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InternetRetailing **Brand Index 2017**

Direct-selling brands in Europe

A special report drawn from the IREU Top500 ecommerce
and multichannel retail performance index

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THAN ONCE A YEAR?**

**WHICH PRODUCTS ARE
UNDERPERFORMING?**

**HOW CAN I INCREASE
MY AOV?**

**WHEN WILL CUSTOMERS
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**WHICH CAMPAIGN
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From the editor-in-chief

WELCOME TO THE first InternetRetailing Brand Index, in association with SmartFocus, in which we're turning our attention to the rise of brands selling direct to consumers.

Brands, which traditionally have focused on supplying their products to retailers, are learning fast from ecommerce and multichannel retailers as to why they should sell direct. They're realising that a direct relationship with the end consumer is a useful thing to have as, through these relationships, brands can understand who buys their products, how often they do so, how they feel about them, where they like to buy them, how they like to take delivery of them, and what improvements they'd like to see. Each one of these is a powerful insight that can help shape the product for the future.

A direct relationship means that brands engage with shoppers and take a highly active role in presenting their products. In the past, brands have done this through non-transactional websites which focused on information and presentation rather than selling. But when they sense from their data that customers are keen to buy from them, it makes sense that brands should let them do so.

Some brands have always sold directly but since more are now doing so, in this report we analyse the Top100 brands' performance in this area. We do that through six Performance Dimensions – Strategy & Innovation, The Customer, Mobile & Cross-channel, Operations & Logistics, Merchandising and Brand Engagement.

By sharing our findings, we aim to show what brands are currently doing and what brands new to direct commerce can hope to achieve. We're looking at best practice and flagging up what the leaders do well.

In doing this, we aim to highlight effective and practical ways of performing at the highest level. We hope it will prove a useful tool for both brands and retailers across Europe as they look at how their peers and colleagues in other countries trade, both as competitors and growth partners.

Ian Jindal

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Editors' comment

IN THIS INTERNETRETAILING Brand Index we're looking at brands – companies used to supplying wholesale to retailers that now sell direct to customers. Specifically, we're looking in detail for the first time at how they approach these two complex, different tasks.

We've focused on measuring the performance of the most successful brands in order to analyse what they do. We've done this across six Performance Dimensions in order to establish what works in areas from Strategy & Innovation to Operations & Logistics.

We set the context in our Strategic Overview (page 8), which takes a wider view of the work that brands are doing in this area. We set out our pan-European findings by listing the biggest and best brands (pages 12 & 14 respectively) and illustrating their geographical spread in heatmaps (on pages 13 & 15).

To see our in-depth analysis and find out what leading retailers do in Strategy & Innovation, The Customer, Merchandising, Brand Engagement, Operations & Logistics and Mobile & Cross-channel, turn to page 16. We also investigate two brands – Lego on page 28 and Barbour on page 29 – through case studies.

Our Knowledge Partners have been generous in contributing their expertise and insights. We'd like to thank website assessment company BuiltWith, customer experience management specialists Clarabridge, app developer Poq, email experts Return Path, web traffic monitoring company Similar Web and NCC Group, which, among other services, offers website monitoring and consultancy services to retailers.

As always, we welcome your thoughts on new areas of research as we add to our primary data and analysis on retail and brand commerce in the UK and across Europe. Please email: jonathan@internetretailing.net and chloe@internetretailing.net

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Selling smarter

Jessica Stephens, Chief Marketing Officer at SmartFocus, explains how brands, their customers and retailers benefit when brands sell direct



THERE'S NEVER BEEN a better time for brands to sell direct to their customers. The rise of mobile technology means they can now engage with their customers in new ways. More and more brands are looking to bridge the direct-to-consumer gap that had previously been catered for by partners. They want to turn anonymous buyers into trusted customers, therefore the connected mobile consumer presents an opportunity.

When brands learn about their customers, everyone benefits.

The brand understands what service their customer wants, the customer sees service improve and third-party retailers benefit from an uplift in demand.

More brands are now asking us to help them develop an entire single customer view of who is buying what, where and when and how they can then market to those customers directly. Often these brands already have more sources of data than they realise. Indeed, many have an advantage when it comes to doing things smarter and quicker. By starting from scratch, they also have the great advantage that there is no spaghetti junction of existing legacy systems to unpick. Brands often have the advantage of customer awareness not only in the UK but across Europe, and across the world – and when they get it right, they can reach the connected customer in a way that

perhaps retailers working with many brands and with stores to manage might not be able to.

Store and retail partners remain vital, nonetheless. We've been able to prove through data, including location-based proxies, that concessions often increase direct-to-consumer brand spend. Shoppers walk through a store, see a brand or a product, and then go online and search for it before buying direct from the brand itself. Concessions not only raise awareness: they provide an important distribution channel. Many shoppers prefer to visit a store. Despite the growth of online, 90% of sales still happen in a store and when customers need a product right now, that's where just they're going to buy. In the future, delivery times may improve still further, but click and collect can now be pretty much immediate. At Screwfix, for example, shoppers can take delivery within five minutes of an online order.

If brands can get to that level of service while managing their own direct-to-consumer business strategy, they'll have hit gold. But that's still some years away and until then, the combination of the two isn't a compromise but a healthy business approach.

In the meantime, there are interesting strategies available to brands that use customer data very effectively. We can use predictive analytics, for example, to say that if a person owns this product there's

a 90% likelihood that in six months time they'll be buying that product. Direct subscriptions are another way new brand-led models are now disrupting the market. Selling direct may not account for all of a brand's business – and the likelihood is that right now it won't – but these are incremental gains that boost brand sales, awareness and customer relationships. There's a lot for brands to gain. Is this an opportunity you can afford to miss? 🌈

About SmartFocus

SmartFocus is an innovator in messaging and communications, enabling the world's largest brands – including House of Fraser, Levi's and Waterstones – to understand and connect more closely with today's consumers via web, mobile, email and social channels. Through The Message Cloud solution, SmartFocus genuinely listens to and learns from customers using patented algorithms and unique location-based marketing tools. Using The Message Cloud, SmartFocus customers have the rich data, intelligence and the tools for contextually unique engagements, through any digital channel.

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Brands in the spotlight

More brands are responding to customer demand and selling direct, writes **Chloe Rigby**



Burberry's Art of the Trench event aimed to raise brand awareness in South Korea

BRANDS ARE MOVING centre stage in the retail experience, driven by demand from shoppers who want to buy their favourite products wherever, whenever and however they want. It's an evolution that is not only changing the way brands sell to and engage with customers, but will have a lasting effect on the way that retailers operate.

In recent years shoppers have visited marketplaces and multibrand retailers, such as department stores, to find the products they want to buy from the brand names they recognise and trust. Marketplaces recognise this focus on brands in the way that they make it easy both for sellers to list their wares by brand name and for visitors to search by brand. eBay's own research, which questioned 2,000 UK online shoppers in August 2016, found that 88% of UK consumers expected to find their favourite brands through online marketplaces. Their first interest was in price: 80% of respondents rated this as one of their top three priorities. That was followed by choice (59%) and convenience (46%).

Some consumers visit marketplaces for a safe, guaranteed shopping environment and, as long as they get the products they want for the price they want to pay, the seller's identity is secondary. But many prefer to know that they are buying from an even safer source: a trusted retailer or the brand itself.

Going direct

For brands, marketplaces can prove a useful tool to launch fledgling direct sales operations, to test new markets and to make incremental sales to customers who want to buy where they are. But they take more control over the customer relationship when they sell through their own websites. At the same time, this gives shoppers more certainty: they know where the product comes from, and that makes it more likely it will be satisfactory and that it will be in stock.

Brands sell direct when they know that consumers want to buy from them. Upmarket country clothing brand Barbour, which has directly managed its own ecommerce for the last two years, will next year launch a transactional site for the US market in direct response to the number of hits its brand marketing website sees from transatlantic visitors. "We hadn't really intended to launch a transactional website in the US," said Paul

Image credits: Burberry



Image credit: Apple

The Apple Store in Covent Garden, London reflects the technology brand's functional yet stylish design ethos

Brands take more control over the customer relationship when they sell through their own websites

Johnson-Barnett, head of distribution at Barbour, speaking at eDelivery Conference in October, “but when you get 1.5m hits to [the non-transactional website] you need to do something. I’m sure a lot of that was about brand research, but I’m sure there’s an awful lot of people that wanted to buy.” While Barbour learns over the months ahead what US customers want of the brand, it will service the market from the UK. (For more, see the case study on page 29.)

Direct selling is a logical way for brands to boost sales and profits. Not only does this approach give brands a better chance of winning every sale, but they interact directly with shoppers. These shoppers tell them what they want to buy, and how they want to buy it. But the direct approach comes with challenges that will be new to many brands

that haven’t previously sold direct. They range from developing and operating transactional websites through to offering convenient and competitive customer service and delivery promises. InternetRetailing research tells us that the Top100 European brands are, on the whole, meeting those challenges. German brands offer the fastest delivery, getting products to their buyers in an average of four days. The speed at which they deliver keeps pace with the speed at which German retailers deliver, as seen in IREU Top500 research. Meanwhile, UK brands offer the most choice, with an average of between two and three options, a statistic that also keeps pace with IREU Top500 research into retailers.

Fashion brands, as might be expected, perform strongly on merchandising, while leading brands score highly on customer ►



Image credit: Lego

Lego's stores create a fun environment where children – and adults too – can build with bricks as well as buy

The inter-reliance between brands and retailers will drive improvements in the future. The winner in this will be the customer

service metrics. They answer emails in an average of 23h, respond to Facebook queries in 8.5h and resolve telephone queries in an average of 1m 40s.

Nonetheless, brands don't tend to compete directly with the retailers that stock their goods. Rather, they are providing a customer experience for those shoppers that want to buy with them rather than through a third-party retailer. In the case studies in this report, both Barbour and Lego say they want the customer to enjoy the experience of buying their products, whether they do so directly from them or from a retailer.

When brands do offer a service that outshines the retailers that resell their goods, it follows that traders must find another way to offer competitive service. Apple, for example, is not only a manufacturing brand that creates highly aspirational products, but it is also a highly successful retailer. Stores showcase the latest Apple devices in a technology-driven showroom environment that is supported by a high level of customer

service. Its online service is fast and efficient, delivering products through a standard next-day delivery service that, with a qualifying order value of £40 for UK shoppers, is free for most shoppers.

How can the retailers that Apple supplies compete? UK retailer John Lewis does just that – by offering a two-year standard guarantee against the product failing that is double the length of Apple's one-year standard guarantee. In the future, department stores such as John Lewis will potentially have to compete against the thousands of brands that supply them – and outperforming in areas such as longer guarantees or better customer service is one way of doing so. Longer term, such competition is likely to drive real change in the retail industry as well as among brands, as retailers and brands vie to outperform each other.

Apple is not alone: more and more leading brands are showcasing their products in their own flagship stores, where they can control a customer experience that, by definition, puts

their own products first. Lego this month [November 2016] opens its largest flagship store yet. It promises that its Leicester Square, London, shop will also be its most digital to date.

But even with the growth of brand stores, retailers remain a vital conduit for brands such as these. One reason for this is that global brands enjoy such widespread recognition. In Lego's case, Legoland theme parks and a wide range of Lego-themed cartoon series and films – of which *The Lego Movie* is the best known – drive many more sales than can be satisfied through the limited number of stores that it operates directly.

The high street still matters

Moreover, shoppers insist the high street remains important to them. *The Barclays New Retail Reality* report from November 2016 found that 63% of UK shoppers still prefer to visit high street stores to see products before they buy because they want to see, touch and feel goods for themselves before they buy. That puts the onus on brands to ensure their products can be found in third-party high street stores across the world.

Burberry, for example, has its own network of well-placed high-end shops. It also values the position that it gains in the high quality stores run by the retailers it supplies, where Burberry is competing against the other brands that are sold. In its latest financial results, for the half-year to 30 September 2016, it highlighted a partnership with Barneys, the New York department store, that promoted its brand both in the store and online. Just as such partnerships are valuable to an advanced omnichannel brand such as Burberry, so retailers and brands will be working together, and learning from each other, far into the future. They'll be learning about developing their multichannel models, about what their customers want, from search to checkout and beyond, and how best to deliver that.

It's an inter-reliance that will no doubt see brands and retailers both drive improvements in the future. The winner in all this will not be the retailer or the brand, but the customer. And since ultimately it's the customer's buying power that enables retail, that's probably the way it should be. 🌈

What is a brand?

Just as we set out in the IREU Top500 report the fact that there's more to being a retailer than operating a website or a store, so there's more to being a brand than being a retailer. The key difference lies in the fact that brands sell their own branded products to retailers. As we've set about deciding which companies constitute brands we have measured them against the following definition:

Destination: the brand has created a destination that customers visit in order to buy a product, service or experience. That destination might be a shop, a website or an event.

Purpose: the brand has created goods and/or services in order to sell them to consumers.

Merchandising: the brand actively sells, rather than acting as a portal to accept customers' payments. That means choosing, promoting and tailoring offers to customers.

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

Sale: the brand takes the customer's money. The brand owns the transaction as the merchant of record.

Recourse: the brand is responsible for the service, fulfilment and customer satisfaction owing from the sale.

Fascia-focused: the assessment focuses on individual trading names, rather than a parent company that may operate more than one brand.

In-house brands: we have excluded retailers' own brands.

Exceptions: in every good list there's an exception, where we may include a business due to its influence upon brands and brands' customers.

The biggest brands in Europe

We published our inaugural Europe Top500 Retail Performance Index in July 2016. That Index revealed that direct-selling brands are among the most widespread and successful retailers in the single market. Here we focus on brands alone. Listed below are the 250 Largest brands according to their 'Footprint'. This is a combination of retail revenue, online sales, web traffic and store numbers and is an indication of their retail presence in the mind of the European consumer. The brands are clustered by Footprint size and listed alphabetically. Factoring in their performance in our six Dimensions, the final Performance ranking of the Top100 in the InternetRetailing Brand Index (IRBX) is shown overleaf.

Largest 50

Accessorize	Fat Face	Nespresso	Swarovski
Adidas	Gap	New Look	Swatch
Ann Summers	Guess	Nike	Timberland
Apple	Hugo Boss	Obaïbi-Okaïdi	Tom Tailor
Asics	Hunkemöller	Oysho	Tommy Hilfiger
bareMinerals	IKKS	Pandora	TomTom
Burberry	Jack & Jones	Pearl	Topman
Clarks	L'Occitane	Pimkie	Topshop
Desigual	Laura Ashley	Pull & Bear	United Colors of Benetton
Diesel	Lego	River Island	Wallis
Disney Store	Microsoft	s.Oliver	Warehouse
Dorothy Perkins	Missguided	Samsung	
Esprit	Monsoon	Superdry	

Largest 100

Adolfo Dominguez	Ecco	Hollister	Miss Selfridge	Sonos
Bose	Estée Lauder	HP	Monki	Springfield
Burton	Evans	Jacques Vert	Morgan	Ted Baker
Burton Menswear	Ferrari.com	Joe Browns	The North Face	Thomas Sabo
Camper	Fossil	Karen Millen	Oasis	Thorntons
Coast	G-Star Raw	Kenzo	Pepe Jeans London	Tous
Dell	Garmin	Lenovo	Philips	Trespass
DeLonghi	GoPro	Lipsy	Prada	Vans
DJI	Gucci	Logitech	Ralph Lauren	Wacom
Dyson	Habitat	Louis Vuitton	Sheego	White Stuff

Largest 150

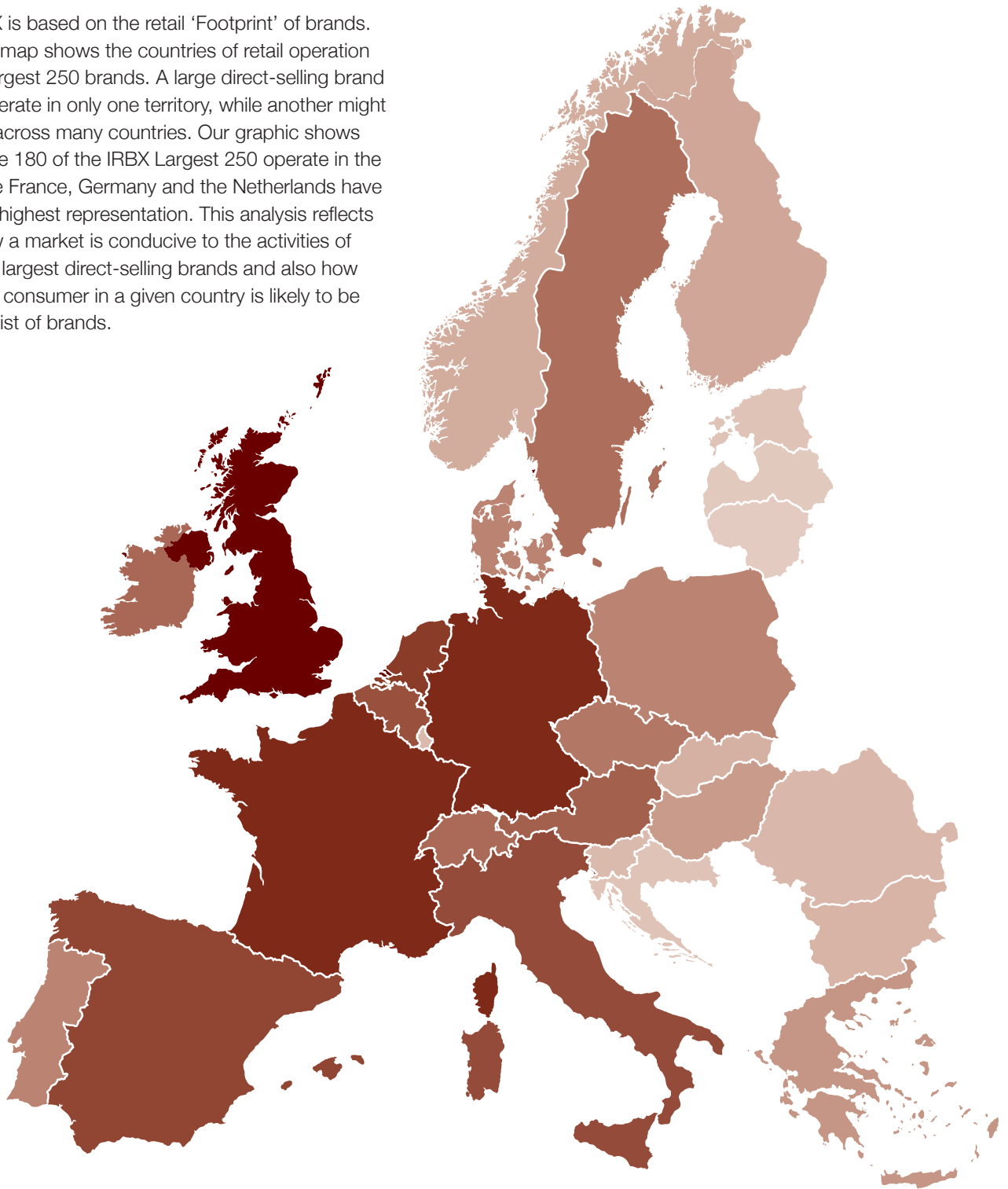
Abercrombie & Fitch	Crabtree & Evelyn	Free People	JML	Reiss
Alexandra	Dior	French Connection	Joseph Joseph	Remington
AllSaints	Dormeo	Gastra	Joules	Russell Hobbs
Archos	Dulux Decorator Centres	Gemporia	Lyle & Scott	Skechers
Asus	Dune London	Hallmark	Maxi Nutrition	TM Lewin
Belkin	El Ganso	Hi-Tec Sports	Montblanc	Tiffany & Co.
Billabong	Ermenegildo Zegna	Hobbs London	Nescafe Dolce Gusto	Triumph
Brother	Filofax	Hornby	Phase Eight	Vax
Cath Kidston	Fitbit	Hotel Chocolat	Polar	Whistles
Coggles	FitFlop	Jack Wills	Regatta Outdoor Clothing	Yankee Candle

Largest 250

Aldo	DC Shoes	Hush Clothing	Lululemon	Stokke
Barbour	Dents	Isabella Oliver	MAC Cosmetics	Sweaty Betty
Ben Sherman	Dolce & Gabbana	itsu	Medion	Tag Heuer
Benefit San Francisco	Dr Martens	Jacadi	Merrell	Texas Instruments
Bergere de France	East	Jigsaw	Molton Brown	Thomas Pink
Bianco	Engelbert Strauss	JVC	Morphy Richards	Tripp
Björn Borg	Farrow & Ball	Kiehl's	Motorola	Tucano
BlackBerry	Fendi	KitchenAid	Mulberry	Twelve South
Bottega Venetta	Fired Earth	Koss	Muubaa	Under Armour
Boux Avenue	Fred Perry	Kurt Geiger	Nest	Versace
Brabantia	Fulton Umbrellas	LK Bennett	Netatmo	Victoria's Secret
Breville	Gant	La Perla	Paul Smith	Villeroy & Boch
Cartier	GHD Hair	Lacoste	Razer (Europe)	Weekday
Church's	Glamorous	Lands' End	Rockport	WeirdFish
Clinique	Great Plains	Leap Frog	Rohan	Whittard of Chelsea
Corsair	The Gro Company	Levi's	Rotary Watches	Withings
Cowshed	Hackett	Links of London	Salter	WMF
Crew Clothing Company	Hawes & Curtis	Loewe	Samsonite	Yuneec
Crocs	HTC	Lonsdale	Seagate	YvesSaintLaurent
Crucial	Hudson Shoes	Loro Piana	Start-rite Shoes	Zoggs

The Largest 250 brands operating within a country

The IRBX is based on the retail 'Footprint' of brands. This heatmap shows the countries of retail operation of the Largest 250 brands. A large direct-selling brand might operate in only one territory, while another might operate across many countries. Our graphic shows that some 180 of the IRBX Largest 250 operate in the UK, while France, Germany and the Netherlands have the next-highest representation. This analysis reflects both how a market is conducive to the activities of Europe's largest direct-selling brands and also how familiar a consumer in a given country is likely to be with our list of brands.



Congratulations to the IRBX Top100 2017

This is our 2017 ranking of the Top100 direct-selling brands in Europe, based on each brand's retail performance across our six Performance Dimensions: Strategy & Innovation, The Customer, Operations & Logistics, Merchandising, Brand Engagement and Mobile & Cross-channel.

Elite

Our Elite brands are statistically ahead of all others and represent the pinnacle of retail practice by brands in Europe. Congratulations to Apple, Dorothy Perkins, New Look, Nike and Pull & Bear

Apple
Dorothy Perkins
New Look
Nike
Pull & Bear

Leading

Abercrombie & Fitch
Accessorize
Dune London
Fat Face
French Connection
Hobbs London

Hollister
Jack Wills
Jigsaw
Joe Browns
Miss Selfridge
Missguided

Monsoon
Obaibi-Okaidi
Reiss
River Island
s.Oliver
Topman

Topshop
Wallis
White Stuff

Top 50

Adidas
Ann Summers
Boux Avenue
Burton
Cath Kidston
Clarks

Diesel
Esprit
Estée Lauder
Evans
Hunkemöller
Joules

Kurt Geiger
L'Occitane
Laura Ashley
Pandora
Paul Smith
Phase Eight

Pinkie
Swatch
Sweaty Betty
T.M. Lewin
Thomas Pink
Thorntons

Top 100

Aldo
Alexander McQueen
AllSaints
bareMinerals
Bose
Burberry
Camper
Coast
Crew Clothing Company
Crocs
Disney Store
EAST
Free People

GAP
Great Plains
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Hawes & Curtis
Hotel Chocolat
HP
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Karen Millen
L.K.Bennett
Lego
Links of London

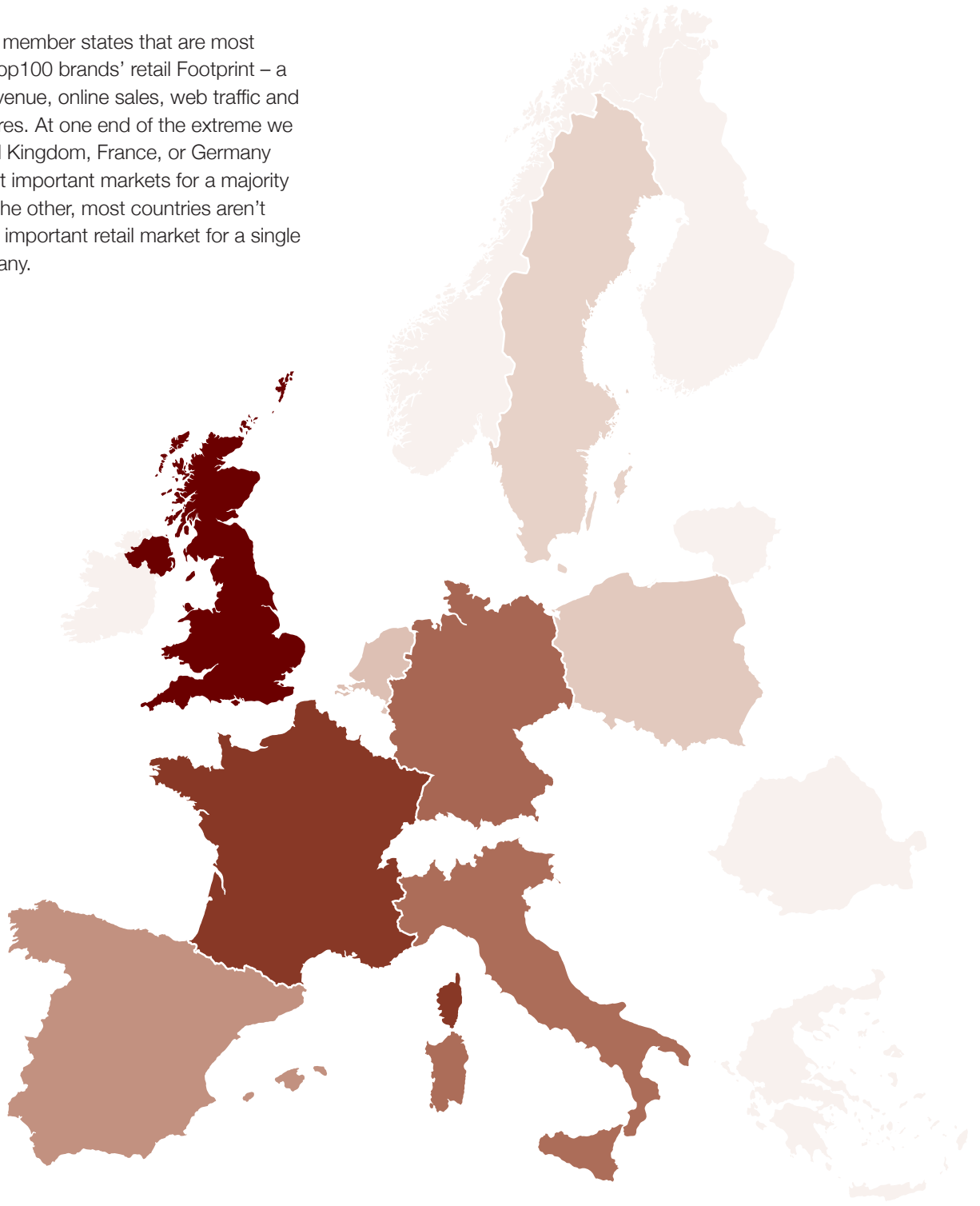
Lipsy
Lyle & Scott
MAC Cosmetics
Maxi Nutrition
Molton Brown
Mulberry
The North Face
Oasis
Philips
Ralph Lauren
Samsung
Superdry
Swarovski

Ted Baker
Timberland
Tommy Hilfiger
Trespass
Tripp
Under Armour
United Colors of Benetton
Warehouse
Weekday
Whistles
Whittard of Chelsea

The biggest markets:

the number of Top100 brands for which a country is the largest retail market in the EEA

Displaying the member states that are most important to Top100 brands' retail Footprint – a measure of revenue, online sales, web traffic and number of stores. At one end of the extreme we see the United Kingdom, France, or Germany being the most important markets for a majority of brands. At the other, most countries aren't even the most important retail market for a single Top100 company.



Strategic thinking

Brands that offer their customers joined-up services rate highly in this Dimension

Leading brands were more likely to offer click-and-collect services and localise their websites

SHOPPERS SEE LOCALISED websites that meet their needs wherever they live within Europe when they buy from Leading brands in the Strategy & Innovation Dimension.

InternetRetailing researchers approached this Dimension through measures they considered innovative and market-leading. They analysed brands' deployment of services that make a real difference to shoppers as they buy from different markets within the European Single Market. These include click and collect, a localised website experience presented in a local language and a choice of payment methods and currencies. Researchers also considered performance-related metrics, investigating such things as whether the brand's app had bugs or if a search with no results yielded a blank page or alternative content. This latter research

approach favours those brands that offer an alternative to a blank page since this is more likely to retain a shopper's attention, rather than them moving to another site to find and buy the item they were searching for.

What the Top100 do: by geography

UK brands stood out as the most competitive in this Dimension, ahead of those based in Switzerland, Austria, The Netherlands, Belgium and Spain. Brands from these markets were more likely to perform consistently well across measures, offering click-and-collect services and localising their websites to make it easy for shoppers from other markets to buy.

English is also the language that international brands are most likely to localise to, used by 95% of the Top100



English is the most-localised-to language, with more than 95% adoption, followed by French, German, Italian and Dutch. Just a handful of the Top100 have localised to Icelandic or Catalan

The Euro and the Pound are the most popular currencies, supported by over 80% of the Top100, with the Swedish, Danish, Polish, Swiss and Czech currencies each supported by more than 10% of the Top100



brands. The next most likely language is French, followed by German, Italian and Dutch. Just a handful of Top100 brands have localised to use Icelandic or Catalan.

More than 90% of the Top100 have a local UK landing page, followed by France, Germany, Italy and the Netherlands. Only 1-2% of Top100 brands have local pages for Malta and Cyprus.

The Euro and Pound are the most popular currencies, with both supported by more than 80% of the Top100. The Swedish, Danish, Polish, Swiss and Czech currencies are supported by more than 10% of the Top100.

What the Top100 do: strategic innovation

More than three quarters (78) of the Top100 brands offer click and collect services within the Single Market.

Focusing on payments, the average Top100 brand enables shoppers to choose between two or three currencies (2.4) when paying, and to choose between three languages when browsing the website. The average brand website is localised to four member states within the EEA. That means, for the purposes of this research, that it has a local landing

page or local section of the website, as well as local delivery options.

54 of the Top100 offer alternative results when they do not have the product that the user is looking for. Those alternatives include flagging up related products or referring users to a third-party website, thus monetising traffic that cannot be served directly on the website. The remaining 46 show a blank search page.

Finally, 21 of the Top100 companies offer a competitive service via their mobile apps, since those apps have no serious bugs. Of the remainder, 27 have apps with serious bugs, while 49 have no apps at all.

Brands trading in the sports and leisure and consumer electronics sector have the edge when it comes to innovation. They proved to be ahead, on average, of those selling general fashion and apparel.

Leading brands in this Dimension include Lego, Swarovski, Adidas, Samsung and Bose. All stood out for consistently implementing innovative retail practices and having a distributed offering across the Single Market. Adidas leads on web metrics. Bose stands out for its mobile-optimised website. 🇬🇧

More than three quarters of the Top100 brands offer click-and-collect services within the Single Market



Strategy & Innovation Leaders 2017

Share your thoughts on #IRBX with @etail

Adidas

Apple

Bose

Burberry

Diesel

HP

Jigsaw

Laura Ashley

Lego

Monsoon

Nike

Obaïbi-Okaïdi

Philips

Pimkie

Pull & Bear

River Island

s.Oliver

Samsung

Swarovski

Swatch

Weekday

White Stuff

Fast and effective service

Leading European brands offer shoppers a sophisticated customer experience



Image credit: Apple

Apple's stores offer a combination of marketing, sales and customer service

Apple's combination of flagship stores and customer service is being mirrored by other premium brands

CUSTOMERS ENJOY A fast and effective online experience when they buy from Europe's leading brands. InternetRetailing researchers tested the leading Top100 consumer-facing brands in the European Economic Area, plus Switzerland, for the speed of their websites and the customer service that they offer. Researchers aimed to measure their performance as a group in serving customers, while also setting out to identify the leaders in this field.

They found that at their best, brand websites loaded in seconds, while customer service staff resolved queries over email, telephone and social media in a matter of minutes. Those brands whose websites loaded quickly and which offered speedy answers to shoppers' queries were highly rated in this Dimension.

Performance across the Top100

The best customer-facing service was found in the fashion sector. Brands selling footwear and clothing enjoyed slightly higher metrics, on average, than those selling consumer electronics and sports and leisure equipment.

When researchers analysed the geographic presence of brands within the European Economic Area, plus Switzerland, those based in the UK scored most highly in our tests. The UK's scores were followed by Slovakia, Hungary and Norway.

Testing web speed

Researchers measured the website experience through a Chrome desktop browser. They determined that since the best sites become more visually complete faster, they took an approach in this Dimension of rewarding those websites that load important elements first. They found that the leading brands' websites typically became visually complete and finished loading in half the time taken by the average website.

They also found that, on average, the first byte of Top100 websites was loaded after half a second. On average, rendering started 3.5s into the process and homepages were visually complete in just over 9s. The full html load took 8s.

On average, the process involved 121 requests to the server as a 3.7MB page loaded.

Measuring customer service

Researchers measured brands' customer service through how long staff took to answer queries made by phone, by email and on social media. They also made a judgement on how well the queries were answered. Since the research team could not test all of the 26 official languages of the European Economic Area, it took the decision to limit its tests to English language customer services operated by Top100 brands.

Of the Top100, 80 had a UK customer service phone number. The vast majority of these connect to a human, rather than a

robotic answering system. A simple query was resolved in an average of 100s on the phone, including ring time.

Almost two-thirds of the Top100 – 65 brands – have a UK-facing Facebook page that accepts queries. These queries were answered in an average of 8.5h. One point worth noting is that 5% of brands asked a question as part of their response to a Facebook query.

The 41 Top100 brands that have a UK customer service email address took an average of 23h to respond to an email query.

Leaders in the field

Leading brands in this Dimension hailed from the fashion, technology and accessories sectors. They included Apple Store, Nike, United Colors of Benetton, Lyle & Scott, Pearl and Filofax.

Apple Store addressed issues quickly, with a service that received top scores from testers. Throughout Europe, the consumer technology company uses a network of stores, freephone

help numbers, premium and authorised resellers and training centres to help people understand its products. It's an approach that combines marketing with customer care to good effect. Apple's combination of flagship stores and good customer service at full price is one that's being mirrored by premium brands in other sectors.

Nike had 25 country-specific landing pages, suggesting it has put resources into localisation, while men's clothing brand Lyle & Scott responded quickly to InternetRetailing researchers. It also stood out for the depth of customer service information on its website. This ranged from FAQs and delivery and returns information, through to a phone number and web submission form to help customers get in touch. 🌈

Some 5% of brands asked a question as part of their response to a Facebook query



The Customer Leaders 2017

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AllSaints

Apple

bareMinerals

Camper

Esprit

Jack & Jones

Lego

Lyle & Scott

Maxi Nutrition

Nike

Phase Eight

River Island

Swatch

Trespass

United Colors of Benetton

Deliveries and returns

Brands need to make it easy for customers to get hold of goods and, in an age when many people routinely buy without trying first, make it equally easy to send goods back

The UK was early to adopt click and collect, and this is reflected in the high number of brands offering collection in the UK

TO PERFORM TO the highest standards in the Operations & Logistics Dimension, brands need to excel not just in offering deliveries but also in handling returns. In addition, in an age of click and collect, brands increasingly need to offer customers the chance to pick up goods from convenient locations, whether that means a store or, as Amazon have introduced, a locker at a station or airport.

The latter example says much about why Top100 brands need to pay close attention to this nuts-and-bolts side to retail. Brands can employ all the whizzy front-end technology in the world but if customers can't physically get hold of goods in ways they find convenient, all this effort will fail at the last.

Our analysis here focuses on larger European markets: Germany, Spain, France, UK and Italy. We chose the wealthiest countries and the biggest brands for our research.

Deliveries

German brands performed strongly in deliveries, offering the fastest delivery time at four days, compared to between five and six days for brands in Italy, and 11% quicker than the IREU average for Top500 retailers. In addition, German brands offer competitive prices, with an average standard delivery cost of €1.79. In Spain, where brands offer the second-cheapest delivery costs, the equivalent figure is €2.91.

The research revealed subtleties in the ways brands operate in different countries. In the UK, for example, it's clearly seen as

important to offer different delivery options, with brands offering on average between two and three options. In Italy, by contrast, the emphasis is on free delivery, which typically kicks in when a consumer spends €45. This threshold was 4% higher than the average for Italian retailers in the EEA region.

Returns

Italian brands also perform strongly when it comes to being flexible on returns. Typically, consumers buying from Italian brands can expect to have 35 days to return unwanted items, a figure nearly 46% longer than the average for IREU Top500 retailers.

UK brands are strongest when it comes to processing refunds, which on average take nine days, 10% quicker than the average for IREU Top500 retailers. French and Italian brands tended to offer return via mail, while the highest number of brands offering pre-paid returns were located in Germany.

Collection

The UK was early to adopt click and collect, and this is reflected in the fact that the highest number of brands offering collection are located in the UK. German brands perform second best in this area, again perhaps a reflection of the sophistication of German retailing.

What the leading brands do

One of the most intriguing insights from our research is that Leading brands don't necessarily offer consistent service levels across Europe in terms of, for example, delivery options. Perhaps inevitably, brands tend to be stronger in home markets. That's not to say leading brands don't also perform strongly outside home markets too but the picture is patchier.

Turning to individual companies, homeware brand White Stuff has stores in the UK, Belgium, Denmark, Germany and Italy. In the UK, it offers a variety of different delivery

options, including named-day delivery (£5.95) and free delivery on orders of more than £50. While it offers collect from store in several territories, it has yet to extend this service to Denmark, Germany, Guernsey and the Isle of Man, or to concessions in stores such as John Lewis and House of Fraser. Similarly, while it offers free returns in the mainland UK, it doesn't offer these elsewhere as yet, while return to store is not available in Copenhagen and Guernsey, or at concessions.

As yet, fashion brand Hobbs London focuses its efforts in this Dimension in the UK, where it offers such services as next working day delivery (£6) and same-day click and collect in selected London stores. Its approach to international expansion has seen it launch a German website. However, it offers only one delivery option, standard delivery at €6, which takes between three and five working days. Orders must be returned

within 14 days for refund, less than the UK where the figure is a month.

Fast-fashion brand Missguided has tailored its offerings in different territories. In the UK, it's highly competitive on price. UK standard delivery costs 99p and next-day delivery costs just £1.99, while delivery is free on offers of more than £60. Its performance is impressive in other territories too. In the Netherlands, for instance, it offers free standard delivery (up to three working days) while express delivery within two working days costs £1.50

Fashion brand Fat Face and apparel brand Wallis both focus on the UK. Fat Face offers free delivery to stores in the UK, and free returns via post. Wallis's impressive list of returns options includes return to store; or by post, Collect + or Hermes Parcel Group, free of charge and within 28 days of receipt in each case. 🇬🇧

Fast-fashion brand Missguided has tailored its offerings in different territories



Operations & Logistics Leaders 2017

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Accessorize

Apple

Dorothy Perkins

Estée Lauder

Evans

Fat Face

Hobbs London

Jigsaw

Kurt Geiger

L'Occitane

Laura Ashley

Miss Selfridge

Missguided

Monsoon

New Look

Pull & Bear

TM Lewin

Thomas Pink

Thorntons

Topman

Wallis

Whistles

White Stuff

Explaining products

Italian brands show more images, while German brands make it easier for shoppers to find the items they want to buy

BRANDS SELLING DIRECT stand out in the Merchandising Dimension when they thoroughly explain their products to website visitors. They show a range of product images and recommend alternative products. They enable shoppers to narrow down their searches using filters, in order to see whether the product is available near to them and to share feedback, through links to social media. In this pan-European research, brands stand out when they make browsing and payments easy, offering local languages, currencies and payment methods, as well as fast checkout.

Researchers focused on the Top100 brands that generated retail revenues of more than €1m a year. They counted how many product images and how many checkout pages each brand used, and analysed how easy it was to find products through site navigation, dropdown search suggestions and alternative product recommendations. We rated the quality of product information and the number of social media links offered.

Analysis by sector

More than half (53%) of the brands considered came from the apparel and general fashion sectors. Apparel brands focus on clothing or a single type of fashion, whereas general fashion brands sell a wider variety of items, including shoes and accessories.

Brands selling direct from both sectors illustrated products well, using an average of four images. They handled payment through a checkout process of between three and four (3.5) pages.

We found general fashion brands made it easier for shoppers to find products: when search came back empty, 50% offered alternative results. These brands also returned more relevant search results, while 71% offered dropdown search suggestions.

In the apparel sector, 82% used banner advertising, compared to 74% in general fashion, while 92% of apparel brands enabled

In this Pan-European research, brands stand out when they make browsing and payments easy for customers

shoppers to filter products by type – higher than in the general fashion category.

More apparel brands (92%) required customers to register to checkout than general fashion traders (77%).

Overall, researchers rated Merchandising Performance higher for general fashion brands, where a clear majority offered customers product recommendations along with the ability to save a product for later and to share it with friends.

Analysis by country

More than 60% of brands selling direct in the Index are from the UK, France, Germany and Italy. Each country contributed more than 20 brands to the listing and it was on these that researchers focused analysis by geography.

Researchers found German brands made it easier to find and read about products. Navigation was, on average, the easiest to use, with 87% of brands offering filter by product, while search suggestions were more relevant, with more than 70% making product suggestions in the drop-down search bar. Product information scored an average 3.1 out of four and 71% of German brands offered 'save the product for later' functionality.

Italian brands stood out for the product images that they offered, using between four and five on average. These brands also made it easier for shoppers to checkout, since fewer of them required shoppers to register.

Most (94%) French brands recommended similar products to customers, while UK-based brands had the shortest checkout process.

What the Leading brands do

Fashion brand Jigsaw, which offered European deliveries from a UK website, stood out in this Dimension for easy navigation, with filters including product type, size, colour and prize, plus intuitive search. Its product pages showed an average of four images and suggest other products to

The Hotel Chocolat website took a practical approach to flagging up discounts


complete the look. Customers could save a product for later and share it on a variety of social networks.

Coast, which also sells fashion, made it easy for shoppers to find products, through dropdown search suggestions and relevant search results, to see them through an average of five images and a product video, and learn about the products through customer reviews, social links and stock availability. At three pages and no registration required, checkout was relatively easy.

Footwear brand Dune London made it easy for shoppers to shop and buy, through four language-specific websites – German, Spanish, French and English – with three EEA currencies. Customers could filter footwear through six criteria, including product type, price and type of fastening – to find products displayed through an average of six images. They could also rate,

share and Like products on social media, while finding checking availability close by.

Luggage brand Tripp has four country-specific websites, in three languages. It enables website users to find products quickly using five navigation filters, including features and price, autosuggest search, and alternative product recommendations. Customers can see stock levels from the site, while product information, delivery, discounts and social sharing are all shown clearly.

The visually appealing Hotel Chocolat website took a very practical approach to finding products and flagging up discounts. Users could search through product, pricing and dietary filters, and an advanced product page showed extensive information, local stock availability, reviews, ratings and social sharing – and enabled them to drop a hint to friends and family. 



Merchandising Leaders 2017

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Adidas	Hotel Chocolat	Thomas Pink
Ann Summers	Jigsaw	Topman
Coast	Karen Millen	Trespass
Disney Store	L'Occitane	Tripp
Dune London	Maxi Nutrition	Wallis
French Connection	Miss Selfridge	White Stuff
Gap	Nike	

Connecting with customers

Brands should, we thought, be better at engaging with consumers than their retail brethren. But do the figures suggest this is true?

THE NOTION OF brands as somehow being embodiments of consumers' lifestyles and, arguably more importantly, their aspirations, is a recurring theme within modern retail. Think of the way Apple acolytes queue to buy the latest iPhone on the day of release. Where others might wait a couple of weeks to save themselves the bother, these are the consumers who want the latest model *now*.

It would seem to follow that brands should enjoy a built-in advantage over retailers when

it comes to promoting engagement. After all, whoever queues up at a supermarket unless it's for a Black Friday sale item or because it's so busy, they have no other option?

At least in part, in our research here we were interested in seeing whether the numbers backed up the picture we had intuited. To this extent, it was perhaps revealing that apparel and general fashion brands have the highest average performance in the Brand Engagement Dimension index.



Topman's distinctive offering helps the brand engage with its youthful customers



Image credits: Topman

Why fashion wins

This shouldn't be too surprising. Most people have favourite clothing brands that they return to for new items that share the design aesthetic of those they already own. Consistent with this picture, Great Plains, Topman, Monsoon and its associated brand Accessorize, and Tommy Hilfiger were the Top5 brands in this Dimension.

Conversely, a clothing brand that doesn't engage with its customers isn't likely to last too long. American Apparel's recent problems are instructive here, in that they arguably stem in part from consumers seeing a gap between the company's publicly stated ethical brand values and lurid stories swirling around founder Dov Charney.

Brand engagement by state

Turning to different member states, Austria, the UK, Poland and the Netherlands are the most competitive markets in the European Union, when measuring the Top100's localised performance in the Brand Engagement Dimension index.

Individual metrics

Our metric analysis here cut across a variety of different facets of retail craft. In conjunction with Knowledge Partners Return Path, we analysed how well brands performed when contacting customers by email, measuring 5% of brands in detail across Europe. Panellists received 120,000

emails from the Largest 250 brands over the study period.

Of these, 24% were opened, while 10% were deleted without being opened. Panelists' mailservers marked 5% as spam before they reached the end user but users – that is, panellists – marked 2.5% as 'not spam'. Users marked an additional 1% of emails as spam. This results suggest clear room for improvement. In particular, it was interesting that only a negligible number of emails were forwarded, suggesting that perhaps brands are falling down when it comes to using email to craft 'stories' that users want to share.

Turning to social media, Facebook is the most popular social network used by the brands, with 88% offering localised pages, followed by Twitter (86%) and YouTube (61%). Arguably, using Facebook is the very least brands should be doing here, and there's arguably room for improvement in such areas as creating localised-to-country blogs, which are currently offered by just 10% of brands.

Looking in more detail at Facebook, we assessed the usage of the social network by 90% of the Top100 brands. The results were, by and large, impressive. It's clear that

brands understand Facebook's power and are engaging consumers over the network – often, we suspect, as a first step in the rollout of a wider social strategy.

In particular, we noted that 32% enable customers to swap regions. We took this as evidence of a serious, coordinated strategy of content being localised to language groups and states, and of these local teams working together. Other significant findings were that 75% use the 'shop now' button, 65% link to other social networks and that Top100 brands have, on average, 3m Likes on their Facebook pages.

Finally, we conducted an SEO analysis of the 80% of brands that focus on the UK. This revealed that brands rank in 3,300 keywords. There are 4.2m searches, per month, for which one of the brands' keywords applies. Brands enjoy 28% visibility – that is, they were visible in 28% of the 4.2m relevant searches. This final figure suggests room for improvement in the future as even incremental changes here can significantly affect sales. 🌈

Facebook is the most popular social network used by brands, followed by Twitter and YouTube



Brand Engagement Leaders 2017

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Accessorize

Alexander McQueen

Crocs

Dune London

Free People

Great Plains

Gucci

Jack Wills

Joe Browns

Kurt Geiger

Lipsy

Miss Selfridge

Missguided

Molton Brown

Monsoon

New Look

Pandora

Ralph Lauren

Superdry

Swatch

Tommy Hilfiger

Topman

Bridging the store and online

Effective mobile apps and click-and-collect services distinguish
Leading brands when it comes to linking up different channels

CUSTOMERS SHOP VIA fast mobile websites and efficient mobile apps when they buy from the European brands that lead in the Mobile & Cross-channel Dimension.

They can use services that effectively link online and offline sales channels, enabling customers to pick up their online orders in store using click and collect, or returning those online orders to a shop if they are not wanted.

InternetRetailing researchers went about measuring Performance in this Dimension by assessing whether leading brands had mobile iOS or Android apps and the breadth of the features offered. We measured the speed of websites through a Google PageSpeed score, and established whether the brands enabled shoppers to use click-and-collect services and return to store.

Brands that generated less than €1m in retail revenue were not included in the analysis.

How the Top100 perform

Almost a third (30%) of the brands assessed offered customers mobile apps. Of those that did, 69% offered both iOS app and Android apps, 23% had only an iOS app, and 8% had only Android apps. The strongest affinity for iOS over Android was in Switzerland, where one in five (20%) brands offered only iOS apps. Switzerland was also the market with the highest presence of transactional iOS apps with features including store finder, zoomable product images and a wishlist.

In Germany, 15% of brands only had iOS apps. In the Netherlands, almost two-thirds (63%) of iOS apps were native – written specifically for the platform on which they run. Native apps run faster than a web app because there is no translation processing taking place. The Netherlands had the highest proportion of native apps, compared to other markets in the European Economic Area (EEA).

Some 76% of EEA brands that had an app offered a transactional iOS app. That's 38% higher than the average retailer in IREU Top500 research. Of those that had an iOS app, 66% had push notifications, 81% had a store finder feature, 63% a wishlist and 36% a store stock checker. Seven in 10 (70%) enabled customers to see several images of products; the same proportion enabled customers to zoom in on images.

Four in 10 (40%) of the brands assessed in this Dimension offered click-and-collect services within the EEA region. The service was found most widely among UK brands. Of the brands that had mobile apps, 62% enabled customers to pick up their purchases from the store.

What the leading brands do

Womenswear brand Pimkie offered customers in Italy, France, Germany and Spain both iOS and Android apps. Its iOS app was not transactional but enabled customers to find a store, add a loyalty card, scan it in store and to save a product for later. Its German, Spanish, French and Italian websites offered click and collect, with all enabling customers to return unwanted online orders to the store.

Dutch clothing brand Hunkemöller offered customers both iOS and Android apps. Analysis of its iOS app showed that the transactional app was available in Germany, the Netherlands, Denmark, Belgium and France. It was among the 3% of Leading brands in this Dimension that enabled

**Almost
a third
(30%) of
the brands
assessed
offered
mobile
apps to
customers**

customers to create a new loyalty account from the app. Its features also included a store finder and stock checker. Customers could switch country or language from within the app settings. Shoppers in Belgium, Germany, Denmark and the Netherlands could use click-and-collect services, or return their online orders to the store.

Topshop had both iOS and Android apps. Its iOS app is both transactional and native. It was among the 18% of brands in this Dimension that offered a barcode scanner and among the 10% that had a store stock checker. Its app also enabled customers to create a quick checkout profile. Topshop's

mobile web performance scored highly, with a PageSpeed score of 77 out of 100. Click and collect and return to store were both available in the UK.

French childrenswear brand Obaïbi-Okaïdi enabled customers to collect purchases from the store and return unwanted goods to store. UK homewares to fashion brand Laura Ashley had a PageSpeed score of 75 out of 100, while customers could use click and collect, and return to any store. 🇬🇧

Topshop has both iOS and Android apps. Its iOS app is both transactional and native. Topshop's mobile web performance scores highly



Mobile & Cross-channel Leaders 2017

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Accessorize

Apple

Dorothy Perkins

Dune London

Fat Face

French Connection

Hackett

Hobbs London

Hollister

Hunkemöller

Jack Wills

Jigsaw

Joules

Laura Ashley

Monsoon

New Look

Obaïbi-Okaïdi

Phase Eight

Pimkie

Pull & Bear

Topman

Topshop

Wallis

Whistles

“Consistently awesome”

How Lego developed its omnichannel shopping experience



Image credit: Lego

Lego uses digital to reach out to young fans

LEGO'S STATED AIM is to “deliver a consistently awesome Lego experience on every shopping mission”, in the words of Leif Bode Nielsen, head of omnichannel EMEA at the toy brick maker. That aim guided it through building its new shop.lego.com website, which launched in October.

“We want to make sure shoppers get a great experience, however they touch the brand, no matter where they are on the journey,” said Nielsen, speaking at the InternetRetailing Conference 2016.

In order to achieve this, he said, it was important for the brand to know its customers and accommodate their different online journeys. That meant a child-friendly design, with colourful tabs that take users on a browsing, searching or gift-buying journey.

Delays in creating an omnichannel system meant that the website development team had to start work before the supporting IT systems were ready. The team created a mock ecosystem of the store where it developed tools, working with both users and developers through hackathons to find solutions and features that would work both on the site and within its stores. “I know it feels like it might have been a lot of work and money but it really wasn't,” said Nielsen. “The cost we've saved

in doing real solutions following this mock-up ecosystem has been tremendous. It's meant we could try out a lot of things.” One potential solution that was developed through the hackathon and is now being developed further is a chatbot that shoppers can talk to or type to across all touchpoints. But although the brand this month [November 2016] opens its most digital store yet in London's Leicester Square, some of the in-store solutions it came up with were relatively low-tech: in-store browsers, for example, that can print barcodes to scan at the till. “We don't want zombie-channel solutions,” said Nielsen. “We've so often seen people who had 'wow' omnichannel store solutions that weren't actually working when we went to see them.” Instead, an important KPI was: does this cause the store to sell more?

It has also been important for the brand to work with third-party retailers. “We like our shoppers and our retailers equally,” noted Nielsen. “We want to make sure our retailers have great sustainable financial value in the relationship that they have with us.” That's why in-store digital technologies such as tablets and screens have been rolled out with third-party retailers before they've gone into Lego's own stores. “We built a system that could grow with our aspirations,” Nielsen concluded. 🇬🇧

SCORECARD

IRBX2017/LEGO



Strategy & Innovation



The Customer



Operations & Logistics



Merchandising



Brand Engagement



Mobile & Cross-channel



internetretailing.net/organisations/RLEG

Responding to customer demand

Barbour puts the customer first in its approach to direct retailing

UPMARKET CLOTHING BRAND Barbour, best known for its waxed jackets, says its ecommerce business is as much about marketing the brand as boosting profits. Most of the brand's £160m turnover comes from wholesale. It supports both independent retailers and its key wholesale partners in the UK and 19 international markets in Europe, Asia and North America by marketing and managing the brand through non-transactional websites. It sells direct where there is customer demand and adapts the range that it offers in order to meet the demands of different countries. In the US, for example, where it's better known for its motorcycle brand and has high sales in sunny Florida, the brand projects a far different image from the luxury country clothing provider we know in the UK.

Until two years ago, its ecommerce function was run by a multibrand partner but Barbour took this in house in order to develop and manage its relationship and communication with the customer. Today, says Paul Johnson-Barnett, head of distribution at Barbour, it is designed as "an enjoyable journey that represents the brand" rather than an operation designed to compete with the retailers it supplies. "We're definitely not early innovators, and we're definitely not fast followers," he said. "We're probably interested observers. We're not driven by the need to be the best but we try to *work* with the best, both our partners and the customers we work with. What we do is try and make sure we do the job they need us to do."

When Barbour introduced next-day delivery in the UK, it discovered there wasn't much demand for the service.

"A Barbour jacket doesn't tend to be a distress purchase," noted Johnson-Barnett, speaking at eDelivery Conference 2016. "Black Friday is a huge wave disrupting most retailers. For us, it is a smooth wave lapping on the shore. We don't want to be the leading online retailer of our brand, although we have some great trade partners who are."

Rather, he says, ecommerce is as much a marketing activity as a way of generating

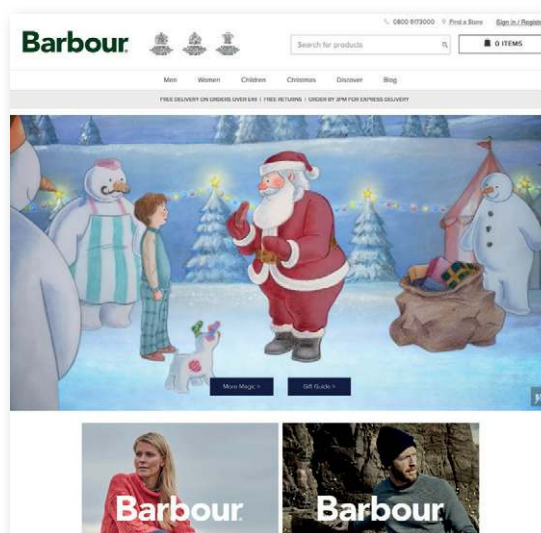


Image credit: Barbour

Marketing is a key priority in Barbour's digital efforts

profits. Non-transactional websites build the brand and control the brand message, while also acting as a useful source of data. When the retailer got 1.5m hits on its website from the US, it decided it was time to respond to those customers by launching a transactional website, which will go live in 2017 and be fulfilled from the UK until Barbour establishes how much of a demand there is for America to buy its products directly. 🇺🇸

SCORECARD

IRBX2017/BARBOUR



Strategy & Innovation



The Customer



Operations & Logistics



Merchandising



Brand Engagement



Mobile & Cross-channel



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Conclusion

IT'S CLEAR FROM the findings in this first InternetRetailing Brand Index that the Leading 100 brands are competing on a level playing field with IREU Top500 retailers. Equally, it's also clear that manufacturing and design-led brands can, as a group, offer customers the same overall level of engagement, service and fulfilment that retailers do. Indeed, great brands go even further by producing outstanding stores and online environments that showcase products beautifully, while at the same time enabling their customers to buy in the most convenient and flexible way that suits them. From Nike and adidas to Apple and Lego, many brands have innovated to find the approaches that work best for their customers.

Thus Nike customers can use technology to design their own trainers, while Lego buyers can wave a box before a screen to see how it will look when built. These illustrate what direct selling can offer a brand: the ability to develop relationships with those customers that wants to buy directly from them. While this may be a relatively small group compared to those people who are happy to purchase those brands online or in stores, it will be an important group since information gathered through the way they browse, buy and choose delivery will help brands shape the ways they sell to all customers. This data can also help retailers understand what works when selling a brand's products.

In the future, we suspect that the promise of direct customer relationships and the valuable data it can bring will spur many more brands to open their own webstores, and perhaps even to consider opening stores in locations that reflect their brand values. We expect to see more brand stores in shopping centres. Technology will support brands in those ambitions, with cloud technologies allowing them to set up a web presence that also extends to the store, bringing all of that data together in single views of both the product and the customer. Shoppers will be able to expect top-level service of such brands, while we will expect this upturn in service levels to help raise standards across the entire retail sector. 