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RETAIL WITHOUT FAIL

TOP CONSUMER EXPERIENCE
TRENDS TO WATCH IN **2018**

“There are two types of retailers - the ones that innovate and the ones that die.”



JORDAN ZIMMERMAN

The Impact of UX on Retail Business

How will the future of retail unfold? One can only predict. What we know un-mistakenly is that the digital revolution is here, and all is available at the touch of a screen. Online retail is a huge and booming industry growing 23% year-over-year as the latest retail growth figures show, with sales expected to reach an astounding 115 billion dollars this year.⁽¹⁾ The way consumers are finding products, interacting with brands, and making purchase decisions is changing. These days, 51% of Americans prefer to shop online rather than in stores—a figure that jumps to 67% for Millennials and 56% for Gen Xers.⁽²⁾ Over the last couple years, we have witnessed customers in the midst of a mobile mind shift. As a result, businesses are starting to see the power of user experience (UX).

UX has always been about two things- the “User” and the “Experience”. Give the user a great experience and they will reward you with their loyalty, provide a bad experience and lose that customer for good; 86% of users believe an exceptional customer experience is worth paying extra.⁽⁵⁾ With these figures in mind, it is not hard to understand why user experience focused companies like Apple, Google, Adobe, Facebook, Instagram, and Uber are year after year leaders within their fields. Amazon’s CEO, Jeff Bezos, invested 100 times more into customer experience than advertising during the first year of Amazon. While AirBnB’s Mike Gebbia credits UX with taking the company to \$10 billion.⁽³⁾

Companies with highly effective UX have increased their revenue by 37%⁽⁴⁾ and top 10 UX leaders in America outperform the S&P with close to triple the returns – a significant lead. This clearly shows a positive return on UX design.

While having a great product is paramount, in today’s market it is often not enough to keep business ahead of the curve. Users have come to expect an optimized user experience as a basic requirement, and staying on top of UX trends can help business capture new users and drive sales.

With this in mind, there’s no denying that UX was big in 2017. We saw companies start to invest in live chat and messaging bots; designing for “the fold” finally became a thing of the past, and we entered the early stages of VR. With so much changing in the UX world, many are wondering what’s next.

Inside this book is a collection of what Zimmerman believes are the most promising UX trends to keep an eye on in 2018 and, possibly, for several more years to come. We believe that in order to avoid being left behind, retailers must keep an open mind to harnessing these UX trends to capture users.

Sources:

- 1 <https://www.digitalcommerce360.com/2017/02/17/us-e-commerce-sales-grow-156-2016/>
2. <https://www.bigcommerce.com/blog/ecommerce-trends/>
3. <https://www.forbes.com/sites/forbestechcouncil/2015/11/19/good-ux-is-good-business-how-to-reap-its-benefits/#48d062944e51>
4. <https://www.experiencedynamics.com/training/seminars/5-proven-roi-gains-user-experience>
5. <http://www.on3software.com/business-value-user-experience/>

10 TOP UX TRENDS TO KEEP AN EYE ON IN 2018

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97%

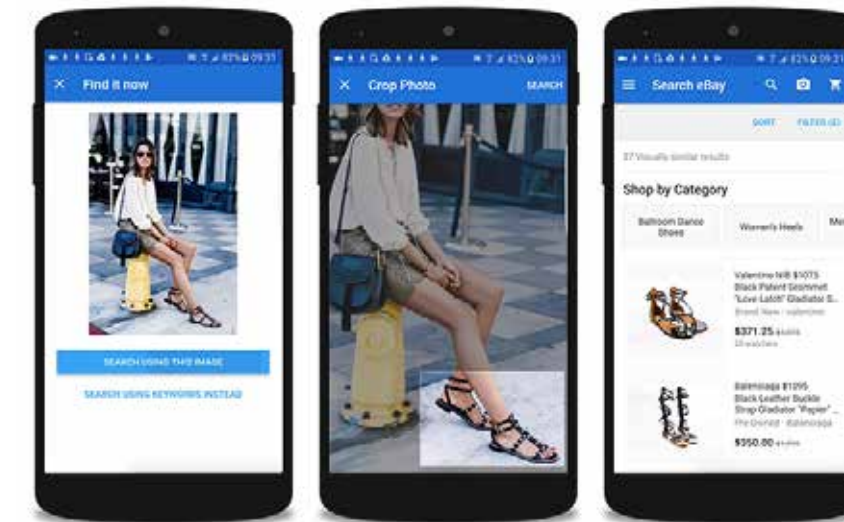
OF CONSUMERS

CONDUCT SOME FORM OF
VISUAL RESEARCH BEFORE
BUYING A PRODUCT ⁽¹⁾



Though the tech isn't new, it's finding new life in e-commerce websites and mobile apps. With visual search, users are able to take a photo of a product to generate exact, or as close to a match depending on product availability.

With more than 50% of searches coming from mobile search, brands are starting to incorporate this technology into their applications and experiences. ⁽²⁾



Sources:

- <https://www.emarketer.com/Report/Visual-Commerce-2017-How-Image-Recognition-Augmentation-Changing-Retail/2002059>
- <https://searchengineland.com/report-nearly-60-percent-searches-now-mobile-devices-255025>

WHY IT'S IMPORTANT

Visual search comes with several benefits for retailers

eager to experiment with new technologies in an effort to drive sales. The most important is the amount of time and frustration saved from typing and scrolling through product pages to find the desired results - visual search can return products immediately. Another benefit is cross-sell. If a certain product is out of stock, visual search technology can display products as close to the search image as possible. Ultimately, early adoption of visual search technology will dramatically shorten and enhance the path from inspiration to transaction, allowing anyone with a smartphone to quickly pinpoint and purchase products they encounter offline or online.





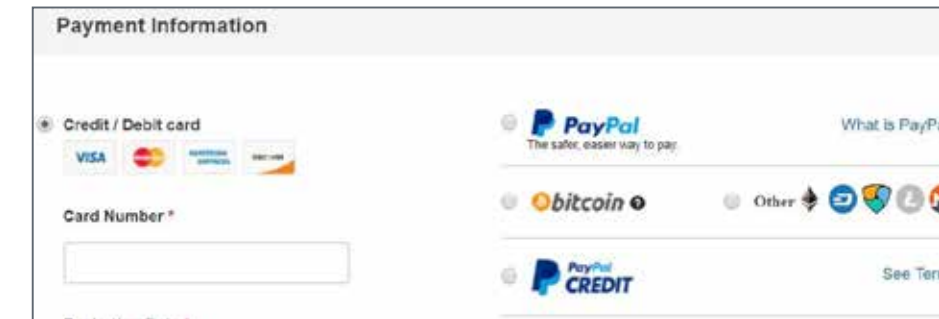
**2. MORE
VIRTUAL
PAYMENTS**

**50%
OF SHOPPERS
WOULD CANCEL
THEIR PURCHASES
IF THEIR PREFERRED
PAYMENT METHOD IS
NOT AVAILABLE ⁽²⁾**



12% HIGHER CONVERSION RATE

Crypto-currencies, such as Bitcoin, have the potential to revolutionize retail payments. Adoption is on the rise and consumers show an increased appetite to find places to spend their Bitcoin or other crypto-currencies. A study by CyberSource Corp. found that websites providing four or more payment methods, other than credit cards, had a sales conversion rate 12% higher than those offering just one online payment option in addition to credit cards.⁽²⁾



Overstocks Payment Screen

IN 2014,

Overstock partnered with Coinbase to let customers pay for merchandise using Bitcoin, making it among the first of the largest e-commerce vendors to accept the virtual currency. Most recently, Overstock has opened the door to other digital currencies such as Ethereum, Litecoin, and Dash to appeal to a larger group of users. According to Overstock CEO Patrick Byrne, Overstock customers spend about \$50,000 a week in Bitcoin and that number is expected to rise as the total market for such currencies topped \$100 billion in 2017.⁽³⁾

Sources:

1. <http://wwd.com/business-news/business-features/think-tank-bitcoin-technology-10776739/>
2. <https://www.thebalance.com/online-payment-options-for-your-online-business-2948411>
3. <http://fortune.com/2017/08/08/overstock-digital-currency/>

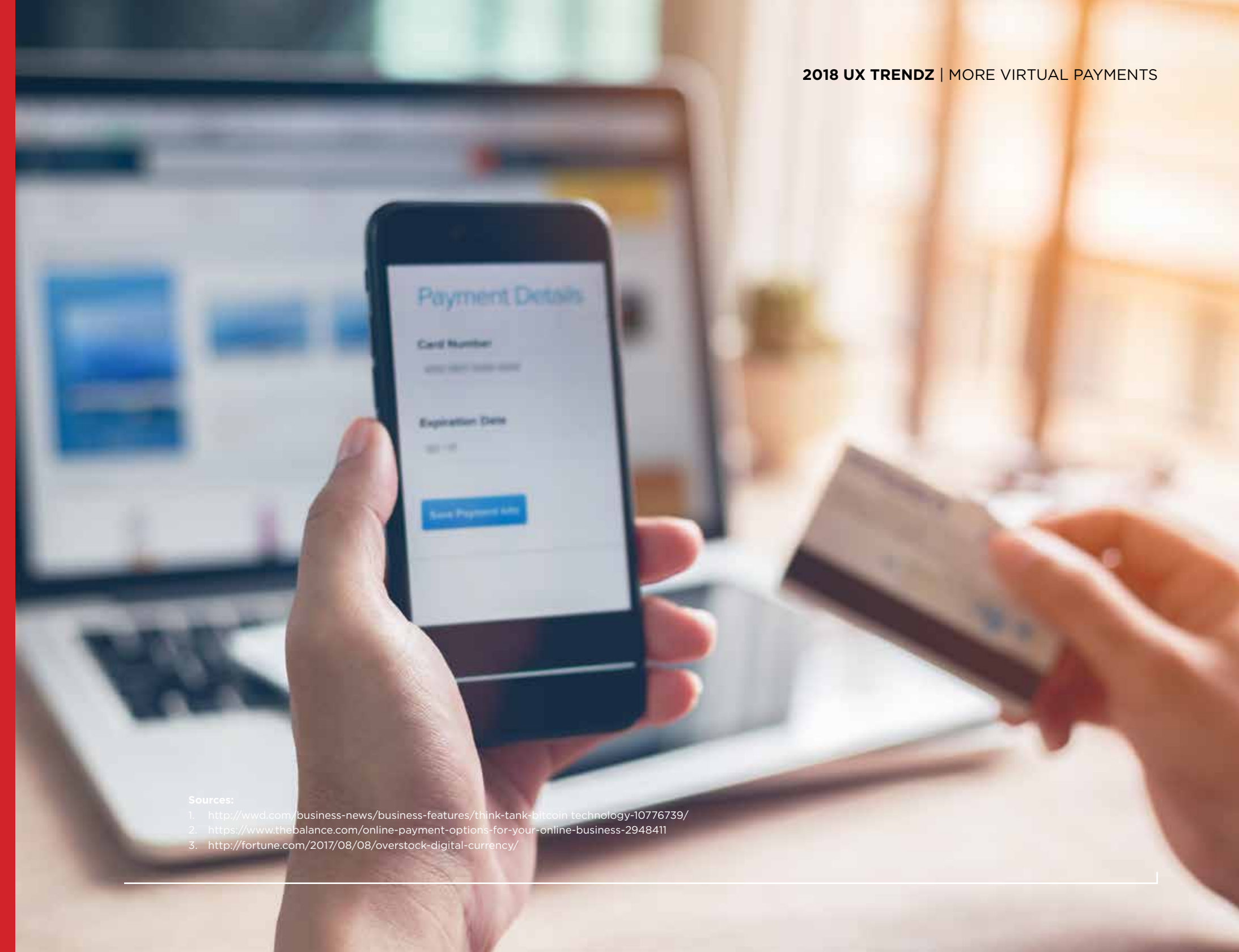
WHY IT'S IMPORTANT

Users have an endless number of preferences

and having diverse payment options is just one of their many demands. Retailers that accept virtual currency can broaden their potential customer acquisition. There is a hardcore base of users who use crypto-currency as everyday money and are looking for places to spend that money. Some early statistics also indicate that virtual currency shoppers are more loyal to businesses that accept virtual currency. ⁽¹⁾

Sources:

1. <http://wvd.com/business-news/business-features/think-tank-bitcoin-technology-10776739/>
2. <https://www.thebalance.com/online-payment-options-for-your-online-business-2948411>
3. <http://fortune.com/2017/08/08/overstock-digital-currency/>



3. MICRO-INTERACTIONS

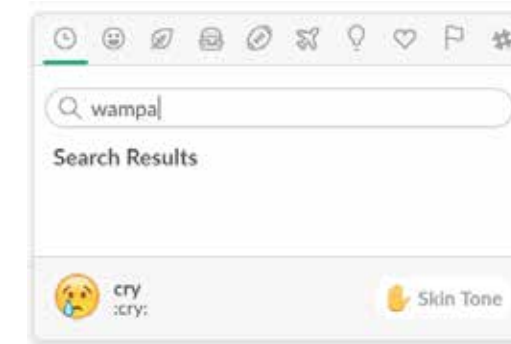


INVESTING IN MICRO-INTERACTION

WILL HELP OPTIMIZE SITES AND APPS

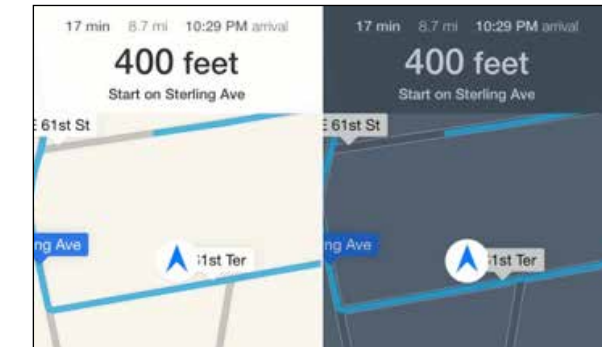
MICRO-INTERACTIONS

are subtle moments or effects centered around accomplishing a single task. They appeal to the user's natural desire for acknowledgement and provide a more human and personal experience.



SLACK'S DICTIONARY OF EMOJIS:

Presents alternative emojis to use when a user can't find the emoji they are looking for.



NIGHT MODE ON GOOGLE MAPS:

Adjusts according to the time of day. If it's night, it turns black to help with night vision and safety.

Source:

1. <https://www.forbes.com/sites/rogerdooley/2012/12/04/fast-sites/#446d54b53cf7>

WHY IT'S IMPORTANT

MICRO-INTERACTIONS CAN BRING USER INTERFACES TO LIFE

by acknowledging user input instantly and animate in ways that look and feel human. On e-commerce sites they can engage the user and prevent them from leaving the application or site too soon while something is loading. Even a 1-second increase in load time can equal a 7% loss in conversions⁽¹⁾. Micro-interaction can hide this load time by visually occupying the user. These interactions help stimulate the user's good emotions, refuse online buyer's frustration in failure moments and build loyal relationships with brand.





**4. ORANGE IS
THE NEW
CALL-TO-ACTION**

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ORANGE IS THE MOST VISIBLE COLOR AFTER RED

WHEN IT COMES TO CALLS-TO-ACTION, 'button color' is one of the classic metrics to A/B test. As more brands want to capture clicks, the button's color has become a vital element in creating smooth conversational flows in digital interfaces.

MANY BRANDS ARE OPTING FOR THE COLOR ORANGE- the most visible color right after red. However, orange doesn't promote all the negative emotions red does like "stop", "wrong", "incorrect" and "danger".

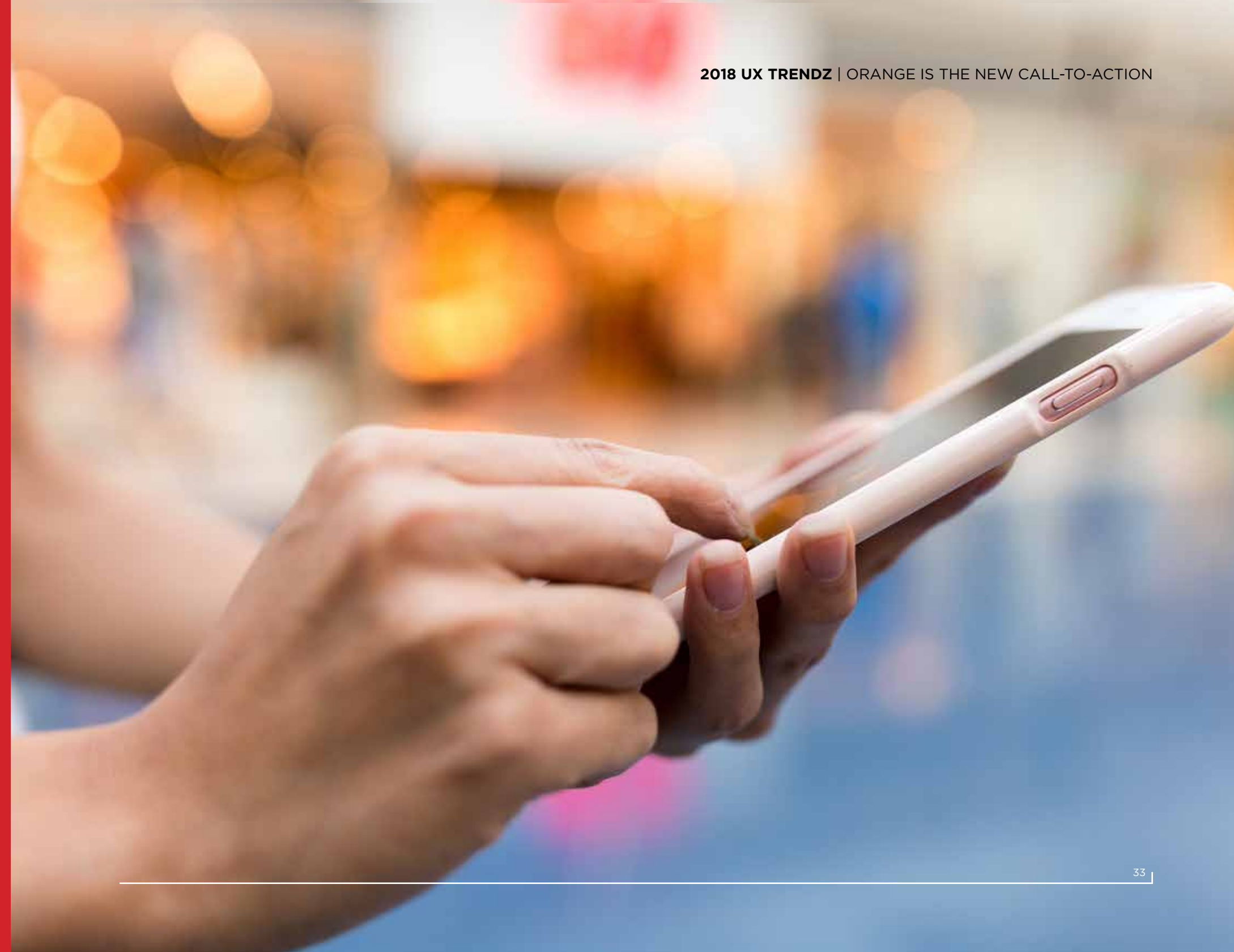


Amazon's call-to-action button

WHY IT'S IMPORTANT

DESIGN ELEMENTS CAN INFLUENCE CONSUMER PSYCHOLOGY

Since the invention of retail, people have known that design elements, when used purposefully, can influence consumer psychology, elevating their experience with a brand, and even motivating them to purchase when they might not have otherwise done so. Color is obviously a key design element and plays a big role in persuasion. Choosing the right button color, such as orange, can help put your users in the mindset that urges them to take action. Color has the power to improve conversions by grabbing users' attention and triggering the right emotions for sales.





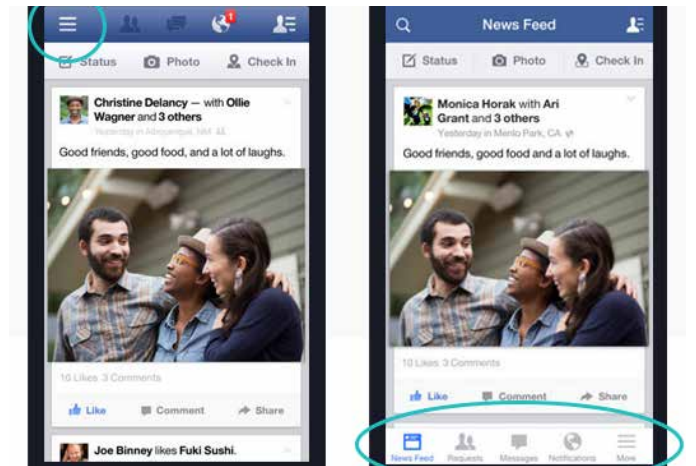
5. NO MORE MENU ICON

REMOVING THE MENU ICON HAS SHOWN INCREASED NAVIGATION CLICKS

MENU ICON HURTS UX METRICS

The menu icon, also known as the hamburger menu, is the three-line icon you see in the corner of many responsive websites and apps. This UI (user interface) element is one of the many patterns inspired by mobile design. Screen space is a precious commodity on mobile. To meet these challenges, designers have commonly relied on hiding the navigation under a menu icon — often indicated by the hamburger icon. However, many websites and apps are starting to see UX metrics proving that this icon hurts user engagement due to its lack of discoverability and efficiency. Spotify ditched the hamburger menu in May 2016 and reported a 30% increase in navigation clicks.⁽¹⁾ Facebook and Youtube engagement went up after also dropping the hamburger menu.

Facebook shifted away from the hamburger menu to a tab bar menu. They put the most important user navigation needs, such as news feed, friend requests, messages, and notifications in a bottom tab menu and placed the hamburger icon in combination with the word “more”, to let users know that they can access more things.



Facebook's old menu icon VS Facebook's new menu icon

Sources:

1. <https://techcrunch.com/2016/05/03/spotify-ditches-the-controversial-hamburger-menu-in-ios-app-redesign/>
2. www.nngroup.com/articles/magnifying-glass-icon/

WHY IT'S IMPORTANT

YOU CAN GET 20% MORE CLICKS

E-commerce sites that are using the hamburger menu could be losing an incalculable amount of money each year because users can't find what they are looking for. Studies have shown that the hamburger menu gets clicked at least 20% less than even a basic "menu" label, and that users are still unfamiliar with the design strategy, despite its multi-year existence⁽²⁾. E-commerce sites should rely on a "Content-First, Navigation-Second" approach. This means taking your four most critical sections of information and utilizing them as your tabs, while everything else can be put behind a "more" icon. As users become less patient and want to find and discover things faster, e-commerce sites should consider getting rid of the hamburger menu and transition to a different menu style that is designed in a way that is natural to a user's online behavior. This garners attention and triggers the right emotions for sales.



A man with glasses is looking intently at a hand holding a glowing, futuristic device. The background is dark with blue and white light trails and bokeh effects, suggesting a high-tech or digital environment. The overall mood is futuristic and focused.

**6. PASSWORDS
WILL BE GONE**

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PASSWORDS CAN CAUSE AN 18.75%

CHECKOUT ABANDONMENT
RATE AMONG EXISTING
ACCOUNT USERS⁽¹⁾

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We can expect that many services will migrate from the use of passwords to verification codes, push authentication, fingerprints, and facial recognition in order to make authentication a little easier. According to Gartner,

50%

of enterprises using mobile authentication will adopt mobile push as their main authentication method by 2020, compared to the 10% who are using it today — a 500% increase by the end of the decade.⁽²⁾



Microsoft recently introduced its new Microsoft Authenticator, which uses push authentication. Instead of typing a password, users simply respond to a push notification.

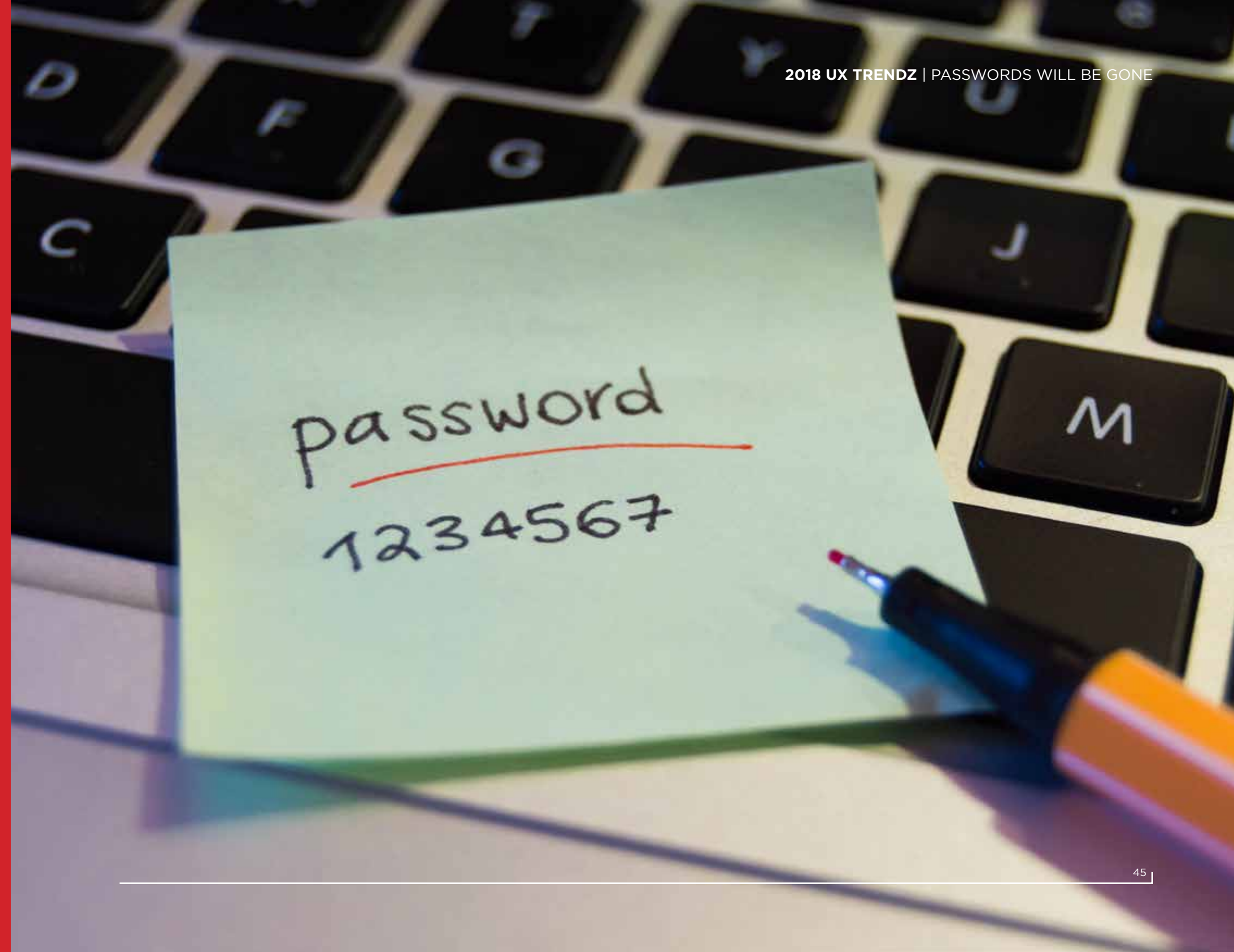
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2. <https://www.gartner.com/doc/2697317/taxonomy-user-authentication-methods>

WHY IT'S IMPORTANT

GETTING RID OF PASSWORDS PROVIDES A GREAT LEAP FORWARD BY PROVIDING BETTER SECURITY

Any obstacle standing in the way of closing a sale is a problem. For companies and employees, getting rid of passwords provides a great leap forward by providing better security that is easier to use. Reducing friction on the customer's path to purchase is critical. Providing faster and safer authentication methods that are less onerous than using a traditional account and password can help e-commerce sites maximize sales. Studies have shown that removing the password fields on e-commerce sites can boost a 54% increase in conversion rate for new customers.⁽¹⁾





7. RESPONSIVE LOGOS

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**A COMPANY'S LOGO IS THE
VITAL IDENTITY
OF THE BRAND
AND SHOULD BE EASILY RECOGNIZED
ACROSS ANY USER DEVICE**

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TOUCH POINTS

Logos have always been designed as communication “touch points” to connect the brand with the user. In order to meet the demands of today’s responsive world, brands have been refreshing their logos into more modern and simplified versions to fit the smallest screens, such as an Apple watch.



Walt Disney's responsive logo

Responsive logos are scalable logo designs that behave appropriately across all device types. From a desktop screen to an Apple watch screen. A brand’s original logo is likely to be the largest and most detailed design. To make your logo responsive, incrementally subtract parts of the logo down to its simplest form.

WHY IT'S IMPORTANT

THE ABILITY OF A BRAND'S LOGO DEPICTION TO MORPH TO FIT ITS ENVIRONMENT,

while still retaining its recognition with consumers, is a litmus test for a brand's visual identity. In the mobile-first world, a brand's logo needs to fit screen sizes of 320px or smaller alongside its navigation without taking up 150px of screen height. This can be a challenge for logos that aren't responsive, because shrinking the logo causes it to lose clarity and become undistinguished, while leaving the logo alone takes up too much space and smashes a giant logo in the user's face. Since logos are the cornerstone of branding, it's only natural to hardwire them to cater to the responsive web space. Retailers that have digital marketing as a part of their mix need to consider responsive logos to meet the demands on all device types.

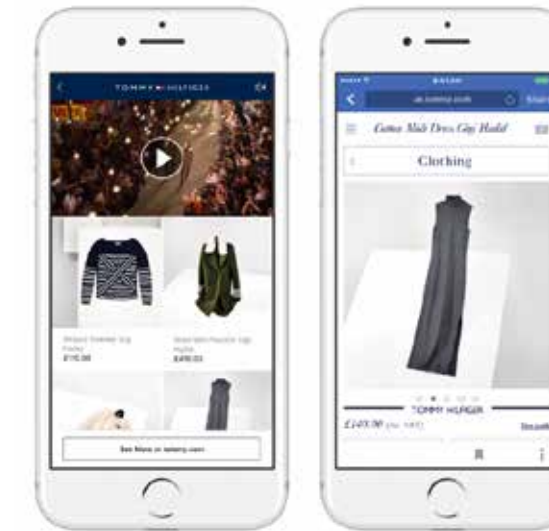


8. SHOPPABLE VIDEOS



SHOPPERS WHO VIEW A VIDEO IN THE PRE-PURCHASE STAGES ARE

1.81X
MORE LIKELY TO
MAKE A PURCHASE
THAN NON-VIEWERS ⁽²⁾



THE GROWTH AND WIDESPREAD CONSUMPTION OF VIDEO IS STAGGERING.

55% OF PEOPLE WATCH VIDEOS EVERY DAY

78% OF PEOPLE WATCH VIDEOS EVERY WEEK ⁽¹⁾

Last fall, Tommy Hilfiger turned its runway video into a mobile shopping experience where users could buy exactly what the model was wearing. This led to a 2.2 times higher return on ad spend and 200% increase in return on investment. ⁽³⁾

With advances in technology and production costs decreasing, video is the marketing medium of the future. Marketers and retailers who have begun to capitalize on it with shoppable video are experiencing outstanding results.

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2. <https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/ajagrawal/2017/02/01/lights-camera-engagement-2017-is-the-year-of-video-marketing/&refURL=https://medium.com/retail-vuepoints/shoppable-video-the-next-big-digital-retail-opportunity-9d0036b6233c&referrer=https://medium.com/retail-vuepoints/shoppable-video-the-next-big-digital-retail-opportunity-9d0036b6233c#753aff5f2315>
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WHY IT'S IMPORTANT

RETAILERS HAVE BEEN ATTEMPTING TO SHORTEN THE PATH TO PURCHASE

For many years, retailers have been attempting to shorten the path to purchase. Shoppable videos possess the power to drive engagement, increase brand awareness and convert viewers into shoppers. Just look at Facebook, where 4 billion videos⁽⁴⁾ are watched on the platform every day. The medium of moving images grabs attention, and as mobile internet speeds continue to improve, more and more users are pressing the play button. Retailers are already starting to heavily invest in advanced video marketing strategies in an effort to increase e-commerce sales in order to make the user's journey as easy as possible; this enables one-click purchase opportunities at the exact point of customers' interest without interruption.



9.VOICE POWERED SEARCH



BY 2020,
**50% OF ALL
SEARCHES
WILL BE VOICE
SEARCHES** ⁽¹⁾



Voice search is undeniably growing at a rapid pace,

with voice search traffic now exceeding 10% — it's fast, convenient, and allows users to search on-the-go. ⁽¹⁾

REWORKING

Because of this, brands need to start reworking their on-site search to handle voice-based searches rather than just concentrating on keyword-focused content in order to sustain SEO profit.



Since voice conveys a wealth of meta-information to the user, we can begin to see brands leveraging the medium of voice interaction as an extension of their personalities. Celebrities will likely find a brand new income stream from licensing not just the sound of their voices, but their entire personalities as AI assistants.

Sources:

1. <https://www.theguardian.com/technology/2017/jan/22/home-battleground-amazon-google-voice-technology>
2. <https://searchengineland.com/google-reveals-20-percent-queries-voice-queries-249917>

WHY IT'S IMPORTANT

CONSUMERS AND E-COMMERCE RETAILERS ARE EMPOWERING A NEW MOVE TOWARDS A CONVERSATION- BASED E-COMMERCE EXPERIENCE

As the accuracy of voice search or voice recognition becomes more precise, consumers and e-commerce retailers are empowering a new move towards a conversation-based e-commerce experience. The rise of digital assistants has presented a growing market that can change the future of e-commerce. According to Walker Sands 2017 Future of Retail Study, 19% of users have made a voice purchase through a digital home assistant, and 33% plan to do so in the next year.⁽²⁾ Additionally, e-commerce sites need to start redesigning their on-site search to include natural language search queries to help drive richer, more relevant user engagement and maintain their SEO presence.



10. GEO-AWARE EXPERIENCES

BRANDS ARE SEEING A
**20% INCREASE
IN CONVERSION**
WHEN ADDING LOCATION TO THEIR DATA⁽³⁾

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80%

The use of location intelligence has skyrocketed over the last few years. More than 80% of data maintained by organizations worldwide has a location component.⁽¹⁾ As the market for location matures, brands are discovering the power of geo-aware experiences and are starting to identify new and creative ways to communicate with users and potential users who use location-based mobile networking through real-time communication.

NEARLY
100%

of Major League Baseball stadiums in the US use location technology during live games to promote merchandise and food.⁽²⁾

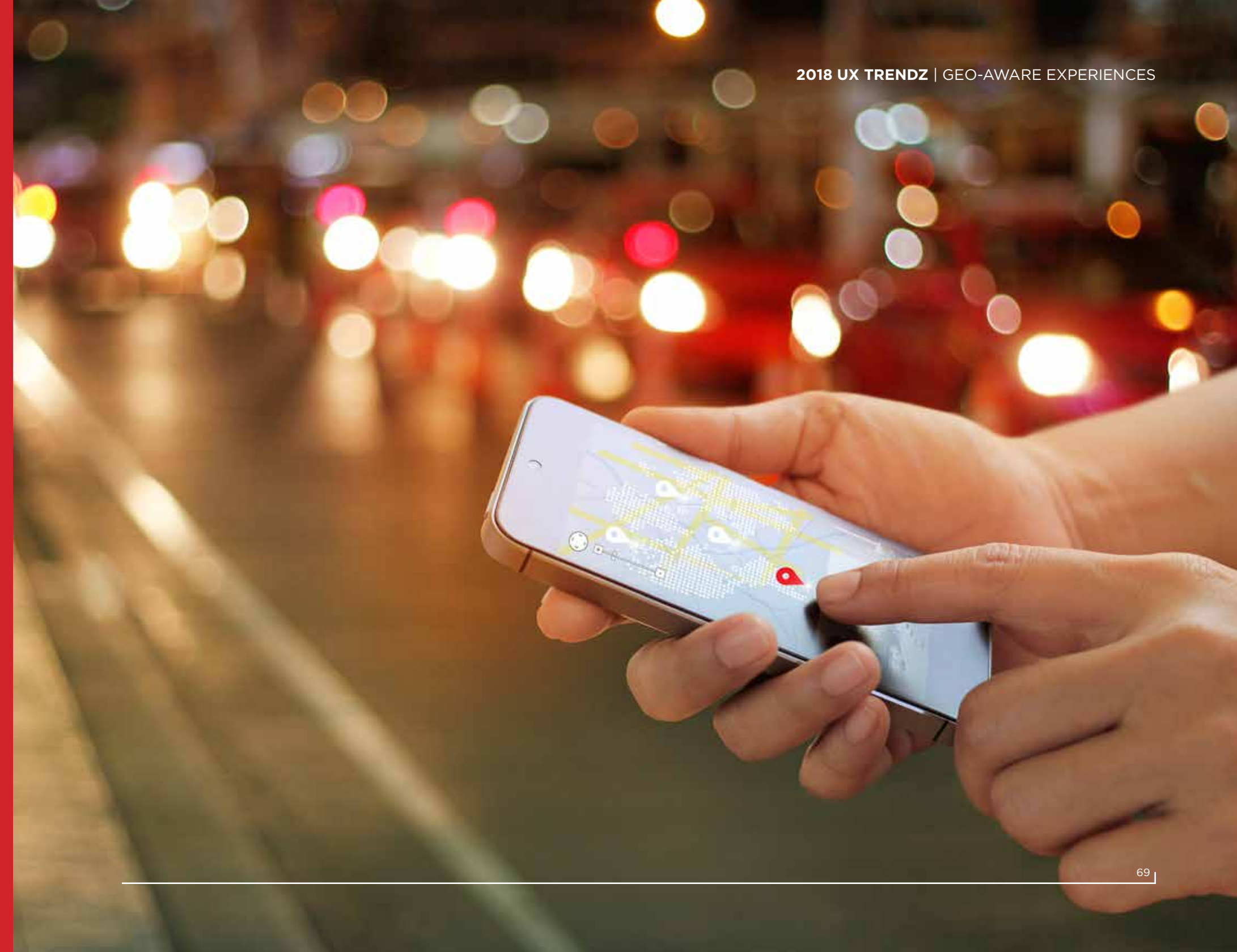
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3. <https://www.resiftmedia.com/rise-local-marketing-2017/>

WHY IT'S IMPORTANT

MOBILE DEVICES ARE BECOMING ONE WITH OUR BODY

For many of us, mobile devices are becoming one with our body. Wherever we go, the device goes. Users trigger on average 75 separate mobile sessions in multiple locations everyday.⁽¹⁾ This provides retailers multiple opportunities to connect with users and help drive foot traffic to brick-and-mortar storefronts. For example, a user can be at the gym conducting a Google search on their mobile phone or even Apple watch to buy new workout apparel and be directed to the local store that has that item in stock. But with advancements in geo-location, the brand can take it a step further and tailor the look, feel, and communication style to users' exact location, in this example the gym. Users like to feel special, and feel as if a brand is targeting them at the right time, with the right messages. Leveraging a user's location, and tailoring the messaging accordingly to the user, is a critical step toward giving users the experience they crave.



A close-up photograph of a woman with long brown hair and black-rimmed glasses. She is looking down at a white smartphone held in both hands. Her expression is focused and slightly smiling. The background is blurred, showing what appears to be an outdoor setting with a brick wall and some foliage.

2018
AND BEYOND-
SYNESTHETIC
FEEDBACK

SOON OUR DIGITAL
PRODUCTS WILL
ENCOMPASS
**ALL FIVE
SENSES**

Whether users feel like this oversteps some boundaries or not, Facebook's Building 8 Research Lab announced that it is designing synesthetic feedback for brain computer interfaces for typing and skin hearing.⁽¹⁾

SYNESTHESIA

IS THE CONDITION WHEREBY A PERSON EXPERIENCES ONE SENSE BY STIMULATING ANOTHER. USERS WITH SYNESTHESIA MAY HEAR A CERTAIN WORD AND THEN EXPERIENCE A CERTAIN TASTE. FOR EXAMPLE, THE WORD "CUP" MAY TASTE LIKE COFFEE.



Scentee's unique add-on for your mobile lets you associate particular smells with particular notifications.⁽²⁾

FUTURE IMPACT

As interfaces continue to welcome more multi-sensory experiences to cover a wider range of users, we are beginning to see the rise of synesthetic feedback. Soon a mouse cursor moving towards the “unsubscribe” button will invoke unpleasant tastes discouraging the user to click on the “unsubscribe” button.

