RXBX 500

May 2021

In partnership with

TEALIUM

Europe

Brand Index

www.retailx.net

RXBEU21RP

FROM THE EDITOR-IN-CHIEF

Welcome to the 2021 Brand Index, in which we assess how the landscape has changed for ecommerce and multichannel brands during the course of the Covid-19 pandemic and beyond. For make no mistake, the way that shoppers buy from brands changed enormously over the last year as they shifted online not only to buy during the Covid-19 pandemic, but to buy directly from the brands they know and trust.

The results have been visible in brands' trading figures over the last year. Online grew quickly for brands, while wholesale business that was previously done via third-party retailers, both online and offline, went into retreat.

Now that shops are open once more and customers are starting to return to workplaces and city centres, what has changed long-term? In this report, we assess through RetailX research how brands are changing the way they sell direct-to-consumers in practical terms. We question whether brands' retail strategies need to evolve further if they are to keep pace with the continuing changes to how shoppers are able to buy. We also look at how they do buy, given the choice.

This year's listing of the Top500 European brands identifies the leading brands that sell across Europe, ranked on both size and performance across the six RetailX Dimensions: Strategy & Innovation, the Customer, Merchandising, Brand Engagement, Operations & Logistics and Mobile & Crosschannel.

The Brand Index 2021 is designed as a tool for brands both and small to benchmark their performance against that of their competitors, both in the markets and sectors that they serve. It also allows them to take inspiration from what works in other sectors and other markets. We hope you find it useful. ■

Ian Jindal, chief executive, RetailX

OUR METRICS

Our research covered seven Performance Dimensions

OUR METRICS	
0.	FOOTPRINT: UK retail turnover, ecommerce turnover, web reach and store estate of brands give the 'heft' and a preliminary rank. We then modify and weight that analysis through consideration of the following Dimensions:
1.	STRATEGY & INNOVATION: the extent to which the brand is adapting for growth, international commerce and customer responsiveness
2.	THE CUSTOMER: measuring the experience from the customer's point of view
3.	OPERATIONS & LOGISTICS: delivery, returns, collections
4.	MERCHANDISING: displaying and describing products
5.	ENGAGEMENT: making their brands familiar to the customer and connecting with them
6.	MOBILE & CROSS-CHANNEL: beyond single ecommerce or store channels

PERFORMANCE CLUSTERS

We've ranked the Europe Brand Index 500 in statistically similar groups. Elite brands have performed at an exceptional level across all Dimensions, statistically separate from the subsequent clusters. In 2021, these are Adidas, H&M, L'Occitane, Nike and Sephora. Our congratulations to all.

Top50 brands represent the current standard of UK best practice in ecommerce and multichannel retailing, exemplifying RetailCraft at its best.

Between the Top100 and the Top500, brands are grouped to express their measured performance in a way that goes beyond their variation in size, reach and turnover. Throughout 2021, we will be continuing our testing and measurement of the whole group, with our findings contributing to the 2022 ranking.

JUDGEMENT

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

KNOWLEDGE PARTNERS

We thank BuiltWith for tracking the Top500 websites and providing information on the software used, such as ecommerce platform and payment methods, and SimilarWeb for sharing data on the visits and interaction that Top500 websites receive.

ELITE RETAILERS

Congratulations once more to the RetailX Top500 Elite brands for 2021: Adidas, H&M, L'Occitane, Nike and Sephora.

Ian Jindal,
Editor-in-Chief

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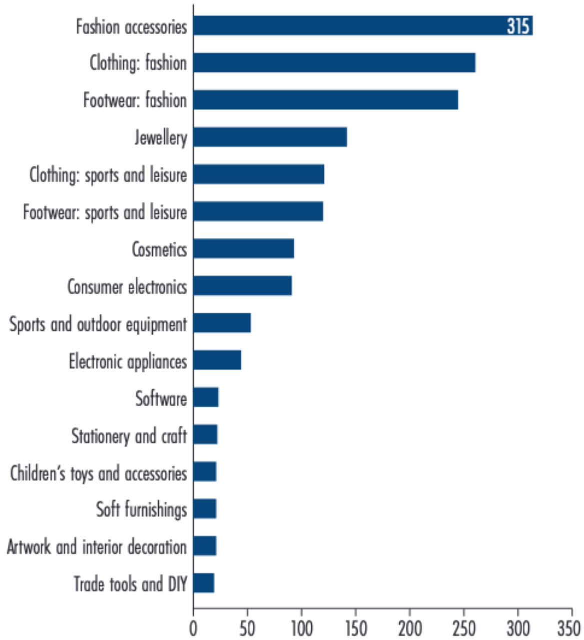
ABOUT THE RETAILX BRAND INDEX EUROPE TOP500

Figure 1. What do Top500 brands sell?

The number of brands in each category, organised by product types sold

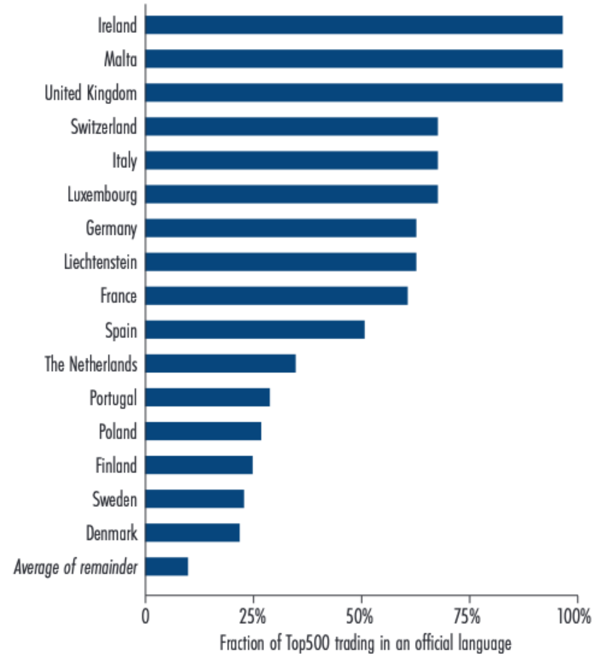


Categories that include at least 20 brands are shown. The total exceeds 500 because some companies sell across multiple categories

Source: RetailX

Figure 2. How Top500 brands localise their websites, by market

The percentage of Top500 brands trading in at least one of each country's official languages

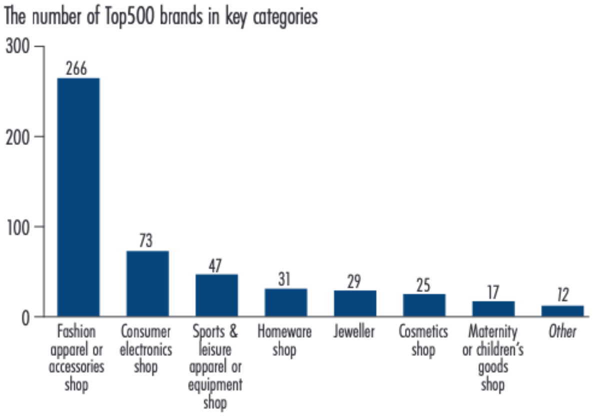


Europe Top500 brands are selected for their significance across the European single market, Switzerland and the UK. However, the significant number of consumers who prefer or require native-language websites and don't speak one of the most commonly offered languages, will not be familiar with many of the brands on the list

Source: RetailX

Figure 3. The primary categories that Top500 brands belong to

The number of Top500 brands in key categories

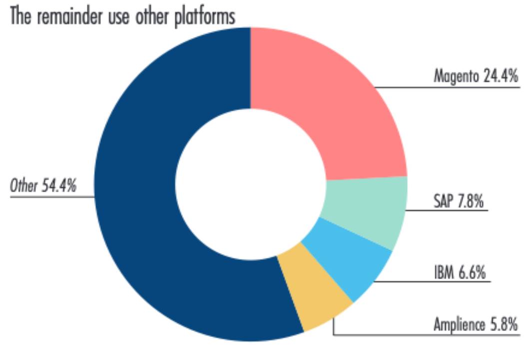


Fashion is the largest single focus for Top500 brands, while significant numbers sell consumer electronics, sports and leisure goods

Source: RetailX

Figure 4. Ecommerce platforms used by the Top500

The percentage of brands that use four leading platforms.
The remainder use other platforms



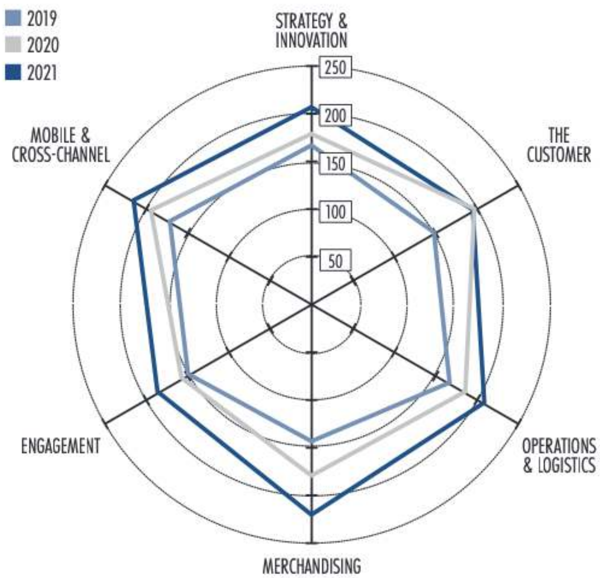
Source: RetailX analysis and BuiltWith data

MEASURING PERFORMANCE

We score performance in tests to create an index value. The Total Index Value (TIV) is the sum of all companies' results while the Average Index Value (AIV) is the average company's result. This enables us to compare performance between years, sectors and regions since a higher TIV or AIV represents a greater measured capability and performance. Our benchmarking reveals that performance has markedly improved in most areas in successive years

Figure 5. Performance by Dimension

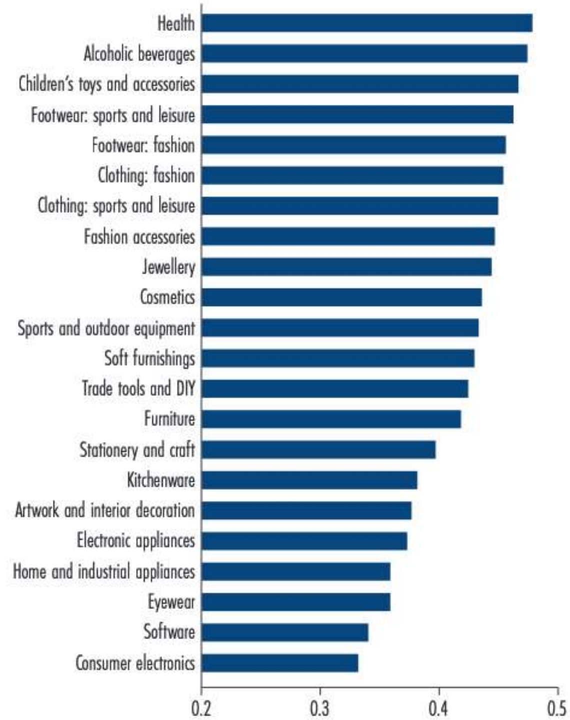
The Total Index Value for the performance Dimensions from 2019-2021



Source: RetailX

Figure 6. Average performance by category

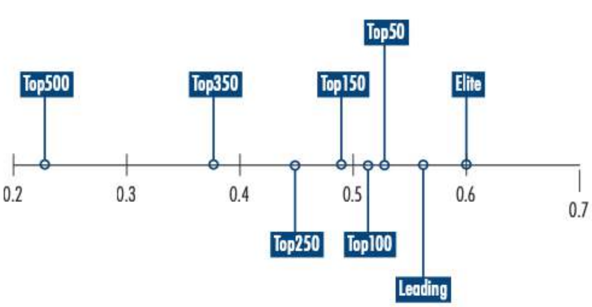
The Average Index Value for each category



Categories with 20 or more brands are shown. Some brands belong to multiple categories

Source: RetailX

Figure 7. Average performance by cluster

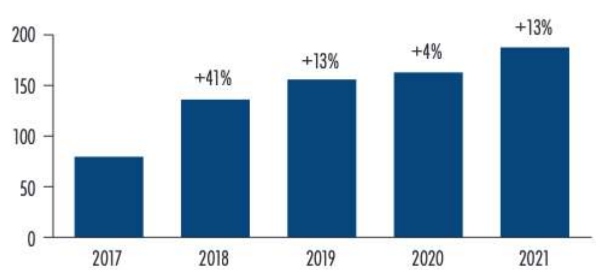


The brands within each cluster are listed on pages 10-11. A brand's cluster is determined by its Footprint size (calculated from revenues, web traffic, and stores) which receives a 30% weighting and by its performance in the other metrics covered by this report with a 70% weighting

Source: RetailX

Figure 8. Overall Index growth

The Total Index Value 2017-2021 and YOY change



Source: RetailX

THE LARGEST 500 DIRECT-SELLING BRANDS

The largest 500 brands in Europe form the Top500 (overleaf) and are here laid out according to how significant they are as B2C retailers to European consumers – by web traffic, retail revenue and number of stores

LARGEST 50

5.10.15.
ADIDAS
ADOLFO DOMINGUEZ
ANN SUMMERS
APPLE
BANG & OLUFSEN
BERSHKA
BIMBA Y LOLA
BOSE
CLAIRE'S
CLARKS
CLINIQUE
DREAMS
DUNE LONDON
ERNEST JONES
FAT FACE
GANT
GAP
GOOGLE (STORE AND PLAY)
H&M
HUGO BOSS
IKEA
JACK & JONES
LEGO
LOUIS VUITTON
MANGO
MARKS & SPENCER
MASSIMO DUTTI
MICHAEL KORS
MICROSOFT
MOUNTAIN WAREHOUSE
NESPRESSO
NEW LOOK
NIKE
OASIS
OYSHO
PANDORA
PHASE EIGHT
PULL&BEAR
RIVER ISLAND
SAMSUNG
SEPHORA
STRADIVARIUS
SUPERDRY
SWAROVSKI
SWATCH
TED BAKER
TOUS
WAREHOUSE
WHITE STUFF

LARGEST 100

& OTHER STORIES
ALLSAINTS
ARMANI
BURTON (US)
CALVIN KLEIN
CARHARTT
CATH KIDSTON
COS
COTSWOLD OUTDOOR
DR. MARTENS
DULUX DECORATOR CENTRES
ECCO
FARROW & BALL
FOSSIL
G-STAR RAW
GUCCI
HACKETT
HOLLISTER
HOTEL CHOCOLAT
HP
JOULES
KÄRCHER
L'OCCITANE
LACOSTE
LAURA ASHLEY
LOGITECH
MOSS BROS.
NEW BALANCE
THE NORTH FACE
OLIVER BONAS
OMEGA
RAZER
REISS
RESERVED
ROMAN ORIGINALS
RUSSELL & BROMLEY
SELECT
SKECHERS
SPACE NK
THORNTONS
TIFFANY & CO.
TIMBERLAND
TOMMY HILFIGER
TRESPASS
UNIQLO
VICTORIA'S SECRET
WARREN JAMES
WHISTLES
WMF
YANKEE CANDLE

LARGEST 150

AGENT PROVOCATEUR
ASICS
ASPINAL OF LONDON
ASUS
CHARLES TYRWHITT
COAST
CREW CLOTHING COMPANY
DELL
DENLEY.PL
DESIGUAL
DIESEL
DIOR
FRENCH CONNECTION
GARMIN
HABITAT
HOBBS LONDON
HOTTER
JACK WILLS
JIGSAW
JOJO MAMAN BÉBÉ
KAREN MILLEN
KIEHL'S
KURT GEIGER
LENOVO
LOEWE
MAC COSMETICS
MAISONS DU MONDE
MAMAS & PAPAS
MISSGUIDED
MONKI
MONTBLANC
MUJI
PAVERS
PLAYMOBIL
POLAR
PUMA
RALPH LAUREN
REEBOK
ROMWE
SEASALT CORNWALL
SHOPDISNEY
SWEATY BETTY
T.M. LEWIN
THOMAS SABO
TRIPP
TRIUMPH
UNDER ARMOUR
UNITED COLORS OF BENETTON
UTERQÜE
WACOM

LARGEST 250

ABERCROMBIE & FITCH
ACER
ACNE STUDIOS
ADVANCED MICRO DEVICES
ALDO
AMERICAN APPAREL
AMERICAN EAGLE
AVERY
AXMINSTER
BARBOUR
BILLABONG
BODUM
BOOHOO.COM
BOSCH
O BOTICÁRIO
BOTTEGA VENETA
BOUX AVENUE
BRAVISSIMO
BRORA
BUILD-A-BEAR WORKSHOP
BURBERRY
CAMPER
CANON
CASIO
CHARLES CLINKARD
CHRISTIAN LOUBOUTIN
CROCS
DJI
ELLIS BRIGHAM MOUNTAIN SPORTS
EPSON
F.HINDS
FENDI
FIRED EARTH
FITBIT
FLANNELS
FRED PERRY
GABOR
GIGABYTE
GOPRO
GUDRUN SJÖDÉN
HAVAIANAS
HAWES & CURTIS
JOE BROWNS
JONES BOOTMAKER
KATE SPADE
KENZO
L.K. BENNETT
LAITHWAITE'S
LANDS' END
LEVI'S
LG
LIBERTY LONDON
LINKS OF LONDON
LONG TALL SALLY
LOWEPRO
MINT VELVET
MODA IN PELLE
MOHITO
MOLTON BROWN
MONICA VINADER
MSI
MUD JEANS
MULBERRY
MYPROTEIN
NEPTUNE
NETATMO
NINTENDO
NVIDIA
OCULUS
OFFSPRING
ONEPLUS
ORIFLAME
ORVIS
PAUL SMITH
PEPE JEANS LONDON
PHILIPS
PRADA
PRETTY GREEN
RADLEY
RAPHA
ROHAN
SCOTCH & SODA
SÉRAPHINE
SKAGEN
STELLA MCCARTNEY
SUPREME
TEXAS INSTRUMENTS
TOAST
TOMTOM
TUMI
UGG
VERSACE
VIVIENNE WESTWOOD
WAHOO FITNESS
WEEKDAY
WEIRDFISH
WHITTARD OF CHELSEA
XIAOMI
YVES ROCHER
YVESSAINTLAURENT

LARGEST 350

ALEXANDER MCQUEEN
ARMANI EXCHANGE
BAKER ROSS
BALENCIAGA
BANANA REPUBLIC
BATA
BENQ
BERGHAUS
BIRKENSTOCK
BJÖRN BORG
BOCONCEPT
BRABANTIA
BROTHER
BVB FANSHOP
CACHE CACHE
CAMIF.FR
CHANEL
CHRIST
COACH
CONVERSE
CORSAIR
CRABTREE & EVELYN
CREATIVE
CRUCIAL
DBRAND
DEEZEE
DELONGHI
DYSON
EAST CLOTHING
EDUSCHO / TCHIBO
ELLOS
ENGELBERT STRAUSS
EVGA
FASHION NOVA
FENDER
FERRARI.COM
FOCUSRITE
GEOX
GIVENCHY
GLOBUS
GUESS
GYMSHARK
HAPPY SOCKS
HERMÈS
HERSCHEL SUPPLY CO
HIVE
HORNBY
HUNKEMÖLLER
HUSQVARNA
IKKS
JENNYFER
JIMMY CHOO
JURA
LIZ EARLE
LUISAVIAROMA
LULULEMON
LYLE & SCOTT
MEDION
MUSTO
NESCAFE DOLCE GUSTO
NETGEAR
NIKON
OAKLEY
OBAÏBI-OKAÏDI
OLIVER SWEENEY
ONLY
ORBEA
PATAGONIA
PETER HAHN
PETIT BATEAU
PIMKIE
RAY-BAN
REI
RITUALS
ROUTE ONE
S.OLIVER
SALOMON
SAMSONITE
SCOTT SPORTS
SENNHEISER
SKATEDELUXE
SMYTHSON
SONOS
SPRINGFIELD
STEELSERIES
SUPERGA
SUUNTO
TADO
THULE GROUP
TITUS
TOM TAILOR
URBAN INDUSTRY
VANS
VENEZIA
VERO MODA
VILLEROY & BOCH
WEBER
WESTERN DIGITAL
WITHINGS
YUMI

LARGEST 500

ACE & TATE
AKG
ALBA MODA
ARMEDANGELS
ASTRO
AUDIO-TECHNICA
AXEL ARIGATO
BA&SH
BALSAMIK
BAREMINERALS
BELKIN
BELL & ROSS
BELLROY
BENEFIT SAN FRANCISCO
BERGERE DE FRANCE
BEYERDYNAMIC
BONOBO JEANS
BRANDY MELVILLE
BREITLING
BVLGARI
CANADA GOOSE
CARTIER
CASETIFY
CASPER
CHARLOTTE TILBURY
CHILLY'S
CHLOÉ
CHURCH'S
CLUSE
COLUMBIA SPORTSWEAR
CRAGHOPPERS
CYBEX
CÉLINE
DC SHOES
DEERBERG
DENON
DEVRED 1902
DEWALT INDUSTRIAL TOOL COMPANY
DOLCE & GABBANA
DSQUARED2
DUREX
DYMO
EARLY LEARNING CENTRE
EASTPAK
ESTÉE LAUDER
EVERLANE
FALKE ERGONOMIC SPORT SYSTEM
FIORUCCI
FITFLOP
FLIR
FREE PEOPLE
FUNKO
FURLA
G-SHOCK
GEMPORIA
GERRY WEBER
GHD HAIR
GTECH
GUERLAIN
HALLMARK
HANON
HARMAN
HARMAN KARDON
HELLY HANSEN
HERMAN MILLER
HONOR
HOOVER
HTC
HUNTER
HUSH
HYPERX
ICEBREAKER
IROBOT
JACADI
JBC
JEFFREE STAR COSMETICS
KIPLING
THE KOOPLES
LA PERLA
LASCANA
LE COQ SPORTIF
LELO
LINDT
LONGCHAMP
LOVISA
MAMMUT
MANDARAKE
MANFROTTO
MANKIND
MARC O'POLO
MARIMEKKO
MARSHALL
MERRELL
MIELE
MISSOMA
MOLESKINE
MONCLER
MORGAN
MORPHE
MOTEL
MOTOROLA
MS MODE
MVMT WATCHES
NAPAPIJRI
NUDIE JEANS
NYX PROFESSIONAL MAKEUP
OLYMP
OLYMPUS
ON RUNNING
OTTERBOX
PEAK DESIGN
POLTI
PREMIER MAN
PURIFICACIÓN GARCIA
QUIKSILVER
THE REFORMATION
REGATTA OUTDOOR CLOTHING
REMINGTON
ROXY
SALSA
SALVATORE FERRAGAMO
SAMSØE & SAMSØE
SAVILE ROW COMPANY
SEASIDE
SELECTED
SHEEGO
SIK SILK
SKINNYDIP
SOFOLOGY
SPEEDO
STOKKE
STONE ISLAND
TAG HEUER
TAPE À L'OEIL
TASSIMO
THRUSTMASTER
TIGER OF SWEDEN
TISSOT
TOMS
ULTA
ULTIMATE EARS
URBANEARS
VAGABOND
VALENTINO
VAX
VEJA
VICTORINOX
VIVE
ZADIG & VOLTAIRE
ZWILLING J.A. HENCKELS

THE RETAILX BRAND INDEX TOP500

The RetailX Europe Brand Index Top500 2021, listed alphabetically by performance cluster. Every brand's position is the result of its Footprint (web traffic, retail revenue, number of stores) and its performance across the six performance Dimensions of Strategy & Innovation, The Customer, Operations & Logistics, Engagement, and Mobile and Cross-channel

ELITE	TOP100	TOP150	TOP250	
ADIDAS	AXMINSTER	5.10.15.	& OTHER STORIES	JIMMY CHOO
H&M	BOOHOO.COM	ALDO	ABERCROMBIE & FITCH	JOE BROWNS
L'OCCITANE	BOUX AVENUE	BANANA REPUBLIC	ACNE STUDIOS	KATE SPADE
NIKE	BRAVISSIMO	BATA	AGENT PROVOCATEUR	KIEHL'S
SEPHORA	CALVIN KLEIN	BOSE	AMERICAN EAGLE	KÄRCHER
LEADING	CATH KIDSTON	BURBERRY	ARMANI	L.K. BENNETT
ADOLFO DOMINGUEZ	CLAIRE'S	CHARLES CLINKARD	BARBOUR	LAITHWAITE'S
ANN SUMMERS	CLARKS	CHARLES TYRWHITT	BERGERE DE FRANCE	LASCANA
APPLE	COAST	CROCS	BERGHAUS	LIBERTY LONDON
BERSHKA	CREW CLOTHING COMPANY	DESIGUAL	BOTTEGA VENETA	MEDION
COTSWOLD OUTDOOR	ELLIS BRIGHAM MOUNTAIN SPORTS	DREAMS	BRORA	MOHITO
DUNE LONDON	G-STAR RAW	ESTÉE LAUDER	BURTON (US)	MONICA VINADER
FAT FACE	GABOR	FOSSIL	CACHE CACHE	MONKI
HOTEL CHOCOLAT	HP	FREE PEOPLE	CAMIF.FR	MONTBLANC
HUNKEMÖLLER	HUNTER	GANT	CANON	MS MODE
JOULES	IKEA	GEOX	CARHARTT	MUSTO
LOUIS VUITTON	JENNYFER	GIVENCHY	COACH	NINTENDO
MANGO	JIGSAW	GLOBUS	CONVERSE	NYX PROFESSIONAL MAKEUP
MARKS & SPENCER	JOJO MAMAN BÉBÉ	HOLLISTER	COS	ORVIS
MODA IN PELLE	JONES BOOTMAKER	HOTTER	CRABTREE & EVELYN	PEPE JEANS LONDON
OFFSPRING	LAURA ASHLEY	IKKS	CRAGHOPPERS	PETER HAHN
PANDORA	LEVI'S	JACK WILLS	DEERBERG	PREMIER MAN
PHASE EIGHT	MAMAS & PAPAS	KAREN MILLEN	DEEZEE	QUIKSILVER
SEASALT CORNWALL	MICHAEL KORS	KURT GEIGER	DENLEY.PL	REI
SPACE NK	MICROSOFT	LACOSTE	DEVRED 1902	RITUALS
STRADIVARIUS	MINT VELVET	LANDS' END	DIESEL	ROHAN
TOP50	MOLTON BROWN	LONG TALL SALLY	DIOR	ROMAN ORIGINALS
ALLSAINTS	MOSS BROS.	MAC COSMETICS	DR. MARTENS	ROUTE ONE
CHRIST	MOUNTAIN WAREHOUSE	MAISONS DU MONDE	DULUX DECORATOR CENTRES	RUSSELL & BROMLEY
CLINIQUE	NESPRESSO	MISSGUIDED	DYSON	SALOMON
EARLY LEARNING CENTRE	THE NORTH FACE	MULBERRY	ECCO	SAMSONITE
ERNEST JONES	OASIS	NEW BALANCE	EDUSCHO / TCHIBO	SELECT
FRENCH CONNECTION	OLIVER BONAS	OBAÏBI-OKAÏDI	F.HINDS	SKAGEN
HOBBS LONDON	OYSHO	PATAGONIA	FARROW & BALL	SMYTHSON
HUGO BOSS	PIMKIE	RALPH LAUREN	FASHION NOVA	SPRINGFIELD
JACK & JONES	PUMA	REGATTA OUTDOOR CLOTHING	FERRARI.COM	STELLA MCCARTNEY
LEGO	RADLEY	RESERVED	FITBIT	SUUNTO
MASSIMO DUTTI	REEBOK	ROMWE	FITFLOP	TIFFANY & CO.
MYPROTEIN	REISS	SKECHERS	FLANNELS	TITUS
NEW LOOK	S.OLIVER	SWATCH	GAP	TOAST
PAUL SMITH	SAMSUNG	TAPE À L'OEIL	GARMIN	TOUS
PAVERS	SHEEGO	TED BAKER	GHD HAIR	UNITED COLORS OF BENETTON
PHILIPS	SWAROVSKI	THORNTONS	GUCCI	URBAN INDUSTRY
PULL&BEAR	SWEATY BETTY	TIMBERLAND	GUESS	UTERQÜE
RIVER ISLAND	T.M. LEWIN	TOM TAILOR	HABITAT	VERO MODA
SHOPDISNEY	TRIPP	TRESPASS	HACKETT	VERSACE
SUPERDRY	TRIUMPH	UNDER ARMOUR	HAWES & CURTIS	VICTORINOX
THOMAS SABO	UGG	VANS	HUSH	WEEKDAY
TOMMY HILFIGER	WAREHOUSE	VICTORIA'S SECRET	JACADI	WEIRDFISH
UNIQLO	WHITTARD OF CHELSEA	YANKEE CANDLE	JBC	WMF
WHISTLES				
WHITE STUFF				

TOP350

- ALBA MODA
- ALEXANDER MCQUEEN
- ARMANI EXCHANGE
- ASICS
- ASPINAL OF LONDON
- ASUS
- AVERY
- BAKER ROSS
- BALENCIAGA
- BENEFIT SAN FRANCISCO
- BILLABONG
- BIMBA Y LOLA
- BJÖRN BORG
- BONOBO JEANS
- BOSCH
- BRABANTIA
- BROTHER
- BUILD-A-BEAR WORKSHOP
- CAMPER
- CARTIER
- CHANEL
- CHRISTIAN LOUBOUTIN
- CHURCH'S
- CORSAIR
- CREATIVE
- DBRAND
- DC SHOES
- DELL
- DJI
- DOLCE & GABBANA
- EAST CLOTHING
- EASTPAK
- ELLOS
- ENGELBERT STRAUSS
- EPSON
- FENDI
- FIRED EARTH
- FRED PERRY
- GEMPORIA
- GOOGLE (STORE AND PLAY)
- GUDRUN SJÖDÉN
- GYMSHARK
- HANON
- HARMAN
- HAVAIANAS
- HELLY HANSEN
- HERMÈS
- HERSCHEL SUPPLY CO
- HORNBY
- JURA
- KENZO
- THE KOOPLES
- LA PERLA
- LENOVO
- LG
- LINKS OF LONDON
- LIZ EARLE
- LOEWE
- LOGITECH
- LONGCHAMP
- LUISAVIAROMA
- LULULEMON
- LYLE & SCOTT
- MANFROTTO
- MIELE
- MORGAN
- MUD JEANS
- NESCAFE DOLCE GUSTO
- OAKLEY
- OLYMP
- OLYMPUS
- ORBEA
- ORIFLAME
- PETIT BATEAU
- POLAR
- PRADA
- PRETTY GREEN
- RAPHA
- RAY-BAN
- RAZER
- SCOTCH & SODA
- SCOTT SPORTS
- SÉRAPHINE
- SKATEDELUXE
- SONOS
- STONE ISLAND
- SUPERGA
- SUPREME
- TAG HEUER
- TISSOT
- TOMTOM
- TUMI
- VIVIENNE WESTWOOD
- WACOM
- WAHOO FITNESS
- WARREN JAMES
- WESTERN DIGITAL
- XIAOMI
- YVES ROCHER
- YVESSAINTLAURENT

TOP500

- ACE & TATE
- ACER
- ADVANCED MICRO DEVICES
- AKG
- AMERICAN APPAREL
- ARMEDANGELS
- ASTRO
- AUDIO-TECHNICA
- AXEL ARIGATO
- BA&SH
- BALSAMIK
- BANG & OLUFSEN
- BAREMINERALS
- BELKIN
- BELL & ROSS
- BELLROY
- BENQ
- BEYERDYNAMIC
- BIRKENSTOCK
- BOCONCEPT
- BODUM
- O BOTICÁRIO
- BRANDY MELVILLE
- BREITLING
- BVB FANSHOP
- BVLGARI
- CANADA GOOSE
- CASETIFY
- CASIO
- CASPER
- CHARLOTTE TILBURY
- CHILLY'S
- CHLOÉ
- CLUSE
- COLUMBIA SPORTSWEAR
- CRUCIAL
- CYBEX
- CÉLINE
- DELONGHI
- DENON
- DEWALT INDUSTRIAL TOOL COMPANY
- DSQUARED2
- DUREX
- DYMO
- EVERLANE
- EVGA
- FALKE ERGONOMIC SPORT SYSTEM
- FENDER
- FIORUCCI
- FLIR
- FOCUSRITE
- FUNKO
- FURLA
- G-SHOCK
- GERRY WEBER
- GIGABYTE
- GOPRO
- GTECH
- GUERLAIN
- HALLMARK
- HAPPY SOCKS
- HARMAN KARDON
- HERMAN MILLER
- HIVE
- HONOR
- HOOVER
- HTC
- HUSQVARNA
- HYPERX
- ICEBREAKER
- IROBOT
- JEFFREE STAR COSMETICS
- KIPLING
- LE COQ SPORTIF
- LELO
- LINDT
- LOVISA
- LOWEPRO
- MAMMUT
- MANDARAKE
- MANKIND
- MARC O'POLO
- MARIMEKKO
- MARSHALL
- MERRELL
- MISSOMA
- MOLESKINE
- MONCLER
- MORPHE
- MOTEL
- MOTOROLA
- MSI
- MUJI
- MVMT WATCHES
- NAPAPIJRI
- NEPTUNE
- NETATMO
- NETGEAR
- NIKON
- NUDIE JEANS
- NVIDIA
- OCULUS
- OLIVER SWEENEY
- OMEGA
- ON RUNNING
- ONEPLUS
- ONLY
- OTTERBOX
- PEAK DESIGN
- PLAYMOBIL
- POLTI
- PURIFICACIÓN GARCIA
- THE REFORMATION
- REMINGTON
- ROXY
- SALSA
- SALVATORE FERRAGAMO
- SAMSØE & SAMSØE
- SAVILE ROW COMPANY
- SEASIDE
- SELECTED
- SENNHEISER
- SIK SILK
- SKINNYDIP
- SOFOLOGY
- SPEEDO
- STEELSERIES
- STOKKE
- TADO
- TASSIMO
- TEXAS INSTRUMENTS
- THRUSTMASTER
- THULE GROUP
- TIGER OF SWEDEN
- TOMS
- ULTA
- ULTIMATE EARS
- URBANEARS
- VAGABOND
- VALENTINO
- VAX
- VEJA
- VENEZIA
- VILLEROY & BOCH
- VIVE
- WEBER
- WITHINGS
- YUMI
- ZADIG & VOLTAIRE
- ZWILLING J.A. HENCKELS

GET TO KNOW YOUR CUSTOMERS

Brands prosper when they understand their customers and what they want – both on and offline, says Lindsay McEwan, SVP and Managing Director at Tealium


LINDSAY McEWAN, SVP EMEA

As society locked down over the last year, people went online to find the 'non-essential' luxuries and treats that make them happy and improve their lives. Now the high street has reopened, pent-up frustration is driving shoppers in-store – and a strategic approach to blending on and offline is more critical than ever.

Direct-to-consumer shopping is on the rise – 20% of those aged 18 to 40 prefer to head directly to a brand's website than a marketplace or multi-brand retailer. When shoppers buy direct, brands can understand more about them, and target them accordingly. The key to long-term prosperity is in keeping customers – by understanding who they are and what they want. That means analysing data that brands already have, on channels from websites to social media.

THINK LIKE THE CUSTOMER

Clear lessons can be learned from how Nike gets to know its customers, combining both complex approaches, such as a membership scheme and online community, with relatively simple ones. A VIP model not only gives early access to new trainer drops, but automatically reserves a pair in the customer's size – in doing so turning 'maybe tomorrow' into 'right now'. Special offers on membership anniversaries and gifts on members' birthdays are possible simply by knowing the relevant dates. When brands know who their customer is and what they want, they can ensure they feel valued, understood, and inspired.

Where Nike stands out is that it thinks like a runner and creates connections based around it. Calendar events like the Olympics inspire, while longer summer evenings increase the exercise window. Is the weather forecast suggesting a warm spell? Send hints and tips for getting out in the fresh air. Sports brands inherently know the games their customers play, and all sports have seasons and specific competitions. So connect the two.

HARNESSING SOCIAL

Idle browsing on social media platforms must be a central strategy for brands to bring in customers direct. Instagram's own statistics show that 50% of users have visited a website to buy after seeing an ad. For sports and fitness brands, social media is a must-have strategy for data acquisition and customer growth. Understand the platforms available, and weave them into a strategic marketing model. Advertise to customers on the mobile app, using push notifications where possible. Send timed promotions, and if you're able to tie in location tracking, push special offers when they're near a store.

ENTICE THEM IN-STORE, ON YOUR TERMS

Not every brand can boast owned, physical real estate – but they can all boast owned virtual real estate in terms of websites and shopping channels. Accept that customer-facing high street stores have rival brands, and focus instead on ensuring your 'owned' customer looks at your product, not the competition's, when in-store.

Key to this are personalisation and promotions. Having a single view of the customer means understanding who they are, how they shop, what for, when. Respond accordingly, while keeping in mind macro influences, such as payday. Front-load promotions to the first week and harness the payday bonanza with personalised offers to redeem in-store.

PREPARING FOR INSTABILITY

The constant flux we're going to witness for a long time yet demands that brands must prioritise strategic retention of customers alongside acquisition. A tailored approach focuses on who each customer is. Having the right mechanic to understand where and when they buy is business critical since a positive feedback loop can turn a purchase into a repeat, and a customer into an advocate. ■

ALL CHANGE FOR BRAND RETAIL

How brands are responding as the way that customers buy changes, possibly for good, as a result of the Covid-19 pandemic

The way that shoppers buy from brands has changed enormously over the last year. Customers shifted online over the course of repeated Covid-19 lockdowns and social distancing restrictions, while many bought online for the first time during the pandemic and others turned to the internet to shop more often than they had previously. Both pureplay and multichannel retailers and brands believe this shift is a permanent one, bringing forward structural change in shopping habits that was previously expected to take place over the course of five or more years.

AO founder and chief executive John Roberts, for example, has repeatedly stated his belief that electricals shoppers are now online for good following the pandemic. Reporting half-year figures in November 2020[1], he said, "This has been a half year like no other. I believe our market has changed as a result, forever. Online is now the dominant retail channel for customers and manufacturers alike." In April 2021, reporting full-year figures, he noted that being "brave and bold in our capacity and infrastructure investments early in the year," meant the retailer could then look forward to building on that advantage of scale.

Brands are responding to the economic opportunity in similar ways, expanding their online capacity while, in some cases, reducing the number of physical shops. This rebalancing of the store with digital reflects significant industry shifts over the last year.

THE ECONOMIC CONTEXT

According to estimates for February 2020 from the UK's Office for National Statistics[2], before the Covid-19 pandemic emerged, shoppers went online to buy an estimated 23.1% of their retail purchases. The following month, non-essential stores were told to close as part of the market's first Covid-19 lockdown, which shifted the multichannel balance towards online sales. During that and two subsequent lockdowns, online sales accounted for a greater share of online retail sales. According to British Retail Consortium (BRC) figures, the online peak came in the third UK lockdown – January to April 2021 – when an estimated 60.6% of February sales were online. Yet by March 2021, the figure was already starting to fall back as the end of lockdown came into sight, with the ONS estimating[3] that 34.7% of sales took place online that month, rising to 55.7% in the clothing, footwear and textiles category and topping a third (36.7%) of sales in the households goods category.

Lego

Over the last year, Lego fans of all ages bought online to occupy themselves during lockdown

In the UK, the picture seemed to shift as non-essential shops reopened from a third lockdown halfway through April 2021, and BRC figures suggested[4] that 41.5% of sales took place online during the month, down from 68.8% a year earlier, during the first lockdown. That's still well ahead of pre-pandemic levels. Even as the country emerged from lockdown, it seemed that UK retail had shifted online significantly – especially in categories that include goods that many Top500 European brands produce and sell.

A similar picture has been mapped for lockdowns within the European single market. The Ecommerce Europe Coronavirus Survey Report[5], published in January 2021, investigated the effect of second lockdowns in place in 19 EU and EEA countries during November and December 2020. It found that 66.7% of respondents said they had seen a large increase in online sales during the lockdowns, in which, overall, only 36.8% said stores were able to open as normal.

During this ongoing period of changing demand, the challenge for brands will now be to ensure that they are well placed to meet customer demand, however it comes

Anna Mente/Shutterstock

People headed to Manchester's shopping streets to buy as lockdown lifted in April

Once again, demand varied by category, with online sales of leisure products, for example, seeing growth of between 30% and 40%, ahead of the previous year. Online demand also rose in categories including furniture and entertainment, although it fell in categories including clothing and shoes.

These figures suggest that the shape of shopping has changed over the last year and that it's not yet clear to what extent that will last beyond store reopenings.

THE EFFECT ON BRANDS

As shoppers did more of their shopping over the internet, clothing, sports, toys and homewares brands all saw ecommerce demand for their goods rise quickly.

Adults and children alike turned to Lego sets during lockdowns – especially the first. Visits to the toy brand's websites doubled to 100m in the first half of its 2020 financial year, to the end of June, while the company saw previous investment in digitalisation and ecommerce pay off as sales grew by 7% to DKK 165.7bn (£19.2bn). Lego Group chief executive Niels B Christiansen said at the time, "Our strong portfolio appealed to builders of all ages and our recently upgraded ecommerce platform and agile global supply chain allowed us to fulfil online demand. We also collaborated closely with our retailer partners to ensure they could continue to supply their shoppers online."

He added, "Many of the major trends shaping our industry, such as digitalisation and ecommerce, are accelerating as a result of the pandemic. We saw strong growth in digital and traditional play, a rapid shift to ecommerce and the importance of having a truly global operating model." However, he also said stores would continue to be important in its omnichannel retail strategy, with plans for 120 new shop openings in 2020. "While retail has been transformed during the past six months," said Christiansen, "we continue to see great opportunity for an omnichannel model. We will continue to invest in upgrading our ecommerce capabilities to support both our retail partners and own platform, and continue to invest in creating fantastic physical brand experiences for shoppers and fans."

Hanover-based multichannel sports brand Adidas was another beneficiary of the shift online during Covid-19 lockdowns, as many looked to improve their fitness levels at home. Its direct to consumer sales grew by 7% over the year, led by a 53% rise in online sales during the 2020 full year, which topped €4bn (£3.45bn) for the first time and accounted for more than 20% of sales.

Adidas chief executive Kasper Rorsted, in his 2020 CEO letter to shareholders, said, "We connected with more consumers than ever before and expanded our digital capabilities and reach." Yet online growth was not enough to prevent the brand from seeing its full-year revenues fall by 16% to €19.8bn (£17bn) as stores closed and wholesale sales dipped.

US sportswear brand Under Armour saw its direct-to-consumer sales reach 41% of 2020 sales, where 53% was from wholesale. Full-year sales, however, fell to $4.5bn (£3.2bn), down from $5.3bn (£3.7bn) a year earlier, while profitability (net income) fell to $1m (£0.7m) from $237m (£168.2m) last time.

During this ongoing period of changing demand, the challenge for brands now will be to ensure that they are well placed to meet customer demand, however it comes – whether that's directly or via retail partners.

Shutterstock

Mulberry was hard hit when its shops had to close during successive lockdowns

THE EVOLVING SHAPE OF RETAIL

Classed as a non-essential retailer and forced to shut its shops in the first lockdown, the pandemic was devastating for UK homewares retailer Cath Kidston. The design-led lifestyle brand went into pre-pack administration in April 2020, at the peak of the first wave of Covid-19. It was bought by Baring Private Equity Asia, which had previously owned it and now plans to reinvent the brand as a digital-first retailer.

Marty Wikstrom, chair of Cath Kidston, said at the time that the company was optimistic about its future, adding: "This is a brand with a powerful heritage and loyal customer following that has pivoted its business strategy to ensure that it is positioned for success in a changing retail environment."

Following the restructuring, Cath Kidston expects to make 85% of its sales online and now has just one flagship store – on London's Piccadilly – down from 60. This store's displays are designed to be fluid, emphasising the goods for which Cath Kidston sees strong demand on its website, from homewares to children's accessories.

Closing stores and focusing on digital is the response that upmarket leather goods brand Mulberry also took. As demand shifted online

Moss Bros is now renting out its lines in a clothing-as-a-service model that aims to both boost customer engagement and provide a predictable income stream

Under Armour

Under Armour has benefited from a growing appetite for sportswear

during 2020, it closed eight shops for good, leaving it with 111 including those run through franchises, and cut a quarter of its global workforce. The retailer reported an overall drop in sales of 29% to £48.9m in the half-year to September 26, but its digital sales grew by 68% to £23.4m. Its strategic focus, said Mulberry chief executive Thierry Andretta at the time, is built on "a truly omnichannel network and market-leading digital platform" with the aim of replacing retail sales with digital sales "wherever possible".

Other brands realised the need to replatform their digital presence from the bottom up during the pandemic and went on to form partnerships in order to achieve that. The Hut Group, for example, has worked with a growing number of beauty brands – from Burt's

Moss Bros

Subscribers to Moss Bros' Moss Box can hire different clothes every month

Bees to Elemis – over the last year through its Ingenuity arm, which offers a full third-party ecommerce service to brands. Sales at Ingenuity Commerce, which takes on the ecommerce process for brands, grew by 188% in the first quarter of 2021 alone. Reporting 2020 full-year results, THG founder and CEO Matthew Moulding said: "Leveraging the platform to build an impressive client base of blue-chip consumer brands has been a highlight of the year."

RetailX research revealed over the coming pages shows some of the practical steps that brands have taken in response to Covid-19. There have been, for example, big step-ups in the numbers enabling customers to save their baskets in order to return to buy on another device. Almost a third (+15 percentage points (pp) to 32%) now enable this. Conversely, fewer (-16pp to 16%) now enable customers to check online to find out whether stock is available in-store, with this service falling most sharply among those selling jewellery (-18pp to 18%) and homewares (-15pp to 15%).

DEVELOPING NEW SERVICES

Alongside new, rebalanced business models, brands are also looking for new ways to sell to customers. Moss Bros is now renting out its lines in a clothing-as-a-service model that aims to both boost customer engagement and provide a predictable income stream. Its Moss Box gives shoppers the option of paying £65 a month to rent two items of clothing, which can then be swapped at any time, with free shipping and returns as well as eco-friendly laundering. The styles that are available to rent are both from its own Moss Bros brand, and from Hugo by Hugo Boss, Barberis and Ted Baker. If shoppers decide to buy any item they have rented, they get a discount on the cost.

Moss Bros chief executive Brian Brick says the service offers a new take on a traditional hire service that has operated for well over a century. "We launched our hire service in 1897 and we've outfitted people for the biggest moments in their lives ever since," says Brick. "With such a long heritage, we're well-known for our formalwear but over the last several seasons, we've evolved with shifts in mindsets and shopping patterns to suit the more casual way men dress now. The subscription model will drive awareness of the Moss Bros brand, engaging our current customers as well as reaching new ones by offering them to try our product before buying."

The service builds on the growing popularity of subscription services in recent years by combining clothing rental with subscription. It's an example of how brands are rethinking their relationships with customers – in response to the changes in the way that shoppers now want to buy.

In the future, we can expect to see brands respond further as shopper behaviour continues to evolve. There are no doubt many interesting innovations to come. ■

[1] https://internetretailing.net/strategy-and-innovation/strategy-and-innovation/ao-says-electricals-shoppers-are-now-online-for-good-following-covid-19-shift-22353
[2] www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/previousReleases
[3] https://internetretailing.net/industry/industry/online-sales-grow-fast-in-locked-down-march--with-a-strong-recovery-for-clothing-sales-and-a-fall-in-beer-and-wine-sales-brc-and-imrg-23002
[4] https://internetretailing.net/industry/industry/retail-sales-shift-away-from-online-in-april-as-shops-reopen--but-41-of-uk-retail-still-ecommerce-consumer-spending-grows-04-23137
[5] https://ecommerce-europe.eu/wp-content/uploads/2021/01/Coronavirus-Survey-Report-January-2021.pdf

STRATEGY & INNOVATION

Brands that adopt emerging technologies and ensure they have the right strategies to meet customer needs stand out in the Strategy & Innovation Dimension

To assess the performance of each brand in the Strategy & Innovation category, RetailX researchers use the metrics that they consider to be the most strategic or to be coming into their own as important ecommerce tools. These include the use of technologies whose benefit is only just starting to be clearly understood, as well as some that are already deemed a cornerstone of successful multichannel commerce. Here are some key findings.

HOW DO BRANDS ENABLE SHOPPERS TO LOCALISE THEIR EXPERIENCE?

Offering a local experience to shoppers in international markets can make it less daunting to buy, although the extent to which brands localise different aspect vary by market.

Choose which country website to see

Two thirds (66%) of brands enable website visitors to select their local country when visiting a website. This is up by 2pp from last year. Those most likely to support this function include software (73%), sports and outdoor equipment (71%) and consumer electronics (68%) brands. The most widespread use of this function is in Norway (89%) and Lithuania (86%).

Choose which currency to use

Over the last year, more brands have enabled customers to select the currency they want to pay in. Currency selectors now available on 18% of websites, up from 12% last year. Of brands selling to the UK, 20% have a currency selector, as do 9% of those selling to Norway and Sweden, and 8% of those selling to Denmark and France. Recent RetailX research found most consumers have a preference – and many express a strong preference – for seeing product prices in their own currencies.

Choose which language to read

A fifth of brands (22%) now enable shoppers to choose the language of the website they are using. That's up by 4pp from 18% in 2020. Those most likely to enable shoppers to choose their language are sports and outdoor equipment brands (32%), while those selling homewares (16%) are least likely.

HOW DO BRANDS KEEP SHOPPERS INFORMED ON THEIR LANDING PAGES?

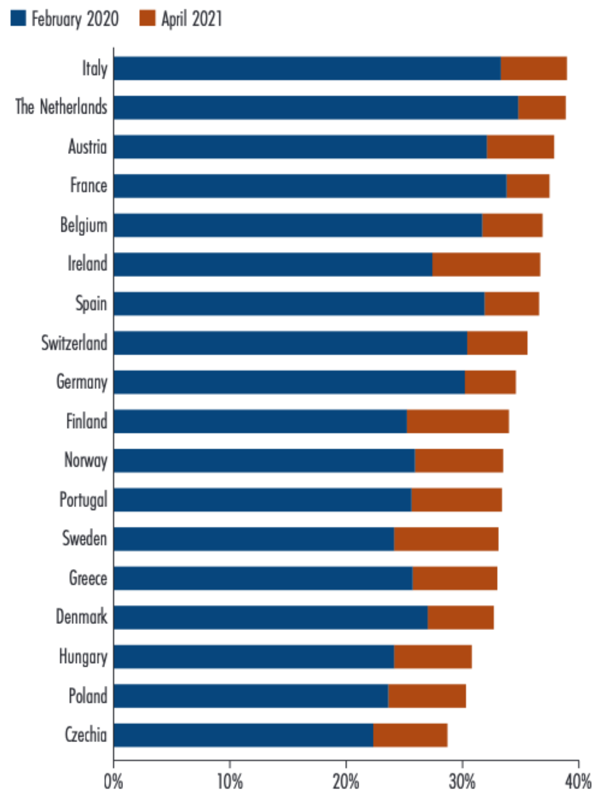
Keeping potential customers informed about payment and delivery as early as the landing page means that they will know what to expect at the checkout, which is likely to result in fewer abandoned

Leading retailers in the Strategy & Innovation Dimension

ADIDAS	COTSWOLD OUTDOOR	JOULES	MODA IN PELLE
ALLSAINTS	FRENCH CONNECTION	L'OCCITANE	REEBOK
ANN SUMMERS	GABOR	MANGO	RIVER ISLAND
BOUX AVENUE	H&M	MICHAEL KORS	SPACE NK
CLINIQUE	JIGSAW	MINT VELVET	WHISTLES

Figure 9. The extent to which brands show fulfilment options on their homepage, and how that has changed over the last 14 months, by country

The percentage of Top500 websites localised to a market that show fulfilment options on their homepages



Note: This chart includes countries with more than 50 localised Top500 brands and excludes the UK, which saw a decrease over the period

Source: RetailX

baskets. Fewer retailers now show fulfilment options on their landing pages (-9pp to 38%) than a year earlier, as seen in the graphic. Shoppers buying in Cyprus (44%), Croatia, Estonia (both 42%), the UK and Austria (both 41%) are most likely to have this information. Those buying from Malta (31%) are least likely. The decline is likely to have come as delivery promises changed during lockdown.

Slightly fewer show payment options on their landing pages (-4pp to 31%), including 50% of stationery and craft brands and 45% of health brands. Only 16% of software brands do so. Consumer electronics brands are the only category to add payment details to the landing page (28%). Shoppers are most likely to see this information when ordering from the Netherlands, Germany and Latvia (all 35%) and least likely in Iceland (21%) and Poland (22%).

HOW HAVE BRANDS CHANGED DELIVERY OVER THE LAST YEAR?

Many brands have amended their delivery promises over the last year, at a time when delivery was often slower and shops were frequently closed during Covid-19 lockdowns and restrictions.

Delivery

Brands have moved away from the most specific delivery promises over the last year, with a significant and unusual decline the number offering next-day delivery (-6pp to 32%) across all categories. Next-day delivery is most widely available in the UK (36%), Ireland (24%) and Lithuania (21%). Other options that are in decline include Saturday delivery (-14pp to 12%), Sunday delivery (-1pp to 4%), and nominated-day delivery (-1pp to 5%).

Returns

More brands are now enabling shoppers to return an item they bought online to the store. This is a key multichannel service with the fast uptake in every category most likely due to more sales take place online and also retailers whose stores were closed during lockdown giving customers longer return periods and the option of returning an item to a store, once it reopened. Brands selling jewellery (50%), fashion footwear and clothing (both 49%) and cosmetics (47%) are the most likely to accept in-store returns, with the fastest uptake in categories including sports and leisure clothing (+19pp to 51%) and footwear (+20pp to 51%).

Fewer brands now enable shoppers to return an item via pick-up from their home (-8pp to 8% of 319 retailers measured this year and last).

Collections

Just under a third (32%) of brands offer collection – down by 3pp from 35% last year. However, there has been a slight increase in the number of brands offering same-day collection (+1pp to 4%). ■

THE CUSTOMER

Brands struggled to maintain customer service during the pandemic, which may have hastened changes around best practice within The Customer Dimension

In the online world where prices are transparent, customer service has emerged as the key point of differentiation. How should we define good customer service, though? One answer lies in reaching out to consumers in order to start and then sustain conversations with them. But what constitutes a useful conversation to the customer?

This is becoming a difficult question to answer since the number of touchpoints is increasing, which makes it more difficult to analyse customer behaviour. Within the current retail landscape, the relative importance of desktop transactions is declining, with consumers instead turning to such channels as social commerce, mobile commerce and buying directly from the livestreams of influencers. Brands, which in comparison to traditional retailers often place a higher importance on the idea of using ecommerce to gain product-defining customer insights, have their own specific reasons for wanting to begin and sustain conversations. It follows that changes in their approaches within The Customer Dimension may be especially revealing for all ecommerce retailers.

This kind of direct customer service is an area where the pandemic, which increased the amount of homeworking and slowed response times, may have had a significant effect

Against this backdrop, it is especially interesting that many metrics show a decline in the use of specific techniques. It may be these methods, with their roots deep in the desktop era, are becoming less effective in an era of TikTok immediacy.

The decline in brands offering certain services that we have noted in this Europe-wide report, which draws on data from April 2021, is not as significant as those we detailed in the UK Top500 report, published in January. This is an area of retail practice that deserves further research to capture precisely what is happening, which RetailX will conduct later this year.

WHAT CHANGES ARE WE SEEING IN HOW BRANDS REACH OUT TO CUSTOMERS?

Reviews and ratings

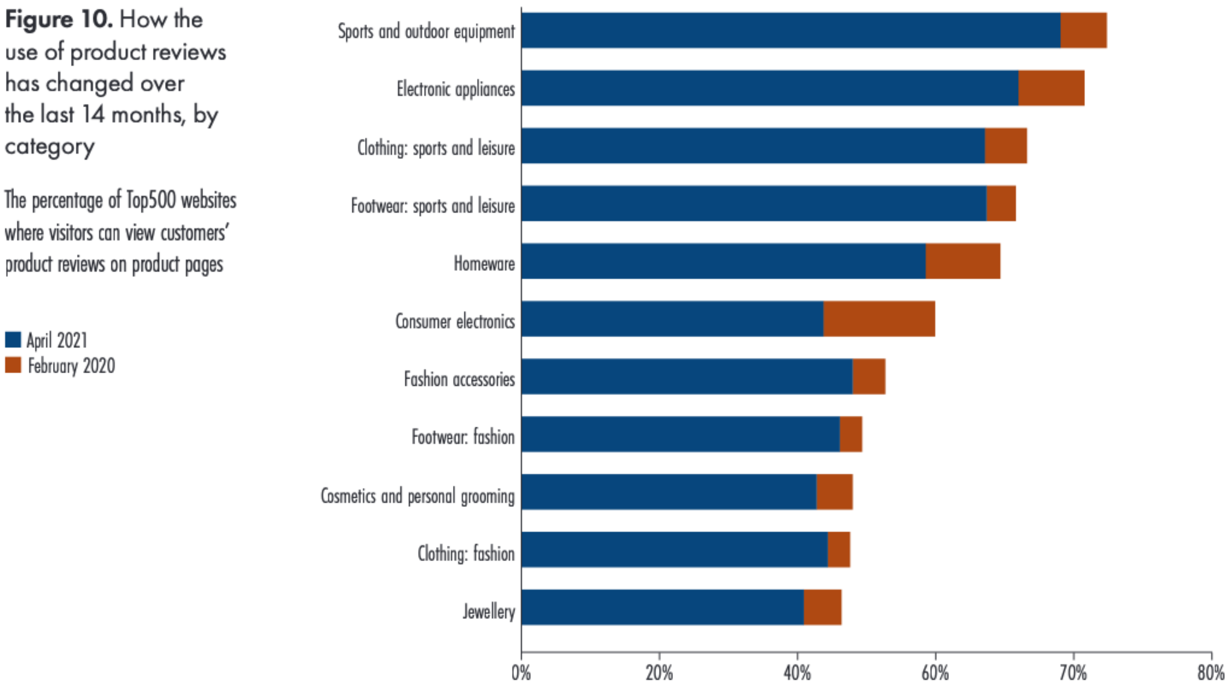
Fewer brands now enable customers to add their own reviews to a product listing: 42% (-6pp) do so in 2021. More than half of websites selling sports and outdoor equipment (59%), electronic

The leading retailers in The Customer Dimension

ADIDAS	IKEA	MARKS & SPENCER	SEASALT CORNWALL
BOSE	JENNYFER	NIKE	SEPHORA
BRAVISSIMO	KARCHERr	THE NORTH FACE	UNIQLO
FAT FACE	LEGO	ROMWE	VICTORIA'S SECRET
H&M	LEVI'S	SAMSUNG	WHISTLES

Figure 10. How the use of product reviews has changed over the last 14 months, by category

The percentage of Top500 websites where visitors can view customers' product reviews on product pages



Source: RetailX

appliances (58%), trade and DIY tools and equipment (55%) do so. Product ratings (-1pp to 42%) are offered by the same proportion of brands. Trade and DIY tools and equipment (60%) and sports and outdoor equipment brands (60%) are the most likely to offer these.

Overall, fewer brands now enable users to add an image to their review (-1pp to 3%), although sports and outdoor equipment brands (+3pp to 7%) led the way in enabling this during the year. Brands are more likely to support this when selling to Slovenia, Spain, Luxembourg or the UK (all 5% of brands selling to the market).

Complementary products

Fewer brands in 2021 are recommending complementary products (-4pp to 39%). Sports and outdoor equipment brands (50%) are more likely to do so, while those selling books (34%) are least likely. Retailers in Hungary (58%), Bulgaria (57%) and Latvia (56%) are most likely to use this approach.

One-click ordering

While almost a fifth of brands enable shoppers to buy via one-click ordering, this represents a 5pp decline, to 19%, since 2020. This underlines the need for further research, as it may be that brands are instead focusing their efforts in areas such as one-click shoppable ads as opposed to reducing friction on traditional websites.

HOW HAS THE WAY BRANDS COMMUNICATE CHANGED?

Live chat

Fewer brands now offer live chat within a minute of a visitor arriving on the landing page. In 2021, 3% of brands offer this form of customer service, down by 6pp from 9% last year (see the Brand Engagement Dimension for more detail here).

Responses to customer emails

The response time to customer emails increased when compared to 2020. Of the 236 brands assessed in both 2020 and 2021, the average response time increased by 317 minutes to 1,200 minutes (20 hours). Of the 350 brands assessed in total, the average response time was 1,530 minutes.

Some sectors found it significantly more difficult to maintain response times. Jewellery brands, for example, took 354 minutes longer to respond, at 1,470 minutes, while the equivalent figures for the cosmetics and personal grooming sector were 638 minutes and 1,800 minutes.

Overall, this kind of direct customer service is an area where the pandemic, which increased the amount of homeworking and slowed response times, may have had a significant effect.

It remains to be seen whether, in a post-pandemic world, we will see staff returning to traditional customer service departments and roles. Another scenario may see brands putting more resources into a combination of marketing to target specific kinds of consumers, dealing more efficiently with returns and using AI to answer commonplace queries.

If so, this will represent a shift in what constitutes best practice in dealing with consumers. It will also be one arguably better tailored to the current age in which consumer behaviour is more volatile and shopping is no longer confined to a limited number of channels, but one that has inherent difficulties for brands trying to address sustainability issues. ■

OPERATIONS & LOGISTICS

During the last year, brands quickly changed many of their offerings around deliveries and returns, yet it may be that such change reflected the specific circumstances created by the Covid-19 pandemic

If best practice within the Operations & Logistics Dimension sometimes seems difficult to define, this is in part because of changing consumer behaviour, with customers' preferences for how they receive their purchases seemingly changing overnight. No business can assume that any approach to returns and deliveries that worked last year will work a year from now. And that was before the Covid-19 pandemic radically changed what 'normal' consumer behaviour looks like.

This is by no means a case of brands being forced to be reactive. Changes within the sector, driven by business considerations, are also in play. Deliveries and returns represent a cost to the business that cannot necessarily be passed onto consumers. Instead, multichannel and pureplay sellers must try to figure out what kinds of services their customers value, then work out how much to charge.

Considering how many of us spent so much more time at home in 2020 and 2021, it's not surprising that the tension between customer service and cost was played out across deliveries and returns.

WHAT CHANGES HAVE WE SEEN IN DELIVERIES?

During a period when delivery was often slower and shops were repeatedly closed due to Covid-19 lockdowns and restrictions, many brands have amended their delivery promises.

Saturday and Sunday deliveries

In 2021, 12% of brands (down from 14% in 2020) offer Saturday delivery. These are led by health (22%) and alcoholic drinks (19%) brands. There are significant declines in the proportion of consumer electronics (-5pp to 4%), fashion footwear (-3pp to 13%) and sports and leisure footwear brands (-3pp to 11%) offering this service. Just 4% of brands offer Sunday delivery after a 1pp fall from 5%. Sunday delivery is not common in any market but is easier to find in the UK (5%) and Ireland (3%).

Next-day and nominated-day deliveries

There has been a significant and unusual decline in the use of next-day delivery (-6pp to 32%), which is less available than last year across all categories. Brands that sell alcoholic drinks (52%), health products (47%) and stationery and crafts are most likely to offer this speed of delivery. Nominated-day delivery is now slightly less available, falling by 1pp to 5% of the 319 brands measured on this metric both this year and last.

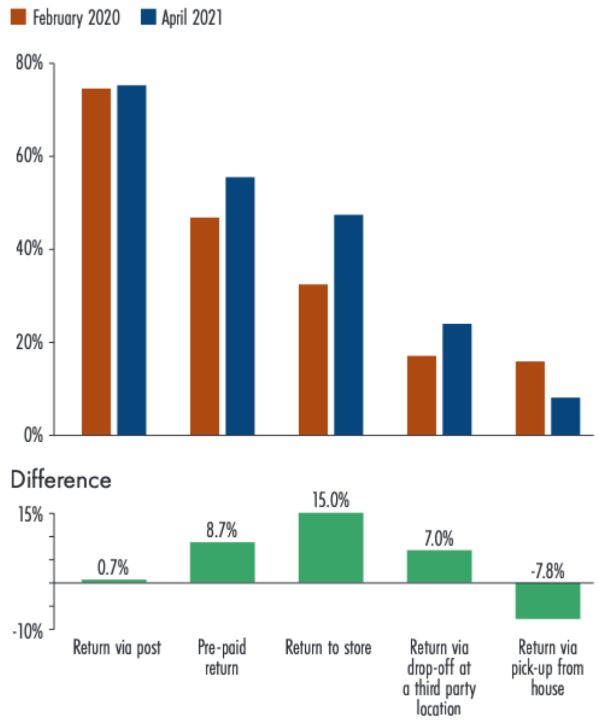
Overall, we suspect these changes in delivery are related to the pandemic, since it has been more difficult for brands to offer premium services reliably. It may be that brands will offer such services more often as pandemic restrictions recede.

Leading retailers in the Operations & Logistics Dimension

BOUX AVENUE	H&M	MAMAS & PAPAS	NIKE
COTSWOLD OUTDOOR	JACK & JONES	MANGO	OFFSPRING
FRENCH CONNECTION	JOJO MAMAN BÉBÉ	MASSIMO DUTTI	PHASE EIGHT
GANT	KURT GEIGER	MINT VELVET	RADLEY
GIVENCHY	MAISONS DU MONDE	MULBERRY	STRADIVARIUS

Figure 11. How the process for returning an online order has changed over the 14 months, by returns method

The percentage of Top500 brands offering five key returns services and the percentage point difference between February 2020 and April 2021



Source: RetailX

WHAT CHANGES HAVE WE SEEN IN RETURNS?

From the house

Fewer brands now enable shoppers to return an item via pick-up from their home (-8pp to 8% of 319 retailers measured this year and last). Brands that are more likely to offer this include those selling stationery and craft (10%) and cosmetics and personal grooming items (9%). Only 4% of health brands do so. This may be because while brands within the EU have a legal duty to accept returns, sending a courier represents an additional cost, while demand for this service may have increased during lockdowns.

Within different brand categories, the largest falls were in jewellery (-9pp to 10%), fashion clothing (-10pp to 10%), footwear (-10pp to 10%), and accessories (-9pp to 9%). This may reflect the pressure on fashion retailers caused by a year of customers working from home. Shoppers in Estonia (23%), Ireland, Hungary (both 22%), Latvia and Portugal (both 21%) are more likely to have the option than those in Iceland (3%), Norway (5%), the UK (6%) or France (8%).

Return to store

The availability of return to store – long part of an effective multichannel service – has increased over the last year, growing by 15pp from 32% to 47% of 319 brands measured on this metric in both 2020 and 2021. Use is particularly strong in Ireland (48%), the UK (42%, following +15pp to 48% of those measured both years) and Belgium (41%). It is less available in Cyprus (22%), Bulgaria and Slovenia (both 24%).

This increase is most likely due to the proportion of sales taking place online increasing, as well as retailers with stores closed during lockdown giving customers longer return periods and the option of returning items to stores once they reopened. Certainly, RetailX research suggests return to store is now more widely available in every category. Brands selling jewellery (50%), fashion footwear and clothing (both 49%) and cosmetics (47%) are the most likely to accept in-store returns, with the fastest uptake in categories including sports and leisure clothing (+19pp to 51%) and footwear (+20pp to 51%).

The least likely to offer this service include software (14%) and consumer electronics (16%) brands. That said, the 53 brands measured in this category in both 2020 and 2021 adopted this relatively quickly (+13pp to 23%).

Returns represent an overhead. If customers can be persuaded to return items to stores rather than via a fulfilment centre with the brand most likely picking up the shipping costs, this shift to store returns represents a potential cost saving. Plus, of course, it gets consumers to visit the store. Whether this emphasis on returns to stores will survive Europe's post-pandemic opening is another matter.

As familiar patterns reassert themselves, it may be that returns represent less of a priority for brands. Or it may be that consumers, having grown used to buying items on a sale-or-return basis, especially in sectors such as fashion, will continue to purchase more items than they expect to keep, meaning returns have to remain a priority for brands. ■

MERCHANDISING

Online merchandising is key to giving shoppers confidence when they buy online. RetailX research suggests that over the last year, brands have moved quickly to improve the way they show products. This shift most likely came about due to the rapid rise of demand for ecommerce during waves of Covid-19 lockdowns

HOW DO BRANDS ILLUSTRATE PRODUCTS?

Product images

More than half of the brands analysed now illustrate products with a choice of images – a feature that has been quickly adopted over the last year, rising by 21pp to 58% from 37% in 2020. The fastest adoption is in the sports and outdoor equipment (+32pp to 70% of those assessed in both years), sports and leisure footwear (+29pp) and homewares (+25pp to 65%) categories. Those selling to the UK (63%, after a 21pp year-on-year rise), France (59%) and Germany (57%) are more likely to show multiple product images.

Six in ten retailers (-6pp to 60%) enable shoppers to zoom in on product images on their mobile website, including sports and leisure clothing (70%), and footwear (71%) brands.

Product videos

Fewer retailers use videos to illustrate their products (-3pp to 12%), although they are most widely used by software retailers (57%) – a group that is also the least likely to use a range of product images, showing that video is a more useful way to illustrate these products. Consumer electronics (39%) and electronic appliances (23%) brands are also likely to use product videos.

HOW DO BRANDS MAKE IT EASIER TO BUY?

The move online during numerous pandemic lockdowns may have encouraged brands to invest in making their websites easier to use.

Saving a shopping basket

There's been a marked trend towards enabling shoppers to save their shopping basket so they can return to buy at another time, or on another device, as illustrated in the graphic. A third (32%) of brands now enable this, which is a 15pp increase from 17% in 2020. The fastest uptake has been seen in the homewares (+22pp to 37%), fashion accessories and jewellery (both +20pp to 37%) categories, while this approach is most commonly found on brand websites selling alcohol (41%), fashion footwear, clothing and jewellery websites (all 38%) – and when selling to Austria (40%) and the UK (+24pp to 38%). More than half (-1pp to 53%) enable shoppers to save an item to a list, such as a wishlist – including 67% of brands selling cosmetics and jewellery.

One-click ordering

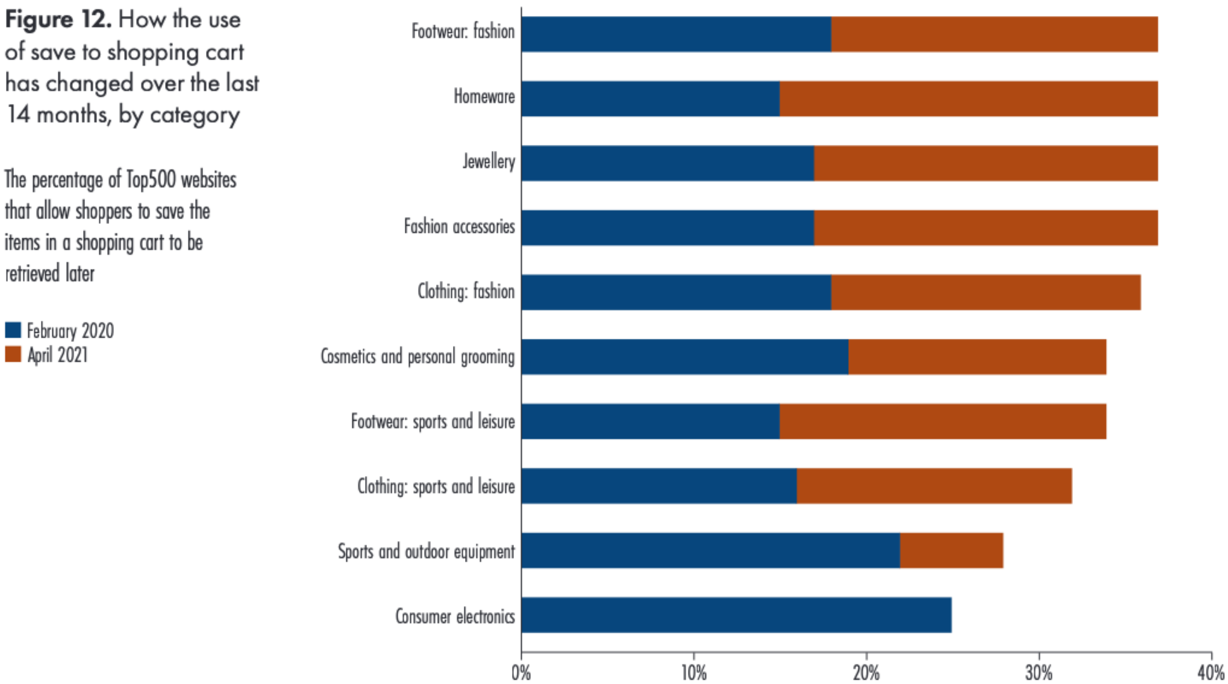
Almost a fifth of brands enable shoppers to buy via one-click ordering (-5pp to 19%), including 21% of jewellery brands, and 19% of sports and leisure clothing (-9pp) and footwear (-9pp) retailers. One-click ordering is most commonly found on websites selling to

Leading retailers in the Merchandising Dimension

ANN SUMMERS	LEGO	PANDORA	SEPHORA
H&M	MANGO	PHASE EIGHT	SHEEGO
HUNKEMÖLLER	MARKS & SPENCER	PUMA	SHOPDISNEY
L'OCCITANE	NEW LOOK	RIVER ISLAND	TRIUMPH
LANDS' END	NIKE	SEASALT CORNWALL	UNDER ARMOUR

Figure 12. How the use of save to shopping cart has changed over the last 14 months, by category

The percentage of Top500 websites that allow shoppers to save the items in a shopping cart to be retrieved later



Source: RetailX

Spain, Croatia and Luxembourg (all 19%) and least common on those selling to Germany (13%) and Norway (14%).

HOW DO BRANDS MAKE IT EASIER TO FIND THE RIGHT PRODUCTS?

Finding the most relevant products can be difficult through a screen – and especially through a relatively small smartphone. Brands are currently taking steps to make this easier.

Search and navigation

Brands enable shoppers to search using filters. Filtering search by product type (-10pp to 81%) is the most common filter studied in RetailX research. It is used by 86% of sports and leisure footwear brands. Others include search by price (-1pp to 51%), by brand (-3pp to 32%), and by ratings (+1pp to 7%). Children's toy brands are the most likely to support filtering by price (68%), by brand (59%) and by ratings (13%). Filtering by price is most commonly used in the UK (49%).

Six in ten (+5pp to 61%) make search via a mobile website easier by supporting autocomplete dropdown, and 72% (-1pp) offer dropdown suggestions when typing search. Infinite scrolling – which improves the customer experience on mobile websites – is used by 27% (+1pp) of brands, including 43% of booksellers.

Product recommendations

Almost two-thirds (63%) of brand websites recommend alternative products to visitors, although this is down from 71% in the previous year. Eyewear and children's toy brands (both 73%) are most likely to do so, as are brands selling to Portugal (67%) and Cyprus and Malta (both 66%). A smaller number – and one that is also declining – also recommend complementary products that go with the items viewed (-4pp to 39%). This includes half of sports and outdoor equipment brands (50%).

A quarter (+1pp to 25%) use upselling to suggest more expensive purchases. Use of the bestseller ribbon to highlight popular products is declining (-2pp to 7%).

Checking stock

However, fewer brands (-11pp to 16%) now enable customers to check online to find out whether stock is available in-store. This availability fell in all categories – most sharply among brands selling jewellery (-18pp to 18%) and homewares (-15pp to 15%) although the service is most often available from those selling children's toys and accessories (29%). Only 2% of booksellers and 4% of consumer electronics brands support stock checking. The overall decline is likely to have come as non-essential shops have been closed during three lockdowns over the course of the year.

Only 12% of brands selling to the UK now do this, after an 11pp drop – contrasting to 39% of those selling to Cyprus. Store finders continue to be available on 40% of brand websites - and more than half of those selling alcohol (54%) and cosmetics and personal grooming (51%). ■

ENGAGEMENT

The way that brands communicate with customers has changed significantly since last year's report. Here, we single out some of the most significant changes revealed by the most recent RetailX research

The Covid-19 pandemic prompted rapid change in buying behaviours as entire countries found themselves unable, or unwilling, to visit non-essential brick and mortar stores to buy even basics. As a response to a huge surge in demand, ecommerce retailers quickly added functionality in categories such as sportswear, which sold particularly well online during the lockdowns. In contrast, those in the wider fashion category seem to have invested less, either because they already had this functionality or because their sales were harder hit by stay-at-home orders.

While live chat is in decline, the proportion of brands whose landing page offers shoppers the chance to sign up to a newsletter has stayed stable, or even grown

HOW DO BRANDS STAY IN TOUCH WITH SHOPPERS?

Live chat

Fewer brands now offer live chat within a minute of a visitor arriving on the landing page. This year, only 3% of Top500 brands enable shoppers to get in touch this way, which is down by 6pp from 9% last year, for the 398 websites assessed on the metric in both years.

It's likely that many brands withdrew this service due to the way staff work changing over the last year. The graphic shows variation by category between pre-pandemic February 2020 and April 2021, with declines over that period most sharply felt in the homewares (-11pp to 2%), consumer electronics (-8pp points to 3%) and cosmetics and personal grooming (-10pp to 3%) categories.

Currently, the service is more likely to be available from brands selling health products (7% of brands in this category) and electronic appliances (5%). It is not available from any of the brands selling trade and DIY tools and equipment (0%).

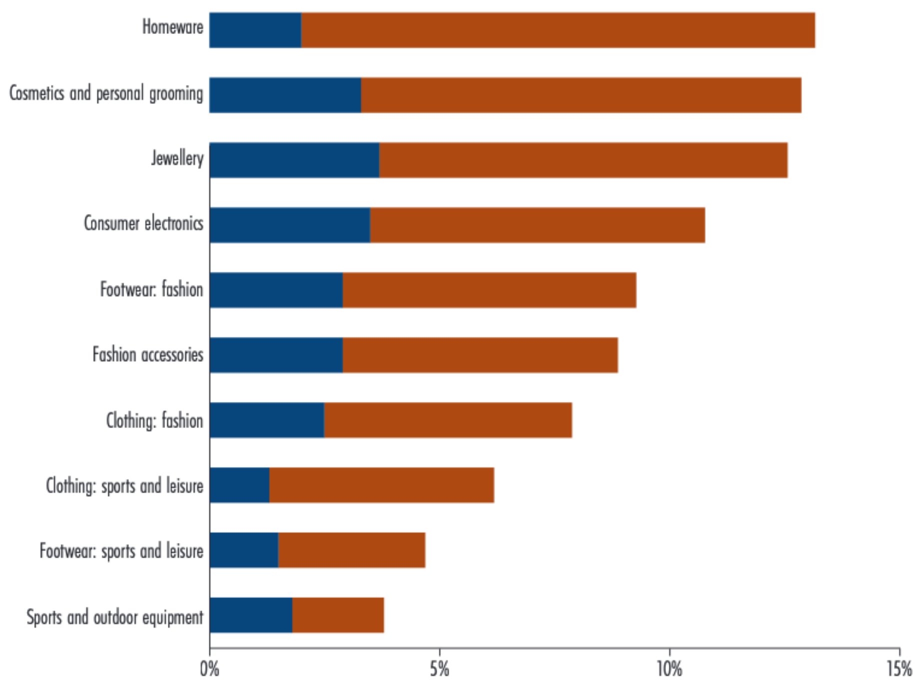
European markets where live chat is most readily available include Lithuania (12%) – following a 3pp increase over the year – Slovakia, Croatia, Malta and Latvia (all 11%). It is less likely to be on offer in the UK (2%) and Germany (3%).

The leading brands in the Engagement Dimension

BRAVISSIMO	HOTEL CHOCOLAT	MARKS & SPENCER	PHASE EIGHT
BURTON (US)	JONES BOOTMAKER	MODA IN PELLE	ROMAN ORIGINALS
ELLIS BRIGHAM	L'OCCITANE	THE NORTH FACE	SPACE NK
MOUNTAIN SPORTS	LEVI'S	PANDORA	TITUS
ESTEE LAUDER	LIZ EARLE	PAVERS	WHITTARD OF CHELSEA

Figure 13. How the availability of live chat has changed over the last 14 months, by category

The percentage of Top500 websites where a live chat prompt appears within one minute of arriving on the homepage



Source: RetailX

Newsletters

While live chat is in decline, the proportion of brands whose landing page offers shoppers the chance to sign up to a newsletter has stayed stable, or even grown. More than three quarters (+1pp to 76% of 263 measured in both years) now enable shoppers to do so, with newsletters more likely to be offered by brands selling jewellery (82%), homewares (82%), books (81%) and sports and outdoor equipment (80%), as all of these categories look to stay in touch and build relationships.

Obvious promotions

Just under half (-5pp to 49%) of brands show obvious promotions on their websites. Those most likely to show them include those selling children's toys and accessories (56%), fashion clothing and footwear, homewares and alcohol (all 48%). Those least likely include brands selling software (22%) and consumer electronics (33%). Brands are more likely to flag up promotions when selling to Luxembourg (56%), Slovakia and Austria (54%), and least likely to do so when selling to Iceland (35%) and Cyprus (39%).

HOW DO BRANDS ENABLE CUSTOMERS TO SHARE THEIR OPINIONS?

Social media

Most brands have links to their social media sites from their landing page (-4pp to 88%) – including almost all alcohol (96%) and electronic appliances, homewares and health brands (all 93%). Fewer software brands (77%) do this. As a category, sports and outdoor equipment brands added links to their landing pages (+4pp to 74%) over the last year, while those selling cosmetics (-6pp to 93%), fashion accessories (-5pp to 86%) and clothing (-5pp to 87%) removed them. Use is high across markets, yet highest in those selling to Luxembourg and Croatia (92%) and lowest in Greece (83%) and Malta (85%).

While brands connect to their social media page, fewer brands now enable customers to share a product with their friends (-8pp to 32%). The number doing so decreased in every category, including software (-14pp to 6%), sports and leisure clothing (-10pp to 33%) and fashion accessories (-9pp to 34%).

The categories where more than half of brands do support sharing include alcoholic drinks (56%), and trade and DIY tools and equipment (51%). Use also fell across all markets, most sharply in Malta (-9pp to 47%) and France (-9pp to 35%).

Reviews and ratings

Fewer brands now enable customers to add their own reviews to a product listing, with less than half (-6pp to 42%) doing so in 2021. That said, more than half of sports and outdoor equipment (59%), electronic appliances (58%), trade and DIY tools and equipment (55%) brands do so.

Product ratings (-1pp to 42%) are offered by the same overall proportion of brands, with trade and DIY tools and equipment (60%) and sports and outdoor equipment brands (60%) the most likely to offer these.

Overall, fewer brands now enable users to add an image to their review (-1pp to 3%), although sports and outdoor equipment brands (+3pp to 7%) led the way in adding this functionality during the year. Fewer fashion accessories (-2pp to 2%), footwear (-2pp to 2%) and jewellery (-1pp to 1%) brands enabled this, though. Brands are more likely to support this when selling to Slovenia, Spain, Luxembourg or the UK (all 5% of brands selling to the market). ■

MOBILE & CROSS-CHANNEL

These findings reflect some of the key shifts in consumer behaviour that have been seen in the Mobile & Cross-channel Dimension over the last year. Will these trends continue, or were they caused by the unique circumstances of the pandemic?

Cross-channel services came into their own in 2020 as a way of serving shoppers locked down in their own homes. After the initial shock, brands have been able to use their closed shops to fulfil online orders at a time when their regular delivery services were often stretched. Meanwhile, as retail has moved further online, it has also moved further onto mobile devices. It will be interesting to see whether such trends are unwound to some extent over the coming months and we'll certainly be returning to this area once more in the 2022 RetailX Brand Index.

HOW HAVE BRANDS USED MULTICHANNEL SERVICES TO MAKE BUYING EASIER?

Reserve and collect

Over the last year, there's been a significant uptick in the use of reserve and collect services as a way of facilitating online sales. In 2021, 15% of brands offer this previously little-used service – after a 12 percentage point (pp) growth from 3% last year among the 384 retailers assessed both this year and last. Its use increased across all categories, such as sports and leisure footwear (+15pp to 16%) and clothing (+14pp to 15%). It is most widely available from alcoholic drink (36%) and health product sellers (33%), and from those selling in Ireland, Lithuania and Denmark (all 29%).

Return to store

There's also been a fast increase in the availability of return to store – long part of an effective multichannel service. This metric has grown by 15pp, from 32% to 47% of 319 brands measured on this metric in both 2020 and 2021. Use is particularly high in Ireland (48%), the UK (42%) and Belgium (41%), but less available in Cyprus (22%), Bulgaria and Slovenia (both 24%). RetailX research suggests this is now more widely available in every category. Brands selling jewellery (50%), fashion footwear and clothing (both 49%) and cosmetics (47%) are the most likely to accept in-store returns, with the fastest uptake in categories including sports and leisure clothing (+19pp to 51%) and footwear (+20pp to 51%). Perhaps unsurprisingly, the least likely to accept this include software (14%) and consumer electronics (16%) brands, although the 53 brands measured in this category in both years adopted this relatively quickly (+13pp to 23%).

Return to a third-party location

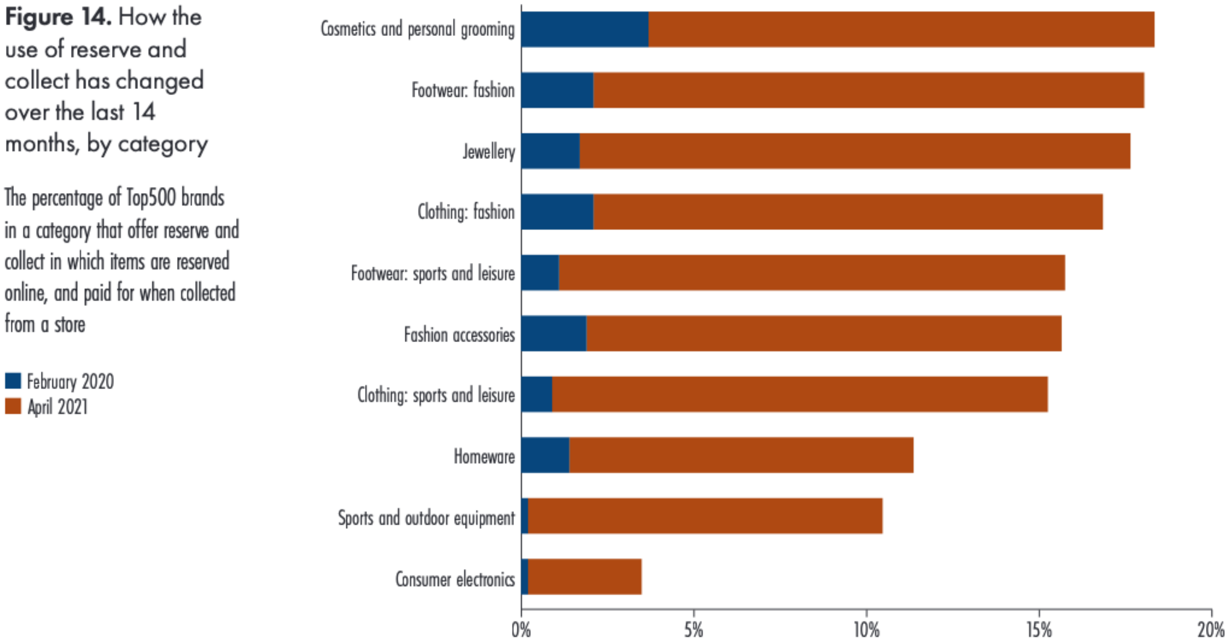
Over the last year, shoppers have been helped to return their online orders to a point operated by a third-party. Just under a quarter (+7pp to 24%) now offer this option, among them brands selling sports and outdoor equipment (40%), clothing, and footwear (both 34%) as well as fashion footwear (34%)

The leading retailers in the Mobile & Cross-channel Dimension

ADIDAS	CHRIST	JBC	PIMKIE
BALENCIAGA	EARLY LEARNING CENTRE	LONGCHAMP	REEBOK
BATA	GIVENCHY	MAISONS DU MONDE	SEPHORA
BERSHKA	GLOBUS	MASSIMO DUTTI	STRADIVARIUS
CACHE CACHE	HUNKEMÖLLER	OBAÏBI-OKAÏDI	TISSOT

Figure 14. How the use of reserve and collect has changed over the last 14 months, by category

The percentage of Top500 brands in a category that offer reserve and collect in which items are reserved online, and paid for when collected from a store



The percentage of brands offering this previously niche service has jumped since the Covid-19 pandemic began

Source: RetailX

and clothing (32%). These are areas where sales have shifted online most quickly over the last year, especially since their stores, classed as non-essential, were often closed during lockdown periods. Third-party returns are less likely to be available from those selling consumer electronics (+11pp to 18%), trade and DIY tools and equipment (18%) and software (7%), although there is evidence of a shift among those selling both electronics and electronic appliances (+17pp to 28%). This service is most popular in Czechia and Croatia (both 36%), while the fastest uptake has been in Norway (+19pp to 23%) and Bulgaria (+18pp to 33%).

Own lockers

Even though on-street lockers might have been a very useful way to pick up items in a socially distanced manner over the last year, fewer retailers now offer them for customers. Fewer than 1% of the leading brands now offer this. Where they are available – in markets including Belgium (3%), Switzerland, Sweden, Austria (all 2%) and the Netherlands (1%) – they are most operated by brands selling children's toys and accessories and stationery and craft (both 3%) and, to a lesser extent, by those selling homewares, consumer electronics and fashion accessories (all 1%).

HOW HAS MULTICHANNEL INFORMATION USE CHANGED ON MOBILE WEBSITES?

Stockchecking

Fewer brands (-11pp to 16%) now enable customers to check on their mobile website to find out whether stock is available in-store. This availability has fallen in all categories – most sharply among brands selling jewellery (-18pp to 18%) and homewares (-15pp to 15%) although the service is most often available from those selling children's toys and accessories (29%). Only 2% of booksellers and 4% of consumer electronics brands support stock checking.

This overall decline is likely to have been caused by non-essential shops being mostly closed over the last year, while associated disruptions to operations may mean it's simply harder to map stock location. Only 12% of brands selling to the UK now do this, after an 11pp drop, contrasting to 39% of those selling to Cyprus. Store finders continue to be available on 40% of brand websites overall and on the websites of more than half of those retailers selling alcohol (54%) and cosmetics and personal grooming (51%).

However, there was a small lift (+3pp to 23%) in the number enabling shoppers to see their online stock via a mobile website. This is higher in categories including software (33%) and health products (30%).

Store finder

Four in ten (40%) brands have a store finder on their mobile website, including more than half of those selling alcoholic drinks (54%) and cosmetics (51%).

App links on the landing page

Some 10% of brands with a mobile app link to their app from their website. The figure is higher among those selling alcoholic drinks, cosmetics and jewellery (all 14%), as well as fashion clothing and footwear (both 13%). ■

TOMMY HILFIGER:
focusing on customers and on digital

THE US BRAND IS FULLY LOCALISED IN ITS EUROPEAN MARKET AND BEYOND

Tommy Hilfiger founded the US fashion brand that bears his name in 1985, the year that he released his first men's sportswear collection. He remains the brand's principal designer and has started to design adaptive clothing designed to be easy for all to put on, alongside jeans, women's, men's and childrenswear collections.

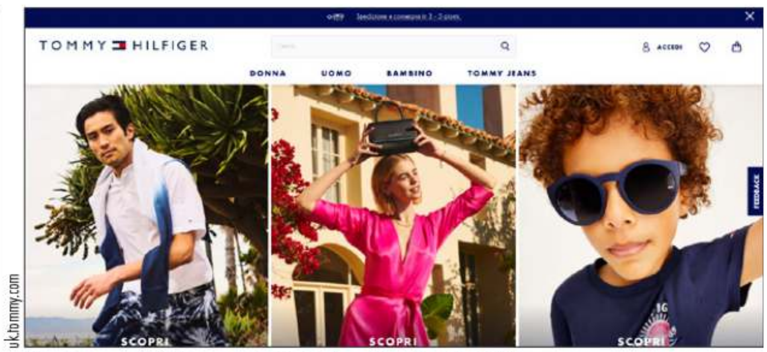
The business was bought by PVH Corp in 2010 and is now firmly established as a global brand, with a workforce of more than 15,000 people. Tommy Hilfiger sells online and through more than 1,400 retail stores in 90 countries around the world. Since the pandemic, PVH is now focusing its strategy on both customers and on digital, in line with longer-term changes in customer behaviour. It is also reducing its real estate footprint by cutting down on office space and closing some selected stores.

In 2020, PVH Corp reported sales of $7.1bn (£5bn), down 28% from $9.9bn (£7bn) in 2019, with 51% of revenues from Tommy Hilfiger, 37% from sister brand Calvin Klein and 12% from other heritage brands. Europe remains its largest single market, with 44% of sales, followed by 34% in the US, and 17% in Asia Pacific.

Parent company PVH Corp says in its 2020 annual report that it saw its strongest ever digital sales growth last year – with online sales growing by more than 40%, including growth of nearly 70% on its own sites. A quarter (25%) of sales took place online in 2020, either through its own digital websites or via the digital businesses of its wholesale customers.

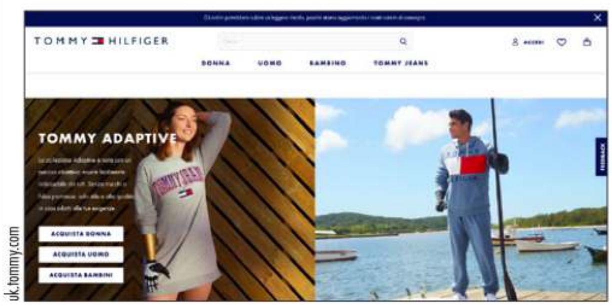
As it has focused on digital, the group has also improved its user experience – from navigation to more flexible payment options that suit consumers' needs – as part of a strategy to increase the share of its sales that take place online. PVH has bolstered its online stock levels with access to in-store and warehouse inventory as it looks to meet higher levels of demand, both online and through digital partnerships with retailers including Amazon, Zalando and Tmall. New virtual events with partners raised its profile around key selling periods in 2020. Up to 75% of Tommy Hilfiger appointments were completed through the use of digital selling tools, introduced alongside digital shopping experiences. Looking ahead, it now sees its most significant opportunities in increasing conversion and interactivity, as it uses data to make the shopping experience more personalised and more engaging.

The brand sells online through dedicated websites for each region – its European site features both a language and currency selector



uk.tommy.com

The Tommy Hilfiger website is localised to 27 different European markets including, here, Italy



uk.tommy.com

Adaptive clothing is designed to be easily put on

as well as local delivery promises. In Italy, for example, shoppers can order for delivery in between three and five days, with free delivery on orders of over €100, and with free returns.

Its international reach means parent company PVH is well placed to sell to shoppers around the world as their markets have improved. In China, for example, digital sales grew by more than 55% as it improved its omnichannel capabilities and used new tools including celebrity and influencer-based livestreams and online partnerships. It also tailored products and brand experiences for the local consumer, including the launch of Tommy Hilfiger's first Asia fit denim collection. In Europe, a decline in revenues was limited to 14% and the company now sees potential for sales beyond its core European markets of Germany, the UK and Spain.

HOTEL CHOCOLAT:

setting its sights on international expansion

HOTEL CHOCOLAT HAS BUILT UP ITS OMNICHANNEL MODEL OVER A YEAR MARKED BY LOCKDOWNS

In the first UK lockdown, back in March 2020, UK chocolatier Hotel Chocolat took a huge hit when its stores were required to close two weeks before its annual second Easter peak.

Staff had to go to its shops to move seasonal inventory that could no longer be sold there to its distribution centres. From there the brand moved to build sales both online and via third-party retailers. While the experience was disruptive, Hotel Chocolat learned many lessons from the experience.

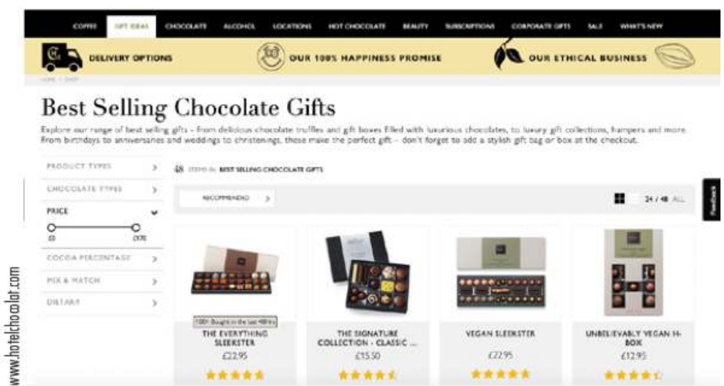
"The events of 2020 have challenged all of us but also brought out the best in us, ethically, competitively and professionally, making us better equipped to face the future," said Hotel Chocolat co-founder and chief executive Angus Thirlwell as he reported full-year results last summer, when sales of £136.3m were 3% up on the previous year. "The challenges of Covid-19 have pushed us to accelerate many of our existing plans and strategic initiatives, helping to: strengthen our financial position, improve our multichannel capability, deepen customer engagement and loyalty, and accelerate the rate of product innovation, whilst continuing to make good progress in our two new and sizeable markets of the USA and Japan."

He noted that uncertainty would continue but that its potential growth opportunities had never been stronger, and that it had invested in increasing production and expanding supply chain capacity, with a focus on ecommerce. Over the year, it invested in distribution and extended production at its factory to 24 hours a day, enabling it to make 40% more chocolate.

A year later, Hotel Chocolat's UK stores were once again closed in the country's third lockdown. Despite this, its revenues grew by 60% in the eight weeks to April 25 2021, even though its stores were closed for five of them.

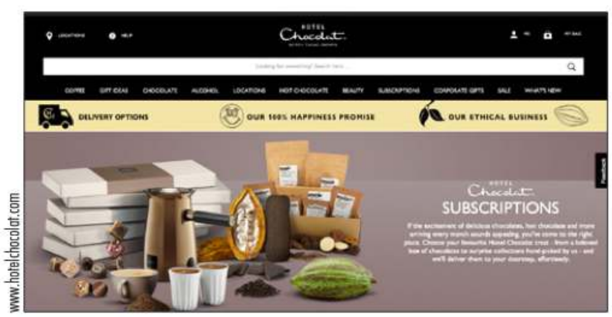
Thirlwell praised his staff for a rapid shift even further online that meant, "they have not only adapted the business to the challenges we faced but have strengthened the brand and accelerated our business model and future growth prospects".

Along the way, the retail brand used tools including virtual tastings and subscriptions as it looked to boost online sales. In the half-year to December 27, more than half (51%) of sales started in digital channels – including subscriptions – while overall sales grew 11% on the previous year to £101.9m, with UK sales 12% ahead of the previous year.



www.hotelchocolat.com

Clear navigation and star ratings help Hotel Chocolat customers find the right gift



www.hotelchocolat.com

Delivery and sustainability information is clearly flagged up on the brand website

Thirlwell said: "We certainly kept the chocolate flowing thanks to our online capabilities and multichannel expertise," adding, "In the UK, our multichannel model truly came of age, and excitingly, both Japan and the USA firmly stepped up from the 'test and learn' phase into 'grow and scale'. Total brand sales, through direct-to-consumer and partner-channels combined, increased 16% year-on-year."

New innovations are to come as the retail brand launches a new EPOS platform and follows up on the opportunities to engage with customers and improve sales frequency and value.

SEPHORA:
selling anytime, anywhere and through any device

THIS FRENCH BEAUTY BRAND HAS EMBRACED MULTICHANNEL

Sephora prides itself on selling its range of thousands of beauty products to a community of millions at anytime, anywhere and via any device. In practice, this means operating a growing store network in more than 30 markets around the world, as well as trading online through mobile apps and social media networks. Over the last year, Sephora has developed its multichannel strategy further than ever, as a reaction to many of its thousands of shops around the world closing during Covid-19 lockdowns.

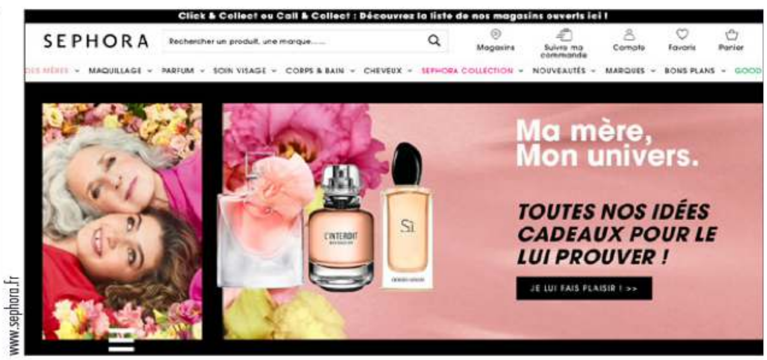
When these stores were off-limits, its customers bought online instead, with the retailer developing new multichannel services including click and collect and live shopping. Currently, shoppers in its home French market can collect their online purchases for free within two hours, opt for free home delivery on orders over €60, or arrange fast courier delivery at a nominated time. Returns are free.

Ecommerce sales reached "historic levels in all markets" in 2020, says its owner LMVH. Overall revenues in its Selective Retailing division, which includes Sephora, fell by 30% to €10.2bn (£8.8bn) and it reported losses from recurring operations of €203m (£175m).

Sephora says its mission is to give beauty fans the freedom to touch and test a wide range of products, enabling its customers to experiment and learn. Its range includes more than 78,000 lines from 250 brands. Its ATAWA (anytime, anywhere and on any device) strategy is intended to make it fully accessible to digital shoppers. Sephora stores feature digital tools ranging from giant screens to in-store mobile apps, which it says foster emotional bonds with its customers. Customers who download the app – available on Android and iOS – can get see new products first, receive exclusive offers and find their nearest store.

Online customers can also buy direct from Sephora's social media presence. Its 20m Instagram followers, for instance, can buy products from more than 80 brands straight from their social feeds.

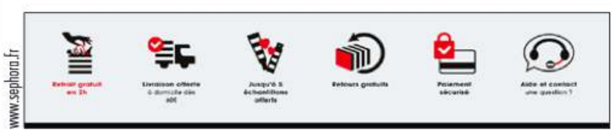
When this partnership was announced in the summer of 2020, Carolyn Bojanowski, SVP and GM of ecommerce at Sephora, said, "Our clients engage with social media in so many ways, like drawing inspiration from the community, getting tips from experts or learning about new beauty trends, so we're always looking for new ways to enhance that beauty journey. We're excited to deliver Instagram checkout – a new seamless, direct and secure way to shop across our brands' accounts while still getting the perks of being a Sephora client."



www.sephora.fr

The brand's stated mission is to give beauty fans of all ages the freedom to touch and test its products

www.sephora.fr



www.sephora.fr

Sephora's multichannel approach is supported by online supporting offline services and vice versa

Sephora was founded in 1969 and the French beauty house's flagship store opened on Paris' Champs Elysées in 1985. It now has 2,600 shops in 35 countries, including 1,000 that were opened in 12 new markets between 2011 and 2020.

More recently, the brand has struck a partnership with New York department store Kohl's to sell more than 125 beauty brands both online and through 230m² store-in-stores within 200 branches of the store. This number will rise to 850 by 2023.

NIKE:
using digital to build customer relationships

THE GLOBAL GIANT THAT WANTS YOU TO JOIN ITS CLUB

Nike has benefitted from the growing lockdown demand for sportswear and athleisure goods during the Covid-19 pandemic. Shoppers in 2020 turned online because its stores have been closed, buying instead from its website or its mobile app. Indeed, some of Nike's European shops were still closed in May 2021.

The retail brand aims to build customer relationships through its Nike Members club. Only members can use its mobile apps – including the non-transactional Nike Training Club and Nike Run Club apps. Nike staff are available via such apps to advise members, who also benefit from an exclusive range of products and free delivery when signed into the website.

The brand offers discounts to students and flags up both its email sign-up and four social channels – Twitter, Facebook, YouTube and Instagram – from its home page. Its largest following is on Facebook, where it has 35.9m followers, at the time of writing, and posts featuring some of the sporting stars that it sponsors.

Its recent ecommerce growth means that Nike has seen its direct-to-consumer sales grow quickly, helping to boost its overall sales. Its total revenues came in at $10.4bn (£7.5bn) in the latest, third quarter, of its 2020/21 financial year, 3% up on the same time a year earlier. During the period, its direct sales grew by 20% to $4bn (£2.9bn) – and Nike brand digital sales grew by 59% across all of its markets.

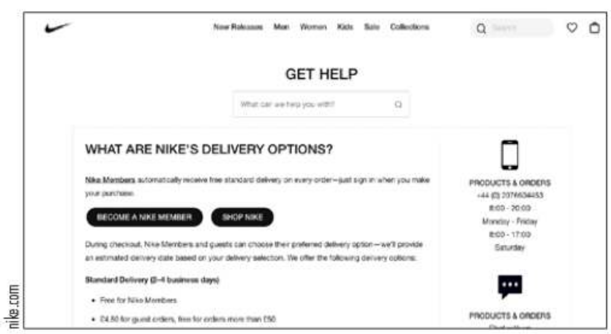
Nike president and chief executive John Donahoe says, "Nike continues to deeply connect with consumers all over the world, driven by our strong competitive advantages. Our strategy is working as we accelerate innovation and create the seamless, premium marketplace of the future."

Nike's North American sales fell by 11% during the quarter, partly offset by direct sales growth of 15%. However, in its European market, where 45% of Nike's own stores were closed due to Covid-19 lockdowns for two months of the quarter, digital sales grew by 60%.

Matt Friend, executive vice president and chief financial officer at Nike, says, "Nike's brand momentum is as strong as ever and we are driving focused growth against our largest opportunities. We continue to see the value of a more direct, digitally-enabled strategy fuelling even greater potential for Nike over the long-term."

nike.com

Nike's sustainability focus is to reduce the carbon footprint from every stage of its products' lives



nike.com

Benefits such as content and exclusive products come thick and fast to those who join the Nike Members club

Shoppers buying online from Nike can opt for standard delivery or next-day delivery. Those who join its Nike Members scheme get standard delivery for free – others pay £4.50, unless their order value exceeds £50. Outside of lockdown, customers can order online before collecting in store.

Nike was founded in 1964 and by 2020, had 1,096 retail stores around the world, according to Statista. The brand's sustainability focus is on reducing its carbon footprint by using low-carbon materials, taking carbon out of its supply chain and using 100% renewable energy. Its Nike Refurbished project in selected stores, starting in the US, improves the condition of used footwear that has been returned for resale.

PANDORA:
achieving sustainable omnichannel sales

WELL-TIMED INVESTMENT IS REWARDED BY ONLINE BOOST

Pandora has increased its emphasis on sustainability in recent months, by promising to use only sustainable, lab-grown diamonds in its jewellery that is already made using mostly recycled silver and gold.

Announcing the shift away from mined diamonds, Alexander Lacik, chief executive of Pandora, said the introduction of Pandora Brilliance was, "as much a symbol of innovation and progress as they are of enduring beauty and stand as a testament to our ongoing and ambitious sustainability agenda."

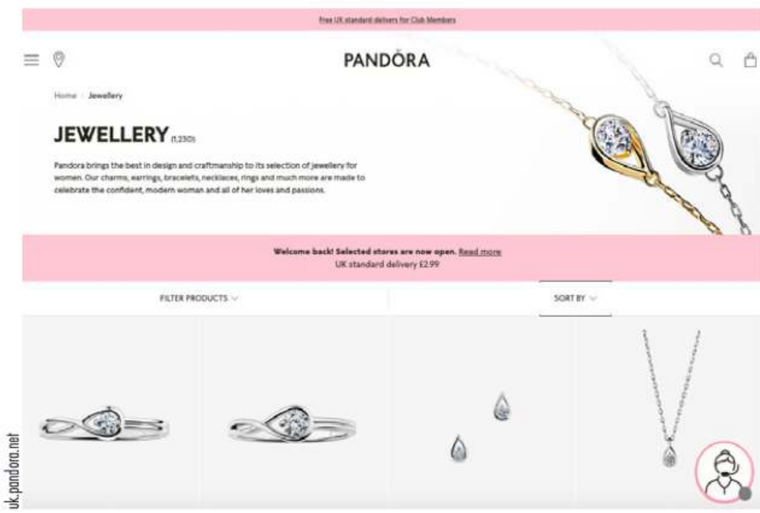
The Danish jewellery brand, which plans to be carbon neutral by 2025, saw its sales stay at sustainable levels too during the year of the Covid-19 pandemic. It is now focusing on growth throughout 2021 and beyond.

Pandora sells its jewellery directly through about 2,700 Pandora stores plus a number of third-party retailers. In total, it is available at more than 7,000 points of sale. However, it is Pandora's omnichannel model that helped it to trade successfully during the pandemic. An average of 10% of its stores were temporarily closed in the final three months of 2020, a figure which topped-out at 25% in early 2021 due to local lockdowns and restrictions.

Overall, Pandora reported gross profits of DKK 14.3bn (£1.65bn) on sales of DKK 19.0bn (£2.2bn) in 2020. This was down by 12% from DKK 21.9bn (£2.5bn) in 2019. But in 2020, while its store sales fell 30% to DKK 7.3bn (£0.8bn), online sales grew by 103% to DKK 5.5bn (£0.6bn). Over the full year, online accounted for 29% of sales – up from 13% in the previous year. In the second quarter of the year, online sales accounted for 52% of revenue as they overtook physical retail for the first time ever in the business.

Such resilience, said Lacik and Peter Ruzicka, chair of the board of directors in their annual letter to shareholders, was thanks to the brand's previous investment online. "As social distancing put limits on physical retail and brick-and-mortar stores had to close, we were able to recoup a lot of revenue thanks to our significant investments in digital initiatives in recent years," they said. Innovations introduced during the year included a remote shopping assistant and AR technology to enable shoppers to see jewellery on their own hands and wrists. Virtual queueing was introduced to stores.

Looking ahead, Lacik and Ruzicka say the brand will continue to invest in digital – from omnichannel services to data analytics – as it looks to "stay relevant to different consumer groups while being very competitive in our go-to-market strategies." Pandora also said it had benefited as shoppers spent the money they would have spent on travelling and services on gifts and other discretionary goods. During repeated lockdowns, shoppers have turned online, to be met with a customer experience that is highly rated in RXBX Top500 research for ease of use, convenient service and a website that is localised around the world.



uk.pandora.net

Virtual queuing, remote shopping assistance and an AR hand model all bring the in-store experience online

Online visitors can browse and buy jewellery through 27 local language market websites serving Europe alone – each available in up to three languages. More are available for other parts of the world. In total, Pandora sells in more than 100 countries in six continents. Live chat – through the remote shopping assistant – is available within a minute of being on the website, where shoppers can also book an in-store appointment or sign up for its newsletter on the home page. Products are easily searched and navigated through six filters, such as carat weight, size, price and metal.

In the UK market, click and collect is available from many, although not all, stores, while delivery is free to loyalty club members.

CONCLUSION

In last year's Brand Index report we started to map the shift as many bought online for the first time during the Covid-19 pandemic. It already seemed that shoppers were likely to shift their buying further online in future - although how long that might last was yet to be seen. A year on, we can say for certain that more people did indeed buy online, behaviour that continued throughout the pandemic and peaked during repeated lockdowns. We can also say that customers returned enthusiastically to shops when they reopened from lockdowns – and we can say that as yet, it appears that while shops are now open, customers are still buying online more than they did before the pandemic, although that is still less than they did at the height of lockdown.

All the suggestions are that behaviour has changed long-term. As we've seen through the pages of this report, brands and retailers alike believe that changes to habits that were expected to take place over the course of years are now happening much faster than expected. The brands that we've covered in the pages of this report are responding accordingly, as they adapt to the demands of a multichannel retail environment in which shoppers are as likely to buy in-store as they are online. That takes work but, as we've seen, that work is now well underway as brands start to sell to customers directly ways that are both new and exciting. An omnichannel approach to retail is now expected – and brands have risen to meet those expectations over the course of a long, hard year. Our heartfelt congratulations go to all of the brands listed in this RetailX Europe, from the Elite to the Top500, Brand Index on their collective success in leading the way.

As always, we'd like to hear how we could do better, expanding or refining our research to include emerging trends and uptake of new technologies. Please get in touch at research@retailx.net. We look forward to hearing from you. ■

Thank you

Our thanks go to our title sponsor Tealium for helping us to bring our insights and findings in this report to professionals working in ecommerce and multichannel

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