ResearchFARM
RETAIL ANALYSTS

ONLINE RETAILING IN THE EU 2011

Strategies & Recommendations

"One Currency, One Market, One Channel"

JULY 2011

WE HAVE QUESTIONS FOR YOU...

Retailers

- What are the strategic imperatives for online retailing in the EU over the next 5 years?
- Should retailers first internationalise their online operations or first localise?
- How can retailers retain their newfound customers abroad?

Product Suppliers

- Will online internationalisation increase the competitive pressure or is it a massive opportunity?
- How important are local taste variations across the EU?
- Does it make sense to foster online partnerships with non-competing retailers or suppliers in the EU outside your domestic market?

Property Firms

- How will the threat from online to established bricks & mortar players develop when international competition heats up online?
- How will retailers integrate click & collect/drive services into their real estate provisions?
- How will this change when online internationalisation is a reality?

Retail Services Providers

- How will the legal framework evolve going forward and what will the impact be on online retailing?
- What will payment options and loyalty schemes look like in the future?
- Find out about retailer strategies and tailor your IT/ legal offering according to their needs

Consultancies

- Why will online internationalisation be absolutely crucial and a factor determining success or failure?
- Which click & collect solutions will win out?
- What is the impact of SEPA or the Consumer Rights Directive?

Financial Service Providers

- Which retailers need your undivided attention going forward?
- What are the benefits of the common EU market to EU retailers, especially from a payments perspective?
- What will happen with payment providers in the EU?

TABLE OF CONTENTS

TABLE OF CONTENTS

TESTIMONIALS AND CLIENTS

About our reports:

«I found it very insightful. [...] Impressed with the amount of information that has been covered by your report.» (Retail merchandising company)

«I found the document easy to read, well laid out and the content thought-provoking. It reminds me of the major considerations that affect our markets, and to address these key issues when approaching the global brands and retailers. Retail Predictions 2011 is a very good demonstration of the quality of how ResearchFarm operates and communicates.» (Technology supplier)

«The content is very interesting to us, as we look after many of the largest shopping centres and we also represent many international retailers entering our market. There is plenty of food for thought.» (Property consultants)

«It looks impressive.» (Property company)

«It was helpful. It helped me to persuade my boss to take on a project about e-commerce research. I was really surprised by the importance of legal issues. I never read that elsewhere before.» (Government)

«Thank you again for the study. These are very, very interesting, well explained (so, logical) predictions. Highly reliable and useful (I like the idea very much that loyalty schemes will move onto smartphones). It's quite impressive!» (Publishing group)

«Great research, very useful.» (Retailer)

«We have enjoyed reading your research information and have found it to be helpful in validating some of the other Grocery industry news information and predictions.» (Retailer)

«On DLF's (Danish Association of Fast Moving Consumer Goods Manufacturers) New Years Conference on the 20th of January 2011 we had the great pleasure to hear ResearchFarm speak about future trends in online grocery retailing. The feed back from the conference participants was very positive as they gave ResearchFarm's presentation the highest score of all speakers, finding the analysis about the key success factors of chosen EU and US online retailers both very interesting and inspiring. We can therefore give ResearchFarm our best recommendation.»
Dagligvareleverandørerne – Danish Association of Fast Moving Consumer Goods Manufacturers

OUR METHODOLOGY

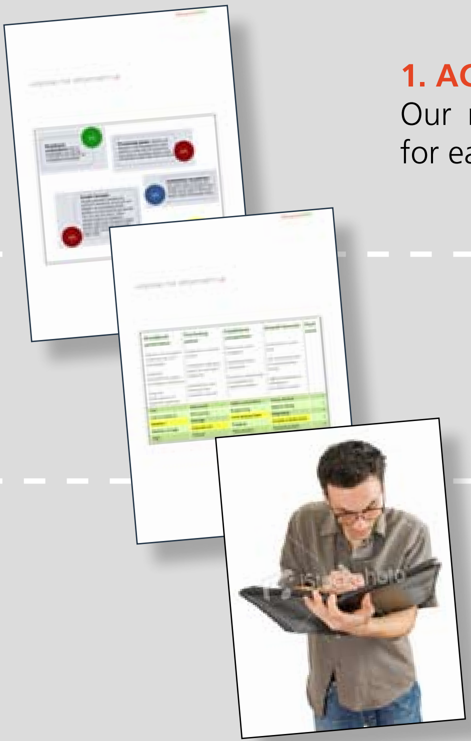
LAY THE GROUND FOR NEW GROWTH!

Researchfarm strives to deliver a starting point for constructive discussions and provide clear solutions and direction.

Our in depth observations of fundamental changes combined with our strategic insights into the sector and our entrepreneurial thinking provide unrivalled, actionable and meaningful solutions.

Our recommendations will enable you to formulate new strategies, head for the right milestones, drive future growth and set the right incentives.

DELIVERING ADDED VALUE THROUGH OUR REPORTS



1. ACTIONABLE RECOMMENDATIONS
Our reports provide you with recommendations for each chapter to help your strategic decisions.

2. BEST PRACTICE
Every chapter features a case example and in-depth insights and recommendations.

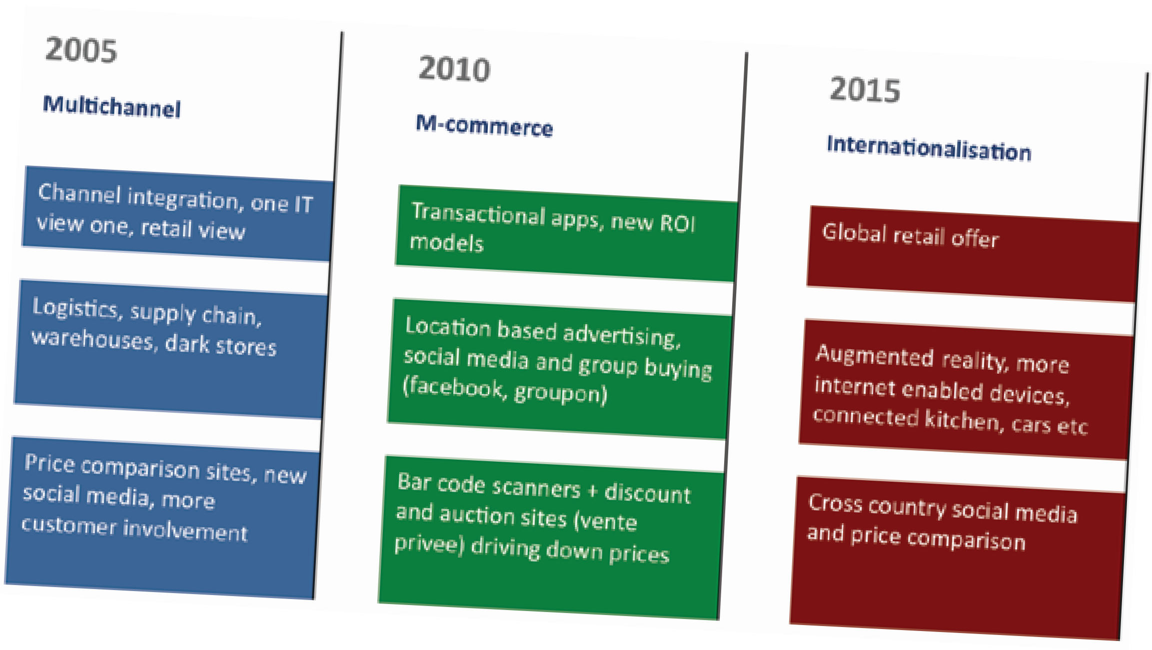
3. INTERVIEWS WITH KEY PEOPLE
The report is based on in depth conversation with business leaders, CEOs and CRM specialists.

ABOUT RESEARCHFARM

ResearchFarm is a start up boutique focused on strategic insight and innovative topics and trends in the FMCG/retail space. A key word for us is innovation. We try to unearth what works and what doesn't and tell our audience about it. For us the client comes first, as such we are focused on the story to tell, sharing insight and analysis, not on getting our names in the media – though we will engage in this as well occasionally.

SAMPLE PAGES (ZOOM IN)

The Evolution Of Online Retailing: A 15 Year View



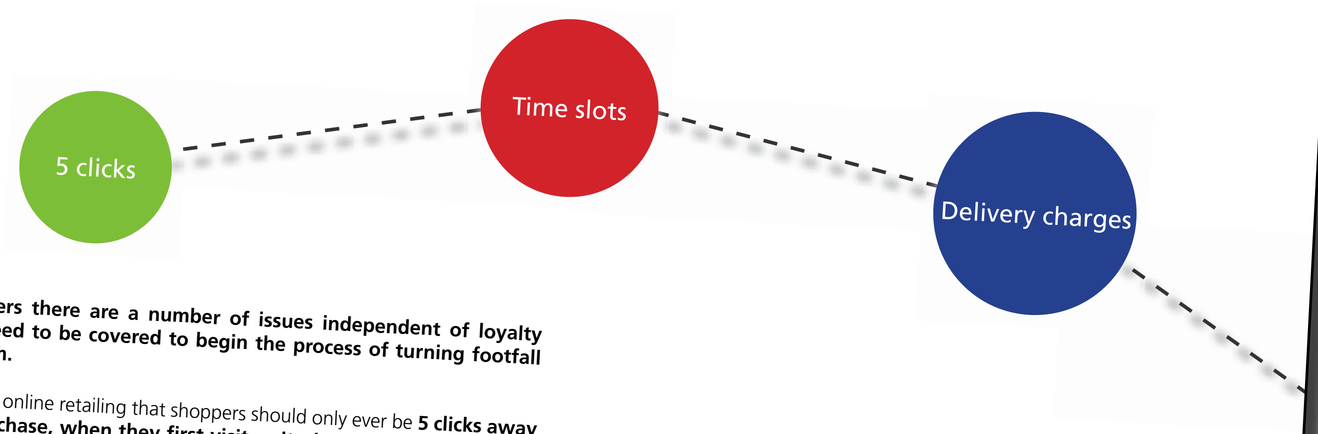
All in all we believe that language barriers are not insurmountable, as relatively good education systems are standard in the EU, **English is well established as a second language for most EU citizens.**

Moreover translation into European languages is relatively straightforward and not too expensive. Besides, national online players are well established, and their websites can to an extent be copied or used as inspiration.

This preeminence of the English language also means that Anglo-Saxon operators enjoy a clear head start when internationalising their online operations over most other EU retail players, as consumers will feel more secure with a site operated in English than in most other languages.

SAMPLE PAGES (ZOOM IN)

The Essentials Of Online Loyalty



For online players there are a number of issues independent of loyalty schemes that need to be covered to begin the process of turning footfall into loyal custom.

The golden rule of online retailing that shoppers should only ever be **5 clicks away from visit to purchase, when they first visit a site (assumption of a basket size of 1 product),** should be followed as much as feasible.

Moreover online pureplays need to focus on the **last mile** conundrum. This involves great customer service from the delivery personnel but also time slots and these **slots becoming increasingly shorter** – the retailer able to offer the shortest time windows in which customers need to wait at home for a delivery will win out. In recent years we have seen a number of online players offering shoppers competition for delivery slots, guaranteeing disciplined shopping behaviour and understanding that certain slots are more popular and hence quickly booked up.

Moreover we will see the **gradual abolition of delivery charges** over the next 5 to ten year timeframe, or at least their significant reduction in price for consumers. We believe it goes without saying that returns should be free – otherwise especially with sensitive products an unnecessary barrier to purchase will be established.

In terms of localising the international online retailing offer, a lot of collaboration potential exists between national champions from different sectors – especially in fashion where brands can complement each other. Clothing retailer Next has started a partnership agreement with the US's Sears – to share online space initially and then for the products to be stocked in Sears' physical store estate.

Indeed Fashion and luxury players will emerge as obvious winners, as these attract many overseas online customers already, so making it easier to access these brands in a local context can only be a win win scenario for a French and Italian branded player and a say Austrian or Finish department store.

Other examples include online food specialists teaming up with non food specialists for example to enable click & collect solutions and drive extra footfall to stores. **Click and collect is a fast growing model and offers many opportunities for retailers.** Non food specialists can make their credentials and central locations in high footfall areas count and utilize their store estates to draw in extra footfall by partnering with a grocery player and acting as collection points for groceries for busy commuters on their way home from work.

HOW TO ORDER

PRICE OF THIS REPORT

This report is priced **GBP790** (58 pages, delivered as a PDF file). Or you can also get a yearly access to our reports with our **Subscription Service** (£5,000/year).

1 VISIT OUR WEBSITE

www.ResearchFarm.co.uk

2 ORDER ONLINE

Payment modes offered:

- **By bank transfer**
  When checking out, please check ‘invoice’ as payment mode. We then send you an invoice.
- **By credit/debit card**
  Secure payment via Paypal. If you want to pay with your credit/debit card you don’t need a Paypal account, just use the appropriate option when landing on the Paypal page after checking out.

3 RECEIVE YOUR REPORT BY EMAIL!

CONTACT

ResearchFarm Ltd
Suite 12154 - 2nd Floor
145-157 St. John Street
London EC1V 4PY (UK)

Phone +44 (0)20 3286 9801
Email sales@researchfarm.co.uk
Web **www.researchfarm.co.uk**