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GTA White Paper Market Niche

The Digital World provides new media sources to reach new generations of technology oriented people. A wide spectrum of devices that use technology sources from the wire and wireless telecommunications segments are found in this area. The Internet is one that can be accessed thru different devices such as computers, laptops, cellular phones, Blackberries, I-Phones, and video games, among others.

INTERNET

Who makes up the Internet niche?

The International Telecommunications Union (ITU) reported in 2007
1,395,768,300 Internet Users Worldwide.

The Internet Society reported in June 2007
1,100,000 Internet Users in Puerto Rico (35.3% of the population).

These statistics are relevant when selecting the proper tools for implementing marketing techniques, E-Commerce, and the use of media in advertising.

Internet users are a group that must be considered by public and private organizations when choosing the widest media spectrum to offer their services and products.

THINK OF THIS: There is no doubt that the Internet is the media of choice for reaching people.

CELLULAR PHONES

The cellular phones industry has grown to surpass the land-line market.

In **2007**, ITU reported **3,352,766,600 cellular subscribers worldwide**, almost half the total world population.

The same year ITU reported **3,353,800 subscribers in Puerto Rico**, or **84.81%** of its population.

Statistical data provides the framework for reaching more people who use different state-of-the-art devices such as Blackberries and I-Phones to access the Internet.

THINK OF THIS: It is a tool for reaching people.

BEHAVIOR OF INTERNET USERS IN PUERTO RICO

According to a Sales and Marketing Executives Assoc. (SME) study in 2006

- **35%** of Internet users search for information on products and services.
- The Internet is the favorite media used to learn about promotions, offers, services, and products.
 - The average age of Internet users is 32 years.
 - 87.9% of Internet users in Puerto Rico are in the age range from 18 to 64.
 - Users in the age range from 35 to 49 report that the Internet simplifies their lives, since they use high speed Internet connections to carry out financial, shopping, and reservations transactions.

According to an Internet Society study, **21%** of Internet users buy products and services on-line.

THINK ABOUT WHAT IS GOING ON.

ELECTRONIC COMMERCE

Electronic Commerce or E-Commerce consists of various segments that decide how the electronic commerce tools will be used based on the typology or classification of the industry, and the way business is carried out.

Retail Sales

The following is the USA Census Bureau data on the **Retails Sales** market, and the **E-Commerce** participation in the market.

Adjusted retail sales for the first quarter of **2008** were **\$1,025,344** millions of which **3.3%** or **\$33,641** millions are attributed to E-Commerce.

Adjusted retail sales for the second quarter of **2008** were **\$1,033,794** millions of which **3.3%** or **\$33, 237** millions are attributed to E-Commerce.

The preliminary adjusted retail sales for the third quarter of **2008** were **\$1,018,818** millions of which **3.4%** or **\$34,356** millions are attributed to E-Commerce.

Shipments, Sales and Revenues

Below is data on the total market, and the E-Commerce participation in the market according to type of industry. The Business to Business (B2B) segment of E-Commerce is divided into manufacturing, merchandise wholesale, and MSBO (Manufacturing Sales Branch Offices).

The Census Bureau for 2005 reports a value for US **Shipments, Sales and Revenues** of **\$19,589** billions of which **\$2,400** billions are attributed E-Commerce.

Total **B2B** transactions reached **\$9,912 billions** of which **\$2,211 billions** were carried out thru **E-Commerce**.

Of the **\$9,912 billions**, the **manufacturing transactions** segment accounted for **\$4,735** billions of which **\$1,266 billions** are attributed to E-Commerce.

The **merchandise wholesale** segment accounted for **\$5,177** billions for shipments, sales, and revenues, of which **\$945** billions are attributed to E-Commerce.

Business to Consumer (B2C)

The USA Census Bureau for 2005 reports sales for the **Business to Consumer** segment of **\$9,677** billions of which **\$189** billions are attributed to E-Commerce.

Of this amount, the **Retail** segment accounted for **\$3,693** billions of which **\$93** billions are attributed to E-Commerce.

Selected services within the B2C segment accounted for **\$5,984** billions of which **\$83** billions were carried out thru **E-Commerce**.

Conclusion

In the Business to Business segment, the manufacturing industry prevails in the use of E-Commerce. In the Business to Consumer segment, selected services have greater presence in E-Commerce in the United States.

Puerto Rico

According to the Compañía de Comercio y Exportación (Trade and Export), the amount of sales in Puerto Rico reached **\$31,893,129,446** from January to November 2007. However, there is no accurate E-Commerce sales (B2B and B2C) data for Puerto Rico.

Data Sources: International Telecommunications Union (ITU)
Internet Society, Puerto Rico Chapter
SME - Puerto Rico
United States Census Bureau
Compañía de Comercio y Exportación de Puerto Rico