

The News and Intelligence You Need on Luxury

SOFTWARE AND TECHNOLOGY

Data is king: improving the digital customer experience through insights

April 22, 2022



Whether on desktop or mobile, there is a large amount of valuable information when it comes to how consumers shop online. Image credit: Unsplash

By NORA HOWE

From tracking browsing and conversion behavior to monitoring device preferences and user frustrations, data is the top asset for businesses conducting commerce online.



According to data in Contentsquare's 2022 Digital Experience Benchmark report, 85 percent of consumers are not happy with their online shopping experiences. To reduce this number and provide digital customers premium engagement, businesses must leverage data and insights to pinpoint opportunities within site entry, browsing behavior and, ultimately, conversion.

For this report, Contentsquare analyzed data from 46 billion user sessions across 3,870 global websites from Jan. 1-Dec. 31, 2021, collecting data from desktop, mobile web and tablets across 14 industries.

Evolution of the online experience

When it comes to site entry, mobile was the device of choice, which accounted for 58 percent of all web traffic.

The luxury sector, in particular, seemed to be dominated by mobile traffic in 2021, with 76 percent of website visitors originating from a mobile device. Following closely behind was beauty with 74 percent mobile traffic, and pharmaceutical with 73 percent mobile traffic.

That being said, 42 percent of traffic coming from desktop indicates there are still critical opportunities through this channel.

Mobile and desktop web should not be in competition, Contents quare suggests, but there should be unique approaches to both that work in tandem to deliver seamless experiences from start to finish.

In terms of who is visiting sites, on both mobile and desktop, more than half of site visitors were returning customers.

Interestingly, it was the luxury sector that has the highest percentage of new users at 59 percent, perhaps due to a

pandemic-induced shift in self-care values.



Luxury attracted many new customers in 2021, but should continue looking for ways to cement relationships with returning customers. Image credit: Rosewood Hotels & Resorts

This also suggests the luxury sector has an opportunity to work on its relationship with existing customers to entice them to return.

Getting customers to a site is one feat, but keeping them there is an entirely new game.

Four in five customers say the experience a company provides is as important as its products and services. Eighty percent say the experience a company provides is as important as its products and services.

In 2021, users spent an average of 55 seconds per page across all industries and an average of 4 minutes and 17 seconds per total browsing session.

Across both page and session-level metrics, the report unveils that users are more likely to spend longer browsing on desktop versus mobile, highlighting the idea that mobile devices are preferred for quick browsing, whereas detailed research is more often done on desktop.

According to Contentsquare, however, 50 percent of users left after viewing just one page on a site, but this could mean a few different things.

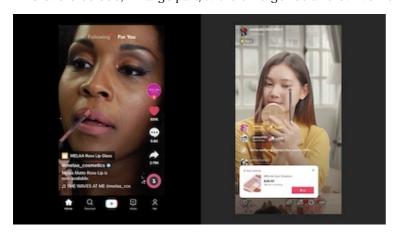
If a site requires users to view more than one page to be successful, then high bounce rates are not good, whereas if single-page views are expected, like on a blog, then a high bounce rate is nothing to be concerned about.

Comparing 2021 to 2020, the data also shows that users have higher expectations for their digital journeys on desktop, and their experiences are not up to par, suggesting businesses have focused primarily on mobile capabilities and maybe letting desktop opportunities slip through the cracks.

Users are also more likely to shop around before making a decision when on desktop versus mobile, with an average of 21 pages viewed on desktop compared with 18 on mobile.

In buying sessions in the luxury space, users spent an average of 19 minutes and 36 seconds before making a purchase. Interestingly, while data suggests customers prefer to shop for expensive items on desktop, the average order value on desktop is \$336 compared to \$615 on mobile.

This could be due, in large part, to the emergence and convenience of social shopping.



TikTok Shopping gives brands more ways to sell products. Image credit: TikTok

Social media platforms like TikTok and Snapchat have started making the ecommerce experience exponentially more convenient for users.

As social commerce accelerates, TikTok equips businesses with a suite of commerce solutions to better serve brands, helping them utilize the authentic power of the platform to drive product discovery and sales (see story).

Honing in on data

Across a number of sectors, luxury brands are increasingly harnessing the power of data to better serve their consumers and retrieve valuable insight into their businesses.

Germany's Hugo Boss is even issuing new corporate strategies to focus primarily on digital capabilities.

During a keynote session at the *Vogue Business a*nd Google virtual summit "The Way Forward" in November 2021, the brand's new CEO Daniel Grieder announced the company would be establishing a digital hub, which he referred to as the "Hugo Boss Digital and Data Campus."

Based in Metzingen, Germany and Porto, Portugal, the data campus intends to strengthen the company's online activities as well as analytical, technical and production capabilities (see story).

Online luxury retailer Farfetch's first in-house fashion brand, There Was One, was developed using consumer data gleaned from the ecommerce marketplace.

The retailer leveraged its own consumer data to understand what Farfetch shoppers were searching for and buying, namely pieces that were timeless and sustainable. These findings were then applied to the fashion design process, spearheaded by New Guards Group (see story).

© 2022 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your feedback is welcome.