

Retail Strategies

Pinpointing the Value of Multi-Channel Behavior

July 23, 2008

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Vice President, Industry Insights



Top 5 Most Frequently Asked Questions by Multi-Channel Retailers

1. What are the incremental offline sales attributable my Web site?
2. What is the 'true' ROI of my Web site?
3. Do online sales cannibalize store sales?
4. How much of my shopping cart abandonment is attributable to customers that purchase in my store?
5. How do I balance management's desire for growth in the sales and profitability of the Web site with management's vague mandate to exploit synergies between channels?

Research Methodology

Online surveys executed in May 2008

Pet Food Buyers

- Pet food buyers n=1,294
- Online pet food buyers n=122

Consumer Electronics

- People that had made a consumer electronics purchase w/in 60 days n=659
- People that had bought consumer electronics online within past 60 days n=206

Analysis of Homescan Online data (n=20,000)

People that had shopped at Sam's, Costco, Target, Walgreen, Wal-Mart or CVS offline

People that had visited the Web sites of sites listed above

Agenda

Channel choice motivations

Multi-channel behaviors

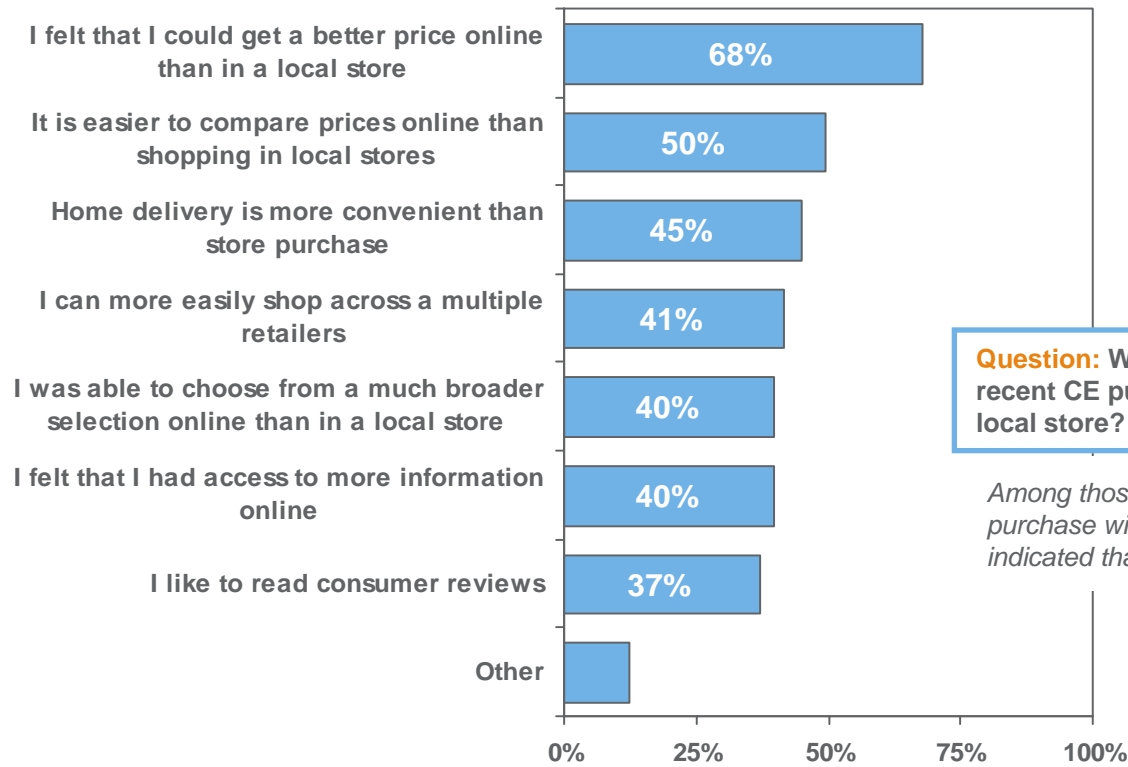
The multi-channel payoff

Multi-channel research alternatives

Multi-channel best practices

In High-Consideration Categories, There are Many Reasons to Buy Online

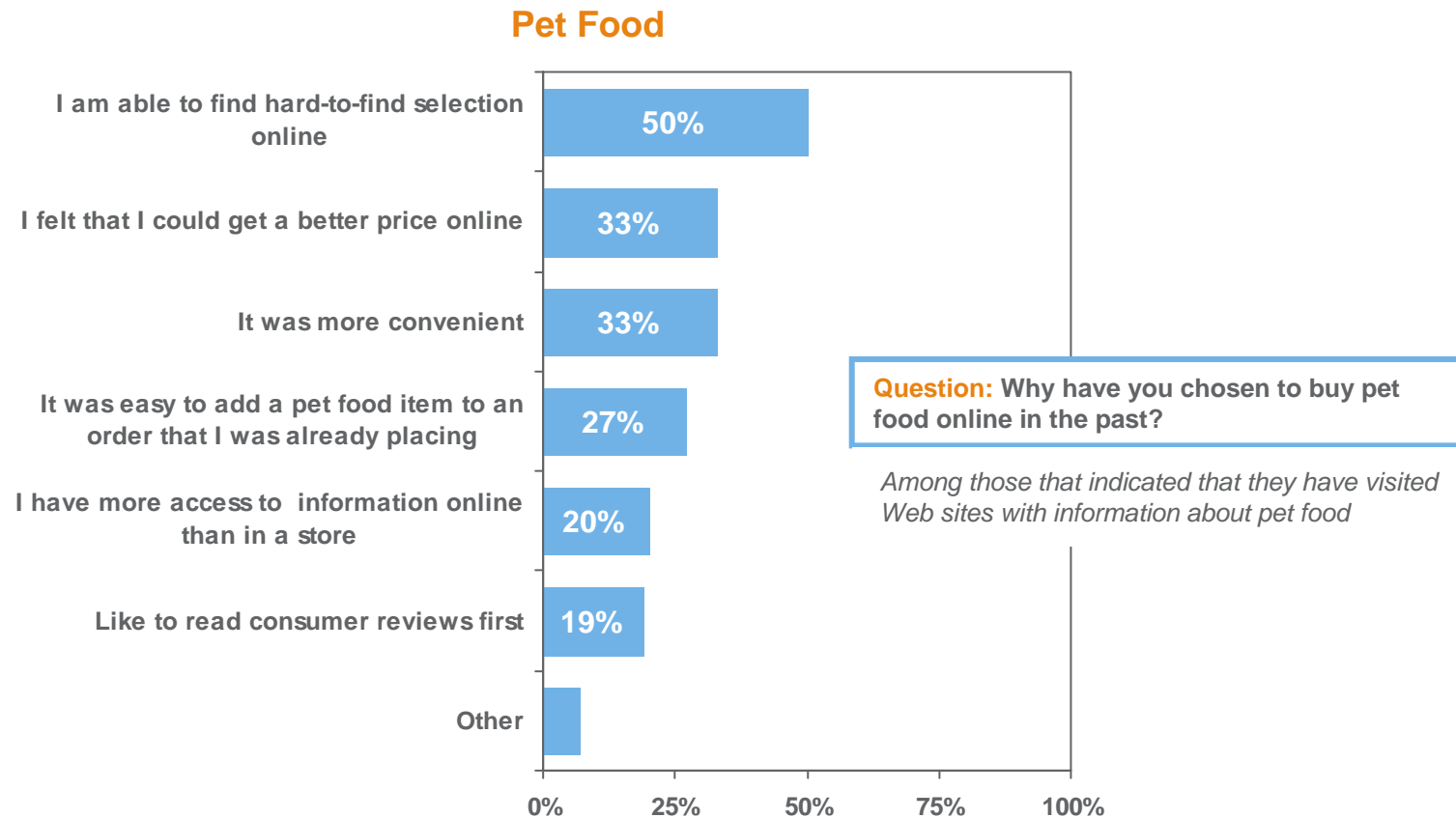
Consumer Electronics



Question: Why did you make your most recent CE purchase online, rather than in a local store?

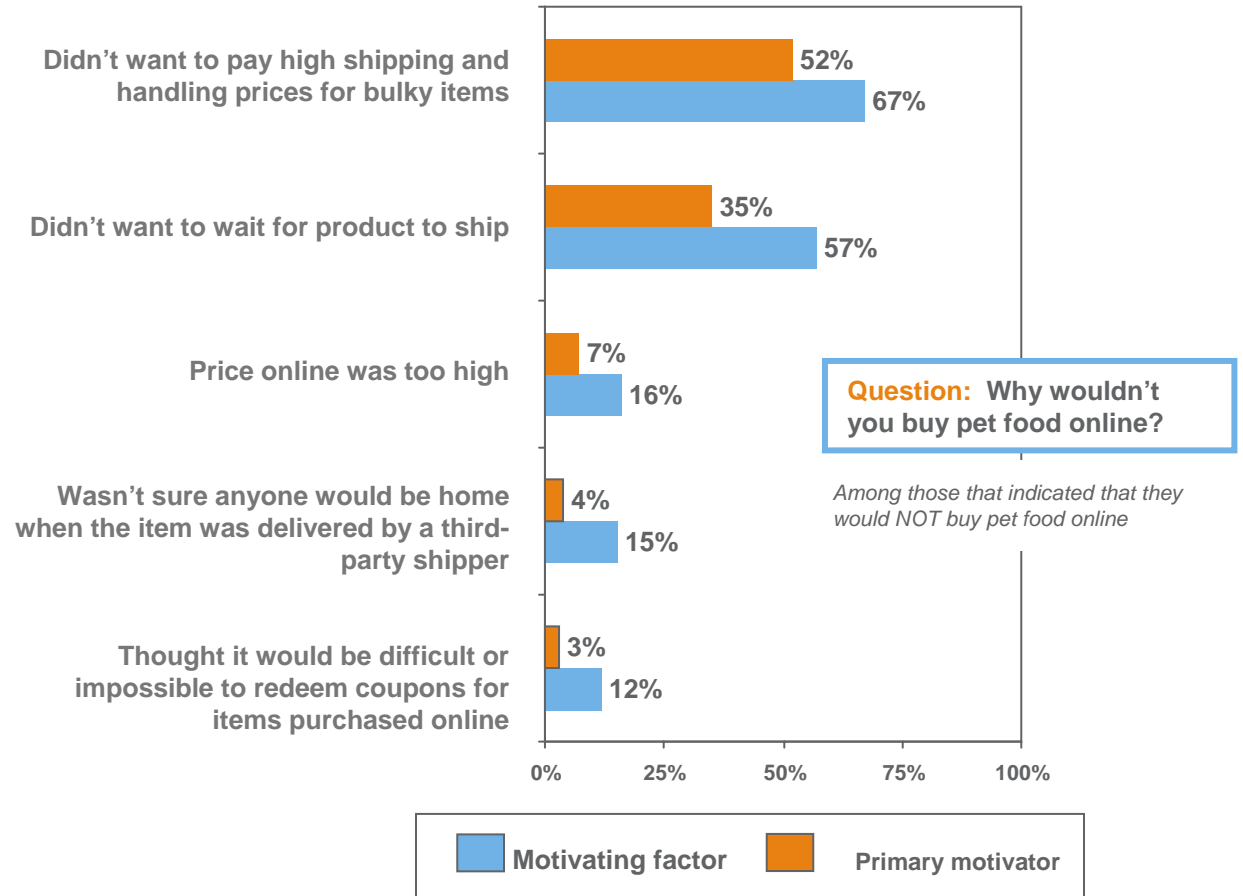
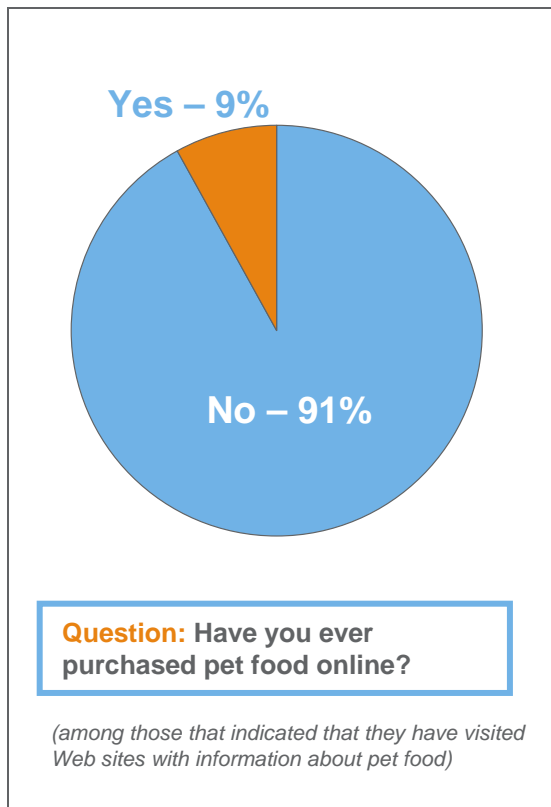
Among those that had made a CE purchase within the past 60 days that indicated that they had bought online

Even in Low-Consideration Categories, there are Reasons to Buy Online



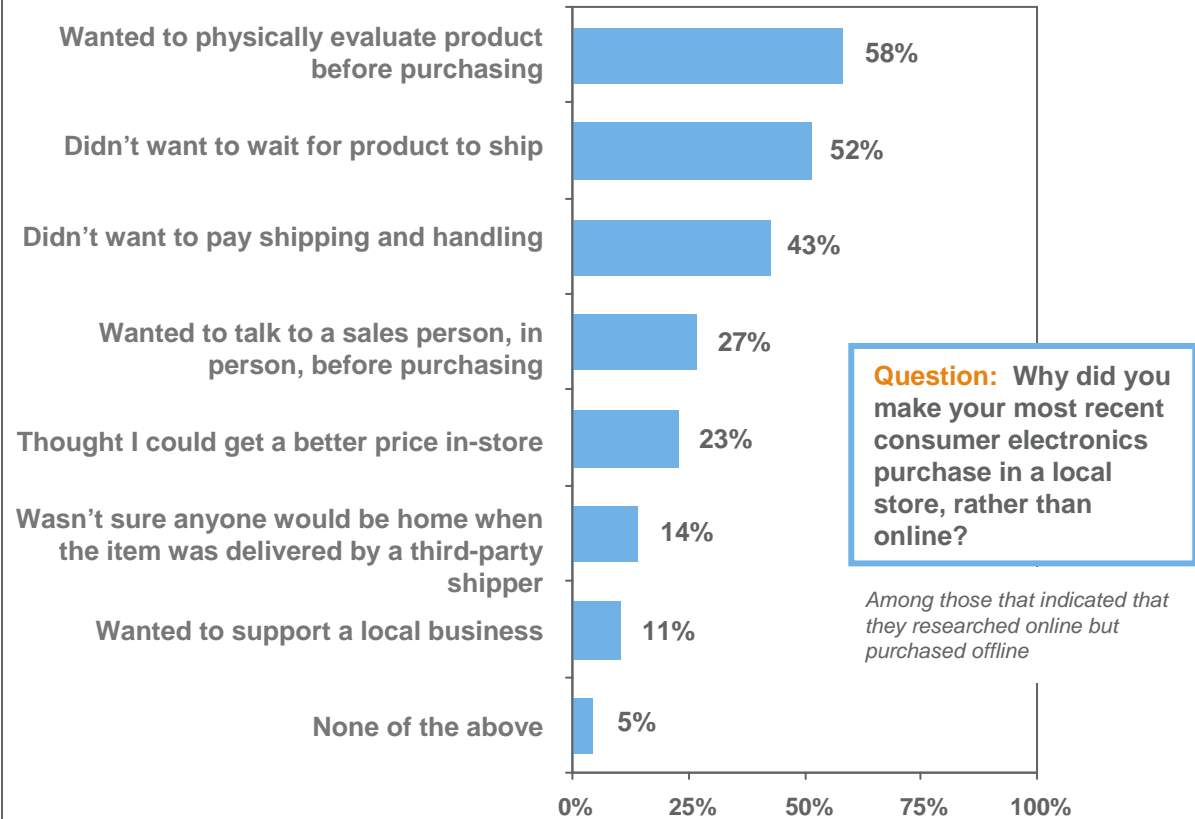
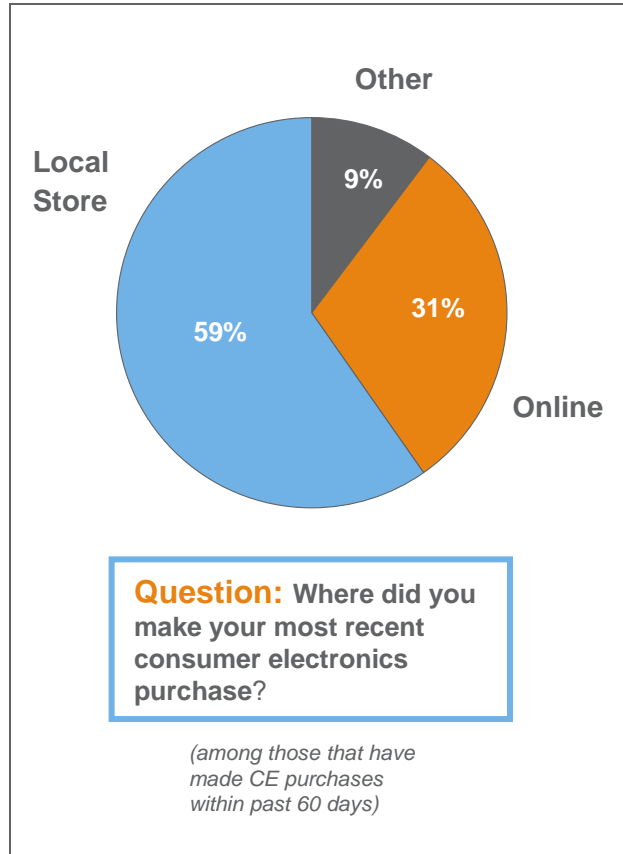
Nielsen Online MegaPanel survey. May 2008. N=1,297

However, Reasons NOT to Buy Online Dominate Low-Consideration Categories...



Nielsen Online MegaPanel survey. May 2008. N=1,297

...and in High-Consideration Categories Offline Purchase is Nearly Twice as Likely as Online



Nielsen Online MegaPanel survey. May 2008. N=659



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What Does This Show?

Clearly, in-store and Web channels complement each other

Benefits of In-Store

- Allows consumers to physically evaluate products
- Instant gratification
- No shipping cost is incurred
- Consumers can talk to salesperson



Benefits of the Site

- Price
- Convenience
- Breadth of selection
- Breadth of information

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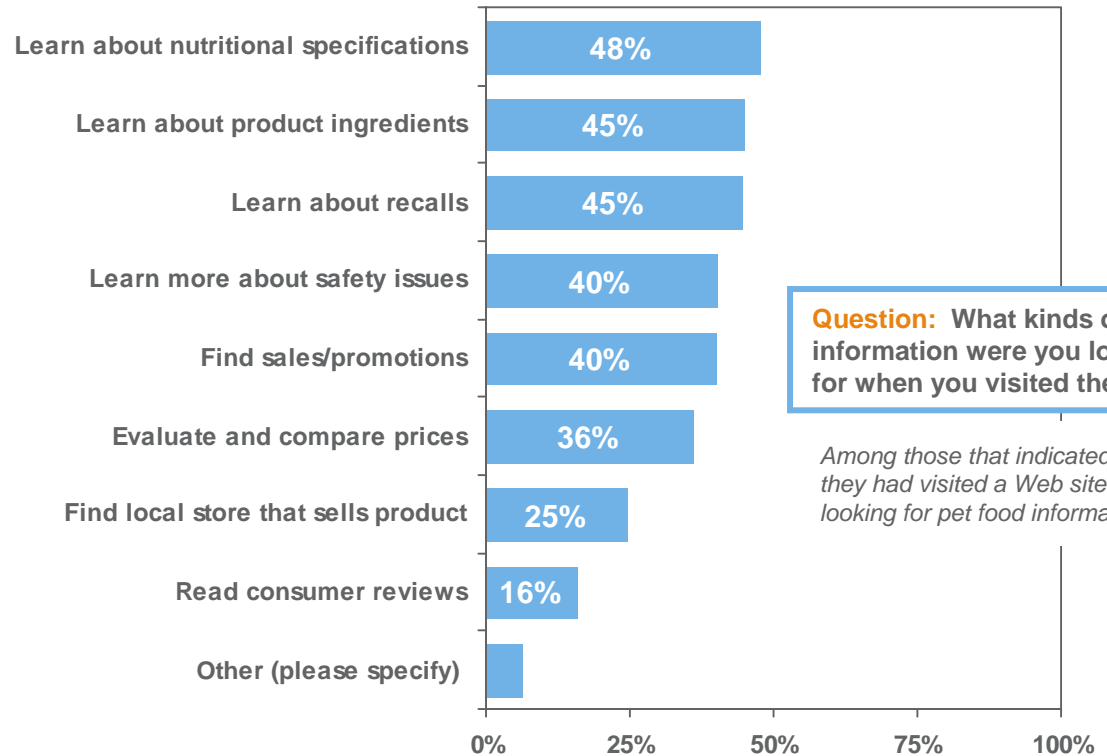
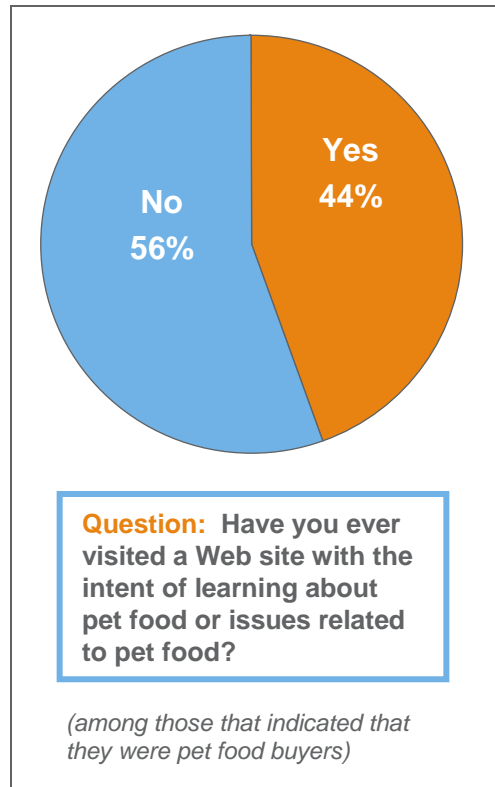
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What are People Researching Online?

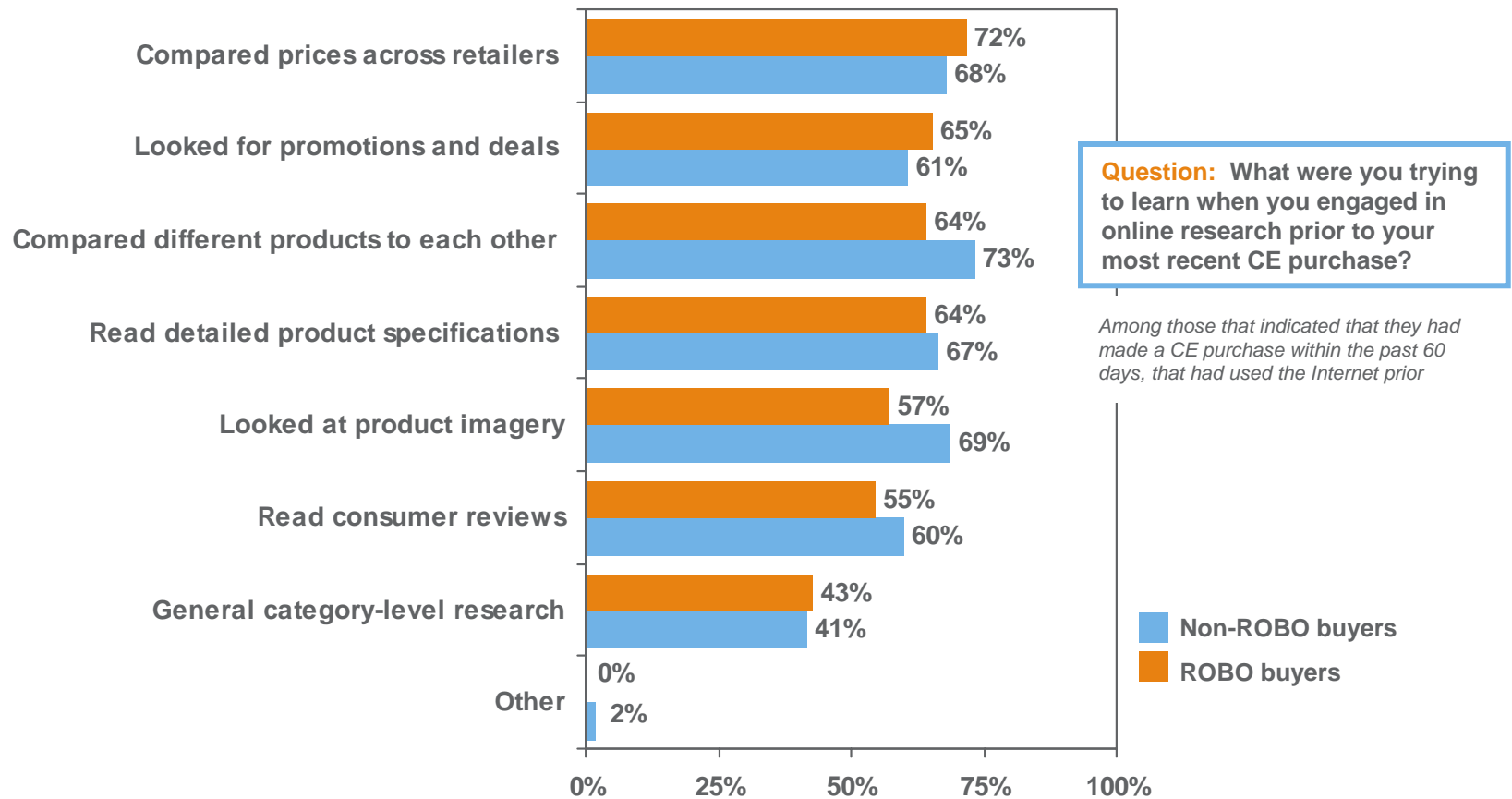
Online research regarding pet food



Nielsen Online MegaPanel survey. May 2008. n = 1,279

Regarding Types of Online Research They Do, Little Difference Between ROBO and Non-ROBO

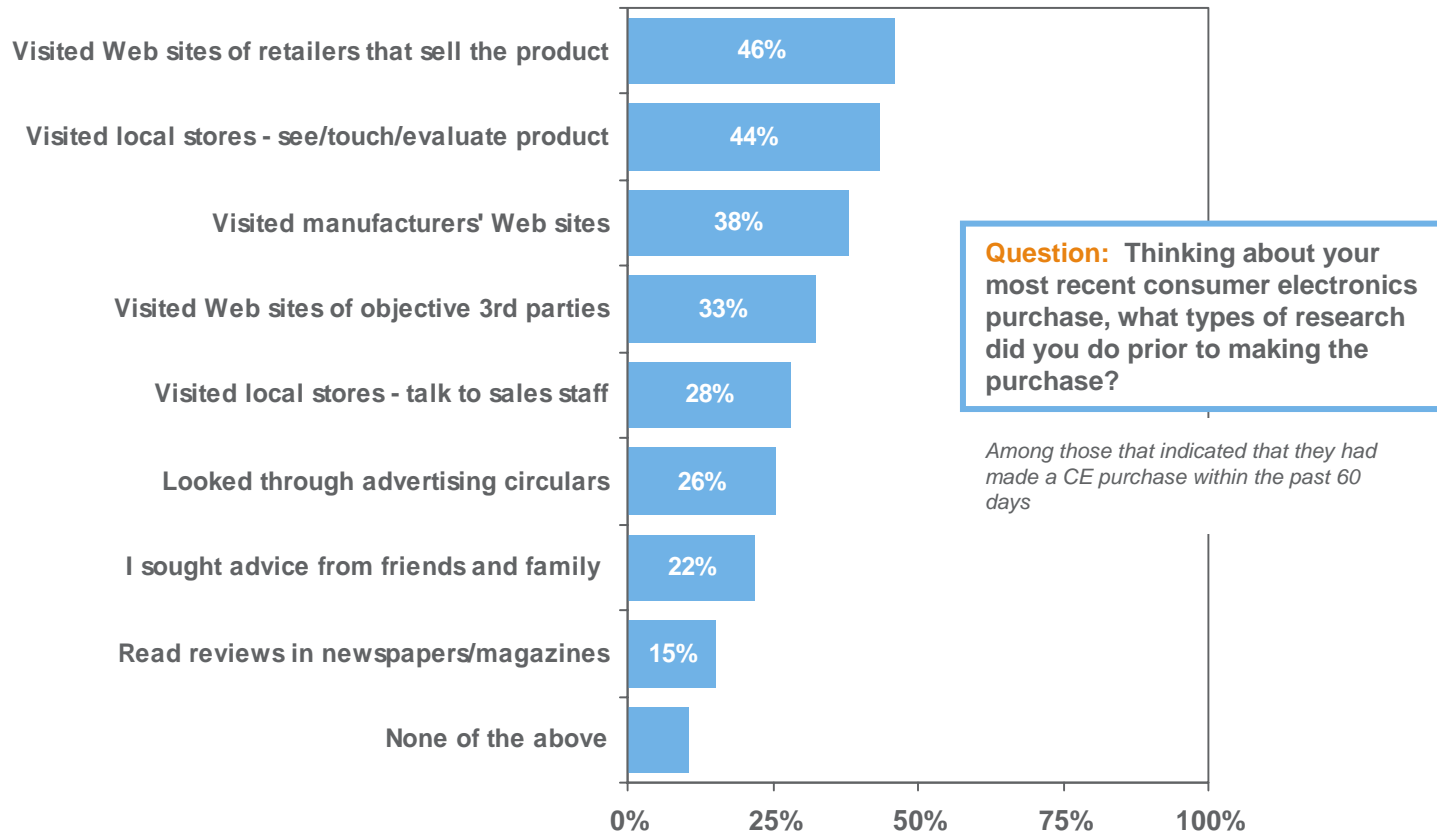
Consumer Electronics



Nielsen Online MegaPanel survey. May 2008. n=659

Consumers Employ Wide Array of Tactics Preceding High-Consideration Purchases

Consumer Electronics



Nielsen Online MegaPanel survey. May 2008. n=659



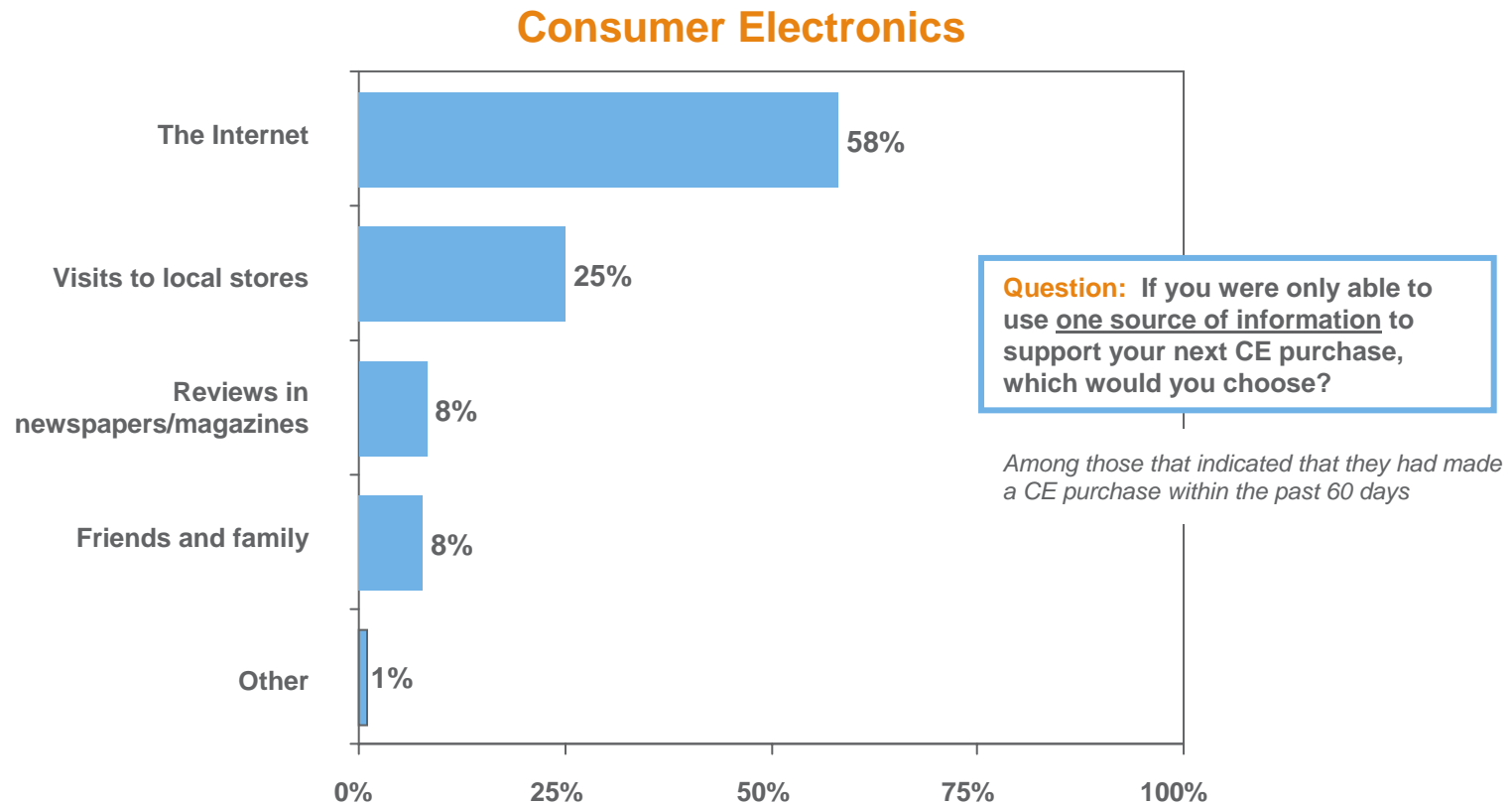
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When Looking Broadly at Channel Behaviors, We See a High Degree of Overlap

Consumer Electronics

- 64%** Percent of those that visited local stores to research the CE purchase that also used the Web to research the purchase
- 50%** Percent of those that used the Web to research the CE purchase that also visited the store

As Consumers Consume Product Info a la carte, the Internet is the Most Popular Menu Item

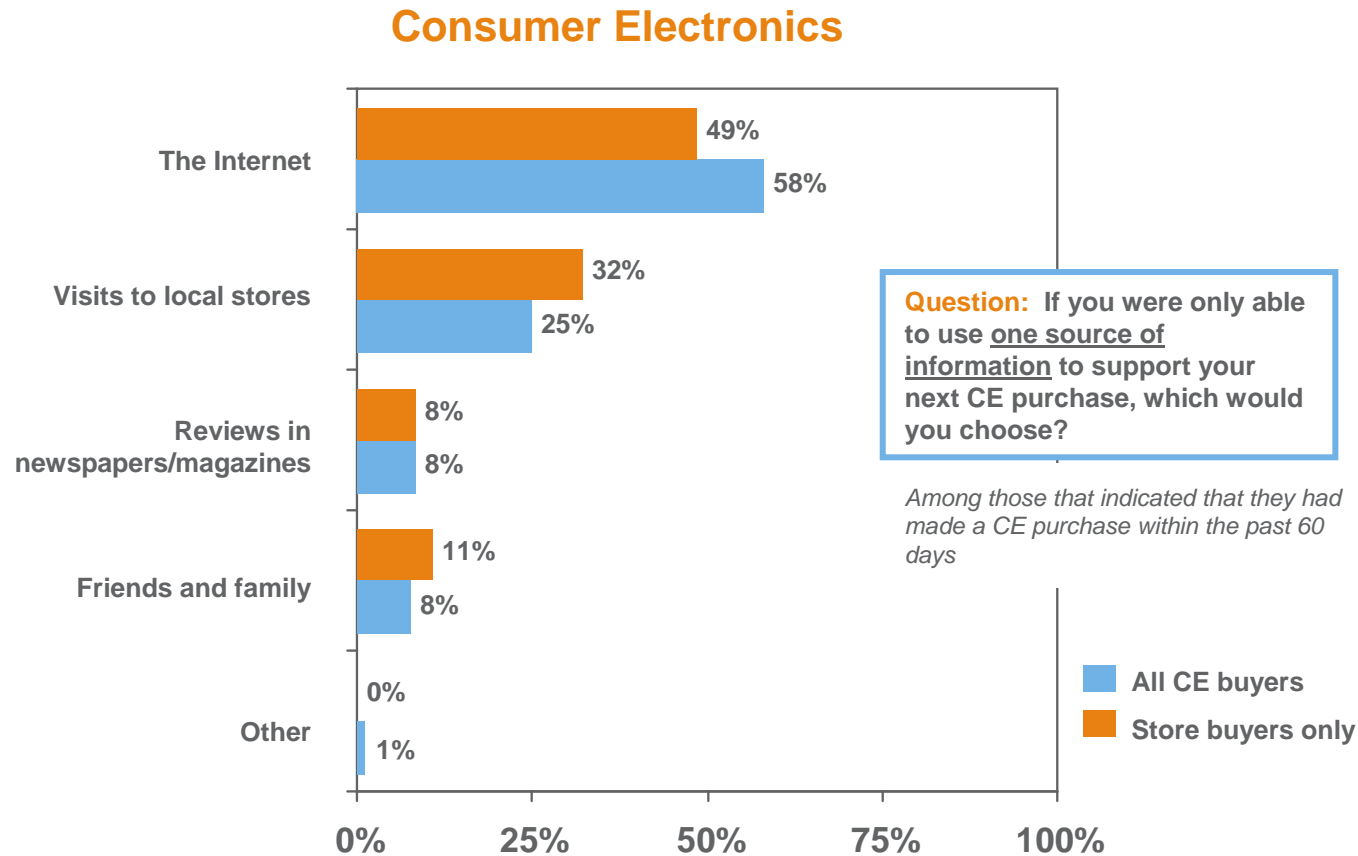


Nielsen Online MegaPanel survey. May 2008. n=659



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Even Among In-Store Buyers, the Internet is Considered Most Valuable Source of Information



Nielsen Online MegaPanel survey. May 2008. n=659

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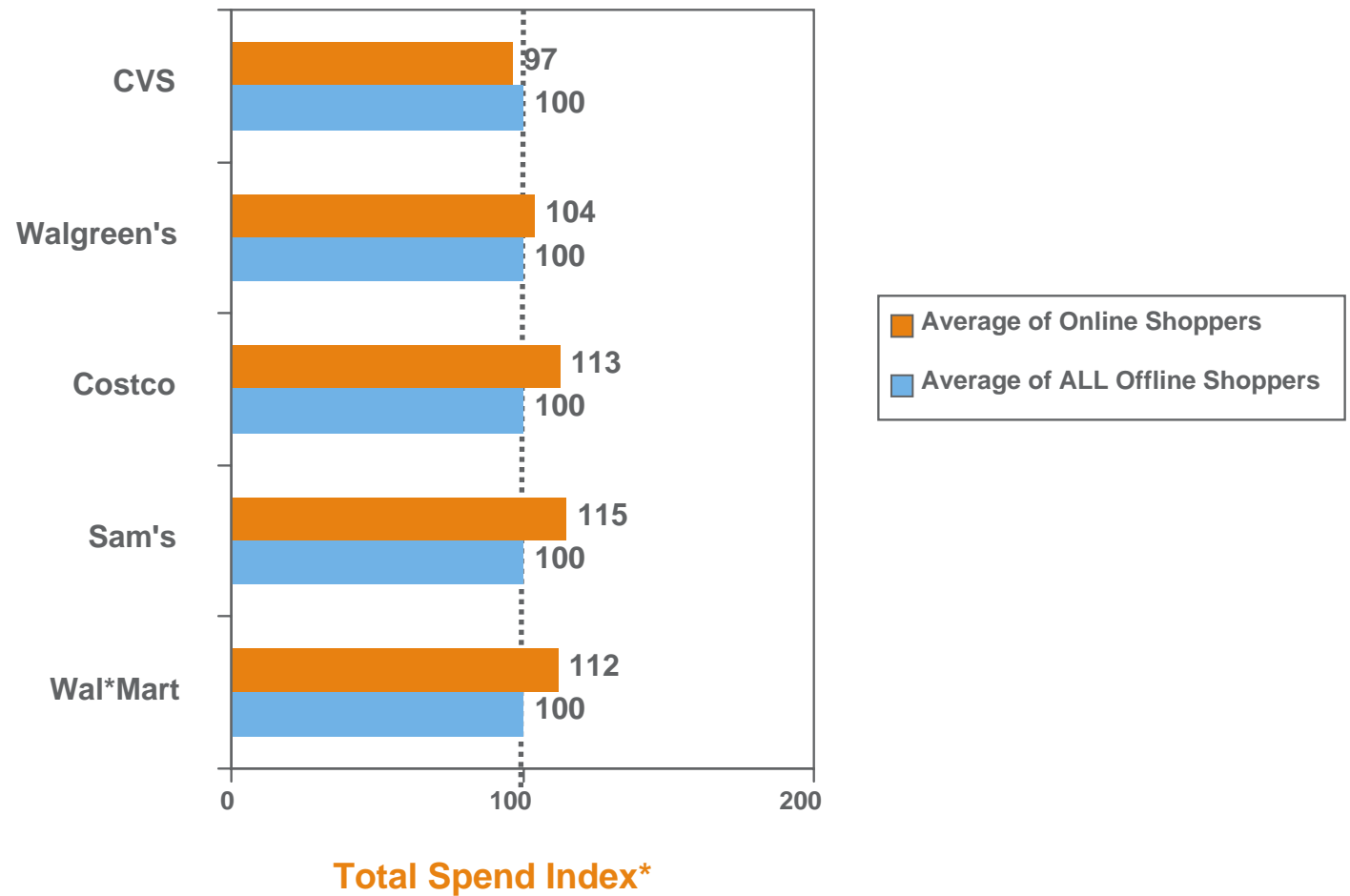
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Casual or Not, Multi-Channel Shoppers are the Most Valuable



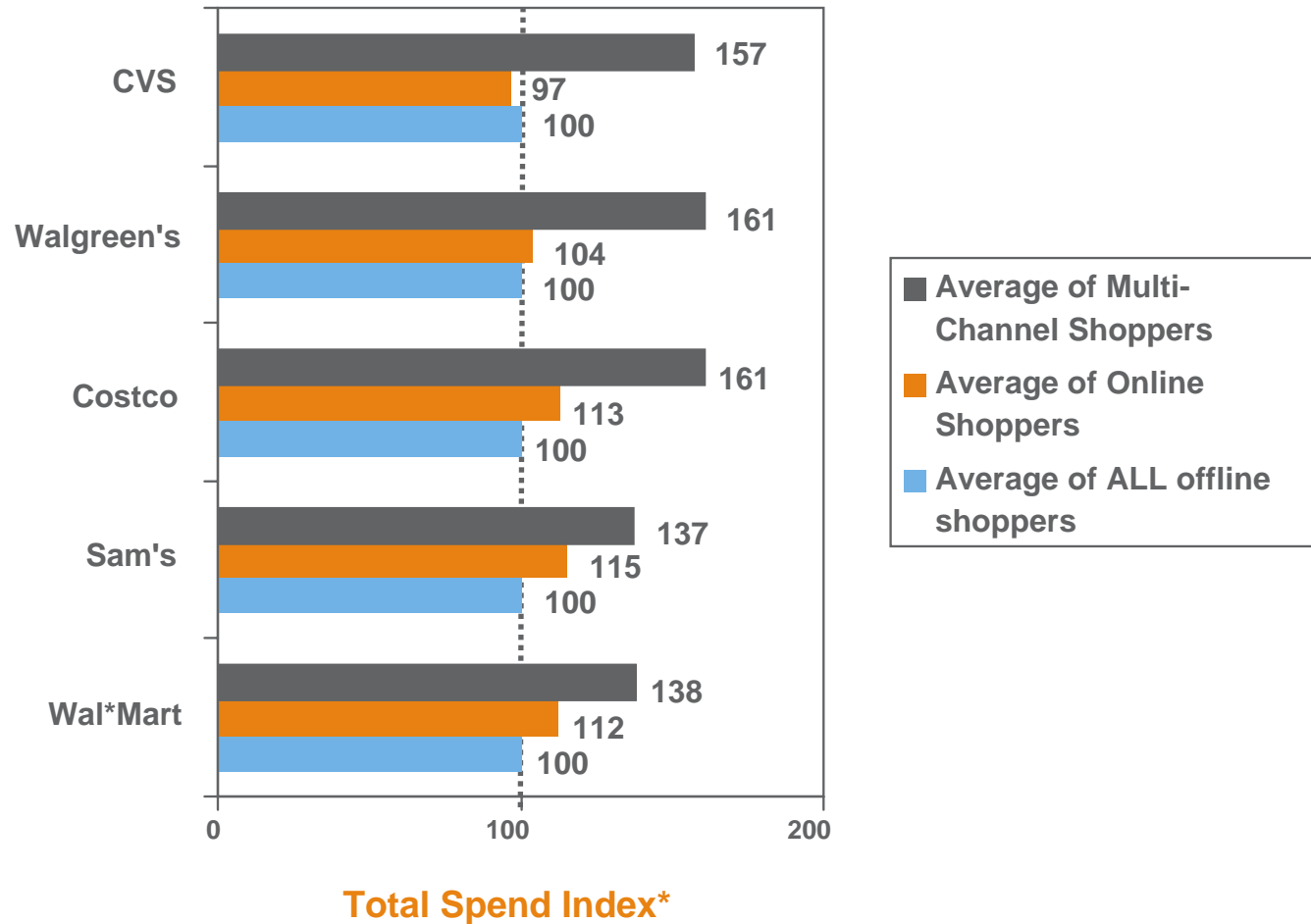
Nielsen Online, Homescan Online



* Total dollars spent per year in the brick and mortar store

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Casual or Not, Multi-Channel Shoppers are the Most Valuable



Nielsen Online, Homescan Online



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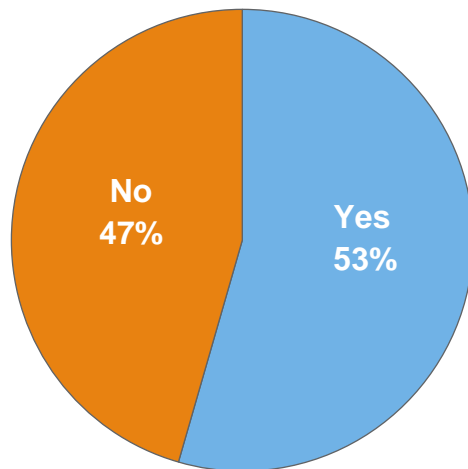
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Bottom Line

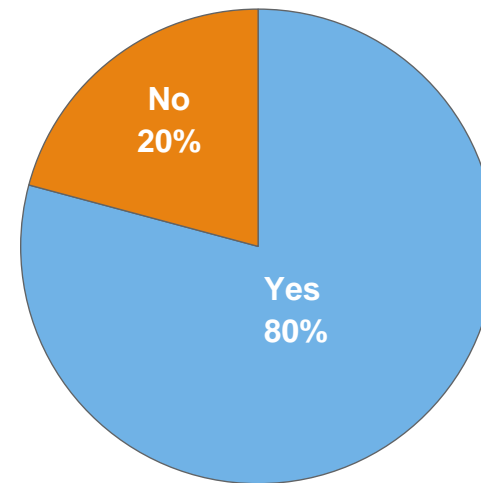
Supporting Research Online is Table Stakes for Brick-and-Mortar Retailers

Thinking about your most recent consumer electronics purchase....

Question: Did you buy from the local store of the retailer where you had spent the MOST TIME doing online research?



Question: Did you buy from a local store whose Web site you had visited as you were doing online research?



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Measurement of Multi-Channel Impact

The precise volume of online impacted offline sales will never be known. However, we can get pretty close:

- **Online surveys following site visitation**
 - Intent to purchase surveys immediately following site visitation
 - Self reported surveys delayed from site visitation
- **In Store Measurement**
 - Self reported purchase influence surveys outside of store
 - Employee field observation
 - Checkout queries
- **Ethnographic Research**
- **Database matches (HomeScan Online & proprietary matches)**
 - Match store buyer databases with panel-based data sources
 - Evaluate aggregate shopping behavior
 - Visitor/Non-visitor analysis of spending, trips, average order size
 - Evaluate category specific shopping behavior
 - Visitor/Non-visitor analysis at the category level

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Best Practices

Circuit City: Encouraging Printing on Every Page

Circuit City enables consumers to print the contents of most pages without the trouble that screenshots bring

The screenshot shows the Circuit City website interface. On the left, there's a 'Laptop computer finder' section with three steps: 'Step 1: Select features', 'Step 2: Browse & sort products', and 'Step 3: Buy your laptop'. The 'Step 2' section is highlighted with an orange circle and contains a 'Print this list' button. Below this, there are three laptop listings: HP Pavilion dv6809us 15.4" Widescreen, HP Pavilion Widescreen, and Sony VAIO V Widescreen. The main content area features a 'Panasonic 42" VIERA Plasma HDTV' with a large image and detailed specifications. The right side of the page includes a price comparison, a customer rating of 4.5 stars, and a 'Print' button circled in orange. Other buttons like 'add to cart' and 'add to wish list' are also visible.

Best Practices

Best Buy: In-Store Inventory Availability gives Critical Edge to Retailers

Best Buy > Audio > Headphones > In-Ear Headphones > **Product Info**



Philips - Ear Bud Headphones - Black/Red
Model: SHE9500 | SKU: 8005008

Shipping: Usually leaves our warehouse in 1 business day Estimate arrival time.

Store Pickup: Available at most stores Select preferred store availability

Our Price: \$29.99

[Add to Cart](#)

[+ Add to Wish List](#)

[+ MORE IMAGES](#)

Your Cart

Qty.	Product Description	SHIP or PICK UP?	Price	Total
<input type="text" value="1"/> UPDATE	Philips - Ear Bud Headphones - Black/Red SHE9500 In Stock: Meriden CT, 470 LEWIS AVE (Store #760) Shipping: Usually leaves our warehouse in 1 business day Store Pickup: Available at most stores Remove	Get it faster! Pick up in store. <input type="radio"/> Ship <input checked="" type="radio"/> Pick Up Select store	\$29.99	\$29.99

Best Practices

Safeway: Printable Recipes Linked to Shopping List

SAFeway
Ingredients for life..

Click here to shop for groceries

Shop Online | Shop Stores | Wellness Center | **Recipe Center** | Products

Search | Search by Ingredients | Recipe Ideas | Shopping List

[Back to Previous Page](#)

Aaron's Chocolate Chunk Oatmeal Cookies
Submitted by: SXGDSS

This recipe is very fast and easy. The white cake mix, butterscotch pudding, and sour cream make it rich and unique, and the recipe takes only 5 minutes to make! My boyfriend loves them.

★★★★★
[Read Reviews \(58\)](#)

Prep Time: 5 Minutes
Cook Time: 10 Minutes
Ready In: 30 Minutes
Servings: 24

Print: Shopping List: [Add to List](#) [View List](#) [Email Recipe to a Friend](#) [Find More Recipes](#)

Ingredients:

- 1 (18.25 ounce) package white cake mix
- 1 (3.4 ounce) package instant butterscotch pudding mix
- 2/3 cup rolled oats
- 1/2 cup vegetable oil
- 1/2 cup sour cream
- 1/4 cup water
- 2 teaspoons vanilla extract
- 1 cup semisweet chocolate chips

Directions:

1. Preheat oven to 350 degrees F (175 degrees C). Lightly grease cookie sheets.
2. In a large bowl, stir together cake mix, instant pudding, and rolled oats. Add oil, sour cream, water, and vanilla; mix until smooth and well blended. Stir in chocolate chips. Roll dough into 1 1/2 inch balls, and place 2 inches apart on the prepared cookie sheets.
3. Bake for 8 to 10 minutes in the preheated oven. Allow cookies to cool on baking sheet for 5 minutes before transferring to a wire rack.

Recipe Shopping List

Recipe List
Recipes you have recently added to your shopping list:

[Aaron's Chocolate Chunk Oatmeal Cookies](#) [Remove](#)

Ingredient List
Ingredients appear in shopping list below: [Print List](#)

Item	Quantity
Baking Supplies	
butterscotch-flavored instant pudding mix	1 (3.5 ounce) package
semisweet chocolate chips	6 ounces
vanilla extract	2 teaspoons
white cake mix	1 (18.25 ounce) package
Basic Cooking Ingredients	
vegetable oil	1/2 cup
Beverages	
water	1/4 cup
Cereals	
regular oats	2 ounces
Dairy, Eggs and Milk	
sour cream	1/2 cup

Best Practices


Walmart.com: The Multi-Channel Leader Among Discount Department Stores

Free Shipping With

site to store™

Order appliances and home items online, get free shipping to your local store.

[Shop for Appliances](#)


Walmart 
Save money. Live better.

Apparel ▾ Baby ▾ Electronics ▾

Find a Store

Enter ZIP Code to find your local store.

FIND

 **View Your Local Ad**
7/20 – 7/26

Best Practices

Lowes: How-To Content > Product Info > Store Availability

MY STORE: New Haven, CT
 CART (0) items
 Order Status | Register | Log In

Let's Build Something Together

Store Locator | Gift Registry | Gift Cards | Gift Advisor | Installation Services | We

Appliances | Indoors | Outdoors | Building Products | Tools | Project & Video Center

Keywords or item# Lowe's.com

\$4.99 Parcel Shipping on Orders \$50 or Buy Online & Pick Up in Store anytime

Home : Project Planning : How-To Library

HOW-TO LIBRARY

Thousands of Helpful How-Tos. Countless Ideas.

Installing a Ceiling Fan

Skill Level: Intermediate

Before You Begin: Basic Electrical Overview

Ceiling fans are both functional and decorative. They are particularly useful in the summer, since they effectively reduce energy usage while creating a cool breeze. They can also be used in the winter to gently pull heated air away from the ceiling where it tends to collect. Light kits can be added to increase the usefulness of many ceiling fans. A wide range of both fan and light kit styles is available, providing choices that will contribute to the beauty of any room. This how-to provides general instructions for

Tools & Materials

Click a text link below to shop for that item.
 Click the information icon **i** for a product buying guide.

- [Ceiling fan kit](#)
- [Outlet box](#) (ceiling or "paddle" fan installation approved)
- [Wire nuts](#)
- [Downrod](#) (optional)
- [Expandable cross brace](#) (optional)
- [Light bulbs](#) (if fan has lights)
- [Ceiling medallion](#) (optional)
- [Electrical Tape](#)
- [Ceiling Fan Outlet Box](#)
- [Step ladder](#) **i**
- [Philips and slotted screwdriver](#) **i**
- [Wire cutters](#)
- [Electrical tester](#)
- [Adjustable wrench](#) **i**
- [Pliers](#) **i**
- [Goggles](#)
- [Dust Mask](#)

Load Capacity	Type	Grade	Typical Uses
375 lbs.	IAA	Commercial	General heavy-duty applications (available as stepladder only).
300 lbs.	IA	Heavy-Duty Industrial	Industrial, Building, Roofing, General Contracting
250 lbs.	I	Industrial	General Contracting, Building, Maintenance, Drywalling
225 lbs.	II	Commercial	Light Commercial, Painting, Cleaning Light Repair
200 lbs.	III	Household	Painting, Yard Work, Chores

You're shopping New Haven, CT. Select from drop-down menu for item availability at nearby stores.

Viewing 1-12 of 25 Page 1 2 3 Next

Sort by: **Best Match** | Price [Low - High](#) | Brand [A - Z](#) | Name [A - Z](#) [Compare Selected Items](#)

Xcelite 8 1/4" Wiring Tool - Cutter, Crimper & Stripper	Zurn PEX Multi-head Copper Crimp Ring Tool	Zurn PEX 1" CTS Large Crimping Tool	Zurn PEX 1/2" CTS Large Crimping Tool
Item # 77615 Model # 104CGV	Item # 232387 Model # QCRTMH	Item # 231237 Model # QCRT5TL	Item # 23169 Model # QCRT3TL
\$13.96	\$144.00	\$97.00	\$86.00
Not Sold at Lowe's Of New Haven, CT Check nearby stores?		Limited Availability at Lowe's Of New Haven, CT Check nearby stores?	

Best Practices

Retailers Need to Organize Content Portability as Media Companies Have Done

THE WALL STREET JOURNAL.

EMAIL PRINT MOST POPULAR

YAHOO! BUZZ DIGG THIS

MY SPACE GET RSS FEEDS

Clinton campaign says not conceding as race nears end

Tue Jun 3, 2008 1:39pm EDT

Email Print Share Reprints Single Page Recommend (7) Text [+]

Delicio.us Digg Facebook Mixx Newsvine Yahoo! (what is this?)

By John Whitesides, Political Correspondent

WASHINGTON (Reuters) - Barack Obama edged closer to capturing the Democratic presidential nomination on Tuesday amid speculation that Hillary Clinton will soon drop her historic White House bid.

The Clinton campaign denied a report that the New York Times had obtained a copy of a letter from Clinton to Obama on Tuesday.

REUTERS

The New York Times

E-MAIL

PRINT

REPRINTS

SAVE

SHARE

DIGG

FACEBOOK

MIXX

YAHOO! BUZZ

PERMALINK

allrecipes

PRINT 3x5 4x6 FULL EMAIL RECIPE SEND ECARD

Yummy Honey Chicken Kabobs

SUBMITTED BY: Ann Marie PHOTO BY: LADYJAYDEE

"Honey chicken kabobs with veggies. You can marinate overnight and make these kabobs for an outdoor barbecue as a tasty alternative to the usual barbecue fare! Fresh mushrooms and cherry tomatoes can also be used. (This can also be done in the broiler.)"

PREP TIME 15 Min
COOK TIME 15 Min
READY IN 3 Hrs

SERVINGS & SCALING
Original recipe yield: 12 servings

US METRIC

12 Change

About scaling and conversions

INGREDIENTS
1/4 cup vegetable oil

★★★★★
READ REVIEWS (475)

- Review/Rate This Recipe
- Save To Recipe Box
- Add to Shopping List
- Add a Personal Note
- Post a Recipe Photo
- Post a Favorite Food List
- Create a Menu

NBC.com

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Miss an episode? Get caught up fast with the 2-Minute Replay or watch Full Length Episodes here!

Enter mobile number for videos, photos, and more!

Send Link to Mobile

Always on the go? Now you can enjoy Full Episodes of 30 Rock on your mobile phone! Just go to m.nbc.com to learn more.

Best Practices

KraftFoods.com: Deploys Content to a Number of Different Platforms

Get Kraft Recipes Six Different Ways

<p> Recipes By Email</p> <p>Each week, we deliver fresh ideas from our kitchen to yours, directly to your inbox.</p>  <p>Learn More</p>	<p>Kraft Recipe Widget</p> <p>Use this widget to get hundreds of recipes right from your desktop.</p>  <p>Learn More</p>	<p> RSS Recipe Feeds</p> <p>We continually deliver fresh ideas to your personal RSS page so you don't miss a thing.</p>  <p>Learn More</p>
<p> Mobile</p> <p>Access our recipe database with your mobile phone at Kraftfoods.com/mobile/</p>  <p>Learn More</p>	<p> iTunes® Recipe Videos</p> <p>Watch the Kraft Kitchen Experts bring your recipes to life on your iPod® or computer.</p>  <p>Learn More</p>	<p> iPod® Recipes</p> <p>Download recipes to your iPod®, so you can plan a delicious meal wherever you are.</p>  <p>Learn More</p>

Principles of Multi-Channel Retailing

- Great product and category-level content is the critical foundational element
- Key pieces of content must be portable:
 - Easily-enabled printing
 - Mobile devices
 - In-store devices (kiosks, employee devices, etc....)
- The retailer must be agnostic as to which channel the customer purchases in (and this agnosticism should be obvious in the customer experience)
- Systems for estimating the impact of the Web site on the store must be established. All parties must recognize that the unavailability of perfect information should not preclude efforts to best estimate the impact. Best estimates should fuel investment decisions.