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Guidance Releases Online Shopper Survey

MARINA DEL REY, Calif. – December 4th, 2007 – America's uncertain economic climate is driving bargain hunting, as money issues dominate consumer priorities when shopping online.

That's the overwhelming conclusion of a new national survey, conducted in late November by market researcher Synovate of Chicago for Guidance, a specialized technology advisor that envisions, builds and supports web technology solutions that help businesses thrive online.

Price and free shipping stand out as clear favorites - with special promotions or coupons bringing up a distant third - in the survey, which examined what matters most when making a purchase on the Internet.

Forty-three percent of respondents said price is the most important factor, while 18 percent named free shipping. When the same respondents were asked to select their second most important factor - 41 percent chose free shipping, and 24 percent cited price.

Only 4 percent of respondents said that speed/efficiency of checkout was the most important factor - perhaps surprising, given the recent experience of some large online retailers, which experienced sluggish transaction times and website outages.

The survey asked 1,000 adults to select the most important factor when making a purchase online. After price and free shipping the field evened out a bit - with 8 percent choosing special promotions or coupons as the most important factor, 7 percent citing features (like recommendations and product reviews), 4 percent choosing speed/efficiency of checkout, and slightly more than 1 percent naming the opportunity for in-store pickup/returns.

"Clearly, the economic climate is driving bargain hunting," said Jason Meugniot, Guidance president and CEO. "The Internet has opened a vast new world of low-cost purchase options for online buyers. While the online buying experience has improved markedly in recent years, at the end of the day - especially a day of financial uncertainty -- price matters. Sometimes improving site navigation or layout can help people more intuitively find the deals they're looking for, while well-designed product presentation helps them see the true value of a product. The most important thing any retailer can do is know what matters most to its customers."

When the same survey respondents were asked to rank the second most important factor when making a purchase online, 41 percent named free shipping, 24 percent cited price, 14.5 percent chose special promotions or coupons, 10 percent favored features, 8 percent said speed/efficiency of checkout, and 3.5 percent said in-store pickup/returns.

Who's Buying - And Who's Not

Nearly 19 percent of the total sample said they don't make purchases online (22 percent of men, 16 percent of women) - a significant finding, considering that all of the participants in Synovate's eNation survey panel are online. Interestingly,



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across most demographic breakdowns of the responses for the "most important" factor, those who care about price the least were the most likely to say they don't make purchases online.

In terms of price-consciousness:

- More men (46 percent) than women (40 percent) put price at the top of the list.
- Respondents in the two highest income brackets were significantly more likely to make price their No. 1 priority than those at the lower end of the scale. Fifty-three percent of those earning \$50,000 to \$75,000 said price was most important, while just 37 percent of those earning less than \$25,000 agreed.
- Similarly, employment status shapes perspectives here - but not as one might expect. Nearly half (48 percent) of those with full-time jobs cited price as most important, while just one-third (33.5 percent) of retirees - presumably many of whom are on fixed incomes - ranked price first.
- Concern about price is largely a function of age; generally speaking, the younger the respondent, the more price matters. Price is most important to those 18-24 (53 percent) and relatively less important to those 65 and above (30 percent).
- While 20 percent of those in the lowest income bracket (less than \$25,000 annually) ranked free shipping most important, an even larger percentage of the most affluent group - those with incomes of more than \$75,000 annually - did so as well (21 percent).
- Similarly, 25 percent of retirees placed a premium on free shipping - significantly more than in the other employment brackets.

Other Findings of Note

- Those 25 to 34 are most likely to make purchases online (only 9 percent does not). Those over 65 are least likely to buy online, with 30.5 percent saying they don't.
- Respondents with the highest incomes (above \$75,000) favored special promotions or coupons more than anyone else (more than 10 percent ranked it first - nearly double the two lowest income brackets).
- Twice as many women as men place a premium on speed/efficiency of checkout (5 percent to 2.7 percent).

The survey has a margin of error of +/- 3 percent. For a full copy of the survey results, or for additional demographic summaries like above, email aespi@guidance.com.

About Guidance

Since 1993, Guidance (www.guidance.com) has helped companies seize opportunities and solve problems through the innovative and practical use of technology. Guidance designs, builds and maintains eCommerce websites for retailers that are pure-play online or multi-channel – creating captivating experiences so consumers will buy more, come back often and value greater engagement with the retailer. Guidance's systems facilitate \$500 million in online sales every year. Members of the Guidance team are seasoned professionals, passionately committed to providing technical leadership and powering ingenuity. Key clients include Foot Locker, GEARYS Beverly Hills, Relax the Back, Salvation Army, and many others. Partners include: Microsoft, AspDotNetStorefront, Mediachase and Telligent. Guidance is based in Marina del Rey, Calif.



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