

# PRESS RELEASE

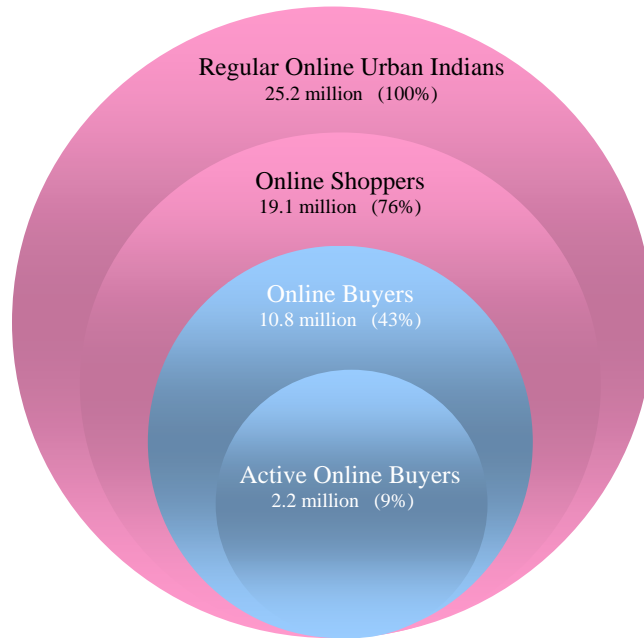
## The Online Marketplace

More Indian are buying online. A survey conducted by Juxtconsult, an online research firm, India Online 2007, shows that 76% of all online Indians search the Web for buys. The number of active online buyers, however, remains stagnant.

### WHO BUYS

Though three-fourths of online Indians search for products and services online, only about half of them buy from web sites. Of these, those who buy at least once a month (active buyers) constitute only 9%. Most are occasional buyers.

Graph 1: Proportion of online shoppers and buyers



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		Year 2007		Year 2006		Penetration Increase	
		(millions)	(%)	(millions)	(%)	(millions)	(%)
Active Internet Users	(use internet at least once a month)	25.2	100%	22.0	100%	3.2	0%
Online Shoppers	(visit shopping sites to search or buy)	19.1	76%	11.9	54%	7.3	22%
Online Buyers	(buy from shopping sites)	10.8	43%	6.1	28%	4.7	15%
Active Online Buyers	(buy online at least once a month)	2.2	9%	2.2	10%	0.0	-1%

### THEIR WALLET SIZE

	2006	2007
Buyers from SEC A and B	73%	67%
Buyers with Rs 30,000 plus monthly (??) family income	22%	32%

This implies that online buying is penetrating smaller towns and lower SEC groups, but the economic profile of the buyer is improving.

### WHAT THEY BUY

A substantial 84% of the all online buyers have bought a travel product online, and only 56% have bought a non-travel product online such as books, CDs, clothes, electronic gadgets, computer software, hardware, consumer durables.

Product	% of online buyers		Increase
	2007	2006	
Train ticket	53%	34%	20%
Air ticket	45%	22%	23%
Books & magazines	21%	29%	-8%
Clothes & accessories	21%	28%	-8%
CD/VCD/DVDs	19%	24%	-5%
Toiletries/perfumes	17%	*	17%
Electronic gadgets	15%	*	15%
Gift Items/flowers	15%	24%	-10%
Hotel/tours	14%	9%	5%
Computer software	13%	16%	-3%

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\* not included in the survey in 2006.

While train and air tickets show some of the best search-to-buy conversion ratios, mobiles, automobiles, camera and kitchen appliances show some of the lowest 'search-to-buy' conversion ratios.

Product	% of Internet users searching (2007)	% of Internet users buying (2007)	Search-to-buy conversion ratio
<b>Best search-to-buy ratios (Top 5)</b>			
Train ticket	25%	13%	0.51
Air ticket	28%	11%	0.39
Movie tickets	9%	3%	0.36
Antiques & collectables	3%	1%	0.34
Clothes & accessories	16%	5%	0.31
<b>Worst Search-to-Buy Ratios (Bottom 5)</b>			
Shoes	7%	1%	0.17
Kitchen appliances	9%	1%	0.16
Camera	20%	3%	0.14
Mobile/PDA	23%	3%	0.12
Automobile	7%	1%	0.11

### THE PROBLEMS THEY FACE

42% of all online buyers complaining about the 'product quality not being the same as specified on the website',  
36% complaining about the 'delayed delivery' of the goods ordered

### HOW THEY PAY

Only 10% worry about misuse of a credit card. Last year 27%

42% of non-buying online shoppers cite 'not having a credit card' as a reason to not buying online.

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### WHERE THEY BUY

Ebay leads the online shopping category (excluding travel websites) with Rediff following at the second spot. However, both have lost usage share in last one year, while the new entrant Futurebazaar along with Google have been the biggest gainers.

Website	% Use on Preferred Basis (2007)	Increase over 2006
Ebay	34%	-4%
Rediff	25%	-4%
Google	8%	5%
Yahoo	7%	-0.5%
Indiatimes	7%	-4%
Futurebazaar	6%	6%
Sify	2%	0.6%
Shopping	2%	0.4%
Amazon	1%	-0.1%
Indiaplaza	1%	0.6%

### METHODOLOGY FOR INDIA ONLINE 2007

Land survey undertaken in April 2007. Sampled 10,000 households in 31 cities (of population sizes 20,000 plus) across all the four regions to estimate Internet user-ship and derive appropriate 'weights' to make online survey data representative of the entire online urban population.

A large-scale online survey conducted in May 2006. Sampled over 14,200 complete responses capturing net usage behavior and website preferences.