



HOW RETAIL APPS ARE CHANGING

A qualitative study of 30 key apps

In 2021, Davies Hickman completed a cross comparison of 30 retail, fast food and service smartphone apps against a set of criteria, in order to understand how well they were supporting the growth of e-commerce. We have updated this research in August 2023.

Davies Hickman looked at apps across a range of sectors for this qualitative study.

In Fashion we looked at PLT, Missguided, Burberry, Zara, ASOS, Bershka, Urban Outfitters, H&M, Shein and Next. In the Food & Drinkspace Davies Hickman studied Deliveroo, Caffè Nero, Starbucks, Morrisons and Ocado. Amongst Sports retailers we reviewed the

Nike, Sports Direct and JD apps. We included Marketplace apps such as Amazon, eBay, Vinted, and cinch and from the mainstream retailers we reviewed Apple, Boots, Argos, Ikea, John Lewis, ao.com and Waterstones. In addition we reviewed the new app Temu.

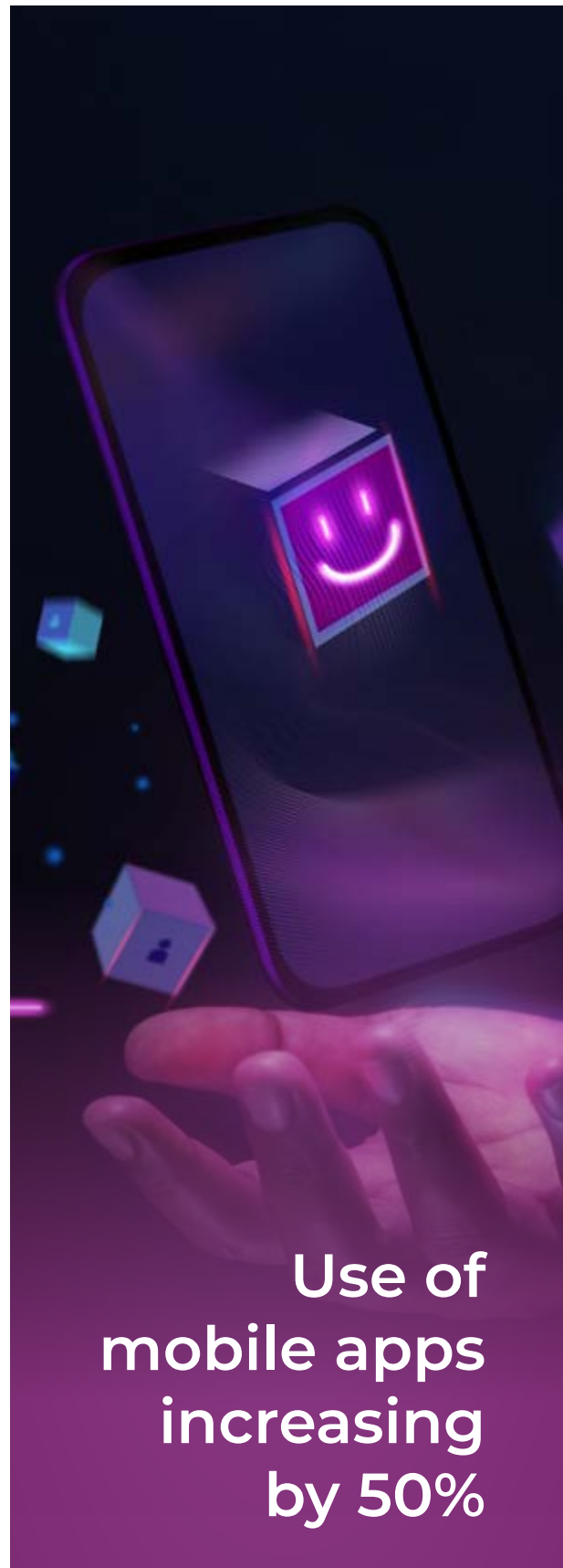
The majority of these apps were reviewed in 2021, but in order to keep the sample up to date we omitted Lush, B&M and Topshop in 2023. We've included the comparative counts for 2021 and 2023 as an indicative guide to changes in the marketplace on the basis that the apps for 2023 are some of the most commonly used.

WHAT'S NEW IN 2023?

The four main improvements in app usability since 2021 are the rise in selling via social media links to apps, better delivery options, the change to include Apple Pay and Google Pay, and the rise of AI-enabled chatbots to help with customer queries.

Of course apps aren't the only way of shopping on smartphones or tablets. However once set up, apps offer retailers and consumers greater opportunities for personalisation and low effort usability. With [internet sales as a proportion of total retail](#) sales doubling since 2015 and the use of mobile apps increasing by 50%, a well-optimised app is a must in 2023. Some reports show that the [conversion rate on apps is 157%](#) higher than it is on websites, although this will vary from retailer to retailer.

Davies Hickman have split their insights from the 2023 retail app study across four sections which are in-app browsing, checkout process, delivery and customer issue resolution.



Use of
mobile apps
increasing
by 50%

The research was carried out independently by Davies Hickman Partners Ltd. The data and views in this report have been prepared in good faith but the authors of the report can not be held responsible for any actions or otherwise taken by those reading it.

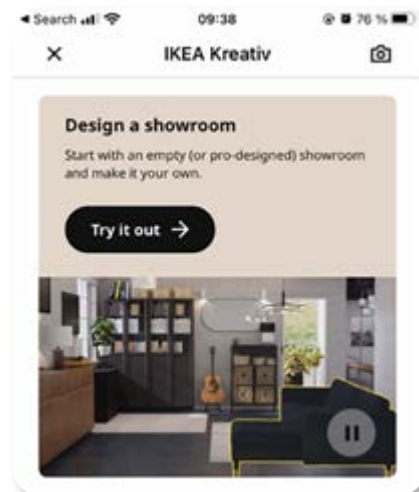
IN-APP BROWSING

Little implementation of Augmented Reality (AR)

The 2021 study noted that the quality of product images varied from app to app with some offering a better experience in terms of different views, close-ups and ease of changing colour or specification. Although the browsing experience has improved in the last 2 years, there is still significant variation between the best and worst apps.

Augmented reality (AR) is still rarely integrated into the function of apps either to improve shopping experience or usability although some technology and furniture brands, as well as a few fashion brands, offer AR. Even though the [Harvard Business Review](#) reports that 61% of consumers agree they prefer retailers which offer AR features, 52% of marketers claim that they don't feel ready to do so. AR comes with a lot of challenges including the high cost, a lack of successful case studies, latency issues, and the rapid change in the technology which requires a continuous need to adapt. So despite all the potential advantages that AR delivers, retailers have yet to widely introduce this technology across their apps.

A 360 degree view can help the customer with their choices, for example Apple offers a 360 degree view of their products, as well as an AR view in which the product can be placed in any room. This feature is also useful for selecting furniture and homewares, by virtually placing items in the surroundings of customers' chosen locations like the John Lewis app which has the ability to superimpose furniture on a picture of a room. IKEA offers a similar feature. In fashion some years ago, ASOS trialled their See My Fit tool which allowed customers to see how a piece of clothing looked on 16 differently sized models.



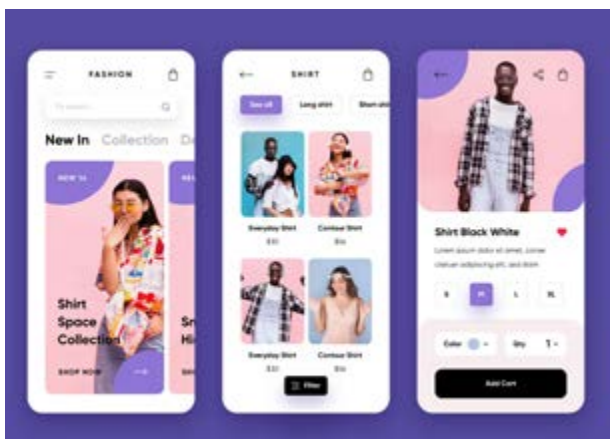
This use of machine learning and AI to tailor an app to the individual customer is increasingly common and allows the browsing experience to vary from person to person, delivering a better customer service. [The Davies Hickman research with Odigo](#) has shown that most organisations agree that adopting AI is a positive step so more of this innovation is anticipated in the future.

Fashion brands use videos to show off their products

With reduced footfall on the high street, in-app catwalk videos of clothes can improve the shopping experience for internet shoppers. [The Davies Hickman consumer research for Avaya](#) indicates that the popularity among consumers of video use for product demonstration has grown by three-fold since 2015. Two years ago, less than 1 in 3 apps included more than a few videos of their products. The 2023 study shows there are still plenty of apps which don't make use of video features, however big fashion brands like PLT, H&M, and ASOS are presenting most of their items in picture and video format.

In addition PLT gives customers the option to see styles modelled by influencers involved with the brand. This feature can drive desirability and it illustrates one of the ways apps and social media have become more integrated since the 2021 study.

Plenty of apps don't make use of video features



Consumers are increasingly comfortable using QR codes

Visual or QR search is offered, voice search less so

Visual search is a [technology that consumers use to make a search query](#) by taking a photo of a similar item. The photo is used to search the website or app content. Visual search is a key aspect of in-app shopping on eBay, Amazon, Nike, and Argos.

In 2021, some industry analysts were estimating that visual and voice search would constitute [50% of all searches in 2020](#). Fast forward to the 2023 study and only 5 of the 30 apps offer voice search to find products or services.

The 2023 study shows that scanning a QR code on, for example, cosmetic items, creates a useful shortcut for those frequent in-app repurchases, and is now more common than using voice search. Research by Davies Hickman has shown that consumers are increasingly comfortable using QR codes. Similarly, keeping an order history is essential, not only for personal records but to help with repurchase.

The majority of apps offer searching by filters although some apps provide more comprehensive options such as body type or skirt length, or even more specific filters that refer to occasions such as concerts, holidays, festivals and weddings. The filters work very differently across the apps with some updating automatically and others being more comprehensive.



Retailers should allow more time to hold items in the basket

The 2021 study indicated that only 2 of the 30 apps reserved items placed in the online basket and there has been little movement in this area since. ASOS holds items for the customer for up to an hour before releasing them for others to purchase, and this feature can be useful for customers during in-app sales and in discount season. Perhaps setting a reservation time of 15 minutes would maximise utility for all customers, but it varies by product. The customer could be given the option whether to hold/reserve the item, and even give a recommendation whether such would be necessary dependent on stock figures.

* Note that the list of 30 apps researched in 2021 and 2023 is not exactly the same. The list was updated to be representative of some of the most popular apps today.

Register for availability becoming more common

The ability to register for a notification when an out-of-stock item is available again is mostly applicable to products that are sold consistently over time, and also for some fashion items. Less than 5 apps out of 30 offered this facility in 2021, although this number doubled to 10 apps in the 2023* study.



Reviews influence purchase decision

Reviews are an industry hygiene factor despite issues regarding subjectivity and fraud. The [Davies Hickman consumer research for BT](#) shows that over 40% of people rely on reviews when making purchases and nearly 1 in 5 like to give reviews.

The 2021 app study indicated that half of the apps offered a review function, however in 2023 this number had increased to 21 apps offering either a review facility for an item, or a review facility for sellers and buyers. For instance, Waterstones offers book reviews written by their employees and the second-hand sale apps such as Vinted, offer a review option for both sellers and buyers, following the standard set by Uber amongst others.

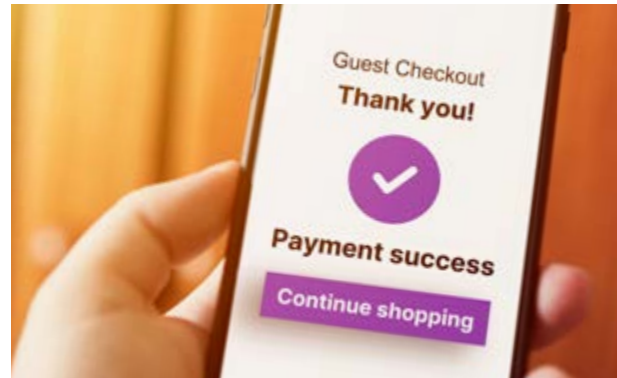
Nudges prompt customers to make a purchase

The 2021 app study showed less than 5 of the 30 apps were obviously using behavioural economics or nudge techniques to increase sales, and there is no significant increase seen in the 2023 study. The 'Top rated', or 'Hurry, they're almost gone' flashes used by Urban Outfitters and eBay refer to the number of other customers watching the item. JD prompts customers to buy items by creating messages stating when a product was last bought and Temu states how many products are available. However, the more obvious nudges being used to help drive transactions are [Taggstar's](#) social proof nudges. Using behavioural science techniques requires frequent updating to ensure the nudge remains effective.

CHECKOUT PROCESS

Guest checkout possible for most retail apps

For the in-app shopper, guest checkout is an important usability feature. It allows for a quicker checkout so it's especially useful for one-off purchases. In 2021, some apps allowed guest checkout on their websites but not in-app, resulting in a poor in-app experience. However, in 2023 most of the apps in the study are offering guest checkout with the exception of Asos and Amazon. In a few instances such as Starbucks, customers are required to sign up before even gaining initial access to an app.



Order amendments often possible for short time periods

In 2021, almost 20 out of the 30 apps in the study allowed some form of change to placed orders, both in the form of edits or cancellations but more commonly the latter. In 2023, the number of apps which allow cancellations shortly after ordering, or until a tracking number has been assigned, has risen to 24 (remembering the list of 30 apps researched is not exactly the same between the two periods). The apps offering this useful function often have short amendment times, usually of up to an hour after the order is placed. In-app customer support for this facility is strongest if the cancellation can be undertaken within the app, without the need to either call or e-mail customer service.

Notably fast fashion brands such as PLT and Missguided, as well as brands straddling fashion and sports such as JD and Sports Direct with fast ordering processes, don't allow cancellations at all. Instead, they encourage customers to return unwanted items free of charge. The cost and speed of returns is important to customers, together with the immediacy of receiving a refund. Most apps offer free of charge and paperless drop offs at corner shops or their high street store. An exception is Zara which favours returns to their high street store, so charge a small fee for returning items using other methods.



Apple Pay is more accepted than Google Pay, BNPL services are increasing

Given both the flexible nature of in-app shopping, and the post Covid rise in cardless payments, the choice of payment options is important for customer experience. Interestingly, this 2023 study indicates that 21 of the 30 apps accept Apple Pay while only 10 accept Google Pay even though a 2023 [Statista link](#) shows the market share of Android and iOS is similar, with iOS being only slightly more popular with its 50.8% share.

The number of apps offering payment via BNPL schemes such as Klarna and ClearPay has nearly doubled from 7 apps in 2021 to 12 apps in 2023. Missguided and Sports Direct both offer their own BNPL service Frasers Plus. Other apps include PayPal Pay 3 as a payment option.

The majority of apps offered the option of saving customers' payment details, again facilitating consumer experience.

ID&V - Face ID login

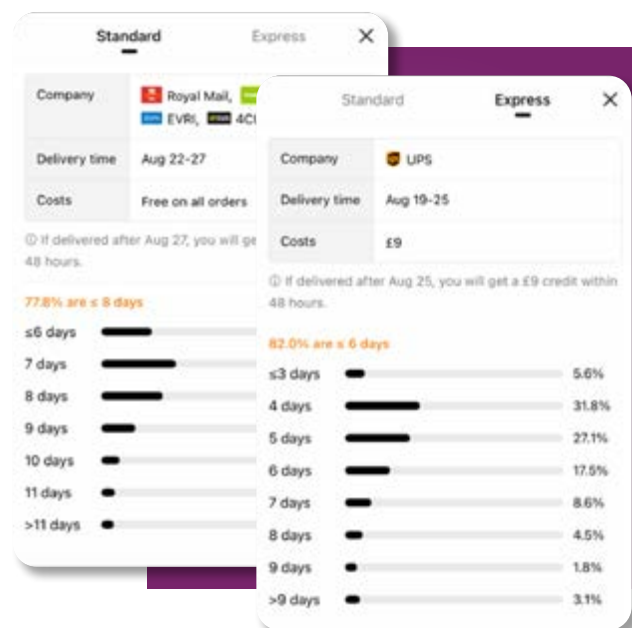
Employing Face ID in an app, particularly in order to access saved address and payment details, is another way to improve usability. Only 8 of the 30 apps in the 2021 study offered this feature, for instance Face ID can be used to log in to the Burberry app. [The Davies Hickman research for BT](#) indicates that the ID&V process on the phone, website and app is consistently a source of frustration for customers so the growing opportunities to use Face ID in-app should grow further.

DELIVERY

Next day delivery is a common feature, but nominated day delivery is often not available

Approximately half of the apps gave the option of next-day delivery in 2021. This has increased to 22 of the 30 apps in 2023, with cut-off times being as late as 11pm from some. However, even in 2023, less than half of the apps offer nominated day delivery. Indeed, some of these are only limited to London postcodes.

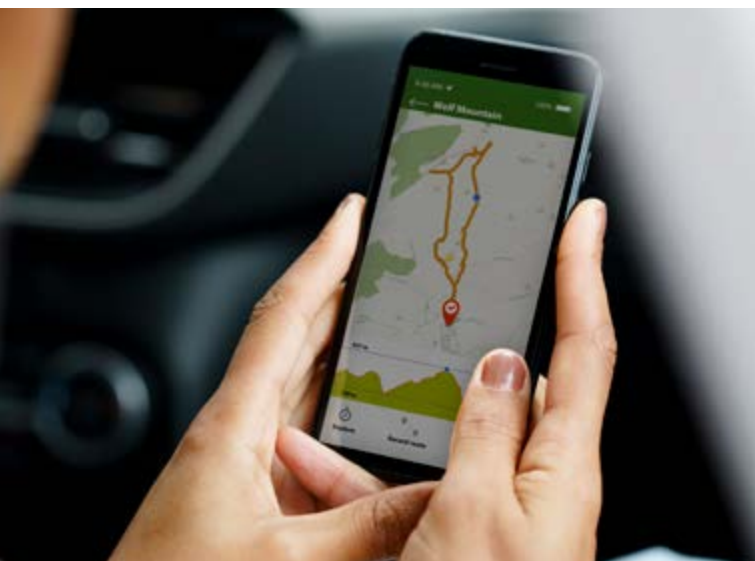
In contrast, the new shopping app Temu doesn't offer quick deliveries. In fact, it can take up to 25 days for items to arrive, with an average delivery time of 1-2 weeks. The fastest delivery option is Express Delivery, which still takes 4 days on average. Known for its very cheap prices, it is one of the more popular shopping apps in the UK in terms of number of app downloads.



GPS tracking depends on the delivery company

The 2021 study indicated that only 2 of the 30 apps offered GPS tracking to show customers the progress of their delivery on the day. It was far more common for customers to be given a delivery slot of a few hours or an estimated delivery date.

In 2023, delivery companies are actively trying to be more transparent with delivery timings and related information. Delivery companies, such as Evri or Yodel, can inform the customer of every step in the journey - from assigning a tracking number to being out for delivery. In addition, Evri provides the name of the delivery driver. Delivery drivers may take photos to confirm parcels have been delivered, or to show they have been left in a safe place. Yodel offers customers the choice of two hour windows for their parcel deliveries, and can also send out push notifications at every step of the journey. Amazon's tracking service offers a live map showing the progress of the driver towards the delivery address. It also tells the customer how many stops until the driver will reach them.



OTT notifications keep consumers engaged

The majority of apps offered the option of OTT notifications for customers with smartphones and not just for delivery updates. For instance, ASOS provides order updates, Vinted tells sellers when an item is sold or liked, and Apple sends notifications and tips about the devices being used. These notifications are part of the move towards a proactive customer service where consumers are informed of changes and updates for their purchases or with their relationships.

Delivery companies offer more choice and ways of delivering

In-store availability is still offered by app brands where relevant and most apps still offer Click and Collect services albeit with the range of collection points increasing. However compared to 2021, retailers are being more creative in their choice of delivery companies, depending on the kind of product that is being shipped. For example, Boots is improving convenience for the customer by partnering up with Deliveroo and Uber Eats to deliver their pharmacy products. Their same day delivery service is important for Boots' customers whether purchasing from its pharmacy, its baby products selection or its beauty range.

Vinted has changed the delivery landscape by partnering up with Yodel to offer pick-up and drop-off (PUDO) locations. With Vinted being one of the most downloaded shopping apps in the UK, PUDO services are becoming increasingly popular and more widely used.

CUSTOMER ISSUE RESOLUTION



Customer support often easier on the web

Resolution of issues, problems, queries, and questions continues to be essential to customers. Research by the [Institute of Customer Service](#) shows that service levels are declining despite being vitally important.

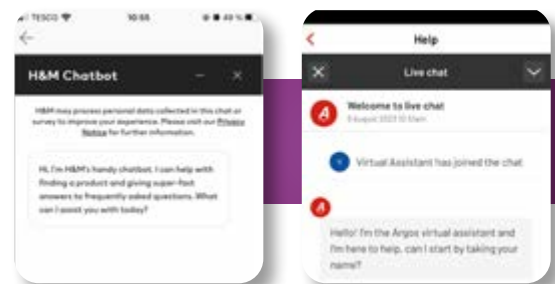
Some of the apps only offer support through their brand's website. For example, clicking on FAQs or Contact Us within an app opens a web page for the app user. Usability is improved if everything is kept 'in-app' and although in 2023 more apps working like this, more needs to change.

Chatbot and live chat are widely available, consumers still prefer human interactions

Both live chat and automated chatbots, or virtual assistants (VAs), were only used by a limited number of the brands reviewed in 2021. Less than 1 in 3 offered live chat, and approximately 1 in 6 offered a chatbot function.

With Davies Hickman's 2023 [consumer research for BT](#) confirming the growth in the popularity of messaging applications for customer support, it is encouraging to see that half of the brands, mainly in the fashion space, offer AI-enabled chatbots in the 2023 retail app study, even though some of them are only available through the website.

According to research conducted by [Davies Hickman with Odigo](#), 59% of business executives are using or would use a chatbot on their app, with 77% using or wanting to use bots on their websites. Chatbots offer the advantage of being available 24/7 whereas live agents are generally only available during business hours and connection usually occurs only after having tried to solve an issue with a chatbot.



The 2023 study of retail apps indicates that live chats with agents are more widely available but often only after interacting with chatbots. However consumers may prefer to contact a live agent straight away, rather than using the initial chatbot. According to the [Autonomous Customer report by Davies Hickman, Cisco, and BT](#), 83% preferred interacting with a human so offering the option of skipping the automated chatbot may increase app customer satisfaction.

Video Chat is less common than expected

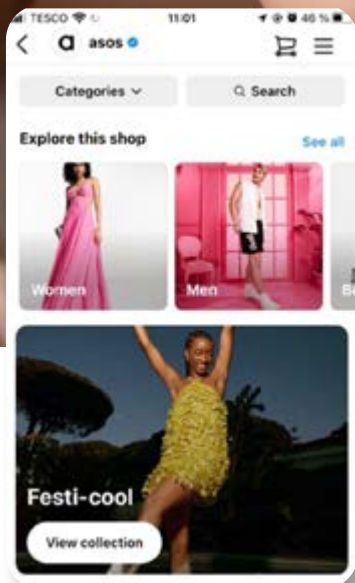
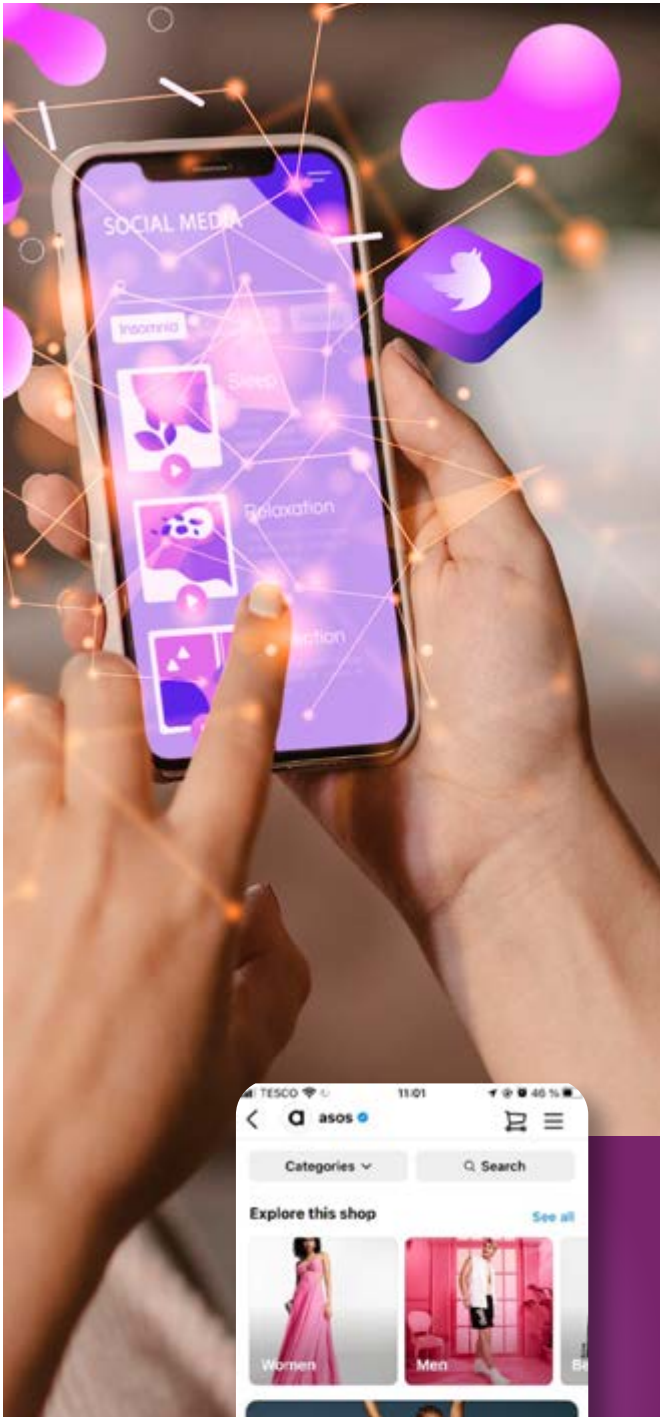
Video chat has become a very popular and frequent way to communicate, with Davies Hickman data showing over 50% of people regularly use video communication via Zoom, Facetime and Teams. In-app video chat provides many of the same positives of live chat such as convenience and immediate issue resolution, but in a more personal way for the customer and a more effective way for the agent.

Even so, the 2021 retail app study showed that none of the 30 apps offered video chat although the updated study now shows 2 apps offering video chat (remembering the list of 30 apps researched is not exactly the same between the two periods). Burberry offers video chat for shopping assistance and Argos offers video chat for customers needing a BSL translator. However, according to the BT [Autonomous Customer](#) report, 40% say they would use video chat to understand how to install a product.



Over 50% of people regularly use video communication

Social media is a must for every brand



In both the 2021 and the 2023 study, the findings suggest not all brands are offering support through social media channels. However, in 2023 the importance of social media for brands and their apps continues to grow. Whilst the number of brands being represented on social media hasn't changed significantly since 2021, the importance of certain social media platforms has increased. Many brands use social media platforms like TikTok, Pinterest, Snapchat, Instagram, or even Spotify to build brand awareness. Indeed brands like Shein which have 30m Instagram followers, are hugely dependent on their social media presence, and need to constantly create new, engaging content. It is therefore interesting to note that not every retailer has their social media accounts linked directly to their app, for instance with a link only to be found on their website.

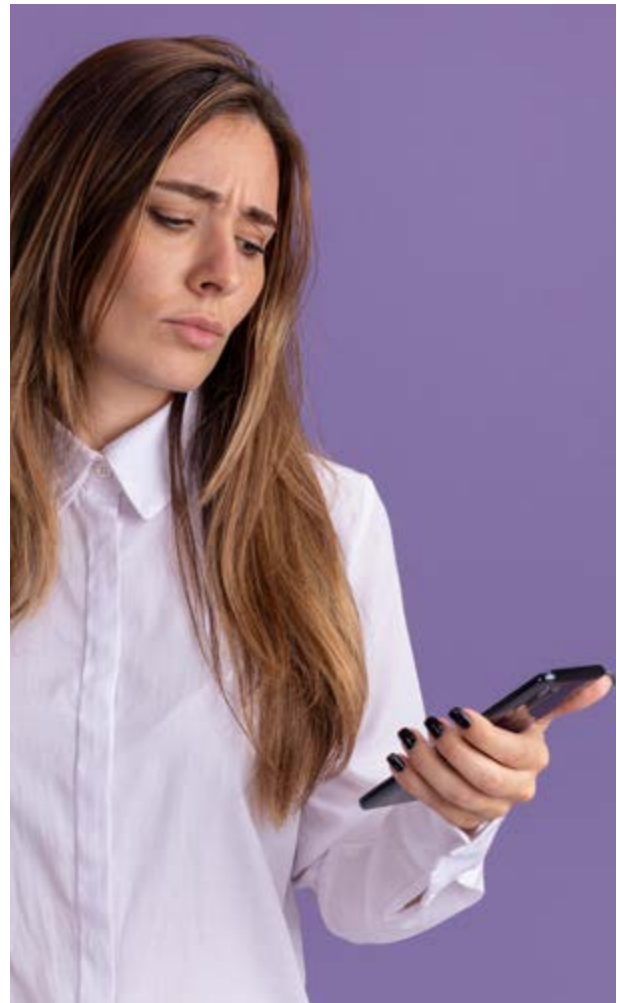
Some apps do have social media links although they are not always obvious or easy to find. For instance the social media link on the Missguided app sits at the bottom of their in-app Help page. The reason may be that retailers prefer to lead their customers from their social media to their app rather than the other way round. Indeed social shopping brands, such as Asos and PLT, use Instagram posts and the Instagram Shop to link their items, which in turn sends the customer to their app or website where they can purchase the item that is displayed in the post. In some instances the whole buying process appears to be completed within the social media app. In 2023, [98% of online consumers](#) are planning to make a social purchase at least once, a huge increase from only 68% of customers in 2022. As well as having the facility to sell products through social media, it is equally important to have a presence on social media platforms too. Almost 50% of 18–29 year olds claim they have purchased something after seeing a [social media ad for it](#).

Retailers prefer to offer customer service over chat, rather than over the phone

In the 2021 study, just over 2 in 3 apps offered a phone number for customer service. Amazon and eBay offer a 'Have us call you' facility while Apple allow the customer to schedule a call and Ikea offer an estimated wait time for speaking to an agent. WhatsApp is used as an alternative to the phone for some apps.

However access to a phone service on apps in 2023 seems less prevalent, with brands preferring to be contacted by chatbots, via live agent chats, or social media platforms such as Facebook or Twitter/X. Only 17 out of 30 apps in 2023 offer a phone number to call, compared with 21 apps in 2021.

Most customers still want the option of a phone call for resolving issues and retailers need to consider improving their call centres. Long waiting times in call queues cause frustration and result in disappointed customers. Not surprisingly, as the [Davies Hickman research with Odigo](#) shows, 4 out of 5 business executives agree that their contact centres need improvement.



In-app complaints mainly possible through the Contact Us section

Being able to make complaints in-app is another essential feature for usability. The majority of the 30 apps reviewed in 2021 only offered a Help or Contact Us section. Despite these sections and the FAQs section, which is important for the transfer of helpful information to the app user, the ability to make in-app complaints creates a more seamless process. The 2023 study shows 12 of the 30 apps offer either a complaints section or articles about how to make complaints, up from 5 apps in 2021.

TAKE-OUTS

Since 2007, Davies Hickman Partners has helped organisations to develop channel strategies to benefit customer experience and help businesses expand. This comparison of apps across 30 well-known brands reveals some key take-outs to improve customer support and usability.

1. Improving the in-app browsing experience

With many consumers avoiding high street stores and turning instead to the internet, apps still have some way to go to match the physical experience of shopping. The use of AI, AR and virtual reality offers potential to improve the in-app experience hugely and could be adopted more widely by brands in any sector.

2. Customising product and service scanning

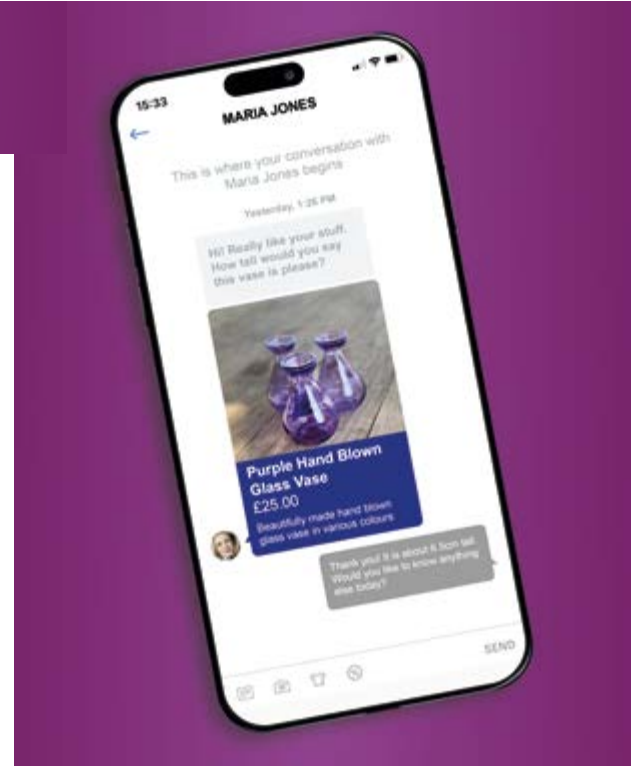
With many apps there is a huge array of products to scan. Any tool that tailors the products which are shown to individual customers by age, weight etc will help target the consumer more efficiently. It will lessen time scrolling through less relevant products.

3. Supporting the buying decision

Better use of reviews, nudges and agent support through live chat, phone or video could give customers the confidence to make more purchases. Although app shopping is easy on one level, the volume of products available makes choosing difficult for some consumers.

4. Easing payments and improving check-out

Chasing the elusive one-click experience with hassle-free payments and offering customers the opportunity to get fast refunds are all likely to drive transaction rates.



5. Driving delivery performance

Being more transparent with delivery timings will improve customer experience. More accurate drop off times and making nominated day deliveries available to more customers could be crucial. Returns are getting easier, but could be easier still.

6. The growing importance of social media

Optimising the use of social media, not only to build brand awareness, but also to drive sales is vital. The role of influencers, of product placement and more has impact on sales and the links to retail apps can improve.

7. Elevating customer support

Many apps offer limited customer support usability, yet problems with products and issues with orders are not uncommon. Offering in-app support will benefit customers' satisfaction and business efficiencies. Giving customers the support of live agents, once AI-enabled chatbots have done all they will, could increase customer satisfaction.