

Solid Ecommerce Spending Recovery Suggests Strong Holiday Season

Contributed by eMarketer
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Ecommerce continues on steady growth trajectory

As retailers gear up for the holiday shopping season, many hope that the recent stock market turbulence will not prevent the strong end-of-year performance of years past.

Retailers have come to count on the sales spike that traditionally occurs during Q4. The US Department of Commerce found that in 2010 retail ecommerce sales jumped from \$39.2 billion to \$53.2 billion between the third and fourth quarters.

The findings released in August by the DOC show that retail ecommerce sales are on track. Preliminary sales for Q2 2011 were the highest of all preceding second quarters. And, importantly for online retailers, ecommerce's share of total retail sales, while still small, is steadily increasing.

comScore also cited positive change for Q2 2011 compared to the same period last year. Sales were up by \$5 billion, the number of online buyers increased 16% and online buyer penetration among internet users increased 9 percentage points to 70%.

The 2% decrease in dollars spent per buyer could be attributed to the increase in number of overall online buyers, particularly those from lower income segments.

In addition, comScore found that the income segment with the largest increase in online spending from Q1 2011 to Q2 2011 was households making less than \$50,000 per year.

They experienced 28% growth, a significant jump compared to the 8% change among earners of \$50,000 to \$99,000 and the 12% increase for those making \$100,000 or more.

A larger pool of shoppers willing to spend bodes well for the holiday shopping season even if a summer check on consumer sentiment showed uncertainty.

Internet users surveyed in July by BIGresearch about planned holiday spending compared to last year were nearly evenly split among spending the same or more (30.6%), spending less (32.4%) and reporting that it was too early to know (30.7%).

Meanwhile, the decision to shop only if there is a sale is at its highest point since July 2008. According to comScore 48% of internet users cite this as a money-saving measure. Retailers will have the next few months to woo deal-minded shoppers with holiday bargains.

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