



IBM Digital Analytics Benchmark

US Online Retail Holiday Shopping Recap Report 2013



Overview

US holiday shoppers were once again enticed by the convenience, selection and competitive pricing offered by online retailers as online sales notably increased year over year and showing significant increases on key shopping days. This was bolstered by enormous increases in browsing and buying from mobile devices as smartphones and tablets found their place in the omni-channel experience.

Delivered by the IBM Digital Analytics Benchmark, this report provides a summary of online retail shopping data and trends from the 2013 November and December holiday season.

Thanksgiving Day

Overall Thanksgiving online sales are up 19.7 percent in 2013 over the same period last year as US shoppers took advantage of early promotions.

- **Mobile Traffic and Sales:** Mobile traffic accounted for 42.6 percent of all online traffic, up more than 32 percent compared to the same period last year. Mobile sales remained strong, reaching 25.8 percent of all online sales, up 49 percent year-over-year.
- **Smartphones Browse, Tablets Buy:** Smartphones drove 26.6 percent of all online traffic compared to tablets at 15.3 percent, making it the browsing device of choice. When it comes to making the sale, tablets drove 16.5 percent of all online sales, almost twice that of smartphones, which accounted for 9 percent. Tablet users also averaged \$126.49 per order, versus smartphone users, who averaged \$110 per order.
- **iOS vs. Android:** As a percentage of total online sales, iOS was four and a half times higher than Android, driving 21 percent vs. 4.6 percent for Android. On average, iOS users spent \$121.61 per order compared to \$106.44 for Android users, a difference of 14 percent. iOS also led as a component of overall traffic with 30 percent vs. 12 percent for Android.
- **The Social Influence - Facebook vs. Pinterest:** Shoppers referred from Facebook averaged \$105.97 per order, versus Pinterest referrals, which drove \$103.05 per order. Facebook referrals converted sales at 2.8x the rate of Pinterest referrals, perhaps indicating stronger confidence in network recommendations.

Black Friday

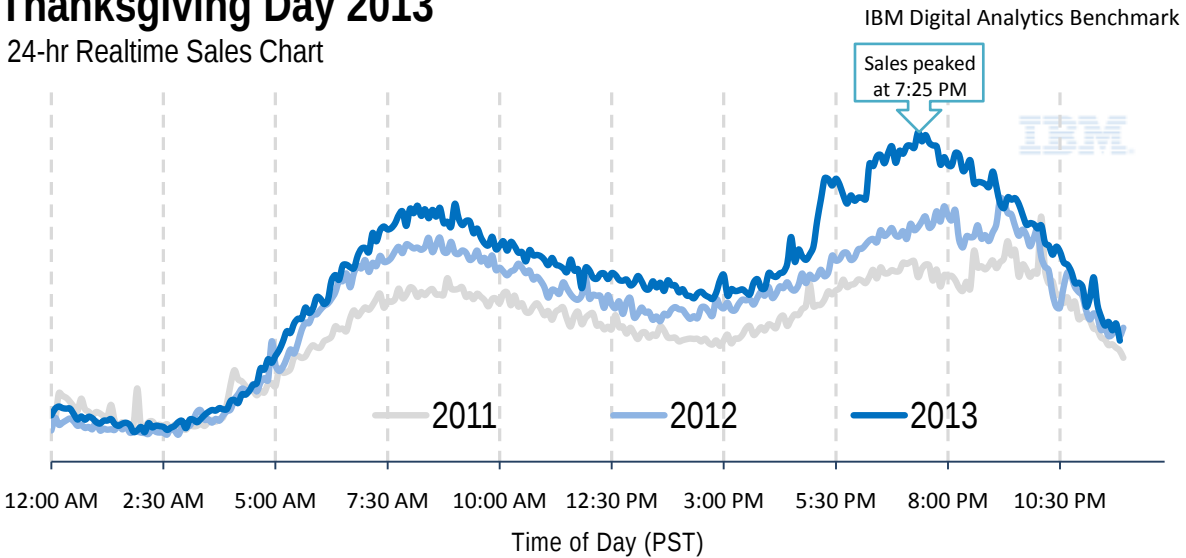
The momentum from Thanksgiving Day set the stage for another record breaking Black Friday with sales up 18.9 percent over the same day last year. The biggest surge came from mobile sales increasing to 21.8 percent of all online sales.

- **Mobile Shopping Soars:** Mobile traffic grew to 39.7 percent of all online traffic, increasing by 34 percent over Black Friday 2012. Mobile sales were also strong, reaching 21.8 percent of total online sales, an increase of nearly 43 percent year-over-year.
- **Smartphones Browse, Tablets Buy:** Smartphones drove 24.9 percent of all online traffic on Black Friday compared to tablets at 14.2 percent, making it the browsing device of choice. Tablets drove 14.4 percent of all online sales, double that of smartphones, which accounted for 7.2 percent of all online sales. Tablet users also averaged 15 percent more per order than smartphone users, spending on average \$132.75 versus \$115.63 for smartphone users.
- **iOS vs. Android:** On average, iOS users spent \$127.92 per order, compared to \$105.20 per order for Android on Black Friday. iOS traffic reached 28.2 percent of all online traffic, compared to 11.4 percent for Android. iOS sales reached 18.1 percent of all online sales, compared to 3.5 percent for Android.
- **Retailers “Push” Promotions to Mobile Shoppers*:** On average, retailers sent 37 percent more push notifications during the two day period of Thanksgiving Day and Black Friday – the alert messages and popup notifications from apps installed on your mobile device – when compared to daily averages over the past two months. Average daily retail app installations also grew by 23 percent using the same comparison. Retailers sent more notifications on Thanksgiving Day than Black Friday.
- **The Social Influence – Facebook vs. Pinterest:** On average, holiday shoppers referred from Pinterest on Black Friday spent 77 percent more per order than shoppers referred from Facebook. Facebook average order value was \$52.30 versus Pinterest average order value which was \$92.51. However, Facebook referrals converted sales at nearly four times the rate of Pinterest.

US Retail

Thanksgiving Day 2013

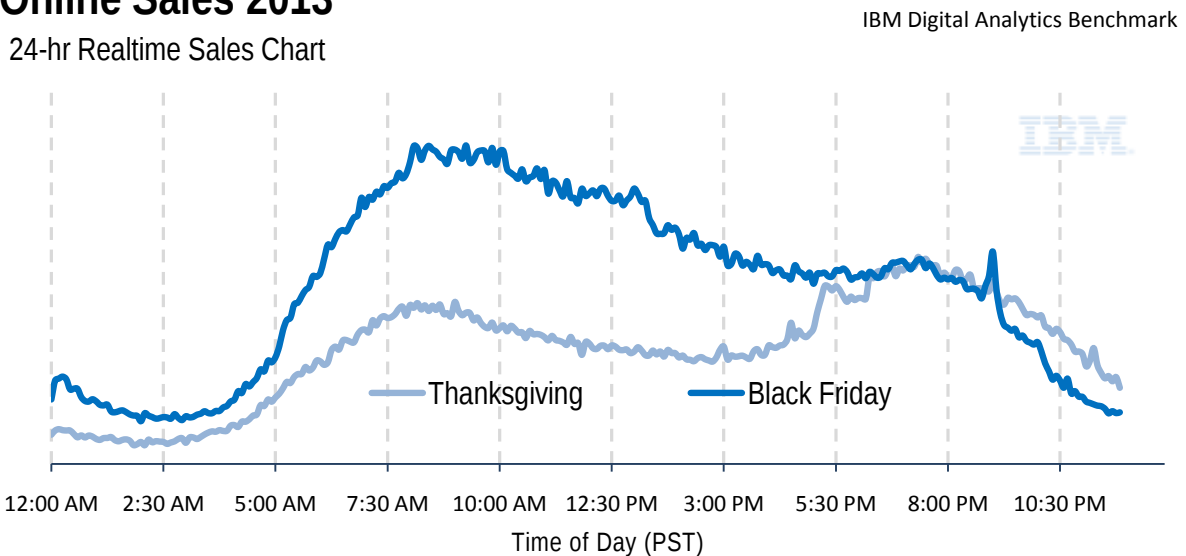
24-hr Realtime Sales Chart



Online sales saw a dramatic spike starting at 5:00 PM PST as stores began early Black Friday promotions. 2013 online sales grew 19.7% over 2012.

Online Sales 2013

24-hr Realtime Sales Chart



While Thanksgiving continues its growth year over year, Black Friday still delivers considerably higher online retail sales.

US Retail

Black Friday

Black Friday 2013 Sales Versus:

Black Friday 2012 ▲ 18.86%

Thanksgiving 2013 ▲ 70.62%

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	Black Friday 2013	Black Friday 2013 vs. 2012	Thanksgiving 2013	Black Friday vs. Thanksgiving
Transaction Metrics				
Items per Order	3.84	2.67%	3.70	3.78%
Average Order Value	\$135.27	2.23%	\$127.59	6.02%
Conversion Metrics				
Conversion Rate	3.87%	-0.51%	3.16%	22.47%
New Visitor Conversion Rate	3.07%	-0.97%	2.41%	27.39%
Shopping Cart Sessions	12.15%	0.58%	11.09%	9.56%
Shopping Cart Conversion Rate	28.94%	-9.76%	25.51%	13.45%
Shopping Cart Abandonment Rate	71.06%	4.61%	74.49%	-4.60%
Session Traffic Metrics				
Average Session Length	8:58	1.13%	8:36	4.26%
Bounce (One Page) Rate	30.50%	11.89%	31.66%	-3.66%
Browsing Sessions	47.38%	0.51%	45.78%	3.49%
Page Views Per Session	8.18	-10.50%	7.87	3.94%
Product Views Per Session	2.35	-8.91%	2.26	3.98%
Mobile Metrics				
Mobile: % of Sales	21.77%	42.85%	25.79%	-15.59%
Mobile: % of Site Traffic	39.70%	34.12%	42.57%	-6.74%
Mobile: Bounce Rate	34.96%	5.97%	35.34%	-1.08%
Mobile: Conversion Rate	2.47%	7.39%	2.20%	12.27%
Mobile: Session Length	5:39	4.95%	5:26	3.99%



Cyber Monday

U.S. shoppers made Cyber Monday the biggest online shopping day in history with a 20.6 percent increase in online sales. Cyber Monday also capped the highest five-day online sales period on record – from Thanksgiving Day through Cyber Monday – which grew 16.5 percent over the same period in 2012.

Cyber Monday 2013 Compared to Cyber Monday 2012:

- Mobile Shopping Soars:** Mobile traffic grew to 31.7 percent of all online traffic, increasing by 45 percent over 2012. Mobile sales were also strong, exceeding 17 percent of total online sales, an increase of 55.4 percent year-over-year.
- Smartphones Browse, Tablets Buy:** Smartphones drove 19.7 percent of all online traffic compared to tablets at 11.5 percent, making it the browsing device of choice. When it comes to making the sale, tablets drove 11.7 percent of all online sales, more than double that of smartphones, which accounted for 5.5 percent. On average, tablet users spent \$126.30 per order compared to smartphone users who spent \$106.49.
- iOS vs. Android:** On average, iOS users spent \$120.29 per order, compared to \$106.70 per order for Android. iOS traffic reached 22.4 percent of all online traffic, compared to 9.1 percent for Android. iOS sales reached 14.5 percent of all online sales, compared to 2.6 percent for Android.
- Retailers “Push” Promotions to Mobile Shoppers*:** On average, retailers sent 77 percent more push notifications during the five day holiday shopping period – the alert messages and popup notifications from apps installed on your mobile device – when compared to daily averages over the past two months. Average daily retail app installations also grew by 29 percent using the same comparison.
- The Social Influence – Facebook vs. Pinterest:** On average, holiday shoppers referred from Facebook spent 6 percent more per order than shoppers referred from Pinterest. Facebook average order value was \$97.81 versus Pinterest average order value which was \$92.40. However, Facebook referrals converted sales at a rate 38 percent higher than Pinterest, perhaps indicating stronger confidence in network recommendations.

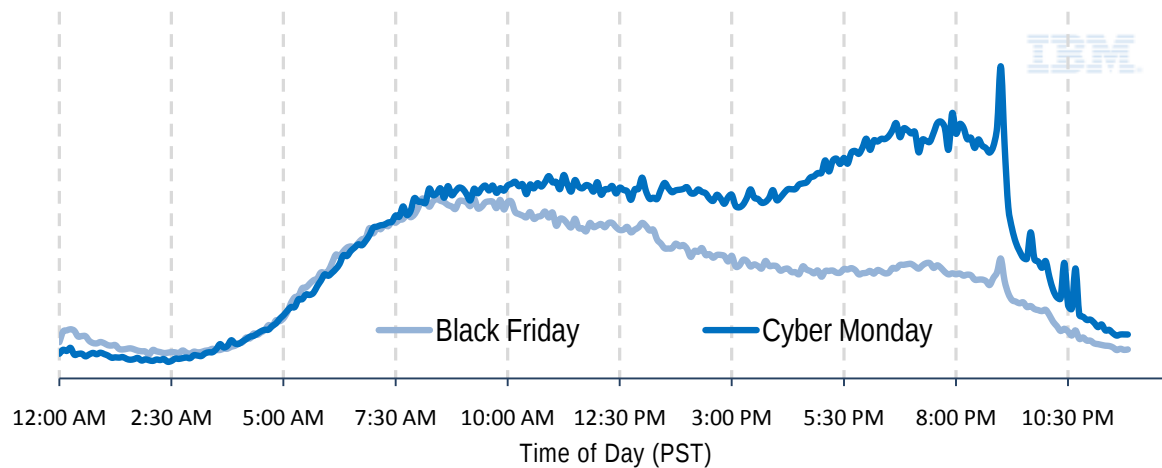
Cyber Monday 2013 Compared to Black Friday 2013

- Cyber Monday Outpaces Black Friday:** Cyber Monday online sales were up 31.5 percent over Black Friday this year, yet consumers spent 5 percent more per order on Black Friday versus Cyber Monday. Cyber Monday shoppers spent 5 percent less per order with an average order value of \$128.77 compared with \$135.27 for Black Friday.
- Mobile Sales and Traffic:** Mobile sales and traffic decreased between Black Friday and Cyber Monday as shoppers went back to work and school. Cyber Monday mobile sales were down 21 percent, and mobile traffic down 20 percent, from Black Friday.
- Shopping Cart Conversion Rate:** In order to lock in the best deals, shoppers actually purchased the items they added to their online shopping carts at a 12.6 higher rate on Cyber Monday than Black Friday.

Online Sales 2013

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24-hr Realtime Sales Chart



While Black Friday peaked and steadily declined, Cyber Monday ramped up around 8:00 AM PST and remained steady throughout business hours, then picked up in the evening hours.

US Retail

Cyber Monday

Cyber Monday 2013 Sales Versus:

Cyber Monday 2012 ▲ 20.61%

Black Friday 2013 ▲ 31.52%

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	Cyber Monday 2013	Cyber Monday 2013 vs. 2012	Black Friday 2013	Cyber Monday vs. Black Friday
Transaction Metrics				
Items per Order	4.06	3.31%	3.84	5.73%
Average Order Value	\$128.77	-0.95%	\$135.27	-4.81%
Conversion Metrics				
Conversion Rate	4.97%	9.71%	3.87%	28.42%
New Visitor Conversion Rate	4.04%	12.53%	3.07%	31.60%
Shopping Cart Sessions	14.10%	9.22%	12.15%	16.05%
Shopping Cart Conversion Rate	32.59%	-6.75%	28.94%	12.61%
Shopping Cart Abandonment Rate	67.41%	3.63%	71.06%	-5.14%
Session Traffic Metrics				
Average Session Length	8:57	3.67%	8:58	-0.19%
Bounce (One Page) Rate	29.58%	10.21%	30.50%	-3.02%
Browsing Sessions	48.27%	0.54%	47.38%	1.88%
Page Views Per Session	8.40	-7.79%	8.18	2.69%
Product Views Per Session	2.37	-6.69%	2.35	0.85%
Mobile Metrics				
Mobile: % of Sales	17.23%	55.37%	21.77%	-20.85%
Mobile: % of Site Traffic	31.68%	44.92%	39.70%	-20.20%
Mobile: Bounce Rate	34.55%	6.80%	34.96%	-1.17%
Mobile: Conversion Rate	3.10%	19.23%	2.47%	25.51%
Mobile: Session Length	5:52	6.02%	5:39	3.83%



Top Cities on Key Shopping Days

The 10 cities producing the most US online sales did not vary greatly on key shopping days. New York, Atlanta, Los Angeles, Chicago and Washington D. C. rounded out the top 5 cities while California and New York took the top 2 spots for states.

Top Major Cities

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Total Online Retail Sales

Thanksgiving	Black Friday	Cyber Monday
1. New York, New York	1. New York, New York	1. New York, New York
2. Atlanta, Georgia	2. Atlanta, Georgia	2. Washington, District Of Columbia
3. Chicago, Illinois	3. Los Angeles, California	3. Los Angeles, California
4. Los Angeles, California	4. Washington, District Of Columbia	4. Chicago, Illinois
5. Washington, District Of Columbia	5. Chicago, Illinois	5. Atlanta, Georgia
6. Dallas, Texas	6. Newark, New Jersey	6. Newark, New Jersey
7. Newark, New Jersey	7. Dallas, Texas	7. Philadelphia, Pennsylvania
8. Houston, Texas	8. Philadelphia, Pennsylvania	8. Dallas, Texas
9. Philadelphia, Pennsylvania	9. Houston, Texas	9. Houston, Texas
10. Phoenix, Arizona	10. Phoenix, Arizona	10. Tampa, Florida

Cities represented above consist of the top 100 most populous U.S. cities according to data obtained by the U.S. Census Bureau in 2012.



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Top States

Total Online Retail Sales

Thanksgiving	Black Friday	Cyber Monday
1. California	1. New York	1. New York
2. New York	2. California	2. California
3. Texas	3. Texas	3. Texas
4. Florida	4. Florida	4. Florida
5. Illinois	5. Georgia	5. Pennsylvania
6. Pennsylvania	6. New Jersey	6. New Jersey
7. New Jersey	7. Pennsylvania	7. Illinois
8. Georgia	8. Illinois	8. Georgia
9. Ohio	9. Ohio	9. Ohio
10. Michigan	10. Michigan	10. Virginia



November and December

The Thanksgiving holiday weekend came a week later this year with Cyber Monday falling in December instead of November, condensing the shopping season. Despite the shortened shopping season, online sales for November and December combined grew by 8.5 percent over the same 2 months in 2012 with mobile percentage of sales increasing by 49 percent year over year.

November and December online sales growth was led by several industries:

Department Stores grew in online sales by 59.9 percent with mobile percentage of sales growing by 52.4 percent. Average order value was \$155.31, an increase of 11 percent over the same period in 2012.

Health and Beauty grew in online sales by 16.5 percent with mobile percentage of sales growing by 80.4 percent. Average order value was \$67.52, an increase of 1 percent over the same period in 2012.

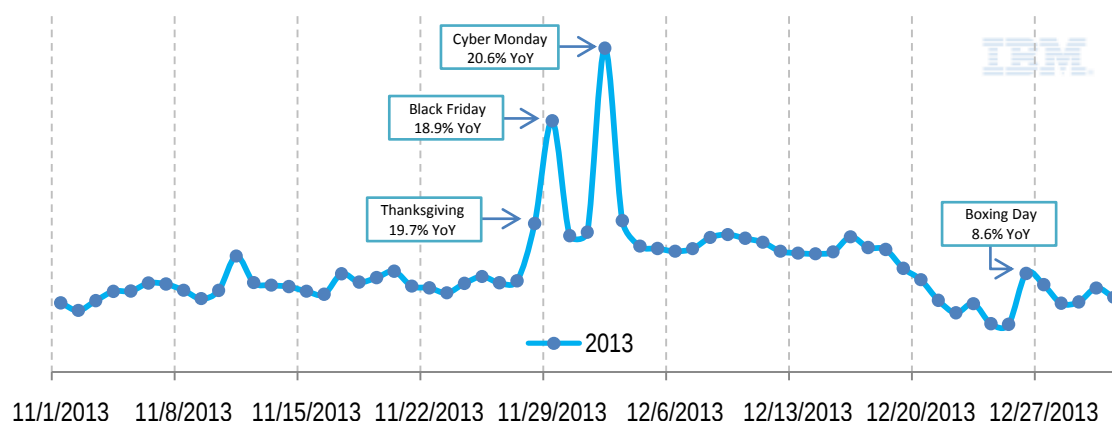
Home Goods grew in online sales by 37.3 percent with mobile percentage of sales growing by 38.4 percent. Average order value was \$204.01, an increase of 7 percent over the same period in 2012.

Apparel grew in online sales by 10.2 percent with mobile percentage of sales growing by 45.6 percent. Average order value was \$113.19, a decrease of 3 percent over the same period in 2012.

US Retail Daily Sales 2013

November 1st to December 31st 2013

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Major shopping days over the Thanksgiving holiday weekend yielded double digit growth in online sales over 2012 resulting in an overall increase of 8.5% for November and December combined year over year.

Mobile

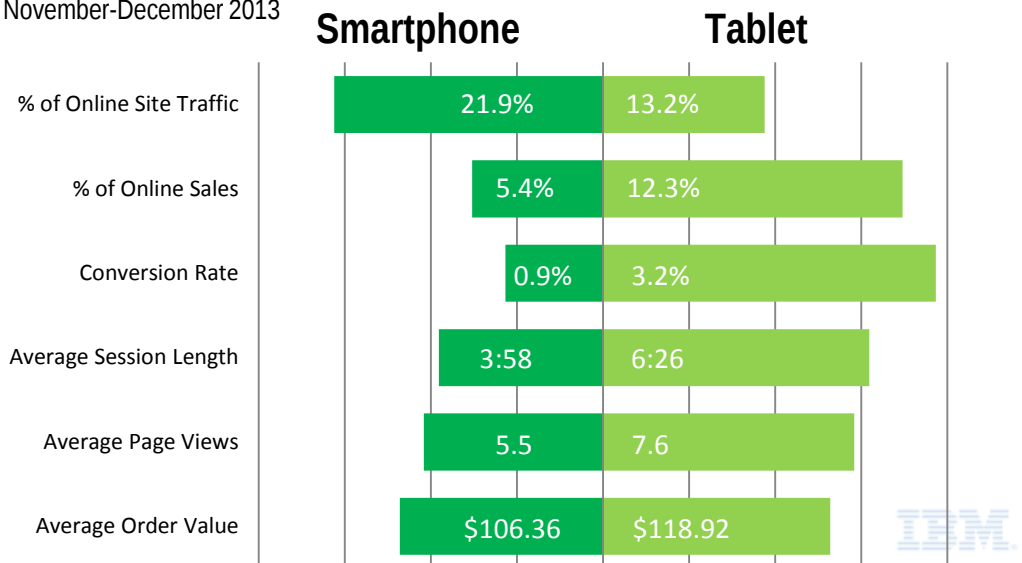
The use of mobile devices for online shopping continues to soar. Mobile traffic reached 35.8 percent of all online traffic while mobile percentage of sales reached 17.8 percent for November and December combined. These metrics reached an all time high on Christmas Day when mobile percentage of traffic reached 48.1 percent and mobile percentage of sales reached 28.9 percent.

Smartphones and tablets found their place in the omni-channel experience as US shoppers preferred smartphones for browsing and tablets for buying. Throughout the holiday season, smartphones generated roughly twice the amount of online traffic compared to tablets. Conversely, tablet traffic converted to sales at roughly 3 times the rate of smartphone traffic.

Performance by Device Type

November-December 2013

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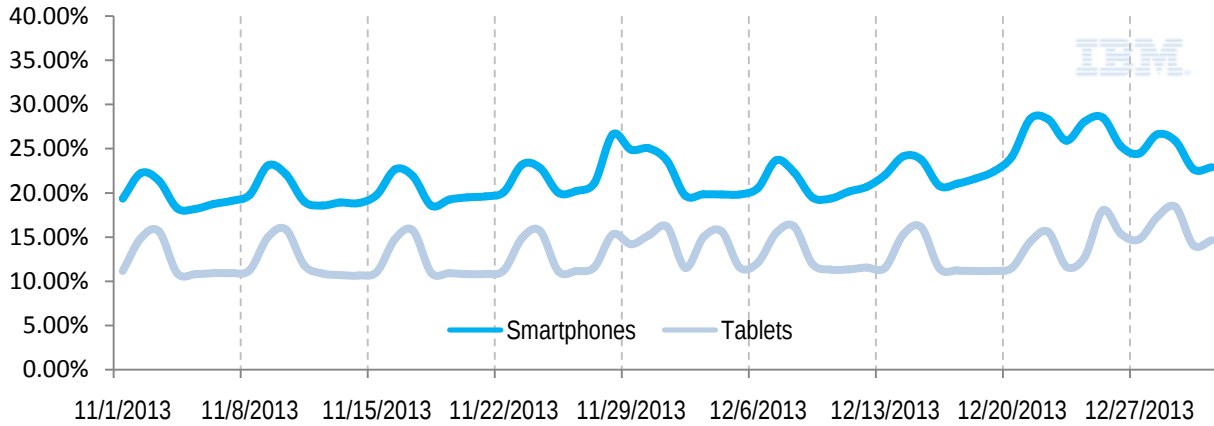


Smartphones generated nearly twice as much online traffic as tablets, however, other metrics revealed shopping behavior that favored tablets for making the purchase.

Daily Traffic: Smartphones and Tablets

November 1st to December 31st 2013

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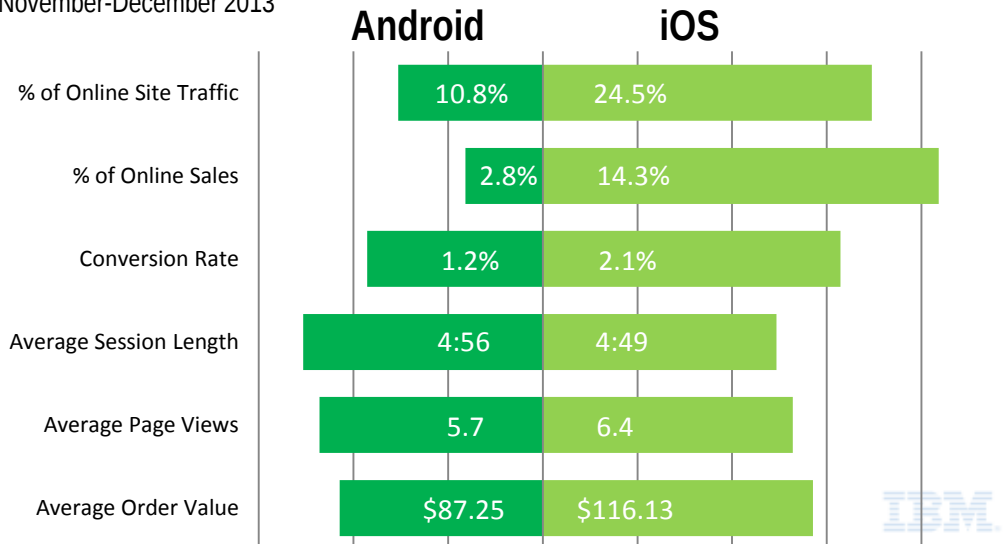
Traffic generated by both smartphones and tablets is higher on weekends and holidays.

The iOS operating system was used more prevalently in US online shopping than the Android operating system in most respects. iOS devices generated more traffic and sales and yielded a higher average order value overall for November and December combined. However, average session length and average page views per session were somewhat comparable.

Performance by Mobile OS

November-December 2013

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iOS led Android in generating more mobile online traffic and sales.

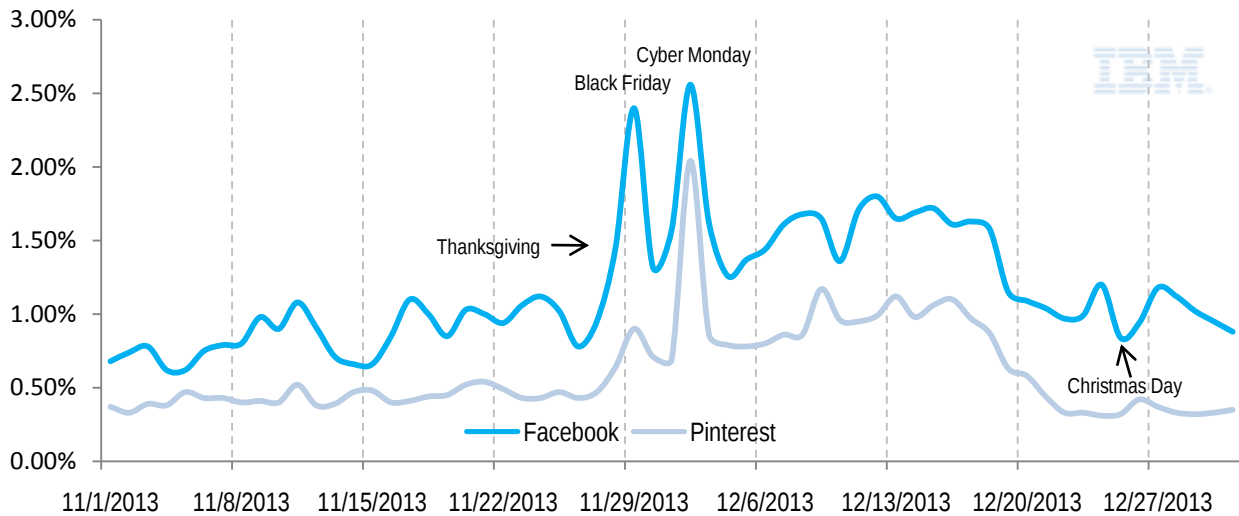
Social

US shoppers referred to retail sites from Facebook and Pinterest had varying average order values over key shopping days during the holiday season. However, Facebook referrals consistently had higher conversion rates over Pinterest referrals throughout November and December.

Conversion Rate: Facebook and Pinterest

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November 1st to December 31st 2013



Facebook referral conversion rate was consistently higher than that of Pinterest referrals and followed the same general trending as US retail daily sales for the same time period.

Summary

Sales from the 2013 US online retail shopping season increased by 8.5 percent in November and December combined compared with the same period last year. Cyber Monday is still firmly in place as the biggest online shopping day of the year, producing double-digit growth of 20.6 percent over 2012 and continuing to out-perform 2013 Black Friday by more than 30 percent.

Mobile continued its rise in online shopping, setting new records on Christmas Day when, at 48.1 percent, nearly half of all online traffic came from mobile devices. Percentage of sales from mobile devices also reached a new high of 28.9 percent on the same day. US shoppers revealed their preference for using smartphones to browse and tablets to buy. Smartphones drove 21.9 percent of all online traffic while tablets drove 13.2 percent. However, tablet traffic converted to sales at roughly 3 times the rate of smartphone traffic. iOS produced more online traffic and sales than Android over November and December 2013, however, average session length and average pages views per session were somewhat comparable.

The average order value of shoppers referred to retailer sites from Pinterest and Facebook fluctuated on key shopping days, however, Facebook referrals consistently converted to sales at a higher rate than that of Pinterest referrals, perhaps indicating stronger confidence in network recommendations.

Stay tuned for the 7th Annual Online Retail Readiness Report which will be released mid-year. This report will provide an in-depth analysis of the latest online shopping trends, as well as best practices to optimize marketing and drive sales for the 2014 holiday season.

For more information on Black Friday and Cyber Monday 2013, visit:
<http://www.ibm.com/benchmark>

Source Data

The data in this report is delivered by the IBM Digital Analytics Benchmark which tracks millions of transactions and terabytes of data from approximately 800 U.S. retail websites. All data is aggregated and anonymous.

*Denotes data from Xtify, an IBM company. Xtify is a leading provider of multi-channel mobile messaging solutions. The Xtify platform provides marketers and developers access to enterprise tools to manage complex database or automated event driven campaigns

Transaction Summary Metrics

1. **Items Per Order**
The average number of items purchased per order
2. **Average Order Value**
The average value of each order

Conversion Summary Metrics

1. **Conversion Rate**
The percentage of sessions in which visitors completed an order
2. **New Visitor Conversion Rate**
Out of all new visitor sessions, the percentage that completed an order
3. **Shopping Cart Session Percentage**
The percentage of sessions in which visitors placed at least one item in their shopping carts
4. **Shopping Cart Conversion Rate**
Out of all visitors who placed items in their shopping carts, the percentage that placed an actual order
5. **Shopping Cart Abandonment Rate**
Out of all visitors who placed items in their shopping carts, the percentage that did not place an actual order

Session Traffic Summary Metrics

1. **Average Session Length**
The average length of time for a visitor session
2. **Bounce (One Page) Rate**
The percentage of sessions in which visitors only viewed one page before leaving the site
3. **Multi-Page Session Percentage**
The percentage of sessions in which visitors viewed more than one page
4. **Browsing Session Percentage**
The percentage of sessions in which visitors viewed at least one product page
5. **Page Views Per Session**
The average number of pages viewed by visitors per session
6. **Product Views Per Session**
The average number of products viewed by visitors per session

Mobile Summary Metrics

1. **Mobile: Percentage of Sales**
Out of all online sales, the percentage that was from a mobile device
2. **Mobile: Percentage of Site Traffic**
Out of all sessions, the percentage that was from a mobile device
3. **Mobile: Bounce Rate**
The percentage of sessions from mobile devices in which visitors only viewed one page before leaving the site
4. **Mobile: Conversion Rate**
The percentage of sessions from mobile devices in which visitors completed an order
5. **Mobile: Average Session Length**
The average length of time for a visitor session from a mobile device

About IBM Digital Analytics Benchmark

IBM Digital Analytics Benchmark is part of the cloud-based IBM Digital Analytics solution and enables users to accurately measure their online marketing results--including e-commerce sales--against that of their peers. Benchmark is the only real-time, self-service solution that delivers aggregated and anonymous competitive data for key performance indicators, showing how a site performs compared to its industry vertical and sub-vertical peers and competitors. Key performance indicators span traffic, engagement, channels, sales and conversion metrics including mobile, social and more.

About IBM Enterprise Marketing Management

The IBM Enterprise Marketing Management (EMM) Suite is an end-to-end, integrated set of capabilities designed exclusively for the needs of marketing organizations. Integrating and streamlining all aspects of marketing, IBM's EMM Suite empowers organizations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, efficient, timely, and measurable business outcomes.

Delivered on premises or in the Cloud, the IBM EMM Suite of software solutions gives marketers the tools and insight they need to create individual customer value at every touch. The IBM EMM Suite helps marketers to understand customer wants and needs and leverage that understanding to engage buyers in highly relevant, interactive dialogs across digital, social, and traditional marketing channels.

About IBM Smarter Commerce

IBM Smarter Commerce puts the customer at the center of your business by viewing the brand experience through your customer's eyes. At the same time, it optimizes within and across all brand touchpoints to create a deeper brand relationship with your customer while improving operational excellence for you. It leverages heightened customer insight and automated execution to enable you to consistently deliver personalized, highly-relevant, seamless customer engagement to increase satisfaction, loyalty, and brand advocacy and improve asset utilization to drive profitable growth.

For More Information

To learn more about IBM Digital Analytics Benchmark, please contact your IBM marketing representative or IBM Business Partner or visit the following website: <http://www-01.ibm.com/software/marketing-solutions/benchmark/>



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