IREU TOP 500

INTERNETRETAILING
IREU 2018
TOP500 REPORT
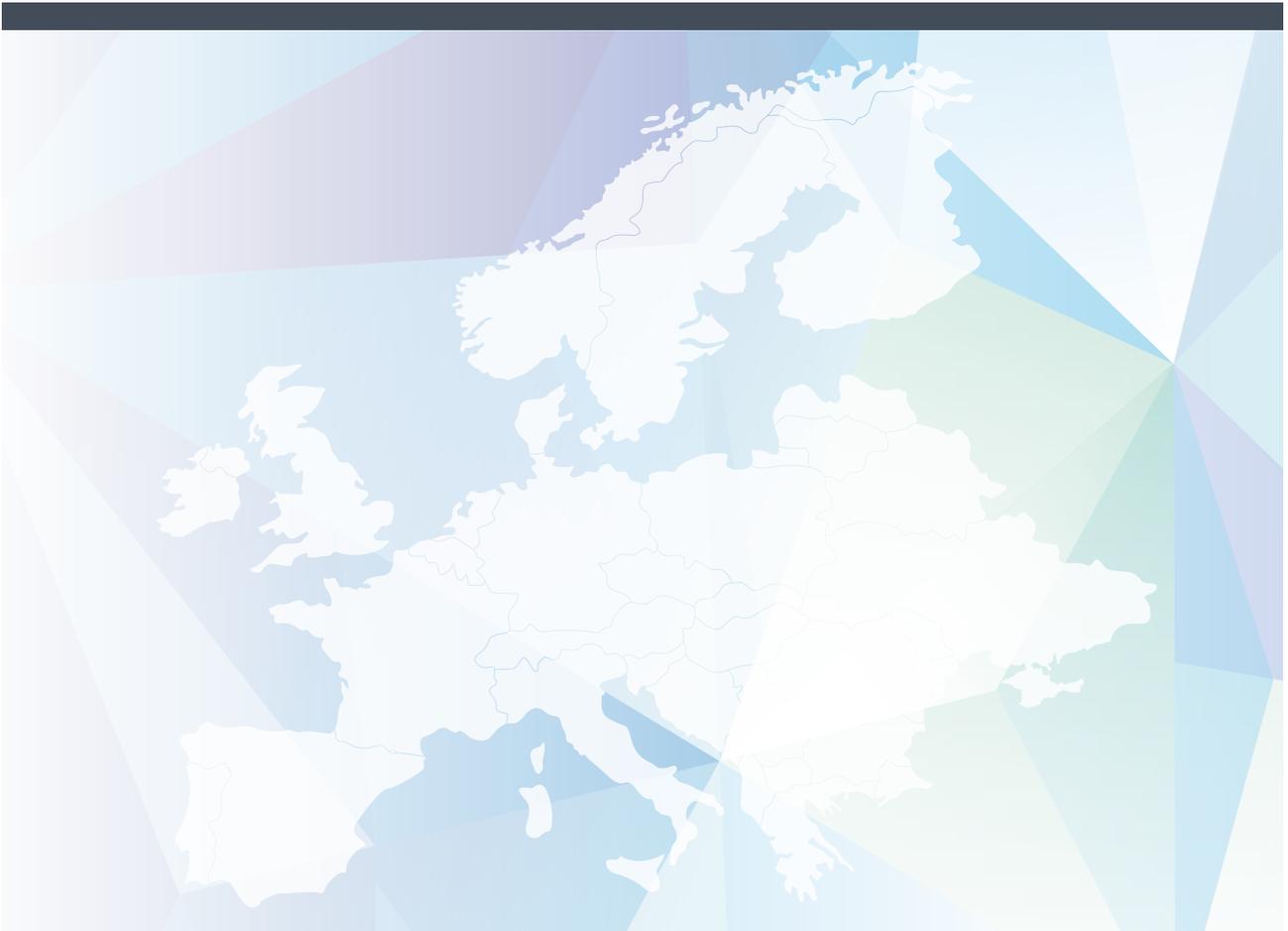
"THIS LATEST ANNUAL EDITION OF OUR RESEARCH ASSESSES LEADING EUROPEAN RETAILERS FROM A UNIQUE, PERFORMANCE-BASED PERSPECTIVE"

INSIDE
- The Top500 European retailers assessed and ranked
- How and why Elite retailers outperform competitors
- We outline the challenges facing European retailers in 2018/19

internetretailing.net/ireu
research@internetretailing.net

You & me?

We're both in the business of smoooth.

Pay later.

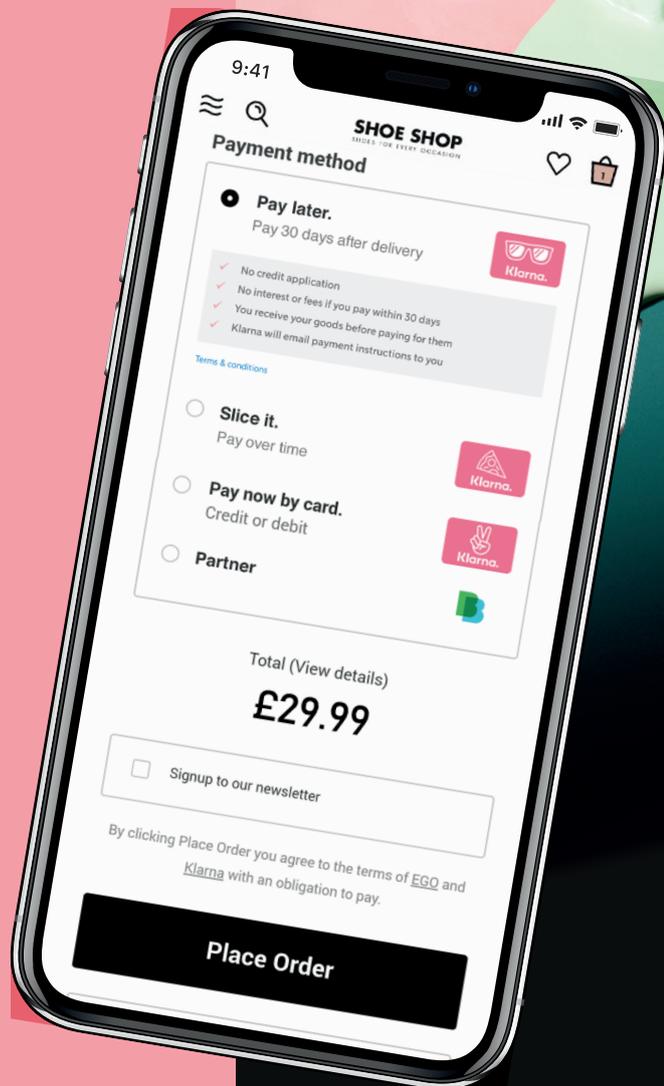Customers can **pay for goods up to 30 days after delivery.** The **merchant is paid immediately.**

Slice it.

Simple, intuitive **consumer finance in monthly instalments.**

Pay now.

Mobile-optimised online checkout for immediate transactions via card.

9:41

SHOE SHOP
SHOES FOR EVERY OCCASION

Payment method

- **Pay later.**
  Pay 30 days after delivery
  ✓ No credit application
  ✓ No interest or fees if you pay within 30 days
  ✓ You receive your goods before paying for them
  ✓ Klarna will email payment instructions to you
  Terms & conditions

- **Slice it.**
  Pay over time

- **Pay now by card.**
  Credit or debit

- **Partner**

Total (View details)

£29.99

☐ Signup to our newsletter

By clicking Place Order you agree to the terms of EGO and Klarna with an obligation to pay.

Place Order

Let's talk.

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London, W1G 0PW
www.klarna.com/uk
sales@klarna.co.uk

About Klarna

- Over 90,000 merchants
- Active in 14 countries
- 19 million consumers used Klarna last year

Klarna.

Smoooth payments.

Introduction

Welcome to the Top500 IREU for 2018, which assesses the performance of European retailers after what has been an eventful 12 months. It's been a year of significant and continuous improvement among existing and new members of the index, and this has reshaped the retail landscape. The effect of that continuous improvement is now so marked that there are retailers that have fallen out of the Elite level of this ranking that are performing more strongly than when they achieved that ranking last year. They're being replaced by businesses operating at a new level of excellence. No doubt that change will continue next year as retailers and brands across Europe continue to raise their games.

This year we've noted that direct-to-consumer brands are playing a larger part in the index as they move at scale to adopt the multichannel techniques that have worked well for retailers that were previously the primary sellers of their goods.

This change is likely to be felt painfully by general merchants that previously led the way in using digital to sell goods. Now brands are taking those proven techniques that have worked well for the traders that developed and honed them, and using them to meet demand from customers who are now eager to buy direct as well as through retailers.

Our research will continue to deepen over the coming year as we expand our scope to take in more countries. From the autumn we'll have a newsletter dedicated to European retail, that will focus on how Elite, Leading retailers, and other members of the IREU Top500, are developing their performance and multichannel strategies.

We established our RetailCraft network in 2017 as a community of performance-focused retailers, meeting through roundtables, events and research sessions. In 2018, we hope to welcome more members of the IREU Top500 to our events. Do get in touch if you're a retailer that would like to take part.

We're also always keen to involve suppliers that have data sets and expert insights that can help in our analysis of retail performance across the EEA plus Switzerland. Get in touch with us too if you'd like to be considered as an InternetRetailing Knowledge Partner.

**IAN JINDAL,
EDITOR-IN-CHIEF**

" IT'S BEEN A YEAR OF SIGNIFICANT AND CONTINUOUS IMPROVEMENT AMONG EXISTING AND NEW MEMBERS OF THE INDEX "

Our research covered seven Dimensions

(see pages 30-31 for more details):

0. **FOOTPRINT:** EEA retail turnover, ecommerce turnover, web reach and store estate of retail businesses give the 'heft' and a preliminary rank. We then modify and weight that analysis through consideration of the following Performance Dimensions:

1. **STRATEGY & INNOVATION:** the extent to which the retailer is adapting for growth, international commerce and customer responsiveness

2. **THE CUSTOMER:** measuring the experience from the customer's point of view

3. **OPERATIONS & LOGISTICS:** delivery, returns, collections

4. **MERCHANDISING:** displaying and describing

5. **BRAND ENGAGEMENT:** making their brands familiar to the customer and connecting with them

6. **MOBILE & CROSS-CHANNEL:** beyond single ecommerce or store channels

PERFORMANCE CLUSTERS

We've ranked the Europe Top500 in statistically similar groups. Elite retailers have performed at an exceptional level across all Dimensions, statistically separate from the subsequent clusters. In 2018 they are Apple, Argos, H&M, IKEA, Tesco and Zara. Our congratulations to new entrants Argos and Tesco, and to Apple, H&M, IKEA and Zara for retaining their positions. Together with Leading retailers, these retailers, combining both size and capability, represent the leading edge of European multichannel retail.

Top50 retailers bring us to the 50-retailer point and represent the current standard of European best practice in ecommerce and multichannel retailing, exemplifying RetailCraft at its best.

Between the Top100 and the Top500, retailers are grouped in a way that expresses their measured performance in a way that goes beyond their variation in size, reach and turnover. Throughout the year ahead, we will be continuing our testing and measurement of the whole group, with our findings contributing to the 2019 ranking.

JUDGEMENT

Our current system started with the IRUK Top500 in 2015. Since then, we have steadily developed our research methods and metrics. The criteria regarded as cutting edge this year will necessarily differ from those of last year, since many onetime innovations have now moved firmly mainstream.

KNOWLEDGE PARTNERS

We could not have done this research without the generous advice and practical help of our Knowledge Partners. We thank BuiltWith for tracking the Top500's websites and providing information on the software used, such as ecommerce platform and payment methods.

Thanks to Geoblink for its dataset on the location of physical stores and the demographics of people who live nearby; Hitwise for sharing data on website interaction and the demographics of visitors; and Eggplant for measuring the performance and load times of Top500 websites on mobile and desktop browsers.

We are also grateful to Poq, for researching the features and capabilities of the Top500's mobile apps; to Return Path for measuring the email interaction that retailers enjoy, including how often they send emails, and open, deletion and marked-as-spam rates of those campaigns; and to SimilarWeb for sharing data on the visits and interaction that Top500 websites receive. We thank them all for their knowledge, hard work and generosity in approaching this project and look forward to sharing more of their findings over the coming year.

ELITE RETAILERS

Congratulations once more to the InternetRetailing Elite retailers for 2018: Apple, Argos, H&M, IKEA, Tesco and Zara. ∎

IAN JINDAL,
EDITOR-IN-CHIEF, INTERNETRETAILING

Contents

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The IREU Top500, as measured by 'footprint', which we calculate by looking at EEA retail turnover, ecommerce turnover, web reach and store estate

Brand	Category	Brand	Category	Brand	Category	Brand	Category	Brand	Category
Aldi	Largest_050	Adidas	Largest_100	A.T.U.	Largest_150	5.10.15.	Largest_250	LaFeltrinelli	Largest_250
Amazon	Largest_050	AliExpress	Largest_100	Albert Heijn	Largest_150	Accessorize	Largest_250	Lapeyre	Largest_250
Apple	Largest_050	Allegro	Largest_100	ATS Euromaster	Largest_150	Adobe	Largest_250	Laura Ashley	Largest_250
Argos	Largest_050	Bauhaus	Largest_100	BonPrix	Largest_150	Alcampo.es	Largest_250	Lego	Largest_250
Asda	Largest_050	Biedronka	Largest_100	Boulanger	Largest_150	Alternate	Largest_250	Louis Vuitton	Largest_250
Auchan	Largest_050	Billa	Largest_100	BUT	Largest_150	Altex	Largest_250	Lush	Largest_250
B&Q	Largest_050	Blokker	Largest_100	Camaieu	Largest_150	Alza	Largest_250	Mall.cz	Largest_250
Bershka	Largest_050	Brico Dépôt	Largest_100	Carphone Warehouse	Largest_150	Apart	Largest_250	Manor	Largest_250
Boots	Largest_050	Conforama	Largest_100	Claire's	Largest_150	Asos	Largest_250	Matalan	Largest_250
C&A	Largest_050	Coop Norge	Largest_100	Clas Ohlson	Largest_150	Bata	Largest_250	Microsoft	Largest_250
Carrefour	Largest_050	El Corte Inglés	Largest_100	Currys PC World	Largest_150	Bijou Brigitte	Largest_250	Mondadori Store	Largest_250
Castorama	Largest_050	Desigual	Largest_100	Dänisches Bettenlager	Largest_150	Bol.com	Largest_250	Monsoon	Largest_250
Coop	Largest_050	Dia	Largest_100	Delhaize.be	Largest_150	Brico	Largest_250	Mothercare	Largest_250
Darty	Largest_050	Dunelm	Largest_100	eBay	Largest_150	Cdiscount	Largest_250	MyToys	Largest_250
Debenhams	Largest_050	Edeka	Largest_100	Eduscho	Largest_150	CeX	Largest_250	Nature & Decouvertes	Largest_250
Decathlon	Largest_050	El-Giganten	Largest_100	Eroski	Largest_150	Chaussea	Largest_250	Neonet	Largest_250
Deichmann	Largest_050	Empik.com	Largest_100	Galeria Kaufhof	Largest_150	Clarel	Largest_250	Oasis	Largest_250
Dm	Largest_050	Ernsting's Family	Largest_100	Galeries Lafayette	Largest_150	Clarks	Largest_250	Obaïbi-Okaïdi	Largest_250
Douglas	Largest_050	Esprit	Largest_100	Game	Largest_150	Continente	Largest_250	Ocado	Largest_250
E.Leclerc	Largest_050	Etam	Largest_100	Gemo	Largest_150	Coradrive.fr	Largest_250	Office	Largest_250
Euronics	Largest_050	Fnac	Largest_100	Holland & Barrett	Largest_150	COS	Largest_250	Pets at Home	Largest_250
Expert	Largest_050	Games Workshop	Largest_100	Homebase	Largest_150	Diesel	Largest_250	Plus.de	Largest_250
H&M	Largest_050	Guess	Largest_100	Hornbach	Largest_150	Dorothy Perkins	Largest_250	Poco	Largest_250
Ikea	Largest_050	Hagebaumarkt	Largest_100	HP	Largest_150	Dr.Max	Largest_250	Public.gr	Largest_250
Intersport	Largest_050	Halfords	Largest_100	Hugo Boss	Largest_150	E-shop.gr	Largest_250	QVC	Largest_250
LeroyMerlin	Largest_050	Hema	Largest_100	Interflora	Largest_150	Ecco	Largest_250	The Range	Largest_250
Lidl	Largest_050	Iceland	Largest_100	Jack & Jones	Largest_150	eMag	Largest_250	River Island	Largest_250
Mango	Largest_050	JD Sports	Largest_100	Komputronik	Largest_150	Foot Locker	Largest_250	Saturn	Largest_250
Marks & Spencer	Largest_050	John Lewis	Largest_100	Kruidvat	Largest_150	Forever 21	Largest_250	size?	Largest_250
Massimo Dutti	Largest_050	JYSK	Largest_100	Lloyds Pharmacy	Largest_150	France Loisirs	Largest_250	Sportisimo	Largest_250
Media Markt	Largest_050	Kiabi	Largest_100	Media World	Largest_150	Fust	Largest_250	Staples	Largest_250
Mercadona	Largest_050	Kik	Largest_100	Micromania	Largest_150	G-Star Raw	Largest_250	Tati	Largest_250
Migros	Largest_050	Lindex	Largest_100	Norauto	Largest_150	Gall & Gall	Largest_250	Thalia	Largest_250
Morrisons	Largest_050	Maisons du Monde	Largest_100	Oysho	Largest_150	Gamma	Largest_250	Thomann	Largest_250
New Look	Largest_050	Müller	Largest_100	Pepe Jeans London	Largest_150	Gifi	Largest_250	Tom Tailor	Largest_250
Next	Largest_050	Nespresso	Largest_100	Reserved	Largest_150	Go Sport	Largest_250	Topman	Largest_250
Nike	Largest_050	Orsay	Largest_100	RTV Euro AGD	Largest_150	Google	Largest_250	Tous	Largest_250
OBI	Largest_050	Phone House	Largest_100	s.Oliver	Largest_150	Gucci	Largest_250	Travis Perkins	Largest_250
Otto	Largest_050	Pimkie	Largest_100	Superdrug	Largest_150	H.Samuel	Largest_250	Unieuro	Largest_250
Pandora	Largest_050	Post Office Shop	Largest_100	Superdry	Largest_150	Heine	Largest_250	Urban Outfitters	Largest_250
Pull & Bear	Largest_050	Promod	Largest_100	Swarovski	Largest_150	Hollister	Largest_250	Vente-Privee	Largest_250
Rewe	Largest_050	Real	Largest_100	Swatch	Largest_150	Home Bargains	Largest_250	Waterstones	Largest_250
Sainsbury's	Largest_050	Rossmann	Largest_100	Toolstation	Largest_150	House of Fraser	Largest_250	Weltbild.at	Largest_250
Samsung	Largest_050	Screwfix	Largest_100	Topshop	Largest_150	Hunkemöller	Largest_250	WHSmith	Largest_250
SportsDirect.com	Largest_050	Sephora	Largest_100	Toys R Us	Largest_150	IKKS	Largest_250	Wish	Largest_250
Stradivarius	Largest_050	Spar	Largest_100	Vero Moda	Largest_150	Jennyfer	Largest_250	Witt Weiden	Largest_250
Tchibo	Largest_050	Specsavers	Largest_100	Waitrose	Largest_150	JouéClub	Largest_250	Women'secret	Largest_250
Tesco	Largest_050	TK Maxx	Largest_100	Wickes	Largest_150	Karstadt	Largest_250	XXXL	Largest_250
Tommy Hilfiger	Largest_050	United Colors of Benetton	Largest_100	Worten	Largest_150	Kotsovolos	Largest_250	Zalando	Largest_250
Zara	Largest_050	Wilko	Largest_100	Yves Rocher	Largest_150	L'Occitane	Largest_250	Zeeman	Largest_250

& Other Stories	Largest_350	La Redoute	Largest_350	3Suisses	Largest_500	Frankonia	Largest_500	Nisbets	Largest_500
AKI	Largest_350	Leen Bakker	Largest_350	A.S. Adventure	Largest_500	French Connection	Largest_500	Ole Ole	Largest_500
Alinéa	Largest_350	Levi's	Largest_350	Abercrombie & Fitch	Largest_500	Furniture Village	Largest_500	Oscaro	Largest_500
Allopneus.com	Largest_350	Materiel.net	Largest_350	Adolfo Dominguez	Largest_500	Garmin	Largest_500	Overclockers UK	Largest_500
Ann Summers	Largest_350	Mindfactory.de	Largest_350	AllSaints	Largest_500	Globetrotter	Largest_500	Oxybul	Largest_500
Aubert	Largest_350	Monki	Largest_350	American Golf	Largest_500	Go Outdoors	Largest_500	PCBox	Largest_500
Baur	Largest_350	Monoprix	Largest_350	Ao.com	Largest_500	Goldsmiths	Largest_500	Pearl	Largest_500
Bild Shop	Largest_350	The North Face	Largest_350	Apotek	Largest_500	Grosbill	Largest_500	Phase Eight	Largest_500
Bimba Y Lola	Largest_350	Notebooksbilliger	Largest_350	Asics	Largest_500	Harrods	Largest_500	Photobox	Largest_500
The Body Shop	Largest_350	Okay	Largest_350	Asus	Largest_500	Harveys	Largest_500	Plaisio	Largest_500
Bonmarché	Largest_350	Orchestra	Largest_350	Babywalz	Largest_500	Hobbycraft	Largest_500	Prada	Largest_500
Bose	Largest_350	Paperchase	Largest_350	Bang Good	Largest_500	Höffner	Largest_500	Privalia	Largest_500
Bottega Verde	Largest_350	PcComponentes	Largest_350	BCC	Largest_500	hse24	Largest_500	Quiz	Largest_500
Bricoman	Largest_350	Peacocks	Largest_350	Bensons for Beds	Largest_500	Jacadi	Largest_500	Rádio Popular	Largest_500
Burberry	Largest_350	The Perfume Shop	Largest_350	Bever	Largest_500	JBC	Largest_500	Reiss	Largest_500
Cache Cache	Largest_350	Playstation Store	Largest_350	Bonobo Jeans	Largest_500	Jessops	Largest_500	Richer Sounds	Largest_500
Card Factory	Largest_350	Praktiker	Largest_350	Boohoo.com	Largest_500	Jewson	Largest_500	Ryman	Largest_500
CarpetRight	Largest_350	Prenatal	Largest_350	Breuninger	Largest_500	Kärcher	Largest_500	Sally	Largest_500
Casadellibro.com	Largest_350	Ralph Lauren	Largest_350	Bristol	Largest_500	Kasa	Largest_500	Schwab	Largest_500
Christ	Largest_350	Roller.de	Largest_350	Burton Menswear	Largest_500	Kenzo	Largest_500	Select	Largest_500
Cotswold Outdoor	Largest_350	Rue du Commerce	Largest_350	Carhartt	Largest_500	Kijkshop.nl	Largest_500	Shoe Zone	Largest_500
Cultura-Socultur	Largest_350	Scapino	Largest_350	Cath Kidston	Largest_500	Klingel	Largest_500	Silvan	Largest_500
DeBijenkorf	Largest_350	Schuh	Largest_350	Ceneo	Largest_500	Krëfel	Largest_500	Smyths	Largest_500
DFS	Largest_350	Selfridges	Largest_350	Chain Reaction Cycles	Largest_500	Lacoste	Largest_500	Sport Depot	Largest_500
Digitec	Largest_350	Showroomprive	Largest_350	Charles Tyrwhitt	Largest_500	Lakeland	Largest_500	Sportscheck	Largest_500
Disney Store	Largest_350	Skechers	Largest_350	ChaussExpo	Largest_500	LDLC	Largest_500	Sprinter	Largest_500
Dreams	Largest_350	Space.NK	Largest_350	Coast	Largest_500	LightInTheBox	Largest_500	T.M. Lewin	Largest_500
Dunnes Stores	Largest_350	Spartoo	Largest_350	Comet	Largest_500	Lipsy	Largest_500	Tendenz	Largest_500
Electro Depot	Largest_350	Sport Zone	Largest_350	Coolcat	Largest_500	Logitech	Largest_500	Thansen.dk	Largest_500
Elkjop	Largest_350	Stadium	Largest_350	Cotton Traders	Largest_500	M-Electronics Migros	Largest_500	Thorntons	Largest_500
Euro Car Parts	Largest_350	Steam	Largest_350	Cyberport	Largest_500	MajesticWine	Largest_500	Timpson	Largest_500
Evans Cycles	Largest_350	Street One	Largest_350	Datart	Largest_500	Martinus	Largest_500	Tokmanni	Largest_500
Eventim	Largest_350	Tape À L'Oeil	Largest_350	DaWanda	Largest_500	Matas	Largest_500	TomTom	Largest_500
Fat Face	Largest_350	TechnoMarket	Largest_350	Devred 1902	Largest_500	Matras	Largest_500	Topps Tiles	Largest_500
Flanco	Largest_350	Technopolis	Largest_350	Dior	Largest_500	Maty	Largest_500	Trespass	Largest_500
Fossil	Largest_350	Ted Baker	Largest_350	Dolce & Gabbana	Largest_500	Mediagalaxy	Largest_500	Ubaldi	Largest_500
Gant	Largest_350	Thomas Sabo	Largest_350	Dr. Martens	Largest_500	Medion	Largest_500	Undiz	Largest_500
GAP	Largest_350	Timberland	Largest_350	Dune London	Largest_500	Militaria	Largest_500	Vanden Borre	Largest_500
GearBest	Largest_350	Top Secret	Largest_350	e-Jumbo	Largest_500	Millets	Largest_500	VanHaren	Largest_500
Gigantti	Largest_350	Truffaut	Largest_350	Early Learning Centre	Largest_500	Miss Coquines	Largest_500	Verkkokauppa	Largest_500
Görtz	Largest_350	Uniqlo	Largest_350	Electro World	Largest_500	Miss Etam	Largest_500	Victoria's Secret	Largest_500
Habitat	Largest_350	Vans	Largest_350	EMP	Largest_500	Miss Selfridge	Largest_500	W. Kruk	Largest_500
Hervis	Largest_350	Venezia	Largest_350	Engelbert Strauss	Largest_500	Missguided	Largest_500	Webhallen	Largest_500
hmv.com	Largest_350	Vertbaudet	Largest_350	Ernest Jones	Largest_500	Mohito	Largest_500	Weekday	Largest_500
Ici Paris XL	Largest_350	Warehouse	Largest_350	Estée Lauder	Largest_500	MömaX	Largest_500	Wehkamp	Largest_500
Karen Millen	Largest_350	Wayfair	Largest_350	Evans	Largest_500	Montblanc	Largest_500	White Stuff	Largest_500
Karwei	Largest_350	We Fashion	Largest_350	Ex Libris	Largest_500	Mountain Warehouse	Largest_500	Yoox	Largest_500
King Jouet	Largest_350	The Works	Largest_350	Extreme Digital	Largest_500	MS Mode	Largest_500	YvesSaintLaurent	Largest_500
Kjell & Company	Largest_350	X-Kom	Largest_350	Fashion ID	Largest_500	Nay	Largest_500	Zero	Largest_500
Kwantum	Largest_350	Xenos	Largest_350	Footasylum	Largest_500	NetOnNet	Largest_500	Zooplus	Largest_500

## THE ELITE OF 2018: APPLE, ARGOS, H&M, IKEA, TESCO AND ZARA

Name	Tier	Name	Tier	Name	Tier	Name	Tier	Name	Tier
Apple	Elite	Alza	Top_100	Accessorize	Top_150	A.T.U.	Top_250	Komputronik	Top_250
Argos	Elite	Asos	Top_100	Albert Heijn	Top_150	Aldi	Top_250	Kruidvat	Top_250
H&M	Elite	The Body Shop	Top_100	Allegro	Top_150	AliExpress	Top_250	Lapeyre	Top_250
IKEA	Elite	Bol.com	Top_100	Alternate	Top_150	Altex	Top_250	Lindex	Top_250
Tesco	Elite	Boulanger	Top_100	Bauhaus	Top_150	Ann Summers	Top_250	Lush	Top_250
Zara	Elite	C&A	Top_100	Brico Dépôt	Top_150	Ao.com	Top_250	Mall.cz	Top_250
Amazon	Leading	Carphone Warehouse	Top_100	Camaieu	Top_150	ATS Euromaster	Top_250	Micromania	Top_250
Asda	Leading	Clarks	Top_100	Castorama	Top_150	Billa	Top_250	Migros	Top_250
Auchan	Leading	Conforama	Top_100	Cdiscount	Top_150	Blokker	Top_250	Miss Selfridge	Top_250
Boots	Leading	Dorothy Perkins	Top_100	Claire's	Top_150	Boohoo.com	Top_250	Mondadori Store	Top_250
Carrefour	Leading	eBay	Top_100	Clas Ohlson	Top_150	Bose	Top_250	Monoprix	Top_250
Coop	Leading	eMag	Top_100	El Corte Inglés	Top_150	Brico	Top_250	Monsoon	Top_250
Darty	Leading	Empik.com	Top_100	Desigual	Top_150	Burberry	Top_250	Müller	Top_250
Debenhams	Leading	Etam	Top_100	Disney Store	Top_150	BUT	Top_250	Nature & Decouvertes	Top_250
Decathlon	Leading	Expert	Top_100	E.Leclerc	Top_150	Christ	Top_250	Neonet	Top_250
Deichmann	Leading	Fnac	Top_100	El-Giganten	Top_150	COS	Top_250	Nisbets	Top_250
Dunelm	Leading	Foot Locker	Top_100	Ernsting's Family	Top_150	Cotswold Outdoor	Top_250	Norauto	Top_250
Euronics	Leading	Galeria Kaufhof	Top_100	Evans Cycles	Top_150	Cyberport	Top_250	The North Face	Top_250
Halfords	Leading	Hagebaumarkt	Top_100	G-Star Raw	Top_150	Dänisches Bettenlager	Top_250	Oasis	Top_250
Intersport	Leading	Hema	Top_100	Galeries Lafayette	Top_150	DeBijenkorf	Top_250	Oysho	Top_250
Marks & Spencer	Leading	Hornbach	Top_100	Game	Top_150	Delhaize.be	Top_250	Plus.de	Top_250
New Look	Leading	Jack & Jones	Top_100	Gemo	Top_150	Dia	Top_250	Post Office Shop	Top_250
Nike	Leading	JD Sports	Top_100	H.Samuel	Top_150	Diesel	Top_250	Prenatal	Top_250
Sainsbury's	Leading	JYSK	Top_100	Holland & Barrett	Top_150	Dunnes Stores	Top_250	QVC	Top_250
Screwfix	Leading	La Redoute	Top_100	HP	Top_150	E-shop.gr	Top_250	Ralph Lauren	Top_250
Adidas	Top_050	Lidl	Top_100	Hugo Boss	Top_150	Eduscho	Top_250	Reserved	Top_250
B&Q	Top_050	Matalan	Top_100	Hunkemöller	Top_150	Electro Depot	Top_250	Rue du Commerce	Top_250
Bershka	Top_050	Media World	Top_100	Interflora	Top_150	Eroski	Top_250	s.Oliver	Top_250
BonPrix	Top_050	Morrisons	Top_100	L'Occitane	Top_150	Euro Car Parts	Top_250	Sally	Top_250
Currys PC World	Top_050	Mothercare	Top_100	Lego	Top_150	Fat Face	Top_250	Selfridges	Top_250
Dm	Top_050	Pandora	Top_100	Lloyds Pharmacy	Top_150	Footasylum	Top_250	Sephora	Top_250
Douglas	Top_050	Phone House	Top_100	Louis Vuitton	Top_150	Forever 21	Top_250	size?	Top_250
Esprit	Top_050	Pimkie	Top_100	Maisons du Monde	Top_150	Gall & Gall	Top_250	Skechers	Top_250
Homebase	Top_050	Real	Top_100	Microsoft	Top_150	Games Workshop	Top_250	Spartoo	Top_250
House of Fraser	Top_050	Rewe	Top_100	Ocado	Top_150	Gamma	Top_250	Specsavers	Top_250
John Lewis	Top_050	Rossmann	Top_100	Office	Top_150	GAP	Top_250	Thalia	Top_250
Kiabi	Top_050	Samsung	Top_100	The Perfume Shop	Top_150	Gifi	Top_250	Thomann	Top_250
Leroy Merlin	Top_050	Saturn	Top_100	Pets at Home	Top_150	Gigantti	Top_250	Timberland	Top_250
Mango	Top_050	Schuh	Top_100	Promod	Top_150	Globetrotter	Top_250	Topps Tiles	Top_250
Massimo Dutti	Top_050	Smyths	Top_100	River Island	Top_150	GO Outdoors	Top_250	Unieuro	Top_250
Media Markt	Top_050	Spar	Top_100	Staples	Top_150	Go Sport	Top_250	United Colors of Benetton	Top_250
Nespresso	Top_050	Stradivarius	Top_100	Superdry	Top_150	Gucci	Top_250	Urban Outfitters	Top_250
Next	Top_050	Swarovski	Top_100	Swatch	Top_150	Guess	Top_250	Vanden Borre	Top_250
OBI	Top_050	Tchibo	Top_100	Topshop	Top_150	Heine	Top_250	Vente-Privee	Top_250
Otto	Top_050	TK Maxx	Top_100	Uniqlo	Top_150	hmv.com	Top_250	Vero Moda	Top_250
Pull & Bear	Top_050	Toolstation	Top_100	Waitrose	Top_150	Hobbycraft	Top_250	Vertbaudet	Top_250
SportsDirect.com	Top_050	Topman	Top_100	Waterstones	Top_150	Hollister	Top_250	Wayfair	Top_250
Superdrug	Top_050	Toys R Us	Top_100	Weltbild.at	Top_150	Iceland	Top_250	Worten	Top_250
Tommy Hilfiger	Top_050	Yves Rocher	Top_100	WHSmith	Top_150	Karstadt	Top_250	X-Kom	Top_250
Wickes	Top_050	Zalando	Top_100	Wilko	Top_150	Karwei	Top_250	XXXL	Top_250

InternetRetailing congratulates all the members of the IREU Top500 in 2018 as leaders in multichannel and ecommerce retailing. This list was put together by an assessment of retailers' size and performance. For more details on our research parameters, see pages 30-31.

Retailer	Tier	Retailer	Tier	Retailer	Tier	Retailer	Tier	Retailer	Tier
3Suisses	Top_350	Leen Bakker	Top_350	& Other Stories	Top_500	Flanco	Top_500	Oscaro	Top_500
A.S. Adventure	Top_350	Lipsy	Top_350	5.10.15.	Top_500	Fossil	Top_500	Overclockers UK	Top_500
Abercrombie & Fitch	Top_350	MajesticWine	Top_350	Adobe	Top_500	Frankonia	Top_500	PCBox	Top_500
AKI	Top_350	Manor	Top_350	Adolfo Dominguez	Top_500	French Connection	Top_500	Pearl	Top_500
Alcampo.es	Top_350	Martinus	Top_350	Allopneus.com	Top_500	Fust	Top_500	Phase Eight	Top_500
Alinéa	Top_350	Materiel.net	Top_350	AllSaints	Top_500	Gant	Top_500	Photobox	Top_500
American Golf	Top_350	Matras	Top_350	Apart	Top_500	Garmin	Top_500	Plaisio	Top_500
Aubert	Top_350	Mercadona	Top_350	Apotek	Top_500	Goldsmiths	Top_500	Playstation Store	Top_500
Babywalz	Top_350	Mindfactory.de	Top_350	Asics	Top_500	Google	Top_500	Prada	Top_500
Bata	Top_350	Missguided	Top_350	Asus	Top_500	Grosbill	Top_500	Praktiker	Top_500
Baur	Top_350	MömaX	Top_350	Bang Good	Top_500	Habitat	Top_500	Privalia	Top_500
Bijou Brigitte	Top_350	Monki	Top_350	BCC	Top_500	Harrods	Top_500	Rádio Popular	Top_500
Burton Menswear	Top_350	Mountain Warehouse	Top_350	Bensons for Beds	Top_500	Harveys	Top_500	Richer Sounds	Top_500
Cath Kidston	Top_350	MyToys	Top_350	Bever	Top_500	Hervis	Top_500	Schwab	Top_500
Chain Reaction Cycles	Top_350	NetOnNet	Top_350	Biedronka	Top_500	Höffner	Top_500	Select	Top_500
Chaussea	Top_350	Obaïbi-Okaïdi	Top_350	Bild Shop	Top_500	hse24	Top_500	Showroomprive	Top_500
Coast	Top_350	Oxybul	Top_350	Bimba Y Lola	Top_500	Ici Paris XL	Top_500	Silvan	Top_500
Coradrive.fr	Top_350	Paperchase	Top_350	Bonmarché	Top_500	Jacadi	Top_500	Space.NK	Top_500
Cotton Traders	Top_350	PcComponentes	Top_350	Bonobo Jeans	Top_500	JBC	Top_500	Sport Depot	Top_500
Cultura-Socultur	Top_350	Peacocks	Top_350	Bottega Verde	Top_500	Jewson	Top_500	Sprinter	Top_500
Datart	Top_350	Pepe Jeans London	Top_350	Breuninger	Top_500	JouéClub	Top_500	Stadium	Top_500
Dr. Martens	Top_350	Poco	Top_350	Bricoman	Top_500	Kärcher	Top_500	Steam	Top_500
Dreams	Top_350	Public.gr	Top_350	Bristol	Top_500	Kenzo	Top_500	Street One	Top_500
Dune London	Top_350	Quiz	Top_350	Cache Cache	Top_500	Kijkshop.nl	Top_500	T.M. Lewin	Top_500
Early Learning Centre	Top_350	The Range	Top_350	Card Factory	Top_500	Kjell & Company	Top_500	Tape À L'Oeil	Top_500
Ecco	Top_350	Reiss	Top_350	Carhartt	Top_500	Klingel	Top_500	TechnoMarket	Top_500
Edeka	Top_350	Roller.de	Top_350	CarpetRight	Top_500	Kwantum	Top_500	Technopolis	Top_500
Electro World	Top_350	RTV Euro AGD	Top_350	Casadellibro.com	Top_500	Lacoste	Top_500	Tendenz	Top_500
Elkjop	Top_350	Ryman	Top_350	Ceneo	Top_500	LDLC	Top_500	Thansen.dk	Top_500
EMP	Top_350	Scapino	Top_350	CeX	Top_500	Levi's	Top_500	Thorntons	Top_500
Ernest Jones	Top_350	Shoe Zone	Top_350	Charles Tyrwhitt	Top_500	LightInTheBox	Top_500	Timpson	Top_500
Evans	Top_350	Sport Zone	Top_350	ChaussExpo	Top_500	Logitech	Top_500	Tokmanni	Top_500
Extreme Digital	Top_350	Sportisimo	Top_350	Clarel	Top_500	M-Electronics Migros	Top_500	TomTom	Top_500
France Loisirs	Top_350	Sportscheck	Top_350	Comet	Top_500	Matas	Top_500	Top Secret	Top_500
Furniture Village	Top_350	Tati	Top_350	Continente	Top_500	Maty	Top_500	Travis Perkins	Top_500
GearBest	Top_350	Ted Baker	Top_350	Coolcat	Top_500	Media Galaxy	Top_500	Trespass	Top_500
Görtz	Top_350	Thomas Sabo	Top_350	Coop Norge	Top_500	Medion	Top_500	Ubaldi	Top_500
Home Bargains	Top_350	Tom Tailor	Top_350	DaWanda	Top_500	Militaria	Top_500	Undiz	Top_500
IKKS	Top_350	Tous	Top_350	Devred 1902	Top_500	Millets	Top_500	VanHaren	Top_500
Jennyfer	Top_350	Truffaut	Top_350	DFS	Top_500	Miss Coquines	Top_500	Venezia	Top_500
Jessops	Top_350	Vans	Top_350	Digitec	Top_500	Miss Etam	Top_500	W. Kruk	Top_500
Karen Millen	Top_350	Verkkokauppa	Top_350	Dior	Top_500	Mohito	Top_500	Warehouse	Top_500
Kasa	Top_350	Victoria's Secret	Top_350	Dolce & Gabbana	Top_500	Montblanc	Top_500	We Fashion	Top_500
Kik	Top_350	Witt Weiden	Top_350	Dr.Max	Top_500	MS Mode	Top_500	Webhallen	Top_500
King Jouet	Top_350	Women'secret	Top_350	e-Jumbo	Top_500	Nay	Top_500	Weekday	Top_500
Kotsovolos	Top_350	The Works	Top_350	Engelbert Strauss	Top_500	Notebooksbilliger	Top_500	Wehkamp	Top_500
Krëfel	Top_350	Xenos	Top_350	Estée Lauder	Top_500	Okay	Top_500	White Stuff	Top_500
LaFeltrinelli	Top_350	Yoox	Top_350	Eventim	Top_500	Ole Ole	Top_500	Wish	Top_500
Lakeland	Top_350	Zeeman	Top_350	Ex Libris	Top_500	Orchestra	Top_500	YvesSaintLaurent	Top_500
Laura Ashley	Top_350	Zooplus	Top_350	Fashion ID	Top_500	Orsay	Top_500	Zero	Top_500

IREU TOP 500

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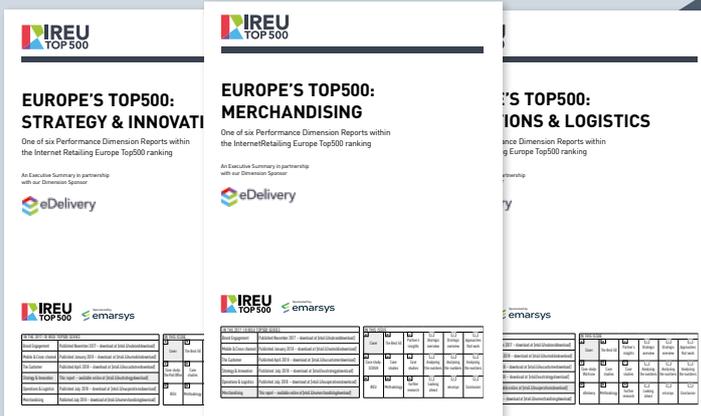
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The InternetRetailing Europe Top500 (IREU 500) is the first Europe-wide retail performance index, gauging and comparing best practice across the trading bloc's 500 most significant retailers.

The Top500 blends quantitative data and qualitative assessment to create the most important and thought-provoking index of its kind. The reports provide case studies, best practice and suggested approaches, emerging trends and interviews.

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The thriving European ecommerce sector

Online retail in Europe is maturing quickly. New technology is launching all the time and, for us at Klarna, the overarching trend is the rise of new and flexible payment solutions. With competition hotting up across Europe, ensuring that consumers are attracted to a retailer they want to stay loyal to is vital.

GETTING THE BASICS RIGHT

Despite retailers currently focusing more than ever on their online offering, and the high street facing challenging times, we continually hear from retailers that some of the basics of online are not where they should be. For example, many retailers are still not optimised for mobile, despite this having been a growing channel for years. The headlines around online retail often centre on future technologies such as delivery by drone. But sound advice for retailers is not to get distracted and forget the basics. Quality product, UX, stock management and a slick checkout experience are must-haves for success.

Customer experience and customer service are both key battlegrounds among online retailers – this is where the fight to stay on top of the high street and battle online behemoths like Amazon will be won. Retailers must resist implementing technology for the sake of it. We find that customers want frictionless tech – things like easy payments – that make their shopping smoother and more convenient. Consumers need technology that works seamlessly behind the scenes to make the buying process more enjoyable.

FORTUNE FAVOURS THE BRAVE

When it comes to technology, it's true that fortune favours the brave. Innovation requires bravery – it means making the first move by recognising the need or future need for change. The advantage of implementing something first is huge, yet retailers need to make sure that they're focusing on areas that shoppers will value.

When it comes to doing something new, there is an inherent risk. Retail leaders must ensure that, at every level of the organisation, there is a focus on the areas that are important to the business, and an understanding that new things can take time to be established. Successful retail leaders inspire others within the company to get excited about innovation and are consistent with pushing boundaries for the benefit of the shopper.

ADVICE FOR RETAILERS

Increasingly, shoppers are expecting to be able to pay however and whenever is most convenient for them. There is still an issue with consumers abandoning baskets in the checkout and being frustrated with online payments, which really chimes with what we hear from retailers. Improving the customer experience will be key in the future for retailers looking to improve their sales. Streamlining steps to purchase, enabling one-click purchases and providing multiple payment options, will all be vital to keep pace with the high expectations of consumers. For example, take the common issue of wanting to see, touch and try out goods before parting with your cash when shopping online. Klarna's Pay later solves this by giving consumers up to 30 days to pay for online purchases, meaning they only have to pay for what they love.

THE FUTURE OF PAYMENTS

Now is an incredibly exciting time for the industry, with Europe a hotbed of new financial technology. This is partly due to a culture of fintech innovation but it's also down to customer demand. As retailers integrate this tech into their customer journey, we'll see a payments revolution. We predict we will see greater collaboration between the new wave of fintech, retailers and banks. Once this connection is made, we believe that the industry can reach its potential. The focus should always remain on how we can solve problems for consumers and for us, that's what our proposition is all about. ■

LUKE GRIFFITHS
GM, KLARNA UK

ABOUT KLARNA

It's all about smoooth (yes, with three 'o's). Klarna is Europe's leading payments provider and a newly-licensed bank. It wants to revolutionise the payment experience for shoppers and merchants alike by giving online consumers the option to pay now, pay later or over time – offering a trusted, frictionless and smoooth checkout experience. Klarna works with 89,000 merchants, including ASOS, Topshop and JD Sports in the UK, to offer payment solutions to users across Europe and North America. It is active in 14 countries.

Focus on the global marketplace

With consumers demanding convenience, rapid fulfilment and slick websites, leading retailers must work hard to stay at the top, especially in these times of rapid social change. Penelope Ody reports

Europe is changing. While the UK has been preoccupied with Brexit, a mix of continued austerity, the migration crisis and growing support for right-wing politics have helped fuel a nationalist agenda elsewhere on the continent. The EU 'project' – promoting increased political and fiscal union – is questioned by many in the remaining 27 EU member states while, thanks to Donald Trump, protectionism and tariff barriers threaten free trade.

In contrast, polls regularly demonstrate that many millennials – those in the 20-35 age range – prefer globalisation. A Western Union survey[1] late last year of millennials in 15 countries found that 57% see themselves as "global citizens rather than a citizen of any one country". It's also a generation that has grown up in a digital world, one with little memory of life before smartphones and online shopping.

So despite the nationalist and protectionist trends, it would seem that when it comes to online shopping, the global citizen approach is proving rather more popular. As Amazon vice-president Eric Broussard told the Las Vegas ShopTalk conference in March, in 2017, some 25% of sales by Amazon's merchants were across borders – an increase of 50% on 2016 and compared with a 31% growth in Amazon's total net sales. Broussard noted: "A customer shops in German, pays in Euros and gets very rapid fulfilment for a product from a US seller."

Looking ahead, a study by DHL[2] suggests that global cross-border sales will increase by 25% per annum until 2020, at which point they will account for 22% of the global ecommerce market. But, as the report also points out: "Considering the patterns according to which ecommerce companies expand their regional footprint today, one could assume that every ecommerce purchase will eventually become a local purchase."

MULTINATIONAL RETAILERS

It is a trend reflected in the IREU Top500. While 92% (458) of companies listed are multichannel businesses, many are also in the multinational category, with both stores and warehoused inventory in the various global markets in which they operate. In the Elite category, Apple, H&M, IKEA and Zara – retaining their places in this group for the second or third year – are well-established in many

geographies, as are around half of those in the Leading group. Despite Broussard's view of rapid fulfilment to Europe from the US, having local and accessible stock becomes ever-more important as demanding shoppers expect real-time information on product availability, as well as rapid delivery or click and collect within hours.

RetailX research this year has included enhanced analysis of fulfilment services, with many more players – including the smaller and less-experienced retailers lower down the lists – now offering a wider range of delivery options, including next-day, same-day or weekend options. Click-and-collect offerings are increasingly common. Additional research this year focuses on third-party collection options and time from order to collection.

Retail X's researchers also identified a significant decline in social media integration this year, with a drop of around 25% in the number of Top500 retailers providing Like buttons. The reason is unclear. It may be linked to changes in the popularity of certain social networks or possibly privacy concerns – for many in that digital-savvy millennial group, systems such as Snapchat, with its limited accessibility, can be preferable to the permanence of Facebook. With many consumers now enjoying high-speed broadband connections in the home as well as 4G for mobile, the researchers also found that, in general, site performance for the Top500 had not improved.

OUTPERFORMING EXPECTATIONS

While many major multinational retailers have achieved Elite or Leading status this year, the Top500 also includes a fair number of smaller national specialists and, significantly, both marketplaces and manufacturers selling direct. Companies in both these latter groups have gained significantly this year. Among the dozen or so marketplaces in the Top500, Spartoo has moved from the Top500 in 2016 to the Top250 this year, for example, although Zalando has slipped down to the Top100.

A newcomer this year is DaWanda, originally a German marketplace but now selling in seven additional geographies, which has joined the Top500. With Amazon currently accounting for more than 40% of US online sales, the global impact of marketplaces in the years ahead will certainly become more significant. With their wide selection

en.fotolia.com/sakura

of brands, novel products and comparable price options, they form a convenient one-stop shop for customers looking for quick and efficient ordering choices.

Manufacturers in the Top 500 range from Adobe to Swatch, Adidas to Microsoft, with several gaining ground. Nespresso, for example, is up from Top100 to Top50. For the luxury designer brands, an online presence is an efficient way of reaching a select global niche, and they too are improving their service levels: Louise Vuitton has moved into the Top150 (from the Top250) this year.

Looking ahead, we can expect continued growth in the importance of both marketplaces and direct-to-consumer manufacturer sites. Shopper expectations of quick and efficient service will continue to grow – as will their frustration with any retail site that fails to match the streaming speeds of other digital services. And despite those nationalist trends at the ballot box, it seems more likely that online retailers will continue to look across borders for growth and appeal to global citizens – just as so many leading bricks-and-mortar retailers have long done. ■

[1] *Globalization: A World View of the Future*: ir.westernunion.com
[2] The 21st-century Spice Trade: www.dhl.com

Ahead only

Retailing in 2018 has become a race for the leaders to stay ahead in strategic terms with the offers they can present to their customers. For everyone else, the challenge is to implement at least enough best practice to keep up and ensure satisfaction

At a strategic level, the challenge for European retailers is to deliver a joined-up, consistent and innovative offer at scale and across many countries. Any established or emerging service that works for multichannel retail is worth tracking across the span of all the core retail disciplines – logistics, customer service, localisation, you name it – and our research reflects this.

WHAT THE TOP500 DO
Top500 IREU retailers are moving fast to roll out certain services, collectively creating new service benchmarks and industry norms in the process.

One striking development in the past year has been customers being able to return items purchased online to a physical store. In the Czech Republic, development has been particularly dramatic, with a near-doubling of the availability of the offer among Czech retailers (36% were offering it a year ago, versus 69% now). It's also grown among the Top500 in the majority of countries, with at least a 50% increase in relative availability registered in a further six countries, and substantial increases right across the Top500.

Turning to other metrics, in France, click and collect was being offered in 49% of Top500 retailers a year ago but the proportion has now reached 68%. That's a similar level to the UK and is overtaking the previous leaders in Belgium, Norway and the Netherlands. The adoption of click and collect was also sharply up (52% increase year-on-year) in Finland. Not surprisingly, those regions where adoption was already high saw slower rates of growth.

The adoption of dedicated retailer apps is also on the rise, with a whopping 68% of the Top500 now offering iOS apps and even more, 70%, offering Android. App adoption varies by sector substantially, with 90% of grocery retailers using iOS (97% on Android), against lower adoption in other niches. Mobile app features such as augmented reality (AR) have also jumped in popularity, from a low base in some niches, such as homewares. Here, 13% of those with an app are offering AR – a more than fourfold increase from 3% a year ago. We've also noticed the widespread use of barcode scanners on food-and-drink and media retailer apps.

HOW THE LEADERS MEASURE UP
Our Elite retailers, operationally excellent with a broad reach, also lead the way with Strategy & Innovation. IKEA, for example, excels in the way it has made a virtue of delivering a customer experience with distinctive 'friction' rather than striving to make its retail operations as frictionless as possible. Where some organisations are now mapping out their customer journeys to identify bottlenecks, then make the path to purchase and beyond as easy as possible, for IKEA the idea is that friction can play a part in producing memorable and rewarding experiences which, in turn, increases customer loyalty.

> " ELITE RETAILER ZARA IS AT THE FOREFRONT OF INNOVATION, USING POP-UPS TO TEST ITS PLANS "

What kind of friction are we talking about? Well, visiting an IKEA takes time, requires you to take note of where to find items further on in the store and, unless you know the 'secret' shortcuts, more or less forces you to walk through the whole store each and every time. It isn't only about pain, either, but that idea of engagement. When IKEA shows off a kitchen or even a 350 sq ft home in all its detail and space-saving glory, it gets customers thinking.

Elite retailer Zara is at the forefront of innovation, using pop-ups and prototypes to test its plans. It recently launched an augmented reality add-on to its app that allows shoppers to see the clothes they are viewing 'come to life'. The Zara AR app allows shoppers in store and online to hold the app over certain signs and see models in those clothes appear and move about on the screen in front of them. They can (and do) even talk about the clothes. Plus, naturally, all of the outfits can be purchased by a single tap of the app.

YEAR ON YEAR PERFORMANCE OF THE TOP500

The Aggregated Index Value for each performance area, as well as the overall Aggregated Index for 2017 and 2018

MID-2018 (CURRENT)

MID-2017
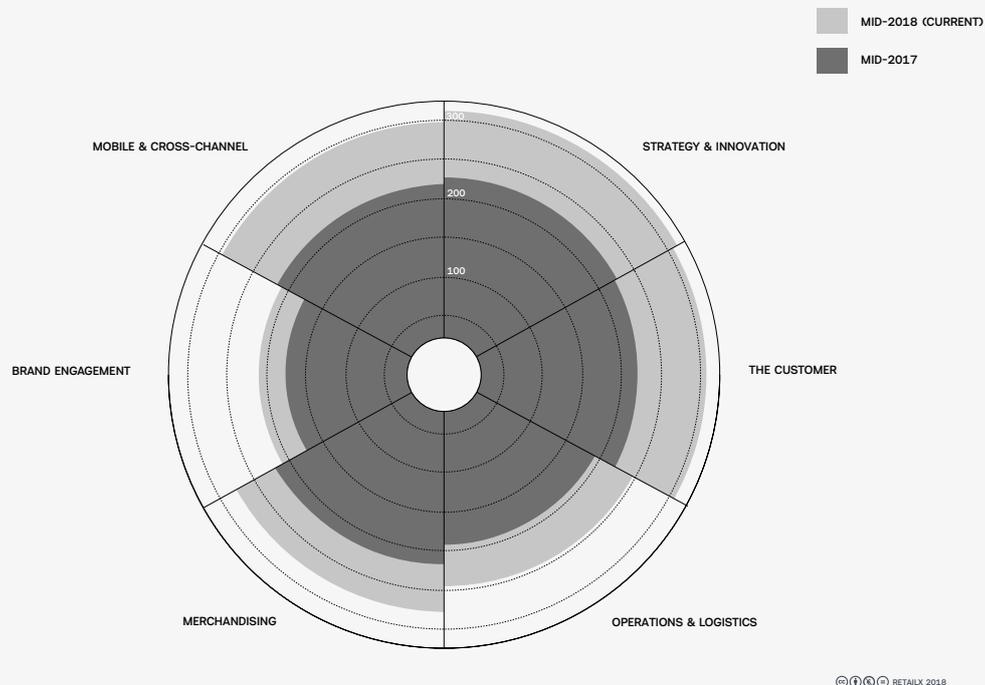
We score performance in our tests and create an index value. The Aggregated Index is the sum of the test results and – while it has no inherent nominal meaning – it is comparable year on year. An increase in AIV represents an increase in measured capability and performance. This chart shows the areas in which performance has most markedly improved, and the overall quantum of improvement for the IREU Top500 2018 in our ranking

HOW THE MARKETS VARY

When you stop to compare innovations and services in country markets, some contrasts really stand out. In the UK, next-day delivery across all retail markets is up by a quarter in 12 months and 45% now offer it. No other market has rolled out next-day deliveries to anything like the same extent. Luxembourg is next on the list at 17%, with the Netherlands and France close behind.

A related service, nominated-day delivery, is less well established. Again, the UK leads the way with 17%, up by more than two-fifths in 12 months. It's also more than double the next best in terms of coverage – Lithuania at 8% service coverage.

On the tech side, apps are being very widely used now across nearly all country markets, but there are differences under the bonnet. In the Republic of Ireland, for example, more than half of apps have a barcode scanner included, while that's only true of a third of apps offered by Hungarian retailers and, going down the rankings a little, 21% of the apps offered by Romanian retailers. ■

It's experience that counts

Customers judge retailers by the practice of the best, which means that customer experience is key to success

No retailer is an island. Your company's customers aren't just your company's customers. They are shopping and interacting with countless other businesses, day in, day out. All these interactions are shaping their expectations of how your company should be meeting their needs.

A great customer experience can lead to long-term repeat purchases, while a poor one can cost your company the lifetime value of a customer. But customers don't live a compartmentalised life. If they're getting great online support from one organisation with which they do business, they expect the same from all of them. The same is true of delivery, app performance and in-store customer care. That means that when it comes to availability, consistency, convenience and cost, the pressure is on. After all, if your rivals are getting it right, customers will want to know why your company isn't.

FAST, EFFECTIVE COMMUNICATION

It's unsurprising that shoppers are turning to social media to contact brands and retailers. The median brand was found to have 72,132 followers on Twitter. That's almost three times more than the average Top500 retailer, with 25,673. If they want a speedy response, this is where to go.

Our research found that those retailers offering customer service via Facebook were the fastest. While the median response time to an email was 18 hours, getting in touch via Facebook Messenger elicited a reply in a median time of just 61 minutes. That said, email responses were found to be more helpful in many cases.

Retailers selling cosmetics have the shortest median email response time (12h01), followed by retailers selling drinks (13h01) and sports and leisure clothing (14h29).

Meanwhile, home and industrial appliance retailers have the shortest median Facebook response times (0h14), followed by cosmetics (0h19), consumer electronics (0h21) and children's toys (0h22). The EEA average is 1h01, and the average for brands is 1h14.

A quick response is great but a speedy resolution is what shoppers are actually after. Retailers selling children's toys and accessories, sports and outdoor equipment were least likely to resolve an issue with a single message, we found.

Across the EEA, the IREU Top500 research found that the median number of communications channels on offer was four. That was also true of those retailers selling stationery and craft supplies, clothing, and footwear. But those selling ready-meals offer the highest number of communications channels, with a median of five.

WEBSITE LOAD TIMES

Another key area where speed counts is website loading. The median time for an IREU Top500 retailer landing page to render is now 6% slower than it was in mid-2017. This is despite our testing servers (thanks to knowledge partner Eggplant) increasing their bandwidth.

We also looked at the size of web pages across the Top500. While the median desktop page size has only increased by 5%, from 2.3MB to 2.4MB, there were interesting regional variations.

Landing pages localised to Luxembourg increased from 2.1MB to 3.2MB between 2017 and 2018, a 49% increase. Other findings included:

Estonia: 1.9MB to 2.5MB (+33%)
Greece: 2.1MB to 2.8MB (+32%)
Croatia: 2.1MB to 1.8MB (-18%)

There was a substantially greater increase in page size on sites optimised for mobile, increasing by 12% across the Top500. Again we saw higher rates in some countries:

1. Estonia: 1.1MB to 1.7MB (+59%)
2. Latvia: 1.2MB to 1.9MB (+51%)
3. Luxembourg: 1.2MB to 1.7MB (+41%)

PRODUCT RATINGS AND RETURNS

Product ratings can be a great way to give shoppers additional information and, hopefully, reassurance. In the Top500, they are used by 72% of retailers selling sports clothing, which compares favourably with the EEA weighted average of 53% and 39% for the whole Top500, followed by:

1. Home and industrial appliances: 71%
2. Sports and outdoor equipment: 70%
3. Fashion accessories: 41%
4. Fashion clothing: 41%
5. Ready-made food (lowest use): 30%

CUSTOMER SERVICE: CUMULATIVE RESPONSES FROM THE TOP100 OVER 72 HOURS
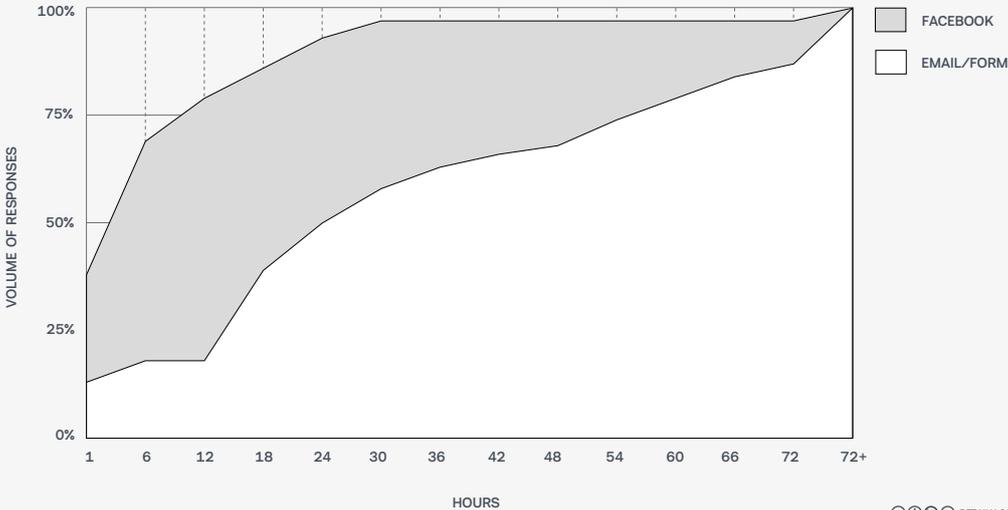
Facebook responses (grey) were generally faster, with more than a third (38%) being answered within one hour. This suggests that many retailers treat the channel separately to email (white) where the median response took 20 hours. RetailX researchers asked simple questions via the Top100's publicly listed customer service channels, and monitored both the time to respond and the quality of the responses

The median length of a returns policy in the Top500 is 18 days and the minimum returns window allowed, as mandated by EU law, is just 14 days.

Retailers selling children's toys and accessories, consumer electronics, books, software, music, film & TV, and health tended to offer just 14 days for items to be returned. Whereas the most generous returns windows are to be found among the following:

• Fashion footwear and accessories: 26 days
• Sports clothing: 25 days
• Fashion clothing, sports footwear, and trade tools & DIY: 24 days

The products people buy most often are also the most commoditised and widely available. Which means you have to fight harder than ever to give shoppers a reason to buy from you. It also means working harder than ever to make sure you don't give them an excuse to walk away. Providing consistently high levels of customer experience across all shopper touchpoints is only going to become increasingly important.

STRONG PERFORMERS
Companies that performed well in this Dimension came from a variety of different sectors. They included Apple, H&M, House of Fraser, Nespresso and Wickes, disparate companies united in having a strong customer experience focus. ■

The convenience dividend

Customer expectations of convenience and choice are driving the growth of new collection and delivery services

Firmly on the agenda in retailers' boardrooms across Europe is offering customers convenience and choice when it comes to getting their online purchases. Data from our latest research shows that in many of Europe's most developed ecommerce markets, delivery and collection is becoming an integral part of the customer offer. While providing convenience and offering choice could once have been dismissed as a fluffy nice-to-have, these days, a poor doorstep experience can ruin things for the customer. This is the point at which the retailer's promise is either kept or broken, when relationships are established or ruined, and when reputations are either enhanced or tarnished.

CLICK AND COLLECT
It's not particularly new, and it's more widely offered by Top500 retailers in mature ecommerce markets, but click and collect is hugely important and still growing. The proportion of Top500 retailers surveyed in 2017 and 2018 and which were offering click and collect grew substantially in many key markets. In France, where it is available from 63% of retailers in the survey, its availability grew by 18 percentage points (pp) over the year. Two other countries with similarly high click and collect growth were Finland (+16pp) and Portugal (+15pp). The EEA-weighted average for click and collect availability is currently 61%, with the UK (65%), France (63%) and the Netherlands (61%) the three countries where it is most prevalent.

SAME-DAY COLLECTION
While the above looks at the rising popularity of click and collect generally, we are also now examining the progress of same-day collection services among the Top500. Since 2018 is the first IREU Top500 to include data on same-day collection, it won't be until next year that we can offer like-for-like comparisons. As things currently stand, the EEA weighted average for same-day collection among Top500 retailers is 13%. In the Republic of Ireland, 18% of retailers already offering click and collect also make same-day collection available, making Ireland the leader in this category. Elsewhere in Europe, it is a small but significant presence: France (15%), Czech Republic (13%) and Slovakia (13%).

NEXT-DAY DELIVERY
A greater proportion of Top500 retailers offer next-day delivery in the UK than any other country covered by the report. Currently that stands at 44% and is well ahead of its availability in other European markets: Benelux (LU: 19%, NL: 16%, BE: 13%), France (15%) and Germany (13%). It is on the rise, according to our year-on-year comparison. Looking at Top500 retailers in 2017 and again in 2018, we found next-day delivery up by 11pp in Luxembourg (from 6% to 17%), and growing more modestly in Hungary – growth of 2pp, from 2% to 4%. In Lithuania, it registered a zero in 2017, but now stands at 12%. In neighbouring Estonia it's a similar story – up from 0% to 10%.

> ## " THE DOORSTEP IS WHERE PROMISES ARE EITHER KEPT OR BROKEN "
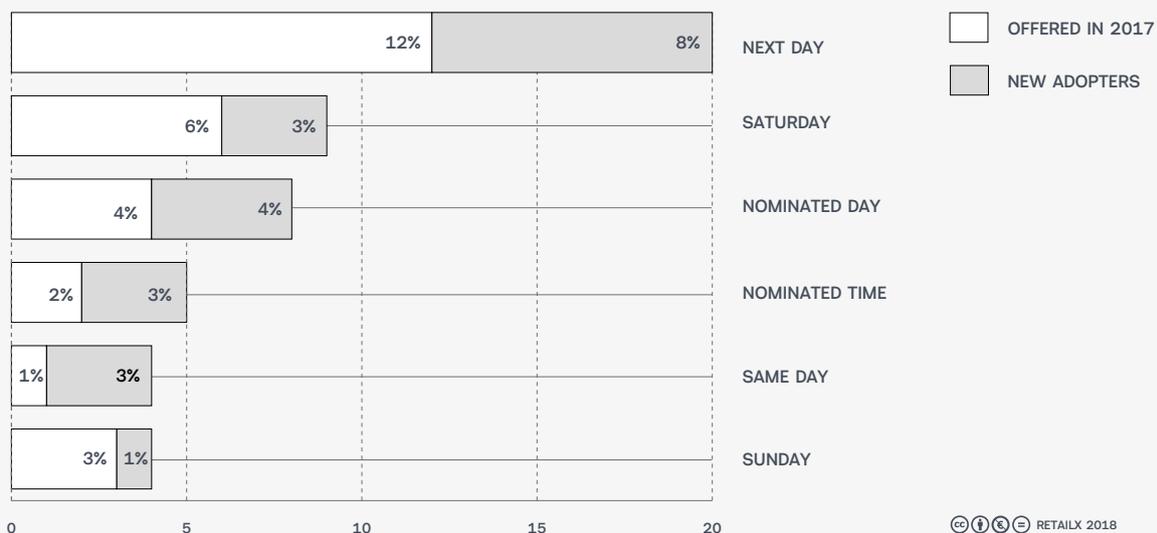
SAME-DAY DELIVERY
While next-day delivery is fast becoming the default in many cases, same-day delivery is a much rarer beast. That's mostly because of the tremendous logistical and strategic challenges involved. For businesses that have grown up offering delivery in between three and five days, the shift to next-day called for greater efficiency. Moving to same-day, however, calls for a leap of faith – starting each day not knowing what's to be delivered is not the same as simply doing things faster.

It is only available from 6% of Top500 retailers in the UK and in Greece too – the two countries leading this category. Growth in same-day between 2017 and 2018 is encouraging: 2% in 2017 for Greece, and 3% in the UK. It's a similar picture for Spain, where it grew from 1% to 5% between 2017 and 2018.

NOMINATED-DAY DELIVERY
There's more to convenience than speed alone. After all, what use is it being offered next-day delivery if you know you won't be there to receive it? The real convenience winner in the

DELIVERY IN EUROPE: THE TOP500 ARE MORE CAPABLE IN 2018

	OFFERED IN 2017
	NEW ADOPTERS

NEXT DAY — 12% | 8%

SATURDAY — 6% | 3%

NOMINATED DAY — 4% | 4%

NOMINATED TIME — 2% | 3%

SAME DAY — 1% | 3%

SUNDAY — 3% | 1%

0   5   10   15   20

cc RETAILX 2018

Next-day delivery is now offered by one in five of the Top500, increasing eight percentage points over the preceding year to 20% in mid 2018. Four in five of the Top500 still do not offer the service, and other forms of delivery are less popular still. Same-day delivery had the largest proportional growth, from 1% to 4%. Additional content at etail.li/ireu shows the regional variations that underlie these EEA-wide figures

delivery stakes is nominated-day delivery. Yes, it's a premium service, but shoppers who see the value in it will pay for it.

Currently, 17% of Top500 retailers in the UK allow shoppers to choose what day their order will be delivered. That's up from 12% in 2017, making the UK the leader here. The weighted average for the EEA stands at 8% for this year, up from 4% last year, although it remains a minority offer in most countries: Hungary (5%, up from 4%), Italy, Portugal and Slovakia (all at 4%, up from 2%), Sweden (3%, up from zero in 2017). There was flat or even negative growth in some countries: Denmark (2% for both 2017 and 2018), Lithuania (5% for both 2017 and 2018), Latvia (3% in 2018, down from 6%).

NOMINATED-TIME DELIVERY
Being able to pick a time your delivery arrives is nothing new in online grocery shopping but is still quite niche across the broader, non-food retail sector. Perhaps unsurprisingly, you're more likely to come across it in the UK, with 7% of Top500 retailers there offering it. That's an increase on 2017's 5%. The EEA average stands at just 5% and the next-closest markets see only 4% of surveyed retailers allowing shoppers to pick the time they want: Luxembourg, Poland, and Portugal (all 4%). Even in Germany, the largest economy in Europe, only 3% of Top500 offer nominated-time services. In all of those cases, however, that's an improvement on the 0% of 2017. ∎

Build on consumer expectations

Good imagery and promoting add-on sales are key to successful merchandising initiatives, and there's strong performance here from European retailers

Good merchandising has always been at the heart of successful retailing and companies that stand out in the Merchandising Performance Dimension demonstrate this through their product ranges, content and search options, as well as by providing tools to encourage add-on sales and impulse buys.

WHAT THE LEADERS DO

Among Leading retailers, Dunelm stands out for its use of imagery, product information and encouragement of add-on purchases. An item of furniture, for example, may be shown in ten or more photographs that include close-up details. Product information is detailed and clearly displayed, while images of products both viewed and bought by previous purchasers are included on the product page.

H&M similarly suggests additional purchases, with items to accessorise a garment as well as illustrating purchases by other customers. The product page also includes 'styled by you' Instagram pictures from customers, with a neat sliding-scale indicator providing feedback on 'true to size' and a link to the shopper reviews that underlie the metric.

Ocado is one of the few food retailers enabling search by brand, with additional options including 'dietary and lifestyle' for customers to avoid allergens or specify, for example, vegan-only choices. It also recommends associated products to encourage add-on sales.

WHAT HAS CHANGED

This year, we have noted some significant changes in key merchandising metrics. Offering the ability for shoppers to save to a wishlist, for example, is now offered by 44% of Top500 retailers – up from 34% last year – while wishlists saved to mobile apps are even more popular, now offered by 49% of Top500 retailers, up six percentage points (pp) on last year. Providing upselling opportunities at the checkout are provided by 25% of the Top500 – up 10pp, so effectively a 66% increase in the use of this tactic within the year.

Use of 'filter search by brand' among the Top500 is up by a third since last year and is now provided by 40% of retailers, while auto-complete when typing into a search box is up 8pp to 54% of Top 500 retailers. In contrast, the use of bestseller indicators, never very popular, is down by 3pp and are now used by just 7% of the Top500.

KEY SECTOR ATTRIBUTES

Researchers have also focused on the way different product segments merchandise their sites: clearly product per se is key, but the tactics used also reflect the way that consumers choose to shop for these particular items.

As well as becoming more popular, there are significant differences in the way 'filter by brand' is used between the product segments. The tactic is most common in the home and industrial appliances market, provided by 77% of this segment. This group also leads on search filtration by price (81%) and is closely followed for both types of search by sports and leisure clothing – 72% of top retailers in this category enable search by brand and 80% provide search by price. Both types of search are significantly less commonplace for fashion clothing – only 39% of Top500 fashion retailers, for example, offer search by brand.
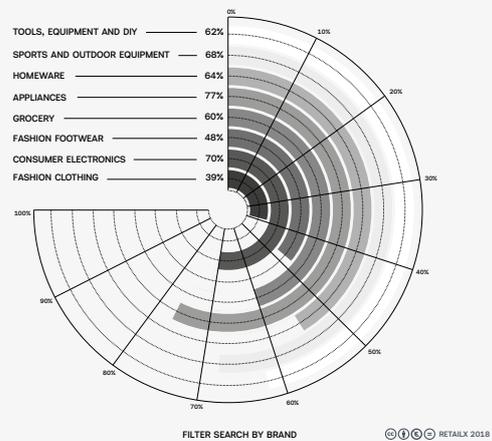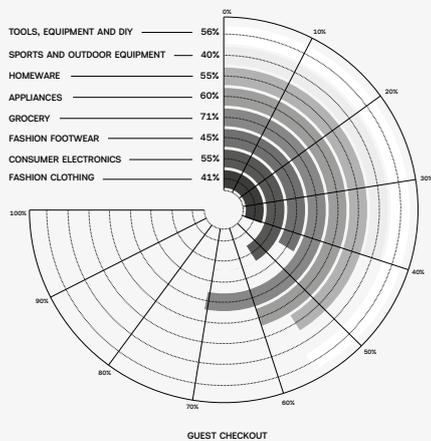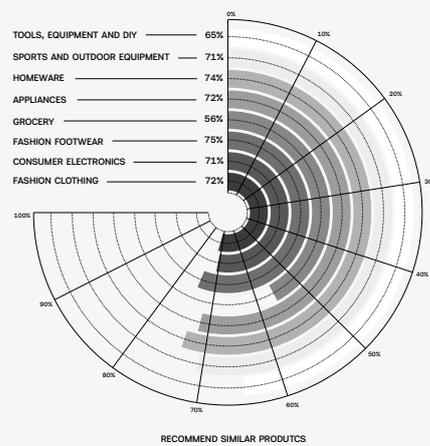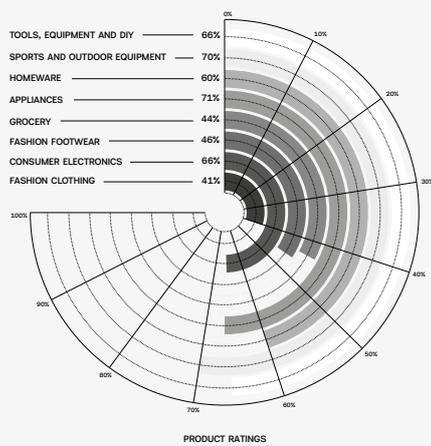
These differences reflect shopper behaviour, with many more likely to search for a particular brand of white goods or tennis shorts, for example, while many fashion sites major on own-brand products. So by choosing to enter such sites, the customer has effectively already selected her brand of choice.

Searching by price is least common in the food and drink segments – although it is still offered by more than half of top retailers in these groups – while software retailers score particularly poorly on search by brand, which is offered by little more than a third (37%).

There are similar differences with web pages viewed per shopper visit. Footwear and clothing customers are likely to browse through many more pages on each visit than those looking for software – which scored lowest on this metric – music, films and TV or books. Many customers for these low-scoring products may have a specific purchase driving their behaviour, so browse far fewer pages.

Perhaps not surprisingly, top clothing and footwear retailers (both fashion and those in the sports/leisure sector) provide more pictures of their products than those in the food or health products markets. Where a ready-made meal seller may show one or two product images, a garment will be illustrated with at least four. But while fashion retailers lead on imagery they offer the least product information of any segment, with

HOW RETAILERS OF DIFFERENT SECTORS COMPARE TO THE TOP50 AND THE TOP500 IN THE USE OF WEBSITE MERCHANDISING TECHNIQUES

PRODUCT RATINGS

TOOLS, EQUIPMENT AND DIY	66%
SPORTS AND OUTDOOR EQUIPMENT	70%
HOMEWARE	60%
APPLIANCES	71%
GROCERY	44%
FASHION FOOTWEAR	46%
CONSUMER ELECTRONICS	66%
FASHION CLOTHING	41%

RECOMMEND SIMILAR PRODUTCS

TOOLS, EQUIPMENT AND DIY	65%
SPORTS AND OUTDOOR EQUIPMENT	71%
HOMEWARE	74%
APPLIANCES	72%
GROCERY	56%
FASHION FOOTWEAR	75%
CONSUMER ELECTRONICS	71%
FASHION CLOTHING	72%

GUEST CHECKOUT

TOOLS, EQUIPMENT AND DIY	56%
SPORTS AND OUTDOOR EQUIPMENT	40%
HOMEWARE	55%
APPLIANCES	60%
GROCERY	71%
FASHION FOOTWEAR	45%
CONSUMER ELECTRONICS	55%
FASHION CLOTHING	41%

FILTER SEARCH BY BRAND

TOOLS, EQUIPMENT AND DIY	62%
SPORTS AND OUTDOOR EQUIPMENT	68%
HOMEWARE	64%
APPLIANCES	77%
GROCERY	60%
FASHION FOOTWEAR	48%
CONSUMER ELECTRONICS	70%
FASHION CLOTHING	39%

RETAILX 2018

Additional charts showing sector performance in other metrics are available at etail.li/ireu

automotive, appliance and software retailers providing the most.

There are also significant differences in how retailers in the various product categories engage with their customers. While links to social media have declined significantly in the past year, with a 9pp fall in the use of social validation, a few retailers are bucking the trend when it comes to enabling shoppers to Like their products on Facebook. In 2017, this attribute was supported by 23% of the Top500. Today only music, film, TV (22%) and software (21%) approach this figure, with all other product segments well below last year's average. Product ratings, however, remain popular, especially among retailers of sports clothing (72%), homewares (71%) and sports equipment (70%). Product rating are less significant among those selling ready-made food (30%) and fashion clothing or accessories (41%). ■

Connecting people

Once upon a time, retailers knew little about their customers beyond basic customer profiling. No longer. Today, retailers that engage with customers gain loyalty alongside valuable, actionable insights

What exactly is brand engagement? For the purposes of IREU, it describes how retailers communicate with customers, whether that's in public or private. What's changed most recently is just how many ways of engaging there are now. Almost too many, in some respects.

Not that long ago, phone and email held sway but nowadays, the list is long. It boils down to having conversations wherever and whenever it suits the consumers. It also means doing it well at every step, not just putting the right foot forward but also learning and harnessing genuinely useful insights in order to drive iterative improvement.

WHAT THE TOP500 DO

Among Top500 IREU retailers, it's fair to say that the question of how best to engage customers has become more complicated in the past year. Trust in social channels has taken a knock, due to Facebook's very public shaming about its data handling. The mistrust this has fostered is most likely behind a decline in visible social media integration on the product page of retailers. There's been a nine percentage point (pp) drop (to 28%) in the number of Top500 retailers integrating friends' Likes into product pages, for example, which requires the shopper to be logged in to the social network while on the retailer's website. If consumers are less trusting of social media companies and their tracking, it makes sense that retailers might quickly drop these integrations to please customers.

The tie-in with social is also probably weakening because of the maturing of social commerce. This makes social media networks look more and more like direct competitors to retailers. Some are already functioning marketplaces, seamlessly integrating advertising and purchasing with whatever else draws their users to the network in the first place. So retailers are understandably getting more wary.

Having said all this, let's also acknowledge that our partner BuiltWith records that 459 of the Top500 retailers use a Facebook software development kit on their websites that can enable both embedded sharing and login – it just isn't as visible as it was before. And the capability to 'Like/love' on your social media feed via the retailer's product display page has only dropped by 5pp, being used now by 15% of retailers. So the social media moves will not all be one-way traffic – or all negative.

In terms of trends, the year didn't record too many striking year-on-year changes, though we would also argue that some metrics stood out precisely for their lack of progress. One was in the use of public customer feedback, with product reviews making next to no ground in 12 months – 50% incorporate this sort of publicly-visible feedback on product display pages this year, compared to 49% a year ago.

THE EMAIL QUESTION

How does email marketing work best for retailers? If social matters, the essentials of good direct marketing still count for a lot. RetailX worked with knowledge partner Return Path to track hundreds of thousands of emails from Top500 companies to consumers in France, Germany and the UK. Return Path's Dan Stone said the Q1 data for the UK, France and Germany revealed:
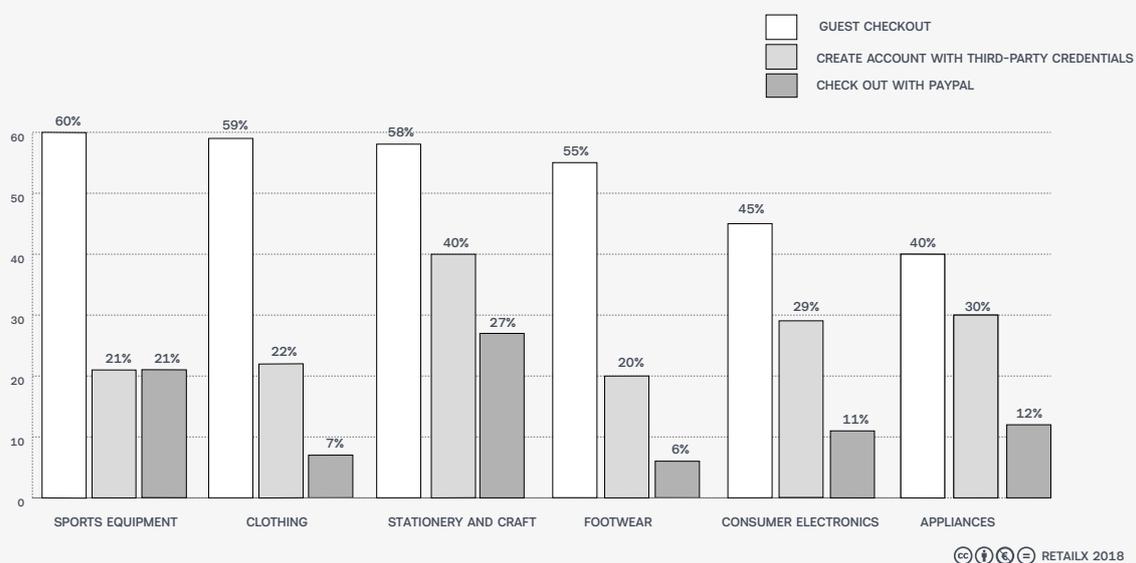
- Each day of the week performs similarly
- The fourth week of the month saw the highest number of subscribers. Retail brands perhaps send more emails to coincide with consumer paydays
- Short subject lines saw the best read rates and the lowest mailbox filtering
- Short subject lines also saw the highest rate of customer retrieval from spam
- If subject lines included a discount, it's more than likely it would be for more than 50%
- Discounts are mostly mentioned near the start of subject lines so they can be clearly viewed on mobile devices

WHAT THE LEADERS DO

Among our Leading retailers, IKEA is one that has taken a different but successful tack with engagement. The retailer has made a virtue of delivering a customer experience with added 'friction' on the basis that this plays a part in producing memorable and rewarding experiences, as well as customer loyalty.

What kind of friction are we talking about? Building its flat-pack furniture, navigating its stores, finding stock and

RETAILERS WITH GUEST CHECKOUT SACRIFICE KNOWLEDGE ABOUT THE CUSTOMER TO GAIN MORE
CUSTOMERS. COMPANIES IN SOME SECTORS ARE MORE LIKELY TO USE GUEST CHECKOUTS THAN IN OTHERS

☐ GUEST CHECKOUT
☐ CREATE ACCOUNT WITH THIRD-PARTY CREDENTIALS
☐ CHECK OUT WITH PAYPAL

	SPORTS EQUIPMENT	CLOTHING	STATIONERY AND CRAFT	FOOTWEAR	CONSUMER ELECTRONICS	APPLIANCES
Guest checkout	60%	59%	58%	55%	45%	40%
Create account	21%	22%	40%	20%	29%	30%
PayPal	21%	7%	27%	6%	11%	12%

RETAILX 2018

Additional charts showing sector performance in other metrics are available at etail.li/ireu

sorting out delivery are just some examples. There's also
the question of engagement. When IKEA shows off a 350-
sq ft home in all its space-saving glory, it gets customers
thinking. That's part of its brand engagement, too.

Slightly further down the list but still prominent, Tesco
has driven an engagement agenda that looks different to
IKEA's but is similarly bold. The UK supermarket chain has
been at the forefront of customer engagement ever since
it launched its loyalty scheme with the Clubcard in 1995,
and today it has 10m active households. It is now among
a minority giving shoppers a contactless scan for their
loyalty cards. In customer terms, the retailer also rates
for personalisation and ranks well for responding quickly
to customers' Facebook queries. For these reasons, it has
registered the largest improvement among grocery stores
in its net promoter score.

HOW THE MARKETS VARY

Across all markets, the statistics show that the
proportion of retailers requiring customers to register
with them before checkout hardly moved. But if you look
at the country-by-country statistics, the story is more
nuanced. In Denmark and Belgium, this requirement
was adopted by about a fifth more retailers in the past
year, to climb about 50% market adoption in both cases.
In Bulgaria and Hungary, the requirement dropped
substantially in both markets – by 12pp to 22% in
Bulgaria, for example.

The static picture in terms of product reviews across the
EU and Switzerland is also not quite the whole story. In two
countries, the percentage-point increase was in double
figures in Finland (up 15pp to 59%) and the Czech Republic
(up 10pp to 54%). ∎

Bridge the gap

The smartphone is the device that binds together multichannel retail. Since Europe's highest-performing retailers already understand this, they plan their strategies accordingly

Retailers that stand out in the IREU Top500 Mobile and Cross-channel Performance Dimension do so because they enable shoppers to browse and buy easily from a smartphone or other mobile device, and to use that device to bridge the gap between the store and online.

RetailX researchers focused on how retailers designed mobile websites, mobile iOS apps and multichannel services. The research compares findings taken in mid-2018 with those made in early 2017, in order to understand how the services offered by individual retailers, and by the Top500 retailers as a group, have developed over that time.

WHAT THE TOP500 DO: MULTICHANNEL LOGISTICS
It's in multichannel returns that the biggest changes among leading European retailers can be seen. The biggest change comes as almost half (49%) now enable customers to return their online orders to the stores. That's up from just 19% last year, and represents a dramatic 30 percentage point (pp) change. The ability to return ecommerce orders by dropping them off at a location run by a third-party has also grown, by 8pp to 22%.

Click and collect is also growing fast. The service is now offered by 44% of the Top500 – an increase of 24pp since last year. This option is more likely to be offered by retailers selling entertainment, with 67% of music, film and TV retailers offering it. It's also widespread among those selling books (64%), health products (64%) and homewares (64%), but least common among software retailers (36%). Grocers that offer the service are among the fastest at getting an order ready to collect – retailers that sell drink, grocery and ready-made food do so in a median of 24 hours. This falls to 72 hours among those selling fashion clothing and footwear.

Analysed by market, click and collect is most common in the UK, where 63% of retailers selling in this market offer the service. That's followed by France and the Netherlands (both 61%) and least common in Slovenia (16%), Croatia (24%) and Bulgaria (26%). Same-day collection is most common amongst Top500 retailers delivering to Ireland (18%) and France (15%). In Luxembourg, Croatia, Hungary, Portugal, Bulgaria and Sweden, fewer than 5% of Top500 companies offer this service.

WHAT THE TOP500 DO: MOBILE APPS
There's been a shift in the type of apps that retailers offer, with Android apps overtaking iOS apps. More than two-thirds (70%) of retailers built their apps on the Android operating system, up from 62% in last year's research.
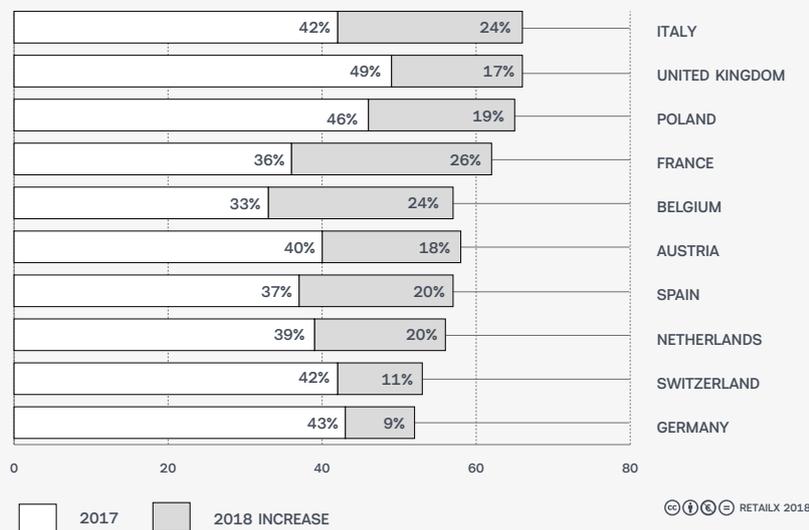
Meanwhile the number of retailers offering iOS apps has increased by three percentage points to 68%. Some features have become more popular among retailers that had an iOS app both last year and this year. More than a third (35%) now have native shopping, up by 3pp from last year, more than half (54%, +5pp) have a store finder, and almost two-thirds (65%, +4pp) offer push notifications.

> ❝ ALMOST HALF OF RETAILERS NOW ENABLE CUSTOMERS TO RETURN THEIR ONLINE ORDERS TO THE STORES ❞

When analysed by sector, retailers selling groceries and drinks are the most likely to have both an Android app – found in 97% of grocery retailers and 91% of those selling drinks – and an iOS app (90% of those selling groceries and 82% of those selling drinks). Android apps are also common among those selling ready made food (89%) and cosmetics (82%) but less common among those selling stationery and craft (69%), fashion clothing (69%) and footwear (71%). iOS apps were more often found among those selling sports and leisure clothing (80%) and least often among those selling stationery and craft (59%), home and industrial appliances (61%) and children's toys and accessories (64%).

Thirteen per cent of homewares traders feature augmented reality in their iOS app. To put that into context, most categories have no retailers using the functionality. Store finders are usually found in iOS apps built by multichannel retailers that sell grocery (70%), ready-made food (69%) and drink (64%), contrasting with those that sell stationery and craft (25%) and automotive goods (32%).

MULTICHANNEL RETAILERS ARE ADAPTING THEIR LOGISTIC CHAINS TO ACCEPT RETURNS OF ITEMS PURCHASED ONLINE TO A BRICK-AND-MORTAR SHOP

Country	2017	2018 INCREASE
ITALY	42%	24%
UNITED KINGDOM	49%	17%
POLAND	46%	19%
FRANCE	36%	26%
BELGIUM	33%	24%
AUSTRIA	40%	18%
SPAIN	37%	20%
NETHERLANDS	39%	20%
SWITZERLAND	42%	11%
GERMANY	43%	9%

☐ 2017   ☐ 2018 INCREASE

ⓒⓘⓢ⊜ RETAILX 2018

Returning an online purchase to a physical shop is an option offered by at least 50% of the multichannel retailers in all researched regions. We've measured a significant increase even among the member-states with a high number Top500 retailers with physical stores

WHAT THE TOP500 DO: MOBILE WEBSITES
Across the Top500, mobile websites are slower in 2017, as benchmarked using the industry-recognised Speed Index metric and measured by InternetRetailing Knowledge Partner Eggplant. It's likely that pages have got larger with more assets to download.

The largest mobile landing pages were found in the Lithuanian (2.6MB), Greek (2.4MB) and UK (2.4MB) markets, while the smallest, and so fastest to load, were found in Luxembourg (1.5MB), Austria (1.6MB) and the Netherlands (1.6MB).

WHAT LEADING RETAILERS DO
Amazon stands out in this Dimension for a flexible approach to multichannel retailing that helps it overcome a lack of stores in this market, offering pick-up from its own lockers and third-party sites across Europe. Argos offers an easy integration of online and offline, enabling fast-track collection as well as enabling customers of other retailers to collect from its stores.

Coop Switzerland has a wide range of Android and iOS apps, including a shopping, loyalty, wine club and healthy living apps. Dutch wine and spirits retailer Gall & Gall has a fast mobile site that performs strongly in RetailX research.

Hornbach, which sells in the Netherlands, Germany, Austria, Switzerland and the Nordics, pulls off the feat of being both pan-European at the same time as local, offering services such as click and collect within many of the regions it serves as well as offering both Android and iOS apps. ■

TOP500 RETAILERS OPERATING IN INDIVIDUAL EU COUNTRIES

The number of IREU Top500 retailers to have more than €1m revenue per annum from individual member states

To grow and establish a significant presence outside its country of origin, a retailer needs to adopt new ways of doing business. The heatmap below reveals those countries where the largest numbers of Top500 retailers have revenues greater than €1m per annum. More than half of the Top500 cross this threshold in France, Germany and the UK

ICELAND

FINLAND

NORWAY

SWEDEN

ESTONIA

LATVIA

DENMARK

LITHUANIA

IRELAND

UNITED KINGDOM

NETHERLANDS

POLAND

BELGIUM

GERMANY

LUXEMBOURG

CZECH REPUBLIC

SLOVAKIA

LIECHTENSTEIN

AUSTRIA

HUNGARY

ROMANIA

SWITZERLAND

SLOVENIA

CROATIA

FRANCE

BULGARIA

ITALY

PORTUGAL

SPAIN

GREECE

CYPRUS

MALTA

0   265

RETAILX 2018

THE WEB TRAFFIC SHARE OF MARKETPLACES

Marketplaces have a significant impact on the retail sector across Europe

ICELAND
FINLAND
NORWAY
SWEDEN
ESTONIA
LATVIA
LITHUANIA
DENMARK
IRELAND
UNITED KINGDOM
NETHERLANDS
POLAND
BELGIUM
LUXEMBOURG
GERMANY
CZECH REPUBLIC
SLOVAKIA
LIECHTENSTEIN
SWITZERLAND
AUSTRIA
HUNGARY
ROMANIA
FRANCE
SLOVENIA
CROATIA
BULGARIA
ITALY
PORTUGAL
SPAIN
GREECE
MALTA

RETAILX 2018

Marketplaces (such as those listed, below left) represent more than half of the entire web traffic in 10 EEA member states. Germany, Latvia and Italy are the countries where shoppers are most likely to browse marketplaces. Romania, the Czech Republic and Slovakia are the countries where other retailers have a more significant proportion of visits. Below right, we show customer visits to IREU Top500 sites across Europe.

Retailers expanding to regions with a high marketplace traffic share, such as Germany or Italy, may be advised to sell their products on marketplaces. Shoppers in those regions may trust marketplaces' buyer-protection policies more readily than the retailer's website.

Amazon	Leading	amazon
Otto	Top 50	OTTO
Bol.com	Top 100	bol.com
eBay	Top 100	ebay
Fnac	Top 100	fnac
La Redoute	Top 100	La Redoute
Zalando	Top 100	zalando
Allegro	Top 150	allegro
Cdiscount	Top 150	Cdiscount
Game	Top 150	GAME

Marketplaces:47%
Brands:18%
Other retailers: 35%

Amazon:21%
eBay:15%
Allegro:3%
Other marketplaces:8%
Microsoft:10%
Apple:2%
Samsung:1%
Other brands:5%
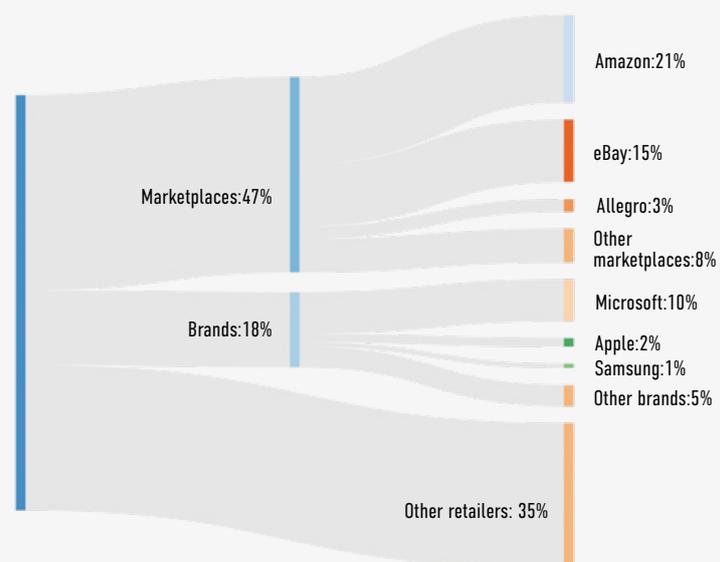
Will Amazon meet its match?

From small specialists to global players, marketplaces are a winning formula, says Penelope Ody

If an online marketplace is defined as a site where products are provided by multiple third-parties but transactions are processed by the marketplace operator, it can become quite difficult to separate out the pure etailers. Asos and Game, for example, both have a marketplace for third-party products, while some analysts even list Tesco as a marketplace. In the US, Sears – which boldly declares "Now shipping to Great Britain" – also has a 'marketplace'. So where do etailers end and marketplaces begin? Department stores, such as Sears, with their assortments of concessions could, after all, be just as easily described as 'offline marketplaces'.

> ❝ JD HAS BUILT ITS OWN LOGISTICS PLATFORM, COMPLETE WITH DRONES AND ROBOTIC DELIVERY VEHICLES ❞

Definitions and differentiation aside, online marketplaces have become a favourite and convenient one-stop shop for many – as Amazon demonstrates only too well. In the UK, it is already Britain's fifth-largest retail business, taking 4% of total retail spend, according to Verdict, while a study by Survata suggested that 49% of online shoppers start their product searches on Amazon.

While Amazon dominates western marketplaces, China's Alibaba already handles even more business, with Morgan Stanley estimating its gross merchandise volume at more than $700bn across its numerous marketplaces. That's compared with Amazon's estimated gross merchandise value (GMV) of $225bn.

One to watch will also be JD.com, China's largest retailer and second-largest ecommerce website (GMV £195bn), which now has 292million active users of its marketplaces. Google has invested $550m in JD with the aim, according to the official announcement of the deal, to offer "helpful, personalised and frictionless shopping experiences". Like Amazon, JD has built its own logistics platform – complete with drones and robotic delivery vehicles – and last year launched Toplife as a platform for high-end brands to

compete with Alibaba's TMail Luxury Pavilion. It has also invested in Farfetch to add 700 fashion brands to its offer, while earlier this year, it announced plans to launch its marketplaces in France, Germany and the UK. Its Joybuy marketplace is already established in the US. For Google, the new link provides an entrée into the world of physical goods, while for JD it helps drive its ambition to compete with Alibaba. This combination may ultimately prove to be a significant challenge to Amazon as well.

Away from the world of mega-marketplaces, smaller specialists such as Etsy and Da Wanda, or national players like Allegro and bol.com, attract a loyal following generally built on a focused product assortment, high service levels and, of course, convenience. Just as in a very different retail world, small specialists always competed successfully with the department stores. Such minnows will no doubt survive any future clash of the titans. ∎

Hard times ahead?

A combination of changing demographics, economic migrants and a switch to digital may leave many retailers struggling in the future, reports Penelope Ody

While Brexit dominates UK headlines, elsewhere in Europe there are very different priorities. For some, stemming the flow of economic migrants is key. And while youth unemployment is parts of southern Europe has been falling, it is still around 33% in both Spain and Italy. Generational change is also significant as generation X and millennials, with their very different attitudes to consumerism and green issues, begin to replace baby boomers and start to dominate the shopper mix.

So how will all this affect Europe's retailers? Some indications are becoming all-too apparent, as the move to online sales hits the high street with shop closures and company voluntary arrangements. The Centre for Retail Research (CRR) predicts that the total number of shops closing in the UK between 2017 and 2022 will reach more than 31,000. Long-established companies, such as House of Fraser and New Look, have very public problems, while Europe's largest retailer, Carrefour, has announced plans to cut jobs and costs, boost ecommerce and expand its Chinese operations in an attempt to improve profits and revenues, Carrefour's French hypermarkets are already into negative territory.

For millennials, digital is a way of life and many would much prefer to shop via a mobile app while watching Netflix than enter a real-world store. Generation X – often sandwiched between care for elderly parents and financing their cash-strapped offspring – prefer experiential holidays in the sun to acquiring more 'stuff' for their already overcrowded homes.

For Europe's retailers ,the future is challenging. With high youth unemployment in some regions and millennials struggling to buy or rent a home of their own in others, this usually high-spending cohort is far less profligate in its spending than Generation X was at the same age. At the same time, economic migrants are often more concerned with sending money home to relatives than indulging in a spending spree. This pool of willing low-wage workers also does little to increase the take-home pay for others and even in affluent Germany, around 17% of the population is living below the poverty line.

To limited finances, add a fondness for digital and the future for many high streets becomes increasingly problematic. For some retailers – as is already happening – there will be retrenchment solely to prime shopping locations, with investment switched to digital offerings. In the first six months of 2018, the CRR calculates that more than 21,000 retail jobs have already been lost in the UK. Fortunately, this country suffers from a shortage of labour, with unemployment at its lowest levels, but the same will not be true for redundant Carrefour workers in areas of existing high unemployment. The resulting downturn in consumer spending will be another blow for many retailers in the months ahead. ■

> **GENERATION X PREFERS EXPERIENTIAL HOLIDAYS TO ACQUIRING MORE STUFF FOR THEIR OVERCROWDED HOMES**

WHAT CONSTITUTES A RETAILER?

THE MULTICHANNEL LANDSCAPE is more complex than merely 'having a website' or 'operating a store'. In choosing which companies to include in the Top500, we have considered companies' intent, capabilities and activities around the recruitment and monetisation of customers. The definition of a 'retailer' for inclusion in our research is:

DESTINATION: the retailer has created a destination that, in the minds of customers, is a source of product, service or experience. Whether this destination is a shop, a site, a place, a time or an event, it's the sense of 'locus' that counts here.

FASCIA-FOCUSED: the assessment focuses on individual trading names, rather than a parent company that may operate more than one brand. Since the group structure is invisible to customers, it does not have a bearing on the position of brands owned by a group. The challenge is to turn group capabilities into trading advantages that the customer would notice across brands.

PURPOSE: the retailer has created goods and/or services for the specific purpose of selling, for consumption by the purchasing consumer.

MERCHANDISING: the retailer actively sells and is not just a portal for taking customers' money. This means the selection, promotion and tailoring of retail offers for customers.

ACQUISITION: the retailer actively markets, recruits and attracts customers with a promise or proposition to the destination.

SALE: the retailer takes the customer's money. The retailer owns the transaction as the merchant of record.

RECOURSE: the retailer is responsible for the service, fulfilment and customer satisfaction owing from the sale.

EXCEPTIONS: in every good list there's an exception, where we may include a certain business due to its influence upon retailers and retailers' customers. Some of these companies will be included within the Top500 and others are tracked for information on their impact on retailers.

COMPANIES EXCLUDED FROM THE TOP500

MARKETPLACES: where a candidate retailer is simply a marketplace, the company is not featured. Where a marketplace undertakes customer acquisition, manages payment, customises offers and recommendations and offers recourse on purchases, then the company will be eligible for inclusion.

PURE TRANSACTION/TARIFFS: where ecommerce is ancillary to the primary purpose of a business, we will not necessarily include them. Online payment for gas or electricity is excluded since the purpose here is to supply energy. Travel companies are not included in the Top500. We have also excluded media-streaming services.

BUSINESS-TO-BUSINESS AND DIRECT-SELLING BRANDS: while the scope of retail is normally direct to consumer, two trends are challenging this – the move for brands and previously solely B2B businesses to sell direct to consumers; and the increasingly retail-like behaviour of B2B brands, in terms of acquisition, promotion, personalisation and service. We have therefore included certain B2B businesses and direct-selling brands. ◼

THE ELEMENTS INCLUDED in each Dimension are summarised below:

0. FOOTPRINT DIMENSION

0.1. EEA retail turnover, ranging from €2m to €70bn

0.2. The ecommerce subset of the above, ranging from €2m to €30bn

0.3. EEA web traffic, ranging from 1.5m to 10bn page views per annum

0.4. Number of EEA stores, ranging from 0 to 11,500

1. STRATEGY & INNOVATION

1.1. Growth orientation across the EEA, measuring how many languages, currencies and countries retailers localise to, regardless of how significant current sales are via those portals

1.2. Strategic practice, including an expert-designated selection of metrics that catalogue a retailer's embrace of technological or organisational best practice

1.3. Innovative practice, highlighting services and features measured in the other Dimensions that, to date, are only used by the leaders

2. THE CUSTOMER

2.1. Desktop and mobile homepage performance, including engineering and responsiveness – speed index, time to visual completion, etc

2.2. Customer service response time and helpfulness – email, web submission form and Facebook chat

2.3. Number of socially active customers as well as their interaction levels

2.4. Usability – the simplicity and intuitiveness of finding a desired product, including tabs, icons, search and filtering on the website and, if applicable, on the mobile app

2.5. Customer feedback – incorporation of customer reviews and product ratings on the product display pages of the website and, if applicable, of the mobile app

3. OPERATIONS & LOGISTICS

3.1. Delivery – the number of options, nominated day and time, weekend options, plus the standard timeframe and cost

3.2. Returns – the number of options, post, store, third-party location, locker, simplicity, plus the standard timeframe and cost

3.3. Collection – the number and variety of collection points and timeframes offered by retailers, including own stores, third-party stores, transport locations, lockers, plus the standard timeframe and cost

3.4. Stock-check – the visibility of stock levels on the website and, if applicable, on the mobile app

4. MERCHANDISING

4.1. Landing page – top-level navigation, promotional activity and visual appeal

4.2. Product page – descriptions, recommendations for similar products, the number of images, whether the images are zoomable on the website and, if applicable, on the mobile app

4.3. Localisation – local regional information and use of a local language on the website and, if applicable, on the mobile app

4.4. Navigation and search – relevance of search results and ease of navigation, categories and filtering when shopping for a particular product on the website and, if applicable, on the mobile app

4.5. Personalisation – product recommendations; whether the customer's account is the same offline, online and across devices; and whether sign-in is required before checkout

5. BRAND ENGAGEMENT

5.1. Private channels – live chat, email, web submission form, social media direct chat

5.2. Public channels – blog, social media, newsletters

5.3. Social integration – sharing, liking, and social validation on the website and, if applicable, on the mobile app

5.4. Newsletters – the timings, open rates, marked as spam rates etc of emails [major retailers to consumers in France, Germany and the UK]

5.5. Push notifications and geofencing [retailers with mobile apps]

6. MOBILE & CROSS-CHANNEL

6.1. Mobile homepage performance, including engineering and responsiveness – speed index, time to visual completion, etc

6.2. Cross-channel fulfilment – click and collect, reserve and collect at own locations and via third party services

6.3. Multichannel store capabilities – store location and stock levels visible on the website and, if applicable, on the mobile app, in-store functions of apps, return ecommerce order to store [retailers with stores]

6.4. Mobile apps – whether iOS and Android apps are offered and assessing the iOS apps for: native checkout, push notifications, barcode scanner, wishlist, personalisation, augmented reality etc [retailers with mobile apps]

Ongoing research

Our quantitative and qualitative research offers unique insights into the retail sector. Look out for the following projects over the coming months:

THE RETAILX AUSTRALIA TOP250
This lists the largest 250 retailers in Australia, benchmarked against counterparts in Europe. Building on last year's Footprint report, the AU250 Performance Index gauges the industry's retail performance from the customers' perspective – both Australian and foreign companies. This is significant, given Amazon.com.au's recent launch of a local offering.

Follow progress at internetretailing.net/rxau

THE UK GROWTH 2000
The next 2,000 retailers below the Top500. These companies are much smaller, tending to be regional or niche or startups. We've noticed for some time now that companies in this group often push their way into the Top500, so through this report, we want to measure and track their growth. We will analyse their strategies and their opportunities, as well as looking at their performance through the same metrics we use when compiling the IRUK Top500.

DIMENSION REPORTS
These regular reports draw on our research to offer in-depth analysis of how retailers are performing in our six Performance Dimensions: Strategy & Innovation, the Customer, Operations & Logistics, Merchandising, Brand Engagement, and Mobile & Cross-channel.

We have two sets of Dimension Reports, which draw, respectively, on data compiled for the IREU Top500 and the IRUK Top500.

INTERNETRETAILING CONFERENCE
Our researchers will be attending the InternetRetailing Conference in October 2018. We hope to meet you there and we're keen top hear your insights into our work. For more information: www.internetretailingconference.com

MEMBERSHIP
Remember, access to all research and reports is included in InternetRetailing membership, which is free for retailers. For more information: internetretailing.net/membership ■

Thank you

Thanks to our title sponsor Klarna for contributions to our year-round research, and helping us to bring our insights and findings to all those professionals working in ecommerce and multichannel
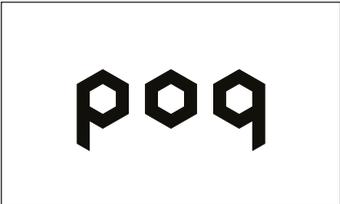
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Conclusion

At the risk of repeating ourselves, these are nervy times, not just for retail but for the world in general. Once easy assumptions – that the European Union would continue to flourish and that the USA would always favour free trade over protectionism – no longer hold true.

Turning directly to retail, there's plenty of evidence to suggest that even early adopters of multichannel strategies are struggling, notably in the UK. Shops, it seems, are a cost too far in a world where it's become far easier for consumers to find goods and services online.

Yet proclaiming the inevitable death of the high street and the shopping centre is, we would argue, an over-simplification. Instead, what's more likely to be happening is that we're witnessing a continued shakeout of the retail sector that will reshape our town and city centres.

In this context, just because many pureplays are suspicious of the fixed costs of shops, it doesn't mean they're not still looking at ways to have a presence out in the real world. Companies may conclude it's as simple as investing in pop-up shops, concessions or lockers where customers can pick up goods. At the other end of the scale, there's the reimagining of retail space represented by Amazon's forays offline.

The point is that we're not looking at a world where shopping becomes a digital-only affair, but one where businesses constantly have to review their approaches and the balance between digital and the real world.

Here lies one reason why the IREU Top500 is such a valuable tool for those wanting to assess how their own companies are doing. Because our research over six Performance Dimensions qualitatively assesses retailers, it shows how prepared they are for the changing and challenging environment we describe above – as well as offering a snapshot of current operations.

In the year ahead, we'll continue to broaden our explorations of retail practice beyond the UK and Europe, focusing too on the Australian market. As always, we're interested in how we can extend our research and improve the quality of our findings. Get in touch with your ideas and potential datasets via research@internetretailing.net or tweet @etail using #IREU500. ■

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