

Online Shopping: A Canadian Perspective

About the Survey

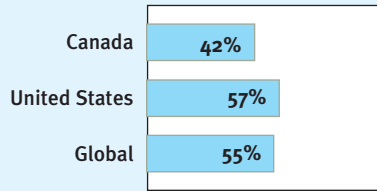
The Nielsen Global Omnibus surveys more than 26,000 Internet users around the world every six months - representing a global online population of close to one billion consumers. The survey gathers opinions over 47 countries across 15 time zones.



Online shopping is the most dynamic area of sales growth in the Canadian retail industry. According to the latest Statistics Canada survey on the topic (2006), Canadians spent over \$4.7 billion shopping on the Internet, nearly double the 2005 level. In 2006, 15% of Canadian retail firms sold goods and services online, up from 10% in 2005. Retailers reported that the two key benefits of selling online were the ability of online shopping sites to reach new customers and improved coordination of service between the retailer, supplier and customer.

In November 2007, Nielsen conducted a global survey on the internet shopping habits of consumers. Over three quarters of Canadians surveyed reported they had made at least one purchase online. This is in line with global consumers but lags behind the US where online purchasing is almost universal. As well, although over half of global and US shoppers indicated they had purchased online in the past month, only 4 in 10 Canadians had such recent purchases. Clearly, although the sector is growing rapidly, there is still significant opportunity in the Canadian e-tailing industry.

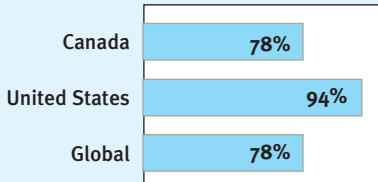
Have you purchased over the internet in the past month?



When asked what online purchases they had made in the last 3 months, Canadians were more likely to have bought books and videos/DVDs/games while Americans were most likely to have purchased clothes/accessories/shoes. Electronic equipment and event tickets were two of the few items that Canadians were more likely to

have purchased online than Americans. Worldwide, books were the most commonly reported internet purchase, followed by clothing/accessories/shoes. Canadian clothing retailers have an excellent opportunity to stimulate online sales to match their American counterparts.

Have you ever made a purchase over the internet?



In the past 3 months what items have you purchased over the internet?

	Canada	US	Global
Clothing/Accessories/Shoes	19	41	36
Books	25	38	41
Videos/DVD's/Games	25	31	24
Music	18	25	19
Airline Tickets/Reservations	14	22	24
Electronic Equipment	19	16	23
Computer Hardware	14	16	16
Tours/Hotel Reservations	10	16	16
Event Tickets	18	16	15
Cosmetics/Nutrition Supplies	7	14	19
Toys/Dolls	6	12	9
Sporting Goods	7	5	8
Automobiles and Parts	4	4	4
Sports Memorabilia	3	3	3
Groceries	4	1	14
Other	25	25	25

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Canadian consumers reported that familiarity was what helped them decide which site to use for online shopping; most commonly using sites they had previous experience with. This was similar for global and US consumers. Canadians also tended to rely on general internet surfing, while Americans were more likely to use search engines, personal recommendations and shopping comparison websites to make site destination choices. Globally, special offers seem to attract more consumers to sites than in North America.

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

	Canada	US	Global
Same Site I Regularly Use	58	63	60
General Surfing	38	36	33
Search Engine	21	31	31
Special Offer I Saw	25	29	30
Personal Recommendation	16	23	23
Shopping Comparison Website	11	24	23
Same Store I Buy From Offline	20	30	20
Online Recommendation	15	17	18
Online Advertising	10	10	14
TV/Print or Other Ad	10	12	11
Other	12	8	6

To pay for online purchases, Canadians most commonly used credit cards, and were more likely to do so than their American or global counterparts. Canadians also reported a high level of Paypal use, while completely shying away from other payment options such as debit cards, money transfers or pre-paid cards. Americans, while still using credit cards the most, also had high rates of both debit card and Paypal use.

If you purchased online in the last 3 months, what method of payment did you use?

	Canada	US	Global
Credit Card	79	70	60
Debit Card	2	40	22
Pre-Paid Card	2	3	3
Money Transfer	3	1	7
Paypal	47	36	24
Bank Transfer	4	3	23
Postal Transfer	4	0	5
Cash on Delivery	4	1	15
Cash in Mail	2	2	2
Cash Paid in Person	0	1	3
Payment Through Convenience Store	0	0	4
Other	2	4	4



Canadians most frequent uses of the internet are for email, searching for information about products to buy, and to get news/sports/ weather updates. Americans follow a similar pattern, however they are more likely to use internet messaging and auction services than Canadians.

Do you ever access the internet for the following:

	Canada	US	Global
Search for Information on Products to Buy	90	91	93
Social Networking	53	50	57
Download Music	59	49	65
Email	98	99	99
Instant Messaging	78	61	72
Chat Groups	37	30	51
Voice Over Internet (VOIP)	22	19	37
Banking	78	78	75
Auctions	32	51	45
Gambling	12	13	15
Travel Bookings	35	54	51
Submitting Forms/Payment to Government Websites	37	31	37
News/Sports/Weather	84	86	90
Reading Blogs	51	50	68
Creating/Maintaining Blogs	18	21	37
Online Dating	18	13	26
Downloading Podcasts	20	16	27
Creating Podcasts	4	7	15
Online Radio	48	44	48
Online Console Gaming	28	25	38
Online PC Gaming	30	28	38

While the online shopping industry is expanding by leaps and bounds in Canada, there is still considerable room for growth. Canadian clothing, cosmetics/nutrition, toy and tourism retailers, especially, have internet purchasing gaps with their American counterparts. These marketers have particular potential to boost sales through embracing the e-tailing sector.

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