



FORRESTER®



FORRESTER

Key Success Factors for Multichannel Sales and Service

Martha Bennett

VP & Research Director, Financial Services Europe

Forrester Research

CNO-Panel 4, Bern, 23 November 2004

Agenda

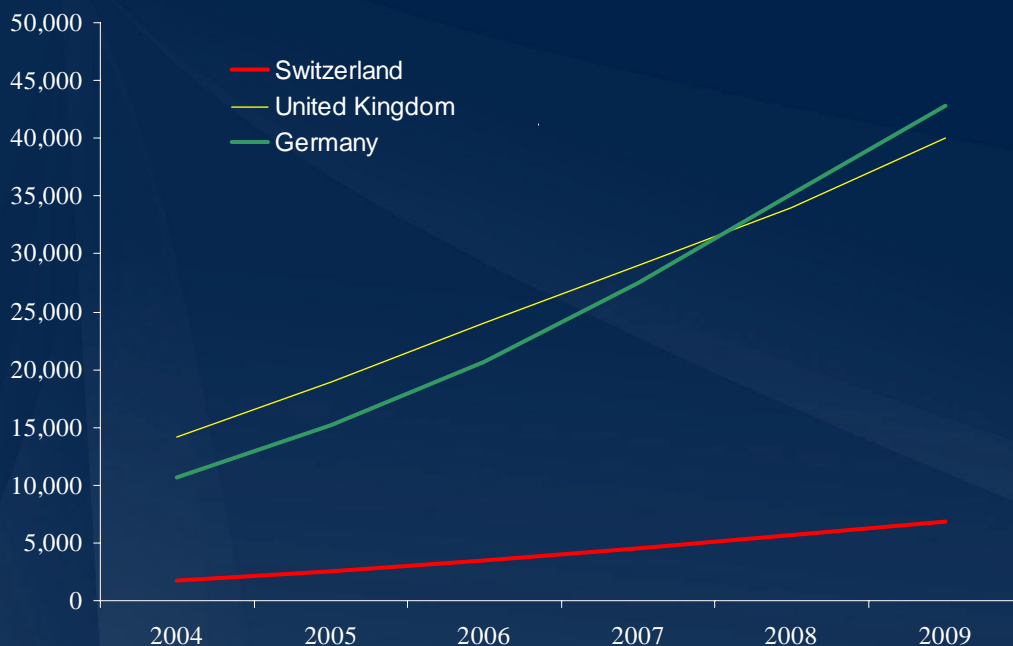
- E-commerce in Switzerland – trends and forecast
- What's wrong with e-commerce today?
- Key steps to multichannel success
- Scenario Design
- Recommendations

FORRESTER

Online retail in Europe continues to grow



Forrester forecast: Europe's Online Sales 2004 to 2009 (in € millions)



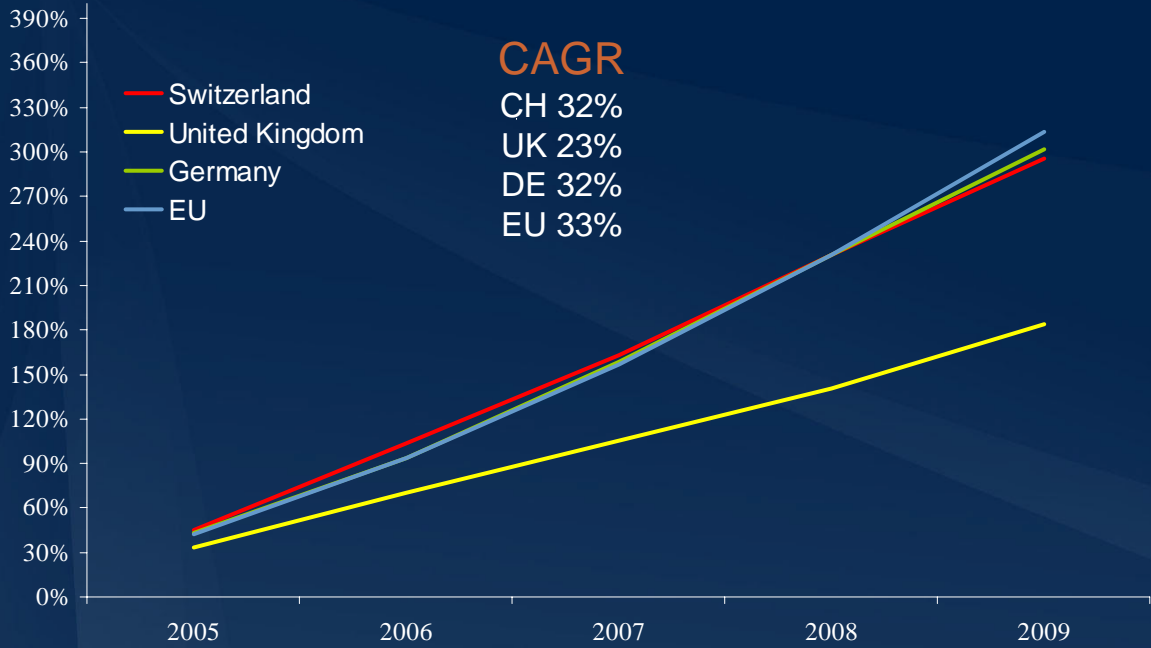
Source: Europe's eCommerce: The Next Five Years, March 2004

FORRESTER

The online retail growth rate in Switzerland will be higher than in the UK



Cumulative forecast online retail growth rate



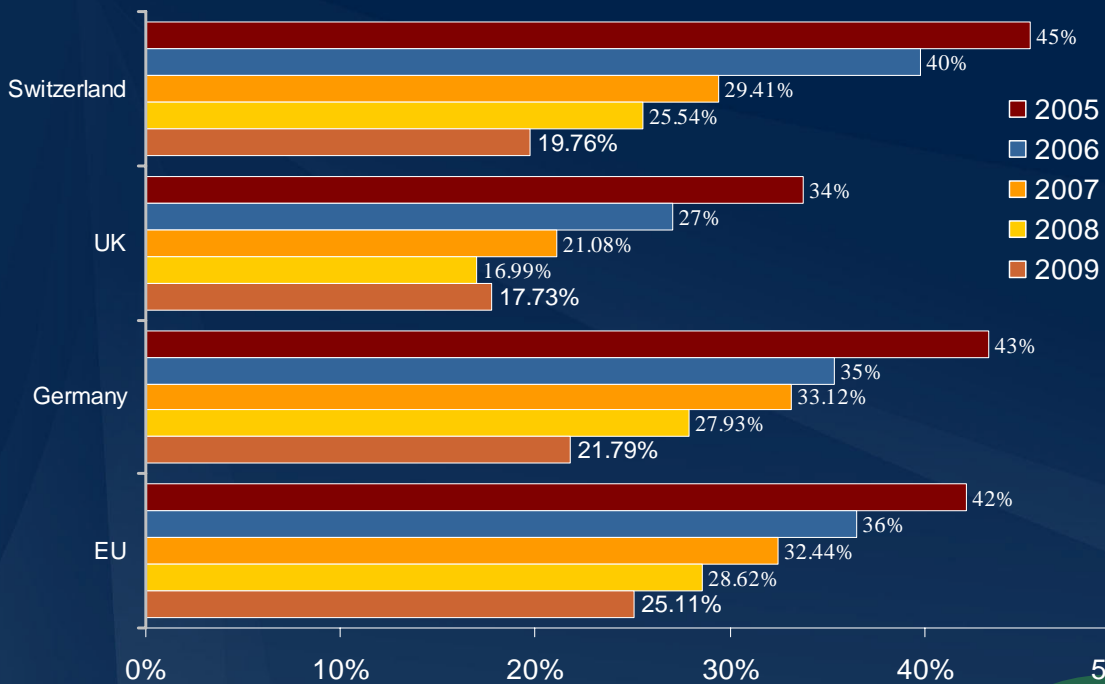
Source: Europe's eCommerce: The Next Five Years, March 2004



Online retail growth rate will be highest in 2005



Forecast online retail growth rate



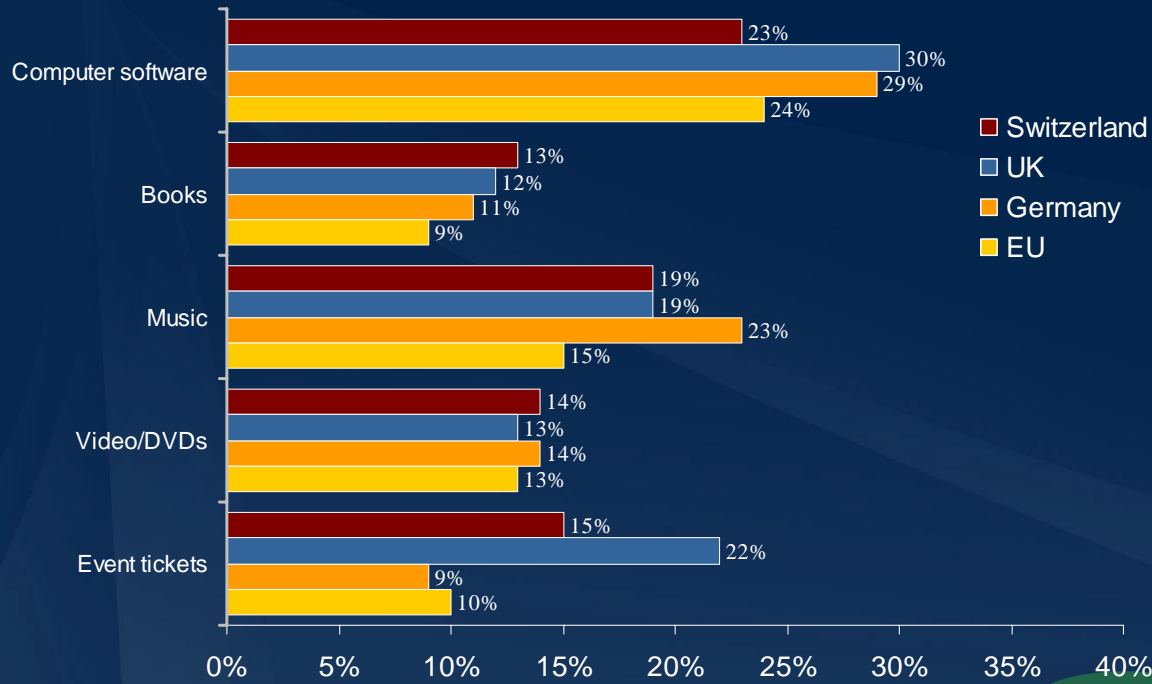
Source: Europe's eCommerce: The Next Five Years, March 2004



Online retail comparison today: Software, media & event tickets



Online retail as percentage of total retail today



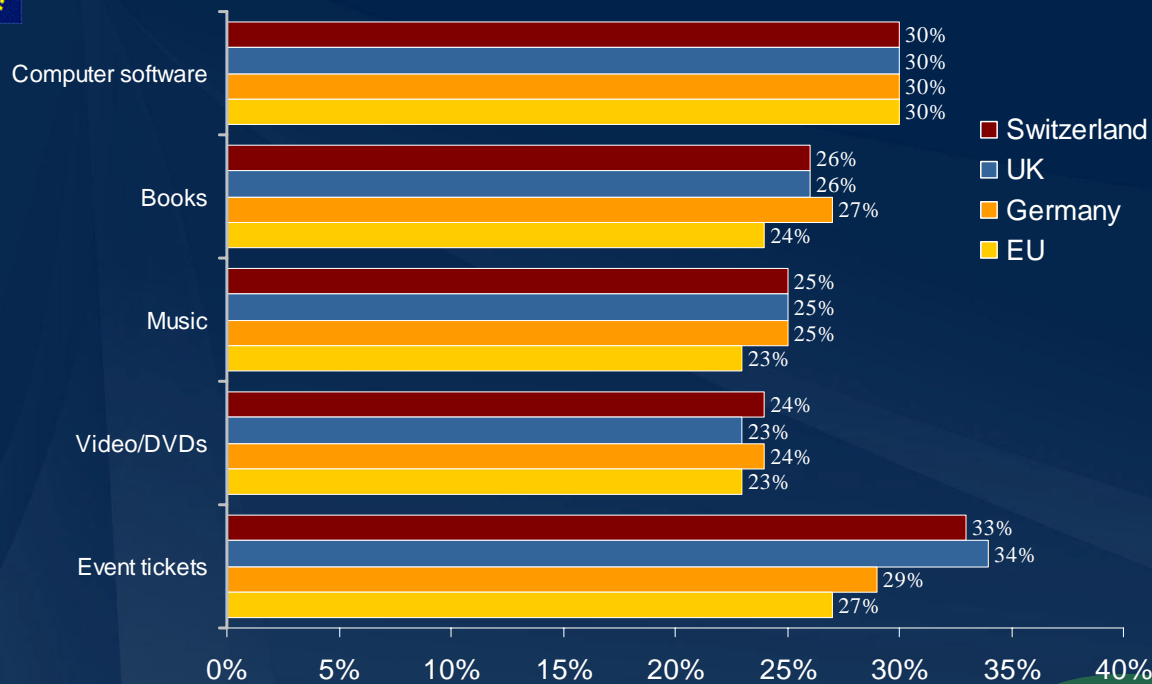
Source: Europe's eCommerce: The Next Five Years, March 2004



By 2009, online media retail in Switzerland is expected to match the numbers of Germany and the UK



Forecasted online retail as percentage of total retail in 2009



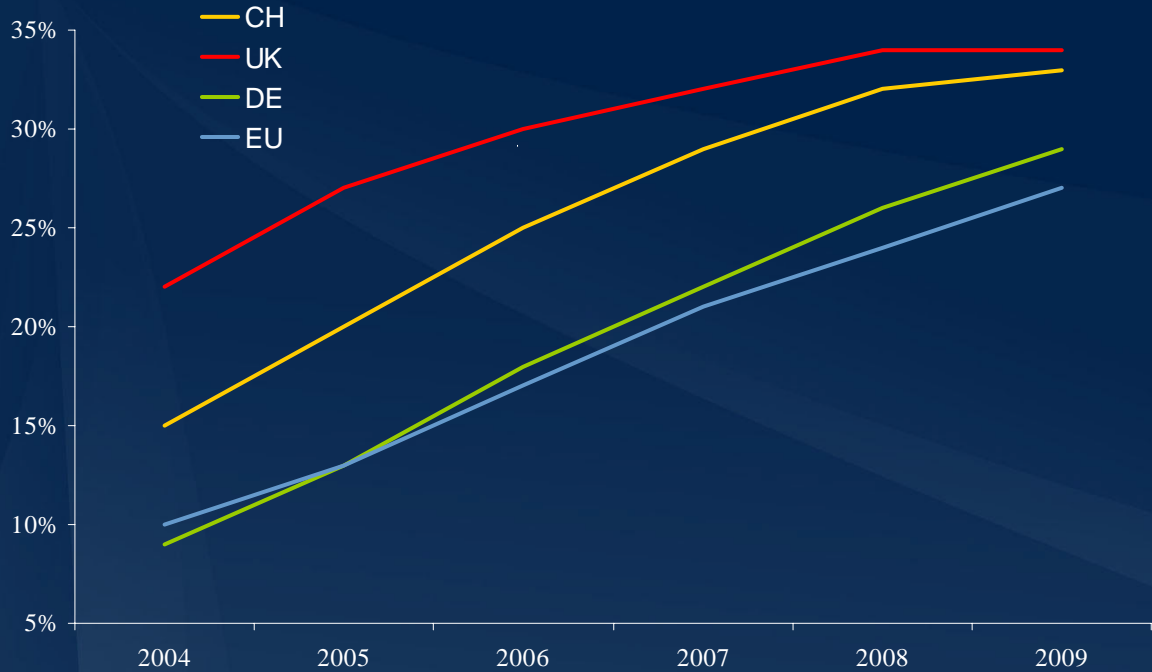
Source: Europe's eCommerce: The Next Five Years, March 2004



Online sale of events tickets will grow steadily



Forecast event tickets online retail as percentage of total retail



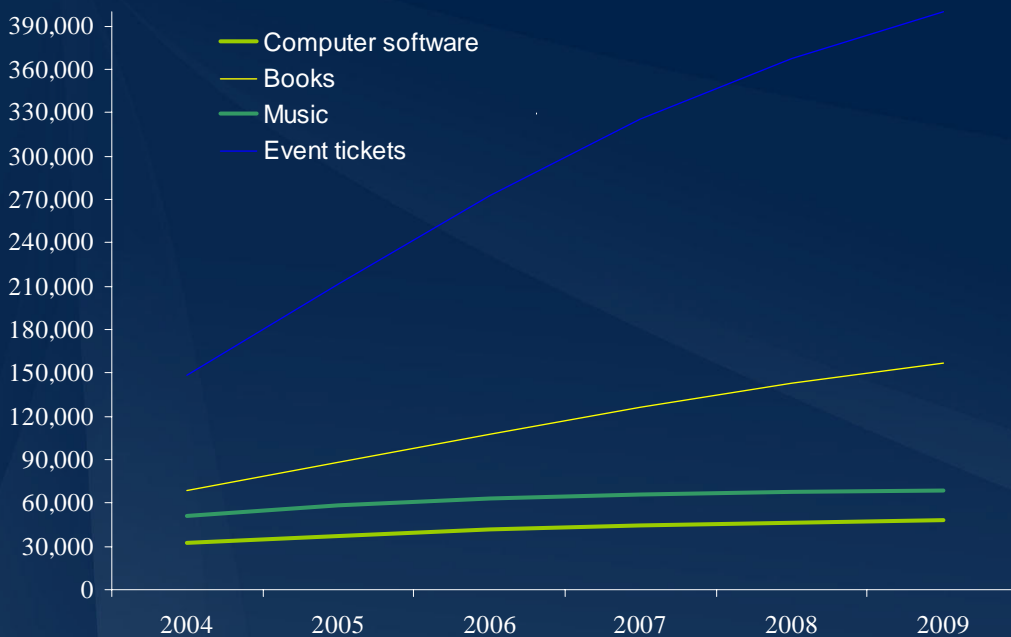
Source: Europe's eCommerce: The Next Five Years, March 2004



Swiss consumers will spend up to €400m online to buy event tickets



Forecast Europe's Online Sales 2004 to 2009 (in € thousands)



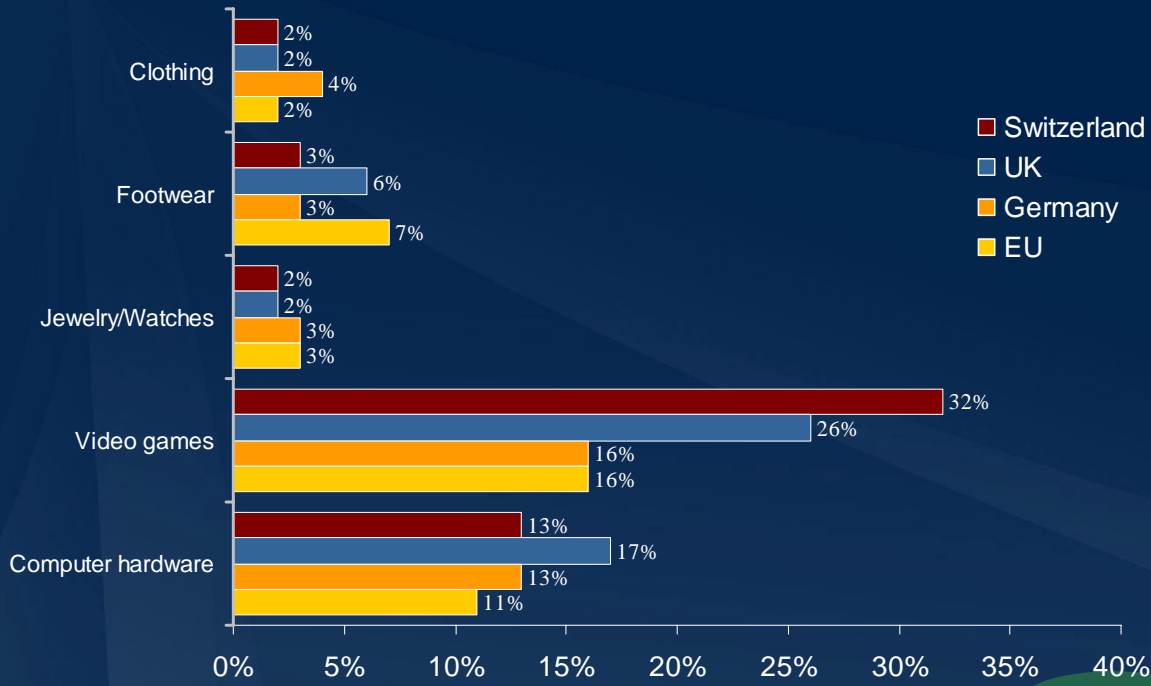
Source: Europe's eCommerce: The Next Five Years, March 2004



In some categories, online sales are very low today ...



Online retail as percentage of total retail today



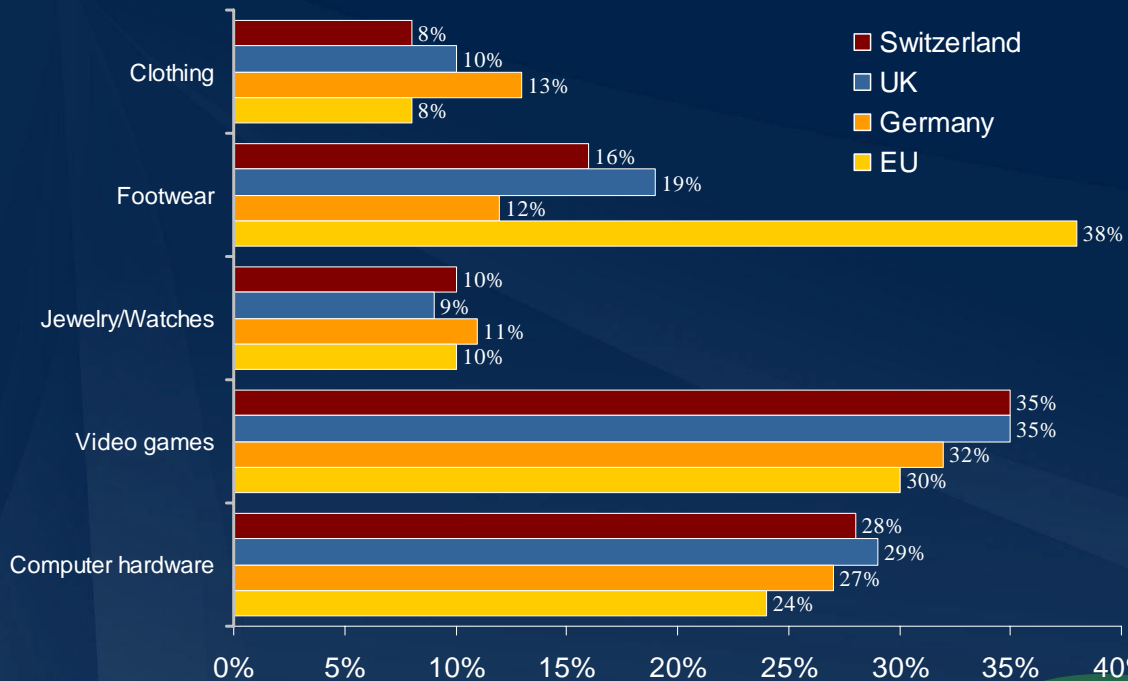
Source: Europe's eCommerce: The Next Five Years, March 2004



... but are set to grow over the next 5 years



Forecast: Online retail as percentage of total retail in 2009



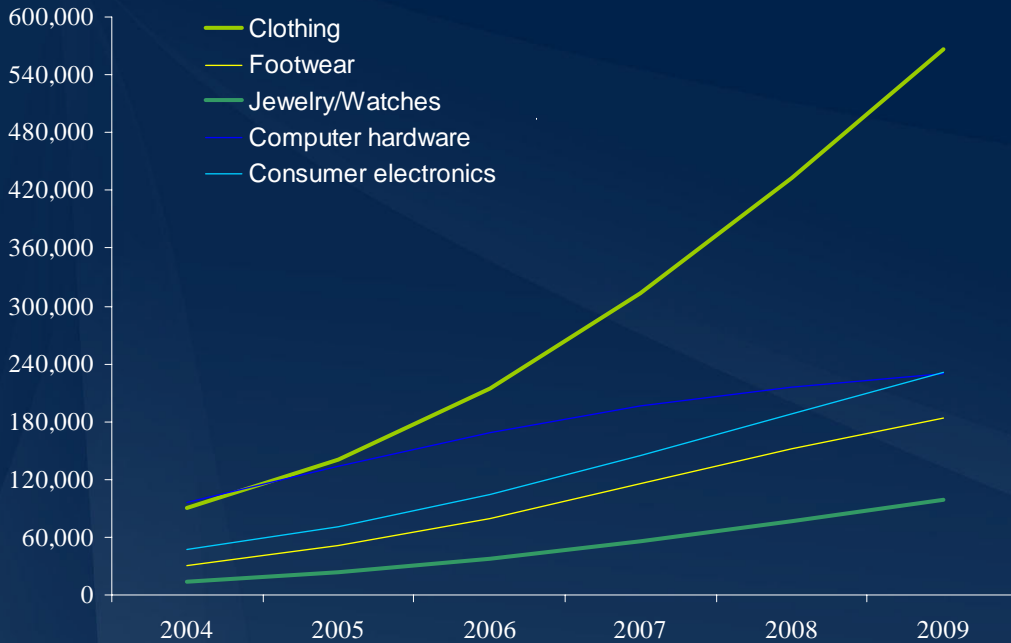
Source: Europe's eCommerce: The Next Five Years, March 2004



Clothing online retail is expected to reach €600m in 2009



Forecast: Europe's Online Sales 2004 to 2009 (in € thousands)



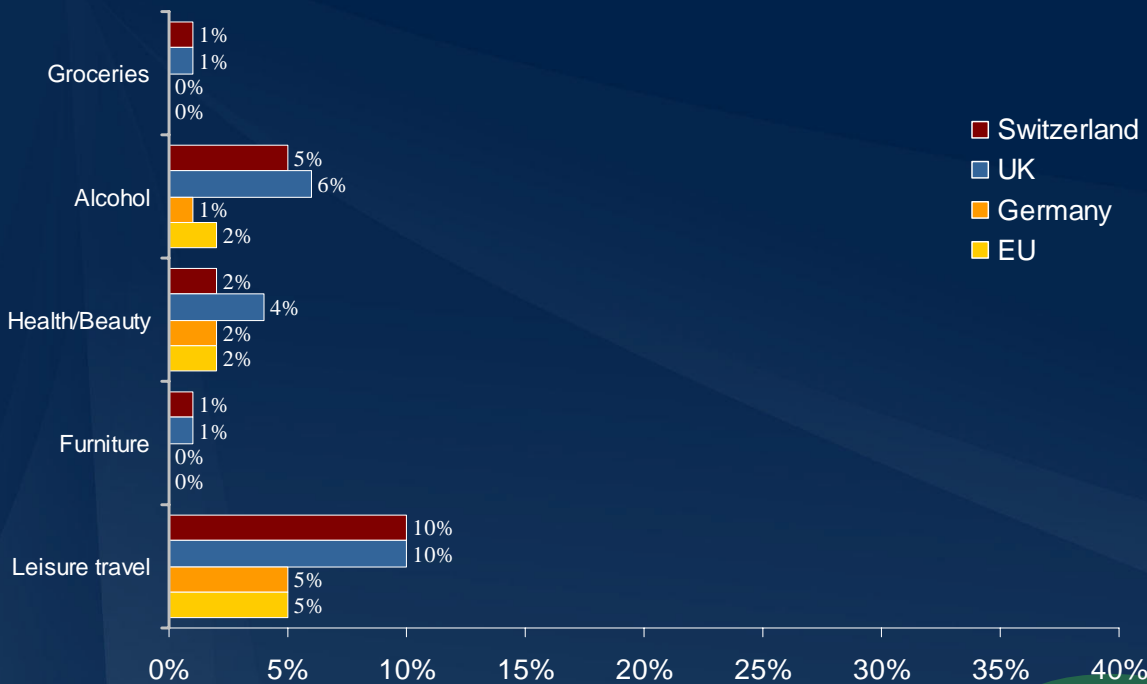
Source: Europe's eCommerce: The Next Five Years, March 2004

FORRESTER

Online sales of groceries are still low in all European countries, travel is already significant



Online retail as percentage of total retail today



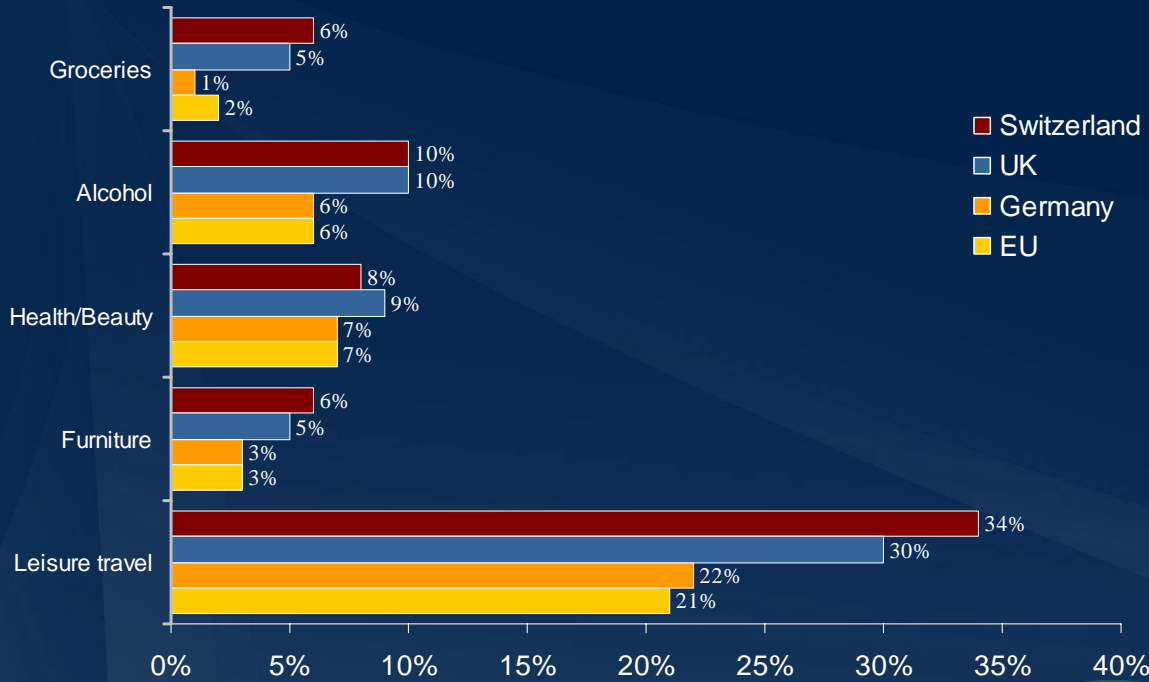
Source: Europe's eCommerce: The Next Five Years, March 2004

FORRESTER

But both online travel and groceries retail will grow faster in Switzerland than in the rest of Europe



Forecasted online retail as percentage of total retail in 2009



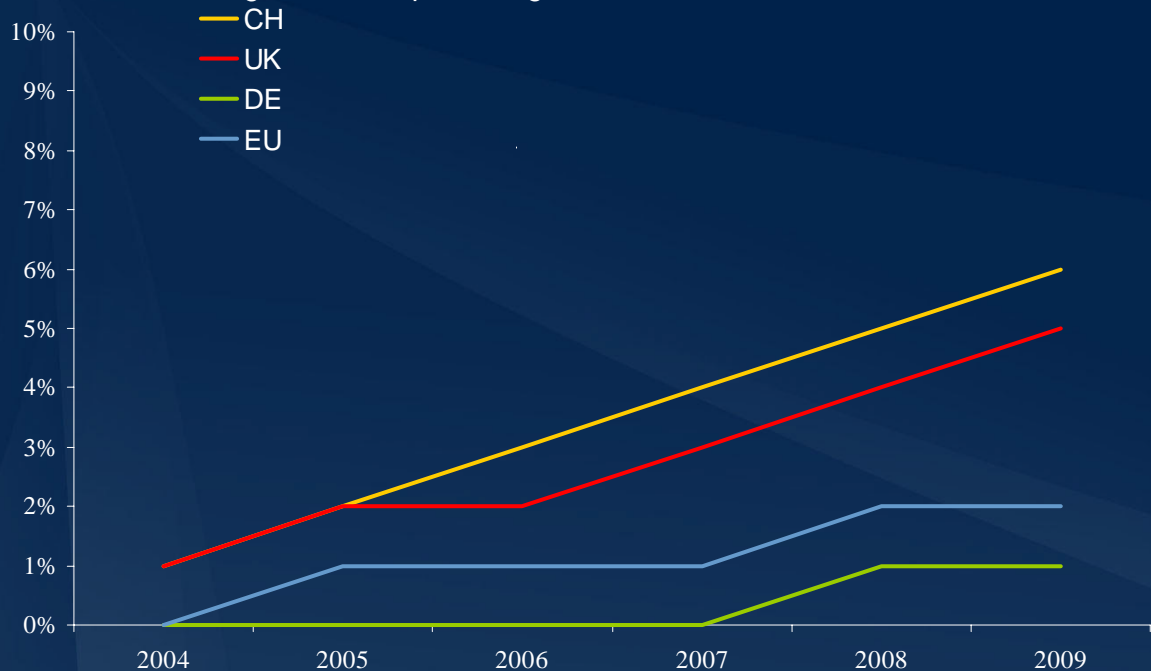
Source: Europe's eCommerce: The Next Five Years, March 2004



Groceries online retail is expected to grow faster in Switzerland



Forecast: Online groceries as percentage of total retail



Source: Europe's eCommerce: The Next Five Years, March 2004



Forecast: A good online Christmas in Switzerland

	Online holiday sales (millions)	Share of the European market	Online holiday spend per online shopping capita
UK	€4,207	32.4%	€188
Germany	€3,773	29.0%	€137
France	€1,123	8.6%	€103
Netherlands	€584	4.5%	€117
Italy	€519	4.0%	€58
Sweden	€502	4.0%	€166
Switzerland	€492	4.0%	€214
Spain	€470	3.6%	€118
Belgium	€290	2.2%	€120
Austria	€256	2.0%	€114
Denmark	€217	1.7%	€125
Finland	€176	1.4%	€126
Norway	€159	1.2%	€99
Ireland	€78	0.6%	€103
Portugal	€33	0.4%	€33
Greece	€31	0.2%	€34
Luxembourg	€13	0.1%	€103

(percentages may not total 100 because of rounding)

From Europe's Online Holiday Sales: Merrier Than Ever, November 2004

FORRESTER

The forgotten entity of e-commerce today



FORRESTER

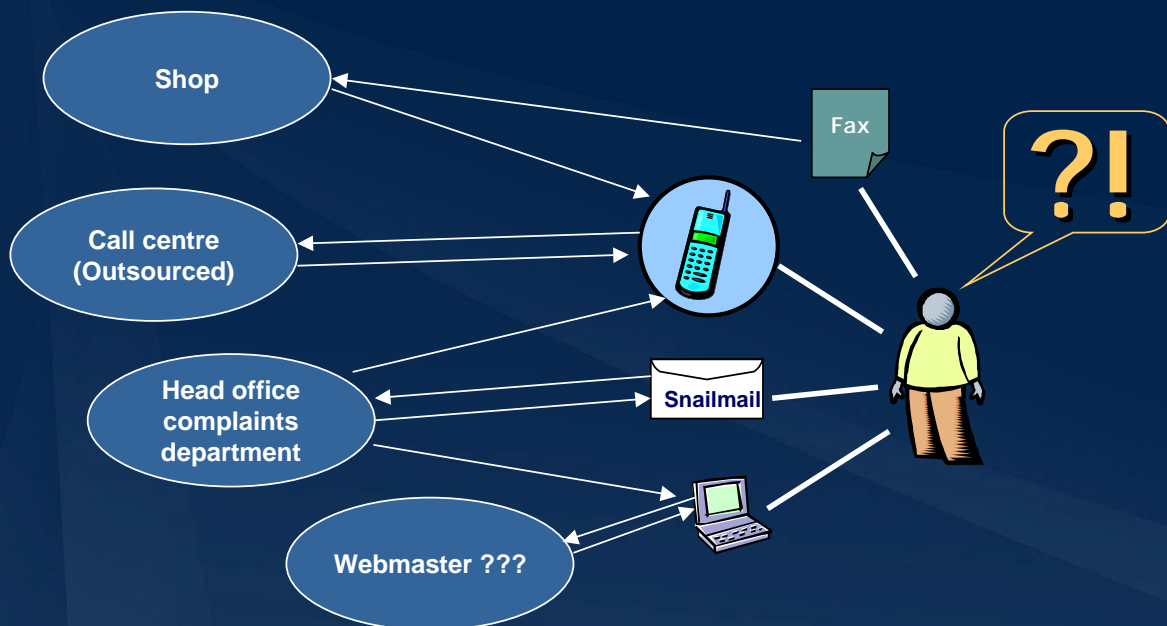
What's wrong with the e-commerce experience?

The online consumer has to suffer:

- Badly designed web sites
- Web sites that don't function properly
- Insufficient and/or out-of-date information
- Companies that are trying to hide
- Badly designed or non-existent processes
- The effects of insufficient technology infrastructure

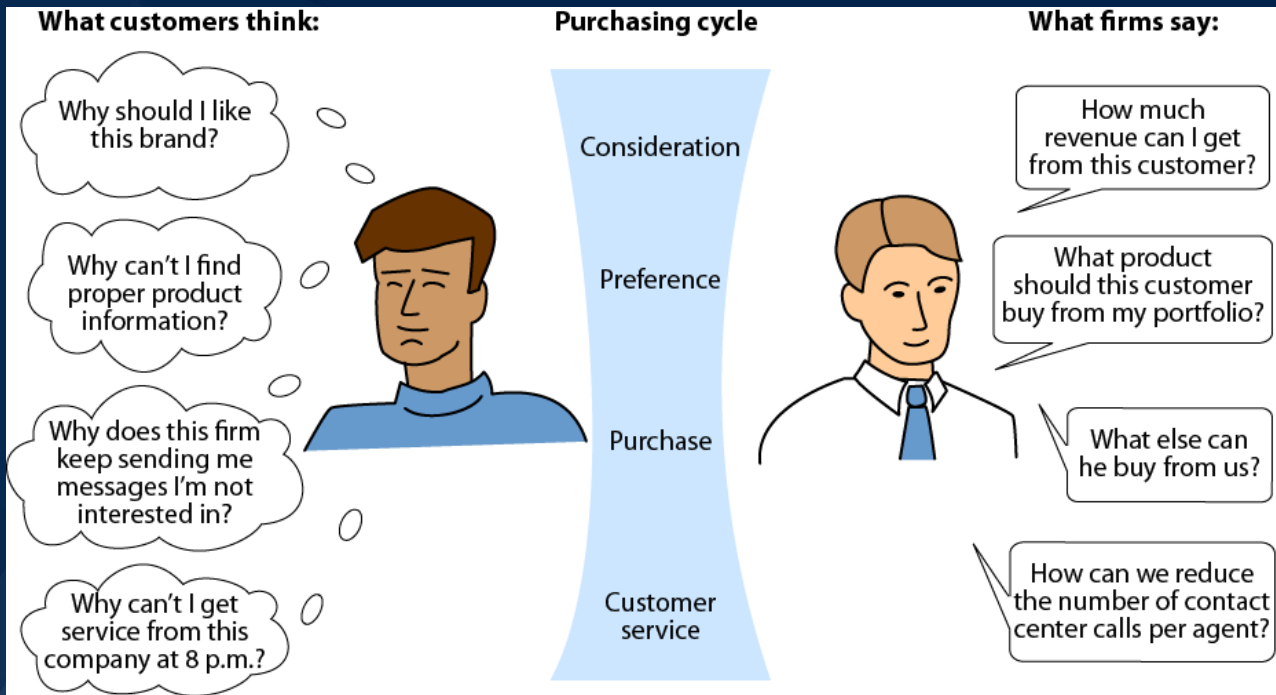
FORRESTER

Online retail today – the customer's view



FORRESTER

The customer perspective and the company perspective are out of sync

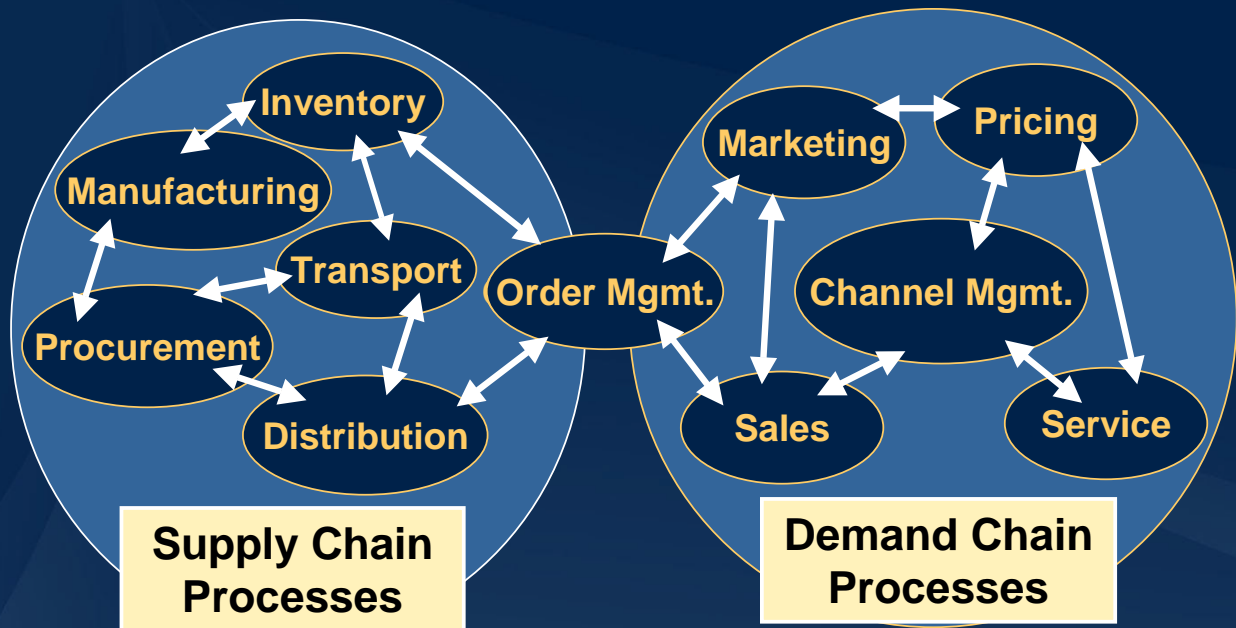


From *Symbiotic Loyalty*, November 2004

FORRESTER

State of the value chain in many companies today

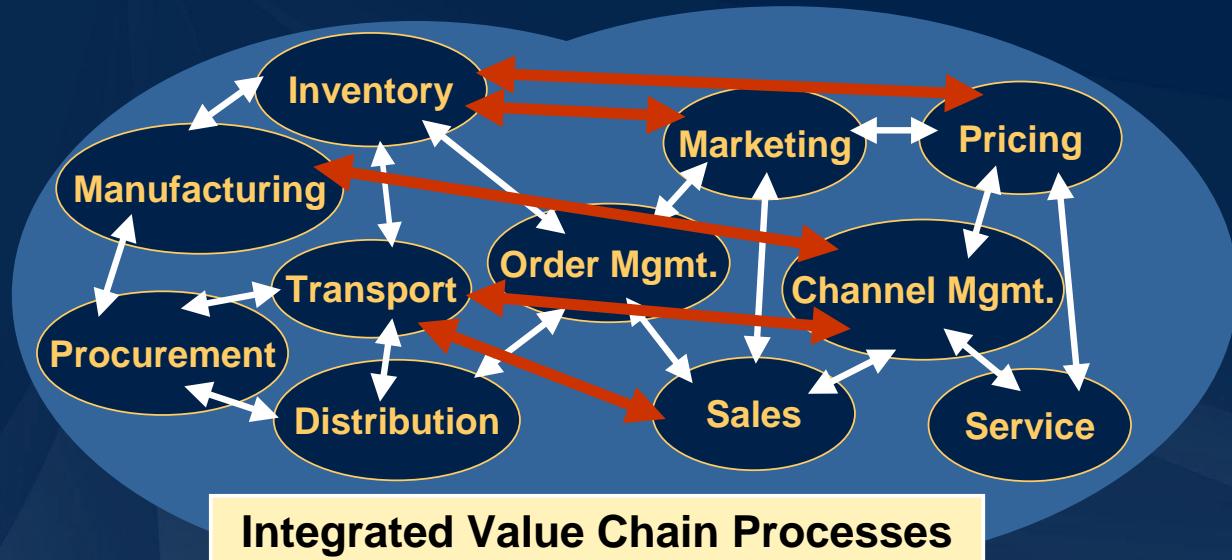
- Demand chain and supply chain work independently
- Orders are “thrown over the wall” (or disappear down a black hole)



FORRESTER

The value chain of the future

- Supply chain and demand chain working together
- Multiple touch-points through process integration
- Better results via collaborative decision making



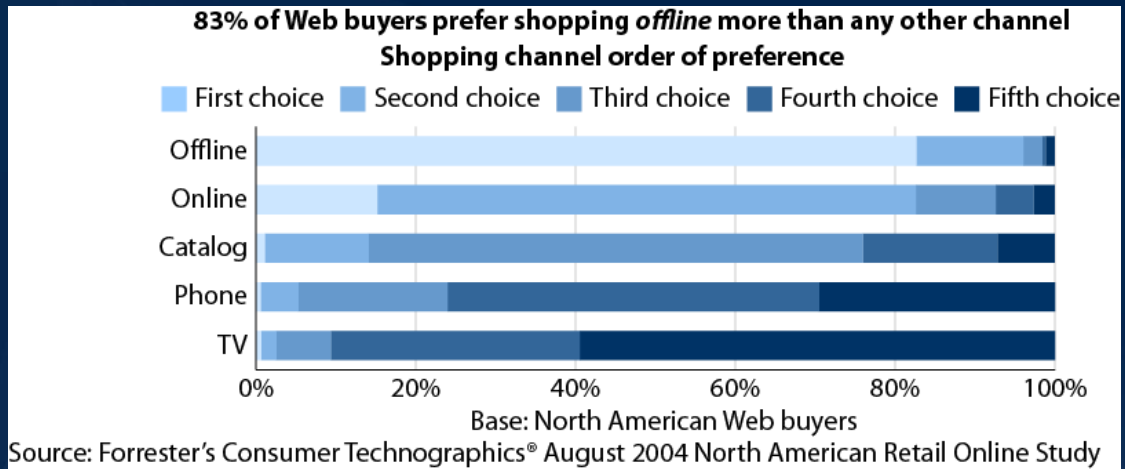
FORRESTER

What the online consumer expects

- Web sites designed around the needs of the visitor (not the wants of the marketing department)
- Web sites that are fully functioning and up-to-date
- Up-to-date and accurate stock information
- Clear explanations of what is (and isn't) possible
- A coherent multichannel (and cross-channel!) experience

FORRESTER

North America: The offline channel remains the most popular purchase channel



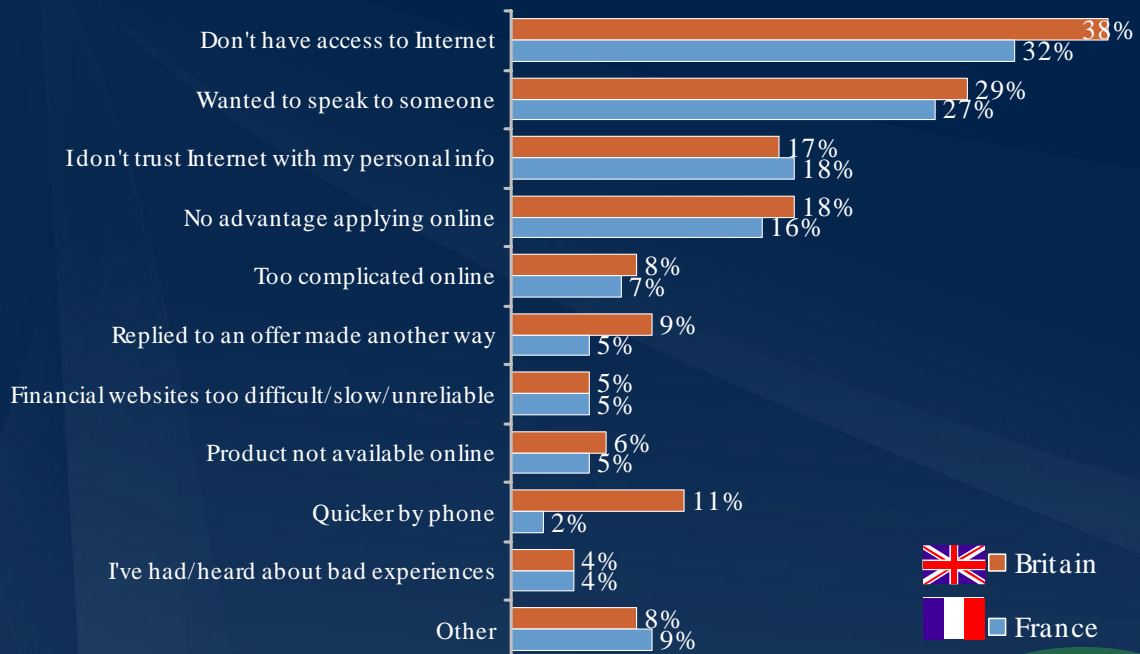
From **Web Buyers Prefer To Shop Offline**, October 2004

FORRESTER

Wanting to speak to a person: key reason for not buying a financial services product online



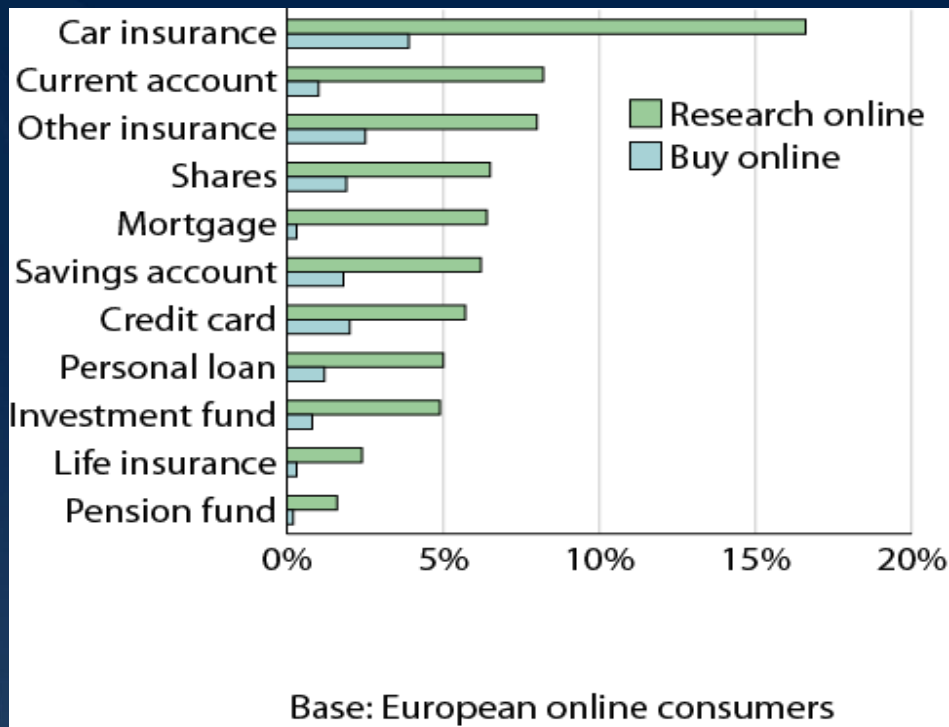
"Which of the following best describe why you did not apply for your last financial product online?"



Source: Forrester Consumer Technographics, November 2003
 Base: All adults who did not buy their last financial product online

FORRESTER

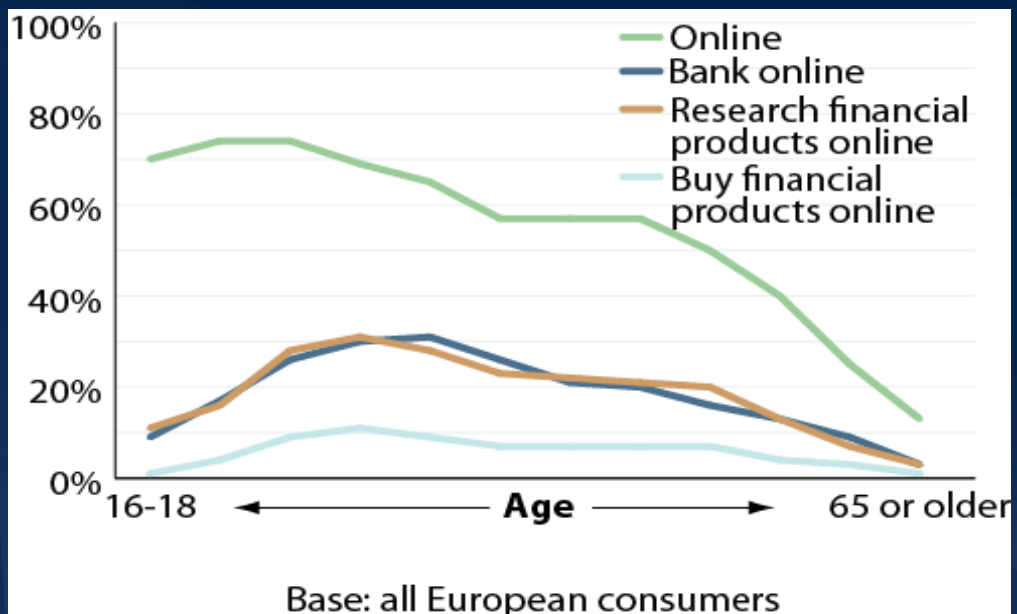
European financial services: Lots of online research, comparatively little online buying



From How Consumers Use Financial Channels, July 2004

FORRESTER

The demographics of researching & buying online



From How Consumers Use Financial Channels, July 2004

FORRESTER

Recommendations

- Use scenario design and personas to optimize the effectiveness of your online presence
- Design and implement appropriate processes to support cross-channel interaction
- Make sure you have the right software and technology infrastructure in place
- Focus on “right-channelling”
- Keep your promises!

FORRESTER

Thank you

Martha Bennett

+44 7768 896 540

mbennett@forrester.co.uk

www.forrester.com/europe

FORRESTER

The logo features the word "FORRESTER" in a white, serif, all-caps font, centered within a dark green oval. The oval is set against a dark blue background with a subtle, abstract pattern of overlapping, curved lines.

FORRESTER®