

RETAIL

Desktop will dominate online transactions until mobile expedites checkout process: report

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Image courtesy of Bloomingdale's

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Despite the overall boom in mobile transactions, a new report finds that its growth is not yet optimal due to inefficiencies in checkout and payment tracks.

The report, published by business intelligence firm L2, sheds light on the state of mobile transactions by surveying a variety of metrics including transaction impetus, expedited payment options and conversion rates. The resulting data is rich in insight for brands that are looking to optimize their mobile-based sales in a high-impact yet organic fashion.

"Conversion rates on mobile devices themselves continue to lag those of desktop consumers spend 60 percent of their online shopping time on mobile, but only 16 percent of shopping transactions are occurring on a smartphone," said Evan Neufeld, director of intelligence at L2. "The main culprits here have been clunky user experiences around the in browser mobile shopping process, especially around mobile payments.

"A mad scramble is on as brands seek to improve mobile conversion rates by overhauling and 'mobilizing' their entire shopping process from research to transaction to ensure that the mobile checkout experience is more streamlined than one designed for desktop, often starting from a very low bar: very few brands have single page checkout with the average number of pages to checkout ranging between from two to four based on the sector," he said.

"Additionally, the average checkout experience requires the customer to input anywhere from 13 to 16 fields, with two-thirds of brands failing to incorporate native drop-down fields and iOS-enabled navigation, creating an exacerbated checkout experience that is cumbersome for the shopper."

Streamlining retail

The report also categorizes results by retail sector, which provides granular information for marketers wanting a

better idea of how their competitors are faring. For example, data on checkout optimization is partitioned by sector to reveal that the activewear industry utilizes mobile transaction better than its retail, beauty and fashion analogs.

The report also collected data on the significance of mobile payments within online shopping, providing a forecast for uptake and the hurdles involved in continuing its spread.

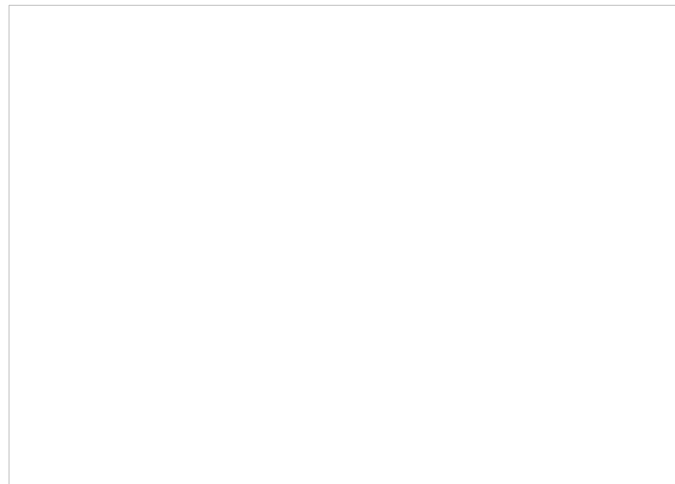
One of the significant narratives within the growth of mobile payments that L2 takes note of is the qualified rise of Apple Pay, specifically within Apple's Safari browser, and the platform's competition with established platform PayPal and its One Touch service.

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L2 advocates for mobile payments implementation

The report calls for implementation of expedited payments options for mobile retailers, one that is both supported by hard metrics and consumer perceptions. The mobile platform, while quickly being adopted as a viable retail option (as evidenced by L2's research that indicates mobile outweighs desktop in time spent retailing 60 percent to 40 percent), lags far behind desktop in terms of dollars spent on online transactions: 16 percent to desktop's 84 percent.

"Mobile payments success stories like those of Starbucks and Walgreens highlight key areas of success that all retailers should be embracing as much as improving mobile conversion rates; pushing mobile payments on their consumers via the aggressive marketing and signage that educates customers as to mobile payment options available and delivering mobile payment experiences that significantly improve some aspect of consumers in-store experience," Mr. Neufeld said.



The report notes a huge discrepancy between desktop and mobile transactions

Mobile transactions

Without giving too much away, L2's findings prove to be of critical importance for online retailers of any size wanting to operate on the mobile platform. The full report is available to subscribers of L2's services.

Many retailers have already been heeding the advice L2 put out in its report. PayPal's Venmo became a major competitor in mobile payments with the launch of its checkout service on retail applications that features innovative sharing capabilities and follows a successful year marked by 140 percent growth ([see story](#)).

And in a move sure to streamline the mobile buying process, Mastercard and PayPal expanded their long-standing partnership to highlight the former's payment options more clearly within PayPal's platform and offer Masterpass

acceptance to Braintree merchants ([see story](#)).

"As brands focus more and more on creating frictionless, mobile centric shopping experiences--and deploying expedited payment option such as pay with Apple Pay--you will see conversion rates on mobile devices rise," Mr. Neufeld said. "However, two big issues remain in terms inhibitors to mainstream adoption of mobile payments: consumer inertia and security concerns.

"On the inertia side, many consumers are staying loyal to traditional payment methods as they are, so far, underwhelmed by the value of picking up new habits," he said. "In terms of security, 1 in 3 consumers cite security concerns as the main reason for not using digital means to check out."

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