

B2C Retail Benchmark Report, Q1 2020



A comparison of traffic sources by percentages and conversion rates for B2C ecommerce websites





Executive Summary

2019 was a blockbuster year for online retail. Consumers spent \$9.4 billion on Cyber Monday alone, a whopping 19 percent increase over 2018. With 26 percent of consumers shopping online every week, according to Episerver's 4th Annual Reimagining Commerce Report, it shouldn't be a surprise retailers put up big numbers in 2019. The broader retail landscape was mixed, however, with the Commerce Department reporting several months of negative sales growth in 2019. In 2020, retailers should take credit for delivering strong ecommerce sales while taking note of broader economic trends that may make earning consumer dollars more difficult in the future.

The B2C Retail Benchmark Report, Q1 2020, provides a deeper dive into the 2019 trends in consumer behavior on retail and brand websites. We've compiled billions of shopping sessions across 160 websites that use Episerver and analyzed the key findings for device penetration, traffic sources and conversion rates.

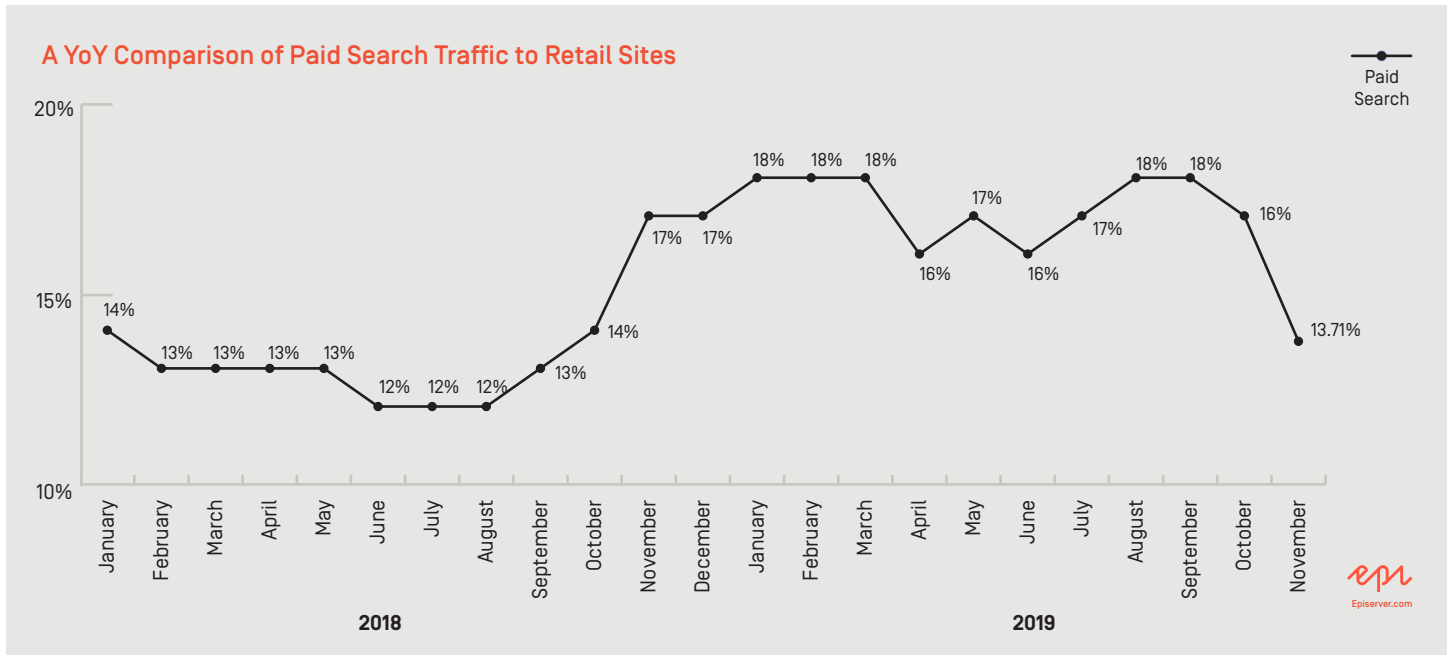


Key Findings

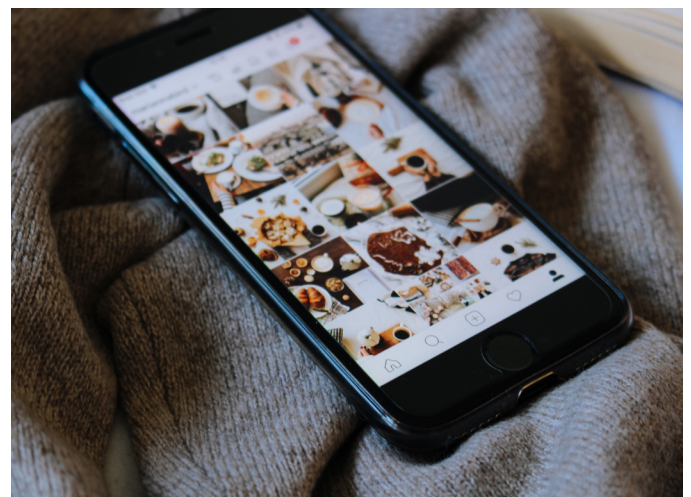
1. Mobile share of traffic consistently exceeded 50 percent every month in 2019. Meaning, mobile is here to stay. Episerver predicts mobile traffic will exceed 60 percent or more in peak-selling seasons from this point on, particularly during the holidays when mobile share of traffic reached 59 percent in November 2019.
2. Paid search and organic search deliver the highest conversion rates and lowest bounce rates, which proves search is the workhorse of high-intent purchases. Retailers and brands alike should invest in both non-branded and branded organic and paid search strategies. This matches consumer survey data from Episerver's Reimagining Commerce Report 2020, where 42 percent of consumers reported they visit Google first when they have a specific product in mind for purchase (Amazon was second at 33 percent).
3. Social peaked in late 2019 taking eight percent of all traffic. This is a big milestone and should not be ignored by retailers. Consumers use different channels along their journey, often using social first for inspiration and research. The best retailers are balancing optimized search and email campaigns with discovery journeys on social.

Traffic Sources

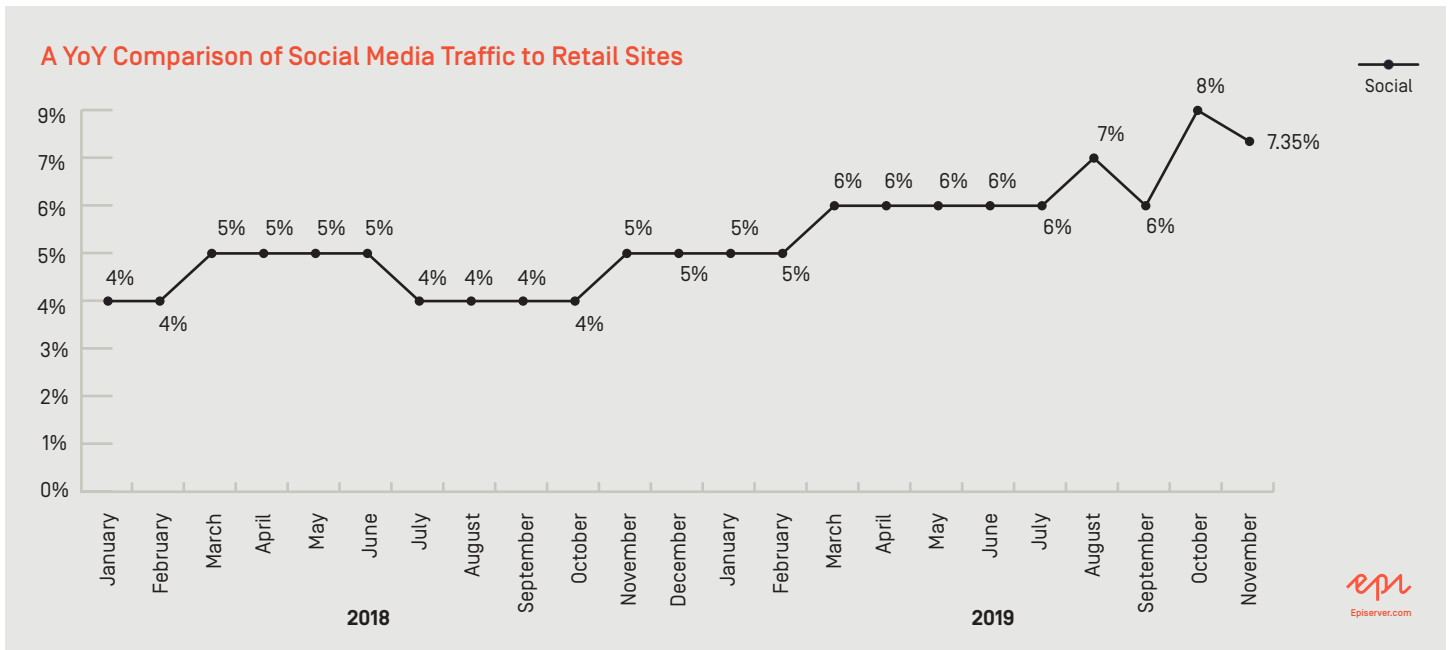
- Paid search is used year-round and not isolated to just peak shopping periods like the winter holidays. In fact, paid search usage tends to decline during peak seasons likely due to higher competition (i.e., more expensive bids).



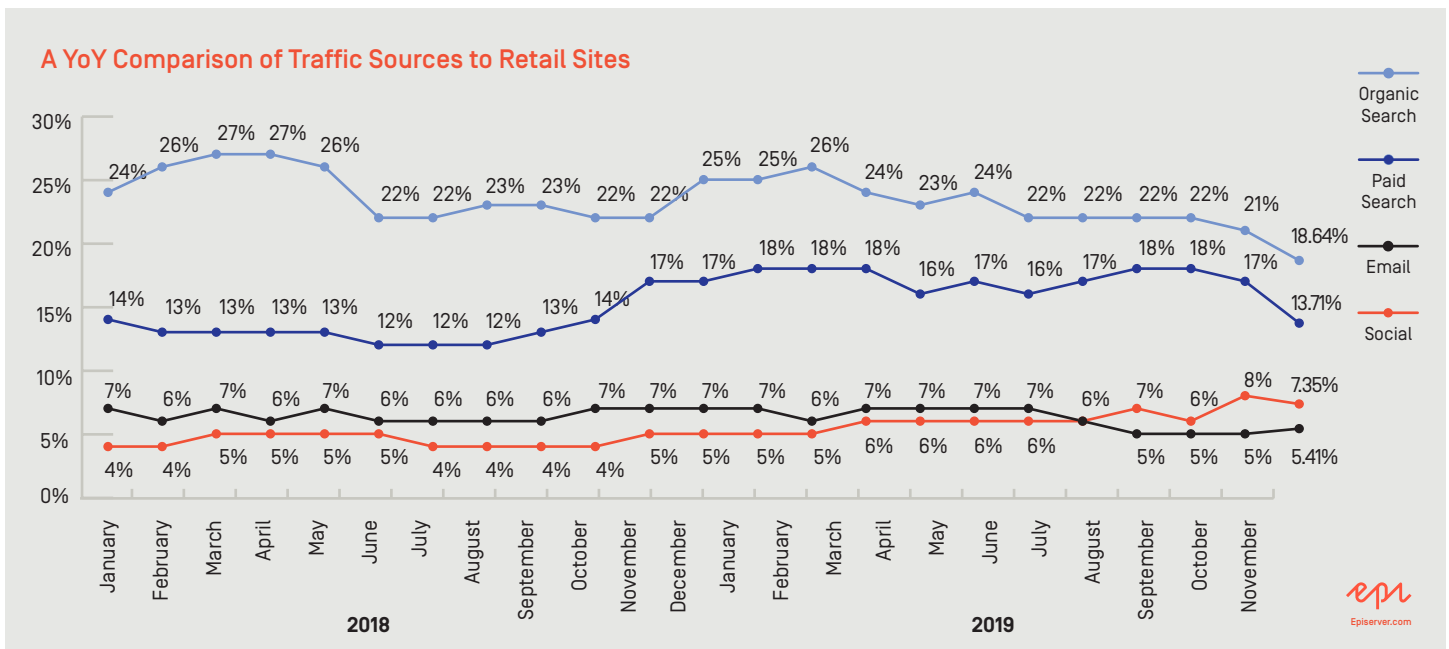
- Social traffic has doubled to eight percent in share of website traffic from January 2018 to October 2019 but poor conversion rates and bounce rates reduce the revenue potential for social as a valuable traffic source today.
- In 2019, 29 percent of consumers reported clicking on a social media ad at least once and 28 percent reported they have clicked and completed a purchase from a social ad, suggesting that organic social and social advertising is gaining importance but it still maturing as a website traffic source for serious buyers. [Episerver’s 2020 survey](#) of global consumers further addresses social as a traffic source.



- Still, low click-through rates and conversions should not dissuade retailers and brands from investing in social. Most shopping journeys span multiple sessions, devices and channels. Social is a powerful discovery channel for consumers to engage with retailers and brands. Low revenue performance does not mean social is not a critical channel for ecommerce success in 2020 particularly as it can be used to target key buyer personas.

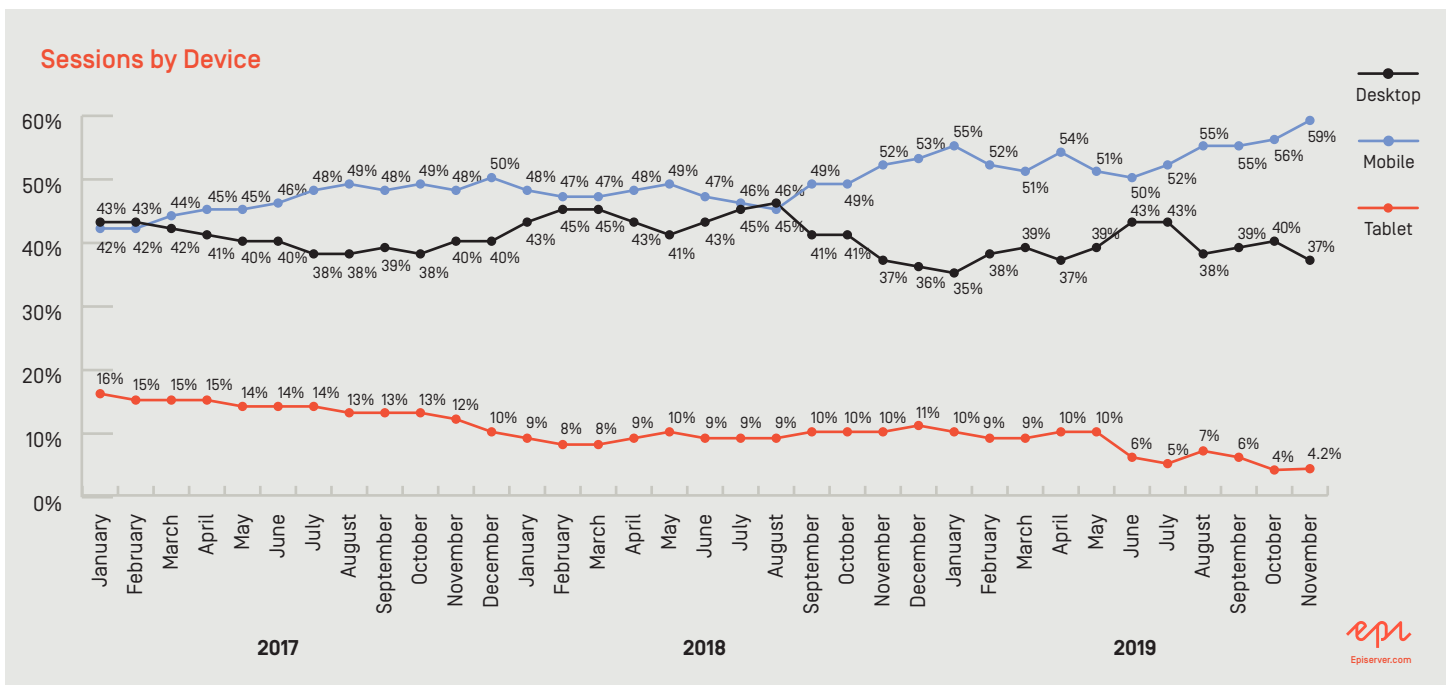


- While social as a buying channel is still maturing, social is eating into email and organic search's traffic share as is paid search for B2C retailers and brands.



Sessions by Device

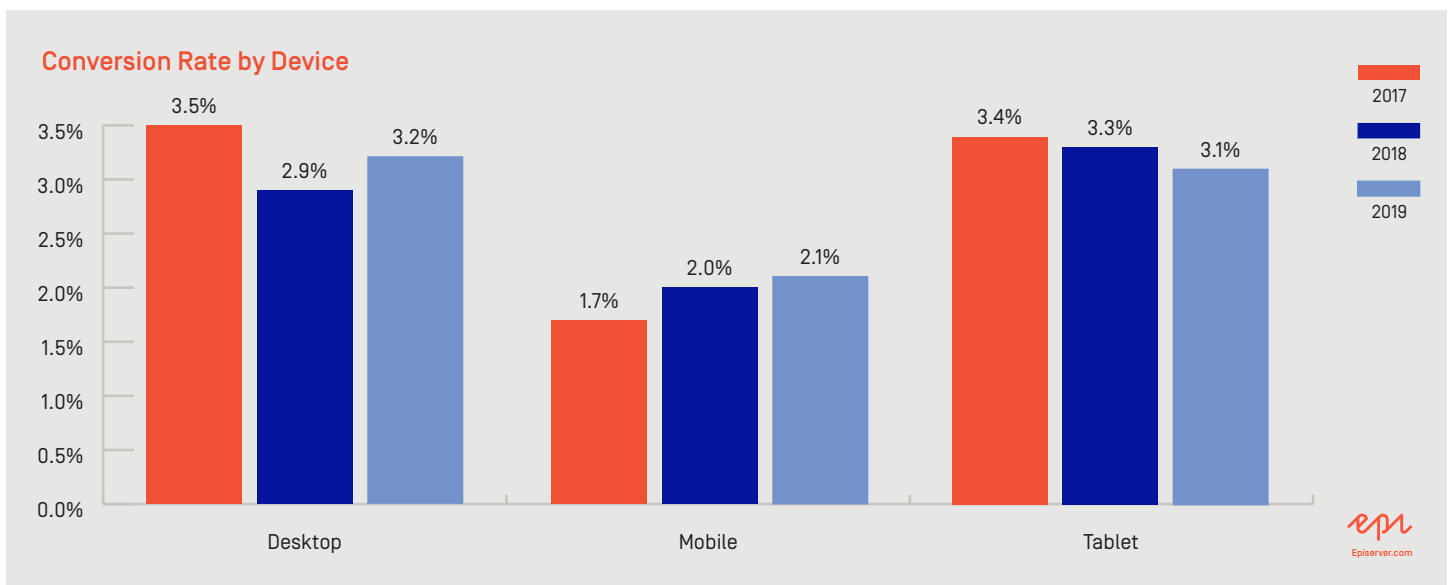
- Mobile share of traffic continues to increase year over year. By 2020, Episerver predicts the average monthly mobile share of traffic will reach 60 percent for retailers and brands as tablets continue to fall and desktop sessions become less frequent.
- For retailers and brands Episerver tracks, desktop traffic has not exceeded 43 percent since the summer of 2018, while mobile share has consistently remained above 50 percent. Mobile is the new norm.
- Fifty-one percent of consumers who were surveyed for Episerver Reimagining Commerce 2020 reported that the number of times they have reached for their smartphone instead of a laptop to shop online has increased. This lies in stark contrast to the just six percent of consumers who reported reaching for their smartphones has decreased.





Conversion Rate by Device

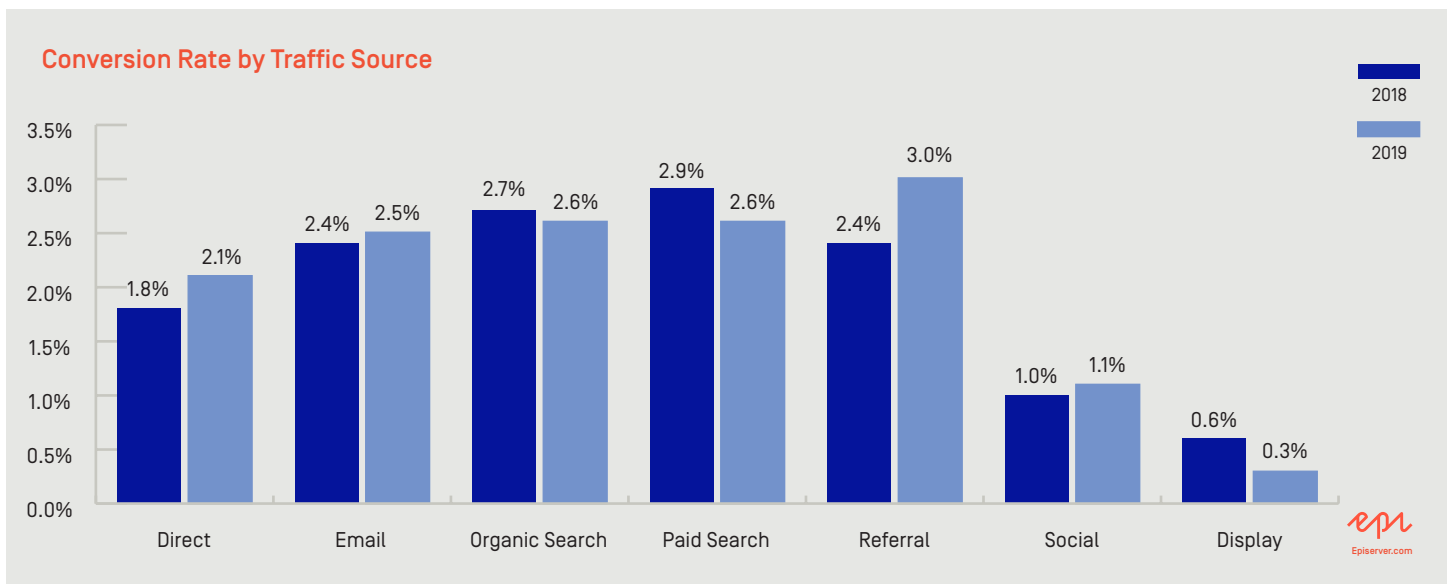
- Conversion rates are holding steady around three percent for desktop and two percent for mobile. Since 2017, conversion rates have increased from 1.7 percent on mobile devices to 2.1 percent as retailers and brands have invested in mobile optimization and consumers have gotten more comfortable completing purchases on mobile devices.





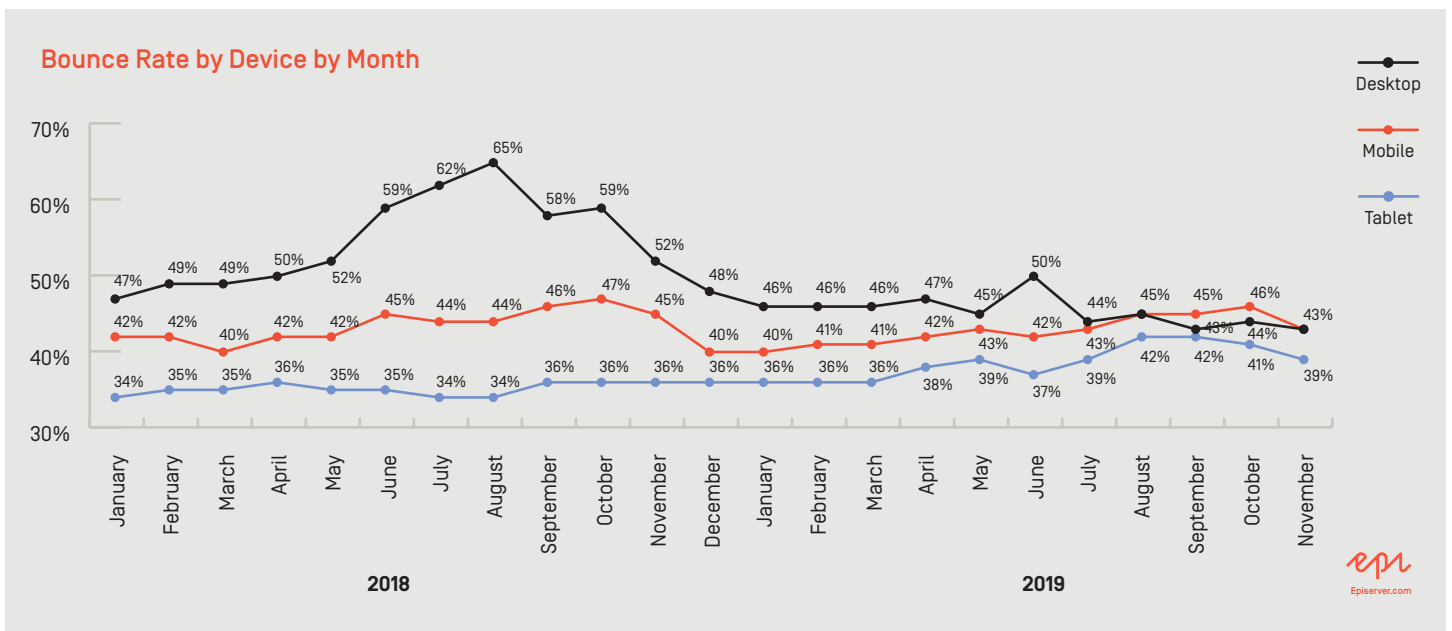
Conversion Rate by Traffic Source

- Direct traffic and referral traffic saw the highest increases in conversion rate year-over-year, while paid search and organic search both saw small declines in conversion rate, suggesting search keywords are becoming more competitive and relevancy is becoming even more important as buyers are discerning with what they click in the search engine result pages [SERPs].



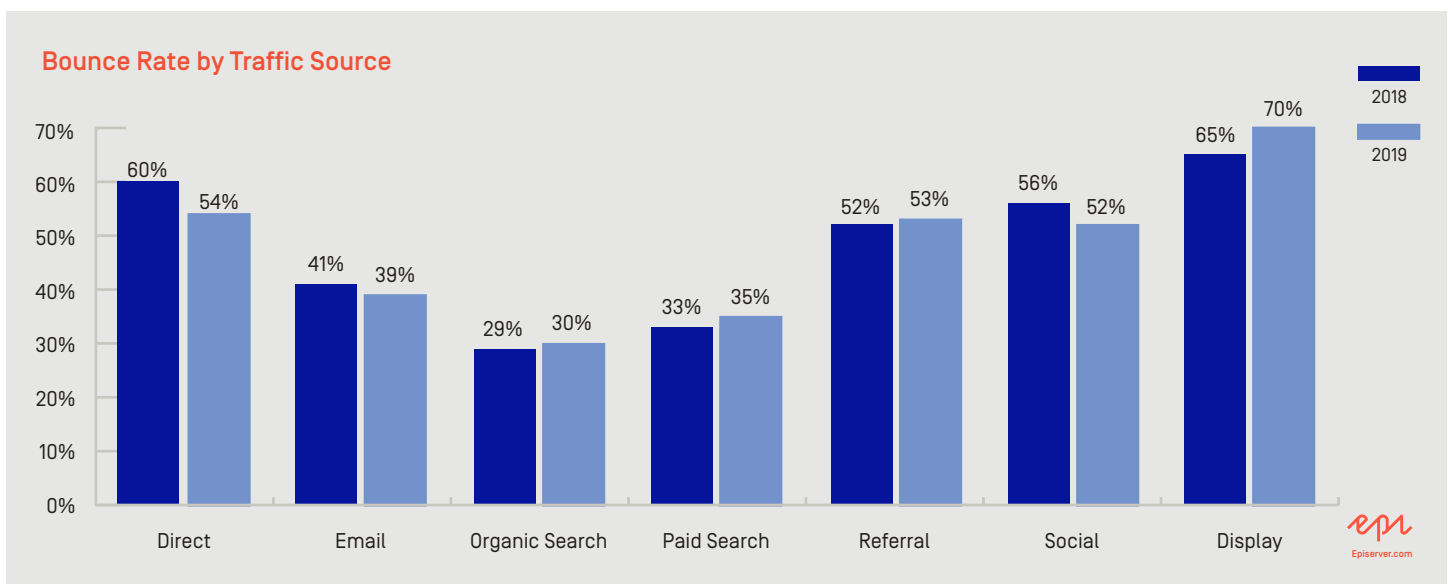
Bounce Rate

- Bounce rates across all devices have hovered around 43 percent with tablet having the lowest bounce rate and desktop having the highest. This is true until late 2019 when desktop bounce rates sank lower than mobile. This could indicate that while people are reaching for their mobile devices more and more, serious buyers ready to purchase may still rely on their desktop computers for a better digital experience compared to some mobile sites that are still lacking functionality designed for the smaller screen.
- When comparing summer 2018 to summer 2019, a bigger emphasis on July discounting (to compete with Prime Day) could be the reason for lower bounce rates particularly for desktop visits in July.



Bounce Rate by Traffic Source

- Organic search and paid search enjoy the lowest bounce rates, which is likely due to high-intent purchase searches and branded keyword searches for brands and retailers. This finding underscores the importance of a strong search strategy addressing both branded keywords and non-branded intent searches.
- Display and direct traffic suffered with the highest bounce rates with only direct traffic improving year over year (with a six percent decrease in bounce rates).



The Post-Click Experience

Retailers cannot rely on one traffic source to drive new and return customers to their websites as shoppers rarely visit a retailer or brand’s website for the first time to make a purchase. Regardless of channel, however, the post-click experience is where action and affinity is won or lost based on the content being presented to the shopper and how relevant the digital experience is to them personally.

➔ **Sign up to receive [Episerver Reimagining Commerce 2020](#) to learn more about what shoppers expect and how to exceed those expectations to ensure interest is not lost due to a poor digital experience.**



Methodology

The B2C Retail Benchmark Report, Q1 2020 is based on aggregate data from 160 B2C retail and brand websites using Episerver. The data collected and analyzed is from Jan. 1, 2017 to Nov. 30, 2019 and spans over 4 billion unique website sessions. For questions about the findings, please contact Episerver Sr. Director of Commerce Strategy Ed Kennedy [ed.kennedy@episerver.com] and/or Episerver Brand Communications Manager Amberly Dressler [amberly.dressler@episerver.com].

About Episerver

Episerver empowers businesses to scale through the most customer-centric approach to digital experiences. Its Customer-Centric Digital Experience Platform™ features best-in-class content management, robust commerce, and intuitive data and personalization solutions. The platform has consistently earned industry, analyst and media recognition for its vision, capabilities and customer commitment. Episerver's 900+ partners and 800+ employees in offices around the globe are proud to help more than 8,000 customers enrich their customer lifetime value, increase revenue and grow their brands. Learn more at www.episerver.com.

