

The UK's

TOP 30 GROWTH RETAILERS

2018

How a connected customer
experience drives sales

RetailWeek
CONNECT
REPORTS

In association with
O₂
business

AT A GLANCE

As the retail sector battles myriad technological and economic challenges, it is easy to lose focus on what really drives growth – the strength of the customer experience.

In this report, produced in association with O2 – a retailer undergoing significant change – we name the UK's top 30 growth retailers for 2018. We also highlight the businesses that have adapted best to the digital age to create tech-driven customer experiences that propel growth for an extended period of time.

Providing analysis on technology trends seen across different sectors of the industry – from fashion to general merchandise – Retail Week Prospect, the data intelligence platform, will explain how the retailers named are creating strong growth in an industry in which countless others have seen profits drop and stores close.

Luxury ecommerce platform Farfetch has retained its crown, showing that UK fashion retailers are still a force to be reckoned with. However, multichannel

retailers should also not be overlooked. Face-to-face interactions are proving to be just as vital a part of the customer experience in today's digital era, with technology aiding in-store employees and consumers alike.

The value that technology brings both to the customer and to the retailer is undeniable, making it vital for companies to understand the impact that improved connectivity brings to their business and to their customer's experience.

What does this report reveal?

- » 2018's ranking of the UK's top 30 growth retailers
- » The secrets of their success – sector-by-sector analysis of the technology trends leading to growth
- » How creating connectivity through technology underlies customer experience success
- » Why pureplay retailers are leveraging physical stores

METHODOLOGY

The growth ranking used in this Retail Week Connect report is based on retailers who have the fastest-growing sales. To be considered, businesses must be privately

owned and registered in the UK, have had generated sales of at least £25m in their latest available accounts and have reported three years of consecutive sales growth. The table (on page 11)

is ranked according to retailers' average sales growth over this period and the calculations are based on the latest available accounts for each one as of March 2018.



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THE TOP 10

1. Farfetch
2. Missguided
3. Made.com
4. Childrensalon
5. Green Man Gaming
6. The Hut Group
7. Lovehoney
8. Matchesfashion.com
9. Loaf
10. Oliver Bonas

For the full list, turn to page 11

RETAIL WEEK FOREWORD



RYAN DOHERTY
ANALYST, RETAIL WEEK PROSPECT

Rapid growth now requires a level of connectivity throughout a retailer's business, from supply chain and marketing to stores and online. Whether profitable or loss-making, young or old, pureplay or multichannel, the retailers in our ranking all reflect this.

Farfetch has again topped the growth retailer ranking. The decade-old apparel portal now connects shoppers to more than 700 independent boutiques and fashion labels globally. Although it has yet to turn a profit and generates significantly less revenue than competitors like Yoox Net-a-Porter, sales grew 65% in its most recent financial year and it is certainly the envy of many luxury retailers.

Farfetch's investments in fulfilment, social media and its Store of the Future

concept epitomise the seamless convenience, service and engagement modern consumers have come to expect, particularly in the fashion sector.

Our ranking highlights retailers across fashion, homewares, general merchandise and beyond that have taken various approaches to growth in the digital age. However, a common thread throughout is the use of technology to open a dialogue with customers and cater to demand for convenient, unique and authentic experiences.

Many multichannel retailers have failed to capture the imagination of modern consumers, investing too heavily in flashy gimmicks. Instead, these fast-growing retailers have prioritised connective technologies that support

fulfilment, inspirational content and personalisation, and ultimately help them to understand customers better. The likes of RFID tracking systems, interactive store experiences and mobile PoS systems have helped to create a more frictionless environment for consumers, too.

These retailers have been careful, however, not to get carried away in merging channels and end up losing sight of the customer.

Instead, connected technologies have allowed them to grow by carefully building seamless experiences across channels, often by adding either a small store network or a limited ecommerce operation without risking one cannibalising the other.

RETAIL WEEK CONNECT: THE UK'S TOP 30 GROWTH RETAILERS 2018

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This year's report on the top 30 growth retailers shows how organisations are bucking the trend of declining footfall and consumer spend by embracing connectivity and digitisation.

As a retailer ourselves, O2 is on a similar journey. We've reimagined our high street presence using new technology, innovation and data insights from our 30 million customers. As with many companies in the top 30, transforming the customer experience continues to be our top priority.

Throughout this report we will see the different ways UK retailers have fuelled growth over the past year. In addition to building their online capabilities, we will see how many are transforming their

physical stores to offer unique, different and valuable shopping experiences. Think smart mirrors in fashion outlets that let customers try on outfits virtually.

Futuristic technology like this is helping make the high street a destination once again. For O2, that means making our stores not only a place to buy a mobile phone, but somewhere people can actually go to and visit for live music performances or exclusive events, gaining access to unique content.

Digital, mobile and connected technologies are expanding what is possible for retailers – and there is a lot of inspiration out there:

- Shops that encourage customers to 'log in' when they enter, so staff can tailor their visit.

- Digital supply chains that get products to customers quickly, with full visibility of the delivery.
- Mobile PoS tools with real-time stock lists that let staff serve customers better on the shopfloor.

While the stories here are all unique, creating a connected customer experience is the common factor across them all. Whether you are digitising your physical stores or making smaller incremental steps to boost sales, having a digital and connected infrastructure really is key.

For O2 and the clients we help, this is about strong and secure networks, mobile devices and collaboration tools, joined-up systems and insightful data analysis.

Together, these elements can transform the retail experience for customers.

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INTRODUCTION

PUTTING CUSTOMER EXPERIENCE FIRST

- » **Single customer view remains the priority for multichannel retailers**
- » **Top growth retailers achieved differentiation through effective adaptation of technology**
- » **Connected customer experience is vital with international expansion fuelling growth**

The customer experience is central to growth and this is increasingly driven by digital innovation.

However, it is challenging to find the right mix of technology and authenticity that wins sales and loyalty. And it is a struggle that pureplay and multichannel retailers of all ages, across all sectors, have to deal with.

Each retailer in our top 30 ranking has differentiated themselves from others in their sectors by being quicker and more effective in adapting the technologies and capabilities that consumers have come to expect in this on-demand digital age. This has enabled them to generate strong sales growth over an extended period of time.

Merging channels

The top 10 of our ranking is dominated by pureplays making moves into physical stores, in particular fashion and homewares retailers. Their product ranges and operating models are well suited to the showroom model, which allows for trialling and testing new technologies.

The likes of Kurt Geiger and Farfetch have utilised technologies that leverage customer data in store like they do online, improving personalisation and enhancing the customer experience (see chapter one).

Developing a small number of stores that act as test beds for innovation makes perfect sense for the likes of Loaf and Made.com.

Trying out the product is important for big-ticket purchases like furniture.

Offering entertainment, product-trialling areas and social sharing in store also helps these retailers drive customer engagement in a way that an online-only offer cannot.

Customer view

On the other side are more traditional multichannel retailers seeking to better connect with customers through improving their ecommerce capabilities.

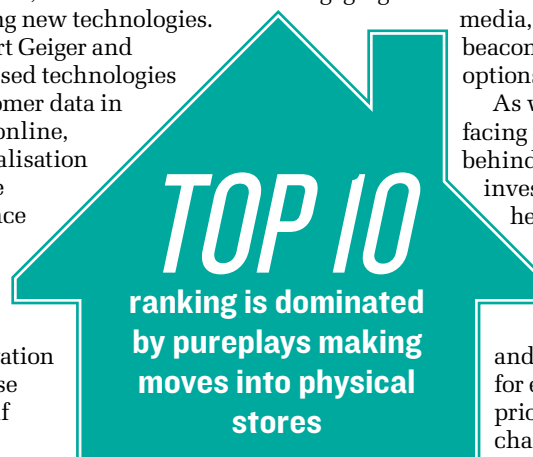
Achieving a single customer view has been a priority for many in this area. The likes of Oak Furniture Land and Sweaty Betty have invested heavily in website responsiveness, data analytics and enterprise resource planning (ERP) software to enhance the quality of their stock and customer data.

Indeed, customer data is crucial in propelling growth. The mobile channel is fundamental to this, whether by engaging with consumers on social

media, in store via beacons and payment options or on loyalty apps.

As well as customer-facing technologies, behind-the-scenes investments have helped retailers create seamless shopping experiences across channels.

WiggleCRC and Missguided, for example, have prioritised supply-chain technologies





to support the customer experience, using scalable warehousing systems to offer more reliable delivery services.

International ambitions

Prioritising overseas growth is also an emerging trend from this year's ranking. Seven of the top 10 generated at least 30% of their turnover overseas in the most recent financial year. This is unsurprising given the dominance of pureplay retailers with global ambitions.

Domestic uncertainty and declining high street footfall is persuading multichannel retailers to look abroad for growth. Developing a strong connected customer experience is even more important to differentiate yourself in a new market – but it is also more challenging.

The strength of the brand alone is often not enough, as is clear from Boux Avenue's failure to capitalise on its British credentials in franchise stores across Europe, the Middle East and North Africa. Its declining international sales saw it drop 16 places in our ranking this year.

Conversely, Farfetch has continued to grow its international sales at a blistering pace by using its partner store network to enhance customer service through global click and collect.

The etailer introduced same-day delivery in nine cities across Europe and the US towards the end of 2015, and began 90-minute delivery trials on selected Gucci products across 10 global cities in 2017. These moves form part of the "360-degree" experience it believes is vital to growth.



Developing a strong connected customer experience is even more important in a new market



CHAPTER ONE

DRIVING GROWTH IN THE FASHION SECTOR

- Farfetch leads the pack with its use of data, illustrating the level of connectivity retailers are aiming for
- Second-placed Missguided makes use of its vertical supply chain strategy to respond to demand quickly
- Kurt Geiger has introduced a mobile PoS system across its store estate for a more attentive in-store experience

It is unsurprising that fashion is the best represented retail category in the top 30. A plethora of technologies are available to fashion retailers to enhance the customer experience and support growth, both online and offline.

While similar solutions are available across all sectors, fashion retailers are arguably more dependent on keeping up with the latest trends, reaching new audiences and supporting inspirational content than the rest of the industry.

Today's fashion consumers expect shopping to be speedy, easy and intuitive, necessitating investment in operational efficiencies and engagement across ecommerce, in store, marketing and logistics.

Social success

The leading retailer in our ranking list drives customer engagement through social media platforms.

Farfetch's shoppable Instagram Like2Buy channel, launched in 2017, has reached 1 million followers globally with inspirational content based on its product range, supporting its luxury appeal and propelling its reach.

The fashion portal's ongoing evolution is also being driven by its Store of the

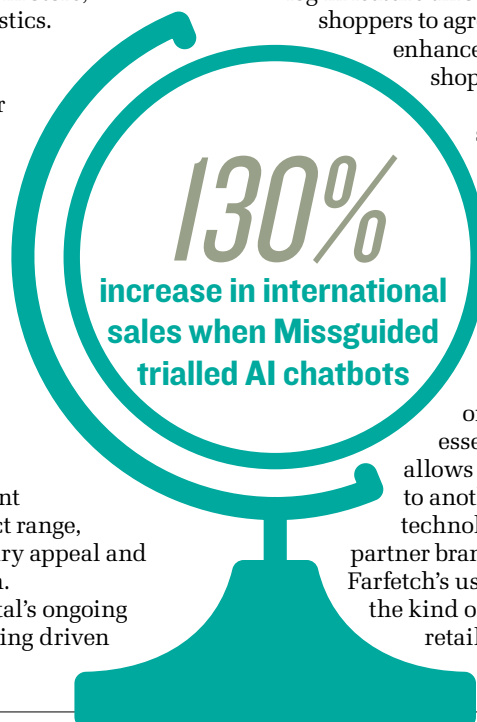
Future concept. Currently being trialled at its Browns store in London, this embodies a digitally led experiential approach that is becoming the modern face of fashion retail, particularly in the luxury sector where the price of products implies a complementary experience.

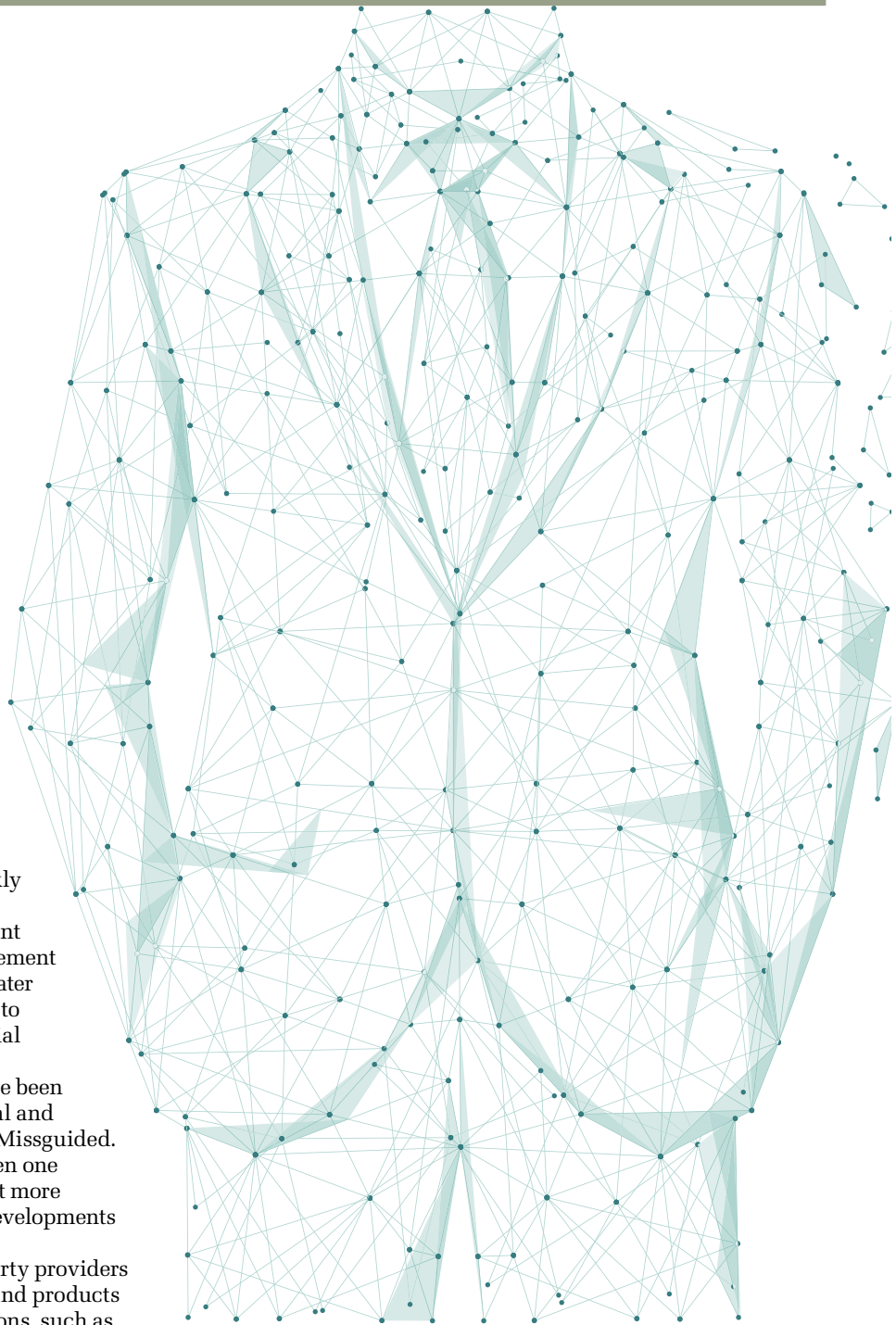
Features include RFID-enabled clothing racks that track any in-store browsing behaviour, and smart mirrors that let customers view their existing wish lists and order items in different sizes and colours without leaving the comfort of the dressing room, all creating a more frictionless experience.

The concept also includes a universal log-in feature through an app, encouraging shoppers to agree to share data to help enhance current and future shopping experiences.

When they arrive in store, staff are alerted and can then access insights into recent shopping behaviour provided by their profile, enabling them to provide a more connected level of service.

The gathering of customer data is essential to the concept and allows it to take personalisation to another level by tailoring technology solutions to each partner brand, store and country. Farfetch's use of data illustrates the kind of connectivity that retailers across sectors are striving for.





Enhanced visibility

Missguided is another fast-growing fashion retailer with a distinct advantage in its supply chain. Its vertical strategy means it manufactures its own products, enabling it to produce clothing in as quickly as three days in the UK.

Combining this with recent investments in stock management systems provides it with greater visibility and lets it respond to demand quickly – an essential requirement in fast fashion.

A raft of technologies have been used to develop a more global and personalised proposition at Missguided. Trialling AI chatbots has been one eye-catching investment, but more understated and practical developments have also propelled growth.

Missguided uses third-party providers to enable it to push content and products specific to geographical regions, such as showing winter coats and boots to UK website visitors at the same time it shows shorts and sandals to customers visiting its Australian site. This helped international sales rocket 130% in 2016/17.

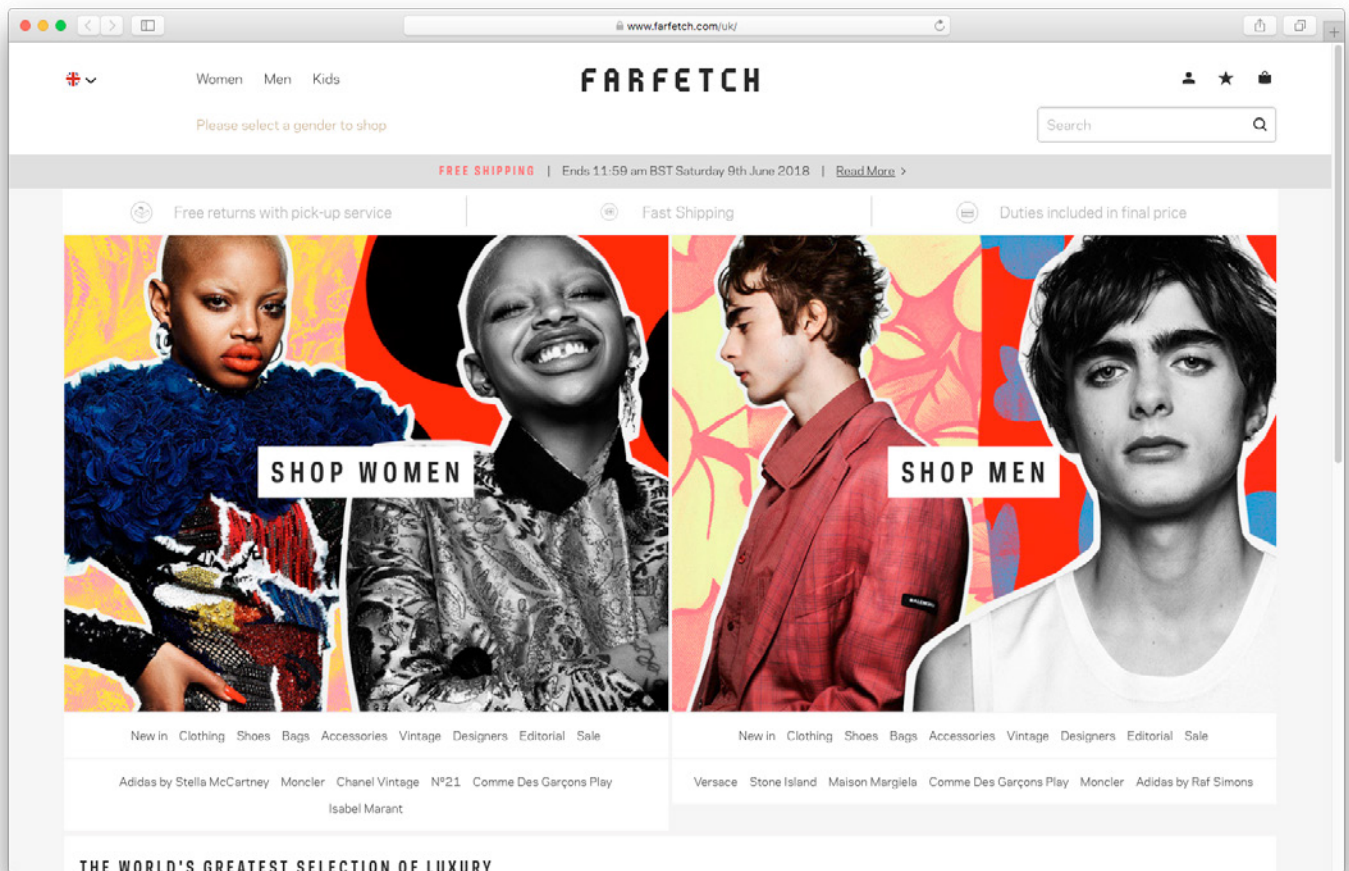
Kurt Geiger is a new fashion entry in our ranking this year. The premium footwear retailer trades primarily through department store concessions, but its online channel has increasingly supported growth with a focus on digital innovation.

Its use of interactive in-store touchscreens and the online capability to let customers see stock availability for specific stores has bolstered connectivity

across channels. It has also invested in logistics technology to cut delivery lead times for customers and fulfil orders via the most optimal route. In 2016/17, online sales spiked 26% to account for 23% of group turnover.

Making use of mobile

Mobile has also been key to Kurt Geiger's growth. In 2017, it introduced a mobile-enabled PoS system on tablets across its estate to support a more attentive in-store customer experience. Staff now have a single view of stock, transactions and



Farfetch leads the ranks for a second year with its cross-channel approach to engagement

customers, enabling them to answer queries and process payments quickly, without transferring to a till.

Linked to the Kurt Geiger in-store app, the mobile devices also support endless aisle shopping so customers can order products not available in a specific location, and have those items delivered to their preferred store or home.

Mobile capabilities have become key to success in the sector. Retailers looking to grow quickly and stay relevant are investing in innovative mobile experiences, whether through the likes of visual search, social media or loyalty apps.

Childrensalon only launched its first mobile app in late 2017. The app offers access to more than 280 kidswear brands and allows customers to sync their accounts across all devices, simplifying the shopping experience.

The 66-year-old business climbed four places in our ranking this year, demonstrating that it is never too late to develop a more connected approach.

SecretSales slipped three places to 14th in our ranking this year, illustrating that it is not totally plain sailing for all young fashion hubs.

Unlike Farfetch, the flash sales website has yet to develop an app, but its mobile-optimised site generated 70% of group turnover in 2016/17.

While apps are not a necessity for retailers and many consumers are unlikely to ever download them, they do offer greater potential for connectivity through the mobile channel, as the likes of push notifications, wish lists and tailored promotions all help to support greater retention, conversion and engagement.

02

ACTION POINTS

- Start with a clear ethos – growth has to be built on a shared vision.
- Be mobile first – and customer-led in everything you do.
- Get your infrastructure right, as a foundation for new innovations.

THE FIGURES

THE UK'S TOP 30 GROWTH RETAILERS 2018

RANK	RETAILER	CHANGE IN RANKING	GROWTH %	SALES £M
1	Farfetch	—	64.8	151.3
2	Missguided	▲2	60.1	205.8
3	Made.com	▲2	51.7	91
4	Childrensalon	▲4	44.9	61
5	Green Man Gaming	▼2	42.5	37.2
6	The Hut Group	▲12	39.8	501.4
7	Lovehoney	▲6	37.4	72.8
8	Matchesfashion.com	▲2	36.7	203.7
9	Loaf	▼2	29.6	34.5
10	Oliver Bonas	▲6	29.5	50.1
11	Flying Tiger Copenhagen	▲1	29.3	45.3
12	Smyths Toys	▲5	29	396.5
13	Notonthehighstreet.com	▼7	28.7	40.8
14	SecretSales	▼3	28.3	38.1
15	Lush	▲8	28	139.9
16	Mountain Warehouse	▲5	27.8	184.8
17	Oak Furniture Land	▼8	24.5	279.7
18	Boux Avenue	▼16	22.8	49.4
19	Mint Velvet	▼4	22.5	87.4
20	Dreams	NEW	21.3	269.5
21	WiggleCRC	NEW	21.1	134.5
22	Pro:Direct Sport	▲6	18.8	88.8
23	Sweaty Betty	▼9	18.8	40.6
24	Aldi	▼4	18.7	8744.4
25	FeelUnique	▼3	17.8	65.4
26	The Range	—	17.5	761.3
27	Moonpig	NEW	17.4	85.8
28	Better Bathrooms	▼1	17.1	59.2
29	Amazon UK	NEW	15.7	6800
30	Kurt Geiger	NEW	15.7	337.7

CHAPTER TWO

HOME, LEISURE AND GM: RETAILERS ON THE RISE

- » New entry Dreams downsized its store estate and trebled online business in 2017
- » Sweaty Betty has driven growth via social media, editorial content and free classes
- » Amazon creates a frictionless journey with a personal experience and easy payment

Aside from fashion, other retail sectors that are particularly well represented in our growth ranking are home and DIY, outdoor and leisure, and general merchandise.

Home and DIY

Amid economic uncertainty, a weak pound and intensifying competition, the UK home and DIY sector is enduring a difficult time.

However, Loaf is one retailer that so far seems immune to such strife. Group sales advanced by 28.3% in its latest financial year, while its pre-tax profit rose by 29.5%. The furniture retailer's creative yet simplistic approach has connected with consumers and ensured it has grown more quickly than most traditional homewares retailers.

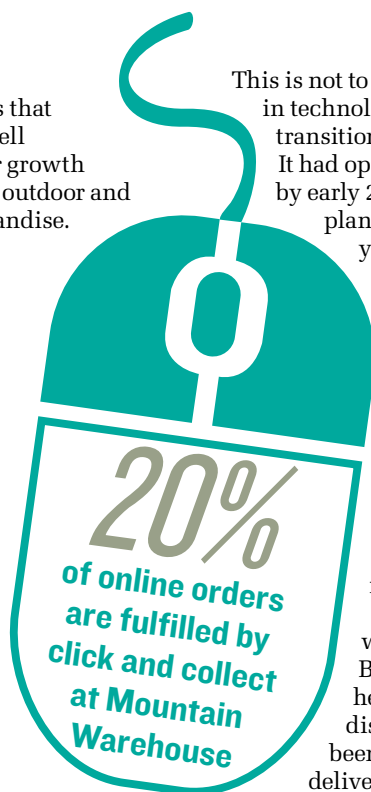
The group remains at the forefront of digital change in the sector and has been one of the first retailers outside of fashion to develop a strong content-commerce proposition through its blog and social media channels. This has bolstered customer engagement and supported brand identity. However, the key tenet of its success has been making the buying process for furniture shopping convenient and hassle-free. This focus on simplicity is clear from its intuitive and user-friendly website.

This is not to ignore Loaf's investments in technology and its ongoing transition to a multichannel model. It had opened four showrooms by early 2018, with a further 11 planned by the end of the year. It also built its own back-end IT platform, enabling it to better extract customer data and ensure its brand message is consistent across channels. The key outcome of each investment has been a simplified customer journey, helping to reduce the stress associated with furniture shopping.

Another group making waves in the sector is Better Bathrooms. By investing heavily in warehousing and distribution, the retailer has been able to offer next-day delivery across most of its range – a strong offer for the bathroom sector. It operates its own fleet of lorries and drivers in a bid to exert more control over the entire customer experience.

Furthermore, Better Bathrooms uses an online video chat function to help customers with troubleshooting and lets them demonstrate installation problems to the bathroom retailer's technical team. This all enables a level of customer service previously unheard of in online furniture retailing.

Oak Furniture Land is another rapidly growing pureplay transitioning into a multichannel operation. Like Missguided,



the furniture retailer has also invested in regionally segmented marketing to support the customer experience.

During online purchases, customers submit a postcode and are then paired with store information for their area in its weekly email offering. The personalised marketing messages also alert customers when a new store opens in their area and when local stores hold special events.

While most sales are made in store, the vast majority of Oak Furniture Land's customers interact with the business online before buying. Staying connected in this personalised way supports greater retention and footfall.

More traditional home retailers have had to undergo dramatic transformations and a change of strategy to achieve the level of growth pureplays have had.

After Dreams entered administration in 2013, it downsized its store estate and adopted a more customer-centric approach. It completed its three-year turnaround strategy in 2017 with a focus on extending its online offering. It trebled the size of its online business in 2017.

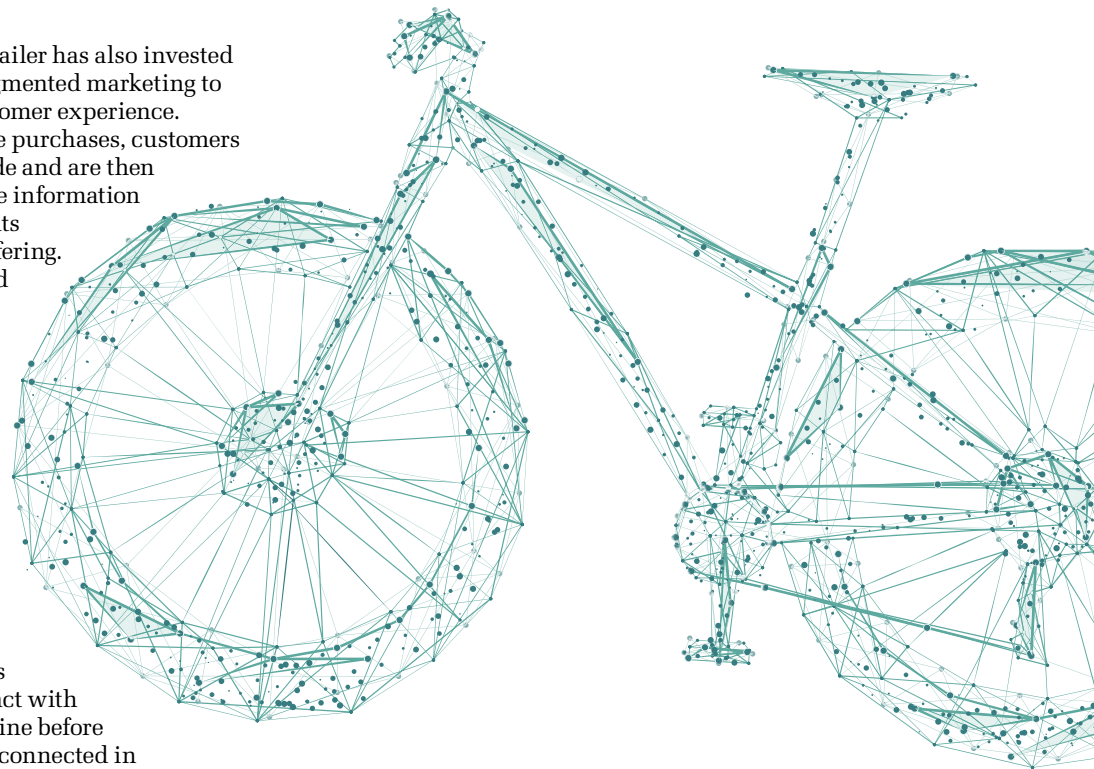
Dreams' fresh approach to multi-channel growth focuses on separating customers for online and in-store sales. For instance, it says people are more prepared to buy a bed online if it is for a spare room, and subsequently are willing to spend less money on it, so this informs its strategy.

By segmenting its customer base, the retailer can form a stronger connection with its core market in each channel and does not risk one cannibalising the other.

Outdoor and leisure

Like Dreams, WiggleCRC is a new entry in the ranking. The merger of Wiggle with Chain Reaction Cycles in 2016 saw both brands retain separate online businesses, with Wiggle focusing on triathlon sports and CRC on mountain biking.

By increasing its distribution capacity, the combined group has captured a growing share of the UK sports market, while a weak pound also propelled international growth in 2016.



Amid this period of integration, the group has maintained a strong focus on customer service, allowing it to appeal to sports enthusiasts and more casual consumers alike.

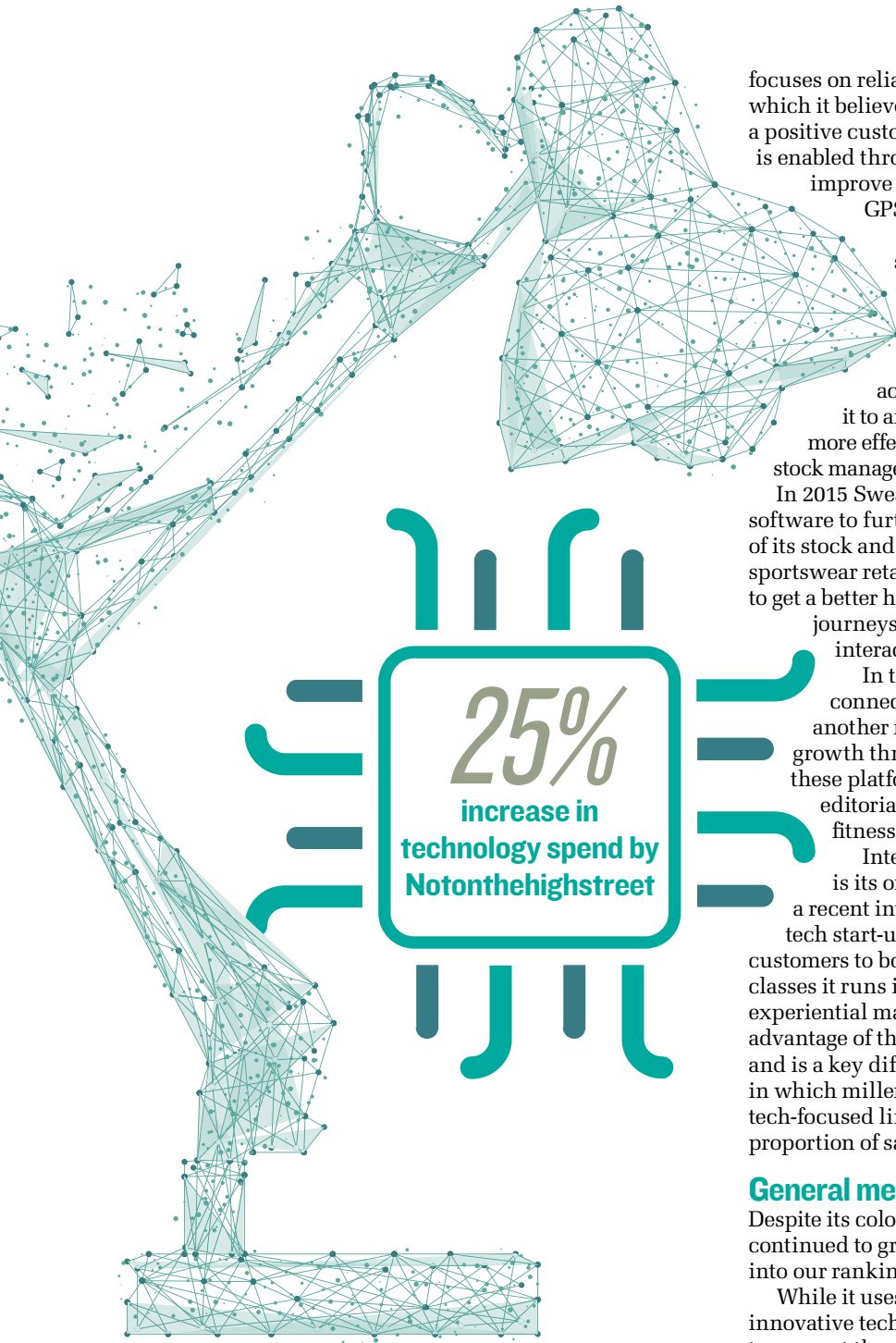
Both brands have differentiated themselves from others by offering generous returns policies and hiring staff that are cycling and sports aficionados, able to offer credible advice. In a sector where niche big-ticket purchases are the norm, this can make or break the customer experience and is crucial to loyalty.

Recent Retail Week Prospect research has found that Wiggles' average email response times are also rapid compared with most other retailers. This high level of service across channels and timely delivery has advanced brand equity and quelled concerns that WiggleCRC could only become known for its low prices.



By segmenting its base, Dreams forms a stronger connection with its core market in each channel





Delivery is key to the customer experience in the outdoor and leisure sector. Investments in supply chain technology have supported the rise of groups such as Mountain Warehouse.

After extending its click-and-collect service in 2015, Mountain Warehouse now offers order-from-store, enabling customers to order products that are out of stock in store for free home delivery.

Click and collect accounts for more than 20% of online orders and is set to continue increasing. However, the retailer

focuses on reliability over speed, which it believes is more conducive to a positive customer experience. This is enabled through agile systems that improve visibility with the likes of GPS tracking.

In its quest to improve its supply chain, Sweaty Betty has harnessed the power of data. Since 2013, it has been tracking real-time data on its inventory levels across the business, helping it to analyse customer behaviour more effectively, as well as improve stock management.

In 2015 Sweaty Betty rolled out ERP software to further improve the quality of its stock and customer data. The sportswear retailer uses this software to get a better handle on its customer journeys and watch how shoppers interact with the brand.

In terms of customer-facing connectivity, Sweaty Betty is another retailer that has driven growth through social media by using these platforms to create inspirational editorial content to engage with the fitness community.

Integrated within this content is its online booking system, a recent investment delivered by tech start-up Fynder, which allows customers to book places on the free classes it runs in its stores. This type of experiential marketing allows it to take advantage of the growing wellness trend and is a key differentiator in a market in which millennials with active and tech-focused lifestyles make up a high proportion of sales.

General merchandise

Despite its colossal size, Amazon has continued to grow fast enough to sneak into our ranking at number 29.

While it uses a vast number of innovative technologies and strategies to support the customer experience, one of the most important is undoubtedly its success in re-aggregating the supply chain, like ranking leader Farfetch.

By developing a more connected supply chain, it ensures that customers receive their ordered items in the shortest possible time. In typical Amazon fashion, innovation has characterised its service and supported surging sales.

For example, in 2016 it began using part-time freelance delivery drivers in the UK to transport orders from local distribution centres to customers' homes

in a service known as Flex. Customers are able to track the exact location of their orders by connecting with the driver's mobile app, which has sat-nav capability, supporting a more connected experience by fulfilling consumers' desire for real-time visibility.

A digitally enabled supply chain is a major advantage in this sector, allowing retailers to synchronise supply and demand at every node in the network.

Other general merchandisers could also learn from how Amazon has optimised its payments and online search capabilities to increase convenience for shoppers.

Furthermore, its mobile app enables product searches using a barcode-scanning option, while it can also scan payment card details through the camera.

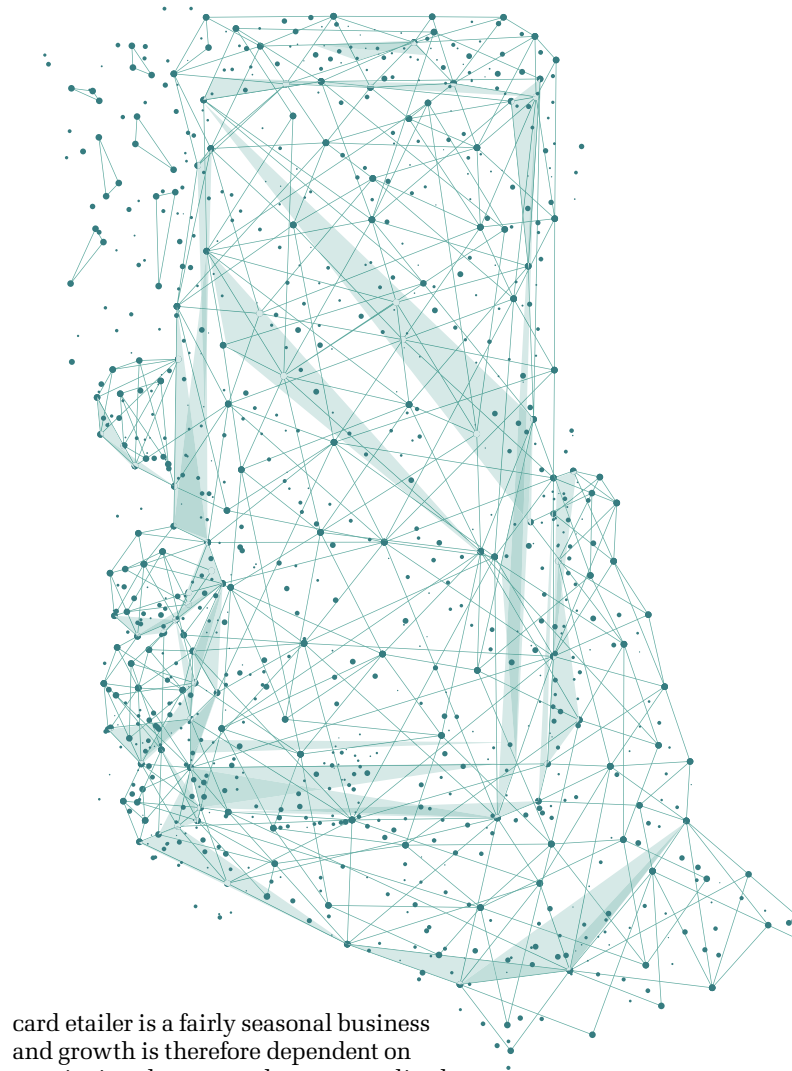
These technologies create a more frictionless customer journey that is arguably unique to Amazon. Technology is being used to make the shopping experience personal and the payment process quick and easy. Notonthehighstreet.com has seen its sales grow rapidly, yet it operates in a very different vein to Amazon. The etail marketplace has benefited from a refreshing focus on distinctive, personalised product ranges, while selling experiences – such as distillery visits and craft workshops – has allowed it to connect with customers on a personal level, garnering loyalty.

Aside from its product proposition, it is committed to adopting cutting-edge technology. It stated in its 2016/17 accounts that it had increased its technology spend by more than 25% year on year.

Nevertheless, discoverability remains a huge challenge for Notonthehighstreet, along with most general merchandisers.

Notonthehighstreet continues to focus on site-search testing and algorithm testing. This helps to ensure the best products appear in the right category, and the right recommendations surface across the site.

New entry Moonpig is also analysing on-site behaviours and utilising personalisation technologies to garner a strong connection with customers. Like Notonthehighstreet, the greetings



card etailer is a fairly seasonal business and growth is therefore dependent on convincing shoppers to buy personalised cards more than once or twice a year.

Moonpig has enhanced its segmentation to produce more relevant communications across its customer base. It uses email retargeting to refine information customers receive, reducing the frustration associated with irrelevant contact. This provides customers with engaging content, not just blanket marketing pushing them to buy more.

Across all sectors, consumers are savvier than ever and know easily how to separate connected content and experiences from outdated and inauthentic retail tactics.

02

ACTION POINTS

- Find a balance between value for your customers and value for your business.
- Focus on practical improvements, for predictable and sustainable growth.
- Use data insights to inform business decisions and create better buying experiences.

CHAPTER THREE

MULTICHANNEL VERSUS PUREPLAY

- » **Oliver Bonas invests in Wi-Fi hotspots and broadband connectivity to improve in-store customer service**
- » **Made.com uses showrooms and an online forum to connect with consumers and turns them into ambassadors**
- » **Pureplay The Hut Group has seen its turnover soar on the back of numerous brand acquisitions**

As consumers now browse and buy across channels, a typical shopping journey no longer exists. Growth is therefore dependent on offering personal experiences and improving convenience both in store and online.

Leveraging physical stores

While both channels offer distinct advantages, creating a seamless merger of the two has driven growth for many of the top 30. Leader Farfetch has leveraged the physical network of its boutique partners to provide click-and-collect and drop-off in-store options, supporting convenience.

Despite the digital revolution, most retail sales still take place in physical stores. As a result, Farfetch's Store of the Future concept could prove to be its most pivotal move yet, potentially transforming how customers interact with the brand going forward.

Transforming traditional stores into modern connected outfits can involve every aspect of the store, from layout to

staff interactions and, crucially, connected mobile technology.

To this end, Farfetch is trialling technology that uses RFID tracking systems combined with an ultrasound interface to let details of items browsed in a store, such as products taken off the shelf for viewing or trying on, automatically appear on a consumer's mobile app.

Most traditional retailers that generate a low proportion of sales online have been lagging behind in terms of digital innovations that support physical store visits. Oliver Bonas is not one of them. It has invested in Wi-Fi hotspots and enhanced broadband connectivity that lets it link a number of back-end processes to improve in-store customer service.

Tablets act as mobile tills to let customers gain access to entire ranges and are also linked to all back-end systems to process click-and-collect purchases. This level of convenience has helped it climb into the top 10 of our ranking this year.

Digital showrooms

Several pureplays are making moves into the physical sphere through modest store portfolios. However, it is not as simple as just opening a store. Curated experiences and technologies are needed to connect customer channels seamlessly.

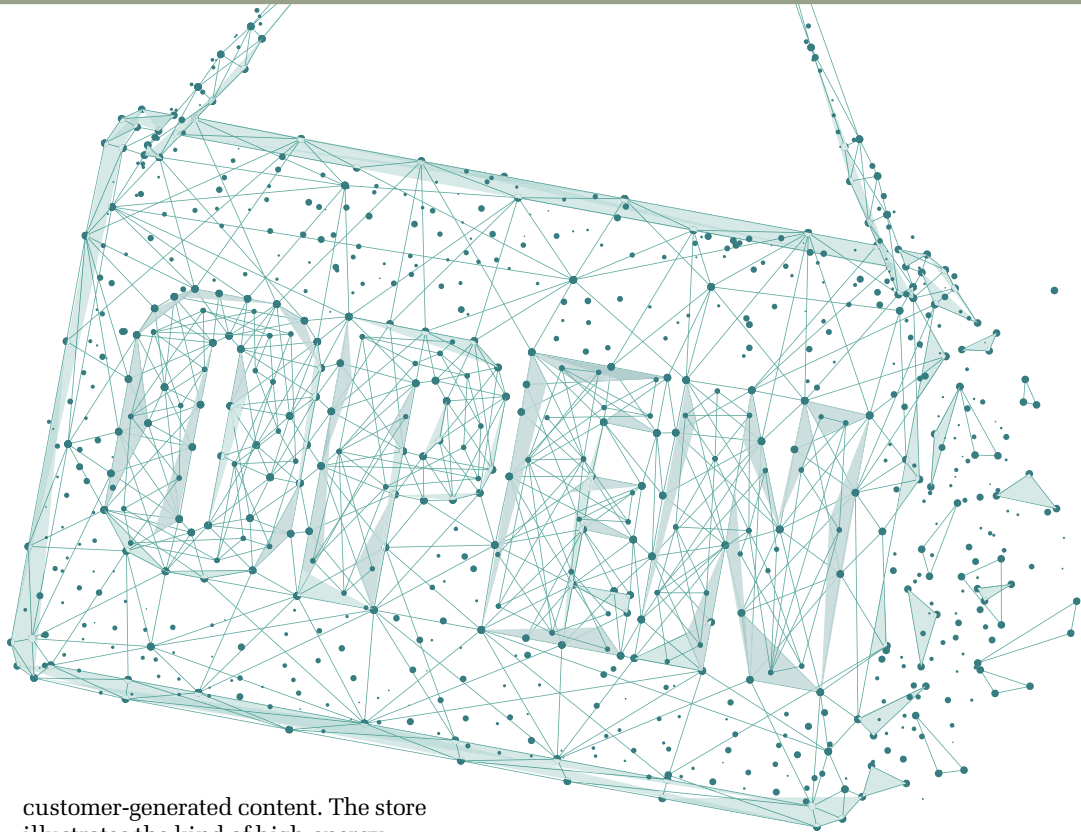
Missguided opened its second store in 2017, in Kent's Bluewater shopping centre. The layout is designed to encourage exploration and social media sharing, and uses flexible fixtures so that it can be transformed constantly.

This provides shoppers with a new experience for each visit. Meanwhile, floor-to-ceiling digital screens play



Curated experiences and technologies are needed to merge customer channels seamlessly





customer-generated content. The store illustrates the kind of high-energy, immersive experience that helps capture the attention of young consumers in an era of declining brand loyalty.

Similarly, Made.com uses showrooms and its Unboxed online forum, where customers share photos of Made.com furniture in their homes to connect intimately with others and essentially turn them into brand ambassadors.

Furthermore, it uses its showrooms to trial innovations. For instance, in 2017 it tested a live chat function where online shoppers could ask showroom employees questions and get help with shopping decisions. Upon initial implementation, Made.com said average order values rose 20%.

Matchesfashion.com has followed a similar path, opening a handful of stores that use iPad PoS systems. This lets store staff check stock availability and every customer interaction is logged, which supports personalisation.

Combining this with personalised emails, its online magazine *The Style Report* and its personal shopping concierge service MyStylist, Matchesfashion.com has developed an impressively connected multichannel customer experience.

Simplicity is key

Just as important as retail theatre is back-end investment like online search capabilities. However, this can be an equally challenging task that also requires innovation.

Google shopping and search engine optimisation (SEO) tools allow retailers to simplify shopping and boost exposure online. Amazon

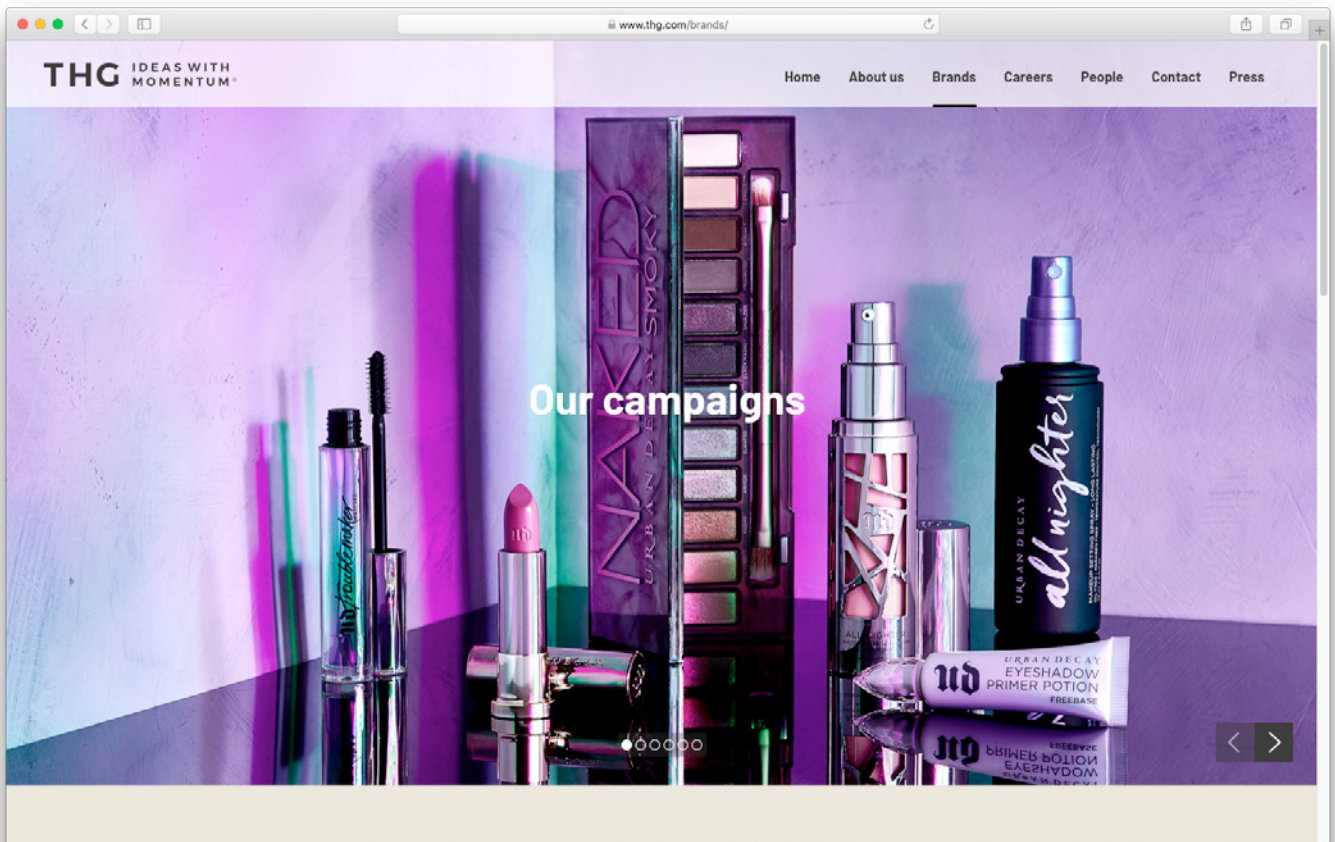
has put these tools to excellent use to promote its broad product range and remain constantly in the consumer consciousness.

However, other retailers do not have Amazon's scale or scope, and a key component of growth in the multichannel age has been knowing your limitations. Many traditional retailers have stretched themselves too thin in an attempt to conquer both channels at once.

The retailers in our ranking have made far more measured approaches, whether it was a considered move into showrooms for Loaf or Oliver Bonas' investment in practical technology in store.

The Hut Group exemplifies this measured approach to connected retail. With no physical presence, it has driven





Up 12, The Hut Group rose the highest number of positions in our growth ranking

soaring sales on the back of numerous brand acquisitions.

Its in-house warehouse and ecommerce platforms allow for plug-ins, providing The Hut Group easy implementation of new tech capabilities. Keeping its platforms in house also gives the business a level of agility that may not be feasible for competitors working with third-party

suppliers. Nonetheless, it has committed to a laser-sharp focus on its robust online platform, which it continues to invest in for growth.

On the other end of the spectrum is Flying Tiger Copenhagen. The impulse nature of its low-price product offer is not obviously suited to ecommerce, but it does use a website with interactive content linked to its product range to boost engagement, such as VR games that encourage shopping visits by alerting customers to the VR headsets it sells in store.

Rather than ploughing investment into both channels, those demonstrating the strongest sales growth in recent years realise that success is a matter of creating connected, unique and convenient customer experiences – whatever the channel or device used.



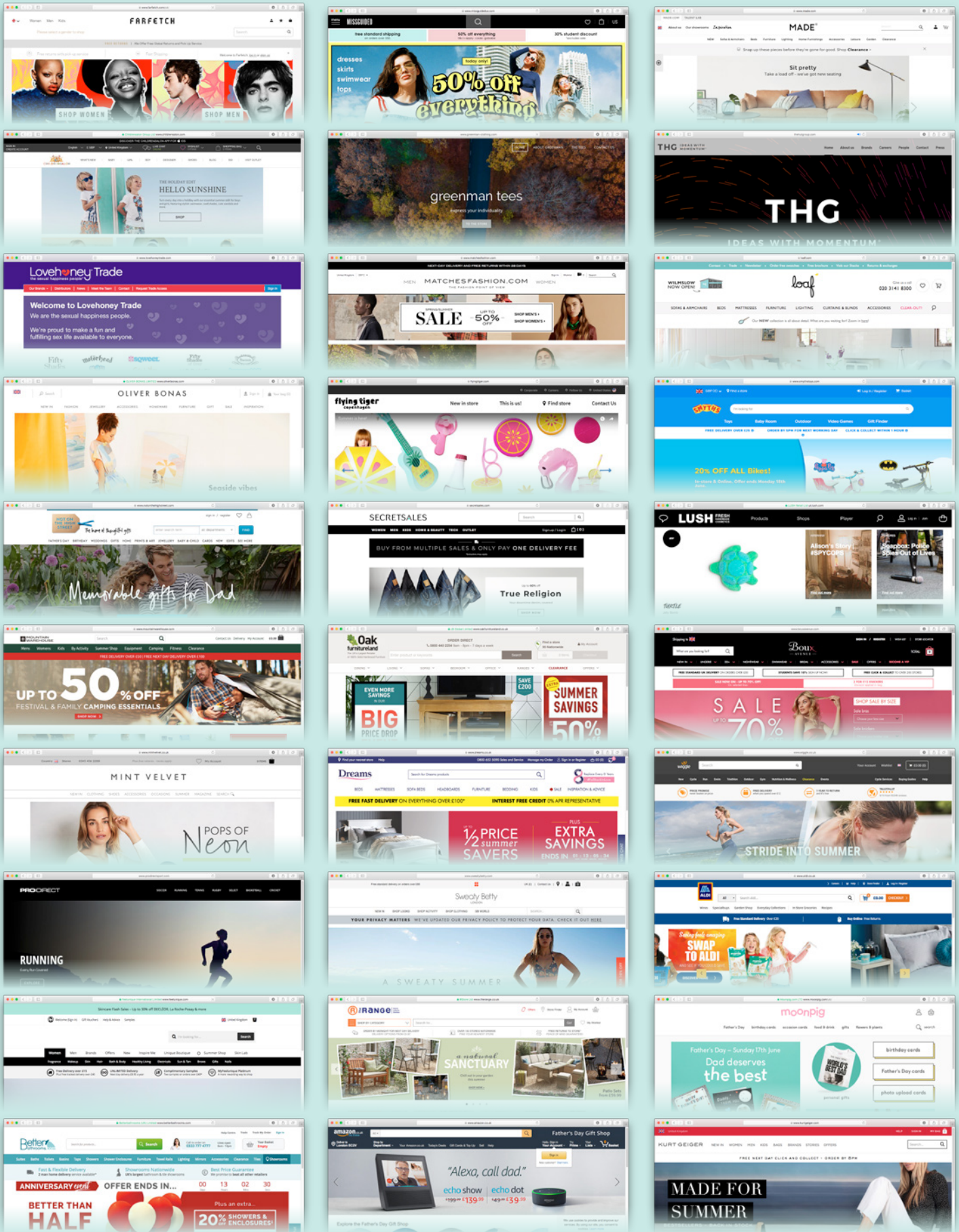
Keeping its platforms in house also gives [The Hut Group] a level of agility



02

ACTION POINTS

- Provide consumers with a seamlessly connected multichannel journey.
- Fully embrace new and emerging technologies, like 5G, to drive growth.
- Take inspiration from others while creating bespoke and imaginative experiences for customers.





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