



TRENDS IN ONLINE SHOPPING

iPads are the
new “It Bag”



Shopzilla's latest research into online shopping trends shows that while iPads have only been available in Europe for one year, they have quickly become this year's "It Bag" for online shoppers. Even more importantly to online retailers, iPads are set to dominate the tablet market in the future and retailers need to act now to capitalise on the opportunity.

Shopzilla's research of almost 5,000 active online shoppers across Europe shows that 6% of shoppers currently own a tablet (including iPads) and a further 20% are considering purchasing one in the next year. What is most striking is that Apple has already won the hearts of these future tablet users at a rate of 5-to-1, with 80% of future buyers already committed to buying an iPad over a non-Apple tablet.

Almost 80% of the current tablet owners view the device as an addition to their technology arsenal rather than as a replacement for an existing device. Retailers are still learning how consumers are interacting with these new devices.

Of the tablet users, the majority (61%) believe it is as easy to shop online with their handheld device as it is with a computer and 71% have bought or would buy online using their device. Two-thirds of tablet users use this device more than their smartphone for online shopping.

Tablet shoppers are multi-taskers even more so than smartphone users. Our research showed that 70% of tablet users will access their devices to browse shopping websites while watching TV compared to only 29% of smartphone owners. This has significant implications for retailers looking to drive online sales through TV advertising.

Online retailers need to fully embrace the tablet revolution or ignore it at their peril.

THE LANDSCAPE

Trends in online retail move with changing fashions, seasons and sales, but how does the technology we use affect the way in which we shop? As we celebrate the launch of our new destination shopping site, Beso, across the UK, France and Germany, Shopzilla surveyed almost 5,000 online shoppers to find out the impact that one of the latest trends - namely the use of iPads and tablets - is having on the way we shop.

Each year Shopzilla surveys over 12 million consumers through our Consumer Insights surveys, allowing us to hear directly from online shoppers about the latest online shopping trends. Shopzilla's surveys capture consumers who are actively in the process of buying products online in Europe's three largest markets: the UK, France and Germany.

Our European survey of 5,000 online shoppers told us that:

- Nearly two thirds (61%) of iPad or tablet users say it is as easy to shop online with their hand-held device than with their personal computer
- The majority (71%) of iPad or tablet owners would use it or have used it to shop online
- More than half (53%) of iPad and tablet users will browse shopping sites on it together with their friends
- Dual-screen technology means 70% of tablet users even watch TV while browsing shopping sites simultaneously

Online shoppers with access to an iPad or tablet are finding it preferable to their smartphone for shopping related activities.

While it is still early days for tablets including the iPad, they have already established a strong foothold with online shoppers. Our research shows that 6% of respondents own an iPad or tablet, which is particularly impressive given that the iPad was launched in Europe only one year ago (May 2010). Shopzilla conducted similar research in the US where we found that the tablet penetration is already 12% (post the launch of the iPad 2). The trend set in the US where the iPad was first launched is a trend which European shoppers are clearly following.

Of the iPad and tablet users in Europe, a clear majority (61%) believe that it is as easy to shop online with their hand-held device as it is with a computer and 71% have bought or would buy online using their device.

FUTURE GAZING

For those consumers who don't yet own a tablet, a whopping 20% are considering purchasing one in the next 12 months. This is consistent with Shopzilla's US tablet research which shows that 26% of non-tablet owners plan to purchase in the next year. Of those

considering buying a tablet in Europe, Apple has already won over would-be buyers at a rate of 5-to-1 compared to other tablet makers. It is clear that Apple has established itself as the go-to brand in this emerging field. Retailers looking to attract tablet shoppers need to recognise Apple's dominance and ensure their websites and applications are compatible with Apple's requirements.

Tablet manufacturers still need to work at convincing most consumers that they need a tablet device. The primary reason for people not purchasing this technology was "I don't think it's something I need" with 65% of people seeing this as the main barrier and 23% finding it too expensive right now.

As of May 2011, Apple had sold 25 million iPads worldwide since the device's launch in April 2010.

TABLET SHOPPING

As consumers interact with their tablets, retailers must take note of the changing shopping behaviours consumers show using these devices.

SOCIAL COMMERCE

Over 80% of the current tablet owners view the device as an addition to their technology portfolio rather than as a replacement for an existing device.

Tablet owners shop either using a browser or an app, and retailers should focus resources to ensure their sites are optimised for the tablet experience.

With the right experience, it is clear that tablet shoppers are willing to purchase. As mentioned, Shopzilla's research shows that 71% of people have bought or would buy online using their tablet device. Shopzilla's internal sales figures show that conversion rates on smartphones are materially lower than on personal computers, while the conversion rates from tablets is the same or better than the PC.

Tablet shoppers are multi-taskers even more so than smartphone users. Our research showed that 70% of iPad and tablet users use their devices to browse shopping websites while watching TV compared to 29% of smartphone owners. This has significant implications for retailers looking to drive online sales through TV advertising.

The term social commerce is often used to describe the use of social networks and online communities in the process of shopping online, for example, using social media to share user reviews. However, it seems that online shopping truly has become sociable in other ways with 53% of shoppers telling us that they use their iPad or tablet to shop online together with friends and 27% of respondents using their mobile phones in this way. Sharing becomes an important part of the shopping experience.

Dual-screen technology is another compelling factor for advertisers to consider, with 70% of the tablet users watching TV and browsing shopping sites simultaneously. Mobile phone users' habits differ though, with only 29% of the 2,000+ smartphone users telling us they use their mobile to browse shopping sites while watching TV. The majority (two-thirds) of tablet users tell us that they use their tablet more than their smartphone for shopping-related activities.

Rachel Smith, Senior Director, Business Services at Shopzilla says:

"Online shoppers with access to an iPad or tablet are finding it preferable to their smartphone for shopping related activities. Tablet shoppers are effective multi-taskers, and retailers can capitalise on this with well targeted TV advertising."

CONCLUSIONS

Rachel Smith, Senior Director, Business Services at Shopzilla says:

"The year of mobile commerce, which has been predicted for some time, is finally here. With the explosion of the tablet market, we are seeing a seismic change and the opportunity will be for the first-movers who get it right."

Please visit www.shopzillasolutions.co.uk to find out how Shopzilla can help you maximise online sales.



RACHEL SMITH
Senior Director, Business Services
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About Shopzilla, Inc.

Shopzilla, Inc. manages a premier portfolio of online shopping brands in the U.S. and Europe, consisting of Shopzilla, Bizrate, Beso, TaDa, PrixMoinsCher, and SparDeinGeld. Shopzilla connects shoppers with more than 100 million products from tens of thousands of retailers with its unique portfolio of engaging and informative websites. Reaching a global audience of more than 40 million shoppers each month through both its destination websites and publisher syndication network, Shopzilla is a leading source of sales and consumer feedback for online merchants and retail advertisers. With offices in London, Los Angeles and San Diego, the company operates sites and business services in the United States, the United Kingdom, France and Germany.

About this research:

Shopzilla surveyed 4,721 in the UK, France and Germany during May 2011.

This report can be downloaded from: www.shopzillasolutions.co.uk

The US research referred to can be found here: <http://tinyurl.com/3o364tp>

For more information about Shopzilla, please call: 0207 029 3300

