CHAPTER-III
Chapter III E-Marketing world wide

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Chapter III E-Marketing world wide

This part of the study is based on the GVU’s 10th world wide user survey. The product/service categories seeing the majority of this growth have been apparel, video and electronics.

The average respondent makes a purchase from a web-based vendor less than once per month (42%), but, the average respondent makes a decision to purchase, based on information gathered from web-based vendors, 1-2 times per month (33%). Further evidence of growth in the area of e-commerce is shown by a 3% increase, since the last survey, of paying on the web for personal purchases (from 65-67%) and a 28% increase since the last survey of paying on the web for professional purchases (from 46-59%).

3.1 E-Market consumers

3.1.1 Important Features

Contrary to popular belief about the importance of security to consumers using the web for shopping, the survey showed that, overall, quality information, easy ordering and reliability were important to more respondents than security.

Quality information was cited as important for 78.4% of individuals and accounted for 10% of responses while security was cited as important for 73.2% of individuals and accounted for 9.3% of responses (out of a choice of 14 possible responses). However, more female respondents
cited security as important other feature (78.5% of individuals and 9.8% of responses), followed by easy ordering (9.7%), reliability (9.6%) and variety (9.5%). Those who had been using the Web for less than a year (76.1% individuals and 9.8% of responses) also shared this response. Another striking result is that respondents under 25 responded that low prices were an important feature of vendor's sites (11.5% of responses and 81.5% of 11-20 year olds and 9.5% of responses and 75% of 20-25 year olds).

3.1.2 Browsing without intent to buy

- **Likelihood of Browsing without Intent to Buy**

  Browsing without intent to buy was a familiar action for almost all respondents. Only 7.8% said this was a very unlikely action compared to 71% of respondents who said 'I already do this'. The only difference across respondent categories was between the expert and novice user. 50% of novices compared to 75% of experts were already likely to browse without intent to buy.

- **Change in Browsing without Intent to Buy**

  When asked if this behavior would continue, 76% said they would continue although, 21.3% of novices said they might do this somewhat more.

- **Items Browsed for without Intent to Buy**

  Hardware and software were the most commonly reported items browsed across individuals (76.3% and 77.8% respectively). These two groups also accounted for 20.2% of all responses. They were followed by books (68.7% of individuals), music (62.2%),
travel (59.2%), electronics (46%), videos (34%), and quotes (33%). Across respondent categories those over 50 years of age showed the same interest in the goods/services above but quotes were important for more of these individuals (44%) than the survey average (33%).

3.1.3 Searching with intent to buy

- **Likelihood of Searching with Intent to Buy**

  Overwhelmingly, respondents already search with intent to buy (75%). Out of those that do not already do this the same amount said that they were neither unlikely or likely (26.1%) as those that said they were somewhat likely (26.1%) to search with intent to buy in the next 6 months.

- **Frequency of Searching with Intent to Buy**

  Respondents reported searching for information from web-based vendors about products or services they had an intention to buy in the future, on average, several times each month (31.6% of respondents). This was the same across respondent categories.

- **Change in Searching with Intent to Buy**

  On average (73.5%), respondents reported that they would search for information about products or services they intended to buy in the future, about the same amount in the next 6 months as previously. This was the same across respondent categories.

- **Items Searched for with Intent to Buy**
Hardware and software were the most commonly reported items searched for across individuals (76.9% and 73.6% respectively). These two groups also accounted for 24% of all responses, they were followed by: books (63.1% of individuals), music (55.7%), travel (51.6%), electronics (36%), videos (27.1%), quotes (22.6%) and insurance (21.1%).

These patterns did vary across respondent categories. The categories where most variation occurred are shown below:

Europe = hardware (82.1%), software (76.8%), books (67.9%), music (60.7%), travel (44.6%), magazines (35.7%), electronics (26.8%) and banking (26.8%).

Other = software (85.4%), hardware (81.31%), books (54.2%), music (43.8%), travel (31.3%), banking (25%), electronics (22.9%) and video (22.9%).

Female = software (64.5%), hardware (62%), books (64%), travel (56.5%), music (46.5%), apparel (35.5%), electronics (31.5%), magazines (22.5%), and video (22%).

11-20 Yrs = hardware (74.1%), software (63%), music (63%), books (51.9%), electronics (40.7%), concerts (33.3%), video (33.3%), apparel (25.9%), magazines (22.2%) and banking (22.2%)

20-50 = hardware (80.7%), software (78.9%), books (65.1%), travel (56.9%), electronics (43.1%), quotes (38.5%), apparel (28.4%) banking (26.6%) and autos (25.7%).
Novice = software (55.3%), books (53.2%), hardware (46.8%), travel (42.6%), music (40.4%), electronics (29.8%), banking (27.7%), apparel (27.7%)

3.1.4 Communicating with vendors

- Frequency of Communicating with Vendors

For products or services that respondents had purchased, 52.1% communicated with web-based vendors about their products/services less than once each month and 32.2% they did not communicate with their web-based vendor at all. However, this did vary across respondent categories.

European respondents were less likely to communicate with their web-based vendors (44.6% not at all, and 44.6% less than once a month). Respondents not located in the USA or Europe were slightly more likely to communicate with their web-based vendors (22.9% do so about once every month). This result may depend upon the types of products/services purchased. Respondents not located in the USA or Europe is more likely to purchase web-based banking for instance.

- Items Communicated with Vendor about

A 14.2% of individuals do not communicate with vendors. For those that do, software and hardware were the most commonly reported items communicated about (36.3% and 34.6% across individuals respectively). These two groups also accounted for
34.2% of all responses (out of a possible 26). They were followed by:

Books (16.4% of individuals), music (11.8%), travel (10.5%), electronics (8.4%), others (8.1%), banking (6.7%) and investments (5%).

Respondents located in the USA followed this pattern, however, European located respondents were more likely not to communicate with vendors about products (22.2%), whereas, respondents located in neither the USA nor Europe were more likely to communicate with vendors about products (only 12.8% saying they did not). Males are also more likely to communicate (12.5% saying they did not) compared to females (20.1% saying they did not). All are communicating about the same items for almost the same amounts.

• **Likelihood of Communicating with Vendors**

Most respondents already communicate with vendors on the web (50.4%). Out of those respondents who do not, 42.5% said they were very unlikely to communicate with vendors on the web in the future. Novices were even more unlikely (58.3% of them) to communicate in this way in the future.

• **Change in Communication with Vendors**

Out of those that do communicate with vendors on the web, 79% said they would continue to communicate with vendors at the
same rate over the next 6 months. There were no significant changes across categories.

3.1.5 Purchasing on line

- **Items Purchased On-line**

  97.5% of respondents make purchases on-line. Only novices (85%), those between 11-20 (84.6%) and those who have used the web for less than a year (88.4%) have a lower average rate of purchasing over the web. The average respondent purchased the following products/services with the following frequency:

  Software (58%), hardware (48.5%), books (52.6%), music (41.4%), travel (30.2%), electronics (30.2%), video (15.8%), magazines (14.9%), flowers (13.3%), apparel (13.6%), banking (12.1%).

  Female respondents deviated from this pattern most significantly with the following purchasing pattern:

  Books (53%), software (47%), hardware (35%), music (36.5%), travel (31.5%), other (19.5%), flowers (18%), apparel (16.5%), video (14.5%).

- **Frequency of Purchasing On-line**

  Most respondents make on-line purchases from web-based vendors less than once per month (42.2% of respondents) or about once per month (29.6%). In contrast to purchasing for personal
reasons (see below), overall, males make on-line purchases above average and slightly more than females (31.4% of males making on-line purchases about once each month as compared to 26% of females). The greatest shoppers out of the different age groups are those aged between 21 and over 50 years old. On average 31.2% of them make on-line purchases from web-based vendors once per month. As expected, novices (42.6% of them making no purchases on-line) make few on-line purchases, whereas, experienced respondents (40.2% making purchases less than once per month and 35% making purchases once per month) are just below expert respondents (41.8% making purchases once per month and 20.3% making purchases several times each month).

- **Likelihood of Purchasing On-line**

  Of those respondents who do not purchase products/services on-line (32.6%), 32.4% said that it was very unlikely that they would do this in the next six months, 26.9% said it was neither likely nor unlikely, 20.9% said that it was somewhat likely and only 9% said that it was very likely. This pattern of behavior varied across respondent categories in the same way as for those respondents that do pay on the web. There is a trend for increased payment via the web with increasing age, from novice to expert and from little experience to more than 4 years experience.

- **Change in Purchasing On-line**

  Out of those respondents that do make purchases on-line, most respondents predict that they will be doing as much
purchasing on-line in the next six months as they have done over the last six months (67%). However, 41.2% of respondents located in Europe said that they thought they would be doing on-line purchasing 'somewhat more' over the next 6 months. Male respondents also predicted purchasing on-line 'somewhat more' (26.1%), as did 26.3% of respondents between the ages of 21 and 25.

3.2 Personal or Professional

When asked which type of shopping respondents would prefer answering questions about, 75.7% opted for personal shopping, and only 24.3% opted for professional shopping. For respondents located neither in USA nor in Europe these figures were more even, 54.2% opting for personal shopping questions and 45.6% opting for professional.

- Professional Shopping

Most respondents never engage in professional shopping using the web (27.1%) or do so less than once per month (25.1%). There is a trend, however, for professional shopping to increase the more a person has used the web, from 1 year (54.3%) to 4 years (20.3%), and, from novice (51.1%) to expert (7.8%).
• **Personal Shopping**

Most respondents shop for personal reasons 1-2 times per month (31.3%) or less than once per month (26.5%). Females reported shopping more than males (20.5% 3-5 times per month compared to 15.3% 3-5 times per month for males). The largest personal shoppers out of the different age groups are the 11-20 year olds, 25.9% of them doing personal shopping more than 10 times per month on the web.

• **Total Spending on WWW Purchases**

The average amount spent on-line by respondents over the last six months is $500 or more (38%) followed by slightly fewer respondents spending $100-500 (33%). Only 17.7% spent less than $50. Europeans and those not from the US are more likely to spend less than $50 (27% and 27% respectively), as are those from age 11-20 (48%) and 21-25 (32%). The respondents who reported spending the most are those aged 26-50 (41% spending $500 or more) and experts (58% spending $500 or more).

3.2.1 **Professional shopping**

• **Reasons for Using the Web**

Why individuals do chose to use the web to purchase goods/services in a professional capacity? Our survey showed that ‘vendor information’ was a factor for 86.6% of individuals and was the most frequently cited of all reasons for using the web (19.6% of reasons given). Of 9 other factors included in the questionnaire as
possible responses, convenience, saving time and the absence of sales pressure were the most frequently cited as reasons for using the web (19.3%, 18.2% and 13.4% respectively). This pattern of response was repeated across categories with two notable exceptions. Respondents located in countries other than the USA or Europe cited saving time and the presence of product reviews equally (77.3% of cases). In 76.9% of cases, females, more than any other group, cited the absence of sales pressure as a reason for using the web.

- **Visiting Web Sites of Stores**

  Does off-line shopping effect on-line shopping habits? In this case we were asking respondents to think about whether they would visit the web sites of stores they visited in person in a professional capacity.

  Most respondents replied that they sometimes or rarely visit the web site of a store after they visit in person (46.5% and 30.6% respectively). The different categories of respondent reflected this pattern. Overall, only 5.7% of respondents replied that the stores they visit in person did not have a web site. However, European, respondents in particular told a different story, 23.5% of them citing this reason as affecting their visits to store web sites.

- **Type of Information**

  Detailed information was cited as important when selecting a product or service on the web for 96.2% of individuals and accounted for 30.6% of responses. Information about availability
was cited as the next most important (84.1% of individuals and 26.7% of responses out of a choice of 6 possible responses) followed by ability to make price comparisons (26.5%). Ability to make price comparisons was more important to Europeans (88.2% of individuals) and even more so for those aged between 11 and 20 (100% of individuals and 31.6 of responses) than other respondent categories.

- **Dissatisfying Experiences**

  Overall, respondents reported dissatisfying experiences because of a number of factors. The main ones were sites were confusing/disorganized (74.5% of individuals and 22.7% of responses out of a possible 7); failure to find what they were looking for (71.3% of individuals and 21.7% of responses); and slow download (59.9% of individuals and 18.3% of responses). However, a surprising 57.1% of novices said that this had not happened to them yet (36.4% of responses).

- **Time Spent Searching**

  The amount of time spent searching before the first useful product/service information was reached, ranged, on average, from < 5minutes (34% of respondents) to 10 (33.3%). Respondents aged 21-25 took longer, on average, spending 20-30 minutes before reaching useful information 25% of the time. For novices the average time spent was between 10-20 (28.6% of respondents) or 30-60 minutes (28.6% of respondents). Experts, on the other hand,
found useful information in less than 5 (42.3% of experts) or 5-10 minutes (40.4% of experts).

- **Success Rate**

  Respondents recorded finding what they were looking for, when intentionally searching, most of the time (62.4% of respondents). Out of the respondent categories, the experts were most successful, finding what they were looking for all of the time in 18.9% of cases and most of the time in 73.6% of cases. Novices, on the other hand, reported finding what they were looking for half of the time (50%) or most of the time (33.3%).

- **Time to Give Up**

  On average, respondents were spending 10-30 minutes searching before giving up if they were unable to find what they were looking for (10-20 minutes 31.8% and 20-30 minutes 23.4%). This pattern was the same across respondent categories.

- **Intentional Searches**

  When asked if purchasing decisions were the result of an intentional search for product/service information 51% of respondents replied that most were the result of intentional searches.

- **Purchasing Decisions**

  Interestingly, people are making purchasing decisions to buy products/services using information gathered on the web but
not necessarily using the web to pay for those items. The average number of times respondent uses information gathered using the web to make a decision to purchase is 1-2 times per month (32.5%) and less than once per month (27.4%) compared these to the figures above for purchasing on-line. (29.6% of respondents making on-line purchases about once per month and 42.2% less than once per month). Those with 1-3 years of experience using the web and those with over 4 years of experience, more frequently make decisions based on information found on the web (42.5% 1-2/month and 22.7% 3-5/month respectively).

- **Ordering on the Web**

  Respondents were split between those that placed orders on the web most of the time (33.1%) and those that did this only a quarter of the time (30.6%), with some doing this half of the time (17.8%).

- **Paying on the Web**

  The majority of respondents pay for products/services over the web; 59.3% do so all or most of the time. Only 16.6% of respondents do not do this. There are some differences across respondent categories, for example, 21-25 year olds pay on the web either all of the time (31.3%) or none of the time (25%). Respondents with intermediate web skills follow this pattern (31.8% all the time and 31.8% none of the time), whereas, those over 50 pay over the web all or most of the time (50% and 29.1% respectively).
3.2.2 Personal shopping

• Reasons for Using the Web

Why individuals do chose to use the web to purchase goods/services? Our survey showed that ‘convenience’ was a factor for 82% of individuals and was the most frequently cited of all reasons for using the web (21% of reasons given). Of 8 other factors included in the questionnaire as possible responses, saving time, the presence of vendor information and the absence of sales pressure were the most frequently cited as reasons for using the web (18.8%, 18.7% and 16% respectively). This pattern of response was repeated across categories with two notable exceptions. Of respondents located in neither the USA nor Europe, 80.8% cited vendor information in as a factor and ‘Novices’ cited convenience and absence of sales pressure equally (in 62.5% of cases).

• Visiting Web Sites of Stores

Does off-line shopping affect on-line shopping habits? In this case we were asking respondents to think about whether they would visit the web sites of stores they visited in person.

Most respondents replied that they sometimes or rarely visit the web site of a store that they visit in person (44.5% and 33.2% respectively). The different categories of respondent reflected this pattern. But, overall, only 3.9% of respondents replied that the stores they visit in person did not have a web site. Respondents between the ages of 21-25 told a different story. They were more
likely to cite this reason as affecting their visits to store web sites (12.8% of European, 11.5% of ‘Other’ and 11.7% 21-25 year old respondents).

• **Type of Information**

  Detailed information was cited as important when selecting a product or service on the web for 92.6% of individuals and accounted for 30.7% of responses. Information to enable price comparison was cited as the next most important (80.3% of individuals and 26.6% of responses out of a choice of 6 possible responses) followed by availability (25.5%). This was the same type of information looked for across respondent categories.

• **Dissatisfying Experiences**

  Overall, respondents reported dissatisfying experiences because of a number of factors. The main ones were failure to find what they were looking for (66.8% of individuals and 23.2% of responses out of a possible 7); sites were confusing/disorganized (59% of individuals and 20.5% of responses); and slow download (55.5% of individuals and 19.3% of responses).

• **Time Spent Searching**

  The amount of time spent searching before the first useful product information was reached, ranged, on average, from < 5 minutes (31.8% of respondents) to 10 (35.9%).
For respondents not located in the USA or Europe this range extended from < 5 to 20 minutes (34.6% and 23.1% respectively).

Respondents across the three lower age categories mirrored the average range of time but those over 50 years of age responded that they were spending 10-20 minutes before reaching useful information 23.5% of the time. For those with less than one year experience at using the web the average time spent was 5-20 minutes (40% of respondents). This was the same for those with 1-3 years of experience (40.3%). Novice users were least likely to be able to recall how long they spend searching (17.5% checking the ‘don’t know’ option).

- **Success Rate**

  Respondents recorded finding what they were looking for, when intentionally searching, most of the time (60.9% of respondents). Out of the respondent categories, the experts were most successful, finding what they were looking for all of the time in 30% of cases and most of the time in 51% of cases. Novices, on the other hand, reported finding what they were looking for half of the time (37.5%) or most of the time (37.5%).

- **Time to Give Up**

  On average, respondents were spending 10-30 minutes searching before giving up if they were unable to find what they were looking for (10-20 minutes 29.1% and 20-30 minutes 24.5%). This pattern was the same across respondent categories.
• Intentional Searches

When asked if purchasing decisions were the result of an intentional search for product/service information 52.3% of respondents replied that most were the result of intentional searches.

• Purchasing Decisions

Interestingly, people are making purchasing decisions to buy products/services using information gathered on the web but not necessarily using the web to pay for those items (see above). The average number of times respondent uses information gathered using the web to make a decision to purchase is 1-2 times per month (32.2%) and less than once per month (31.1%) compared to the figures above for purchasing on-line. (29.6% of respondents making on-line purchases about once per month and 42.2% less than once per month).

• Ordering on the Web

Respondents were split between those that placed orders on the web most of the time (26.8%) and those that did this only a quarter of the time (28.9%), with some doing this half of the time (22.3%).

• Paying on the Web

The majority of respondents pay for products/services over the web; 67.1% do so all or most of the time. Only 12.9% of respondents do not pay through web. There are some differences across
respondent categories; for example, respondents located in the USA (69.3%) or outside of the USA (57.7%) are more likely to pay via the web all or most of the time than respondents located in Europe (48.7%). Males (73.2%) make payments on-line more so than females (56.3%). There is a trend for increased payment via the web with increasing age, from novice to expert and from little experience to more than 4 years experience.

3.3 Statistics of world wide E-Marketing.

Chart 3.1 explains the advertisement placement in various types of products

Chart 3.1 Online AD Placement
Chart 3.2 describes about the US market growth from 1998 to 2003.

**Chart 3.2 US Market (projections).**

*US$ Billion*

<table>
<thead>
<tr>
<th>Years</th>
<th>B2B</th>
<th>B2C</th>
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<td>1998</td>
<td>43</td>
<td>8</td>
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<tr>
<td>1999</td>
<td>109</td>
<td>18</td>
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<td>2000</td>
<td>251</td>
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<td>2002</td>
<td>843</td>
<td>76</td>
</tr>
<tr>
<td>2003</td>
<td>1331</td>
<td>106</td>
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</table>

Chart 3.3 describes about the gender change over years to purchase online.

**Chart 3.3 Gender on Net.**

*in %*

<table>
<thead>
<tr>
<th>Years</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>1994</td>
<td>94.9</td>
<td>5.1</td>
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<td>1996</td>
<td>68.6</td>
<td>31.4</td>
</tr>
<tr>
<td>1998</td>
<td>64.2</td>
<td>35.8</td>
</tr>
<tr>
<td>2000</td>
<td>51.3</td>
<td>48.7</td>
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</tbody>
</table>
Chart 3.4 describes the geographic location of net users.

Chart 3.4 Geographic Location On Users in 1998.

Chart 3.5 reports the internet generated revenue of the world from 1994 to 2002.

Chart 3.5 Internet Generated Revenue
Chart 3.6 explains the UK consumers online spending over years.

Chart 3.6 Consumer spending online in UK

Chart 3.7 compares the Europe and UK consumers online spending.

Chart 3.7 Consumer online spending
Chart 3.8 describes the primary uses of the World Wide Web.

![Chart 3.8 Primary Uses of Web](image)

Chart 3.8 tells the online advertisement revenue of the world.

![Chart 3.9 Online AD Revenue worldwide.](image)
Chart 3.10 compares the online advertisement revenue of continents.

Chart 3.10 On line AD Revenue.

Tables 3.1 and 3.2 describe the US retail sales and e-commerce sales.
Table 3.1 Estimated Quarterly U.S. Retail Sales\(^1\): Total and E-Commerce

(Data in millions of dollars.)

<table>
<thead>
<tr>
<th>Period</th>
<th>Retail Sales(^1)</th>
<th>E-commerce(^2) as a Percent of Total Sales</th>
<th>Quarter-to-Quarter Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>E-commerce</td>
<td>Total Sales</td>
</tr>
<tr>
<td>1999 4(^{th}) Quarter</td>
<td>785,869</td>
<td>5,266</td>
<td>8.6</td>
</tr>
<tr>
<td>2000 1(^{st}) Quarter</td>
<td>714,425</td>
<td>5,526</td>
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<td></td>
<td>777,819</td>
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<td>8.9</td>
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<tr>
<td></td>
<td>817,715</td>
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<tr>
<td>2001 1(^{st}) Quarter</td>
<td>728,662</td>
<td>7,592</td>
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<tr>
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<td>807,409</td>
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