

Online service drives in-store sales & loyalty

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Online customer services have become a key to bricks-and-mortar retail store sales as consumers increasingly go online to research products, availability and pricing before buying in the High Street, according to a survey by Accenture.

The survey of more than 600 US consumers found that the majority use the internet as part of their shopping process even if they plan to go to stores to purchase or pick up their goods. This suggests that retailers and consumer goods companies must pay close attention to the customer services and product information available through their web sites and call centres.

Stores vs. internet buying

While two-thirds (67%) of survey respondents said they prefer to make purchases in physical stores, 69% said they research product features online, and 68% compare prices online before shopping in a physical store.

The internet was only slightly less popular for locating products before going to a store, with 58% doing so. However, only 13% of respondents said the internet has not improved their in-store shopping experience.

According to Jeff Smith, global managing director for Accenture's retail practice, "Instead of replacing bricks and mortar stores, the internet is an extension of consumers' in-store shopping experience providing a resource to research product and price. Retailers and manufacturers must understand this consumer behaviour trend in order to reach shoppers, educate them, serve them and earn their loyalty."

Customer loyalty and awareness

When asked to identify the most powerful influencers of their purchase decisions, the greatest number of respondents (60%) said "word-of-mouth", followed by advertising (47%) and online information (43%).

Purchase drivers

The top three ways consumers learn about new products are:

1. Television (64%);
2. Word of mouth (47%);
3. Print advertisements (37%).

W-o-M 60%
Advertising 47%
Online info 43%

Promotional preferences

Half of the consumers surveyed (50%) said they value special promotions to retain their business, while 37% said they look for improved customer service. Promotions for frequent customers appear to be more effective for women than for men, with 54% of female respondents saying they value these promotions compared to 47% of males surveyed.

And timing seems to be a bigger influence than promotions for new product purchases of health and beauty items. For example, 33% of respondents said they bought a new health or beauty product because they needed it at the time, compared with only 22% who said they bought such a product because they had a coupon or found the product on sale.

Timing of product launches

"It's critical to understand customers' wants and needs before, during and after the actual purchase," explained Keith Barringer, global managing director for Accenture's consumer goods and services practice. "Increasing insight into the customer - and acting on it - can help manufacturers successfully time new product launches and help retailers know when to offer promotions to increase revenue and customer loyalty."

More than half (55%) said that new products are introduced before they see a need for them, while almost half (47%) said they usually don't feel they need new products that are launched. Almost one-third (30%) of respondents said they could think of new products they need that have not been developed yet. As Barringer noted, this shows that there are still significant opportunities for consumer product manufacturers to innovate.

Service and selection

The survey also found that consumers want better service and product selection both online and in stores. More than two-thirds (67%) of respondents reported that, when shopping in physical stores, they often find too few check-outs are open, and more than half (54%) said that there are not usually enough sales people available.

Many respondents said they will go elsewhere if they don't find the appropriate selection at a certain store - and this is particularly true for items such as footwear (81%), music, movies and books (78%), and jeans (76%).

Helping the customer

"Consumers are telling us that there is a need for more efficient customer service departments," explained Smith. "The phone, and increasingly a company's web site, are the first points of entry. If the on-hold time is too long, if the customer is passed around to different departments, or if online search or navigation is confusing then the sale can easily be lost to a competitor. Customer service can be a powerful and profitable differentiator for those retailers that know what customers want and how to deliver it."

Only 50% of respondents reported getting help always or most of the time for electronics stores and household furnishings, with 47% saying the same for specialty retailers. According to 43% of respondents, mass retailers provide help some of the time but 29% reported that mass stores rarely or never have help available when needed.

Research highlights

Other findings from the survey included:

- *Products improve efficiency:*
Many respondents (56%) believe they are more efficient today compared to two years ago as a result of new products.
- *Cleanliness counts:*
Store organisation is important to 61% of respondents and cleanliness was mentioned by 58% as key to providing the best in-store experience.
- *Location is not shoppers' main concern:*
Consumers say price and product selection matter more than store location when shopping. The key criteria respondents cited for deciding where to shop were:
 1. Price (85%);
 2. Product selection (69%);
 3. Store proximity (57%).
- *Gender differences:*
More men than women (51% vs. 39%) report the Internet has improved the in-store shopping experience by allowing them to order items online for in-store pick-up. More men than women (17% vs. 9%) purchase in-store to get better prices while more women than men (16% vs. 8%) purchase in-store to avoid shipping charges.

The study was the first in a series Accenture plans to conduct in the UK, Germany, Brazil, Mexico, China, Japan, and India.

More Info: <http://www.accenture.com>