



Market Data / Supplier Selection /
Event Presentations / User Experience
Benchmarking / Best Practice /
Template Files / Trends & Innovation



Reducing Customer Struggle 2013

in association with IBM Tealeaf

Reducing Customer Struggle 2013

in association with IBM Tealeaf



Published June 2013

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording or any information storage and retrieval system, without prior permission in writing from the publisher.

Copyright © Econsultancy.com Ltd 2013

Econsultancy London
4th Floor, Farringdon Point
29-35 Farringdon Road
London EC1M 3JF
United Kingdom

Telephone:
+44 207 269 1450

<http://econsultancy.com>
help@econsultancy.com

Econsultancy New York
350 7th Avenue, Suite 307
New York, NY 10001
United States

Telephone:
+1 212 971 0630

Contents

1. Executive Summary and Highlights	5
1.1. About Econsultancy	10
1.2. About IBM Tealeaf	11
2. Foreword by IBM Tealeaf	12
3. Methodology and Sample	13
3.1. Methodology	13
3.2. Respondent profiles	13
3.2.1. Business objectives	14
4. Findings	15
4.1. Understanding the digital customer experience	15
4.1.1. Understanding types of customer behaviour	15
4.1.2. Value of different types of customer behaviour	17
4.1.3. Difficulty collecting information about customer behaviour	18
4.1.4. Understanding the overall online customer experience	19
4.1.5. Methods used for understanding the customer experience..	21
4.1.6. Effectiveness of different methods	22
4.1.7. Responsibility for online customer experience	24
4.1.8. Barriers to understanding the online customer experience .	25
4.2. Problems or issues with the online experience	27
4.2.1. Discovering issues with the online experience.....	27
4.2.2. Effectiveness of different approaches to identifying problems	28
4.2.3. Most common website issues	30
4.2.4. Most serious website issues	31
4.2.5. Quantifying lost revenue.....	33
4.2.6. Measuring differences in conversion rates.....	34
4.2.7. Prioritising problems and issues customers face online	35
4.2.8. Business initiatives to improve customer experience quality	36
4.3. Use of customer channels	37
4.3.1. Change in investment in customer channels	37
4.3.2. Quality of customer experience for different channels	38
4.4. Integrating online with offline channels	39
4.4.1. Visibility into online customer activity.....	39



4.4.2.	Rating of multichannel customer experience.....	41
4.4.3.	Integrating the digital and physical experience	42
4.5.	Mobile customer experience	44
4.5.1.	Importance of mobile to business objectives	44
4.5.2.	How customers interact with companies via mobile devices.....	45
4.5.3.	Use of mobile platforms.....	46
4.5.4.	Mobile optimisation.....	47
4.5.5.	Proportion of traffic via mobile devices	48
4.5.6.	Understanding the mobile user experience	49
4.5.7.	How customers rate the mobile user experience	52
4.5.8.	Most serious mobile issues	53
4.5.9.	Responsibility for mobile customer experience	54
5.	Appendix: Respondent Profiles	55
5.1.	Business sector	55
5.2.	Geography.....	56
5.3.	Size of company by revenue	57

1. Executive Summary and Highlights

This is the third annual **Reducing Customer Struggle** report, published by Econsultancy in association with **IBM Tealeaf**. The research is based on a global online survey of more than 500 business professionals working for companies involved in ecommerce and e-business. The survey was conducted in March and April 2013.

The report looks in detail at the extent to which companies understand the overall customer experience across online and offline channels and the approaches or types of technology they use to identify and address issues.

This year's survey explored in more detail how well companies understand the **mobile user experience**, what mobile platforms they use, and the most serious issues encountered by customers when they interact via mobile devices.

The key findings are summarised below:

1. Increased investment and focus on mobile channels but optimisation challenges remain

Almost three-quarters (72%) of companies surveyed plan to ramp up their mobile investment this year, while a similar proportion of respondents say that mobile is either 'critical' (32%) or 'important' (42%) to their business objectives.

The importance of focusing on the mobile customer experience is evidenced by the increased amount of traffic attributable to mobile devices, reflecting the increased importance of mobile both as a transactional channel and as part of multichannel consumer behaviour.

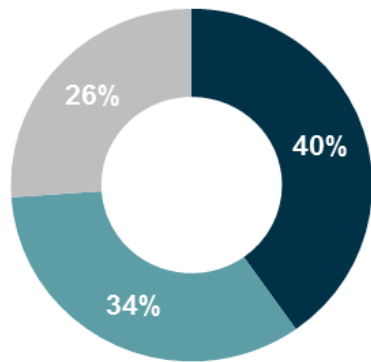
- The proportion of respondents who say that mobile accounts for more than 20% of their traffic has more than doubled in the last 12 months, from less than a fifth (17%) in 2012 to 41% this year. On average, survey respondents indicate that 19% of their total traffic can be attributed to mobile (up from 17% last year).
- The proportion of customers *purchasing products directly using a mobile device* has also increased, with around half (48%) of organisations surveyed reporting transactional mobile activity (up from 43% last year). Three in five respondents indicate that their customers *research products for later purchase online* (60%, up from 58% last year), while 44% say they *research products for later purchase offline* (up from 41% last year).

The proportion of organisations rating the quality of customer experience via mobile as 'poor' has almost halved in the last two years, from around half (46%) in 2011 to 26% this year.

Similarly, **only 5% of respondents rate their understanding of the mobile user experience as 'poor'**, compared to 12% last year. The proportion of those describing their understanding as 'good' or 'excellent' has almost doubled in the last 12 months, from just under a fifth (18%) in 2012 to 30% this year.

An increasing number of organisations are finally realising that mobile channels can no longer be neglected, but it's not all good news. Understanding the role of mobile in the overall customer journey and optimising the user experience for mobile devices is not as simple as flipping a switch and replicating the same approach that was used for the desktop web.

40% of companies agree that ‘delivering positive customer experiences is harder on mobile than the web’



■ Agree ■ Neutral ■ Disagree



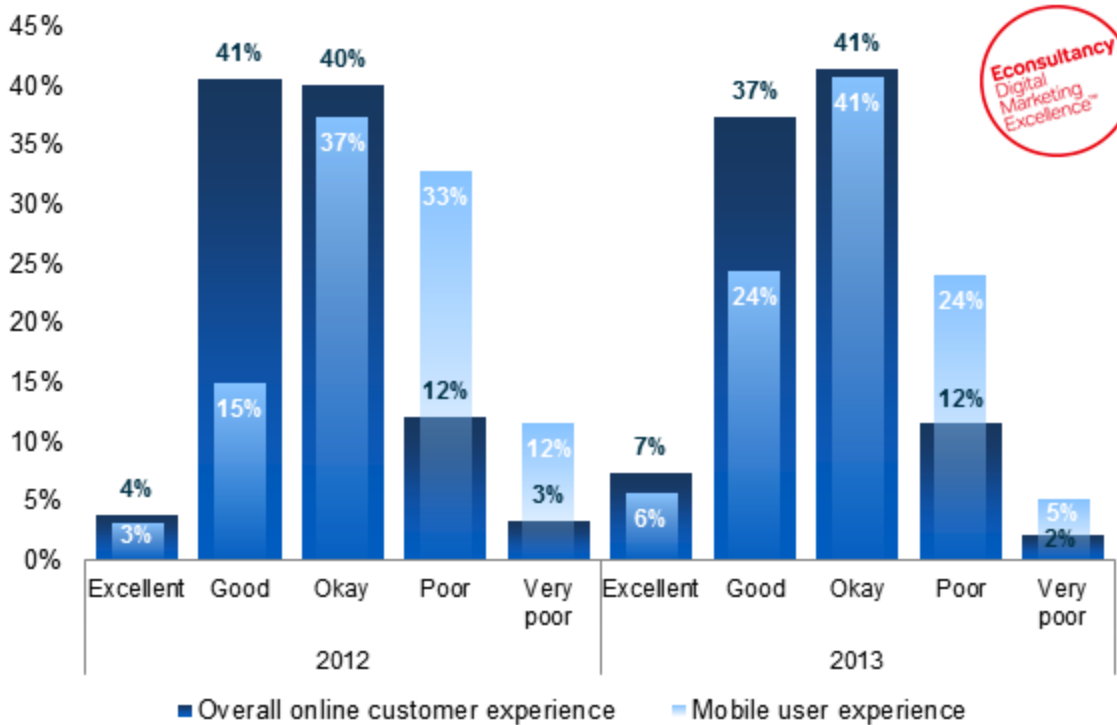
Survey respondents were asked if they agreed or disagreed with some statements and **two in five companies (40%) believe that delivering customer experiences is harder on mobile than the web.**

Last year, we highlighted a significant discrepancy in how companies specifically rate their understanding of the mobile experience for their customers, compared to the overall online experience. We’ve again sought to analyse this in more detail and while the gap between the two has started to narrow in the last 12 months, companies are still playing catch-up.

Just under a third (30%) of responding organisations describe their understanding of the mobile user experience as ‘excellent’ or ‘good’, compared to 44% for the overall online experience. In 2012, less than a fifth (18%) said they had a good or excellent understanding of the

mobile experience (compared to 45% for the overall online experience).

Figure 1: How companies rate their understanding of the mobile user experience (compared to the overall online customer experience)



In terms of how companies optimise for mobile, **around half of responding organisations indicated they use responsive design (client-side)¹**, while only a fifth (22%) use *adaptive design* (server-side). This shows that many companies are just trying to make an existing website work acceptably well on mobile devices, rather than build the mobile experience from the ground

¹ With responsive design, the device itself does the work when it comes to displaying the re-sized images and optimised layout. In the case of adaptive design, the server does the work and delivers the page already optimised.



up. While adaptive design might seem the better choice because it allows you to go the extra mile and take advantage of the additional features mobile devices have to offer, it's not always black and white.

The technical differences between the two approaches are not paramount; companies should be focused on ensuring that content is optimised for their audiences no matter what devices they're using rather than getting bogged down in technical debates.

Other mobile-related findings include:

- When looking at the issues customers encounter when they interact with companies via mobile devices, **bad navigation / poor 'findability' has emerged as the most serious issue**. Just over a third (36%) say that this is the most serious issue for their customers, up from 28% last year. The proportion of organisations singling out *form-filling problems* has also increased in the last 12 months, from 18% in 2012 to 26% this year.
- Compared to European respondents, a higher proportion of those based in North America consider mobile to be 'critical' to their business objectives – 39% compared to 27% of those based in Europe.
- More than half (55%) of companies surveyed indicated they have developed a **mobile optimised site**, with around two in five (44%) saying they developed an iPhone app and 33% having developed an Android phone app.
- North American organisations are more likely to have a dedicated mobile team than those based in Europe, with just over a quarter (28%) saying this is the case (compared to 11% of European respondents).
- Survey respondents were also asked if there are any specific challenges they face when trying to address the mobile customer experience. Analysis of verbatim answers revealed that many organisations are plagued with disjointed internal processes and the lack of dedicated mobile teams only exacerbates this problem.
- This is also evident from the quantitative analysis, with **only 14% of companies surveyed saying they have a dedicated mobile team**. For just over a third (38%) of respondents, the ecommerce team is ultimately responsible for the mobile experience. Marketing (25%) is the department next most likely to be responsible for this.

2. Companies continue to wrestle with familiar customer experience challenges

While mobile is a focus for many companies, it is clear from this year's research that **wider online customer experience challenges still remain for many organisations**, both in terms of understanding customer struggle and also addressing pain points.

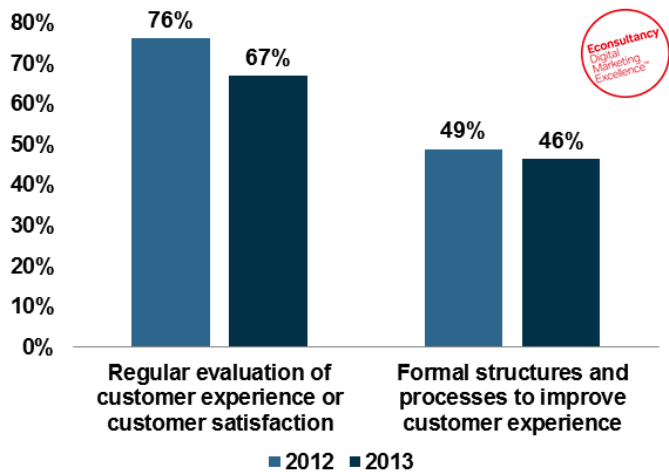
The proportion of organisations rating their understanding of the overall online customer experience as 'excellent' **has increased from 4% in 2012 to 7%** this year. A further 78% of respondents say their company has a 'good' or 'okay' understanding.

As was the case last year, respondents are more likely to say they have a good understanding of how customers behave during the initial, awareness stages of the sales funnel. Where companies have *least* understanding is around the purchase stages, more specifically around the reasons behind cart abandonment.

- Information relating to **conversion rate optimisation** is highly valued, but this is also the information they find most difficult to collect, with the vast majority of companies finding it difficult to collect information relating to the reasons *people abandon the shopping cart* (85%) and *leave the site without converting* (83%).
- Encouragingly, companies are twice as likely to have an 'accurate idea' of how much online revenue is lost through site abandonment (15% compared to 7% last year). The proportion of

those who have a 'vague idea' has also increased, from around a third (32%) in 2012 to 43% this year.

When it comes to **problem prioritisation and resolution**, companies are still finding it difficult to adopt an integrated approach to addressing the issues their customers encounter and improve the quality of the digital experience. While 67% of responding companies undertake *regular evaluation of customer experience or customer satisfaction*, the proportion of companies doing this has declined by 9% (from 76%) in the last 12 months. Companies are also **less likely to have formal structures and processes in place**, with 46% of organisations now doing this (down from 49% in 2012).



The research also explored the extent of integration between online and offline channels. The proportion of responding organisations indicating that the offline parts of their business have little or no visibility of online customer activity has increased from 61% in 2012 to 67% this year. Companies are also **less likely to describe the understanding of the multichannel customer experience as 'excellent'**, with only 4% indicating this (compared to 6% last year).

Other findings include:

- **Digital experience (session) replay has emerged as the most effective method in helping to understand the customer experience**, with three in five companies considering it 'very' effective. However, only a quarter (28%) of companies use this method. *Digital experience replay* is also considered the most effective method for identifying problems or issues with the digital experience, with the proportion of organisations saying this is a 'very' effective method increasing by 10% in the last 12 months.
- Although there has been a slight increase in the number of companies using *voice of the customer* (+4%) and *social listening* (+2%) tools, the proportion of those considering them effective has continued to decline. Although **more than half of organisations agree that social gives them 'insight into what is working and what is not'**, social tools are considered to be among the least effective (together with *offline surveys*).
- When looking specifically at **how organisations integrate the digital and physical experience**, it's evident that most focus on basic functionality, such as including *information about offline locations, contact details and opening hours* on their websites (63%). The next most popular methods of integrating the digital and physical experience are establishing a *social presence for offline products or services* (38%) and *mobile or local search engine optimisation* (31%).
- For just over two-thirds (70%) of companies surveyed, the **ecommerce or digital team is responsible for the online customer experience**. *Marketing* (58%) is the next most likely department to be responsible for this.
- A higher proportion of North American respondents say their business is able to accurately quantify the revenue they lose through site abandonment – 20% compared to 13% of European respondents.
- The proportion of companies who measure the difference in conversion rates between visitors who have experienced specific website issues, and those who don't experience any issues, has increased by 9% in the last 12 months.



The survey has again explored the **most common and most serious issues customers encounter on websites**. The proportion of companies saying that *bad navigation or poor findability* is the most common issue has **decreased by 16%** since last year's survey. However, over half (57%) of those surveyed consider it the most serious issue, up from 54% in 2012. It's also worth noting that *security or trust issues* (7%) are least common, but organisations are twice as likely (14%) to consider them serious.

1.1. About Econsultancy

Econsultancy is a [global independent community-based publisher](#), focused on best practice digital marketing and ecommerce, and used by over 400,000 internet professionals every month.

Our hub has 200,000+ subscribers worldwide from clients, agencies and suppliers alike with over 90% subscriber retention rate. We help our subscribers build their internal capabilities via a combination of research reports and how-to guides, training and development, consultancy, face-to-face conferences, forums and professional networking.

For the last 10 years, our resources have helped subscribers learn, make better decisions, build business cases, find the best suppliers, accelerate their careers and lead the way in best practice and innovation.

Econsultancy has offices in London, New York, Sydney and Singapore and we are a leading provider of digital marketing training and consultancy. We are providing consultancy and custom training extensively across Europe, Asia and the US. We train over 5,000 marketers each year.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 971 0630 (New York). You can also [contact us online](#).

Other related Econsultancy reports

Ecommerce Best Practice Compendium

<http://econsultancy.com/reports/e-commerce-best-practice-compendium>

Quarterly Digital Intelligence Briefing: Digital Trends for 2013

<http://econsultancy.com/reports/quarterly-digital-intelligence-briefing-digital-trends-for-2013>

The Realities of Online Personalisation

<http://econsultancy.com/reports/the-realities-of-online-personalisation-report>

Cross-Channel Marketing Trends Briefing: Digital Cream London 2013

<http://econsultancy.com/reports/cross-channel-marketing-trends-briefing-digital-cream-london-2013>

Marketing Attribution Management Buyer's Guide 2013

<http://econsultancy.com/reports/marketing-attribution-management-buyers-guide>

How the Internet Can Save the High Street

<http://econsultancy.com/reports/how-the-internet-can-save-the-high-street>

The Multichannel Retail Survey

<http://econsultancy.com/reports/the-multichannel-retail-survey>

Customer Experience & Engagement Statistics

<http://econsultancy.com/reports/customer-experience-statistics>



1.2. About IBM Tealeaf

IBM Tealeaf is a leading provider of digital customer experience management (CEM) and customer behavior analysis solutions. IBM Tealeaf CEM solutions enable companies to better understand the “why” of a customer’s online and mobile interactions to enhance the customer experience.

IBM Tealeaf CEM solutions extend IBM’s quantitative web and digital analytic capabilities in Coremetrics and Unica solutions with qualitative analytics capabilities to record, replay and analyze a customer’s digital interactions.

To find out more about IBM Tealeaf’s CEM solutions contact us on +44 (0) 845 87 20 120 (UK) or +1 415 495 8000 (US) or visit our website <http://www.ibm.com/software/marketing-solutions/tealeaf/>.



2. Foreword by IBM Tealeaf

The mobile revolution is happening. At the end of 2012, there were a staggering 6.8 billion mobile subscriptions globally. That is equivalent to 96% of the world population.²

What's more, one in six handsets are now smartphones³ and by 2016, annual smartphone shipments worldwide will account for more than half of all handsets shipped.⁴

So it doesn't come as a surprise to any of us that mobile devices are rapidly becoming the primary medium to access the internet to check email, book flights, shop online and interact with social media.

But how are brands around the world dealing with mobile? Are they embracing it? Shunning it? Or, running scared? That's exactly what we wanted to find out in our third and latest, Reducing Customer Struggle Report from Econsultancy.

The mobile explosion of the past 12 months has been phenomenal and in this year's study we wanted to delve deeper into the mobile customer experience. After all, as we found in last year's report, customers expect you to have a perfect mobile specific website and a mobile app and they increasingly expect the experience delivered by both of these to be second to none.

But here's the catch, customer expectation today on mobile devices is higher than ever. If the mobile experience isn't right first time, customers won't come back.

Most organisations do understand and recognise the importance of mobile channels but they don't always get it right. This has to change. Now. In the next two years everything will become mobile and access to the internet via a mobile device will become the 'norm'.

Companies only have one chance with mobile and if they get it wrong, they risk losing out in an increasingly mobile world.

Get it right, and you will reap the rewards. And this report will help you do just that. It will give you an insight into what customers want, enhance your understanding of the user journey and enable you to identify consumer personas. All the while, helping you to deliver a customer experience strategy that works for your business and your customers.

Geoff Galat
Vice President Marketing
IBM Tealeaf

² [*The International Telecommunications Union \(February 2013\)*](#)

³ [*Portio Research \(January 2013\)*](#)

⁴ [*Portio Research \(January 2013\)*](#)

3. Methodology and Sample

3.1. Methodology

The **Reducing Customer Struggle** report is based on an international online survey of more than 500 business professionals working for companies involved in ecommerce and e-business. The survey was live during March and April 2013.

Econsultancy promoted the survey to its community of digital marketers and ecommerce professionals, offering a complimentary copy of this report as the incentive for taking part. IBM Tealeaf, the research sponsor, also promoted the survey to its contacts.

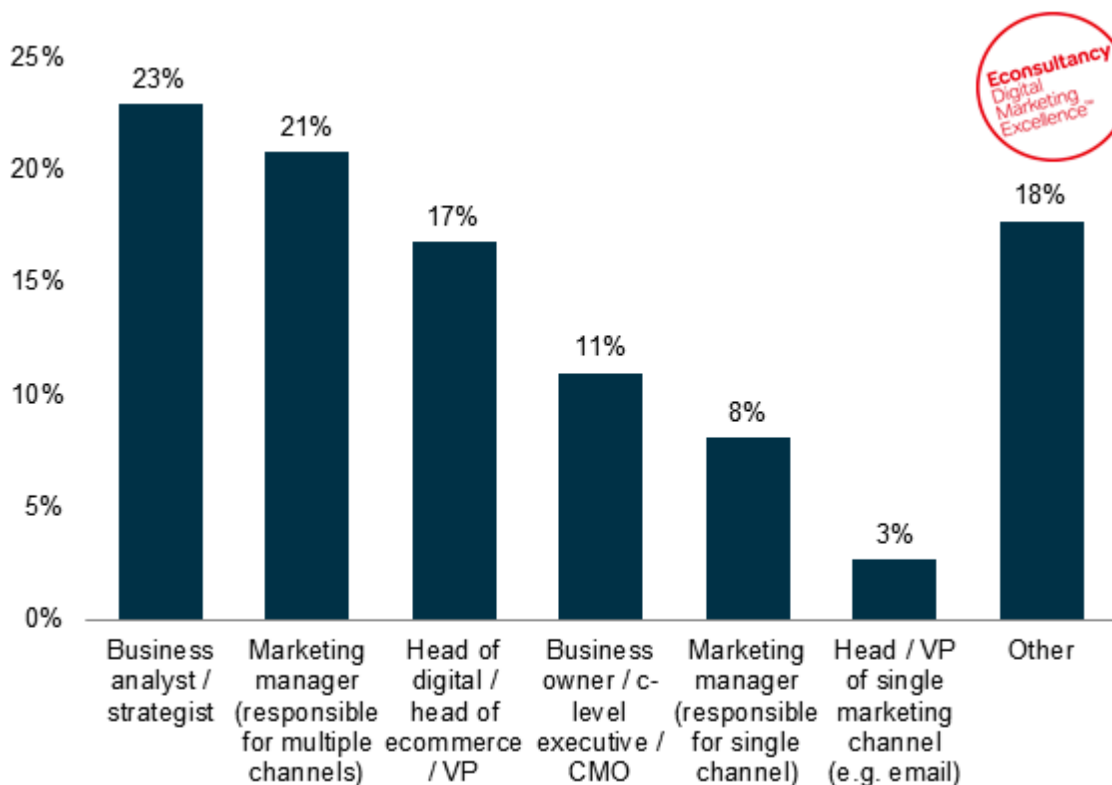
If you have any questions about the research and methodology, please email Linus Gregoriadis at Econsultancy (Linus@econsultancy.com).

3.2. Respondent profiles

A total of 582 respondents who are *employees at an ecommerce or e-business company* took part in the survey. The best represented geographies were the UK (44%) and North America (25%). For a more detailed profiling of respondents, see *Section 5*.

The chart below shows that survey respondents are typically senior within a business, with just under a third classifying themselves either as *heads of digital or ecommerce / VPs* (17%) or *business owners / C-level executives / CMOs* (11%). Over a quarter of respondents are *marketing managers* responsible either for *multiple channels* (21%) or for a *single channel* (8%).

Figure 2: Which best describes your level or position within the company?



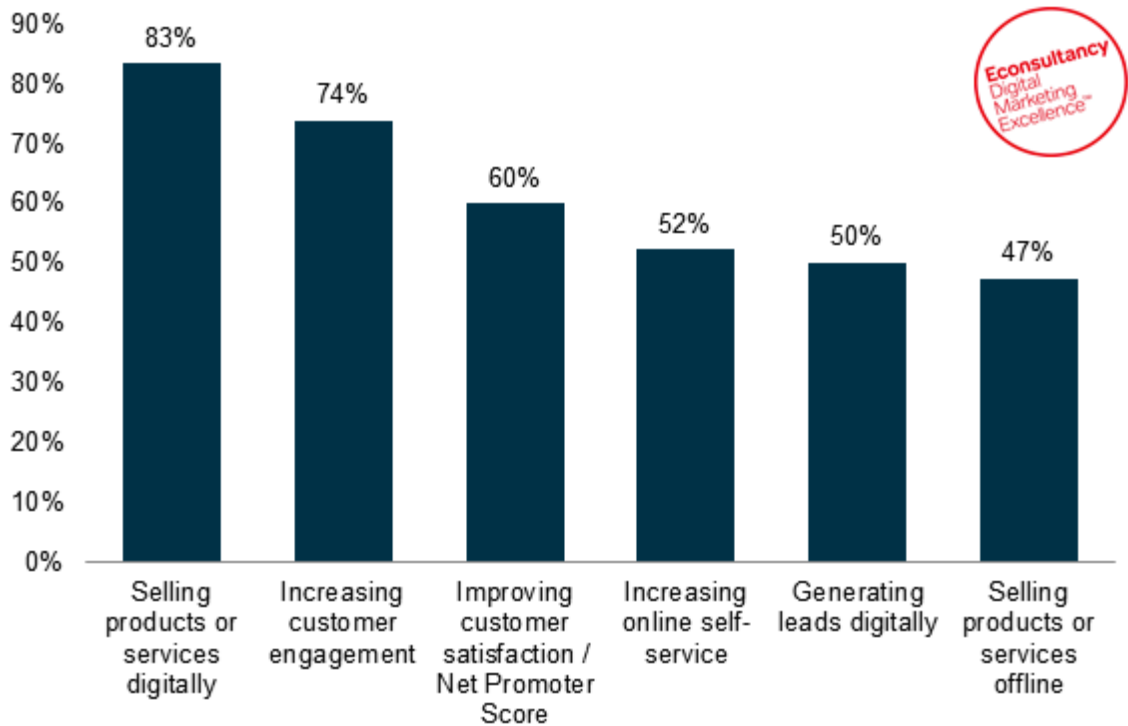
Respondents: 519



3.2.1. Business objectives

As seen in *Figure 3*, *selling products or services digitally* is the main business objective, relevant for the vast majority of respondents (83%). The next most cited objectives are *increasing customer engagement* (74%), *improving customer satisfaction / Net Promoter Score* (60%) and *increasing online self-service* (52%).

Figure 3: Which of the following business objectives are relevant for your business?



Respondents: 518



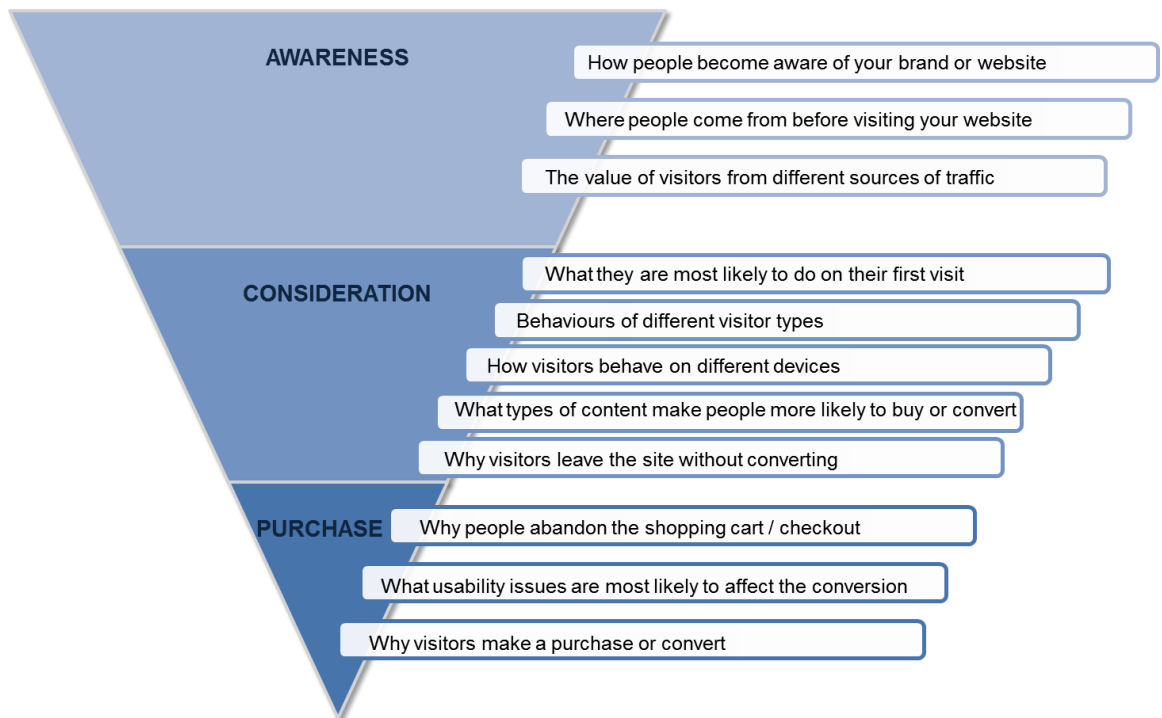
4. Findings

4.1. Understanding the digital customer experience

4.1.1. Understanding types of customer behaviour

In this year's research, we have again sought to understand in more detail how well companies understand different types of customer behaviour along various stages of the sales funnel (awareness, consideration and purchase). We have also analysed how valuable that information is ([Section 4.1.2](#)), and how difficult it is to collect it ([Section 4.1.3](#)).

Figure 4: Sales funnel stages

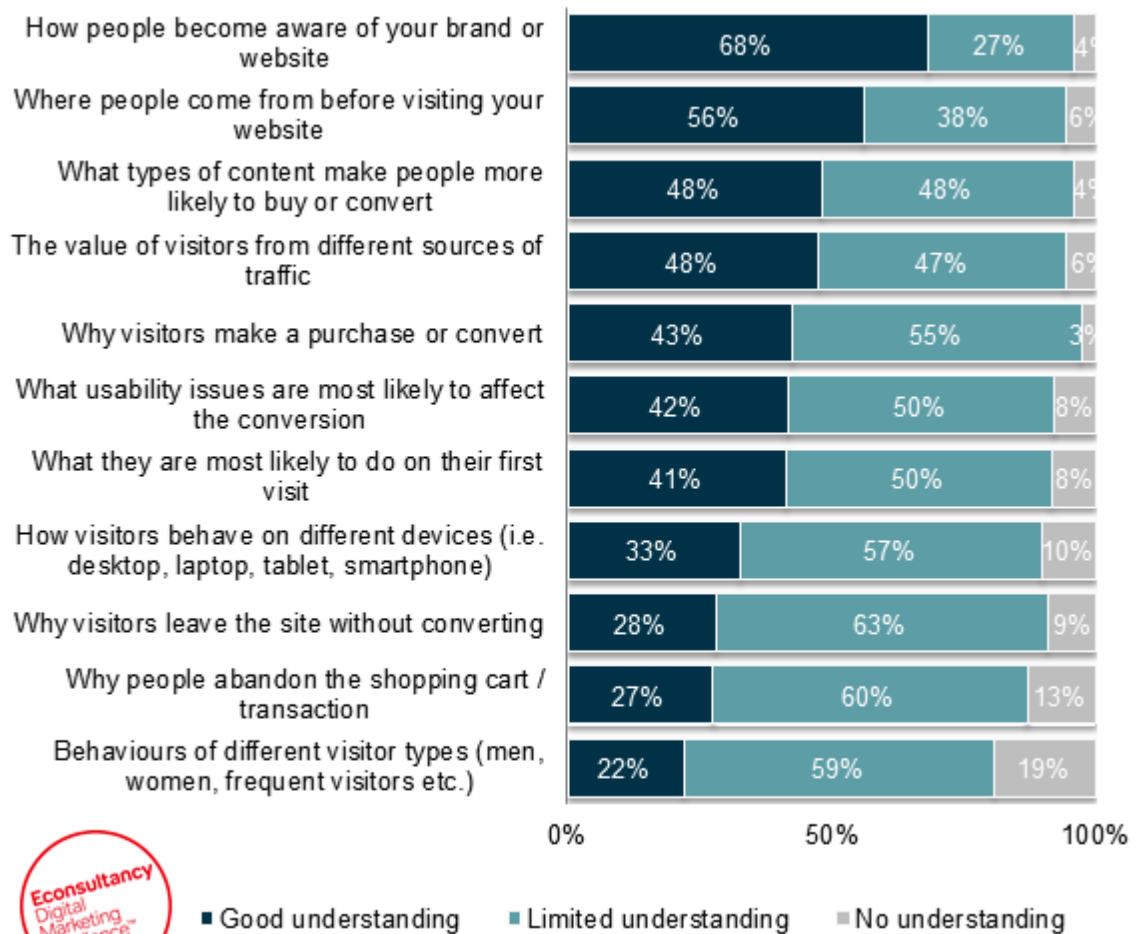


From a range of types of customer behaviour, respondents are most likely to say that they have a 'good understanding' of *how people become aware of their brand or website* (68%) or *where people come from before visiting their website* (56%) [[Figure 5](#)].

Companies also have a better understanding of what *types of content make people more likely to convert* (48%), the *value of visitors from different sources of traffic* (48%) and the reasons for *making a purchase* (43%).

At the opposite end of the spectrum, companies are more likely to have 'limited' or 'no understanding' of *behaviours of different visitor types* (78%) or the reasons for *abandoning the shopping cart or transaction* (73%).

Figure 5: How well does your company understand the reasons for the following activity?



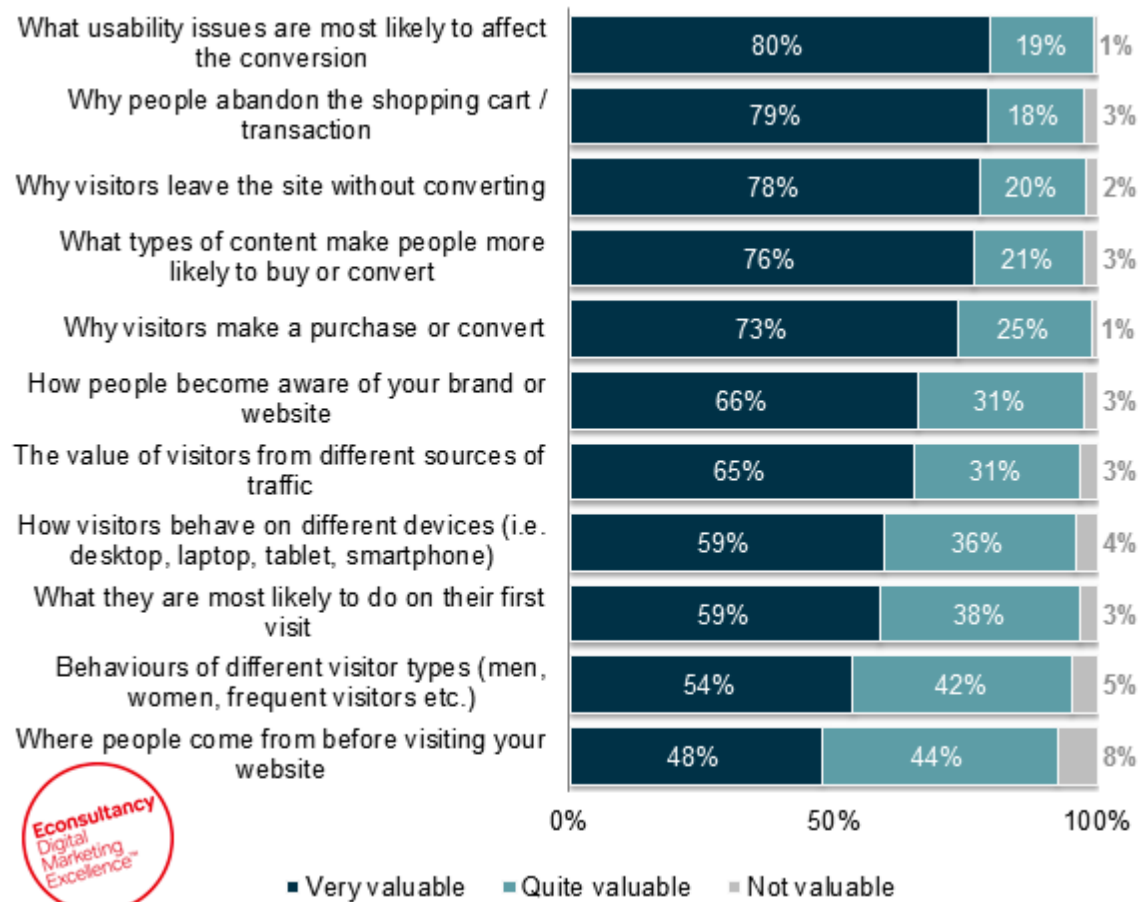
Respondents: 475

4.1.2. Value of different types of customer behaviour

As the chart below shows, the vast majority of companies consider that knowing *what usability issues are most likely to affect the conversion* is 'very valuable' (80%). Information relating to conversion rate optimisation (CRO) is also highly valued, with just over three-quarters of respondents saying that knowing *why people abandon the shopping cart or transaction* (79%) or *why visitors leave the site without converting* (78%) is very valuable.

At the other end of the spectrum, just under half (48%) of organisations surveyed regard traffic sources (*where people come from before visiting your website*) as 'very' valuable information.

Figure 6: How valuable or potentially valuable is the following information for your business?



Respondents: 442

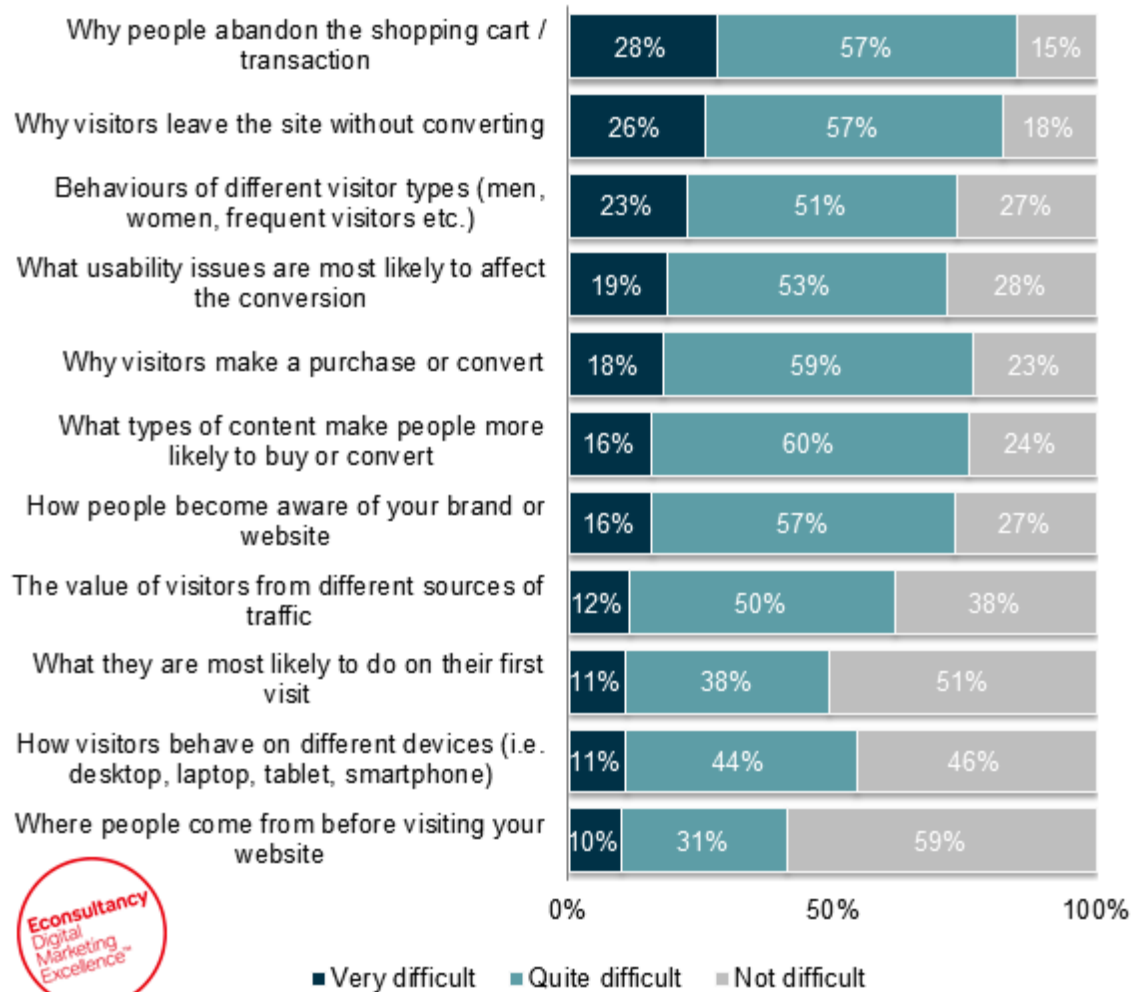
4.1.3.

Difficulty collecting information about customer behaviour

As was the case last year, the vast majority of companies surveyed are more likely to find it difficult (including 'very' and 'quite') to collect information around two of the most highly valued areas: *why people abandon the shopping cart or transaction* (85%) and *why visitors leave the site without converting* (83%).

Around half of responding organisations find it easy to collect information about *how they behave on different devices* (46%), *what people are most likely to do on their first visit* (51%) and *where they come from before visiting their websites* (59%).

Figure 7: How difficult is it to collect the following information?



Respondents: 428



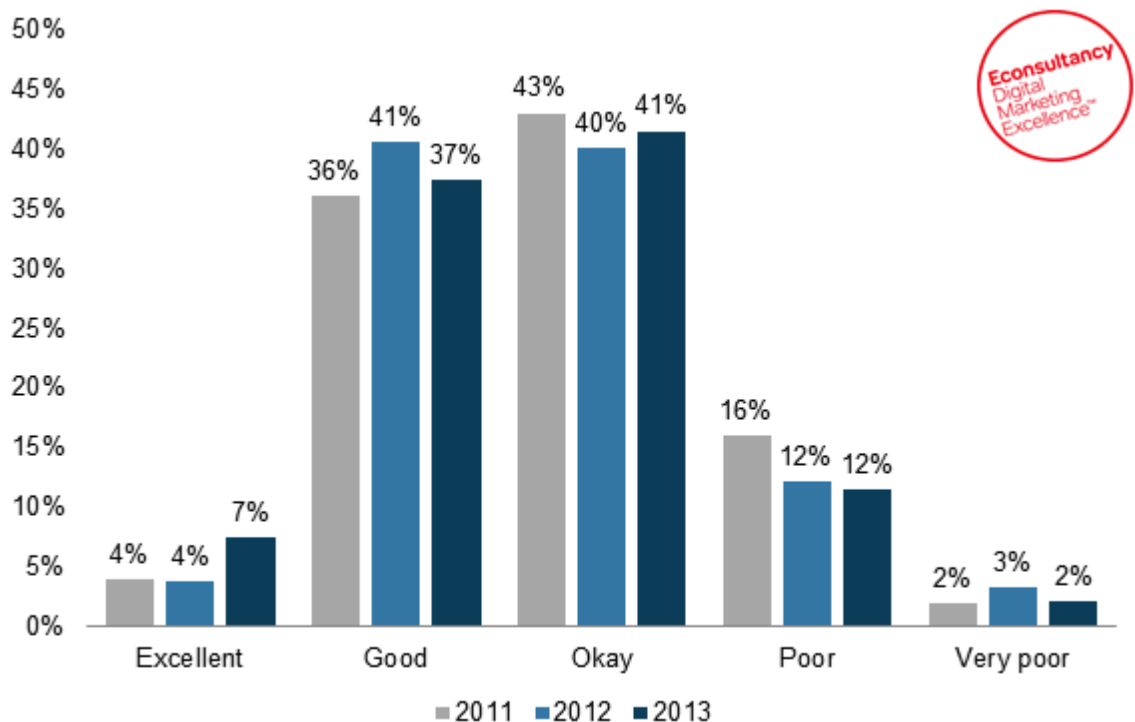
4.1.4. Understanding the overall online customer experience

The proportion of companies rating their understanding of the overall online customer experience as 'excellent' has increased from 4% in 2012 to 7% this year.

As was the case last year, over three-quarters (78%) say their company has a 'good' (37%) or 'okay' (41%) understanding of their customers' overall online experience. The proportion of companies rating their understanding of the overall online customer experience as 'poor' or 'very poor' has remained roughly the same – 14% compared to 15% last year.

Further analysis revealed that companies in North America are three times as likely to rate their understanding of the overall online customer experience as 'excellent' or 'good' as their European counterparts.

Figure 8: To what extent does your company understand the overall online customer experience?

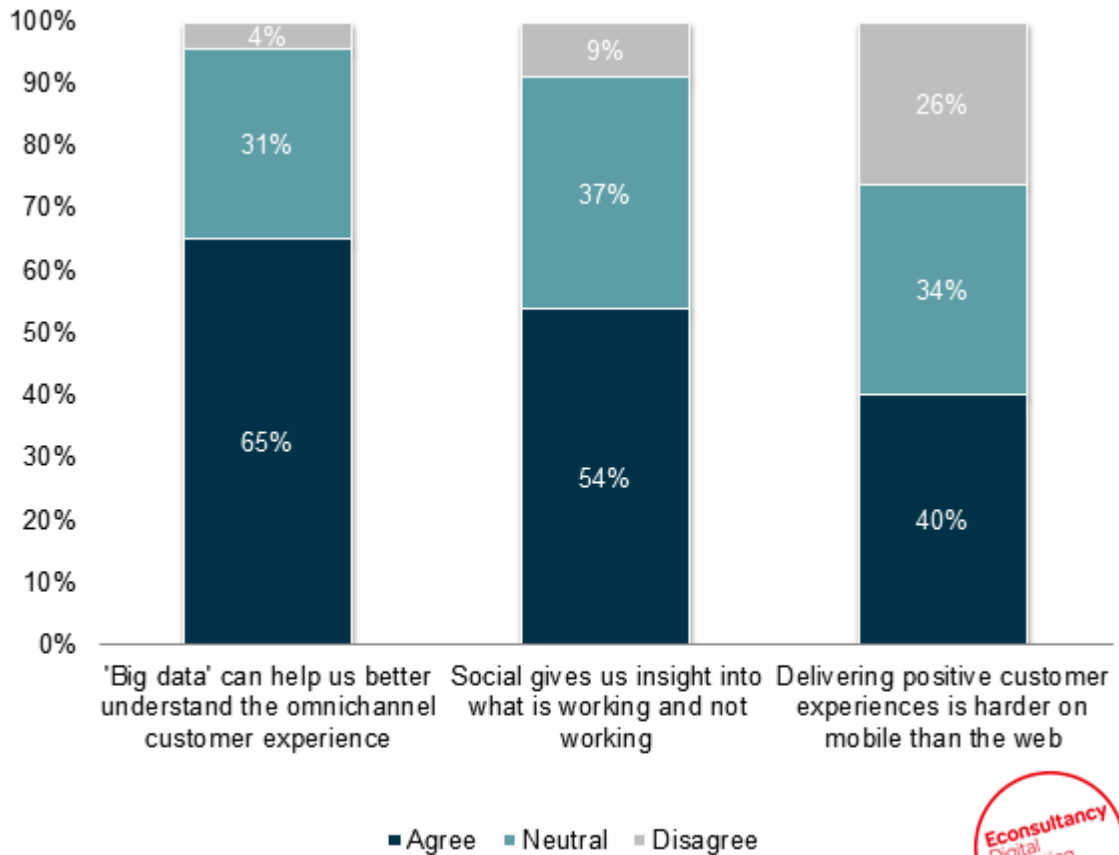


Respondents: 419
Respondents 2012: 364 | Respondents 2011: 402

Survey respondents were also asked if they agreed or disagreed with three statements, as shown in the chart below. Around two-thirds (65%) believe that 'big data' can help them 'better understand the omnichannel customer experience', while just over half (54%) think that social gives them 'insight into what is working and not working'.

Just over a quarter (26%) of respondents disagree that delivering positive customer experiences is harder on mobile than the web.

Figure 9: Do you agree or disagree with the following statements?



Respondents: 383

Note: This is a new question for the 2013 survey, so there is no trend data.

4.1.5. Methods used for understanding the customer experience

As shown in the chart below, responding companies are most likely to use *digital analytics* (75%) and *online surveys* (63%) to understand the digital customer experience. Just over half (53%) of respondents indicated they use *online feedback forms and tools*, down from 61% last year.

The proportion of companies using *A/B or multivariate testing* and *social media analysis/voice of the customer tools* has increased by 9% and 4%, respectively.

Figure 10: Which of the following approaches or types of technology does your company use to understand the digital customer experience?



Respondents 2013: 413
Respondents 2012: 363 | Respondents 2011: 398

Note: 'Digital analytics' is a new option for this year's survey (replacing 'web analytics'), so there is no trend data. In 2012, 91% of respondents said they used web analytics.

4.1.6. Effectiveness of different methods

The chart below shows the effectiveness of different approaches and technologies used to understand the customer experience, as perceived by companies surveyed.

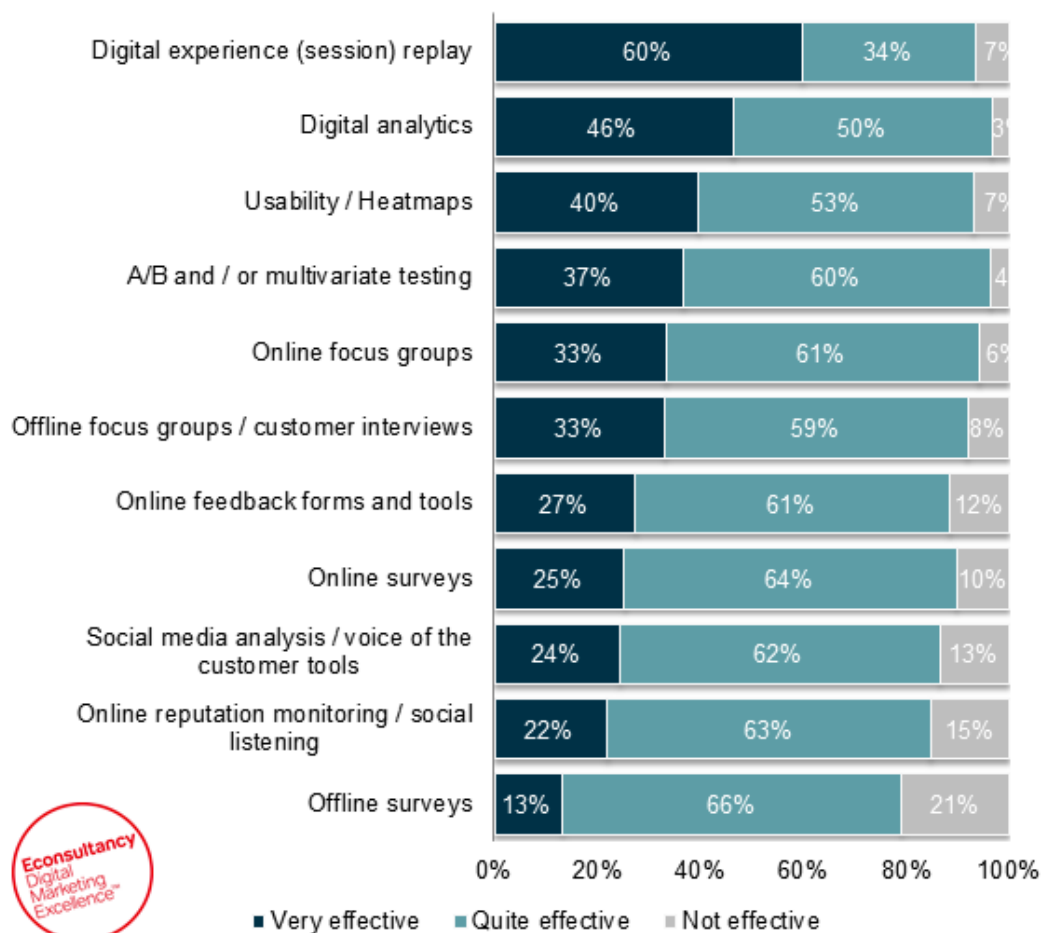
While only 28% of respondents use *digital experience (session) replay*, the vast majority consider it to be ‘very’ (60%) or ‘quite’ (34%) effective [Figure 12]. Similarly, 94% consider *online focus groups* to be effective in helping to understand the customer experience, but only 18% use them.

Although *online surveys* represent the second most popular method among organisations surveyed, only a quarter consider them ‘very’ effective.

As shown in the previous section, the proportion of companies using *social media analysis/voice of the customer tools* and *online reputation monitoring/social listening* has increased in the last 12 months. However, they’re considered to be among the least effective approaches, with 24% and 22%, respectively saying they’re very effective.

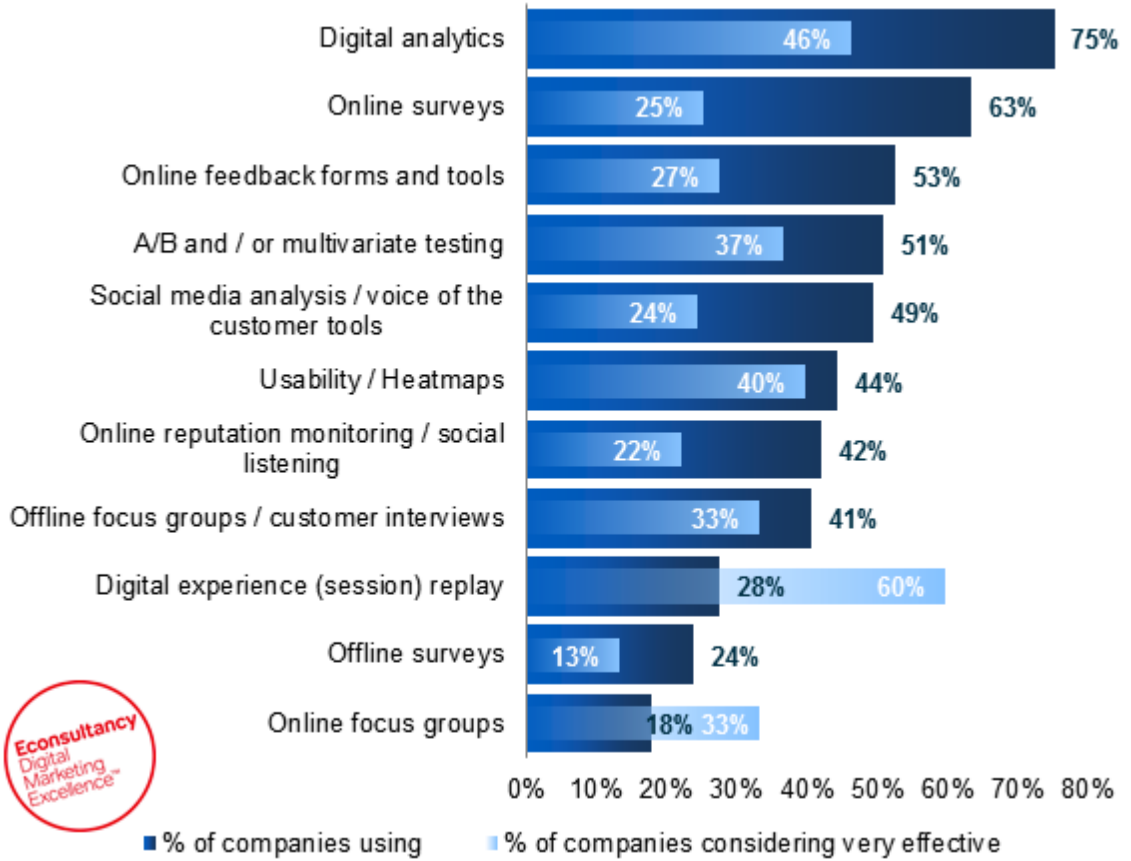
Further analysis showed that North American respondents are twice as likely to rate *online reputation monitoring or social listening* as a ‘very effective’ method than those based in Europe (30% compared to 15% of European respondents).

Figure 11: How effective are these approaches in helping to understand the customer experience?



Respondents: 300

Figure 12: Methods used to understand the customer experience

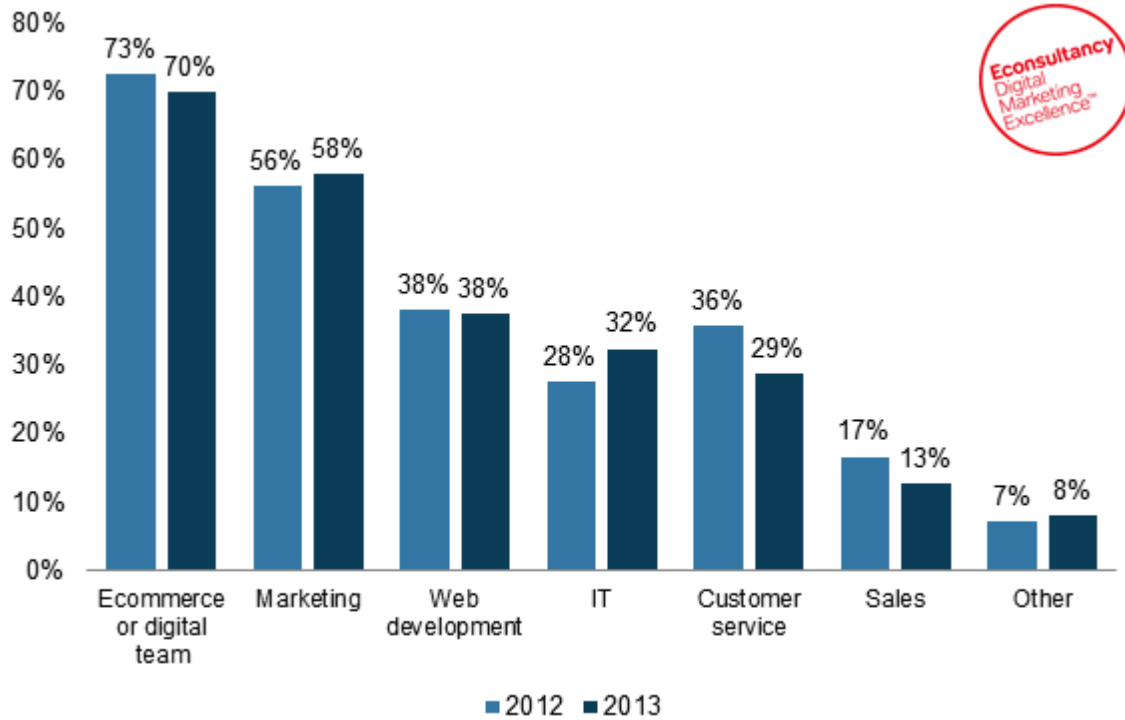


4.1.7. Responsibility for online customer experience

For just over two-thirds (70%) of responding companies, the *ecommerce or digital team* is responsible for the online customer experience. *Marketing* (58%) is the next most likely department to be responsible for this.

Web development and *IT* teams are responsible for online customer experience in around a third of organisations – 38% and 32%, respectively.

Figure 13: Which business departments have responsibility for the online customer experience?



Respondents 2013: 386
Respondents 2012: 325

Note: Respondents could select multiple options.

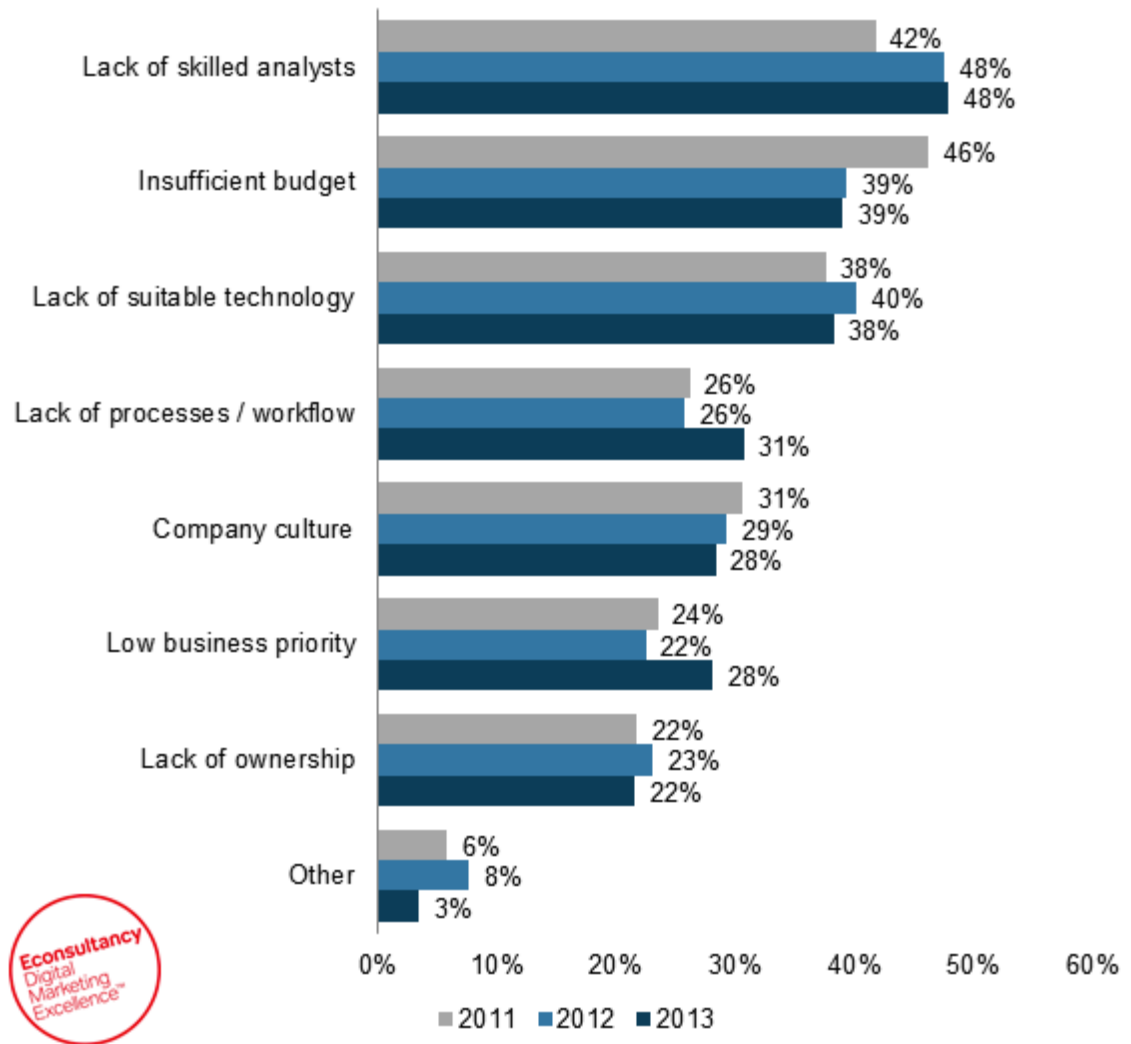


4.1.8. Barriers to understanding the online customer experience

For the third year in a row, *lack of skilled analysts* (48%) is considered to be the main barrier to a better understanding of the online customer experience. *Insufficient budget* is the second biggest concern (39%).

The proportion of companies who indicate that the *lack of processes or workflow* and a *low business priority* is a significant barrier has increased by 5% and 6% respectively in the last 12 months.

Figure 14: What is preventing your business from gaining a better understanding of the online customer experience?



Respondents 2013: 384
Respondents 2012: 338 | Respondents 2011: 378

Note: Respondents could select up to three options.

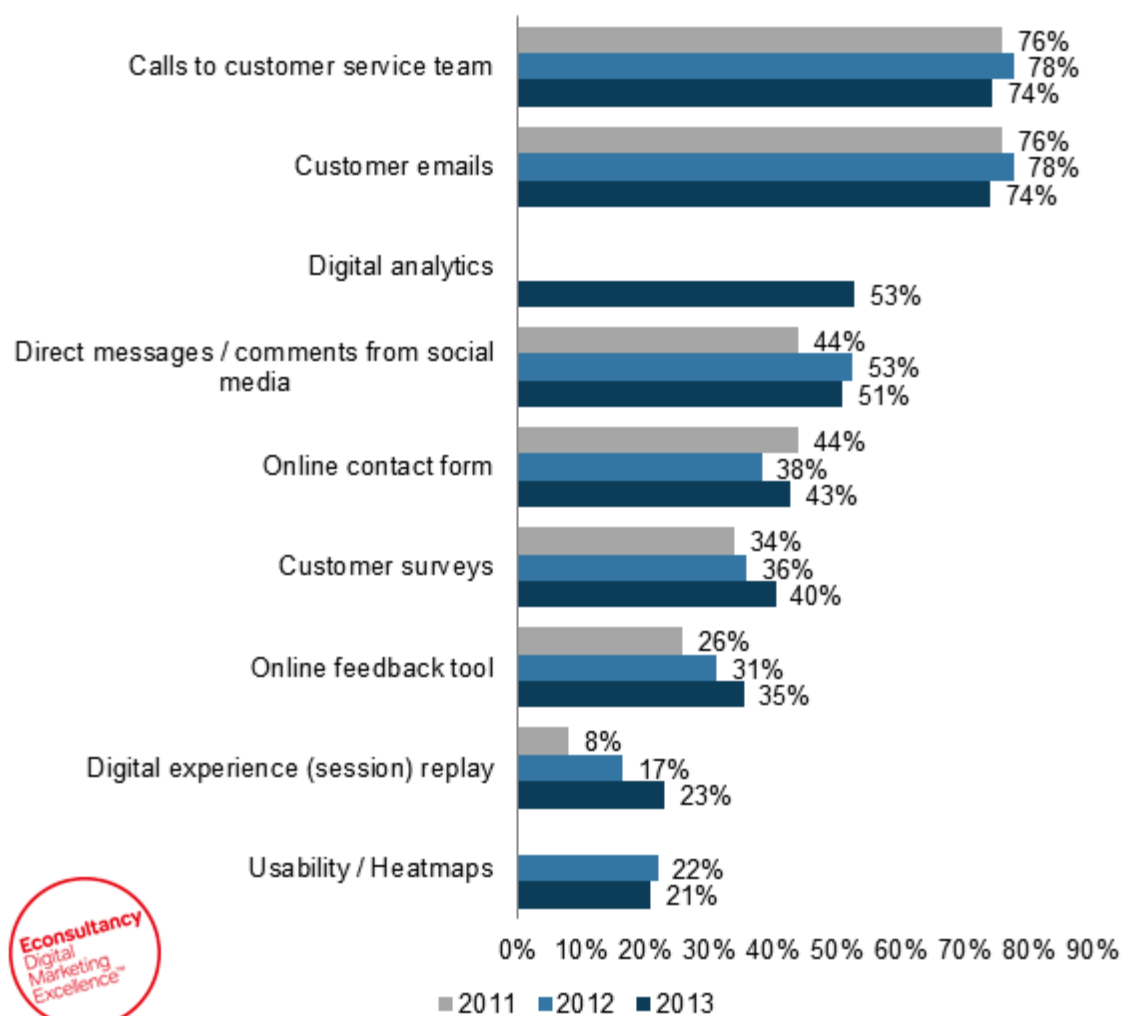
4.2. Problems or issues with the online experience

4.2.1. Discovering issues with the online experience

Asked how they normally discover problems or issues with the digital experience, three-quarters (74%) of companies surveyed said they typically discover them through direct customer feedback, such as *calls to customer service teams* and *customer emails* (down by 4% since 2012).

Just over half (53%) of respondents say they discover issues by looking at *digital analytics*. Compared to last year, organisations are more likely to use *online contact forms* (an increase of 5%), *customer surveys* (+4%), *online feedback tools* (+4%) and *digital experience replay* (+6%).

Figure 16: How does your organisation normally discover problems or issues with the digital experience?



Respondents 2013: 384
Respondents 2012: 338 | Respondents 2011: 378

Note: 'Digital analytics' is a new option for this year's survey (replacing 'web analytics'), so there is no trend data. In 2012, 60% of respondents said they used web analytics.

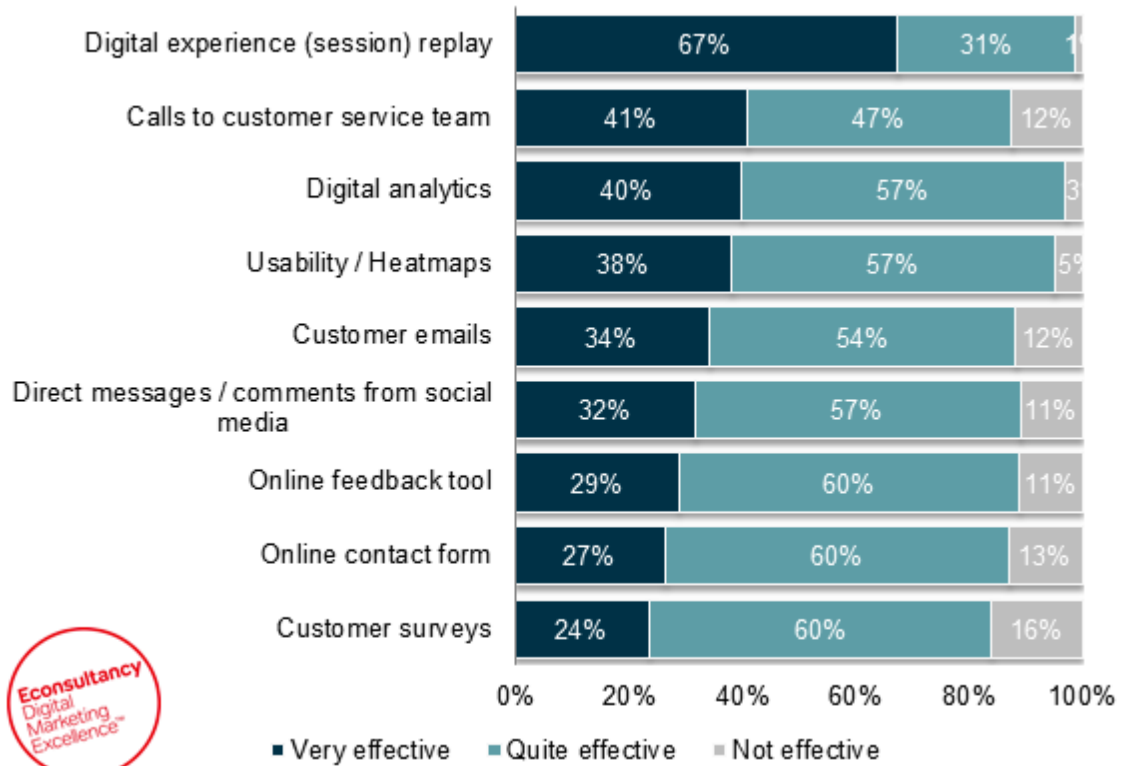
4.2.2. Effectiveness of different approaches to identifying problems

As was the case last year, *digital experience (session) replay* is considered the most effective method for identifying problems or issues with the digital experience, with the vast majority (98%) of responding organisations considering it ‘very’ (67%) or ‘quite’ (31%) effective. The proportion of respondents rating it as a ‘very effective’ method has increased by 10% in the last 12 months.

Calls to customer service teams (41%) and *digital analytics* (40%) are the next most effective approaches. Although only a fifth of respondents use *usability/heatmaps* to identify problems or issues with the digital experience (it’s the least used method), more than a third (38%) of respondents say this is ‘very effective’ [Figure 18].

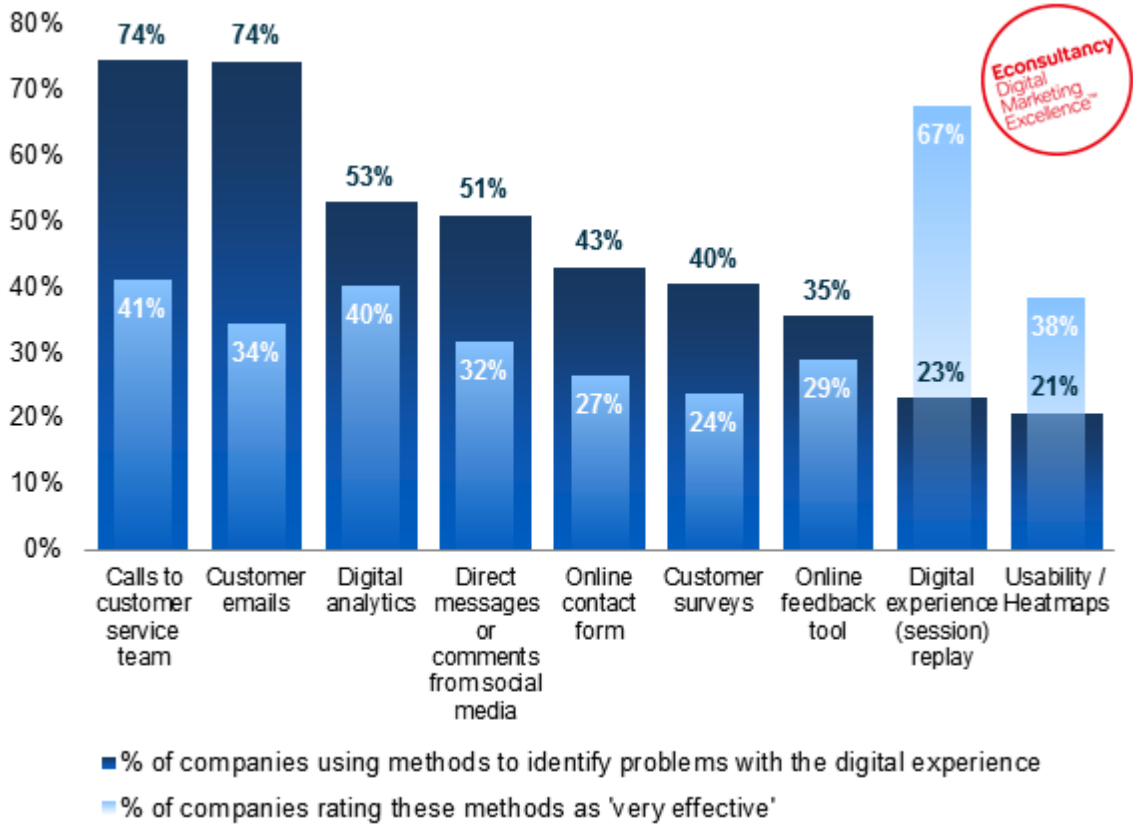
Similarly, *calls to customer service teams* and *customer emails* are the most commonly used methods, but only 41% and 34% respectively consider them very effective.

Figure 17: How effective are the following for identifying problems or issues with the digital experience?



Respondents: 291

Figure 18: Methods used for identifying problems or issues with the digital experience



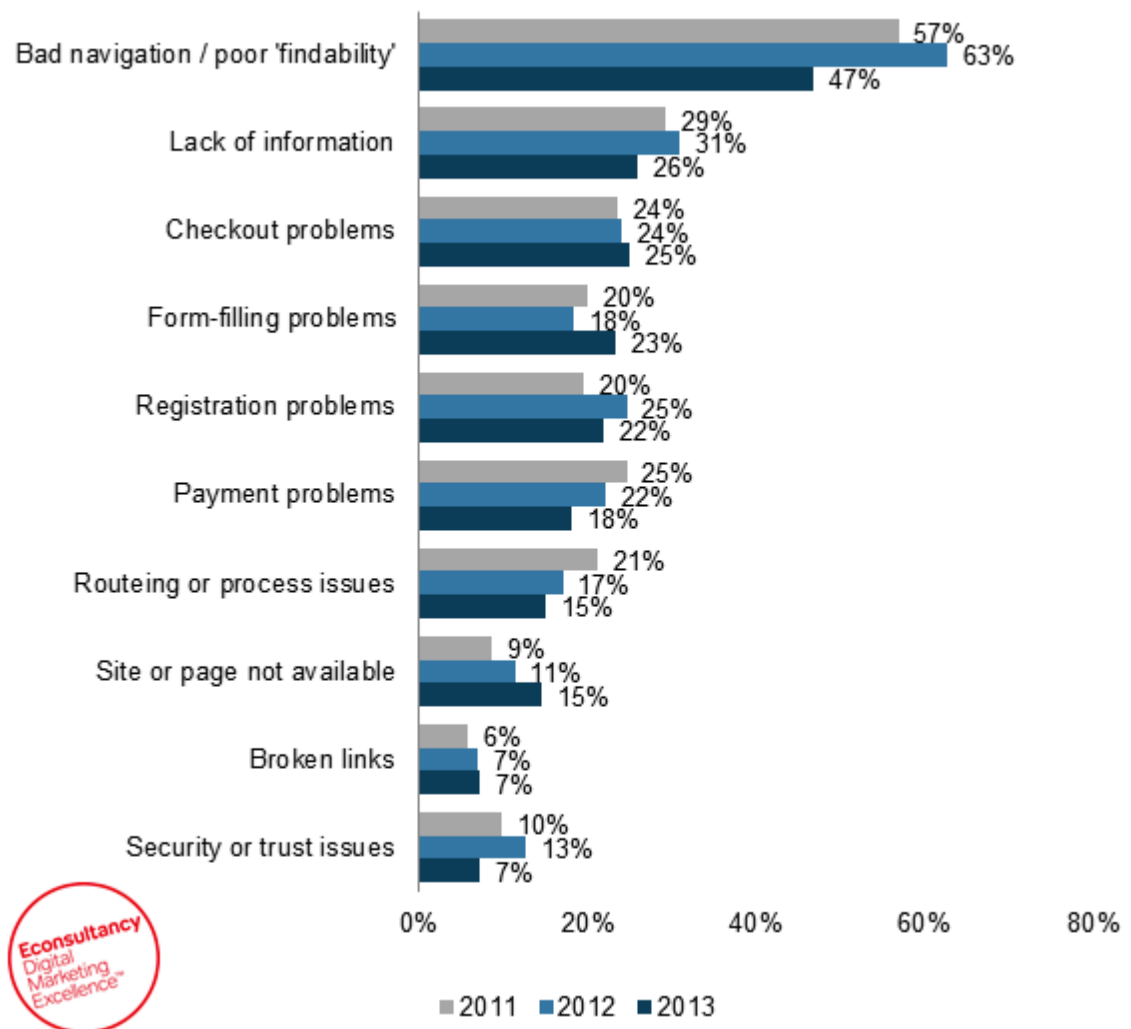
4.2.3. Most common website issues

As the chart below shows, the proportion of companies saying that *bad navigation or poor 'findability'* is the most common issue their customers encounter on their websites has decreased by 16% since last year's survey.

Lack of information (26%) is the second most common issue, while *checkout* (25%) and *form-filling* (23%) problems affect customers of one quarter of survey respondents.

The proportion of companies saying that *payment problems* and *routing or process issues* are common issues has been gradually decreasing in the last two years, with less than a fifth of respondents indicating this. Encouragingly, the proportion of organisations for whom *security or trust issues* are common has almost halved in the last 12 months, from 13% in 2012 to 7% this year.

Figure 19: What are the most common issues your customers encounter on your company's website(s)?



Respondents 2013: 192
 Respondents 2012: 158 | Respondents 2011: 168

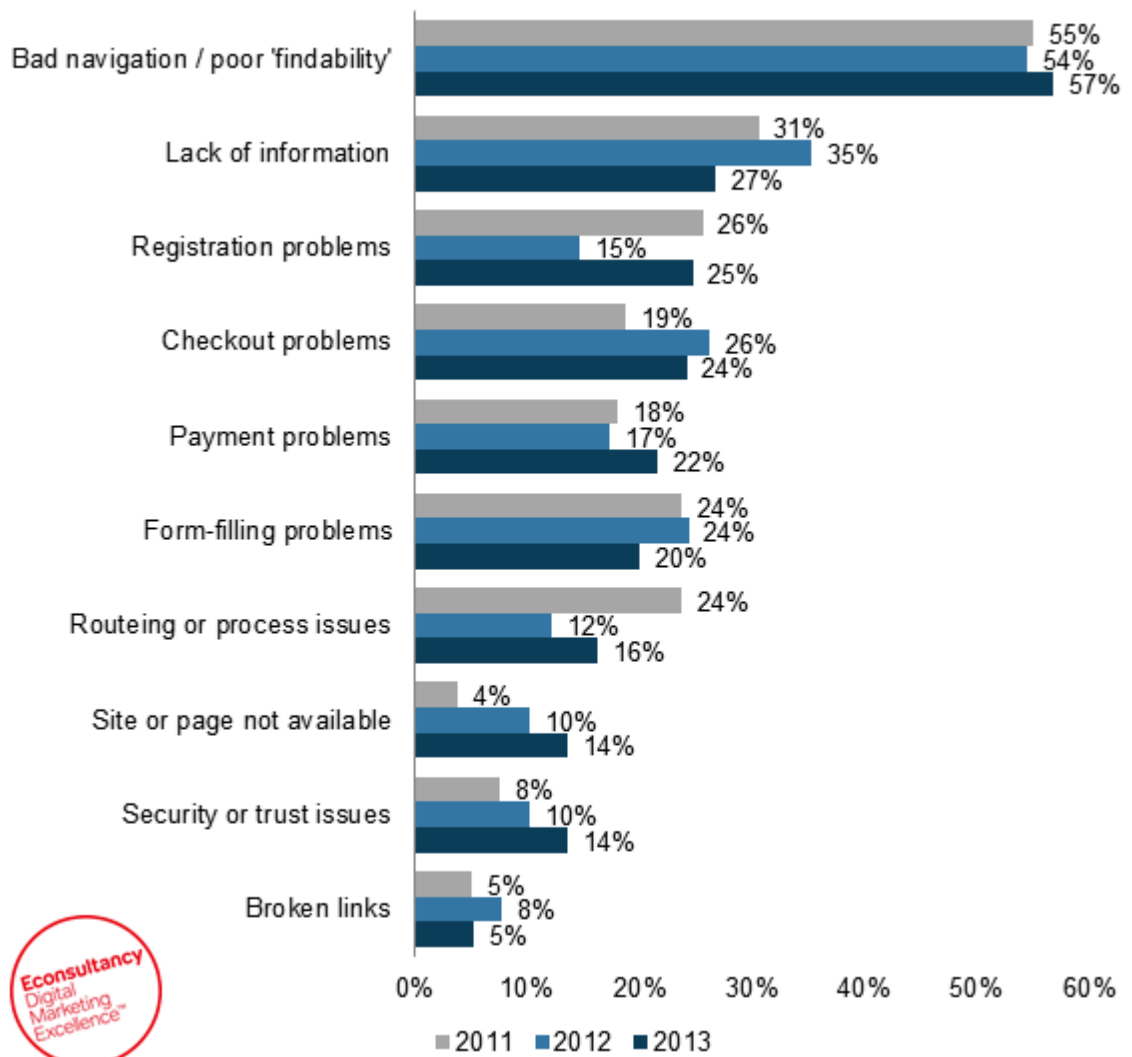
Note: Respondents could select up to three options.

4.2.4. Most serious website issues

As shown in the chart below, around three in five companies consider *bad navigation or poor 'findability'* the most serious issue their customers encounter on their websites. Over a quarter (27%) of respondents think that a *lack of information* represents the most serious issue for their customers, down from just over a third (35%) one year ago.

It's worth noting that the proportion of companies considering *registration problems* (25%) a serious issue has increased by 10% in the last 12 months. Although registration-related issues are less common (fifth most common issue), companies are more likely to consider them serious [Figure 21].

Figure 20: What do you think are the most serious issues your customers encounter on your company's website(s)?

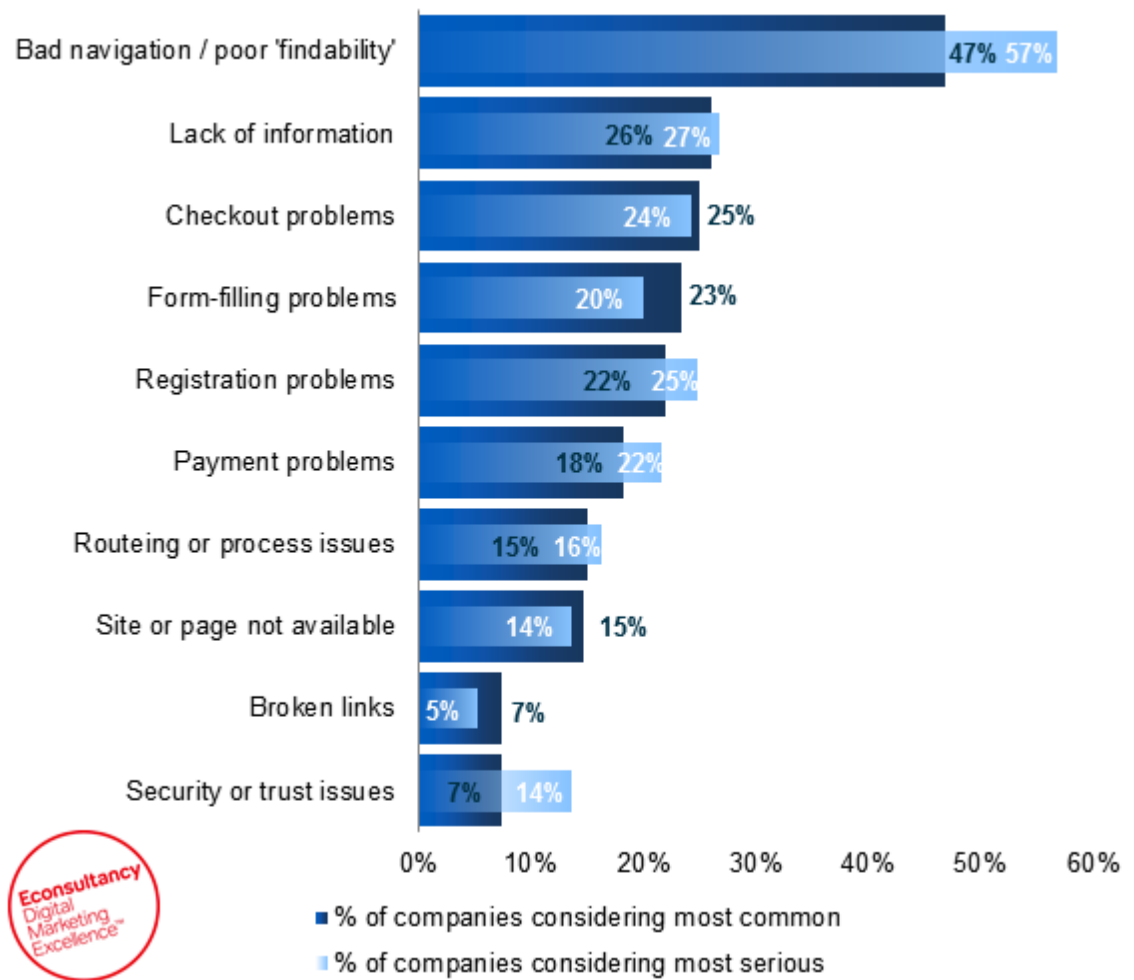


Respondents 2013: 190

Respondents 2012: 156 | Respondents 2011: 166

Note: Respondents could select up to three options.

Figure 21: Most common vs most serious issues customers encounter on respondents' websites



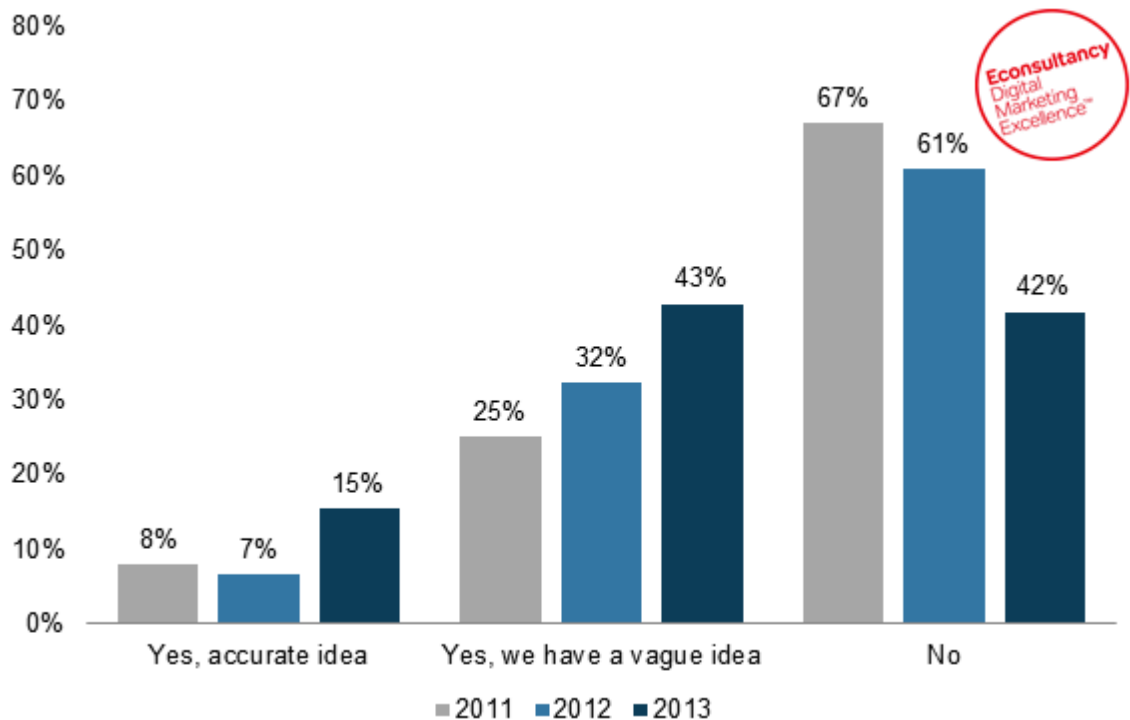
4.2.5. Quantifying lost revenue

As *Figure 22* shows, the proportion of responding companies saying they have an ‘accurate idea’ of how much online revenue they lose through site abandonment has doubled, from 7% in 2012 to 15% this year.

Encouragingly, the proportion of organisations who are not able to quantify how much online revenue is lost has declined significantly in the last 12 months, from 61% to 42%.

A higher proportion of North American respondents say their business is able to accurately quantify the lost revenue – 20% compared to 13% of European respondents.

Figure 22: Is your business able to quantify how much online revenue is lost through site abandonment due to poor online user experience?



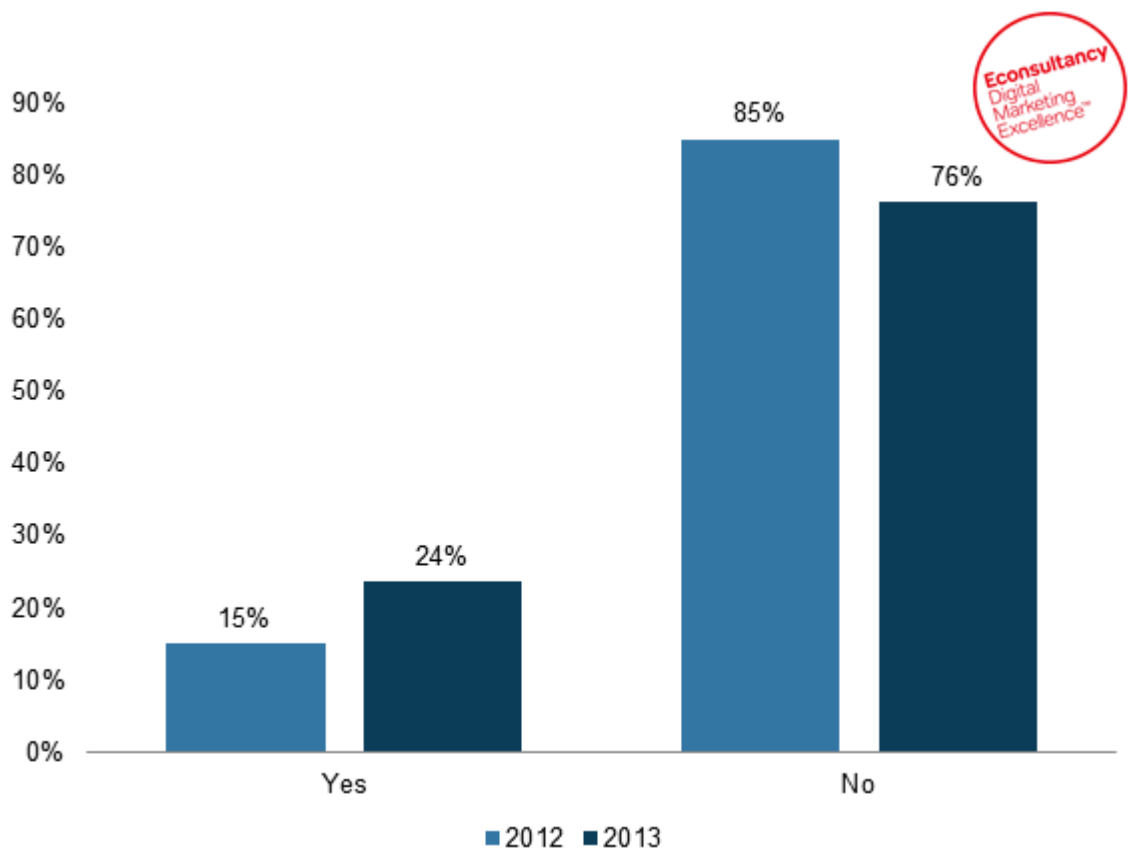
*Respondents 2013: 390
Respondents 2012: 328 | Respondents 2011: 345*

4.2.6. Measuring differences in conversion rates

When asked if they measure the difference in conversion rates between visitors who have experienced specific website issues, and those who don't experience any issues, three-quarters (76%) of responding companies (down from 85% in 2012) said they don't measure this.

In terms of regional differences, North American organisations are more than twice as likely to measure the difference in conversion rates than their European counterparts (43% compared to 18%).

Figure 23: Do you measure the difference in conversion rates between visitors who have experienced specific website issues, and those who don't experience issues?



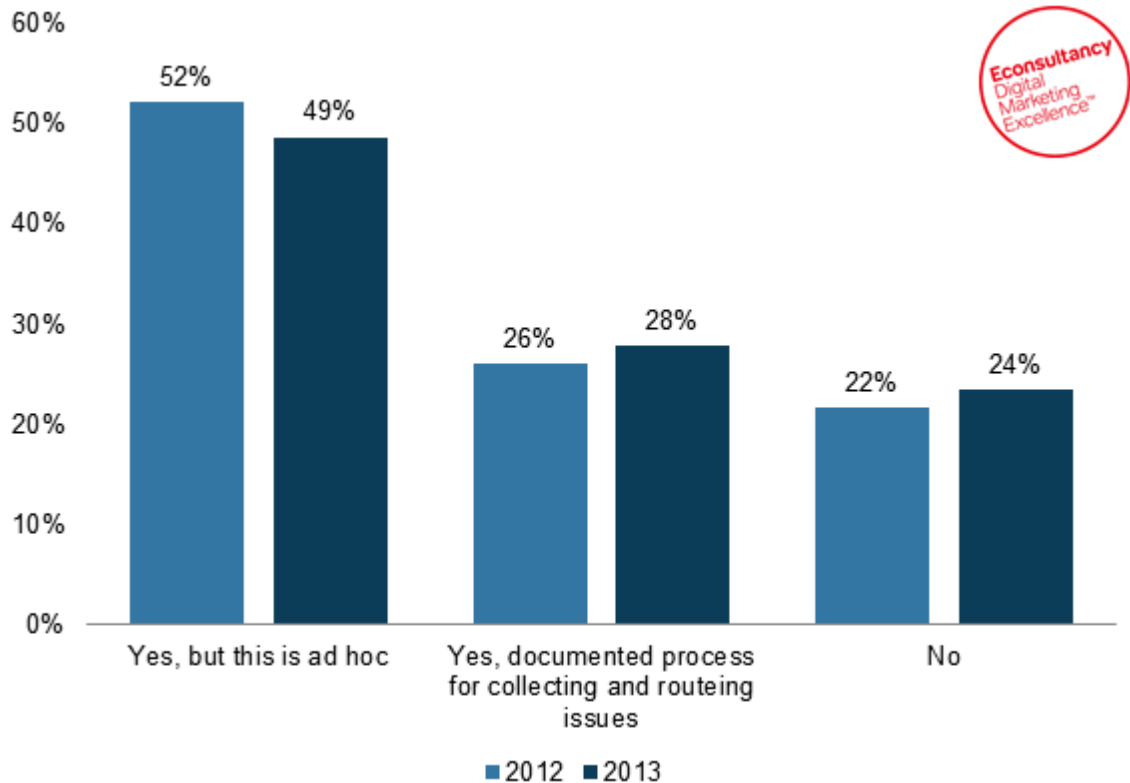
Respondents 2013: 383
Respondents 2012: 322

4.2.7. Prioritising problems and issues customers face online

The proportion of companies surveyed who have processes in place for prioritising problems and issues customers face online and then addressing them has remained roughly the same, with three-quarters (77%) indicating this.

Compared to European companies, those based in North America are more likely to have a documented process in place for collecting and routing issues, with just over a third (35%) indicating this (compared to 23% of European respondents).

Figure 24: Does your company have processes in place for prioritising problems and issues customers face online and then addressing them?



Respondents 2013: 390
Respondents 2012: 329

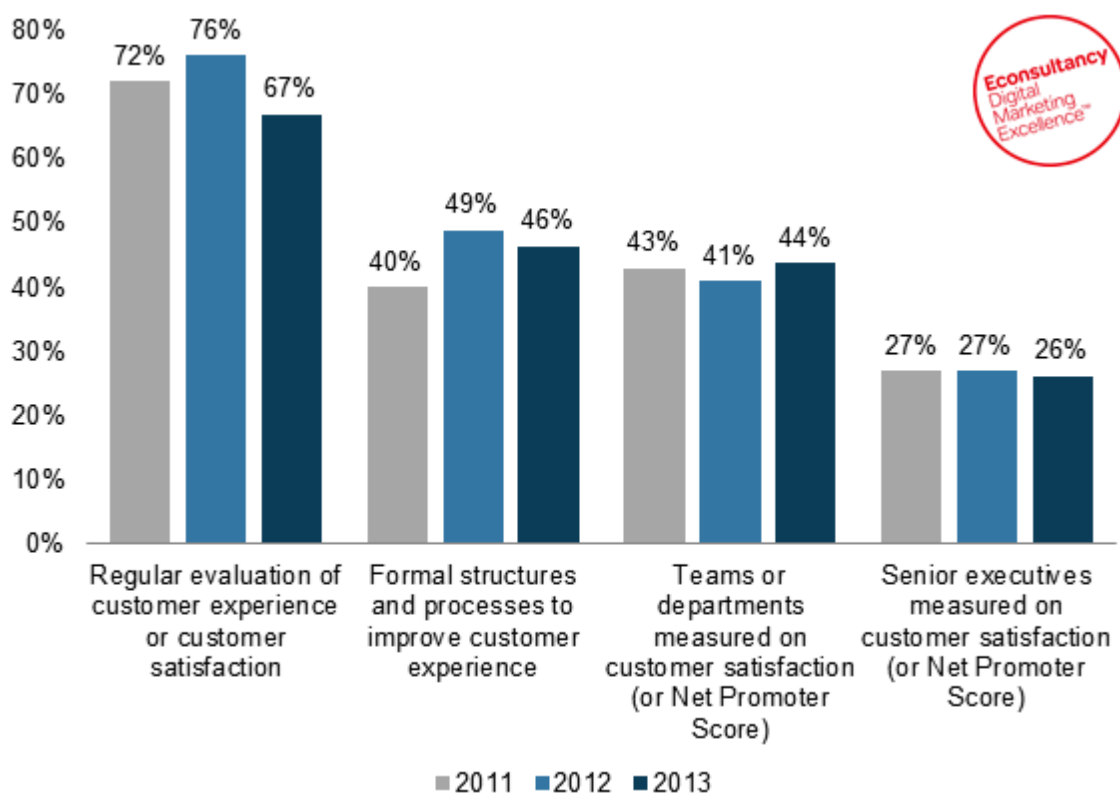
4.2.8. Business initiatives to improve customer experience quality

Figure 25 shows the level of uptake for a range of internal initiatives businesses use to improve the quality of the customer experience. As was the case last year, the most common activity respondents focus on is *regular evaluation of customer experience or customer satisfaction* (67%). However, the proportion of companies indicating this has declined by 9% in the last 12 months.

The proportion of companies having *formal structures and processes* in place to improve customer experience has also declined, with 46% of respondents reporting this (compared to 49% last year).

Compared to last year, more companies (+3%) say they measure *teams or departments on customer satisfaction (or Net Promoter Score)*.

Figure 25: In what ways does your business try to focus internally to improve the quality of the customer experience?



Respondents 2013: 366
Respondents 2012: 319 | Respondents 2011: 333

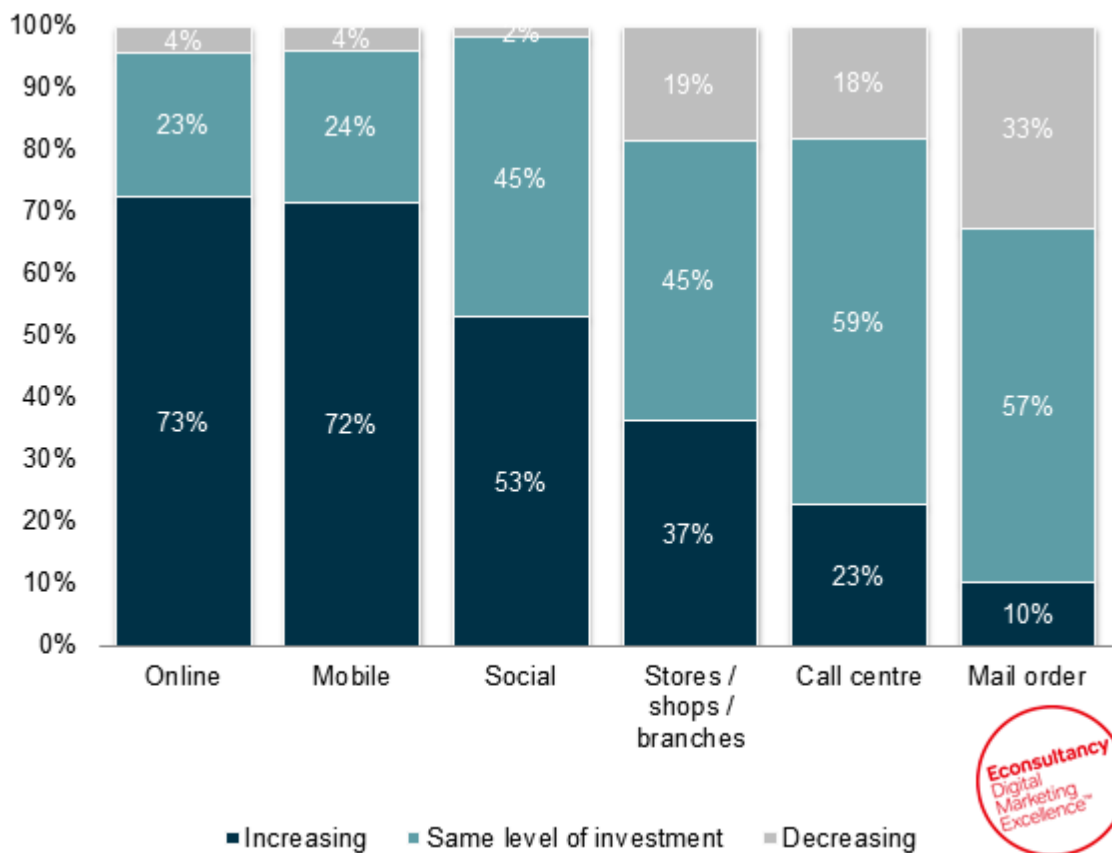
4.3. Use of customer channels

4.3.1. Change in investment in customer channels

Just under three-quarters (73%) of companies surveyed plan to increase investment in *online* channels in 2013 and a similar proportion of respondents (72%) plan to invest more in *mobile* channels.

Offline channels (*stores / shops / branches, call centres and mail order*) represent a high priority over the coming months for a significantly lower proportion of companies, with more than two-thirds of respondents saying they either plan to decrease or maintain the same level of investment in these channels.

Figure 26: Are you increasing or decreasing investment in the following channels this year?



Respondents: 386

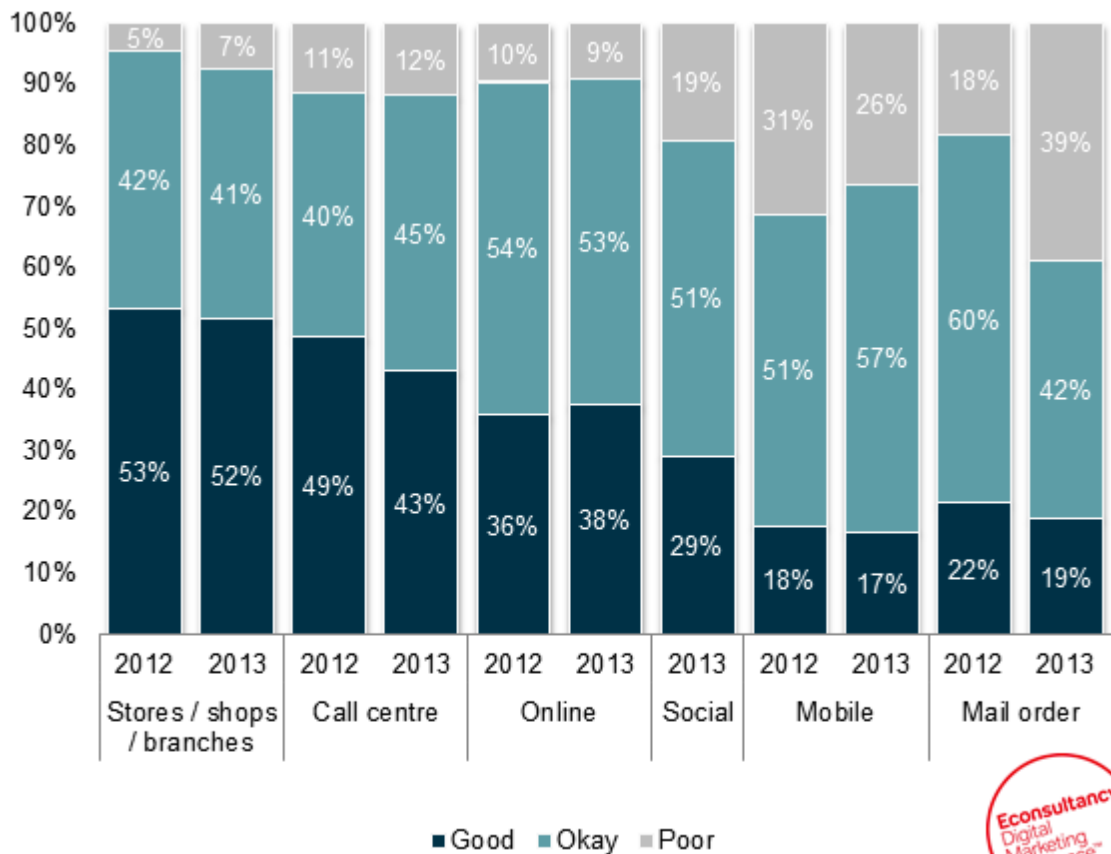
4.3.2. Quality of customer experience for different channels

For the third year in a row, just over half (52%) of the companies surveyed rate *stores / shops / branches* as 'good' for quality of customer experience. At the other end of the spectrum, companies are twice as likely to rate *mail order* as 'poor' than last year.

The proportion of organisations considering that the quality of customer experience via *mobile* is poor has continued to decline, from just under a third (31%) in 2012 to 26% this year.

Further interrogation of the data revealed that North America respondents are more likely to rate the quality of customer experience via *mobile* as 'good': just over a quarter (26%) compared to 15% of European respondents.

Figure 27: Please rate these channels for quality of customer experience.



Respondents: 373

Note: 'Social' is a new option for this year's survey, so there is no trend data.

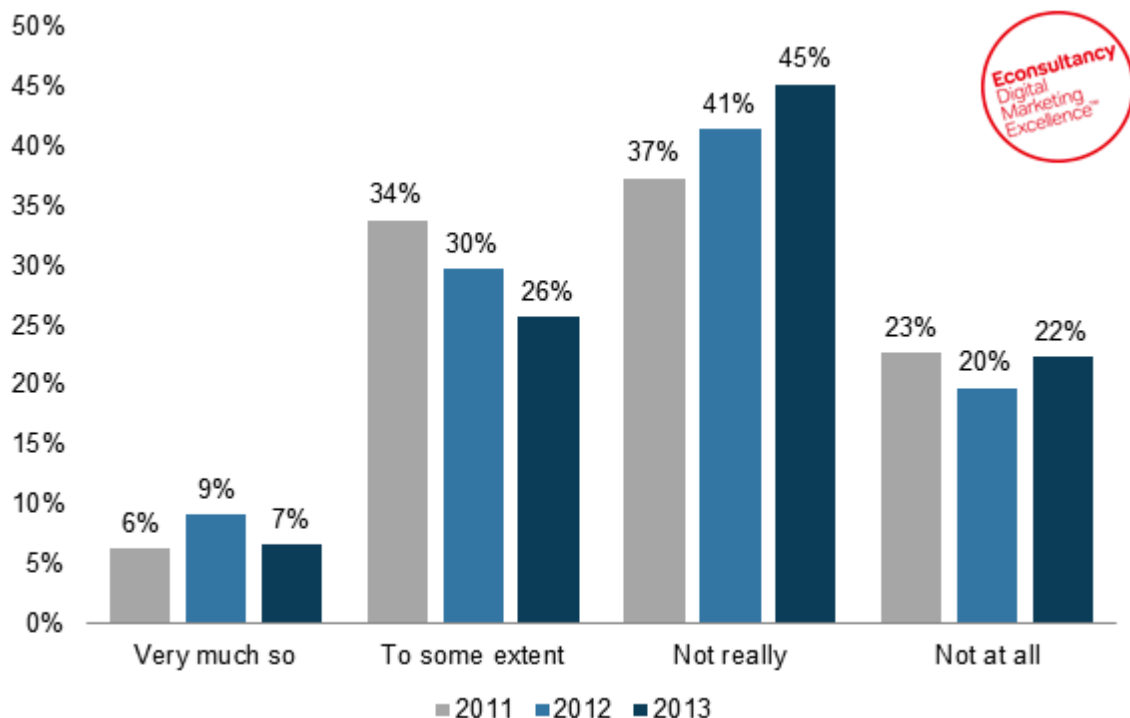
4.4. Integrating online with offline channels

4.4.1. Visibility into online customer activity

The proportion of companies saying that the offline parts of their business have very good visibility of how individual customers are engaging with digital channels has slightly declined in the last 12 months, from 9% in 2012 to 7% this year.

The proportion of respondents indicating that the offline parts of their business have little or no visibility has increased, from 61% in 2012 to 67% this year.

Figure 28: Do the offline parts of your business have visibility of how individual customers have engaged with your digital channels?



Respondents 2013: 371
Respondents 2012: 318 | Respondents 2011: 334

Responding organisations were asked to describe how the offline parts of their businesses get insight into individual online customer activity.

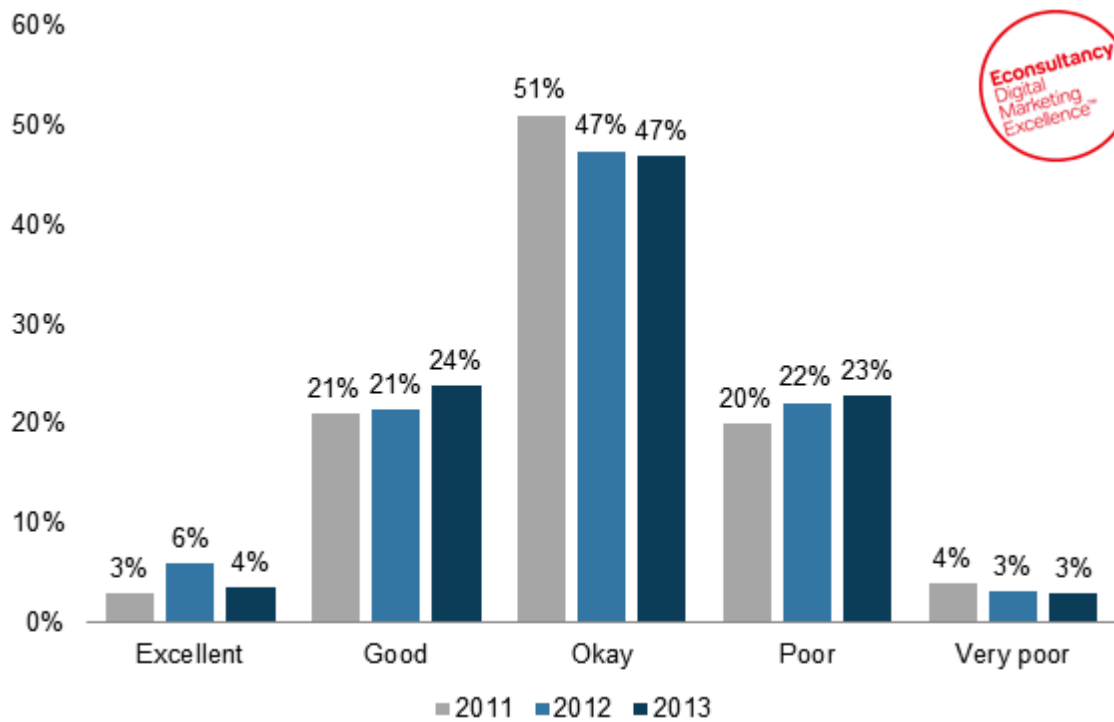
While mention of particular approaches and technologies, such as regular reporting, shared data between teams and use of digital analytics featured frequently (as shown in the word cloud on the next page), descriptive responses were more broad in nature with different tactics and methods being mentioned.

4.4.2. Rating of multichannel customer experience

Compared to last year, the proportion of companies describing the multichannel customer experience they provide as 'excellent' has slightly declined, from 6% in 2012 to 4% this year.

Just under half (47%) of responding organisations describe the multichannel experience they provide as 'okay'. The proportion of those describing it as 'poor' or 'very poor' has remained roughly unchanged in the last 12 months.

Figure 30: How would you describe the multichannel customer experience for your customers?



Respondents 2013: 371
Respondents 2012: 318 | Respondents 2011: 334

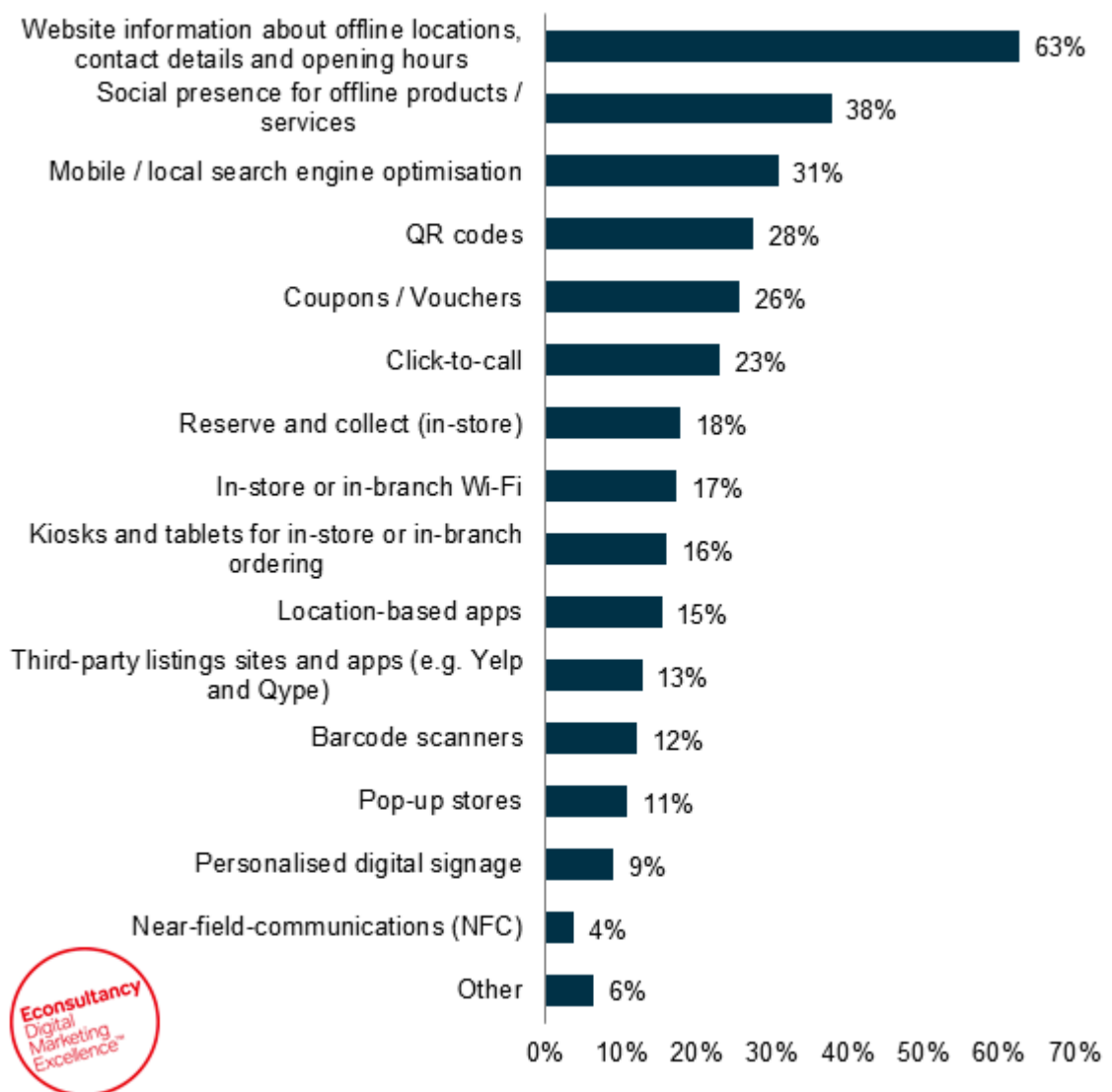
4.4.3. Integrating the digital and physical experience

When asked how they integrate the digital and physical experience, just under two-thirds (63%) of survey respondents indicated they include information about offline locations, contact details and opening hours on their websites. However, only 23% offer click-to-call functionality.

Social media is not only popular with pure-plays, as just over a third (38%) of respondents said their offline products or services have a social presence. The third most popular method of integrating the digital and physical experience is mobile or local search engine optimisation, with just under a third (31%) using this.

Less than a fifth (18%) of responding organisations said they offer 'reserve and collect' services. A separate survey⁵ conducted by Econsultancy last year revealed that 80% of customers had used these services in the past 12 months. Given their popularity and the rapid growth of mobile commerce, this represents a missed opportunity for retailers.

Figure 31: How does your company integrate the digital and physical experience?



Respondents: 156

Note: This question was conditional on having an offline presence.

⁵ <http://highstreetreport.econsultancy.com/>

Respondents were also asked if there's anything specific that proved effective in helping to bridge the gap between physical digital. A selection of these responses is shown in the text box on the next page.

Is there anything specific your company does which is effective in helping to bridge the gap between physical and digital?

“Developing a detailed multichannel strategy in order to decide which products and services we should push/not push online, plus level of contact options (click-to-call, chat and email). In other words, finding the right mix.”

“Developing digital-based retail centres.”

“Looking into bringing digital displays and online payment alternatives into key stores.”

“Promoting in-store expert staff through the website – very effective in helping drive footfall to stores.”

“QR codes, in-store kiosks and tablets.”

“This is not a gap it is a spectrum – online and offline and translating the strategy into meaningful content to an individual audience within the brand values (brand vision).”

Survey respondents

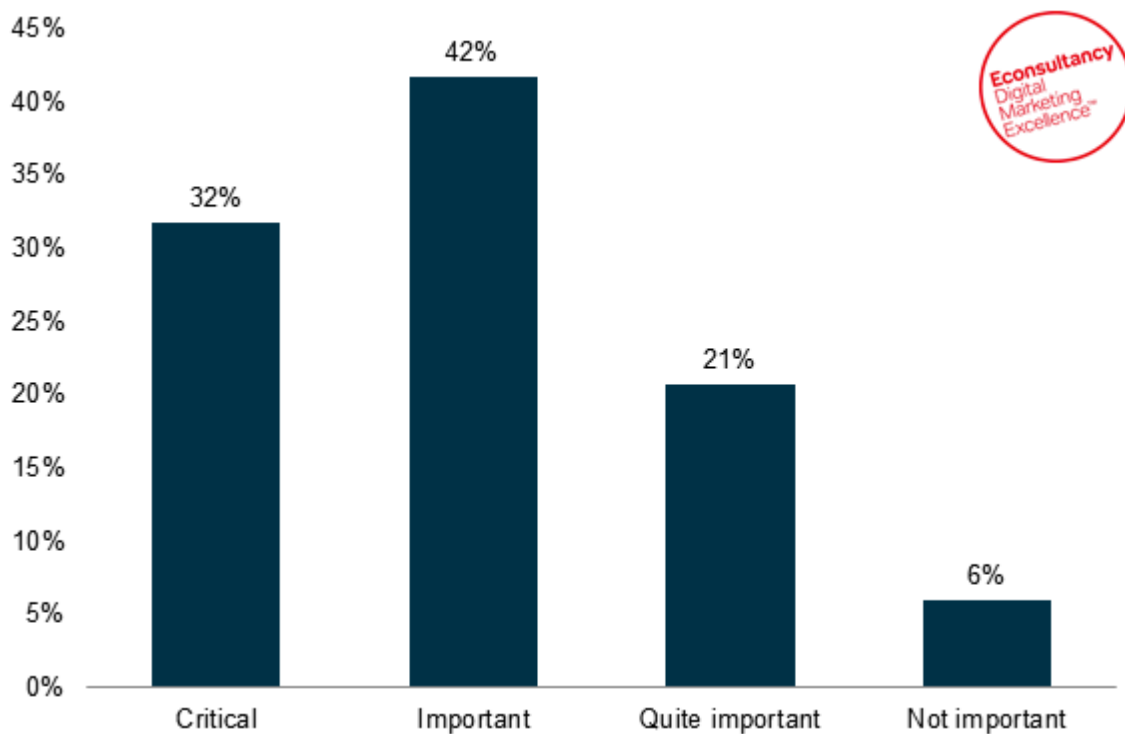
4.5. Mobile customer experience

4.5.1. Importance of mobile to business objectives

As the chart below shows, three-quarters of organisations surveyed say that mobile is 'important' (42%) or 'critical' (32%) to their business objectives. Only 6% of respondents don't consider mobile important.

Compared to European respondents, a higher proportion of those based in North America consider mobile as 'critical' to their business objectives – 39% compared to just over a quarter (27%) of European companies.

Figure 32: Thinking about your customers, how important is mobile to your business objectives?



Respondents: 362

Note: This is a new question for the 2013 survey, so there is no trend data.

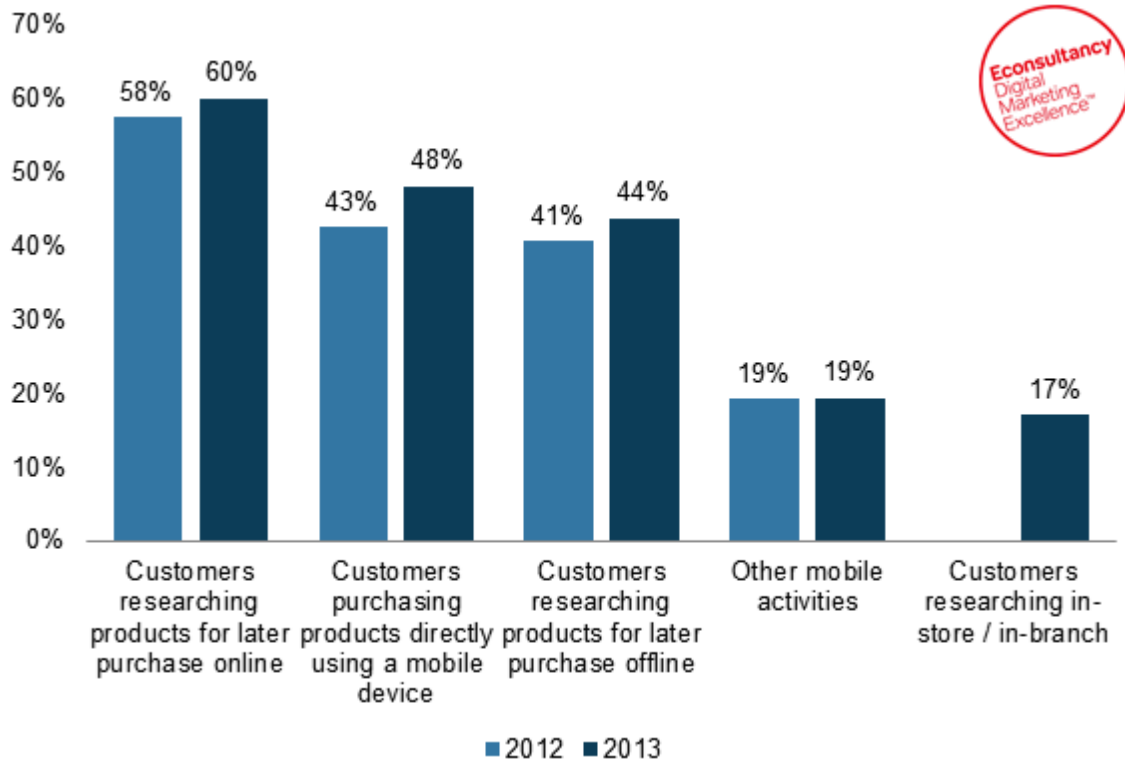


4.5.2. How customers interact with companies via mobile devices

According to three in five (60%) companies surveyed, their customers typically research products on mobile devices for later purchase online. Almost half (48%) of respondents say their customers purchase products directly using a mobile device, up by 5% since last year.

A similar proportion report that customers research products for later purchase offline (44%), while just under a fifth (17%) say they use their mobile devices to research in-store.

Figure 33: How are you customers interacting with you via mobile devices?



Respondents 2013: 345
Respondents 2012: 280

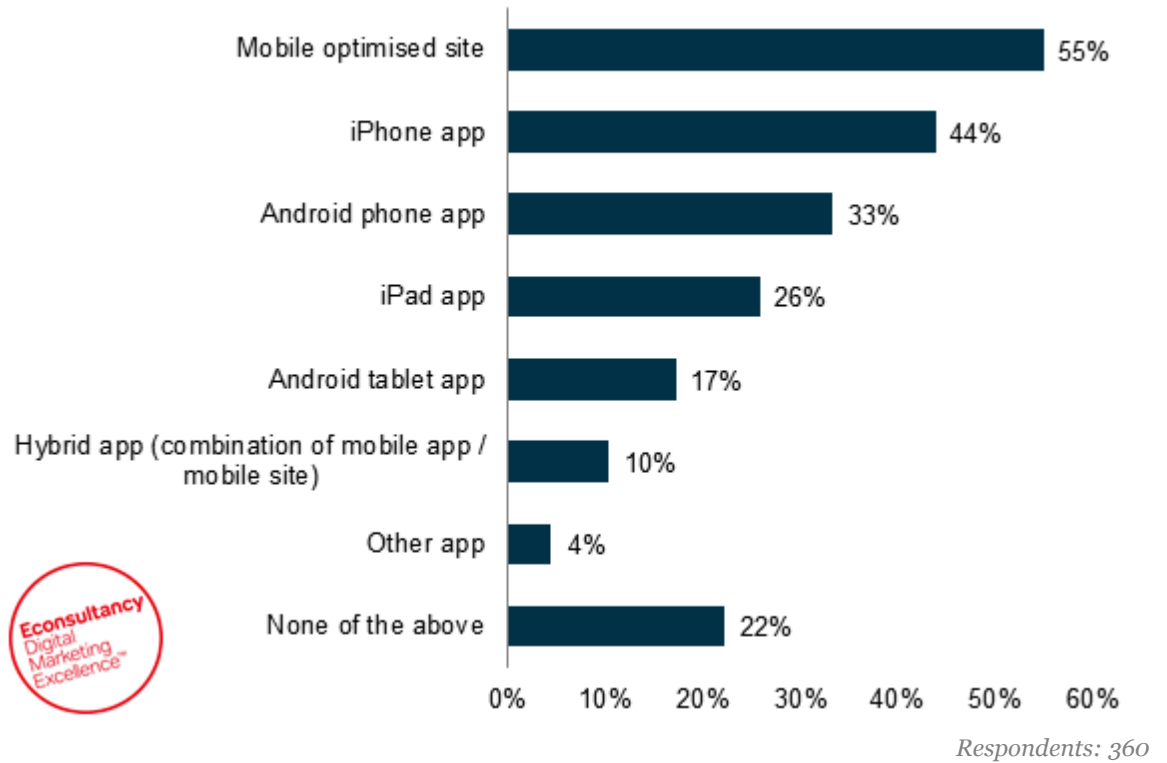


4.5.3. Use of mobile platforms

When asked what mobile platforms they have implemented, more than half (55%) of companies surveyed indicated they have developed a mobile optimised site, while around two in five (44%) companies indicated they developed an iPhone app.

A third (33%) of respondents indicated they have developed an Android phone app, while only 17% developed an Android app for tablets.

Figure 34: Which of the following mobile platforms has your business implemented?



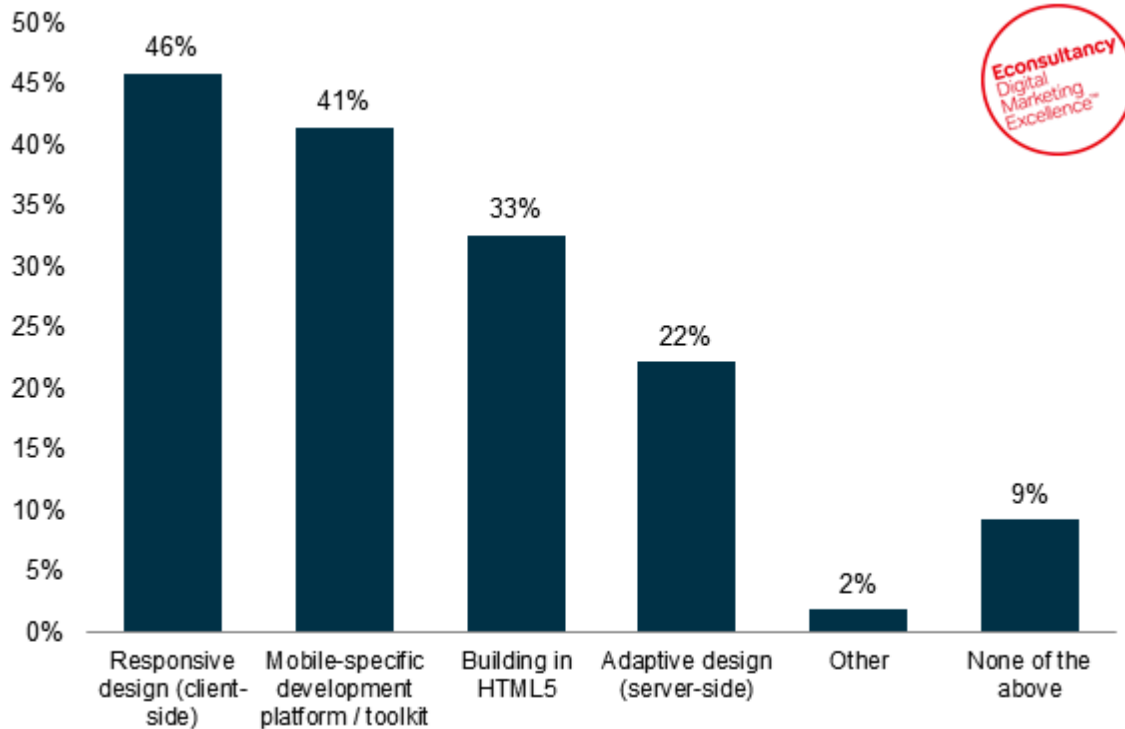
Note: This question had different options last year, so there is no trend data.

4.5.4. Mobile optimisation

When asked how they optimise the mobile experience, just under half (46%) of companies surveyed indicated they use *responsive design* (client-side), while only a fifth (22%) use *adaptive design* (server-side).

Two in five (41%) companies use *mobile-specific development platforms or toolkits*, while a third (33%) use HTML5.

Figure 35: How do you optimise the mobile experience?



Respondents: 270

Note: Respondents could select multiple options.

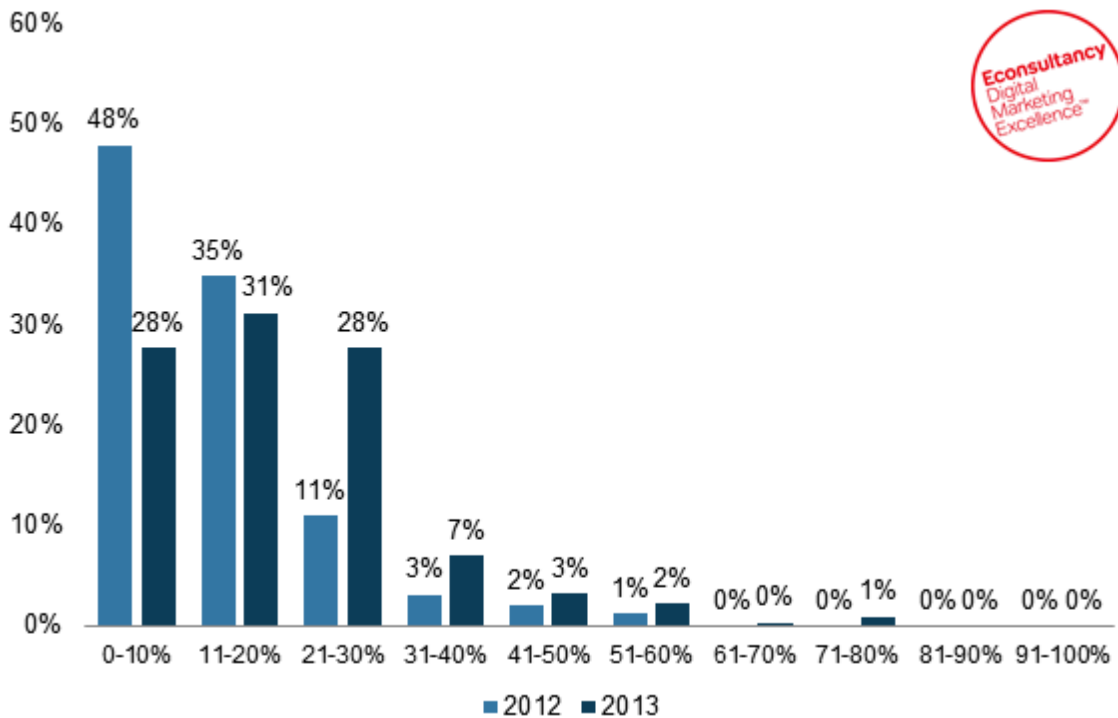
4.5.5. Proportion of traffic via mobile devices

Figure 36 shows the proportion of traffic attributed to mobile devices. Around three-quarters (72%) of responding companies say that mobile accounts for more than 10% of traffic, up from 52% in 2012.

The proportion of respondents who say that more than 20% of their traffic can be attributed to mobile has more than doubled in the last 12 months, from less than a fifth (17%) in 2012 to 41% this year.

On average, survey respondents indicate that 19% of their total traffic is via mobile devices, up from 17% last year.

Figure 36: How much of your total traffic is via mobile devices?



Respondents 2013: 359
Respondents 2012: 314

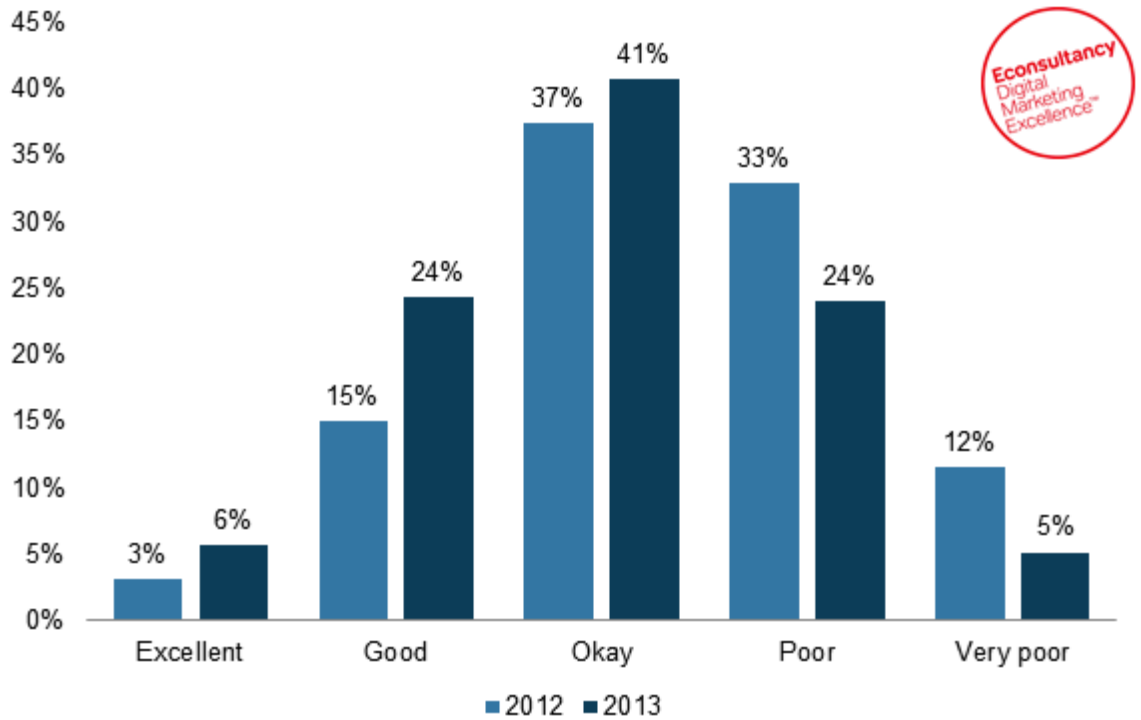
	2012	2013
% of traffic via mobile devices (average)	17%	19%



4.5.6. Understanding the mobile user experience

As *Figure 37* shows, the proportion of companies describing their understanding of the mobile user experience as 'good' or 'excellent' has almost doubled in the last 12 months, from just under a fifth (18%) in 2012 to 30% this year. Only 5% of respondents rate their understanding as 'poor', compared to 12% last year.

Figure 37: Please rate your company's understanding of the mobile user experience.

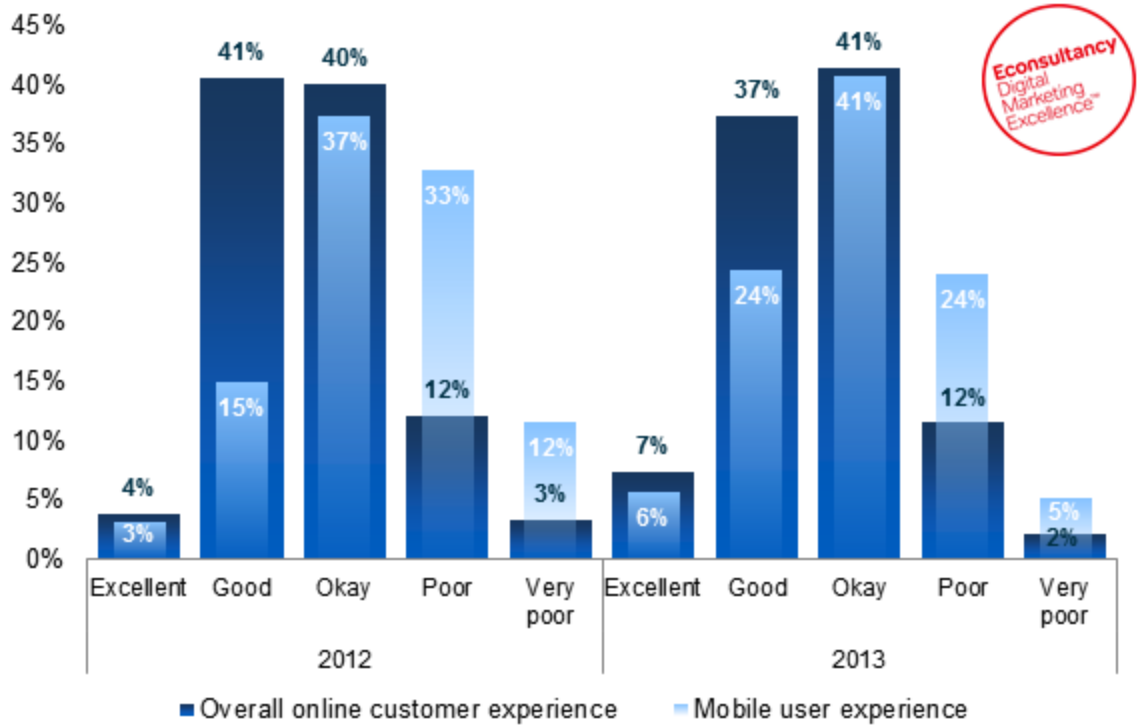


Respondents 2013: 360
Respondents 2012: 286

Last year, there was a huge discrepancy in how companies specifically rate their understanding of the mobile experience for their customers, compared to the overall online experience. The gap between the two has started to narrow in the last 12 months, as shown in the chart below.

Just under a third (30%) of survey respondents describe their understanding of the mobile user experience as 'excellent' (6%) or 'good' (24%), compared to 44% for the overall online experience.

Figure 38: How companies rate their understanding of the mobile user experience (compared to the overall online customer experience)



Respondents: 360

Survey respondents were also asked if there are any specific challenges they face when trying to address the mobile customer experience. While the lack of budget and resources was mentioned frequently, a disjointed approach also seems to be prevalent.

Many respondents seem to be concerned about not having a dedicated team to oversee the mobile experience and a lack of company-wide vision in terms of what mobile means to them and how they should approach this channel.

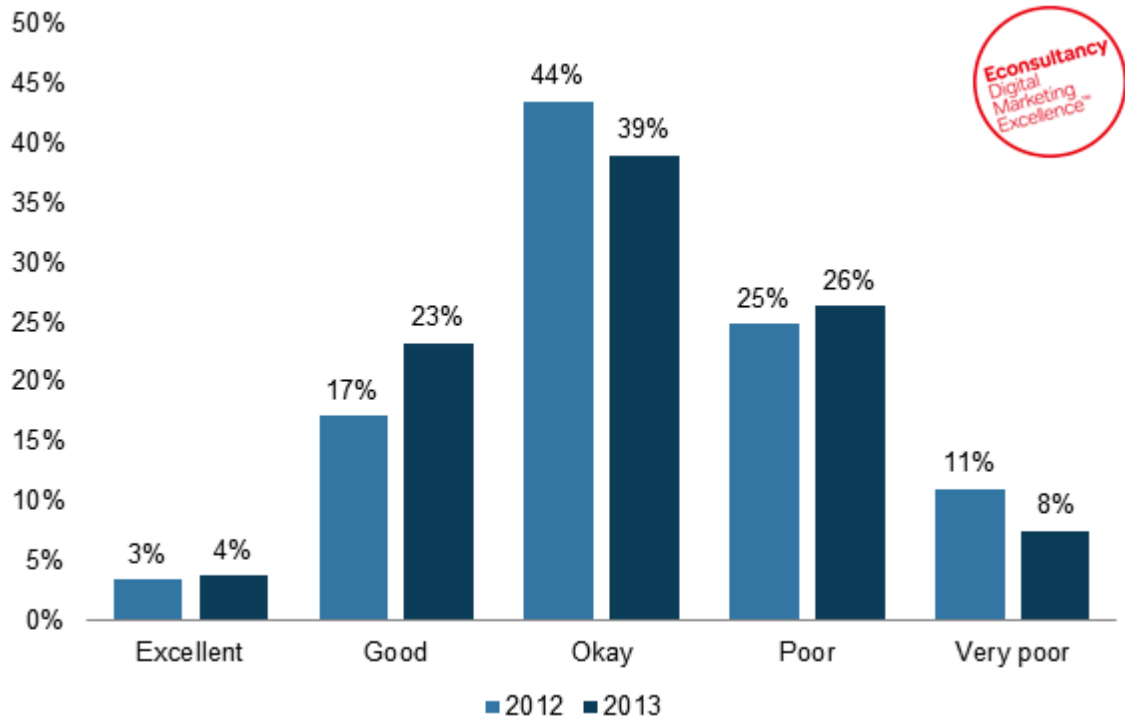


4.5.7. How customers rate the mobile user experience

Over a quarter (27%) of responding organisations say their customers rate their brand's mobile user experience as 'good' (23%) or 'excellent' (4%), up from a fifth in 2012.

While the proportion of companies indicating their customers rate the mobile user experience as 'poor' has slightly increased (from 25% in 2012 to 26% this year), fewer companies say their customers would describe it as 'very poor' (down by 3% since last year).

Figure 40: How would your customers rate your brand's mobile user experience?



Respondents 2013: 358
Respondents 2012: 308

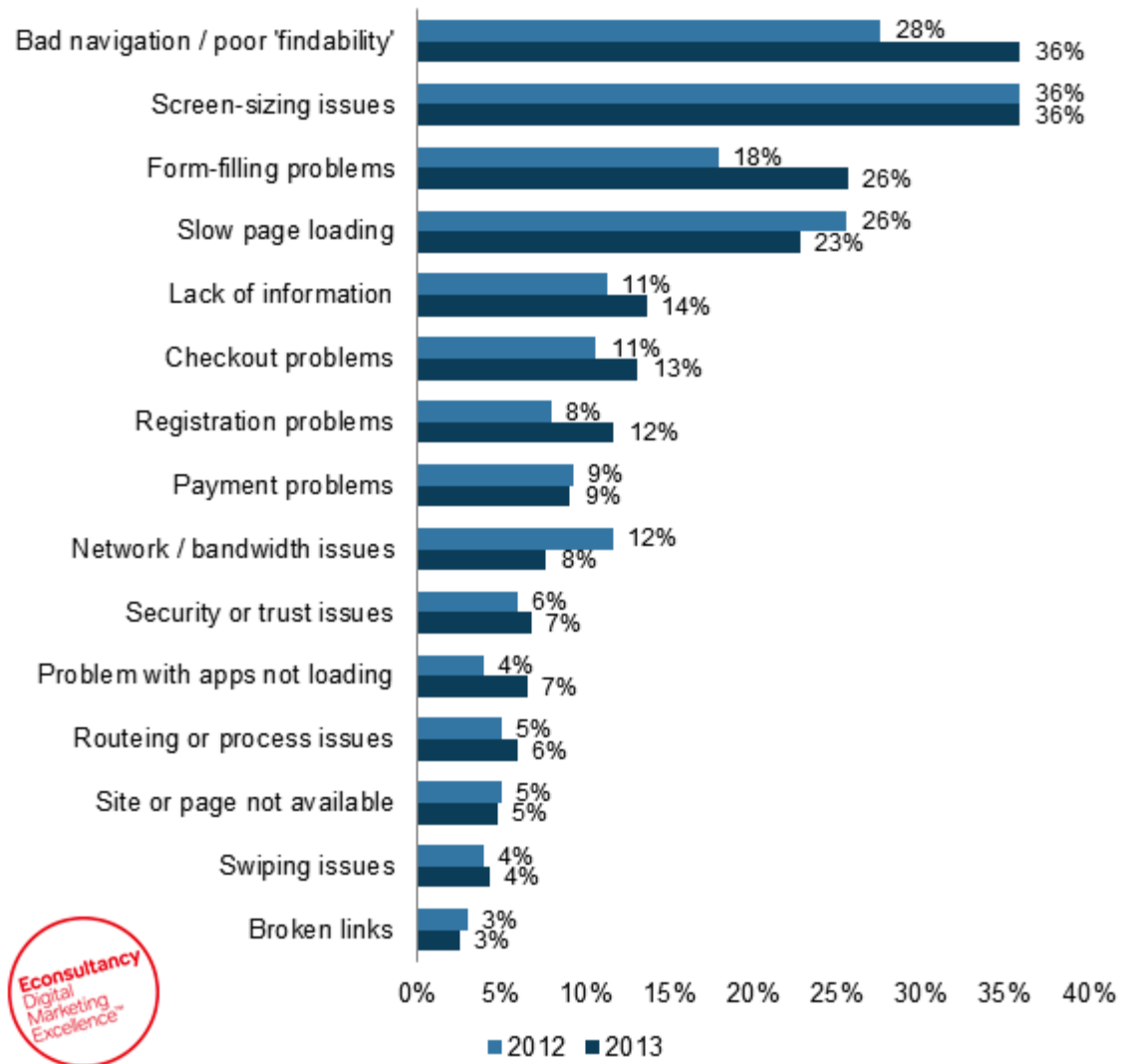


4.5.8. Most serious mobile issues

The proportion of companies who consider *bad navigation / poor 'findability'* as a serious mobile issue has increased by 8% in the last year, from just over a quarter (28%) in 2012 to 36% this year. The same proportion consider *screen-sizing issues* to be the most serious problems their customers encounter.

Compared to last year, a significantly higher proportion of organisations say that *form-filling problems* represent a serious issue for their customers – 26% compared to just under a fifth (18%) in 2012.

Figure 41: What do you think are the most serious issues your customers encounter when they interact with your brand via a mobile device?



Respondents 2013: 351
Respondents 2012: 301

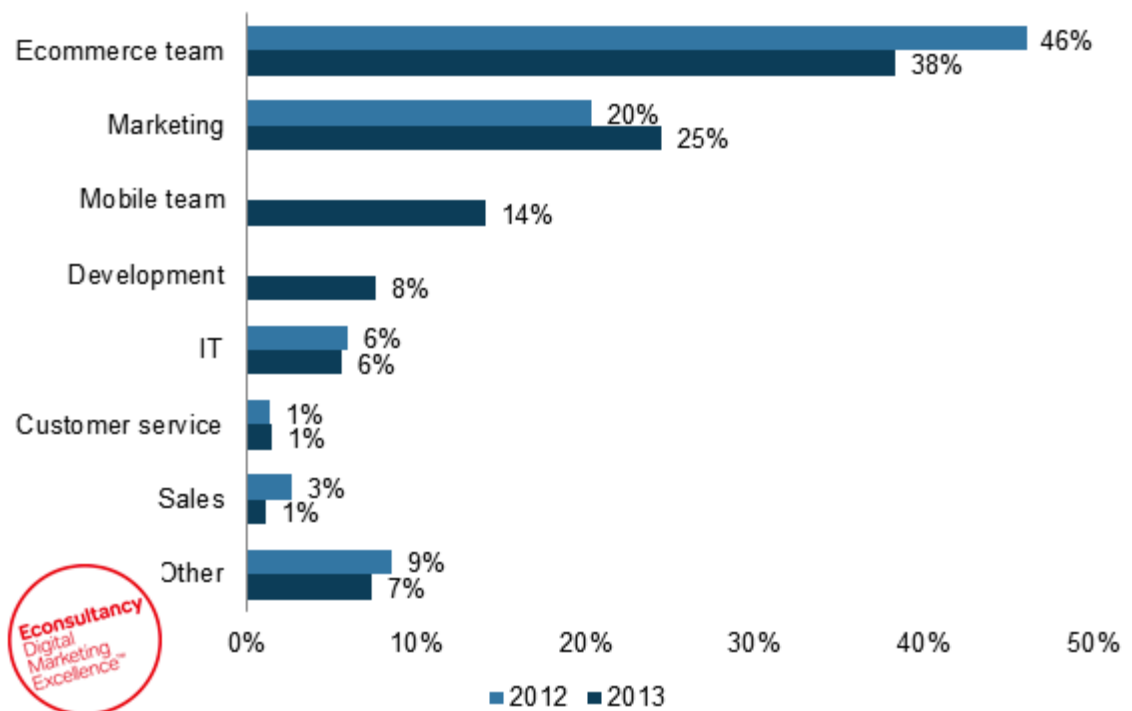
Note: Respondents could select up to three options.

4.5.9. Responsibility for mobile customer experience

For just over a third (38%) of companies surveyed, the *ecommerce team* is ultimately responsible for mobile customer experience. *Marketing* (25%) is the next most likely department to be responsible for this.

Only 14% of responding companies say they have a dedicated *mobile team* that's responsible for mobile customer experience. North American organisations are more likely to have a dedicated mobile team than those based in Europe, with just over a quarter (28%) saying that this is the case (compared to 11% of European respondents).

Figure 42: Who within your business is ultimately responsible for the mobile customer experience?



Respondents 2013: 355
Respondents 2012: 304

Note: Respondents could select multiple options.

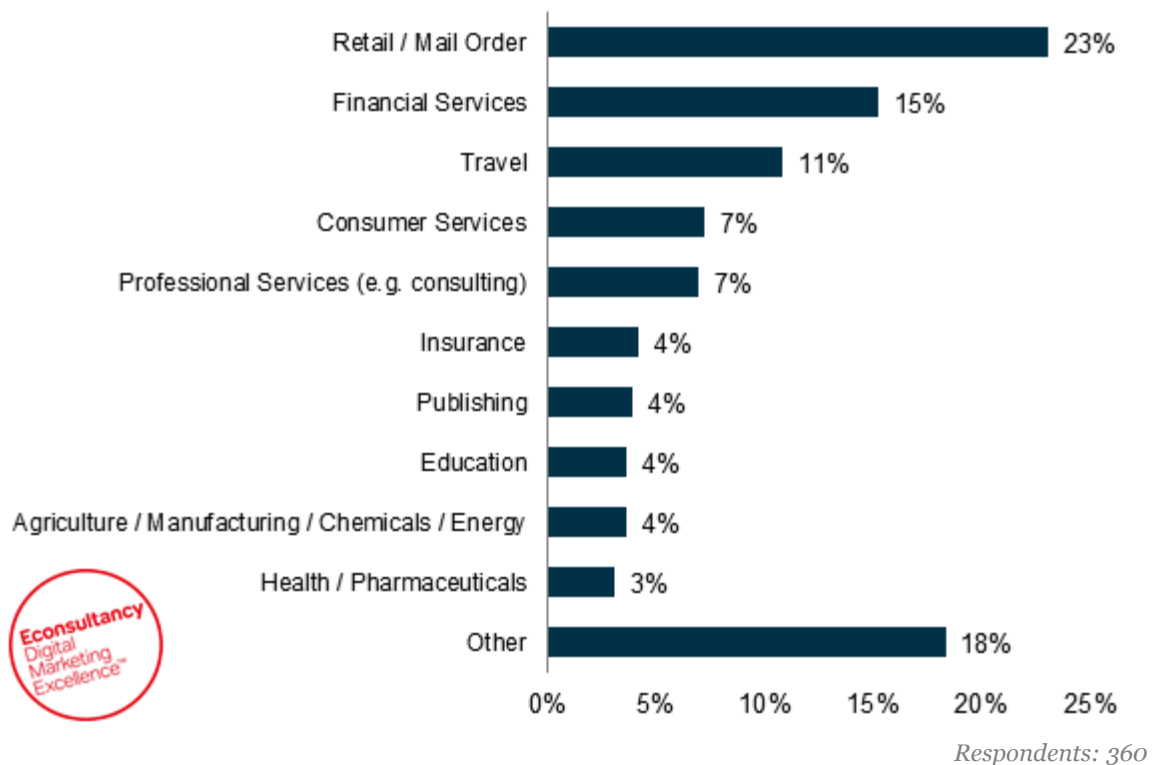
5. Appendix: Respondent Profiles

5.1. Business sector

Respondents work across a wide range of business sectors. As seen in the chart below, over a fifth of respondents (23%) work in the *retail* or *mail order* sector, while 15% work in *financial services*.

Some 11% of respondents work in the *travel* sector and 7% work in *consumer services*. Around a fifth (18%) of respondents specify 'other' as their sector. 'Other' in this context includes IT, telecommunications and public sector.

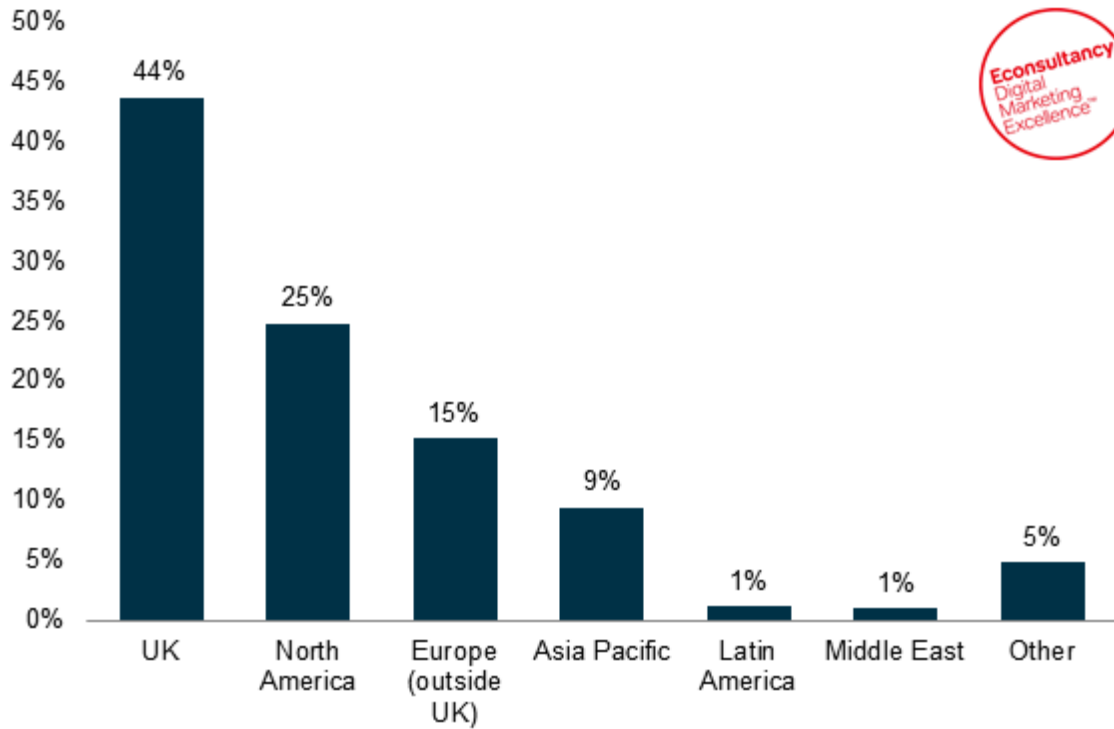
Figure 43: In which business sector is your organisation or division?



5.2. Geography

Around two in five respondents (44%) are UK-based, while a quarter are based in North America. Some 15% are based in Europe (outside UK) and 9% are based in Asia Pacific.

Figure 44: In which country / region are you located?



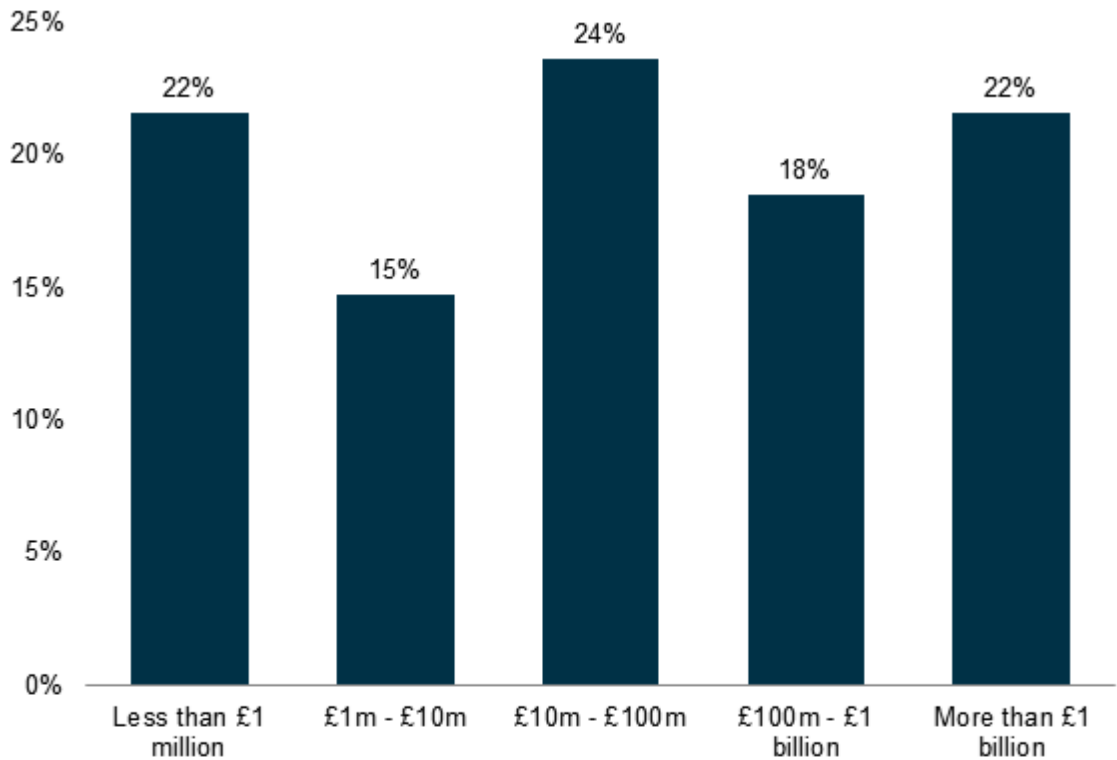
Respondents: 520

5.3. Size of company by revenue

The chart below shows the annual revenue of survey respondents.

Just over a fifth (22%) of respondents work for companies with annual revenues of less than £1 million, while two in five respondents (40%) work for brands with a turnover in excess of £100 million.

Figure 45: Approximately how much revenue did your company generate in revenue in 2012?



Respondents: 354