e-tail detail
the merchants' voice

The ROI of Christmas Present
Capturing your fair share of consumer holiday spending during these challenging times

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ensure that your site is competitive with the "egeg"

the e-tailing group e-commerce gauge

mystery shopping & indexing of B2C and B2B websites against the eg 100

Before you invest in costly 2010 site improvements benchmark to be sure that your plans are on track

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commentary

Annually we survey consumers to get a pulse on their **holiday spending intentions**. This year an online questionnaire was completed September-October 2009 by 1,020 adults (49% male / 51% female) who have shopped online four times or more in the last year, spending $500+.

Despite economic uncertainty the good news is that **overall holiday spending should equal last year**. Of those surveyed, 48% plan to purchase between 6-15 gifts, on par with last year (47%). **Budgets are also consistent** with 2008 as 43% plan to spend between $301-$800 on gifts for family and friends.

It is heartening to note that despite their focus on value, 88% are **willing to pay full price** for the hard-to-find products, convenience, and good service.

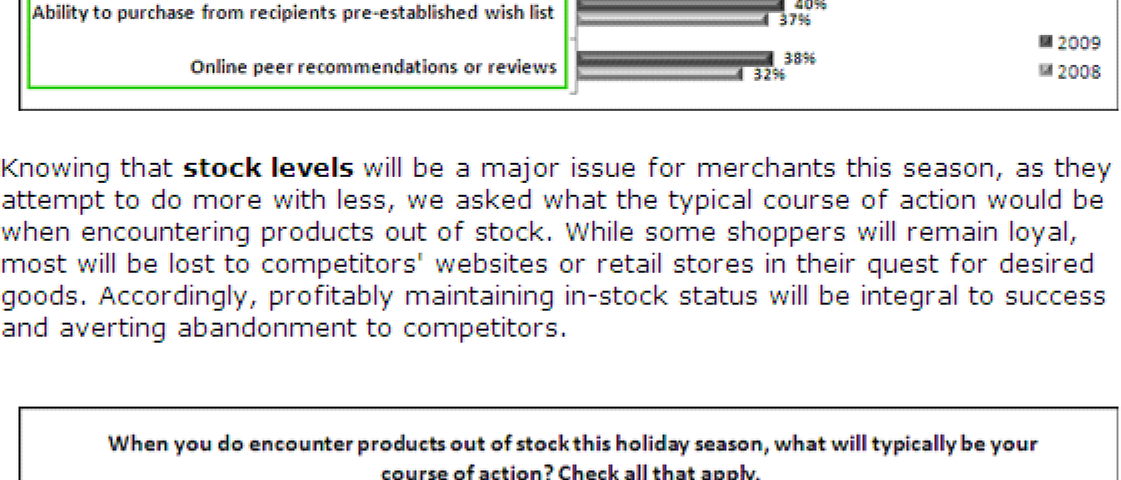
From an e-commerce perspective, **more intend to do their shopping online** (55% TY vs. 49% LY). The online channel will also be the beneficiary of an **increased share of wallet** with 26% vs. 21% last year planning to purchase via the Internet.

Of course, every merchant's challenge will be capturing their fair share of consumer holiday spending during these challenging times. This e-tail detail highlights insights from our research which we hope will provide guidance toward that goal as **all of us at the e-tailing group wish all of you a very prosperous cross-channel holiday season.**

results
a look at the numbers

We asked shoppers to rate the **reasons they shop online** using a 5-point scale. The following chart, summarizing "top 2 - very to somewhat important ratings," illustrates that primary reasons for shopping online are still **convenience** and **savings**. Note that **wish lists** and **reviews** are the only metrics trending up versus 2008 as shoppers rate such convenience tools increasingly important.

Knowing that **stock levels** will be a major issue for merchants this season, as they attempt to do more with less, we asked what the typical course of action would be when encountering products out of stock. While some shoppers will remain loyal, most will be lost to competitors' websites or retail stores in their quest for desired goods. Accordingly, profitably maintaining in-stock status will be integral to success and averting abandonment to competitors.



Respondents rated twenty-two promotional, customer service, and gifting features relative to their **importance when buying gifts online**. Influencers obviously center on promotions per this summary of "top 2 ratings." Of particular note is the importance of both **free shipping** (91%) and **free returns** (81%).

Customer service tools rate next with **accessible contact information** and **access to one's cart** expected to smooth shopping experiences. Among gifting tools the greatest year-over-year increases in importance are anticipated for **gift centers** (49% vs. 30%) and **wish lists** (48% vs. 35%) - helpful tools that are germane to the online experience.

Features rated 1-5 as the most important or influential when buying gifts online. (1 = most and 5 = least) TOP 2 - VERY TO SOMEWHAT IMPORTANT	2009	2008	2007	TOOL SET
Free Shipping with Purchase	91%	95%	87%	Promotional
Free Returns	81%	82%	NA	Promotional
Sales and Specials	79%	83%	76%	Promotional
Coupons and/or Rebates available for $ or % off	72%	74%	76%	Promotional
Accessible contact information (phone, email)	70%	81%	76%	Customer Service
% off Products or Categories	70%	72%	NA	Promotional
Perpetual Shopping Cart	66%	72%	69%	Customer Service
800 or toll-free telephone #	65%	75%	77%	Customer Service
Deals that are available for a limited time only	63%	62%	57%	Promotional
Free Gift with Purchase offer	57%	58%	62%	Promotional
Buy More, Save More	52%	48%	na	Promotional
Gift Center	49%	30%	31%	Gifting
Wish List	48%	35%	31%	Gifting
Gift Certificate/Gift Card availability	46%	55%	47%	Gifting
Click to Chat (live text chat help available)	45%	48%	NA	Customer Service
Click to Call (live phone help available)	41%	44%	NA	Customer Service
Gift Suggestions for when I don't know what to buy	37%	35%	30%	Gifting
Gift Wrap/Box services	36%	29%	20%	Gifting
Ability to Store Addresses of friends and family to access	34%	34%	27%	Gifting
Multiple Ship-to Addresses can be sent in a single checkout	31%	53%	41%	Gifting
Ability to Hold Gifts to ship later	27%	37%	30%	Gifting
Option to include a Gift Message in the shopping cart	26%	55%	39%	Gifting

Lastly, we queried consumers about email, mobile and social site shopping. Key findings include:

- 43% of shoppers who have opted in prefer to receive emails on a **weekly** basis
- 1 in 3 shoppers plan to use a mobile phone for shopping related purposes this holiday season, primarily to **look up merchants** (18%) or **competitive pricing** (18%)
- Social networking sites will **influence** shopping behavior for 37% of online shoppers vs. 24% LY, but less than 1 in 5 will make a purchase as a result

checklist
the e-tailing group checklist
The ROI of Christmas Present

1. Review your current 4Q plan in light of early season indicators and revisit to ensure performance remains on track to achieve plan

2. Reinforce time and money-savings as part of all holiday messaging

3. Ensure that you tout hard to find products, broad selections, and unique gift ideas that are sure to inspire shoppers

4. Modify strategies ensuring that gifting receives extensive visibility in onsite locations as well as post-order communication

5. Monitor email performance and have handy a series of backup promotions that can be utilized should results not be forthcoming

6. Set your free or conditional shipping strategy but follow competitive landscape and industry and adjust to achieve desired results

7. Ensure that exemplary customer service is in place to best support your brand value proposition

8. Be ready to deploy post Christmas promotions to take advantage of gift cards received and sale shopper desires

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Before you invest in costly 2010 site improvements benchmark to be sure that your plans are on track

the e-tailing group's 11th Annual Mystery Shopping Study benchmarks over 260 features and functionalities on 100 consumer and B2B e-commerce websites

Whether you are one of the 100 selected for holiday shopping or looking to understand how your site stacks up against these best-in-class merchants, obtain *proprietary* metrics specific to your website

Learn how your website really scores by investing less than $1000 to have the e-tailing group index your site

Sign up by November 1, 2009

mystery shopping gauge and deliverables:
- Individual scorecard of a website against the e-tailing 100
- Selected category comparison versus competitive sites
- Good-Better-Best options to meet every budget

the egeg (e-tailing group e-commerce gauge)	baseline	key page analysis	key page + best practices
PROCESS/LEVEL	good	better	best
Shop your website, purchasing one product and returning it per site instructions	✓	✓	✓
Contact customer service with product query via email and phone to rate experience, testing live chat if available	✓	✓	✓
Benchmark your website against the performance of your same category as well as EG100 merchants	✓	✓	✓
Identify best practices as well as room for improvement from both a merchandising and customer service point-of-view	✓	✓	✓
PowerPoint presentation of key page analysis, room for improvement, and topline recommendations		✓	✓
Prioritize site improvements and identify next steps			✓
Visualization of best practices in support of all recommendations and room for improvement opportunities			✓
DELIVERABLES			
Scorecard	✓	✓	✓
Key page analysis PowerPoint presentation		✓	✓
Conference call review and Q/A		✓	✓
Best practices visualization PowerPoint presentation			✓
PRICE *	$999	$3,000	$5,000
* All prices subject to change and customization options additional			
Customization Options			
Custom indexes (choose up to 10 merchants of choice from existing EG100 merchants)	+$500		
Year-over-year performance data of any EG100 merchant	+$500		
Multiple mystery shops of your site	call for pricing		
Index of competitor	call for pricing		

- 4-week turnaround for deliverables
- Payable via credit card or invoice

point values assigned to:
- Key page execution and merchandising
- Exemplary customer service
- In demand merchandising features and functionalities

merchant testimonials:

"Implementing the e-tailing group's recommendations and review/audit suggestions helped us improve our overall cart funnel conversion percentages by 7.2% over the previous quarter. We've seen a 9.3% overall site conversion increase over the past six months due to the recommended page adjustments and improvements. With more changes underway, based in part on the e-tailing group's recommendations, we are confident we can increase our site conversion even more."
Douglas J. Stang, Vice President-Marketing, ComplianceSigns

"Lauren Freedman is our merchandising diva; We absolutely relish her advice. She has a unique knack for being both honest yet charmingly sweet. When she gives us advice, our reaction is 'how fast can we make this change' not 'gee, is she right.'"
Ken Crites, Director, Consumer Direct, Green Mountain Coffee Roasters

"In the three years that I've worked with the e-tailing group I've found their website evaluations to be accurate, insightful, honest, and forward-thinking. In an industry where all advice is taken with a grain of salt the e-tailing group's recommendations always end up at the top of our list of action items."
David Birnbaum, Director, Creative & User Experience, Delivery Agent

"The e-tailing group's Mystery Shopping Study gives you the opportunity to see your detailed website navigation benchmarks at a glance. It is an efficient and effective report by each feature or functionality of your website."
Diamanta Pedraza, Consumer Insights Manager, Toys"R"Us

"Lauren's mystery shops across our industry were exceedingly insightful about best practices to follow, as well as opportunities for improvement. We learned a lot!"
Fiona Dias - Executive Vice President, Partner Strategy & Marketing, GSI Commerce

"We found the shopping index to be very helpful in analyzing our holiday performance and the feedback has been used to identify several revenue generating projects that we will undertake."
Tim Mc Cue, Director of E-commerce, Jockey

who we are

the e-tailing group, inc. serves as the multi-channel merchant's eye, bringing a merchant's sensibility to evolving the multi-channel shopping experience. A Chicago-based consultancy, we provide practical strategic perspectives and actionable merchandising solutions to merchants selling online as well as to enabling technology firms.