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One-third of Online Shoppers Encountered Glitches This Holiday Season, New Guidance Survey Reveals

*Some 64 Percent Shopped Online Without Incident –
While 37 Percent of Those Online Didn't Shop the Web at All*

MARINA DEL REY, Calif. - January 5th, 2009 - In what may have been the most closely-watched holiday shopping season in the short history of the online medium, some 36 percent of online shoppers ran into roadblocks en route to buying that gift – ranging from molasses-like website response to fruitless efforts to check out, to outright system crashes.

That's the principal finding of a new nationwide survey from Guidance, conducted through December 23. In association with Chicago market researcher Synovate, Guidance asked 1,000 online consumers, "When you think of online shopping this holiday season, which of the following have you had issues with?"

The findings come amid a dramatically weakened economy, declining brick-and-mortar retail sales, a shortened holiday shopping season – due to a late Thanksgiving – and uncertainty about the future.

The Guidance/Synovate survey revealed that 64 percent of shoppers completed their purchases incident-free. At the same time, 37 percent of those online skipped Internet shopping altogether, a small percentage of whom reported doing so because of problems in the past. Of those who reported trouble this year, 13 percent said they had to abandon a very slow website while they were trying to shop, 8 percent said a website froze or crashed altogether, 7 percent could not complete a purchase on their first attempt, 6 percent tried to access a website that was down temporarily and 4 percent said a purchase they thought they had completed actually didn't go through.

According to the survey, online shopping hassles affect the overall degree to which people will shop online. Across nearly every demographic breakdown -- other than race -- the group least likely to say their online shopping was incident-free was also the group least likely to shop online.

Crash-Free Commerce

"While online shoppers may have escaped the ferocious winter weather, a significant number didn't elude the issues that tend to afflict overburdened, under-engineered eCommerce sites," said Jason Meugniot, Guidance CEO and Owner. "Ideally, every shopping cart that is not abandoned by the shopper should be converted – and every one that doesn't

Common Hosting Problems as Expressed by Online Shoppers, Holiday Season 2008*

Abandoned a slow website – 34%

Website crashed/froze – 21%

Could not complete purchase – 19%

Site was temporarily down – 16%

Purchase didn't go through – 10%

**Based on percentage of respondents who expressed frustration with their online shopping. Source: Guidance survey (with Synovate), December 2008*



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sends a message to the consumer. Uptime, speed and reliability ought to be prerequisites of the online shopping experience. Still, I'm heartened by the success that many online shoppers enjoyed, especially since deep discounts, special offers and free shipping/returns made online shopping a better value than ever this season."

Among the survey's major findings:

- Women were more likely to say their purchases were completed without incident (44 percent, compared with 36 percent of men).
- Respondents at both ends of the age spectrum seemed to have more problems than their counterparts overall: just 35 percent of both the 18-24 and the 65+ age groups said their shopping was incident-free, versus 40 percent of the overall sample. Respondents 25-54 were most likely to say their online shopping was incident-free: 44.5 percent of those 25-34, 46.5 percent of those 35-44, and 40 percent of those 45-54.
- That might explain why the youngest and oldest also were the least likely to shop online: nearly half of both groups (45 percent of those 18-24, and 48 percent of those 65+) said they didn't shop online at all this holiday season. The group most active online were those between the ages of 35 and 44: just one-quarter of them (26 percent) did not shop online.
- Those with higher incomes had an easier time of it: just 27.5 percent of those who earn less than \$25,000 per year said they didn't encounter problems, compared with 46 percent of those who earn more than \$75,000.
- Weather wasn't the only thing bedeviling those in the nation's midsection. Respondents in the Midwest were far more likely to experience problems: only 29 percent reported no problems, compared with 44 percent for those in both the Northeast and the South, and 42.5 percent of those in the West. Respondents in the Midwest were also least likely to shop online: nearly half (46 percent) said they didn't shop online, while just 30.5 percent of those in the Northeast agreed.

Guidance has been designing, developing, hosting and managing eCommerce websites for clients since 1995.

"Keeping an eCommerce website up and running smoothly requires more than simply lining up enough servers," said Meugniot. "Retailers need application support for the database, the eCommerce apps and the website itself – and a partner that understands how everything works together. Finding an experienced and reliable hosting and managed services provider is vital, to make sure retailers capture every transaction and keep customers coming back for more." The Guidance/Synovate survey has a margin of error of +/- 3 percent. For a full copy of the survey results and a graphic presentation of top-line data, email aespi@guidance.com.

About Guidance

Since 1993, Guidance (www.guidance.com) has helped companies seize opportunities and solve problems through the innovative and practical use of technology. Guidance designs, builds and maintains eCommerce websites for retailers that are pure-play online or multi-channel – creating captivating experiences so consumers will buy more, come back



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often and value greater engagement with the retailer. Guidance's systems facilitate \$500 million in online sales every year. Members of the Guidance team are seasoned professionals, passionately committed to providing technical leadership and powering ingenuity. Key clients include Foot Locker, GEARYS Beverly Hills, Relax the Back, Salvation Army, and many others. Partners include: Microsoft, AspDotNetStorefront, Mediachase and Telligent. Guidance is based in Marina del Rey, Calif.

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