Why Marrying Online and Offline Sales is the Key Battleground for Retailers in 2014

Online retail sales are forecast to grow 17 per cent over the course of 2014, however a new report by VoucherCodes.co.uk has indicated that despite growth in ecommerce, the high street experience remains very important to shoppers.

- The latest ***Future of Online Retail Report*** reveals 41 per cent of shoppers see no barriers to shopping online
- Yet 2 in 5 women (38 per cent) still prefer the social experience of shopping on the high street, compared to 27 per cent of men
- Why multi-channel strategies have never been more important for successful brands

Online retail sales are forecast to grow 17 per cent over the course of 2014, however a new report* by VoucherCodes.co.uk has indicated that despite growth in ecommerce, the high street experience remains very important to shoppers.

The ***Future of Online Retail Report***, now in its fourth year, highlights that the key challenge facing retailers in 2014 will be marrying online and offline sales as an increasing number of consumers adopt a multi-channel approach to shopping. The report shows that year-on-year more shoppers are completely open to the idea of shopping online with 41 per cent stating they don't see any barriers to internet shopping – that's up from just 26 per cent in 2012. However, there are key factors holding the other 59 per cent of consumers back from shopping online.

Barriers to online

The findings indicate that some of the main barriers to online shopping are down to consumers enjoying or preferring the high street experience. For example a fifth (20 per cent) of shoppers preferred to shop on the high street for the real world / social experience in 2011 (20 per cent) and three years later, this is still pretty much the case – 18 per cent (2014).

The report further showed that for women, the social experience of the high street is much more important, 38 per cent prefer it compared just 27 per cent of men. Additionally, the need to see the physical object when purchasing is still a barrier to online shopping for 3 in 10 consumers (2014), dropping slightly from 4 in 10 shoppers in 2011 (40 per cent). Interestingly, the need to see this is most important to the younger shoppers, with 33 per cent of 18-24 year olds stating this to be the case.

The second largest barrier to shopping online is down to delivery and returns. Comparison with previous years does show movement in this area, which could be attributed to retailers evolving their methods around click and collect and nominated delivery dates. For example a fifth of shoppers (18 per cent) will not shop online due to difficulty in arranging convenient delivery. A fifth (21 per cent) will also not shop online due to concerns over effort needed returning products at the Post Office.

Interestingly, 19 per cent of consumers still do not feel secure in putting their personal details and payment information online, down incrementally from 23 per cent in 2011.

Top five barriers to online shopping:

- The need to see the physical object first – 30 per cent
- Potential fuss of returning the item at the Post Office – 21 per cent
- Lack of information about the product – 21 per cent
- Security concerns about putting personal information and payment details online – 19 per cent
- A preference for the more sociable experience of shopping on the high street – 18 per cent

Marina McKeever, Senior Sales Director at VoucherCodes.co.uk comments: "What the ***Future of Online Retail Report*** reveals is that despite the evident shift in consumer shopping habits over recent years, the majority of consumers still prefer to transact in bricks and mortar stores. The high street experience is still hugely important and online shoppers still use it as part of the shopping process. Brands who want to be truly successful will need to adapt their strategies to become more multi-channel, encouraging consumers to interact with brands through a range of channels, regardless of where they end up transacting."

Never say never?

The report also revealed that while most consumers shop online at some point, there are still many who are yet to fully embrace it. One in five consumers (20 per cent) say they have never bought clothing online (down from 25 per cent in 2011) and a staggering 43 per cent have never bought groceries online (down from 49 per cent in 2011). Furthermore, 1 in 8 claim they will never buy clothes online (12 per cent) and a quarter will never buy groceries online (25 per cent).

Which products have consumers never bought online?

- Furniture – 46 per cent
- Groceries – 43 per cent
- Health and Beauty Products – 40 per cent
- Electronics – 30 per cent
- Holidays – 27 per cent
- Clothing – 20 per cent
- Entertainment – 14 per cent
- I have bought all of these – 18 per cent

Despite this however, the biggest overall shift in online purchasing habits has actually been in grocery shopping; there has been a six per cent increase in the number of consumers buying groceries online over the past two years. With online grocery spend expected to rise by 123.7 per cent by 2018, this increase in popularity is definitely encouraging for grocery retailers.

Marina McKeever, Senior Sales Director at VoucherCodes.co.uk comments: "This year is set to be a hugely interesting and challenging one for the retail landscape. The ***Future of Online Retail Report*** shows that offline and online is now very much intertwined. Added to this, consumers have money to spend but with so many channels that shoppers can now be reached, retailers have to work harder to make them transact with them. Those that get this multi-channel mix right will be the most successful brands this year."

For a copy of ***The Future of Online Retail Report*** **please contact pr@vouchercodes.co.uk**

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