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## Research: Which Retailers Are Getting Relationships Right, Wrong?

Survey shows Barnes & Noble, Hallmark are getting it right.

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By Kenneth hein

Being able to enjoy some quality time with a cup of coffee and a hardcover book can go a long way to helping build a successful retailer-consumer relationship. Just ask Barnes & Noble. The bookseller tops the "Getting it Right at Retail" report, being released this week by Carlson Marketing and the Peppers & Roger Group, Minneapolis.

Nearly 1,200 customers were surveyed online last fall about the relationship they have with retail chains. Carlson defines relationship strength as the "ability of the ongoing exchange between a company and a customer to grow and endure, and resist any damaging forces that might destroy it."

Barnes & Noble (5.31), Hallmark (5.26) and Bath & Body Works (5.02) were the three top-rated chains, while Wal-Mart (4.46), AutoZone (4.41) and Macy's (4.06) finished at the bottom of the survey of selected brands. Scores were calculated from 12 core questions that used a seven-point scale.

"Relationships at both the functional or rational level and emotional level play a strong role when it comes to where consumers shop," said Luc Bondar, vp-loyalty marketing at Carlson Marketing.

Some 64% of respondents agreed that a familiarity with a brand name had a role in the choice of the retailer. "When a brand's values are understood by an individual, there is a much higher level of trust," said Bondar.

Seventy percent of customers said that a brand's corporate reputation is important. Fifty percent also look at a retailers' moral values. Wal-Mart may be suffering because of this, said Marc Babej, partner at marketing consultancy Reason in New York: "When's the last you heard good news about something Wal-Mart has done? They've gotten their fair share of bad publicity this year about their head marketer, their labor practices, them taking business away from smaller stores in the community . . . not good stuff."

Customer service was one of the biggest drivers, per 90% of respondents, while 89% said that "being easy to do business with" is an important attribute in selecting one retailer over another.

"Our service is rooted in core principles which revolve around ensuring that we say 'yes' to virtually every customer request," said Steve Riggio, CEO at Barnes & Noble, New York.

A third of consumers surveyed said that participation in a loyalty program has driven additional purchases. Bondar said that, unfortunately, these programs "are often not supported at retail. Companies spend millions and millions of dollars building, running, marketing and fulfilling these programs, and they fall down at the final hurdle when a customer actually comes into contact with a sales rep and asks questions."

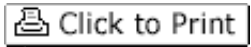
Not surprisingly, price and availability of merchandise were paramount among 93% of respondents. If these demands are not met, consumers are more than happy to flee. A large segment of customers (41%) said they are as happy with other retailers as they are their primary choices. More than half (51%) said they there are many good retailers, many of which they would be willing to try.

To compete, Babej said, "The retailer has to deliver an appealing, compelling offering in a way that's more efficient and convenient for me than the competition."

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