



## **Year Over Year Online Spending Drops 13% in Q3 2008**

Past Three Months Spending Also Down 15%  
Data Points to a Difficult Retail Environment as the Holiday Season Approaches

**Calgary, AB, November 20, 2008** – Ipsos Reid's long standing Interactive Reid study has found that year over year online spending dropped 13% among online Canadians in Q3, 2008. The study, which tracks consumer activities on the Internet, also found spending from Q2 to Q3 had dropped by 15%.

In Q3-2007, Canadian online purchasers reported spending an average of \$727 over the past year. This figure is down this quarter to \$641, a decline of 13%. The actual dollar amount spent is at its lowest recorded level since 2003. Yet another indicator of the downturn in the economy is that median spending online is also down this quarter, at \$249 on average for the past three months. This is 15% lower than the same time last year. Study author Mark Laver noted, "While we actually noticed the decline in online spending occur in the second quarter of this year, the year over year figures confirms that online Canadians have significantly reduced their discretionary spending on the Internet."

Not surprisingly then, the number of online purchases made by Canadians has also declined correspondingly. The average number of online purchases over the past year was 6.7, compared to an average of 8.4 one year ago, a decline of 20%.

Laver continued, "The third quarter is typically when we start to see an increase in consumer spending each year with the approaching holiday season and the fact that consumers typically have more disposable income in the second half of the year, with the elimination of EI and CPP. Ultimately, this data points to a challenging environment for retailers—online and offline—in the upcoming holiday shopping season. Online Canadians not only use the Internet to shop, but also use it as a comparison shopping tool. With a recessionary mindset prevalent many Canadians may search around for the best deal for their holiday shopping."

*This release is based on the findings of an Ipsos Reid syndicated study, the Inter@ctive Reid Report, fielded from October 16 to October 21, 2008. This online survey of 2644 Canadian adults was conducted via the Ipsos I-Say Online Panel, Ipsos Reid's national online panel. The results are based on a sample where quota sampling and weighting are employed to balance demographics and ensure that the sample's composition reflects that of the actual Canadian population according to Census data. Quota samples with weighting from the Ipsos online panel provide results that are intended to approximate a probability sample. An unweighted probability sample of this size, with a 100% response rate, would have an estimated margin of error of +/- 1.9 percentage points, 19 times out of 20.*

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