

## Intolerance for Online Transaction Issues Jumps Among British Consumers in 2008

### Survey Highlights £11.9 Billion Revenue Opportunity for GB Businesses that Focus on Improving Online Customer Experiences

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- 49% OF ONLINE ADULTS WHO EXPERIENCE PROBLEMS CONDUCTING ONLINE TRANSACTIONS WOULD SWITCH TO AN ONLINE OR OFFLINE COMPETITOR OR ABANDON A TRANSACTION ENTIRELY IF THEY EXPERIENCED A PROBLEM — A SIGNIFICANT INCREASE OF 12 PERCENTAGE POINTS SINCE 2007
- 9 IN 10 BRITISH ONLINE ADULTS WHO HAVE CONDUCTED AN ONLINE TRANSACTION IN THE PAST YEAR EXPERIENCE PROBLEMS WHEN DOING SO

An independent annual survey into online consumer behaviour conducted by Harris Interactive®, and commissioned by Tealeaf®, the leader Customer Experience Management software, highlights an increasingly unforgiving attitude towards online sites. The study reveals that nearly 9 out of 10 British online adults (89%) who have conducted transactions online in the past year have experienced problems. Of those who have experienced problems, nearly half (49%) say they would abandon their transaction entirely or switch to a competitor (either online or offline) if they experienced a problem, a significant increase of 12 percentage points in just one year (37% in 2007). The 2008 rate of abandonment suggests that £11.9 billion in revenue could be affected by issues on shopping sites alone — a huge opportunity for companies to harness, by ensuring their websites work. On the Web, the competition is a click away.

The ecommerce sector is buoyant in the UK, with shoppers spending over £26.5bn online in the first six months of 2008 (up 38% on 2007)\*. Remarkably, the Tealeaf survey also found that, among all online adults in Great Britain, general preference for conducting business online (52%) has surpassed preference for conducting business in-person (41%) by more than 10 percentage points. Simultaneously, expectations for online experience are also high. A full 87% of all online adults believe there is no reason why an online transaction cannot be completed first time, and 90% of those who have conducted an online transaction in the past year expect the same, or better, levels of customer service online as they do offline.

#### Against this backdrop

In addition to losing customers to the competition, companies that fail to provide high levels of online customer experience will likely see their reputation suffer as a result. Online transactional problems may lead to negative feelings towards companies — 83% of online adults who experience problems conducting online transactions say they feel frustrated when they experience problems. The effect of this can be far-reaching, with 77% sharing their experience with others and with more than half (53%) telling their friends and family specifically in order to discourage them from using that website or doing business with the company. Of those sharing their experiences, 56% use online channels to share complaints or reviews. Unlike one-on-one conversations with friends or family, these digital conversations can be viewed by millions and live online indefinitely, therefore amplifying their impact.

"The effect of online issues is far reaching. Customers are operating in a digital age where they have a number of options to quickly make their thoughts known about a company. The ramifications of this can be huge," said Dr. Max Blumberg, Customer Management Strategist at the University of London and Corporate Psychologist. "Online businesses need to make every effort to streamline and improve the experience of their visitors. The reward will be increased ROI, improved brand perception, and repeat business."

"With so many businesses now relying on the online channel and with consumers going online for the latest credit crunch busting bargains, it is worrying, but not surprising, to see that the experiences of online consumers are not improving," said Rebecca Ward, CEO, Tealeaf. "With more and more Britons now turning to the internet to conduct business, companies that get it right are ideally placed to take advantage. However, the clear warning is that consumers are obviously not tolerant when things go wrong and are only clicks away from a problem-free competitor that can help instead."

**Other key findings in the survey include:**

- **THE CALL CENTRE PROBLEM: A SECOND WAVE OF CUSTOMER ABANDONMENT OCCURS AT THE CONTACT CENTRE** — 42% OF BRITISH CONSUMERS WHO EXPERIENCED BAD CUSTOMER SERVICE FROM A COMPANY'S CONTACT CENTRE WHEN CALLING ABOUT WEBSITE ISSUES STOPPED DOING BUSINESS WITH THE COMPANY ALTOGETHER AS A RESULT. WHEN SPEAKING TO CONTACT CENTRE AGENTS ABOUT THEIR ONLINE ISSUE, 51% OF THOSE WHO HAVE EVER CONTACTED A CALL CENTRE ABOUT WEBSITE ISSUES WERE STILL NOT ABLE TO HAVE THEIR ISSUE RESOLVED. THE MAJORITY DID NOT FEEL THAT THE CUSTOMER SERVICE REPRESENTATIVE WAS KNOWLEDGEABLE ABOUT THE WEBSITE (75%) OR ABOUT THEIR PARTICULAR ISSUE (73%).
- **ONLINE V. OFFLINE: 52% OF ALL ONLINE BRITONS GENERALLY PREFER TO CONDUCT BUSINESS ONLINE AS OPPOSED TO IN-PERSON (41%). NINE OUT OF TEN (90%) ONLINE ADULTS WHO HAVE CONDUCTED AN ONLINE TRANSACTION IN THE PAST YEAR EXPECT AT LEAST THE SAME OR BETTER CUSTOMER SERVICE ONLINE WHEN COMPARED TO IN-PERSON SHOPPING. IN ADDITION, THE KNOCK-ON EFFECT OF FAILING ONLINE TRANSACTIONS CAN BE FELT ELSEWHERE, WITH MORE THAN HALF OF ALL ONLINE ADULTS (57%) SAYING IF THEY EXPERIENCED A PROBLEM CONDUCTING A TRANSACTION ONLINE, THEY WOULD BE LESS LIKELY TO BUY FROM THE SAME COMPANY OFFLINE.**

**Survey Methodology**

The 2008 Online Transactions survey was conducted online by Harris Interactive on behalf of Tealeaf Technology, Inc. between August 13th and August 18th, 2008 among 2,020 adults ages 16+, of whom, 1,921 have conducted an online transaction in the past year and 1,729 experience problems when conducting online transactions. Data were weighted to be representative of the online adult population of Great Britain. For complete survey methodology, including weighting variables, please contact Danny Whatmough, Wildfire PR [tealeaf@wildfirepr.co.uk](mailto:tealeaf@wildfirepr.co.uk) 020 8339 4420

\* The Online Shopping and Credit Crunch Survey Report, produced by E-Consultancy in association with immediate future and Logan Tod & Co, surveyed more than 1,300 UK adults in May 2008

**About Harris Interactive**

Harris Interactive is a global leader in custom market research. With a long and rich history in multimodal research, powered by our science and technology, we assist clients in achieving business results. Harris Interactive serves clients globally through our North American, European and Asian offices and a network of independent market research firms. For more information, please visit [www.harrisinteractive.com](http://www.harrisinteractive.com).

**About Tealeaf**

Tealeaf provides online customer experience management solutions and is the unchallenged leader in customer behavior analysis. Tealeaf's CEM solutions include both a customer behavior analysis suite and customer service optimization suite. For organizations that are making customer experience a top priority, these solutions provide unprecedented enterprise-wide visibility into every visitor's unique online interactions for ongoing analysis and web site optimization. Online executive stakeholders from ebusiness and IT to customer service and compliance are leveraging Tealeaf to build a customer experience

management competency across the organization. Founded in 1999, Tealeaf is headquartered in San Francisco, California, and is privately held. For more information, visit [www.tealeaf.com](http://www.tealeaf.com).

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