International Post Corporation

SME online retailers look to marketplaces for sales but physical stores remain important, says Royal Mail

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Almost six in ten (58 per cent) UK SME online retailers sell their products through an online marketplace whilst 75 per cent have their own website, according to a study commissioned by Royal Mail. With global reach and the leading enabler of ecommerce in the UK, Royal Mail is well placed to observe trends across the industry.

Over half (56 per cent) are planning to sell through new or additional channels in 2019. The most popular channels for doing so include: looking for space in another physical store to sell goods (41 per cent), listing on additional marketplaces (39 per cent) and via exhibitions or trade fairs (27 per cent).

The research found that almost half (47 per cent) of UK SME online retailers have a physical store as well as a presence online. For those that sell in a physical store, 80 per cent say it is their own store but 33 per cent sell in another retailer's store. However, other popular ways to sell goods for these retailers include: over the telephone (22 per cent), via exhibitions (13 per cent) and via a catalogue (12 per cent).

Just under one in five (19 per cent) UK SME online retailers import goods, 16 per cent export goods and 52 per cent do both. 12 per cent neither import nor export goods.

However, Over eight in ten (81 per cent) of those that sell overseas target Europe, 42 per cent sell to the USA and 29 per cent to Canada. Asia (27 per cent) and Australasia (23 per cent) are also common destinations to target.

A spokesperson from Royal Mail said "Entrepreneurial UK SME online retailers are increasingly turning to online marketplaces to sell their products. The rise of online marketplaces is impacting the way consumers shop online and how retailers sell to their customers but the physical store still has a role to play. As the ecommerce sector becomes increasingly global, UK SME online retailers should look at opportunities to expand the international side of their business. At Royal Mail, we already support many retail businesses in their overseas expansion and we look forward to working with even more of them in the future".

Source: Royal Mail