Exploring Digital Retail: Unlocking the Online Opportunity

September 2023
1

Shoppers moving online
Size of retail sales in Great Britain in 2022.

£103 bn

Source: ONS - Retail sales, Great Britain 2022
Online’s share of retail sales in Great Britain in 2022

£27 bn

Source: ONS - Retail sales, Great Britain 2022
One quarter of purchases are made online – and rising fast

Source: ONS - Retail sales, Great Britain 2013-2023
Ipsos iris’ view of visitors to online retail...

49.1m people per month

98% of internet users

8% of our time online is on shopping sites

8 hrs 43 mins per month

17 mins per day
The breadth of retail is expanding
Ipsos iris measures across...

2,010 websites

288 apps

29 categories
Online retail is varied and crowded

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).

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Use of digital commerce channels, past 6 months

- Online marketplace: 92%
- Retailer website: 88%
- Brand website: 62%
- Social commerce: 33%
- On-demand quick commerce: 32%
- Voice commerce: 30%
- Livestream commerce: 28%
- Augmented/virtual reality app: 25%

Source: Ipsos Essentials Wave 74, July 2023, Base UK: 1,000
Size of global Retail Media

13.4%

$126 bn
1. Shoppers moving online
2. The breadth of retail is expanding
3. Advertisers moving to retail media
INDUSTRY-WIDE

- Visitation changes
- Appification

ESTABLISHED PLAYERS

- Retail media
- Loyalty points and programmes

DISRUPTORS

- Marketplaces
- New entrants from China
### INDUSTRY-WIDE

<table>
<thead>
<tr>
<th>Visitation changes</th>
<th>Appification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail media</td>
<td>Loyalty points and programmes</td>
</tr>
<tr>
<td>Marketplaces</td>
<td>New entrants from China</td>
</tr>
</tbody>
</table>

#### ESTABLISHED PLAYERS

#### DISRUPTORS
At an industry level audience and engagement is static

Retail: total audience

- July 22: 49.0m
- July 23: 48.9m
- Change: 0%

Retail: total time spent (minutes)

- July 22: 25.8bn
- July 23: 26.0bn
- Change: +1%

Source: Ipsos iris Online Audience Measurement Service, July 2022-3. All aged 15+ using PC/laptop, smartphone or tablet device(s).
But visitors have shifted between categories

Change in audience year on year

12 categories have grown year on year

Beverages 45%
Other Retail & Commerce 22%
Restaurants/Pubs 18%
Grocery/Supermarket 9%
Comparison of Products and Services 4%
Fashion, Style & Beauty 3%
Automotive 2%
Ticketing 1%
Fast Food & Delivery 1%
General Retail & Commerce 0%

17 categories have shrunk year on year

Vouchers/Reward -1%
Games & Toys -1%
Health -2%
Furniture & Homewares -2%
Auctions -3%
Home & Garden -4%
Greetings Cards -8%
Vaccinations -12%
Healthcare -16%
Homes & Garden -19%
Consumer Electronics -20%
Travel -31%

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Apps are increasingly essential for retailers

Share of time spent using apps to look at Retail content

July 22: 61%
July 23: 68%

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
...especially in some of the top categories

Share of time spent using apps to look at Retail content

<table>
<thead>
<tr>
<th>Category</th>
<th>July 22</th>
<th>July 23</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Retail</td>
<td>64%</td>
<td>61%</td>
<td>-6%</td>
</tr>
<tr>
<td>Auction</td>
<td>59%</td>
<td>67%</td>
<td>+8%</td>
</tr>
<tr>
<td>Books</td>
<td>94%</td>
<td>97%</td>
<td>+3%</td>
</tr>
<tr>
<td>Fashion, Style &amp; Beauty</td>
<td>48%</td>
<td>75%</td>
<td>+27%</td>
</tr>
<tr>
<td>Vouchers/Reward</td>
<td>68%</td>
<td>78%</td>
<td>+10%</td>
</tr>
<tr>
<td>Grocery</td>
<td>42%</td>
<td>58%</td>
<td>+16%</td>
</tr>
</tbody>
</table>

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
There are more retail apps in the market, which is one of the reasons we’re spending more time on them…

Number of retail apps

July 22

257

July 23

288

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
But in fashion, style and beauty time spent on apps is rising faster or falling more slowly than browsers

### Top 10 fashion, style and beauty apps: change in time spent year on year

<table>
<thead>
<tr>
<th>Rank</th>
<th>App</th>
<th>Web</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vinted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+155%</td>
<td>-3%</td>
</tr>
<tr>
<td>2</td>
<td>Shein</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+764%</td>
<td>+21%</td>
</tr>
<tr>
<td>3</td>
<td>Asos</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-33%</td>
<td>-32%</td>
</tr>
<tr>
<td>4</td>
<td>Next</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-9%</td>
<td>-30%</td>
</tr>
<tr>
<td>5</td>
<td>H&amp;M</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+88%</td>
<td>-53%</td>
</tr>
<tr>
<td>6</td>
<td>Depop</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+41%</td>
<td>+40%</td>
</tr>
<tr>
<td>7</td>
<td>Very</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+12%</td>
<td>-44%</td>
</tr>
<tr>
<td>8</td>
<td>Boohoo</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+16%</td>
<td>-57%</td>
</tr>
<tr>
<td>9</td>
<td>Matalan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-4%</td>
<td>+23%</td>
</tr>
<tr>
<td>10</td>
<td>JD Sports</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+44%</td>
<td>-32%</td>
</tr>
</tbody>
</table>

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Brands that rely on non-essential categories will have to work harder to generate growth.

Apps are essential to engaging visitors: Marketing and CX should drive app downloads and usage.
INDUSTRY-WIDE

Visitation changes
Appification

ESTABLISHED PLAYERS

Retail media
Loyalty points and programmes

DISRUPTORS

Marketplaces
New entrants from China
Amazon is the biggest retail organisation in the UK

Top 10 Retail Organisations

1. Amazon - 44.0m
2. eBay - 31.8m
3. J Sainsbury plc - 22.7m
4. TEMU - 22.0m
5. Apple - 20.6m
6. Tesco - 18.4m
7. ASDA - 14.4m
8. Etsy - 14.2m
9. Boots - 13.2m
10. Nectar - 13.0m

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Many of the biggest organisations are also the biggest names in retail media in the UK

Top 10 Retail Organisations

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10. Nectar - 13.0m

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Amazon has a huge share of time spent

44.0m visitors a month

Accounts for 18% of all time visiting retail

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Amazon’s share of time spent peaks in December

Amazon’s share of time spent across retail

Prime day - 11th & 12th July: 34% of all time retail visiting is spent on Amazon
Supermarkets are also well represented in the top ten

**Top 10 Retail Organisations**

1. **Amazon** 44.0m
2. **eBay** 31.8m
3. **J Sainsbury plc** 22.7m
4. **TEMU** 22.0m
5. **Apple** 20.6m
6. **Tesco** 18.4m
7. **ASDA** 14.4m
8. **Etsy** 14.2m
9. **Boots** 13.2m
10. **Nectar** 13.0m

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Supermarket loyalty has grown and evolved

- Tesco begins phasing out Clubcard app
- Nectar prices launch

Tesco Grocery & Clubcard
Nectar
Lidl Plus
Asda Reward

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Asda has seen by far the biggest change in visitors year on year

<table>
<thead>
<tr>
<th>Grocery Retailer</th>
<th>Year on year % change in Grocery audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASDA</td>
<td>25%</td>
</tr>
<tr>
<td>Tesco</td>
<td>6%</td>
</tr>
<tr>
<td>Co-op Food</td>
<td>5%</td>
</tr>
<tr>
<td>Iceland</td>
<td>4%</td>
</tr>
<tr>
<td>Ocado</td>
<td>3%</td>
</tr>
<tr>
<td>Marks &amp; Spencer</td>
<td>2%</td>
</tr>
<tr>
<td>Sainsbury's</td>
<td>-4%</td>
</tr>
<tr>
<td>Morrisons</td>
<td>-4%</td>
</tr>
<tr>
<td>Lidl UK</td>
<td>-4%</td>
</tr>
<tr>
<td>Aldi</td>
<td>-35%</td>
</tr>
</tbody>
</table>

**Source:** Ipsos iris Online Audience Measurement Service, July 2022-23, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Aldi has rapidly gaining market share

Grocery market share

Asda Rewards launches

Asda
13.6%

Aldi
10.2%

Source: Kantar Worldpanel Grocery Market Share, 12 weeks ending 16/07/2017 to 09/07/2023
Supermarket loyalty has grown and evolved

- Tesco begins phasing out Clubcard app
- Nectar prices launch

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Sainsburys and Tesco have significant reach across their retail networks

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Ipsos iris can help understand the exclusive reach that different brands offer.

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
And how their profiles differ

**Sainsbury’s**
- 57% Female
- 24% Aged 15-34
- 17% Earn £50k+
- 29% Have kids under 14 in HH
- Heavy visitors
  - 46%
  - 41%
  - 34%
  - 27%

**Tesco**
- 55% Female
- 29% Aged 15-34
- 16% Earn £50k+
- 30% Have kids under 14 in HH
- Heavy visitors
  - 39%
  - 38%
  - 33%
  - 27%

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
And the opportunity for partnership

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
There is a race to build and evolve loyalty programmes to increase engagement and market share.

Ensure you compare and profile retail media on a level playing field to make the right investment choices.
Visitation changes
Appification
Retail media
Loyalty points and programmes
Marketplaces
New entrants from China

INDUSTRY-WIDE

ESTABLISHED PLAYERS

DISRUPTORS
The fastest growing retailers are disruptors

Fastest growing retail brands by audience in the last 12 months

3rd

TEMU +22.0M

17th

Vinted +5.1M

20th

SOFIA +4.0M

ASDA +2.9M

COSTA +1.6M

Source: Ipsos iris Online Audience Measurement Service, July 2022-3, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Shein and Vinted have similar profiles, but Temu visitors are older

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Aged 15-34</th>
<th>Income £50k+</th>
<th>ABC1</th>
<th>LGBO+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temu</td>
<td>58%</td>
<td>28%</td>
<td>15%</td>
<td>59%</td>
<td>10%</td>
</tr>
<tr>
<td>Shein</td>
<td>80%</td>
<td>41%</td>
<td>15%</td>
<td>55%</td>
<td>11%</td>
</tr>
<tr>
<td>Vinted</td>
<td>79%</td>
<td>44%</td>
<td>15%</td>
<td>66%</td>
<td>14%</td>
</tr>
<tr>
<td>Total internet users</td>
<td>50%</td>
<td>32%</td>
<td>17%</td>
<td>64%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Vinted users stand out across a range of statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Temu</th>
<th>Shein</th>
<th>Vinted</th>
<th>Total internet users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficult to balance work, children &amp; social life</td>
<td>26%</td>
<td>29%</td>
<td>33%</td>
<td>26%</td>
</tr>
<tr>
<td>Like to go to trendy places to eat and drink</td>
<td>20%</td>
<td>24%</td>
<td>27%</td>
<td>22%</td>
</tr>
<tr>
<td>Spend a lot of money on toiletries and cosmetics for personal use</td>
<td>20%</td>
<td>27%</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>Try to keep up with developments in technology</td>
<td>47%</td>
<td>40%</td>
<td>39%</td>
<td>48%</td>
</tr>
<tr>
<td>Prepared to make lifestyle compromises to benefit the environment</td>
<td>53%</td>
<td>53%</td>
<td>58%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Source: Ipsos iris Online Audience Measurement Service, July 2023. All aged 15+ using PC/laptop, smartphone or tablet device(s).
Disruptors could be a bigger threat to brands with shared visitors

Brands with the highest share of visitors going to each disruptor

<table>
<thead>
<tr>
<th>Disruptor</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boohoo</td>
<td>59%</td>
</tr>
<tr>
<td>PrettyLittleThing</td>
<td>58%</td>
</tr>
<tr>
<td>Simply Be</td>
<td>51%</td>
</tr>
<tr>
<td>New Look</td>
<td>50%</td>
</tr>
<tr>
<td>Primark</td>
<td>49%</td>
</tr>
<tr>
<td>Wowcher</td>
<td>72%</td>
</tr>
<tr>
<td>Shein</td>
<td>70%</td>
</tr>
<tr>
<td>Very.co.uk</td>
<td>68%</td>
</tr>
<tr>
<td>The Range</td>
<td>68%</td>
</tr>
<tr>
<td>AliExpress</td>
<td>67%</td>
</tr>
<tr>
<td>Depop</td>
<td>60%</td>
</tr>
<tr>
<td>Zara</td>
<td>52%</td>
</tr>
<tr>
<td>H&amp;M</td>
<td>50%</td>
</tr>
<tr>
<td>LookFantastic</td>
<td>47%</td>
</tr>
<tr>
<td>New Look</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Established brands with the largest share of visitors going to disruptor sites

Share of audience visiting Temu

- ASDA: 59%
- Sainsbury's: 53%
- TESCO: 53%
- Amazon: 47%

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
The average person is spending longer on Temu than other established players.

Average minutes per person, July 23

- Amazon: 191
- Temu: 57
- Tesco: 25
- Sainsbury's: 24
- ASDA: 23

Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).
Online has accelerated the opportunity for disruption: Competing on price alone leaves you vulnerable – how do you differentiate on proposition or service
1. Maximise engagement and data capture with apps
2. Move up the funnel in retail media
3. Price vs loyalty
For more information

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