



## UK retailers expected to make online sales of £45bn this year: study

**Author: Chloe Rigby - InternetRetailing.net**

**Date: March 18, 2014**

British retailers are set to ring up online sales of £45 billion in 2014, a new study has forecast.

International research from RetailMeNot and the Centre for Retail Research projects that online sales will grow by 16% in the UK, with the average shopper expected to spend more than £1,000 online for the first time this year.

It suggests online sales in the US will grow by 15% in 2014 to £189.3 billion, while in Europe, sales are expected to rise by 18% to £131.2 billion.

The UK, France, and Germany are projected to be responsible for the bulk of this growth in Europe, accounting for 81% of the online sales in the eight European markets expected in 2014. The UK is the largest market in Europe, with sales of £38.8bn in 2013, and is expected to account for more than a third (34%) of all online retail sales in the eight European markets surveyed in 2014. The report forecasts that £45 billion will be spent online in the UK in 2014 – an increase of 16% on online consumer spend compared to the previous year.

Giulio Montemagno, SVP of international at digital coupon marketplace RetailMeNot, which owns Vouchercodes.co.uk in the UK, said: “While the ecommerce sector is continuing to grow rapidly, we are starting to see the German, the UK and the US markets mature as shopping online becomes a commonplace activity.

“Today, growth is being mainly driven by an increase in the frequency of consumers shopping online and spending more money through online channels while in previous years ecommerce growth came primarily from an ever-growing number of first time online shoppers.

“In 2014, we are expecting to see online sales across Europe grow at a rate that is 11.9 times faster than in-store sales. In the UK, online retail is expected to increase by 15.8% this year while the offline segment will grow by only 2.4%. With such a competitive retail environment it’s more important than ever that retailers look to mobile devices and the web to incentivise shoppers to make purchases online and in-store. Successful retailers will consider the internet not as a threat but as a powerful complement which can help them increase their sales.”

The report shows that 46% of Europeans and 55% of Americans now shop online. Online shopping is particularly popular in Sweden and the UK where more than two-thirds of the population make purchases on the web; 71% of Swedes and 67% of Brits use the internet to shop. Online shopping is less popular in southern Europe, although it is growing: one in five people shop online in Italy (20%), while one in three (32%) use the internet to shop in Spain. Around half of people in France (52%), Poland (51%), Netherlands (49%) and Germany (45%) shop online.

The study, which includes phone interviews of 100 major retailers and 9,000 consumers, reveals that most consumers expect to shop online at least once a month in 2014. On average, European shoppers will make 15.2 online purchases this year with a typical basket size of £49, while American shoppers will make 15.6 online purchases, with an average spend of £71. In the UK, shoppers are expected to make 18.0 purchases online this year, spending an average of £59 each time.



Throughout 2014, European shoppers are expected to spend £749 online, an increase of 18% compared to 2013, while American shoppers are expected to spend £1,106 online, on average – 14.4% more than in 2013. In the UK, shoppers are expected to spend £1,071 on the web this year – 15.8% more than last year.

Online retailers accounted for 6.3% of all retail sales in Europe in 2013 and 10.6% in the US, and in 2014, this share is set to grow to 7.2% and 11.6%, respectively. In the UK, the research found that the internet accounted for 12.1% of all retail sales last year and this is expected to grow to 13.5% in 2014.

Link: <http://internetretailing.net/2014/03/uk-retailers-expected-to-make-online-sales-of-45bn-this-year-study/>