

A Minute's Difference...

What impact does length of check out time have on sales?

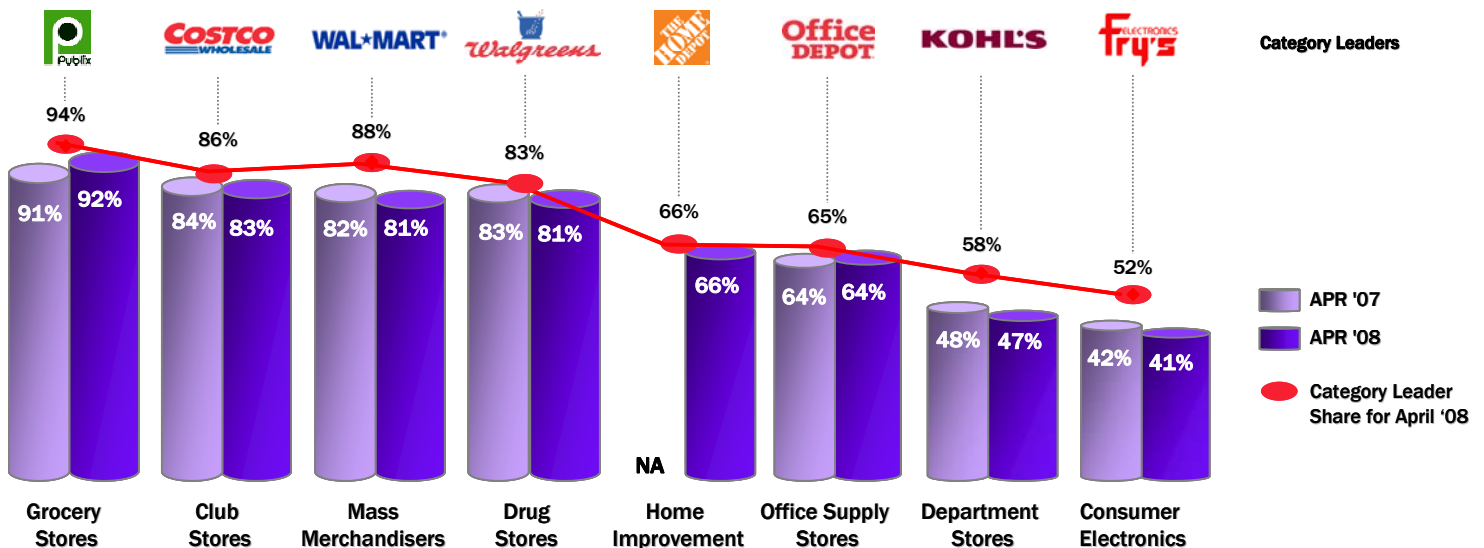
A recent study completed by M/A/R/C® Research revisits the impact length of check out times has on store sales.

The study spanned eight store categories: Grocery, Drug, Consumer Electronics, Office Supply, Mass Merchandisers such as Wal-Mart and Target, Clubs like Sam's and Costco, Department, and Home Improvement stores. The online study was conducted in April and includes responses from approximately 13,000 individuals.



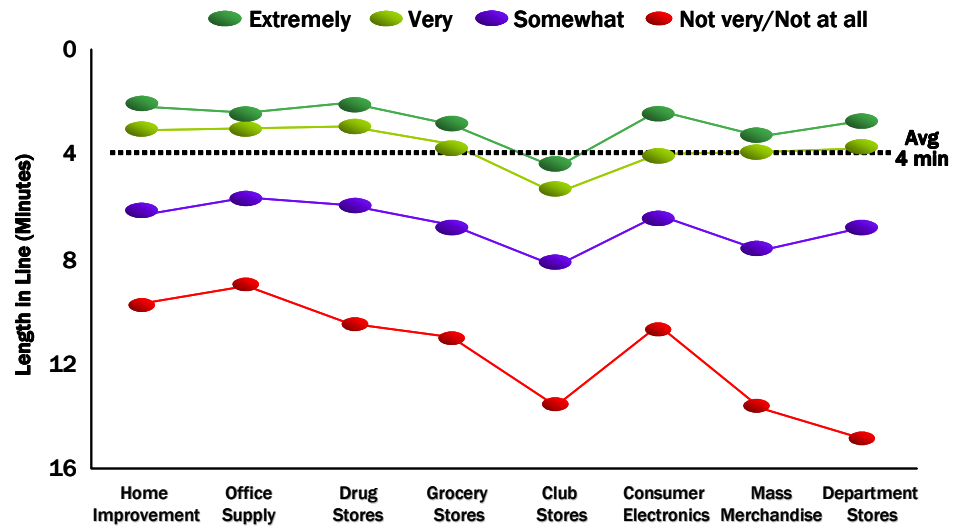
Check out times, as well as additional aspects of consumers' shopping experiences, play a role in a store's conversion rate, or the percentage of shoppers who make a purchase. For the month of April, the conversion rates averaged 75%. Conversion rates are consistent with those from April 2007. They are also similar among retailers within each category, however clear leaders emerge in Department Stores and Consumer Electronics in terms of conversion.

SHOPPER CONVERSION RATE AND CATEGORY LEADER



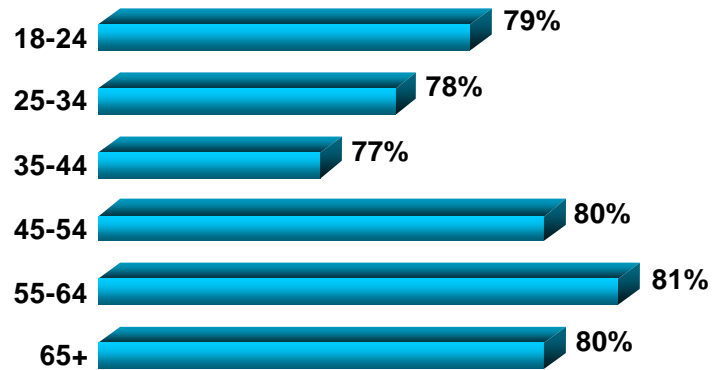
Overall, customers are satisfied (79% extremely/very satisfied) with an average wait time of about 4 minutes or less. Optimal wait time varies slightly by category, but satisfaction decreases drastically as wait times increase above 4 minutes. Consumers are satisfied with a little higher wait times when shopping at Club Stores.

SATISFACTION WITH WAIT TIMES



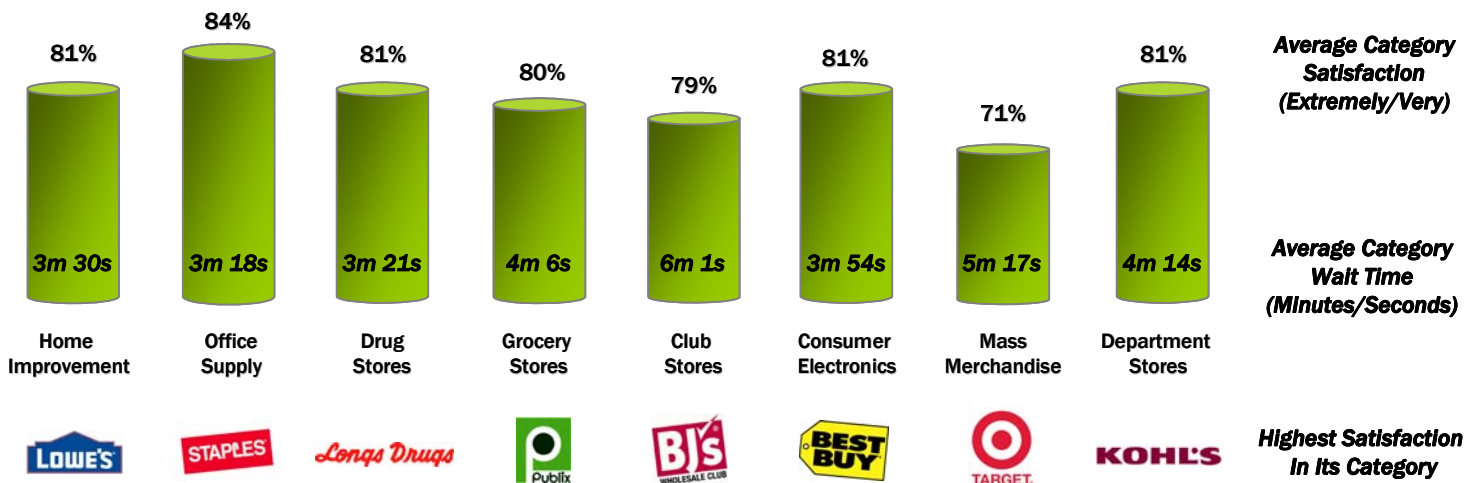
Generally, older consumers ages 45-64 are more satisfied with wait times when compared to younger consumers ages 25-44.

SATISFACTION WITH WAIT TIMES BY AGE GROUP (% EXTREMELY/VERY SATISFIED)



In most cases 4 out of 5 shoppers are satisfied with wait times. Lowe's, Publix, Best Buy, Target and Kohl's received the highest satisfaction ratings in their respective categories. The average wait times for Club Stores and Mass Merchandisers are well above the 4 minute threshold and as a result, satisfaction levels are lower.

SATISFACTION WITH WAIT TIME BY CATEGORY (% EXTREMELY/VERY SATISFIED)



When looking at time spent waiting in line on different days throughout the week, it becomes evident that the best times to shop—to minimize waiting in line—almost any category are the beginning of the week (Monday – Tuesday).

Not surprising, it is most common for stores to have longer wait times on Saturdays and Sundays with two exceptions – Department Stores and Home Improvement Stores. The longest wait times for Department Stores is Monday and for Home Improvement Stores is Friday. In both cases this is likely a result of fewer shoppers driving reduced staffing on these days.

BEST TIMES TO SHOP (BASED ON AVERAGE MINUTES IN LINE)

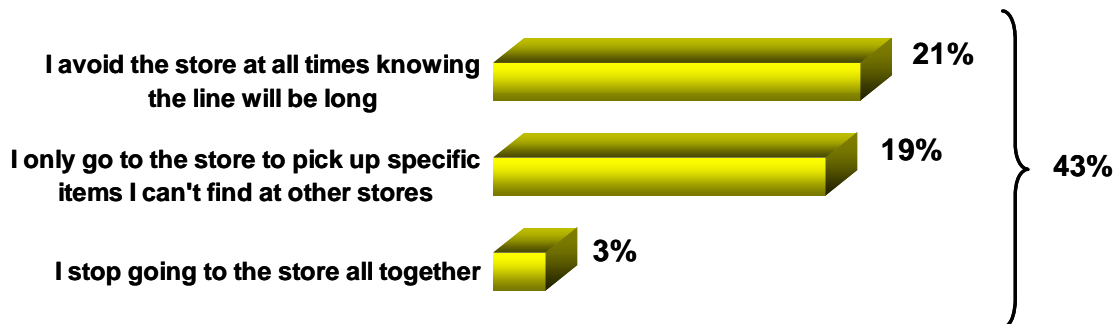


“Retailers really have to focus on keeping their wait times under 4 minutes with the negative impact of even one minute more.”

Tony Amador
Sr. Vice President, Client Development
M/A/R/C Research

Long wait times can impact a store’s bottom line. Consistent with March 2007’s report, approximately 10% of customers stated they will forgo a purchase if the line is too long. The impact of long lines doesn’t stop there. Many consumers (43%) state long lines will affect their decision to shop a particular retailer in the future. It is important for retailers to keep wait times under 4 minutes, because even one more minute results in satisfaction declines.

IMPACT OF LONG LINES ON FUTURE SHOPPING TRIPS





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