

We surveyed a total of 300 consumers that use the web to research and/or purchase Beauty products and information

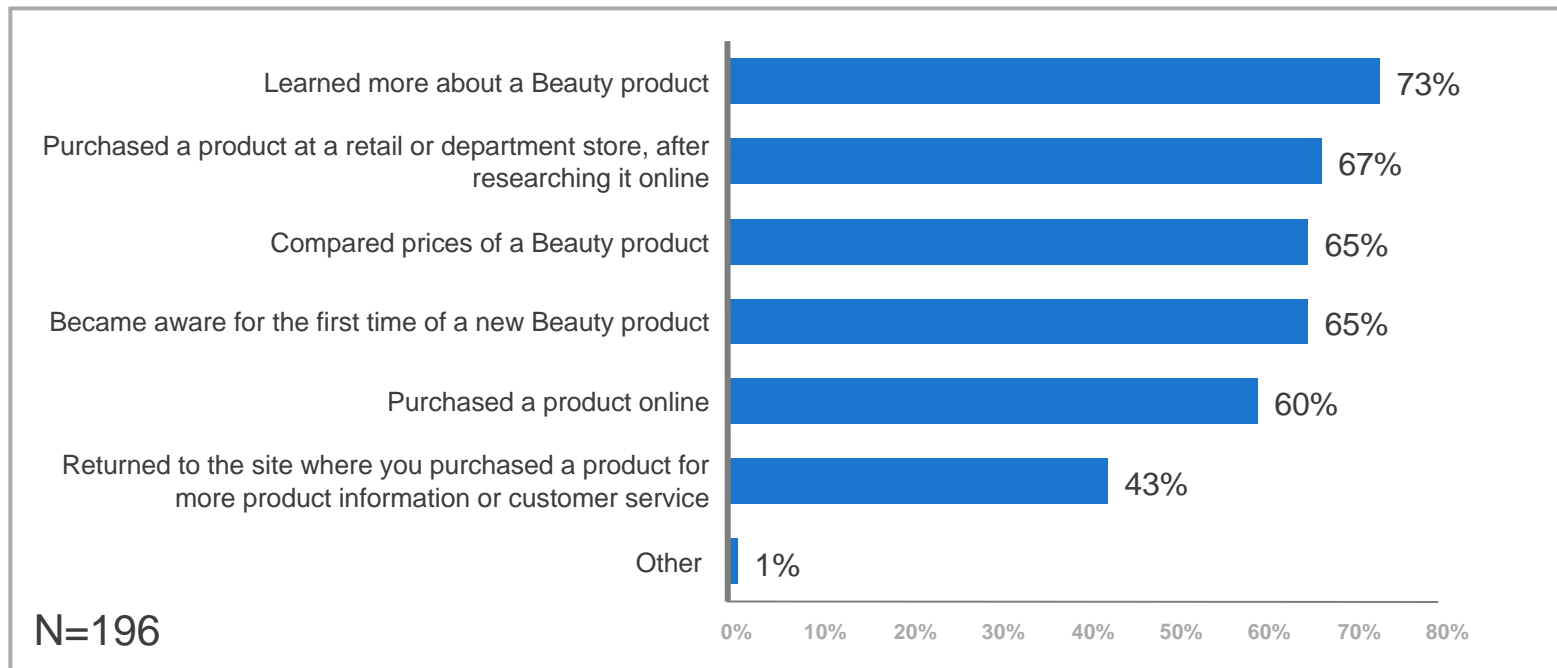
- A custom survey instrument (i.e. questionnaire) was developed to measure respondents' use of the web, and search engines in particular, for researching and purchasing Beauty products and information
- The survey was conducted online, through a web-based interviewing process, in May/June 2005
- Our sample is evenly distributed across all age groups and genders
- Respondents were recruited through a variety of methods: web advertising, permission-based databases, public relations, telephone recruitment, partner-recruited panels, and alliances with heavily trafficked portals
- The survey was designed and administered by Media-Screen, an independent strategic market research firm, with sampling and data collection provided by GMI (Global Market Insite)

Executive Summary

- The majority of users (80%) **use a search engine** to learn about and/or purchase Beauty products online.
- Search engine usage:
 - 77% of Google users use a search engine to **learn more about a Beauty product**
 - 70% of Google users use a search engine to **compare prices**
 - 50% of Google users use a search engine to **purchase a product online**, rather than at a retail or department store
- 82% of all respondents **use Google** to learn about and/or purchase Beauty products
- The vast majority – 85% - have used a search engine to **locate specific brand websites** for Beauty products
- 87% of Google users say search engines are **“very/somewhat important”** for helping them research and/or purchase Beauty products
- After learning about them online, 81% of Google users ultimately **purchased the items offline** at a department store location

Users go online for a wide variety of Beauty-related activities; most popular: **Learn more** about a Beauty product (73%), **Purchase** (67%), and **Compare prices** (65%)

Google™ Users



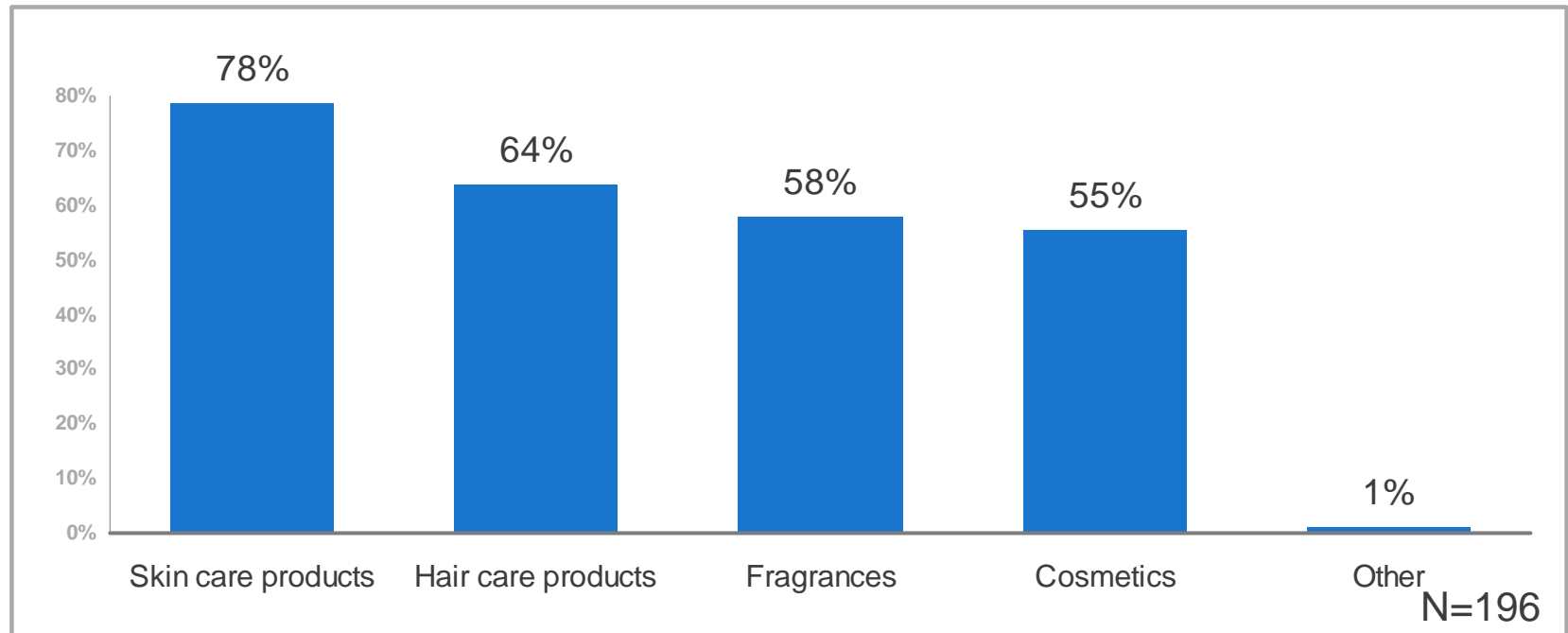
Have you ever done any of the following online? Please select all that apply.

Types of Products Researched or Purchased



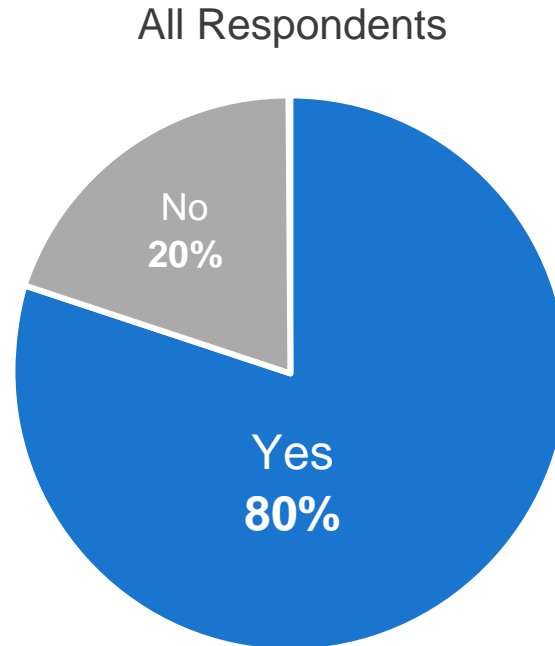
Most popular types of Beauty products researched or purchased: Skin care (78%), Hair care (64%), Fragrances (58%), and Cosmetics (55%)

Google™ Users



Which of the following types of Beauty products have you learned about and/or purchased online?
Select all that apply.

80% of users have used a search engine to learn about and/or purchase Beauty products online

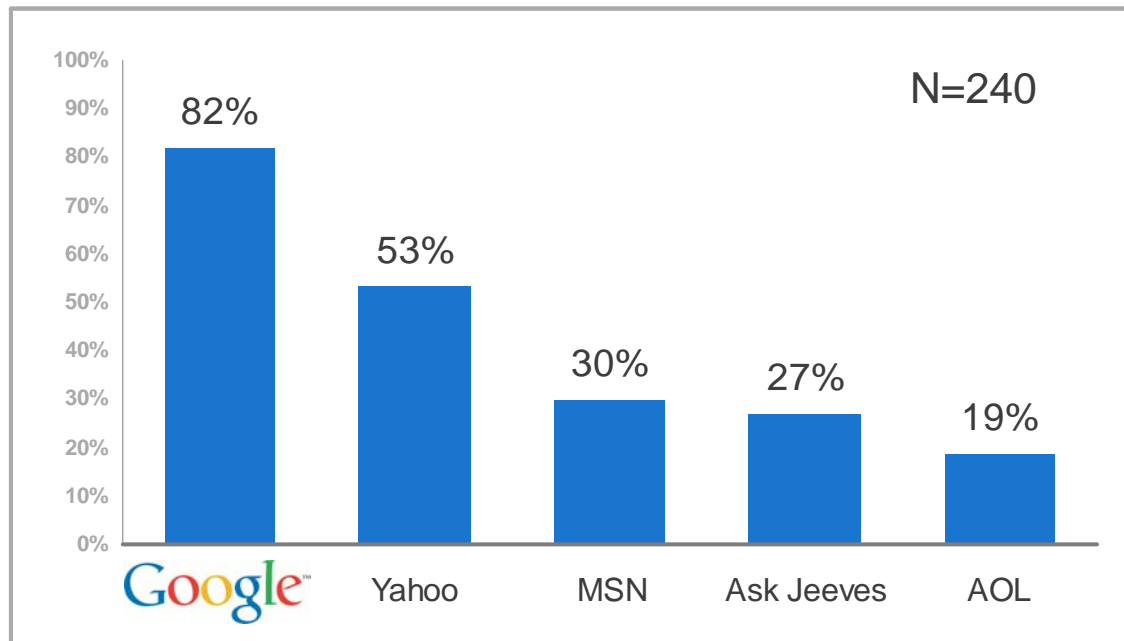


N=300

Do you ever use a search engine (such as Google, Yahoo, AOL or Ask Jeeves) to learn about and/or purchase Beauty products online?

Google is the most popular search engine for learning about and/or purchasing beauty products

All Respondents



10% or less

Netscape
Alta Vista
Lycos
iWon
Alltheweb
Looksmart
Infospace
Wisnut
Other

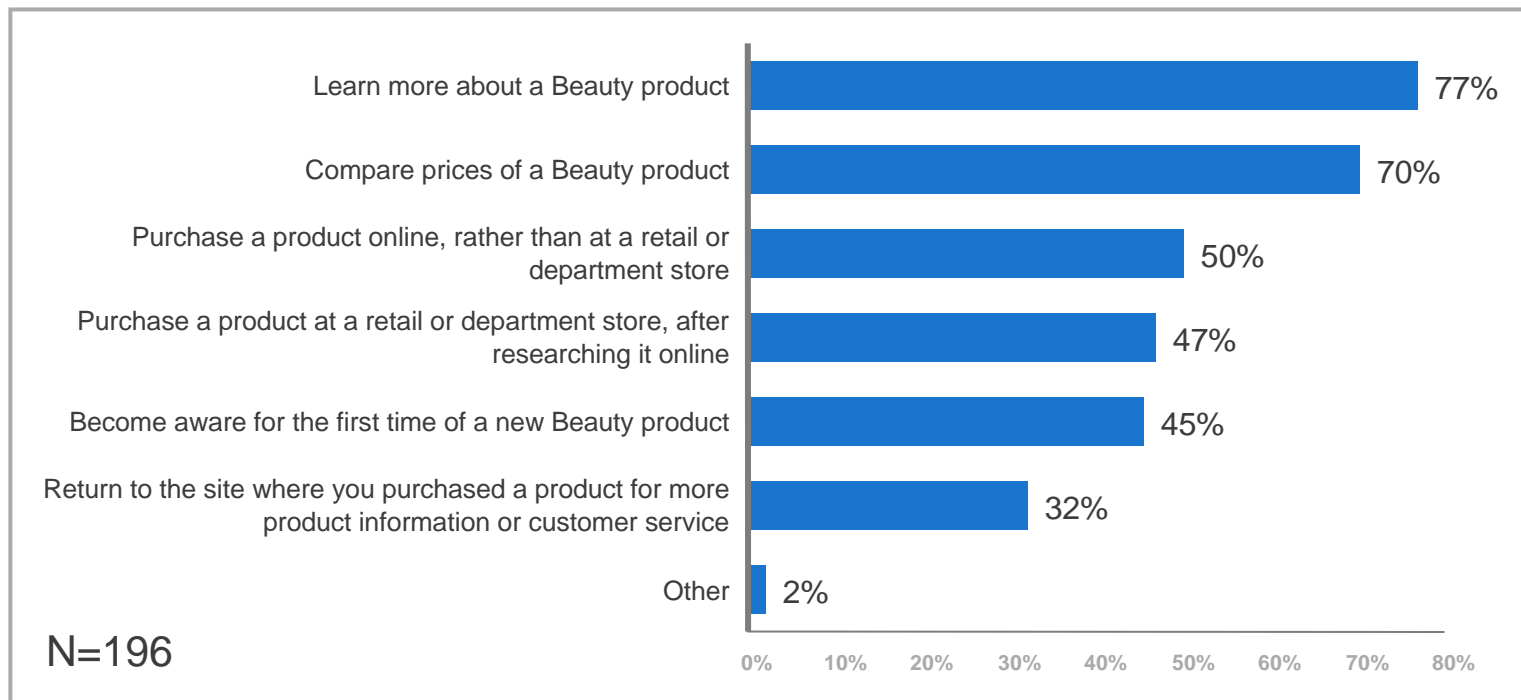
Which of the following search engines do you use to learn about and/or purchase a Beauty product?
Select all that apply.

Search Engine Activities in Beauty



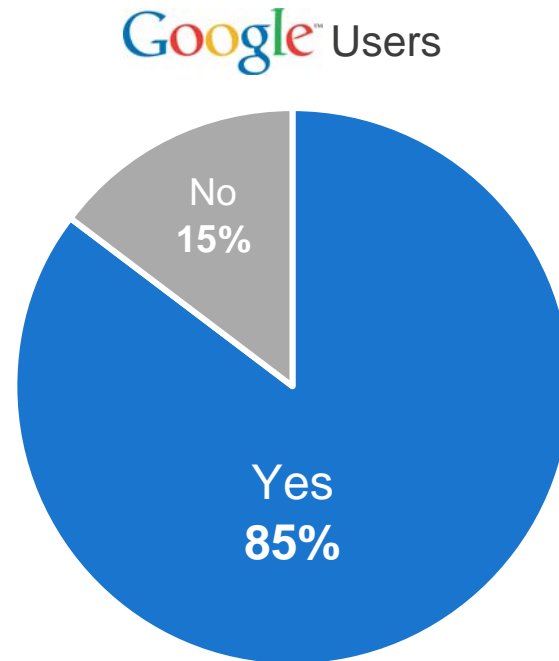
Search participates in a wide variety of Beauty-related activities; most popular: **Learn more** about a Beauty product (77%), **Compare prices** (70%), and **Purchase** product online (50%)

Google™ Users



Which of the following activities do you use a search engine to help you do? Please select all that apply.

The vast majority – 85% – have used a search engine to **locate specific brand websites** for Beauty products



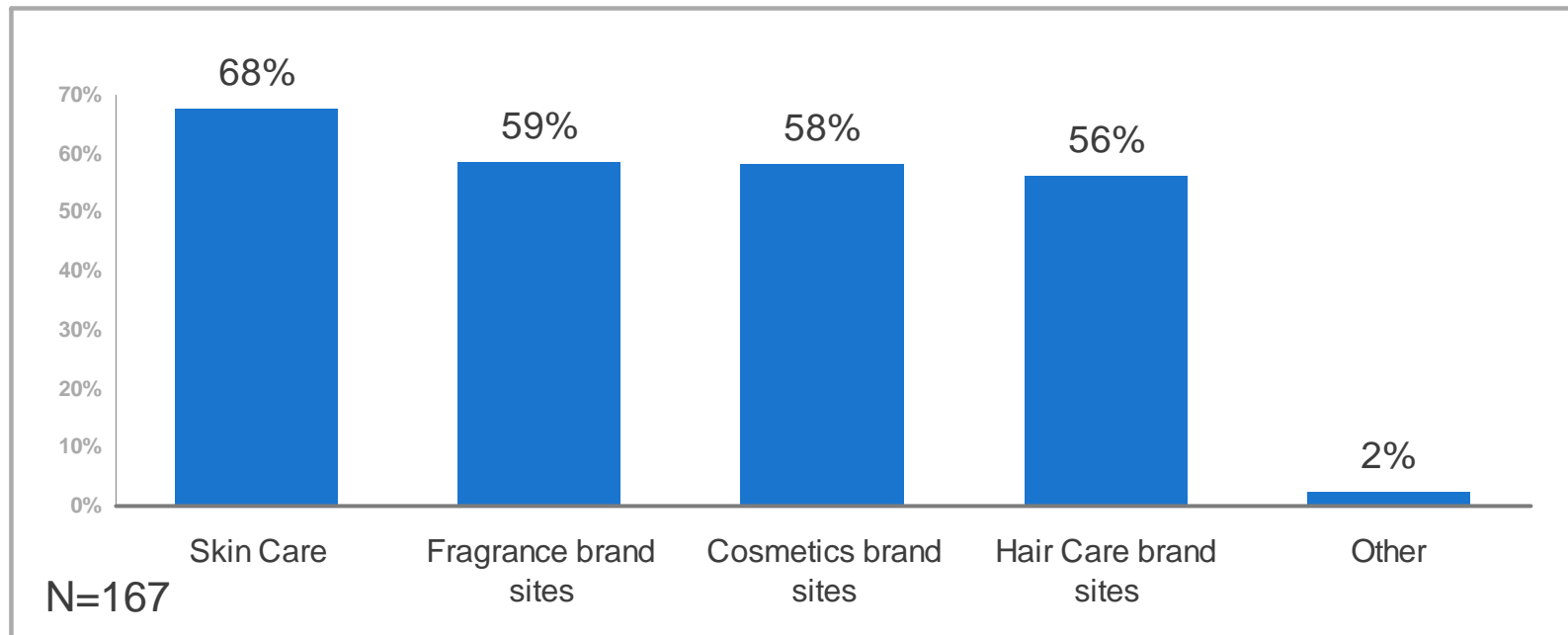
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Do you ever use a search engine to help you locate the site for a specific brand of Beauty product, such as Estée Lauder, Chanel or Christian Dior?

Search and Types of Beauty Sites

Users search for specific brand sites across a variety of Beauty categories; most popular: **Skin Care** brands (68%), **Fragrance** brands (59%), **Cosmetic** brands (58%), and **Hair Care** brands (56%)

Google™ Users

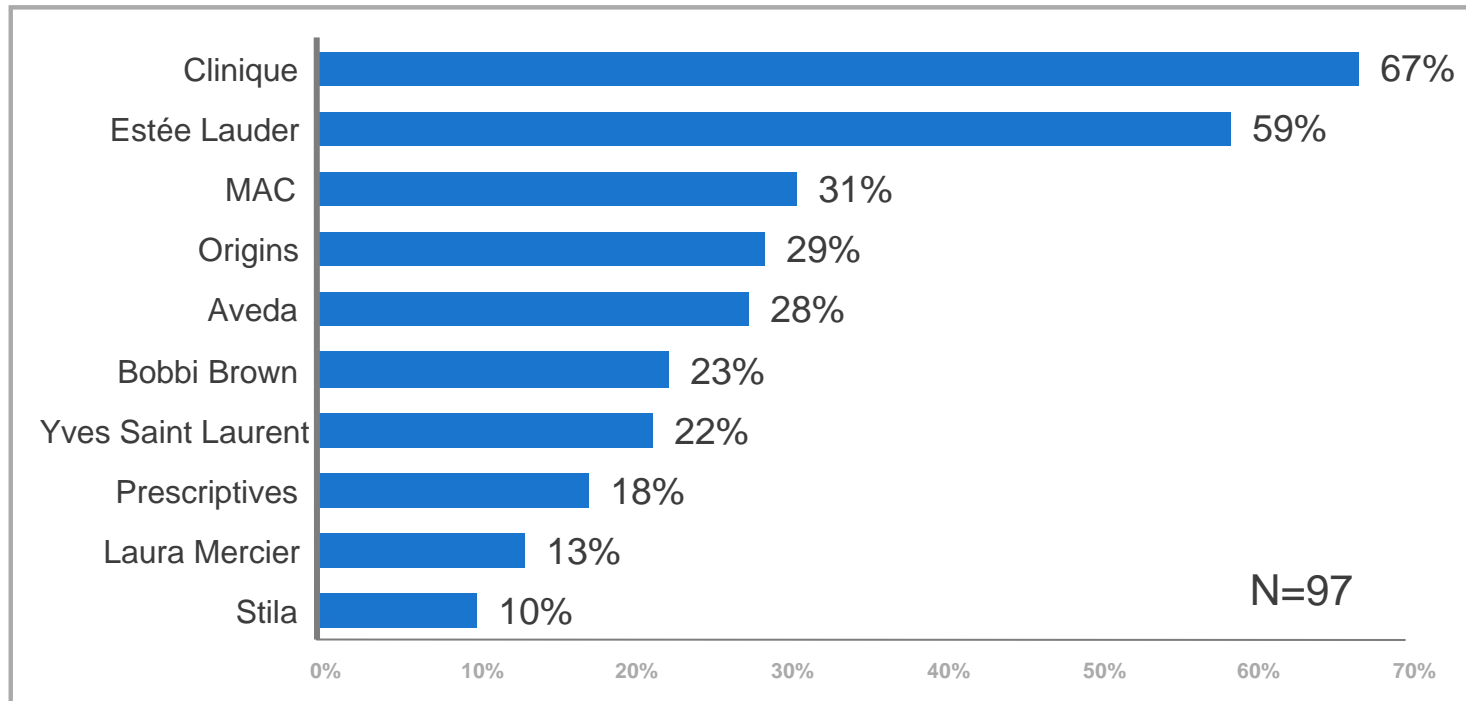


For which of the following types of Beauty products have you used a search engine to help find the site of a specific brand of beauty product? Select all that apply.

Searching For Cosmetics Brand Sites

Users search for a variety of Cosmetics brand sites, but **Clinique** (67%) and **Estée Lauder** (59%) lead all others by a wide margin

Google™ Users

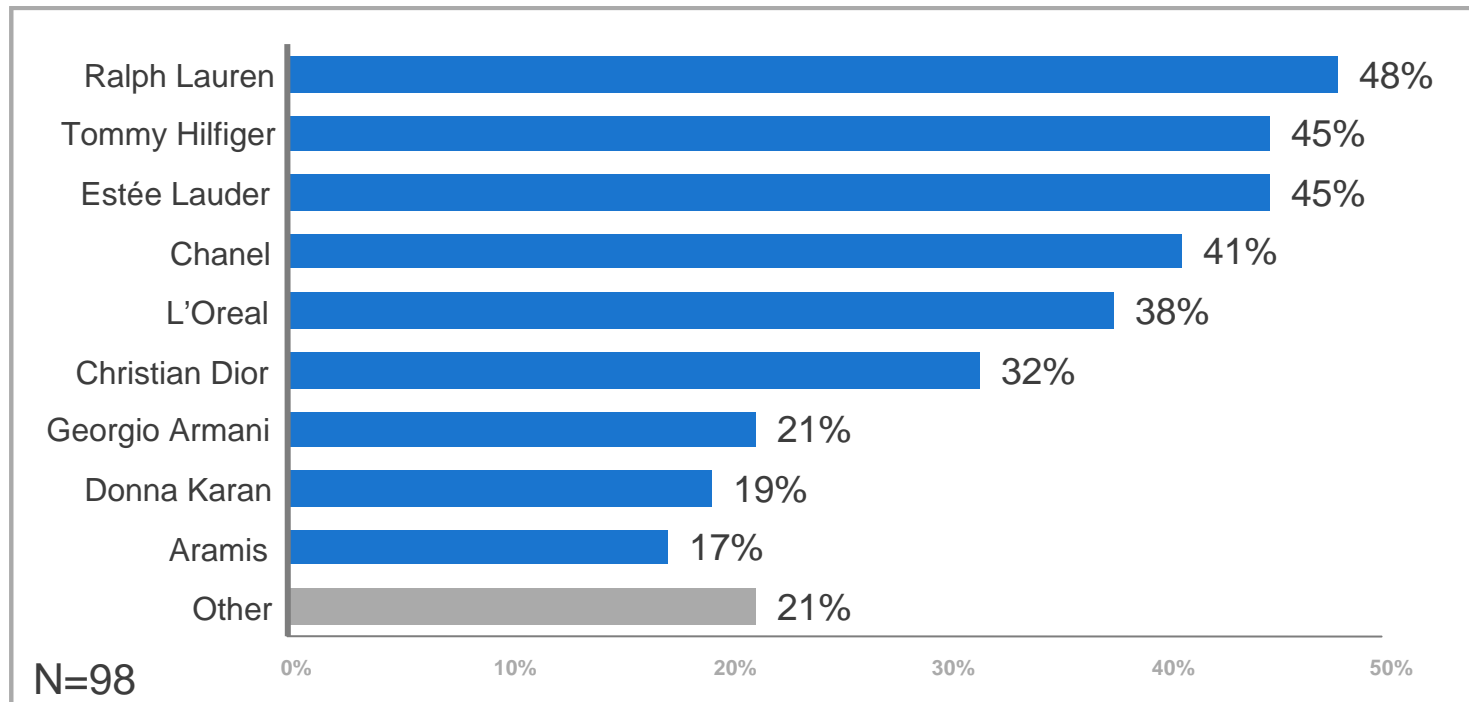


Which of the following Cosmetics brand sites do you use a search engine to help you find? Select all that apply.

Searching for Fragrance Brand Sites

Users search for a variety of Fragrance brand sites; most popular: **Ralph Lauren** (48%), **Tommy Hilfiger** (45%), and **Estée Lauder** (45%)

Google™ Users

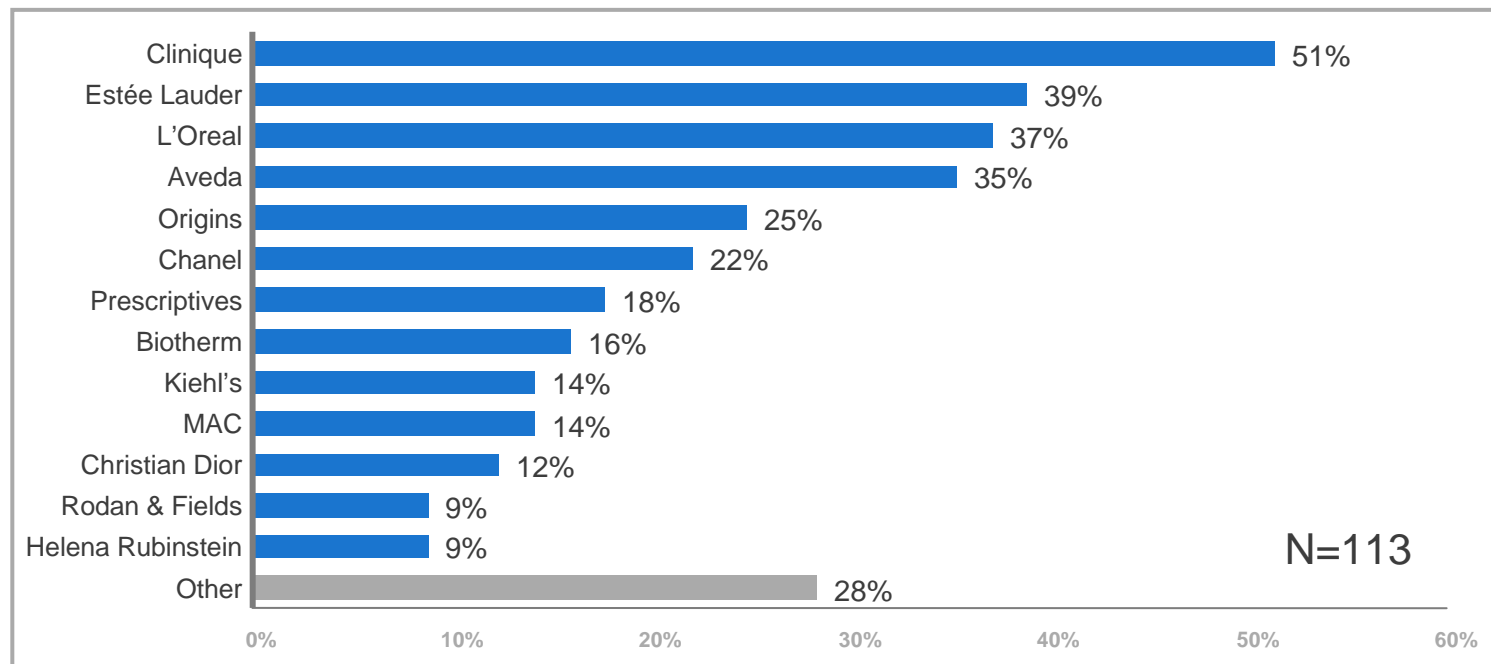


Which of the following Fragrance brand sites do you use a search engine to help you find? Select all that apply.

Searching for Skin Care Brand Sites

Users search for a variety of Skin Care brand sites; most popular: **Clinique** (51%), **Estée Lauder** (39%), and **L'Oreal** (37%)

Google™ Users

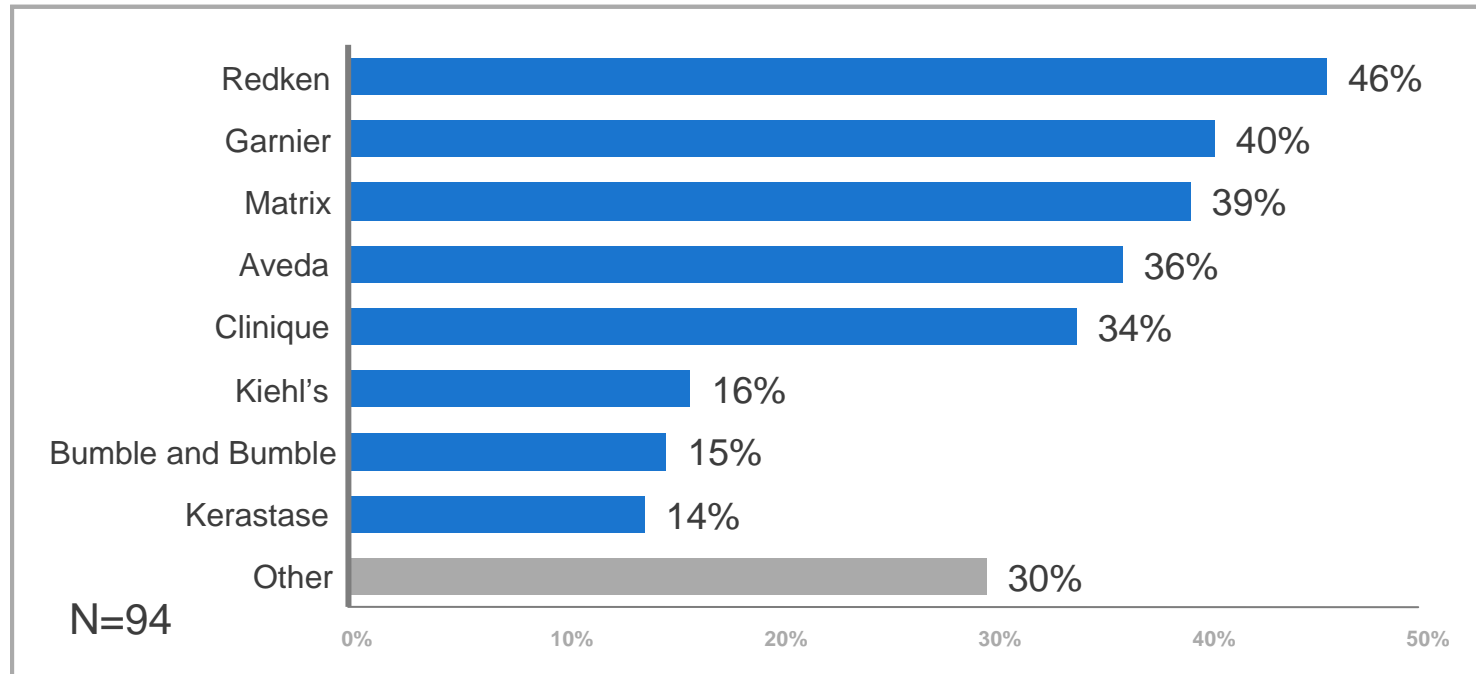


Which of the following Skin Care brand sites do you use a search engine to help you find? Select all that apply.

Searching for Hair Care Brand Sites

Users search for a variety of Hair Care brand sites; most popular: **Redken** (46%), **Garnier** (40%), and **Matrix** (39%)

Google™ Users



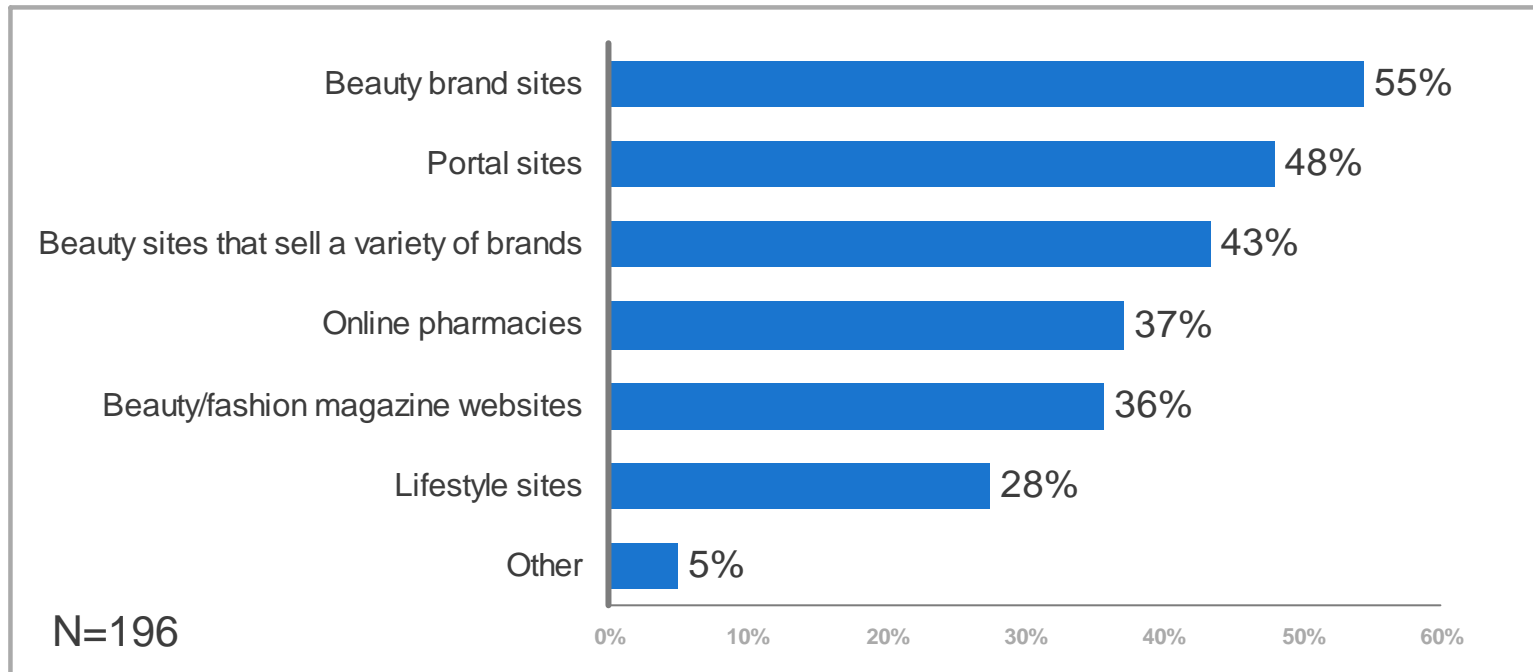
Which of the following Hair Care brand sites do you use a search engine to help you find? Select all that apply.

Sites Used, In Addition To Search Engines



In addition to search engines, 55% of users also use beauty brand sites when looking for information; 48% use portals, 43% use beauty sites

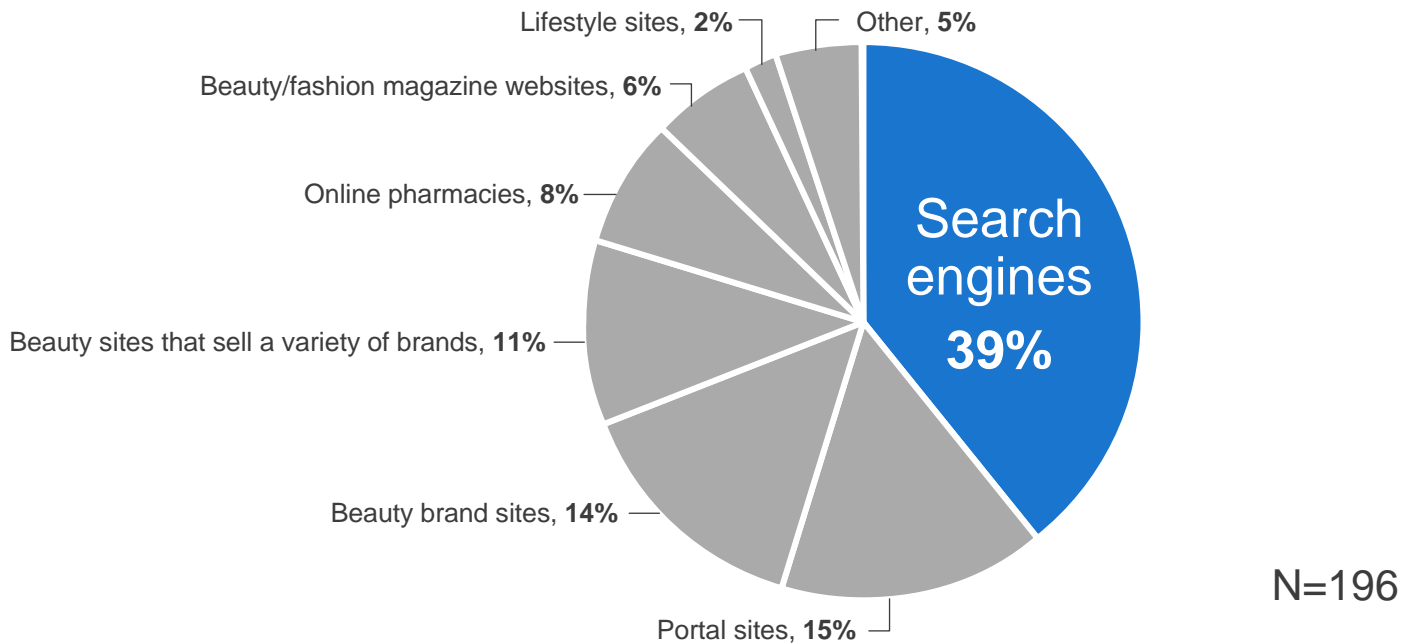
Google™ Users



When looking for information on Beauty products online, what kinds of sites do you normally use in addition to search engines? Select all that apply.

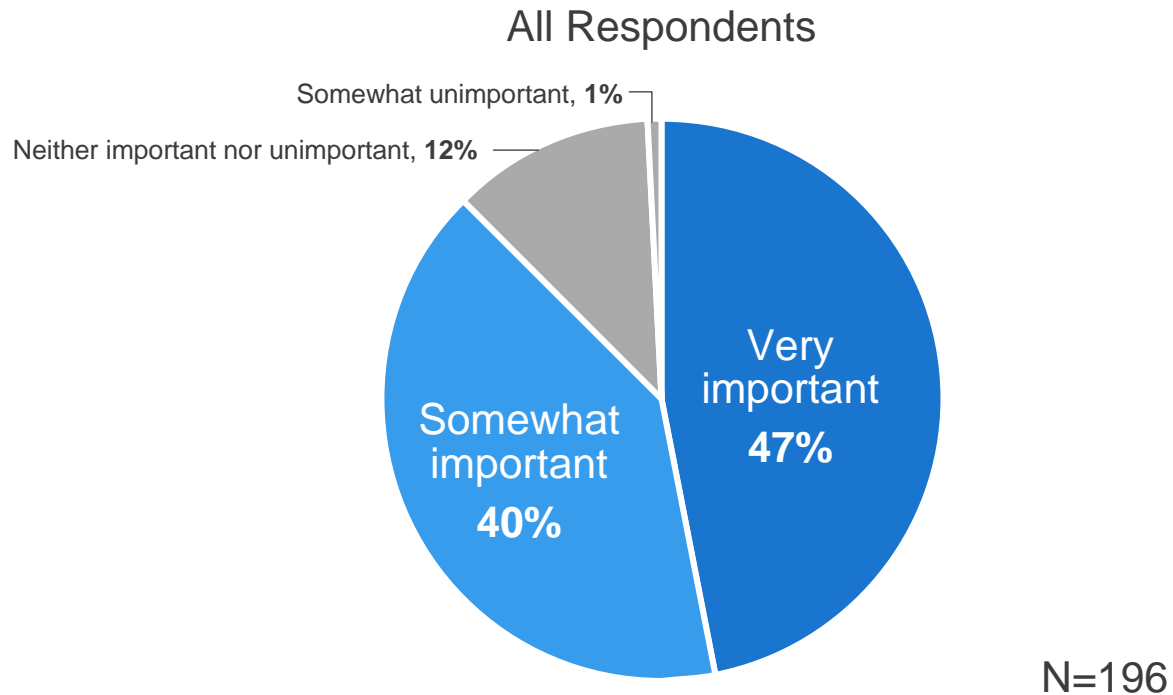
Search engines (39%) are the go-to online resource for finding Beauty products; **portal sites** are a distant second (15%)

All Respondents



Including search engines, which type of online resource is your FIRST STOP for finding Beauty products online?

87% say search engines are “**Very**” or “**Somewhat Important**” for helping them research and/or purchase beauty products



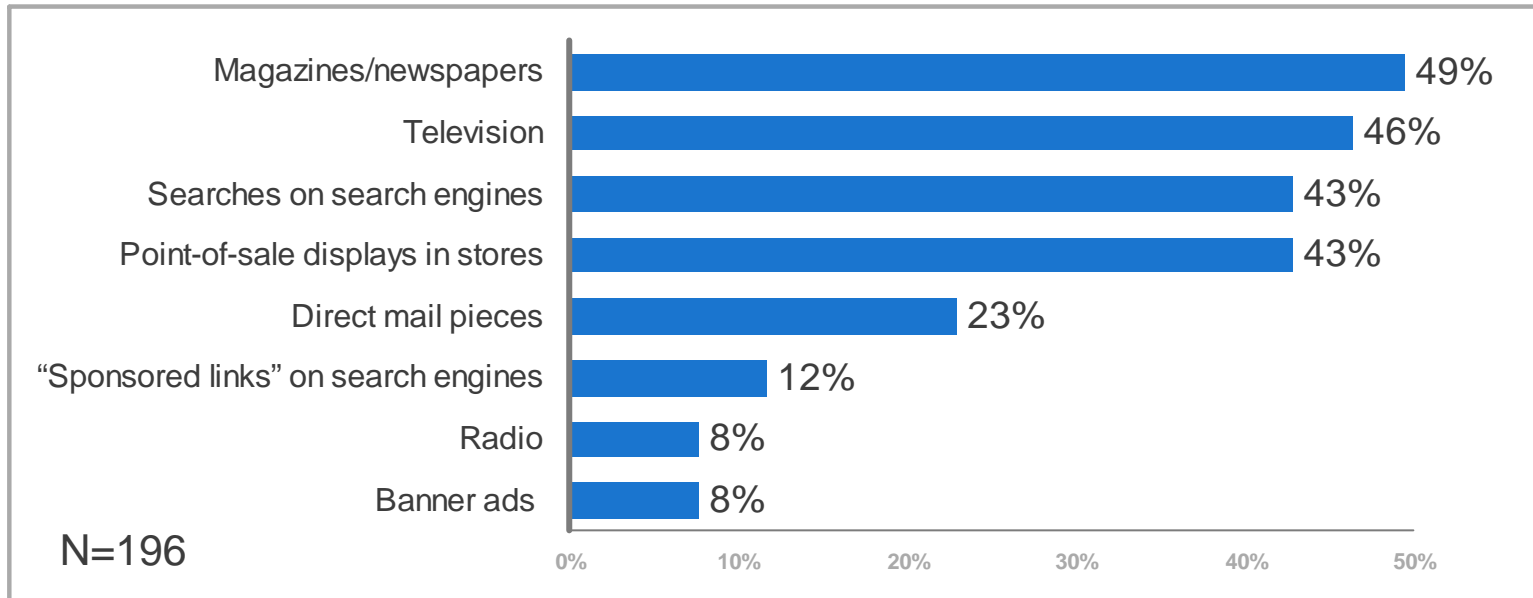
Overall, how important is using a search engine for helping you research and/or purchase Beauty products?

Influential Information Sources for Purchase



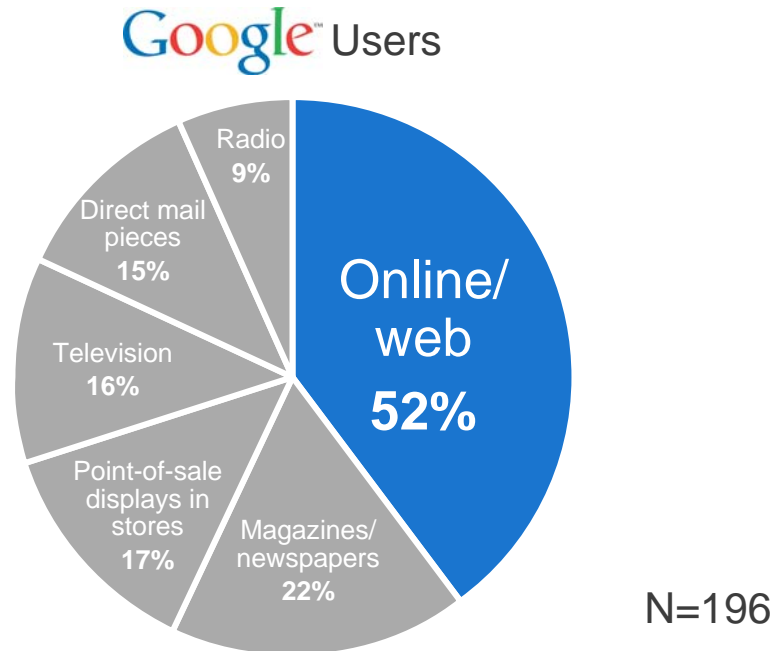
As expected, **Print** (49%) and **TV** (46%) media are most influential resources for purchase of Beauty products; **Search engines** are also highly-influential (43%)

Google™ Users



From the list below, please select the information resources that most influence the beauty products you buy. Select all that apply.

52% say they will use online/web **more** to learn about and/or purchase beauty products (Chart depicts percent saying "More")

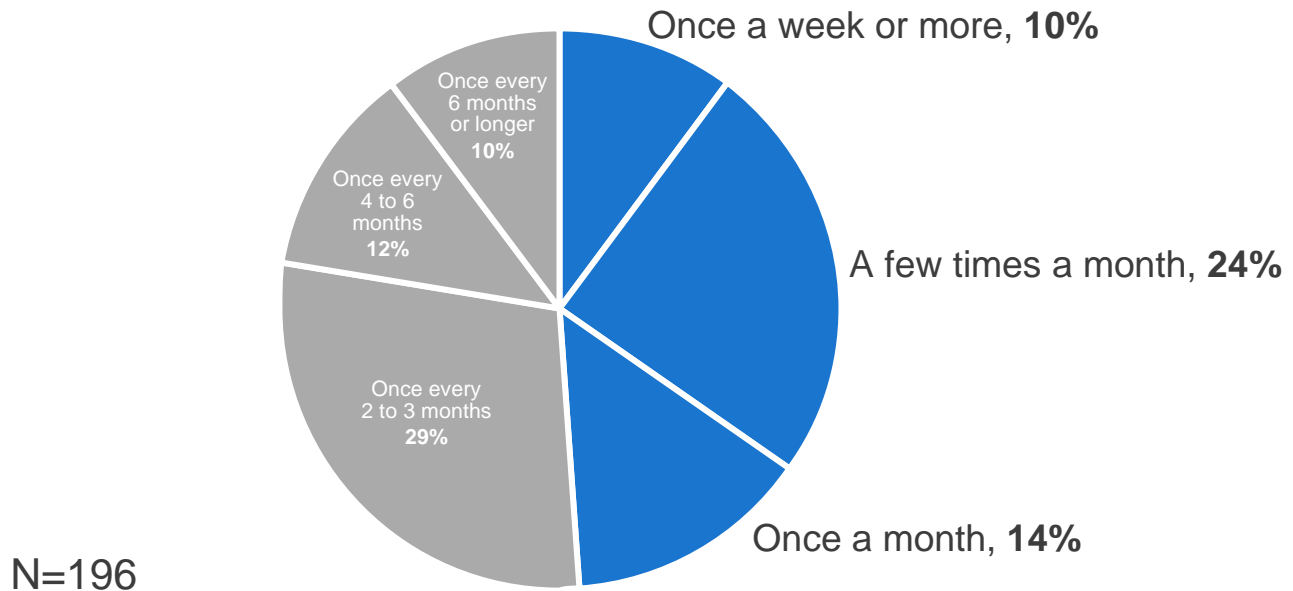


In the future, would you say you will be using each of the following information sources “More Often,” “Less Often” or “About the Same” to learn about and/or purchase Beauty products? Select one per each row.

Frequency of Research and/or Purchase

48% research and/or purchase beauty products online **regularly** – at least once a month

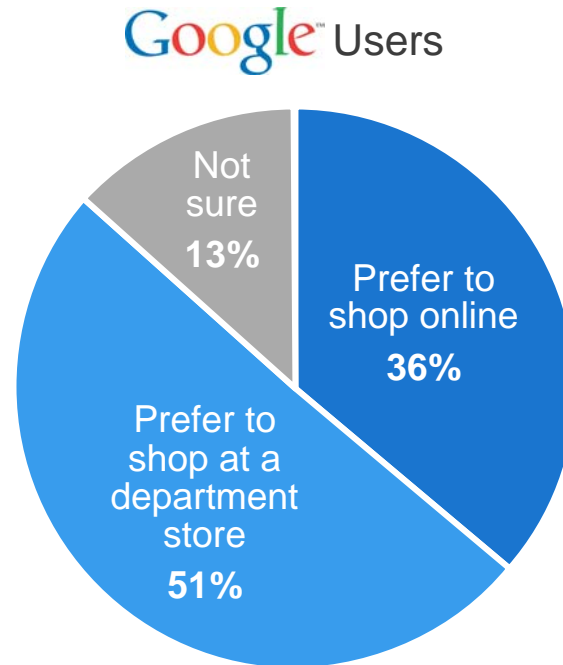
Google™ Users



How often do you research and/or purchase Beauty products online?

Preferred Shopping Method

36% prefer to shop online for beauty products, while 51% prefer to shop at a department store



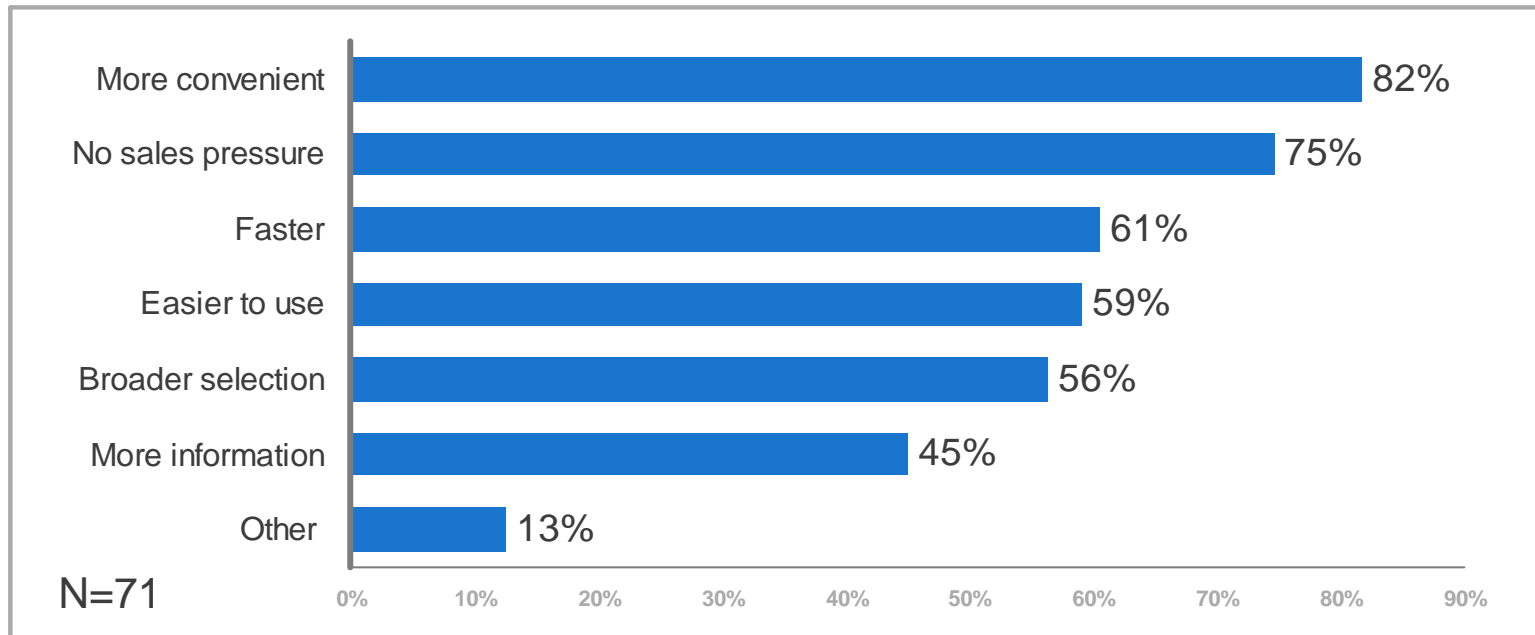
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In general, do you prefer to shop for Beauty products online or at a department store?

Reasons For Preferring Online

Users prefer shopping for Beauty products online for a variety of reasons, including: **Convenience** (82%) and **No Sales Pressure** (75%)

Google™ Users

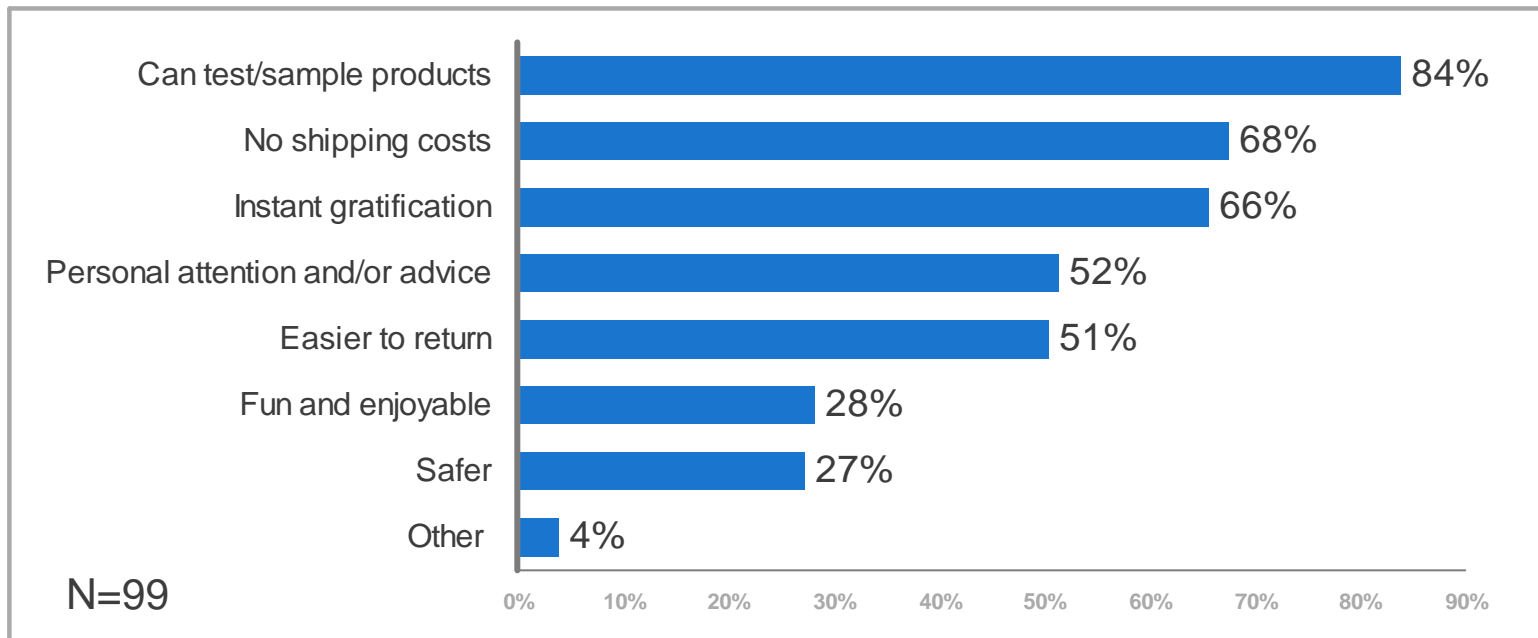


Why do you prefer shopping for Beauty products online as opposed to a department store? Select all that apply.

Reasons for Preferring Department Stores

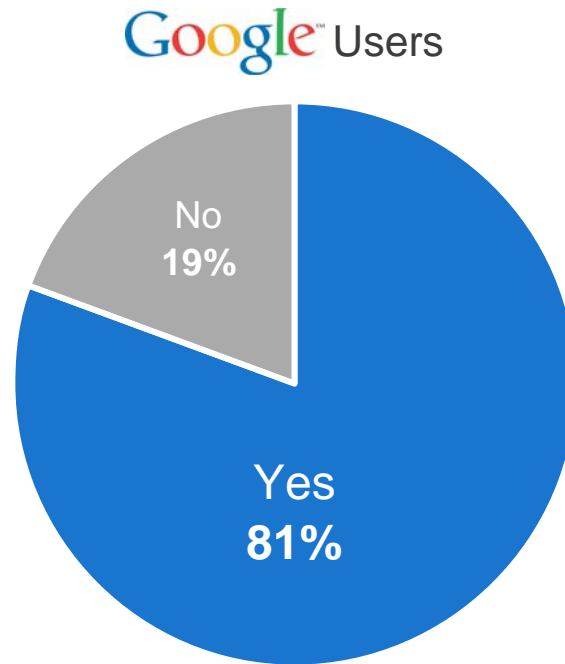
Users prefer shopping for Beauty products in a department store primarily because they can **Test / Sample products** (84%)

Google™ Users



Why do you prefer shopping for Beauty products at a department store as opposed to online? Select all that apply.

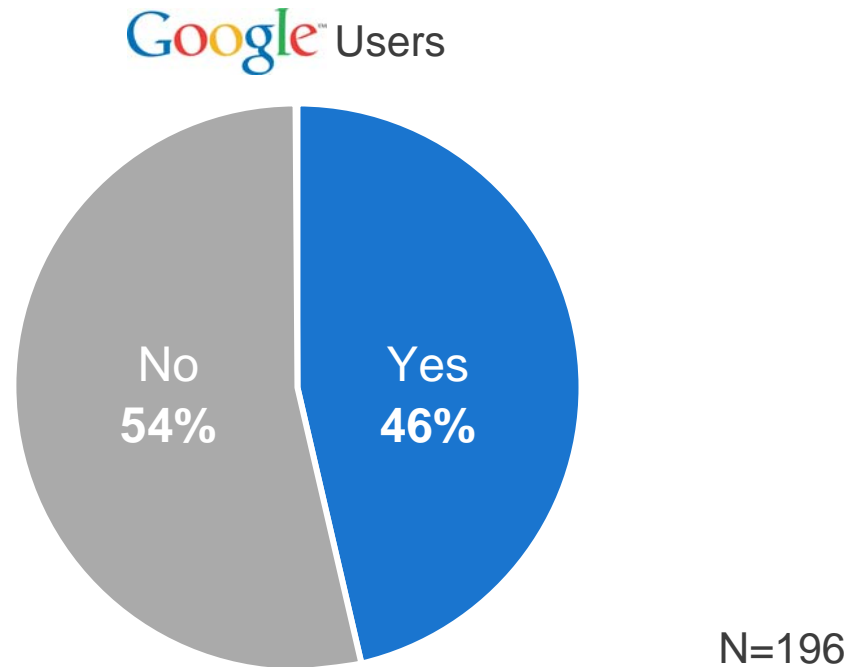
81% have purchased beauty products at a department store **after learning about them online**



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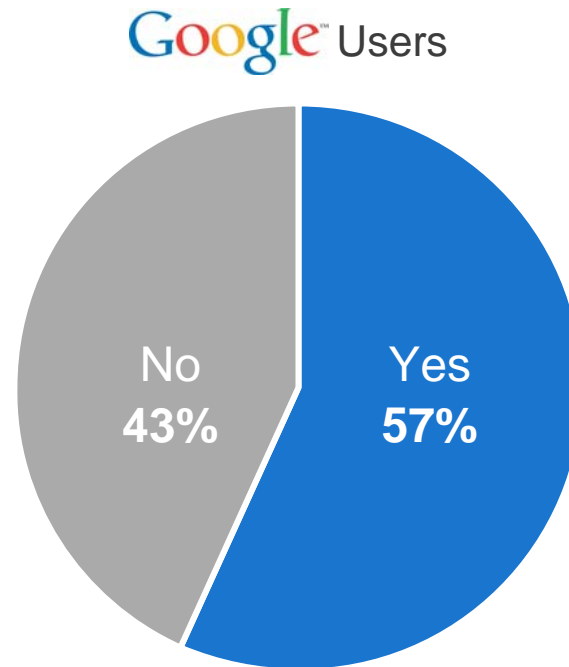
Have you ever gone online to learn about beauty products, but then made your purchase at a department store?

46% have purchased beauty products online after going to a department store to test or sample them



Have you ever gone to a department store to test or sample beauty products, but then made your purchase online?

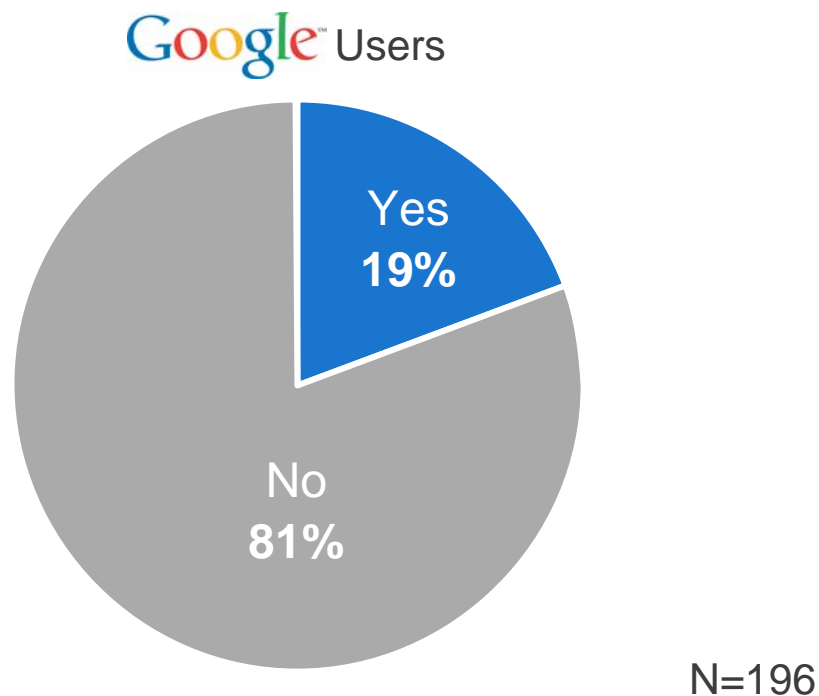
57% have **re-ordered online** in anticipating of running out of a product



N=196

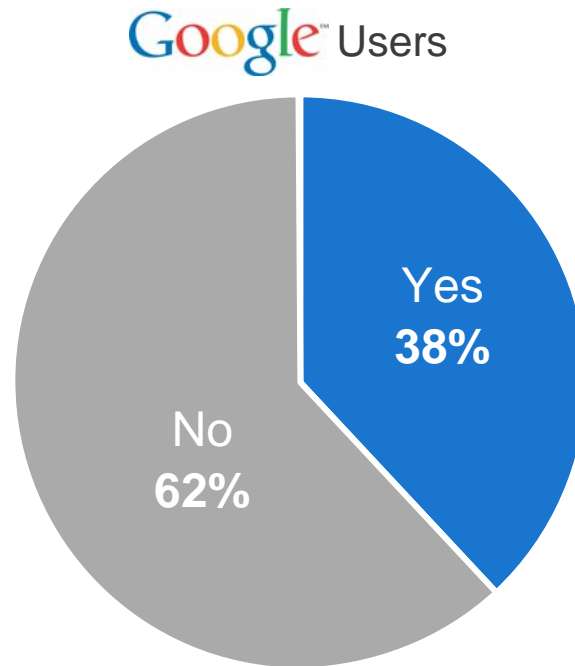
Do you ever re-order a product online when you anticipate that you are going to run out of a product in a certain time?

19% of have arranged for **automatic refills** of beauty products online



Have you ever arranged to have your products automatically refilled online after a certain period of time?

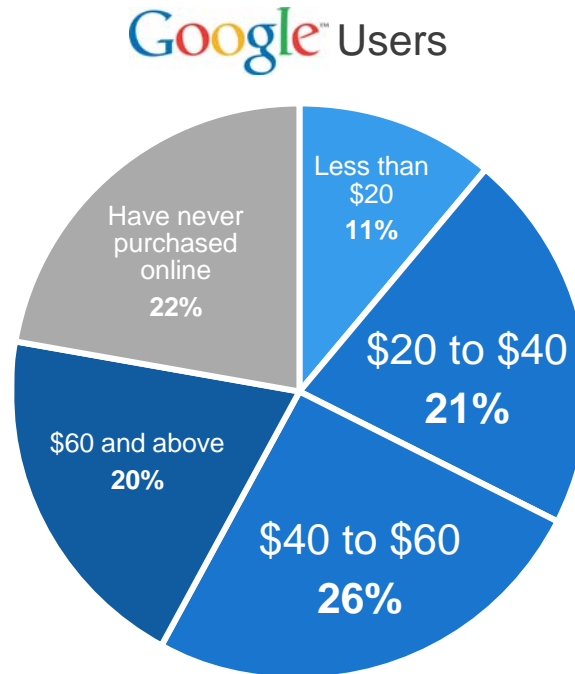
38% who have not automatically refilled a product online would consider doing so



N=158

Would you consider having your products automatically refilled if this option were available to you?

47% spend **\$20 to \$60** each time they order beauty products online



N=196

Approximately how much do you spend each time you place an order for beauty products online?

Free Shipping (47%) is the most popular incentive, followed by **Price Comparison** (29%) and **Specific Offers** (15%)



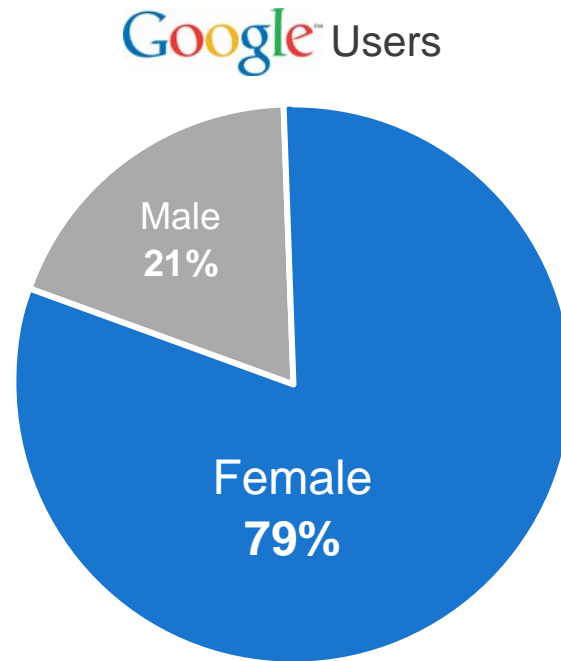
Which one of the following incentives motivates you the most to shop online?

Methodology and Demographics

We surveyed a total of 300 consumers that use the web to research and/or purchase beauty products and services

- A custom survey instrument (questionnaire) was developed to measure respondents' use of the web, and search engines in particular, for researching and purchasing beauty products and services
- The survey was conducted online, through a web-based interviewing process, in May and June 2005
- Sample consists primarily of women (80%) and represents an even mix of ages
- Respondents were recruited through a variety of methods: web advertising, permission-based databases, public relations, telephone recruitment, partner-recruited panels, and alliances with heavily trafficked portals
- The survey was designed and administered by Media-Screen, an independent strategic market research firm, with sample provided by GMI (Global Market Insight)

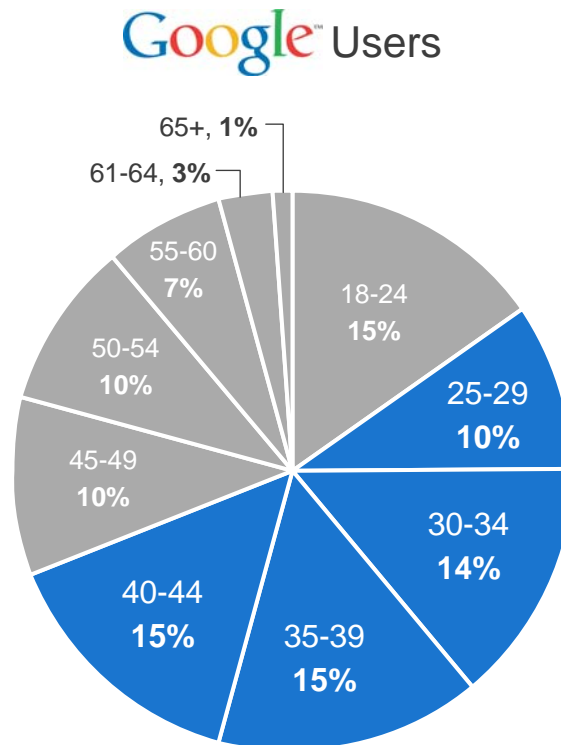
Women comprise 79% of the Google users in the sample



N=196

Please indicate your gender.

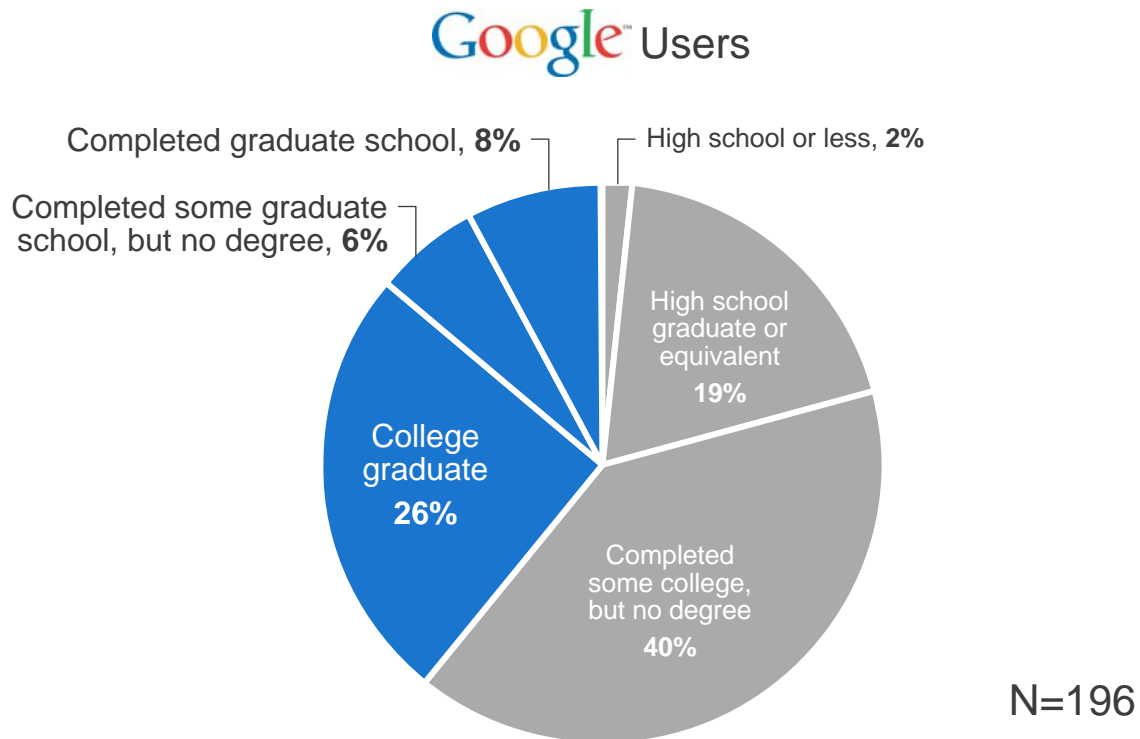
54% of Google users are between ages of 25 and 44



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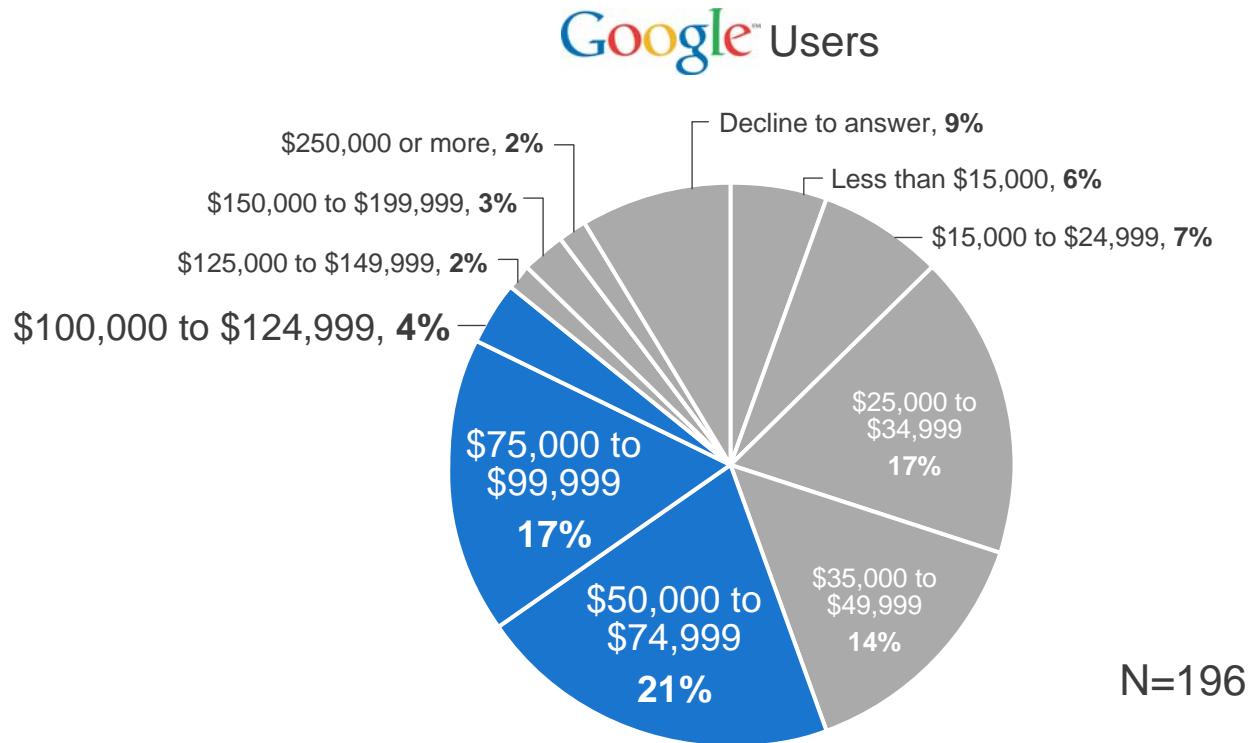
Please indicate your age.

40% of Google users in the sample have completed some college or higher



What is the highest level of education you have completed?

42% of Google users have household incomes between \$50K - \$125K



Which of the following income categories best describes your total 2004 household income before taxes?