

Consumer Behavior Report

November 2010

PriceGrabber.com's

A Deep Dive Into Online Holiday Spending Trends

September 14 – October 6, 2010 Sample Size 1,839 U.S. Online Consumers

❖ Consumer Behavior Reports are produced, implemented and analyzed by PriceGrabber.com to give media, industry analysts, consumers and retailers insight into online shopping trends, purchasing behavior, product pricing and market share.



Key Takeaways

Every year the consumer gets stuck trying to distinguish between marketing buzz and real deals. Online manufacturers, retailers and sellers frequently offer the most competitive, transparent prices to the shopper that knows where to look, how to search, and what online tools to use. Each year more smart shoppers look to the eCommerce channel to spend for the holidays.

- This report provides insight into how those online consumers who plan to spend this holiday season will allocate their dollars. This year, as many as 1 in 5 online consumers anticipate spending exclusively online for holiday gifts. On average, consumers will spend \$845 overall and \$483 online for holiday gifts this year.
- Where are consumers spending? Most consumers plan to use a combination of online, offline, catalogs and mobile devices for their holiday shopping. 89% of consumers plan to do at least some shopping online, 24% of consumers will be using holiday catalogs to browse for holiday gifts and 9% plan to shop via their mobile devices.
- How much are consumers budgeting for the holidays? Consumers plan to spend more of their total holiday budget online compared to last year. 57% of consumers' gift purchases will be made online, compared with 53% this holiday season. 66% of consumers planning to spend for the holidays will spend \$500+, compared with 59% last year. On average, male shoppers plan to spend more online for holiday gifts as compared to female shoppers, \$520 and \$444 respectively.
- There's no doubt, consumers will be after the deals this holiday. Consumers are poised for another year of price wars. 4 in 5 consumers will be watching prices this holiday season looking for competitive deals offered by retailers, a trend highlighted by Walmart and Amazon's price war last year.
- What gifts will consumers give this holiday? Consider 2010 another year of practicality. 70% of consumers plan to purchase 'practical' gifts as opposed to 'luxury' gifts this holiday season, compared to 58% last year. Smartphones and eReaders will be hot electronic gifts and the most sought after products in these categories are the Apple® iPhone 4® and the Apple® iPad™, 47% and 59% respectively.



Press Contacts

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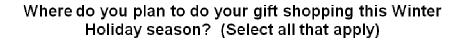
Please let us know if you would like to*:

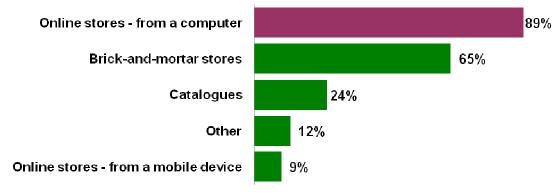
- Schedule a phone interview with PriceGrabber.com spokespeople
- Request a non-PDF report version
- Request raw survey data, product trends or pricing data
 *All are complimentary



1 in 5 online Consumers Plan to do all their Holiday Gift Shopping Online

Most consumers plan to use a combination of online, offline, catalogs and mobile devices for their holiday shopping. 89% of consumers plan to do at least some shopping online, while 65% plan to do at least some shopping at a brick-and-mortar store. Similarly, 24% of consumers will be using holiday catalogs to browse for holiday gifts, 20% of online consumers plan to do their holiday gift shopping exclusively online and 9% plan to shop via their mobile devices.

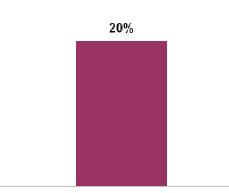




Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 - 10/06/2010, n = 1.839 U.S. Online Consumers

Where do you plan to do your gift shopping this Winter Holiday season?

EXCLUSIVELY ONLINE



Online stores – from a computer ONLY

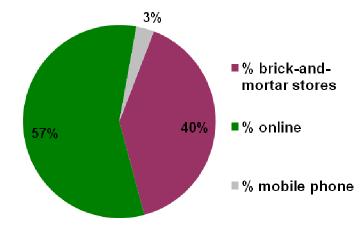
Source: PriceGrabber's WinterHoliday Consumer Survey, 9/14/2010 – 10/06/2010, n = 1,839 U.S. Online Consumers



57% of Consumers' Gift Purchases will be made Online, Compared with 53% Last Season

More consumers are looking to spend $\frac{3}{4}$ or more of their holiday gift budgets online as compared to last year, 28% and 18% respectively.

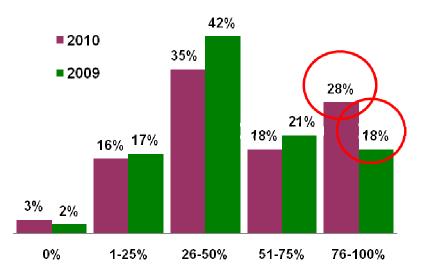
Please indicate what percentage of your holiday gift purchases will be made online, from a mobile phone, and/or in a brick-and-mortar store this season. [Your answers must total 100%]



Source: PriceGrabber's WinterHoliday Consumer Survey, 9/14/2010 – 10/06/2010, n = 1,839 U.S. Online Consumers

Please indicate what percentage of your holiday gift purchases will be made online this season.

ONLINE ONLY



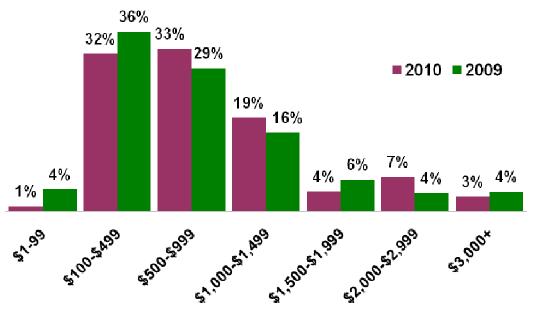
Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 – 10/06/2010. n = 1.048 U.S. Online Consumers



Shoppers are More Comfortable Spending this Season Compared to Last

This holiday season 66% of consumers planning to spend for the holidays will spend \$500+ on gifts compared with 59% last year.

How much money do you plan to spend on gifts this Winter Holiday season (Black Friday, Nov. 26, 2010 – Dec. 31, 2010)?

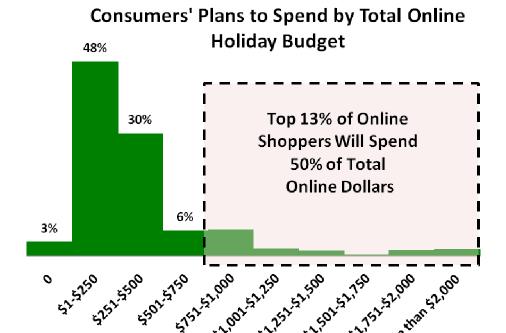


Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 - 10/06/2010, n = 1,839 U.S. Online Consumers (2009 Survey: n = 4,617 U.S. Online Consumers)



Average Online Spend for Holiday Gifts this Season: \$483

Online consumers are looking to spend on average \$845 for holiday gifts this season – \$483 of their total budget will be spent online. The biggest spenders (the top 4% of online consumers) will spend 25% of the total dollars spent online. The top 13% of online consumers, will spend 50% of total dollars spent online.



Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 – 10/06/2010, n = 1.839 U.S. Online Consumers



Male Shoppers Plan to Spend More Online than their Female Counterparts, \$520 vs. \$444

	Male Shopper	Female Shopper	Average Online Shopper*
Top 3 Holiday Purchases	Clothing Gift Cards to Practical Places Consumer electronics	Clothing Gift Cards to Practical Places Books	Consumer electronics Clothing Gift Cards to Practical Places
Average Total Holiday Spend	\$932	\$751	\$845
Average % Spend Online	56%	59%	57%
Average % Spend In-Store	41%	39%	40%
Average % Spend Mobile	3%	2%	3%
Average Total Online Spend	\$520	\$444	\$483
Social Shopper**	66%	72%	69%
Mobile Shopper***	41%	31%	36%

Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 – 10/06/10, n = 1,839 US Online Consumers; 52% Male and 48% Female

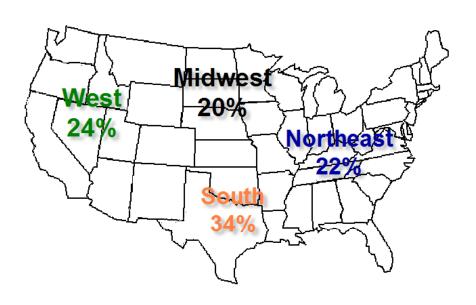
^{*}Average online shoppers who plan to spend any dollar amount online or offline

^{**}Consumers that did NOT state: I will not use social media this Winter Holiday season

^{***}Consumers that did NOT state: I do not plan to use my mobile phone for shopping related activites during the Winter Holiday season



The West and South Regions are the Biggest Spenders this Holiday Season, \$898 vs. \$866



	Average Total Holiday Spend	Average Online Holiday Spend
West	\$898	\$509
Northeast	\$823	\$496
South	\$866	\$492
Midwest	\$766	\$422

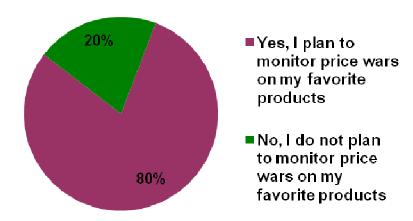
Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 - 10/06/10, n = 1,839 U.S. Online Consumer, South = 34%, Northeast = 22%, Midwest = 20%, West = 24%



Consumers are Poised for Another Year of Price Wars

Last year retailers set the precedent for competitive holiday pricing with consumers. This year, 80% of consumers indicate they are planning to monitor price wars on their favorite products.

Do you plan to monitor price wars between retailers in order to get the best price on your favorite products (e.g., Walmart vs. Amazon)?



Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 – 10/06/2010, n = 1,839 U.S. Online Consumers



70% of consumers plan to purchase 'practical' gifts for the holiday season, compared to 58% last year

[2008-2010] Which of the following gifts do you plan to purchase for this Winter Holiday season, if any?

(Select all that apply)



Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 – 10/06/2010, n = 1,839 U.S. Online Consumers



Practical Vs. Luxury Purchases: Consider 2010 Another Year of Practicality

Rank	Practical	%
1	Consumer electronics for work or school/Replacement electronics	64%
2	Clothing (work clothes, school uniform, non-designer jeans, non-designer coat/jacket, etc.)	57%
3	Gift cards to practical places (grocery store, gas station, etc.)	50%
4	Books	46%
5	Replacement computer	14%
6	Replacement mobile phone	11%
7	Auto Parts	8%
8	Replacement parts for electronics	5%
9	Other practical items	32%

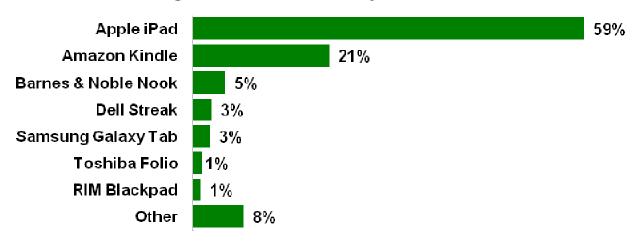
Rank	Luxury	%
1	Gift cards to non-practical places (clothing stores, hobby)	34%
2	Jewelry	27%
3	Other non-essential items	19%
4	Non-essential electronics	17%
5	Designer clothing (jeans, dresses)	15%
6	Designer handbags	7%
7	Designer shoes	6%

Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 - 10/06/2010, n = 1,839 U.S. Online Consumers



Top eReader Revealed: No One Tops the Apple iPad

Which of the below e-readers would you prefer to receive as a gift this Winter Holiday season?

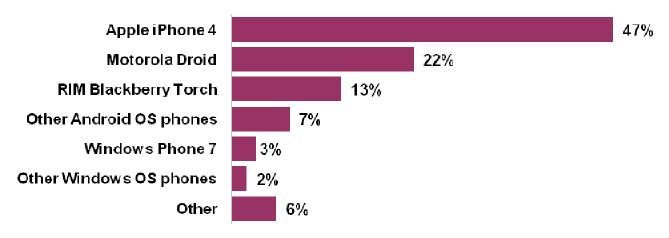


Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 - 10/06/2010, n = 1,839 U.S. Online Consumers



Top Smartphone Revealed: No One Beats the Apple iPhone 4

Which smartphone would you prefer to receive as a gift this Winter Holiday season?



Source: PriceGrabber's Winter Holiday Consumer Survey, 9/14/2010 = 10/06/2010, n = 1,839 U.S. Online Consumers



PriceGrabber Spokespeople



Laura Conrad
Title: President
Expertise:
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Sean Kane
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Graham Jones
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To schedule interviews, contact Sharon Banfield at 323-601-1231.



What is PriceGrabber.com's Consumer Behavior Report?

PriceGrabber.com®, a part of Experian, is a leader in comparison shopping and an unbiased resource for up-to-date trends and product information. The Consumer Behavior Report is designed to give media, industry analysts, consumers and retailers insight into online shopping trends, purchasing behavior, product pricing and market share. A different topic will be the focus of the complimentary report.

Past Consumer Behavior Reports are located at:

http://www.pricegrabber.com/about.php/about=press/sub_opt=15

PriceGrabber.com has 23 million unique shoppers per month and up-to-date daily pricing on millions of products supplied by more than 11,000 merchants.

About Us: http://www.pricegrabber.com/about.php

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Methodology

2010 Survey Name: PriceGrabber.com Winter Holiday Consumer Survey II, September 14 to October 6, 2010; Sample Size: 1,839 U.S. Online Consumers

The data, market trends and analysis in this report were prepared by PriceGrabber.com. The data included in this report is based on the Winter Holiday Consumer Survey and PriceGrabber.com site analytics.

For the PriceGrabber.com Winter Holiday Consumer Survey conducted between September 14 to October 6, 2010, we designed and fielded an online questionnaire to reach consumers who recently made an online purchase from one of 12,000 retailers and sellers. The online survey is comprised of 26 closed-ended questions. Respondents were asked about their plans to spend in the current state of the economy for the 2010 winter holiday season (defined as Nov. 26, 2010 – Dec. 31, 2010).

The sample set represents online consumers purchasing products over the 22 days the survey was administered. The demographic variables collected include: age, gender, region, employment and estimated annual household income. The survey completion results showed that 73% of total participants completed the survey and 27% partially completed the survey. All cross-tabulation statistics for this report were analyzed using only quality-controlled, completed responses. Respondents that inappropriately answered a validation question (potentially flagging a fraudulent response) and/or completed the survey considerably faster than the average respondent speed were removed from the sample set. The maximum sampling error for the survey data based on a statistically sound sample size of 1,839 respondents is +/- 2.28 percentage points at the 95% confidence level.

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