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## Online Bargain Hunting is Increasingly Social, New Guidance Survey Reveals

*Nearly 30 Percent of Consumers Say the Best Way to Learn About Deals Online  
is Through Social Actions Like Link Forwarding, Peer Comments or Social Sites*

**MARINA DEL REY, Calif. – November 10<sup>th</sup>, 2008** – When an economic downturn meets the holiday shopping season, bargain hunting becomes the national pastime. This year, social shopping techniques will play a role in how people find those deals, as nearly 30 percent of online shoppers say the best way to find discounts online is through link forwarding, peer comments or social sites.

That's the main finding of a new nationwide survey from Guidance. In association with Chicago market researcher Synovate, Guidance asked 1,000 online consumers, "In your opinion, which one of the following is the best way to find out about bargains or discounts online?"

Email tops the list, with 45 percent of respondents saying it's the best way to learn about deals. Other traditional "top-down," retailer-to-consumer channels were cited, as well: 16 percent said they find out about discounts from a message from the retailer on its own website, and 10 percent cited banner ads.

But "social actions" are gaining ground as a source of shopper influence. In fact, the second most popular way to find out about bargains was from "friends forwarding a link to the product," cited by 17 percent of survey respondents. Nine percent said they learn about deals from another shopper's comments on the retail site (through product reviews or other feedback mechanism). And 3 percent said they learn about deals "from friends via Twitter, Facebook or other social networking site."

"Two years ago, social media wasn't even considered a source of traffic by merchants. But today, nearly 30 percent of consumers cite some form of 'social action' as the best way to find out about deals or discounts online," said Jon Provisor, Guidance CTO and Owner. "The top-down approach – which would include messages from retailers via email, ads or their websites – has been the status quo, and it's what people are used to. But there's a huge opportunity here for retailers to employ a social commerce strategy that gets peers talking to each other about the deals they're finding."

While overall retail sales are expected to remain flat this holiday season compared to last year, eMarketer estimates that online holiday sales will reach \$32 billion in 2008, up 10 percent over 2007 (in its [Online Holiday Shopping 2008 Preview](#)).

"To stay ahead during the economic downturn, multi-channel retailers need to look at their channel mix and focus their investments in the area that's expected to thrive this holiday season – online retail," said Jason Meugniot, Guidance CEO and Co-Owner. "We're finding that one way to get the most out of eCommerce is to tap into the power of online social activity and leverage that to turn browsers – and their peers – into buyers. The key is, make it easy for your customers to spread the word about the deals you're offering."



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In October, Forrester Research said that U.S. consumers are flocking to use social networks and other participatory venues, to the extent that the activity is now considered mainstream (as reported in [Adweek](#)). A Forrester consumer poll found that 75 percent of Internet users participate in some form of social media, up from 56 percent in 2007. Separately, the [2008 Cone Business in Social Media Study](#) found that 85 percent of Americans who use social media believe a company should not only be present on social sites, but also should interact with its consumers via social media.

“It’s revealing that 85 percent of social media users welcome interaction with companies within the social networks,” said Provisor. “That tells me that retailers are missing opportunities to connect with consumers. With only 3 percent of users in our survey saying that social sites are a good place to find out about deals, there’s plenty of room for growth, and that’s good news for retailers that need to boost sales this holiday season.”

## **Drilling Down: Finding Bargains and Discounts Online**

- The youngest group (ages 18-24) were most likely to find information about bargains from peers, versus from the retailer: 39 percent chose one of the three “peer”-centric answers (links from friends, another shopper’s comments, or friends via social site), compared with 29 percent of the overall population.
- Respondents in the Northeast were nearly 10 percent more likely than those in the Midwest to get their info from peers (33 percent versus 24 percent, respectively).
- The two groups most likely to say “friends forwarding a link” were the youngest and the oldest: 22 percent of those ages 18-24, and 18 percent of those 65+.
- Perhaps not surprisingly, finding bargains via social sites increased as age decreased: 7 percent of the youngest group said it’s the best way to find bargains, while no one above 65 agreed.
- The youngest respondents rely on email the least: one-third said it’s the best way to find deals, compared with nearly half (45 percent) of respondents overall.
- There’s nearly a 10 percent difference between married respondents and non-married respondents re: email as the best source for bargain information: 49 percent of married respondents chose email, versus 40 percent of non-married respondents.
- People with children are six times more likely to find out about bargains via a social site: 6 percent, versus 1.3 percent of those with no child in the household.
- Females were more likely than males to choose banner ads: 12.5 percent compared with 7 percent, respectively.

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The Guidance/Synovate survey has a margin of error of +/- 3 percent. For a full copy of the survey results and a graphic presentation of top-line data, email [info@edgecommunicationsinc.com](mailto:info@edgecommunicationsinc.com).

## **About Guidance**

Since 1993, Guidance ([www.guidance.com](http://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.

## **Media Contact for Guidance**

Alejandra Espinosa  
Director, PR & Marketing  
Phone: (310) 754-3895  
Email: [aespi@guidance.com](mailto:aespi@guidance.com)

