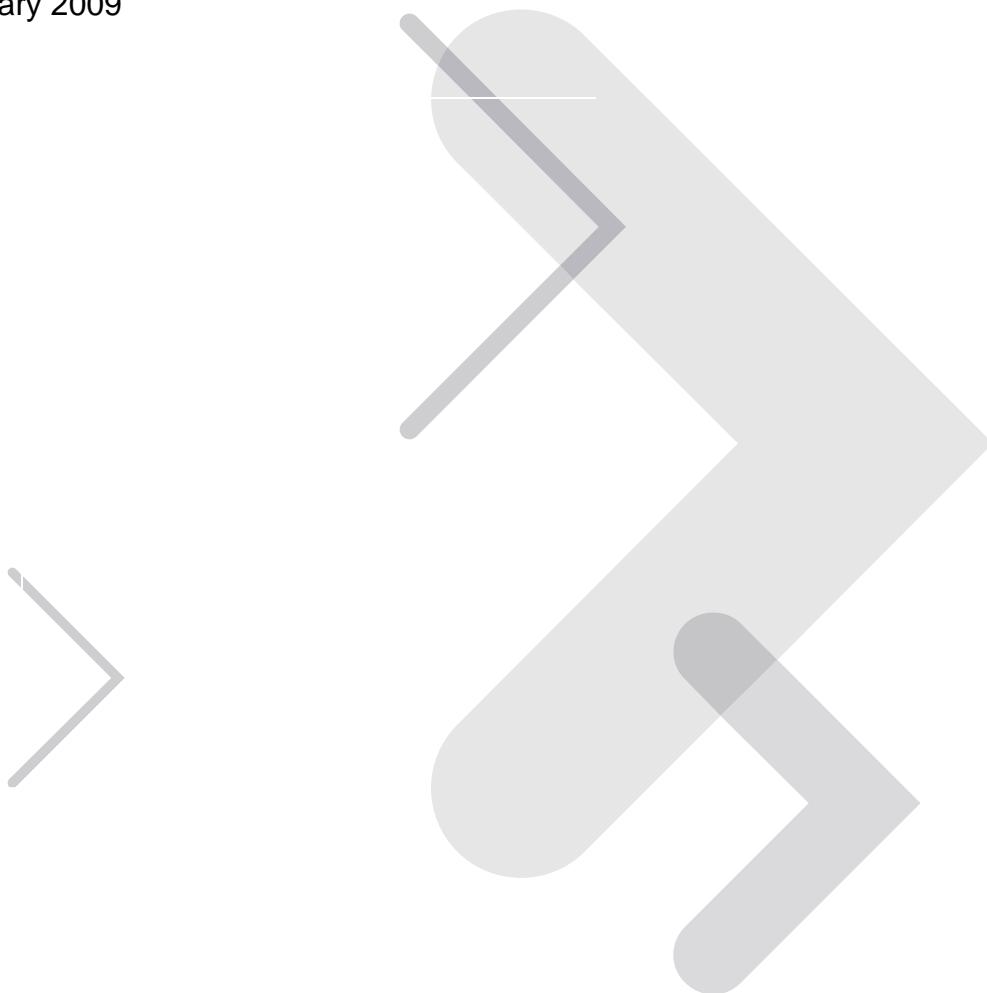




2008 Retail Holiday Season Shopper Study

Key Findings and Executive Summary

January 2009



OVERVIEW

Motorola worked with e-Rewards, a provider of online market research services, to conduct attitudinal and behavioral research among retail shoppers during the 2008 holiday shopping season.

The survey was administered in December 2008 among a representative sample of 2,400+ holiday shoppers in the U.S.A., Canada and United Kingdom. Spending patterns by retail type and individual retailers were explored.

The study measured the impact of out-of-stocks, availability and quality of customer support, and the time required to pay for purchases in book and/or music stores, clothing or accessories stores, consumer electronics or computer stores, crafts or fabrics stores, department stores, discount stores, drug stores, grocery stores/supermarket, home improvement/hardware stores, home goods stores, toy stores, sporting goods stores, shopping club/warehouse stores, mass merchandiser/mega-stores and other specialty stores.

The 2008 Retail Holiday Season Shopper Study probed shopper satisfaction among retail segments. Key metrics used to gauge market satisfaction include appearance (neatness) of the displays, ease of finding correct prices and coupons, merchandise availability, level of associate assistance and check-out duration.

The research examined current and emerging technologies in the retail industry and their impact on shopper satisfaction and spending behavior. Shoppers' interests in price checkers/information kiosks, handheld mobile computers, smart carts, interactive dressing room assistance, mobile loyalty programs, mobile payment and mobile location-based comparison shopping were probed.

Key research areas of focus include:

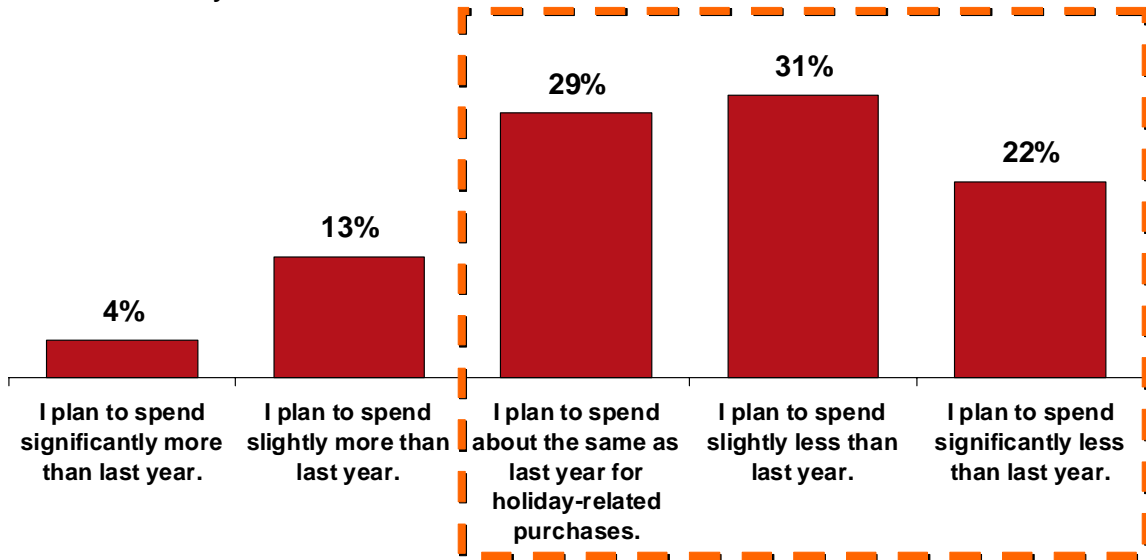
- How are various types of retail shoppers spending their budgets in the 2008 holiday shopping season?
- What is the industry impact of shopper abandonment due to out-of-stocks and inefficient customer service?
- What current and emerging technologies have greatest appeal to holiday shoppers and what impact have they had in the current holiday season?

RETAIL HOLIDAY SHOPPER SPEND REVIEW

The impact of the deteriorating macro-economic environment was evident as surveyed holiday shoppers significantly pulled back their spending (Exhibit 1). Nearly 8 in 10 shoppers spent less or the same as 2007 for holiday-related purchases – with 8 in 10 reporting decreases of over 10%.

Exhibit 1. 2008 Holiday Shopping Season Spend

Q: “How does your spending plan this holiday season (2008) compare with your spending during the 2007 holiday season?”

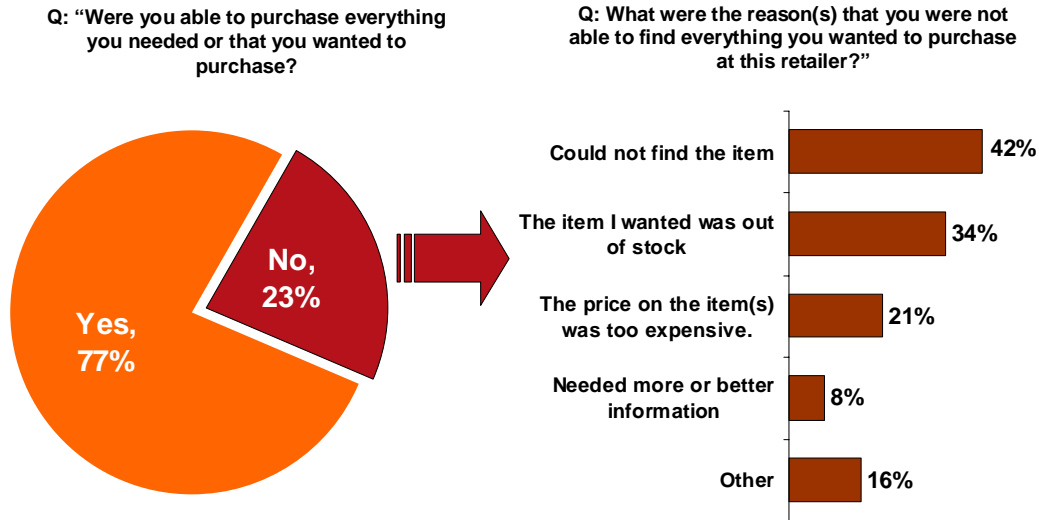


Interestingly, U.S. shoppers are cutting back at a faster clip than Canadian and U.K. shoppers – 56% in the U.S., 36% in the U.K. and 46% in Canada plan to spend less or about the same as last year. In fact, the spending focus has centered upon consumer staple segments such as grocery and beauty items and holiday-centric products such as electronics and games/toys.

SHOPPER VIEWS AND SATISFACTION

While approximately 80 percent of surveyed shoppers planned to spend less or the same as in 2007 for holiday-related purchases, one quarter (23 percent) of shoppers also reported that they were unable to purchase everything they needed or wanted this holiday season (Exhibit 2). Retailers lost precious sales due to limited or misplaced merchandise and smaller associate staffs that could not tend to every customer.

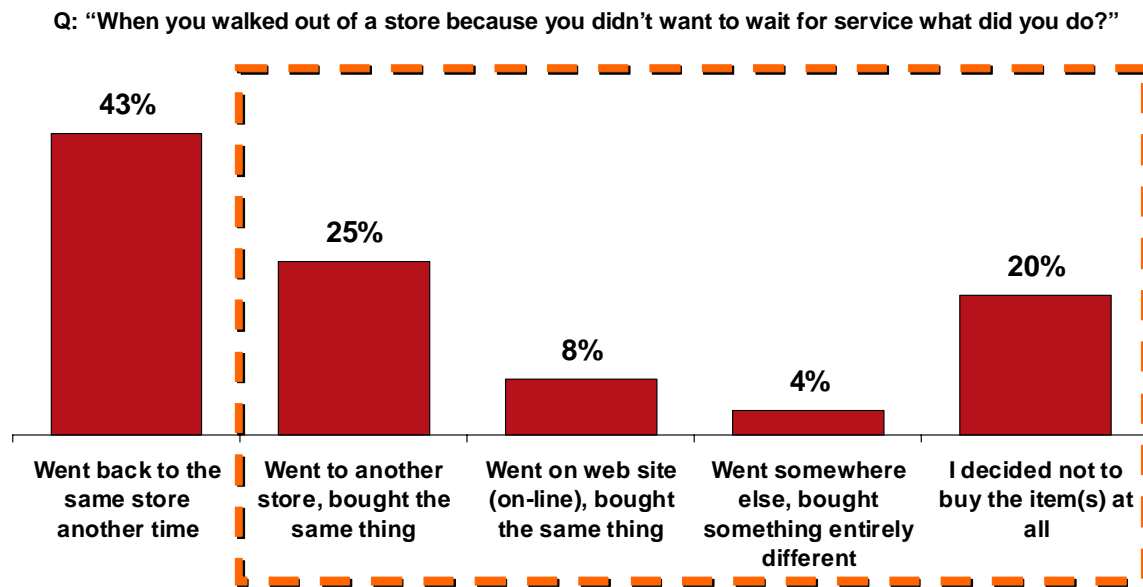
Exhibit 2. 2008 Holiday Shopper Unfulfilled Purchases



One-half of these shoppers could not find the product they were looking for or needed better information, while an additional 34 percent stated that their selected products were out of stock and 21 percent stated the price of the item was too expensive.

Once dissatisfied holiday shoppers abandoned a shopping experience, nearly six in 10 (57%) do not go back to the same retailer after the dissatisfying experience (Exhibit 3).

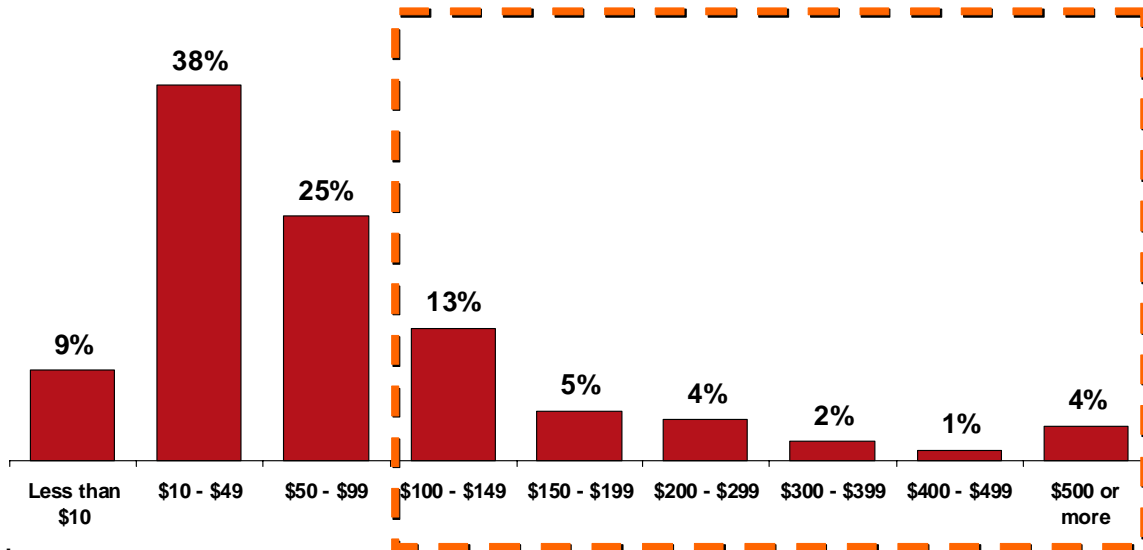
Exhibit 3. 2008 Holiday Shopper Abandonment Impact



Holiday shoppers left an average of \$95 unspent per incident due to limited merchandise/out of stocks and limited employee assistance – 3 in 10 left without buying more than \$100 in items they wanted.

Exhibit 4. 2008 Holiday Shopper Abandonment Impact, Lost Sales

Q: “How much would you have spent if the retailer had carried what you wanted/needed to buy?”



RETAIL TECHNOLOGIES

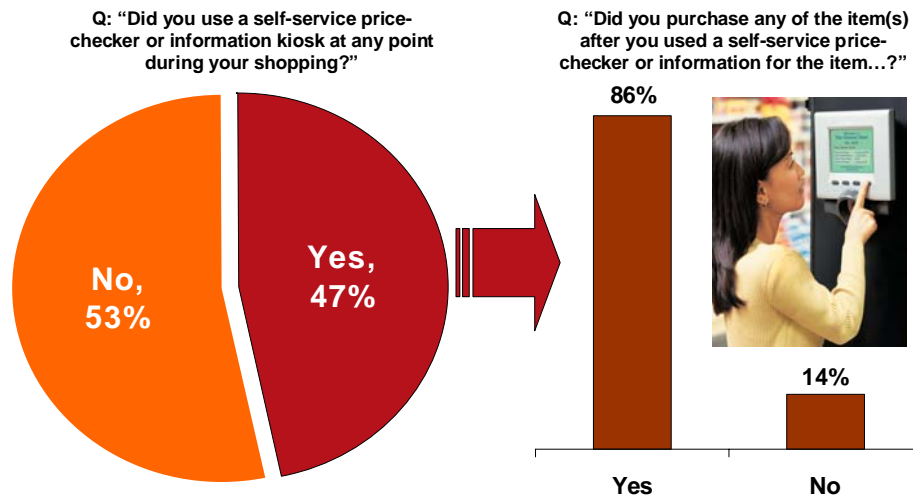
Results from the Holiday Season Shoppers survey point to the value of retail technologies to maximize sales in a difficult economy. With fewer associate staff on hand in many stores, nearly six in ten holiday shoppers did not receive assistance from a sales associate. And when shoppers sought help, 38% waited longer than one minute for the sales associate.

Dissatisfaction with the level of help was reflected in the survey results with 48% of shoppers surveyed not satisfied with the availability of in-store help, and 45% not satisfied with the time spent waiting to check out. Less than one-half of holiday shoppers were satisfied with availability of coupons/discounts.

Retailers can reclaim lost dollars by shortening lines and keeping better track of inventory. Technology solutions that place real-time information in the hands of associates, help customers find what they need, when they need it, and make check out quick and easy, can result in improved sales.

For example, of the one in five holiday shoppers who shopped in retail stores that had a self-service price checker/kiosk, nearly one-half used the kiosk and 86% of those purchased the checked item (Exhibit 5).

Exhibit 5. 2008 Holiday Shopping Season, Kiosk Impact



Holiday shoppers also cited interest in technologies such as interactive dressing room help (40%), smart carts (71%) and mobile comparison shopping (27%). Younger holiday shoppers cited stronger interest in mobile-centric next generation retail technologies such as mobile phone comparison shopping.

Exhibit 6. 2008 Emerging Retail Technologies, Age Segmentation

Q: "Retailers are interested in developing and supporting new technologies to improve the customer experience. Which of the following new technologies would you find most appealing?"

	18 – 24	25 – 29	30 – 34	35 – 39	40 – 44	45 – 49	50 – 59	Over 60	Total
Interactive Dressing Room Help	46 %	35 %	36 %	36 %	42 %	45 %	38 %	43 %	40 %
Smart Carts	72 %	68 %	72 %	65 %	75 %	75 %	66 %	72 %	71 %
Interactive Dressing Room Mirror	36 %	28 %	23 %	18 %	23 %	23 %	28 %	28 %	26 %
Payment by Mobile Phone	20 %	17 %	14 %	20 %	16 %	15 %	10 %	11 %	15 %
Comparison Shopping via Mobile Phone (Based on Location)	40 %	29 %	30 %	31 %	20 %	26 %	21 %	14 %	27 %
Loyalty Account Access via Mobile Phone	33 %	23 %	25 %	25 %	19 %	23 %	19 %	12 %	23 %

ENTERPRISE MOBILITY FOR RETAILERS

Motorola's Enterprise Mobility business connects people to information when and where they need it – helping to transform businesses and improve the customer shopping experience. Motorola provides an unrivaled technology platform and application partner network, enabling seamless enterprise mobility inside and outside the four walls of a retail environment from the loading dock to the warehouse to the store floor. The company's end-to-end solution portfolio offers retailers a comprehensive infrastructure comprised of wireless networks, mobile devices, self-service kiosks and voice solutions, granting customers the ability to pick and choose the technologies that best fit their retail environment.

Retailers worldwide continue to turn to Motorola to improve associate productivity, maximize supply chain efficiency and enhance the customer shopping experience. By leveraging Motorola's enterprise mobility solutions, retailers can offer self-service shopping assistance, item-level product tracking for greater inventory visibility and quicker checkout times. More importantly, the technology helps retailers increase associate productivity and streamline sales processes, improving a store's ability to ring more sales during the holiday season.

ABOUT MOTOROLA

Motorola is known around the world for innovation in communications. The company develops technologies, products and services that make mobile experiences possible. Our portfolio includes communications infrastructure, enterprise mobility solutions, digital set-tops, cable modems, mobile devices and Bluetooth accessories. Motorola is committed to delivering next generation communication solutions to people, businesses and governments.

For more information about our company, our people and our innovations, please visit <http://www.motorola.com>.



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