



SEARCH, DISCOVER, BUY

10 retailers redefining the path to purchase

AT A GLANCE

Retailers winning in commerce today are those who know their target customer and where best to find them, meeting them on every digital touchpoint, creating inspiring content and driving sales.

It is no longer the customer's job to reach out and find a specific item or shop, but the retailer's job to meet the customer wherever they may be on the path to purchase.

This report, produced by Retail Week in association with ChannelAdvisor, explores who these winning retailers are and what they're doing to attract and retain loyal customers, using key platforms where consumers are beginning their journeys such as Facebook, Instagram, Google Shopping and Amazon.

In turn, the platforms themselves are constantly innovating, merging the worlds of commerce and marketing, and helping retailers reach consumers in the most lucrative and organic way.

This report looks at how retailers can make the most of the innovations these platforms offer, and the skills and roles required in the retail head office to oversee this new world.

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VIEWPOINT



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The way consumers shop is evolving. Once upon a time, we were inspired by adverts, searched for products on Google, compared prices on marketplaces, purchased them on retailers' sites and showed them off on social media.

The lines between marketing and commerce have become blurred. Traditional marketing channels such as Facebook and Instagram are becoming increasingly transactional as they encourage consumers to purchase in-app.

Once the most influential advertising platform in the world, Google is increasing its selling capability through Google Shopping. Meanwhile, Amazon, the largest retail site in the world, is investing more and more in its advertising services.

The big four are reshaping the retail landscape, and brands and retailers must optimise their selling and marketing strategy if they hope to succeed.

Consumers are experiencing all kinds of micro moments that influence their next purchase. Our survey found that 50% of 18- to 25-year-olds research products on Instagram and 47% of British shoppers have bought items after seeing ads on Facebook.

And they don't just stick to brands they know – 83% have bought from brands they didn't know on Amazon. They aren't yet sure what they want to buy and won't be doing any product-specific searches today. But show them an exciting product – at the ideal moment – in the most compelling format possible, and you may just turn their daily Instagram check-in and casual Facebook scrolling into full-blown shopping.

It's an exciting time for ecommerce as two worlds collide, meaning retail and marketing departments need to break down silos and increase collaboration if they are to acquire and retain customers. This is truly a time for multichannel retailing.



Consumers are experiencing all kinds of micro moments that influence their next purchase



CHANNELADVISOR

ChannelAdvisor helps brands and retailers worldwide improve their online performance by expanding sales channels, connecting with consumers around the world, optimising their operations for peak performance and providing actionable analytics to improve competitiveness.

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THE TOP 10 RETAILERS REDEFINING MULTICHANNEL



Methodology

In January 2020, Retail Week used data from its in-house intelligence tool Prospect to determine the rankings based on a combination of follower counts for Twitter, Facebook, Instagram and Pinterest; social commerce features, such as having shoppable feeds; and presence on Amazon.co.uk, with additional scoring given to those with branded storefronts.

CHAPTER I

MARKETING AND COMMERCE: TWO WORLDS COLLIDE

The ways in which customers discover new products, brands and retailers has changed. Whereas once upon a time the retail journey online began with specific retail websites, today the customer journey and path to discovery is more fragmented.

Retailers are consequently having to rethink their marketing and ecommerce strategies in order to reach their customers across the digital world – from social media, to mobile, to marketplaces.

They are also having to combine efforts to create a homogenous brand image to market to the customer wherever they may be, becoming more agnostic about where the final purchase is made.

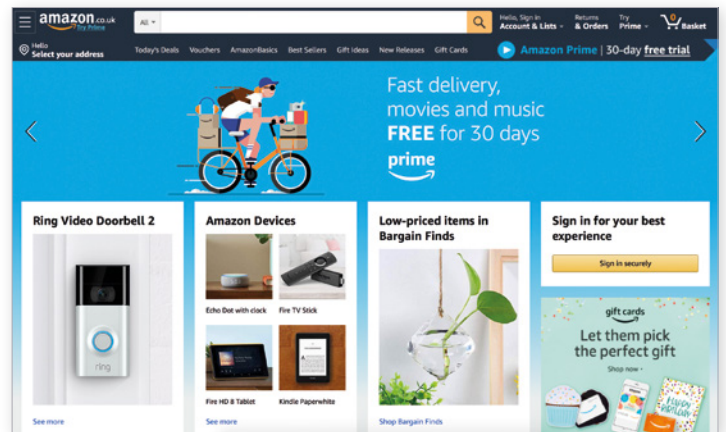
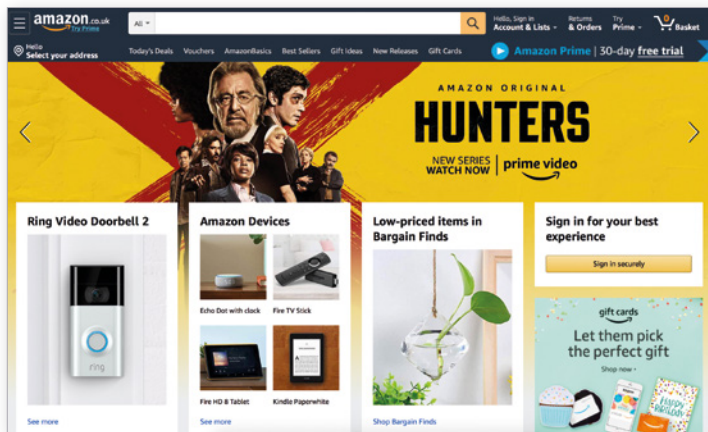
The winners in this new world are the big four: Amazon, Google Shopping, Instagram and Facebook. They have each united their strengths to become marketing and commerce powerhouses, with the two strategies working in tandem to drive customer interaction, and ultimately sales.

In general, Amazon is a great starting point for consumers who know what product they're looking for, while Google Shopping is useful for those who are looking for a type of product or category. Customers on social media such as Facebook and Instagram may not be looking to shop at all – which is where creative marketing content comes in.

Discovery is the keyword here. Customers have little brand loyalty and therefore can be inspired to buy from new brands from any digital touchpoint they interact with.

Each of these platforms can bolster a brand's marketing and commerce strategy, but they alone are not the silver bullet. With customers at the heart, retailers need to truly understand the mindset of their target audience in order to talk to them in the right places.





amazon.com



With more than 65% of product searches now beginning on Amazon, the retailer has overtaken Google as the starting point in the path to purchase in recent years. But with more than 350 million products available, selling and advertising on Amazon may seem like a drop in the ocean.

While it's important that product images and descriptions are accurate and of high quality, investing in Amazon Marketing Services is the best way for retailers to ensure their products are seen – be it through banner or headline search ads, sponsored product ads or product display ads, which appear on the side of related product pages.

According to Jon Maury, managing director EMEA at ChannelAdvisor: "Listing on Amazon without utilising their advertising capabilities is like a gym membership with no training programme – if you want to see meaningful results, you need to invest. Especially important when trying to compete in a crowded market and the majority are on a best-in-class training programme."

Amazon's advertising department, the Amazon Media Group, also offers alternative solutions such as newsletter campaigns, advertising on Amazon products such as the Kindle Fire or Fire TV, or even paper advertisements in delivery parcels.

Shopping mindset

Unlike social media platforms, visitors to Amazon are already in the shopping mindset, so are therefore more easily converted into sales. Moreover, Amazon shoppers are looking for convenience, therefore they are most likely to choose products that appear at the top of their search, through paid advertising.

Amazon also allows retailers to create their own branded storefronts to sell their

products. This helps to cement a consistent brand image across platforms, so consumers can recognise the same quality and feel they would receive on the retailer's own website, combined with Amazon's convenient checkout and delivery options, for example Prime.

General merchandise retailers may see better results on Amazon than others, as Amazon shoppers tend to search for more functional, value items.

Traditionally Amazon has not been the first port of call for fashion shoppers, but with the advent and rise of Amazon Prime Wardrobe, this may change.

Amazon Prime Wardrobe allows customers to order up to eight items free of charge for next-day delivery. They then have seven days to try on the items, pay for what they wish to keep and return the rest.

This try-before-you-buy scheme has also been popularised by pay-later services such as Klarna. However, Amazon Prime Wardrobe allows customers to order from multiple different brands and offers to collect the parcel of returned items straight from the customer's door – removing friction from the returns process. Retailers using the service can also miss out on the margin-eroding returns costs, which currently total £60bn in the UK.

Amazon has the potential to become a more popular retailer for fashion. Missguided chief growth officer Nick Bamber even spoke of it as a potential new channel for the fast-fashion retailer to target the student market, as more take advantage of the Amazon Prime student discount, which offers the service at half the standard rate.

To reach its full potential, retailers must use Amazon's selling and marketing functions, or risk being lost in the sea of products.



“Google Shopping is the natural extension of Google searches,” says Joules ecommerce director Ralph Percival.

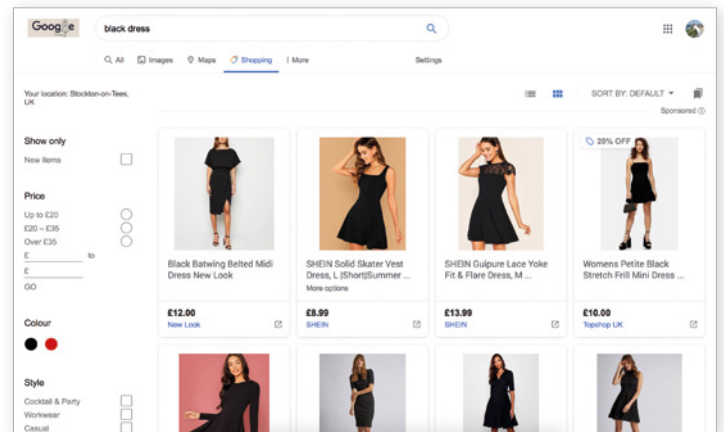
Unlike Amazon, where products are advertised and sold through its own services, Google Shopping acts as an advertising platform, which directs customers through to the retailer’s own website to make the sale.

Potential shoppers can search for, compare and ultimately purchase a product from the collection of adverts presented to them. As such, retailers’ products that appear on different third-party marketplaces or websites that advertise on Google Shopping will have a higher chance of being bought.

Google Shopping ads also show up multiple times within a Google search – as a website result, a text-only pay-per-click result, and a Shopping result on the Google Search page and the Shopping page. This gives retailers multiple touchpoints to gather consumer interest and turn clicks into transactions.

Visual touch

As the Google Shopping advert features images it adds a visual touch, which is more likely to attract customers. In fact, Google Shopping is proven to have 30% higher conversion rates than text ads.



With more and more searches beginning on Amazon, Google has begun to make shopping a more personalised experience through Google Shopping Actions.

In a similar vein to the Instagram Checkout trial in the US, the platform removes friction from the shopping process as customers don’t have to leave the search engine to make their purchase. This combines the capabilities of Google Assistant, Shopping and Search to create a universal cart with a shared Google identity across all devices.

This means that shopping data from purchases made using Google Shopping Actions will be stored and used to create a single view of the customer, meaning retailers can tailor marketing communications to customer preferences to ultimately drive more sales.

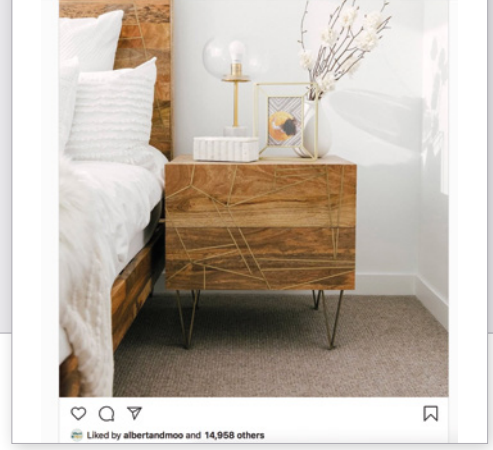
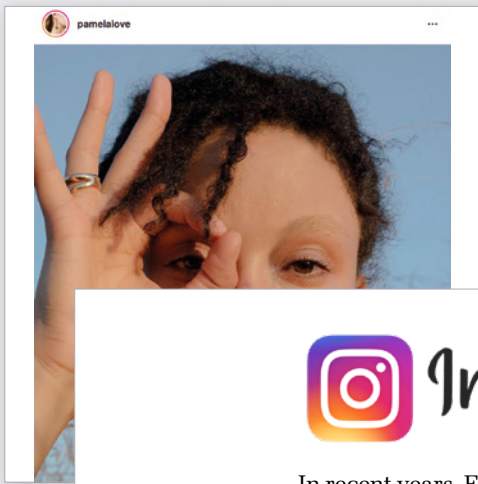
Retailers selling on Google Shopping also need to have a strategy for choosing which products to promote. Missguided, for example, uses data analysis from its website to understand which items are its bestsellers. It then uploads these to Google Shopping to attract potential customers who may be browsing.

Keeping up with customer preferences is now essential for those responsible for Google Shopping ads within a retailer’s commerce team.



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In recent years, Facebook-owned Instagram has evolved from a photo-sharing platform to a place where people come to discover new brands, products and styles through the Instagram pages of brands and influencers.

“Social media plays a vital role across the customer journey, from discovery through to sale,” says Facebook head of industry, retail and ecommerce Beth Horn. “Already, 90% of people follow a brand on Instagram and we want to make it easy for people to shop at the moment of inspiration.”

She adds: “We suggest retailers think of Instagram as a virtual shop window – a place customers come to be inspired and to enjoy the act of shopping. As Instagram has evolved from a source of inspiration to a place where people can shop, we have focused on creating tools that connect shoppers, sellers and creators to help people shop more easily.”

Upselling opportunities

Instagram has rolled out shopping functions on its feed posts and Stories. Shopping tags can be attached to any post a retailer makes, and these allow a customer to click on the tag and be taken through to the retailer’s website to make a purchase. Additional matching or similar items from the same brand are also suggested when a consumer clicks on the tag, creating the potential for upselling opportunities.

“Since launching Instagram Shopping, we now have 130 million accounts tapping to reveal product tags every month. Tags are a simple but really effective way to drive

sales. DFS is great at this, often using tags to highlight key products in feed posts, using it as an opportunity to curate a virtual showroom,” says Horn.

Horn also advises retailers to make full use of the shopping function in Instagram Stories and use the video platform to share exclusive behind-the-scenes content to generate customer interest and loyalty through engagement. One third of all watched Stories come from businesses, giving ample opportunities to use the ‘swipe up to buy’ function.

“Creating a successful Instagram advertising strategy isn’t a walk in the park,” says Maury. “But even a handful of best practices can help companies sprint toward more conversions, sales and revenue.”

In the US, Instagram is trialling Checkout – a function that allows shoppers to purchase at the point of inspiration, without leaving the social network. Instagram Checkout users only need to enter their personal and card details once for it to be remembered for all future purchases, creating a seamless journey from discovery to sale.

The trial began with 22 brands including Burberry, Zara and MAC Cosmetics, and has now been extended to more than 30 brands. Horn says that it’s early stages and a UK rollout is still being explored.

Instagram can be used to form loyal, lasting relationships with customers. Content can be curated to fully align with brand ideals, with the addition of shopping tags to make the path to purchase more streamlined.



facebook

Facebook enables retailers to connect with potential customers through posts, comments and its Messenger service.

It's important for retailers to maximise the opportunity to create and cement the brand identity on their Facebook page through content such as videos, interviews and competitions.

Facebook's Horn recommends retailers make use of its advertising-measurement tool Attribution to help understand what type of content is most impactful at converting sales.

"Facebook Attribution allows brands to better understand their customers' path to purchase and enables them to constantly tailor media strategies in reaction to their customers' habits. Gucci used Facebook Attribution to learn more about its customers' purchase path and discovered that Facebook and Instagram's contribution to online sales was 14 times more than originally understood."

Facebook Messenger is also becoming an increasingly important touchpoint in the path to purchase.

Firstly, retailers should make it clear that customers can contact them via direct messaging. A study by global market research specialists Ipsos identified that

42% of UK online shoppers expect brands to provide an option to chat with a live agent or representative if they have any questions or follow-ups.

Horn says jewellery brand Chupi is a business that has successfully integrated

Messenger into its digital strategy, using direct messages on a daily basis to curate its storytelling.

While the capabilities of Messenger in driving sales are still being explored, with 87% of the world's

smartphone population messaging – and 100 billion messages exchanged across Facebook products each day – is uniquely positioned to answer shoppers' call for better experiences, says Horn.

"Take Lego, which developed and rolled out its first bot for a Messenger campaign to provide gift recommendations to customers during the Christmas shopping season.

"The bot, named Ralph, enhanced the digital shopping experience by quickly helping people choose and buy the perfect gift. It was so successful it became a year-round activation. Lego saw a 3.4 times higher return on ad spend for click-to-Messenger ads compared with ads that linked to the Lego website, and 1.9 times higher value for website purchases made from click-to-Messenger ads," she says.

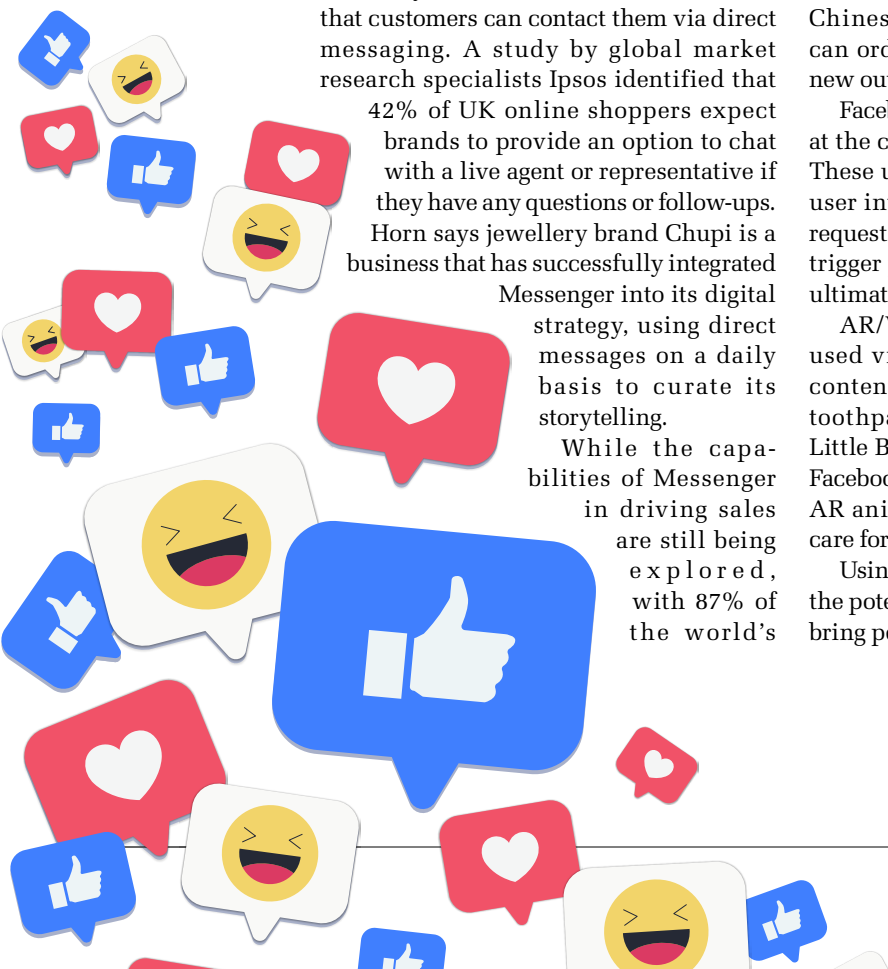
Person-to-person payments

Messenger has allowed person-to-person payments in the UK since 2017, but Facebook has plans in the works to allow shoppers to make purchases from businesses without leaving the app. Using chatbots, Messenger could be used in a similar way to popular Chinese app WeChat, where customers can order anything from a takeaway to a new outfit.

Facebook's plans explicitly place chatbots at the centre of any transactional activity. These use natural language processing in user interactions. They interpret product requests, confirm our intention to buy, then trigger payment using stored card details, ultimately creating a seamless transaction.

AR/VR immersive formats can also be used via Messenger to present dynamic content. Unilever-owned brand Signal toothpaste used AR to elevate existing Little Brush Big Brush web series, using a Facebook Messenger experience that offered AR animal masks that teach kids how to care for their teeth.

Using Facebook Messenger, retailers have the potential to drive exclusive content and bring personalisation to the next level.



CHAPTER 2

DEEP DIVE: HOW THEY DID IT

The top 10 retailers redefining the path to purchase have used a variety of methods in order to reach their target audience on all digital touchpoints. Here, Retail Week takes a look at how they have used social media and platforms such as Google Shopping and Amazon to drive sales and gain loyal customers.

MISSGUIDED

INSTAGRAM: 6.6m followers

FACEBOOK: 1.35m followers

GOOGLE SHOPPING PRESENCE: Yes

AMAZON PRESENCE: Only through third-party sellers

GROUP SALES: £186.9m in 2018/19

ONLINE SALES: £180m in 2018/19

Missguided prides itself on having a presence in the digital spaces where its customers want to shop.

Primarily targeting teenagers and young women, Missguided uses social media as one of its main touchpoints. Chief customer officer Nick Bamber says this is where the Missguided customer “spends an inordinate amount of her time”.

This is reinforced by adverts on television and public transport.



Age and region are key factors in how Missguided differentiates its strategy on each platform, each of which it approaches with a “test and learn” culture, says Bamber.

Instagram marketing, for example, targets the 16- to 25-year-old market, whereas women over 30 tend to be Facebook users. Content on each platform is thus created with a target shopper in mind, and using both in tandem ensures Missguided reaches a slightly older audience with more disposable income and spending power than teenagers who primarily use Snapchat.

While Missguided’s Instagram and Facebook accounts have now proven their return on marketing spend by reaching a combined audience of more than 7 million shoppers, the lucrativeness of emerging platforms such as TikTok is unknown.

Retailers cannot yet link TikTok posts to specific item pages on their websites, meaning its commerce capabilities are currently limited. However, Missguided still



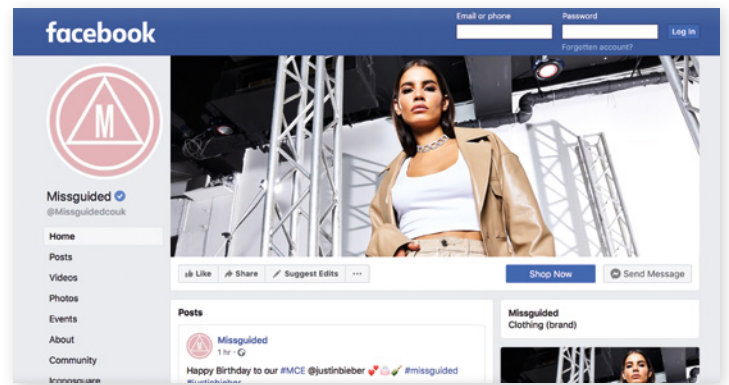
wants to be “part of the conversation”, so has created its own channel.

Similarly, Snapchat is a platform with limited scope, as frequent users tend to be aged 20 and under, which is younger than the typical Missguided audience who are largely aged 18 to 25. While Missguided has had a Snapchat presence in the past, its account is now defunct as it focuses on other social media.

Global preferences

In certain countries, different platforms perform better. For example, Pinterest is popular for discovering products with Missguided’s American audience, but not as highly regarded in the UK. The retailer therefore has to identify the platforms that are key sales drivers to avoid overspending.

Missguided also curates its offering on Google Shopping. Rather than offering all its products, it promotes a selection of its bestselling staples, fastest-selling on-trend items and end-of-season items to drive shoppers to its own website. Moreover, each item that appears on Google Shopping must



be available in as many sizes and colour options as possible to avoid frustrating potential customers.

Missguided does not yet advertise or sell on Amazon, except via a third-party beauty retailer that sells its branded fragrances. However, Bamber says that as Amazon’s influence in the student market grows, Missguided may need to rethink its strategy in order to meet its core demographic “where she is”.

Missguided’s workforce “live and breathe” social media marketing and commerce, says Bamber. Referring to the customers as “babe” or “hun” on all communications and social media, Missguided creates a persona that shoppers can identify with. It also reacts to changes in the digital space – for example, creating a “Tinder for fashion” area on its app; or even creating a “jeans and nice top” section on its website after receiving requests via Twitter.

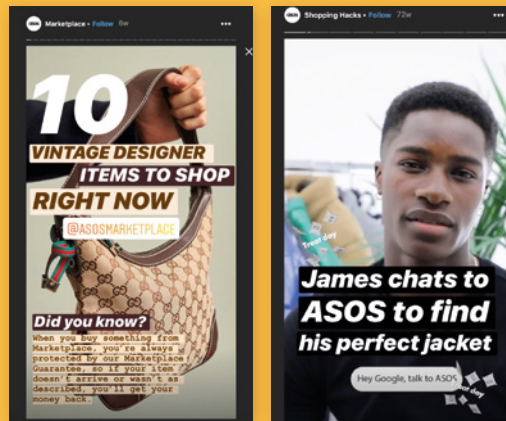
Bamber maintains that social media is not the “silver bullet”, however, and forecasts that new innovations such as Instagram Shopping and purchasing via Facebook Messenger will do little to disrupt the market – but that Missguided will still “test and learn” from them.



2

ASOS
discover fashion online

INSTAGRAM: 10m followers
FACEBOOK: 6.3m followers
AMAZON PRESENCE: No
GOOGLE SHOPPING PRESENCE: Yes
GROUP SALES: £2.8bn in 2018/2019
ONLINE SALES: £2.7bn in 2018/2019



Asos acts as both an own-brand retailer and marketplace, as well as a platform for small and vintage businesses on its Asos Marketplace site.

It aims to extend its brand into its customers' lives through constant content creation on multiple channels including Facebook, Instagram, Snapchat, Pinterest and more, to the point that it posts more than 60,000 times a month.

Asos was one of the first retailers to launch a fully transactional shop on Facebook in 2011, enabling customers to shop the entire product range without leaving the social networking platform. The retailer has since replaced this with a social media login to its main website, whereby

shoppers create an Asos account using their Facebook profile.

Asos tailors social media content by region, including localised Snapchat and Instagram channels. It doubled its content volume in the second half of 2019 and has increased engagement by adding new channels, such as TikTok and Instagram TV (IGTV).

The retailer's Instagram feed is shoppable and it previously collaborated with Instagram to launch a geo-targeted shopping feed in 2018, meaning prices appeared in local currencies. This followed the launch of its user-generated content tool, As Seen on Me, which shows user-generated-content from customers' Instagram accounts on product pages.

As a marketplace, selling brands from New Look to Ted Baker, Asos does not appear on competitor site Amazon. It does, however, sell on Google Shopping, where the search prioritises its own-label clothing and accessories over those of its marketplace partners.

3

NEW LOOK

INSTAGRAM: 2.4m followers
FACEBOOK: 3.2m followers
AMAZON PRESENCE: Yes
GOOGLE SHOPPING PRESENCE: Only through third-party retailers
GROUP SALES: £1.3bn in 2018/19
ONLINE SALES: £172.3m in 2018/19

New Look has a significant presence across Facebook, Instagram, Twitter and Pinterest.

It focuses on 'authentic' communications and it uses Twitter to talk about industry news and comment on events in a more human way, rather than simply promoting products.

Its influencer programme launched in 2016 and uses less famous names compared with competitors. In comparison with

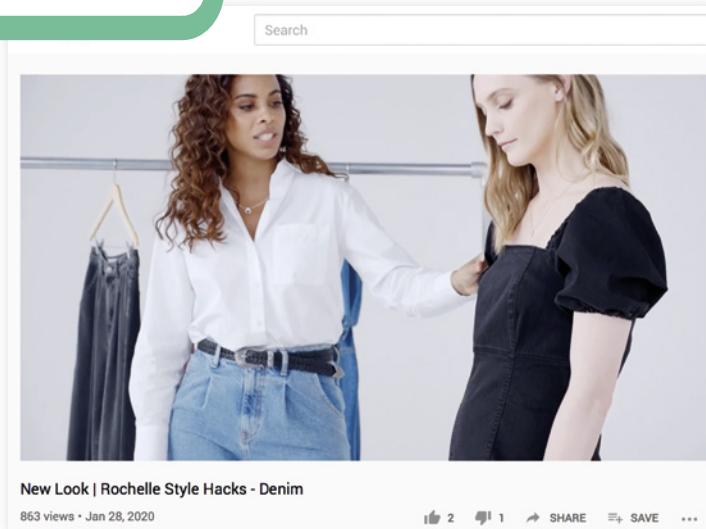
Missguided, which has collaborated with celebrities such as Nicole Scherzinger, Pamela Anderson, and Jourdan Dunn, New Look's ambassadors tend to be influencers with under 100,000 followers.

It also embraces YouTube, creating content such as Rochelle's Style Hacks and London Fashion Week videos, which the retailer says drives great engagement.

New Look's Instagram feed is shoppable and its various Facebook posts link to carefully curated edits to appeal to its wide demographic, with these edits and blog posts making up the Inspiration section on its website.

A small selection of New Look products appears on Amazon at discounted prices. Some of the products are also part of Amazon Prime Wardrobe, which allows shoppers to try their products before paying.

New Look does not sell or advertise on Google, but some items are available on Google Shopping through its platform partners such as Asos and Zalando.



4

Cath Kidston®
LONDON

INSTAGRAM: 530k followers

FACEBOOK: 930k followers

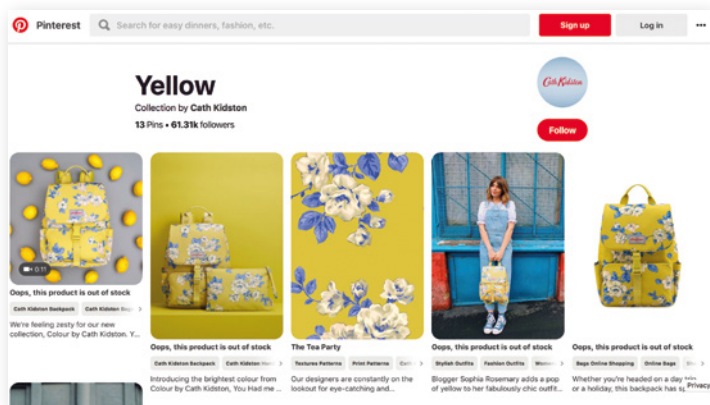
AMAZON PRESENCE: Yes – own branded shop

GOOGLE SHOPPING PRESENCE: Yes

GROUP SALES: £130.7m in 2017/18

ONLINE SALES: £26m in 2017/18

Cath Kidston is renowned for its playful heritage designs. While it is active across Facebook, Twitter and Instagram, Pinterest is a particularly important network for the retailer. QR codes on its bag collection named the Colour range can be scanned on shoppers' mobile devices to reveal a Pinterest board for that product and offer inspiration.



Cath Kidston recognises its older target demographic spends more time on Facebook than Instagram and focuses its attention on creating inspirational content on the platform as a result. The brand's Facebook posts lead to the Cath Kidston blog, which offers product discovery and lifestyle advice.

Cath Kidston operates a branded store on Amazon offering an assortment of health and beauty gifts alongside a selection of handbags and accessories.

On Google Shopping, a curated collection of its products – mainly shoes, handbags and clothing – is available, driving potential customers to the retailer's website. Some products also have the option to compare prices from multiple third-party partners, including Zalando and Ebay.

5

Joules

INSTAGRAM: 291k followers

FACEBOOK: 551k followers

AMAZON PRESENCE: Yes

GOOGLE SHOPPING PRESENCE: Yes, but mainly through third parties

GROUP SALES: £218m in 2018/19

ONLINE SALES: £78.7m in 2018/19

Former chief executive Colin Porter said in an interview in 2019 that the clothing retailer was “genuinely agnostic” about where its customers choose to shop.

Ecommerce director Ralph Percival confirms Joules tries to reach its target audience of women aged 30-45 through all media, including email and direct mail, as well as through multiple social and search channels.

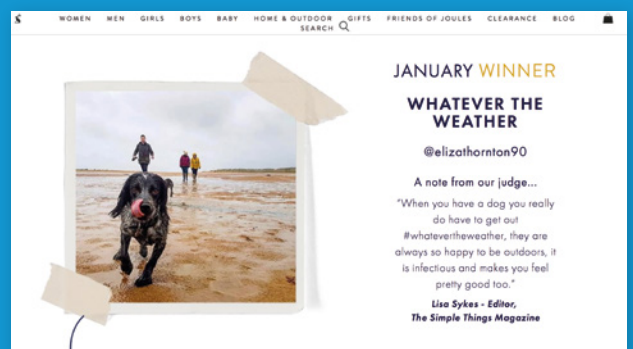
As such, Joules products can be found on Google Shopping through a variety of sellers including Next, Bedeck and Amara, as well as its own store.

Its presence across retailer-operated marketplaces and Google shows Joules understands its older demographic would likely start their shopping journey with a simple Google search. Joules's decision to sell and advertise on Amazon is driven by parallel motivations.

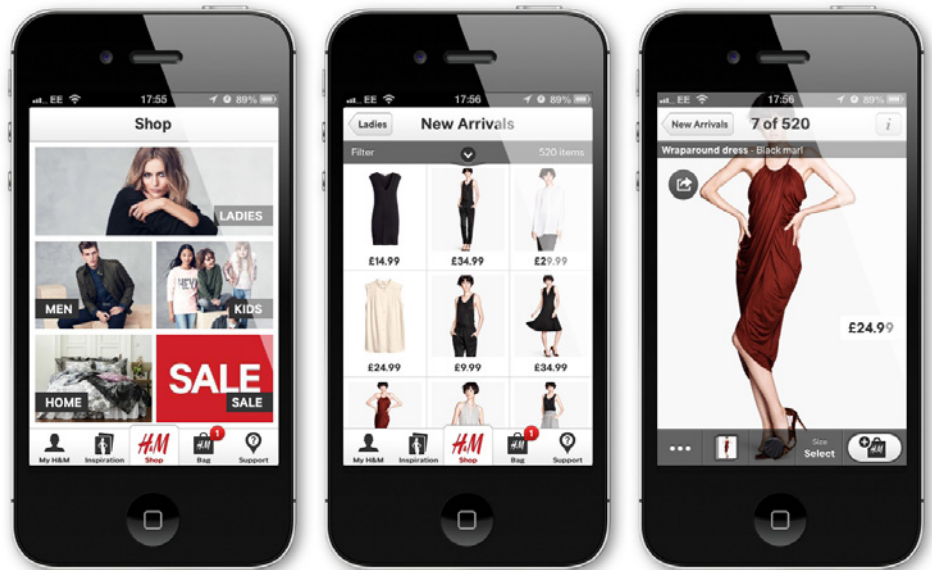
“Google Shopping is the natural extension of Google's search media and we see a lot of scope for that to grow in future. Similarly, Amazon is important to reach our customers on a different platform,” says Percival.

“We need to understand that more journeys are beginning off site, so we need to be conscious about the content we push across the channels into the broader digital space as well as on our own site, as it all represents the brand.”

Joules's investment in social media was increased in 2018/19 across its in-house team and its photography and digital media content creation capability. Its 30th birthday campaign in 2019 also centred on user-generated content, encouraging customers to share photos of themselves in some of the retailer's earliest products as part of its #JoulesMakingMemories campaign.



6

H&M**INSTAGRAM: 34.9m followers****FACEBOOK: 37.7m followers****AMAZON PRESENCE: No****GOOGLE SHOPPING PRESENCE: No****GROUP SALES: £19.3bn in 2018/19****ONLINE SALES: £3.2bn in 2018/19**

H&M has a strong presence across all social channels including Instagram, Facebook and Pinterest, and separate accounts for its H&M Home, H&M Kids and H&M Man offerings. Its feeds are also fully shoppable.

It has a history of using social to build hype around celebrity and designer collaborations, benefiting from its large followings. Its Balmain collection, for example, was promoted by model Kendall

Jenner, meaning H&M used both the gravitas of the designer as well as Kendall's social media influence to reach 100 million followers.

H&M also uses Instagram influencers and polling features to gain rich consumer insight into its prelaunch products, allowing it to make changes such as replacing zippers with buttons.

H&M's mobile app is also a key component of its digital discovery capabilities. The

app allows customers to use a visual search tool to find products matching or similar in H&M's inventory to photos they take. It also operates an in-store mode, which shoppers can use to find products to their specifications in store, and even orders them for home delivery.

H&M does not sell on Amazon or Google Shopping, preferring to engage with its shoppers across social media and its own app.

7

BURBERRY
LONDON ENGLAND**INSTAGRAM: 16.9m followers****FACEBOOK: 17.1m followers****GOOGLE SHOPPING PRESENCE: Yes, also through marketplace sellers****AMAZON PRESENCE: Yes****GROUP SALES: £2.7bn in 2018/19**

Burberry was an early adopter of social media. It joined Facebook in 2009 and social media has since become an increasingly important channel for the brand. The group has a presence on around 20 social platforms including Twitter, Instagram, Facebook, Line, KaKao and WeChat, connecting with its global customer base.

It became the first luxury brand to reveal its collection on social media ahead of its official London Fashion Week show in September 2015, when it unveiled its range on Snapchat the night before. The content was viewed more than 200 million times.

The company streams its London Fashion Week shows on its Facebook page and posts videos and playlists of different products and campaigns, music events and behind-the-scenes footage across its social media channels.

This gives its customers exclusive access to the brand's backstage areas at LFW and creates hype for the brand.

Burberry also sells on Google Shopping through its own branded website and myriad designer marketplaces including Farfetch, Net-a-Porter and Matchesfashion.

On Amazon, branded accessories such as scarves, perfume and sunglasses are sold, but it does not have a branded storefront.





8

ZARA

INSTAGRAM: 38.4m followers

FACEBOOK: 28m followers

GOOGLE SHOPPING PRESENCE: No

AMAZON PRESENCE: No

GROUP SALES: £23.1bn in the year to January 2019

Zara famously does little in the way of advertising, especially shirking traditional medias such as television adverts and billboards. Instead, one of the only channels it does invest in is social media and influencer marketing.

In comparison with other fashion brands, Zara's social media following is exponentially higher. While this is due in part to its international presence, the retailer was also one of the first to invest heavily in curating quality content thus creating a large captive audience.

Moreover, its lack of advertising ties in with its scarcity and urgency proposition – Zara only manufactures a certain number of products, thus creating a buzz where customers set out to buy items before they disappear from shelves.

Customers posting on social media then acts as social proof that they were able to purchase coveted garments. UGC is therefore one of the key ways in which Zara markets, without spending a penny.

Zara does make use of social media shopping functions, including Instagram and Facebook shopping. It also applies Instagram Shopping to its paid influencer posts, meaning shoppers are directed straight to its website.

Zara does not sell or advertise on Google Shopping or Amazon.

9

極度乾燥(しなさい)
Superdry®

INSTAGRAM: 585k followers

FACEBOOK: 2.4m followers

GOOGLE SHOPPING PRESENCE: Only through third-party platforms

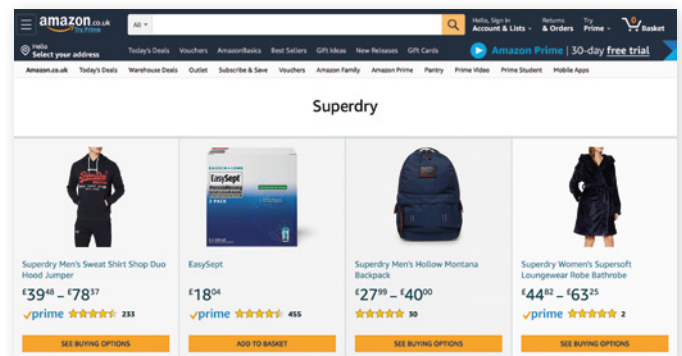
AMAZON PRESENCE: Yes

GROUP SALES: £871.7m year to April 2019

Like Zara, Superdry almost entirely eschews TV advertising and traditional media in favour of social media. It says this approach fits the needs of its customers, while robust and scientific measurement ensures it gets the best possible return on investment.

The emphasis is on engaging with customers at all stages of their journey by developing impactful, integrated campaigns with immersive content.

The retailer also features short films on its YouTube channel to introduce new products, promote events or show behind-the-scenes footage of sponsored events and shows.

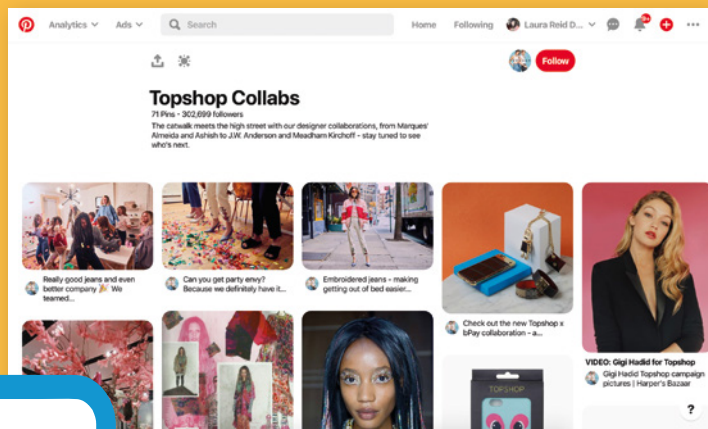


Superdry does sell on Amazon and, while it does not have a branded store, it has a significant number of products available, including T-shirts, hoodies, watches and hats. As Superdry has a large target demographic ranging from ages 18 to 40-plus, advertising and selling on Amazon is a great way to appeal to a wider audience, as more and more searches start on the marketplace.

Superdry branded products only appear on Google Shopping through other platforms such as Lyst and Next.



Topshop's creative attitude to marketing, teamed with its fashion-forward products, are what sets it apart from other retailers



10

TOPSHOP

INSTAGRAM: 10.1m followers

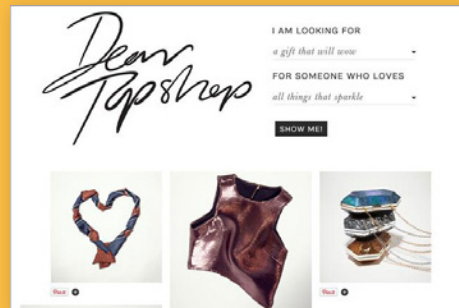
FACEBOOK: 4.2m followers

GOOGLE SHOPPING PRESENCE: Yes

AMAZON PRESENCE: No

GROUP SALES: £846.8m in 2017/18

ONLINE SALES: £170m in 2017/18



Social media is at the very heart of Topshop's marketing strategy.

The retailer is also notable for being one of the first in the UK to engage with Pinterest. In December 2013, the social network made its first big appearance in UK retail in a collaborative campaign – Dear Topshop – which allowed shoppers to pin pictures straight from the retailer's website on to their own Pinterest board.

In mid 2019 Topshop/Topman launched a new 'competitive (and speedy) dating show' called Date Dash, whereby contestants were tasked with creating an outfit in a bid to woo millennial shoppers.

Six three-and-a-half minute episodes

have been released on both Topshop.com and Topman.com, with additional content hosted across the brands' social channels and via digital displays in store.

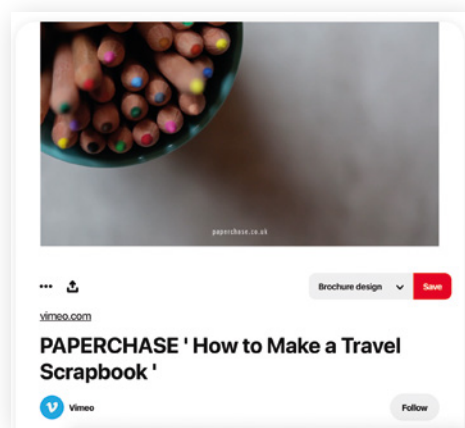
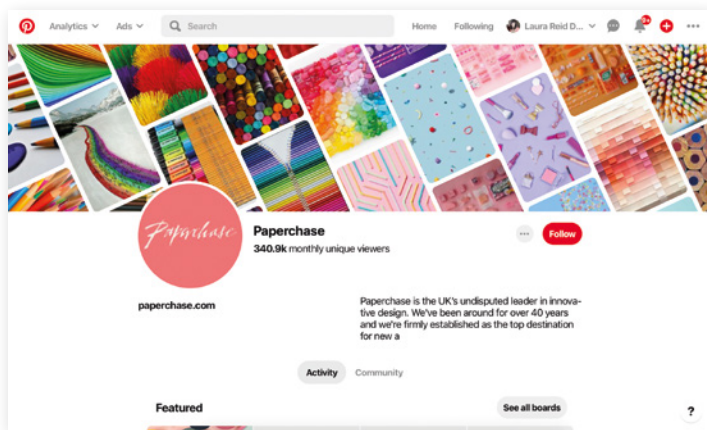
Celebrity-inspired clothing ranges also generate interest for Topshop, for example, its collaborations with the Jenner sisters and Kate Moss boost engagement with the brand globally via social media.

It also features on Google Shopping to drive traffic on to its own website, using a curated selection of its best seasonal pieces. Topshop's creative attitude to marketing, teamed with its fashion-forward products, are what sets it apart from other retailers.

It does not sell or advertise on Amazon.

BUSINESSES TACKLING THE NEW WORLD OF COMMERCE OUTSIDE OF OUR TOP 10

While fashion retailers nab the top spots in the new world of marketing and ecommerce, there are plenty of other categories and brands taking advantage of these changes. We've selected three from our top 30 retailers that are helping to redefine the path to purchase.



18

Paperchase

INSTAGRAM: 208k followers

FACEBOOK: 392k followers

GOOGLE SHOPPING PRESENCE: Yes

AMAZON PRESENCE: Yes, including branded storefront

GROUP SALES: £131.2m in 2017/18

ONLINE SALES: £10.4m in 2017/18

While ecommerce makes up less than 10% of all Paperchase sales, the retailer's drive to become multichannel is evident.

It posts frequently across all social media channels including Facebook, Instagram, Twitter, YouTube and Pinterest.

Pinterest acts as a particularly interesting discovery point, where Paperchase curates inspiration boards for seasons, events or customer needs.

Its Instagram and Facebook feeds are fully shoppable, and it has a strong presence across Google Shopping and Amazon.

Its branded Amazon shop sells a selection of more essential, plain-coloured items such as notebooks and diaries in comparison with the colourful and kitsch selection sold on Google Shopping.



29



INSTAGRAM: 22.5m followers

FACEBOOK: 12.3m followers

GOOGLE SHOPPING PRESENCE: Yes

AMAZON PRESENCE: Yes, including branded storefront

GROUP SALES: £199bn in the year to September 2018

Apple takes a different approach to its social media marketing, choosing to showcase the capabilities of its products – for example, the new iPhone camera quality – on its Instagram channel and posting very little on Facebook or Twitter.

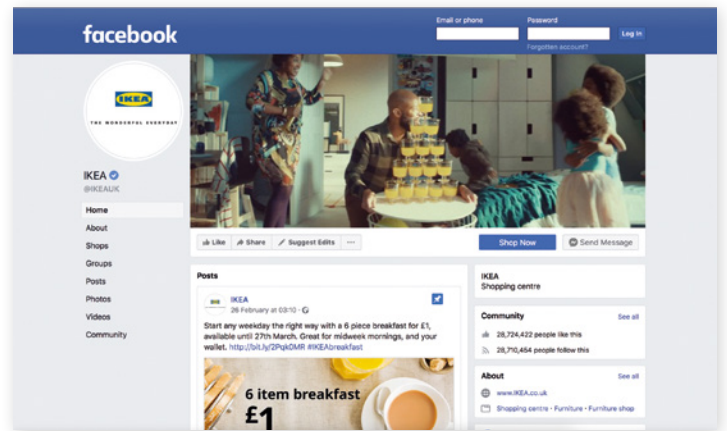
Instead the company prefers to speak through a single ‘narrator’ – a role that was previously held by the late Steve Jobs and has now been taken over by chief executive Tim Cook.

Consequently, it does not use social media as part of its ecommerce strategy.

However, Apple does sell and advertise its products through Google Shopping and a branded storefront on Amazon.

It also runs television adverts and uses other more traditional media such as out-of-home advertising.

For a digital-led brand, this may seem counter-intuitive, but it creates a level of exclusivity around the business that is less available on social media.



24



INSTAGRAM: 976k followers (UK)

FACEBOOK: 28.7m

GOOGLE SHOPPING PRESENCE: Yes

AMAZON PRESENCE: Yes

GROUP SALES: £34bn in 2018/19

Ikea has separate social media accounts for most of the countries it is active in.

In the UK it uses Facebook, Pinterest and Instagram, although it does not have a dedicated Twitter account for the UK market.

Facebook is Ikea’s primary channel to communicate with its customers in the UK, and both its Instagram and Facebook feeds link to its website.

Ikea has a wide target demographic, ranging from students to first-time homeowners, to older age groups.

As such, Ikea both sells and advertises on Amazon and Google Shopping. Its decision to sell on Amazon is part of a longer-term strategy to create its own industry-wide furniture sales platform, with Ikea reporting that “there had to be something” between its own website and more general websites like Amazon, to effectively create a one-stop shop for furniture and homewares.

CHAPTER 3

NEW WORLD SKILLS: ENABLING TRANSFORMATION

The convergence of marketing and commerce – as retailers jostle to meet their customers where they browse and buy – has placed new demands on retailers to overhaul organisational structures.

This has meant an increase in demand for specialist skills across social media, search engine optimisation, mobile and apps, to name a few.

Introducing new roles

Digital recruitment agency Cranberry Panda says more “progressive” retailers have recruited a chief customer officer.

“The customer should be what drives all business decisions,” says chief executive Jonathan Hall.

“This person’s role is to bring the different departments together to give the customer a ‘single brand experience’ across any channel they interact with. If the board buy into this role it can have significant benefits to a retailer offering the competitive edge over its rivals.”

Hall also says that retail head offices need to be able to collaborate more as

the focus should be the customer, not the channel.

Maury agrees: “For many of the brands who sell across department stores, marketplaces and their own stores, too often their sales departments are siloed with a digital marketing team, a marketplace team and a bricks-and-mortar team all acting independently.

“These departmental silos bring their own set of KPIs and they don’t talk to each other as much as they should or share valuable data insights. Consumers don’t care about what channel they buy on. Brands shouldn’t either. They should measure “multichannel success” because they’re living in a multichannel world.”

By breaking down silos it will be easier to create the homogenous brand experience across all channels – including service, feel and convenience – that customers now expect.

In this ranking’s top 10, New Look hired former Karen Millen managing director Louise English to the role on an interim basis last year; Joules hired chief customer officer Lysa Hardy in 2016; and way back in 2011 Burberry appointed Steve Sacks.

Supporting discovery

With the path to purchase beginning at numerous different digital touchpoints, performance marketing teams are needed to drive growth through paid search, paid social media, and advertisements





on shopping platforms such as Google Shopping and Amazon.

Missguided’s Bamber says balance is required. While a brand should be present wherever its target customer is, it’s equally important to understand exactly where that might be and not spend unnecessarily.

“Generally, where the larger audiences are, the more benefit there is from an engagement and revenue perspective. However, it does depend on who your audience is as Snapchat or LinkedIn could also be important,” says Hall. “With all new digital channels it is a case of test and learn to understand what works and how we can improve with our next attempt.”

Testing and learning

Bamber and Hall therefore agree on a ‘test and learn’ attitude. TikTok, for example, could become a big opportunity for the right business, which is why youth-oriented brand Missguided is already trialling its own channel.

Meanwhile, the important platforms differ by market, with Weibo replacing Facebook in China, for example.

Other departments that have become important in the new commerce world are product technicians and data analysts.

Product technicians are responsible for creating a friction-free positive brand experience across all tech platforms, be it the retailer’s own website, mobile site, app or social media shopping function.

As teams collaborate, test and learn, they also need the support of data analysts to

check that the customer’s needs are met and taken into account when actioning changes.

Asos, for example, has hired a chief growth officer whose remit combines marketing, data analytics, customer experience and strategic planning.

Last year, Cath Kidston also made the decision to create a new executive position in charge of data, hiring former Victoria Beckham chief digital and technical officer James Wintle as digital director.

Zara also uses intensive data analytics in order to create on-trend pieces and react to customer preferences, and cites its customers as its chief customer officer. It says they give feedback on all areas of the business, and drive changes through their comments on social media.

“While brand ‘feel’ is important it is more powerful combined with a deep understanding of what the audience is saying,” says Hall. “Data scientists, web analysts and even specific social analysts like Instagram analysts are therefore being added to head office teams.”

Data is abundant, but useless without teams to interpret it and enforce changes.

Joules’s Percival agrees that digital transformation has meant the addition of more specialist employees to focus on creating a multichannel business.

“In a fast-moving world, our teams need to be able to react quickly to customer responses to all marketing campaigns. As such, we outsource some activities, such as pay-per-click, but have others in house – all to ensure we cover our bases.”

CHAPTER 4

WHAT THIS MEANS FOR YOU

Customers have driven the need for retailers' wider transformation, dictating where and how they want to interact with them.

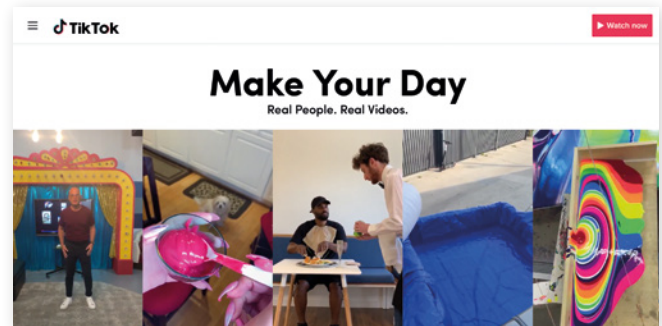
Consumer brand loyalty is at an all-time low, meaning retailers need to be present at these touchpoints. The opportunity is ripe for retailers to generate sales through creative content and compelling adverts, and make use of the tools available to them through platforms such as Facebook, Instagram, Google Shopping and Amazon.

Retailers need to understand their customers' preferences in order to hone their marketing efforts. Overexposure is just as risky as ignoring these platforms altogether, as spending unnecessarily on ad campaigns with no return on the investment will erode margins.

A 'test and learn' attitude is advised for all platforms, especially new mediums such as TikTok. While most consumers will expect brands to have a social media presence in one form or another, it is important to pay attention to where the core demographic is



While most consumers will expect brands to have a social media presence, it is important to pay attention to where the core demographic spends most time



spending the most time, and therefore where the biggest opportunity to convert lies.

The retailers that are winning at multichannel are those that understand where their customers are and tailor the shopping experience to each platform. They also ensure their brand purpose and identity is clear across all channels.

"In many cases, your products might already feature on the marketplace in the form of end-of-season stock or via resellers," says Maury. "The most effective way for you to take control of your customers' brand experience is to be present on the marketplace yourself, own the experience and sell more yourself."

In the retail head office, there needs to be an inherent understanding of social media and data analysis, and how these can be used to underwrite the brand handwriting across all marketing media.

Successful retailers will hire a chief customer officer to drive customer-facing business decisions from the top down and remove silos within the multichannel space.

It is clear that development of the path to purchase will continue across platforms such as Facebook, Instagram, Google Shopping and Amazon, as the worlds of marketing and commerce continue to merge.

THE PROSPECT VIEW

The data used to collate this report was collected and analysed by Retail Week's in-house intelligence arm, Prospect. Here, Prospect data analyst Eleanor Smith gives her view:

The top retailers in this report have developed a strong social media presence through a combination of targeted, localised and engaging content. Burberry has leaned on 'hype culture' and utilises exclusive Instagram product launches to drive social engagement, whereas Asos has adopted a non-commercial

approach to TikTok and favours humorous content.

Evidently, a one-size-fits-all approach to social marketing is no longer viable, as older consumers gravitate towards the rather static Facebook, while the fledgling Gen Zers of the world devour interactive content from their favourite influencers on TikTok and YouTube. Live streaming is particularly popular, with gaming-centric platform Twitch accessed by more than 15 million users daily and utilised by brands such as Hollister and KFC to interact with users in real time.

Customers themselves, often desperate to boast about their latest purchases, can also provide retailers with user-generated content (UGC), which other shoppers view as vastly more trustworthy and shareable than content from the brands themselves. And conversion is substantially boosted when UGC is pulled on to product pages, with Dune London reporting a 28% higher conversion rate after implementing UGC.

While still a fledgling channel in the West, a world dominated by social commerce does not seem far off. Instagram Checkout launched in the US in early-2019 and allows consumers to purchase goods without leaving the app. Chinese app WeChat opened a similar service in 2017 and saw \$115bn (£90bn) pass through its myriad stores in 2019.

Away from social media channels, there is an ever-growing share of consumers now beginning their product searches directly on Amazon. This is an important consideration for brands that need to decide whether or not to collaborate with shop-in-shops on the platform.

While brands such as Nike have shunned the giant – as there is little control over the customer journey and a risk of counterfeit products competing with genuine – Amazon has found a strong UK grocery partner in Morrisons and an unlikely ally in Apple, which went on to create a best-in-class storefront across its marketplaces in the US and internationally.



FIVE KEY TAKEAWAYS

1

**UNDERSTAND CUSTOMER DATA TO
FOCUS EFFORTS ON CHANNELS THAT
HAVE POTENTIAL FOR BEST ROI**

2

**CREATE ORIGINAL AND CREATIVE CONTENT ON
SOCIAL MEDIA TO ATTRACT NEW CUSTOMERS**

3

**CONSIDER WHETHER YOUR BUSINESS NEEDS A
CHIEF CUSTOMER OFFICER TO DRIVE DECISION-
MAKING AND BUILD TEAMS WITH A BLEND OF
SKILLS BETWEEN MARKETING AND COMMERCE**

4

**DRIVE LOYALTY TO MEET THE CUSTOMER
IN THE CHANNEL WHERE THEY SPEND THEIR
TIME DWELLING**

5

**ADOPT A PRAGMATIC, FLEET-OF-FOOT
STRATEGY WHERE YOU ASSESS NEW
CHANNELS AS THEY ARISE**



