

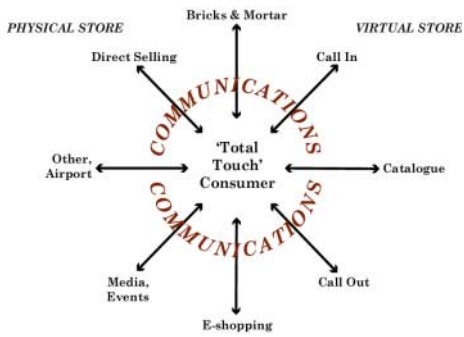
J.C. WILLIAMS GROUP

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# PMRS, BC Chapter Retail Multi-Channel Breakfast Presentation

May 27, 2002  
Jim Okamura  
jokamura@jcwg.com  
312-673-1254

## Multi-channel Retailing



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## Multi-Channel Retail Report 2001

22 Multi-Channel Retailers  
Department, Apparel, Home & Leisure Specialty Stores



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## Cross-channel Behavior

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### Online Shoppers: Many Are Cross-channel Buyers




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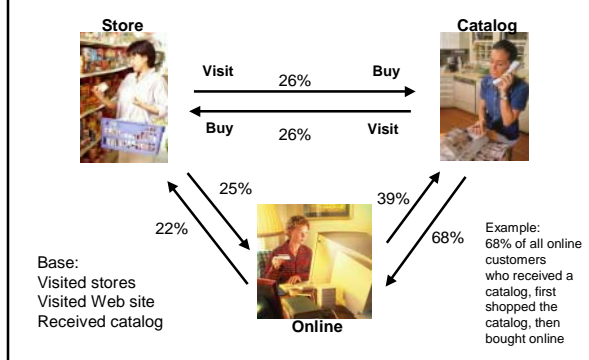
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### Cross-Channel Influence is Significant

(% of customers that looked for or purchased something previously seen in another channel)




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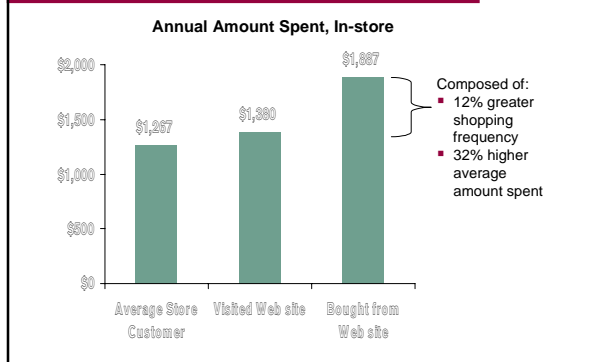
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### Multi-Channel Shoppers: Most Valuable Customers




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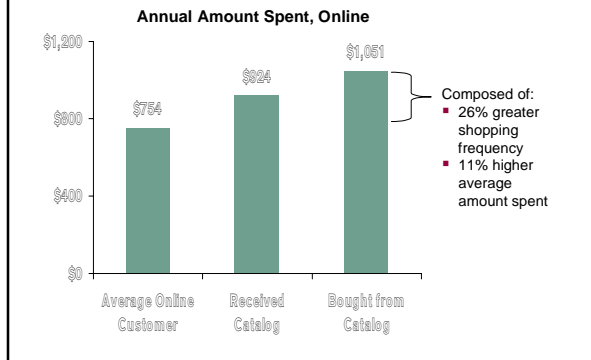
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### Online Customers: Catalog Drives Spending



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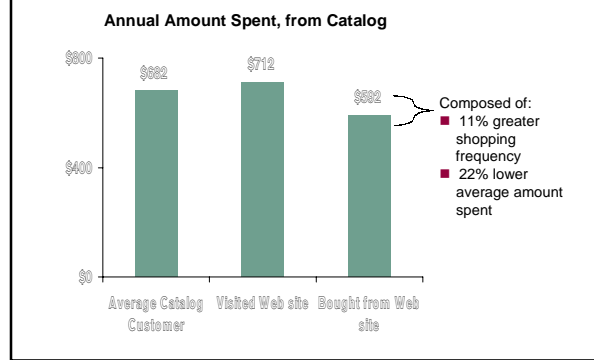
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### Catalog Shoppers Are Migrating Spend to Online



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### Key Segments

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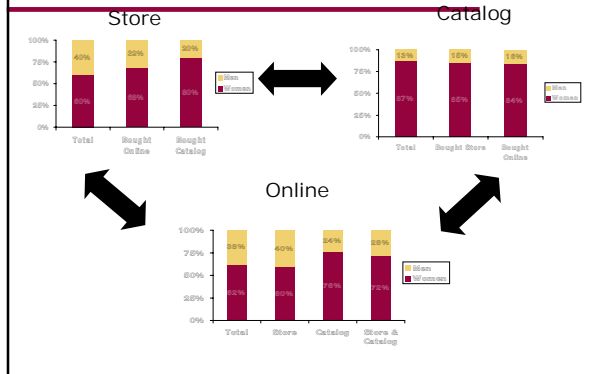
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### Multi-Channel Shoppers are Predominantly Women




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### Super Customers

- Super Online Customers:
- Buy once/month or more from retailer's online channel
- Are 6% of all online customers
- Spend 21% more \$ per purchase
- Purchase four times as frequently




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### Mid Market, Not Affluent



Highest Incidence in Apparel and Electronics Categories

Female	Young (45% are 18-34 years of age)	Some College Education	Middle Income \$30k-\$75k
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## Executive Interviews

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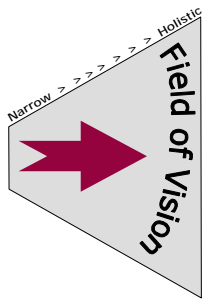
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## ROI Evolutionary "Thinking"

### Novice Multi-Channel Retailer

- Direct sales only
- Tangible measurements
- Traditional metrics



### Advanced Multi-Channel Retailer

- Direct and indirect sales
- Lifetime value
- Share of wallet
- "Fully loaded" P&L
- Tangible and intangible benefits
- Customer service improvements
- Brand equity gains

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## Key Success Factors



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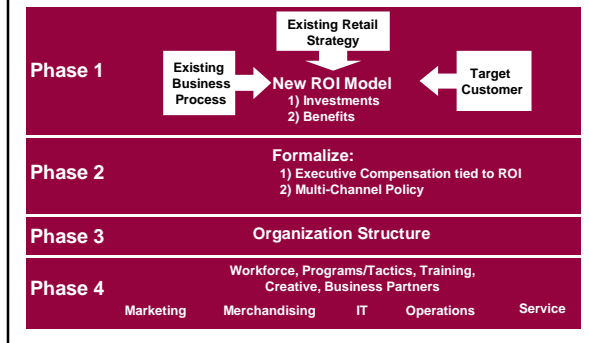
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## A Framework for Multi-Channel Investment




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## Best Practices in Multi-Channel Integration

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## Basic and Advanced Attributes

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|---|---|
| <p><b>Basic Attributes</b></p> <ul style="list-style-type: none"> <li>■ Store locator</li> <li>■ Ads available on Web</li> <li>■ Consistent branding</li> <li>■ Dot.com message in ads</li> <li>■ Dot.com message in store</li> </ul> | <p><b>Advanced Attributes</b></p> <ul style="list-style-type: none"> <li>■ Returns accepted</li> <li>■ In-store kiosk/Web access</li> <li>■ Experimental stores</li> <li>■ Inventory modifications</li> <li>■ E-mail sign-up</li> <li>■ In-store promotion and awareness</li> <li>■ Store coupons on Web site</li> <li>■ In-store pick-up</li> <li>■ Real time inventory</li> <li>■ Ads sell Web benefits</li> <li>■ Registry/loyalty programs</li> </ul> |
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## Summary and Implications

- Multi-channel shopping behavior has become mainstream, yet retailer excellence remains elusive
- Women and young adults are multi-channel shoppers
- The role of the catalog has never been more important
- Segmentation capabilities will be critical
- Retail category consolidation will accelerate due to multi-channel strategies
- Geographic reach of direct channels

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**Thank you and keep in touch.**



J.C. WILLIAMS GROUP

### The Retail Shop.

Chicago, Toronto  
www.jcwg.com  
(312) 673-1254  
[jokamura@jcwg.com](mailto:jokamura@jcwg.com)

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