

**One third of consumers plan to spend less at department stores in 2009:  
Price, product choice and customer service are key to survival in downturn**

**6 May 2009.** According to a new study by leading market research organisation, Maritz Research, more than one third of consumers plan to spend less in department stores this year. In this nationally representative study, Maritz finds that the intention to cut back on shopping is across all the age groups and region as well as for shoppers from diverse financial circumstances. Overall, only 7.8% are thinking of spending more in 2009.

However, it is not all bad news for department store retailers, as the recently reported lift in sales figures for Debenhams and John Lewis show. “Customers are choosing more carefully than they have done in the past”, observes Graham Devereux, Director of Retail Research at Maritz Research. “There are still many opportunities out there but you have to be more tuned into customer needs than ever before.”

**Key findings**

- Shoppers who describe themselves as financially stretched and struggling are most likely to cut their spending in department stores and only a minority of the financially secure and comfortable think that they will spend more.
- John Lewis leads the table for best customer service overall.
- There is a significant gap between consumer expectations and the shopping experience for some department stores.
- Competitive prices, a good choice of products and quality service are most important for attracting customers.

**Consumers plan to spend less in department stores over coming year**

	Financially stretched	Struggling	In control	Comfortable	Financially secure
Spend more or much more	5.3%	2.8%	5.8%	10.8%	30.8%
Spend less or much less	89.5%	73.4%	39.9%	14.2%	7.7%

**Delivering the promised experience is key**

Maritz asked shoppers to rate the customer service that they received during their most recent visit to the store and to say how this compares with their expectations. The research shows that the experience varies much less than expectations. M&S and John Lewis show how successful they are in living up to the high demands of their brand promise. Each has exceeded expectations and very interestingly, the gap between what the shoppers expected and what they

experienced is relatively small. In the case of House of Fraser and Debenhams, over 20% say that the experience was better or much better than what they were expecting, what is particularly telling is the low expectations for each. This is an indication that there is a great opportunity for these brands to build their reputation to align it with the delivery of their offer.

#### Customer experience above expectations

Store	John Lewis	House of Fraser	Debenhams	M&S
Service experienced	33.7%	21.7%	20.4%	28.1%
Service expected	27.5%	3.1%	6%	24.6%

In a comparison of customer service across a range of department stores, John Lewis comes out top, with M&S next. Both are selected by almost twice the number of shoppers as Debenhams, ranked third.

#### The focus needs to be on choice, value and quality service

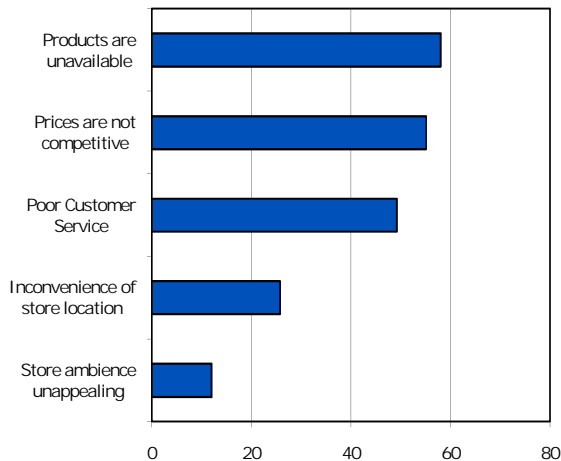
Maritz asked pollsters to rank the factors that would bother them most when visiting a department store. Having an extensive and readily accessible product range is the most important factor in attracting custom closely followed by customer service and competitive pricing. Shoppers think that a department store's location and its ambience are much less important.

#### Importance of factors for a positive shopping experience

Availability of products	58%
Price	55%
Customer service	49%
Location	26%
Ambience	12%

Maritz asked shoppers to rank what would be most likely to drive them away from a particular store. Product availability, pricing and customer service are much more influential than a store's inconvenient location or the store ambience.

Issues that would have the most negative influence on shopper



Now is not the time for a store move or a refit. Instead department stores need to concentrate on providing choice, a consistently high customer experience and on building loyalty.

The survey also shows that shoppers in the age group of 35 – 44 are most sensitive to pricing. 67% of those in this age band say that competitive pricing has the greatest impact on their choosing not to shop at a particular store. Good customer service seems to be more important to older age groups and the younger shoppers are less likely to turn away as a result of having received poor customer service.

If pricing is not competitive

Age group	25- 34	35-44	45-54	55-64	65+
Negative factor	55.5%	67%	53.5%	51.1%	52.4%

Experiencing poor customer service

Age group	25-34	35-44	45-54	55-64	65+
Negative factor	36.7%	46%	55.3%	48.2%	54.5%

Notes to editors:



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### **About the research**

Maritz Research surveyed the views of 1,016 British consumers who have recently shopped in at least one of the surveyed department stores.

### **About Maritz Research**

Since 1973 Maritz Research has given clients the insight to help them deliver the promised brand experience. To do this, they identify, research and consult on brands, customer experience, loyalty and employees across a range of sectors including retail, automotive, transport, financial services, IT, hospitality and pharmaceuticals. Part of the US based group Maritz Inc, in Europe, Maritz Research has over 100 employees based in Great Britain and Germany. Further information at: [www.maritzresearch.co.uk](http://www.maritzresearch.co.uk)

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