Ipsos iris

Exploring Digital Retail: Unlocking the Online Opportunity

September 2023

Ipsos iris
The UK industry standard for
online audience measurement

1

Shoppers moving online

Size of retail sales in Great Britain in 2022.

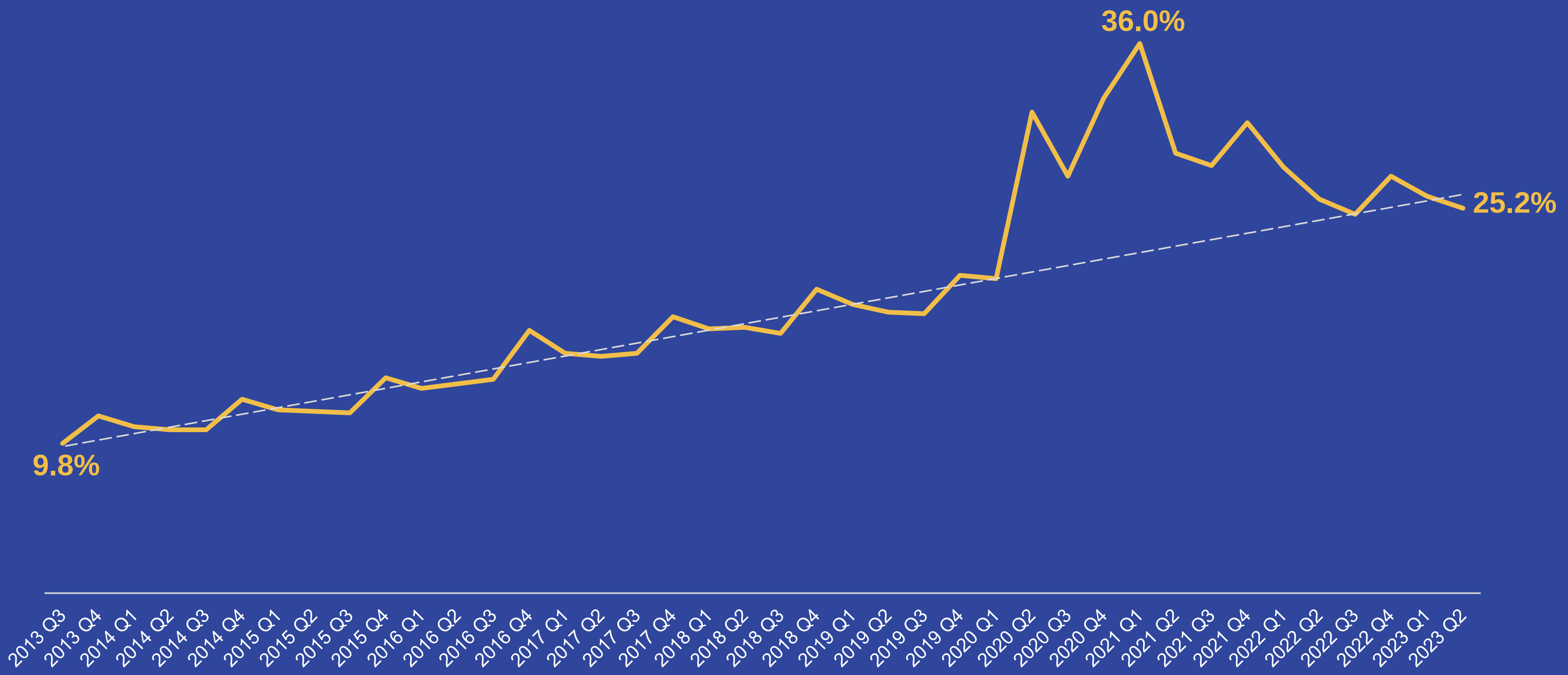
£103 bn

Source: ONS - Retail sales, Great Britain 2022

Online’s share of retail sales in Great Britain in 2022

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

2

The breadth of retail is expanding

Ipsos iris measures across...

2,010

websites

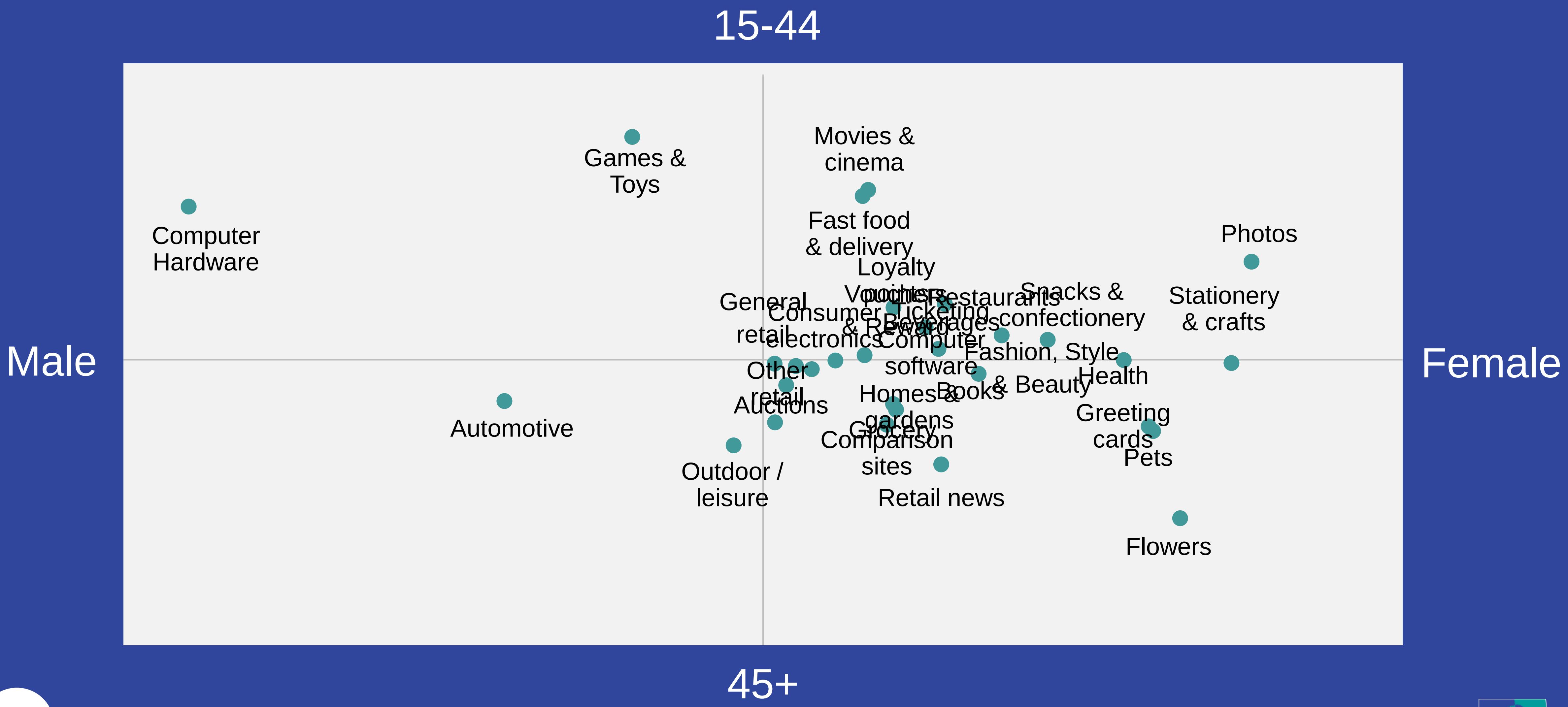
288

apps

29

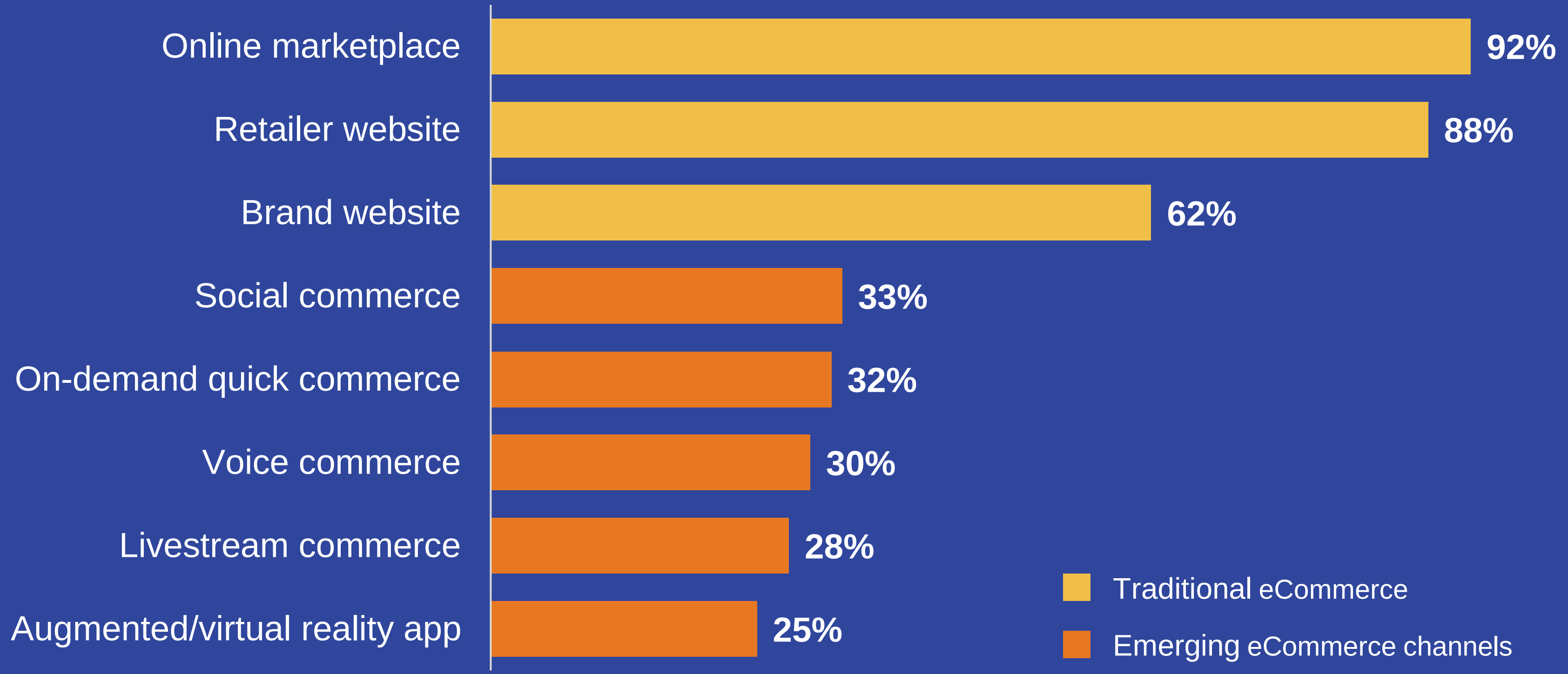
categories

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).

Use of digital commerce channels, past 6 months



Source: Ipsos Essentials Wave 74, July 2023, Base UK: 1,000

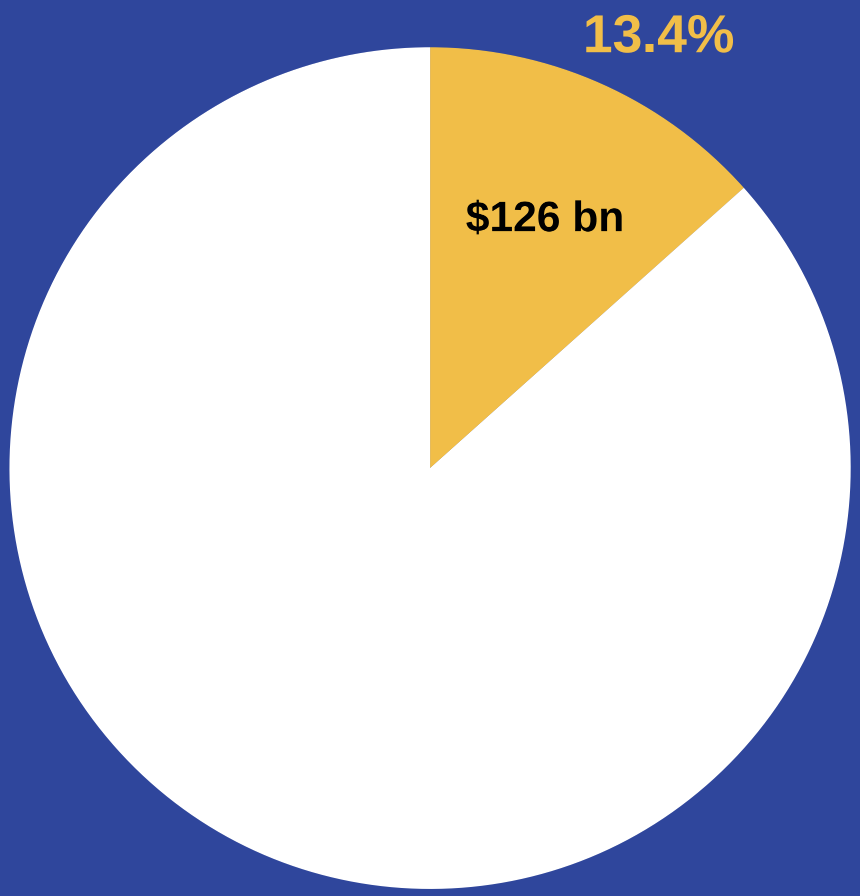
3

Advertisers moving to Retail Media

Size of global retail media

According to GroupM, retail media will account for 13% of global ad spend in 2023 – totalling $126 billion.

In fact, GroupM has estimated it will overtake television as an advertising medium in 2028.



Source: ‘2023 Global Mid-Year Forecast’, Group M

The three big shifts in retail

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

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- Appification

ESTABLISHED PLAYERS

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At an industry level audience and engagement is static

Retail: total audience

July 22

49.0m

July 23

48.9m

0%

Retail: total time spent (minutes)

July 22

25.8bn

July 23

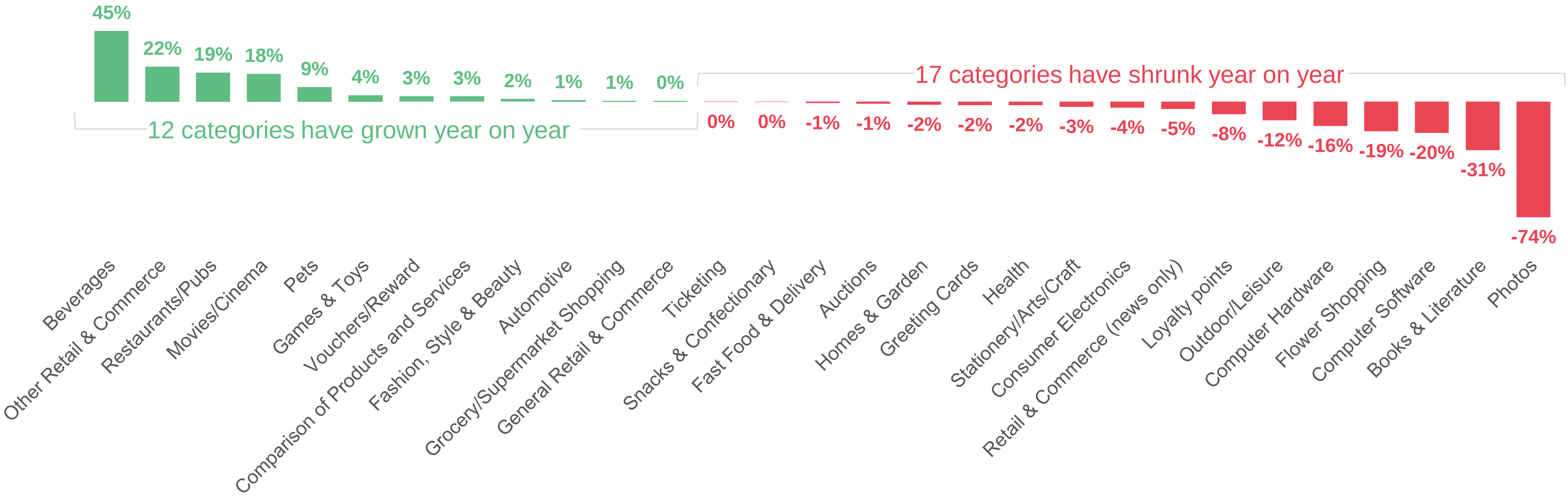
26.0bn

+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



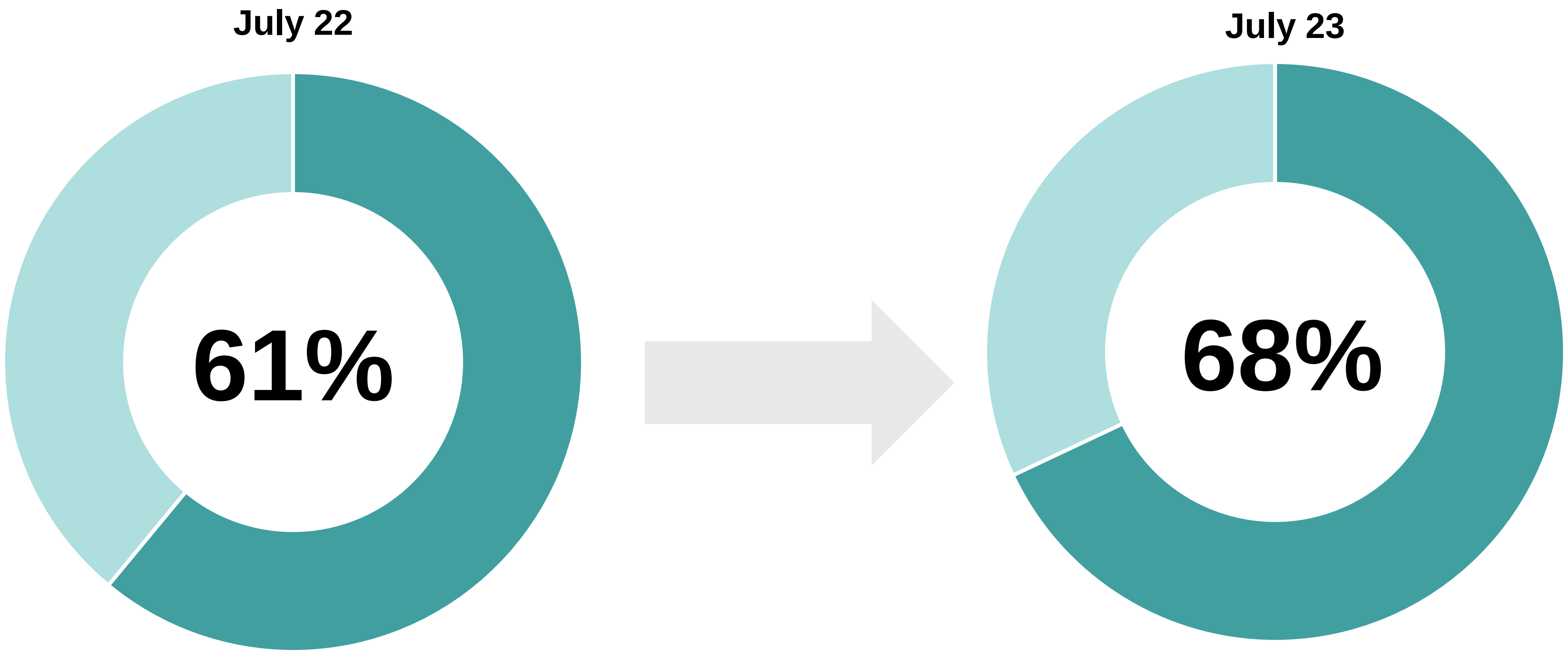
12 categories have grown year on year

17 categories have shrunk year on year

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



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

	July 22	July 23	
General Retail	64%	61%	-6%
Auction	59%	67%	+8%
Books	94%	97%	+3%

	July 22	July 23	
Fashion, Style & Beauty	48%	75%	+27%
Vouchers/Reward	68%	78%	+10%
Grocery	42%	58%	+16%

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

1	**Vinted**	App	+155%	Web	-3%
2	**Shein**	App	+764%	Web	+21%
3	**Asos**	App	-33%	Web	-32%
4	**Next**	App	-9%	Web	-30%
5	**H&M**	App	+88%	Web	-53%
6	**Depop**	App	+41%	Web	+40%
7	**Very**	App	+12%	Web	-44%
8	**Boohoo**	App	+16%	Web	-57%
9	**Matalan**	App	-4%	Web	+23%
10	**JD Sports**	App	+44%	Web	-32%

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

Many of the biggest organisations are also the biggest names in retail media in the UK.

Tesco and Sainsburys are some of the more established brands in the UK with the likes of Ebay and Boots also making moves in this space

Top 10 Retail Organisations

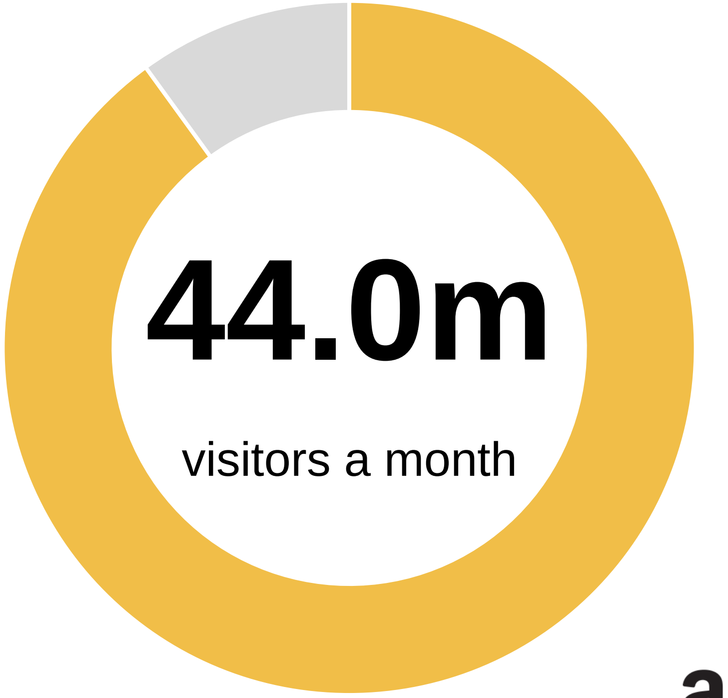
1	amazon	44.0m
2	ebay	31.8m
3	J Sainsbury plc	22.7m
4	TEMU	22.0m
5		20.6m
6	TESCO	18.4m
7	ASDA	14.4m
8	Etsy	14.2m
9	Boots	13.2m
10	nectar	13.0m

UKOM

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

Ipsos

Amazon has a huge share of time spent



44.0m

visitors a month

Accounts for

18%

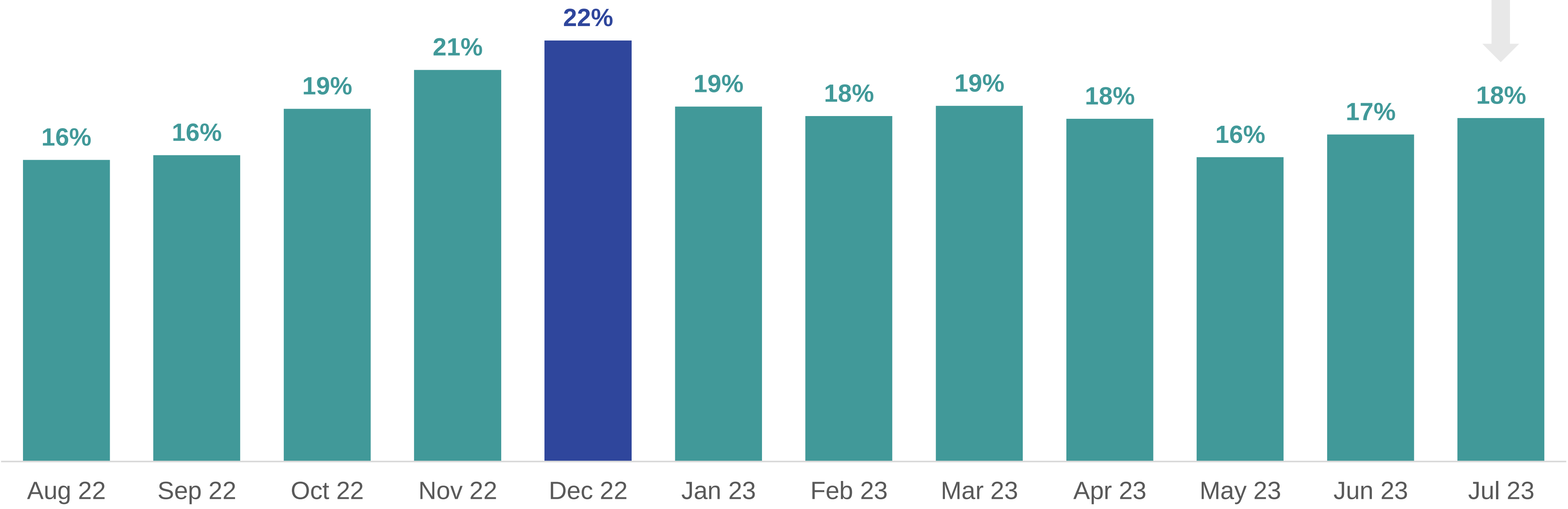
of all time
visiting retail

amazon

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

Source: Ipsos iris Online Audience Measurement Service, Aug 2022 - July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).

Supermarkets are also well represented in the top ten, with Sainsbury’s, Tesco and Asda

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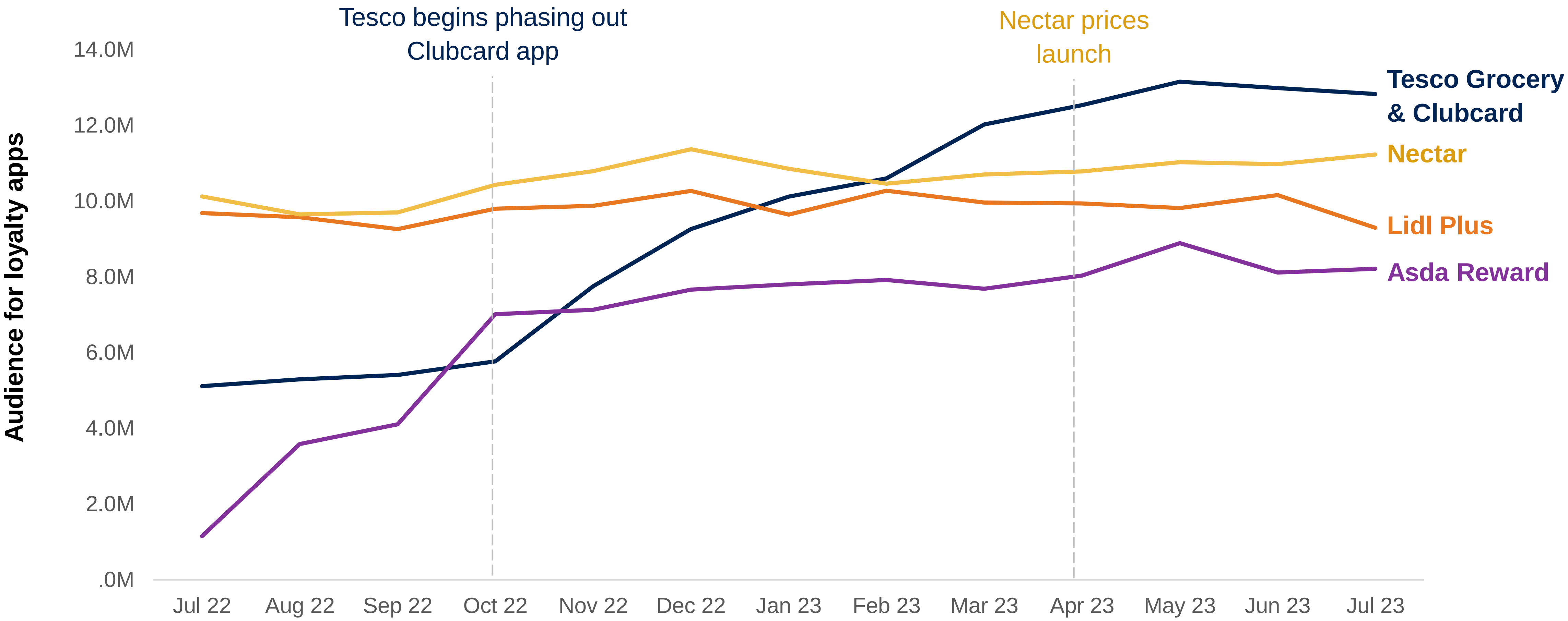
Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).

Asda has launched a new reward scheme, while Tesco and Sainsbury's are evolving their propositions



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

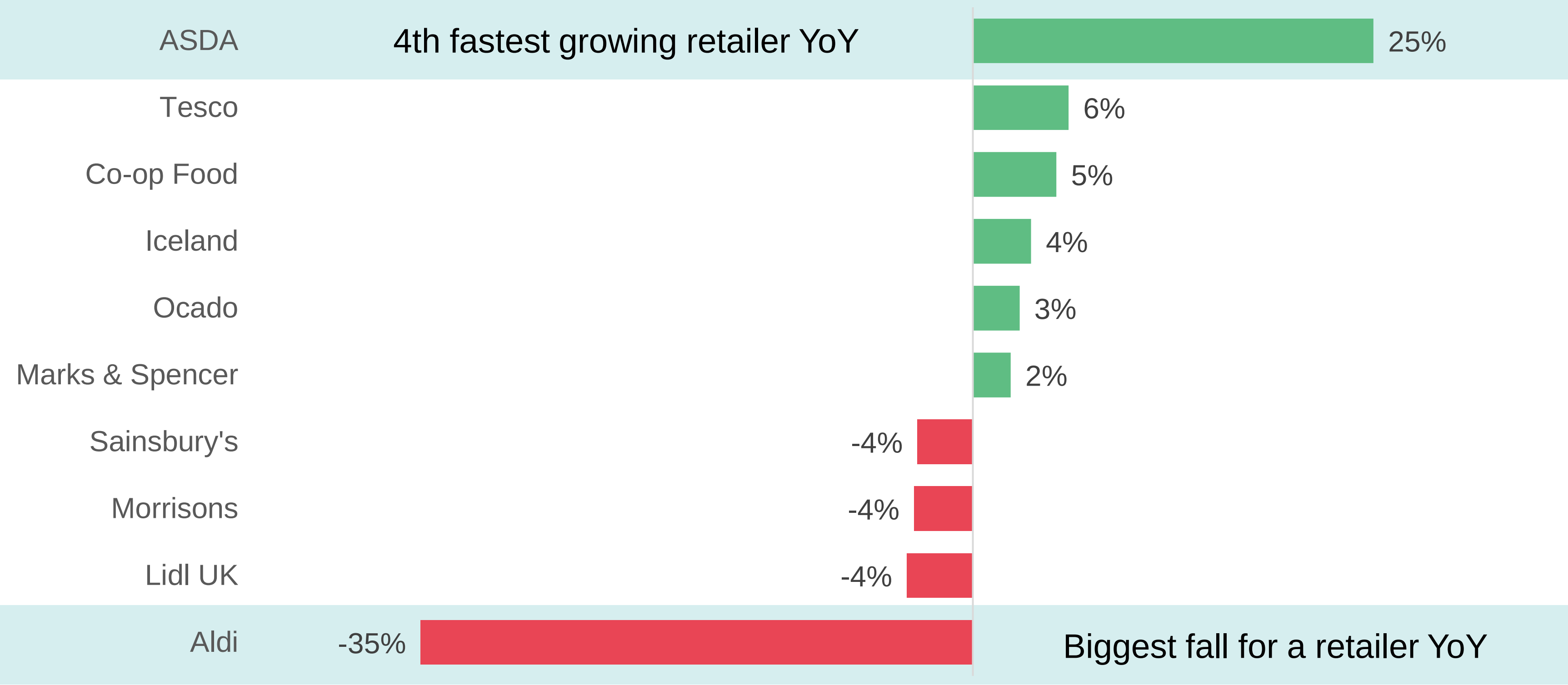
Asda has seen the biggest change

The first reason for this evolution in loyalty is to protect and grow market share

Asda's reward scheme has been very successful, leading to an audience increase.

Aldi's audience has dropped by over a third, although this matches their commercial strategy.

Year on year % change in Grocery audience



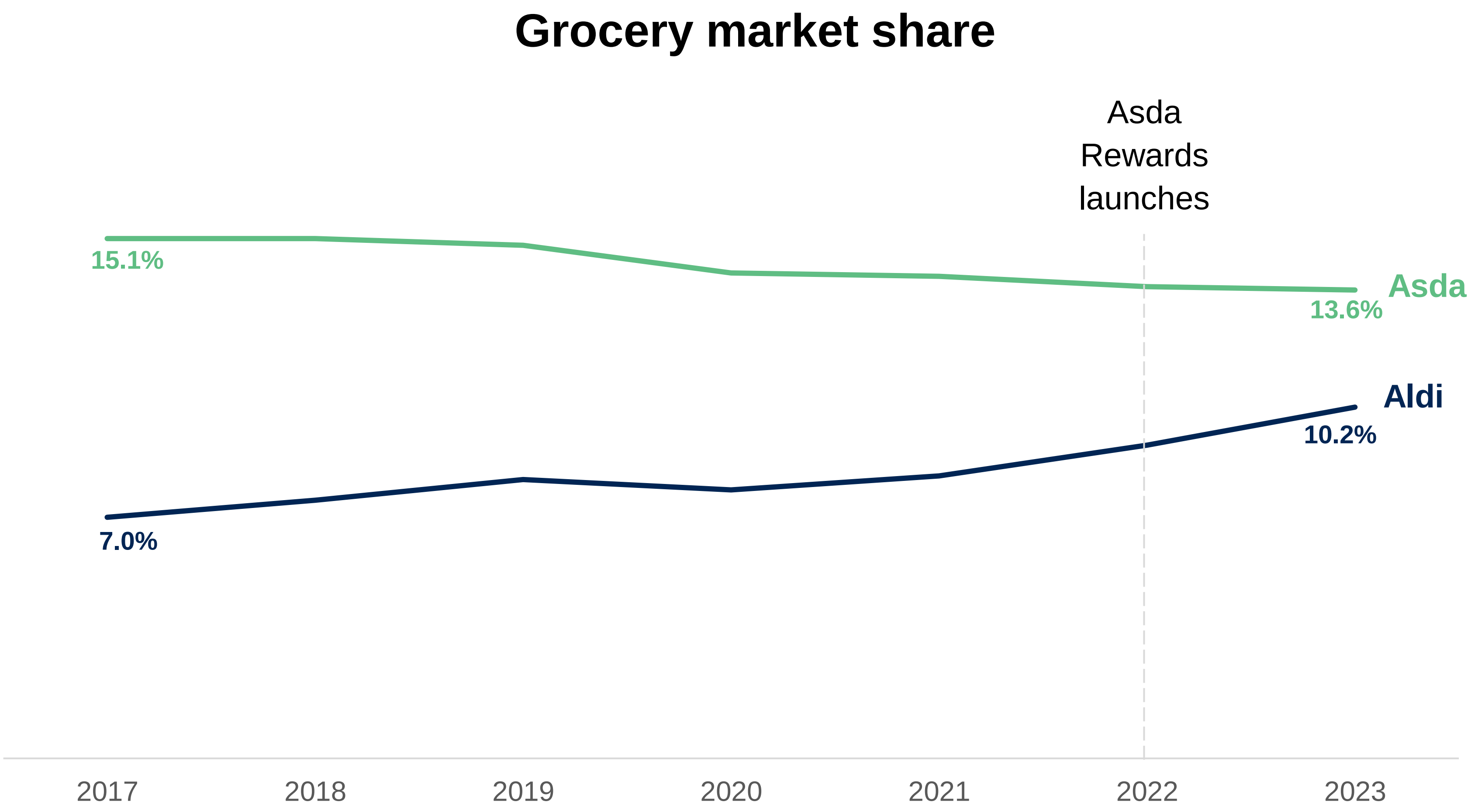
Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).

Aldi has rapidly gained market share

Despite deprioritising digital, Aldi has grown according to Kantar's grocery market share data.

The gap between the two lines is shrinking

Perhaps this is one of the reasons why Asda has moved into the loyalty space, as it is struggling to compete on price alone.



Source: Kantar Worldpanel Grocery Market Share, 12 weeks ending 16/07/2017 to 09/07/2023

Sainsburys and Tesco have significant reach across their retail networks

Loyalty data helps fuel Tesco and Sainsbury’s retail media offerings, via their data arms of Dunnhumby and Nectar360.

The more data they have on their customer bases, the better chance they have to compete with the likes of Amazon in this space.

TESCO

dunnhumby

21.3m

J Sainsbury plc

NECTAR 360

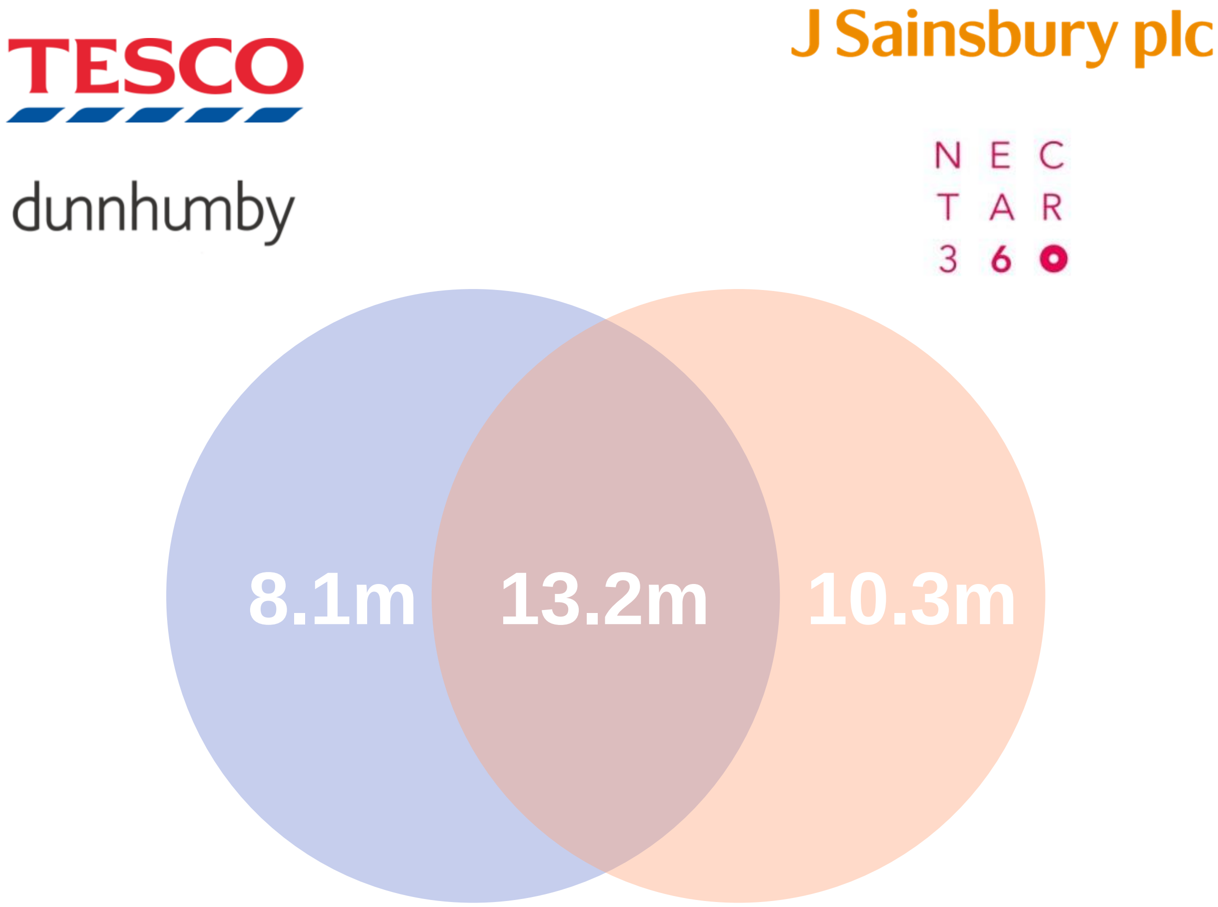
23.6m

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

Ipsos iris unlocks exclusive reach

The retail media landscape is fragmented due to a lack of consistency across networks.

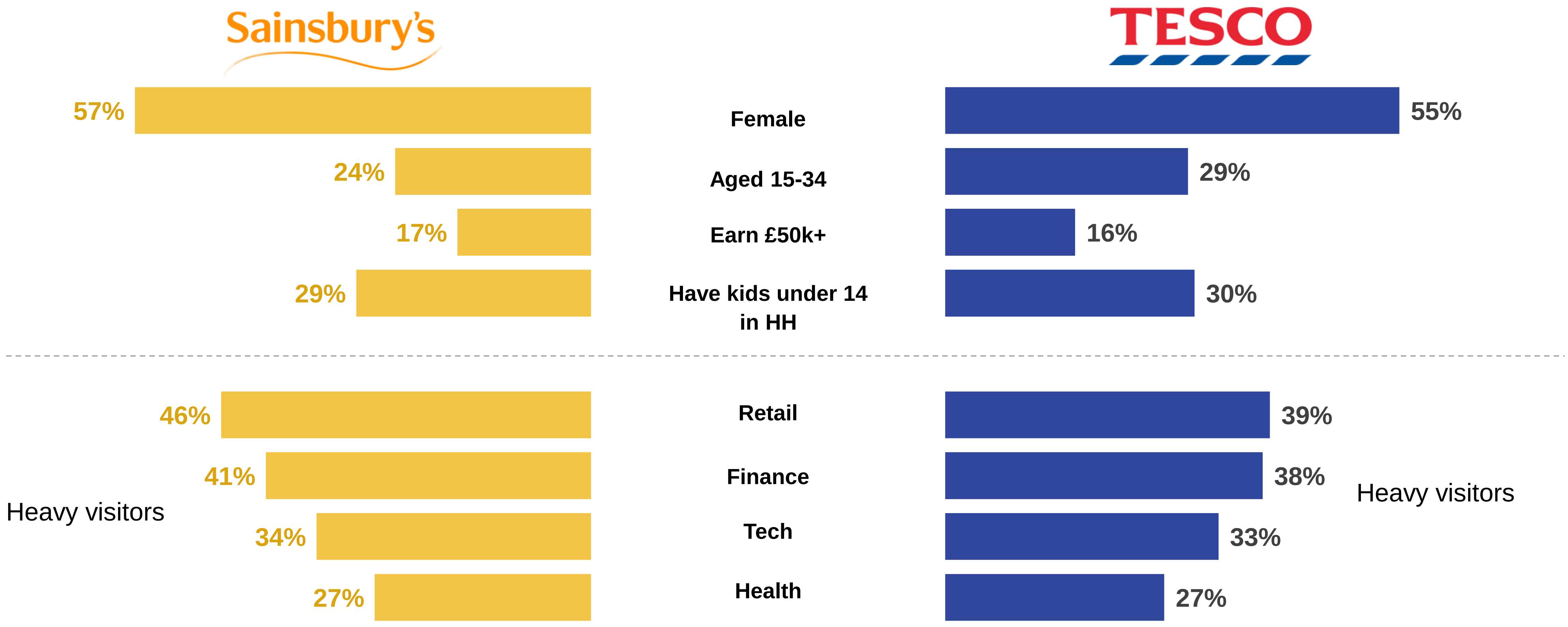
Ipsos iris can help you understand different audiences that networks attract, and the shared audience between networks.



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

Ipsos iris also shows how profiles differ across brands

Audience composition of grocery brands

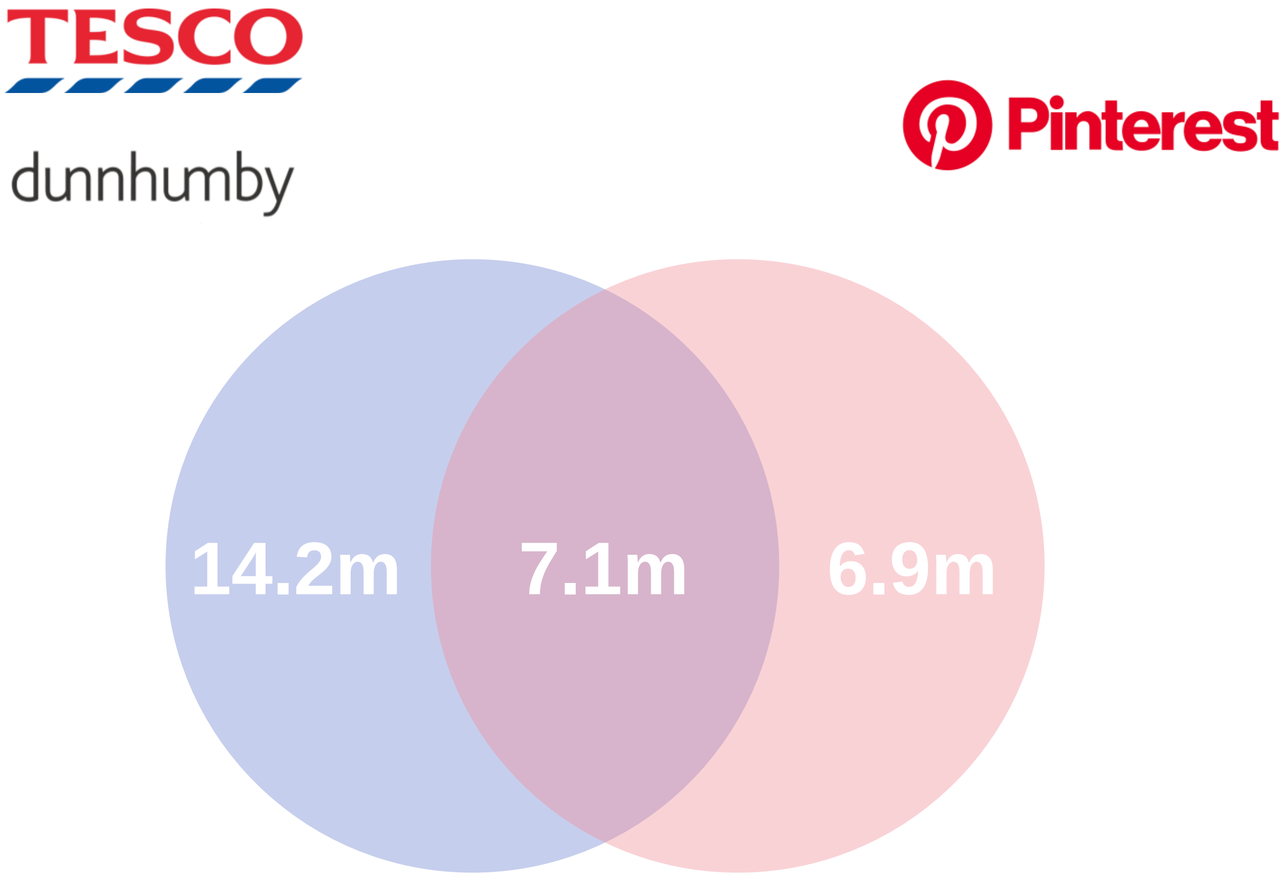


Source: Ipsos iris Online Audience Measurement Service, July 2023, All aged 15+ using PC/laptop, smartphone or tablet device(s).

Exclusive Partnerships

There is a lot of collaboration in the retail media space, and brands form partnerships to share and unlock the full potential of their first party data. One example of a partnership from the last few months is between Tesco and Pinterest.

Again, Ipsos iris can to explore the size and profile of this shared audience.



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

ESTABLISHED PLAYERS

Loyalty points and programmes

Retail media

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

INDUSTRY-WIDE

- Visitation changes
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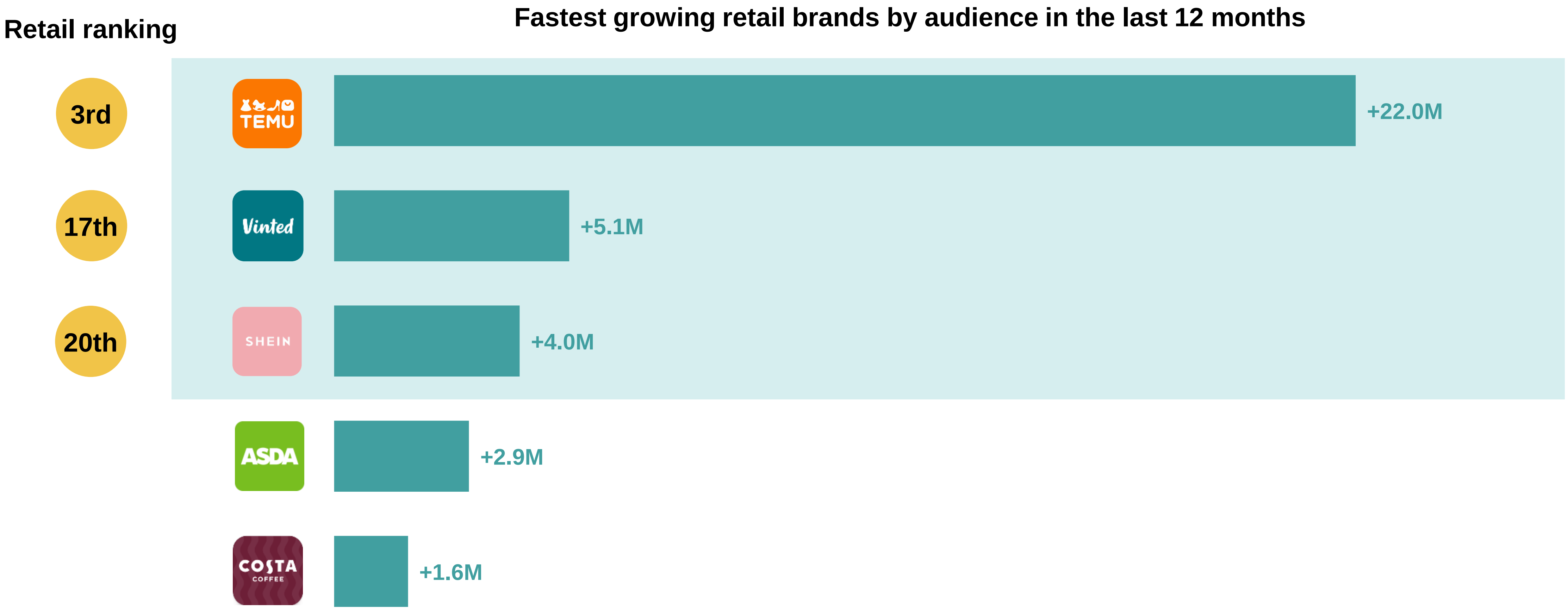
The fastest growing retailers are disruptors



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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

	Female	Aged 15-34	Income £50k+	ABC1	LGBO+
Temu	58%	28%	15%	59%	10%
Shein	80%	41%	15%	55%	11%
Vinted	79%	44%	15%	66%	14%
Total internet users	50%	32%	17%	64%	10%

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

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

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 the most shared visitors

Brands with the highest share of visitors going to each disruptor

SHEIN

Boohoo	59%
PrettyLittleThing	58%
Simply Be	51%
New Look	50%
Primark	49%

TEMU

Wowcher	72%
Shein	70%
Very.co.uk	68%
The Range	68%
AliExpress	67%

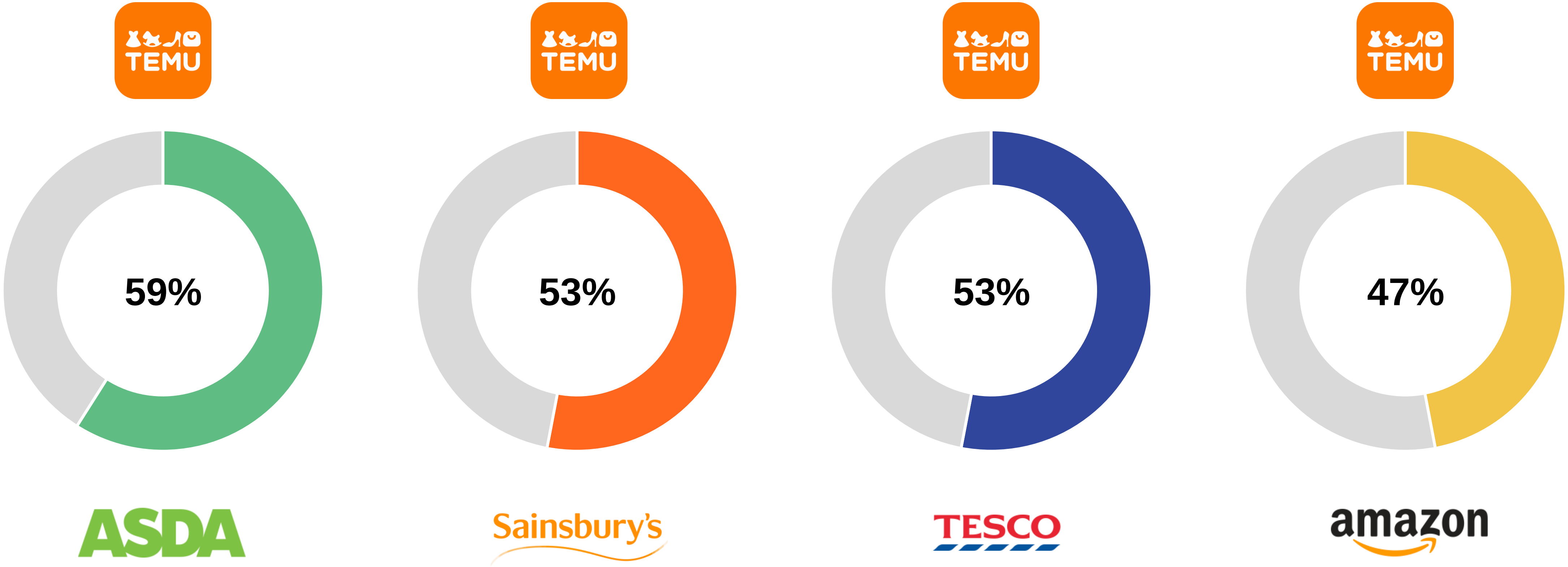
Vinted

Depop	60%
Zara	52%
H&M	50%
LookFantastic	47%
New Look	47%

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

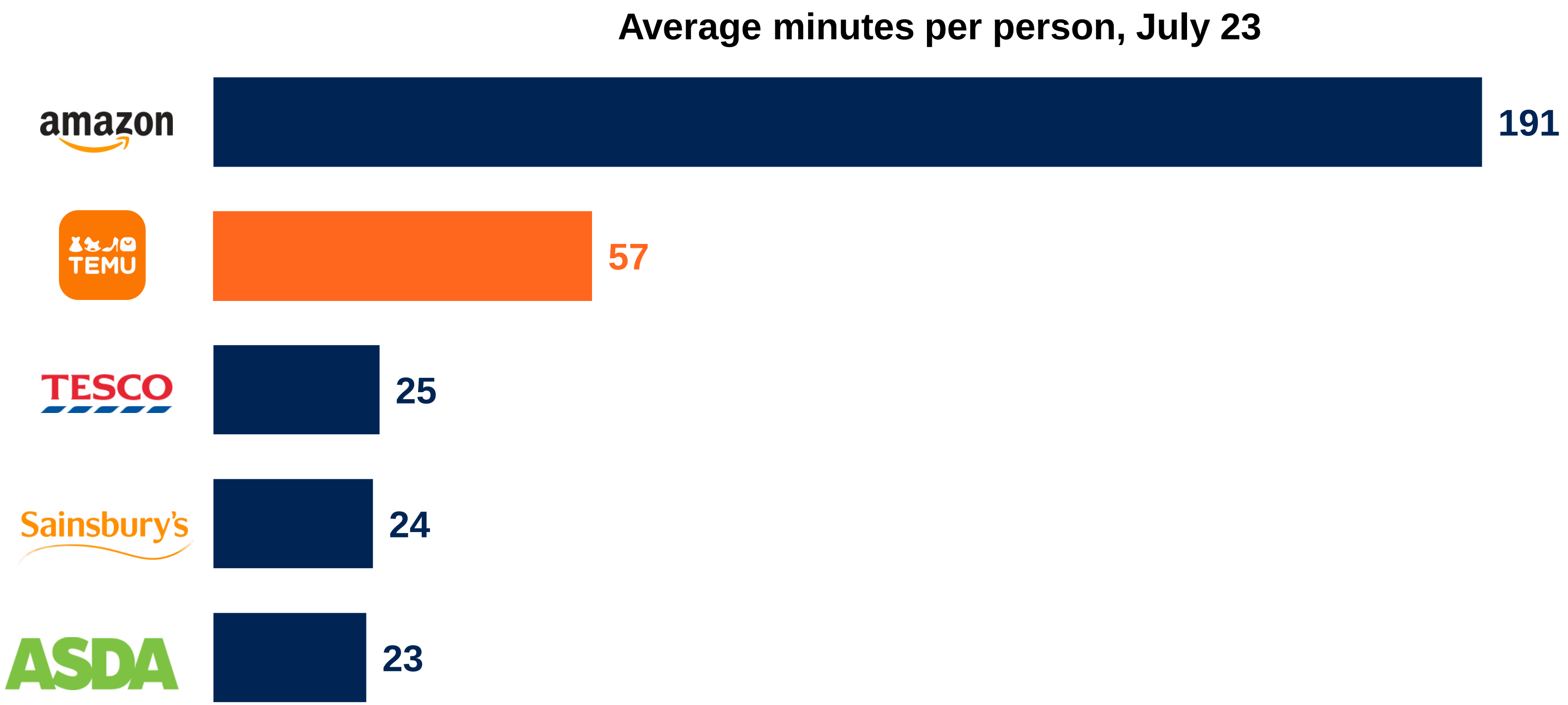
Among established brands, Asda could be at the greatest risk of losing share to Temu

Share of audience visiting Temu



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



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

DISRUPTORS

Marketplaces

New entrants from China

Online has accelerated the opportunity for disruption:

Competing on price alone leaves you vulnerable – how do you differentiate on proposition or service

What themes do we see overall?

There are three main takeaways from this webinar, listed on the right.

1 Maximise engagement and data capture with apps

2 Move up the funnel in retail media

3 Price vs loyalty

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

There are synergies between appification and loyalty: both are about putting your brand front of mind for shoppers and creating customer stickiness.

It's all about encouraging customers to come direct to you, and both should yield rich data on your customers – whether they're browsing your app or scanning it in store.

1 Maximise engagement and data capture with apps

2 Move up the funnel in retail media

3 Price vs loyalty

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

Looking at retail media, one of the big attractions of the medium is how easy it is to measure effectiveness and attribution, you can track users through the entire sales funnel.

It's crucial to also consider further up the funnel and to pick the right brands to work with to maximise your reach among key segments, especially as more brands open their networks and the landscape becomes more crowded and complex.

1 Maximise engagement and data capture with apps

2 **Move up the funnel in retail media**

3 Price vs loyalty

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

Bigger brands are trying to consolidate their position in market, while the challenger brands are trying to tempt customers away. It will be interesting to see how the battle between price and loyalty plays out.

They’re not mutually exclusive, but even if neither is the focus of your brand, they will still be the context in which your shoppers will be making purchase decisions.

How will you position yourself in this landscape and still deliver value for customers?

1 **Maximise engagement and data capture with apps**

2 **Move up the funnel in retail media**

3 **Price vs loyalty**

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

For more information

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