

Shopzilla's parent company Connexity acquires PriceGrabber to create 'retail marketing platform for the future'

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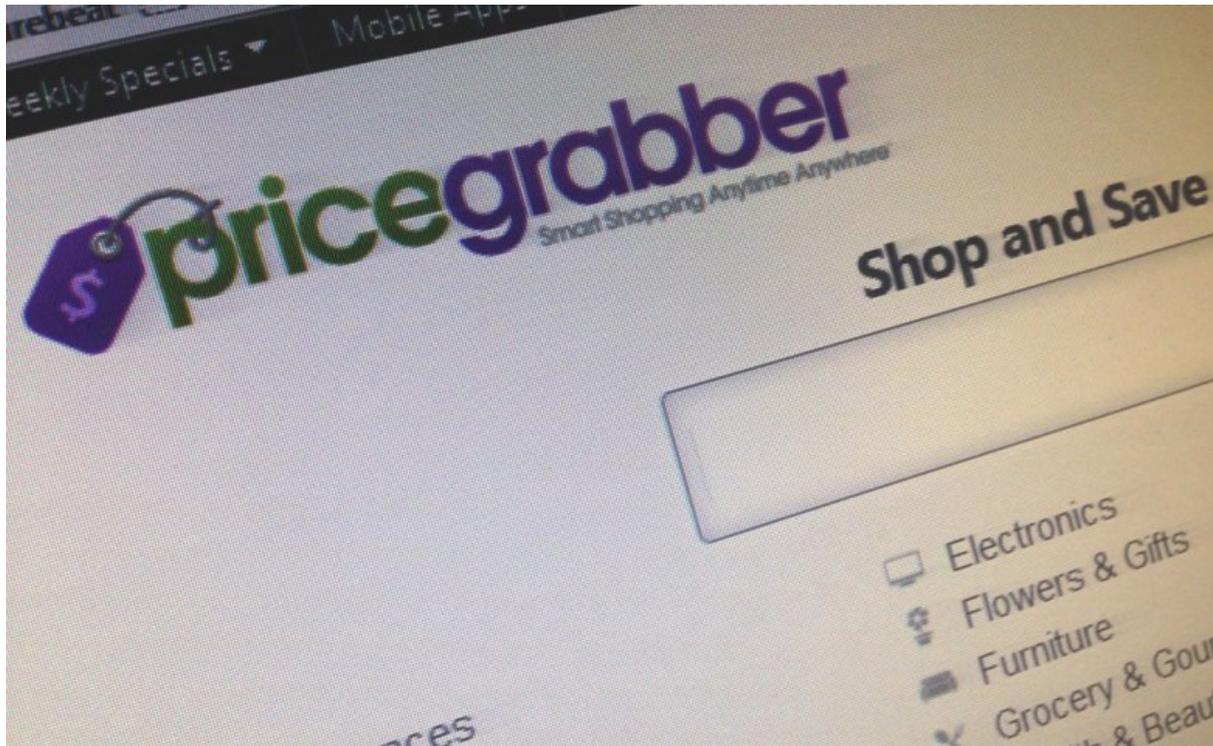


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[Connexity](#), the Los Angeles-based marketing services company behind a number of popular shopping websites including price-comparison portal [Shopzilla](#), has acquired PriceGrabber, a price-comparison site also based in Los Angeles. Terms of the deal have not been disclosed.

Founded in 1996, Shopzilla Inc. emerged as one of the leading price-comparison websites and was [acquired by media company Scripps in 2005](#) for \$525 million, with Scripps subsequently selling Shopzilla on [to a private equity firm for \\$165 million](#) in 2011. In September last year, Shopzilla Inc. [rebranded as Connexity](#), but the Shopzilla brand lived on through the existing [Shopzilla.com](#) website. The rebrand formally signaled [a change in direction for the company](#), taking its 15-plus years in the ecommerce industry and launching technology-based marketing services to help retailers and brands increase sales and acquire new customers, [including a cost-per-click \(CPC\) marketplace](#).

Founded in 1999, [PriceGrabber](#) emerged alongside other sites such as Shopzilla and Shopping.com as the preeminent price-comparison sites, and it was [acquired by Experian in 2005 by for \\$485 million](#), before Experian [offloaded PriceGrabber and two other sites](#) as part of a \$175 million deal in 2012.

Though PriceGrabber is perhaps better known for its price-comparison service, the company also works with a range of retailers and merchants to provide data, including AOL, Bing, Comcast, and Yahoo. Similar to Connexity, PriceGrabber also offers a CPC marketplace for retailers across North

America and in the U.K., so this deal effectively enhances the distribution of products uploaded to both platforms, increasing the chance of finding a “qualified” buyer. Plans are afoot to integrate their respective platforms, including merchant and publisher networks.

Consolidation

Today’s news comes six months after Connexity [announced it was buying Become](#), another price-aggregation service and CPC product listings marketplace with a focus on Europe.

The coming together of these platforms, including their respective customer bases and data, creates a behemoth in the ecommerce marketing space. “Together the combined company will be one of the world’s largest sources of high intent shopping leads that result in over \$2 billion in annual sales for retailers and brands,” a [press release said](#).

This acquisition pretty much leaves only [NexTag](#) flying the flag of the fully independent price-comparison consumer website, certainly when considering the slew of sites that sprung up in the early days of ecommerce.

A spokesperson from ecommerce services company [CPC Strategy](#) tells VentureBeat:

Consolidation is an indictment of the entire industry’s failure to innovate and evolve past search arbitrage, completely ignoring mobile. Given the decline of the search arbitrage model, the only way we see long-term viability in the space for Nextag and/or Connexity is if they can figure out how to leverage their consumer purchase intent data to provide targeting data for programmatic advertisers.

Connexity doesn’t agree in full with this assertion, though, saying that it has innovated — just not on the consumer-facing websites. A spokesperson told VentureBeat:

We have innovated a ton on syndication, programmatic display, managed search, and our Bizrate Insights survey platforms. We are innovating as a technology and data-driven marketing services company not a consumer shopping company.

The consolidation (and lack of innovation in the websites for that matter) is more an indictment of the hugely negative impact that Google Search algorithm and search result page layout changes have had on price comparison websites versus an indictment of our inability to innovate.

Google is without doubt the largest product listing aggregator and “lead generator” on the Web, but Connexity must surely now be among the frontrunners for second or third place. And the need to consolidate is a clear sign that the giants of ecommerce have nudged the more traditional price-comparison portals down a few levels.

“We are pleased to combine forces with one of the most respected lead-generation companies in retail,” said Bill Glass, CEO of Connexity. “Our two companies are industry pioneers and putting these exceptional teams together is going to create a powerful retail marketing platform for the future.”

Link: <http://venturebeat.com/2015/06/16/shopzillas-parent-company-connexity-acquires-pricegrabber-to-create-retail-marketing-platform-for-the-future/>