

## Fashion retailers missing out on \$US96 billion potential sales - survey

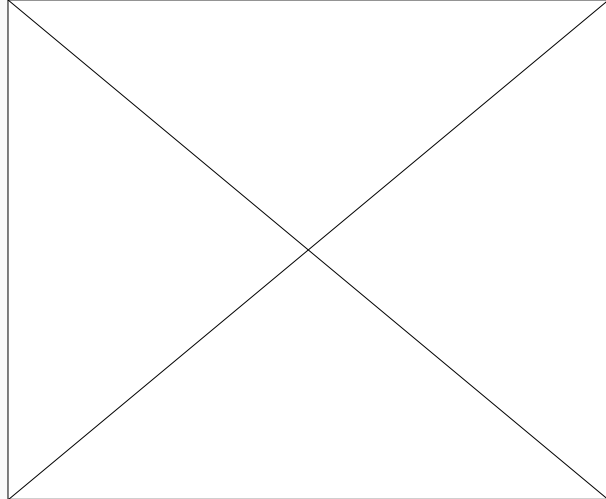


Training, Trends - International

Fashion retailers are losing out on billions of dollars a year because sales staff are only engaging with 7% of customers who enter the store, a global survey has found.

Yet if they approached four more customers in every 100 and were more aware of the all-important buying signals, sales would increase by 7%. Additionally, encouraging customers to use welcoming and well-serviced fitting rooms would see an additional uplift of 5%.

Those are the key findings from the first global survey of consumer shopping behaviour in the fashion industry conducted by Envision Retail, a specialist store operations company that analysed 2000 customers in 120 retailers in Paris, London, Birmingham, Glasgow, Shanghai, Tokyo, the US and Dubai.



"Retailers are very good at selecting products and merchandising them in a way that inspire customers to make a purchase, which is why over half the shoppers who enter a store with no clear idea of what to buy, account for over 40% of sales," explains Jason Kemp, MD, Envision Retail.

"But if they want to make a big leap in sales, apart from just expanding the number of outlets, they need to get their staff selling.

"Irrespective of geography and type of outlet, it is apparent that managing the daily tasks within a store take precedent over interaction with customers. However, it is not just simply a matter of approaching more people; sales staff need to be trained to recognise those customers who really do want assistance, otherwise they run the risk of killing a potential sale."

Envision has identified five distinct customer groups - Pleasure Seekers, Product Groupies, Focussed Fulfillers, General Browsers and Time Killers - differentiated by the speed in which shoppers move around a store and their interaction with the product.

In Europe, the largest group are the Pleasure Seekers, customers shopping for a treat; they are the most impulsive and try on 1.5 as many products than elsewhere in the world. In the USA, where shopping is a planned activity, most customers start their trip as a Product Groupie - knowing exactly what type of item they want, but once they have found it, they turn into General Browsers, leisurely visiting the rest of the store, providing retailers with a real opportunity to make

a sale. The US is the only market where a significant percentage of customers change group during their shopping experience.

In Asia, shopping is a social leisure activity with 18% more General Browsers than the global average with customers more likely to use a shopping trip to meet up with friends. In the UAE, 52% of sales come from the Product Groupies and Timer Killers are also the most significant in this region. The Focused Fulfillers, those who know exactly what they want, are the smallest group, represent between 1% and 2% in every region.

Focussed Fulfillers are the least likely to be converted by an approach by a member of staff - in fact, the opposite, the survey showed conversion rates were -14% for this group.

On the sales floor 10% of customers are converted into buyers, whereas in the fitting room it is closer to 70%. Envision has calculated that if staff provide quality service at the fitting room and assist customers with finding alternative sizes or items, sales could increase by 1%.

"While in every region studied, shoppers fit into one of our groups, the dominant group is different, so those retailers looking to expand outside their domestic market, for instance, need to be especially aware of this if they want to succeed," concludes Kemp.

Footnote: The \$US96 billion figures is calculated based on a 12% increase in sales and a 2006 market figure for the global apparel retail industry of \$US853 billion (Source: Datamonitor's Apparel Retail: Global Industry Guide).