

2009 ONLINE CONSUMER BEHAVIOR SURVEY

U.S. EXECUTIVE SUMMARY

The 5th annual survey of online consumer behavior, conducted by Harris Interactive® and sponsored by Tealeaf, found that online customer experience reached an inflection point in 2009. The percent of consumers who experience problems when conducting transactions online showed its first substantial decrease in five years -- Previous Tealeaf surveys have consistently shown that ~87% were affected by these issues. While the percent of consumers experiencing online transaction problems, at 80%, remains high (the potential online shopping dollars impacted by transaction problems rings up at \$47.6 billion), this improvement points to a growing business focus on delivering better customer experiences.

The survey sheds light on forces driving this accelerated online customer experience focus, including the down economy and increased consumer power due to experience-sharing via social media. The research also examines consumer behavior when transacting online, call center behavior related to online issues, and mobile commerce. Verticals represented in the findings include retail, insurance, travel, and financial services.

Survey Methodology

The 2009 Survey of Online Consumer Behavior was conducted online by Harris Interactive on behalf of Tealeaf Technology, Inc. between July 31 and August 4, 2009 among 2,188 U.S. adults ages 18+. Data were weighted to be representative of the online U.S. adult population.

Complete methodology – including weighting variables – available upon request.

TOP LEVEL

Conducted online transactionsⁱ: steady at 84% (84% '08, 86% '07)

- Shopping: 68%
- Travel: 56%
- Financial: 60%
- Insurance: 18%

Average shop onlineⁱⁱ 3.1 times/month (3.4 '08, 3.6 '07)

Average amount typically spent per transactionⁱⁱ decreased to \$101.60 (from \$199 '08, \$130 '07)

Percent who experience problems conducting online transactionsⁱⁱⁱ: 80% ('08 and '07: 87%)

- **Business impact: \$47.6 billion (online shopping only, does not include other verts)**

Those who conducted online transactions in the past year said they generally prefer to conduct business:

- Online: 40% (38% '08)
- In person: 51% (down from 55% '08)
- Telephone: 6% (5% '08)
- Mail: 3% (up from 1% '08)

Given the current economic climate, are you now (in 2009) conducting more online transactions than you did in the past? 48% of all online adults said they are

Of these, reasons given:

- Ability to compare products and prices: 72%
- Online-only sales and discounts: 59%
- Saving money on gas: 45%
- Benefiting the environment by using less gas: 26%

If they experienced a problem attempting to conduct an online transaction, online adults who experience problems conducting transactions online would:

- **Abandon the transaction entirely: 32% (down from 41% '08 and 42% '07)**
 - **Including, turn to an online or offline competitor: 27% (down from 34% '08, 35% '07)**

There is no reason why an online transaction can't be completed on the first tryⁱⁱⁱ: 81% strongly or somewhat agree (down from 85% '08)

Feel frustrated or angry when they experience problems transacting online^{iv}: 87%

If I experienced a problem conducting a transaction online, I would be less likely to buy from the same company offlineⁱⁱⁱ: 51% strongly or somewhat agree

EXPERIENCE SHARING

When I read a negative comment online, it influences my likelihood to do business with the companyⁱⁱⁱ: 75% strongly or somewhat agree

Social media influence on online transactions: More than half (54%) of all online adults said social media content has influenced how they conduct online transactions

Of those who have been influenced by social media content:

- *Influenced choice of vendor: 82%*
 - Avoided particular vendor after reading bad reviews: 64%
 - Used particular vendor after reading good reviews: 59%
- *Responded to good review: 26%*
 - ...to share similar experience: 22%
 - ...to share bad experience: 11%
- *Responded to bad review: 21%*
 - ...to share similar experience: 16%
 - ...to share good experience: 12%
- *Net who shared similar experience: 27%*
- *Net who shared alternate experience: 16%*

Percent who share experiences directly with company went down, while percent who share via social network doubled - all direct metrics started declining:

- 66% of online adults who experience problems when conducting online transactions share their experiences with friends and family (down from 70% '08):
 - 58% in in-person conversation (down from 62% '08)
 - 38% via phone (down from 42% '08)
 - 13% via email (down from 19% '08)
- 26% posted a complaint on the company's website (down from 32% '08)
- **12% share experiences via blogs/social networking sites (doubled from 6% '08):**
 - On a social networking site: 9% (up from 4% '08)
 - On a blog: 3% (same)
 - Micro-blog: 2% (n/a '08)

When you share your experiences on these types of sites, what are your expectations?^v

- *Want to hear others' experiences: 63%*
 - Want to hear similar experiences: 58%
 - Want to hear different experiences: 39%
- *Hope to influence/want a response: 60%*
 - **Hope to influence others' buying decisions: 44%**
 - Would like to get a vendor response: 30%

CONTACT CENTER

Percent who contacted a company's call center after encountering problems using the websiteⁱ: 38% (down from 47% '08, 42% '07)

Among those who have contacted call center:

- Issue was not resolved: 37% (38% '08, down from 49% '07)
- Agent was not knowledgeable about particular issue: 69% (67% '08, 70% '07)
- Agent was not knowledgeable about the website: 67% (64% '08, 68% '07)

Experienced bad customer service from a company's call center contacted due to site problems^{vi}: 39% (down from 44% '08, roughly same as 38% '07)

As a result...

- **Completely stopped doing business with the company^{vii}:** 45% (45% '08, down from 52% '07)

MOBILE TRANSACTIONS

Percent of all online adults with web-enabled mobile devices: 36%

Among online adults who have a web-enabled mobile device, have conducted online transactions using these devices: 39%

Of those who have conducted online transactions using their mobile device, transaction types:

- Shopping: 58%
- Financial: 55%
- Travel: 35%
- Insurance: 13%

ⁱ Among all online adults ages 18+ (n=2,188)

ⁱⁱ Among online adults who have conducted a shopping transaction online in the past year (n=1,649)

ⁱⁱⁱ Among online adults who have conducted any type of transaction online in the past year (n=1,954)

^{iv} Among online adults who experience problems conducting online transactions (n=1,591)

^v Among online adults who experience problems conducting online transactions and share their experiences with others via social media such as blogs, ratings and reviews websites, and social networking sites (n=366)

^{vi} Among online adults who have contacted a company's call center after encountering problems using the website (n=949)

^{vii} Among online adults who have contacted a company's call center after encountering problems using the website and experienced bad customer service (n=375)