.IE and Retail Excellence Web Health Report

Foreword

The .IE and Retail Excellence Web Health Report is unique piece of research, which analyses the health and current status of Retail Excellence Ireland (REI) member websites. The findings are significant and targeted, allowing retail businesses take specific action where necessary.

Online shoppers need and expect a seamless and safe experience when visiting websites. Retailers can ensure this is the case by adopting best practice and enabling website functionalities that are customer focussed and uncomplicated to implement. Our report covers the following topics – Website Analytics, User Experience (UX), Marketing, Security and E-commerce.

Digital transformation is not only changing companies but also defining markets, industries and economic activity resulting in a changing business environment. Yet, in spite of the importance of digital transformation to the Irish economy, empirical research suggests that some sectors are lagging behind.

In the .IE and Retail Excellence Web Health Report, we look at the current status and progress of Irish retailers' online business activities. The business intelligence team at .IE drilled into the features of REI member websites. Their analysis provides actionable insights for the retail sector to assist them in improving their online offering.

It is evident that work remains to be done, particularly in the areas of UX, which focuses on making the online user experience a pleasant one; e-commerce activity needs to increase, providing convenience for online shoppers; and online marketing needs to be improved.

By focussing on digital capability, retail SMEs investing in digital technologies will position themselves to survive and thrive. We understand the pressures on SME business owners. The range of choices from too many siloed service providers is a significant barrier which they face when implementing digital projects. As such, SME representative bodies can assist with their range and depth of sector experience so they, not individual SMEs, should be the conduit for any national programmes and initiatives to ensure the effective upskilling of their members into the future. We strongly recommend targeted investment in the specific digital areas where retailers need support, channelled through Retail Excellence Ireland.

Oonagh McCutcheon
Chief Communications Officer, .IE

In the new post pandemic era, the retail landscape in Ireland is undergoing continuous transformation. To keep pace with changing shopping preferences, Irish retailers must prioritise and enhance their online presence. Providing multiple options, such as both online and physical stores, has become essential. Consumers now rely heavily on online research, making it crucial for retailers to establish an omni-channel presence to ensure their survival and growth.

During the pandemic, the Online Retail Scheme played a significant role in boosting retailers. However, this report highlights that more efforts are necessary to further improve their online visibility and competitiveness, particularly for micro SMEs, which were excluded from availing of the scheme.

It is evident that comprehensive work and investment are required to meet evolving customer expectations. Focusing on areas like security and compliance is vital for retailers to instill trust and confidence in their online operations. Moreover, investing in online activities across social and digital channels is imperative to entice Irish consumers to shop locally. By offering product and customer reviews, as well as implementing live chat support, retailers can build stronger relationships with customers in the digital sphere.

Acknowledging the indispensability of online activity for retailers, the government should take steps to incentivise and empower businesses, especially SMEs, in developing their digital presence. By doing so, the government can contribute to fostering a thriving retail sector in Ireland.

Jean McCabe
Interim CEO, Retail Excellence Ireland

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Key Findings

Analytics

- 6 in 10 retail businesses use website analytic tools, showing that there is room for improvement in this vital area.

- Analytics provide useful and measurable data to help with critical business decision making.

UX

- Adoption of Live Chat (14%) and Customer Reviews (18%) is low.

- Responsive Design, which automatically adjusts web pages to the device it is being viewed on, is used by nearly 7 in 10 members.

- Consider what is important for customers when browsing and shopping online, and what functionality will assist them to make a purchase.

Marketing

- Adoption of online advertising tracking technology (20%) and use of video (16%) is low.

- Retailers should consider some quick fixes such as installing SEO and social media plugins. Also, easy to use video apps make video creation more straightforward without expert skills.

Security & compliance

- Security certificate software (TLS) is used by 91% of REI members.

- However, cookie compliance at 23% and use of CAPTCHA at 22% lag behind.

- Consider asking a web developer to undertake a security audit and make recommendations for improvements.
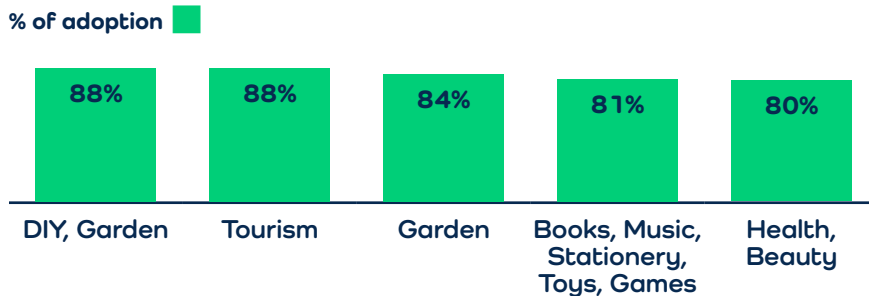
E –commerce

- Nearly half of the sample are selling online, with 46% having cart functionality and 41% using a recognised e-commerce provider.

- Retailers need to be cognisant of the different shopping preferences of consumers and meet their needs, especially those of younger, digital natives.

Analytics

Website analytics provide key insights on how customers use websites. For example, information on gender, age, location; traffic sources including direct, search, social; most popular content on the website; and the all-important conversion rate. This wealth of information can help guide good business decision making.

Our analysis shows that 6 in 10 REI members use analytics. Of the companies using analytics, there is lower adoption amongst smaller enterprises – those with fewer than 20 employees. Micro-businesses often lack the skills and time to use analytics tools, despite being aware of the benefits. For larger companies with 20+ employees, the percentages using analytics are generally at the higher end of the scale, suggesting they can devote more resources to analysing their websites.
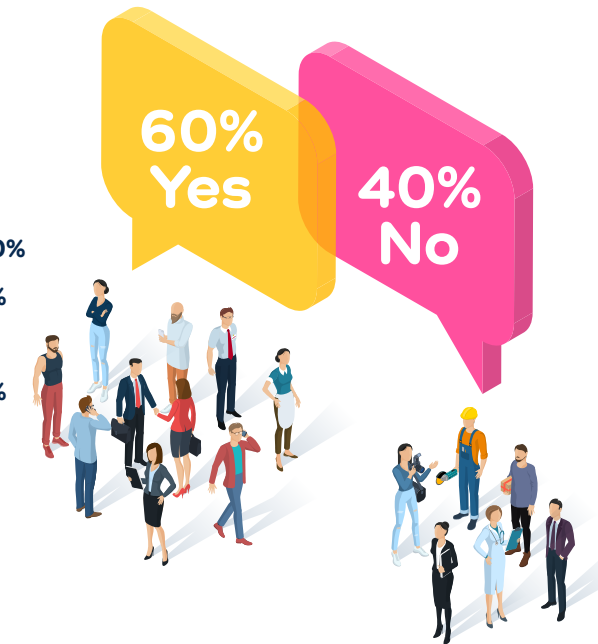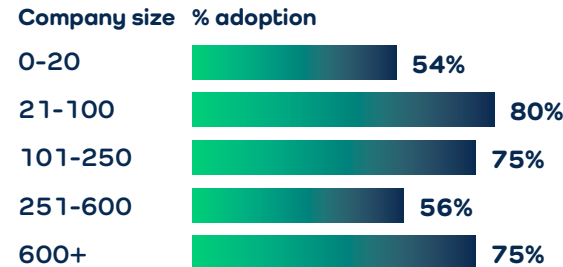
Top 5 categories using analytics

% of adoption

Category	%
DIY, Garden	88%
Tourism	88%
Garden	84%
Books, Music, Stationery, Toys, Games	81%
Health, Beauty	80%

The two categories that use analytics least are Jewellery (25%) and Pharmacy (44%).

The most popular analytics software used is Google Analytics at 95%. Facebook Pixel, a tool to measure, optimise and build audiences for ad campaigns, is next most popular at (49%). Hotjar, a behavioural analytics tool, is third, coming in at 16%.

Use of analytics

Company size   % adoption

Company size	% adoption
0-20	54%
21-100	80%
101-250	75%
251-600	56%
600+	75%

60% Yes **40% No**

Approx. **43%** of companies use more than one analytics tool

Most popular software of websites that use analytics

95% Google Analytics
49% Facebook Pixel
16% Hotjar

Key takeaway
It is important for retail businesses of all sizes to use website analytics to provide critical information to help drive sales.

UX

Websites are often the first touchpoint prospective customers have with a product or service, and their experience with it will inform their opinion of a brand. It only takes the average person **50 milliseconds** to form an opinion on a website's visual appeal.

For this reason, UX, or User Experience, which is focussed on trying to fulfil the user's needs, should be front and centre when designing or updating a website. In addition to design flow, it is important for websites to offer convenience through helpful, user-friendly functionality.
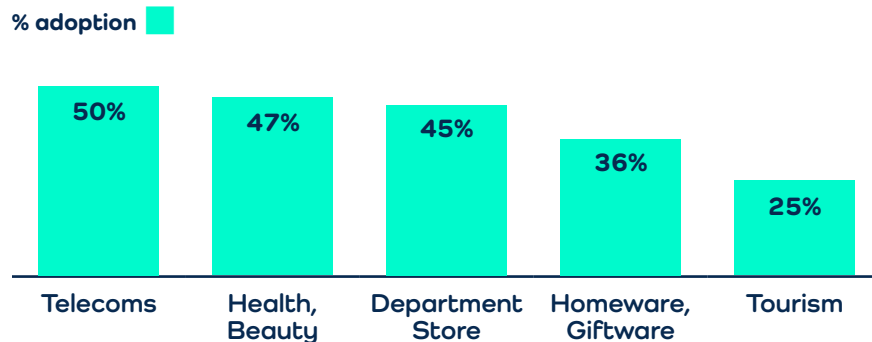
Live Chat

Live Chat is a vital tool for businesses and its popularity is growing in both B2B and B2C markets. **73% of people** consider live chat the best way to communicate with a business.

However, usage of Live Chat on REI member websites is at a very low level.

Unsurprisingly, large companies (600+) have the highest levels of adoption, with the telecoms category leading the way.
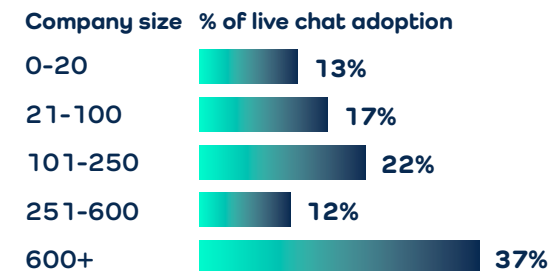
Top 5 categories using live chat

% adoption ■

Category	%
Telecoms	50%
Health, Beauty	47%
Department Store	45%
Homeware, Giftware	36%
Tourism	25%

Use of live chat

86% No

14% Yes

Most popular applications are **Zendesk** and **Shopify Chat**

Company size	% of live chat adoption
0-20	13%
21-100	17%
101-250	22%
251-600	12%
600+	37%

Key takeaway

Consider using Live Chat to support customers and boost conversion rates. Research found that companies report a **49% hike in conversion rates** within two years of using Live Chat.
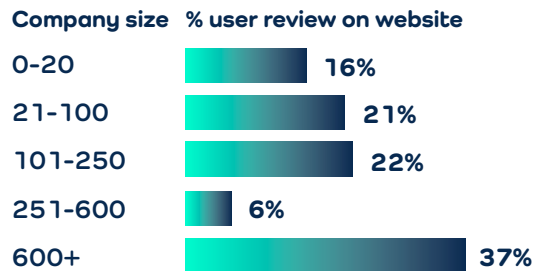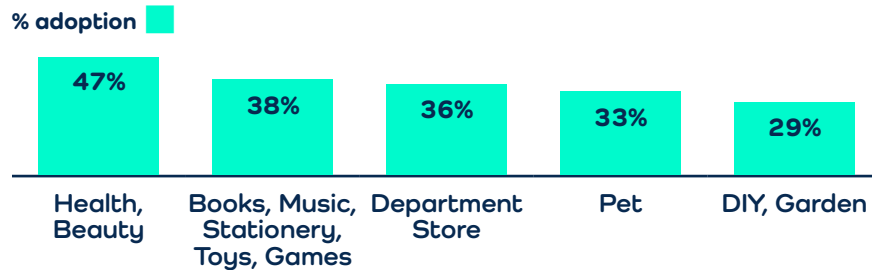
UX [continued]

Customer reviews

Customer reviews are a vital resource used by consumers when researching a business or product. Having the ability for customers to leave reviews builds credibility and trust. The research looked at whether members provided customer reviews on their website.

Trustpilot is the most popular review platform at 61%, followed by Judge.me at 11% and Shopify Product Reviews at 10%.

Top 5 categories with user reviews on website

% adoption

Category	%
Health, Beauty	47%
Books, Music, Stationery, Toys, Games	38%
Department Store	36%
Pet	33%
DIY, Garden	29%

Company size	% user review on website
0-20	16%
21-100	21%
101-250	22%
251-600	6%
600+	37%

Only 18% of REI member websites have customer reviews integrated on their website

Key takeaway

Positive reviews will influence new shoppers and encourage them to purchase. Shoppers visiting web pages with 1-10 customer reviews are **52% more likely to buy** than those who visit pages without any customer reviews.

Responsive websites

Responsive website design allows web pages automatically readjust to the device it is being viewed on – phone, tablet, desktop or laptop computer. In the first quarter of 2023, **58% of global web traffic originated from mobile devices.**

While the majority of REI members have a mobile-friendly website, it shows that there is a significant missed opportunity for those that don't. If customers can't read a website on their phone, they will simply move along to the next business.

Smaller companies have the lowest adoption levels.

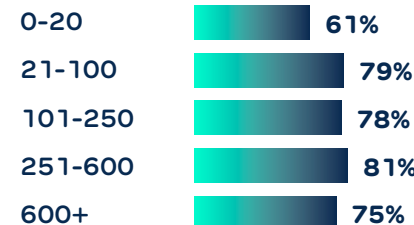The Jewellery sector has yet to embrace responsive design with just 18% using it.
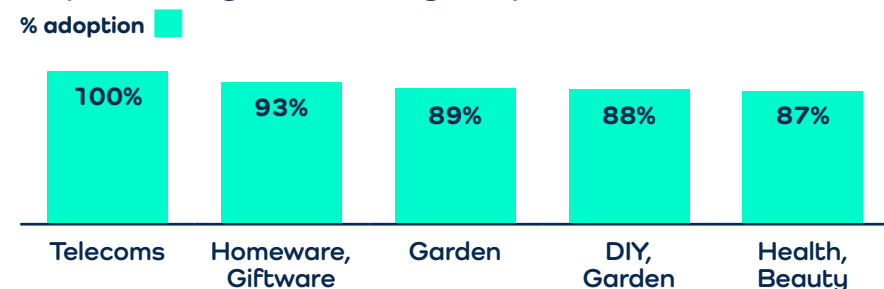
Responsive design

66% Yes

34% No

Company size	% with responsive website
0-20	61%
21-100	79%
101-250	78%
251-600	81%
600+	75%

Key takeaway

Google prioritises mobile-friendly websites in their search results so it is essential that websites meet this requirement.

Top 5 categories using responsive

% adoption

Category	%
Telecoms	100%
Homeware, Giftware	93%
Garden	89%
DIY, Garden	88%
Health, Beauty	87%

Marketing

A website is like a 24/7 salesperson for businesses. In order for potential customers to find a website, it is important to invest in and track online advertising, optimise search engine ranking and use social media to drive traffic to the website.
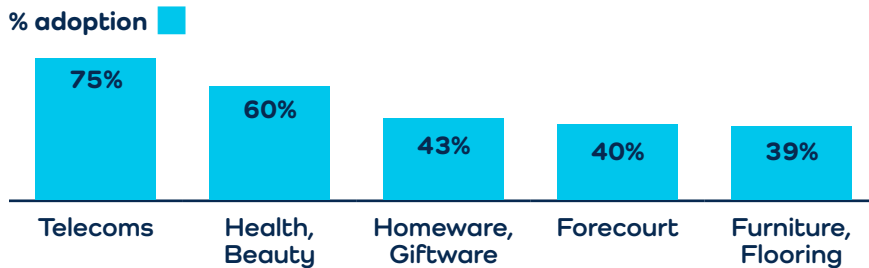
Online advertising

Globally, **67% of all advertising spend** is on digital ads. The benefit of digital advertising is that it is highly targeted and the results can be measured, making it attractive to small businesses.

Just 20% in this report use tracking technology for online advertising so it is clear that there is potential for Irish retailers to gain insights into their advertising performance.

Businesses with fewer than 20 employees are less likely to use ad tracking technology.

Some categories have high adoption levels but others such as Pharmacy, Jewellery, Café and Opticians do not use it or have very low levels (under 10%) of adoption.

> Most popular providers? Google adwords (58%) followed by Microsoft Advertising (30%)

Top 5 categories using ad tracking technology

% adoption

Telecoms	Health, Beauty	Homeware, Giftware	Forecourt	Furniture, Flooring
75%	60%	43%	40%	39%

Key takeaway

Track performance of online advertising to measure what is working, what is not and how to optimise for the best return on investment.
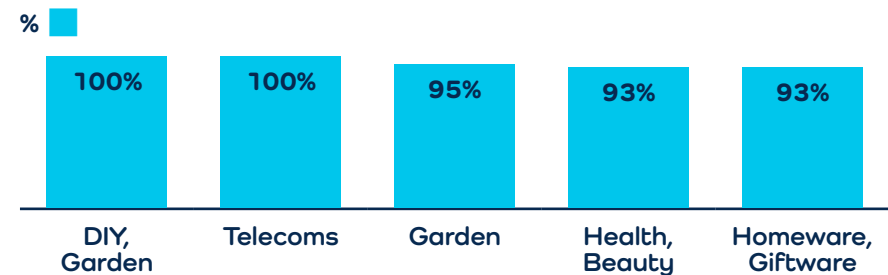
Social media

Our report examined the presence of social media links on websites. Social media allows existing and potential customers to engage further with the business.

It provides an excellent way of promoting a business and drives users to a website to complete transactions. However, it's important not to rely on social media as a primary online presence as these platforms are subject to algorithms which are controlled by the platform owners.

While not all REI members have social media links on their website, it is possible that the remainder have social media accounts but have just not linked them.

The most popular linked social channels are Facebook (55%), Instagram (47%), LinkedIn (43%) and Twitter (34%). There is very limited linking of Pinterest, YouTube or TikTok accounts.

Top 5 categories

%

DIY, Garden	Telecoms	Garden	Health, Beauty	Homeware, Giftware
100%	100%	95%	93%	93%

> **66%** of members have social media links on website

Key takeaway

Social media links on a website will help to grow social followers, boosting website traffic.

Marketing [continued]

Video

Multimedia content such as video is easy and convenient to consume. For smaller businesses, video offers the opportunity to promote the personality of the business and build connection and authenticity. This kind of video content can help businesses stand out in a noisy marketplace.
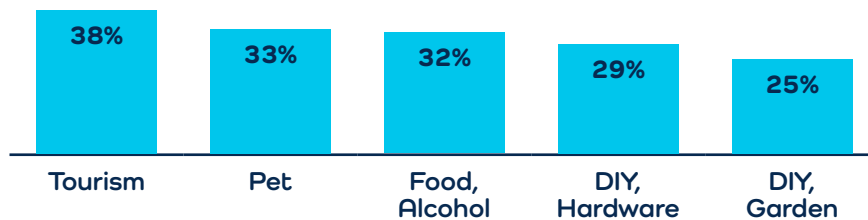
YouTube is the most popular video player at 54%.

Medium sized enterprises (21 – 250 employees) are bigger adopters of video but numbers are still low.

Only
16%
of REI members use a video player on their website

Top 5 categories with video player

% adoption

| Category	%
Tourism	38%
Pet	33%
Food, Alcohol	32%
DIY, Hardware	29%
DIY, Garden	25%

Key takeaway

Video has been shown to **increase time on site**, improve rankings, boost conversions and increase engagement. Video creation without expert skills has become very easy with a range of tools available.
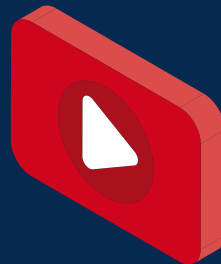
SEO

Search Engine Optimisation (SEO) is a very important tactic to ensure high rankings in search engines, which in turn, will bring more visitors and customers to a website. Our analysis looked at the presence of SEO plugins, which are only applicable on websites that have a Content Management System. Plugins can complement more manual SEO methods.

| Company size	SEO plugin
0-20	13%
21-100	20%
101-250	8%
251-600	0%
600+	13%
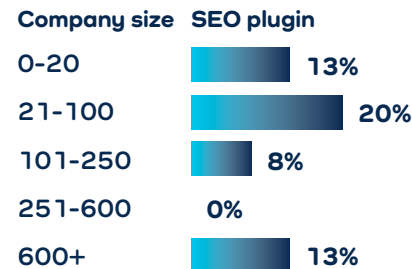
Key takeaway

Check out SEO tools and tactics – there are freely available resources or consider paying an SEO expert to do the initial setup.

Content Management Systems

WordPress, an open source software, has grown rapidly in the last number of years. Of those who have a CMS, WordPress is the leading platform by far. It's also interesting to see the figures for Wix and Squarespace – together they make up almost 9%. This suggests that REI members have the ability to self-serve digitally.

31%
of REI members use a CMS

Top 5 providers %

Provider	%
WordPress	58%
Drupal	15%
Wix	6%
Mono.net	3%
Squarespace	3%
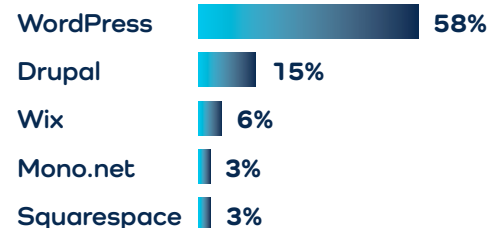
Key takeaway

A CMS is really useful to manage and update website content in real time, without needing a developer. Members who use a full service e-commerce provider might not need a separate CMS.

Security and compliance

Security on websites is extremely important as it protects both the business and its customers. Customers need to feel safe and be able to trust the website they are using.
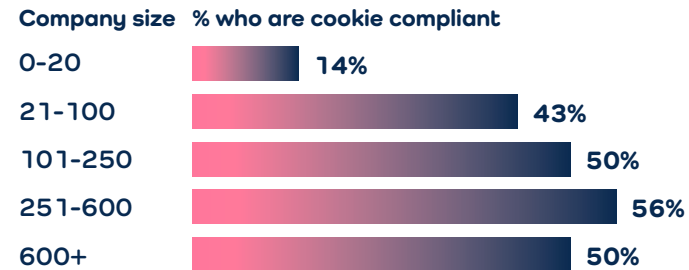
Cookie compliance

GDPR requires that business owners disclose what information is collected from website visitors, such as personal data and what is done with this information. If cookies are used to collect data from website users, then a cookie policy is required. Cookies keep a user logged in as they browse various pages on a website. A user's browsing history becomes part of a database which the website then uses to improve the customer's experience and website usability. A survey in 2021 by **Irish Legal News** shows that 50% of those surveyed updated their cookie policy but a substantial 40% failed to do so. It is important for online businesses to be fully compliant.
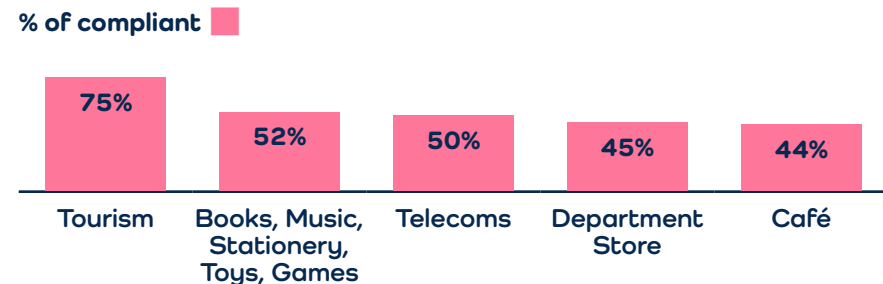
Only
23%
of websites
are cookie
compliant

Smaller companies are the least compliant.

The sectors with the lowest levels of compliance include Jewellery, Garden, Electrical, Opticians and Pharmacy – all under 20%.

Company size   % who are cookie compliant

Company size	% who are cookie compliant
0-20	14%
21-100	43%
101-250	50%
251-600	56%
600+	50%

Top 5 categories who are cookie compliant

% of compliant

Tourism	Books, Music, Stationery, Toys, Games	Telecoms	Department Store	Café
75%	52%	50%	45%	44%

Key takeaway
Companies without a cookie policy could face very significant fines from the Data Protection Commission.

Security and compliance [continued]

Security certificates

Online security has never been more important and businesses need to ensure that their websites use appropriate security software. TLS (Transport Layer Security) is the most widely used method to encrypt communication between a website and its visitors, protecting customer's data from being intercepted by cyber criminals. It is very encouraging to see that 91% of REI member websites in this report have TLS installed. 20% have an earlier version of TLS and the recommendation is to upgrade to the latest version.

91%

of REI members have a working security certificate

Key takeaway

Every business selling online should have the latest version of a security certificate. Those that don't will have their website demoted by search engines and their customers might not be able to find them online.
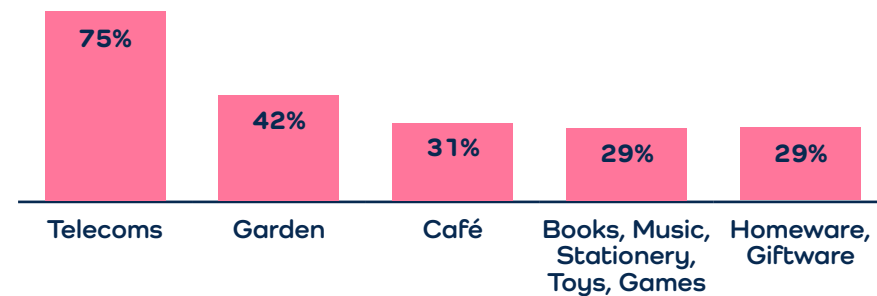
Captcha

CAPTCHA is effectively a test to ensure that the website visitor is a human and not a bot. It helps to stop automated abuse of a website and makes online shopping more secure.

Adoption is low across all company sizes.

Top 5 categories with Captcha

% adoption

Category	%
Telecoms	75%
Garden	42%
Café	31%
Books, Music, Stationery, Toys, Games	29%
Homeware, Giftware	29%

22%

of REI members use CAPTCHA on their websites

Key takeaway

Website security features are more important than ever. Most website users are familiar with CAPTCHA and using it will assist to stop malicious bot activity.
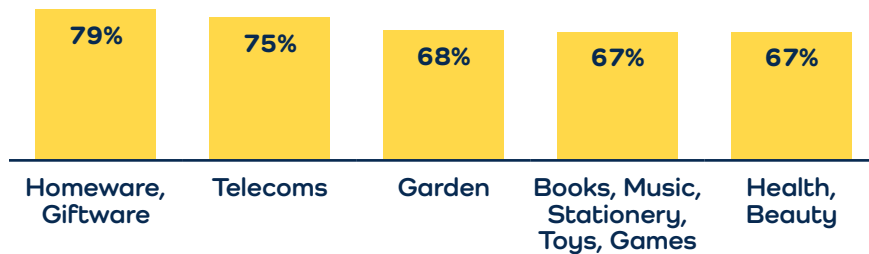
E-commerce

E-commerce growth in Ireland has been accelerated by Covid. Digital ease and convenience make online shopping an attractive option for many. The **.IE Tipping Point Report 2022** shows that consumers value the flexibility of hybrid shopping.

Online shopping carts enable businesses to sell online. **Eurostat**, states that 30% of Irish businesses with more than 10 employees, sell to consumers online. It is encouraging to see that nearly 50% of REI members have cart functionality on their website.
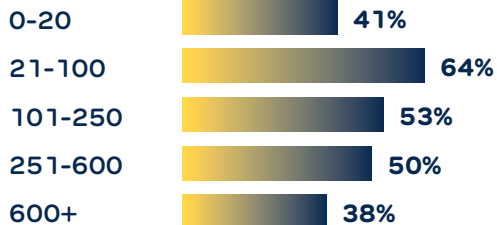
Opticians and Tourism businesses have the lowest levels of cart adoption – both under 20%.
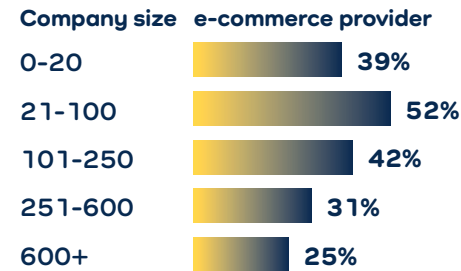
Top 5 categories using Cart

% adoption

Category	%
Homeware, Giftware	79%
Telecoms	75%
Garden	68%
Books, Music, Stationery, Toys, Games	67%
Health, Beauty	67%

Company size	Cart
0-20	41%
21-100	64%
101-250	53%
251-600	50%
600+	38%

46% of REI members have cart functionality on their website

Company size	e-commerce provider
0-20	39%
21-100	52%
101-250	42%
251-600	31%
600+	25%

41% of REI members use a recognised e-comm provider

A recognised e-commerce provider is one that also provides automated booking or reservations functions. Of these, Shopify is the most popular (42%) followed by WooCommerce (24%) and Magento (18%).
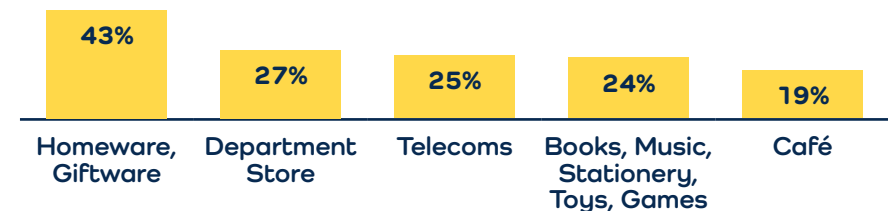
Medium-sized businesses have the highest levels of adoption.

Jewellery, DIY | Garden and Tourism businesses do not use e-commerce providers to the same extent – all under 20%.

There was evidence of a fulfilment carrier / provider in 11% of websites overall, with the Homeware | Giftware category leading the way.

Top 5 categories using Fulfilment provider

% adoption

Category	%
Homeware, Giftware	43%
Department Store	27%
Telecoms	25%
Books, Music, Stationery, Toys, Games	24%
Café	19%

Key takeaway

An omni-channel sales strategy, where online and in-store complement each other, can contribute to scaling a business. It is important that retail websites have the functionality and tools in place to create a seamless customer experience.

Methodology

The .IE and Retail Excellence Website Health Report is a joint research project between .IE and Retail Excellence Ireland.

Retail Excellence provided a sample of members' website URLs to .IE for the purposes of the analysis, which were anonymised in this report. The data provided also included company size and business category.
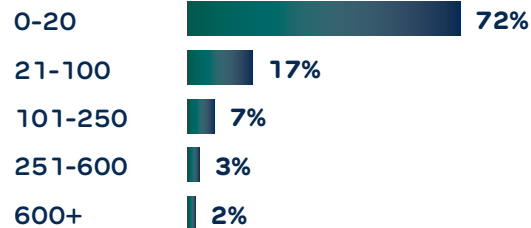
Using the list of unique website URLs, .IE analysed each website for web technology. Data was collected mid-April 2023.

The sample size totalled 525 and included a mix of .ie and .com websites.

Company size
The majority of companies have between 0 – 20 staff.

Company size

0-20	72%
21-100	17%
101-250	7%
251-600	3%
600+	2%

Category breakdown
Companies cover a range of categories

16% Fashion & Footwear

11% Jewellery

11% Electrical

11% Optician

10% Pharmacy

6% Other

4% Furniture, Flooring

4% Food, Alcohol

4% Books, Music, Toys, Stationery, Games

4% Garden

3% Café

3% Health, Beauty

3% Homeware, Giftware

2% Department Store

2% DIY, Garden

2% Tourism

1% DIY, Hardware

1% Forecourt

1% Telecoms

1% Pet

About .IE and Retail Excellence

.IE

.IE is the national registry for .ie domain names and the trusted and progressive guardian of Ireland's unique .ie online address.

Our purpose is to enable and empower people, communities and businesses across Ireland to thrive online. In cooperation with our Registrars, technical partners and stakeholders, we help advance Ireland's internet ecosystem. At .IE we are committed to digital advocacy for local towns, communities and SMEs. Through stakeholder engagement initiatives such as **.IE Digital Town**, we work with and support SME organisations to improve their members' online presence and e-commerce capabilities so they can unlock the power of the internet to boost sales and productivity.

www.weare.ie

Retail Excellence Ireland

Retail Excellence is a not-for-profit company that supports 2,200 Irish retailers to be the best they can be.

Our members are the most progressive and innovative in the market. We make every effort to deliver activity which is wholeheartedly based on member needs. Retail Excellence is by far the largest retail industry body in Ireland. Established in 1995, Retail Excellence is owned by the Members, for the Members and is the largest retail industry trade body in Ireland. Our aim is to enhance the consumer's retail experience by developing top-class retail standards and promoting a vibrant world-class retail industry in Ireland.

www.retailexcellence.ie