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E-commerce Statistics Compendium

February 2010

E-commerce Statistics Compendium

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Contents

1.   About this report

This is one of 11 reports that make up the Econsultancy Internet Statistics Compendium, a collection of the most recent statistics and market data publicly available on online marketing, e-commerce, the internet and related digital media. The compendium is a **one-stop shop for internet stats** to help you quickly track down the latest data. You can download the full compendium in one file at http://econsultancy.com/reports/internet-statistics-compendium

The other reports in the compendium are:

- Affiliate Marketing
- Customer Experience
- Demographics
- Email Marketing
- Mobile
- Internet Advertising
- Search Marketing
- Social Media
- Technology Adoption
- Web Analytics

The information contained – including charts and graphs – is taken largely from third party sources, credited throughout the document and in the acknowledgements at the back of this guide.

If there is data that you feel is inaccurate, missing, or incorrectly credited then please get in touch with Econsultancy's Research Director Linus Gregoriadis: linus@econsultancy.com or phone +44 (0)20 7269 1450. Likewise, if you would like to contribute data or research then contact us.

1.1.   About Econsultancy

Econsultancy is a digital publishing and training group that is used by more than 200,000 internet professionals every month.

The company publishes practical and timesaving research to help marketers make better decisions about the digital environment, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy has offices in New York and London, and hosts more than 100 events every year in the US and UK. Many of the world's most famous brands use Econsultancy to educate and train their staff.

Some of Econsultancy's members include: Google, Yahoo, Dell, BBC, BT, Shell, Vodafone, Virgin Atlantic, Barclays, Deloitte, T-Mobile and Estée Lauder.

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2. E-commerce

2.1. Market Size and Growth Trends

2.1.1. Global markets

United Kingdom

- Research has found 90% of consumers believe that online offers the best prices, while 68% think the high street offers better customer service and 74% think it's quicker to get products offline. [Source: NMA/Lightspeed Research Online Shopping Report January 2010]

- The UK e-commerce market will be worth an estimated €48bn during 2010 [Source: CRR/Kelkoo report, January 2010]

- Online sales now account for almost 10% of total retail sales in the UK [Source: CRR/Kelkoo report, January 2010]

- 25% of UK shoppers are now prepared to spend £1,000 or more online in a single transaction. [Source: CRR/Kelkoo report, January 2010]

- 57% of UK consumers made online purchases — almost 20% higher than the European average of 38%. [Source: CRR/Kelkoo report, January 2010]

- Currently, British shoppers spend £1 in £13 online, but this will change to £1 in £5 by 2020. [Source: eBay/ Verdict, December 2009]

- Online currently accounts for a quarter of all new retail businesses; this will rise to more than half over the next ten years. [Source: eBay/ Verdict, December 2009]

- Annual online spend is predicted to grow by £46bn or 223%, and offline spend to drop by £18bn or 7%. [Source: eBay/ Verdict, December 2009]

- Online sales will overtake offline sales in categories such as electrical goods and books in 2020. The biggest growth will come in categories such as clothes and footwear, predicted to be up 351%, and health and beauty, up 330%. [Source: eBay/ Verdict, December 2009]

- UK shoppers spent £5.3bn online in November, with sales up by 25% on October, and up by 11% compared to November 2008. [Source: IMRG via Econsultancy Blog, December 2009]

- Deloitte forecasts the UK Online Retail market will be worth £25bn in 2010. [Source: Deloitte, November 2009]

- Films represent the content for which consumers are most willing to make micropayments, with 58% of adults surveyed saying they would pay to access online a film just released in cinemas. 40% said they would pay to access a film which is already on DVD or pay-TV. [Source: Olswang, November 2009]

- Only 19% of adults (and only 30% of iPhone users) indicate any willingness to make micropayments or take out subscriptions for newspaper articles or columns. [Source: Olswang, November 2009]

- Average online spending per UK internet user was £1,475 in 2007, up from £416 in 2003. [Source: CBI Shape Of Business Report, November 2009]

- Consumers spend on average 20% more online that they do offline. [Source: Department for Culture Media & Sport Digital Britain Report [PDF], June 2009]

- UK shoppers spent £3.8bn online in August 2009, 16% higher compared to August 2008. [Source: IMRG, September 2009]

- Mintel estimates the online grocery market will reach £4.4bn in 2009, and has grown 134% since 2005. [Source: Mintel, September 2009]

- Two thirds (66%) of shoppers prefer not to buy fresh food online as they are concerned about use-by dates, while the majority of consumers (83%) still like to see and touch fresh produce before buying. [Source: Mintel, September 2009]

- Mintel forecasts growth of 57% in the online grocery market between 2009 and 2014, to reach £6.9bn. [Source: Mintel, September 2009]

- Verdict Research predicts that by 2013, online sales in the UK will reach £31.2bn, forecasting spending of £20.9bn during 2009 alone. [Source: Verdict Research via Econsultancy Blog, August 2009]

- Top 10 UK Online Sectors [Source: The Nielsen Company, August 2009]

Chart 1: UK online sectors with the greatest percentage increase* in Unique UK Audience from PCs/laptops, July 2008 – July 2009

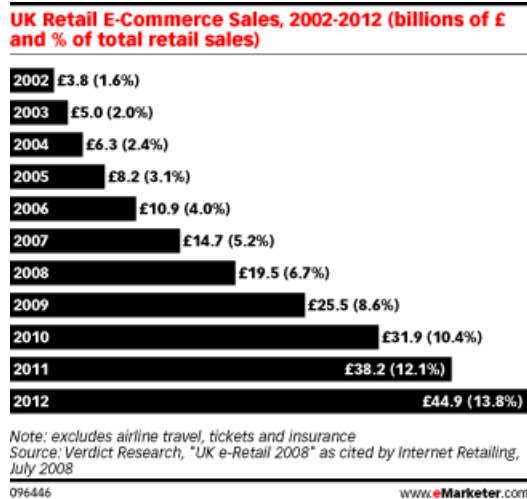| Rank	Online Sector*	Increase in Unique UK Audience	Unique UK Audience (millions) July 2009	Unique UK Audience (millions) July 2008	Sector's Most Popular Site
1	Mobile Phones	58%	12.2	7.7	O2
2	Food & Cooking	56%	10.5	6.7	BBC Good Food
3	Coupons/Rewards	55%	10.9	7.0	Nectar
4	Insurance	53%	7.8	5.1	Confused.com
=5	Car Manufacturers	44%	3.6	2.5	Ford
=5	Auto Parts & Accessories	44%	3.1	2.1	Halfords
7	Health, Fitness & Nutrition	40%	12.6	9.0	Optical Express
8	Hardware Manufacturers	37%	10.5	7.6	Apple
9	Delivery/Stamps	34%	5.7	4.3	Royal Mail
10	Parenting/Family Resources	33%	3.6	2.7	BabyCenter

Source: The Nielsen Company, NetView
E.g. The number of Unique UK Visitors to mobile phone websites from PCs/laptops increased by 58% from 7.7 million in July 2008 to 12.2 million in July 2009
*Growth refers to the percentage increase in numbers of Unique UK Visitors. To ensure market significance, only sectors that were visited by at least five percent of Britons online in July 2008 were included in this analysis.

- 85% of survey respondents (retail) felt that non-store sales would increase next year. Ecommerce and web sites were identified in the study as the second most important area for investment. [Source: Martec International via InternetRetailing, August 2009]

- Overall retail IT budgets have been cut by 20% in the last year, according to a new study conducted by Martec International. [Source: Martec International via InternetRetailing, August 2009]

- The rate of growth of online sales will halve in 2009 to just 16%, compared with the previously predicted 31%. [Source: AOP, April 2009]

- UK online spending outperformed the wider retail industry in December 2008 by posting an increase of 14.2% over December 2007. [Source: IMRG / Capgemini, January 2009]

- Online retail sales in the UK were worth £43.8bn in 2008, up 25% compared to 2007. [Source: IMRG / Capgemini, January 2009]

- In 2008, online retail sales accounted for 15% of the total UK retail sales. [Source: RNCOS, February 2009]

- Econsultancy estimates that the value of the UK market for e-commerce technology will be around £540m in 2009. [Source: E-commerce Platforms Buyers' Guide 2009]

  - Econsultancy last valued this market in 2007, when our estimate for the year was £400m.

  - The market has continued to show healthy growth across previous years, growing by an estimated 18% in 2008.

  - However, we believe that the growth rate will slow somewhat in 2009 to 15%, giving a market value of some £540m.

- UK shoppers will spend £13.16bn online in the last quarter of 2008, 15% more than Q4 2007. [Source: IMRG / Capgemini via Econsultancy blog, November 2008]

  – This equates to £215 for every person in the UK, but represents a slowdown compared with the 54% year-on-year increase in 2007.

  – IMRG predicts that Monday 8th December will be the busiest day for etailers, with £320m of sales. Peak web shopping times are expected between 1pm and 2pm.

- Verdict predicts that Christmas online sales in the UK will hit £7bn, a 39.9% increase on 2007. [Source: Verdict Research, November 2008]

- Online retail sales in the UK are predicted to reach £44.9bn in 2012, up from £19.5bn in 2008. [Source: Verdict Research via eMarketer, Sept 2008]

UK Retail E-Commerce Sales, 2002-2012 (billions of £ and % of total retail sales)

Year	Sales
2002	£3.8 (1.6%)
2003	£5.0 (2.0%)
2004	£6.3 (2.4%)
2005	£8.2 (3.1%)
2006	£10.9 (4.0%)
2007	£14.7 (5.2%)
2008	£19.5 (6.7%)
2009	£25.5 (8.6%)
2010	£31.9 (10.4%)
2011	£38.2 (12.1%)
2012	£44.9 (13.8%)

Note: excludes airline travel, tickets and insurance
Source: Verdict Research, "UK e-Retail 2008" as cited by Internet Retailing, July 2008

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- Top 50 online retailers in the UK by number of visits, August 2008. [Source: IMRG/Hitwise Hot Shops List, Aug 2008]

|			
1.	Amazon UK	26.	B&Q
2.	Argos	27.	Odeon Cinemas
3.	Play.com	28.	Ticketmaster UK
4.	Tesco.com	29.	First Choice
5.	Next	30.	British Airways
6.	Amazon.com	31.	Debenhams
7.	Thomson Holidays	32.	GAME
8.	Marks & Spencer	33.	Screwfix Direct
9.	Tesco Direct	34.	O2 Shop
10.	easyJet	35.	LOVEFiLM
11.	Expedia.co.uk	36.	ASDA
12.	Lastminute.com	37.	Vue Entertainment
13.	Ryanair	38.	Topshop
14.	John Lewis	39.	Littlewoods
15.	PC World	40.	Travelodge UK
16.	ASOS	41.	TravelRepublic.co.uk
17.	Dell EMEA	42.	The Orange Shop
18.	Currys	43.	River Island
19.	Apple Computer	44.	Sainsbury's
20.	HMV.co.uk	45.	QVCUK.com
21.	Thomas Cook	46.	Carphone Warehouse
22.	Ebuyer	47.	Boots
23.	Comet UK	48.	HP
24.	Woolworths UK	49.	Thomsonfly
25.	Staples	50.	Symantec Store

- The 100 biggest UK online high street retailers received 19.3% more visits during July 2008 than the 100 largest online only retailers in July 2008. [Source: Hitwise, Aug 2008]
  - Between July 2007 and 2008, traffic to the online properties of high street retailers increased by 18.7%, compared with a drop of 10.2% for pureplays.
  - The top 100 high street retailers online accounted for 1.85% of all UK Internet visits in July 2008, equivalent to one in every 5 visits to an online shopping website.
  - The top 5 online high street retailers in July were: Argos (1.69% share of UK visits in the Shopping and Classifieds category), Tesco (1.27%), Next (0.9%), M&S (0.74%) and John Lewis (0.58%).

- Online shoppers in the UK spent £26.5bn in the first half of 2008. [Source: IMRG, July 2008]
  - This represents an increase of 38% on the £19.2bn spent online in the first half of 2007.
  - 17p in every £1 was spent online in this period.
  - Online clothing sales increased by 32% over last year, with a total of £1.76m spent in this sector.

- The UK's online retailers generated £46.6bn in sales in 2007, up 54% on 2006. [Source: IMRG, Jan 2008]
  - Online shopping peaked in the first week of December, later than previous years – a sign that consumers delayed purchases to make the most of pre-Xmas discounting.

- — 4m people also shopped online on Christmas Day thanks to online sales promotions by the likes of M&S, Comet and Dixons. They spent an estimated £84m between them, according to the IMRG figures.

- Free delivery offers are the main driver behind online shoppers' purchase decisions according to a survey of 10,500 visitors to 30 top retail websites in the UK. [Source: ForeSee Results via Econsultancy blog, Feb 2008]

  - — 34% cited free delivery as the most important factor in their last purchase decision. A positive site experience was the only other thing mentioned by a significant amount of respondents (15%).

  - — More than a third visited one of the Top 30 retailers because they knew the brand or product. This group was also the most satisfied with the retailers they used, and more likely to purchase.

  - — Email was responsible for 16% of site visits - as was search. However, visitors from search engines were 20% less likely to make a purchase than those who visited because they were familiar with a product or brand.

- Total UK online sales for the last quarter of 2007 are expected to come in at £17.6bn, up 82% on the £9.6bn recorded for the same period in 2006, according to the Interactive Media in Retail Group. [Source: IMRG, January 2008]

- UK internet sales increased to a record £4.2bn in July, up from £2.34bn in the same month last year. [Source: IMRG, August 2007]

  - — Sales of electrical goods more than doubled, while turnover from clothes and accessories increased 56%.

  - — The last few months have already been majorly lucrative for etailing firms – the IMRG said Q2 revenues were up 52.5% year-on-year. June's sales were up 55% on 2006.

- The IMRG's annual statement says etail is growing faster than ever before, and predicts online sales in the UK will reach £78bn a year by 2010. [Source: IMRG via Econsultancy blog, May 2007]

  - — The group says £42bn will be spent online by UK shoppers in 2007, up from £30.2bn last year, while worldwide online sales will hit £250bn this year.

  - — The average UK online shopper will spend £1,600 in 2007.

  - — 38% of online shopping takes place outside normal shop hours, either before 9am or after 6pm, peaking between 7pm and 9pm.

  - — UK e-commerce grew 3,500% between April 2000 and December 2006.

- Retail analysts Verdict Research say spending by online consumers rose by a third in 2006, and is set to triple over the next five years.[Source: Verdict Research via Econsultancy blog, May 2007]

  - — The group estimates that the online market for goods grew by 33.4% to £10.9bn last year, and will grow to £28.1bn, or about 8.9% of the UK's total retail sales, by 2011.

  - — Verdict's research focused purely on goods, hence its figures being lower than other online retail estimates for the UK.

United States

- Total 2009 retail e-commerce sales will come in at $131.4bn, representing a slight annual decrease of 0.6%. By 2013 sales are expected to rise by almost 50% to $189.3bn. [Source: eMarketer, December 2009]

- Quarterly Ecommerce sales in the United States. [Source: comScore, November 2009]

Quarterly U.S. e-Commerce Sales ($ Billions)
Source: comScore & U.S. Department of Commerce (DOC)
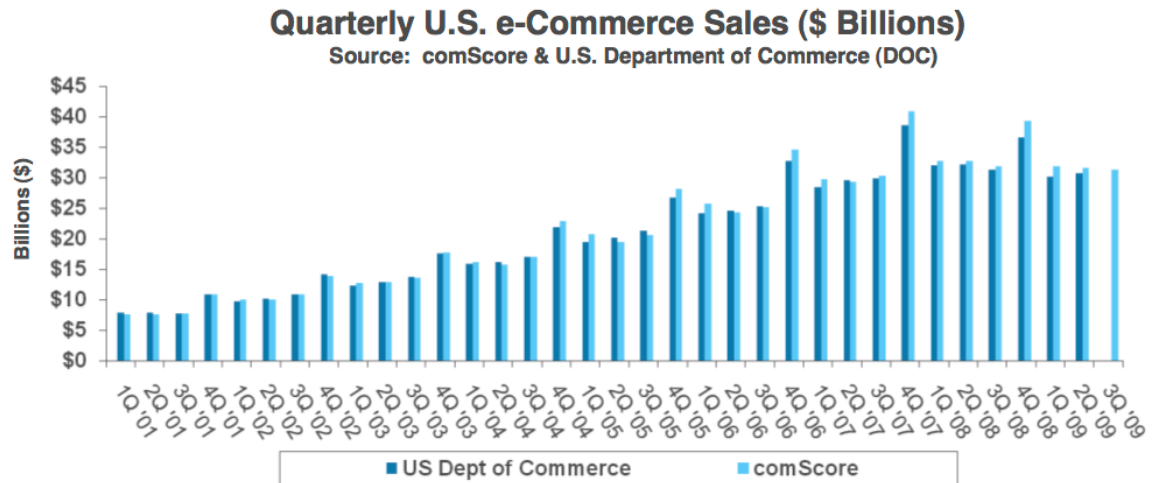
- Among US and Canadian online retailers that accept orders from overseas, international orders comprise 21% of order volume. [Source: 11th Annual Online Fraud Report, Cybersource, November 2009]

- Even with a 15% growth rate for 2008, e-commerce still has room to grow. Only 4% of total retail sales are online. [Source: JP Morgan via Econsultancy Blog, March 2009]

- In 2008, growth in online retail slowed from 17% to just 7%. [Source: comScore "State of the US Online Retail Economy", February 2009]

- Total online US consumer spend was $221bn in 2008 [Source: comScore "State of the US Online Retail Economy", February 2009]

- In Q4 2008, online sales declined by 3%, year on year. [Source: comScore "State of the US Online Retail Economy", February 2009]

- Total non-travel e-commerce spending in the US reached $130bn in 2008; up 6% from 2007. [Source: comScore "State of the US Online Retail Economy", February 2009]

- Total travel-related E-commerce spending in the US reached $84bn in 2008; up 9% from 2007. [Source: comScore "State of the US Online Retail Economy", February 2009]

- Research firm comScore predicts no growth for US online retail this Christmas. [Source: comScore, Dec 2008]

- Forrester predicts that US shoppers will spend $44bn online in November and December, which would be an increase of 12% over Christmas 2007, but indicates slower growth than in previous years. [Source: Forrester, Oct 2008]

- Web traffic to the Nielsen Online Holiday eShopping Index increased 10% year over year on Black Friday, growing from 28.8m unique visitors in 2007 to 31.7m in 2008. The Index tracks more than 120 representative online retailers. [Source Nielsen Online, Dec 2008]

  – Consumer Electronics was the fastest-growing product category on Friday, increasing 219% from the previous Friday. Shopping Comparison/Portals and Toys/Videogames took the No. 2 and No. 3 spots, with 83% and 73% Web traffic growth, respectively.

  – eBay was the top e-commerce destination on Black Friday with 9.8m unique visitors, while Amazon and Wal-Mart followed with 8.4m and 6m.

Online Non-Travel (Retail) Holiday Consumer Spending
Excludes Auctions and Large Corporate Purchases

	Billions ($)		
	2007	**2008**	**% Change**
January – October Actual	$93.6	$102.1	9%
Holiday Season Forecast (Nov-Dec)	$29.2*	$29.2**	0%**

- Online spending grew by 6% in Q3 2008 compared with the same period last year, a slowdown compared to the year-over-year growth rates of 12% in Q1 and 13% in Q2 2008. [Source: comScore, Nov 2008]

  - Total US online retail sales (excluding travel) were approximately $30bn in Q3.

  - Video games, consoles and accessories remains the fastest growing product category in online retail.

US Growth in Retail e-Commerce Spending by Product Category
Source: comScore Inc, February 2009

Product Category	% Change Q4 2008 vs. Year Ago
Total Retail Category (Excludes Travel)	7%
Sport & Fitness	16%
Video Games, Consoles & Accessories	10%
Consumer Electronics (excl. PCs)	3%
Apparel & Accessories	2%
Computers, Peripherals & PDAs	-1%
Books & Magazines	-5%
Toys & Hobbies	-7%
Furniture, Home & Garden	-10%
Flowers, Greetings & Misc. Gifts	-15%
Event Tickets	-16%
Jewelry & Watches	-24%
Office Supplies	-30%
Music, Movies & Videos	-34%

- 75% of online US adult shoppers have used an alternative payment method when shopping online. [Source: TrialPay, May 2008]

  - 54% have actually looked for different payment options when making a purchase.

  - 59% said they would be more likely to buy online if Google Checkout, PayPal or other alternative payment methods were available.

- The 10 most popular online purchases are books, clothes, travel arrangements, gifts, CDs, videos, electronic goods, software/games, products for hobbies, and computers/peripherals. [Source: "Digital Future Project 2008", USC Annenberg School Center, January 2008]

- 58% of US teens have made a purchase online. [Source: OTX and The Intelligence Group, July 2008]

In the past year what types of products have you personally purchased online? (among teens who have purchased online)	Total
Clothing, Shoes & Accessories	46%
Music	41%
Books	30%
Electronics	27%
DVDs	20%

- Young people aged 8-21 years old spend over $132bn annually, which represents an increase of over $20bn since last year. Teens and young adults (13-21 year olds) spending is over $120bn. [Source: "Trends&Tudes", Harris Interactive, February 2008]

- PayPal and other non-credit card payments services have grabbed more than 30% of the US online payments market, though PayPal is the leader, making up roughly 24% of the market. [Source: eMarketer via Business Week, Nov 2007]

- The US retail e-commerce market is continuing to grow rapidly, with spending up 23% in the third quarter of 2007 to $23.8bn (£11.6bn). [Source: comScore via Econsultancy blog, Oct 2007]

  - US e-commerce spending in the first nine months of the year amounted to $143bn (£69.6bn) and will reach the $200bn mark for the year.

- US online consumer spending picked up in the second quarter of the year, reaching a total of $27.2bn (£13.4bn), an increase of 23% on the same period last year. [Source: comScore via Econsultancy blog, July 2007]

  - The figure of $27.2bn is for non-travel e-commerce - the online travel market was worth $20.3bn (£10bn) in Q2, an increase of 14%. Total e-commerce spending for the first half of 2007 was $95bn (£47bn).

  - The report also predicts that total US e-commerce spending will hit $200bn (£99bn) for the full year, compared with £170.8bn (£84.4bn) in 2006.

- Internet clothing sales in the UK reached £1.2bn in 2006 and have increased by 461% over the last five years. [Source: Mintel via Econsultancy blog, February 2007]

  - Online clothing sales still only account for 3% of the overall market - a lower proportion than in other sectors.

  - Online clothing sales are predicted to reach £2.9bn by 2011.

US Merchants survey

- A survey of US merchants found that online sales represent 1-10% of overall business for 36% of those surveyed. [The E-tailing Group, 7th Annual Merchant Survey, April 2008]

  - More than 41% of overall business comes from the internet for 34% of those surveyed.

  - More than 71% of overall business comes from the internet for 29% of those surveyed.

What percent of your overall business do online sales represent?

Rank the importance of each of these initiatives to your strategic goals	2008	2007	2006	2005
	Very Important			
Customer acquisition/retention*	71%	66%	59%	61%
Customer retention	*	57%	63%	63%
Profitability	68%	71%	69%	68%
Customer experience	63%	62%	63%	57%
Customer service	60%	62%	61%	58%
Drive qualified traffic to site	55%	49%	40%	51%
Branding	42%	43%	30%	na
Improve KPIs (key performance indicators)	34%	29%	39%	67%
Onsite merchandising	31%	32%	36%	27%
Technology and systems initiatives	31%	29%	28%	27%
Process improvement	26%	na	na	na
Multi-channel integration	24%	24%	27%	27%
Marketing growth	23%	21%	23%	26%
Senior management support	22%	27%	25%	20%
Grow internal resources (personnel/funding)	22%	19%	17%	17%
Inventory management/liquidation	15%	16%	13%	13%
Global web initiatives	13%	na	na	na

* prior to 2008 acquisition/retention were separate questions

International

- Online sales will account for 5.5% of all retail sales within Europe [Source: CRR/Kelkoo report, January 2010]

- Online retail sales in Europe are set to jump 20% during 2010 and be worth €172bn ($241bn) [Source: CRR/Kelkoo report, January 2010]

- E-commerce growth is being seen fastest in Poland, France, and Spain [Source: CRR/Kelkoo report, January 2010]

- Through 2009, European online shoppers spent an average €871 each, with Britons topping the table with an average spend of €1,240 and Poland at the bottom of the countries surveyed on €362. [Source: CRR/Kelkoo report, January 2010]

- 11.86% of search engine queries are retail related. [Source: The Art Of SEO via GetElastic, December 2009]

- B2C E-Commerce Sales of Major Global Companies [Source: YStats.com, June 2009]

B2C E-Commerce Sales of Major Global Companies, 2006-2008

Company	Country of Origin	Fiscal year ended	Web Sales (bln)			Local Currency	Web Sales (bln)			Growth Local Curr. % '08/'07	Growth Local Curr. % '07/'06
			2008	2007	2006		2008	2007	2006		
Amazon.com[1]	USA	Dec. 31	€ 13.098	10.842	8.537	US $	19.166	14.835	10.711	+29.2	+38.5
Otto Group[2]	Germany	Feb. 29	€ 5.500	4.889	4.048	€	5.500	4.889	4.048	+12.5	+20.8
Staples[3]	USA	Feb. 02	€ 5.262	4.093	3.905	US $	7.700	5.600	4.900	+37.5	+14.3
Office Depot[3]	USA	Dec. 30	€ 3.280	3.581	3.427	US $	4.800	4.900	4.300	-2.0	+14.0
Dell[3]	USA	Feb. 01	€ 3.280	3.069	3.108	US $	4.800	4.200	3.900	+14.3	+7.7
Arcandor[2, 4, 5]	Germany	Sep. 30	€ 3.500	3.000	n.a.	€	3.500	3.000	n.a.	+16.7	n.a.
Hewlett-Packard[3]	USA	Oct .31	€ n.a	2.485	2.471	US $	n.a.	3.400	3.100	n.a.	+9.7
Tesco	UK	Feb. 24	€ 2.393	2.339	1.792	£	1.900	1.600	1.221	+18.8	+31.0
OfficeMax Inc.[3]	USA	Dec. 29	€ 2.119	2.339	2.232	US $	3.100	3.200	2.800	-3.1	+14.3
Apple[3]	USA	Sep. 27	€ 2.460	1.973	n.a.	US $	3.600	2.700	n.a.	+33.3	n.a.

Notes: [1] Includes marketplace, [2] Online demand; [3] Internet Retailer estimate; [4] Includes online services (travel) ; [5] Filed for bankruptcy in June 2009 Calculations from local currency to Euro are made using the average exchange rates of the corresponding years eBay (USA), Rakuten (Japan) and Taobao (China) are not included
Source: yStats.com

- Only around only 25% of Chinese internet users shopped online in 2007. [Source: China Internet Research Centre, July 2008]

  - Excluding online travel, 55m Chinese internet users shopped online in 2007, spending a total of $8.25bn (£4.2bn).

  - In the first quarter of 2008, online shopping in China reached $3.46bn (£1.7bn), which is a 151.8% year-over-year increase. The number of online shoppers is expected to hit 75m at the end of the year.

- More than 85% of the world's internet users surveyed have purchased something online, according to the Nielsen Company. [Source, Nielsen, Feb 2008]

2.1.2.   Online Banking

United Kingdom

10.9 million customers logged on to at least one online banking account in January, representing 33% of the total UK online population. [Source: comScore, April 2008]

Royal Bank of Scotland (RBS) had the most online banking customers in the UK (2.9 million). [Source: comScore, April 2008]

The most popular individual online banking brand was Lloyds TSB, with 2.8 million customers. [Source: comScore, April 2008]

United States

● Top 20 Online Banking websites. [Source: Hitwise, February 2009]

Rank	Website	Visits	
1.	Bank of America Online Banking	7.15%	
2.	Bank of America	5.82%	
3.	Wells Fargo - Online Banking	4.29%	
4.	Chase Online	3.95%	
5.	Wells Fargo	3.42%	
6.	Chase Banking	3.16%	
7.	Wachovia Online Services	2.93%	
8.	Washington Mutual - Personal Banki...	2.24%	
9.	Capital One Online Banking	2.07%	
10.	Wachovia	2.02%	
11.	Citi - Account Online	2.00%	
12.	Discover Card	1.34%	
13.	Fidelity Investments	1.32%	
14.	Capital One USA	1.21%	
15.	Washington Mutual	1.05%	
16.	HSBC Credit Card	0.99%	
17.	American Express	0.98%	
18.	SunTrust Banks	0.96%	
19.	Citi Credit Cards	0.92%	
20.	Regions Bank	0.84%	

International

● 55% of consumers who say they had seen more advertising about their own financial institutions reported having "complete confidence" in the financial health and soundness of their financial company, while only 18% said they had "little or no confidence" in their company. [Source: Nielsen IAG via Econsultancy Blog, March 2009]

● Among those who said they had seen less advertising about their own financial institutions, only 18% had "complete confidence" in their financial company and a significant 45% said they had "little or no confidence" in their company. [Source: Nielsen IAG via Econsultancy Blog, March 2009]

● Respondents said their confidence was improved by receiving regular mail or email offers from that institution (25%) and regularly seeing internet offers/advertising from that institution (21%). [Source: Nielsen IAG via Econsultancy Blog, March 2009]

Top 15 Online Banking Properties in Europe [Source: comScore, April 2009]	
Property	**Total Unique Visitors (000)**
(Total European Internet Audience)	**305,653**
(Total European Internet Banking Audience)	**103,586**
Credit Agricole	8,927
Lloyds Banking Group plc	7,324
The Royal Bank Of Scotland	6,976
Sparkassen-Finanzgruppe	6,679
Societe Generale	6,538
BNP Paribas	5,902
HSBC	5,269
Barclays Bank	5,210
Citigroup	4,842
Swedbank	4,314
Caisse d'Epargne	4,086
UniCredit Group	4,046
Volksbanken-Raiffeisenbanken	3,667
Rabobank Group	3,213
Grupo Santander	3,082

European Online Banking Reach By Country [Source: comScore, April 2009]		
Country	**% Reach Total Country Online Population**	**% Share Total European Online Population**
Netherlands	52.9%	6.1%
France	49.9%	16.9%
Sweden	48.4%	2.7%
United Kingdom	46.1%	16.4%
Belgium	39.0%	2.0%
Germany	38.6%	14.3%
Denmark	36.7%	1.2%
Spain	35.2%	6.2%
Norway	34.4%	1.0%
Finland	33.1%	1.0%
Ireland	28.4%	0.5%
Turkey	28.0%	4.6%
Italy	26.9%	5.5%
Austria	23.4%	1.0%
Portugal	17.2%	0.6%
Switzerland	15.9%	0.7%
Russia	6.0%	1.7%

2.2. Shopping Comparison Sites

United Kingdom

- The financial savings flowing from an ability to use comparison websites and online-only deals are worth an average of around £23 per month per individual. [Source: Department for Culture Media & Sport Digital Britain Report [PDF], June 2009]

- According to Reevoo.com research, one in four vouchers & discount codes offered by popular voucher sites are invalid. [Source: Reevoo, September 2009]

- Shoppers can spend as long as 4.6 hours researching products (such as laptops) online. The average time spent researching small home electrical products (like kettles) online is 1.5 hours, with 2.4 hours spent researching MP3 players, and 3.8 hours spent on average researching TV purchases. [Source: Reevoo, September 2009]

- 31% of online coupon users started using them in the last 12 months. [Source: Couponstar via InternetRetailing, October 2009]

- 58% of consumers are more likely to visit online grocery stores or Fast-Moving-Consumer-Goods (FMCG) websites if a coupon is available. [Source: Couponstar via InternetRetailing, October 2009]

- 59% of printable coupon users are female, according to a survey by Couponstar. [Source: Couponstar via InternetRetailing, October 2009]

- 46% of internet users surveyed by Couponstar said that coupons influence them to try brands they wouldn't normally buy. [Source: Couponstar via InternetRetailing, October 2009]

- Price comparison sites by unique monthly UK users, March 2008: [Source: Nielsen Online via NMA, May 2008]

  - Shopping.com   4.2m
  - Kelkoo   2.5m
  - Shopzilla.com   2.3m
  - Ciao!   2.2m
  - Google Product Search   1.5m

UK Market for Shopping Comparison sites

The data below, provided by **Nielsen//NetRatings**, shows the number of UK unique users and active reach for those comparison sites profiled in Econsultancy's *Comparison Engines Buyer's Guide 2008*.

Brand/Channel	Unique Audience Jan 08 (000s)	Unique Audience Jan 07 (000s)	YoY % of Change	Active UK Reach %
Moneysupermarket	3660	2421	0.511772	11.1
Yahoo! Shopping (Kelkoo)	3098	4094	-0.24328	9.4
Ciao	2903	1954	0.48567	8.8
Shopping.com	2703	3154	-0.14299	8.2
Cheapflights	2084	2001	0.041479	6.3
PriceRunner	1696	1338	0.267564	5.2
Motley Fool	921	997	-0.07623	2.8
PriceGrabber.com	863	1156	-0.25346	2.6
Shopzilla.com	757	663	0.14178	2.3
MSN Shopping	751	635	0.182677	2.3
uSwitch.com	685	919	-0.25462	2.1
Gocompare.com	447	-	-	1.4
Kayak	366	489	-0.25153	1.1

United States

- 65% cite the web as important or very important in making buying decisions, up an impressive 50% over the past year. [comScore via Econsultancy Blog, February 2009]

- 53% of consumers are using coupons more often, with 29% of consumers surveyed using online coupon sites to cut shopping expenses. [comScore via Econsultancy Blog, February 2009]

- 40% of customers online use Shopping Comparison websites. This has risen by 5% in Q4 2008, compared with Q4 2007. [comScore via Econsultancy Blog, February 2009]

- According to Hitwise figures released in the US, Google and Yahoo! Search sent 25% more visits to the ten leading shopping comparison sites in November 2005 than in the same period in 2004 (for the week ending November 19, 2005 versus the week ending November 20, 2004). [Hitwise, November 2005]

International

- Rewards and Directories, which includes comparison shopping websites, accounted for about 10% of visits to online shopping sites in Australia. [Source: IAB, March 2009]

2.2.1.   Travel Price Comparison and Vertical Search

United Kingdom

UK Internet searches for flights have fallen by 42% over the last 12 months. [Source: Hitwise, January 2009]

2.3. Conversion Rates

United Kingdom

- Pure play online and catalogue retailers have mastered the ability to convert clicks into sales, with a high conversion rate of 4.08% for September 2009 — 1.15% higher than the conversion rate for multichannel and high street retailers. [Source: IMRG via InternetRetailing, October 2009]

United States

According to Nielsen Online, the **top site conversion rates** for January 2009 (as a percentage of unique website visitors) were:

Online Retailer	Conversion Rate
Schwan's	52.5%
Proflowers	27.3%
Quixtar	22.4%
Blair.com	21.8%
Office Depot	21.1%
Vitacost.com	20.4%
DrsFosterSmith.com	20.3%
FTD.com	20.2%
Amazon	17.2%
CDW	16.9%

[Source: Nielsen Online via MarketingCharts.com, January 2009]

International

- 70% of companies surveyed by Econsultancy said that their conversion rates had improved during 2009. [Source: Econsultancy RedEye Conversion Report, October 2009]
- 82% of agencies said that their clients' conversion rates improved during 2009. [Source: Econsultancy RedEye Conversion Report, October 2009]

- Company satisfaction with conversion rates. [Source: Econsultancy RedEye Conversion Report, October 2009]

Figure 11: How satisfied are you with your conversion rates?
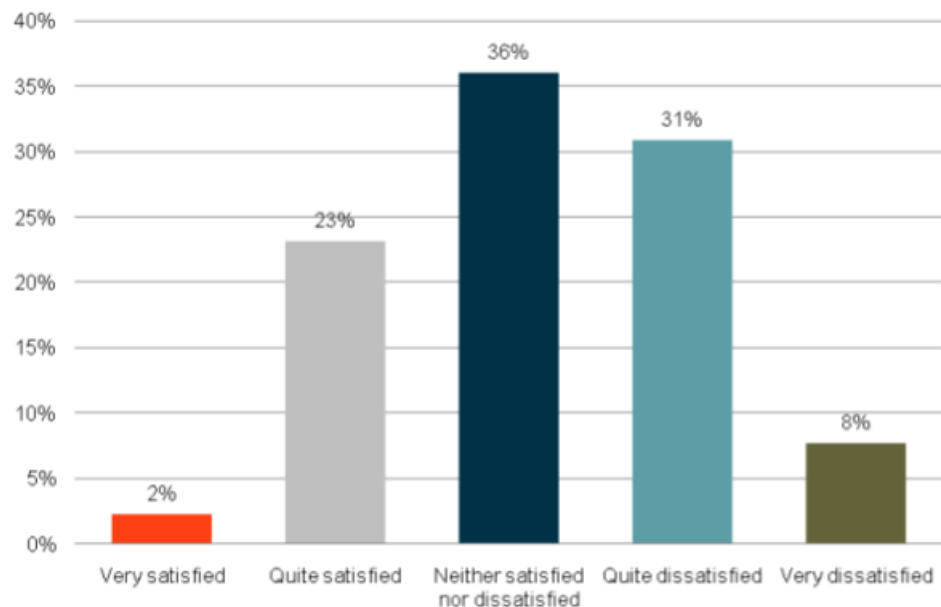
2.3.1.   Site Search

United Kingdom

- 43% of companies surveyed by Econsultancy found that site search had a positive impact on their conversion rates, while 34% found it had a negative impact. [Source: Econsultancy Conversion Report, October 2009]

- While a relatively small number of visitors are using the search function on websites, conversion rates through site search are up to 50% higher than the average, according to a Screen Pages survey of 39 companies over a three month period. [Source: Screen Pages via Econsultancy blog, December 2008]

  - Use of the search box results in an average conversion ratio of 2.4%, against an average of 1.7%. That's an improvement of close to 50% when visitors use site search.

United States

- 100% of online retail sites surveyed by the e-tailing group in January 2009 had some form of onsite keyword search capability. [Source: e-tailing group "11th Annual Mystery Shopping Survey" via RetailerDaily, January 2009]

- 85% of online merchants now allow shoppers to refine their searches, with price, brand and category being the most common filters to refine on. Just under two thirds (61%) of merchants selling apparel online allow customers to refine searches by product colour. [Source: e-tailing group "11th Annual Mystery Shopping Survey", January 2009]

Refine Results	e-tailing 100 4Q 2008	Refine Results	e-tailing 100 4Q 2008
Price	80%*	Ratings	8%*
Brand	65%*	Age	8%*
Category	64%*	Availability	7%*
Color	29%*	Material	6%*
New Arrivals	19%*	Style/Fit	6%*
Sales/Specials	15%*	Gender	5%*
Size	15%*	Other: (Personalized, Theme, Character; Room)	26%*
Best/Top Sellers	13%*		

Source: the e-tailing group Mystery Shopping Surveys 2008 & 2007   *subset of survey*

2.3.2. Merchandising

United Kingdom

- Amazon is the first online retailer that 30% of shoppers think of when shopping online, followed by eBay on 14%. Both sites were also regular shopping destinations for 70% of consumers. [Source: Channel Advisor, August 2009]

- By failing to optimise e-commerce strategies, the UK retail industry is losing out on over £2.3bn revenue per year, according to a report by Verdict Consulting. [Source: Verdict, Sept 2008]
  - The report calculates that an e-commerce site converting just 1% more visitors could generate an additional £678m in revenue.

Barriers to purchase, such as concerns over delivery of goods and delivery charges can contribute to £992.4m in missed or lost sales every year.

2.3.3. Shopping carts / dropout rates

United Kingdom

- 77% of online adults who have conducted an online transaction in the past year say they have experienced problems when doing so. [Source: IMRG via InternetRetailer, October 2009]

- 50% of regular UK online shoppers' will cancel their purchase if their desired method is not available. [Source: YouGov/ClickandBuy via Econsultancy Blog, April 2009]

- Of the 32% of adults surveyed who do not regularly shop online, 54% said that this is because they are concerned about the security risks of entering credit card details online. [Source: APACS via Econsultancy Blog, May 2009]

- According to Pindar's survey of 60 e-commerce sites, a well-performing site gets one third of all visitors to the basket page. [Source: Pindar Graphics, May 2008]
  - Basket drop-out rates average 44%, although best performers can achieve less than 30%
  - The best performing sites were achieving conversion rates of more than 8%, which is four times the average.

United States

- Top reasons for abandoning shopping carts among US shoppers. [Source: Forrester, October 2009]

"Thinking of the last time you put items in your shopping cart but did not finish the online purchase, which of the following best describes why you did not complete the transaction?"

Shipping and handling costs were too high: Male 35%, Female 42%

I was not ready to purchase the product: Male 33%, Female 38%

I wanted to compare prices on other sites: Male 25%, Female 23%

Product price was higher than I was willing to pay: Male 21%, Female 22%

Just wanted to save products in my cart for later consideration: Male 16%, Female 26%

■ Male online purchasers
■ Female online purchasers

Base: 3,332 US online purchasers (multiple responses accepted)

Source: North American Technographics® Retail Online Survey, Q3 2009 (US)

- Top reasons for abandoning shopping carts among US shoppers. [Source: ComScore / PayPal press release, June 2009]

Breakdown on Why Shoppers Abandon – Paypal, US, May 2009

High Shipping Charges 46%
Wanted to Comparison Shop 37%
Lack Of Money 36%
Wanted To Look For A Coupon 27%
Wanted To Shop Offline 26%
Couldn't Find Preferred Pay Option 24%
Item Was Unavailable At Checkout 23%
Couldn't Find Customer Support 22%
Concerned About Security Of Credit Card Data 21%
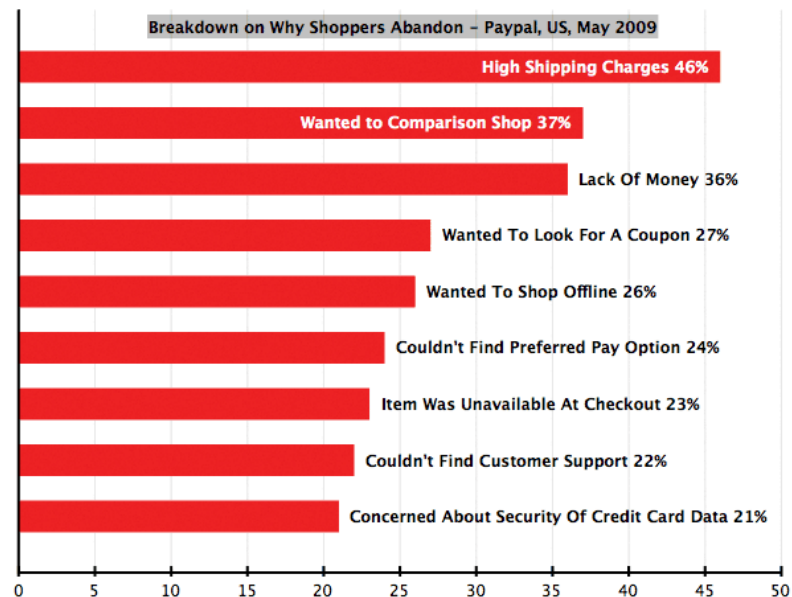
- Shopping Cart Abandonment Rate [Source: 7th Annual Merchant Survey, The E-tailing Group, April 2008]
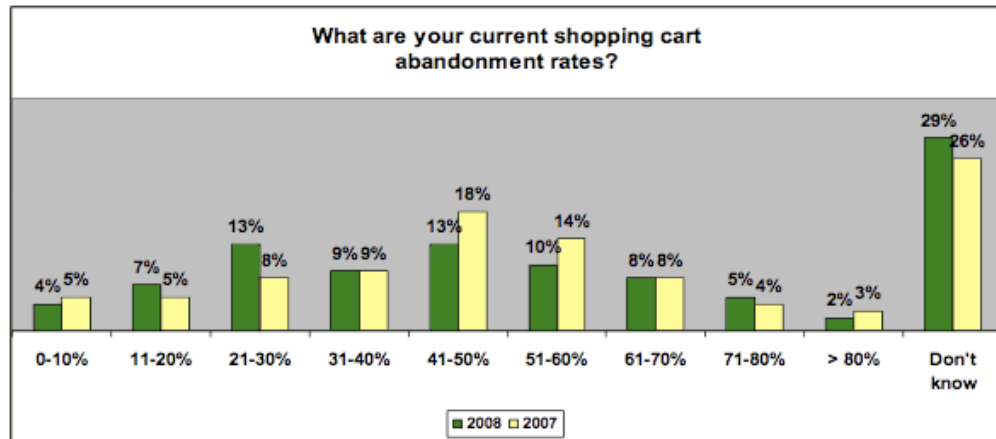
- Conversion rates for US e-commerce sites were actually up 3.96% year on year in Q1 2008. [Source: MarketLive via eMarketer, May 2008]

International

- Only 34% of companies surveyed by Econsultancy perform shopping cart abandonment analysis. [Source: Econsultancy RedEye Conversion Report, October 2009]

- 46% of companies found shopping cart abandonment analysis to be highly valuable, while another 47% found it to be quite valuable. [Source: Econsultancy RedEye Conversion Report, October 2009]

- According to a McAfee survey, 65% of all online shoppers wait a day or more to complete a purchase, and the average delay is 33 hours and 54 minutes. [Source: McAfee, September 2009]

- 49% of online shoppers make their purchase decisions relatively quickly (i.e., within three days) and research the purchases in only a few sessions. [Source: AudienceScience / Jupiterresearch, January 2009]

2.3.4. Site content optimisation

International

- Sales conversions were 11% higher for digital window shoppers who were shown a security cue, according to a McAfee study of 163m shoppers. [Source: McAfee, September 2009]

- An example from TUI showed that clearer forward navigation & buttons and more prominent price presentation increased online conversion by 65%. [Econsultancy, Online Marketing Masterclasses, 2004]

  - For hotel promotion, video footage could increase conversion by up to 120% depending on quality of footage.

2.4.   Average Order Values

United Kingdom

- The value of the average order placed online in 2009 surged 94% compared to the same period in 2008. [Source: Coremetrics via Econsultancy Blog, December 2009]

- The number of goods that are purchased per transaction has increased significantly, from 2.7 items in 2007 to 3.7 per order in 2009. [Source: Coremetrics via Econsultancy Blog, December 2009]

- The average online order value decreased 20% during 2007-2008 in the UK. [Source: Coremetrics, December 2009]

- Consumers are still spending less per visit with pureplay etailers, with an average basket size of £110. [Source: IMRG via InternetRetailer, October 2009]

2.5.   Christmas

United Kingdom

2009

- 93% of UK consumers planned to buy at least one gift online for Christmas 2009. [Source: Emailvision, December 2009]

- The first Monday in December is considered the busiest shopping day of the year, and one-day sales online in the UK were expected to top £350m in 2009, compared with £320m in 2008. [Source: BBC, December 2009]

- By 1800 GMT on Cyber Monday, retailer John Lewis said that page views for its website were already up 20% on the entire day a year ago. [Source: BBC, December 2009]

- Sales on Green Monday (14th December) were down only 2% compared with Cyber Monday (7th December) in 2009. Saturday and Sunday sales were up 9% and 8% respectively compared to the previous week. [Source: Metapack, December 2009]

- Friday's (18th December) sales figure actually decreased by 5% compared to the previous Friday's, possibly due to it being the last working day for many. [Source: Metapack, December 2009]

- On December 7, £1.4m was spent online in just one minute (at 13:43), with sales peaking at £33m between 13:00 and 14:00. [Source: IMRG via Econsultancy Blog, December 2009]

- In the UK, only 16% of people planned to spend more on Christmas presents in 2009 than in previous years. [Source: Ciao via NetImperative, November 2009]

- According to an Asda survey of their customers, 48% of shoppers now buy gifts in September to spread the cost of Christmas over time. [Source: Asda, September 2009]

2008

- 68% of shoppers said that they are more likely to shop online for Christmas presents this year, with 77% of shoppers planning to carry out about half or more of their Christmas shopping online (in 2007 it was 56%). [Source: IMRG, September 2008]

- The internet will be used by 86% of shoppers surveyed to research Christmas shopping options before buying in-store, and vice versa 59% stated they plan to research gift options in-store before buying online. [Source: IMRG, September 2008]

- 58% of respondents are looking to commence their Christmas shopping earlier this year. [Source: IMRG, September 2008]

- 66% of UK consumers shopped online over the Christmas period, and nearly 15% of total consumer spend was spent via online channels. [Source: UK Office of National Statistics via AllBusiness.com / D&B, January 2008]

- UK shoppers spent over £4.67bn online in December 2008, which equates to £76.67 for every person in the UK, and is an increase of 14.2% on December 2007. [Source: IMRG / Capgemini, Jan 2009]

  - 37% did over half of their shopping online, with 59.9% spending more online this Christmas than they did last year.

- 3.8m UK web users bought goods online on Christmas Day, spending £102m, 21% more than on the same day last year. [Source: IMRG, Jan 2009]

  - The number of people shopping was 14% lower than in 2007. But the volume of transactions was 26% higher.

- The British Retails Consortium's 'non-food non-store' category, which includes mail order as well as internet shopping, rose by 30% year-on-year for December 2008. [Source: BRC via Econsultancy blog, Jan 2009]

- According to Nielsen Online, Q4 traffic to the top 10 UK e-commerce sites was up by an average of 37% compared with the Christmas shopping period in 2007. [Source: Nielsen Online, Jan 2009]

  - Littlewoods (up 66%), Asda (53%) and Marks & Spencer (46%) had the largest year-on-year growth of the ten which, with the exception of Amazon and Play.com, were all multichannel retailers.

- The top 5 UK retail websites were 6% quieter on average this Christmas than in 2007. [Source: comScore via The Guardian, January 2009]

Retailer	Traffic change compared to average 2008 up to October	Traffic change compared to Christmas 2007
eBay	5%	−16%
Amazon	33%	−14%
Apple	15%	−3%
Home Retail Group (Argos and Homebase)	60%	−14%
Tesco	24%	−22%

2007

- eBay was the most popular retailer online during the 2007 Christmas shopping period - visited by an average of 15 million Britons per month in November and December. [Source: Nielsen Online, February 2008]

  – Of the ten most popular retailers, ASDA (+68%) and Marks & Spencer (+54%) experienced the strongest audience growth since 2006.

Rank	Retailer	Average UK monthly Unique Audience in Nov/Dec 07 (millions)	Average UK monthly Unique Audience in Nov/Dec 06 (millions)	% UA increase from Nov/Dec 06 to Nov/Dec 07
1	eBay	15.0	14.9	1%
2	Amazon	14.0	11.4	22%
3	Argos	7.0	5.3	31%
4	Tesco	6.7	5.9	14%
5	Play.com	4.8	3.6	34%
6	M&S	3.4	2.2	54%
7	Currys	2.9	2.2	31%
8	John Lewis	2.8	2.1	33%
9	HMV	2.7	2.0	39%
10	ASDA	2.6	1.6	68%

Rank	Retailer*	Average UK Unique Audience in Nov/Dec 07 (000s)	Average UK Unique Audience in Nov/Dec 06 (000s)	% increase from Nov/Dec 06 to Nov/Dec 07
1	Swarovski	355	118	201%
2	Superdrug	338	122	177%
3	Matalan	444	197	126%
4	Morrisons	381	173	120%
5	Ernest Jones	219	104	111%
6	Game	1,814	897	102%
7	H&M	226	114	98%
8	La Senza	347	184	88%
9	Monsoon	442	247	79%
10	BHS	392	222	76%

- More than 80% of adults in the UK shopped online in 2007, which is a rise of 5% on 2006's figures. [Source: Logan Tod, Jan 2008]

  – UK shoppers find the convenience of 24-hour shopping (67%) and lack of crowds (68%) the key benefits to shopping online over the Christmas period.

  – However, the most important consideration for shoppers (69% of those questioned) is price.

- Boxing Day was the busiest day of 2007 for the UK's online retailers, with December 2nd and December 9th coming second and third respectively. [Source: Hitwise, December 2007]

- High street retailers received over twice as many UK Internet visits on Boxing Day as online-only retailers. The top 50 high street retailers' websites accounted for 5.39% of all UK Internet visits on Boxing Day, compared to 2.37% for top 50 online-only retailers.

- The five high street retailers with the most visited websites were: Argos, Currys, Comet, Marks & Spencer and Next.

● 4.4m people bought goods online on Christmas Day 2007 and spent a total of £84m, which is 269% more than last year and an average of £19.09 per shopper. [Source: IMRG, December 2007]

● Online spending reached £5.4bn in November according to the 'IMRG Capgemini e-Retail Sales Index' – which equates to £891 spent online for every person in the UK. This was an increase of 22.5% compared to October 2007 and 65% higher than the £3.2bn in November 2006. [Source: IMRG, December 2007]

● The UK's online shoppers reportedly spent £767,500 in just 60 seconds at 1.09pm on December 10th, breaking previous records. [Source: Retail Solutions via Econsultancy blog, December 2007]

● The British Retail Consortium and Nielsen are predicting that sales of Christmas related goods will reach £12bn in the UK this year, a 5% increase on last Christmas. [Source: BRC/Nielsen via Econsultancy blog, December 2007]

- According to the figures, the average person will spend £435 on Christmas gifts, 12% more than last year. Clothes, books, films and music are predicted to be the biggest sellers.

United States

2009

- During the first 41 days of the November – December 2009 holiday season, $19.9 billion was spent online in the US, marking a 3% increase versus the corresponding days in 2008. [Source: comScore, December 2009]

- Online sales on Black Friday 2009 (27 November) were up 11% on 2008. [Source: comScore, November 2009]

- Spending online in the US on Green Monday (December 14th) was $854m, 1% less than the previous year, but the three following days each surpassed $800m. [Source: comScore via Econsultancy Blog, December 2009]

- Tuesday, December 15th set an individual day spending record with $913m. By comparison, spending on Cyber Monday (November 30th) was $887m. [Source: comScore via Econsultancy Blog, December 2009]

International

2009

- As at December 6th 2009, Google estimated that consumers still had 64% of their Christmas shopping left to do. [Source: Google/OTX, December 2009]

- Many shoppers had not even begun their Christmas shopping by December 6th 2009. 19% of holiday shoppers had not started researching their holiday purchases, and 29% had not yet purchased a single gift for their loved ones. [Source: Google/OTX, December 2009]

- Only one in ten German shoppers, one in six Italian shoppers and one in five Spanish shoppers planned to spend more on Christmas presents in 2009 than in previous years. [Source: Ciao via NetImperative, November 2009]

- A Google survey confirms that 44% of shoppers started their holiday shopping and researching in September. Over a third of survey respondents (36%) said they have already begun making holiday purchases. [Source: Google/OTX, September 2009]

2008

- Both November and December 2008 were the first months that e-commerce figures fell in Year-on-Year terms, down 3% on the same month in 2007. [Source: comScore 2008 Digital Year in Review, January 2009]

- Internet searches for the terms 'sales' and 'sale' increased by 3.2% between the week ending 29/12/07 and the equivalent period last year (w/e 27/12/08). This small increase compares to a trebling of sales searches last year. [Source: HitWise, December 2008]

2.6.   B2B E-commerce

International

- 91% of B2B Technology decision makers surveyed by Forrester said they were spectators in some way of social media (blogs, user-generated video, etc). Only 5% said they were non-participants. [Source: Forrester Research, February 2009]

- 55% of B2B decision makers participate actively in social networks. [Source: Forrester Research, February 2009]

- 43% of B2B decision makers are social media creators. 27% of decision makers create social media content for business purposes. [Source: Forrester Research, February 2009]

The Social Technographics Profile of technology decision-makers

	For business purposes, by role	For business purposes	Overall
Creators			
IT	29%	27%	43%
Line of business	24%		
Critics			
IT	40%	37%	58%
Line of business	31%		
Collectors			
IT	32%	29%	48%
Line of business	24%		
Joiners			
IT	29%	29%	55%
Line of business	27%		
Spectators			
IT	70%	69%	91%
Line of business	68%		
Inactives			
IT	22%	23%	5%
Line of business	24%		

Base: 1,217 North American and European technology decision-makers at firms with 100 or more employees

Source: North American And European B2B Social Technographics® Online Survey, Q4 2008

47144   Source: Forrester Research, Inc.

2.7. Security and Fraud

United Kingdom

Greatest Business Threats

Threat	2007	2008	2009
Online fraud	25	52	57
Theft of customer data	6	54	52
Systems failure	23	42	51
Viruses	10	20	15
Hackers causing malicious damage	9	20	15
Internal fraud		13	10

% of Merchants

[Source: CyberSource UK Online Fraud Report, January 2010]

Automated Fraud Detection Tool Current Usage and Plans

	Current	Planning to implement in 2010	Total %
Validation Services			
Card Verification Number	73	4	77
Verified by Visa	59	13	72
MasterCard SecureCode	51	14	65
Address Verification Service	59	3	62
Postal address validation services	35	6	41
Credit history checks	14	9	23
Telephone number verification	17	6	23
Paid-for public records services	9	10	19
Single Merchant Purchase History			
Customer order history	35	13	48
Fraud scoring models – internal	24	10	34
Customer website behaviour/ pattern analysis	18	14	32
Negative lists – in-house	23	8	31
Order velocity monitoring	15	7	22
Positive lists	14	5	19
Purchase Device Tracing			
IP geolocation	17	9	26
Customer device 'fingerprinting'	9	8	17
Multi-Merchant Purchase History			
Shared negative lists – hotlists	15	14	29
Purchase velocity/ identity morphing models	6	12	18

% of Merchants

[Source: CyberSource UK Online Fraud Report, January 2010]

Consumers: Security Measures for Shopping Online

22

	2007	2008	2009
Look for signs that the page is secure	84	86	85
Shop online with reputable name retailers	82	85	85
Use MasterCard SecureCode or Verified by Visa schemes	69	68	69
Use a credit card rather than a debit card	56	57	50
Use a card-reader machine to increase security of banking transactions		22	29

% of Consumers

[Source: CyberSource UK Online Fraud Report, January 2010]

- Garlik's annual UK Cybercrime report estimates there was a 207% increase in account takeover fraud in 2008. [Source: Garlik, September 2009]

- Online banking fraud has increased by 132%, with losses totalling £52.5m, compared to £22.6m in 2007. [Source: Garlik, September 2009]

- Garlik estimates there were 44,000 phishing websites specifically targeting banks and building societies in the UK in 2008. [Source: Garlik, September 2009]

- £181.7m of card fraud took place on the Internet in 2008, representing 55.3% of total Card Not Present (CNP) fraud losses. [Source: Garlik, September 2009]

- Just under 50% of UK businesses experienced a computer security incident (around 860,000). The number having a serious breach has stayed constant at around 25% (around 430,000). [Source: Garlik, September 2009]

- 16% of businesses experienced an attack from an unauthorised outsider (including hacking attempts) (137,600 incidents). [Source: Garlik, September 2009]

- According to the e-CSI Index, 74% of customers are satisfied with security offered by web retailers. [Source: IMRG, September 2008]

- Card-not-present fraud losses (which include internet, mail order and telephone shopping), rose by 243% between 2001 and 2008. [Source: APACS via Econsultancy Blog, May 2009]

- Online retailers are increasing expenditure on anti-fraud measures but there is a lack of support from government and law enforcement authorities, according to a new survey of 165 UK businesses and 1,000 consumers. [Source: CyberSource via Econsultancy blog, Feb 2008]

  - 54% of consumers said that they still shop online, but are now more careful as a result of media coverage, though 30% said this had not changed their online shopping habits.

  - 56% now use a credit rather than a debit card, while 84% look for signs that a website is secure before making a purchase.

  - Media scare stories have been enough to dissuade 4% of respondents from shopping online altogether, while 10% shop less often as a result.

  - 24% of consumers feel that responsibility for dealing with online fraud rests with retailers, and just 4% believe that this is a police issue.

United States

- Projected dollar losses due to online fraud to US and Canadian e-commerce in 2009 are $3.3bn, down from $4bn in 2008. [Source: 11th Annual Online Fraud Report, CyberSource, November 2009]

- Merchants say they will lose 1.2% of their online revenue to fraud in 2009, the lowest percentage in 11 years. [Source: 11th Annual Online Fraud Report, CyberSource, November 2009]

- Consumer electronics reported the highest fraudulent online order rate of any industry segment at 1.5%, 67% higher than average. Consumer electronics also reported the highest rate of declined orders due to suspected fraud at 6.6%. [Source: 11th Annual Online Fraud Report, CyberSource, November 2009]

- 9.9 million US adults, or approximately 4.3% of the country's population, were victims of identity fraud in 2008. [Source: LexisNexis via MarketingCharts, November 2009]

- 43% of large retailers with a significant online presence reported increased credit-card fraud in 2008. [Source: LexisNexis via MarketingCharts, November 2009]

- 35% of online fraud is "Friendly Fraud" (when a customer orders & receives an item, then issues a chargeback on their credit card). [Source: LexisNexis via MarketingCharts, November 2009]

- 24% of online fraud is due to lost or stolen merchandise. [Source: LexisNexis via MarketingCharts, November 2009]

International

- The amount of card-not-present (mostly online transactions) fraud on Australian cards increased 25% (from $65.5m to $82.1m Australian Dollars) in the 12 months to June 2009. [Source: Australian Payments Clearing Association via The Australian, December 2009]

- Fraud rates on overseas online orders declined by 50% in 2009, from 4% in 2008 to 2%. International rates still show double the risk of domestic orders, however. [Source: 11th Annual Online Fraud Report, CyberSource, November 2009]

- Average order rejection rates for overseas orders are 7.7%, over three times the rate for domestic orders. [Source: 11th Annual Online Fraud Report, CyberSource, November 2009]

2.8. Fulfilment and Delivery

United Kingdom

- 84% of retailers now offer online order tracking, compared to 59% in 2005 [Source: Snow Valley E-commerce Retail Delivery Report, January 2010]

International

- 72% of consumers said that if an e-commerce site eliminated free shipping, they would use another e-commerce site that did offer free shipping. [Source: comScore, Oct 2008]

- 78% of online customers said prohibitive costs of shipping discouraged them from online.
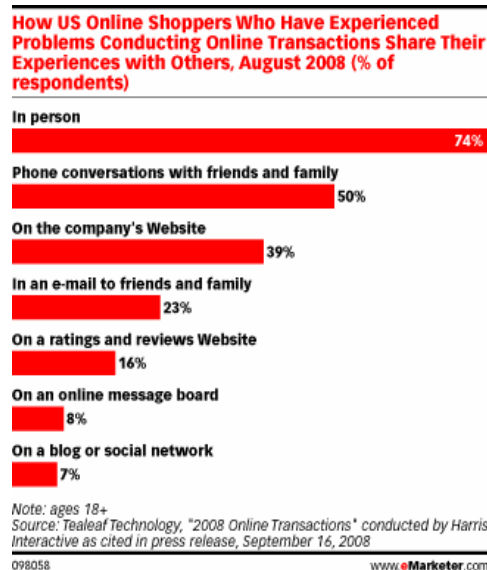
2.9.   Online Customer Service

United Kingdom / International

- Visitors invited after 2-3 minutes on site have a 79% greater likelihood to accept an online chat with a customer service representative than a website visitor who has been on site for less time. [Source: Get Elastic, December 2009]

- Repeat visitors are 64% more likely to engage in proactive customer service chats than first-time visitors. [Source: Get Elastic, December 2009]

- 51% of British adults who contacted a call centre after encountering a website problem were unable to have their issue resolved. [Source: IMRG via InternetRetailer, October 2009]

- Econsultancy estimates the UK Online Customer Service market is likely to grow by 15-20% during 2009. [Source: Econsultancy Online Customer Service Buyers Guide, March 2009]

- The e-CSI Index reveals the number of respondents satisfied with shopping online is high at 79%, with those happy with the delivery of products by online retailers at 80%, and the number of those pleased with the range of products available online at 84%. [Source: IMRG, May 2009]

- According to the e-CSI Index, 76% of customers are happy with the help available on websites provided by online retailers when they have a query. [Source: IMRG, September 2008]

- A report from Transversal shows the poor performance of many UK firms when responding to customers' emails. [Source: Transversal via Econsultancy blog, March 2008]

  - 100 leading organisations were tested by sending them routine questions by email. Less than half (46%) answered those questions "adequately" and the average time they took to respond was almost two days (46 hours).

  - Performance has become worse since 2006, when companies adequately answered 60% of queries and responded on average within 33 hours.

- Etailers need to respond to online enquiries within at least 24 hours to retain customers, according to a Lifestyles Online survey of 7,637 European web shoppers. [Source: Lifestyles Online, Feb 2008]

  - 84% said they wanted a response within at least 24 hours. Just 16% felt that a response after 24 hours was satisfactory. 36% think an answer within the hour should be possible.

  - 85% of consumers say that if their contact is ignored they will not bother with that same retailer again.

- Major UK firms take an average of 46 hours to respond to customers' emails, according to a new study that shows pretty mixed levels of customer service online. [Source: Transversal via Econsultancy blog, December 2007]

  - Websites, on average, could only provide answers for 50% of common customer queries.

  - Telecoms, insurance, travel, electronics, grocers and utility performed worst - all were unable to answer 60% of consumer queries online.

  - Grocery and electronics retailers slipped since last year's study, with average correct responses to emails falling from 80% to 55% and 90% to 55% respectively.

  - Travel websites have performed badly in the last two surveys. They fail to answer 60% of common questions and had an average email response time of 58 hours.

- Etailers are getting better at customer service, with 76% of shoppers saying they were happy with the help they were offered on websites, according to the IMRG's E-Customer Service Index. [Source: IMRG via Econsultancy blog, November 2007]

  - 73% were satisfied with responses from online retailers via telephone and email, though this still leaves 27% of customers presumably unhappy with the way their queries / problems were handled.

United States

- 59% of consumers report poor quality recommendations, a 31% increase over 2008 numbers [Source: ChoiceStream 2009 Personalization Survey, December 2009]

- Consumers re**p**ort receiving recommendations unrelated to the product they are interested in [Source: ChoiceStream 2009 Personalization Survey, December 2009]

- Only 17% of consumers report that recommendations are 'excellent' [Source: ChoiceStream 2009 Personalization Survey, December 2009]

- The best recommendations were from Music/Entertainment stores, Big Box stores or Grocery stores [Source: ChoiceStream 2009 Personalization Survey, December 2009]

- 20% of companies responding to an Accenture survey reported that they would immediately leave a company because of a poor service experience, up from 13% in 2007's survey. [Source: Accenture, November 2008]

- 43% of consumers reported that they were satisfied with online chat services for customer service, up from 30% a year earlier. [Source: Accenture, November 2008]

- Customers are not shy in spreading the word when they have had a bad experience with an online retailer, with many telling friends about their troubles, either in person or on the phone, while others will use online reviews, blogs and message boards. [Source: Tealeaf via eMarketer, Oct 2008]

How US Online Shoppers Who Have Experienced Problems Conducting Online Transactions Share Their Experiences with Others, August 2008 (% of respondents)

In person	74%
Phone conversations with friends and family	50%
On the company's Website	39%
In an e-mail to friends and family	23%
On a ratings and reviews Website	16%
On an online message board	8%
On a blog or social network	7%

Note: ages 18+
Source: Tealeaf Technology, "2008 Online Transactions" conducted by Harris Interactive as cited in press release, September 16, 2008

098058   www.**eMarketer**.com

- When asked to rate customer service features that are most important to them when buying online, 74% of consumers rated a perpetual shopping cart as an important feature. [Source: Allurent, Feb 2008]

## 2.10.   Mobile e-commerce

International

- Analysts predict that the market for mobile ticketing will reach 15 billion delivered tickets by the year 2014. Over 2 billion tickets were sold this way during 2009. [Source: Juniper Research, January 2010]

3.   Multi-Channel Marketing / Commerce

3.1.   The Business Case for Multi-Channel

United Kingdom

- Multichannel and high street retailers are able to command a larger spend from shoppers per visit — encouraging consumers to splash out an average of £167 per visit. [Source: IMRG via InternetRetailer, October 2009]

- Online shopping is continuing to grow in popularity over in-store opportunities. Consumers are most attracted to a website that provides good advice and reassurance about their purchase, with outfit suggestions (43%), recommendations (46%) and customer reviews (40%) cited as features that consumers most like. [Source: IMRG, May 2009]
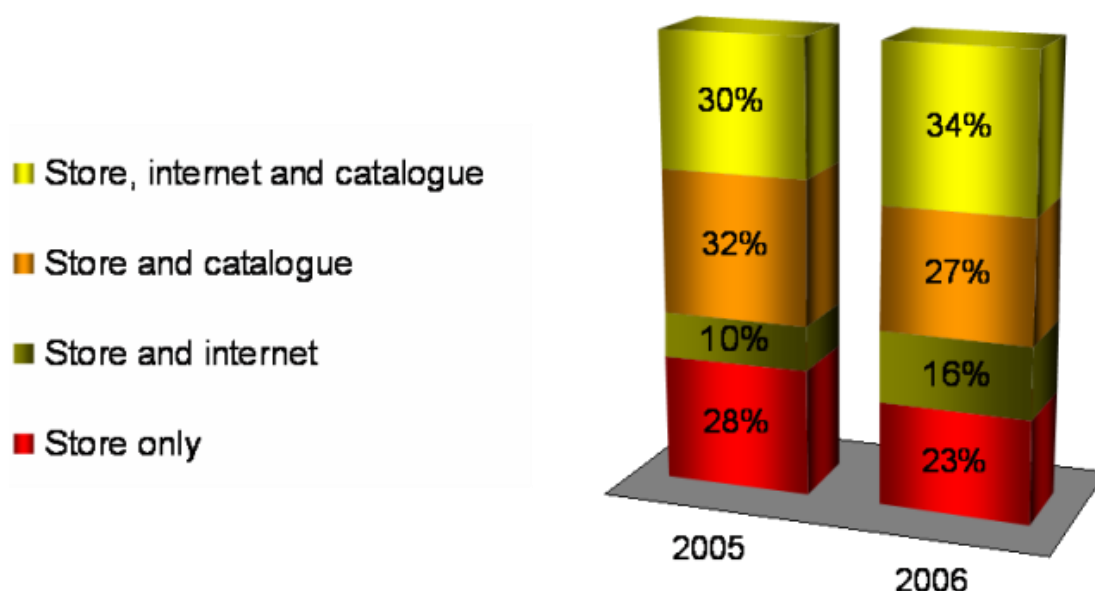
[Source: Royal Mail via Pindar Screen Pages Econsultancy Showcase May 2007]
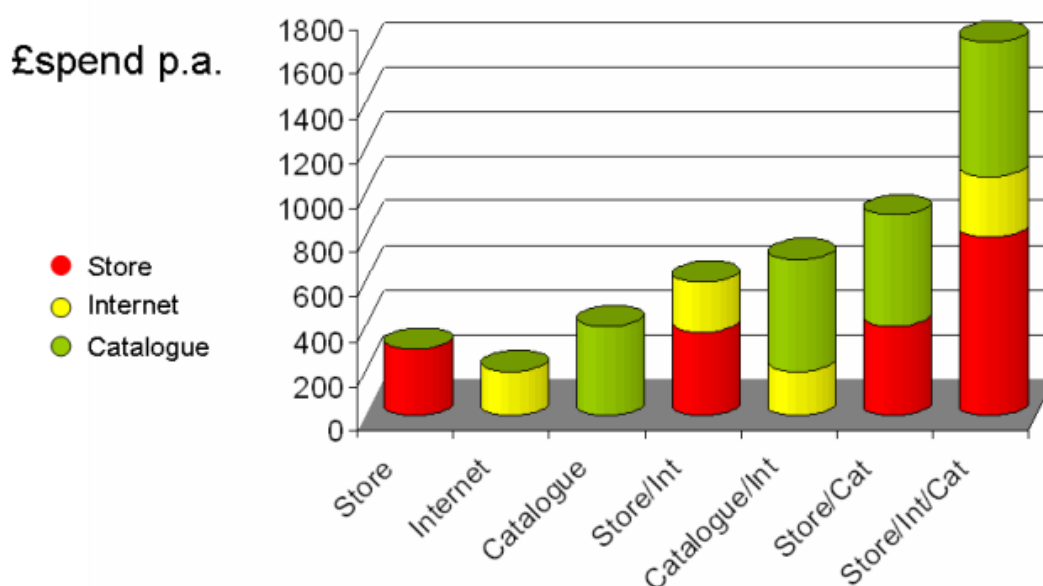
[Source: USPS via Pindar Screen Pages Econsultancy Showcase May 2007]

United States

More and more retailers in the US are now offering in store kiosks and devices to let customers shop online while in store. [Source: AMR Research via eMarketer, Sept 2008]

- — More than four out of 10 retailers surveyed said they offered such services, and nearly three-quarters said they planned to do so by 2010.
- A study by the Magazine Publishers of America (MPA) found that ads containing web addresses were up to three times as likely to drive readers to a particular website. [Source: MPA, May 2008]
- Over half (56%) of internet-using newspaper readers researched or purchased at least one product they saw advertised in the newspaper in the last month. [Source: Newspaper Association of America via Marketing Charts, April 2008]
  - — 44% of respondents researched at least one product and of this group, 67% researched online, while 70% purchased the product.
  - 47% went directly to a URL they saw in the advertisement, while 31% used a search engine.
- 57% of US shoppers wanted the ability to return or exchange products to a store, whether they had bought them from a website, catalogue or shop. [Source: Sterling Commerce via Econsultancy blog, Aug 2007]
  - — Two-thirds of consumers also expected to be able to cancel or change their order via any channel.
- A survey of over 2,000 internet users in the US, found 67% of the online search population had been driven to the web to look for something they had seen or heard of offline.[Source: JupiterResearch via Econsultancy blog, August 2007]
  - — Of the offline channels responsible for triggering searches, TV ads were top. They had prompted 37% of online searchers to look for a company, slogan, service or product in the previous six months, the study said.
  - — Word of mouth was a close second (36%), followed by ads in newspapers or magazines (30%).

International

- Well over half of respondents agreed that the emails they receive directly influenced their (offline) overall shopping activity. [Source: Epsilon, October 2008]
- 78% of respondents said that they often purchased products offline as the result of an email from a consumer packaged goods company. [Source: Epsilon, October 2008]
- 67% of survey respondents researched retail locations that carry the product. [Source: Epsilon via Econsultancy Blog, October 2008]

- Research preferences of shoppers with multichannel retailers. [Source: ForeSee Results, June 2008]

Research Preferences of Shoppers of Multichannel Retailers

Satisfaction/ Future Behaviours		Preferred Research Channel	
	Aggregate	Website	Shop or Catalogue
		57%	41%
Satisfaction	66	67	64
Image	66	68	65
Purchase Next Christmas	70	70	71
Purchase Next time	70	71	71
Purchase Offline	60	69	73
Purchase Online	70	70	65
Recommend	68	69	66
Retailer Satisfaction	70	72	69

3.2. How online drives offline sales

United Kingdom

- Halfords, which only introduced its Reserve and Collect service just over a year ago, reported a 90% growth in multichannel revenues in the 12 months up to April. [Source: Halfords via InternetRetailer, June 2009]

- Between 46 and 50% of shoppers in the US and UK switch retailers when they move among shopping channels. Price is the main reason, followed by convenience and product availability. [Source: IBM Institute for Business Value, Oct 2008]

  - More than 75% of multi-channel shoppers prefer the combination of online to store, followed by store to online, and online to call centre.

  - In the US and the UK, Consumer Electronics is the product category most often chosen by multi-channel shoppers, followed by Apparel/Accessories & Footwear, and Home Improvement/DIY & Appliances.

United States

- 65% of US online consumers would stop or reconsider stopping shopping at an online store's physical counterpart if they had a bad online shopping experience. [Gomez, November 2006]

International

- 40% of all offline retail sales are influenced in some way by the online channel. By 2014 this number will be 54%. [Source: CalmSea via Omniture, December 2009]

- Companies are more likely to be generating leads online with the intention of converting them offline. The percentage of respondents who say this is "very much part of our strategy" has increased from 40% in 2008 to 45% in 2009. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

- The average proportion of lead generation budget which is spent online has increased in 2009 to 61% from 53% in 2008. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

- Two thirds of company respondents (65%) say that their use of online lead generation has increased in the last year, compared to only 11% who say that it has decreased. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

- 88% of organisations responding to the Econsultancy Online Lead Generation survey say that online lead generation activity will become more important to their organisations over the next 12 months. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

- The most widely perceived benefit of online lead generation is the ability to increase the prospect list and customer base, seen as a benefit by 73% of company respondents. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

- People who research their electronics purchases on the internet spend 10% more in store than those who don't research online, according to a study by Yahoo and ChannelForce. [Source: Yahoo/ChannelForce via Econsultancy blog, July 2007]

  - 75% of those who research purchases of TVs and cameras used online as the primary source of information before visiting a store.

  - Those who search online spend an average of $31 more on digital cameras, $139 more on TVs and $190 on TV packages.

  - The leading online resources were retail websites (73%), manufacturer websites (68%) and search engines (49%).

3.3. Use of offline channels to drive online sales

United Kingdom

- 68% of UK marketers deliver multi-channel marketing messages based on customer segments, but only 35% actually know which channels their customers prefer. [Source: ExactTarget, October 2009]

International

- There is a continued trend towards decreased use of offline channels for generating consumer leads. The proportion of companies using newspapers and magazines to generate leads has decreased from 65% in 2008 to 54% in 2009. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

- Direct mail has seen a 12% drop, from 50% of businesses using it for consumer lead generation in 2008 to only 38% of businesses in 2009. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

- Use of radio in lead generation has fallen from 21% in 2008 to just 12% of companies in 2009. [Source: Econsultancy / Clash-Media Online Lead Generation B2C Report 2009]

3.4. Catalogues / online sales

United Kingdom

- 62% of young consumers use a catalogue to shop, either for buying directly or helping them with online or in store purchases, says the Royal Mail's new Home Shopping Tracker Study. This compares with a national average of only 54% for all adults. [Source: Royal Mail Home Shopping Tracker Study via InternetRetailing, September 2008]

- The 37% of shoppers who consulted a catalogue before making purchases online in the past year spent 13% more than those who did not. [Source: Royal Mail Home Shopping Tracker Study via InternetRetailing, September 2008]

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EIAA	eDigital	Thomson Intermedia	Mobile Data Association
360i	Elogisitcs Magazine	Lyris Technologies	Prospectiv
Accessibility Forum	Email Systems	M:Metrics	PwC
ACNielsen	EmailLabs	Macromedia	Quaestor Research and Marketing Strategists
Actinic	EmailMonitor	Makovsky & Co	Questus
Admap	eMarketer	Marketing magazine	Rax.ru
AdTech AG	Empirix	Marketing Week	RCT Analytics
AlchemyWorx	Employers' Forum on Disability	MarketingProfs	Receptional
Amazon	Enpocket	MarketingSherpa	Responsys
Analysys International	Enquiro	MarketingVox	Return Path
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AOP	Equi-Media	Media Contacts	RNIB
AP	eROI	MediaPost	Royal Mail
APACS	eTForecasts	Merchant Risk Council	Russell Research
Atlas	Eyeblaster	Merrill Lynch	Scarborough Research
Axon Publishing	Financial Times	MetaPack	SciVisum
Bango	Forrester	Millward Brown	Search Engine Guide
BARB	Foviance	Mintel	SearchEngineWatch
B2B Marketing	Fireclick Index	Microsoft bCentral	SearchIgnite
BBC	Gallup	MMXI	SEMPO

BCG	Gartner	Mobile Data Association	Sento Corp
BCS	GetSafeOnline	Motorola	SEO-PR
Ben Edelman	GfK market research	MSN	Silicon.com
Benchmark Research	GMI	Mutual Points	silverPOP
Bernstein Research			
Bigfoot Interactive	Goldman Sachs	Nakamura Communications	Site Confidence
BIGResearch	Gomez	Net.Applications.com	SiteIntelligence
BizRate/Shopzilla	Google	National Sales Association	Sky
Bloglines	Group M	National Statistics	Sophos
Bradley Horwitz	Guardian	NetIQ	Spannerworks
Brandweek	Guardian Unlimited	Netonomy	Spectrum Strategy
BRMB	GVU	Newspaper Association of America	Starcom
Bronto	Harris Interactive	Nielsen Analytics	Steelside
Brown University	Harvest Digital	Nielsen Entertainment	Strategy Analytics
Browser News	Hitwise	Nielsen//NetRatings	Technorati
BSkyB	Hostway	NMA	Telecom Express
BURST! Media	IAB	Nomensa	Telephia
Carat	IAMAI	NOP	TGI.net
CDMS	iBurbia	NPD Online	The Independent
China Internet Network Information Center	ICQ	NTC Research	The Kelsey Group
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ClickZ	IMRG	Oneupweb	TNS
comScore	IMS Research	Online Publishers Association	Touch Clarity
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Continental Research	In-Stat	Outsell	Unica
Coremetrics	InsightExpress	Overture	Universal McCann
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Cymfony	Ipsos	PC World Magazine	W3C
Dart	IPT	Performics	Wanadoo UK plc & SPA
Datamonitor	IronPort	Perseus	Webroot
Dave Chaffey	iProspect	Pew	WebSideStory
Deloitte	Ipwalk	Pheedo	Wireless World Forum
Deutsche Bank	iResearch	PhoCusWright	Workplace Print Media
Digital Strategy Consulting	iMedia Connection	Point Topic	Yahoo!
DoubleClick	IRN Research	Piper Jaffray & Co	Yankee Group
DirectGov	ITFacts	Ponemon Institute	YouGov
Direct Partners	Joshua ConsumerCheck	Porter Research	ZDNet Research
Direct Marketing Association	Juniper Research	Precedent	Zendor
DRC	JupiterResearch	Porter Novelli	Zona Research
Dynamic Logic	Snow Valley	Merkle	Edison Media Research
Easily			
eCircle			

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