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News Release

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FOR IMMEDIATE RELEASE

FOUR IN FIVE AUSTRALIAN INTERNET USERS NOW SHOPPING ONLINE, PAYPAL THE PREFERRED PAYMENT METHOD: NIELSEN

AIRLINE TICKETS, ACCOMMODATION & BOOKS MOST POPULAR ONLINE PURCHASES

BANKING/FINANCIAL SERVICES THE MAIN REASON FOR USING THE INTERNET FOR ONE IN FOUR

October 3, 2008, Sydney: Four in five (80%) Australian Internet users are now shopping online, with PayPal (37%) overshadowing Visa (22%) as the *preferred* online payment method, according to Nielsen's latest Online Consumer report. PayPal is also the payment method *mainly used* when purchasing from main online retailers, up six percent from six months ago, according to Nielsen.

According to the Nielsen report, eBay is the clear leader in the online shopping arena, with 56 percent of online shoppers having made a purchase from it in the last six months, followed by DealsDirect (23%) and Virgin Blue (15% - refer chart 1).

"The preference for PayPal is mainly fuelled by eBay shoppers and to a lesser extent, smaller retailers such as DealsDirect, Amazon and Dstore," notes Stewart Crammond, Senior Manager, Financial Services, The Nielsen Company. "With over half (56%) of online shoppers purchasing from eBay in the last six months, PayPal, as a subsidiary of eBay, has gained considerable momentum in the online shopping arena".

"Even though the report shows year-on-year growth for a number of online retailers, eBay remains the clear market leader in the online retail space", notes Crammond. "This is demonstrated not only by the number of respondents purchasing over the last six months, but also by the strong market awareness they have generated in the minds of Australian consumers."

The Nielsen Online Consumer Report found airline tickets (37%), accommodation (31%) and books (29%) to be the most common online purchases in the last six months.

Financial institutions appear to be benefiting from the increase in Internet users, putting them in good position to use their online assets to better market their products/services to potential and existing customers - with nearly two-thirds of respondents using the Internet for banking/financial services. Further to this, a quarter (25%) of respondents cited banking/financial services as their *main reason* for using the Internet, jumping seven percentage points (refer chart 2) since the survey was last conducted.

“Capitalization of online assets is key for banks to acquire and retain customers”, notes Crammond,. “As the Internet becomes more strongly entrenched in the lives of Australians, banks are capitalizing on it – allowing other businesses to learn from the banks’ experiences”.

Chart 1: Which of the following online retailers have you purchased from in the last six months?

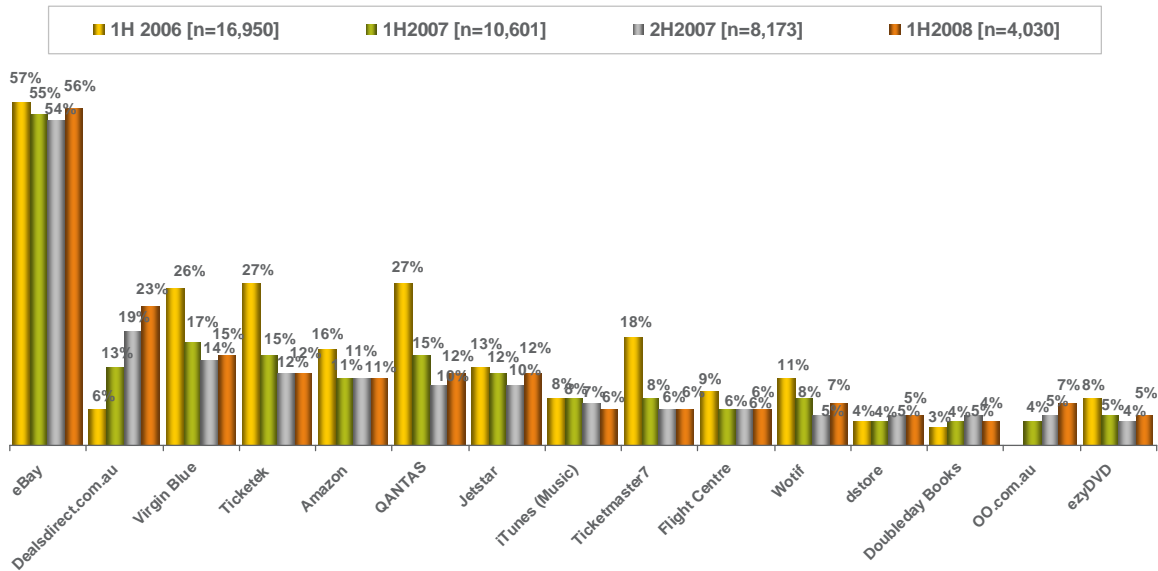
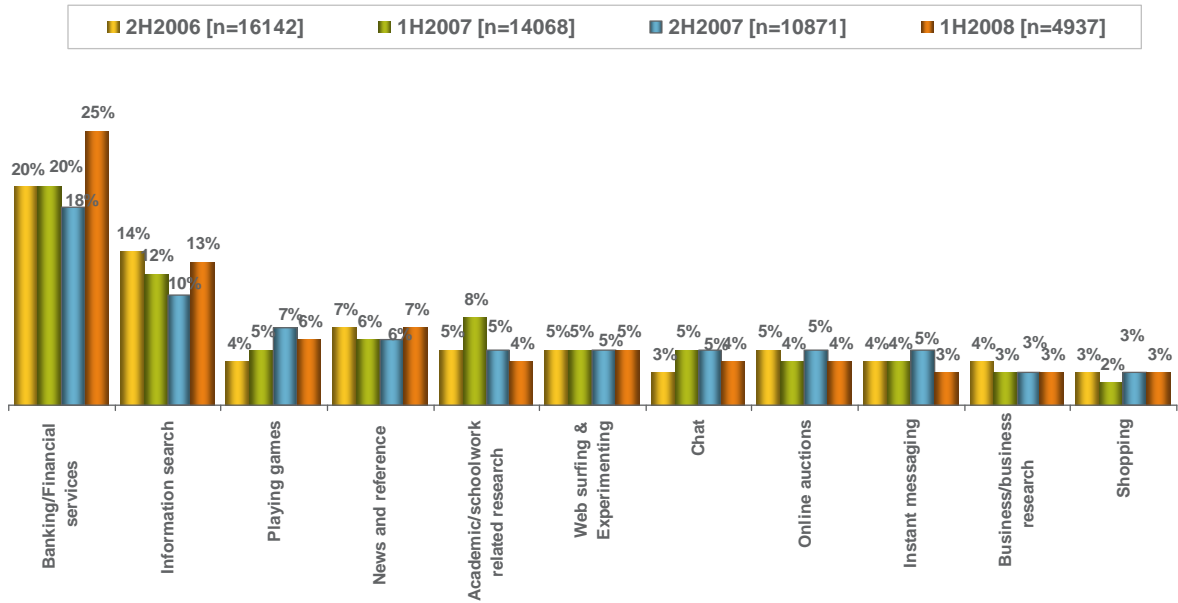


Chart 2: Besides email, what do you mainly use the Internet for?



Online Consumer Report

The Nielsen Company's bi-annual Online Consumer Report is based on responses from over 11,000 Australian consumers, and provides insights into the purchasing behaviour and attitudes of online consumers, including retailer market share, online retailer satisfaction and online payments methods. The report also scopes out emerging mobile technology.

About The Nielsen Company

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