



KEEPING PACE WITH THE SUPER CONSUMER

THE FORESEE E-RETAIL SATISFACTION INDEX (SPRING TOP 100 EDITION)

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FORESEE RATES TOP 100 E-RETAILERS



SATISFACTION MATTERS!

A highly satisfied visitor to an e-retail site is

72% more likely to purchase online

56% more likely to purchase offline

69% more likely to recommend the retailer¹

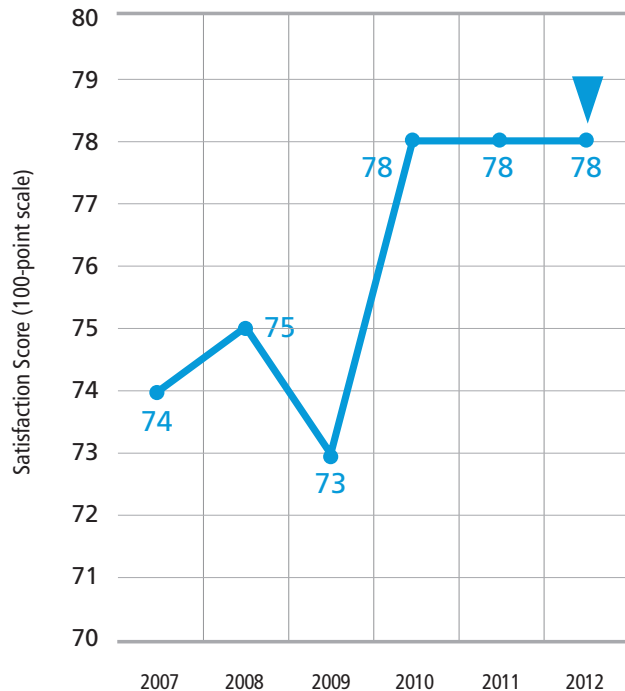
Companies with high customer satisfaction scores have blown the S&P 500 out of the water . . .

— Harvard Business Review

1) These percentages are based on comparisons of likelihood scores for highly-satisfied site visitors (scoring satisfaction 80 or higher) compared to dissatisfied site visitors (scoring 69 or lower).



SATISFACTION STAGNATES



All data from the ForeSee E-Retail Satisfaction Index (Spring 2012 Edition).

THE WINNERS



HIGHEST-SCORING RETAILERS BY CATEGORY

Apparel & Accessories

83

L.L. Bean

Books, Music & Video

82

Barnes & Noble

82

Scholastic

Computers & Electronics

85

Apple

Food & Drug

84

Keurig

Hardware/Home Improvement

80

Northern Tool

Mass Merchants

89

Amazon

Other

80

Edible Arrangements

Specialty

82

Oriental Trading



EXECUTIVE SUMMARY

For the eighth year, ForeSee has conducted the Spring Top100 edition of the ForeSee E-Retail Satisfaction Index, an analysis of customer satisfaction with the top 100 online retailers in the United States. The list of the top 100 e-retailers is determined by the *2012 Internet Retailer Top 500 Guide*. This revealing report, the result of almost 21,000 responses from visitors to the top 100 retail sites, allows for year-over-year comparisons of both industry average satisfaction and satisfaction with individual retailers.

Key findings of this year's research are further explored in the following report and include:

- > **Satisfaction plateaus:** Overall satisfaction scores with the top e-retailers is stable. In 2010, there was an increase in customer satisfaction from 2009 when the average score jumped from 73 (its lowest point) to a record high of 78 as e-retailers rebounded from the sluggish economy. They haven't budged since, and overall satisfaction remains at 78.
- > **Amazon sets the standard:** Amazon continues to set the standard for e-retailers. After grabbing the top spot from Netflix last year, Amazon (89) remains the leader of the pack, improving three points from 2011's score of 86. Amazon's score sets a record as the highest score ever attained by a retailer measured in this Index.
- > **Netflix rebounds (a little):** After slipping to an all-time low (79) during the holiday season, Netflix regained some footing to score an 81. It still has a lot of work to do in order to return to its former glory and list-leading score of 87 from two years ago.
- > **Satisfaction winners:** This year's top-performing e-retailers on this Index include Amazon, Apple, QVC, L.L. Bean, Avon, and Keurig.
- > **Customer satisfaction matters:** Compared to dissatisfied site visitors, satisfied visitors say they are 72% more likely to purchase online, 56% more likely to purchase offline, 67% more likely to purchase from that retailer next time they're in the market for a similar product (a good proxy for loyalty), and 69% more likely to recommend the retailer to someone else.

INTRODUCTION

There's no denying the significant impact the web has had in the retail industry and on how customers shop today. Although retailers have come a long way in understanding consumer behavior, the truth is that many are still trying to figuring out how to deal with the 21st century shopper. Gone are the days when a customer drove to a store location during business hours, viewed the merchandise in person and, on a good day, asked a sales representative a few questions about the different products sitting on the shelf before making an educated purchase.

Today, consumers wield unprecedented power in the marketplace. They can shop anywhere at any time and they have a multitude of resources literally at their fingertips – web, mobile, email, social media. They have the ability to clone themselves by shopping in five stores at once through the use of a multi-tabbed web browser. With the use of a smart phone, they can walk down an aisle of one store and teleport a sales representative from a competing store or several representatives from several stores to assist them in finding the best products at the best prices.

Consumers nowadays also speak with incredibly loud voices, posting their shopping experiences – good or bad – to Facebook and Twitter. Their hearing is acute and refined; they listen to the millions of voices expressing opinions and recommendations about products and companies through social media. Their knowledge is practically limitless. Thanks to the available custom-generated product reviews and detail specifications, many shoppers know as much or even more than store employees by the time they are ready to make a purchase. More impressively, these super consumers can perform all these feats at one time.

Technology continues to move at lightning speed, and that means shoppers are only going to get smarter, faster, and more powerful. That's why it's imperative for retailers to understand today's super consumer, how they shop and – maybe most importantly – what makes them happy. Technology will continue to change as will the way consumers use it to research, shop and purchase.

However, the one constant that will always remain relevant in the retail world is customer satisfaction. Research shows again and again that satisfied customers are more likely to make future purchases and to make recommendations, urging friends, family and anyone connected to the web to shop where they had the best experiences. These key success indicators give company executives and managers excellent metrics for their websites that go beyond just sales. These measures quantify how a website is influencing future business across all channels.

Another problem that retailers face in this new era of shopping is to figure out which metrics will give them the most actionable insights. Companies have long used behavioral metrics to determine their success or failure. This isn't wrong – it's good information to have, but looking at only behavioral data is like constantly looking in the rearview mirror. If a company really wants a sense of where they are going, they need to continuously monitor and improve the customer experience before super consumers go up, up, and away from their websites (and possibly other available channels).

BY THE NUMBERS: TOP 100 SATISFACTION SCORES

ForeSee's technology is founded on a scientific methodology created at the University of Michigan that has proven the strong relationship between customer satisfaction and a company's financial future. In essence, high customer satisfaction, when measured scientifically, predicts success.

Satisfaction is the most important customer metric organizations can track and is the driver of all behaviors that retailers care most about: purchases, recommendations, loyalty, and more.

This year we compared less satisfied website visitors (with satisfaction scores 69 or less) to highly satisfied website visitors (with satisfaction scores of 80 or higher). Based on likelihood scores, compared to dissatisfied site visitors, satisfied visitors say they are 72% more likely to purchase online, 56% more likely to purchase offline, 67% more likely to purchase from that retailer next time they're in the market for a similar product, and 69% more likely to recommend the retailer to someone else.

Overall, satisfaction scores have plateaued over the last three years and remain at 78 again this year. In 2010, we saw an increase in consumer satisfaction from 2009 when scores jumped from 73 – its lowest point – to a record high of 78 as e-retailers rebounded from the sluggish economy.

What does this satisfaction plateau mean for retailers?

While satisfaction appears stagnant, the good news is that we haven't seen it drop to 2009 levels again. We do have to keep in mind that this is a measure of the Top 100 retailers – they are financially successful because they already provide a satisfying experience for their customers and continue to innovate and improve upon it.

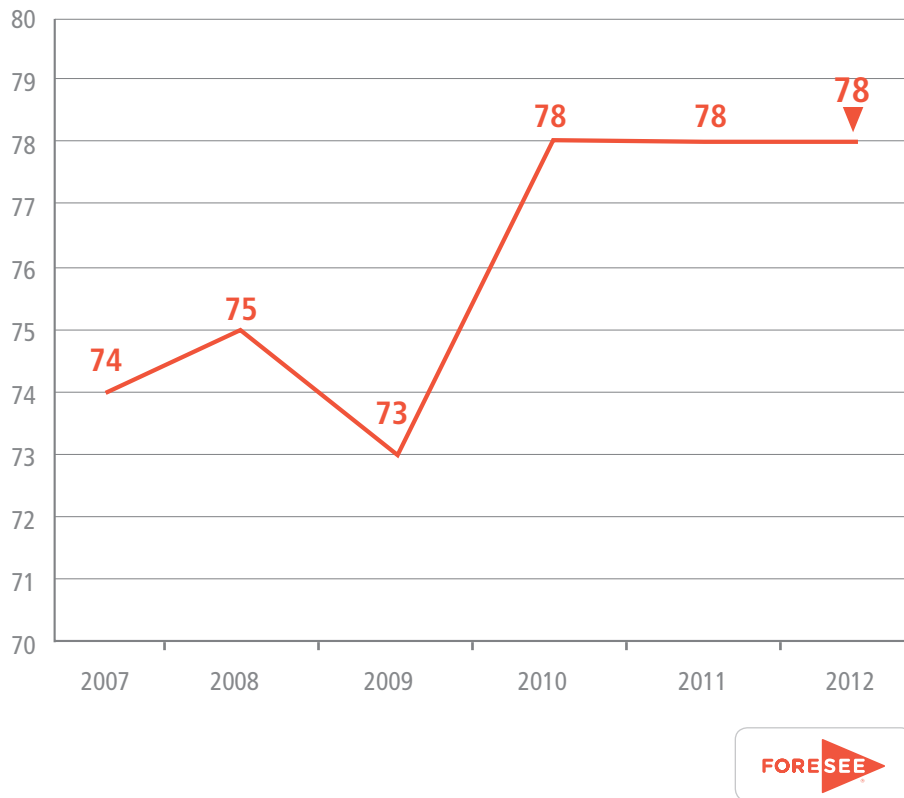
For example, everyone has heard of Amazon. It's no surprise that Amazon leads the Top 100 and managed to significantly improve upon last year's already high score (89, compared to 86 last year). Amazon led the pack by one point last year, and that gap has widened to four points. Statistically speaking, they are now in their own tier above all of the other players.

The truth is that every consumer who has visited Amazon knowingly or unknowingly benchmarks all other experiences against it, and why wouldn't they? They were probably most satisfied there. This year, a number of high scorers like Amazon, Apple, and L.L. Bean experienced increases over last year, while – for the first time in two years – we saw a few companies fall below a score of 70.

It's good that leading Top 100 companies are moving forward. However, the bad news is that some of the smaller companies are lagging further behind and need to start playing catch up in the race for customer satisfaction.

FIGURE 1:

TOP 100 E-RETAILER SATISFACTION OVER TIME



Satisfaction scores for individual e-retailers span a 16-point range, from a high of 89 (Amazon) to a low of 69. Individual site scores are listed in Figure 2 and show:

- > **The Leaders:** The clear winner this year is perennial top-scorer Amazon (89), up three points from last year's already-remarkable score of 86. Thirty-six retail websites registered scores at or above 80, which is generally considered the threshold for excellence when using this methodology. Now that the average for the top 100 retailers is 78, a score of 80 is less impressive than it was five years ago, when the average was 74. Still, if we were to include thousands of e-retailers from large to small, scores of 80 or higher would no doubt emerge as being notably high.

- Amazon (89)
- Apple (85)
- QVC (85)
- Keurig (84)
- Avon (83)
- L.L. Bean (83)
- 1800Contacts (82)
- Barnes and Noble (82)
- Newegg (82)
- Oriental Trading (82)
- Scholastic (82)
- VistaPrint (82)
- Vitacost (82)
- Walmart (82)
- HSN (81)
- Kohls (81)
- Netflix (81)
- Swiss Colony (81)
- Victoria's Secret (81)
- Walgreens (81)
- Williams-Sonoma (81)
- Best Buy (80)
- Blair (80)
- Cabela's (80)
- Dell (80)
- Edible Arrangements (80)
- JC Penney (80)
- Musician's Friend (80)
- Nike (80)
- Nordstrom (80)
- Northern Tool (80)
- Ralph Lauren (80)
- REI (80)
- Shutterfly (80)
- Sportsman's Guide (80)
- Weight Watchers (80)

> **The Most Improved Since Last Year:** Fifteen sites experienced notable increases

of three points or more this year.

- 5-point Improvement:
 - Apple (85)
 - RueLaLa (75)
- 4-point Improvement:
 - Foot Locker (79)
 - J.Crew (78)
- 3-point Improvement:
 - Amazon (89)
 - 1800Contacts (82)
 - Keurig (84)
 - Walmart (82)
 - Nordstrom (80)
 - Neiman Marcus (78)
 - Home Depot (79)
 - Nike (80)
 - Blair (80)
 - Shop NBC (77)
 - Urban Outfitters (75)

> **The Most Improved Over Time:** A number of companies are noted for significant score increases since they were first measured in the Index.

- Home Depot (up 10 points since first measured, to 79)
- Costco (up nine points to 79)
- Kohl's (up nine points to 81)
- Scholastic (up eight points to 82)
- Macy's (up eight points to 77)
- Shop NBC (up eight points to 77)
- Urban Outfitters (up eight points to 75)
- 1800 Contacts (up seven points to 82)
- Walmart (up seven points to 82)
- Nike (up seven points to 80)
- Nordstrom (up seven points to 80)
- REI (up seven points to 80)
- American Eagle (up seven points to 79)
- CVS (up seven points to 79)
- Footlocker (up seven points to 79)
- Buy.com (up seven points to 78)
- Lowe's (up seven points to 77)
- PC Mall (up seven points to 74)
- Vistaprint (up six points to 82)
- Swiss Colony (up six points to 81)
- Walgreens (up six points to 81)
- Orchard Brands (up six points to 80)
- Northern Tool (up six points to 80)
- Ralph Lauren (up six points to 80)
- J.Crew (up six points to 78)
- OfficeMax (up six points to 77)
- Nutrisystem (up six points to 74)

THE SCORES

The following chart provides satisfaction scores for the Top 100 retailers from the *2012 Internet Retailer Top 500 Guide*. Scores are calculated on a 100-point scale.

FIGURE 2:

Shopper Satisfaction with 2012 Top 100 Online Retailers in U.S			
Website	2011 Satisfaction	2012 Satisfaction	Point change 2011 - 2012
Amazon.com	86	89	3
QVC.com	84	85	1
Store.Apple.com	80	85	5
Keurig.com	81	84	3
Avon.com	84	83	-1
LLBean.com	81	83	2
1800Contacts.com	79	82	3
BN.com	80	82	2
Newegg.com	83	82	-1
OrientalTrading.com	80	82	2
Scholastic.com	81	82	1
Vistaprint.com	81	82	1
Vitacost.com	81	82	1
Walmart.com	79	82	3
HSN.com	82	81	-1
Kohls.com	80	81	1
Netflix.com	85	81	-4
SwissColony.com	81	81	0
VictoriasSecret.com	80	81	1
Walgreens.com	79	81	2
Williams-Sonoma.com	80	81	1
BestBuy.com	80	80	0
Blair.com	77	80	3
Cabelas.com	81	80	-1
Dell.com	79	80	1

Shopper Satisfaction with 2012 Top 100 Online Retailers in U.S (continued)

Website	2011 Satisfaction	2012 Satisfaction	Point change 2011 - 2012
EdibleArrangements.com	nm	80	na
JCP.com	80	80	0
MusiciansFriend.com	81	80	-1
Nike.com	77	80	3
Nordstrom.com	77	80	3
NorthernTool.com	79	80	1
RalphLauren.com	79	80	1
REI.com	79	80	1
Shutterfly.com	82	80	-2
SportsmansGuide.com	79	80	1
WeightWatchers.com	81	80	-1
AE.com	78	79	1
BassPro.com	82	79	-3
Costco.com	80	79	-1
CVS.com	78	79	1
DisneyStore.com	79	79	0
FootLocker.com	75	79	4
HomeDepot.com	76	79	3
HPShopping.com	79	79	0
Staples.com	80	79	-1
Target.com	78	79	1
TigerDirect.com	81	79	-2
1800Flowers.com	77	78	1
Buy.com	77	78	1
ColdwaterCreek.com	80	78	-2
crateandbarrel.com	78	78	0
Grainger.com	77	78	1
Hayneedle.com	76	78	2
JCrew.com	74	78	4
MicrosoftStore.com	nm	78	na
NeimanMarcus.com	75	78	3

Shopper Satisfaction with 2012 Top 100 Online Retailers in U.S. (continued)

Website	2011 Satisfaction	2012 Satisfaction	Point change 2011 - 2012
ShoeBuy.com	77	78	1
Toysrus.com	77	78	1
Blockbuster.com	78	77	-1
EddieBauer.com	77	77	0
Gap.com	76	77	1
Lowe's.com	78	77	-1
Macys.com	78	77	-1
OfficeMax.com	78	77	-1
ShopNBC.com	74	77	3
SonyStore.com	75	77	2
AnnTaylor.com	nm	76	na
Fingerhut.com	74	76	2
FootballFanatics.com	77	76	-1
OfficeDepot.com	77	76	-1
SierraTradingPost.com	78	76	-2
BlueNile.com	75	75	0
FTD.com	75	75	0
Overstock.com	78	75	-3
RueLaLa.com	70	75	5
Sears.com	74	75	1
UrbanOutfitters.com	72	75	3
AutoPartsWarehouse.com	74	74	0
Nutrisystem.com	74	74	0
PCConnection.com	77	74	-3
PCMall.com	75	74	-1
Safeway.com	73	74	1
Abercrombie.com	75	73	-2
Build.com	nm	73	na
Gilt.com	nm	71	na
Peapod.com	79	70	-9
Ancestry.com	76	69	-7
efollett.com	70	69	-1

SATISFACTION WINNERS

While a satisfaction score of 80 on the ACSI Index has long been the Holy Grail for companies across industries, in recent years, more and more retailers have been reaching and surpassing that benchmark of excellence. When we first started measuring the top e-retailers in 2005, only four websites scored 80 or higher. In 2010 and 2011, almost one-third of all measured sites in the Top 100 reached or broke the 80 barrier. This year, 37 companies had satisfaction scores that ranged from 80-89.

After grabbing the top spot from Netflix last year, Amazon (89) remains the leader of the pack, improving three points from 2011's score of 86. Apple was another big mover, increasing to 85 with a five-point improvement. RueLaLa's satisfaction also increased by five points, to 75. Foot Locker (79) and J.Crew (78) both saw an increase of four points, and 10 retailers besides Amazon also improved by three points.

We would be remiss not to mention Netflix (81), down four points from last spring (85) and the recipient of much publicity about its missteps and resulting plummet in customer satisfaction. It's worth noting that Netflix's satisfaction score is actually up two points from when we measured it over the holiday season (79). Despite the increase, Netflix is still obviously paying the price of its PR fiasco last year and it is nowhere near its all-time high score of 87 two years ago. Once the darling of the e-commerce world in terms of customer satisfaction, Netflix clearly has a lot more ground to make up. What remains to be seen is whether this small increase of two points is the result of successful efforts to satisfy customers, or whether so many customers have jumped ship that only the most satisfied remain. Only time will tell.

Other findings by category include (full category charts can be found in Appendix A):

- > **Apparel and Accessories:** With 22 websites, this is the largest category. The aggregate satisfaction score for the apparel and accessories sites was 78, up two points from last year (76). Scores for individual retailers within the category ranged from 71 to 83. L.L. Bean (83) saw a two-point increase and now leads the group. Victoria's Secret scored an 81, while five others scored 80. Last year, just two retailers in this category scored 80 or above.

- > **Books/Music/Video:** The five e-retailers in the books/music/video category had an aggregate category score of 78 (down slightly from 79), with individual scores ranging from 69 to 82. Scholastic and Barnes and Noble each scored an 82.
- > **Computers and Electronics:** The 10 computers and electronics retailers had an average score of 79 (up from 78), with individual companies ranging from 74 to 85. Four companies in this category had satisfaction scores of 80 or higher: Apple (85), Newegg (82), Dell (80), and Best Buy (80).
- > **Food and Drug:** Eight food and drug e-retailers averaged a score of 78, unchanged from 2011. Keurig (84), Swiss Colony (81), Walgreens (81), and Weight Watchers (80) lead the group.
- > **Hardware/Home Improvement:** The five e-retailers classified in this category averaged a score of 77 – the lowest category score. Individual sites' scores ranged from 73-80, with Northern Tool receiving the only 80.
- > **Mass Merchants:** Another large and well-performing category – 15 sites with an average satisfaction score of 79 (same as 2011). Six e-retailers that are classified as mass merchants scored over 80: Amazon (89), QVC (85), Walmart (82), HSN (81), Kohls (81), and JC Penney (80). None of the Top 100 mass merchants scored lower than 75.
- > **Specialty/Non-Apparel:** The five sites in this category overall score dropped to 78. Three of the five sites scored in the 80s: Oriental Trading (82), Shutterfly (80), and Musician's Friend (80).

There are several different ways for an e-retailer to put its score in context by using the benchmarking capabilities provided by the ForeSee technology. E-retailers can compare their own score in the following ways in order to determine whether they are leading the pack or falling short:

1. **Comparison to the average Index score for U.S. e-retailers (78).** Any retailer falling significantly below 78 is risking loyalty, recommendations, sales, and market share to competitors who score higher. By this measure, 30 e-retailers may be underperforming compared to their peers. However,

that is not taking into account the 11 retailers that have average scores (78). While falling below average is definitely dangerous, it is hard to imagine that a consistently average performance is safe either, especially in a hyper-competitive economy. This data points out an interesting trend among the top retailers: 80 is generally considered the threshold for excellence for companies across industries using ForeSee's methodology to evaluate their success. The top 100 e-retailers have improved their performance so much over time that a score of 80 equates to being just above average. Five years ago, the average score for the top 100 e-retailers was 74; now it is 78. The performance of the largest online retailers raises the bar for other retailers.

2. **Comparison to frontrunners.** Most anyone who shops online will probably visit Amazon at some point, and their expectations are being set accordingly. With Amazon setting a new record high for the company and the Index, it's apparent that other retail websites have work to do. The problem is that Amazon doesn't appear to be slowing down any time soon to let competitors catch up.
3. **Comparison to direct competitors.** All retailers in the Index are classified according to product category, which allows individual companies to check their own performance against sites selling similar products or services. For categories with more than five companies, we provide an average category score. Companies in categories with less representation in the top 100 can still make direct score comparisons to close or distant competitors. Please see Appendix A for a breakdown of sites by product category.
4. **Comparison to channel competitors.** E-retailers in the Index are also organized by channel category. In general, websites for multichannel retailers underperform web-only retailers, although the gap is narrowing.

WHY MEASURE CUSTOMER SATISFACTION?

For years now, online retailers have tracked shoppers' basic behavior patterns, such as which pages they clicked on, where they came from, how much money they spent, and what they abandoned in their cart.

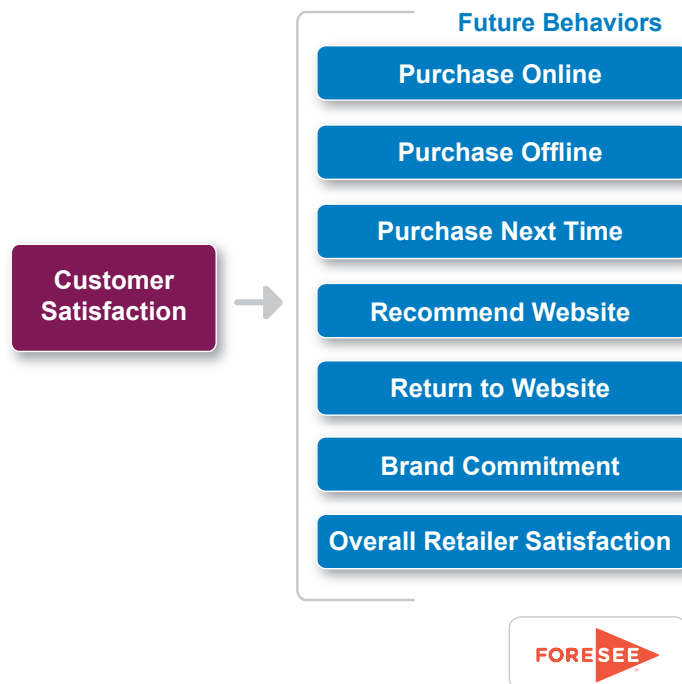
While these are important metrics to have, they shouldn't be considered the end result.

With the rise of the super consumer the retail landscape has changed and retailers need a tool just as potent as the ones consumers wield (powerful voice, super hearing, unlimited knowledge, and cloning abilities) to level the playing field. They need a precise and reliable technology that not only measures the customer experience but predicts what impact their satisfaction, or lack thereof, will have on the future success of a company. Companies also need to be aware that consumers are fully immersed in multichannel -- using web, mobile, store locations, contact centers, email and social media at will -- and the experience a customer has in one channel can greatly affect the overall experience with the company as a whole.

ForeSee's methodology used to conduct this study has proven there is a strong relationship between customer satisfaction and a company's financial future. The higher the customer satisfaction -- when measured scientifically -- the higher the likelihood of future success.

As shown in Figure 3, the ForeSee model measures customer satisfaction in way that predicts customers' likelihood to buy, visit again, remain loyal, and recommend to others. These are all future behaviors that have a direct impact on financial success.

FIGURE 3: SATISFACTION PREDICTS FUTURE BEHAVIORS



The impact of online customer satisfaction on an e-retailer’s business is quite clear. For many business leaders, this finding makes intuitive sense, but the ForeSee methodology is able to quantify the impact of a satisfied online shopper on a retailer’s overall business operations. As shown in Figure 5, based on likelihood scores, the 2012 Top 100 Index shows that higher customer satisfaction leads to:

- > **Future purchase:** Compared to shoppers who are dissatisfied with an online experience (have website satisfaction scores of 69 or lower), shoppers who are highly satisfied with a retail website (have satisfaction scores of 80 or higher) say they are 72% more likely to purchase from that retailer’s website and 56% more likely to purchase from another channel.
- > **Loyalty and market share:** Highly satisfied shoppers are 67% more likely to buy from that retailer the next time they buy similar merchandise, 66% more committed to the brand, and 58% more likely to return to the website than those who are dissatisfied.
- > **Positive impression of the retailer overall:** Compared to dissatisfied shoppers, satisfied shoppers are 63% more satisfied with the retailer overall, transcending the experience with the website alone. This information translates to a considerable website contribution to brand affinity.
- > **Positive word-of-mouth recommendations:** Highly satisfied shoppers say they are 69% more likely to recommend the website to a friend, family member, or colleague than are dissatisfied shoppers.

FIGURE 4:

Likely Future Behaviors for Shoppers of Top 100 E-Retail Websites			
Likely Future Behavior	Highly Satisfied Shoppers (80+)	Dissatisfied Shoppers (<70)	% Difference Between Highly Satisfied & Dissatisfied
Brand Commitment	90	54	66%
Purchase Next Time	91	54	67%
Purchase Offline	74	48	56%
Purchase Online	89	52	72%
Recommend	92	55	69%
Retailer Satisfaction	92	57	63%
Return	94	59	58%



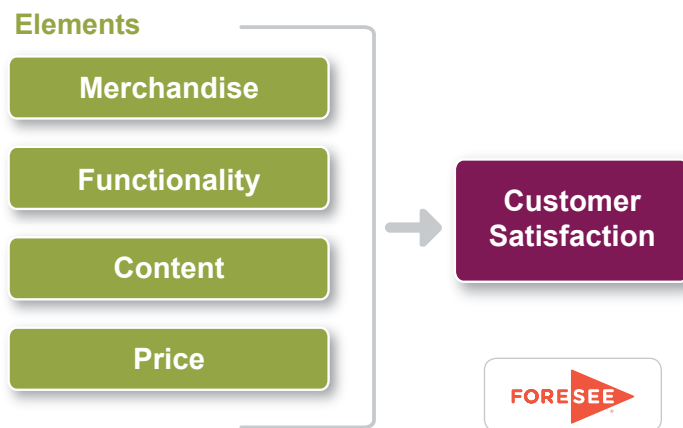
FACTORS AFFECTING ONLINE CUSTOMER SATISFACTION

How can retailers increase satisfaction so shoppers are even more likely to buy, recommend, and return to their sites?

The ForeSee methodology scientifically measures several key drivers, or elements, of online satisfaction and the results tell us how shoppers feel about these performance areas and also how much influence each element has on shoppers' overall satisfaction. Improving the elements in the eyes of site visitors leads to quantifiable increases in satisfaction. The elements that will have the most impact on overall satisfaction (and therefore on future behaviors, both online and offline) differ for specific e-retailers.

As seen in Figure 6, this study measures four high-level factors, or elements: merchandise, functionality, content and price. For the purposes of this study, these elements are measured in broad strokes. We are able to determine the impact of a wider range of more detailed elements for specific websites when consumers are surveyed immediately after a site experience.

FIGURE 5: THE ELEMENTS AFFECTING E-RETAIL CUSTOMER SATISFACTION



The ForeSee technology quantifies which elements have the greatest impact on overall satisfaction, regardless of how shoppers feel about an individual element. Websites will improve satisfaction the most by **prioritizing improvements to the elements that have the greatest impact on satisfaction**, rather than focusing on scores alone.

FIGURE 6:

Elements of E-Retail Satisfaction

Element	What It Measures	Comments
Price	Perceptions of the fairness and competitiveness of an online retailer's prices	Among the elements measured in this research, price is a top priority for 13 sites (see following table). Keep in mind, though, that price is typically the lowest impacting element and is tied with content and functionality in terms of influence on satisfaction, rather than being the main driver by itself.
Merchandise	The appeal, variety, and availability of products on the website	Among the elements measured in this research, merchandise is a top priority for 62 sites (see following table).
Website Functionality	The usefulness, convenient placement, and variety of online features available to site visitors	Among the elements measured in this research, website functionality is a top priority for improvement for three sites (see following table).
Content	Perceptions of accuracy, quality, and freshness of information on the website	Among the elements measured in this research, content is a top priority for 14 sites (see following table).



FIGURE 7:

Top and Bottom Priorities for the Top 100 E-Retailers

Website	Customer Satisfaction	Top Priority for Improvement	Lowest Priority for Improvement
Amazon.com	89	Price	Functionality
TigerDirect.com	79	Price	Functionality and Merchandise
Abercrombie.com	73	Price	Content and Merchandise
1800Contacts.com	82	Price	Functionality
NorthernTool.com	80	Price	Functionality
1800PetMeds.com	79	Price	Functionality
Hayneedle.com	78	Price	Functionality
FTD.com	75	Price	Functionality
UrbanOutfitters.com	75	Price	Functionality
efollett.com	69	Price	Functionality
Peapod.com	70	Price	Content
Gilt.com	71	Price	Content and Functionality
AE.com	79	Merchandise and Price	Functionality

Top and Bottom Priorities for the Top 100 E-Retailers (continued)

Website	Customer Satisfaction	Top Priority for Improvement	Lowest Priority for Improvement
HPShopping.com	79	Merchandise and Price	Functionality
Target.com	79	Content	Functionality
Buy.com	78	Content	Functionality
Talbots.com	76	Content	Functionality
MicrosoftStore.com	78	Functionality	Content
EdibleArrangements.com	80	Content	Functionality
Art.com	75	Content	Functionality
Newegg.com	82	Merchandise	Functionality
Vitacost.com	82	Merchandise	Functionality
Kohls.com	81	Merchandise	Functionality
Netflix.com	81	Merchandise	Functionality
VictoriasSecret.com	81	Merchandise	Functionality
Cabelas.com	80	Merchandise	Functionality
Nordstrom.com	80	Merchandise	Functionality
REI.com	80	Merchandise	Functionality
CVS.com	79	Merchandise	Functionality
HomeDepot.com	79	Merchandise	Functionality
AmericanGirl.com	78	Merchandise	Functionality
crateandbarrel.com	78	Merchandise	Functionality
JCrew.com	78	Merchandise	Functionality
ShoeBuy.com	78	Merchandise	Functionality
ShopNBC.com	77	Merchandise	Functionality
SonyStore.com	77	Merchandise	Functionality
Fingerhut.com	76	Merchandise	Functionality
FootballFanatics.com	76	Merchandise	Functionality
RestorationHardware.com	75	Merchandise	Functionality
RueLaLa.com	75	Merchandise	Functionality
Nutrisystem.com	74	Merchandise	Functionality
PCMall.com	74	Merchandise	Functionality
Safeway.com/IFL/Grocery/Shop	74	Merchandise	Functionality
Vistaprint.com	82	Merchandise	Functionality
Williams-Sonoma.com	81	Merchandise	Functionality

Top and Bottom Priorities for the Top 100 E-Retailers (continued)

Website	Customer Satisfaction	Top Priority for Improvement	Lowest Priority for Improvement
NeimanMarcus.com	78	Merchandise	Functionality
BlueNile.com	75	Merchandise	Functionality
Overstock.com	75	Merchandise	Functionality
AnnTaylor.com	69	Merchandise	Functionality
Scholastic.com	82	Merchandise	Content
Build.com	73	Merchandise	Content
Keurig.com	84	Merchandise	Content and Functionality
Beachbody.com	76	Merchandise	Content and Functionality
FootLocker.com	79	Content	Merchandise
SwissColony.com	81	Content	Functionality
Walgreens.com	81	Content	Functionality
BestBuy.com	80	Content	Functionality
Staples.com	79	Content	Functionality
Lowe's.com	77	Content	Functionality
PCConnection.com	74	Content	Functionality and Price
QVC.com	85	Merchandise	Functionality
Avon.com	83	Merchandise	Functionality
LLBean.com	83	Merchandise	Functionality
BN.com	82	Merchandise	Functionality
OrientalTrading.com	82	Merchandise	Functionality
Walmart.com	82	Merchandise	Functionality
HSN.com	81	Merchandise	Functionality
Blair.com	80	Merchandise	Functionality
JCP.com	80	Merchandise	Functionality
MusiciansFriend.com	80	Merchandise	Functionality
Nike.com	80	Merchandise	Functionality
SportsmansGuide.com	80	Merchandise	Functionality
Costco.com	79	Merchandise	Functionality
DisneyStore.com	79	Merchandise	Functionality
ColdwaterCreek.com	78	Merchandise	Functionality
Toysrus.com	78	Merchandise	Functionality
EddieBauer.com	77	Merchandise	Functionality

Top and Bottom Priorities for the Top 100 E-Retailers (continued)

Website	Customer Satisfaction	Top Priority for Improvement	Lowest Priority for Improvement
Gap.com	77	Merchandise	Functionality
OfficeMax.com	77	Merchandise	Functionality
JR.com	76	Merchandise	Functionality
OfficeDepot.com	76	Merchandise	Functionality
BassPro.com	79	Merchandise and Content	Functionality
SierraTradingPost.com	76	Content and Merchandise	Functionality
Dell.com	80	Merchandise	Price and Functionality
Blockbuster.com	77	Merchandise	Functionality and Price
RalphLauren.com	80	Merchandise	Content
Ancestry.com	69	Content	Price
WeightWatchers.com	80	Content	Price
Shutterfly.com	80	Functionality	Price
Grainger.com	78	Functionality	Price
Store.Apple.com	85	Merchandise	Price
Sears.com	75	Merchandise	Price
AutoPartsWarehouse.com	74	Merchandise	Price
1800Flowers.com	78	Content and Merchandise	Price
Aeropostale.com	80	Merchandise	Price
Macys.com	77	Merchandise	Price



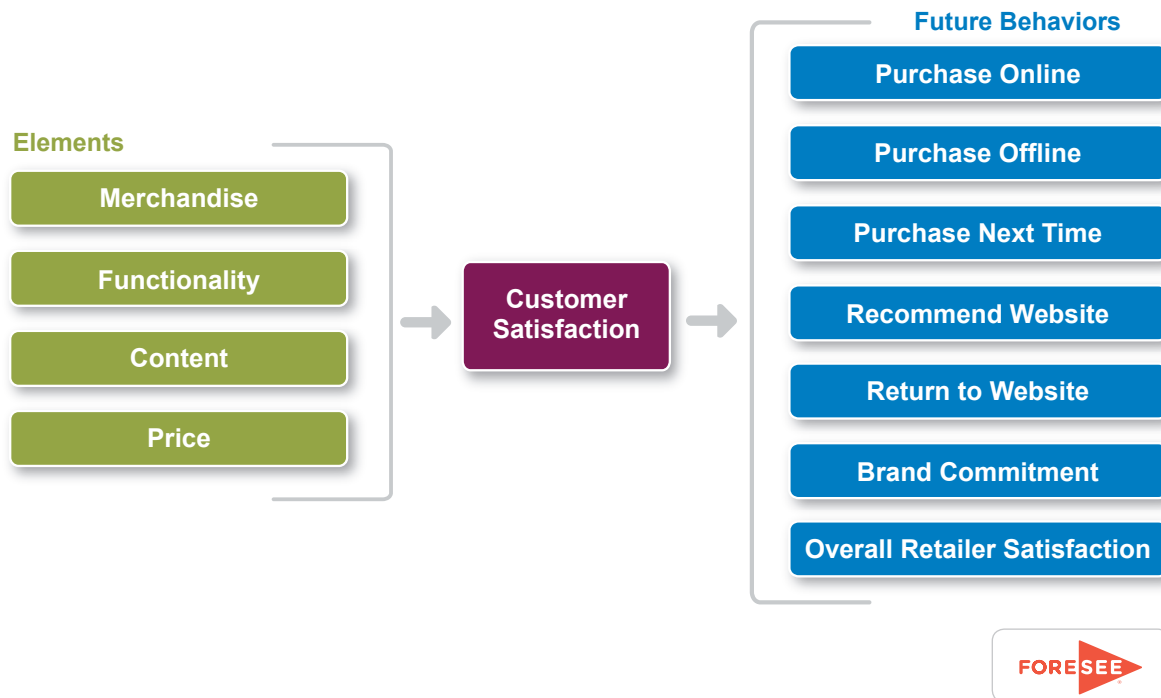
These findings show how companies have a wide range of relationships with their customers, leading to different expectations. Consumer expectations alone can affect satisfaction: people expect lower prices from some companies and better service from others. A good example is Costco versus Nordstrom. A Costco shopper has vastly different expectations than a Nordstrom shopper. At Costco, the shopper expects to pay relatively low prices to have a “warehouse” experience, to buy in bulk, and to carry out boxes instead of bags. At Nordstrom, where great service is expected, shopping in a brightly lit, cavernous warehouse and leaving with their purchases stacked in discarded apple juice flats probably won’t cut it. Expectations of retail websites can also vary greatly.

By understanding the impact of specific aspects of a website on overall satisfaction, e-retailers can save costly investments in upgrades that will not influence satisfaction and behavior and focus their efforts on the changes that are likely to matter most.

PUTTING THE PIECES TOGETHER

Our scientific model reveals that to increase shoppers' likelihood to purchase, return, and recommend, retailers need to increase overall satisfaction. In order to do this, retailers need to be aware of how changing specific elements of their websites will impact their customers' experience – either positively or negatively. Only with the most precise measurement can they begin to prioritize the site enhancements and make business decisions that can generate the greatest return on their investment. This is an invaluable insight in the new era of super consumerism and an unpredictable economy.

FIGURE 8: HOW WEBSITE ELEMENTS DRIVE SATISFACTION AND FUTURE BEHAVIORS



The super consumer holds a tremendous amount of influence in the retail world with a powerful voice, super hearing, unlimited knowledge, and cloning abilities in this new dawn of shopping. Retailers don't have to – in fact, they shouldn't – look at the consumer as a villain that needs to be bested. Actually, consumers are the misinterpreted superhero just looking to be understood. Retailers will never be able to surpass the consumer's ever-changing expectations. But if retailers monitor customer satisfaction and create increasingly positive consumer experiences, they should at least be able to keep pace with the super consumer in this vast technological world we now live in. And that's a pretty good start.

HOW THE SURVEY WAS CONDUCTED

The Top 100 E-Retail Satisfaction Index measures browser satisfaction with the top 100 online retailers by 2011 sales volume as reported in the *2012 Internet Retailer Top 500 Guide*. Satisfaction data were collected through FGI Research's SmartPanel – a nationwide group of 1.6 million consumer households that have agreed to participate in opt-in surveys – and analyzed using ForeSee's methodology, which is based on the American Customer Satisfaction Index (ACSI), developed at the University of Michigan. During February 2012, ForeSee collected data from almost 21,000 responses visitors of the top 100 online retail sites within the previous two weeks, whether or not they made a purchase.

ABOUT THE AUTHOR

As President and CEO of ForeSee, Larry Freed is an expert on customer satisfaction and authors dozens of research papers and reports on the subject every year as well as the 2011 book, *Managing Forward*. Larry speaks extensively on the topic at private- and public-sector industry events and has been quoted in numerous publications and media, including *CNN*, the *Wall Street Journal*, the *Washington Post*, the *New York Times*, *Investor's Business Daily*, *Internet Retailer*, *Internet Retailing*, *Multichannel Merchant*, *DM News*, *Computerworld*, *Federal Computer Week* and *Government Executive*, among many others.

ABOUT THE RESEARCH TEAM

Rhonda Berg, Research Manager at ForeSee, led the research team that worked on the 2012 ForeSee E-Retail Satisfaction Index (Spring Top 100 Edition). Rhonda manages many research initiatives, such as the annual Top 100 and Top 40 Retail Satisfaction Indices (both U.S. and UK) and the quarterly E-Government Satisfaction and Transparency Indices. She also serves as an internal consultant regarding statistics, methodology, and survey design. Rhonda has been a research professional for 20 years in a number of industries and holds advanced degrees in business and sociology.

ABOUT FORESEE

As a pioneer in customer experience analytics, ForeSee continuously measures satisfaction and delivers powerful insights on where to prioritize improvements for maximum impact. ForeSee applies its trusted technology across channels and customer touch points, including websites, call centers, brick-and-mortar locations, mobile experiences, and social media interactions. Because ForeSee's proven methodology measures satisfaction in a manner that is predictive of customer loyalty, purchase behavior, future financial success, and even stock prices, executives and managers are able to drive future success by confidently prioritizing the efforts that they know will achieve business goals.

Working across the public and private sectors, with deep expertise in a range of business and consumer industries, ForeSee combines the best in customer satisfaction measurement, proven predictive analytics, actionable usability analysis, and rich observational data to work with large and small organizations around the world. The result of measuring success through the customers' eyes is better outcomes for businesses and a better experience for consumers.

ForeSee is a privately held company headquartered in Ann Arbor, Michigan. Visit us at www.foresee.com for customer experience solutions and original research.

APPENDIX A: SATISFACTION BY PRODUCT CATEGORY

All e-retailers in the Index are classified by product category, which allows individual companies to check their own performance against those of companies selling similar products or services. Categories with five or more companies receive an average category score. Although no score is calculated for categories with less than five companies, some relevant comparisons are still possible.

Apparel & Accessories	Satisfaction
Average Satisfaction	78
LLBean.com	83
VictoriasSecret.com	81
Blair.com	80
Nike.com	80
Nordstrom.com	80
RalphLauren.com	80
SportsmansGuide.com	80
AE.com	79
Footlocker.com	79
ColdwaterCreek.com	78
JCrew.com	78
NeimanMarcus.com	78
ShoeBuy.com	78
EddieBauer.com	77
Gap.com	77
AnnTaylor.com	76
Fingerhut.com	76
FootballFanatics.com	76
SierraTradingPost.com	76
UrbanOutfitters.com	75
Abercrombie.com	73
Gilt.com	71

Books, Music & Video	Satisfaction
Average Satisfaction	78
BN.com	82
Scholastic.com	82
Netflix.com	81
Blockbuster.com	77
efollett.com	69

Specialty/Non-Apparel	Satisfaction
Average Satisfaction	78
OrientalTrading.com	82
MusiciansFriend.com	80
Shutterfly.com	80
DisneyStore.com	79
Ancestry.com	69

Home Improvement	Satisfaction
Average Satisfaction	77
NorthernTool.com	80
HomeDepot.com	79
Grainger.com	78
Lowe.com	77
Build.com	73



Computers & Electronics	Satisfaction
Average Satisfaction	79
Store.Apple.com	85
Newegg.com	82
BestBuy.com	80
Dell.com	80
HPShopping.com	79
TigerDirect.com	79
MicrosoftStore.com	78
SonyStore.com	77
PCConnection.com	74
PCMall.com	74

Mass Merchants	Satisfaction
Average Satisfaction	79
Amazon.com	89
QVC.com	85
Walmart.com	82
HSN.com	81
Kohls.com	81
JCP.com	80
Costco.com	79
Target.com	79
Buy.com	78
Hayneedle.com	78
Macys.com	77
ShopNBC.com	77
Overstock.com	75
RueLaLa.com	75
Sears.com	75

Food & Drug	Satisfaction
Average Satisfaction	78
Keurig.com	84
SwissColony.com	81
Walgreens.com	81
WeightWatchers.com	80
CVS.com	79
Nutrisystem.com	74
Safeway.com/IFL/Grocery/Shop	74
Peapod.com	70

Other Categories	Category	Satisfaction
EdibleArrangements.com	Flowers/Gifts	80
1800Flowers.com	Flowers/Gifts	78
FTD.com	Flowers/Gifts	75
Avon.com	Health & Beauty	83
1800Contacts.com	Health & Beauty	82
Vitacost.com	Health & Beauty	82
Williams-Sonoma.com	Housewares/Home Furnishings	81
crateandbarrel.com	Housewares/Home Furnishings	78
BlueNile.com	Jewelry	75
AutoPartsWarehouse.com	Automotive Parts/Accessories	74
Cabelas.com	Sporting Goods	80
REI.com	Sporting Goods	80
BassPro.com	Sporting Goods	79
Toysrus.com	Toys/Hobbies	78
Vistaprint.com	Office Supplies	82
Staples.com	Office Supplies	79
OfficeMax.com	Office Supplies	77
OfficeDepot.com	Office Supplies	76



APPENDIX B: SATISFACTION BY CHANNEL CATEGORY

E-retailers in the Index are also organized by channel category.

Channel Category	Description	2011 Satisfaction	2012 Satisfaction
Web Only	Retailers selling only online	80	77
Catalog/Contact Center	Retailers with a catalog/contact center channel in addition to their website	80	80
Retail Chain	Retailers whose main sales channel is a brick and mortar store	78	78
Consumer Brand Manufacturer	Manufacturers that provide e-commerce online	N/A	80

Catalog/Contact Center	Satisfaction
QVC.com	85
Keurig.com	84
Avon.com	83
LLBean.com	83
1800Contacts.com	82
OrientalTrading.com	82
Scholastic.com	82
HSN.com	81
SwissColony.com	81
Blair.com	80
Cabelas.com	80
MusiciansFriend.com	80
NorthernTool.com	80
SportsmansGuide.com	80
WeightWatchers.com	80
TigerDirect.com	79
1800Flowers.com	78
ShopNBC.com	77
Fingerhut.com	76

Retail Chain	Satisfaction
BN.com	82
Walmart.com	82
Kohls.com	81
VictoriasSecret.com	81
Walgreens.com	81
Williams-Sonoma.com	81
BestBuy.com	80
EdibleArrangements.com	80
JCP.com	80
Nordstrom.com	80
REI.com	80
AE.com	79
BassPro.com	79
Costco.com	79
CVS.com	79
FootLocker.com	79
HomeDepot.com	79
Staples.com	79
Target.com	79

Catalog/Contact Center (continued)	Satisfaction (continued)
SierraTradingPost.com	76
Nutrisystem.com	74
PCConnection.com	74

Web Only	Satisfaction
Amazon.com	89
Newegg.com	82
Vitacost.com	82
Vistaprint.com	82
Netflix.com	81
Shutterfly.com	80
DisneyStore.com	79
Buy.com	78
Hayneedle.com	78
ShoeBuy.com	78
BlueNile.com	75
FTD.com	75
Overstock.com	75
RueLaLa.com	75
AutoPartsWarehouse.com	74
PCMall.com	74
Build.com	73
Gilt.com	71
Peapod.com	70
Ancestry.com	69

Retail Chain (continued)	Satisfaction (continued)
ColdwaterCreek.com	78
crateandbarrel.com	78
Grainger.com	78
JCrew.com	78
NeimanMarcus.com	78
Toysrus.com	78
Blockbuster.com	77
EddieBauer.com	77
Gap.com	77
Lowe.com	77
Macys.com	77
OfficeMax.com	77
AnnTaylor.com	76
FootballFanatics.com	76
OfficeDepot.com	76
Sears.com	75
UrbanOutfitters.com	75
Safeway.com/IFL/Grocery/Shop	74
Abercrombie.com	73
efollett.com	69

Consumer Brand Manufacturer	Satisfaction
Store.Apple.com	85
Dell.com	80
Nike.com	80
RalphLauren.com	80
HPShopping.com	79
MicrosoftStore.com	78
SonyStore.com	77

