



Global Trends in
Online Shopping
A Nielsen Global
Consumer Report
June 2010

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Online Shopping Around the World

The Internet has transformed many aspects of life, but perhaps none more so than how we shop for goods and services. While it's still nice to stop by a store to touch and see products, the convenience of online shopping can't be beat. And for some services, such as booking travel or buying concert tickets, the ability to do so online has made the process much easier and more efficient.

The Nielsen Company conducted a survey in March 2010 and polled over 27,000 Internet* users in 55 markets from Asia Pacific, Europe, Middle East, North America and South America to look at how consumers shop online: what they intend to buy, how they use various sites, the impact of social media and other factors that come into play when they are trying to decide how to spend their money. What we found was that there are some products bought online that are universal, and others that still have yet to build a significant share of trade. Further, while checking online reviews are popular for some products—particularly consumer electronics and cars—shoppers still trust the recommendations of friends and family most.

Vacations are High Priority for Planned Online Purchases

Global online consumers say that books and clothing will continue to top the list for planned online purchases in the next six months, which follows the trend reported in a 2009 Nielsen survey where 46 percent of global consumers said they purchased books in the past three months and 41 percent bought clothing online.

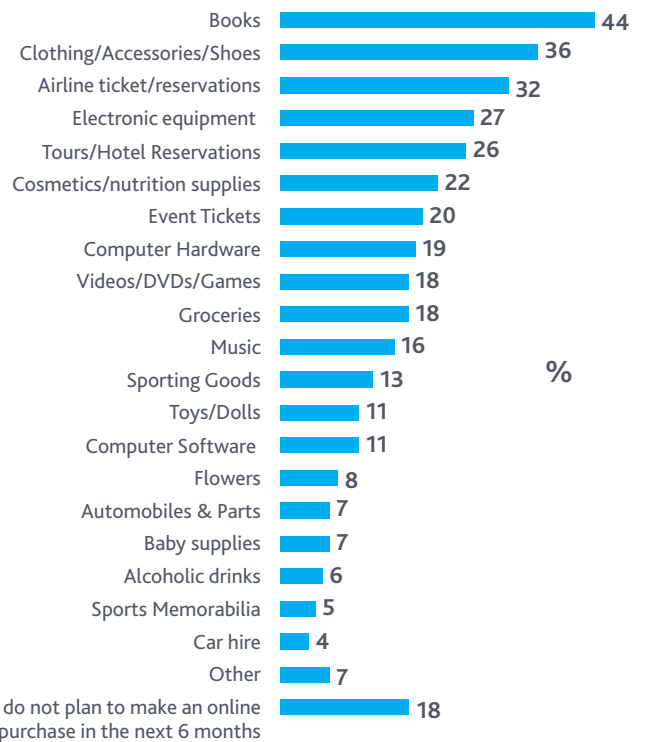
However, intent to purchase airline tickets and to book tours and hotel reservations show signs the economy is improving. In fact, compared to 2009 where 24 percent of connected consumers said they purchased airline tickets online and 17 percent made hotel/tour reservations via the Internet, intent to make travel arrangements online in 2010 has increased seven percentage points and nine percentage points respectively.

Other engaging products and services tagged for future online purchases include electronic equipment, cosmetics/nutrition supplies, event tickets, computer hardware, videos/DVD's/ games and groceries.

*See Page 10 for Note About Worldwide Internet Penetration

What product/services do you intend to purchase online in the next 6 months?

Global Average

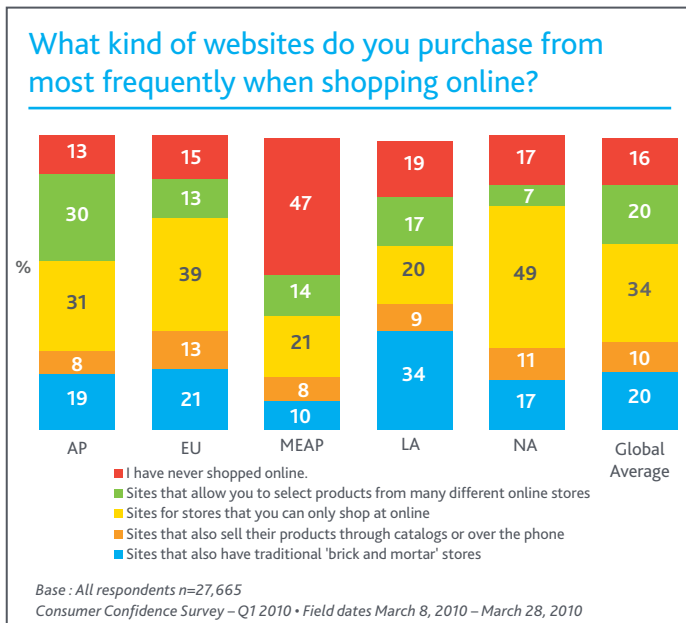


Base: All respondents n=27,665
Consumer Confidence Survey – Q1 2010 • Field dates March 8, 2010 – March 28, 2010

Online-Only Shops Have Greatest Global Site Appeal

Globally, one-third of online consumers say they primarily do their Internet shopping at retailers that have only an online presence (such as Amazon.com), followed by an equal 20 percent of respondents who prefer sites that also have traditional "brick and mortar" stores and those that allow you to select products from many different online stores. Only 16 percent of respondents globally indicate they have never shopped online.

Site preferences vary across the world. Half of North Americans said they most frequently purchase from online-only stores, while one-third of Latin Americans prefer sites that also have traditional offline stores. Almost half (47%) of online consumers in the Middle East, Africa and Pakistan say they have never shopped online.



Top 5 Products/Services Global Consumers Expect to Purchase Online in the Next 6 Months

Rank	Product
1	Books
2	Clothing/accessories/shoes
3	Airline tickets
4	Electronic Equipment
5	Tours/hotel reservations

Source: Nielsen Q1 Global Online Survey

In a sign that there remains tremendous room for growth, 44 percent of online consumers say they spend less than 5 percent of their monthly spending online and 29 percent say they spend between 6 percent and 10 percent.

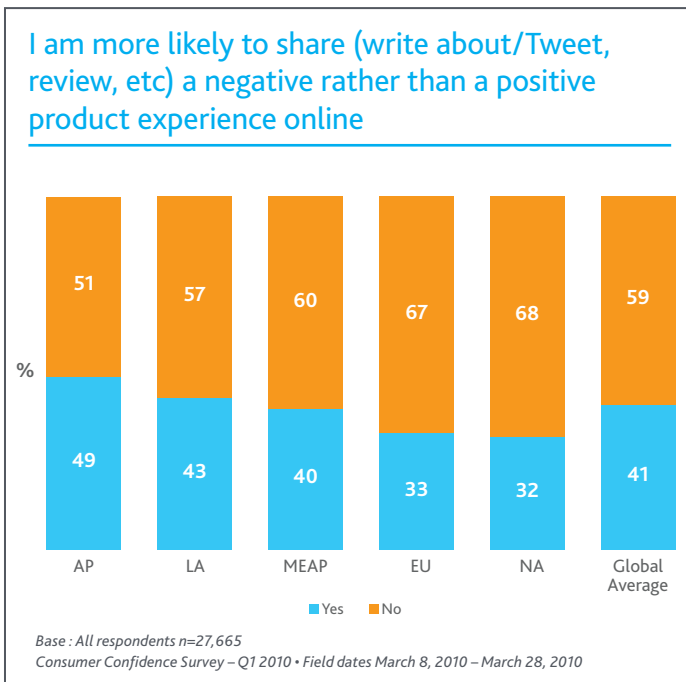


Opinions Count

One of the great benefits of online shopping is the ability read others' reviews of a product, be they experts or simply fellow shoppers. These opinions are most important when it comes to purchasing consumer electronics: 57 percent of online respondents consider reviews prior to buying. Reviews on cars (45%) and software (37%) rounded out the top three most important online influences when making a purchase.

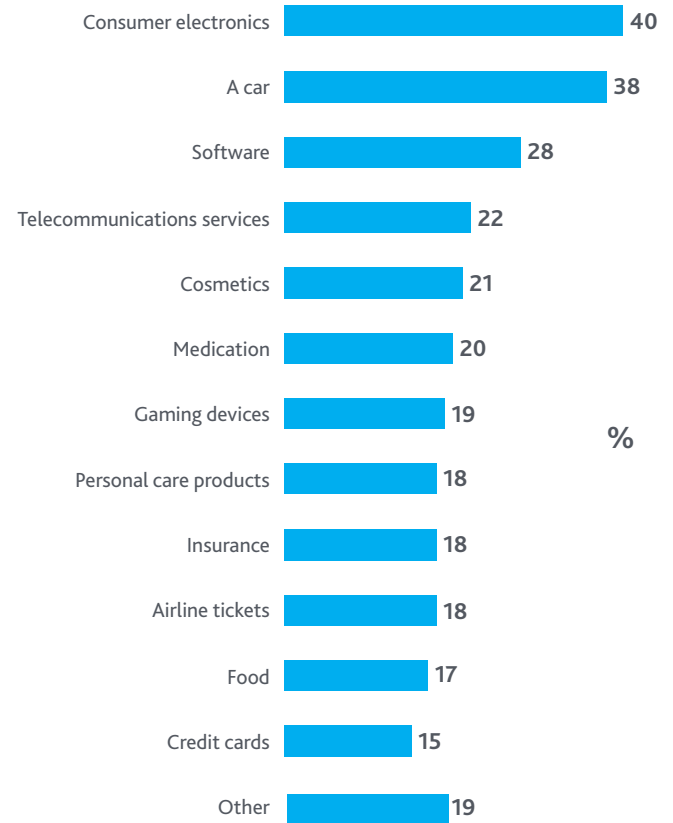
Online reviews and peer recommendations also played a key role for shoppers researching future purchases of consumer electronics, cars and travel, and 40 percent of online shoppers indicate they would not even buy electronics without consulting online reviews first.

Pity the product or retailer that consumers don't like: while most online consumers (59%) said that they are not more likely to share a negative product experience online via Twitter or writing a review, 41 percent would.



I would not buy the following products without consulting online reviews:

Global Average



Base: All respondents n=27,665
Consumer Confidence Survey – Q1 2010 • Field dates March 8, 2010 – March 28, 2010

Top 10 Global Sites by % Active Reach

1	Google	81.78%
2	MSN/Windows Live/Bing	61.82%
3	Facebook	54.48%
4	Yahoo!	52.91%
5	Microsoft	48.42%
6	YouTube	46.58%
7	Wikipedia	34.93%
8	AOL Media Network	27.16%
9	eBay	26.47%
10	Apple	26.11%

Source: The Nielsen Company, April 2010
Countries include: U.K., France, Germany, Italy, Spain, Switzerland, Brazil, U.S., Australia

Online Shopping Around the World—Regional round-up

Consumers all around the world shop online, but what they're buying and how they use product reviews and social media to influence their decisions vary widely.

Asia Pacific

Chinese and Korean online consumers are the most prolific online shoppers in the Asia Pacific region with 95 percent of Internet users intending to make a web purchase in the next six months. Conversely, over one-fourth of online consumers in Hong Kong (27%) and Thailand (26%) and one-fifth of residents in Japan, New Zealand, Indonesia and Australia do not plan an online purchase in the upcoming months.

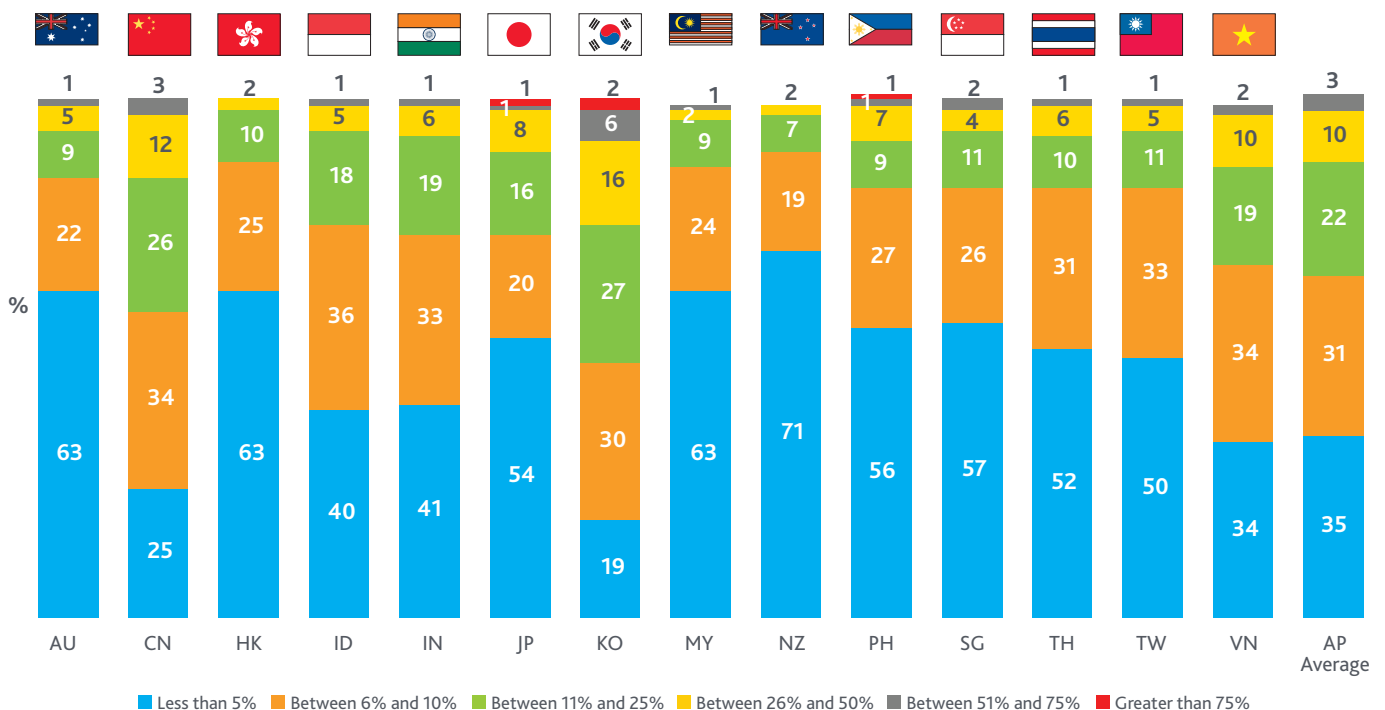
Koreans who shop online are most likely to buy books, cosmetics, clothing/accessories/shoes and groceries via the Internet in the next six months. While connected Chinese also favor books and

clothes, 40 percent plan to make an electronic purchase online. Web-savvy Malaysians like online shopping for booking travel, with airline tickets and hotel/tour reservations the top picks. More online Australians intend to purchase event tickets and non-downloadable videos/DVDs/games than any other in the region. And one-fifth of online Indian shoppers plan to buy non-downloadable music.

Total online spending as a percentage of total monthly spending varies by country with Chinese and Korean online consumers allocating the most via the web than any other in the region. Online consumers in New Zealand, Australia, Malaysia and Hong Kong allocate the least.

What is your online shopping spending percentage of total monthly spending?

Asia Pacific Region



Base: All respondents shopping online in Q27 n=5618
Consumer Confidence Survey – Q1 2010 • Field dates March 8, 2010 – March 28, 2010

Europe

Intention to shop online in Europe is high—79 percent of online European consumers plan to purchase products or services via the Internet in the next six months. Online consumers in Norway and Great Britain show the greatest propensity with almost 90 percent planning a web purchase in the near future. More online residents of Estonia, Croatia and Latvia indicate they would not be making any online purchases in the next six months than in the rest of Europe (42%, 41%, and 41%, respectively).

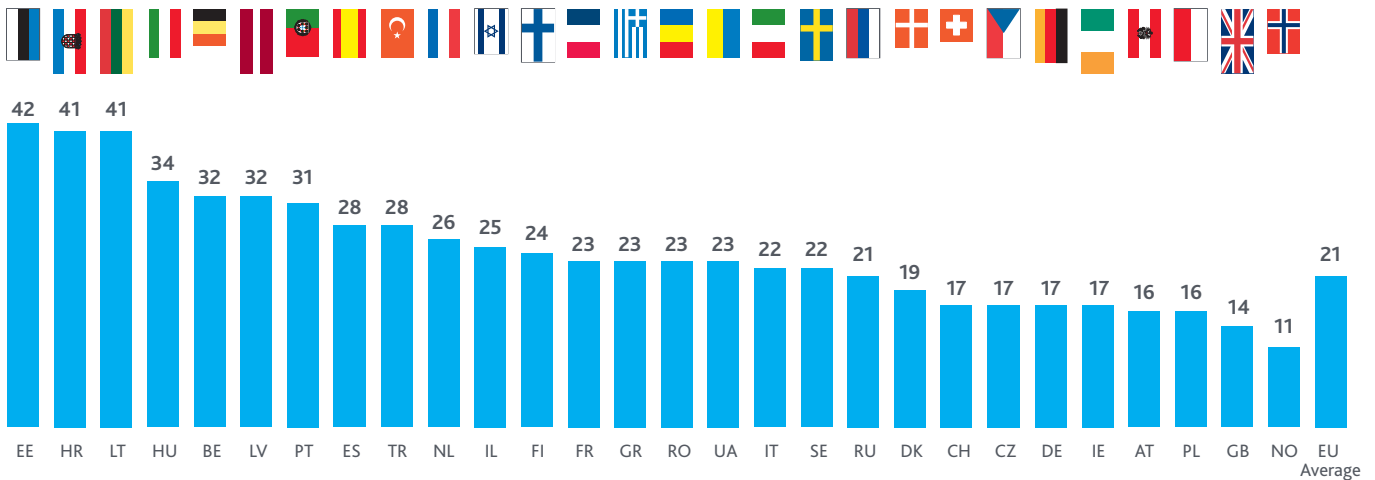
More than half of online Austrians who shop via the web plan to buy books, while online Germans and Czechs intend to turn to

the Internet for clothing and shoes more than any other online shoppers in the region. Future online purchases for Norwegians are likely to include a vacation or a show as indicated by their strong intent to purchase travel and event tickets. More than one-third of online Brits plan to purchase DVDs and games online, while connected Greeks indicate a preference for electronic equipment and computer hardware. Web-savvy Israelis seek the Internet to purchase electronic equipment more than any other item and are the least likely in the region to purchase clothing or shoes online.

What product/services do you intend to purchase online in the next 6 months?

I do not plan to make an online purchase in the next 6 months

Europe Region



Base : All respondents n=14,122
Consumer Confidence Survey – Q1 2010 • Field dates March 8, 2010 – March 28, 2010

79 percent of online European consumers plan to purchase products or services via the Internet.

North America

Half of online Americans favor sites for stores that can only be shopped online and the majority of Canadian web shoppers are split between a preference for online-only sites (31%) and those that have traditional physical stores (19%)

The list of products and services that are favored by American and Canadian online shoppers is almost identical. Books, clothing and airline tickets are the items most likely tagged for online purchase in the next six months.

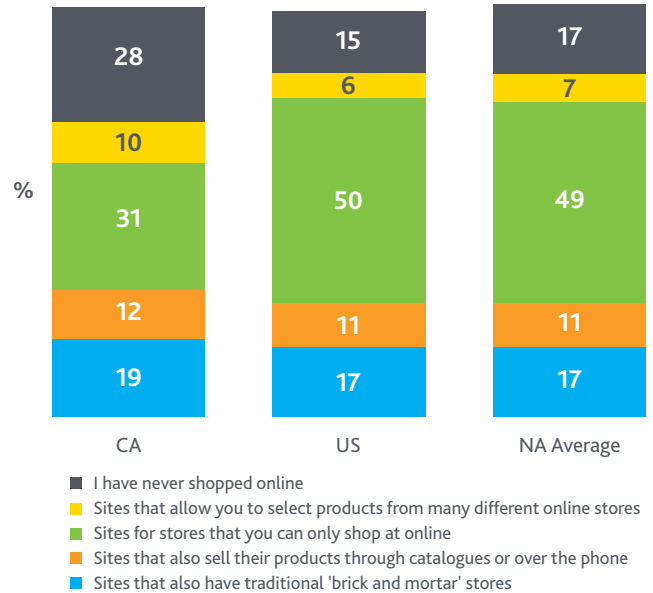
One-third of online Canadians say they don't plan on making an online purchase in the next six months, which is more than the one-fifth of connected Americans who said the same. In fact, 28 percent of online Canadian consumers indicate that they have never shopped online compared to 15 percent of Americans.

When selecting the top three sources to guide decisions, online product reviews are useful to 42 percent of American and 40 percent of Canadian web shoppers. Online reviews are most important when buying consumer electronics, cars and software and when researching cars, electronics and travel.



What kind of websites do you purchase from most frequently when shopping online?

North America Region



Base: All respondents n=1,009
Consumer Confidence Survey – Q1 2010 • Field dates March 8, 2010 – March 28, 2010

Top 10 U.S. Sites by % Active Reach

1	Google	75.96%
2	Yahoo!	65.01%
3	Facebook	61.92%
4	MSN/WindowsLive/Bing	56.24%
5	YouTube	47.60%
6	Microsoft	43.60%
7	AOL Media Network	40.52%
8	Apple	30.95%
9	Fox Interactive Media	30.47%
10	Wikipedia	29.99%

Source: The Nielsen Company, April 2010

Latin America

Connected Brazilians are the most prolific online shoppers in the region with 84 percent planning to make an online purchase in the next six months. The items that top the list are books, electronic equipment, computer hardware and DVDs/games. Conversely, online Colombians are the least likely shop online in the near future—36 percent indicate they have no plans to shop virally in the next six months and more than one-fifth indicate they have never shopped online.

Electronic equipment tops the list for planned online purchases for 34 percent of Venezuelan web shoppers followed by airline tickets (27%) and computer hardware (21%). Surprisingly, books—which typically tops the list for most online shoppers—was favored by only 18 percent of online shoppers in this country.

Online purchase intent in Mexico is evenly divided among the top eight products and services: books (30%), electronic equipment (25%), tours/hotel reservations (24%) event tickets and music (22%), computer hardware (21%) clothing and video/dvd's/games (18%). Also equally distributed is the choice of sites that connected Mexicans prefer when shopping online.

More than one-third of online Chileans (36%) said they did not plan to make an online purchase in the next six months. Online reviews are most useful to Latin American consumers while researching purchases of consumer electronics, software and cars.

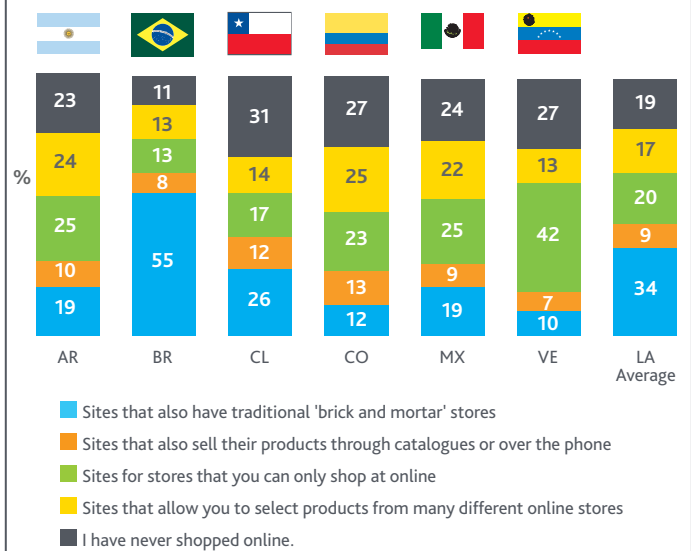


Top 10 Brazil Sites by % Active Reach		
1	Google	90.56%
2	MSN/WindowsLive/Bing	85.23%
3	Orkut	73.85%
4	UOL	68.97%
5	Microsoft	61.65%
6	Terra	60.45%
7	Globo	57.79%
8	YouTube	56.73%
9	iG	53.35%
10	Yahoo!	50.15%

Source: The Nielsen Company, April 2010

What kind of websites do you purchase from most frequently when shopping online?

Latin America Region



Base: All respondents n=3,006
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Middle East / Africa / Pakistan

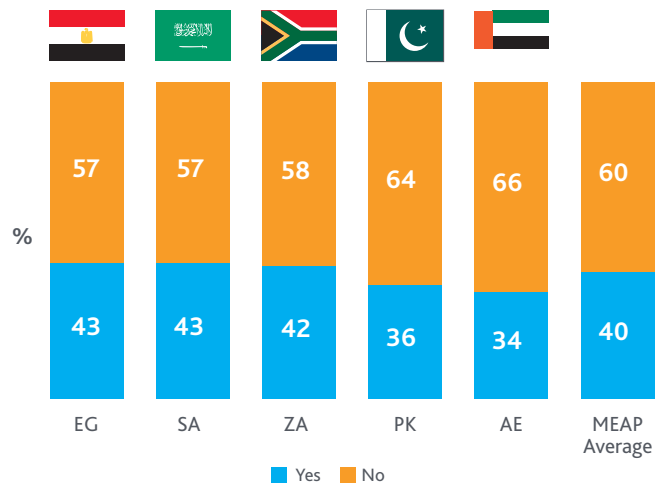
Shopping online is the most under-developed in the Middle East, Africa and Pakistan region. Almost half (47%) of online consumers indicate they have never made an online purchase—the highest percent of any other region in the world. Of those connected consumers who have online access, one-third say they do not plan on making a purchase in the next six months.

The most popular products and services for planned online purchase across the MEAP region are books (29%), airline tickets/reservations (24%) and electronic equipment such as TV's and cameras (23%). Other popular planned online picks for South Africans are event tickets (33%) and non-downloadable music (26%). Online residents of the United Arab Emirates intend to book travel (27%) and buy clothing (25%). Web-savvy Pakistanis will look online to buy computer hardware (25%) and clothing (18%), although they also lead the region saying they do not plan on making an online purchase in the next six months (38%).

Social media is not yet playing much of a role in influencing consumers' purchasing online, but online Saudis are most likely to use such sites to help make buying decisions. While the majority on online consumers in the region are not more likely to share a negative rather than a positive experience online, Egyptians and Saudis are more likely than any other in the region. Online reviews and opinions were most important when buying and researching cars, software and consumer electronics.

I am more likely to share (write about/Tweet, review, etc.) a negative rather than a positive product experience online:

Middle East/Africa/Pakistan



Base : All respondents n=2,465
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Almost half (47%) of online consumers indicate they have never made an online purchase.

Country Abbreviations

Argentina	AR	Malaysia	MY
Australia	AU	Mexico	MX
Austria	AT	Netherlands	NL
Belgium	BE	New Zealand	NZ
Brazil	BR	Norway	NO
Canada	CA	Pakistan	PK
Chile	CL	Philippines	PH
China	CN	Poland	PL
Columbia	CO	Portugal	PT
Croatia	HR	Romania	RO
Czech Republic	CZ	Russia	RU
Denmark	DK	Saudi Arabia	SA
Egypt	EG	Singapore	SG
Estonia	EE	South Africa	ZA
Finland	FI	South Korea	KO
France	FR	Spain	ES
Germany	DE	Sweden	SE
Greece	GR	Switzerland	CH
Hong Kong	HK	Taiwan	TW
Hungary	HU	Thailand	TH
India	IN	Turkey	TR
Indonesia	ID	United Arab Emirates	AE
Ireland	IE	United Kingdom	GB
Israel	IL	Ukraine	UA
Italy	IT	United States	US
Japan	JP	Venezuela	VE
Latvia	LV	Vietnam	VN
Lithuania	LT		

Region Abbreviations

AP	Asia Pacific
EU	Europe
LA	Latin America
MEAP	Middle East, Africa, Pakistan
NA	North America

A Note About Worldwide Internet Penetration

This Nielsen survey is based on the behavior of respondents with online access only. Internet penetration rates vary by geographic region as reported by Internet World Stats:

North America	76.2%
Oceania/Australia	60.8%
Europe	53.0%
Latin America/Caribbean	31.9%
Middle East.....	28.8%
Asia	20.1%
Africa	8.7%
World Average	26.6%

About The Nielsen Company

The Nielsen Company is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related assets. The privately held company is active in approximately 100 countries, with headquarters in New York, USA.

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