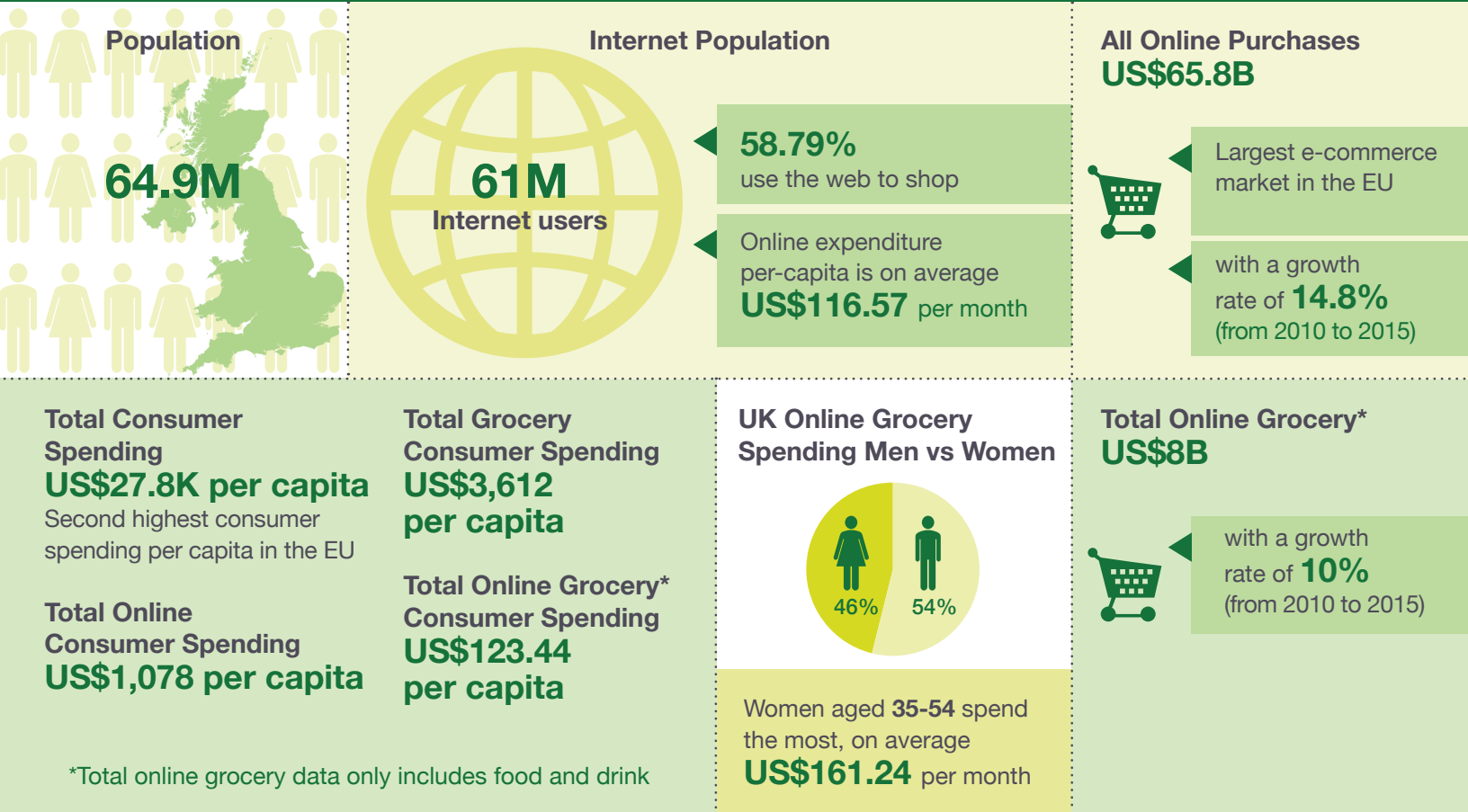


AN OVERVIEW OF E-COMMERCE TRENDS IN THE UNITED KINGDOM

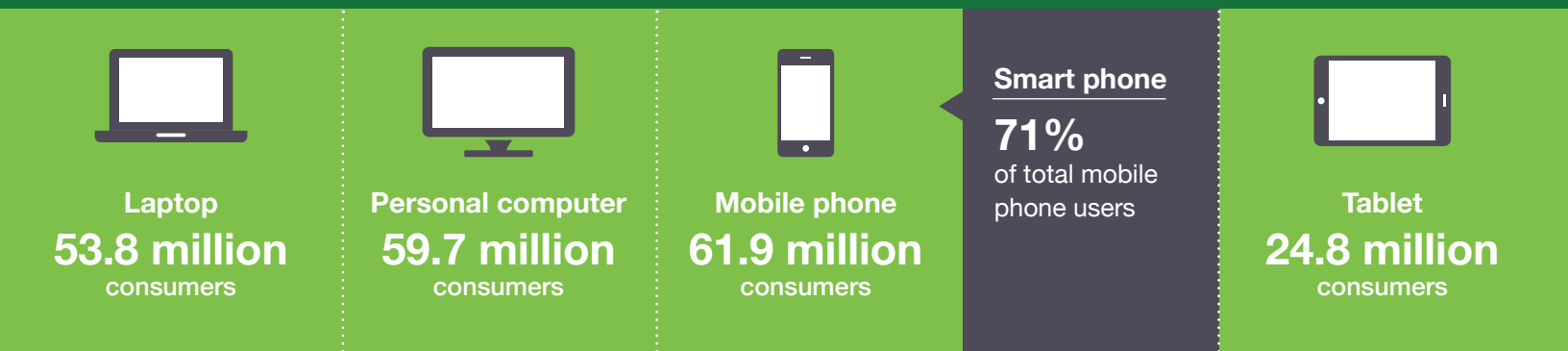


BASIC ELEMENTS TO CONSIDER FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)
DOING BUSINESS IN THE UK VIA E-COMMERCE CHANNELS

QUICK FACTS (2015)



TOP METHOD OF ACCESSING THE INTERNET



UK's TOP INTERNET E-GROCERS in edible grocery sales - US\$ Millions





THE E-COMMERCE MARKET

British consumers are increasingly favouring online grocery shopping for its time-saving benefits. Thanks to this trend, Canadian SMEs are less limited by their locality and can more easily do business abroad.

UK'S SHOPPERS WANT:

- Ethical-environmental impact brands
- Convenient food products
- Affordable shipping prices
- Quality of food
- Simple return policies
- Multiple price ranges



Click-and-collect services

Click-and-collect services allow consumers to order items online and collect them at local stores. With 35% of its online shoppers using click-and-collect services in 2014, the UK represents the largest global user of this service. British consumers favour click-and-collect because it allows for a simpler return process and saves on shipping delays and costs. It is estimated that 82 million click-and-collect transactions will be made in 2015, representing a 17% increase from 2014.

UNDERSTANDING THE UK'S ONLINE MARKETPLACE TRENDS

Consumers are increasingly favouring bulk online orders for key staples, with demand increasing by more than 30%.



Consumers tend to buy more frozen foods online; virtual shopping carts have 25% more frozen products than in-store shopping carts.



Aging consumers are increasingly techonology savvy, which is creating an online niche for this target consumer group.



COMPANY SPOTLIGHT

Tesco is the UK's leading grocer & holds the largest edible grocery market share with 24.3% in 2015.

It has 28 distribution centres across the UK & the Republic of Ireland.

Tesco provides 1 hour delivery slots available to 98% of the UK population.

It remains at the forefront of dark store technology (distribution centres that cater exclusively to online shopping), with plans to open one additional store per year for the foreseeable future.

Tesco imports a large amount of goods from other countries, such as the United States.



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