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# RETAIL WEB SITE PERFORMANCE

Consumer Reaction to a Poor Online  
Shopping Experience

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**Vendor Research**

**June 1, 2006**

# **RETAIL WEB SITE PERFORMANCE**

## **Consumer Reaction to a Poor Online Shopping Experience**

The success of online retailers in establishing a consistent and loyal customer base is due to many factors. JupiterResearch's April 2006 survey of 1,058 online shoppers offers insight into the actions and opinions of consumers when they encounter difficulties online, including Web sites that perform poorly. Site loyalty, duration of visits, and even online purchases can be affected by sites that are frustrating to use and slow to render.

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**New York**  
475 Park Avenue South  
New York, NY 10016  
212 389 2000  
212 725 4640 fax

**San Francisco**  
150 Executive Park Boulevard  
Suite 4100  
San Francisco, CA 94134  
415 467 0305  
415 467 0282 fax

**Boston**  
171 Milk Street  
Suite 32  
Boston, MA 02109  
617 423 4372  
617 423 3730 fax

**United Kingdom**  
Gainsborough House  
81 Oxford Street  
London, W1D 2EU  
UK  
+44 (0) 20 7903 5020  
+44 (0) 20 7903 5021 fax

**France**  
La Grande Arche, Paroi Nord  
92044 Paris La Défense  
France  
+33 (0) 1 40 90 3190  
+33 (0) 1 40 90 3101 fax

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## Both Brand and Sales Suffer When Retail Sites Underperform

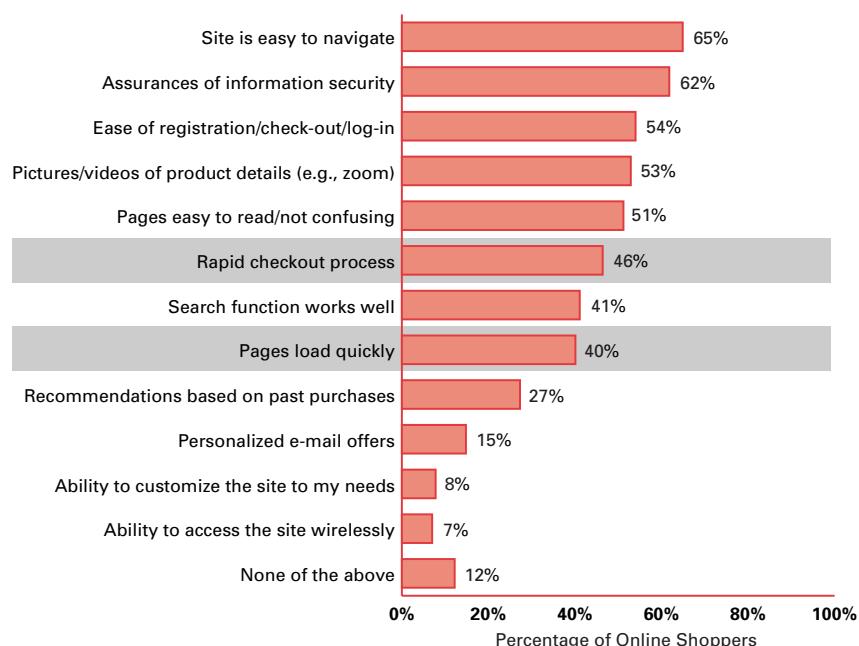
The success of online retailers in establishing a consistent and loyal customer base is due to many factors. JupiterResearch's April 2006 survey of 1,058 online shoppers offers insight into the actions and opinions of consumers when they encounter difficulties online, including Web sites that perform poorly. Site loyalty, duration of visits, and even online purchases can be affected by sites that are frustrating to use and slow to render.

Based on the survey results, JupiterResearch offers the following key findings:

- **Poor site performance leads to shopper dissatisfaction and site abandonment.** Thirty-three percent of dissatisfied online shoppers attributed their dissatisfaction to the Web site being too slow or taking too long to render. Another 28 percent attributed their dissatisfaction to error messages they received. More than one-third of shoppers who were dissatisfied with a retail site's performance (i.e., Web site too slow, site crash, error message received) actually abandoned the site.
- **The consequences for an online retailer whose site underperforms include diminished goodwill, negative brand perception, and, most important, significant loss in overall sales.** Roughly 75 percent of online shoppers who experience a site that freezes or crashes, is too slow to render, or involves a convoluted checkout process would no longer buy from that site. Twenty-eight percent of dissatisfied online shoppers are more likely to develop a negative perception of the company, and 27 percent will tell their friends and family about the experience.
- **JupiterResearch recommends that retailers make every effort to keep page rendering to no longer than four seconds.** Thirty-three percent of consumers shopping via a broadband connection will wait no more than four seconds for a Web page to render.
- **Online shopper loyalty is contingent upon quick page loading, especially for high-spending shoppers and those with greater tenure.** Forty-two percent of online shoppers with two or more years of online tenure (i.e., number of years since first accessing the Internet) stated that quick page loading is important to their site loyalty. Fifty-five percent of online shoppers who spend more than \$1,500 online per year insist on pages loading quickly.

## Online Shoppers Expect Easy-to-Use Web Sites That Perform as Intended

**Fig. 1 Most Influential Factors in Online Shoppers' Decision to Continue Shopping with a Site Where They Have Done So in the Past**



Question: Which of the following factors are most influential in your decision to continue shopping with an online store where you have shopped in the past? (Select all that apply.)

Source: JupiterResearch/Ipsos-Insight  
Akamai Consumer Survey (4/06), n = 1,058  
(online shoppers, US only)

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JupiterResearch determined long ago that a simple and easy-to-use navigational scheme is key to online shoppers' satisfaction. Sixty-five percent of online shoppers indicated they are likely to return to a retailer's site if it is easy to navigate, particularly during the registration, log-in, and checkout processes. Assurances regarding the security of personal financial information are also important for 62 percent of online shoppers.

Yet, online shopper loyalty is also contingent upon several issues related to specific site features and overall site performance. **Forty-six percent of online shoppers insist on a rapid checkout process, while 40 percent stated that quick page loading is critical to their loyalty.**

Quick page loading is particularly important to shoppers who have actually made purchases online in the last 12 months. Forty-two percent of such buyers stated that quick page loading made them loyal to a given online retailer (compared with only 34 percent of shoppers who had not recently purchased products, but only researched their options online).

## Retailers Must Consider the Online Tenure of Their Customers

Retailers must also understand that the online shopper segment is continually maturing and be mindful of how this evolution influences consumers' expectations. Shoppers' online tenure must be taken into account. **Forty-two percent of online shoppers with two or more years' experience online stated that quick page loading is important to their site loyalty** (compared with only 31 percent of online shoppers with less than two years' experience online). **Shoppers with greater tenure are also more influenced by a rapid checkout process** (48 percent of shoppers with two or more years' experience versus only 35 percent of shoppers with less online tenure). As users gain experience online, they develop greater expectations for site performance. Given the inevitable progression in the sophistication of online shoppers, retailers are encouraged to understand and meet the expectations of the ever-maturing segment of online shoppers.

Shoppers who spend more money online (and thus are considered more valuable) tend to be especially critical of a retail site's performance as well. **Fifty-five percent of online shoppers who spend more than \$1,500 online per year insist on pages loading quickly** (compared with only 40 percent of online shoppers who spend \$1,500 or less).

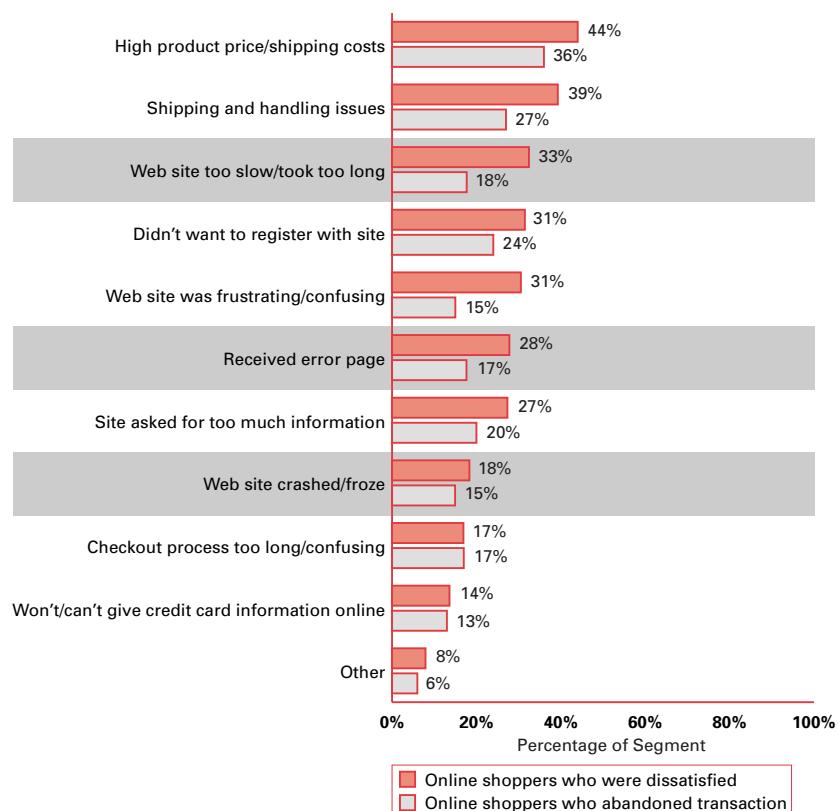
## A Retail Web Site That Performs Poorly Will Lead to Disgruntled Shoppers

**Fig. 2 Reasons for Online Shoppers' Dissatisfaction with or Abandonment of Retail Sites**

Question: Thinking of the last time you were shopping at a store Web site but were not satisfied with the experience, which of the following best describes why you were not satisfied? (Select all that apply.) Thinking of the last time you visited a Web site where you intended to buy a product but did not finish the online purchase, which of the following best describes why you did not complete the transaction? (Select all that apply.)

Source: JupiterResearch/Ipsos-Insight Akamai Consumer Survey (4/06), n = 861 (online shoppers who abandoned a transaction, US only), n = 845 (online shoppers who were dissatisfied, US only)

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Second only to issues related to shipping and product pricing, poor site performance leads to a significant number of dissatisfied shoppers. **Thirty-three percent of online shoppers who indicated they have been dissatisfied with a recent experience attributed their dissatisfaction to the Web site being too slow or taking too long to render.** Another 28 percent attributed their dissatisfaction to error messages they received. Finally, 18 percent stated that the Web site either crashed or became unresponsive (i.e., froze) on them.

Figure 2 also looks at online shoppers who went so far as to abandon a retailer's Web site. Unfortunately, retailers cannot assume that shopper site abandonment is predominantly the result of any single problem. **Yet, more than one-third of shoppers who were dissatisfied with a retail site's performance (i.e., Web site too slow, site crash, error message received) actually abandoned the site as well.**

In terms of when dissatisfied shoppers abandon retail sites, 53 percent never reached checkout, while 47 percent never finished a checkout process that they had begun. Lost loyalty and shopper abandonment can be devastating to an online retailer. **Retailers are urged to evaluate their site's overall performance and take the proper steps toward eliminating site performance deficiencies—a set of problems that are easily remedied with an improved site infrastructure.**

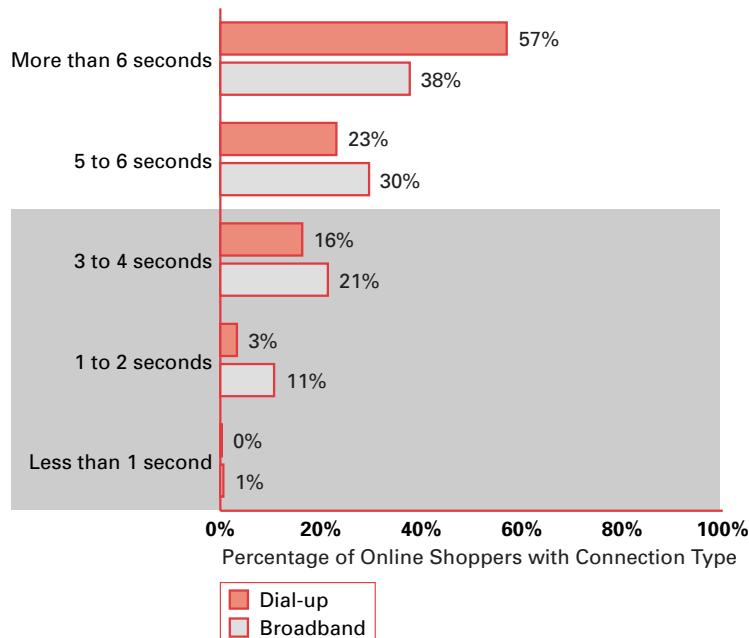
## Web Page Rendering Should Be Kept to No More than Four Seconds

**Fig. 3 Length of Time Online Shoppers Will Wait for Web Page to Render, by Connection Type**

Question: Typically, how long are you willing to wait for a single Web page to load before leaving the Web site? (Select one.)

Source: JupiterResearch/Ipsos-Insight Akamai Consumer Survey (4/06), n = 469 (online shoppers with dial-up connection at primary online shopping location), n = 572 (online shoppers with broadband connection at primary online shopping location)

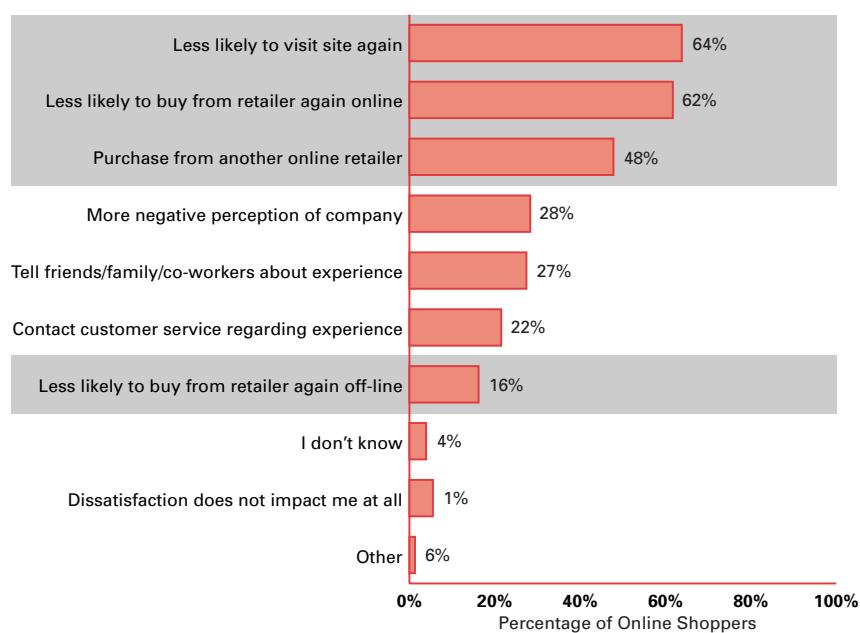
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When it comes to page rendering, retailers must consider how well the site must perform in order to minimize shopper dissatisfaction. Based on recent survey data, **JupiterResearch recommends that retailers make every effort to keep page rendering to no longer than four seconds**. Overall, 28 percent of online shoppers will not wait longer than four seconds for a Web site page to load before leaving. Broadband users are even less tolerant of slow rendering. A full one-third of online shoppers with a broadband connection are unwilling to wait more than four seconds (compared with 19 percent of online shoppers with a dial-up connection). Consumers who have already invested in a high-speed Internet connection do so with the expectation that pages will load quickly. And, based on current availability, pricing, and adoption rates, JupiterResearch expects broadband adoption to reach nearly 78 percent of online households (or 58 percent of all US households) by 2010. **The prevalence of broadband-connected online shoppers will continue to grow, and retailers must meet their expectations accordingly.**

## Shopper Dissatisfaction Can Lead to Devastating Results: Lost Sales and Tarnished Brands

**Fig. 4 Consequences of Online Shoppers' Dissatisfaction with Retail Site Performance**

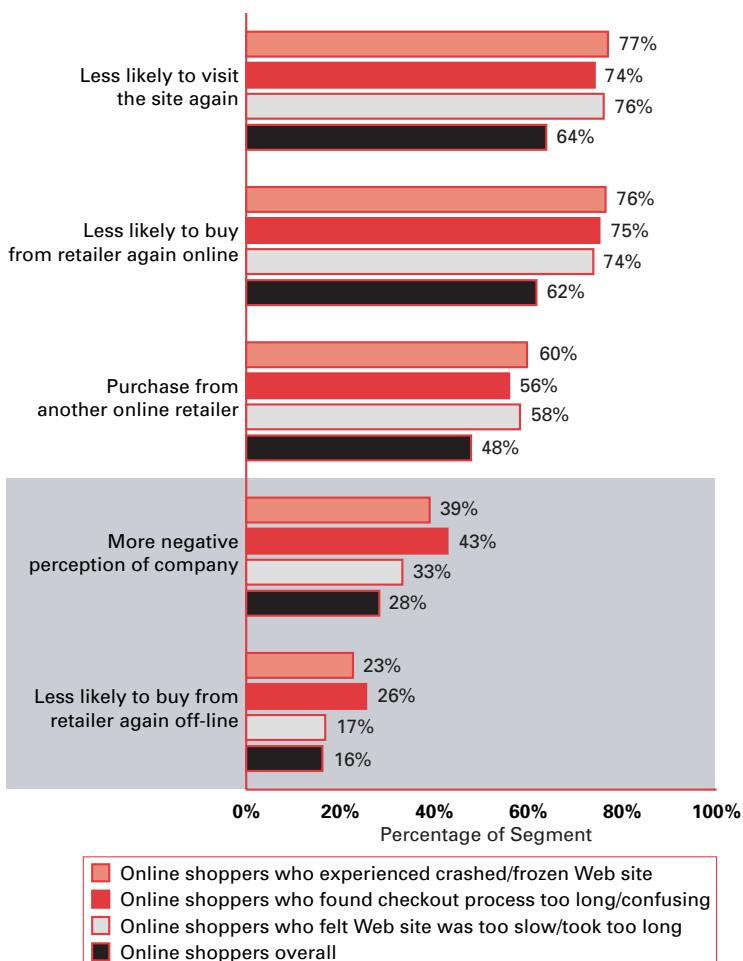


Shoppers have been frustrated and dissatisfied with retail Web sites for a number of reasons. The majority of these dissatisfied online shoppers indicated they would not hesitate to take their business elsewhere. **Sixty-four percent of dissatisfied online shoppers indicated they were less likely to visit the online retailer in the future**, while 62 percent would be less likely to buy from the site again. Forty-eight percent went so far as to say they would simply make their intended purchases from an online competitor. Dissatisfaction is not limited to the online environment, either. **Sixteen percent of dissatisfied online shoppers indicated they were less likely to buy from the merchant's off-line stores.**

**Lost sales are the most obvious consequence of customer frustration, but many shoppers indicated the overall brand or image of the company would suffer as well.** When faced with a dissatisfying shopping experience, 28 percent of online shoppers are more likely to develop a more negative perception of the company, and 27 percent will tell their friends and family about the experience. This is especially true for higher-value shoppers (online shoppers who spent more than \$1,500 online during the last year): 40 percent indicated they would hold a negative opinion of the retailer (compared with 28 percent of shoppers who spend \$1,500 or less per year online).

## Sites That Don't Perform Adequately Are Losing Customers as Well as Damaging Their Reputations

**Fig. 5 Consequences of Online Shoppers' Dissatisfaction with Retail Site Performance, by Cause of Dissatisfaction**



Note: Only key responses are included.  
Question: If you find yourself dissatisfied with a shopping experience online, which of the following are you likely to do?  
(Select all that apply.)

Source: JupiterResearch/Ipsos-Insight  
Akamai Consumer Survey (4/06),  
n = 1,058 (online shoppers, US only)  
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A deeper analysis of the consequences retailers can expect from online shoppers who experience specific site performance deficiencies yields an even harsher reality. **Roughly 75 percent of online shoppers who experience a site freezing or crashing, that is too slow to render, or that involves a convoluted checkout process would no longer buy from that site.** Fifty-six percent to 60 percent of these shoppers indicated they would purchase from a competitive retailer's site.

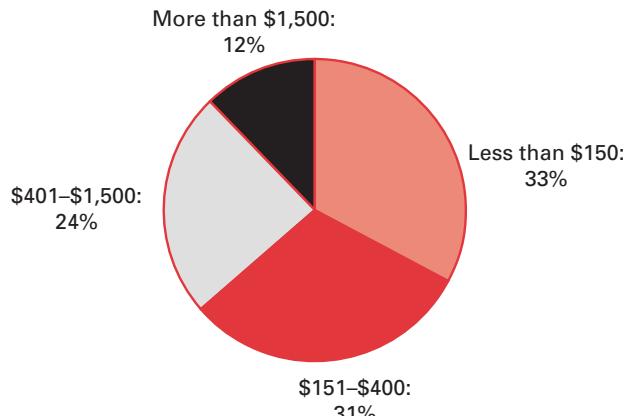
**In addition, 39 percent to 43 percent of online shoppers who experience a site freezing or crashing, or one that involved a convoluted checkout process, develop a more negative perception of the company.** Twenty-three percent to 26 percent of these shoppers would no longer buy from that merchant's off-line store.

**The consequences for an online retailer whose site underperforms include diminished goodwill, negative brand perception, and, most important, significant loss in overall sales.** Because such issues are preventable with the proper site architecture and supporting infrastructure, JupiterResearch encourages retailers to take the steps necessary to minimize Web site breakdowns.

## Appendix

All 1,058 respondents to JupiterResearch's consumer survey researched and/or purchased products online in the past 12 months.

**Fig. 6 Online Buyers by Annual Online Spending**



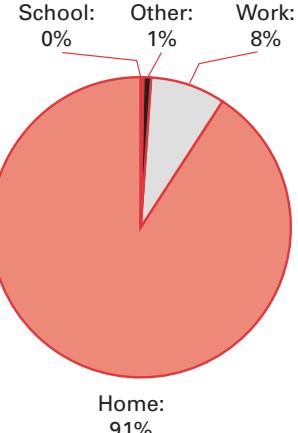
Question: How much have you spent shopping online in the past 12 months? (Select one.)

Source: JupiterResearch/Ipsos-Insight  
Akamai Consumer Survey (4/06), n = 860  
(online buyers, US only)

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In addition, online buyers range from spending as little as \$150 to more than \$1,500 online over the last 12 months. Sixty-four percent of online buyers spent less than \$400 online during the last 12 months.

**Fig. 7 Primary Location for Online Shopping or Product Research**



Question: From where do you most often shop or research products online? (Select one.)

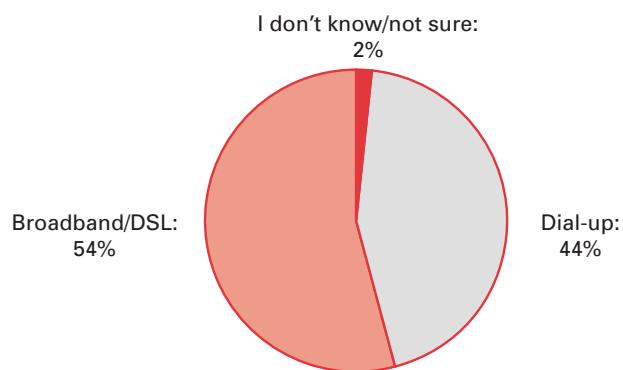
Source: JupiterResearch/Ipsos-Insight  
Akamai Consumer Survey (4/06),  
n = 1,058 (online shoppers, US only)  
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Ninety-one percent of online shoppers indicated they primarily shop or research products online from their home, while only eight percent indicated they do so from their place of business.

**Fig. 8 Primary Internet Connection at Location Where Online Shoppers Most Often Conduct Online Shopping or Product Research**

Question: What is the primary Internet connection from the location where you most often shop or research products online? (Select one.)

Source: JupiterResearch/Ipsos-Insight Akamai Consumer Survey (4/06),  
n = 1,058 (online shoppers, US only)  
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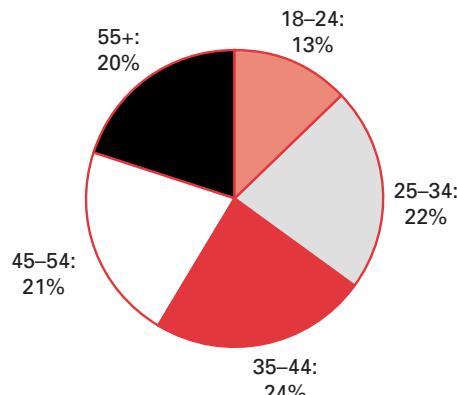


In addition, 54 percent of online shoppers use a broadband connection at the location where they do most of their online shopping, while only 44 percent use a dial-up connection.

**Fig. 9 Online Shoppers by Age**

Question: Please indicate your age.  
(Select one.)

Source: JupiterResearch/Ipsos-Insight  
Akamai Consumer Survey (4/06),  
n = 1,058 (online shoppers, US only)  
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Online shoppers are fairly evenly distributed across several age groups, led by those ages 35 to 44 (24 percent).

• REPORT METHODOLOGY •

## Report Methodology

The core of JupiterResearch's products is the perspective and opinion of JupiterResearch's professionals. JupiterResearch's analysts are immersed in the industries they cover through ongoing contact with corporate and technology leaders, daily study of trends and events in the online world, and their collective professional experience. Individual analysts' perspectives are filtered through rigorous collective debate and deliberation, producing research that reflects the combined sensibility of JupiterResearch's entire team.

Analysts' perspectives are enhanced and refined through JupiterResearch-designed market research. JupiterResearch uses many data research tools, including consumer surveys, systematic polling of leading industry executives, comScore Media Metrix measurement data, and a rigorous approach to building market forecasting models. Specialists with JupiterResearch's data research group assist analysts in the technical development of these tools, such as survey design, sample building, data weighting, and data analysis.

This report benefited from the specific market research project described below.

### JupiterResearch/Ipsos-Insight Akamai Consumer Survey

In April 2006, JupiterResearch designed and fielded a survey to online consumers selected randomly from the Ipsos US online consumer panel. A total of 1,058 individuals responded to the survey. Respondents were asked approximately 15 closed-ended questions about their behaviors, attitudes, and preferences as they relate to buying and researching products and services online. Respondents received an e-mail invitation to participate in the survey with an attached URL linked to the Web-based survey form. The samples were carefully balanced by a series of demographic and behavioral characteristics to ensure that they were representative of the online population. Demographic weighting variables included age, gender, household income, household education, household type, region, market size, race, and Hispanic ethnicity. Additionally, JupiterResearch took the unconventional step of weighting the data by AOL usage, online tenure, and connection speed (broadband versus dial-up), three key determinants of online behavior. Balancing quotas are derived from JupiterResearch's Internet Population Model, which relies on US Census Bureau data and a rich foundation of primary consumer survey research to determine the size, demographics, and ethnographics of the US online population. The survey data are fully applicable to the US online population within a confidence interval of plus or minus three percent.

In this survey effort, JupiterResearch worked with its research partner, Ipsos-Insight, on the technical tasks of survey fielding, sample building, balancing, and data processing. Ipsos-Insight is one of the largest market research companies in the US and maintains a general research panel of 400,000 households. Ipsos-Insight also has access to the Ipsos US Online Panel, which comprises two million Internet users, offering JupiterResearch an easy way to target and survey current online users. Panel-based market research enables researchers to have baseline knowledge of each survey respondent, increase survey participation rates, and permit careful rationing of survey fielding to reduce survey burnout.

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