

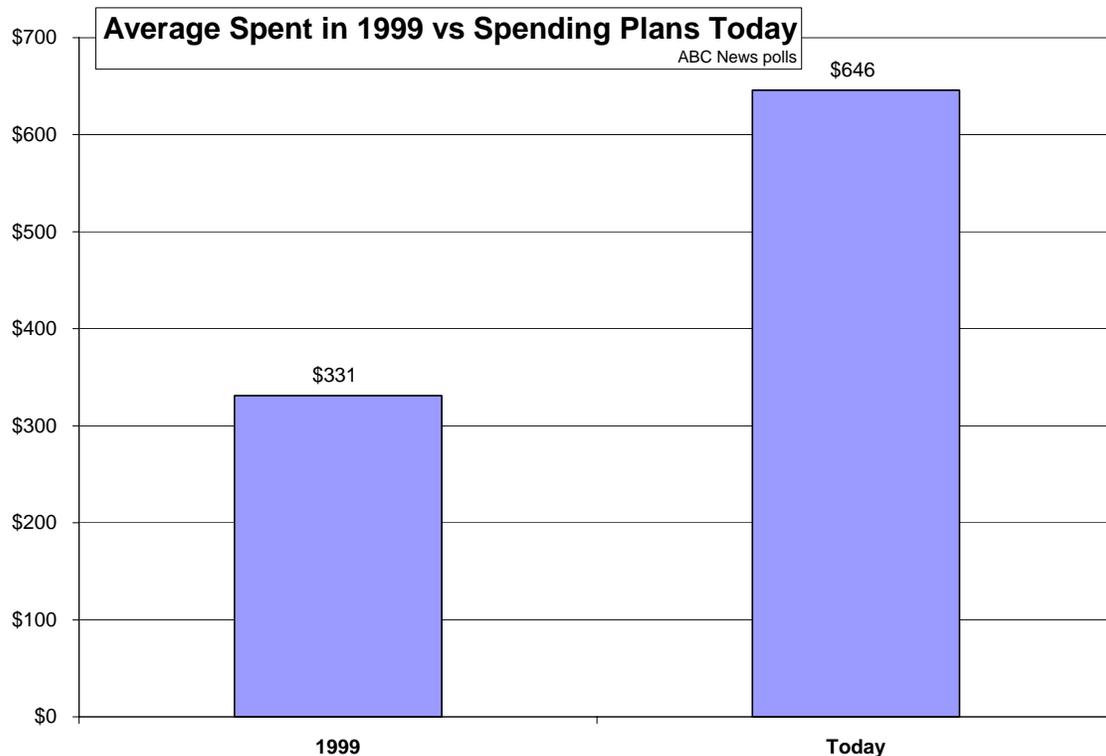
Online Shopping Advances Modestly, But Online Spending is Set to Soar

About one in four Americans say they'll be buying holiday gifts online this year, up only modestly since 1999 – but the amount of money they plan to spend has nearly doubled.

Twenty-four percent say they'll use the Internet to buy holiday gifts, up just six points in the last three years - and no more than the number who say they shopped online last year. But online shoppers plan to spend \$646 on average, compared to an inflation-adjusted \$331 that people reported spending online in the 1999 holidays.

While online spending plans have surged, the public's overall holiday spending plans have fallen in the same period. An ABC News poll last month found Americans planning to spend an average \$830 on holiday gifts overall, down from a record \$946 in 1999.

What's drawing consumers to the Internet? The vast majority of online shoppers, 73 percent, cite its convenience. ("I can do it naked," said one respondent.) A mere seven percent say it's the prices, while 18 percent say it's a combination of both.



Women, in particular, cite the convenience of shopping online as its sole main attraction – 79 percent say so, compared to 65 percent of men.

GENDER GAP – While men and women say they’ll use the Internet to buy gifts in equal numbers, men are planning to spend nearly four times as much as women are - \$1,050 compared to \$271. That appears to be an Internet phenomenon; by contrast, last month’s poll on overall holiday spending plans did not find a significant difference between the sexes. Product choice may play a role: Men are more apt than women to buy electronics (expensive); women, more apt to buy toys and books (less so).

WHO’S DOING IT – Online shopping peaks among higher-income and better-educated Americans. Thirty-nine percent of those in households earning \$50,000 or more plan to shop on the Internet for gifts, compared to 15 percent in households earning less than that. Similarly, 35 percent of those who’ve been to college say they’ll buy gifts online; it’s just 13 percent among less-educated people.

Age is also a factor: Twenty-nine percent of those age 54 and younger say they’ll shop online, while just 12 percent of people age 55 and older plan to do so. (Among those age 65 and older, it’s just seven percent.)

ONLINE ACCESS – Naturally, access to the Internet is a strong factor in online shopping, and older, lower-income and less-educated Americans are less likely to have Internet access.

Two-thirds of Americans report having access to the Internet, either at home only (39 percent), at work only (five percent) or both (22 percent). Highest-access groups include those who’ve been to college (81 percent), people age 35 to 44 (79 percent) and whites (70 percent). Lower-access groups include nonwhites (54 percent have Internet access), people who haven’t finished high school (43 percent), and those age 65+ (35 percent).

Online access			
	All	66%	
Attended college	81%	No high school	43%
Age 35-44	79%	Age 65+	35
Whites	70	Nonwhites	54

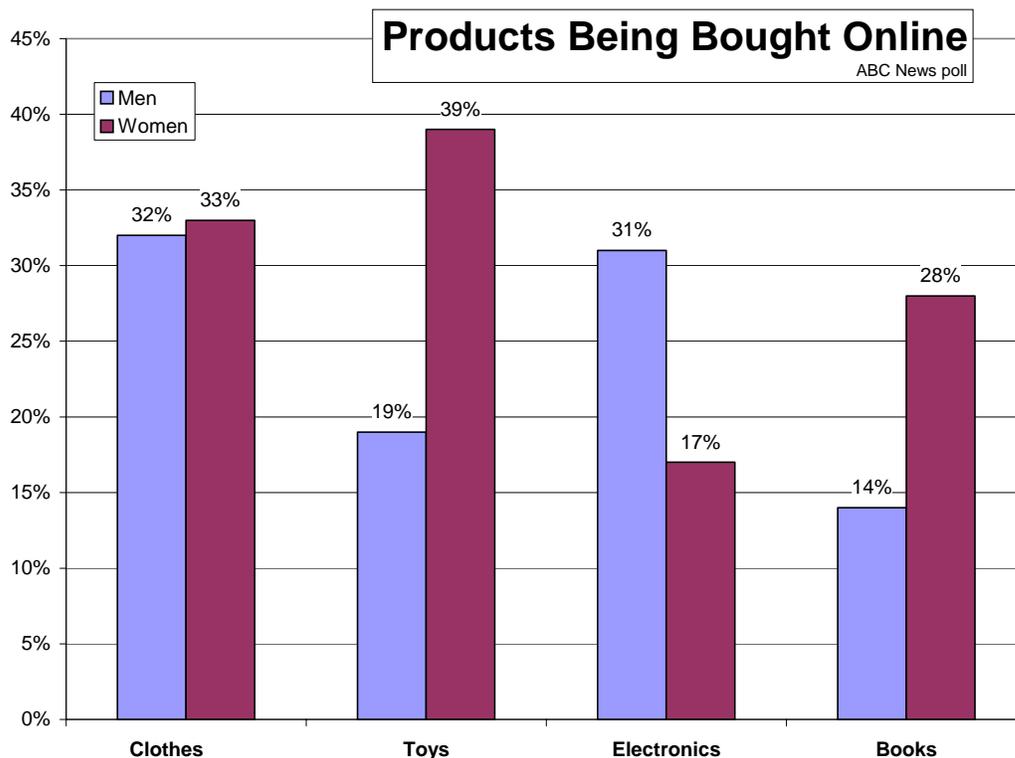
WHAT THEY’RE BUYING – Clothes and toys top the list of items being bought online. Electronics, books and CDs or DVDs (and VHS tapes) round out the top five. But there are big differences between the sexes: Women are more apt than men to buy toys and books online, while men are more apt than women to buy electronics.

Interestingly, the sexes are equally apt to buy clothes online – a place where convenience might be especially appealing to men, many of whom are immune to the joys of traipsing through a department store when there’s a perfectly good football game on television.

What They're Buying

	Women		Men
Toys	39%	Clothes	32%
Books	28	Electronics	31
Clothes	33	CDs, DVDs	23
CDs, DVDs	18	Toys	19
Electronics	17	Books	14
Housewares	13	Housewares	5
Jewelery	1	Jewelery	5

(Multiple answers accepted)



METHODOLOGY - This ABC News survey was conducted by telephone Dec. 4-8, 2002, among a random national sample of 1,022 adults. The results have a three-point error margin. Sampling, data collection and tabulation by TNS Intersearch of Horsham, Pa.

Analysis by Dalia Sussman and Gary Langer.

ABC News polls can be found at ABCNEWS.com on the Internet at:
<http://www.abcnews.com/sections/us/PollVault/PollVault.html>

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Full results follow.

53. Did you use the Internet to buy Christmas or other holiday gifts last year, or not?

	Yes	No	No opin.
12/8/02	24	76	1
11/21/99	7	93	*

54. Will you use the Internet to buy Christmas or other holiday gifts this year, or not?

	Yes	No	No opin.
12/8/02	24	74	2
11/21/99	18	79	3

55. (If buying online) About how much money do you think you'll spend this year on holiday gifts that you purchase over the Internet?

	\$50 or less	\$51- \$100	\$101- \$200	\$201- \$300	\$301- \$500	\$501- \$1000	More than \$1000	No op.	Mean
12/8/02	8	21	25	13	14	8	6	5	\$646

Compare to: (If bought online) About how much money did you spend on holiday gifts that you purchased over the Internet?

	\$50 or less	\$51- \$100	\$101- \$200	\$201- \$300	\$301- \$500	\$501- \$1000	More than \$1000	No op.	Mean*
1/2/00	18	18	23	23	7	5	3	3	\$331

*Adjusted to 2002 dollars using Inflation Calculator at <http://www.bls.gov/>
Answers above \$9,999 are recorded as \$9,999.

56. (If buying online) What's the main reason you'll use the Internet to buy holiday gifts this year - is it price, convenience, or something else?

	Price	Convenience	Both (vol.)	Something else	No opin.
12/8/02	7	73	18	2	1

57. (If buying online) What products will you buy over the Internet as holiday gifts this year?

	12/8/02
Clothes	32
Toys	29
Electronics	24
Books	22
CDs, DVDs, VHSs	20
Housewares	10
Jewelry	3
Sporting goods	2
Tools	2
Event tickets	1
Flowers	1
Travel/Airline tickets	1
Other	11
No opinion	7

END