



Web retail thrives as high street trembles

Once seen as a way for retail minnows to compete with big brands, e-commerce is now dominated by the major players, reflecting a maturing sector, says *Stuart Derrick*



eCommerce Expo: nearly 5,000 visitors attended last year's event, and October's outing is expected to be even bigger at its new home in Olympia 2

The UK high street might still be struggling, but online retailers most certainly are not. The Interactive Media in Retail Group (IMRG) has reported that online retail sales rose 19 per cent in the first half of this year to reach £31.5bn. It forecasts total e-retail sales to hit £69bn this year.

Sustained growth over the past few years has been driven by the multichannel retailers, as high-street merchants have begun to realise the potential of e-commerce, says IMRG chief marketing and communications officer David Smith. "Mobile also provides a huge opportunity for retailers – internet on the move is blurring the boundary between offline and online," he adds.

Now in its fifth year, October's eCommerce Expo in London will reflect a maturing sector. Once seen as a way for start-ups to compete with retail giants, e-commerce is now dominated by big brands – which have been encouraged to attend through the show's VIP programme. "It's important that we keep up the calibre of visitors to the show. We are working with IMRG to produce the Excellence Lounge," says event manager Rebecca Slater. "We hope to attract at least 50 of the top 100 retailers."

In a time of austerity, the efficiencies of selling online have become paramount. But with the competition just a click away, having the latest

Smart thinking E Commerce Expo

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Venue The Olympia
Exhibition Centre - Olympia
2, Hammersmith Road,
London W14

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technology and most effective strategy is the key to success. It has also been suggested that online retailers will benefit from the recent riots in England. Nigel Kennedy, editor of blog Commerce on Facebook, says the riots will have prompted many people to shun the high street in favour of online shopping. "People can stay in the comfort and safety of their homes to purchase everything from grocery supplies to clothes to expensive electronic equipment. They will also become more aware that in addition to improved physical security, their purchasing is also better protected online," he says.

Kennedy predicts that more retailers in the UK will look to either go online-only or increase their existing web presence in the near future.

Convenience stores

Of course, it's not simply a struggling high street that is boosting e-commerce. Convenience is also a big driver, with mobile technology helping customers to compare items, share information and transact on the hoof. PayPal will be showing off its new mobile payment app for Pizza Express at the show, where it is also sponsoring the networking bar.

Visitors to eCommerce Expo can expect to encounter sessions offering covering every aspect of devising and delivering e-commerce strategy. The show has been organised around four themes:

digital and mobile marketing; e-commerce and m-commerce; fulfilment and delivery; and payment and security. Each of these themes will have a dedicated seminar programme and theatre to provide a more differentiated educational experience.

This year is also the first that exhibition company UBM has been fully at the helm since it bought the show in 2010. Expo moves to a bigger venue this year, from the National Hall to Olympia 2. Slater says last year's event achieved a 12 per cent increase in show space to accommodate a larger number of exhibitors, and predicts similar growth this year. There were 4,825 visitors to last year's event, and numbers are expected to exceed 5,000 in October.

"With UBM's resources, we hope to ramp up the show this year. Registrations are already up 64 per cent on this time last year," Slater says.

As always, the show will seek to reflect industry trends. Last winter's bad weather underlined the importance of delivery in the e-commerce equation. Patrick Wall, chief executive of delivery software company MetaPack, says despite the slowdown in the economy, retailers are more willing to adopt premium tracked services because of falling costs, as well as fears over the risk of shipping valuables. "Retailers focusing on value, such as Sportsdirect, Tesco, Argos and New Look, still want to offer delivery choice," he says.

Ever-present concerns about data and payment will also find voice at the show. "The problems with PlayStation's security earlier this year have put the focus on payment and security, which is something we will reflect," says Slater.

Social media remains another major focus for brands, especially as they seek to translate gimmicks such as Facebook's 'likes' into an actual driver of revenue. TV commerce is also an area that will be explored.

Where the first wave of social media was all about brands using social networks to launch products, reposition themselves, recruit advocates and amplify traditional advertising, the second wave involves companies using Facebook as a simple but effective way of putting customers at the heart of their business. E-commerce software provider Valtech describes this process as "F-commerce". The company has helped brands, such as direct-selling cosmetics brand Oriflame, to digitise key business processes and interact profitably with people via social networks. In Oriflame's case, this has meant helping individual sales consultants develop beauty stores on Facebook where they can allow friends to access Oriflame's product range.

Whether it's commerce via Facebook, mobile or the web generally, the message is that e-business is becoming a serious challenger to the high street – and businesses still have a lot to learn. ●

In addition to improved physical security, shoppers' purchasing is also better protected online

Nigel Kennedy, Commerce on Facebook



What next for e-commerce innovation?

The sector might be maturing, but even the most successful online retailers can't

rest on their laurels. Six experts in the field give their take on the challenges ahead

Patrick Wall, chief executive, MetaPack



Internet retailing is becoming security-conscious and quality-led. There has been quite a dramatic shift in the use of premium delivery

services to the extent that non-tracked and other economy services now make up the minority of despatches.

There are still many retailers providing free delivery, but the stronger, contrary trend is to use tracked next-day services. Competing with established next-day services such as Parcelforce and UPS are Yodel and Royal Mail, helping retailers reduce fraud through 'proof of delivery' and providing customers with the reassurance of greater security.

This focus on delivery is already leading the more innovative of the online retailers to employ delivery management tools with a multi-carrier approach, enabling them to provide these premium services in the most efficient way.

Jonathan Cook, head of new media, Valtech



In many respects, traditional e-commerce platforms were all about getting shiny and easy-to-use stores online. With the advent of social commerce,

however, companies now have the opportunity to digitise a more natural relationship with their customers. We must now learn how to harness the opportunity of this more complex interaction.

The online store front is no longer the only place where meaningful interaction occurs. Facebook is one of the places where marketers have been harnessing word-of-mouth recommendation. The challenge is to commercialise this relationship.

Companies that have been successful on Facebook have put their customers at the heart of the planning process. We have helped Oriflame build a beauty store on Facebook that achieved 20,000 application installations within six months of launch in five of the brand's territories.

Richard Jackson, director, Session Digital



A lot has been said about mobile commerce and the growing number of consumers shopping on their smartphones. Rather than drawing the blanket

conclusion that shopping is moving off the high street to mobile devices, perhaps we should look at the issue differently; using mobile to complement, not replace, the in-store experience.

Customers should be encouraged to scan product barcodes to access relevant videos, customer testimonials and QR coupons – all data and content potentially available via a mobile view of the e-commerce function – to assist their purchase decision.

With Tesco announcing a rollout of WiFi in all stores, there's increasing recognition that consumers have started to use mobile devices to aid purchase decisions. For certain retailers, delivering mobile in-store experiences may prove more valuable than fully enabled m-commerce in the long run.

Kathy Beteta, executive vice-president, International Checkout Inc



As UK retailers look to tap into additional revenue streams and new markets, more of them will dip their toes into international waters. With

the growth rate of online users abroad far outpacing that of the UK, particularly in Asia and Latin America, e-commerce executives will be looking to access the burgeoning overseas buying power.

In the past, obstacles such as fraud, shipping logistics and language barriers have prevented retailers from entering the global marketplace, but emerging technology and third-party vendors are paving the way for them to reach across borders with minimal difficulty. A variety of solutions are available to localise the customer experience through language translation, local currency pricing and geo-targeted content, while others specialise in shipping, customs clearance and fraud prevention.

Michel Robert, managing director, Claranet



The real challenge for a lot of organisations is how to create a perfect scenario of a highly available and resilient website that is scalable but does not cost

the earth. Cloud computing is increasingly offering businesses this Holy Trinity.

Cloud computing gives businesses a new set of tools that allow them to adapt to their own particular requirements. There's now a new maturity in the industry as people realise that while mass-market cloud services like Amazon have some great features, they also have limitations. We manage websites that use Amazon as a front end and host the main infrastructure in the background. It's a hybrid that works.

E-commerce sites need the ability to cope with huge bursts at certain times of the year, such as Christmas. They want to be able to do it without shifting to a different infrastructure, and selective use of cloud computing can be the answer.

Rob Barnes, operations director, Design UK



Brands that are doing well online are those with sites that are designed with the shopper in mind. They are doing this by researching what consumers want. The

more they think about how the customer interacts online, the better the experience and the greater the customer engagement.

Without this understanding, the bells and whistles are meaningless. For big retailers, their websites are probably doing as much business, if not more, than their largest stores; they give people a reason to spend time with them online.

In some ways, it's more difficult to differentiate yourself online than on the high street, where you have location and the design of the physical store to work with. The future looks like it belongs to big multi-channel retailers, which small players will find hard to compete with. For example, Argos is now offering same-day delivery in some areas using the Shut! service.

Snapshots Conference highlights

E-commerce high-flyers can look forward to a personal invitation to attend the show and get to enjoy their own VIP experience. This has been put together in conjunction with IMRG and will include entrance to the **Excellence Lounge**

Interactive technology showcases are also planned, with mini workshops from big players.

Get an education with the show's free **seminar programme and keynote speeches**. These are delivered in four theatres on the show floor, each of which corresponds with one of the main themes of the exhibition: digital and mobile marketing; e-commerce and m-commerce; fulfilment and delivery; and payment and security. Topics this year will include: social marketing, Facebook commerce, cross-border trading and delivering the perfect customer journey. There are more than 60 free, case-studied sessions, details of which are at ecommerceexpo.co.uk.

Because education is one of the hottest draws at eCommerce Expo, many sessions will be full to capacity. Guarantee your place with **visitor conference priority entry**. This usually costs £100 plus VAT, but an early-bird offer of £50 is available until the end of September. There are only 300 of these tickets available, so don't hang about.

Attending an exhibition isn't just about tramping the aisles and collecting brochures. It's also about plugging into what's going on in your industry and finding out what your peers are up to. **Already**

registered for this year's show are e-commerce specialists and digital strategists from companies including Aviva, British Airways, Debenhams, HSBC, Royal Mail and Sony.

On the first day of the show, e-commerce solutions company Sitemakers is sponsoring a **networking breakfast event** from 9am. On the second day, multichannel solution company Maginus will host the event.

Later in the day you could adjourn to the **networking bar** to chat with

industry leaders, meet clients and find out what your competitors are up to. This year's show is the first to feature a bar on the show floor.

This year's show also features the customisable portal **MyeCommerceExpo**, which can be accessed by registering on the event's website. Once signed up, individuals can plan their day at the show, pick out seminar sessions of interest and communicate with other attendees online.

E-commerce excellence doesn't stop at the shopping cart. It goes through

to the quality of service, customer management and call centres. This year, for the first time, it's easier for all departments involved in the e-commerce buying process to come along. Sister exhibition **Call Centre & Customer Management Expo** has moved from Birmingham's NEC to Olympia and is taking place next door, providing the latest updates on all aspects of contact management. Visitors have access to both events.

Anti-virus company Symantec is sponsoring the **Premier Club**, which gives senior e-commerce

buyers an upgraded experience at the show. They will have priority entry to the exhibition and keynote theatre and access to the Premier Club Lounge, featuring complimentary refreshments and the chance to get a massage.

Insightful presentations in the **Keynote Theatre** will give a taste of the future of e-commerce. The industry's finest names will be talking about their success, what's hot and what's not, and sharing best practice. Names to look out for this year are Dixons, Google Mobile, Facebook, eBay and PayPal.

The show will also be celebrating the best in current e-commerce practice. The third **eCommerce Awards for Excellence** will be presented on the first night at a gala dinner at the Sheraton Hotel. There will be 20 awards presented, including Best Multichannel Retailer, Best m-Commerce Retailer, the International e-Retail Award and Best Use of Social Media.

Business never stops, and visitors to eCommerce Expo can remain connected by checking in with the office at the conveniently located **Wireless Lounge**.