



MULTI-CHANNEL – BEYOND WEBSITES

Online is just the beginning as retailers continue to adapt



As online and cross border sales increase, retailers are embracing new ways to create attractive multi-channel offerings.

- ▶ **Total online retail sales** were £42.5 billion in 2015, and accounted for **12.3% of all retail sales**. Online retailing has been growing annually at about 1% for most of the last decade, equivalent to about £1bn of sales. But in 2016 that rate suddenly doubled to an increase of **2.1% of retail sales**, £2bn in sales value terms.
- ▶ The **multi-channel retail experience** is the strategic focus for many retailers, allowing customers to interact online, in-store, in-app, on-phone, in the cloud and via social media. An ongoing dialogue with customers on purchases, returns and offers and value add has become a fundamental part of the buying experience.
- ▶ Sales **via smartphones rose 47% year-over-year** in December 2016.
- ▶ Retailers are **adapting their business models** to compete more effectively with each other, including through using retail space as a showroom and having hubs in the right places to drive sales across all channels.
- ▶ **"Click and collect"** has become a customer service trend. As competition increases, retailers are also likely to adopt **technical innovations** like wearables and utilising the Internet of Things to improve the customer experience.
- ▶ In addition to traditional advertising media retailers are increasingly using **sponsored key word advertising** online.
- ▶ Investors are attracted to businesses with a strong UK presence, but also with a differentiated proposition for customers – for example, those that can offer a **truly integrated online experience** alongside engaging store environments.
- ▶ Operating in new markets can present new challenges. Local rules around **agents and distributors** can influence the structure of distribution networks and market positioning.
- ▶ **Cybercrime is a growing concern** for retailers after a number of high profile data breaches in 2016. **63% of consumers are worried about the privacy of their personal data**, whilst 63% are worried about fake sites and 60% worried about being sent phishing emails.
- ▶ Measures to **facilitate e-commerce** are a key area of regulatory focus, particularly in the EU, with online platforms, streaming and downloading and price-comparison websites in the spotlight. Restrictions on pricing and cross-border trade are also being scrutinised, including technical measures such as geoblocking.

Addleshaw Goddard is known for its pragmatic and client-focused advice. The firm puts the client at the centre of its work and really tries to deliver advice and a product that is user-friendly.

How we can help

NEW DISTRIBUTION MODELS

- ▶ Advising on cross-border trade issues
- ▶ Advising on different distribution models (exclusive/selective distribution, franchise, agency)
- ▶ Managing IP enforcement risks
- ▶ Bespoke commercial agreements
- ▶ Advising on legislative proposals relating to the "Digital Single Market" and e-commerce

ENGAGING IN NEW MARKETS

- ▶ Choosing and supervising the right local lawyers for you, asking them the right questions and delivering premium, consistent output
- ▶ Working collaboratively with your other advisors to provide joined-up and actionable advice and guidance

ADDED VALUE

- ▶ Market intelligence on new developments
- ▶ Dedicated retail & consumer sector hub including bespoke training and seminars; sharing industry knowhow and market practices

REDUCING COSTS

- ▶ Competitive fee proposals
- ▶ Use of our embedded Transaction Services Team of over 100 paralegals
- ▶ Development of standard precedents and approaches
- ▶ Sharing industry know-how and market practices

Who we've helped

Our team has experience of advising a range of leading retail businesses in relation to their online and e-commerce needs. Clients include **Royal Mail**, **Sainsbury's**, **The Hut Group** and **William Hill**.

Contact Us

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