



We Know  
What You Did Last Summer  
**But We Don't Know Why**

A white paper by Jim Sterne



# Introduction

Measuring clickthroughs, pageviews and revenues is revealing, but it's a bit like asking an in-store shopper how well they like your store based only on the time of day they came in, which departments they went into and how much they bought. Do they \*like\* the store? Different story.

The voice of the customer tells us where we need to focus, and helps us prioritize our efforts for continuously improving the online experience.

Lewis Simons, Manager - Global Online User Experience, Dell Inc.

Today's web analytics tools are miraculous. They can track an individual from click to click. They can collaboratively filter that behavior to create profiles. They can, on the fly, determine which dynamic content to serve to improve conversion. In other words, they watch what you do and deliver an offer that you are statistically more likely to accept. Brilliant. Spectacular. But the entire right brain is missing from the equation. The following scenario illustrates the point.

Michelle and Alex are expecting a baby. Alex fires up the computer to look at strollers and finds a website he likes and trusts. He looks at a variety of models and shows Michelle the features he thinks are important. Michelle wants to see them in person so the two of them head off to the store to take a look.

In the store, they see which brands are sturdy, which models are too heavy to lift or too big for their car. They find a couple of models they like and head back home to price them out online. Michelle logs on from her laptop and decides which features she cannot live without. She emails this to Alex (six feet away) and Alex finds just the brand they want with just the features they need at the best price he can get. When he tells

Michelle that it'll take 7 to 10 days for delivery and delivery is neither free nor economical, they pile back into the car, head down to the store to buy one.

Web analytics tools are great for their purpose. However, while the clickpath record of how this couple went about shopping is interesting, it is far from complete and far from informative. Two individuals clicking for several different reasons from two different computers makes for an indecipherable web visit experience.

## Project Prioritization and Confidence

Those who actively make use of attitudinal data are vociferous about how much they have come to depend on it. Hearing opinions from the horse's mouth provides process improvement, project prioritization and the confidence that the right decisions are being made.

**Shubra Srivastava, Senior Analytics Consultant, Ecommerce Decision Sciences, InterContinental Hotels Group**

This kind of tracking and bench marking gives us the confidence to be able to measure every change we make to the customer interface and accurately attribute the gains and losses from each change.

We have a very robust cycle of events that close out the feedback loop for our website. It starts with listening to the customer's voice using online surveys, research from forums and usability studies to find out what is it that makes the customer not complete a (hotel) booking. We want to know how we can make the process easier, what are they looking for, where are they looking but not finding information, etc. Then we prioritize and turn it into projects for the website.

The changes are put into production, and tested using multivariate and a/b testing. Once it is determined that the change is not negatively going to impact our conversion it is a "go". The continuous listening continues in the background to see how the trends are now affected by the changes to the website and how customer satisfaction increases.

consumers fall out of the shopping process. We're working to integrate the data sets so we can segment behaviors against attitudes and drive optimized experiences for the most valuable customer segments.

The web development industry also makes use of focus groups and usability studies to gauge customer experience. Put a volunteer in front of a browser, give him a task (find the return policy on left-handed scissors) and watch him flounder. Then record his actions and ask for his feedback. The Nielsen/Norman Group ([www.nngroup.com](http://www.nngroup.com)) and User Interface Engineering ([www.ue.com](http://www.ue.com)) have been doing this for years. They both have excellent newsletters on the subject as does Good Experience ([www.goodexperience.com](http://www.goodexperience.com)).

But usability testing is a time consuming and somewhat artificial process. Yes, after testing only five or six people, you can come up with a list of website mistakes that will give you a year's worth of development tasks to fix. But how do you know you found the most important problems? The most universal problems? The ones you should fix first? For that, you need more subjects and more realistic conditions.

The web gives us the ability to interview a large number of actual customers while they are actually interacting with the site.

**Tim Peter, Director, Internet Product Development,  
Wyndham Hotel Group**

We use attitudinal findings to assess customer comments and trends relative to where we see

## Why They Did What They Did

Along with tracking or observing behavior, it is necessary to collect information about intent, desire, attitude, brand affinity and offline actions to properly understand and optimize the online customer experience. Web analytics has become so popular so fast because it is easier to capture, interpret and have an effect on online behavior in a short timeframe than it is to collect and respond to customer opinion and attitude.

Want to know the easiest way to find out what customers think about your company? Ask them.

**Esteban Kolsky,  
Senior Research Director, Gartner**

I often enjoy confusing vice presidents of marketing that it is not their job to know what their customers want - pause for dramatic effect - it's their job to ask customers what they want. As soon as you think you know, you're wrong. Customers are a constantly moving target.

**Oliver Carmona, Senior Manager, Corporate Brand Marketing, Panasonic**

As marketing and web people, we like to pontificate about what people want and how we think people should go about finding it, but until you truly understand who your customers are - why they're coming and what they're happy with and not happy with - you really can't have that peace of mind that you're properly prioritizing your web initiatives.

Attitudinal analysis give us quantitative and qualitative reports for the confirmation we need from our customers that we're doing the right thing.

When blogging about web analytics tools, Avinash Kaushik, independent consultant, says this in a post called Overview & Importance of Qualitative Metrics, of his experience at Intuit:

**Avinash Kaushik, Independent Consultant**

But, no matter what tool you use, the best that all this data will help you understand is **What** happened. It cannot, no matter how much you torture the data, tell you **Why** something happened. This is the reason qualitative data is so hyper important. It is the difference between 99% of the website analysis that happens that yields very little insights and the 1% that provides a window into the mind of a customer.

Customers are very interested in what other customers think. Call it user-generated content or product reviews or just word of mouth. But consumer research of goods and services has grown from driving from store to store, to jumping from

website to website, to hopping from review to review. Your prospective customers are very interested in each others' opinions. You should be too.

## Customer Opinion Gathering Techniques

The art of getting customer opinions online has gone through a series of steps - a history of tools and tactics. Each technique seems to reflect the maturity of the company using it. Before the first step, there was the "feedback" button that either opened up an email message or led to a web form. "Tell us what you want to tell us."

Next, came a series of steps designed to solicit specific information. You will quickly be able to identify where your company stands on the customer opinion gathering maturity continuum.

### Step One: On a Scale of 1 to 5

The simplest way to collect opinion information is to give everybody a ballot. "On a scale of 1 to 5, how would you rate this content / interaction / transaction / website?" This type of data is so easy to collect, so easy to report and so easy to analyze (did my website improve?) that it is a common weapon in the arsenal of market research. Unfortunately, the result is like popcorn. While pleasingly crunchy and salty, the data are light, fluffy and ultimately full of air but not much nutrition.

### Step Two: Polling - How Did You Like It?

Several wonderful no or low-cost survey tools are available that are quick to set up and easy to use. These are great for simple surveys to answer specific questions. Nevertheless, they fall short in a couple of areas.

First, they do not provide for logic branching. That means you'll have to instruct those you are surveying to skip the next several questions if they answered the current question in a certain way. Your results will be delivered to you in spreadsheet form rather than interpreted results, leaving any of the analysis to you.

## Step Three: In the Context of Actual Situations

Asking a real customer to comment on a real situation as it happens is the gold standard.

"You hit the Back button five times in a row. Would you please help us make our website better by answering a few questions?"

"Why did you come to our site today? Were you successful?"

"How do you feel about the trustworthiness of the company you just bought from?"

"Why did you just abandon the shopping cart?"

That they abandoned the shopping cart is an interesting fact. Why they abandoned the shopping cart is a critical fact. The shipping charges may have surprised them. They may have wanted to send the item as a gift. They may have only used the shopping cart to determine the total price including taxes. If you don't ask, you'll never know.

### Tim Peter, Director, Internet Product Development, Wyndham Hotel Group

The toughest decisions I have to make on a regular basis are what things to do, and more importantly, what *\*not\** to do. Focusing efforts on those things that matter to customers – i.e., drive their purchase decisions – provides me a competitive advantage while not wasting resources on those items that have no effect on the bottom line.

Conversely, what was the most motivational factor in making the decision to buy? Was it the discount? The celebrity spokesperson? The sweepstakes drawing? Had they heard of the company / product / offer from another source such as TV? Radio? Ad on the side of a bus?

## Step Four: Analysis

This is the point where the rubber meets the road. Measurements are interesting, but not of value unless they

are compared to other numbers. It is in the analysis that the magic happens.

The best analysts ask the next question. They want to know the reason behind the answer. They're after the root cause. They want to match customer attitudes with demographics and psychographic to see if different customer segments have different attitudes. They want to match customer attitudes with behavior to see if happy people saw some pages unhappy people did not.

Thorough analysis includes matching customer attitude with call center data. Which attitudinal groups also spoke to customer service representatives and were those calls successful?

What do unhappy customers experiencing unsuccessful visits have in common? Might it be their age? Location? The ad they clicked on to get to the site? Do they end up being unprofitable customers due to the inordinate amount of handholding needed? If so, a strong recommendation can be made to the advertising department to stop spending money to attract those types of people, and spend more on those methods that attract high value, happier customers.

The tried-and-true method of testing says that you take a measurement, make a change and then measure again. But today's tools allow you to take a measurement and then use predictive algorithms and modeling to identify which changes might have the biggest impact on customer satisfaction.

## Step Five: Benchmark the Results Across the Company

Customer satisfaction, in its simplest form, is becoming a more and more valuable tool for corporate governance and compensation allocation. It is also useful for internal competitive motivation. The days of competition between business units based on sales revenue gave way to competing on profitability. Today, customer approval scores are becoming a popular comparative metric.

"Customer satisfaction" is often dismissed as too simplistic a measure - and rightfully so. "Are you satisfied with the service you received today?" is a bland question that elicits bland

responses. But create a questionnaire that delves into brand affinity, intent to recommend and propensity toward repeat purchases and you have a comparative gauge that will point out management faults, execution errors as well as best practices across multiple divisions and departments.

### How About Your Employees?

Employee satisfaction is as crucial to customer satisfaction as it is to low turnover and retaining corporate memory. How well is your intranet serving your workers? Can they find what they need and accomplish the administrative tasks they must? Don't forget to test and measure what happens inside the firewall as well as outside.

## Step Six: Benchmark the Results Across an Industry

As long as you are actively asking visitors questions about your site, ask them a few about the competition. Have they seen any features they really like on others' sites? Do they feel the customer experience is better elsewhere?

But as more software is hosted as a service, it becomes more viable to compare one company's baseline against others in the same industry, in the same country or on the same planet. This gives your results the context you need to make business investment decisions.

If your customers score a 7, it has no context. If they score a 7 and your competitors' customers score an 8.2, it's time to take action. Is your hospitality chain living up to the rising bar of online service? Has your bank's ranking dipped due to server outages? Keeping your eye on others' scores is smart business.

Both internal and external benchmarks are important for a very fundamental reason. Numbers help set goals. Corporate goals need to be stated as an intent, with an amount, within a timeframe. "We want to increase customer satisfaction" is

insufficient as a goal. "...by 15% over six months." Now you have an objective you can work with.

## Parsing Out Visitor Feelings

You know you've come to the right website when you can easily find what you're looking for, it turns out to be what you want, they seem to have anticipated your needs, and you have every intention of coming back -- and you do. The same is true for your customers.

First, you need to know if the visitor felt that your site was easy to find. How bold is your brand? How findable is your site in the search engines? How good are your promotions? These questions are all followed by: "in the eyes of the customer." These are not questions about how much was spent or how many awards were won, but how customers actually feel.

Once they show up, do they feel your site is the right place to look? When they hit the home page, is the scent strong enough for them to decide this site will be worth their while? Just because they click a lot, doesn't answer these questions.

Web analytics tools do a faithful job of measuring if visitors went right to the content they were after or wandered about, dazed and confused. With the aid of cookies, click analysis tools can also record repeat visits. But web analytics won't tell you if the visitor is happy about the online experience or the content they discovered, only whether they purchased it or not. So we have to ask them.

A visitor may have looked at many pages on the site and your pageview statistics will show that they stayed around for a while. It is tempting and even common to interpret this as a successful visit. They were interested. They were shopping. They were engaged. But were they really able to find what they were looking for? Maybe they got more frustrated with every click. Only the Voice of the Customer (VoC) can answer that.

Now that you know how the visitor feels about your findability and navigation, you need to know if your persuasion process is sufficiently persuasive. Navigating a website is a matter of interpreting the menus and buttons in order to get where you want to go, but wanting to go there is another matter.

A website that offers buttons for “Products” and “Services” might not be as enticing as one offering “Solutions for Small Business,” “Solutions for Mid-Size Firms” and “Solutions for the Enterprise.” Only your visitors can tell you whether they found the site to be informative, valuable, credible, trustworthy, etc.

The competitive landscape demands that a website do more than simply serve pages. At a conference in 1994, a web manager from FedEx was asked to critique another company’s website. With total disdain he intoned, “It’s pretty, but it doesn’t do anything!” Ever since FedEx showed off package tracking, the rest of us have been catching up by adding on mortgage calculators, laptop configurators, online banking and so forth.

This sort of functionality is necessary to stay in the game, but just because visitors use your onsite systems, doesn’t mean they’re happy about it. Again - we have to ask them.

## How Important is that Happiness Score?

Some companies assign a higher value to a purchase than if the item is merely placed in the shopping cart. They place a higher value on a shopping carted item than when an item is merely viewed. But putting the item in the shopping cart may have been necessary to discover that taxes and shipping turned the desired product into an undesirable product.

Do not simply focus on how well you score, but how important the attribute is to the visitor.

You walk into a grocery store and see a clown handing out balloon animals. On your way out you’re greeted by the manager who asks if you thought the clown was talented. You wince and honestly reply that you did not. How important is it to you that your grocery store has a talented clown?

On the other hand, the manager might have followed up and discovered that you couldn’t care less about clowns, and then asked if there were anything you thought could be improved. You might happily point out that the cereal spill on aisle nine should be cleaned up and that the carrots were limp. The manager who fires the clown before cleaning up the bran flakes or restocking the produce is looking in the wrong direction.

This is where understanding visitor motivation is critical. Why do people come to your website and how well are you helping them meet their goals?

## Repeatedly Meeting Your Customer’s Needs

Knowing your target market is dangerous. Knowing what your customers want is perilous. Once you know who your customers are and what they want, they will change on you.

Much better then, to focus your efforts on finding out what your customers want and what your site visitors are after. Segmenting those customers then becomes your means of catering to them more accurately. How do differently aged visitors react differently to your site? Why did they say they have come to your site today? How did they get there? How likely are they to recommend you to others? How likely are they to go to your retail store or call your sales representative based on their visit to your website?

### Segmentation is Central

All analytics become more valuable when segmented by customer type, visit type, product type or any of a myriad of other ways to slice the data.

**Oliver Carmona, Senior Manager, Corporate Brand Marketing, Panasonic**

We know why people are coming to the site and we can cross reference that to our product categories. We get a very powerful view of customer satisfaction rankings by whether they are there to learn, shop or get technical support. We can see how happy people are by activity and slice it by product category and by purchase horizon. So how happy are people who come to learn about plasma TV’s within a month of buying versus people who are within a week of buying?

Continuous improvement is a necessity in business and it calls for a continuous stream of feedback. Do not survey your customers once, check the box and then move on. Do not survey them once a quarter or once a month. Continuously listen to the voice of the customer to realize continuous improvement.

## Cross Referencing the Scoring With Opinion and Demographics

Without combining polling data and verbatim comments and behavior, you're only getting a potentially misleading slice of the story.

Your scale-of-one-to-five data may show that yesterday's visitors to your automobile website were fine with the navigation and intrigued by what they might find. Your web analytics may show that they all clicked on every new car model out this year indicating by their consumption that they liked what they saw. But the ratings may also show that they were very unhappy with the content.

In a case like this, it's necessary to look to the demographics and the words they used to describe their visit. That's when you discover that yesterday, you had a preponderance of teenage boys on your site, hoping to find pictures of cars racing, power sliding and jumping through hoops of fire. No wonder they were unhappy. It takes all three data collection perspectives to get the whole picture.

## Before You Start, Know Why You Are Starting

Capturing customer satisfaction information is not an end in itself. Benchmarking the results is valuable for a continuous improvement program, but for real value, have a goal in mind. Why are you taking your customers' temperature? How are you going to disseminate the results? How will the company use those reports? What business decisions are going to be made based on that data?

If you have answers to those questions, then your customers' time will not be wasted answering the questions you pose to them.

## It Doesn't Happen in a Vacuum

There is one important area where web analytics and attitudinal analysis are similar: the necessity of high-quality human resources.

The results of a survey, much like the reports from a click tracking tool must be analyzed with skill and experience. If all you focus on is more visitors, or more conversions or higher customer satisfaction, you are missing the truly valuable insights that are close at hand. They just require that you ask the right questions.

Asking the right questions is a matter of critical thinking. You'll want to find an analyst who can review the numbers and let the business side of the house know what is statistically significant. Gary Beberman, Director of Technical Research macys.com once put it succinctly in a presentation at the Emetrics Summit.

Sometimes you have to tell them what the numbers are, tell them what they mean, and tell them what to do about it.

Gary Beberman, Director of Technical Research, macys.com

Find the right analyst or the right consultant and the value of the voice of the customer goes up exponentially.

## Customers Want to be Asked

Each of us experiences that twinge of aversion when a pop-up stops our progress and asks us to answer a few questions. It's the same feeling we get when the phone rings and there's a moment's hesitation before the tele-researcher is connected to your line, or when the perky young grad student approaches you in the mall with the clipboard.

People don't mind being asked for their opinion. On the contrary. But they are adverse to pop-ups. Best practices has shifted the controlling and upsetting event of opening a new browser window. Surveys are now offered via pop-ins (a layered content window inside the browser, but obscuring

the main page content until clicked away) or an interstitial (a full window that must be clicked for the desired page to display). This second method ensures that the visitor is not befuddled by too many ancillary navigational choices.

So ask your customers for their time and their opinions. Let them know how much you care about what they think. Enough of them will respond that you will be able to make the website experience better for all of them and therefore, bring in more revenue.

And, as your parents taught you, don't forget to say, "Thanks."

### Set the Proper Level of Expectation

Is this a five minute survey, a five second survey or a 60 minute long, deep psychiatric therapy session? As long as the customer knows what to expect, he or she will not become disgruntled half way through. And always tell them it will take longer than you expect. People like to finish early.

### Leave Out the Kitchen Sink

Ask what you need to know and no more. It's tempting to ask "just one more thing" but online surveys allow you to ask different sets of customers different questions. You do not need to know what everybody is thinking - you only need to be statistically significant.

### Provide Feedback to Your Feedback

Prove to your customers that you are listening by reporting back to them about your findings. Let them know how valuable their insights are by revealing some of the changes you plan to make based on their opinions.

### Capture the Attitude in the Moment

If the customers last visited your website two weeks ago, they will answer questions in light of how they feel about the company over all. Ask them about their feelings the moment they have them, not after those feelings are mitigated by days of extraneous events.

### Capture Enough of the Right Kind of Feedback

How much is enough? Statistical significance means you've got enough replies to your survey that adding more would

not change the outcome. This is where those statisticians are worth their weight. What's the right kind? On the one hand, you want enough to cover a statistically valid representation of those people visiting the website. On the other hand, customer segmentation is a vital component of analysis. It's far more important to know that this type of visitor feels this way and behaves that way -- as compared to another segment -- than it is to know what a simple majority or an average do and feel.

### Corporate Change Management

The desire to succeed is seldom as powerful as the desire to avoid looking foolish. When faced with a discussion about web analytics, senior managers grow understandably uncomfortable with their lack of knowledge.

When trying to garner more budget or more human resources, when trying to modify internal processes or services, or when trying to recommend new products or product features, bringing the voice of the customer to senior management is one of the most powerful tools for internal change.

The CEO should not spend his or her time learning about the fine intricacies of path analysis or survey science. But they all possess a burning desire to know what their customers want.

Once you have the executive suite's attention, you can help the company far more than merely improving the return on your Internet investment. Real world examples reveal the expanded value of information collected from customers. They'll tell you how they feel about your company, your products and your competitive standing in the marketplace. If you only listen.

#### Highest Signal, Lowest Noise for Upper Management

Until the executive suite in every company has a degree in behavioral psychology, the Voice of the Customer speaks louder than clickstreams and pathing reports.

**Oliver Carmona, Senior Manager, Corporate Brand Marketing, Panasonic**

It's hard to get people outside of web experts to look at our web analytics and see what we're doing. But when you express your findings as the Voice of the Customer, then all executives - in the broader marketing discipline or even operations - tend to value it because they can understand it.

Some of those are web issues and some of those are business issues. We don't have discounted prices so that's something we know they want but we can't do it for them. We could really improve our scores if we gave away free shipping, but then we'd have a channel conflict so it's not on the table.

What does the voice of the customer provide that click tracking does not? Confidence. As Oliver Carmona, Senior Manager, Corporate Brand Marketing, at Panasonic sums it up, "The most valuable thing we get from attitudinal information is the certainty of knowing how customers view our website."

**About the Author**

Jim Sterne wrote an award-winning white paper in 2000 about the possibilities of web analytics and a book on measuring online success called Web Metrics, in 2002. He is the producer of the Emetrics Summits and is the founding president of the Web Analytics Association (WAA).

**Oliver Carmona, Senior Manager, Corporate Brand Marketing, Panasonic**

We get more than just general comments about products or ordering issues or "Did you like the website?" We get all kinds of quantitative data. People score us on different attributes like navigation, how easy it is to find things, level of detail of the content, their likelihood to return, and so forth. We also learn about their most positive and negative experiences on the site.

Not only do we get insights about whether people like a given page or feature, we can find out if they like or have a problem with a given process on the site.

We took all the comments and married it up with all the scores to determine the top twenty things we can do to make our customers happier.

**About iPerceptions**

This White Paper is sponsored by iPerceptions Inc., North America's leading web focused customer satisfaction and experience research provider. Its webValidator Continuous Listening solution captures the voice of actual online customers in the context of an actual website visit helping companies learn more about their customers with satisfaction metrics that quickly turn learning into customer led decision-support. **iPerceptions Satisfaction Index (iPSI)** helps companies obtain a clear understanding of the key issues impacting satisfaction, purchase intent, customer loyalty and the likelihood customers will refer friends and associates to the site.

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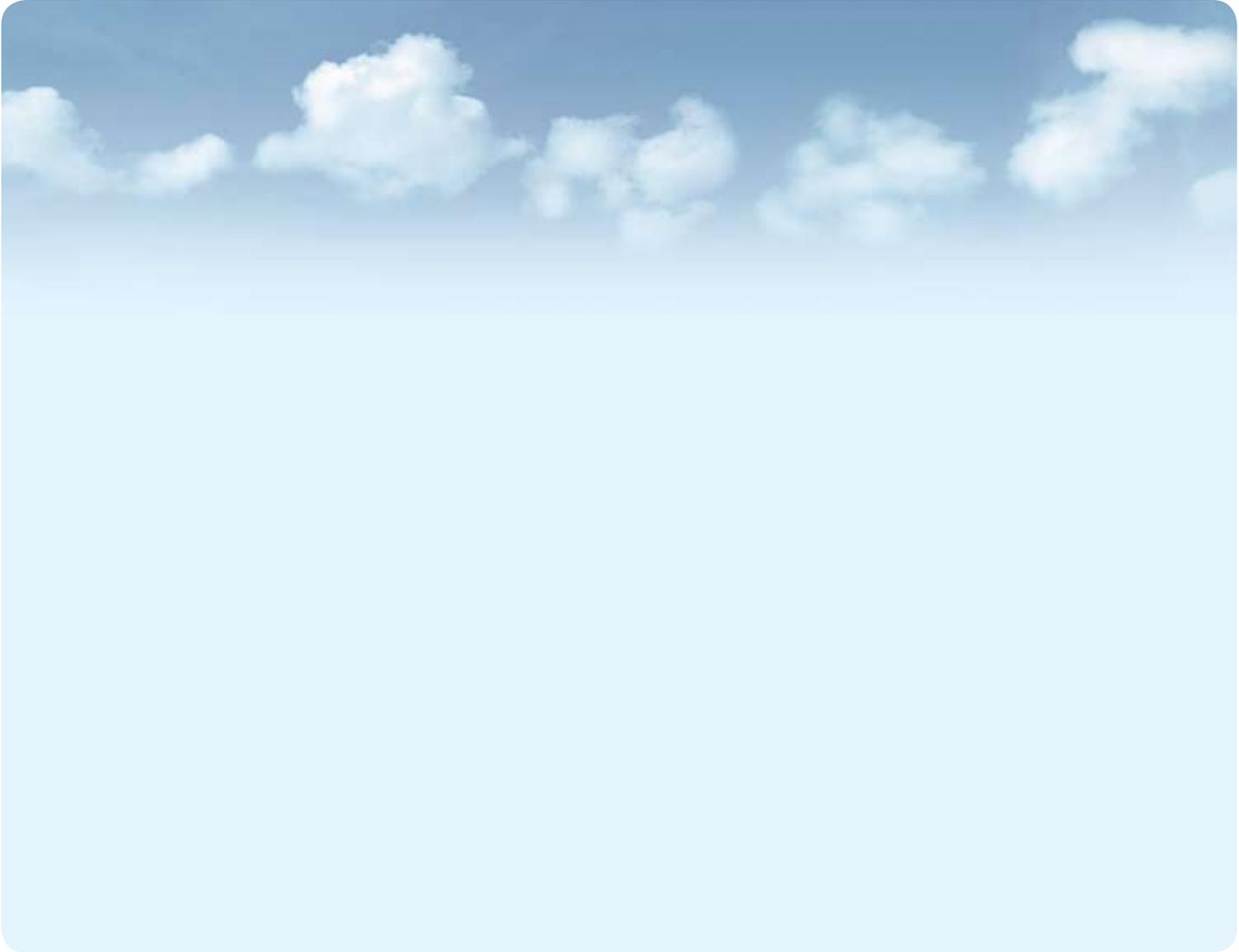
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