

Summit Scorecard Top 50 UK Retailers' Online Performance

2018 Edition



Despite many retailers now embracing a digital-first strategy, it's clear that there is more work to be done. To stand out in today's digital marketplace, it's essential that retailers have a differentiated brand and solid social media strategy. Many pure-play eCommerce retailers are making the leap into the physical realm in a bid to generate brand awareness, with the goal of driving sales. We expect to see an acceleration in the convergence of online and offline, as retailers recognise that online retail on its own is no longer enough to appease today's modern shopper.

Natalie Berg – Retail strategist and author, NBK Retail

Foreword

Hedley Aylott, CEO and co-founder, Summit

For the last 17 years, we've had the privilege of working with some of Europe's most successful retailers, helping build their businesses online. Tasked with spending their marketing budgets like they were our own, we've faced many challenges in the pursuit of driving profitable growth. In many cases, the greatest obstacle was not the competition, but the shopping experience customers were being subjected to. Five years ago, we designed a simple online retail scorecard, scoring the factors that damage profitability and growth and telling businesses how much money they could potentially be losing, along with what they need to do to improve. Last year, we took the Summit Scorecard one step further by creating a comparative league table of the UK's top 50 retailers ranked by revenue. This provided a benchmark for the market and identified where individual retailers should be focusing their attention.

We are delighted to launch our second league table – Summit Scorecard 2018 – that now takes an even tougher, more in-depth look at the online shopping experiences of UK consumers. This year we have mystery shopped every retailer, scoring both the delivery of the product and the experience of returning it. The quality of shopping experience between retailers online was as variable as a British summer. We also hadn't expected to be left with so many free products where retailers found it more economical to provide refunds without collecting the products we were trying to return!

This year, we have also surveyed the opinion of over two thousand online UK shoppers to validate our analysis and find out what is most important to them when shopping online in 2018. Our results confirm that an easy, free returns process, great product imagery and a mobile friendly experience are absolute 'must have' expectations of customers in 2018.

Overall, this year's results confirm a similar pattern to last year – there's still lots of room for improvement. Clearly, huge strides have been made in online customer experience, and no one needs further convincing of the link between satisfied customers and overall profitability. However, our Scorecard highlights how much opportunity still exists for retailers to fix some of the basics, such as better content, product merchandising and site speed. These are not 'mission to the moon' challenges, and in this report, we provide some thoughts as to how they can be addressed.

The league table also highlights that some retailers continue to make do with average because perhaps it was better than last year and the business considers it an acceptable performance. This is a serious mistake given the role that online shopping now plays in the overall commercial performance of all retail businesses.

Our congratulations go to the top performers for providing their customers with the best experience online. Our encouragement goes to the underperformers, for whom the path to improvement and greater profits is clearly defined.

This report provides an uncompromising and unbiased viewpoint that will drive profitable growth for every retailer acting upon the recommendations. We hope Scorecard 2018 encourages you to think differently about your business.



Hedley Aylott

We asked 4 questions...

Q1. How easy is it to buy from you?



eCommerce technology should make it easy for retailers to trade and a pleasure for customers to shop. We assessed the performance and usability of each website, reviewing criteria including site navigation, checkout process and degree of mobile friendliness.

Q2. How close are you to your customers?



Effective online marketing allows retailers to deliver the right message, to the right customers, at the right time. We evaluated all aspects of online marketing, from paid and natural search visibility, to social media engagement and a range of other variables across each channel.

Q3. How appealing are you to your customers?

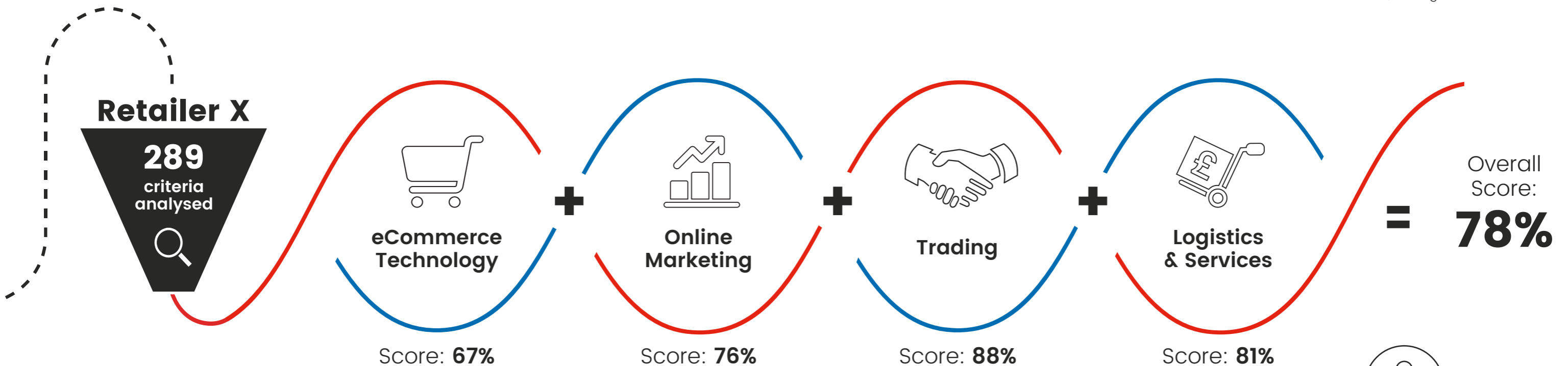


Finding the right proposition in order to stand out from the competition is about more than just the products that are on sale. We considered numerous aspects of each retailer's online trading, including quality of site content, product photography, pricing and payment options.

Q4. Do you delight your customers?



The sale is only complete when the items have arrived safely in the hands of the customer. A quality 'last mile' experience will result in happy customers that quickly become repeat customers. We evaluated all delivery and returns policies and mystery shopped the effectiveness of the customer services, among other criteria.



Methodology

Using proprietary diagnostic tools and scoring criteria, we have reviewed the online performance of the UK's Top 50 retailers against four customer centric questions. The list of retailers was derived from the Retail Week Top 50 UK retailers by overall annual sales revenue. These four questions represent the total customer experience across all aspects of the online retail journey and are highly correlated to growth and profitability for a retailer. We call this set of activities the Online Retail Value Chain and have scored each retailer against more than 280 weighted criteria points. This comparison of 14,000 data points was combined with mystery shopping every retailer, including buying and returning each product to create our league table. The assessment was carried out by our teams between 03 and 17 November 2017.

League table 2018

The total scores from each retailer have been ranked to form a comparative view of overall performance and also against each specific online retailing activity. For each retailer we have highlighted where their greatest opportunity for improvement exists.

Due to the ever-changing digital landscape and 3,398 additional scoring criteria, not all data is directly comparable between the 2017 and 2018 Scorecard reports.

Summit Scorecard provides...

- Peer-to-peer comparison across the top UK retailers
- A view of current online retailing performance
- Online retail specific information, data and insights
- Practical advice and opportunities to improve

The league table 2018

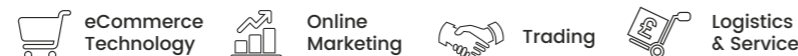
Top 25

RANK	RETAILER	OVERALL SCORE	KEY AREA FOR IMPROVEMENT
1	Asos	75%	
2	Asda	74%	
3	Tesco	73%	
4	Argos	71%	
5	Next	69%	
6	Amazon	69%	
7	Boots	69%	
8	M&S	68%	
9	New Look	68%	
10	Sainsbury's	68%	
11	Aldi	67%	
12	Very	67%	
13	Dorothy Perkins	65%	
14	Currys PC World	65%	
15	Zara	65%	
16	H&M	64%	
17	Debenhams	64%	
18	Morrisons	64%	
19	John Lewis	63%	
20	Superdrug	63%	
21	Habitat	63%	
22	JD Williams	63%	
23	JD Sports	62%	
24	Screwfix	62%	
25	Littlewoods	62%	

Bottom 25

RANK	RETAILER	OVERALL SCORE	KEY AREA FOR IMPROVEMENT
26	Wickes	61%	
27	Sports Direct	61%	
28	Carphone Warehouse	61%	
29	House of Fraser	61%	
30	Miss Selfridge	61%	
31	TK Maxx	60%	
32	Dunelm	60%	
33	B&Q	60%	
34	Matalan	60%	
35	Ocado	60%	
36	Topshop	59%	
37	Evans	59%	
38	River Island	59%	
39	Jacamo	59%	
40	Wilko	59%	
41	Apple	58%	
42	Waitrose	57%	
43	IKEA	56%	
44	Halfords	56%	
45	Pets at Home	55%	
46	Harrods	55%	
47	WHSmith	53%	
48	Home Bargains	51%	
49	The Range	47%	
50	DFS	42%	

KEY TO SYMBOLS



To see the full set of scores for each retailer, visit: www.summit.co.uk/scorecard

The sample of retailers was chosen based on Retail Week's top 50 UK Retailers (overall sales revenue 2015/16). Group retailers were broken up into their individual brands and scored separately, and can be found in the appendix.

*The overall scores above have been created by aggregating the scores across the 4 stages of the customer journey. Please note that the score for The Range does not include an eCommerce score due to technical restrictions with the website therefore, this element has been removed from their overall score.

Q1. How easy is it to buy from you?

eCommerce Technology

Online retailing was born out of the customer's desire for convenience; being able to shop quickly and easily while at home, work, or out and about. The journey the customer goes through should be quick and secure, and the technology underpinning the site is the biggest factor in making it easy for them.

We reviewed the technical performance of each retailer's site across devices to give an overall mark. We benchmarked each against the industry best practice load times for desktop and mobile to generate a site performance score. We then evaluated the quality of the website, looking at how the various technologies had been used to make shopping online easier for the customer.



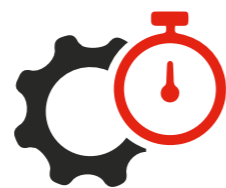
96% of the retailers scored are losing millions online due to webpage load speed

A slow website is the fastest way to lose a customer, yet this continues to be overlooked by most of the sites we tested. Home Bargains and Zara scored particularly well for site speed, with the average load times across both desktop (1.7 seconds) and mobile (1.9 seconds) significantly quicker than the averages across all other retailers. DFS and JD have low overall scores for eCommerce technology as a result of their poorly performing websites. The average loading times for both are 5x slower than the best retailers, at approximately 10 seconds across both on desktop and mobile. Large page size is the biggest contributing factor to slow loading times; 70% of pages tested are over 1MB in size, 36% over 2MB and 12% over 4MB.

The average time for all visual content above the fold to display on screen is almost 3 seconds, and it takes more than 10 seconds to fully load all visual content. Research shows that every extra second over the benchmark of a 3-second site load time reduces conversions by 7%, and the bounce rate of a page with a 10 second load time will be 123% higher than that of a page that loads within 1 second.

Key Takeaway:

The first step is to test loading times of the homepage, product listing and details page, optimising the slowest pages first. Aim to load visible parts of the page as quickly as possible and focus on optimising the critical rendering path; you don't have to load everything on the page in under 1 second to produce the perception of a complete load.



Effective caching could greatly improve site efficiency

Effective caching not only makes websites faster, it also makes them perform better and ensures they are well equipped to bear the burden of any sudden traffic spikes. 89% of retailers tested enable caching of static content (e.g. images, CSS and JavaScript), which is a slight improvement on last year, when only 83% were doing so. However, only 64% of retailers are compressing and optimising images adequately, which is the same as last year, indicating that this has not yet become an area of focus for retailers. The most significant year-on-year improvement is in the use of content delivery networks; 79% of retailers tested are using CDNs, whereas only 40% were doing so last year.

Perhaps most notably, only 6% of retailers have a correctly configured cache validator, with 75% not having cache validator set at all. When browsers open files for the first time, the cache is stored, meaning that subsequent requests for the same files do not have to be loaded from the server. This can save on bandwidth and improve efficiency.

Key Takeaway:

Enabling caching of static content is a good initiative for those retailers who have not already done so, however specifying a Last-Modified or ETag header to enable cache validation ensures that content can be refreshed efficiently.

eCommerce Technology - we scored 88 questions across 3 core components:

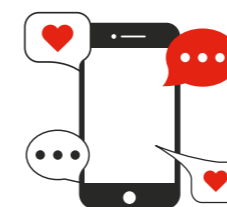
- User experience - user friendly technology features, mobile friendliness and touchscreen readiness
- Performance - mobile and desktop speed
- Website quality - technologies used, errors, site infrastructure and security

Top 5

	User Experience	Performance	Website Quality	eCommerce Score
Home Bargains	50%	93%	59%	84%
Zara	86%	84%	62%	81%
Apple	83%	80%	60%	77%
IKEA	88%	79%	61%	77%
Matalan	85%	79%	59%	76%

Bottom 5

	User Experience	Performance	Website Quality	eCommerce Score
House of Fraser	83%	56%	64%	60%
JD Williams	83%	58%	54%	59%
New Look	81%	56%	65%	59%
DFS	48%	55%	63%	56%
JD Sports	74%	58%	37%	56%



Mobile friendliness has significantly improved year-on-year; however, there is still work to be done

One of the most significant year-on-year improvements has been mobile friendliness. 98% of retailers now have mobile-friendly websites (versus 85% last year), and 93% have touchscreen-ready websites (versus 66% last year). However, pages load on average 2 seconds faster on desktop than on mobile. Some of the weakest scores in the technology pillar involved the rendering of websites on mobile devices; in particular, average time taken for all visible parts of a page being displayed on mobile.

While conversion rates are often higher on desktop, particularly for high ticket items, mobile plays an integral role in the customer journey, and therefore should not be overlooked. Mobile users are often shopping 'on the go', and as such are likely to be impatient when it comes to page load speed. Minimising the number of requests and optimising their size for mobile devices are key initiatives for improving website load speed.

Key Takeaway:

Site performance should be tested across all devices, and optimisation should be prioritised based on sales conversion as well as device popularity. While it is key to ensure websites are mobile and touchscreen-friendly, it is equally important that site speed is not neglected.

Other Findings

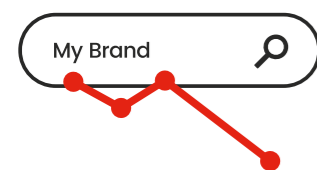
- 4% of retailers tested are not using Secure Sockets Layer (SSL) communication, which allows web servers to declare that browsers should only interact with the site using secure HTTPS connections. This is integral for site security.
- Excessive redirects impact negatively on site speed and efficiency. 18% of retailers tested do not have www and non-www domains configured properly.
- 30% of sites tested could significantly cut down page size by compressing images, eliminating unnecessary image resources and leveraging CSS3 effects where possible.

Q2. How close are you to your customers?



Online Marketing

It goes without saying that customers need to be able to find a retailer when considering buying online, and should feel valued when they have made their purchase. The core components of digital marketing facilitate this. As part of the online marketing investigation 4 key components have been scored that are vital to a successful online marketing strategy. Using Searchmetrics we scored both the paid and natural search visibility for each retailer to determine whether there had been a growth or decline in performance throughout the last year. We scored brand demand, particularly the growth and decline of brand name searches, to show us which retailers are still popular with their customers. We also reviewed the online marketing channel mix, using Similarweb to understand the media mix for paid and non-paid channels. We benchmarked each retailer's social media engagement, across prominent platforms in the UK such as Facebook, YouTube and Twitter.



Brand search has declined for 56% of retailers scored

Remarkably, 28 of the 50 retailers scored, experienced a decline in their own brand searches year-on-year and these results are reflected across all sectors. Retailers struggling with brand demand this year include Arcadia brands Topshop, Dorothy Perkins and Miss Selfridge along with department store House of Fraser. However, some retailers such as JD Williams, Amazon and The Range have seen improvements in brand demand this year. JD Williams is a standout performer showing 38% year-on-year growth in brand interest. As The Prolific North reports, this success is largely due to their investment in awareness campaigns across traditional above the line and digital media channels. For a retailer to increase brand awareness, budgets need to be balanced across traditional above the line marketing, as well as digital channels such as Display. Another correlation within the report is that retailers opening more stores in the UK scored better for brand interest.

Key Takeaway:

Marketing Directors need to understand the value of online and offline marketing and the levers available to increase brand awareness. Traditional and digital marketing budgets should be integrated to ensure a synchronised approach, which should be reviewed on an ongoing basis to deliver efficient performance.



Over half of retailers are putting sales at risk with high reliance on natural search

52% of retailers scored are too reliant on natural search, with a traffic ratio of more than 45% vs any other online channels. Getting the online marketing mix correct is crucial for retailers, otherwise they can leave themselves vulnerable to losses in revenue. When retailers rely too heavily on natural search as a contributing sales channel, the potential risks they are open to include sudden changes in the search algorithm and poorly executed site migrations. In the last year, unconfirmed Google algorithm updates such as Fred and Phantom V have impacted retailers' natural search visibility negatively. Interestingly, when reviewing the mix of paid marketing channels for retailers, only 24% of brands reviewed have increased investment in traditional pay per click ads (PPC). The reduced investment in PPC is likely caused by the reallocation of budgets into stronger performing channels such as PLAs, as well as a reduction in efficiency in the PPC market where costs continue to rise.

Key Takeaway:

Marketing stakeholders need to be aware of the risks of having a high reliance on one or two channels. Diversification to include the full breadth of paid media channels e.g. programmatic and paid social is essential for sustainable growth.

Online Marketing – we scored 21 questions across 4 core components:

- Search visibility – paid and natural visibility, growth/decline year on year, in addition to presence in local search
- Social engagement – follower and engagement rates across Facebook, Twitter and YouTube
- Brand demand – overall demand, year on year growth and search landscape, ownership
- Media mix – levels of traffic and mix across paid and non-paid traffic sources

Top 5

	Search Visibility	Social Engagement	Brand	Marketing Mix	Marketing Score
Argos	75%	56%	71%	91%	85%
Asda	17%	72%	86%	91%	83%
Boots	88%	59%	71%	67%	81%
Tesco	67%	65%	86%	61%	79%
Aldi	75%	67%	71%	55%	73%

Bottom 5

	Search Visibility	Social Engagement	Brand	Marketing Mix	Marketing Score
Jacamo	50%	28%	33%	45%	37%
Harrods	25%	65%	24%	0%	35%
Waitrose	42%	31%	24%	33%	33%
Miss Selfridge	25%	41%	5%	2%	28%
WHSmith	25%	30%	10%	9%	20%



Fashion retailers have more followers but multi-category retailers lead the way with social engagement

Although it still only accounts for a small percentage of total online sales, the impact social media has had on consumers' buying behaviour is significant. Fashion retailers such as ASOS, Topshop, New Look and JD Sports are very good at building strong social communities, with a collective following of over 2 million on Facebook. However, it is clear they are not taking full advantage of this audience due to low engagement rates (0.02%) on the content published on Facebook vs the top 50 retailer average of 0.18%. M&S is the best performing retailer for social engagement scoring 81%. A key difference when reviewing social engagement year-on-year is the increase in investment in video and image content. Curry's are an example of this; they are publishing educational content across all of their social channels at least once a week. This content generates thousands of views each week and is helping the customer in their buying process.

Key Takeaway:

A good content strategy does not need a blockbuster budget. Utilising assets that a retailer already has, such as employees creating store videos or customers creating user generated content, can be just as effective.

Other Findings

- Due to changes in customer behaviour it is estimated that 60% of retailers' traffic is now delivered through a mobile or tablet device. However, the results from this analysis show that 38% of the retailers scored are not seeing this split, and therefore, still have a higher reliance on desktop.
- Pinterest is still an underdeveloped social channel for retailers, with only 30% of brands having a community greater than 25,000 followers. In comparison, retailers are investing more in Instagram year-on-year, with 70% of brands having over 25,000 followers.
- Overall the grocery sector is the highest performing vertical, scoring top of the class across all the 4 core components with Asda and Tesco appearing within the top 5 retailers for online marketing.

Q3. How appealing are you to your customers?

Trading

Enabling consumers to buy with confidence builds trust, which in turn leads to loyalty and understanding. The insight that can be obtained in real time online can be used to deliver the perfectly personalised store; something that cannot be replicated in the bricks and mortar world.

We scored the effectiveness of the sites in terms of engaging site content and persuasive promotional messaging. We benchmarked retailers' product offerings along with the strength of their product pages, including descriptions and photography. We scored the checkout process of each retailer to assess who was most effective at getting browsers to convert to customers.



**Picture this...
an easy win for
retailers**

The product detail page is a retailer's opportunity to provide the customer with all the information they need to make a purchase. 67% of online shoppers rate high quality images as being 'very important' in their decision to buy. 50% of retailers are overlooking the importance of effective product imagery online by not having a minimum of 4 quality images showcasing product detail and USPs. 33% do not show any alternative shots such as packaging or in situ, and 10% still do not use a basic max zoom functionality.

Good product photography can drive an emotional response from customers and enhance shoppers' perception of brands. Retailers have reported increased conversion rates of nearly 1/3 when implementing 360° images. From our own client experience, we have found that something as simple as increasing the size of product images can increase sales by 9%.

Key Takeaway:

Carry out a small photoshoot, starting with hero products, to really expose the quality of the items. Shoot every angle and detail and show the product in the environment it will be used in. Measure engagement metrics and overall conversion rates when testing, and be sure to test the imagery in all the available channels to get a holistic view.



**Customer reviews
and related content
are improving
retailers' conversion**

Customers are 12X more likely to trust consumer reviews over brands' descriptions, and are 80% more likely to buy a higher priced item based on positive customer reviews. However, 20% of the retailers analysed still don't include product reviews on their sites, and only half score maximum points for presenting reviews in a customer friendly fashion to encourage conversion rate. In the absence of being able to try a product before buying, product reviews continue to play a critical role in building confidence with customers.

Including rich related content is a great way to talk to your customer in their language and focus on product benefits and adjacent topics that make consumers feel more confident to purchase. This softer sell is a valuable tool for all eCommerce retailers. Surprisingly, only 4 of the retailers scored adopt the use of full rich content by linking to articles and content about the products sold, or buying guides and supporting information to ensure shoppers have all the information they need to make a purchase.

Key Takeaway:

Retailers need to invest in 3rd party review services such as Feefo, Bazaarvoice and Trust Pilot, and actively seek customer reviews through triggered eCRM. Not only are customer reviews crucial feedback for buying and merchandising teams; showcasing this content will also reduce product returns.

Trading - we scored 138 questions across 3 core components:

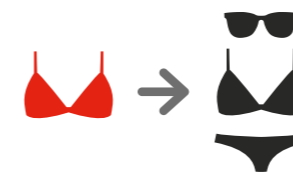
- Content & promotion - homepage, site search & navigation, consumer support, social engagement, reviews and customer communication
- Product - filtering, detail, range, availability, price, photography, descriptions and merchandising
- Conversion - checkout process, basket page and payment options

Top 5

	Content & Promotion	Product	Conversion	Trading Score
John Lewis	88%	87%	95%	89%
Amazon	65%	86%	85%	82%
Harrods	86%	64%	97%	81%
Habitat	75%	70%	92%	80%
M&S	81%	69%	84%	78%

Bottom 5

	Content & Promotion	Product	Conversion	Trading Score
Topshop	52%	51%	75%	58%
IKEA	54%	46%	64%	53%
Zara	52%	49%	54%	51%
DFS	50%	46%	54%	50%
Home Bargains	48%	31%	33%	41%



**Retailers are still
missing out on a
cross-selling prize
of £350m per year**

60% of retailers scored are failing to take advantage of this opportunity. Only 39% of retailers are utilising techniques such as 'complete the look', 'you may also like' and 'customers also bought'. These features drive conversion rates and increase basket size. Cross-selling is ubiquitous in bricks and mortar stores, and is worth over 30% of many online retailers' revenue. Product recommendations can increase revenue online by up to 10%, equating to almost £350m. With innovative machine learning and AI tools able to automate related products and bundling, why are the top 50 UK retailers still missing out?

The basket page itself is particularly key when it comes to cross-selling. Users who reach this point in the customer journey have indicated they have intent to buy, offering the opportunity for retailers to increase average order value. However, 73% of retailers are not demonstrating the best use of cross-selling on the basket page, and 10% do not include any cross-selling whatsoever at this point.

Key Takeaway:

Multichannel retailers need to bring together the online and instore merchandising teams to create joint 'go to market' plans on key ranges. Thereafter the strength of eCommerce can really be used to link related and relevant products beyond just 'the look', ensuring that the customer is always presented with desirable, in season and in stock products.

Other Findings

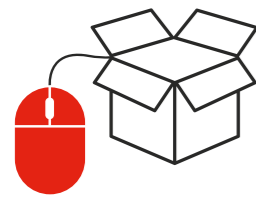
- Offering shoppers the opportunity to sign up for newsletters and marketing emails can turn new customers into repeat customers, however only 41% of retailers are offering this, and only 27% allow users to sign up quickly with an email address alone.
- In store, a customer has a tangible experience with the product - particularly important in fashion, where sizing can be an issue. Only half of retailers scored offer usable size guides, with 1 in 10 not offering any size support whatsoever.
- 50% of retailers tested are not actively encouraging visitors to consume information on the homepage, with 1/3 not including any form of non-product content.
- Research suggests that consumers who use the search functionality on a retail site are twice as likely to convert on desktop and 4x more likely when using a mobile device. Despite this, only 68% of retailers are using predictive or semi-intuitive search, and only 48% are able to handle misspelled search terms.

Q4. Do you delight your customers?

Logistics and Service

The cost of acquiring a new customer can be far greater than that of enticing an existing customer to purchase again. Delivery and customer service solutions that put customers first are key to creating an online experience that will increase sales and ensure existing customers become advocates.

We checked each site for customer service information and tested how quickly and accurately they responded to queries across phone, live chat, email, site entry forms and social media. We scored the delivery services and returns policies against best practice to see who meets today's customer expectations. Retailers who scored highly simply put customer convenience at the forefront of their logistics and service strategy.



92% of retailers offer a click and collect service

Click and collect is an increasingly popular choice for online consumers. In today's market, click and collect contributes to 30% of online sales for multichannel retailers in the UK. This increasing service trend was evident among the top 50 retailers, with nearly all retailers offering this service, and scoring full marks within the Scorecard click and collect criteria. However, the customer experience for click and collect can still be improved. As a recent study from Statista noted customers who prefer to click and collect believe the service is more convenient than home delivery and likely to avoid any additional delivery charges. Therefore, having a simple onsite journey for customers to book a day for collection (especially for groceries) and highlighting any service charges that may apply when a customer selects click and collect are essential.

Key Takeaway:

Retailers need to be aware of the offline implications of click and collect services. 26% of customers reportedly experience long waiting times to collect their orders in store due to lack of staff. Adding collection lockers or having specific staff to deal with click and collect orders are steps some retailers are taking to address this issue.



Are retailers meeting the ever-increasing delivery expectations of online shoppers?

Delivery costs, location and speed are 3 important delivery factors that influence customers who shop online. Home delivery has been an option for online shoppers for years, however, only 1 of the top 50 retailers scored full marks in this field. Tesco is leading the way when it comes to home delivery by offering unlimited, 7 days a week delivery for as little as £3.49 a month.

The main reason why grocers and online specialists such as Amazon are ahead of other sector retailers is the best-in-class subscription delivery services they are able to provide. The success of subscription delivery services can be seen through Amazon's Prime delivery option. Emarketer reported that as of March 2017, there are approximately 8 million Amazon Prime subscribers in the UK, which equates to a 33% household penetration rate. As part of offering customers the best experience in a highly competitive proposition market, retailers should also review the charges for same day delivery, next day delivery and any additional weekend delivery.

Key Takeaway:

Shoppers are increasingly taking advantage of flexible delivery options, in particular click and collect and nominated day and time delivery slots. Offering these services and incentivising customers with loyalty discounts on delivery charges will encourage repeat business and have a significant impact on profitability.

Logistics and Service - we scored 42 questions across 3 core components:

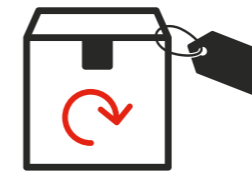
- Customer service – speed of the response to queries
- Delivery – proposition and costs
- Returns – returns policy and convenience of the process

Top 5

	Customer Services	Delivery	Returns	Logistics and Services score
Tesco	49%	100%	89%	88%
Asda	48%	99%	89%	86%
Sainsbury's	62%	96%	72%	84%
Asos	97%	86%	67%	84%
New Look	77%	82%	78%	80%

Bottom 5

	Customer Services	Delivery	Returns	Logistics and Services score
Harrods	80%	19%	78%	43%
IKEA	82%	15%	78%	41%
Home Bargains	48%	35%	50%	40%
The Range	61%	18%	78%	39%
DFS	49%	6%	33%	20%



16% of retailers scored failed during the returns process

As part of the report for 2018, Summit conducted a survey looking at consumers' overall satisfaction with their experiences of online shopping. This survey highlighted consumers' low levels of satisfaction with the process of making returns and exchanges. 57% of consumers are more likely to purchase when offered free returns and exchanges by a retailer. From the top 50 retailers scored, fashion retailers including Dorothy Perkins, Miss Selfridge and Topshop outperform other industry sectors for returns. This is due to the majority offering free returns with a moneyback window of 14 days. Returning an online purchase in store is the most popular returns method within the UK, with Invesp reporting that 33% of returns are carried out this way. This customer behaviour is clear to see in the results of this report, with all retailers scoring highest in the criteria related to returning online purchases in store.

Key Takeaway:

83% of customers review returns policies before purchasing. Therefore, retailers need to ensure their returns process is clarified upfront and offers choice along with convenient returns methods such as online or instore.

Other Findings

- The most common issues that negatively impact a customer's experience of using click and collect are long waiting times due to staffing problems, instore staff being unable to locate items and a lack of dedicated instore areas for click and collect.
- Same day delivery is becoming more of a focus. This can be seen with retailers such as Argos who has a Fast Track Delivery proposition through which products can be delivered to a customer's home within 4 hours after purchasing online.
- A change that can be seen year-on-year from the results is retailers moving to more specific delivery slots for customers and following the lead from grocers.



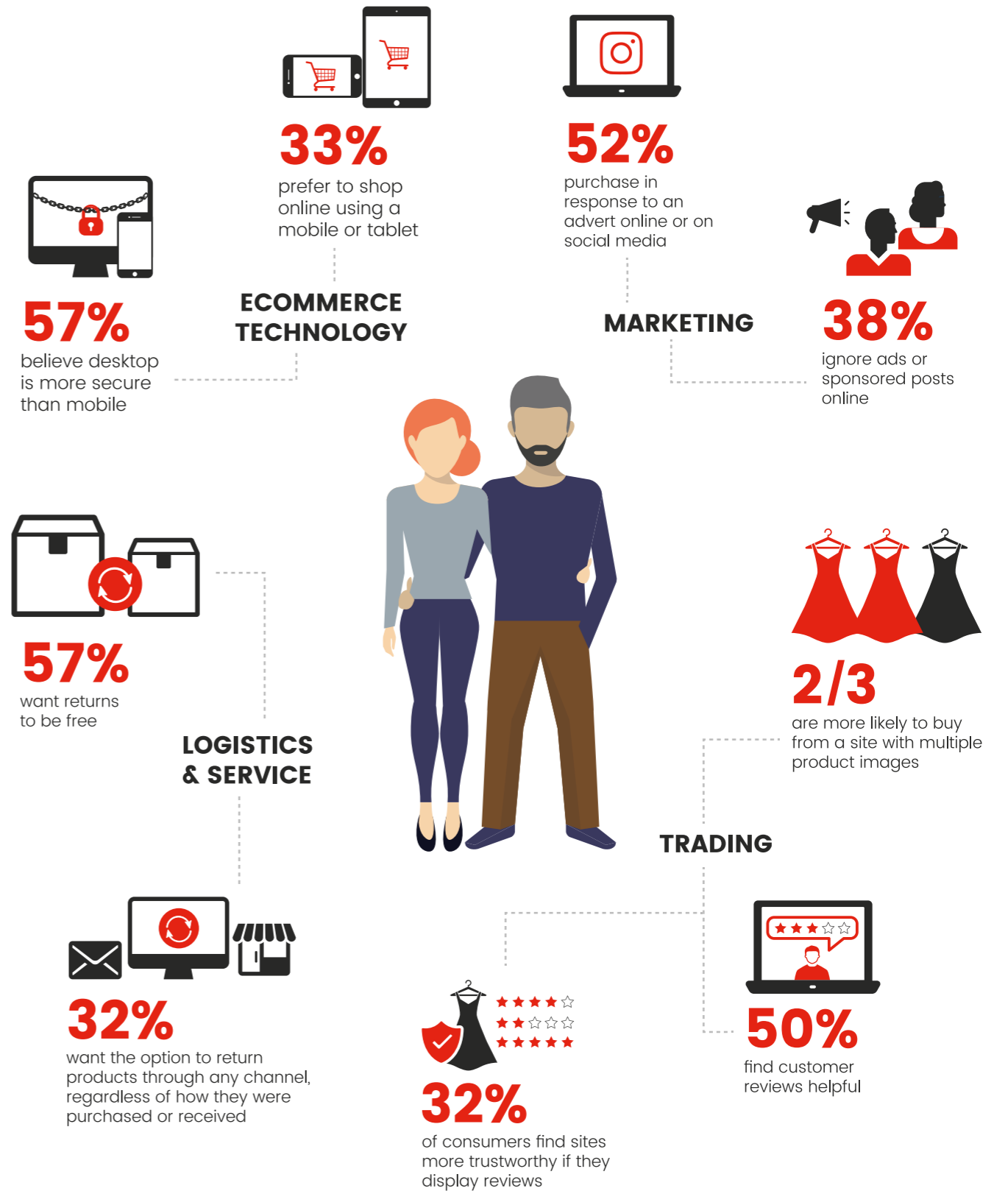
Delighting each of your customers is an elusive achievement at the best of times. This is before you even start thinking about all the moving parts and third-party partnerships required for eCommerce businesses to get the right product into the hands of shoppers, in the right place and at the right time. What is apparent in this year's Summit scorecard, is the need to get your click & collect proposition right. This is important from a shopper viewpoint, as well as from a profitability perspective for retailers.



Bryan Roberts – Global Insight Director, TCC Global

How do consumers think in 2018?

We surveyed 2,000 online shoppers across the UK to find out how consumers prefer to shop. The survey questions follow the customer journey and the Scorecard scoring criteria.



To download the full report go to www.summit.co.uk/scorecard

If you'd like to find out more or receive a bespoke report for your business call us on +44 (0)20 3910 7000 or email scorecard@summitmedia.com

Opinion: What will drive digital growth in 2018?



Delivery options and cross-border commerce represent growth opportunities for UK retailers

The need for convenience continues to push retailers to consider their delivery options in terms of methods, time slots and speed of delivery. Supermarkets, Amazon Prime and Argos – now offering 4-hour delivery – continue to push other retailers to improve their offering.

Logistics play a more important role in m-commerce as shoppers on the move expect click and collect and same day delivery services. Click and collect now exceeds 30% of delivery options, meaning many multichannel retailers regard bricks and mortar stores as crucial despite being less profitable than online stores.

Further afield, the eCommerce share of global retail sales is expected to double, from \$1.67 trillion (7.3%) in 2015, to \$3.55 trillion in 2019. In a recent study, cross-border eCommerce accounts for almost 21% of that revenue, with just 12 countries making up approximately 80% of the world's cross-border shoppers. Encouragingly for UK retailers, over 40% of these countries use English as a primary language. The Asia-Pacific region is growing at an impressive 35.2% year on year and is expected to account for 50% of all cross-border eCommerce by 2020.

Overseas revenue represents up to 50% of some retailers' sales. With international retailing becoming easier thanks to improved logistics, accessible global payments and more sophisticated fraud control, more online retailers should look to expand. Even with Brexit uncertainty, eCommerce is a growing global game that offers retailers the opportunity to maintain their online growth. With barriers to entry at an all-time low, cross-border eCommerce should be considered a low hanging fruit.



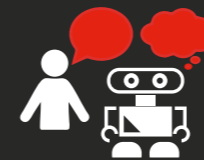
GDPR will impact how brands collect and use big data and customer information

There are 3.8 billion global internet users; a number which has grown by 42% over the last 3 years. These users are responsible for 5.2 billion Google searches and numerous other interactions every day. Most of the resultant data is unstructured, making it useless until modelled and analysed to create meaning. In 2018, retailers will start relying heavily on big data to predict trends, forecast demand, optimise pricing and understand customers.

The EU General Data Protection Regulation (GDPR) takes effect on 25th May 2018, affecting businesses in all sectors including eCommerce. Retailers will have to invest significant time and money to ensure they are GDPR ready.

Information on how collected data is used for marketing purposes will need to be documented and clearly expressed to the customer. Brands must understand and record the source of collection and have double opt in policies.

The growth of e-receipts has been a major success over the past 2 to 3 years, with 45% of consumers in the UK willing to provide their email data. Brands must be clear on how this data will be used for future marketing communications to ensure GDPR compliance.



Artificial intelligence, machine learning and automation technologies will lead to a need for real-time analytics

Amazon Echo and Google Home assistants became hugely popular in 2017. Although impact on eCommerce searches will be limited, this is likely to cause a reduction in use of the traditional search engine, along with increased local and informational based search.

As these devices become more prolific, the more voice command research will be a significant player in product research and, ultimately, purchase. Google have already hinted at how Home will interact with their advertising solutions and have tested integration with local inventory ads.

According to Google, 20% of all searches are voice-based, and this is predicted to rise to 50% by 2020. Retailers must not be left behind by this technology. To win in this space, a considered semantic search approach and structured microdata are key. Think like your customer; write in the language they use, review their journeys, and ensure you answer the questions your target customers are asking about your products.

Artificial intelligence (AI) and the rise of the chatbots are improving consumer experience and conversion rates, and will continue to do so as they become more sophisticated. Business Insider predicts that 85% of all customer interactions will be completed with no human involvement by 2020. Within the next 2 years, every retailer should have considered how they can use AI to support their customer service proposition.

Scorecard 2018 reveals that many retailers are not capitalising on the cross and upsell opportunities that they excel at in-store. There is now a wave of companies offering automated related products and merchandising based on machine learning algorithms. Increasingly, retailers can recommend products to customers depending on where they are and what they are doing. These quick suggestions assist buying decisions with a high probability of converting into sales. Real-time analytics could therefore play a bigger role in 2018.



The multichannel journey: how creative consistency and digital touchpoints can help to close an £8 billion gap

Digital has supercharged multichannel retailing with an ever-growing cocktail of consumer touch points, data, devices, choice and competition. Research reveals that online consumers almost unanimously expect retailers to support multichannel shopping. The retailing channels should therefore be considered holistically and work together to maximise retail success.

Over 50% of purchases are influenced by digital information, and the growing popularity of services like click and collect is clear evidence of the blurred lines between online and offline shopping. Over the last year retailers have reignited their focus on attribution, looking at options outside of the 'last click wins' model. This is likely to prompt reevaluation of marketing activity historically cut from the media plan, allowing for a greater understanding of the end-to-end customer journey.

Metrics such as store visits in addition to geo tests, for example up-weighting digital activity around a specific store, can help consumers seamlessly move between the online and offline worlds. Utilising local targeting tactics to serve in-store-specific messages to nearby customers and collecting and segmenting data from offline consumers will help retailers to identify and appeal to customers more likely to purchase online versus offline.

Websites offering a personalised experience with timely, relevant recommendations are the future. In recent years there has been an increase in marketing personalisation, largely led by the widespread adoption of retargeting. However, creative consistency across channels and relevancy based on a customer's position in the journey are not fully optimised, an industry challenge that we believe is responsible for £8 billion in lost UK eCommerce sales.

Summit's Retailing Specialists



Ben Latham, Director of Digital Strategy

Ben has worked in retail for 20 years, working for many companies in the online market place including Boots and E.O.N. Ben is responsible for leading the digital strategy across our clients.

Retailing Superpower

Strategic thinker with practical implementational understanding.

Digital Bugbear

People who talk digital without understanding digital.



Dave Trolle, Head of Online Marketing

Dave has worked in online retailing for 14 years. Dave is pivotal to setting the overall online marketing strategies across all our clients, continuously developing the online marketing approach in line with digital trends and media partner product launches.

Retailing Superpower

Developing a strategic and pragmatic approach that retains loyal customers as well as acquiring new ones.

Digital Bugbear

A poor approach to digital measurement.



Alex Leith, Head of Trading

Alex has 17 years of retail experience, previously working for RAC plc, Findel plc and Kitbag.com, delivering fully outsourced multichannel retail solutions for high profile sporting associations. Alex leads an in-house eCommerce trading team, providing eCommerce and trading for retailers.

Retailing Superpower

Can think as a customer and behave as a retailer.

Digital Bugbear

A business unable to reach its potential due to internal blocks caused by big organisational silos and culture.



Zdeněk Burda, Chief Technology Officer

Zdeněk started his career in network and infrastructure development for the Czech Government. Zdenek is responsible for all technical development at Summit, delivering e-commerce and marketing technology platforms for leading UK retailers.

Retailing Superpower

Transforming retailers' business needs into robust and scalable technical solutions.

Digital Bugbear

People who overcomplicate solutions for simple problems.

A little bit about us

Summit is a Changemaker in online retailing.

Founded in 2000, we've grown to over 160 employees working internationally across the UK, USA and East Asia. We have partnered with some of the world's most successful retailers and brands, helping them make more money from retailing online. Our unique online Retail Value Chain provides our clients with deep expertise across the disciplines required to trade online: strategy, eCommerce, online marketing, trading and logistics. We are passionate about helping our clients transform their business opportunity by thinking and acting differently.

- We give advice that changes the way retailers think about their business.
- We build technology that makes it easy for them to trade and for their customers to buy.
- We create online marketing that brings people closer to their business.
- Our purpose is to make it more likely that people buy from our clients than anyone else.

The combination of joined-up expertise working collaboratively across our Retail Value Chain ensures our clients adapt faster to the changing retail landscape.



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The most serious challenge to retailers is not knowing how much money you should be making.



Hedley Aylott, CEO and co-founder, Summit



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