

## Release - Final

Approval: Logan Tod & Co

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## Press release

11<sup>th</sup> January 2011

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### **Online shopping - growth forecast to slow next Christmas**

*Logan Tod & Co.'s Annual Online Shopping Index warns of predicted growth of 12% to 17% during Christmas 2011, compared to 15 to 20% last Christmas.*

Overall, shoppers are indicating slower growth in sales, according to the 2010 online shopping survey carried out at the end of December. However, one key group of online shoppers said that they do plan to spend 36% more online next Christmas - those aged 25 to 34.

This age group known as the 'digital natives,' a generation of young online purchasers, consists of those who grew up with the internet and who also have disposable income and credit cards available.

Matthew Tod, Chief Executive at Logan Tod & Co elaborates. "It is clear that there is potential growth to tap into this year, but selecting your audience is crucial. Different segments have very different needs and the retailers who tailor their online experience, or can match online experience closely, will prosper.

The 'digital natives' carried out by far the most online shopping this Christmas, with 48% stating that they did 'as much as they possibly could' of their shopping online, for example compared to just 22% of 'digital migrants', (those aged 45 and over). Their reasons for shopping online included avoiding the crowds, availability all hours and home delivery, demonstrating the importance of ease with online shopping outweighing lower costs, which are favoured by the older generations."

The study also unveiled the features that influenced which stores the 25 to 34's visited, with recommendations from family and friends, on-site reviews and social networking sites all strongly contributing to their choices. However, 43% of 'digital migrants' rely heavily on previous good experience with stores, choosing this as a key driver to their sites of choice.

'Digital natives' are also more likely to use multiple channels to aid them in their Christmas spending. 54% of this age group said they used 'Click & Collect last Christmas,' whilst 32% of the same group said they used a smartphone in their buying process, to research and/or buy a product, compared to just 3% of 'digital migrants.'

Matthew Tod explains, "We all know that multi-channel shopping is becoming more prevalent and important, that's last year's news. What these results demonstrate is that it's the younger generations leading the way in cross channel purchasing habits, and using mobile devices to make their lives easier. When we take into account that this group did the most shopping online this Christmas, and also plans to carry out the most shopping online next Christmas, it makes it clearer where to focus energies and budgets."

#### **Notes to editor**

For further index findings, graphs, interviews or additional comment, please contact:

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#### **Editor's notes**

##### **About the Logan Tod & Co. Online Shopping Index**

The research was conducted online between 29/12/10 - 31/12/10 with 1,077 UK adults. The Logan Tod & Co. Online Shopping Index is an annual study looking into the shopping habits of the population over the Christmas period. This is the fifth annual index from this series produced by Logan Tod & Co.

##### **About Logan Tod & Co.**

Logan Tod & Co is Europe's leading online performance optimisation consultancy.

The company delivers guaranteed revenue and gross profit improvement for the ecommerce operations of leading retail and consumer brands. The analytical expertise of the company is complemented by a team of consultants, architects and designers who work with clients to implement recommendations. Clients include ASOS, Boots, Clarks, Debenhams, Harrods, Matalan, Monsoon, Reiss, Sky, and Sony and The Carphone Warehouse and Waitrose.

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