

Online shopping reaches new highs for the holidays

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In a converted former broom factory in Baltimore, employees of PlayBetter.com checked inventory and pricing, prepared email blasts and packed up cartloads of gadgets to help golfers improve their game.

"This is our Super Bowl right now, for the next few weeks," said Spiro Alafassos, founder of the online seller of golf goods such as sensors that track shots and analyze swings. "Every year more people are jumping online, more people are trusting online."

Online shopping has grown into a retail mainstay in recent years and is expected to reach all-time highs this holiday shopping season. Consumers can access most retailers in the palm of their hands through smartphones and other devices. The emergence of such online buying habits has reshaped the holiday season and diminished the significance of Black Friday for retailers large and small.

This year, about 47 percent of shoppers will make at least some of their holiday purchases online, a record high as online shopping grows 18 percent, according to a consumer study by Visa. In a shift from years past, about a third of all digital shopping is expected to be done through mobile devices such as tablets and phones.

Visa said those projections are on track, with record e-commerce sales over the four-day Thanksgiving weekend and 18 percent growth in online spending in November.



Other results so far also point to a surge in online shopping. Of the more than 154 million people expected to shop over the Thanksgiving weekend - the traditional start to the season - more shopped online than in stores by 44 percent to 40 percent, according to the National Retail Federation.

The number of mobile shoppers is quickly approaching the numbers of those shopping from desktops or laptops, according the Consumer Technology Association.

"The 2016 holiday shopping season is the tipping point for mobile shopping," simply because more people own and feel comfortable with mobile devices, Shawn DuBravac, the technology group's chief economist, SAID in a statement.

Kohls.com reported its top two days ever of traffic and sales on Black Friday and Thanksgiving, with strong demand for toys, home goods and electronics such as TVs, game systems, cameras and the Apple Watch. From Nov. 21 through Nov. 27, the retailer had more than 60 million visits to Kohls.com, more than half on mobile devices. Mobile shoppers made up 40 percent of total sales for the first time.

The shift to <u>online shopping</u> is happening across all age groups, said Wayne Best, chief economist for Visa.

"It's a big misnomer that people over 70 won't shop online," Best said. "They have computers and smartphones, and they buy everything from canned tomatoes to televisions online now. It's a pretty continuous wholesale shift of more and more people feeling more comfortable and secure in doing transactions."

PlayBetter.com expects to achieve 60 percent of its annual sales this holiday season between its own website and sales on Amazon, said



Alafassos, a former communications director for the Baltimore Orioles.

Thanks to a combination of accelerating online activity, emerging golf technology and a niche market that requires no physical showroom, the 7-year-old retailer has had double-digit annual growth, Alafassos said. PlayBetter, which employs four people full time, began preparing for the holidays around Labor Day, when it placed orders that had to be shipped to Amazon by early November.

Online shopping has helped blur the lines between Black Friday and the rest of the season with discounts and deals. This season, many retailers started Black Friday-themed promotions in early November.

At Sears, Black Friday pricing started early last month. On the Sunday before Thanksgiving, discounts from the department store's Black Friday circular were offered during extended shopping hours, both in stores and online.

The shift to mobile devices has become more apparent than ever, said Tom Caporaso, CEO of Clarus Commerce, owner of Freeshipping.com, a subscription-based web portal that offers free shipping and other deals from hundreds of retailers, and Shopsmarter.com. He said 45 percent of his firm's website traffic is coming from mobile devices, and some forecasts call for mobile use to drive as much as 35 percent of holiday spending. That's partly because retailers have made improving mobile experiences a priority, he said.

"Historically, we used to build it with the desktop as a starting point, then shrink it down for mobile," Caporaso said. "Now ... engineers are thinking about mobile devices and then expanding to tablets and desktops."

For retailers - especially small and mid-size businesses - "if they're not in



the mobile space in a real way, they are at a disadvantage," he said.

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