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Half of all Employees With Internet Access Shop for Holiday Gifts From Their Desktops, Reports Pearl Software

Pearl Predicts Shorter Shopping Season May Lure Even More Employees Online

Pearl Software Issues Second Annual "Scrooge Report"

Philadelphia, PA — December 5, 2002 — The nation's workers are busy as elves this holiday season but they're accomplishing much more than work at their desks. According to Pearl Software, a Philadelphia-based software company, half of all employees with online access plan to do holiday shopping from their company computer this year. Over one third of those who admit to shopping online said they would spend nearly half a day to two days per week online, searching for that perfect gift.

Ho, ho, hold it—between Thanksgiving and Christmas, that's a total of two to eight days of lost productivity per employee, from the group of surveyed employees who plan to do the most cyber-shopping. "Factor in the urgency of a shorter shopping season—six days less than last year's Thanksgiving-Christmas span—and rest assured that during the holiday season, U.S. businesses will see billions of dollars lost in productivity as shoppers hit the 'Net," said David A. Fertell, CEO of Pearl Software. This marks the second year Pearl has issued its annual "Scrooge Report," measuring lost productivity by employees who shop online at work during the holidays.

Last month, Pearl commissioned Harris Interactive® to conduct an online poll among employed workers with Internet access. More than 2,000 respondents nationwide were surveyed.

Nearly one quarter of employees with online access at work said their company has a formal policy that does not allow personal Internet use. Yet, one third of these employees volunteered that they will knowingly violate their company's Internet use policy prohibiting shopping at work. Another 20 percent of online employees had no idea if their company has a policy or not.

"This is a huge wake-up call for companies to communicate what is and is not acceptable and to verify adherence to policies," said Fertell. "Most employees are not allowed to spend hours

at the mall on company time. The same is true for Web shopping and it is a company's responsibility to explain these policies to employees."

Online shopping while at work is growing in popularity. According to Internet measurement firm, ComScore Networks Inc., 59 percent of the $45 billion in U.S. Web purchases last year occurred in the workplace, compared with 37 percent from home and 4 percent from schools.

"Companies need a better way to gauge who's being naughty and who's being nice," said Fertell. "Online shopping makes sense for busy, overworked employees. However, companies need to watch out for workers who abuse Internet privileges and sap network bandwidth."

Although lost productivity due to online holiday shopping concerns employers at this time of year, Fertell noted that year-round activities, like personal e-mail and Internet surfing, continue to rob companies of employee productivity.

Many companies are using software tools to help manage online shopping and other forms of employee Internet misuse. Pearl Echo®, Pearl Software's Internet management tool, allows companies to set up access to shopping sites during lunchtime or after work and to verify all forms of Internet communication are being used as intended.

Pearl Software strongly urges companies that purchase Pearl Echo to put an Acceptable Use Policy 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.

About Pearl Software

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

Methodology

Harris Interactive® (www.harrisinteractive.com) is a worldwide market research and consulting firm best known for *The Harris Poll*®, and for pioneering the Internet method to conduct scientifically accurate market research. Harris Interactive conducted the online survey between November 19 and November 21, 2002 among 2,123 U.S. adults (aged 18+), of whom 1,464 were employed, and 1,325 of whom were employed and had online access at work. The sample was drawn from the Harris Interactive panel of online respondents and the data were weighted to be representative of the total U.S. online population with regard to age, sex, education, region, income and online shopping behavior.

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