

Analysts point to Amazon.com as online sales winner

21 December 2013, by Jay Greene

As the online holiday shopping season winds down this weekend, analysts who track sales say there's at least one clear winner this year: Amazon.com Inc.

The Web giant doesn't typically disclose [sales](#) data until after the holidays, and declined to comment for this story. But all indications are [online sales](#) in the United States are growing more quickly than in-store purchases this season. And Amazon, as the king of electronic commerce, is seeing big gains in its business as well.

"Online is getting a disproportionate share of holiday spending this year, and clearly a disproportionate share of that is going to the market leader, which is Amazon," said Marshal Cohen, the chief industry analyst at the research firm The NPD Group.

At the start of the [holiday season](#), Cohen expected online shopping to account for 33 to 34 percent of total holiday sales, up from 26 percent in 2012. Now, Cohen believes online sales will account for closer to 40 percent.

Online retailers have benefited from a compressed holiday season, with six fewer days between Thanksgiving and Christmas this year than in 2012. That pushed consumers to find more convenient ways to shop that driving to stores to get gifts.

Moreover, dicey weather in the Midwest and Northeast kept shoppers at home, working their computers to buy presents. The absence of a "hot" gift this year left many retailers, both physical stores and digital, offering more deals. That, in turn, led shoppers online to find the best prices.

"Consumers were being driven to websites and were taking advantage of that" by looking for great deals, Cohen said.

What's more, Web retailers, led by Amazon, have worked to remove barriers that have historically kept some shoppers from buying online, such as the ability to return items without paying shipping costs. And Amazon has added millions of customers to its Amazon Prime service, which offers free two-day shipping on millions of items.

"Online is getting better at getting over those hurdles," said Andrew Lipsman, vice president of marketing and insights at comScore, which tracks Web traffic. "That's removed a lot of friction."

One of the big changes comScore has found this year is that consumers have increased their online shopping during the weekends. In years past, consumers often shopped from work during the week. But the weekend after Thanksgiving saw a 34 percent increase in electronic-commerce transactions from 2012. And comScore measured a 71 percent jump in those transactions during the next weekend.

Amazon also got a boost from the widely covered news that it is working on delivering packages by drones. The news, reported by "60 Minutes" the day before Cyber Monday, was hailed by some pundits and mocked by several others. But the buzz it created translated into a windfall for the retail site.

Lipsman said comScore compared Amazon's e-commerce sales' market share for the holiday season through the Sunday the "60 Minutes" piece aired to its share on Cyber Monday. The data is proprietary to comScore customers, but Lipsman said, "We found that Amazon gained share on that day."

The only glimpse Amazon has given into its holiday sales came Dec. 4, when the company noted the previous weekend was the "best ever" for its Kindle devices, and that the 7-inch Kindle Fire HDX and Kindle Fire HD were the best-selling

items on Amazon.com during the period.

The holiday season hasn't been as good to brick-and-mortar stores. ShopperTrak, which measures retail shopping, found that in-store retail sales during the week that ended Dec. 15 fell almost 0.8 percent from the same week in 2012, while store traffic dropped 19.9 percent. That follows declines of 2.9 percent in sales, and 21.6 percent in traffic, the previous week.

The only gain brick-and-mortar stores saw this season so far, according to ShopperTrak, came from Thanksgiving through the following Sunday. Sales edged up 1 percent from 2012 during that period, even as traffic at stores fell 4 percent.

To be sure, it's always tricky to compare online sales with in-store purchases, because Web sales start from a smaller base and can grow on a percentage basis more rapidly.

And in-store sales will likely pick up this weekend as last-minute shoppers flock to stores, now that more and more websites can't guarantee Christmas delivery.

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