If 2010 was any indication, the majority of consumers will again do the bulk of their holiday shopping online. The opportunity could go unrealized, however, if businesses like yours don’t take advantage of industry tactics and resources that will set you up for e-commerce success.

To help you prepare for the months ahead, we surveyed hundreds of consumers in the United States, Europe (United Kingdom, France and Germany) and Australia to get the current overall picture of online shopping habits and preferences and to understand which factors influence buying decisions.

We’ve culled the data, analyzed the results, and compiled the most relevant findings—and now we’re giving them to you. The information is intended as a resource as you plan for the holidays but the tactics outlined herein will prove valuable to your company all year round.

So let’s jump in!

Following are the key takeaways from this year’s Global Consumer Shopping Habits Survey.
Most Consumers Prefer Shopping Online

FACT
The majority of consumers globally prefer shopping online (59%) over shopping at brick-and-mortar stores (35%).

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Online vs. Brick and Mortar
Most US, UK, and French consumers purchased the bulk of holiday gifts online, but Australian and German consumers were more inclined to holiday shop at physical storefronts. This doesn’t at all mean that Australian and German consumers are not shopping online (indeed, many still prefer online over in-person). The slightly smaller holiday audience just means it’s a more competitive environment and retailers will need to be especially diligent about their e-commerce strategies to avoid losing sales to other businesses.

A key element of any successful e-commerce strategy is building a multichannel platform that improves overall visibility.
Dissecting an Online Sale

Where are consumers searching for products?

Consistent with last year’s results, the majority of consumers start their product searches at Google (69%), but very different from last year’s findings is that more searches now begin directly on retailers’ websites (16%) than on Bing/Yahoo. Specific to the US and UK, shoppers also referenced Amazon as a favorite place to begin product searches.

Google’s continued domination was most likely enhanced this year by the updates to Google Product Search, which helps shoppers find products through Product Listing Ads, Shopping, Product Extensions and Locations. Google Product Search acts as a free comparison shopping engine, and can give you a strategic advantage over your competition if you keep up with the changes. Additionally, features like Google Instant—terms automatically pop up while typing product names in the search box—help shoppers refine search results for exact product matches.
The Google Product Search Feed Drives More than Shopping, It Drives Google E-Commerce Oriented Ad Offerings
Amazon is the number one online marketplace for US and UK consumers (33% and 36%, respectively), with eBay in close second.

In France and Germany, differences in consumer preference for eBay versus Amazon are nearly dismissed. With competition still neck-and-neck between the two, sellers can make the most of the opportunity by exercising best practices on both marketplaces.

In Australia, eBay is the overwhelming favorite marketplace—a whopping 90% of consumers occasionally shop there, often shop there or consider it their top online shopping destination.

Exposure on these popular marketplaces is crucial to any online retailers’ success. Make sure you pay attention to eBay’s recent changes like the new economics surrounding the final value fee, title expansion, catalog adoption, data requirements and more. Likewise, it is important to understand how to leverage Amazon Product Ads to drive shoppers to your website to complete transactions.
How are Consumers PAYING for products?

PayPal is the leading online payment method across all three regions (83% have used or would use). In the US and Europe, Amazon Payments is a close second, but it is important to note that Google Checkout is making significant gains in both regions (61% have used or would use). In Australia, the runner-up to PayPal is BPAY, while nearly half of the region’s consumers had never even heard of Google Checkout.
Getting Consumers to “Pull the Trigger”

Converting on-the-fence shoppers into buyers

Globally, “best price” and “free shipping” remain the two most powerful ways to encourage consumers to make online purchases.

Those in Australia are more influenced by best price (68%) than free shipping (43%), whereas UK consumers are just the opposite: 90% are “very influenced” by free shipping versus 74% by best price. Results in the US are more even, separated by only a few percentage points. France and Germany follow the global trend closely, but also cite trusted seller status and return policies as influential factors. “Recommendations from friends” was also listed as an influential factor across the globe.

Given free shippings’ power of persuasion, retailers should ensure their paid search ads and comparison shopping feeds highlight such and that their website prominently calls out this valuable offer. With that in mind, in order for retailers to truly be competitive this holiday season it is going to take more than common offers to lure customers. Retailers should invest some time joining and maintaining a presence on social media websites like Facebook and Twitter, making it easy for consumers to share recommendations online.

How important is name recognition?
In good news for smaller retailers, consumers across all countries are open to buying from unknown stores—especially if said store ensures secure payment, has a reasonable return policy and boasts positive customer reviews.
No Shortage of Daily Deals

The growth of deal-a-day sites like Groupon and LivingSocial is outpacing that of overall e-commerce—revenue is expected to double since last year alone\(^1\) and could reach $4 billion by 2015\(^2\).

Who goes where?
So which sites are consumers visiting in which countries? In the US, Groupon and LivingSocial are on nearly equal footing, while the majority of European respondents (78%) use Groupon almost exclusively. Australians don’t use either one and instead subscribe to Cudo and Catch of the Day.

Online juggernauts entering the fray
Some of the biggest names in the industry are developing their own daily-deal programs. Google Offers launched as a pilot in April and Amazon Local was introduced in June.

\(^1\) BIA/Kelsey
\(^2\) Local Offer Network
Mobile Maintains its Stride

According to our results, the number of consumers who have made a purchase from their mobile phone more than tripled since last year. Of those who have not, 40% say they would consider making a mobile purchase, but many cite security concerns as a major deterrent.

The simplest thing to do to ensure that you are a mobile-friendly seller is to implement a mobile-optimized version of your website. For starters, focus on the two main browsers: Apple Safari and Google Chrome.

Smartphones vs. tablets
Fewer consumers have made purchases from tablets (17%) than smartphones. Seventy percent say they would consider it, though, which suggests the comparatively low percentage might have more to do with market penetration than consumer hesitation; tablet-based buys will likely increase as the technology becomes more commonplace.

Barcode scanning
Close to one-third of global consumers have used their smartphones to scan barcodes. US consumers are more likely to employ the technology (41%) than those in the UK (21%), Australia (18%) or France (18%). RedLaser proved to be the most widely used app for scanning items. The increase of activity with this technology proves that consumers are focused on the value of their purchases and now have the ability to ensure that they are making the smartest buying decisions available.

Since customers are doing more barcode scanning, publish items with UPC codes to ensure your products appear in mobile comparison shopping engines.
The Story with Social

Facebook continues to dominate the social media scene. Eighty-five percent of those surveyed use Facebook, dwarfing the next most common site, YouTube (55%); LinkedIn (43%) and Twitter (35%) round out the top four. The results remain largely unchanged from last year, although it’s worth noting the number of people using Twitter increased by 11%.

A late industry arrival, Google+ falls far behind those already mentioned but might not stay there for long: only a month after launching in June, the site already had 30 million visitors worldwide³.

While Google+ may not hold any significant incentive for retailers now, Google has indicated that a future business-focused version of the application may be in the pipeline. Making an appearance on Facebook and Google+ will increase your visibility, allow you to interact with existing and prospect customers and position you to take advantage of any future business offerings the sites may introduce.

Facebook as a marketplace?

Only 7% of consumers surveyed have made purchases on Facebook, although nearly half (46%) would consider it, hinting at its potential. The same is true for Facebook Credits—few have used but many would consider.

Facebook does have a couple huge advantages over its competitors from a commerce perspective. Its 800-million-strong subscriber base and powerful analytics—using “Likes” to make smarter product recommendations—could easily lead to stronger sales and help it become a top shopping destination. Until then, “Likes,” “fans” and recommendations seem to be the primary ways retailers engage with consumers on Facebook.

³ ComScore
Consumers are active on Facebook

Consumers like to “Like”—81% do so regularly—and are surprisingly supportive of retailers. Globally, 34% are “fans” of companies, and in the US, the percentage is closer to half (46%).

When it comes to true influence, however, “friends” hold all the power. Eighty-three percent of consumers globally are likely to visit a website recommended by a friend on Facebook, and more than half say comments posted on retailers’ Facebook and Twitter pages, whether positive or negative, also influence their opinions. The “Like” button is an easy way for customers to let you know what they think. Implement these buttons on every product page on your website, as well as marketplaces and search engines that have the option.

ChannelAdvisor has been monitoring 500 of the most influential retailers on Facebook through its Facebook Commerce Index, which tracks trends in page fans for online retailers. Each month ChannelAdvisor publishes a new analysis of the best practices for online retailer fan acquisition based on retailers’ rankings of total fan count, fan count growth and percentage growth. This year to date, overall fan count for the Index has grown 63%, proving that retailers are encouraging likes and recognizing the value of Facebook fans.
Review are (Still) Huge

Online shoppers love product reviews: A whopping 90% of the consumers surveyed read them, and 83% say reviews influence their buying decisions. Don’t be afraid to encourage customer feedback. If your products and offerings are up to par, these reviews can give you a leg up over your competition.

Fewer shoppers are posting reviews than reading them. Of the three regions, US consumers are most likely to write a review (48%), followed by those in Europe (40%) and Australia (25%).

Closing the Deal

- INFLUENCERS
  Facebook Likes influence purchases

- PRODUCT REVIEWS
  90% read them, 83% are influenced by them
Summing It Up

The majority of the consumers we surveyed prefer shopping online rather than in brick-and-mortar stores—not just during the holidays but year round. This gives online retailers a big advantage over their storefront counterparts in terms of potential sales, but any competitive edge will be lost if retailers don’t take advantage of certain e-commerce strategies and resources.

Thankfully, that shouldn’t be hard to do. We’ve compiled a list of key takeaways to help you prioritize which tactics you should implement to help boost sales. If you haven’t already started, use this list to get prepared for the upcoming holiday season—if this year is anything like last, it will be a busy one, with most people doing the bulk of their shopping online. Make sure you are in on the action!

1. Most people prefer to shop online.
   Building a portfolio of e-commerce channels is a key factor in any successful e-commerce strategy. Retailers with broader platforms are more likely to be seen.

2. The majority of shoppers start their product searches at Google (69%).
   Google dominates the search landscape, making it even more important for retailers to take full advantage of Google Product Search to gain a strategic advantage over the competition this holiday season. Be sure to create long tail keywords for gift-appropriate products or hot items this year.

3. Maximize your exposure on Amazon and eBay, the most popular online marketplaces.
   Amazon has a slight lead over eBay in the US and Europe, but eBay is more dominant in Australia. eBay’s Daily Deals are highly favored by eBay shoppers, especially during the holidays because they eliminate search time. A Daily Deal may be the golden ticket to reaching sales goals for a new product this season. Also, leverage Amazon’s influx of seasonal traffic by using Amazon Product Ads, which lists your products on the marketplace but sends shoppers to your website to complete the transaction.
4. PayPal is the leading online payment method globally. Amazon Payments is a close second in the US and Europe, but Google Checkout has gained significant exposure this past year. In Australia, BPay is the runner-up, while Google Checkout remains insignificant in that region.

5. “Best price” and “free shipping” remain the two most powerful ways to encourage consumers to buy. This is all the more reason that retailers need to offer promotions above and beyond these “standard” offers. “Recommendations from friends” is new to the list of influential factors, so retailers need to engage consumers in ways that encourage sharing products and websites. Facebook and Twitter are a must this holiday season.

6. Consumers in all countries are open to buying from unknown stores. This is good news for smaller retailers! Lesser-known businesses can help tip the scales in their favor by ensuring secure payment, offering a competitive return policy and highlighting positive customer reviews.

7. Consumer preference of daily-deal sites varies by country. US consumers use Groupon and LivingSocial equally, while European consumers stick with Groupon and those in Australia use Cudo and Catch of the Day. Participating in deal-a-day programs can significantly increase your exposure locally and online.

8. The number of consumers making mobile purchases tripled since last year. Of those who have not, many would consider it, but many cite security concerns as a major deterrent. Only 17% have made a purchase from a tablet but the majority (70%) is open to it, suggesting tablet-based transactions will increase as the device becomes more commonplace. Regardless of technology, mobile commerce will only rise in popularity and retailers whose webstores are not optimized will lose customers to those that are. Make sure you’re a mobile-friendly seller by implementing a mobile-optimized version of your website. For starters, focus on the two main browsers: Apple Safari and Google Chrome.
9. One-third of global consumers use their smartphones to scan barcodes (more in the US).
This proves that the value of a purchase is an important factor in making a final buying decision. Make sure you publish
items with UPC codes to ensure your products appear in mobile comparison shopping engines.

10. Facebook remains the most popular social networking site.
Some 85% of those surveyed are “Facebook-ers,” dwarfing the next common site, YouTube (55%); LinkedIn (43%) and
Twitter (35%) round out the top four. Keep an eye on Google+. While Google+ may not hold any significant incentive for
retailers now, Google has indicated that a future business-focused version of the application may be in the pipeline.

11. Only 7% of consumers have made a purchase on Facebook.
Although nearly half of the Facebook-ers (46%) would consider it, perhaps hinting at its potential. In the meantime, retailers
are primarily engaging with consumers through “Likes” (81% of consumers “Like” content regularly), “fans” (34% of global
consumers and 46% of US ones are “fans” of businesses) and finally, through recommendations.

12. “Friends” are powerful influencers.
A dominant percentage of global respondents (83%) are likely to visit a website recommended by a friend on Facebook,
and more than half say comments posted on retailers’ Facebook and Twitter pages, whether positive or negative, also
influence their opinions. Implement the “Like” button on every product page on your website, as well as marketplaces and
search engines to make it easy for customers to share what they think.

13. Product reviews are really powerful influencers.
The vast majority of consumers are not just reading them (90%) but taking their words to heart—a very high 83% say
reviews influence their buying decisions. Encourage customer feedback to increase conversions.
Online vs. Brick and Mortar

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Where do Consumers Start Shopping?

- 69% Google
- 16% Direct
- 4% Yahoo.com, Bing, Ask
- 1% Facebook
- 10% Other (Amazon, eBay, in-store)

Getting Social

- *Twitter usage up 11% from last year*

Facebook Commerce in its Infancy

- Only 7% have made a purchase on Facebook
- 46% would consider it

Facebook is SHOWING PROMISE with influence power

How are Consumers Paying?

- PayPal 83%
- Amazon Payments
- Google Checkout
- BPay (AU only)

SHOPPING GOES MOBILE

- Tablets 17%
- Mobile 31%

Have consumers made purchases via mobile/tablet?

- ONE THIRD OF THOSE SURVEYED HAVE USED A BARCODE SCANNER FOR:
  - Electronics 71%
  - Household Items 46%
  - Groceries 36%
  - Apparel 36%

What Makes Consumers Pull the Trigger?

- FREE SHIPPING
- BEST PRICE

COUNTRY ONLINE STORE
- United States: amazon.com
- United Kingdom: amazon.com
- Australia: ebay.com
- France: ebay.com, amazon.com
- Germany: ebay.com, amazon.com

Who shops on eBay vs. Amazon?

Closing the Deal

- INFLUENCERS
  - Facebook likes influence purchase
- PRODUCT REVIEWS
  - 90% read them, 83% are influenced by them

CONSUMER SHOPPING HABITS BLUEPRINT

BUILD YOUR E-COMMERCE PROGRAM FOR ONLINE SUCCESS

START

FINISH AT A PURCHASE DECISION!
About ChannelAdvisor

ChannelAdvisor is a global e-commerce platform provider that helps retailers sell more online through channels such as marketplaces, paid search and comparison shopping, and with webstores and rich media solutions. Widely respected as a trusted advisor for more than 3,000 top e-commerce brands, ChannelAdvisor calms the chaos of online selling by enabling retailers to submit one inventory feed to the ChannelAdvisor platform where it is translated to fit the specifications of hundreds of e-commerce channels and distributed accordingly. In 2010, ChannelAdvisor managed $2.8 billion in gross merchandise value (GMV) on behalf of retailers of all sizes including Saks, Dell, Brookstone, and more than 30 percent of the Internet Retailer Top 500 online retailers. ChannelAdvisor is headquartered in Research Triangle Park, NC with offices in New York, Seattle, Australia, Ireland, Germany and the United Kingdom. For further information, visit www.channeladvisor.com.

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