

Better Web Usability Can Boost Holiday Sales by \$10 Billion

Joel Wecksell

E-tailers could miss out on as much as \$10 billion this holiday season because of Web site usability defects that prevent shoppers from buying online. Improving usability can raise sales and keep customers coming back.

NEWS ANALYSIS

Event

On 19 November 2001, GartnerG2 forecast that Internet retail sales for 4Q01 will total \$25.3 billion, exceeding last year's fourth quarter total by 39 percent. Gartner also forecast that for the first time, more than half of online holiday sales will be made outside North America.

Analysis

Gartner believes that this holiday season, more than 20 percent of online holiday shoppers will fail to complete online purchases due to usability issues (0.7 probability). Due to defects in usability, e-tailers could possibly leave between \$7.5 billion and potentially more than \$10 billion on the table this holiday season. However, e-tailers that aggressively address online sales usability issues will generate more sales this season as well as greater sales from these potential buyers over time.

Two recent studies of online shopping showed that between 30 percent (Nielsen Norman Group; January 2000 E-Commerce User Experience study) and more than 40 percent (Creative Good Inc.; Creative Good Holiday 2000 e-Commerce study) of attempts to purchase products over the Web fail due to poor Web site usability. A third study showed that European consumers who found their online purchase experiences very satisfying spent an average of 1,074 euros (\$976) online during the past 12 months, whereas dissatisfied purchasers spent an average of 628 euros (\$570) online during that same period (Boston Consulting Group, July 2001 study).

Studies show that between 24 percent and 40 percent of the problems were caused by registration, adding items to shopping carts and checkout issues alone. Other key contributors were buyer's inability to find items and get adequate product, pricing, availability and delivery information, and technical problems.

To maximize online holiday season sales, e-tailers should conduct a usability audit — preferably with an outside usability testing organization — with a specific focus on uncovering and remedying defects in the online shopping experience (that is, the things that cause purchase failures). User-experience experts can review a Web site's usability to ensure that best practices are adhered to, and work with targeted users to identify locations on the site that cause failure. Analyzing click stream data to determine where online shoppers leave the site is valuable as well. Although many e-tailers won't have the resources to remediate all of the usability defects found during the audit, they should remediate the ones that cause the biggest problems.

Analytical Source: Joel Wecksell, Sales Leadership Strategies

Need to Know: Reference Material and Recommended Reading

- "Evaluations of Web Stores Based on Analytic Framework" (M-13-0875) Gartner evaluates Web stores for the key components of Web site functionality. **By Geri Spieler**
- "Evaluating the Web Store for Shoppability: An Analytical Framework" (R-12-9878) The shoppability analytical framework provides the criteria for Web merchants to evaluate how well they provide a satisfactory shopping experience. **By Geri Spieler**

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