

53% of British Online Adults Say They Are Transacting More Online in 2009 Due To the Economic Climate, But Many Businesses Still Failing To Meet Expectations

Companies accelerate focus on [online customer experience](#), as empowered consumers increasingly flock to social media to share experiences **about** companies rather than **with** them

- 77% of online consumers have experienced website issues in the last year
- 46% of those would then abandon a transaction entirely or switch to a competitor, potentially impacting £11.2bn of revenue in retail alone
- 74% of all British online adults said negative comments online influence likelihood to do business with a company

London, UK – October 13, 2009 – Research released today reveals 53% of British online adults say that they are now conducting more transactions online than they did in the past due to the current economic climate, with the ability to compare products and prices cited by 74% of these as the main reason. However, the 2009 Survey of Online Consumer Behaviour, conducted by Harris Interactive® and commissioned by [Tealeaf®](#), and available to download from <http://www.tealeaf.com/Harris-UK>, finds businesses are failing to fully capitalise on this, with 77% of online adults who have conducted an online transaction in the past year saying they have experienced problems when doing so. 46% of these advised they would abandon the transaction as a result, with 40% saying they would switch to an online or offline competitor. In the British retail sector alone, a potential £11.2bn of revenue could be affected by website issues¹.

Consumers, empowered by social media, increasingly likely to share experiences and opinions *about* companies, rather than *with* them

The survey results show that online adults are increasingly turning to social media to broadcast their online experiences to others, rather than directly with companies 13% of online adults who encountered problems conducting online transactions said they shared those experiences on a blog or social networking site, nearly twice as many as in 2008 (8%).² However, direct communication with a company declined, with 25% of online adults who experience problems conducting online transactions then posting a complaint on a company website (down from 29% in 2008) and 35% of all British online adults contacting a company's call centre after encountering problems using the website in 2009 (down from 42% in 2008).

This shift in consumer behaviour extends the business impact of customer experience issues beyond any single transaction to an overall long-lasting negative impact on brand reputation, with 74% of online adults saying negative comments they read online influence their likelihood to do business with a company. Further, the survey reveals that social networking sites can be highly influential, with 51% of online adults saying social media content had

¹ Calculation based on data from the U.S. Census Bureau International Database (IDB), Internet World Stats, and the 2009 Tealeaf Survey of Online Consumer Behaviour. For complete methodology, please contact Danny Whatmough at dannyw@wildfirepr.co.uk.

² The 2009 survey included the response item "on a micro-blog (e.g., Twitter, Jaiku, identi.ca)," while the 2008 survey did not.

directly influenced how they conduct online transactions and 75% of those saying it had affected their choice of vendor.

But it's not all bad news, as interestingly, the survey also found that online adults whose transactions have been influenced by social media content actually respond to positive reviews (35%) more so than negative ones (26%), so good online transaction experiences are amplified online just as much, if not more, than bad.

Businesses still ill-equipped to deal with web enquiries

The percentage of consumers who have experienced problems (77%) when conducting online transactions has actually improved compared to the last two years (89% in 2008 and 86% in 2007), with many companies realising the benefits of becoming more 'customer-centric' and investing in usability or [customer experience management](#) solutions.

But customer service teams are still unable to efficiently deal with website enquiries: 51% of British adults who contacted a call centre after encountering a website problem were unable to have their issue resolved, and 77% reported that the agent was not knowledgeable about the website or about their particular online problem.

"Over the past few years, companies have increasingly focused on the online customer experience as the impact of that experience on their business results has become apparent," said Rebecca Ward, CEO of Tealeaf. "The focus on the online customer experience accelerated in 2009 as the economy drove more transactions online and the web became an increasingly critical channel for organisations."

A recent Forrester Research, Inc. report, "Best Practices: Five Strategies For Customer Service Social Media Excellence," (August 2009) stated that "when companies blatantly ignore product or service issues, customers now can use the Internet as a medium to broadcast, very publicly, their frustration to millions. This has switched the balance of power from corporations to customers...The risk of corporate reputations being ruined by poor customer service interactions has greatly increased as consumers have gained the ability to share their opinions directly with each other. "

As the web channel matures, we are focusing more on making sure that the experience our online visitors receive is equal to what they would expect on any other channel. As the Tealeaf survey shows, this is fundamental to protecting our brand identity and maintaining good customer relationships," said Alasdair Wright, Director of Online and Interactive Channels at BSKyB.

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Survey Methodology

The 2009 Survey of Online Consumer Behaviour was conducted online by Harris Interactive on behalf of Tealeaf Technology, Inc. between July 29 and August 4, 2009 among 2,223 Great Britain adults ages 16+. Data were weighted to be representative of the online G.B. adult population.

Complete methodology – including weighting variables – available from dannyw@wildfirepr.co.uk

About Harris Interactive®

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About Tealeaf

Tealeaf provides online customer experience management solutions and is the unchallenged leader in customer behaviour analysis. Tealeaf's CEM solutions include both a customer behaviour 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.

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Press Contact:

Wildfire PR: Danny Whatmough

+44 (0) 20 8339 4420

dannyw@wildfirepr.co.uk