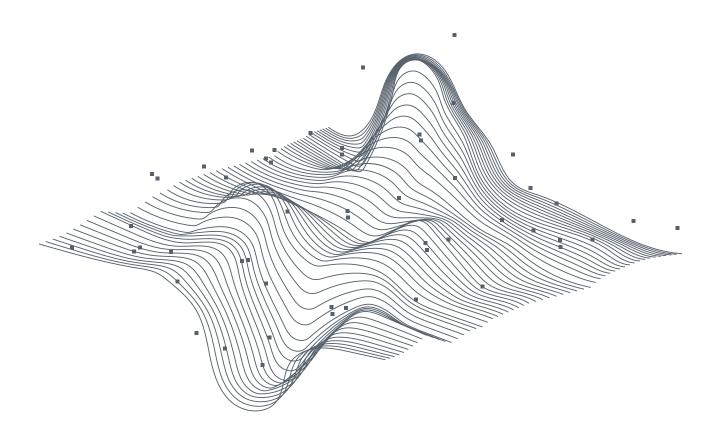# IRUK TOP 500

In partnership with

Klarna.

TOP500 UK

2019 ANNUAL REPORT

INTERNETRETAILING
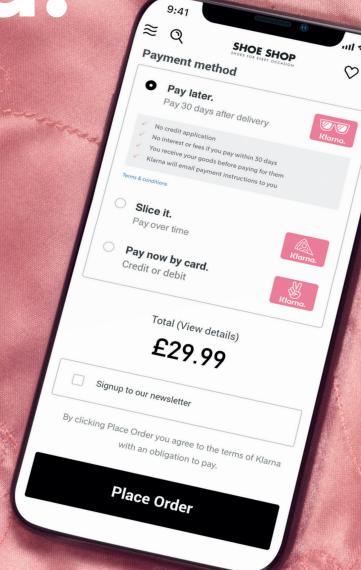
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✓ No interest or fees if you pay within 30 days
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Introduction

Welcome to the InternetRetailing Top500 2019 report. Our annual reading of how UK ecommerce and multichannel retailers are performing is now in its fifth year. Over the last half-decade this research has stood out because while it starts with a Footprint ranking based on retailers' revenues, store networks or web traffic, it adds to that an in-depth understanding of their performance. That's measured through six Performance Dimensions: Strategy & Innovation, The Customer, Merchandising, Brand Engagement, Operations & Logistics and Mobile & Cross-channel. Through this approach we aim to understand more accurately which retailers are performing strongly, and which strategies, tools, technologies are helping them achieve that success. We believe that our research offers practical and useful insights into the best practice of what we term 'RetailCraft', and this report will be a highly useful tool for retailers eager to learn from the best.

This year's ranking comes at a time of continued turbulence in the retail market. A significant number of retailers that appeared in last year's list, such as Toys R Us and Maplin, are no longer trading. Others, such as House of Fraser, have failed but subsequently been bought out of administration and continue to operate under new ownership. Many more are going through transformation plans that they believe will better equip them for the future. At the heart of this crisis, or revolution, in retail is the changing way that shoppers now want to buy. Customers are now more willing to complete their retail errands online, and they're also uncertain about spending at a time of political uncertainty, in the light of Brexit. These shifts, combined, will no doubt mean more challenges to members of our Top500 lie ahead. We'll be monitoring through our research and news analysis through the year how retailers respond to those challenges.

But, for now, our congratulations go both to this year's Elite retailers, Amazon, Argos, H&M, John Lewis, New Look and Sainsbury's, and to all members of the IRUK Top500.

IAN JINDAL,
EDITOR-IN-CHIEF

Our research covered seven Performance Dimensions (see page 25 for more details):

0. **FOOTPRINT:** UK retail turnover, ecommerce turnover, web reach and store estate of retail businesses 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 retailer 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

5. **BRAND 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 UK Top500 in statistically similar groups. Elite retailers have performed at an exceptional level across all Dimensions, statistically separate from the subsequent clusters. In 2019 they are Amazon, Argos, H&M, John Lewis, New Look and Sainsbury's. Our congratulations to new entrants H&M, New Look and Sainsbury's, to returning 2017 Elite retailer John Lewis, and to Amazon and Argos on retaining their positions from last year.

Top50 retailers bring us to the 50-retailer point and represent the current standard of UK best practice in ecommerce and multichannel retailing, exemplifying RetailCraft at its best.

Between the Top100 and the Top500, retailers are grouped in a way that expresses their measured performance in a way that goes beyond their variation in size, reach and turnover. Throughout 2019, we will be continuing our testing and measurement of the whole group, with our findings contributing to the 2020 ranking.

JUDGEMENT

Our current system started with 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 mainstream.

KNOWLEDGE PARTNERS

We thank Edge by Ascential (formerly Brand View) for sharing data on the Top500's price strategies and the information they provide on product pages; BuiltWith for tracking the Top500's websites and providing information on the software used, such as ecommerce platform and payment methods; Hitwise for sharing data on website interaction and visitor demographics; and Eggplant for measuring the performance and load times of Top500 websites on mobile and desktop browsers.

We are also grateful to Return Path for measuring retailers' use of email, including how often they send emails, and the open, deletion and marked-as-spam rates of those campaigns. We thanks SimilarWeb for sharing data on the visits and interaction that Top500 websites receive.

ELITE RETAILERS

Congratulations once more to the InternetRetailing UK Top500 Elite retailers for 2019: Amazon, Argos, H&M, John Lewis, New Look and Sainsbury's.

IAN JINDAL, EDITOR-IN-CHIEF, INTERNETRETAILING

Contents

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THE ELITE OF 2019: AMAZON, ARGOS, H&M, JOHN LEWIS, NEW LOOK, SAINSBURY'S

InternetRetailing congratulates all the members of the Top500 in 2019 as leaders in UK multichannel and ecommerce retailing. This list was put together through an assessment of retailers' size and performance. For more detail on the research parameters see page 25.

Elite	Amazon	Top_100	Apple	Top_150	Accessorize	Top_250	AllSaints	Top_250	Lakeland
Elite	Argos	Top_100	Bonmarché	Top_150	Adidas	Top_250	AppliancesDirect	Top_250	Lands' End
Elite	H&M	Top_100	Boohoo.com	Top_150	Andertons Music	Top_250	Avon	Top_250	Lego
Elite	John Lewis	Top_100	Boux Avenue	Top_150	Beaverbrooks	Top_250	Banana Republic	Top_250	Levi's
Elite	New Look	Top_100	Clarks	Top_150	Blacks	Top_250	Bathstore	Top_250	Links of London
Elite	Sainsbury's	Top_100	Cotswold Outdoor	Top_150	Burton Menswear	Top_250	Bensons for Beds	Top_250	Lloyds Pharmacy
Leading	American Golf	Top_100	Cotton Traders	Top_150	Claire's	Top_250	Boden	Top_250	Long Tall Sally
Leading	Ann Summers	Top_100	Disney Store	Top_150	Decathlon	Top_250	The Body Shop	Top_250	LookFantastic
Leading	Ao.com	Top_100	Dorothy Perkins	Top_150	Early Learning Centre	Top_250	BonPrix	Top_250	Louis Vuitton
Leading	B&Q	Top_100	Estée Lauder	Top_150	eBay	Top_250	Bravissimo	Top_250	Lovehoney
Leading	Boots	Top_100	Euro Car Parts	Top_150	Ellis Brigham Mountain Sports	Top_250	Burberry	Top_250	Machine Mart
Leading	Currys PC World	Top_100	Everything5pounds.com	Top_150	The Entertainer	Top_250	Carpetright	Top_250	MajesticWine
Leading	Debenhams	Top_100	Fat Face	Top_150	Fashion World	Top_250	Cath Kidston	Top_250	Mango
Leading	Evans Cycles	Top_100	Footasylum	Top_150	Feelunique.com	Top_250	Charles Tyrwhitt	Top_250	Massimo Dutti
Leading	Halfords	Top_100	Fragrance Direct	Top_150	Foot Locker	Top_250	Clas Ohlson	Top_250	Mint Velvet
Leading	House of Fraser	Top_100	The Fragrance Shop	Top_150	Getthelabel.com	Top_250	Coast	Top_250	Molton Brown
Leading	JD Sports	Top_100	Freemans.com	Top_150	Goldsmiths	Top_250	The Cotswold Company	Top_250	Musto
Leading	JD Williams	Top_100	Game	Top_150	H.Samuel	Top_250	Crew Clothing Company	Top_250	The North Face
Leading	Marks & Spencer	Top_100	Go Outdoors	Top_150	Joules	Top_250	Diesel	Top_250	NotOnTheHigh Street.com
Leading	Mothercare	Top_100	Grattan	Top_150	L'Occitane	Top_250	Dr. Martens	Top_250	Novatech
Leading	Next	Top_100	Hobbycraft	Top_150	MAC Cosmetics	Top_250	Ebuyer.com	Top_250	Offspring
Leading	Screwfix	Top_100	Homebase	Top_150	Mamas & Papas	Top_250	Ernest Jones	Top_250	Orvis
Leading	Tesco	Top_100	Hotel Chocolat	Top_150	Matalan	Top_250	Evans	Top_250	Oysho
Leading	Wickes	Top_100	Hugo Boss	Top_150	Millets	Top_250	Farfetch	Top_250	Paul Smith
Leading	Wilko	Top_100	Iceland	Top_150	Missguided	Top_250	Figleaves.com	Top_250	Pavers
Top_050	Asda	Top_100	Kaleidoscope	Top_150	Monsoon	Top_250	Fortnum & Mason	Top_250	Peacocks
Top_050	Asos	Top_100	LaptopsDirect	Top_150	Mountain Warehouse	Top_250	Foyles	Top_250	Phase Eight
Top_050	Axminster	Top_100	Littlewoods	Top_150	Nike	Top_250	Furniture Village	Top_250	Pull & Bear
Top_050	Beauty Bay	Top_100	M&Co	Top_150	Oliver Bonas	Top_250	Gabor	Top_250	RS Components
Top_050	Carphone Warehouse	Top_100	Mainline Menswear	Top_150	Paperchase	Top_250	Gant	Top_250	Russell & Bromley
Top_050	Chain Reaction Cycles	Top_100	Marisota	Top_150	Post Office Shop	Top_250	GAP	Top_250	Ryman
Top_050	Dune London	Top_100	Microsoft	Top_150	PrettyLittleThing	Top_250	Gear4music.com	Top_250	Samsung
Top_050	Dunelm	Top_100	Miss Selfridge	Top_150	Quiz	Top_250	Harrods	Top_250	Skechers
Top_050	Forever 21	Top_100	Ocado	Top_150	Reebok	Top_250	Harvey Nichols	Top_250	Slaters
Top_050	Holland & Barrett	Top_100	Overclockers UK	Top_150	Richer Sounds	Top_250	Hawkshead Country Wear	Top_250	Specsavers
Top_050	Jacamo	Top_100	PartyCity	Top_150	Robert Dyas	Top_250	Hobbs London	Top_250	SportsBikeShop
Top_050	Karen Millen	Top_100	Pets at Home	Top_150	Route One	Top_250	Home Bargains	Top_250	Ted Baker
Top_050	Laura Ashley	Top_100	Radley	Top_150	Skatehut.co.uk	Top_250	Hughes Electrical	Top_250	Tessuti
Top_050	Morrisons	Top_100	Reiss	Top_150	SportsDirect.com	Top_250	Ikea	Top_250	Thomann
Top_050	Moss Bros.	Top_100	Sally	Top_150	Sweaty Betty	Top_250	Interflora	Top_250	Thomas Sabo
Top_050	Nisbets	Top_100	Seasalt Cornwall	Top_150	TK Maxx	Top_250	ITS	Top_250	Thorntons
Top_050	Oasis	Top_100	Selfridges	Top_150	Toolstation	Top_250	Jack & Jones	Top_250	Tiffany & Co.
Top_050	Office	Top_100	Shoe Zone	Top_150	Topman	Top_250	Jack Wills	Top_250	TJ Hughes
Top_050	The Perfume Shop	Top_100	size?	Top_150	Vans	Top_250	Jessops	Top_250	UK Ecig Store
Top_050	River Island	Top_100	Smyths Toys	Top_150	Victoria's Secret	Top_250	Jigsaw	Top_250	USC
Top_050	Schuh	Top_100	Superdry	Top_150	Victorian Plumbing	Top_250	JoJo Maman Bébé	Top_250	Wallis
Top_050	Simply Be	Top_100	Topps Tiles	Top_150	The White Company	Top_250	Kurt Geiger	Top_250	Watch Shop
Top_050	Space.NK	Top_100	Topshop	Top_150	Whittard of Chelsea	Top_250	La Redoute	Top_250	Wayfair
Top_050	Superdrug	Top_100	Travis Perkins	Top_150	WHSmith	Top_250	Laithwaite's	Top_250	Whistles
Top_050	Very	Top_100	Ugg	Top_150	The Works			Top_250	Zalando
Top_050	Waitrose	Top_100	Uniqlo						
Top_050	Waterstones	Top_100	Urban Outfitters						
		Top_100	Wex Photographic						
		Top_100	White Stuff						
		Top_100	Wiggle						
		Top_100	Yours Clothing						
		Top_100	Zara						

Top_350	Abercrombie & Fitch	Top_350	IronmongeryDirect	Top_500	& Other Stories	Top_500	Garmin	Top_500	Photobox
Top_350	Aldo	Top_350	Jaeger	Top_500	Abel & Cole	Top_500	Geox	Top_500	Planet Organic
Top_350	AliExpress	Top_350	Jimmy Choo	Top_500	Adobe	Top_500	Glasses Direct	Top_500	Playstation Store
Top_350	Anthropologie	Top_350	Jones Bootmaker	Top_500	Agent Provocateur	Top_500	Google	Top_500	Plumbase
Top_350	Arco	Top_350	JYSK	Top_500	Aldi	Top_500	GoPro	Top_500	Prada
Top_350	Aria Technology	Top_350	L.K.Bennett	Top_500	American Eagle	Top_500	Grailed	Top_500	Pretty Green
Top_350	Bershka	Top_350	Lacoste	Top_500	Armani	Top_500	Graze	Top_500	Printing.com
Top_350	Blackwell's	Top_350	Leekes	Top_500	Asics	Top_500	Habitat	Top_500	Ralph Lauren
Top_350	The Book People	Top_350	Lush	Top_500	Aspinal of London	Top_500	Hattons	Top_500	Rapha
Top_350	Bose	Top_350	Made.com	Top_500	Asus	Top_500	Hawes & Curtis	Top_500	RedBubble
Top_350	Bottega Veneta	Top_350	MandM Direct	Top_500	ATS Euromaster	Top_500	Heal's	Top_500	Regatta Outdoor Clothing
Top_350	Burton	Top_350	MatchesFashion.com	Top_500	Austin Reed	Top_500	Hermès	Top_500	Rich Tone Music
Top_350	Calendar Club	Top_350	Max Spielmann	Top_500	Bang Good	Top_500	Hobby Link Japan	Top_500	Romwe
Top_350	Calvin Klein	Top_350	MenKind	Top_500	Barbour	Top_500	Home, Beauty & Gift Shop	Top_500	The Royal Mint
Top_350	Cass Art	Top_350	Mobile Fun	Top_500	bareMinerals	Top_500	In The Style	Top_500	Scotch & Soda
Top_350	CeX	Top_350	Moda in Pelle	Top_500	Barker & Stonehouse	Top_500	J Crew	Top_500	Scribbler
Top_350	Chaos Cards	Top_350	Mole Valley Farmers	Top_500	Belkin	Top_500	Jewson	Top_500	ScS
Top_350	Charles Clinkard	Top_350	Monki	Top_500	Bettys	Top_500	JML	Top_500	See Tickets
Top_350	Cloggs	Top_350	Montblanc	Top_500	Build-A-Bear Workshop	Top_500	Joe Browns	Top_500	Select
Top_350	Costco	Top_350	Moonpig	Top_500	Card Factory	Top_500	John Smith's	Top_500	Sevenoaks Sound and Vision
Top_350	CycleSurgery	Top_350	Mr Porter	Top_500	Clinique	Top_500	JTF	Top_500	Sneakersnstuff
Top_350	Deichmann	Top_350	Mulberry	Top_500	The Co-operative Electrical	Top_500	Juno Records	Top_500	Steam
Top_350	Demon Tweeks	Top_350	Myprotein	Top_500	Converse	Top_500	K√§rcher	Top_500	Studio (Express Gifts)
Top_350	Desigual	Top_350	Nespresso	Top_500	COS	Top_500	Kate Spade	Top_500	Sunglass Hut
Top_350	DFS	Top_350	Net-A-Porter	Top_500	Crabtree & Evelyn	Top_500	Kenzo	Top_500	Supreme
Top_350	Dior	Top_350	Nordstrom	Top_500	Craghoppers	Top_500	Kiehl's	Top_500	Swatch
Top_350	Dreams	Top_350	Outdoor & Country	Top_500	Cromwell	Top_500	Kitbag.com	Top_500	Tate Shop
Top_350	Dulux Decorator Centres	Top_350	Pandora	Top_500	Cult Beauty	Top_500	Lenovo	Top_500	Thomas Pink
Top_350	The Edinburgh Woollen Mill	Top_350	Puma	Top_500	Dell	Top_500	Liberty	Top_500	Timpson
		Top_350	QVC	Top_500	Denby	Top_500	LightInTheBox	Top_500	Tommy Hilfiger
Top_350	END.	Top_350	The Range	Top_500	Digikey	Top_500	Lindex	Top_500	TomTom
Top_350	Esprit	Top_350	Rohan	Top_500	Distinctive Doors	Top_500	Logitech	Top_500	Triumph
Top_350	F.Hinds	Top_350	Roman Originals	Top_500	Dobbies Garden Centres	Top_500	Lululemon	Top_500	Under Armour
Top_350	Fendi	Top_350	Scan	Top_500	Dover Street Market	Top_500	Mennace	Top_500	United Colors of Benetton
Top_350	Field & Trek	Top_350	Snow+Rock	Top_500	Ecco	Top_500	Michael Kors		
Top_350	Fitness Superstore	Top_350	SoleTrader	Top_500	Epson	Top_500	Mobile Phones Direct	Top_500	Versace
Top_350	Fossil	Top_350	Staples	Top_500	Farrow & Ball	Top_500	Monica Vinader	Top_500	Viking
Top_350	French Connection	Top_350	Stella McCartney	Top_500	Firebox	Top_500	Muji	Top_500	Virgin Wines
Top_350	Games Workshop	Top_350	Stradivarius	Top_500	Fired Earth	Top_500	Muscle Food	Top_500	VitalSource
Top_350	Gucci	Top_350	Superga	Top_500	Fitbit	Top_500	Music Magpie	Top_500	Warren James
Top_350	Guess	Top_350	Surfdome	Top_500	Flannels	Top_500	Naked Wines	Top_500	Watchfinder
Top_350	Guitarguitar	Top_350	Swarovski	Top_500	Footpatrol	Top_500	Neptune	Top_500	Wedgwood
Top_350	Hackett	Top_350	T.M. Lewin	Top_500	Forbidden Planet	Top_500	New Balance	Top_500	Weekday
Top_350	Hamleys	Top_350	Toolstop	Top_500	Fraser Hart	Top_500	Nintendo	Top_500	Weldricks Pharmacy
Top_350	Harveys	Top_350	Trespass	Top_500	Fred Perry	Top_500	Oakley	Top_500	West Elm
Top_350	hmv.com	Top_350	Tripp	Top_500	funkypigeon.com	Top_500	The Original Factory Shop	Top_500	Wish
Top_350	Hollister	Top_350	Vape Club	Top_500	G-Star Raw			Top_500	Wyevale Garden Centres
Top_350	Hotter	Top_350	Warehouse	Top_500	GAK	Top_500	The Outnet		
Top_350	HP	Top_350	Watches of Switzerland			Top_500	Philips	Top_500	YesStyle
Top_350	The Idle Man	Top_350	Wynsors World of Shoes						
		Top_350	Yankee Candle						

Leading the way

In this sixth year of the IRUK Top500, we take a look at which retailers top this year's ranking and at how that picture has changed over the years – and discover which one name has been in the top group every year so far

It's now more than half a decade since the first IRUK Top500 index was produced and since the UK's ecommerce and multichannel traders were first grouped into categories, led by the Elite and Leading retailers of the year. These retailers won their places for both the size of their ecommerce and multichannel businesses, and for their performance across InternetRetailing Performance Dimensions. Just one retailer has appeared in the cutting-edge Elite group every year. So far, 12 retailers have won the title of Elite and 45 have appeared in the list of Leading retailers, exemplifying the standard of what we term 'RetailCraft'. Here we take a look at how these groups have been made up.

ELITE RETAILERS
Amazon retains its place in the Elite of the IRUK Top500 2019 for the fifth consecutive time. The mammoth US merchant is the only retailer operating in the UK to win this distinction. In 2019, it is joined by Argos, H&M, John Lewis, New Look and Sainsbury's. Argos and John Lewis both feature in the listing for their fourth year, but H&M, New Look and Sainsbury's all win the top ranking for the first time. And while New Look (four times) and Sainsbury's (three times) have both previously been repeatedly ranked in the Leading group, H&M has moved straight to the Elite. Last year it was ranked as a Top50 retailer. It's worth noting here that what it means to be Elite changes every year, most notably because the metrics measured in the Strategy & Innovation Performance Dimension vary. Argos and Sainsbury's are part of the same group and both benefit in this year's research from their ability to use each other's stores to enable their customers to pick up online orders. This may ultimately prove to be a temporary effect.

Three of this year's Elite, Amazon, John Lewis and Argos, can be classed as 'department' retailers, selling products from several different categories. Sainsbury's is predominantly a grocer, and Amazon can also be classed as one following its own expansion into grocery delivery, a fact that underlines the virtuosity of this retailer. New Look and H&M are firmly in the fashion and footwear categories. The Elite group has consistently featured four department

stores since 2016. Prior to that, five department stores featured. This year the number has fallen to three, perhaps as fashion retailers – selling their own-brand goods – have successfully challenged for a place for the first time.

LEADING RETAILERS
To date, 45 retailers have appeared in the Leading group of the IRUK Top500. Retailers that have not yet fallen below Leading in the index include Debenhams, Halfords and House of Fraser, which has overcome administration and temporary website closure to retain its place in the Leading group this year. New-for-the-first-time entrants to this year's Leading group include American Golf, JD Williams, JD Sports, Ann Summers and Evans Cycles.

> **WHAT IT MEANS TO BE ELITE CHANGES EVERY YEAR, MOST NOTABLY BECAUSE THE METRICS MEASURED IN THE STRATEGY & INNOVATION PERFORMANCE DIMENSION VARY**

"How we assess the IRUK Top500 retailers, and therefore judge which are the Elite and Leading companies, changes from year to year as we drop metrics that are no longer relevant, and recognise the importance of new features, functionality and strategic priorities through new metrics," said Martin Shaw, head of research at RetailX. "Despite this, it's notable that the membership of the top groups has remained consistent over the years. It's likely that reflects the consistent performance of the retailers themselves, as they adapt and improve in order to meet the new challenges of the market. Those who were always innovative have mostly remained so, while others are raising their game to win inclusion in the higher reaches of the ranking for the first time." ∎

New and bubbling under

New retailers enter the IRUK Top500 each year, but many more lie just on the other side of the Top500 borderline. Here we list the 75 new members for 2019 and the 'bubbling under' British retailers that are close to featuring in the index. This 'bubbling under' group is the largest in the Growth 2000 index (see page 10 for more), and its 150 members will feature in the 2019 edition of that research.

NEW THIS YEAR

American Eagle	GoPro	Logitech	Scotch & Soda
Beauty Bay	Grailed	Lululemon	Scribbler
Bottega Veneta	Hermés	Mennace	Studio (Express Gifts)
Clinique	Hobby Link Japan	Michael Kors	Supreme
Cult Beauty	In The Style	Moda in Pelle	Virgin Wines
Denby	IronmongeryDirect	Music Magpie	VitalSource
Desigual	JML	Nintendo	Weldricks Pharmacy
Digikey	JTF	Nordstrom	West Elm
Distinctive Doors	JYSK	Oakley	YesStyle
Epson	Kate Spade	Philips	
Geox	Lenovo	Romwe	

BUBBLING UNDER

Acne Studios	Eve Sleep	Massdrop	Sofa.com
AllBeauty	Eventim	Merlin Cycles	SofasWorld
American Apparel	Fashion Nova	Military 1st	SportPursuit
Angling Direct	Feather & Black	MissPap	SportsShoes.com
APC	Find Me A Gift	Mobiles.co.uk	Ssense
Approved Food	FitFlop	Nasty Gal	Stanley Gibbons
Armani Exchange	Gamiss	National Trust Shop	Sterling Furniture
Baker Ross	GearBest	Newegg	StubHub
Balenciaga	Gemporia	OKA	SuperBuy
Berry Bros. & Rudd	Get Me In	OnePlus	Superfi
Black Circles	GettingPersonal.co.uk	Oponeo	Tails
Blinds2Go	Green Man Gaming	Patagonia	Teespring
Bodum	Gymshark	Patrol Base	Thompson & Morgan
Bondara	Hawkin's Bazaar	PC Specialist	Ticketmaster
Box.co.uk	Heinnie Haynes	Pepe Jeans London	Tiso
Bradfords	Hema	Personalised Gift Shop	TLC Electrical Supplies
Brandon Hire	Hornby	PeruvianConnection	Toast
Browns Fashion	Hotline	Peter Christian	Tredz
Bulk Powders	HTC	Premier Man	UK Flooring Direct
The Cambridge Satchel Company	I-sells	Pro-Direct	Urban Industry
Camper	Ideal World	Professional Music Techology	Vero Moda
Carhartt	iHerb	Protyre	Viagogo
CCL Computers	Instant Print	QD Stores	VictoriaPlum.com
Chemist Direct	Japan Centre	Rajapack	Vivienne Westwood
Christian Louboutin	Joy	Razer	Wacom
Clintons	Just Last Season	Reserved	Walls and Floors
Coach	Kwik Fit	Reverb	WeirdFish
Complete Care Shop	La Perla	Rokit	Western Digital
Corsair	Leisure Lakes Bikes	Rose Gal	The Whisky Exchange
Crocs	Linzi	Rowlands Pharmacy	Wolf & Badger
Cruise	Liz Earle	Samuel Windsor	Wolseley
Dolls Kill	Loaf	SecretSales	Wordery
DronesDirect	Loro Piana	ShopTo	Yoox
Dunnes Stores	Loveknitting.com	Skagen	YvesSaintLaurent
EMP	Lyle & Scott	Smythson	Zavvi
EnvatoMarket	Magic Madhouse	Snapfish	Zee & Co
eSpares	Manfrotto	Society6	
Euronics	Marc Darcy	SockShop	

Brands selling direct

The success of direct-to-consumer brands is reflected in the latest IRUK Top500 research, where a record number are included

The rise of direct-selling brands continues in 2019. The IRUK Top500 2019 includes a record number of brands, listed both for their size and for their performance. In the IRUK Top500 2015 report, 151 – or 30% – of those listed were brands, selling their own products direct to consumers, rather than retailers selling products produced by third-party businesses.

The number of brands dipped to 144 (29%) in 2016, but ever since then has grown steadily, rising to 165 brands (33%) in 2017, 169 brands (34%) in 2018, and in 2019 there are 177 brands, accounting for 35% of all those included in the index. Direct-selling brands that have long been listed in the IRUK Top500 include Apple, New Look and H&M, the latter two names named as Elite retailers this year for the first time. Clinique is among the new arrivals in this year's index.

This slow but steady growth is also seen in the IREU Top500 index of European retailers. That list featured 96 brands in both 2016 and 2017, but in 2018 grew by 11.5%, compared to the previous year, to 107 brands. That's equivalent to 21.4% of all those listed.

The steady growth of this group suggests that the presence of brands in the IRUK Top500 is growing at the expense of retailers that sell products made by other businesses. Since last year, for example, retailers including Toys R Us and Maplin have gone out of business, while still more have slipped out of the Top500 – the largest 500 ecommerce and multichannel retailers are chosen according to criteria shown on page four. As brands have gained ground within the index, retailers have, conversely, lost ground. If back in 2015 they accounted for 70% of the index, today 65% of those listed are retailers which predominantly sell goods that don't carry their own brand.

Allied to that is the related suggestion that brands are becoming more effective in their selling techniques. That's likely to be leading to higher sales, profits and performance – and an IRUK Top500 listing.

HOW BRANDS HAVE IMPROVED
Research carried out for the upcoming InternetRetailing Brand Index – IRBX 2019 – of European direct-selling brands shows some of the metrics on which brands are improving their performance. These extend across Performance Dimensions. Product presentation is improving in the Merchandising Dimension, for example, where RetailX research found more brands enabling visitors to their mobile web to zoom in on images. There was a 14 percentage point (pp) growth in the use of this feature among the 133 retail brands that appeared in the IRBX in both 2018 (56%) and 2019 (70%).

> ## BRANDS ARE BECOMING MORE EFFECTIVE IN THEIR SELLING TECHNIQUES

The use of next-day delivery grew too – by 8pp to 35% in 2019 – while 6pp more brands enabled shoppers to return their online orders to store in 2019 (52%) than in 2018 (46%). However, the use of next-day collection fell, to 14% in 2019 from 30% in 2018 of the 147 retail brands measured in both periods. This drop, however, is broadly in line with what we've measured across non-brands as well.

Another fall was seen in the proportion of direct-selling brands enabling shoppers to share an item with their friends via social media. Among 147 brands measured in both years, 16pp fewer enabled social sharing on the product page in 2019 (37%) than in 2018 (53%), while the use of social 'likes' to illustrate a product also fell to 18% in 2019 from 23% in 2018. ∎

Only the smoooth survive

The biggest retail trends of 2019 are going to be driven by two key things: choice and convenience. Finding ways to keep shoppers interested in, and loyal to, your brand remains a pressing priority, but those that align to the Klarna mantra of smoooth (yes, so smoooth we need 3 o's) will find a significant payoff.

The most successful online retailers — those that appear in the IR UK500 — know the dedication and customer-first focus that it takes to win. Here are our recommendations for retailers to boost sales and take your retail business to the next level in the coming year:

EXPAND THE PAYMENTS PORTFOLIO

Retailers can't afford to ignore the more innovative payment options in the market. And the lack of flexible and fast payments is especially frustrating to online and mobile shoppers, who want to be in and out of a transaction swiftly.

Having more financial choice is proven to be beneficial for both retailers and shoppers alike. In fact, a recent study we carried out revealed that over half (53%) of shoppers want new and easier ways to pay online, while 56% would buy more online if there was more variation in payment options available. Alternative payment methods such as Klarna – which lets shoppers pay later for their items after they've arrived on their doorstep – fulfils the shopper's desire to "try before they buy." Klarna seamlessly bridges the infamous offline-online gap, removing a key barrier to purchase.

BOOST EXPERIENCE WITH EXCEPTIONAL BASICS

Retailers are increasingly realising that they need to offer consumers more than just an outlet to shop. They need to provide an exciting and convenience-centric overall experience, starting with the basics.

Many make the mistake of thinking that to make a real difference, they must roll out the latest buzzy tech tools and platforms to wow consumers — often at great expense. But the fact remains that no flashy technology can compensate for inconvenience in the customer journey.

It's crucial that retailers consider the whole shopping experience — from browsing through to purchase, delivery and returns. This journey needs to be simple and frictionless, otherwise consumers will turn to a competitor out of frustration. Perfecting the basics such as a fast checkout, mobile-optimisation, one-click repeat purchasing, easy returns and multiple payment options is fundamental to customer retention.

Only once retailers are confident that they have an exceptional foundation, should they consider enhancement via next-gen tech. Our research into the future of fashion technology revealed that half of fashion retailers want to invest in high-tech features such as Augmented Reality (AR) and Virtual Reality (VR), even though 4 in 5 shoppers say they wouldn't be interested in using it.

PERFECT THE MULTI-CHANNEL JOURNEY

Multi-channel retailing isn't new. Whether through catalogues or online, retailers have always had ways of reaching their customers outside of physical stores. What is changing, however, is the heightened demand for a seamless shopping experience within and between the different channels. Our research revealed that 46% of shoppers think online shopping is more convenient than in-store, and that almost half (49%) miss the personalisation that online offers when shopping in-store — this rose to 69% amongst 16-24 year olds. Retailers must take note that no one channel holds the key to success; diversifying the journey — and recognising and integrating the most attractive elements of both routes — is what matters.

Ultimately, the goal for retailers is to build a great experience that is convenient for customers, no matter how, where or when they are choosing to shop. And in 2019, only the smoooth will survive. ■

ABOUT KLARNA

LUKE GRIFFITHS
GM, KLARNA UK

It's all about smoooth (yes, with 3 ooo's). Klarna is Europe's leading payments provider and a newly-licensed bank, which wants to revolutionise the payment experience for shoppers and merchants alike. Founded in Stockholm, Sweden, in 2005, the fintech unicorn gives online consumers the option to pay now, pay later or over time – offering a trusted, frictionless and smoooth checkout experience. Klarna now works with 100,000 merchants, including ASOS, Topshop, H&M and JD Sports in the UK, to offer payment solutions to users across Europe and North America. Klarna has 2,000 employees and is active in 14 countries.

Thinking across channels

Leaders in this field offer joined-up services, from start to finish of the shopping journey

The retailers that stand out in the IRUK Top500 Strategy & Innovation Dimension deploy new techniques and services to offer shoppers a flexible and convenient shopping experience – however they choose to buy. These traders get ahead of the crowd by innovating, and they maintain that leading position by consistently building on their performance, developing services that work to join up their sales channels, and to improve the way that channels and sales processes operate.

RetailX researchers assessed Top500 retailers against more than 30 wide-ranging metrics that they consider strategically important and which take the customer from the beginning to the end of the shopping journey. That starts with judging availability and quality of service across different channels – how quickly it loads on mobile and on desktop – and whether a retailer offers an Android or iOS app. Next, researchers judged how easy it was to find a product on the website, using search and navigation tools and assessed the level of personalisation present in recommendations. Merchandising metrics such as how the quality of product information and the number of product images illustrate how easily customers can see whether an item is the right one for them. Retailers' responsiveness to customer queries if assessed through its use of social media and other communication channels. The research concludes the shopping journey at the point of delivery, collection and return, assessing how easily a shopper can first take possession of the item, and potentially return it if necessary.

Innovative services included same-day delivery and collection, as well as visual search.

WHAT THE TOP500 DO

Top500 retailers win their place in the index by delivering a well-thought out shopping experience to their customers. Here we take a look the tools they use in order to do that, starting with the speed with which their websites load.

Desktop websites were visually complete in an average of 9.9s, while mobile websites were visually complete in an average 9.2s. Among the retailers whose mobile websites were measured both in 2017 and 2018, visual completion took 14% longer in 2019 (8s) than in 2018 (7s), while page sizes, measured in bytes, increased by 27%. Shoppers spent an average of 325 seconds – or 5.4 minutes – on a Top500 website, and a median of 289s - or 4.8 minutes.

Retailers enabled shoppers to get in touch via an average of 9.5 communication channels - from email and by phone to a range of different social media platforms. On Twitter, shoppers had an average of 219,000 followers: larger retailers have much larger followings however, since the median number was just over 30,000.

Considering how easy retailers made it for shoppers to find an item on their mobile website, 58% offered autocomplete dropdown suggestions when shoppers searched, while 82% had the hamburger button - the three-line navigation aid that makes it easier to get around mobile websites. That was down from 93% last year but remained the clear standard.

At product-level, shoppers could view an item through an average of 3.8 images on a desktop website, and four images on a mobile website. More than half of retailers (59%) enabled shoppers to zoom in on product images. Cross-selling, by recommending similar products, was offered by 71% of retailers. Well over half (59%) enabled shoppers to save items to a wishlist.
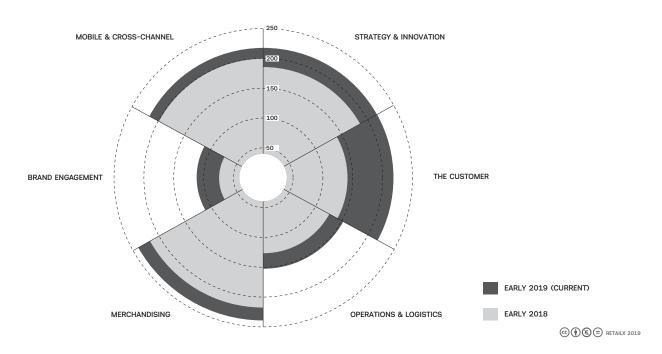
Almost half of retailers (47%) had an iOS app, slightly more than the 45% that had an Android app.

Across the Top500, 58% of retailers offered next-day delivery. Of the retailers that offer delivery and that were included in the Top500 both this year and last year, 59% offered next-day delivery in 2019, up by six percentage points from the 53% that offered it in 2018. The proportion of retailers offering same-day delivery stayed in line with last year, at 5%, while 16% offered nominated day delivery – up from 14% last year – and 7% offered nominated time. Almost a third (30%) offered Saturday delivery, while 13% offered Sunday delivery.

Well over half (60%) of Top500 retailers also offered collection, and 11% offered same-day collection. While the proportion of retailers offering collection stayed flat, compared to last year, those offering same-day collection was significantly down. Of those retailers that offered collection in both years, 21% offered a same-day service last year, compared to 14% this year. Among those offering collection, items were ready to pick up in an average of three days from the time of delivery, a figure that stayed the same as last year. Only 1% of Top500 retailers enabled shoppers to collect from their own lockers in their store, or another store, in 2019: that's down from 2% last year. Some 49% enabled shoppers to return an item bought online to the store, while 16% enabled them to return an item via pick-up from the house.

YEAR ON YEAR PERFORMANCE OF THE TOP500

The Aggregated Index Value for each Performance Dimension for 2018 and 2019

We score performance in our tests and create an index value. The Aggregated Index is the sum of the test results and – while it has no inherent nominal meaning – it gives us a way to compare performance between years, since an increase in AIV represents an increase in measured capability and performance. This chart shows the areas in which performance has most markedly improved, and the overall quantum of improvement for the IRUK Top500 2019.

WHAT LEADING RETAILERS DO

Argos and Tesco both stood out in the research for comprehensive delivery and collections services. They both offered services that most retailers did not, including same-day delivery and collection, as well as nominated time delivery.

Next combined a flexible delivery and collection promise, that included same-day delivery and collection as well as nominated time delivery, with a highly innovative visual search capability.

Debenhams stood out for a flexible delivery offer – which included nominated time and day options – and for the way it in which it made it easy for shoppers to find the items they wanted to buy, through tools including a store stock checker and predictive search on the Debenhams mobile app.

A varied range of cutting edge services helped to keep Amazon ahead: customers could collect from its own collection lockers or opt for same-day delivery. They could also use visual search and live chat to aid their shopping mission.

Fashion retailer H&M also offered visual search and predictive search, as well as a barcode scanner in its mobile app. It also stood out for offering returns via pick-up from the house.

B&Q's range of flexible services included returns via pick-up from the house, nominated day delivery a store stock checker and predictive search.

A robust customer journey from health and beauty retailer Boots included nominated day delivery and same-day collection. It had an Android app, and offered predictive search through its iOS app.

Halfords made it easy for shoppers to find the products they were looking for from its app, where it had a store stock checker, a barcode scanner and offered predictive search and daily deals.

Sainsbury's had a strong delivery promise - including same-day, nominated time and nominated day delivery. It also offered predictive search in its mobile app. ∎

Putting the customer first

Shoppers enjoy good service and the customer experience when they visit retailers ranked highly in The Customer dimension

Traders that combine a first-rate customer experience with responsive service stand out in The Customer dimension. These leading retailers ensure that their customers' shopping journey works for them, across the full range of touchpoints. Whether shoppers visit their websites, download and use their apps, contact them through customer service channels or decide to return an item, it's important that they can achieve their aim easily and effectively. That's likely to be a deciding factor both for whether they buy on the first occasion, and whether they are likely to come back to buy in the future.

RetailX researchers assessed the customer service promises that Top500 retailers make, and the quality of the customer experience through more than 40 metrics that, taken together, give a multilayered picture of how well retailers respond to shoppers' needs.

This starts with how many communication channels retailers offer customers, and continues with an assessment of the quality of service across the channels. Customer service is measured through an assessment of both how fast and how effectively traders respond to shoppers' queries. Customer experience is measured by how quickly websites – both mobile and desktop – load and by considering how well retailers inform customers about the products they sell, and how easily they enable them to find them. Researchers also gauged how easy and convenient the returns process was for shoppers. InternetRetailing Knowledge Partner SimilarWeb contributed data measuring website visits, duration and page views.

WHAT THE TOP500 DO
On average, Top500 retailers enabled customers to get in touch via 9.5 channels. Those selling homewares, drinks, fashion footwear and children's toys and accessories were among those that offered shoppers a median of 11 channels to get in touch, including email, phone, web submission form, in-store, live chat, and a variety of popular social networks. At the other end of the spectrum, those selling automotive goods and utilities had a median of eight.

Retailers responded to a customer email in an average of 18 hours – suggesting some instances of very slow service. The median response time was 10 hours. Of retailers measured both this year and last year, 63% responded

more quickly this year. A third (33%) responded slower; and 4% were almost the same. The fastest response times came from those selling music, film and TV, while the effectiveness of customer service by email was ranked highest in the grocery sector.

> ❝ SAINSBURY'S STOOD OUT IN THIS DIMENSION FOR THE SPEED OF ITS RESPONSE TO CUSTOMER ENQUIRIES ON FACEBOOK ❞

Facebook enquiries had a somewhat faster response, in an average of 13 hours, and a median of five. Although faster than email, this was still several times slower than the median of 45 minutes for the same retailers last year. We aren't sure of the reason for this change but will continue to measure this aspect of customer service over the year ahead. Retailers selling children's toys and accessories were highest rated for service, while consumer electronics retailers were most highly rated for resolving issues. The fastest response times on Facebook came from those selling footwear.

Turning to customer experience, desktop websites loaded in an average of 9.9s, while mobile websites loaded in 9.2s. Among the mobile websites measured both this year and last year, sites loaded in an average of 7s in 2018,, and in 2019 in an average of 8s, while page size, measured in bytes, increased by 27%.

Visitors to Top500 websites spent an average five minutes viewing an average of nine pages, according to analysis from InternetRetailing knowledge partner SimilarWeb.

More than half of retailers shared product ratings (54%) and reviews (57%) on their desktop websites, while on their mobile websites, 81% featured a 'hamburger' navigation button – down from 93% last year. Focusing on the end of the shopping process, researchers found that retailers enabled shoppers to return items for up to 34.5 days from the point of purchase, and then took an average of 11.9 days to process a refund. Some 98% said they would fully

THE TOP500'S MOBILE WEBSITES ARE BIGGER AND SLOWER

TIME TO VISUALLY COMPLETE (SECONDS) ● **PAGE SIZE (MB)** ● **SPEED INDEX**

DATE

Retailers face competing demands to make their websites smaller and faster to appeal to a time-poor generation, and full of functionality to appeal to the same consumers. Top500 websites – including in desktop browsers, not shown here – have slowed down while also increasing in size. Speed Index is an aggregate measure of load time, incorporating the time taken to load each stage of the website. Lower values correspond to faster load times. Researched in collaboration with InternetRetailing Knowledge Partner Eggplant

refund an unopened item, and 95% would refund original shipping costs.

WHAT LEADING RETAILERS DO
Sainsbury's stood out in this dimension for the speed of its response to customer enquiries on Facebook, replying more quickly than 99% of the Top500, and for the choice of communication channels that it offered to customers. It also shared product ratings.

Marks & Spencer won recognition for the extent to which it shares feedback. It enabled product reviews and star-ratings on its mobile and desktop websites. The food-to-homewares retailers also scored highly for its use of personalisation.

Tesco was highly rated across a diverse range of metrics, from its use of personalisation to the time it took to process a refund and to respond to a Facebook query. Reiss performed strongly on mobile and on social media:

its mobile search was deemed highly relevant, while its navigation featured the hamburger button. Its service and issue resolution on Facebook were highly rated, and it processed returns quickly.

B&Q supported a wide range of communication channels – responding quickly on Facebook – and it shared reviews and ratings on its desktop website.

New Look offered fast responses to both Facebook and email enquiries and shared product ratings. Its web visitors looked at a high number of pages per visit.

Wilko shared products ratings and reviews and supported a high number of communication channels. It responded quickly to customer emails.

Iceland shared product ratings and reviews, and shoppers looked at a high number of pages per web visit.

Debenhams supported a wide number of channels, shared product reviews and returned relevant search results. Both Iceland and Debenhams responded quickly to Facebook enquiries. ■

Delivering joined-up logistics

Traders that meet demanding customer expectations stand out in the Operations & Logistics Dimension

Fast, free and convenient collection, delivery and returns are at the core of the fulfilment service that online and multichannel shoppers have now come to expect. It's by meeting those exacting service expectations that retailers stand out in the Operations & Logistics Performance Dimension this year.

It's notable that there's little change at the top of the rankings this year, compared to last. Perhaps that's because having gained an advantage through logistics processes that work, retailers are then more able to build on their success in the years that follow. Perhaps for the retailers that do not offer these services, it's harder, or takes more time, to build the logistics processes that are needed. Indeed, some have stepped back from offering faster delivery and collection services. That said, across the Top500, more retailers now have comprehensive delivery services than do not. This will shape shoppers' expectations of the service they receive. In other words, customers' expectations have been met by increasingly premium and joined-up services, raising standards in an area that has become a real point of differentiation in a competitive market. But where once retailers stood apart when they offered the speedy services that customers aspired to, now it's more noticeable when they don't offer them.

RetailX researchers looked at retailers' delivery, collection and returns promises for the 2019 edition of this research. As well as assessing the number and cost of the different options they offered, researchers also looked at how quickly Top500 retailers promised to deliver to the home or for collection, and at how easy they made it to return an unwanted item, and to gain a refund.

WHAT THE TOP500 DO: DELIVERY
Top500 retailers offered an average of three delivery options. Standard delivery cost £3.88 and took five days on average.

More than half (58%) of retailers offered next-day delivery. That's down by five percentage points from 63% last year. In most sectors, at least half of retailers offered next-day delivery within the UK. Notable exceptions were in the trade tools, garden and books categories. By contrast, fashion and clothing retailers were more likely to do so, especially those selling sports clothing (67% of these retailers offered next-day delivery) or footwear (65%).

The proportion of retailers offering same-day delivery stayed in line with last year, at 5%, while 16% offered nominated-day delivery, and 7% nominated-time delivery. Grocers were especially prominent in this area. Some 13% of Top500 retailers offered Sunday delivery.

Saturday delivery was steady, with 31% offering the service at the beginning of 2019, the same as last year. The median delivery cost stayed close to last year at £3.90, as did the threshold for free delivery (£40), and the standard delivery time frame (five days).
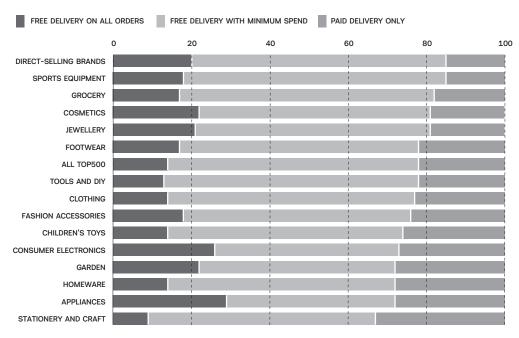
WHAT THE TOP500 DO: COLLECTION
Six in 10 (60%) Top500 retailers enabled their customers to collect a paid-for online order from a store, while a falling proportion – 6% – enabled them to reserve and collect, without paying. Those who offered collection did so from an average of 623 stores, and a median of 59. The number of retailers offering next-day collection (23%) fell from last year according to analysis that tracked the change among retailers included in both the 2018 and the 2019 Top500. In 2018, 43% offered next-day collection and in 2019, 29% did so. In 2019, 11% of the Top500 offered same-day pick-up. Contrasting those retailers that were included in the indexes both years, in 2018, 21% offered same day collection, and in 2019, 14% did so. In 2019, the average standard fee for collection was £1.31, although most made no charge: the median charge was zero, unchanged from the previous year. Retailers enabled shoppers to collect their items in an average – and median – of three days, a figure that remained stable since last year. Just 1% of retailers offered shoppers the ability to collect their product from a locker that they own. That's down from 2% last year.

A third (34%) of retailers enabled shoppers to see stock availability on their mobile website, while 18% enabled them to check if stock was available in-store.

WHAT THE TOP500 DO: RETURNS
Top500 retailers enabled shoppers to return their unwanted online orders for an average of 35 days, although the median returns window stood at 27 days, down slightly from 28 days in 2018. Most (88%) enabled returns of unwanted online returns through the post, while 48% supported returns to their store, 20% to a third-party returns point, and 16% via

THE DELIVERY COST PRICING STRATEGY OF THE TOP500

■ FREE DELIVERY ON ALL ORDERS   ■ FREE DELIVERY WITH MINIMUM SPEND   ■ PAID DELIVERY ONLY

RETAILX 2019

Direct-selling brands are the retailers that subsidise delivery the most, with 65% offering free delivery with a minimum spend, and 20% offering at least one free delivery option for every purchase

pick-up from the house. The biggest year-on-year change was for those offering returns to a third-party point: of those retailers included in the 2018 and 2019 Top500, 26% offered this service in 2018, but only 21% in 2019.

Almost all (98%) promised to fully refund an unopened returned item in 2019, while 95% refunded the original shipping costs, and 22% offered pre-paid returns. Retailers took an average 11.9 days to process a refund.

WHAT THE LEADING RETAILERS DO
Argos and Tesco were among the few retailers that promised same-day delivery, reserve and collect as well as nominated time delivery.

New Look offered nominated day and time delivery, Sunday delivery and also had a store stock checker on its mobile website.

AO.com's comprehensive delivery promise included Sunday delivery, next-day collection and returns via pick-up from the house.

Sainsbury's was among the minority of Top500 retailers that offered same-day delivery, nominated day and time delivery, and returns via drop-off at a third-party location.

Carphone Warehouse offered nominated day delivery and Sunday delivery alongside next-day collection, while it also had a store stock checker on its desktop and mobile website.

Screwfix offered same-day collect and Sunday delivery alongside a store stock checker.

The Perfume Shop was among the 11% of retailers that promised same-day collection, and the 29% that offered next-day collection. It also supported nominated time delivery and returns via drop-off at a third-party location.

Next's broad delivery promise included same-day collection, same-day delivery as well as nominated time delivery. It also enabled shoppers to check stock from its mobile website.

American Golf offered reserve and collect, same-day collection, alongside nominated day and Sunday delivery. ■

Showing products in their best light

Leading retailers use effective merchandising techniques to help shoppers find and understand products

Tools from visual search to product reviews, ratings and high quality images are deployed by retailers that stand out in the Merchandising Dimension.

When such technologies are used effectively, shoppers find it easier to use a website to find the product that meets their needs – and then find out all about that item. That's even more important when they are using the relatively small screen of a smartphone to buy.

RetailX researchers analysed leading retailers' performance in merchandising through their use of search and navigation to help visitors find an item on a mobile or desktop website, and through the way they enabled those visitors to explore products further. They assessed websites on their use of product descriptions, imagery, word-of-mouth social sharing, reviews and ratings, and the use of banners and information on promotions. Metrics on how long shoppers spent on a website and how many pages they viewed, as well as the website bounce rate, were also taken into consideration.

InternetRetailing Knowledge Partner Edge by Ascential (formerly Brand View) shared insights into how effectively the largest Top500 retailers used product images, videos, descriptions, as well as their promotional activity.

WHAT THE TOP500 DO

Merchandising tools that are widely used by Top500 retailers include those that make it easier for shoppers to find a product, whether by name or by narrowing down their search through the use of filters.

RetailX research found that (70%) offered dropdown search suggestions on their desktop website – 58% did so on their mobile website.

A variety of navigational filters were in use: 84% of 2019 Top500 retailers enabled filtering by product type, 76% by price, and 57% by brand. Search by price was slightly less widely used among those retailers who were in the Top500 both in 2018 and 2019. Last year, 85% of that group used the filter, while 82% had it in 2019. There was greater uptake, however, of search by brand (+4 percentage points) to 58%) and by product type (+3pp to 85%). On mobile websites, 82% used a 'hamburger' easy navigation button, while 39% used infinite scroll.

Retailers showed an average of 3.8 product images – rising to four on mobile websites. Well over half (59%)

offered zoomable images on mobile – up from 51% last year.

Many offered product recommendations either directly or by enabling other customers to share their opinions. Some 71% recommended products that were similar products to the one on view – cross-selling – while 28% used up-selling. Most featured product reviews (57%) and ratings (54%), while 30% enabled sharing with friends on social media, and 8% offered the ability to 'like' products on social media through links on the product page. Almost two in five (18%) retailers that were members of the Top500 in 2018 and 2019 enabled liking on social media last year. Only 8% did so in 2019.
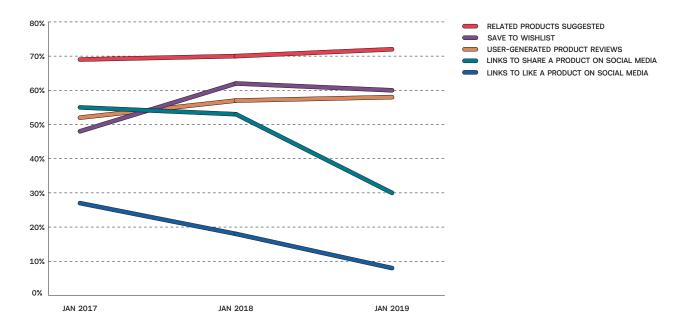
> **❝ SEVEN IN 10 (70%) OFFERED DROPDOWN SEARCH SUGGESTIONS ON THEIR DESKTOP WEBSITE – 58% DID SO ON THEIR MOBILE WEBSITE ❞**

Just over half (54%) featured obvious promotions on their websites, but only 9% featured a 'bestseller' ribbon on popular products. Use of the ribbon fell by almost a third between early 2018, when 14% used it, and 2019, when only 8% of retailers ranked in both years used it.

Four in 10 used banner advertising on their mobile website. More than half (59%) enabled customers to save an item to a wishlist, and 53% had a store finder on their mobile website. Just under half (46%) required registration before checkout. Of the retailers that were members of the Top500 this year and last year, 62% required registration in 2018, and 54% in 2019 – a significant move towards making it easier for shoppers to buy. Almost two-thirds (65%) offered alternative suggestions where a search term generated no results.

Looking at retailers' mobile apps, visual search was supported by 5.4% of the 256 Top500 retailers that had iOS apps, and augmented research by 1.5%. One in five (21.5%) had a barcode scanner, while 29.1% supported product reviews.

HOW TOP500 PRODUCT PAGES CHANGED BETWEEN 2017 AND 2019

LEGEND:
- RELATED PRODUCTS SUGGESTED
- SAVE TO WISHLIST
- USER-GENERATED PRODUCT REVIEWS
- LINKS TO SHARE A PRODUCT ON SOCIAL MEDIA
- LINKS TO LIKE A PRODUCT ON SOCIAL MEDIA

There was significantly less emphasis on social media integration on the average Top500 retailer's product page in 2019 than in 2017. Wishlists grew in popularity, with a 12 percentage point increase in take-up over the period.

RETAILX 2019

WHAT LEADING RETAILERS DO

Individual retailers perfomed strongly in the merchandising dimension when they deployed effective but as yet less widely used tools, and when they extended functionality across their mobile and desktop websites.

Argos stood out for its use of merchandising tools on its mobile website, including a physical store stock checker, written product reviews and rating through a star system. Argos also scored highly for its use of personalisation.

Boots stood out for the way it deployed merchandising on mobile, where zoomable images and a store stock checker sat alongside product reviews, star ratings and predictive search, making it easier for customers to find products via a small screen.

H&M also used predictive search. It also stood out as one of the 5% that offered visual search on mobile apps, while a barcode scanner enabled shoppers to find out more about a product from the home or the store.

Wickes performed strongly across both desktop and mobile websites, both of which featured a store finder. It offered alternative suggestions when a product search found no results.

Marks & Spencer was recognised for the use of merchandising on its mobile app. Features included product reviews and ratings, the use of predictive search, and daily deals.

Amazon won its place for its approach to merchandising products on both its mobile app and desktop website. The retailer shared product videos and social media likes on its app, which also featured visual search. It also used a 'bestseller' ribbon on its desktop website.

Currys PC World was recognised for its efforts to help customers find a product that suits their needs. A relatively high percentage of its products had explanatory videos, while it also offered alternative answers when a search of its website found no results and it deployed upselling. It had a store finder on its mobile website.

Halfords's mobile app shared social media likes and product ratings, while it also helped customers find products and product information easily through the use of predictive search and a barcode scanner.

Screwfix also performed strongly on mobile, sharing product opinions through reviews and ratings, and offering predictive search and a store finder on its mobile app. ■

Talking to customers

Leading retailers give shoppers more choice in how they get in touch and ask questions

Retailers that enable conversations that both inspire shoppers and answer their questions stand out in the Brand Engagement Dimension. At the forefront are traders that engage with existing and potential customers across a variety of channels. This matters because it's by enabling shoppers to learn more about products and services that traders can foster trust both in what they are selling, and how they deliver on their promises.

In this Dimension, RetailX researchers focused on the communication channels – from social media to email and phone – that retailers provide for shoppers, and on how they help customers learn from what others thought, or share their own thoughts with others. They evaluated retailers' reach and interaction on Twitter through metrics including how many followers, retweets, and favourites they had, as well as how often they updated their status.

Researchers also looked at whether Top500 retailers required shoppers to register before checking out, something that helps retailers to improve their single view of the customer but may deter shoppers from buying, and certainly adds an extra point of friction that can slow down the final transaction. They also considered how many website visits Top500 retailers received during the course of a year, as well as the bounce rate using data from InternetRetailing Knowledge Partner SimilarWeb. Researchers deemed both to be key measures of shopper interest in the brand.

WHAT TOP500 RETAILERS DO
The 2019 analysis of Top500 retailers found that traders enabled shoppers to get in touch with them via an average of 9.5 and a median of 10 communication channels. That's up from a median of eight in 2018, and suggests that most retailers added more options during the course of the last year. Those selling homewares, drink, fashion footwear, clothing, children's toys, cosmetics and health products communicated through a median of 11 channels, while those selling utilities and automotive goods used a median of eight.

Most stayed in touch with existing and potential customers through a Facebook page (94%) and a Twitter account (88%). On Twitter, Top500 retailers had an average of 219,000 followers: larger retailers have much larger followings, however, since the median number was just over 30,000.

But there's also strong interest in using other social media channels as well. Among the Top500 of 2019, 81% had an Instagram profile, while 66% were on YouTube, 55% on Pinterest and 5% on Snapchat. What other people thought about a product makes a difference to shoppers as they decide whether to buy, and most Top500 retailers showed product reviews (57%) and ratings (54%) on product pages. Retailers selling sports and outdoor equipment were the most likely to share product ratings (83%) and reviews (81%). These features were least commonly deployed among those selling ready-made food, where 40% shared reviews and 38% ratings.

Fewer enabled customers to share their opinions via social media than used product reviews and ratings. Almost a third (30%) of 2019 Top500 retailers enabled users to share a product with friends on social media, while 8% enabled them to 'like' a product on social media through a link on the product page. That's changed since last year when 53% of retailers included in the Top500 in both 2018 and 2019 Top500 enabled sharing via social media, and 18% enabled social media likes. In 2019, more than half (54%) of retailers showed obvious promotions on their website.

How easy do Top500 retailers make it for shoppers to buy? Almost half (46%) required registration before purchase in 2019.

The average Top500 retailer enjoyed 8.1m website visits a year – although the median figure was closer to 2.4m, which demonstrates the disparity between ecommerce giants and the other retailers to feature in the Top500. Software retailers had an average of 66.8m website visits a year, and a median of 26.9m, followed by those selling music, film and TV (41.9m average, 18.2m median). At the other end of the scale, retail websites selling sports footwear saw an average of 9.3m visits a year, and a median of 2.8m.

WHAT LEADING RETAILERS DO
Boots enabled shoppers to easily engage with it via its mobile app, where it offered the ability to see, and share, product reviews, ratings and ability to share products on social media.

HOW DIFFERENT SECTORS WITHIN THE TOP500 USE SOCIAL MEDIA

	FACEBOOK	TWITTER	INSTAGRAM	YOUTUBE	PINTEREST	SNAPCHAT
ALL TOP500 RETAILERS	94%	88%	81%	69%	55%	5%
DIRECT SELLING BRANDS	95%	86%	89%	73%	62%	5%
BOOKS	77%	77%	62%	46%	46%	0%
CHILDREN'S TOYS AND ACCESSORIES	87%	84%	71%	76%	58%	3%
CLOTHING: FASHION	96%	88%	92%	67%	66%	8%
CLOTHING: SPORTS AND LEISURE	94%	88%	84%	73%	51%	2%
CONSUMER ELECTRONICS	90%	89%	62%	70%	38%	2%
COSMETICS	92%	92%	86%	76%	67%	8%
DRINK	86%	82%	73%	68%	64%	0%
FASHION ACCESSORIES	95%	86%	91%	67%	64%	7%
FOOTWEAR: FASHION	96%	88%	93%	66%	68%	9%
FOOTWEAR: SPORTS AND LEISURE	94%	85%	86%	68%	49%	3%
GROCERY	86%	82%	77%	64%	59%	0%
HEALTH	90%	90%	65%	65%	40%	5%
HOME AND INDUSTRIAL APPLIANCES	85%	82%	59%	62%	54%	0%
HOMEWARE	90%	85%	75%	68%	70%	1%
MUSIC, FILM, TV	86%	79%	79%	71%	21%	0%
SPORTS AND OUTDOOR EQUIPMENT	94%	87%	72%	79%	43%	2%
STATIONERY AND CRAFT	86%	86%	64%	64%	57%	0%
TRADE TOOLS AND EQUIPMENT AND DIY	86%	81%	44%	67%	44%	0%

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Facebook and Instagram are the most common communication channels and are supported by the vast majority of the Top500 across all sectors. Instagram and Pinterest are also widely used, particularly among fashion retailers

Sainsbury's appeared to foster good relationships with loyal customers, as measured through its friends count on Twitter and the number of times shoppers visited its website in a year. It also enabled customers to share their opinions, through product ratings and through sharing products with friends.

Argos was highly rated for the use of personalisation. In addition, it shared product reviews and ratings, and had live chat on its app.

Amazon shared a range of information about products via its mobile app, which hosted product videos, live chat, written product reviews and daily deals.

Marks & Spencer scored highly by enabling customers to review and rate their products via their mobile app, as well as allowing users to share products to their social media accounts.

Wickes shared product ratings and reviews and made promotions clear. It also allowed customers to complete their transaction without registering.

New Look shared daily deals on its mobile app, and product ratings on its site. It stood out as an active Twitter user. It did not require registration before checkout.

Dunelm shared product ratings and reviews on its website and supported a relatively high number of communication channels. It flagged up deals through clear use of promotions on its site.

Next helped shoppers find the best prices by sharing daily deals and flagging up promotions on its website. It showed what other customers thought through the use of product ratings, and supported an above average number of communication channels. ■

Convenient cross-channel services

Joined-up channels help shoppers to browse and buy more easily from a range of devices

Retailers stand out in the Mobile & Cross-channel Dimension when they help shoppers to buy in the way that is most convenient for them. That means enabling shoppers to shop in-store or online from their smartphone via intuitive and responsive mobile and desktop websites and mobile apps, or any combination of the above. Once the order is placed, stand-out traders enable customers to collect, or return, their order at a store or at another point through effective and well-planned cross-channel services. The work that traders do to make their mobile websites and apps highly useful to shoppers also boosts their standing. Thus those that enable shoppers to find their local shop, via a store finder, and to check whether an item is in stock benefit, just as do those that offer augmented reality in order to enable shoppers to visualise how an item will look before they buy it.

RetailX researchers included in their assessment retailers' promises around fulfilment and returns, where these take place across channels. They assessed the responsiveness and usefulness of websites, and particularly for this Dimension, how useful websites were in directing customers to retailers' physical stores. They considered whether apps had bugs, whether they were transactional, whether they featured augmented reality, visual search, store finders, and stock checkers, and enabled retailers to send push notifications.

WHAT TOP500 RETAILERS DO
In 2019 more retailers offered services such as click and collect and return of an ecommerce order to a store, but it's notable that the number that improved on the basic promise through faster or more convenient services was lower than last year.

This latest research found that most retailers offered shoppers the increasingly-popular option of collecting their orders in store: 60% offered it in 2019. That's broadly similar to last year. Among the retailers that were included in the Top500 of both 2018 and 2019, 62% offered it in 2018, and 63% in 2019.

The latest research showed retailers provided the service for an average fee of £1.53 – down by 75p on last time. However, the median fee was zero, since most retailers do not charge for this service. Perhaps that's because click and collect services are more likely than delivery to bring shoppers into stores and increase incremental sales. Retailers took an average of three days to fulfil collection orders, level with last year. With the majority now offering collection, traders can differentiate by offering the service faster than the average, or from a wider variety of convenient places, but it's interesting that fewer opted to do so in 2019 than the previous year. In 2019, 19% of the Top500 offered next-day collect, and 10% same-day collection. But of the 270 Top500 retailers that offered click and collect services in 2018 and 2019, 43% offered next-day collection in 2018 and 24% in 2019 – a fall of 19 percentage points (pp). The proportion offering same-day collection fell as well, from 21% to 13%, an 8pp fall. In 2019, 5% of the Top500 offered reserve and collect services, but there was an 8pp fall from 14% to 6% in those offering the service in both years. Perhaps many retailers see no advantage in offering a collection service that is faster than three days. At the same time, the proportion of those offering their own collection lockers in stores fell to 1% in 2019 from 2% previously.
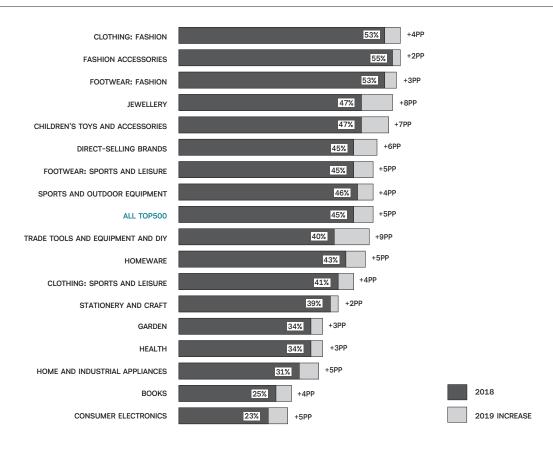
Features that support cross-channel shopping journeys include store finders and stock checkers on mobile websites and apps. In 2019 research, some 31% of the Top500 had an Android app and 37% an iOS app, of which 93% had no notable bugs.The research showed that of Top500 multichannel retailers in 2019, 53% had a store finder on their mobile websites, and 35% of those with mobile apps included one in their app. Some 17% of retailers with iOS apps enabled shoppers to see stock availability from the app, while stock availability was visible on mobile websites run by 35% of the Top500, and 18% of multichannel retailers also had a store stock checker.

Of retailers with an app, just 2% had an augmented reality feature.

In 2019, mobile sites were visually complete in an average of 9s, up from 8.82s last year, and a median of 7.9s.

Some 49% of the 2019 Top500 enabled shoppers to return an online order to the store, while 20% enabled them to return it to a third-party drop off point, using dedicated services in locations from convenience stores to train stations. Among the multichannel retailers measured in both 2018 and 2019, returns to store increased by 5pp from 45% in 2018 to 50% in 2019. Returns to a third-party drop-off point, however, stood at 26% of Top500 in 2018 and 21% in 2019 among the 468 retailers that were assessed on this metric in both years.

TOP500 RETAILERS WITH STORES MAKE RETURNS EASIER

Category	2018	2019 Increase
CLOTHING: FASHION	53%	+4PP
FASHION ACCESSORIES	55%	+2PP
FOOTWEAR: FASHION	53%	+3PP
JEWELLERY	47%	+8PP
CHILDREN'S TOYS AND ACCESSORIES	47%	+7PP
DIRECT-SELLING BRANDS	45%	+6PP
FOOTWEAR: SPORTS AND LEISURE	45%	+5PP
SPORTS AND OUTDOOR EQUIPMENT	46%	+4PP
ALL TOP500	45%	+5PP
TRADE TOOLS AND EQUIPMENT AND DIY	40%	+9PP
HOMEWARE	43%	+5PP
CLOTHING: SPORTS AND LEISURE	41%	+4PP
STATIONERY AND CRAFT	39%	+2PP
GARDEN	34%	+3PP
HEALTH	34%	+3PP
HOME AND INDUSTRIAL APPLIANCES	31%	+5PP
BOOKS	25%	+4PP
CONSUMER ELECTRONICS	23%	+5PP

Returning an online purchase to a physical shop is an option offered by 50% of multichannel Top500 retailers. All sectors show a single-digit percentage point (p.p.) increase over last year's figure

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WHAT LEADING RETAILERS DO

Argos offered a convenient range of collection options, from same-day collection to the less widely offered reserve and collect option. It also gave customers the ability to check store stock via its mobile app.

Sainsbury's enabled shoppers to both collect and return items they ordered online, choosing from options including a same-day collection service, or return via drop-off at a third-party location, as well as in its stores.

Tesco also made it easy for its shoppers to collect their online orders, whether through reserve and collect, same-day collection or next-day collection.

Marks & Spencer enabled shoppers to return their unwanted online orders at a variety of locations, from the store to a third-party location. It also offered a next-day collection service.

Euro Car Parts helped buyers to check stock via mobile apps that include an Android app, and then reserve for collection, and collect it same day.

Next gave a choice of collection options, including same-day and next-day, and made that easier by including a store finder in its Android app.

John Lewis offered multichannel services that make it easy for shoppers to see, and to check, availability in their local store before ordering for next-day collection. Its sister supermarket Waitrose also stood out for convenient collection, as early as same-day or through reserve and collect, and it enabled returns at a third-party location.

Asda made collection easy: shoppers were able to find their nearest store in the store finder on its mobile app, before collecting an online order via an in-store locker, or next-day – and dropping off unwanted items at a third-party location. ■

WHAT CONSTITUTES A RETAILER?

The multichannel landscape is more complex than merely 'having a website' or 'operating a store'. In choosing which companies to include in the Top500, we have considered companies' intent, capabilities and activities around the recruitment and monetisation of customers. The definition of a 'retailer' for inclusion in our research is:

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

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

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

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

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

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

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

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

COMPANIES EXCLUDED FROM THE TOP500

MARKETPLACES: where a candidate retailer is simply a marketplace, the company is not featured. Where a marketplace undertakes customer acquisition, manages payment, customises offers and recommendations and offers recourse on purchases, then the company will be eligible for inclusion.

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

BUSINESS-TO-BUSINESS AND DIRECT-SELLING BRANDS: while the scope of retail is normally direct to consumer, two trends are challenging this – the move for brands and previously solely B2B businesses to sell direct to consumers; and the increasingly retail-like behaviour of B2B brands, in terms of acquisition, promotion, personalisation and service. We have therefore included certain B2B businesses and direct-selling brands. ■

Summary of elements included in each Dimension:

0. FOOTPRINT DIMENSION

0.1 UK retail turnover, ranging from £3m to £45bn – average £371m

0.2 The ecommerce subset of the above, ranging from £0.5m to £7.3bn – average £49m

0.3 UK web traffic, ranging from 500,000 to 2.3bn page views per annum – average 71m views per annum

0.4 Number of UK stores, ranging from 0 to 11,500 – average 109 stores

1. STRATEGY & INNOVATION

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

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

2. THE CUSTOMER

2.1 Customer service response time and helpfulness – Facebook and email

2.2 Desktop and mobile homepage performance, including engineering and responsiveness

2.3 Mobile and desktop website navigation – the ease of finding a desired product, including tabs, icons, search and filtering

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

2.5 Mobile app – the incorporation of customer reviews and product ratings in mobile app product display pages and the personalisation, performance and user experience of apps [retailers with mobile apps]

3. OPERATIONS & LOGISTICS

3.1 Delivery capability including 10 metrics covering the range of options, and competitiveness of timeframes and pricing

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

3.3 Collection capability, including nine metrics covering the number, type and convenience of collection locations and the costs and timeframes of the services

3.4 An assessment of the mobile website's usefulness to customers who want to see the availability of stock, both for ecommerce orders and in local stores

3.5 Mobile app – visibility of stock availability and locations in the app [retailers with mobile apps]

4. MERCHANDISING

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

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

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

5. BRAND ENGAGEMENT

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

5.2 Mobile and desktop website review – assessing the integration of social media, sharing and social validation

5.3 An assessment of mobile apps' incorporation of social media [retailers with mobile apps]

6. MOBILE & CROSS-CHANNEL

6.1 Mobile home page performance, including engineering and responsiveness

6.2 Mobile website assessment, including the use of screen real estate, the ease of navigation and the ability to track the availability of goods at physical stores

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

6.4 Mobile app, including 24 metrics, measuring the usability and functionality of apps. ∎

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Focus on growth

InternetRetailing has extended its overview of the UK's vibrant ecommerce and multichannel retail industry through the first InternetRetailing Growth 2000 report.

The report, published in the autumn, draws on research initially carried out for the IRUK Top500. In order to establish the leading 500 retailers, RetailX researchers measured the performance of more than 1,000 traders across the six Dimensions of the main report. Beyond the leading cohort, it soon became apparent, there was a dynamic hinterland of thousands more companies, whose surface is barely scratched by our list of Bubbling Under retailers (page 9). The Growth 2000 delves beneath the surface of this group to look in more detail at these retailers and the growth factors that drive their performance. Researchers have produced, using metrics that analyse online and offline presence and visibility in the market, a ranking that includes established names alongside up-and-coming retailers. The Top500 was assessed through an initial 'footprint' study. That included measuring their store estates, online and offline revenues, in combination with their web traffic. The Growth 2000 covers the next 2,000 in that list. These 2,000 retailers represent an industry of impressive diversity, from online sweet shops to beer experts, from fashion brands to specialists in technology, clothing and more.

DEPTH AND BREADTH — THE GROWTH 2000

This list includes regional retailers, direct-selling brands, specialists and foreign businesses selling into the UK. Each shares the same core challenges, which are reflected in how this research is presented: the need to be found in Search; the need to be with Mobile customers who are increasingly using smartphones; the need to provide efficient and flexible Delivery options; and the need to help customers share what they've learnt, to be Social.

It's a list that includes familiar British names including Brompton Bicycle, The British Museum Shop and the Great Little Trading Company, and international sites that are doing significant business in the UK, from Spanish department store El Corte Inglés to German travel company bücher.de, Australian website costumes.com.au and, from the US, The Metropolitan Museum of Art Store. Designer fashion brands Donna Karan, Fiorucci, Hermes and Duchamp London are listed alongside homewares brands Hoover, Kitchenaid and Breville. All are among the rising tide of brands selling direct. Some leading brands already feature in the Top500; this list is evidence of plenty more challenger brands, both new and long-standing. Other retailers with a new business model include subscription beauty box business Birchbox, veg box company Riverford Organic Farms and meat box supplier Field & Flower. Chic by Choice and Girl Meets Dress both offer dress rental.

The ranking also speaks to a wide range of specialist retailers now supplying shoppers online, from Ironmongery Direct and Chinese Motorcycle Parts Online to Cult Pens, Loveknitting.com and Jigsaw Puzzles Direct. A long roster of sports and outdoors suppliers starts, in alphabetical order, with Alpine Trek and continues to Yeomans Outdoor Leisure, by way of both Angling Active and Angling Direct, and Lovell Rugby among many others.

Altogether, this ranking illustrates a vibrant and varied retail industry, operating in competitive conditions where retailers must move and improve constantly in order to keep their place in the market. In this soup of retailers, fighting for attention, niche stores that offer knowledgeable services to a well-defined community may outcompete the Top500 retailers in their depth of knowledge and personal service, even though their turnover, web traffic and store network are smaller. ■

To see the report in full, visit internetretailing.net/g2k

How the best department stores perform

As department stores' business grows online quickly, we look at the promises that this group of retailers offers to ecommerce and multichannel customers

Department stores are seeing their business move online – and fast. In November 2018, 20% of department store sales took place online, according to figures from the Office for National Statistics, following a 73% increase in ecommerce sales compared to the previous month.

Shoppers may be responding to delivery promises and product presentation among an 11-strong group that includes John Lewis, Debenhams, House of Fraser, Harrods and Selfridges, and tends to outstrip the performance of the IRUK Top500 index. Indeed, department stores have featured heavily in the Elite category of the index over the years (see Elite and Leading Retailers, page 8), and the service that department stores offer is recognised across the IRUK Top500.

WHAT DEPARTMENT STORES DO: DELIVERY, COLLECTION AND RETURNS

In 2019, department stores offered more flexible delivery, collection and returns promises.

Most department stores offered click and collect services. Some 88% of the group offered them - 28 percentage points ahead of the Top500 as a whole. Next-day collection was more commonly found among department stores (37%) than among the Top500 as a whole (22%). Same-day collection was offered by 9% of department stores - ahead of the 5% of Top500 retailers. The group was also more flexible when it came to delivery: 40% offered Saturday delivery (Top500: 30%), and 22% Sunday delivery (Top500: 13%). More than half enabled shoppers to name their delivery day (54%, Top500: 16%) and time (23%, Top500: 7%). The group charged £1 more for delivery, at £4.80, than the Top500 as a group, while delivering in the same 4.5 day time span.

Three out of four enabled shoppers to return items bought online to a store - that's 27 percentage points more than the Top500 – while 42% enabled returns via a third party location (Top500: 20%).

WHAT DEPARTMENT STORES DO: MERCHANDISING, MOBILE AND CUSTOMER SERVICE

Department stores were more likely to use extensive search filters on their websites, perhaps because they stocked wider ranges and more brands than the many Top500 retailers. Price was the most widely-used filter,

with 91% of department stores employing the tool, contrasted with 76% of Top500 retailers. Other widely used filters were product type (89%, Top500: 85%), and brand (82%, Top500: 57%).

> ❝ IT'S ALSO LIKELY THAT AS RETAILERS THAT USUALLY SELL GOODS FROM THIRD-PARTY BRANDS AND MANUFACTURERS, THEY MUST OFFER A HIGHLY COMPETITIVE SERVICE AS THEY LOOK TO STAY RELEVANT TO THE END CUSTOMER ❞

Recommendations of similar alternative products were common on department store websites (92%, Top500: 71%). But product reviews were less commonly used than the wider group: just over half (53%) of department stores used them - 5pp lower than the Top500.

More retailers in this group had mobile apps: 59% had an iOS app (Top500: 37%), and 46% (Top500: 30%) an Android app.

Department stores were also faster to respond to customer service enquiries, answering in just over three hours - or seven hours earlier than the median Top500 retailer.

It's clear that department stores as a group offer well-planned ecommerce and multichannel services. In doing so, they appear to be responding to changing customer behaviour that is demanding flexible customer service. Department stores often lead in this index. That may be because they are often bigger businesses, whose larger footprint gives them a bigger presence and higher brand awareness than many rivals. But it's also likely that as retailers that usually sell goods from third-party brands and manufacturers, they must offer a highly competitive service as they look to stay relevant to the end customer and give them a reason to buy those goods from them – rather from than a rival, or from the brands directly. ∎
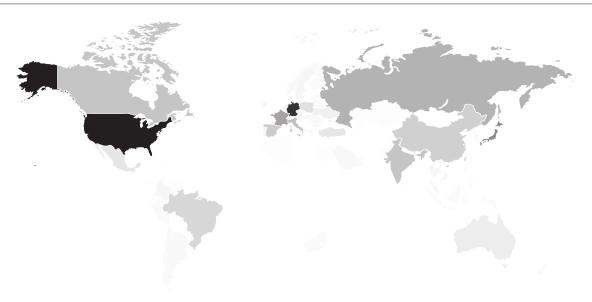
Understanding the global context

Visitors from around the world drop into the online stores operated by leading UK retailers. This heat map reflects the level of interest IRUK Top500 retailers attract from different parts of the globe.

How do IRUK Top500 retailers fare within the global context? This heatmap is designed to highlight the number of visitors that come to UK retail websites from outside the UK and draws on data from InternetRetailing Knowledge Partners Hitwise and SimilarWeb. It shows that the strongest interest in IRUKTop500 retailers comes from those who have a language in common. The United States is the single largest source of traffic to these leading websites, while Canada also ranks among the top ten overseas markets. Interest is also strong from those with whom we share geography: Germany, France, Italy and Spain are within the ten leading markets. Poland, the Netherlands and Belgium are the European markets with the next greatest interest. But also significant are amounts of traffic coming from Japan - with the third highest levels of interest in UK retailers – the Russian Federation, India and mainland China. At the other end of the scale, there's a small but measurable interest from markets as varied as Ecuador, Armenia, Sri Lanka and Azerbaijan.

Just as retailers from other parts of the world choose to trade from the UK, shoppers from around the world also look to the UK to buy. Some of the names listed in the Top500 will already be very familiar to overseas visitors, from Amazon to Space.NK and Apple in the United States, to H&M, Zara and Clinique in Europe. But the list is also a useful reminder that retail is now very much a global business. As RetailX research extends to other geographies, the extent to which retailers succeed in markets around the world has become clearer. The IRUK Top500 list has its most extensive crossover among European retailers: 226 of those listed also appear in the IREU Top500. But there's also significant overlap with very different areas. Some 96 retailers also appear on the ASEAN Top500 and 51 on the AU Top250.

It's also likely that UK retailers have a wide reach because of the widespread understanding of the English language, and because this is a market where local retailers are relatively mature, having years of experience in serving a market where shoppers are more willing to buy online. ∎

GLOBAL WEB TRAFFIC

This analysis drew upon data sourced from InternetRetailing knowledge partners Hitwise and SimilarWeb

RETAILX 2019

Thank you

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Conclusion

This latest edition of IRUK Top500 research is interesting for the way in which it seems to show both growth in the adoption of broadly popular retail tactics, such as enabling click and collect from store - but at the same time a decision to drop more sophisticated versions of those approaches. It's clear that while most Top500 retailers now offer collection, a significant number have taken individual decisions not to offer same-day and/or next-day collection, or to enable returns to third-party shops. They've opted not to use social sharing and to share 'likes' on product pages, to name but a few approaches that proved to be less common in 2019 than in 2018.

This suggests that these approaches were either not useful, or that they were not cost-effective for the retailers that offered them and that they have now chosen not to deploy them as a result. That retailers have sometimes made this change in large numbers – 19pp fewer retailers offered next-day collection in 2019 (24%) than in 2018 (43%), for example – suggests that having been tried, such approaches have not passed the test of usefulness, or affordability. It's about deciding what works and is worth doing, and ruling out that which doesn't pass that test as retailers adapt to the changing way in which customers now want to buy.

Over the coming year we'll continuing our research and mapping the changes that retailers make, while presenting our findings in more detail through six Top500 Performance Dimension Reports that mirror the sections of this report. We'll be considering what leading retailers in each dimension do well, what tools they use – and how others can apply these learnings to their own businesses. All of that, we hope, makes this IRUK Top500 series of reports a useful tool for retail businesses looking to understand how they can improve their own approaches to selling both online and across sales channels.

As always we're interested in how we can extend our research and improve the quality of our findings. Get in touch with your ideas and potential datasets via research@internetretailing.net or tweet @etail with #IRUK500. ∎

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