

Keynote[®] Customer Experience Rankings[™]



Keynote Competitive Intelligence Study on Chinese Search Engines

December 2005

Keynote's Mission: Improve E-BUSINESS Success

Keynote's mission is to improve e-business performance worldwide by providing metrics and insights for customer experience, marketing effectiveness, application service levels, and competitive strategies.

The Keynote® Customer Experience (CE) Rankings™ are part of a syndicated competitive intelligence program for understanding the customer experience and marketing effectiveness of leading Web businesses.

The rankings are based on large-scale syndicated studies that employ Keynote's proprietary methodology, patented technologies, and research expertise to capture the behavior and attitudes of customers as they pursue goals on the Web. The studies are designed to provide comparison metrics and insights into the customer experience and its impact on customer satisfaction, customer acquisition and brand perceptions.

Keynote Methodology Overview

Keynote's proprietary approach to customer research measures real consumers as they pursue actual search tasks on the Web.

By using patented WebEffective technology Keynote captures users' 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 the site's search queries. For the first time ever in China this realistic and in-depth view of the customer experience enables companies to truly understand what their consumers think, how they behave—and why.

For the CE Rankings for Search Engine portals in China, Keynote monitored over 1,200 Chinese online consumers with a geographic dispersion of 70% from major Mainland China cities, and 30% coming from other diverse locations in China—as they interacted with the following Search Engines:

- Alibaba / Yahoo!
- Baidu
- Google (China)
- Sohu / Sogou

The consumers were asked to pursue goals and provide their reactions across a number of areas of site experience. The areas of site experience studied included:

- General Search
- News Search
- Product Search
- Image Search
- Music Search

Consumers provided their reactions and answered questions while Keynote recorded their behavior and captured their responses on more than 250 metrics measured across each site.

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



Results: Keynote Customer Experience Rankings Fall 2005

Best Sites

The overall Keynote Customer Experience Ranking is the highest-level score in the CE Rankings program and is based on an aggregate score of site performance across all 250 customer experience indices and 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.

Despite close competition between three of the four sites studied, **Google China was the most successful overall**, providing the most effective and satisfying experience for users who are searching online. The below table shows the top site in the Overall Customer Experience Index. Full results for this and all other Keynote indices are available in the complete study.

Keynote Customer Experience Rankings

Rank	Chinese Search Engines
1	Google China

Specific Areas of Success

The best sites are determined by their success in driving leading business outcomes: customer satisfaction, brand impact, and future usage. The Keynote study benchmarks site success in each of these specific areas. Google China was the winner in the area of customer satisfaction and driving future usage of the site.

Customer Satisfaction Index

Rank	Chinese Search Engines
1	Google China

Google China was the top rated search engine site in terms of customer satisfaction. Consumers using the search sites that top the Customer Satisfaction Index are generally more satisfied, experience less frustration and find the site easier to use than visitors to the other sites in the study.

Future Usage Index

Rank	Chinese Search Engines
1	Google China

Google China also topped the Future Usage Index. Users visiting the sites that top the Future Usage Index are more likely to return to the site in the future and more likely to make the site their primary search site in the future.

Service Level Performance - Reliability Index

Rank	Chinese Search Engines
1	Google China

Service Level Performance - Responsiveness Index

Rank	Chinese Search Engines
1	Baidu

Google China also topped the Service Level Index by edging out others in a number of the response and reliability categories. The overall health of the Internet networks in China is high, as reported in the Keynote study (see below), and Google has achieved the top overall ranking. The Service Level testing uses seven key measurement categories to determine the overall leader: broadband usage (i.e. ADSL), dial up response, response time consistency, geographic uniformity, load handling, availability, and outage hours.

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 a site's 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.

For search engine sites, the drivers that had the most impact on customer satisfaction, future usage, and brand affinity were home page appeal, general search quality and image search quality.

Top Impact Drivers

Rank	Drivers
1	Home Page Design and Appeal
2	General Search Quality
3	Image Search Quality

Keynote then competitively benchmarks sites across these drivers—and determines the key factors contributing to success in these areas. Google China was the site performing best with users in terms of the home page design and appeal, general search quality, and Image search. The overall simplicity of design, strong perceived results relevance and unobtrusive advertising were strengths for Google overall -- and appealed to the Chinese consumers.

Keynote's study found that in terms of music search quality and reasons to use (or value proposition), two other drivers to site success, some other search sites out-performed the competition.

Music Search Quality

Rank	Chinese Search Engines
1	Baidu

Baidu was the site performing best with users in terms of music search quality. The MP3 task category in the study was unique to the China search market, and Baidu produced a higher degree of consumer satisfaction, rated the search successes as better, and with more relevant better-ranked results.

Reasons To Use

Rank	Chinese Search Engines
1	Alibaba / Yahoo!

Alibaba / Yahoo! was the site recognized by consumers as having a distinct advantage for convenient search access. With a clear leadership position versus the other sites, when users had their email account hosted by Alibaba / Yahoo! consumers felt that their usage of the search capabilities was enhanced and they would use these capabilities more often.

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. Their data is drawn from the raw answers from Chinese panelists that are available in Keynote's CustomerScope data mining tool.

For example, in home page design and appeal and general search quality, users particularly liked Google China because of its simplicity. Some specific comments online consumers made about Google China included:

Home Page Design & Appeal

- *"I like Google's home page because it's simple and direct."*
- *"I love its simplicity and cleanness."*
- *"The general layout and organization of the site are good."*
- *"The structure of the site is simple and well organized"*

General Search Quality

- *"The search results are very relevant to the topic; even the ads are relevant to the topic."*
- *"The search results are exactly what I was looking for."*

High Global Technical Standards

The Keynote Service Level testing was conducted over a month long period from four Keynote Network stations inside China, and measured approximately 13,000 data points per site. The results showed that as a group all four sites met or exceeded the best global standards for Internet reliability and responsiveness. In fact the Chinese search engine market exceeded standards currently recognized as being superior. As an example, the average response time for overall transaction execution with broadband usage (like ADSL) responsiveness ranged from .35 seconds to 2.7 seconds. This compares to recognized industry benchmarks of 1.5 seconds. This result was a strong measure of overall network health in the China search market.

The complete Keynote study details other findings key Service impacting areas like: dial up response, response time consistency, geographic uniformity, load handling, availability, and outage hours.

User Frustration High for Chinese Consumers

In a surprising finding the Keynote study found that Chinese consumers experienced a higher degree of frustrations when using Chinese search engines, as compared to findings from similar studies conducted in North America. The leading frustrations of Chinese consumers were with duplication of results (50% expressing this frustration), search results not being ranked well (43%), and results being out of date (36%). The complete study provides details as to why Chinese consumers are dissatisfied with search results.

What is interesting is that these frustrations and areas of dissatisfaction range from 35% to 50% in China as compared to the percentages less than 20 for equivalent studies in North America. This would indicate room for tremendous quality improvements by all search companies in China.

Keynote CE Rankings for China Search Engines

This abstract highlights findings from the Keynote CE Rankings for Search Engine Web Sites - China. The full product contains hundreds of metrics and includes 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 segment division identified in the industry, such as high and low 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 CE Rankings provide a solid base for longitudinal comparisons and benchmarking. This is the inaugural study on search (ie the first wave), and Keynote plans on conducting regular waves of this study each year. 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 Customer Experience Research

Keynote is the leading provider of customer experience research services, offering both syndicated and custom research examining consumer behavior on the Web. Keynote's research provides critical business insight into online customer experiences, industry trends and competitive Web strategies for a variety of vertical industries. Competitive Benchmarks

The Keynote Customer Experience (CE) Rankings benchmark the customer experience provided by the leading Web sites in a specific industry, focusing on how the site experience impacts customer behavior and attitudes. Keynote CE Rankings are available for a variety of industries including the banking, credit card and retail industries, as well as the search engine industry.

The Keynote Service Level (SL) Rankings benchmark the application performance of leading sites in a specific industry, focusing on how well a site delivers adequate service levels to customers. As with the CE Rankings, the SL Rankings are available for a variety of industries.

Competitive Benchmarks Provide Strategic Insights

Industry Needs	Competitive Benchmarks
Metrics to measure progress	Ongoing site success metrics
Understand the “why’s” behind customer behavior	In-depth customer feedback attitudes and behaviors
Strategic prioritization	Driver analysis
Relative strengths & weaknesses	Apples-to-apples comparison to competitors
Tactical recommendations	Best practices based on high performers

Keynote Systems

Founded in 1995, Keynote Systems (Nasdaq “KEYN”) headquartered in San Mateo, California is the worldwide leader in services that improve online business performance and communications technologies. Keynote helps approximately 2,300 corporate customers and 13,000 individual subscribers become “the best of the best” online. The business premise supporting Keynote’s mission is: “Online businesses can’t manage what they don’t measure.” As an independent and trusted third-party, Keynote provides IT and marketing executives with unbiased benchmarking data, competitive analysis and operational metrics from the customer perspective. This data measures service levels and customer experience of Web sites, broadband services and mobile communications.

Known as The Internet Performance Authority®, Keynote manages a market-leading infrastructure of 1,600+ measurement computers and mobile devices in over 114 locations and 66+ metropolitan areas worldwide that assess service levels and a panel of over 160,000 consumers who participate in interactive Web site tests that assess user experience. These online user experience tests capture customer attitude and behavior to answer the critical “why” behind the “what.” Keynote’s geographically distributed measurement services, on-site monitoring appliances, competitive intelligence and custom studies ensure that its customers outpace their competitors in online service levels and overall user experience.

For More Information

If you have a specific question about the information contained in this landmark Keynote CE Search Rankings study, please contact Jeff Kraatz at +1.650.403.3311 or online at www.keynote.com.