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**WEBSITE OPTIMIZATION IS THE KEY TO GAINING A GREATER SHARE OF WALLET
ACCORDING TO THE E-TAILING GROUP'S
BACK-TO-SCHOOL MYSTERY SHOPPING STUDY**

The overall time to shop dropped to 3.24 minutes vs. 4.08 minutes in the fourth quarter of 2002; the average number of clicks to checkout dropped to 3.76 from 4.93.

Chicago, IL – September 16, 2003 – The e-tailing group, inc., a provider of merchant-centric e-commerce consulting services, today released website performance findings from the Mystery Shopping Study they conducted to coincide with the back-to-school selling period.

As reported by the Associated Press, a tally of representative same-store sales tally of 73 stores posted a 5.1 percent increase, much improved over a 1.8% gain in the prior year. "Internet retailers have fine tuned e-commerce sites to garner their share of back-to-school revenues. Online, merchants are investing to make it easier, faster and more convenient for customers to shop their websites," explained Lauren Freedman, President of the e-tailing group, inc. "Among the sites in our Mystery Shopping survey, improved efficiency and onsite execution prevailed along with a back-to-basics approach to merchandising and multi-channel promotion."

Beyond the fact that 92% of the merchants offered keyword search, there were improvements in their search processes with a majority delivering more correct (89%) and relevant (average 4.38 ranking with 5 being most relevant) search results.

Similarly, the 80% offering real-time inventory status and the 75% suggesting related products presented that information on both product pages and in shopping carts.

Other key top-line findings relative to website optimization include the following:

Merchandising

- ♦ **Established Strategies.** Traditional techniques like 'Top Sellers' were fine tuned; positioned on more pages with further qualifying by price or other key category metrics to entice shoppers.
- ♦ **Promotional Strategies.** Mirroring this selling period offline, discounted offerings were common from sales/specials (96%) to coupons (28%) with online outlets (32%) the latest liquidation trend.
- ♦ **Custom Content.** Product comparison features were present on 40% of the sites vs. 23% 4Q '02; guides and how-to features were found on 60% vs. 58%.
- ♦ **Profiling.** More use of interactive tools (40% vs. 30%) and targeted email (88% vs. 83%) with these email senders respecting their customers' privacy via more opt-in options (77% vs. 61%).
- ♦ **Gifting.** More sites leveraged the convenience factor of their online channels by offering gift certificates/cards (84% vs. 78%).

Customer Service

- ♦ **Privacy.** Understanding the importance of this issue to consumers, 96% featured their privacy policies on the home page.
- ♦ **1st Time Users Tips.** More robust and easier for new customers to navigate; found on 48% of sites vs. 34% in 4Q '02.
- ♦ **Shipping.** Optimization also meant cost containment as more merchants elected to ship USPS ground (53% vs. 33%).
- ♦ **Order Confirmation.** All sites surveyed took advantage of this communication opportunity by sending post-order email confirmations; 50% of which (vs. 29% 4Q '02) included up-sells and 75% (vs. 39%) promoted services.

"We have been mystery shopping online merchants for eight years," summarized Ms. Freedman, "As the online channel evolves, it is very heartening to witness the good sites continuing to get better. The goal is now delivering a seamless shopping experience to today's customer whether they choose to buy in-store, via catalog or on the Web."

The e-tailing group's "Mystery Shopping Studies" support client projects by providing industry benchmarks and insights along with e-commerce best practices. For more information about the study please visit www.e-tailing.com.

About the e-tailing group, inc.

Founded in 1994, the e-tailing group, inc. is an "in the trenches" e-commerce consulting firm working with merchants to optimize their merchandising and customer service tools. The e-tailing group's mission is to leverage the art of merchandising to improve the online consumer's shopping experience. In addition to consulting, the e-tailing group's proprietary Mystery Shopping and Merchandising Surveys help to set standards for industry performance across the retail and catalog sectors. The e-tailing group has developed the Direct Marketing Association's E-Commerce Seminar Series and its leadership are featured speakers at many industry events. For more information, visit the e-tailing group at <http://www.e-tailing.com>.

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