

Online **Retail** Report

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Online Retail Report

There is no doubt that the internet has transformed the way consumers shop and interact with the companies they buy from. In a recent survey conducted by Harris Interactive and sponsored by RightNow Technologies, 48% of consumers claim they have increased their online shopping habits “a great deal” or “somewhat” in the last five years. Also according to Forrester Research, “...the retail and travel piece of B2C eCommerce alone now tops \$200 billion, with little sign of abatement.” With a continued influx of shoppers moving to the internet, companies need to develop new strategies to meet the different needs of online shoppers.

According to the survey, one attribute that stood out in delivering a successful online experience was fast access to information. 44% of consumers say they have abandoned a virtual shopping cart because they could not get a question answered during the online purchase process. Men are more likely than women to abandon a virtual shopping cart because they could not get a question answered during the online purchase process (men 48% vs. women 40%).

**Online shoppers well informed:
57% of consumers “always” or “often”
research products and services online
before making a purchase.
Men research purchases more often
than women.**

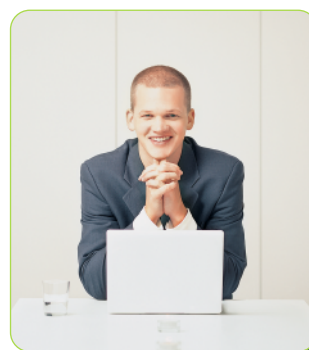
Not only are online adults well informed (57% of consumers “always” or “often” research products and services online before making a purchase), but the internet also makes them more impatient. Retailers need to be able to deliver accurate information in a fast efficient way that maps to user’s preferences. 56% of consumers said the ability to search for information and answers during the checkout process would be helpful when shopping online.



50% of consumers have increased their online shopping habits “a great deal” or “somewhat” in the last 5 years.

An effective way for retailers to differentiate themselves from the competition is through customer experiences. Stellar and seamless experiences with consumers lead to loyal customers and higher levels of profitability. Some areas retailers can focus on to deliver excellent customer experiences include:

Self-Service: When customers can quickly and easily find answers to their questions by themselves around the clock, their satisfaction goes up and retailer’s costs go down. 42% of consumers said they would prefer to be able to find the answers they need online by themselves if they had a question or needed help during an online shopping experience. Successful retailers makes it easy for customers to locate the specific information they need—even in very large knowledge bases—through a combination of keywords, natural language queries, and category-based browsing. For example, LeapFrog, a leading designer of technology-based educational products and related proprietary content, gives consumers ample opportunity to find information quickly and easily. From the LeapFrog website, the company is able to automatically answer 4,000 consumer questions per month.



42% of consumers said they want to be able to find the answers they need online by themselves.

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Emerging Channels: Live Chat: Savvy retailers are also keeping a close eye on consumer behavior and emerging channels and technologies. For example, as consumers increasingly use instant messaging in their daily lives, online chat presents a great opportunity for high-touch, real-time service. 48% of consumers said they would prefer to chat live online with a service agent when they have a question or need help during an online shopping experience.



48% of consumers want to chat live with a service agent when they have a question or need help during an online shopping experience.

High-Touch: Consumers like to be treated well, they want to be enticed and cherished. Retailers that connect with the right consumer with the right message will see success. 68% of consumers said they were prompted to browse a website after receiving an email from a retailer. Segmented and tailored messages can be a key driver for sales and personalized follow up can turn a one-time customer into a loyal repeat customer. 73% of consumers said they would appreciate any post-purchase follow up and 41% said they specifically wanted a follow-up call or email.

Just like their retail partners, consumer brand name manufacturers have discovered the power of the internet in selling to consumers. For manufacturers, though, the internet has not been an easy opportunity to take advantage of. Manufacturers must now provide the immediate, high-touch service, similar to retailers, if they want to maintain their brand and market share. 69% of consumers are “very likely” or “likely” to visit the website of a manufacturer if there was a problem with the product or when they needed additional information about the product, even if they purchased the product at an independent retailer.

68% of consumers said they were compelled to browse a website after receiving an email from a retailer.

Survey Methodology

The survey was conducted online within the United States by Harris Interactive® on behalf of RightNow Technologies from March 26 to 28, 2007 among 2,873 adults (aged 18 and over) , referred to as “consumers.” Figures for age, sex, race/ethnicity, education, region, and household income were weighted where necessary to bring them into line with their actual proportions in the general population, and hours per week spent online were weighted where necessary to bring them into line with their actual proportions in the online population.

With a pure probability sample of 2,873, one could say with a ninety-five percent probability that the overall results have a sampling error of +/- three percentage points. Sampling error for subsamples would be higher and would vary. However, that does not take other sources of error into account. This online survey is not based on a probability sample and, therefore, no theoretical sampling error can be calculated.

About Harris Interactive

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides innovative research, insights, and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for The Harris Poll, one of the longest running, independent opinion polls, and for pioneering online market research methods. The company has built what it believes to be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe, and Asia offices, its wholly-owned subsidiaries Novatris in France and MediaTransfer AG in Germany, and through a global network of independent market research firms. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

About RightNow Technologies

RightNow (NASDAQ: RNOW) delivers the high-impact technology solutions and services organizations need to cost-efficiently deliver a consistently superior customer experience across their frontline service, sales and marketing touch-points. Approximately 1,800 corporations and government agencies worldwide depend on RightNow to achieve their strategic objectives and better meet the needs of those they serve. RightNow is headquartered in Bozeman, Montana. For more information, please visit www.rightnow.com.