

## HIGHLIGHTS FROM THE INTERNETRETAILING CONFERENCE 2016



- 1) The Fung Global Retail & Technology team attended the InternetRetailing Conference 2016 in London on October 12. The event, dedicated to e-commerce professionals, included a number of workshops and featured exhibitors from across the industry.
- 2) Paul Barnes of App Annie delivered an overview of the strategies successful retailers are implementing in mobile app retailing.
- 3) Presenters from Asda and eCommera stated that retailers must think about innovation not only in terms of technology and that collaboration among teams is key to innovation.

The Fung Global Retail & Technology team attended the InternetRetailing Conference 2016, an event dedicated to e-commerce professionals, which was held in London on October 12. We attended three interactive workshops and spoke to a number of exhibitors. Below are our key takeaways from the conference.

### WINNING STRATEGIES IN MOBILE APP RETAILING

Paul Barnes, Northern Europe and Middle East Territory Director at app data and analytics firm **App Annie**, delivered a presentation illustrating successful mobile app strategies. Barnes began with an overview of the retail app market, noting that:

- **The app market continues to grow:** App store downloads are expected to grow at a compound annual growth rate of 21% from 2015 through 2020, to reach 288.4 billion downloads.
- **Consumers are spending more time on apps:** In Germany, consumers spent about 80 million hours on pure-play retailers' apps in the year ended June 2016 versus fewer than 50 million hours in the prior year.
- **Consumers visit pure-play retailers' mobile apps more often:** In Japan, consumers visit pure-play retailers' apps about 12 times per month on average. Meanwhile, they visit multi-channel retailers' apps only four times per month on average.



## FLASH REPORT

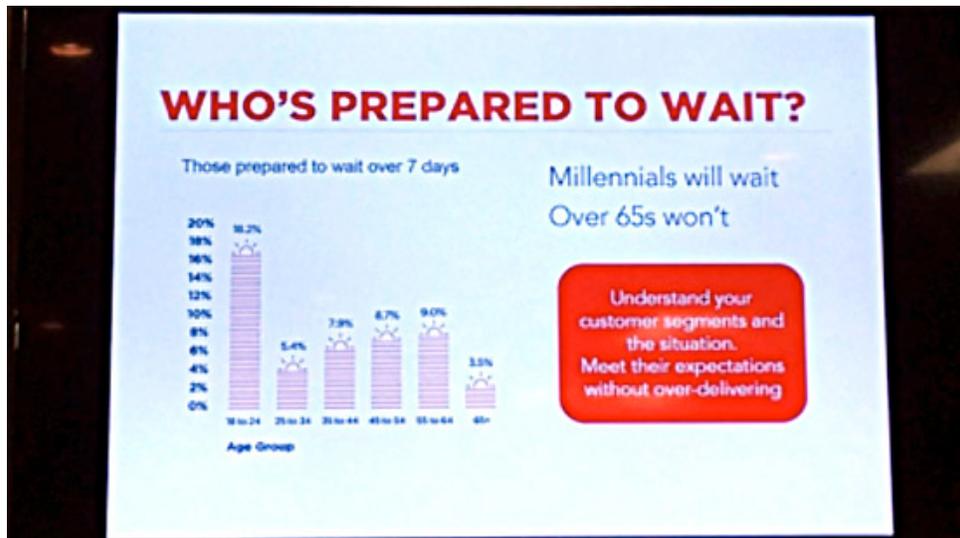
- **Multi-channel retailers' apps are still more popular:** In the UK, only three of the top 10 retail apps downloaded by consumers belong to pure-play retailers.

In the second part of his presentation, Barnes introduced the main mobile app strategies implemented by successful retailers:

- **Hygiene factors:** Barnes advised keeping apps simple and not overwhelming users with unnecessary information. He also advised establishing trust, for instance, by running a secure payment system and suggested retailers “return the favor” by integrating loyalty schemes into their apps. He noted that US retailer Walgreens saw its app downloads spike when it integrated its loyalty scheme into the app.
- **Adopt best practices for customer acquisition:** Barnes said retailers should consider app store optimization carefully, and work with Apple and Google to make sure their apps are featured on the app sellers' lists. Choosing the right advertising network to maximize an app's exposure is important, he said.
- **Integrate the app and in-store experiences:** Using app notifications that rely on geolocation, integrating customer service into apps and encouraging impulse buying with targeted offers are all important, Barnes said. He noted that French firm Vente-privee.com uses its app to target customers with tailored promotions based on their previous app browsing and shopping behavior.
- **Focus on innovation:** Barnes advised integrating mobile payment options and leveraging the features of mobile devices, for instance, by enabling code-scanning features. He suggested retailers consider enabling customers to shop via social networks and focus on benefiting from new trends. As an example of the latter strategy, Barnes noted that fast-food chain McDonald's transformed its Japanese restaurants into *Pokémon Go* Gyms through a partnership with Nintendo.

### YOUNG CONSUMERS WILL WAIT, BUT BABY BOOMERS WILL NOT

Andrew Hill, Commercial Director of delivery management platform **Electio**, talked through the results of Electio's survey of UK online shoppers. One notable finding was that younger generations are more easygoing when it comes to waiting for deliveries: 18.2% of respondents ages 16 to 24 said they are willing to wait more than seven days for delivery, versus only 3.5% of respondents over age 65.



Slide from presentation by Andrew Hill of Electio  
Source: Fung Global Retail & Technology

### INTERACTION AMONG TEAMS CAN FACILITATE INNOVATION

Executives from retail services company **eCommera** and supermarket operator **Asda** delivered an interactive workshop to help companies learn to innovate better in retail. The presenters' key points included:

- **Innovation does not come only from technology:** Retailers must think beyond technology to succeed, the presenters said. For example, channel innovation—the use of exclusive distribution channels—was instrumental to the success of Swiss coffee brand Nespresso.
- **Ensure teams are joined up:** Teams must collaborate within a company. Marketing and developer teams can work together, for instance, to generate new ideas for improving the customer experience.
- **Innovation can be generated within teams:** The presenters suggested that different teams be involved in brainstorming activities to generate new ideas. Asda, for example, frequently runs “hack events” to encourage innovation.



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