

## Survey into the Influence of the Internet on Shopping

Pre-purchase Internet information gathering is high for  
computers, digital cameras and cars

Average rate of pre-purchase Net information gathering: 30.8%

Tokyo—August 10, 2007—Hakuhodo's Research & Development Division and the Hakuhodo Institute of Shopper's Insight have conducted a survey into *sei-katsu-sha*\* use of the Internet in shopping. Findings from their Survey into the Influence of the Internet on Shopping appear below.

Advances in information technology now see *sei-katsu-sha* using computers and mobile phones to gather all manner of information and make purchases from the Internet on a daily basis. This study was conducted to find out just how *sei-katsu-sha* use the Internet for shopping.

We surveyed purchases of various products in 21 categories and found that an overall average of 30.8% of respondents used the Internet to gather information prior to making purchases and an average 8.0% used the Internet to actually make purchases. However, there was considerable difference from category to category. Computers, digital cameras and cars were categories with high rates of pre-purchase Internet research of more than 50%.

In addition, we discovered that price and convenience were the two leading reasons for purchasing on the Internet; while in purchasing from a store, price was followed by peace of mind from interactions with shop assistants. *Sei-katsu-sha* appear to divide their purchasing between actual and Internet stores based on the product.

Hakuhodo's Research & Development Division and the Hakuhodo Institute of Shopper's Insight will use this survey and its findings in its communication planning proposals to clients.

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\* *Sei-katsu-sha* are more than simply consumers, just as people's lives and lifestyles include more than just shopping. Hakuhodo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumer's lives.

## Key findings

- **More than 50% of respondents gathered information on the Internet before buying a computer, digital camera or car. There were high rates of Internet purchasing of computers and car insurance**
- **The higher a purchaser's involvement in a product, the greater the likelihood they will use the Internet for pre-purchase research. However, differences in purchaser involvement make little difference when it comes to actual purchasing on Net**
- **The web sites most commonly used for researching purchases were shopping comparison sites for home electronics, e-commerce sites for game consoles, and search engines for other products/services**
- **Low prices, convenience, products being in stock and having gathered information were reasons for purchasing on the Net. Reasons for purchasing in stores included low prices, interaction with shop assistants, convenience and peace of mind**
- **As a source of everyday information TV had the highest relative importance. Reliance on the Internet for information is also high among some age groups**

## Survey outline

Period:	March 2007
Territory:	Nationwide
Respondents:	Purchasers of products in the 21 product categories studied; n = 4,104
Survey method:	Internet survey (Hakuhodo Hi-panel survey)

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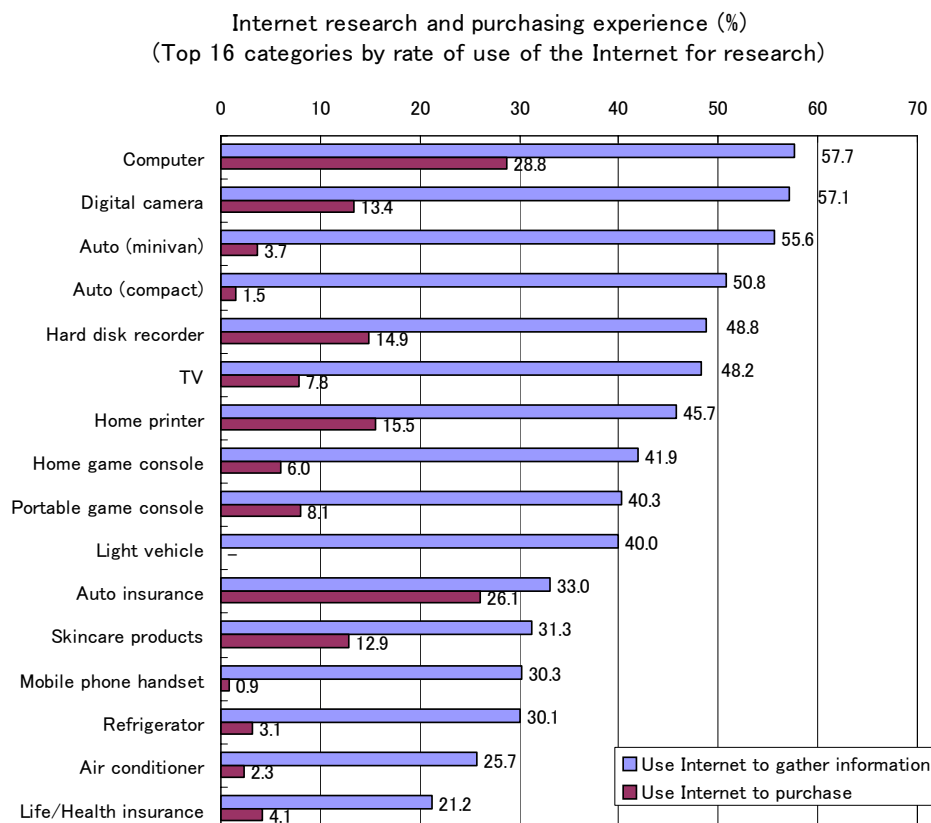
## Appendix: Survey data

- **More than 50% gathered information on the Internet before buying a computer, digital camera or car. There were high rates of Internet purchasing of computers and auto insurance**

The all-category average for use of the Internet to gather information prior to purchasing was 30.8%, while an average 8.0% of respondents actually made their purchase on the Internet.

However, there was huge variation in the use of the Internet between categories. Products a high proportion of respondents researched on the Internet include computers, digital cameras and automobiles (minivans and compact cars), which were researched on the Internet prior to purchase by more than 50% of respondents. More than 40% of purchasers of hard disk recorders, TVs, printers, game consoles and light vehicles also gathered information from the Internet before buying. It appears that Internet research is now a fairly well established procedure in the purchase of automobiles and electronics which have detailed specifications.

Two products with high rates of purchase on the Internet were computers and car insurance, both coming in at over 25%. The proportion of people purchasing car insurance on the Internet, in particular, was a surprising 26.1%, a huge score given the 33.0% of respondents who said they researched their car insurance on the Internet.

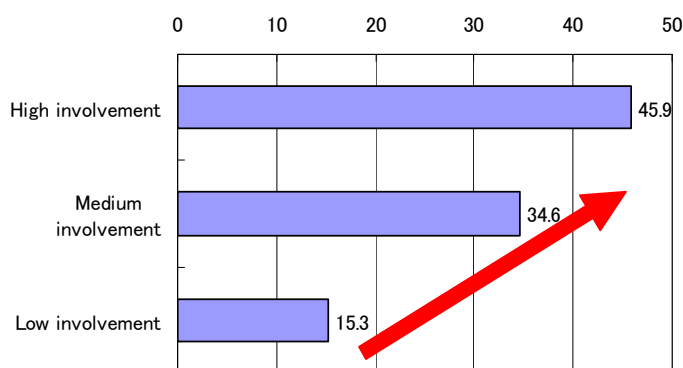


- **The higher a purchaser's involvement in a product, the greater the likelihood they will use the Net for pre-purchase research. However, differences in purchaser involvement make little difference when it comes to actual purchasing goods on Net**

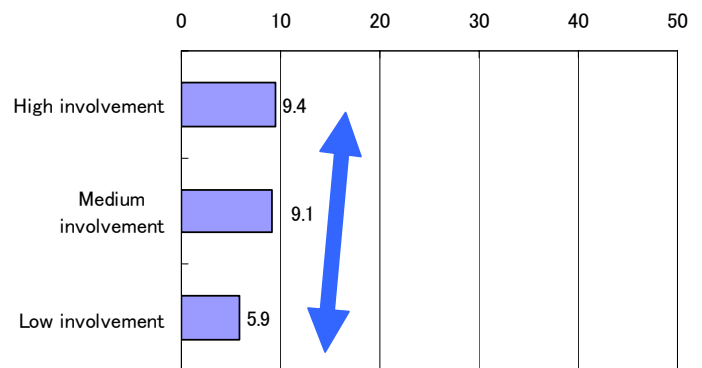
We analyzed use of the Internet for pre-purchase research and actual purchasing by the degree of purchaser involvement with the products in each category. From this we discovered that the higher the degree of purchaser interest and involvement with the product or service, the higher the likelihood that they would use the Internet for pre-purchase research. It appears that using the Internet to research more detailed information about products and services is becoming well entrenched.

However, the degree of involvement did not appear to affect whether respondents ended up purchasing a product over the Internet.

Use of the Internet for Pre-Purchase Research (%)  
(All-category average)



Use of the Internet for Purchasing (%)  
(All-category average)



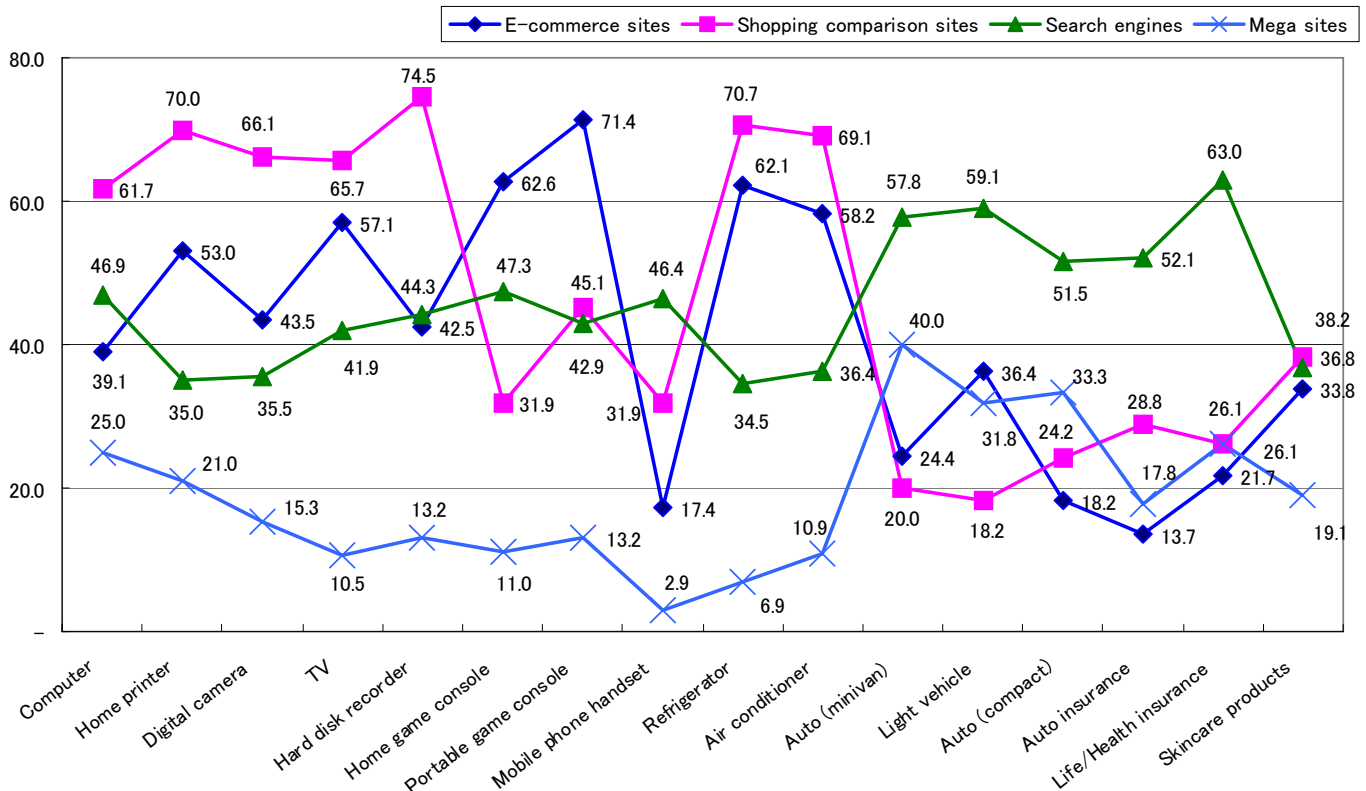
- **The web sites most commonly used for researching purchases were shopping comparison sites for home electronics, e-commerce sites for game consoles, and search engines for other products/services**

We discovered some category-based differences in the kinds of web sites that respondents use for gathering information on possible purchases.

It is now clear that people seek out different types of information on the Internet depending on product category. More than 60% of respondents had used a shopping comparison site when purchasing home electronics like computers, TVs and refrigerators; in excess of 60% had used an e-commerce site for a game console purchases; and search engines were the most used type of web site for other products. In addition,

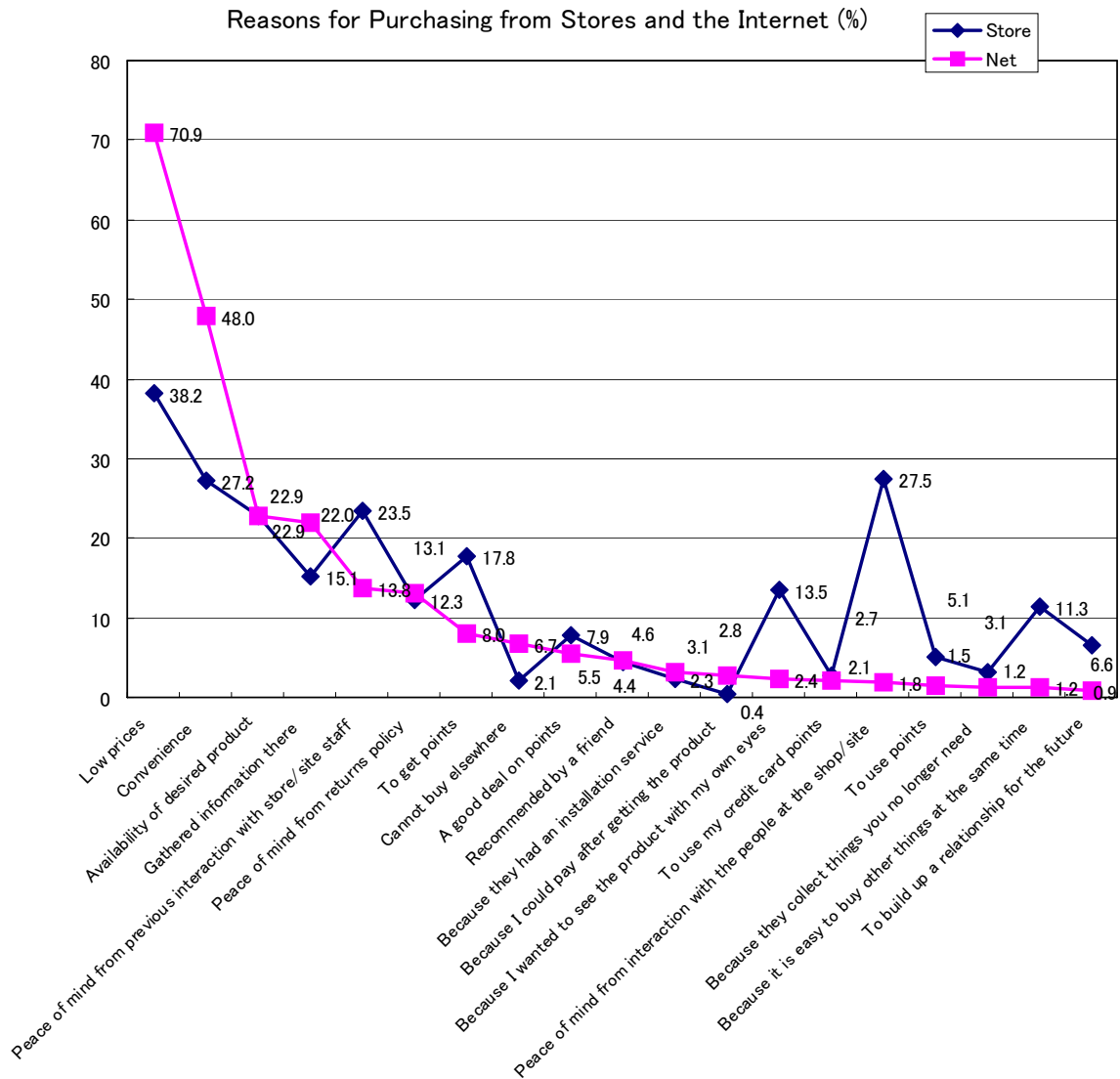
manufacturer web sites were frequently referred to in auto purchases, in contrast with other categories.

Web Sites Used when Researching Possible Purchases in the kinds of web sites that respondents use for gathering information on possible purchases. (Top 16 categories by rate of use of the Internet for research)



- **Low price, convenience, products being in stock and having gathered information were reasons for purchasing on the Net. Reasons for purchasing in stores included low prices, interaction with shop assistants, convenience and peace of mind**

When we asked respondents their reasons for purchasing on the Internet and in stores, the top responses for Internet shopping were low price, convenience, availability of the desired product and having had researched the product there. The top reasons for purchasing from a store were low price, peace of mind from interaction with shop assistants, convenience and peace of mind from previous experience. Low price and convenience scored close to the top in both store and Internet purchases, but the scores for web purchases are far higher. Moreover, while interactions with store staff, peace of mind and other reasons get mentioned in regard to store purchases, it is clear that price and convenience are by far the two biggest reasons for purchasing on the Internet.



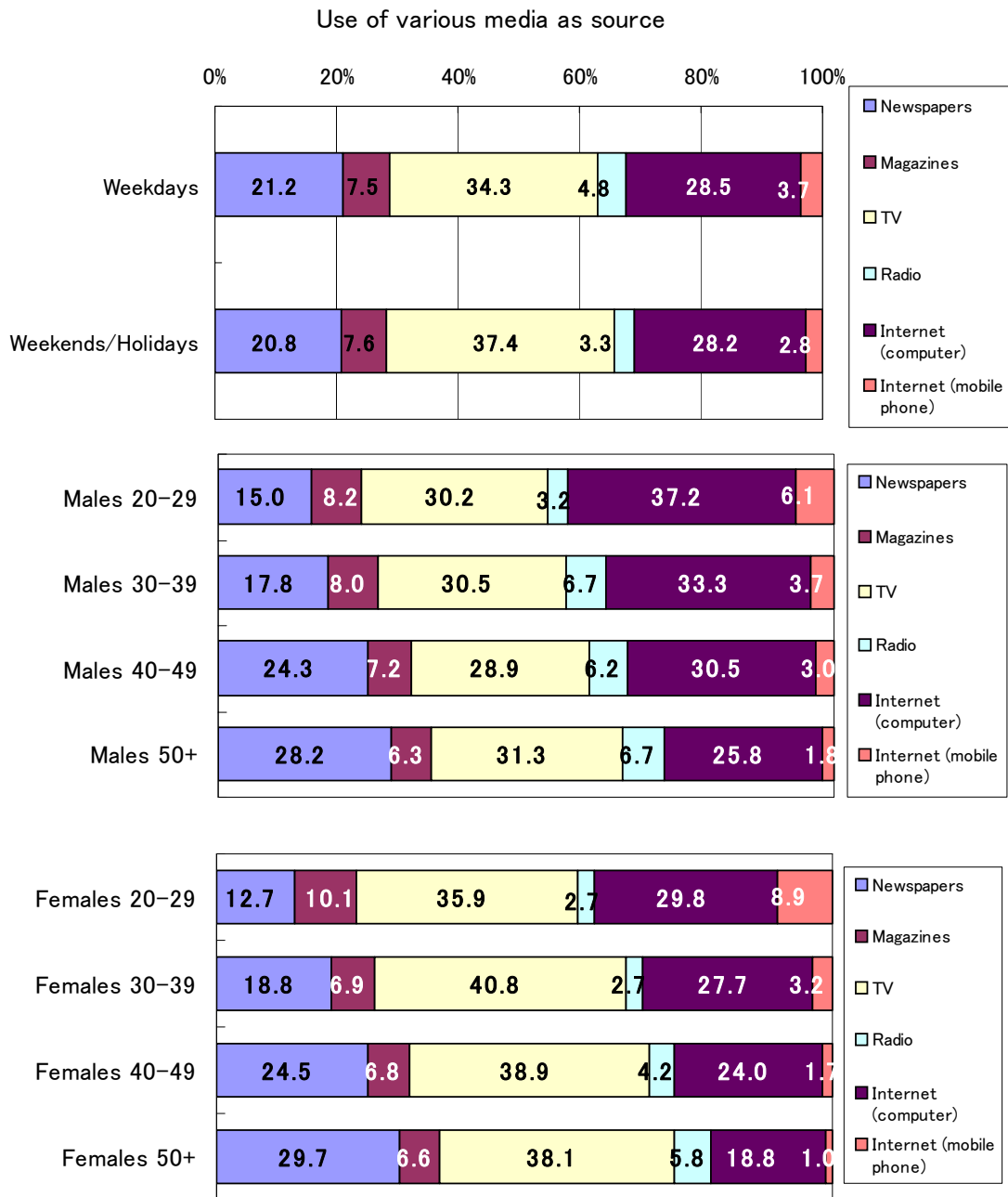
- **As a source of everyday information TV had the highest relative importance.**
- **Reliance on the Internet for information is also high among some age groups**

We asked respondents to breakdown their use of various media as sources of everyday information (and not just shopping and product information), assuming that their use of all media surveyed equaled 100. We learned that TV is the most important media on both weekdays and at weekends/holidays. However the Internet is also a relatively important source of information, with a combined score in excess of 30 for computer and mobile phone Internet.

Notably, reliance on the Internet is higher than TV during the working week for males aged in their 20s–40s; a trend that is particularly pronounced among males aged 20–29, who assigned the Internet a combined score of some 43.3%.

Another characteristic of respondents aged 20–29 is the relatively higher importance they assign to mobile phone Internet. With females aged 20–29 giving mobile phone Internet a

score of 8.9%, it is clear that mobile Internet is well on the way to becoming a major source of information for young people.



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## ■ About Hakuhold Inc.

Founded in 1895, Hakuhold Inc. ([www.hakuhold.jp](http://www.hakuhold.jp)) is the second largest advertising company in Japan, and the ninth largest core agency in the world according to *Advertising Age's* agency report 2007. Today, innovation and creativity are still at the heart of its operations. Hakuhold shares with its clients an unmatched depth of knowledge about the relationship between people and brands – knowledge that has grown from the concept of *sei-katsu-sha* (“consumers with a heartbeat”) which Hakuhold pioneered in advertising. Through its global network, Hakuhold provides comprehensive marketing and communications services and solutions for some of the best-known brands in the world. Hakuhold has 67 offices in 18 countries/regions, and approximately 5,000 employees.

*Sei-katsu-sha* insight is the foundation for Hakuhold's thinking, planning, and brand building. It reminds us that consumers are more than shoppers performing an economic function. They have heartbeats. They are individuals with distinct lifestyles. Hakuhold introduced this term in the 1980s to emphasize our commitment to a comprehensive, 360-degree perspective on consumers' lives.

Hakuhold is one of three advertising agencies under the umbrella of Hakuhold DY Holdings Inc. (TSE: 2433) (<http://www.hakuholdody-holdings.co.jp/english/index.html>), a holding company which was established in 2003 through the management integration of Hakuhold Inc., Daiko Advertising Inc. and Yomiko Advertising Inc. Hakuhold DY Holdings Inc. was listed on the first section of Tokyo Stock Exchange in 2005.