

The way we shop now...

Cultural factors don't just shape the way we choose and buy in the real world, the same is true of digital environments, discovers Arif Mohamed

ACCORDING TO RESEARCH by eBay Advertising, the French are heavily influenced by brand names and enjoy making impulse buys. Meanwhile Germans spend time comparing prices to get the best deal, and Brits are the most cautious and sensible group of online shoppers who research thoroughly before buying. Consequently, retailers that want to extend their store brand across Europe would do well to keep in mind the different buying habits of each country's inhabitants.

The physical shopping experience is, by tradition, very different in different countries. Service is perceived and valued differently across Europe, as is the willingness to pay for that enhanced service. So it makes sense that the online and multichannel experience may also differ from country to country. "Last year we examined differences in attitudes towards online shopping by surveying the views of more than 6,000 consumers across Europe and discovered marked differences in buying behaviours between countries," says Frank Lord of ATG, backing up eBay's findings.

As mentioned, pan-European consumer studies into online retail practices have found that the French are a

Brands risk losing six out of ten customers between sales channels

Retailers are facing major attitudinal challenges in sustaining customer loyalty between channels, according to the 2010 Multichannel Retail Report from GSI Commerce. It polled the views of a representative sample of 2,043 British adults.

Just 40 per cent of consumers would visit a brand's website if they couldn't find a product in-store, the research found.

The report also revealed that retailers face a serious risk of customer churn in attempting to sell between channels. When consumers were asked what their typical online response would be to finding that an item was out-of-stock on the high street, the vast majority (69 per cent) claimed they would visit other brand's websites to compare prices on the same product.

Fifty-three per cent would enter the product's details into a price comparison engine and 41 per cent say they would simply type the product details into a search engine and review the results. Crucially, just four in ten (40 per cent) consumers claim they would simply visit the website of the retailer whose shop they had originally visited.

Steve Davis, executive vice president and president international of GSI Commerce says: "If you find yourself out-of-stock and leave your customers to walk out the door and search the Internet, there's a very good chance that you'll lose the sale to your competition.

"In a sense, having multiple channels gives retailers a fantastic opportunity to extend their shelf space on the high street. If you offer a line of five items in-store, you should make sure you also offer 20 items via your 'online inventory' so that, should you run out on the high street, either the customer or staff can still purchase and order the product on the spot."

nation of impulse buyers who get a buzz from the moment of purchase, and they are also the highest spending segment, heavily influenced by brand names, convenience and advertising. They also make use of available shortcuts to reach the online checkout quickly.

Conversely, the Germans enjoy shopping the most and would describe it as a hobby. They spend time comparing prices to get the right deal and believe they are savvy enough not to compromise on quality.

When it comes to the UK, British shoppers are cautious and sensible, tending to buy only from sites they trust and that offer selection. For them, online shopping is about meeting needs rather than enjoyment.

CHOICE FACTORS

Alex Marks, head of UK marketing at eBay Advertising, comments that whether offline or online, it's important to remember that consumers shop differently, depending on the product they are purchasing.

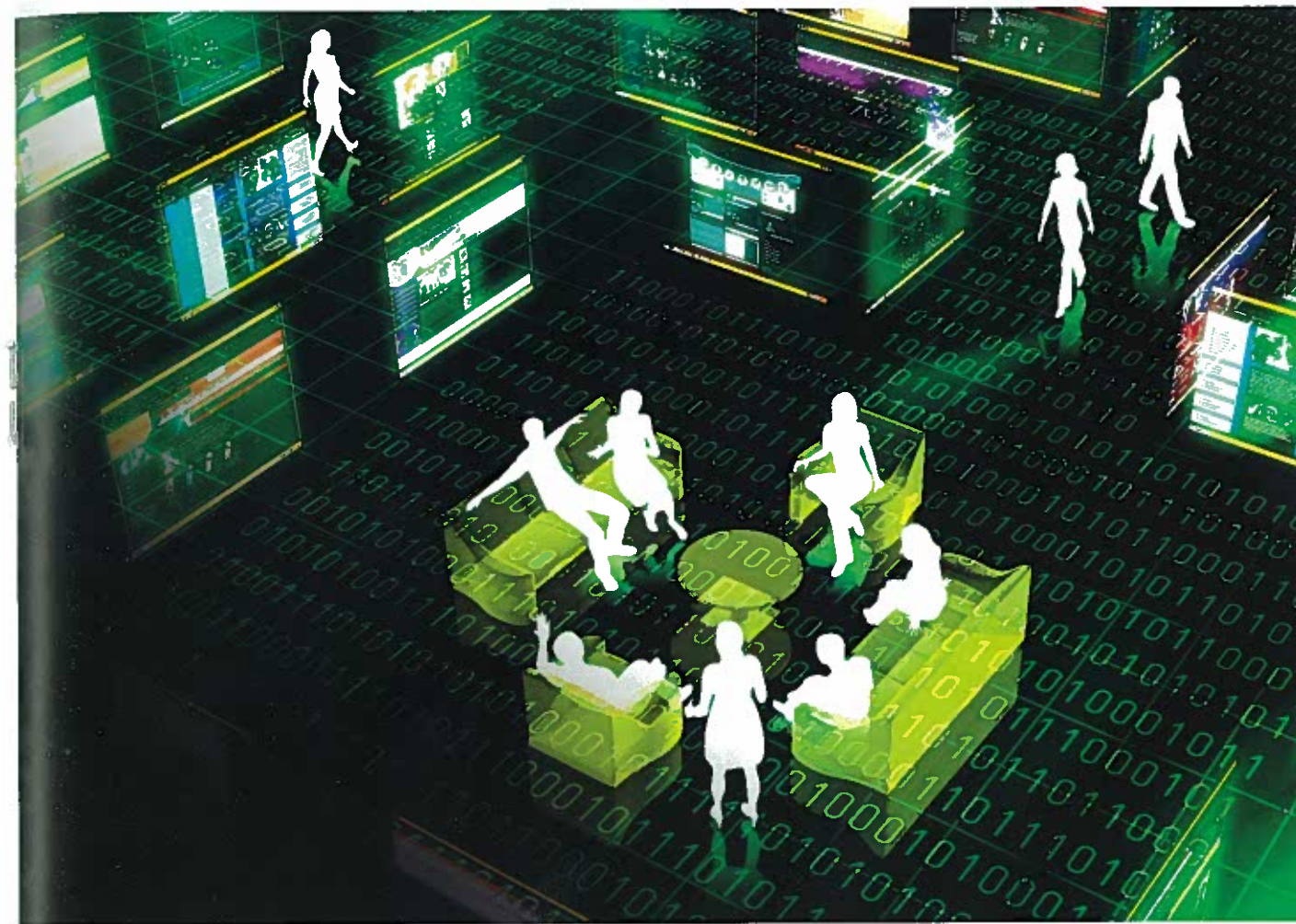
In the case of goods and services that are bought frequently, such as groceries, or those that have an element of emotional choice or ego attached to them, such as clothing or entertainment goods, consumers are more likely to pick a favourite supplier - a place they have affinity and trust with - rather than search for them, he says.

On the flipside, for items that are purchased more infrequently, such as household goods or items that warrant a more logical decision making process, such as electronics, then search is the preferred channel of discovery.

Also, just as 'location, location, location' is the mantra for bricks-and-mortar retailers, it is no less important when appealing to an online European audience, says Marks. "It is not enough to build a shop on the web and then expect people to find you," he says.

Of course there are ways for brands to improve visibility, with search being perhaps the most obvious one. However, if you really want to build trust and familiarity between your customer and your business you need to be not just easily found, but also a regular feature of the online landscape, advises Marks.

There is much to be written about the success of markets, retail parks and retail destinations. Consumers will visit places like these because they can find everything in one place. Shops will base themselves there because they benefit from the enormous footfall of people out to do just one activity - shopping. "It's exactly the same online," says Marks. "When you build your retail outlet think about where you can put it, not just how to advertise it: preferably where millions of potential customers pass every day, doing everyday activities."



COUNTRY-SPECIFIC FACTORS

As well as getting the location right, there are many ways to tailor an online store to cater for a particular country's shopping habits. So, good product comparison works better in France, and speedy and efficient shopping in Germany, says Frank Lord, vice president EMEA for ATG.

"These differences alone highlight the need to tailor the shopping experience online from country to country, just as retailers do for their physical stores," he says. This is especially important since consumers shopping online are less forgiving than when shopping on the high street, and won't hesitate to go elsewhere if a retail site doesn't meet their needs, he adds, saying a study of European shoppers by ATG found 64 per cent were frustrated by customer service online.

When it comes to interpreting online retail formats, organisations need to consider their key values carefully and what it is that keeps their customers happy on the high street.

If, for example, it is speed of service then it's essential that a quick and easy online checkout process is put in place online. If high-quality customer service is an important unique selling point then it's worth investing in innovative ecommerce optimisation services such as Click to Call and Click to Chat that give shoppers the opportunity to speak online or over the phone with a customer service agent about an online purchase.

"Our research revealed that some countries such as France and Spain place a high value on the in-store experience so deploying optimisation services that replicate the personal service they look for in-store can play an important role," says Lord.

Tailoring the online shopping experience to local markets might sound expensive and a huge undertaking, but complexity and costs can be managed by deploying one single, flexible ecommerce platform that is adjusted regionally to account for local nuances.

Having one platform in place gives retailers control over their online offering and avoids headaches associated with managing multiple sites, while at the same time improving the level of service to customers.

CONSISTENCY COUNTS

Another aim for retailers extending their brand across Europe is to provide a consistent multichannel experience for consumers. One recent cross-channel consumer survey found that more than three quarters of consumers use two or more channels and nearly one third use three or more channels to browse, research and purchase products. These figures are likely to increase over time, so it's important retailers provide a consistent level of service across multiple platforms whether that be mobile, in-store or online.

However, retailers across Europe have some way to go with multichannel, experts say, but some, such as Tommy Hilfiger and Louis Vuitton, have made good progress in delivering an exceptional cross-channel experience that offers customers joined-up personalised levels of service regardless of how consumers want to interact with the brands.

Many retailers are clearly getting more skilled at bringing their store experience to life online, with many more taking advantage of mobile apps to showcase their products.

Premium department stores such as Galeries Lafayette, Selfridges and Liberty are doing a good job of bringing their

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Apparel Magazine

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Internet Retailing Magazine

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store propositions to life online, says Dr Alan Treadgold, head of retail strategy for Arc Worldwide, the brand activation arm of the Leo Burnett Group.

But he adds that although we're seeing a lot of advances in these areas, we still have a long way to go in terms of creating truly 'channel neutral' shopping and engagement experiences. For big retailers with sizeable investments in physical store networks, it's immensely challenging, of course, to change a business to accommodate the new realities of multichannel shopping, says Treadgold.

However, many are valiantly attempting to become multichannel, introducing mobile apps, roving payment points and self-service. "Look at how quickly retailers have rolled out iPad applications as a case in point. Or how M&S talks about their stores as collection points as well as purchase points if that is how customers want to use them," notes Treadgold.

In terms of in-store digital applications, what Arc is seeing in its shopper research is that shoppers often have less enthusiasm for these applications than retailers do.

"When we've been asking shoppers to tell us what their ideal 'store of the future' looks like, they're often not showing a lot of enthusiasm for customer-facing technologies in store but what they definitely want is for the store to be interesting, engaging, experiential and immersive," says Treadgold.

IN-STORE VIDEO

One area where European stores can extend their brands outside national and cultural boundaries is through the use of video, online and in-store, says Scott Lester, CEO of Flixmedia. Flixmedia produces content for retailers such as HP and Phillips, to present to consumers in retail stores, as well as taking a company's content and syndicating it across territories.

So, for example, the company might create content for a mini-site, and produce a video in 22 languages. However, rather than translation, Flixmedia describes the technique it uses as 'transcreation' which often means tailoring the content to the culture.

This includes localising a master video into different languages or even dialects, taking into account different nations' use of tone and delivery, and the length it takes them to describe the same thing. Lester explains that it takes the French 20 per cent longer to say the same thing in English, and it takes 30 per cent longer in German. So, the video is likely to be longer in particular countries.

In terms of presenting the video in different local markets, there are other considerations to take into account. The Germans like facts and figures, dimensions, specs, and features, whereas the British consumers want to know the benefits and how they are achieved. Also, the Spanish and Italian markets are more receptive to product videos with music in them, but the English link these to adverts and put their guard up. As a result, Flixmedia's French, German and English product videos don't tend to have music in them, says Lester.

One thing to note, however, is that running in-store video content has been a mixed bag of success and failure so far, admits Lester. Some stores have problems with their Internet

How can retailers extend their in-store brand to cater for Europe?



Alex Marks, head of UK marketing, eBay Advertising

Keeping customers loyal

"It is clear that consumer behaviour varies not only by territory but also according to the item being purchased. Understanding these differing behaviours is the key to success in online retail. Retailers that take care to meet varying consumer needs will be rewarded with engaged and loyal customers."

New devices

"The iPad will not only have a significant impact on the ways in which retailers interact with consumers online, but it also has the potential to change interactions in-store. For instance, retailers may want to equip members of staff with iPads so that if a customer has a query about a product that isn't in stock they can quickly find the information needed online while walking around the shop."

Frank Lord, vice president, EMEA, ATG



Dr Alan Treadgold, head of retail strategy, Arc Worldwide

Transcending boundaries

"Certainly, in a European setting an understanding of shoppers and their behaviours is going to be rather more important than an understanding of geography. Just as many product brands have transcended national boundaries, so retailers too have similar opportunities if they are able to effectively engage the customer with their brands in the online space, and overcome all of the logistical issues associated with delivering their offers to customers across countries rather than just within countries."

Setting standards

"Technology standards are going to be central in helping retailers achieve true multichannel effectiveness. But you only have to look at the digital standards battles between web software firms over Flash and HTML5. It's a very big and serious war and it means you need to support five or six different formats to make content compatible across mobile devices. Over the next 18 months wars will be won, and meanwhile retailers will have to attempt to offer effective multichannel shopping to their buyers."

Scott Lester, CEO, Flixmedia

connection speeds, and this can be a problem for web-related and streamed content or search.

Usage of in-store kiosks can also present another problem. Lester says his firm piloted six individual kiosks in a single retail store with product videos for all the products on sale in the store. But the consumers didn't use them because they didn't want to go to a central point for information.

Flixmedia reflected on this and has recently completed an in-store content project in Italy. This time it made the content category more specific, offering a printer product search and videos in the printer section of the store, and GPS product search and videos in the GPS section. The consumers went for it. "It's all about effective content. Adding content that makes no difference makes no difference," concludes Lester. ■

* Sales increase by 3.1 times was recorded in the best case scenario and depends on the customer segment and garment category. The highest impact was among new and international customers, the lowest increase was shown to be among repeat customers who know their sizing within the brand. Returns have been shown to decrease most among the mid-to-high priced garments, where the fit is more important.