

**The World Wide Web As a Sales Tool**

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The online shopping industry continues to grow as Internet access and usage continues to increase. There are an estimated 58 million U.S. consumers online, or roughly 30% of the U.S. population<sup>1</sup>. As a result of the Internet's increased popularity, revenues generated from online sales are expected to increase from \$300 million in 1995 to \$10.2 billion by 2000. This provides a rapidly expanding market for companies offering online products or services. The Internet user profile is that of a white male, in his early to mid 30's, making \$55,000 or more annually.

The following table presents Internet user demographic profiles from three survey sources with a comparison to U.S. Census Statistical Abstract figures..

<b>Internet user Demographic Profile</b>				
	<b>Survey Results</b>			
<b>Demographics</b>	<b>GVW 8<sup>th</sup> WWW User Survey</b>	<b>Survey-Net</b>	<b>Find/SVP</b>	<b>Statistical Abstract of the U.S Census (1996)</b>
Average Age (years)	36.53 (avg.)	31.96 (avg.)	36.0 (avg.)	34.6 (Median)
Annual Average Household Income	\$54,040 (avg.)	\$65,000 (avg.)	\$61,500 (avg.)	\$34,078 (Median)
Gender - % Female	40.54%	33.6%	35%	51.1%
Education Attainment -College degree	28%	25%	NA	24%
Race - % White	88%	NA	83%	82.8%
Source: A Preliminary Analysis of Internet Use for Direct Marketing by the Tennessee Food and Beverage Industry, Dr. Kim Jensen. Staff Paper No. 98-02, Agricultural Experiment Station.				


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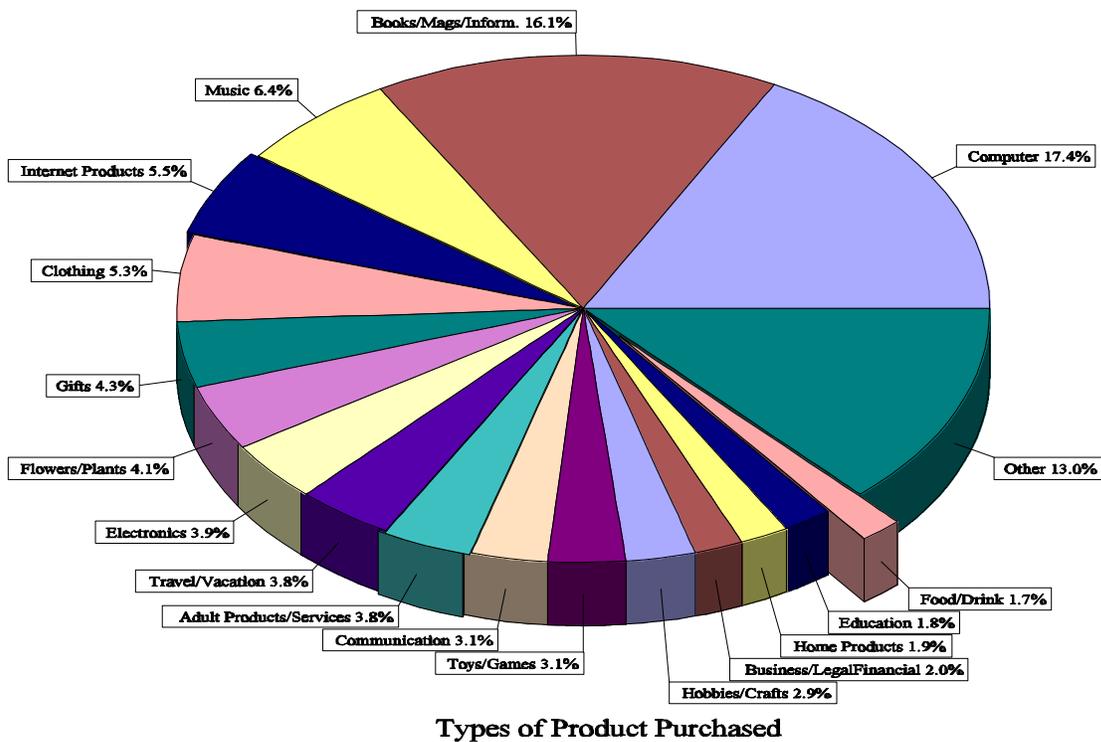
<sup>1</sup>(Source: Baruch College Survey)

## Total Online purchase behavior (includes all products purchased online)<sup>2\*</sup>

Internet users are typically upper-income thirty something males and the following information provides insight into their on-line shopping habits.

- 53.3% of respondents reported purchasing a product via the Internet.
- 23% have made one purchase while 42% have made 2-3 purchases over the Internet.
- On average, online shoppers have made 4.3 purchases in the past year.
- 52% of online purchases are from stand-alone storefronts (web pages) while 18% are from online malls and the remaining 30% of the respondents did not know where they made their online purchase.
- 1.7% of the respondents reported purchasing food and/or drink products over the Internet (more detailed results are presented below).
- Primary factors influencing online purchases:
  - 15.4% - The price
  - 10.0% - The explanation of the item and its features
  - 14.6% - The convenience
  - 7.0% - The unique nature of the item

## Online Shopping Survey Results



<sup>2</sup>Based on 2247 respondents from Survey-net, a continuous online demographic survey started March 21<sup>st</sup> 1997.