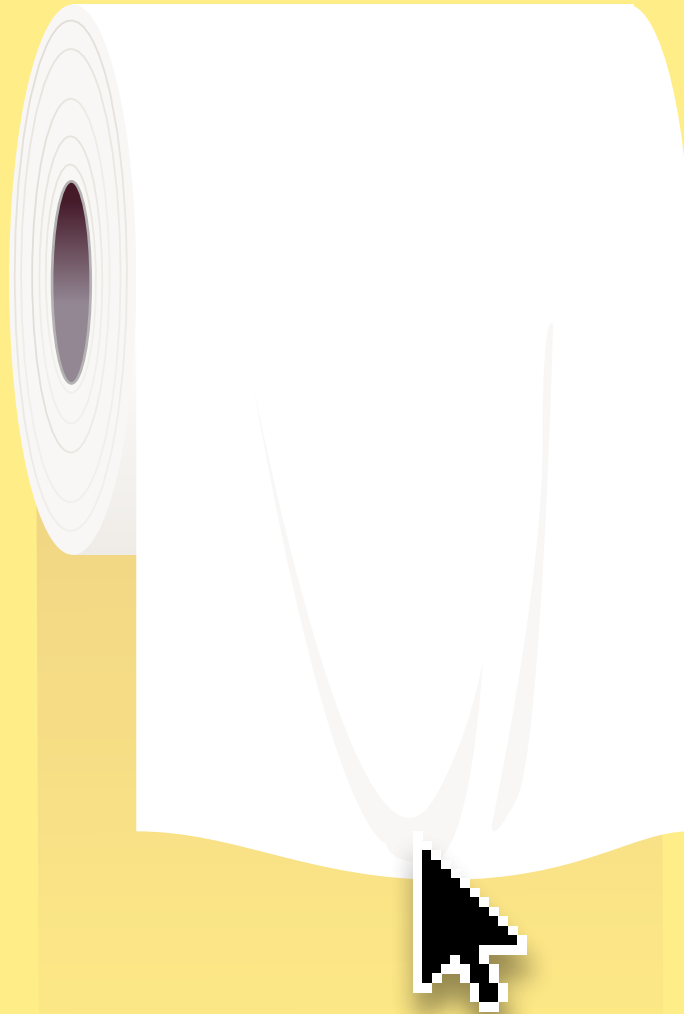


Custora E-Commerce Pulse Quarterly Report



Q1-2014

JAN | FEB | MAR

APR | MAY | JUN

JUL | AUG | SEP

OCT | NOV | DEC

Milestones

were everywhere this quarter. The **Custora E-Commerce Pulse** continues to report double-digit growth for e-commerce, online retail keeps cutting into commerce as a whole, and mobile e-commerce shows no signs of stalling. Plus, we had a milestone of a different type, a milestone of toiletries.

For some of us here at Custora, the early part of 2014 will be remembered as the first time we bought toilet paper — on the internet. A few years ago, we never would have thought to buy something like toilet paper online. And yet, as we mark the 25th anniversary of the web, here we are. It's another subtle indicator of the way e-commerce continues to become a part of our everyday lives. (You'll see that this event also inspired our theme for this Quarter's Pulse Report.)

2014 is already shaping up to be a strong year for US E-Commerce. For our first report of 2014, we're continuing to follow some of the leading stories surrounding marketing channel growth, mobile shopping, and overarching e-commerce trends.

The following data (unless otherwise noted) is derived from [The Custora E-Commerce Pulse](#), which tracks key US e-commerce statistics in real-time based on aggregate data from over 100 US retailers.

1. US E-commerce experienced double digit growth in the first quarter of 2014.

It was a strong first quarter for US E-Commerce.

Revenue was up 11% over Q1 last year, and orders were up 13% over the same period last year.

REVENUE

+11%

YEAR OVER YEAR INCREASE
IN FIRST QUARTER
E-COMMERCE REVENUE

ORDERS

+13%

YEAR OVER YEAR INCREASE
IN FIRST QUARTER
E-COMMERCE ORDERS

2014 US E-COMMERCE
YEAR OVER YEAR GROWTH BY MONTH

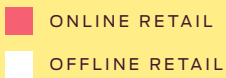
	January	February	March	Q1
Revenue	+11.3%	+10.7%	+9.7%	+10.9%
Orders	+13.3%	+13.0%	+11.7%	+13.0%

2. The online share of retail continues to grow. (It's on a roll). *hey-o!*

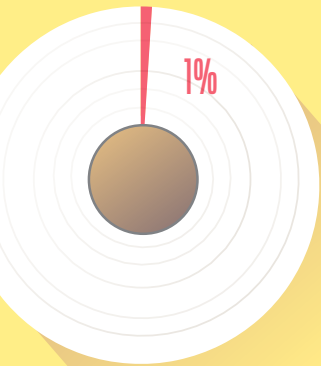
At the end of 2013, the share of online sales out of all retail sales in the US was 6%, up from only 1% in 2000, 3% in 2006, and 5% in 2012. In 2013, e-commerce grew by 16.9% over the previous year, while total retail only grew by 4.2%. (Source: US Dept. of Commerce)

As e-commerce growth continues to outpace total retail growth, we will be keeping an eye out for how much market share online stores "steal" from brick and mortar in 2014.

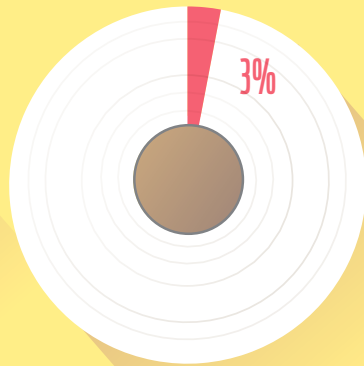
TOTAL RETAIL REVENUE, 2000-2013



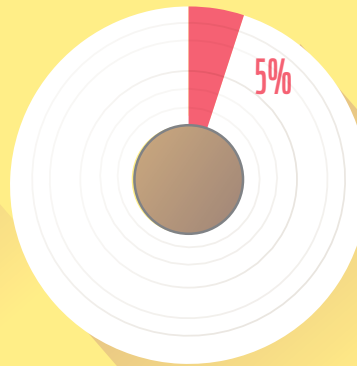
2000



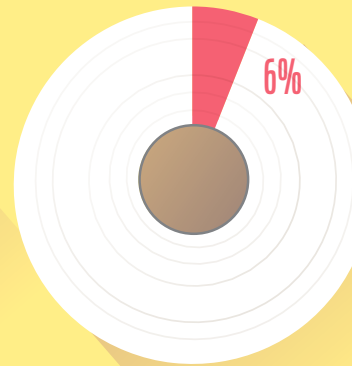
2006



2012



2013



Retailers that have an effective online sales strategy will benefit by riding the e-commerce trend.

COOPER SMITH,
BUSINESS INSIDER | [FULL ARTICLE](#)

REVENUE GROWTH, 2009-2013

2009

+105%

ONLINE RETAIL

2013

+26%

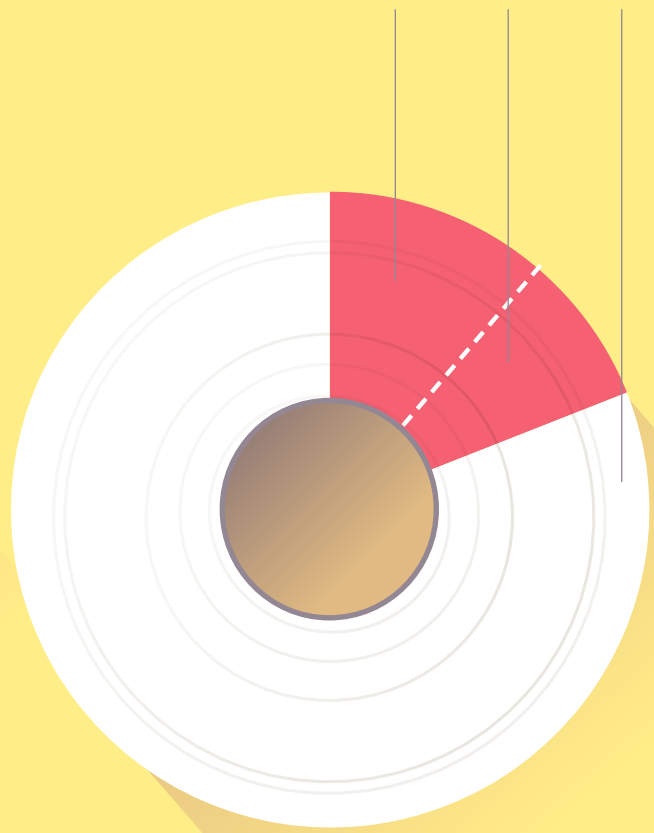
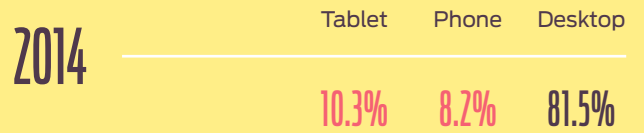
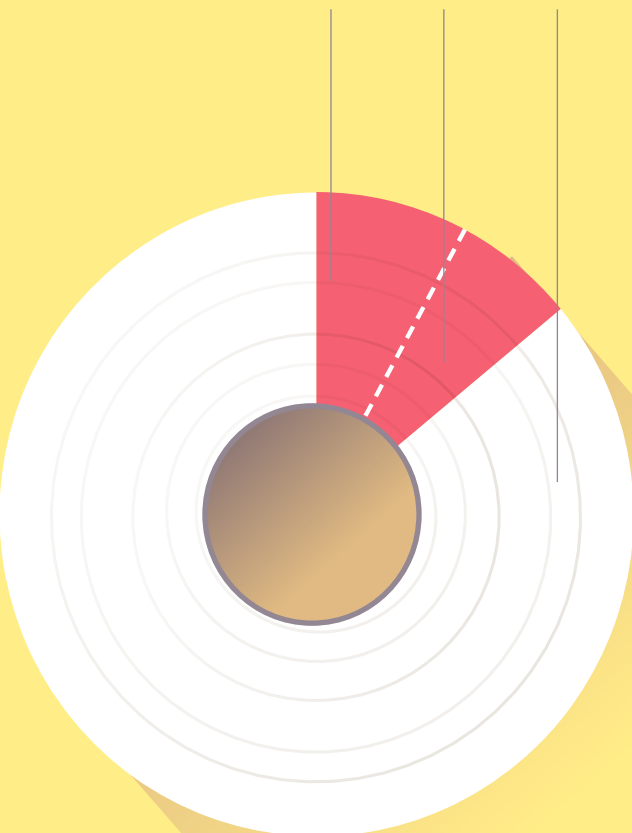
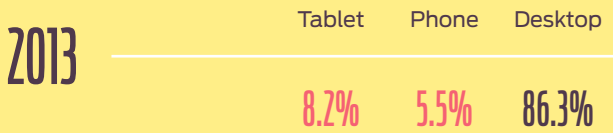
OFFLINE RETAIL

3. Upwardly, mobile.

Mobile e-commerce continues its strong growth in 2014, increasing its share of the total e-commerce pie by 35% over the first quarter of 2013: From 13.7% to 18.5% of total orders. This includes purchases made on both mobile phones (8.2% of total) and tablets (10.3% of total).

Q1 E-COMMERCE PURCHASES: MOBILE VS DESKTOP

MOBILE DESKTOP

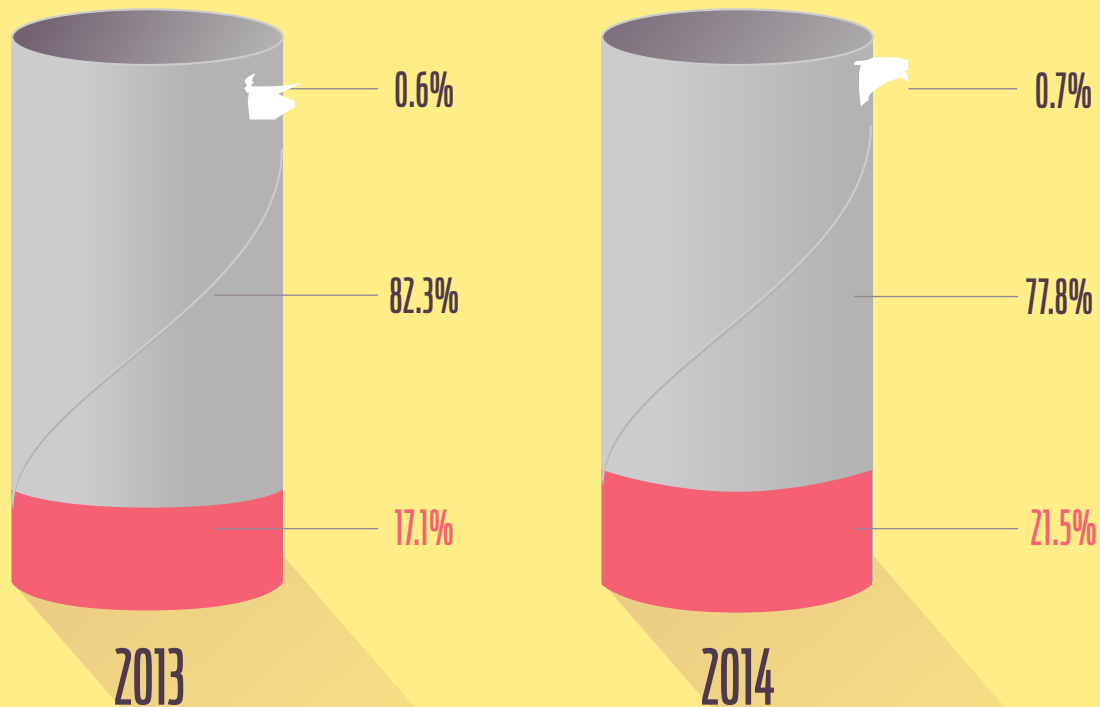


4. Google is nibbling away at Apple.

IOS devices (iPhones and iPads) still dominate e-commerce with close to 80% of mobile orders (77.8% to be precise), but Android devices are gaining share, with 21.5% of orders in the first quarter of 2014, up from 17.1% in 2013.

Q1 MOBILE E-COMMERCE ORDERS BY PLATFORM

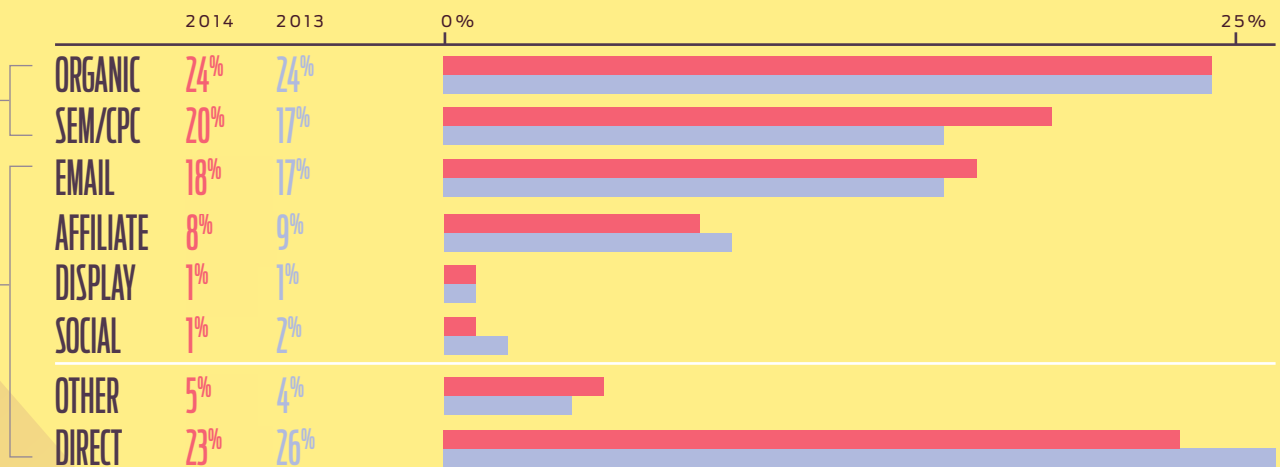
■ ANDROID ■ IOS ■ OTHER



5. Search drives over 40% of US e-commerce orders.

Almost a quarter (24%) of e-commerce orders in Q1 2014 originated in organic search queries, and a fifth (20%) originated in paid search ads (SEM or CPC). In total, Search (free and paid) drove almost 44% of all e-commerce transactions in the first quarter of the year.

Q1 PERCENTAGE OF ORDERS BY CHANNEL



Google's growth in E-Commerce

Google has a big impact on e-commerce as it remains the most popular source for both free and paid search (with almost three quarters of paid search spend¹), and Android has become the most common mobile OS in the US². However, Google is looking to be a bigger force in the e-commerce world on its own. In line with these goals it has launched its own e-commerce initiatives in the past year — like Google Shopping Express (same day delivery in the Bay Area), the Glass one day sale on April 15, and a rumored retail shop in development a few blocks away from the Apple store in Manhattan's SoHo neighborhood.

^{1,2} Source: eMarketer

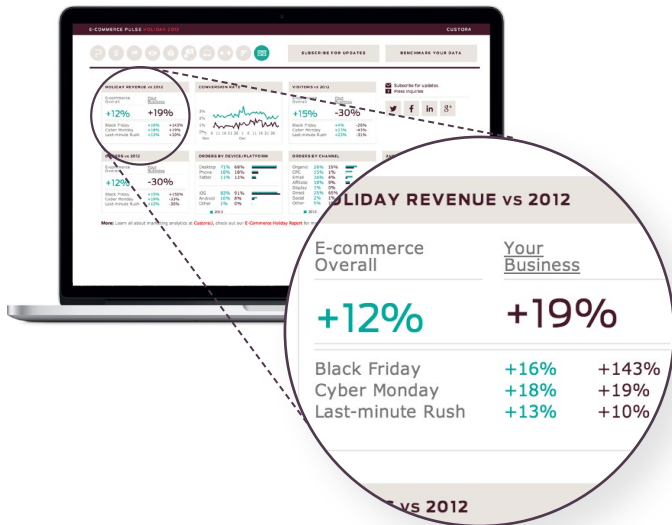
94.2%

94% OF PEOPLE WHO READ THIS ARE MORE THAN LIKELY TO SIGN UP TO GET CUSTORA PULSE UPDATES

Custora Pulse

If you enjoyed this report, sign up to receive updates on e-commerce stats for holidays, monthly reports, and industry performance.

SIGN UP FOR PULSE UPDATES



Benchmark your Business

Online retailers can easily benchmark themselves against US e-commerce industry performance along key performance metrics, including revenue growth, conversion, average order value (AOV), mobile purchases and marketing channel performance. Simply follow the step-by-step process on the Custora Pulse “Benchmark your data” section.

BENCHMARK YOUR DATA

About Custora's E-Commerce Pulse

The [Custora Pulse](#) tracks key US e-commerce statistics and allows any retailer to benchmark their data in real time. The Pulse is based on Custora's analysis of over 70 million online shoppers and over \$10 billion in e-commerce revenue across over 100 US-based online retailers. The Pulse also leverages external data points, such as the US Department of Commerce e-commerce growth figures, to extrapolate growth trends within the Custora data universe to arrive at predictions for US industry at large.

About Custora

Custora is a customer-centric marketing platform that helps e-commerce teams acquire, retain, and segment their customers. Custora uses best-in-class predictive analytics models to help retailers answer questions like: What are our best performing customer acquisition channels? How do we convert more members to active customers? How do we increase repeat purchase rates? How do we re-activate lost customers? What makes our most valuable customers different?

We work with several leading e-commerce retailers, including Etsy, Crocs, One Kings Lane, Bonobos, Wine.com and many more throughout Earth.

To learn more about e-commerce marketing analytics, check out [Custora U](#) for courses about segmentation, lifecycle marketing, cohort analysis and more.

Oh, and please direct inquires to info@custora.com.

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