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“WHERE’S THE SERVICE?” IS THE BIG QUESTION BASED ON RESULTS OF THE E-TAILING GROUP’S BACK-TO-SCHOOL MYSTERY SHOPPING STUDY

Merchants, while improving process efficiency, are missing sales by not paying more attention to customers who come to their stores to pick-up or return online purchases.

For the second consecutive year the e-tailing group examined twenty metrics relative to the online shopping experience of twenty-five merchants selling the most relevant BTS product categories, culled from the 100 that they mystery shop online annually during the fourth quarter.

According to the National Retail Federation this year consumers will spend \$14.8 billion on back-to-school items for elementary through high school students; *14.3% plan to do that shopping online - up from 10% last year.*

“As online shopping continues to become more mainstream, we believe that delivering a cohesive, multi-channel shopping experience is essential. For that reason our Mystery Shoppers visited the stores offering **shop online – pick-up** and/or **return in-store** to evaluate process proficiencies.” explained Lauren Freedman, President of the e-tailing group, inc. “Customers like the convenience of these features and the incentive of free shipping (offered by 88 percent) serves as a catalyst to avoid shipping charges. Overall we found that in-store pick-up and return processes were more efficient than last year but lacked the customer attentiveness that could generate incremental sales.”

The e-tailing group’s Mystery Shoppers reported frustration with store associates who were distracted, multi-tasking and often conversing with co-workers or friends rather than being focused on shoppers’ needs. While 63 percent of store associates were able to quickly locate ordered products, these employees acted like cashiers, offering little help and assistance beyond finding the order. Only 6 percent referenced the web during the return process, missing an important relationship building opportunity.

Improvements to the **in-store pick-up** process were evident:

- Email notification that merchandise was ready for pick-up was received 75 percent of the time; 83 percent of merchants sent it the same day.
- Same day pick-up was available in 63 percent of the stores.

On the down side:

- Designated pick-up counters were present in only 50 percent of the stores.
- Twenty-five percent of ordered products could not be located and had to be pulled from the floor.
- Seventy-five percent of the time systems' issues necessitated checking out in-store despite having already done so online.

Returns process efficiencies were also evident:

- The average time-to-return was reduced to 3.27 minutes vs. 6.6 minutes last year.
- Although the aid of a manager or other associate was required 50 percent of the time, store personnel appeared more educated about the process.
- Location to return was easily located 89 percent of the time vs. 81 percent last year.
- All pertinent process information was included on 94% of merchant's packing slips.

Positively, **cross-channel marketing** included:

- The use of the URL in-store or the presence of web collateral in 72 percent of the stores vs. 50 percent last year.
- Thirty-eight percent integrated even more elements of their campaigns in-store.
- While kiosks were present in 35 percent of these stores vs. 13 percent last year, only 12 percent provided Internet access to place an order; the balance remain informational in purpose.

the e-tailing checklist: to improve buy online-pick-up/return in-store processes

1. Consistently send an e-mail notification when merchandise is available for pick-up; include detailed pick-up information
2. Strive to have merchandise available for pick-up within 24-48 hours from the order date
3. Allow at least 14 days for pick-up; be flexible if customer is unable to meet deadline
4. Create a designated area for in-store pick-ups with trained sales/service personnel; whenever possible facilitate returns at the same location as product pick-up
5. Have the merchandise available and ready
6. Eliminate the need to re-ring the product in-store
7. Train all associates to eliminate the need to call for additional help
8. Make customer service your #1 priority; communicate with each and every customer
9. Use the opportunity of having customers in your store to sell them something else
10. Take advantage of cross marketing in store: mention the web and offer an incentive to sign up for e-mail

Merchants included in this study were: Abercrombie, Amazon/Borders, Barnes & Noble, Bed Bath & Beyond, Best Buy, CDW, Circuit City, Container Store, Crate & Barrel, Dell, eBags, Gap, JC Penney, Lands' End, Nordstrom, Office Depot, Pac Sun, Payless Shoe Source, REI, Sears, Sports Authority, Staples, Target, The Children's Place, Wal-Mart.

the e-tailing group, inc. is a Chicago based consultancy that provides strategic and e-commerce merchandising solutions to merchants selling online as well as to firms targeting that market.

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