



Bizrate Insights / Forrester Study: Tablet Usage Among Online Buyers

The Emerging Tablet Market: What Online Retailers Need To Know

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Key Highlights

Market Size & Demographics

- Market penetration for Tablets has increased from 9% pre-iPad2 release to 12% post release.
 - 26% of those who do not currently own a Tablet plan to purchase one within the next year.
- Most owners are Generation X or Baby Boomers, their average household income is over \$109,000 (56% greater than non-Tablet owners), and nearly half have children under 18.
- 75% of Tablet owners bought their Tablet to complement their other devices.

Tablet Owners are Valuable Customers for Online Retailers

- 60% have shopped online with their Tablet; and of those, 78% have placed an order using their Tablet.
- Tablet owners spent 28% more per order on average on orders than non-Tablet owners.
- 56% have downloaded a shopping app; retailer – specific apps are the most popular.

Tablet Usage and Frustrations

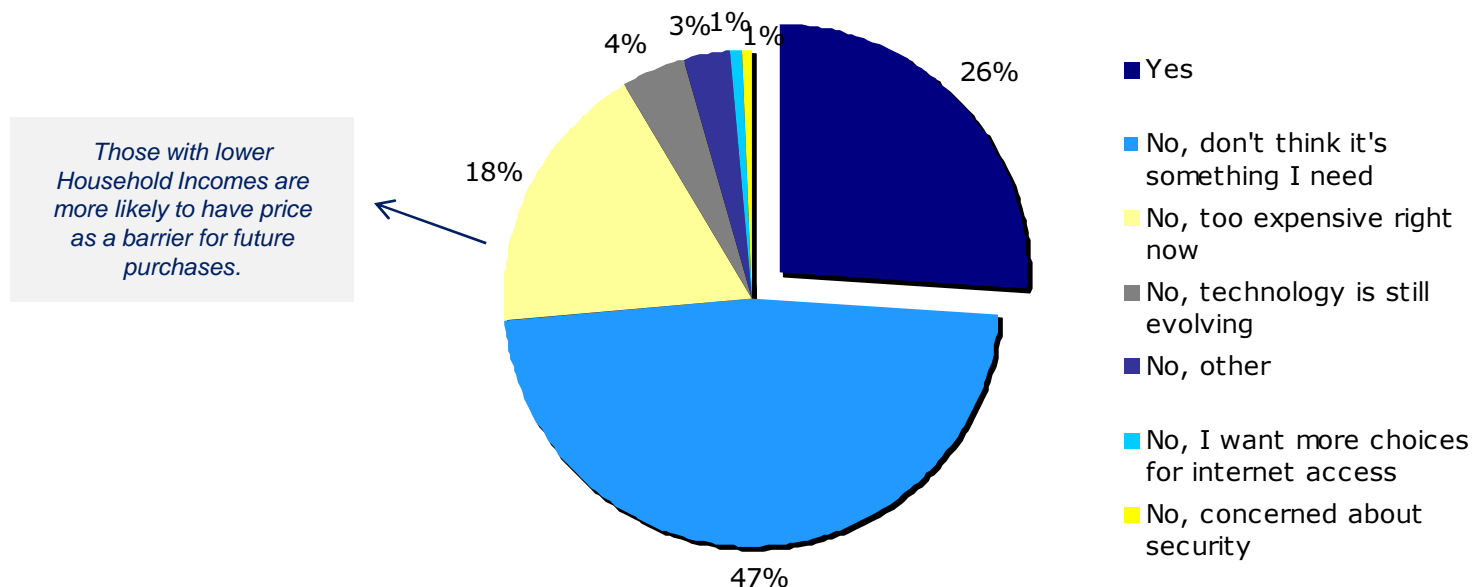
- The Tablet is increasing the total amount of time spent online.
 - 49% of Tablet owners report spending more time online than they did prior to owning a Tablet and 42% are spending the same amount of time online.
- 56% of owners who have shopped online through their Tablet have experienced some frustrations.
 - The most common complaints are that the experience is limited (unlike on a computer), it's difficult to click on what they want, and the lack of support for Flash technology.

Market Size & Demographics

Market size & growth potential

- In January – February, 2011, 9% of online buyers reported owning a Tablet. This increased by 33% to 12% of online buyers in March, after the release of the iPad2.
- 26% of online buyers who did not own a Tablet in Jan-Feb 2011 planned to purchase one within 12 months.
 - Price is the key barrier to purchase for those interested in the Tablet but not likely to purchase soon.

Plan to purchase a Tablet within the next 12 months



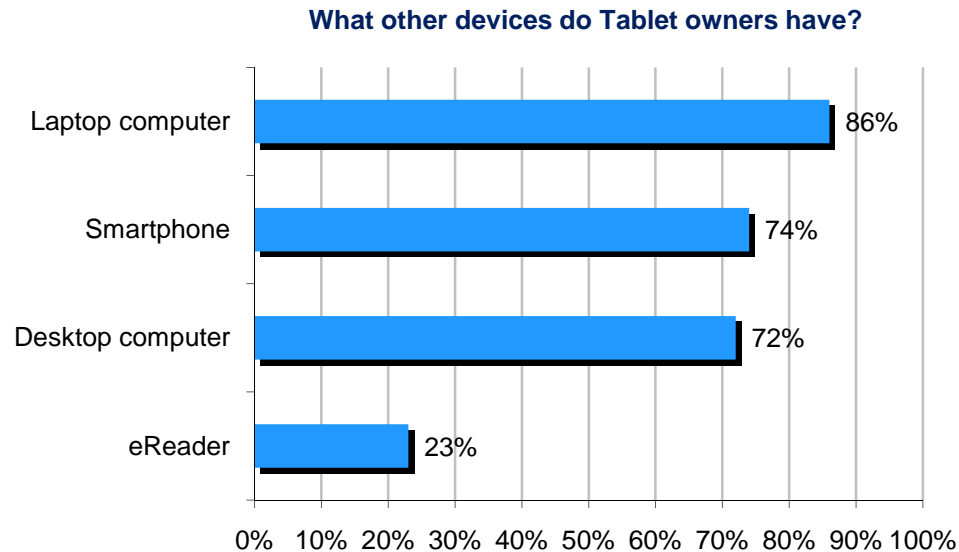
Market demographics

- Tablet ownership among online buyers skews female, as does ecommerce overall.
 - Within each gender, a greater percentage of men own the device (13%) than women (11%).
- Tablet ownership is highly correlated to household income, with owners having significantly higher household income levels (56%) than non-Tablet owners.
- 84% of Tablet owners are over age 29.
 - 41% of owners are Baby Boomers and 37% are Generation X. Only 16% of owners are Generation Y.
 - Within each generation individually, Generation X has the highest level of penetration (14%), with Baby Boomers coming in second (12%), and Generation Y third with 10%.

Key Demographics	Own a Tablet	Do Not Own a Tablet	Plan to Purchase Within 12 Months	Waiting for Technology Evolution	Waiting for Price to Decrease
Average Household Income	\$109,690	\$70,375	\$83,740	\$77,658	\$53,692
Average Age	44	45	44	45	41
Gender	44% Male	39% Male	40% Male	43% Male	30% Male
	56% Female	61% Female	60% Female	57% Female	70% Female
Have Children Under 18	46%	37%	44%	34%	49%

Tablet owners often have several devices to go online

- 75% of Tablet owners purchased their Tablet to complement their other devices, as opposed to a replacement or instead of another device.

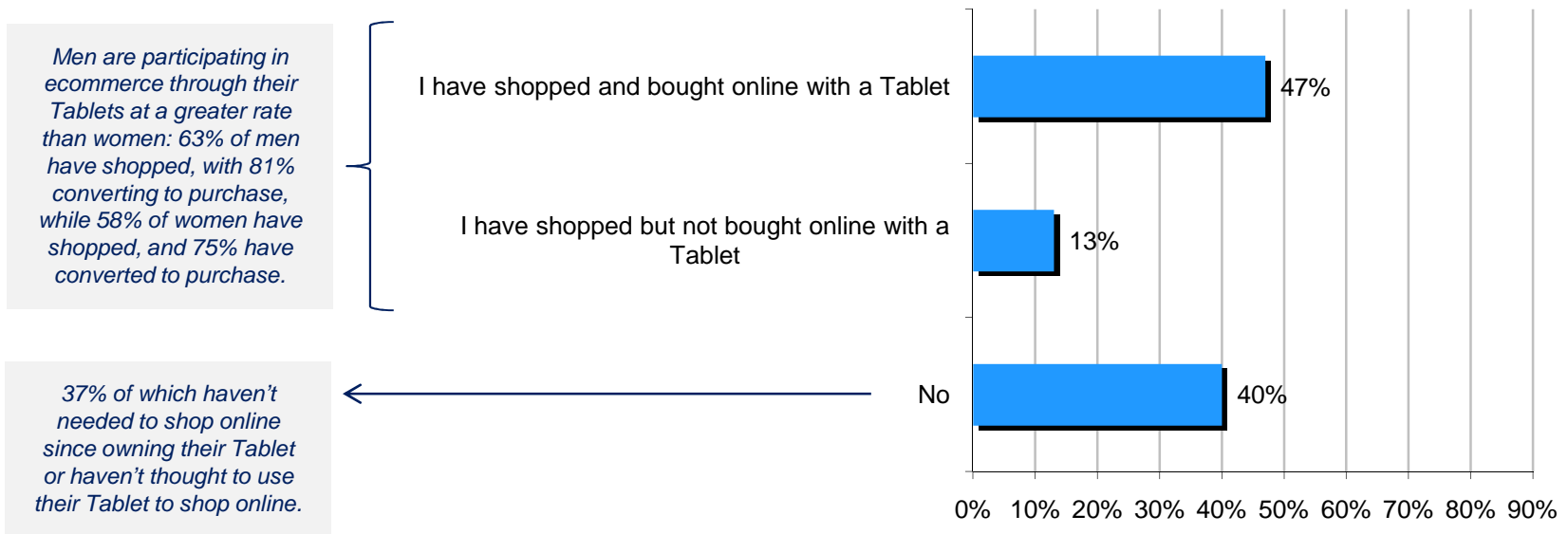


Market Value

Shopping through a Tablet

- The majority of Tablet owners (60%) have shopped online via their Tablet, 78% of which made a purchase.

Shopped or bought online with Tablet



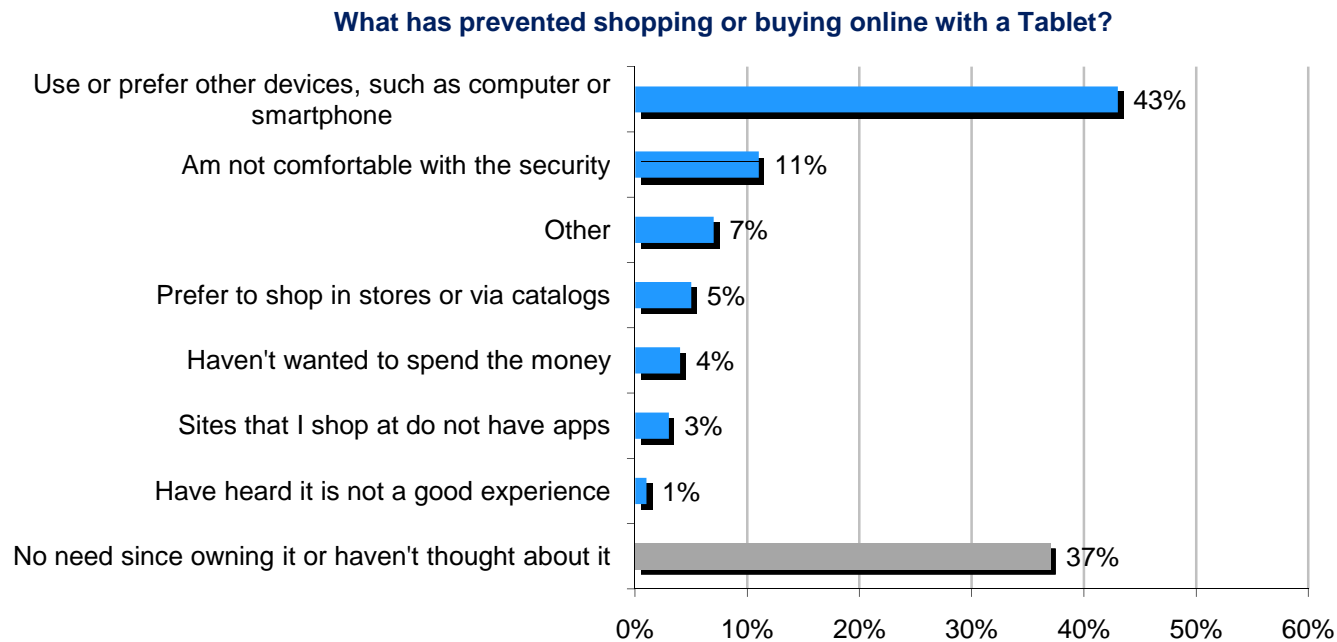
Tablet owners spend more per order

- Tablet owners spend 28% more money on average per ecommerce purchase than non-Tablet owners.

	Own a Tablet	Do Not Own a Tablet
Average Order Value	\$165	\$129
Average Order Value by Gender	Male: \$214	Male: \$165
	Female: \$129	Female: \$107
Average Order Value by Age Group	Generation Y: \$147	Generation Y: \$111
	Generation X: \$151	Generation X: \$136
	Baby Boomers: \$187	Baby Boomers: \$139
	Seniors: \$178	Seniors: \$109

Barriers to shopping online with a Tablet

- Of the 40% of Tablet owners who have not shopped with their Tablet, the majority prefer other devices for online shopping.
 - A significantly smaller group has concerns over security and lack of an app.



How important are apps?

- Of those who have used their Tablet for online shopping, 56% have downloaded an online shopping app.
 - Retailer-specific apps remain the most popular, but location finders and comparison shopping apps are also frequently downloaded.
 - Men are more likely to download retailer-specific and transactional shopping apps than women.

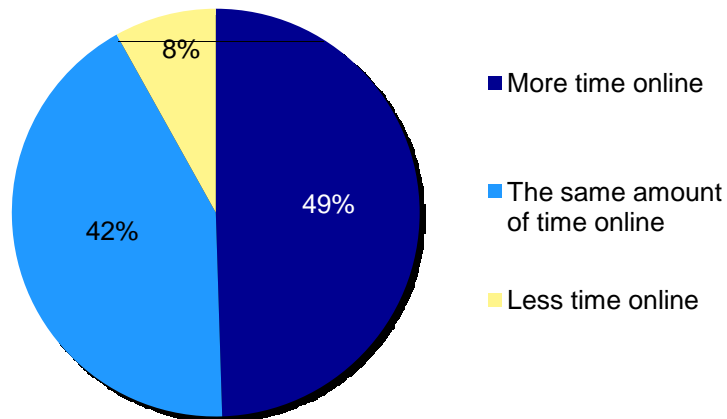
Types of online shopping apps downloaded to a Tablet	Overall	Males	Females
Retailer-specific	33%	36%	29%
Location finder	22%	24%	20%
Comparison shopping	17%	17%	17%
Delivery tracking	15%	19%	12%
Bargain hunting/deal aggregators	15%	14%	16%
Other non-retailer specific shopping app	10%	9%	11%
Fashion trends or cutting edge technology reviews	9%	7%	11%
Gift reminder and tracking	4%	4%	5%
I have not downloaded a shopping app to my Tablet	44%	39%	49%

Tablet Usage and Frustrations

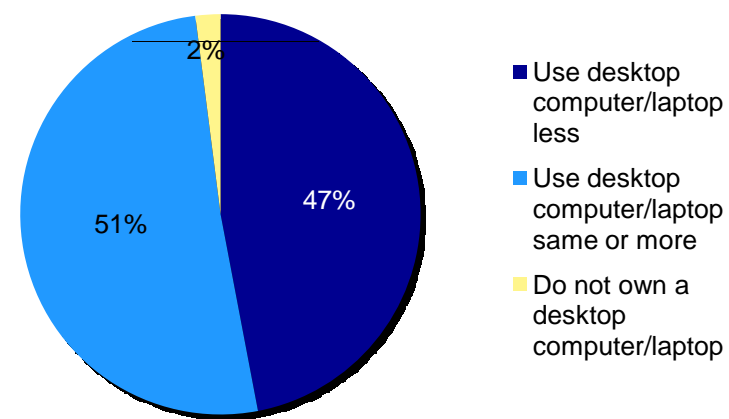
Time spent online & device usage

- The addition of the Tablet increases the total amount of time spent online for nearly half of owners.
- After purchasing a Tablet, 47% spend less time on their computer.
 - For those who spend more total time online, 56% report spending less time on their computer.

Time spent online with addition of a Tablet



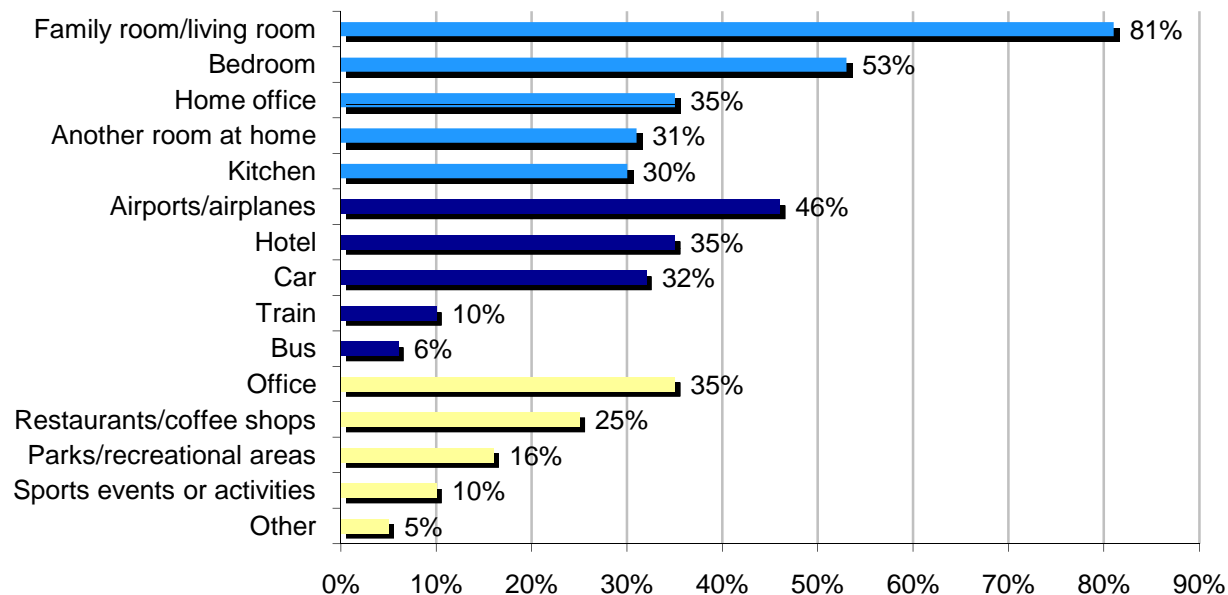
Desktop usage after addition of a Tablet



Where the Tablet is used

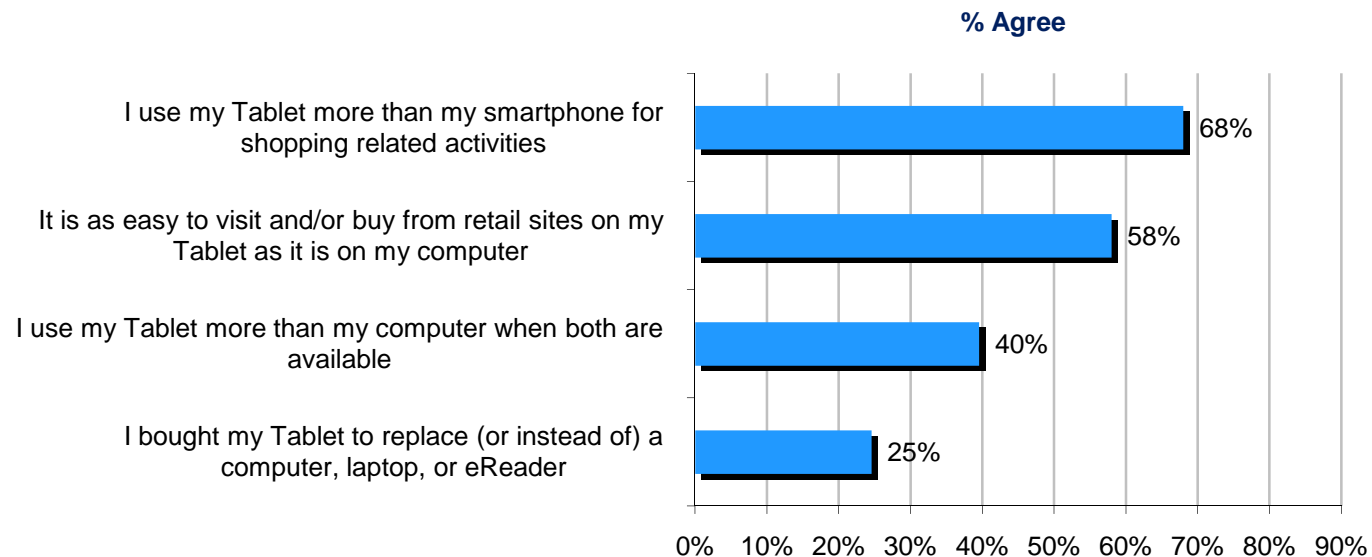
- While often considered a mobile device, Tablets are most frequently used at home. The top three locations for usage are the family room/living room, the bedroom, and the airport/airplanes.
 - Outside of the top three locations, a greater percentage of men tend to use their tablets in a stationary environment, such as the office, whereas a greater percentage of women use their Tablets in the car and at restaurants/coffee shops. Generation Y also tends to be more mobile than other age groups, with usage in the car, at sports events, at restaurants/coffee shops and on public transportation.

Where do you often use your Tablet (Home, Travel/Commute, Other)?



Tablet versus other devices

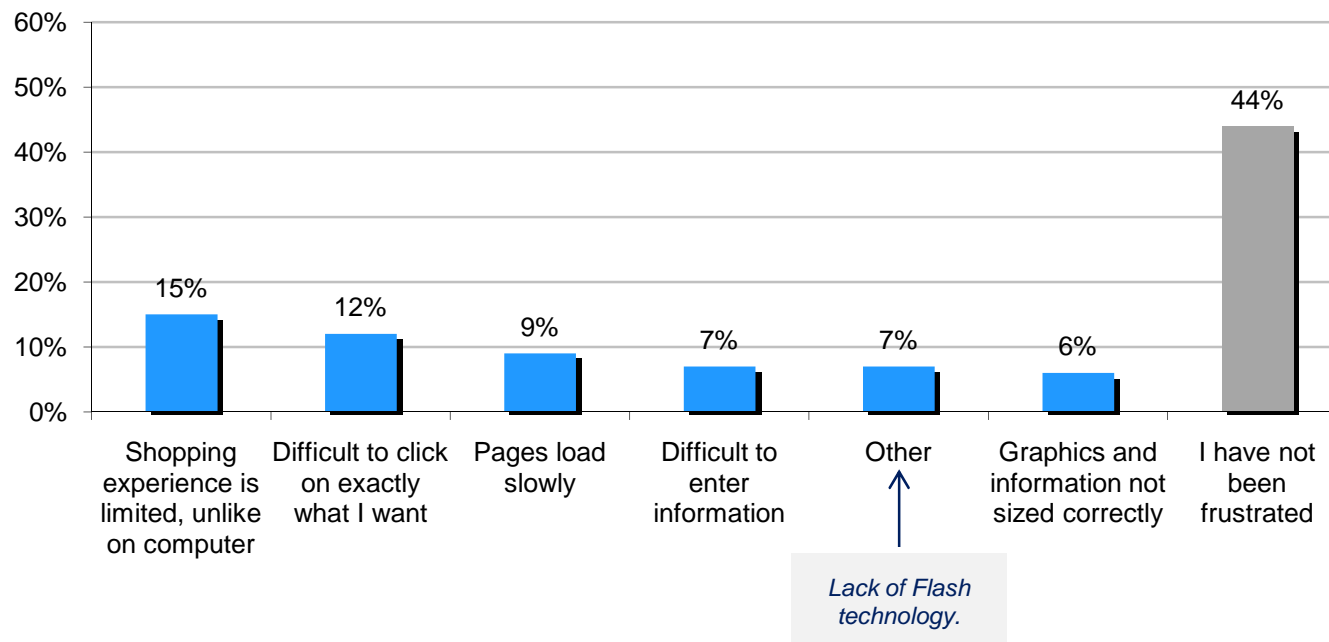
- Tablet usage for online shopping is quickly taking market share from smartphones, but it still loses out to the computer.



Shopping with a Tablet is an imperfect experience

- 56% of online shoppers have experienced some frustration while trying to shop from their Tablet.
 - The most common complaints revolve around a limited experience and difficulty clicking on or entering information. The lack of support for Flash technology is also commonly cited.

Biggest frustration when shopping from a Tablet



App users experience more frustration

- A greater percent of shopping app users are reporting frustration while shopping from their Tablet than those who have not downloaded a shopping app.

Type of app downloaded	% experienced frustration shopping with Tablet	Biggest frustration shopping with Tablet
Gift reminder and tracking	68%	Pages load slowly
Retailer specific	63%	Shopping experience limited, unlike on computer
Bargain hunting/deal aggregators	62%	Shopping experience limited, unlike on computer
Fashion trends or cutting edge technology reviews	62%	Shopping experience limited, unlike on computer
Comparison shopping	62%	Shopping experience limited, unlike on computer
Other non-retailer specific	61%	Other
Location finder	60%	Shopping experience limited, unlike on computer
Delivery tracking	55%	Shopping experience limited, unlike on computer
I have not downloaded an app	49%	It is difficult to click on exactly what I want

About this study

Bizrate Insights ran this Study in partnership with Sucharita Mulpuru at Forrester Research.

- **Study data collection**

- Bizrate Insights provides free, independent surveys for online retailers. Data for this study was collected from online buyers via Bizrate Insights' surveys offered immediately after purchase. Part I was run across Bizrate Insights' Network of over 5,000 ecommerce retailers in the US and Canada, from January 26th – February 28th, 2011, with over 28,000 consumers submitting surveys. Part II was run across this same Network from March 14th – April 5th, 2011, and included data collected from over 20,000 online buyers.

- **About Bizrate Insights**

- Bizrate Insights empowers retailers to achieve their end goal of growing sales and consumer loyalty by helping them listen to their customers. For over 10 years, Bizrate's consumer feedback and ratings platform amplifies the consumers' voice in a way that is fast and measurable, resulting in insights, action, conversion, and consumer loyalty. Bizrate Insights provides tools and reports to over 6,000 retailers worldwide to enlighten them about the customer experience and make them aware of the "why" in what consumers think and do. Visit www.bizrateinsights.com to learn more about our free and paid buyer and non-buyer survey and reporting products.
- Bizrate Insights and Bizrate.com are part of the Shopzilla, Inc. network of websites that reach a global audience of over 40 million online shoppers each month.