



FOR IMMEDIATE RELEASE

More than Half of Online Shoppers Finish Shopping the Week Prior to the Holidays; Total Holiday Spending Hits \$25 Billion, According to the Holiday eSpending Report from Goldman Sachs, Nielsen//NetRatings and Harris Interactive

Sales of Apparel/Clothing, Computer Hardware/Peripherals and Consumer Electronics Top This Year's Holiday Shopping List

ROCHESTER, N.Y. and NEW YORK – December 22, 2005 – Goldman, Sachs & Co., Nielsen//NetRatings and Harris Interactive's Holiday eSpending Report revealed today that 54 percent, or the majority of online shoppers finished their holiday shopping by December 16th (vs. 37% by December 9th), with 10 percent of shoppers still waiting to begin. The holiday spending total reached \$25 billion, excluding travel, during the first seven weeks (October 29 – December 16) of the 2005 holiday season.

Thus far in 2005, U.S. online holiday spending resulted in a 25 percent increase (+/- 3.1 percent margin of error) from the same time period in 2004. 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 7,500 shoppers during the first seven weeks of the 2005 holiday season.

"In recent years, consumers shop online later and later in the holiday season making the week prior to the holidays the peak in online holiday shopping, with over half of shoppers completing all of their purchases," said Heather Dougherty, senior retail analyst, Nielsen//NetRatings. "With guaranteed delivery by December 24th and additional discounts and incentives, online retailers continue to court shoppers until late in the season, looking to capture sales before shoppers turn to stores on Friday and Saturday for last minute purchases," she continued.

According to this week's eSpending Report, online shoppers have spent the most on apparel/clothing thus far in the 2005 holiday season, totaling \$4.7 billion, which was the majority, or 17 percent, of total online revenue (see Table 1). The computer hardware/peripherals and consumer electronics categories placed second and third, with revenue totals of \$3.7 billion each. Books and toys/video games rounded out the top five product categories, accounting for a respective \$2.6 billion and \$1.9 billion in online revenue.

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

| Product Category** | 2005 Holiday Online Revenue to Date | 2005 Projected Online Holiday Revenue to Date in Millions |
|--|-------------------------------------|---|
| Apparel/Clothing | 17% | \$4,682 |
| Computer hardware/peripherals | 14% | \$3,749 |
| Consumer electronics | 14% | \$3,666 |
| Books | 10% | \$2,605 |
| Toys/Video games (hardware and software) | 7% | \$1,905 |

Source: Goldman, Sachs, Nielsen//NetRatings, and Harris Interactive eSpending Report, December 2005; the first seven weeks of the Holiday eSpending Report are from October 29 to December 16, 2005.

*Note: Number of respondents: More than 1,000 online U.S. adult consumers surveyed weekly (Week 1-7: n=7,523)

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

(more)

When Holiday Shoppers Hit the Web

During the seventh week of the 2005 holiday retail season, the Holiday eSpending Report asked more than 1,000 consumers which search engine or shopping portal they used to locate online stores in the past week. Nearly half of holiday shoppers, 45.2 percent, went directly to an online retailer by typing its URL. Other popular means of finding online stores were using search engines such as Google, 40.5 percent, and Yahoo! 20.9%, or going to sites with multiple retailers, such as eBay, 23.4 percent and Amazon, 25.1 percent.

“Like their offline counterparts, online shoppers have favorite retailers that they frequently visit. They are very familiar with the retailer’s brand name and tend to go directly to their sites,” said Dougherty. “However, some gifts may involve more research, in which case search engines and shopping comparison sites come into play. Most shoppers use a variety of channels to get their holiday shopping done,” she continued.

In week seven, the majority of holiday shoppers noted that they are satisfied with their overall 2005 shopping experience (see Table 2) with 71 percent noting that they have felt very or somewhat satisfied. Only eight percent of consumers cited they were either very dissatisfied or somewhat dissatisfied.

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

| Satisfaction Level | Consumers |
|-----------------------|-----------|
| Very satisfied | 49.7% |
| Somewhat satisfied | 21.4% |
| Neutral | 20.8% |
| Somewhat dissatisfied | 7.1% |
| Very dissatisfied | 1.0% |

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 7: n=1,013)*

The eSpending Report also examined if consumers faced one or more problems during the past week’s online shopping. More than half, or 55 percent, stated there was nothing wrong with their online shopping trip. The three top problems online shoppers faced were that products were out of stock, they could not locate a sought after item or shipping costs were excessive, accounting for 22, 18 and 16 percent of respondents, respectively.

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 7 data are based on responses from a sample of 1,013 U.S. adults who were online, fielded from December 10-16, 2005; to date, over 7,500 consumers have been surveyed in total. The week 7 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.

About Harris Interactive®

Harris Interactive Inc. (www.harrisinteractive.com), based in Rochester, New York, is the 13th 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.

Harris Interactive serves clients worldwide through its United States, Europe (www.harrisinteractive.com/europe) and Asia offices, its wholly-owned subsidiary Novatris in Paris, France (www.novatris.com), and through an independent global network of affiliate market research companies. EOE M/F/D/V

To become a member of the Harris Poll OnlineSM and be invited to participate in future online surveys, go to www.harrispollonline.com

Press Contacts:

Harris Interactive

Nancy Wong
(585) 214-7316
nwong@harrisinteractive.com

Goldman Sachs

Ed Canaday
(212) 357-0005
ed.canaday@gs.com

Nielsen//NetRatings

Tracy Yen
(408) 941-2932
tyen@netratings.com

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