# £8.5 billion down the drain:

## the real cost of slow websites to UK retail

3.0 SECS

0 SECS
PASS

>3 SECS
FAIL

**Summit**
Changemakers in retail

eCommerce report    Q4 2013

# Slow websites will cost UK online retailers £8.5 billion* in 2013

**For a retailer turning over £10 million online we estimate that could lead to a loss of more than £1 million in revenue.***

Summit, specialist in online retailing, has conducted an in-depth study into the impact of website speed on some of the biggest retailers.
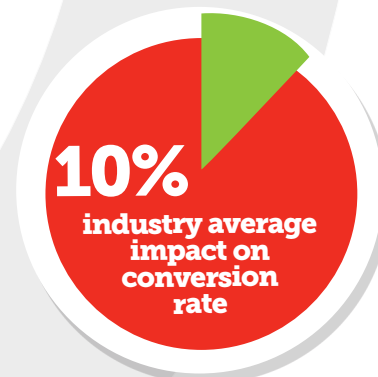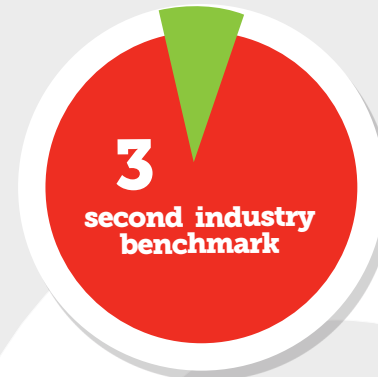
Our key findings paint a stark picture of lost opportunities.

Our research among 230 UK retailers shows that over 92% are falling behind the industry's 3-second page load benchmark, while some are running as high as eight seconds or more.

And, for the first time, we show that even the best run retail eCommerce websites are currently throwing away a major source of revenue because their pages aren't loading fast enough to keep the customer connected.

Even more importantly, with 30% of site traffic coming from mobile devices - where internet connections are slower - a fast responsive website is now a necessity to ensure these customers remain engaged and shopping.

Summit helps retailers make more money and we help them do it in a variety of ways. We've embarked on this study because we believe that site speed has for too long been designated as a technical issue but the reality is it has a major impact on revenue as well as brand reputation. Speed is therefore a customer service and marketing issue and a topic for the boardroom.

**3** second industry benchmark

**92%** failed to meet the benchmark

**10%** industry average impact on conversion rate

**230 leading UK online retailers**

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* See back page
** Based on the industry average site speed of 4.5 seconds resulting in a 10% negative impact on conversion rate.

# Why is website speed important?

**In 2012 it was estimated that the average page size was 684k and contained 83 objects. That means a server has to make 83 round trips to retrieve a page's assets and display these in the user's browser.**

Research shows that a one second delay in page response can result in a 7% reduction in conversions, an 11% reduction in the number of pages viewed, and a 16% decline in reported customer satisfaction.

**Aberdeen Research Group**

In 1995 a page was 14.1k and had just 2.5 objects.

**Strangeloop Networks**

Slow page loading caused 75% of online consumers to leave and visit a competitor's site. 88% of these dissatisfied customers were less likely to return to the site and a third of these told others about their unsatisfactory experience.

**The Gomez report**

64% of consumers stated that slow browsing was the biggest irritation when shopping online.

**Brand Perfect**

Site performance can also impact SEO performance. Google considers a page 'slow' if it takes longer than 1.5 seconds to download. While they have indicated that performance is only a small component of their PageRank algorithm, search is a very competitive field where incremental gains are important.

**Google**

*01.00*
second delay in page response
**7%**
reduction in conversions

*01.00*
second delay in page response
**11**%
reduction in the number of pages viewed

*01.00*
second delay in page response
**16**%
decline in reported customer satisfaction.

Aberdeen Research Group

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# Into the red: how we did the research

**Our research targeted the top 230 sites in the UK (Hitwise and Retail Week) testing pages from the four key sections of an eCommerce website.**

| Home | Search | Product | Category |

We randomly selected one page from each of these sections and ran each page through a total of six tests using our eCommerce Performance Checker. The tests were run during peak and off-peak times, on three different days within the same week.

- Off-peak    07.00 – 09.00
- Peak          18.00 – 21.00
- Saturday, Monday and Tuesday

That left us with 24 page performance results for each retailer covering periods of very low to very high volumes of traffic. We averaged the results and then used a traffic light system to show how each retailer performed across various pages, days and time periods.

**SEVERE FAIL** — 5 seconds or over

**FAIL** — 3-5 seconds

**PASS** — 3 seconds or under
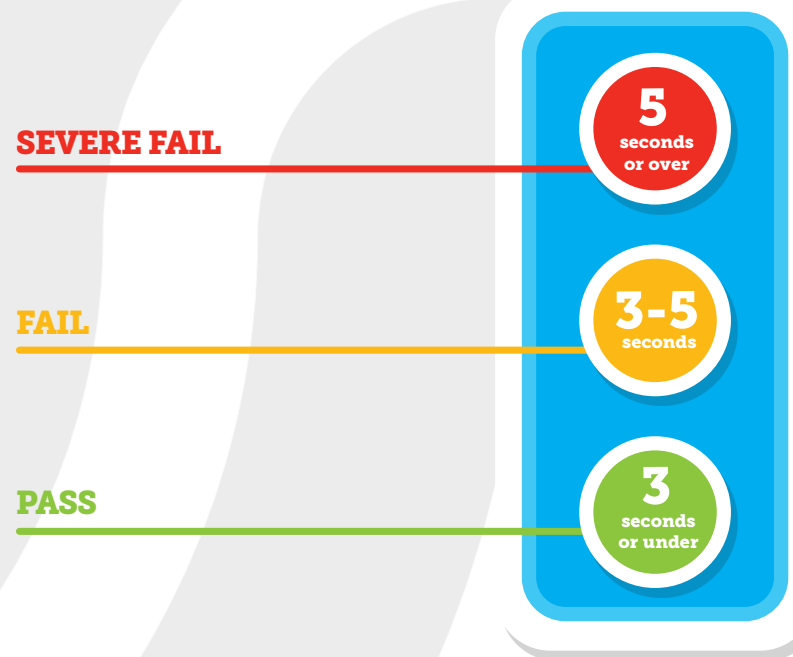
Is your site speed costing you sales? Find out with the free eCommerce Performance Checker at summit.co.uk/performance-checker

# Key findings

**Some retailers have fast speeds on their home page but this then collapses for all subsequent pages.**

- 18% of the sites we tested had homepages that were faster than the 3-second benchmark. Of these, only 12.5% were faster than the benchmark for the subsequent pages. So, only 2% of all sites tested were faster than the benchmark for all four pages.

**A large majority fail across all pages.**

- 72.5% of the sites we tested were over three seconds across all pages.
- 6% of the sites were over five seconds across all pages.

**Some are good at getting customers through the home page, search and category but slow down significantly on the product pages.**

- 18.5% of all the sites loaded in less than five seconds for the home, search and category pages but more than five seconds for the product page.
- Average load times for all the sites tested were:

  Home: 4.11 seconds     Search: 4.08 seconds
  Category: 4.25 seconds     Product: 5.20 seconds

**Some perform well in off-peak but poorly during peak.**

- All the sites with average loading times less than three seconds during peak also had fast loading times off-peak.
- 47% of sites with average loading times less than three seconds off-peak had average loading times of more than three seconds during peak – so peak is slower than off-peak.
- Average load times for all 230 retailers during peak and off-peak:

  **Peak: 4.71 seconds**
  **Off-peak: 4.10 seconds**

Peak **4.71sec**

Off-peak **4.10sec**

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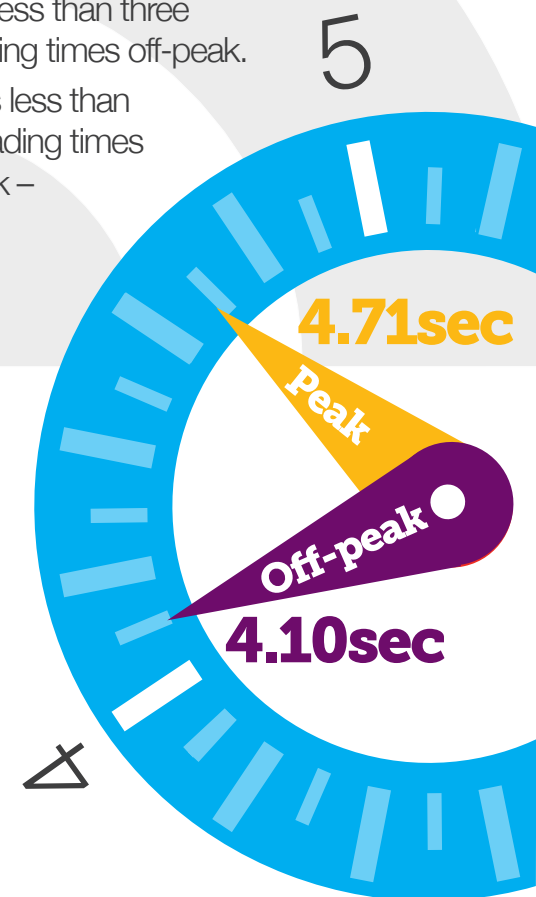
# Winners and losers

While page speed is clearly a major issue for many top brands, the truth is, there are both winners and losers, as our figures show.
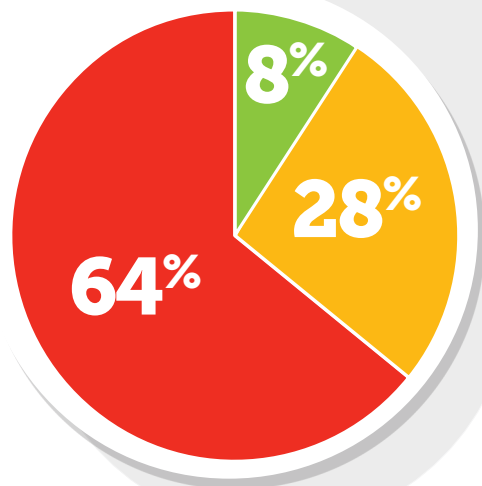


92% of all the sites tested failed to meet the 3-second industry benchmark.

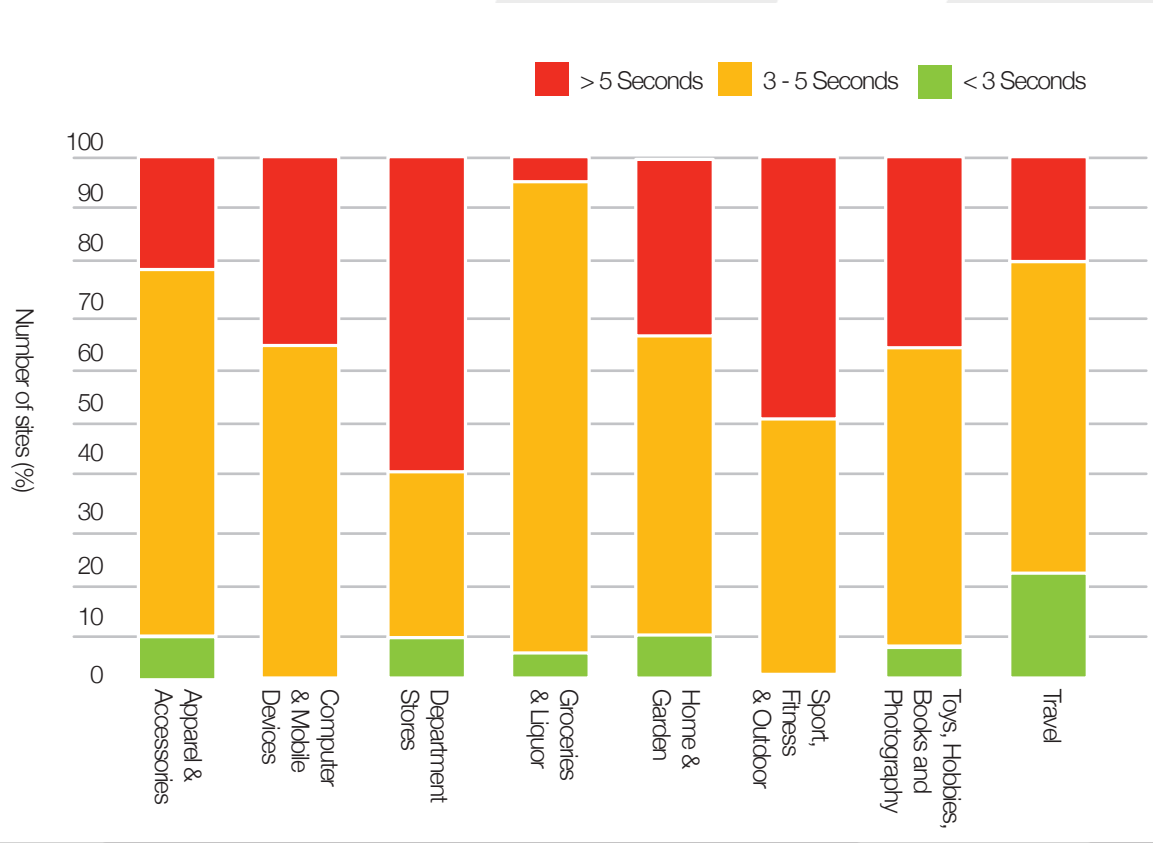| | |
|---|---|
| **Green** | 3 seconds or under - **8%** |
| **Orange** | 3-5 seconds (which is still a fail by the industry benchmark) - **28%** |
| **Red** | 5 seconds plus - **64%** |

## Winners

The following retailers were the ONLY ones to achieve an average site speed of three seconds or less across all of our tests.

# Average site speed per sector

An average site speed was derived by averaging the results from each of the 24 individual page tests for each retailer. This gave us a single average site speed. This graph illustrates how many retailers Passed (green), Failed (orange) or Severely Failed (red) in the average site speed results.

**Legend:** ■ > 5 Seconds  ■ 3 - 5 Seconds  ■ < 3 Seconds

Chart: Number of sites (%) by sector — Apparel & Accessories, Computer & Mobile Devices, Department Stores, Groceries & Liquor, Home & Garden, Sport, Fitness & Outdoor, Toys, Hobbies, Books and Photography, Travel
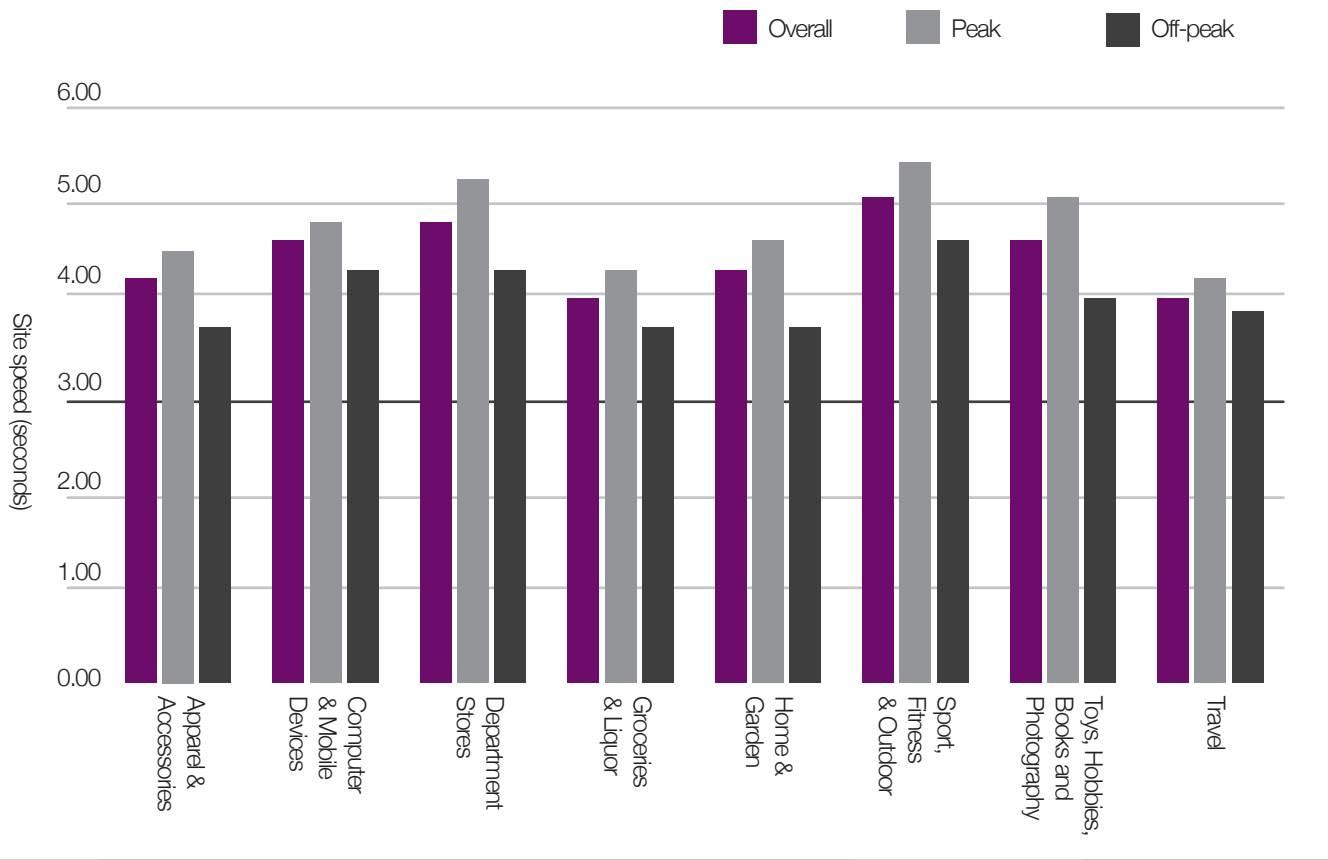
Groceries had the least Severely Failed results at 6% of the sample, however 89% of the sites still fell into the orange failed category. Given the nature of grocery shopping online - a process that often requires multiple page views to complete a shop - it's arguable that grocery sites could be losing substantial revenue due to reduced page views by customers fed up with the time it takes to browse.

Sports and Fitness (16 sites) and Computers and Mobile Devices (11 sites) also performed badly with none of the sites tested meeting the 3-second benchmark.

If we were to call a winner in this low performing pack then Travel would take the prize with 20% of the sites in this sector meeting the benchmark.
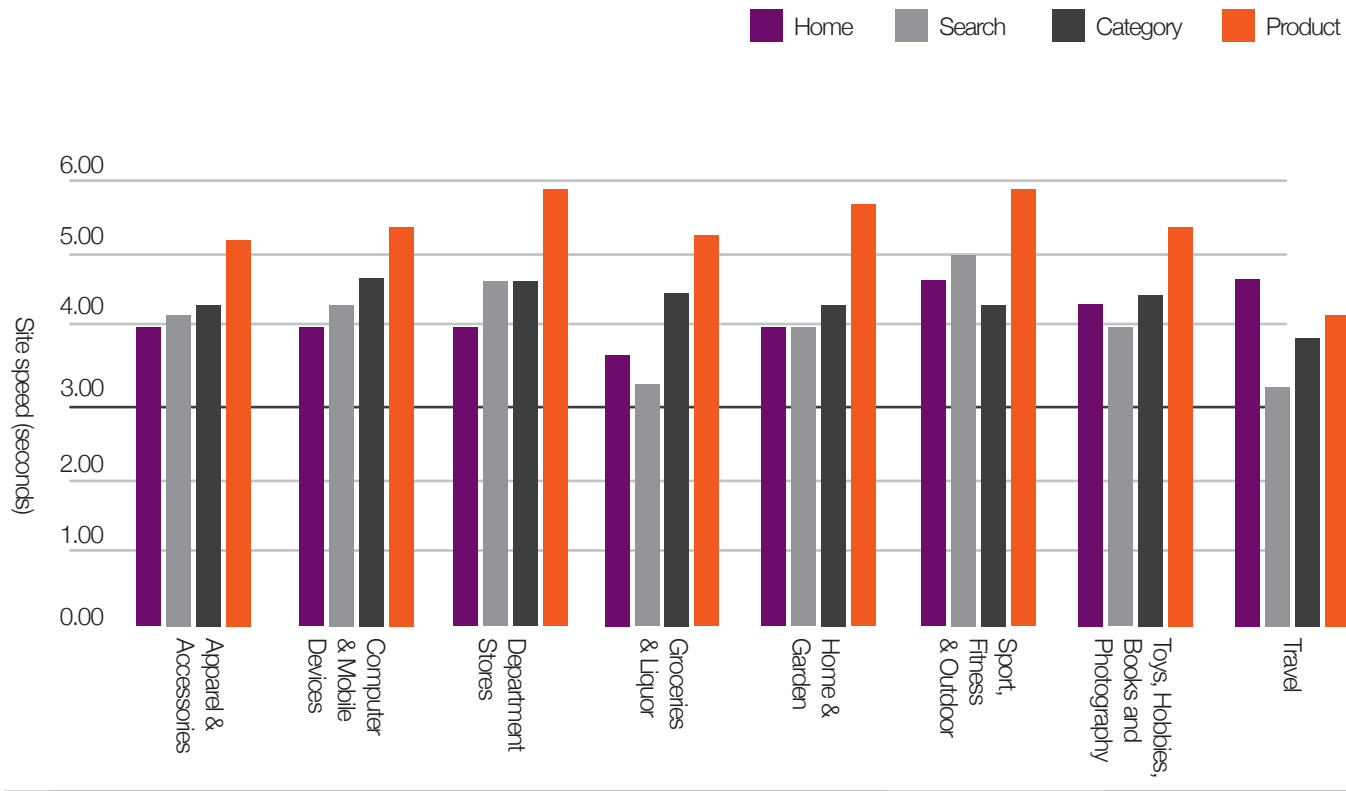
# Average results: peak and off-peak

**This graph illustrates the average results per sector for peak (18.00 - 21.00) and off-peak (07.00 - 09.00) across the three days.**



Legend: Overall | Peak | Off-peak

Y-axis: Site speed (seconds) — 0.00, 1.00, 2.00, 3.00, 4.00, 5.00, 6.00

X-axis categories: Apparel & Accessories; Computer & Mobile Devices; Department Stores; Groceries & Liquor; Home & Garden; Sport, Fitness & Outdoor; Toys, Hobbies, Books and Photography; Travel

The results are fairly evenly matched and all still some way from the industry benchmark. This illustrates that speed issues are inherent in the site itself and not limited to hosting as is frequently believed.

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# Average speed per page by sector

**This graph illustrates the average time pages from each of the categories take to download. Product pages are the clear losers with Department Stores and Sport, Fitness and Outdoor hitting the 6-second mark.**



Legend: Home  Search  Category  Product

Y-axis: Site speed (seconds) — 0.00, 1.00, 2.00, 3.00, 4.00, 5.00, 6.00

X-axis categories: Apparel & Accessories; Computer & Mobile Devices; Department Stores; Groceries & Liquor; Home & Garden; Sport, Fitness & Outdoor; Toys, Hobbies, Books and Photography; Travel

For fashion consumers, browsing on eCommerce sites is an important part of the decision making process. Many fashion sites invest heavily in design and features to engage their audience but are failing to ensure these are optimised correctly to ensure the experience is a fast one. Just as we highlighted with the Grocery sites, a slow site can lead to disenchanted shoppers who view fewer pages and ultimately buy less resulting in a lower average order value. It can also have a negative impact on brand image especially when customers share their frustrations on social media.

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# Why do pages load so slowly?

**Site speed can be impacted by:**

## Front-end design/build

- Multimedia such as Flash or video
- Images that are not optimised
  i.e. reduced in size for the web
- Dynamic scripts that are server-intensive
- Web pages that aren't compressed so the file size is big
  and cumbersome to download
- Bulky code – this can occur when different developers
  have worked on a site or various new features have been
  added over time
- 3rd party scripts and APIs

## Hosting

- A shopper's proximity to your hosting infrastructure
  can impact on response times.
- Shared web servers where another eCommerce
  website's traffic can impact server capacity.

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# Take action now

**Retailers need to urgently review and address website speed.**

- Make site speed a priority amongst your other web projects. Shoppers on mobile devices now make up 30% of retailers' site traffic so a fast website is crucial to a good user experience for this audience. Remember this could be having a direct impact on your conversion rate so it's important to take action now.

- Set an acceptable page speed goal for your site - a site that runs faster than three seconds can have a positive impact on site conversion.

- Run your site through our performance checker **www.summit.co.uk/performance-checker** not simply at regular intervals but at times when results will be most meaningful, for instance across various trading periods with very high peaks or low troughs.

- Add site speed to your regular site metrics and monthly report. Google Analytics now has a feature for this.

Raise the issue of site performance with your eCommerce agency and make it a priority in upcoming development work.

## Quick tips

The front-end of a website is often the biggest contributor to slowing down page load speed.

A creative feature that is heavy with CSS or beautifully designed pages with images that haven't been optimised are usually the culprits.

The more scripts and calls a page has to make to load, the longer it's going to take. The challenge is to find the right balance between brand, design, user experience and performance.

Ideally the designer, UX, marketing and front-end developers are all involved in the initial creative process when the pages are first being designed, so that all considerations are made before the site is built.

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# About Summit

## Summit, Changemakers in Retail

Summit is the UK's specialist in online retailing. For 13 years we've worked for some of Europe's most successful retailers and brands helping them use the internet to attract more customers and make more money. Last year we delivered over £300 million of sales online for our clients.

Our services break down into three areas – retail consulting and advice, online marketing, and eCommerce platforms. We have over 150 staff in the UK and Europe working alongside our clients, helping them transform their businesses by thinking and acting differently. That's why we call ourselves Changemakers.

**If you would like to know more about how Summit can help you make more money online then call Paul Green on 0203 428 5304 or email paul.green@summitmedia.com.**

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*Average site speed was 4.5 seconds, total industry revenues are assumed at £87bn (IMRG Jan 2013), AOV £77 and conversion rate at 4.5% (IMRG / Capgemini Retail Index Aug 2013). 1 second over the 3-second benchmark leads to a 7% loss of conversion (Aberdeen Research Group). The additional 1.5 seconds leads to a 9.83% impact on conversions, meaning the potential conversion rate if site speeds are 3 seconds would be 4.94%. Assuming orders of 1,240,886,084 in 2013 the potential revenue would be £95.5bn against the projected £87bn.

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