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HEAVIEST ONLINE BUYERS REPRESENT 18 PERCENT OF BUYERS, BUT DRIVE 46 PERCENT OF ONLINE SPENDING, ACCORDING TO NIELSEN//NETRATINGS

Top Spenders Most Likely to Visit Shopping Comparison Sites

NEW YORK—December 2, 2005— Nielsen//NetRatings, a global leader in Internet media and market research, reported that nearly a fifth of the online buying population, or 18 percent, accounts for nearly half, or 46 percent, of total online spending. These buyers, dubbed “Most Valuable Purchasers” (MVPs) by Nielsen//NetRatings, spend more dollars online and make more purchases on the Internet than the rest of the online buying population.

The Nielsen//NetRatings MegaPanel online retail study segmented online shoppers into four categories based on the amount of their online spending (low or high) and their frequency of purchases (low or high). The MVPs, shoppers who spent the most money online and made the largest number of purchases, comprised 18 percent of the online buyers, driving 46 percent of total online spending (see Table 1). In comparison, those spending the fewest dollars online and making the fewest purchases made up the majority, or 55 percent, of online buyers; this group accounted for 21 percent of online purchases.

“Each retailer needs to analyze its own customer base to identify its respective MVPs and develop targeted marketing programs that will maximize revenue from these shoppers,” said Heather Dougherty, senior retail analyst, Nielsen//NetRatings. “Not only are the MVPs valuable based upon sales and number of purchases, they are also inordinately loyal to the retailers that they purchase from.”

Table 1. Four Segments of Spending and Purchasing Behavior (June-August, 2005)

Online Buyers	Percent of Online Buyers	Share of Online Spending
MVPs – Spent over \$185; Purchased 4 or more times	18%	46%
Spent over \$185, Purchased 3 or less times*	11%	24%
Spent Under \$185, Purchased 3 or less times	55%	21%
Spent Under \$185, Purchased 4 or more times)	16%	9%

Source: Nielsen//NetRatings MegaPanel Custom, November 2005

* Example: This group spent more dollars online, but made fewer purchases; they comprised 11 percent of online buyers, which accounted for 24 percent of online purchases.

MVPs are Heavy Comparison Shoppers

MVPs are heavy users of comparison shopping tools as compared to other online buying segments (see Table 2). In addition, they skew towards a higher household income, are more likely to be connected via a broadband connection, and are heavier Internet users in both overall time spent online and time spent on retail Web sites.

“Customer acquisition strategies need to include a combination of broad reach marketing tactics, including search and comparison shopping tools, as well as targeted Web sites that are frequented by the MVPs. Online retailers also need to tailor loyalty programs that reward the MVPs for purchasing at their sites to drive repeat sales and maintain a strong relationship with these valuable customers throughout the year,” continued Dougherty.

Table 2. Online Buyers’ Visits to Select Comparison Shopping Tools (June-August, 2005)

Online Buyers	Shopping.com Network	Yahoo! Shopping	Shopzilla	MSN Shopping



MVPs	56%	48%	42%	21%
High \$ spending; Low # of purchases	51%	45%	34%	18%
Low \$ spending; Low # of purchases	44%	35%	29%	17%
Low \$ spending; High # of purchases	39%	33%	26%	15%

Source: Nielsen//NetRatings MegaPanel Custom, November 2005

About Nielsen//NetRatings

NetRatings, Inc. (Nasdaq: NTRT) delivers leading Internet media and market research solutions, marketed globally under the Nielsen//NetRatings brand. With high quality, technology-driven products and services, Nielsen//NetRatings is the global standard for Internet audience measurement and premier source for online advertising intelligence, enabling clients to make informed business decisions regarding their Internet and digital strategies. The Nielsen//NetRatings portfolio includes panel-based and site-centric Internet audience measurement services, online advertising intelligence, user lifestyle and demographic data, e-commerce and transaction metrics, and custom data, research and analysis. For more information, please visit www.nielsen-netratings.com.

Editor's Note: Please source all data to Nielsen//NetRatings.

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