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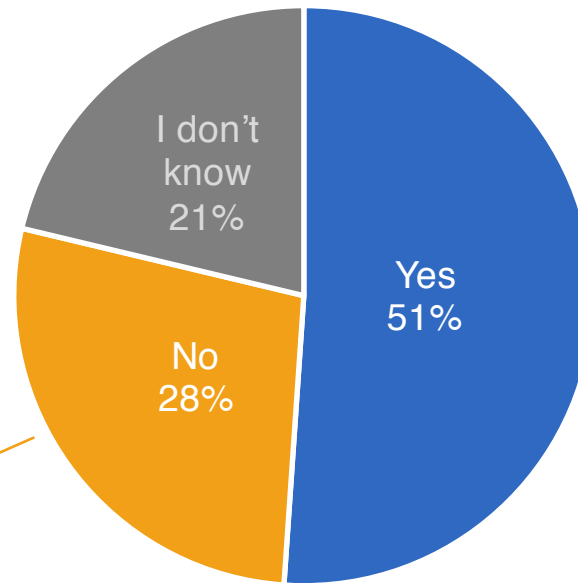
The Impact of Sales Tax on E-Commerce

Better Insights. Smarter Marketing.

Half of online buyers pay sales tax

Did you pay sales tax on the purchase
you just made from this retailer?

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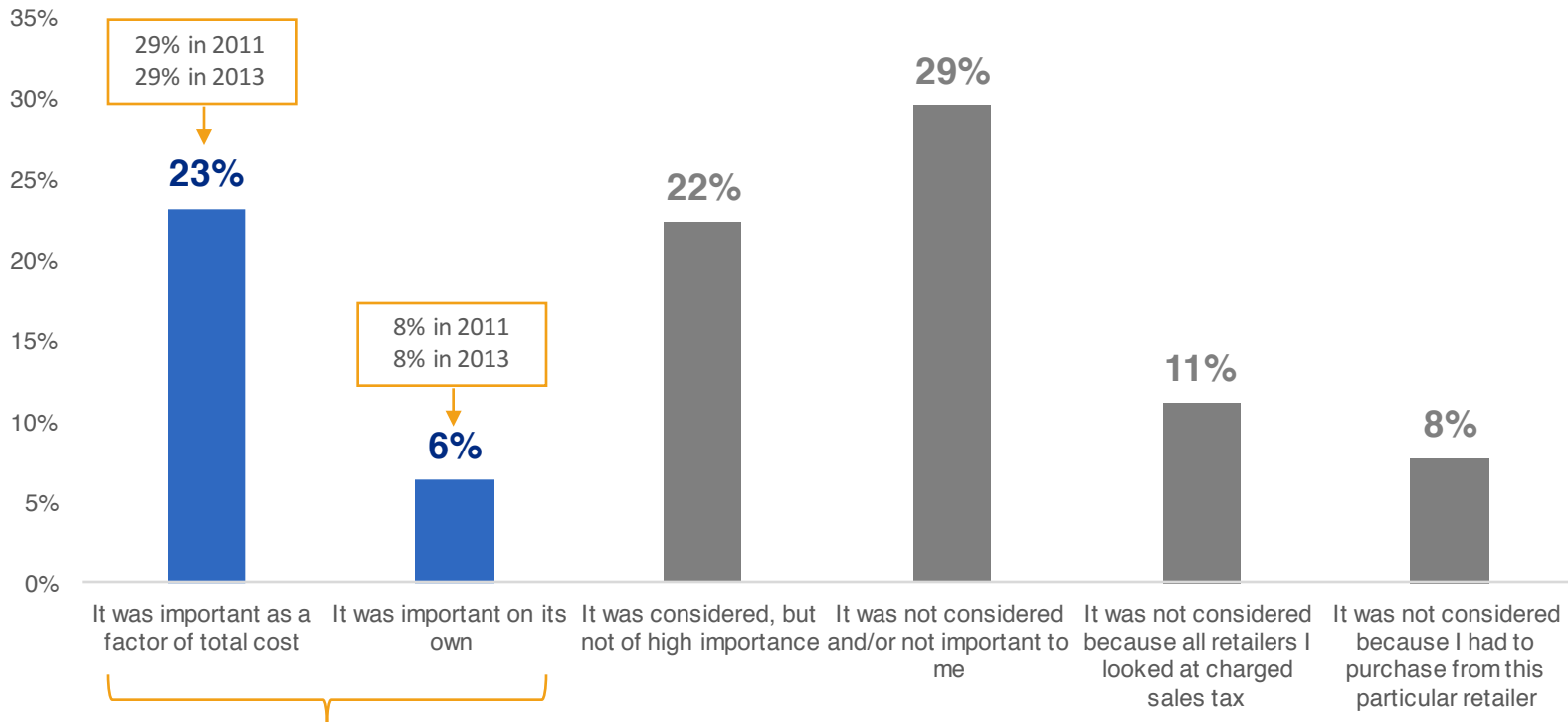


25% of those who did not pay sales tax live in a state where sales tax is never charged on this type of purchase.

Overall, sales tax not a leading consideration in choosing from which retailer to purchase

Only 29% of online buyers find sales tax important in 2016, down from 37% in 2013.

How important was sales tax (or lack thereof) in your decision to purchase from this retailer today?
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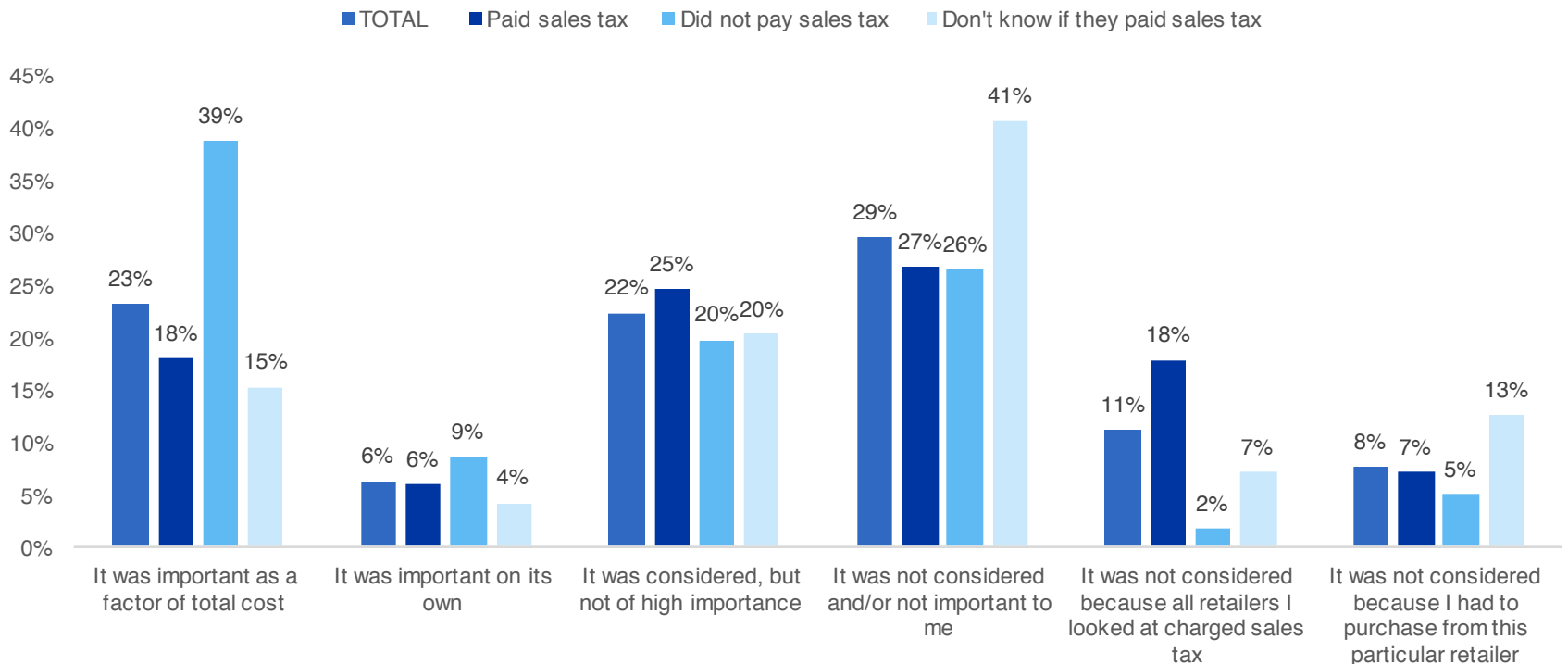
37% in 2011 and 2013 versus 29% in 2016

Bizrate Insights Question: How important was sales tax (or the lack thereof) in your decision to purchase from [retailer name] today? n=6,184 August 2016

However buyers are polarized over importance **bizrate** insights

Nearly equally sized groups find tax important with respect to total cost versus finding it so unimportant that they don't even recall if they just paid it.

How important was sales tax (or the lack thereof) in your decision to purchase from this retailer today?
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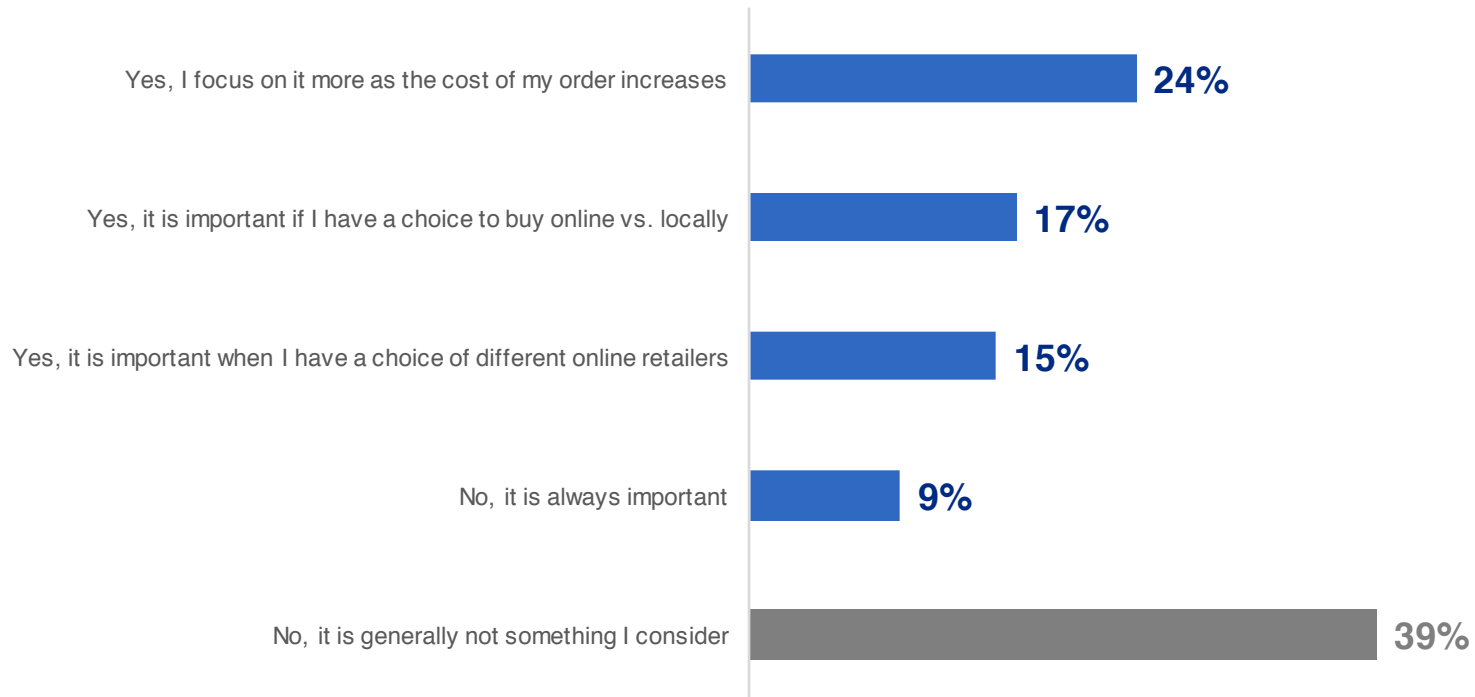
Bizrate Insights Question: How important was sales tax (or the lack thereof) in your decision to purchase from [retailer name] today? n=6,184 August 2016

Sales tax importance may change by purchase **bizrate** insights

Total order cost is the biggest factor than may increase importance

Does the importance of sales tax change depending on the purchase you are making online?

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Bizrate Insights Question: Does the importance of sales tax change depending on the purchase you are making online? n=6,156 August 2016

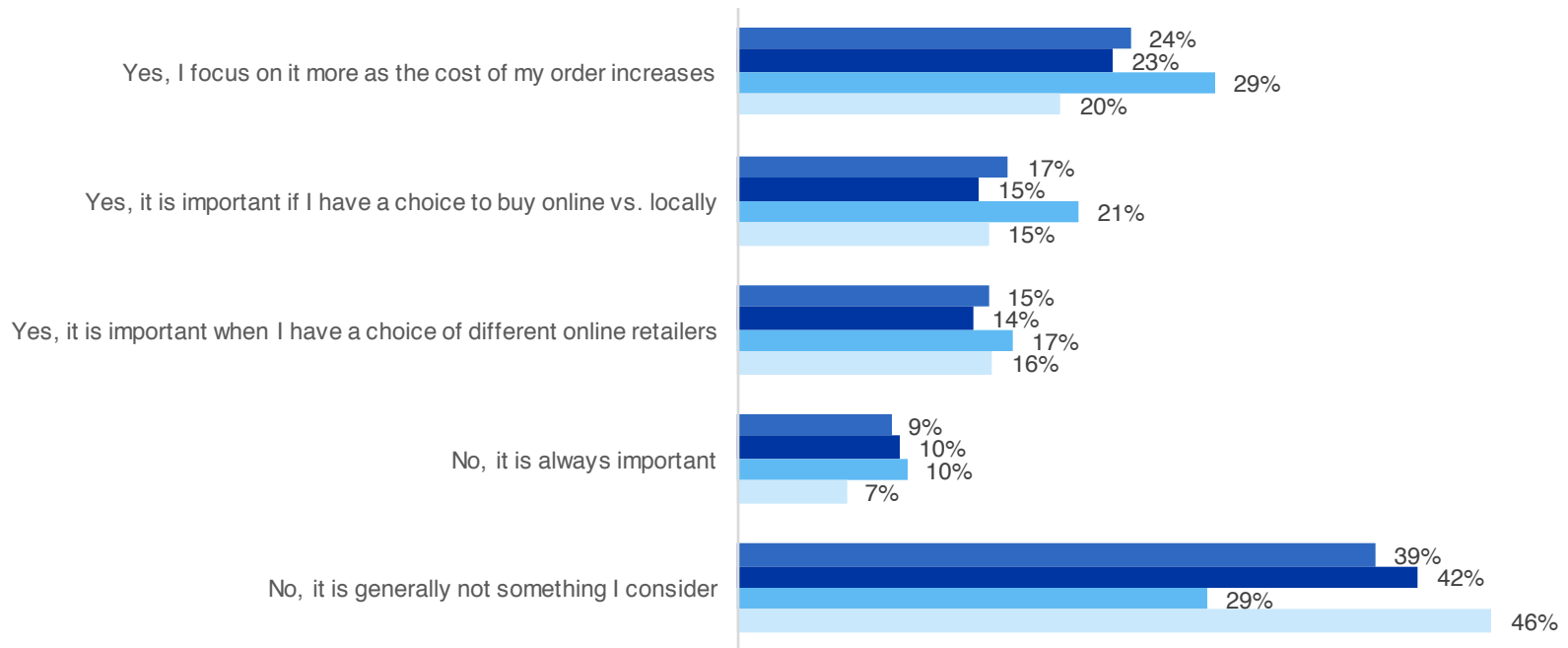
The “No Tax” group may look beyond cost

Reasons beyond cost may become important for future hypothetical purchases

Does the importance of sales tax change depending on the purchase you are making online?

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■ Total ■ Paid sales tax ■ Did not pay sales tax ■ Don't know if paid sales tax



Bizrate Insights Question: Does the importance of sales tax change depending on the purchase you are making online? n=6,156 August 2016

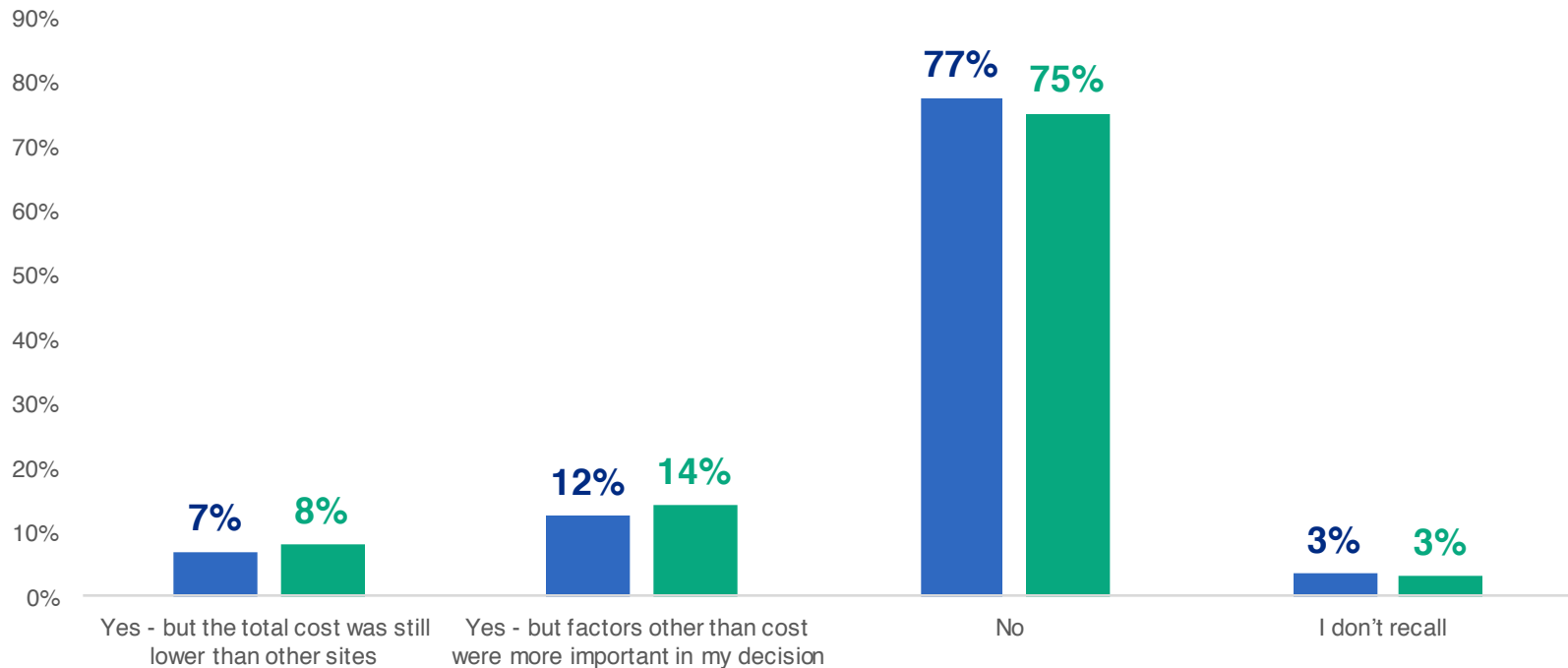
Abandonment consideration is down

Fewer buyers considered abandoning their purchase due to sales tax.

Did you consider not buying from this retailer today due to the sales tax?

Segment = those who paid sales tax
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■ 2016 ■ 2011



Bizrate Insights Question: Did you consider not buying from [retailer name] today due to the sales tax? Segment = those who paid sales tax. n=3,153 August 2016, n=10,340 April-May 2011

42% wouldn't change purchase if charged tax

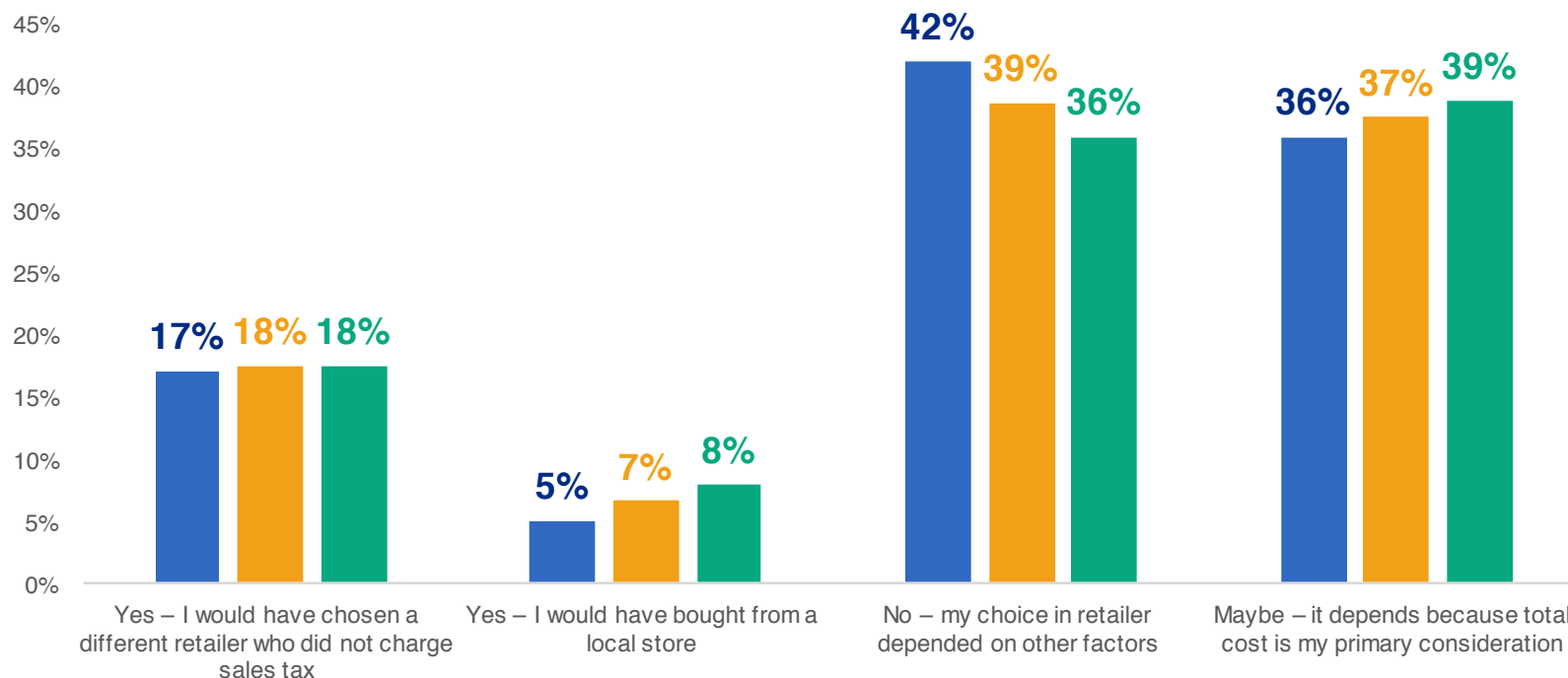
While that may change for higher value shopping carts, the overall trend is down

If the retailer from which you just purchased had charged sales tax on today's purchase, then would you have purchased from a different retailer?

Segment = those who did *not* pay sales tax

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■ 2016 ■ 2013 ■ 2011



Bizrate Insights Question: If [retailer name] had charged you sales tax on today's purchase, then would you have purchased from a different retailer? Segment = those who did not pay sales tax. n=1,702 August 2016, n=2,650 May 2013, n=8,871 April-May 2011

About this Study

The Bizrate Insights Sales Tax Studies were conducted via the Bizrate Insights survey platform and offered to online buyers immediately after purchasing from the Bizrate Insights Network of over 4,500 e-commerce retailers in the US and Canada. Data from each Sales Tax Study was collected from 6,216 online buyers from August 1-4, 2016, 10,086 online buyers from May 1 – 9, 2013, and from 34,022 online buyers from April 21 – May 31, 2011.

For 18 years, Bizrate Insights has helped retailers listen to their customers in a way that is fast and measurable, resulting in insights, action, conversation, and customer loyalty. The Bizrate Insights customer feedback and ratings platform allows retailers to collect seller ratings directly from verified customers immediately post-transaction. Standard ratings are published across the leading comparison shopping site, [Bizrate.com](http://bizrate.com), and syndicated across the web's largest search engines, such as Google and Bing, to help drive conversion and traffic. Collecting over 25 million surveys annually, Bizrate Insights is one of the largest sources of consumer-generated review content in the world, delivering actionable insights and valuable shopper data to key decision makers in e-commerce. Bizrate Insights is used by Internet Retailer Top 500 retailers, as well as smaller boutiques.

Visit <http://connexity.com/bizrate-insights/> to learn more about our FREE and paid buyer and site abandonment survey and reporting products.