

Keynote[®] Ranking Studies



Keynote Rankings for Brokerage Web Sites

June 2006

Keynote's Mission: Improve eBusiness Success

Keynote's mission is to improve eBusiness performance worldwide by providing metrics and insights into customer experience, operational excellence, and competitive strategies on the Web.

The *Keynote Customer Experience Rankings for Brokerage Web Sites* and the *Keynote Service Level Rankings for Brokerage Web Sites* are part of a syndicated competitive intelligence program designed to benchmark and improve the operational and business performance of leading Web businesses.

The rankings are based on large-scale studies that employ Keynote's unique methodology and expertise to provide comparison metrics and insights into best practices. Unlike other research, Keynote's approach uses actual consumer behavior and feedback, in addition to quantitative measures of site reliability and responsiveness, to provide a detailed understanding of the impact that Web sites have on consumer perceptions and behavior.

Keynote Methodology Overview

Measuring Customer Experience

Keynote's proprietary approach to customer experience research measures real people as they pursue real tasks on the Web.

By capturing customer feedback and behavior at the point of interaction with a site, and with accurate knowledge of their intent, Keynote is able to provide a complete understanding of their online experience and how it relates to business goals. This realistic and in-depth view of the customer experience links companies with their customers and prospective customers and helps them to truly understand what they think, how they behave—and why.

For the *Keynote Customer Experience Rankings for Brokerage Web Sites*, Keynote monitored over 1,500 prospective brokerage customers as they interacted with the following Web sites:

- Ameritrade
- E*TRADE
- Fidelity Investments
- Merrill Lynch Direct
- optionsXpress
- Schwab
- Scottrade
- ShareBuilder
- SiebertNet
- TD Waterhouse

The prospective customers were asked to pursue goals and provide their reactions across a number of areas of site experience. Consumers provided their reactions and answered questions while Keynote recorded their behavior and captured their responses using the proprietary Keynote customer experience methodology. More than 250 metrics were measured for each site included in the study.

Keynote then assessed the impact of the user's experience through a range of indices and a driver analysis to better understand which sites delivered the best business outcomes, and what were the key drivers behind this success.

Keynote Methodology



Measuring Service Levels

To gather data on the operational excellence or service levels of sites in a study, Keynote uses its Transaction Perspective® measurement computers (“agents”) to mimic the actions of a consumer using the Internet Explorer browser. The agents used for this study were located throughout the U.S. and were connected to the Internet from both broadband and dial-up connections. The agents performed transactions, collecting details of site performance and reliability during a one month period. The agents tracked more than 40 detailed performance metrics and collected over 6500 data points on each site. Keynote analysts used these data points to rank the sites in the study on each of seven key performance factors, which are critical aspects of the operational excellence of a brokerage site.

Results: Customer Experience

Best Sites

The overall Keynote Customer Experience Ranking is the highest-level score of customer experience and is based on an aggregate score of site performance across all 250 customer experience metrics measured in the study. The overall ranking shows which sites are most successful in terms of satisfying customers, driving customer acquisition, and supporting the company’s brand.

Of all the sites included in the study, Fidelity, Scottrade and Schwab were the most successful overall, providing the most effective online experience for prospective customers.

Keynote Customer Experience Ranking, June 2006

Rank	Brokerage Web Sites
1	Fidelity
2	Scottrade
3	Schwab

Keynote Customer Experience Ranking, June 2005

Rank	Brokerage Web Sites
1	E*Trade
2	Fidelity
3	Harrisdirect

Specific Areas of Success

The best sites are determined by their success in driving business outcomes including customer satisfaction, brand impact and customer acquisition. The study benchmarks site success in each of these specific areas. Winners in the area of brand impact and customer acquisition are detailed below.

Brand Impact Index

Rank	Brokerage Web Sites
1	Fidelity
2	Scottrade
3	E*Trade

Fidelity, Scottrade and E*Trade were the top rated sites in terms of positive brand perceptions. Prospective customers using these sites were generally more satisfied, experienced less frustration, and ultimately formed a favorable impression of the brokerage firm as a result of their experience on these sites.

Acquisition Impact Index

Rank	Brokerage Web Sites
1	Fidelity
2	Scottrade
3	E*Trade

Fidelity, Scottrade and E*Trade also led the Acquisition Impact Index. Prospective customers visiting sites topping the Acquisition Impact Index were more likely to open an account than those visiting competitor sites.

Success Drivers and Best Practices

Keynote also conducts a sophisticated statistical driver analysis to determine which aspects of site experience had the most impact on site success. This driver analysis not only explains “why” sites perform the way they do, but also demonstrates which areas of improvement the sites should focus on in order to have the biggest impact on their desired business outcomes.

The drivers that had the most impact on online adoption, customer acquisition, and brand affinity were overall product satisfaction, online features satisfaction and the visual design of the site. The ease of opening an account was also a leading driver.

Top Impact Drivers

Rank	Brokerage Web Sites
1	Product Satisfaction
2	Online Features Satisfaction
3	Visual Design

Keynote then competitively benchmarks sites across these drivers—and determines the key factors contributing to success in these areas.

Online Features Satisfaction

Rank	Brokerage Web Sites
1	Scottrade
2	Merrill Lynch Direct
3	TD Waterhouse

Scottrade, Merrill Lynch Direct and TD Waterhouse topped the Online Features Satisfaction category.

Qualitative Feedback

To better understand why sites perform the way they do on a given driver, Keynote analysts review the best of breed sites in conjunction with the qualitative feedback provided by panelists during the study.

For example, in the Online Features Satisfaction category, prospective customers particularly liked the Merrill Lynch Direct site because it highlighted the features through a comprehensive online tour:

Comprehensive Online Tour

- *“The tour did an excellent job of summarizing the benefits offered by Merrill Lynch Direct.”*
- *“The preview tour was very helpful in showing the features of their site.”*
- *“Their online tour was an easy to use “slide show” that let me learn about their site at my own pace and it provided a very comprehensive overview of what they offer.”*

Results: Service Levels

Best Sites

Using extensive measurement data and analysis, Keynote benchmarked leading online brokerage sites in two major categories,

Reliability – Measures a site’s ability to service its customers without errors or outages

Responsiveness – Measures a sites’ ability to provide highly responsive and consistent page downloads

Reliability

To obtain the overall Reliability Ranking, Keynote evaluates and compares the sites according to their performance on two Key Performance factors, both of which are comprised of several underlying metrics:

- Availability
- Outages

Keynote Service Level Ranking Reliability, June 2006

Rank	Brokerage Web Sites
1	E*Trade
2	Ameritrade
3	Sharebuilder

Keynote Service Level Ranking Reliability, May 2005

Rank	Brokerage Web Sites
1	Schwab
2	Scottrade
3	E*Trade

The E*Trade, Ameritrade and Sharebuilder sites were the top rated sites in terms of reliability, indicating those sites were highly available and experienced little or no downtime.

Responsiveness

To obtain the overall Responsiveness Ranking, Keynote evaluates and compares the sites according to their performance on five Key Performance factors, all of which are comprised of several underlying metrics:

- High Speed Response
- Dial-up Response
- Response Time Consistency
- Geographic Uniformity
- Load Handling

Keynote Service Level Ranking Responsiveness, June 2006

Rank	Brokerage Web Sites
1	E*Trade
2	Ameritrade
3	Merrill Lynch

Keynote Service Level Ranking Responsiveness, May 2005

Rank	Brokerage Web Sites
1	Ameritrade
2	Schwab
3	Scottrade

E*Trade, Ameritrade and Merrill Lynch were the industry's best in terms of site responsiveness, an indication of how fast the sites were in comparison to their competitors.

Overall performance in the brokerage industry is strong as compared to other financial services industries, and has improved in some areas over the past year. For instances, average page download times over broadband connections improved by approximately 6% in the past year. The industry also saw competitive shifts over the year, with E*Trade dominating the service levels in the industry in 2006, moving up from just an average showing in 2005.

There were also large gaps between the best performers and worst performers, with top sites available 100% of the time during peak measurement periods, as compared to poorer sites that were available less than 96% of the time. Several sites had major reliability issues, with one site unable to take online applications for more than 110 peak hours during the 30 day evaluation period.

Another major brokerage company showed daily slowdowns of 45% during peak periods, indicating that the site could not handle the volume of users coming to its site without noticeable slowdowns in page download times.

Keynote Rankings for Brokerage Web Sites

This abstract highlights findings the *Keynote Customer Experience Rankings for Brokerage Web Sites* and the *Keynote Service Level Rankings for Brokerage Web Sites* studies. The full studies contain hundreds of metrics and include additional information not only identifying the best and the worst Web sites in certain categories, but also providing specific detail about why the sites ranked where they did. The following measurements provide additional insight:

Keynote Drivers

Critical insights of the study are derived from understanding why sites rank as they do. Keynote conducted a sophisticated driver analysis to determine which aspects of the site experience had the most impact on site success. The factors that have the greatest relationship to these site effectiveness indices reveal which areas of the site experience should get the most attention in order to improve critical site outcomes.

Cross-Site Segmentation

Segmentation provides insights about how certain customer profiles interact with and respond to each site in the study. Keynote compares key metrics across the largest and key segments of the industry, such as high income individuals.

Qualitative Analysis

Using special qualitative analysis tools, the Keynote research team analyzes participant comments to identify and compare common themes across all of the sites in the study. Since our qualitative algorithms are the same across each of the reports, these tools provide a fair and quantitative way to compare customer verbatims across reports.

Web Norms Comparisons

Participants in the study do not compare their site experiences just among competitors in a particular industry; they also compare their experiences to those presented by other types of sites. Keynote provides site comparisons against larger web norms so that companies not only know how they compare to their own industry averages, but also to web norms across industries. Keynote web norms are derived from hundreds of evaluations run across many major industries.

Longitudinal Comparisons

Keynote Rankings provide a solid base for longitudinal comparisons and benchmarking. Each iteration of the study uses a similar study design, and the analysis is based upon standard Keynote metrics, resulting in data that can be easily benchmarked and compared over time.

Keynote Systems

Keynote Systems, The Internet Performance Authority®, is the worldwide leader in e-business performance management services. Over 2,300 corporate IT departments and 13,000 individual subscribers rely on Keynote's growing range of measurement and monitoring, service level and customer experience management services to improve e-business performance by reducing costs, improving customer satisfaction and increasing profitability.

For More Information

If you have a specific question about the information contained in this Keynote's competitive intelligence studies or purchase the studies contact sales at 1-800-KEYNOTE or click http://www.keynote.com/sbl_forms/July06_Brokerage_Study.html