

# HYBRIS ARGUES THAT ONLINE RETAILERS MUST 'THINK SMART' TO STAND OUT OF THE CROWD

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...latest Verdict Research puts targeted marketing and cohesive communication at the top of the agenda for online retailers who want to encourage customer loyalty

London – 8 April 2009: The latest research from Verdict Research into the 'Key Strategic Challenges in e-retail' on behalf of hybris ([www.hybris.com](http://www.hybris.com)), a leading multi-channel commerce & communication software vendor, suggests that e-retailers will have to fight harder and communicate 'smarter' if they are to differentiate themselves from their competition, encourage customer loyalty and increase repeat purchases. Blanket mass marketing campaigns are no longer applicable in a world where the percentage of consumers who go back to websites because of good communication and marketing has risen from 8% in 2002 (representing a combined spend of £31m) to 15% in 2008 (with a combined spend of £291.8m).

As mainstream high street retailers are joined by more and more internet pure-play retailers, small niche specialists and international players, and even individuals selling products via eBay, e-retailers can no longer launch a website and wait for customers to buy. The only way to attract and maintain customers in an increasingly crowded market place will be for e-retailers to use highly targeted, personalised and focused marketing and communications techniques.

In its report, 'Communication & Integration', Verdict suggests that the quality of communication with customers is more important than the quantity. The internet might make mass mailing simple and low cost but consumers increasingly want to be communicated with – not to. Marketing activity should be highly relevant and have 'added value' interest or benefit, either in the form of a discount or a discussion of the latest fashion trends or DIY tips.

This commitment to targeted marketing and consistent communications across all retail channels must be matched by a truly integrated, multichannel retail operation if consumers are to benefit from a cohesive brand experience.

Stores and websites can be used to support each other. In-store marketing can be used to direct customers to the website and the online channel can be used to stimulate offline purchasing. In-store kiosks enable stores to introduce customers to the online shopping experience and allow them to view wider ranges and access more information at the same time. Click and collect services offer increased convenience to the shopping process, enabling consumers to order online and collect in-store, at their discretion.

James Flower, Senior Consultant at Verdict Research, said; "It is important to remember that integration needs to occur in every facet of the business, not just the customer side of retailing. The internet sales channel must be integrated to stock, pricing and other management systems. Management must be able to understand the channel in the context of the whole business by using similar metrics for online and in-store operations. Integration of key systems enables retailers to improve overall efficiency of the business by enabling policy decisions about products and pricing to be rolled out across all channels, once only."

Commenting on the research, Ariel Lüdi, CEO of hybris group, said; “The ability for retailers to streamline their product and pricing information, combined with personalised marketing and communications, will be critical to differentiation as competition reaches an all time high. Providing a seamless service that is channel agnostic is the future for e-retailers, and using an eCommerce platform that can support this kind of functionality is key to delivering these differentiators in the market.”

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 ‘Marketing and Communications’, 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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