



Jersey Clicks & Mortar Survey 2012

January 2013

In December 2012 Webreality conducted a survey to investigate Jersey consumer attitudes to Jersey retailers' adoption of online trading.

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.

The same survey was originally conducted in December 2010. At that time, we believed that there was compelling evidence in the market that the time was right for Jersey retailers to rise to the competitive challenge presented by online retailers in the UK and elsewhere.

The purpose of re-running exactly the same survey two years later, publicised by the same means, was to benchmark latest attitudes against the responses to the first survey. What do Jersey consumers think today?

Key findings - December 2012

1. 76.7% 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 (compared with 82% in 2010).
2. 74% 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 (compared with 71% in 2010).
3. However, 57.5% 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 (compared with 63% in 2010).
4. Respondents named "Ability to browse and shop 24 hours a day" as the most valuable factor to them (55.6% of votes) from the combined offering of physical shop and online ordering (compared with "Local presence for back-up service" as the top answer in 2010 with 56%).

Conclusion

Overall, the results show that there is still an obvious opportunity for Jersey retailers in certain sectors to capitalise on evident online buying appetite from

Jersey consumers, high levels of internet access, and Jersey's conservative Sunday trading legislation and opening hours, by establishing online retail channels. This opportunity is reinforced by the repeated evidence in December 2012 of reduced price sensitivity where an item in stock in Jersey can be in the consumer's hands on the same or next day, beating online delivery times.

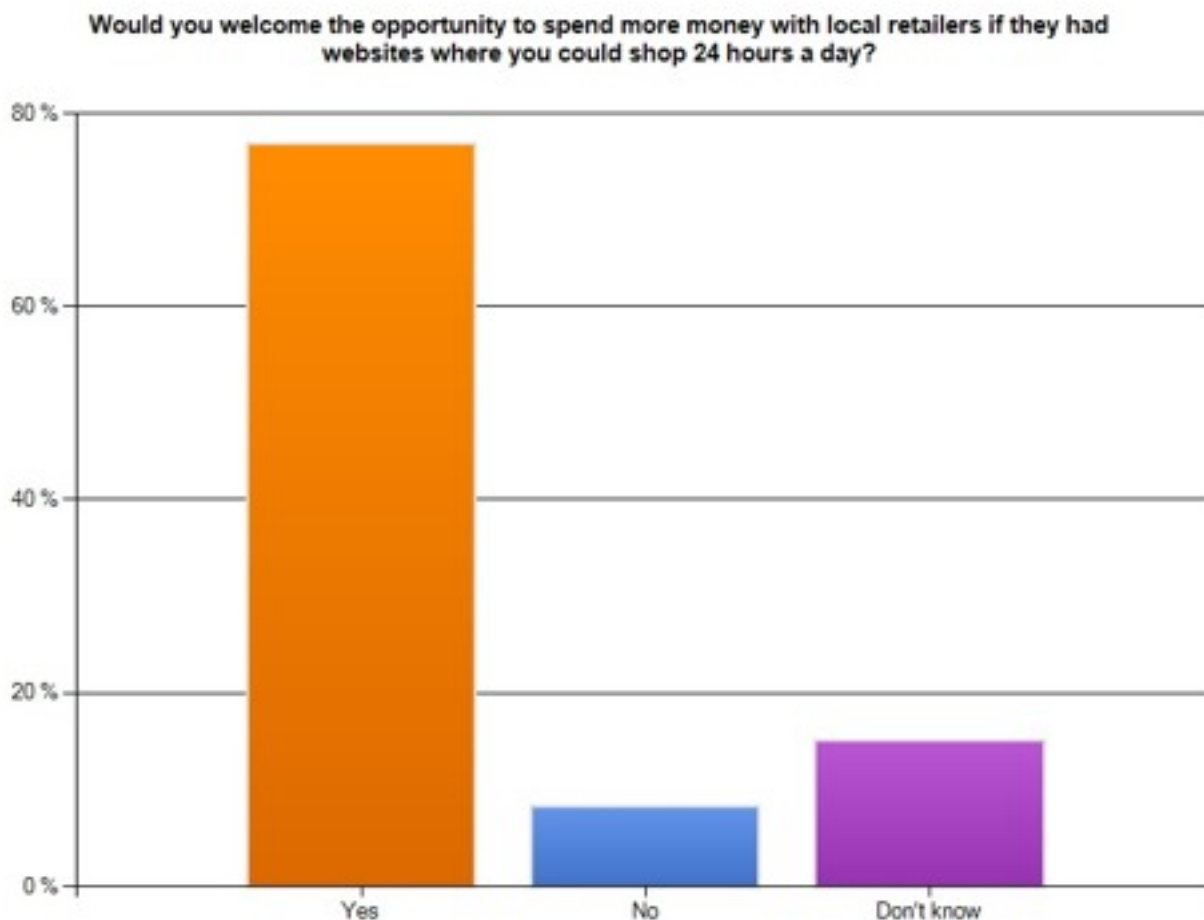
The results also suggest that local consumer attitudes are hardening somewhat towards the appeal of Jersey retailers trading through multiple channels. The evidence for this is the slight reduction from 2010 to 2012 in the percentage of all respondents who would like to spend money online with local retailers, and the slight increase in apparent price sensitivity (albeit that the latter factor could equally be accounted for by continuing economic challenges for consumers.)

It is interesting that respondents now regard the ability to shop online at any time as more valuable than physical local support, in the combined online/offline proposition. This suggests a consumer base who are increasingly accustomed to the convenience of online shopping.

The "multi-channel" approach is paying dividends in the UK for those retailers who embrace it successfully. This research suggests that Jersey retailers would do well to follow their lead before local consumer support deserts them.

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?



| | | |
|-------------------|--------------|--------------|
| | 2012 | 2010 |
| Yes | 76.7% | 82.3% |
| No | 8.2% | 4.8% |
| Don't know | 15.1% | 12.9% |

Related verbatim comments:

"If there was a way I could check Jersey stock and prices online - and then I would know whether to order/go in in person vs order on Amazon etc, I probably would do that."

"It would make it easier to compare prices between local and other providers. If they are similar in price then I'd prefer to buy local."

"Most definitely. I hate shopping so online convenience whilst supporting the local retailers would definitely tick the boxes for me."

"I'd be able to establish whether the Jersey shop sells what I am looking for, and do this at my convenience, not the shop's."

"Or websites where product information is available - the actual purchase doesn't necessarily need to be online."

"If prices were competitive... I don't mind a small price increase for local convenience.. But If it took just as long or longer to deliver as a UK company then no...."

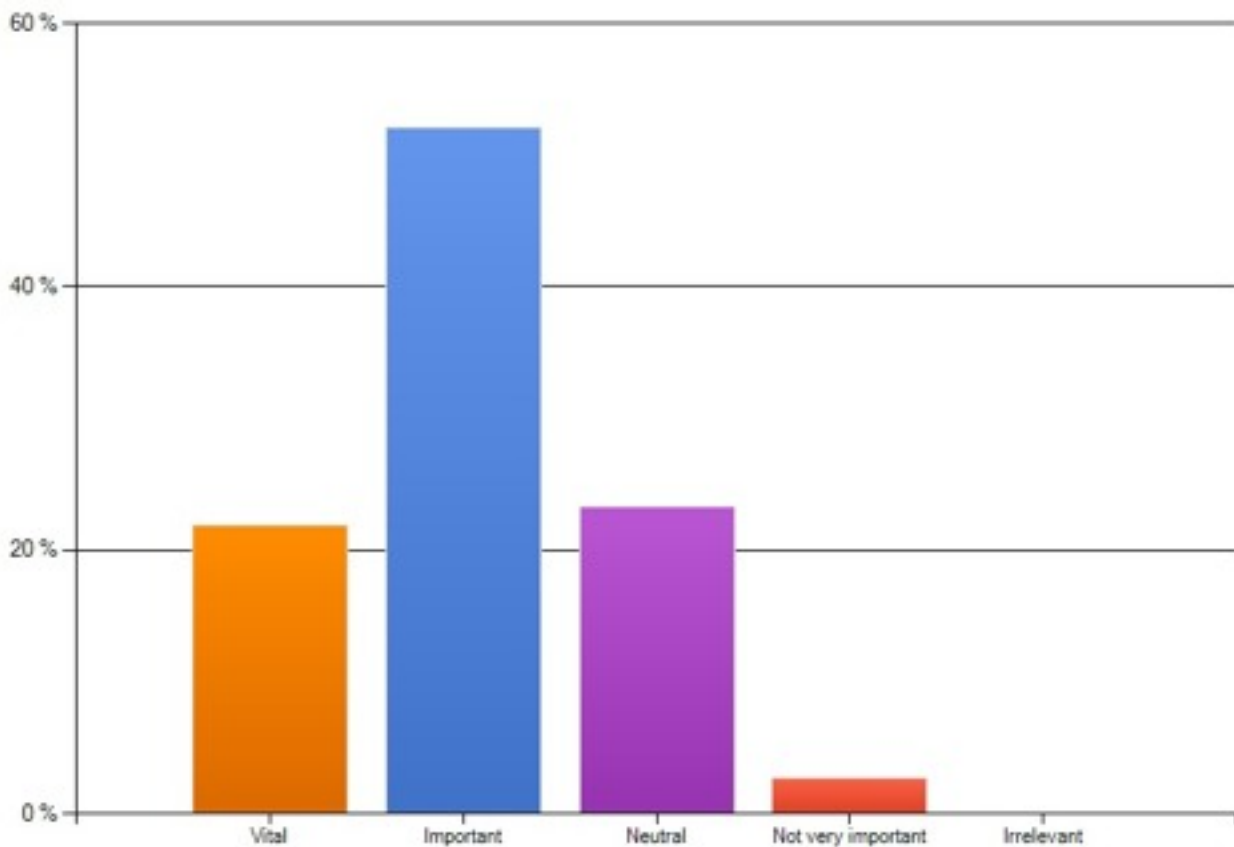
"Provided the prices were competitive."

"Only if the local retailer could back up the customer service levels, no quibble returns policies and satisfaction guarantees available from the Amazons and John Lewises et al."

"Only if local online retailers treated the online purchases as urgent as an in-store purchase, and with no or very low delivery costs."

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?

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| | 2012 | 2010 |
|---------------------------|--------------|--------------|
| Vital | 21.9% | 24.2% |
| Important | 52.1% | 46.8% |
| Neutral | 23.3% | 21.0% |
| Not very important | 2.7% | 4.8% |
| Irrelevant | 0.0% | 3.2% |

Related verbatim comments:

“I would be willing to pay a little more, knowing I have a local retailer available for local support if anything went wrong with the order/product, but prices still need to be competitive.”

“Not vital because I would be prepared to pay slightly more on the basis that money went to local traders - of course given two products of equal quality, price is important however.”

"But if the goods are in stock & available to pick up in Jersey then I would be prepared to pay a little more."

"They would have to compete on price or come pretty close on price but add in exceptional service or delivery."

"I would prefer to buy local, but if the price variation is more than 10% (which is often the case) I would choose for the cheaper option."

"Would be happy to pay a supplement if able to collect locally within 24 hours."

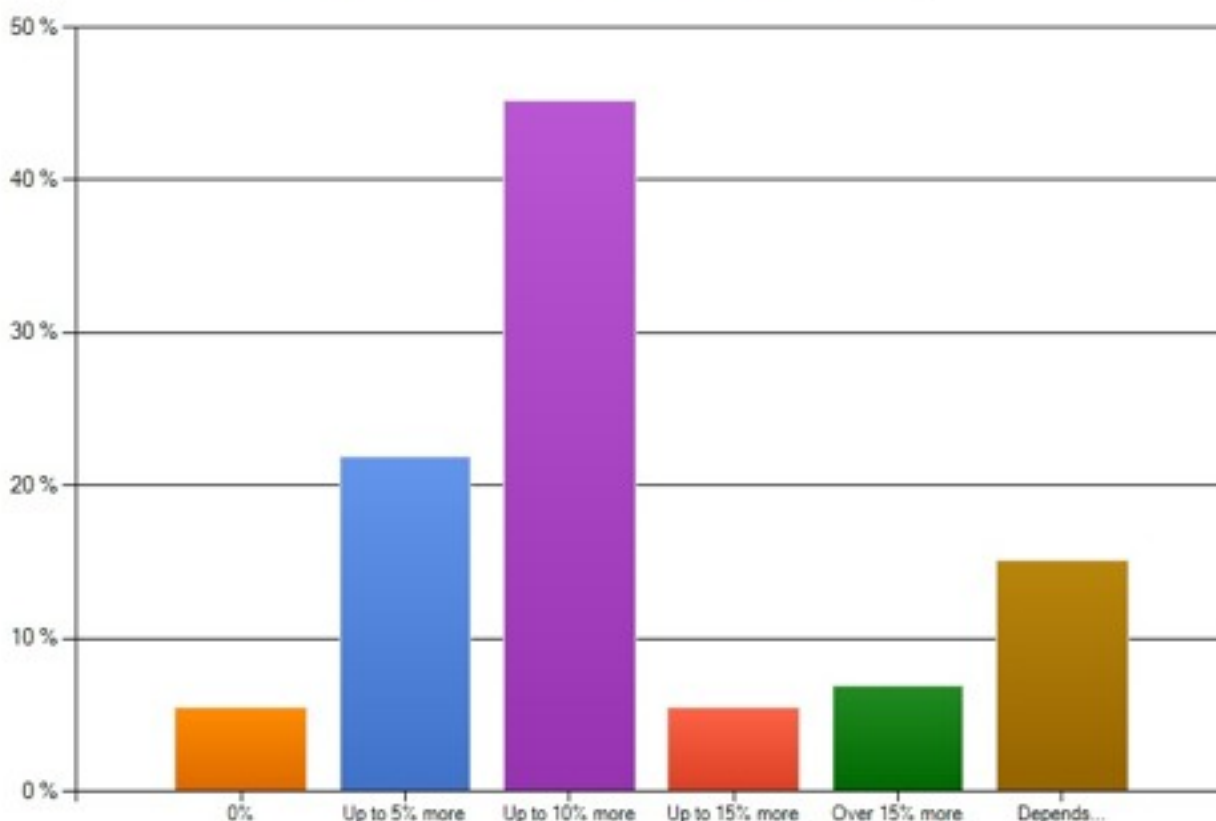
"Depending on the item, I would happily pay a small local premium if it meant quicker (next day) delivery or in-store collection. In short, I would pay for the convenience factor."

"It's worth paying more if there's local immediate availability and support."

"I don't expect local prices to be the same (or lower than) the very cheapest online, but I expect them to be comparable - e.g. slightly higher, not an extra 30-40% as they sometimes are!"

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?

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?



| | 2012 | 2010 |
|----------------------|--------------|--------------|
| 0% | 5.5% | 3.2% |
| Up to 5% | 21.9% | 17.7% |
| Up to 10% | 45.2% | 37.1% |
| Up to 15% | 5.5% | 12.9% |
| Over 15% | 6.8% | 12.9% |
| Depends... | 15.1% | 16.1% |
| “10% or more” | 57.5% | 62.9% |

Related verbatim comments:

“It depends on what the product was and how urgently I needed it as well as the price difference. for example, if it was a gift for a friend or family member

ordered at the last minute - instead of £40 i would be willing to pay up to £45-50 to collect it the same day from a local retailer.”

“This has to depend on what the object was. If I 'needed' it then it wouldn't really matter what the price differential was. If it was a just a 'want' then I would be less inclined to pay more than 10% over the odds - of course also depends on value. 10% of a few quid is immaterial, whilst 10% of a grand is not!”

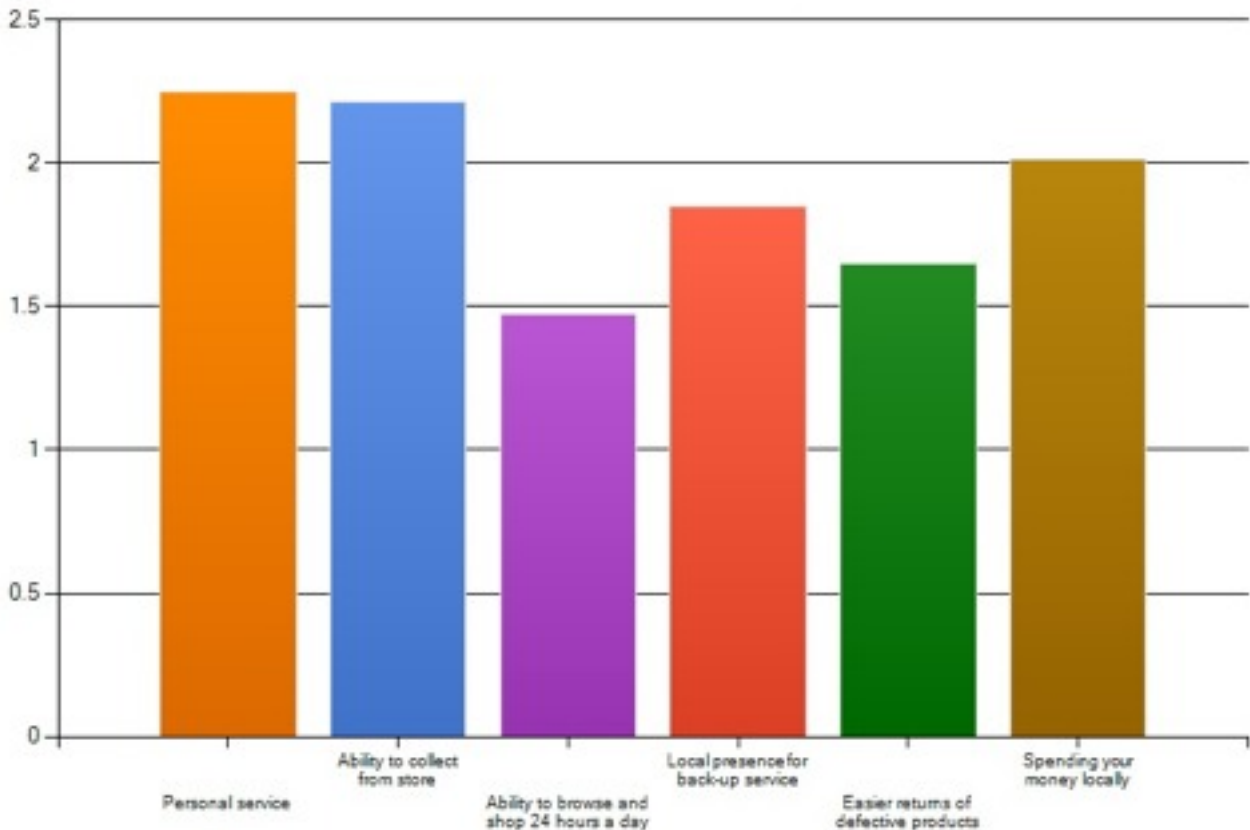
“If you really need something urgently you'll be relieved if you can get it in time and be prepared to pay a bit more.”

“The cheaper the item, the more inclined I would be to pay the premium. On a £20 gadget, I would happily pay 5% premium for next day availability. On a £1500 laptop, I would be less inclined to do so.”

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.)

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

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.)



| Attribute | Top answer | 2012 | 2010 |
|---|----------------|--------------|------------|
| Personal service | Very important | 47.8% | 42.6% |
| Ability to collect from store | Very important | 47.2% | 42.6% |
| Ability to browse and shop 24 hours a day | Vital | 55.6% | 50% |
| Local presence for back-up service | Very important | 50% | 56% |
| Easier returns of defective products | Very important | 48.6% | 51.6% |
| Spending your money locally | Very important | 51.4% | 46.8% |

Related verbatim comments:

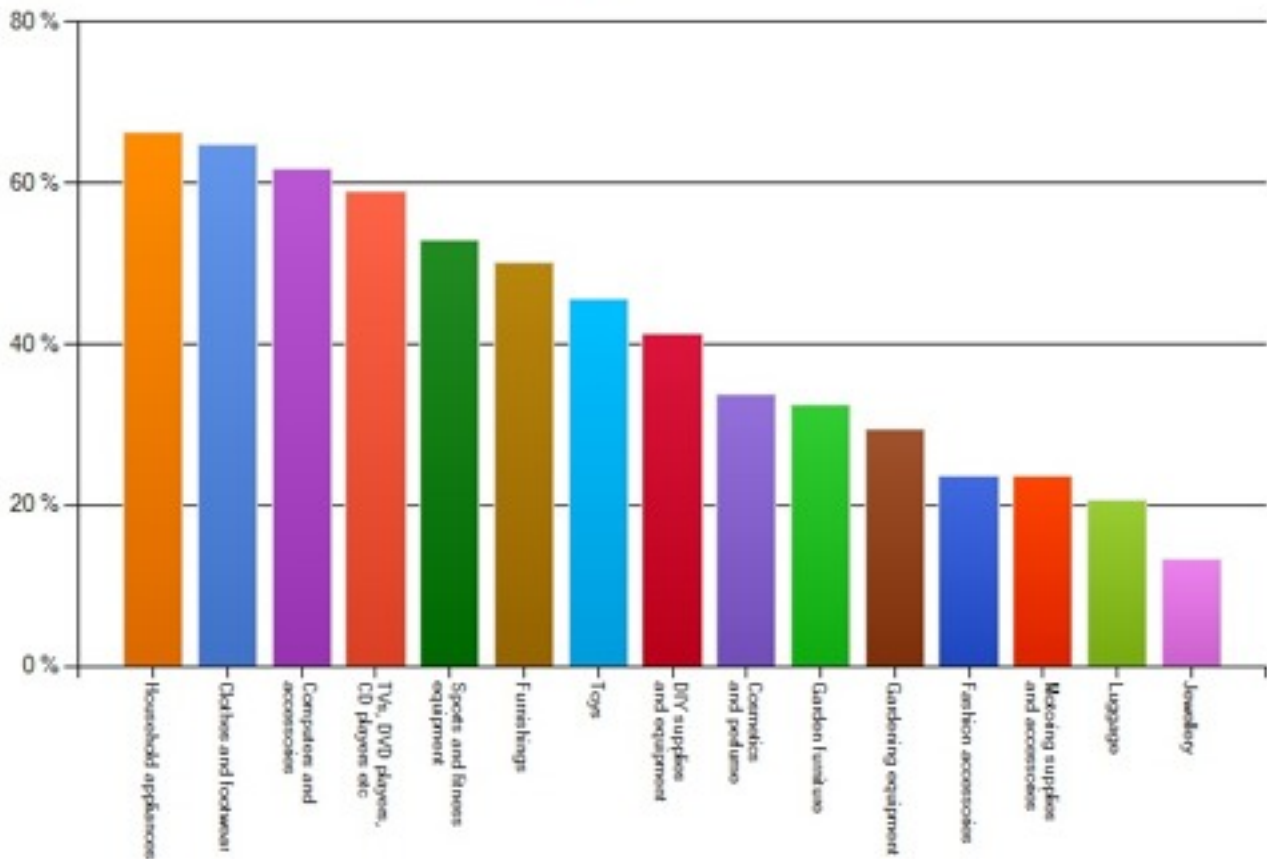
"Convenience in choosing what to buy is the key. If I could find what I need on a local web site, and then buy it in store, that's sufficient. In most cases, I'd rather collect than have something delivered, as delivery just delays when I can have what I've bought."

"Extra miles" on offerings are key - e.g. free delivery, convenient pick-up times, good product knowledge from staff, etc."

"Collection in store is pointless goods would need to be delivered to home as per online shopping."

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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| | 2012 | 2010 |
|-----------------------------------|-------------|-------------|
| Household appliances | 66.2% | 69.0% |
| TVs, DVD players, CD players etc | 58.8% | 67.2% |
| Computers and accessories | 61.8% | 72.4% |
| Clothes and footwear | 64.7% | 58.6% |
| Fashion accessories | 23.5% | 24.1% |
| Furnishings | 50.0% | 46.6% |
| Jewellery | 13.2% | 5.2% |
| Cosmetics and perfume | 33.8% | 19.0% |
| Toys | 45.6% | 44.8% |
| Sports and fitness equipment | 52.9% | 39.7% |
| Luggage | 20.6% | 8.6% |
| Gardening equipment | 29.4% | 12.1% |
| Garden furniture | 32.4% | 8.6% |
| DIY supplies and equipment | 41.2% | 56.9% |
| Motoring supplies and accessories | 23.5% | 22.4% |

Red text denotes a fall in demand since 2010, green denotes a rise.

Related verbatim comments:

"How about groceries and day to day items? Ocado for Jersey."

"Co-op Waitrose food shopping"

"I want everything online. Research it. Check it out at the store physically. Decide to buy when I want. Then collect from store or deliver to me."

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 30 days from 15 November to 14 December 2012. Responses were solicited using Twitter and Facebook, and 79 people in Jersey responded.

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