



===== 2012  GLOBAL =====

CHRISTMAS SEASON

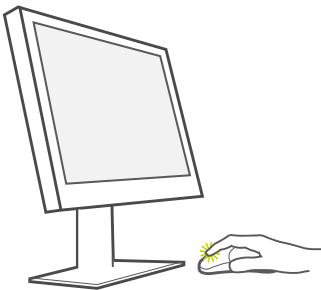
ONLINE RETAIL INSIGHTS



2011 CHRISTMAS SEASON RECAP

7 KEY INSIGHTS FROM YEAR-OVER-YEAR DATA

1



CONSUMERS USING THE INTERNET MORE OFTEN FOR HOLIDAY PURCHASES BUT SPENDING LESS PER TRANSACTION

▲ 36%

Revenue Driven by Search Advertising

▲ 56%

Total Online Sales Transactions Resulting from Search Advertising

▼ 13%

Average Order Value for Sales Generated by Search Advertising

2



November 27 – December 3 Drew the Most Search Ad Clicks Globally

S	M	T	W	T	F	S
NOV. 27	28	29	30	DEC. 1	2	3

December 11 – 17 Generated the Most Global Revenue from Search Ads



S	M	T	W	T	F	S
DEC. 11	12	13	14	15	16	17

3



PAID SEARCH CAMPAIGNS IMPROVE EFFECTIVENESS

▲ 39%

Search Advertising Conversion Rate

▲ 23%

Search Advertising Return on Ad Spend

▼ 29%

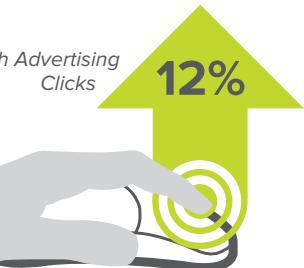
Search Advertising Cost per Conversion

2011 CHRISTMAS SEASON RECAP

4

Search Advertising Clicks

12%



RETAILERS AND CONSUMERS MORE HEAVILY INVESTED IN SEARCH ADVERTISING

Search Advertising Budgets: Up 10%



5



INCREASED PAID SEARCH COMPETITION HAD VIRTUALLY NO EFFECT ON COST-PER-CLICK RATES

Paid Search Average Cost-Per-Click Rates Flat at **\$0.47**

6



2011 CALENDAR RECAP

2011 KENSHOO GLOBAL RETAIL INDEX

Revenue Breakdown by Day for the Entire Holiday Season (2 Nov, 2011–2 Jan, 2012)

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			2 NOV	3	4	5
			1.10%	1.03%	.99%	1.06%
6	7	8	9	10	11	12
1.40%	1.44%	1.43%	1.34%	1.17%	1.35%	1.31%
13	14	15	16	17	18	19
1.92%	1.95%	1.72%	1.71%	1.58%	1.58%	1.53%
20	21	22	23	24	25	26
2.13%	2.06%	1.81%	1.73%	1.69%	1.91%	1.95%
27	28 Cyber Monday 2.96%	29	30			
2.69%	2.73%	2.62%				

2011 KENSHOO GLOBAL RETAIL INDEX

Revenue Breakdown by Day for the Entire Holiday Season (2 Nov, 2011–2 Jan, 2012)

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				Dec 1	2	3
				2.17%	1.99%	1.87%
4	5	6	7	8	9	10
2.65%	2.83%	2.26%	2.29%	2.09%	2.12%	1.84%
11	12	13	14	15	16	17
2.56%	2.75%	2.19%	2.12%	2.07%	1.78%	1.44%
18	19	20	21	22	23	24
1.51%	1.55%	1.37%	0.89%	0.40%	0.31%	0.26%
25 Christmas 0.41%	26 Boxing Day 1.91%	27	28	29	30	31 New Year's Eve 0.51%
Jan 1 New Year's Day 0.61%	2 0.76%					

INSIGHT #1: The Season Begins Early

Cyber Monday has become the main starting day for Christmas season online shopping. In the U.S., sales tick upward even the week before Thanksgiving as shoppers begin to compare prices and make initial purchases.

INSIGHT #2: Mondays are Big

Aside from the key dates in green on the calendar, Monday is the top sales day of the week throughout the Christmas season. Make sure to create promotional strategies and optimise campaigns accordingly.

INSIGHT #3: Don't Neglect Last-minute Shoppers

It may seem logical for last-minute shoppers to flee to offline stores, but last year there was a 74% increase in online sales during the last week of shopping before Christmas in the U.K., and the U.S. saw a 40% increase in sales during the week of Christmas. Events like Boxing Day and after-Christmas sales have become just as important to online shopping revenues as they are to brick-and-mortar stores. Make sure that you have reserved budgets to capture this last-minute traffic opportunity.

WHAT TO EXPECT IN 2012

Key Calendar Dates will have a Heavy Impact on Shopping Activity

This year the calendar pushes everything forward 2 days. Last year, Christmas Eve and Christmas Day fell over a weekend. This year Christmas Eve falls on Monday. Another important date is “Free Shipping Day”, typically the last day to order online and receive free shipping. This year, Free Shipping Day falls on Dec 17th, a Monday and, since Mondays have historically been the peak online shopping day during the Christmas season, look for increased traffic and sales this year. We should also expect a big boom in store pick-ups of goods purchased online. Consumers will have from Tuesday through Friday to still make purchases online and be able to get them in time for Christmas by visiting their local stores.

2012 KENSHOO GLOBAL RETAIL CALENDAR

(1 Nov, 2012–2 jan, 2013)

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22 Thanksgiving	23 Black Friday	24
25	26 Cyber Monday	27	28	29	30	

2012 KENSHOO GLOBAL RETAIL CALENDAR

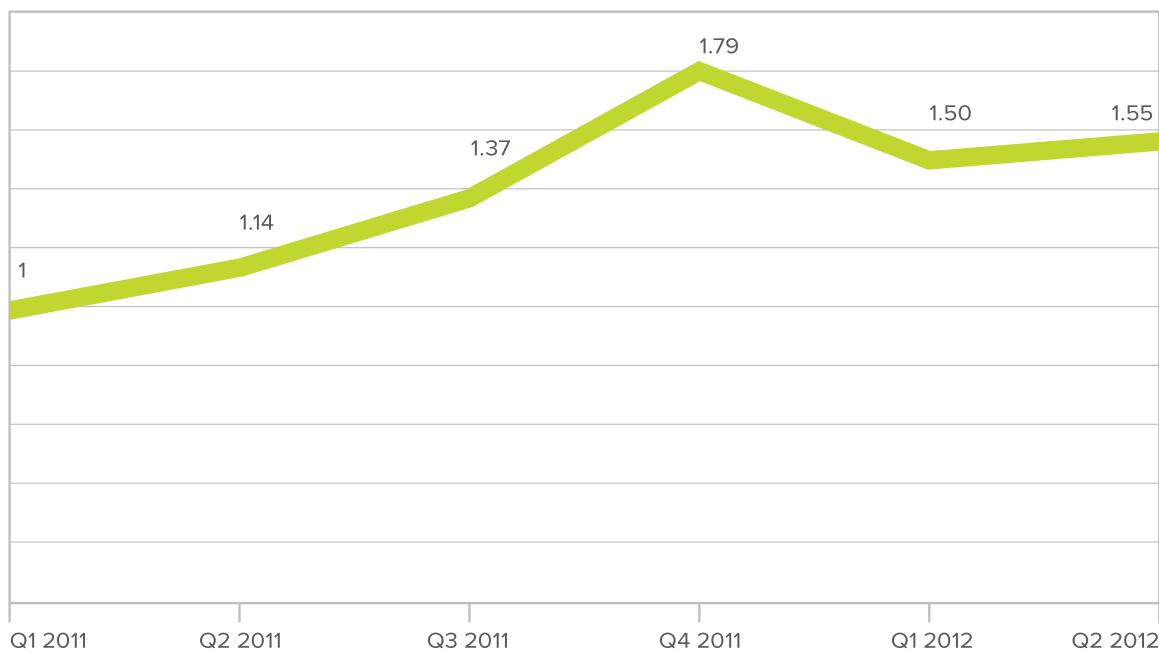
(1 Nov, 2012–2 jan, 2013)

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						Dec 1
2	3	4	5	6	7	8
9	10 Green Monday	11	12	13	14	15
16	17 Free Shipping Day	18	19	20	21	22
23	24 Christmas Eve	25 Christmas Day	26 Boxing Day	27	28	29
30	31 New Year's Eve	Jan 1 New Year's Day	2 Post New Years Sales			

Competition will be Fierce

This year, Kenshoo clients (both retail and non-retail) have continued to increase their investment in search. For the first half of 2012, global paid search ad spend is up by 43% over the same period last year. As search marketing continues to prove its value, expect to see even more competition this Christmas season.

GLOBAL SEARCH ADVERTISING SPEND UP 43% YOY FOR FIRST HALF OF 2012

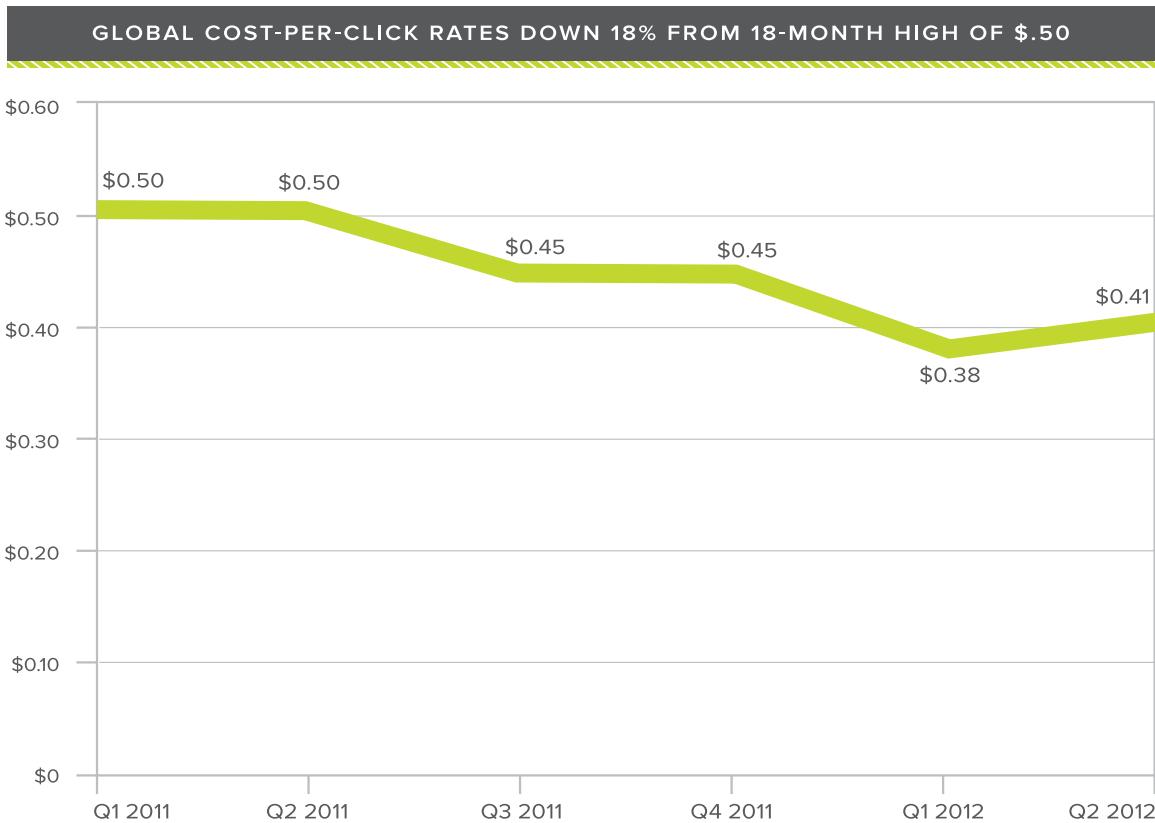


Source: Kenshoo Enterprise 2012 Global Christmas Shopping Online Retail Insights | © Kenshoo, Inc.

Note: Volume metrics have been normalized to a factor of 1 based on the initial quarter of data. Data points from subsequent quarters are based on a multiplier from the first quarter. Eg, 1.55 means that volume is 1.55 greater than volume in initial quarter measured.

Cost-per-Click Rates will be Less Expensive This Year

During the past 6 quarters we have seen CPC rates hold fairly steady, fluctuating only slightly per quarter. CPCs have risen consecutively over the past 3 quarters, but at a very slow pace, down by 18% from an 18-month high of \$0.50 USD.



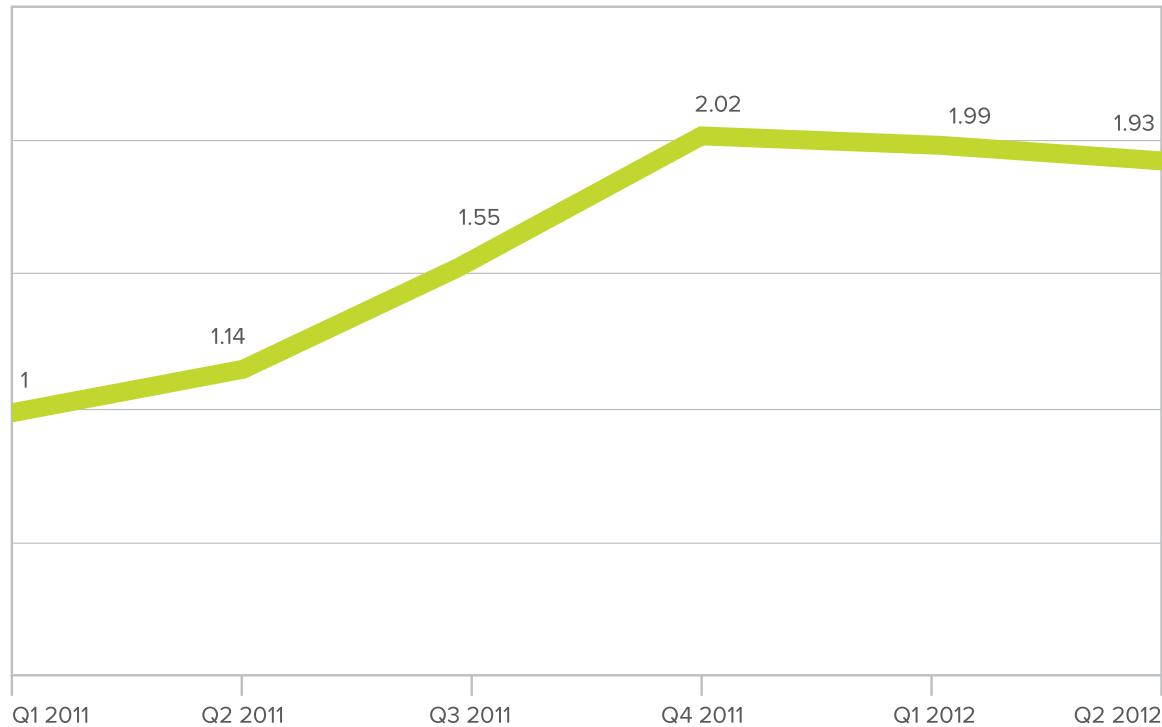
Source: Kenshoo Enterprise 2012 Global Christmas Shopping Online Retail Insights | © Kenshoo, Inc.

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Increased Budgets Combined with Low CPCs will Result in Massive Click Volumes

The combination of the previous 2 trends will result in a huge paid search click increase for retailers this Christmas season. As CPCs get less expensive, budgets get more effective at driving traffic. The search engines as well have worked to increase paid search quality by introducing new ad types like Product Listing Ads and Sitelinks to make paid results higher quality. The good news for advertisers is that the available pie has grown as global click volumes are up 83% over last year. Look to maximise budgets this year to take full advantage, and check your impression shares to make sure that you aren't missing out on opportunity.

GLOBAL CLICK VOLUMES UP 83% FOR H1 2012 YOY



Source: Kenshoo Enterprise 2012 Global Christmas Shopping Online Retail Insights | © Kenshoo, Inc.

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Contact a Kenshoo Representative to receive your copy of the full **2012 Global Christmas Season Best Practices Guide** featuring more than 35 ways to leverage Kenshoo and maximize results this Christmas season.

