

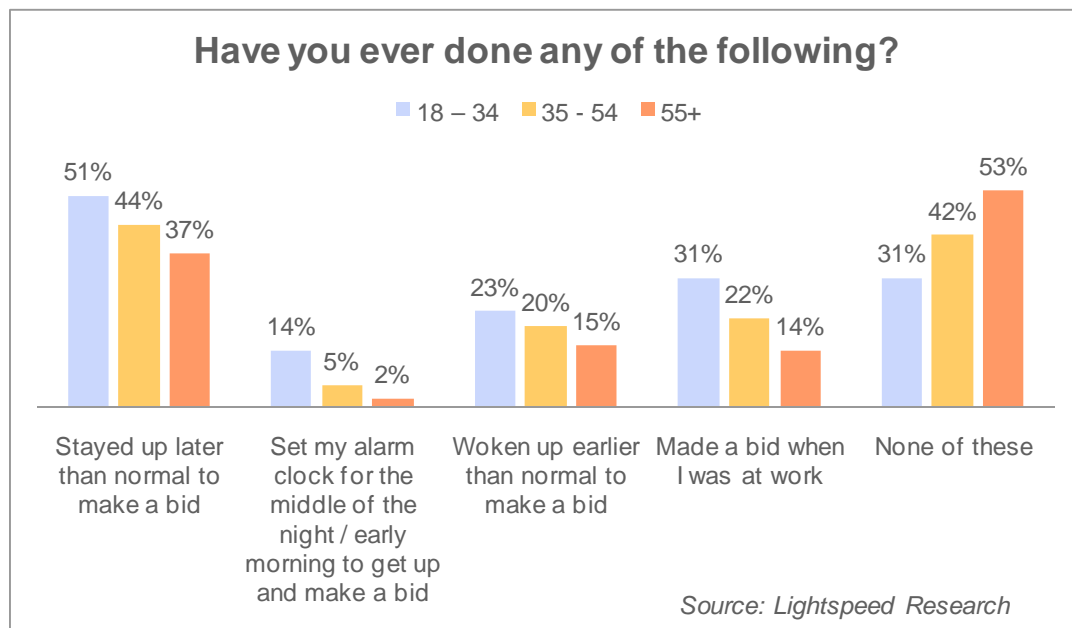
Online auction addicts buy more new than old

London (April 28th, 2010) – Online auction sites such as eBay may once have been considered the ultimate global second hand sale, but new data from Lightspeed Research, a leading online global research provider, show that more often than not, it's new goods that are going under the virtual hammer. According to the survey, 62% of people who use online auction sites bid on more new items than second hand. A quarter bid only on new items and only 6% buy second hand items exclusively.

Rave reviews and ratings crucial to selling success

Although new goods now dominate auction sites, it is private individuals rather than stores who are seeing the most trade. Micro enterprises account for the large majority of transactions: 87% of consumers in our survey have bid for items listed by a private individual while stores attracted custom from 59% of respondents. While the majority of sellers can't offer their potential customers the security of a well-known and trusted brand name, reputation plays a crucial part in the buying process.

Chart 1

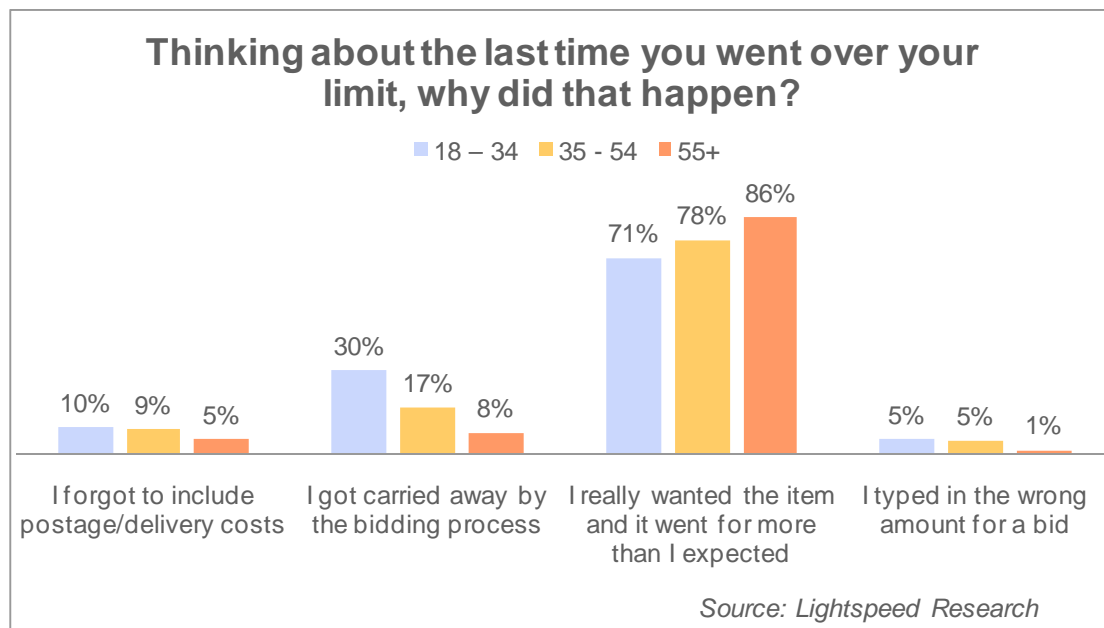


Two thirds of respondents say that they always check seller ratings before making a purchase and one third would always change their mind about a purchase if there were just one poor rating or review. Most respondents (65%) are prepared to give sellers the benefit of the doubt and say that it would take a lot of bad reviews to put them off buying from a particular seller.

Auction addicts

Bargain hunter instincts attract people to online auction sites with low prices being identified as the main driver, followed by convenience and ease. One in four love the thrill of the bidding process and almost half (45%) admit to staying up late in order to place a bid. Few are such die-hard auction addicts to consider waking up in the middle of the night to place a bid, although 8% say their obsession with securing an item has led them to set their alarm in the dead of night. 18-34 year olds are more likely to have been bitten by the auction bug: 51% admit to staying up late to make a bid, 23% to getting up earlier than normal and a hard core of 14% setting their alarm clock to bid in the middle of the night. (Chart 1)

Chart 2



Respondents overwhelmingly believe that they are getting a bargain online – 81% believe that they have never paid more on an auction site than they would in a store. Price checking is a common activity – 60% of respondents compare online auction prices with other retailers or online stores “whenever possible” before making a

purchase, and just under half always set themselves a limit before bidding on an item.

Over the limit

49% occasionally go over their self-imposed limit of what they are prepared to pay for an item, while a highly disciplined 48% say that they never succumb to the temptation. When respondents do overshoot their own limit, it's usually because they've set their heart on the item and it goes for more than expected (77%), compared to the 21% who get carried away in the bidding process. Older bidders are more likely to pay more for an item because they really want it. (Chart 2)

Buyer beware

While the results show that consumers are happy to purchase items from individuals, for many the process is not without its problems. Nearly a quarter (23%) have returned an item because it was wrongly described and almost a half (49%) have requested a refund via PayPal or a buyer protection scheme because the article didn't arrive or wasn't as expected. 17% admit to having been caught out by fakes.

And finally, human error has its part to play with 9% of respondents admitting to forgetting to factor in postage to the final cost and 4% to paying more than they expected by mistyping a bid.

Ralph Risk, European Marketing Director says "We knew buying on auction sites like eBay was popular, but the number of people using auction sites to buy only new items is surprising. As many independent shops selling hobby and specialist products continue to close down on our high streets, it appears that the demand for what they sell has not disappeared – it has just moved online. And although Brits can buy unwanted vintage crockery, antiques, old cars and interior furnishings, it is the new items like DVDs, toys, books and clothes that are the most popular buys."

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About Lightspeed Research

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