CASE STUDY
GfK Location Activation

2016

The Situation

GfK conducted a self-funded project to understand Shopper Conversion issues for H&M and Zara, and how to address them

METHOD

- Members of mobile panel were targeted based on their physical locations “yesterday” throughout the US
- Shoppers flagged as being in specific Zara or H&M stores were sent a 10-question mobile online survey 24-48 hours after they shopped
- Buyers and non-buyers were interviewed
- Looking for opportunities to improve conversion

Finding #1

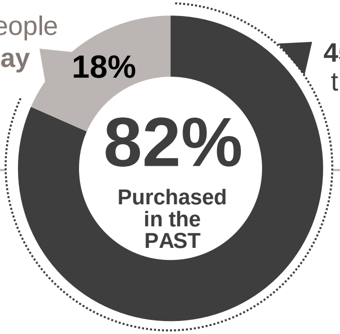
Shoppers in each store are ready to buy

The majority of shoppers purchased from that retailer before, and **almost all** plan to do so in the future

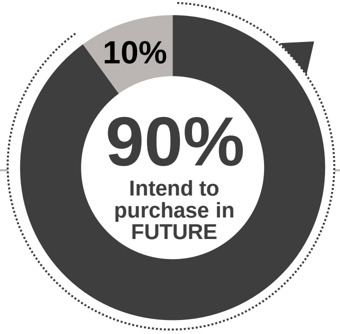
Purchased from store in PAST | **Intend to purchase from store in FUTURE**

ZARA

21% of these people **purchased today**



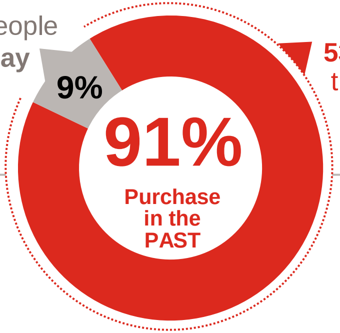
45% of these people **purchased today**



Conversion should be achievable – stores are filled with low-hanging fruit. Just need to **reduce barriers**

H&M

42% of these people **purchased today**



53% of these people **purchased today**

Ah ha! – H&M converted a high 40% of its first-time shoppers

Implication – Drive them to store & they will buy

Q9. Have you made a purchase from [retailer] in the past, either in a store or on their website?

Q10. Do you intend to make a purchase from [retailer] in the future?

Finding #2

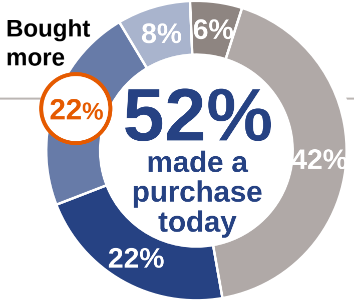
H&M is winning the conversion battle over Zara

Half of H&M shoppers made a purchase…and almost ¼ of shoppers bought more than they had intended!

Buyers vs. Non Buyers

Ah ha! – While stores are filled with low hanging fruit, most do not purchase at Zara

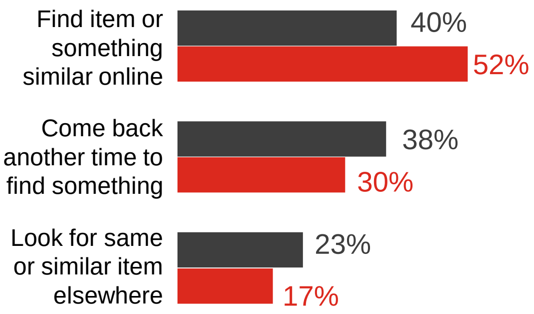
Implication – Understand Zara's most loyal shopper & her apparel needs – are we delivering?



- Yes, I bought the number of items I intended
- Yes, I bought more items than I intended
- Yes, I bought less items than I intended
- No, but will buy an item on [the retailer's] website
- No, I didn't buy anything

Next Steps…

Ah ha! – Non-buyers plan to now search for something online – but few plan to buy on Zara or H&M sites (8% & 6% respectively)



Implication – Invest in omni-channel solutions to bring "online" into store

Finding #3

H&M's conversion strength extends to "browsers"

While both retailers had the same proportion of shoppers "just browsing", H&M was able to convert half of them

	Purpose of visit – "Just browsing"	**% of browsers That bought something**
ZARA	59%	34%
H&M	57%	49%

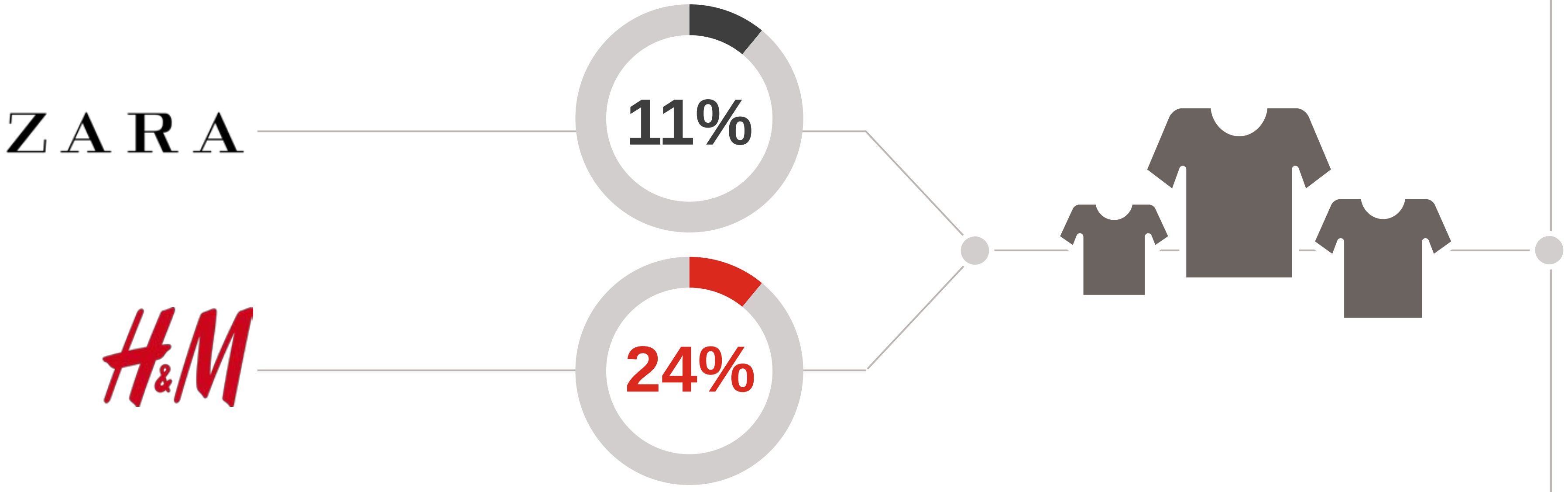
Finding #4

H&M's strong conversion could still be dramatically improved by bringing "expanded inventory" into stores

Almost ¼ of H&M non-buyers couldn't find their size available

Reasons for Not Making a Purchase

"They didn't have my size in what I wanted"

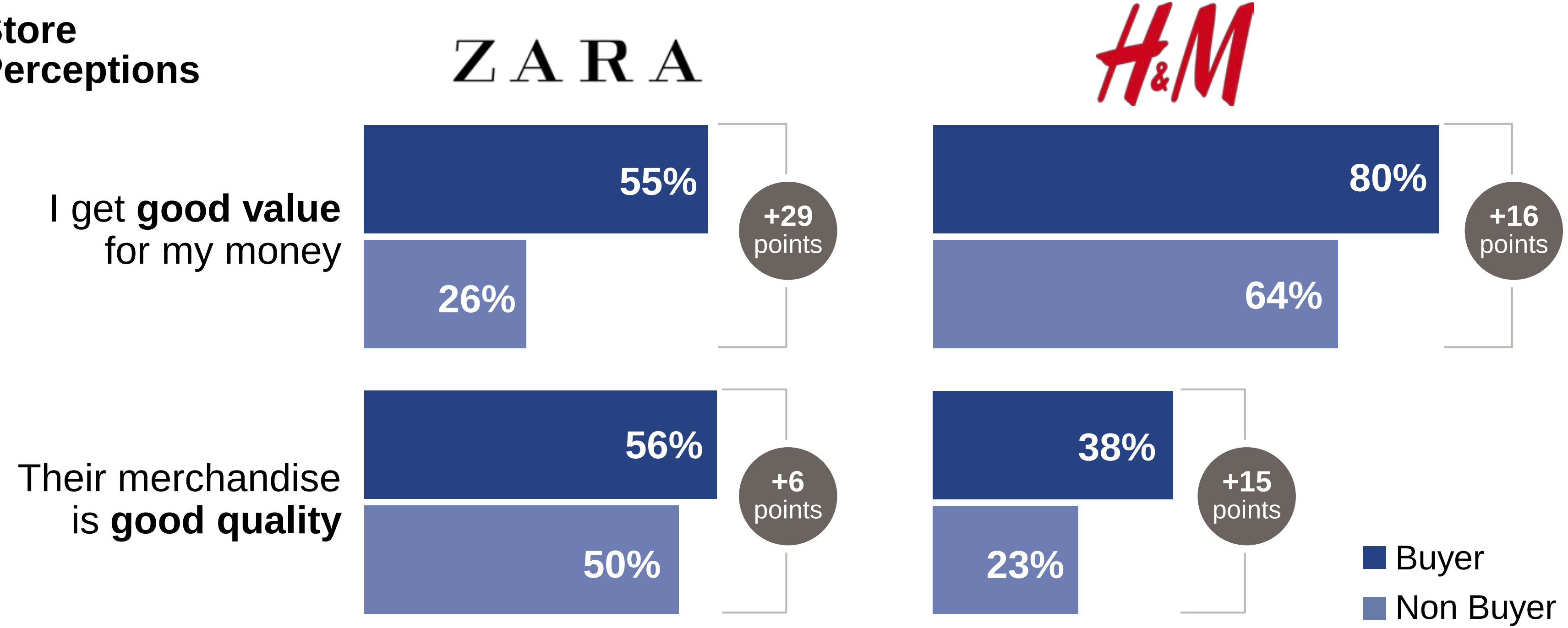


Finding #5

Zara needs to address their value proposition to improve conversion

Half of non-buyers think Zara is good quality but still didn't purchase – need to understand drivers of value perceptions

Store Perceptions



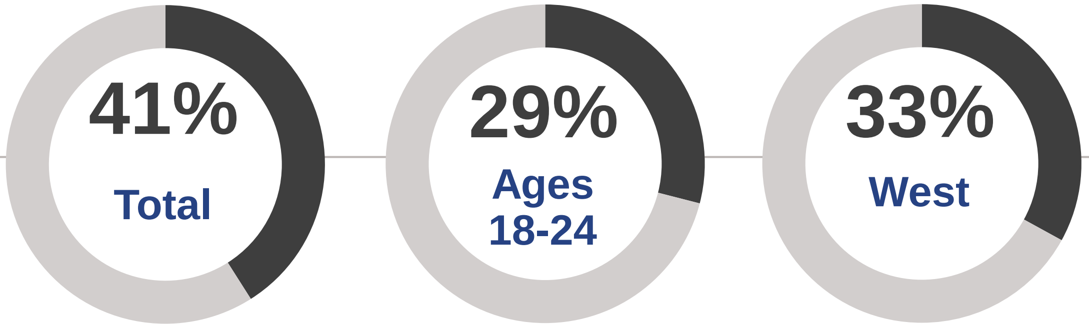
Finding #6

Zara has bigger conversion challenges among younger shoppers and in the West

Zara conversion rates are much lower among females ages 18-24, along with those in the West

Conversion Rates

ZARA



Can we **optimize merchandise** and/or **shopping experience** for these groups?

GfK Location Activation "Shopper Conversion" Study

Helps You Understand your **conversion success** versus key competitors and your **areas of opportunity**, including, but not limited to, the following