

15 July 2010

MEDIA RELEASE

Consumers Check-in for Retail Multi-Channel Offering

New research launched this week by the Australian Centre for Retail Studies (ACRS) suggests that retailers could miss out on enormous sales opportunities if they do not market to their customers consistently across multiple channels.

Titled *Value and Optimisation in Multi-Channel Retailing*, the ACRS report sheds light on how Australian consumers value different channels in terms of their pre-purchase, purchase and after-sales behaviour.

While online sales are expected to increase more than 13 per cent annually over the next two years, cross-channel sales are expected to grow by 17 per cent. Indeed, by 2012, the report found that nearly half of all retail transactions are expected to be executed by the consumer crossing channels. Today, approximately 36 per cent of Australians purchase online at least once a month, with six per cent purchasing a product once every week.

The ACRS surveyed 1,000 consumers online across different generations. They were presented with a range of traditional retail channels such as stores, Internet, catalogues, radio and TV as well as emerging channels including iPhone applications, social media, consumer review websites, and online video. The respondents were given a hypothetical scenario to purchase a product from one of three categories: clothing and footwear, leisure travel and consumer electronics, and were asked how the channels impacted on their behaviour, enjoyment, satisfaction and loyalty.

The report found social media, SMS and iPhone applications are amongst the most popular ways retailers communicate with consumers. 68 per cent of Australians have registered to receive emails from retailers and 19 per cent opt in to receive communications via SMS. Furthermore, 7 per cent of consumers engage with retailers through an iPhone application and an impressive 23 per cent of consumers engage through social media.

Sean McDonell, Manager – National Sales for Salmat, a report sponsor, said, “These figures support Salmat’s focus on these growth areas. This year, we will send 300 million emails and 60 million SMS on behalf of our retail clients.

“Consumers really do value a good multi-channel experience from retailers before, at the point of, and even after purchase. We’ve known for some time that multi-channel retailers are luring more profitable customers, but the new ACRS research clearly demonstrates that in the Australian marketplace, consumers engaged across multiple channels also shop more frequently, spend three-to-four times more and display greater loyalty. The prize for retailers is enormous.” he said

Salmat Limited

ABN 11 002 724 638

Level 17, Innovation Place, 100 Arthur Street North Sydney NSW 2060 Australia

p +61 (02) 9928 6500 f +61 (02) 9928 6652 e info@salmat.com.au w salmat.com.au

Research Fellow at the ACRS, Dr Sean Sands, says "Our results suggest that if a retailer is going to provide consumers with multiple channels, it is not sufficient to offer just a selection of traditional channels such as the Internet and a catalogue. Retailers that engage consumers effectively across new and emerging channels (such as the iPad, iPhone applications and social media) have a greater impact on shopper behaviour.

"Truly innovative retailers are increasingly offering additional channels for consumers to interact before the purchase, at the point of purchase and after purchase. Myer is a great example of an Australian retailer who is striving to make developments in each of these areas and across multiple new and emerging channels." he said.

The ACRS research suggests that multi-channel consumers are typically the younger generations, which means that marketing to multi-channel customers is likely to increase even further in the next five years.

The full ACRS report will be published in August.

About the ACRS

The Australian Centre for Retail Studies (ACRS) within the Department of Marketing at Monash University, provides research driven education and knowledge leadership to those involved in the retail sector.

About Salmat

Salmat is a unique Australian owned company. They are the experts in the provision of customer communications solutions. Through strategic use of different communications mediums, including voice and non-voice channels and other applied capabilities in the area of online technology, demographic insights and detailed data management, Salmat engages consumers in cost effective one to one communications on behalf of its clients.

For more information or an interview contact:

- *Dr Sean Sands, ACRS Research Fellow on +61 3 9903 2753 / 0419 645 780; or*
- *Mr Sean McDonnell, National Sales Manager, Salmat Targeted Media Solutions on +61 3 9265 3003 / 0448 882 459*