



Welcome – Online Channel Update

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Agenda



- ChannelAdvisor Update
- Online Channel Update
 - Macro Trends
 - Marketplaces
 - Search
 - Shopping
- Introducing...



ChannelAdvisor Update



- 2005 Highlights
 - March 05 - Acquired Auktionmaster
 - Q205 – Opened UK office
 - July 05 – SearchMarketing acquisition
 - New HQ + datacenter
- Torrid y/y growth
 - CA Team – 60 to >180
 - Merchant customer base more than doubled
 - 100k listings/day 1yr ago, >300k listings/day today (208/m)
 - 10k checkouts/day 1yr ago, 25k today – Q405 peak – 31k/day (2.8s)
 - GMV > \$100m/m, Q405 - \$350m, \$1.4B/yr+
- Customer service
 - People
 - Infrastructure



Introducing – The Strategy and Support Center (SSC)



The screenshot shows the ChannelAdvisor Strategy and Support Center (SSC) website. The browser window title is "Strategy & Support Center > Home - Microsoft Internet Explorer provided by ChannelAdvisor Corporation". The address bar shows "https://ssc.channeladvisor.com/". The website has a dark blue header with the ChannelAdvisor logo and navigation links: Solutions, Services, Partners & Affiliates, Company, Resource Center, Contact Us, and Corporate Home. Below the header is a banner with the text "ChannelAdvisor Strategy and Support Center" and "Strategy and Support Center BETA". A navigation bar includes "Home" and "Support". The main content area is divided into several sections: "Welcome" (explaining the site's purpose and registration), "How-To" (with links for Tutorials, Feature Movies, and Merchant User Guide), "Contact Support" (providing answers to common questions), and "Strategy" (with links for White Papers, Webinars, and Discussion Forums). A "Popular Topics" section lists Shipping, International Shopping Channels, Advanced Filters, and ChannelAdvisor Stores. On the right side, there is a search bar, a system outage notification ("There are currently no known system outages."), and a login/register form with fields for User Name and Password, a "Remember Login" checkbox, and buttons for Login, Register, and Password Reminder. The status bar at the bottom shows "Done" and "Local intranet".



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Industry Update




Clash of the Titans



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2006 Online Channels – Clash of the Titans



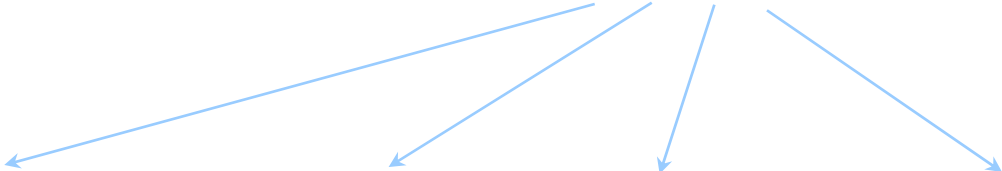
	Search	Shopping	Local	Marketplace	Payments	VOIP	Classifieds
	✓	✓	✓		x	✓	
	✓	✓	✓	✓	x	✓	✓
	x		x	✓			✓
IAC/InterActiveCorp	✓		✓	x	x	x	x
	✓	✓	x	x	x	✓	x
	✓	x	x	✓	✓	x	x
	✓	✓	✓	x	x	x	✓



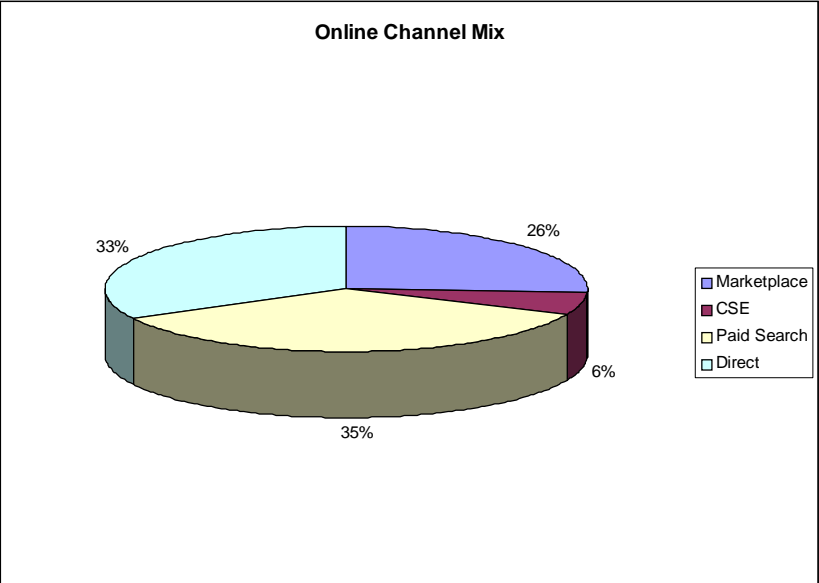
Macro Trend I – Consumers Moving to Online Channels



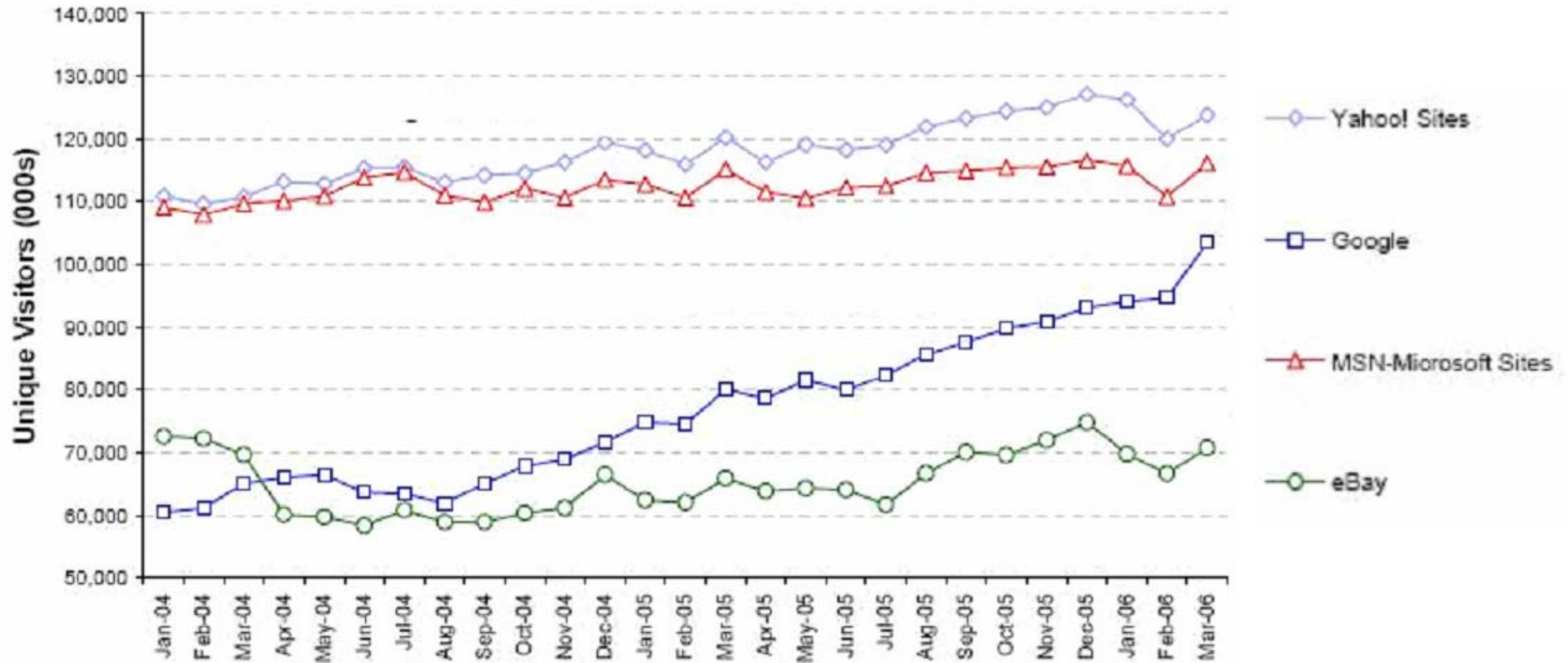
2005 U.S. Spending = \$109.0 billion [1,4]



Marketplaces [2]		Paid Search		Comparison Shopping [3]	
eBay	\$22.0	Google	\$26.7	Shopping.com	\$1.6
Amazon	\$5.0	Yahoo	\$12.5	Shopzilla (Bizrate)	
Overstock	\$0.8			PriceGrabber.com	
				Yahoo! Shopping	
				Total Other	~ 4.4
Total (\$Bln)	\$27.8	Total (\$Bln)	\$39.2	Total (\$Bln)	\$6.0



Macro Trends II



Marketplaces – Opportunities



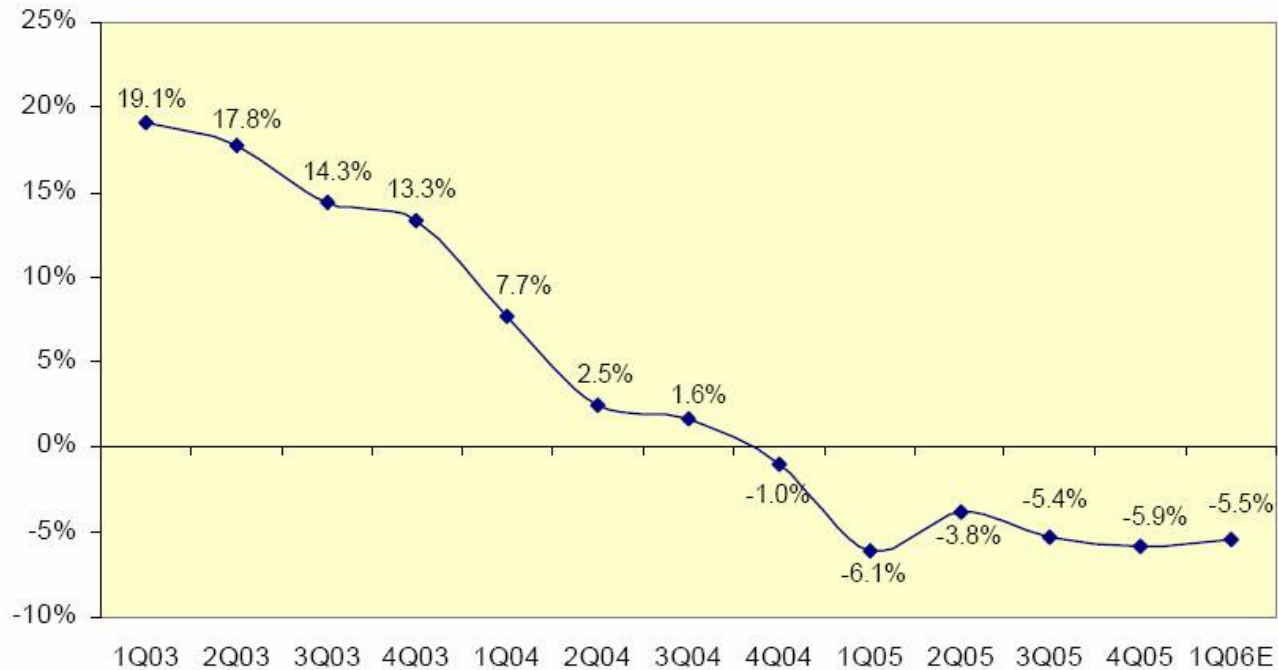
	2002	2003	2004	2005	2006	2007
eCommerce	\$75.6	\$95.7	\$122.6	\$149.2	\$176.8	\$204.3
Marketplaces	\$12.9	\$20.3	\$28.2	\$36.7	\$45.2	\$54.3
Percent	17%	21%	23%	25%	26%	27%



Marketplaces - Concerns



Spread Between eBay U.S. GMV Growth and U.S. e-Commerce Growth



- Trust and Safety – shoot first, ask questions later.

Source: Company reports, US Department of Commerce

Comparison Shopping Engines

- Opportunity
 - Reach: 55m unique/m – 32% of online audience
 - Drives approx 10% of ecommerce
 - Lots of players/pretenders?



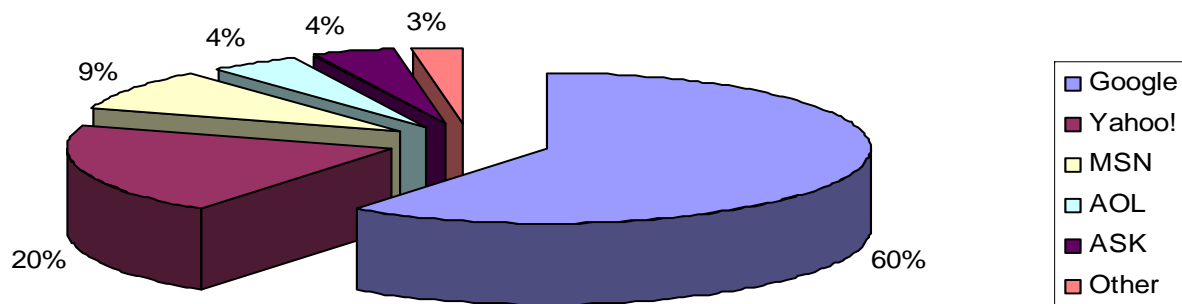
- Concerns
 - SKU-level bidding adoption
 - Lots of players/pretenders?
 - Not sure about < \$100m GMV/y Merchants

Comparison Shopping Engine	Unique Visitors	Share
Shopzilla.com Sites	19,534	36%
Shopping.com Sites	19,475	35%
Yahoo! Shopping	15,226	28%
Nextag.com Sites	10,496	19%
Froogle	5,290	10%
PriceGrabber	4,570	8%
AOL Shopping	2,507	5%
MySimon.com	1,088	2%

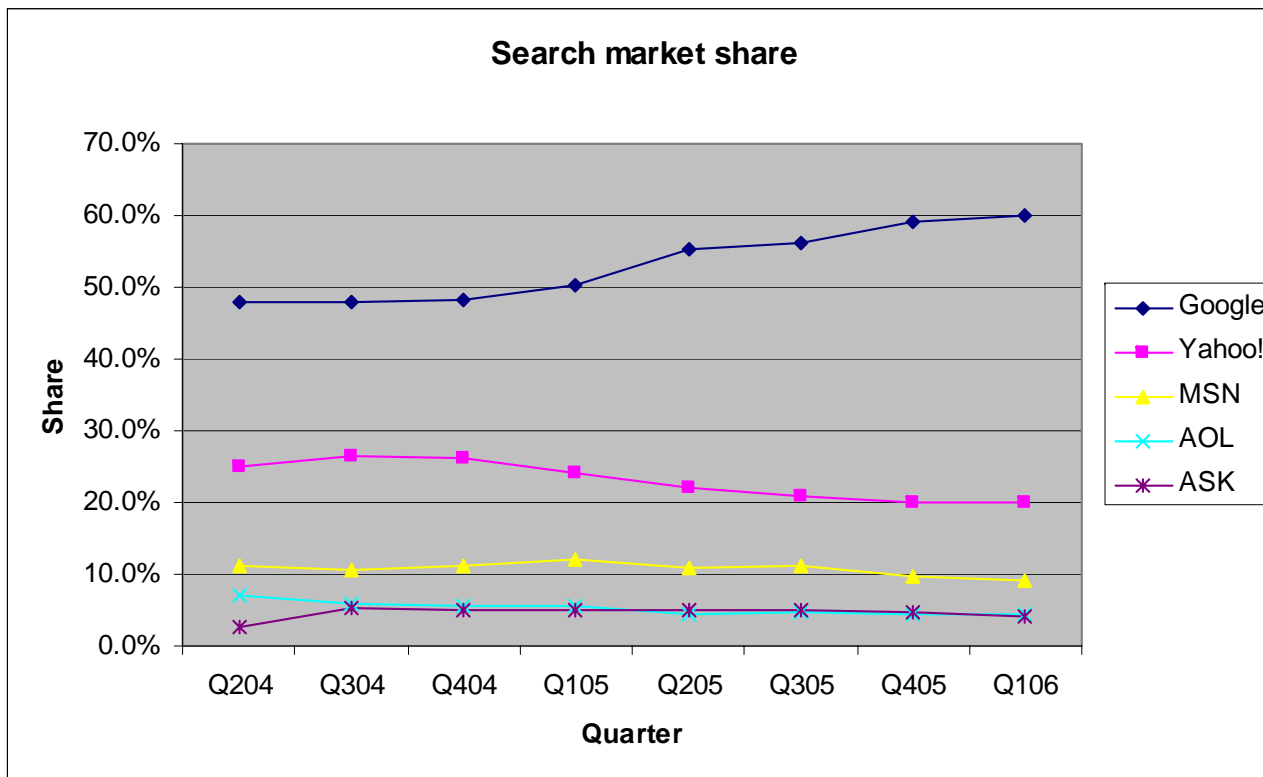
Search – Trends I



Q106 Search Share



Search Trends - II



Search – Opportunity/Concerns

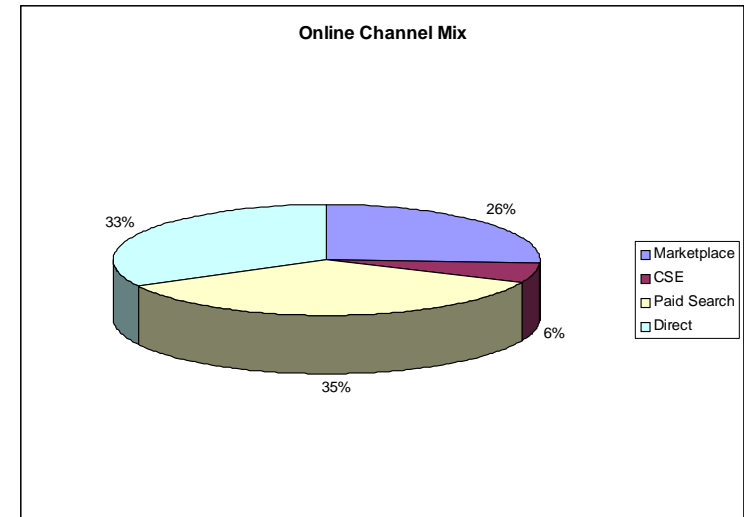
- Opportunity
 - Drives 40% of ecommerce
 - New customer base
- Concerns
 - Click fraud
 - Competition
 - Strategy
 - Not great for narrow SKU selection



What Does This Mean for *Your* Business?



- Diversification – extremely important
 - eBay is ecommerce training wheels
 - Don't get SPOF'ed!
 - Test new channels often
- Investing in infrastructure important
- You are right in the middle of the Clash of the Titans
 - This will be good for Merchants
 - Competition for your business = more choices, better economics, improved customer service



Introducing...



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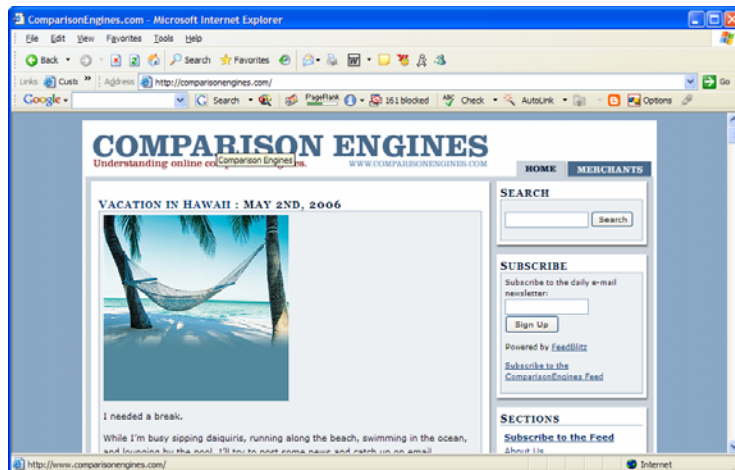
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