Online for Consumer Electronics:
Online Shopping & Purchasing

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The NPD Group, Inc.
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NPD GROUP
Behind Every Business Decision

Who is NPD?

We are a global provider of consumer and retail sales information across 14 industry sectors

- Retail Sales Tracking
- Consumer Tracking
- Topical Reports
- Targeted Consumer Surveys
- Advanced Analytics

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Key Partners

Higher Standards meijer Lower Prices

BJ's WHOLESALE CLUB

amazon.com

BEST BUY

Sam's CLUB

Office DEPOT Taking Care of Business

TARGET

hhgregg appliances & electronics

OfficeMax

ELECTRONICS expo

Sears Life. Well Spent.

FredMeyer

STAPLES that was easy.

kmart

RITZ CAMERA

AAFES Army & Air Force Exchange Service

ABC WAREHOUSE THE CLOSEST THING TO WHOLESALE

American Furniture • Electronics • Appliances

RadioShack.

Nebraska Furniture Mart You'll Find It Here For Less

ULTIMATE ELECTRONICS & APPLIANCES

Abt Pleasing People...Since 1936

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Pamida

Flanner's.com

SHOPKO my life. my style. my store.

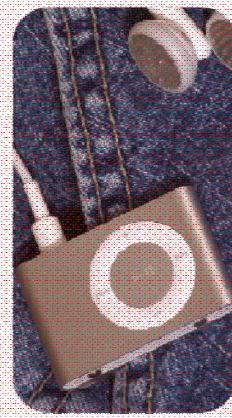
U.S. Online Panel

- Nearly 3 million consumers
- Over 20 million surveys fielded each year

Industry Sectors

AUTOMOTIVE BEAUTY COMMERCIAL TECHNOLOGY CONSUMER TECHNOLOGY ENTERTAINMENT FASHION FOOD & BEVERAGE













FOODSERVICE HOME OFFICE SUPPLIES SOFTWARE SPORTS TOYS WIRELESS

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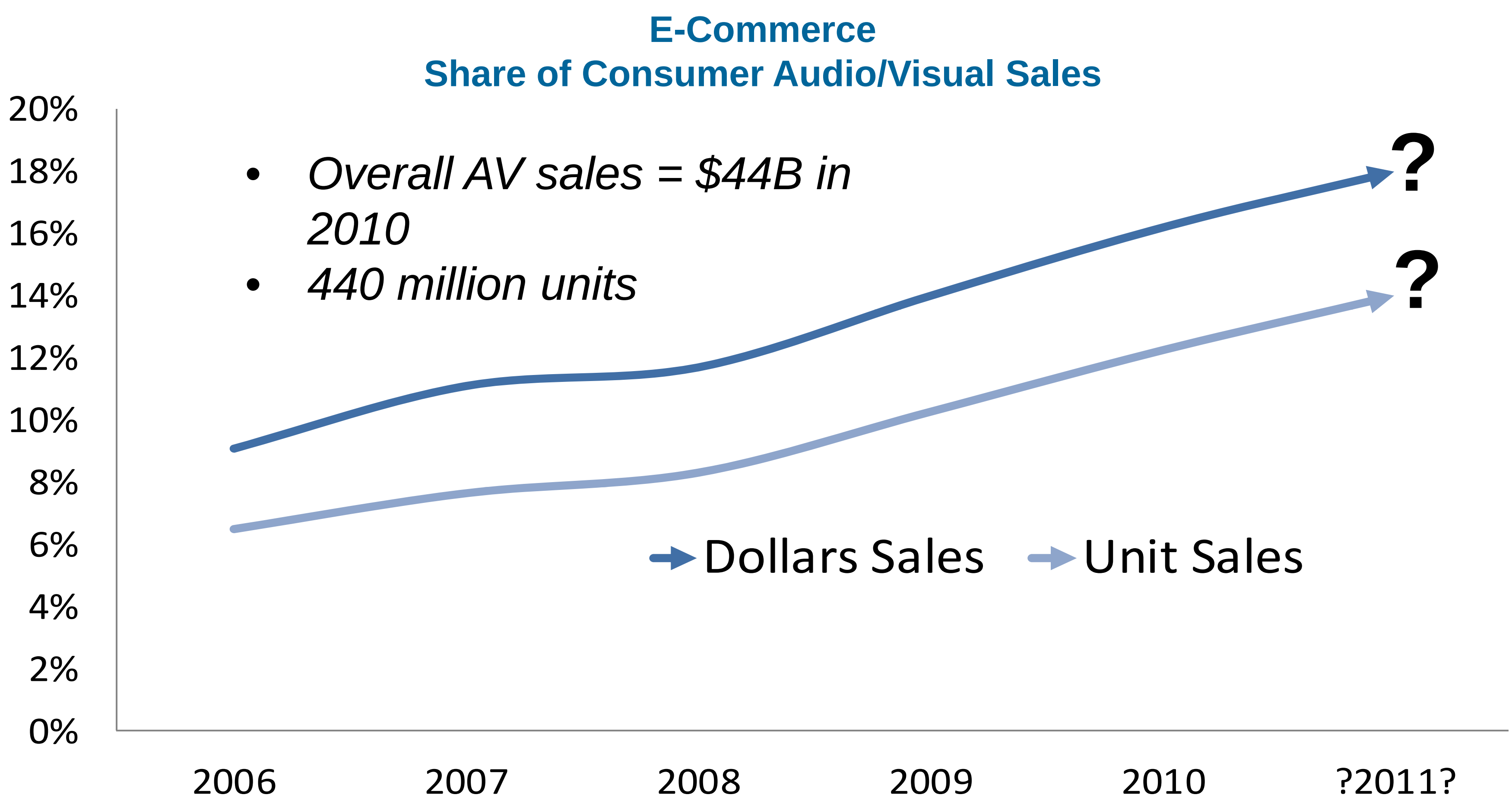
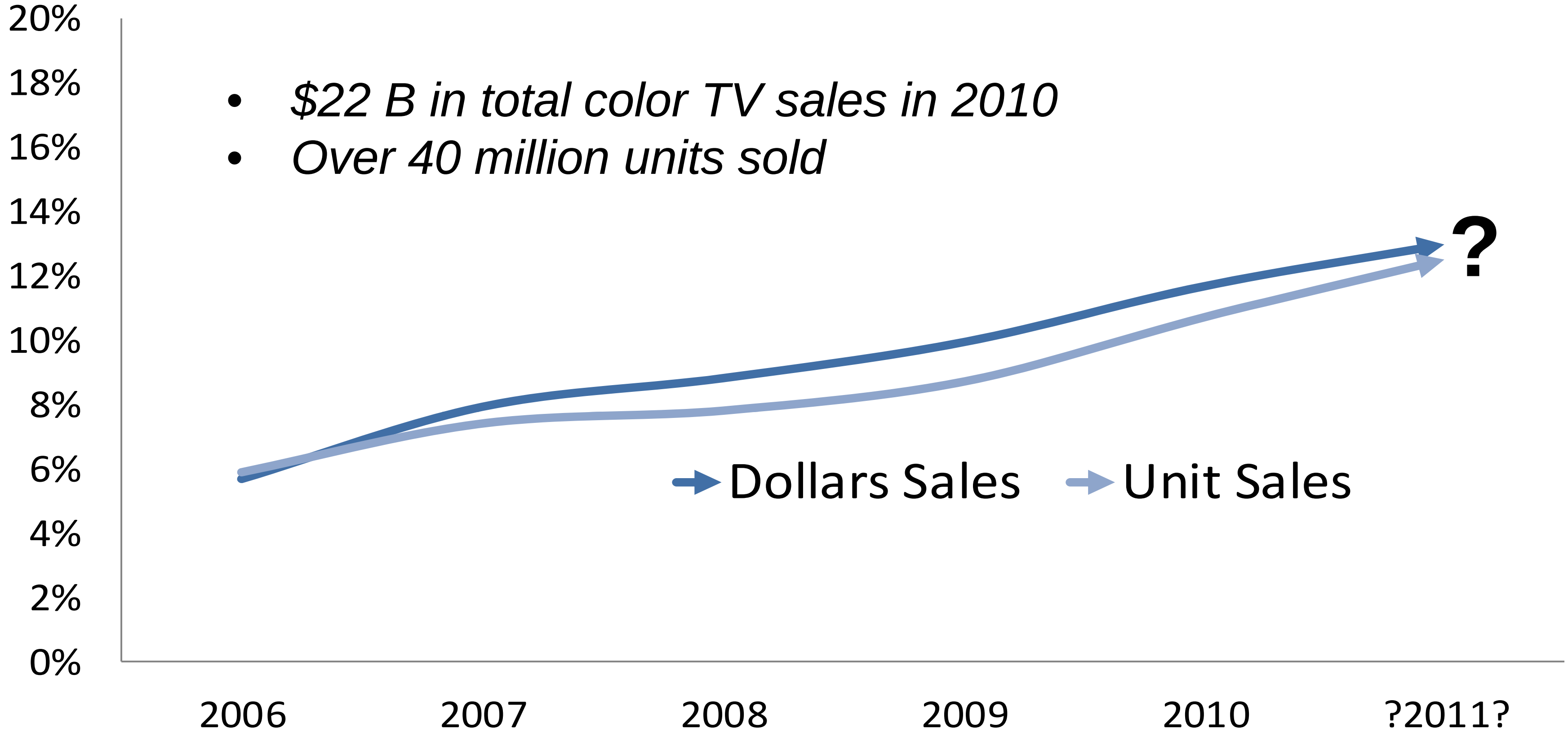
E-Commerce has consistently grown as a sales channel for consumers in the audio/visual technology category



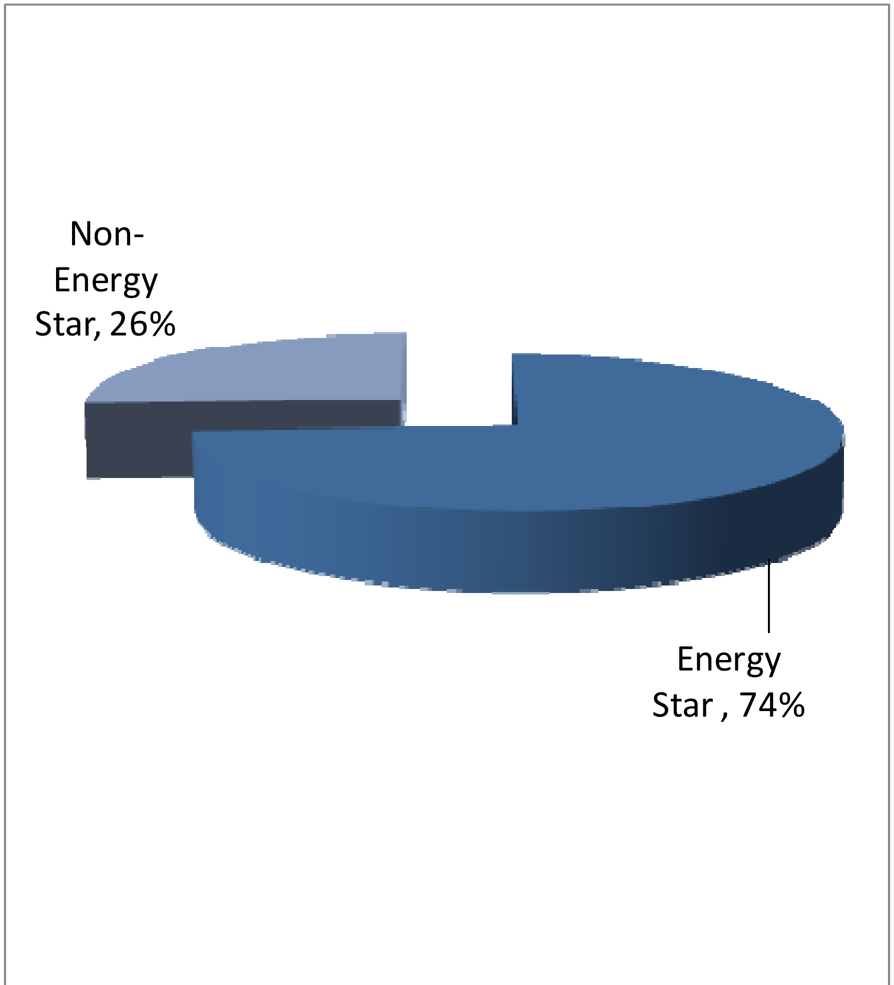
While not as large of percentage of total sales, e-commerce is important channel in TV sales

E-Commerce
Share of Flat Panel/LCD/Plasma Sales

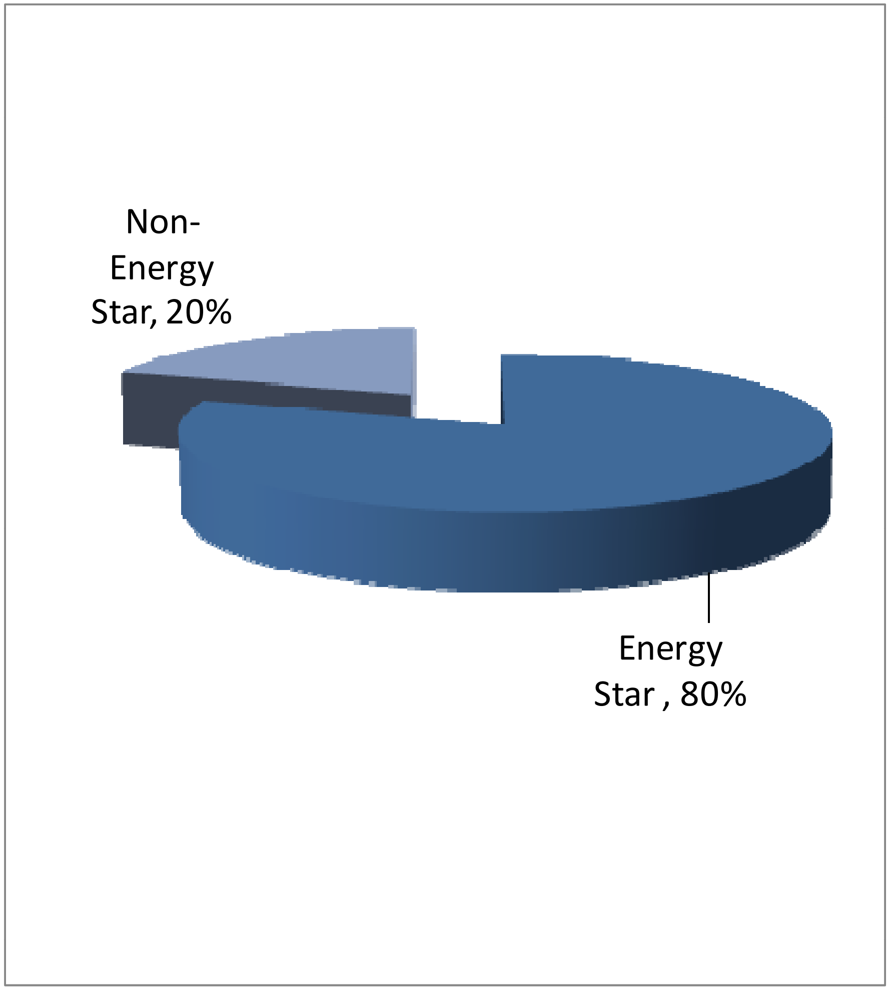


In Q3 of 2011 a greater % of flat panel TV purchases online were Energy Star, compared to sales from traditional Bricks and Mortar stores.

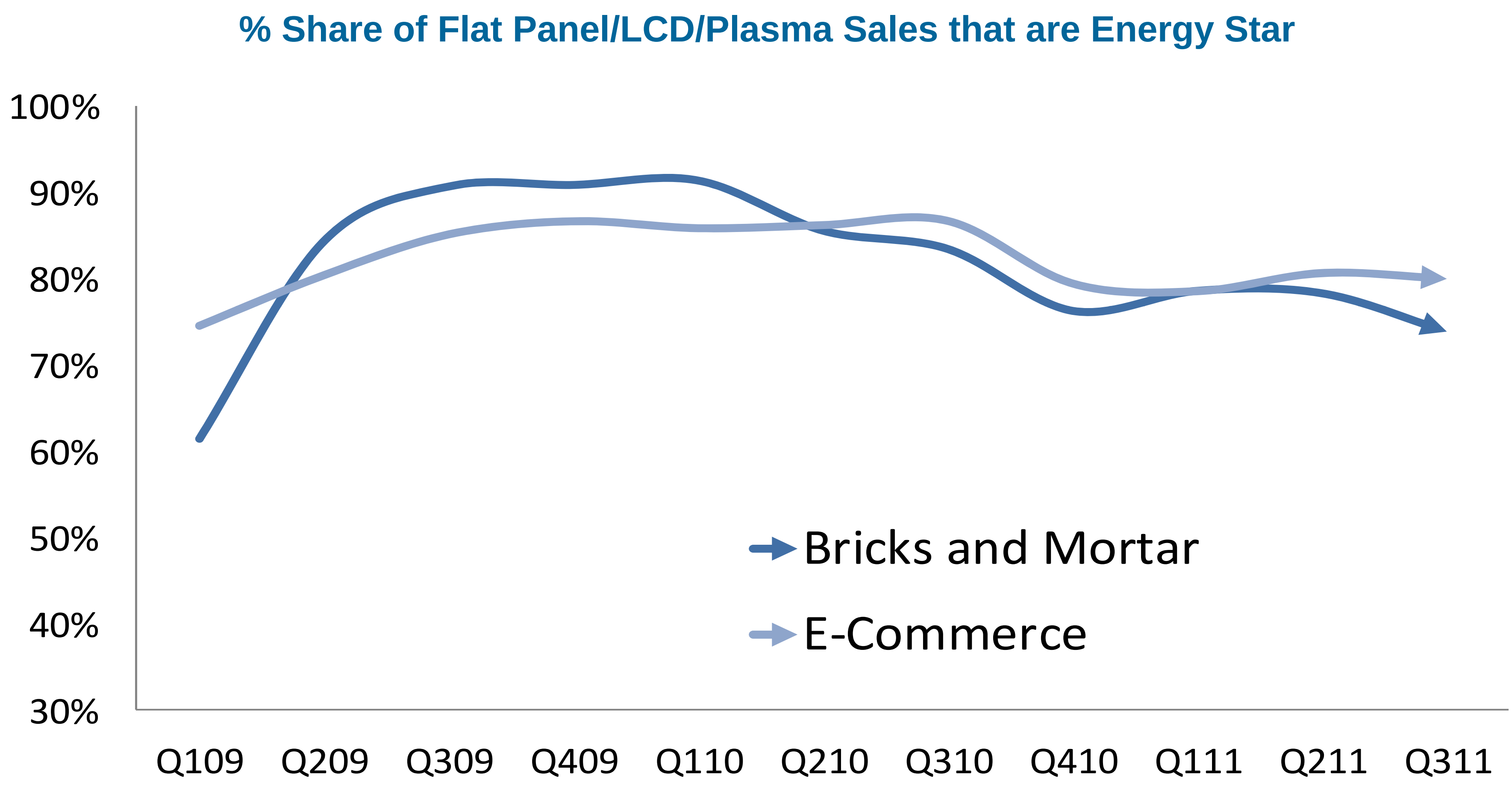
Percentage B&M Purchases Energy Star



Percentage Online Purchases Energy Star

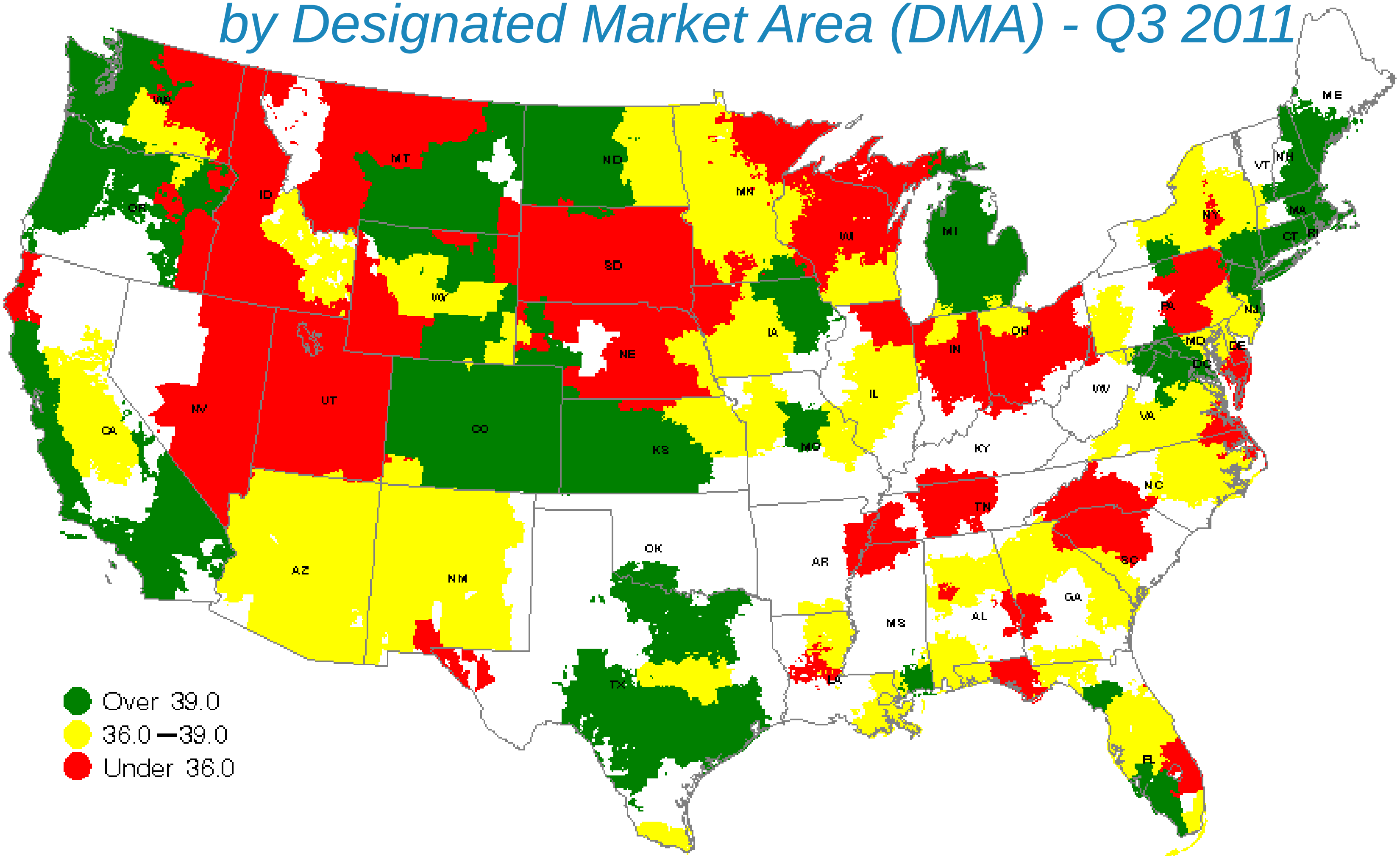


Overall Energy Star sales through Bricks and Mortar are declining since late 2009



Strong regional patterns in Energy Star 5.3 adoption

Energy Star 5.3 Unit Share of Flat Panel TV
by Designated Market Area (DMA) - Q3 2011



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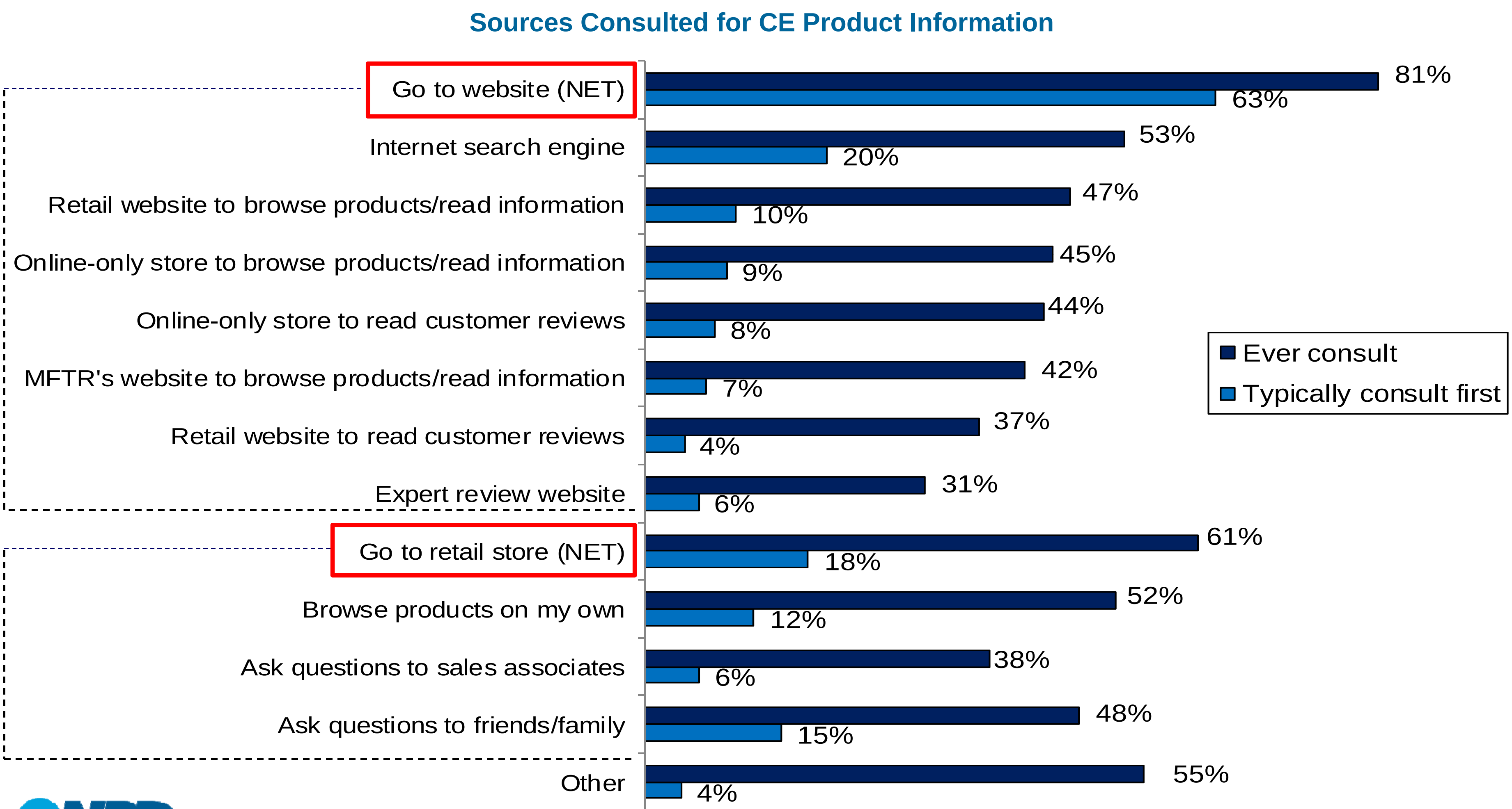
Source: The NPD Group/Market Tracking Service

What Does this Mean?

- If a growing portion of all sales of consumer electronics, like TVs, occur online, it will be increasingly necessary to have a strong presence online.
- This doesn’t mean just advertising.
- Displays and pos itioning on e-commerce sites, review sites and shopping portals will play an important role in both the online purchase AND the in-store purchase.
- You must be present for the pre-purchase research.

Consumers in the market for CE products are significantly more likely to consult a website than a retail store for necessary product review and background

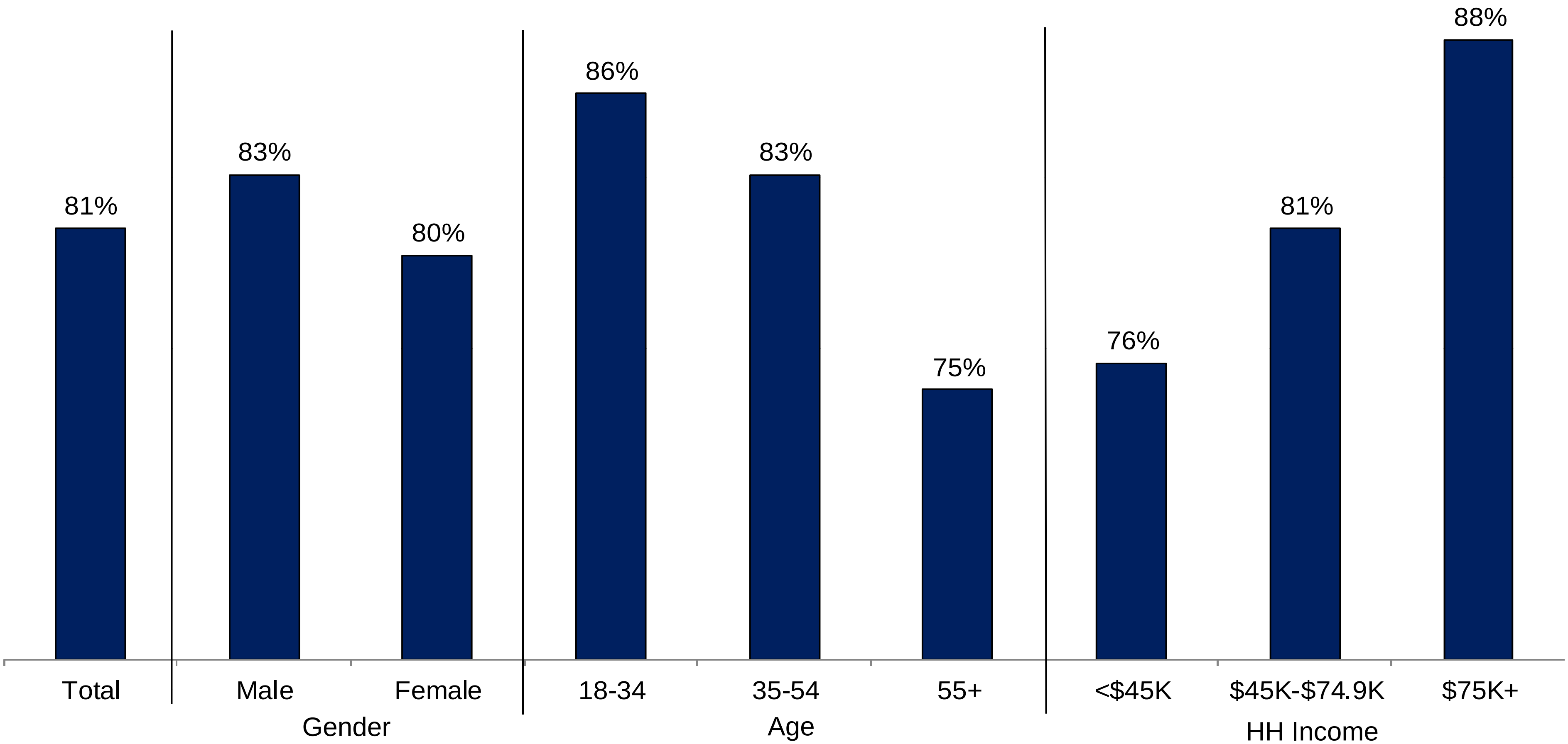


Base = US Rep consumers 18+ (n=1326)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

Overall, approximately four-in-five consumers have shopped for or researched CE online.

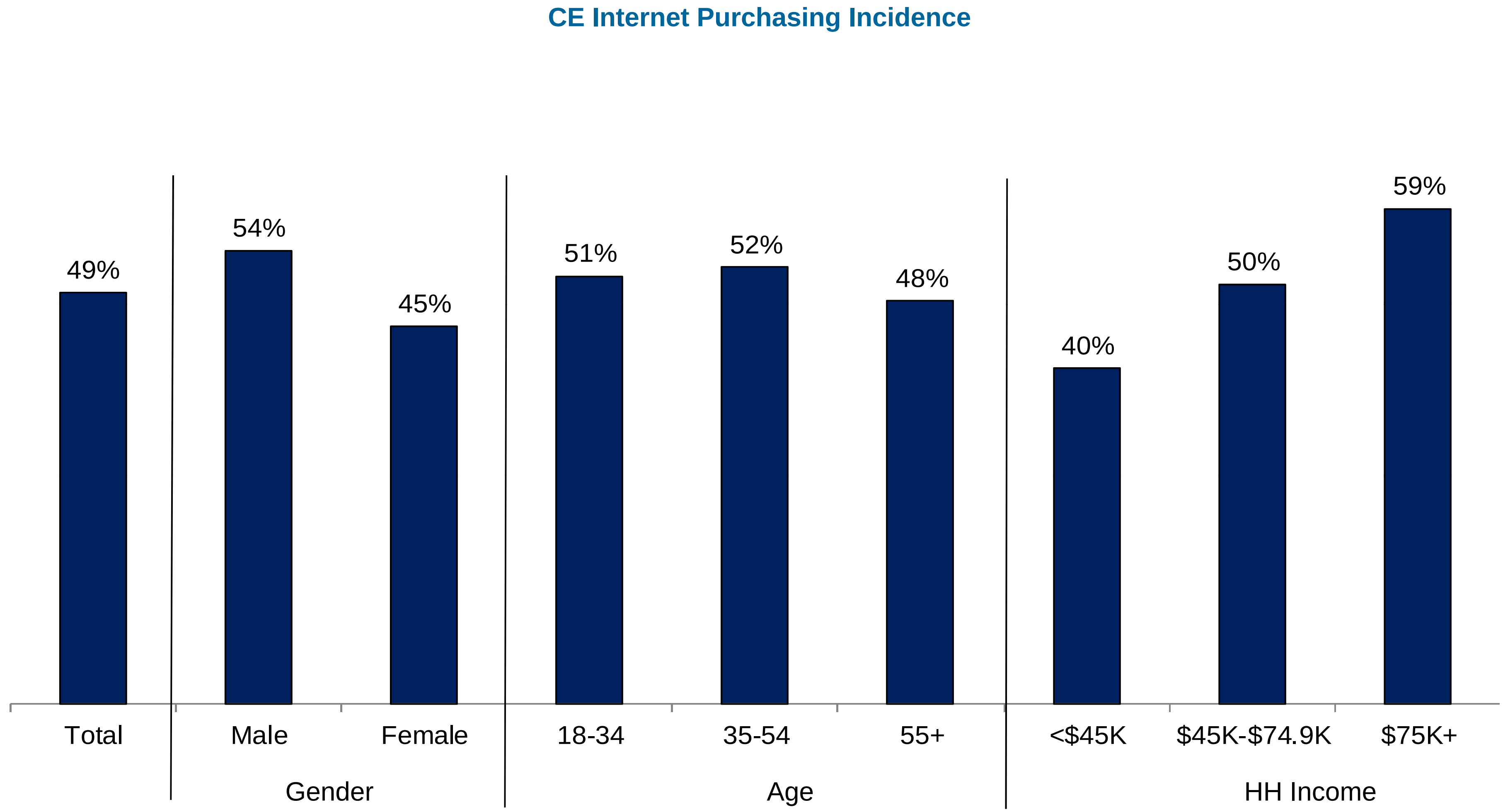
CE Internet Shopping/Researching Incidence



Base: US Rep consumers 18+ (n=1326), Male (n=656), Female (n=670), 18-34 (n=408), 35-54 (n=491), 55+ (n=427), <$45K (n=506), $45K-$74.9K (n=310), $75K+ (n=509)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

Approximately half of the US consumers surveyed have ever purchased a CE product online.



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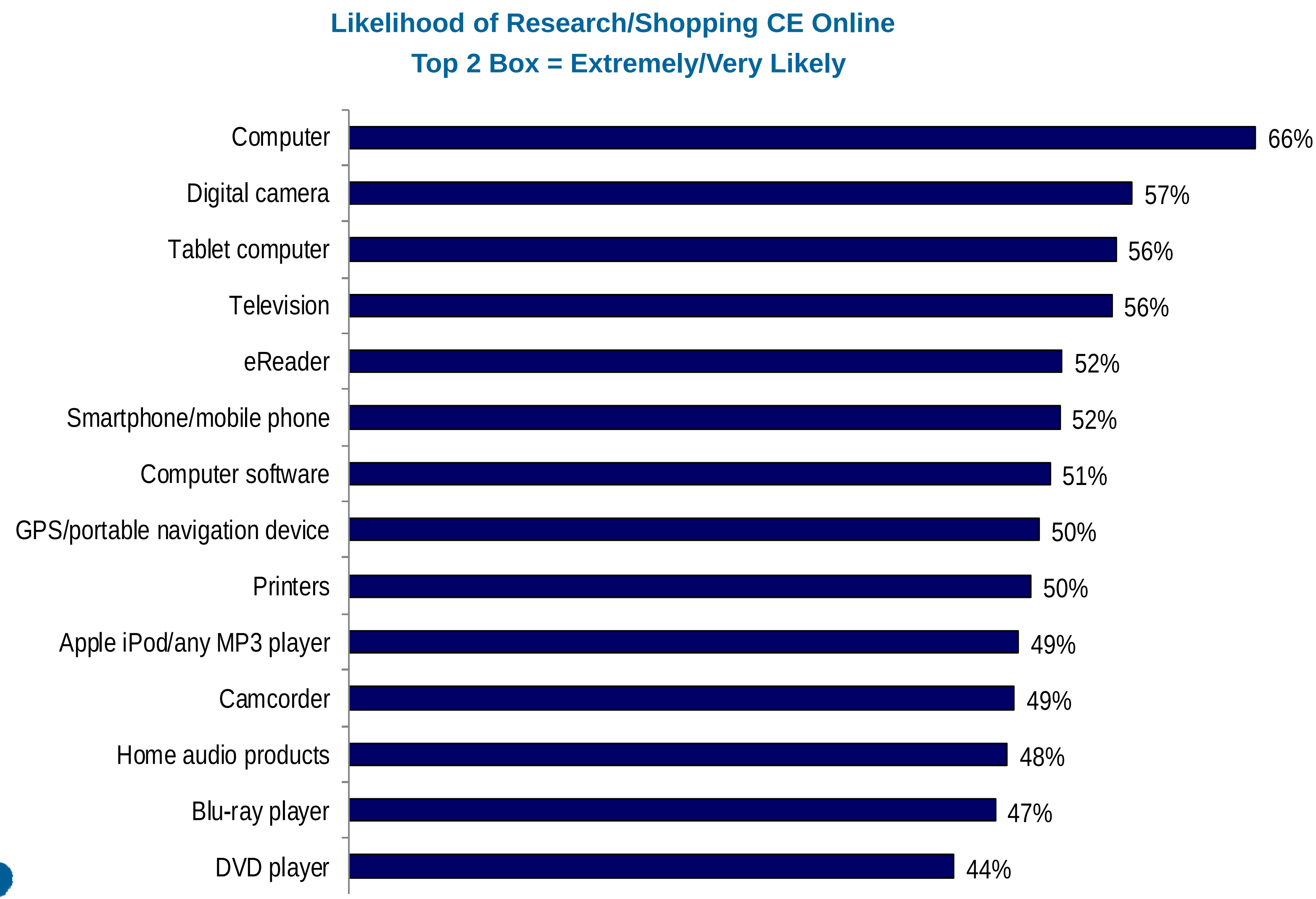
Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

Computers are the CE product most likely to be research/edshopped online, followed by digital cameras, tablets and televisions.



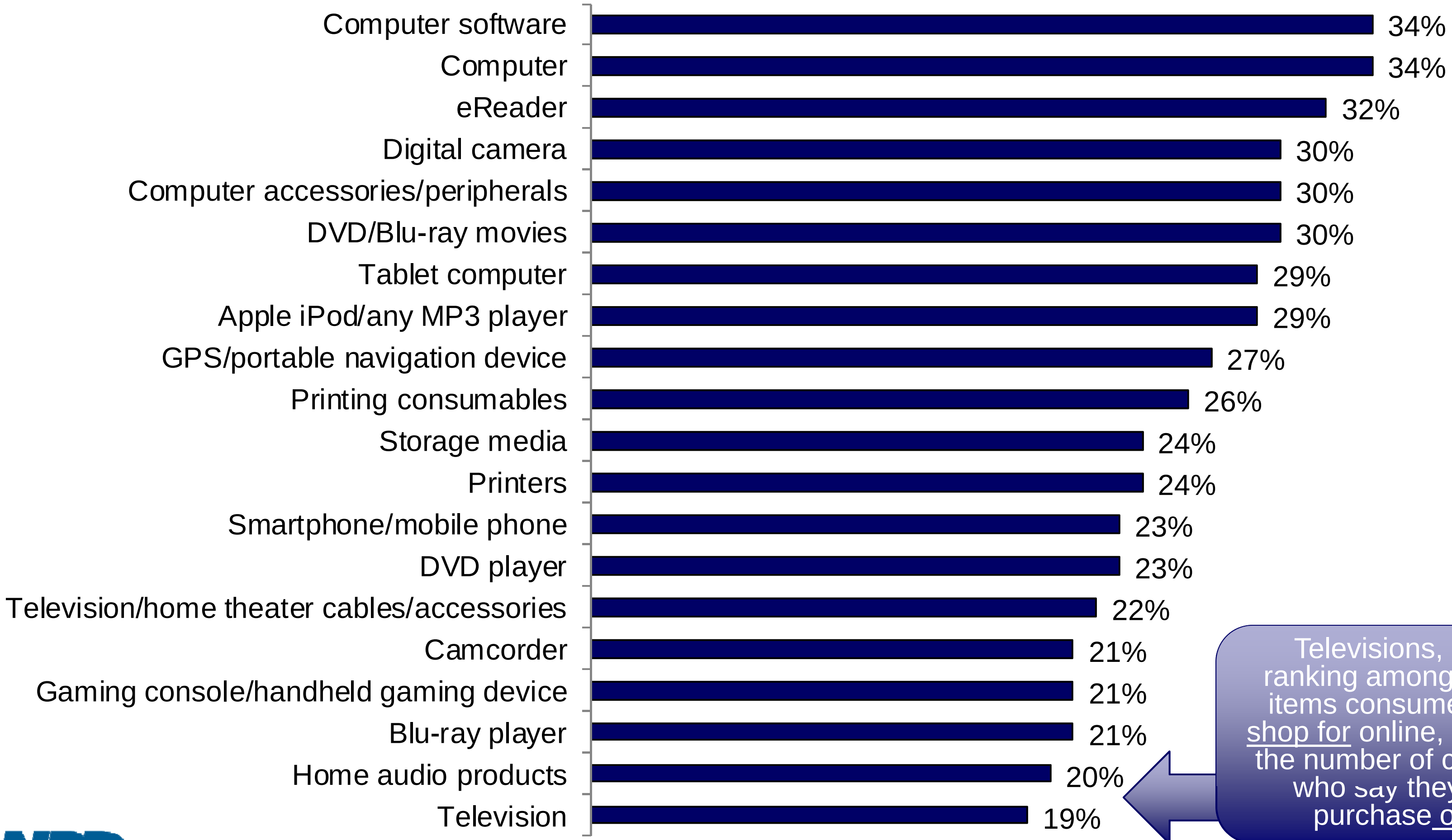
Base: Ever shopped CE online (n=1079)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

Computers and software are the items consumers say they would be most likely to purchase online if they were in the market.

Q5. Now, how likely would you be to actually purchase these products on the Internet if you were in the market for each of these devices below?

Likelihood of Purchasing CE Online
Top 2 Box = Extremely/Very Likely

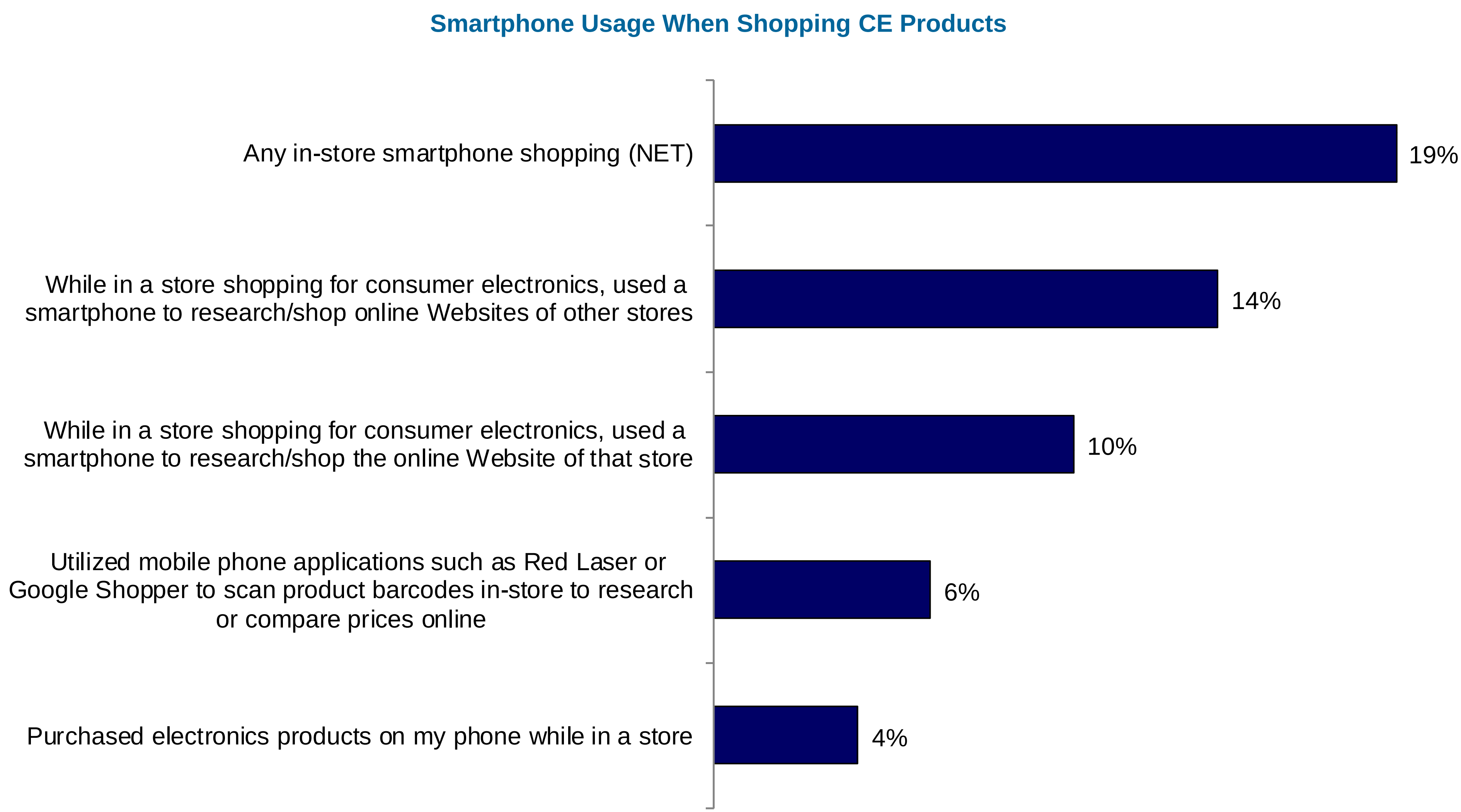


Televisions, despite ranking among the top 3 items consumers would shop for online, rank last in the number of consumers who say they would purchase online.

Base: Ever shopped CE online (n=1079)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

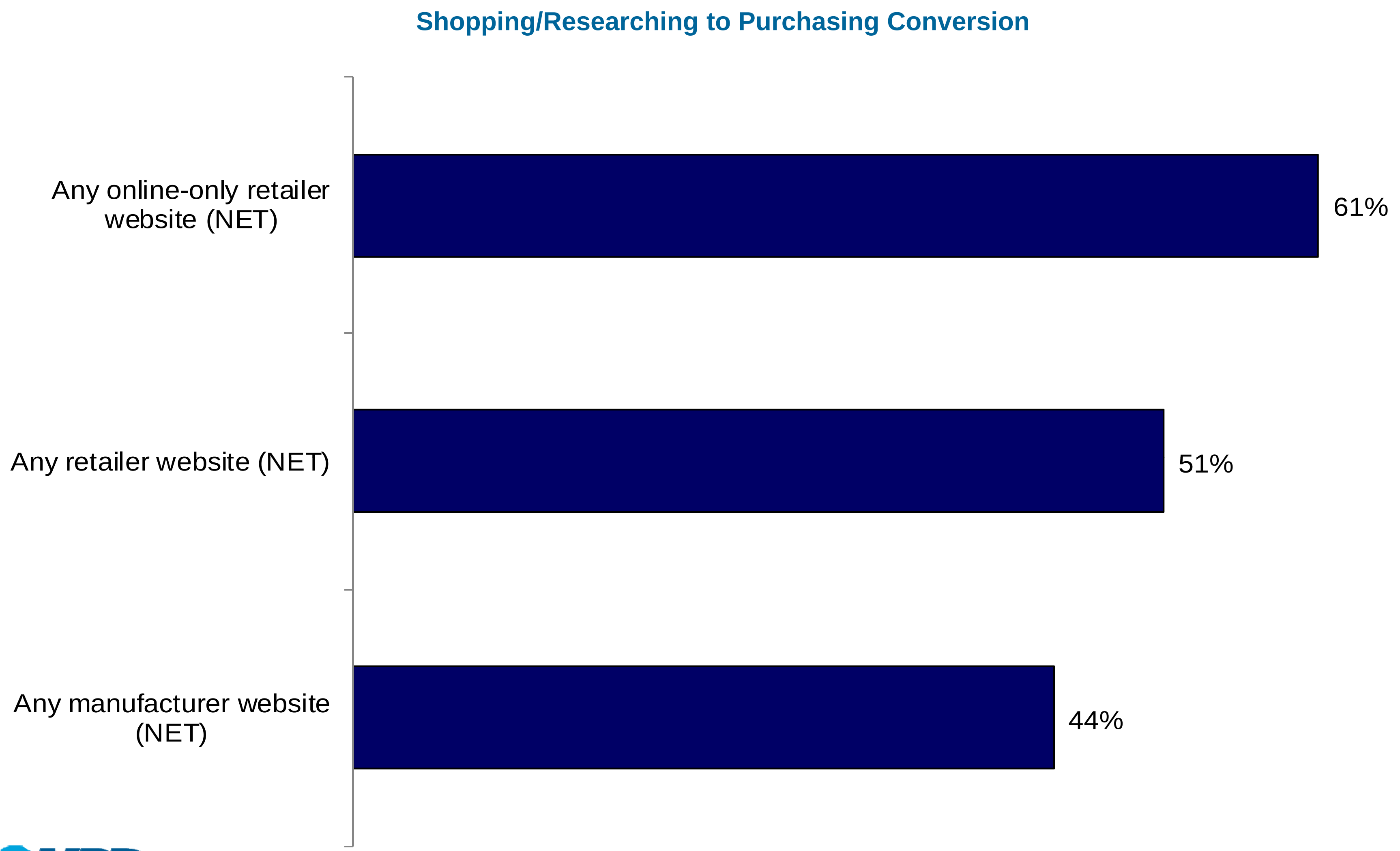
19% of respondents who have ever shopped CE products online have utilized a smartphone when in the store to do so.



Base: Ever shopped CE products online (n=1079)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

Online-only retailers are more successful than retailer websites and manufacturer websites at converting CE product shoppers/ researchers into purchasers.

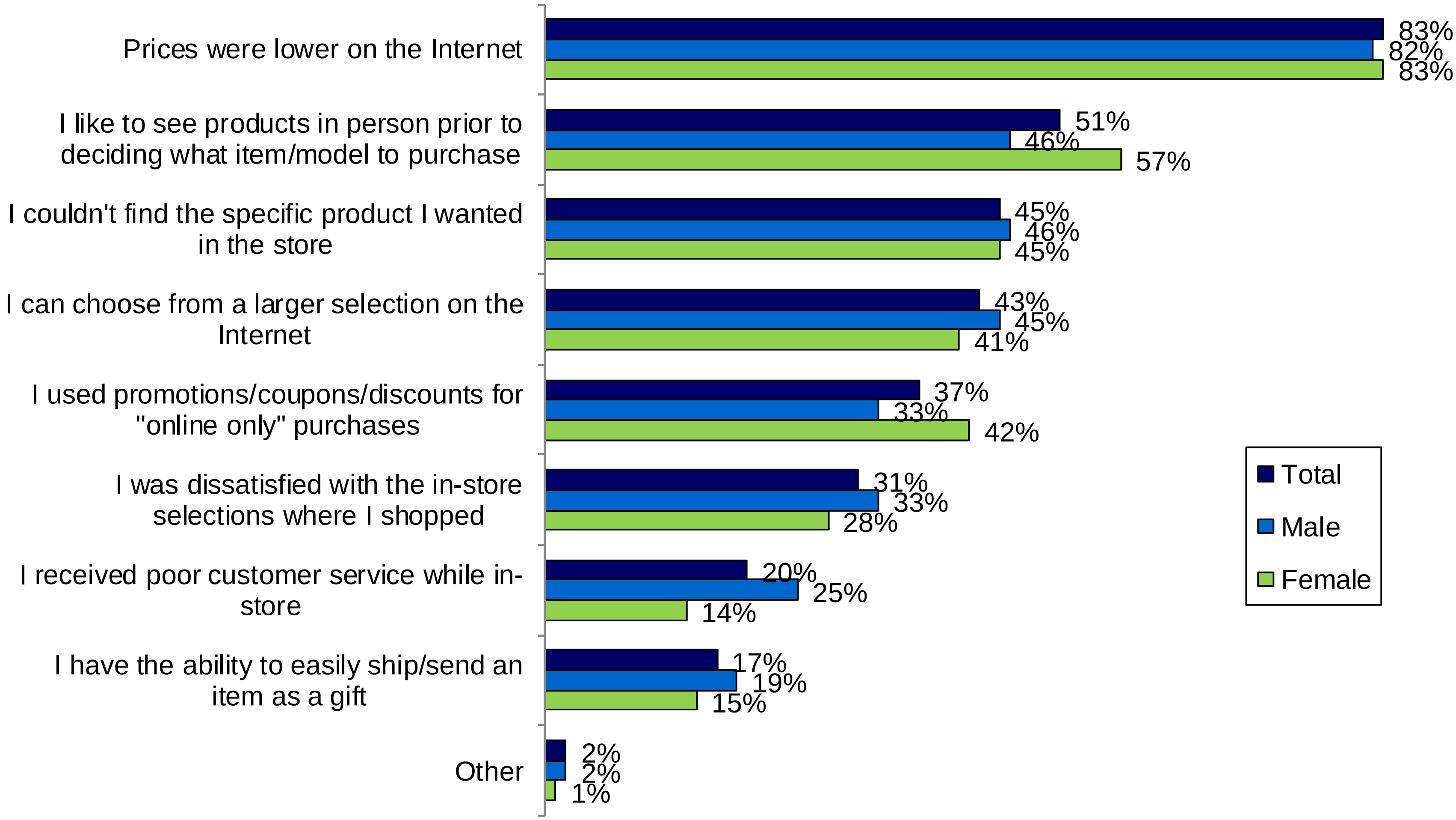


Base: Ever shopped CE products online (n=1079), Ever purchased CE online (n=655)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

Lower prices are the leading driver for bringing in-store CE shoppers to ultimately make their purchase online.

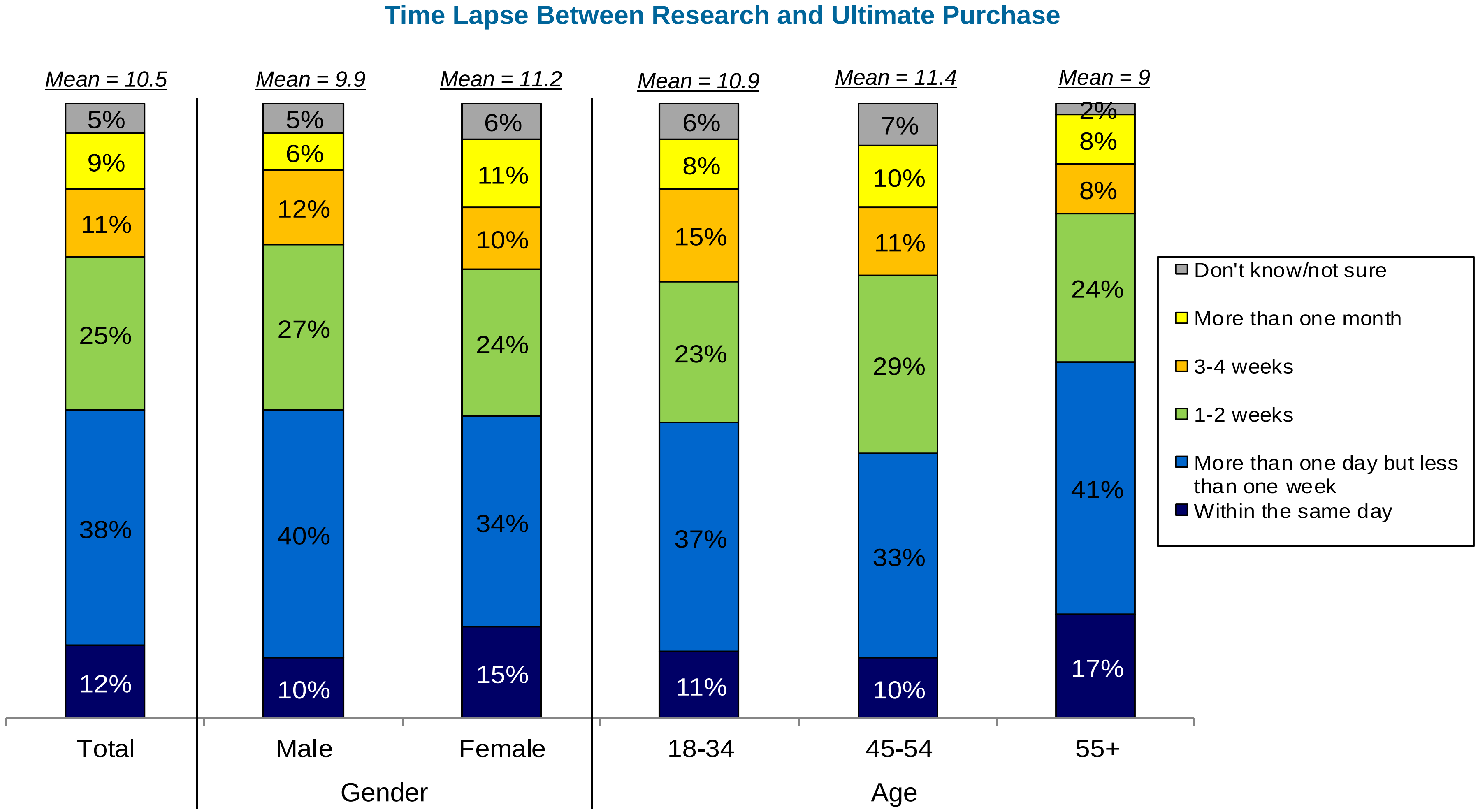
Reason for Shopping In-Store but Purchasing Online – by Gender



Base: Shopped in-store/purchased online (n = 336), Male (n=178), Female (n=158)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

The window to close an online sale of a CE product averages nearly 11 days. Males push the "order button" a day earlier than females on average.



Base: P12M CE purchaser (n = 473), Male (n=252), Female (n=220), 18-34 (n=143), 35-54 (n=182), 55+ (n=147), $<45K (n=145), $45K-$74.9K (n=114), $75K+ (n=214)

Source: The NPD Group / e-Commerce and Consumer Electronics: Online Shopping & Purchasing, June 2011

What does this mean for Energy Star and Consumer Electronics?

- Don't stop In store/On Product placement of logo and information.
- Messaging needs to communicate the $. Make it part of the economics of the purchase.
- Provide online retailers the materials to connect their online product listings to Energy Star information.
- Continue efforts for greater online presence and reviews.

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Thank you!

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