eCommerce in Review: 2013

Omnichannel commerce is constantly evolving. At times, it can be challenging to keep abreast of new trends and the rapid pace of change in the marketplace. To help meet this challenge, ShopVisible has created the Influence & Impact Report, which provides real-world insights into all aspects of eCommerce today. The ShopVisible eCommerce platform powers both B2C and B2B enterprise sites across a broad spectrum of industries, allowing for direct insight into trends in the marketplace.

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KPIs
Key Performance Indicators
eCommerce continues to grow in popularity each year as consumers become increasingly comfortable with buying online and retailers continually innovate to make the shopping experience both convenient and seamless. Online retailers continue to use traditional advertising (online and offline) to drive traffic to their sites, but recent updates in the search engine landscape make it clear that having sites that are well-optimized and regularly updated with fresh content are going to continue seeing the most gains in natural search listings.

In 2013, retailers drove an 8% increase in visits over the previous year. The largest gains were seen in Q1 and Q2, while Q3 and Q4 remained relatively flat vs. 2012. As expected, traffic in Q4 (Oct-Dec) was the highest, while Q3 (Jul-Sep) ended up being the slowest period of the year.
New vs. Repeat VISITS

While the goal of most marketers is to drive repeat business, the reality of online shopping is that consumers have a world of choices at their fingertips. Brand loyalty is a high priority for most retailers, especially with the popularity of Amazon as well as the increase in the number of sites that offer free standard shipping all the time.

For the second straight year, ShopVisible’s data shows that, on average, just 35% of retail site visitors have been to that site before. Seasonality does not play a large role; while repeat visits increase during the holiday shopping season, it’s not by much.
Orders & **REVENUE**

While it is common knowledge that Q4 is a critical time for retailers, both online and off, ShopVisible’s eCommerce data clearly illustrates just how important the holidays are for online businesses. On average, **over half of all orders are placed in the fourth quarter**, most of those coming in November and December.

![Order Volume by Quarter](source: ShopVisible)

**In 2013, ShopVisible clients saw higher revenue overall than 2012.** The period between Thanksgiving and Christmas had 6 fewer days in 2013, meaning retailers had to run aggressive promotions in December (for more detail on how well retailers did during the holidays, see page 15).

![Monthly Revenue Trend](source: ShopVisible)
Conversion & AOV

If there’s one KPI besides revenue that eCommerce VP’s, Directors and Managers follow extremely closely, it is site conversion rate (number of orders / number of visits). Conversion can illustrate whether new sources of traffic are able to be justified, as well as the effectiveness of site merchandising and usability. Conversion also varies greatly by industry – the conversion rate on a site selling $10 DVDs will be much different than a site selling beds for over $1,000. Average Order Value can show the effectiveness of pricing strategies and upsells/cross-sells, and also varies by industry.

2.3%  $137

Avg. Conversion Rate  Average Order Value (AOV)

Both of these metrics predictably fluctuate by season. During the 2013 holiday shopping season, average conversion more than doubled as visitors arrived with an increased intent to make a purchase, and average order value decreased which may be an indicator of retailers being more aggressive with promotions and discounts.
Mobile **TRAFFIC**

Although it’s been a popular topic in eCommerce (and retail in general) for several years, many retailers have still been reluctant to invest in mobile-optimized versions of their sites. As smartphones continue to become more popular, sites must be equipped with a mobile version specifically made for the smaller screen.

![Traffic by Device 2013](Image)

ShopVisible’s eCommerce data shows that in 2013, 30% of site traffic came from something other than a traditional desktop/laptop. While most tablet users prefer a full-site experience, smartphone users have come to expect sites to be optimized for their screen size.

**During the holiday season, mobile traffic alone increased to 20% of total traffic.** These numbers are continuing to rise and businesses that do not act on mobile site optimization in 2014 may miss out on revenue potential.
Mobile **SALES**

While mobile accounts for 15% of site traffic, ShopVisible’s retail data shows that **only 4% of orders are placed from these devices**. This supports the notion that mobile users are looking for an easy experience when visiting a site from their device; however, even though they are increasingly browsing from these devices, they still tend to transact more in a traditional web experience. Mobile users do behave differently, even on sites that are optimized, and conversion will likely always be lower than desktop or tablet traffic; however, **when mobile users do purchase, the Average Order Value stays consistent with that of an order placed via Desktop.**

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**Orders by Device 2013**

- **Desktop**: 85%
- **Tablet**: 11%
- **Mobile**: 4%

**Conversion Rate by Device 2013**

- **Desktop**: 2.5%
- **Tablet**: 1.6%
- **Mobile**: 0.5%

*Source: ShopVisible*
PAYMENTS & CHANNELS
Payment Methods, CSEs & Marketplaces
Payment METHODS

Credit cards have long been the dominant way to pay online, but alternate payment options such as PayPal, Bill Me Later, and Amazon Payments have increasingly become go-to options for online shoppers favoring security and convenience.

Orders by Payment Type
2013

- PayPal: 17%
- Credit Card: 74%
- Amazon: 3%
- Other: 6%

Source: ShopVisible

With tablet and smartphone usage on the rise, the importance of providing convenient payment choices for consumers has never been greater. **Over 1/4 of all online orders are paid for with something other than a credit card.**
Comparison **SHOPPING ENGINES**

Retailers choose to push products to comparison shopping engines like Google Shopping, Nextag, and PriceGrabber because it’s typically a low-cost form of online advertising that directly targets shoppers, not just searchers. Not only can this increase visibility (and create awareness), but the customer is driven to the retailer’s website for the transaction, which is a key difference from Online Marketplaces.

Many of ShopVisible’s retail clients are feeding products to at least one Comparison Shopping Engine (CSE), the most popular choice being Google Shopping. **Retailers that used CSEs in 2013 saw between 2 and 7% of their sales come specifically from that channel.**

<table>
<thead>
<tr>
<th>Most Popular CSEs</th>
<th>Source: ShopVisible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Google Shopping</td>
<td></td>
</tr>
<tr>
<td>2. Nextag</td>
<td></td>
</tr>
<tr>
<td>3. PriceGrabber</td>
<td></td>
</tr>
<tr>
<td>4. Amazon Product Ads</td>
<td></td>
</tr>
<tr>
<td>5. Shopping.com</td>
<td></td>
</tr>
</tbody>
</table>

2–7% % of total online revenue from CSEs in 2013
Online **MARKETPLACES**

For some online retailers, selling on online marketplaces such as Amazon, eBay or Buy.com *is* their business. One ShopVisible retailer has over 75% of their online business come through Amazon.com’s Marketplace. Unlike CSEs, most online marketplaces “own” the customer, meaning that the customer transacts on the marketplace and the order is fed to the order management system without any payment or detailed personal information. Marketplaces do this to build loyalty, that – combined with high transaction fees – can cause hesitation among retailers; however, the benefits of selling on some of the busiest eCommerce sites in the world are too great to ignore.

Over 1/3 of ShopVisible’s clients sell on at least one online marketplace, and, on average, **25% of their total online revenue is generated through these channels.**

### Most Popular Online Marketplaces

1. **amazon.com**

2. **ebay**

3. **Rakuten.com Shopping**
   *Formerly Buy.com*

*Source: ShopVisible*
HOLIDAYS
2013 Holiday Shopping
Holiday **SALES**

**Online retail order volume was up 15% vs. 2012 during the holiday season.** The busiest shopping days of the season were, in order: Cyber Monday (Dec 2), Black Friday (Nov 19), Green Monday (Dec 9), December 3, and December 1. This shows order volume compared to 2012:

![Order Volume % Change 2013 vs. 2012](source: ShopVisible)

Order volume was significantly higher vs. 2012, and average order size was relatively flat, coming in right at 2012’s average of $116. Even though holiday traffic was down vs. 2012, shoppers made the most of the short shopping season. **The data shows that retailers had a healthy conversion rate of just under 5%, which was 12% higher than the previous year.**

<table>
<thead>
<tr>
<th>Avg. Conversion Rate</th>
<th>$116</th>
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<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

**Source:** ShopVisible
Thanksgiving **WEEKEND**

Order volume over the Thanksgiving weekend increased 26% vs. 2012 as retailers offered more aggressive discounts online and shoppers got into the mindset that they could shop earlier (even though the web is always open). And while average order value was relatively flat during the entire holiday season, there was a 7% increase over the big shopping weekend online.

<table>
<thead>
<tr>
<th></th>
<th>ORDERS</th>
<th>AOV</th>
<th>ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>THANKSGIVING</strong></td>
<td>↑ 32%</td>
<td>↑ 14%</td>
<td>↑ 37%</td>
</tr>
<tr>
<td><strong>BLACK FRIDAY</strong></td>
<td>↑ 39%</td>
<td>↑ 3%</td>
<td>↑ 44%</td>
</tr>
<tr>
<td><strong>CYBER MONDAY</strong></td>
<td>↑ 25%</td>
<td>↑ 9%</td>
<td>↑ 37%</td>
</tr>
<tr>
<td><strong>WEEKEND TOTAL</strong></td>
<td>↑ 26%</td>
<td>↑ 7%</td>
<td>↑ 33%</td>
</tr>
</tbody>
</table>

*Source: ShopVisible*
Summary & Conclusion

Retailers must rely on data to make informed decisions designed to grow not just their online revenue but their overall business, creating a true omnichannel approach to commerce. Mobile device usage is becoming too substantial to ignore, and companies should focus on presenting an optimized experience for all devices, as well as including the convenience of alternate payment methods.

- In 2013, there was an 8% increase in site traffic over the previous year.
- Only 35% of retail site visits were repeat visitors.
- More than half of all online orders are placed in the 4th quarter.
- During the 2013 holiday shopping season, average conversion rose to 4.8%.
- Mobile traffic alone increased to 20% during the holidays last year.
- While mobile traffic is up, only 4% of online orders get placed from those devices.
- When mobile users do purchase, the AOV is consistent with that of an order placed from a desktop.
- Over 1/4 of all online orders are paid for with something other than a credit card.
- Retailers that used CSEs in 2013 saw between 2 and 7% of their online sales come specifically from those channels.
- ShopVisible clients that sold on at least one online marketplace saw an average of 25% of their online revenue generated from those channels.
- Online retail order volume was up 15% vs. 2012 during the holiday season.
- Retailers saw conversion rates jump 12% vs. 2012 during the holiday shopping season.
- Order volume over the Thanksgiving weekend increased 26% vs. 2012.
About SHOPVISIBLE

ShopVisible is an end-to-end SaaS eCommerce platform that powers the many different selling scenarios for the omnichannel business-to-consumer (B2C) world as well as the complex transactions required in the rapidly growing business-to-business (B2B) space. Whether the customer is an individual consumer or a business, ShopVisible powers the commerce sites that enable them to make a purchase, whether they’re online, on their mobile devices, or on popular channels such as Amazon or eBay. The company is also one of the only enterprise commerce solutions with a built-in distributed order management system (ShopVisible OMS), presenting clients with the tools needed to manage all orders end-to-end – fulfillment, shipping, returns, customer communications and more.

ShopVisible helps brands and business attract and retain the new connected customer and is the chosen platform provider for the following companies:
The findings provided in this report are based on retail data gathered from across the ShopVisible eCommerce platform and Google Analytics. Clients used for sampling were restricted to those that have been live on the ShopVisible platform since January 2012 without any interruption in 3rd party data collection.

ShopVisible’s end-to-end commerce capabilities allows for a holistic view into the activities and trends that today’s real-world commerce practitioners are experiencing. The platform powers both B2C and B2B commerce sites across a broad spectrum of industries, enabling direct insight into changes in the marketplace.