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News Release

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OVER 875 MILLION CONSUMERS HAVE SHOPPED ONLINE -- THE NUMBER OF INTERNET SHOPPERS UP 40% IN TWO YEARS

CLOTHES/SHOES – FASTEST GROWING INTERNET BUYS

“Visa” the Most Popular Credit Card Payment Method

New York, NY, January 28, 2008—More than 85 percent of the world’s online population has used the Internet to make a purchase—increasing the market for online shopping by 40 percent in the past two years—according to the latest Nielsen Global Online Survey on Internet shopping habits. Globally, more than half of Internet users have made at least one purchase online in the past month, according to Nielsen.

“The Internet is no longer a niche technology—it is mass media and an utterly integral part of modern life. Almost no aspect of life remains untouched by online media. As our lives become more fractured and cluttered, it isn’t surprising that consumers turn to the unrivalled convenience of the Internet when it comes to researching and buying products,” said Jonathan Carson, President, International, Nielsen Online.

“When The Nielsen Company conducted its first global survey into Internet shopping trends two years ago, approximately 10 percent of the world’s population (627 million) had shopped online,” said Bruce Paul, VP, Customized Research, Nielsen U.S. “Within two years, this number has increased by approximately 40 percent (to 875 million).”

Among Internet users, the highest percentage shopping online is found in South Korea, where 99 percent of those with Internet access have used it to shop, followed by the UK (97%), Germany (97%), Japan (97%) with the U.S. eighth, at 94 percent. Additionally, in South Korea, 79 percent of these Internet users have shopped in the past month, followed by the UK (76%) and Switzerland (67%) with the U.S. at 57 percent.

Globally, the most popular and purchased items over the Internet are Books (41% purchased in the past three months), Clothing/Accessories/Shoes (36%), Videos / DVDs / Games (24%), Airline Tickets (24%) and Electronic Equipment (23%).

Among Germany’s Internet users, 55 percent said they bought books, 42 percent had bought Clothes/Accessories/Shoes and one in four had purchased Music/Videos/DVD’s in the past three months.



During the same period, among Internet users in the UK, 45 percent bought books online, followed by Videos/DVDs/Games (44%), Clothing/Accessories/Shoes (38%), Music (37%) and one in four Internet shoppers also purchased and Airline tickets/Reservations online.

Among U.S. Internet users in the past month, 41 percent bought Clothing/Shoes/Accessories, 38 percent bought books and one in three Internet shoppers bought Videos/DVDs/Games.

The number of Internet consumers buying books over the Internet has increased seven percent in the past two years but the biggest increase has been in Clothing / Accessories / Shoes which increased from 20 percent to 36 percent. "Some of the biggest buyers of books on the Internet are from developing countries—China, Brazil, Vietnam and Egypt—indicating massive growth potential for online retailers that can specifically target these fast-growing markets," said Carson.

Internet shopper interest in buying Videos/DVDs and airline tickets/reservations rose two and three percentage points respectively over the Internet in the past two years—today one in four online shoppers globally said they had purchased these on the 'Net in the past three months.

More than 70 percent of Indians and more than 60 percent of Irish and UAE Internet users said they bought airline tickets/reservations on the Internet in the last three months, making travel the fourth most popular shopping category on the web.

"Travel is a category extremely suited to the Internet due to the latter's ability to provide efficient access to an extremely wide range of comparable information. Whilst certain areas of the travel industry were initially slow to utilize the benefits of the Internet, it is now one of the undoubted success stories of online, playing an integral part in the arrangements and experience of today's traveler," said Carson.

One in four global Internet users bought DVDs/Videos online in the last three months, with UK users topping the list (44%), followed by South Africans (38%). The U.S. was fifth at 31 percent.

Payment Methods for Internet Shopping

Credit cards are by far the most common method of payment for online purchases—60 percent of global online consumers used their credit card for a recent online purchase, while one in four online consumers chose PayPal. Of those paying with a credit card, more than half (53%) used Visa.

Turkish online shoppers (who represent the economic elite in that country) topped global rankings for credit card usage (91%) for online purchases followed by 86 percent of Irish online shoppers and 84 percent of Indian and UAE online shoppers. "Shopping on the Internet with the ease of a credit card is especially appealing to consumers in emerging markets who simply cannot find or buy items they want in their retail trade. The Internet has opened up a whole new world of shopping for these consumers," said Paul.

While Latam and Asian online shoppers are also more likely to use credit cards than any other form of payment, debit cards are most popular among UK (59%) and U.S. (40%) online shoppers

Selecting Online Shopping Sites

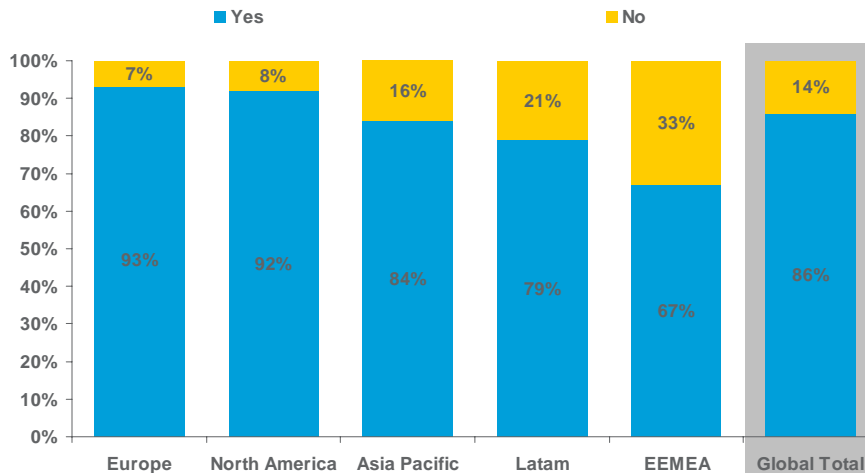
According to Nielsen, online shoppers tend to stick to the shopping sites they are familiar with, with 60 percent saying they buy mostly from the same site. “This shows the importance of capturing the tens of millions of new online shoppers as they make their first purchases on the Internet. If shopping sites can capture them early, and create a positive shopping experience, they will likely capture their loyalty and their money,” said Paul.

In selecting sites on which to shop, one-third used a search engine or just surfed around to find the best online store. One in four relied on personal recommendations.

“Recommendations from fellow consumers — whether they are people they know or fellow online shoppers — play an enormous role in the decision-making process. The explosion in Consumer Generated Media over the last year means that this reliance on word of mouth, over other forms of referral, looks set to increase,” said Carson.

Chart 1: Internet users who have purchased online

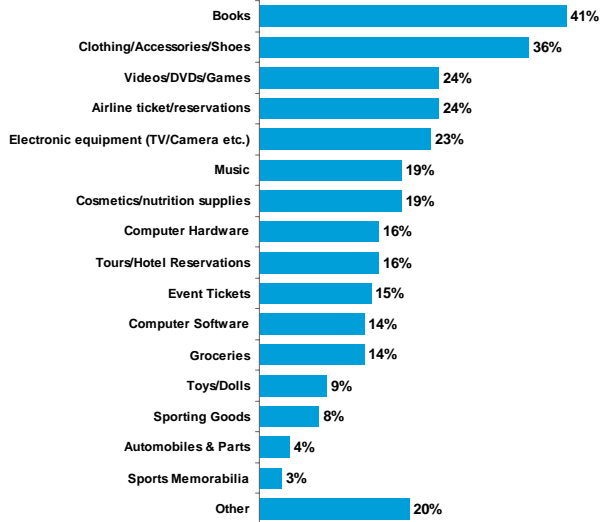
Have you ever made a purchase over the Internet?



Base: All respondents
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Chart 2: Most Popular Online Purchases

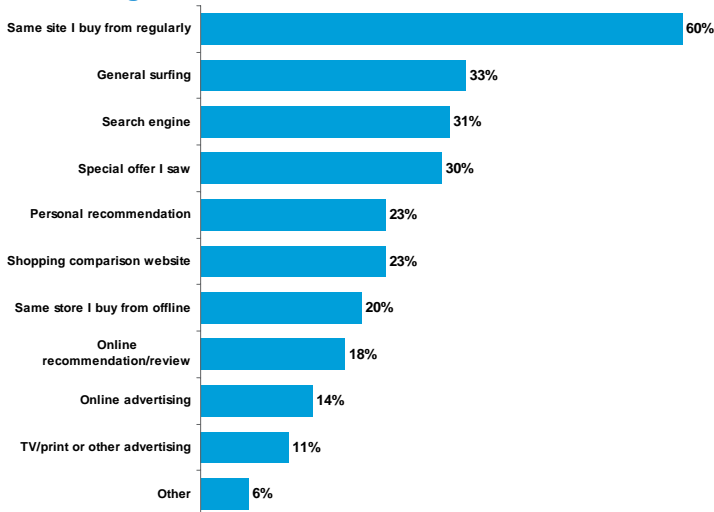
In the past 3 months what items have you purchased on the Internet?
Global average



Base: Respondents who have made a purchase online in the past 3 months
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Chart 3: How Internet Users Select their Shopping Sites

What helps you decide which site to use for shopping online?
Global average



Base: Respondents who have made a purchase online in the past 3 months
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Chart 4: Top 10 Online Retailers – December 07 Unique Audience

Rank	Retailer	Dec 07 Unique Audience	Dec 07 Active Reach
1	eBay	124,132,042	36.1%
2	Amazon	99,863,339	29.1%
3	Target	37,717,553	11.0%
4	Wal-Mart Stores	36,994,959	10.8%
5	Best Buy	24,089,267	7.0%
6	Circuit City	19,725,537	5.7%
7	Sears	17,651,868	5.1%
8	ToysRUs	17,610,395	5.1%
9	Overstock.com	17,192,765	5.0%
10	JCPenney	16,331,132	4.8%

Source: Nielsen Online, December 2007

Chart 5: Top 10 Apparel / Beauty Retailers – December 07 Unique Audience

Rank	Apparel/Beauty Retailer	Dec 07 Unique Audience	Dec 07 Active Reach
1	eBay Clothing Shoes & Accessories	22,865,384	6.7%
2	eBay Jewelry and Watches	8,561,389	2.5%
3	L.L. Bean	5,886,068	1.7%
4	Victoria's Secret	5,789,312	1.7%
5	Zappos.com	5,747,256	1.7%
6	Lands End	5,696,973	1.7%
7	Old Navy	5,182,397	1.5%
8	Sephora	5,179,496	1.5%
9	AVON	4,779,203	1.4%
10	eBay Health & Beauty	4,336,616	1.3%

Source: Nielsen Online, December 2007

About The Nielsen Global Online Survey

The Nielsen Global Online Survey is the largest half-yearly survey of its kind, aimed at gauging current confidence levels, spending habits/intentions and current major concerns of consumers across the globe. The latest survey, conducted from October to November 2007, polled 26,312 Internet users in 48 markets from Europe, Asia Pacific, North America and the Middle East. The survey is representative of all Internet users aged 15+.



About Nielsen Customized Research

Nielsen Customized Research, operating in more than 100 countries, provides clients with survey research, analytical and consulting services, including measures of consumers' attitudes and purchasing behavior, segmentation, brand equity, pricing, packaging, advertising effectiveness, customer satisfaction & loyalty and other marketing issues.

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing information (ACNielsen), media information (Nielsen Media Research), online intelligence (NetRatings and BuzzMetrics), mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in Haarlem, the Netherlands, and New York, USA. For more information, please visit, www.nielsen.com

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