



## Online retailers boost customer satisfaction

Information Week – January 2010

### **Amazon, Macy's and other e-tailers achieved record-high levels of consumer satisfaction over the holiday season.**

The largest online retailers increased customer satisfaction during the holiday shopping season to a record level, a study released Wednesday showed.

The E-Retail Satisfaction Index, based on a survey of more than 10,000 holiday shoppers at the top 40 online retail sites, surged five points from the same period a year ago to a record 79, ForeSee Results said. Amazon scored the highest with an 87, while Web sites for Macy's, Sony, Gap, Home Shopping Network, and Overstock.com had the greatest year-over-year increases in satisfaction. Each of the five retailers registered increases of 10% or more.

Amazon's score marked a three-point improvement from last year and set a new high-water mark for the index's 100-point scale, ForeSee said. Eleven e-retailers scored more than 80, considered the threshold for excellence, and none of the retailers in the study scored below 70.

"These are the biggest retailers on the Web, and they've got the ability to invest in the Web channel and even meet the price points that consumers are looking for in this economy," Larry Freed, president and chief executive of ForeSee, said in a statement.

In general, companies that score 69 or lower are considered to be bottom performers who are risking erosion of market share and sales, if improvements are not made. In this year's list, the lowest scorers were Circuit City and Neiman Marcus, both at 73.

For most companies on the list, real or perceived better value or lower prices topped merchandise and functionality as a customer priority.

"It's no surprise that price is priority this year. It's a reflection of these difficult economic times," Kevin Ertell, VP of retail strategy at ForeSee, said.

This year's index reflects a big improvement over last year, when many e-retailers experienced declines during the recession. Many online retailers that saw large year-over-year increases this year were simply recouping last year's losses, ForeSee said.



The E-Retail Satisfaction Index is based on a consumer survey conducted by FGI Research, which uses the methodology of the American Customer Satisfaction Index developed at the University of Michigan. ForeSee is a privately held company that offers customer satisfaction measurement services.