



THERE ARE NO MORE CUSTOMERS → ONLY PROSPECTS!
Step 4 = Understanding the BEHAVIOR of the Internet Prospect

The Internet has caused a dramatic flattening of the relationship / loyalty curve. We used to believe that the longer you were with a particular supplier – the higher your loyalty to that supplier’s goods and services.

Unfortunately in 2003, more than 40% of consumers tell us that they have “no preference on where they shop” because they view products as being very much the same among the stores. This is twice the 2002 rate.

The Internet has forced itself upon the sales environment, and your web site must:

- **“A” = Awareness** – raise people’s awareness of products and services through conversation.
- **“B” = Balance** – Because Abby has the ability to listen as well as speak, this creates for better information delivery, or balance.
- **“B” = Behavior** – A conversation from Abby can quickly change people’s response and behavior.
- **“Y” = Yield** – Since Abby is digital and scalable, she creates higher yields at lower costs.

We call these elements **‘ABBY’** – and we’ll discuss the **“Behavior”** element.

A “hyper-shopper” is defined as someone who first seeks product/service information online, and then spends \$500 or more both online and offline. The number of hyper-shoppers now total close to 25 million Americans, almost double the 2002 figure. This represents the first generation of true multi-channel consumers, who are capitalizing on the convenience and power of online shopping.

Hyper-shoppers rate web sites as their most valuable way of obtaining product information. Among hyper-shoppers:

- 50% say that the Internet allows them to find better prices
- 20% say that it allows them to spend more time with their families
- 66% say the value of the Internet, to their purchase decision, has increased over the past 12 months.

Over the past year, more than 50% of all hyper-shoppers first seek information from provider web sites. This makes provider web sites the consumer information resource of choice. Moreover, 25% indicated that online information changed their opinion of specific products or brands.



The hyper-shopper is mostly male, college-educated and married. Most work for smaller businesses, and use high-speed broadband access from home. And 44% of them report giving up television to be online.

A 2003 survey by the Dieringer Research Group, revealed that hyper-shoppers require online information prior to even considering making a purchase.

However, following a review of the provider's web site, 51% of hyper-shoppers purchased right then. 42% purchased after a face-to-face meeting. Roughly 17% purchased after receiving direct mail, while 7% purchased in response to a telemarketing call. According to Kim T. Gordon, president of National Marketing Federation, "The multi-channel shoppers actually spend more money than those who shop through a single channel."

The preferred communication method by 68% of the hyper-shoppers is e-mail. The statistic, that surprised even me was that - 42% of US Internet users have made a purchase after receiving a permission-based email from the marketer. This is a very powerful message → reach out through the spam → just get permission first.

In terms of how to beat your competition, your competition is putting their advertising dollars into e-mail campaigns and web site improvements (17% and 7% increases respectively) while TV, print and radio ads, direct mail and telemarketing are all down between 1% and 7%.

To the Internet shopper:

- Speed is often more important than price. Moreover, customer tolerance for delayed response times can now be measured in minutes. If you don't contact an Internet customer in a few hours - don't bother.
- Swift, accurate and consistent follow up – via e-mail (the same method of contact) – is a requirement. Content delivery is the highest priority in the beginning, which is natural given the Internet is not a 'born' relationship builder. A critical piece of the solution is the job of automating an accurate, detailed first response to an initial e-mail inquiry. This goes far beyond 'auto-responders'.
- Phone and face-to-face are still viewed as positive reinforcements, while chat and instant messaging are often viewed negatively.
- There is a very strong relationship between household income and adopting broadband Internet. That means if you're selling high-end merchandise, you can assume that a majority of your 'buying' audience is running on a broadband connection.



One aspect of the hyper-shopper profile that we failed to mention was age. "The Internet audience is continuing to become more representative of the general population," said Greg Bloom, Senior Internet Analyst, Nielsen//NetRatings. "However, we are observing significant up-ticks in the online presence of those over 50." Over 25 million adults over the age of 55 were online last month.

A new survey from ThirdAge Inc., reveals consumers over 50 are likely to be 'early adopters' of new products and spread the word about those products. Almost half (43%) of the over 50 crowd, use the Internet between 11-30 hours per week. 90% access the Internet at home, and more than three-quarters (83%) forward information found on the Internet to others.

Given this is viral marketing, it not only has an excellent probability of being viewed and acted upon, but also costs you \$0 in the process. And speaking of market segment growth rates, the over 50 crowd will grow by over 50% over the next 15 years, while the 18 - 40 age group will grow a mere 3%.

Summarizing, attracting the hyper-shopper is critical to business success, and is becoming a mainstream consumer behavior pattern. This group's lack of 'brand / product loyalty' is very apparent and is very digitally influenced. This 'digital' behavior requires constant, consistent digital response - that is immediate, accurate, and 24/7. This type of response requires web site based, 'automated intelligence' and NOT the traditional 'auto-e-mail-responders'.

Marketers should increase web site development and web advertising allocations in order to combat competition. And if we thought that the 'over 50' crowd was un-affected by the Internet – well – we'd best 'think again.' We can all be contacted, and convinced to switch suppliers, for less money, and in a lot less time than in previous years → and that makes just about everyone a Prospect!

The next installment will discuss **Balancing** and **Blending**, on-line versus off-line experiences. After all, with 44% of all customers, - "not caring where they shop" – then, truly, "**there are no customers – ONLY prospects.**"

Thank you for listening.

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