Study Finds Online Shopping Complements High Street Fashion Stores

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eBay Inc, which provides technology solutions for retailers, has commissioned Deloitte to prepare a ground-breaking econometric study of the 'omnichannel' retail trend and the impact of non-store shopping on the high street. Omnichannel describes the 360-degree integrated approach to retail that addresses how consumers like to shop today: via a mixture of stores, ecommerce and third-party shopping sites; using mobile, tablet and desktop devices; and taking advantage of new trends like 'Click & Collect'.

The study, which analysed sales data from 21 leading European retailers and questioned 2000 adults in the UK and Germany, found that for retailers in the study, spending on online, non-store shopping is almost entirely additional to their high street sales in two key sectors - dresses and white goods.

The study shows that for leading retailers who sell across multiple channels, over 95 per cent of non-store dress sales in the UK are additional to high street sales. That means that for every £100 spent with these retailers beyond the store, only £5 would have been spent in their high street shops. These statistics are mirrored by results in the German white goods market, where 98 per cent of non-store sales are additional for retailers.

In the UK dress market, the analysis is based on 17 of the top 30 retailers who have both store and online sales, and for which data were available, over a 5 year period from 2009-2013. These retailers held 54% of the total dress market, and 40% of the online market in 2013. The study suggests their success is achieved because shoppers can hop from channel to channel, making use of cross channel options like payment via mobile or Click & Collect, to make shopping more personal and convenient. Traditional customer frustrations like un-stocked shelves or queues at the till are solved by offering customers alternative purchase, collection and payment options.

The results show that there is a significant opportunity for retailers. Deloitte estimates that in the UK last year up to €9bn of sales may have been enabled by omnichannel retail (some of these sales may have taken place later on in stores, but equally may never have taken place at all), and €7bn in Germany. The study also finds that retailers who have a presence on eBay drive more customers into their high street stores. Those retailers studied who also have a presence on eBay experience an increase in store sales by 1.2 per cent.

Ian Geddes, Head of Retail at Deloitte:

"This study sets out to answer the question of how shopping beyond the store is affecting offline retailing. While this is a sector specific study and more research is required to draw industry-level conclusions, it suggests that a broad presence across channels can in many scenarios positively influence store sales. It highlights a significant opportunity for retailers to use a mix of stores and online presence to boost the bottom line, selling at home and abroad."

Jacob Aqraou, Senior Vice President, Europe Middle East & Africa at eBay:

"This study shows that retailing is not about online versus offline, as they can work well together for customers, as shown by the popularity of Click & Collect. Consumers want the best of both worlds, shopping online and across multiple devices, and picking up or browsing in store. As a retailer, if you don't reach the consumer across all these channels, you are already missing out on valuable sales which could be hard to recapture in the future."
"This study also showed that a presence on the eBay marketplace can help retailers grow sales in their own stores thanks to better brand awareness. With the support of eBay Inc technology and services such as Click & Collect and pay in store, size needn't be a barrier for any retailer wanting to make the most of omnichannel retailing."

Across Europe, the study found that the take-up of online sales varies markedly between countries - Germany, the UK and France have rapidly embraced online, while the share of online retail sales in Italy and Spain is lower. However, cross-border trade is growing fast - retailers in the UK and Germany generated over $8bn in online retail exports in 2012, with UK fashion exports alone being estimated at $1.22bn in 2013. Sales of women's dresses from eBay.co.uk to Spanish buyers have doubled from 2010 to 2012. Last year a PayPal study found that Cross-Border online trade between the six largest markets worldwide is already estimated to be worth over $100bn annually, and this figure is predicted to triple by

2018.

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