

Deloitte

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Twenty-three per cent of Yorkshire retail purchases influenced by web research



Research by the business advisory firm, Deloitte has shown that retailers who embrace the web are reaping massive rewards, with average retail transactions more than 80 per cent larger by so-called 'multi-channel consumers' that research online, and using catalogues or call centres before buying rather than just shopping in stores.

Almost a quarter of Yorkshire consumers are also shown to be influenced in their spending by retailers websites, proving the power of the 'net for retailers whether or not the transaction is completed online.

Multi-channel consumers spend 82 per cent more per transaction than a customer who only shops in store and the average expenditure for multi-channel customers across the clothing, home and electrical categories is £116 per transaction compared with £64 for store-only customers.

Dan Butters, retail specialist at Deloitte in Leeds, said: "The commercial imperative for retailers to tackle multi-channel and the incentive for getting it right is clear. The multi-channel consumer is particularly well informed about the products they buy and this greater confidence is resulting in a higher value and a higher volume of purchases.

"The digital revolution in retail is at a tipping point with consumers expecting to shop through any channel and receive consistent service. There are already examples of UK retailers doing well in multi-channel but the overriding feeling is that there are many more opportunities to grow. This is particularly the case for those retailers able to respond quickly to customers changing buying habits between channels, for example, the recent growth of clothing online."

The research also found that by value, 38 per cent of all retail transactions across the clothing, electrical and home sectors are now influenced by the internet, with 21 per cent coming from direct online purchases whilst 17 per cent are 'multi-channel' transactions.

Electricals is the most multi-channel category, with 62 per cent of transactions influenced by online, in comparison to 37 per cent of homeware purchases and 26 per cent of clothing transactions. Multi-channel electricals consumers also spend the most. On average, they spend £238 per transaction against £160 for those shopping in store. Multi-channel homeware customers spend an average £143 against £83 in store, whilst it is much closer in clothing with multi-channel customers spending £65 per transaction against £52 in store.

Mr Butters added "Consumers have been relatively slow to switch to buying clothes online but as retailers improve their website's visual merchandising and offer free and easy returns this is changing fast. Clothing consumers in the 25 to 34 age range are the most multi-channel with 27 per cent influenced by online. This age group is served by some of the best online retailers and also tend to live their lives online via Smartphones and social networks.

"Retailers will also need to look at their investment plans. As the UK retail industry faces a period of weaker demand and slower growth, multi-channel is an area where retailers have genuine opportunity to grow. Operating across multiple channels is no longer something for the wish list, it is the cost of doing business."

Other key findings from the research:

- Consumers from higher socioeconomic groups are more likely to be multi-channel shoppers (33% of AB vs 22% of DE)
- Men are more likely to be web influenced shoppers than women and also tend to spend more per transaction (33% male vs 27% female)
- 1% of multi-channel clothing shoppers used their mobile device for research purposes, but we expect this to increase rapidly
- Catalogues remain an important element of shopping in the UK. 11% of web influenced homeware consumers

- Ends -

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