IREU 2017:
BRAND ENGAGEMENT

One of six performance dimension reports within the InternetRetailing Europe Top500 ranking for 2017

An Executive Summary in partnership
with our **Dimension Sponsor Oracle + Bronto**

ORACLE + Bronto

**Key issue
for 2017/18:**

Deliver consistent service
across borders and
channels

IREU
TOP 500
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FROM THE EDITOR-IN-CHIEF

The IREU Top500 is a performance ranking of Europe's leading ecommerce and multichannel retailers.

Our Performance Dimension Reports Series focuses on the six areas of retail practice we evaluate within our research:
• Strategy & Innovation
• The Customer
• Operations & Logistics
• Brand Engagement
• Mobile & Cross-channel
• Merchandising

You can see the whole report and ranking at www.internetretailing.net/ieu, and the full analysis, case studies and commentary for this Brand Engagement Dimension at etail.li/DRE17D5. This Executive Summary covers the key points for action and of insight, with links in each footer to detailed information.

We hope you find this Executive Summary of value. Please do let me know your feedback at:
ian@internetretailing.net

Ian Jindal, Editor-in-chief

THE KEY ISSUES IN BRAND ENGAGEMENT 2017

• Customers shop across borders and channels, but however they shop, they want a personalised and relevant service

• The challenge for retailers is to support this changing behaviour, both at scale and profitably, while consistently conveying brand values
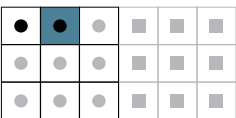
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↑ In detail online
⊙ Ed-in-chief's introduction etail.li/IREU17-1
⊙ The full Dimension Report etail.li/DRE17D5

✎ Further reading
⊙ The IREU Top500 internetretailing.net/ireu/
⊙ The IRUK Top 500 internetretailing.net/iruk/
⊙ The Brand Index internetretailing.net/irbx/

PARTNERS' INSIGHTS

BETTER EMAIL MARKETING

ORACLE® + Bronto

Saima Alibhai

managing principal consultant, Europe at Oracle + Bronto outlines three rules for more effective email programmes

• Capture and use browse behaviour to create relevant and effective browse recovery messages

• Make it easy to come back and reconsider a purchase

• Show customers what they want by using browse, purchase and click data to create targeted recommendations

"Retailers need to provide a level of personal service similar to that of a local shop owner" 🐦

BRAND VALUES

emarsys

Steven Ledgerwood

UK MD at Emarsys, outlines how to raise brand awareness across channels and borders

• Listen to what customers are telling you

• Use CRM and AI insights to create consistent experiences

• Localisation is important, but sometimes it's better to opt for a language or design based on brand perception

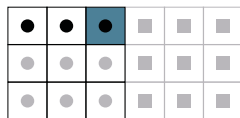• Where customers use social media, target your best offers here

"The challenge is to reach consumers at the right time, on the right channel and with the right content" 🐦

↑ In detail online
⊙ Better email marketing etail.li/IREU17-2
⊙ Convey brand values etail.li/IREU17-3

✎ Further reading
⊙ Oracle + Bronto bronto.com/
⊙ Emarsys www.emarsys.com/en/

IN-DEPTH ONLINE

⊙ For detail and deeper analysis, see the full
Dimension Report articles online

Full features and additional research in support of the Brand Engagement Dimension are available online at www.InternetRetailing.net. Throughout the report we will signal this information using our URL-shortener www.etail.li. Links starting etail.li/… will take you to pages on InternetRetailing.net (and in digital versions of this Executive Summary will click through).
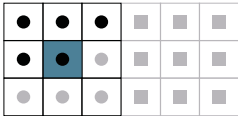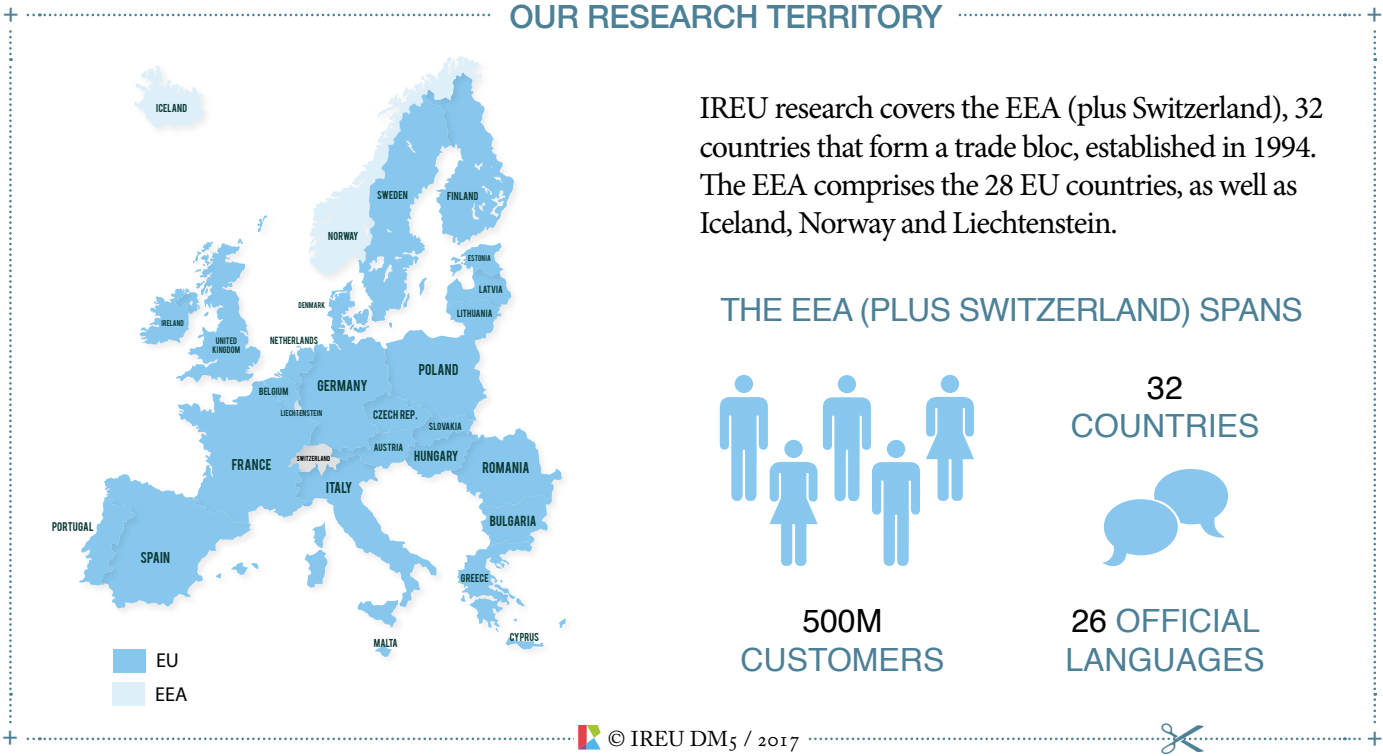
STRATEGIC OVERVIEW

1 The Context

The challenges facing European retailers

- Borders are less important. According to figures from Ecommerce Europe, 33% of European customers bought from retailers based outside their home territories. This trend is continuing

- To make the most of this opportunity, retailers need to connect with customers outside their home territories

- Retailers need to do this while competing with leading retailers and brands, including Amazon, international brands such as Nike and pan-European retailers such as Zara

OUR RESEARCH TERRITORY

IREU research covers the EEA (plus Switzerland), 32 countries that form a trade bloc, established in 1994. The EEA comprises the 28 EU countries, as well as Iceland, Norway and Liechtenstein.

THE EEA (PLUS SWITZERLAND) SPANS

32 COUNTRIES

500M CUSTOMERS

26 OFFICIAL LANGUAGES

EU
EEA

🅡 © IREU DM5 / 2017

↑ In detail online
⊙ Strategic overview etail.li/IREU17-4

⤳ Further reading
⊙ Data source www.ecommerce-europe.eu
⊙ Reinventing Loyalty blogpost etail.li/IREU17-5
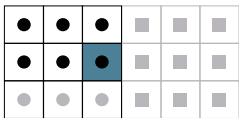⊙ IMRG Metapack Indexes etail.li/IREU17-6

STRATEGIC OVERVIEW

2 The Solution

Our leading retailers demonstrate solutions that support their success

- **Speak the same language:** retailers that excel across Europe in Brand Engagement offer websites in a wide variety of languages. In Spain, for example, the Ikea website is available not just in Spanish, but in Catalan and Basque too.

- **Talk to customers where conversations are happening:** French retailer Decathlon prioritises communication via its stores in its home market, because it has a substantial bricks'n'mortar footprint. In foreign territories, where it has less stores, it appoints social media managers. In the UK, Twitter is a priority, a reflection of the local market.

- **Be easily found through search:** research carried out by InternetRetailing Knowledge Partner Hitwise suggests that 20% of new visitors to IREU Top500 websites across the European Union find the site via search. This figure rises to 79% in the UK and 67% in Belgium.

- **Consider making social media posts shoppable:** Reebok has appointed marketing technology specialist Curalate to enable consumers to click to buy from its social media posts. As more brands potentially adopt a similar approach, there's a big challenge here for retailers.

- **Personalisation is the future:** a recent Reinventing Loyalty report from Adobe and Goldsmiths found that 50% of British consumers and 61% of European consumers are loyal to brands that tailor experiences to their specific needs and preferences.

- **Finally, ensure international deliveries are efficient:** once retailers have captured customers' attention, they need to keep it and late or inefficient deliveries can instantly undo a lot of hard work. According to IMRG MetaPack UK Delivery Index, 29.6% of all ecommerce orders headed abroad in July 2017, up from 26.6% in July 2016.

↑ **Tell us what you think**
⊙ Twitter twitter.com/etail
⊙ Facebook etail.li/irfacebook
⊙ Linkedin www.linkedin.com/groups/35266

IREU TOP500 BRAND ENGAGEMENT

In partnership with our Dimension Sponsor

ORACLE® + **Bronto**

The Brand Engagement Top50 are retailers from the IREU Top500 that have excelled in:

- Communicating consistently across multiple channels

- Localising their offerings for different European territories

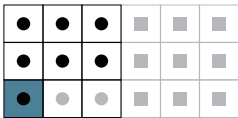- Using social media to conduct conversations with customers

Congratulations to the Top50 retailers who have performed best in the Brand Engagement Dimension (listed here alphabetically)

BRAND ENGAGEMENT: THE BEST 50

Amazon Asos Boden The Body Shop BonPrix Boots Carphone Warehouse Clarks Clas Ohlson Currys Debenhams Decathlon Euronics Game H&M Homebase House of Fraser Ikea Interflora John Lewis JYSK Kiabi L'Occitane La Redoute Lidl Littlewoods MandM Direct Marks & Spencer Matalan Media Markt Nike Ocado Office PC World Puma QVC Richer Sounds Schuh Simply Be Smyths Superdrug Swarovski Tesco TK Maxx Topshop Toys Я Us Victoria's Secret Weltbild.at Yves Rocher Zalando

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A REMINDER: THE ELITE SIX IN THE IREU TOP500

⤴ **Further reading**
⊙ Asos targets crossborder expansion etail.li/IREU17-7
⊙ How brands, including Nike, deliver superior experiences etail.li/IREU17-8

FURTHER INTERACTION

◉ Beyond this executive summary, you can engage with us online or in person

The Full Report

🐦 @etail

Read full versions of all the articles featured in this Executive Summary at the InternetRetailing website: etail.li/DRE17D5

The IRUK Top500

The companion to the IREU Top500, this report is now in its fourth year and focuses upon the best-performing retailers, brands and ecommerce pureplays in the highly competitive UK market.

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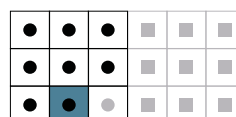
↑ In detail online
  ◎ The full Dimension Report etail.li/DRE17D5

✂ Further reading
  ◎ The IREU Top500 internetretailing.net/ireu/
  ◎ The IRUK Top 500 internetretailing.net/iruk/
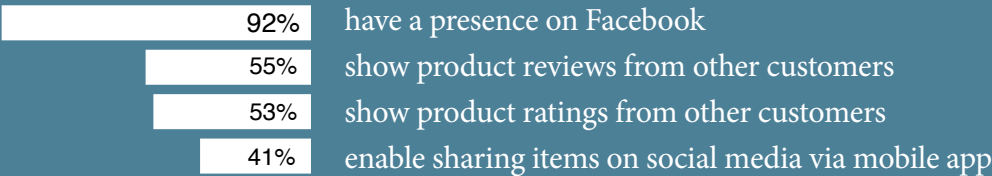 ◎ Subscribe internetretailing.net/subscribe

ANALYSING THE NUMBERS

"Top500 retailers that excel in mobile performance, localisation and social stand out in the Brand Engagement Dimension. High achievers include Marks & Spencer, for its mobile app, Nike for its support of different languages and H&M for its expertise in social" 🐦

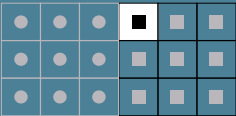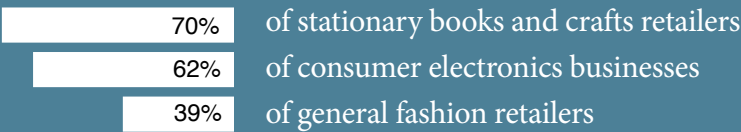**Martin Shaw**
head of research, InternetRetailing

TOP500 ON SOCIAL

The percentage of the IREU Top500 that

92%	have a presence on Facebook
55%	show product reviews from other customers
53%	show product ratings from other customers
41%	enable sharing items on social media via mobile app

PRODUCT REVIEWS BY SECTOR

The percentage of IREU Top500 retailers that enable consumers to share product reviews

70%	of stationary books and crafts retailers
62%	of consumer electronics businesses
39%	of general fashion retailers

'PRACTICE OF THE BEST': COMMON ACTIVITIES OF LEADING COMPANIES

Adoption of cross-channel techniques by the Top500

OUR FINDINGS

- In the UK, IREU Top500 retailers communicate on average via five different channels. The equivalent figure in Austria, Germany, Spain and France is three
- 30% of retailers in Finland, Bulgaria, Ireland, Norway and Sweden offer the facility to Like products. In the UK, it's 21%
- 61% of UK retailers let customers leave product reviews. In Poland, the next best-performing country, the equivalent figure is 51%
- 52% of retailers in Portugal offer the facility to share via social media from an app. Retailers in Switzerland (51%), Norway (50%), Italy (49%) and the UK (49%) also perform strongly here
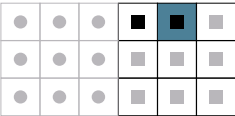
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Advanced markets such as the UK broadly lead the way in Brand Engagement, but other territories perform strongly in specific metrics within this Performance Dimension
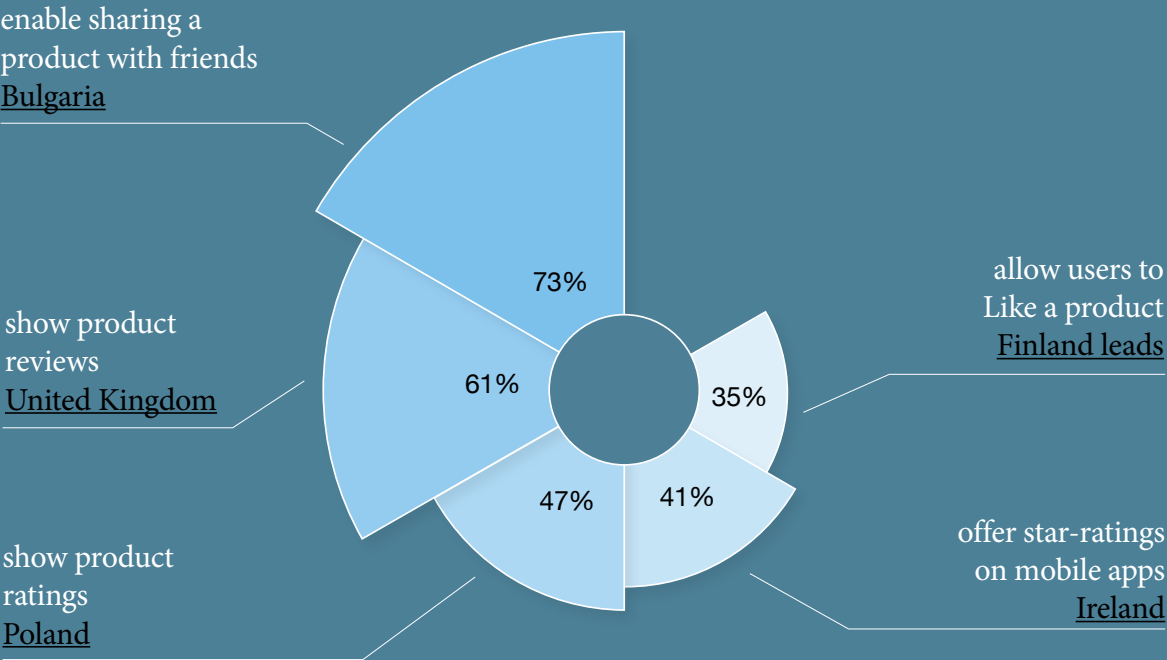
WHAT'S HAPPENING	WHAT IT MEANS
More advanced markets tend to try new techniques first	Competition drives innovation
Different techniques have a higher take-up rate in different territories	As techniques are adopted and they're successful in specific markets, they become points of competition

Not all techniques are equal: some techniques may not be taken up in advanced markets because retailers have more sophisticated offerings. UK retailers, for example, focus more on product reviews than enabling customers simply to Like products.
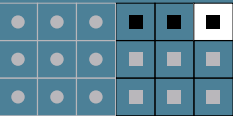
ANALYSIS: FEATURES BY MARKET

FIVE KEY TECHNIQUES AND THE COUNTRIES IN WHICH THEY ARE MOST PREVALENT

enable sharing a product with friends
Bulgaria

allow users to Like a product
Finland leads

show product reviews
United Kingdom

73%

61%

35%

47%   41%

offer star-ratings on mobile apps
Ireland

show product ratings
Poland

TOP500 COMMUNICATION CHANNELS BY SECTOR

From phone to email via live chat, online forms and social media, how many channels of customer communications do the Top500 support by sector

5 channels *
Apparel
Health & Cosmetics

3 channels
Children's Goods
Consumer Electronics
Footwear
Grocery

4 channels
Department Store
Home, Garden & DIY
Jewellery
Sports & Leisure
Stationery, Books & Craft

* Communication channels include phone, email, live chat, web submission form, and all the popular social media networks

↑ Tell us what you think
⊙ Email: research@internetretailing.net

APPROACHES THAT WORK

Brand engagement is all about opening conversations and interaction. Here's how leading retailers achieve this

Make regions and multilingual choices obvious: Ikea customers that land from a British-based computer are greeted with buttons giving the option of "Take me to IKEA United Kingdom", or "I want to choose another country".

Encourage input: when shoppers engage with a brand, they do more than just buy from it, they talk about it, feel supportive of it. Retailers that encourage this include Lidl, whose customer praise the quality and price on offer in the supermarket.
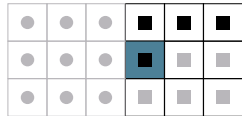
Allow social sharing: Boden makes it easy for its customers to post pictures of themselves wearing Boden clothes through an "Upload a photo" clickthrough next to the #bodenbyme images on its landing page. (See link below.)

Offer rich content: Homebase offers a raft of "How to…" guides, many with supporting videos. Currys offers "techtalk", which explains the latest gadgets in sufficient detail to satisfy even its most geeky customers.

Promote your channels: in general, it is the multichannel customer who spends more and is the most loyal, so make it easy for them to engage through different channels. Debenhams has a store-finder facility on the top-right of all its pages.

Create a community: jeweller Swarovski's Crystal Society is targeted at collectors – "tens of thousands of them" – who have the opportunity to acquire exclusive products, receive a regular magazine and help the company support water sustainability projects in Africa.

Expand an offer with a marketplace: Asos has signed up more than 1,000 boutiques, vintage clothing outlets and new brands to its marketplace. These add interest and novelty, and encourage engagement and repeat visits to the site. (See link below.)

↑ In detail online
⊙ 12 approaches that work etail.li/IREU17-12

⊰ Further reading
⊙ Boden's #bodenbyme
   www.instagram.com/explore/tags/bodenbyme/
⊙ Asos Marketplace marketplace.asos.com

CASE STUDY: SCHUH

The challenge:
visitors to Schuh want consistency across channels, both in terms of service levels across different channels, and the look, feel and tone of voice of its offering.

The analysis:
Schuh constantly measures and A/B tests its offerings. One of the key metrics that it monitors is sentiment. Schuh makes it straightforward for its customers to offer feedback – and then it analyses and acts on this information. It has a clear idea of where its sales originate, with half the company's ecommerce revenue (50%) and orders (54%) now arriving via mobile.
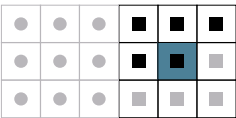
The response:
- Schuh has a presence across seven social media channels: Snapchat, Facebook, Twitter, Pinterest, Instagram, YouTube and Google Plus. In response to customers' preferences, Facebook Messenger and Twitter are the main channels for customer service activity
- Schuh makes sure there is a single, consistent view of stock levels and item price across all channels
- Through Klarna's mobile payment technology, which lets shoppers pay for their goods simply by entering their email and delivery address, Schuh makes it easy for regular customers to shop with the company

"We try to be available for customers at all times and across all the channels they want to use" 🐦

Sean McKee
director of ecommerce and customer experience, Schuh

↑ In detail online
⊙ Schuh interview etail.li/IREU17-13

⊰ Further reading
⊙ Schuh www.schuh.co.uk/
⊙ Schuh's story www.schuh.co.uk/help/about-us/

CASE STUDIES: FOUR EXAMPLES

amazon

The behemoth's Prime service is designed not to attract customers, but to offer ongoing value and keep customers.
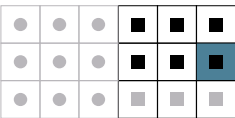
THE BODY SHOP

After analysing sales data and shopper behaviour, Body Shop is putting more emphasis on producing content that customers find genuinely useful.

Clarks.

The shoe retailer has invested in bridging the online and offline shopper experience through the use of tablets in its 500-plus stores.

Currys

The electrical retailer communicates clearly that it competes in great part on price, but also offers a solid range of additional services.

↑ In detail online
⊙ Amazon case study etail.li/IREU17-14
⊙ Clarks case study etail.li/IREU17-15

⊰ Further reading
⊙ The Body Shop case study etail.li/IREU17-16
⊙ Currys case study etail.li/IREU17-17

LOOKING AHEAD

Connected customers create content. For retailers, this can be a valuable resource in generating customer engagement

The proliferation of mobile devices has made consumers more connected than ever before, leading them to expect richer, deeper and more personalised engagement with brands. Clever retailers across Europe are simultaneously recognising the power of social media – also driven by mobile – and are turning it to their own advantage by getting their own customers to help tell their stories in a new and engaging way.

Share and share Likes

Research by earned content platform vendor Olapic reveals that half of consumers share status updates and photos at least once a week. But more interestingly, it demonstrated a preference among millennials for sharing third-party visual content, such as that created by brands, media and influencers.

It found that 33% report sharing such content once a week or more, and 56% do so at least once a month. In fact, this fondness for third-party content is also evident among older generations. Though individuals over the age of 29 post personal content less than their younger counterparts, individuals between ages 30 and 44 share third-party content almost as much as those under 30.

Fashion leads the way

So-called 'earned content' marketing – a method of leveraging user-generated content for the brand's own engagement purposes and getting other loyal followers to share it – is starting to garner much interest across the world.

The tactic is especially popular in the fashion market, with brands asking customers to post inspirational videos and images of their clothes 'in action'.
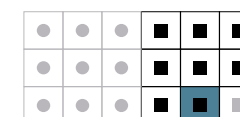
In the UK, Dune London has added a UGC feed to its website and, in the two weeks after customer and blogger content from Instagram was brought onto product detail pages, sales in which shoppers interacted with UGC rose by 82%.

≺ Further reading
⊙ Olapic www.olapic.com/topics/research/
⊙ Dune www.dunelondon.com/instagram/

FINALLY...

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┌ · · · · · · · · · · · · · TALK IS NOT CHEAP · · · · · · · · · · · · · ┐
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Today's connected customers shop across borders and channels. Retailers need to open up conversations with customers as they do this. By doing this, retailers can learn what's important to these customers, and can create more personalised and richer content that further deepens conversations.

But this isn't easy to do. It requires a willingness to listen to customers, including those from outside a home territory. It requires a recognition of cultural nuances. It requires resources, time and targeted investment. It requires acting effectively on insights gleaned from these conversations.

The Top50 retailers in the IREU Brand Engagement Performance Dimension have already begun the necessary work here and we congratulate them.

⊙ We hope you've enjoyed this IREU Dimension Report Executive Summary on Brand Engagement

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⊙ **T**o read the full report, go to: etail.li/DRE17D5

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