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Portable PC Study

Google/Compete/OTX

How Consumers Shop for Laptops,
Netbooks, eReaders and Tablets

U.S., Oct 2010

Objectives



Methodology

Google/OTX Portable PC Shopper Study

- Google commissioned Ipsos OTX MediaCT, an independent market research company, to conduct research to better understand consumers' research and shopping behavior with regard to electronics and technology products.
- To address these objectives, OTX conducted an online Attitude & Usage survey among consumers of technology products.
- All qualified respondents were US residents age 18+, have either full or joint decision making power for electronic purchases and intend to purchase at least one of the following in the next 6 months:
 - Laptop
 - Netbook
 - eReader
 - Tablet
- Each respondent was assigned into one of the product categories they qualified for and answered a subset of questions specific to their assigned device.
- Interviews were conducted from July 29th - August 10th, 2010 yielding a total sample of 3849 respondents (evenly distributed by device).

Methodology

Google/Compete Portable PC Shopper Study

- Compete analyzed clickstream data from its community of 2 million US internet users
- Compete identified all sessions on selected industry sites from July 2009 through July 2010 in which consumers shopped for a Portable PC (Laptops, Netbooks, Tablets, eReaders)
- Compete then analyzed the clickstream behavior of each research session to understand the following:
 - What products are consumers researching and deciding among?
 - Where do consumers research before they make a purchase?
 - What does the research and searching process look like?
 - What are the demographics of consumers researching these product categories?
- Numbers and statistics provided by Compete may not match typical local web analytics numbers
 - Traditional web analytics are based on cookies and can therefore result in double counting
- Sites used in the analysis, such as manufacturers included in each category, can be found in the appendix
- Search referred visits include those visits referred from: AOL, Ask, Bing, Google, Live, Yahoo



What is the Impact of
New Devices?

Notebooks

iPad erodes eReader sales

iPad erodes eReader sales

Will Tablets replace Laptops?

Will Tablets replace Laptops?

Is price the deciding factor?

iPad challenges
Kindle

**With so many
new technologies...
...where do
consumers stand?**

Who will
buy Netbooks?

What is the portable
PC of choice?

iPad challenges
Kindle

It's a multi-PC world

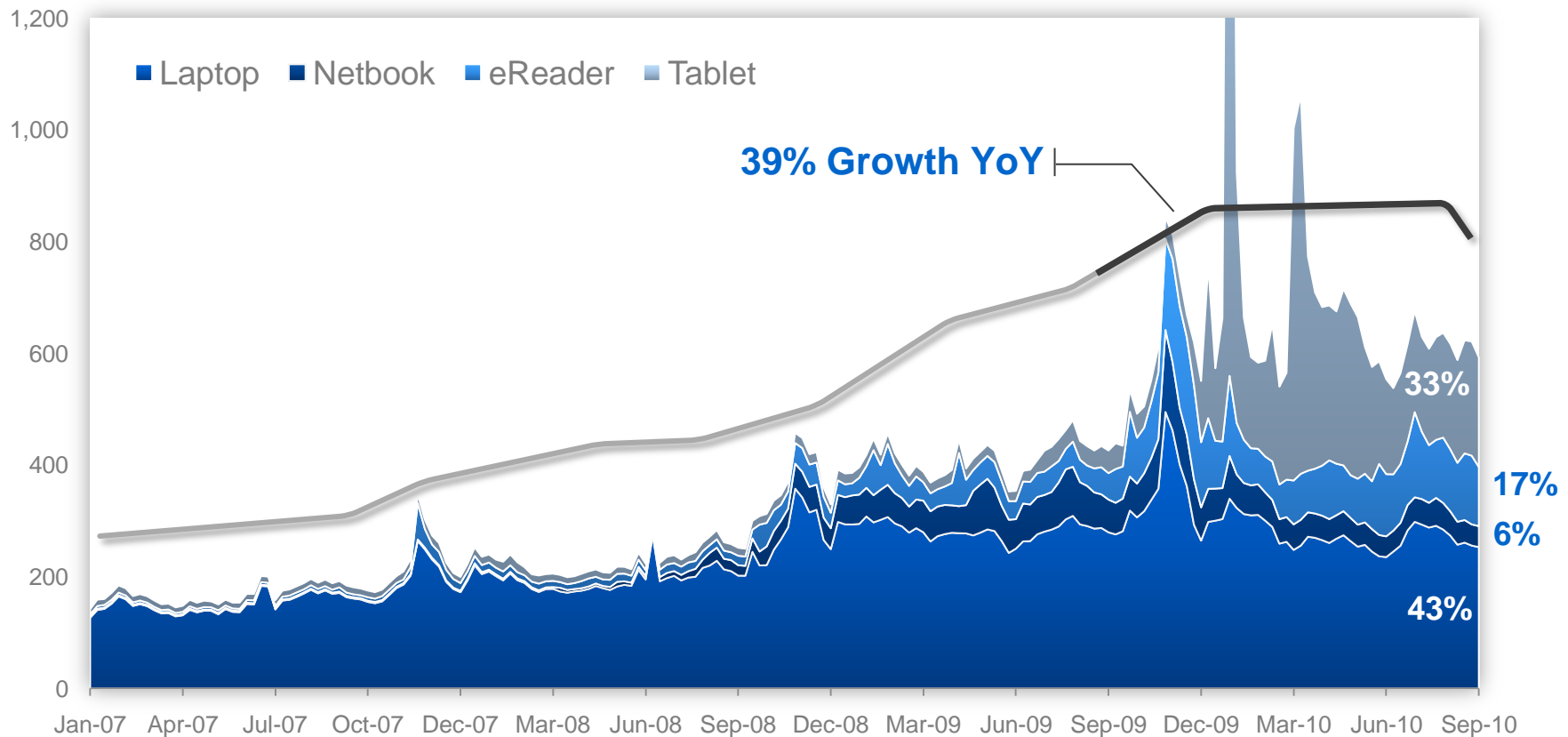
Will Tablets replace Laptops?

Netbooks

Netbooks or Notebooks?

New Devices Have Fueled Interest in the Overall PC Category

Category Query Growth (indexed)



There's a New Kid in Town

YoY Growth in Unique Visitors to Each Category



With New Products Comes Uncertainty

There is an opportunity to influence which devices consumers purchase, as a big portion of the market starts out undecided



49%

did not know exactly which type
of device they would purchase

Source: Google/OTX Portable PC Shopper Study, October 2010
Q. Which of the following devices are you considering purchasing?

Some Shoppers Are More Certain Than Others

Cross-shop behavior suggests that consumers view eReaders as having a distinct function, while there is uncertainty around netbooks

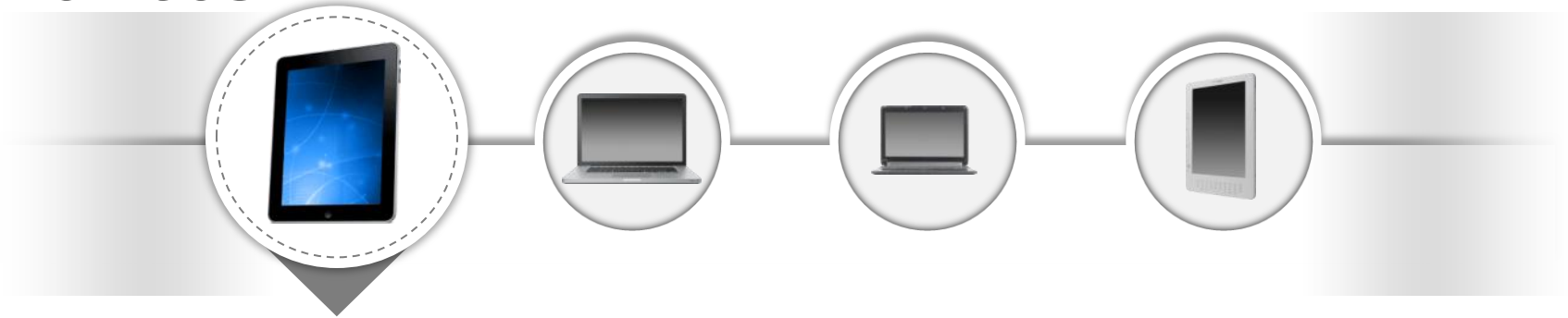


iPad Defined the Tablet Category for Consumers

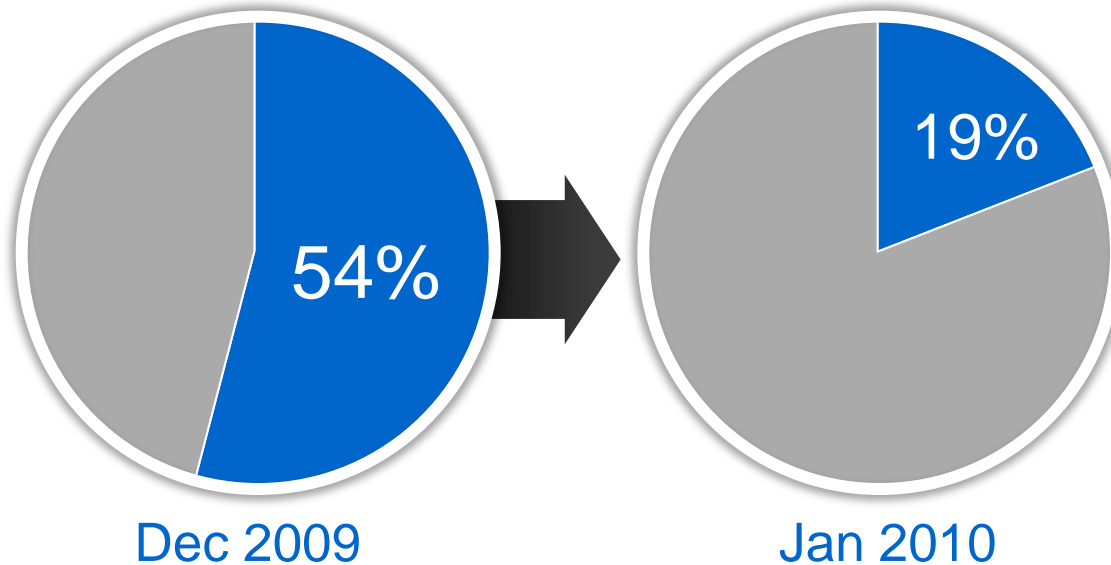


iPad announcement
caused a decline
in tablet shoppers
considering
other devices

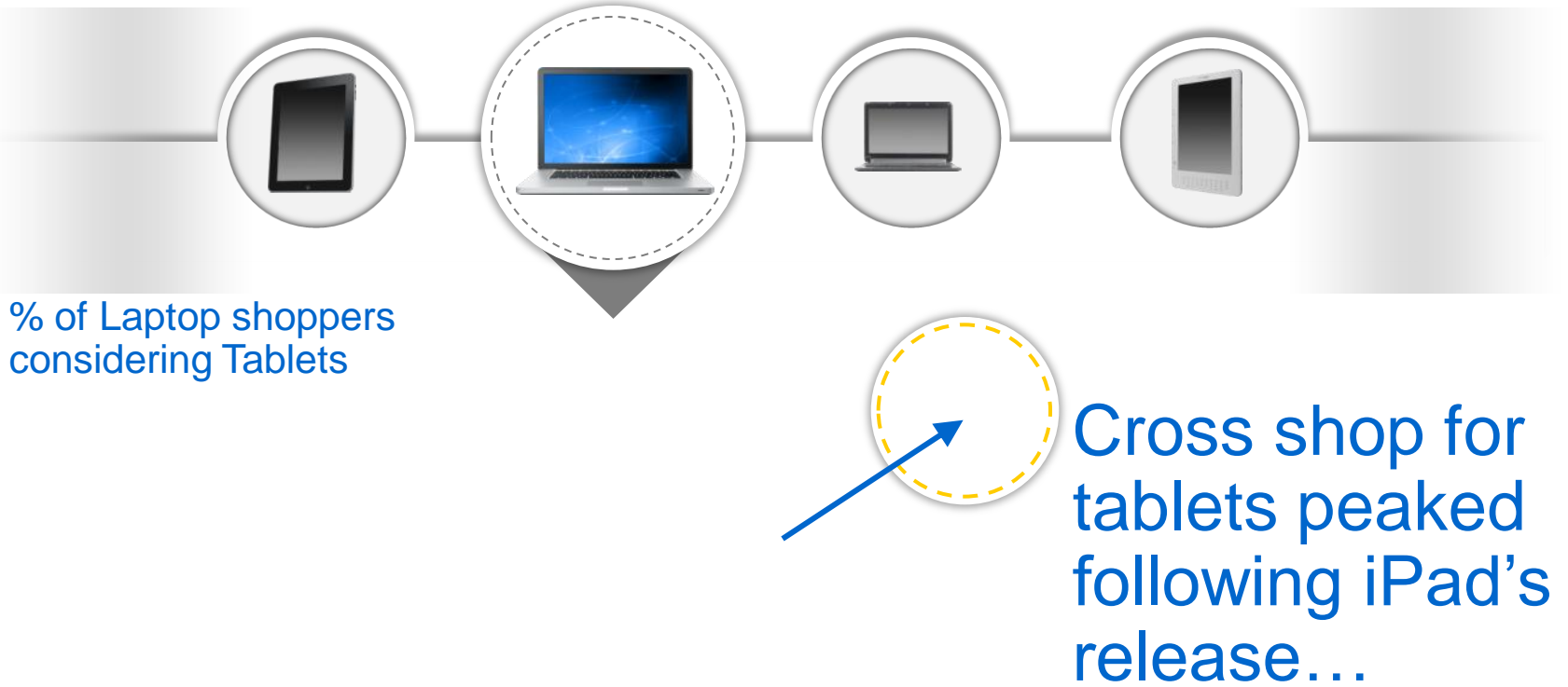
Causing a Decline in Consideration of Other Devices



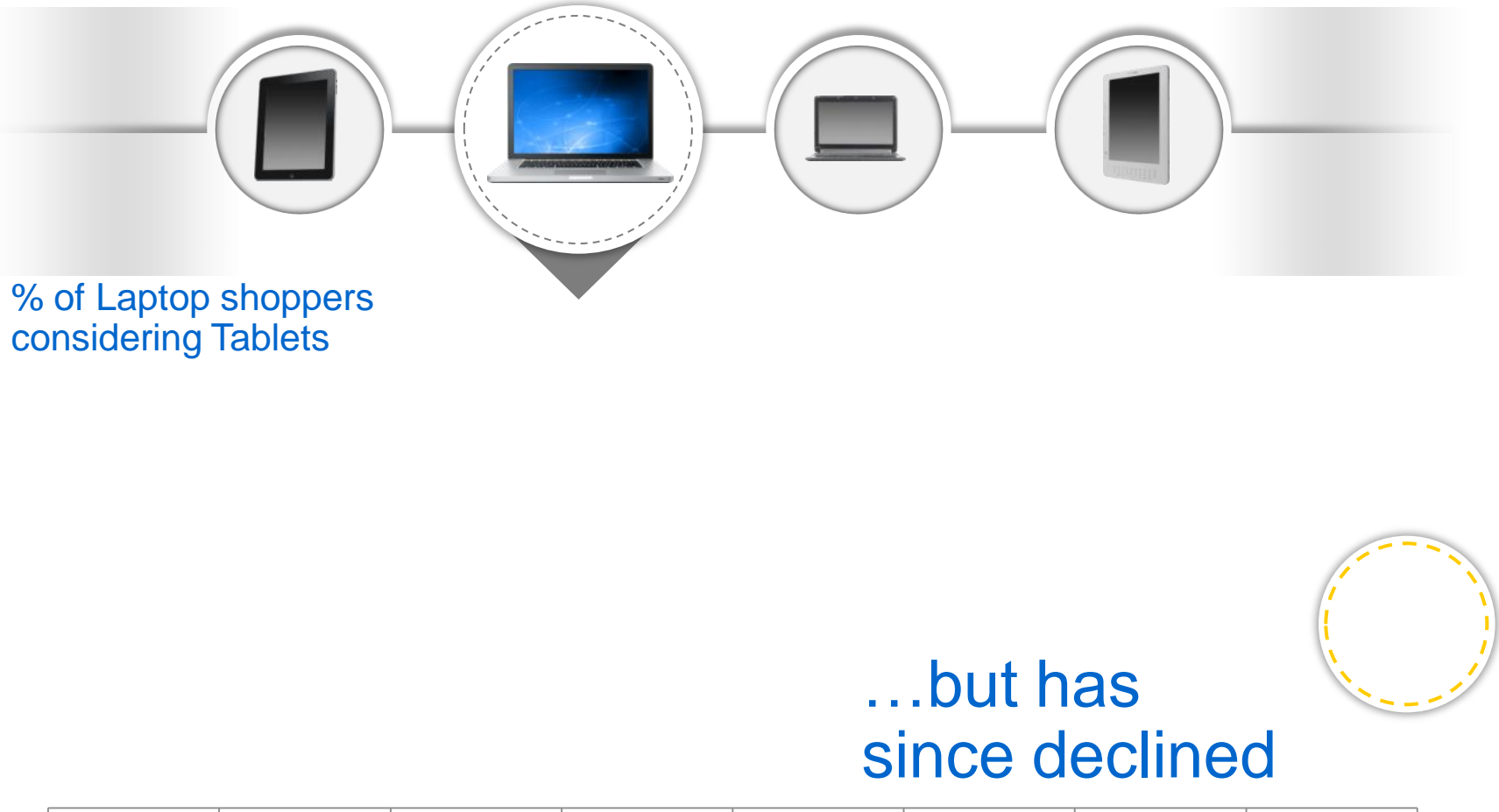
Tablet shoppers considering other devices



Laptop Shoppers Were Intrigued by the iPad



But Their Curiosity Around Tablets Has Since Subsided



Netbook Shoppers Also Evaluate Laptops and Tablets



63%

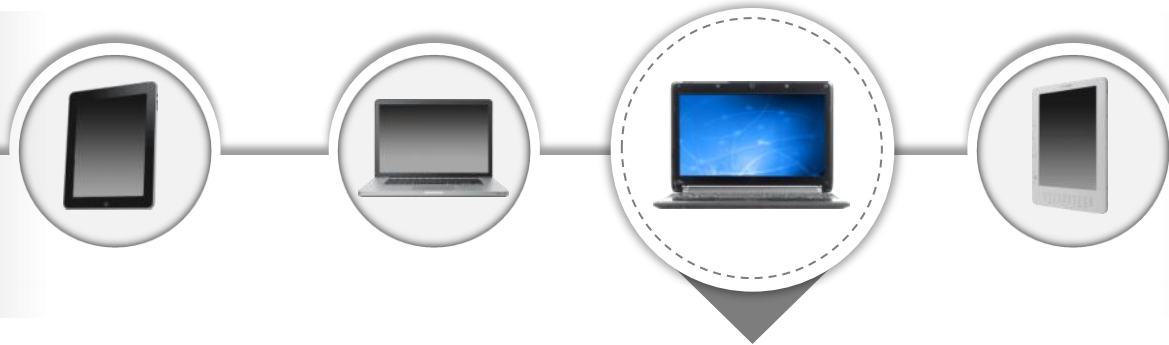


13%



% of Netbook shoppers cross-shopping Laptops and Tablets

But Seem to Prefer Function Over Form



Netbook Shoppers
are 5x more likely to
consider a laptop
than a tablet



eReader Shoppers are Decided



Despite similarities between tablets and eReaders, cross shop was **only 13% at its peak.**

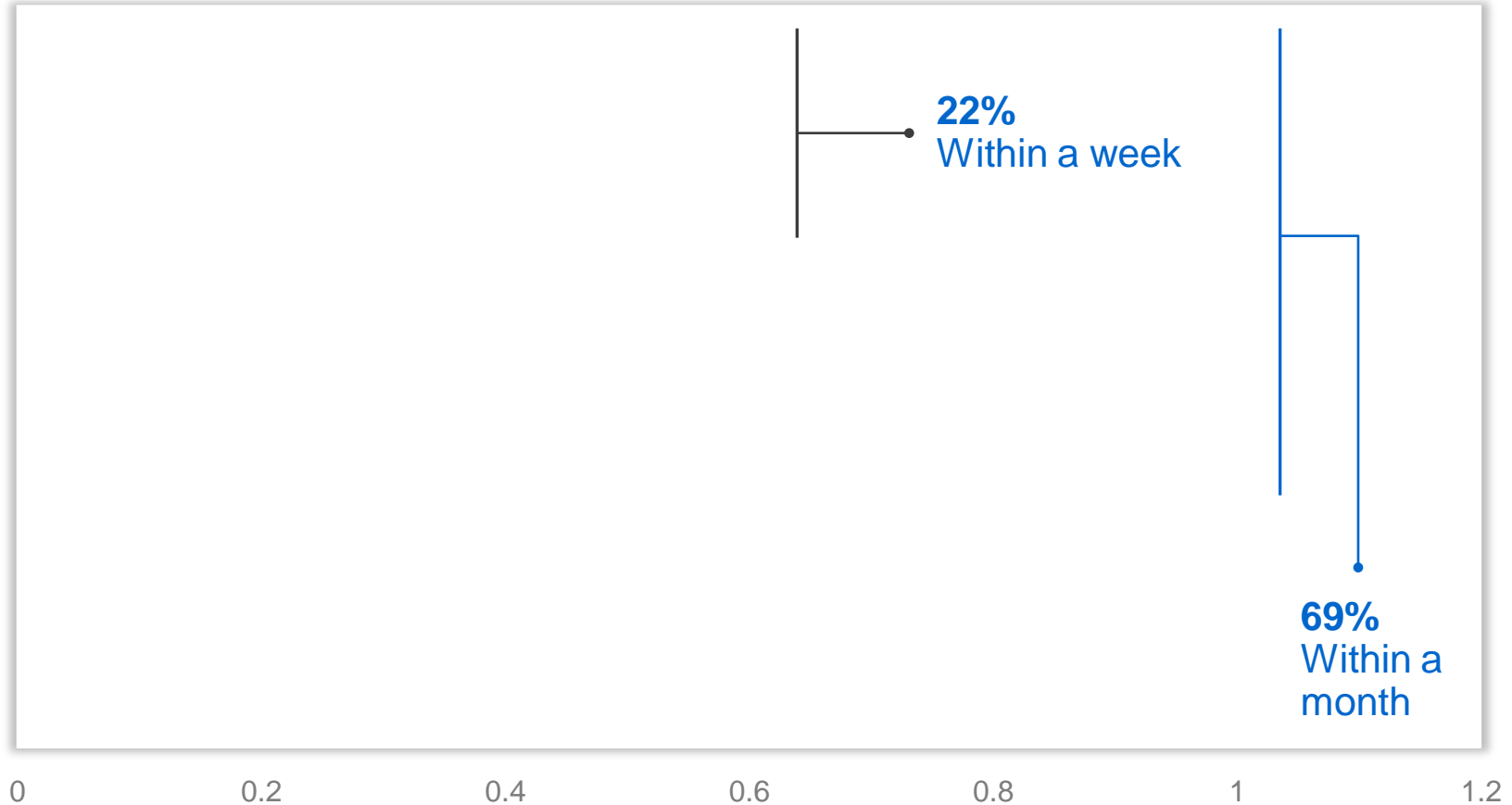
Key Takeaways

- New devices have fueled overall interest in the PC category
- Half the market is considering more than one type of device
- Devices are seen as distinct and serve unique purposes, and are contributing to an emerging “multi-PC” lifestyle



How Do Portable PC Buyers Shop?

Shoppers Spend 1 Month Researching on Average



The Internet is the Preferred Source for Information



Internet
85%

of shoppers will use the internet
to research their purchase



Word of Mouth
55%

In-Store
Displays
52%



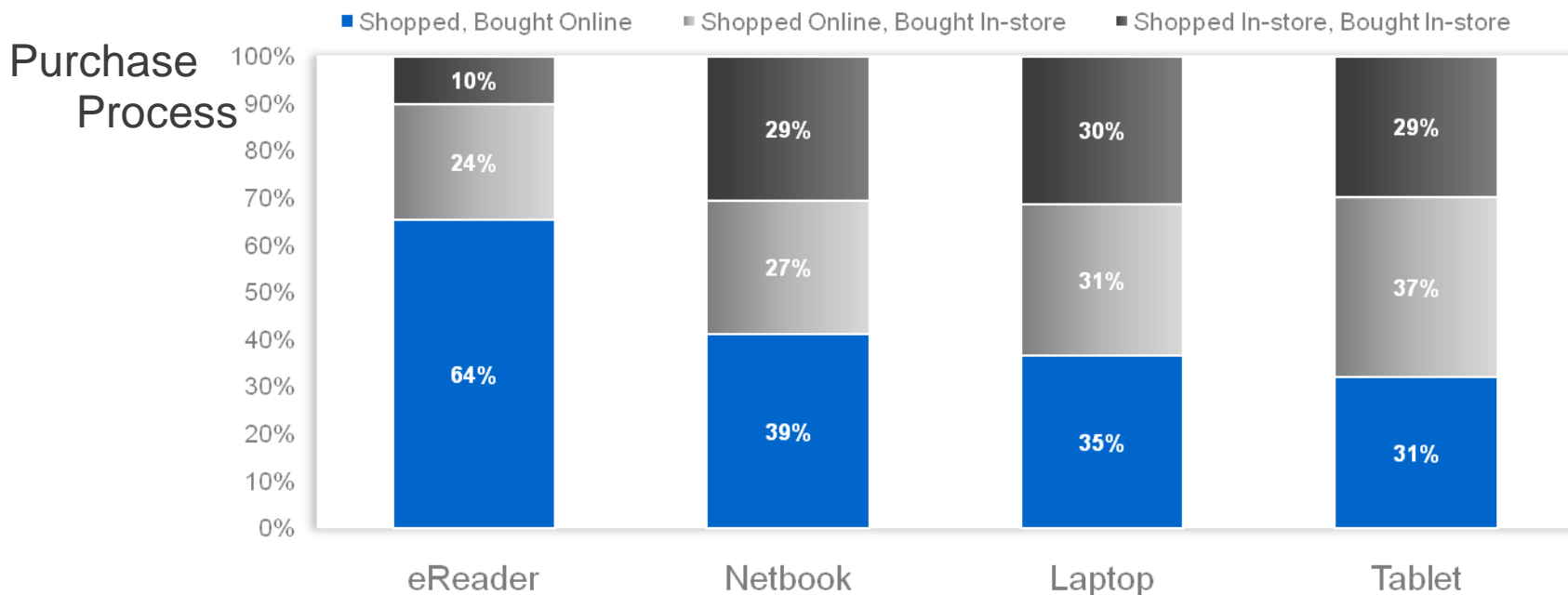
Sales
Associates
36%

TV
28%

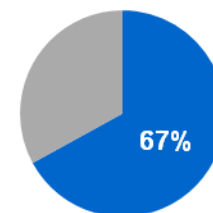
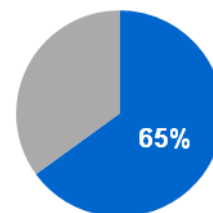
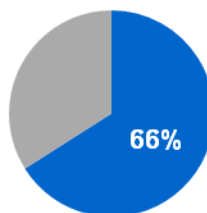
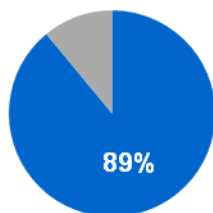


Newspapers
19%

Online Influences Over 2/3 of Device Purchases



Online
influenced

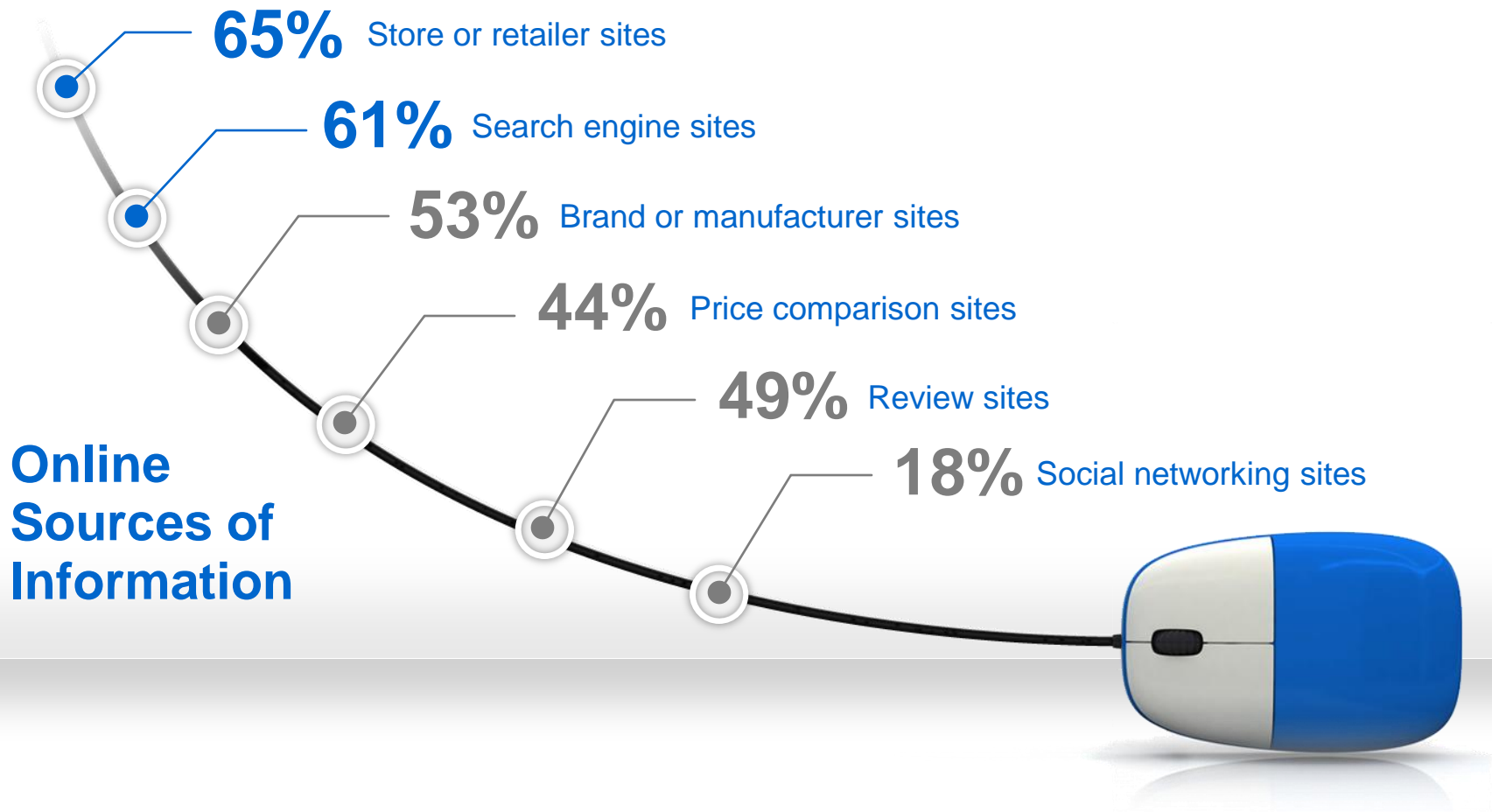


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Source: Traqline Q3 2010

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Retailer Sites and Search are Most Frequented Among Online Sources



Search Drives Qualified Leads

Search drove most number of visits to product detail pages across all product categories

24%



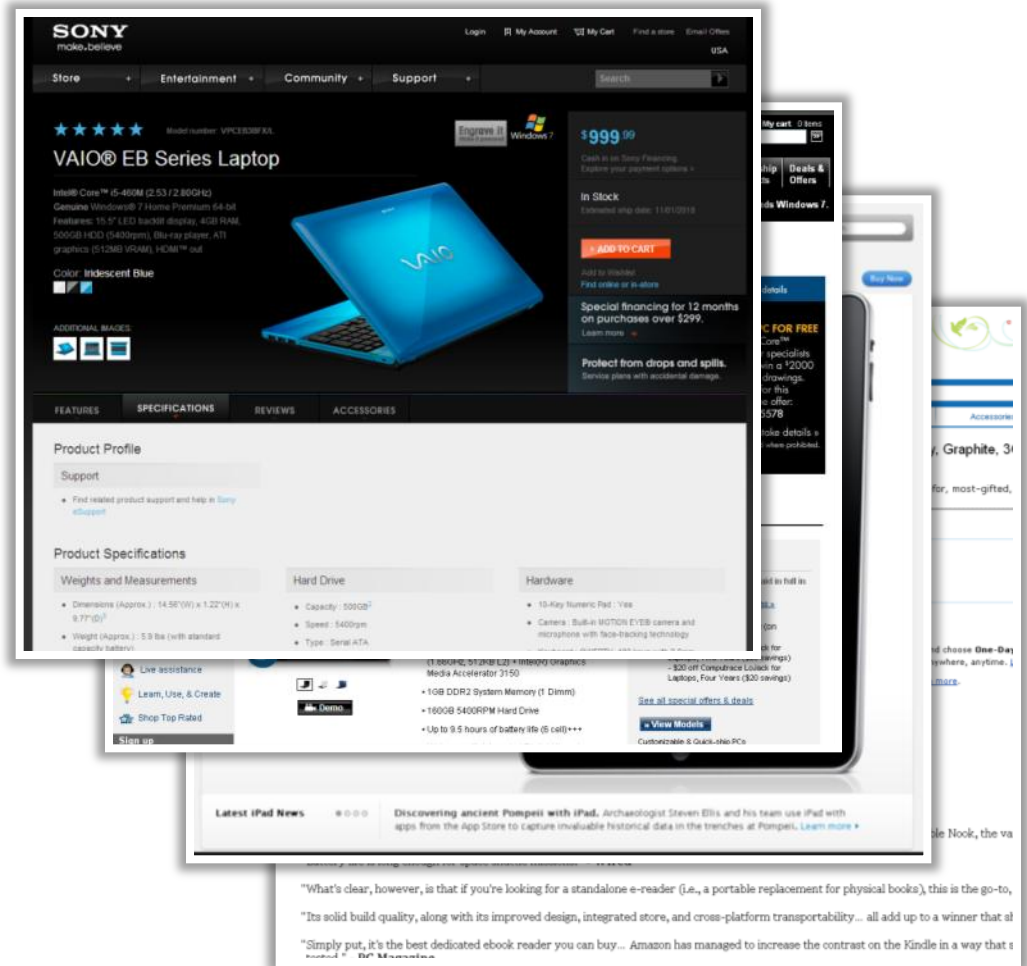
24%



31%



12%



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Source: Google/Compete Portable PC Shopper Study, October 2010, share of EOI Driven Referrals from Search, July 2010

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Portable PC Shoppers Are Heavy Searchers

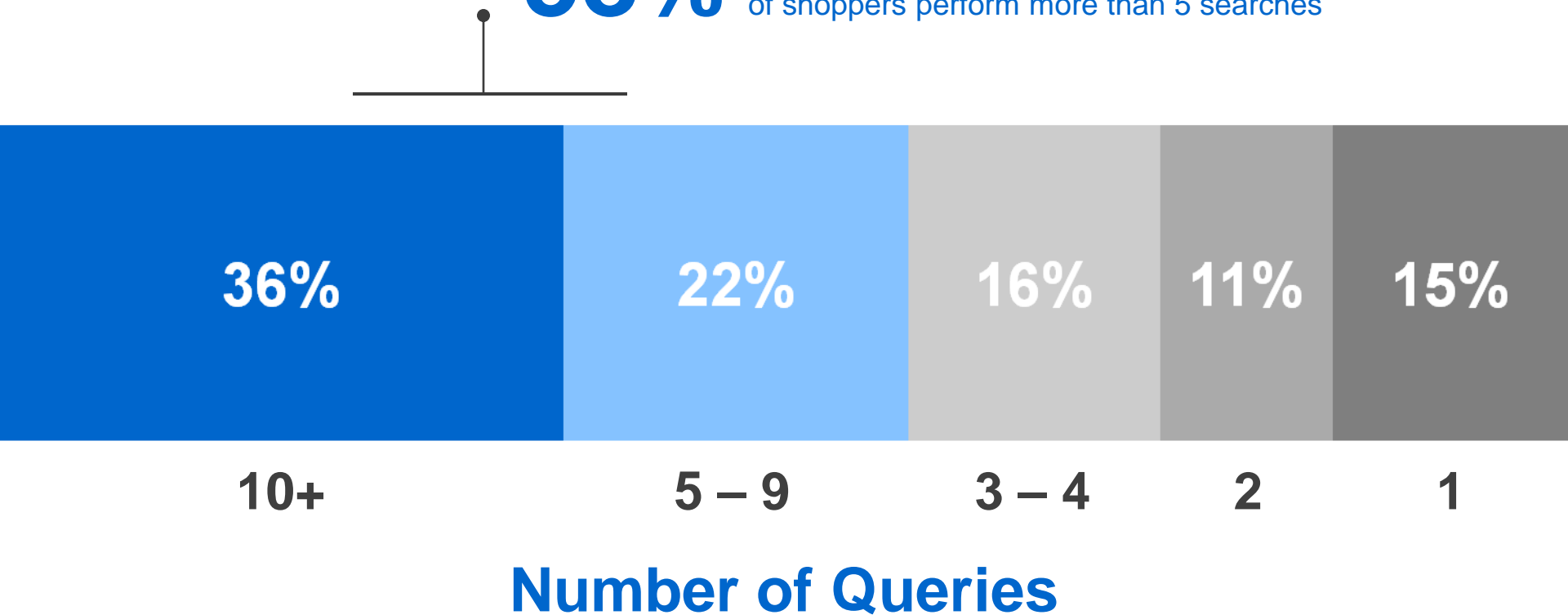
Portable PC buyers do an average of **14** searches during their shopping process



Over Half of Shoppers Perform More Than 5 Searches

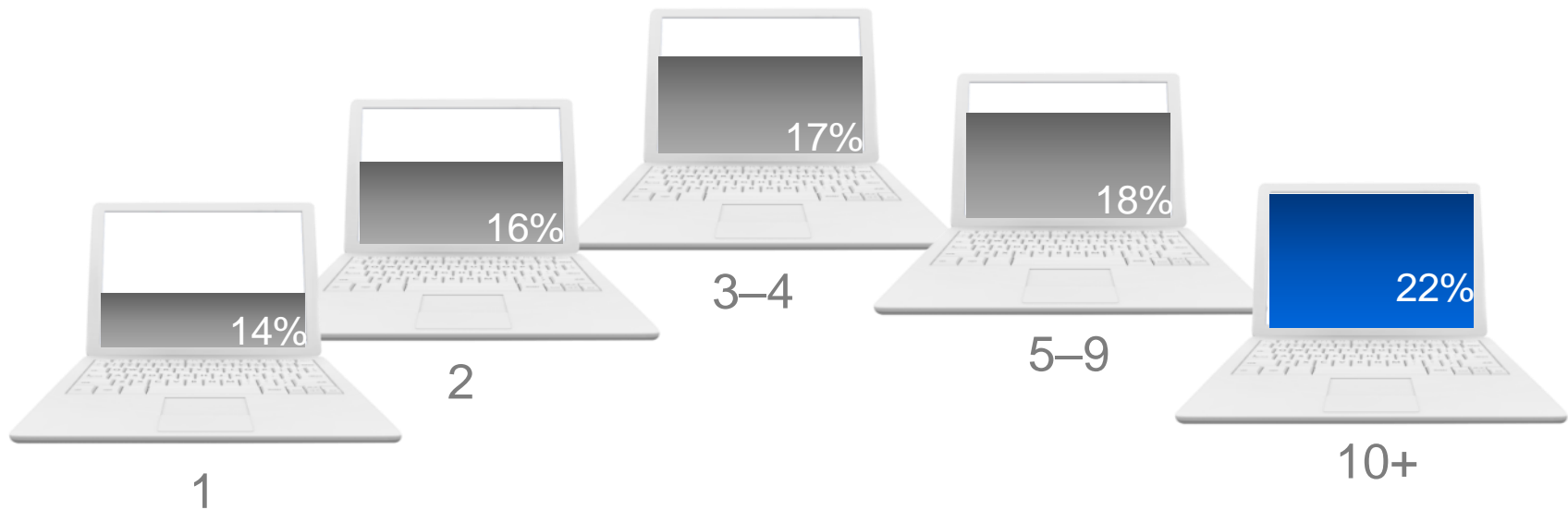
58%

of shoppers perform more than 5 searches



As Queries Increase, So Do Conversion Rates

Conversion Rates* by Number of Search Queries

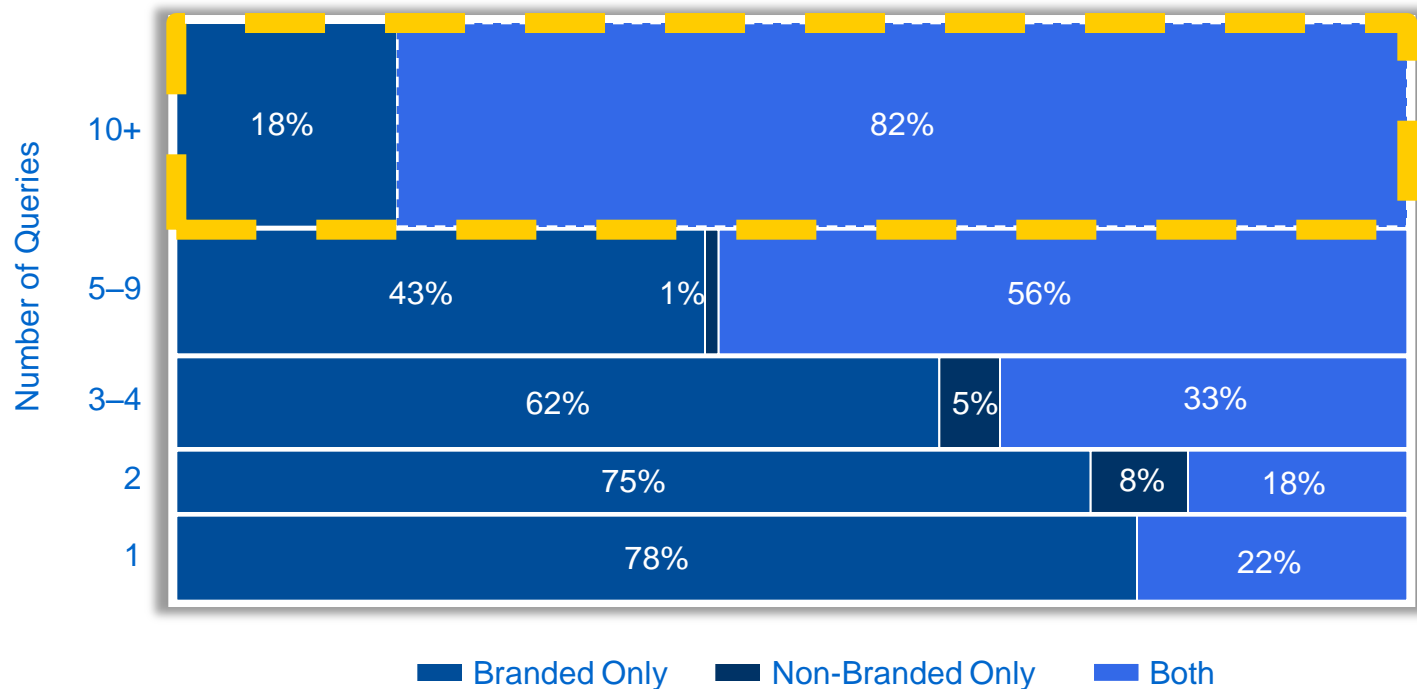


Shoppers who conducted **10+ search queries** converted at a rate of **22%**

Heavy Searchers Used Both Brand & Non-Brand

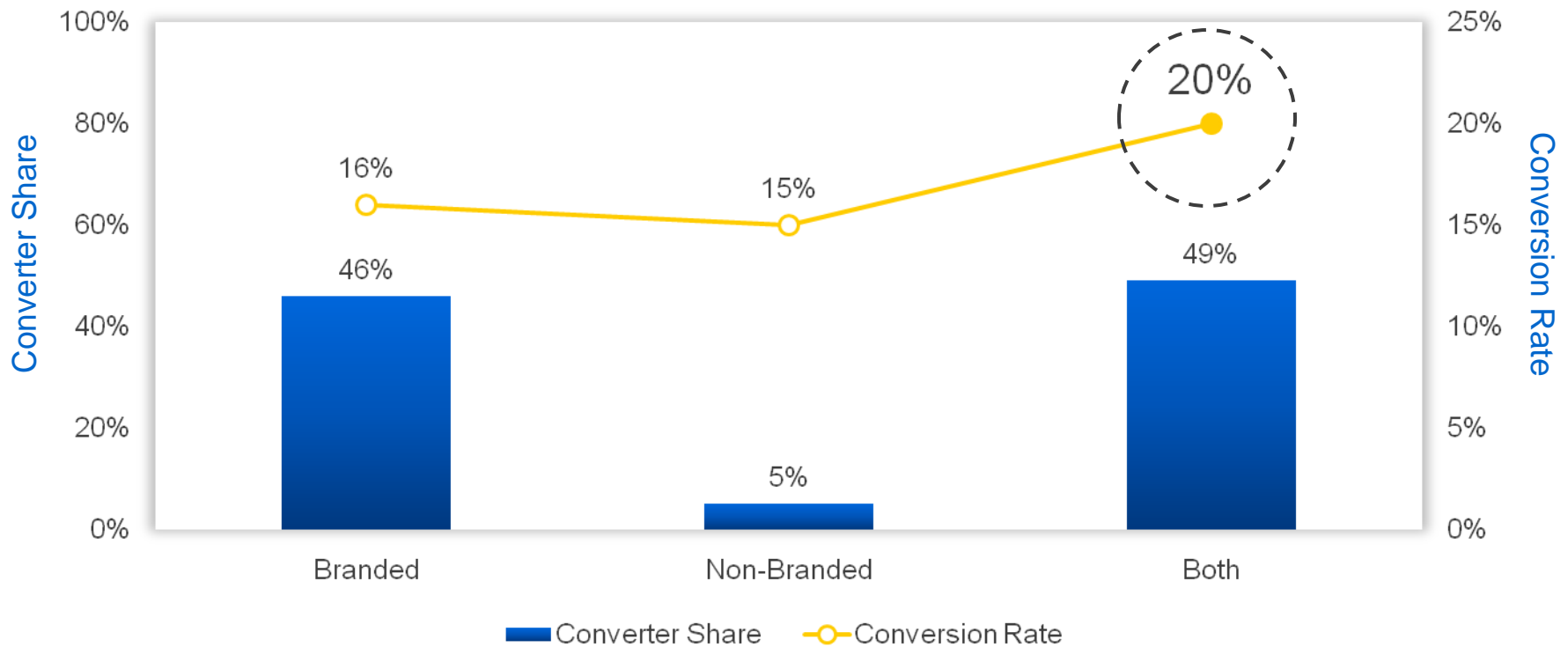
The more a consumer searched, the more they utilized both branded and non-branded terms

Branded Versus Non-Branded Search, by Number of Queries



Shoppers Who Used Both Terms Converted at the Highest Rate

Share of Converters by Query Term Type Used & Conversion Rate



Recommendations

- Portable PC shoppers spend 1 month researching— take an “always on” approach
- More than half of shoppers search on non-branded terms— develop a generic term strategy
- Approximately 1/3 of Portable PC shoppers shop online, but purchase in-store—incorporate this into your ROI metrics



Customer Profiles

The Tablet Shopper



Skew slightly female (53%)

25-34

56% consider more than one brand

Most concerned with appearance/style

Source: Google/Competition Portable PC Shopper Study, October 2010

Google/OTX Portable PC Shopper Study, October 2010

Q. Which of the following [device] brands or manufacturers are you considering purchasing? (Select all that apply)

Q: Which of the following factors are the most important to you when deciding on a <PC device> to purchase? Please select up to 5 responses.

The eReader Shopper

Skew male (64%)

45-54

70% consider more than one brand

Care about reviews more than
any other portable PC shopper.

Visit most number of sites
(2.10 versus 1.55 for tablet shoppers)

Source: Google/Competition Portable PC Shopper Study, October 2010

Google/OTX Portable PC Shopper Study, October 2010

Q. Which of the following [device] brands or manufacturers are you considering purchasing? (Select all that apply)

Q: Which of the following factors are the most important to you when deciding on a <PC device> to purchase? Please select up to 5 responses.



The Laptop Shopper



Skew female (58%)

18-34 (50%)

65% considering
3 brands or more

43% want to upgrade

Source: Google/Compete Portable PC Shopper Study, October 2010

Google/OTX Portable PC Shopper Study, October 2010

Q. Which of the following [device] brands or manufacturers are you considering purchasing? (Select all that apply)

Q: Which of the following factors are the most important to you when deciding on a <PC device> to purchase? Please select up to 5 responses.

The Netbook Shopper

Skew male (54%)

35-44

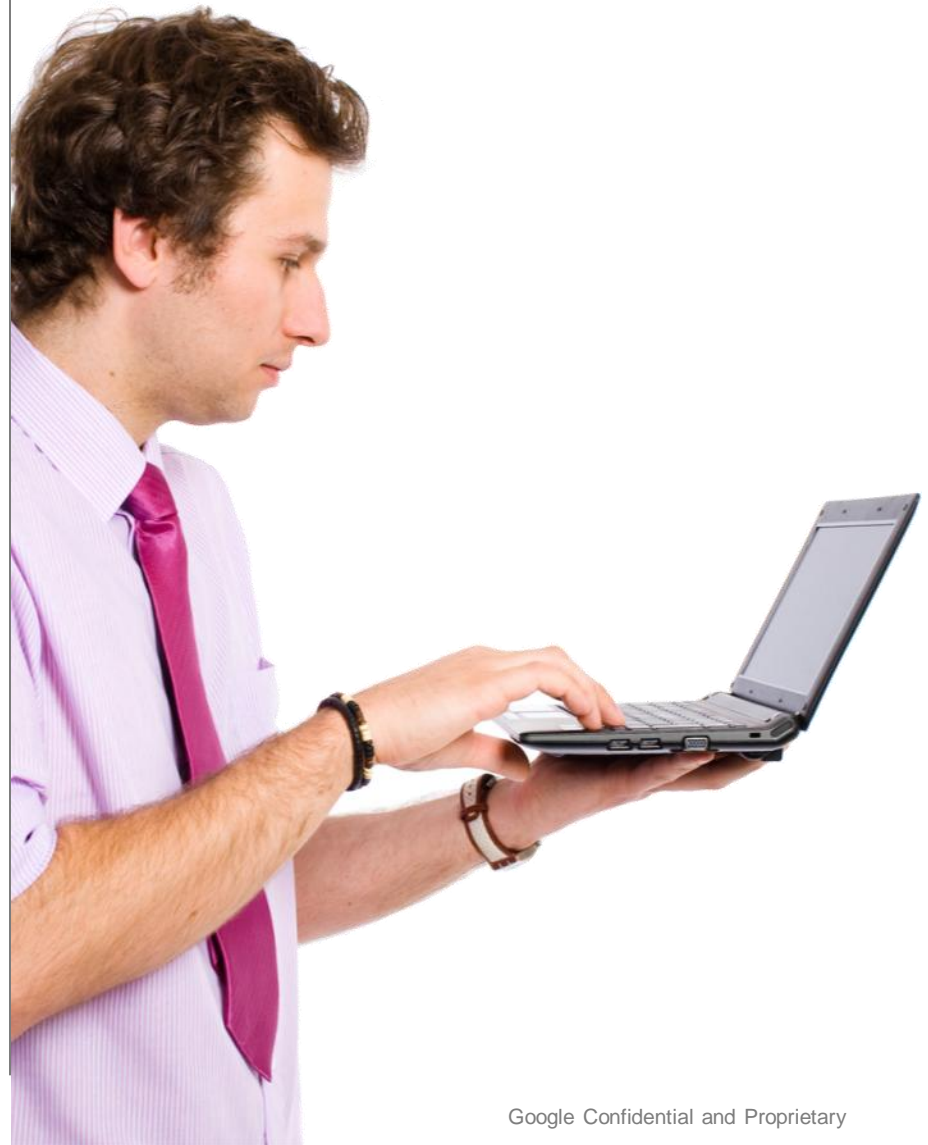
Most undecided on brand—
80% considering more
than one

Of consumers considering
both netbooks and tablets,
consumers are leaning
towards tablet (37% vs. 25%)

Source: Google/Compete Portable PC Shopper Study, October 2010
Google/OTX Portable PC Shopper Study, October 2010

Q. Which of the following [device] brands or manufacturers are you considering purchasing? (Select all that apply)

Q. You mentioned you were considering purchasing both an netbook and tablet in the next 6 months. Of these two devices , which are you more likely to purchase? (Select one)





Appendix

Appendix: Sites Included in Computer Category

Laptop Category

Acer	Apple	Archos	Asus	Dell
Fujitsu	HP	Lenovo	Panasonic	Samsung
Sony	Toshiba			

Netbook Category

Acer	Archos	Asus	Dell	Fujitsu
HP	Lenovo	Samsung	Sony	Toshiba

Tablet Category

Apple	Archos	Asus	Camangi	Cisco
Dell	ExoPC	Fujitsu	HP	Lenovo
Mobile Demand	Open Peak	Panasonic	Sony	Tablet Kiosk
Toshiba	Villiv			

eReader Category

Aluratek	Amazon	Bebook	Barnes & Noble	Bookeen
Cool Readers	Ectaco	Entourage Edge	Hanvon	Irex
Kobo	Onyx	Pandigital	Pocketbook	Samsung
Sony	Spring Designs			

Appendix: Sites Included in Computer Referrals

Retailers

Amazon	Best Buy	Circuit City	Comp USA	Costco	CDW
eBay	Frys	Newegg	Office Depot	Office Max	Radio Shack
Sam's Club	Staples	Target	Tiger Direct	Walmart	

Review

cNet	BusinessWeek	Buzzillions	Consumer Reports	Consumer Search	Digital Trends
Engadget	Epinions	Gizmodo	Laptop Logic	Laptop Mag	Microsoft PC Scout
Notebook Check	Notebook Review	PC Mag	PC World	Test Freaks	Gadget Mix
Netbook Reviews	Table PC Review	Ebook reader review			

Price Comparison

Bizrate	Calibex	Deal News	My Simon	Nextag	Price Seekers
Price Grabber	Price Scan	Price Spider	Price Watch	Retrevo	Shopper
Shopping	Yahoo Shopping	Shopzilla	Shop Compare		

Social Media – same as TV Referrals

Search – same as TV Referrals

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