Smarter Commerce

Australia's Online Retail Holiday
Shopping Recap Report 2012

IBM

Australia's Online Retail Holiday Shopping Recap Report 2012

Overview

The 2012 holiday shopping season was embraced by shoppers who responded to online deals, creating spikes in online spending. Australians lead the US and UK in the use of mobile devices to visit a retailer's site with the iPad outpacing all other mobile devices.

This report provides a summary of online retail shopping data and trends in Australia from the November and December holiday season, including Click Frenzy*, and compares key performance indicators with the US and UK.

Boxing Day (December 26)

The day after Christmas is a big online shopping day not only in Australia but also in the US and UK. The IBM® Digital Analytics Benchmark data for **December 26, 2012** found the following:

- **Average Order Value:** Australian shoppers spent $144.90 on average per online transaction, which is of the same order but slightly lower than the average per online transaction for US and UK at US$189.76 and £99.69, respectively. However, the average items per order suggests that Australians spent more per item than the US or UK on Boxing Day.

- **Mobile Traffic:** The percentage of consumers in Australia using a mobile device to visit a retailer's site reached 37.5 percent, far exceeding that of the US (24.2 percent) and the UK (30.7 percent) on the same day.

- **Mobile Shopping:** The percentage of consumers in Australia using their mobile device to make a purchase was 24.5 percent. While this exceeded the US, the UK was slightly higher at 24.7 percent.

- **The iPad Factor:** The iPad generated more traffic than the iPhone or Android™, reaching 17.5 percent of online shopping in Australia.

**Mobile % of Sales and Traffic
December 26, 2012**

■ Mobile % of Sales	
■ Mobile % of Site Traffic	
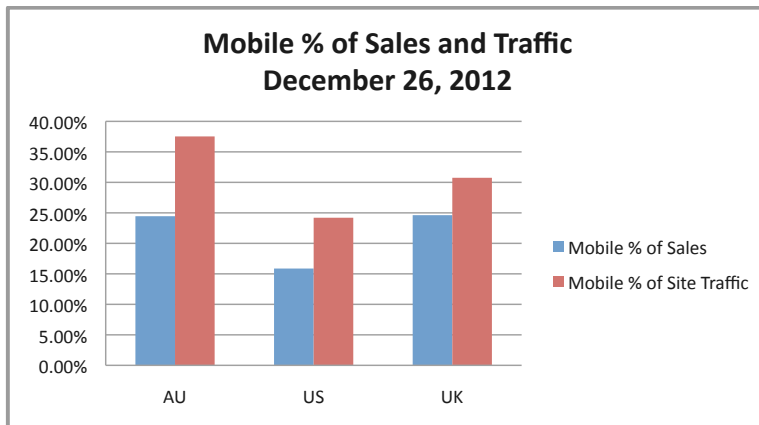
*On Boxing Day, Australia exceed both US and UK in mobile traffic as a percent of all online traffic in each country.*

	AU Dec 26	US Dec 26	AU vs US Dec 26	UK Dec 26	AU vs UK Dec 26
Transaction Summary Metrics					
Items per Order	2.96	8.01	-63.05%	3.20	-7.50%
Average Order Value	$144.90	$189.76	-23.64%	£99.69	45.35%
Conversion Summary Metrics					
Conversion Rate	1.82%	3.93%	-53.69%	2.69%	-32.34%
New Visitor Conversion Rate	1.54%	3.05%	-49.51%	1.99%	-22.61%
Shopping Cart Sessions	6.26%	10.25%	-38.93%	7.99%	-21.65%
Shopping Cart Conversion Rate	24.40%	30.21%	-19.23%	29.86%	-18.29%
Shopping Cart Abandonment Rate	75.60%	69.79%	8.32%	70.14%	7.78%
Session Traffic Summary Metrics					
Average Session Length	6:32	6:43	-2.73%	6:16	4.26%
Bounce (One Page) Rate	27.52%	34.59%	-20.44%	29.73%	-7.43%
Browsing Sessions	39.98%	46.67%	-14.33%	47.79%	-16.34%
Page Views Per Session	8.14	7.11	14.49%	8.09	0.62%
Product Views Per Session	1.55	1.76	-11.93%	1.72	-9.88%
Mobile Summary Metrics					
Mobile: % of Sales	24.45%	15.87%	54.06%	24.73%	-1.13%
Mobile: % of Site Traffic	37.53%	24.22%	54.95%	30.72%	22.17%
Mobile: Bounce Rate	30.58%	40.53%	-24.55%	33.32%	-8.22%
Mobile: Conversion Rate	1.22%	2.12%	-42.45%	2.06%	-40.78%
Mobile: Session Length	4:37	4:02	14.46%	4:25	4.53%
Mobile Device: Android Traffic	5.84%	5.69%	2.64%	6.17%	-5.35%
Mobile Device: iPhone Traffic	14.02%	8.78%	59.68%	8.63%	62.46%
Mobile Device: iPad Traffic	17.52%	9.99%	75.38%	15.84%	10.61%
Social Summary Metrics					
Social: % of Sales	0.21%	0.54%	-61.11%	0.19%	10.53%
Social: % of Site Traffic	0.28%	0.76%	-63.16%	0.41%	-31.71%
Social: Facebook Referral Traffic	0.28%	0.58%	-51.72%	0.39%	-28.21%
Social: Twitter Referral Traffic	0.00%	0.00%	0.00%	0.00%	0.00%

November and December 2012

November and December had some notable peaks in online retail sales. Click Frenzy, the newly promoted online mega-sale in Australia, was launched for the first time on November 21, 2012, offering special online deals by a wide variety of retailers. Click Frenzy appeared to result in the biggest online shopping day of the season. The number of online sales on Click Frenzy exceeded the number of online sales on Boxing Day by 37.5 percent. Click Frenzy was so popular that many systems had problems keeping up with the demand and some retailers extended their specials to November 22.

Despite strong results during Click Frenzy, online sales during the month of December overall exceeded November online sales by 12.1 percent.

Online sales in the US and UK tended to decline on the weekends and peak on Mondays in November and December, 2012. Australia generally showed the same trend with some variation on what weekday sales peaked.

AU Daily Online Retail Sales
November 1 – December 31, 2012

| Nov 10 | Dec 1 | Dec 22 |

— 2012
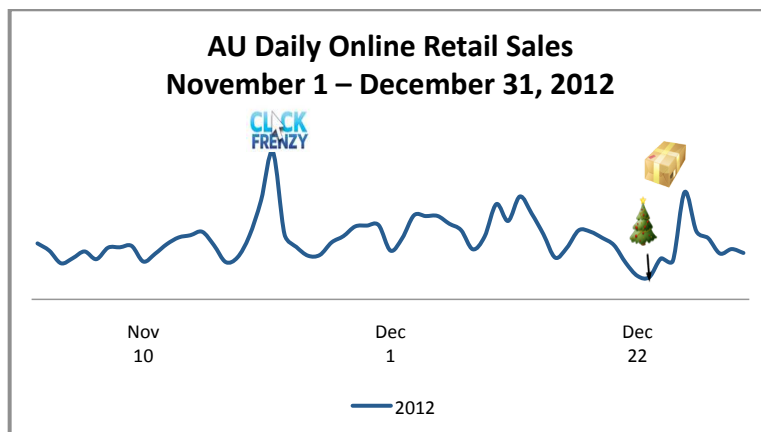
The biggest online shopping days in Australia during November and December were the Australian launch of Click Frenzy (November 21) and Boxing Day (December 26).
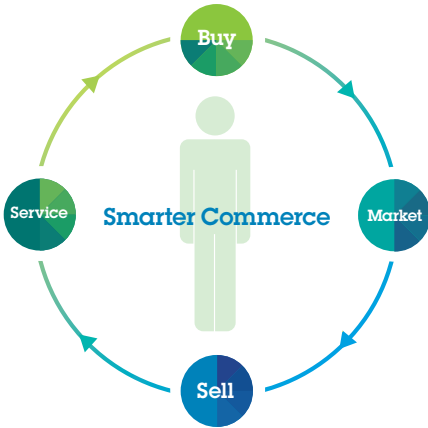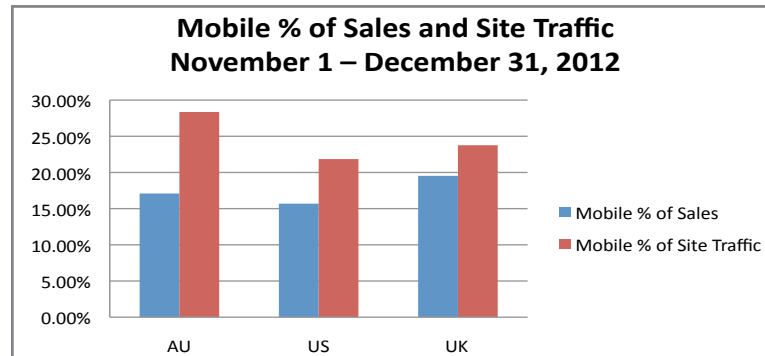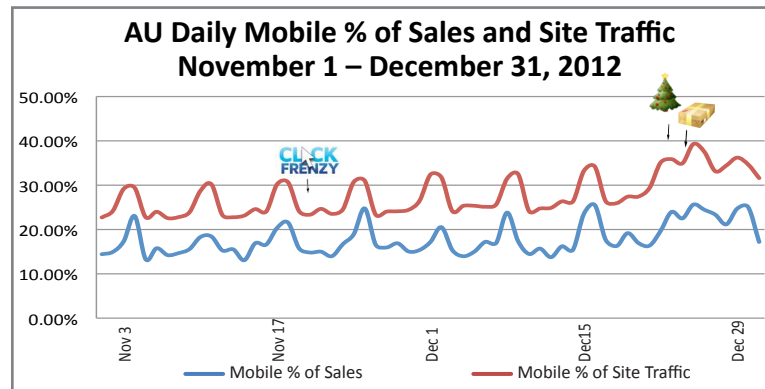
Mobile

Online sales and traffic from mobile devices was strong in Australia, the US as well as the UK. Australia had the highest percent of mobile traffic, with 28.4 percent of all online traffic being generated by a mobile device for November and December combined. The UK, however, had the highest percent of mobile sales with 19.5 percent using a mobile device to make a purchase compared to Australia at 17.1 percent for that same time period.

As with the US and UK, the use of mobile devices in Australia picked up on weekends and on Christmas, hitting the highest of the season Christmas Day when mobile sales reached 25.6 percent and mobile traffic soared to 39.3 percent.

Mobile % of Sales and Site Traffic
November 1 – December 31, 2012

Australia exceeds the US and UK in the percent of online shoppers using a mobile device to visit a retailer's site.

**AU Daily Mobile % of Sales and Site Traffic**
November 1 – December 31, 2012

Online traffic and sales from mobile devices peaked as a percentage of all online traffic and sales on the weekends and on Christmas Day.

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Mobile Devices

In November and December, the iPad was used to generate more online traffic than any other mobile device in Australia, the US as well as in the UK. In December in Australia, Android traffic reached 4.8 percent, iPhone was 12.4 percent, while the iPad generated 12.9 percent of all online traffic. While mobile traffic overall was highest on Christmas Day, online traffic generated by the iPad peaked on Boxing Day, generating 17.5 percent of all online traffic that day.

December 2012 Mobile Traffic by Device
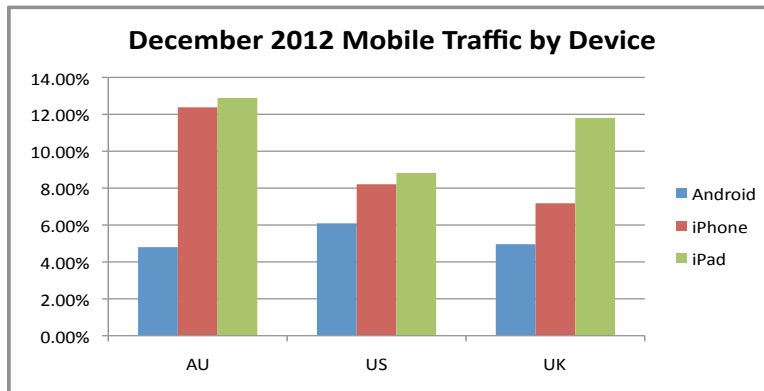
Overall, the iPad generated more online traffic, followed by iPhone and Android, however, iPad and iPhone traffic in Australia exceeded that in the US and UK as a percentage of online traffic.

AU Daily Mobile Traffic by Device November 1 – December 31, 2012
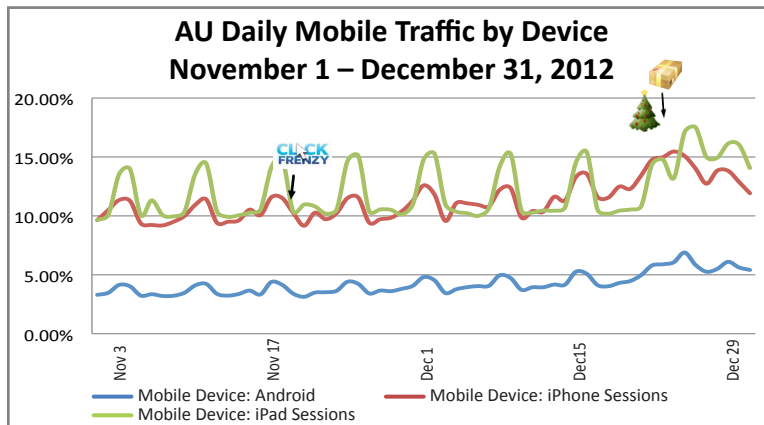
Mobile device traffic in Australia mirrors the US in that iPhone and iPad traffic are somewhat comparable on weekdays while the iPad breaks away on weekends.

Summary

The IBM Digital Analytics Benchmark indicated that while December outperformed November in online retail sales by over 12 percent, Click Frenzy on November 21 was the strongest online shopping day of the season, exceeding Boxing Day by more than 37 percent in online sales.

Like the US and UK, online shopping from mobile devices in Australia peaked on weekends and on Christmas and was very strong overall as a percentage of all online traffic. Christmas Day saw the highest use of mobile devices of the season in Australia when 39.3 percent of consumers used a mobile device to visit a retailer's site and sales from a mobile device soared to 25.6 percent. November and December combined revealed that while the UK had higher mobile percentage of sales than Australia or the US, it was Australia that generated the highest online traffic from mobile devices at 28.4 percent of online traffic in Australia.

The Apple iPad generated more online traffic than any other mobile device, peaking on Boxing Day at 17.5 percent. The iPad generated more online traffic in the US and UK as well, however, iPad traffic peaked on Christmas Day in both countries. In December in Australia, Android traffic reached 4.8 percent, iPhone was 12.4 percent while the iPad generated 12.9 percent of all online traffic.

Stay tuned for the Annual Online Retail Holiday Readiness Report which will be released mid-year. The mid-year report will provide an in-depth analysis on the latest online shopping trends, as well as best practices to help optimise marketing and drive sales for the 2013 holiday season.

To access the 2012 US Online Retail Holiday Shopping Recap Report, visit:
https://www.ibm.com/services/forms/signup.do?source=swg-smartercommerce-program&S_PKG=ov10272

Source Data

The information in this report is based on IBM Digital Analytics Benchmark which tracks more than a million transactions a day, analysing terabytes of raw data from participating retailers. Participants in the IBM Digital Analytics Benchmark include retailers in the US, UK and Australia. The data from Australian retailers is a much smaller sample size than the US and UK but is representative of the broader online retail market in Australia, comparing well with other similar findings.While findings based on aggregate data are released to the public, the identity of Benchmark participants and any results specific to a participant is considered IBM Confidential and is not shared with the public.

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
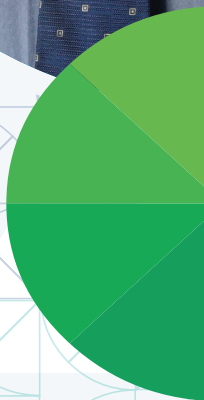
3. **Multi-Page Session Percentage**
   The percentage of sessions in which visitors viewed more than one page
4. **Browsing Session Percentage**
   The percentage of sessions in which visitors viewed at least one product page
5. **Page Views Per Session**
   The average number of pages viewed by visitors 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 Digital Analytics Benchmark

The IBM Digital Analytics Benchmark is an analytics-based, peer-level benchmarking solution that measures online marketing results, including real-time sales data. All of the data is aggregated and anonymous. IBM Digital Analytics 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, which could help clients to make accurate decisions on marketing expenditures. As a result, marketing teams could 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

The IBM Enterprise Marketing Management (EMM) Suite is an end-to-end, integrated set of capabilities designed exclusively for the needs of marketing organisations. Designed to integrate and streamline all aspects of marketing, IBM's EMM Suite could help empower organisations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, efficient, timely, and measurable business outcomes.

Delivered on premises or in the Cloud, the IBM EMM Suite of software solutions is designed to give marketers the tools and insight they need to create individual customer value at every touch. The IBM EMM Suite could help 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.

About IBM Smarter Commerce

IBM Smarter Commerce™ is designed to help put the customer at the center of your business and optimise within and across the commerce cycle, including the buy, market sell and service processes. Operationalising their business around the empowered customer can help companies deliver personalised, highly relevant, and seamless experience across touch points, leading to greater customer loyalty. By helping our clients better capture, analyse, integrate and manage their data, we can help them gain actionable behavior-based insights and uncover opportunities for revenue growth and efficiency.

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For More Information

To learn more about IBM Digital Analytics Benchmark, please contact your IBM marketing representative or IBM Business Partner or visit the following website:
http://www-01.ibm.com/software/marketing-solutions/benchmark/