

HITWISE RETAIL UPDATE

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Restaurants use online discount vouchers to beat the recession

London, 18 August 2009 - Hitwise, the leading online competitive intelligence service and an Experian company, today reveals that UK Internet searches for discount vouchers have increased by 47.5% over the last 12 months. The increase in searches for a portfolio of 4,500+ voucher-related search terms between the weeks ending 02/08/2008 and 01/08/2009 reflects British consumers' hunger for bargains and discounts during the recession.

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"Vouchers offering everything from discounts at high end retailers to 2-for-1 pizzas have become immensely popular in UK, as British consumers look for the best deals to save money during the recession," commented Robin Goad, Director of Research for Hitwise in the UK. "Discount vouchers really hit the mainstream in the run up to last Christmas, but since then the market has matured and consumers have become increasingly sophisticated in their search for and use of all kinds of discounts. We are seeing the emergence of the 'maximising consumer'; these shoppers don't necessarily buy the cheapest products or services, but they do spend a lot of time researching online before selecting what to buy, and then a bit more time to find the best price or discounts before making a purchase."

Over the last 12 months, UK Internet searches for generic terms such as 'voucher' or 'discount vouchers' have decreased or remained flat. The growth in voucher searches has come from people searching for ever more specific deals and discounts for particular products or retailers. During July 2008, UK Internet users searched for 8,300 distinct variations of search terms that contained either the word 'voucher' or 'vouchers'; by July 2009, this figure had more than quadrupled to 34,200.

The first companies to take advantage of the online voucher boom were specialist voucher sites, which aggregated all of the best deals in one place and typically made money by referring traffic to retailers and other websites. During the first phase of the online voucher boom these sites grew rapidly, but over the last 12 months traffic to specialist voucher websites has actually decreased by 5.0%, despite the 47.5% increase in voucher searches.

"Although the popular voucher websites remain significant players online, they no longer dominate the market," commented Goad. "There are two reasons for this. The first is that consumers have become wary of the more opportunistic voucher websites, which appear high up in the search engine results for voucher related terms but often contain out of date deals - or in some cases no relevant vouchers at all. The other change is that the retailers themselves - both online only and high street players - are trying harder to pick up traffic from voucher searches directly, rather than pay for a link from a voucher website. Online retailers only picked up 28.2% of all UK Internet traffic from voucher searches during July 2008, but by 2009 that figure had increased to 41.5%."

"It is interesting to see that consumers are becoming more sophisticated in the way they search for bargains online. It is no longer enough to simply offer a voucher. Consumers need to be recognised as individuals that are defined by a particular set of behaviours and discounts need to reflect this," added Marie Myles, Director of Marketing Consulting for Experian's Integrated Marketing division. "This type of insight will play an instrumental role in raising consumer confidence and encourage the availability of greater and more relevant offers that mirror the needs of the maximising consumer."

Restaurants use online discount vouchers to beat the credit crunch

After retailers, restaurants are the sector that has benefited most from the growth in online vouchers over the last 12 months. UK Internet searches for restaurant vouchers have increased by 226.3% over the last 12 months, and restaurant vouchers - particularly pizza restaurants - dominated the list of the top 10 voucher related searches in the UK during the 4 weeks ending 01/08/09. 'pizza express voucher' was the second most searched for voucher term over the period, and the most popular branded voucher search. Three further restaurant-related voucher searches were also included in the top 10: 'restaurant vouchers', 'pizza hut vouchers', and 'dominos vouchers'. The only other company to have a branded voucher in the top 10 aside from the restaurants was Tesco.

Top 10 voucher searches in the UK, 4 weeks ending 01/08/09:

1. 'voucher codes' (8.4% of voucher-related searches UK over the period)
2. 'pizza express voucher' (3.9%)
3. 'discount vouchers' (2.9%)
4. 'vouchers' (2.2%)
5. 'my voucher codes' (2.0%)
6. 'restaurant vouchers' (1.9%)
7. 'tesco vouchers' (1.6%)
8. 'pizza hut vouchers' (1.4%)
9. 'dominos vouchers' (1.3%)
10. 'tesco voucher codes' (1.2%)

"British restaurants, particularly the chains, have really taken advantage of discount vouchers to help them attract customers that might otherwise be cutting back their spending on eating out. Looking at the popularity of the searches for pizza restaurant vouchers in our data makes me wonder whether anyone has actually paid full price for a pizza in the UK this year!" commented Robin Goad. "Restaurants are the second biggest users of online vouchers after retailers, and restaurant websites now pick up 6.7% of all UK Internet traffic from voucher searches, up from just 1.1% a year ago. Their success has encouraged other 'offline' industries to use the Internet for customer acquisition. For example, UK Internet searches for travel and theme park vouchers have more than doubled this year, while searches for cinema vouchers have trebled."

"The successes enjoyed by the restaurant industry are starting to be replicated across new sectors and this is a reassuring sign that the market is adopting a more strategic approach to customer acquisition. In a tough economic climate where budgets are tightened, we are starting to see even more businesses use a combination of both online and offline tactics to increase their customer base and market share," concluded Marie Myles.

About Hitwise:

Hitwise, an Experian company, is the leading online competitive intelligence service.

Hitwise gives marketers a competitive advantage by providing daily insights on how 25 million internet users around the world interact with more than 1 million websites. This external view helps companies grow and protect their businesses by identifying threats and opportunities as they develop. Hitwise has more than 1,500 clients across numerous sectors including financial services, media, travel and retail.

Hitwise, an Experian company (FTS:EXPN), www.experianplc.com, operates in the United States, the United Kingdom, Australia, New Zealand, Hong Kong, Singapore and Canada. More information about Hitwise is available at www.hitwise.com.

For up-to-date-analysis of online trends, please visit the Hitwise Intelligence-Analyst Weblogs at <http://weblogs.hitwise.com> and the Hitwise Data Center at www.hitwise.com/datacenter.

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Combining its unique information tools and deep understanding of individuals, markets and economies, Experian partners with organisations around the world to establish and strengthen customer relationships and provide their businesses with competitive advantage.

For consumers, Experian delivers critical information that enables them to make financial and purchasing decisions with greater control and confidence. Clients include organisations from financial services, retail and catalogue, telecommunications, utilities, media, insurance, automotive, leisure, e-commerce, manufacturing, property and government sectors.

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