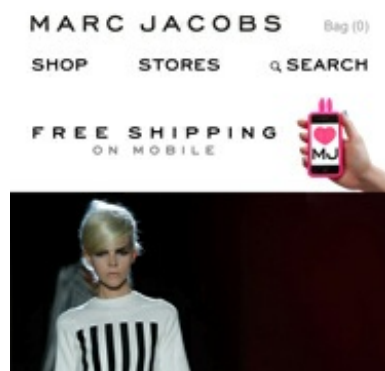


MOBILE

65pc of digital luxury shoppers access a retailer's mobile site while in-store: ForeSee

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By TRICIA CARR

Sixty-five percent of visitors to 13 high-end ecommerce sites report using their mobile device in-store to visit the retailer's Web site, while 39 percent access a competitor's site, according to a new survey by ForeSee.

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The "ForeSee E-Retail Satisfaction Index: Luxury Brands" released today exclusively at Luxury Daily's Luxury FirstLook 2013 conference revealed that 59 percent of shoppers on the 13 luxury retail Web sites examined have used a mobile phone to interact with a company and 18 percent plan to do so. Overall, users of luxury retail sites are satisfied with their experience, but Amazon continues to outdo all retailers with its digital experience.

"It surprised me that satisfaction is so similar between luxury and non-luxury brands," said Larry Freed, president/CEO of ForeSee, Ann Arbor, MI. "I would expect that since the brands are premium brands, they'd be delivering a better customer experience than the non-luxury brands of the world, but the fact is that satisfaction is very similar.

"Moreover, we even see that luxury and non-luxury companies even have similar priorities

for improvement overall, though individual company priorities vary quite a bit," he said. "In addition, consumer expectations can vary as well and that can have a significant expectation on satisfaction.

"The real area where luxury retail Web sites differ from non-luxury sites is in mobile usage and satisfaction. Mobile is playing a big role for everyone these days, but it's playing a much bigger role for luxury retailers."

The E-Retail Satisfaction Index: Luxury Brands is ForeSee's first luxury index. It measures satisfaction on a 100-point scale.

Satisfaction guarantee

The average Web site satisfaction score for the 13 online luxury retailers studied is 77. In comparison, the average score of the top 100 retailers is 78.

Tiffany & Co. and Coach received satisfaction scores of 80.

In comparison, Amazon received a score of 88. It seems as though Amazon is setting the standard for all online experiences.

Also, Saks Fifth Avenue and Nordstrom received scores of 79; Hugo Boss, Tory Burch, Burberry and Net-A-Porter received scores of 78; and Ralph Lauren and Neiman Marcus received scores of 77.

The survey found that flash sale sites tend to score lower since registration is required to view most content. RueLaLa.com and Gilt.com received scores of 73 and 72, respectively.

"I think [luxury retailers] have some catching up to do with mainstream retailers in terms of measuring the customer experience across all channels and using that data and analysis to impact strategic, tactical and operational decision making at the highest level," Mr. Freed said.

"While there are a few exceptions, I see luxury retailers using customer experience analytics very tactically," he said. "How many CEOs of luxury companies know on a daily or weekly basis what their customer satisfaction is and how that satisfaction, or lack thereof, impacts the bottom line?"

"The customer experience is still playing a very tactical role in many of these companies, and there is an opportunity for it to be valuable and actionable at so many levels."

Repeat shopper

Furthermore, frequent shoppers on luxury ecommerce sites are more satisfied than first-time visitors or infrequent shoppers.

Users who visit one of the 13 luxury retail Web sites at least once per month reported an average satisfaction score of 81 while users who visit those sites several times per year or less averaged a reported score of 79 and first-time visitors gave an average score of 73.

Thirty-nine percent of visitors to these luxury retail site are there to make a purchase. These users gave an average satisfaction score of 81.

On the other hand, 41 percent of visitors are researching a product. These consumers gave an average satisfaction score of 76.

The survey also found key shopping behaviors among luxury retail Web site visitors.

Sixty-five percent of users prefer to research and purchase online, 22 percent prefer to research online and purchase in a store, 6 percent prefer to research and purchase in a store, and 4 percent prefer to research in a store and purchase online.

All in all, user satisfaction on luxury retail sites drives repeat business.

Visitors who reported being highly satisfied with a luxury retail site are 76 percent more likely to buy online, 71 percent more likely to purchase next time, 69 percent more likely to buy offline, and 65 percent more committed to the brand.

Dissatisfied visitors are 43 percent less likely to buy online, 42 percent less likely to purchase next time, 41 percent less likely to buy offline and 39 percent less committed to the brand.

"We see that 39 percent of shoppers to luxury sites are first-time visitors with a low satisfaction score - 73," Mr. Freed said. "This shows that there is huge potential, especially during the holiday season, to capture these potential new customers and turn them into long-term loyal customers that will purchase and recommend.

"The trick is understanding what those customers' expectations are and delivering an experience that delivers on those needs," he said.

They want more mobile

Fifty-nine percent of shoppers on the 13 luxury retail Web sites have used a mobile phone to interact with a company and 18 percent plan to do so.

To compare, 42 of shoppers on the top 100 retail Web sites have used a mobile phone to interact with a company and 20 percent plan to do so.

More than half of visitors to the 13 luxury retail sites are doing research via mobile.

Fifty-six percent are researching products, 25 percent are making a purchase, 24 percent are comparing products or prices while shopping in-store and 13 percent are using a retailer-developed mobile application.

While in-store, 65 percent of these shoppers are using their mobile to visit the retailer's Web site.

Also, 39 percent access a competitor's site, 24 percent access a shopping comparison site, 19 percent access the store's mobile app and 10 percent access a competitor's mobile app.

"Luxury shoppers are more likely to use mobile devices and are more satisfied by doing so than customers of non-luxury retailers," Mr. Freed said. "Mobile is no longer a thing of

the future - it's the present, especially for luxury retailers.

"Companies, luxury or not, need to understand that the experience customers are having with your mobile sites and apps is having more and more impact on their purchase behavior, loyalty and recommendations," he said.

"It's no longer enough to measure a Web experience and think you're covered for mobile too - it's a different channel with different issues."

Final Take

Tricia Carr, editorial assistant on Luxury Daily, New York

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