

# Internet issues

How independent retailers are facing up to their biggest challenge

An industry survey by *Christian Retailing*

» BY JIM SEYBERT

Competition from the Internet has overtaken that from big-box and discount stores as the No. 1 concern of independent Christian retailers. But many are not investing much time or money in trying to meet the online challenge.

Our latest Vital Signs study asked retailers to tell us how they use the Internet in their stores and how their businesses were being affected by online buying. Here is what we found out:

## CONCERNS

More than half of respondents (52%) identified the Internet as having had "strong" (28%) or "considerable" (24%) impact on their business. Competition from big-box and discount stores was viewed at the same level by 44% (16% "considerable," 28% "strong"). Just over a third (36%) said Web sites had made "some" impact, and 12% felt their consequence was "very little."

The third highest-impact category was general market bookstores, identified as "strong" or "considerable" by a total of 36% of respondents.

## CUSTOMERS

Four out of five reported that customers "regularly or frequently" said they have used the Internet to research a product before coming in to a brick-and-mortar store to buy it.

On the other hand, nearly three in five (57%) said they just as often are told by

shoppers that they had purchased a product from the Internet that was also available in the store.

As something of a further testament to the value of maintaining adequate product selection in-store, 65% of retailers told us that customers will "regularly or frequently" tell them that they will buy items from "Amazon or some other site" when the product is not available on store shelves.

## CONNECTIONS

Nearly three in four stores (73%) said they had a Web site that promotes their store by name. The primary benefit for doing so by those who did have one was identified as store awareness. Very few pointed to actual sales.

When asked why they had a site, one respondent admitted: "I'm not sure." Another commented that the Internet presence made it appear as though "we are on the cutting edge, even though we aren't."

Among those who did not have a Web site, most said they were planning to establish one but hadn't yet taken that step due to time and fiscal constraints.

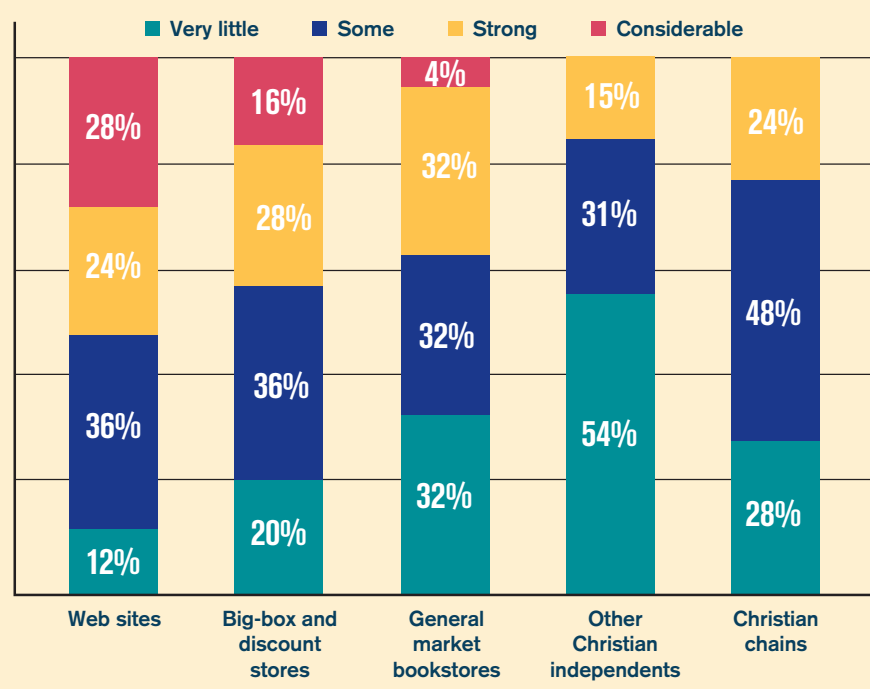
## SALES AND MORE

Internet sales are not a boon to most stores. Web sites accounted for more than 10% of gross annual sales for just 13% of the stores surveyed. A majority (68%) reported annual online sales of 5% or less. One in 10 did not bother to separate Internet sales.

Nor did stores invest much time in maintaining their Web sites. Half reported that they leave the job of running the site

## Comparing the competition

### Assessing the impact of other retail channels



to a third-party provider. Of those who managed their own sites, 60% reckoned to spend no more than two hours a week on the task.

Some stores did actively promote their Web presence. Two-thirds told us they sent e-mail messages to customers, with just over half (57%) of those with a Web site including its URL in their catalogs and other mailings.

A slightly smaller number featured the

URL on in-store signs (52%), and less than half (48%) put their Web address on register receipts.

## PERSONAL

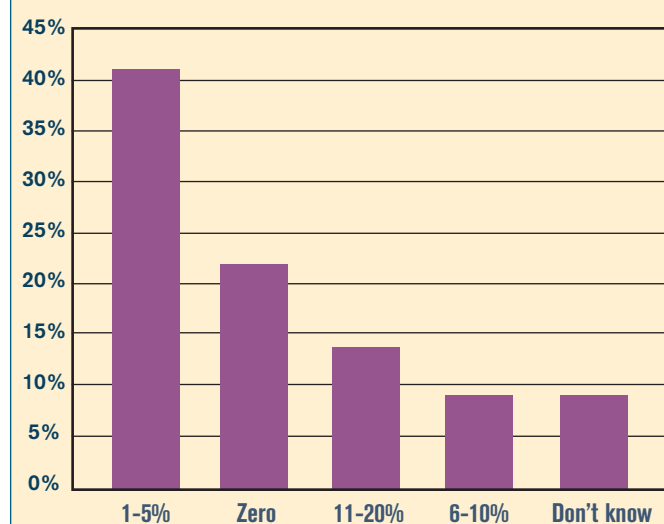
Asking a brick-and-mortar retailer to shop for items on the Internet might be like inviting the owner of a health food store to buy processed cheese, but 54% of Christian retailers said they made non-business purchases on line.

Of those who did personal shopping online, the most popular items purchased were books, followed by travel, office supplies, clothing, electronic gear and software. The next most common online spending transaction was making a donation.

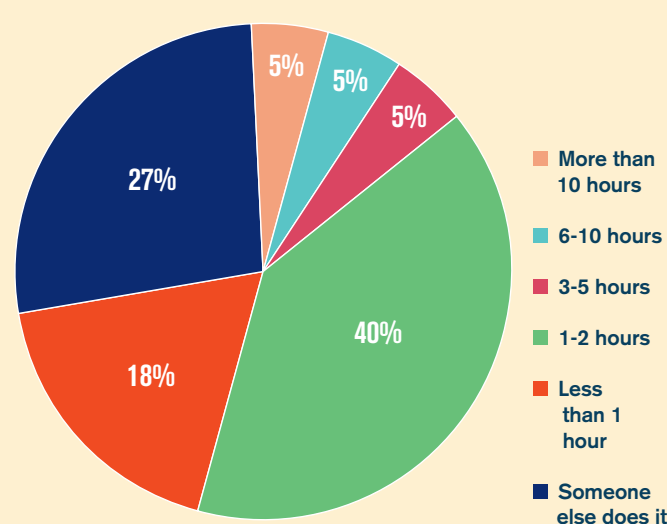
Three-fourths of the stores we surveyed had a Web site, yet close to half said they do nothing to promote it.

Vital Signs is a joint project of *Christian Retailing* and Jim Seybert, who are solely responsible for its content. **Jim Seybert** is an author and consultant living in Arroyo Grande, Calif.

### Annual Web sales as part of total



### Time spent weekly on Web site



The Vital Signs survey was conducted online in April among readers of *Christian Retailing's* Christian Retailing news service. Of 170 respondents, 45 were involved in retail.

**CHRISTIAN RETAILING** **WHAT DO YOU THINK?**  
...of the findings and comments?  
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