



Customer Experience Survey Summary

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Background

As consumers' use of the Web and interactive technology grows, the volume of eCommerce transactions explodes nationally and globally. U.S.-based interactive marketers plan to spend \$61 billion by 2012, according to Forrester Research (Oct. 2007). Each transaction is tethered to the online customer experience that consumers either toil through or delight in.

Simply put, positive online experiences produce conversion increases and repeat visitors, while negative online experiences result in abandonment and reduced loyalty.

As the number of online customers increases in tandem with the sheer volume of interfaces required to engage, business leaders focus on understanding the online customer experience, measuring it, and improving it.

A company's online customer experience—where customers touch, feel, browse, and shop—includes a complex array of campaign tools, online advertisements, branded sites and other digital interfaces. Focusing resources on the online customer experience is critical. The online connections prove as important as face-to-face connections.

This document highlights industry statistics for companies that compete for online customer experience engagement.

Executive Summary

Usability Sciences conducted a survey to determine the importance of and methodology for measuring the customer experience. Survey participants represent a variety of industries including retail, financial services, consumer business, technology, healthcare/pharmaceutical, media/entertainment, travel, and manufacturing.

The survey confirms that **companies that seek to engage customers online recognize the need to quantitatively and qualitatively measure the customer experience**. These companies currently place resources (both people and money) behind measurements and plan to increase people, processes, and tools in 2008. As the customer experience measurement matures, **more companies will transition to continuous experience monitoring to identify ways to increase conversion and win loyalty**.

While Web analytics is the most widely deployed tool, **usability testing is the most effective customer experience method**. **Not surprisingly, usability testing tops the planned investment area for next year** with 46% planning to increase their spend on this method.

Most companies utilize a variety of tools and methods to measure customer experience. Challenges include disparity of vendor solutions and lack of cohesion within their organizations. Nearly half of the companies surveyed referenced the lack of tools and lack of processes in place as obstacles to measuring the customer experience.

Survey Findings

(See actual results starting on page 5)

- *Measurement is important to improving the overall customer experience*
 - 79% currently measure the customer experience in a formal manner
 - 95% of technology companies responding measure
 - 83% of retail companies responding measure
 - 50% of healthcare and pharmaceutical companies responding measure
 - Of those that do not measure the customer experience, 40% plan to implement some form of measurement framework within the next two years
- *Companies measuring the customer experience use a broad and disparate set of tools and methodologies. Web analytics tops the list*
 - 95% use web analytics solution tools to gather basic page view, site visits and unique visitor data
 - 77% use online surveys to query site visitors and gain information such as visit intent, customer satisfaction, and key demographics
 - 68% use usability studies to understand user profiles and observe user behavior
- *Respondents rated usability testing the most effective tool for measuring and understanding customer experience (35%), while web analytics ranks second in effectiveness. Spending in 2008 will be spread among various tools and measurement methodologies*
 - 46% will increase spending on usability testing
 - 40% plan an increase in web analytics
 - 35% and 31% will increase spending on expert evaluations and online surveys, respectively
- *Budgets for measurement vary among companies*
 - 50% have budgets between \$50,000 and \$500,000
 - 11% have budgets between \$500,000 and \$1 million
 - 13% have budgets in excess of \$1 million
 - 18% have no budget allocated
- *Most companies will maintain or increase their customer experience personnel headcount*
 - 40% expect to increase their customer experience headcount in 2008
 - 46% expect to keep their headcount the same in 2008
 - 5% anticipate a decrease in headcount

- *Formal executive reporting of measurement frequency varies among companies*
 - 28% measure online customer experience quarterly
 - 23% measure monthly
 - 17% measure continuously
- *Responsibility for the online customer experience varies*
 - 18% hold VPs of interactive marketing accountable for the online customer experience
 - 16% hold VPs of eCommerce accountable
 - 16% hold product managers or brand managers accountable
 - 14% hold VPs of user experience accountable
 - 40% have other titles with the responsibility delegated within the chain of command

Survey Demographics

We sent the survey to more than 1000 customer experience professionals. The top three industries include retail, financial services, and technology. All companies have North American headquarters.

About Usability Sciences

A great online customer experience is no accident. Usability Sciences provides solutions to improve customer experience. Our patented technology gives you the information you need, along with recommendations to take action. We dig deep into your customers' intents and attitudes, then overlay your customers' behavior by monitoring every click of the user experience while on your site.

We uncover the "who, why and how" to improve user experience resulting in increased conversions and repeat visitors. Our comprehensive research is online, lab-based and in the field. Hundreds of global multi-national, multi-channel companies have chosen Usability Sciences.

Inquiries

Feel free to contact Usability Sciences to learn more.

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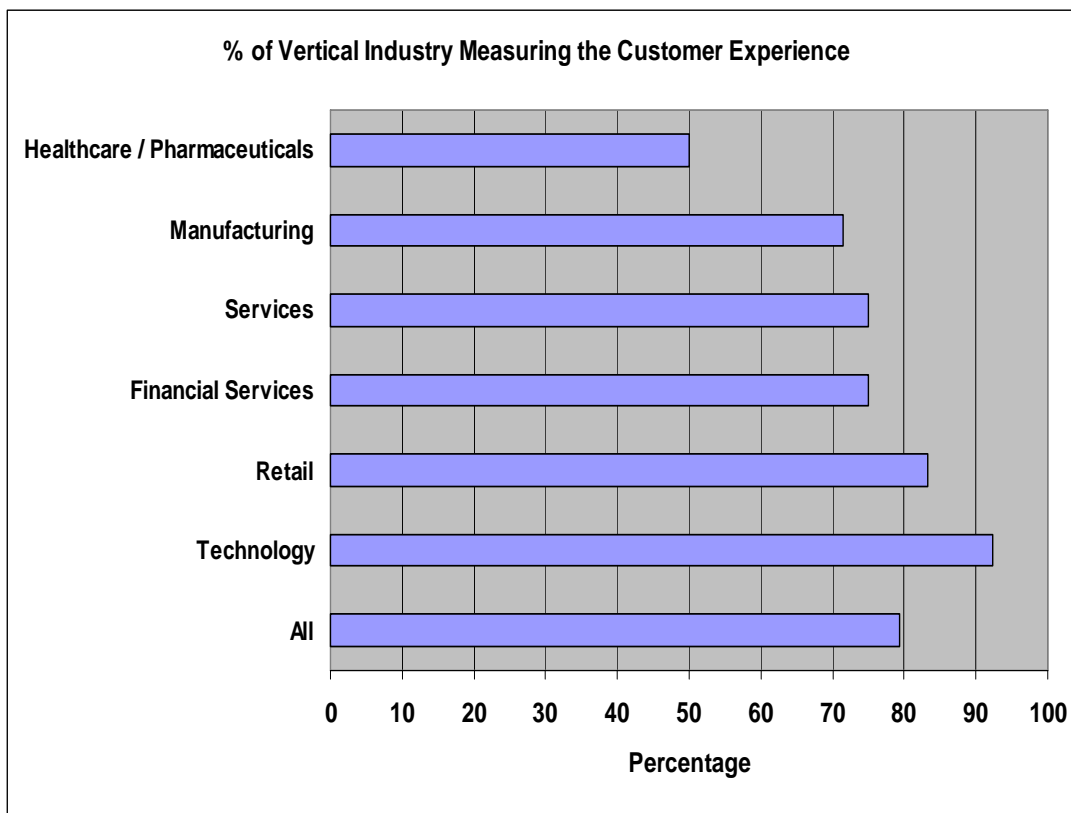
Customer Experience Survey Detailed Findings

Today's customer accesses the Internet from computers, PDAs, and a wide range of mobile devices. Interaction is becoming a multimedia experience that includes both audio and video communications between the customer and the provider's array of websites and other digital technologies.

The number of tools and methods drives the complexity of the interaction, and also the number of interfaces and languages. The online customer experience measurement market is in the early stages of widespread, mainstream adoption and is evolving rapidly.

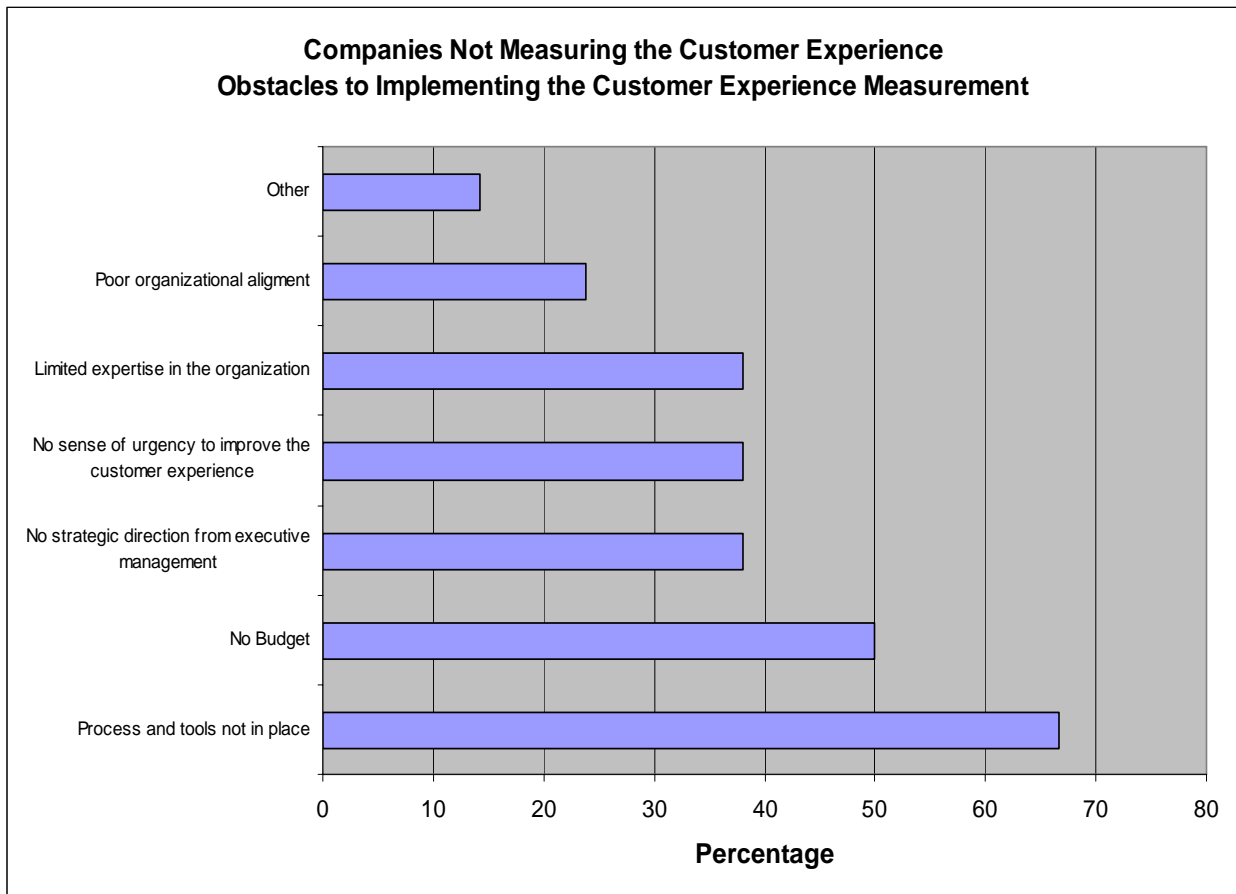
Measuring the Customer Experience

Seventy-nine percent of the survey respondents report that they currently measure the online customer experience.

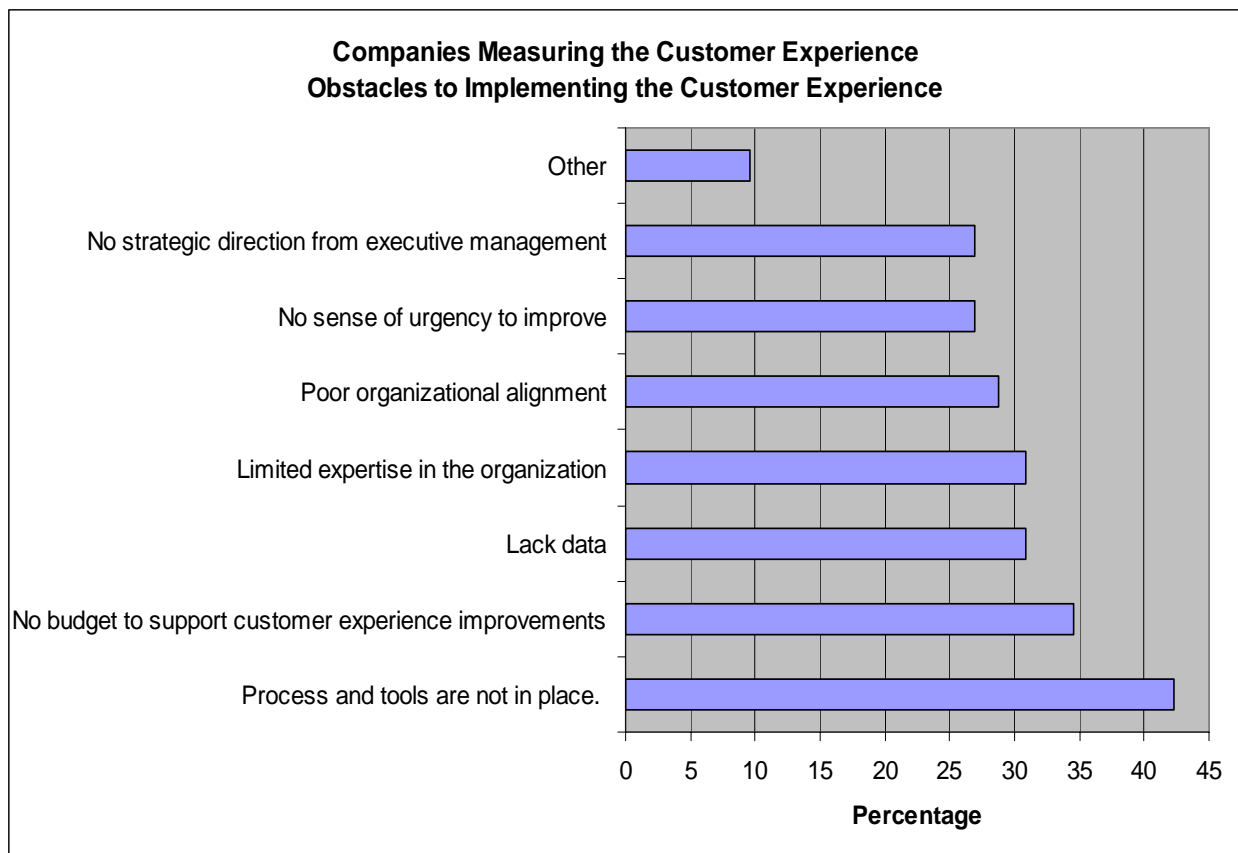


Of the vertical industries responding to the survey, 95% of technology companies measure the customer experience. Healthcare and pharmaceutical companies report the lowest measurement adoption of around 50%. Eighty-three percent of retailers, slightly above the average of the whole group, report that they measure the customer experience.

Of the companies not measuring the customer experience, two-thirds indicate the lack of tools and process as an obstacle to implementing measurements while half cited budget as a key hurdle. Close to forty percent of these companies also cited limited organizational expertise, lack of strategic direction from executive management, and no sense of urgency to improve the customer experience as reasons they did not implement customer experience measurements.



Even the companies with customer experience measurements face barriers to getting the measurements done. Forty-two percent also indicate the lack of tools and process as an obstacle, followed by budget constraints for 35% of the respondents.



Responsibility for Measurement

Responsibility for the online customer experience varies widely from company to company with the responsibility falling on the vice president (VP) of interactive marketing at 18% of the companies, VP of eCommerce at 16% of the businesses, product manager at 16% of the businesses, and VP of user experience at 14% of the businesses.

Forty percent select other titles for the area responsible for the customer experience, which indicates that this is a relatively new function inside companies, and it can fall under various chains of command.

Measurement Tools and Processes

Customer experience professionals utilize a broad and disparate set of tools and methodologies to measure and improve online experience.

	How do you measure the online customer experience? (check all that apply)	Which method do you use most often? (select one)	Which method do you find delivers the best result for the expenditure? (select one)
Web analytics	95% #1	56% #1	23% #2
Online surveys	77% #2	9%	9%
Online surveys correlated with click stream data	25%	2%	2%
Phone surveys	11%	0%	0%
Postal mail surveys	25%	0%	0%
Customer satisfaction surveys	68% #3	12% #2	17.5% #3
Business intelligence tools	28%	0%	0%
Usability testing	68% #3	11% #3	35% #1
Design agency services	30%	0%	0%
Focus groups	42%	5%	7%
Expert evaluations	38%	4%	4%
Other	7%	2%	4%

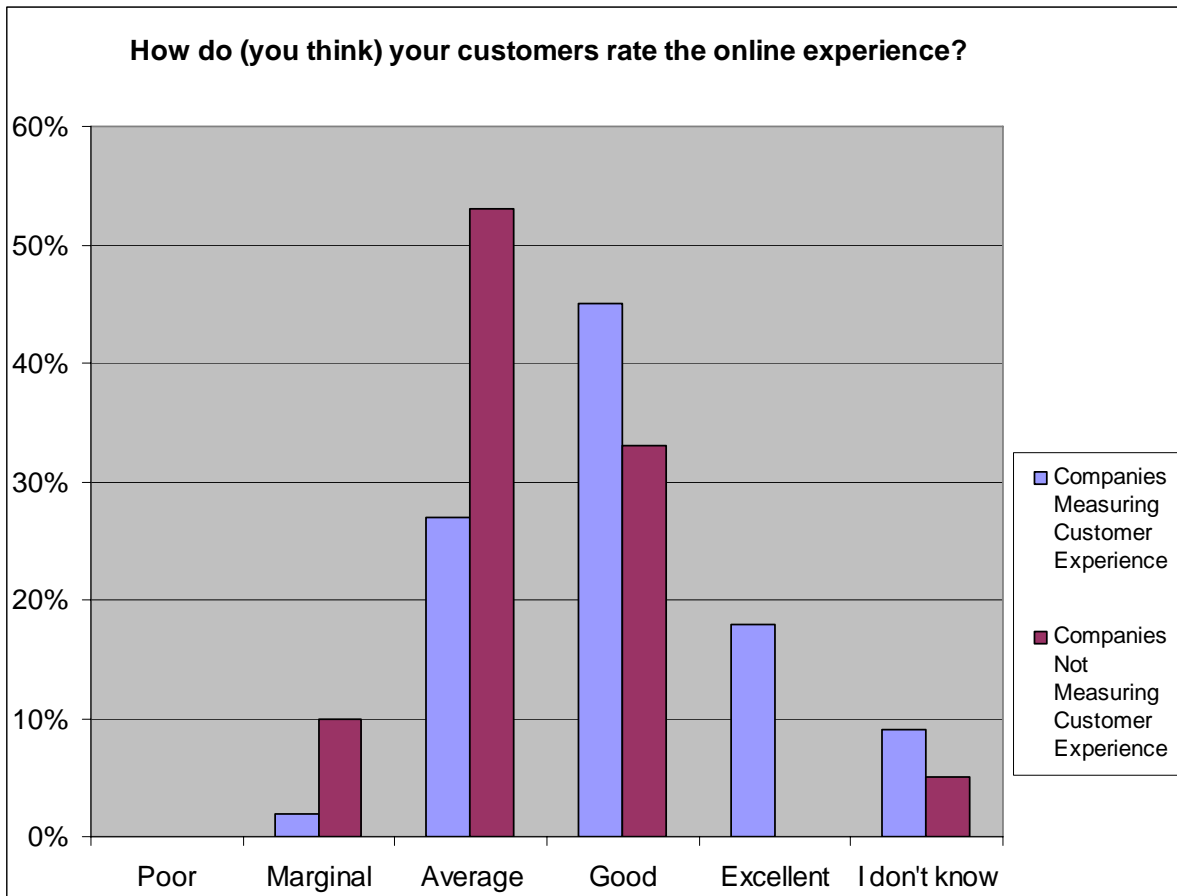
Most companies use multiple methods to measure the customer experience. Web analytics solutions are ubiquitous and used by nearly all survey respondents. Low- cost, no-cost tools such as Google Analytics provide easy-to-implement, easy-to-use options.

More than two-thirds use usability testing and customer satisfaction surveys.

In fact, 35% say that usability testing is the most effective way to measure the customer experience (meaning it delivers the best results for the expenditure). Web analytics ranks second. Customer satisfaction surveys rank third.

For companies that measure the customer experience, 28% do quarterly executive reporting reviews, followed by 23% doing monthly debriefs. A smaller number (17%) monitor customer experience data continuously with reaction and action as a focus.

As the tools and customer experience measurements mature, more companies will move toward continuous monitoring. A leading independent research company predicts tool consolidation across a quantitative to qualitative spectrum. Tighter integration will occur as companies mandate on-demand reporting of customer experience key performance indicators with a focus on actionable insights and recommendations.



For companies that measure the customer experience, nearly two-thirds rate their user experience as good or excellent. Those that do not measure rate themselves lower across the board.

The surveyed companies use a wide range of tools to develop profiles of their customers. Most companies use multiple methods. About half of the respondents use web analytics to develop the profiles, and 42% use online surveys.

Language Support

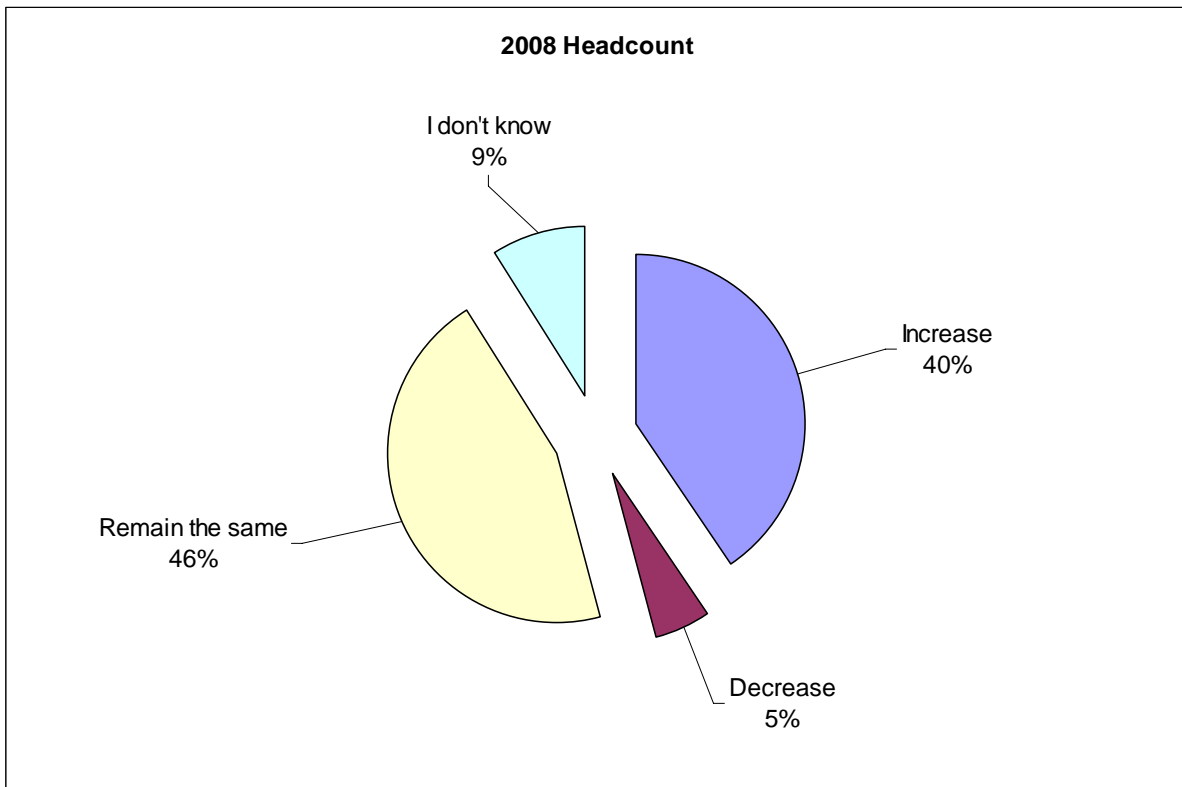
Many companies present a localized experience through multi-lingual sites.

	Languages Used for Web Interaction
English	98%
Spanish	39%
French	23%
German	21%
Japanese	20%
Portuguese	18%
Chinese	16%
Russian	14%
Korean	14%
Arabic	9%
Other	7%

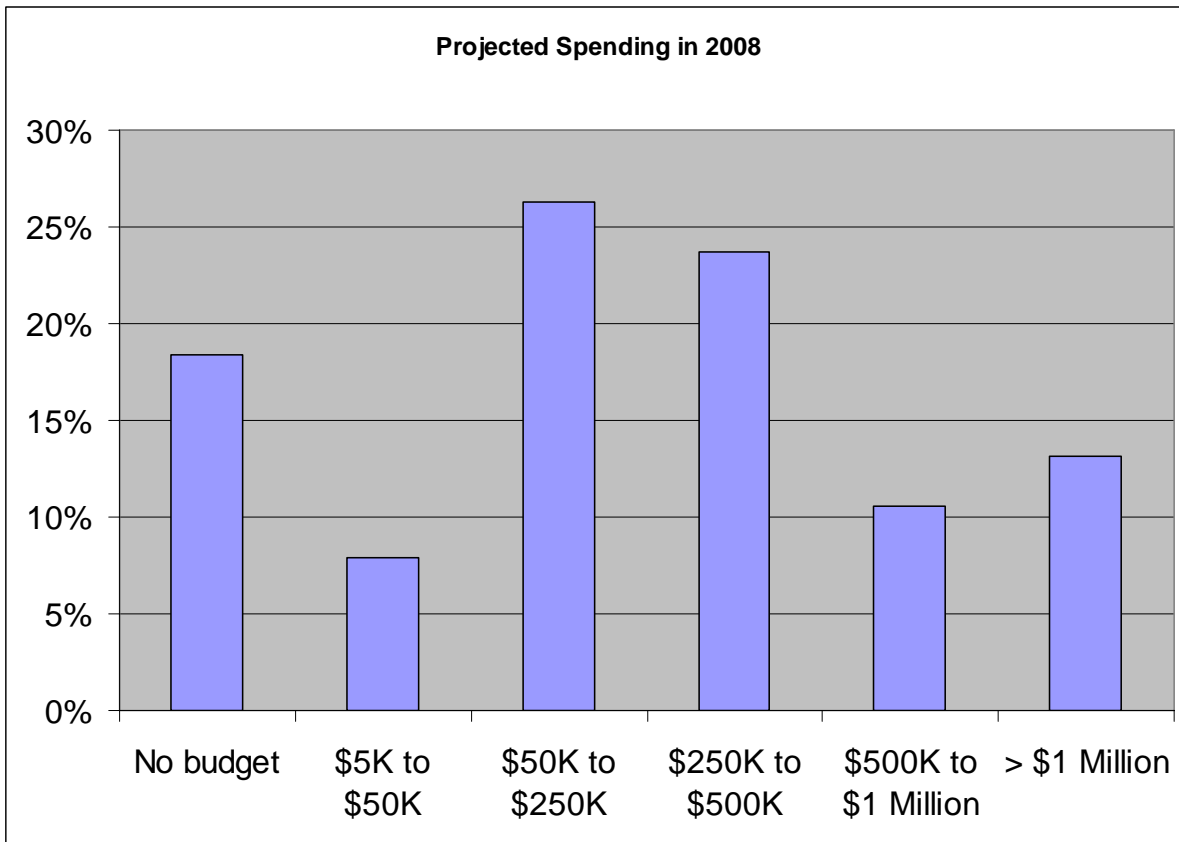
English is the most popular language on websites, followed by Spanish at 39%. French, German and Japanese are supported by nearly one in five websites. Localized user experiences will increase in all of the languages due to the increase in global eCommerce.

Headcount and Spending

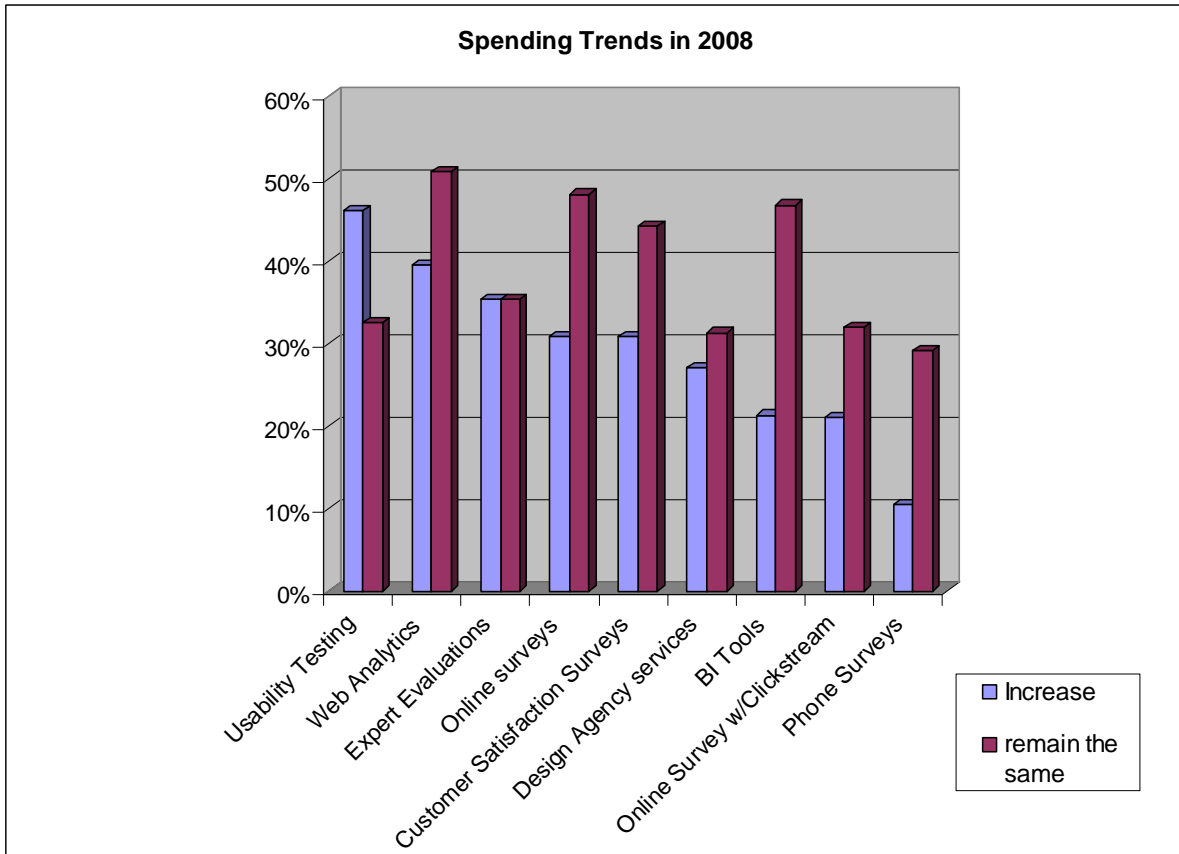
Nearly half the companies surveyed, expect their headcount and spending to remain steady; 40% expect to increase. Only 5% anticipate a decrease in headcount, which indicates that the surveyed companies consider user experience measurement a key initiative.



The surveyed companies plan to invest in customer experience measurement and improvement in 2008. Thirty-four percent of respondents have budgets between \$50,000 and \$500,000. Seven percent have budgets between \$500,000 and \$1 million. Thirteen percent state their budgets are more than \$1 million. Those with no budget equals the number not measuring the customer experience.



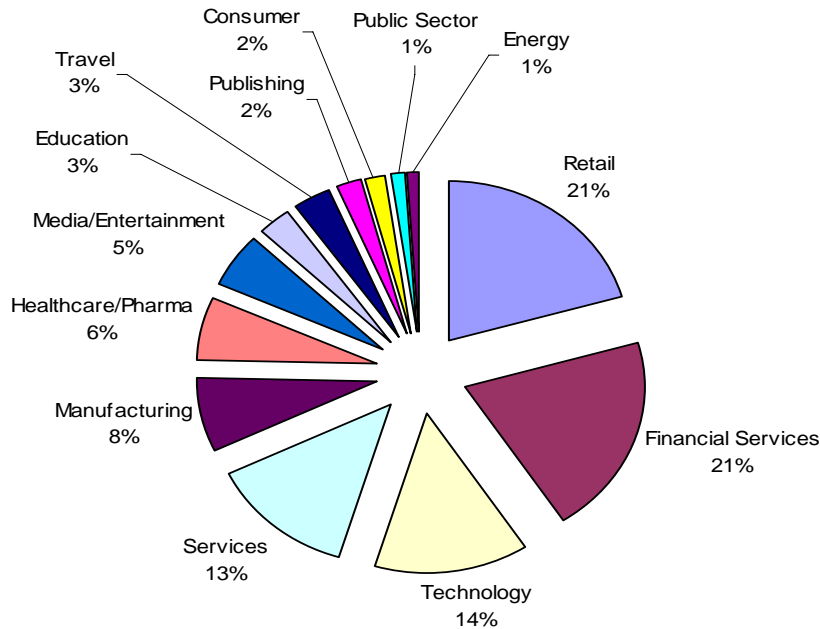
Usability testing tops the scale for increases in spending for 2008. Additionally, companies plan to spend on other tools and measurement methodologies. Spending on every method remains the same or increases in 2008, which indicates that companies are committed to improve the customer experience.



Forty-six percent report a planned increase in usability testing spending followed by a 40% increase in web analytics. Spending on expert evaluations and online surveys will increase by 35% and 31%, respectively.



Customer Experience Survey Respondents



The titles of those responsible for the online customer experience vary widely, which indicates the dynamic early stage of development of this discipline inside most companies. Some of the most frequently used titles include the words interactive, Internet, web, eBusiness, eCommerce and experience. About 10% of the respondents have user experience or usability as part of their titles.

Inquiries

Feel free to contact Usability Sciences if you are interested in more information about the survey results.

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