

RETAIL TRENDS

2016 UK Edition

Reviewing the top retailers and brands of the year, key trends and how to prepare for future change.

AMPERSAND

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Foreword

The high street is forging the way for a connected customer experience.

Retail is turning a new leaf. Poundland is trialling ecommerce. Pure-play retailers such as Made.com, Missguided and Farfetch are investing in space on the high street. John Lewis admitted, on behalf of the whole industry, that 'free' collection is unsustainable for low-value orders. Retailers are once again redefining 'normal'.

In the past, pure-play retailers were selecting newer, cutting-edge systems that left established retailers behind them. Now, high street retailers are catching up. They are building services that customers demand, such as express click and collect, personalised services and real-time stock. These established high street businesses are now using their integrated online services as means to win back customers that left them for ASOS et al.

All retailers must make deliberate decisions on what to do next and agility will be crucial. Faster delivery, low-friction transactions and excellent customer service are at the core of retail. There are no longer retailers that do multi-channel and those that don't.

The 'day job' often distracts from the ultimate aim of providing amazing customer experiences. Through our research and reports, we hope to provide a quantitative framework for measurement and aid in giving retailers actionable items to focus on.



Darryl Adie

Managing Director, Ampersand

A YEAR IN REVIEW

Retail 2015 / General

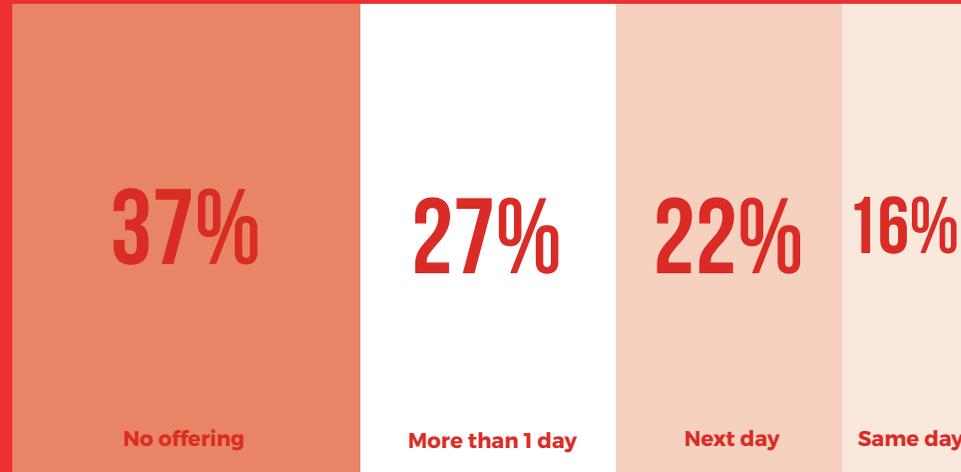
185



high street
retailers



sells online & has
stores in UK



Click and collect offering and fulfilment speed



Offers faceted navigation



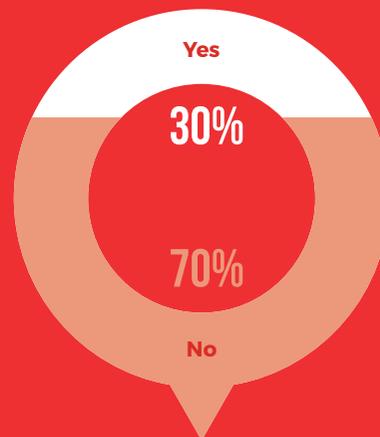
Offers persistent cart



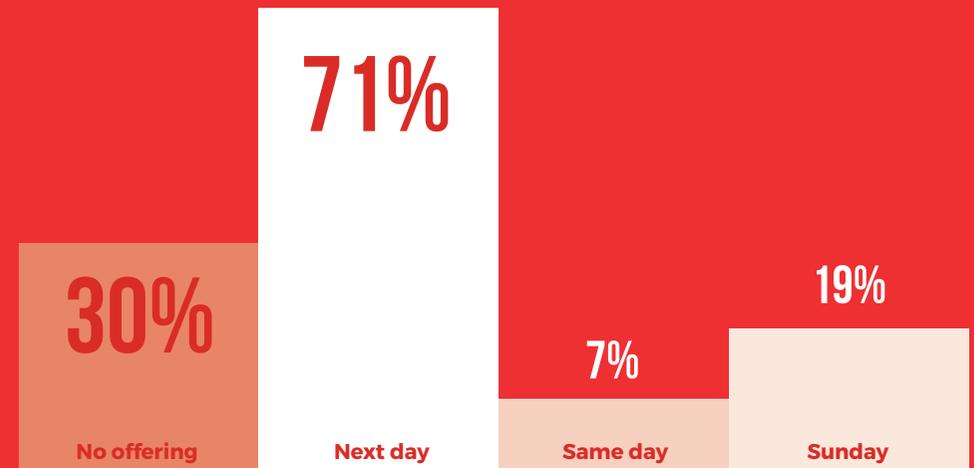
Offers real time stock info



Offers non-store collection



Offers automatic
geolocation (on desktop)



Express delivery offering

Retail 2015 / Fashion

84



high street fashion retailers



sells online & has stores in UK



Click and collect offering and fulfilment speed



Offers faceted navigation



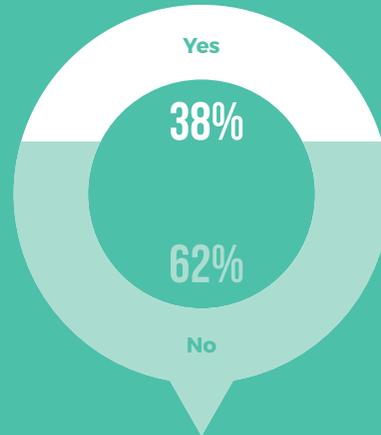
Offers persistent cart



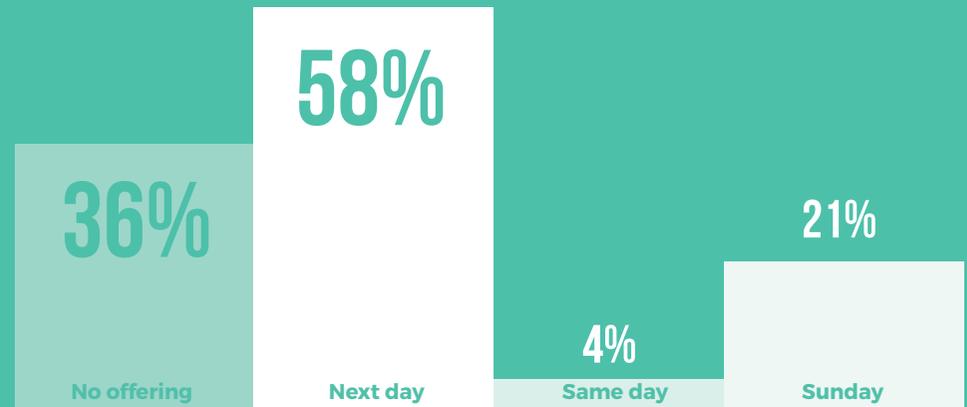
Offers real time stock info



Offers non-store collection



Offers automatic geolocation (on desktop)



Express delivery offering

Retail 2015 / Department stores

16



multi-channel department stores



sells online & has stores in UK



Click and collect offering and fulfilment speed



Offers faceted navigation



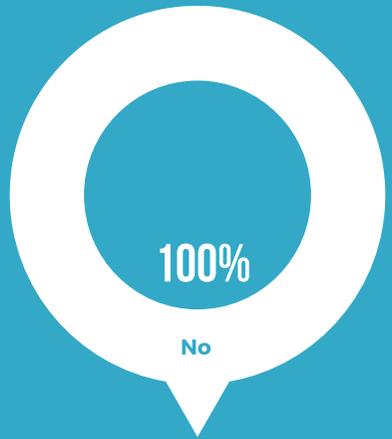
Offers persistent cart



Offers real time stock info



Offers non-store collection



Offers automatic geolocation (on desktop)



Express delivery offering

Retailers of the year

House of Fraser won multi-channel retail, by far, in 2015

HOUSE OF FRASER

1st

86/100

Making online services very easy to use is key for high street retailers looking to compete with pure-plays. This is something House of Fraser does particularly well.

Over 2015, House of Fraser excelled at providing a good online customer experience by offering a persistent cart, multiple express delivery options including a same day delivery trial in London and Birmingham, good mobile and desktop speed, clear UX and navigation, convenient locker collection services and free standard delivery.

"One of our core values is 'always put the customer first'. But which business wouldn't say that? There's a big difference between talking the talk and walking the walk," says Andy Harding, House of Fraser's chief customer officer.

The retailer is certainly walking the walk. House of Fraser only lost points for not offering geolocation on desktop store finder, a feature that is becoming more important as the lines become more blurred between mobile desktop and tablet PCs.

JOSEPH

2nd

83/100

Joseph is an innovative fashion retailer, both through the designers it sells and its approach to technology. Joseph's website is very easy to use, both on mobile and desktop. It achieved a perfect UX score and offers several technology services that many retailers and brands don't offer, such as geolocation on desktop, fast click and collect (new in 2015) and good express delivery options.

Joseph lost points for not offering Sunday delivery, not offering locker collection options and its mobile speed score.

SimplyBe

3rd

79/100

From its roots in catalogue selling to opening stores, Simply Be delivers a good online customer experience by offering a persistent cart, multiple express delivery options and clear navigation. If it offered same day delivery and faster website speed, well, move over House of Fraser.

M&S

3rd

79/100

M&S offers customers good online services such as a persistent cart, multiple express delivery options, and clear navigation.

It will be interesting to watch how energetically consumers adopt Sparks, its new loyalty app, in 2016.

TOPSHOP

3rd

79/100

Topshop strikes a good balance of content and commerce online and boasts easy-to-use mobile and desktop websites.

It's no wonder that digital sales for Arcadia Group grew by more than 20% in its 2015 financial year even while total sales stayed flat.

BHS
BRITISH HOME STORES

76/100

SELFRIDGES & CO

76/100

JD

76/100

Brands of the year

Several brands offered very strong multi-channel services

JIGSAW

83/100

Jigsaw is leading the way in multi-channel brand retailing. After passing the £100m mark in full-year sales in 2015, it's easy to see why customers keep going back. Jigsaw makes it easy for customers to shop and promotes undeniable brand values.

Jigsaw only lost points for not offering geolocation on desktop store finder and not offering same day delivery.

2nd

HOBBS

79/100

Hobbs provides a playful online experience without drifting too far from accepted design patterns for ecommerce. It excels by offering same day click and collect as well as other express delivery options.

Hobbs lost points for not offering locker collection options and desktop and mobile speed scores.

3rd

JIMMY CHOO

79/100

Luxury brands are not yet known (collectively) for providing a great online experience, but Jimmy Choo is an exception. With a perfect UX score and offering several express delivery options, Jimmy Choo is setting a good standard when it comes to online experience.

Jimmy Choo lost points for not offering click and collect, a feature that could provide branding and service differentiation opportunities in-store.

3rd

LINKS
LONDON

76/100

NEW LOOK

76/100

speedo

76/100

LOOKING AHEAD

Payments

1/10

Wallets. Apps. Contactless.

Whilst the mobile web hasn't yet benefited from mobile wallets in the same way as apps, password keychains and saved forms in mobile operating systems have encouraged customers to create accounts. Over 2015, we saw a fall in the number of retailers offering guest checkouts in favour of forcing registration at checkout. Whilst it may deter some mobile shoppers, those that do save information with retailers will be more likely to purchase again.

"Technology has increasingly evolved to reduce the distance between what customers want and their ability to get it," says Steve Fusco, Vice President, North American Distribution at PayPal.

Going forward, mobile payments will become further integrated into technology, making pesky things, such as checking out, disappear into the background.



Wearables

The faux revolution.

Remember when there was a 'standard size' for a smartphone screen? That was short lived. Then wearables started to gain traction and brought a whole new set of questions about usage and the customer journey. Mobile, including wearables, isn't the next 'big thing'. It's simply another way consumers access information.

The Apple Watch launch may have been anticlimactic, but it was only a taster for what's coming next.

Ever-evolving technology will always influence consumer behaviour. By ensuring you have sound systems architecture and a data strategy in place, your systems can be fluid and reactive to emerging channels and trends.



Uber effect

3/10

The neu normal.

As consumers, we are developing a demand for convenience and self service. This demand is driving efficiency in every aspect of our lives. Taxi doesn't take cards? Sorry dude, I'll use an Uber. This 'Uber effect' will continue to permeate retail in 2016, especially in the fulfilment space.

Delivery can make or break an entire experience for customers, yet it's the part of the supply chain retailers have the least control over. Going forward, retailers must truly optimise fulfilment in a way that makes sense commercially for their businesses. Strategies may include setting maintainable delivery pricing in order to deliver the service that consumers expect.

Who knows, some fulfilment strategies may even include Uber...



Design patterns

4/10

Swipe right.

Best practice – whether good or bad – comes from a consistent adherence to design patterns. New user interface capabilities in apps such as Tinder, or mobile operating systems updates are challenging convention, changing the way consumers use touch.

A small development oversight can create huge usability problems and lead to lost profits. “Retailers need to be more original when it comes to design, without confusing customers. It’s a tough balance. Everything is becoming more and more generic, especially in ecommerce,” says Jake Critchlow, designer at Ampersand.

Execute a UX audit of your website, finely analysing all pages for user experience improvement opportunities. Before introducing any new gesture patterns, ensure that your audience is familiar with them.



Social commerce

F-S-commerce.

Just kidding. But seriously, the definition of social commerce being solely buying items from within a social network is closed minded. Consumers are using social to make buying decisions and it's essential that retailers are actively involved. Facebook, YouTube, Pinterest and Instagram will be networks to watch in 2016. Never just dive in without a strategy, but don't get hung up on it either.

In addition to social commerce, social proof is more important than ever. Reviews are essential to online retail and consumers are getting smart about fakes. According to Ericson consumer lab 2016, many consumers consider user reviews to be more trustworthy than expert reviews. In 2016 it will be important for retailers to utilise advanced reviews engines that qualify the buyers by demographic and offer verified purchaser badges.



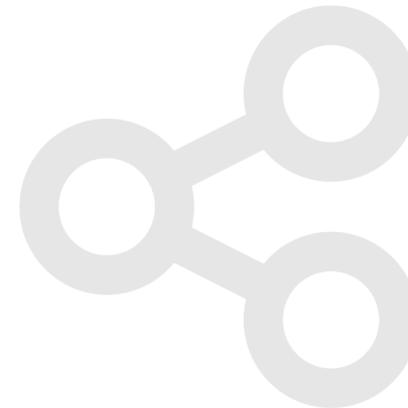
Sharing economy

6/10

Not just for apartment rentals.

With the popularity of Airbnb and Kickstarter, consumers are beginning to recognise that their buying power extends past simple retail purchases. Items they own or investments they make have value to others and can sometimes even drive innovation.

On the surface, the concept of the sharing economy may not look exactly like retailing. However, retailers must closely examine their core products. If there is a danger of a product being displaced by a rental model, or a new product being funded on a crowd funding platform, now is the time to start thinking about joining or competing smartly with the sharing market.



Internet of Things

7/10

Connected machines.

The concept of intelligent machines has excited and terrified us for decades. Whilst humanoids can remain a thing of science fiction for now, appliance connectivity is something that is fast becoming a reality, but there are still obstacles in the way of wide consumer adoption.

Connected appliances in the past have required dedicated apps for each. In 2016 its likely that we will see a standard start to emerge. Apple, Google, Microsoft and Samsung will be key players.

“When new tech comes out, it is frivolous to suggest that retailers that don’t adopt will fail. The industry has been talking about ‘connected fridges’ for the last 10 years and we are still a long way from one being in every home,” says Darryl Adie, managing director at Ampersand.



Data

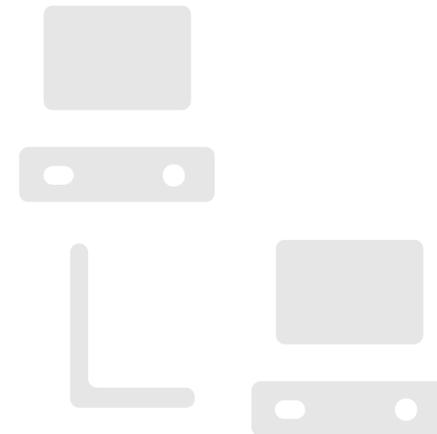
Data isn't big anymore. It's small.

How consumers digest retailers' branded messaging is changing. Whilst an ecommerce website may be a main selling channel now, don't get stuck in that mindset.

Consumers are already avoiding ecommerce websites in favour of integrated data displayed within their mobile operating systems or aggregated in an app such as Shopstyle or Grabble.

Google (you know, that behemoth that you have to both court and compete with?) is working hard to aggregate your product data and interrupt known user journeys with its new Shortlisting feature, part of Google Shopping.

Make data a priority, if you have not already. Make a plan for what to capture, where it's stored and how it is accessed.



Security

9/10

Personal data is more valuable than ever.

Retailers must encrypt all customer data. All of the time. Yes, it costs money to build systems that will interact with encrypted data, but a bad hack could signal the end of a business. Public embarrassment can make or break a company, especially as consumers become more and more aware of the value of their data. With the rise of connected machines even more companies, devices and systems will become targets.

“Hacking is now an international sport and the people protecting our data are idiots,” muses John Biggs, editor at Tech Crunch.

Retailers have a responsibility to handle data responsibly and put a strategy in place to react quickly if there is a breach. Cybersecurity is no longer just an IT problem, it's a business issue.



Cross-channel

10/10

Long live the high street.

Web. Mobile. Social. Apps. It's all just shopping to consumers. The separation between retail channels is growing even more blurred by the day. We believe that the majority of retailers have yet to nail the basics of multi-channel retailing.

Retailers that invested in preparing for multi-channel retailing five years ago are still investing in it now but are probably in the second phase of that process i.e. building and segmenting CRM systems to deliver personalisation, trialling in-store technology or looking at loyalty schemes. Those retailers will thrive this year.

It's dangerous to move too fast. For example, investing in social commerce, before being able to offer express delivery is definitely the wrong way around.



2020 vision

It's easy to get swept up in a new technology and let it start to dictate strategy. Whilst many retailers' current systems may be perfectly equipped to create great retail experiences on the channels and devices popular now, who knows what will launch in 2016? I'm not going to pretend to.

Pretty websites don't make great retailers. Great retailers can certainly make pretty websites, but empty promises of a joined up multi-channel experience can seriously hurt brand reputation. I advise retailers to carefully plan their roadmap so that whatever technology they choose will support their overall strategic plans. While it may not be possible to achieve everything you want to immediately, creating a development roadmap will help ensure future plans are kept front of mind.

Consumers value substance. There are only two ways to achieve substance. One is tough and takes a long time: Become a truly multi-channel retailer joined up seamlessly on all channels and able to quickly adapt to change. The other is to only launch services that do the basics really, really well.

Ampersand understands the common pain points high street retailers face when navigating the complexities of multi-channel retail.

Let's talk.



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Want even more insight and analysis?

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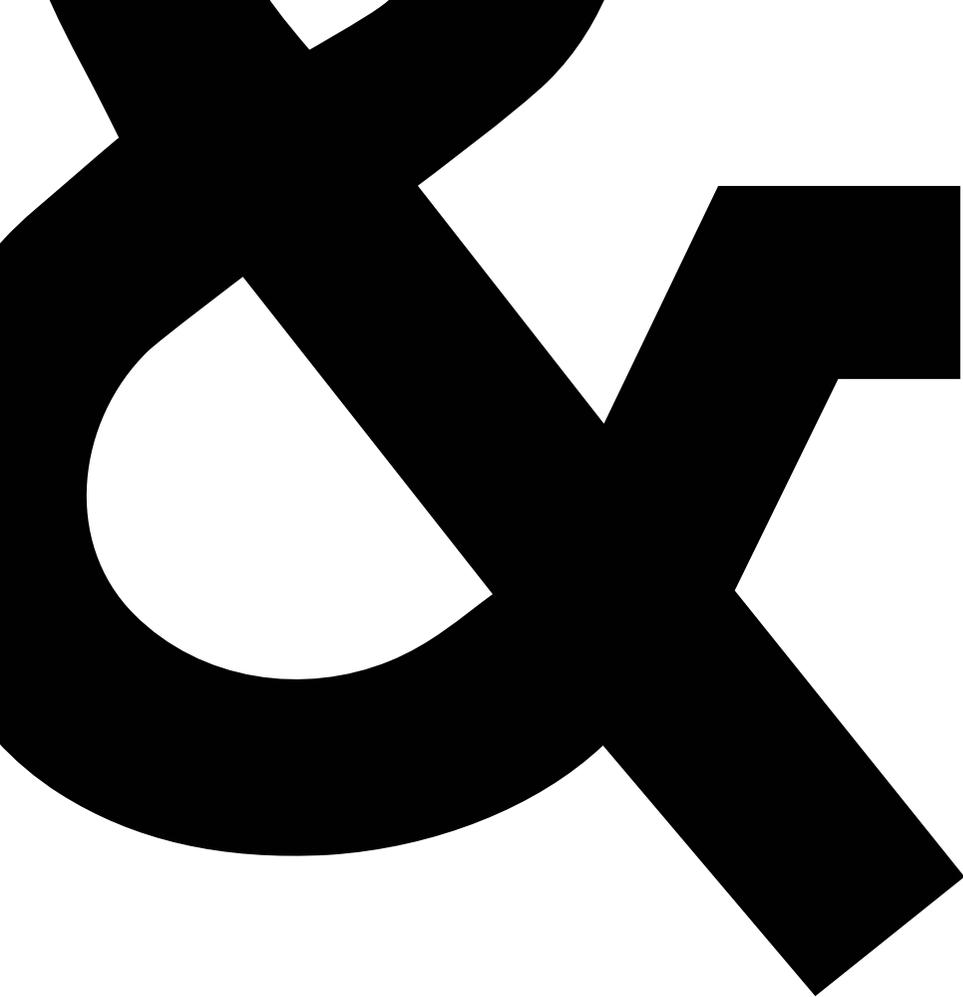
[Multi-channel Retail Report 2015 >](#)

[Luxury Report 2015 >](#)

[Mobile Report 2015 >](#)

[Guide: Avoiding Black Friday Disaster >](#)

[Christmas Review: Department Stores 2015 >](#)



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Ampersand is an award-winning commerce agency that helps established high street retailers build better online stores. Ampersand works with multi-channel retailers, such as Harvey Nichols, Poundland and Bensons for Beds to help increase conversion and efficiency through the strategic use of technology.

HARVEYS

Poundland®

HARVEY NICHOLS

bensons
for
beds

STEINHOFF
UK RETAIL LTD

Wyevale
garden
centres

MADE®

HILLARYS