



DATA METHODOLOGY

The profiles that follow include sales, vendor and traffic data. Here is how that data was gathered.

Internet Retailer informed each retailer of its inclusion in the Hot 100 in September and October 2016 and requested sales, vendor and traffic data. When provided or publicly available, that information appears in the profiles and tables that follow. For the profiles of retailers that declined to provide this information or did not respond to requests, Internet Retailer gathered 2015 sales estimates and vendor data that appear in the latest editions of the Top 500 Guide, Second 500 Guide, Europe 500, Latin America 500, China 500 and Mobile 500, which are research products published by Vertical Web Media, the owner of Internet Retailer. In some instances, the 2015 sales estimates that appear are for a profiled merchant's parent company in its primary market.

Internet Retailer supplemented vendor information with data from BuiltWith Pty. Ltd., a web tool that matches the publicly available code on websites with its supplier. When not provided by the retailer, Internet Retailer gathered monthly unique visitor data from SimilarWeb Ltd.

Take, for instance, Crown & Caliber LLC. Four years ago it was a wholesaler that bought used watches and sold them to other businesses and dealers for resale. Two years ago it decided it could be a different kind of middleman and sell the luxury-level watches directly to consumers on a consignment basis. Today, virtually all its business is B2C, with watch owners from all over the world shipping their Patek Philippe's and Rolex's in for professional evaluation. Crown & Caliber and the watch owner settle on a price point and Crown & Caliber lists it for sale. The deep catalogue of hard-to-find merchandise raises the chance that a consumer will find just what they want, even if its first owner is on another continent.

Andrew Hughes, Crown & Caliber's digital marketing director, says the most important requirement in the buying and selling of luxury watches is trust, and that's why the marketplace works hard to convey to sellers and buyers that it is worth trusting. It collects site visitor and behavioral data and applies what it can glean from it into segmented email messages which by design, are less about sales and more about conveying information that shows Crown & Caliber is worthy of their trust. For instance, an email might point the recipient to the merchant's regularly updated blog, videos, or to reviews it has received on Google or Yelp. See Crown & Caliber's

profile on page 17 to understand more about its success.

Another entrant on this year's Hot 100 is AwayTravel.com. It is part of a rising group of entrepreneurial merchants that understand the traditional merchandising and supply chain models that have ruled retailing for decades have changed—and that they can upend established market practices by taking a different approach. Away aims to transform the luggage industry in much the same that others are transforming eyewear (Warby Parker), mattresses (Saatva, which appeared on the Hot 100 last year, and Casper, which is on this year's list on page 17) and razors (see Dollar Shave Club, page 55, or Harrys.com, from last year's Hot 100).

Away works directly with manufacturers to design and make four sizes of hard-sided suitcases. It then sells the suitcases—which are tricked out with modern conveniences like built-in battery chargers—direct to consumers online. The top three sources of traffic are from media coverage of the retailer's products—such as a review appearing on TravelandLeisure.com—social media and word-of-mouth referrals from Away suitcase owners, says Stephanie Korey, co-founder and co-CEO. Korey credits some of Away's early success—it shipped its first suitcase in February and is on track to close

the year with more than \$10 million in sales—on the direct connections it has with customers and manufacturers. For example, it started with one product, a carry-on suitcase. It was customers who urged Away to design a slightly larger carry-on that still accommodated most airline's sizes. "With the feedback loop we are able to constantly iterate on our core evergreen product. We are trying to learn from our customers, and we don't push trends. From a supply chain perspective, we can be lean and efficient," Korey says. Find Away's profile on page 14.

Another burgeoning segment blending opportunity and consumer preferences is meal kits, and several appear on this year's Hot 100. Last year we covered Blue Apron Inc., which has used its first-mover advantage to become the market leader in the category. Internet Retailer estimates Blue Apron, supported by more than \$190 million in funding, grew its sales 80% last year. A flock of other merchants have converged on the market. Some are "me too" alternatives, but the meal kit e-retailers on the Hot 100 each have their own positioning, intended to cater to different market segments—there's now a kit that fits most any kind of personal preference. For instance, Purple Carrot (page 32) offers meal kits for vegans. Home Chef (page 24) offers family-sized kits for classic dishes, tapping into the market of time-strapped parents with picky eaters. Its business approach has garnered it \$57 million in investor dollars. Green Chef Corp. (page 24) focuses on all-organic ingredients and gives consumers more options to customize by diet—gluten-free, paleo, etc. These e-retailers—and others in the meal kit area—are well-positioned to get some of consumers' food dollars. Nearly one-third of U.S. consumers bought food online in the first six months of 2016, according to The Harris Poll, and online food sales in the United States are expected to grow 157% this year. It's a very hot market, and merchants are giving consumers plenty of choices.

These are just a handful of the innovative e-retailers you'll read about in the coming pages. Entries are generally organized into seven categories based on what makes them stand out. Business model is the largest category, with more than 30 entries, including some e-commerce stalwarts such as Amazon.com Inc. and Nordstrom Inc., which have repeatedly appeared on the Hot 100 over the years. That's because they are relentless—they just don't stop pushing forward and are constantly innovating. But in the Hot 100 they stand alongside companies such as Iconery, a jewelry e-retailer that uses 3-D printing to get of-the-moment

designs to market quickly, and Globalegrow, a Chinese company that is bringing products manufactured in China to shoppers around the world. Additional categories are content, design, marketing, mobile, omnichannel and technology. The merchants are a mix of all sizes, ages and locations. What unifies them is they all are using the connectivity of the internet to innovate. ●

ALLISON@VERTICALWEBMEDIA.COM

@AENRIGHTIR

internetRETAILER® VENDORS TO THE HOT 100 PRODUCT SHOWCASE

Give Your Customers
an Easy Way
to Pay Online.

VISA Checkout

Visa Checkout makes it possible to pay in just a few clicks. Add it now to your Authorize.Net account.

To learn more, call 1.866.437.0491
or visit www.authorize.net/visacheckout

Authorize.Net

©2015, Authorize.Net. All Rights Reserved.