



Global Consumer Attitudes Towards Online Shopping October, 2005

Purchase frequency
Popular items
How we pay



One-Tenth of the World's Population is Shopping Online: 627 million people have done it, including 325 million in the last month.

- Germans and British the World's Biggest Online Shoppers
- Books Most Popular, followed by DVDs/Videos/Games and Plane Reservations
- Credit Card the Most Popular Payment Method, with VISA No.1 Globally

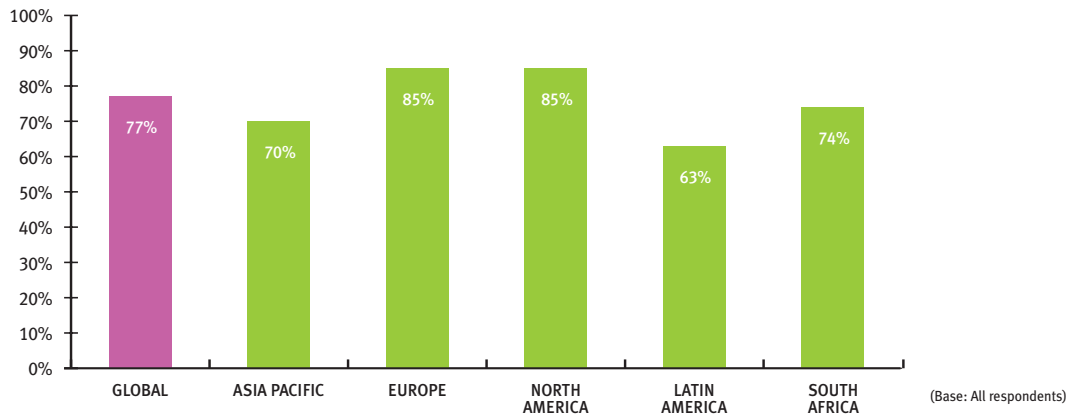
According to a recently-conducted ACNielsen study, more than 627 million people have shopped online, including over 325 million within the last month. Of them, over 212 million online shoppers mention Books as among the last three items they purchased online. In addition:

- over 135 million people have purchased DVDs and/or video games;
- close to 135 million made plane reservations;
- over 128 million purchased articles of clothing/accessories/shoes;
- over 112 million paid for music downloads and/or CDs;
- over 106 million purchased electronic devices (including cameras, etc);
- close to 98 million bought computer hardware; and
- over 86 million consumers made hotel and/or tour bookings

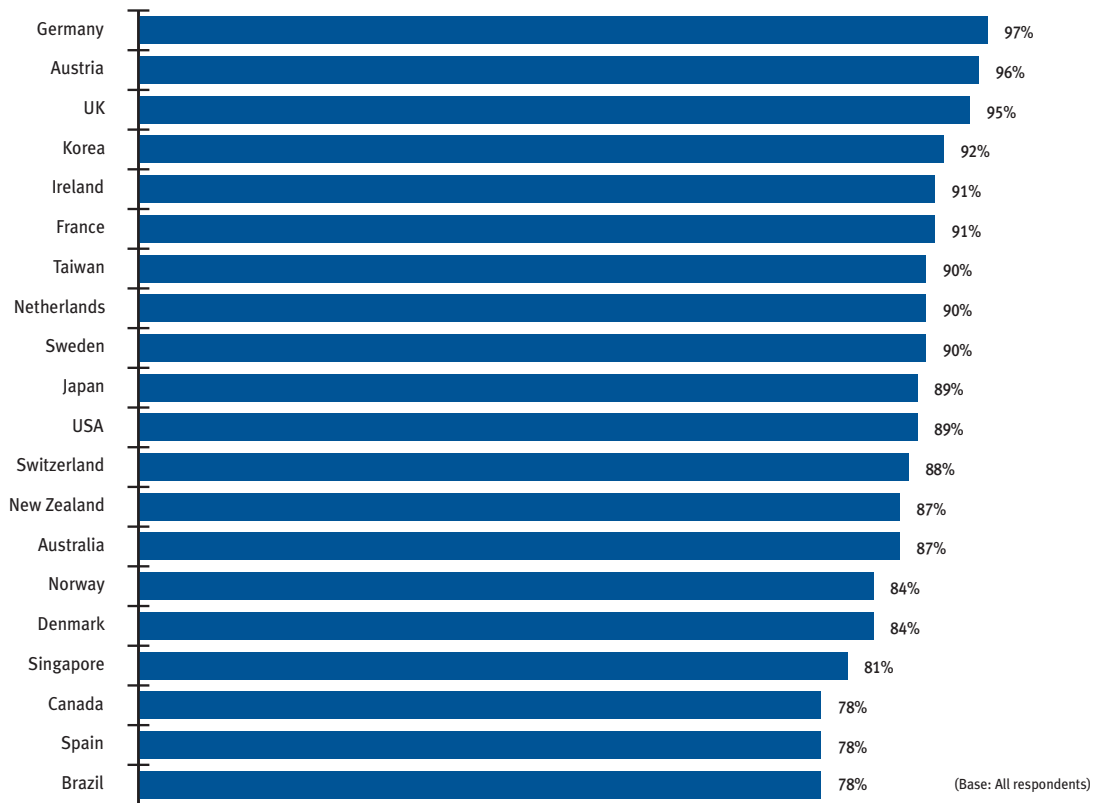
The twice-yearly global ACNielsen Global Online Consumer Confidence Study, polled over 21,100 respondents in 38 markets from Europe, Asia Pacific, North America, Latin America and South Africa. The study asked Internet users around the world about their online shopping experiences including when they last made an online purchase, what items were last purchased, the method(s) of payment used, what payment card was used the most for online purchases and the most preferred payment method when shopping online.

Not surprisingly, Europe and North America display the highest incidence of online shoppers, with Germany, Austria and the UK topping the list, with at least 95 percent of Internet users having purchased online. In the UK and Germany, about two-thirds of these web users have made a purchase within the last month.

In Asia Pacific, South Korea and Taiwan rank highest, with at least 90 percent of respondents claiming to have ever made a purchase online, at least six in 10 of whom have done so within the last month.



Purchases Over the Internet

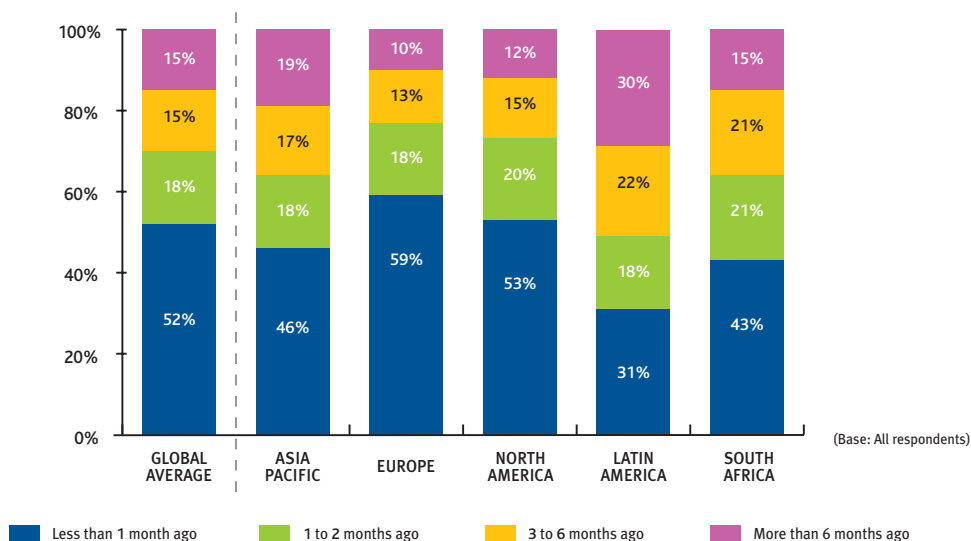


Top Twenty Countries - Internet Purchases

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The world's biggest online shoppers are in Germany and UK, averaging seven and six purchases respectively in the past month. As a region, online shoppers in Europe made an average of five purchases in the last month. In fact most of the markets in Europe display higher average purchases than North America, which showed an average of four purchases last month.

In Asia Pacific, where the average number of purchases in the past month is five, online shoppers in markets like Singapore, Taiwan, Australia and China, made an average of five to six purchases in the past month. South Korea, despite its high proportion of online shoppers, generated an average of only four purchases last month.



Recency of Internet Purchase

It is Latin America, however, which registers the lowest past month purchase, with an average of only three purchases.

Our recent e-commerce studies clearly show an upward trend in global online shopping. While there is growth in nearly all global

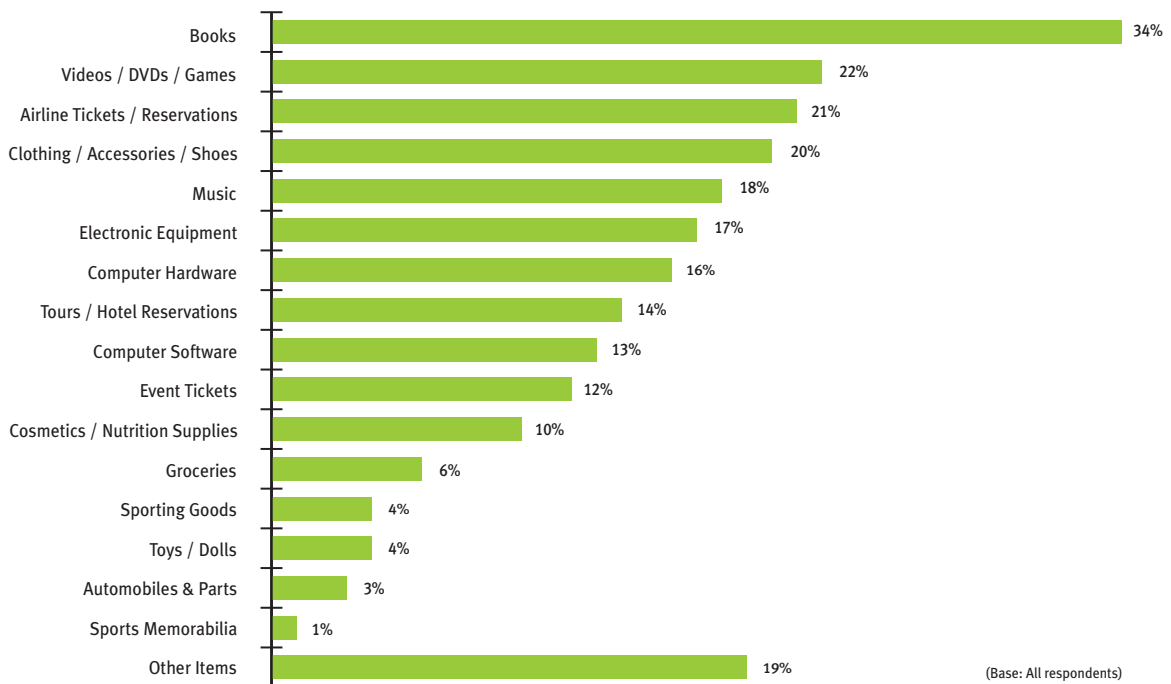
markets, we see that the lesser developed markets are maturing faster than many of their more developed counterparts. It will not be long before we have a nearly level playing field across the globe.



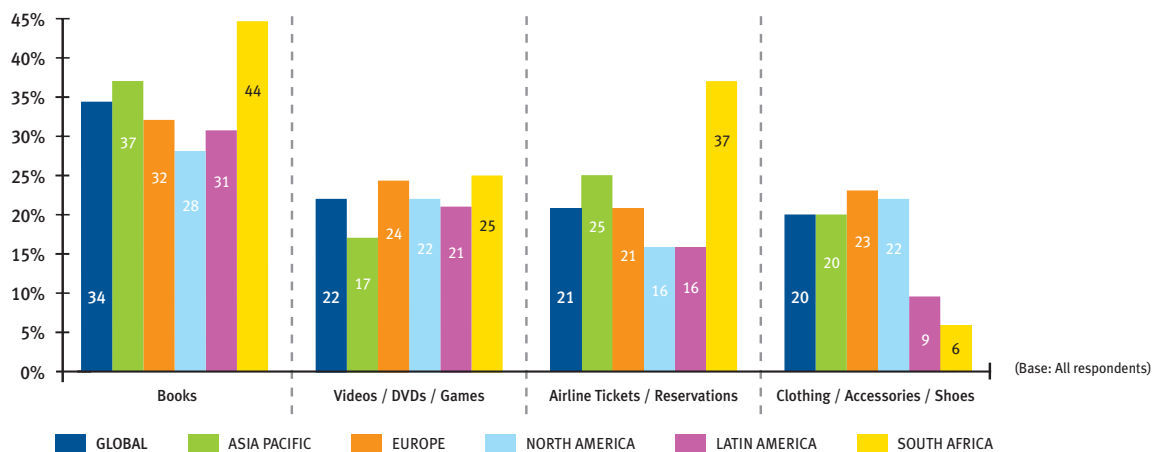
Seek and You Shall Buy... Entertainment and Travel

Across the globe, the most popular items purchased on the Internet are Books (34%),

followed by Videos/DVDs/Games (22%), Airline Tickets/Reservations (21%) and Clothing/Accessories/Shoes (20%).



Last Three Items Purchased over the Internet



Comparison of Top Four Items Purchased

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What people buy varies widely by market. International book sellers would want to make sure their websites accommodate Korean and Chinese languages as Books top the list of items purchased by the Chinese (56%) and South Koreans (50%). This represents tens of millions of consumers in those markets and this is growing rapidly.

Meantime, airlines and online travel agents would be wise to target markets like Malaysia (55%), New Zealand (40%), Singapore (36%) and Australia (35%) for which Airline Tickets/Reservations are a common online purchase. In Japan, Groceries (26%) are the second most popular item purchased online after Books (30%). With an average of four purchases in the past month and over 69 million estimated online shoppers, Japan presents a big opportunity for online book sellers and grocery sites.

Over half of South Korea's 29.4 million online shoppers have purchased Clothing/Accessories/Shoes online. South Koreans are also the most likely to buy Cosmetics/Nutrition Supplies online (34%), three times higher than the global average of 10%.

In Europe, Airline Tickets/Reservations are the most purchased online in markets like Ireland (58%), Norway (45%), Finland (31%), and Spain (26%). Tours/Hotel Reservations are commonly purchased online in Finland (30%) and Spain (27%).

Clothing/Accessories/Shoes are also either the topmost or second most popular online items in European markets like France (32%), Germany (30%), Sweden (27%), Netherlands (26%), and Belgium (25%).

In the UK, Videos/DVDs/Games generate the biggest online market (34%), followed by Books (30%). Videos/DVDs/Games are also among the most online purchased item in France (30%).

In Latin America, Electronic Equipment (30%) such as cameras, etc. are a favorite online purchase item similar to Books (31%).

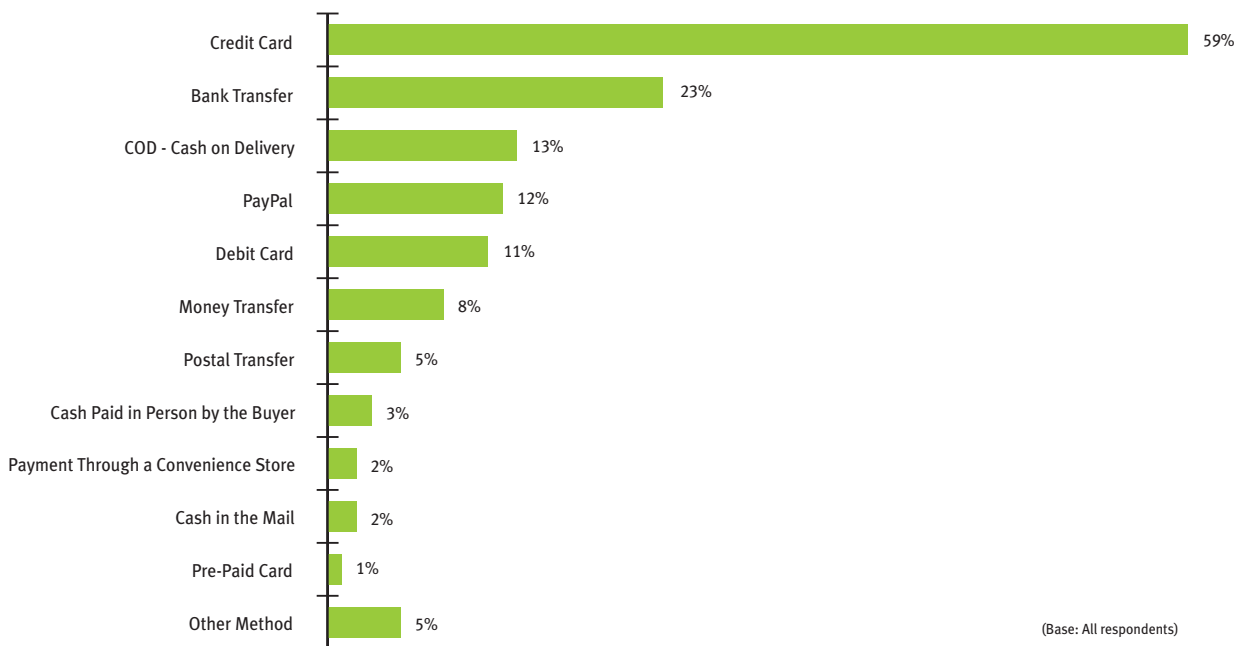
One in ten of the world's population shopping online is not enough to ensure successful online sales. It is still very important for both small and large retailers to understand the triggers that drive Brand Equity and site usage in their category. ACNielsen studies consistently show that websites and brands with higher Brand Equity attract higher traffic and sales.



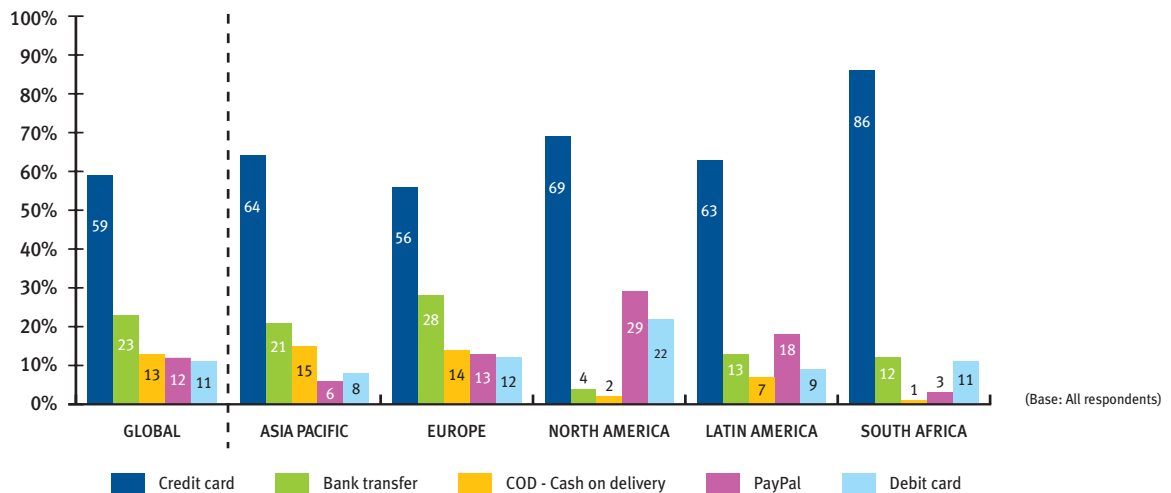
Credit Cards the most popular payment method online

For most of these online purchases, credit card (59%) or bank transfer (23%) was used to make the payment. In Europe, however, cash-on-

delivery (COD) is the 2nd most used payment method, following credit card, in markets like Portugal (35%), Greece (31%), Spain (29%) and Italy (28%), while almost half of online shoppers in UK used debit cards.



Payment Methods Used



Top Five Payment Methods

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Cash-on-delivery is also a popular payment method used in some Asia Pacific markets, ranking 2nd to credit card in India (29%) and Japan (25%). China is most unique with COD (34%) as the most used payment method, followed by Bank Transfer (31%). Credit card ranks only third (26%) in this market and is followed closely by Money Transfer (23%). Yet when asked about preferred methods, credit card (24%) actually comes second to COD (32%) in China, indicating an unmet need for online credit card usage in this market.

A GAP analysis of the findings show an unmet demand for online payment card usage in such markets as Russia, France, Poland, South Korea, Japan and China. In each of these markets, a significant number of people wanted to use a payment card but had to use another method or payment. In Canada, on the other hand, there was an unmet demand for PayPal.

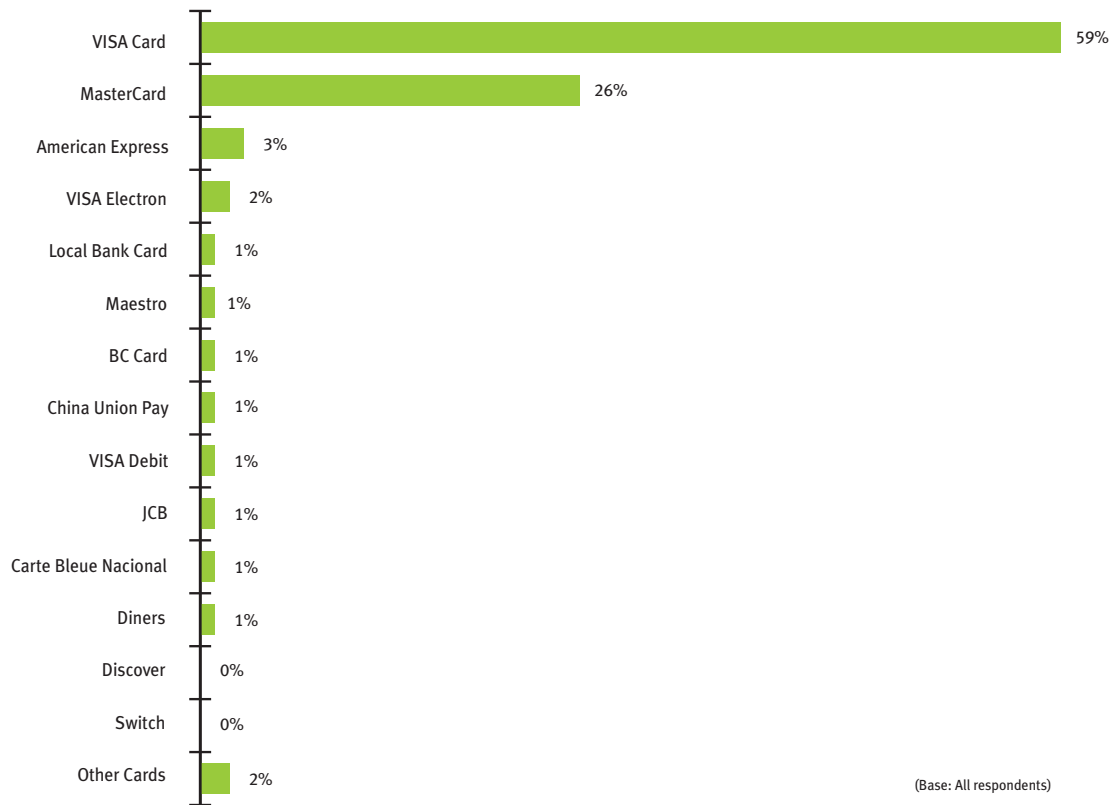
Recent regional and country-specific consumer studies show that a major concern in lesser developed markets is the safety of online – and offline – payment methods, while in more developed markets, online shoppers are demanding more sophisticated payment methods.

This represents both a challenge and an opportunity for payment card companies and their competitors to understand exact usage drivers as they evolve differently in each market.

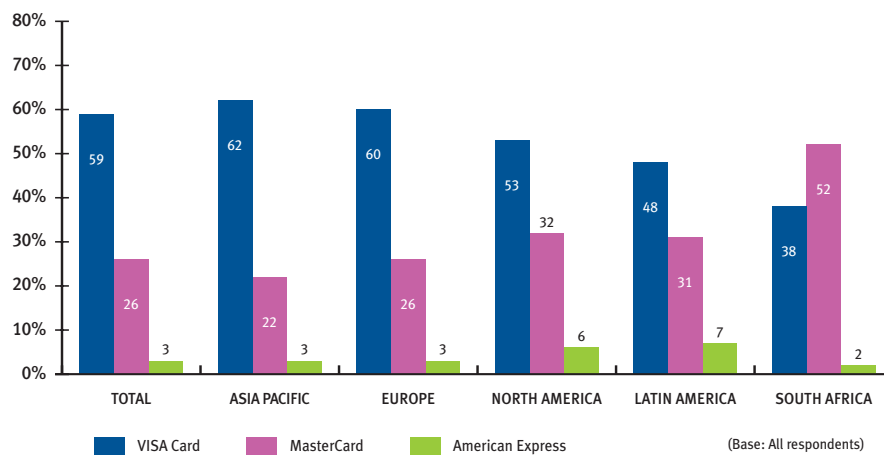
In Japan and Taiwan, payment through a convenience store is an important online purchase payment method. Where credit cards rank first in both usage and preference, the fact that this method ranks second (Taiwan) or third (Japan) in terms of usage and ranks second in both markets in terms of preference, displays the important role that convenience store plays in online shopping in these markets.

In North America, while credit card (69%) is still the more commonly used payment method, PayPal (29%) ranks second while debit card, primarily driven by the US market, ranks third (22%). Although credit card was also largely used in Latin America, PayPal generates high usage in Brazil, next to credit card.

Nearly six in 10 say that Visa is the payment card (credit/debit/charge/ATM/deferred debit) that they use the most, while about a quarter claim to use MasterCard the most. Visa ranks highest across most regions except in South Africa where over half of the consumers use MasterCard for their online purchases and about four in 10 use Visa.



Payment Cards Used Most Often



Most Often Used: VISA / MasterCard / American Express

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In Asia Pacific, Visa is most used for online purchases in all markets except in China where the local brand, China Union Pay, is used by over half of the respondents while only 29 percent use Visa. In Japan and Korea, meantime, MasterCard ranks third following JCB in Japan and BC Card in South Korea. In Malaysia, the online shoppers are almost equally split between Visa (49%) and MasterCard (46%) on their online payment card usage.

In Europe, on the other hand, Visa (37%) is only second to MasterCard (50%) in Netherlands. Both payment card brands are also almost equally split in markets like Austria (Visa at 44% and MasterCard at 46%) and Switzerland (Visa at 49% and MasterCard at 43%).

Meanwhile, American Express generates the highest incidence in Mexico, with 14 percent of online shoppers claiming to have used it the most for their online purchases. It also registers some 6-8% incidence in markets like Australia, Italy, US, Canada, Germany, Netherlands and Singapore. ■

About the Study

The ACNielsen Global Online Consumer Confidence Study is conducted twice-yearly to provide an understanding of consumer attitudes towards their local economy now and in the future, their spending intentions and current major concerns. A total of 21,261 consumers were interviewed over the Internet in 38 markets between April 11 – May 10, 2005.

About ACNielsen

ACNielsen, a VNU business, is the world's leading marketing information provider. Offering services in more than 100 markets, the unit provides measurement and analysis of marketplace dynamics and consumer attitudes and behavior. Clients rely on ACNielsen's market research, proprietary products, analytical tools and professional service to understand competitive performance, to uncover new opportunities and to raise the profitability of their marketing and sales campaigns. To learn more, visit www.acnielsen.com



The 38 markets in the 2005 Global Online Consumer Confidence Study

Asia Pacific:

Australia	China	Hong Kong
India	Indonesia	Japan
South Korea	Malaysia	New Zealand
Philippines	Singapore	Taiwan
Thailand		

Europe:

Austria	Belgium	Denmark
Finland	France	Germany
Greece	Ireland	Italy
Netherlands	Norway	Portugal
Spain	Sweden	Switzerland
Turkey	UK	

Latin America:

Brazil	Chile	Mexico
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North America:

USA	Canada
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Emerging Markets:

Poland	Russia	South Africa
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The 17 Categories of Items Covered in the 2005 Global Online Consumer Confidence Study were:

- Airline tickets / Reservations
- Automobiles and parts
- Books
- Clothing / Accessories / Shoes
- Computer hardware
- Computer software
- Cosmetics / Nutrition supplies
- Electronic equipment (cameras, TVs, etc)
- Event Tickets
- Groceries
- Music
- Sporting goods
- Sports memorabilia
- Tours / Hotel reservations
- Toys / Dolls
- Videos / DVDs / Games
- Other items.

For further information, please visit: www.acnielsen.com