



Nielsen Online

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News Release

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HOLIDAY SHOPPERS CONTINUE TO SHIFT PURCHASES ONLINE FOR CONVENIENCE, BUT COMPETITIVE PRICING MORE IMPORTANT THIS YEAR THAN LAST, ACCORDING TO NIELSEN ONLINE

More Consumers Plan to Shop for Toys & Video Games and Books

New York, NY – November 19, 2008 – Nielsen Online, a service of the Nielsen Company, today announced that consumers will continue to shift their gift buying online this holiday season, citing convenience, time saving and price among the primary reasons for shopping on the Web. With the current economic downturn, there is an increased focus on price this year, with 53 percent of consumers citing price as a reason to buy online, compared with 46 percent last year. Interestingly, though, consumers continue to trump convenience more than price as the primary value of the channel, with 76 percent of consumers citing the ability to shop 24 hours a day and 74 percent citing time saving for why they shop online (see Table 1).

These results are from a Nielsen Online pre-holiday survey intended to gauge online consumers' holiday shopping plans for 2008. The online survey was fielded from November 6-11 among approximately 1,300 online shoppers in the U.S. who did holiday shopping online last year and/or planned to do so this year.

Table 1: Top 10 Reasons to Shop Online (U.S.)

Reason	Percent of Respondents
Able to shop 24 hours a day	76
Saves time	74
Avoiding crowds	65
Saves gas	59
Sales/Discounts/Promotions	55
Low prices	53
Comparison shopping	48
Selection	40
Available product information	37
Items are in stock	37

Source: Nielsen Online, Pre-holiday Survey, November 2008

HOLIDAY GIFT DOLLARS SHIFTING ONLINE

Survey results indicate that holiday gift budgets are shifting online. Respondents said that they would spend an increased percent of their holiday shopping budget online, an average of 41 percent compared to 39 percent last year. And more respondents indicated that they would spend the majority of their holiday gift budgets online, up to 36 percent from 32 percent a year ago.

PROSPECTS FOR GROWTH

More consumers plan to make purchases in the “Toys & Video Games” and “Books” categories this holiday season than last. The top three retailers when ranked by the year-over-year increase in respondents intending to shop there this season were: Amazon, Wal-Mart and Barnes & Noble.

“Based on our survey findings, we believe holiday online sales will grow from 2007, but likely at a single-digit rate and representing the smallest increase we’ve seen since the online commerce market was born,” said Ken Cassar, vice president of industry insights, Nielsen Online. “If there is a silver lining in these results, it is that consumers continue to view the online channel’s principal value proposition as convenience, more than price, allowing retailers the opportunity to differentiate on service and selection. We expect consumers will be comparison shopping, particularly in categories where goods are high-priced. However, in moderate and low-priced categories, retailers may be able to offer prices that are simply competitive, potentially preserving some of the margin that might otherwise be lost this year.”

NIELSEN ONLINE TO DELIVER HOLIDAY SHOPPING INSIGHTS

Throughout the upcoming holiday shopping season, which officially commences with Black Friday on Nov. 28, Nielsen Online will report weekly – and, in some cases, daily – online audience data for top online shopping destinations as well as for its annual Holiday eShopping Index. Nielsen Online’s Holiday eShopping Index is comprised of more than 120 representative online retailers across 12 categories and is a barometer to gauge the level of activity at online shopping destinations during the holiday season. In addition, Nielsen Online will deliver consumer insights through analysis of online discussion (consumer-generated media) and additional survey work.

About Nielsen Online:

Nielsen Online, a service of The Nielsen Company, delivers comprehensive, independent measurement and analysis of online audiences, advertising, video, consumer-generated media, word of mouth, commerce and consumer behavior, and includes products previously marketed under the Nielsen//NetRatings and Nielsen BuzzMetrics brands. With high quality, technology-driven products and services, Nielsen Online enables clients to make informed business decisions regarding their Internet, digital and marketing strategies. For more information, please visit www.nielsen-online.com. Also, visit our blog at www.nielsen-online.com/blog.

About The Nielsen Company:

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, 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 New York, USA. For more information, please visit, www.nielsen.com.

Editor’s Note: Please source all data to Nielsen Online.