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**ONLINE SHOPPERS SPEND \$2.95 BILLION IN THE SECOND WEEK OF DECEMBER; \$13 BILLION SPENT THIS HOLIDAY SEASON, ACCORDING TO GOLDMAN SACHS, HARRIS INTERACTIVE AND NIELSEN//NETRATINGS**

*Report Shows Strong Revenue Numbers in Several Shopping Categories, a Rise in Overall Shopping Satisfaction and an Increase in Shoppers Choosing Online Channels*

**ROCHESTER, NY and NEW YORK** – December 23, 2003 – The eSpending report from Goldman, Sachs & Co., Harris Interactive®, and Nielsen//NetRatings today revealed that online shoppers spent \$2.95 billion during the second week in December, an increase of 48 percent from 2002. The latest weekly report brings the total spent online excluding travel to \$13 billion this holiday season, an increase of 46 percent over last year.

The eSpending report found that the product categories for apparel, video/DVD, consumer electronics, toys/video games (hardware and software) and books continue to be popular so far this season, measuring the time period from November 1-December 12.

Online shoppers spent \$2.5 billion online buying apparel this holiday, an increase of 35 percent over last year (see Table 1). The category took in \$900 million in revenue during the last two weeks. Toys and video games (hardware and software) rose to \$1.6 billion in online spending during the same six-week period, a rise of 27 percent from a year ago. The consumer electronics category found success this season, with Internet shoppers spending \$1.4 billion, showing an increase of 12 percent. The books category attracted significant attention from online consumers, garnering \$1 billion, an increase of 33 percent.

**Table 1. Popular Online Shopping Categories Ranked by Projected Revenue to Date**

| Category                                 | 11/1/03-12/12/03<br>Projected Online<br>Revenue in Millions | Year Over Year<br>Growth |
|--|---|--------------------------|
| Apparel/Clothing                         | \$2,463   | 35%                      |
| Toys/Video games (hardware and software) | \$1,576   | 27%                      |
| Consumer Electronics                     | \$1,375   | 12%                      |
| Video/DVD                                | \$1,214   | 89%                      |
| Books                                    | \$1,046   | 33%                      |

*Source: Goldman Sachs, Harris Interactive and Nielsen//NetRatings eSpending Report, December 2003  
Number of respondents = 7,178 online users*

**More Online Shoppers Buy via Web versus Brick and Mortar and Catalogs**

Online shoppers report spending more of their holiday budget with retailers' online channels, choosing this option instead of their brick and mortar stores. The eSpending Report found that through the week of December 12, shoppers spent 21 percent of their 2003 holiday budget online, up from 16 percent in 2002. Brick and mortar storefronts have experienced a commensurate decrease in spending. Shoppers said they had expected to spend 72.9 percent of their budget at brick and mortars in 2003, down from 76.8 percent last year.

**Table 2: Online Spending vs. Stores and Catalogs, Ranked by Largest Points Increase**

| Retail Channel | 2002 | 2003 | 2002 to 2003<br>Percentage |
|----------------|------|------|----------------------------|
|----------------|------|------|----------------------------|



|                  |       |       | Points Change |
|------------------|-------|-------|---------------|
| Online           | 16.4% | 20.5% | +4.1          |
| Catalog          | 6.7%  | 6.7%  | 0             |
| Brick and Mortar | 76.8% | 72.9% | -3.9          |

Source: Goldman Sachs, Harris Interactive and Nielsen//NetRatings eSpending Report, December 2003

Questions asked: For the entire 2002 holiday shopping season, what percent of your budget did you spend in stores, catalogs and online? For the entire 2003 holiday shopping season, what percent of your budget did you spend in stores, catalogs and online?  
Total Number of respondents: 7,189 in Year 2002 –7,178 in Year 2003

“This season we are seeing a continuing trend of consumers deciding that shopping online is the way to go,” said Lori Iventosch-James, director of ecommerce research, Harris Interactive. “Smart internet retailers have minimized the barriers to online shopping, increasing their share of the shopper’s total holiday budget and making it the preferred channel for many shoppers. With extended shipping deadlines, we expect this trend to continue as people want to avoid the late shopping crowds.”

**Online Shopping Satisfaction Rises**

During the 2003 shopping season through December 12, 62 percent of online shoppers were satisfied with their overall shopping experience, a four point increase from 2002 (see Table 3). Less than seven percent were dissatisfied, a one point decrease from 2002.

**Table 3. Overall Online Customer Satisfaction Year to Year**

| Satisfaction Level | 2003  | 2002 | 2002 to 2003 Percentage Points Change |
|--------------------|-------|------|---------------------------------------|
| Satisfied          | 62.1% | 58%  | +4.1                                  |
| Dissatisfied       | 6.8%  | 8%   | -1.2                                  |

Source: Goldman Sachs, Harris Interactive and Nielsen//NetRatings eSpending Report, December 2003

Questions asked: For the entire holiday shopping season, please rate your overall shopping satisfaction so far.  
Total Number of respondents: 2002 – 7,189, 2003 – 7,178

“Online retailers has seen a strong season so far,” said Abha Bhagat, senior analyst, Nielsen//NetRatings. “The higher levels of customer satisfaction and increased consumer spending online point to the fact that the online channel is no longer a disruptive technology medium but another mainstream channel through which retailers reach out to customers.”

The eSpending Report by Goldman Sachs, Harris Interactive and Nielsen//NetRatings is based on a weekly national survey of between 800 and 1,700 online shoppers 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 also tracks consumer attitudes and motivations that drive online shopping.

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**About Harris Interactive ®**

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**About Nielsen//NetRatings**

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

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

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