

THE FAVORITE 50

Consumers' list of preferred online retailers includes new standouts by KAREN M. KROLL

While the titans of online retailing — Amazon, Wal-Mart and eBay — remain customer favorites, the extent to which consumers put them at the head of their lists has declined, albeit slightly.

That's one of the findings from the eighth annual consumer survey by Prosper Insight & Analytics identifying the online retailers that consumers most frequently name as their favorites. The survey also examines differences among consumers by age, income level and gender.

"These top retailers are still very much top of mind, but over the past year or so, consumers have grown more comfortable with online shopping in general," says Pam Goodfellow, principal analyst with Prosper. As a result, they're more inclined to try new retailers than they have been in the past.

In fact, one retailer — discount shopping site Zulily.com — made its inaugural appearance in the top half of the list. "To come from out of nowhere to [number] 21 is a testament to consumers' willingness to try new retailers," Goodfellow says. "They're branching out."

Eight other retailers are also new to this year's list, including EddieBauer.com (34), JCrew.com (36) and Wayfair.com (43).

Correspondingly, nine retailers fell out of the ranking, including women's apparel retailer Coldwater Creek, which filed for bankruptcy protection in April. Another was Aéropostale, which, like many teen retailers, has struggled recently; its sales for the quarter ending May 3 dropped about 12 percent from a year earlier. The Children's Place was another casualty; its sales declined by nearly 4 percent between the first quarter of 2013 and the same period in 2014.

TOP 50 MOVEMENT

Among retailers that made the top 50 both last year and this year, a handful made significant jumps forward: American Eagle leapt from No. 28 to No. 14; Lowes.com jumped from No. 31 to No. 15; and LaneBryant.com moved from No. 41 to No. 20.

Conversely, a few fell by similar margins.

Overstock.com dropped from No. 15 to No. 29, while Yahoo.com fell from No. 25 to No. 39.

To be sure, Amazon continues its dominance. More than half of survey respondents — 56.4 percent — listed the \$74 billion company as their favorite. "Amazon.com has become almost a de facto search engine for a lot of consumers," Goodfellow says. That means other retailers have to compete even more forcefully just to get shoppers to their sites. "They have to cut through the noise," she says.

Accomplishing that often means making extra efforts to remain in contact with current customers through e-mail, promotions and limited-time specials, Goodfellow says. The goal is to remain top of mind so consumers are more likely to return to the website.

After Amazon, Walmart.com placed second, with 12.7 percent of respondents naming it their favorite; third-place finisher eBay captured 6.3 percent of respondents' answers. The online shopping destination just edged out Kohl's (6.2 percent) and Best Buy (6.1 percent).

BOOMERS VERSUS MILLENNIALS

Along with the overall results, slicing and dicing the numbers reveals some demographic differences. Among Millennials, Target edged

Triggers to start consumer online searches

Face-to-face communication	45.0%
Coupons	33.1
TV / broadcast	28.8
Cable TV	27.7
Read an article	25.7
Magazine	25.6
E-mail advertising	23.7
Newspaper	22.2
Direct mail	21.1
Internet advertising	20.4
Radio	18.8
In-store promotions	18.7
Advertising inserts	17.9
Online communities / social media	15.1
Text messaging	11.7
Mobile device / cell phone	10.4
Blogs	8.6
Outdoor billboard	7.7
Instant messaging	7.7
Yellow pages	3.3
None of the above	16.1

Source: Prosper Insights & Analytics Media Behaviors & Influence Study

2014 Favorite 50

Rank	Retailer	2013 Rank	Main Product
1	Amazon.com Seattle	1	general merchandise
2	Walmart.com Bentonville, Ark.	2	general merchandise
3	eBay.com San Jose, Calif.	3	online marketplace
4	Kohls.com Monomonee Falls, Wis.	4	apparel
5	BestBuy.com Richfield, Minn.	5	electronics
6	Macys.com Cincinnati	8	apparel
7	Target.com Minneapolis	6	general merchandise
8	JCPenney.com Plano, Texas	7	apparel
9	Sears.com Hoffman Estates, Ill.	9	general merchandise
10	Google.com Mountain View, Calif.	11	information
11	OldNavy.com San Francisco	10	apparel
12	LLBean.com Freeport, Maine	14	apparel
13	LandsEnd.com Dodgeville, Wis.	12	apparel
14	AE.com/American Eagle Pittsburgh	28	apparel
15	Lowe's.com Mooresville, N.C.	31	hardware
16	QVC.com West Chester, Pa.	21	general merchandise
17	Nordstrom.com Seattle	24	apparel
18	Kmart.com Hoffman Estates, Ill.	13	general merchandise
19	Express.com Columbus, Ohio	36	apparel
20	LaneBryant.com Mahwah, N.J.	41	apparel
21	Zulily.com Seattle	N.R.	online marketplace
22	Gap.com San Francisco	19	apparel
23	Home Depot.com Atlanta	18	hardware
24	Forever21.com Los Angeles	17	apparel
25	VictoriasSecret.com Columbus, Ohio	26	apparel
26	Zappos.com Las Vegas	20	footwear
27	WomanWithin.com New York	16	apparel
28	Costco.com Issaquah, Wash.	40	general merchandise
29	Overstock.com Salt Lake City	15	general merchandise
30	Newegg.com City of Industry, Calif.	29	electronics
31	Nike.com Beaverton, Ore.	34	sporting goods
32	BedBathandBeyond.com Union, N.J.	27	home goods
33	Blair.com Warren, Pa.	23	apparel
34	EddieBauer.com Bellevue, Wash.	N.R.	apparel
35	Belk.com Charlotte, N.C.	39	apparel
36	JCrew.com New York	N.R.	apparel
37	OneStopPlus.com New York	45	apparel
38	Bing.com Bellevue, Wash.	N.R.	information
39	Yahoo.com Sunnyvale, Calif.	25	information
40	Haband.com Oakland, N.J.	22	apparel
41	RossStores.com Pleasanton, Calif.	44	apparel
42	BananaRepublic.com San Francisco	49	apparel
43	Wayfair.com Boston	N.R.	home goods
44	Dillards.com Little Rock, Ark.	48	apparel
45	HM.com (US) New York	N.R.	apparel
46	Groupon.com Chicago	N.R.	online marketplace
47	SamsClub.com Bentonville, Ark.	47	general merchandise
48	NoMoreRack.com New York	N.R.	general merchandise
49	Torrid.com City of Industry, Calif.	N.R.	apparel
50	TJMaxx.com Framingham, Mass.	46	general merchandise

N.R. Not ranked in 2013 Top 50

Source: Monthly Consumer Survey, June 2014; Prosper Insights & Analytics

out eBay.com for third place, capturing 7.3 percent of the vote; eBay came in fourth with 6.8 percent. Kohl's landed in sixth place, after BestBuy.com.

Among Baby Boomers, Kohls.com took third place with 7.2 percent of the vote, BestBuy.com landed in fourth and eBay came in at fifth. Target.com showed up in ninth place.

Another difference between the generations: Millennials appear more loyal to their favorite online retailers than Boomers. While both groups put Amazon.com first, 62.2 percent of

Favorite Online Retailers
by Age Group

	Millennials	Boomers
1	Amazon.com	Amazon.com
2	Walmart.com	Walmart.com
3	Target.com	Kohls.com
4	eBay.com	BestBuy.com
5	BestBuy.com	eBay.com
6	Kohls.com	JCPenney.com
7	Macys.com	Macys.com
8	JCPenney.com	Sears.com
9	AE.com/American Eagle	Target.com
10	Express.com	LLBean.com

Source: Prosper Insights & Analytics Monthly Consumer Survey

Millennials ranked it first versus 52.9 percent of Boomers. Similarly, while Walmart.com came in second on both lists, it captured 14.2 percent of Millennials' votes and 12.9 percent of Boomers.

Along with generational differences, a few distinctions between the genders can be seen as well. While both sexes placed Amazon at the top of the list in almost equal proportions — its breakdown was 49.5 percent male and 50.5 percent female — women and men differed on Walmart.com and eBay.com. Walmart.com shoppers were 45.4 percent male to 54.6 percent female; for eBay.com, it was almost the reverse — 56.5 percent male and 43.5 percent female.

“Walmart likely attracts more moms heading up family and budget-oriented households,” Goodfellow says. “eBay likely attracts a male shopper who is more often driven to make a unique purchase.”

Another distinct point of difference among the top three was the average income levels of their consumers. Amazon.com captured the greatest share of consumers with incomes of



however, a sizable minority of consumers indicated that they want to see and feel the items before making purchases. Nearly half research apparel purchases while in the store; the number for home décor is 28.4 percent.

Mobile devices have become a research tool as well. About one in seven shoppers uses a mobile device to research purchases of apparel and elec-

The Favorite 50 is a list of e-commerce websites ranked by the consumers who use them. Worthington, Ohio-based Prosper Insights & Analytics asked two open-ended, write-in questions about online shopping of 6,246 adult consumers:

- What website do you shop most often for apparel items?
- What website do you shop most often for non-apparel items?

No merchants' names were listed or suggested, and the list was compiled by ranking online retailers in order of total mentions. Some of the listed companies are not retailers in the traditional sense, but because consumers don't make such distinctions they are included in the Favorite 50.

more than \$50,000: Such shoppers made up 58.9 percent of their customer base, compared with 49.4 percent for eBay and 34.3 percent for Walmart.com. "While Amazon is getting the lion's share of consumers, it's also getting very desirable ones," Goodfellow notes.

BEHAVIOR

The survey's look into the behavior of online shoppers revealed some interesting — and surprising — results. While marketing tactics like coupons, magazine and television ads and direct mail all ranked high as "triggers" that prompted shoppers to initiate online searches for an item, face-to-face communication came in first; it was mentioned by 45 percent of respondents. As Goodfellow points out, even though so much communication has gone digital, consumers still rely on input from those they know and trust.

Among the least-effective triggers were yellow page advertisements, which were mentioned by just 3.3 percent of respondents, and outdoor billboards and instant messaging, both of which were mentioned by 7.7 percent of respondents.

And although many consumers still research products in bricks-and-mortar stores, a significant portion are checking them out online. That's especially true for electronics. More than half of respondents — 53.6 percent — research big-ticket electronics like televisions and computers online, while slightly less than half — 48.7 percent — do so for smaller electronics like tablets and e-readers.

When shopping for apparel and home décor,

trionics, while slightly smaller percentages do so for beauty products and home décor.

Product reviews also play a critical role in a sizeable percentage of purchases. More than one in five (22 percent) regularly read and use them to decide between products, while one-third do so occasionally.

For bricks-and-mortar retailers, showrooming should be a real concern. Although a healthy percentage (43.9 percent) say they never purchase from another retailer's website after leaving the store, 19.1 percent regularly do. Similarly, although 46.1 percent said they never purchase from another retailer using their device, 18.6 percent do so regularly.

These are slightly less than the numbers that will compare prices and purchase from another retailer's physical store. About 23 percent do so regularly, while 41.4 percent never do.

Two factors are driving showrooming, Goodfellow says. One is simply the ease with which consumers can do it, given that most now carry smartphones. The other is the lingering impact of the recession. Many consumers are trying to stretch their budgets as far as they can.

Thus, while the retailers that appear at the top of the survey have remained consistent over the past few years, online shopping continues to change. "Retailers can pop up and be disrupters," Goodfellow says. "It's a rapidly changing environment for retailers big and small." **STORES**

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