

GETTING 'UP CLOSE AND PERSONAL' IS KEY TO ONLINE RETAIL ACCORDING TO HYBRIS

Submitted by: Ascendant Communications

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...research by Verdict Research suggests that UK online retailers must cater to individual customer needs and deliver 'edited choice' to drive customer experience and loyalty...

London – 17 March 2009: Research released today by hybris (www.hybris.com), a leading multi-channel commerce & communication software vendor, confirms that taking a 'one size fits all' approach to retailing is no longer relevant in a highly competitive environment where the mass market has been replaced by increased fragmentation amongst consumers. Providing a standardised retail offering to large numbers of people is no longer appropriate for consumers who are increasingly demanding a more tailored and individualised service.

According to the research, carried out for hybris by Verdict Research, this is particularly true in the management of large product ranges where consumers only want to be offered products and services that are relevant and appropriate to them, as an 'edited choice', in order to benefit from a more personalised online shopping experience.

In its report, 'Personalisation and Range Management', Verdict points out that whilst online retailers are not exempt from this trend, Internet retailing has one major advantage over its physical retailing counterpart. As a virtual experience, it is far more capable of responding and changing to suit the individual needs of consumers. To harness this power, online retailers will need to understand the different groups of customers they serve and what they want from the online experience. They must be able to identify these customers when they log into a site and then present them with an experience tailored to their needs. Tailoring does not mean providing as many variations of the site as there are customers. It means building sites that are able to adapt slightly to the taste preferences of groups of consumers.

Internet retailing removes any restrictions on selling-space and logistics experienced in physical retailing, which means that it is much easier to carry an extensive range, but the report stresses that only a very small number of consumers choose websites simply because of the quantity of products for sale. Convenience, ease and speed of purchase are far more important features, as is separating product into 'departments' or 'brands'. Online retailers do not necessarily have to stock less but they do need to be more careful about how those ranges are managed and how they are presented to the consumer.

According to James Flower, Senior Consultant at Verdict Research, "Personalisation has a key part to play in online success, retailers should aim to highlight products that are most relevant to consumers as soon as they enter the site. The right product selection can be made by analyzing demographics, understanding customer segmentation and by a thorough examination of purchasing history. Successful online range management does not necessarily mean limited choice, but it should absolutely be the most relevant. Less really is more."

Commenting on the research, Ariel Lüdi, CEO of hybris group said; "Successful online retailing is all

about delivering an excellent customer experience. Providing a personal service is possible for online retailers, but interactive websites that use the latest Web 2.0 technology and sophisticated ecommerce platforms that make it possible to offer an 'edited choice' for each customer, will be critical going forward."

Verdict has identified six key challenges that retailers must address if they are to get it right online and emerge from the current downturn primed for growth.

- Robustness
- Speed to market
- Personalization
- Range management
- Communications
- Integration

To view the Verdict white paper on 'Personalisation and Range Management', please visit:
<http://trends.hybris.com>

About Verdict

Verdict Consulting is a specialist division of Verdict Research with over twenty years experience in providing bespoke solutions across all areas of retail and consumer research. The division has an extensive track record of working with retailers and those interested in retailing to help them grow their businesses and to make them more profitable. Verdict consultants deliver high quality, effective solutions through in-depth retail knowledge and an understanding of the dynamics of the sector.

About hybris

hybris is a leading vendor of multi-channel commerce & communication software. Its clear vision about the need for consistency, co-ordination and personalization of information across all channels and throughout all phases of the customer lifecycle has resulted in the development of an integrated solution which supports the industrialization and automation of communication, sales and support processes. It is spearheading innovation in this field, enabling businesses to communicate and sell across all channels in a consistent and effective way.

Established in 1997, hybris has a proven track record of profitability and growth, with ambitious expansion plans for the future. Headquartered in Munich, it has offices in the UK, Netherlands, Switzerland and Sweden. Its international presence is extended via a dedicated network of business and technology partners across Europe and the USA. It has over 150 customers worldwide running more than 1.500 websites "powered by hybris". Customers are global brands from retail and manufacturing industries, including Toys 'R' Us, Norgren, TUI, Lufthansa, Puma, Ulla Popken, Reebok, Grundfos, Demag, Sika, Bunzl UK & Ireland, Phonak and Bechtle.

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