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FRICTION REPORT

Grocery Shopping Apps

Are traditional supermarkets still ahead in the online marketplace versus the new challengers?

OVERVIEW
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Foreword

If you're a traditional supermarket or an online grocery store and you haven't thought about identifying and removing frictions in your app shopping experience, now it's time to do so.

During the last year consumers have increased their reliance on online shopping, not having a seamless app shopping experience can cost you dearly, losing the opportunity to grasp part of the European eCommerce market share increase by 30% to EUR 465bn in 2021. The online grocery sales are also expected to surpass EUR 100 billion in 2021. Missing this opportunity may end your path in retail.

Will online grocery shopping become the norm? Are traditional supermarkets still ahead of the game? Can anything slow the challengers', such as Gorillas, Picnic and others' path to world domination?

Friction Report; benchmarking supermarket apps

To understand what consumers say about the supermarket apps they use, we developed a Machine Learning tool that automatically categorizes all findings. We clustered these into logical elements of the online grocery shopping journey (i.e. onboarding, ordering, payment, delivery, etc). We looked at three markets for this study: UK, The Netherlands and Belgium, and we compared traditional supermarkets that offer online groceries via their app versus new challengers on both app only and instant delivery. Our report study gathered over 24 different apps of top supermarket and grocery stores and analyzed more than 1 million user ratings in total.

Request your Friction Report; benchmarking YOUR supermarkt / online grocery app

Would you like to know how your supermarket / online grocery app stacks up, benchmarking your app against other available apps? Or you need to analyse your options for providing a seamless grocery shopping experience?

Contact us for your personalized Retail Friction Report?
Find our contact details at the end of this report.

What is a Friction Report?

The Friction report is a sophisticated Machine Learning approach to gain insights on (mobile) app user feedback about features and services of the product and the customer journey.

The Friction report analysis, enables retail companies to understand what are the most prominent pain areas that an app user is experiencing while interacting with the app during the shopping journey. For example, some users are not able to make payments, figure out the ordering process, or customer support is unresponsive.

The Friction report gives real insights by

⭐ **Grouping mobile app the reviews using Artificial Intelligence and Machine Learning**

⭐ **Ranking what friction topics people talk about the most**

⭐ **Scoring how people feel about these topics**

⭐ **Identifying the issues contributing to lower scores**

⭐ **Recommending actions:**

    Fixing issues
    Using the results to find new opportunities

⭐ **App rating - average star rating of an app in Google Play and App Store**

⭐ **Feature rating - Average star rating for reviews that mention the feature in question.**

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This Friction report analysis, covers 3 countries: United Kingdom, The Netherlands, Belgium. 24 Analysed companies, 1 million app ratings and 22.000 comments from the Apple App Store and Google Play apps.

Our approach focuses on the main friction areas of an online grocery shopping journey

The categorisation of key friction areas is done by our in-house Machine Learning tool, which uses techniques that involves grouping not by keyword search but by clustering a set of data points and classifying them into meaningful groups. As a result we have identified 8 main friction areas.
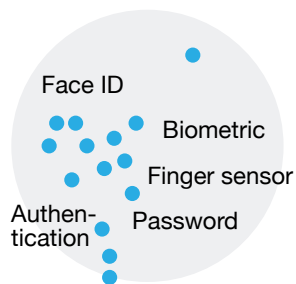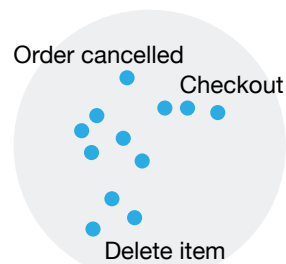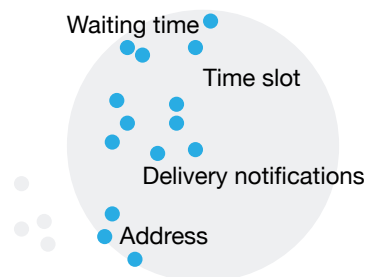
Onboarding   Order   Delivery

Friction areas are identified based on three criterias:
1. how often customers talk about a topic
2. how frustrated they are with their current experience
3. how critical this area is for the customer journey

Friction areas conver multiple sub-topics that are relevant for the discussion. For example, onboarding considers different authentication methods, registration process and introduction to basic functionality.
In this case a small "bubble" represents customer talk that we automatically cluster to a main friction area.

8 Main friction areas defined

Customer support

Design & UX

Delivery

Price

Order

Payments

Onboarding

Reliability

Most relevant friction topics

The topics customers find most relevant are as follows:

Design & UX

All retailers aim to provide a seamless experience for their customers. Usually for this topic, the customer comments on the usability, intuitiveness, complexity and security. Designing good products and features allows a user to navigate a service more efficiently and naturally, greatly increasing the probability of the company retaining that user.

Reliability

This parameter reflects how reliable an apps' performance is. Users rely on retail apps to get things they need and want the most in these unpredictable times. Applications crashing and freezing cause a lot of frustration among customers. They might look for more stable apps and leave yours alone.

Onboarding

This is the first interaction between the customer and the app. The customer downloaded the app and wants to use the services. Filling in some data to start should be hassle free and easy. Looking at the scores and reviews, this interaction does not always go smoothly.

Order

Central to the in-app user experience, the process of ordering, receives a lot of customer attention. Not every app provides a smooth ordering experience, with users highlighting troubles with editing orders, managing favourites or being unable to see or copy previous orders.

Price

While a lot of users express satisfaction with pricing of the products themselves, praising apps for helping them save both time and money. Some customers are frustrated with unclear cancellations, repeat subscription and rescheduling policies, leading to unexpected charges.

Payment

This topic covers all aspects related to money transfers. Payments are not limited to just to banking cards, but can also include payment systems, cards, cash, QR codes, Apple Pay and Google Pay.

Delivery

User experience varies a lot for this topic. While some retailers get high praise for how delivery is organised, some people complain about difficulties in scheduling, unexpected cancellations and challenges in getting reimbursed for deliveries that are not fulfilled.

24 Retailers - 3 countries

United Kingdom, The Netherlands and Belgium

Traditional supermarkets versus new challengers

United Kingdom

Belgium

The Netherlands

USERS CHALLENGER APPS EXPERIENCE WAY LESS FRICTION

The actual app ratings you see in in the app stores does not tell you the whole story. While app ratings between traditional supermarkets and the challengers in the UK, Netherlands and Belgium are comparable, we see that, when you really look under the hood, consumers using challenger apps experience less friction along the whole customer journey.

What we found

USERS CHALLENGER APPS HAVE 16% HIGHER SATISFACTION

Not only do customers review the features with higher ratings, we clearly see that the core satisfaction of consumers using challenger apps is 16% higher than traditional supermarket apps. Interestingly also to see is that consumers using traditional supermarket apps experience twice as many bugs.

UK LEADS THE PATH

The UK is by far the best market with the highest satisfaction rate. Even some traditional supermarkets in the UK score better than challengers in the Netherlands and Belgium. This might have to do with the maturity of the market, however the difference is substantial.

CHALLENGERS APPS PERFORM BETTER IN CORE RETAIL FUNCTIONALITY

Consumers using challenger apps experience less friction in the core part of retailing: ordering products, price, paying for the trip and getting it delivered to their doorstep. Again retailers from the UK perform the best. Dutch retailers are performing on average and most Belgium retailers are not that far yet as the other two markets.

COMPARED TO OTHER INDUSTRIES RETAILER APPS HAVE HIGH SHARE OF BUGS

Food retailer apps trail behind banking apps, but outperform insurance in app store rankings, feature rankings and satisfaction. However, food retail apps have the highest number of reviews citing bugs.

What we recommend

Competition is going to explode in the coming years with new funding for challengers

Based on our analysis, traditional supermarkets are behind new challengers in their mobile app experiences, and competition is going to intensify in the future. Across the industry, we've seen significant investments in challenger solutions, meaning the gap between traditional and challenger retailers could get even bigger.

Recent investment news shows that significant investments are made in challenger solutions. These investments will help to further accelerate challenger solutions and their digital app experiences, leaving traditional retailers behind if they do not take action.

This will not only have an impact on customer retention and the battle for the consumers, but also on other business-critical resources like real estate and employees, where retail companies will want to secure the most cost effective locations and harness the best people to work on their products and services.

Traditional supermarkets need to be bolder in online retail

The pandemic has changed consumer behaviour, according to multiple studies. Consumers are more than ever buying online and will continue to do so. However, they are also more critical than ever on the quality of mobile app solutions and the customer experience in the buying journey.

For retail leaders, scaling online food retail business is a priority. But the first thing a traditional supermarket needs to ask itself is: "Do I really want to go all-in for online?". If not, retailers should not invest in digital transformation. Efforts can be better targeted to transform the physical in-store experience to be competitive, and leverage in-store technology to improve the offline retail experience for customers.

If yes, traditional supermarkets need to optimize their digital customer journey fast to improve their mobile app experience. Indeed, better conversion is achieved by reducing business frictions along every step of the customer journey and increasing customer motivation to buy products and services.

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TIPS

What traditional retailers should start doing today

DON'T TRUST YOUR APP RATING, IT MIGHT BE DECEIVING. CHECK THE REVIEWS IN DETAIL.

WORK ON YOUR ONBOARDING AND RELIABILITY TO REDUCE CUSTOMER FRUSTRATION.

BENCHMARK YOUR USER EXPERIENCE AGAINST UK CHALLENGERS TO FIND INSPIRATION.

WORK ON IMPROVING EASY ORDERING AND DELIVERY EXPERIENCE TO INCREASE CUSTOMER HAPPINESS AND LOYALTY.

ACT NOW. COMPETITION STILL VARIES BY MARKET BUT IS INTENSIFYING EVERYWHERE WITH CHALLENGERS EXPANDING INTERNATIONALLY.

Detailed analysis of friction points for food retailers in the United Kingdom, Belgium and the Netherlands.

Cross-industry comparison: food retailer apps trail behind banking apps, but outperform insurance apps

Food Retailers

4.5
★★★★⯨
App Rating

3.5
★★★⯨☆
Feature Rating

35%
Reviews citing satisfaction
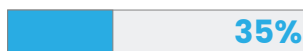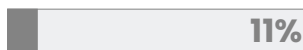
11%
Reviews citing bugs

Banking

4.6
★★★★⯨
App Rating

3.9
★★★★☆
Feature Rating

41%
Reviews citing satisfaction
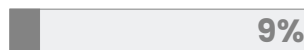
9%
Reviews citing bugs

Insurance

4.1
★★★★☆
App Rating

3.3
★★★⯨☆
Feature Rating

30%
Reviews citing satisfaction
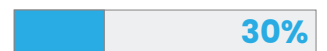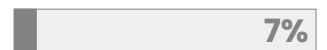
7%
Reviews citing bugs

Despite the same app rating, challengers offer far better customer experience than traditional players
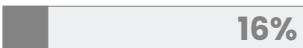
	Traditional	**Challenger**
	~16K Reviews	~5K Reviews
	Dec 2020 - May 2021	Dec 2020 - May 2021
App Rating	**4.5**	**4.5**
Feature Rating	**3.2**	**4.1**
Reviews citing satisfaction	34%	46%
Reviews citing bugs	16%	8%
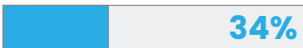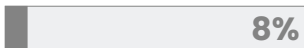
	Traditional		Challenger	
Customer support	4.0	★★★★☆	4.2	★★★★☆
Design & UX	4.0	★★★★☆	3.8	★★★★☆
Delivery	3.5	★★★⯪☆	3.9	★★★★☆
Price	3.3	★★★⯪☆	3.8	★★★★☆
Order	2.6	★★⯪☆☆	3.2	★★★☆☆
Payments	2.4	★★⯪☆☆	2.6	★★⯪☆☆
Onboarding	1.8	★★☆☆☆	1.9	★★☆☆☆
Reliability	1.7	★⯪☆☆☆	1.8	★★☆☆☆

Challengers particularly excel in core industry offerings: pricing, ordering and delivery experience

User Journey		Average Score	Traditional Retailers	Challengers
Onboarding		1.8	1.8	1.9
Order		2.7	2.6	3.2
Price		3.5	3.3	3.8
Payments		2.5	2.4	2.6
Delivery		3.6	3.5	3.9
Customer support		4.1	4.0	4.2
Design & UX		3.9	4.0	3.8
Reliability		1.7	1.7	1.7

UK food retailers show unrivalled performance compared to Belgium and Dutch retailers
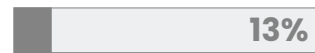
	United Kingdom	**Belgium**	**Netherlands**
	~16K Reviews Dec 2020 - May 2021	~2K Reviews Dec 2020 - May 2021	~4K Reviews Dec 2020 - May 2021
	4.6 App Rating	**4.1** App Rating	**4.1** App Rating
	3.5 Feature Rating	**3.1** Feature Rating	**3.0** Feature Rating
	45% Reviews citing satisfaction	**18%** Reviews citing satisfaction	**24%** Reviews citing satisfaction
	13% Reviews citing bugs	**13%** Reviews citing bugs	**11%** Reviews citing bugs
Customer support	4.1 ★★★★☆	2.4 ★★★☆☆	2.5 ★★★☆☆
Design & UX	4.0 ★★★★☆	2.8 ★★★☆☆	2.7 ★★★☆☆
Delivery	3.7 ★★★★☆	2.4 ★★★☆☆	3.3 ★★★★☆
Price	3.6 ★★★★☆	3.1 ★★★☆☆	3.4 ★★★★☆
Order	2.7 ★★★☆☆	2.3 ★★★☆☆	2.6 ★★★☆☆
Payments	2.6 ★★★☆☆	2.0 ★★☆☆☆	3.0 ★★★☆☆
Onboarding	1.9 ★★☆☆☆	1.6 ★☆☆☆☆	1.8 ★★☆☆☆
Reliability	1.7 ★★☆☆☆	1.5 ★☆☆☆☆	1.8 ★★☆☆☆
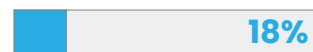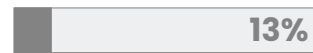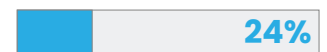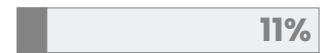
Onboarding and reliability, the starting points of any customer journey, are universal sources of friction across all three countries

User Journey	United Kingdom	Belgium	Netherlands
Onboarding	1.8	1.6	1.8
Order	2.7	2.3	2.6
Price	3.6	3.1	3.4
Payments	2.6	2.0	3.0
Delivery	3.6	2.5	3.3
Customer support	4.1	2.4	2.5
Design & UX	4.0	2.8	2.7
Reliability	1.7	1.5	1.8
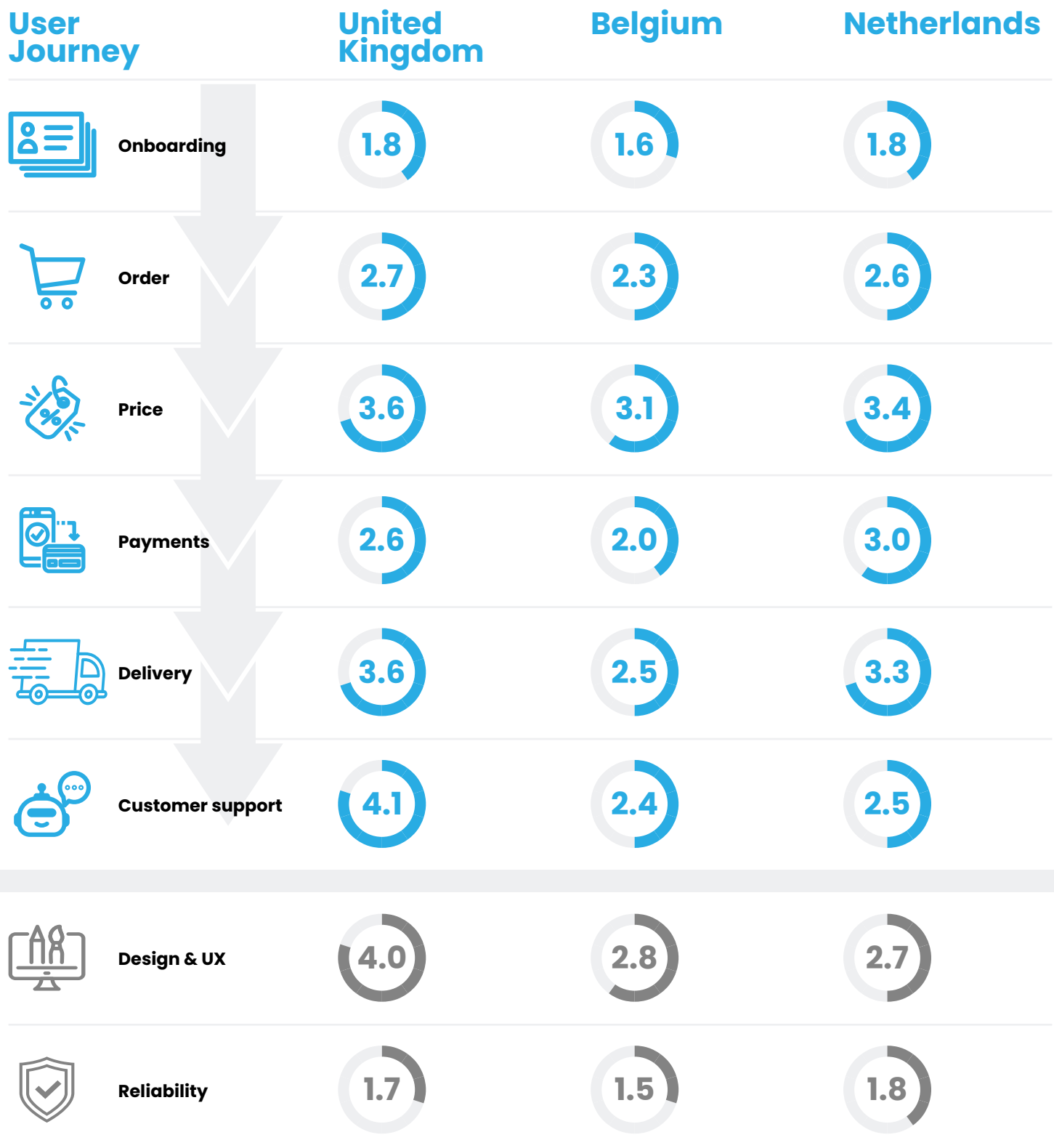
In the UK challengers drastically outperform traditional retailers in price, order and delivery

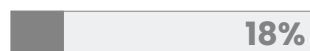|	**Traditional** **~12K Reviews** Dec 2020 - May 2021	**Challenger** **~4K Reviews** Dec 2020 - May 2021
	4.6 **App Rating**	**4.5** **App Rating**
	3.4 **Feature Rating**	**4.0** **Feature Rating**
	44% Reviews citing satisfaction	**56%** Reviews citing satisfaction
	18% Reviews citing bugs	**8%** Reviews citing bugs
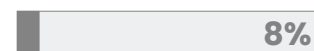
	Traditional		Challenger	
Customer support	**4.0**	★★★★☆	**4.3**	★★★★⯪
Design & UX	**4.0**	★★★★☆	**3.8**	★★★★☆
Delivery	**3.6**	★★★⯪☆	**4.0**	★★★★☆
Price	**3.4**	★★★⯪☆	**3.9**	★★★★☆
Order	**2.6**	★★⯪☆☆	**3.2**	★★★☆☆
Payments	**2.6**	★★⯪☆☆	**2.7**	★★⯪☆☆
Onboarding	**1.9**	★★☆☆☆	**2.0**	★★☆☆☆
Reliability	**1.7**	★⯪☆☆☆	**1.5**	★⯪☆☆☆

In Belgium, overall challengers perform better than traditional retailers. However traditional supermarkets still have the upper hand in customer support, ordering and payments

	Traditional	**Challenger**
	~2K Reviews Dec 2020 - May 2021	**~0.2K Reviews** Dec 2020 - May 2021
	4.0 App Rating	**4.4** App Rating
	2.8 Feature Rating	**3.1** Feature Rating
	18% Reviews citing satisfaction	27% Reviews citing satisfaction
	13% Reviews citing bugs	22% Reviews citing bugs
Customer support	2.6 ★★★☆☆	1.9 ★★☆☆☆
Design & UX	2.8 ★★★☆☆	3.0 ★★★☆☆
Delivery	2.3 ★★☆☆☆	2.8 ★★★☆☆
Price	2.7 ★★★☆☆	3.4 ★★★☆☆
Order	2.3 ★★★☆☆	2.2 ★★☆☆☆
Payments	2.0 ★★☆☆☆	1.9 ★★☆☆☆
Onboarding	1.6 ★☆☆☆☆	2.0 ★★☆☆☆
Reliability	1.5 ★☆☆☆☆	1.6 ★☆☆☆☆

In the Netherlands challengers disrupt the market excelling in price, order and delivery
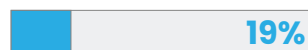
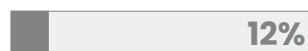|	**Traditional** **~3K Reviews** Dec 2020 - May 2021		**Challenger** **~1K Reviews** Dec 2020 - May 2021	
	3.5 **App Rating**		**4.5** **App Rating**	
	2.7 **Feature Rating**		**3.7** **Feature Rating**	
	19% Reviews citing satisfaction		**33%** Reviews citing satisfaction	
	12% Reviews citing bugs		**10%** Reviews citing bugs	
Customer support	2.6	★★★½☆☆	2.3	★★★½☆☆
Design & UX	2.7	★★★½☆☆	2.8	★★★☆☆
Delivery	3.0	★★★☆☆	3.7	★★★★½☆
Price	3.2	★★★☆☆	3.7	★★★★½☆
Order	2.4	★★★½☆☆	3.2	★★★☆☆
Payments	3.1	★★★☆☆	2.9	★★★☆☆
Onboarding	1.9	★★☆☆☆	1.7	★★½☆☆☆
Reliability	1.7	★★½☆☆☆	2.0	★★☆☆☆
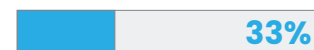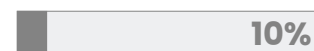
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