



InternetRetailing UK Top500 2015

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virgin atlantic



Customers who engage
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20%



barclaycard

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Research at a glance

The IRUK2015 Index comprises seven Dimensions and 19 subdimensions, listed below (along with an indication of the data found)

0. Footprint

- 0.1 UK retail turnover, ranging from £400,000 to £43 billion – average £467 million
- 0.2 The ecommerce subset of the above, ranging from £400,000 to £4.2 billion – average £55 million
- 0.3 UK web traffic rank, ranging from 1st to 63,425th position – average 8,403rd
- 0.4 Number of UK stores, ranging from 0 to 11,500 – average 145

1. Strategy and Innovation

- 1.1 Click and collect performance, including number of store collection points, use of collection services, use of TfL locations. Range of values from 0.03 to 0.91 – average 0.55. 283 of the Top500 had a value of 0
- 1.2 A 'buyable' assessment, including 3D Secure, PayPal, delivery charge on the basket page, order cancellation and self-service amendment, basket persistence, basket email, customer survey, and review email. Range of values from 0 to 7 – average 3.86. [Largest 150]

2. Customer

- 2.1 Home page performance, including Engineering, comprised of Page Speed score and YSlow score; and Responsiveness, measuring HTML bytes, HTML load time, page bytes, load time, and page elements. Values ranged from 106 to 402 – average of 293
- 2.2 Customer service, including email response time, customer service call success, and live chat. Values ranged from 0 to 3.29 – average of 1.49. [Largest 150]
- 2.3 Twitter response time, ranging from 0.0041 to 24 hours. Average 2.63 hours. 283 retailers received a value of 0 for responding after 24 hours or not at all

3. Operations and Logistics

- 3.1 Delivery, including 26 data points with a maximum possible value of 24. Results ranged from 3.6 to 20.5 and the average was 12.5
- 3.2 Returns, including 9 data points with a maximum possible value of 12. Results ranged from 0.5 to 10.5 and the average was 4.8
- 3.3 Collect, including seven data points with a maximum possible value of 11. Results ranged from 0 to 10.2 and the average was 2.8

Dimension 3 paid special attention to 100 retailers within the largest 150 subset

4. Merchandising

- 4.1 Customer's perspective website review, including nine data points with a maximum possible score of 26. Results ranged from 4 to 26 and the average was 16.5. [Largest 150]
- 4.2 Expert review, including 11 data points. values ranged from 53 (best) to 137 (worst) with an average of 98. Results covered a subset of 27 apparel retailers and did not contribute to the Index

5. Brand and Engagement

- 5.1 Social media presence and activity across nine networks, social media sharing including mobile and app assessments, and social commerce integration into product and commerce pages, social validation and feedback.
- 5.2 Search visibility, including Google search frequency, relative to top scoring Top500 brand and Google PageRank, with index created relative to top scoring Top500 brand
- 5.3 Twitter interaction, including total mentions, actionable response rate, direct mention response rate, average time to respond, and median time to respond. Results ranged from 0.05 to 6.58 and averaged 4.23

6. Mobile and Cross-channel

- 6.1 Mobile, including iPhone and iPad app, push messaging, user rating, product scanning, social sharing, transactional, and in-app (native) payment – with the exception of user rating these were Boolean (yes/no) responses. Results ranged from 0 to 9.6 with an average of 2.0, including the 331 retailers without apps
- 6.2 Cross-channel assessment, including utilisation of store real estate for click and collect, and support for mobile in store.

Introduction

IT IS WITH pleasure that we release our first InternetRetailing Top500 UK report, an in-depth, commercial and comparative view of the UK's multichannel retailers and ecommerce players. Our guiding principle in undertaking this work has been to reflect the capabilities necessary to run complex retail operations at scale – a focus upon 'RetailCraft'.

We offer our results in the full knowledge that we are not the professionals running multichannel businesses – millions in turnover, of customers, of SKUs, key words, merchandising algorithms and interactions across all channels. It is in tribute to these efforts that we have assessed across seven Performance Dimensions rather than taking a single measure (be it revenues or web traffic). Our report is dedicated to those professionals who make the UK's retail market the most competitive and capable in the world.

THE DIMENSIONS OF ASSESSMENT

Our research covered seven Performance Dimensions:

0 Footprint – Released in March 2014 this considers the 'heft' of a retailer – turnover, ecommerce penetration, web reach and store estate (all measures for the UK only)

1 Strategy and Innovation – for the 2015 research we've focused on how retailers extend their channel reach

2 Customer – the experience provided to the customer

3 Operations and Logistics – delivery, returns, click and collect

4 Merchandising – the approaches to selling online

5 Brand and Engagement – the interaction with the customer

6 Mobile and Cross-channel – moving beyond single channels (whether bricks or clicks)

With hundreds of data points over the seven Performance Dimensions and 19 subdimensions, we've normalised and assessed the distribution of the results, applying statistical clustering methods to determine performance groups. These are the basis of our ranking.

CLUSTERS OF PERFORMANCE

We eschewed a straight 'first, second, third' sequential ranking approach since – in a seven-dimension scoring system – it's possible to have a number of retailers scoring at a similar level, yet in different ways. Our index rewards balanced capability and so we've elected to cluster the results.

The IRUK Top500 2015 is awarded as below:

Elite – these retailers have performed exceptionally in all dimensions, statistically separate from the following groups. We have five in this group: Amazon, Argos, House of Fraser, John Lewis, Marks & Spencer. These are the companies we're happy to call the best of the best – our Top Retailers for 2015.

Leading – 13 companies who are by most measures out in front, and in this group we have a combination of size and capability.

Model – this group is what we would call 'state of RetailCraft' in the UK.

These three clusters number around 50 and so may be termed the UK Top50 for 2015.

We have set out the top performers in each Dimension along similar lines, then clustered the remaining Top500.

JUDGEMENT

No system is perfect or meets every perspective and we are conscious that some of our decisions affect the outcome.

DATA – while we have a great deal of data, we would have liked more! Product ranges and depth, on merchandising algorithms, on margin... We will work to include more each year to create an ever more rounded assessment.

VALUATION – some of our highly-ranked retailers are not in favour at present. M&S, Debenhams, Tesco, ASOS... We're ignoring the view of financial markets at present on the basis that our focus is the 'RetailCraft' displayed. Our question is how well a retailer has marshalled the tools and techniques for multichannel. In future years we'll incorporate an assessment of shareholder returns via turnover and capital effectiveness measures, using 2015 as our baseline.

SIZE BIAS – In combining the Performance Dimension results we have weighted the Footprint as 30 per cent, and 10 or 15 per cent for the remaining six dimensions. The effect is that the biggest companies in our Footprint will tend towards the higher places in the final list. Thereafter, performance within dimensions adjusts their position. Smaller companies rise on the basis of competence whereas larger companies can lose out. Our view is that the Footprint represents

The IRUK 2015 Top Retailers

Amazon

Argos

House of Fraser

John Lewis

Marks & Spencer



From the Advisory Board

"The IRUK Top 500 ranking is the most comprehensive and thoughtful assessment ever of the state of the art in multi-channel retailing. Having been compiled with great rigour by expert analysts and practitioners, the resulting ranking is a great yardstick by which companies can compare their own performance to their peers, and seek to learn from the leaders."

Tony Preedy, Marketing Director, Lakeland

"It is unsurprising that those leading the pack are the retailers who have developed capability across the full eco-system of multi-channel/omnichannel, not just implementing new technology solutions, but also addressing customer experience, business strategy and internal culture to deliver seamless retail experiences."

Emma Robertson, Managing Director, Transform

"Moving forward from 2014, it will be interesting to see which retailers continue to expand their reach through new technology solutions such as wearables and IoT, and which ones are looking to their internal operation, culture and service propositions as the next point of differentiation."

Emma Robertson, Managing Director, Transform

"The InternetRetailing Top 500 heralds the coming of age of omnichannel retailing in the UK. It provides a well thought-through framework for the key dimensions for success for a multichannel retailer, from the ingredients needed for success in individual channels to the 'glue' needed to hold it all together. What really sets it apart though is the depth of analysis, combined with the nuanced judgement of a set of real retail experts. This promises to be a very interesting set of reports and will definitely be on the 'must-read' list through 2015."



Siobhán Géhin, Partner, Kurt Salmon

a combination of market impact and cumulative successes to date, however we will amend this in future years – 2015 is our baseline and we'll assess from now on the changes in Footprint, rewarding growth and dynamism as much as size.

Our ambition is that by IRUK2017 we'll have sufficient data from growth and movement to risk making some predictions and identifying lead indicators.

NEXT STEPS

We have highlighted the results overall and in each Performance Dimension in this brief report, and over the coming year we will have six Dimension Reports that delve into the data, extracting learnings, trends and opportunities.

 The most comprehensive and authoritative measurement of omnichannel capability in the retailing world. 

Robin Phillips, Multichannel Director, Boots UK

At InternetRetailing Expo in March 2015, we will unveil the IREU Top500 Footprint, our list of the most substantial multichannel retailers in Europe. Our European Top500 will follow in the autumn.

Summer 2015 will see the release of our Top Suppliers to the Top500, a capability and roadmap review of those leading suppliers that support our best retailers.

THANKS AND CONGRATULATIONS

My thanks go to our research team, led by Martin Shaw, and our co-editors Chloe and Jonathan, who've compiled this report and will be leading throughout the year our interpretation and assessment work.

Congratulations go to all those listed in our Top500. Together you make British multichannel retail globally renowned and admired. While attention focuses on the largest, we will continue to review and celebrate those excellent, exciting and inspiring businesses whose performance often shows the larger companies what can be done!

DISCUSSION AND IDEAS

I'm sure that very few people will agree with the whole of our list. Admired companies will be higher or lower than each reader's assessment. We welcome your thoughts, critique and debate on how to measure RetailCraft. If we've omitted you in our research please let us know – we've already started work on the IRUK 2016 Footprint!

Over the coming months we'll be presenting to retail Boards their individual and group performance and justifying our assessments – please give us your thoughts either directly to me (ian@internetretailing.net), or via research@internetretailing.net, our LinkedInGroup or via @etail. Furthermore the online report, webinars and events will all be open to comments. We look forward to reading them.

TOP RETAILERS

The final words must of course be to commend our Elite group as worthy winners: you are the InternetRetailing Top Retailers of 2015. Well done Amazon, Argos, House of Fraser, John Lewis and Marks & Spencer.

Ian Jindal

Editor-in-Chief, InternetRetailing



Share your thoughts on #IRUK500 with @etail

Elite

Amazon
Argos
House of Fraser
John Lewis
M&S



Leading

Asda
Boots
Clarks
Debenhams
Halfords
Homebase
Mothercare

New Look
River Island
Schuh
Tesco
Topshop
Waitrose



Model

ASOS
B&Q
Bank
BHS
Burton
Carphone Warehouse
Currys Digital
Evans
F&F

Game
H.Samuel
Maplin Electronics
Matalan
Miss Selfridge
Monsoon
Morrisons
Next
PC World

Pets At Home
Sainsbury's
Screwfix
Superdrug
Superdry
Topman
Wallis
Waterstones



Top100

Accessorize
American Golf
Ann Summers
Apple Store
Bathstore
Boden
CarpetRight
Claire's
Decathlon
DFS
Disney Store
Dorothy Perkins
Dunelm
Early Learning Centre

Ebay
Ernest Jones
Euro Car Parts
Evans Cycles
French Connection
Go Outdoors
H&M
Harrods
Hobbs
Hobbycraft
HSS Hire
IKEA
Jack Wills
Lakeland

Laura Ashley
Lloyds Pharmacy
Majestic Wine
Mamas & Papas
Moss Bros
Mr Porter
Net-A-Porter
Ocado
Office Shoes
Post Office
Richer Sounds
Ryman
Samsung
Selfridges

Sports Direct
Staples
TK Maxx
Ted Baker
Thomas Cook
Topps Tiles
Toys R Us
The Train Line
USC
Warehouse Fashion
White Stuff
WHSmith
Wiggle
Zara



Top150

Adidas
All Saints
AO.com
Blacks Outdoor
Blue Inc
Bonmarché
Burberry
Coast
Costco
Dabs.com
eBuyer
Expedia
Fat Face

Furniture Village
Games Workshop
GAP
George at Asda
Goldsmiths
Google Play
Groupon
Holland & Barrett
HP
Hugo Boss
iTunes & App Store
JD Sports
Joules Clothing

Karen Millen
Lastminute.com
Lush
MandM Direct
Optical Express
Pandora
Peacocks
The Perfume Shop
Poundstretcher
Pret A Manger
The Range
SCS
Smyths Toys

Sony
Specsavers
Spotify
Thorntons
Toolstation
Urban Outfitters
Viking
Virgin Holidays
Vision Express
The White Company
The Works



Top250

Abercrombie & Fitch
Arco
Austin Reed
Beaverbrooks
Berry Bros. & Rudd
Blackwell's
The Body Shop
Boohoo.com
Boux Avenue
Brantano
Bravissimo
Calumet Photographic
Cath Kidston
Chain Reaction Cycles
Charles Tyrwhitt
Countrywide Farmers
Crew Clothing
Dulux Decorator Centres
Dune London
EAT.
Ecco
Ellis Brigham Mountain
Sports
The Entertainer
(TheToyShop.com)
Euronics

F Hinds
Footasylum
Forever 21
The Fragrance Shop
The Garden Centre Group
Graze
Habitat
Harvey Nichols
Hawes & Curtis
Heal's
Home Bargains
Hotel Chocolat
Interflora
Jaeger
Jigsaw
Jones Bootmaker
Just-Eat
Kiddicare
Kuoni Travel
Kurt Geiger
Laithwaite's
LEGO
Liberty
LivingSocial
LK Bennett
L'Occitane

Lyle & Scott
M&Co.
Machine Mart
Mango
Massimo Dutti
Mint Velvet
Missguided
Moonpig
Mountain Warehouse
Mulberry Company
MultiYork Furniture
Netflix
Nike
Notonthehighstreet
Novatech
Oasis
Oliver Bonas
The Original Factory Shop
Outnet, The
Paperchase
Paul Smith
Phase Eight
Photobox
Printing.com
Pull & Bear
Quiz

Radley
Ralph Lauren
Reiss
Rohan
Russell & Bromley
See Tickets
Shoe Zone
Simply Be
Snow + Rock
Space.NK
Speedy Services
Surfdome.com
Sweaty Betty
Thomson
Tiffany & Co
TM Lewin
Uniqlo
Very
Wagamama
Wex Photographic
Whistles
Wickes
Wilko
Yours



Top350

Abel & Cole
Agent Provocateur
Aldo
American Apparel
Anthropologie
ATS Euromaster
Axminster Tools
Bare Escentuals
Barker & Stonehouse
Ben Sherman
Bershka
Book Depository
Book People, The
BrandAlley
Brewers
CC Fashion
Charles Clinkard
Co-operative Pharmacy
Cotton Traders
Crabtree & Evelyn
Deichmann
Dell
Diesel
Direct Golf
DKNY
Dr. Martens

Dyson
EAST
Edinburgh Woollen Mill
Esprit
Estée Lauder
Etsy
Euroffice
Farrow & Ball
Feelunique.com
Flannels
Fortnum & Mason
Fossil
Fragrance Direct
Fraser Hart
Freemans.com
Gant
Getting Personal
Gucci
Hallmark
Harveys Furniture
Hillarys Blinds
Hi-Tec Sports
Hollister
Hughes Direct
Hut, The
isme

Jacamo
Jacques Vert
Jamie Oliver
Jewson
Jimmy Choo
JoJo Maman Bebe
Kitbag
Lipsy
Long Tall Sally
Made.com
Matches Fashion
Menkind
Microsoft
Misco
Mobile Fun
Moda in Pelle
Mole Valley Farmers
Molton Brown
Musto
National Trust Shop
Nisbets
Oakley
OKA
On the Beach
Orvis
Overclockers

Play.com
Plumbase
QVC
Robert Dyas
Rowlands Pharmacy
RS Components
Superbreak Holidays
Sweatshop
Thomas Pink
Thompson & Morgan
Timberland
TJ Hughes
Toast
Trespass Clothing
Tripp
Vente-privee
Victoria's Secret
The Watch Gallery
The Watch Hut
Wedgwood
Whittard of Chelsea
Zalando



Top500

24Studio
Alexandra
Alfred Dunhill
Alibaba.com
Appliances Direct
Approvedfood.co.uk
Aspinal of London
Avon
Baker Ross
Barbour
Barrhead Travel
BBC Shop
Beales
Belkin
Bench
Bensons For Beds
Berghaus
Betty's
Bondara
Boodles
Bose
Bradfords
Brandon Hire
Brora.co.uk
Build-A-Bear
Workshop

Bulk Powders
Buyagift.com
Calendar Club
Calvin Klein
Camper
Card Factory
Cargo Home Maker
Cartier
CCL Online
Character
Chemist Direct
Christy Towels
Chums
Clintons
Craghoppers
Crocs
Cromwell
Cruise
Cycle Surgery
Damart
Demon Tweaks
Denby
DietChef
Dobbies Garden
Centre
Dolphin Music

Dreams
Emma Bridgewater
EXPANSYS
Farfetch.com
Farr Vintners
Feather & Black
Fingleaves.com
Firebox
Fired Earth
Fitflop
Foyles
Fred Perry
Glasses Direct
GNC
Great Little Trading
Company
G-Star Raw
Guess
Hackett
Hamleys
Hawkin's Bazaar
Hello Fresh
High & Mighty
Hornby
Isabella Oliver
itsu

J Crew
JD Williams
JML
Joe Browns
John Smith
Joseph
Joy
La Redoute
Lacoste
Land's End
Laptops Direct
LED Hut
Leekes
Liz Earle
Logitech
LookFantastic.com
Lovehoney
MAC Cosmetics
Mappin & Webb
Marisota
MaxiShop
MoMa Store
Monica Vinader
Morrisons Cellar
My Protein
Naked Wines

National Geographic
North Face, The
Notcutts Nurseries
Office Team
Outdoor & Country
Pavers Shoes
Planet Organic
Poetry Fashion
Prada
Pretty Green
Printerland
Protyre
Puma
QD Stores
Rapid Electronics
Reebok
Roman Originals
Route One
Scotts of Stow
SecretSales.com
Sevenoaks Sound and Vision
Slatters Menswear
Smythson
SportsShoes.com
Sterling Furniture

Sunglass Hut
Superfi
Suttons Seeds
Swatch
TAG Heuer
Tate Shop
TH Baker
Thomas Sabo
TimeToSpa (Elemis)
Timpson
Tommy Hilfiger
Trueshopping
TTS Group
Vax
Virgin Wines
Vivienne Westwood
Warren James
Weldricks Pharmacy
Woolworths.co.uk
WorldStores
Wynors World of Shoes
Yankee Candle
Yeomans Outdoor
Leisure
Zavvi



Strategy and Innovation

Amazon is in a class of its own in the Strategy and Innovation Dimension. Here, we've focused on the journey to being everywhere for the customer and making the channels "buyable". We've looked at how pureplay retailers move from a ubiquitous digital store to ubiquitous product delivery; while established retailers make strides to leverage their store estate and beyond. In coming years these capabilities will be readily available, but for 2015 it takes a strategic commitment to lead, to deploy and to grow here. We've also considered the post-commitment moment from basket to "bought it".

"AMAZON PERFORMED WELL in this Dimension because it has made arrangements with TfL, Collect+ and 160 Co-op stores to use their sites as collection points," says *InternetRetailing* researcher Martin Shaw. "Amazon lockers are even at airports now. Moreover, it is equal top scorer in payment options."

Among the group of seven Leading retailers, two traders stand out for offering click and collect services that extend well beyond their own premises. Interflora scores highly because it offers collection services at third-party stores across its extensive network of members. Marketplace eBay is set apart thanks to a partnership with Argos that enables shoppers to collect orders from high streets across the UK.

Boots is the retailer with most collection points, offering pick-ups at 2,300 of its 2,488 stores

Other Leading group retailers include New Look, Argos, John Lewis, George at Asda, and Asda. All are multichannel retailers that offer collections at stores as well as offering collections through Collect+. In addition, Asda and George at Asda enable collections from TfL transport sites, John Lewis delivers online orders to Waitrose stores as well as its own, while New Look and Argos achieved the maximum index value for payment options including PayPal and 3D Secure fraud prevention. The Train Line, which

enables customers to pick up tickets from railway stations across the UK, completes this group.

Eighteen businesses made up the Model group of retailers. These include Schuh, which also stood out in the Operations and Logistics Dimension, as well as Currys Digital and PC World (both part of the Dixons Carphone group), Topshop, House of Fraser, M&S, White Stuff and Mothercare. All of these multichannel traders offer collection from most or all stores, as well as through Collect+, but none offered pick-up from TfL sites. Superdry was the only member of the group to achieve a maximum index value for payment options, and one of only five retailers across the ranking to do so.

Several notable retailers that might have been expected to rank higher came further down the list. Tesco, for example, has a wide-ranging click and collect network. But ranking in this section advantages retailers that offer collections through a majority of stores. Even though Tesco has 1,700 collection points, it has a total of 2,608 stores. The supermarket did offer collection through TfL sites – but not through Collect+.

The evolution of click and collect

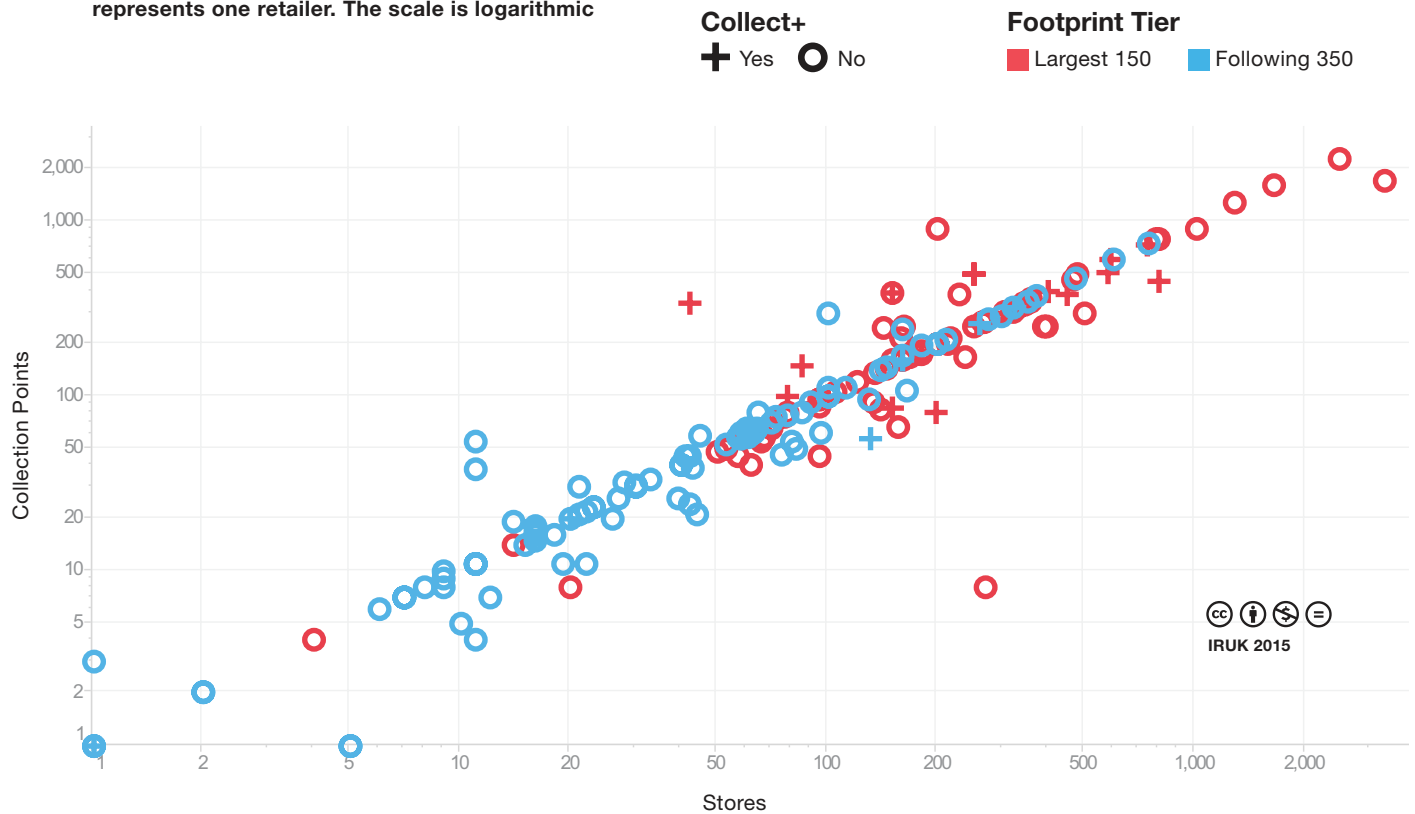
Click and collect as a concept first emerged at Argos, when the retailer enabled check-and-reserve functionality back in 2000. But it only started to take off at scale when supermarkets took the idea further. Tesco, which pioneered drive-through click and collect in its supermarket car parks in 2010, started to report high levels of online orders being collected through click and collect at Christmas 2012, as did rival Sainsbury's – 60 per cent of its general merchandise orders were picked up that Christmas.

The trend has only accelerated. It's commonplace for retailers to report that more than half of online orders are now collected. The places that they're picked up from are getting ever more sophisticated. Waitrose wants to install chilled lockers at Gatwick for shoppers to pick up their post-holiday groceries, while Asda is rolling out temperature-controlled intelligent pods where grocery orders can be stored until it's convenient for the shopper to pick them up. Timescales are also getting shorter: Asda, which first launched its click and collect service in 2011, has moved quickly to catch up, introducing same-day collection at 250 pick-up points last summer.



Number of Stores used as Collection Points

A scatter-plot in which each circle or cross represents one retailer. The scale is logarithmic



The Elite group: what set Amazon apart?

Index Value: 100%

Amazon UK won top ranking in this Dimension for its wide-ranging use of third-party collection points. Amazon Lockers are now present at almost 300 locations – and counting. As of 11 September last year, passengers using Birmingham Airport could collect their online orders on their way into or out of the country using lockers located in the south check-in hall. The pureplay was rated more highly than any other company for its use of collection points. It also achieved the maximum achievable index value for its use of payments.

Amazon launches Birmingham Airport lockerbank
<http://etail.li/k943w8>

WHAT WE LEARNED

Click and collect options have expanded quickly over recent months as the service has become a key differentiator for customers. By thinking strategically, retailers serve customers in ways that fit in with

Flowers ordered through Interflora can be picked up from a network of more than 1,800 florists

busy lives. Collecting grocery shopping at a London Underground station, for example, makes a real difference to commuters who cannot stay in to wait for home delivery, while picking up an Amazon parcel at the airport could mean the difference between getting an item on time for a holiday – or not.

Shoppers are embracing these choices. More than half of John Lewis' online orders, for example, are now collected rather than delivered. It makes strategic sense to offer click and collect, and even more so with a choice of collection points. Delivering to a convenience store or petrol station, through services such as Collect+, may be the easiest option for a customer who can't make it to a store. This also ►

demonstrates that it's not enough to innovate – any service must be as widely available as possible.

That said, 282 of our Top500 retailers do not offer any click and collect services at all. These are retailers that will likely miss out on business from customers who would rather go and get an item as quickly as possible than wait in for it to be delivered.

Only 218 of the Top500 retailers offer click and collect

Choice also matters in payment methods. A recent OnePoll survey of 1,000 UK adult online shoppers, carried out for the PPRO Group, found that 45 per cent of UK shoppers would rather pay using PayPal, while 22 per cent preferred credit cards and 23 per cent debit cards. Tellingly, 68 per cent of those questioned said they had abandoned retail websites because of the payment process. Clearly giving choices about payment matters – but this area is often overlooked. Only five retailers gained the highest possible rating for payment options.


WHERE NEXT?

Just as collection services have improved and expanded at pace over the last year, so we'd expect that pace of innovation to continue. Expect more collection points to open near transport services, in the wake of John Lewis' click-and-commute shop at St Pancras, while Network Rail parcel delivery shop Doddle will also continue to expand. More lockers are likely to be installed at airports, while InPost's move to introduce lockerbanks to Victoria Coach Station could be copied at other bus stations.

If collection points can be anywhere, they can also be in other retailers' shops, as eBay has found in its successful partnership with Argos. Shopping centre management company Capital & Regional, meanwhile, is introducing Collect+ in local Midlands malls as a way to boost footfall and spending. This theme may well be pushed further over the year ahead – lockerbanks in multi-storey car parks?

We also expect to see innovation and progress as retailers make their sites ever more "buyable". An emphasis on making baskets simple, clear and consistent will always help customers, leading to higher conversion rates, while we also expect more retailers will use alternative payments, including PayPal.

Next year it's likely we'll vary the subjects that we cover in the Strategy and Innovation Dimension. This

year's Top500 report has focused on multichannel mechanisms, including click and collect. Next year the focus may be, for example, on selling internationally. To that end, during the year we'll be monitoring the industry to seek out the most interesting areas of innovation before the upcoming Strategy and Innovation Dimension Report, coming out later in the year." 

The methodology

In the Strategy and Innovation Dimension we've focused on two areas that extend the initial Footprint: click and collect, and payments. Both are strategies that meet the demands of ecommerce and multichannel customers, and improve the conversion of channel interest into completed sales.

We have looked at how click and collect is enabled across the store estate, and also when it goes beyond retailers' own premises to third-party collection sites.

We ranked retailers by the number of stores operated and then weighted for the number of sites where collection was enabled. We divided the number of collection points (excluding Collect+) by store numbers, with pureplays having a nominal score of one store.

The result is that pureplays that deploy the fullest range of partner collection options have an indexation advantage, while multichannel retailers that have not enabled click and collect through all stores are proportionally penalised.

Retailers not offering click and collect were not included in this study and their index value suffers accordingly.

We additionally analysed the payment and conversion strategy of the Largest 100 retailers through seven metrics. Maximum index value was available if these retailers offered PayPal payment; 3D Secure; showed delivery charges from the basket page, retained products in the basket once a customer had left the website; enabled customers to change or cancel their orders, alerted customers to their basket contents through an email, and offered feedback opportunities including a review email and a customer survey. This increased the performance spread and positioning within the largest 100.

Strategy and innovation



2015 Results – the top performers in this Dimension

Share your thoughts on #IRUK500 with @etail

Elite Amazon

Leading

Argos

Interflora

Asda

John Lewis

Ebay

New Look

George at Asda

The Train Line

Model

Accessorize

PC World

Clarks

Schuh

Currys Digital

Superdry

Dabs.com

Ted Baker

House of Fraser

Topshop

M&S

USC

Miss Selfridge

Wallis

Monsoon

White Stuff

Mothercare

Customer

Schuh achieved close to the maximum index value in the Customer Dimension, strongly outperforming the only other retailer in the Elite category, Burberry. The shoe retailer's success is down to a combination of a well-executed website and its responsiveness to customer enquiries.

“BECAUSE PRICING IS so transparent in an era where it's easy for consumers to check for deals online, customer experience is becoming a key point of difference between retailers,” says *InternetRetailing* researcher Martin Shaw. “Companies claim to be investing heavily here, but our results suggest many have work to do. We were surprised at how even larger retailers were sometimes slow to respond to customer enquiries. This kind of issue can't be solved by a technical fix, it's about the culture of the retailer.”

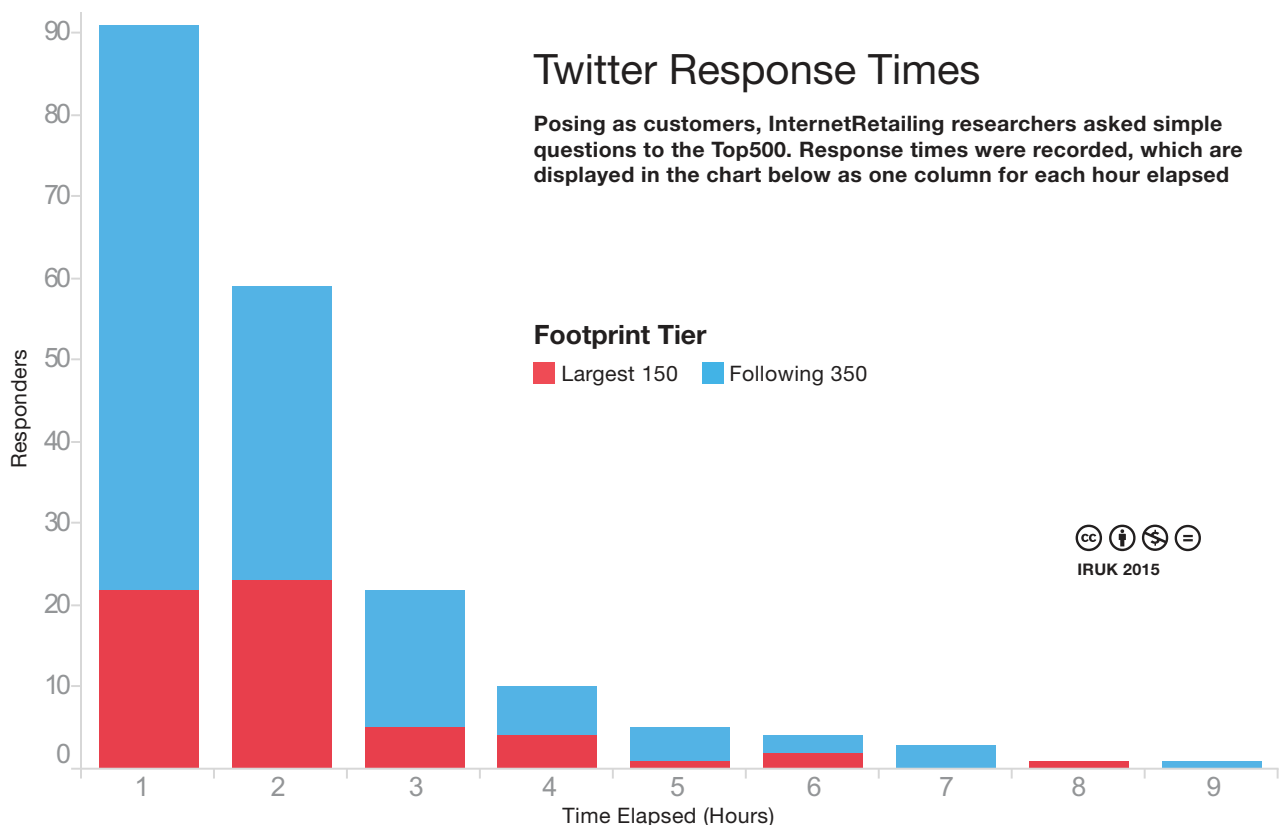
The results achieved by both Schuh and Burberry suggest neither has a problem here. Schuh won out because its site performance was better (scoring the

Schuh was the only company to achieve the maximum index value for site performance

maximum index value of 100), while its customer service was also exemplary. Burberry's ratings for site performance and customer service didn't quite achieve such heights. Both rated highly on responsiveness to Twitter messages.

The four retailers that make up the Leading cluster – eBuyer, Majestic Wine, Moss Bros and Morrisons – all performed impressively. Morrisons, for instance, has a well-engineered site according to industry standard Page Speed and YSlow assessments. This was reflected in an index value of 76 out of a possible 100 for site performance.

Further down the list, the Model group features a variety of retailers. Where other Dimensions show bunching of companies from within the same sector,



The Elite group: what set them apart?

Schuh

Index Value: 299 out of a possible 300

The shoe retailer was close to flawless in site performance, customer service and Twitter responsiveness. The company has invested heavily in technology, meaning it has the systems in place to deliver superb customer service.

How Schuh's focus on internet retailing in store developed: <http://etail.li/c8192>

Burberry

Index Value: 268

Similarly to Schuh, Burberry has covered off the basics of site performance and customer service. There's still room for improvement, but Burberry's imaginative approach to digitally driven retail suggests these improvements will be made.

Burberry among the retailers testing new 'buy from tweet' functionality: <http://etail.li/67190>

here there are retailers ranging from Selfridges to Staples, and Bathstore to BHS.

For companies within this group, the overall index value is often affected by a weaker showing in one or more areas. Debenhams, for example, has a high index value for Twitter responsiveness, yet its site performance is comparatively poor.

We conducted additional in-depth research on customer service for the largest 150 and this modifies the overall standings in this section. Some retailers outside of the largest 150 by Footprint showed impressive results, indicating further in-depth analysis will be interesting for the 2015 research.

Lingerie, swimwear and nightwear retailer Bravissimo, for example, has an index value of 94 out of a possible 100 for site performance and 93 out of a possible 100 for Twitter responsiveness. Had its customer responsiveness achieved the same standard, it would have made the Elite category of companies.

WHAT WE LEARNED

While there are good reasons to build complex transactional websites in order to provide customers with high levels of service and to deliver persuasive content, there's always a danger companies will lose sight of the basics in adding functionality. Sites can become slow to load, something revealed by our analysis of home page performance.

This matters. "Ultimately, site speed is becoming more and more of a critical issue," says Alex Krohn, CEO of site performance specialist GTmetrix, which helped to research this Dimension. "Users' attention spans are dropping, and they get frustrated more and more easily.

Twelve companies received an index value of less than 50/100 for site responsiveness

If a site is slow to load, especially if a user arrives from a search, they will close the window and try the next site."

Despite this, we measured numerous companies within the Top500 where the site performance was unsatisfactory. A dozen companies even dipped below an index value of 50 out of 100 here. This is surprising ►

How Schuh achieves its site performance

Underlying Schuh's remarkable web performance is an in-house platform that's fully integrated with its in-house merchandising system, called Shark. It underpins a new site that was launched in September. "We've fundamentally reconsidered the way the website is built for a customer who's touch, tap, swipe as opposed to click and we've thought very carefully about core elements like speed," says Sean McKee, who heads a core ecommerce team of 32 at Schuh. "A number of colleagues have worked very carefully on site speed, thinking about elements like the way we code, the structure of pages on the site, everything that will help deliver increments of improvement in page load speed because we know there's a very close relationship with speed and conversion. "They've thought about the things the industry has identified as best practice to be sure that our site, as far as we can, delivers those aspects. Speed is the one that most easily comes to mind – we've produced a much faster website than its predecessor."

The new responsive site replaces three previous sites dedicated to the mobile, tablet and desktop and, so far in phase one, says McKee, "it's a very good start."

Features include real-time stock visibility, accurate to a couple of minutes, and is built first with the smartphone customer in mind: 42 per cent of traffic now comes from smartphone users, though slightly more sales come through tablets. By 2018, Schuh envisages a third of sales will come from each of mobile, tablet and desktop.

Traffic is already predominantly mobile and tablet. Mobile traffic tends to have a flatter profile, while desktop peaks during the day and tablet traffic in the evening. Mobile is also seasonal, peaking during periods including back-to-school and sales.

"Mobile is disproportionately London-centric, we discovered," says McKee. For us London is about 19 to 20 per cent of traffic but it's about a quarter of smartphone traffic. There's definitely a big conurbation commuter thing happening there." There's also been a big year-on-year increase in people checking store stock from the website, driven by smartphone.

"These customers are more likely to be on the go and interacting with store stock," says McKee.

The methodology

Site performance specialists GTmetrix and retail technology specialists Micros Systems UK (now part of Oracle) provided important data to our research,

Of the retailers listed in the InternetRetailing Top500, 46 companies achieved an index value of 200 or more out of a possible 300.

When analysing customer service, we also looked in more depth at the largest 150 retailers by Footprint, and this affects the relative standing of those companies to each other.

For site performance we measured Page Speed and YSlow score, standards developed respectively by Google and Yahoo! to assess the standard of engineering. We also measured HTML bytes, HTML load time, page bytes, page load time and page elements to assess site responsiveness.

Engineering and responsiveness carried equal weighting in the final score.

Assessing customer service, we awarded an index value according to: responsiveness to email enquiries (time to respond); whether we were able successfully to find an answer to a standardised clarification query over the phone (time to respond; successful resolution). Query topics included delivery to a specific area, online tracking of orders and unwanted return policy.

Finally, we engaged retailers' corporate Twitter accounts with standardised routine questions and measured responsiveness (time to resolve).

when you consider that simple fixes can improve a site's performance, such as bringing down the file size of images.

"Part of the workflow for any competent content management system should be to optimise images," says Krohn. "There are many tools that compress images 'losslessly', with no visual difference from the uncompressed version, and this can easily shave 10 to 50 per cent off the size of the image."

Turning to customer service, even largest 150 retailers performed poorly here. One well-known travel company, for example, achieved an index value of zero for both its customer service and its Twitter responsiveness. This is an illustration of a strong correlation between these two figures. This perhaps isn't too surprising. At *InternetRetailing* we've typically found that companies with a strong customer service ethos early on grasped the importance of social media.

Nonetheless, there are outliers here. Even companies in the Model group, such as Ocado and Vision Express, which each had an index value of 30 out of a possible 100 for customer service, scored highly for Twitter responsiveness – an index value of 99.9 out of a possible 100 for Ocado and 92 for Vision Express. A response to a tweet that took longer

than 24 hours had an index value of zero, and a theoretical instantaneous response had a value of 100.

One explanation may be that some companies have staff specifically tasked with monitoring social media but not other channels. If so, we would ask whether some companies are in danger of creating a new silo – it's no good responding to Tweets promptly if emails or phone calls aren't dealt with adequately too.

WHERE NEXT?

After years of focusing on reducing the friction between different channels from the perspective of technology, logistics and systems, retailers are returning to an old battlefield, customer service. This is to be welcomed. In the digital era, it's easy to compare prices, but customers don't just shop on price. Such factors as convenience, the availability of expert help and, yes, whether retailers answer emails promptly all come into play.

Despite this, our research reveals that many companies still have plenty of work to do here. What good is a travel company that doesn't respond to customer enquiries in an era when customers routinely 'build' their own holidays by booking flights and accommodation directly? Customer service has to be a point of difference for such a retailer, and that service level needs to be consistent across different channels.

This is hard to achieve. A major department store, for instance, had an index value of 30 out of a possible 100 for its customer service in our research. Have competitors caught up with and surpassed Middle England's favourite department store when it comes to customer service within digital channels?

Turning to site performance, the number of retailers that had a moderate index value was surprising. Our research suggests that even though we all accept the benefit of well-engineered sites, the ongoing tension between size, complexity and change makes site optimisation easier said than done.

It's important to realise that's not the same as focusing on the desktop website. Mo Syed, head of user experience with technology company Amplience, points out that when a retailer begins to look at mobile, one of the first things it has to do is simplify existing designs. This isn't work that has to stop with the mobile site. If there's no space for a button or link on a mobile page, why not take the opportunity to see if it's needed on the desktop site? A less-is-more mobile aesthetic gets transferred back to the website.

Over the next year, as more companies launch new sites, it will be fascinating to see if site performance improves across the industry – or whether there are whole new sets of problems out there we haven't encountered yet. 🌈



Customer



2015 Results – the top performers in this Dimension

Share your thoughts on #IRUK500 with @etail

Elite

Burberry Schuh

Leading

Amazon UK	Morrisons
eBuyer	Moss Bros
Majestic Wine	

Model		
	American Golf	Ocado
	Argos	PC World
	Asda	Richer Sounds
	ASOS	Sainsbury's
	Bathstore	Samsung
	BHS	Selfridges
	Burton	Sports Direct
	CarpetRight	Staples
	Carphone Warehouse	Superdrug
	Clarks	Superdry
	Debenhams	Ted Baker
	Evans Cycles	Tesco
	Harrods	Thorntons
	Homebase	Toolstation
	House of Fraser	The Train Line
	HSS Hire	USC
	M&S	Vision Express
	Mamas & Papas	Waitrose
	Mothercare	Wallis
	Mr Porter	White Stuff
	New Look	

Operations and Logistics

Schuh sets the pace in the Operations and Logistics Dimension of the Top500. The footwear retailer leads the Elite cluster of companies, thanks to its market-beating convenient collection, delivery and returns options.

“IT’S NOT SURPRISING to see Schuh at the top,” says *InternetRetailing* researcher Martin Shaw. “Click and collect pick-up within the hour, five delivery options, in-store and Collect+ collection, free delivery, 365-day unwanted returns policy, three options for return and online order tracking make it a very capable logistics performer.” Amazon, House of Fraser, Superdry, John Lewis and Boots complete the Elite group in this Dimension (see the boxout on the opposite page for more).

Fashion companies set trends in multichannel developments because they compete to set the highest level of responsiveness to customers who want their products as quickly as possible. The Leading group of companies includes fashion merchants River Island, Selfridges, Topshop, Monsoon and Ted Baker, along with footwear retailer Clarks. But other companies are also recognised. Maplin Electronics, for example, has made a point of delivering from store in the fastest time, while Toys ʼR Us and Halfords have put an emphasis on fulfilment as part of well-defined multichannel strategies. Screwfix parent company Kingfisher recently pointed out that its mobile click, pay and collect offer had helped to grow sales by 23.3 per cent to £386 million in the half-year to 2 August 2014.

82 per cent of the retailers that offered standard delivery charged for the service. The median cost was £3.99. This was also the amount most commonly charged, followed closely by £3.95

High street performers are represented throughout the rankings, with consistent high performers Argos, M&S and BHS all in the Model group.

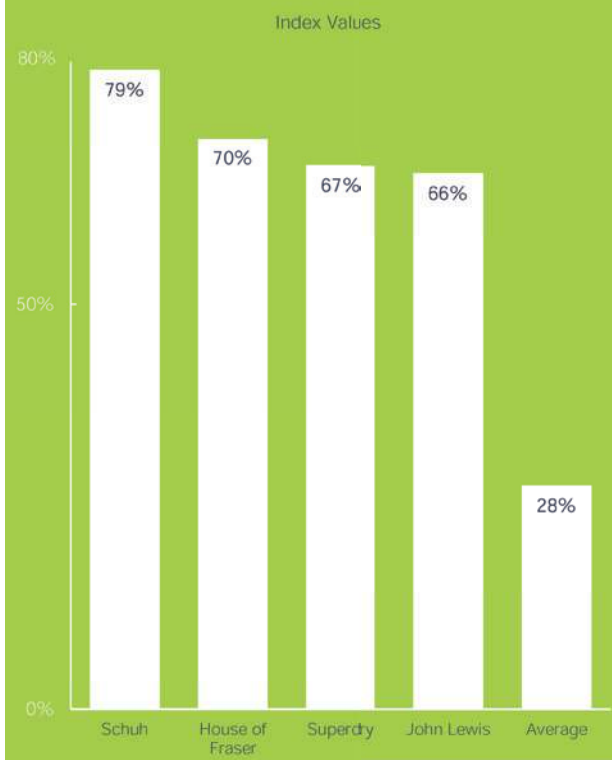
It’s testament to the service offered by Amazon that it is ranked so highly. The research appears to demonstrate the principle that multichannel retailers gain a real advantage from a high street presence. Shaw says: “It’s not surprising that AO.com scores zero for the collect category, or that

returning appliances is difficult for the customer. But the retailer, which offers Saturday, Sunday, nominated day and same-day delivery, scores highly for delivery.”

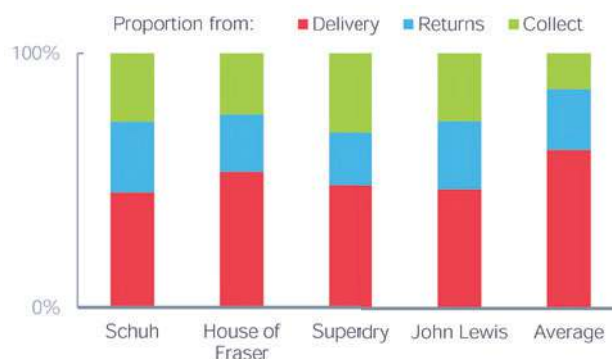
Many retailers need to improve service levels. For example, 34 of the largest 100 retailers, companies we analysed in additional detail, have yet to introduce

How Did They Fare?

Elite Retailers and the Average



Break-down of Results



Elite retailers performed well in Returns and Collect – areas in which other retailers struggled. Delivery, Returns and Collect contribute 50%, 27% and 23%, respectively, to a theoretical perfect index value.

The top six: what set them apart?

Schuh

Index Value: 79%

Not content with offering a range of home delivery options, Schuh gives choice when it comes to click and collect too – with options that include one-hour pick-up from a local store. Returns are easy too, with money back within 365 days on unwanted items.

How delivery plays into Schuh's store strategy:
<http://etail.li/c8192>

House of Fraser

Index Value: 70%

With a choice of seven delivery options, House of Fraser offers a flexible service to fit customer needs.

House of Fraser's site reviewed, with a focus on delivery <http://etail.li/4c388>

Superdry

Index Value: 67%

Free is key for Superdry's logistics service, with no charge for standard, two-day delivery, click and collect, or international delivery.

Superdry's multichannel development:
<http://etail.li/76089>

John Lewis

Index Value: 66%

We'd expect no less than a belt-and-braces approach from reliable John Lewis. That's something it delivers, with six UK delivery options including, notably, next working day before 10.30am or on a nominated day. Returns are good for 90 days.

John Lewis extends its click and collect reach:
<http://etail.li/8c7ce>

Boots

Index Value: 62%

Boots boasts five delivery options including next-day, Saturday and nominated day delivery. Shoppers can click and collect for next-day pick-up, with orders over £20 delivered for free.

How the Boots site fulfills orders:
<http://etail.li/4b8b5>

Amazon

Index Value: 61%

Amazon has so many delivery options that it is able to compensate in large measure for the fact that it cannot offer store collection. Its range includes free delivery for items costing over £10, delivery to an Amazon locker, Collect+ and same evening delivery. Those customers who've subscribed to Amazon Prime normally have no minimum order value for free delivery.

Amazon delivers to London Underground
<http://etail.li/bf358>

click and collect or other collection services. In contrast, the leaders in this Dimension make specific promises about fast delivery – and then keep them.

WHAT WE LEARNED

The retailers that lead in this Dimension build delivery and collection options around what works for customers. To take just three as an example, John Lewis, House of Fraser and Schuh all asked customers what they wanted from delivery, and then developed multichannel services in such a way as to reflect customers' wishes.

So what can we understand of what customers want from this list? Strong delivery and collection options go beyond company premises to Underground and mainline stations, to petrol stations and corner shops, and through third-party collection services such as Collect+. Sometimes, companies even deliver to other retailers' stores, as with the partnership between sister companies John Lewis and Waitrose. All this activity is because

House of Fraser and Amazon both offered the widest choice of delivery, with seven options

delivery is now a key differentiator for customers: how retailers deliver – and enable collection – makes a world of difference when customers choose to buy from one retailer rather than another.

Getting delivery right also matters because more people are now ordering online. Figures from etail trade association IMRG suggest ecommerce orders will grow by 20 per cent this year. Delivery volumes will grow too. IMRG/Metapack's Delivery Index for May 2014 suggested that, by the end of this year, UK carriers will have collected 930 million parcels on behalf of UK e-retailers. Of these, an estimated 160 million will be destined for non-UK shoppers. A subsequent IMRG/Blackbay study, however, warned that failed online deliveries would cost UK retailers £473 million this year, or £771 million where marketplace deliveries are added in.

Getting delivery and the underlying operations right makes a real difference both to the end customer – and the bottom line.

WHERE NEXT?

At the cutting edge, innovations are likely to include enabling customers to view stock levels across touchpoints such as the store or the warehouse. This will ►

The methodology

The team at Micros Systems UK (now owned by Oracle) adapted the extensive research they undertake for their Golden Chariot Awards (<http://etail.li/57649>) to contribute to our assessment criteria for our Operations and Logistics Dimension.

Our researchers analysed the websites and delivery offer and experience of the largest 100 considering dozens of data points over two months, including: whether delivery and returns information was clearly signposted on the website; number and type of delivery options offered; returns options.

We tested the delivery services of the top retailers with live orders assessing the order process, making enquiries, the delivery experience and then returning items.

We condensed our results into 24 delivery metrics, plus 11 for click and collect services and 13 for returns.

Grocers' services were not tested, nor were travel services or digital-only services. These retailers were not penalised – the results were used to redistribute the largest 100's Index Value.

be underpinned by a single view of inventory that will also allow retailers to ship from store. Schuh is among the relatively few retailers doing this already. Debenhams has won plaudits for its ability to ship from store.

Our research shows plenty of room for improvement across the industry. A significant minority of the retailers analysed in this research currently offer no click and collect options, despite the growing popularity of such services with shoppers. But in the next year, expect shoppers' awareness and demand for such options to grow. A recent Venda study found 73 per cent of people had yet to use such alternative delivery options – and a quarter of the 2,340 questioned in the survey had never previously heard of them. But 76 per cent said they'd prefer to use a click and collect service for same-day deliveries rather than waiting two or three days for standard delivery.

Interesting ideas in this space include high street lockers placed in Oxfordshire towns by ByBox, with the aim of driving footfall. Collect+ is now delivering to local shopping centres owned by Capital & Regional in the Midlands. House of Fraser is bringing ordering and collection to a Cambridge Caffé Nero branch. We anticipate that delivery will come ever closer to the customer over the year ahead: collecting goods from a London Underground

station is becoming commonplace, but we'll watch with interest to see which other locations emerge around transport hubs and other places where shoppers spend time.

For many, there's still a significant opportunity in training staff across the business around multichannel customer service. If an order arrives at store only to be lost, or if customers are not kept up to date with progress, the whole transaction is likely to fail, deterring shoppers from buying again.

We'll continue to measure all these metrics over the year ahead, assessing how retailers respond to customer demands to take delivery of their online orders, however, wherever and whenever they want. 

How Schuh achieved its market-beating logistics capability

Schuh says promising – and delivering – choice is key to its fulfilment operation.

“Most of the product we sell isn't exclusive, so we take the view that choice and efficiency are actually very important in terms of our relationship with the customer because they could simply choose to buy it somewhere else,” says Sean McKee, head of ecommerce at Schuh.

The choice starts with free standard three-day delivery to customers in the UK and Northern Ireland.

Around a quarter of ecommerce fulfilment takes place from the stores, which dispatch four times a day – when the product is only available there. Shoppers can nominate their delivery day, get same-day delivery through Shutl, or pick up using Collect+ or UPS Access Points. They can check store stock and reserve, with reservations ready within 20 minutes, or they can buy and collect within the hour if the product is in-store.

Over the last year the focus has been on enabling a 10pm last-order time for next-day delivery, costing £1 in response to high customer interest in same-day and next-day delivery. Last November Edinburgh-based Schuh opened a mini distribution centre in the Midlands: daytime orders are fulfilled from Edinburgh and evening orders from the Midlands. “We have a very, very clear sense of which time of day drives which distribution centre to give us the most efficient fulfilment,” says McKee.

Towards the end of 2014, Schuh introduced Sunday delivery. “Moving to next day, seven days, is going to be a really exciting development for us,” says McKee. “It really does reflect customer demand.” The single biggest area customers ask about is order tracking, and they respond well to being informed. Schuh sends out three or four emails during a buy-and-collect transaction, for example, and also uses text messaging to ensure timely communication.

Operations and logistics



2015 Results – the top performers in this Dimension

Share your thoughts on #IRUK500 with @etail

Elite

Amazon

Boots

House of Fraser

John Lewis

Schuh

Superdry

Leading

Clarks

Maplin Electronics

River Island

Screwfix

Selfridges

Topshop

Toys ʼR Us

Model

Accessorize

Argos

Bank

BHS

Debenhams

Evans

Go Outdoors

Halfords

M&S

Mamas & Papas

Miss Selfridge

Monsoon

New Look

Ryman

Ted Baker

Waterstones

Wiggle

Merchandising

John Lewis heads the Elite group in the Merchandising Dimension. The department store retailer turned in a faultless performance for the way it showcases the goods it sells online.

IT ALSO LED in a smaller but in-depth study carried out by our Knowledge Partner Editd, the fashion data analyst. Editd's findings recognised John Lewis' range of 66,000 products, 25 per cent of which were new in the last month. "Less newness than that could suggest a stagnant offering, and more is risky this early in the new season, therefore, we like to see an even spread of newness throughout the year," says Katie Smith, Senior Retail Analyst at Editd. "John Lewis also have a good discounting strategy: enough reduced product to lure price-savvy shoppers, but without the high-level price slashes of poor buying decisions."

eBuyer, Topps Tiles and ASOS also feature in the Elite cluster. Each excels, but still needs to make small improvements to match John Lewis.

The make-up of the Elite group encapsulates the idea that the best merchandising is not exclusive to any one type of company

The make-up of the Elite group encapsulates the idea that the best merchandising is not exclusive to any one type of company. From eBuyer, which sells discounted laptops and LED TVs, to fashion retailer ASOS, all share product information effectively alongside appealing images. The same is true of many of the companies in the Leading group, which includes Ikea, the Post Office, Game, Mothercare, Net-A-Porter and Karen Millen.

One sector that does feature heavily in the Merchandising Dimension is fashion. Retailers from this industry are present in every cluster. For example, apparel retailers Hobbs, Coast, Topshop, Boden and Topman make up a third of the 15 merchants that feature in the Model cluster. Perhaps that's a function of the fact that clothing merchandisers have historically had to do much more to persuade online shoppers that the items being offered will fit customers' needs.

Interestingly, Amazon did not impress our reviewers as much as some of the others in the study, scoring lower marks for its overall appeal. Another surprise came with the Apple store, which scored relatively

The Elite group: what set them apart?

John Lewis

Index Value: 26 out of a possible 26

John Lewis didn't miss a beat on the assessment by *InternetRetailing's* research team. The department store website achieved the maximum index value for its product presentation. It rated highly on the more subjective questions of appeal and search results. It also headed the list in Editd's research, scoring particularly highly on range and newness.

John Lewis creates new role of director, online product: <http://etail.li/84a08>

Review of the John Lewis site: <http://etail.li/be66e>

eBuyer

Index Value: 25

eBuyer proved that selling low-priced computers does not preclude high-quality salesmanship and online merchandising. The only fault our reviewers could find was to award part marks for wishlist functionality.

eBuyer opts for new social tools: <http://etail.li/39e8a>

ASOS

Index Value: 25

The fashion pureplay won plaudits from reviewers – only stock visibility was criticised. It came 12th on the Editd analysis, where its range was topped only by that of House of Fraser. But it had a relatively low newness rating and high levels of discounting, with products taking, on average, 138 days to sell out.

What big data means for ASOS: <http://etail.li/e231c>

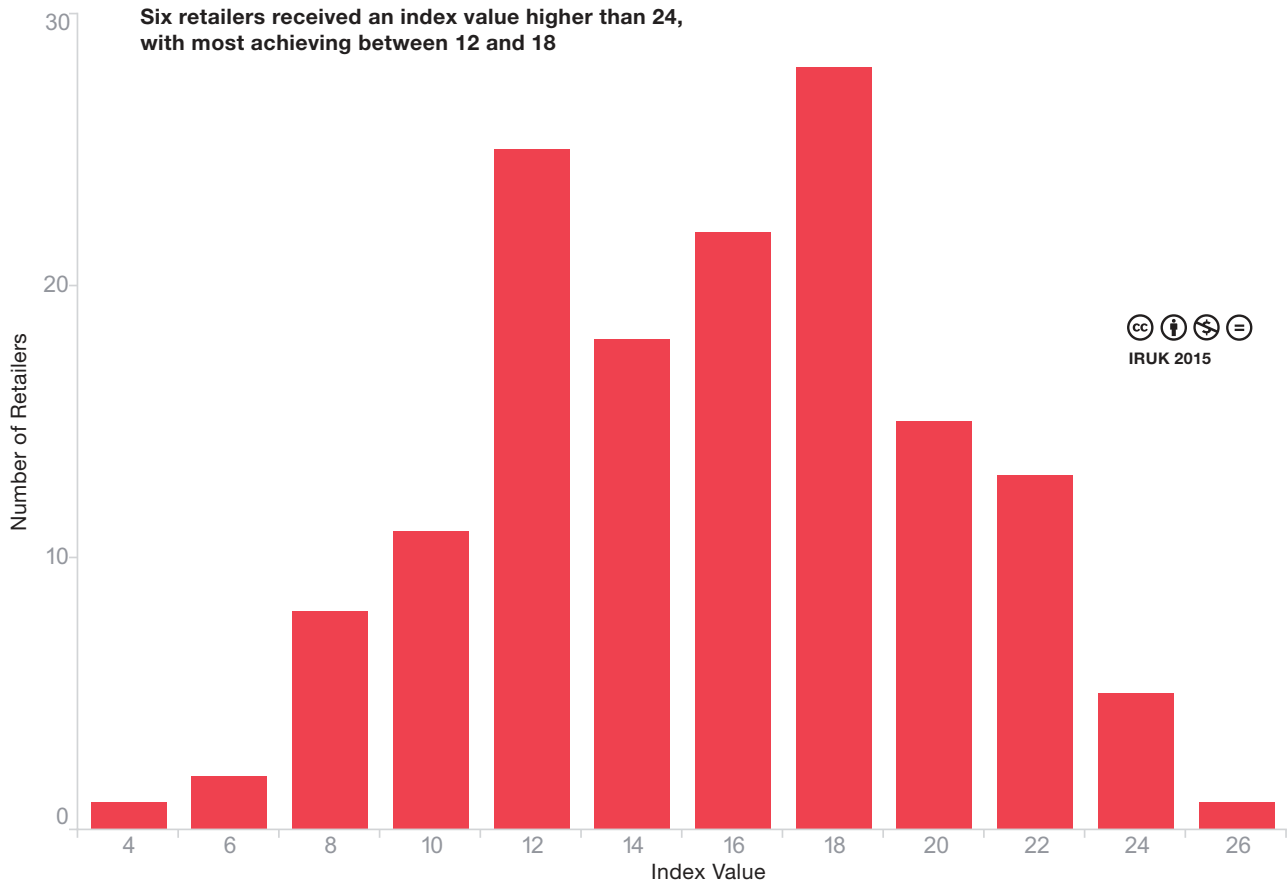
Topps Tiles

Index Value: 25

This multichannel tile shop won recognition across the board, with stock visibility its only missing element.

poorly on measures such as social validation, stock visibility, wishlist functionality and product recommendations. *InternetRetailing* researcher Martin Shaw said: "Ultimately, we're applying the same criteria to each website. If there's a difference it might be because we're not comparing like with like. Because Apple underperforms in the area of social media, it doesn't mean they're a bad retailer. Maybe if they did engage in social media, they would lose their hipsteriness and esoteric appeal."

Distribution of Index Values



How John Lewis leads the field on merchandising

John Lewis' lead in the Merchandising Dimension is far from surprising. In an *InternetRetailing* review of the site, Shane Walsh, User Experience Consultant, User Vision, rated the company's "excellent" use of search, adding that, "The product page strikes an exemplary balance between displaying detailed images of products and information about the product."

It's a lead that may prove difficult to challenge in the year ahead. Since our research was completed, the department store group has appointed a new director of online product. Announcing the appointment, Mark Lewis, online director at John Lewis, said the brief was to "ensure customer experience across our website, mobile, tablet and other devices is market leading."

Such dedication of resources is as yet unusual, but the move goes to show how very important online product merchandising is to a leader in this field. We'll be interested to see whether others follow in its footsteps.

In the Editd research, which measures range, discount and stock turnover, John Lewis was followed in the top five by M&S, New Look, Urban Outfitters and Net-A-Porter.

John Lewis was the only retailer to achieve the maximum index value

WHAT WE LEARNED

The retailers that feature in the higher ranks of the Merchandising Dimension are those that have presentation covered from every angle. These are companies that make it easy for consumers to find the goods they're looking for. These are companies that give information to answer potential questions on issues such as stock availability, and incorporate social feedback. That's because these are merchants operating in competitive markets where presentation really matters. ►

The methodology

In the Merchandising Dimension we rank the Top500 retailers according to how well they present products – from the way goods appear on the website to product information and the social sharing that retailers enable.

Researchers analysed the largest 150 retailers in depth. Each website was assessed against six criteria: social media sharing and integration; social validation; stock availability; additional or enhanced product information; predictive search/searchandising; product recommendations.

Our expert reviewers then undertook a qualitative assessment of the visual appeal of the presentation and a heuristic assessment of the quality of the search results (relevance to the search string, presentation of the results, presentation of the range).

Our research was supplemented by additional insights from Editd, the fashion range specialists, who conducted an in-depth analysis of the apparel retailers that feature in the largest 150. Editd assessed sell through and replenishment rates, discounting levels, the size of a retailer's offering and the level of newness in their current assortments (data tracked in week commencing 8 September 2014).

In the fashion industry, well represented in this list, it's important to convey the look and feel of items shoppers once hesitated to buy online. Retailers had to work hard to convince shoppers they could trust the images they saw. That hard work is now validated as online fashion grows quickly as a category. In August 2014 alone, online clothing sales grew by 20 per cent, according to the IMRG-Capgemini eRetail Sales Index for that month.

The Elite cluster of four is equally composed of pureplay and multichannel retailers.

Traders where the website makes up for the lack of shops have also ranked highly in this section. The Elite group, for example, includes two pureplays, eBuyer and ASOS. But it also includes retailers with relatively few stores, such as John Lewis, which has 43. Ikea, in the Leading group, has only 18 stores. It's important, therefore, that the company's website has all the

information about its products, including availability. In the Elite cluster, Topps Tiles, with a larger network of 336 stores, recognises that its shoppers prefer to research online before visiting a branch.

What's clear in this Dimension is that retailers do best when scoring highly in both quantitative and qualitative research. A 'belt and braces' approach ensures that shoppers are fully informed, but only outstanding presentation gave retailers a place in the Elite group.

WHERE NEXT?

Traders are becoming ever more imaginative in the quest to find new ways of showing goods off to best effect online. That's most notable in the fashion sector, where virtual fitting rooms have been put to work to show how clothing would look on the shopper, or how a particular item measures up against others the prospective purchaser already has. Online video is used alongside 360° rotation and zoom functions, in order to model clothes or show how other types of product work. Elsewhere, grocers use recipes to inspire purchases, while kitchenware retailers show wares in action through video. It's all about the context, or, in other words, about the relevancy.

Throughout 2015, we'll expect to see more innovation around explaining how products work and showing how they might sit within a customer's life.

Taking this further, we'll also expect to see websites becoming ever more relevant to the individual viewer, through the use of technologies such as personalisation. Such engines show website users those items that are most individually relevant to them, based on the items they've previously viewed or purchased. Eventually, we'll expect individual viewers to see their own versions of a site, which may differ enormously from the one that another user sees.

We predict that search technologies, too, will only get more sophisticated. Already it's possible for site search platforms to learn from previous searches for similar items to show relevant results. In future years, we expect retailers to use technologies that will be far more sophisticated here. It'll be important, then, that retailers continue to innovate.

However, companies need to continue to check that the basics haven't been overlooked in the rush towards improvement. In order to stand out next year, and in future years, traders will need to ensure that sites tick all of the boxes when it comes to social, stock availability, search, product information, and more. 🌈



Merchandising



2015 Results – the top performers in this Dimension

Share your thoughts on #IRUK500 with @etail

Elite

ASOS

eBuyer

John Lewis

Topps Tiles

Leading

Game

Net-A-Porter

IKEA

Post Office

Karen Millen

Mothercare

Model

Argos

Hobbs

Boden

Holland & Barrett

Claire's

Mamas & Papas

Coast

Samsung

Currys Digital

Topman

Dabs.com

Topshop

Early Learning Centre

Wiggle

Groupon

Brand and Engagement

It may have a staid and reliable public image, but Marks & Spencer is at the cutting edge of using a potent combination of social media, search and its app to promote its brand and engage with customers.

“THIS IS AN example of where a big company that has a clear strategy and invests heavily in the right technology really reaps the benefits,” says *InternetRetailing* researcher Martin Shaw. “Back in January, M&S promised to take a more ‘savvy’ approach to social media marketing and it’s delivering on this promise.”

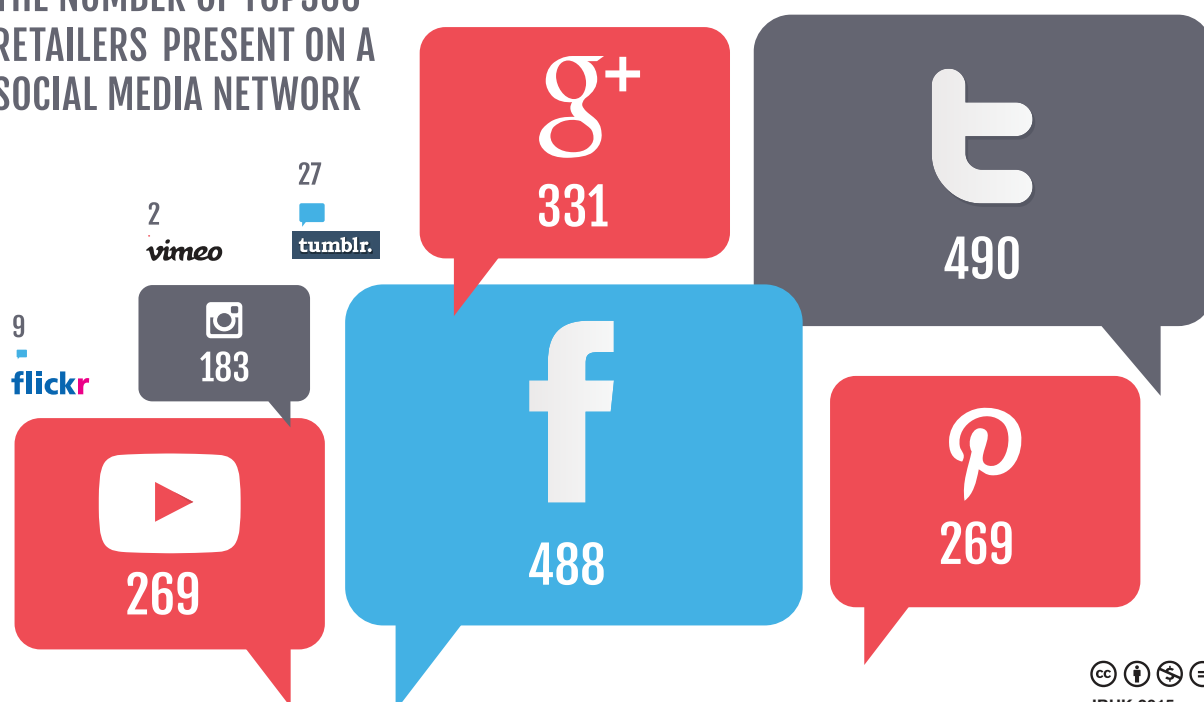
The Elite group of companies is completed by Topshop, ASOS and Debenhams. While each of these companies has also invested heavily in promoting its brand and in social media, each has its own distinct strengths. ASOS, for instance, uses Google particularly effectively, while Topshop has an active presence on seven social networks.

The Leading group of retailers, again heavy with familiar high street names such as Miss Selfridge, Mothercare and Coast, also performed strongly, but here there are more examples of companies that aren’t uniformly strong in the categories we measured. Urban Outfitters, for example, uses eight social networks yet its Urban On app isn’t available in the UK. Bathstore prioritises using Twitter as a way to communicate with customers, yet it uses only five social networks and it doesn’t have an app.

Twitter is the most popular social media network, used by 490 of the Top500 retailers.

Among the Model group of retailers, Oasis Fashion is worth singling out as the one company from outside the largest 150 to feature. This is noteworthy because the methodology we used slightly favoured larger

THE NUMBER OF TOP500 RETAILERS PRESENT ON A SOCIAL MEDIA NETWORK



The Elite group: what set them apart?

Marks and Spencer

Index Value: 85%

The M&S investment in social media, part of a wider strategic commitment by the company to turn itself into a customer-facing omnichannel retailer (the country's first...?) appears to be paying off. It performed strongly in all the categories we measured here.

M&S emphasises multichannel as it launches customer internet recruitment campaign:

<http://etail.li/9718a>

Topshop

Index Value: 82%

Another impressive performer across social media, although the company could improve its responsiveness via Twitter. Topshop uses an impressive seven out of the nine social networks we looked for.

How Topshop delivers seamless social integration through its app:

<http://etail.li/f3b61>

ASOS

Index Value: 80%

The fashion retailer's international growth has been in great part promoted by its use of social media, allied to its exemplary merchandising and presentation of goods.

Who's telling your customers what to buy?

<http://etail.li/d85de>

Debenhams

Index Value: 79%

The department store's use of Twitter was particularly impressive and it's strong in other areas, for example, its share of Google search.

companies. Oasis achieved its high ranking because of its effective use of Twitter, because its app enables social sharing and because it uses six social networks.

More generally, fashion companies are disproportionately represented in the top three groups here, reflecting the way shopping for clothes is inherently social. There's a real advantage in retailers helping customers to ask their friends a question that can make or break a sale: "What do you think of this?"

Further down the list though, many companies have work to do. One leading fashion retailer, aiming at a youthful demographic, makes no use of Twitter whatsoever. Likewise, a leading seller of books, magazines and newspapers doesn't ever respond to customers via Twitter. These may seem glaring oversights, but plenty of companies engage with

Five Top500 retailers lack a presence on both Twitter and Facebook.

customers via only two social media networks, Facebook and Twitter, and perform poorly in Google searches.

WHAT WE LEARNED

A retailer's brand is becoming increasingly important in the digital era. One reason for this is because retailers no longer compete just with each other, but also with wholesalers selling direct. Think of the way Nike has invested in its online presence, offering customers the chance to order personalised trainers via the web.

To compete, retailers also need a strong brand presence, which has to be built at least in part through social media and effective use of Google search. In this context, one small but telling statistic from our research is that 10 companies from the Top500 have no Twitter presence at all, while 12 are ►

M&S and customer-centred retail

In February 2014, Marks & Spencer unveiled its new-look website, shaped around its customers over two years of testing. The site was built, for the first time, on its own platform. M&S put a merging of content and commerce at the heart of what it was doing.

How does this work? M&S research revealed that 40 per cent of its customers shopped on the website for outfits rather than a single item. Accordingly, the company aims to show half its womenswear range as outfits through recommendations on the product page or through galleries that can be browsed by trend, occasion or as personalised recommendations.

The site also features catwalk footage, maxi zoom and 360° video. Then there's the company's Style & Living editorial hub, which features fashion content and lifestyle guidance from leading journalists and celebrity editors.

This kind of approach is interactive, it emphasises engaging customers in conversation. This is where the use of social media comes in. Every day, for example, updates about features on the editorial hub are sent out to the company's two million social media followers. But a conversation clearly isn't just about sending out messages. M&S has taken on extra customer service staff and it monitors social media 24/7.

The site also extends into the store, extending digital conversations onto the high street and blurring the lines between channels. More than 40,000 employees, including 1,500 sales assistants armed with iPads, are using the platform, while there are also 120 browse and order hubs in store.

not on Facebook, with a crossover of five companies using neither social network.

This may be at least in part because companies hoping for a boost from so-called social commerce were disappointed in the numbers. Whatever the reasons, other companies are doing better here. The corollary to a dozen retailers not being on Facebook is that 488 do use the now near-ubiquitous social media channel.

That's what we would expect to find, but the number of retailers using Pinterest, the media sharing and storage site surprised us. Already, 269 companies have a presence here. It's a reflection of the way Pinterest can drive sales. Last year, marketing company Piqora found that a 'pin' attached to a user's interest boards is worth 78 cents in additional sales to the featured brand. The company reported that the sales-per-pin had risen 25 per cent in less than a year.

But again, it's surprising how many companies still seem to be struggling with social media. Turning to Twitter, we've already noted how even companies in the largest 150 don't reply to tweets. Aside from those companies not active at all on the network, a dozen companies don't respond at all to customers on Twitter.

Similarly, of those retailers that do have apps, 93 don't offer social sharing to customers using the app, which may suggest retailers are still struggling to find ways to tie together mobile and social.

Turning to Google, we were surprised by how page reach was affected by switching to a new site. Considering the importance of appearing high up on search results, it's clear there's at least a temporary effect here when companies re-launch on a new domain. While page ratings do recover, companies need to be aware of the temporary blip.

WHERE NEXT?

We long ago went past the era when social media was widely seen as a potential sales channel to usurp existing channels. However, that doesn't mean companies can ignore social media. Instead, because brand building is so important, companies need to work out ways to use social media more effectively.

But as we've already noted, some companies seem uncertain how to go forward here. One of the figures from the research that most surprised us was that 169 of the Top500 retailers don't have a Google+ account.

"This seems like a real oversight," says Martin Shaw. "It really only takes an hour or so to get started. It makes it much easier to communicate with consumers who also use the network, and it helps with Google searches. Of course it takes much longer to make sophisticated use of the network, but it does seem like

The methodology

We worked with Google, customer community management and social software specialists Lithium and mobile specialist Poq Studio to analyse the way retailers use social media networks, Google, Twitter and apps to build brand awareness and engage with customers. In addition we did in-house research.

The research here fell into four categories. We measured the number of social networks companies were using from the following list: Twitter, Google+, Facebook, Pinterest, Instagram, YouTube, Tumblr, Flickr, and Vimeo.

We looked at whether those companies with mobile apps enabled social network sharing within the app. For the largest 150 we looked at whether these companies enable social media on the product page, including validation such as showing approval of a page with a 'like'.

Google helped with analysis of how many searches were being made for different brands. We also looked at retailers' PageRank.

Finally, we looked in detail at retailers' use of Twitter, analysing such data as total mentions, actionable response rate and average time to respond. Whereas in the Customer Dimension we assess the direct response to customers' questions, in this Dimension we're assessing a wider picture of how retailers use Twitter for Brand and Engagement.


some retailers are ignoring low-hanging fruit."

Against this, the rise in the number of companies using Pinterest is echoed elsewhere. Precisely the same number of retailers, 269, use YouTube as use Pinterest, while 183 retailers use the photo-sharing network Instagram.

We suspect these figures will grow strongly over the next year. In part, that's because these are visually led forms of social media that lend themselves to marketing and merchandising efforts. In the case of YouTube, there's also an opportunity, for example, to help customers get to grips with complex products, or to show how different products work together.

But something more subtle may be going on here. For all the provisos we've made about some retailers not 'getting' social media, it's clear many do understand why it's important to use this channel to engage in conversations with customers.

The promise of what was dubbed social commerce may not have been backed up by the sales figures, but companies who don't have a strong presence on Twitter, Facebook, Pinterest and the rest will still miss sales because it's a case of out of sight, out of mind.

Over the year we'll repeat our quantitative research, creating a Social Retailing Index, mapping the developments in retailers' use of social media channels and tools. Qualitative research will extend our coverage to include the role of digital brand building within multichannel retail performance. 

Brand and engagement



2015 Results – the top performers in this Dimension

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Elite

ASOS
Debenhams
M&S
Topshop

Leading

Bathstore	Mothercare
Boden	Ocado
Coast	Ryman
Game	Topman
House of Fraser	Urban Outfitters
Miss Selfridge	

Model

Adidas	John Lewis
Bank	Laura Ashley
BHS	Maplin Electronics
Claire's	Matalan
Disney Store	Morrisons
Dorothy Perkins	Mr Porter
Expedia	Oasis
French Connection	Post Office
Furniture Village	River Island
Go Outdoors	Schuh
H&M	Sony
Halfords	Superdrug
Homebase	Wallis
Jack Wills	Waterstones

Mobile and Cross-channel

Argos achieved a near-perfect index value in the Mobile and Cross-channel Dimension. The home goods retailer is top of the Elite trio of companies because its mobile offering is coherent and complete, and because customers can collect orders from any store.

“ARGOS HAS CLEARLY thought through its mobile and cross-channel operations,” says *InternetRetailing* researcher Martin Shaw. “Retail experts sometimes talk about mobile as if it’s not a separate channel anymore, their reasoning being that everyone uses their phones and tablets when it comes to researching and buying goods these days. Despite this, many retailers still have big gaps in their mobile offerings, or even no mobile offering at all, suggesting a big discrepancy between an understanding of best practice and implementation.”

The Elite group is completed by plus-size clothing retailer Evans, and trainers and sports retailer JD Sports. It’s significant that none of these retailers operates at the luxury end of the market, so often associated with state-of-the-art mobile offerings. It’s not just the well-to-do carrying the latest smartphones who are cross-channel shoppers, this is technology that’s gone mainstream.

The Leading group of retailers is also comprised of familiar names, with House of Fraser, Mothercare, Boots, Ernest Jones and Topman all achieving an index value of between 10.5 and 11 out of a possible 12.5. These are retailers that didn’t quite make the Elite group because one part of the mobile offering didn’t rank highly. House of Fraser, for example, doesn’t have a dedicated iPad app.

Four retailers have five-star-rated apps: LivingSocial, Quiz, ASOS and Trip

While big retailers such as Miss Selfridge, John Lewis, Apple, M&S and Halfords are well represented in the Model group of companies, there are also some less familiar names here. Blue Inc, for instance, is a rapidly expanding clothes chain selling affordable, urban-styled menswear. Had its app accrued more positive user ratings, it might have made the Leading group of companies.

While the ratings system favoured clicks-and-mortar retailers, pureplay LivingSocial still made its way into the Model group. That’s because the local marketplace

How Argos has led the way in Mobile and Cross-channel

Tracing the Argos story over recent years, it’s immediately tempting to ask how big a part its company history played into its mobile and cross-channel strategy. As a catalogue retailer with high street premises, it’s always put the emphasis on range and stock availability rather than conventional merchandising. It’s perhaps telling that its check-and-reserve model pre-empted other retailers’ click and collect models.

Here, its high street presence is a real advantage. Whatever channel customers use, and Argos has said that around 50 per cent of sales now begin online, they can check item availability before they head for a store rather than waste a journey. Increasingly, customers are doing this using mobile devices.

In 2012, reflecting this, Argos launched its iPad, iPhone and Android apps and a mobile-optimised site.

When Emma Robertson, managing director of digital and strategic agency Transform reviewed the iPad app for *InternetRetailing*, she approvingly noted that it “pushes the boundaries of mobile retail”.

She added “[The app] addresses the evolution of the printed catalogue, building on [the company’s] heritage whilst using the opportunities provided by new technologies to update and evolve it for digitally enabled customers. Where the app really innovates is in supporting the two key customer missions of browse and buy – achieving this through a single journey, with a single trolley. Interactive content hotspots provide the link, pulling in live pricing, shortlist, full details and add-to-trolley functionality. This combination of journeys mean the customer can uniquely explore without having to flick between apps or visit the website.”

company, which promotes city-specific deals, achieved the maximum index value in seven of the 10 categories. Further down the list, pureplay fashion retailer Mr Porter also performed well in the same categories, proving that a mobile offering can be strong even for retailers that don’t have a high street presence.

WHAT WE LEARNED

One of the most striking statistics here is that of the Top500, 349 retailers, more than two-thirds, scored two points or less in the Mobile and Cross-channel Dimension. In addition, 331 companies have no mobile offering. Frankly, these are figures that surprised us, perhaps because we so often report on companies that

have been steadily working on mobile strategies for many years. Look too closely at the leading 30 retailers and it's all too easy to believe that British retail is indeed leading the way in mobile.

"This is why this kind of quantitative research is so valuable," says Martin Shaw. "The best retailers are good at marketing and selling themselves, it's built into the company DNA. That means those making big strides promote what they're doing. Conversely, those that are lagging in mobile make a noise and fuss about those facets of the business where they're stronger."

That's not to say British retailers aren't doing well in mobile when compared to retailers in other territories, it's more that we need to be realistic about the gap between best-in-breed companies and the rest.

So what is it that sets these best-in-breed companies apart? The 30 leading companies in this Dimension all achieve an index value of at least 8.5 out of a possible 12.5. While individual retailers may rank poorly in certain categories, these are companies that have grasped that a mobile offering, made as part of a wider cross-channel strategy, needs to be comprehensive. Why bother to roll out in-app purchases, for instance, if a customer who's out and about in town can't then go and pick up the item they've just bought?

The wider point is that as soon as retailers start to think about mobile, this has to be at a strategic level. The alternative is the kind of meeting where someone ►

The Elite group: what set them apart?

Argos

Index Value: 12 out of a possible 12.5

Perhaps because its catalogue-shopping-on-the-high-street model lends itself to cross-channel retail, Argos achieved a near-perfect index value of 12. App rating based on user reviews was the only area in which it fell short.

How mobile sales now account for 20 per cent of business at Argos: <http://etail.li/22aee>

Evans

Index Value: 11.75

Similarly to Argos, Evans has got the basics right. This reflects a substantial investment by the Arcadia Group, which owns the retailer, and is also reflected in several other Arcadia brands, Topman, Miss Selfridge, Topshop, Wallis, BHS and Dorothy Perkins, being included in the Model group.

How Arcadia is investing in mobile: <http://etail.li/2bcfb>

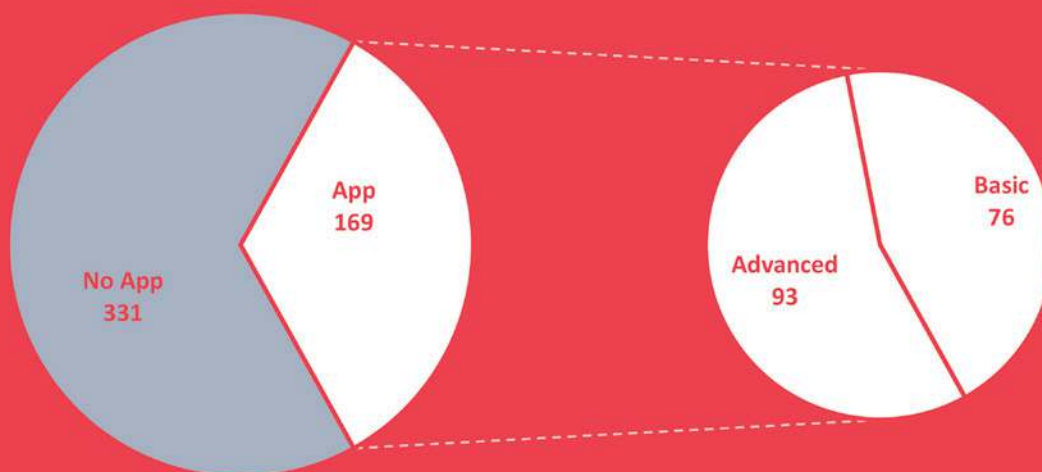
JD Sports

Index Value: 11.25

JD Sports' app was highly rated. However, the company doesn't offer customers the facility to scan goods in-store, which brought its overall mark down. Nonetheless, the rest of the company's mobile and cross-channel offering is exemplary.

How JD Sport's profitability and turnover is being driven by digital: <http://etail.li/5d86a>

MOBILE APPS STILL RARE



Mobile apps are still rare, even among Top500 companies. Of the 169 retailers with apps, just 93 are 'advanced', or transactional. Note: the numbers represent the iOS app offering of Top500 retailers.

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IRUK 2015

The methodology

We worked with mobile commerce specialists Poq Studio in analysing retailers' use of mobile and adoption of cross-channel retail.

Of the retailers listed in the InternetRetailing Top500, 208 companies had an index value of zero points. In addition, only 169 of the companies have a mobile app. We assessed retailers based on the following mobile criteria: whether a retailer has iPhone and iPad apps; whether the app uses push-messaging; a rating for any app; whether it's possible to scan products in the app; social-sharing capability; a higher index value was accorded to those retailers. For the cross-channel element here, a higher index value was accorded to those retailers that have collection points in stores, weighted according to how many stores have these, and store-finder functionality.

Not all categories were ranked equally. App user reviews contribute an index value of up to 2.5 out of a possible total of 12.5, while cross-channel collection capability has an index value of between zero and two. The 169 retailers that have apps and those with a clicks-and-mortar presence thus have a built-in advantage.

The maximum index value was 12.5. The highest index value achieved was 12 (96 per cent) by Argos.

in senior management, perhaps because they've been given an iPhone for Christmas, suddenly decides the company needs an app. An app is then commissioned, but nobody is entirely certain what it's for, which means in turn that nobody uses it.

Many companies don't seem to see the point in offering scanning functionality. Even within the Elite, Leading and Model categories, only 18 companies of 30 offer this

A quick glance at industry statistics offers ample evidence of why this isn't good enough. In 2013, according to IMRG figures, UK shoppers spent £91 billion, an increase of 16 per cent over the previous year. This increase was driven by mobile. The number of sales via smartphones and tablets grew by 138 per cent compared to 2012.

We expect 2014 and 2015 statistics to reflect the same trends. Those retailers that don't implement retail strategies won't just miss out on sales via the mobile channel, but will find that even loyal customers drift away to competitors, perhaps never to return.


WHERE NEXT?

New devices are rapidly changing retail. More web browsing now occurs on mobile than desktop. At some point in the very near future, as consumers get increasingly familiar with the idea of shopping with whatever device comes to hand, it probably won't make sense to think of mobile as a standalone sales channel. However, our research serves as a sharp reminder that this day, when the much-promised era of omnichannel retail arrives in earnest, isn't here yet.

Against this backdrop, one blunt answer to the question 'where next?' is back to the drawing board, back to doing the strategic work necessary to prepare for a world where more and more customers will expect seamless mobile experiences.

Our research suggests plenty of retailers urgently need to address these basic questions. Against this, it may be that a year hence we will find far more retailers with sophisticated mobile offerings. That's because the all-or-nothing nature of mobile implementation – if retailers are going to invest in mobile, the retailer has to commit in earnest – may make this a volatile Dimension to chart in the years ahead. While we're wary of making predictions, it may be that we'll see a rush of retailers investing in mobile in the next year or two as companies see mobile is essential to a cross-channel strategy.

Especially for those that already have a sophisticated mobile presence, it will also be intriguing to see how the use of digital technologies within the store affects the industry here. The use of in-store beacons, for example, is growing. Further down the line, researchers are conducting trials on technologies that monitor people's facial expressions to see if they're reacting positively or negatively to store displays.

At the cutting edge, retailers are already trialling new ways of doing business that build on changing patterns of customer behaviour. Recently, for example, House of Fraser, in the Leading group in the Mobile and Cross-channel Dimension, announced it was teaming up with Caffè Nero to launch a concept shop in Cambridge where customers will, on the ground floor, be able to browse on House of Fraser tablets while they sup coffee. Up on the first floor, customers will be able to view products, try on items and collect online orders. 

Mobile and cross-channel



2015 Results – the top performers in this Dimension

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Elite

Argos

Evans

JD Sports

Leading

Boots

Mothercare

Ernest Jones

Topman

House of Fraser

Model

Apple Store

John Lewis

Asda

LivingSocial

Bank

M&S

BHS

Mango

Blue Inc

Miss Selfridge

Debenhams

New Look

Decathlon

Quiz

Dorothy Perkins

River Island

Footasylum

Topshop

H. Samuel

Wallis

Halfords

Warehouse Fashion

Relying only on basic email marketing
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Our Dimension Sponsors Bronto and Lithium also join our Advisory Board, and contribute their expertise and insights to specific Performance Dimensions, illuminating the factors that contribute to the admired performance of those retailers we research.

Our Sponsors allow us to update the research throughout the year, and bring our readers both 'deep dives' into the Performance Dimensions as well as updated indices all year round, and into the next ranking in 2016.



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We have benefitted from the insight, assistance and research support of specialists and experts who have kindly shared data, trends, comparatives and metrics with us. We have used their contribution in creating and weighting the performance metrics. To them our thanks for their wonderful support, and to us the responsibility for how we've used it, all errors and any omissions.



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Advisory Board

Our thanks go to our Advisory Board who have supported, challenged and suggested with great generosity as we have gone from our first steps to this report. The good ideas have been theirs, and any errors or shortcomings are ours alone.

Andy Harding

Executive Director, Multichannel, House of Fraser

Emma Robertson

Managing Director, Transform

Fabrice Etienne

EMEA Marketing Director, Lithium International

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In conclusion

PUTTING TOGETHER THE first InternetRetailing Top500 has been fascinating. By taking an analytical approach to the UK's ecommerce and multichannel industry, we've come up with findings that have challenged our assumptions at every turn.

We've seen at first hand the strategies retailers are adopting to take a lead in a competitive marketplace. While some companies offer seven different types of delivery, others are moving warehouses to enable ever-later order times. Some are focusing on site performance, while others are actively engaging customers through social media.

InternetRetailing's in-house team, working with researchers from our knowledge partners, has thrown new light on the industry, helping us to a far clearer view of what's happening here. We hope our findings have been as interesting for you, our readers, as they have for us, and that you've discovered something you didn't know before.

But this is only a start. Our work doesn't stop here. This year we've sketched the baseline for UK ecommerce and cross-channel. This is a starting point for a project that will develop and gain in depth with each passing year. Over the course of the next 12 months we'll be considering each of our Performance Dimensions in a series of six special reports.

This work will in turn build and inform a new and updated IRUK Top500 to be published in 2016. As our research gets ever-more accurate and sophisticated, we expect it will become a predictive model capable of pinpointing the aspects that retailers can focus on as companies look to improve future performance.

Over the coming year we'll also be broadening the scope of our investigations. The IREU Top500 will be published in March, evaluating the leading retailers from across the 32 member states of the European Economic Area. Next summer, it will be the turn of leading suppliers to take the limelight.

With this UK Top500 report, InternetRetailing has started on a journey to find out how ecommerce and multichannel functions at its best. We hope that you'll join us on the journey.

Chloe Rigby and Jonathan Wright
Co-editors, InternetRetailing Research Report

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jonathan@internetretailing.net



THIS COMPREHENSIVE REPORT is just the beginning. Its insights will only deepen. We are already looking to hone and expand data points following feedback from retailers and our Advisory Board. In the coming year we will pay special attention to movement in the Index as the dynamic retail sector flexes and grows – improving the algorithms that turn data into Index values. Along with Chloe and Jonathan, the Research Team will release 'deep dives' into performance in each dimension. These bi-monthly supplements will equip retailers with knowledge and examples of how to catch up to, embed and develop leading practice. Future editions will illustrate how retailers pivot from leading to best. The ultimate prize is to build a predictive model based on our research – it would indicate, for example, what the optimal level of social media engagement is for a mid-sized stationery retailer. Time will tell how successful we are, so stay tuned! In the short term we have IREU, the European Top500 Footprint, due out at InternetRetailing Expo in March 2015. Suppliers to the Top500 will follow closely behind.

We welcome feedback. Please send any queries, criticisms or recommendations to me at research@internetretailing.net and don't forget to watch this space at internetretailing.net/iruk

Martin Shaw
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