

For Immediate Release:

Press Contacts:

Nielsen//NetRatings	Harris Interactive	Goldman Sachs
Maria Bumatay	Nancy Wong	Ed Canaday
(408) 586-7560	(585) 214-7316	(212) 357-0005

BOOKS, MUSIC, VIDEO/DVD AND APPAREL CATEGORIES CLAIM THE BULK OF HOLIDAY CONSUMER SPENDING ONLINE, ACCORDING TO THE eSPENDING REPORT FROM GOLDMAN SACHS, HARRIS INTERACTIVE AND NIELSEN//NETRATINGS

Time Crunch Changes Consumer Attitudes and Marketers Refocus on Last Minute Shoppers

ROCHESTER, NY and NEW YORK – December 20, 2002 – According to the eSpending Report from Goldman Sachs & Co., Harris Interactive®, and Nielsen//NetRatings, the books, music and video/DVD, apparel and consumer electronics categories claimed the bulk of online spending since the beginning of the 2002 holiday shopping season. Combined, the popular books, music and video/DVD category comprised a 17.8 percent market share of all holiday spending, with consumers spending nearly \$1.9 billion this season (see Table 1). Apparel was not far behind, as the category garnered more than \$1.8 billion recording a 17.5 percent market share.

The travel category, which usually comprises nearly a quarter of all ecommerce spending during the rest of the year, claimed just 14.7 percent of the total market share. During the same six-week period both consumer electronics and toys and video games categories enjoyed approximately \$1.2 billion in online spending making up 11.6 and 11.4 percent of the total market share, respectively.

“These top five categories cover nearly two-thirds of all consumer spending online, and retailers with a focus on these product categories are poised to benefit. Toys are always big this time of year and has grown 57 percent as compared to last holiday season,” said Lori Iventosch-James, director of ecommerce research, Harris Interactive.

“Apparel and consumer electronics, categories which typically enjoy more substantial offline sales, are experiencing increased online holiday sales this season with spending up 10 and 47 percent, respectively. Meanwhile, books, music and video/DVD offer popular and economical gift items, posting a 23 percent increase in consumer online spending over the same time last year.”

Table 1. Total Online Spending By Category During the 2002 Holiday Season (11/2-12/13)

Categories	Category Spending Online (Millions)	Percent Market Share
1. Books, Music and Video/DVD	\$1,864	17.8 %
2. Apparel/Clothing	\$1,831	17.5 %
3. Travel	\$1,540	14.7 %
4. Consumer electronics	\$1,208	11.6 %
5. Toys/Video games	\$1,192	11.4 %

Source: Goldman Sachs, Harris Interactive, and Nielsen//NetRatings

Pressed for Time, Online Shoppers' Attitudes Change

Findings from the eSpending Report reveal consumer behavioral changes during the latest week. The number of consumers citing low price as a reason for Web shopping decreased from 43 percent a month ago to 33 percent the week ending December 13. During the same time period, online consumers gradually grew weary of crowds at the malls, with 39 percent of those surveyed in the latest week saying that they chose to shop on the Internet to avoid traffic at offline stores. Earlier in the season, only 26 percent noted that avoiding crowds was a factor for shopping online. In addition, zero sales tax benefits have become less of an incentive to shop on the Internet.

“Online consumers have become less sensitive to price than they were a month ago and their disdain for crowds has grown stronger,” said Lisa Strand, director and chief ecommerce analyst, Nielsen//NetRatings. “Understanding these attitudinal changes are important for both online and offline retailers who want to refocus their marketing campaign to attract last minute shoppers.”

Table 2. Reasons Consumers Chose to Make a Purchase Online vs. a Physical Store (Week Ending 11/15 vs. Week Ending 12/13)

Reasons Consumers Chose to Make a Purchase Online	November 2002 (11/9-11/15)	December 2002 (12/7-12/13)
Prefer to avoid crowds	26%	39%
Item price is lower on the Internet	43%	33%
No sales tax when purchasing on the Internet	27%	21%

Source: Goldman Sachs, Harris Interactive, and Nielsen//NetRatings

Methodology

The eSpending Report by Goldman Sachs, Harris Interactive and Nielsen//NetRatings is based upon a weekly national survey of more than 750 online shoppers (ages 18+) randomly chosen from Harris Interactive's online panel of survey respondents. The eSpending report offers weekly intelligence on online shopping and spending by market segment and tracks consumer attitudes and motivations that drive online shopping. The survey data is weighted to represent the online population and has an overall precision of +/- 3.6 percent, which varies by question.

About Goldman Sachs

Goldman Sachs is a leading global investment banking and securities firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

About Harris Interactive®

Harris Interactive (www.harrisinteractive.com) is a worldwide market research and consulting firm best known for *The Harris Poll*®, and for pioneering the Internet method to conduct scientifically accurate market research. Headquartered in Rochester, New York, U.S.A., Harris Interactive combines proprietary methodologies and technology with expertise in predictive, custom and strategic research. The Company conducts international research through wholly owned subsidiaries—London-based HI Europe (www.hieurope.com) and Tokyo-based Harris Interactive Japan—as well as through the Harris Interactive Global Network of local market-and opinion-research firms, and various U.S. offices. EOE M/F/D/V

About Nielsen//NetRatings

Nielsen//NetRatings is the global standard for digital media measurement and analysis and is the industry's premier source for online advertising intelligence with its NetView, AdRelevance, @Plan and WebRF services. Covering 70 percent of the world's Internet usage, the Nielsen//NetRatings services offer syndicated Internet and digital media ratings reports and custom-tailored data to help companies gain valuable insight into their business. For more information, please visit www.nielsen-netratings.com.

Editor's Note: Please source data to Goldman Sachs, Harris Interactive and Nielsen//NetRatings.

###