

Multichannel retailers more trusted than pure-play

It seems multichannel operators still have an advantage over pure-play operators in terms of trust.



Consumers perceive multichannel retailers with bricks and mortar stores to be more reliable and more trustworthy than online-only rivals, new research has revealed.

An exclusive survey carried out for Retail Gazette by research firm Lightspeed has found that while pure-play e-tailers are overwhelmingly considered to be better value and have a wider range of goods, companies with both transactional websites and stores have an advantage in regards to trust.

Out of 1,000 online consumers surveyed this month, price was named as the most important factor when shopping online, and 80 per cent said they consider pure-play retailers as cheap, whereas only 38 per cent said the same of multichannel operators.

Despite price being named as an important factor in online buying for 94 per cent of people, 70 per cent said that they prefer to buy from retailers with an online and high street presence.

Ralph Risk, Marketing Director for Europe at Lightspeed Research, commented: "There does seem to be higher level of trust for brands that have both physical stores as well as online.

"This may be that a physical presence provides more solidity and a confidence to consumers as they can see the actual store. It also provides evidence that they are not just a small operation, and can rely on them to deliver or somewhere to complain to.

"Of particular interest is the perception that multichannel retailers are more reliable than just online, which could also affect the perception of trust."

According to the survey, 81 per cent of shoppers trust retailers which are online & on the high street, whereas that trust level drops to just 67 per cent for pure-play companies, and the gap remains similar in terms of how many people regarded retailers as reliable – 83 per cent for multichannel firms and 70 per cent for online-only.

Brand recognition has a significant impact on purchasing with 68 per cent of shoppers claiming that a retailer being long-established or well-known played a factor in choosing where to buy goods, and 30 per cent said it was the main factor.



Although this may suggest a preference for major multichannel operators, the most successful e-tailers will only become more established in the minds of consumers, and in many ways pure-play retailers are seen more favourably by the public.

Online-only firms are broadly seen as having a better range of products and 71 per cent of shoppers described these companies as cutting edge, compared to just 50 per cent in regards to online & high street retailers.

Risk admits that high street stores may be limited in terms of innovation and product range but suggested that they should use their greater recognition on the high street to properly exploit online potential.

“Online, multichannels retailers should be looking to do exciting promotions, promote an extended stock range, communicate effectively with their customers and provide real benefits to their customer.”

“The key is to ensure that these activities tie in with the high street stores, and even use the high street stores as a platform to promote the online activities.”

Online referrals may carry little weight with consumers at present (only one per cent and two per cent of respondents respectively named social media or online forum recommendations as a main factor in purchasing), but these tools will rise in significance according to Risk.

He argues that multichannel retailers will be challenged to “keep up” with pure-play pioneers in the years to come, as these firms see their trust levels rise as online shopping become ever more ubiquitous.

“Relying on the trust that having a high street presence creates could be a short term view, especially as more people become comfortable with online stores,” he concluded.

Link: www.retailgazette.co.uk/articles/43001-multichannel-retailers-more-trusted-than-pureplay