IREU
TOP 500

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A performance ranking of
Europe's Top500 ecommerce
and multichannel retailers

2017

emarsys

REVOLUTIONISING THE MARKETER'S ROLE

AI Marketing

AI Pioneers:

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Contents

IREU Top500 2017

Introduction

WELCOME TO THE second 2017 IREU Top500. My congratulations go to all retailers included in this year's Index and, in particular, to the Elite retailers that top the rankings. There's plenty of change in this year's line-up, with Apple, H&M and Zara now joined by Boots, IKEA and Nike. As Sean Fleming points out in our strategic context feature (page 10), the ability to reach and then stay in the Elite category represents significant and constant progress.

Across the Index we've seen improvements to the way that retailers are selling and performing across the European Economic Area, plus Switzerland. It's notable that the top category is now dominated by global brands that have created and exported their own distinctive formulas for retailing. All have strong roots in stores and enjoy close relationships with customers who often act as brand advocates. All have innovated to develop high-quality products that are relevant to their customers.

As a result, all have created a heritage that means we can't now imagine modern urban life without these major players. They have experimented with, and embraced, changing retail formats as well as the move to digital shopping. At the same time, they have continued to focus on staying both excellent and consistent across their operations.

The theme that we're detecting most strongly across this group of Elite retailers is that of synthesis. These retailers are bringing the customer, the product and the operations that underpin their businesses together with the values of innovation, invention and integrity.

This top category is notable for its international flavour. Only one of these retailers (Boots) hails from the UK, while the others are from different parts of Europe and the US. The Top25, however, are mostly British. This is due, at least in part, to the fact that this research started with the IRUK Top500, which analyses the performance of British brands in an exercise that goes beyond which retailer has the highest turnover, ecommerce revenues or web. It has since expanded to the larger market of Europe as we look to learn which best-practice approaches are now widely used, and which are still emerging in a fast-evolving retail market.

Throughout the pages of this report, we're learning about what works for leading EEA retailers in our six key Performance Dimensions. We're also looking at other factors that are bringing change to retailing on this continent, from marketplaces to Brexit.

We hope that this year's IREU Top500 will prove a useful tool for retailers across the continent as they benchmark progress against peers, competitors and growth partners to explore options that could help to make their businesses more responsive in a world where the customer is firmly in charge. It's work that will continue over the next 12 months. To keep up to speed with the changing world of European retail throughout the year, go to www.internetretailing.net/subscribe and select IREU from the options, or visit www.internetretailing.net/ireu

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Research at a glance

THE ELEMENTS INCLUDED in each Dimension are summarised below:

0. Footprint Dimension

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

0.2 The ecommerce subset of the above, ranging from €2m to €30bn – average €330m

0.3 EEA web traffic, ranging from 20m to 8.1bn – average 202m page views per annum

0.4 Number of EEA stores, ranging from 0 to 11,500 – average 382 stores

1. Strategy & Innovation

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

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

1.3 Innovative practice, including a selection of metrics from other Dimensions that, to date, are only used by the leaders

2. The Customer

2.1 Desktop and mobile homepage performance, including engineering and responsiveness – speed index, time to first byte, time to visual completion, use of third-party tags, etc

2.2 Customer service response time and helpfulness – Facebook, email and phone

2.3 Number of socially active customers and their interaction levels

2.4 Website navigation – the ease of finding a desired product, including tabs, icons, search and filtering

2.5 Customer feedback – incorporation of customer reviews and product ratings on the product display page

2.6 Mobile app – incorporation of customer reviews and product ratings [retailers with mobile apps]

3. Operations & Logistics

3.1 Delivery, including 10 metrics covering the range of options, plus competitiveness of time frames and pricing

3.2 Returns, including 10 metrics covering the ease of the returns and refund process to the customer, plus the range of options, including return to store

3.3 Collection – a summary of collection points offered by retailers, including own stores, transport locations, lockers and third-party stores

3.4 Mobile app – stock check features [retailers with mobile apps]

4. Merchandising

4.1 Customer-perspective website review, including 23 metrics covering design, navigation, the relevance of search results, product information and visual appeal

4.2 Mobile app assessment, including nine metrics covering use of notifications, product display and personalisation [retailers with mobile apps]

4.3 Merchandising and product review, including number and depth of promotions, the fraction of a retailer's range with reviews and descriptions, the number of images per product and the fraction of range that is out of stock [largest retailers]

5. Brand Engagement

5.1 Social media presence and availability, including 22 metrics, taking into account the use of 10 social networks, email and blogs; the size of audience and interaction with it on Twitter; and the net change over three months

5.2 Facebook assessment, including 13 metrics, covering the total number of people talking about the brand, the frequency of posts and interaction with recent posts

5.3 Website review: assessing the integration of social media, sharing and social validation

5.4 Mobile app: assessing the incorporation of social media, sharing and social validation [retailers with mobile apps]

5.5 Search assessment including total applicable keywords, total reach, share of search compared to other retailers and relative visibility in search results [some jurisdictions]

6. Mobile & Cross-channel

6.1 Mobile home page performance, including engineering and responsiveness: speed index, time to first byte, time to visual completion, etc

6.2 Mobile app, including 24 metrics, measuring the usability and functionality of apps and weighting features according to their impact on average order value (AOV), time spent on app and conversion rate

6.3 Cross-channel, taking into account use of physical store estate for order fulfilment and return, store information on the website, in-store functions of apps and cross-channel loyalty accounts [retailers with stores]

Methodology

Through this analysis of the leading European retailers, researchers aimed to understand how successful multinational retailers go about competing with local indigenous traders through the use of country-specific strategies that take account of the language, culture and legalities of retail in each market. Our metrics first gauged the Top500 retailers in the 31 countries of the European Economic Area, plus Switzerland, by Footprint, or size. We then moved on to analyse the Top500 list across six Performance Dimensions:

0. Footprint: online and offline revenue, web engagement and the store estate of retailer businesses give the preliminary rank based on size and market impact from the customer's perspective. In-house research identified each retailer's physical presence and financial performance across the region. Where that information was not available, our algorithms inferred data based on researched metrics. This analysis was moderated and weighted in the following Dimensions:

1. Strategy & Innovation: the extent to which the retailer is adapting for growth, international commerce and embracing innovative approaches.

2. The Customer: websites were tested for speed, as well as for the more subjective ease of navigation and search relevance, which were considered likely to contribute to customer satisfaction. Researchers charted whether retailers personalised customer communication channels or left them the same in different countries.

3. Operations & Logistics: measuring the service promise for deliveries, returns and collections.

4. Merchandising: considered whether retailers enabled customers to find the product quickly and then understand it through relevant images, information and third-party reviews and ratings. Analysis of stock newness was integrated to capture the full picture of merchandising activities.

5. Brand Engagement: assessed how retailers connected brands with the customer, through social media and direct marketing engagement and through search visibility.

6. Mobile & Cross-channel: considered how mobile websites were optimised and the use of mobile apps. Cross-channel links were analysed through the availability of product collection, drop-off returns and the ease of multi-device shopping.

Judgment
All judges and judgment systems are fallible and our research is no different in that regard. Our methods and metrics have evolved and become more sophisticated as we've moved on from methods first used in the IRUK Top500.

Knowledge Partners
We could not have completed this research without the generous advice and practical help of our Knowledge Partners. We're grateful to them all for the highly revealing insights they've delivered and the generosity with which they did this. Brand View, BuiltWith, Edited, Evidon, Hitwise, NCC Group, Poq, and SimilarWeb are the IREU Top500 Knowledge Partners of 2017.

What constitutes a retailer?

THE MULTICHANNEL RETAIL landscape is more complex than merely 'having a website' or 'operating a store', especially when considering companies operating at a pan-European level. In choosing which companies to include in the IREU Top500, we have considered companies' intent, capabilities and activities around the recruitment and monetisation of customers. The definition of a 'retailer' for inclusion in our research is:

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

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

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

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

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

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

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

Exceptions: in every good list there's an exception, where we may include a business due to its influence upon retailers and retailers' customers. Some of these companies will be included within IREU Top500 2017 and others are tracked for information on their impact on retailers.

Companies excluded from the IREU Top500

Marketplaces: where a candidate retailer is simply a marketplace, the company is not featured. Where a marketplace undertakes customer acquisition, manages payment, customises offers and recommendations and offers recourse on purchases, then the company will be eligible for inclusion. For more on the influence of marketplaces on the overall retail landscape, see page 30.

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

Business-to-business and direct-selling brands: while the scope of retail is normally direct to consumer, two trends are challenging this: the move for brands and previously solely B2B businesses to sell direct to consumers; and the increasingly retail-like behaviour of B2B brands (in terms of acquisition, promotion, personalisation and service). We have therefore included certain B2B businesses and direct-selling brands.

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The most extensive analysis on

Europe's Top500 Retailers

Plus Six Annual Reports:

Brand Engagement: September 2017

Mobile & Cross-channel: November 2017

Merchandising: January 2018

The Customer: March 2018

Strategy & Innovation: May 2018

Operations & Logistics: May 2018

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

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

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Company spotlight

Rajan Balasundaram, Leader Strategist and Innovator;
VP Solutions at Emarsys, tells us about the challenges facing retail
and opportunities offered by artificial intelligence (AI)

What does Emarsys do and what is its USP?
Emarsys is a global B2C marketing cloud company. It helps retailers to work at scale, personalising interactions with individual consumers in a seamless manner across channels.

What challenges are marketers facing in retail today?
Retail channels are merging and consumers are demanding a seamless experience. Mobile has given them the power in many ways, including the ability to check online offers while standing in store.

Disparate teams within the retail organisation are trying to solve similar challenges but in different ways, resulting in an experience for consumers that may not be joined up. Retailers, therefore, need one database, which can bring all of these teams together – a single source of the truth providing one place in which all of their data can be brought together, analysed and acted upon.

How big an opportunity is AI for retailers?
The amount of data held about customers is enormous. Analysing that data, segmenting it and drawing insight from it is better suited to a machine than to humans. Artificial intelligence (AI) can utilise machine learning and pattern recognition to work out the best way to interact with individual customers based on past behaviour or similarity to other customers.

AI will have profound effects on the retail industry. It can provide a unified personalised experience with the consumer, which is agnostic of channel. This will make the in-store experience the same as the web experience, for instance.

AI can solve the problem of personalising the experience for the end consumer. It can predict what a customer will do, as well as highlighting to someone in the business what message will produce the best outcome. AI can work out from business goals which promotions, offers and product selection will perform best when offered to individual consumers. It will factor in margins and discount levels based on rules around short-term revenue and long-term profit goals.

It gives the right discount levels to the right customers. Where one consumer can be swayed by a 20% discount, another is more likely to convert when offered free delivery, for example. AI can predict whether product A or product B should be included in a certain communication. This unified personalised experience for customers is agnostic of channels so each offer can be presented through the best channel whether that's a mobile offer, email, web or via 'clientelling' in store.

As with all forms of personalisation, AI-automated offers need to be presented in a way that is seamless to the consumer and don't make them feel like they are being stalked.

How is Emarsys helping retailers with these challenges?
Emarsys has been helping retailers with its AI offering for the past 12 months with some customers seeing an uplift in revenue of up to 28%. Many retailers started testing AI with sample segments of 10% of their consumer database, gradually increasing the segment size to 50% and upwards as the technology proved itself. AI in retail is still in its infancy but it won't be long before marketers turn on the full capabilities. Implementations are expected to skyrocket in 2019.

The winds of change pushing European retail on a fresh course

If a week is a long time in politics, then perhaps a year is an epoch in the fast-moving retail sector, writes **Sean Fleming**, launch editor of InternetRetailing's sister title, edelivery.net

REFLECTING ON THE findings of the 2017 InternetRetailing EU Top500, it is possible to identify several themes to which the industry should pay careful attention in the years ahead. An examination of some of the changes that have occurred in the Index also demonstrates the importance of constantly improving upon what you do.

The summit of European retail performance belongs to the six retailers in the Elite category. These are the retailers that are simply an order of magnitude better than everyone else. This is not a question of turnover, growth, or any other commonplace two-dimensional metric, but is based on an assessment and analysis of best practice as it is applied against a set of criteria.

In 2016, the Elite retailers were Apple, Bon Prix, Decathlon, H&M, Next and Zara. Of those, Apple, H&M and Zara stayed up this year. They have been joined in 2017 by Boots, IKEA and Nike, all of which were in the 2016 Leading category.

Running to stand still
That three retailers were able to stay in the Elite category doesn't mean they have maintained standards while others fell off the pace. Far from it – they have all continued to improve. Since standing still is not an option, remaining in the Elite category is a sign of constant progress.

The 2017 Elite retailer list has a very international line-up, with two Swedish, one Spanish and one UK retailer alongside two that are global brands of US origin. H&M, IKEA and Zara score highly in the way they operate as local retailers in every territory they serve, while remaining successful internationally. That's not an easy balancing act, requiring focus, determination and attention to detail across all lines of business.

When IKEA opens a new store, as it last did in the UK in July 2016, it conducts in-depth research into the local market. As you might expect, this involves assessing consumer tastes but it also includes an analysis of the types and sizes of housing and homes. A walk through IKEA's year-old Reading store will take you past room layouts and displays that reflect the way local people live.

Yes, it is a global player, with over 300 stores worldwide, but such zealous attention to detail at a local level means that while one IKEA store may superficially seem like any other, each has been configured very specifically to the locality it serves. Combine that with a clearly Swedish sense of identity (their crèche is called Småland – a play on words that references the location of the first IKEA store) and a highly centralised approach to operations that includes everything from manufacturing to recycling, and you start to get a sense of what being Elite involves.

Boots is the only British retail brand in the Elite category. What it gets right is the size of its on-the-ground presence – which it has maintained for decades – plus its broad range of services for its very large customer base.

Apple and Nike are not retailers in the traditional sense, of course, but they are very large international brands. More on this later.

The model
The next category are the 19 Leaders which, together with the Elite retailers, go to make up the Top 25 of the IREU Top500. This category is dominated by British retail names, with 15 out of the 19 hailing from the UK. Among these are Marks & Spencer, PC World, Screwfix, Superdrug and Tesco.

It may well be that UK retailers are outperforming all others, although there's another reason for this British invasion. When the criteria and performance Dimensions were developed for the IREU Top500, the inspiration for what was working well (and what was not) was taken from the UK market. So in that sense, the model retailer could be said to have been British.

Yet while British retailers are currently performing well, a growing number of their European competitors also appear in the rankings, albeit toward the lower end. This stratification is a picture that may well change in the next few years.

One thing that's already changed is the number of brands on the Index. Global brands such as Apple or Nike tend to perform well regardless of borders since their cross-country, transnational relevance and reach plays well anywhere. However, for many retailers, it remains a challenge to break into new territories without diluting their offer or ability to respond locally.

The other inescapable truth is that a growing number of brands now also operate as retailers, running direct as well as indirect sales channels by developing and sustaining meaningful engagements with their customers via traditional channels of communication and social media. The line between retailer and brand is more blurred than ever.

Prime mover

It's not just the number of brands in the Index that stands out, but also the extent to which internet retailing has begun to give way to retailing in a broader sense, with a relatively decreasing presence of the ecommerce startup. This is a reflection of retailer performance across the board. Retailers that get it right, that are pursuing excellence in a meaningful way, are doing so in an integrated fashion.

Performance and consistency at scale are key measures for success in the IREU Top500. To some, the absence of Amazon from the Elite category may seem odd, with Amazon being the elephant in the retail room that everyone wants to talk about... constantly. Yes, it's large and yes it does a lot of things very well. But Amazon doesn't rank as highly in our Index as it does in the public psyche.

Will that always be the case? Predicting the future is a foolhardy pastime but it's unlikely. Amazon has rarely stood still. Having taken on bookshops and won, it then disrupted its own business model with the Kindle and won again. The announcement in June of its intention to acquire US food retailer Whole Foods, the launch of Prime Wardrobe and its dalliance with drone delivery all demonstrate Amazon's desire continually to keep moving.

Tomorrow never knows

With that in mind, the question of how the rest of the retail sector will approach innovation waits to be answered. Retailers have to focus on two simultaneous innovation tracks. One is around developing new services and IP, the other around their own operational capabilities and keeping the promises they make to their existing customers.

A lot of research and development resources are focused on providing incremental improvements in product, customer engagement and operations. But at best, these deliver short-term gains before the rivals follow suit and catch up. Yesterday's innovations inevitably become tomorrow's commodity and with that comes the erosion of any tactical, innovation-driven, competitive advantage they may have had.

Making the next truly significant leap in retail innovation will be about more than this kind of piece-by-piece search for marginal gains. How the retail sector chooses to square up to this challenge has the potential to shake up not just the rankings in the IREU Top500 but the sector as a whole. 🞖

Where did we start?
The largest in Europe

We have published the Footprint list of the largest 500 retailers in Europe every year since 2015. The Footprint is a combination of a retailer's revenues, online sales, web traffic and store numbers and is an indication of their visibility to the European consumer. Here are the retailers clustered by Footprint size and listed alphabetically. Once we factor in their performance in our six Dimensions, their final performance ranking is shown on page 14

Largest 50

Aldi	Darty	Ikea	Pandora
Amazon	Decathlon	Kik	Pull & Bear
Apple	Deichmann	LeroyMerlin	Rewe
Argos	Dm	Lidl	Rossmann
Auchan	Douglas	Mango	Sainsbury's
Bershka	E.Leclerc	Marks & Spencer	SportsDirect.com
Biedronka	Edeka	Massimo Dutti	Stradivarius
Boots	El-Giganten	Media Markt	Tchibo
C&A	Empik.com	Mercadona	Tesco
Carrefour	Euronics	Nespresso	Topshop
Castorama	Fnac	New Look	Zara
Coop	H&M	Nike	
Coop Norden	Hagebaumarkt	OBI	

Largest 100

A.T.U.	Eduscho	Jack & Jones	RTV Euro AGD
Albert Heijn	Ernsting's Family	JD Sports	Samsung
B&Q	Etam	Kiabi	Saturn
Blokker	Expert	Komputronik	Screwfix
Boulanger	Galeria Kaufhof	Lindex	Specsavers
Brico Dépôt	Game	Lloyds Pharmacy	Superdrug
BUT	Games Workshop	Maisons du Monde	Swarovski
Camaieu	Gemo	Media World	Swatch
Carphone Warehouse	Guess	Micromania	TK Maxx
Conforama	Halfords	Müller	Wilko
Currys	Hema	Norauto	Yves Rocher
Desigual	Hornbach	Otto	
Dia	Hugo Boss	Plus.de	

Largest 150

Adidas
Allegro
Altex
Asda
Bauhaus
Cache Cache
Clarks
Clas Ohlson
COS
Debenhams
Diesel
Dorothy Perkins
Esprit

G-Star Raw
Galeries Lafayette
Gifi
Google Play
Holland & Barrett
Homebase
Jennyfer
JYSK
Kruidvat
Lapeyre
Lego
Microsoft
Mondadori Store

Morrisons
Neonet
Next
Obaïbi-Okaïdi
Oysho
PC World
Pepe Jeans London
Pets at Home
Pimkie
Promod
Real
Reserved
Sally

Tom Tailor
Tommy Hilfiger
Toolstation
Topman
Toys Я Us
Unieuro
Urban Outfitters
Waitrose
WHSmith
Wickes
Worten

Largest 250

Aliexpress
Alinéa
Allopneus.com
Alternate
Alza
Aubert
Bata
Bol.com
BonPrix
Brico
Cdiscount
Chaussea
Christ
Continente
Coradrive.fr
Cultura-Socultur
Digitec
Dr.Max
Dunelm
E-shop.gr
eBay
Ecco
El Corte Inglés
Elkjop
eMag
Euro Car Parts

Fashion ID
Flanco
Forever 21
Fossil
France Loisirs
Fust
Gamma
GAP
GearBest
Gigantti
Go Sport
Görtz
Gucci
H.Samuel
Habitat
hmv.com
Hollister
Home Bargains
House of Fraser
HP
Iceland
IKKS
Intersport
John Lewis
JouéClub
Karstadt

Karwei
King Jouet
Kotsovolos
LaFeltrinelli
Louis Vuitton
Lush
Mall.cz
Manor
Maplin Electronics
Martinus
Matalan
Materiel.net
Matras
Monki
Monoprix
Monsoon
MyToys
Nature & Decouvertes
Notebooksbilliger
Oasis
Ocado
Office
Okay
Paperchase
Poco
Praktiker

Public.gr
QVC
Ralph Lauren
River Island
Roller.de
Schuh
Spar
Sportisimo
Tape À L'Oeil
Tati
Thalia
Thomann
Truffaut
United Colors of Benetton
Vente-Privee
Waterstones
Weltbild.at
Witt Weiden
Women'secret
X-Kom
XXXL
5.10.15.

Largest 350

Abercrombie & Fitch
AKI
AllSaints
Ann Summers
Asics
Asos
Bang Good
Baur
BCC
Bild Shop
Bonobo Jeans
Breuninger
Bricoman
Carhartt
Cath Kidston
Ceneo
Chain Reaction Cycles

Charles Tyrwhitt
Claire's
Cotswold Outdoor
Cyberport
Dänisches Bettenlager
Datart
DeBijenkorf
Dior
Dr. Martens
Dreams
Eroski
Evans Cycles
Eventim
Ex Libris
Extreme Digital
Fat Face
Frankonia

Furniture Village
Globetrotter
GO Outdoors
Grosbill
Heine
Hobbycraft
Jessops
Kärcher
Kasa
Kijkshop.nl
Krëfel
La Redoute
Lacoste
Lakeland
Laura Ashley
LDLC
Leen Bakker

LightInTheBox
M-Electronics Migros
Mediagalaxy
Medion
Migros
Militaria
Mindfactory.de
Miss Selfridge
Mohito
MömaX
Mothercare
Mountain Warehouse
Nay
NetOnNet
Ole Ole
Oscaro
Oxybul

PcComponente
Plaisio
Radiopopular
The Range
Richer Sounds
Rue du Commerce
Selfridges
size?
Smyths
Spartoo
Sport Zone
Stadium
TechnoMarket
Technopolis
Ted Baker
Thansen.dk
TomTom

Top Secret
Ubaldi
Undiz
Uniqlo
Vanden Borre
Venezia
Vero Moda
Vertbaudet
Victoria's Secret
Wayfair
Webhallen
Wish
The Works
Zalando
& Other Stories

Largest 500

A.S. Adventure
Accessorize
Adolfo Dominguez
Aktiesport
American Golf
Apotek1
Asus
ATS Euromaster
Baby-Markt
bareMinerals
Bathstore
BazarChic
Bever
Bijou Brigitte
Bilka
Billa
Blue Inc
Boden
The Body Shop
Bonmarché
Boohoo.com
BookDepository.com
Bose
Bottega Verde
Boux Avenue
Brantano

Bristol
Burberry
Burton
Camper
CarpetRight
Cass Art
Cotton Traders
Crocs
Czc.cz
D-Mail
Decitre
Delhaize.be
Disney Store
Dunnes Stores
Dustin
Early Learning Centre
Ebuyer.com
Electro Depot
Electro World
Ellos
The Entertainer
Ernest Jones
Evans
Feelunique.com
Foot Locker
Footasylum

Forbidden Planet
Gall & Gall
Goldsmiths
Hippoland
Hobbs London
Hoffner
Hunkemöller
Interflora
Jacamo
Jack Wills
JBC
JD Williams
Just Eat
Karen Millen
Klingel
Komplett
Konzum
L'Occitane
Lefdal
Libri
Lipsy
Littlewoods
M&Co
MajesticWine
MandM Direct
Medimax

Microspot.ch
Mimovrste
Mio Electronics Brand
Mironet
Misco
Miss Etam
Missguided
Morgan
MS Mode
Music Store
Myprotein
Net-A-Porter
The North Face
NotOnTheHighStreet.com
Orchestra
Overclockers UK
Peacocks
Pearl
The Perfume Shop
Philips
Phone House
Photobox
Post Office Shop
Prenatal
Privalia
Puma

Quiz
Reiss
Reservix
RS Components
Ryman
s.Oliver
Scapino
Schwab
Shoe Zone
Simply Be
Smyk
SoleTrader
Space.NK
Sportscheck
Spreadshirt
Staples
Steg Electronics
Superdry
T.S. Bohemia
Thomas Sabo
Thorntons
Timberland
Timpson
Tokmanni
Topps Tiles
Trainline

Trony
USC
Vans
Verkkokauppa
Very
Viking
Vistaprint
W. Kruk
Wallis
Warehouse
We Fashion
Wiggle
Woodbrass
Xenos
XXL
Yoox
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3Suisses

Congratulations to the IREU Top500 2017

This is our 2017 ranking of the Top500 in Europe, based upon each retailer's performance across our six Performance Dimensions: Strategy & Innovation, The Customer, Operations & Logistics, Merchandising, Brand Engagement, and Mobile & Cross-channel

Our Elite retailers are statistically ahead of all others and they represent the pinnacle of European multichannel retailing. Congratulations to Apple, Boots, H&M, IKEA, Nike and Zara

IREU ELITE 2017

Apple · Boots · H&M · IKEA · Nike · Zara

IREU LEADING 2017

Amazon	Halfords	Sainsbury's
Argos	Homebase	Screwfix
BonPrix	House of Fraser	SportsDirect.com
Currys	Marks & Spencer	Superdrug
Debenhams	New Look	Tesco
Decathlon	Next	
Deichmann	PC World	

IREU TOP 50 2017

Alza	The Body Shop	John Lewis	Saturn
Asda	Carrefour	Lidl	Schuh
B&Q	Clarks	Mango	Smyths
	Darty	Matalan	TK Maxx
	Dorothy Perkins	Media Markt	Topman
	Euronics	Mothercare	Zalando
	Intersport	Otto	
	JD Sports	Pull & Bear	

IREU TOP 100 2017

Adidas	Dm	Kiabi	Samsung
Asos	Douglas	La Redoute	Stradivarius
Auchan	Dunelm	LeroyMerlin	Swarovski
Bershka	eBay	Littlewoods	Tommy Hilfiger
C&A	Empik.com	Lloyds Pharmacy	Toolstation
Carphone Warehouse	Esprit	Massimo Dutti	Topshop
Clas Ohlson	Evans Cycles	Morrisons	Toys Я Us
Coop	Fnac	Nespresso	Very
	Game	OBI	Waitrose
	Gemo	Ocado	Waterstones
	H.Samuel	Office	Weltbild.at
	Hagebaumarkt	Pandora	WHSmith
	Holland & Barrett	Pets at Home	Wickes
	Jack Wills	Pimkie	Wiggle

EU TOP 150 2017

Accessorize
Albert Heijn
Alternate
Ann Summers
Blokker
Bol.com
Boohoo.com
Boulanger

Camaieu
Disney Store
eMag
Ernsting's Family
Eroski
Expert
Footasylum
Galeria Kaufhof
Galeries Lafayette
GAP
GO Outdoors
Hema
Hollister
Hornbach

Hugo Boss
Hunkemöller
Jack & Jones
Lego
Lush
Maplin Electronics
Microsoft
Migros
Miss Selfridge
Mondadori Store
Monoprix
Monsoon
Phone House
Prenatal

Promod
River Island
Rossmann
s.Oliver
Sally
Specsavers
Swatch
Tchibo
Thalia
Unieuro
Urban Outfitters
Wallis
Wilko
Yves Rocher

EU TOP 250 2017

A.S. Adventure
A.T.U.
Bauhaus
Blue Inc
Boden
Brantano
Brico Dépôt
BUT
Castorama
Cdiscount
Chain Reaction Cycles
Christ
Claire's
Conforama
Cotswold Outdoor
Cultura-Socultur
Delhaize.be
Desigual
Diesel
Dreams
E-shop.gr

E.Leclerc
Early Learning Centre
Ebuyer.com
Eduscho
El Corte Inglés
El-Giganten
Etam
Evans
Fat Face
Foot Locker
Forbidden Planet
Forever 21
G-Star Raw
Games Workshop
Gifi
Görtz
Gucci
hmv.com
Hobbs London
Hobbycraft
Home Bargains
HP
Iceland
Jacamo
Jessops
JYSK
Karstadt

Karwei
Kik
Komputronik
Konzum
Kruidvat
L'Occitane
Lakeland
Lapeyre
Laura Ashley
Leen Bakker
Lindex
Lipsy
Louis Vuitton
M&Co
Maisons du Monde
MajesticWine
Mall.cz
MandM Direct
Matras
Media World
Micromania
Missguided
Mountain Warehouse
Net-A-Porter
NotOnTheHighStreet.com
Oasis
Paperchase

The Perfume Shop
Public.gr
Quiz
Ralph Lauren
Real
Rewe
RTV Euro AGD
Rue du Commerce
Ryman
Selfridges
Simply Be
size?
Spar
Staples
Superdry
Topps Tiles
Uniqlo
United Colors of Benetton
USC
Vero Moda
Victoria's Secret
Wayfair
The Works
Worten
Yours Womenswear

EU TOP 350 2017

Abercrombie & Fitch
Aktiesport
Aliexpress
Allegro
American Golf
Apotek1
Asics
ATS Euromaster
Aubert
Bata
Bathstore
Biedronka

Bijou Brigitte
Billa
Bose
Bottega Verde
Brico
Burberry
Burton
Cache Cache
CarpetRight
Cath Kidston
Charles Tyrwhitt
Chaussea
Continente
COS
Cotton Traders
D-Mail
Dänisches Bettenlager
Dia

Dr. Martens
Ecco
Electro Depot
Elkjop
The Entertainer
Ernest Jones
Euro Car Parts
Ex Libris
Feelunique.com
Furniture Village
Gamma
Go Sport
Goldsmiths
Google Play
Guess
Habitat
IKKS
Interflora

JBC
JD Williams
Jennyfer
Karen Millen
Kasa
Kijkshop.nl
Krëfel
LaFeltrinelli
Materiel.net
MS Mode
Müller
Myprotein
MyToys
Nature & Decouvertes
Neonet
Norauto
The North Face
Obaïbi-Okaïdi

Okay
Orchestra
Oysho
Peacocks
Plus.de
Post Office Shop
Puma
QVC
The Range
Reiss
Richer Sounds
Roller.de
RS Components
Scapino
Shoe Zone
Sport Zone
Spreadshirt
Tape À L'Oeil

Tati
Ted Baker
Thomann
Thorntons
Timberland
Vanden Borre
Vente-Privee
Warehouse
We Fashion
Women'secret
Xenos
XXL
XXXL
Yoox
Zeeman
& Other Stories

EU TOP 500 2017

Adolfo Dominguez
AKI
Aldi
Alinéa
Allopneus.com
AllSaints
Altex
Asus
Baby-Markt
Bang Good
bareMinerals
Baur
BazarChic
BCC
Bever
Bild Shop
Bilka
Bonmarché
Bonobo Jeans
BookDepository.com
Boux Avenue

Breuninger
Bricoman
Bristol
Camper
Carhartt
Cass Art
Ceneo
Coop Norden
Coradrive.fr
Crocs
Cyberport
Czc.cz
Datart
DeBijenkorf
Decitre
Digitec
Dior
Dr.Max
Dunnes Stores
Dustin
Edeka
Electro World
Ellos
Eventim
Extreme Digital
Fashion ID
Flanco

Fossil
France Loisirs
Frankonia
Fust
Gall & Gall
GearBest
Gigantti
Globetrotter
Grosbill
Heine
Hippoland
Hoffner
JouéClub
Just Eat
Kärcher
King Jouet
Klingel
Komplett
Kotsovolos
Lacoste
LDLC
Lefdal
Libri
LightInTheBox
M-Electronics Migros
Manor
Martinus

Mediagalaxy
Medimax
Medion
Mercadona
Microspot.ch
Militaria
Mimovrste
Mindfactory.de
Mio Electronics Brand
Mironet
Misco
Miss Etam
Mohito
MömaX
Monki
Morgan
Music Store
Nay
NetOnNet
Notebooksbilliger
Ole Ole
Oscaro
Overclockers UK
Oxybul
PcComponente
Pearl
Pepe Jeans London

Philips
Photobox
Plaisio
Poco
Praktiker
Privalia
Radiopopular
Reserved
Reservix
Schwab
Smyk
SoleTrader
Space.NK
Spartoo
Sportisimo
Sportscheck
Stadium
Steg Electronics
T.S. Bohemia
TechnoMarket
Technopolis
Thansen.dk
Thomas Sabo
Timpson
Tokmanni
Tom Tailor
TomTom

Top Secret
Trainline
Trony
Truffaut
Ubaldi
Undiz
Vans
Venezia
Verkkokauppa
Vertbaudet
Viking
Vistaprint
W. Kruk
Webhallen
Wish
Witt Weiden
Woodbrass
X-Kom
Zazzle
3Suisses
5.10.15.

Top500 retailers operating in a country

The number of IREU 500 retailers to have more than €10m revenue per annum from a member state

To become big outside its country of origin, a retailer needs to adopt new ways of doing business. The heat map below reveals those countries where the largest numbers of Top500 retailers have revenue greater than €10m per annum.

IREU 2017
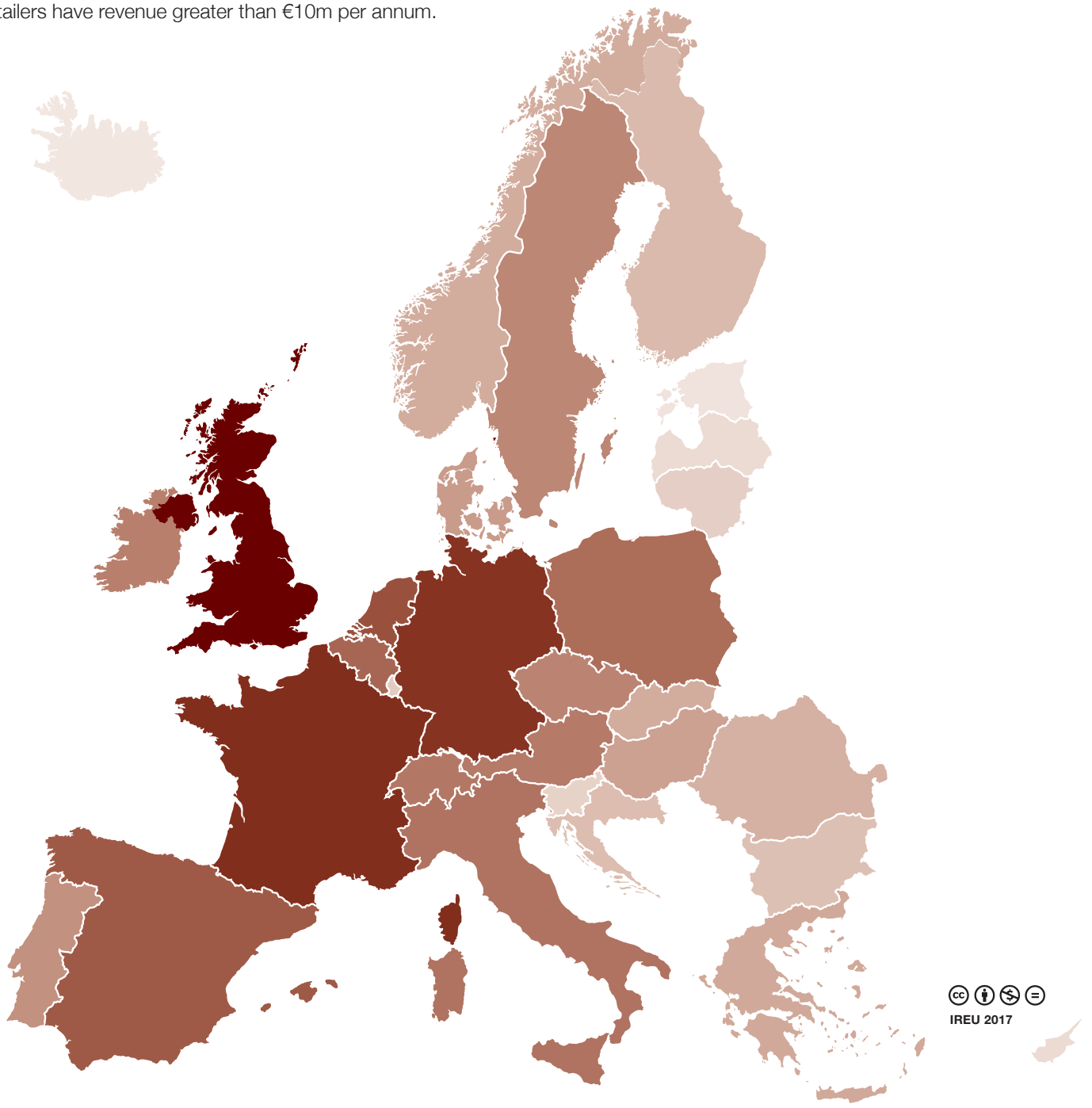
The most important markets to retailers

The number of IREU 500 retailers for which a country is their largest market in the EEA

Which member states are most important to a retailer? At one end of the extreme we see the UK, France or Germany being the most important markets for the majority of Top500 retailers. At the other, seven countries aren't the most important market for even one Top500 retailer.

IREU 2017
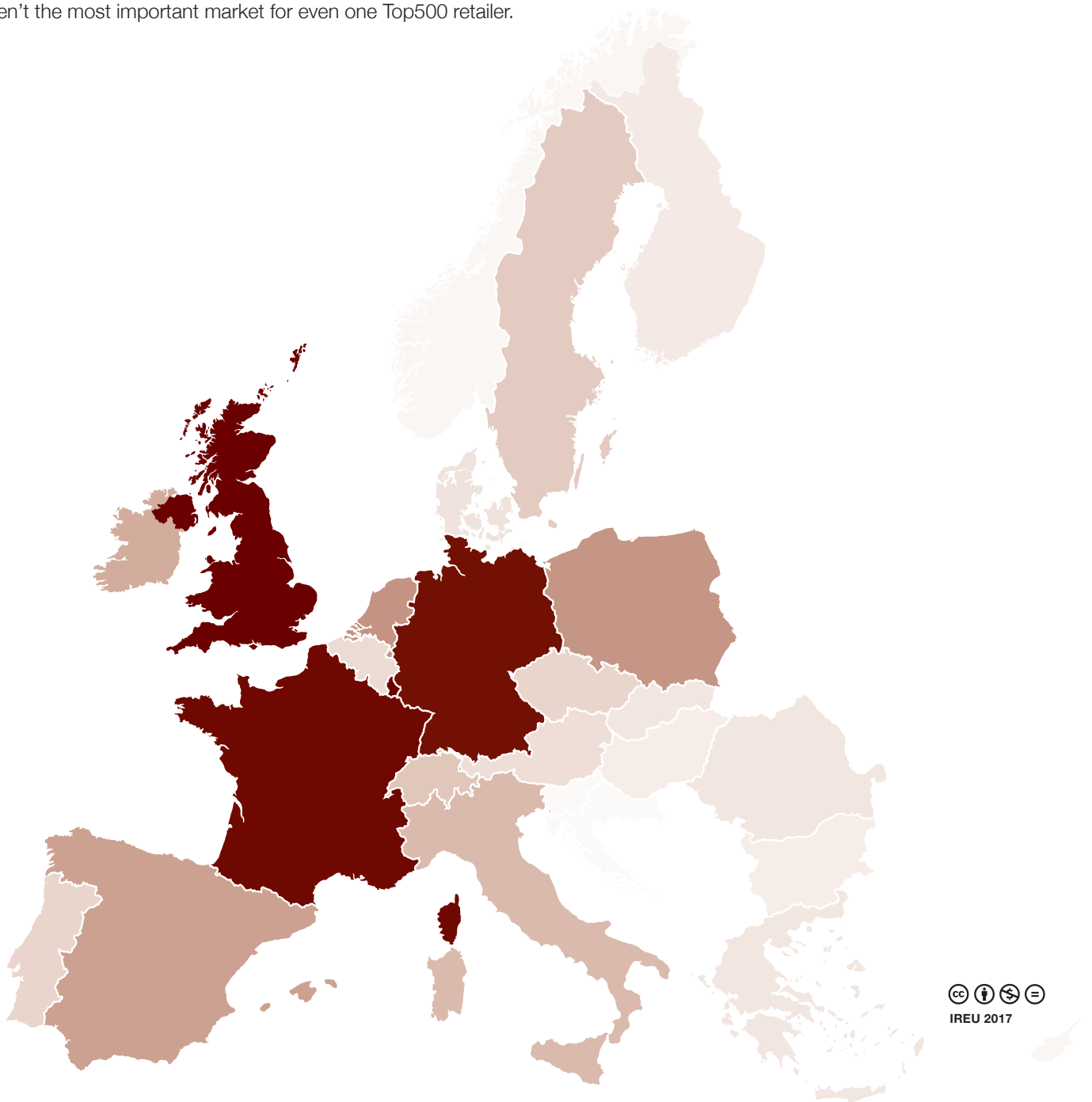
Taking the lead

Retailers gain strategic advantage when they are early to adopt innovative approaches

RETAILERS THAT COMBINE scale with market-leading and joined-up approaches to deliver connected retail stand out in the Strategy & Innovation Performance Dimension. Researchers measured traders' performance through the services that they offer that are not yet mainstream, or that make compelling sense in a multichannel business. These are found in areas from logistics and customer services to localisation for international audiences.

What the Top500 do
Top500 retailers sell in between two and three markets throughout the European Economic Area, plus Switzerland. They do so in between two and three languages, while accepting between three and four currencies. Each localises communication channels, such as blogs, email, phone and social media, to between two and three different countries and languages.

Traders offer shoppers a choice of between two and three delivery options. The most widely offered premium option is next-day delivery (19%), while nominated day (6%) and time (4%), same-day (2%), Saturday (10%) and Sunday (4%) deliveries are currently less widely available.

Most offer some form of multichannel delivery service, with 64% enabling shoppers to pick up online orders in the store and 43% enabling shoppers to return their online orders to the store. Returns are processed in an average of 12 days.

Most also offer a mobile app, 75% having an Android app, with 80% supporting iOS.

When it comes to visual merchandising, retailers illustrate products with an average of between three and four images, while 52% enable website visitors to save products to a wishlist.

How the leaders perform
Large retailers that combine operational excellence with a wide international reach stand out in this Performance Dimension. Health and beauty retailer Boots stands out for its flexible delivery promise that includes nominated-day and Saturday delivery, which it combines with enabling shoppers to buy in three EEA languages. Its English-language website will deliver throughout the entire single market.

UK department store group House of Fraser offers same-day, nominated-day and nominated-time delivery. Swedish homewares company IKEA performs strongly across Europe, enabling customers to shop in 28 languages, including Catalan, Basque and Spanish.

French fashion retailer La Redoute supports 10 EEA languages and five currencies, while shoppers at Swedish fashion giant H&M can choose between 17

Localisation

The number of EEA countries, currencies and languages to which the average Top500 company has localised

	communication channels localised to countries	communication channels localised to languages	currencies supported	websites localised to countries	websites localised to languages
Top500 average	**2.1**	**2.2**	**3.5**	**3.4**	**3.7**

IREU 2017

languages. UK computer specialist PC World has a particularly strong delivery offer, with same-day and nominated-time delivery services both available.

Spanish fashion brand Zara enables shoppers to pay in 10 currencies and read its website in 20 languages, while Zalando supports seven currencies and 11 languages.

How the markets vary
While the average European retailer may support between two and three markets and languages, at the level of the individual markets, average retailers still tend to have a purely domestic outlook, supporting just one market in one language. Consumers in countries where more than one language is spoken tend to reflect that choice on their website. For that reason, Belgian consumers are most likely to have the choice of communicating in more than one language, followed by Switzerland. Retailers trading in both countries offer, on average, between one and two language options.

> **Average retailers still tend to have a purely domestic outlook, supporting just one language**

It is notable that Top500 retailers operating in the UK are most likely to offer next-day, same-day, nominated-day and nominated-time delivery, even though the majority do not offer these options. UK-based and France-based shoppers enjoy the widest choice of delivery options on average, at between two and three, while those in Poland, Greece, Spain and Germany have an average of two options.

Collection is most widely found in the UK, where 67% of retailers listed in the IREU Top500 offer the multichannel service. Retailers trading in Germany display more images per product than the European average, at between four and five. Almost two-thirds (63%) of retailers trading in Italy enable shoppers to save products to a wishlist.

Meeting consumer expectations

Top European retailers offer high levels of service across channels

RETAILERS STAND OUT in The Customer Performance Dimension when they focus on the shopper experience to deliver consistent and responsive service across communication channels time and time again.

At a time when what the customer wants is moving to the centre of the shopping experience, retailers that stand out in this Dimension are doing all they can to reflect the wide-ranging demands of consumers.

What leading retailers do

Fashion retailer Matalan stands out for the breadth of its customer service. It communicates with customers across 10 channels, including six social channels (Facebook, Twitter, GooglePlus, YouTube, Pinterest and Instagram). It resolved issues effectively and responded to simple Facebook enquiries in an hour.

Trade supplier Screwfix gave effective customer service. It also stood out in InternetRetailing research for making the returns process easy and convenient for customers, including return of ecommerce orders to store, as well as for its product reviews. The retailer enables shoppers to connect with it across eight channels, including its busy community forum as well as YouTube, where it offers a wide range of video content such as product recommendations and demonstrations.

UK department store House of Fraser stood out for effective and responsive customer service, with questions answered in 24 minutes. It also has a policy of fully refunding returned goods as well as in-depth product reviews on its mobile app.

Polish books, film and music retailer Empik.com wins its place for comprehensive use of product reviews and ratings across its mobile app and desktop site. Electronics and home appliances retailer RTV Euro AGD, more commonly known in Poland simply as Euro, stood out for its 3.1-second desktop website loading time, which is faster than the average for Poland of 6.8 seconds. Euro is also notable for its seven communication channels, including five social media channels, telephone and a web submission form through which shoppers can communicate with the company.

Dutch online department store Bol.com stands out for its comprehensive product ratings and reviews, while Swedish hardware business Clas Ohlson engages with shoppers across seven channels, including YouTube, Instagram, Facebook and Twitter. It also makes it easy for shoppers both to find products through effective navigation, and to discover more about them through reviews and ratings.

Spanish department store El Corte Inglés supports six social channels, with its returns policy for online orders allowing customers to use drop-off points and stores.

What the Top500 do

Leading European traders in this Dimension answer customer queries across a wide range of channels. Top500 retailers engage with customers through an average of four to five channels and a median of four, with those channels typically including email, telephone, web submission forms and social media. But while leading retailers stand out for high levels of service via email, Facebook and phone, the average Top500 service is less impressive. Retailers take a median of 19 hours to respond to a customer email but half an hour to respond to a Facebook query, with phone queries resolved in a median of 90 seconds.

Around half of Top500 retailers inform potential customers through the use of ratings and reviews. The median Top500 retailer takes 14 days to process returns

Varying approaches between markets

British retailers tend to offer more choice when it comes to engaging with customers. On average, they offer between four and five ways for shoppers to get in touch, followed

> **British retailers tend to offer more choice when it comes to engaging with customers**

by retailers in Germany, the Netherlands and Spain, which all offer between three and four country-localised communication channels.
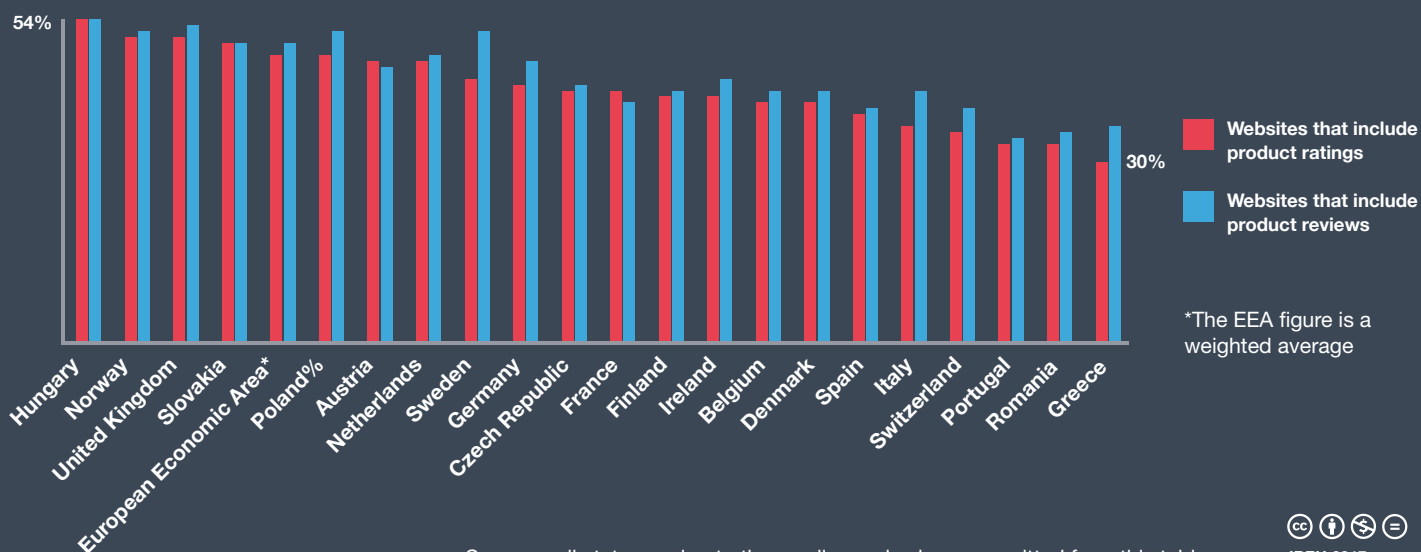
Retailers trading in Latvia offered markedly speedy websites. Desktop sites in this market were visually complete in an average of 5.7 seconds, followed by Belgium (6.8 seconds). Latvian mobile sites were visually complete in 4.5 seconds, followed by Lithuania at 4.8 seconds.

The amount of product information shared varies. Product ratings are deployed by more than half of retailers trading in Hungary (54%), the UK and Norway (51%), but less than a third (30%) in Greece. Product reviews are more available on websites in Hungary (54%), the UK (53%) and Poland (52%), and less available in Portugal (34%) and Romania (35%). Reviews on a mobile app are slightly less common, being offered by 45% of Irish retailers, 41% of Austrian retailers and 34% of British retailers.

Norwegian retailers offer an average of 32 days to return unwanted goods, while Spanish retailers offer 28 days.

Ratings and reviews

The fraction of Top500 websites localised to a country that provide customer-created ratings and reviews

Legend:
- Websites that include product ratings
- Websites that include product reviews

Countries (left to right): Hungary, Norway, United Kingdom, Slovakia, European Economic Area*, Poland%, Austria, Netherlands, Sweden, Germany, Czech Republic, France, Finland, Ireland, Belgium, Denmark, Spain, Italy, Switzerland, Portugal, Romania, Greece

*The EEA figure is a weighted average

Some small states, owing to the small sample size, are omitted from this table

IREU 2017

Operations & Logistics

Choice is key for retailers designing delivery, collections and returns services that meet the needs of customers

RETAILERS THAT GIVE a choice of delivery options, enable collection from store and provide easy returns options are well placed to compete in a retail environment where customers expect easy shopping. It's also what makes them stand out in the Operations & Logistics Performance Dimension.

What the Top500 do
Most IREU Top500 retailers offer their customers reasonably flexible delivery, collection and return services, with many of them charging for them. Median standard delivery among the index's retailers costs €4.95 and takes between four and five days to arrive. The median threshold for free shipping is €50.

On average, retailers offer between two and three delivery options. The most popular premium option is next-day delivery (19%). Nominated-day (6%) and time (4%), same-day (2%), Saturday (10%) and Sunday (4%) deliveries are currently less widely available.
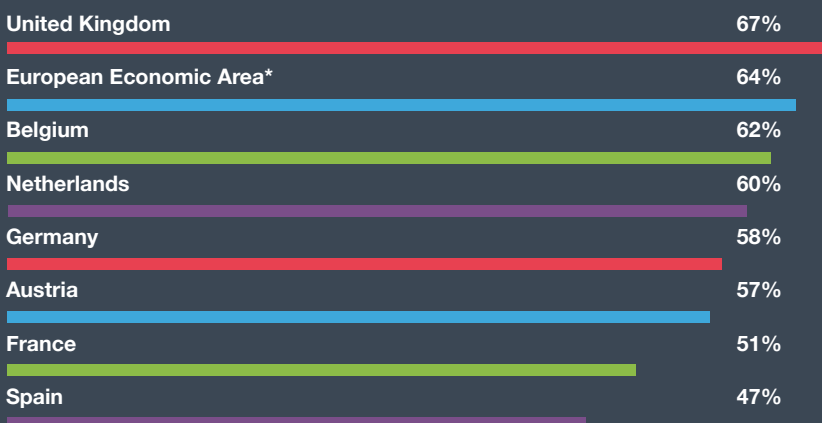
The majority offer customers some form of multichannel delivery service, with 64% enabling pickup in store and 43% supporting returning online orders to the store. One in five (20%) Top500 traders offers a store stock checker in a mobile app, while 7% have additional stock checking features.

When it comes to returns, 80% of the index's retailers enable shoppers to return items via post. The next most popular option offered is return to store (43%), with pick-up from home offered by 16% and via a drop-off point by 15%. Shoppers can return goods for a refund within 28 days, on average, although 19 days is the median.

Click and collect in Europe

The countries where more than half of the Top500 to operate in the country offer click and collect

Top500 companies to offer click and collect in a country (%)

Country	%
United Kingdom	67%
European Economic Area*	64%
Belgium	62%
Netherlands	60%
Germany	58%
Austria	57%
France	51%
Spain	47%

*The EEA figure is a weighted average

Some small states, owing to the small sample size, are omitted from this table

IREU 2017

What the leaders do

Trade supplier Screwfix stands out in the Top500 for offering flexible and relatively unusual delivery options, including Saturday and Sunday delivery and nominated time delivery, which is offered by just 3.5% of Top500 retailers. Screwfix is also among the 16% of retailers that offer returns via pick-up from the house.

UK supermarket Sainsbury's offers Saturday, same day, nominated time and day deliveries for non-food products. Computer retailer Apple enables stock checking from a mobile app and is among the 6% that offer additional stock checking features. Returns are pre-paid and picked up from the house.

Grocer Waitrose offers highly flexible returns for its non-food deliveries, refunding the cost of returning and offering pre-paid returns. It is among a small group that offers the choice of returning via pick-up from the house and via drop-off at a third-party pick up location. Supermarket Asda promises nominated day and time deliveries alongside Saturday and Sunday delivery. Schuh enables its customers to choose day and time of delivery, including Sundays, and is among the 2% that offer same-day delivery.

Moving into continental Europe, the Spain-based Inditex group features three times here, through its brands Pull & Bear, Bershka and Zara, for services including stock checking in the app and flexible refund policies. French clothing-to-homewares retailer La Redoute gives pre-paid returns, which can be picked up from the home or dropped off at a third-party location for a full refund.

Differences between markets

Logistics promises ultimately depend largely on the availability of infrastructure and third-party services offered within each market. Because of this, InternetRetailing research shows a wide disparity in the types of services on offer within the European Economic Area, plus Switzerland.

Collection is most widely found in the UK, where 67% of retailers listed in the IREU Top500 offer the multichannel service. Just a quarter (24%) of listed retailers offer the service in Hungary. The majority (65%) of retailers selling in Ireland enable shoppers to return online orders to the store.

UK and France-based shoppers enjoy the widest choice of delivery options on average, at between two and three, while those in Poland, Greece, Spain and Germany generally have just two options.

Some 41% of Top500 retailers offer next-day delivery within the UK, whereas no retailers offer this service in Norway, Lithuania, Slovenia or Croatia.

Nominated-day delivery is offered by 14% and nominated time delivery offered by 7% of UK retailers, with neither service available in Norway, Luxembourg or Croatia. The UK stands out on same-day, offered by 4% of the Top500 retailers delivering to this country. That's followed by 3% of the retailers that deliver to Norway.

Logistics promises depend on the availability of infrastructure and services within each market

Communicate the product

Explaining products in detail is crucial for successful online trading

RETAILERS THAT STAND out in the Merchandising Performance Dimension go the extra mile to explain their products and show how they are relevant to potential buyers. Images, product descriptions, reviews, ratings, website navigation, social sharing, cross-selling and upselling are all key tools, as is ensuring that customers who have chosen their products can then buy them easily through short checkout procedures, with no requirement to register.

What the Top500 do
Most IREU Top500 retailers make their websites easy to search and navigate. Drop-down search suggestions are offered by 70%, with 72% enabling customers to filter their search by price and 72% by product type. Filtering search by brand is enabled by 51% of retailers while a third (33%) ensure that the website displays results even when shoppers search for an item that's not stocked.

Product information is communicated through more than descriptions and reviews as ratings and images also play their part. Across Europe, retailers showed between three and four product images, with about 50% showing product ratings and 52% product reviews. Most (77%) use banner advertising, while 10% use a 'bestseller' ribbon to flag up popular products. The use of offers is widespread: 81% of Top500 retailers display obvious promotions on their product pages.

Social media plays an important part in the selling process for many traders. More than half (53%) enable shoppers to share products with friends, while 37% enable social validation and 23% enable shoppers to Like their products on Facebook.

More than two-thirds (69%) recommend similar products to shoppers, while 22% recommend an upgrade through up-selling, with 53% enabling shoppers to save products to a wishlist.

Just under half (49%) of Top500 retailers require customers to register before checking out, while they also need to complete between three and four pages at checkout.

What the leaders do
Social shoppers are catered for at UK DIY retailer Homebase, which enables shoppers to Like products on Facebook and to validate products on social networks. It shares product ratings and encourages browsers to trade up through the use of upselling.

UK grocer Ocado also uses upselling. Visitors to its site can filter their searches by brand as well as see product ratings and use social validation.

UK fashion retailer Very makes it easy for shoppers to find their way around its website. Shoppers can filter their searches by brand or use the real-time suggestions that drop down as they type in the search box. The retailer makes alternative product suggestions. Shoppers can also Like products.

Littlewoods is one of the 10% of Top500 retailers that has a 'bestseller' ribbon. Its products are Like-able and its website shows product ratings.

Smyths shows product images, ratings and reviews and enables search by brand. It does, however, require customers to register before they checkout.

Beyond the UK market, Polish entertainment and electronics retailer Empik.com uses the 'bestseller' ribbon as well as product ratings and reviews. German healthcare and household goods business DM enables search by brand, social validation and Likes.

How markets vary
German shoppers are likely to find it easier than most to get around a website: 75% of retailers trading in that market offer drop-down search suggestions (contrasting with 35% in Bulgaria), while 73% enable search by price (49% in Bulgaria) and 83% by product type (50% in Norway). Retailers in Germany also offer more product images than the European average, at between four and five.

British retailers enable shoppers to see what previous purchasers thought, with 50% sharing product ratings and 52% showing product reviews. By contrast, 22% of retailers selling to the Bulgarian market show product ratings, with the same proportion also showing reviews.

Banner advertising is most commonly used in Spain (85%), where the smallest percentage of retailers (43%) require visitors to register before checking out.
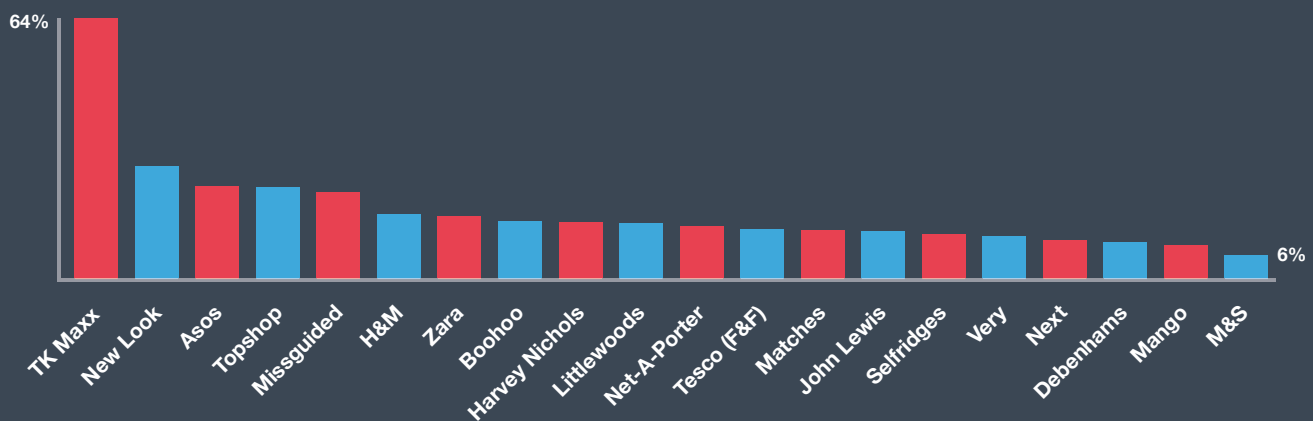
Those selling in Ireland enable shoppers to check out in an average of between three and four pages, while those selling in Romania do the same job in between two and three pages.

InternetRetailing Knowledge Partner Brand View looked specifically at UK retailers. Its data suggests that 38% of products were on promotion at the time of analysis, with retailers offering a median of 2,545 promotions. An average of 3% of products on offer were missing descriptions, while 57% had reviews.

> **German shoppers are likely to find it easier than most to get around a website**

Stock replenishment of fashion retailers in the UK

The percentage, for each retailer, of its total sold products that were new in the month leading to 2 June 2017

64%

6%

TK Maxx · New Look · Asos · Topshop · Missguided · H&M · Zara · Boohoo · Harvey Nichols · Littlewoods · Net-A-Porter · Tesco (F&F) · Matches · John Lewis · Selfridges · Very · Next · Debenhams · Mango · M&S

Reach out to customers

Enabling shoppers to follow and share on social media, while making it easier for them to get in touch through a range of channels, helps retail brands engage effectively

RETAILERS THAT STAND out in this Brand Engagement Performance Dimension make themselves available to customers wherever they are. It's about starting conversations where consumers are listening, and being in the right place to answer queries and questions, while using ratings and reviews to harness the insights and experience of people who have previously bought a product.

What the Top500 do
On average, Top500 IREU retailers trade in two or three markets in the European Economic Area (EEA), plus Switzerland, and they support between two and three languages. Most retailers, however, support just one language in one market, suggesting that many EEA retailers work only with their domestic market and in their own language.

Research carried out by Knowledge Partner Hitwise for InternetRetailing found that 80% of new visitors to Top500 websites came via search engines. Shoppers have, on average, four channels to choose from when contacting a European retailer, more often than not including Facebook. 305 of the Top500 retailers are on this platform, with an average of 6.5m page Likes and a median of 291,585.

Researchers found that the 279 retailers with Twitter feeds have an average of 157,949 followers (median 26,154). Around half of retailers enable consumers to find out what others think of their products, with 50% showing product ratings and 52% displaying product reviews.

The research team also looked at how Top500 retailers enable customers to rate and share products via their mobile apps. They found that 40% enable sharing items on social media from the mobile app, while 12% enable social media Likes. Just over a quarter (27%) display star ratings, while just under a quarter (25%) offer written product reviews.

What the leaders do
Global homewares retailer IKEA enables its European customers, wherever they hail from and whatever their mother tongue, to view its website in a home language. It supports a total of 28 languages in EEA markets, offering both Basque and Spanish within Spain and both Latvian and Russian within Latvia. IKEA's 16 communication channels include four social media channels.

French value fashion retailer Kiabi has a flexible approach to engagement. Website visitors can Like its products on social media, while those visiting its Facebook page can switch between regions. This enables shoppers to engage in seven languages and via six social media channels, including Facebook, Twitter and YouTube. Visitors to its website can also put their questions to the Kiabi community.

British ethical retailer The Body Shop stands out in InternetRetailing research as one of the few retailers that has both star ratings and written reviews on its mobile app. It enables shoppers to Like products on social media and to switch between Facebook pages by region.

Swedish fast fashion retailer H&M supports 17 languages within EEA markets and communicates via 10 channels, including six social media channels.

Market variations

InternetRetailing research suggests some sizeable variations in brand engagement between markets. The average British retailer, for example, supports more ways for customers to get in touch, at between four and five. That's followed by German, Spanish, Dutch and French retailers, at between three and four. At the other end of the scale, Hungarian and Danish retailers offer, on average, between one and two channels.

The average European retailer may support between two and three markets and languages but at the level of the individual markets, average retailers still tend to have a purely domestic outlook, supporting just one market in one language – or between one and two languages in Belgium and Switzerland, where more than one language is spoken.

Hungarian consumers appear the most predisposed to give the thumbs up to a Facebook page, with retailers who trade there having a median of 291,585 Likes. Twitter appears to be much more widely used in the UK than other markets, with British retailers enjoying a median following of 26,154.
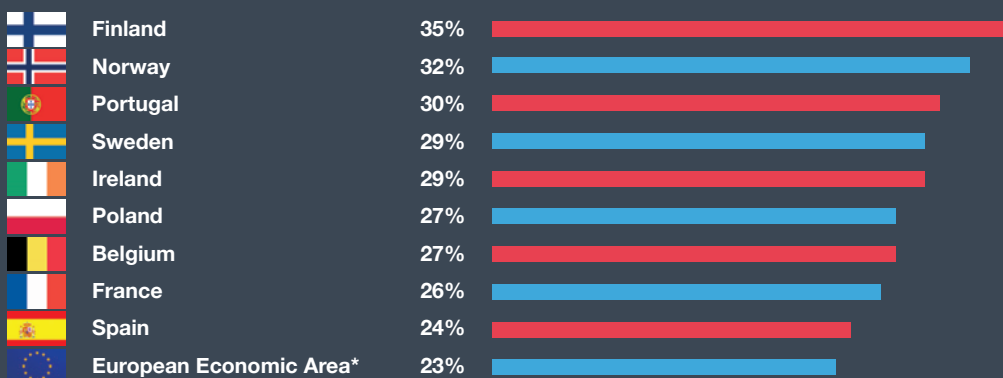
Search referrals carried most weight in the UK, with 81% of new customers referred from a search engine, followed by Germany (65%) and Italy (64%).

> **Research found that 80% of new customers to Top500 websites came via search engines**

Social validation on the product page

Top500 retailers that show social media Likes on the product pages of their country-localised websites

Top500 retailers that support social media likes of their products (%)

Country	%
Finland	35%
Norway	32%
Portugal	30%
Sweden	29%
Ireland	29%
Poland	27%
Belgium	27%
France	26%
Spain	24%
European Economic Area*	23%

*The EEA figure is a weighted average

Some small states, owing to the small sample size, are omitted from this table

IREU 2017

Shoppers on the move

Websites, apps and cross-channel services that meet the demands of smartphone-wielding customers offer a more joined-up shopping experience

FORWARD-THINKING RETAIL BOARDS are recognising the popularity of the smartphone among customers, not only as a buying and browsing device but also as a way to bridge the gap between online and offline. Well-specified mobile apps, fast-loading mobile websites and slick multichannel services characterise the retailers that stand out in this Mobile & Cross-channel Performance Dimension.

What the Top500 do

Leading European retailers are developing cross-channel services that satisfy customer demands for convenient shopping. A majority of the IREU Top500 (64%) now enable online shoppers to pick up their online orders in store. But less than half (43%) allow shoppers to return items ordered online to the store.

Mobile websites download at an average 8.6 seconds, becoming visually complete in 7.1 seconds. Mobile apps are relatively commonplace, with 369 of the Top500 retailers having a mobile app, of which 63% are Android and 66% iOS.
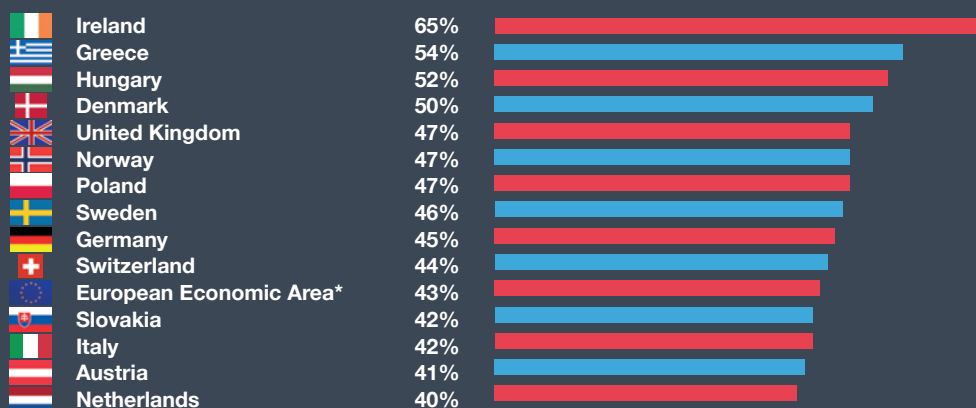
Researchers looked in detail at features available on the 324 iOS apps and found that making the sale was a priority, with 67% now transactional. A third (34%) enable the transaction to take place within the app, through a native shopping environment.

Almost two-thirds (60%) support push notifications, while 28% offer daily deals. Showing products off to good effect is a priority for the 44% that have a choice of images and the 43% that enable zoom.

Returning ecommerce orders to physical stores

Countries where more than 40% of the Top500 to operate physical stores permit the in-store return of ecommerce orders

Multichannel retailers offering return of ecommerce orders to store (%)

Country	%
Ireland	65%
Greece	54%
Hungary	52%
Denmark	50%
United Kingdom	47%
Norway	47%
Poland	47%
Sweden	46%
Germany	45%
Switzerland	44%
European Economic Area*	43%
Slovakia	42%
Italy	42%
Austria	41%
Netherlands	40%

*The EEA figure is a weighted average

Some small states, owing to the small sample size, are omitted from this table

IREU 2017

Almost half (49%) enable mobile users to find their nearest store from the app, while 21% enable them to check if an item is in stock at that store. A minority of retailers (6%) offer additional stock checker features.

Sharing on social is a relatively popular feature, with 40% enabling this. Although only 13% of mobile apps show social media Likes, 44% of apps feature wishlist functionality, 27% feature product star ratings and 25% written product reviews. More than three-quarters of apps (76%) were bug-free at the time of testing.

What the leaders do

UK toy retailer Smyths uses its app to share useful product information, from social media Likes to store stock checker, star ratings and reviews. UK prep fashion retailer Jack Wills' mobile app stands out for some relatively uncommon features, including a barcode scanner, the ability to share an item on social media, product image zoom and being able to shop within the app, using native shopping.

Online UK grocer Ocado illustrates products in its app using written reviews and star ratings. It offers a daily deal and enables shoppers to scan items via a barcode scanner.

Shoppers can zoom in on images from the product page on UK fashion retailer Very's mobile app, while those items are promoted through reviews, ratings and daily deals.

No frills Polish supermarket Biedronka stands out, enabling native shopping and the ability to share an item on social media, to zoom in on images and to find stores. Albert Heijn has a barcode scanner and scores well on personalisation as well as offering a choice of product images and a wishlist.

How markets vary

Click and collect is found most widely in the UK, where 67% of Top500 retailers offer the service. That's followed by Belgium (62%) and The Netherlands and Norway (60%). Retailers in Portugal (28%), Hungary (24%) and Bulgaria (12%) are least likely to offer the service.

Returning an item ordered online to a store seems easiest in Ireland, where 65% of Top500 retailers are set up to deal with this. Close behind are Bulgarian (58%) and Greek (54%) traders. Lagging behind are retailers in Czech Republic and Belgium (both 36%).

Irish and Polish retailers are among the most likely to have an Android app, at 93% of Top500 retailers in these markets. Practically all Italian (99%), French, Portuguese and Polish (98%) retailers listed had an iOS app, as did, at the bottom end, 58% of the 240 UK retailers listed.

Some 72% of Swiss retailers had transactional apps, while a native shopping approach was most common in Portugal (45%). Swedish retailers were most likely to offer a range of images and to enable shoppers to zoom in on them. 🎨

> **Returning an item ordered online to a store seems easiest in Ireland**

Marketplaces

Even in the age of Brexit, selling on EU online marketplaces makes sense, says **Dan Wilson**, editor of our sister title, tamebay.com

AMAZON CERTAINLY GETS the column inches and any examination of the marketplace environment in Europe will reveal the Seattle-based ecommerce giant as a dominating force. But it's important to remember that it isn't the only show in town.

eBay remains a key player that's still popular with many retailers. It also operates in more EU countries than Amazon, which only has dedicated websites in the UK, France, Italy, Spain and Germany, with some fulfilment in Poland and the Czech Republic.

But even these two marketplace titans don't have a stranglehold. In France, PriceMinister (part of the Rakuten Group), CDiscount and La Redoute are all powerful. For the BeNeLux countries, Bol is vital. Looking east, Allegro is bigger than both Amazon and eBay in Poland. And don't forget the likes of Zalando, Spartoo and Fruugo – all are open to third-party retailers that want to sell online via marketplaces in various parts of Europe.

The challenge for retailers, big and small, is to be platform agnostic. It isn't a case of having an 'Amazon-like strategy' or an 'eBay-type approach'. The focus must be on making sales to customers via any channel that doesn't damage or dilute the brand.

The everyday tasks of fulfilling one marketplace or another are not markedly different, as long as retailers have the back-end management and despatch processes in place. Language can be a problem but once that's cracked, retailers can sell pretty much anything, anywhere. The many multichannel marketplace providers that can plug into many (if not all) of the 400 or so EU online retail sites can do much to grease the wheels of commerce.

And what about Brexit? There is one obvious upside: the relative strength of the euro means sales in sterling look rather attractive right now, so long as you're in the UK and selling to the EU. Naturally, there is also uncertainty. Will the UK adopt a Norwegian-style EEA position, a hard Brexit or retain free movement of goods? Nobody knows and any change in circumstance is still nearly two years away. There doesn't seem much point in dragging your heels until there is clarity as that's most likely still a long way off.

Even in a hard Brexit situation, it strikes Tamebay that the best place to be selling is on pan-EU marketplaces. It will be expedient to them to help merchants to surf any storm. Indeed, that's exactly what they do already.

The greatest single headache right now for marketplace sellers trading cross-border among all the member states is VAT. If merchants sell to each country, then this could mean filing as many as 50 separate VAT returns a year. Needless to say, services have emerged that will cope with that problem. Even Amazon will do returns for a fee. But the point remains that it always makes sense to be part of the club.

It is very tough, and very expensive, to make a splash quickly with a retail brand selling directly from a website. But as a marketplace seller, retailers can find sales faster. The question of where to sell depends on you and your goods.

Brexit and an uncertain future

Challenges around the UK leaving the EU lie ahead, suggests **Sean Fleming**

FRUIT AND VEG pickers are in short supply this year in the UK, apparently. The reason – and it's unlikely you need it spelled out to you – is Brexit. Or rather, the uncertainty surrounding Brexit because in the 12-plus months since the UK voted to leave the European Union, much has been said but little has been decided.

Unless you're a hedge fund manager, uncertainty is bad for business. However, I'm betting you're not a hedge fund manager. Although I am simultaneously betting a slightly smaller amount that you are.

The problem facing fruit and vegetable farmers is present in other labour-intensive sectors too, in varying degrees. With uncertainty over their future in the UK, many EU nationals who were living and working here have left. The exact size of this so-called 'Brexodus' is unknown but any disruption to the supply of labour, and more importantly the skills contained within, is a concern in retail and its associated distribution sector.

There is also the recent fluctuation on the currency exchange market to consider. On 22 June 2016, the day before the EU referendum, the pound was trading at €1.30. By early July, it had fallen to €1.16 and, by 23 June 2017, it was at €1.13.

It's a similar story when comparing the pound to the US dollar – the post-referendum period has seen lower values for sterling than at any time in more than ten years. All of which pushes up costs for businesses buying in goods and services from overseas. *(Source: forex data taken from XE.com)*

What the implications might be in post-Brexit Europe for regulations and the bureaucracy of cross-border trading are presently anyone's guess. To speculate on them here would be of limited value, but this complete lack of any certainty, or even a coherent strategy, is a problem in itself.

However, rather than sit around waiting for politicians and civil servants to do something, the business community has been getting on with life. Despite, according to a news story in InternetRetailing in June, "68% of UK retailers have yet to start planning for Brexit", some others are meeting the European question head-on.

Take AO.com and ASOS. Both have distribution centres on the European mainland. Having stock located within the EU is advantageous on a practical level, of course, but it goes beyond that, giving such retailers a real sense of European identity. Not only are they physically part of the market they serve but as a result of that proximity, it is also likely that sales to the rest of Europe will grow – in volume, value and significance – potentially changing the culture and outlook of those retailers.

Will more British retailers ultimately seek out a second home on the continent? For the next year at least, and possibly for longer, your guess really is as good as our's.

Ongoing research

OUR RESEARCH DOESN'T stop here. Instead, we see the annual publication of the IREU Top500 as an important moment in an ongoing process. Over the next year and beyond, we will continue to analyse the performance of Europe's leading retailers. Through this process, we will continue to refine the metrics we use as we aim to provide the most comprehensive quantitative and qualitative analysis of the European retail sector to our readers.

Through the year, we will also publish a series of six Dimension Reports. Each focuses on a different aspect of retail practice – Strategy & Innovation, The Customer, Operations & Logistics, Merchandising, Brand Engagement and Mobile & Cross-channel – and assesses how leading European retailers are performing in these Dimensions. Each Dimension Report features best practice case studies, interviews with leading retailers and expert analysis of industry developments.

Looking beyond Europe, we are expanding the international scope of our research. Already, we have completed initial work on the IRAU and IR-ASEAN. These assess, respectively, retailers operating in Australia, and in territories that are members of the Association of Southeast Asian Nations. Both of these Indices will be completed for September 2017.

Late in the year, we will be updating the InternetRetailing Multichannel Brand Index (IRBX), which looks in depth at how brands work as they contest ground traditionally owned by retailers through their own direct-to-customer operations. In January 2018, we will publish the new version of the IRUK Top500, which looks in depth at UK retailers. By then, we should be getting some fascinating data about how Brexit is impacting on British retailers.

Finally, we produce separate, in-depth research into some of the Top500 in collaboration with our Knowledge Partners (see facing page) and we would like to acknowledge some specific contributions here. The Product and Merchandising Tracker, researched in partnership with Brand View, reveals the merchandising sophistication of some of the largest retailers across several verticals, including the type of information and imagery that can be found on their product display pages. Edited, the fashion strategy company, collaborates with InternetRetailing to review the pricing and sell-out figures for the largest fashion retailers operating in the UK. Follow the research blog on internetretailing.net for updates on these and other research topics.

Knowledge Partners

InternetRetailing would like to thank our Knowledge Partners, the companies that have offered original research insights, plus advice and guidance, in putting together the IREU 500

BrandView   **built with**   **EDITED**   **EVIDON**

hitwise   **nccgroup** *freedom from doubt*   **poq**   **SimilarWeb**

Brand View
Brand View measured comparable product ranges among several retail verticals for differences in both pricing strategy and merchandising, including the features on product display pages.
www.brandview.com

BuiltWith
BuiltWith, a website assessment company, found the technologies in use on every IREU 500 website – from ecommerce platforms to logistics plug-ins.
www.builtwith.com

Edited
Edited tracked the products offered, and the prices they were offered at, of fashion retailers over the twelve-month period to June 2017. This revealed stock newness and turnover, plus the breadth and depth of discounting across the largest fashion retailers.
edited.com

Evidon
Evidon provided an insight into the engagement level of end consumers using individual retail websites and, in addition, tracked retailers' usage of third-party software.
www.evidon.com

Hitwise
Hitwise measured the inbound traffic to Top500 websites, telling us the relative value to retailers of search, direct visits, social media, and other sources.
www.hitwise.com

NCC Group
NCC Group, a company that, among other services, offers website monitoring and consultancy services to retailers, performed multiple tests of all EEA-localised landing pages of the IREU 500.
www.nccgroup.trust

Poq
Poq contributed a dataset on the relative value of app features, measured by time spent in-app, average order value and conversion rate. The app developer also assisted in the design and research of a pan-European app capability study used in this report.
www.poqcommerce.com

SimilarWeb
SimilarWeb, a web traffic monitoring company, contributed data on the number of users using IREU 500 websites on a country-specific basis.
www.similarweb.com

Conclusion

IN RESEARCHING AND updating the InternetRetailing Top500, it's been fascinating to observe developments within the sector. In particular, and this is something we have found with the IRUK Top500 too, we notice time and time again how cutting-edge practices are adopted by other retailers. Within multichannel retail and ecommerce, today's innovations quickly become industry standards – where, that is, retailers can see a business benefit.

That's not to say that all European retailers are performing at the highest level. Retailing at scale requires a combination of imagination, planning and resources. In this context, the six Elite retailers we've identified – Apple, Boots, H&M, IKEA, Nike and Zara – have all got the mix right for their particular sections of the markets.

This latter point is especially important because, while elements of best practice cut across these retailers, each has its own unique approach to serving its customers. Boots, for example, has its hugely successful loyalty card, Nike enables customers to personalise new trainers, Apple connects channels brilliantly and so on. These companies aren't Elite retailers just because they do lots of things well, which they do, they are Elite companies because in areas of retail practice that really matter in their markets, they are measurably better at what they do than their competitors.

Whether they will still be rated as Elite retailers next year is another matter. As we've already noted in these pages, it takes continuous improvement to maintain the highest standards. Again, as we've already noted, there will be another factor playing in here over the next year: Brexit. To look at this from the perspective of retailers based outside the UK, even the possibility of a hard Brexit may be great news as British retailers scramble to cope with a world where tariffs are placed on exports and the pound plunges. Considering the patient, long-term work German and Scandinavian retailers in particular have undertaken to develop multichannel offerings, they may be among the beneficiaries here.

However, things may not be that simple. In the medium term, it may be that British retailers focus more on European operations, innovating in order to solve the problems a hard Brexit causes. This may actually increase competition. Even next year, when we update the IREU Top500 again, we may get early clues as to which outcome seems most likely.