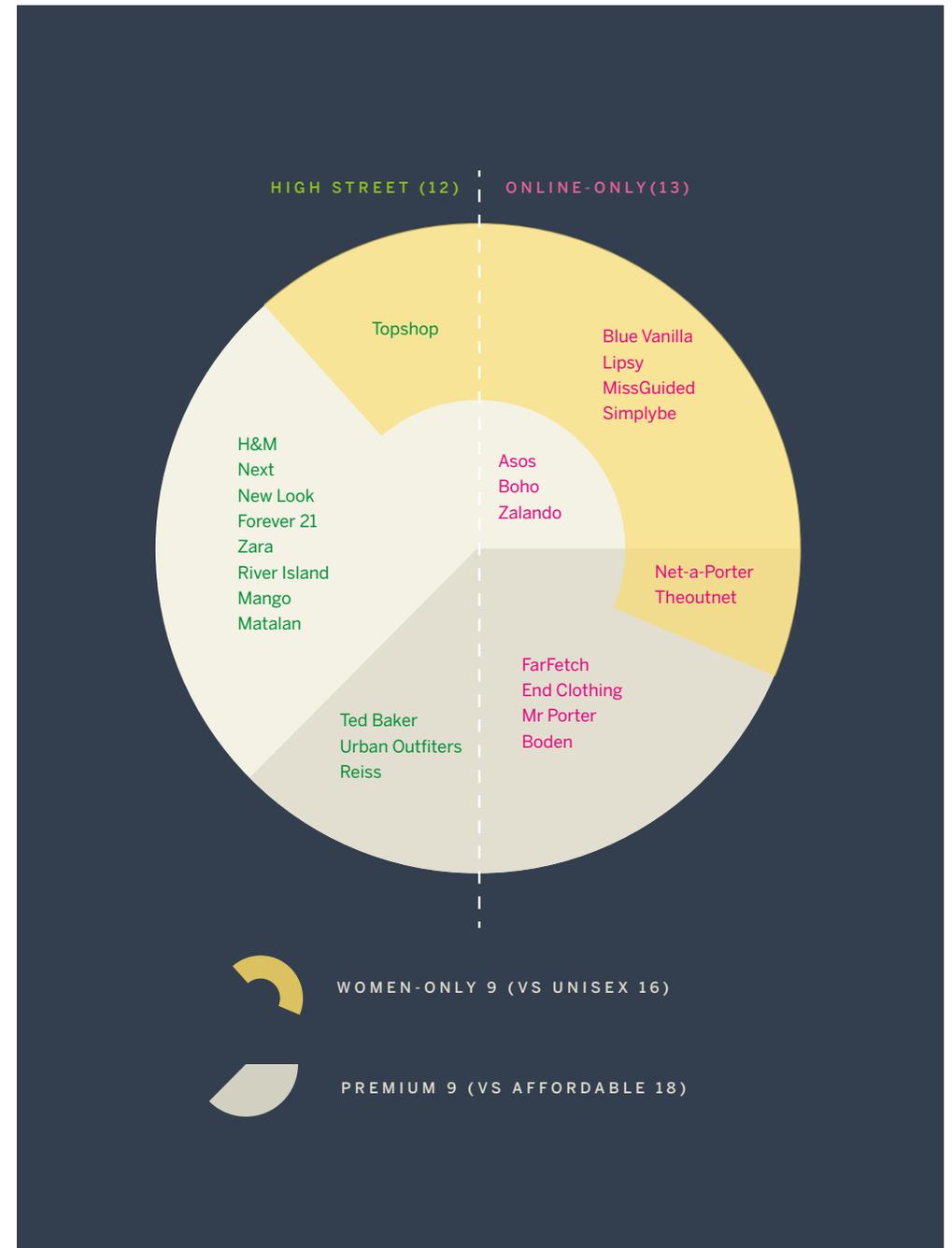
## Unisex brands

Brands who offer product categories which cater for both men and women often have a lot more content on their sites, making the choice available to the consumer a huge factor in influencing the CX.

## Women-only Brands

The majority of the brands we chose offered products for men and women, but we needed to make sure CX Score covered women-only brands too.

Once we had found these six distinct categories, we were confident we had a good representation of the state of customer experience within the fashion industry. What was yet to be seen was how these categories overlapped, and what that meant for CX Score.



# CONCLUSION

CX Score always turns up a few surprises – and the fashion ecommerce sector was no exception.

The weakness of luxury brands in ecommerce UX was as surprising as it is uncomfortable, whilst the simple revelation that a product recommendation can garner 140% more page views is one that brands should seriously consider. M-commerce continues to be the trend to watch, whilst the phygital can open up unexplored avenues for brands bold enough to make the leap.

These micro insights are valuable, but the bigger picture is just as crucial. Above all else, our research makes it clear that there are many factors which affect the complex world of digital customer experience. That makes it full of opportunities – and full of stumbling blocks.

Undoubtedly though, the first step to improving CX is measuring current successes, failures and areas for improvement. From there, brands can work out the proper steps for improving their score.

After all, with one fifth of all retail income currently taken through digital touch points (and this share set to rise), creating a better customer experience will continue to be the biggest factor in driving incremental income.

So it's really no surprise that the 25 retail brands we assessed (and numerous others we didn't) are working hard to address their most pressing CX challenges. Our research can offer a valuable insight into emerging trends, as well as specific scores for each of the 25 brands across the full spectrum of customer experience.

*To get the full detail behind this report or find out your brand's CX Score, email [alastair.cole@enginegroup.com](mailto:alastair.cole@enginegroup.com)*

