

## Retailers Gear Up For Smoother Online Holiday Sales

By Sally Martin O'Briant  
Aug. 16, 2001

Despite the sluggish economy, Internet retailers are counting on better customer service and improvements in inventory management to put some sparkle into their holiday sales performance. Internet retailers are determined to capture in '01 the 16 million shoppers who attempted to purchase online in '00 but didn't complete their purchases. That will help give overall holiday sales the near 5% boost retailers are looking for this year.

Last year, holiday shoppers spent about 62% more online than they did in '99. Retailers are hoping for another big boost this year, bringing '01 online sales to roughly \$65 billion.

To tempt shoppers to the Web, many retailers are stepping up paper mailings advertising their Web sites. And to clinch the sale while shoppers are online, retailers also are turning to some new technologies. Companies are beefing up their spending on customer relations management (CRM). By year end, most expect to have poured between 25% and 50% more into CRM technologies than they did last year. Some key strategies:

- Improving search functions and keeping close track of Web sites, using sophisticated performance software to flag parts of the site that cause customers the most trouble. "Search functionality is the number one area that retailers will focus on because that's where consumers get hung up the most," says Elaine Rubin, executive director of Shop.org, the Internet retailing arm of the National Retail Federation.
- Using real-time inventory management systems to make deliveries more predictable and enable buyers to find out immediately whether an item is in stock.
- Allowing customers to "buy online, pick up at the store." Sears, Office Depot and Circuit City will all adopt this feature, letting customers search for and buy an item online, then pick it up on the same day at a streamlined merchandise pickup spot at the local store. "This will be a key differentiator for us during the holiday season," says Sears spokesperson Ann Woolman.

Increasing personalized customer service on the Web. Groopz E-Commerce software, from Gainesville, Fla.-based Digi-Net Technologies, alerts retailers when a potential customer is online, triggering a live customer service representative to communicate in real time with the consumer. Company CEO Robert Parker says that this gives the retailer the opportunity to help customers complete their purchases. The system costs about \$1200 a year. Retailers using the Groopz technology include the Home Shopping Network, Summerwood.com and Paintballgear.com. The technology is also available through 1-Shopping Cart Software, CI Host, RackSpace and Dialtone Internet, all Digi-Net clients.

Researcher-Reporter: Matthew J. Turosz