



## NCR Sees Return to the Mall for Holidays 2000

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ATLANTA, Nov. 21 /PRNewswire/ -- If 1999 was the Online Christmas, the holidays in 2000 may mark a return to the malls by shoppers disappointed with last year's experiences, according to a leading retail expert at NCR Corporation (NYSE: NCR). Conventional retailers are not only building a presence in cyberspace, they are also bringing the Internet into the stores.

"Pure dot-coms promised too much and delivered too little. Now brick and mortar stores are integrating their operations into the Web, strengthening already trusted brand names," said Joanne Walter, vice president, future retailing solutions for NCR.

According to the Boston Consulting Group, brick and mortar companies tend to become profitable more quickly than Internet pure plays. "Obviously, online shopping will continue to grow, but that can actually enhance traditional stores," said Walter. "Successful retailers are likely to be those who can best synthesize the brick and mortar store and the Internet."

People are returning to the stores because they find Web sites cumbersome, often slow or even down, frequently out of stock and subject to continual, annoying re-designs, Walter observed. Studies have shown that as many as three-quarters of online shoppers abandon shopping carts without buying anything -- high shipping costs are one reason, privacy fears another. Ironically, given the ability to present virtually unlimited amounts of information online, a major complaint of people shopping the Web is scanty product information.

As the need to generate profits forces online retailers to increase their margins, Walter observed, they are raising prices to levels comparable to those of conventional stores, eliminating a key advantage of the Internet pure play retailer. After some false starts, brick and mortar retailers are developing more sophisticated online strategies and are beginning to bring the Internet into the store itself through such devices as the Web-enabled kiosk.

"Most online shopping remains confined to books, plane tickets, hotel reservations and personal computers, in part because overwhelming majorities of shoppers prefer to see, touch and smell the product before they buy," said Walter.

The crucial advantage of the store is sensual, according to Emily Lumpkin, professional shopper and consultant to NCR's Power Shopping program. "The Web simply doesn't offer the tactile experience shoppers like. The dot-com meltdown served to highlight the virtues of the traditional store, where you can see and touch the merchandise, but people still want their holiday shopping to be easier," she observed.

Lumpkin, who shares her shopping prowess in a movement for the new millenium called Power Shopping, said today's stores offer the best of both worlds, but people still need to shop with a plan in mind. Although stores expect a weaker holiday season than in 1999, shoppers still expect to spend a little more, while buying an average of 24 presents and spending about \$830, roughly 25 percent more than they had planned, she noted. And, come December 15, 75 percent of them will still have shopping to do.

"Power Shopping uses all the tools of the online age to get the job of shopping -- and holiday shopping is a job -- done efficiently," Lumpkin said. "People are busier than ever, and spending time with our families should be a higher priority than shopping for them. Of course, one of the best things about shopping efficiently is that you make the time for yourself to mosey about the stores just for the fun of it without feeling guilty."

Power Shopping, Lumpkin explained, begins online: "The Internet is an excellent source of information about product specifications and prices." In the store, Web-enabled kiosks should also be sought out and tapped for information about the specific locations of products in the building and about inventories and in-store promotions that may be of interest. If an item is out of stock, use the kiosk to re-order it. In-store technology is simply an extension of the familiar Internet, so consumers will readily adopt these new devices.

In stores like Macy's, Service Merchandise and Rich's, Walter said, shoppers can pinpoint the location of goods, access the Web site in store or order and ship gifts. In Albertson's and other supermarkets, self-checkout machines are speeding shoppers on their way.

"It may well turn out that the lion's share of online shopping activity will actually take place in the store, as people use Web-enabled kiosks to check inventories, review product information, place orders, print out coupons and in some cases, even arrange deliveries," Walter said.

Ms. Lumpkin is the founder of Occasions Unlimited, Inc., an executive gift buying service, president of Forte Publishing and author of the book *Get Paid to Shop(R): Be a Personal Shopper*.

### About NCR Corporation

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