

eVOC Insights / RelevantView  
Syndicated Research

Competitive Retail Report  
Leading Online Retailers

Abstract

## Ratings, Reviews and the Customer Decision Process

Amazon v. BestBuy v. CircuitCity v. Walmart

March / April 2006



RELEVANTVIEW®

©2006, eVOC Insights™ / RelevantView®. All rights reserved. eVOC Insights is a Trademark of eVOC Insights, LLC. RelevantView and ActiveSandbox are Registered Trademarks of RelevantView LLC. Any other trademarks are the property of their respective companies. Clients and approved vendors of eVOC / RelevantView may make one attributed copy or slide of each figure contained herein. Additional reproduction is strictly prohibited.



## Contents

Report Highlights

Background

Objectives

Detailed Findings

Behavioral Analysis

Consumer Attitudes

Overall Preferences

Brand Loyalty

Task Performance

Ratings & Reviews

Best Practices

Methodology

Acknowledgements

Contact Information

Appendix

## eVOC Insights™, LLC

3701 Sacramento St. #482

San Francisco, CA 94118

Tel: 415.359.9802

Fax: 415.420.5231

[www.evocinsights.com](http://www.evocinsights.com)

## RelevantView®, LLC

164 Kings Highway North

Westport, CT 06880

Tel: 203.221.1310

Fax: 203.221.1330

[www.relevantview.com](http://www.relevantview.com)

## Ratings, Reviews and the Customer Decision Process

### Amazon v. BestBuy v. CircuitCity v. Walmart

Consumers are researching and buying more complex items online than ever before. Often users are not informed of what factors to consider when researching products and there is no sales assistance online as they would find in a retail store. Amazon has led the online retail market, offering a suite of products from off the shelf books and music to custom electronics, and has always been an innovator of online services with features such as one click check-out and consumer ratings and reviews. However, offline retailers like BestBuy and CircuitCity, who specialize in consumer electronics, show a clear competitive advantage with dedicated customer service and in-store pick-up. Additionally, the offline giant Walmart can compete head-to-head with Amazon on products and price, but does it have the same revenue power online?

In this study, we examine the customer decision process when shopping for a digital camera online among four top online retailers, Amazon, BestBuy, CircuitCity and Walmart to determine what motivates users to purchase from one site versus the other. Are users simply shopping for the best price or does the user experience drive purchases? How can online retailers empower users to quickly and intelligently narrow the pool of products online to best inform a purchase decision? Whether searching or browsing online, what tools and features are most likely to convert a shopper into a buyer? What role do ratings and reviews play in the decision process?

The eVOC / RelevantView Competitive Retail Report, **Ratings, Reviews and the Customer Decision Process**, addresses these questions in detail, to help online retailers learn the best practices for driving purchases and for building customer loyalty online.

### Report Highlights

- Over 85% of consumers research and/or purchase big ticket items online including travel, electronics and automobiles.
- Users are significantly more likely to prefer Amazon and CircuitCity for purchasing electronics than BestBuy and Walmart.
- Amazon is familiar and is considered the online leader; CircuitCity is the easiest to use
- 63% of consumers indicate they are more likely to purchase from a site if it has ratings and reviews – Amazon and CircuitCity provide ratings and reviews, BestBuy and Walmart do not.

### Select List of Figures (25 Figures Total)

#### Behavioral Analysis

Figure: Research & Purchase Patterns Online v. Offline

Figure: Online Research / Purchase Behavior (in the Past 12 Months)

#### Consumer Attitudes

Figure: Most Important Features for Selecting a Site

Figure: Role of Ratings and Reviews in the Purchase Decision

#### Overall Preferences

Figure: Site Preferences – Overall Ranking

Figure: Reasons for Purchase Preference

#### Brand Loyalty

Figure: Loyalty for Purchasing Electronics Before / After Site Experience

Figure: Brand Attributes Across Sites

#### Task Performance

Figure: Broad Search / Targeted Search Scorecard

Figure: Purchase Decision Factors

#### Ratings & Reviews

Figure: Impact of Product Ratings and Reviews

Figure: Relevance of Ratings and Reviews Across Categories

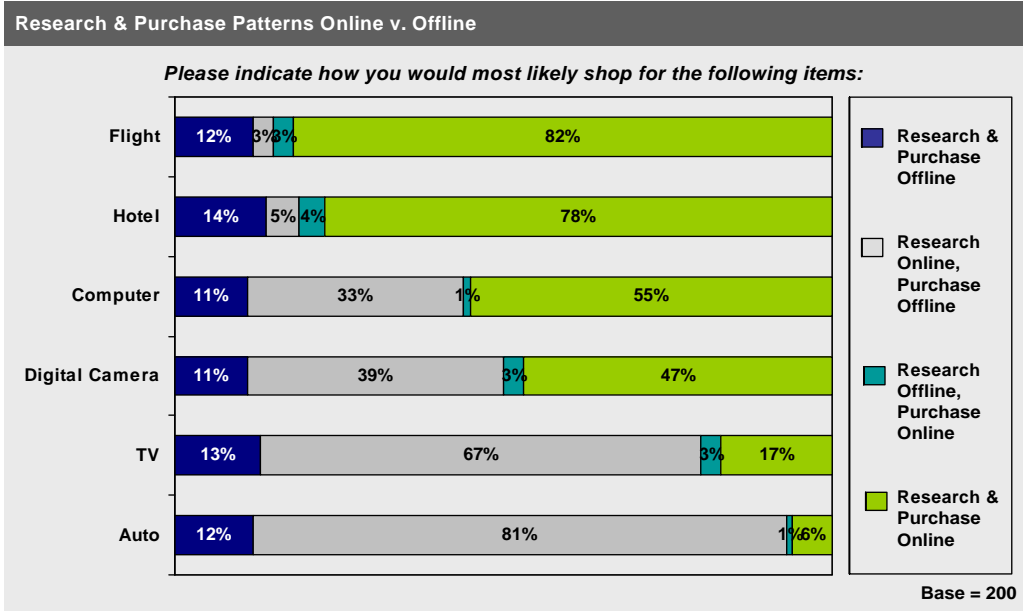


## Behavioral Analysis – Snapshot

The Web plays a significant role in the consumer decision process. Over 85% of consumers access the Web to research and/or purchase big ticket items such as travel, electronics, even automobiles. Travel purchases have significantly shifted to online transactions, with over 80% of consumers purchasing flights and hotels online. While few purchase automobiles online, 81% conduct research online before making a decision to test drive or purchase a vehicle offline.

### BEHAVIORAL ANALYSIS –

FIGURE: 1



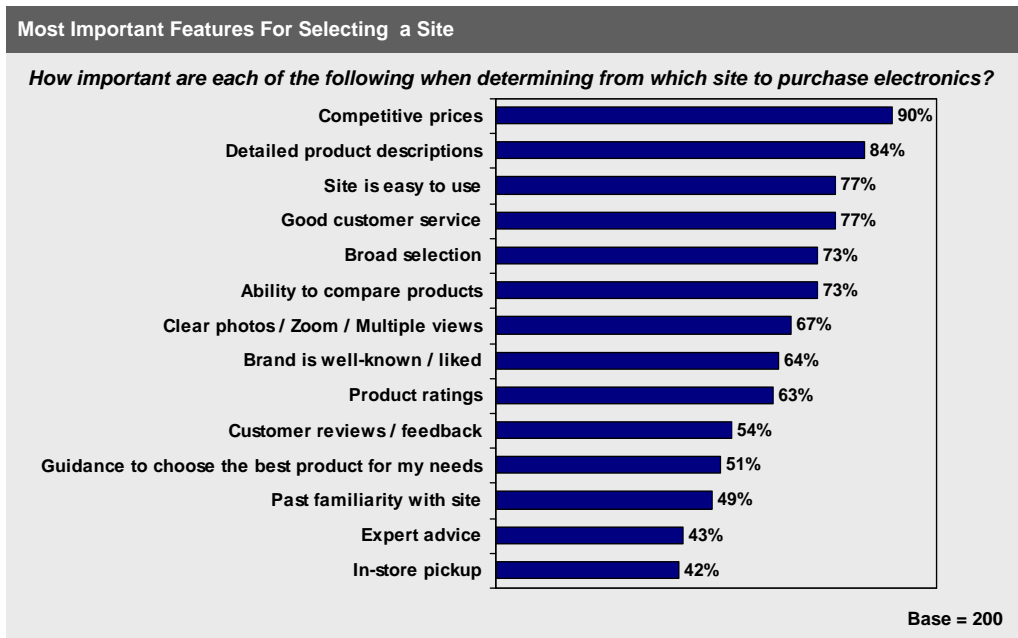
Source: eVOC Insights / RelevantView, March 2006

## Consumer Attitudes - Snapshot

Competitive prices, detailed product descriptions, ease of use and good customer service are most important when determining from which site to purchase. When all of the above are equal, eVOC identifies the key differentiators that drive purchase preferences.

### CONSUMER ATTITUDES –

FIGURE: 4



Source: eVOC Insights / RelevantView, March 2006

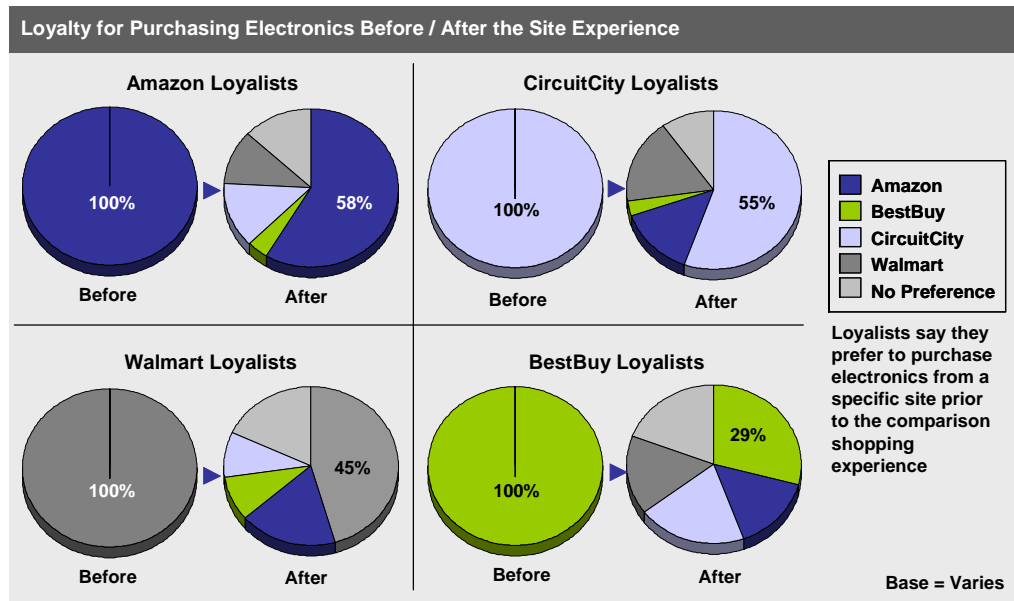


## Brand Loyalty - Snapshot

Over 50% of users remain loyal to Amazon and CircuitCity after searching for the same digital cameras across the four competitive sites. Why do consumers remain the most loyal to Amazon and CircuitCity for purchasing electronics? Why does BestBuy show the highest erosion? Learn more in the eVOC / RelevantView Competitive Retail Report, **Ratings, Reviews and the Customer Decision Process**.

### BRAND LOYALTY –

FIGURE: 12



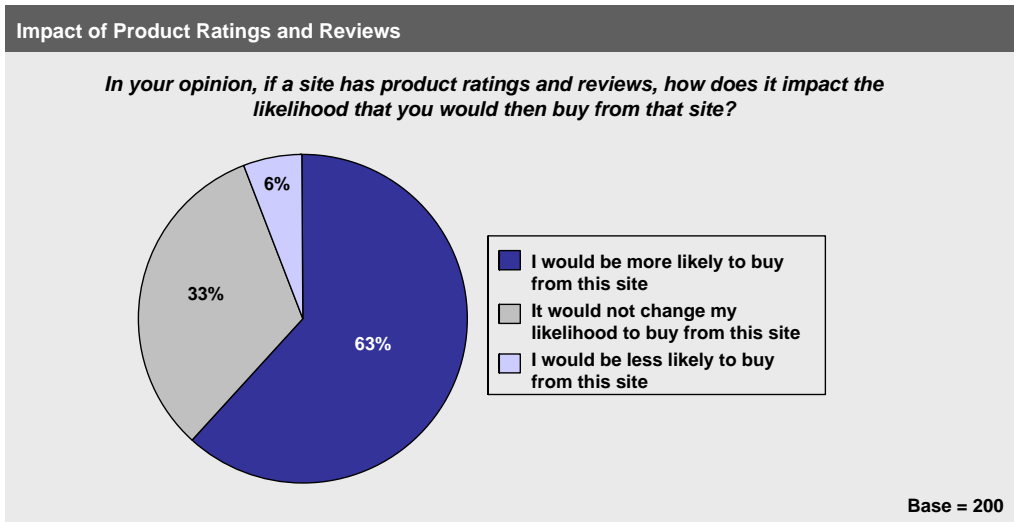
Source: eVOC Insights / RelevantView, March 2006

## Ratings & Reviews – Snapshot

Product ratings and consumer reviews significantly impact purchase intent. 63% of consumers indicate they are more likely to purchase from a site if it has product ratings and reviews. In this study, eVOC explores the impact of customer-written ratings and reviews on purchase behavior and identifies what best practices exist among the leading online retailers.

### RATINGS & REVIEWS –

FIGURE: 22



Source: eVOC Insights / RelevantView, March 2006



## Background

eVOC Insights and RelevantView formed a Syndicated Research partnership in 2005 to address the need for industry-specific, head-to-head competitive research that combines vertical expertise with direct consumer feedback. Unlike other methodologies, the focus of this research is to evaluate target customers as they interact with highly competitive Websites and gather detailed feedback on their attitudes, experiences and site preferences relative to the competition.

Utilizing RelevantView's ActiveSandbox® Web user tracking technology, eVOC evaluates consumers in their natural environment, as they complete competitive tasks online. This proprietary technology captures the behavior, thoughts and attitudes of consumers as they interact with a series of competitive sites on the Web and provide feedback about their experience.

In addition, eVOC integrates key online behavioral analytics, provided by Compete, Inc., to understand the total volume and nature of consumer usage of the online channel in the travel industry.

The goal of this research is to help companies maximize the effectiveness of the online channel by understanding the complete view of the customer decision process relative to the competition and to provide a window into the minds of customers as they weigh the strengths and weaknesses of competitors while making a purchase decision.

Each syndicated research report includes in-depth analysis of the customer experience across the top sites and identifies what drives competitive preferences and industry best practices. These best practices establish the foundation from which sites can increase conversion and brand loyalty by improving the customer experience.

## Methodology

For this study, eVOC applies a within-subject methodology to evaluate a sample of 200 consumers as they interact with four competitive retail sites – Amazon, BestBuy, CircuitCity, and Walmart. The study targets a critical industry topic “Ratings, Reviews and the Customer Decision Process” and engages participants to complete a series of tasks while search for a digital camera on each site.

The initial open task “Broad Search” elicits natural tendencies as users explore each of the competitive sites for electronics, specifically a digital camera, that would meet their needs. The second specific task “Targeted Search” evaluates how well the sites can deliver a positive customer experience based on usability metrics and overall satisfaction when searching for a specific product.

The combination of these two tasks helps isolate conceptual feedback such as ratings and reviews from factual comparisons such as price. The eVOC team assesses the results of this data, to provide statistically reliable benchmarks and best practices for online retailers.

eVOC and RelevantView combine the best of market research, Web site analytics and online usability testing to bridge the gap between e-business metrics and voice of the customer insights.



**To obtain a copy of the full report, please contact:**

**eVOC Insights™, LLC**

**San Francisco (Headquarters)**  
3701 Sacramento St. 482  
San Francisco, CA 94118  
Tel: 415.359.9802  
Fax: 415.420.5231

**Contact:** Liz Edison  
Email: [liz.edison@evocinsights.com](mailto:liz.edison@evocinsights.com)  
[www.evocinsights.com](http://www.evocinsights.com)

**RelevantView®, LLC**

**Connecticut (Headquarters)**  
164 Kings Highway North  
Westport, CT 06880  
Tel: 203.221.1310 ext. 110  
Fax: 203.221.1330

**Contact:** Marshall Harrison  
Email: [mch@relevantview.com](mailto:mch@relevantview.com)  
[www.relevantview.com](http://www.relevantview.com)

For information about other Syndicated Research reports or custom research provided by eVOC Insights and RelevantView, please contact above.



eVOC Insights is a customer experience consulting firm that provides Web strategy, usability, and “voice of the customer” research. We combine innovative technology, comprehensive market research, and expert analysis to deliver actionable insights into the behavior, thoughts and attitudes of your customers. The founders of eVOC have over 20 years combined experience in market research. Each spent five years developing and managing the Custom and Syndicated businesses at Vividence Corporation (acquired by Keynote Systems in September 2004).



RelevantView is a leading provider of Web-based market research solutions, serving market research firms, advertising agencies, Website design firms, usability professionals and Website owners around the world. RelevantView's proprietary ActiveSandbox® Server-Based Web User Tracking Technology enables simultaneous collection of qualitative, quantitative and behavioral feedback online supporting Website usability and concept testing.