

Michael Zimmermans Hedge Fund Says mCommerce Must Be Retailers Top Priority

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/EINPresswire.com/ -- Optimizing for mcommerce is a must for retailers of all sizes, Zimmerman believes, or they will miss a huge revenue opportunity from smartphone shoppers. A recent poll found poorly optimized sites lost nearly \$15.9 billion in abandoned mobile sales this 2013 holiday season.

Michael Zimmerman's hedge fund [Prentice Capital](#) notes that during 2013, retailers smartphone revenue increased 113% and tablet revenue by 85% over the previous year, according to a survey conducted by Shop.org and Forrester Research. (1) The survey additionally found that 21% of retailers' entire online revenue derived from either a smartphone or tablet during 2013.

Zimmerman, who has long held the view that retailers need strong branding and well-planned online & mobile shopping platforms thinks this will put even more pressure on retailers to make building strong m-commerce sites and apps a top priority.

Zimmerman's view is confirmed by nearly half of surveyed retailers who said they plan to overhaul their website to improve personalization and usability or to reconfigure the core site experience to improve conversion rates during 2014. More than half of retailers said mobile efforts are their top priority, identifying responsive design, mobile site optimization, and tablet redesign as focus areas.

Currently only two-thirds of indexed brands have mobile-optimized sites, and yet a full third of those don't currently enable consumers to shop from those sites, New York research firm L2 noted (2). Many also fail to provide the full range of content available on their desktop sites, including product search and user ratings, to mobile audiences.

Prentice Capital's Zimmerman believes this has to change if retailers wish to retain fickle customers, because fewer shoppers are venturing into stores and sales growth is increasingly driven by sofa shoppers wielding tablet computers.



Michael Zimmerman hedge fund: fewer shoppers are venturing into stores and sales growth is increasingly driven by sofa shoppers

Online retail sales grew by 1.4% in December 2013 compared with the previous month, and by 9.9% compared with December 2012 (3). Considering that an estimated 64 million new iPhones and iPads are already in consumers hands during the last quarter of 2013, the new year could be a breakthrough year for mobile shoppers, particularly if businesses continue to rapidly adopt mCommerce, engaging their client base with new and innovative methods.

With parabolic mCommerce sales trends, optimizing for mobile shoppers is a must today for retailers of all sizes. Otherwise, Zimmerman believes, they will lose a huge amount of revenue from online customers who only visit and shop on mobile devices. This position is backed up by holiday shopping figures from a recent Harris poll which found 47% of shoppers abandon purchases on mobile devices due to "payment friction", and the majority (57%) do not attempt the transaction again later on a desktop computer, meaning poorly optimized retailers lost nearly \$15.9 billion in mobile sales this 2013 holiday season. (4)

Scott Galloway, an NYU Stern professor of marketing and creator of L2, stated "Given the evidence, we seem to be entering the start of a persistent mobile age... Brands ignore this shift at their own peril." (5).

Citations:

[1] "Retailers Modify Objectives In 2014 As Mobile Tops Priority Lists", January 29, 2014, Forrester

[2] ComScore February 3, 2014

[3] Commerce Department nonstore retail sales figures, 14 January 2014

[4] "Retailers left \$15.9 Billion in Mobile Commerce on the table" 14 January 2014, Jumio

[5] "High-End Brands Are Missing the Boat on Mobile, Study Finds" 11 Jan. 2012, Mashable

[Michael Zimmermans Prentice](#) Capital Management, LP is an employee owned hedge fund operator based in Greenwich and founded in 2005 by Zimmerman. The fund primarily invests in the consumer retail equity.

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