International Post Corporation

SME online retailers express confidence for 2020 and beyond

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Seven in ten (70 per cent) UK SME online retailers are confident that their sales will increase in 2020, according to a study commissioned by Royal Mail.

Among the main reasons for this is that they plan to increase advertising/marketing spend (48 per cent) and make changes to improve the customer experience (36 per cent).

79 per cent of these retailers rate the prospects for business as good or very good over the next five years. With global reach and the leading enabler of ecommerce in the UK, Royal Mail is well placed to observe trends across the industry.

The biggest perceived challenges for UK SME online retailers in 2019 are online competition, economic uncertainty in the UK and pricing goods competitively. 62 per cent of retailers experienced an uplift in sales last year, compared to the previous year.

UK SME online retailers are increasingly looking overseas to increase their sales. The study also found two-thirds (66 per cent) of UK SME online retailers currently sell overseas. These retailers sell the most to Europe, USA, Asia and the Middle East.

In the coming year, 62 per cent of online retailers intend to increase their international sales revenue. Key plans for increasing international sales revenue include: simplifying the sales/ordering/delivery and payment process (33 per cent), selling more to the markets they already sell to (28 per cent) and targeting new markets and countries (21 per cent).

Shane O' Riordain, Managing Director of Marketing, Regulation And Corporate Affairs, Royal Mail said "As we enter a new decade, the level of business confidence is promising for 2020 and the years beyond. Royal Mail already supports a wide range of retail businesses, providing them with the tools they need to succeed in the UK and across the globe. We look forward to working with even more of these great businesses this year."

Source: Royal Mail