

BOOM PREDICTED FOR ONLINE THIS CHRISTMAS, AS A THIRD OF CONSUMERS WILL SHOP MORE ON THE WEB

- *85% of consumers will maintain or increase their online shopping this Christmas, with a third expected to shop more online compared to last year*
- *60% of UK online shoppers are most engaged by ads on e-commerce sites*
- *Distinct shopping tribes – Instinctives, Inspectors & Stock-Takers – offer brand advertisers key opportunities for targeting*

London, 26 October 2009: Latest research published today by eBay Advertising into the behaviour of the e-buying consumer predicts a healthy Christmas for online, as 85% of consumers intend to maintain or increase their online shopping, and more than a third (37%) will shop more online compared to last year, despite the prevailing tough economy. The study also reveals 86% of UK online shoppers are shopping the same or more online overall compared to six months ago, citing trust (78%) and selection (70%) and value (70%) as the key reasons.

The UK findings from a study of over 5,000 European online shoppers, reveals that Entertainment (71%), Clothing, Shoes & Accessories (67%) and Consumer Electronics (52%) are the top most-purchased categories. Whilst not in the top three categories, Groceries shows the biggest growth with 47% of online shoppers buying more groceries online compared to six months ago. Over a third of UK online shoppers buying Consumer Electronics (38%) and Home & Garden items (37%) are buying more of these items online compared to six months ago.

Trust, selection and value are key drivers

When consumers choose where to do their online shopping, more than three quarters (78%) say they only buy from sites they trust. 70% choose sites where they know they'll get the best selection of items, and 70% say they always get the best deal they can on the items they buy. Value for money is the biggest reason why online shoppers are buying more items online across top shopping verticals, including Consumer Electronics (84%), Entertainment (83%), Clothing, Shoes & Accessories (63%) and Home & Garden (59%).

Advertising: deepest engagement on e-commerce sites

The study reveals key insights into their response to online advertising as they search, browse and buy items on the web. 60% of shoppers are most receptive to advertising when they're on an e-commerce site. This is significantly higher compared to only 5%

who are receptive to ads on portals, and 7% who pay attention to an ad when using social networks. Display ads on e-commerce sites have the biggest impact on consumer purchase (23%), followed by sponsored links (20%). In contrast, only 4% of online shoppers said a video ad had prompted them to buy a product online in the last six months.

The new shopping tribes

Based on quantitative and qualitative research into the attitudes and motivations of online shoppers from the moment they search to the moment they purchase, the study revealed three new tribes of online shopping behaviour:

Consisting of nearly a quarter (23%) of online shoppers, **Instinctives** are impulse buyers who get a 'buzz' from the actual moment of purchase. They are heavily influenced by brand names, convenience and advertising and use these as shortcuts to reach the online checkout as quickly as possible. This group of shoppers are largely female (54%), with 56% under the age of 35. For them, price considerations take a back seat, and they are responsible for the highest increase in online shopping and spend over the last six months, across all popular shopping categories including Clothes, Shoes and Accessories and Entertainment.

A third (35%) of online shoppers are identified as **Inspectors**, who enjoy spending time comparing prices of products online to get the best deal. This group of savvy shoppers consider online shopping a 'hobby' and spend the most time making sure they get the right deal at the right price, without compromising on quality. The gender split is equal (51% male, 49% female) and 51% are under the age of 35. Popular item purchase categories for Inspectors include Mobile and Consumer Electronics.

The **Stock-Takers** (42%) are identified as the most cautious and sensible group of online shoppers, who research items thoroughly before they buy. They only shop on sites they trust that offer a wide selection of items to choose from. 51% are over the age of 35 and over half (52%) are male. They regard online shopping as a means to convenience rather enjoyment. The most common purchases amongst the Stock-Takers are Consumer Electronics and Home and Garden items.

Phillip Rinn, Director of Advertising Partnerships at eBay, comments: "As e-commerce becomes an increasingly significant part of people's daily lives, understanding how to engage with the online consumer is fundamental to achieving advertising success. As our

study shows, online shopping is a varying and developing behaviour. Brand advertisers that understand why and how different groups of e-buying consumers are motivated to purchase online, will have greater chance of reaching engaged consumers in the purchase mindset”.

For more information visit www.ebayadvertising.com.

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About eBay Inc.

Founded in 1995, eBay Inc. connects more than 80m active users across international sites every day, empowering them to explore new opportunities and innovate together. eBay Inc. does this by providing the Internet platforms of choice for global commerce, payments and communications. Since its inception, eBay Inc. has expanded to include some of the strongest brands in the world, including eBay, PayPal, Skype, StubHub, Shopping.com, and others. eBay Inc. is headquartered in San Jose, California.

About eBay Advertising

eBay Advertising enables brands, advertisers and agencies to take advantage of the wide range of on-site advertising opportunities across eBay’s international network of online marketplace sites. eBay Advertising International provides a comprehensive offering of demographic, user behaviour, and transactional data to power strategic online campaigns for brands such as Royal Mail, Sky, and Commerzbank. eBay Advertising International is headquartered in Bern, Switzerland.