

IMRG e-Jobs Index 2011

In association with
eDigitalResearch 
 For informed direction



- 730,000 jobs now in e-commerce, 20% more than a year ago
- The UK now has 228,000 online retail businesses, an estimated 30% more than a year ago
- 63% of online retailers surveyed increased staff levels over the past twelve months
- 74% of e-commerce businesses surveyed have grown their revenues over the past year
- 60% of online retailers are looking to increase staff numbers over the coming months

Online continues to be a growing force in the UK jobs market. A recent study by IMRG into the shape of the e-commerce industry demonstrates the rate at which e-commerce businesses continue to develop, generating wealth, new job opportunities, and driving innovations and improvements as changing consumer trends continue to pull the industry forward.

An estimated 730,000 now work directly in or support the e-commerce industry, increasing by 20% over the past 12 months alone. If growth continues at this rate, it is expected that this number will double to 1.5 million by 2015 and presents a huge opportunity for UK job seekers and the market as a whole.

The study, the second of its kind, reveals that since March 2010, 74% of e-commerce channels and businesses have increased their revenues, and in turn, developed their business (Figure 1).

Figure 1

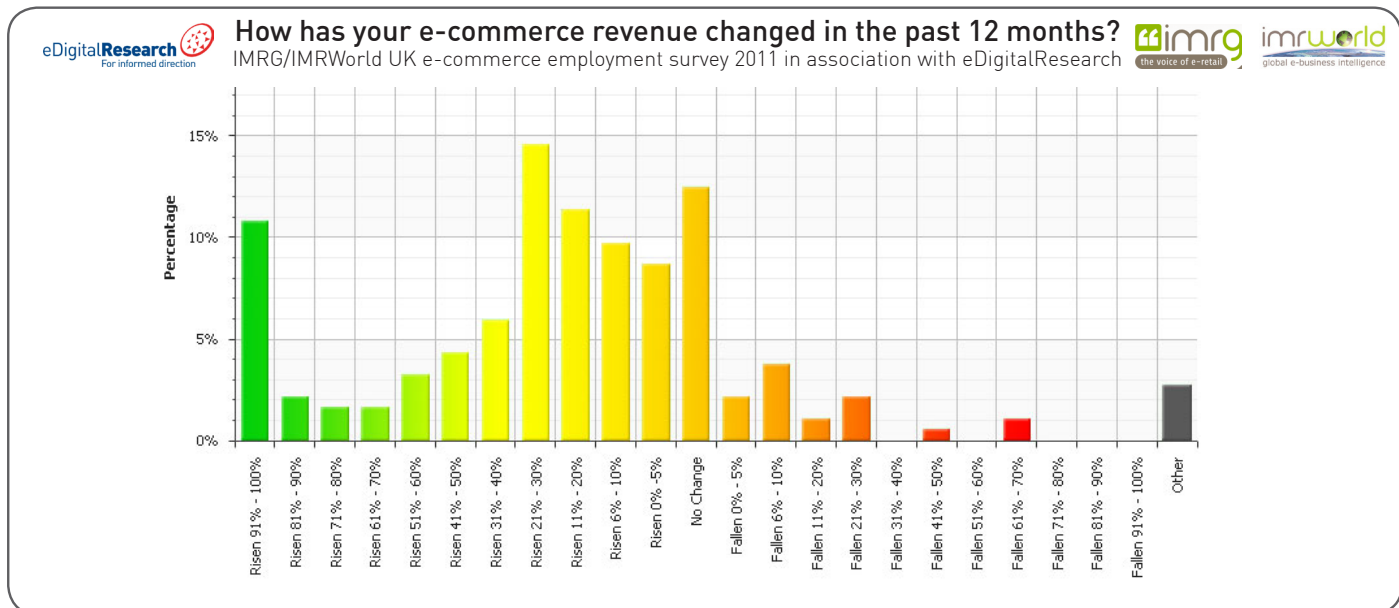
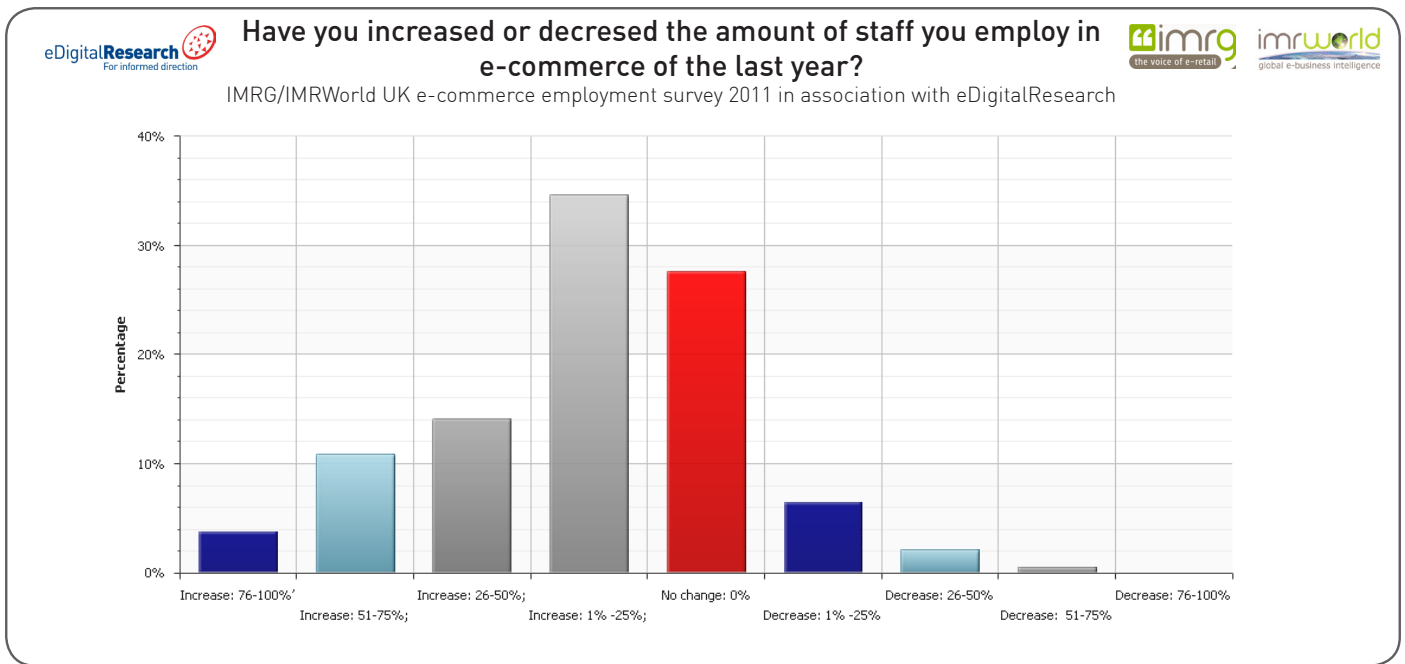


Figure 2



This, consequently, should present a wealth of new opportunities and job openings for industry professionals as retailers continue to recruit to help with the expansion of business. Of those surveyed, 63% had increased their staff numbers since last year, providing new recruits the chance to expand their knowledge base and develop their skill set. This, in turn, feeds the growth of the industry, as professionals bring with them fresh ideas, innovations and a new way of thinking.

However, early results indicate that 2011 may see slower growth in the e-commerce industry than previous years. So far, of those surveyed, 1.6% indicated that they established e-commerce channels, departments or businesses in 2011 (Appendix 1), whilst 3% specified the same at this time last year (Figure 2). However, calculations suggest that there are now an estimated 228,000 online retail business in UK, increasing by around 30% on the figures last year, demonstrating that the e-commerce industry continues to grow.

More importantly, of the retailers surveyed (185), 63% have increased their staffing levels over the past year (Figure 2). However, this figure stands at 17 percentage points less than the number anticipated 12 months ago and is likely to be attributed to the rapid pace of change in online consumer behavior. As consumer uptake of a number of new platforms continues to surge, retailers and online businesses are having to make quick changes to their strategic plans and operations. This includes internal departments, job roles and individual staff responsibilities as businesses adapt to recent customer behavior trends.

This year, 61% of e-commerce retailers indicate that they will aim to recruit additional staff members in the next year (Appendix 2), with 37% of these in the coming three months. These figures have dropped 17 percentage points and 2 percentage points respectively and perhaps paint a more realistic picture of future recruitment intentions within the industry.

Over 80% (80.54%) of e-commerce businesses and channels have been established since 2000, with over 10% established in 2006 alone. However, the past few years has seen this start up market stabilising, with growth levels remaining at a constant rate of just over 7% in both 2009 and 2010 (Appendix 1), as new channels and markets begin to emerge.

The e-retailers surveyed now, on average, employ over an additional 10 extra employees as when they first started trading (Appendix 3). This alone demonstrates the phenomenal pace at which the

online market has grown and continues to evolve. Recent rapid developments in m-commerce are likely to push the industry further forward and present an exciting and hopeful time for e-commerce workers.

Over the past year, 43% of retailers surveyed suggested that up to 50% of their businesses' total revenue was generated from online operations (Appendix 4). More importantly, 41% of those surveyed indicated that 91-100% of overall revenue comes directly from their e-commerce channels, an increase of 4% on the same figures last year, representing the continued growth of the industry, and establishes the importance for dedicated e-commerce teams and staff members.

Christmas remains the most popular time of the year for online retailers to recruit extra staff, with over 1 in 4 retailers (28%) declaring that they will look to employ temporary staff to help with the increase in online operations and mirrors popular thinking that Christmas remains one of the busiest times of the year for high street, pure play and multichannel retailers (Appendix 5).

James Roper, CEO at IMRG, comments, "The continuing strong growth in e-jobs is particularly welcome now when so much employment is being lost across the rest of the economy. The UK leads Europe in e-retail, so many of these new jobs are well paid and right at the cutting edge of commercial innovation, with the skills being developed here arming Britain to win in the ultra-competitive global online marketplace that is already worth billions of pounds per annum to thousands of UK e-retailers who are selling cross-border. Despite the recession, domestic e-retail continues to grow at 18% year-on-year as millions of hard-pressed consumers shop online to make their money stretch further, and with a third of the UK's adult population yet to shop online, e-retail is set to continue to be a key employment generator for years to come".

Chris Russell, Director at eDigitalResearch, comments, "This is a very important time for the online industry. As more and more customer channels are emerging, we are seeing multiple channels and departments merge together to help create a coherent message for customers. This appears to have been confirmed by the online businesses surveyed in this second study, that whilst well over half have recruited over the past year, it is not as much as anticipated as retailers begin to focus their efforts across channels. This is not to say that the e-commerce jobs market is beginning to decline. It simply means that, along with everything else in the e-commerce industry, it is evolving in order to cope with the shifting consumer trends we are witnessing".

A cast of thousands

For every person that is employed by an online retailer, another works in support of the online industry, providing skilled services such as distribution and delivery, customer support, payments, website developments, search, marketing, security and administration.

It is essential that this support network is included in the overall online employment picture. As it currently stands, distribution and delivery remains the most important supporting factor and we currently estimate that 115,700 number of workers will deliver some one billion parcels from online businesses to customers in 2011.

eBay

It is important to acknowledge the large influence that eBay has over the online market. Recent results released by the company suggest that over 340,000 full time staff work for over 200,000 UK eBay merchants alone.

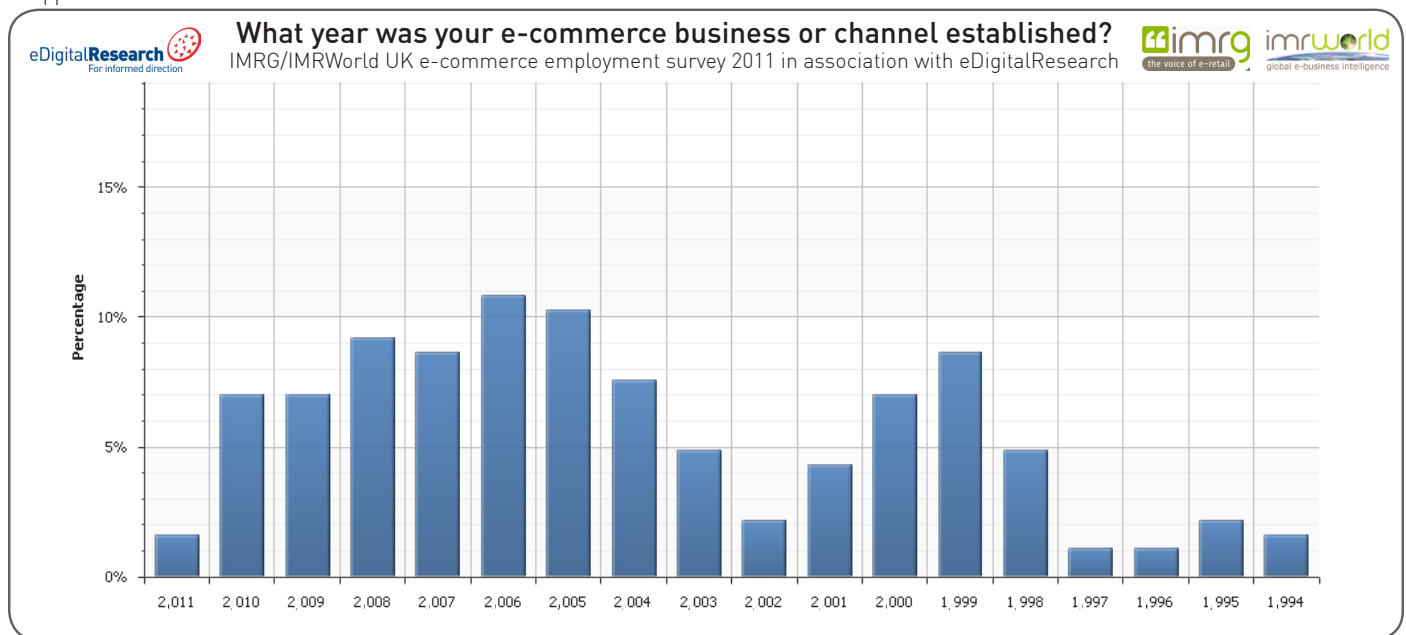


Notes and appendices

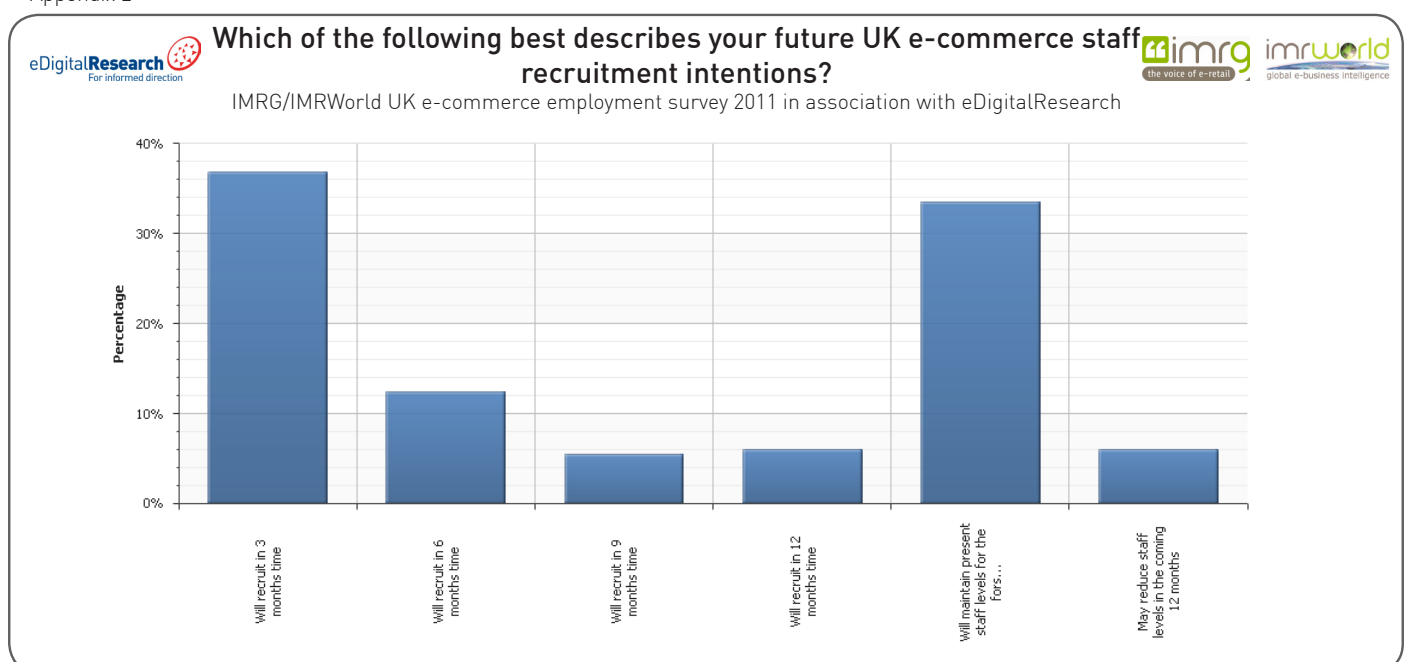
The IMRG and IMR World e-Jobs Index was conducted between February and April 2011 in association with eDigitalResearch. This is the second study of its kind and was completed by employees of online businesses who are associated with the e-retail market. In total, 185 responses were collected.

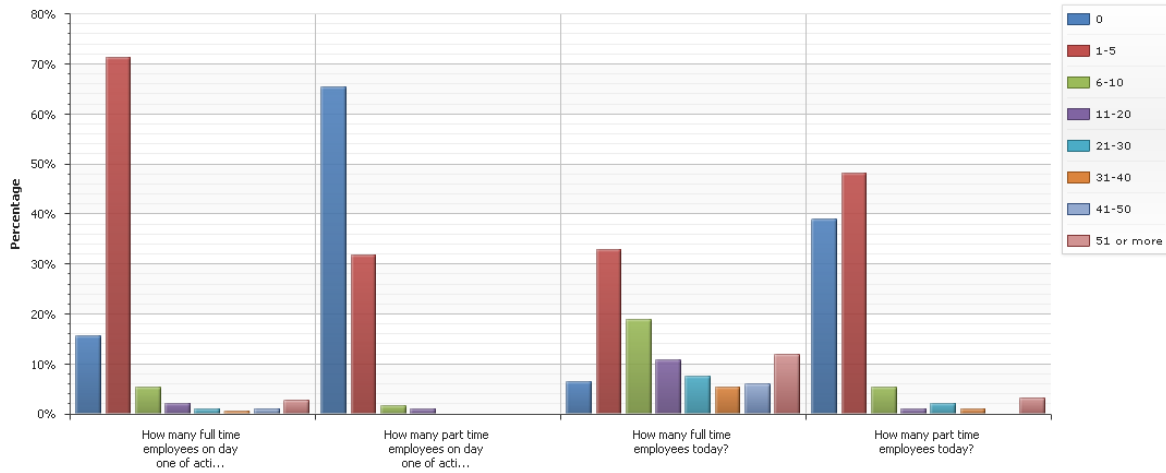
The following graphs represent a selection of the results from the IMRG e-jobs Index.

Appendix 1



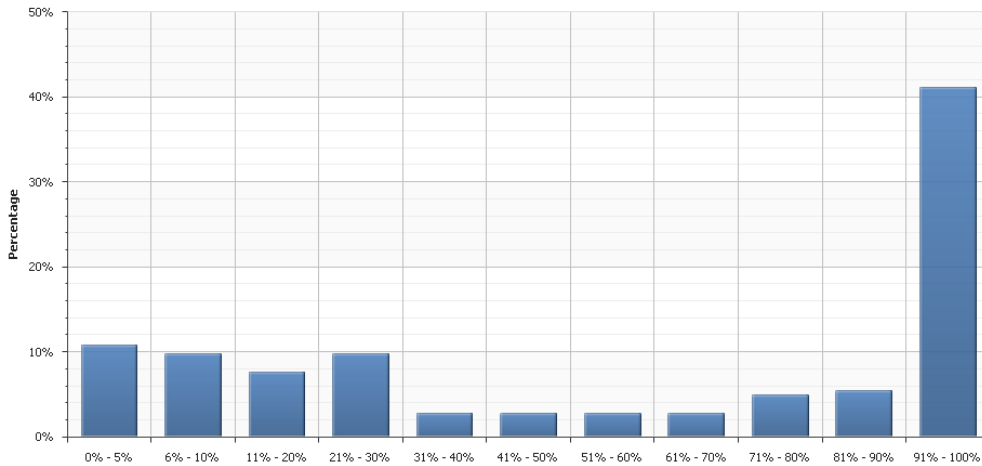
Appendix 2





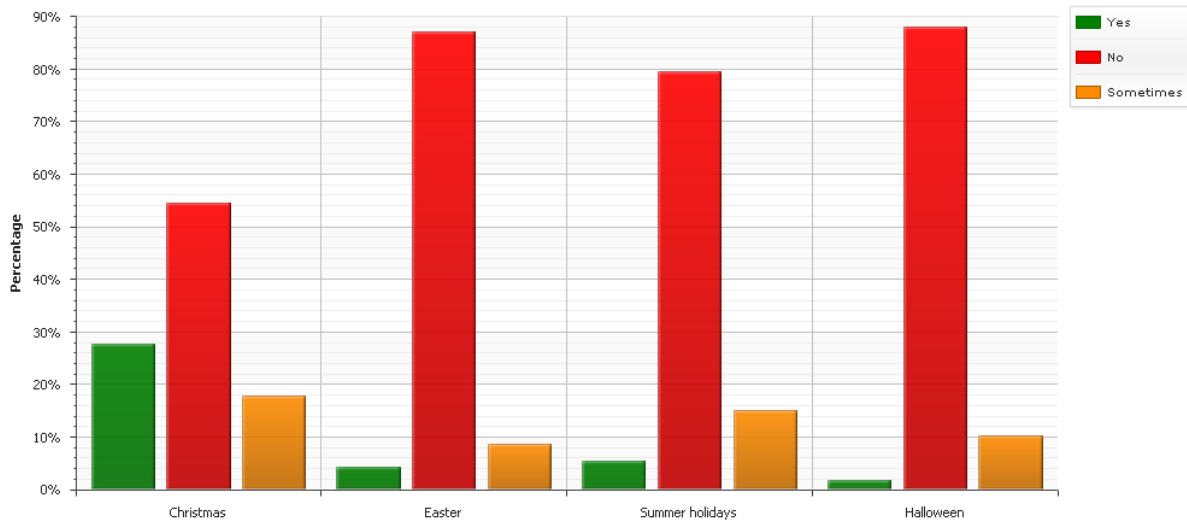
What percentage of your total annual revenue is generated by e-commerce?

IMRG/IMRWorld UK e-commerce employment survey 2011 in association with eDigitalResearch



Do you hire UK based temporary staff at any of these times of the year?

IMRG/IMRWorld UK e-commerce employment survey 2011 in association with eDigitalResearch



About the 'IMRG e-jobs Index'

The e-jobs Index in IMRG's annual survey of employment generated by British retailers trading on the Internet and the businesses in support of their trade. The Index focuses on the attitudes of business performance of IMRG members and ISIS-accredited retailers. It is based on a survey of 185 online retailers. The survey was conducted by IMRG and eDigitalResearch between February and April 2011. Additional information was provided by eBay.

About IMRG

IMRG (Interactive Media in Retail Group) is the UK industry association for global e-retail. Formed in 1990, IMRG is setting and maintaining pragmatic and robust e-retail standards to enable fast-track industry growth, and facilitates its community of members with practical help, information, tools, guidance and networking. Consumers can be confident when dealing with IMRG Members because all interact in an environment where they are encouraged to operate using methods that are Honest, Decent, Legal, Truthful and Fair, and have undertaken to not bring the industry into disrepute. The strength of IMRG is the collective and cooperative power of its members. For more information please visit <http://www.imrg.org/> or email market@imrg.org

About eDigitalResearch

eDigitalResearch are research specialists with expertise in online business. When you have to make critical business decisions – we can give you the precise multichannel insight and informed direction you need. Surveys, panels and communities combine to provide holistic insight which gives clients the confidence and evidence to make crucial decisions on product range, marketing, customer service, supply chain and even basic positioning. For more information please visit www.edigitalresearch.com or email info@edigitalresearch.com