



Diversifying Revenue Streams

2024





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Introduction



Glynn Davis, Founder
Retail Insider / @GlynnDavis

Against a tough economic backdrop it is with great pleasure that we bring you some positive news with the launch of a report that highlights the many opportunities available to retailers who are up for exploring additional revenue streams.

We have sought out some of the UK's most interesting retailers, straddling various parts of the industry, and asked them about how they are developing their organisations beyond their established, core revenue streams.

They have each shared their experiences about how they have pushed into myriad new areas such as advertising, Direct-to-Consumer, subscription services, marketplaces, loyalty programmes, collaborations, and moving into aligned sectors such as hospitality.

The report is a good indicator of the activity taking place in the retail industry by progressive operators who are not bound to their original models but are bold enough to develop their businesses into new areas.

Their honest appraisals of not only their successes but also the challenges they have faced hopefully provides readers with plenty of take-aways that can be used to inform their own operations. We hope it will also potentially provide the inspiration and confidence for others to take advantage of the various adjacencies to their businesses and help them drive additional revenue streams.

I would like to thank each of the retailers who contributed to this report. Without the time they committed we would not have compiled this informative production. I'd also very much like to thank Webloyalty for its sponsorship of the report, which we hope you will find a valuable document.



Dominic West, Managing Director, Northern Europe
Webloyalty

We're very pleased to bring you a new report covering an increasingly exciting, and important, part of the retail landscape involving organisations tapping into new areas to drive additional revenues.

What is interesting is what retailers regard as additional revenue streams. Judging from the findings in this report they view it in extremely broad terms – encompassing straightforward moves into new categories and new markets. This is in addition to the likes of advertising, subscription schemes, and setting up marketplaces.

However they choose to define it there is no disputing the fact that seeking out new ways to drive revenues is becoming incredibly important in these challenging economic times. What is noticeable is the careful selection process retailers undertake when deciding what avenues to pursue. This is highlighted by the major supermarkets that have all been setting up retail media divisions of late while at the same time have been divesting non-core activities such as their banking and financial services operations.

There is no doubt that retailers are increasingly leveraging their customer data to determine which additional revenue streams should receive their time and attention, and are ultimately most likely to deliver the greatest returns. We will no doubt see AI play an ever greater role in this area in the future.

We are most grateful to the group of retailers who have given up their time to share their varied insights in this report. They have detailed their approach to introducing additional revenue streams and shared their experiences of how these new areas have been developed within their organisations.

We would also like to thank Glynn Davis and Retail Insider for collaborating with Webloyalty on this report and producing a publication that shines the spotlight on an area of the retail sector that is playing an increasingly important role.

Digital Champions



Aron Gelbard, Co-Founder & CEO
Bloom & Wild

Aron co-founded Bloom & Wild in 2013, having previously worked as a consultant at OC&C and then Bain & Company, in both London and Silicon Valley. In just over a decade he has built Bloom & Wild into Europe's leading online flower and plant business. Aron pioneered the letterbox flowers concept and harnessed technology and data science to reinvent the industry operating across eight European markets. Under Aron's leadership, Bloom & Wild has raised over £100 million in equity funding from investors including General Catalyst and Index Ventures.



Lara Chant, Co-Founder
Brityard

Under Lara's leadership Brityard has evolved from a digital marketplace into a physical destination. Currently partnering with The Crown Estate to transform an underutilised Regent Street site into a collaborative hub hosting best-in-class local brands and talent. As well as traditional retail the space enables brand-led activations, events, sampling, networking, and collaborations. Lara was previously a corporate strategist at Haymarket Media Group, where she spent seven years, working across a £40 million global media portfolio, involving 17 diverse sectors.



Kresse Wesling CBE, Co-Founder
Elvis & Kresse

Kresse is an award-winning environmental entrepreneur and Young Global Leader. In 2005 she launched luxury goods brand Elvis & Kresse, which turns industrial waste into innovative lifestyle products and returns 50% of profits to charities related to the waste. The first product line was made from decommissioned fire hose, and leather goods have been added using offcuts from Burberry. The company's workshop now sits within a regenerative farm that will ultimately make the whole operation carbon neutral.



Chris Portwood, Chief Sales Officer
COOK

Chris became chief sales officer in late-2020 after serving in a variety of roles at COOK beginning in 2007 as head of wholesale before moving onto head of sales and development director. He is accountable for growth at the company leading multiple teams and full P&L responsibility. Prior to COOK Chris spent time at FedEx and on the shop floor at Next, which he joined after University.



Andy Smallwood, CEO
Ribble Cycles

Andy was appointed CEO of Ribble Cycles in 2017 and his strategy has dramatically transformed and reinvigorated the 126-year-old British brand into an industry leading, dynamic, award winning and world-class proposition. He was formerly MD of Boardman Bikes and was instrumental in the creation of a new British bike brand with British Cycling Legend – Chris Boardman. From initial concept and strategic direction through to product development and overseeing the rapid growth of the brand both in the UK and Internationally.



Paul Wright, Head of Advertising for UK & Ireland
Uber

Paul is responsible for all advertising, from Uber's Journey Ads to the sponsored messaging in Uber Eats. He started his career at Sky, where he moved from TV sales into the commercial web. He later co-founded a sports-focused ad network and held a variety of digital roles at Bauer and AOL. He was appointed as the first chief digital officer for OMD Group UK and then Omnicom Media Group UK. Paul then joined Apple's first ad business, iAd, and ran that across international markets. He has also been involved in a number of other Adtech businesses, including Sizmek, which was sold to Amazon in 2019.



Monty George and Dan Beckles, Co-Founders
Furniturebox

Dan had planned to study economics at University but when friend Monty approached him to give Furniturebox a try for a year he changed his plans. Both were 17 years of age at the time and prior to Furniturebox Monty had spent his early teenage years selling on eBay before finding furniture as the perfect growth area when paired with free next day delivery. Both Monty and Dan attended Bishop Wordsworth's Grammar School in Salisbury and have based Furniturebox in Chippenham.



Cas Paton, Founder & CEO
OnBuy

Cas created OnBuy in 2016 and has been leading the business since that date. The online marketplace brings together millions of products from thousands of business sellers across over 100 countries. Prior to founding OnBuy he worked for various online industries including e-commerce, marketplaces and web development. During this time he has built up skills across retail, distribution, logistics, international sales and marketing.



Aron Gelbard
Co-Founder & CEO



1. What are your thoughts on extending businesses into new areas?

At Bloom & Wild, we are trying to build Europe's leading flower and gifting destination. As a result of this, we are constantly considering ways of expanding what we do so we can reach more consumers and offer them more choice. Over the years we have developed a strong platform, which our customers love and trust and so there is a natural logic to extending our ranges into adjacent areas, where we can maintain our core values, as well as remaining true to our customer proposition. We are also seeing strong evidence that customers are increasingly prioritising sustainability in their shopping decisions. As a newly certified B Corp, we are therefore keen to make Bloom & Wild available in as wide a range of channels as possible.

2. What types of new revenue streams have you moved into?

We've expanded on a number of fronts.


International: Having launched in 2013, we expanded organically into Germany, France and Ireland in 2017. We then accelerated our international expansion in 2021 with the acquisition of Netherlands based bloomon and France-based Bergamotte. We now trade with three brands across eight European markets and have become Europe's leading direct-to-consumer flower platform.

Product categories: Having started with our signature letterbox flowers, we expanded into hand-tied flowers, then into plants (including our much loved tiny letterbox Christmas trees).

In 2022 we began selling standalone gifts outside flowers and plants from like-minded premium brands, including freshly-baked brownies and cakes, biscuits and chocolates, and scented candles and diffusers. In 2023, we launched our first range of premium greeting cards to accompany our flowers and gifts.

Corporate: We started as a consumer-facing business but have expanded into corporate gifting. Our flowers, plants and Christmas trees are popular with businesses looking to thank customers for their loyalty or apologise to them when things have gone wrong. We offer personalisation, flexible payment options and dedicated account management. We've expanded from direct corporate sales into a number of B2B marketplaces.


Subscriptions: Bloom & Wild is primarily a one-off gifting company. However, we've always offered both fixed duration 'pay upfront' gift-focused subscriptions and ongoing self-purchase-focused subscriptions. Our letterbox flowers have always been popular for gift subscriptions, especially at peaks such as Christmas, Valentine's and Mother's Day. We have evolved our self-purchase subscription proposition over the last 18 months



“ We want to recognise our customers’ loyalty more formally, especially as our most frequent customers now widely shop with us in other gifting categories beyond flowers, and so our loyalty program is an important step. ”

since the acquisition of bloomon, which was historically a subscription-focused business, and benefit from their expertise and subscription-focused technology. We now offer a range of subscription styles and sizes in the UK and our international markets, via both our Bloom & Wild but also our bloomon brand.

Loyalty: In 2024, we will be launching our first dedicated point-earning loyalty program. We have focused on building relationships with our most loyal customers for years, with innovations such as our app (which was the first dedicated flower gifting app and an Apple Pay launch app in the UK), and our birthday/occasion calendar functionality. However, we want to recognise our customers’ loyalty more formally, especially as our most frequent customers now widely shop with us in other gifting categories beyond flowers, and so our loyalty program is an important step.



3. What would you say have been the pros and cons of adding new revenue streams – including the need to bring in new people with the relevant skill-sets?

These extra revenue streams have first and foremost helped us serve more customers and offer our customers more choice. We’re proud of our NPS of around 80 in an industry where average NPS figures are close to zero, and so are constantly seeking to introduce new customers to our proposition. It is built on a bespoke shorter supply chain to ensure greater freshness, and relies on proprietary technology to deliver a seamless customer experience and to reduce waste down to below 10% in an industry where it can be as high as 40%.

4. In addition to driving additional revenue, have these activities brought any other benefits?

We have enriched our understanding of our customers by offering a wider proposition, in particular with the offering of options like subscriptions and CRM features like occasion reminders. This has allowed us to customise our communications and proposition and serve our customers better. We expect this to meaningfully accelerate with the introduction of our loyalty program this quarter.

Our Bloom & Wild app continues to attract an increasing proportion of our customers.

This enables a more personalised customer offering, richer data insights and ultimately results in higher lifetime values. Since we have migrated bloomon onto our tech platform, we have also launched a bloomon app, utilising our existing tech architecture, and this is seeing encouraging take-up rates, along with improved customer economics.

5. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

Our focus for this year will be on developing our loyalty program which we see as a real win-win as it gives our customers better offers and prices while enabling us to understand them better and be more targeted and personalised with what we present to them. We will also be launching our broader range of non-flower gifts into other markets outside the UK, and continuing to develop and refine the range in response to customer feedback.



BRITYARD

Lara Chant
Co-Founder

1. What are your thoughts on extending businesses into new areas?

I believe businesses should have total clarity on what they are great at, what their priorities are, whilst remaining open to exploring new opportunities that align with their overall strategy and vision. Ultimately, being agile enough to adapt and evolve your business around the changing needs of your customers and clients is how you continue to stay relevant and create a robust business. This is how you continue to grow as a business and offer something new and different for your customers. It's a balance of this and staying true to who you are as a brand. These new avenues must make sense to you and your customer.

2. What types of new revenue streams have you moved into?

Brityard was initially a directory, before becoming a drop-shipping e-commerce site but has now evolved into an immersive retail, hospitality and events destination in the heart of London. Re-imagining the use and monetisation of retail space is key to the Brityard concept, whether that be through memberships, pop-ups, events and or even private space hire to a wider audience.

3. Can you tell us a bit about each of your additional revenue streams?

We are still very early stage but our core revenue stream is B2B subscriptions, memberships, with hospitality, retail and events revenue in addition to this. Our partners in each of these core areas the invariably present further additional opportunities for us to explore.



ABOVE: Working with immersive brands

“ They inherently enhance the overall customer experience by offering variety in terms of both product and activities offered. From a retail perspective the mix of brands allows you to quickly understand and gauge what types of products and brands are instinctively interesting to the customer. ”

4. How have they developed – have there been any surprises along the way?

Before launch we had anticipated most interest would come from a larger volume of smaller brand partners, but in reality the opposite has been true with a smaller number of larger brands. We are still very much in test & learn mode so it will be interesting to see where this ends up. We have also been surprised by the level of interest in our event space outside of brand activations, which has allowed us to develop the event and private hire side of the business beyond our initial plans.

5. In addition to driving additional revenue, have they brought any other benefits (such as extra customer data etc...)?

They inherently enhance the overall customer experience by offering variety in terms of both product and activities offered. From a retail perspective the mix of brands allows you to quickly understand and gauge what types of products and brands are instinctively interesting to the customer.

6. What would you do differently with the benefit of hindsight in handling these new activities?

Having more time to build and plan the execution of this first site and all its various elements would have been ideal.

7. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

We would like to bring in a B2C membership offering that provides benefits and incentives for customer to regularly return to site. For example, a set number of wine tastings per year or access to exclusive events. If we have a larger space there are many other complementary non-retail partnerships we could introduce to create more 'c' to the overall Brityard offering.





ELVIS & KRESSE

Kresse Wesling
Co-Founder

1. What are your thoughts on extending businesses into new areas?

We think it is absolutely up to each business but for us it is imperative. We are on a mission to achieve multiple positive objectives - and given the challenges we face, as a society, this takes us into new areas. Essentially we want to do as much good as possible, and this means broadening our range of activities.

2. What types of new revenue streams have you moved into?

Farming, eco-tourism, events, R&D collaborations and technology development.

3. Can you tell us a bit about each of your additional revenue streams?

Farming: We have been thinking for a long time about how to be net regenerative, and for us that meant transforming a failed eco-system. We bought and now run a farm, regeneratively, as part of our

“ I think we like surprises and being in development. We love having challenges that are live, large and where a solution could have real impact. It helps with morale across the team and for continuing to engage stakeholders and a wider community. ”

business. The aim is for the farm to make money but it will take time and investment. Some of the projects here include building a straw bale workshop, running it on renewable energy, building a wetland-based sewage treatment system, planting trees, creating our own local waste-based composts, compost tea, planting a regenerative vineyard, and managing a flock of sheep. While there are no revenues yet there will be when there is wine (minimum time investment is four years).

Eco-tourism / events: The farm has a cottage (where we lived while the site was in development) and now a large workshop. We rent out the cottage and also we host all kinds of events. This helps to both support the existing business (Elvis & Kress goods) and the new business (Farm/Vineyard).

R&D collaborations / technology development: We have always wanted to do more for climate change, biodiversity loss and the circular economy. We have developed a solar powered micro forge



ABOVE: Transforming raw materials



with Queen Mary University of London and have initiated another circular economy collaboration with Bath University industrial design.

4. How have they developed – have there been any surprises along the way?

I think we like surprises and being in development. We love having challenges that are live, and large and where a solution could have real impact. It helps with morale across the team and for continuing to engage stakeholders and a wider community.

5. What would you say have been the pros and cons of adding new revenue streams – including the need to bring in new people with the relevant skill-sets?

Cons - it pulls from the main revenue stream. Pros - morale, unexpected synergies, and new potentially lucrative revenue streams.

6. In addition to driving additional revenue, have these activities brought any other benefits?

New audiences for the existing business.

7. What would you do differently with the benefit of hindsight in handling these new activities?

We don't do regret. We are as much a product of our successes and our failures.

8. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

We will continue to expand them over time and build the team around the new business lines.




ABOVE: Elvis & Kresse have been reclaiming heroic materials ever since we fell in love with London Fire Brigade's decommissioned fire-hose.



Chris Portwood
Chief Sales Officer

1. What are your thoughts on extending businesses into new areas?




Who doesn't want to find new revenue streams or extend into new areas? We've always been eager to try things out – occasionally too eager, perhaps. The bright, shiny new thing is always eye catching. Over the years, we've learned to become more disciplined about doing rigorous trials before getting too excited. The challenge is invariably the same: how do you give the new areas enough focus, but not too much that they divert attention from the core business? Jim Collins' framing of "big swings" and "sure things" or "protect the core/stimulate progress" encapsulates the challenge, and opportunity, well.



2. What types of new revenue streams have you moved into – examples below but no doubt there are others?

Two areas we've moved into the past year or so are subscriptions and vending.

3. Can you tell us a bit about each of your additional revenue streams?



The subscriptions market for D2C brands has obviously boomed in the past five or so years. And while there's been a bit of a post-pandemic bust – or, rather, the lockdown growth rates haven't been maintained – it remains true that subscription retail models now work in a way they have never done previously. Given we have a big e-commerce business,


adding a subscription service seemed an obvious step to take. COOK founder, Ed, woke up to the idea when he found his freezer drawer was often empty, even though he's in and out of COOK shops all day (and gets his food for free!). Busy people simply don't have the headspace to remember to restock the regular supplies they need. Hence the beauty of subscription.

Vending is something we've been interested in for years but the technology hasn't been available for us to give it a go. That's changed in the last few years and so we're eager to test out the potential. The opportunity to get COOK vending machines into spaces where a shop or a concession would never work is hugely exciting.



4. How have they developed – have there been any surprises along the way?

For subscription, we set ourselves the challenge of going from zero to launch in six months and just about made it, going live early last year. Since then, we've been taking things slowly, exploring where the natural customer base might be rather than rushing in with a big marketing effort. As with everything, we see it as a long-term game. Now that we're live, we're seeking to learn as much as possible in order to figure out where our next steps should be. One surprise has been that while we've attracted fewer initial subscribers than we hoped for, they've proven to be much more valuable than expected.



“ Subscription obviously provides a really rich dataset that we’re only just starting to dig into properly. Vending has introduced us to new potential partners we might otherwise have never met. Something may happen with vending or with another business area. In many ways, it’s a doorway to a different marketplace. ”



ABOVE: A meal from COOK

For vending, initially we thought a machine that vends food hot would be the way to go. Pretty soon we realised that wasn’t the case: a machine that vends frozen for people to then cook on the premises (e.g. in an office) or take home, is much more interesting.

5. What would you say have been the pros and cons of adding new revenue streams – including the need to bring in new people with the relevant skill-sets?

It’s the goldilocks scenario: needing to invest enough time and resource to get going, or fail fast, but not too much that it becomes a drain on the core business. We haven’t hired explicitly for either project. Giving people internally the opportunity to work on something new and exciting is both culturally important and the best way not to get burnt, in terms of over-commitment.

6. In addition to driving additional revenue, have they brought any other benefits (such as extra customer data etc...)?

Subscription obviously provides a really rich dataset that we’re only just starting to dig into properly. Vending has introduced us to new potential partners we might otherwise have never met.

Something may happen with vending or with another business area. In many ways, it’s a doorway to a different marketplace.

7. What would you do differently with the benefit of hindsight in handling these new activities?

All kinds of things. In any new venture, we’re inevitably going to make lots of mistakes. The important thing is to learn lessons fast. In subscription, for example, figuring out how to treat subscribers over the Christmas period was a challenge and not really something we could have figured out in advance. We needed to go through the experience to understand better the potential pain points. That’s one advantage of starting slow: you can make a few mistakes without it costing you a huge amount in terms of either money or reputation.

8. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

We’re still hugely excited by the potential of both subs and vending. Both have done well enough in year one that we’re committing to another year of investment and learning, at the very least.





Andy Smallwood
CEO



1. What are your thoughts on extending businesses into new areas?

It is vital that businesses continue to move forward for growth and adapt to changing or challenging trading environments. Opening up incremental revenue streams is an important factor for success.

2. What types of new revenue streams have you moved into?

We have continued to diversify our product range to attract new audiences as well as investing in our international customer journey and proposition with our global ecommerce collaboration with ESW. We have also continued to invest in our core customer base with one example being the strengthening of our Ribble Live virtual store that offers our customers the flagship showroom experience from the comfort of their homes worldwide.

3. Can you tell us a bit about one of your most successful additional revenue streams?

Our Ribble Live proposition supports our customers both pre and post purchase as well as virtually sampling the full brand emersion of our flagship showroom in Clitheroe UK. We have seen conversion rates and attributed sales continue to improve as we have continued to invest in this growing revenue stream.

4. How has that developed – have there been any surprises along the way?

Ribble Live is well established now and saw strong customer engagement from day one and has flourished as we have continued to learn and evolve the proposition. One of the early emerging benefits of Ribble Live is that the high AOV and product mix is closely aligned to our physical showrooms, which clearly demonstrates how the Ribble business is leading the market in terms of bridging digital and physical retail.





ABOVE: A Ribble showroom

“ It is vital that businesses continue to move forward for growth and adapt to changing or challenging trading environments. Opening up incremental revenue streams is an important factor for success. ”

5. What would you say have been the pros and cons of adding new revenue streams – including the need to bring in new people with the relevant skill-sets?

It is important to understand the risks and carefully manage the cost and resource required for getting proof of concept and then establishing new revenue streams, in doing so there is a risk that existing teams and resources can be stretched too far and focus can move away from the core business. However, when they are proven and established, then they can be transformational.

6. In addition to driving additional revenue, have they brought any other benefits (such as extra customer data etc...)?

Definitely, as well as driving new audiences and revenue we have seen brand, customer and market differentiating benefits from our initiatives.

7. What would you do differently with the benefit of hindsight in handling these new activities?

Managing internal expectations on visibility of returns and ensure there are adequate data points to make decisions, because some initiatives are right for the long-term but require time or adaptation from learnings to become truly established.

7. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

Product is in our DNA and at the heart of what we do, so further product diversification is a strong opportunity for us as is establishing the Ribble brand into incremental territories.



Uber

Paul Wright

Head of Advertising for UK & Ireland

1. What are your thoughts on extending businesses into new areas?

I believe that extending businesses into new areas can work well when executed with the right strategic vision coupled with the right resources to support the new areas business growth. I have been fortunate to work within many large multinational companies who have expanded their business into advertising, including Apple, Amazon and now at Uber. All of those businesses broadly fall into this trend called "retail media" or "commerce media", where advertising is added as a new revenue stream.

The benefits for companies are the following in my view:

Increased revenue: With more advertisers on our platform, we can create more profit that we can reinvest into the growth of our core businesses - accelerating the flywheel effects of our advertising program.

“ With more advertisers on our platform, we can create more profit that we can reinvest into the growth of our core businesses - accelerating the flywheel effects of our advertising program. ”

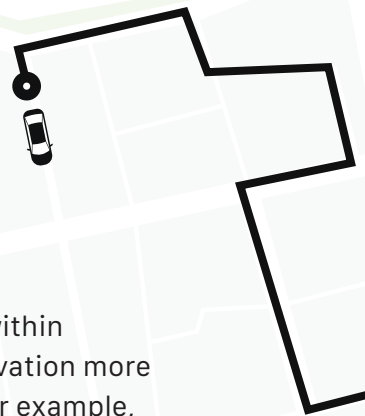
Innovation: New businesses within businesses tend to drive innovation more broadly across companies. For example, the Ads team here collaborates with many other Uber teams and can create new solutions and ideas for customers and the business.

Enhanced brand and image: Successfully venturing into new territories can strengthen a brand's image as innovative and adaptable.

Talent acquisition and retention: Offering new challenges and opportunities can attract and retain top talent.

Some potential challenges that can crop up when expanding include:

Resource constraints: Expanding requires sufficient resources, like funding, talent, and technology, which can be a hurdle.





ABOVE: Uber Eats delivery driver

Competition: New markets typically mean new competitors, requiring effective strategies to stand out. The UK, for example, is the third largest digital ad market in the world, so there are a lot of competitors out there for new entrants.

Adapting to new environments: Different markets have different regulations, customer preferences, and cultural nuances, necessitating adjustment. This is particularly true with advertising, so a need to think local when planning globally.

Execution risk: Expansion plans depend on proper execution, and mistakes can be costly, especially when entering mature markets (such as advertising).

Ultimately, there are great gains to be made as long as new areas leverage the business's existing strengths and knowledge and you make the right hires who understand the local market dynamics and customer needs.

2. Can you tell us a bit about your additional revenue streams?

Our new revenue stream is Advertising and it runs across both Uber Eats and Uber Rides. We have built a range of advertising products that can be bought,

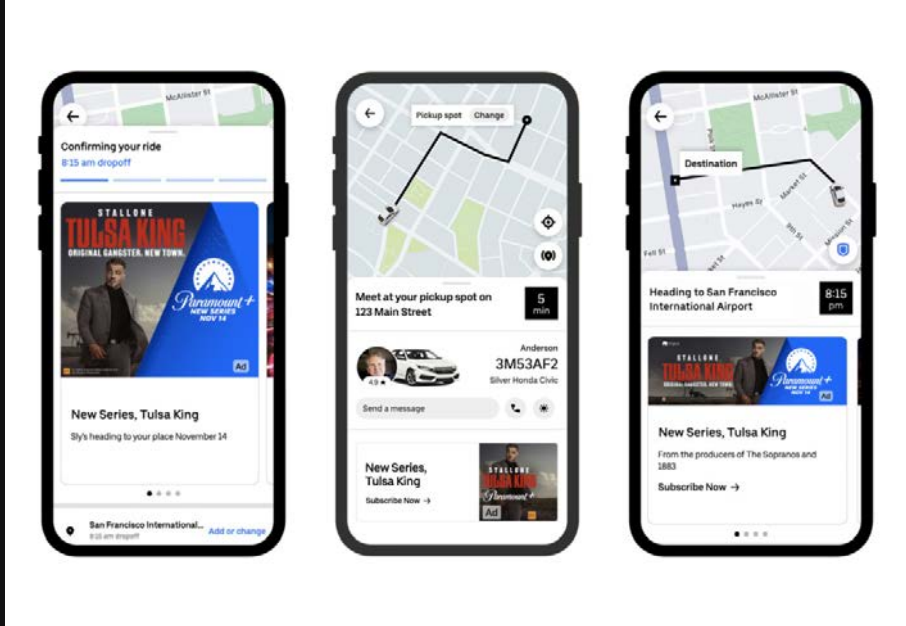
from sponsored listings for restaurant partners on Uber Eats to our latest product Journey Ads which exists in the Uber rides app and many more options beyond those (menu ads, storefronts, post check-out ads, sponsored products and so on).

In order to service our different clients' needs we have three main teams. One group focuses on our restaurant partners, another on our convenience partners and FMCG advertisers and another for those brands that are non-endemic to the platform. We have teams across the globe now, so we are able to work with customers at a local, regional or global level depending on what is required.

Our publicly stated ambition is to reach a run rate of \$1 billion in ads revenue globally this year.

3. How have they developed – have there been any surprises along the way?

No not really, beyond the fact that we have been able to scale very quickly. I look back on arriving at Uber in mid December 2022 and see just 12 months later how much we have progressed. We have a value at Uber called "go get it" and I've seen that demonstrated in spades this last year and we are only just getting started.



ABOVE: Uber Journey Ads

4. What would you say have been the pros and cons of adding new revenue streams – including the need to bring in new people with the relevant skill-sets?

There have been a lot of positives and hiring people with the right skill-sets is important at certain levels as they need the industry knowledge to get the right meetings and close business. However, there are other roles where it has been great to bring people from other teams at Uber into advertising as they have a wealth of experience and knowledge and can learn about advertising as they develop in their role. All of this has to be linked to a clear strategic vision for this business, which we have and continue to execute against.

5. In addition to driving additional revenue, have they brought any other benefits (such as extra customer data etc...)?

Naturally we learn a lot daily from our customers from all our businesses and adding any new business into the mix broadens that understanding.

6. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

We are working on diversifying our ad products and surfaces we can offer to our clients all the time. Video has been a key development in 2023 that we expect to see rolled out globally this year and we are also testing in-car experiences with tablets installed into the back of Ubers to show video ads or sponsored games as an example. What will be important in all of our innovation is that our advertising products and policies continue to not interfere with or detract from the consumer experience. We think great advertising enriches the experience, across both Uber and Uber Eats. And as the way consumers engage with advertising continues to evolve, we believe that mobile advertising opportunities will continue to grow.



Monty George and Dan Beckles Co-Founders

1. What are your thoughts on extending businesses into new areas?

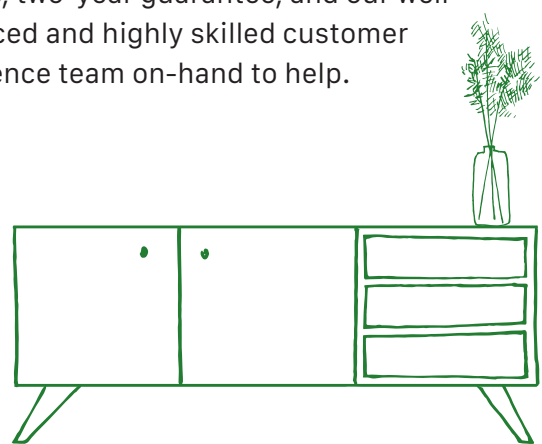
Dan Beckles: It's important to know what you do well and not dilute or lose sight of the brand. We're great at knowing what furniture styles are trending and we can bring high-quality but affordable designs to the market. We wouldn't do anything to risk our 4.9 out of 5 rating on Trustpilot by doing something we're not the best at. So, anything we branch out into would still be within our core areas that we're exceptional at.

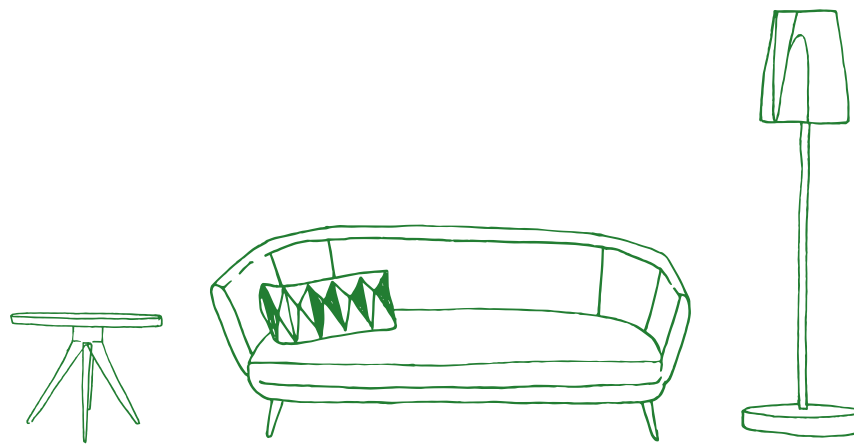
We're looking to expand our product ranges into more home categories to complement our existing products and cater for more customer tastes. So, we're keeping on top of changing trends and continuously adapting our product ranges. As part of this, we're building a bigger buying team to handle this and have recently opened our new, larger warehouse for increased storage capacity.

2. What types of new revenue streams have you moved into?

Monty George: We have various revenue streams to maximise our reach. This includes various marketplaces – and we're expanding into US and EU markets too – and a returns and seconds process where we're working with a local Wiltshire charity, KFR, to make sure these are put to good use and don't go to landfill. We're also starting to sell these online by utilising programmes such as eBay's 'Better Than New' as they become the home of second-hand products including fashion and now furniture.

This has all been helped by our free next-day delivery with the latest ordering cut-off available online at 8pm, free returns, two-year guarantee, and our well-resourced and highly skilled customer experience team on-hand to help.





3. Can you tell us a bit about each of your additional revenue streams?

Monty: Marketplaces are a core part of our growth strategy and operating across multiple platforms has enabled us to scale faster and get our brand in front of large audiences – we currently sell on 11 channels (including our own website) and have plans to scope out more in 2024.

Monty: Expanding our product ranges to suit a broader customer base and evolving tastes is a huge thing for us and we're excited to develop our product and buying teams to facilitate that. Opening our state-of-the-art 88,000 square metre, 15 metre-tall warehouse and company HQ in September 2022 was a huge part of that plan. We've recently launched in the US and mainland Europe via Wayfair, with America in particular looking to be a huge area of growth for us. We're really looking forward to seeing where that can take us.

4. How have they developed – have there been any surprises along the way?

Dan: We're willing to fail fast. If a revenue stream, be it marketplace or whatever else, isn't working, then we move on. We've hired marketplace experts into the team and utilise marketing tools available with that channel, as well as build relationships with the channels directly – something many brands don't do enough of. It's more than just listing a product but an ongoing plan of improvement and optimising. We focus on the bigger picture.

Monty: As for surprises, some channels have taken off quicker than we perhaps anticipated. We've seen considerable growth in the US marketplaces. These have developed alongside our business strategy, which we review regularly throughout the year in order to take advantage of opportunities. Customer demands and needs have shown us we need to be wherever they are shopping and to offer what they need and when. Marketplaces like Amazon offer fast and convenient shopping, which is something customers want more and more of. We're willing to adapt fast to continue meeting their needs.

5. What would you say have been the pros and cons of adding new revenue streams – including the need to bring in new people with the relevant skill-sets?

Dan: The benefits are huge for us. Our multi-marketplace strategy allows us to expand our reach quickly, gain more visibility and awareness of our brand and we learn from trying new things – even 'failure' can be beneficial for the next thing as we carry learnings forward.

Monty: I know it's cliché but we don't like to see things as 'cons' or negatives because everything's an opportunity to learn. Of course, there's been challenges – the need to invest upfront in people and in technology to support, for example. But, it's not a bad thing to invest and expand our team and bring more expertise and skills into the business. Finding the right people with the right skills for the

“ Partnerships with other companies has been great, and allow us to expand our network which is always beneficial to keep learning. ”



ABOVE: Monty George and Dan Beckles

right roles can be hard - it can take time, but ultimately it pays off in the long run. Managing a larger and more complicated tech stack to tie new marketplaces into our operations is a moving feat but again, with the right people handling it all, it allows us to be reactive and quick off the mark with expansion. Another challenge can be in forecasting if we see big unexpected spikes in sales that we hadn't planned for and have to react quickly for that.

Dan: We aimed to reduce reliance on one revenue stream, supplementing reduced demand post-Covid, and the challenge of that is there are so many things to go after and chase, and we have to prioritise (particularly marketplaces).

6. In addition to driving additional revenue, have these activities brought any other benefits?

Dan: Customer behaviour and product trends inform our buying decisions and allow us to continue expanding our product ranges with confidence and the data to back it up. Partnerships with other companies has been great, and allow us to expand our network which is always beneficial to keep learning. We can use sales data to assess peaks, seasonality and trends to inform our marketing strategy. All of that helps us get a wider market picture, and that helps with product purchasing forecasting too.

7. What would you do differently with the benefit of hindsight in handling these new activities?

Monty: Prioritise differently. We'd plan earlier for people resourcing, scoping out earlier how fast something could grow and how our marketplaces can all impact each other.

8. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

Monty: One of our big plans is the expansion of the product team, with a new Head of Buying joining us. There's also a big investment in our product ranges in 2024. We're looking at new home categories we're not currently offering yet, such as storage, textiles, soft furnishings and accessories. We're assessing new marketplace opportunities for the coming year and expanding into more of Europe now the post-Brexit fallout has settled a bit. The US will also be a continued focus. 2024 will also see us investigating loyalty schemes and seeking extended warranties. Now we have the warehouse space, we can do this.





Cas Paton,
Founder and CEO

1. What are your thoughts on extending businesses into new areas?

I think the willingness to explore new opportunities is essential for growth, but it can't come at the expense of your core experience. Everything should be an extension of what you originally set out to achieve as a brand. For OnBuy, we wanted to change online retail for the better and that is still at the root of our decisions, whether it's taking our unique e-commerce model into new countries, introducing industry-first cashback rewards, or providing fair and accessible promotional opportunities for sellers of all sizes.

2. What types of new revenue streams have you moved into?

Advertising and subscriptions.

3. Can you tell us a bit about each of your additional revenue streams?

Product advertising: One of the most common requests we've had from our sellers over the past couple of years is for more promotional opportunities on the site. It was important to us that anything we introduced was accessible to sellers of

all sizes and only served to enhance the customer experience by surfacing the most relevant products.

We launched OnBuy Ads at the end of 2023; a simple platform that allows our sellers to gain greater visibility for their key products across OnBuy. The initial uptake has been excellent, and our sellers have been seeing a ROAS of 10:1, which is an exceptionally strong starting point for us to build on.

Subscriptions: Our development roadmap is heavily influenced by seller and customer feedback. As a result, we've created a number of tools that allow sellers and brands to take greater ownership of their presence on the site. They are in control and have access to the tools they need to drive more traffic to key product both on and off the site. To keep things streamlined and avoid frustrating sellers with a cluster of complex bolt-on costs, we are reshaping our subscription options to give sellers the features they need, bundled under one clear monthly fee.



ABOVE: OnBuy shopping goods

“ Delivering an experience that makes your audience happy can only be considered a win and revenue should be a by-product of that if you’ve got it right! ”

4. How have they developed – have there been any surprises along the way?

We take an agile approach to every initiative, and I think that’s incredibly important. It’s often surprising what resonates with people and what makes little impact. Until you release a product into the wild, you can’t know for sure how it will be adopted by the end user, and you have to be ready to adapt and fine-tune in order to create the experience they want.

OnBuy Ads, for example, has exceeded expectation in terms of performance, satisfying sellers and brands with greater prominence and more sales, whilst simultaneously establishing itself as a sustainable revenue stream. We don’t view anything as a finished product however, and 2024 has already seen the release of a new auto top-up function, which streamlines the process for sellers, allowing them to identify high performing campaigns and keep them running so they don’t miss out on sales.

5. What would you say have been the pros and cons of adding new revenue streams – including the need to bring in new people with the relevant skill-sets?

Our primary objective has always been to strengthen our core product and give customers and our sellers a better experience of OnBuy. If you’re being

guided by the voice of the customer and of the seller there shouldn’t be any cons. Delivering an experience that makes your audience happy can only be considered a win and revenue should be a by-product of that if you’ve got it right!

We have never sacrificed customer experience in the pursuit of revenue. We’re always thinking of the long game and our vision of becoming the best choice for every customer, everywhere. We see established companies sacrifice their core beliefs in search of quick wins time and time again. While it may have short term benefits, compromising the quality of your product will damage your reputation, alienate loyal customers and result in your business shrinking over time.

6. In addition to driving additional revenue, have they brought any other benefits (such as extra customer data etc...)?

I don’t think any activity is one-dimensional. You should always be looking for ways to extract additional value from an activity, especially if it means creating a better experience for your users. OnBuy Ads provides us with incredible insight around product demand. We use the learnings gained to understand what our customers want, where we may not be delivering, and where we can improve and diversify.

OnBuy becomes the world's first cashback marketplace with new loyalty programme



It's a fantastic way of monitoring what's hot in the market and it benefits the seller in more ways than one. They have the ability to give their products greater prominence in the most relevant places, while the data we receive informs our own marketing activity, increasing the seller's chance of being pushed organically through our own channels. It's a win-win.

Everything we released in 2023 has given us a better understanding of our sellers and our customers. It has allowed us to build stronger relationships and communicate with them about the things that are most relevant and valuable, which ultimately improves their overall experience. Retention is incredibly important, and that comes from understanding your customer through data and using the learnings to improve your product.

7. What would you do differently with the benefit of hindsight in handling these new activities?

I think the way we approach new developments is very much a product of our past experiences. We had planned to roll-out internationally some time ago, but Covid-19, Brexit and unexpected UK growth meant we had to re-evaluate our roadmap and re-shape our strategy to ensure future success.

We chose to focus on improving our core offering for both our sellers and customers. We improved our functionality

and introduced a key differentiator in the form of our instant Cashback model. We also made the decision to become a merchant of record, which allowed us to pay sellers directly, deal with disputes more efficiently and introduce a huge range of payment methods for customers. Pivoting our strategy paid off, and we were recently ranked Europe's fastest-growing e-commerce company in the FT1000.

Create too rigid a plan and you create issues elsewhere when you need to be reactive. We work in a rapidly changing world and industry, and you have to be ready to adapt to new conditions and environments if needed. Anticipating the need to change course and building that flexibility into your working processes is vital.

8. What future plans do you have for your existing secondary revenue streams and have you identified other areas that could be of interest in the future?

OnBuy is the strongest it's ever been. We established some incredible new initiatives in 2023 and we plan to continue optimising and developing them to provide the best possible experience for customers and sellers. Another focus for 2024 is the first phase of our overseas expansion. We secured strategic investment at the tail end of 2023, including a NASDAQ listed global tech firm, so we're well placed to start exploring new markets. It's an incredibly exciting time for us and we predict considerable, additional growth. Watch this space!



Webloyalty is a leading online savings programme provider. We work with over 200 retail and travel businesses internationally to help them build stronger, more profitable relationships with their customers. Through our membership programmes, we help our online retail partners' customers make significant savings each year while providing the partner with an additional revenue stream. As well as incentivising customers to make repeat purchases at the partner's site, they can also earn cashback and get great deals on everything from fashion to electronics to travel at top online stores. Webloyalty started operating in the UK in 2007 and has since expanded into France, Spain, Ireland, Brazil, the Netherlands and Belgium.

Contact: **Martin Truong:** martin.truong@webloyalty.co.uk or
Hiten Patel: hiten.patel@webloyalty.co.uk

For more information, please visit **webloyalty.co.uk**
or follow **@WebloyaltyUK** on X.



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Webloyalty