



Amazon 'Dashes' the hopes of UK supermarkets

The launch of Amazon's 'Internet of Things' Dash service could steal 20% of UK supermarket online sales, says e-commerce delivery expert ParcelHero.

Amazon is continuing its assault on the UK grocery market with the launch of its Dash service for UK Prime members. While some industry experts are predicting it will capture just 3% of the grocery market for Amazon, e-tail delivery specialists [ParcelHero](#) believe the launch of Dash could capture Amazon a 20% share of the online market by 2020 – and could even spell doom for one supermarket chain.

ParcelHero's Head of Consumer Research, David Jinks MILT says: 'Dash is an ultra-convenient device. With the simple push of a button – or even by speaking to the gizmo for some versions – it will reorder your washing powder or your coffee or one of 40 products at launch. It's great news for busy people as it takes care of routine shopping chores automatically; but it's very bad news for supermarkets as it ties consumers into Amazon for even more products.'

Says David: 'It's perhaps not recognised as much as it should be; but Tesco is now the second largest online UK retailer with online sales of £2.9 billion; Asda is the sixth largest with sales of £1.2bn, followed hard by Sainsbury's with similar figures; and Ocado is 9th with £1.1bn. These are significant sums; but we believe Amazon is about to take a serious bite out of this income. If Amazon can take a 20% slice of the online grocery market pie that's going to leave at least one supermarket chain struggling as shoppers desert the high street.'

As ground-breaking as the launch of the Amazon Dash one-hour delivery service is in the UK, it also paves the way for an even more interconnected service called Dash Replenishment. This takes the technology a step further: devices such as dishwashers and printers automatically ordering new supplies of tablets or ink cartridges without their owner needing to do anything, not even press a button.

Reveals David: 'As traditional supermarkets sales slump – Asda was down 7.5% in the last three months due to declining store sales – many grocery retailers have been carefully building their online sales to offset the decline in brick and mortar stores. But now they are going to pay the price of not being able to offer easy consumer convenience; as our kitchen appliances take over the weekly shop. Amazon Prime members already spend more than twice as much as non-members with the online giant; and now it looks likely that that loyalty will also be transferred to the weekly groceries.'

David continues: 'Amazon has spent millions in the last three years developing its delivery service in the UK - bypassing slower traditional delivery services such as the Royal Mail - and now we see why. Amazon is looking to conquer the grocery market just as it has already transformed books, electronics, toys and clothes sales. Amazon dwarfs the UK e-commerce market with sales of £4.4bn; now it's set to make inroads into the supermarket's online profits.'

Concludes David: 'We revealed in our recent industry report [Amazon's Prime Ambition](#) that Amazon aims to become the pipeline through which everything we buy flows. By putting the choice in the hands of our fridges and washing machines; it's just moved a step further.'

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