



PRESS RELEASE

Tealeaf 2009 Online Consumer Survey Highlights Importance of Online Customer Experience

Consumer reliance on the web continues to grow, but website issues persist, with eight in 10 users affected

*Customer behavior has evolved, with consumers increasingly likely to share their experiences and opinions **about** companies, rather than **with** them*

San Francisco, CA – October 6, 2009 – [Tealeaf®](#), the leader in online Customer Experience Management software (CEM), today announced the results of the 5th annual survey of online consumer behavior, commissioned by Tealeaf and conducted by Harris Interactive® [results available at <http://www.tealeaf.com/Harris>]. The survey found that 48% of U.S. online adults say that they are now conducting more online transactions than they did in the past given the current economic climate. However, 80% of adults who have conducted an online transaction in the past year experience problems when doing so in 2009. Previous Tealeaf surveys have consistently shown that approximately 87% were affected.

This improvement over prior years may be attributed to a growing business focus on delivering better online customer experiences. While this reported decline in online transaction issues is good news, online customer experience is still very much a work in progress. The percentage of consumers affected by issues such as error messages (38%), endless loops (19%) and login problems (28%) is still extremely high¹. Further, the resulting business impact is significant, as 32% of those who experience issues when conducting transactions online would simply take their business elsewhere (to either an online or offline competitor) or abandon the transaction entirely. In 2009, \$47.6 billion will potentially be impacted by online transaction problems, on U.S. shopping websites alone.²

Consumers increasingly likely to share their experiences and opinions *about* companies, rather than *with* them

The survey results also show that online adults are increasingly turning to social media to share their online experiences with others, while simultaneously becoming less likely to alert a company directly – a shift in consumer behavior which extends the business impact of customer experience issues beyond any single transaction.

- The number of consumers who contact a company directly in response to online transaction issues declined:
 - 26% of online adults who experience problems conducting online transactions then posted complaints on a company's Website in 2009, versus 32% in 2008.

¹ Among online U.S. adults who experience problems when conducting online transactions (n=1,591)

² Calculation based on data from the U.S. Census Bureau, The Harris Poll, and the 2009 Tealeaf Survey of Online Consumer Behavior. For complete methodology, please contact Shoshana Deutschkron at shoshanad@tealeaf.com.

- 38% of all online adults contacted a company's call center after encountering problems using the Website in 2009, versus 47% in 2008.

Meanwhile, 12% of online adults who encountered issues said they shared those experiences via blogs or social networks, twice as many as in 2008.³

Further, the survey reveals that these shared experiences are highly influential and should therefore be a real business concern. More than half (54%) of all online adults said social media content has influenced their online transactions, with 82% of those reporting that social media has influenced their choice of vendor.

Interestingly, the survey also found that online adults whose transactions have been influenced by social media content actually respond to positive reviews (26%) more so than negative ones (21%), so good online transaction experiences are amplified online just as much, if not more, than bad.

"While the ideal scenario would be to deliver problem-free experiences to every customer, the realities of doing business online are such that issues do arise. We use Tealeaf to proactively get ahead of as many of these issues as we can. However, it's also become critical for us to be able to mine social media conversations for customer feedback about issues we may not be aware of, and take action on this feedback," said Matt Cardwell, Vice President of Marketing, Quicken Loans. "We also use Tealeaf to investigate qualitative social media feedback from clients, by matching it up to their actual online experiences. This allows us to get a better sense of what they actually experienced first hand, and constantly improve it. Tealeaf also lets us quantify on-site interactions that are driven by off-site social media sources – for instance, reading online reviews or watching video testimonials. This has enhanced our transparency as a company and improved our ability to get in front of client service issues before they escalate to message boards."

"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 organizations."

Industry Commentary

- 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. This perfect storm has forced companies to switch gears and reconsider not only the customer experience, but also social media as a serious enterprise business solution that can transform customer service to reach the new goals of enhancing the customer experience."
- Bruce Temkin, in his blog "Experience Matters" [<http://experiencematters.wordpress.com/>], highlighted the necessity of not only listening to, but acting on customer comments in social media: "As more customer groups use social media as a meeting ground for sharing their opinions, companies need to build up their listening skills – starting with an understanding of how to analyze unstructured, unsolicited feedback. But listening is only the first step in a good voice of the customer program, as companies also need to interpret, react, and monitor."

³ The 2009 survey included the response item "on a micro-blog (e.g., Twitter, Jaiku, identi.ca)," while the 2008 survey did not.

- According to a recent Forrester Research, Inc. report, "Obstacles to Customer Experience Success, 2009," (February 2009) "89% of customer experience decision-makers said customer experience would be either very important or critical to 2009 efforts."
- The Strativity Group's "2009 Global Customer Experience Management Benchmark Study" found that with products being commoditized, price differentiation no longer sustainable and customers demanding more, companies... are focusing on delivering superior customer experiences. A 2009 Strativity Group study of over 860 corporate executives revealed that companies that have increased their investment in customer experience management over the past three years report higher customer referral rates and customer satisfaction.

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 and subgroup sample sizes – available upon request. For more information, please see <http://www.tealeaf.com/Harris>, or contact Shoshana Deutschkron at shoshanad@tealeaf.com.

About Harris Interactive®

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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.

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