

# **CANADIANS EXPECT TO SPEND \$1.1 BILLION FOR GIFTS ONLINE DURING 2002, CONTINUING GROWTH OF ONLINE SPENDING IN CANADA**

***23% of Internet users plan to purchase a gift online this holiday season, but most are experienced Internet users***



**Ipsos**  **Reid**

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*The Ipsos-Reid Corporation is one of North America's largest market research and public opinion companies. Founded by Dr. Angus Reid, Ipsos-Reid is a \$80 million company which has conducted extensive market and social research in 80 countries and in 40 languages, and serves clients around the world through more than 300-professionals and 1,000 data collection staff in 12 offices. The company is a member of the Paris-based Ipsos Group, ranking among the top ten research companies in the world, with specialties in advertising, media, customer satisfaction, public opinion and market research. Visit [www.ipsos-reid.com](http://www.ipsos-reid.com).*

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## **CANADIANS EXPECT TO SPEND \$1.1 BILLION FOR GIFTS ONLINE DURING 2002, CONTINUING GROWTH OF ONLINE SPENDING IN CANADA**

***23% of Internet users plan to purchase a gift online this holiday season, but most are experienced Internet users***

**Toronto, Ontario**—Canadians continue to allocate more of their holiday spending to online purchasing, according to a new study from Ipsos-Reid, Canada's leading public opinion and marketing research company.

Forty-three percent of Canadians with Internet access<sup>1</sup> have made at least one online purchase since they started using the Internet, and 23% of Internet users<sup>2</sup> plan to purchase a gift online during the holiday season, up slightly from the 21% who planned on purchasing online during the 2001 holiday season. The typical Canadian adult expecting to make at least one gift purchase online is planning to spend an average of \$320 online, which is an increase from the \$297 that they were expecting to spend online during the 2001 holiday season. This represents a total online holiday gift-giving expenditure of \$1.1 billion dollars for the 2002 Christmas shopping period. Using the same methodology last year, Canadians were planning on spending \$860 million online during the 2001 holiday season.

In a poll conducted shortly after the holiday season last year, actual expenditures were 32% above our November 2001 prediction. Factoring this in, total spending could be as high as \$1.4 billion, a 21% year over year increase, once data collected after the 2002 holiday season is analyzed in early January.

"Although most Canadians still have not made an online purchase, there is continued growth in the channel," said Chris Ferneyhough, Vice-President of Technology Research at Ipsos-Reid in Toronto. "However, this growth is certainly nowhere near the lofty projections we witnessed during the dot-com boom."

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<sup>1</sup> 72% of Canadian adults have Internet access.

<sup>2</sup> Defined as a Canadian adult who spends at least one hour online per week.

“There are two types of people driving this growth. The skilled Internet user is planning on spending more online, while an increasing number of those calling themselves fairly skilled are joining the ranks of online shoppers. However, the unskilled Internet user is still not buying online.”

Although skilled Internet users make up only 29% of the Internet-enabled population, they will account for 45% of the total spent online this holiday season. Fairly skilled users, who make up 45% of the Internet-enabled population, will account for 48% of online spending during the holiday season. One-in-four Canadians with Internet access consider themselves to be unskilled, and given their reluctance to purchase online, they will account for only 7% of online purchasing during the holiday season.

The growth in online purchasing this holiday season over last is logical given that data collected after the 2001 holiday season found that almost all online purchasers said they were likely to purchase online again during the 2002 holiday season (92%), and 35% of repeat buyers said their online purchasing experience in 2001 this year was better than in 2000.

According to a separate Ipsos-Reid poll conducted in the United States, 32% of American adults with Internet access were planning on purchasing a gift online during the holiday season. Sixty-two percent of American adults with Internet access have made at least one purchase online.

“We are certainly not as geared up about online shopping as Americans are”, said Ferneyhough. “But with each passing year we find more and more Canadians who have waited on the sidelines start to join in, and those who have already bought online look to buy more. However, there are still a significant number of Canadians who for one reason or another, are not interested in online shopping.”

Items that have traditionally been strong sellers online will continue to lead the way this holiday season as online shoppers are reporting that they are most likely to purchase books, CDs, and toys or games online.

*The “**Canadian Inter@ctive Reid Report**” is the largest, most comprehensive and authoritative source of its kind about quarterly Internet trends in Canada. The results are based on 1,000 online questionnaires completed by members of Ipsos-Reid’s Canadian Internet Panel.*

*Panelists are chosen through random telephone surveys conducted on an ongoing basis across Canada. Results are complemented by a further 1,000 interviews via telephone with Canadian adults selected by random digit dialing. Telephone interviewing was conducted from September 9<sup>th</sup> to 19<sup>th</sup>, 2002 using Ipsos-Reid's computer assisted telephone interviewing (CATI) facilities in Edmonton and Montreal. Online interviews were completed using QC-Web, and they were completed between September 25<sup>th</sup> and October 6<sup>th</sup>, 2002. These data are statistically weighted to reflect the population proportions of regular online users by online expertise and regional distribution. Our panelists represent approximately 14.9 million Canadian adult Internet users who are online for one hour a week or more (there are a total of 17.5 million adults who have Internet access).*

*The US data cited is based on 1,000 telephone interviews with American adults between November 19<sup>th</sup> and 21<sup>st</sup>, 2002. Respondents were selected by random digit dialing.*

*With a national sample of 1,000 (for each component), one can say with 95% certainty that the overall results are within a maximum of  $\pm 3.1$  percentage points of what they would have been had the entire population of Canada's regular online users been surveyed. The margin of error will be larger for sub-groupings of the survey population.*

*Established in 1979, Ipsos-Reid is Canada's leading marketing research and public opinion company. It is best known for the Angus Reid Express Poll, the most widely quoted source of public opinion in the country. Founded by Dr. Angus Reid, Ipsos-Reid has conducted extensive market and social research in 80 countries and in 40 languages, and serves clients around the world through more than 300 professionals and 1,000 data collection staff in eleven offices. The company is a member of the Paris-based Ipsos Group, ranked among the top ten research companies in the world.*

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