

## 4th QUARTER 2003 - ONLINE CUSTOMER SERVICE RESEARCH

Proprietary Study Conducted by *the e-tailing group, inc.*



the e-tailing group, inc.

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### **THE E-TAILING GROUP NAMES TOP E-SITES FOR CUSTOMER SERVICE**

*"Our 4<sup>th</sup> Quarter 2003 Mystery Shopping Study continues to provide benchmarks for the evolution of e-commerce. Whereas in 4Q 2002 merchants were focused on better editing and execution of core customer service functionality, this year convenience and ease of shopping were paramount. Every one of our top sites provided real-time inventory, online shipping status and order confirmation numbers in the shopping cart as well as in subsequent emails. Unfortunately this year no one delivered in one day, and there were longer response times to email queries. We congratulate our winners but also caution merchants not to lose site of the importance of timely processing and communication."*

*Lauren Freedman, President, the e-tailing group, inc.*

***These B2C e-commerce sites excelled at best-of-breed customer service based on results of the 6th Annual e-tailing group Mystery Shopping Study:***

*(In alphabetical order)*

**Ann Taylor  
CompUSA  
Crate & Barrel  
Crutchfield  
JC Penney  
J. Crew  
Lands' End  
Men's Wearhouse  
Orvis  
Petco  
Powell's  
RedEnvelope**

### **Methodology & Benchmarking Criteria**

*The e-tailing group, inc.* mystery shopped 100 online merchants in 15 consumer categories during the 4<sup>th</sup> Quarter 2003 holiday selling period. To qualify for the 'top' each of the 100 merchants was ranked using benchmarking criteria extrapolated directly from results of the survey.

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***The top merchants were revealed via a process whereby sites were systematically eliminated for not possessing "must have" criteria in the following order of importance:***

1. Ability to complete shopping process on 1<sup>st</sup> attempt
2. 800# or toll-free number
3. Answer e-mail question correctly, within 24 hours, with personalized response
4. Five or fewer days to receive package
5. Five or fewer minutes to shop
6. Six or fewer clicks to checkout
7. Real time inventory in shopping cart or product page
8. Online shipping status
9. Order confirmation in shopping cart
10. E-mail order confirmation sent w/ order # included

**Core Metric Averages & Best of the Best**

- ❑ Whereas among all 100 sites last year, the average time between sending a customer service related email and receipt of a response was **18.73 hours**, this year response time averaged **25 hours – a disappointing 6.27 hour-lag**. **RedEnvelope** far outperformed with responses in just **eight minutes**.
- ❑ The average number of business days to receive an item remained consistent with 4Q 2002 at **4.4** days. **CompUSA, Lands' End, and Petco** were this year's top performers, delivering in **two** days. However, last year three of the top sites delivered in **one** day.
- ❑ Overall time to shop averaged just under four minutes (**3.67 minutes**), an improvement from the **4.08** minute shopping time tallied in 4Q 2002. This year the process took only three minutes on these five sites: **JC Penney, Lands' End, Men's Wearhouse, Orvis; Petco**.
- ❑ Clicks to checkout averaged **4.6** vs. **4.9** last year. Kudos to **Men's Warehouse** where it took merely **two** clicks to get from the product to checkout. **Three** clicks did the job on both the **JC Penney** and **RedEnvelope** sites.

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***The best of the best are highlighted while overall survey averages appear at the bottom of each column.***

Merchant	Hrs/Minutes to Answer E-mail	Business Days to Receive Item	Time to shop (in Minutes)	Clicks to Check-out
Ann Taylor	3 hr/40 min	3	5	5
CompUSA	2 hr/00 min	2	4	5
Crate & Barrel	16 hr/00 min	4	4	6
Crutchfield	1 hr/01 min	5	4	6
JC Penney	8 hr/36 min	Store pickup	3	3
J. Crew	23 hr/14 min	5	4	5
Lands' End	2 hr/03 min	2	3	4
Men's Wearhouse	1 hr/13 min	Store pickup	3	2
Orvis	2 hr/44 min	5	3	4
Petco	4 hr/15 min	2	3	5
Powell's	8 hr/28 min	5	4	6
RedEnvelope	0 hr/08 min	4	4	3
<b>Average of 100 Sites Shopped</b>	<b>25 hr/00 min</b>	<b>4.4 days</b>	<b>3.67 min</b>	<b>4.6 clicks</b>

"In summary," concluded Freedman, "We advise merchants to carefully evaluate the degree to which they are automating website customer service. Although self-service may appear to deliver customer convenience while containing operating costs, ultimately the customer and your brand may suffer. **Therefore, short and long term brand considerations must be weighed to ensure customer satisfaction.**"

***About the e-tailing group, inc.***

Founded in 1994, with the belief that new technologies enable promotion of products/services for the ultimate customer reach, the e-tailing group, inc. is a shopper-centric e-commerce consulting firm. The firm's expertise and point of differentiation is their merchant mentality that fosters development of e-commerce as a distribution channel. Their mission is to leverage the art of merchandising to improve customers' multi-channel shopping experiences. Customized merchandising programs, innovative e-commerce solutions and go-to-market strategies for online merchants and related technologies/services, optimize implementation of multi-channel merchandising and customer service tools. In addition to consulting, the e-tailing group's proprietary Mystery Shopping and Merchandising Surveys help to set cross-channel standards for industry performance. Company leaders are featured speakers at many industry events.

For more background about this research study, including a list of participating merchants, or for additional information on the e-tailing group, inc. please contact Lauren Freedman at [lf@e-tailing.com](mailto:lf@e-tailing.com) or visit our website [www.e-tailing.com](http://www.e-tailing.com).

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