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MULTI-CHANNEL RETAIL REPORT

2015 UK edition

Multi-channel retailers in the UK analysed and scored on overall multi-channel customer experience.

“Click and collect, drones, Amazon buying physical stores, same day delivery, and device usage. This has been another dramatic year of change in multi-channel retail.

“Technology and evolving consumer behaviour have challenged the capabilities of retailers to their limits. Agility is crucial for multi-channel retailers to keep up with rapid change. Many are still failing to execute on obvious strategies to build customer loyalty. Our report identifies significant gaps in retailers’ multi-channel strategies. It highlights opportunities where every retailer can improve. It serves as a challenge to us all to continue the quest for continual improvement.

“The ‘day job’ often distracts us from our ultimate aim of amazing customer experiences. This report’s aim is to provide insight and a quantitative framework for measurement. We wish to aid in giving retailers actionable items to focus on.”



Darryl Adie

Managing Director, Ampersand

da@amp.co





DEFINITION

We have defined a “multi-channel” retailer as those that sell online **and** in physical stores.

The **Ampersand Retail Matrix** score for each retailer is based on the overall multi-channel customer experience. We have considered a wide range of factors, all applicable to specialist multi-channel retailers. The Matrix identifies the best-performing multi-channel retailers in the UK.

Based on the definition, we then split the retailers into the following segments:

Children, Department, Electrical, Fashion, Luxury Fashion, Food, Health & Beauty, Home & DIY, Sports & Outdoor , Stationery & Gifts

The result? A unique report about truly multi-channel retailers in the UK.



THE RETAILERS

Adidas	Cotswold Outdoor	Gap	JD Sports	Mothercare	Smythson
American Golf	Cotton Traders	Go Outdoors	Jessops	Mulberry	Snow & Rock
Ann Summers	Crabtree & Evelyn	Gucci	Jigsaw	Multiyork Furniture	Space NK
Anya Hindmarch	Craghoppers	H&M	Jimmy Choo	Nespresso UK Ltd	Specsavers
AO	Crew Clothing	Habitat	JJB Sports	New Look	Speedo
Apollo 2000	Currys	Halfords	John Lewis	Next	Staples
Apple	D&G	Hamleys	Karen Millen	Nike	Superdrug
Aquascutum	Debenhams	Harrods	Kiddicare	O2 UK	Tesco
Argos	Dell	Harvey Nichols	Kurt Geiger	Oak Furnitureland	The Body Shop
Armani	Diesel	Harveys Furniture	L'Occitane	Optical Express	The Entertainer
Asda	Dior	Haskins Furniture	Laithwaites	Paperchase	The Fragrance Shop
Asics	Disney Store	Hawkin's Bazaar	Laura Ashley	Paul Smith	The Pen Shop Ltd
B&Q	Dune	Hermes	Lego	Prada	The Perfume Shop
Barbour	Dunelm	HI Weldricks	Liberty	Reebok	The Whisky Shop
Bathstore	Dunnes Stores	Hillarys Blinds	Links of London	Richer Sounds	Thomas Pink
Beales	Early Learning Centre	Hobbs	Lloyds Pharmacy	River Island	Thorntons
Bensons for Beds	Estee Lauder	Hobbycraft Group	Lush Retail	Robert Dyas	TJ Hughes
BHS	Euronics	Holland & Barrett	Majestic Wine	Rohan	TK Maxx
Blacks Outdoor Division	Evans Cycles	Homebase	Mamas & Papas	Rowlands Pharmacy	Top Shop
Boots	F Hinds	Hoopers	Manor Pharmacy	Russell Hobbs	Toys R Us
Build A Bear	Fat Face	Hornby	Maplin	Ryman	Vodafone
Burberry	Field & Trek	Hotel Chocolat	Marc Jacobs	Sainsburys	Waitrose
Cameraworld	Flannels	House of Fraser	Marks and Spencer	Schuh	Waterstone's
Carphone Warehouse	Fortnum & Mason	HP	Matalan	Screwfix	WH Smith
Chain Reaction Cycles	Foyles	Hughes Electrical	Menkind	Scribbler	Whistles
Clarks	Fred Perry	Iceland	Michael Kors	SCS	Whittard of Chelsea
Clinton Cards	French Connection	Ikea	Miu Miu	Selfridges	Wickes
Coast	Furniture Village	Interflora	Molton Brown	Simply Be	Wiggle
COS	Game	Jaeger	Morrisons	Smyths	Zara

RESULTS

Top-rated

1. House of Fraser
2. Selfridges
3. Marks and Spencer
4. JD Sports
5. Wiggle
6. BHS
7. John Lewis
8. Coast
9. JJB Sports
10. Maplin
11. Asda Direct
12. New Look
13. Tesco Direct



See how you compare.
Download the full Retail
Matrix (Excel file).

Click here

Bottom-rated

1. HI Weldricks
2. Cotton Traders
3. Rowlands Pharmacy
4. Hoopers
5. Miu Miu
6. Prada
7. Rohan
8. Nespresso
9. Hamleys
10. Laithwaites
11. Manor Pharmacy
12. Kiddicare
13. Russell Hobbs
14. COS

12%

of fashion retailers don't offer click and collect

21%

of bottom-scoring retailers use Oracle ATG

9%

of multi-channel retailers offer collection within 1 hour

TECHNOLOGY

We used Google Developers PageSpeed Tool for scoring speed on desktop and mobile. For desktop just 28% of retailers scored 75 or above out of 100. The average was 66. Marc Jacobs and Clintons Cards were the worst performing for both mobile and desktop speeds.

Mobile speed continues to be a key area for improvement for most retailers. Over a third (37%) of retailers achieved scores below 50. Only six retailers scored 75 or above for mobile, with Sainsbury's achieving an impressive 95.

Of the poorest performing retailers, the most common ecommerce platform was Oracle ATG. 33% of Oracle ATG retailers achieved a score less than 30. Compared to BT Fresca (0%), Demandware (0%), Hybris (20%), IBM (8%), Magento (10%) and Venda (0%).

Technology by sector

- ✔ Compared to other sectors, department stores offer customers the best multi-channel experience. House of Fraser, Selfridges and John Lewis all feature in the top 10.
- ✔ Luxury and pharmaceutical retailers fared worst. These included Miu Miu, Prada, Mulberry, Rowlands Pharmacy, HI Weldricks and Manor Pharmacy.
- ✔ 5 Home & DIY retailers featured in the top 20 list for best desktop speeds including Oak Furniture Land, Ikea, Hillarys Blinds, Dunelm and Bathstore.
- ✔ We used Google PageSpeed Insights to build a user experience score. 29 retailers scored a perfect score of 100. Department stores, Luxury Fashion and Home & DIY retailers were the strongest in this area.

CUSTOMER JOURNEY

Almost a third (31%) of multi-channel retailers do not offer a persistent cart across devices. A function that we believe is fundamental to a great multi-channel experience.

One in three multi-channel retailers does not accept alternative payment methods such as PayPal. This limits the options available to customers to complete a transaction.

Just 69% offer a guest checkout, meaning that 31% force customers to sign-up to buy. Only 42% of retailers offer real-time stock availability information.

Customer journey by sector

- ✓ Real-time stock information was most prevalent amongst: Sports & Outdoor (63%), Stationary & Gifts (71%), Electrical (52%) and Fashion (45%)
- ✓ Alternative payments were more available for retailers in: Sports & Outdoor (94%), Fashion (62%), Luxury Fashion (62%) and Health & Beauty (83%)
- ✓ A persistent cart across devices was embraced most widely by Fashion and Department stores.



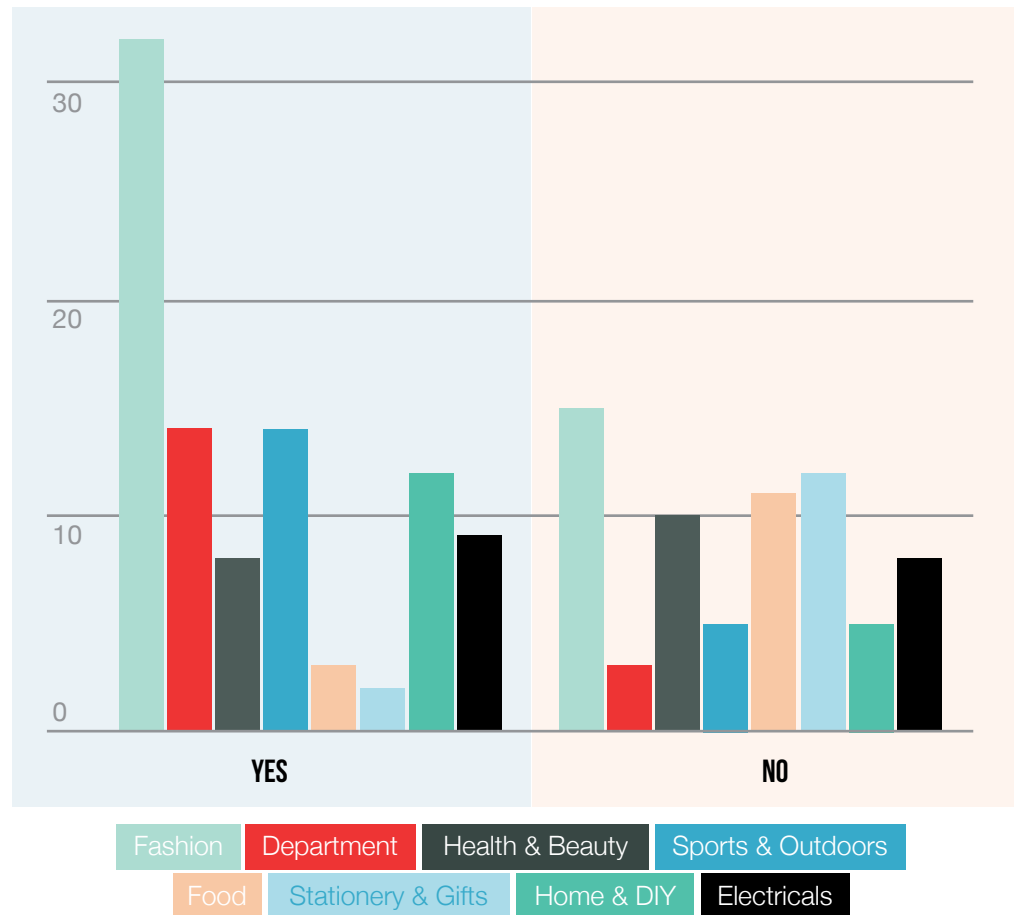
See how you compare.
Download the full Retail Matrix
(Excel file).

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BROWSING

Retailers offering faceted navigation, by sector.

(i.e. ability to filter products by multiple selections)



MOBILE WALL OF SHAME

There are still retailers in the UK that have websites not optimised for mobile.

These are their logos*.



Out of these, three have a mobile app, only one of which is transactional – Nespresso. 12% of retailers do not make use of smart phone geolocation as part of their store locator. The 21 retailers that do not are from a range of different sectors and include House of Fraser, Links of London, Ikea and WH Smith.

* This data is correct at time of publishing: February 2015. This page features 12 out of the 14 retailers who do not have a transactional mobile-optimized website.

DELIVERY

Click and collect offers retailers service differentiation opportunities in store, yet just 58% offer it.

More surprising though, is that only 72% of retailers are offering next day delivery. Same day delivery and collection in less than an hour are only offered by 7% and 9% of retailers respectively.

Furthermore, just 10% offer a non-store collection service such as train station locker.

Delivery by sector

- ✓ Fashion and Sports & Outdoor retailers excelled in delivery metrics, with retailers in the Food sector following closely behind. However, Luxury Fashion retailers were least likely to offer click and collect services.
- ✓ Department stores were most likely to offer next day and Sunday delivery. Electrical and Food retailers came out on top for same day delivery.
- ✓ Health & Beauty retailers were least likely to advertise free returns.

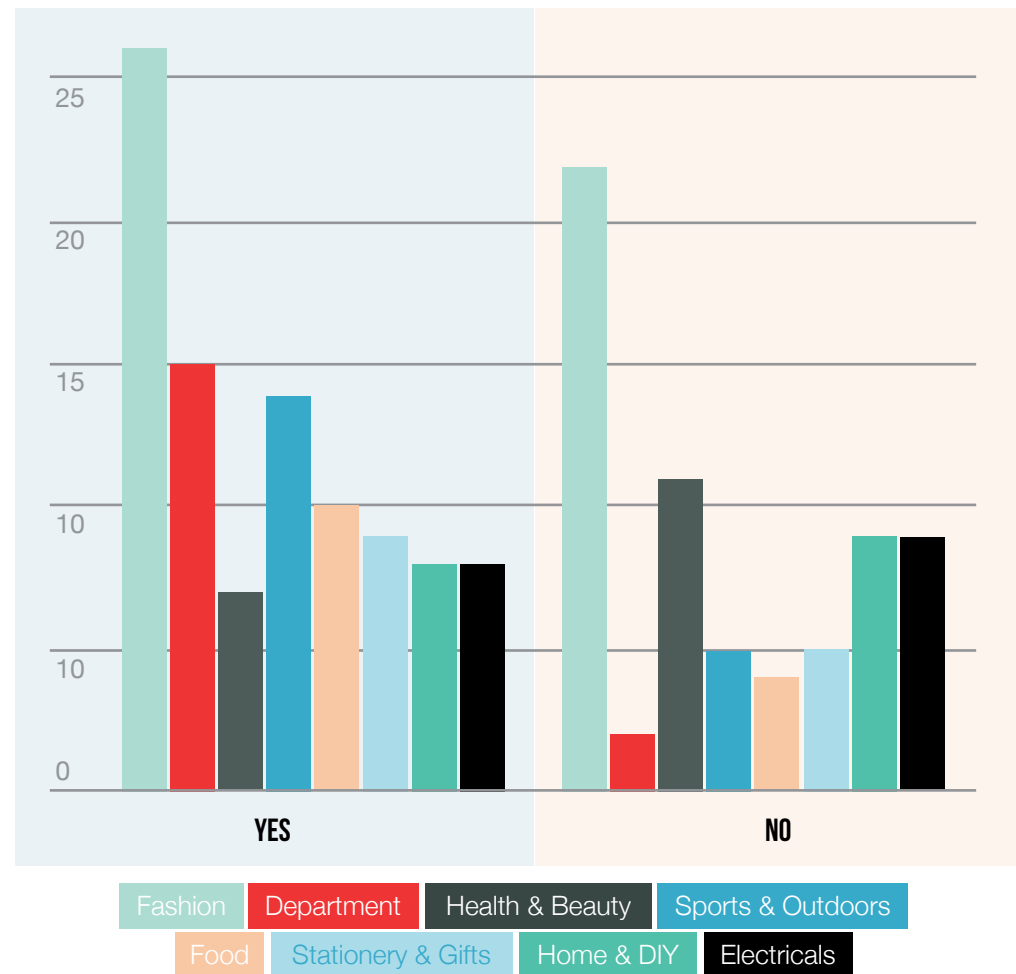


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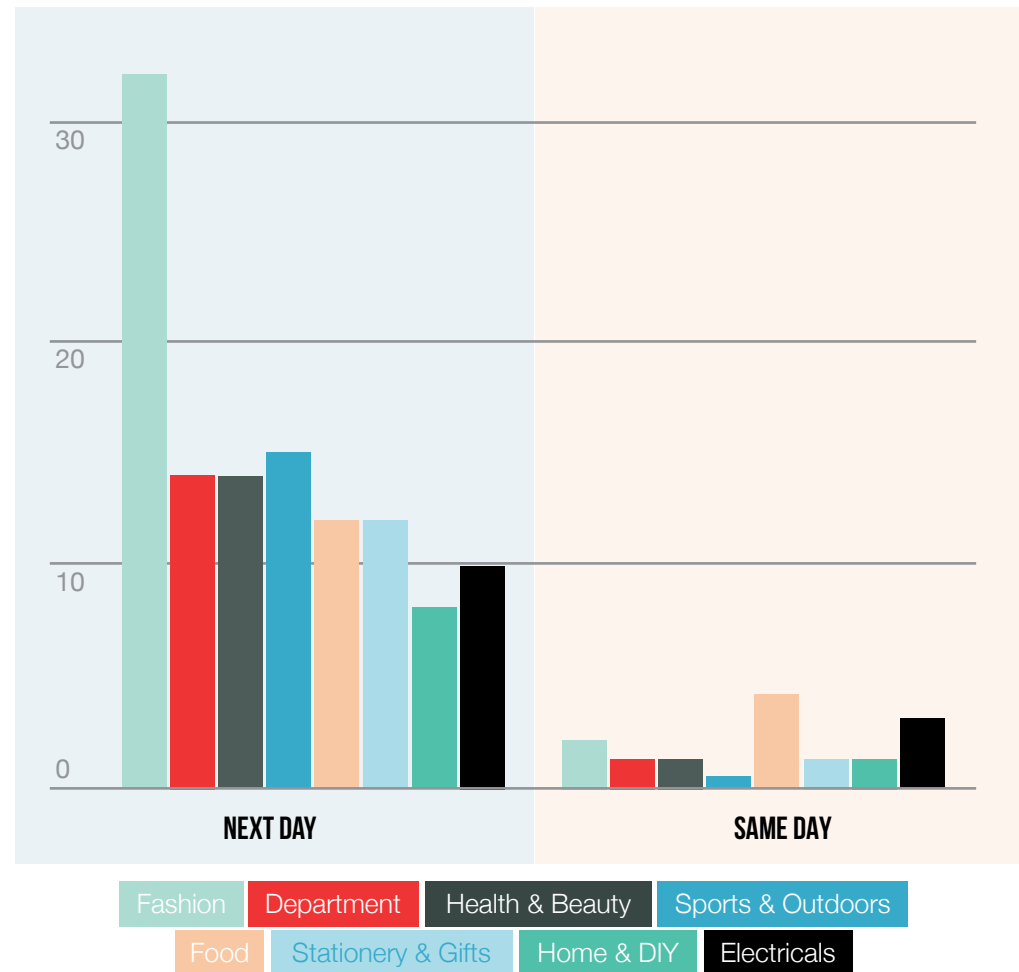
CLICK + COLLECT

Number of retailers offering click and collect, by sector.



NEXT DAY + SAME DAY

Number of retailers offering next day and same day delivery, by sector.



Retailers have to be deliberate in their decisions on what to do next.

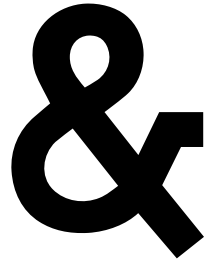
This often means that some 'obvious' strategies fall further down the list for some retailers. This is reflected in many of the findings.

Retailers must continue to keep pace but also push ahead with building differentiating services. Harvey Nichols, for example, launched Click & Try last year. This enables not only a collection point but the ability to try on products in store with the help of a style advisor. This maintains a luxury customer experience and is a great example of well-integrated retail.

Today's consumers see time as a luxury and convenience as a given. Faster delivery, low-friction transactions and excellent customer service are at the core of retail.

A truly multi-channel experience requires seamlessness across all shopping channels and platforms. Pure-play retailers are now entering into bricks and mortar to compete for every transaction. Amazon's foray into stores should serve as a signal to retailers everywhere that this is just the beginning. Customer expectations continue to grow as retailers continue to innovate.

Multi-channel retailers are not just leading that drive, they are the true face of retail today.



Let's talk.



Darryl Adie, Managing Director

Ampersand

da@amp.co

+ 44 161 236 5504



APPENDIX

Method

To create the list of retailers in this report, we first aggregated various existing lists. We used IMRG financial rankings, web traffic data from Hitwise and Sitemorse's usability list. This gave us over 2,000 companies to research. We eliminated retailers that had no ecommerce presence or no physical stores.

The remaining 177 retailers were split into their appropriate sectors, as detailed on page 3.

The Ampersand Retail Matrix criterion are our view of the core tenets of multi-channel retailing. These tenets cross the boundaries of digital and physical customer experiences.

The criteria includes:

Page load speeds and performance on desktop and mobile using Google Developers PageSpeed Tools

Whether retailers provided clear information on payment options and returns policies

Website navigation and product information including clear signposting, images, faceted navigation, real-time stock and alternative payment methods

GPS/location information – whether customers can find the nearest store by using geolocation

Availability of guest checkout

Persistent cart across different devices

Delivery options, Click & Collect, non-store pick up options and communication of free returns

Mobile – whether the retailer has a transactional mobile site

Retailers were then scored against the criteria and with a weighted formula, ranked in the Retail Matrix.

We then calculated the final score to be out of 100: $=100/29*\text{SCORE}$.

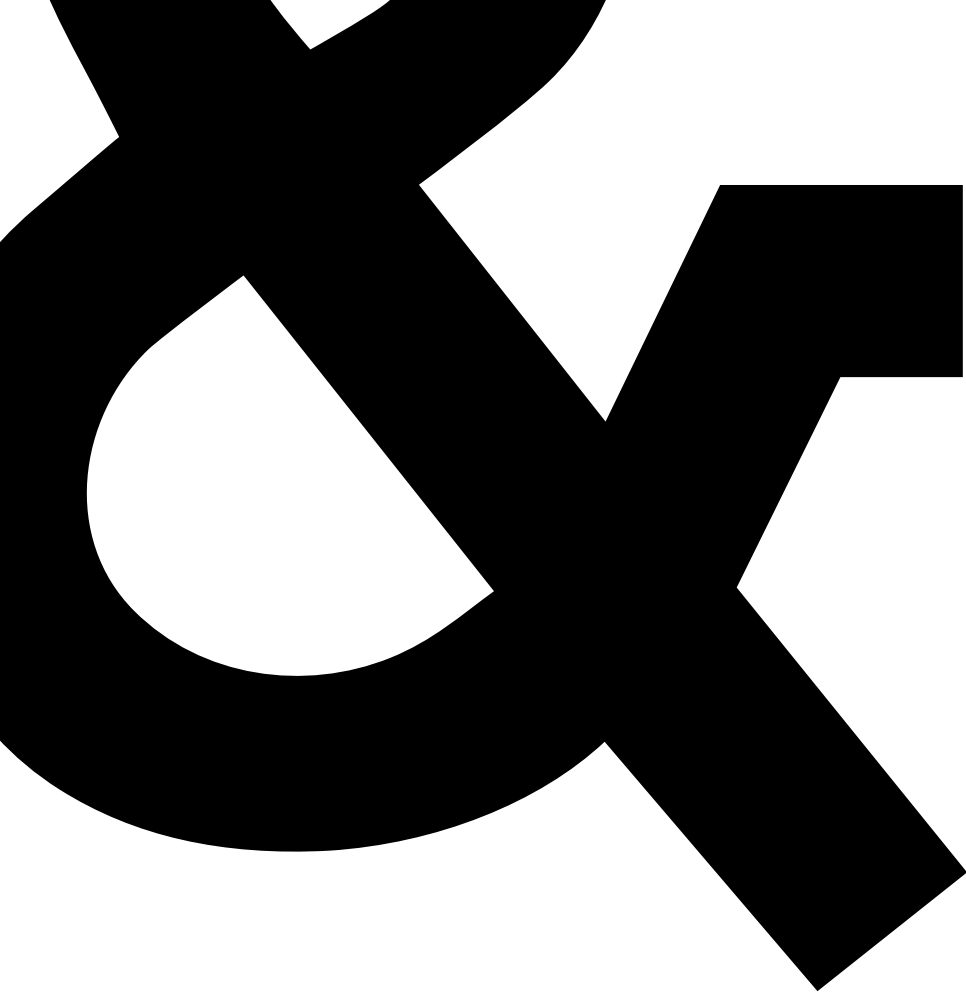
To calculate the base score marked out of 29 possible points from 25 criteria, a retailer was awarded 1 point if it scored positively for each of the criteria mentioned above, with these specifics:

- Offering click and collect same day
- Desktop Speed >81
- Mobile Speed >71
- UX Score >99

We awarded 3 points for the following criteria:

- Transactional mobile website
- Persistent cart

All research was completed in London, UK on a desktop PC (Windows 8) in a private browsing window and an iPhone 6 using iOS 8.1 operating system between 30/01/2015 and 05/02/2015. All research copyright Ampersand Commerce Ltd. Data can be quoted in any medium but requires credit either by name or linkback to amp.co. For more information or to contact Ampersand, please contact amp.co/contact. For press enquiries, please contact ampersand@mww.com.



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amp.co | +44 161 236 5504

Ampersand is an award-winning commerce agency that delivers multi-channel solutions for retailers. Founded in 2009 and based in Manchester, Ampersand has helped international multi-channel retailers, such as Harvey Nichols and Bensons for Beds, increase conversion and efficiency through the strategic use of open source technology.



See how you compare.
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