ontsi observatorio nacional de las telecomunicaciones y de la SI

Study of B2C Electronic Commerce 2011

October 2011

The Study on B2C e-Commerce 2011 was carried out by the ONTSI (Spanish Observatory for Telecommunications and the Information Society) study team:

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ISSN 2172-458X

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1. INTRODUCTION

1.1. Scope of the study

The Public Corporate Entity Red.es, attached to the Ministry of Industry, Tourism and Trade through the State Secretariat for Telecommunications and the Information Society, is responsible for promoting the development and growth of the Information Society in Spain.

One of the main objectives linked to the activity of Red.es is to obtain statistical indicators to regularly, precisely and concretely describe the situation, penetration, use and social impact of telecommunication and information equipment and services in Spain.

For this reason, Red.es periodically compiles information on "ICTs in Spanish households", specifically data on equipment, use and attitude towards new technologies in Spanish households.

In the context of this study, the evolution of B2C eCommerce is measured and monitored on an annual basis.

In this sense, it is important to determine the definition of B2C eCommerce as the purchase/sale of products or services via electronic media such as the Internet and other computing networks. Originally, this term also referred to other electronic transactions like electronic data exchange but with the advent of the Internet in the mid-90s, it focused in the trading of goods and services on the Internet normally using electronic payment methods like credit cards. This report specifically covers B2C eCommerce, that is to say, business-to-consumer transactions.

This is the 6th edition of the Study of B2C Electronic Commerce in Spain.

The following chapters will present, among others, statistics on the following subjects:

- Diagnosis of the B2C sector and its evolution with respect to the previous year
- Drivers and obstacles to the development of B2C eCommerce
- Maturity of the sector in Spain
- Alternative forms of eCommerce in the residential/domestic market

They analyse in detail the different variables that have been studied so that the reader can get complete information about the behaviour of the sector in Spain.

The methodology used for collecting the information and preparing the study is presented as an annex at the end of this report, detailing the updates in the methodology with respect to the previous edition.

This report includes a structural change with respect to previous editions to make it more modern and dynamic, and allow the reader to access the data in a didactic way without loosing the characteristics of consistency and comparability of previous editions.

1.2. Macroeconomic environment and context of the Internet

Before starting the detailed analysis of the B2C sector in Spain and its evolution, this chapter gives an overview of the economic juncture that has influenced the behaviour of Spanish consumers, and of the context of the Internet.

The following table shows the main indicators of the Spanish economy that directly influence the behaviour of demand and supply of products and services within the context of B2C eCommerce:

	2009	2010	Variation	Source
GDP (million €)	1,053,914	1,062,591	0.8%	INE
ICT and Content sector turnover (million €)	107,341	104,373	-2.8%	ONTSI
VAT	16%	18%	2 p.p.	BOE
Euro-dollar exchange rate	1.3946	1.3262	-4.9%	ECB
CPI	-0.3%	1.8%	-	INE
Annual variation rate of household consumption	-4.2	1.2	-	Banco de España (Bank of Spain)

2010 was a year of economic recovery globally, but the evolution was different across regions.

The Spanish gross domestic product (GDP) showed an annual growth rate in 2010 of 0.8%. Although this value shows improvement compared to the negative rate of -3.7% registered in 2009, and represents the beginning of the recovery from the economic downturn in Spain after three years, it is below the European Union average of 1.8% provided by Eurostat.

The change in the value added tax (VAT) rate, introduced in the second semester, has also altered the purchase habits of final customers, which results in the sawtooth evolution of the Spanish GDP, with peaks in the second and fourth semester and valleys in the third.

The rise in raw materials prices had significant effects on consumer prices that reached a positive rate of 2.9% at the end of 2010.

In this context, final consumption of households registered a moderate increase of 1.2 on the previous year.

Some indicators improved in the last part of the year, like the industrial production index, capacity utilization rate and electric power demand.

2010 was also a year of crisis with falls in production and available income, but to a lesser extent than in 2009, which had an influence –as will be presented in the next chapters– on the purchase habits in eCommerce and the expenditure in products and services.

From a statistical point of view, the evolution of B2C eCommerce in Spain is directly related to the evolution of Internet services. Therefore, it is essential to make a diagnosis of the situation of the ICT and Internet services sector in Spain to understand the relation.

As mentioned before, consumption by Spanish households grew 1.2% compared to 2009 according to the INE. This fact had an impact on the demand for telecommunication services with an increase in the number of both broadband and mobile lines. This increase was not accompanied by a rise in ICT services expenditure.

In this context, according to the Households Panel of CMT-Red.es, there was an increase in penetration of the Internet service among households, reaching 10 million households in the third quarter of 2010 (27.3 million people aged 10 and over have used the Internet at some time, which represents 66.4% of the population).

The commercialisation of packaged/convergent services and the proliferation of offers of telecommunication operators to boost domestic demand have contributed to the rise in Internet services penetration.

As for deployment of next generation access networks (NGA), the number of fibre optic lines continued to increase, thus enabling higher Internet speed rates and improved services (specifically, there was a significant increase in the number of lines with 10 to 20 Mbps and a reduction in lines with 3Mbps or less).

Internet penetration in Spanish households is below the European average (22.5% vs. 25.6%) according to Eurostat, but shows a potential growth based on investments in infrastructure and maturity of the market.

2. EXECUTIVE SUMMARY

In a global context of incipient economic recovery, the Spanish B2C eCommerce sector showed a positive behaviour in 2010. The total volume of the sector was estimated in €9,114 million, which represents a year-on-year increase of 17.4% compared to 2009, the greatest year-on-year increase over the last two years.

This growth was mainly due to the following three variables: the number of Internet users, the proportion of those who make online purchases and the average expenditure per purchaser.

The increases in the number of Internet users and the number of online purchasers in 2010 were modest (1.1 percentage points in Internet users and 1.6 in online purchasers) and, therefore, their contribution to the boost of B2C eCommerce was smaller. So the most important variable in the equation is the increase in the average expenditure per purchaser that has risen from €749 in 2009 to €831 in 2010, an increase of 10.9%.

The increase in average expenditure was especially significant in populations of municipalities with between 10,000 and 20,000 inhabitants (which were the municipalities with the lower average expenditure per purchaser in 2009) and with between 50,000 and 100,000 inhabitants.

The sustained growth of Internet population reveals a change in the global profile of Internet users in 2010. The use of the Internet by other groups than the traditional Internet user profile (young people aged from 10 to 15 and individuals over 50 years) has risen. There is an increased use of the net in municipalities with less than 10,000 inhabitants and among low social classes, two segments of the population that registered low values in previous years.

The profile of online purchasers continues to be similar, as in previous years, to the profile of active Internet users: individuals aged between 35 and 49, resident in urban areas (capitals and municipalities with more than 100,000 inhabitants), with university studies and medium or medium-high socio-economic level, who are active full-time workers.

Online purchasing behaviour is getting increasingly mature. This evolution is reflected in the following indicators:

- More years of experience in online purchasing: 43.9% of the purchasers made their first online purchase more than 3 years ago (vs. 28.9% in 2009)
- Increase in the number of regular purchasers: The percentage of Internet users who purchased online at least once a month was 12.7% in 2009 compared to 16.7% in 2010
- Consolidation of channels of online-only sales (shops that sell exclusively online with 52.6% and manufacturer's websites with 49% are the most frequent)
- Growth of new purchasing channels like online auctions (21.4% in 2010 vs. 13.9% in 2009). More intensive use by young men between the ages of 15 and 34 years, living in municipalities with between 10,000 and 20,000 inhabitants and from middle-low/low social class

- Increase in the number of direct accesses to purchase channels: websites (4.4 p.p.), favourite list (3.5 p.p.) or links (3.3 p.p.)
- Increased incidence of ad-hoc payment methods like PayPal (6.5 p.p. on the previous year)

All this reveals that users are more experienced and the online channel is more consolidated.

The sectors leading the online business continue to be those related to tourism and entertainment (transport tickets, accommodation bookings and tickets for shows) as in 2009.

Other sectors that contribute to the growth of B2C eCommerce are mature sectors with significant growth rates like financial services and appliances and home furnishings.

Additionally, in 2010, sectors that where minority sectors until then experienced an important growth in terms of number of purchasers compared to 2009. These were clothes and accessories (+9.9 p.p., reaching 27.7%) and food and general hardware (+6.3 p.p., reaching 16.3%). The profile of the purchaser of these categories is younger, living mostly in smaller habitats -with less than 20,000 inhabitants- and of lower social class than the frequent online purchaser.

Searching for information and comparing prices is mainly done online for most of products and services, but in the case of these emerging categories, purchases of products and subscriptions to services are mainly made at a physical shop. However, in some categories of products the purchase process takes place mainly online. In the categories 'accommodation bookings' and 'transport tickets', searching for information (66.8% and 75% respectively), comparing prices (60% and 72.7%) and purchasing (50% and 51.4%) is mainly done online.

The level of satisfaction with the Spanish eCommerce offer is positive and improves as products and services increase their popularity. However, consumers are getting more and more exigent and increasingly use new channels for claims and take into account quality seals.

B2C eCommerce will continue to grow thanks to the incorporation of new Internet users to the online channel. 9.3% of the currently non-purchasers plan to make online purchases in the next months (especially individuals aged between 15 and 24, living in towns/cities with less than 10,000 inhabitants). To promote online purchasing it is fundamental to offer interesting products and services, or products and services that are only available online (that cannot be purchased through the conventional channel).

The development of B2C eCommerce goes hand-in-hand with the consolidation of its current drivers (price and convenience) and the overcoming of the perceived barriers.

The need or preference for physical contact with the product continues to be the first cause of the rift with eCommerce. Problems related to the perceived security of the channel are still an important barrier, though to a lesser extent than in previous years.

A more complete diagnosis about the B2C sector in Spain requires considering the evolution of alternative forms of digital commerce like online trade between consumers and purchases made via mobile phone. Both channels show a positive growth trend in 2010 and important growth expectations for next years.

3. B2C E-COMMERCE IN SPAIN

B2C eCommerce in Spain, defined as business-to-consumer transactions made by electronic means such as the Internet, continued its upward trend in 2010.

As mentioned before, it is necessary to contextualise the positive figures of B2C eCommerce in the current economic framework.

This chapter presents, in the first section, the big figures of eCommerce volume in Spain in 2010 and in subsequent sections, the evolution of the three main variables that have influenced the growth of it:

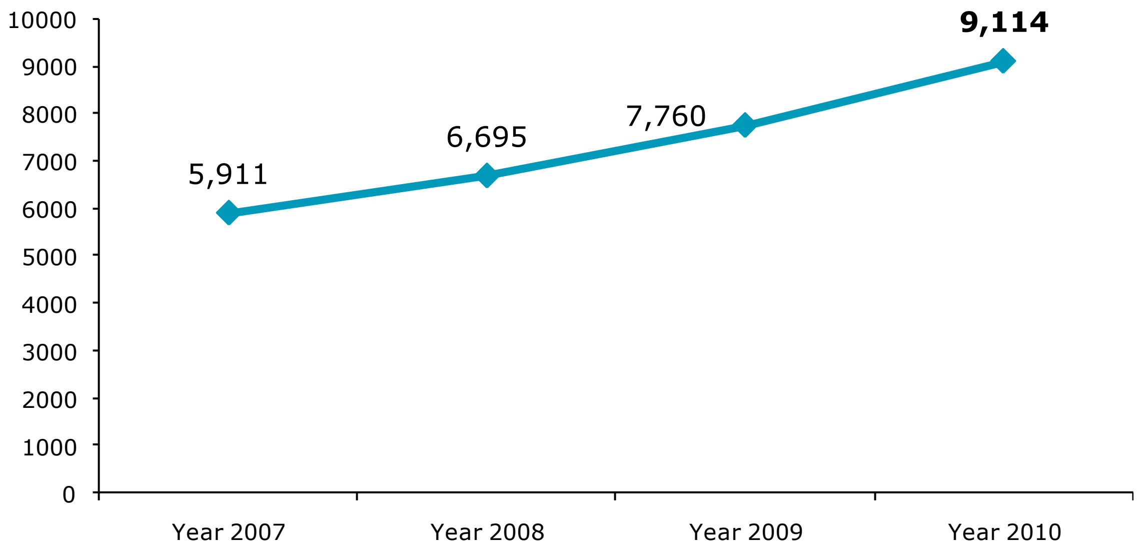
- Internet users
- Online purchasers
- Expenditure

The analysis of these variables provides a global overview of the situation of B2C eCommerce at a domestic level.

3.1. Volume of B2C eCommerce in Spain in 2010

B2C eCommerce volume grew from €7,760 in 2009 to € 9,114 million in 2010, experiencing an increase of 17.4% (vs. 15.9% in 2009).

Figure 1. Volume of B2C electronic commerce (million €)



Source: ONTSI

The business volume generated by B2C electronic commerce in 2010 has been estimated based in the following three variables:

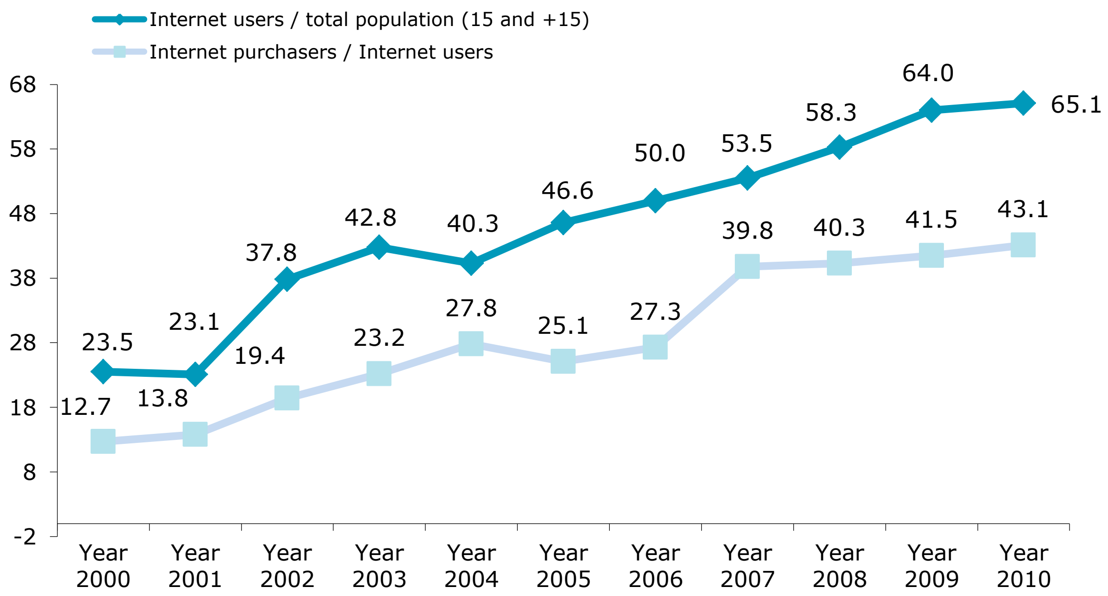
1. Internet users
2. Total number of online purchasers (estimated to be 11 million at the beginning of 2011)
3. Average annual expenditure per Internet purchaser (€831).

Next, there is a summarised description of the contribution of each variable to the growth of B2C eCommerce, while in later sections each variable will be analysed in detail.

1. The total percentage of Internet users rose in 2010 1.1 p.p., from 64% in 2009 to 65.1%.
2. The proportion of Internet users who made online purchases in the last year was slightly higher than in the previous year: online purchasers grew from 41.5% of the total Internet users in 2009 to 43.1% in 2010, which means an increase of 1.6 p.p. on the previous year.

   The absolute number of Internet purchasers rose by 5.8%, from 10.4 million to 11 million individuals.

Figure 2. Evolution of the number of Internet users and Internet purchasers (%)



Source: ONTSI

3. The increase seen in the volume of B2C electronic commerce in 2010 is not as much caused by the increase in the number of Internet users and online purchasers, but especially by the important increase in the average annual expenditure per Internet purchaser.

   Annual average expenditure per purchaser has increased by 10.9%, from €749 to €831.

Table 1. Evolution of average annual expenditure per individual purchaser

Year	Total amount
2007	739 €
2008	754 €
2009	749 €
2010	831 €

Source: ONTSI

As stated throughout the report, B2C eCommerce in Spain has experienced a positive evolution over 2010 caused, on the one hand, by the maturity of the market in activity sectors that are already consolidated and, on the other, and not less important, by the incorporation of new population segments and new activity sectors.

The following table summarises the business volume generated by eCommerce in 2010:

Table 2. eCommerce in 2010

% Internet users	65.1%	25,4 billion individuals
% Internet purchasers	43.1%	11,0 billion individuals
Average expenditure per purchaser	831€	
Total	9,114MM€	

Source: ONTSI

The evolution of the three main variables that have influenced the growth of B2C in 2010 (internet users, online purchasers and average expenditure) is analysed below in detail.

3.2. Internet users

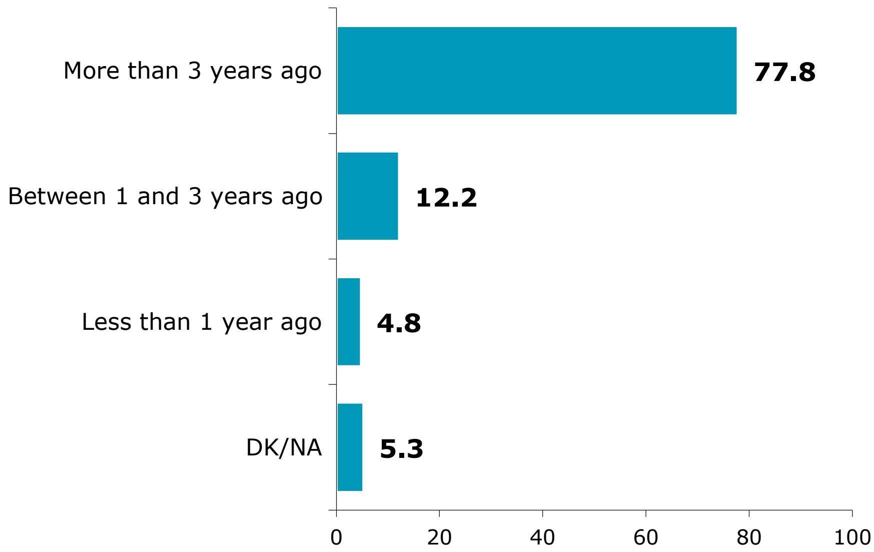
The current Internet user population is estimated in 25.4 million people, which represents 65.1% of the Spanish population over 15 years of age and an increase of 1.1 p.p. on 2009. Taking into consideration also the population aged from 10 to 15 the number exceeds 27 million users.

The main characteristics of internet users in 2010 will be analysed in detail next.

Experience in use of the network

The distribution of the different levels of experience in Internet use claimed by the users has varied very little since 2009. However, the low rate of new users in 2010 has meant a drop in the percentage of users that have been using the Internet for less than a year, from 6.8% in 2009 to 4.8% in 2010.

Figure 3. Years of experience in Internet use (%)



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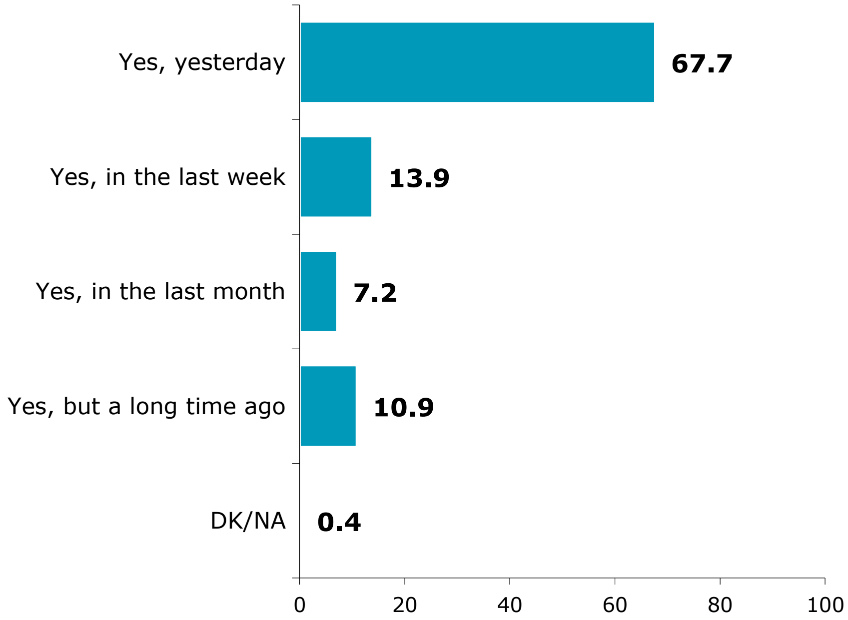
Base: All Internet users

Source: ONTSI

Internet use

More than two thirds of the sample that was interviewed said they use the Internet daily, and over 80% said they use it at least once a week.

Figure 4. Have you ever used the Internet? (%)



Base: All Internet users

Source: ONTSI

There is almost the same percentage of men and women who accessed the Internet the previous day (yesterday). Among those who accessed the Internet during the last week the younger age group stands out.

Table 3. Individuals who have used the Internet on some occasion

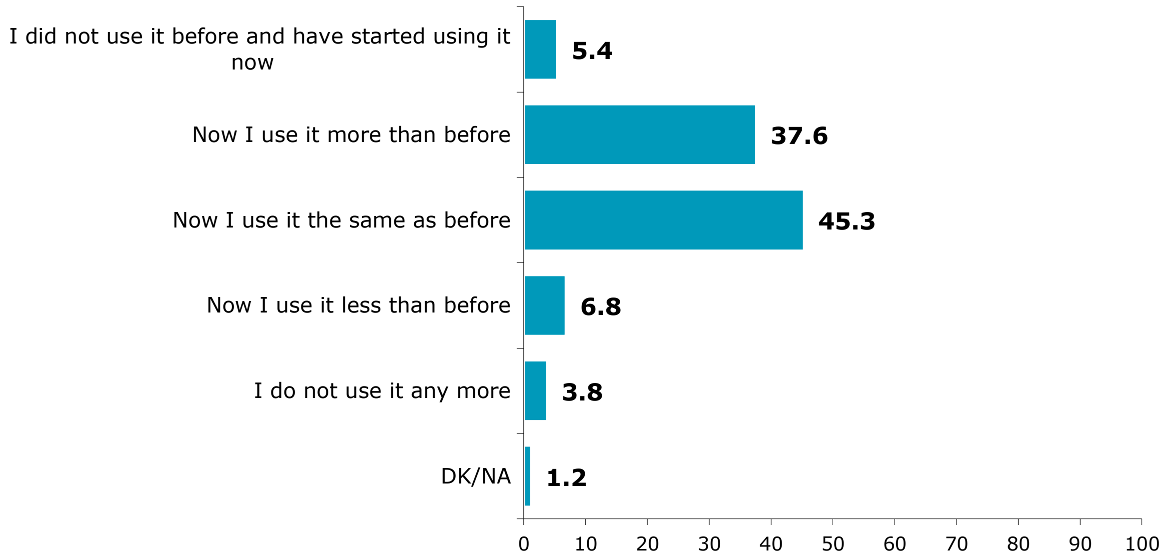
		SEX		AGE				
	TOTAL	Male	Female	aged 15-24	aged 25-34	aged 35-49	aged 50-64	aged 65 or over
Yes, yesterday	**67.7%**	67.5%	68.0%	66.6%	72.2%	65.8%	67.4%	64.3%
Yes, in the last week	**13.9%**	13.6%	14.2%	18.0%	10.9%	15.3%	11.3%	13.8%
Yes, in the last 15 days	**3.9%**	3.8%	4.0%	3.3%	2.1%	4.8%	4.5%	6.0%
Yes, in the last month	**3.3%**	3.7%	2.8%	2.7%	4.0%	2.4%	3.6%	6.4%
Yes, in the last 3 months	**3.4%**	3.7%	3.1%	3.8%	3.5%	4.0%	2.4%	1.0%
Yes, but a long time ago	**7.5%**	7.3%	7.7%	5.4%	7.1%	7.3%	10.3%	8.3%
DK/NA	**0.4%**	0.5%	0.3%	0.3%	0.3%	0.5%	0.5%	0.2%

Base: All Internet users

Source: ONTSI

More than 4 out of 10 of the Internet users that were interviewed stated that they had increased their level of use of the Internet with respect to the previous year, because they have started using it recently (5.4%) or simply because they have increased use of it (37.6%).

Figure 5. Internet use compared to the previous year (%)



Base: All Internet users

Source: ONTSI

As presented in the following table, the incorporation of older users among the Internet population is notable, especially between the ages from 50 to 64.

It is also important to mention the more intensive use by youngsters and individuals aged over 50 years.

Table 4. Internet use compared to the previous year

		SEX		AGE				
	TOTAL	Male	Female	aged 15-24	aged 25-34	aged 35-49	aged 50-64	aged 65 or over
I did not use it before and have started	**5.4%**	5.4%	5.3%	5.5%	2.0%	5.8%	9.6%	4.3%
Now I use it more than before	**37.6%**	37.6%	37.6%	39.1%	34.1%	37.8%	39.9%	40.2%
Now I use the same as before	**45.3%**	45.3%	45.3%	48.1%	51.5%	42.9%	38.3%	44.3%
Now I use it less than before	**6.8%**	7.0%	6.6%	4.7%	8.6%	7.1%	5.7%	6.4%
I do not use it any more	**3.8%**	3.5%	4.1%	1.9%	3.5%	4.4%	5.1%	3.9%
DK/NA	**1.2%**	1.2%	1.2%	0.7%	0.4%	1.9%	1.4%	1.0%

Base: All Internet users

Source: ONTSI

Also worth noting is the increase in the intensity of use in municipalities with less than 10,000 inhabitants and among individuals of low social class.

Table 5. Internet use compared to the previous year

	SIZE OF TOWN/CITY					SOCIAL CLASS			
	Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand	Upper + upper middle	Middle	Middle low	Low
I did not use it before and have started	**5.7%**	4.2%	5.8%	2.5%	6.2%	4.8%	6.1%	4.7%	6.9%
Now I use it more than before	**41.7%**	38.3%	36.0%	35.4%	36.4%	37.1%	37.5%	37.5%	44.1%
Now I use the same as before	**41.0%**	49.0%	47.4%	45.9%	45.2%	46.1%	43.6%	47.5%	43.3%
Now I use it less than before	**6.6%**	3.9%	7.3%	10.4%	6.7%	6.4%	8.1%	5.4%	3.3%
I do not use it any more	**4.5%**	3.8%	2.5%	3.1%	4.1%	4.8%	3.1%	3.9%	2.2%
DK/NA	**0.5%**	0.7%	0.9%	2.7%	1.3%	0.9%	1.6%	1.0%	0.1%

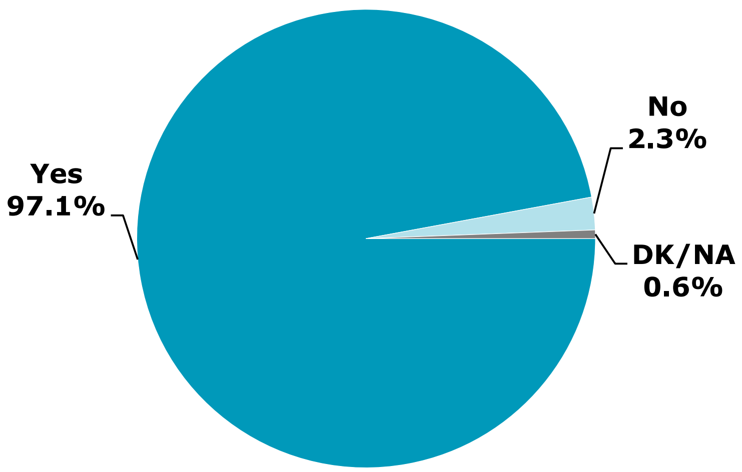
Base: All Internet users

Source: ONTSI

E-mail. Penetration of electronic mail

Almost all Internet users (97.1%) have e-mail, which continues to be an indispensable element to make purchases online. In most cases, online purchases require a method of contact with the purchasers and the e-mail address is the most popular and widespread of all.

Figure 6. Do you have e-mail?



Base: All Internet users

Source: ONTSI

Role of the Internet in the purchase process

With the introduction of the Internet in Spanish households, the purchase process has changed, since there is an alternative to physical shops.

The behaviour of Internet users has also evolved. Internet users use the network to search for products, compare prices and characteristics and, finally, purchase products or subscribe to services (whether physically or online).

We can establish three categories of products and services based on the amount of online purchases and the percentage of users who compare information on the network:

- Internet leads the purchase process, both in terms of searching for information and of final purchase/subscription.

  This category includes products/services with high percentages of online purchasing and comparison.

  - ✓ Accommodation bookings
  - ✓ Transport tickets

- Internet leads the process previous to the purchase, but not the final purchase/subscription stage.

  This category includes products/services with a medium percentage of online purchasing and a high percentage of online comparison.

  - ✓ Multimedia, digital format
  - ✓ Software
  - ✓ Vehicle hire/motor products
  - ✓ Tickets
  - ✓ Internet Services
  - ✓ Electronics
  - ✓ Financial services
  - ✓ Multimedia, physical format

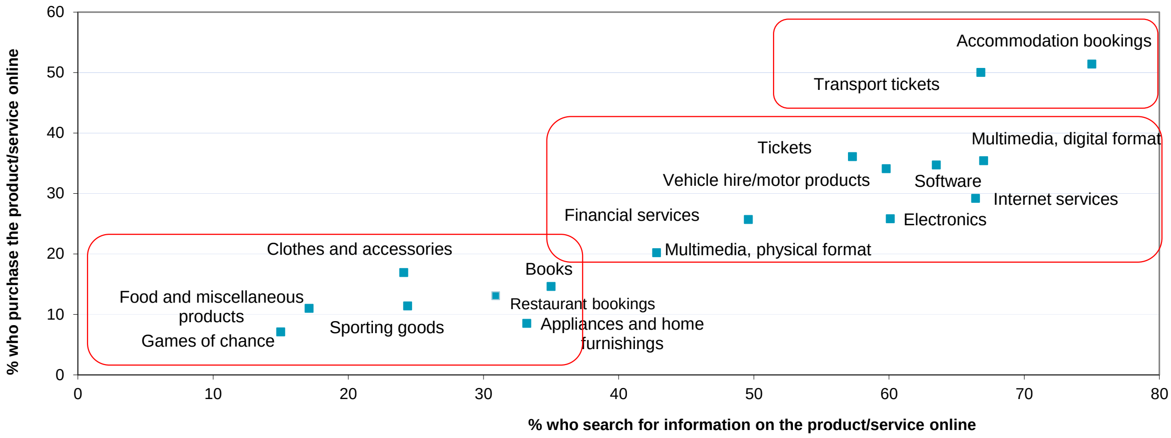
- Internet is used more in the first stages of searching for information and comparing prices than in the last stage of making the purchase.

  This category includes products/services with both a low percentage of online purchasing and a low percentage of online comparison or info search.

  - ✓ Books
  - ✓ Clothes and accessories
  - ✓ Accommodation bookings
  - ✓ Sporting goods
  - ✓ Food and miscellaneous products
  - ✓ Appliances/home furnishings
  - ✓ Games of chance

The following is a graphical representation of the three categories described above, indicating the percentage of users that made the purchase online and of those that used the Internet for searching for information or comparing prices before the purchase/subscription.

Figure 7. Use of the Internet for searching for information on the product/service vs. for making the purchase



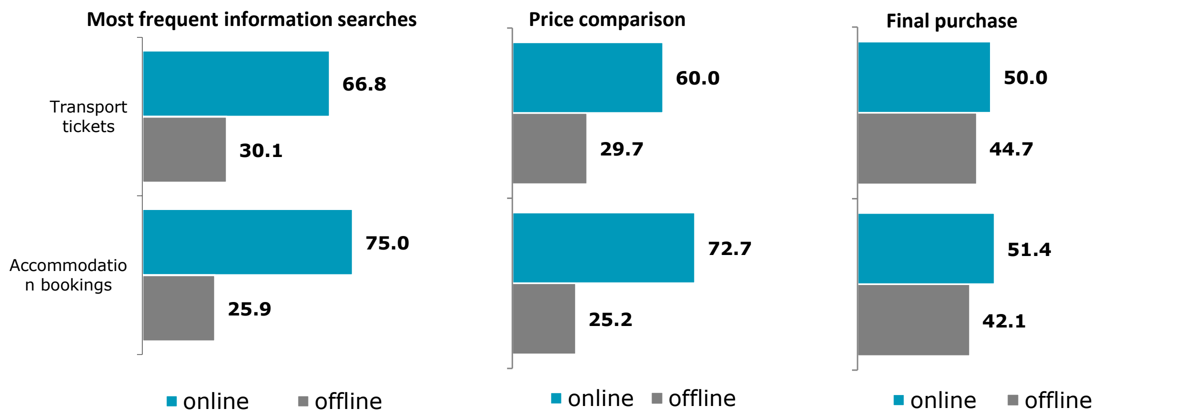
Base: Internet users who purchased the product (online or offline) in 2010

Source: ONTSI

Next, there is a more detailed analysis of the role played by the Internet in the general purchase process, broken down by the categories of products and services defined before, and indicating whether the stages of searching for information and comparing prices, and of making the purchase are made online (on the Internet) or offline (other than on the Internet, e.g. a physical shop).

In accommodation bookings and transport tickets, searching for information and comparing prices is mainly done online. As for the final purchase, the online medium exceeds the traditional channel.

Figure 8. Most frequent channel to search for information, compare prices and make purchases (%)



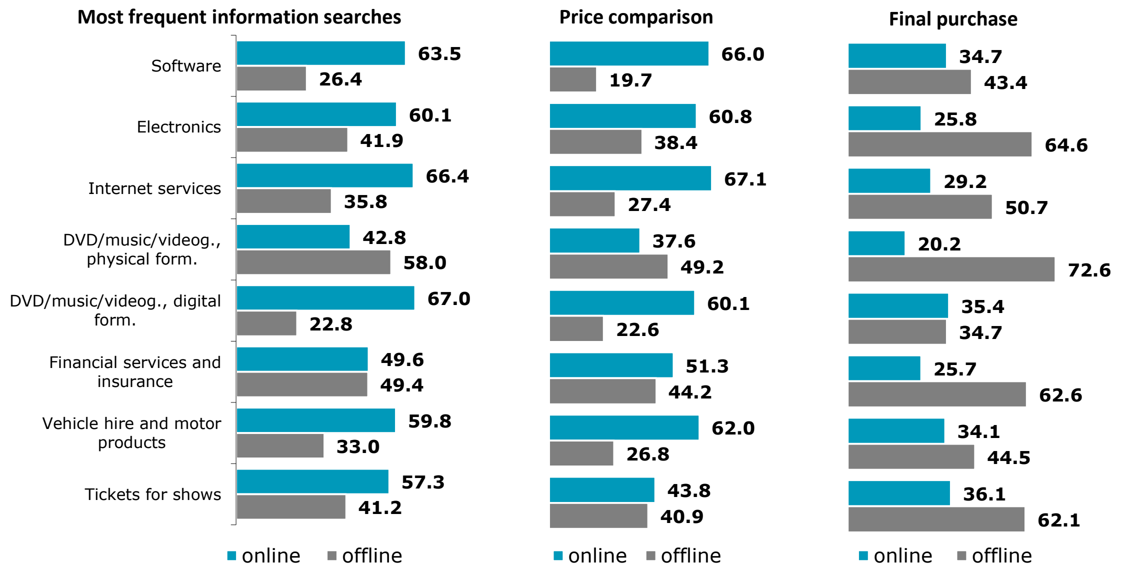
Base: Internet users who purchased the product (online or offline) in 2010

Source: ONTSI

In the second category of products, the following differential behaviours are observed in the use of the online channel:

- Software: Searching for information and comparing prices is mainly done online, but online purchases are not greater than traditional offline purchases.
- Electronics: also the searching for information and comparing prices is mainly done online, but purchases are mainly made offline.
- Internet services: practically the same as electronics: the purchase continues to be made mainly offline.
- DVDs/music/videogames in physical format: the searching for information and comparing prices is mainly done offline the same as the purchasing.
- DVDs/music/videogames in digital format: the searching for information and comparing prices is mainly done online, and the final purchase is done almost equally online and offline (e.g. cards to download music/films).
- Financial services: the searching for information and comparing prices are done almost equally online and offline. On the contrary, the final purchase is mainly done offline.
- Vehicle hire: the searching for information and comparing prices is mainly done online, but the hiring is slightly more frequent offline than online.
- Tickets for shows: the stage of searching for information is mainly done online, the comparison of prices is done almost equally online and offline, and the final purchase is mainly done offline.

Figure 9. Most frequent channel to search for information, compare prices and make purchases (%)

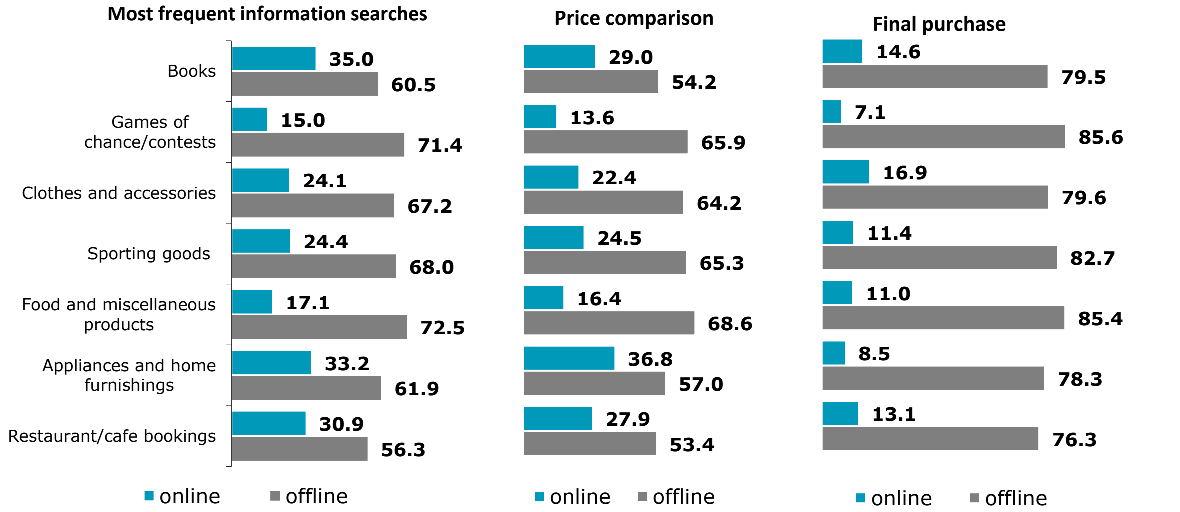


Base: Internet users who purchased the product (online or offline) in 2010

Source: ONTSI

In the third category of products, in all cases the searching for information, comparing prices and final purchase is mainly and by far done offline.

Figure 10. Most frequent channel to search for information, compare prices and make purchases (%)



Base: Internet users who purchased the product (online or offline) in 2010

Source: ONTSI

3.3. Online purchasers

Of the total Internet population, 43.1% claimed to have purchased products or hired services online in 2010. In absolute terms, they represent 11 million people and an increase of 1.6 p.p. compared to 2009.

The main characteristics of the online purchaser and its evolution in 2010 are analysed next.

Basic 2010 purchaser profile:

The purchaser profile corresponds to the following socio-demographic characteristics, which have not varied since 2009:

- Individuals aged between 25 and 49, particularly the segment aged between 35 and 49
- Residents in urban areas (more than 100,000 inhabitants)
- With a university education
- Of medium and medium-high socio-economic level
- Active full-time workers

With respect to 2009, these are the most significant variations in the online purchaser profile:

- Increase in the number of individuals aged from 35 to 49
- Increase in the size of the habitat: municipalities with 20,000 to 100,000 inhabitants.

Table 6. Socio-demographic profile of Internet users and Internet purchasers (%)

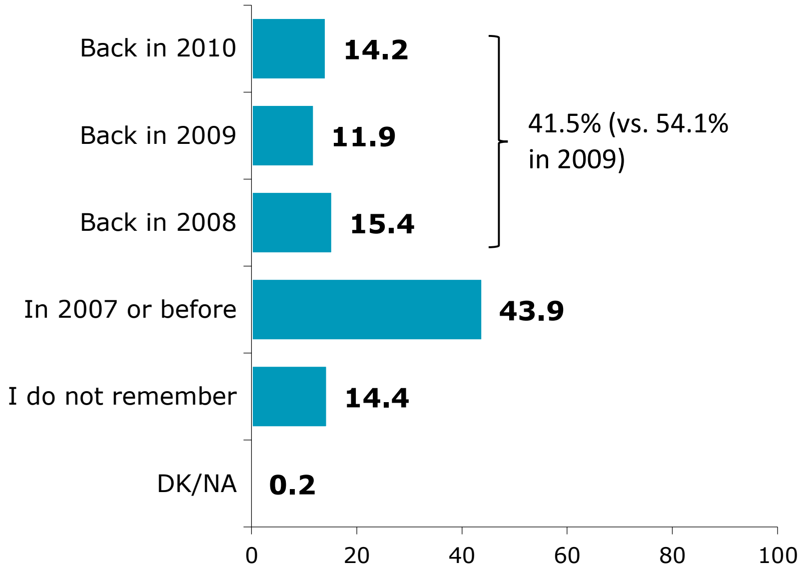
	2009		2010		Variation 2009-2010 (p.p.)
	Total Internet users	PURCHASERS	Total Internet users	Purchasers	Purchasers
Male	50.7	51.1	50.1	52.7	1.6
Female	49.3	48.9	49.9	47.3	-1.6
AGE					0.0
From 15 to 24	18.1	12.6	17.3	9.8	-2.8
From 25 to 34	26.1	28.7	24.9	29.6	0.9
From 35 to 49	34.4	34.6	35.1	39.1	4.5
From 50 to 64	16.3	20.4	16.9	18.1	-2.3
65 or over	5.1	3.7	5.8	3.5	-0.2
EDUCATION					0.0
Primary	5.2	2.7	4.4	0.9	-1.8
Secondary	65.7	53.9	63.8	53.3	-0.6
Higher	29.0	43.5	29.5	45.4	1.9
SOCIAL CLASS					0.0
Upper + upper middle	32.8	41.0	32.7	43.2	2.2
Middle	42.5	44.9	41.8	40.9	-4.0
Middle lower + Low	24.7	14.0	25.5	15.9	1.9
WORK ACTIVITY					
Full-time worker	51.9	58.4	50.3	60.6	2.2
Part-time worker	7.5	10.9	6.8	8.4	-2.5
< 8 hours/week	0.8	0.7	1.4	0.8	0.1
Retired/pensioner	6.9	6.5	5.7	4.1	-2.4
Unemployed/previously employe	10.8	7.6	10.6	8.3	0.7
University student	1.9	2.7	1.9	2.5	-0.2
Disability pension	2.0	3.1	3.5	4.8	1.7
Housewife	6.5	4.8	5.8	2.2	-2.6
Unemployed/seeking 1st employ	1.0	0.7	2.2	2.3	1.6
Non-university student	10.7	4.6	11.8	6.0	1.4
SIZE OF TOWN/CITY					0.0
Less than 10 thousand	21.8	14.9	20.4	14.4	-0.5
10 to 20 thousand	13.8	13.6	13.7	11.7	-1.9
20 to 50 thousand	15.9	17.2	15.4	19.1	1.9
50 to 100 thousand	9.8	10.5	10.9	13.0	2.5
More than 100,000	38.7	43.9	39.6	41.8	-2.1

Source: ONTSI

Previous experience in making online purchases

More than 4 out of 10 online purchasers said they made their first online purchase before 2008, which reflects that the sector is getting more mature.

Figure 11. When did you first make a purchase? (%)



Base: Total Internet purchasers

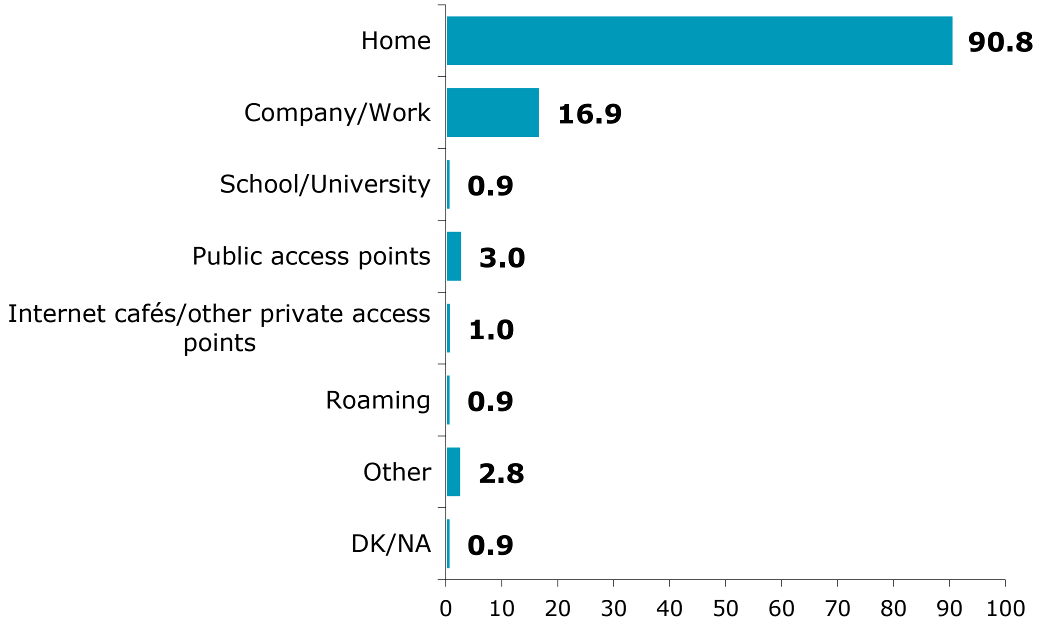
Source: ONTSI

Place where the Internet is accessed to make a purchase

The home continues to be the most popular location for making online purchases. At present, nine out of ten purchasers (90.8%) claim to make their purchases from home.

The company or workplace, in a second level, continues rising while other locations have a residual representation.

Figure 12. Where do you usually make online purchases from? (Multiple answerss - %)



Base: Total Internet purchasers

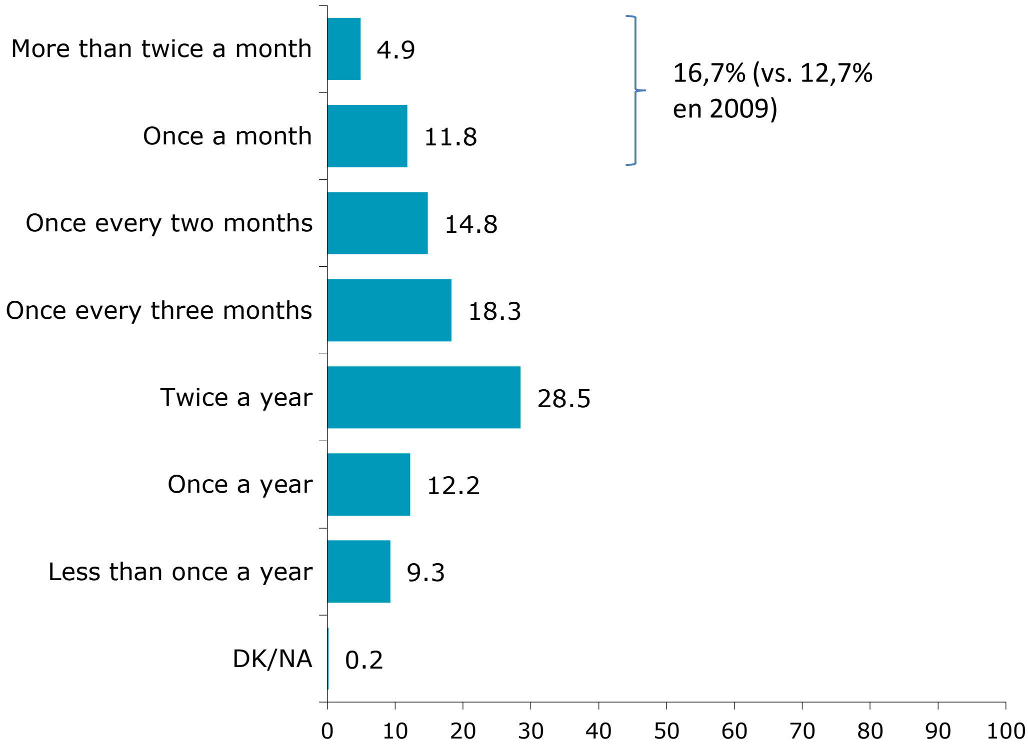
Source: ONTSI

Online purchase frequency

As for the frequency of online purchases, 4.9% of Internet users shop online once every week or fortnight, and almost 30% do so only twice a year. The intervals with the greatest frequency of purchase have increased their percentages. The percentage of Internet users who purchased online at least once a month was 12.7% in 2009 compared to 16.7% in 2010.

Although still 9.3% of online purchasers states that they purchase only occasionally (less than once a year), this percentage has fallen compared to the previous year.

Figure 13. How often do you make online purchases? (%)



Base: Total Internet purchasers

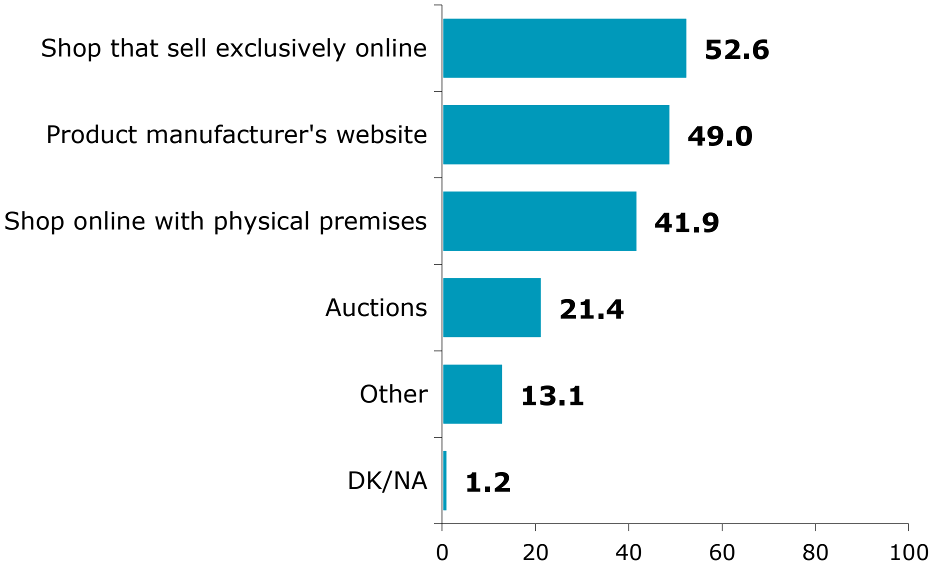
Source: ONTSI

Web sites where online purchases are made

As for sites in which the purchase/subscription is made, we observe the consolidation of shops that sell exclusively online as the main purchase channel in 2010 (52.6%) followed by manufacturer's websites (49%).

Both channels have surpassed shops that sell online and also have physical premises, which register a percentage of 41.9%.

Figure 14. Where do you usually make purchases on the Internet? (Multiple answerss - %)



Base: Total Internet purchasers

Source: ONTSI

Worthy of note is the rise in online auctions over the last year (21.4% in 2010 vs. 13.9% in 2009). They are more intensively used by young men between the ages of 15 and 34 years, living in municipalities with between 10,000 and 20,000 inhabitants and from middle-low/low social classes. Specifically, regular purchases from online auctions are made by 3 out of 10 Internet purchasers aged from 25 to 34, or from municipalities with between 10 and 20 thousand inhabitants.

Table 7. Auctions as a purchase channel (Multiple answers - %)

		SEX		AGE				
	TOTAL	Male	Female	aged 15-24	aged 25-34	aged 35-49	aged 50-64	aged 65 or over
Auctions	**21.4%**	29.7%	12.2%	24.4%	28.8%	21.2%	10.7%	7.5%

	SIZE OF TOWN/CITY					SOCIAL CLASS		
	Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand	Upper + upper middle	Middle	Middle lower + Low
Auctions	**14.1%**	30.0%	22.6%	22.4%	20.6%	17.2%	24.9%	24.0%

Base: Internet users who have purchased online in each socio-demographic group

Source: ONTSI

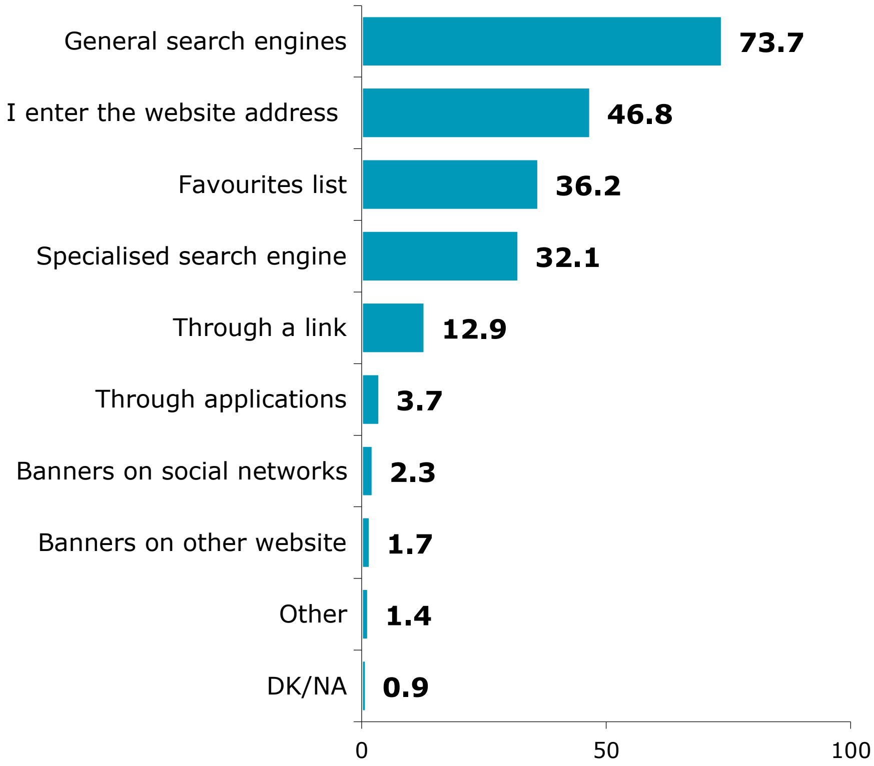
Access to virtual shops

As in previous years, general search engines were the most frequent means of finding out about virtual shops and accessing their *URLs*[1] . Specifically, 73.7% of purchasers accessed the URL address of the website where they made their online purchases through one of these search engines. However, this way of accessing has decreased a little compared to the previous year.

To a lesser extent and with a lower incidence than general search engines, purchasers use the URL of the shop (46.8% of them directly typed the URL address in the browser navigation bar). This represents an increase on the previous year.

The maturity of the sector is also reflected in a greater percentage of accesses through the favourites list selected by the user, or through a *link*.

Figure 15. How do you eventually access the website where you purchase products or services? (Multiple answerss - %)



Base: Total Internet purchasers

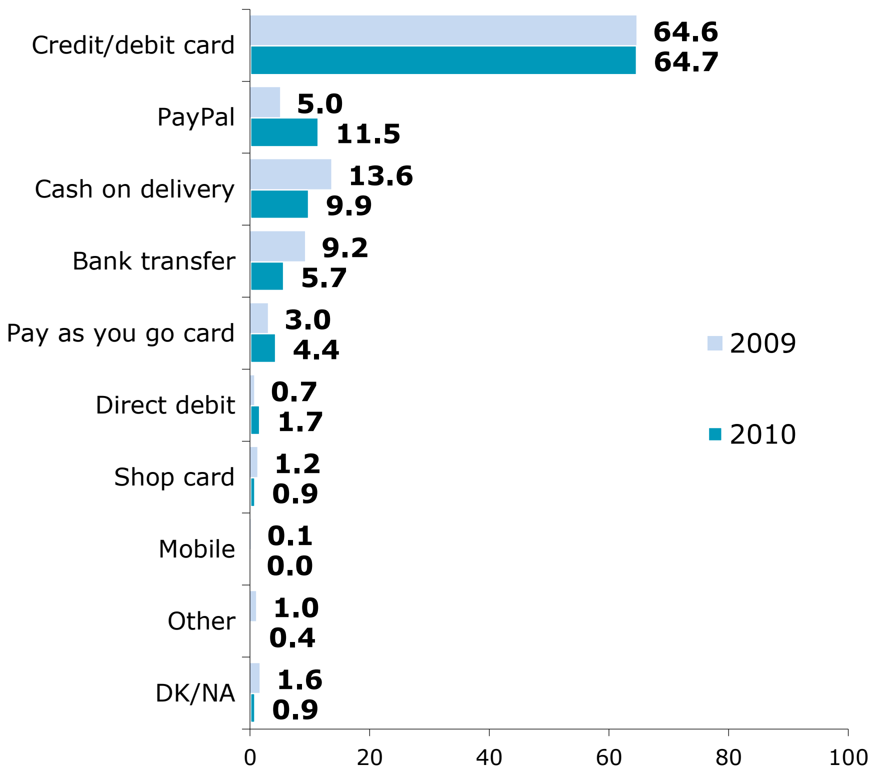
Source: ONTSI

[1] A Uniform Resource Locator (URL) is a specific character string that constitutes a reference to an Internet resource, for example *www.google.com.*

Payment methods used

Two out of three online purchasers (64.7%) preferred to pay for online purchases by credit or debit cards. This preference records a stable trend in the last years.

Figure 16. When you make an online purchase, what payment method do you prefer to use? (%)



Base: Total Internet purchasers

Source: ONTSI

PayPal as a payment method acquires relevance in 2010, becoming the second preferred payment method for online purchases. The third preferred option was cash on delivery (9.9%) and the fourth was bank transfers (5.7%).

Pay as you go cards, customer cards, direct debit, and mobile phones are methods almost residual and with a very low incidence.

PayPal as a payment method is more intensively used by young men aged from 15 to 24 (for 19.5% of them PayPal is their preferred method), residents from municipalities under 10,000 inhabitants (16.9%), and medium social class individuals (15%). So the profile is very similar –except for the social class– to the new online purchaser profile that will be analysed later on.

Table 8. PayPal as the preferred payment method (%)

	TOTAL	SEX: Male	SEX: Female	AGE: aged 15-24	AGE: aged 25-34	AGE: aged 35-49	AGE: aged 50-64	AGE: aged 65 or over
PayPal	**11.5%**	15.9%	6.6%	19.5%	13.6%	11.3%	5.7%	3.3%

	Less than 10 thousand	SIZE OF TOWN/CITY: 10 to 20 thousand	SIZE OF TOWN/CITY: 20 to 50 thousand	SIZE OF TOWN/CITY: 50 to 100 thousand	SIZE OF TOWN/CITY: Capital over 100 thousand	SOCIAL CLASS: Upper + upper middle	SOCIAL CLASS: Middle	SOCIAL CLASS: Middle lower + Low
PayPal	**11.5%**	16.9%	8.8%	11.1%	8.6%	9.5%	15.0%	7.8%

Base: Internet users who have purchased online in each socio-demographic group

Source: ONTSI

Payment with credit/debit card

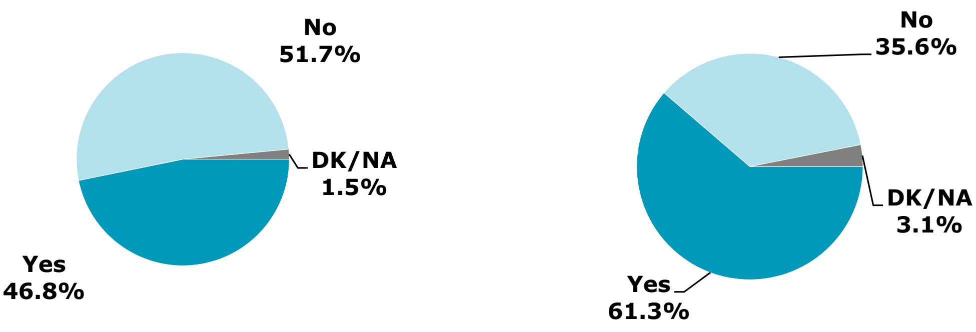
For some years now, online bankcard payment is protected by a security system requiring a password used exclusively for making purchases and operations and transactions via the Internet.

This password guarantees the purchaser's security. In addition, a personal message is offered (which only the bank and the customer know) which guarantees that the transaction is legitimate and eliminates the possibility of fraud.

This security password or PIN is widely used and almost half (61.3%) of purchasers who paid via credit or debit card used this option, entering a PIN or personal secret number to confirm the operation. This percentage is much higher than in the previous year, when it was 46.8%.

Figure 17. If you make a purchase using a credit or debit card, do you use a PIN or secret number to confirm the transaction? (%)

2009 **2010**

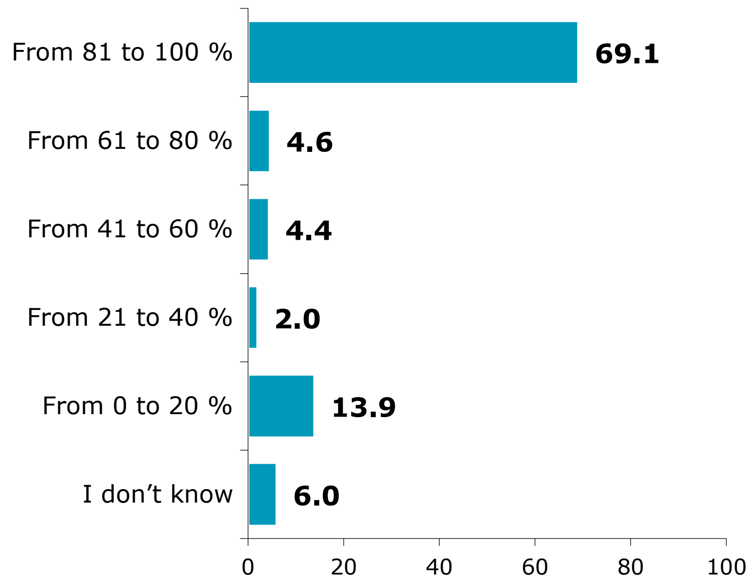


Base: Users who purchased in 2009 / 2010 and paid via bankcard

Source: ONTSI

Credit or debit cards are the favourite method for online purchases and also the most used by Internet users. 69.1% of Internet purchasers pay at least 80% of their online purchases with credit or debit cards. However, it is still not a widespread payment method, since there is a percentage of 13.9% Internet users who limit their card payments to less than 20% of their online purchases. Still the trend is to increasingly use credit and debit cards if we compare the percentages with those of 2009.

Figure 18. Of your total expenditure in Internet purchases, what percentage was paid by credit or debit card? (%)



Base: Total Internet purchasers

Source: ONTSI

Products and services purchased/hired online

After analysing the general profile of the online purchaser and their global purchase habits, it is necessary to go deeper into the type of products/services that are purchased online.

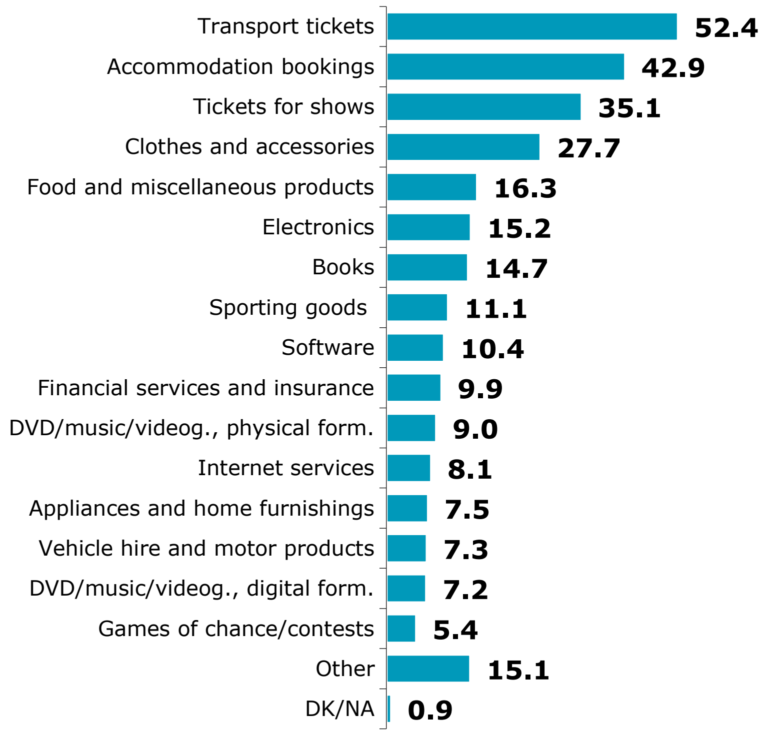
Tourism and entertainment are the key sectors in online purchase. Specifically, tickets for transport (plane, train, bus, boat…) and hotel bookings continue to be the star products of eCommerce, with purchase rates above 50%.

Other sectors with an important demand this year are clothes and accessories and food and general hardware. They experienced an important growth in terms of number of purchasers compared to 2009, reaching 27.7% (with a 9.9 p.p. increase) and 16.3% (+6.3 p.p.) respectively.

Electronics and books have a percentage of purchasers of around 15%, similarly to 2009. Also worth noting is the increase in software that, with 10% in 2010, practically doubles the percentage of 2009 (5.3%). Sporting goods is a new category included in this study and has a percentage of purchasers of 11%.

The category 'other goods and services' reaches a percentage of 15.1%. This category includes, among others, collectibles (coins, stamps, picture stamps), toys, subscriptions to magazines, etc.

Figure 19. Goods and services purchased on the Internet in 2010 (%)



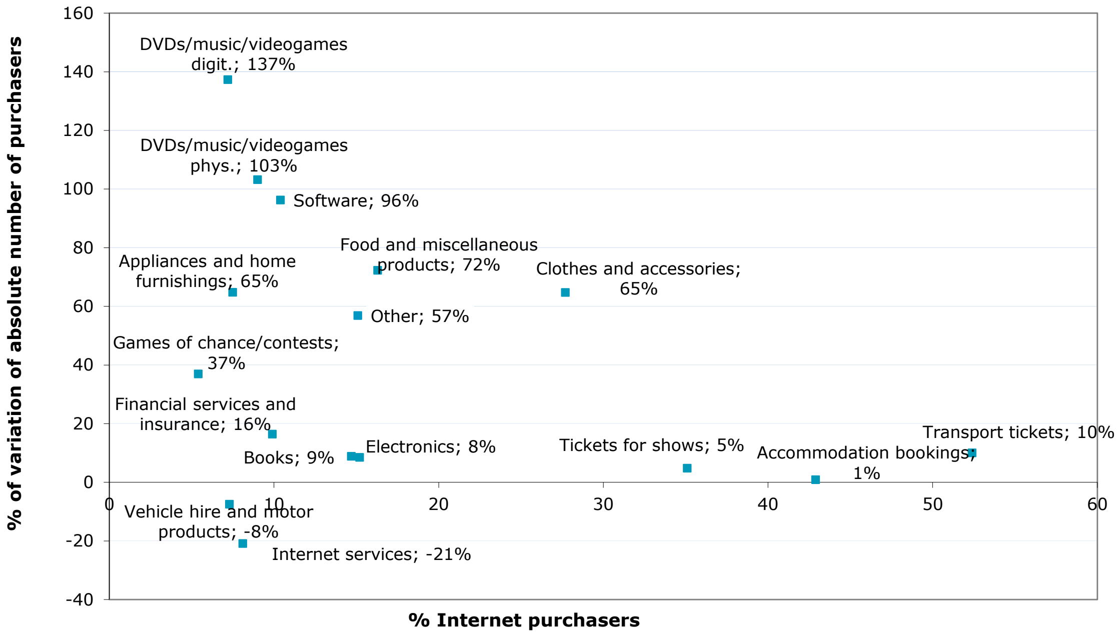
Base: All Internet purchasers

Source: ONTSI

The following graph shows in the vertical axis the percentage of variation in the number of purchasers for the different groups of products and services in 2010, and in the horizontal axis the percentage of online purchasers of each group.

Next, the category 'clothes and accessories' is analysed as an example. This category has a purchase penetration rate of 27.7% (x axis) and an increase rate of the number of purchasers of 64.7% (y axis). This is the category that recorded the greatest growth in the number of purchasers in relation to penetration.

Figure 20. Purchase level and variation 2009-2010



Base for X-axis: All Internet purchasers

Source: ONTSI

DVD/music/videogame products and services in physical format, in digital format, and software, are the three groups recording the greatest increase in the number of purchasers in 2010, with increases of 103.2%, 137.3% and 96.3% respectively. However, their importance in relation to the total volume of eCommerce is still reduced.

After identifying the products/services that had the most influence on the growth in the number of Internet purchasers, it is necessary to identify the socio-demographic differences when purchasing/subscribing to these products and services.

Table 9. Products purchased by socio-demographic profiles

	TOTAL	SEX: Male	SEX: Female	AGE: aged 15-24	AGE: aged 25-34	AGE: aged 35-49	AGE: aged 50-64	AGE: aged 65 or over
Transport tickets	52.4%	50.8%	54.1%	48.4%	59.7%	41.5%	65.5%	55.1%
Tickets for shows	35.1%	30.8%	39.9%	29.8%	46.0%	28.9%	35.1%	28.8%
Books	14.7%	16.6%	12.6%	8.0%	11.2%	18.4%	17.3%	9.2%
Accommodation bookings	42.9%	42.1%	43.7%	34.6%	49.9%	38.6%	49.4%	19.8%
Clothes and accessories	27.7%	26.3%	29.3%	**42.1%**	34.9%	24.4%	18.7%	9.9%
Sporting goods	11.1%	15.4%	6.2%	16.6%	15.0%	11.0%	4.0%	0.4%
Software	10.4%	15.0%	5.2%	10.1%	14.7%	8.7%	9.2%	-
DVD/music/videog., physical form.	9.0%	12.8%	4.8%	9.6%	15.9%	6.1%	5.2%	1.2%
DVD/music/videog., digital form.	7.2%	8.3%	5.9%	6.1%	12.3%	6.0%	2.8%	2.4%
Internet services	8.1%	11.5%	4.4%	10.9%	8.9%	9.0%	4.5%	4.4%
Financial services and insurance	9.9%	**13.5%**	5.9%	3.9%	7.4%	**13.9%**	9.5%	4.4%
Electronics	15.2%	**23.6%**	5.8%	**18.8%**	17.0%	15.9%	9.5%	10.7%
Food and miscellaneous products	16.3%	12.2%	**20.8%**	7.1%	**21.8%**	16.6%	13.7%	4.8%
Games of chance/contests	5.4%	6.4%	4.3%	5.6%	4.9%	6.5%	3.8%	6.6%
Vehicle hire and motor products	7.3%	8.0%	6.6%	4.1%	7.2%	8.3%	8.5%	1.1%
Appliances and home furnishings	7.5%	**9.6%**	5.1%	2.6%	7.1%	**9.9%**	7.0%	-
Other	15.1%	**17.2%**	12.7%	9.2%	14.6%	**18.6%**	10.7%	**20.3%**
Average number of categories purchased	*2.98*	*3.23*	*2.70*	*2.71*	*3.51*	*2.86*	*2.75*	*1.79*

	TOTAL	SIZE OF TOWN/CITY: Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand	SOCIAL CLASS: Upper + upper middle	Middle	Middle lower + Low
Transport tickets	52.4%	38.4%	44.9%	48.1%	49.6%	62.1%	61.3%	49.1%	36.8%
Tickets for shows	35.1%	21.5%	20.8%	31.2%	45.0%	42.6%	43.4%	30.1%	25.8%
Books	14.7%	18.8%	19.5%	10.8%	11.9%	14.6%	16.5%	14.4%	10.5%
Accommodation bookings	42.9%	31.0%	44.2%	43.7%	38.1%	47.6%	52.0%	36.3%	35.0%
Clothes and accessories	27.7%	31.5%	33.9%	28.2%	24.7%	25.4%	21.7%	31.6%	**34.1%**
Sporting goods	11.1%	9.1%	13.9%	15.0%	13.3%	8.5%	9.4%	12.8%	11.2%
Software	10.4%	11.7%	10.3%	13.3%	12.4%	8.0%	11.0%	12.2%	3.9%
DVD/music/videog., physical form.	9.0%	8.9%	8.3%	16.7%	4.0%	7.3%	7.8%	7.0%	17.4%
DVD/music/videog., digital form.	7.2%	1.2%	9.9%	10.5%	9.7%	6.1%	6.4%	6.3%	11.4%
Internet services	8.1%	4.2%	10.4%	14.3%	8.1%	6.1%	8.0%	9.8%	4.3%
Financial services and insurance	9.9%	4.9%	10.6%	6.5%	10.4%	**12.8%**	**12.0%**	9.8%	4.5%
Electronics	15.2%	13.2%	**24.1%**	21.3%	7.6%	12.9%	11.8%	17.9%	17.5%
Food and miscellaneous products	16.3%	**21.1%**	**21.2%**	9.1%	18.8%	15.7%	13.9%	**19.4%**	14.6%
Games of chance/contests	5.4%	2.8%	3.0%	3.4%	12.2%	5.8%	8.4%	2.4%	5.0%
Vehicle hire and motor products	7.3%	4.7%	1.9%	4.9%	14.1%	8.8%	9.7%	6.7%	2.5%
Appliances and home furnishings	7.5%	7.2%	7.3%	2.8%	5.4%	**10.4%**	7.0%	**9.8%**	2.6%
Other	15.1%	**21.9%**	14.7%	10.5%	19.7%	13.6%	13.8%	16.7%	14.7%
Average number of categories purchased	*2.98*	*2.56*	*2.99*	*2.96*	*3.05*	*3.11*	*3.16*	*2.95*	*2.55*

Base: Internet users who have purchased online in each socio-demographic group

Source: ONTSI

The following are the sectors that contributed the most to the growth of eCommerce in 2010:

- Food and miscellaneous products: greater percentage of women, more intensive among individuals aged 24-35, living in municipalities with less than 20,000 inhabitants and from middle social class.

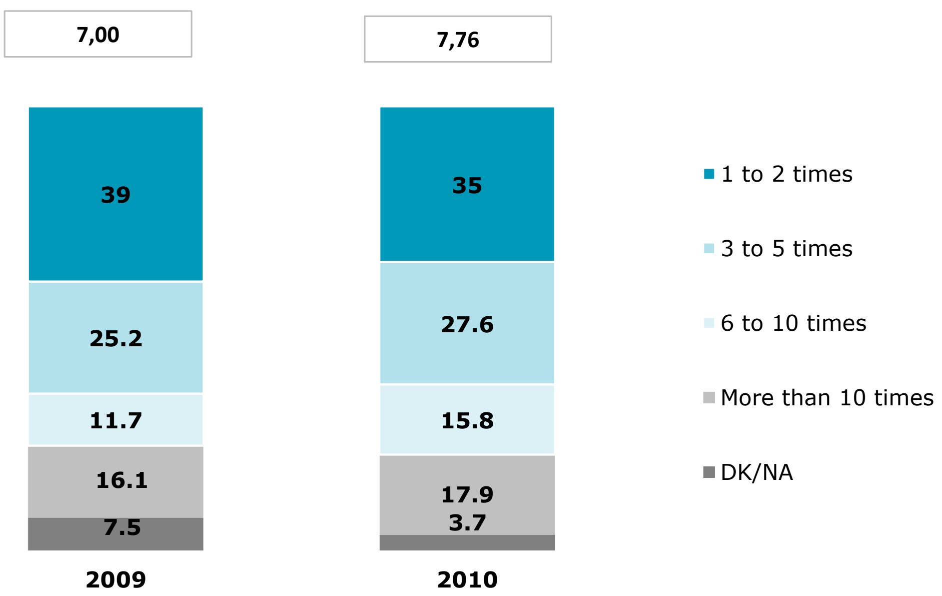
- Clothes and accessories: mainly young purchasers, especially from 15 to 24 years old, form medium-low/low social class.
- Electronics: mainly young men aged from 15 to 24, living in municipalities with 10,000 to 20,000 inhabitants and from middle or middle-low/low social class.
- Financial services and insurance: more mature individuals closer to the traditional online purchaser profile; they are men aged from 35 to 49, living in municipalities with more than 100,000 people or provincial capitals and from upper/upper-middle social class.
- Appliances and home furnishings: like financial services and insurance, this profile is closer to the traditional online purchaser profile; men aged from 35 to 49, living in municipalities with more than 100,000 people or provincial capitals and from middle social class.

Number of purchase transactions

Internet purchasers were asked about the number of items bought and the number of purchase transactions made.

Internet users have made 7.8 online purchases on average in 2010. This represents a slight rise compared to 2009, when the average was 7.

Figure 21. How many times did you make online purchases? (2009 vs. 2010) (%)

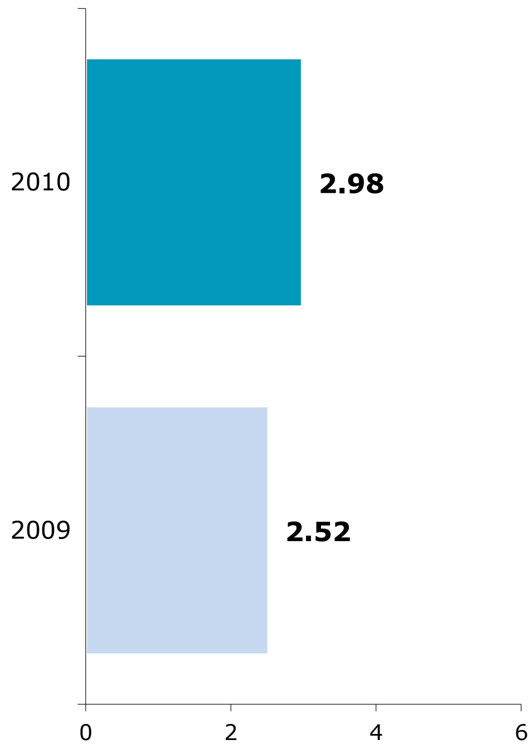


Base: Internet users who purchased in 2009/2010

Source: ONTSI

We also observe that the average number of categories purchased by users has risen from 2.52 to 2.98 in 2010, which means a year-on-year increase of 18.3%.

Figure 22. Average number of categories purchased



Base: Users who purchased in 2009 / 2010

Source: ONTSI

In general, the average number of purchase transactions per category has fallen compared to 2009 (except in some categories that have experienced notable growth, like electronics with +61.1%). However, as mentioned before, as the average number of categories purchased has risen by 18.3% (from 2.52 to 2.98), the average number of purchase transactions in total also rises. Additionally, the increase in the total average number of purchased items explains the increase in the average expenditure.

There is another significant exception; DVDs/music/videogames in digital format have experienced a decrease both in terms of average number of purchases and average number of purchased items, but have more than doubled the number of purchasers from 3.2% to 7.2%. These variations can be explained by the evolution in the digital entertainment sector. In any case, their specific contribution is still very limited since it is the smallest sector in volume among all the sectors studied.

Table 10. Variation in average number of purchases and average number of purchased items

	Variations 2010 vs 2009	
	Average num. of purchase transactions	Average num. of items purchased
Transport tickets	-11.5%	8.9%
Tickets for shows	-7.2%	8.7%
Books	-4.2%	12.8%
Accommodation bookings	2.4%	47.9%
Clothes and accessories	-2.6%	54.9%
Sporting goods	NA	NA
Software	-15.2%	34.0%
DVDs/music/v.games, physical	-18.2%	7.2%
DVDs/music/v.games, digital	-8.3%	-26.9%
Internet Services	-25.0%	29.2%
Financial services	-10.4%	-2.1%
Electronics	61.1%	115.6%
Food and miscellaneous products	4.6%	-9.2%
Games of chance/contests	19.2%	15.4%
Cars and motor products	-4.5%	70.3%
Appliances and home furnishings	1.5%	84.4%
Other	-12.7%	9.4%

Source: ONTSI

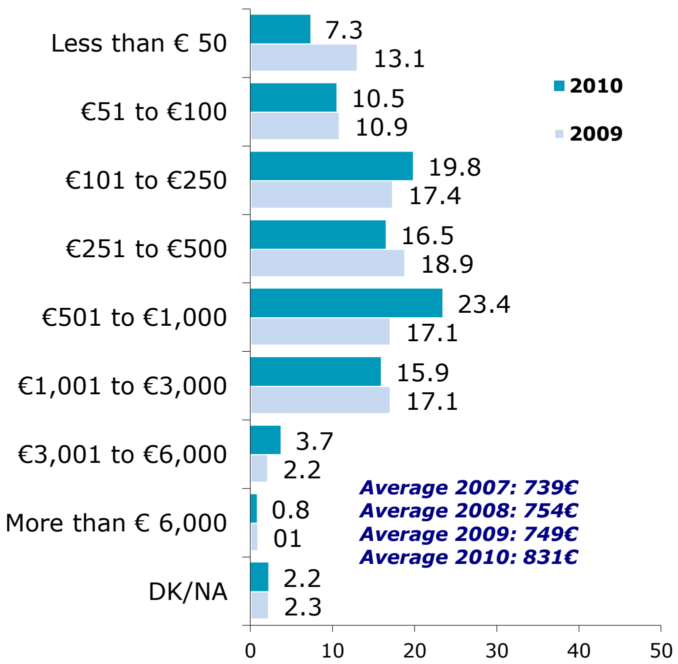
Although the analysis of online purchase frequency by categories of products and services presents important divergences, the average expenditure and the percentage of Internet users of the different categories (analysed before) are the indicators that explain the growth in the total volume of eCommerce in 2010.

3.4. Average expenditure

Internet users who made online purchases in 2010 spent an average of €831, which represents an important increase on the average expenditure of years 2007 and 2009.

The interval of expenditure from €501 to €1,000 experiences important growth.

Figure 23. In the last year, approximately how much have you spent on Internet purchases? (%)



Base: All Internet purchasers

Source: ONTSI

Profile of average expenditure

If we take into account socio-demographic data, we observe that the increase of average expenditure has been most notable among the individuals of the age group with the lowest average expenditure: users between 15 and 24 years old.

Also notable is the increase in the age group of 35-49 years old, with a consolidated use of eCommerce.

As for habitats, the increase of average expenditure in municipalities of between 10,000 and 20,000 inhabitants (that recorded the lowest average expenditure in 2009) stands out. These are followed by habitats of between 50,000 and 100,000 inhabitants that already recorded good results in 2009.

As for social classes, the medium class is the one experiencing the greatest increase in average expenditure in 2010.

Table 11. Socio-economic profile by volume of online purchases

2009		2010			
AVERAGE EXPENDITURE (€)		**AVERAGE EXPENDITURE (€)**		**Variations 2010 - 2009**	
TOTAL	**749**	**TOTAL**	**831**	**TOTAL**	**10.9%**
SEX		***SEX***		***SEX***	
Male	797	Male	889	Male	**11.5%**
Female	699	Female	766	Female	**9.6%**
AGE		***AGE***		***AGE***	
From 15 to 24	307	From 15 to 24	405	From 15 to 24	**31.9%**
From 25 to 34	651	From 25 to 34	678	From 25 to 34	**4.1%**
From 35 to 49	862	From 35 to 49	1071	From 35 to 49	**24.2%**
From 50 to 64	1023	From 50 to 64	871	From 50 to 64	**-14.9%**
65 or over	423	65 or over	474	65 or over	**12.1%**
SIZE OF TOWN/CITY		***SIZE OF TOWN/CITY***		***SIZE OF TOWN/CITY***	
Less than 10 thousand	655	Less than 10 thous	669	Less than 10 thousa	**2.1%**
10 to 20 thousand	451	10 to 20 thousand	840	10 to 20 thousand	**86.3%**
20 to 50 thousand	597	20 to 50 thousand	754	20 to 50 thousand	**26.3%**
50 to 100 thousand	748	50 to 100 thousan	1096	50 to 100 thousand	**46.5%**
more than 100 thousand and cap.	935	more than 100 tho	837	more than 100 thou	**-10.5%**
SOCIAL CLASS		***SOCIAL CLASS***		***SOCIAL CLASS***	
Upper + upper middle	1042	Upper + upper mid	1112	Upper + upper midd	**6.7%**
Middle	524	Middle	683	Middle	**30.3%**
Middle lower + Low	622	Middle lower + Low	442	Middle lower + Low	**-28.9%**

Base: All Internet purchasers

Source: ONTSI

Contribution of each category to total volume of eCommerce

Taking into consideration the variation in the absolute number of Internet purchasers, the contribution of each group of products and services to the total, and the changes in average expenditure, we observe that the sectors contributing the most to the overall growth of eCommerce in 2010 are the following:

- **Food and miscellaneous products:** experiencing an important increase in average expenditure (+44.5%) and, especially, in number of purchasers (+72.3%).
- **Clothes and accessories:** experiencing an accumulated increase in average expenditure of +11.2% and in number of online purchasers of +64.7%.
- **Other:** experiencing an important increase in average expenditure (+30.8%) and, especially, in number of purchasers (+56.9%).
- **Electronics:** an already consolidated sector experiencing an important increase in average expenditure (+34.4%) but a slight one in number of purchasers (+8.5%).
- **Appliances and home furnishings:** experiencing the greatest increase in average expenditure in 2010 (+75%) and an important increase in number of purchasers (+64.8%), though, its contribution to the overall growth of eCommerce is not very high.

The other sectors, while contributing to the general growth of eCommerce, have not such important contributions in terms of turnover, increase in number of purchasers or increase in average expenditure.

The sale of transport tickets, one of the most consolidated activities in eCommerce, has experienced only a slight increase in the number of purchasers (+10%) and a dramatic reduction in average expenditure (-19.8%). This represents an important fall in absolute terms compared to 2009, and is the greatest negative contribution to the total volume of eCommerce in 2010.

The following table summarises the main eCommerce indicators for each of the categories studied, as well as their contribution to the total B2C eCommerce volume in Spain.

Table 12. Summary of eCommerce expenditure

Categories	% Purchasers	Absolute purchasers	% variation absolute purchasers	Average expendit. product	Variation 2009-2010 average expendit. product	Total expendit. product	% total exp. / global exp. (w/o. financ.)	Variation 2009-2010 % total exp. product in p.p.
Tickets for shows	35.1%	3,853,432	4.8%	€ 112.93	5.8%	€ 435,168,076	4.8%	-0.30
Books	14.7%	1,612,707	8.8%	€ 90.96	13.3%	€ 146,691,829	1.6%	0.10
Accommodation bookings y paquete turí	42.9%	4,700,956	0.8%	€ 537.21	1.0%	€ 2,525,400,573	27.7%	-4.40
Clothes and accessories	27.7%	3,037,502	64.7%	€ 191.40	11.2%	€ 581,377,883	6.4%	2.30
Sporting goods **	11.1%	1,215,775	N.A.	€ 190.73	N.A.	€ 231,884,766	2.5%	N.A.
Software	10.4%	1,138,634	96.2%	€ 112.42	22.2%	€ 128,005,234	1.4%	0.70
DVD/music/videog., physical form.	9.0%	989,587	103.2%	€ 78.66	-26.7%	€ 77,840,913	0.9%	0.20
DVD/music/videog., digital form.	7.2%	786,881	137.3%	€ 41.28	-23.1%	€ 32,482,448	0.4%	0.10
Internet services	8.1%	893,259	-20.9%	€ 113.96	11.6%	€ 101,795,796	1.1%	-0.40
Financial services and insurance	9.9%	1,085,375	N.A.	€ 2,513.59	-6.8%	€ 2,728,187,746	N.A.*	N.A.*
Electronics	15.2%	1,663,485	8.5%	€ 462.66	34.4%	€ 769,627,970	8.4%	1.60
Food and miscellaneous products	16.3%	1,785,111	72.3%	€ 313.19	44.5%	€ 559,078,914	6.1%	3.20
Games of chance/contests	5.4%	595,833	36.9%	€ 83.32	35.9%	€ 49,644,806	0.5%	0.20
Vehicle hire and motor products	7.3%	804,698	-7.5%	€ 299.79	-3.4%	€ 241,240,413	2.6%	-0.90
Appliances and home furnishings	7.5%	819,465	64.8%	€ 375.24	75.7%	€ 307,496,047	3.4%	2.00
Other	15.1%	1,657,620	56.9%	€ 291.54	30.8%	€ 483,262,535	5.3%	2.20

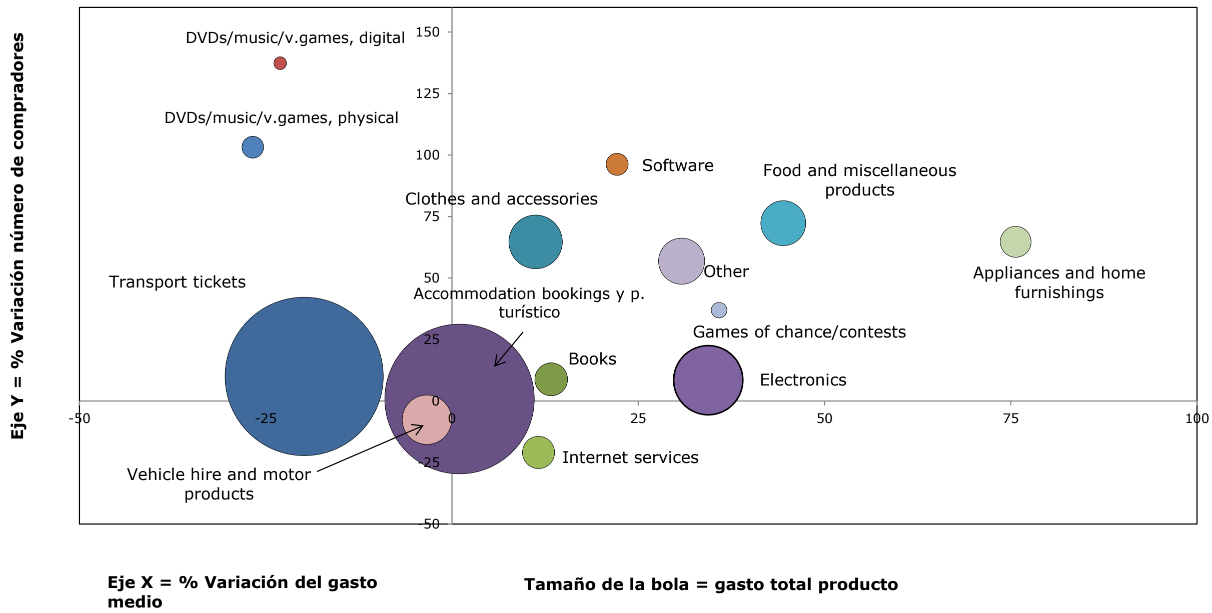
**Financial services are not included in the calculation of total and average expenditure on eCommerce*
*** A new category, Sporting Goods, has been included*

Base: All Internet purchasers

Source: ONTSI

The following diagram shows the three variables that determine the total volume of eCommerce: increase in the number of online purchasers, increase in average expenditure, and expenditure in each sector.

Figure 24. Variation in the number of purchasers and expenditure by products 2009-2010



Base: Total Internet purchasers

Source: ONTSI

Therefore, we can conclude that the increase in eCommerce volume in 2010 was triggered mainly by the following facts:

- On the one hand, and first of all, the incorporation of new products and services demanded by new user profiles, which have made a big impact on this channel. These are food and general hardware, clothes and accessories, other, and electronics. These products are purchased by users with a profile different from that of previous years. Especially they are younger individuals (although we also observe a small incorporation of older individuals), mainly living in small municipalities with less than 20,000 inhabitants, and of lower social class than the usual online purchaser profile.
- On the other hand, the growth experienced by sectors already consolidated in eCommerce, mainly appliances and home furnishings. The purchasers correspond to the traditional online purchaser profile; they are men aged from 35 to 49, living in municipalities with more than 100,000 people or provincial capitals and from upper/upper-middle social class.

Also worth noting is the fall experienced by some important sectors that in 2010 made a negative contribution to the total eCommerce volume, like transport tickets that showed a dramatic decrease in average expenditure that can be related to the fall in prices in 2010 in the tourism sector.

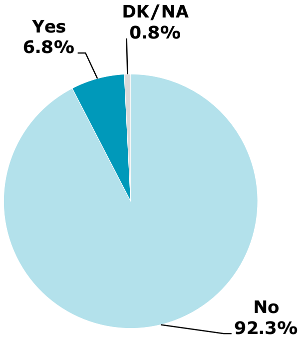
4. MATURITY OF THE SECTOR

4.1. Satisfaction with Internet purchases

Problems with online purchases

Of all Internet purchasers, 6.8% had problems with their electronic shopping during the years 2009 and 2010. In the previous period the percentage of purchasers with problems was 4.6%.

Figure 25. Have you ever had problems with your online purchases in the years 2009 and 2010? (%)



Base: Total Internet purchasers

Source: ONTSI

The groups experiencing the most problems with their online purchases are men, individuals aged over 65, residents in municipalities with between 20,000 and 50,000 inhabitants, and individuals from middle social class.

Table 13. Have you ever had problems with your online purchases in the years 2010 and 2009?

		SEX		AGE				
	TOTAL	Male	Female	aged 15-24	aged 25-34	aged 35-49	aged 50-64	aged 65 or over
Problems in 2009 or 2010	**6.8%**	9.5%	3.8%	6.1%	6.2%	6.5%	7.8%	12.4%

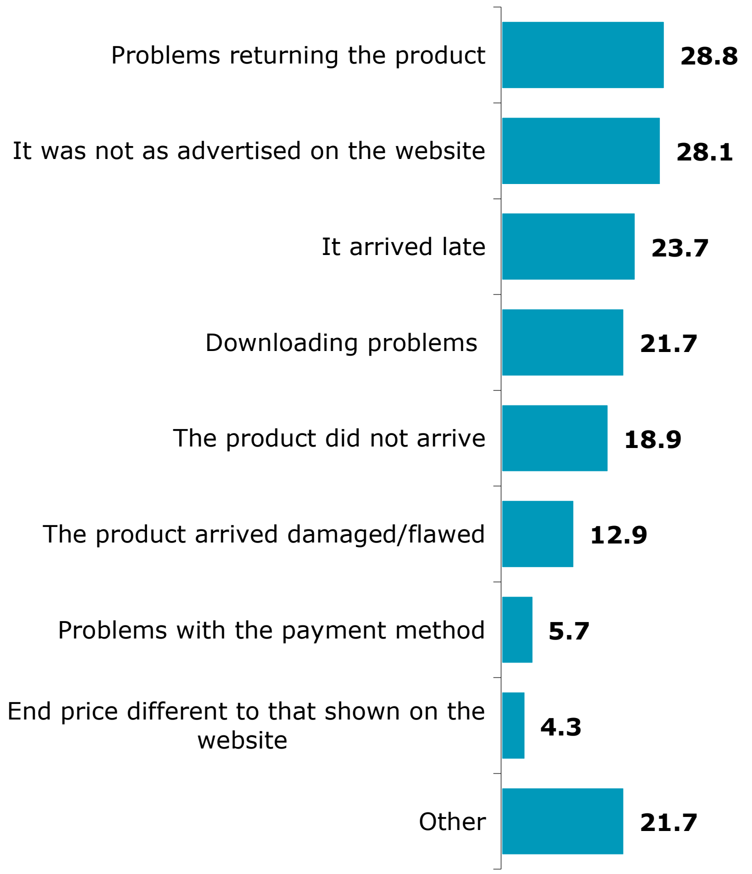
		HABITAT					SOCIAL CLASS		
	TOTAL	Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand	Upper + upper middle	Middle	Middle lower + Low
Problems in 2009 or 2010	6.8%	4.6%	1.6%	9.5%	8.7%	7.3%	4.9%	10.1%	3.7%

Base: Internet users who have purchased online in each socio-demographic group

Source: ONTSI

The main problems with online purchases were related to refunds or the fact that the product was not as advertised on the website. Delay problems are now less common than in 2009, according to the statements of online purchasers.

Figure 26. What type of problems have you had with Internet purchases? (%)



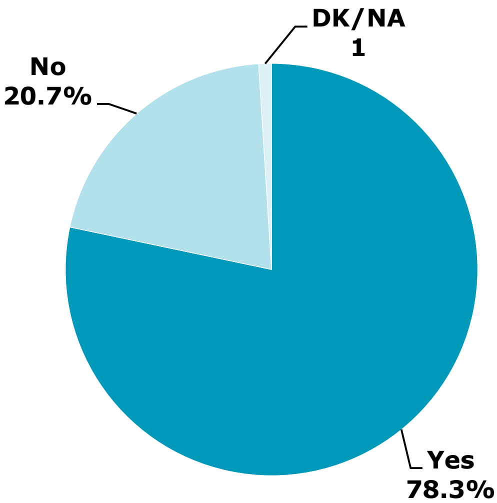
Base: All Internet purchasers who had problems with their purchase (6.8% of all purchasers)

Source: ONTSI

Complaints

Almost eight out of ten individuals (78.3%) who suffered an incident in their online purchases chose to lodge a claim, mainly through the customer care service, though this channel experienced a drop compared to 2009 while other channels rose.

Figure 27. Complaints due to problems relating to online purchases



Base: Total Internet purchasers who had problems with their purchase

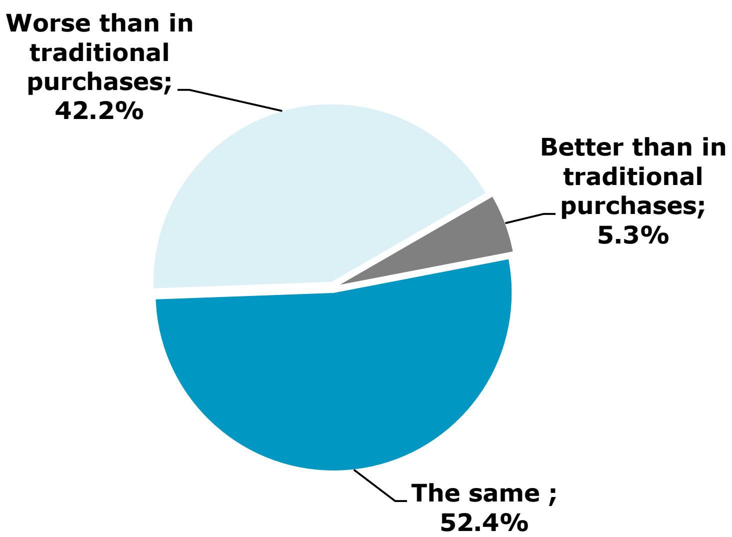
To whom?	%
The customer care service of the company that sold me the product/service	*67.80%*
I complained to a user association	*1.00%*
I complained to a public administration entity	*4.30%*
I didn´t know to whom I should address the claim	*1.80%*
Other	*25.80%*

Base: Total number of Internet users who had problems with online purchases and lodged a claim

Source: ONTSI

Over half of the purchasers who have filed a claim consider that the resolution was the same as if the purchase had been made in a physical shop. 5.3% consider that it was better. However, 42.2% consider it was worse.

Figure 28. Resolution of claims in online purchases vs. resolution of claims in traditional purchases (%)



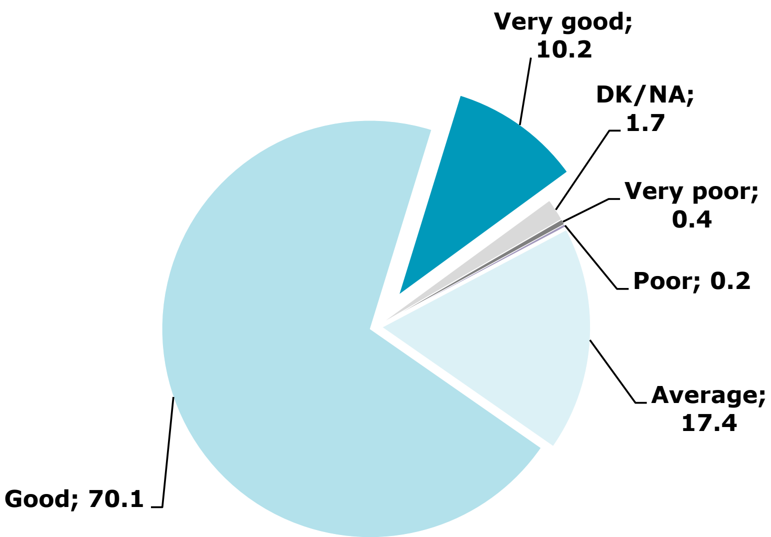
Base: Total number of Internet purchasers who had problems with online purchases and lodged a claim

Source: ONTSI

Evaluation of delivery service

80.3% of the purchasers declare that the online order delivery service is good or very good (76% in 2009). The number of individuals who declare order delivery to be "alright" has increased since last year from 11% to 17.4%. Only 0.6% of respondents stated that order delivery is poor or very poor.

Figure 29. In general, how would you rate the Internet order delivery services? (%)



Base: All Internet purchasers

Source: ONTSI

4.2. Evaluation of the Spanish offer of products and services on the web

The degree of knowledge of the Spanish offer of products and services on the web obviously depends on the importance of each sector in eCommerce terms, with some exceptions.

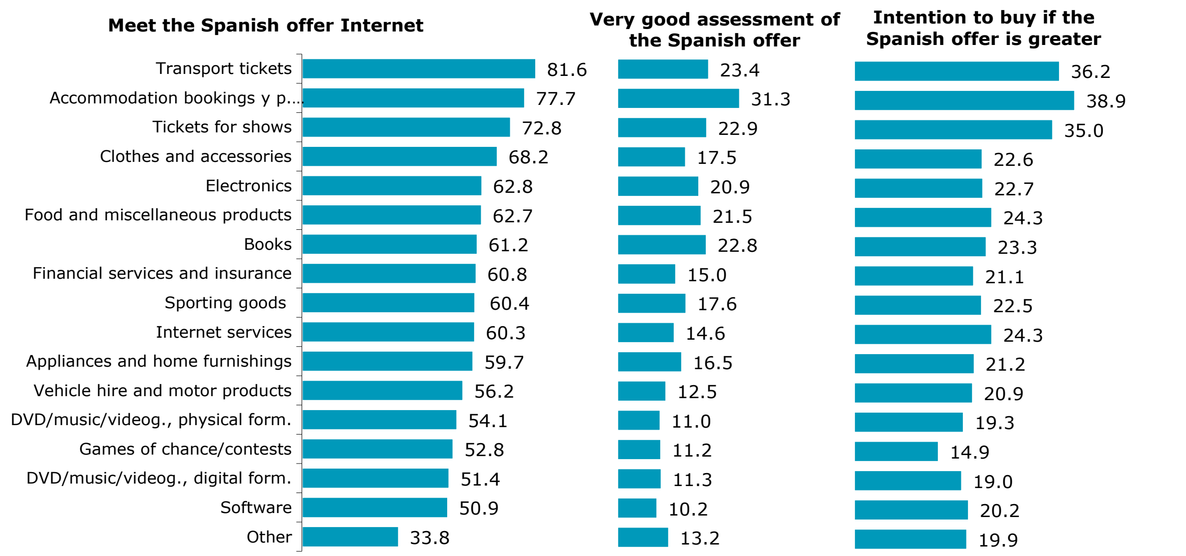
Accommodation and bookings show the most positive evaluation of the Spanish offer of products and services on the web. These are followed, in this order, by transport tickets, show tickets, books, food and general hardware and electronics.

In general, minority sectors are considered the worst, since there is a certain relation between knowledge and evaluation.

Financial services are less well-known than it could be expected, since they are among the three most important categories of products and services that are traded online, together with transport tickets and accommodation bookings. This is due to their low percentage of purchasers, in contrast with the very high average expenditure in this sector.

As for purchase intention if the offer was greater, the following categories stand out: accommodation and bookings, transport tickets and show tickets.

Figure 30. Evaluation of the Spanish eCommerce offer (%)



* To evaluate the offer and the purchase intention if the offer was greater, only the values 6 and 7 on a scale from 1 to 7 have been considered, where:
- evaluation of the Spanish offer: 7= "very good " ; 1= "very poor"
- purchase intention: 7= "totally probable" ; 1= "not probable at all"

Base: Total Internet purchasers

Source: ONTSI

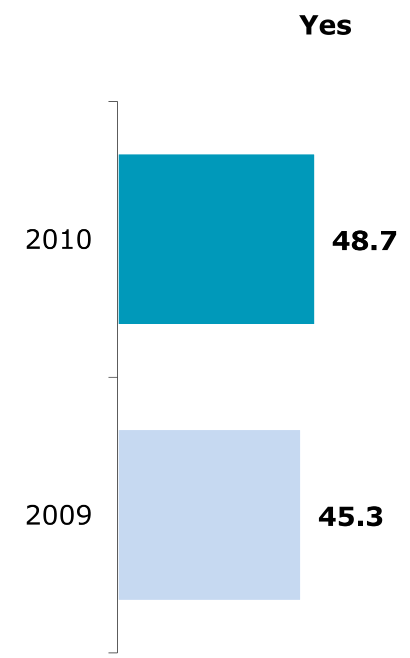
4.3. Quality seals

Quality seals have the mission of guaranteeing purchasers that those companies that exhibit them offer greater guarantees in terms of self-control in commercial communications, in addition to maintaining high protection levels with regard to personal data, rights and interests. The final aim of quality seals is to increase consumer confidence and contribute to the development of eCommerce. They are a useful tool both for enterprises and customers.

Purchasers have a positive perception of seals and almost 50% of them claim that they take into account, when making their online purchases, whether or not the company with which they perform the transaction has subscribed to a quality seal or code of trust.

The percentage of purchasers who take into account quality seals when making their purchases rose by 3.4 points in 2010.

Figure 31. Is subscription to an Internet seal of quality or code of trust a determining factor for purchasing from a specific online store? (%)



Base: Total Internet purchasers

Source: ONTSI

5. ALTERNATIVE FORMS OF E-COMMERCE

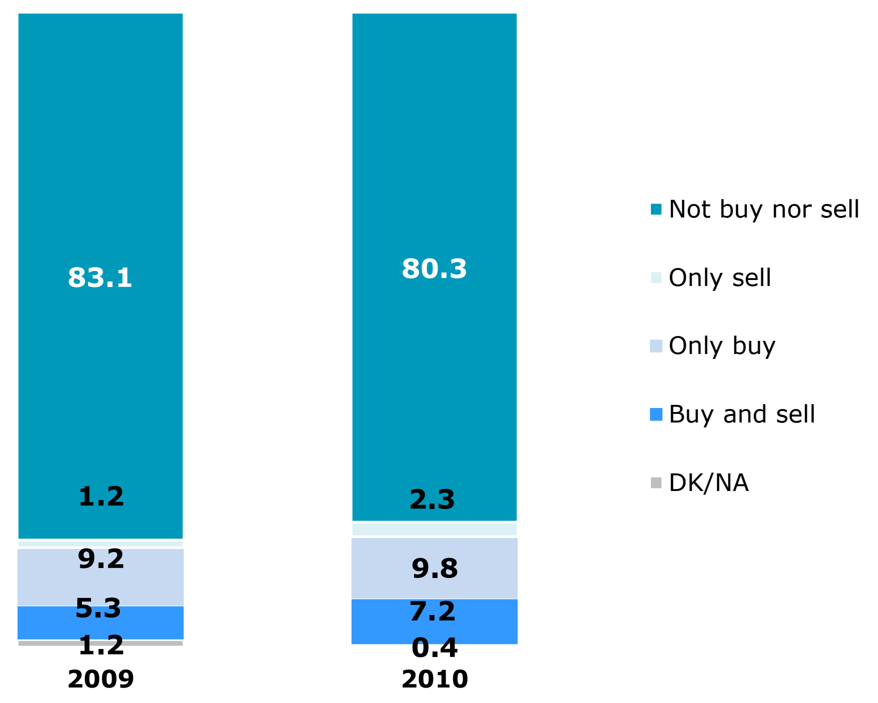
5.1. Private buying and selling (C2C)

eCommerce between final consumers is called C2C (Consumer to Consumer). Internet transactions between individuals are becoming increasingly significant in the context of eCommerce as a result of the logical evolution of the online channel.

One thing driving these transactions is auction sites, and sites that connect private individuals for the exchange of goods and provide the technology platform to make the online purchase.

The percentage of online purchasers who sold to and purchased from private individuals in 2010 was greater than in 2009. If we take into account all those who did at least one of these transactions (sale, purchase or both) the percentage for 2010 reaches 19.3%, while in 2009 was 15.7%.

Figure 32. Have you purchased or sold any products or services to an individual via the Internet? (%)

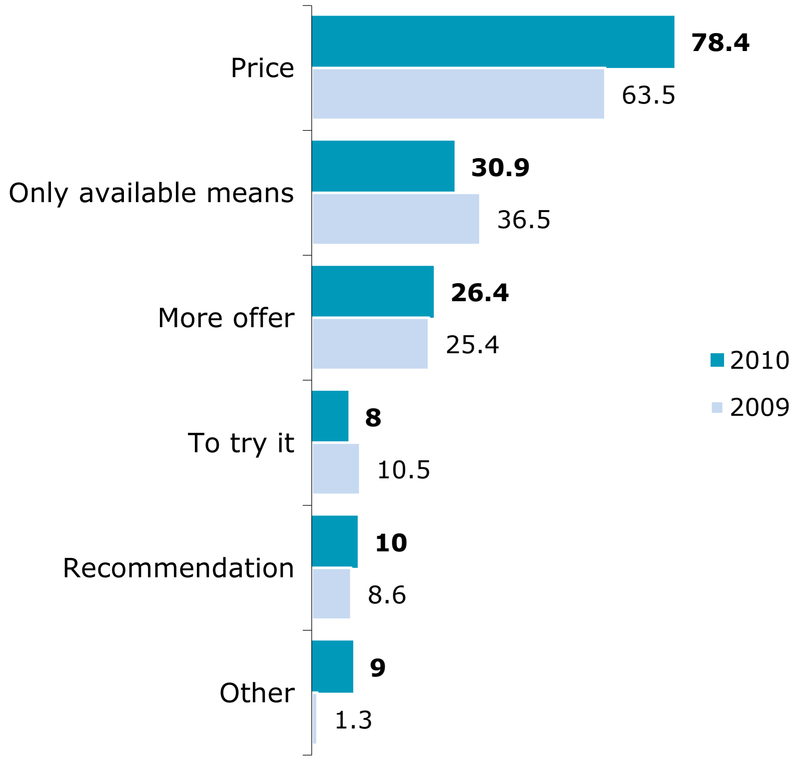


Base: Total Internet purchasers

Source: ONTSI

In a context of economic crisis, price is the main reason to use this modality of eCommerce. The percentage of purchasers that use C2C for price reasons has risen in 2010 to 78.4%.

Figure 33. Main reasons for buying products/services from an individual via the Internet in 2010 (from a trading portal through an online transaction) (%)



Base: Total C2C eCommerce purchasers

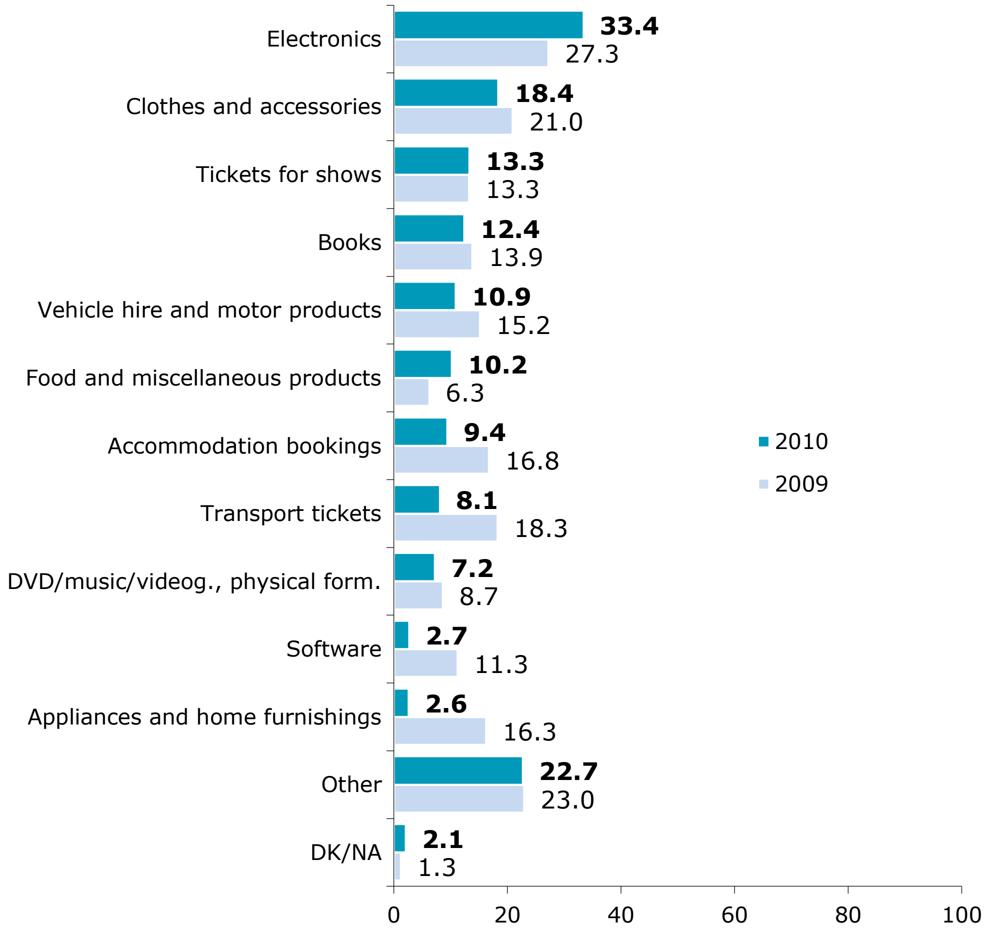
Source: ONTSI

Among the most traded products and services between individuals (C2C), electronics stand out in percentage of purchasers and experience an increase in 2010.

These are followed by clothes and accessories in second position.

Worth noting is the decrease experienced by some categories of products and services that recorded higher percentages in 2009: transport tickets, accommodation bookings, and appliances and home furnishings.

Figure 34. Products/services bought from an individual via the Internet (%) in 2010



Base: Total C2C eCommerce purchasers

Source: ONTSI

5.2. Purchase or download of goods and services via a mobile phone

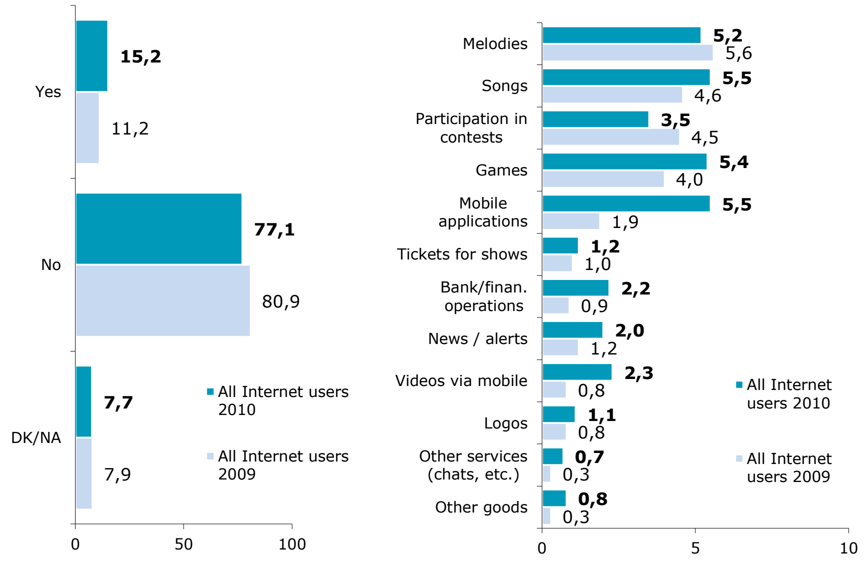
This section analyses the purchase or download of products and services through mobile phone applications[2], known as *mCommerce*, although this activity is not expressly included within eCommerce in this study. For this reason, neither the expenditure generated by this modality has an impact on the total volume of B2C, nor its users are considered B2C purchasers for the purposes of this report.

In 2010, 15.2% of Internet users purchased or downloaded products and services through their mobile phones, four percentage points more than the previous year. Mainly, they downloaded mobile applications, songs and games. These were followed by ringtones and participation in contests.

There are two noteworthy aspects of the purchase or download of goods and services via a mobile phone:

- Overall, the percentage of Internet users who purchased or downloaded goods and services via a mobile phone was higher in 2010 than in 2009. The most significant increase has been in the percentage of those who purchased/downloaded mobile applications, games, banking services and videos.
- The use of mobile phones to purchase/download products and services is more intensive among those who also purchase on the Internet.

Figure 35. Have you purchased / downloaded any of these products or services via your mobile? (%)

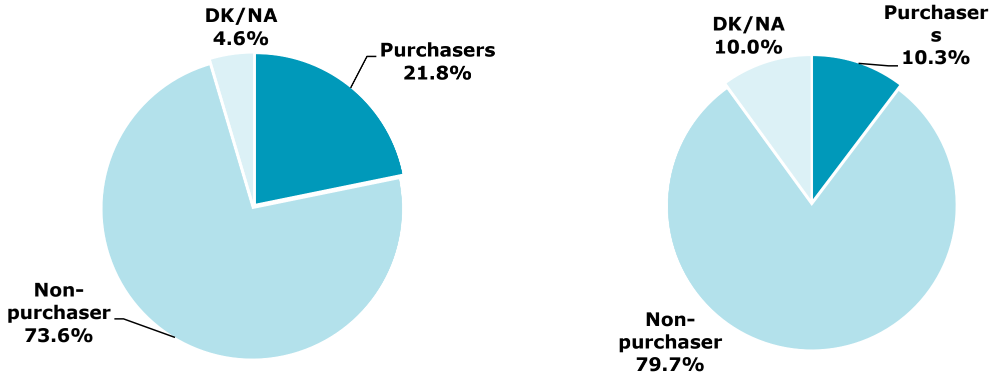


Base: All Internet users

Source: ONTSI

[2] It does not include purchases from a website that has been accessed from a browser in a mobile device.

Figure 36. Have you purchased / downloaded any of these products or services via your mobile? Depending on whether they have purchased via the Internet (%)



Base: All Internet users

Source: ONTSI

The average number of categories of products/services purchased via a mobile phone is 2.32.

Table 14. Number of products or services purchased / downloaded via a mobile in 2010

	TOTAL	SEX		AGE				
		Male	Female	15/24 years old	25/34 years old	35/49 years old	50/64 years old	65 years old and over
Average num. of types of products purchased	2.32	2.47	2.10	2.78	2.23	2.34	1.60	1.40

	TOTAL	HABITAT					SOCIAL CLASS			
		Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand	Upper + upper middle	Middle	Middle lower	Low
Average num. of types of products purchased	2.32	2.22	2.45	2.38	2.22	2.30	2.26	2.50	2.15	1.86

Base: All Internet users

Source: ONTSI

Users of mobile purchasing (particularly downloads) were mainly young men (especially those aged under 25), living in municipalities between 20,000 and 100,000 inhabitants, and of medium-low social class.

Table 15. Individuals having purchased/downloaded any of these products or services via a mobile in 2010

	TOTAL	SEX		AGE				
		Male	Female	15/24 years old	25/34 years old	35/49 years old	50/64 years old	65 years old and over
Have purchased / downloaded any of these products or services via mobile phone	15.23	17.82	12.62	22.11	23.36	10.89	7.49	8.55

	TOTAL	HABITAT					SOCIAL CLASS			
		Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand	Upper + upper middle	Middle	Middle lower	Low
Have purchased / downloaded any of these products or services via mobile phone	15.23	8.24	15.21	20.89	20.53	15.17	14.83	14.31	18.46	10.02

Base: All Internet users

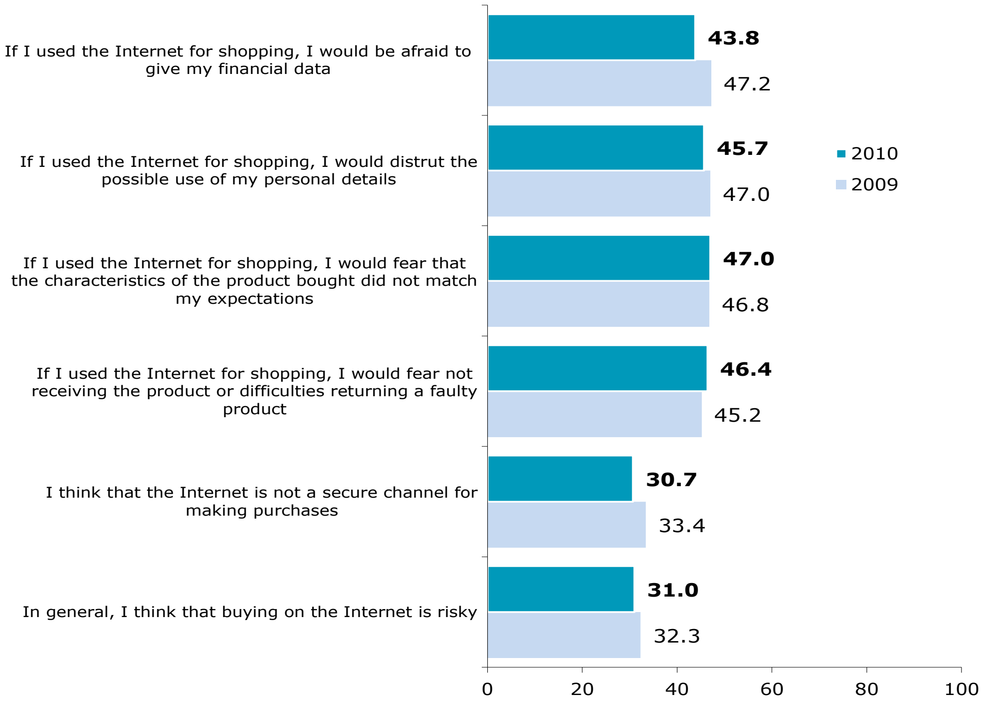
Source: ONTSI

6. DRIVERS AND OBSTACLES TO E-COMMERCE

Overall, there are two main barriers for Internet users to purchase online.

The first barrier is problems related to the product: the characteristics of the product bought did not match expectations, not receiving the product or difficulties returning a faulty product. The second barrier is problems related to the purchase process: fear to the potential misuse of personal and financial data.

Figure 37. High degree of agreement – Statements about the Internet as a purchase channel (% of high degree of agreement)



* Top 2 Box data: ∑ of values 6 and 7, on a scale from 1 to 7, 7= "strongly agree" ; 1="strongly disagree"

Base: All Internet users

Source: ONTSI

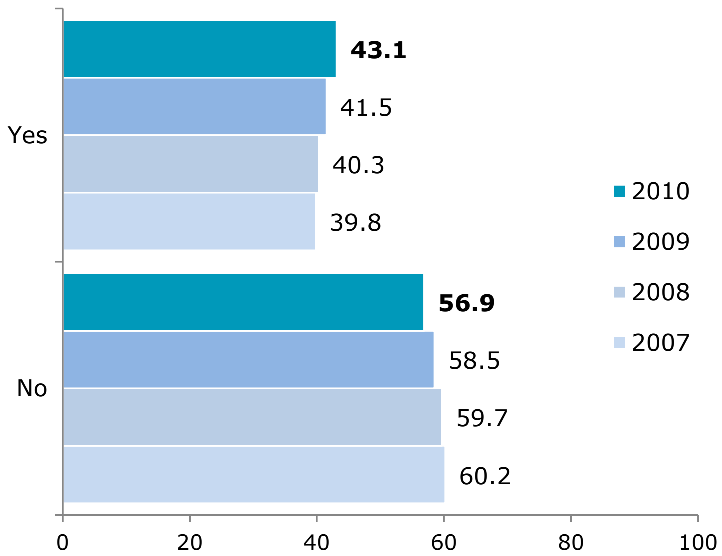
However, to make a more detailed analysis of the drivers and obstacles to the evolution of B2C eCommerce in Spain, it is necessary to study the problems identified and the solutions proposed by the different segments of the population:

- Non-purchasers (have not purchased online during 2010).
- Ex-purchasers (non-purchases in 2010 that have prior experience of making online purchases)
- Online purchasers in 2010

6.1. Non-Internet purchasers

56.9% of the Internet users interviewed stated that they did not make online purchases in 2010.

Figure 38. Did you purchase any product or subscribe to any service via the Internet in 2010? (%)



Base: All Internet users

Source: ONTSI

The percentage of non-Internet purchasers is higher for women between the ages of 18 and 35 years and of over 65, living in municipalities with less than 20,000 inhabitants and from middle-low/low social class.

Table 16. Individuals having purchased or subscribed to any product or service via the Internet in 2010

		HABITAT					SOCIAL CLASS		
	TOTAL	Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand	Upper + upper middle	Middle	Media Baja, Baja
Purchasers 2010	43.1%	30.3%	37.0%	53.5%	51.4%	45.6%	57.0%	42.3%	26.8%
Non-purchasers 2010	56.9%	69.7%	63.0%	46.5%	48.6%	54.4%	43.0%	57.7%	73.2%

		SEX		AGE				
	TOTAL	Male	Female	15/24 years old	25/34 years old	35/49 years old	50/64 years old	65 years old and over
Purchasers 2010	43.1%	45.4%	40.9%	24.4%	51.3%	48.0%	46.1%	26.2%
Non-purchasers 2010	56.9%	54.6%	59.1%	75.6%	48.7%	52.0%	53.9%	73.8%

Base: Internet users in each socio-demographic group

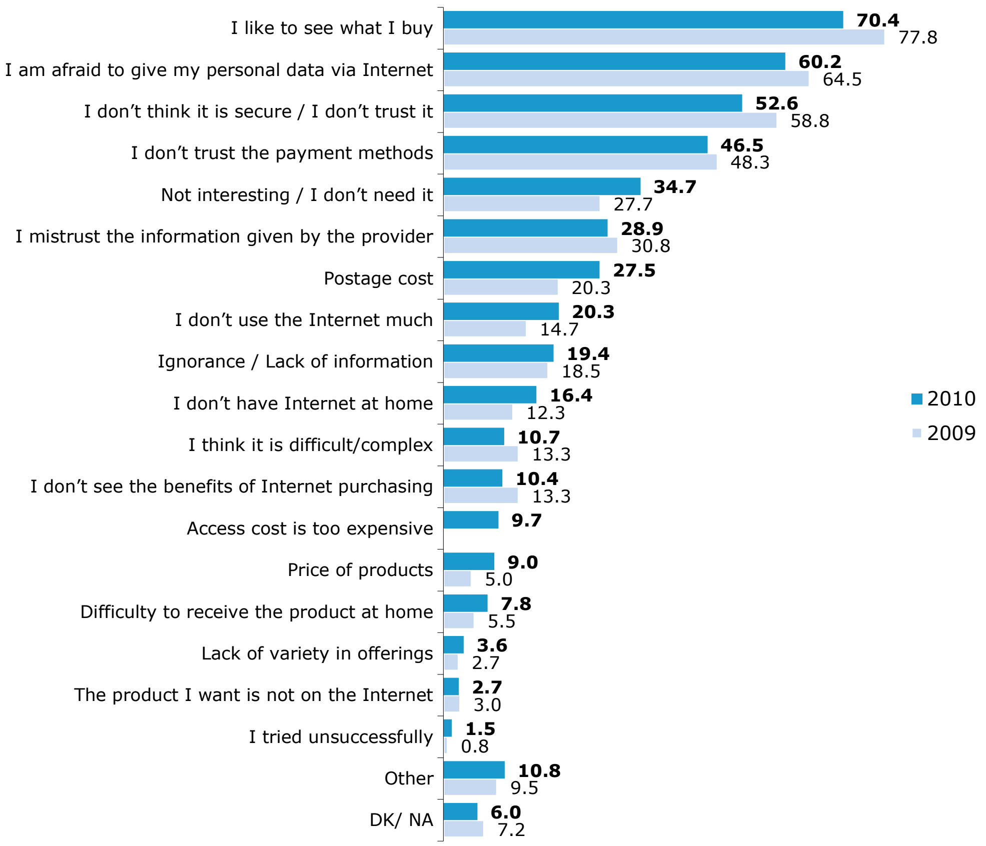
Source: ONTSI

The main barrier to eCommerce stated by non-purchasers is the need to have physical contact with the product, 70% of them say they like to see what they buy.

Next, we find a series of barriers related to security issues: they are afraid to give their personal data via the Internet, they perceive a lack of security in this medium or they distrust payment methods.

However, the above mentioned barriers have lost weight compared to the previous year, while other less important barriers -lack of interest, shipping costs, or low frequency of use of the Internet- have risen with respect to 2009.

Figure 39. Reasons for not making Internet purchases (%)



Base: Total non-Internet purchasers

Source: ONTSI

In terms of socio-demographic variables, the following data were observed:

- To a greater extent, women and the group aged over 35 declared they need physical viewing of the products.
- Lack of security was lower among younger users, who showed a greater degree of affinity with new technologies. A detailed analysis of insecurity elements shows that women and individuals aged over 35 were more reluctant to provide personal details in order to make their Internet purchases.

Table 17. Reasons for not making Internet purchases

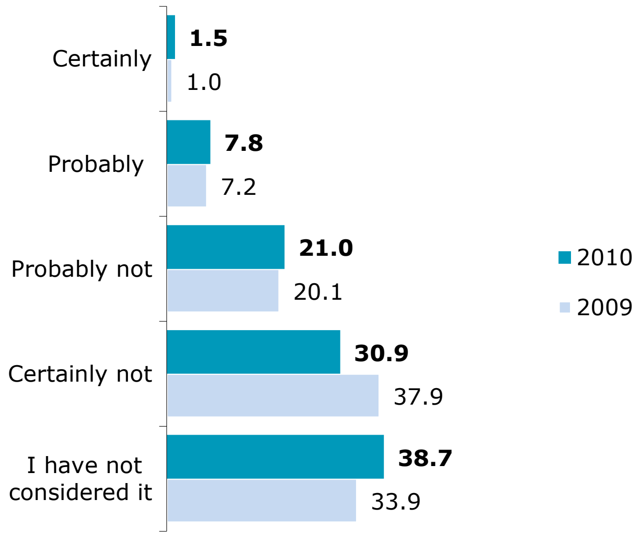
		SEX		AGE				
	TOTAL	Male	Female	15/24 years old	25/34 years old	35/49 years old	50/64 years old	65 years old and over
I like to see what I buy	70.4%	67.9%	72.7%	61.8%	60.8%	76.2%	78.1%	82.5%
I am afraid to give my personal data	60.2%	57.9%	62.4%	51.8%	55.4%	65.1%	66.6%	65.3%
I don't think it is secure / I don't trus	52.6%	51.3%	53.9%	41.9%	48.1%	58.3%	61.4%	55.0%
I don't trust the payment methods	46.5%	48.6%	44.5%	36.9%	49.0%	51.6%	47.5%	44.6%

Base: Total non-Internet purchasers

Source: ONTSI

However, 9.3% of non-purchasers plan to make online purchase in the next months. This value is 2 p.p. greater than in 2009, which indicates that the sector still has growth potential.

Figure 40. Do you intend to make online purchases in forthcoming months? (%)



Base: Total non-Internet purchasers

Source: ONTSI

As forecasted in last year's report, individuals aged between 15 and 24 and residents of towns/cities with less than 20,000 inhabitants are the ones showing the greatest intention to start using eCommerce. Data suggest that this trend that started in 2010 will continue in 2011.

Table 18. Surely or probably intends to make purchases via the Internet in the coming months (%)

		AGE					HABITAT				
	TOTAL	15/24 years old	25/34 years old	35/49 years old	50/64 years old	65 years old and over	Less than 10 thousand	10 to 20 thousand	20 to 50 thousand	50 to 100 thousand	Capital over 100 thousand
Certainly or probably yes	9.3%	11.4%	12.2%	8.0%	7.5%	4.5%	11.0%	9.3%	10.3%	2.7%	9.5%

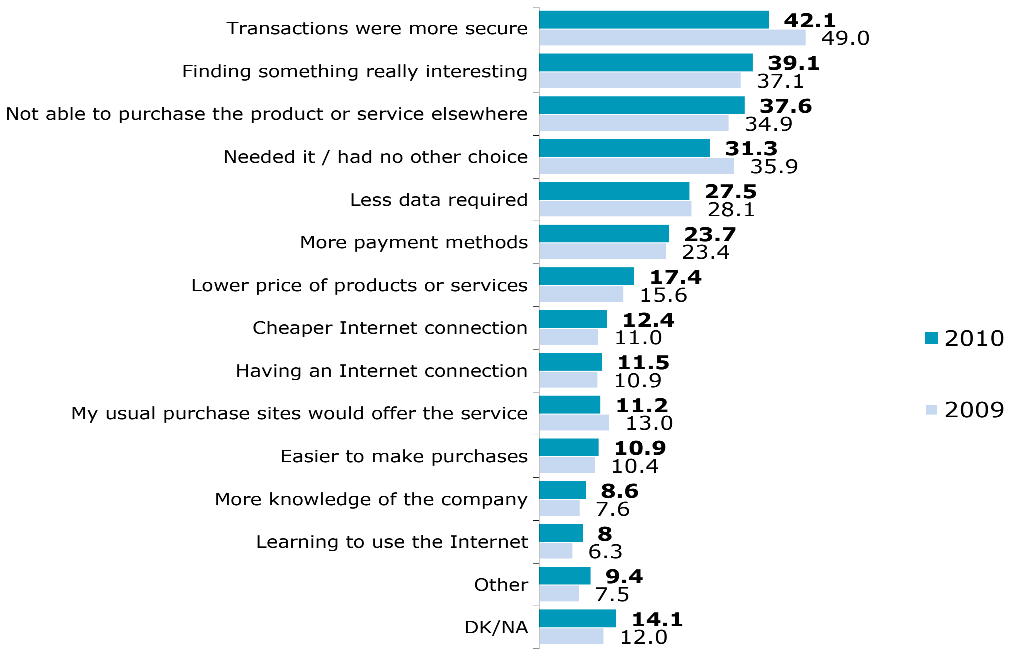
Base: Total non-Internet purchasers

Source: ONTSI

To foster the incorporation of this group of people into eCommerce their perception of security of electronic transactions must be improved. In any case, this requirement has improved since 2009.

Additionally, to promote online purchasing it is fundamental to offer interesting products and services, or products and services that are only available online (that cannot be purchased through the conventional channel).

Figure 41. What factors would encourage you to make online purchases in the future? (%)



Base: Total non-Internet purchasers

Source: ONTSI

6.2. *Ex-purchasers*

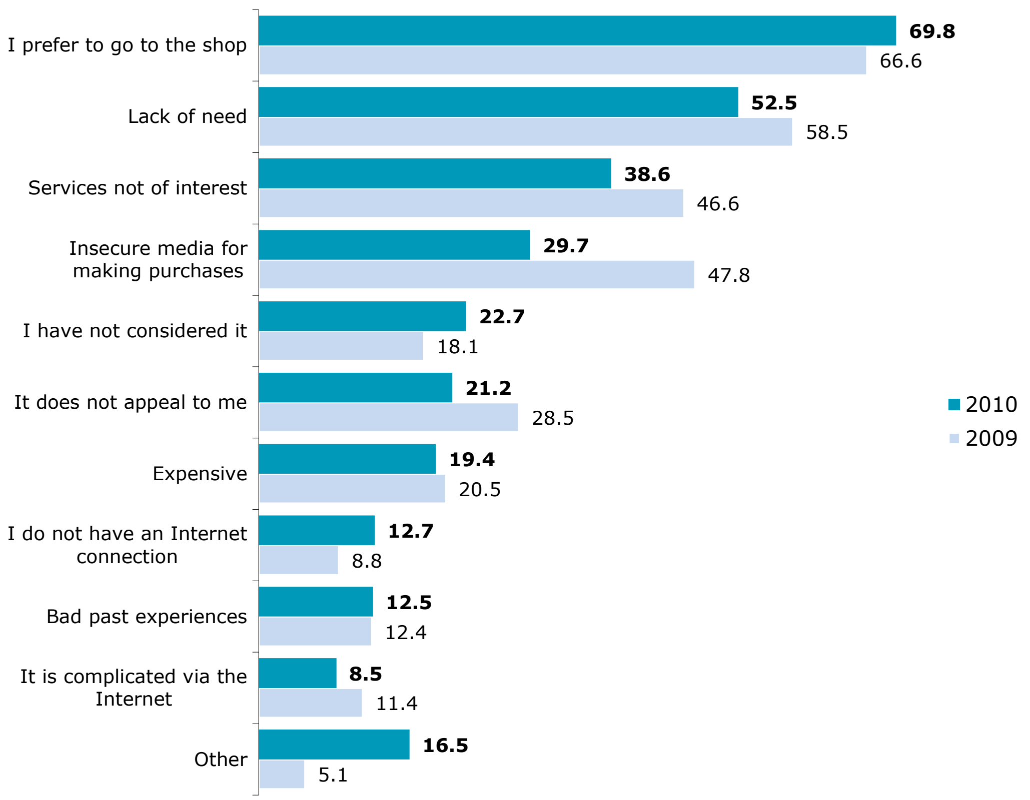
6.1% of Internet users have purchased on the Internet at some time but not during 2010. This percentage is very similar to that registered in 2009 (5.8%).

To understand why users who had previously purchased on the Internet did not purchase online in 2010, they were asked for the reasons.

The preference for traditional channels was the main reason for not shopping online during 2010, a reason that has risen in 2010 to 69.8%.

Other reasons for not purchasing on the Internet have fallen: lack of need and not interesting services and products. Even the perception that the Internet is an insecure medium for making purchases has fallen in 2010. Apart from the preference for traditional channels, other reasons that have increased in importance in 2010 are: they have not considered this medium, or not having Internet access at home, although they are still a minority. Having had a bad experience is another reason that has risen in 2010.

Figure 42. Why have you not made any online purchases in the last year? (%)



Base: Total non-Internet purchasers in 2010 who were Internet purchasers before that

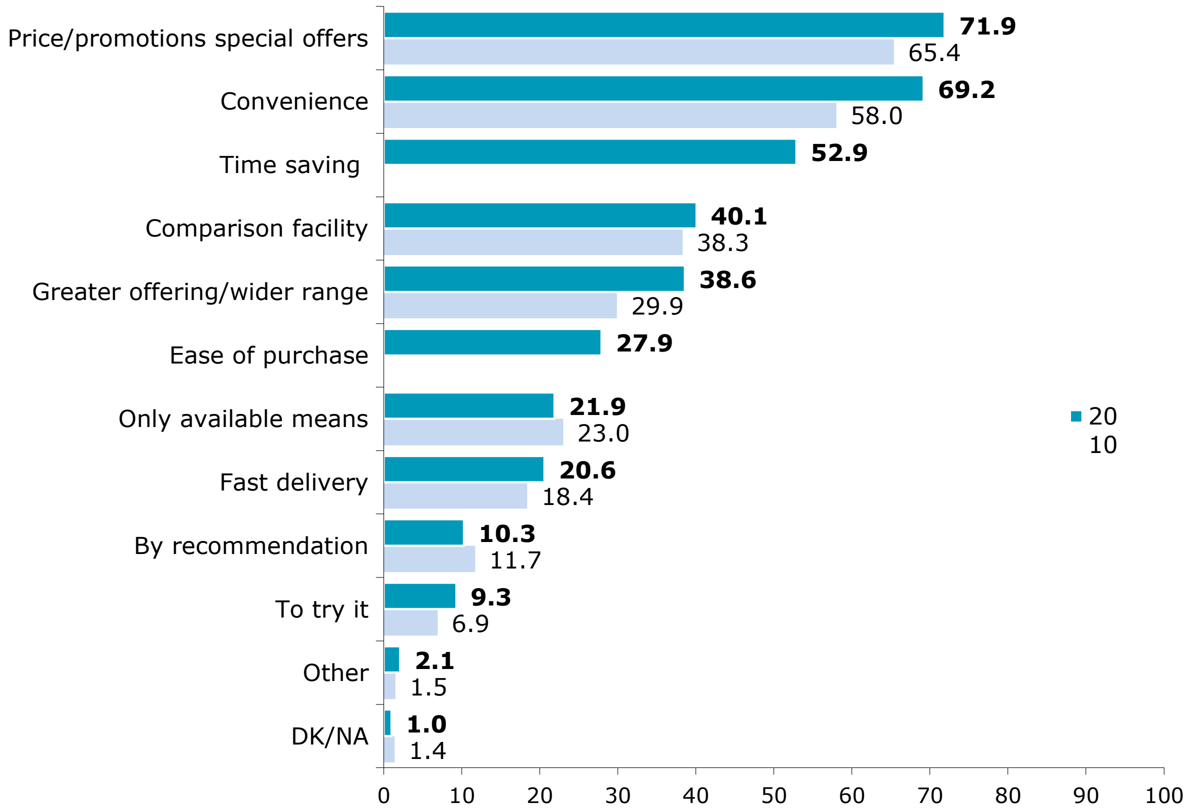
Source: ONTSI

6.3. Online purchasers in 2010

In 2010, the two main drivers of eCommerce experienced an important increase: price and convenience.

The third driver was the ease to compare prices/information, followed by the greater offer and variety of products on the Internet, which also experienced an important rise with respect to 2009.

Figure 43. Main reasons for buying products/services on the Internet instead at a physical shop in the last year (%)



Base: All Internet purchasers

Source: ONTSI

Going into the aspect of convenience and ease into greater depth we observe important nuances for online purchasers. Especially the possibility to buy at anytime of the day/night, to find things quickly, and to avoid going to the shop.

The saving in time and displacements are the most important aspects for online purchasers, but are not as well regarded by non-purchasers.

Table 19. Indicate the importance of each of the following factors when buying on the Internet (% of importance)*

	Internet user	Purchaser 2010	Non-purchaser 2010
	Importance of online purchase	Importance of online purchase	Importance of online purchase
Convenience of online purchases			
Buy from home	30.6	47	18.2
Avoid dealing with sellers	13.5	15.8	11.7
Receive products at home	32.1	41.2	25.1
Buy at anytime of the day/night	38.1	54.7	25.5
Buy at once	24.3	31,1,	19.1
Avoid crowds	30.1	36.4	25.4
Finish purchases quickly	29.6	38.1	23.2
Avoid moving from one shop to the other	34	44.7	25.9
Find things quickly	36.9	46.1	29.9
Average (scale 1 - 7)	***4.34***	***4.82***	***3.97***

* Top 2 Box data: ∑ of values 6 and 7, on a scale from 1 to 7, 7= "very important" ; 1= "not important at all"

Base: Total Internet users in each category

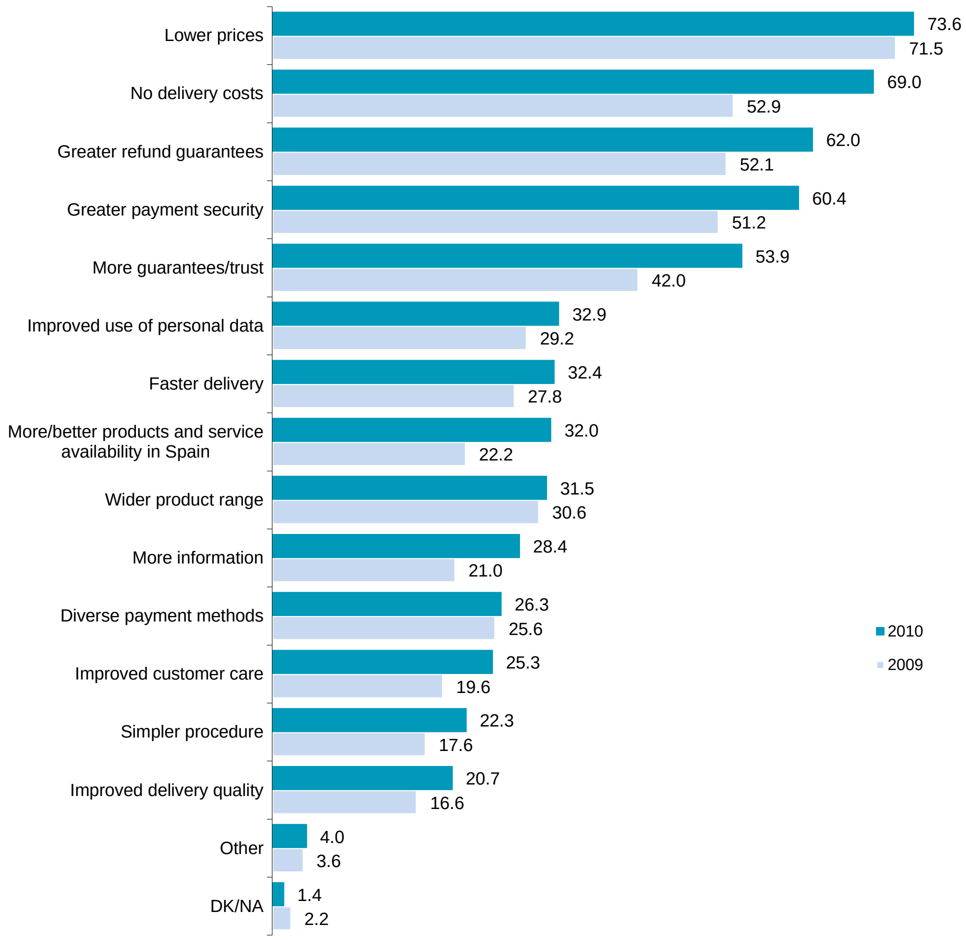
Source: ONTSI

There are five keys to increase the purchase volume of current online purchasers. These five keys were mentioned by 50% or more of the people interviewed.

- Lower costs. The economic factor is still the main motivator
- No delivery costs, which relates to the previous motivation
- Greater refund guarantees
- Greater payment security
- More guarantees/trust

We see that economic motivations and guarantees are the most important factors in this sense. Security and trust in the Internet are also important factors to increase the purchase volume of current online purchasers.

Figure 44. What do you believe should be improved in order for you to make more Internet purchases in the future? (%)



Base: All Internet purchasers

Source: ONTSI

Among the different socio-demographic profiles, certain interesting data were observed.

- Sensitivity to price is greater among young people, especially from 15 to 24
- The aspects related to security and trust become more important with the age.

Table 20. What do you believe should be improved in order for you to make more Internet purchases in the future? (%)

	TOTAL	SEX		AGE				
		Male	Female	15/24 years old	25/34 years old	35/49 years old	50/64 years old	65 years old and over
Lower prices	73.6%	73.8%	73.4%	**82.2%**	71.5%	75.0%	69.2%	75.1%
No delivery costs	69.0%	63.6%	75.1%	73.1%	68.6%	69.1%	67.4%	69.2%
Greater refund guarantees	62.0%	62.1%	61.9%	56.8%	64.4%	61.1%	62.7%	62.6%
Greater payment security	60.4%	59.5%	61.4%	56.5%	59.3%	61.5%	61.8%	60.5%
More guarantees/trust	53.9%	54.5%	53.2%	51.3%	53.4%	51.6%	59.6%	60.8%

Base: Total number of Internet users who have purchased online in each socio-demographic group

Source: ONTSI

7. LONGITUDINAL ANALYSIS 2009-2010

The longitudinal analysis, conducted with a constant sample (common between 2009 and 2010 in the panel sample, with a size of 1,344 individuals), provides results that show the evolution of Internet purchasers and non-purchasers for two consecutive years (2009 and 2010) and how they have changed their behaviour regarding purchasing.

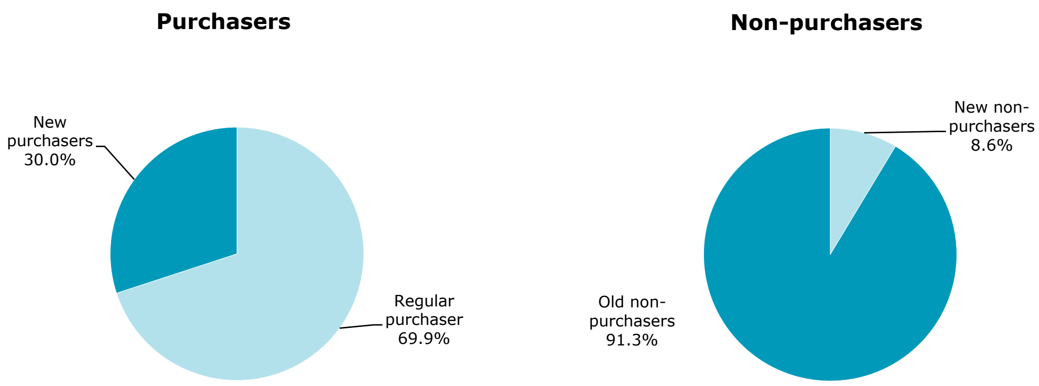
The aim of this analysis is not to study differences between groups but rather to understand the evolution of both the purchasers and non-purchasers and the subgroups into which they are divided.

7.1. Segmentation and evolution

Of the constant sample this year, 47.3% were online purchasers. Of them, most were **regular purchasers**, that is to say, users who also made online purchases in 2009. Specifically, they accounted for 70%. The rest were **new purchasers,** meaning they did not purchase online in 2009.

As for non-purchasers, most of them (91.4%) were Internet users who have never purchased online: **old non-purchasers.** The rest were users who did not purchase online in 2010 but had done it previously. This group of **new non-purchasers** is relatively small. The data on them in this report is indicative but not conclusive.

Figure 45. Weight of purchaser and non-purchaser segments in the sub-sample of Internet users



Base: Sub-sample of Internet users 2009-2010

Source: ONTSI

7.2. Segment profiles

The analysis of the socio-demographic profiles of the segments identified in the previous section shows results similar to those of the total sample.

The most typical profile of **regular purchasers** strongly coincides with what was demonstrated in the previous edition of this report.

- Men
- Aged 25 to 49
- Capitals and municipalities with 100,000 or more inhabitants
- Of upper/upper middle class
- Full-time workers.

This profile is quite different from the profile of **new purchasers**, which presents resemblances with the profile of purchasers of emerging sectors in the total sample.

- Young People (15 to 34 years old)
- Students and unemployed individuals
- With a medium socio-economic level
- Living in municipalities with 50,000 to 100,000 inhabitants.

The profile of Internet users who have **never purchased online** is also very similar to that presented in the previous edition of this report. The most notable difference compared to the previous year is gender equality. In 2009 women were the majority.

- Very young people (aged 15-24) or seniors (over 65), which is reflected in a greater presence of students and retired people
- Resident in rural areas (with less than 10.000 inhabitants)
- Especially from medium-low/low social classes.

Lastly, this is the profile of **new non-purchasers**, users who did not purchase online in 2010 but had done it previously:

- Middle-aged adults (from 35 to 64 years old).
- Resident in rural areas (with less than 20.000 inhabitants)
- Mainly from middle social class

Table 21. Socio-demographic profile of the groups in the sub-sample of Internet users (%)

	PURCHASERS		NON-PURCHASERS	
	Regular	New purchasers	New non-purchasers	Old non-purchasers
SEX				
Male	**52.9**	49.8	44.4	48.7
Female	47.1	50.2	**55.6**	51.3
AGE				
15-24	7.5	**20.8**	6.7	**25.9**
25-34	**27.7**	**24.6**	5.6	16.5
35-49	38.8	34.5	**58.2**	33.5
50-64	23.0	14.5	25.5	16.3
65 or over	3.0	5.6	4.0	**7.9**
SIZE OF TOWN/CITY				
Less than 10 thousand	11.1	17.1	**20.0**	**24.0**
10 to 20 thousand	11.6	11.3	**20.7**	12.9
20 to 50 thousand	20.8	16.4	8.9	10.9
50 to 100 thousand	10.6	**20.4**	11.7	12.7
More than 100,000 or capitals	**45.9**	34.8	38.7	39.5
Socio-economic level				
Upper + upper middle	**45.2**	36.6	27.4	24.3
Middle	40.0	**39.7**	**58.9**	**40.4**
Media Baja + Baja	14.8	23.7	13.7	**35.3**
Education				
No education	0.4	0.0	0.0	**1.4**
Primary	0.9	2.5	1.2	**7.4**
Secondary	52.5	64.2	60.6	**75.2**
Higher	**46.2**	33.2	38.2	16.0
Work activity				
Full-time worker	**63.4**	51.8	50.9	42.8
Part-time worker	7.3	9.8	12.9	6.2
Retired/pensioner	3.3	6.3	6.0	**7.1**
Disability pension	7.6	2.5	7.8	1.6
Homemaker	3.2	2.1	**9.1**	8.3
Student	8.5	**14.8**	7.4	**18.6**
Unemployed	6.8	**12.7**	5.8	**15.2**

Base: Sub-sample of Internet users 2009-2010

Source: ONTSI

7.3. Use of the Internet and e-mail

As previously mentioned in the analysis of the total sample, there are increasingly less differences in Internet uses and habits between purchasers and non-purchasers. This phenomenon is observed too in the analysis of the constant sample.

The new non-purchaser profile is the most noteworthy. It is a profile that increased the frequency of use of the Internet (to 51.3%) in 2010, despite of the fact that their availability of broadband Internet at home is lower (55.4%).

Also remarkable is the fact that work e-mail accounts are more frequent among regular purchasers than among other segments.

Table 22. Internet use by segments in the sub-sample of Internet users (%)

	PURCHASERS		NON-PURCHASERS	
	Regular	New purchasers	New non-purchasers	Old non-purchasers
Weekly	81.8	85.2	87.0	82.0
Now I use it more than before	32.8	35.1	**51.3**	36.8
More than 3 years ago	72.2	76.6	81.6	79.3
Broadband	70.3	75.7	**55.4**	73.2
E-mail (personal account)	93.7	93.4	87.4	87.2
E-mail (professional account)	**45.6**	37.6	31.1	28.4

Base: Sub-sample of Internet users 2009-2010

Source: ONTSI

7.4. Purchasers in 2010

As could be expected, the type and degree of use of eCommerce by regular and new purchasers is very different.

In the first place, regular purchasers buy more categories of products/services. While new purchasers buy 1.92 categories of products/services on average, regular purchasers buy 3.12 categories on average.

Therefore, in general, the purchase penetration of the various categories is greater among regular purchasers. However, the percentage of purchases in categories like clothes and accessories, food and general hardware and Internet services is very similar for regular and new purchasers.

Table 23. Purchases made by online purchasers of the sub-sample in 2010 (%)

	PURCHASERS	
	Regular	New purchasers
Transport tickets	**58.4**	37.0
Accommodation bookings	**45.2**	26.7
Tickets for shows	**40.4**	25.1
Clothes and accessories	22.1	**20.2**
Electronics	18.9	9.0
Books	16.5	4.6
Food and miscellaneous products	15.4	**12.5**
Financial services and insurance	12.4	7.7
DVD/music/videog., digital form.	10.7	1.3
Vehicle hire and motor products	9.8	1.8
Software	9.7	3.7
DVD/music/videog., physical form.	8.8	**7.0**
Sporting goods	7.8	6.0
Appliances and home furnishings	7.7	3.0
Internet services	7.2	**9.9**
Games of chance/contests	4.5	1.4
Other	14.8	11.8
Average number of categories purchased	*3.12*	*1.91*

Base: Sub-sample of Internet users 2009-2010

Source: ONTSI

The affirmation that new purchasers buy fewer categories of products/services on average is also reflected in the lower average number of purchase transactions and annual average expenditure compared to regular purchasers.

While regular purchasers make 8.21 purchase transactions on average, which amount to a total of €930 in 2010, new purchasers only make 4.39 purchase transactions, amounting to €476 in total.

Table 24. Average number of purchase transactions and expenditure in the sub-sample in 2010

	PURCHASERS	
	Regular	New purchasers
Average no. of purchases made in 2010	8.21	4.39
Average expenditure in 2010 (€)	930	476

Base: Sub-sample of Internet users 2009-2010

Source: ONTSI

Contrary to what could be expected given the lower percentage of online purchases among new purchasers, they experience the same incidence of problems as regular purchasers. For both segments, approximately 1 out of 20 purchasers experienced problems when purchasing online over 2009 or 2010.

Table 25. Problems with online purchases among purchasers of the sub-sample in 2009 or 2010 (%)

	PURCHASERS	
	Regular	New purchasers
Problems with online purchases in 2009 or 2010	4.5	5.6

Base: Online purchasers of the sub-sample 2009-2010

Source: ONTSI

7.5. Non-purchasers in 2010

Among the group of non-purchasers, there is an interesting sub-group of new non-purchasers. These are Internet users who did not purchase in 2010 but have done it previously.

The two main reasons for not purchasing online indicated by this sub-segment are the preference for the physical shop in the first place, and the lack of need to buy online in the second.

The reasons 'no services of interest' and 'no low prices on the Internet' have lost weight compared to 2009.

Table 26. Reasons for which users in the sub-sample did not purchase online in 2010 (%)*

	NON-PURCHASERS	
	New non-purchasers	Old non-purchasers
I prefer to go to the shop	67.2	---
Lack of need	52.2	---
Insecure media for making purchases	36.7	---
No services of interest	33.1	---
It does not appeal to me	23.5	---
I have not considered it	17.4	---
Expensive	8.6	---

* Question made only to new non-purchasers

Base: Non-purchasers of the sub-sample 2009-2010

Source: ONTSI

To start purchasing again, new non-purchasers have to find something interesting or covering a specific need. The desired/needed product/service should not be available anywhere else, and payment should be secure.

Table 27. Reasons for future online purchases in the sub-sample (%)*

	NON-PURCHASERS	
	New non-purchasers	Old non-purchasers
Finding something interesting	46.8	---
Specific needs	45.1	---
Greater transaction security	35.0	---
Not able to buy the product elsewhere	33.6	---
Method of payment/cash on delivery	28.3	---
Lower prices	26.3	---
Easier to make purchases	23.6	---

* Question made only to new non-purchasers
Base: Non-purchasers of the sub-sample 2009-2010

Source: ONTSI

There are some notable differences in the reasons why new and old non-purchases do not purchase on the Internet.

In general, old non-purchasers perceive more barriers to eCommerce, especially barriers related to security (distrust when providing personal details and in payment methods) and the preference to see what they buy. Additionally, old non-purchasers make a more sporadic use of the Internet and perceive greater complexity in online purchasing.

Lastly, old non-purchasers and new old-purchasers do not coincide in their perceptions about distrust in payment methods and shipping costs.

Table 28. Reasons for which users in the sub-sample do not purchase online (%)

	NON-PURCHASERS	
	New non-purchasers	Old non-purchasers
I like to see what I buy	58.9	75.5
I am afraid to give my personal data	44.6	65.2
I don't think it is secure / I don't trust it	33.7	56.1
I don't trust the payment methods	**43.3**	**45.4**
I don't need it	21.5	31.1
I distrust the information	22.2	29.5
Postage cost	**28.6**	**26.0**
I don't use the Internet much	11.1	20.8
I do not have an Internet connection	2.1	15.4
I think it is difficult/complex	4.3	12.0

Base: Non-purchasers of the sub-sample 2009-2010

Source: ONTSI

8. LIST OF GRAPHS AND TABLES

9. TECHNICAL SPECIFICATIONS SHEET

Information collection

Postal survey to the panel.

Dates of information collection

From 2 May to 8 June 2011. Geographical scope: Total Spain.

Sample population

A total of 39,065,468 individuals. Population aged 15 and over in mainland Spain, the Balearic Islands and the Canary Islands. Source: Red.es ICT household panel (March 2011), based on INE (Spanish National Statistics Institute) forecasts based on the 2001 Census for 2010.

Internet users: 25,416,792 individuals. Internet penetration (65.1%): Red.es ICT household panel (March 2011).

Sample size

2,581

Fieldwork

Carried out by Taylor Nelson Sofres (TNS).

Weighting

The results have been weighted in accordance with the socio-demographic profile of Internet users aged 15 and over, obtained from the Red.es Panel dated January-March 2011.

The weighting criteria considered were, at household level: autonomous region, size of the city/town, size of household, social class (Spanish General Means Study), presence of children in the home; and at an individual level: gender and age.

Margin of error

- For the Internet purchaser group in 2010: ±3.1%.
- For the non-purchaser group in 2010: ±2.5%.
- For the total sample: ±1.9%.

Sample extracted from the ICT panel of Red.es, which is representative of Spanish households. Specifically, the individuals belonging to the panel contacted declared, via a postal survey sent to households in September 2010, that they had used the Internet on one or more occasions.

Methodological note: calculation of expenditure

With the aim of improving the estimation of total expenditure on electronic commerce, last year fundamental changes have been implemented in the calculation of expenditure and number of purchases. Specifically, in other previous studies, the expenditure and number of purchases per individual was established based on eCommerce global expenditure in the previous year. On the contrary, since last year this study calculates global expenditure in online purchases based on costs and number of purchases reported for 17 product categories. Due to their particular nature, financial services are not included in the calculation of total eCommerce expenditure and number of purchases.