



## **Retail Firms Ranked on How They Treat Online Customers in Q4 2007 Customer Respect Group Study**

### **Customer Service Focus and Strong Communication Shine Through as Retailers Set All-Industry Standard for 2007**

**IPSWICH, Mass., Dec. 10, 2007**—[The Customer Respect Group](#), an international research and consulting firm that focuses on how corporations treat their online customers, today released findings from its Fourth Quarter 2007 Online Customer Respect Study of the Retail Industry.

The study evaluated the websites of a representative sample of major retail companies. Using a common set of criteria, it is the only study to bring an objective and consistent measure to the analysis of corporate performance from an online customer's perspective. A directly comparable Customer Respect Index (CRI™) is provided for each company. The CRI is a qualitative and quantitative in-depth analysis and independent measure of a customer's experience when interacting via the Internet.

#### **Ease of Use, Communication and Trust**

The CRI is composed of three overriding concepts identified by customers as their critical concerns when using websites:

- **Site Usability** – How usable is the site to a wide range of users?
- **Communication** – How willing is the company to provide customer service in the form of one-on-one communication to respond to specific questions?
- **Trust** – Can the site be trusted with personal data?

#### **Select Findings**

The average Customer Respect Index (CRI) rating for the retail industry was 6.1 on a ten-point scale. This average represented a slight improvement in the past 12 months. The industry becomes the leader of all industries reviewed in 2007, out-scoring the insurance, telecommunications and financial services industries, among others. Retail's strong showing was especially influenced by its enhanced self-service facilities and greater emphasis on providing effective real-time answers to customer queries, removing barriers to the completion of online purchases.

Five sectors were represented in the evaluation, and the leading sites were:

- Ralph Lauren (Accessories & Apparel);
- Overstock.com (General Merchandisers);
- Lowe's (Home & Home Office);
- CVS (Food & Drug Stores);
- Newegg.com (Electronic Goods).

Lowe's, Overstock and Ralph Lauren all achieved an "Excellent" CRI rating.

#### **Leading in Customer Communication**

The retail industry was rated best in the area of communicating with online visitors in 2007, scoring 7.0 in Responsiveness, compared to 6.5 scored by the next highest-rated industries -- financial services and telecommunications. The variety of contact methods available to retail customers was one positive factor.

Twenty-two percent of retail sites now provide online chat, compared to the all-industry average of just 12%. Also noted was the emergence of pro-active "chat," where visitors are invited to engage in a context-sensitive dialog based on their online behavior. "click to call" prompting a telephone call directly from the retailer to the user also showed a strong upward trend as retailers look to limit site abandonment.

Other communication channels remain well supported. Sixty-five percent of e-mail inquiries to retail companies were responded to within a day, compared to 57% among all other industries studied during the year.. Eighty-three percent of inquiries received a helpful reply -- again well ahead of the average of 60%.

### **Making items easy to find**

Moving around a site by “fast track” methods is a focus of retail sites, with 96% of retail sites containing FAQ sections, compared to 61% among all other industries, with those FAQs generally easy to locate (65% were linked from the homepage) and well structured (over 82% contained a search facility and / or anchor links). The percentage of sites containing a site search facility was again above average (96% vs. 73%).

However, the retail industry did not cater particularly well to disabled visitors and its Accessibility rating was below the all-industry average for 2007..

Another online retail trend is the increasing capability for users to make selections (70%) and see prices (72%) before registering on the site.

### **Customer Privacy a Mixed Bag**

The biggest overall improvement for the industry was in the Transparency sub-index, which measures clarity and transparency of privacy policies. Five companies (Overstock.com, Ralph Lauren, Kmart, Gap and Banana Republic) achieved an “Excellent” rating. There was a significant improvement in the structure of policies, and the majority of sites now make it easy for users to find the specific content of interest. There was an especially strong improvement in the clarity of companies’ descriptions of their opt-in/opt-out policies. Retail companies seem to be increasingly realizing the value of openness and clarity.

In Principles, which measures the actual content of those policies, the picture is less rosy, with an increase in the number of companies that use personal data for ongoing marketing. Eighty-two percent of retail companies reserve the right to re-use data collected online to market their products to visitors (vs. 69% for other industries). Only two companies (Lowe’s and Ralph Lauren) achieved an “Excellent” rating in the Principles sub-index.

### **Retail CRI Table**

The top ranking companies according to the Customer Respect Index (CRI) is listed below.

Website	CRI
Overstock.com	7.4
Lowe's	7.2
Ralph Lauren	7.2
Kmart Corporation	7.1
Sears Roebuck and Company	6.9
Gap	6.8
Old Navy	6.8
Wal-Mart Stores, Inc.	6.8
L.L. Bean	6.7
OfficeMax.	6.7
<b>Average</b>	<b>6.6</b>

A more detailed scorecard is available from The Customer Respect Group at (978) 834.6700 or by emailing [clientservices@customerrespect.com](mailto:clientservices@customerrespect.com)

According to Terry Golesworthy, president of The Customer Respect Group, “The retail industry sets the standard for innovation and trends online and is often followed by other industries in the following 12 months. We can see from this study a major integration between the self-serve web and back office personnel working hard to keep online customers on-track. There is, of course, the expected rise in data capture and marketing to customers, and this is the one area that should be addressed so as not to overwhelm the customer.”

# THE CUSTOMER**RESPECT** GROUP

IMPROVING THE ONLINE EXPERIENCE

## Headquarters

The Customer Respect Group, Inc  
21 Market Street  
Ipswich, MA 01938  
Tel +1 978.834.6700  
Fax: +1 978.380.6125  
Email: [info@customerrespect.com](mailto:info@customerrespect.com)  
[www.customerrespect.com](http://www.customerrespect.com)

The Customer Respect Group is an internationally recognized leader in the creation and measurement of benchmarks in the arena of online customer experience and respect. Benchmarks have been shown to provide an invaluable means to consider comparative performance, learn from the leaders and take advantage of strengths. The Customer Respect Group has objectively measured websites since 2003 and has amassed a huge database of knowledge and data.

For more information, visit  
[www.customerrespect.com](http://www.customerrespect.com)

For information on hard-copy or electronic reprints, please contact Client Services at +1 978 834 6700 or [clientservices@customerrespect.com](mailto:clientservices@customerrespect.com)

