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**Online Shopping Could Cost Employers Over a Half Billion Dollars
in Lost Productivity This Christmas, Reports Pearl Software**
High Speed Connections and Convenience Entice Employees to Shop at Work

*'No Employer Wants to be Viewed as a Scrooge this Christmas,' Says Pearl CEO;
Companies More Inclined to Limit Rather Than Prohibit Online Shopping*

Philadelphia, PA — December 12, 2001 — Consumers aren't the only ones watching their wallets this Christmas season. According to Pearl Software, a Philadelphia based software company, online holiday shopping could cost corporate America millions of dollars in lost productivity.

"If every employee with Internet access at work spends a mere hour in online shopping during the month of December, productivity costs to U.S. businesses could surpass half a billion dollars," said David A. Fertell, CEO of Pearl Software.

Pearl Software arrived at its estimate by calculating the number of Americans who use the Web at work – 42 million, according to Nielsen/NetRatings – and multiplying it by the mean hourly wage of \$12.64 for office and administrative workers, provided by the U.S. Bureau of Labor Statistics.

"Given that office and administrative workers' hourly wage is on the lower end of all hourly wages calculated by the Bureau of Labor, a half-billion dollar productivity price tag may even be on the low side," Fertell noted.

Online shopping while at work is growing in popularity, Fertell said. According to a recent study by the Atlas Institute, weekdays are the most active online shopping days during the holidays, peaking around 1 p.m. Eastern Standard Time. The study even recommends that retailers tailor holiday ads to people in the workplace to best reach online customers.

Faced with millions of dollars in lost productivity, many companies are using software tools to help manage online shopping and other forms of employee Internet use. “Many of our clients allow employees to shop at work – it beats extended lunch hours or shopping on the sly,” says David Fertell. “In addition to using our Pearl Echo™ Internet management tool to monitor employees, many customers use the software to control how employees use the ‘Net. For example, with Pearl Echo you can set up access to shopping sites during lunchtime or after work.”

One can hardly blame companies for using Internet tools to manage employee Internet use. At a time when most companies are cutting costs due to the weakened U.S. economy, every unauthorized minute of Internet use costs a company money. In addition to the estimated millions of dollars in productivity costs, online shoppers sap valuable bandwidth that is allocated for company use.

Internet shopping, however, offers a huge convenience to stressed-out employees during the holiday season. And for the 49% of all Americans who still don’t own a computer at home, work is their main option for online shopping. Many companies allow employees to use the Web for personal use such as shopping or email; however, they want some control over how much time is being spent and where their employees go online.

“Most employers are trying to keep employee morale up during this period of economic uncertainty. They don’t want to be viewed as a ‘Scrooge’, they simply want some control over employees’ use of a corporate resource,” says Fertell. “Pearl Echo offers employers a software tool to help enforce guidelines on how and when employees shop.”

Pearl Software strongly urges companies that purchase Pearl Echo to put an Acceptable Use Policy (AUP) in place, outlining to employees which non-work-related Internet activities are permissible during work hours. “Just as a company adopts a policy on dress code and behavior, companies need guidelines for acceptable Internet use,” said Fertell.

David Fertell and Joe Field founded Pearl Software Inc. in 1996. The company provides network-enabled products to the growing Internet user community. Pearl Software’s key, patent-pending products include Pearl Echo and Cyber Snoop™ Desktop, which allows parents and educators to monitor children’s online activity. The company also offers browser control software, TakeMeHome™, and is commercializing an emergency chat response system, Chat911™. More information about Pearl Software is available at www.pearlsw.com

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