IBM Benchmark

UK Online Retail Christmas Shopping Recap Report 2011

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Overview

While many retailers are still working to squeeze the last earnings into their fiscal year, the big shopping days of the Christmas season have come to a close. The 2011 online retail Christmas shopping performance was groundbreaking on a number of fronts. We saw some of the highest online spending in history coupled with exponential increases in mobile traffic and the continued dominance of Facebook as a social media traffic channel for retail sites.

This report provides a recap of the online retail data we tracked throughout the 2011 Christmas season as well as overall performance metrics, year-on-year comparisons, and trends from the year in review.

Mega Monday(s)

In the US, November 28, 2011 was Cyber Monday as it's the Monday immediately following Thanksgiving. In the UK, online retailers have adopted similar big promotion days with the advent of Mega Monday, also sometimes referred to as Cyber Monday in the UK. Based on the media outlets, Mega Monday 2011 was tagged as either November 28, 2011, the last Monday in November, or as the first Monday in December, which fell on December 5, 2011.

Monday, November 28, 2011 showed online sales up by a fifth (21.5 percent) versus Monday, November 29, 2010.

- Three-fold growth in mobile traffic to 12 percent and sales from mobile devices grew to 9.8 percent
- iPhone led mobile devices with 4.9 percent of all mobile traffic; followed by iPad with 3.5 percent
- Social traffic was below one percent, but Facebook maintained its standing as the top social referral channel

Online sales on Monday, December 5, 2011 were up 30 percent versus Monday, December 6, 2010.

- Mobile traffic was up 203 percent over 2010, with 12.6 percent of all site traffic and 9.7 percent of all sales coming from mobile devices
- iPhone lead mobile devices, followed by Android and then iPad
- Sales completed by consumers visiting via a social site were up by over a fifth (21.8 percent)
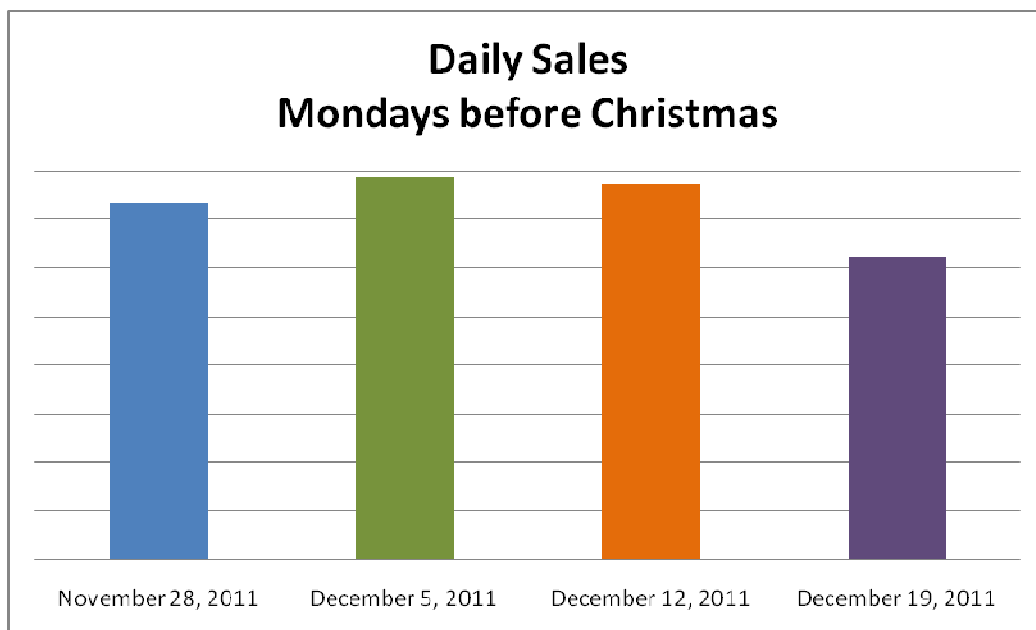
Daily sales prior to Christmas indicate that while Monday, November 28th was big, the subsequent two Mondays were nearly tied as the two largest online shopping days.

UK Retail – Monday, November 28, 2011 vs. Monday, November 29, 2010

	November 28, 2011 vs. November 29, 2010*
Sales	21.53%

	28-Nov-11	29-Nov-10	% Change (y/y)*
Transaction Summary Metrics			
Items per Order	3.44	4.23	-18.70%
Average Order Value	£101.50	£116.74	-13.05%
Conversion Summary Metrics			
Conversion Rate	4.44%	5.12%	-13.41%
New Visitor Conversion Rate	3.36%	3.92%	-14.29%
Shopping Cart Sessions	10.85%	11.54%	-5.97%
Shopping Cart Conversion Rate	35.92%	37.84%	-5.05%
Shopping Cart Abandonment Rate	64.08%	62.16%	3.07%
Session Traffic Summary Metrics			
Average Session Length	6:45	7:00	-3.57%
Bounce (One Page) Rate	28.22%	28.00%	0.77%
Browsing Sessions	48.97%	49.35%	-0.77%
Page Views Per Session	8.52	9.20	-7.46%
Product Views Per Session	1.76	1.72	2.25%
Mobile Summary Metrics			
Mobile: % of Sales	9.80%	2.41%	307.04%
Mobile: % of Site Traffic	12.01%	3.42%	250.58%
Mobile: Bounce Rate	36.68%	37.75%	-2.83%
Mobile: Conversion Rate	2.77%	2.05%	35.19%
Mobile: Session Length	4:26	4:19	2.49%
Mobile Device: Android Traffic	3.34%	0.40%	733.72%
Mobile Device: iPhone Traffic	4.87%	2.14%	127.67%
Mobile Device: iPad Traffic	3.53%	0.84%	319.39%
Social Summary Metrics			
Social: % of Sales	0.38%	0.31%	22.65%
Social: % of Site Traffic	0.66%	0.55%	21.08%
Social: Facebook Referral Traffic	0.56%	0.48%	15.97%
Social: Twitter Referral Traffic	0.02%	0.05%	-60.20%

*NOTE: The percent change for year-over-year and day-over-day calculations are based on matched retailer lists for each time period.

UK Retail – Monday, December 5, 2011 vs. Monday, December 6, 2010

	December 5, 2011 vs. December 6, 2010*
Sales	30.03%

	5-Dec-11	6-Dec-10	% Change (y/y)*
Transaction Summary Metrics			
Items per Order	3.96	4.02	-1.45%
Average Order Value	£105.10	£104.14	0.92%
Conversion Summary Metrics			
Conversion Rate	4.36%	4.42%	-1.35%
New Visitor Conversion Rate	3.34%	3.28%	1.77%
Shopping Cart Sessions	10.54%	10.54%	0.02%
Shopping Cart Conversion Rate	37.14%	38.23%	-2.86%
Shopping Cart Abandonment Rate	62.86%	61.77%	1.77%
Session Traffic Summary Metrics			
Average Session Length	6:33	6:51	-4.30%
Bounce (One Page) Rate	29.83%	27.94%	6.73%
Browsing Sessions	47.53%	49.19%	-3.36%
Page Views Per Session	8.23	9.04	-9.02%
Product Views Per Session	1.65	1.65	-0.01%
Mobile Summary Metrics			
Mobile: % of Sales	9.72%	2.45%	296.94%
Mobile: % of Site Traffic	12.58%	4.16%	202.59%
Mobile: Bounce Rate	35.82%	37.09%	-3.42%
Mobile: Conversion Rate	2.36%	2.32%	1.99%
Mobile: Session Length	4:14	4:17	-1.12%
Mobile Device: Android Traffic	3.72%	1.15%	223.64%
Mobile Device: iPhone Traffic	5.04%	2.30%	119.19%
Mobile Device: iPad Traffic	3.60%	0.72%	402.83%
Social Summary Metrics			
Social: % of Sales	0.48%	0.40%	21.76%
Social: % of Site Traffic	0.73%	0.55%	33.09%
Social: Facebook Referral Traffic	0.64%	0.46%	38.21%
Social: Twitter Referral Traffic	0.01%	0.05%	-82.45%

*NOTE: The percent change for year-over-year and day-over-day calculations are based on matched retailer lists for each time period.
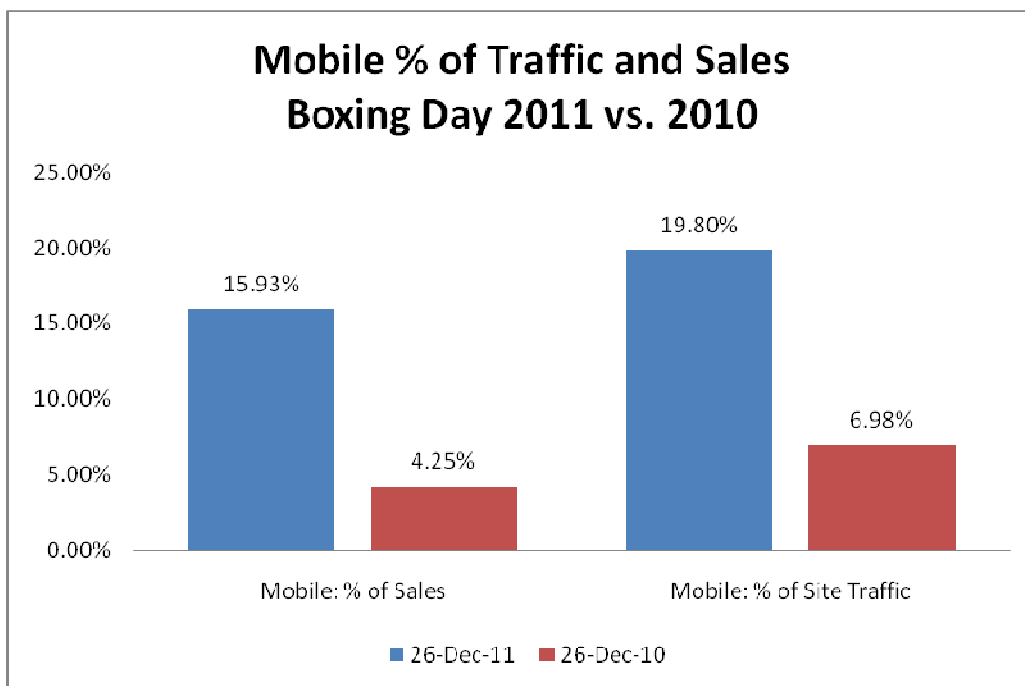
Boxing Day

Boxing Day has traditionally been a high sales day for both traditional retailers as well as online retailers. Consumers visit shops (web sites) early, looking for post-Christmas promotions and discounts.

UK online retailer data for Monday, December 26, 2011 versus Boxing Day 2010 showed online sales were flat for Boxing Day in 2011 versus 2010. However, more sales were completed via a mobile device.

- Mobile traffic was 19.80 percent, representing a 183.56 percent growth over Boxing Day 2010
- Mobile sales were 15.93 percent, a 274.54 percent growth over Boxing Day 2010
- iPhone led mobile devices with 7.97 percent of sessions completed on an iPhone, followed by the iPad with 7.58 percent of sessions, and Android with 4.01 percent
- Items per order were down from 3.4 to 2.87 however Average Order Value increased slightly (by just 2.73 percent - from £102.04 to £104.83)
- Sales completed by consumers visiting via a social site were up by almost a half (42.83 percent)

A lot of retailers continue their Boxing Day promotions into December 27 and through to the end of the year and beyond. December 27, 2011 proved to be a strong day for online retail as sales jumped 10.1 percent over December 27, 2010.

While sales were flat, the significant increase in online traffic and sales from mobile devices were the big headlines on Boxing Day 2011.

UK Retail – Monday, December 26, 2011 vs. Monday, December 26, 2010

	26-Dec-11	26-Dec-10	% Change (y/y)*
Transaction Summary Metrics			
Items per Order	2.87	3.40	-15.68%
Average Order Value	£104.83	£102.04	2.73%
Conversion Summary Metrics			
Conversion Rate	2.53%	2.81%	-9.76%
New Visitor Conversion Rate	1.87%	2.05%	-9.04%
Shopping Cart Sessions	0.37%	0.26%	42.83%
Shopping Cart Conversion Rate	8.39%	8.95%	-6.23%
Shopping Cart Abandonment Rate	29.61%	31.14%	-4.90%
Session Traffic Summary Metrics			
Average Session Length	6:27	6:46	-4.63%
Bounce (One Page) Rate	30.12%	27.66%	8.91%
Browsing Sessions	47.01%	49.91%	-5.80%
Page Views Per Session	8.58	9.44	-9.04%
Product Views Per Session	1.73	1.88	-7.86%
Mobile Summary Metrics			
Mobile: % of Sales	15.93%	4.25%	274.54%
Mobile: % of Site Traffic	19.80%	6.98%	183.56%
Mobile: Bounce Rate	34.28%	34.80%	-1.48%
Mobile: Conversion Rate	1.84%	1.75%	5.26%
Mobile: Session Length	4:14	4:16	-0.92%
Mobile Device: Android Traffic	4.01%	0.87%	358.75%
Mobile Device: iPhone Traffic	7.97%	4.17%	91.19%
Mobile Device: iPad Traffic	7.58%	1.80%	319.75%
Social Summary Metrics			
Social: % of Sales	0.37%	0.26%	42.83%
Social: % of Site Traffic	0.57%	0.47%	21.27%
Social: Facebook Referral Traffic	0.50%	0.38%	30.65%
Social: Twitter Referral Traffic	0.00%	0.05%	-92.41%

*NOTE: The percent change for year-over-year and day-over-day calculations are based on matched retailer lists for each time period.
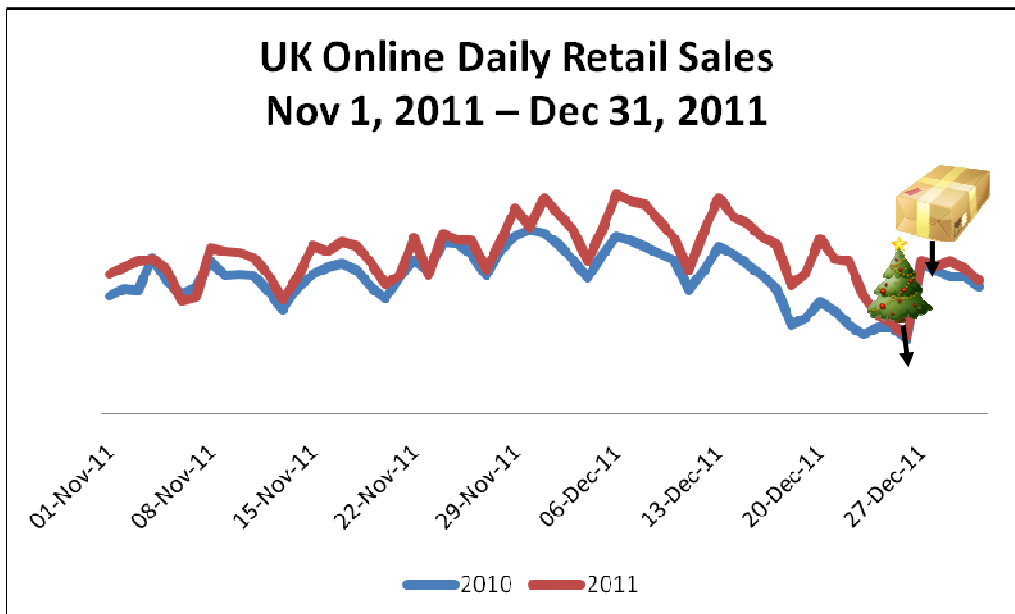
November

Sales in November 2011 finished up 13.5 percent over November 2010. Mobile traffic ended the month at 12.8 percent of all online traffic and mobile sales averaged 12.0 percent of all online sales. Retailers were eager to get their promotions out in November to try and capture a bigger portion of Christmas shopping spending. This was evident throughout the last week in November starting from Sunday, November 27 through to Saturday, December 3. Sales for that week were 19.4 percent higher than in the same week in 2010.

UK Online Daily Retail Sales
Nov 1, 2011 – Nov 30, 2011
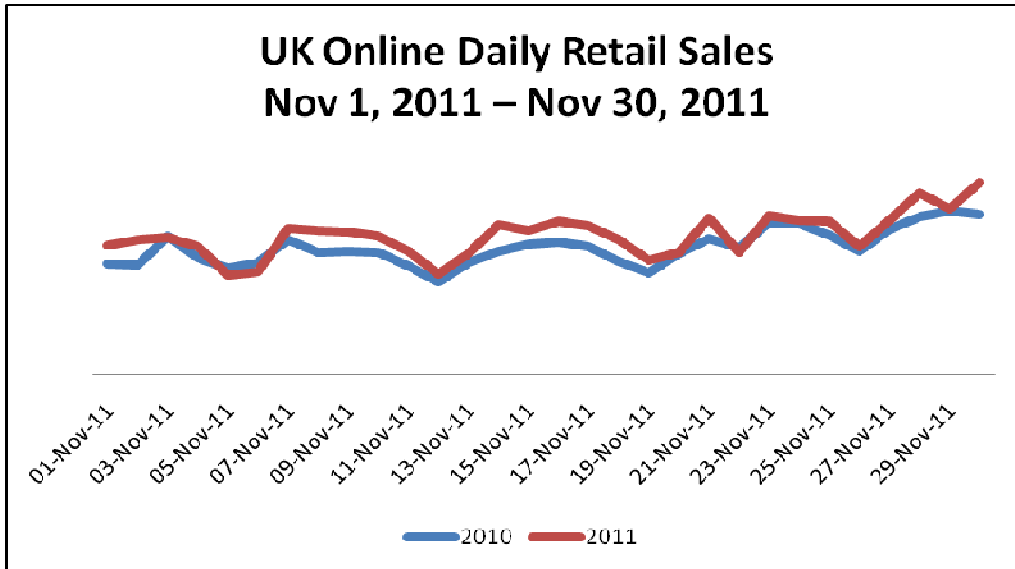
Daily sales for the month of November remained fairly steady until the last few days of November when retailers started to push their big Christmas promotions.

December

US online retailers delivered 5.4 percent growth in December 2011 compared to the same month last year. Over the past couple of years, December has been the biggest online shopping month for retailers with sales volumes consistently coming in higher than November. With retailers now offering promotions earlier, we are starting to see November sales encroach on December sales, indicating that November may even overtake December in online sales.

UK Online Daily Retail Sales
Nov 1, 2011 – Dec 31, 2011

Overall December daily sales maintained higher levels than in November with a post-Christmas surge to finish out the year.

Mobile

Online traffic and sales from mobile devices were the big trends to watch this year as levels climbed steadily by 0.5 to 1.0 percentage point every month in 2011. As the Christmas season approached, consumers used their mobile devices to find the best deals online and in store. Christmas Day produced some of the highest levels of mobile traffic and sales figures seen on retail sites in 2011. Part of this surge was driven by consumers looking for post-Christmas sales and promotions. The high mobile traffic volume was also likely due to the fact that smartphones and tablet devices were popular gifts over Christmas 2011.
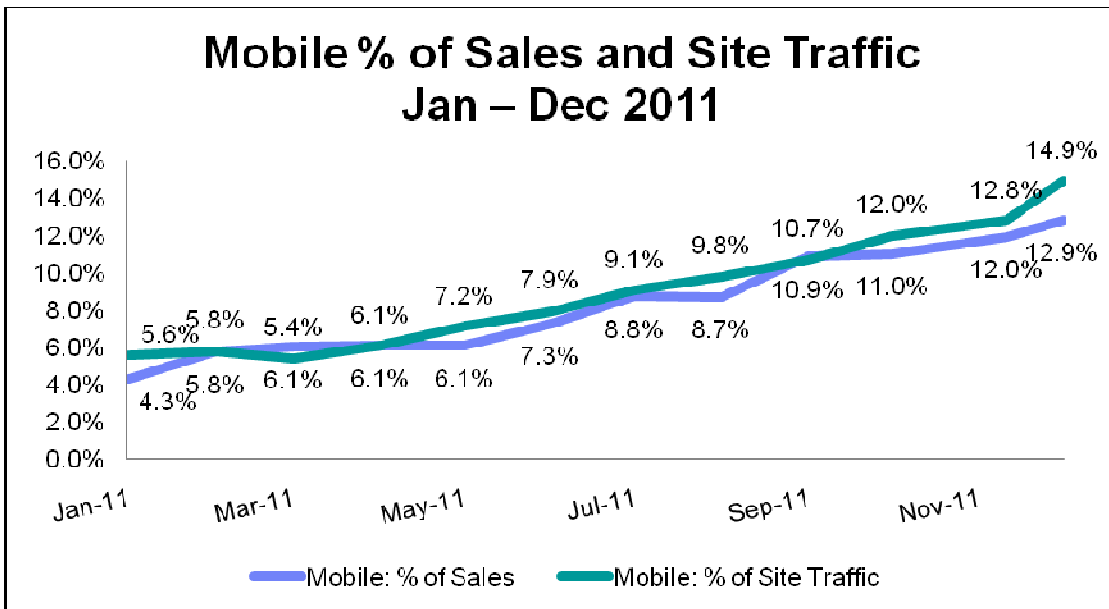
Online traffic and sales from mobile devices continued to increase throughout the year with mobile traffic reaching an average of nearly 15 percent throughout December.
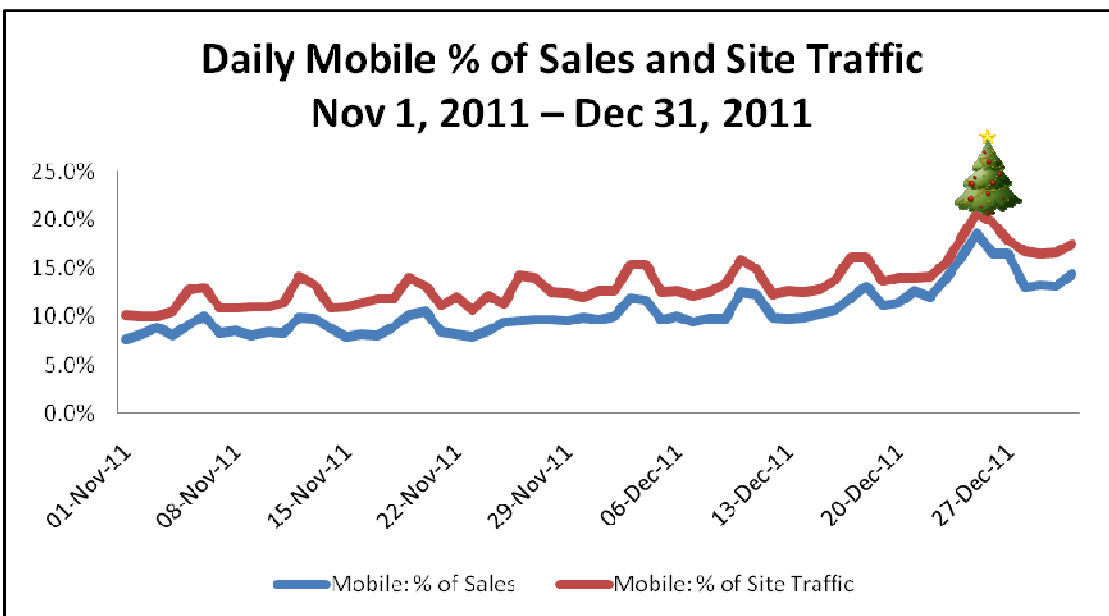

Daily online traffic and sales from mobile devices peak as a percentage of all online traffic on weekends.

Mobile Devices

Throughout the year, Apple iPhone maintained its lead as the mobile device generating the most online traffic and sales. Unlike in the US, in the UK iPad held steady at second place with Android maintaining its third place standing quite consistently. Daily usage patterns reveal that consumers use their smartphones more heavily during the week to access retail websites than at the weekend. Tablet usage patterns, however, display less obvious separation between week day and weekend activity. This difference in usage patterns was all the more evident over Christmas weekend when consumers were typically off work.
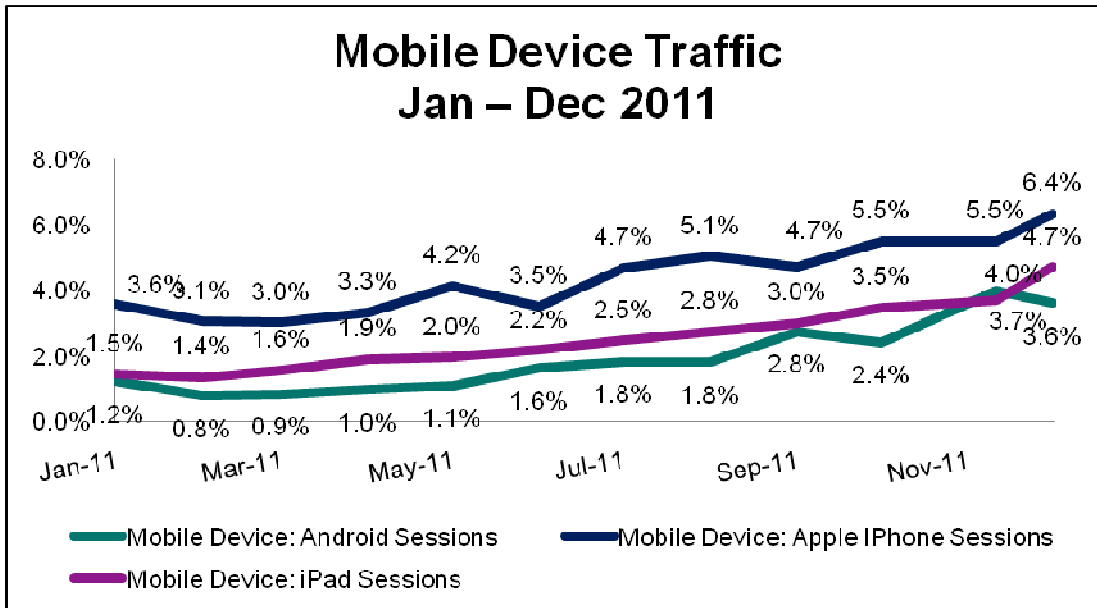

Whereas iPad and Android were closely aligned in the US, iPad maintained a steady lead over Android in the UK.
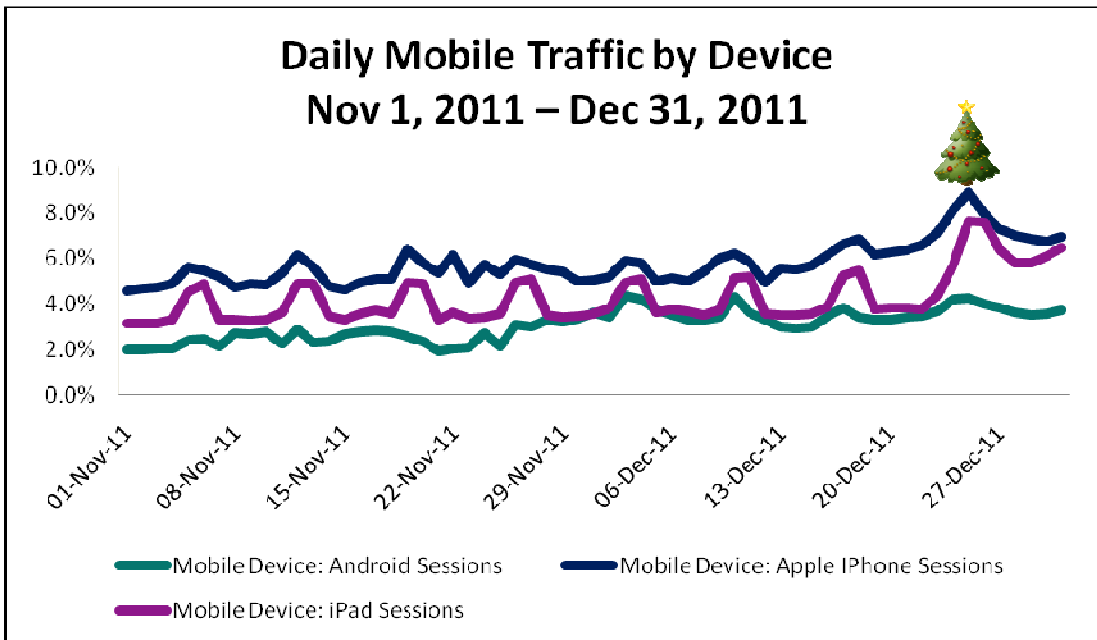

iPad and iPhone traffic spiked on Christmas as tablets and smartphones grew in popularity.

Social

Social marketing continues to be a hot topic among companies looking to engage the millions of individuals on social networks. For online retail, the amount of traffic visiting web sites from social channels has stagnated at 1.0 percent on average over the last year. However, this doesn't mean traffic levels haven't grown. It simply means that traffic from these channels is growing at about the same rate as all online retail traffic. The percentage of sales from social channels is slightly higher, averaging about 1.5 to almost 2.0 percent of all online sales during certain months of the year.
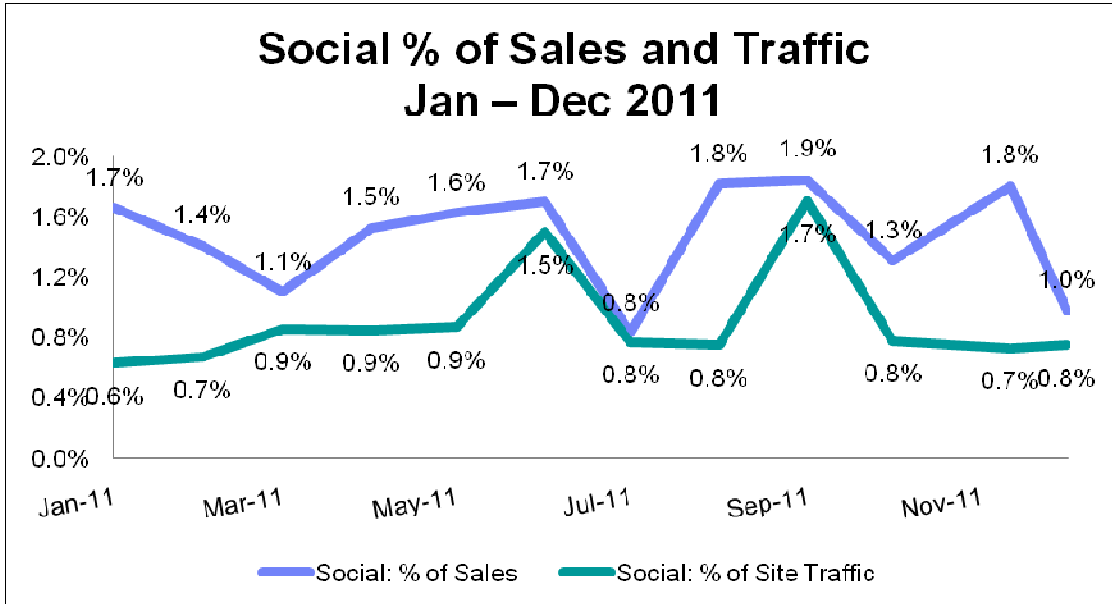
Traffic coming from social channels averaged 1.0 percent for the year while the percent of sales from social visitors was slightly higher.
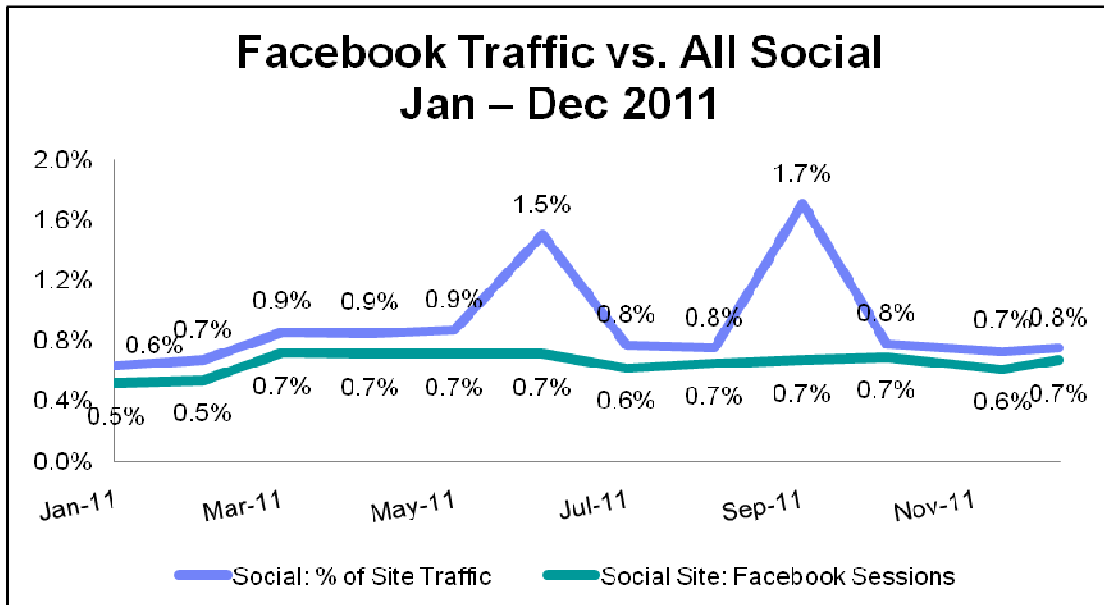
Facebook continued to dominate social media channels comprising nearly 80 percent of all the traffic from social networks.

Summary

The 2011 online retail Christmas shopping season proved to be a year with some new trends. Retailers came out early with their seasonal promotions hoping to capture more of the Christmas shopping spending. The multiple "Mega Mondays" in the UK, starting with November 28 were such strong days that they almost pushed November sales to be on par with the traditionally stronger December shopping month.

As we watched mobile traffic grow by nearly 1.0 percentage point every month, it became obvious that mobile shoppers were going to play a big part in this latest Christmas shopping season. In the end, approximately 12 percent of all online sales and 14 percent of all online sessions were initiated from a mobile device during the months of November and December combined. So it was those retailers who incorporated a mobile strategy into their Christmas promotions that were the big winners this season.

Stay tuned for the Annual Online Retail Christmas Readiness Report, which will be released mid-year. This report will provide in-depth analyses on the latest online shopping trends, as well as best practices to optimise online marketing and drive sales for the 2012 Christmas season.

For information and reports on Black Friday and Cyber Monday 2011 in the US, visit: http://www.coremetrics.com/solutions/benchmark-report-black-friday-cyber-monday-2011.php.

Transactions Summary Metrics

1. **Items Per Order**
   The average number of items purchased per order
2. **Average Order Value**
   The average value of each order

Conversion Summary Metrics

1. **Conversion Rate**
   The percentage of sessions in which visitors completed an order
2. **New Visitor Conversion Rate**
   Out of all new visitor sessions, the percentage that completed an order
3. **Shopping Cart Session Percentage**
   The percentage of sessions in which visitors placed at least one item in their shopping carts
4. **Shopping Cart Conversion Rate**
   Out of all visitors who placed items in their shopping carts, the percentage that placed an actual order
5. **Shopping Cart Abandonment Rate**
   Out of all visitors who placed items in their shopping carts, the percentage that did not place an actual order

Session Traffic Summary Metrics

1. **Average Session Length**
   The average length of time for a visitor session
2. **Bounce (One Page) Rate**
   The percentage of sessions in which visitors only viewed one page before leaving the site
3. **Multi-Page Session Percentage**
   The percentage of sessions in which visitors viewed more than one page
4. **Browsing Session Percentage**
   The percentage of sessions in which visitors viewed at least one product page
5. **Page Views Per Session**
   The average number of pages viewed by visitors per session
6. **Product Views Per Session**
   The average number of products viewed by visitors per session

Mobile Summary Metrics

1. **Mobile: Percentage of Sales**
   Out of all online sales, the percentage that was from a mobile device
2. **Mobile: Percentage of Site Traffic**
   Out of all sessions, the percentage that was from a mobile device
3. **Mobile: Bounce Rate**
   The percentage of sessions from mobile devices in which visitors only viewed one page before leaving the site
4. **Mobile: Conversion Rate**
   The percentage of sessions from mobile devices in which visitors completed an order
5. **Mobile: Average Session Length**
   The average length of time for a visitor session from a mobile device
6. **Mobile Device: Android Sessions**
   Out of all sessions, the percentage that was from an Android mobile device
7. **Mobile Device: iPhone Sessions**
   Out of all sessions, the percentage that was from an iPhone mobile device
8. **Mobile Device: iPad Sessions**
   Out of all sessions, the percentage that was from an iPad mobile device

Social Summary Metrics

1. **Social: Percentage of Sales**
   Out of all online sales, the percentage that was from a social site referral
2. **Social: Percentage of Site Traffic**
   Out of all sessions, the percentage that was from a social site referral
3. **Social: Facebook Referral Sessions**
   Out of all sessions, the percentage that was from a Facebook referral
4. **Social: Facebook Referral Sessions**
   Out of all sessions, the percentage that was from a Twitter referral

About IBM Coremetrics Benchmark

The IBM Coremetrics Benchmark is the only analytics-based, peer-level benchmarking solution that measures online marketing results, including real-time sales data. IBM gathers data directly from the web sites of more than 150 leading UK retailers. All of the data is aggregated and anonymous.

Coremetrics Benchmark uses IBM's cloud-based digital analytics platform to rapidly collect and analyse intelligence on how consumers are responding to the products and services being offered to them, enabling clients to make accurate decisions on marketing expenditures. As a result, marketing teams can gain deeper insight about their consumers and present personalised recommendations, promotions and other sales incentives across the wide variety of channels—including social networks and mobile devices—where consumers interact with their brands.

About IBM Enterprise Marketing Management solutions

The IBM Enterprise Marketing Management (EMM) Suite is an end-to-end, integrated set of capabilities designed exclusively for the needs of marketing organisations. Integrating and streamlining all aspects of online and offline marketing, IBM's EMM Suite empowers organisations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, timely, and measurable business outcomes.

The IBM EMM Suite helps marketers to understand customer wants and needs and leverage that understanding to engage buyers in highly relevant, interactive dialogs across digital, social, and traditional marketing channels. IBM EMM provides robust web and customer analytics, event detection, campaign management, real-time interaction management and recommendations, lead management, digital marketing optimisation, email marketing, targeted advertising, search engine marketing, and marketing resource management capabilities. Over 2,500 organisations around the world use IBM EMM solutions to help manage the pressures of increasing marketing complexity while delivering improved revenue and measurable results.

IBM's time-tested and comprehensive offerings are giving companies such as E*TRADE, ING, Intercontinental Hotels Group, Orvis, PETCO, United Airlines, Vivo and wehkamp.nl the power and flexibility required to provide their customers and prospects with what they expect today — a more consistent and relevant brand experience across all channels.

For more information

To learn more about IBM Coremetrics, please contact your IBM marketing representative or IBM Business Partner or visit the following website: **ibm.com**/software/marketing-solutions

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