

# Websites That Don't Support Customers Waste Millions

Business Case: The Digital Customer Experience Improvement Playbook

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## WHY READ THIS REPORT

This report is an update to “Web Sites That Don't Support Customers' Goals Waste Millions” originally published on February 17, 2010. To understand the effect of poor website usability, Forrester asked US consumers what they do when they can't complete a goal online. Results show that the vast majority of people switch to more expensive channels, most often the phone. Others give up and go to a competitor, while still others abandon their goals entirely. This report helps customer experience professionals discover and make the business case for digital customer experience improvements. It provides data and models that you can use to understand your own exposure to customer experience failures and make a strong case for fixing usability problems that drive consumers away from the site.

## CONSUMERS ACCOMPLISH THEIR GOALS BY ANY MEANS NECESSARY

Many websites make it difficult for visitors to accomplish their goals.<sup>1</sup> Forrester asked US consumers what they did the last time they were unable to complete a goal on a website. The results showed that respondents do one of three things:

- **Switch to a more expensive channel.** Seventy-five percent of consumers seeking customer service online turned to another channel when a firm's website let them down (see Figure 1). Sixty-seven percent switched channels when they failed in their goal of researching a product, and 61% switched when they failed to complete a purchase. Of the channels they switched to, the phone was by far the most popular. Thirty-seven percent of consumers called for customer support, 30% called to complete their product or service research, and 35% called in their orders (see Figure 2).
- **Take their business to a competitor.** When trying to purchase a product or service online, 17% of US consumers who failed to complete their goal took their business to a competitor. And when they couldn't adequately research a product or service online that they wanted to buy offline, 16% defected.
- **Give up entirely.** A failed online customer experience caused some consumers to change their minds altogether and abandon their goals. Seventeen percent of frustrated consumers walked away from their web purchases, and 11% gave up on shopping when they couldn't complete their online research. Similarly, 11% of consumers in need of service gave up on their efforts after they failed to take care of the issue via the company's website.



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**Figure 1** Consumers Switch To More Expensive Channels When The Website Lets Them Down

**US consumers who used the phone, email, or chat to complete a goal  
after failing to complete it online**



Base: 1,863 US consumers  
\*Base: 2,257 US consumers  
†Base: 1,706 US consumers

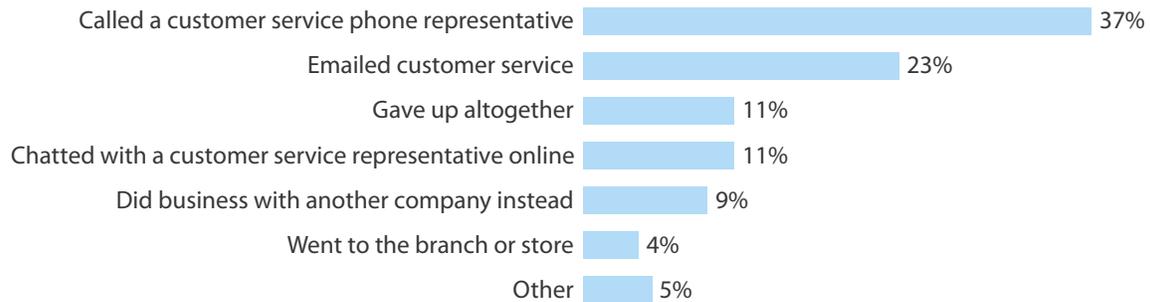
Source: North American Technographics® Retail, Travel, Customer Experience, And Financial Services Benchmark Survey, Q3 2009 (US, Canada)

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Source: Forrester Research, Inc.

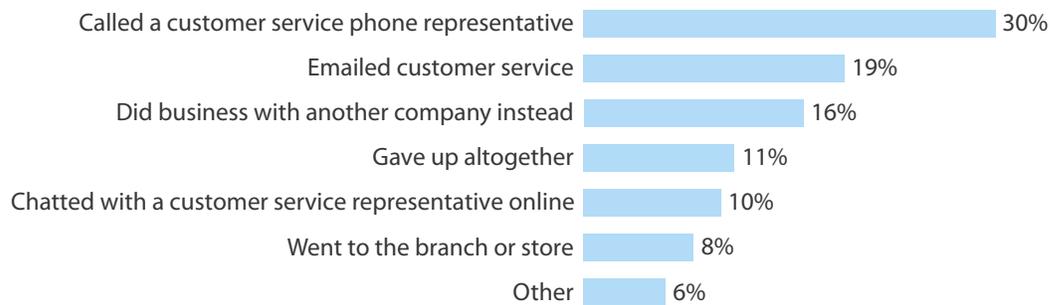
**Figure 2** The Phone Is The Most Popular Escalation Channel After An Unsuccessful Site Visit

**2-1** "Thinking of the last time you tried to get customer support on a company's website in the past 90 days but couldn't find the answers to your questions, what did you do first?"



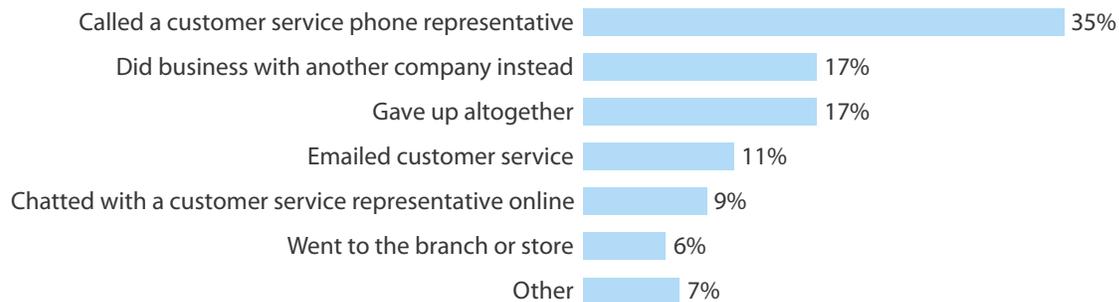
Base: 1,863 US consumers

**2-2** "Thinking of the last time you researched a product or service on a company's website in the past 90 days but couldn't find the information you were looking for, what did you do first?"



Base: 2,257 US consumers

**2-3** "Thinking of the last time you tried to purchase a product or service on a company's website in the past 90 days but couldn't complete the transaction, what did you do first?"



Base: 1,706 US consumers

Source: North American Technographics® Retail, Travel, Customer Experience, And Financial Services Benchmark Survey, Q3 2009 (US, Canada)

## FIRMS THAT DON'T SUPPORT CUSTOMER GOALS ONLINE LOSE MILLIONS

Using the data from our survey, Forrester built simple ROI models to assess the financial implications of consumer responses to a failed site visit. The effect of consumers' behavior hurts the companies' bottom lines in two ways:

- Lost revenue.** Firms lose revenue and market share when potential buyers go to competitors. They also lose money when consumers decide against making any purchase at all. We projected the value of those lost orders for an average retailer using data from "The State of Retailing Online 2010," a Shop.org study conducted by Forrester Research (see Figure 3). Our models show that when retail sites fail to meet user goals, they can lose more than \$47 million per year in direct revenue.
- Higher costs for sales and service.** When consumers switch from the Web to the phone, email, or chat, a company's cost to serve them goes up dramatically. We again built models to add up the unnecessary cost that a retailer might incur as a result of missed self-service opportunities (see Figure 4). Calculations showed an extra \$47 million in sales and service costs that could have been avoided if the website had enabled users to complete their goals online.

**Figure 3** ROI Models Show That Lost Revenue After Failed Website Visits Adds Up Quickly

Assumptions	Value	Source
Site visits per year	59,349,724	1,721,142/2.9% <sup>†</sup>
Conversion rate	2.9%	"The State Of Retailing Online 2010" <sup>*</sup>
Total orders	1,721,142	"The State Of Retailing Online 2010" <sup>*</sup>
Average order value	\$132	"The State Of Retailing Online 2010" <sup>*</sup>
Checkout conversion rate	45%	"The State Of Retailing Online 2010" <sup>*</sup>
Estimated serious buyers	3,824,760	1,721,142/45%
Estimated lost orders, total	2,103,618	3,824,760 - 1,721,142
Lost orders due to usability problems	1,051,809	2,103,618 x 50% (Forrester estimate)
<b>Revenue lost to competitors</b>		
Orders lost to competitors	178,808	1,051,809 x 17%
Value of orders lost to competitors	\$23,602,594	178,808 x \$132
<b>Revenue lost to abandoned purchases</b>		
Orders lost altogether	178,808	1,051,809 x 17%
Value of orders lost altogether	\$23,602,594	178,808 x \$132
<b>Total revenue lost due to site failures</b>	<b>\$47,205,188</b>	<b>\$23.603 million + \$23.603 million</b>

<sup>\*</sup>"The State Of Retailing Online" annual survey is conducted by Forrester Research and executed in conjunction with Shop.org.

<sup>†</sup>Total site visits were calculated based on the known total number of orders and known conversion rate.

**Figure 4** Sales And Service Costs Jump When Customers Are Forced To Use Expensive Channels

<b>Unnecessary sales cost due to channel escalation</b>	<b>Value</b>	<b>Source</b>
Site visits per year	59,310,345	"The State Of Retailing Online 2010"*
Visits for product research	23,724,138	59,310,345 x 40% (Forrester estimate)
Unsuccessful research visits	5,931,034	23,724,138 x 25% (Forrester estimate)
<b>Calls to the call center to research products</b>		
Research follow-up calls	1,779,310	5,931,034 x 30%
Cost per call	\$4.50	Forrester estimate
Cost of follow-up calls for research	\$8,006,897	1,779,310 x \$4.50
<b>Emails to the contact center to research products</b>		
Research follow-up emails	1,126,897	5,931,034 x 19%
Cost per contact center email	\$6.50	Forrester estimate
Cost of follow-up emails for research	\$7,324,828	1,126,897 x \$6.50
<b>Interactive chats to complete research goals</b>		
Research follow-up chats	593,103	5,931,034 x 10%
Cost per chat	\$5.00	Forrester estimate
Cost of follow-up chats for research	\$2,965,517	593,103 x \$5.00
<b>Orders taken via the call center</b>		
Orders attempted online but completed by phone	368,133	1,051,809 (Figure 3) x 35%
Cost to take an order by phone	\$5.50	Forrester estimate
Cost to process an order online	\$0.01	Forrester estimate
Additional sales cost due to channel escalation	\$2,021,051	367,889 x (\$5.50 - \$0.01)
<b>Total avoidable sales costs</b>	<b>\$20,318,292</b>	
<b>Unnecessary service cost due to channel escalation</b>	<b>Value</b>	<b>Source</b>
Site visits per year	59,310,345	"The State Of Retailing Online 2010"*
Visits for customer service	23,724,138	59,310,345 x 40% (Forrester estimate)
Unsuccessful customer service visits	5,931,034	23,724,138 x 25% (Forrester estimate)
<b>Calls to the call center for customer service</b>		
Customer service follow-up calls	2,194,483	5,931,034 x 37%
Cost per call	\$7.00	Forrester estimate
Cost of follow-up calls for customer service	\$15,361,379	2,194,483 x \$7.00
<b>Emails to the contact center for customer service</b>		
Customer service follow-up emails	1,364,138	5,931,034 x 23%
Cost per email	\$6.50	Forrester estimate
Cost of follow-up emails for customer service	\$8,866,897	1,364,138 x \$6.50
<b>Interactive chats to complete customer service goals</b>		
Customer service follow-up chats	652,414	5,931,034 x 11%
Cost per chat	\$5.00	Forrester estimate
Cost of follow-up chats for customer service	\$3,262,069	652,414 x \$5.00
<b>Total avoidable customer service costs</b>	<b>\$27,490,345</b>	
<b>Total avoidable costs from unsuccessful website visits</b>	<b>\$47,808,637</b>	

\*"The State Of Retailing Online" annual survey is conducted by Forrester Research and executed in conjunction with Shop.org. We calculated the site visits per year based on the known total number of orders and known conversion rate.

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RECOMMENDATIONS

**USE FORRESTER'S DATA TO MAKE THE CASE FOR A BETTER ONLINE EXPERIENCE**

In this economy, customer experience professionals must show how a better website experience will help company financial performance if they want to get approval to make changes. To help their employers avoid further losses, customer experience professionals should:

- **Measure the site's current task completion rate.** The only way to know whether a site visit was a success is to ask the customers.<sup>2</sup> So customer experience professionals should include a short survey in their online voice of the customer program that asks three simple questions: 1) "What did you come to the site to do today?" 2) "Were you able to accomplish that goal?" and 3) "If not, why not?" Use data from this survey to approximate the number of unsuccessful visits for each type of goal — research, purchase, and service (total site visits times percent of visit type times failure rate).<sup>3</sup>
  - **Estimate the financial value of a site that supports user goals more effectively.** There's no tricky math required — just plug the number of failed research, purchase, and customer service visits from step 1 into the Excel models in this report.<sup>4</sup> If you don't sell online but collect leads, change average order value to average lead value — the math is the same. If available, swap in your firm's actual cost for call center calls, emails, and online chat. And if your firm doesn't use one of the channels in the model, simply zero it out. Once all of the numbers are in, the models will show an estimate of the financial hit the company takes when visitors to the website fail to accomplish their goals online.
  - **Build a business case for fixing problems that get in users' way.** Customer experience professionals can use the ROI calculations above as the foundation for a compelling business case for better site usability. But don't stop with the numbers, compelling though they may be. Our research shows that the most successful business cases combine a logical financial argument with third-party data to boost credibility and voice of the customer feedback to appeal to executives on an emotional level.<sup>5</sup>
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## SUPPLEMENTAL MATERIAL

### Online Resource

The online versions of Figure 3 and Figure 4 are interactive tools to help clients assess the financial effect of failed website visits on their companies' revenue and cost structure.

### Methodology

Forrester conducted a mail survey fielded in August and September 2009 of 5,212 US and Canadian households and individuals ages 18 and older. For results based on a randomly chosen sample of this size (N = 5,212), there is 95% confidence that the results have a statistical precision of plus or minus 1.4% of what they would be if the entire population of North American households and individuals ages 18 and older had been surveyed. Forrester weighted the US head of household data by age, gender, household income, household size and composition, education level, region, and market size (combined statistical area). The weighting criteria for the US individual respondent data included all of the above with the addition of employment status. The survey sample size, when weighted, was 4,203 North American respondents at the household level and 5,212 North American respondents at the individual level. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in mail panels.) The sample was drawn from members of TNS's panel, and respondents were motivated by a sweepstakes drawing. The sample provided by TNS is not a random sample. While individuals may have been randomly sampled from TNS's panel for this particular survey, they have previously chosen to take part in the TNS panel.

## ENDNOTES

- <sup>1</sup> Since 1999, Forrester has used its Website User Experience Review methodology to evaluate the user experience of 1,500 websites spanning business-to-consumer (B2C) and business-to-business (B2B) companies, numerous industries, and disparate geographies. Only 3% of those sites have achieved a passing score. See the March 14, 2012, "[Lessons Learned From 1,500 Website User Experience Reviews](#)" report.
- <sup>2</sup> The most common measure of usefulness for a website is task completion rate: Do visitors feel as though they were able to accomplish their goals during that visit? See the June 20, 2012, "[The Right Website Experience Success Metrics](#)" report.
- <sup>3</sup> Conversion rate isn't an accurate measure of task completion rate because it combines two groups into a single metric: the people who came to the site to buy and successfully bought and the people who didn't come to buy but decided to anyway. By asking specifically about what customers came to do and whether they were able to complete that task will get an accurate task completion rate.
- <sup>4</sup> Each model in this report comes with a modifiable Excel spreadsheet that lets you plug in your own numbers. To access that model, click the Excel spreadsheet link alongside each figure.

- <sup>5</sup> To help firms get funding for website improvements, we interviewed 19 organizations that successfully completed major website redesigns to find out how they got funding. Our analysis shows that the best approach is to create a multilayered business case that appeals to executives on three levels: authority, logic, and emotion. To close the deal, customer experience professionals should adopt well-known principles of persuasion by targeting one or two executives to sell the project to in advance, leveraging the firm's public commitment to customers, and preparing a scaled-back — but still realistic — plan B. See the June 17, 2008, “[How To Get Funding For Web Site Improvements](#)” report.