



Webreality "Jersey Clicks & Mortar" Survey January 2011

At Webreality we have been advising clients on e-commerce strategy for many years.

In December 2010 we conducted a survey to validate our belief that the time is right for Jersey retailers to rise to the competitive challenge presented by online retailers in the UK and elsewhere.

We invited Jersey residents to answer questions about their current online spending habits, and their attitudes to the opportunity to do more business online with local retailers.

Based on previous anecdotal findings, we expected a positive response to the concept of "clicks and mortar" retailing - established businesses supplementing their physical presence, customer service resources and local stock with an online presence to improve the overall service offering.

Key findings

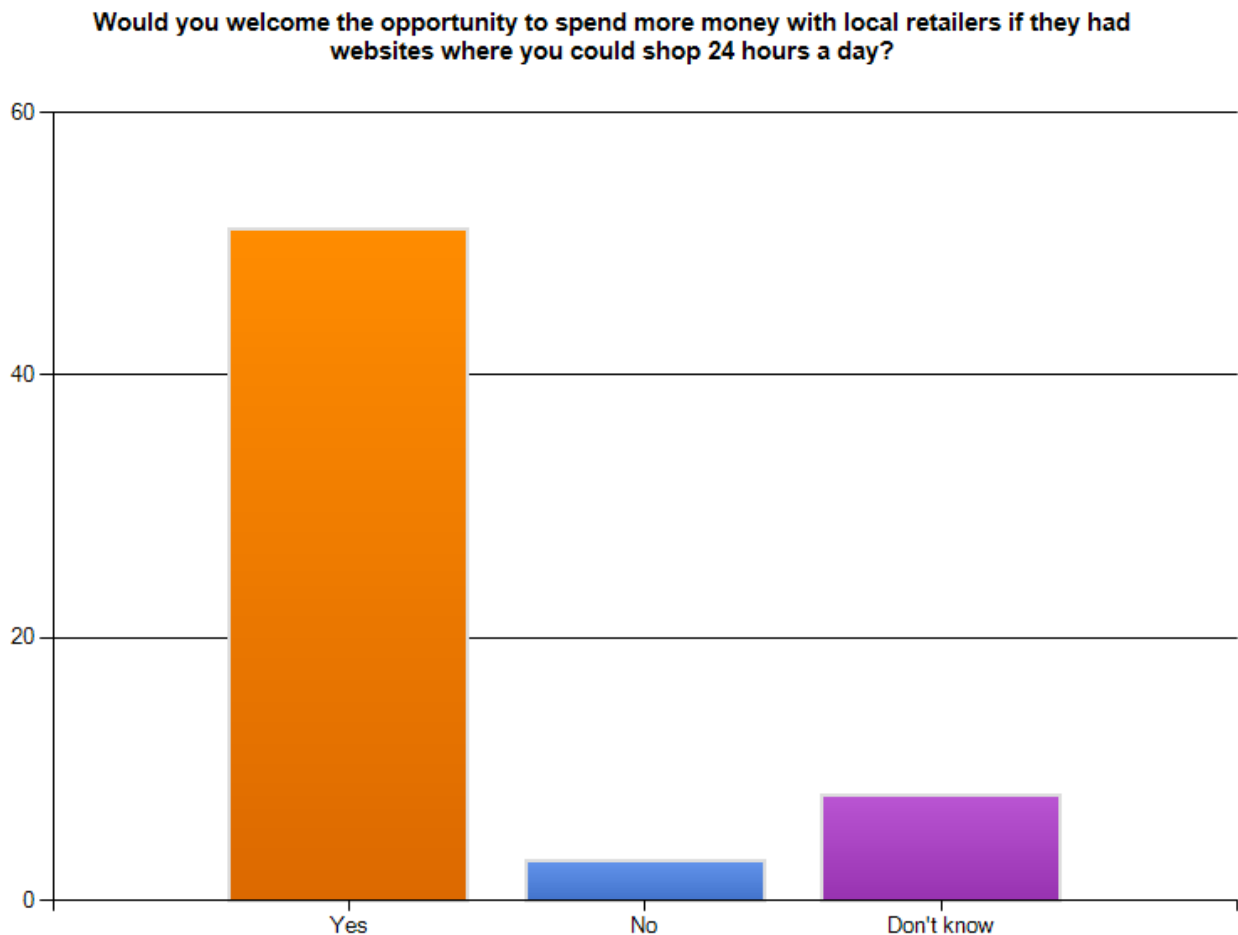
1. 82% said they would welcome the opportunity to spend more money with local retailers if they had websites where they could shop 24 hours a day.
2. 71% said that it would be "vital" or "important" that prices offered by Jersey shops trading online matched the lowest you could find elsewhere on the web.
3. However, 63% said that they would spend 10% or more in excess of a typical UK online price if there was something they needed to buy urgently and they couldn't wait for delivery from the UK.
4. Respondents named "Local presence for back-up service" as the most valuable factor to them (56.5% of votes) from the combined offering of physical shop and online ordering.

Conclusion

The results indicate an obvious opportunity for Jersey retailers in certain sectors to capitalise on growing internet usage, conservative Sunday trading legislation and opening hours, and evident online buying appetite from Jersey consumers, by establishing online retail channels.

Detailed results

Q: Would you welcome the opportunity to spend more money with local retailers if they had websites where you could shop 24 hours a day?



Yes	82.3%
No	4.8%
Don't know	12.9%

Related verbatim comments:

"I have just ordered some kitchen goods from John Lewis - I'm sure I could have got them from [local shop], but it just seemed to easy to do from comfort of my home - so in that case I might use local retailers online. I definitely wouldn't if I had to pay postage though."

"Especially when most shops don't open on Sundays."

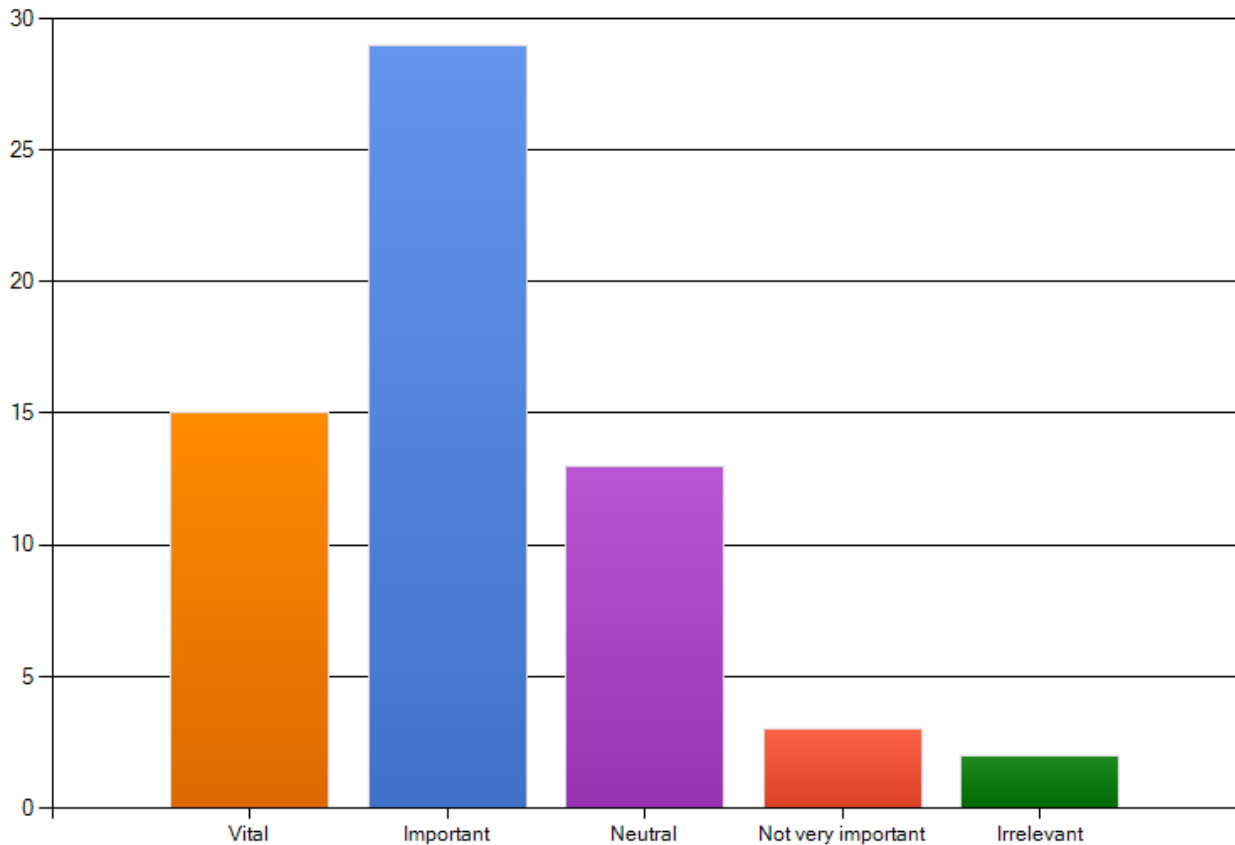
"If the price is right (they obviously have the VAT advantage) and I can return things to their shop then I certainly see an advantage. "

“Reserve and collect is an area that all local businesses should be looking at developing.”

“If I need something quickly then I cannot rely on postage. Therefore the Jersey retailers have an advantage if I can browse their catalogue, reserve and pick up in store.”

Q: Generally speaking, how important would it be to you that prices offered by Jersey shops trading online matched the lowest you could find elsewhere on the web?

Generally speaking, how important would it be to you that prices offered by Jersey shops trading online matched the lowest you could find elsewhere on the web?



Vital	24.2%
Important	46.8%
Neutral	21.0%
Not very important	4.8%
Irrelevant	3.2%

Related verbatim comments:

“Availability, service and value for money more important than the pure price.”

“The differential would depend on the back up/customer service experience.”

“There is certainly extra value in being able to receive an item "next-day" without having to pay a premium for special delivery/fedex from a UK retailer.”

"Pricing needs to be competitive otherwise people will keep looking off island for purchasing goods."

"Local retailers do need to demonstrate if they are cheaper - as they quite often are."

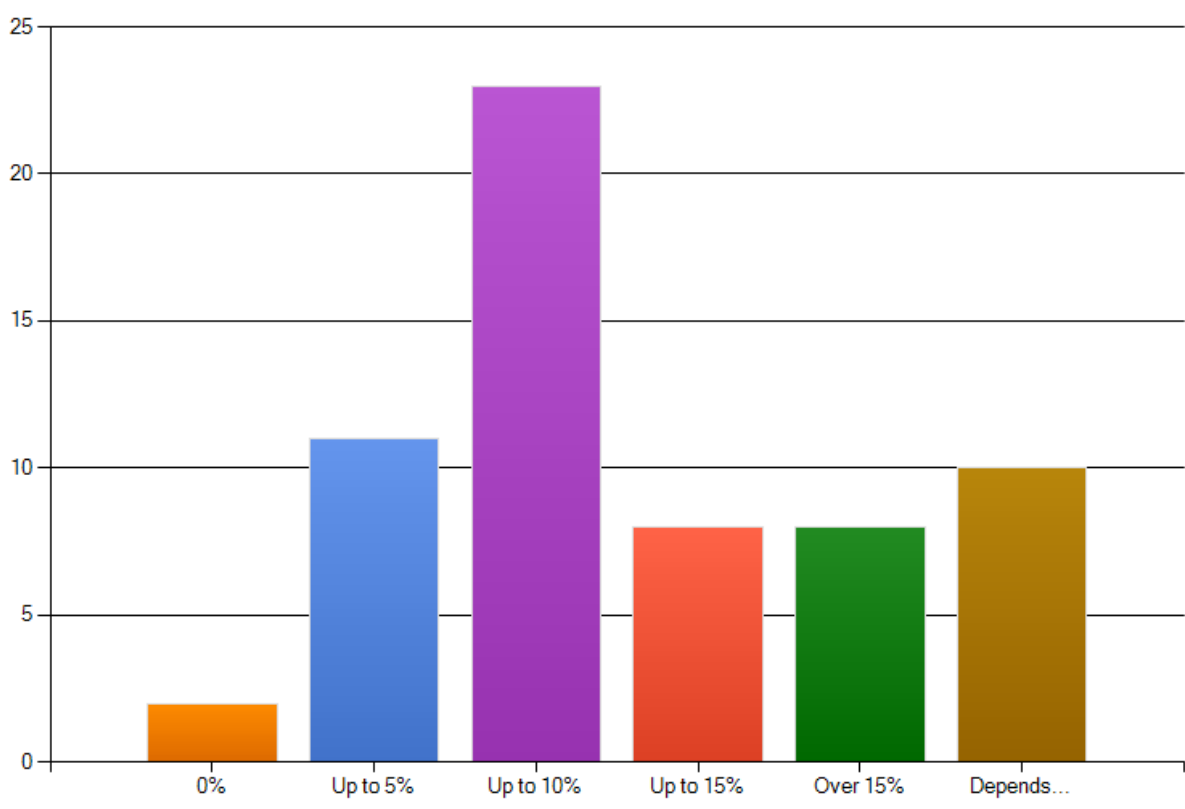
"So long as there was a real face to the online site that I could "knock on the door of" if there were issues - a premium is worth paying for peace of mind."

"I'd consider paying a little more for the product if I knew I could have it next day without postage costs."

"Give or take a few pounds, it's often more convenient to buy locally and I prefer to try and support local business. But larger purchases when we're talking £100 or more savings online then it's vital."

Q: If there was something you needed to buy urgently, and you couldn't wait for a delivery from a UK online store, how much more than a typical UK online price would you be prepared to pay a Jersey-based shop online that could deliver or offer collection the same or next day?

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0%	3.2%
Up to 5%	17.7%
Up to 10%	37.1%
Up to 15%	12.9%
Over 15%	12.9%
Depends...	16.1%

"Depends on the value of the product. I might be prepared to pay 25% more for a lower value item that I needed urgently but I certainly wouldn't pay this much for higher price items."

"I would much rather deal with a person who would fix anything that went wrong than an onliner to whom you are a number."

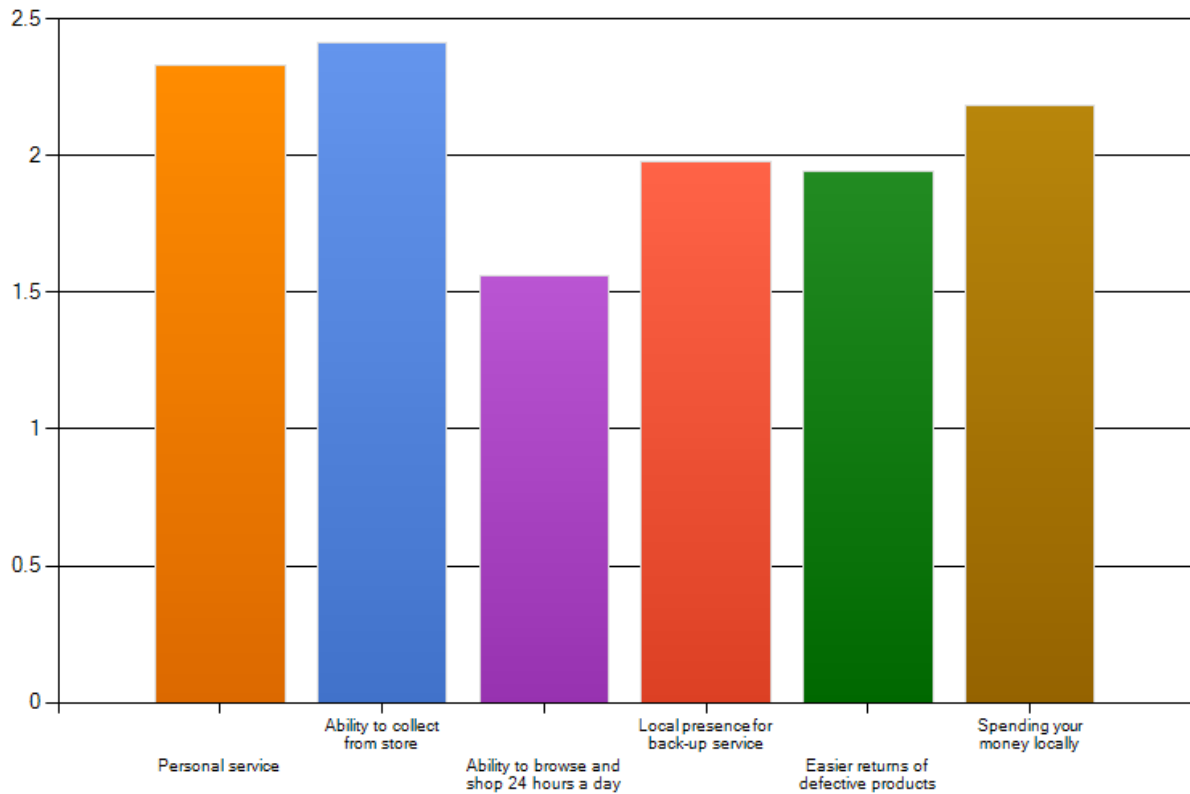
"Depends on the time of the year, for example Christmas time I would be happy to spend around 15-20% more and Summer time I might be prepared to spend 10-15% more."

"If the product was a high and well known brand I would happily pay extra for next day/same day delivery, however I could always find an alternative to an unknown brand."

"If it was £1 from UK but £2 from Jersey then I would go for Jersey despite there being a 100% difference, but if you were talking say 20% more on £1,000 then I would maybe reassess exactly how urgent it really was!"

Q: If you are generally in support of more local Jersey shops offering you the ability to shop online, what are the factors that you consider offer you greatest value from such a combined online/offline offering? (You can tick as many as you want.)

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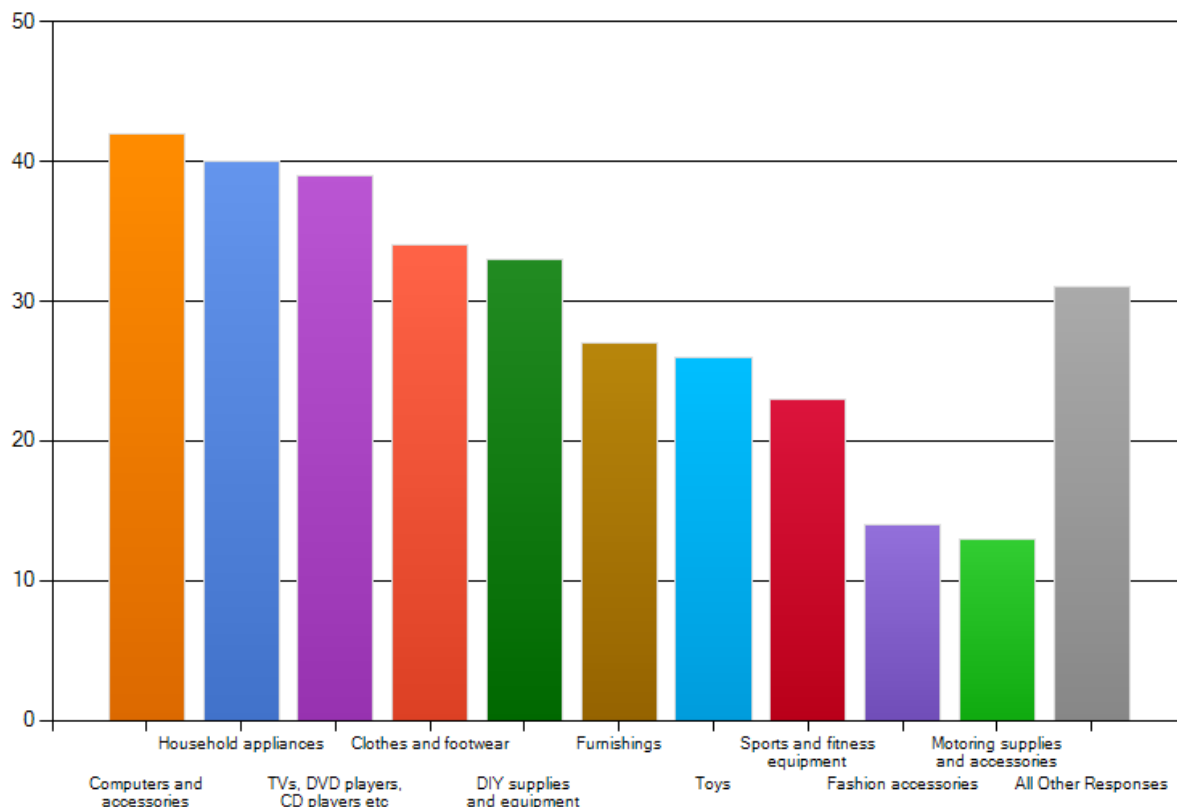


(For each of the attributes listed below respondents were asked to select between Vital, Very important, Undecided, Not important and Irrelevant.)

Attribute	Top answer	Percentage
Personal service	Very important	42.6%
Ability to collect from store	Very important	42.6%
Ability to browse and shop 24 hours a day	Vital	50%
Local presence for back-up service	Very important	56.5%
Easier returns of defective products	Very important	51.6%
Spending your money locally	Very important	46.8%

Q: Are there any particular types of local shop that you would particularly like to see selling online in the future?

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Computers and accessories	72.4%
Household appliances	69.0%
TVs, DVD players, CD players etc	67.2%
Clothes and footwear	58.6%
DIY supplies and equipment	56.9%
Furnishings	46.6%
Toys	44.8%
Sports and fitness equipment	39.7%
Fashion accessories	24.1%
Motoring supplies and accessories	22.4%
Cosmetics and perfume	19.0%
Gardening equipment	12.1%
Luggage	8.6%
Garden furniture	8.6%
Jewellery	5.2%

"I suppose the bulkier the product the more expensive the shipping and the longer the delivery time. Therefore the more likely I will be to buy locally if the price is right and they have these things in stock."

For more information about the survey and its results, please contact Matthew Robins on 01534 488888, matthew@webreality.co.uk.

Webreality conducted the survey using "SurveyMonkey.com" for 7 days from Tuesday 14 December 2010 to Tuesday 21 December 2010. Responses were solicited using Twitter and Facebook, and 76 people in Jersey responded.

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