

2007 Canadian E-commerce and Social Networking Summary

Prepared by J.C. Williams Group
and Sponsored by



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Objectives

- The objectives of the 2007 multi-channel study were to:
 - Tracking Canadian online and offline shopper behaviour;
 - Track online shopper profiles
 - Explore and evaluate the impact of social networking from an attitudinal and behavioural

Methodology

- An online survey was conducted with Canadian online¹ and offline² shoppers between April 19 and April 27
- A total of 2,000 individuals were surveyed: 1,500 online shoppers and 500 offline shoppers
- Survey participants had the option of using their preferred language: English or French
- The data has been analyzed by shopper type and technology adoption types and both classifications are defined in the following slides

1. Those who have made an online purchase in the past 6 months

2. Those who have not made any online purchases in the past 6 months

Definitions

- The shopper types were defined using the following statements:

<p>Info Driven</p>	<ul style="list-style-type: none"> ■ I had a specific product in mind but wanted to find out more information or compare features and prices ■ I had a general idea of a product I wanted to buy but thought I needed to do more research before making a decision
<p>Conqueror</p>	<ul style="list-style-type: none"> ■ I had a specific product in mind, knew where to buy it, and bought it right away
<p>Browse2Buy</p>	<ul style="list-style-type: none"> ■ I had no specific product in mind but enjoy shopping and was generally browsing when the product idea struck me ■ It happened impulsively. I had no intent of buying something but I saw something that triggered an impulsive need for a product

Definitions

- The technology adoption classifications were defined as follows:

Early Adopters	■ I like to have the newest products/services
Early Majority	■ I wait until the product/service has been tested before purchasing it
Late Majority	■ I purchase the tested product/service at a price that I like
Laggards	■ I only purchase a new product/service when I need it

Summary of Findings

General Behaviour

Summary of Findings

- On average, online buyers spent \$454 in the P6M, which was \$7 more than one year ago:
 - Among online buyers, more categories were purchased more often in 2007 as compared to 2006
- A breakdown of shopper types indicated that more online buyers classified themselves as Info Driven (54% vs. 48% in 2006)
- A higher percentage of online buyers indicated they compared shopped at more than one online store vs. last year (38% vs. 34%):
 - An increase was also seen in the use of search engines (37% in 2007 vs. 33% on 2006)

Helpful Online Tools

Summary of Findings

- New to the study this year, respondents were asked to rate the helpfulness of a number of online tools/features/services in their decision making process

- Among Canadian online shoppers, the top three online tools/features/services that were most helpful to them were:
 - Product comparisons 52%
 - Keyword search 51%
 - Clickable catalogues 50%

Social Networking

Summary of Findings

- Among Canadian online users, approximately 6 in 10 have participated in a social networking activity and have made a purchase in the P6M
- The top five social networking activities both online and offline buyers participate in most often include:
 - Watching online video clips
 - Viewing pictures online
 - Reading consumer/product reviews
- The topics both online and offline buyers participate in/discuss most often when online were:
 - Music, Movies, Shopping and Product reviews

Social Networking

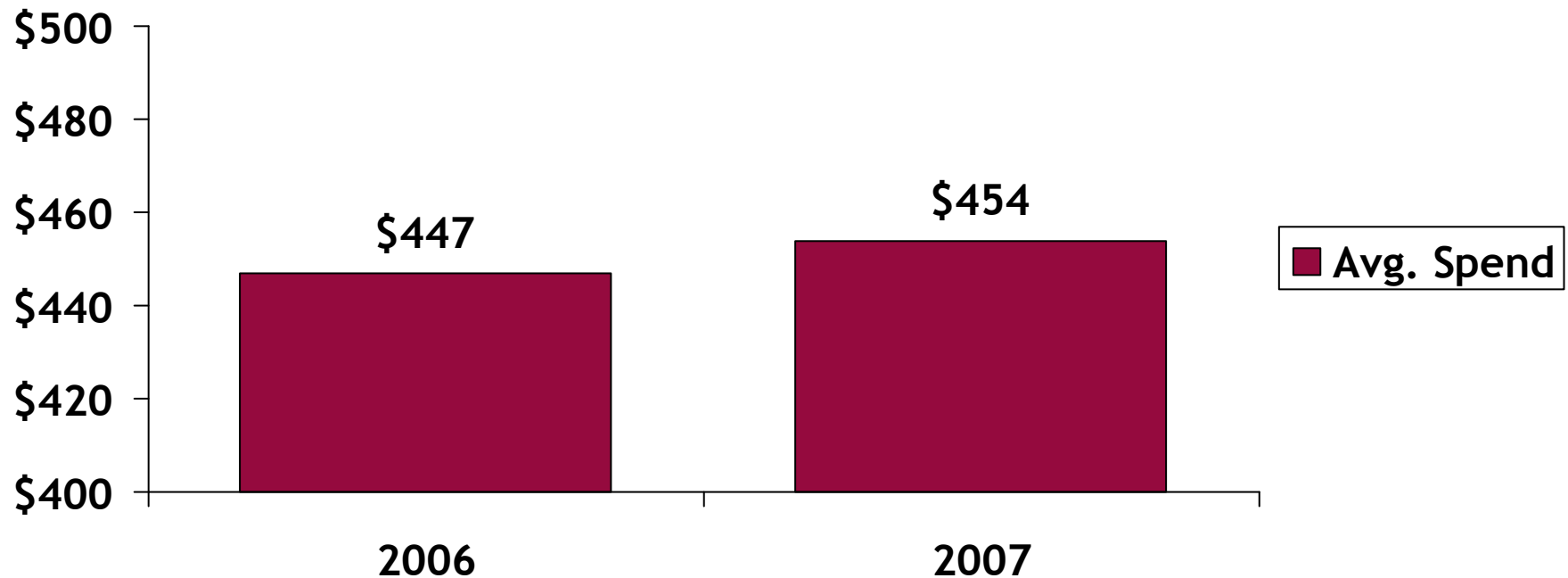
Summary of Findings

- The benefits derived from their participation in these online communities include:
 - Entertainment
 - Gaining knowledge that is of interest to them

Online Spending

(Online Buyers)

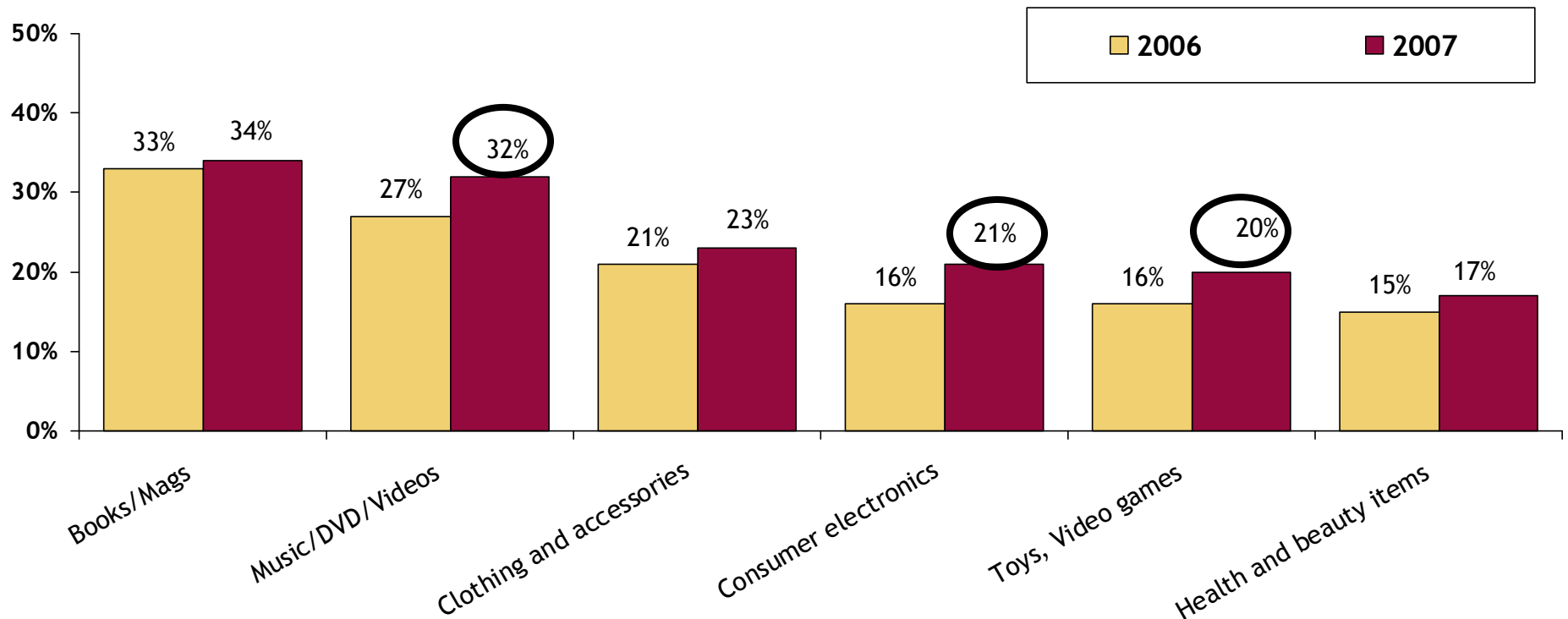
- The average amount spent online in the P6M was \$454, an increase of \$7 from the 2006 Canadian Multi-channel study average



Categories Purchased Online in P6M

(Online Buyers)

- Among the 18 categories measured, most experienced a 1% to 5% point increase in purchase incidence as compared to 2006
- Toys and video games, consumer electronics and music/DVDs were the categories which had the largest increase relative to 2006



Influences on Online Purchase Decision

(Online Buyers)

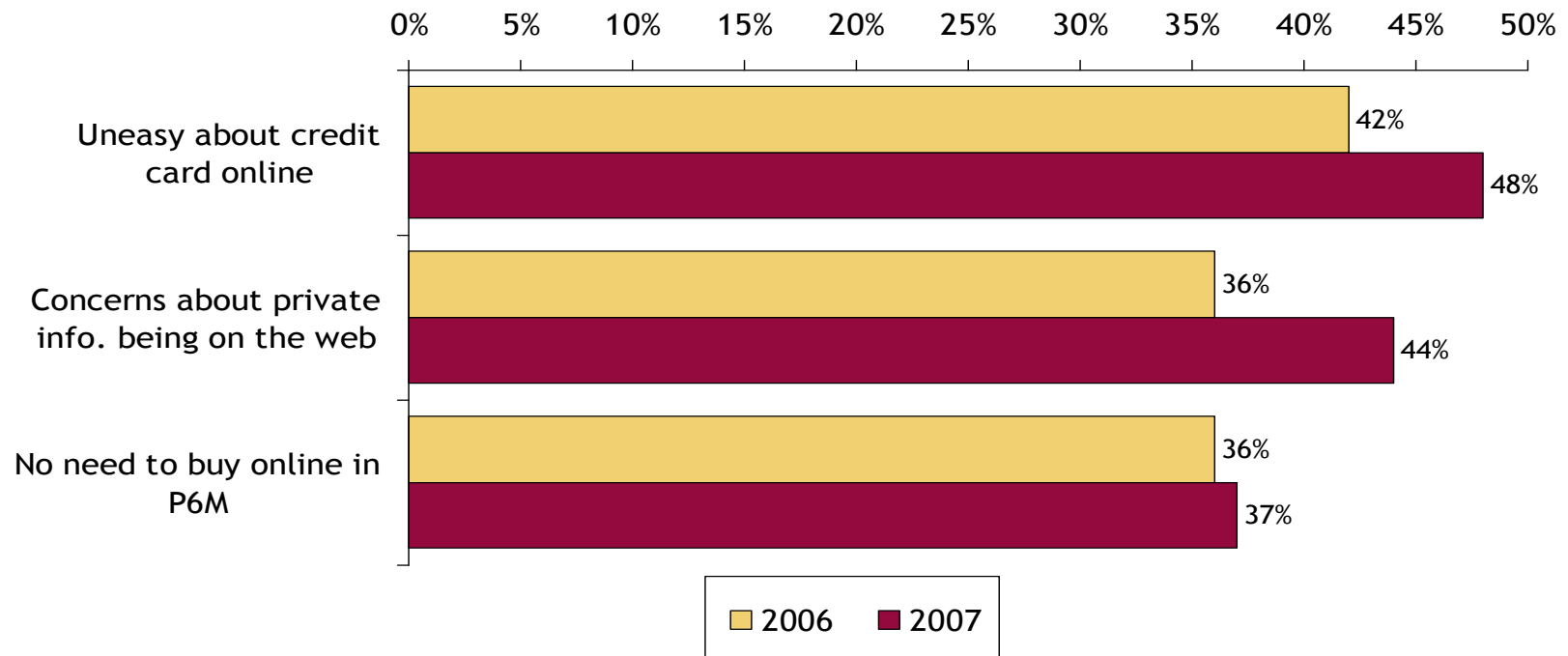
- Compared to the 2006 results, a slightly higher percentage of online buyers indicated that they *comparison shopped at online stores, used a search engine to find the product and browsed a catalogue before deciding to purchase* in 2007

Activities	2006	2007
Comparison shopped at >1 online store	34%	38%
Used a search engine to find online stores selling the product	33%	37%
Comparison shopped at >1 physical store	14%	17%

Reasons for Not Purchasing Online in P6M

(Offline Buyer)

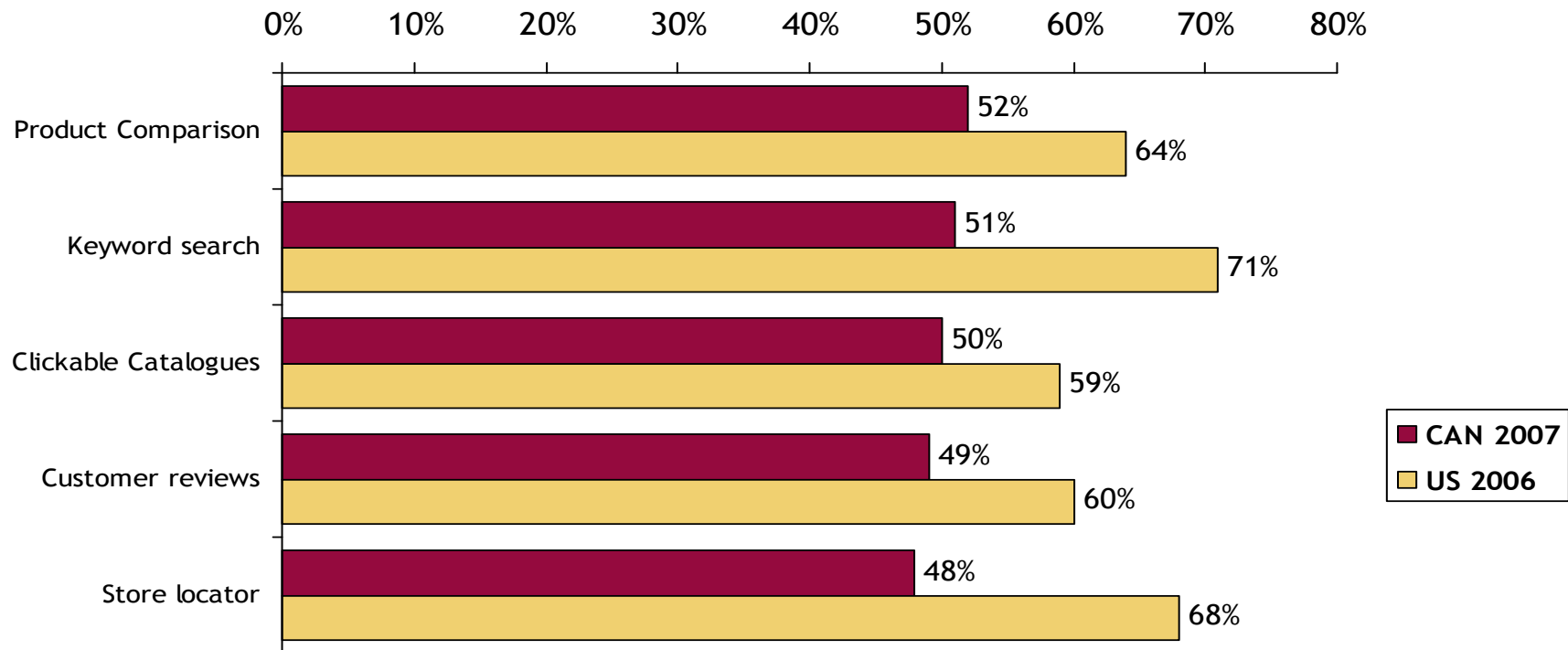
- **Concerns about credit card use online, disclosure of private information, and no need to buy online** were the reasons mentioned most often for not buying anything online in the P6M
 - Of note, the top two reasons are higher than one year ago, and the higher levels are likely being impacted by the recent report of data breaches



Helpful Online Features/Tools/Offers*

(Total – Online and Offline Buyers)

- Among the 20 features/tools asked about, Canadian online shoppers selected *product comparison* and *keyword search* tools as “extremely/very” helpful in their decision making process
- Comparatively, in 2006 U.S. online consumers indicated that *keyword search* and *store locators* were “extremely/very” helpful in their decision making process



* 4/5 rating on 5-pt helpful scale

Social Networking

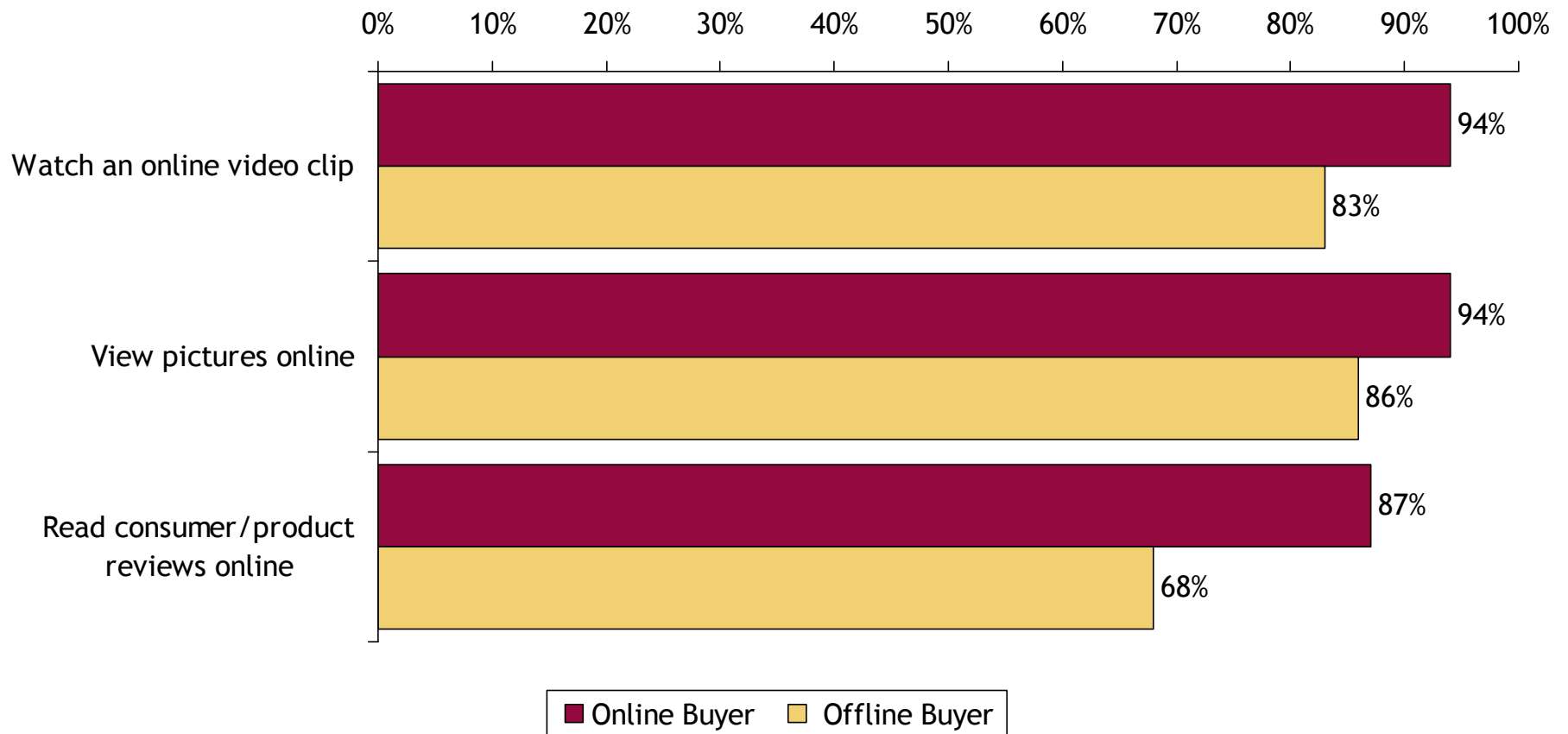
Online Buyers and Offline Buyers

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Online Activities Ever Done

(Online vs. Offline Buyers)

- *Watching online video clips; viewing pictures online, and reading consumer/product reviews online* were the activities with the highest participation levels among both online and offline buyers among the 16 activities measured

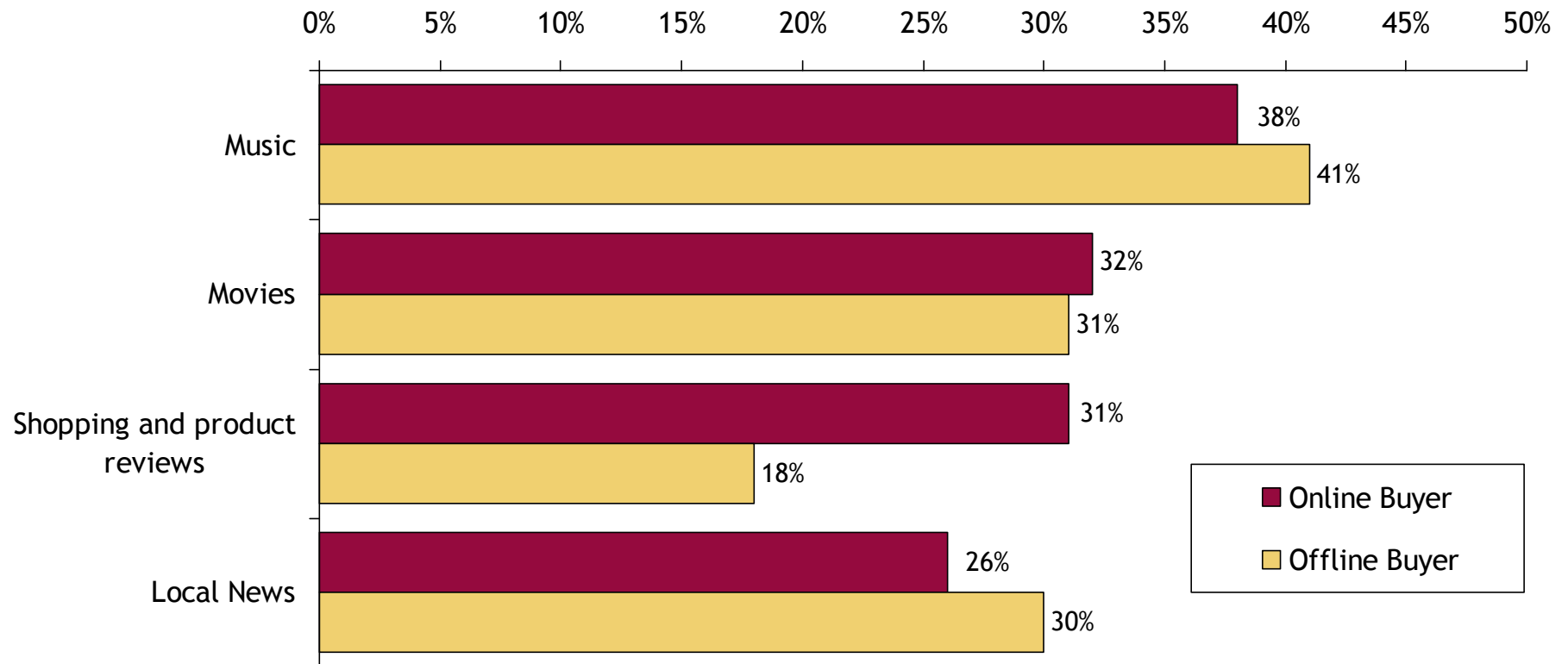


Topic Areas Participated In Most Often

Topic Area Participate in Most Often

(Online versus Offline Buyers)

- Of the 20 activities both online and offline buyers could participate in, the social networking topics online buyers participate in most often were *music, movies, as well as shopping and product reviews*



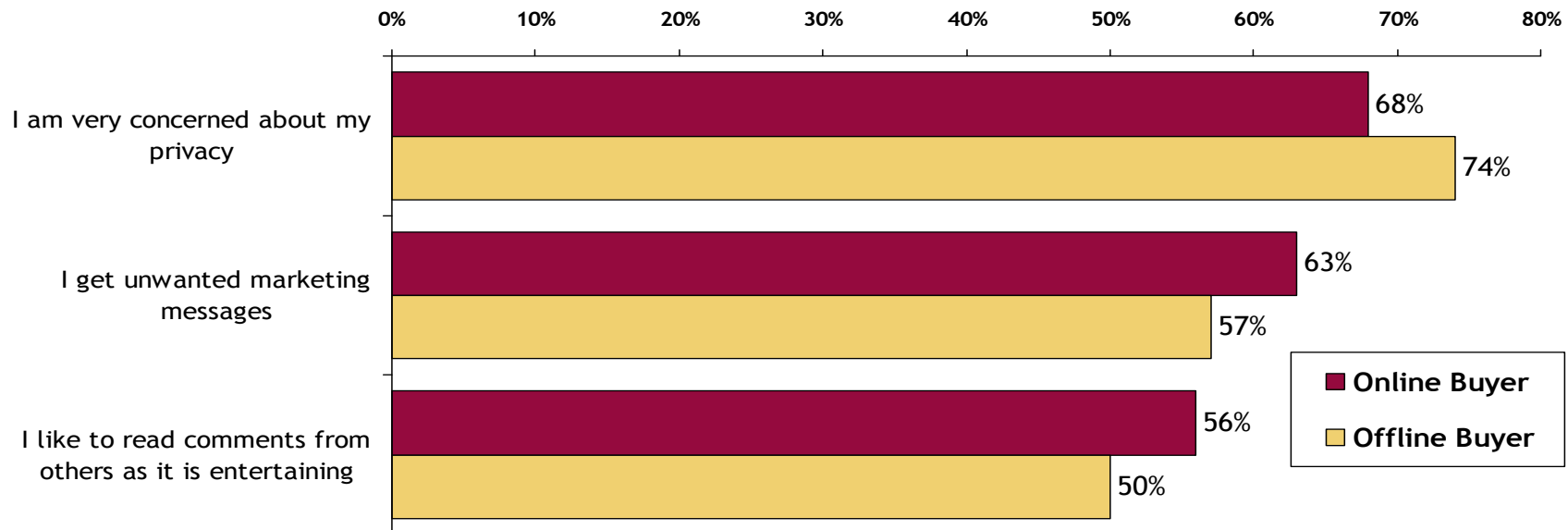
Views About and Benefits of Participating in Online Communities

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Views About Participating in Online Communities

(Level of Agreement – Online vs. Offline)*

- Asked to rate their level of agreement with various statements related to participating in online communities:
 - *Concerns about privacy* and *receiving unwanted marketing message* were buyers and non-buyers primary dislikes
 - The ability to *read comments by others* as they felt they are entertaining was the thing they liked about participating in online communities



*4/5 rating on 5-pt agreement scale



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