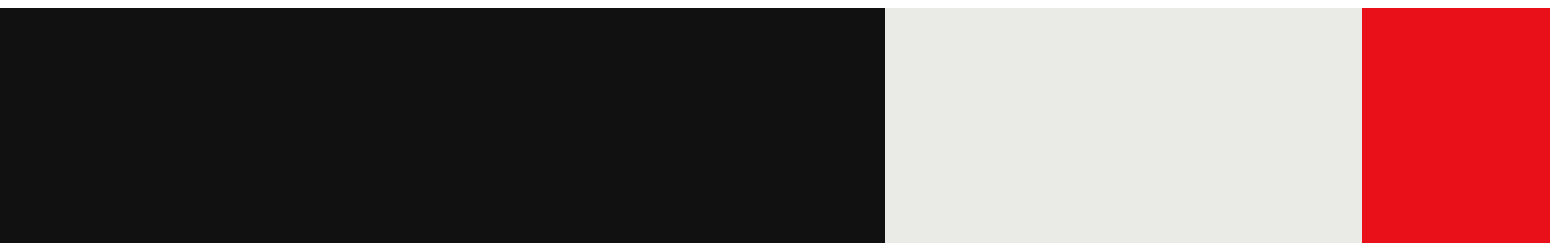



3 challenges with mcommerce and how retailers can respond

Article



Retail [mcommerce](#) is a \$542.73 billion opportunity in the US this year, growing 11.7%. To maintain that growth and attract [mobile](#) shoppers, retailers will have to create seamless smartphone and app buying journeys, invest in [loyalty](#) programs to retain users, and prove that the mobile experience stands up against desktop.

1. Desktop sees better conversion rates, order size, and cart abandonment

“On many retail websites, the user experience on desktop is a higher quality than it is on mobile,” our analyst Blake Droesch said. Product images, descriptions, and other features that help shoppers make informed buying decisions are conducive to larger screens.

- From April 2023 to April 2024, mobile conversion rates were around 3.0%, behind desktop at 4.4%, according to Dynamic Yield.
- Over the same time period, despite fluctuations during the holiday season, mobile order values averaged \$139 compared with desktop’s \$164.
- A separate study by Salesforce Commerce Cloud found that mobile faces an 85.0% abandonment rate compared with desktop at 75.0%.

“Even though there’s been an increasing amount of investment and emphasis on mobile, desktop still has an edge,” Droesch said. “If you are shopping on mobile, you’re more likely to run into a snag, whether it’s an error in the payment or simply friction in the inherent design of the website.”

2. It’s becoming increasingly challenging to acquire new mobile app users

Temu and Shein disrupted the market last year with explosive user growth, intensifying competition in the retail app market. The two were the only retail apps to make it on the top 10 most downloaded apps of 2023, per January 2024 data by the Business of Apps.

“Temu and Shein have a newcomer advantage. But they are also focusing on the mobile shopper because they understand that that’s the future of ecommerce,” Droesch said. “US retailers, which have been in business longer, have apps but are not trying to scale as aggressively.”

Retail apps are facing a challenging climate:

- **Retail app users are reaching a saturation point.** More than three-quarters (76.5%) of smartphone mcommerce shoppers are retail app users, per our July 2023 forecast.
- **Consumers are less likely to download new apps.** The number of smartphone apps installed per user is expected to decline every year through 2027.

- **Users are hard to retain.** Ecommerce apps lose more than 90% of new users just one week after they download it, per February 2024 data by Adjust.

3. Mobile apps can lack convenience and ease compared with other devices

“[Consumers] who are shopping on their mobile browser are less likely to become dedicated customers than those who have downloaded the retail app,” so if you can convince your audience to download the app, you’ve done the hard part, Droesch said. The rest of the customer journey relies on retention, which can be boiled down to identifying friction points, implementing a strong loyalty strategy, and enhancing app features such as payment flexibility.

- Nearly two-thirds (61%) of US mobile shoppers say that loyalty programs and rewards redemption are some of the most impactful mobile features, per June 2023 data by Integral Ad Science.
- Younger consumers use a variety of payment methods. Some 48.7% of US consumers aged 18 to 34 have used PayPal and 34.5% have used Apple Pay to make a recent purchase, per our April 2024 Ecommerce Survey.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).