

# Retail / E-Commerce Industry Report

Q1 2011

1 January – 31 March 2011

Additional reports available at the iPerceptions Resource Center  
<http://www.iperceptions.com/resource-center/>



4999 Ste-Catherine Street West, Suite 500, Montreal, Quebec, H3Z 1T3  
T. 877.796.3600 F. 866.484.2600  
[info@iperceptions.com](mailto:info@iperceptions.com) [www.iperceptions.com](http://www.iperceptions.com)

Visitor Driven Optimization™

## Table of Contents

Executive Summary .....	3
Retail / E-Commerce Industry Results .....	5
Overall Satisfaction .....	5
Task Completion .....	5
Purpose of Visit .....	6
Path to Site .....	8
iPerceptions Perceptual Framework .....	9
Attribute Questions .....	9
Attribute Ratings .....	10

## Executive Summary

iPerceptions' Q1 2011 Retail / E-Commerce Industry Report provides insight into website visitors' intent, their ability to complete desired tasks and their related online experience. Moreover, it explores what actual visitors are saying thereby exposing obstacles to online purchasing.

While Q1 2011 U.S. retail e-commerce sales estimates showed that online retail spending reached \$38.0 billion for the quarter, up 12% versus year ago, according to comScore, iPerceptions Retail / E-Commerce reports, tells an interesting story beyond the growth in sales volume.

Overall Satisfaction for website visitors fell from 74 in Q1 2010 to 71 in Q1 2011. A noticeable decrease in Task Completion was also recorded, dropping from 76% in Q1 2010 to 69% during the same period in 2011. There can be no doubt the online channel is growing as the medium of choice for a greater share of retail purchases, however, visitor expectations are mounting along with adoption of the channel.

The reasons people visit retail websites are changing, too. Purpose of visit showed the biggest shift, with a significant increase in the share of 'Shop' visitors (i.e. visitors who come to compare product features and prices), from 14% in Q1 2010 to 31% in Q1 2011. The increase came mostly at the expense of visitors in the 'Learn' phase (i.e. visitors who come to gather initial information). Overall, the share of 'Learn' visitors dropped from 49% in Q1 2010 to just 27% in Q1 2011.

Websites are most effective at the beginning of the purchase cycle. 'Learn' visitors reported a satisfaction score of 75 and a task completion rate of 82% in Q1 2011. However, as visitors moved into the 'Shop' phase, their satisfaction scores dipped to 72 and their task completion rate fell to 73%. Not surprisingly, an analysis of 'Shop' visitors' explanations for failed task completion showed that pricing and comparison tools are a major requirement at this stage in the purchase process. 'Clear pricing / Comparisons' was mentioned 22% of the time as an obstacle to task completion for these visitors. Online shoppers often search at the product level rather than by store. By the time a consumer is ready to make a purchase, he will likely have compared prices at alternative e-retail outlets. This fundamentally changes the nature of competition faced by e-retailers, who increasingly compete at the individual product level rather than across broad product categories. Thus, providing competitive

price comparisons could be very beneficial, as visitors seek an online store that minimizes the amount of research required to find the best product at the best price.

While there is an expected drop-off in satisfaction and task completion as visitors near the end of the purchase funnel, the fact that only 56% of 'Buy' visitors reported the ability to complete their task is somewhat disconcerting. 'Buy' visitors represented 17% of site traffic in Q1 2011. For a business that could be doing \$10 million per year in online sales, a 56% Task Completion rate among buyers means \$4.4 million in business is simply walking away.

For visitors in the 'Buy' phase who failed to complete their task, 44% couldn't find the product they were looking for, while 34% abandoned the purchase process because the product they were looking for wasn't available. Compared to the same period in 2010, the barriers 'Clear Pricing / Comparison' and 'Lack of Product Information' were much bigger, at 9% and 7% respectively in Q1 2011.

In Q1 2011, 15% of visitors were online for 'Support', which was significantly more compared to the same period in 2010, when they represented 6% of visitors. 'Support' visitors reported a satisfaction score of 70 and a task completion rate of 64%. Online retailers and e-commerce merchants, concerned about repeat sales and long-term loyalty, would be well-advised to take a serious look at the issues that these visitors are experiencing.

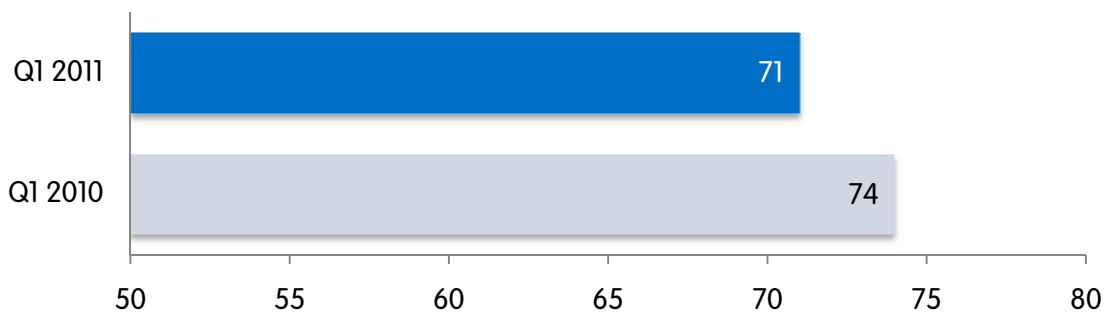
An examination of the online experience using iPerceptions' perceptual framework showed that the areas with the greatest room for improvement were the level of detail in the information and the ease of finding information. Discovery and Depth were the two lowest rated Attributes of the online experience, producing ratings of 6.45 and 6.43 out of 10, respectively. E-commerce websites that are able to excel in these areas of the online experience will have an enormous advantage over their competitors.

## Retail / E-Commerce Industry Results

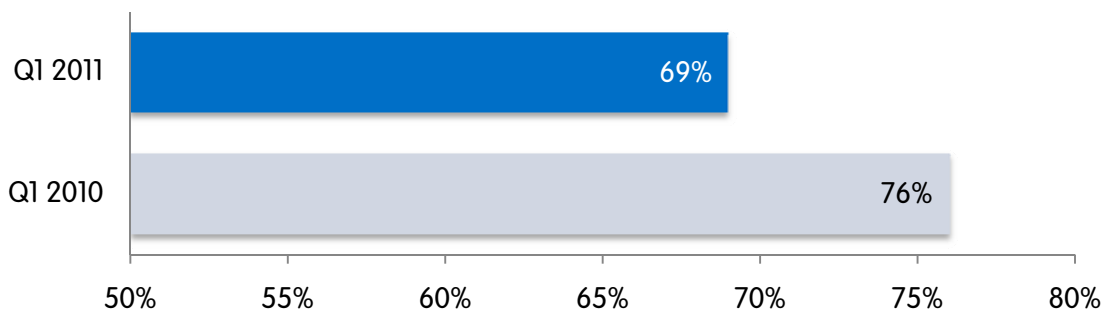
### About the Retail / E-Commerce Industry

iPerceptions' Q1 2011 Retail / E-Commerce Industry Report is based on immediate post experience feedback from 231,653 visitors, from January 1st to March 31st 2011, to 280 retail and e-commerce sites using iPerceptions' 4Q and webValidator Voice of Customer solutions.

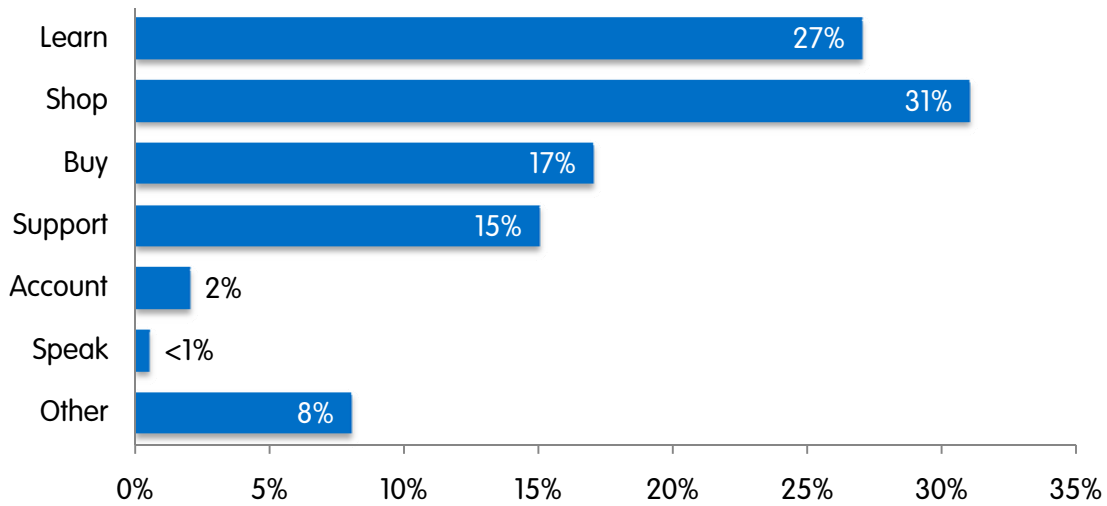
### Overall Satisfaction



### Task Completion

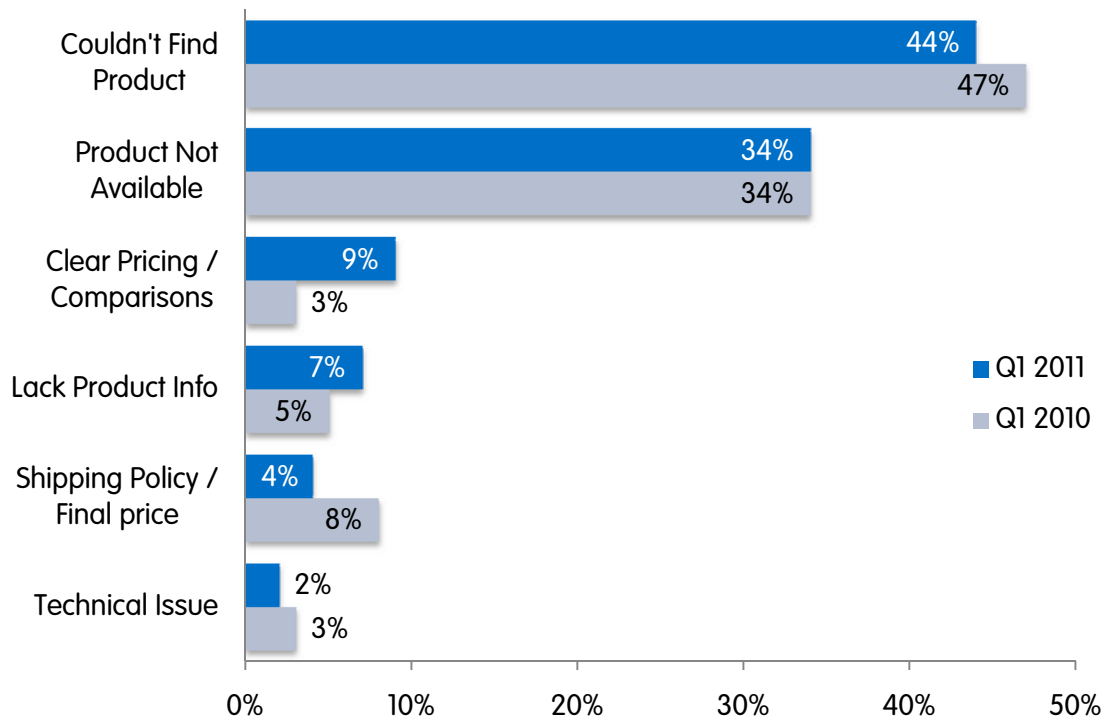


## Purpose of Visit



	Percent Share		Overall Satisfaction		Task Completion	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Learn	27%	49%	75	75	82%	85%
Shop	31%	14%	72	74	73%	74%
Buy	17%	20%	70	75	56%	61%
Support	15%	6%	65	70	64%	72%
Account	2%	1%	64	72	64%	77%
Speak	<1%	1%	38	50	41%	57%
Other	8%	9%	62	66	60%	57%

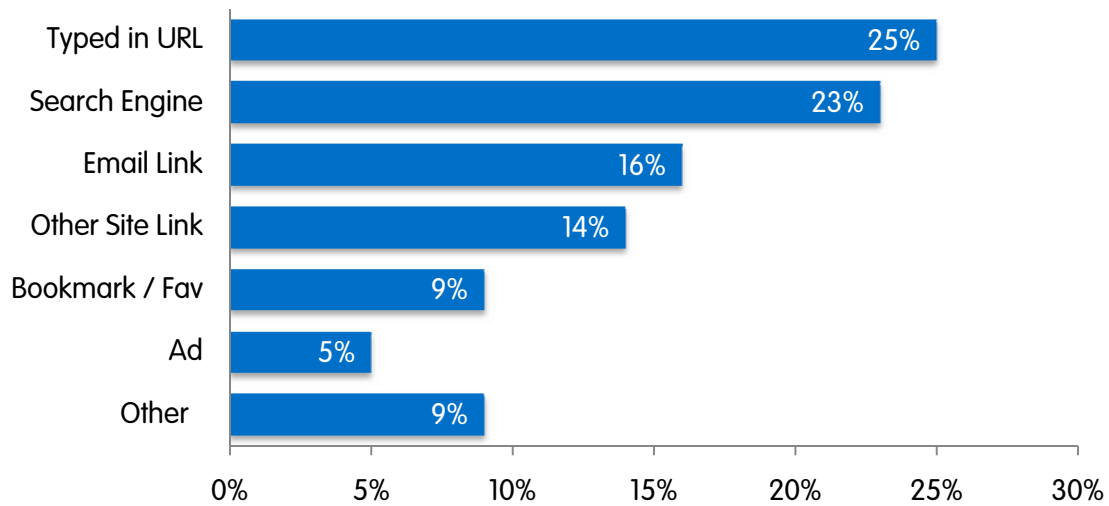
## Task Completion Barriers – ‘Buy’ Visitors



## Task Completion Barriers – ‘Shop’ Visitors Q1 2011

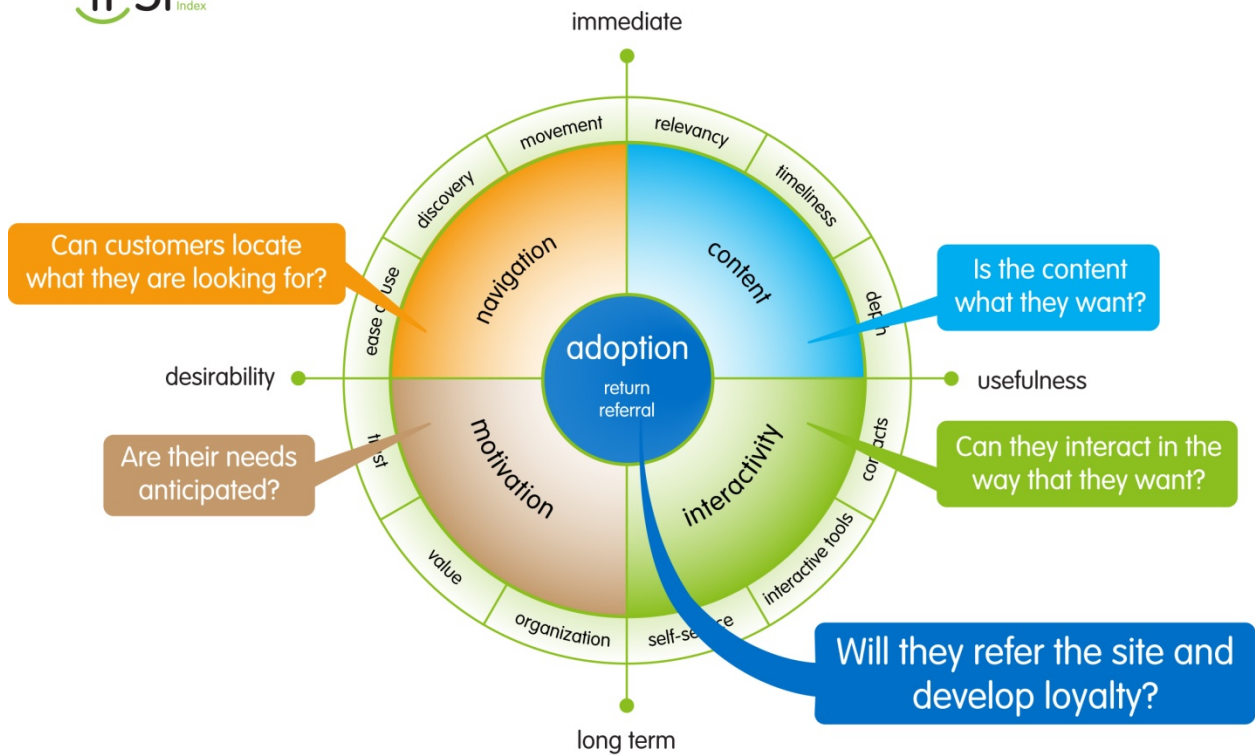
Product offering / availability	31%
Couldn't find what I was looking for	31%
Clear pricing / Comparisons	22%
Insufficient product info	8%
Shipping policy / Purchase price	7%
Technical issue	1%

## Path to Site



	Percent Share		Overall Satisfaction		Task Completion	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Typed in URL	25%	26%	72	73	71%	72%
Search Engine	23%	27%	68	69	65%	68%
Email Link	16%	15%	76	75	79%	78%
Other Site Link	14%	8%	77	74	85%	78%
Bookmark / Fav	9%	11%	79	79	79%	79%
Ad	5%	3%	75	73	81%	74%
Other	9%	10%	71	73	69%	71%

# iPerceptions Perceptual Framework

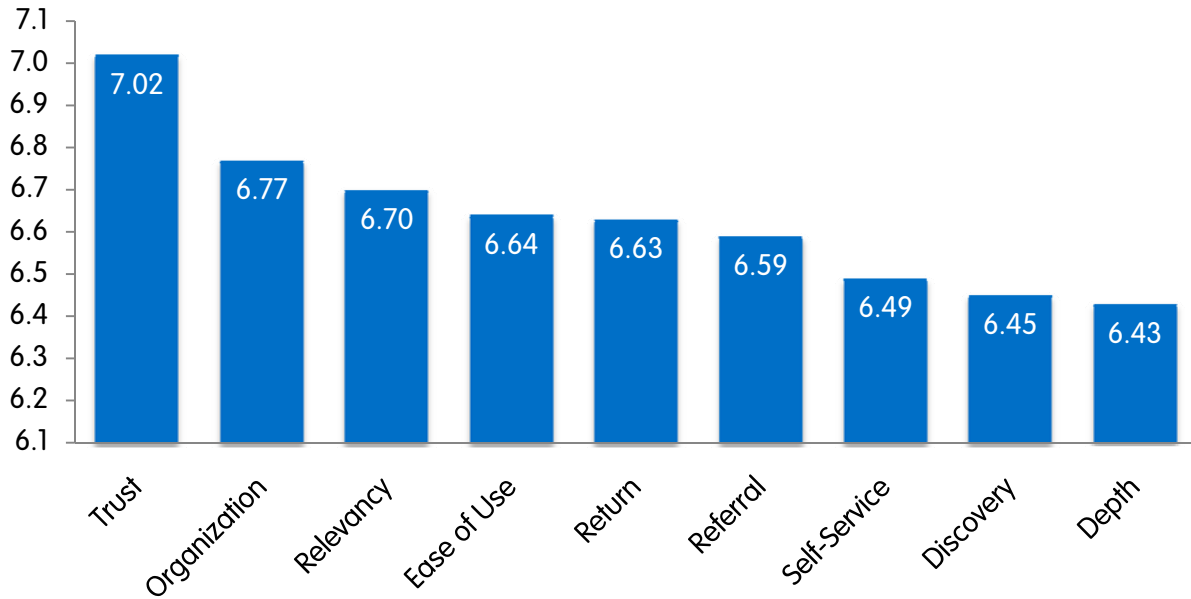


## Attribute Questions

Based on your best online experience, how would you rate www.website.com as a site that...

Dimension	Attribute	Question
Adoption	Referral	...you would refer to other?
	Return	...encourages you to return?
Content	Depth	...gives you the amount of detail you need?
	Relevancy	...has content that is relevant to the purpose of your visit?
Interactivity	Self-Service	...enables you to help yourself?
Motivation	Organization	...is a well organized site?
	Trust	...is a reliable source that you trust?
Navigation	Discovery	...enables you to find what you're looking for?
	Ease of Use	...is easy for you to navigate?

## Attribute Ratings



	Industry Average		Percentile Ratings – Q1 2011				
	Q1 2011	Q1 2010	Max	75th	50th	25th	Min
<b>Trust</b>	7.02	6.94	7.79	7.38	7.05	6.73	6.17
<b>Organization</b>	6.77	6.89	7.63	7.17	6.73	6.37	6.25
<b>Relevancy</b>	6.70	6.74	7.65	6.86	6.62	6.35	6.00
<b>Ease of Use</b>	6.64	6.84	7.66	6.86	6.48	6.31	6.15
<b>Return</b>	6.63	6.75	7.76	6.97	6.54	6.23	6.02
<b>Referral</b>	6.59	6.71	7.82	6.70	6.60	6.18	5.96
<b>Self-Service</b>	6.49	6.64	7.55	6.67	6.42	6.06	5.96
<b>Discovery</b>	6.45	6.47	7.35	6.66	6.39	6.07	5.85
<b>Depth</b>	6.43	6.52	7.57	6.54	6.34	6.01	5.87