SITEWORX

2014

STATE OF MOBILE FEATURES & FUNCTIONALITY REPORT

ONLY

WILL BOAST AVERAGE SMARTPHONE PENETRATION RATES

ABOVE

50%

IN 2013

AMONG MOBILE USERS.[1]

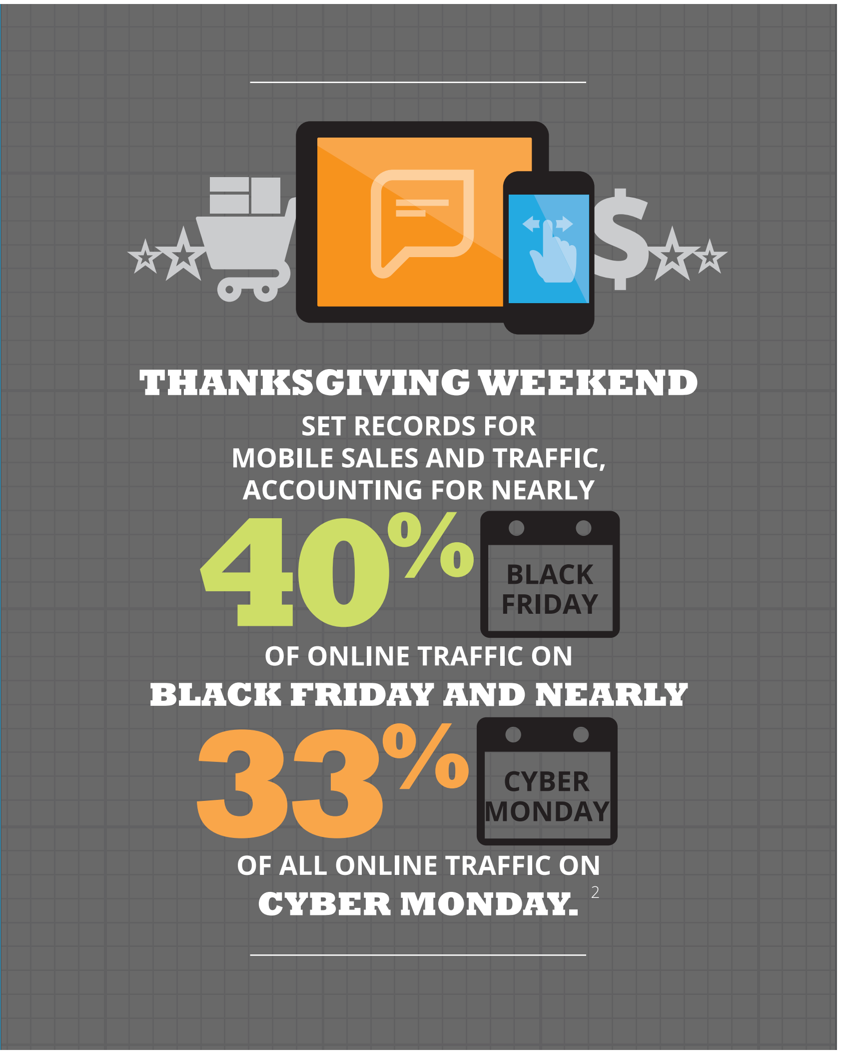
1/ Smartphone Adoption Tips Past 50% in Major Markets Worldwide by eMarketer, http://www.emarketer.com/Article/Smartphone-Adoption-Tips-Past-50-Major-Markets-Worldwide/1009923#cz0XEISAEZfBUKlu.99, May 29, 2013

2014
STATE OF MOBILE FEATURES & FUNCTIONALITY REPORT

INTRODUCTIO

As a digital experience agency frequently engaged by enterprise-level clients to advise on their web and mobile strategies, Siteworx is continually looking to better understand the quality of mobile and tablet buying experiences . To accomplish this, Siteworx conducted a brief survey of Internet users from December 27 – December 31, 2013.

ON



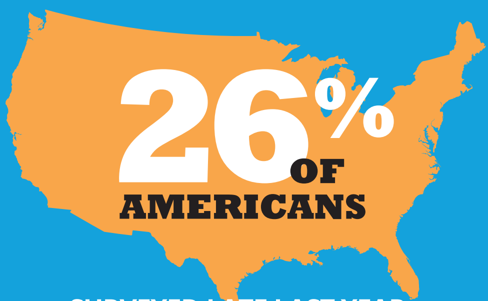
In last year's report, we highlighted the importance of developing a strategy that incorporates all of your brand touch points. We also predicted that the level of mobile penetration would continue to increase, and this past holiday season did not disappoint.

According to a recent IBM Digital Analytics Benchmark published in USA Today, "Thanksgiving weekend set records for mobile sales and traffic, accounting for nearly 40% of online traffic on Black Friday and nearly a third of all online traffic on Cyber Monday... Three years ago, mobile accounted for just 4% of Cyber Monday online traffic." [2]

As more consumers adopt the latest mobile devices, new technical and design challenges mount for digital marketers as they look to enhance the digital experiences they are delivering. This year's report analyzes our survey findings to uncover mobile and tablet user preferences and tendencies, the most significant of which is that digital marketers must recognize and address the growing expectations of mobile and tablet users for more immersive, engaging experiences. Furthermore, the report highlights opportunities that businesses can take advantage of to complement and enhance the customer buying process both online and offline.

2/ Mobile shopping goes mainstream this year by USA Today, http://www.usatoday.com/story/money/business/2013/12/05/holiday-mobile-shopping/3868435/, December 5, 2013

KEY FINDINGS



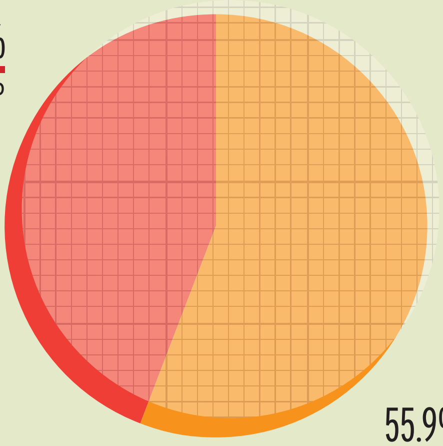
SURVEYED LATE LAST YEAR
REPORTED OWNING A

LAPTOP, SMARTPHONE & TABLET,

UP FROM **10%** IN 2011.[3]

3/ 26% of Americans Own a Laptop, Smartphone, and Tablet by Marketing Charts, http://www.marketingcharts.com/wp/interactive/26-of-americans-own-a-laptop-smartphone-and-tablet-28015/, March 21, 2013.

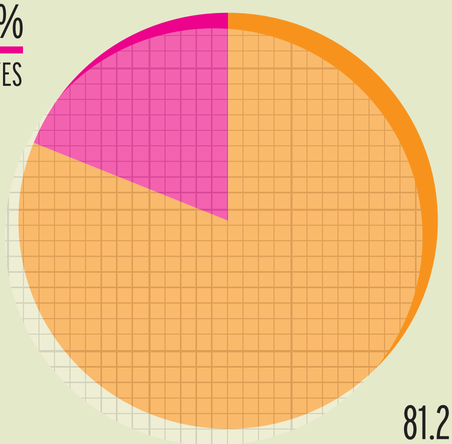
QUESTION: When shopping on a smartphone, do you prefer to use a retailer's mobile website or download their mobile app?



FROM 2012 TO 2013: SMARTPHONE USERS STILL PREFER TO SHOP USING A MOBILE RETAIL WEBSITE OVER DOWNLOADING A MOBILE APP

Among all respondents, more than 55% expressed a preference for shopping on a retailer's mobile website versus a mobile app.

QUESTION: This holiday season, did an in-store sales associate provide you the opportunity to complete a transaction from a mobile or tablet point of sale (PoS) device?



POINT OF SALE (POS) DEVICES GREATEST AREA OF OPPORTUNITY FOR RETAILERS

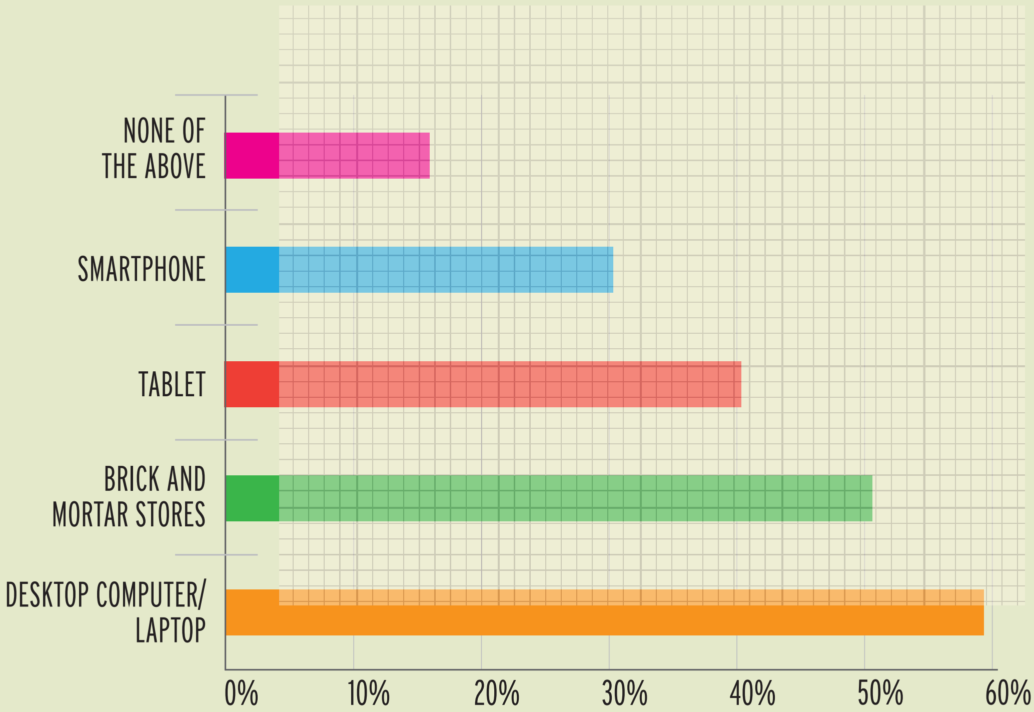
Of respondents who visited the brick and mortar store to make a holiday purchase in 2013, an overwhelming 81.2% indicated that they were not provided the opportunity to complete a transaction from a mobile or tablet PoS device.

KEY FINDINGS

SHOPPERS TURN TO DESKTOP AND LAPTOP COMPUTERS INSTEAD OF BRICK AND MORTAR STORES TO PURCHASE HOLIDAY GIFTS

Among respondents, most purchased their holiday gifts this year using their desktop/laptop computers. Tablets were the third most frequent way respondents purchased their gifts while smartphones came in fourth.

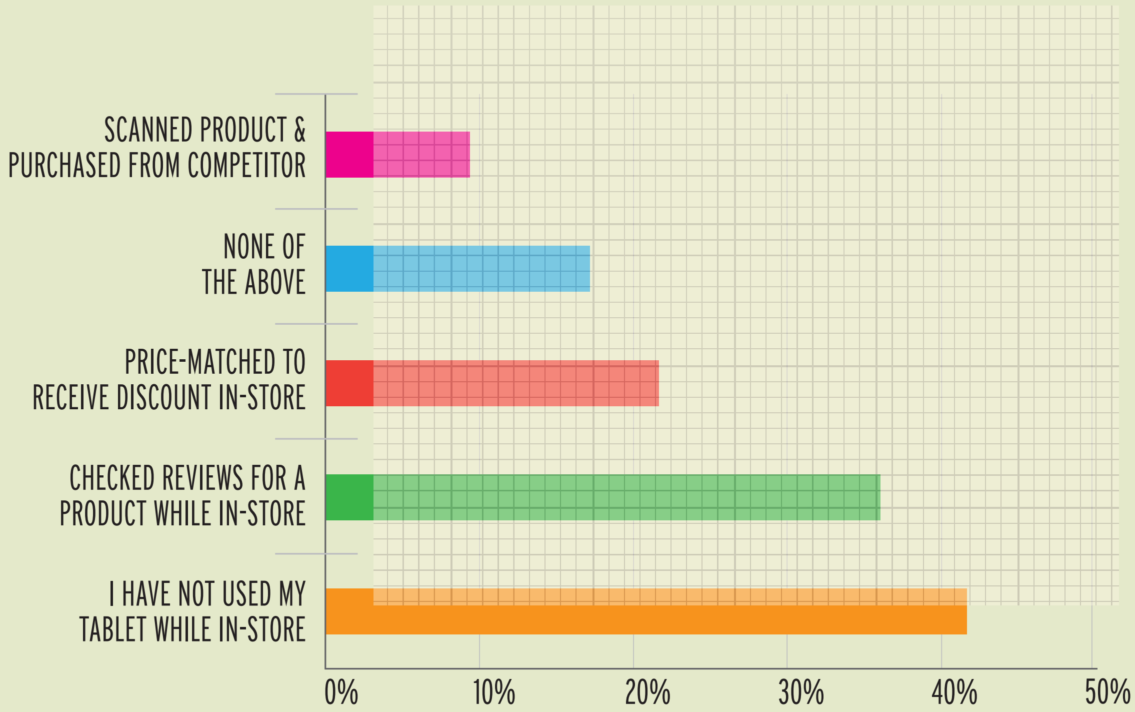
QUESTION: How did you purchase your holiday gifts this year?



SHOWROOMING STILL A THREAT

Among respondents who indicated they used their tablet during the 2013 holiday season, 36.1% checked reviews for a product while in-store. 21.7% of respondents used their tablet to price-match to receive discounts while in a store. 9.4% scanned products and purchased from a competitor.

QUESTION: This holiday season, which of the following have you completed with your tablet?

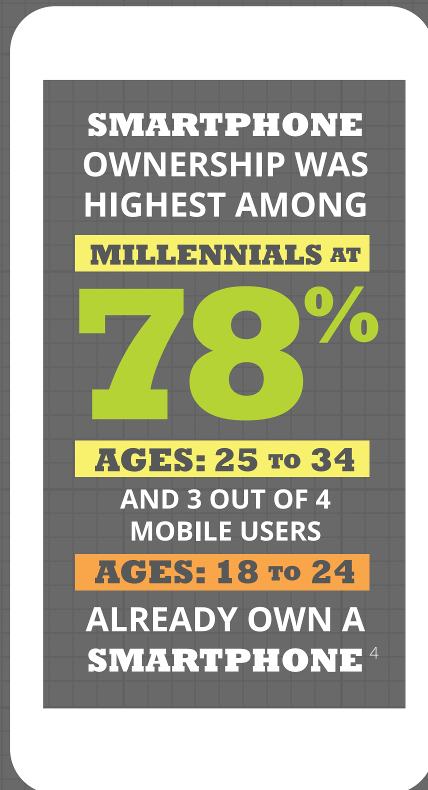


2014

STATE OF MOBILE FEATURES & FUNCTIONALITY REPORT

INSIGHTS

In our second year of conducting this investigative survey, we are presented with the opportunity to conduct a comparative analysis of the findings from our 2013 report to the findings featured in this year's report. In doing so, we've noted areas that have seen the greatest amount of growth as well as the areas where user preferences have seen the most changes.



The following section includes specific insights from this report that we feel are worth noting. This includes a comparative analysis against our 2013 report as well as five key recommendations to consider when developing your mobile and tablet device strategy. These recommendations are based on our survey findings and extensive expertise in designing and implementing mobile websites, mobile applications and responsive websites for companies across a wide range of verticals.

We recommend that you use these key findings as the foundation for strategy development and execution. Explore the full report and determine the potential impact our survey findings have on your target audiences.

4/ Mobile Majority: U.S. Smartphone Ownership Tops 60% by Nielsen, http://www.nielsen.com/us/en/newswire/2013/mobile-majority--u-s--smartphone-ownership-tops-60-.html, June 6, 2013

COMPARATIVE ANALYSIS

HOLIDAY SHOPPERS STAYING BEHIND THE COMPUTER SCREEN AND GETTING OUT OF THE STORE

This year, the convenience of shopping within the comfort of one's own home or office (or other favorite location) trumped the experience of going out and facing the holiday crowds. In our 2013 survey, we found that 48.1% of respondents purchased their holiday gifts by visiting a brick and mortar store. In this year's survey, we found that more than 59.2% of survey respondents indicated that they used their desktop or laptop computer to purchase their holiday gifts while 43.8% of respondents indicated they visited brick and mortar stores.

We also noticed a significant increase in respondents turning to their smartphone devices to make their holiday purchases. In our 2013 report, 3.4 percent of respondents indicated that they used their smartphone device to make a holiday purchase. Our recent survey findings revealed that more than 37% of respondents indicated they used their smartphone device to make a holiday purchase.

These findings are also supported by IBM in their recent, IBM Digital Analytics Benchmark. According to Alert: Online Mobile Sales Jump 46% Over Full Fourth Quarter, mobile accounted for 16.6 percent of all online sales, up more than 46% over the same period last year.[5] With this information, we can expect that an increasing number of holiday shoppers will continue to turn to their digital devices to purchase holiday gifts in the coming years. As a result, retailers must find a way to bridge the gap between the in-store and digital experiences.

MOBILE APPS GAINING GROUND ON MOBILE WEBSITES: HOLIDAY SHOPPERS BECOMING MORE COMFORTABLE MAKING PURCHASES ON THEIR MOBILE APPS

Among all respondents in our 2013 report, the majority indicated that they prefer to shop on their smartphone device using a mobile website versus a mobile app. Results for our 2014 report are consistent with last year's findings except for one thing: preference for mobile apps is growing. In 2013, 34.3% of respondents indicated that they prefer to download a mobile app when shopping using their smartphone device. This year we saw a significant increase in this statistic with 44.1% of respondents indicating they prefer to download a mobile app.

A recent article published by San Francisco Gate[6] highlighted mobile app shopping trends and noted a few recent mobile apps that are making the shopping experience easier and more enjoyable:

• **Shop It to Me:** This app allows you to find today's sales on your personal list of designated brands. The perk of this particular app is that it eliminates the need to browse through multiple sites and cuts down on time wasted browsing through sales that have already sold out of your size.

• **Hukkster:** This web tool and companion iPhone app notifies you when discounts or sale prices become available for items you have saved. Using either a button you install on your web browser or a code from a price tag, it works on products clipped from 500-plus online stores, as well as in-store items from a small group of retailers that includes Banana Republic, Ann Taylor and J. Crew.

As more apps like these become available, customers will be more inclined to turn to mobile apps to make purchases during the holiday season.

MOBILE AND TABLET USERS EXPECTATIONS CONTINUE TO RISE

As more consumers turn to their mobile devices to make holiday purchases, it has become clear that user expectations are higher than ever. Our 2013 report revealed that more than 19% percent of smartphone users cited special offers as the incentive that would most encourage them to download a mobile app. This year, that number grew to 47%. But that's not all. In our 2013 report, 5% or respondents cited streamlined checkout processes as an incentive to download a mobile app. Now, that number has increased to 38% (a nearly 400% increase). Loyalty benefits were also cited more frequently this year in comparison to last year, growing from 11% to 33.6%.

It doesn't stop there. When asked what about their mobile shopping experience makes the purchase easier or more enjoyable, more than 51% of our 2014 survey respondents cited ease of finding products. In our 2013 report, that number was 17%. In our 2013 report, more than 15% of respondents cited access to user ratings and reviews as a feature that makes their mobile shopping experience easier/more enjoyable. Our 2014 report discovered that number has increased to more than 49%. Seeing a trend yet?

It's a lot of statistical information to take in but the key takeaway is clear: user expectations are on the rise. As consumers become more familiar with making a purchase on their mobile devices, they'll become less patient with poor user experiences on mobile website or mobile app. Digital marketers must acknowledge the growing digital sophistication of their consumers and must continually make adjustments to the digital experiences they are providing based on the needs of their customers. Ask yourself: Does my customer prefer a mobile website or mobile app? What would encourage them to download a mobile app? What would make their purchasing experience easier? What features can we implement to make the experience more enjoyable? If you don't have the answers to these questions readily available, ask your customers. Continue to evaluate and reevaluate your digital presence so that you are responding to your customers' changing needs.

5/ Alert: Online Mobile Sales Jump 46% Over Full Fourth Quarter by IBM, http://www-01.ibm.com/software/marketing-solutions/benchmark-hub/newyear.html, January 2, 2014

6/ Mobile shopping apps the trend in holiday shopping by San Francisco Gate, http://www.sfgate.com/style/stylebytes/article/Mobile-shopping-apps-the-trend-in-holiday-shopping-5080474.php, December 19, 2013

KEY RECOMMENDATIONS FOR YOUR MOBILE & TABLET STRATEGY

1 GET TO KNOW YOUR DEMOGRAPHICS

The findings of this report lend some insight into the various types of people that may come into contact with your brand on a regular basis: people of all ages, incomes, genders, etc. As user expectations continue to rise, personalized experiences will no longer be a luxury – they'll be a necessity. Although the effort to get to know your customer may seem like a big undertaking, the end result will be worth the effort. Start by developing user personas and answering the following questions:

- Who is my user? (Including age, gender, annual income, etc.)
- What are their tendencies? (Do they look to your company to gather information, share ideas, or make purchases, etc.)
- What features make their experience more enjoyable? (Is it ease of finding products? Streamlined checkout prices? Access to product reviews?)

By developing a user persona you can begin to prioritize your content that is contextually relevant.

2 TAKE ADVANTAGE OF THE OPPORTUNITY POINT OF SALE (POS) DEVICES PROVIDE

In a new question for our State of Mobile Features and Functionality report series, we asked survey respondents if they were presented with the opportunity to complete a transaction from a mobile or tablet using a point of sale (PoS) device. Much to our dismay, our survey results indicated that more than 8 out of 10 respondents were not provided the opportunity to complete a transaction from a mobile or tablet PoS device.

Although PoS device adoption has been staggeringly slow, PoS devices have been increasingly important for not just the customer's convenience, but for many retailers' increases in sales. Nordstrom, the Seattle-based fashion and beauty retailer, is one company in particular that is reaping the benefits of PoS devices. According to the company's 2012 March Sales Report, "preliminary quarter-to-date total retail sales of $1.73 billion increased 15.3 percent compared with total retail sales of $1.50 billion for the same period in fiscal 2011." [7]

Nordstrom isn't the only retailer that is seeing these types of results; companies like Apple and Home Depot have also instituted PoS devices in their brick and mortar stores and have seen the benefits of increased consistency. If your company is struggling to reduce the digital gap between your offline and online presence, consider adopting PoS devices.

3 CONSIDER INDOOR POSITIONING

Imagine the following scenario described by MIT Technology Review:

You've just tossed a jar of peanut butter in your grocery cart when your smartphone buzzes. You glance down at the screen to see a message that seems downright clairvoyant: Buy some jelly. Get $1 off.

Mobile and tablet devices offer retailers new opportunities to reach and serve customers whenever and wherever they choose. Our survey results indicate that more than 48% of consumers are using their mobile devices to price match and check product reviews while they are in-store. This data shows that there is an opportunity for retail stores to consider indoor positioning.

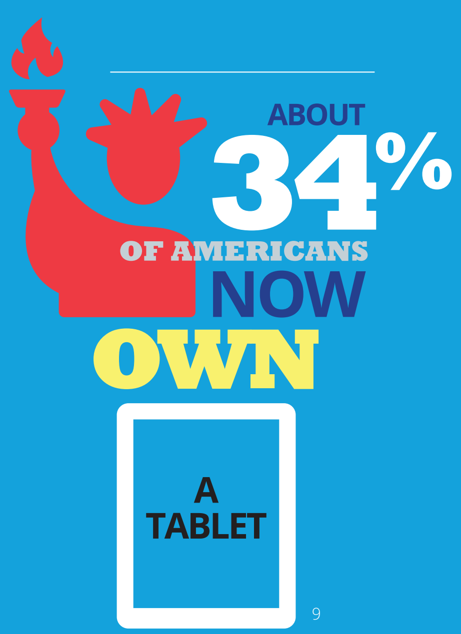
Indoor positioning is an evolving technology that allows retailers to track shoppers' physical movements in unprecedented detail. Indoor positioning technology works in one of several ways by using video cameras, sound waves, or even magnetic fields. In September, Apple added a feature called iBeacon to its smartphones, that emits a low-power Bluetooth radio signal that is also designed for indoor use.[8]

Indoor positioning enables retailers to extend their digital customer experiences to the brick and mortar store, tailor the in-store experience to fit their customers' unique needs and ultimately, increase sales. Although indoor positioning raises questions about consumer privacy, U.S. retailers including Family Dollar and American Apparel have already begun experimenting with the technology. Indoor positioning may not be the right fit for every retailer, but the potential value is worth exploration.

7/ Nordstrom Sees Sales Boost From Mobile POS Devices by Forbes, http://www.forbes.com/sites/kellyclay/2012/04/06/nordstrom-sees-15-3-increase-in-retail-sales-following-introduction-of-mobile-pos-devices/, April 6, 2012

8/ Stores Sniff Out Smartphones to Follow Shoppers by MIT Technology Review, http://www.technologyreview.com/news/520811/stores-sniff-out-smartphones-to-follow-shoppers/, November 12, 2013

SURVEY RESULTS

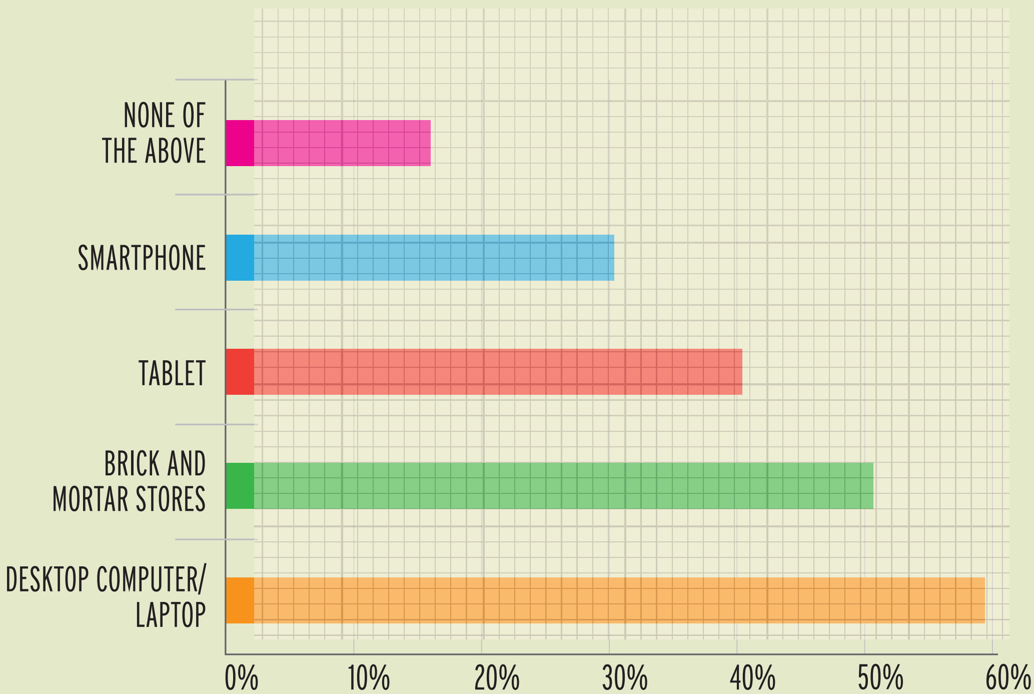


9/ One third of American adults now own tablets by Venture Beat, http://venturebeat.com/2013/06/10/one-third-of-american-adults-now-own-tablets/, June 10, 2013

Q1: HOW DID YOU PURCHASE YOUR HOLIDAY GIFTS THIS YEAR?

OVERALL

Among respondents, 59.2% purchased holiday gifts using their desktop/laptop computers. 40.3% used their tablets to purchase gifts while 30.3% used their smartphones.



BY GENDER

Of respondents that indicated they purchased holiday gifts using their desktop computer, 62.4% were female. Of the respondents that indicated they visited the brick and mortar store, 45.8% were male.

BY AGE

All age groups indicated that using their desktop and laptop computers was the preferred method of choice when purchasing gifts this holiday season. Among respondents that indicated they purchased a holiday gift using their smartphone device, 54.8% were in the 25 – 34 age group.

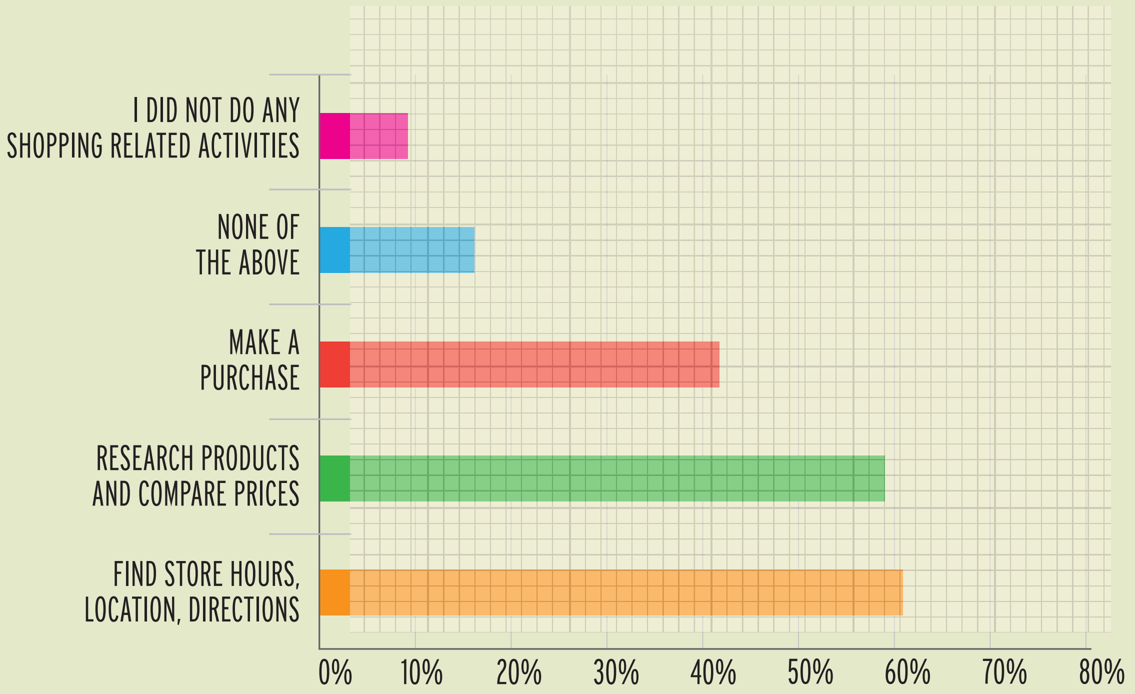
BY HOUSEHOLD INCOME

Of the respondents that indicated they purchased holiday gifts using their desktop computer, 75% indicated that they earn $100, 000 – $149,000 annually. Of those who indicated they visited the brick and mortar store to make a holiday purchase, 56.7% earn $75,000 - $99,999 annually. Among those who indicated they purchased a gift using their smartphone, 42.2% earn $50,000 - $74,000 annually.

Q2: HOW DID YOU USE YOUR SMARTPHONE THIS HOLIDAY SHOPPING SEASON?

OVERALL

60.7% of respondents indicated that they used their smartphone this holiday shopping season to find store hours, location and directions. 58.8% of respondents researched products and compared prices. 41.6% made a purchase.



BY GENDER

Of respondents that identified they used their smartphone to find store hours, location and directions, 63.3% were female. Of respondents that identified that they used their smartphones to research products and compare prices, 62.3% were male.

BY AGE

The 25 – 34 age group were the most active smartphone users this holiday season. 75% of respondents in the 25 – 34 age group were the most likely to use their smartphone to find store hours, location and directions. 72.8% of respondents in the 25 – 34 age group used their smartphone to research products while and compare prices while 56.4% made purchases.

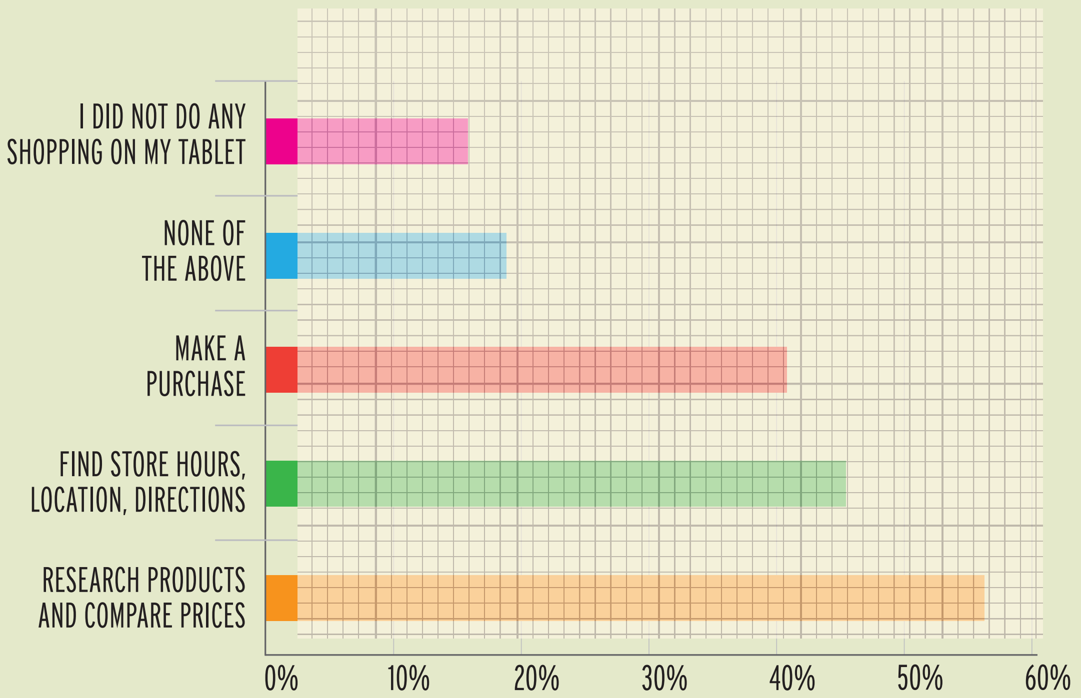
BY HOUSEHOLD INCOME

Respondents that earn $75,000 - $99,999 annually were the most active smartphone users this holiday season with 70.1% of respondents s using their smartphones to find store hours, location and directions.

Q3: HOW DID YOU USE YOUR TABLET THIS HOLIDAY SHOPPING SEASON?

OVERALL

56.1% of respondents indicated they used their tablets this holiday shopping to research products and compare prices. 45.3% of respondents indicated they used their tablet to find store hours, locations, and directions. 40.7% indicated they made a purchase.



BY GENDER

Among respondents, 61.7% of males indicated that they used their tablet this holiday shopping season to research and compare prices. 46.6% of males made a purchase using their tablet while only 36.8% of females used their tablet to make a purchase.

BY AGE

espondents in the 25 – 34 age group were the most active tablet users during the 2013 holiday season. 74.6% of respondents in the 25 – 34 age group indicated they used their tablet to research products and compare prices. 53.2% of respondents in the 25 – 34 age group used their tablet to make a purchase.

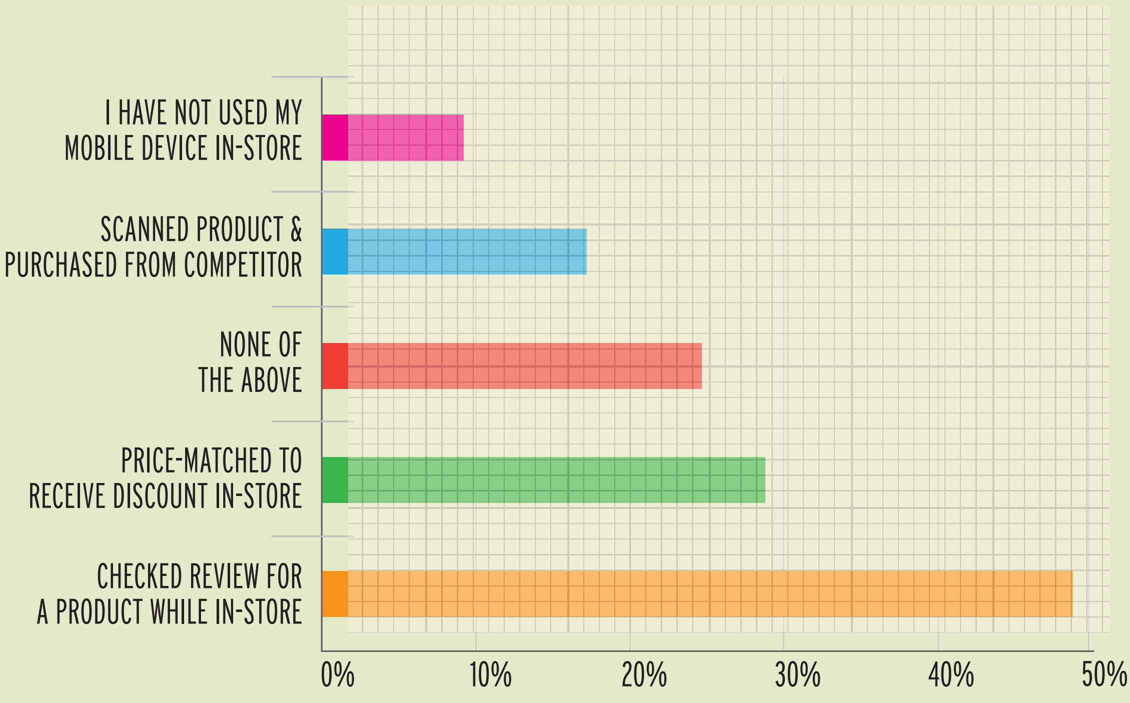
BY HOUSEHOLD INCOME

Respondents who earn $100,000 - $149,999 annually were the most active tablet users during the 2013 holiday shopping season. 53.3% of respondents who earn $100,000 - $149,999 annually made a purchase using their tablet device. 66.7% who earn $100,000 - $149,999 annually researched products and compared prices. Respondents who earn $75,000 - $99,999 annually were the second most active tablet users during the 2013 holiday season. 50% of respondents who earn $75,000 - $99,999 annually used their tablet to find store hours, location, and directions.

Q4: THIS HOLIDAY SEASON, WHICH OF THE FOLLOWING ACTIONS HAVE YOU COMPLETED WITH YOUR MOBILE DEVICE?

OVERALL

48.8% of respondents used their mobile device to check reviews for products while in the store. 28.8% of respondents used their mobile device to price match to receive discounts while in the store.



BY GENDER

53.6% of male respondents indicated they used their smartphones to check product reviews while in-store while 44.7% of females indicated they completed the same activity.. 30.6% of males used their smartphones to price match to receive discounts while in a store whereas 29.4% of females indicated they completed the same activity.

BY AGE

Respondents in the 25 – 34 age group were the most active smartphone users this holiday season. 63.6% indicated they used their smartphones to check reviews for a product while in a store and 34.4% indicated they used their smartphone to price-match. Respondents in the 35 - 44 age group were the second-most active smartphone users this holiday season. 28.4% of respondents in the 25 – 34 age group scanned products and purchased from a competitor.

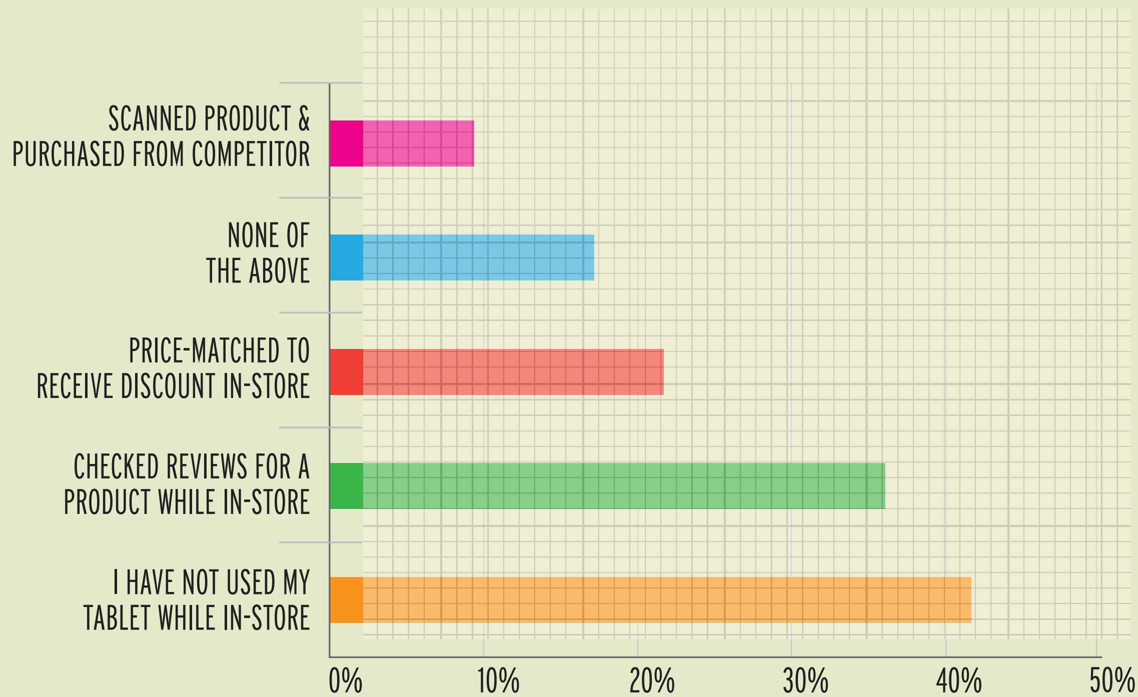
BY HOUSEHOLD INCOME

Respondents that earn $75,000 - $99,999 annually checked product reviews while in a store more often than any other income range.

Q5: THIS HOLIDAY SEASON, WHICH OF THE FOLLOWING HAVE YOU COMPLETED WITH YOUR TABLET?

OVERALL

Among respondents who indicated they used their tablet during the 2013 holiday season, 36.1% checked reviews for a product while in-store. 21.7% of respondents used their tablet to price-match to receive discounts while in a store. 9.4% scanned products and purchased from a competitor.



BY GENDER

More females than males used their tablet this holiday season. 29.7% of women indicated they used their tablets to check reviews and 21.2% indicated they used their tablets to price-match.

BY AGE

Survey results indicated that of respondents who belong to the 18 – 24 age group indicated they used their tablet more often than their counterparts. 36.1% of respondents in the 18 – 24 age group indicated they used their tablets to check product reviews and 21.7% used their tablets to price match.

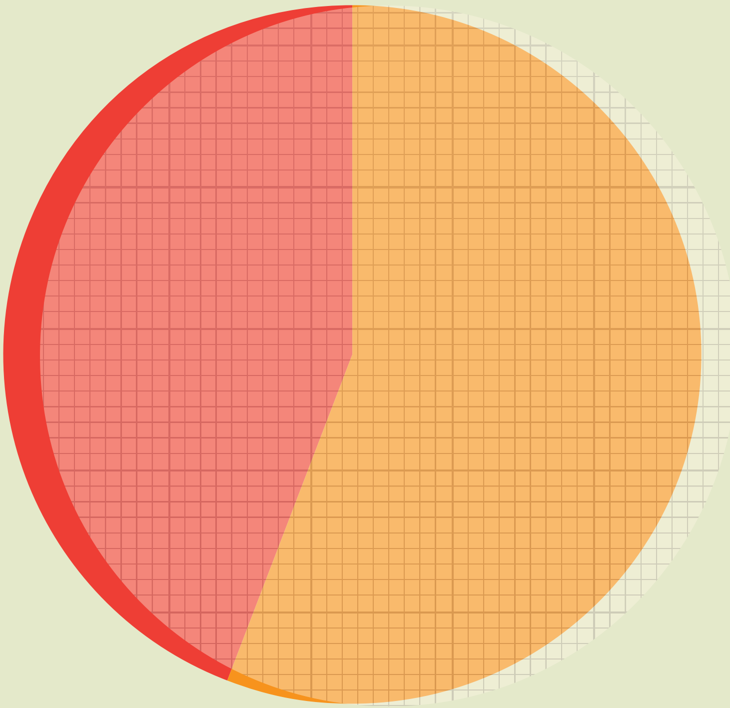
BY HOUSEHOLD INCOME

Among respondents that indicated they used their tablet device to check for product reviews while in a store, 27.5% earn $25,000 - $49,999 annually. Of respondents that indicated they used their table to scan product prices and purchase from a competitor, 21.4%earned $100,000 - $149,000 annually.

Q6: WHEN SHOPPING ON A SMARTPHONE, DO YOU PREFER TO USE A RETAILER'S MOBILE WEBSITE OR DOWNLOAD THEIR MOBILE APP?

OVERALL

Among all respondents, 55.9% expressed a preference for shopping on a retail mobile website versus a mobile app.



BY GENDER

Our data shows that both males and females prefer to use mobile websites Of respondents that indicated they prefer to use a mobile app, 45.4% were male.

BY AGE

Of respondents that identified they prefer to use a retail mobile website to shop on their smartphone devices, 70.2% are in the 45 – 54 age group. Of respondents that identified that they prefer to download a mobile app when shopping on a smartphone, 56% are in the 18 – 24 age group.

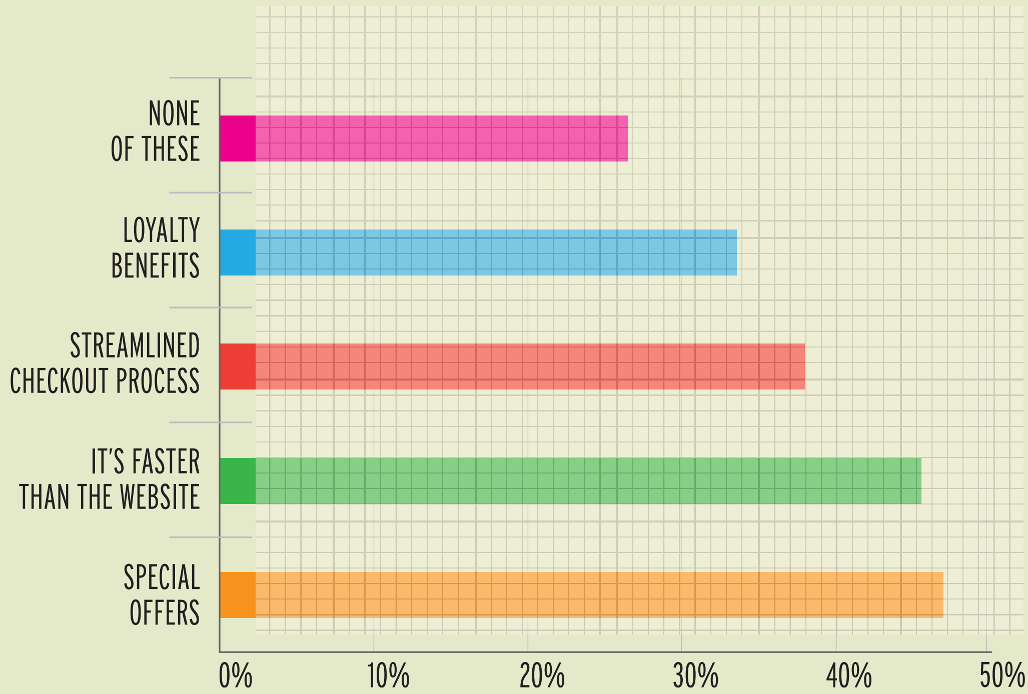
BY HOUSEHOLD INCOME

Of those who answered that they prefer to use a mobile website when shopping on their smartphone, 62.5% earn $100,000 - $149,999 annually. 50% of respondents that indicated they prefer to download a mobile app earn $50,000 - $74,999 annually.

Q7: WHAT WOULD ENCOURAGE YOU TO DOWNLOAD THE MOBILE APP FROM A STORE WHERE YOU SHOPPED THIS HOLIDAY SEASON?

OVERALL

Our data indicates that 47% of smartphone users cited special offers were the most effective incentives to download a mobile app from a store. 45.6% of respondents cited site speed as an effective incentive to encourage mobile app downloads.



BY GENDER

Of respondents that cited special offers as effective incentives to encourage mobile app downloads, more than 50% were female. 52.7% of respondents that cited site speed as an effective incentive to encourage mobile app downloads were male.

BY AGE

Respondents in the 18 – 24 and 25 – 34 age groups were the most encouraged to download mobile apps. 58% of those that cited special offers as an effective incentive to download a mobile app were in the 18 – 24 age group; 60.4% cited site speed. 52.6% of respondents that cited streamlined checkout processes as an effective incentive are in the 25 – 34 age group; 42.9% cited loyalty benefits.

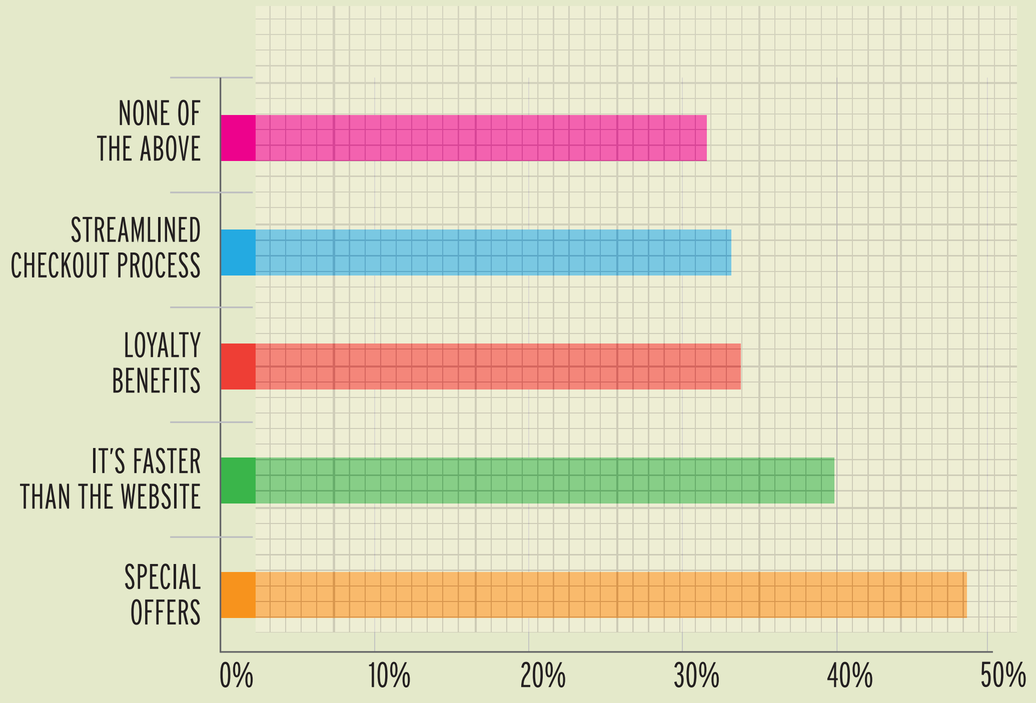
BY HOUSEHOLD INCOME

Of respondents that cited special offers as an effective incentive to download a mobile app, 62.5% earn $100,000 - $149,999 annually. Of respondents that cited loyalty benefits as an effective incentive to download a mobile app, 37.5% earn $75,000 - $99,999 annually.

Q8: WHAT WOULD ENCOURAGE YOU TO DOWNLOAD THE TABLET APP FROM A STORE WHERE YOU SHOPPED THIS HOLIDAY SEASON?

OVERALL

Among respondents, 48.5% indicated that special offers were the biggest incentives to downloading a tablet app from a store where they shopped this holiday season. 39.3% cited site speed and 33.8% cited loyalty benefits as effective incentives.



BY GENDER

Both male and female respondents equally valued special offers as the biggest incentives to downloading a tablet app from a store where they shopped this holiday season. 44.7% of male respondents indicated that they were more interested in streamlined checkout processes. 36% of females cited loyalty benefits.

BY AGE

Across the board, respondents of all ages valued special offers as the most effective incentives to download a tablet app from a store where they shopped this holiday season.

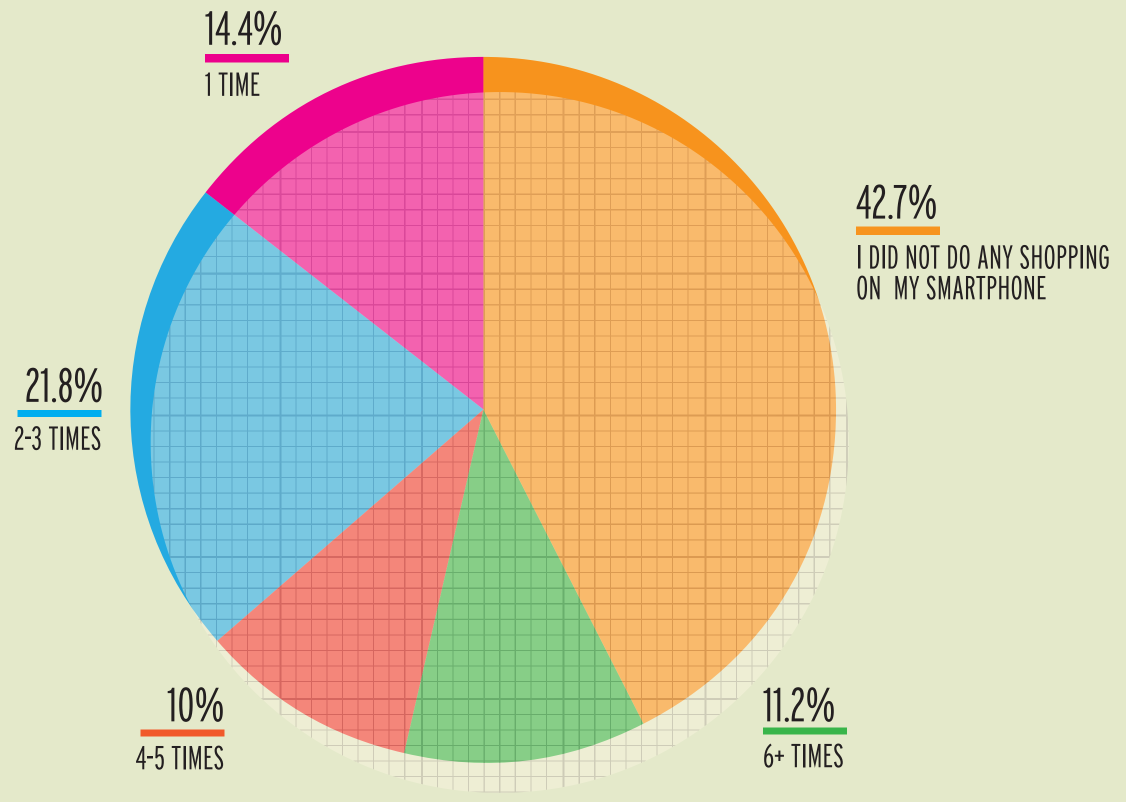
BY HOUSEHOLD INCOME

58.1% of respondents that earn $75,000 - $99,999 annually indicated special offers as the most effective incentives to download a tablet app from a store whey they shopped this holiday season. 50% of respondents that earn $100,000 - $149,999 annually indicated app speed as the most effective incentive to download a tablet app from a store whey they shopped this holiday season

Q9: HOW MANY TIMES IN THE LAST MONTH DID YOU MAKE A PURCHASE USING YOUR SMARTPHONE?

OVERALL

Almost 60% percent of respondents reported that they made at least one purchase using their smartphone device during the month of December.



BY GENDER

41.7% of female respondents indicated they used their smartphone two or more times to make a purchase this holiday season. 57.2% of male respondents used their smartphone two or more times to make a purchase.

BY AGE

61.9% of respondents in the 25 – 34 age group indicated they used their smartphone to make a purchase this holiday season, the most in comparison to other age groups.

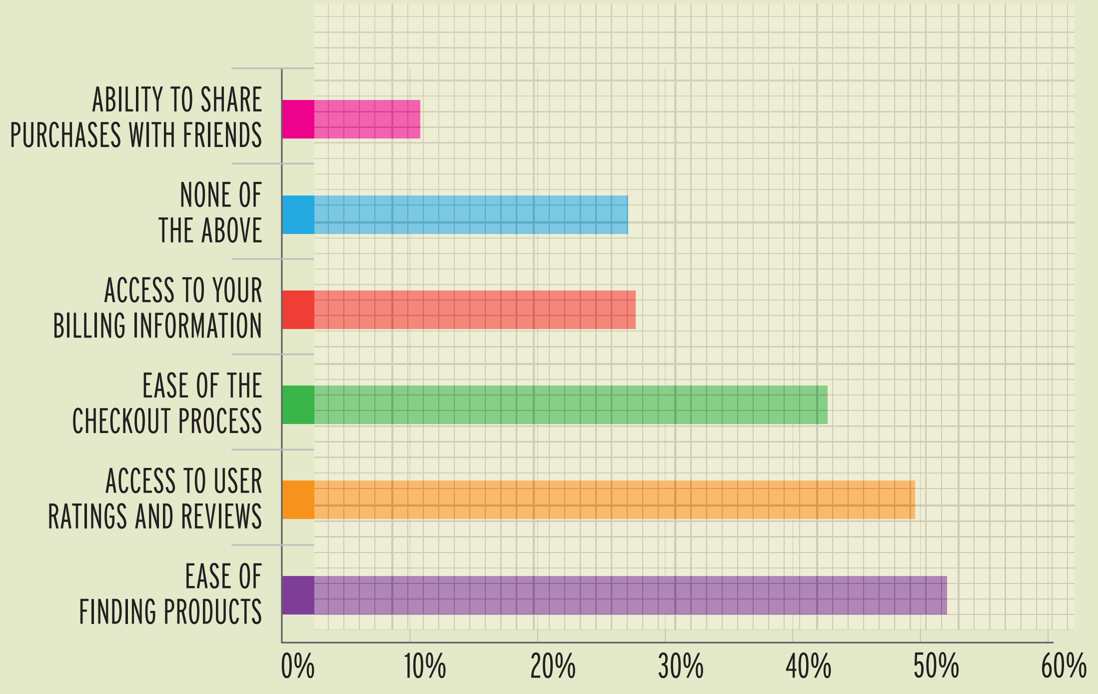
BY HOUSEHOLD INCOME

41.3% of respondents that earn $75,000 - $99,999 annually indicated they used their smartphone 2 or more times to make a purchase this holiday season, the most out of any income range.

Q10: WHAT ABOUT YOUR MOBILE SHOPPING EXPERIENCE HELPS MAKE THE PURCHASE EASIER/MORE ENJOYABLE?

OVERALL

51.9% of respondents indicated ease of finding products makes their mobile shopping experience easier and more enjoyable. 49.4% cited access to user ratings and reviews as a feature that makes their mobile shopping experience more enjoyable.



BY GENDER

Male and female respondents equally valued the ease of finding products and access to billing information as features that make the mobile shopping experience easier and more enjoyable. 55.4% of male respondents indicated access to user ratings and reviews as a feature that makes their mobile shopping experience easier and more enjoyable. In comparison, 45% of females cited access to user ratings and reviews as helpful features.

BY AGE

Those in the 25 – 34 age group valued access to user ratings and reviews more than their counterparts. 42% of respondents in the 18 – 24 age group cited access to billing information as a feature that makes the mobile shopping experience easier or more enjoyable. 13.8% of respondents in the 35 – 44 age group cited the ability to share purchases with friends as a feature that makes their experience more enjoyable.

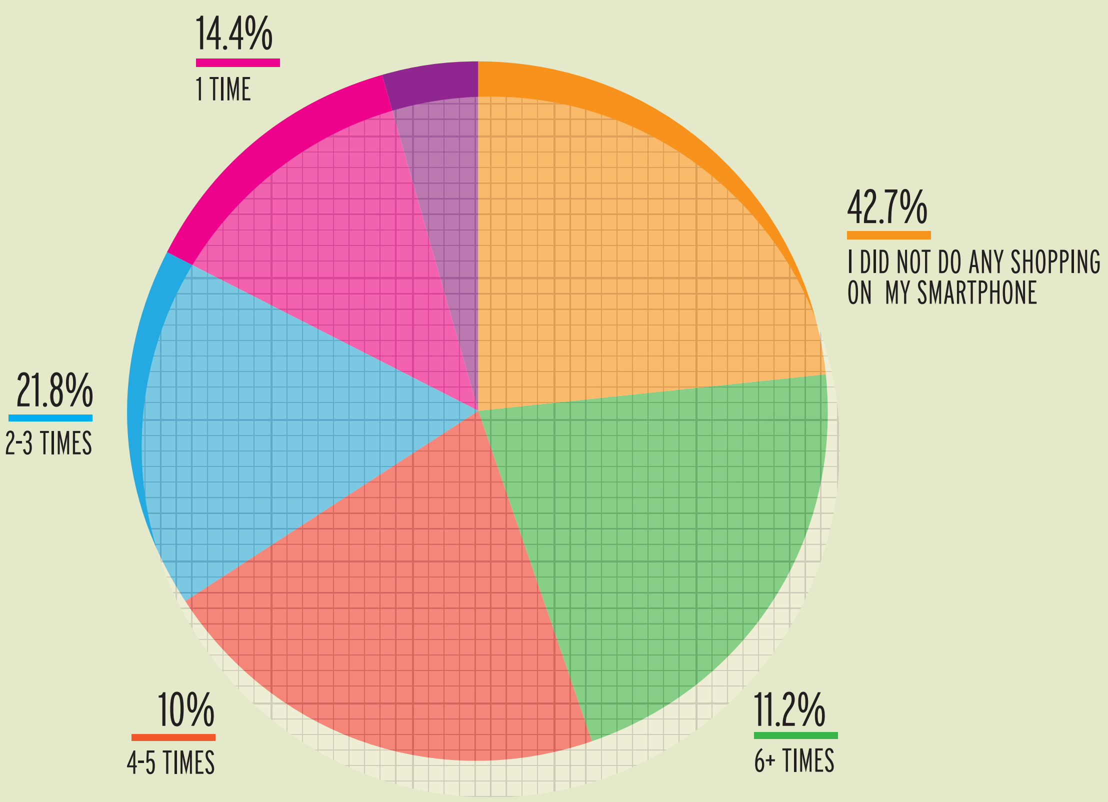
BY HOUSEHOLD INCOME

67.2% of respondents that earn between $75,000 and $99,999 identified the ease of finding products as a feature that makes the mobile shopping experience enjoyable. 50% of respondents that earn $100,000 - $149,999 annually cited ease of checkout process.

Q11: WHAT ABOUT YOUR TABLET SHOPPING EXPERIENCE HELPS MAKE THE PURCHASE EASIER/MORE ENJOYABLE?

OVERALL

47.7% of survey respondents cited ease of finding products as a feature that makes their shopping experience on a tablet easier and more enjoyable. 43.3% cited ease of the checkout process and 42.7% cited access to user ratings and reviews as features that make their shopping experience on a tablet more enjoyable.



BY GENDER

51% of male and 45.9% of female respondents cited ease of finding products as the feature that makes their tablet shopping experience easier and more enjoyable. 48.1% of males cited access to user ratings and reviews as a feature that makes their tablet shopping experience more enjoyable. 11.3% of females cited the ability to share purchases with friends as a feature that makes their shopping experience on a tablet more enjoyable.

BY AGE

61.3% of respondents in the 25 – 34 age group cited ease of finding products as a feature that makes their shopping experience on a tablet easier and more enjoyable. 50.6% of respondents in the 18 – 24 age group cited ease of checkout process as a feature that makes their shopping experience on a tablet easier and more enjoyable.

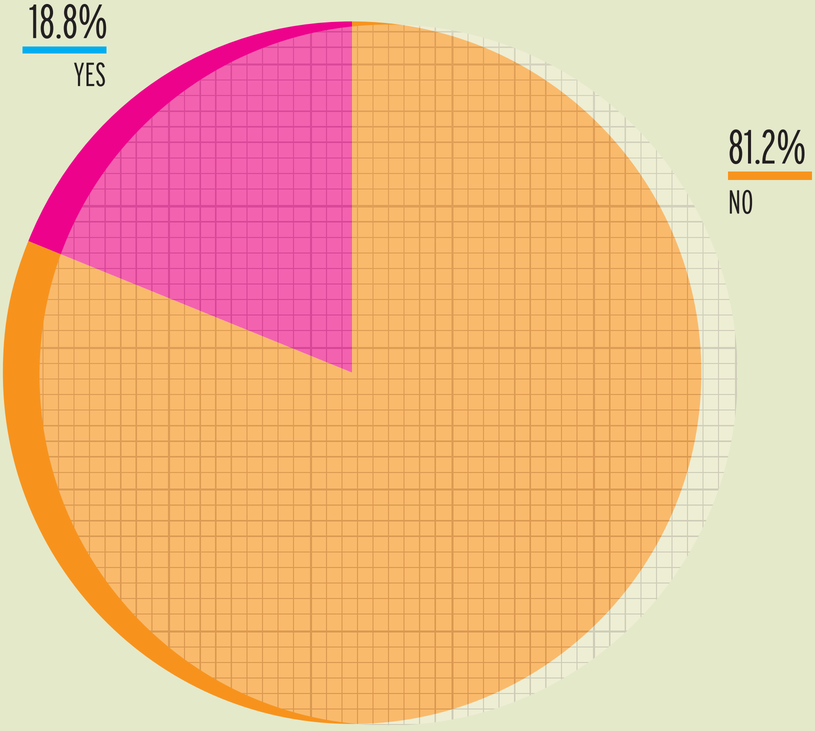
BY HOUSEHOLD INCOME

64.3% of the respondents that earn $100,000 - $149,999 annually indicated that ease of finding products is a feature that makes shopping on a tablet device easier and more enjoyable.

Q12: THIS HOLIDAY SEASON, DID AN IN-STORE SALES ASSOCIATE PROVIDE YOU THE OPPORTUNITY TO COMPLETE A TRANSACTION FROM A MOBILE OR TABLET POINT OF SALE (POS) DEVICE?

OVERALL

Of respondents who visited brick and mortar stores to make holiday purchases in 2013, an overwhelming 81.2% indicated that they were not provided the opportunity to complete a transaction from a mobile or tablet PoS device.



BY GENDER

Among respondents who indicated that they were provided the opportunity to complete a transaction from a mobile or tablet PoS device, 20.2% were female.

BY AGE

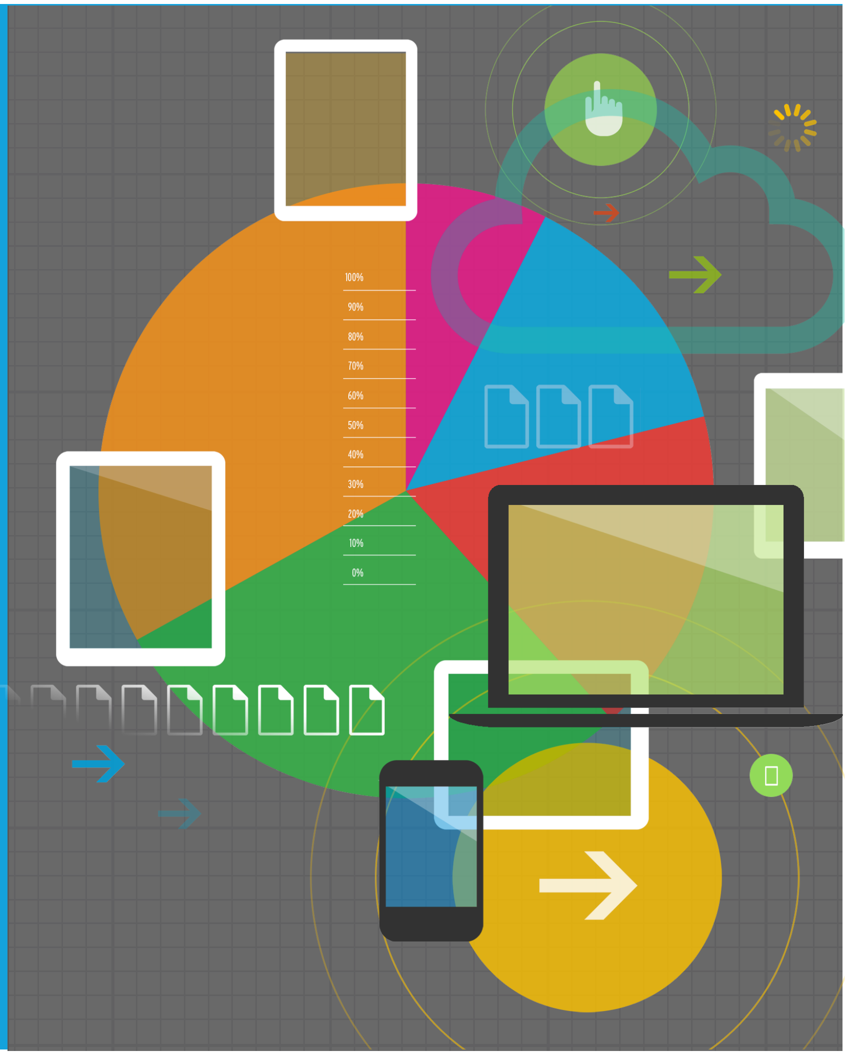
Of those who indicated that they were provided the opportunity to complete a transaction from a mobile or tablet PoS device, 27.9% were in the 25 – 34 age group.

BY HOUSEHOLD INCOME

Among respondents that indicated they were providing the opportunity to complete a transaction from a PoS device, 21.8% earn $25,000 - $49,999 annually.

CONCLUSION

In 2014 smartphone and tablet adoption continues to grow exponentially, but user expectations are growing just as fast. Although retailers have made great strides through their significant mobile and tablet investments, most retailers still can't offer a mobile experience that enhances and complements their customers' in-store shopping and buying behaviors.



The challenge now shifts from developing a mobile strategy to providing a mobile experience that meets the demands of your customers. Although there are numerous tasks that you can undertake to address the growing needs of your customer, such as developing an omni-channel content strategy or integrating a digital asset management (DAM) system with your web content management (WCM) system, the greatest opportunity lies in recent advancements in technology.

While slow to gain traction, technologies like indoor positioning and mobile PoS devices put retailers in a great position to bridge the gap between the online and offline shopping experiences. For example, by utilizing indoor proximity detection and integrated web services, Siteworx' Customer Concierge mobile app enables companies to provide customers a seamless transition from online to in-store. The technology can also be used indoors where GPS is unavailable, furthering your digital presence and reinforcing brand consistency. Mobile PoS devices also create an opportunity that companies have yet to take advantage of. For example, Nordstrom's mobile PoS devices provide customers the ability to complete transactions quickly and efficiently, but consider the data the Seattle-based retailer could acquire if they used their mobile PoS devices to conduct in-store surveys about customer satisfaction.

In 2014, the focus will shift to taking your mobile experience to the next level and delivering on the promise of full omni-channel integration. There are opportunities for growth in many areas and determining which path to pursue will require a laser-sharp focus on your customers' expressed and inferred needs. We hope that this report has provided a guidepost for your omni-channel strategy.

SITEWORX

ABOUT US

Siteworx is an award-winning digital experience agency with deep roots in experience design, web content management (WCM), eCommerce, digital asset management (DAM), and systems integration. For more than a decade, our uncommon blend of technology and design know-how has helped digital leaders such as Time Warner Cable, Citrix Online and Mandarin Oriental Hotel Group discover, create and deploy best-in-class multi-channel experiences and connect with their customers and prospects in more engaging, more profitable ways.

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SURVEY METHODOLOGY

Siteworx' mobile shopping study was conducted through Google Consumer Surveys. Google Consumer Surveys performs probability-based Internet surveys to targeted audiences where respondents are asked to answer 1 – 2 questions. Siteworx received over 3,000 responses to a variety of questions regarding mobile and tablet shopping behavior. Google Consumer Surveys infers demographic and location-based information using a combination of respondent's IP address and cookies. Income and urban density are computed by mapping the location to census tracts. Gender and age group are inferred from the types of pages that respondents have previously visited based on cookies and Google's Display Network. This information is used to ensure that a representative sample of the US population responds to each survey question, based on the latest US Census Current Population Survey (CPS). Responses are weighted, based on the US Census CPS, to compensate for sample deficiencies.

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