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**THE E-TAILING GROUP'S PREMIERE BACK-TO-SCHOOL MYSTERY SHOPPING STUDY,  
THE FIRST TO BUY PRODUCTS ONLINE AND MAKE RETURNS TO RETAIL STORES,  
FINDS THE MULTI-CHANNEL EXPERIENCE IS STILL CHALLENGING FOR CUSTOMERS**

**Forty-four percent of the time the in-store return process required the aid of a store manager; training store sales associates is essential for multi-channel shopping to succeed.**

Chicago, IL – August 26, 2003 – The e-tailing group, inc., a provider of merchant-centric e-commerce consulting services, today released a new Mystery Shopping study, their first testing true multi-channel integration and timed to coincide with the back-to-school selling period.

According to the National Retail Federation 2003 revenues in this critical July-September period are projected at \$14 billion. "Each year we mystery shop 100 merchants during the fourth quarter", explained Lauren Freedman, President of the e-tailing group, inc. "Back-to-school spending is second only to Christmas for retailers. To get a pulse on the period this year we shopped a sub-set of 25 merchants that sell the most relevant BTS product categories. In addition to examining 20 metrics relative to the online shopping experience, our Mystery Shoppers actually visited the 16 stores offering "shop online / return in-store" to evaluate the proficiency of that process."

Forty-four percent of the time the return process required the aid of a store manager to override the system as Internet and store order numbers or procedures were not always compatible. Often packing slips and invoices generated for the Internet sale did not provide pertinent information for store associates to accurately perform the return (i.e.: What tax, if any, was paid?; What credit card was used?; Is there an Internet order #?). This necessitated phone calls from the store to their e-commerce counterparts for clarification. The lack of cross-channel training for store associates was apparent as not one store employee mentioned the Web nor asked for an email address. Promotion of the Web throughout the stores was also limited, which was disappointing given this opportune moment. The good news is that problems were resolved and in-store returns took an average of just 6.6 minutes.

Other key top-line findings relative to the cross-channel shopping experience include the following:

In-store Experience (based on 20 sites with a store channel)

- ♦ **Store Pick-up & Returns.** While 85% offered in-store returns, only 33% promoted in-store pick-up
- ♦ **Store Returns area.** In 81% of the stores the return desk/help station was easy to find
- ♦ **Web Collateral.** Signage referencing the merchant's website was present in one-half of the stores of which 63% had information on the store receipt ; 50% posted it on the retailer's main door; 38% at the cash wrap and 25% on shopping bags

## **"Back-to-school Mystery Shopping" (the e-tailing group) Press Release, Page 2.**

- ♦ **Kiosks.** Only 13% of the stores had kiosks which were informational rather than transactional (with Internet access for order placing) and unfortunately, none were operational
- ♦ **Retail Locators.** All merchants with a store channel included store locators on their sites plus 60% provided locators for their Outlet stores with most highlighting critical information from directions to store hours
- ♦ **Store Events.** One-third of these merchants referenced what was happening in-store on their sites
- ♦ **Gift Certificates/Cards.** Of the 84% that offered this feature online, 67% were redeemable online and 94% redeemable in-store

### Advertising/Promotion

- ♦ **As Advertised.** 16% of the sites showcased products that were advertised in any other media
- ♦ **Print/Weekly Circulars.** 29% referenced print ads or presented products as shown in their newspaper inserts

### Catalogs (based on 12 sites that also sell via a catalog channel)

- ♦ **Catalog Request.** 92% of these sites included a form to order a free catalog
- ♦ **Catalog Quick Order.** 50% enabled shoppers to buy online using item numbers and key codes from their catalogs
- ♦ **Browse Our Catalog.** Only 8% presented their print catalogs online

"In summary, it is essential that merchants overcome 'channel tunnel vision' or 'fiefdoms' to achieve cross-channel initiatives. They must deliver seamless shopping experiences with consistent branding whether the customer is shopping online, via catalog or in-store," concluded Ms. Freedman, "To help achieve that goal we have developed this checklist for Best-of-Breed Multi-Channel Shopping."

### **Best of Breed Multi-channel Shopping Checklist**

1. Train all store associates on online return processes
2. List 800 # on home page; easily accessible along with customer service hours of operation
3. Provide a well laid out, simple to navigate Information Center with contact information, FAQ's, guarantees, return policies and 1<sup>st</sup> timer tips
4. Execute a robust store locator to include store location, hours and events
5. Make store pick-up an option and include real-time inventory levels where applicable
6. Post the weekly circular online for a more complete multi-channel experience
7. Offer gift certificates that can be redeemed both on and offline
8. Send e-mail notifications of order, shipping and return credit; include reminder of return in notifications and a link to store locator for ease of use
9. Supply all pertinent/compatible information for store return on packing slip
10. If you use in-store kiosks, be sure that they are operational at all times

The e-tailing group's "Mystery Shopping Studies" support client projects by providing industry benchmarks and insights along with e-commerce best practices. For more information about the study please visit [www.e-tailing.com](http://www.e-tailing.com).

**About the e-tailing group, inc.**

Founded in 1994, the e-tailing group, inc. is an "in the trenches" e-commerce consulting firm working with merchants to optimize their merchandising and customer service tools. The e-tailing group's mission is to leverage the art of merchandising to improve the online consumer's shopping experience. The group's expertise has been applied to client strategies for such leading companies as Toys'R'Us, Scholastic, PBS, Kodak, Intel, MSN, USA Today, Eastern Mountain Sports, The Vitamin Shoppe, Deal-Time, Blue Martini and the National Housewares Manufacturers Association. In addition to consulting, the e-tailing group's proprietary Mystery Shopping and Merchandising Surveys help to set standards for industry performance across the retail and catalog sectors. The e-tailing group has developed the Direct Marketing Association's E-Commerce Seminar Series and its leadership are featured speakers at many industry events. For more information, visit the e-tailing group at <http://www.e-tailing.com>.

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