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**Online Shoppers Spent \$18.6 Billion in First Six Weeks of Holiday Season, Up 16 Percent from 2004, According to the Holiday eSpending Report from Goldman Sachs, Nielsen//NetRatings and Harris Interactive®**

***Apparel/Clothing, Consumer Electronics and Computer Hardware/Peripherals Capture the Most Online Holiday Shopping Dollars***

**ROCHESTER, N.Y. and NEW YORK – December 19, 2005** – The Goldman, Sachs & Co., Nielsen//NetRatings and Harris Interactive's Holiday eSpending Report reveals today that online shoppers spent \$18.6 billion, excluding travel, during the first six weeks (October 29 – December 9) of the 2005 holiday season. This year's U.S. online spending resulted in a 16 percent increase (+/- 3.1 percent margin of error) from the same time period in 2004, with 19 percent of consumers having indicated that they have yet to start their holiday shopping. The eSpending Report is based on a weekly national survey of approximately 1,000 online adult consumers, capturing consumer spending, attitudes and motivations of more than 6,500 shoppers during the first six weeks of the 2005 holiday season.

According to this week's eSpending Report, online shoppers have spent the most on apparel/clothing thus far in the 2005 holiday season, totaling \$3.4 billion, which was the majority, or 17 percent, of total online revenue (see Table 1). The consumer electronics and computer hardware/peripherals categories placed second and third with revenue totals of \$2.8 billion and \$2.7 billion, respectively. Books and toys/video games rounded out the top five product categories, accounting for a respective \$2.2 billion and \$1.4 billion in online revenue.

"Apparel and consumer electronics are consistently among the most popular gifts purchased during the holidays, resulting in the largest share of online revenue. Additionally, sales in the computer hardware category have been fueled by aggressive discounting on items, such as PCs and laptops," said Heather Dougherty, senior retail analyst, Nielsen//NetRatings. "The combination of well-known brands and retailers in the top categories strongly complement and drive online sales, because consumers trust and have confidence in both."

**Table 1: Online Shopping Categories Ranked by Projected Online Revenue, December 2005**

<b>Product Category**</b>	<b>2005 Holiday Online Revenue to Date</b>	<b>2005 Projected Online Holiday Revenue to Date in Millions</b>
Apparel/Clothing	17%	\$3,363
Consumer electronics	14%	\$2,844
Computer hardware/peripherals	13%	\$2,683
Books	11%	\$2,236
Toys/Video games (hardware and software)	7%	\$1,362

*Source: Goldman, Sachs, Nielsen//NetRatings, and Harris Interactive eSpending Report, December 2005; the first six weeks of the Holiday eSpending Report are from October 29 to December 9, 2005.*

*\*Note: Number of respondents: More than 1,000 online U.S. adult consumers surveyed weekly (Week 1-6: n=6,510)*

*\*\*Note: The featured categories met a minimum reporting sample of 100 respondents.*

**Drilling into 2005 Online Holiday Shopping Behavior**

During the sixth week of the 2005 holiday retail season, the Holiday eSpending Report asked more than 1,000 consumers to break down their 2005 holiday budget amongst various sales channels. The traditional brick-and-mortar stores captured the majority, or 69 percent of spending, compared to the 3.5 percent designated to catalogs. Online, the only channel to see growth, garnered 27.5 percent of the holiday budget, jumping 5.9 percentage points from last year.

In addition, consumers had a late start to this year's online shopping. As of the fifth week of the 2005 holiday season, 30 percent of consumers had not started their online shopping, which was up from 23 percent during the same time period last year. By the sixth week, 19 percent of consumers still had not started their online holiday shopping, while 37 percent of online shoppers indicated they had finished. Forty-four percent of consumers stated that they've begun but had not finished holiday shopping.

To date, the majority of holiday shoppers are satisfied with their overall 2005 shopping experience (see Table 2) with 70 percent noting that they have felt very or somewhat satisfied. Only five percent of consumers cited they were either very dissatisfied or somewhat dissatisfied.

"As online retail continues to mature as a sales channel, shoppers are provided the luxury of waiting to make holiday gift purchases until the last couple weeks of the season. Online retailers are extending shipping deadlines later each year, which provides ample time to comparison shop for the best deal. Price remains one of the biggest motivators online and is reflected in large spikes in audience traffic," continued Dougherty.

**Table 2: Overall Consumer Satisfaction Ranked by Percentage, December 2005**

Satisfaction Level	Consumers
Very dissatisfied	1.8%
Somewhat dissatisfied	3.7%
Neutral	24.2%
Somewhat satisfied	25.9%
Very satisfied	44.4%

*Source: Goldman, Sachs, Nielsen//NetRatings, and Harris Interactive eSpending Report, December 2005*

*\*Note: Number of respondents: More than 1,000 online U.S. adult consumers surveyed weekly (Week 6: n=1,031)*

### **About the 2005 Holiday eSpending Report**

The eSpending Report by Goldman Sachs, Nielsen//NetRatings and Harris Interactive is based on a weekly national survey of more than 1,000 adult consumers from among the Harris Interactive online panel of survey respondents who are randomly invited to participate in online surveys. The survey began to field the week of October 29. The week 6 data are based on responses from a sample of 1,031 U.S. adults who were online, fielded from December 3-9, 2005; to date, over 6,500 consumers have been surveyed in total. The week 6 data were weighted to be representative of the total U.S. online population of adults, and in theory, with a probability sample of this size, one can say with 95 percent certainty that the overall results have a sampling error of +/-3.1 percentage points. Sampling error for sub-category results is higher and varies. 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.

### **About Goldman Sachs**

Goldman Sachs is a leading global investment banking, securities and investment management 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 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](http://www.nielsen-netratings.com).

**About Harris Interactive®**

Harris Interactive Inc. ([www.harrisinteractive.com](http://www.harrisinteractive.com)), based in Rochester, New York, is the 13<sup>th</sup> largest and the fastest-growing market research firm in the world, most widely known for *The Harris Poll*® and for its pioneering leadership in the online market research industry. Long recognized by its clients for delivering insights that enable confident business decisions, the Company blends the science of innovative research with the art of strategic consulting to deliver knowledge that leads to measurable and enduring value.

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To become a member of the Harris Poll Online<sup>SM</sup> and be invited to participate in future online surveys, go to [www.harrispollonline.com](http://www.harrispollonline.com)

**Press Contacts:**

**Harris Interactive**

Nancy Wong  
(585) 214-7316  
[nwong@harrisinteractive.com](mailto:nwong@harrisinteractive.com)

**Goldman Sachs**

Ed Canaday  
(212) 357-0005  
[ed.canaday@gs.com](mailto:ed.canaday@gs.com)

**Nielsen//NetRatings**

Tracy Yen  
(408) 941-2932  
[tyen@netratings.com](mailto:tyen@netratings.com)

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