



MarketLine Industry Profile

Online Retail in the United Kingdom

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1. Executive Summary

1.1. Market value

The United Kingdom online retail sector grew by 8% in 2018 to reach a value of \$62 billion.

1.2. Market value forecast

In 2023, the United Kingdom online retail sector is forecast to have a value of \$83 billion, an increase of 33.9% since 2018.

1.3. Category segmentation

Apparel retail is the largest segment of the online retail sector in the United Kingdom, accounting for 24.7% of the sector's total value.

1.4. Geography segmentation

The United Kingdom accounts for 21.1% of the European online retail sector value.

1.5. Market rivalry

Despite the immense growth in value of the online retail sector in recent years, rivalry in the UK remains strong due to the large number of players and the sheer size of some of the most popular online retailers. Similar offerings and a lack of switching costs for buyers means that incumbents are constantly striving to attract and maintain customers. Moreover, the lack of geographical boundaries within the online retail sector further strengthens rivalry as the marketplace is essentially international.

1.6. Competitive Landscape

The UK online retail sector has grown impressively in the historic period, with strong growth forecast to continue in the coming years. The sector includes a variety of online pureplay retailers, as well as firms which offer e-commerce as part of a multi-channel business model. The largest player is Amazon, which commands significant market share; other leading players include Tesco, Sainsbury's and Walmart subsidiary, Asda. Some firms offer a wide range of products, whereas others specialize within a certain segment, providing trusted and high-quality products. The sector is highly competitive, with numerous other large firms contesting for leading player status and a vast array of smaller firms providing additional online platforms.

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2. Market Overview

2.1. Market definition

The Online Retail market includes all sales within each category listed below, provided they take place over the internet, where the payment does not occur in-store on a later occasion. Data is included irrespective of whether the vendor is a pure-play internet company or the online offering of a bricks and mortar retailer.

Apparel retail includes menswear, womenswear and childrenswear.

Electrical & electronics retail includes communications equipment, computer hardware & software, consumer electronics, household appliances and photographic equipment.

Food & grocery retail includes food, drinks, household products and tobacco.

Footwear includes men's, women's and children's footwear.

Home & garden products includes gardening & outdoor living, home improvement and homewares.

Any other retail market segments include only the sub-markets named.

The "Other" segment is a sum of the following markets; Jewelry, Watches & Accessories; Toys & Games; Games Software and Sports Equipment.

All currency conversions are calculated using constant 2018 annual average exchange rates.

For the purposes of this report, the global market consists of North America, South America, Europe, Asia-Pacific, Middle East, South Africa and Nigeria.

North America consists of Canada, Mexico, and the United States.

South America comprises Argentina, Brazil, Chile, Colombia, and Peru.

Europe comprises Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Scandinavia comprises Denmark, Finland, Norway, and Sweden.

Asia-Pacific comprises Australia, China, Hong Kong, India, Indonesia, Kazakhstan, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam.

Middle East comprises Egypt, Israel, Saudi Arabia, and United Arab Emirates.

2.2. Market analysis

The UK online retail sector has experienced strong growth in the historic period. Strong growth is predicted to continue in the forecast period, albeit at decelerated rate as the market reaches saturation.

The UK is the largest sector in Europe accounting for 21.1% of the market, followed by Germany and France which represent 19.0% and 15.95 respectively.

The UK online retail sector generated total revenues of \$62.0bn in 2018, representing a compound annual growth rate (CAGR) of 9.3% between 2014 and 2018. In comparison, the French and German sectors will grow with CAGRs of 12.9% and 12.7% respectively, over the same period, to reach respective values of \$46.7bn and \$55.7bn in 2018.

A growing number of consumers and increased engagement with the internet has stimulated the adoption of online shopping habits. As of October 2019, 19% of all UK retail purchases were made online, according to the Office for National Statistics. The same source also reported that virtually (99%) all adults aged 16-44 in the UK were internet users. The rise of Amazon has popularized e-commerce in the country forcing traditionally brick-and-mortar retailers

to include online distribution channels as part of a multi-channel distribution system. With almost 90% of UK shoppers using the US firm's services and 40% using Prime the UK retail sector is evidently changing. The UK is currently the third largest online retailing sector in the world.

The apparel retail segment was the sector's most lucrative in 2018, with total revenues of \$15.3bn, equivalent to 24.7% of the sector's overall value. The electrical & electronics retail segment will contribute revenues of \$13.5bn in 2018, equating to 21.8% of the sector's aggregate value.

Online apparel sales have surged in recent years as retailers have strived to attract customers. Free delivery and free returns have resulted in a convenient and popular system. Firms such as ASOS, Boohoo, Misguided, PrettyLittleThing and Nasty Gal have become hugely popular fashion options for UK consumers. Firms such as these offer new fashionable clothes at affordable prices which have been hugely successful amongst young people. The use of easy to use mobile applications and the ease of purchase have stimulated demand. Electrical and electronic items also lend themselves well to online retail. The large size, weight and fragility of items such as fridges, washing machines and TVs mean that home delivery is often a more suitable option than transporting it home from a store.

The performance of the sector is forecast to decelerate, with an anticipated CAGR of 6% for the five-year period 2018 - 2023, which is expected to drive the sector to a value of \$83.0bn by the end of 2023. Comparatively, the French and German sectors will grow with CAGRs of 10.5% and 9.1% respectively, over the same period, to reach respective values of \$77.1bn and \$86.0bn in 2023.

The penetration of online shopping in the UK in terms of potential users is high, indicating maturity. Similarly, the rate of engagement of consumers in the UK in online shopping (the frequency of their purchases) has plateaued. As such, the sector's growth will be increasingly based on the consumption of existing online shoppers rather than the addition of new ones. Accordingly, the online retail sector is set to grow at a slower pace, while its substitution effect against offline channels will be reduced. Household spending is expected to be impacted by economic uncertainty over the next years, with consumption growth being weakened under these terms. Despite the slowdown, the UK sector is still growing rapidly and has been further boosted by the adoption of typically US habits, such as using Black Friday and Cyber Monday to attract millions of customers.

3. Market Data

3.1. Market value

The United Kingdom online retail sector grew by 8% in 2018 to reach a value of \$62 billion.

The compound annual growth rate of the sector in the period 2014–18 was 9.3%.

Table 1: United Kingdom online retail sector value: \$ billion, 2014–18

Year	\$ billion	£ billion	€ billion	% Growth
2014	43.5	32.6	36.8	
2015	48.0	36.0	40.7	10.4%
2016	52.4	39.3	44.4	9.3%
2017	57.4	43.0	48.6	9.5%
2018	62.0	46.5	52.5	8.0%

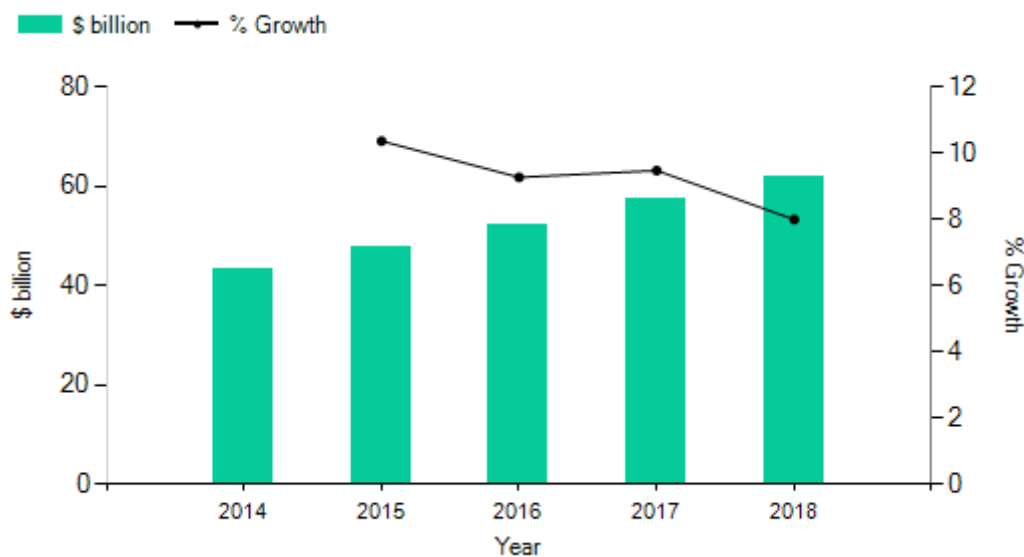
CAGR: 2014–18

9.3%

SOURCE: MARKETLINE

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Figure 1: United Kingdom online retail sector value: \$ billion, 2014–18



SOURCE: MARKETLINE

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4. Market Segmentation

4.1. Category segmentation

Apparel retail is the largest segment of the online retail sector in the United Kingdom, accounting for 24.7% of the sector's total value.

The Electrical & electronics retail segment accounts for a further 21.8% of the sector.

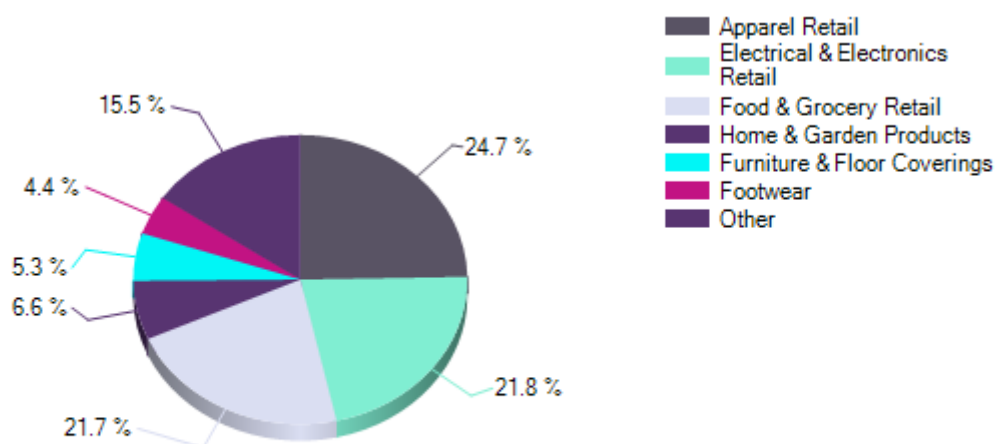
Table 2: United Kingdom online retail sector category segmentation: \$ billion, 2018

Category	2018	%
Apparel Retail	15.3	24.7%
Electrical & Electronics Retail	13.5	21.8%
Food & Grocery Retail	13.5	21.7%
Home & Garden Products	4.1	6.6%
Furniture & Floor Coverings	3.3	5.3%
Footwear	2.7	4.4%
Other	9.6	15.5%
Total	62	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 2: United Kingdom online retail sector category segmentation: % share, by value, 2018



SOURCE: MARKETLINE

MARKETLINE

4.2. Geography segmentation

The United Kingdom accounts for 21.1% of the European online retail sector value.

The Germany accounts for a further 19% of the European sector.

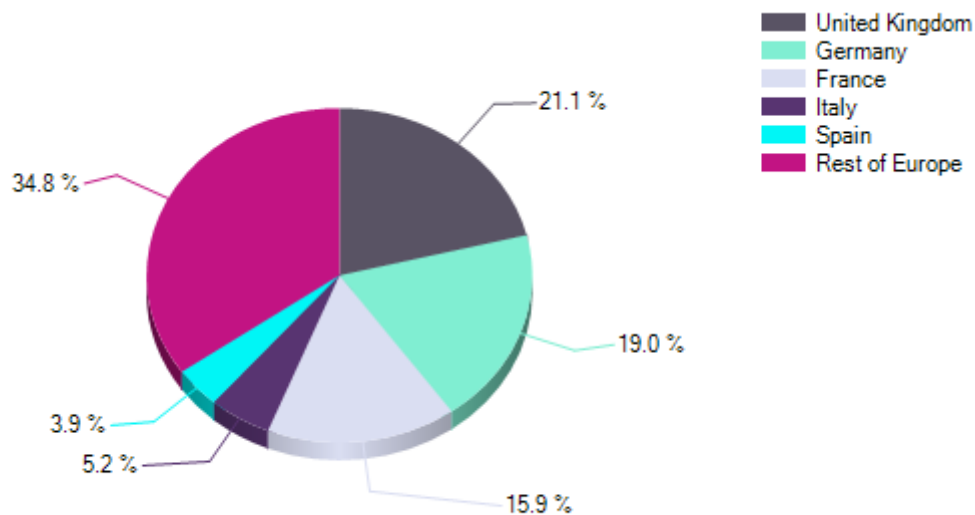
Table 3: United Kingdom online retail sector geography segmentation: \$ billion, 2018

Geography	2018	%
United Kingdom	62.0	21.1
Germany	55.7	19.0
France	46.7	15.9
Italy	15.4	5.2
Spain	11.6	3.9
Rest of Europe	102.0	34.8
Total	293.4	99.9%

SOURCE: MARKETLINE

MARKETLINE

Figure 3: United Kingdom online retail sector geography segmentation: % share, by value, 2018



SOURCE: MARKETLINE

MARKETLINE

4.3. Market distribution

Multi-Channel Retail form the leading distribution channel in the United Kingdom online retail sector, accounting for a 52.2% share of the total sector's value.

Online Pureplay accounts for a further 47.8% of the sector.

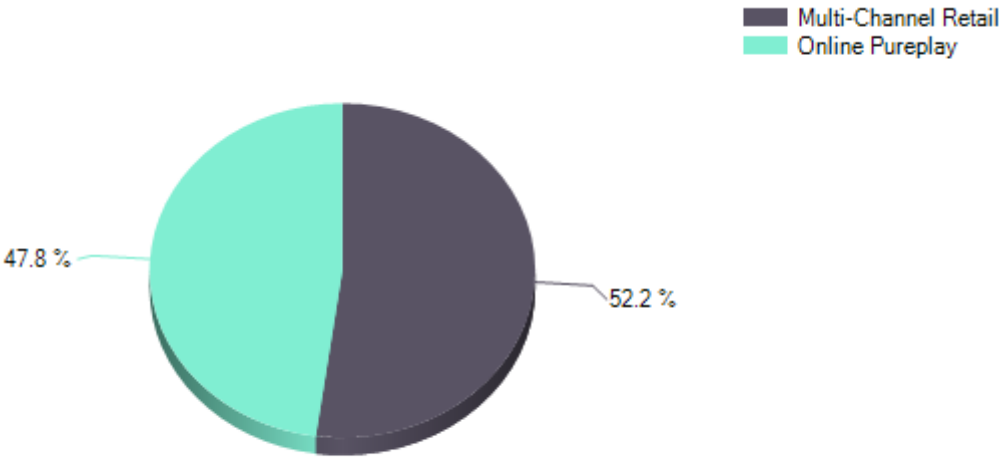
Table 4: United Kingdom online retail sector distribution: % share, by value, 2018

Channel	% Share
Multi-Channel Retail	52.2%
Online Pureplay	47.8%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 4: United Kingdom online retail sector distribution: % share, by value, 2018



SOURCE: MARKETLINE

MARKETLINE

5. Market Outlook

5.1. Market value forecast

In 2023, the United Kingdom online retail sector is forecast to have a value of \$83 billion, an increase of 33.9% since 2018.

The compound annual growth rate of the sector in the period 2018–23 is predicted to be 6%.

Table 5: United Kingdom online retail sector value forecast: \$ billion, 2018–23

Year	\$ billion	£ billion	€ billion	% Growth
2018	62.0	46.5	52.5	8.0%
2019	66.3	49.7	56.2	7.0%
2020	70.6	53.0	59.9	6.5%
2021	74.9	56.2	63.5	6.0%
2022	79.0	59.3	67.0	5.5%
2023	83.0	62.3	70.4	5.1%
CAGR: 2018–23				6.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 5: United Kingdom online retail sector value forecast: \$ billion, 2018–23



SOURCE: MARKETLINE

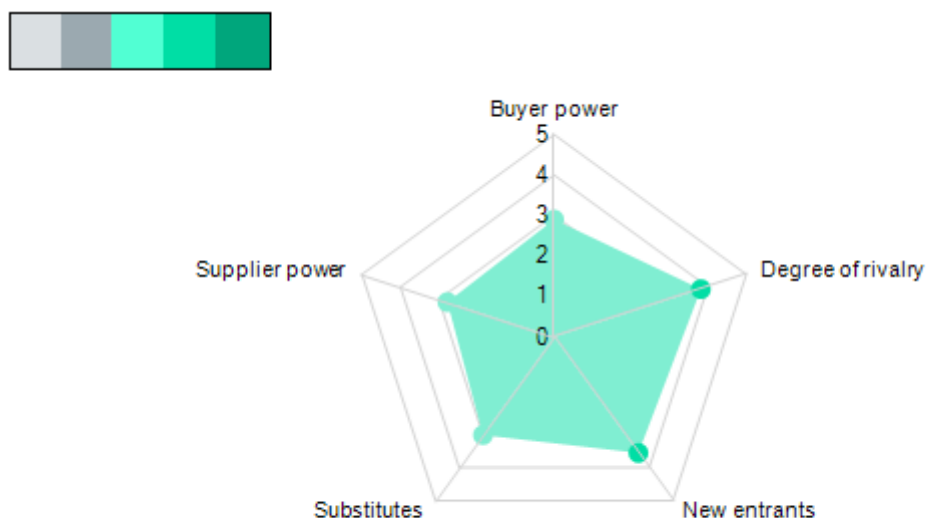
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6. Five Forces Analysis

The online retail market will be analyzed taking online retailers as players. The key buyers will be taken as end-consumers, and ICT systems, suppliers of third-party logistics services, and packaging material suppliers as the key suppliers.

6.1. Summary

Figure 6: Forces driving competition in the online retail sector in the United Kingdom, 2018



SOURCE: MARKETLINE

MARKETLINE

Despite the immense growth in value of the online retail sector in recent years, rivalry in the UK remains strong due to the large number of players and the sheer size of some of the most popular online retailers. Similar offerings and a lack of switching costs for buyers means that incumbents are constantly striving to attract and maintain customers. Moreover, the lack of geographical boundaries within the online retail sector further strengthens rivalry as the marketplace is essentially international.

Rising consumer awareness over prices and different products based on search facilities and price comparison websites means that the power of buyers in this sector is increased. The penetration of e-commerce continues to increase in accordance with internet penetration and digital literacy, with a shift in consumers' habits as online shopping is comparatively easier, convenient, and price competitive. The expansion of e-commerce has not only favored online retailers, it has also enhanced the backward integration of consumers as sellers against retailers.

Suppliers of differentiated products tend to experience stronger power than those supplying commodities. Most suppliers may sell their products to a number of different retailers, but the loss of revenue from a very large player could significantly affect a supplier's revenue, while the reliance of retailers on any particular supplier is reduced. However, the likelihood of suppliers forward integrating into the online retail sector is increased, placing significant pressure on online retailers. Notably, suppliers of delivery services have strong bargaining power, as third-party logistics services are indispensable for smaller companies; only large retailers have their own in-house delivery service.

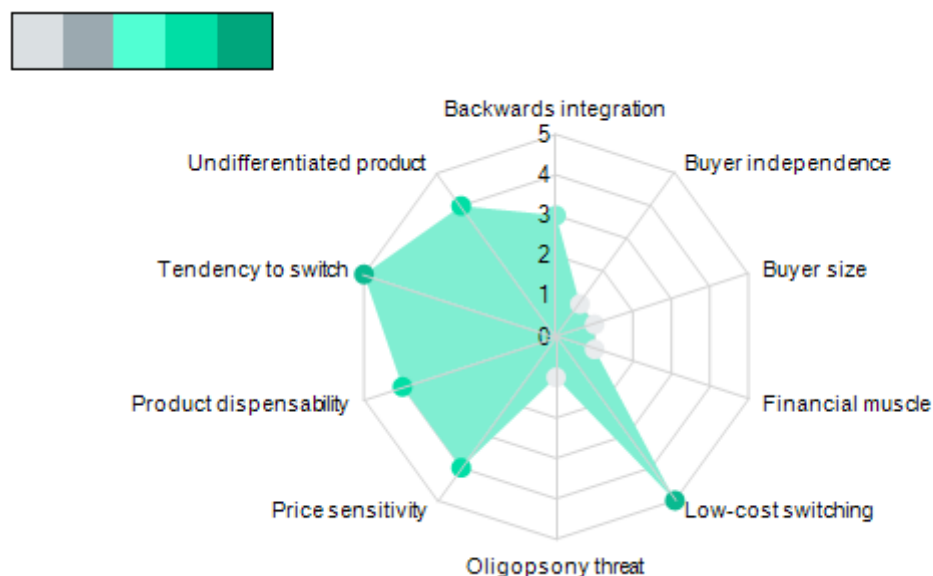
Entry to the online retail sector may be achieved by a brand new company or by an existing brick-and-mortar retailer diversifying its operations to include internet retail. New entrants are enticed to the sector by rapid growth and low fixed costs. Barriers to entry, especially in regards to capital investment, are small and online retail can be a good way

for an already established brick-and-mortar retailer to boost sales and gain a presence in other markets. In many countries, trade regulations have been adjusted accordingly to incorporate online retail sales, including the execution of e-transactions, consumer protection, privacy protection, and anti-cybercrime laws.

Substitutes exist in terms of traditional brick-and-mortar retail outlets. Nevertheless, as there has been a shift towards large retailers becoming increasingly multichannel, brick-and-mortar retail is not considered a direct substitution threat. As a matter of fact, the substitution threat applies only for retailers that operate exclusively online.

6.2. Buyer power

Figure 7: Drivers of buyer power in the online retail sector in the United Kingdom, 2018



SOURCE: MARKETLINE

MARKETLINE

As is the case in any other retail sector, buyers consist of individuals and are therefore small in size and have little financial muscle. The number of buyers using online retail channels is continually increasing, which detracts somewhat from overall buyer power, as the online shopping experience is becoming less dispensable. The penetration of online retail differs among countries, largely determined by internet penetration, digital literacy and financial inclusion.

According to data from the OECD, household disposable income in the UK grew 2.1% in 2018 compared to the previous year, suggesting buyers have more to spend on products both online and offline. In the UK, 95% of individuals used the internet in 2018, as per the World Bank. Additionally, Eurostat reported that in 2017 online shoppers (making at least one online purchase) amounted to 86% of internet users.

The availability of tools to find the cheapest price and explore the attributes of a product has increased consumer awareness. Accordingly, the rise of internet accessibility and increasing proliferation of digital and smart devices have led to a situation where consumers are becoming increasingly powerful in the retail market; consumers can access information and conduct research in order to make informed purchasing decisions. This has been further amplified by the growth of social media, review sites, and price comparison sites. In some cases, comparison shopping engines or websites are popular enough to serve as a marketplace for online retailers. According to the most recent 'Google Consumer Barometer Survey', 24% of internet users in the UK search for information on brands' websites, with 26% accessing a retailer's website to make a purchase decision. Notably, 45% of internet user's searches are based on search engines, whilst 10% use price comparison websites to collect information. The Google Shopping engine and Amazon are two of the most popular tools for product searches, although the latter is not a typical search engine. The most popular price comparison websites in the UK include pricerunner.co.uk, pricegrabber.co.uk, and pricespy.co.uk. The proportion of internet users that research and make purchases online in this country, opposed to the ROPO effect (research online – purchase offline), was estimated at 34%.

Switching costs are virtually non-existent in this sector. Additionally, buyers display a high tendency to switch, as they are price sensitive. These factors significantly increase buyer power. Although most players offer fairly undifferentiated products, meaning that price sensitive buyers can shop around to find the cheapest product on offer, security concerns regarding online transactions tend to increase consumer loyalty to well-known and trusted retailers. Accordingly, the high number of secure internet servers in the UK compared to other developed countries, according to the World Bank data, imply reduced security concerns for consumers.

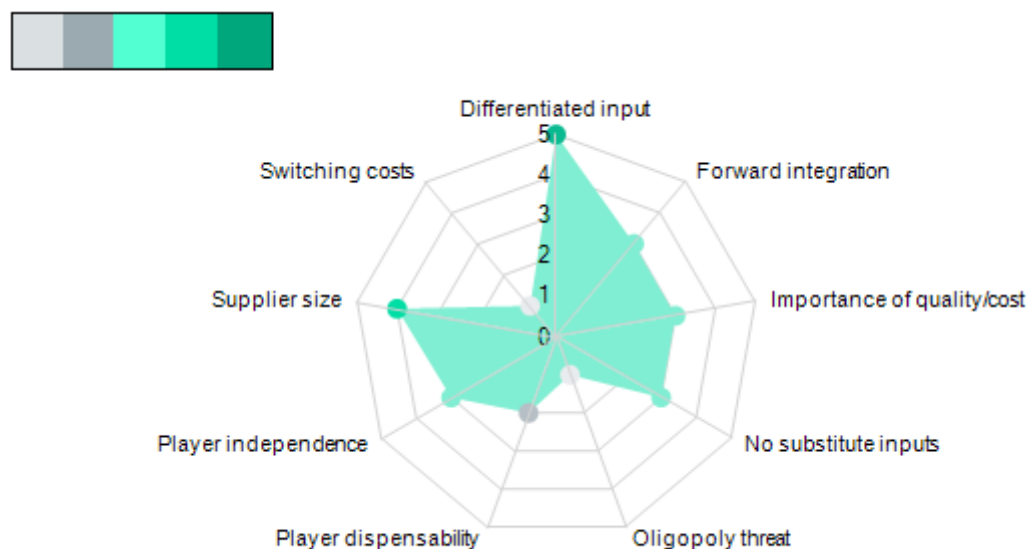
Finally, the expansion of e-commerce not only favored online retailers, but also enhanced the backward integration of consumers. E-commerce platforms such as eBay, which facilitate consumer-to-consumer (C2C) commerce

transactions, allow buyers to become sellers, further enhancing buyer power. In this regard, the popularity of eBay, as well as other similar platforms, namely Shpock and Shopify, pose a threat to online retailers in this sector.

Overall, buyer power is assessed as moderate.

6.3. Supplier power

Figure 8: Drivers of supplier power in the online retail sector in the United Kingdom, 2018



SOURCE: MARKETLINE

MARKETLINE

Suppliers to the online retail sector include logistics services, packaging material suppliers, and ICT system developers, as well as the manufacturers of the products themselves. Due to the nature of the sector, reliable and secure ICT infrastructure is a necessity for players, enhancing the power of the providers of such services. Additionally, providers that are able to meet a large retailer's requirements tend to also be large, further enhancing supplier power.

Suppliers of differentiated products tend to experience stronger power than those supplying commodities. Specifically, suppliers of specialist products such as books and apparel, or those differentiated on attributes and quality such as consumer electronics, experience high bargaining power. This also applies to suppliers bearing powerful brands.

Most suppliers sell products to a number of different retailers. This boosts their power as they are not reliant on revenue brought in from one player. However, the loss of revenue from a very large player, such as Amazon, could significantly affect a supplier's bottom line.

Internet retailers, particularly on a larger scale, sell a wide variety of goods from a large number of suppliers. This reduces their reliance on any particular supplier, undermining the overall supplier power.

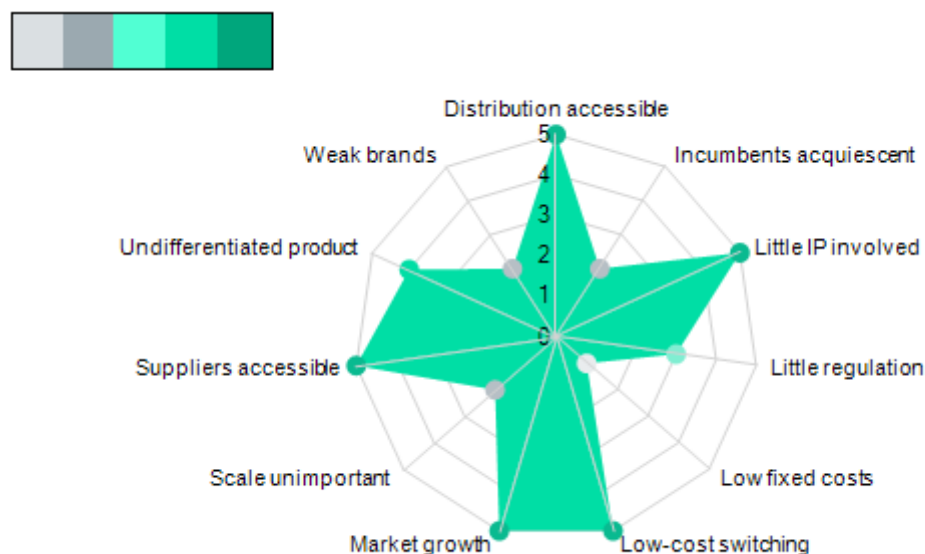
Operating a retail business online is significantly easier and less costly than running a traditional brick-and-mortar retail chain; companies can employ fewer members of staff and rent tends to be cheaper. This increases the likelihood of suppliers forward integrating into the online retail sector, which places significant pressure on online retailers. Moreover, the power of online retailers is diluted by the fact that even small producers can directly sell products to consumers through e-commerce platforms such as eBay.

While large online retailers usually have in-house delivery services that fulfill the largest volume of orders, third-party logistics services are indispensable with the delivery of products. Suppliers of delivery services are usually large and diversified, thus exerting strong power. The largest suppliers of courier services in the UK include the Royal Mail, UPS, UK Mail, Hermes and FedEx/TNT. Delivery to the company's store or pick-up point somewhat negates the need for courier services but these options tend to be less convenient than delivery to a home or a work place. Delays, missing products, and high costs of delivery can negatively affect online retailers' sales, thus the quality and cost of these services are important. Finally, the suppliers of packaging material inputs that comprise a large part of overheads are also significant.

Overall, supplier power is assessed as moderate.

6.4. New entrants

Figure 9: Factors influencing the likelihood of new entrants in the online retail sector in the United Kingdom, 2018



SOURCE: MARKETLINE

MARKETLINE

New entrants can either be brand new companies or existing retailers diversifying their online offerings. There are a growing number of pure-play companies, such as Amazon, with brick-and-mortar retailers also increasingly seeking to exploit online sale channels.

A number of large high street stores have diversified to include online retail; for many players this has been out of necessity rather than opportunity as the growth of e-commerce has altered the buying habits of consumers. Drawn in by potential cost savings, coupled with the increased convenience of online retail, many consumers have turned to buying goods online as opposed to more traditional retail channels. As a result, the online retail sector is thriving, providing high growth opportunities for retailers whose traditional businesses may be faltering.

Low entry barriers to online retail, particularly with regards to a significantly lower capital investment and fixed costs in comparison to traditional retail, has contributed to its expansion. A prospective entrant does not need to invest in fixed assets other than ICT systems and logistics facilities. Even a full asset-light model is feasible as the fulfillment of orders can be outsourced to third-party logistics services. Moreover, the popularity of e-commerce platforms, namely eBay, on which small retailers are hosted under the guarantee of that platform's brand, also facilitates the entry of such players. However, the brand strength of large incumbents may act as a deterrent for prospective new entrants.

Low-cost entry to this sector can also be realized through a particular segment or niche market. Apparel was the most lucrative online retail segment in the UK in 2018, accounting for 24.7% of its value. The food and grocery and electrical and electronics retail segments achieved 21.7% and 21.8%, respectively.

Online retailers are able gain access to a vast number of consumers by selling their products internationally, and that is enticing for prospective entrants. Under these terms, foreign online retailers can easily access a country's online retail sector without having a physical presence within that country. According to Eurostat in 2017, the most recent data available, an estimated 43% of online shoppers in the UK made purchases from abroad, with that proportion following a significantly increasing trend in recent years. It should be noted though that the lack of localization, longer delivery times, and higher prices due to customs duties, shipping costs and unfavorable exchange rates can discourage international purchases. Brexit may bring higher charges for purchasing countries from countries within the European Union.

The largest retailers have begun to link their physical and online offerings, creating a multichannel experience that increasingly appeals to the demands of consumers. Specifically, multichannel retailers in the UK were estimated to account for 66.5% of online retail sales in 2017, with pure online players comprising the remaining 33.5%.

Digitalization has brought about new technologies that have made it easier for retailers to link sales channels and deliver a combined experience. Moreover, the growth of online shopping has led many retailers to invest in research and development (R&D), particularly in the development of mobile apps in accordance with m-commerce, with artificial intelligence (AI) being a key field to improve consumers' shopping experience and extend the retailers reach. Conditions such as this can hinder the expansion of small companies, as large incumbents are more likely to dominate online retail.

What is more, the ICT readiness of a country and developed logistics infrastructure are crucial for the expansion of the sector and the entry of new players. According to the latest ITU 2017 'ICT Development Index', the UK is ranked fifth out of 176 countries, based on IT infrastructure, IT use, and IT literacy. The logistics sector is complementary to online retail, thus the performance of the former is determinant of the latter. The UK's logistics capabilities are ranked as one of the best worldwide (ninth out of 160 countries), according to the 2018 World Bank 'Logistics Performance Index', with a strong edge in infrastructure, though it is limited in terms of international shipments.

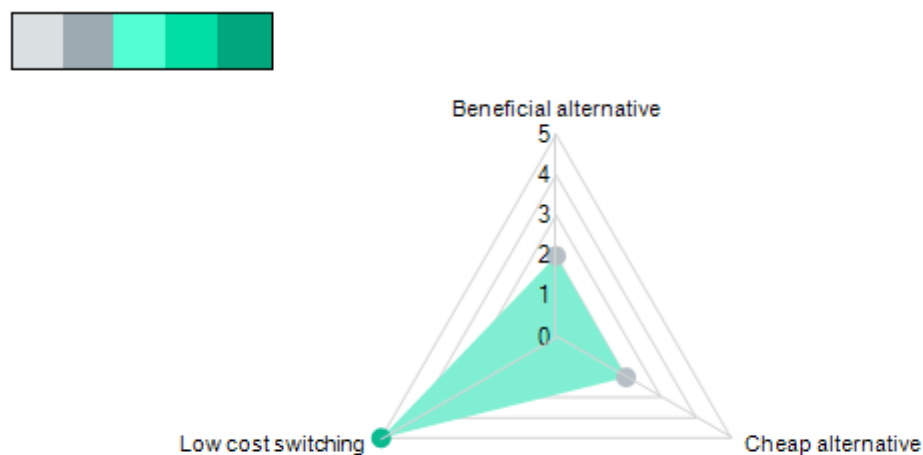
In many countries, trade regulation is being properly adjusted to incorporate online retail sales; the enacting of e-transaction, consumer protection, privacy protection, and anti-cybercrime laws is essential, as an inefficient legal framework for online retail transactions could deter the growth of the sector. The UK e-commerce legislation covers these four topics. The regulation of online transactions is included in the E-Commerce Regulations (2002), the Consumer Rights Act 2015 (CRA), and the Data Protection Act 1998 (DPA). Moreover, the law governing cross-border trade into EU countries includes The Directive on Consumer Rights (2011/83/EC), and the Data Protection Directive (95/46/EC), which forbids the transfer of consumer data to non-EEA countries, unless these countries offer adequate data protection.

Overall, the online retail sector accounted for 2.7% of UK GDP in 2018, the highest rate worldwide, constituting a vast marketplace. Moreover, the sector will continue to expand with a strong growth rate over the coming years, serving as an attractive sector for new entrants.

Ultimately, the likelihood of new entrants is assessed as strong.

6.5. Threat of substitutes

Figure 10: Factors influencing the threat of substitutes in the online retail sector in the United Kingdom, 2018



SOURCE: MARKETLINE

MARKETLINE

Substitutes for online retail as a sales channel exist in terms of catalog retail and traditional brick-and-mortar shopping. Many customers prefer the experience of traditional shopping and like to enjoy the benefits of trying the product, especially with items such as apparel and footwear. Moreover, many consumers are concerned about the security of online transactions, which may lead them to favor catalog or traditional retail methods.

A significant downside of online retailing is the fact that it usually takes a few days for the ordered goods to be delivered to customers, which may act in favor of traditional means of shopping. However, this issue is being tackled by major online retailers, such as Amazon. Amazon has rolled out a range of initiatives, including one-day delivery and in some areas same-day delivery. However, for consumers within the UK, the most significant reason for not shopping online is the benefits of traditional shopping, such as the direct contact with the product.

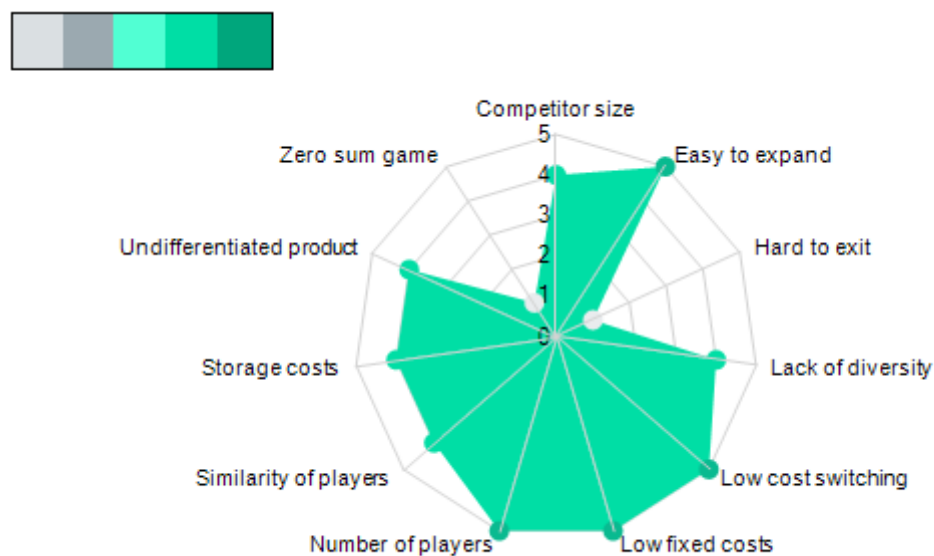
The main reasons behind the shift of consumers towards online retail are the lower price of products on the internet and the convenience of online shopping and delivery. It is the low-price advantage of products offered online that is the most appealing for consumers. For this reason, traditional stores tend to undercut in many cases in order to avoid losing custom to online retailers. However, this is realized at the expense of their profitability, as they cut their margins to retain custom that would otherwise migrate to online retail through the process of 'showrooming', where consumers try out a product in store before purchasing it online for a cheaper price.

Nevertheless, as there has been a shift recently towards large retailers becoming increasingly multichannel, brick-and-mortar retail would not be a direct substitution threat, but it would be a method used by multi-channel retailers in conjunction with their online offering. As a matter of fact, the substitution threat applies only for retailers that operate exclusively online. The growth rate of online sales as a share of total retail sales has been slightly lower than the growth of the online sector itself in recent years, which means that consumers in the UK have not shifted their consumption to the online sales channel against the offline substitutes, but only a part of it. As of November 2019, the share of online sales to total retail sales is estimated at 21.5% according to the Office for National Statistics.

Overall, the threat of substitutes is moderate.

6.6. Degree of rivalry

Figure 11: Drivers of degree of rivalry in the online retail sector in the United Kingdom, 2018



SOURCE: MARKETLINE

MARKETLINE

The leading online retailers are able to reduce prices significantly by virtue of their high sales volumes and economies of scale. Large companies in this sector can benefit from scale economies in terms of purchasing, inventory management, and customer service. In detail, large players may outperform smaller competitors through improved customer service, such as dealing with product returns which can be costly for small companies. What is more, they are able to engage in aggressive pricing strategies based on their economies of scale, such as offering free shipping and coupons for customer retention. A prolific example of such a customer loyalty policy is the offer of special paid membership by Amazon, Amazon Prime, with free express shipping being the most important benefit for its members. In fact, it is estimated that 80% of Amazon Prime subscribers make use of that membership at least once a month. Furthermore, many consumers are concerned about the security of online transactions, which results in increased loyalty to well-known retailers.

Online retail offers an incredibly diverse variety of goods. Many larger retailers have diversified in a number of sectors, thereby reducing their reliance on any particular sector, increasing their customer base, and reducing overall buyer power. Moreover, diversification may also be realized in geographical terms; some of the largest online retailers such as Amazon have strong international presence, and are therefore protected against negative shocks in terms of demand in a particular country. Moreover, that access to the international marketplace is further enhancing their economies of scale and brand appeal. On the other hand, the fact that online retailers can compete across countries adds to the intense rivalry conditions of this sector. The lower prices and enhanced offerings of foreign online retailers may be enticing for domestically-based consumers.

Another crucial aspect of the competition within this sector is the existence of multichannel retailers, specifically of those brick-and-mortar retailers that also offer their products online. In the UK, the top multichannel players are Tesco, Argos, ASDA, Marks and Spencer, and Boots. These retailers competing in the online sector can benefit from a strong brand and economies of scale, while they are able to offer an enhanced shopping experience through customer service, leveraging their physical presence. Their physical presence could be leveraged for undercutting; in-store collection means no packaging and delivery costs for the retailer, as well as no shipping costs for the consumer.

Amongst major players, products are largely undifferentiated in this sector, with most retailers offering the same brands. This enables customers to purchase products on the basis of price alone, which boosts rivalry through price competition. This is less of the case with more niche retailers; although the sheer number of players increases the chance that they will still have significant competition. Some large players in the sector tend to hold power over

certain segments; Argos, Apple and Currys in consumer electronics, Asos and Next in apparel retail, Tesco and ASDA in food and groceries.

A short operating cycle due to high storage costs, which can be detrimental to the business of an online retailer, means that a powerful ERP and ICT system can be a competitive advantage on the grounds of efficiency. Under these terms, large retailers investing in these assets, as well as in R&D to improve the shopping experience and target consumers have a stronger potential in terms of increasing their market shares.

Low fixed costs facilitate rapid the expansion of activities without significant capital being invested, which is inducing competition. Meanwhile, relatively lower capital investment in online retail along with lower fixed costs, reduce exit barriers, thus alleviating rivalry to some extent.

Overall, the UK online retail sector is highly competitive, as the proportion of large enterprises operating online has increased – estimated at 43% of the total enterprises. In fact, the sector is significantly concentrated towards large players, with the SMEs' share of the online sales channel being fairly limited.

Competition is set to intensify as the sector has entered its maturity stage; the frequency of transactions per consumer was relatively stagnant over the last three years, while the penetration of online shopping in terms of consumers' adoption has reached its peak.

Rivalry between players is alleviated by the fact that the sector is highly-segmented. Competition is based on segments, in which the largest players are divided.

The UK's food and groceries sector is sizeable, but competition still prevails. Tesco has a clear lead in that segment, but ASDA's presence is also significant. Moreover, Ocado, the largest pure online groceries retailer, and its partnership with Morrison's, should not be overlooked.

Asos leads the apparel segment, being one of the top rapidly growing British retailers. In the financial year ending in August 2019, it recorded 13% growth in terms of its UK sales, which amounted to GBP2.7bn (\$4.3bn).

Amazon is the most diversified player in the sector, but it is still heavily engaged in the electronics and apparel retail segments. Amazon currently operates 17 fulfillment centers across the UK. This developed logistics network gives Amazon an edge in terms of its next-day delivery service, which is the preferred delivery time among consumers within the UK. Tesco launched a one-hour delivery service in July 2017, available to central London postcodes, aiming to compete directly with Amazon's Prime Now service available in nine British cities (Birmingham, Glasgow, Leeds, Liverpool, London, Manchester, Newcastle, Portsmouth and Sheffield).

Amazon's strongest rival in the electrical and electronics segment is Argos, which is price competitive based on its low-cost catalogue business model. Moreover, Argos has stimulated its online sales by offering a fast-track delivery service and click and collect services at UK supermarket Sainsbury's.

The entry of Amazon Fresh to the food and grocery market has been a key factor in ramping up rivalry, aided by the online retail giant's \$13.7bn acquisition of Whole Foods in 2017. Amazon Fresh enjoyed success, seeing its sales in terms of food and grocery products in the UK grow by 84.8% in 2017. However it has not shaken up the industry as initially thought with the business still geographically restricted to London and the surrounding areas.

Ultimately, rivalry is assessed as strong.

7. Competitive Landscape

The UK online retail sector has grown impressively in the historic period, with strong growth forecast to continue in the coming years. The sector includes a variety of online pureplay retailers, as well as firms which offer e-commerce as part of a multi-channel business model. The largest player is Amazon, which commands significant market share; other leading players include Tesco, Sainsbury's and Walmart subsidiary, Asda. Some firms offer a wide range of products, whereas others specialize within a certain segment, providing trusted and high-quality products. The sector is highly competitive, with numerous other large firms contesting for leading player status and a vast array of smaller firms providing additional online platforms.

7.1. Who are the leading players?

Amazon.com, Inc. is an American multinational technology company based in Seattle and the leading online retailer globally. The firm has diversified into numerous other business ventures, but online retailing remains the most significant arm of the firm. Amazon sells a range of merchandise, including books, apparel, electronics, home and garden tools, toys and baby games, sports and outdoor products, automotive and industrial products and other general merchandise products. The web portal which serves the UK is amazon.co.uk. The firm reported total annual revenue of \$232.9bn for the 2018 fiscal year. According to GlobalData, Amazon accounted for a 17.4% share of the UK online retail sector in 2019.

Tesco PLC is a UK retailer known predominantly for selling food and groceries; the firm also retails a range of other products, including consumer electronics, household appliances and apparel. Tesco has been successful in recent years through its e-commerce platform tesco.com. The firm reported total annual revenue of \$85.2bn for the 2019 fiscal year. According to GlobalData, Tesco accounted for a 6.1% share of the UK online retail sector in 2019.

J Sainsbury PLC (Sainsbury's) is a UK based retail company that offers general merchandise, clothing and groceries products. Sainsbury's has outlets in various formats, such as convenience stores and supermarkets, operated under the Habitat, Sainsbury's, and Argos brand names. Habitat is a retailer of household furnishings and Argos is a British catalog retailer which has a hugely successful online platform. The firm reported total annual revenue of \$38.7bn in the 2019 fiscal year. According to GlobalData, Sainsbury's and Argos accounted for a combined 6.3% share of the UK online retail sector in 2019.

Asda Stores Ltd (Asda), a wholly-owned subsidiary of Walmart, is a grocery and general merchandise retailer. The company offers a wide range of food and grocery products, health and beauty items, and clothing, home, leisure and entertainment goods. The company conducts business through a variety of retail channels, such as supercentres, superstores, supermarkets, living stores, petrol filling stations, depots, online and through a mobile app. According to GlobalData, Asda accounted for a 5.3% share of the UK online retail sector in 2019.

7.2. What strategies do the leading players follow?

Leading players offer low prices by virtue of their high sales volumes and economies of scale. The firms benefit from scale economies in terms of purchasing, inventory management, and customer service. As a result, the firms are able to undercut smaller online and brick-and-mortar retailers. This leads to many consumers opting to look for products in-store before choosing to buy online later to save money, known as showrooming. Additionally, through more comprehensive customer service, such as dealing with product returns, these firms hold an advantage over smaller firms. Furthermore, they can engage in aggressive strategies based on their economies of scale, such as offering free shipping and coupons for customer retention. The most successful example of a customer loyalty policy is Amazon Prime, which offers numerous benefits, with express shipping being the most important. Amazon can offer one day delivery, and same day in some regions, as part of a Prime subscription, which has proved to be hugely successful

amongst UK consumers. According to Mintel, Amazon Prime had 15 million UK subscribers, as of March 2019, and this has continued to rise.

Tesco, Sainsbury's and John Lewis offer shipping discounts on expensive purchases. Tesco also offers a variety of delivery saver plans, which offer numerous different delivery benefits. With a large network of brick-and-mortar stores and with a high degree of brand loyalty in the UK, Tesco's, Sainsbury's and John Lewis' online marketplaces are well placed to challenge Amazon in e-commerce. With high ticket or large items, consumers can view in store and decide to purchase later through the firms' website, and have it delivered. In 2017, Tesco launched its own one-hour delivery service, called Tesco Now in the UK. This app-based delivery service demonstrates the desire to compete directly with Amazon, which delivers products in as little as one hour using its Amazon Prime Now service. Tesco's food and grocery sales grew by 5.1% for the financial year ending February 2018. The growth included customers making both higher order numbers and larger quantity sizes per order. Furthermore, its online grocery business delivered over 14 million orders across 19 weeks in the UK, with an increase in both average basket size and customer satisfaction scores for the 2019 Christmas period.

Sainsbury's is adapting to changing consumer habits through fast-track delivery and collection services. The unsuccessful merger attempt with Asda, owned by Walmart, has meant the group will have to find other ways of gaining an edge in the increasingly competitive supermarket sector. The growing importance of online retail as a proportion of sales has led to Sainsbury's seeking enhanced online options. For example, Argos had its most successful Black Friday in terms digital sales, and sales on the click and collect app reached a record, demonstrating the success of such initiatives. The firm also offers click and collect for groceries as well as £1 (approximately \$1.33) delivery on orders over £40 (approximately \$53). This strategy has proved to be successful, with online grocery sales reported in January 2020 to have risen 7.1% in the most recent quarter.

Asda is expecting enhanced growth in online sales as a result of the newly launched Asda Recipes tool. The service launched online in November 2019, having been available through the app for a couple months; it allows shoppers to populate their online shopping basket by clicking on set recipes. For regular shoppers at Asda, the selected items that match with the recipe will be based on their previous spending habits. This allows a more seamless and easy shopping experience for customers and gives the firm a competitive edge over rival firms.

The popularization of Black Friday and Cyber Monday has provided leading players with an opportunity to boost sales. Although Black Friday started in brick-and-mortar stores, the prospect of busy stores and long queues has persuaded many consumers to shop online as an alternative. Cyber Monday was introduced to provide Black Friday deals online, however, both days are now significant for online retailers. Moreover, firms are introducing days dedicated to their own flash sales; for example, Amazon has introduced Prime day, an annual shopping holiday exclusive to Prime subscribers. Deals can last up to 36 hours as Amazon looks to attract more customers to its subscription-based service.

7.3. Who are the main challengers to the incumbents?

John Lewis Partnership plc (John Lewis) owns and operates department stores, supermarkets and convenience stores in the UK, as well as an e-commerce platform. The company conducts its business operations under John Lewis and Waitrose stores. John Lewis offers various products including home furnishings, garden equipment, home appliances, consumer electronics, apparel and health and beauty products. In January 2019, the firm reported annual revenue of £3.8bn (\$5.1bn). The firm announced that nearly 300 of its delivery vehicles will start to run on cow manure from 2021 to reduce its reliance on diesel, including the 80 vans that are fuelled by biomethane from food waste already.

Ocado is a British online supermarket that describes itself as the world's largest dedicated online grocery retailer. In contrast to its competitors, the company has no stores and is solely reliant on deliveries from its warehouses. The company offers online grocery and general merchandise products, such as specialty pet products, beauty products, and dining ware and kitchen items, to customers in the UK. It offers grocery products under the Ocado brand. The company's Ocado website enables customers to select and purchase groceries and Ocado delivers the purchased products at the shopper's doorstep within the prescribed time. The firm recorded revenue of \$2.1bn for the 2018 fiscal year. According to GlobalData, Ocado accounted for a 3.0% share of the UK online retail sector in 2019.

Fast fashion online retailers in the UK have seen sales surge in recent years as retailers have strived to attract new and existing customers. Notable firms include ASOS, Boohoo, Misguided, PrettyLittleThing and Nasty Gal. Free delivery and free returns have resulted in a convenient and popular system. Firms such as these offer new fashionable clothes at affordable prices, which have been hugely successful amongst young people. ASOS is the largest online fashion retailer in the UK; according to GlobalData, the firm accounted for a 2.2% share of the UK online retail sector in 2019.

Very is a British online retailer with headquarters in Liverpool. The brand was launched in the UK in July 2009 as part of Shop Direct. Very was formerly known as the Littlewoods platform for smaller retailers. Very makes use of celebrity endorsements and product placement on television, amongst other advertising strategies. According to GlobalData, Very accounted for a 2.3% share of the UK online retail sector in 2019.

7.4. What is the rationale for the recent M&A activity?

In April 2016, Argos' parent Home Retail Group agreed to a £1.4bn (\$1.9bn) takeover by the UK supermarket chain Sainsbury's. The acquisition was completed on September 2, 2016 and the business became part of a division named Sainsbury's Argos. This takeover boosted the firm's performance, particularly in the online retail sector, with Argos increasingly seeing sales shift online. With Argos reportedly having a 3.3% share of the UK online retail sector, and Sainsbury's having 3.0%, the acquisition has undoubtedly propelled Sainsbury's to leading player status. Also part of Home Retail Group, and included in the acquisition, was furniture and household retailer Habitat. This significantly boosted the firm's presence in online distribution for this segment, rivalling segment leader John Lewis.

8. Company Profiles

8.1. Amazon.com, Inc.

8.1.1. Company Overview

Amazon.com, Inc. (Amazon or 'the company') is a retailer that offers its products through online and physical stores. The company offers a range of merchandise, including books, apparel, electronics, home and garden tools, toys and baby games, sports and outdoor products, automotive and industrial products and other general merchandise products. It also provides services that includes web services, order fulfillment, publishing, advertising and co-branded credit cards services. The company manufactures and sells electronic devices, including Kindle e-readers, Fire tablets, Fire televisions (TVs) and Echo. Amazon markets its products through its website, www.amazon.com. Amazon also operates through various international websites. It has business presence across North America, Europe and Asia-Pacific. The company is headquartered in Seattle, Washington, the US.

The company reported revenues of (US Dollars) US\$232,887 million for the fiscal year ended December 2018 (FY2018), an increase of 30.9% over FY2017. In FY2018, the company's operating margin was 5.3%, compared to an operating margin of 2.3% in FY2017. In FY2018, the company recorded a net margin of 4.3%, compared to a net margin of 1.7% in FY2017. The company reported revenues of US\$63,404.0 million for the second quarter ended June 2019, an increase of 6.2% over the previous quarter.

8.1.2. Key Facts

Table 6: Amazon.com, Inc.: key facts

Head office:	410 Terry Avenue NorthSeattle, Washington, United States
Number of Employees:	647500
Website:	www.amazon.com
Financial year-end:	December
Ticker:	AMZN
Stock exchange:	NASDAQ

SOURCE: COMPANY WEBSITE

MARKETLINE

8.1.3. Business Description

Amazon.com, Inc. (Amazon or 'the company') is an online retailer. The company offers a range of products and services through its physical stores and e-commerce site, amazon.com. The company offers a range of merchandise, including books, apparel, home and garden tools, toys and baby games, sports and outdoor products, automotive and industrial products and other general merchandise products. It also sells electronic devices, such as Fire tablets, Kindle e-readers, Echo devices and Fire TVs. Moreover, it offers a membership program called Amazon Prime, which provides customers unlimited free shipping option on over 100 million items, access to unlimited streaming of thousands of movies and TV episodes, and other benefits. The company also provides advertising services and order fulfillment services to its consumers.

The company operates through three business segments: North America, International and Amazon Web Services (AWS).

The North America segment focuses on retail sales of consumer products (including from sellers) and handles subscriptions through North America-focused online and physical stores. This segment also includes export sales

generated from the online stores. In FY2018, the North America segment reported revenue of US\$141,366million, which accounted for 60.7% of the company's revenue.

The International segment includes the retail sales of consumer products (including from sellers) and subscriptions from internationally focused online stores. This segment also includes export sales from international online stores (including export sales from their respective sites to customers in the US, Canada and Mexico), but excludes export sales from North American online stores. In FY2018, the International segment reported revenue of US\$65,866 million, which accounted for 28.3% of the company's revenue.

The Amazon Web Services (AWS) segment includes global sales of compute, storage, database, and other AWS service offerings for start-ups, enterprises, government agencies, and academic institutions. In FY2018, the AWS segment reported revenue of US\$25,655 million, which accounted for 11% of the company's revenue.

Amazon serves four primary customer sets: consumers, sellers, developers and enterprises, and content creators. The company also develops and produces media content. Amazon fulfills customer orders through its fulfillment centers and delivery networks that it operates in North America and other foreign countries; co-sourced and outsourced arrangements in certain countries; and digital delivery. Amazon serves sellers by offering programs that enable them to sell their products on their websites and also on Amazon's websites. The company earns fixed fees, per-unit activity fees and interest on such transactions. The company serves developers and enterprises through AWS, which provides a broad set of global compute, storage, database, and other service offerings. Amazon serves content creators such as authors and independent publishers through Kindle Direct Publishing, an online platform that allows independent authors and publishers to select a royalty option and make their books available in the Kindle Store. The company also offers its own publishing arm, Amazon Publishing. It also offers programs that allow authors, musicians, filmmakers, application developers, and others to publish and sell content.

Geographically, the company classifies its operations into five regions: the US, Germany, Japan, the UK, and Rest of the World. In FY2018, the US accounted for 68.8% of the company's revenue, followed by Germany (8.5%), the UK (6.2%), Japan (5.9%), and Rest of the World (10.5%).

Table 7: Amazon.com, Inc.: Annual Financial Ratios

Key Ratios	2015	2016	2017	2018	2019
Growth Ratios					
Sales Growth %	20.25	27.08	30.80	30.93	20.45
Operating Income Growth %	1154.49	87.46	-1.91	202.51	17.07
EBITDA Growth %	585.52	81.76	-0.02	188.37	17.14
Net Income Growth %		297.82	27.92	232.11	15.04
EPS Growth %		292.06	-7.08	335.70	15.93
Working Capital Growth %	-43.85	8.09	17.76	189.97	27.00
Equity Ratios					
EPS (Earnings per Share) USD	1.25	4.90	4.55	19.83	22.99
Book Value per Share USD	28.42	40.43	57.25	88.69	124.62
Profitability Ratios					
Gross Margin %	33.04	35.09	37.07	40.25	40.99
Operating Margin %	2.09	3.08	2.31	5.33	5.18
Net Profit Margin %	0.56	1.74	1.71	4.33	4.13
Profit Markup %	49.34	54.07	58.90	67.36	69.46
PBT Margin (Profit Before Tax) %	1.47	2.86	2.14	4.84	4.98
Return on Equity %	4.45	12.29	10.95	23.13	18.67
Return on Capital Employed %	7.24	10.57	5.59	13.18	10.58
Return on Assets %	1.00	3.20	2.83	6.85	5.97
Return on Working Capital %	122.83	213.03	177.44	185.11	170.63
Operating Costs (% of Sales) %	97.91	96.92	97.69	94.67	94.82
Administration Costs (% of Sales) %	19.07	20.06	21.92	22.40	22.93
Liquidity Ratios					
Current Ratio Absolute	1.05	1.04	1.04	1.10	1.10
Quick Ratio Absolute	0.75	0.78	0.76	0.85	0.86
Cash Ratio Absolute	0.58	0.59	0.54	0.60	0.63
Leverage Ratios					
Debt to Equity Ratio Absolute	1.06	1.06	1.59	1.13	0.83
Net Debt to Equity Absolute	-0.13	0.06	0.85	0.40	0.25
Debt to Capital Ratio Absolute	0.51	0.51	0.61	0.53	0.45
Efficiency Ratios					
Asset Turnover Absolute	1.79	1.84	1.66	1.58	1.45
Fixed Asset Turnover Absolute	5.52	5.34	4.56	4.21	3.51
Inventory Turnover Absolute	7.73	8.13	8.14	8.38	8.79
Current Asset Turnover Absolute	3.19	3.34	3.36	3.44	3.27
Capital Employed Turnover Absolute	3.47	3.44	2.42	2.47	2.04
Working Capital Turnover Absolute	58.86	69.20	76.87	34.71	32.92
SOURCE: COMPANY FILINGS				MARKETLINE	

Table 8: Amazon.com, Inc.: Key Employees

Name	Job Title	Board
Andrew R. Jassy	Chief Executive Officer Amazon Web Services	Senior Management
Brian T. Olsavsky	Chief Financial Officer	Senior Management
Brian T. Olsavsky	Senior Vice President	Senior Management
Daniel P. Huttenlocher	Director	Non Executive Board
David A. Zapolsky	General Counsel	Senior Management
David A. Zapolsky	Secretary	Senior Management
David A. Zapolsky	Senior Vice President	Senior Management
Indra Nooyi	Director	Non Executive Board
Jamie S. Gorelick	Director	Non Executive Board
Jeffrey A. Wilke	Chief Executive Officer Worldwide Consumer	Senior Management
Jeffrey M. Blackburn	Senior Vice President Business Development	Senior Management
Jeffrey P. Bezos	Chairman	Executive Board
Jeffrey P. Bezos	Chief Executive Officer	Executive Board
Jeffrey P. Bezos	President	Executive Board
Jonathan J. Rubinstein	Director	Non Executive Board
Judith A. McGrath	Director	Non Executive Board
Mike Hopkins	Head Video Entertainment Business	Senior Management
Patricia Q. Stonesifer	Director	Non Executive Board
Rosalind G. Brewer	Director	Non Executive Board
Sahar Baghery	Business Development Executive, EMEA- Amazon Prime Video	Senior Management
Sameer Batra	Director Mobile Business Development	Senior Management
Shelley L. Reynolds	Controller	Senior Management
Shelley L. Reynolds	Principal Accounting Officer	Senior Management
Shelley L. Reynolds	Vice President	Senior Management
Thomas O. Ryder	Director	Non Executive Board
Tom A. Alberg	Director	Non Executive Board
Wendell P. Weeks	Director	Non Executive Board

SOURCE: COMPANY FILINGS

MARKETLINE

8.2. Tesco PLC

8.2.1. Company Overview

Tesco PLC (Tesco or 'the company') is a food and grocery retailer that operates a network of hypermarkets, supermarkets and convenience stores. The company offers beverages, fresh food, bakery, frozen food, clothing, fuel, grocery, garden and baby products. It also offers flowers and plants, toys, wine, home furnishings, technology and gaming, household appliances, health and beauty products, sports and leisure, consumer electronics and electrical goods. Tesco markets its products under the brand names of Tesco, Free From, Finest, Jack's, Tesco Lotus, Tesco kipa, Tesco Bank and F&F Clothing. It has business presence across Europe and Asia. The company is headquartered in Welwyn Garden City, Hertfordshire, the UK.

The company reported revenues of (British Pounds) GBP63,911 million for the fiscal year ended February 2019 (FY2019), an increase of 11.2% over FY2018. In FY2019, the company's operating margin was 3.4%, compared to an operating margin of 3.2% in FY2018. In FY2019, the company recorded a net margin of 2.1%, compared to a net margin of 2.1% in FY2018.

8.2.2. Key Facts

Table 9: Tesco PLC: key facts

Head office:	Tesco House Shire Park, Kestrel Way, Welwyn Garden City, England, United Kingdom
Number of Employees:	464505
Website:	www.tescoplac.com
Financial year-end:	February
Ticker:	TSCO
Stock exchange:	London Stock Exchange (LON)

SOURCE: COMPANY WEBSITE

MARKETLINE

8.2.3. Business Description

Tesco PLC (Tesco or 'the company') is a retailing company that offers grocery items, general merchandise and other non-food items. It also offers banking products and services. The company operates 6,993 stores with total area of 91.3 million sq. ft. in Europe and Asia.

The company operates through four reportable segments: The UK and Republic of Ireland (UK and ROI); Central Europe; Asia; and Tesco Bank.

The company's UK and ROI segment offers a range of products through a network of stores and online platform. It also offers a wide array of financial services under the brand, Tesco Personal Finance. As of February 2019, the segment operated 152 stores in Republic of Ireland with a retail space of 3.3 million sq. ft. It operated 3,635 stores in the UK with a retail space of 46.9 million sq. ft., including 1,855 small stores, 797 large stores, 772 one stop outlets, six dotcom-only outlets, eight Jack's stores, 197 booker stores and 174 one stop franchise stores. In FY2019, the UK and ROI segment reported revenue of GBP51,643 million, which accounted for 80.8% of the company's revenue.

The Central Europe segment of Tesco operates stores with an area of 22.1 million sq. ft. across Hungary, Poland, the Czech Republic and Slovakia. As of February 2019, the segment operated 895 stores, including 204 stores in Hungary, 353 stores in Poland, 150 stores in Slovakia, 188 stores in the Czech Republic and 99 franchise stores in Czech

Republic. In FY2019, the Central Europe segment reported revenue of GBP6,298 million, which accounted for 9.9% of the company's revenue.

The company's Asia segment operates stores across Thailand and Malaysia with a retail space of 18.6 million sq. ft. As of February 2019, the segment operated 2,038 stores, including 1,965 stores in Thailand and 73 stores in Malaysia. In FY2019, the Asia segment reported revenue of GBP4,873 million, which accounted for 7.6% of the company's revenue.

The Tesco Bank segment provides insurance and banking services in the UK. It offers a range of personal banking products that include personal loans, credit cards, mortgages and savings account. As of February 2019, the segment served six million customer accounts. In FY2019, the Tesco Bank segment reported revenue of GBP1,097 million, which accounted for 1.7% of the company's revenue.

Table 10: Tesco PLC: Annual Financial Ratios

Key Ratios	2015	2016	2017	2018	2019
Growth Ratios					
Sales Growth %	-10.43	-5.26	3.68	2.82	11.16
Operating Income Growth %	-318.55		-5.13	80.83	17.07
EBITDA Growth %	-318.55		-5.13	80.83	21.32
Net Income Growth %	-689.43		-128.99		9.44
EPS Growth %	-86.48	29.33	42.11	45.84	38.13
Working Capital Growth %	34.75	-59.48	25.33	41.25	50.77
Equity Ratios					
EPS (Earnings per Share) GBP	-0.70	0.03	0.01	0.12	0.14
Dividend per Share GBP	0.01			0.03	0.06
Dividend Cover Absolute	-59.96			4.04	2.35
Dividend Cover Absolute	1.61	-59.96			
Book Value per Share GBP	0.87	1.06	0.79	1.28	1.37
Profitability Ratios					
Gross Margin %	4.70	5.21	5.40	5.92	6.60
Operating Margin %	-10.10	1.99	1.82	3.20	3.37
Net Profit Margin %	-10.09	0.26	-0.07	2.10	2.07
Profit Markup %	4.94	5.49	5.71	6.29	7.06
PBT Margin (Profit Before Tax) %	-11.13	0.37	0.26	2.26	2.62
Return on Equity %	-81.19	1.60	-0.62	11.50	9.82
Return on Capital Employed %	-23.56	4.12	3.85	7.17	5.99
Return on Assets %	-12.17	0.31	-0.09	2.66	2.60
Return on Working Capital %	-45.15	73.23	-33.69	-25.50	-32.61
Operating Costs (% of Sales) %	110.10	98.01	98.18	96.80	96.63
Administration Costs (% of Sales) %	2.97	3.40	3.10	3.11	3.11
Liquidity Ratios					
Current Ratio Absolute	0.60	0.82	0.79	0.71	0.60
Quick Ratio Absolute	0.45	0.69	0.68	0.59	0.47
Cash Ratio Absolute	0.14	0.37	0.35	0.27	0.16
Leverage Ratios					
Debt to Equity Ratio Absolute	1.51	1.47	1.72	0.79	1.28
Net Debt to Equity Absolute	1.48	1.21	1.27	0.43	1.09
Debt to Capital Ratio Absolute	0.60	0.60	0.63	0.44	0.56
Efficiency Ratios					
Asset Turnover Absolute	1.21	1.22	1.25	1.27	1.26
Fixed Asset Turnover Absolute	2.53	2.81	3.11	3.14	2.81
Inventory Turnover Absolute	16.61	18.98	22.36	23.70	24.46
Current Asset Turnover Absolute	4.14	4.05	3.72	3.96	4.90
Capital Employed Turnover Absolute	2.33	2.07	2.11	2.24	1.78
SOURCE: COMPANY FILINGS				MARKETLINE	

Table 11: Tesco PLC: Key Employees

Name	Job Title	Board
Adrian Morris	Group General Counsel	Senior Management
Alan Stewart	Chief Financial Officer	Executive Board
Alan Stewart	Director	Executive Board
Alessandra Bellini	Chief Customer Officer	Senior Management
Alison Horner	Chief Executive Officer Asia	Senior Management
Alison Platt	Director	Non Executive Board
Andrew Yaxley	Chief Product Officer	Senior Management
Byron Grote	Director	Non Executive Board
Charles Wilson	Chief Executive Officer Booker	Senior Management
Christine Heffernan	Director Communications	Senior Management
Dave Lewis	Chief Executive Officer	Executive Board
Dave Lewis	Director	Executive Board
Deanna Oppenheimer	Director	Non Executive Board
Gerry Mallon	Chief Executive Officer Tesco Bank	Senior Management
Jason Tarry	Chief Executive Officer UK and ROI Business	Senior Management
John Allan	Chairman	Non Executive Board
Lindsey Pownall	Director	Non Executive Board
Mark Armour	Director	Non Executive Board
Matt Simister	Chief Executive Officer Central Europe	Senior Management
Melissa Bethell	Director	Non Executive Board
Mikael Olsson	Director	Non Executive Board
Natasha Adams	Chief People Officer	Senior Management
Robert Welch	Secretary	Senior Management
Simon Patterson	Director	Non Executive Board
Steve Golsby	Director	Non Executive Board
Stewart Gilliland	Director	Non Executive Board
Tony Hoggett	Chief Operating Officer	Senior Management
Trevor Masters	Managing Director PEPCO	Senior Management

SOURCE: COMPANY FILINGS

MARKETLINE

8.3. Asda Stores Ltd

8.3.1. Company Overview

Asda Stores Ltd (Asda), a wholly-owned subsidiary of Walmart, is a grocery and general merchandise retailer. The company offers a wide range of fresh food, beverages, grocery, bakery products, health and beauty items, clothing, home, leisure and entertainment goods. The company conducts business through a variety of retail channels such as supercentres, superstores, supermarkets, Living stores, petrol filling stations and depots across the UK. It offers several financial services such as credit cards, gift cards, car insurance, home insurance and pet insurance to its customers. It also offers various services online and through mobile apps. Asda is headquartered in Leeds, Yorkshire, the UK.

The company is a privately-held company and does not publish its financial results.

8.3.2. Key Facts

Table 12: Asda Stores Ltd: key facts

Head office:	Asda HouseGreat Wilson Street, South Bank, Leeds , Yorkshire, United Kingdom
Telephone:	44 8009520101
Website:	www.asda.com
Financial year-end:	April
SOURCE: COMPANY WEBSITE	
MARKETLINE	

8.3.3. Business Description

Asda Stores Ltd (Asda) is a retailer that offers a wide variety of fresh food, grocery, clothing, home, leisure and entertainment goods. The company operates retail stores in the UK under multiple banners including Supercenters, Superstores, Supermarkets, Living stores and Petrol stations, and websites.

It also offers services online and through mobile apps. The Supercenters are the largest stores of the company that offer a full range of food, George and non-food products. It also provides various concessions including such as food service offers, banks, hairdressers and dry cleaners. Its largest store Milton Keynes covers more than 100,000 sq.ft. space. The Superstores are the most common store format which forms a large majority of stores of the company. It offers an extensive choice of foods and operates other divisions including cafe, pharmacy, optician, larger George and non-food.

The Supermarkets are the smallest stores operated by the company. These are spread across the UK , from Newquay to our most northerly store in Tain, Scotland. The Supermarket format focuses on food and convenience and offer essential non-food items. Asda Living stores are the non-food stores that offer a huge selection of merchandise ranging from George home, fashion and general merchandise.

The Petrol Filling Stations of the company offers both pay-at-pump and pay-at-kiosk services through its. It also includes convenience store that provides a variety of food to go, and travel friendly products. The company operates through George, a system of the company that serves 800,000 customers in a week and sold in 560 stores and through its online fashion businesses George.com.

Asda also operates International Procurement Limited (IPL), a system that manages the whole produce retail business for ASDA. The distribution services of the company includes 39 operations nationwide including 21 food depots, three clothing centres, two ambient GM hubs, two import centres, two dot.com fulfilment centres and nine ASCs. It operates more than 4,000 heavy good vehicles and 2,000 home delivery vehicles which make 800,000 deliveries to store and 20,000,000 deliveries to customers. Moreover, Asda also offers a comprehensive range of financial services such as credit cards, gift cards, home insurance, car insurance and pet insurance to its customers. The company

through its website offers a range of products, including home and garden products; clothing, footwear, and collection for men and women; kids and baby products; electrical; entertainment products; travel and leisure products; and gifts.

Table 13: Asda Stores Ltd: Key Employees

Name	Job Title	Board
Andy Murray	Chief Customer Officer	Senior Management
Anthony Hemmerdinger	Senior Vice President Operations	Senior Management
Hayley Tatum	Senior Vice President People	Senior Management
Nick Jones	Senior Vice President Commercial	Senior Management
Rob McWilliam	Chief Financial Officer	Senior Management
Roger Burnley	Chief Executive Officer	Senior Management
Roger Burnley	President	Senior Management

SOURCE: COMPANY FILINGS

MARKETLINE

8.4. John Lewis Partnership Plc

8.4.1. Company Overview

John Lewis Partnership plc (John Lewis Partnership) owns and operates department stores, supermarkets and convenience stores in the UK. The company conducts its business operations under John Lewis and Waitrose stores. These stores offer various products including home furnishings, home accessories, cooking and dining ware, garden furniture and equipment's, bedroom, dining and living room furniture, lighting accessories, home appliances, mobile phones and accessories, computer equipment's, shoes, apparels and accessories for men, women and kids, makeup and fragrance products, skin care, haircare and grooming related products, toys, sports and fitness equipment's, travel and luggage accessories, frozen and chilled food, tea, coffee and soft drinks, beer, wine and spirits, cakes and pastries, garden plants, pet food and accessories. These products are marketed under the brands of John Lewis and Waitrose. John Lewis Partnership also offers beauty, insurance, financial and optical related services. It also markets and sells these products through various e-commerce portals including johnlewis.com, waitrose.com, waitrosepet.com, waitrosegarden.com, waitroseflorist.com and waitrosecellar.com. It also operates a production unit and a farm. John Lewis Partnership is headquartered in London, the UK.

8.4.2. Key Facts

Table 14: John Lewis Partnership Plc: key facts

Head office:	171 Victoria StreetLondon, England, United Kingdom
Number of Employees:	85500
Website:	www.johnlewispartnership.co.uk
Financial year-end:	January

SOURCE: COMPANY WEBSITE

MARKETLINE

8.4.3. Business Description

John Lewis Partnership PLC (John Lewis Partnership) operates retail chain in the UK. It offers clothing, accessories, household goods, furnishings, home technology, dairy and food products. The company also merchandises these products through various e-commerce websites including johnlewis.com, waitrose.com, waitrosepet.com, waitrosegarden.com, waitroseflorist.com, and waitrosecellar.com.

The company classifies its business operations into two reportable segments: Waitrose, and John Lewis.

Table 15: John Lewis Partnership Plc: Key Employees

Name	Job Title	Board
Andrew Murphy	Chief Information Officer	Senior Management
Andy Martin	Director	Non Executive Board
Ben Stimson	Director Retail – Waitrose	Senior Management
Berangere Michel	Director Operations, John Lewis and Partners	Senior Management
Charlie Mayfield	Chairman	Executive Board
Chris Coburn	Director Internal and Digital communication	Senior Management
Chris Harris	Director Group Property Director	Senior Management
Helen Hyde	Director Personnel – Waitrose	Senior Management
Keith Hubber	General Counsel	Senior Management
Keith Hubber	Secretary	Senior Management
Keith Williams	Deputy Chairman	Executive Board
Keith Williams	Director	Executive Board
Laura Wade-Gery	Director	Non Executive Board
Martin George	Director Customer – Waitrose	Senior Management
Michael Herlihy	Partnership Secretary	Senior Management
Mike Sackman	Director Finance – Waitrose	Senior Management
Mike Sackman	Director IT – Waitrose	Senior Management
Nicky Spurgeon	Director	Non Executive Board
Patrick Lewis	Director Finance	Senior Management
Paula Nickolds	Managing Director	Senior Management
Peter Cross	Director Customer Experience	Senior Management
Rob Collins	Managing Director Waitrose	Senior Management
Roger Davies	Group Procurement Director	Senior Management
Rupert Thomas	Director Commercial – Waitrose	Senior Management
Sean Allam	Director Services	Senior Management
Simon Burdess	Director Food Service	Senior Management
Simon Coble	Director Trading John Lewis	Senior Management
Simon Fowler	Director Communications	Senior Management
Steve Gardiner	Branch Manager - Waitrose Cirencester	Executive Board
Steve Gardiner	Director	Executive Board

SOURCE: COMPANY FILINGS

MARKETLINE

Table 16: John Lewis Partnership Plc: Key Employees Continued

Name	Job Title	Board
Tom Anthron	Director Development	Senior Management
Tracey Killen	Director Personnel	Senior Management
Wim Van Aalst	Director Supply Chain – Waitrose	Senior Management
SOURCE: COMPANY FILINGS		MARKETLINE

8.5. Ocado Ltd

8.5.1. Company Overview

Ocado Ltd (Ocado) is a retailer of groceries. The company's product portfolio includes fruits and nuts, vegetables, wine, milk, eggs, seafood, grocery and household items, household products, flowers, drinks, fish, desserts, meat, meals, confectionery, cooking ingredients, food grains, beverages, jams and fillers. It provides spirits, child and baby products, toiletries, cupboards, pet care products, garden products, health and beauty products, gifts, and child and baby products. Ocado offers delivery and shipping services. The company provides operating solution for online grocery retail based on proprietary technology and IP. It sells its products through its stores located in different parts of the UK. Ocado is headquartered in Hatfield, Hertfordshire, the UK.

8.5.2. Key Facts

Table 17: Ocado Ltd: key facts

Head office:	Buildings One & Two Trident Place, Mosquito Way, Hatfield, Hertfordshire, United Kingdom
Website:	www.ocado.com
Financial year-end:	April

SOURCE: COMPANY WEBSITE

MARKETLINE

Table 18: Ocado Ltd: Key Employees

Name	Job Title	Board
Tim Steiner	Chief Executive Officer	Senior Management
Tim Steiner	Founding Director	Senior Management

SOURCE: COMPANY FILINGS

MARKETLINE

8.6. J Sainsbury plc

8.6.1. Company Overview

J Sainsbury plc (Sainsbury's or 'the company') is a retail company that offers general merchandise, clothing and groceries, products. It offers meat and fish, dairy, fruits and vegetables, eggs and juice, pet food, beer, spirits and wine, baby and toddler products, and chilled and frozen food through the company's stores. Sainsbury's has outlets in various formats such as convenience stores and supermarket operated under the names of Habitat, Sainsbury's, and Argos. The company offers its products via online channel. It offers financial services such as insurance, travel money, credit cards, and loans and operates the property development business. Sainsbury's has operations in the UK and Ireland and is headquartered in London, the UK.

The company reported revenues of (British Pounds) GBP29,007 million for the fiscal year ended March 2019 (FY2019), an increase of 1.9% over FY2018. In FY2019, the company's operating margin was 1%, compared to an operating margin of 1.8% in FY2018. In FY2019, the company recorded a net margin of 0.8%, compared to a net margin of 1.1% in FY2018.

8.6.2. Key Facts

Table 19: J Sainsbury plc: key facts

Head office:	33 Holborn London , England, United Kingdom
Number of Employees:	52800
Website:	www.sainsburys.co.uk
Financial year-end:	March
Ticker:	SBRY
Stock exchange:	London Stock Exchange (LON)

SOURCE: COMPANY WEBSITE

MARKETLINE

8.6.3. Business Description

J Sainsbury plc (Sainsbury's or 'the company') is a UK-based company that operates supermarkets and convenience stores. The company also operates an online grocery and general merchandise business.

Sainsbury's bases products from 70 countries and deliver products via 33 distribution centers to the company's stores and online customers. It has 2,300 supermarkets under Sainsbury's, Argos stores and convenience stores in the UK and Ireland. Through subsidiaries and joint ventures, it maintains business interests in financial services, property management, and energy sectors.

The company operates through three reportable business segments: Retail, Financial Services and Property Investment.

The Retail segment offers food and non-food products through supermarkets and convenience stores. The segment operates 1,428 stores, including 820 convenience stores and 608 supermarkets. It also offers ready-to-wear men's, children's and women's wear clothing under Tu brand, groceries through Sainsbury's brand and general merchandise under Argos brand. The company also provides homeware products including sturdy plates, bathroom bits, and wine glasses and soft bedding throws via Sainsbury's Home brand and provides home improvement products via Habitat brand. It provides sustainable energy solutions to many homes in the UK. In FY2019, the Retailing segment reported revenue of GBP28,466 million, which accounted for 98.1% of the company's revenue.

The Financial Services segment includes the operations of Sainsbury's Bank. Sainsbury's Bank offers a range of financial products such as savings, loans, credit cards, travel money and insurance. As of March 2019, the company

operated 1,820 ATM's and serves 3.9 million customers through Sainsbury's Bank and Agro financial services. In FY2017, the Financial Services segment reported revenue of GBP541 million, which accounted for 1.9% of the company's revenue. The Property Investment segment includes the operations of the joint ventures with Land Securities Group and The British Land Company. The property portfolio consists of freehold and long leasehold properties; and properties within joint venture arrangements.

Table 20: J Sainsbury plc: Annual Financial Ratios

Key Ratios	2015	2016	2017	2018	2019
Growth Ratios					
Sales Growth %	-0.73	-1.13	11.56	8.51	1.94
Operating Income Growth %	-91.97	772.84	-9.19	-19.31	14.29
EBITDA Growth %	-91.97	772.84	-9.19	-19.31	14.29
Net Income Growth %	-123.18		-19.96	-18.04	-39.81
EPS Growth %	-52.51	47.22	-26.34	14.81	-36.00
Working Capital Growth %	4.12	-7.79	-1.43	7.52	75.83
Equity Ratios					
EPS (Earnings per Share) GBP	-0.09	0.22	0.17	0.13	0.08
Dividend per Share GBP	0.13	0.12	0.10	0.10	0.11
Dividend Cover Absolute	-0.66	1.86	1.62	1.25	0.69
Book Value per Share GBP	2.89	3.31	3.14	3.38	3.53
Profitability Ratios					
Gross Margin %	5.08	6.19	6.23	6.61	7.89
Operating Margin %	0.34	3.01	2.45	1.82	2.04
Net Profit Margin %	-0.70	2.00	1.44	1.09	0.64
Profit Markup %	5.35	6.60	6.64	7.08	8.56
PBT Margin (Profit Before Tax) %	-0.30	2.33	1.92	1.44	0.70
Return on Equity %	-3.00	7.40	5.49	4.17	2.39
Return on Capital Employed %	0.84	6.90	5.73	4.43	3.66
Return on Assets %	-1.00	2.81	2.05	1.48	0.74
Return on Working Capital %	-41.99	-3.24	-30.65	-28.23	-21.19
Operating Costs (% of Sales) %	99.66	96.99	97.55	98.18	97.96
Administration Costs (% of Sales) %	4.76	3.62	4.60	4.97	5.95
Liquidity Ratios					
Current Ratio Absolute	0.64	0.66	0.74	0.76	0.64
Quick Ratio Absolute	0.49	0.51	0.53	0.59	0.47
Cash Ratio Absolute	0.19	0.18	0.14	0.19	0.11
Leverage Ratios					
Debt to Equity Ratio Absolute	0.51	0.41	0.32	0.33	0.96
Net Debt to Equity Absolute	0.29	0.29	0.20	0.20	0.86
Debt to Capital Ratio Absolute	0.34	0.29	0.24	0.25	0.49
Efficiency Ratios					
Asset Turnover Absolute	1.44	1.40	1.43	1.36	1.16
Fixed Asset Turnover Absolute	2.43	2.42	2.65	2.86	2.41
Inventory Turnover Absolute	22.54	22.44	17.93	14.83	14.29
Current Asset Turnover Absolute	5.41	5.32	4.89	4.02	3.77
Capital Employed Turnover Absolute	2.47	2.29	2.34	2.43	1.79

SOURCE: COMPANY FILINGS

MARKETLINE

Table 21: J Sainsbury plc: Key Employees

Name	Job Title	Board
Andrew Simmonds	Director Sainsbury's Bank	Senior Management
Angie Risley	Director Group Human Resources	Senior Management
Angie Risley	Director Sainsbury's Bank	Senior Management
Brian Cassin	Director	Non Executive Board
Clodagh Moriarty	Chief Digital Officer	Senior Management
Dame Susan Rice	Director	Non Executive Board
David Jones	Chief Customer Officer - Sainsbury's Bank	Senior Management
David Keens	Director	Non Executive Board
Gary Kibble	Managing Director Sainsbury's Argos	Senior Management
Graeme Forrester	Chief Risk Officer Sainsbury's Bank	Senior Management
Graham Barnes	Director Sainsbury's Argos Supply Chain and Logistics	Senior Management
Guy Thomas	Director Sainsbury's Bank	Senior Management
Gwyn Burr	Director Sainsbury's Bank	Senior Management
Iain MacMillan	Chief Financial Officer Sainsbury's Argos	Senior Management
James Brown	Director Commercial, Sainsbury's Argos	Senior Management
Jean Tomlin	Director	Non Executive Board
Jo Harlow	Director	Non Executive Board
John Rogers	Chief Executive Officer Sainsbury	Executive Board
John Rogers	Director	Executive Board
Katherine Carlson	Commercial Director – Argos Financial Services	Senior Management
Kevin O'Byrne	Chief Financial Officer	Executive Board
Kevin O'Byrne	Director	Executive Board
Marcia Campbell	Director Sainsbury's Bank	Senior Management
Mark Steel	Director Sainsbury's Argos	Senior Management
Martin Scicluna	Chairman	Non Executive Board
Matt Brittin	Director	Non Executive Board
Michael Ross	Director Sainsbury's Bank	Senior Management
Mike Coupe	Chief Executive Officer	Executive Board
Mike Coupe	Director	Executive Board
Patrick Dunne	Chief Procurement Officer	Executive Board

SOURCE: COMPANY FILINGS

MARKETLINE

Table 22: J Sainsbury plc: Key Employees Continued

Name	Job Title	Board
Patrick Dunne	Director Group Property, Procurement and Cost base Transformation	Executive Board
Paul Mills-Hicks	Director Food Commercial	Senior Management
Peter Clarke	Director Sainsbury's Bank	Senior Management
Peter Griffiths	Chief Executive Officer Sainsbury's Bank	Senior Management
Phil Jordan	Chief Information Officer	Senior Management
Roger Davis	Chairman Sainsbury's Bank	Executive Board
Simon Roberts	Director Retail and Operations	Senior Management
Tim Fallowfield	Director Corporate Services	Senior Management
Tim Fallowfield	Secretary	Senior Management

SOURCE: COMPANY FILINGS

MARKETLINE

8.7. ASOS Plc

8.7.1. Company Overview

ASOS Plc (ASOS) is a global fashion retailer, which offers lifestyle products for men and women. The company sells extensive range of clothing and cosmetic products such as tops, dresses, vests, shirts and blouses, trousers and leggings, workwear suits, skirts, jeans, shorts, jackets and coats, shoes, lingerie and nightwear, and swimwear. It's related accessories and beauty product portfolio include hair accessories, belts, hats, key rings, jewelry, sunglasses, scarves, make-up products, moisturizers, socks and tights, shampoos and conditioners, body lotions and hair styling and hair treatment products. ASOS offers merchandise through online platform, www.asos.com. It also operates country-specific websites targeting the customers across the UK, the US, Australia, France, Germany, Spain, Sweden, the Netherlands, Russia and Italy. ASOS is headquartered in London, the UK.

The company reported revenues of (British Pounds) GBP2,733.5 million for the fiscal year ended August 2019 (FY2019), an increase of 13.1% over FY2018. In FY2019, the company's operating margin was 1.3%, compared to an operating margin of 4.2% in FY2018. In FY2019, the company recorded a net margin of 0.9%, compared to a net margin of 3.4% in FY2018.

8.7.2. Key Facts

Table 23: ASOS Plc: key facts

Telephone:	442077561000
Fax:	442077561001
Number of Employees:	4767
Website:	www.asosplc.com/
Financial year-end:	August
Ticker:	ASC
Stock exchange:	SEATS (AIM Market)

SOURCE: COMPANY WEBSITE

MARKETLINE

8.7.3. Business Description

ASOS Plc (ASOS) is an independent online fashion retailer based in the UK. The company sells more than 85,000 branded and own-brand products for men and women through its localized mobile and web platforms.

The company generated revenue from three sources: Retail Sales, Delivery Receipts and Third-Party Revenues.

ASOS operates its online operations across 45 countries and territories including the UK, the US, Australia, France, Germany, Spain, Italy, Sweden, the Netherlands and Russia.

Geographically, its operations are classified into four regions: the UK, the US, European Union and Rest of the World.

As of August 2019, the company offers services to 20.3 million customers and processed 72.3 million orders.

Table 24: ASOS Plc: Annual Financial Ratios

Key Ratios	2014	2015	2016	2017	2018
Growth Ratios					
Sales Growth %	17.17	26.41	33.13	25.67	13.08
Operating Income Growth %	12.34	-19.66	89.07	28.02	-65.55
EBITDA Growth %	12.34	-19.66	89.07	28.02	-65.55
Net Income Growth %	-0.41	-33.70	162.70	28.55	-70.15
EPS Growth %	10.54	57.91	5.79	31.56	-69.79
Working Capital Growth %	32.85	-82.57	-270.69	83.16	173.90
Equity Ratios					
EPS (Earnings per Share) GBP	0.49	0.42	0.77	0.98	0.29
Book Value per Share GBP	2.84	2.40	3.44	5.25	5.41
Profitability Ratios					
Gross Margin %	50.14	49.98	49.82	51.18	48.81
Operating Margin %	4.58	2.91	4.14	4.22	1.28
Net Profit Margin %	3.22	1.69	3.33	3.41	0.90
Profit Markup %	100.56	99.93	99.27	104.82	95.36
PBT Margin (Profit Before Tax) %	4.61	2.96	4.16	4.22	1.21
Return on Equity %	15.51	12.18	22.33	18.78	5.42
Return on Capital Employed %	21.78	19.02	26.87	22.69	7.42
Return on Assets %	8.58	4.33	8.60	8.92	2.18
Return on Working Capital %	62.09	52.51	241.95		
Operating Costs (% of Sales) %	95.42	97.09	95.86	95.78	98.72
Administration Costs (% of Sales) %	46.11	45.62	45.68	46.96	47.53
Liquidity Ratios					
Current Ratio Absolute	1.42	1.04	0.95	0.90	0.81
Quick Ratio Absolute	0.60	0.44	0.35	0.17	0.11
Cash Ratio Absolute	0.50	0.40	0.29	0.08	
Leverage Ratios					
Net Debt to Equity Absolute					0.17
Efficiency Ratios					
Asset Turnover Absolute	2.66	2.56	2.58	2.62	2.43
Fixed Asset Turnover Absolute	19.09	20.41	17.93	12.76	10.17
Inventory Turnover Absolute	3.21	3.20	3.32	3.23	2.96
Current Asset Turnover Absolute	3.82	3.69	4.01	4.75	4.85
Capital Employed Turnover Absolute	4.75	6.53	6.49	5.38	5.78
Working Capital Turnover Absolute	12.98	11.45	83.04		
SOURCE: COMPANY FILINGS				MARKETLINE	

Table 25: ASOS Plc: Key Employees

Name	Job Title	Board
Adam Crozier	Chairman	Executive Board
Anna Suchopar	General Counsel	Senior Management
Anna Suchopar	Secretary	Senior Management
Hilary Riva	Director	Non Executive Board
Ian Dyson	Director	Non Executive Board
Karen Geary	Director	Non Executive Board
Mai Fyfield	Director	Non Executive Board
Mat Dunn	Chief Financial Officer	Executive Board
Mat Dunn	Director	Executive Board
Nick Beighton	Chief Executive Officer	Executive Board
Nick Robertson	Director	Non Executive Board
Rita Clifton	Director	Non Executive Board
Robert Birge	Chief Growth Officer	Senior Management

SOURCE: COMPANY FILINGS

MARKETLINE

9. Macroeconomic Indicators

9.1. Country data

Table 26: United Kingdom size of population (million), 2014–18

Year	Population (million)	% Growth
2014	64.5	0.6%
2015	64.8	0.6%
2016	65.2	0.6%
2017	65.5	0.5%
2018	65.9	0.5%

SOURCE: MARKETLINE

MARKETLINE

Table 27: United Kingdom gdp (constant 2005 prices, \$ billion), 2014–18

Year	Constant 2005 Prices, \$ billion	% Growth
2014	2,507.1	2.8%
2015	2,576.1	2.8%
2016	2,641.3	2.5%
2017	2,705.7	2.4%
2018	2,772.3	2.5%

SOURCE: MARKETLINE

MARKETLINE

Table 28: United Kingdom gdp (current prices, \$ billion), 2014–18

Year	Current Prices, \$ billion	% Growth
2014	2,853.7	12.7%
2015	2,979.4	4.4%
2016	3,107.0	4.3%
2017	3,243.4	4.4%
2018	3,389.9	4.5%

SOURCE: MARKETLINE

MARKETLINE

Table 29: United Kingdom inflation, 2014–18

Year	Inflation Rate (%)
2014	1.6%
2015	1.8%
2016	2.1%
2017	2.0%
2018	2.0%

SOURCE: MARKETLINE

MARKETLINE

Table 30: United Kingdom consumer price index (absolute), 2014–18

Year	Consumer Price Index (2005 = 100)
2014	128.2
2015	130.5
2016	133.2
2017	135.8
2018	138.6

SOURCE: MARKETLINE

MARKETLINE

Table 31: United Kingdom exchange rate, 2014–18

Year	Exchange rate (\$/£)	Exchange rate (€/£)
2014	0.6073	0.8062
2015	0.6544	0.7260
2016	0.7407	0.8192
2017	0.7760	0.8770
2018	0.7502	0.8850

SOURCE: MARKETLINE

MARKETLINE

Appendix

Methodology

MarketLine Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, MarketLine's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

MarketLine aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – MarketLine has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

9.2. Industry associations

9.2.1. Electronic Retailing Association

2000 North 14th Street, Suite 300, Arlington, VA 22201, USA

Tel.: 1 800 987 6462

Fax: 1 703 841 8290

www.retailing.org

9.2.2. Interactive Media in Retail Group (IMRG)

25 Floral Street, Covent Garden, London WC2E 9DS, GBR

Tel.: 44 20 7 189 5533

Fax: 44 7000 39 46 74

www.imrg.org

9.2.3. European Electronic Retailing Association

Chaussee d'Alsemberg 999, B-1180 Brussels, BEL

Tel.: 33 1 34 89 22 48

Fax: 33 1 34 89 22 48

www.eraeurope.org

9.2.4. British Retail Consortium

21 Dartmouth Street, London, SW1H 9BP, GBR

Tel.: 44 20 7854 8900

Fax: 44 20 7854 8901

www.brc.org.uk

9.2.5. European E-Commerce and Mail-Order Trade Association (EMOTA)

Rue Belliard 20/3A, Brussels 1040, BEL

Tel.: 32 2 502 02 27

Fax: 44 7000 39 46 74

www.imrg.org

9.3. Related MarketLine research

9.3.1. Industry Profile

Online Retail in Germany

Online Retail in France

Online Retail in Europe

Online Retail in Asia-Pacific

Online Retail in the United States

About MarketLine

In an information-rich world, finding facts you can rely upon isn't always easy. MarketLine is the solution.

We make it our job to sort through the data and deliver accurate, up-to-date information on companies, industries and countries across the world. No other business information company comes close to matching our sheer breadth of coverage.

And unlike many of our competitors, we cut the 'data padding' and present information in easy-to-digest formats, so you can absorb key facts in minutes, not hours.

What we do

Profiling all major companies, industries and geographies, MarketLine is one of the most prolific publishers of business information today.

Our dedicated research professionals aggregate, analyze, and cross-check facts in line with our strict research methodology, ensuring a constant stream of new and accurate information is added to MarketLine every day.

With stringent checks and controls to capture and validate the accuracy of our data, you can be confident in MarketLine to deliver quality data in an instant.

For further information about our products and services see more at: <http://www.marketline.com/overview/>

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