

## 52 Largest Retailers Ranked on How They Treat Online Customers in Spring 2004 Online Customer Respect Study

### ***More Than One-Third Share Personal Data With Third Parties Without Permission; 94 Percent of Online Forms Not Easy to Use by Those With Disabilities***

**BELLEVUE, WA, April 19, 2004** -- The Customer Respect Group, an international research and consulting firm that focuses on how corporations treat their customers online, today released the results of its Spring 2004 Online Customer Respect Study of 52 retailers that rank among the countries largest 1000 companies.

Overall, Foot Locker and Amazon.com scored highest, while ShopKo Stores scored lowest.

The study is the only one to bring objective measure to the analysis of corporate performance from an online customer's perspective. It assigns a Customer Respect Index (CRI™) rating to each company on a scale of 0 to 10, with 10 being the highest achievable score. The Customer Respect Index is a qualitative and quantitative in-depth analysis and independent measure of a customer's online experience when interacting with companies via the Internet.

By interviewing a representative sample of the adult Internet population, and by analyzing more than 1000 Web sites across a spectrum of industries in detail, The Customer Respect Group has determined the attributes that combine to create the entire online customer experience. These attributes have been grouped together and measured as indicators of Simplicity (ease of navigation), Responsiveness (quick and thorough responses to inquiries), Privacy (respects customer privacy), Attitude (customer-focus of site), Transparency (open and honest policies) and Principles (values and respects customer data). Combined they measure a company's overall Customer Respect.

The Customer Respect Group continually enhances its methodology by expanding the list of attributes researched and reported on. Beginning with this report, that list includes respect for individuals with disabilities

#### **Select Sector Comparisons**

The research recently found that 54 percent of users who had abandoned Web sites in the previous three months cited a lack of simplicity as the main reason why they did so. Some 70 percent admitted that they would go to a competitor if a Web site was difficult to use. Fortunately, surveyed retailers scored highest in Simplicity, although many provided very "heavy" Web pages, making it difficult for dial-up users to move quickly through the site. In the area of Principles, the survey found that a shocking 39% of retailers share customers' data with business partners without seeking permission, and 20 percent share data with affiliates. In another area of Principles, researchers found that 94 percent of online forms on surveyed sites were deemed to be not easy to use by those with disabilities. This is an important issue, since the proportion of people with disabilities can range up to 20 percent in some populations.

"This research is the most authoritative to date as our list of online customer respect attributes has expanded based upon what users say is important to them," said Roger Fairchild, president of The Customer Respect Group. "In this study, we've found that retailers are doing a good job in several areas, including Simplicity, Transparency and Attitude. But in the area of Principles, we are very concerned that more than one-third of them share customer data without permission. And despite the fact that our society is beginning to address issues for physically disabled people in the physical world, our research indicates that attitude hasn't yet permeated the online world. Likewise we would remind retailers that their customers highly prize their privacy and they're almost certainly losing business because of their unacceptable customer data sharing policies."

The highest ranked organizations within the sector were Foot Locker and Amazon.com (7.9 out of 10), while the lowest was ShopKo Stores at 3.9. The sector's average was 6.6. Beyond these scores, the report conveys, in great detail, improvement opportunities for each company. The sector's Spring 2004 ranking is as follows:

<b>Retailers</b>	<b>CRI</b>
Foot Locker, Inc.	7.9
Amazon.Com Inc.	7.9
Albertson's, Inc.	7.8
Kmart Corporation	7.8
Walgreen Co.	7.8

Barnes & Noble Inc.	7.7
Nordstrom, Inc.	7.5
The Home Depot, Inc.	7.5
Victoria's Secret	7.5
NAPA	7.4
J.C. Penney Company, Inc.	7.4
Staples, Inc.	7.4
Toys R Us, Inc.	7.4
Best Buy Co. Inc.	7.3
The Gap, Inc.	7.3
Wal-Mart Stores, Inc.	7.2
Sears Roebuck and Company	7.1
Ace Hardware	7.1
CVS Corporation	7.1
Costco Wholesale Corporation	7.0
Saks, Incorporated	7.0
Longs Drug Stores Corporation	6.9
Lowe's Companies, Inc.	6.9
Rite Aid Corporation	6.9
The TJX Companies, Inc.	6.8
The Neiman Marcus Group, Inc.	6.8
BJ's Wholesale Club, Inc.	6.8
RadioShack Corporation	6.8
Kohl's Corporation	6.7
The Kroger Company	6.7
Dillard's Inc.	6.7
Target Corporation	6.6
Big Lots, Inc.	6.5
Circuit City Stores, Inc.	6.5
Publix Super Markets, Inc.	6.4
W.W. Grainger, Inc.	6.3
Dollar General Corporation	6.3
The May Department Stores Company	6.2
Borders Group, Inc.	6.1
Advance Auto Parts, Inc.	5.9
Pathmark Stores, Inc.	5.8
Winn-Dixie Stores, Inc.	5.8
Federated Department Stores, Inc.	5.7
Wesco International, Inc.	5.7
OfficeMax, Inc.	5.7
Ross Stores, Inc.	5.4
Safeway Inc.	5.3
Office Depot, Inc.	5.1
Family Dollar Stores, Inc.	4.5
AutoZone, Inc.	4.4
Hughes Supply, Inc.	4.1
ShopKo Stores, Inc.	3.9
<b>Industry Average</b>	<b>6.6</b>

Other findings for sector firms include the following:

- Surveyed firms receive the best overall rating (CRI: 7.2) for Simplicity, Transparency and Attitude and the worst (CRI: 5.8) for Responsiveness and Principles.
- Some six percent of firms did not respond to any online inquiries.
- 86 percent responded to all inquiries. Of these, 80 percent responded within 24 hours, 12 percent responded within 48 hours and eight percent responded after two days.
- Eight percent of firms responded to half of the inquiries received. Of these, 75 percent responded within 24 hours and 25 percent responded within 48 hours.
- Some 48 percent of all sector firms use Autoresponder technology, in which emails are automatically sent to users to confirm the receipt of their inquiry and let them know when they should expect a response. Of these, 93 percent followed with a full response and the remainder followed up half of their Autoresponses with a reply.
- Some 92 percent of companies provide email forms for online inquiries.
- Eight percent provide email addresses.
- 94 percent of sector firms have privacy policies on their sites explaining how customers' personal data is being used. Of those that do, eight percent need to be more explicit about how they use personal data, 32 percent do not collect data or use collected data only for internal purposes, 21 percent share data with affiliates or subsidiaries and 39 percent share data without permission from users.
- Some 92 percent use cookie technology. Of these, 10 percent provide a full explanation about what advantage they provide the user and what data they hold, while 10 percent provide a full explanation on how to disable them.
- 94 percent of companies provide forms that can't be easily used by those with disabilities.

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Companies can obtain additional information by visiting the Web site, [www.CustomerRespect.com](http://www.CustomerRespect.com), calling 425-454-4151 or emailing [info@customerrespect.com](mailto:info@customerrespect.com).

## About The Customer Respect Group

The Customer Respect Group is an international research and consulting firm that uses its Customer Respect Index (CRI™) methodology to help companies improve how they treat their customers online. It provides leadership in the objective and scientific measurement of a customer's online experience. Many of the largest U.S. companies have already adopted the CRI methodology to improve online customer satisfaction and loyalty. The Customer Respect Group is headquartered in Bellevue, WA. For additional information, visit [www.customerrespect.com](http://www.customerrespect.com).

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