



2011 Post-Holiday Recap

January 2012



Three key takeaways from Holiday 2011



1. **Online sales drove growth**
2. Holiday shoppers **expected your store at their fingertips**
3. Consumers **were “always on”**

Methodology

Google commissioned Ipsos to gain a better understanding of shopping behavior during the 2011 Holiday Season. In order to do so, two online surveys were conducted:

Google & Ipsos Post-Holiday Shopping Study

- **Sample:** US Adult Population. A total of 615 Holiday Shoppers were interviewed.
- **Screening criteria:** In order to qualify, respondents must have made a purchase in one of 13 retail categories during the Holiday Season.
- **Field period:** January 2012.

Digital Connections Study: Life of the Mobile-PC User

- **Sample:** Mobile and desktop consumers. A total of 615 Holiday Shoppers were interviewed.
- **Screening criteria:** Respondents must have made a purchase within a variety of product and service categories during the Holiday Season (e.g., retail, auto, entertainment.)
- **Field period:** January 2012.
- The data has been weighted to be reflective of the US Smartphone & PC user population

Online sales drove growth



Holiday season saw more retail sales, but fewer in-store shoppers

Sales grew 3.5 percent, foot-traffic declined 3.1 percent*

MarketWatch
THE WALL STREET JOURNAL
January 16, 2012 12:12 PM EST

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New York London Tokyo
Holiday Closed Closed

DOW -48.86
12,422.06 -0.39%

NASDAQ -14.03
2,710.87 -0.52%

S&P 500 -6.41
1,289.09 -0.49%

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PRESS RELEASE
Jan. 16, 2012, 11:00 a.m. EST

Holiday Season Saw More Retail Sales, But Fewer In-store Shoppers

Sales grew 3.5 percent, foot-traffic declined 3.1 percent compared to 2010 –

PR Newswire
United Business Media

NEW YORK, Jan. 16, 2012 /PRNewswire via COMTEX/ – Despite continued economic uncertainty, holiday shoppers bought more this year than last, giving retailers two holiday seasons with year-over-year sales increases in a row.

According to ShopperTrak – the world's largest provider of retail and mall foot-traffic counting services – national retail sales, when compared to the same period last year, rose 3.5 percent during November and December, while foot traffic decreased 3.1 percent.

"We know stores saw less foot-traffic and increases in sales during the holiday season, indicating consumers were focused and took fewer trips," said Bill Martin, ShopperTrak founder. "Retailers who tracked their foot-traffic daily better understood and predicted shopper trends and made the most of every opportunity that walked through their doors with appropriate inventory and staffing adjustments."

Sales results decoded

Throughout the holiday season, ShopperTrak estimates consumers spent \$251.4 billion dollars in GAFO retail sales. Sales rose 3.5 percent over 2010, but slightly lower than ShopperTrak's forecast of a 3.7 percent increase.

The season started with four straight weeks of year-over-year sales gains in November, with Thanksgiving week having the largest year-over-year sales gain for the month – a 4.4 percent increase over the same period last year and \$134.2 billion spent. Sales lagged in early December, as shoppers assessed their budgets after "Black Weekend." ShopperTrak also attributes December's slow start to

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Nearly **70%** of online shoppers that did shop in-store say online research influenced the brands they bought, the retailers they shopped and the gifts they selected**. –Google/OTX Post Holiday Survey

Ecommerce grew 15%; key promotional dates grew again

comScore: Holiday Season Online Retail Spending (\$M)

	2010	2011	% Change Y/Y
November 1 – December 31	\$32,359*	\$37,170	15%
Thanksgiving Day (Nov. 24)	\$407	\$479	18%
Black Friday (Nov. 25)	\$648	\$816	26%
Thanksgiving Weekend (Nov. 26-27)	\$886	\$1,031	16%
Cyber Monday (Nov. 28)	\$1,028	\$1,251	22%
Green Monday (Dec. 12)	\$954	\$1,133	19%
Free Shipping Day (Dec. 16)	\$942	\$1,072	14%



Source: comScore, Inc. 20101 Holiday Season vs. 2010 Holiday Season, Non-Travel (Retail) Spending. Excludes Auctions & Large Corporate Purchases. Total US – Home/Work/University Locations

* 2010 data incorporates seasonal adjustment factor to account for different number of weekdays and weekends in 2010 and 2011. Actual (i.e. non-seasonally adjusted) 2010 number was \$32.589 billion.

Ten online shopping days this season surpassed **\$1 billion** in spending

Top Retail eCommerce Sales Dates Nov & Dec 2011 (in \$M)

Mon	Tue	Wed	Thu	Fri	Sat	Sun
Nov 21	22	23	24 Thanksgiving	25 Black Friday	26	27
Cyber Mon 28 #1 \$1,251	29 #4 \$1,116	30 #8 \$1,025	Dec 1	2	3	4
5 #2 \$1,178	6 #5 \$1,107	7	8 #9 \$1,024	9	10	11
Green Mon 12 #3 \$1,133	13 #7 \$1,064	14	15 #10 \$1,018	Free Ship Day 16 #6 \$1,072	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	Jan 1

Source: comScore retail e-commerce spending.

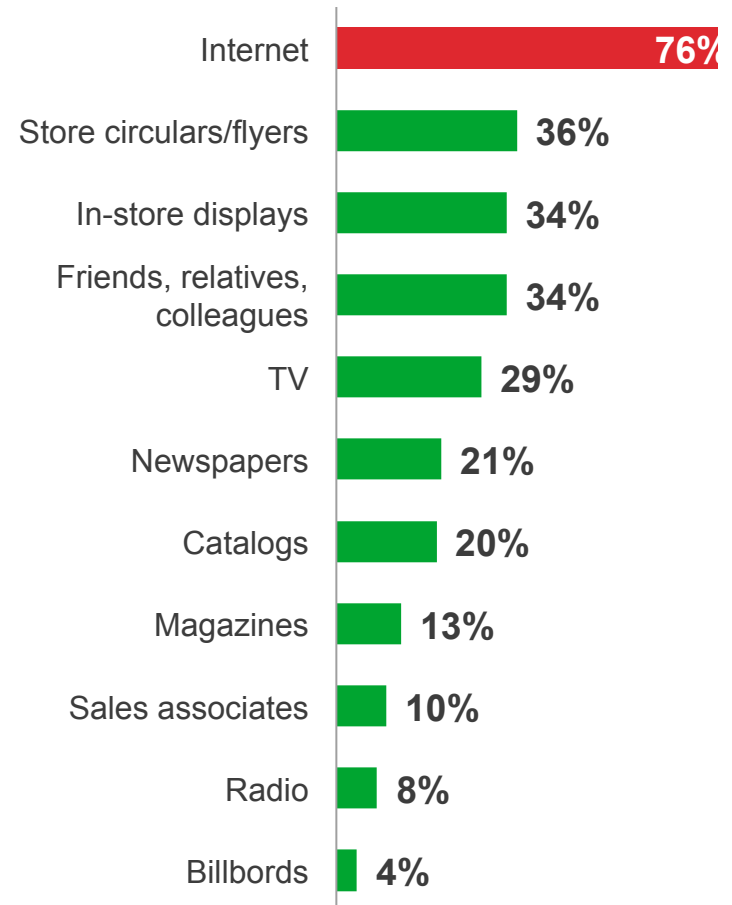
In-store sale trends followed 2010 patterns

Total US In-Store Sales (MasterCard SpendingPulse)						
Mon	Tue	Wed	Thu	Fri	Sat	Sun
Nov 21	22	23	thanksgiving 24	black friday 25 #1 \$19.2B +2%	26 +5%	27 +6%
cyber mon 28 +6%	29	30	Dec 1	2	3	4
5	6	7	8	9	#5 \$14.6B +4%	10 11
green mon 12	13	14	15	free ship day 16	#3 \$15.7B +2%	17 +5%
19	20	21	#4 \$14.9B +3%	22	#2 \$17.8B +9%	23 24 25
26	27	28	29	30	31	

Online research was a critical part of the Holiday shopping process

76%

of consumers researched **online** prior to purchase during the holiday season



Base: Holiday Shoppers (1500)

Q. Which of the following sources of information, if any, did you use for your Holiday shopping this past season?

Source: Google & Ipsos/OTX Post-Holiday Shopping Study, US, Jan 2012. Note: Online includes tablet, smartphone, PC

While free shipping and other incentives influenced holiday purchasing

55%

of consumers expected Free Shipping this holiday season*



51%

shoppers took advantage of free shipping**

50%+

Transactions involved free shipping*

29%

Last minute holiday sales



16%

Gift sets or complimentary items

37%

coupons



8%



Flexible payment plans/layaway

Base: Holiday Shoppers (1500)

Q. Which of the following types of promotions did you take advantage of while doing your Holiday shopping this Season?

Source: Google & Ipsos/OTX Post-Holiday Shopping Study, US, Jan 2012

Retailers saw a more "mobilized" Holiday shopper this season

Consumers shopped seamlessly across devices, using their phones for research and to purchase

12%

of online visits to a retailer's website were from mobile devices (+5% YoY)

9%

Of online sales were conducted on Mobile phones

+173%

Increase in Mobile Shopping on Xmas Day



And mobile became an integral part of the Holiday shopping process

Particularly Among Those Who Used These Devices Last Year...

- **80% smartphone shoppers used them more frequently** this year
- **35% spent more** money on them this season

- **70%* tablet shoppers used them more frequently** this year
- **38%* spent more money** on them this season



*Note: Directional data, small base size

Base: Holiday Smartphone Shoppers Who Used Device Last Year (474); Holiday Tablet Shoppers Who Used Device Last Year (39).

Q. Please think about the shopping/purchasing that you did for the Holiday Season this year versus last year. Did you use each of the following devices more frequently this year, less frequently or the same amount?

Q. Now, thinking about the device(s) you used to do your Holiday Shopping this year, would you say you spent more, less or about the same amount of money shopping on each device as you did last Holiday Season (2010)?

Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User, US, Jan 2012

Holiday shoppers cited mobile devices were as helpful as PCs

Holiday Shoppers Who Found Device (s) “Extremely Helpful”

- **57%** of smartphone shoppers
- **57%** of tablet shoppers
- **59%** of PC shoppers



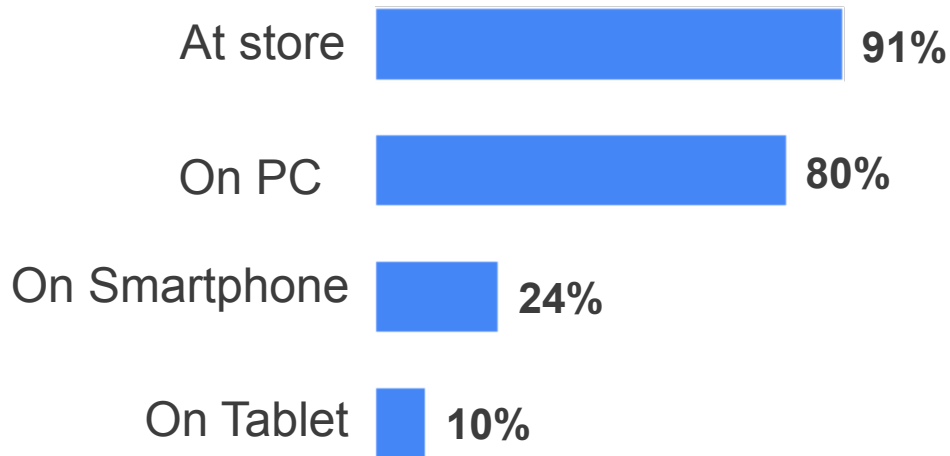
Base: Shopped On [Device] Computer (489); Smartphone (147); Tablet (61)
Q. And how helpful were each of these devices as you did your Holiday Shopping this year?
Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User , US, Jan 2012

**Holiday shoppers expected
your Store at their fingertips**



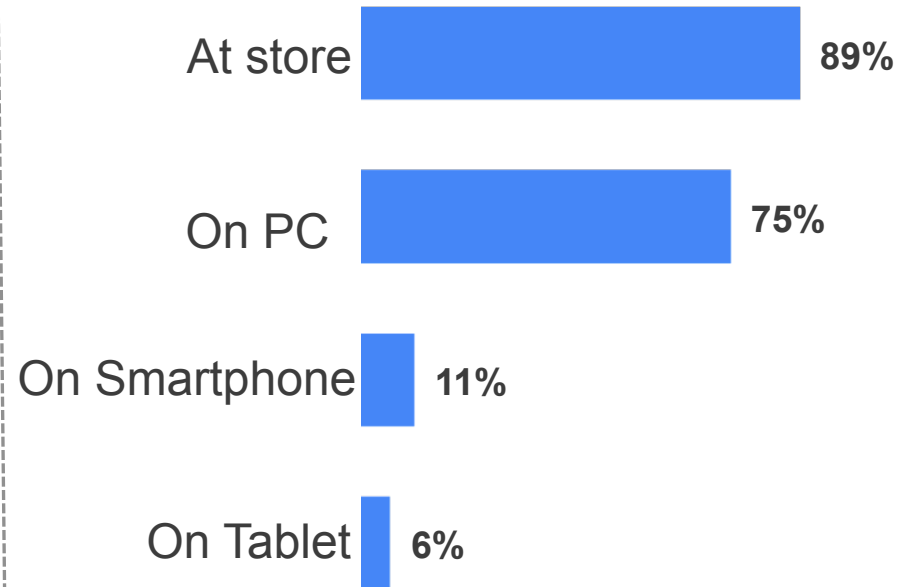
Consumers are shopping & purchasing across devices

Shopped across categories



Net mobile
(smartphone or tablet):
28%

Purchased across categories



Net mobile
(smartphone or tablet):
14%

Base: Shopped during Holiday Season (615 - Aggregate of All Categories)

Q. In which of the following ways did you shop for these products or services during the most recent Holiday Season?

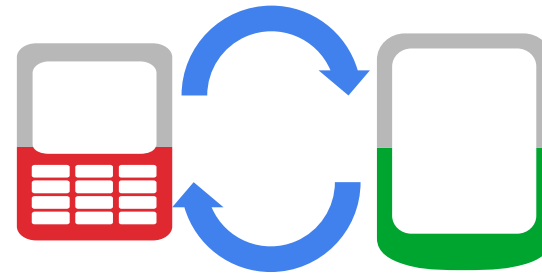
Q. And how did you actually make your purchases when Holiday shopping this year?

Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User, US, Jan 2012

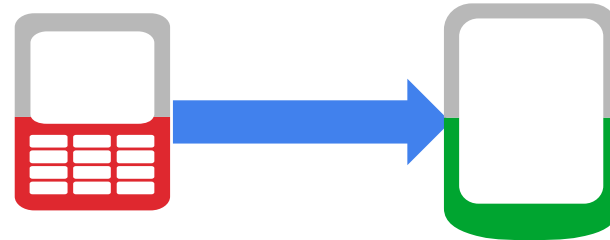
Multiple device holiday shoppers used their devices simultaneously

25% used **more than one device** to shop this year...
Among those...

42% used more than one device at the same time



68% started on one device and continued on another



Base: Total Holiday Shoppers (615)

Q. In which of the following ways did you shop for these products or services during the most recent Holiday Seasons?

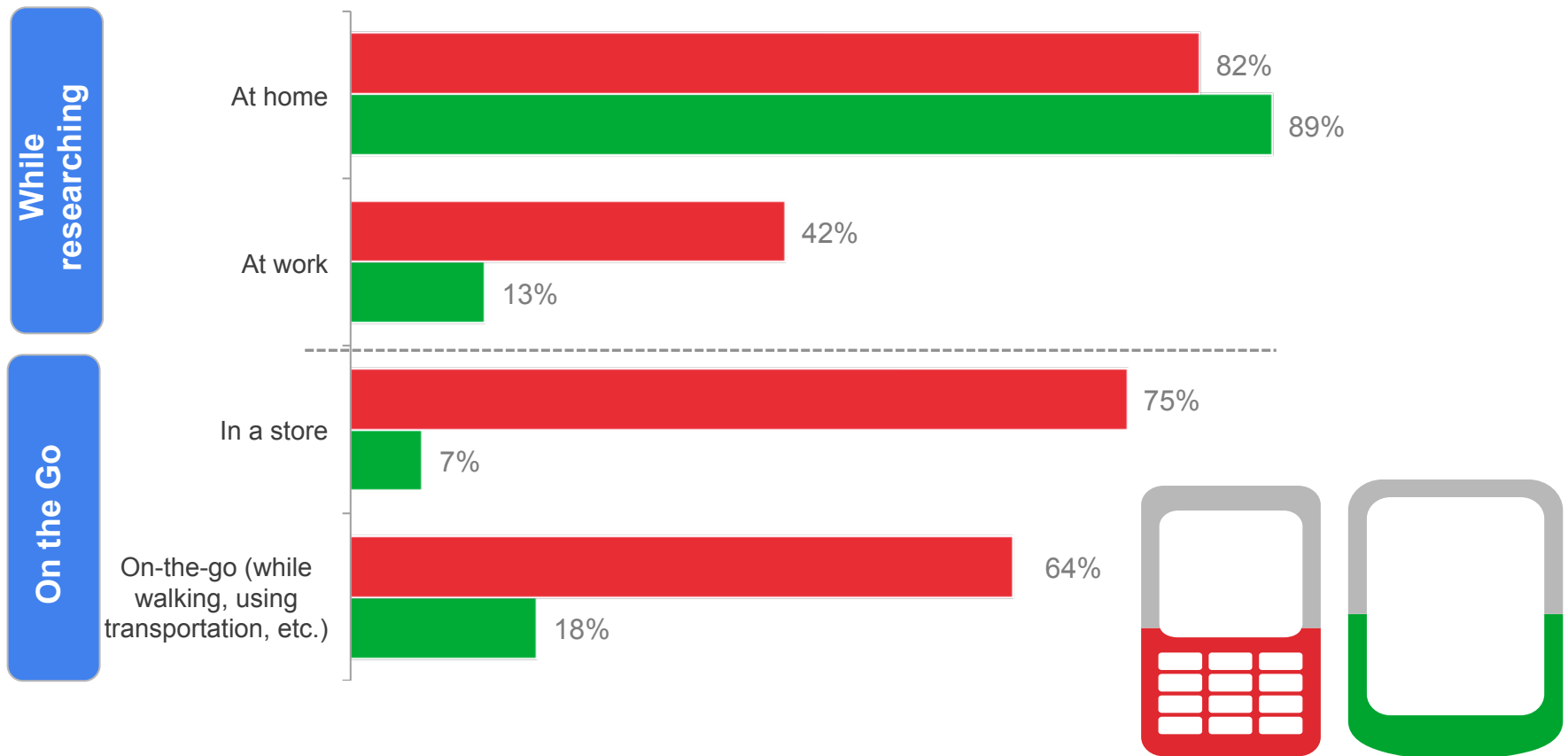
Base: Holiday Shoppers Used More Than One Device to Shop (155)/25%

Q. At any point during your Holiday Shopping this year, did you use more than one device to shop at the same time (i.e., used your computer to browse inventory and used your mobile to make a purchase)?

Q. And at any point during your Holiday Shopping this year, did you start on one device and continue on another (i.e., started browsing on your tablet and made a purchase for the same product on your computer)?

Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User, US, Jan 2012

Consumers expected to be able to reach you at any moment



Base: Holiday Smartphone Shoppers (147); Holiday Tablet Shoppers (61).

Q. Where did you use a smartphone/ tablet/ smartphone and tablet to help you shop this Holiday Season?

Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User, US, January 2012

The path to purchase was varied for smartphone users



46%

researched on smartphone,
went to store to purchase



37%

researched on smartphone, then
purchased online on computer



41%

researched on smartphone,
purchased on smartphone



19%

researched on smartphone, visited
store to check out products, then
purchased online on computer



18%

researched on smartphone,
visited store to check out products,
then purchased on smartphone



8%

Visited the store first, then
purchased on smartphone

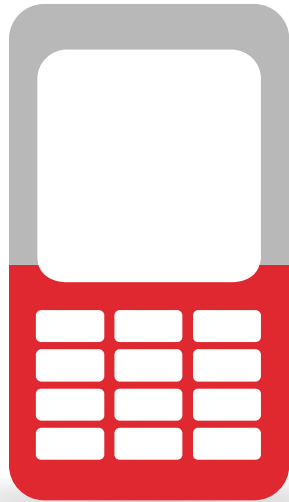
Base: Used a Smartphone to do Holiday Shopping 2012 n= 208

(Q23) In which of the following ways did you approach shopping with your smartphone this Holiday Season? Please select all that apply.

Note: 2012 Only

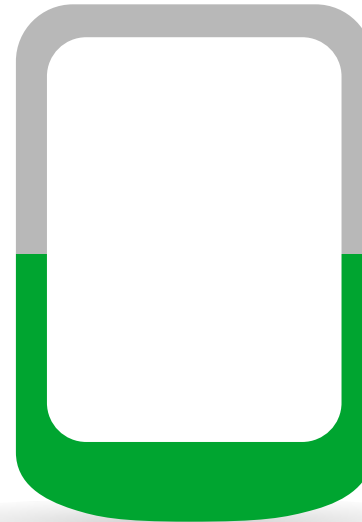
Source: Google and Ipsos OTX Post Holiday Shopping Intentions Study, US, Jan 2012

Smartphone and tablet shoppers used a combination of apps & websites



69%

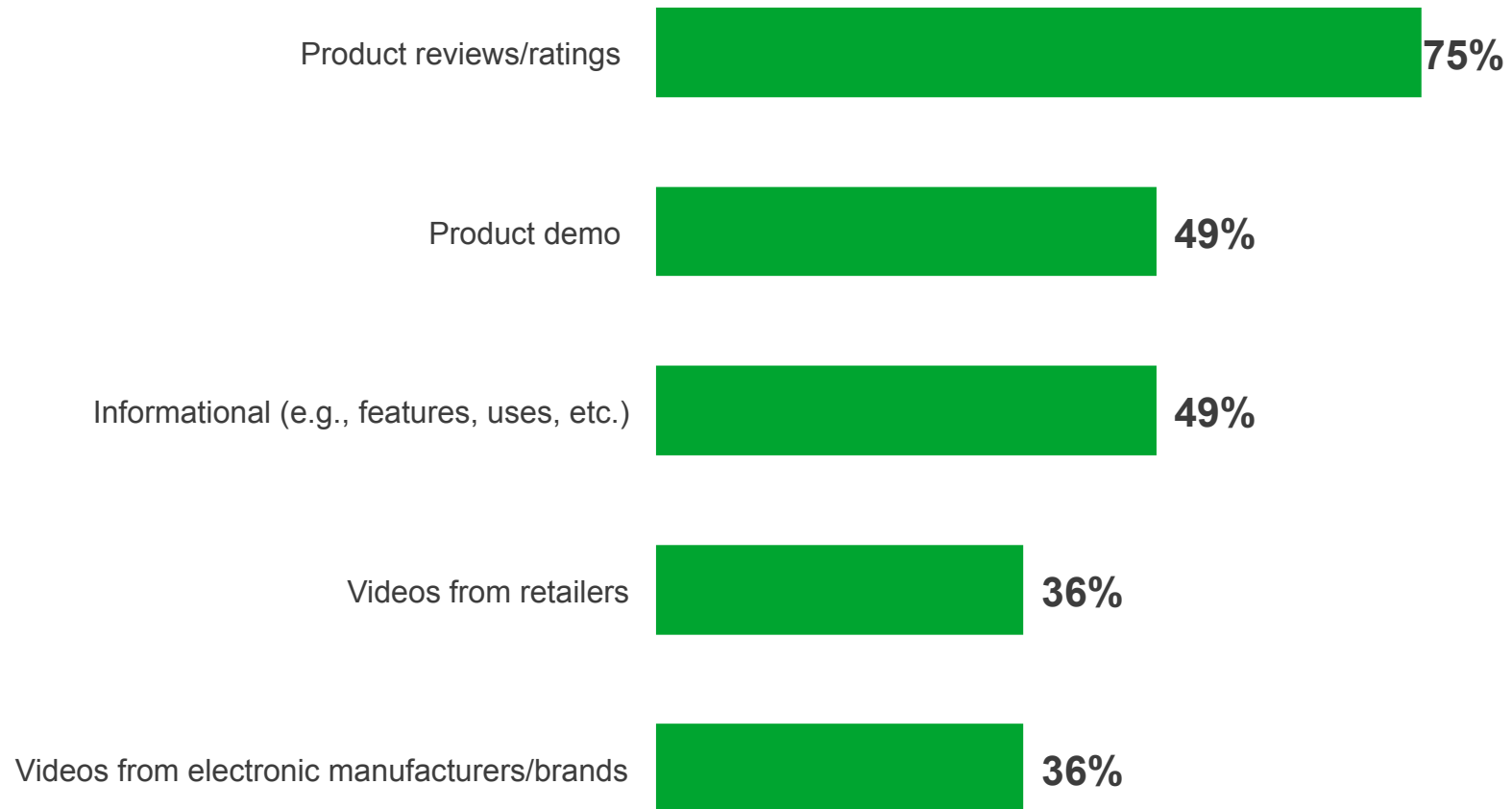
% of smartphone shoppers used apps & websites



57%

% of tablet shoppers used apps & websites

Holiday shoppers consistently watched products videos across devices*



Base: Shopped Online Via Device (Desktop: 489; Smartphone: 147; Tablet: 61). Desktop: 18%; Mobile & Tablet: 16%.

Q. In which of the following ways did you use each of these devices to do your shopping this Holiday Season?

Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User, US, Jan 2012

Base: Holiday Online Video Viewers (92)

Q. You mentioned that you used online video websites (like YouTube, Yahoo! Video) during your Holiday Shopping this season.

Which of the following types of online videos did you view?

Source: Google & Ipsos Post-Holiday Shopping Study, US, Jan 2012

And “Showrooming” became prevalent

Shoppers used devices to compare prices and features in-store

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TECHNOLOGY | JANUARY 23, 2012

Showdown Over 'Showrooming'

Target Asks Vendors for Help Keeping Comparison Shoppers

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By ANN ZIMMERMAN

Target Corp. is tired of being used.

In one of the starkest signs yet that chain stores fear a new twist in shopping, Target is asking suppliers for help in thwarting “showrooming”—that is, when shoppers come into a store to see a product in person, only to buy it from a rival online, frequently at a lower price.

Last week, in an urgent letter to vendors, the Minneapolis-based chain suggested that suppliers create special products that would set it apart from competitors and shield it from the price comparisons that have become so easy for shoppers to perform on their computers and smartphones. Where special products aren't possible, Target asked the suppliers to help it match rivals' prices. It also said it might create a subscription service regularly purchased merchandise.

WSJ's Ann Zimmerman has details of Target stores making efforts to deter shoppers from 'showrooming', the act of viewing a product in the store and then purchasing it online from another retailer. AP Photo/The Telegraph, John Badman

“What we aren't willing to do is let online-only retailers use our brick-and-mortar stores as a showroom for their products and undercut our prices without making investments, as we do, to proudly display your brands,” according to the letter, which was signed by Target Chief Executive [Gregg Steinhafer](#) and

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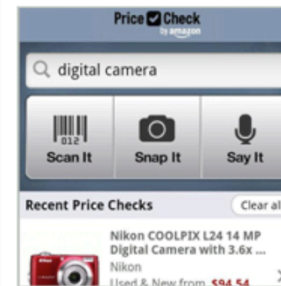
Most Popular on Facebook

Source: WSJ.com

Amazon offers mobile discount via Price Check app

By Rimma Kats

December 8, 2011



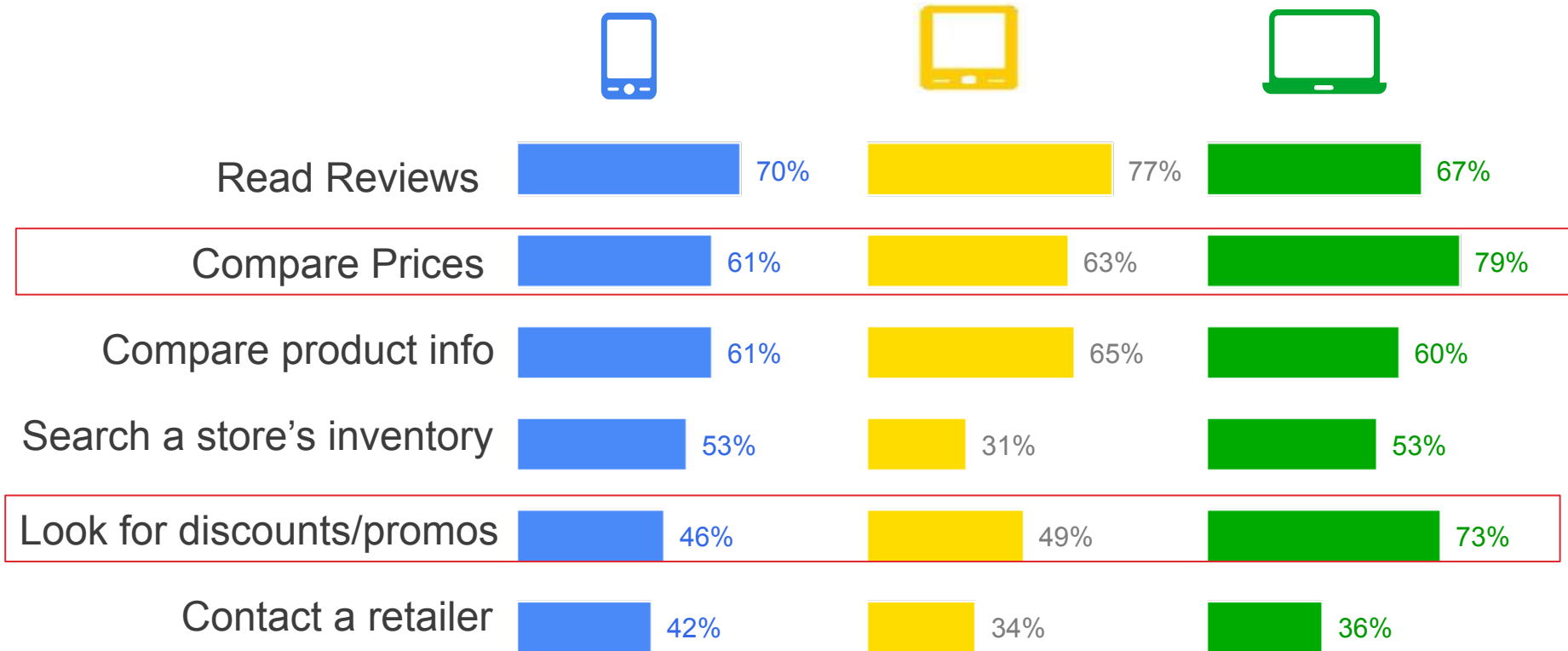
Amazon is educating consumers to use its Price Check comparison shopping app this holiday season by offering an additional 5 percent discount when they make a purchase.

On Dec. 10, Amazon is giving consumers who use its Price Check app an additional 5 percent – up to \$5 – discount off

of up to three qualifying items in toys, electronics, sporting goods, music and DVDs. The company anticipates Dec. 10 to be one of the biggest days of the year for Price Check.

“Price Check is a great way for customers to ensure they’re getting a good price on the items they’re buying,” said Sally Fouts, a spokeswoman for Amazon.com, Seattle.

Consumers engaged across all devices but were more likely to look for discounts & coupons on PCs



Base: Shopped Online Via Device (Desktop: 489; Smartphone: 147; Tablet: 61).

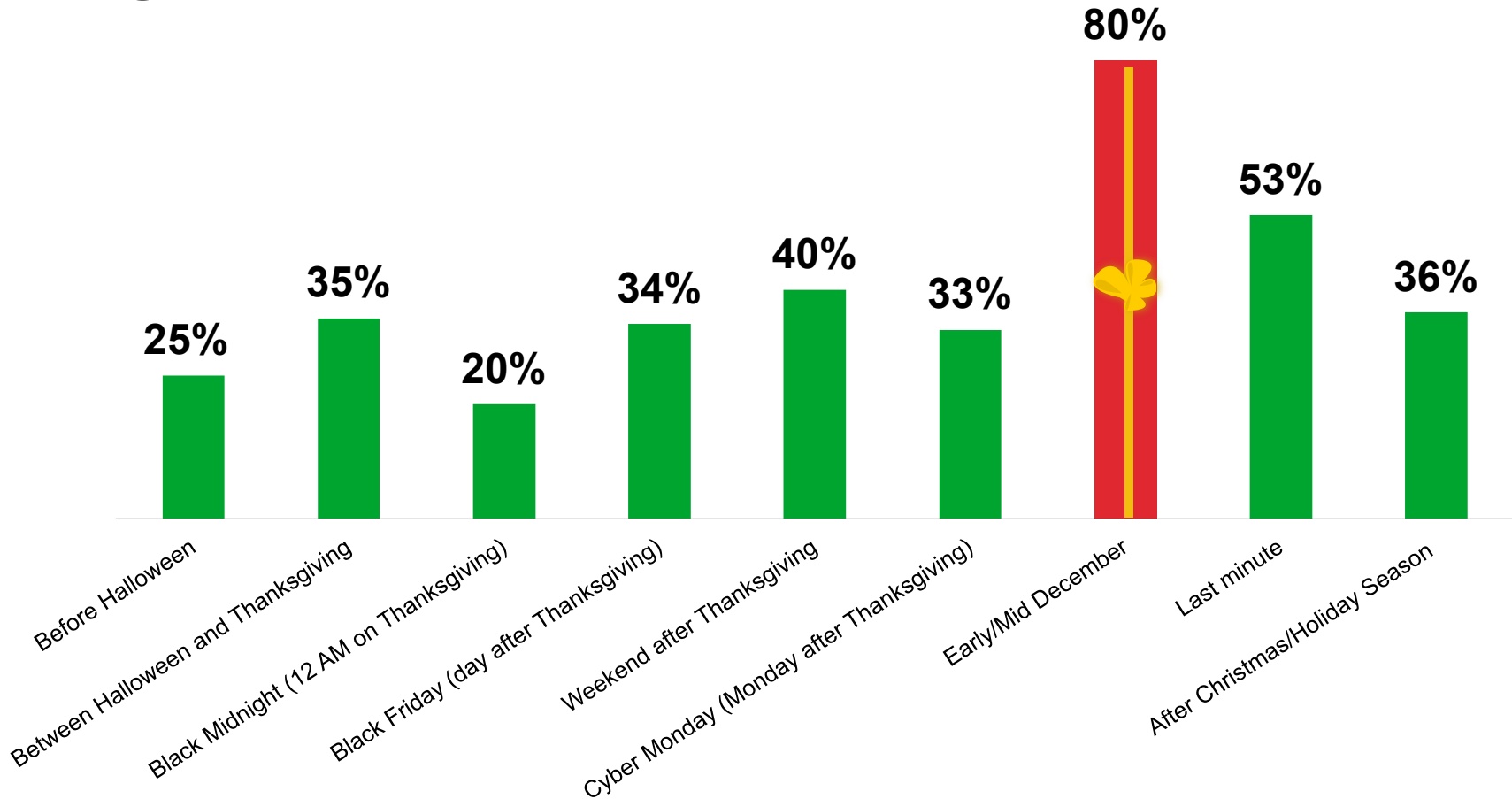
Q. In which of the following ways did you use each of these devices to do your shopping this Holiday Season?

Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User, US, Jan 2012

Consumers were “Always On”



Majority of shopping & purchasing took place in early to mid December, but consumers shopped & purchased throughout the season



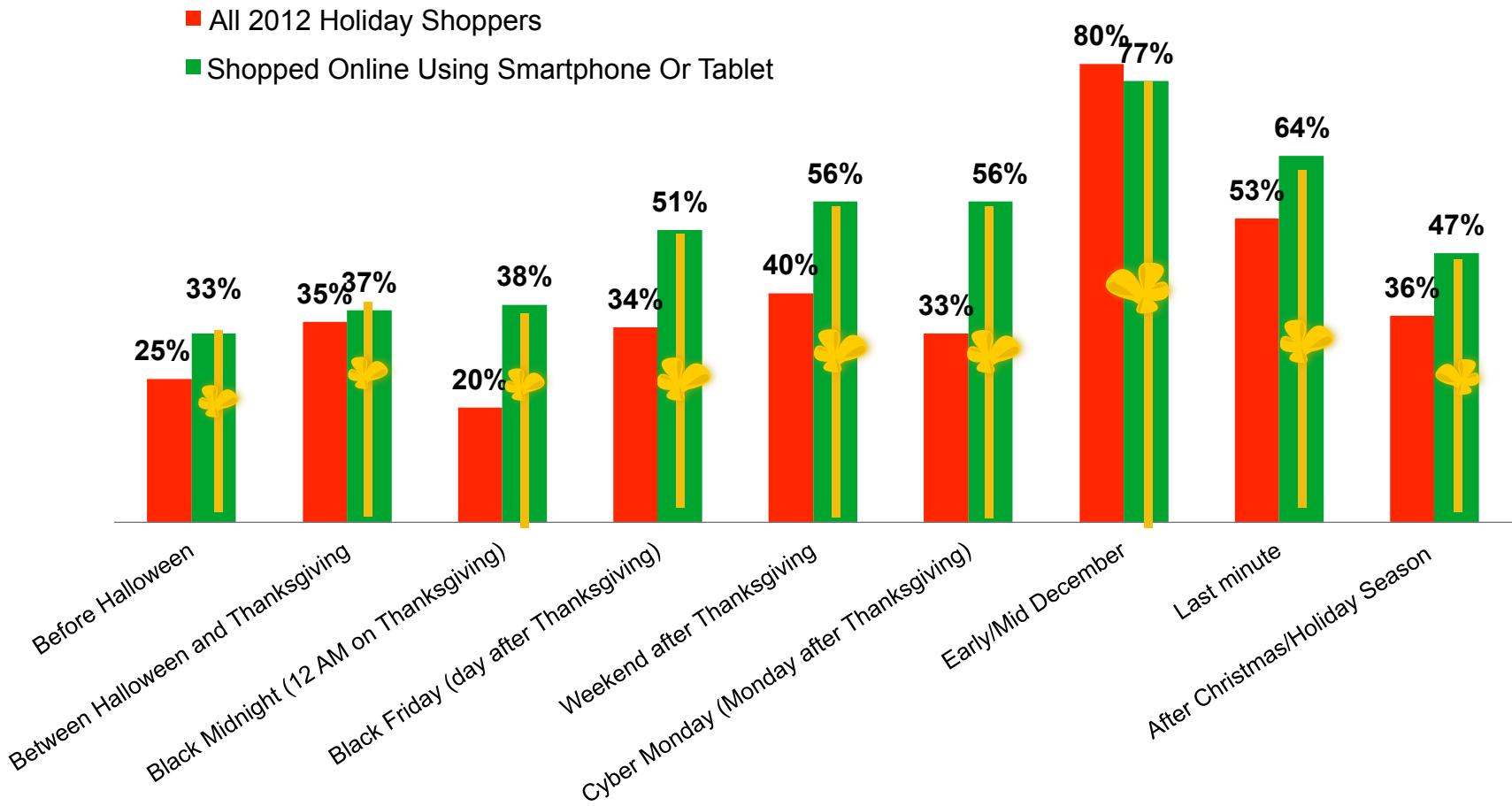
Base: Holiday Shoppers (1500)

Q. When did you do the majority of your holiday purchasing?

Q. Did you do any additional Holiday shopping during any of the following times?

Source: Google & Ipsos/OTX Post-Holiday Shopping Study, US, January 2012

Mobile & tablet holiday shoppers shopped earlier and more frequently



Base: Total Respondents 2012 n= 1500; Smartphone / Tablet Online Shoppers 2012 n= 288
 (Q3) When did you do the majority of your holiday purchasing? (Select one)
 (Q4) Did you do any additional Holiday shopping during any of the following times? (Select one for each)
 Note: 2012 Only
 Source: Google & Ipsos Digital Connections Study: Life of the Mobile-PC User, US, Jan 2012

...And they continued shopping after christmas

Top 2 reasons for shopping post-holiday:

I made additional purchases for myself.



I was waiting for post-holiday sales



39%
Shopped after Christmas and

32%
Finished holiday shopping-post Christmas



Base: Holiday Shoppers Who Shop After the Christmas/Holiday Season or Still Shopping (587)

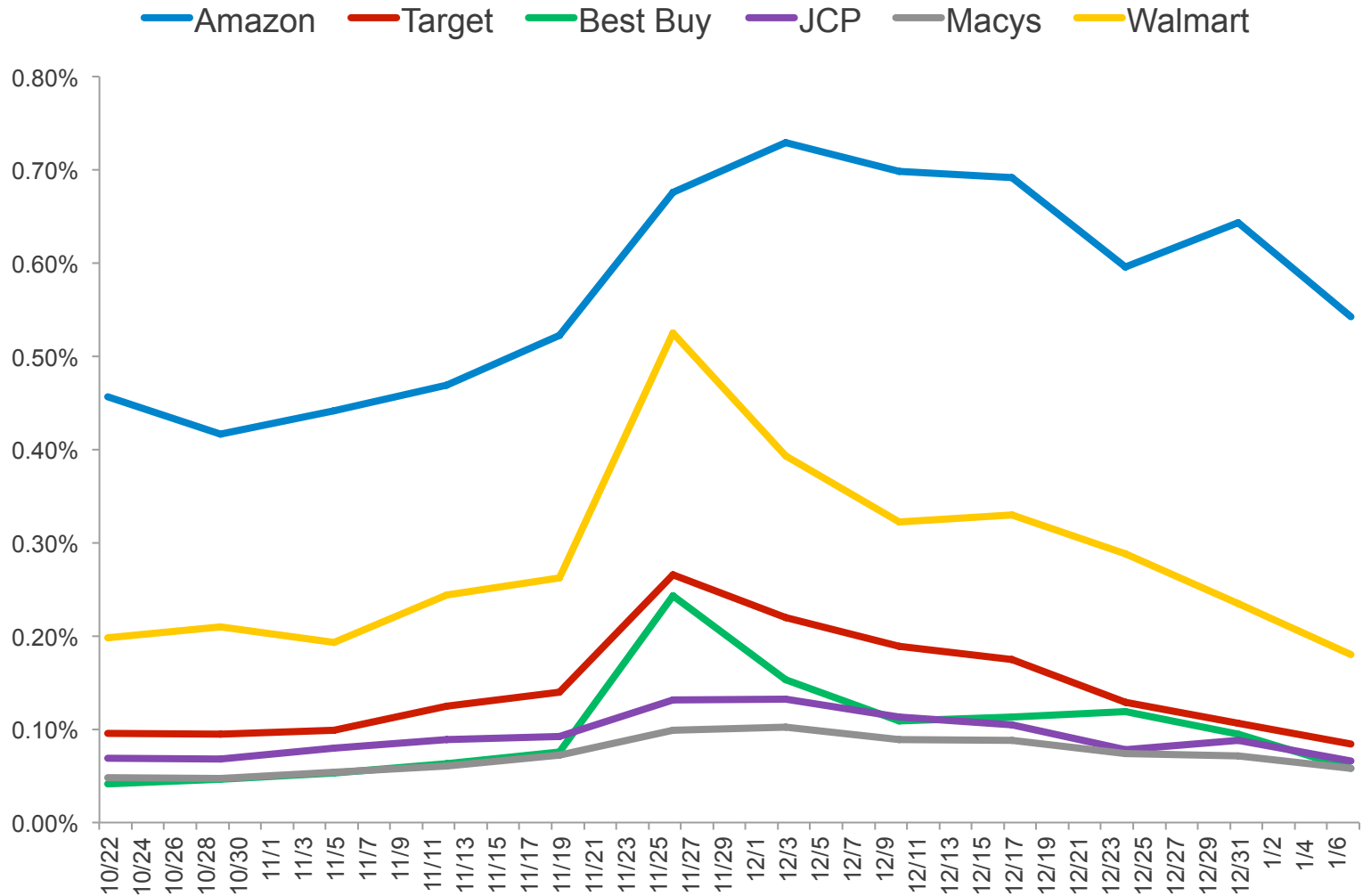
Q. You mentioned the last time you shopped during this Holiday Season was [timeframe]. Did you finish your shopping at this time?

Q. For which of the following reasons did you shop after Christmas/Holiday Season (during post-holiday sales or markdowns)/ are you still doing your Holiday shopping?

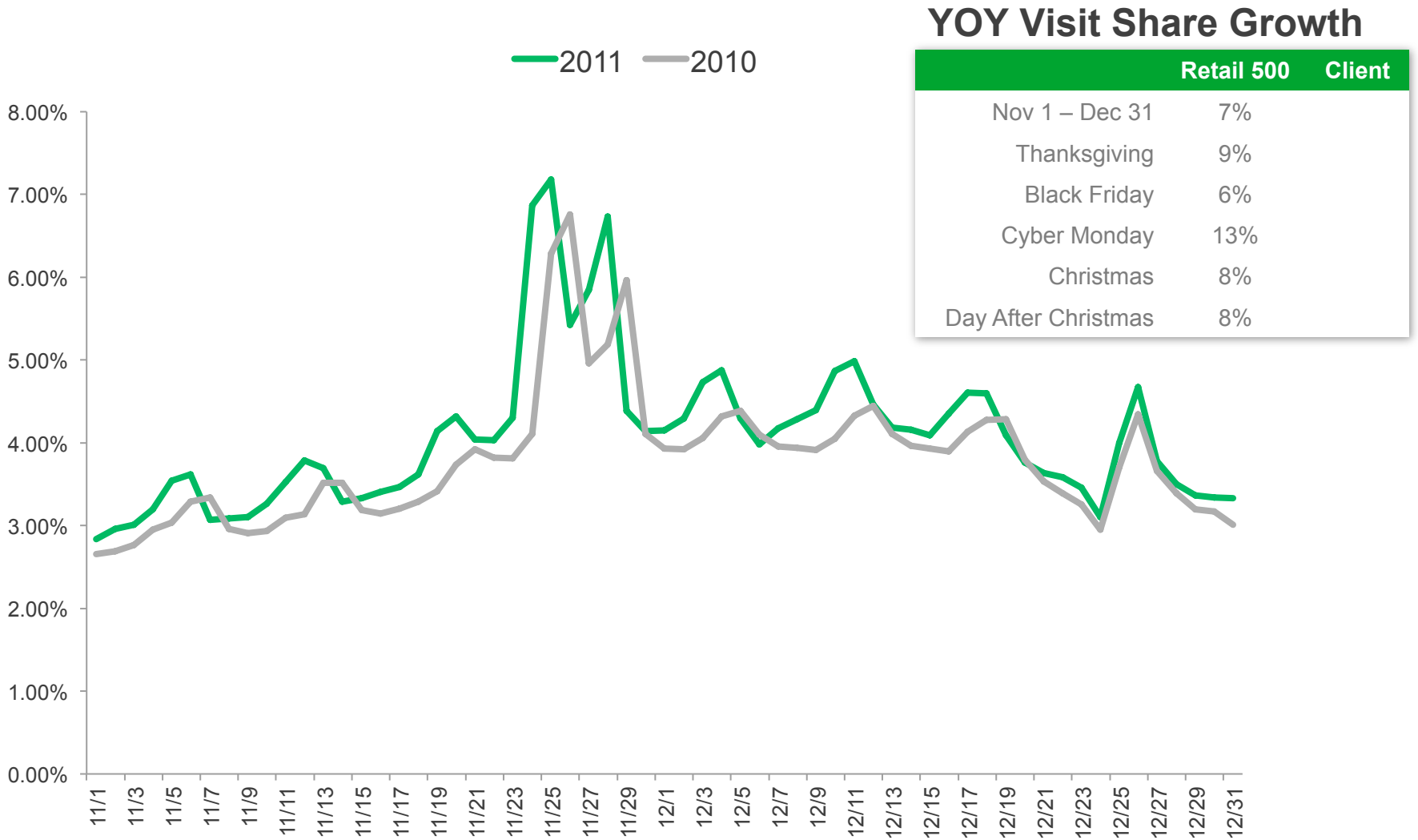
Source: Google & Ipsos/OTX Post-Holiday Shopping Study, US, Jan 2012

Amazon kept the lights on but many traditional retailers did not

Share of Weekly Visits, 2011



Online Share of Visits to Retailers Grew 7%



Source: Experian Hitwise 2011, Share of Visits to Retail 500
 Table – YOY growth of share (not total visits)

Key Recommendations



Key Recommendations



- 1. Keep you brand top of mind:** Engage with consumers expect more from brands than ever before and use digital as a key influencer and purchase device
- 2. Implement cross device campaigns:** Reach consumers across devices who expect your store to be at their fingertips throughout the holiday season
- 3. Invest consistently, not sporadically:** Invest early and consistently to benefit from a cost efficient auction and increase your margins