

Out takes

US online Update 2008

Source: Shop.Org

Future trend

US online spend is expected to rise by 50% in the next 5 years. Revenues are expected to exceed \$300 billion.

This figure excludes online travel spending.

2007 growth

Online growth in 2007 was 17%.

Total online revenue (excluding travel) was \$175 billion. This represented 6% of total US retail sales.

2008 Projection

Even with the economic downturn 2008 online sales (excluding travel) is projected to rise by 16% to about \$204 billion. This will represent close to 7% of total US retail sales.

Sectors

In 2007 clothing was the most valuable category with \$22.7 billion in sales. This was just under 13% of total online sales for 2007. Computer related sales were \$20.7 Billion or just under 12% of online sales.

Advertising

The average US online retailer spends \$300,000 per annum on customer e-mails.

They spend an average of \$1.9 million on search per year.

Customer Contact

The average retailer manages over 32,000 search terms related to their offers.

They send an average of 77 e-mails to customers per year.

Revenue from search

The average cost per order gained via search was \$8.6.

The average basket size was \$110

Revenue from E-mail

The average cost per order gained via e-mail was \$6.5.

The average basket size was \$120.

Search V E-mail

E-mail was 21% less expensive per new order than search.

Orders gained via E-mail marketing were 9% higher than those gained via search.

Future marketing

Retailers are expected to continue to concentrate on E-mail and search as their primary means of projection. Social and mobile marketing will increasingly be tested.

Customer Types

Two types of customers are emerging:

1. Those looking to save money
2. Those looking for choice and convenience.

Conclusion

The US e-commerce market is the most mature in the world but it will continue to enjoy robust, if slightly slower growth rates in 2008 and beyond.