Notable e-Commerce-related Statistics

Online Retail Sales Growth

Online retail sales have grown every year since 2000. In the past four years, online retail sales have gained $28.3 billion. From 2000 to 2007, online retail sales grew an average of 20% each year.

Source: U.S. Department of Commerce

From: http://www.internetretailer.com/trends/sales/
Notable e-Commerce-related Statistics

E-commerce Percentage Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>% Growth</th>
<th>Year</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>24.64%</td>
<td>2006</td>
<td>21.70%</td>
</tr>
<tr>
<td>2002</td>
<td>30.38%</td>
<td>2007</td>
<td>18.43%</td>
</tr>
<tr>
<td>2003</td>
<td>26.33%</td>
<td>2008</td>
<td>4.90%</td>
</tr>
<tr>
<td>2004</td>
<td>25.38%</td>
<td>2009</td>
<td>1.88%</td>
</tr>
<tr>
<td>2005</td>
<td>23.58%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Internet Retailer, U.S. Department of Commerce

From: http://www.internetretailer.com/trends/sales/

Notable e-Commerce-related Statistics

First Half Retail E-Commerce Spending, 2007-2010

In the first half of this year, consumers spent $66.9 billion online, a 9.4% jump over the first half of 2009.

Source: comScore Inc.

From: http://www.internetretailer.com/trends/sales/
Notable e-Commerce-related Statistics

Global e-commerce sales are growing at more than 19% a year

Worldwide retail web sales will reach nearly $1 trillion by 2013, predicts Goldman Sachs. E-commerce is growing at 19.4%, the investment bank says.

Source: Goldman Sachs, Sales in billions of dollars.

From: http://www.internetretailer.com/trends/sales/

Notable e-Commerce-related Statistics

Global e-commerce sales by region (2010)

Online commerce is growing by 27.5% a year in Asia, a region that will overtake Europe by 2012 as the e-commerce leader, predicts Goldman Sachs. Global e-commerce growth is 19.4% per year and worldwide e-commerce totaled $572.5 billion in 2010.

Source: Goldman Sachs

From: http://www.internetretailer.com/trends/sales/
### Notable e-Commerce-related Statistics

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Korea</td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>63%</td>
<td></td>
</tr>
</tbody>
</table>

The percentage of online consumers who made a web purchase in 2009. Asian consumers make the most web purchases - South Korean consumers top the list.

Source: Forrester Research Inc.

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### Notable e-Commerce-related Statistics

<table>
<thead>
<tr>
<th>Region</th>
<th>2009 (in millions)</th>
<th>2014 (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>259</td>
<td>292</td>
</tr>
<tr>
<td>Europe</td>
<td>415</td>
<td>500</td>
</tr>
<tr>
<td>Asia/Asia Pacific/Oceania</td>
<td>645</td>
<td>1,033</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>178</td>
<td>255</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>135</td>
<td>241</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,632</strong></td>
<td><strong>2,321</strong></td>
</tr>
</tbody>
</table>

The global online population will be 2.32 billion in 2014. Global online population by region, 2009 and 2014 (in millions).

Source: Forrester Research Inc.
Notable e-Commerce-related Statistics

| Total US | 60% |
| Ages 18-30 | 54% |
| Ages 31-44 | 68% |
| Ages 45-54 | 64% |
| Ages 55-65 | 60% |
| 66 and older | 48% |

Online Shopping by Age Group

60% of consumers shop online at least quarterly, including 68% of those ages 31-44. But the biggest spenders are those 45-54, spending on average $647 online every three months.

Source: Forrester Research Inc., 2010 data

Notable e-Commerce-related Statistics

| Thanksgiving Day | 318,407 | Change | 28% |
| Black Friday | 595,648 | 9% |
| Saturday/Sunday | 805,886 | 10% |
| Cyber Monday | 887,1028 | 16% |

E-retail sales were up nearly 14% for the five-day Thanksgiving sales period.

Cyber Monday nets the most sales, but e-retailers see the most year-over-year growth on Thanksgiving Day.

Source: comScore Inc.
### Notable e-Commerce-related Statistics

<table>
<thead>
<tr>
<th>State</th>
<th>$ US Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top 3 States</strong></td>
<td></td>
</tr>
<tr>
<td>1. North Dakota</td>
<td>$7,975</td>
</tr>
<tr>
<td>2. Alaska</td>
<td>$5,814</td>
</tr>
<tr>
<td>3. Connecticut</td>
<td>$5,054</td>
</tr>
<tr>
<td><strong>Bottom 3 States</strong></td>
<td></td>
</tr>
<tr>
<td>48. Rhode Island</td>
<td>$1,408</td>
</tr>
<tr>
<td>49. South Dakota</td>
<td>$1,034</td>
</tr>
<tr>
<td>50. Maine</td>
<td>$887</td>
</tr>
</tbody>
</table>

### Big Online Spenders

North Dakota led the way in per capita online retail and travel spending in 2009 among consumers who use the Billeo online shopping service, at $7,975 per person. The average spend nationally was around $2,500 for the year.

Source: Billeo

---

### Internet Market Saturation

Percentage (%) of households that access the internet from any location in the United States.

<table>
<thead>
<tr>
<th>Year</th>
<th>Saturation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>55%</td>
</tr>
<tr>
<td>2008</td>
<td>82%</td>
</tr>
<tr>
<td>2009</td>
<td>85%</td>
</tr>
<tr>
<td>2010</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: Edison Research, May 2010

---

**Notable e-Commerce-related Statistics**

**The Spread of Broadband**

Percentage of Internet households with broadband access in the United States.

Source: Edison Research, May 2010


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**Notable e-Commerce-related Statistics**

**Figure 1: Percent of Households with Computers and Internet Connections, Selected Years, 1997-2009**


(Credit: NTIA)

Notable e-Commerce-related Statistics

**Broadband Users by Income**

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $30k/year</td>
<td>42%</td>
</tr>
<tr>
<td>$30,000-$49,999</td>
<td>62%</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>73%</td>
</tr>
<tr>
<td>$75,000 and up</td>
<td>83%</td>
</tr>
</tbody>
</table>

Of all U.S. adults, 80% had broadband Internet access at home in late 2009, according to the Pew Internet & American Life Project. While that was not statistically a significant decline from 63% in the same survey in April 2009, it could be a sign that the economic downturn forced some consumers to give up their high-speed web access.

Source: Pew Internet & American Life Project
November/December 2009

From: http://www.internetretailer.com/trends/sales/

---

Notable e-Commerce-related Statistics

**Internet Users by Income**

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $30k/year</td>
<td>60%</td>
</tr>
<tr>
<td>$30,000-$49,999</td>
<td>76%</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>83%</td>
</tr>
<tr>
<td>$75,000 and up</td>
<td>96%</td>
</tr>
</tbody>
</table>

Of all U.S. adults, 74% use the Internet, according to a late 2009 survey by the Pew Internet & American Life Project. Among those ages 18-29, 93% use the web, compared with 81% of those 30-49, 70% of those 50-64 and 38% of adults 65 and older.

Source: Pew Internet & American Life Project
November/December 2009

From: http://www.internetretailer.com/trends/sales/
Notable e-Commerce-related Statistics

19% of consumer electronics and computer shoppers start their shopping process at a retail web site
- Visited retail web site: 19%
- Searched using a search engine: 18%
- Visited manufacturer web sites: 13%
- Visited physical retail stores: 10%
- Read magazines/newspapers in print articles: 10%

Where consumers begin their shopping process

The web accounts for three of the top five most common places where consumer electronics and computer shoppers begin their shopping?

Source: Study by comScore Inc. Sponsored by iProspect, Searchandise Commerce.

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Notable e-Commerce-related Statistics

Percentage of U.S. online adults who participate in these activities
- Read customer ratings and reviews: 25%
- Sing up for free products or coupons: 25%
- Buy things in online auctions: 18%
- Sell things in online auctions: 7%
- Use comparison shopping sites: 11%
- Post ratings and reviews: 6%

Retail-Related Online Activities

Consumers ages 31-44 are most likely to read online ratings and reviews at 31% and to sign up for samples or coupons, 28%. They are also most likely to buy at online auctions (23%) and sell through web auctions (10%).

Source: Forrester Research Inc., 2010 data

From: http://www.internetretailer.com/trends/sales/
Notable e-Commerce-related Statistics

Top three customer service features for online shoppers
A Limelight survey illuminates what customer service features are most important to online shoppers.

Source: Limelight Networks survey of 1,6000 consumers

From: http://www.internetretailer.com/trends/sales/

Notable e-Commerce-related Statistics

Leading e-retail sites for gift buyers
Shoppers increasingly turn to Amazon to satisfy their holiday gift buying needs. Amazon is the No. 1 e-retailer and also netted the largest percent increase among shoppers in December 2010, according to Kantar Retail, a market research firm.

<table>
<thead>
<tr>
<th>Rank</th>
<th>E-Retailer</th>
<th>2010</th>
<th>2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Amazon</td>
<td>63.7%</td>
<td>55.1%</td>
<td>8.6%</td>
</tr>
<tr>
<td>2</td>
<td>Walmart</td>
<td>33.4%</td>
<td>32.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>3</td>
<td>Other</td>
<td>28.3%</td>
<td>30.4%</td>
<td>-2.1%</td>
</tr>
<tr>
<td>4</td>
<td>Target</td>
<td>26.3%</td>
<td>26.8%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>5</td>
<td>eBay</td>
<td>24.0%</td>
<td>25.3%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>6</td>
<td>Best Buy</td>
<td>19.6%</td>
<td>20.4%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>7</td>
<td>Toys 'R' Us</td>
<td>19.2%</td>
<td>18.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>8</td>
<td>JC Penney</td>
<td>18.7%</td>
<td>16.5%</td>
<td>2.3%</td>
</tr>
<tr>
<td>9</td>
<td>Kohl's</td>
<td>18.6%</td>
<td>15.3%</td>
<td>3.2%</td>
</tr>
<tr>
<td>10</td>
<td>Overstock</td>
<td>17.2%</td>
<td>18.4%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rank</th>
<th>E-Retailer</th>
<th>2010</th>
<th>2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Sears</td>
<td>12.8%</td>
<td>12.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>12</td>
<td>Macy's</td>
<td>12.2%</td>
<td>10.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>13</td>
<td>Kmart</td>
<td>10.5%</td>
<td>11.5%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>14</td>
<td>QVC</td>
<td>6.7%</td>
<td>7.6%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>15</td>
<td>Apple</td>
<td>6.1%</td>
<td>5.7%</td>
<td>0.4%</td>
</tr>
<tr>
<td>16</td>
<td>Costco</td>
<td>5.8%</td>
<td>6.0%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>17</td>
<td>Lowes</td>
<td>5.3%</td>
<td>5.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>18</td>
<td>Home Depot</td>
<td>5.3%</td>
<td>5.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>19</td>
<td>Sam's Club</td>
<td>4.6%</td>
<td>6.6%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>20</td>
<td>Zappos</td>
<td>4.4%</td>
<td>3.8%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

From: http://www.internetretailer.com/trends/sales/
### Notable e-Commerce-related Statistics

**Top 5 Web Only Merchants Ranked: Year-over-year Percentage Growth**

<table>
<thead>
<tr>
<th>Merchant</th>
<th>Top 500 Rank</th>
<th>Year-over-year Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon.com Inc.</td>
<td>1</td>
<td>27.86%</td>
</tr>
<tr>
<td>Newegg Inc.</td>
<td>12</td>
<td>9.52%</td>
</tr>
<tr>
<td>Netflix Inc.</td>
<td>14</td>
<td>22.39%</td>
</tr>
<tr>
<td>Amway Global</td>
<td>27</td>
<td>-2.00% *</td>
</tr>
<tr>
<td>Overstock.com Inc.</td>
<td>8</td>
<td>5.65% *</td>
</tr>
</tbody>
</table>

*Source: Internet RetailerTop 500 Guide, 2010 Edition*

---

**Top 5 Ranked Consumer Brand Manufacturer Merchants: Year-over-year Percentage**

<table>
<thead>
<tr>
<th>Merchant</th>
<th>Top 500 Rank</th>
<th>Year-over-year Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dell Inc.</td>
<td>3</td>
<td>-6.21% *</td>
</tr>
<tr>
<td>Apple Inc.</td>
<td>4</td>
<td>16.69% *</td>
</tr>
<tr>
<td>SonyStyle.com</td>
<td>13</td>
<td>2.87% *</td>
</tr>
<tr>
<td>HP Home &amp; Home Office Store</td>
<td>17</td>
<td>-1.00% *</td>
</tr>
<tr>
<td>Symantec Corp</td>
<td>33</td>
<td>0.62% *</td>
</tr>
</tbody>
</table>

*Source: Internet RetailerTop 500 Guide, 2010 Edition*

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Notable e-Commerce-related Statistics

Amazon vs Walmart

Walmart.com: No challenge to Amazon online.

Source: Internet Retailer Top 500 Guide
*Compounded Annual Growth Rate

From: http://www.internetretailer.com/trends/sales/

Notable e-Commerce-related Statistics

Mobile Commerce Sales (2008-2010)

2010 $3.4 billion
2009 $1.4 billion
2008 $396.4 million

M-commerce has experienced phenomenal growth from 2008 to 2010. Mobile commerce sales grew 253% from 2008 to 2009 and 143% from 2009 to 2010. Rapid adoption of smartphones is one of the primary drivers of increased mobile shopping.

Source: ABI Research

From: http://www.internetretailer.com/trends/sales/
What product categories well on the Internet?

Apparel and accessories  
Books, CDs, DVDs  
Cars  
Computers and electronics  
Flowers and gifts  
Food and drug  
Health and beauty

Housewares/home furnishings  
Jewelry  
Office supplies  
Sporting goods  
Toys and hobbies  
Travel

Ideal online products

Recognized, quality brand name
Backed by guarantee provided by reliable, well-known company (reduces consumer risk)
Easy to display, describe, depict online
Relatively inexpensive
Commonly or frequently purchased
Standardized commodity type products (standard specifications, usage)
Products not needing close examination even in traditional store
Transitioning to online sales

4 common backgrounds to e-Commerce companies

- Pure-play online retailers
- Click-and-mortar retailers
- Mail order retailers that move online
  - Experience with marketing directly to consumers
  - Experience in logistics of order fulfillment
- Manufacturers that begin selling online
  - Able to forge direct contact with customers
Established online industries

Nature of some industries made them particularly suitable to embrace e-Commerce.

- Travel
- Real Estate
- Banking and investing

Online Travel Industry

Online travel: probably the most successful e-commerce industry implementation

Major players: Expedia, Travelocity, Priceline, Orbitz

Typical services:
- Providing general travel information
- Promoting fare comparisons
- Reserving and purchasing tickets, accommodations, entertainment, etc.
- Providing travel tips and expertise
- Publishing electronic travel magazines or newsletters

Growing:
- Wireless/mobile services
Online Travel Companies

How do they make money?
- Direct revenue—commissions from sales
- Revenue from advertising
- Consultancy fees from other industry participants
- Subscription or membership fees (typically for corporate travel offices, etc.)

How to be unique?
- Interface differences and tools
- Industry experts with opinions, information
- Bulletin boards and forums to promote user involvement
- Frequent-traveler deals or packages

Online Travel Industry

Benefits for consumers
- Access to timely free information from anywhere
- Substantial discounts
- More direct understanding of options. More control.

Benefits for industry players
- Airlines, hotels, cruise lines—higher participation. Selling otherwise-empty spaces
- Direct selling reduces commission and processing needed

Limitations
- May be difficult for inexperienced Internet users
- Complex trips require specialized knowledge
Online Real Estate Industry

WWW has made it much easier to find, buy, and sell a home.

View properties online, saving time for buyer and broker
Search by specific criteria and preview exterior and interior design
Sell/buy home without employing a broker

Online real estate financing

Shop for best loan rates online
Apply for and receive approval for financing online
Real-estate lending portals: LendingTree, eLoan, etc

Online Banking and Investing

Banking

Virtual banks

Investing

Boom in 1990s with “day trading”
Process buy and sell stock transactions from a home PC.
Online Discount Brokers—provide information and transactional support for private investors, but no personal expert advice.
Online grocery sales?

Biggest problem: delivery logistics.

Grocery industry operates on a thin margin, cutting costs difficult.

Primary advantage: convenience.

Amazon began to sell non-perishable groceries online summer of 2006.

Track record of many failures (Webvan lost over $1 billion) makes potential investors wary.
Why not go online?

Top reasons retailers give for not going online:
- Product is not appropriate for Web sales
- Lack of significant opportunity
- High cost
- Technological immaturity
- Online sales conflict with core business

Keys to success

Don’t ignore **profitability**—what is the revenue and profit plan?
Manage **new risk** exposure—what risks will this venture expose us to?
Watch the cost of **branding**—how can we build our name without breaking our budget?
Do not start with insufficient **funds**—do we have enough funds to see our plans to completion?
The **Web site** must be effective—is our Web presence functional and usable for guests? Secure?
Keep it **interesting**—what is our plan for building loyalty and repeat customer visits?