



# DIMENSION REPORT

Brand Engagement: March 2016

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A Performance Dimension Report as part of IRUK2016  
InternetRetailing's Top500 UK Retailers, 2016



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# From the editor-in-chief

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WELCOME TO THE latest InternetRetailing UK Top500 2016 Performance Dimension Report and forgive me if I begin by celebrating a company milestone. This is the first time we've been able to loop around and look anew at a subject we also researched last year, brand engagement. As Editor-in-Chief, it's particularly pleasing for me to see our research deepening and broadening in conjunction with our trusted Knowledge Partners.

The result is a Dimension Report that looks in depth at an element of retail craft that can be infuriatingly difficult to measure. By this, I mean that, while we all know what great brand engagement looks like in terms of, for instance, customers choosing to shop with a retailer on a regular basis, it's surprisingly tricky to quantify precisely how engaged these customers might be.

That's especially true for today's fickle and smartphone-enabled customers, able to use multiple channels at any time of the day and choose from an almost infinite selection of products. However, by measuring customers' engagement at different points in the retail journey and analysing the effectiveness of email communications, our research looks beyond the day-to-day noise of digitally powered commerce to see how companies are really doing here.

So what lessons does this analysis provide? In part this is a story of using technology in smart ways to help customers find the products they're looking for, the world of search engine optimisation, Google algorithms and carefully calibrated communications. Yet there's also another story here. Retailers that really inspire customer loyalty also tend to emphasise old-fashioned virtues such as great service. Even as retail changes more quickly than ever, and retailers use technology and customer data to help build brand engagement at scale, some things stay the same.

Looking ahead, over the next year, we will continue our research here, in the process building up rich data sets. Our Tweetailer Index, for instance, will continue to offer clues on how well retailers are using social media. The InternetRetailing-OneHydra Retail Visibility Index, which is available to view online, will chart how retailers are utilising search to get consumers' attention, and it will be fascinating to see if retailers' success here changes with different seasons.

As to what else we should be measuring, we would welcome input from industry professionals. What's important to you here? What new developments should we chart? Are there new entrants to the market shaking up the industry? Please do get in touch with your ideas and thoughts, and we look forward to meeting you all at IRX 2016 in April.

Ian Jindal  
Editor-in-Chief, InternetRetailing

# Editors' comment

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THE COMBINATION OF art and craft involved in first securing new customers and then convincing them, over time, to become regular customers should never be underestimated. As Chloe Rigby, editor of InternetRetailing.net, writes in her strategic overview for the first of this year's InternetRetailing Dimension Reports (page 8), retailers need constantly to strive to be "accessible, relevant and credible" to consumers as a way to build brand engagement.

But how should retailers best go about this? Over the following pages, that's a central question we tackle from a variety of angles. First and foremost, of course, that means offering up our analysis of how the UK's Top500 retailers have been performing in this Dimension.

For our analysing the numbers feature (page 12), the focus is in particular on how well retailers are profiting from the information customers share. Big retailers such as Amazon and eBay perform admirably here, but also less expected names such as Ferrari, American Golf and Vision Direct. In the new research section (page 31), we turn our attention to email marketing strategies, in part a way to get quantifiable and qualitative data about a subject on which many have firm views – albeit we're not always too sure what information these views might be based on.

This Dimension Report isn't just about the numbers. In our lead interview with Debenhams (page 22) and case studies (page 18), we look at how retailers have achieved strong results in the Brand Engagement Dimension. We consider, for instance, how John Lewis has become a leader in the use of social media, and Argos has built its proposition around making things easy for multichannel customers who might want to buy online but pick up an item, same day, from a high street store. In our 12 approaches that work feature (page 24), we offer short, sharp and practical advice on building brand engagement.

In our emerging practice feature (page 29) we look to the Netherlands and the inspiring example of Dutch department store de Bijenkorf, which has adapted Amazon's Prime initiative to offer customers 'free' shipping once they've paid a small annual fee. As Pieter Heij, de Bijenkorf's director of multichannel and IT, tells us, this has been a huge success.

We'd like to thank all the Knowledge Partners that have contributed their expertise and insights for this Dimension Report. We welcome your thoughts on new areas of research as we add to our primary data and analysis. Please email: [jonathan@internetretailing.net](mailto:jonathan@internetretailing.net) and [chloe@internetretailing.net](mailto:chloe@internetretailing.net)

**Jonathan Wright and Chloe Rigby, Editors**

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## Meet the team...



**Ian Jindal**  
**Editor-in-Chief**

Publisher, speaker, advisor and NED, Ian leads our editorial and research businesses.  
[ian@internetretailing.net](mailto:ian@internetretailing.net)



**Jonathan Wright**  
**Editor**

Jonathan is an editor and writer who has written extensively about digital business and culture.  
[jonathan@internetretailing.net](mailto:jonathan@internetretailing.net)



**Chloe Rigby**  
**Editor**

Chloe is the editor of InternetRetailing.net and an award-winning business journalist.  
[chloe@internetretailing.net](mailto:chloe@internetretailing.net)



**Martin Shaw**  
**Senior Researcher**

Martin devises the scope and methods of InternetRetailing's research as head of the research team.  
[martin@internetretailing.net](mailto:martin@internetretailing.net)



**Polina Modenova**  
**Researcher**

Polina's focus is the upcoming IREU 500 report on the top European multichannel retailers.  
[polina@internetretailing.net](mailto:polina@internetretailing.net)

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# Maximising brand impact



PFSweb outlines why digital marketing tactics are crucial to building a brand

DEVELOPING A STRONG brand name and image has always been significantly important to any business strategy. When consumers make a purchase, the experience and story around the product can be just as important as the product itself. Positive recognition allows a brand to grow and thrive in new environments, including digital commerce. Although some established retailers may be able to rely on an existing brand image to ensure a smooth transition online, it's important that those who need to create their online reputation from the ground up build a strong digital strategy from the start in order to create lasting trust and loyalty with their customers.

There are several digital marketing tactics to choose from for retailers who want to improve their brand recognition, including search campaigns, social marketing initiatives, and deploying email campaigns to reach and expand their customer base.

To start, search campaigns should be considered from the beginning. Retailers should carefully choose each and every keyword or phrase used while creating a new product page or when starting a new discussion on a blog. This practice could eventually help increase domain authority for a product or page. Because organic search, as in the example above, can be time consuming and is not an exact science, retailers may also want to rely on paid search to obtain better rankings on search engines. This is true especially for terms or phrases retailers have not targeted before. For example, a shoe company looking to sell socks may want to launch paid search ads around sock terms to increase awareness for this offering.

Social marketing is another option retailers may want to choose to promote their brand. In addition to the visibility they can gain through posts on their company page, retailers can leverage social media advertising by running targeted campaigns on specific customer segments. For example, they can choose to display certain ads based on customer

interactions with the network (such as Liking a page or post). Working directly with social influencers may also increase the reach of brand initiatives, especially for localised or language-specific campaigns.

Finally, when conveying new branding messages to existing audiences, emailing has proven to be particularly effective. PFSweb's Email Marketing Manager, Céline Brandt, confirmed that email is often the first channel used by retailers to introduce new product segments to their fan base. Overall, implementing a regular email marketing programme has a positive impact on brand loyalty and engagement, especially because customers view emailing as a less intrusive medium than other communications, likely because they opted-in to receiving promotional content.

In the coming years, the ecommerce market will become increasingly mature and modern day multichannel retailers will have no choice but to readjust their brand strategies to remain competitive in the long run. Mastering digital marketing tactics such as search, social, and email marketing will therefore likely be crucial to maintaining a cohesive online and offline presence to maximise brand impact.

## About PFSweb

A leading global commerce service provider, PFSweb enables brand and specialty retailers to achieve their commerce goals.

As an ecommerce solutions provider, PFSweb combines consulting, agency, technology and operations to deliver unique and branded customer experiences, creating Commerce Without Compromise.

[www.pfsweb.com](http://www.pfsweb.com)



# Be more than just a Like



**Saima Alibhai**, client services manager at Bronto Software, explains how to combine email marketing with social media

EMAIL IS STILL converting well for a variety of reasons, but you can improve user experience and revenue growth even further with cross-channel promotion. While the power of social media is immense, many marketers are unsure how to combine their email marketing and social media strategies. Let's look at how you can deploy social media to enhance your email efforts, effectively use your advertising pounds, build organic interest in your brand, secure followers as email subscribers and, most importantly, bring more shoppers to your website.

## Target social based on email data

Use your email information to inform what segments you'll buy on social media. For instance, if female shoppers ages 25-34 in specific postcodes are responding at high rates to a certain offer, buy a social ad targeting those same demographics. This will help you stretch your social media advertising budget much further. Then take the results from the social media ad, and use it to refine your email messaging and segmentation. Always be listening and looking at popular posts on your social sites. These are messages that clearly resonate well with your target audience, so turn them into emails.

## Request user-generated content

Finding ways to curate and integrate user-generated content into emails is probably the hottest social trend in email right now. Encourage customers to post selfies with your products, and then use those images in future emails. For example, enhance a promotional message with user-generated content as a kind of testimonial for the email's featured product. Many customers are honoured to have their content used by their favourite brands. Just be sure you have

the usage rights. In addition to asking for selfies and content, consider including a social feed as secondary content in your emails if you have that capability. It works especially well for image-based sites, such as Instagram.

## Consider a contest

Contests are a great way to integrate social in an email campaign. You might organise a social media scavenger hunt with clues hidden across your social channels. With this type of contest, be sure to include email as a part of the campaign, with one of the clues coming from this channel. It can be an effective way to promote your email sign-up via your social sites, as you can advertise the contest in advance on those channels in an effort to gain additional email subscribers.

Email and social media are distinct and different marketing channels that can both be effective for your business if you design your campaigns to leverage the strengths of each. Continue to find new ways to connect with your audience and integrate social into your email programme – there's so much more out there beyond the traditional 'Like us' emails.

## About Bronto Software

Bronto Software provides a cloud-based commerce marketing automation platform to mid-market and enterprise organisations worldwide, with a client roster of leading brands, including Vivienne Westwood, notonthehighstreet.com, Björn Borg, Ben Sherman and Joseph Joseph.  
**bronto.co.uk**

# How to build trust

Getting consumers' attention is tough, winning their loyalty is tougher still. **Chloe Rigby** considers how the most successful retailers approach these key aspects of retail craft by constantly striving to be accessible, relevant and credible

HOW DO RETAILERS and brands win loyalty from customers who have infinite choice? Whether from a smartphone on the train, from a store on the way to work, or from a desktop during office hours, today's connected shoppers can buy whatever they want, wherever and whenever they like. Inspiration can come at any moment as they snap up a product that's recommended through social media, prompted via email, or is simply needed – and right now.

In response, retailers must be accessible, relevant and credible to shoppers across multiple

channels. These qualities, says Chris Dunn, operations director at website optimisation technology provider and InternetRetailing Knowledge Partner OneHydra, are crucial to being found in organic searches. And they are just as important in engaging customers on social media, through email marketing, and beyond.

## Be accessible

Shoppers can only find a retailers or brands if they are accessible, whether the companies trade online or offline. In online searches, being





accessible is all about making retail websites visible to search engines that crawl site pages and gather the information that ultimately provides searchers with results. The question is, says OneHydra's Dunn, whether customers can open the door to the shop.

In addition, retailers need to be available to answer questions and complaints, through social media and other channels, including email and telephone.

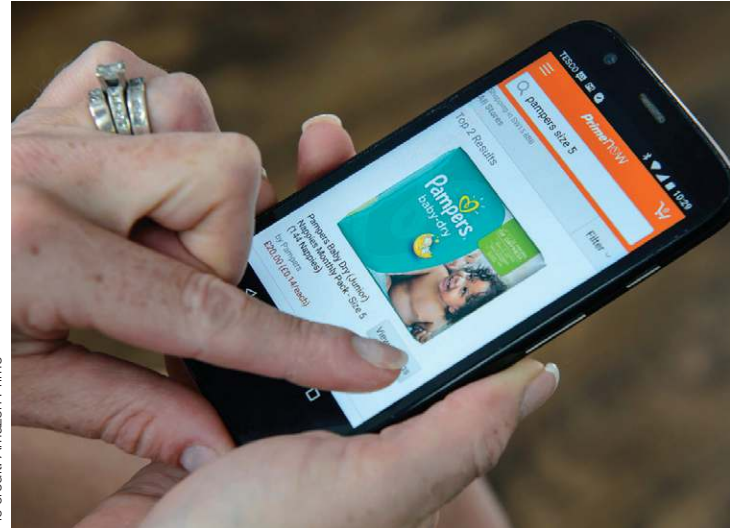
But as well as ensuring ecommerce websites are visible, the Top5 retailers in this Dimension make their brands available offline in a way that can ultimately boost online sales performance. John Lewis, for example, reaches well beyond

“Retailers need to be available to answer questions and complaints, through social media and other channels”

its relatively modest estate of 46 stores. A click-and-collect partnership with its sister supermarket, Waitrose, is effective in raising its brand profile – in its latest full year, some 53% of online orders were click and collect, with a significant proportion picked up from Waitrose stores. When it opens a John Lewis store, it sees the effects in ecommerce and multichannel sales. “Online sales,” it said in its results statement for the year to the end of January 2016, “increase in catchment where we open a new shop.”

Perhaps that's because John Lewis stores are now designed to inspire shoppers, becoming leisure destinations through attractions such as a spa (in Birmingham), rather than being venues for utilitarian shopping missions.

Conversely, Amazon has no UK stores but it reaches directly to the consumer, through collection points as diverse as local newsagents, Birmingham International Airport, and wherever the customer is.



Pic credit: Amazon Prime

**Pampered... Amazon's Prime service is available via mobile to busy customers who are on the move**

### Be relevant

While being accessible is key, it's not enough simply to be there. In a competitive world, where most retailers sell online, being relevant is a prerequisite to success. “Customers expect that the brand or retailer knows them,” says Ben Rund, senior director, product marketing at data integration and security specialist Informatica. “Consumers don't think in channels, they just want to have a consistent experience wherever they engage.”

The wider the range a retailer has, the more likely it is to be relevant to an online search – and ►

**Online sales now make up 51% of sales at Argos, with its click-and-collect service key to driving business**



Pic credit: Argos



The John Lewis Birmingham site features a spa as part of the retailer's efforts to make stores leisure destinations

Pic credit: John Lewis

John Lewis: "Online sales increase in catchment where we open a new shop"

that's likely the reason that department stores and wide-ranging traders do so well in the Brand Engagement Dimension. Our analysis suggests that retailers with large ranges are more likely to be found through organic searches simply because they have more products listed.

Argos, for example, has a range of more than 53,000 different items while Amazon scores highly for a UK range that numbers more than a million products – and thus tends to rank highly in search. Argos said in its last available full-year results, for the year to February 2015, that the breadth of its range is key to keeping customers satisfied. "The group attempts to meet customer needs for product choice and value by building partnerships with strong brands," it said.

It also uses its range to project an image of the kind of trader it is. "We made further progress," it said in its results statement, "in making our offer more universally appealing by extending lines of more fully featured products and aspirational brands." Shoppers, then, are more likely to come

across Argos as a potential retailer when they search for those "aspirational brands" – thus broadening the retailer's relevancy.

Indeed, says OneHydra's Chris Dunn, retailers can learn from search results to improve relevancy. "If you knew how people search," he says, "you would probably present your shop very differently. In the bricks-and-mortar world, supermarkets spend millions making sure products are right where you want them. That doesn't really happen on websites. But the job is to surface the right product at the right time."

In just that way, email marketers learn from data to ensure that the messages sent out are relevant, arriving at the right time and featuring the right product. Retailers may be at the early stage of matching customers' social media and email identities, or they may already link data from social, email and other sources in a single view of the customer. "Understanding what words and hashtags are trending can transition into predicting demand for the next product," says Informatica's Rund. Retailers can also use data to predict how customers will want to communicate, analysing whether customers clicked on an email campaign, or interacted via Facebook, and respond accordingly.

Being relevant on social media might mean featuring the products that a customer is more likely to be interested in. Fashion and homewares retailer Next, for example, uses social media to highlight its ranges in different ways, including a dedicated Instagram account for menswear and a blog that brings together problem-solving advice with inspiration in areas ranging from what to wear for an interview to suggested storage solutions.

Bronto Software client services manager Saima Alibhai writes elsewhere in this report about how retailers can combine data from social media and email marketing to great effect, precisely because the use of social ensures email content is more relevant.





Pic credit: Next

Next uses social media to help inspire its customers on putting together outfits for special occasions

### Be credible

Being accessible and relevant are just the first hurdles in successful organic SEO. The final step is to be credible. If two retailers have identical scores for search relevancy, then the one that is deemed most credible will rank higher in results. Think, says OneHydra's Dunn, of the difference between being recommended an event by someone you don't know, or by people you do know who plan to go, or reading a positive preview of the event from a respected organisation such as the BBC. For most people, the latter is likely to carry more weight. So it is with building credibility in search. "It's all about gaining quality, credibility, linkage," he says.

This is something that social media lends itself to doing. Platforms such as Facebook or Twitter provide a forum where retailers engage publicly with shoppers in a way that they don't on websites or in private emails.

It's important, then, to use social media as a means of engaging to solve problems in a way that ultimately reflects, for better or for worse,

"Understanding what words and hashtags are trending can transition into predicting demand for the next product"

on the retailer's corporate culture. "Retailers can win respect and trust, and show they are accountable by reacting in an honest and trustworthy way," says Informatica's Rund. "It's about not ignoring. The social media community jumps on mistakes, but people recognise there will be mistakes and it's important to come up with an answer to that. That is based on the corporate culture and behaviour of the brand or retailer, and how they live that everywhere."

Technology, then, can be a means to deploy best practice customer service across the business. By making themselves available and responsive to customers, retailers start to compete with the best in their business. 🇧🇷

# Catch and keep

**Martin Shaw**, head of research at InternetRetailing, explains how his team approached the challenge of measuring retailers' engagement with customers

IMAGINE A BEAUTIFULLY designed department store, packed with products that customers want to buy. But this department store isn't in a prime location. Rather, it's hidden down a hard-to-reach alleyway, never advertises and its staff don't tell anyone about their workplace. Passers-by who stumble upon it, and then tell their friends, are the only source of new business. It's not hard to imagine that trade would be slow.

Successful department stores and retailers do, of course, enjoy prime locations and active marketing. Those that succeed online are highly visible when people search for the products these retailers sell. They use tools including social media and email marketing to encourage customers who have bought already to buy again. It's these brand engagement initiatives – the effort put into building relationships with potential and existing customers – that are the difference between simply having the products and the retail systems in place, and having an active and interested customer base. It's the front end to all the effort that retailers are putting into logistics and warehouse management.

These initiatives are more vital than ever before. As potential customers go direct to

“With ecommerce so dependent upon search to win new customers, retailers are fighting a technological battle”

Martin Shaw, InternetRetailing

brands or start their searches on marketplaces, and Amazon, the leader in this Dimension, constantly increases its scope, being front of mind with customers is essential. The approach of catching and keeping customers has to be consistently applied.

For the Brand Engagement Performance Dimension, we set out to measure the effectiveness of retailers' efforts here, to quantify in particular how well retailers are profiting from the information customers share. If that sounds like a one-way street, we should emphasise that customers benefit here too, in that effective brand engagement initiatives improve the experience for them.

To extract meaningful data from this complex interplay between retailer and consumer, we've analysed retailers' performance at key points during the brand engagement journey – from first contacts through to a relationship that's established, and which develops through regular emails and on social media.

## First contact

When consumers are looking for a product they want to buy, they likely start with search. Search plays a role, whether shoppers know exactly which products they want to buy, or are looking for inspiration around a general theme, whether that be 'new bed' or 'secondhand car' – and being visible is key to successfully making that first contact with potential customers.

We judged that visibility in organic search, which builds naturally as searchers look and find, was a more telling metric than in paid-for search, where success can be determined by the amount of money spent. With ecommerce so dependent upon search to win new customers, retailers are fighting a technological battle. Strategy revolves around search engine optimisation (SEO) and victory is being in the top five search results.

Being large and well known will always give retailers an advantage in this Dimension. To do well, retailers have to be known – and to be known, retailers have to do well. Furthermore, higher visibility is achieved through displacing other retailers, so it's a zero sum game.

Working with InternetRetailing Knowledge Partner OneHydra, we measured which IRUK Top500 retailers had the most keywords – a reflection of how many products companies stock. We measured which had the largest UK search volume (or how many times retailers' keywords were searched); the largest search reach (or the number of people that see the website in search results); and the search reach per cent (gauging how well the retailer is presented for specific keywords).

We found that for sheer volume, Amazon, followed by marketplace eBay, had the most keywords, including those that were most frequently searched. John Lewis, Tesco, Argos and Debenhams complete the top six in terms of having the most keywords, while Google Play, John Lewis, Argos and Tesco are those whose keywords are most often searched. Debenhams, a Top5 retailer in this Dimension overall, comes in eighth place in this listing.

When it came to search reach, Amazon and eBay remained in the top two, followed by Argos, John Lewis, Google Play and Tesco, with Debenhams again in eighth place. Breadth of range and the popularity of that range are important in determining the leaders in this area. But when we analysed search reach percentage,

which can give insights into the effectiveness of search strategies, some very different names surfaced. Ferrari topped the list, followed by 24ace, American Golf, MAC Cosmetics, HP and Vision Direct. This suggests that even smaller retailers and brands can use effective SEO strategies when they have unique and popular keywords. (Note: we stripped brand terms out of the keyword list to keep the data comparable).

It's likely smaller retailers will also need to boost ratings through the tactical use of paid search over a smaller basket of keywords. However, at the bottom line, results that are not in the top five are hardly clicked. All ecommerce retailers optimise top keywords, but the task is still manual and time-intensive, so many struggle to move further down lists. Most Top500 retailers have hundreds of significant keywords (where 100 searches per month is the threshold for significance) and these lower-value keywords drive more than half the organic search traffic to some retailers.

### **Building an email relationship**

Once traders have successfully converted that first contact through search into a purchase, the next hope is to get the shopper's email address in order to start longer-term customer engagement, to build a relationship. We judged that a useful measure of this relationship lay in whether marketing emails got through to an end recipient, and if so, whether they were read and clicked on the one hand, or deleted and marked as spam on the other. Knowledge Partner Return Path contributed its analysis of 16 top retailers within the Top500.

There's more detail on this in the New Research feature on page 31, where we found big differences between best practice and the rest, and a gulf between the best practice of sophisticated retailers, those that send one or two emails a week, and those analogous to desperate stalkers, in touch every other day. ►

**Are you reachable?**

Relationships don't work when communication is entirely one way. Customers must be able to reach retailers when they need to, whether it's with a query, a complaint or praise. We analysed retailers' use of 10 communication channels, from various social media platforms to phone, email and blog, and found retailers used an average of six. Only 2% used all 10, among them Mothercare, Matalan and Next.

When we looked at how efficiently retailers used those channels, we found the average time taken to respond to a Facebook query was 53 hours, and 27 hours to one made via email. This indicates a siloed approach to customer service – one that may be unhelpful, given that customers tend to view retailers as monolithic, with similar expectations for service across different channels.

**Social interaction**

Social media doesn't rank as a key sales channel for most retailers, yet it's an important and growing area of influence as traders look to talk to existing customers, answering their queries and resolving their complaints as well as winning over new customers.

It's an area where smaller retailers can level the playing field with those larger retailers that win out so conclusively at making that first search contact, since the power of social media is not about how loud a retailer's voice is, but how many other people repeat what the retailer is saying. Of the IRUK Top500 retailers, Victoria's Secret had the largest number of page Likes, at 27m, followed by H&M with 26.2m, Zara and Nike (23.8m), and Adidas (23m). These retailers enjoy instant brand recognition, but they are also savvy with how they use social media.

We found that 66% of Facebook profiles had a 'shop now' button to encourage ecommerce transactions, including all of the Top5 retailers, alongside statistics in areas from the number of Facebook page Likes to the number of Facebook check-ins.

Through our Tweetailer Index we aimed to assess how interactive retailers are on Twitter, from how many followers they had, how often they tweeted and how often they favourite others' tweets. Victoria's Secret topped the list, with nearly 9.3m followers – 8% more than at the beginning of December 2015, and the brand's social media team had been active, increasing the total Likes of others tweets by 12%. The brand tweeted an average of 88 times a day, including replies to questions and comments received, and even 'mentions'. Topshop came second, with 1.3m followers more than three months earlier, 7,600 Likes, and tweeting on average 14 times a day. Google Play (6m followers), Asos and Puma also performed well here.

**Volume of searches where retailers rank (December 2015)**


1	Amazon	310m
2	eBay	130m
3	Argos	110m
4	John Lewis	110m
5	Google Play	110m
6	Tesco	89m
7	Asos	85m
8	Debenhams	72m
9	House of Fraser	59m
10	Next	47m

Data provided by IRUK 500 Knowledge Partner OneHydra

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**Moving on**

Our ongoing research here will evolve through 2016. The InternetRetailing–OneHydra Retail Visibility Index is online now, and can be found at [www.internetretailing.net/iruk](http://www.internetretailing.net/iruk) with the first four months of data. We'll be updating the Tweetailer Index every three months at [internetretailing.net/iruk](http://internetretailing.net/iruk).

We'll also be focusing in more detail on the customer service aspects of brand engagement in The Customer Performance Dimension Report, to be published this autumn. 



**IRUK 500 Brand Engagement Dimension**

In partnership with our Dimension Sponsor



The Top100 retailers of the IRUK 500 2016 Brand Engagement Dimension, as measured across dozens of metrics for brand visibility, availability and interaction with consumers

Share your thoughts on #IRUK500 with @etail

## Brand Engagement Top50

Accessorize	eBay	John Lewis	Screwfix
Adidas	Ernest Jones	Joules	Selfridges
Amazon	Evans Cycles	Matalan	SportsDirect.com
Argos	Game	Missguided	Superdrug
ASOS	George at Asda	Monsoon	Tesco
B&Q	H Samuel	Moonpig	TK Maxx
The Body Shop	H&M	Mothercare	Topman
Boots	Halfords	Next	Topshop
Carphone	Harrods	Nike	Toys R Us
Warehouse	Holland & Barrett	NotOnThe	Very
Cotswold Outdoor	Homebase	HighStreet.com	Victoria's Secret
Currys	House of Fraser	Office	Waitrose
Debenhams	IKEA	The Perfume Shop	Wilko.com
Dorothy Perkins	Interflora	Sainsbury's	
Dr Martens	JD Sports	Schuh	

## Brand Engagement Top100

American Golf	Dreams	Jessops	Net-A-Porter
Art.co.uk	Dune London	L'Occitane	New Look
Bathstore	Dunelm	La Redoute	Pets at Home
Beaverbrooks	Foot Locker	Lands' End	Prezzybox
Blacks Outdoor	Footasylum	Laura Ashley	QVC
Boohoo.com	The Fragrance Shop	Lipsy	Route One
Boux Avenue	Free People	MAC Cosmetics	Simply Be
Burton	Gear4music.com	Mamas & Papas	Smyths Toys
Cath Kidston	Go Outdoors	MandM Direct	Space NK
Chain Reaction Cycles	Goldsmiths	Maplin Electronics	Urban Outfitters
Claire's	Google Play	Marks & Spencer	Whittard of Chelsea
Decathlon	Gucci	Mountain Warehouse	WHSmith
Disney Store	Hobbycraft	Mr Porter	Wiggle
DKNY	Jack Wills	Myprotein	Yours Clothing



The full rundown of the IRUK 500, 2016, as measured across six Dimensions: Strategy and Innovation, The Customer, Operations and Logistics, Merchandising, Brand Engagement, and Mobile and Cross-channel.

Share your thoughts on #IRUK500 with @etail

## Elite



John Lewis



mothercare

## Leading

Asos  
B&Q  
BHS  
Clarks  
Currys

Debenhams  
eBay  
Halfords  
Homebase  
Marks & Spencer

Matalan  
New Look  
Next  
Office  
Sainsbury's

Superdrug  
Tesco  
Topshop  
Waitrose  
Wilko.com

## Top50

Apple Store  
Asda  
Blacks Outdoor  
Carphone Warehouse  
Dorothy Perkins  
Evans

F&F  
H.Samuel  
Hobbs  
Holland & Barrett  
Maplin Electronics  
Miss Selfridge

Monsoon  
PC World  
Pets at Home  
River Island  
Schuh  
SportsDirect.com

Superdry  
TK Maxx  
Topman  
Wallis  
WHSmith

## Top100

Bathstore  
Boden  
The Body Shop  
Boohoo.com  
Burton  
Claire's  
Cotswold Outdoor  
Disney Store  
Dune London  
Dunelm  
Evans Cycles  
Fat Face  
Footasylum

French Connection  
Game  
Go Outdoors  
H&M  
IKEA  
Interflora  
Jack Wills  
JD Sports  
Jigsaw  
Joules  
Lakeland  
Laura Ashley  
Littlewoods

L'Occitane  
M&Co  
Majestic  
Morrisons  
Moss Bros.  
Mr Porter  
Net-A-Porter  
NotOnTheHighStreet.com  
Ocado  
Peacocks  
The Perfume Shop  
Post Office Shop  
Selfridges

Space NK  
Thorntons  
Topps Tiles  
Toys R Us  
Very  
Waterstones  
White Stuff  
Wickes  
The Works  
Yours Clothing  
Zara

## Top150

Accessorize  
American Golf  
Ann Summers  
Austin Reed  
Beaverbrooks  
Blue Inc  
Bonmarché  
CarpetRight  
Cath Kidston  
Crew Clothing Company  
Dabs.com  
Decathlon  
DFS

Early Learning Centre  
Ebayer.com  
Ernest Jones  
Euro Car Parts  
The Fragrance Shop  
Gear4music.com  
George at Asda  
Getthelabel.com  
Goldsmiths  
Harrods  
Hobbycraft  
Kaleidoscope  
Karen Millen

Lloyds Pharmacy  
Mamas & Papas  
MandM Direct  
Missguided  
Nike  
Oasis  
Pandora  
Quiz  
Reiss  
Richer Sounds  
Ryman  
Samsung  
Shoe Zone

Smymths Toys  
Staples  
Surfdome  
Ted Baker  
TM Lewin  
Trainline  
USC  
Warehouse  
Watch Shop  
Wiggle  
Zalando

## Top250

Adidas  
AllSaints  
ao.com  
BonPrix  
The Book People  
Boux Avenue  
Brantano  
Burberry  
Cass Art  
CC Fashion  
Chain Reaction Cycles  
Charles Tyrwhitt  
Cloggs  
Coast  
Costco  
Cotton Traders  
Direct Golf  
Dr. Martens  
EAST  
The Edinburgh Woollen Mill  
Ellis Brigham Mountain Sports  
The Entertainer  
Esprit  
Estée Lauder  
F.Hinds  
Fashion World

Feelunique.com  
Foot Locker  
Forbidden Planet  
Forever 21  
Fragrance Direct  
Freemans.com  
Furniture Village  
Games Workshop  
GAP  
GettingPersonal.co.uk  
Google Play  
Gucci  
Harvey Nichols  
Hawes & Curtis  
Hollister  
Hotel Chocolat.  
Hotter  
HP  
Hugo Boss  
Jacamo  
Jacques Vert  
Jaeger  
JD Williams  
Jessops  
Joe Browns  
JoJo Maman Bébé

Jones Bootmaker  
Just Eat  
Kitbag.com  
Kurt Geiger  
L.K.Bennett  
Liberty  
Lipsy  
Long Tall Sally  
Lovehoney  
Lush  
Machine Mart  
Mango  
Menkind  
Millets  
Mobile Fun  
Moonpig  
Mountain Warehouse  
Myprotein  
Novatech  
The Outnet  
Overclockers UK  
Paul Smith  
Photobox  
Pret A Manger  
PrettyLittleThing  
Pull & Bear

QVC  
Radley  
The Range  
Route One  
ScS  
Simply Be  
size?  
Snow+Rock  
Sorry  
Specsavers  
SportsShoes.com  
Swarovski  
Sweaty Betty  
Thomas Pink  
Toolstation  
Uniqlo  
Urban Outfitters  
Viking  
Vision Express  
Wex Photographic  
The White Company  
Whittard of Chelsea

## Top350

Abercrombie & Fitch  
Agent Provocateur  
American Apparel  
Andertons Music  
Anthropologie  
Appliances Direct  
Arco  
Art.co.uk  
Axminster  
Banana Republic  
Berry Bros. & Rudd  
Blackwell's  
Bondara  
Book Depository  
Bravissimo  
Buyagift  
ChemistDirect.co.uk

Countrywide  
Create and Craft  
CycleSurgery  
Deichmann  
DKNY  
Dreams  
Dulux Decorator Centres  
EAT.  
eSpares  
Euroffice  
Euronics  
Expansys  
Farfetch  
Figleaves.com  
Find Me A Gift  
Firebox  
Fitness Superstore

Flannels  
Fortnum & Mason  
Free People  
funkypigeon.com  
Gemporia  
Grattan  
Graze  
Guitarguitar  
Habitat  
Harveys  
Heal's  
Home Bargains  
Home Essentials  
The Hut  
Iceland  
Ideal World  
IWOOT

Kiddicare  
La Redoute  
Laithwaite's  
Laptops Direct  
Lego  
LightInTheBox  
Lyle & Scott  
MAC Cosmetics  
Marisota  
Massimo Dutti  
MatchesFashion.com  
MinilnTheBox.com  
Mint Velvet  
Misco  
Molton Brown  
Mulberry  
Multiyork Furniture

Nisbets  
Oki-Ni  
Oliver Bonas  
The Original Factory Shop  
Paperchase  
PartyDelights  
Pavers  
Phase Eight  
Printing.com  
Ralph Lauren  
Robert Dyas  
Rohan  
Russell & Bromley  
See Tickets  
Slaters  
Sunglass Hut  
Thompson & Morgan

Tiffany & Co.  
Trespass  
Ugg Australia  
Urban Industry  
Paperchase  
PartyDelights  
Pavers  
Phase Eight  
Printing.com  
Ralph Lauren  
Robert Dyas  
Rohan  
Russell & Bromley  
See Tickets  
Slaters  
Sunglass Hut  
Thompson & Morgan

## Top500

Abel & Cole  
Ace  
Achica  
Aldo  
Alexandra  
All Posters  
Approved Food  
Aria Technology  
Asics  
ATS Euromaster  
Avon  
Baker Ross  
Barbour  
bareMinerals  
BBC Shop  
Bensons for Beds  
Bershka  
Bose  
BrandAlley  
Brandon Hire  
The Brilliant Gift Shop  
Build-A-Bear Workshop  
Bulk Powders  
Buymobiles.net  
CafePress

Calendar Club UK  
Calvin Klein  
Camper  
Card Factory  
Cargo Home Maker  
CCL Computers  
Charles Clinkard  
Chums  
Clintons  
Coggles  
The Co-operative Electrical  
COS  
Crabtree & Evelyn  
Cromwell  
Damart  
Dell  
Demon Tweaks  
DHgate.com  
Diesel  
Dobbies Garden Centres  
Dolphin Music  
DealExtreme  
Dyson  
END.  
Everything5pounds.com

Farrow & Ball  
Fired Earth  
FitFlop  
Fraser Hart  
Fred Perry  
GAK  
Gant  
Glasses Direct  
GNC  
Hackett  
Hallmark  
Hamleys  
HelloFresh  
High & Mighty  
HMV  
Hornby  
Hughes Electrical  
itsu  
Jewson  
Jimmy Choo  
JML  
John Smith's  
Joy  
Juno Records  
JustFab

Kieh's  
Lacoste  
Lacoste  
Lands' End  
LED Hut  
Lenovo  
Links of London  
Logitech  
LookFantastic.com  
Louis Vuitton  
Made.com  
Mainline Menswear  
MedicAnimal  
Microsoft  
Mobile Phones Direct  
Mobiles.co.uk  
Monica Vinader  
Naked Wines  
Nespresso  
The North Face  
Oakley  
Orvis  
Pet-Supermarket  
Philips  
PIXmania.com  
Plumbase

Plumbworld  
Prada  
Premier Man  
Pretty Green  
Prezzybox  
Printerland.co.uk  
Pro-Direct  
Puma  
Rakuten  
Rapid Electronics  
Reebok  
Roman Originals  
Rowlands Pharmacy  
RS Components  
Scholastic  
SecretSales  
Select  
Skechers  
Smythson  
Sonos  
SportPursuit  
Spreadshirt  
Superfi  
Suttons Seeds

Sweatshop  
Tate Shop  
Thomann  
Thomas Sabo  
Timberland  
Timpon  
Toast  
Tommy Hilfinger  
Tripp  
Trueshopping.co.uk  
TTS Group  
Vans  
Vax  
Vente-Privee  
Warren James  
The Watch Hut  
Wayfair  
Weldricks Pharmacy  
WorldStores  
Wynsors World of Shoes  
Yeomans Outdoor Leisure  
Zavvi  
Zazzle  
& Other Stories  
7dayshop

# Amazon: Prime mover



Amazon's Prime service is a key part of its offering

AMAZON HAS BECOME the yardstick by which other ecommerce and multichannel retailers measure themselves. It has largely delivered on its mission of becoming the “most customer-centric company on Earth” and enjoys a clear lead in the UK market.

The Amazon Prime subscription initiative is key to brand engagement. It's hard for outsiders to say how many members have signed up to the service, but what is certain is that this club is getting bigger all the time as perks get more attractive. For their £79 annual subscription, members currently enjoy free delivery, access to the Amazon Pantry grocery delivery service and to a vast library of film, television, ebook and music downloads, including a number of exclusive and hit TV series.

Prime members get exclusive access to deals – both at peak times such as Black Friday and in Amazon's own Prime Day, held for the first time last year – and they can store videos and photos in Amazon's cloud.

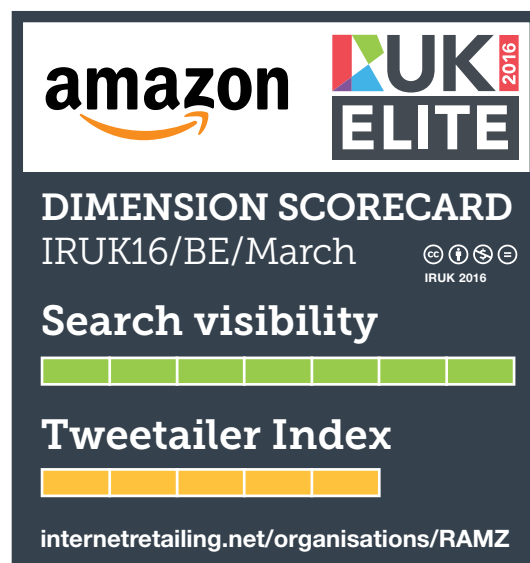
It's an approach that's working. According to Amazon's full-year trading update, published in January 2016, Prime membership numbers grew by 51% in 2015. The rate of expansion stood at 47% in the US, and was higher still in other markets. InternetRetailing analysis of Amazon's social media reach gives an alternative insight: Amazon had 5.5m Facebook Likes at the time

of analysis – five times higher than the average for the Top500 – and 40% more monthly posts than the Top500 average.

Amazon has made it as easy as possible for customers to move from thinking about a purchase to making it. Customers engage via the Amazon Wishlist app to scan the barcode of an item to find and then buy the item from Amazon. Alternatively, they can click to buy direct from a tweet. Buying is made easy – and delivery is as fast as possible.

The result is an ease of shopping that goes beyond engagement with the brand, into simply being the easiest and most convenient way to ‘get’ an item. Complex operations lie behind this surface simplicity. A network of logistics hubs enables same-day delivery and collection, while a vast range of inventory, held both in Amazon's cavernous warehouses and by sellers on its Marketplace, gives it a strong search reach, measured by InternetRetailing Knowledge Partner OneHydra at 40.6%.

Google's executive chairman Eric Schmidt is on record as naming Amazon as its main competition. “People don't think of Amazon as search,” he said, back in 2014, “but if you are looking for something to buy, you are more often than not looking for it on Amazon.”



# Argos: broad range and strong engagement

ARGOS HAS BUILT its retail offer around making things easy and convenient for shoppers. Whether customers visit online or go to a store, they are highly likely to find the items they want, and to be able to get hold of them, via delivery or collection, as quickly as on the same day.

Because the £4.1bn-turnover Argos has a vast range – in the year to 28 February 2015 it added about 11,000 lines, extending its offer to 60,000 general merchandise products – it is visible across a wide variety of categories in search. InternetRetailing Knowledge Partner OneHydra found the retailer had a search reach of 52%.

Because of this strong performance, shoppers are more likely to find an offering from Argos than from other retailers when searching for a specific product. Thanks to an innovative hub-and-spoke logistics model, customers can choose from about 20,000 products for same-day delivery to a local store or to the home, whether ordered via a mobile device on the move, or from a desktop computer at home or work. Today, there are also more potential collection points through the opening of smaller-format digital stores in locations such as the London Underground and branches of Sainsbury's.

The retailer has in recent years looked to broaden its reach to connect with better-off customers by offering more aspirational products. In its 2015 full-year results statement, it stated that it had set out to appeal to a broader demographic through marketing and advertising, including a Get Set, Go Argos campaign. Post-campaign research found that more shoppers said they were likely to buy from Argos as compared to the previous two years.

“Customers’ attitudes towards products, breadth of range and quality have all improved,” the retailer said in the statement. Argos also brought eBay customers into its stores, and 5m eBay parcels have been picked up from stores since the launch of a click-and-collect in 2013.

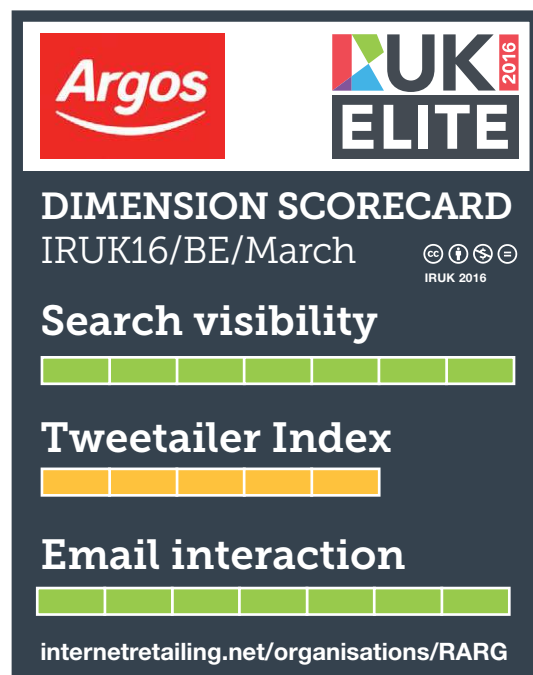
InternetRetailing research shows Argos moves smoothly from early contact into regular engagement, which enables it to develop strong ongoing relationships with those who have already bought. Analysis shows that Argos



Argos has a huge number of collection points

customers are highly likely to open its emails – the retailer scored 35% for email reads, the highest proportion of any trader studied – while 3.8% were deleted without reading, again better than any other in the study. That's perhaps helped by a relatively low number of emails sent – a little more than 10,600 in the month analysed – compared to other retailers.

InternetRetailing research found Argos had a high level of brand engagement in social media too, with around 1m Facebook Likes, and more than 7,300 people talking about the brand on its page at the time of analysis.





# John Lewis: getting to know you

JOHN LEWIS IS following its customers as they use social media to engage with retailers. In its 2015 retail report, *How We Shop, Live And Look*, the department store said the previous 12 months had seen a tipping point in womenswear. While customers' style choices had previously been inspired by the catwalks, and by what celebrities, models and actors were wearing, last year saw the growing influence of images shared via Instagram, Facebook and Pinterest.

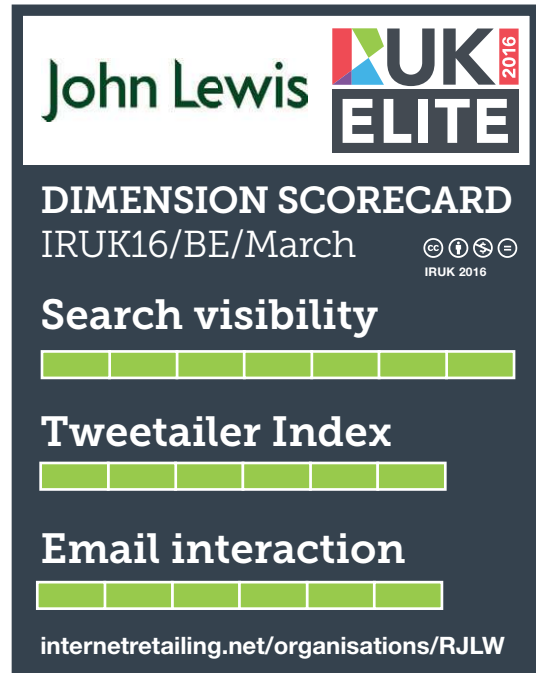
"The plethora of social media inspiration meant customers acted as their own stylists, making confident choices about the looks that worked best for them," said the report. "We saw our mobile womenswear sales increase by 86% on last year, evidence of a more impulsive 'want it now' approach fuelled by the instantaneous nature of social media."

In the report, John Lewis managing director Andy Street said social media was key to how the retailer now served customers. "We're helping facilitate our customers' ability to shop anytime, and anywhere and to make their user journey the most flexible it has ever been," he noted. "Shopping today is less about 'I need it now' and more about 'I need it flexibly, when I want'."

InternetRetailing research, which found that 12,011 shoppers engaged with John Lewis via its Facebook page, supports the validity of this approach. That's 93% ahead of the average among Top500 retailers. InternetRetailing



John Lewis is skilled in its use of social media



analysis found John Lewis has an average of 360 Likes-per-post on Facebook – 74.3% more than the average for Top500 retailers. It also scored 140% higher value for customer check-in on its Facebook page than the average.

Facebook is John Lewis' most established and well-used social channel, with a following that leaves its Twitter, Instagram and Pinterest accounts far behind, though these latter accounts are growing more quickly, according to the John Lewis 2015 retail report.

The skill involved in John Lewis' use of social media to engage with customers was exemplified when the retailer launched its annual Christmas ad in November 2015. A teaser campaign had already been running for a week before the *Man on the Moon* ad went live on the John Lewis website and on YouTube on 6 November 2015, with social sharing links to Twitter, Facebook and Instagram. In the first hour that the ad was live, it was mentioned 16,396 times under the #onthemoon and #manonthemoon hashtags, according to analysis from PR agency Hotwire. During the first 24 hours, it was mentioned more than 96,000 times.



# Next: up to a new level

NEXT IS HIGHLY visible in the UK market, where it is easily found through search, and it is active on social media. Now it is working to extend its brand reach both at home and abroad.

The clothing and homeware retailer scores highly in the Brand Engagement Dimension, where it ranks fourth for its visibility in search and for its active social media engagement. Search reach is 48.5% for keywords related to Next products, demonstrating its prominence in a competitive and difficult-to-reach market. Next's customers choose to engage with it through social media. Its 1.5m Facebook page Likes, at the time of measurement, are 53.7% higher than the average for Top500 retailers.

Activity on the page is high, with customers commenting on Next's product posts and recommending them to their own friends, as well as asking practical questions about delivery and returns. The retailer responds in a timely manner to questions, while also running competitions and offering discounts to encourage trade.

Next gives its customers plenty of choice about how they get in touch: four more channels than the average for the Top500, including an Instagram account dedicated to menswear. On Twitter, Next has both an 'official' channel,

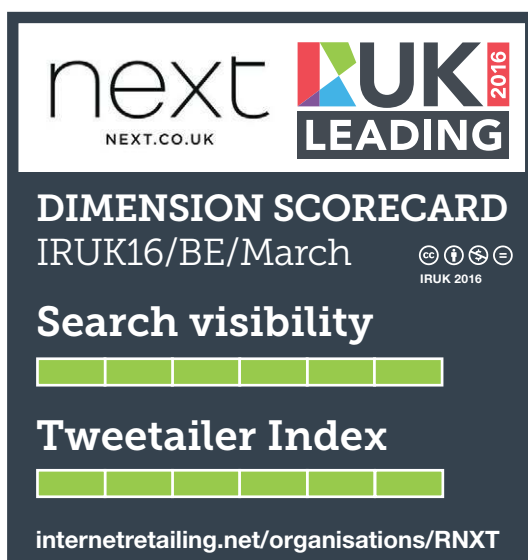


As well as international markets, Next is looking to its Label website and catalogues to drive growth

where it gives customers the lowdown on fashion, home and children's products, and a 'help' channel where it addresses complaints and questions; while the Next blog offers practical advice on areas from storage to what to wear to an interview. The blog is regularly updated and covers areas ranging from men's, women's and children's clothing to lifestyle.

In the half-year to July 2015, Next chief executive Simon Wolfson said that the growing maturity of its predominantly online Next Directory sales channel meant the company was looking for further growth from two new areas. Through its Label website and catalogues, Next sells premium brands that do not compete with its own ranges but add an extra dimension to what it offers. It expected to add 31 new brands in its latest financial year, to January 2016, and forecast that sales would grow by 20% a year.

It is also looking to new international markets, taking next-day delivery to customers in Ireland, Moscow and Germany, while also moving into the Chinese market through a third-party partner.



# Debenhams: the functional and emotional engagement journey

BRAND ENGAGEMENT IS key to Debenhams' mission of expanding ecommerce to 30% of all sales, from 14% in 2015. Some 40% of those internet sales were via mobile, with conversion through these devices up by 10% in 2015. The emphasis is on attracting shoppers across channels – and that starts with defining its key customers, and building a strategic plan to target and engage with them in the future.

“As a brand, we need to inspire both loyal and lapsed customers to consider the brand and product offer whether they choose to shop on or offline,” says Debenhams online trading director Fiona Lay. “Engaging customers online is both a functional and an emotional journey. Firstly, the browse and shop of the site needs to be smooth and intuitive – it is much easier to abandon a basket online than in a till queue.

“Secondly, the journey has got to play to the emotions of shopping, which for many is a pleasurable experience. Inspiring photography, informative blog content, attractive product, and customer reviews and recognisable brand ambassadors are all ways that we engage [with] the customer.”

“The customer journey has got to play to the emotions of shopping”



Fiona Lay, Debenhams

InternetRetailing analysis shows that Debenhams performs strongly in search, the first contact of the customer relationship. Findings from InternetRetailing Knowledge Partner OneHydra show that in searches for keywords related to Debenhams, the department store has a 50% likelihood of being seen in the results. In natural search, Debenhams is taking a tactical approach to system improvements and long-tail keywords. “We want to rank better for ‘black lace

dress’ rather than ‘dresses’ as these customers are more likely to convert,” says Lay.

Debenhams this year brought paid search in-house, enabling it to change advertising copy quickly to reflect current promotions. “Brands that promote a discount on Google get the highest clicks,” says Lay. “Online customers are much more educated in how they search and know how to navigate through the choice.”

The retailer is working to add in real-time information, such as store opening hours, items stocked and local content, to boost its Google rankings. In addition, it is retargeting people who abandon baskets via Google retargeting lists for search ads (RSLA), investing in mobile product listing ads, and spending more on mobile search at peak trading periods.

Just as it is easy for customers to find Debenhams in the first place, so it is also easier for them to stay in touch. InternetRetailing analysis found customers could engage with Debenhams through eight channels – above the Top500 average of six channels. Those channels are Facebook, Twitter, Instagram, Google+, YouTube, Pinterest, phone and email. On social media, Debenhams has active Facebook engagement, with 3% more posts than the average for Top500 retailers.

This is an area, says Lay, where Debenhams has invested significantly less than competitors. Rather than joining the race for followers, it has focused on growing its channels organically. Through Debenhams Official and Debenhams Beauty interfaces, it serves customers with both general and specialist content. “Both,” says Lay, “aim to prompt conversations and engagement whilst delivering inspiration around our product offer in a Debenhams tone of voice.” The results are striking. At Christmas 2015, for example, a #foundit selfie competition delivered 130.7m impressions, 296% up on the same time last year, with 1,200 selfies submitted. A #DebsFirstPhoto competition, using user-generated content, delivered 549 entries in five days with no investment. Over the autumn and Christmas




**Debenhams is looking at mobile push notifications to target potential customers who are close to its stores**

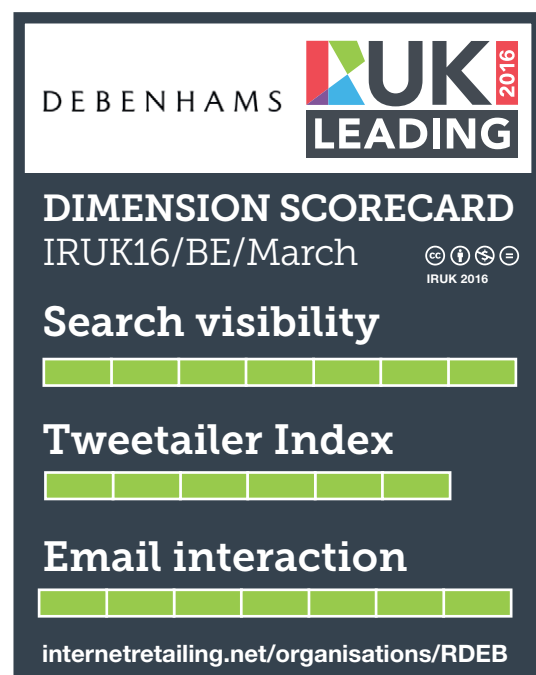
periods, average engagement rates on Facebook rose as high as 17%, from a normal 2%. Higher engagement still comes through Instagram, with an average rate of 34%, while on Twitter it's 7%.

Analysis from InternetRetailing Knowledge Partner Return Path showed that Debenhams' emails are read by more than a third (35%) of recipients – for context, the top retailer in this area was Waitrose with 38.8% of emails read. Content for emails is personalised using the single customer view – and its Christmas 2015 email campaign drove a 25% increase in visits, compared to the previous year.

Debenhams aims to produce more email newsletters in the future. “This improves mobile traffic in the morning when travelling to work,” says Lay. “We understand that the mobile journey needs to be functional and less content-driven as customers have a shorter span of attention.”

In the future, the department store will start to focus on customers with mobile phones when they are near, or in, the store. Mobile push notifications, for example, to customers when they are near store are designed to grow footfall and the use of apps. Location extensions on Google will tell customers how far they are from a store when they search for Debenhams from a smartphone. Eventually in-store wi-fi will enable the retailer to track customers as they move from

floor to floor. This will mesh with a coherent single view of the customer journey that is set to improve understanding of shopping habits and of attribution modelling, while also driving shoppers towards available stock. All this will be key too in international sales. Debenhams currently sells in 60 markets and aspires to make a third of its turnover from international sales. 





# 12 approaches that work

Building brand engagement takes more than just well-targeted advertising or personalised promotions. Techniques that build trust are key, advises **Penelope Ody**

## 1 Don't overdo the email

Being bombarded with irrelevant emails leads to brand disengagement. As we found for this year's IRUK 500 research, the best performer here was Waitrose, with 39% of the relatively few emails it sent being read. To give an idea of how impressive this is, just 27% of emails sent by leading retailers are opened, with some, even in this top group having an average of just 20%. This suggests that typically up to eight out of every 10 emails sent by retailers are either ignored or deleted without being read.

It is widely recognised that to have any value, email messages need to be personalised and relevant, but a survey of retail marketers in the US earlier this year by Yesmail suggests that, while around two thirds of companies attempted to personalise the subject line of messages, only a third do so with the body copy. Too many irrelevant messages and the recipient is likely to unsubscribe – permanently.

## 2 Reward loyalty with more than points

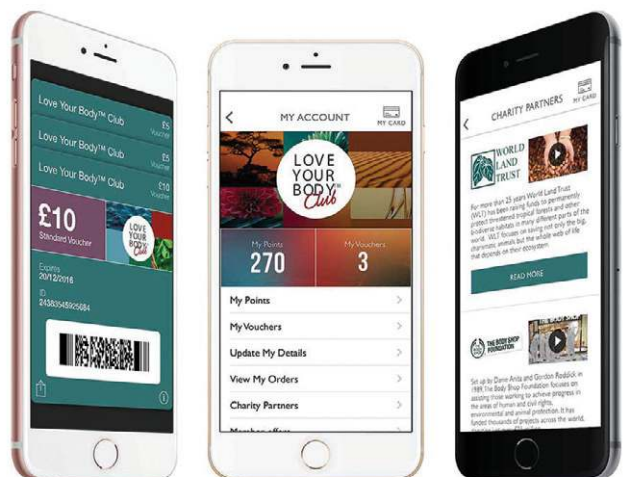
Loyalty cards have been filling our wallets for decades with varying degrees of success. Offering points for prizes is just a start: loyalty schemes need to deliver benefits that shoppers really want. Matalan added a mobile app to its reward scheme in 2014 allowing shoppers to use smartphones in-store instead of the card. Rewards include a 'birthday' discount voucher, competitions and special offers.

Holland & Barrett has Rewards for Life, also available as both card and app, with a range of promotions and competitions for cardholders via its in-house and online magazine, *Healthy*. John Lewis offers myJohnLewis members an online 'kitchen drawer' for receipts and guarantees, as well as free hot drinks with cake and invitations to shopping events. At myWaitrose, cardholders can choose 10 items for a 20% discount – a tactic that has, according to the company's 2015 interim report, seen an "18% increase in the number of active myWaitrose card holders".

The Body Shop is one of the latest to add its loyalty scheme, the Love Your Body Club, to its mobile app. Instead of a card number, all members need to quote, either in-store or online, is their email address, and rewards include invitations to club events and "sneak peak previews" of new ranges.

**Adam Plummer, director of digital and ecommerce at The Body Shop, says making the Love Your Body Club loyalty programme available via its app is the first step in using mobile as a "go-to hub"**

PIC CREDIT: The Body Shop



Post Title	Author	Replies	Views	Posted
Lamp post removal	madhatterTuk	4	59	Today at 3:59 PM
spans for shed foundation	FatHands	2	71	Saturday at 2:28 PM
That time of year again. . .	sparky Si-Fi	54	777	Yesterday at 5:09 PM

Screwfix's Community Forum is aimed at tradespeople, and provides a space for sharing experiences, and to offer and seek advice

### 3 Add search by shopping mission not just product

Using the right keywords and links to make it onto Google's first page is a basic priority for any retailer. However, matching specific search options on a retailer's ecommerce site to a customer's shopping mission can be just as important. Finding the perfect gift is made easier at notonthehighstreet.com by a highly detailed gift-buying guide, allowing shoppers to search by occasion, category, recipient or personality – and to do this in more than 70 different classifications, including gifts for parents, music-lovers, foodies, christenings or bridesmaids.

It's hardly surprising then that notonthehighstreet has become such a popular gifting destination. "Since we founded the site we have striven to give our customers the very best range of original and exceptional products," says co-founder Sophie Cornish. Other sites offer gift search in various formats but they are generally product-based with far fewer options – although Halfords' is one that also takes a quirky approach with gifts for "petrol heads" or "gadget lovers".

### 4 Build a community

It isn't only social interest groups that like to exchange ideas on chat forums or discussion panels, customers may wish to do this too. "Our gaming communities lie at the heart of our business," noted chief executive Martyn Gibbs of Game in 2014. "Helping our customers to discover gaming content, and shop with us wherever and whenever they want, is a key driver of loyalty." Game has more than 17m members for its loyalty schemes in the UK and Spain, and encourages community engagement with early-access events, launch parties and midnight openings. It also runs a community panel service with its reward cardholders in the UK. This provides research and insights across a range of topics that Game then uses with suppliers to help develop the sort of games its customers want.

Screwfix offers a very different type of participation with its Community Forum started back in 2003, long before the popularity of social networking. The aim was to unite tradespeople, and to provide them with an online space to pose and answer questions, seek advice and share experiences. Today, there are 111,000 registered users with more than 1.3m posts. Responses are quick, practical and lively with sub-forums grouped by trade, and it's a much-appreciated way for tradesmen, often working alone, to keep in touch with their peers. The Community page is also home to reminders to click through for the latest deals, order a catalogue or check out Facebook or Google+ posts.

## 5 Focus on the individual

For today's digital generation – used to mobile apps, geolocation services and Amazon's personalised recommendations – one-to-one marketing is not just 'nice to have', it is essential. Anything that can bring multichannel retailers closer to this ideal world has to be on the agenda. With 350 new lines added each week, Topshop regulars are spoilt for choice, so simplifying the selection for each individual is key. Topshop does this with an initial quiz, which identifies a customer's preferred styles, fashion dislikes and personal shape. Once registered, consumers can view a regular stream of suggested outfits delivered via the My Topshop Wardrobe.

At Holland & Barrett, the latest step in this direction is its 'free from' food range, allowing shoppers to personalise the selection on offer by filtering for some 37 potential allergens. CEO Peter Aldis describes this "significant development" as part of the company's "relentless focus on new technologies... to benefit the shopping experience of both new users and loyal customers".



Online marketplace [notonthehighstreet.com](http://notonthehighstreet.com) helps consumers source one-off or unusual items, and clever use of imagery is intrinsic to its brand

PIC CREDIT: [notonthehighstreet.com](http://notonthehighstreet.com)

## 6 Put shoppers in the picture

The digital world is all about sharing information and, when it comes to images, that's exactly what many online shoppers want to do. The online marketplace [notonthehighstreet.com](http://notonthehighstreet.com) encourages its customers to post photographs of their purchases, in use in their homes, on its site. Images can be uploaded directly or via social media and are then given a click through link to the relevant product page, encouraging potential customers to 'shop the look'.

At Topshop, styling tips are illustrated not only with glitzy fashion shots, but by images of shoppers wearing their latest purchases uploaded via the #topshopstyle Instagram link. Joules has a similar link to its Instagram site where shoppers can upload images for Likes and comments. Every day, hundreds of shoppers upload images of themselves to #AsSeenOnMe at Asos.



## 7 Offer a service

Providing something that is essential to customers so that they keep coming back can be a winning formula. That's easy for those with unique products or distinctive style, less so when competitors with the same assortment are only a click away. Interflora has myReminders, a free service that allows customers to register vital dates – birthdays and special occasions – and receive an appropriate text message or email reminding them and suggesting suitable gifts.

Currys has Knowhow, a range of after-sales services to install, set up or repair products. Prices range from £20 to demo and set up a new camera, to £70 for access 24/7 to a support helpline to sort out technology problems. Ikea's services range from assembling flatpack furniture to planning a kitchen. As at Currys, these services come with a price tag. Such services are not for everyone, but for some shoppers a one-to-one session on using a new iPad or someone else to assemble that flatpack would be considered money well spent – and a service that reinforces brand trust.



Currys' Knowhow service offers customers support to help sort out problems with products

PIC CREDIT: Currys

## 8 Keep shoppers interested

Providing the vital information that shoppers need can put a site top of the favourites list. For some retailers, that means a magazine format or weekly updated style notes. For others, it is recipes or DIY tips. Harrods allows shoppers to read its glossy print magazine online; several retailers – including Debenhams, and jewellers H Samuel and Ernest Jones – offer assorted buying guides on anything from bed linen to gemstones. B&Q provides numerous project plans, how-to videos, and home improvement ideas.

Many fashion sites – including H&M, Joules and Topshop – have regularly updated styling tips and videos mixed with celebrity interviews or fashion news, while Dr Martens prefers a regular blog. The availability of these information sources is not always readily apparent. Some highlight the topics in pull-down menus while others hide the list away at the bottom of the home page or on a customer service menu – which is probably not the ideal place to engage customers.

## 9 Make channel hopping easy

With customers now regularly shopping across multiple channels, delivering a fully integrated, seamless experience is vital. There are few things more likely to create brand disengagement than to find store staff totally unaware of click-and-collect orders or website promotions. Today, store staff need the same digital capabilities as customers, and Boots does this with its tablet-based SalesAssistant app, which allows store staff to search the website with a customer and order any item not stocked in that branch for next-day delivery.

“Increasingly our customers are armed with the very best of technology,” Robin Phillips, multichannel director at Boots UK, has said, “and we need to enable our colleagues in-store to greet them on similar terms, with similar capabilities. What we’re trying to do through initiatives like this app is make the whole of the Boots range – and the widest expression of it is on the website – available at every store, no matter how small that store is. It’s about making big corporate Boots feel more like myBoots.”

## 10 Think lifestyle

While many mobile apps concentrate on retail issues – giving store locations or product information – Nike prefers to focus on its mission to “bring inspiration and innovation to every athlete in the world”. Its Nike+Training Club app delivers more than 100 workouts and training routines matched to personal capabilities, a digital ‘personal trainer’ to push users to improve, and networking functionality to allow them to swap performance data with friends.

There is also a Nike running app, which tracks route, distance, pace and time for every run, providing a performance record which can also be shared between friends. It’s a good example of customer-centricity that also helps brand image.

## 11 Think marketplace

Offering lines from competing retailers may run counter to marketing instincts, but adding a marketplace to a site for third-party offers, or for customers to sell used items directly, can increase site visits, stickiness and popularity. Amazon launched its marketplace in 2000 and its third-party sellers now account for 44% of all Amazon sales worldwide.

Where Amazon led, others soon followed: notonthehighstreet.com launched in 2006 while Asos added its marketplace in 2010. Asos now has 900 ‘boutiques’, most paying £20 ‘rent’ a month, to show garments on the site. Newcomers are encouraged via #beyourownboss to start selling their own designs or vintage clothing collections with the first three months rent-free. Over at the Game marketplace, gamers and third-party suppliers can also sell new and pre-owned products direct to Game’s customers.

## 12 Turn customers into consultants

Turning customers into ‘brand evangelists’ is on many marketing agendas. At The Body Shop, the company does this by recruiting customers as consultants who will sell its products on a party plan system under its Body Shop at Home scheme, launched back in 1994. Today, there are more than 4,000 active consultants all earning 25-30% on product sales and organising more than 650 parties each week.

Typically each consultant will hold four ‘pamper parties’ each month earning up to £150 in commission every time. One, Mandy Philpott, who reputedly earns £110,000 a year selling Body Shop products, told the *Daily Mail* last year, “Anyone can do it, you just have to love the product and love talking to people.” 🌈

**The Asos marketplace enables the company to increase the range of products it offers**

PIC CREDIT: Asos



# Inspired choice

High-end Dutch department store de Bijenkorf has adapted an idea from Amazon as it seeks to build brand engagement and increase customer loyalty. **Jonathan Wright** reports

THE IDEA THAT Amazon poses a threat to businesses across different sectors is commonplace within retail. More than this, many retail professionals view Amazon with a kind of fatalism, leading to the idea it's simply too difficult to copy Amazon's techniques, that the American behemoth's size and reach make it somehow special.

Yet without underestimating the difficulties here, what happens when retailers borrow and adapt Amazon's methods? Could learning from the best be a fruitful approach? It's an idea that's been put to the test by Dutch luxury department store de Bijenkorf, which has introduced a Prime-like service where customers pay an annual fee to cover shipping and packing on ecommerce purchases, but then don't have to pay for individual orders.

The initiative, says Pieter Heij, de Bijenkorf's director of multichannel and IT, grew from asking a deceptively simple question at a time when the retailer was looking to counter increased competition within its core territories of Belgium and the Netherlands. "I thought, 'Well why is nobody mimicking Amazon?'" he says. "OK, you have to pay a bit [upfront] but then it's free."

The Shipping Plus service, which took just a month to build, was set up to be as straightforward as possible for customers to use. Customers create an account online and then pay an annual fee, currently set at €9.95. Recently, the retailer was able to do a before-and-after comparison, seeing whether those who signed up for the service were spending more over the course of a year. "We could see a huge uplift, especially in frequency," says Heij. "[Customers] just become more loyal, they buy more often. The orders are a bit smaller, but nothing compared to the increase in frequency."

"I thought, 'Well why is nobody mimicking Amazon?'"

Pieter Heij, de Bijenkorf



According to Heij, this uplift is across the board, across all kinds of different kinds of customers, and it's especially noticeable when it comes to purchases of what he calls "commodities", smaller items as opposed to, for example, high-value designer pieces.

"Once you remember, 'OK, a pair of socks or underpants, shirts,' [the service] suddenly becomes very easy," Heij says. "You're logged into our site, or soft-logged in, the shipping price is always on, so you see straight away it's for free. It makes it so easy to do replenishment on those types of commodities. That's where the uplift is, [where] we eat market share on those products from others."

## Next-day delivery

In terms of implementation, it's important the Shipping Plus service only covers a comparatively small geographical area, Belgium and the Netherlands. The retailer has been able to turn this into an advantage by not just slavishly imitating Amazon Prime's default delivery option of two-day shipping, but besting it at no extra cost to the consumer. ▶



The history of de Bijenkorf dates back to the founding of its first department store, in 1870

photo credit: de Bijenkorf www.debijenkorf.nl/evenementen





photo credit : de Bijenkorf www.debijenkorf.nl/evenementen

“We ship everything next day, so you can place your order late at night and you get it delivered on the next day,” says Heij. “One of the things that made this very popular is we also included things like evening delivery and Sunday delivery for free in this programme, so in that sense it’s seven days a week next-day delivery – including Sundays, evenings, timeslots, everything is included. I think that’s the strength of the programme, that customers get the best possible shipping proposition for free.”

If de Bijenkorf has been so successful, it begs the question: why don’t other retailers copy the initiative? One reason, says Heij, who has discussed the idea with colleagues at other companies, is historical. More specifically, many retailers have introduced free shipping on higher-value orders. Cancel this in favour of charging a flat fee and there’s a risk some customers may think they’ve lost out; have two programmes co-existing and there’s a risk marketing messages will become confused. “[Retailers] will just stick to that [original] proposition because typically they have seen an uplift from that free shipping above a threshold,” says Heij.

Companies also worry about a decrease in the size of orders. “I think they’re a bit scared of what the average transaction value [ATV] will do,” says Heij. “We’ve seen the ATV for those customers that were enrolled drop a bit, around 15%, but not a lot. Somehow, retailers are scared of only getting in orders for a pair of socks and

then another order for another pair of socks. That actually doesn’t happen as we see it.”

Nevertheless, the costs are still a consideration. The profit-and-loss impact would be considerable if the retailer offered genuinely free shipping without such a programme. “This proposition has limited impact on our shipping costs while still giving a big boost to sales,” says Heij.

More positively, any profitable initiative that gets customers coming back to buy again and to use a retailer as their default point of purchase is clearly succeeding on several fronts. This in turn make you wonder why more retailers don’t take direct inspiration from Amazon and, a crucial point, adapt and even improve upon Amazon’s techniques as de Bijenkorf has done.

As Heij jokes, “My slogan is, ‘Copy the best and do it faster than the rest.’”

## About de Bijenkorf

The high-end department store de Bijenkorf (literally ‘the beehive’) was founded in 1870. With headquarters in Amsterdam, it has seven stores in major cities such as Amsterdam, The Hague and Rotterdam. The company has 4,000 employees and is part of Selfridges Group Limited. According to its website: “We do not comment on sales and profits.”

[www.debijenkorf.nl](http://www.debijenkorf.nl)

■ **Don't over-punctuate:** leaving aside the long-established convention that exclamation marks within emails signify shouting, analysis shows that 25.6% of emails without an exclamation mark are read as compared to 22.4% of emails that do.

■ **Don't include a financial amount in the subject line:** users open just 20.8% of emails that contain a figure. This rises to 25.2% for emails that don't contain a number.

■ **Pre-dawn and evening emails:** these are three to four times less likely to be marked as spam than emails sent during work hours, and emails sent pre-dawn and in the evening also enjoy the highest open rates, 28.1% and 30.8% respectively. Pre-dawn and morning emails are the most likely to be deleted without opening.

■ **Find the discount sweet spot:** emails offering discounts of more than 50% or less than 25% have the highest open rates at, respectively, 24.2% and 24.1%. Offer a discount of between 25% and 50%, and the open rate drops marginally to 22.1%. How to explain this? It may be that customers see big discounts as representing big bargains and smaller discounts as suggesting a keen price on a popular item. Emails that don't offer any discount have a slightly higher open rate – 25.2% as opposed to 23.4% for those that do.

Other findings from Return Path's research are less conclusive, but nonetheless intriguing for the way they challenge received wisdom about effective methods:

■ **CAPITALISATION** may not put shoppers off as some within the industry suppose: perhaps counter intuitively, users are less likely to read emails with low levels of capitalisation when compared to emails with high levels of capitalisation, with figures of 24.6% and 25.3% respectively. There is a happy medium here, in that 25.4% of recipients answer emails with medium levels of capitalisation.

■ **Short subject lines:** emails with short subject lines are more likely to be deleted without being opened, with 9.2% of users deleting such emails as opposed to a 7.4% figure for emails with a longer subject line. Against this, emails with short subject line lengths are also more likely to be opened, 26.2% against 20.6% for those with longer subject lines.

As many of these statistics suggest, refining email marketing techniques sometimes doesn't lead to huge uplifts in open rates or sales, but incremental increases are still important.

In addition, it shouldn't be assumed that only small improvements can be made. As we enter an era of personalisation, retailers will increasingly be able to target marketing messages based on the information held about customers – whether that be shared directly or even through social media and the trails we all leave online.

A recent study by personalisation specialists Barilliance suggests there's much work to be done here. It found that just 32% of IRUK Top100 retailers contact customers with product recommendations via email, and of these only 6% personalise product recommendations. To understand why retailers may be missing a trick here, the example of clothes retailers Lands' End is instructive. As long ago as 2013, the company achieved a 362% increase in its conversion rate because of an email personalisation programme. It seems distinctly possible other companies could also make big gains. 🌈



# Open for business

Which email marketing strategies work best? **Martin Shaw**, InternetRetailing's head of research, outlines the lessons to be learnt from IRUK 500 research

IN THE AGE of Facebook and Instagram, and when team collaboration platforms such as Slack that emphasise sharing and instant messaging are gaining traction within the business world, email is coming to seem archaic. As we were reminded recently when its inventor, Ray Tomlinson, died, the idea of sending personalised electronic messages from one network to another dates back to the internet's stone age, 1971.

Nevertheless, even as many of us grumble about email overload, it remains a powerful tool for retail marketers. Not only is email direct, in that messages are delivered to individual consumers, it's also a hugely useful tool for joining together different channels. Just as TV commercials haven't gone away in the age of more personalised advertisements delivered via the web, email is here to stay... at least for the foreseeable future.

It follows that it's important for retailers to use email both efficiently and imaginatively; and there's a vast literature around when it's best to contact customers, what kinds of messages work best, how many emails to send and so on. What's sometimes opaque when looking at this advice is the evidence on which it's based.

Accordingly, working in conjunction with Knowledge Partner Return Path, we looked in detail at the effectiveness of retailers' email marketing strategies as part of our research for the Brand Engagement Dimension of the IRUK 500 2016. We measured the proportion of emails from leading retailers that were read, deleted or marked as spam by either the ISP or the recipient.

Looking at the overall results, Argos emerged as the retailer that's found the most effective email marketing model. It sends a relatively small number of emails, but 34.8% of these emails are opened and only 8.5% of these opened emails are then deleted. In terms of emails reaching recipients, 3.8% of emails from Argos were deleted without being opened, while only 0.7% were marked as spam by ISPs and 0.03% by users.

What's impressive here is Argos's sheer consistency. While recipients open 35.4% of emails from Debenhams, for instance, 28.5% of these emails are then deleted. Turning to emails being deleted without being opened, the figure for Debenhams is 10.8%, although it did better in terms of emails marked as spam by ISPs (1.2%) and users (0.02%).

That's not to be critical of Debenhams by the way, the retailer performed impressively, but incremental improvements here make a big difference. Just how big a difference is a subject we intend to investigate further through the year as we refine our research. In the meantime, some indicators around best practice are already beginning to emerge from our collaboration with Return Path, as detailed over the page: ►

# The most extensive analysis on the **UK's Top500** Retailers



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Editors: Chloe Rigby  
and Jonathan Wright  
Editor-in-Chief: Ian Jindal

Design: Lydia Cooke

Publishing Director: Chris Cooke  
Group Account Director:  
Andy James  
andy.james@internetretailing.net  
Account Director: Marvin Roberts  
marvin@internetretailing.net  
Tel: 020 7933 8999

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Tel: 01635 879361  
Fax: 01635 868594  
internetretailing@circdata.com

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# Conclusion


FOR THIS IRUK Top 500 Performance Dimension Report, we have drawn on a year of new research to see how well retailers are performing as they seek to build customer loyalty and encourage brand engagement.

By and large, we have been heartened by what we have learnt. The evidence is that retailers are becoming increasingly sophisticated in the use of social media. That's hardly surprising, considering how much attention retailers have paid to this channel over the past couple of years. What is more noteworthy is how so many retailers have made social media a fully integrated part of a multichannel offering – raising the bar for competitors.

Similarly in search, many of the biggest retailers make the most of the in-built advantage that comes from size in itself, while smaller and nimble specialist retailers are adept at achieving impressive results in keywords that are especially relevant to, for instance, customers that have a specific hobby or interest.

Turning to longer established methods of reaching consumers – loyalty programmes and email marketing – the picture here is of retailers finding new ways to use these methods. Think, for example, of The Body Shop enabling its customers to access its Love Your Body Club via a mobile app.

This may seem like a small initiative, but look at things from another angle and this is part of a quiet revolution. Forward-looking retailers are combining tried-and-trusted methods of building brand engagement with methods rooted in emerging technologies.

This is necessary work. As we move into a future where everyone expects to be connected all the time, consumers won't be patient with retailers that are tardy in providing information. To build customer loyalty, we would argue, retailers must first work out how customers want to interact with a particular brand and then build a multichannel offering around this knowledge. Anything else risks customers becoming disengaged. 

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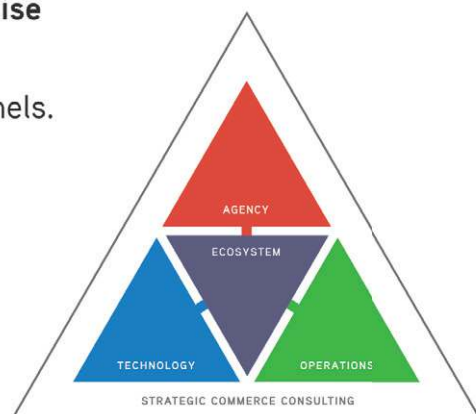
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