Online Retailing - UK - July 2018

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"The growth in online retailing, at present, continues unabated. It is still a relatively young channel, with much room to grow particularly in some categories, notable grocery. Awareness of its growth and the impact this is having on the high street equally continues to grow, but it is fundamentally a channel that is well suited to modern life, one that trades on convenience above all else."
– Nick Carroll, Senior Retail Analyst

This report looks at the following areas:

- **The changing retail landscape: Online and the high street**
- **The Amazon ecosystem is thriving, but are there any ways to combat it?**
- **Voice commerce: VR 2.0 or the next leap in customer interaction?**

Online retail sales grew in 2017. Whilst in pure growth terms this represents a slowing of the exceptional growth seen in 2016, growth in the share that online takes of all retail sales is actually accelerating. It is hard to see anything other than strong growth for the channel in the next five years, with sales forecast to continue to grow in double-digits through to 2023.

With most consumers shopping online, much of the growth within the sector is coming from existing users doing more of their shopping online. This is particularly true of younger consumers (aged 16-34) who were most likely to say they had done more online shopping in the past year. This increasing use of online by this age group is driving growth in smartphone shopping.

Amazon is the dominant player in the online market. Online-only retailers, such as Amazon, now account for a slim majority of all online sales in the UK and the effects of this are certainly been felt on the high street. Consumers are not unaware of this, with many thinking that growth in online is responsible for physical stores closing whilst some think online-only retailers have unfair advantages over those with stores. However ultimately the market continues to grow, with online a channel perfectly suited to modern life, one that promotes convenience over all else. Indeed over half think that online shopping is simply more convenient than visiting stores.

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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