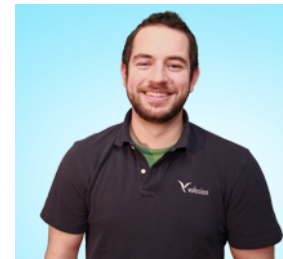




Fasten Your Seatbelts:
Forecasting Ecommerce Trends in 2013



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Today's Agenda

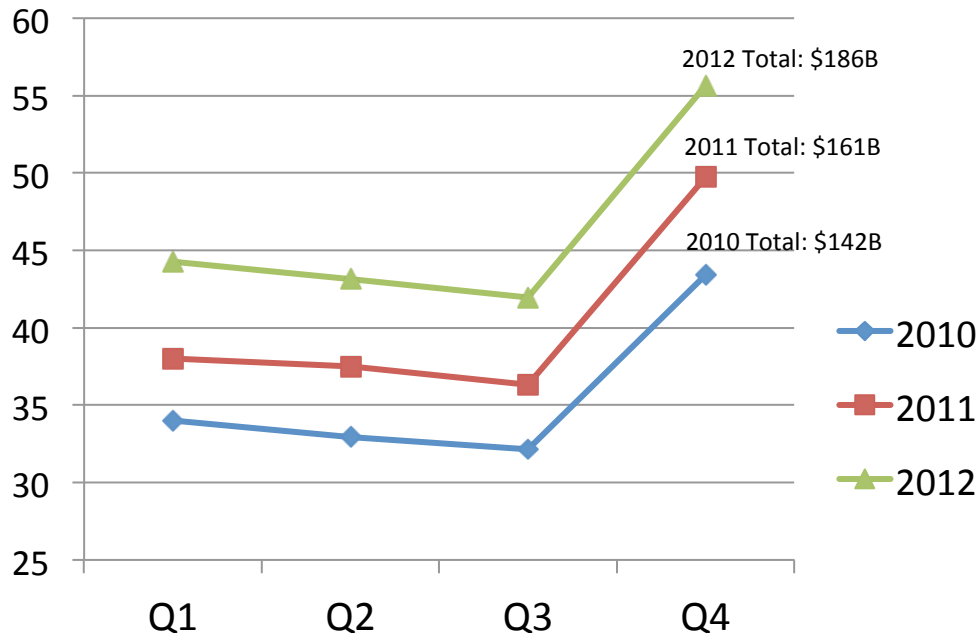
- 2012 Year in Review
- What to expect in 2013
 - M-commerce matures
 - Pressure for faster shipping
 - Comparison shopping skyrockets
 - Content becomes the new SEO
 - Amazon strengthens its power
- Live Q&A



2012 Year in Review

Quarterly Ecommerce Sales: 2010-2012

(billions of dollars)



- **Quarterly sales increased around 15% YoY**
- **Ecommerce sales continued to take higher portion of retail sales**
 - Closed over 5% for first time
 - Outpaced retail growth
- **Holiday sales break records**
 - Cyber Monday: \$1.46B
 - Black Friday: \$1.04B
 - Total: \$42.286B, (+14%)

Top Stories of 2012



Pinterest becomes the darling of social commerce



Google Penguin gives sites the cold shoulder



Tablets take center stage for mobile commerce



State governments take action on internet sales tax



Amazon continues to build its empire

2012 Holiday Sales

2012 Holiday Season Total Spending vs. 2011
 Non-Travel (Retail) Spending
 Excludes Auctions and Large Corporate Purchases
 Total U.S. – Home & Work Locations
 Source: comScore, Inc.

	Millions (\$)		
	2011	2012	Percent Change
November 1-December 31	\$37,170	\$42,286	14%
Thanksgiving Day (Nov. 22)*	\$479	\$633	32%
Black Friday (Nov. 23)*	\$816	\$1,042	28%
Thanksgiving Weekend (Nov. 24-25)*	\$1,031	\$1,187	15%
Cyber Monday (Nov. 26)*	\$1,251	\$1,465	17%
Green Monday (Dec. 10)*	\$1,133	\$1,275	13%
Free Shipping Day (Dec. 17)**	\$575	\$1,013	76%
Christmas Day	\$212	\$288	36%

What to expect in 2013

Mobile commerce matures



The Facts

- M-commerce to account for 24% of ecommerce revenues by 2017 (ABI)
- 74% of US mobile subscribers own a smartphone (MorganStanley)
- In 2013, smartphone sales projected to grow 50%, reach \$12B (Forrester)
- Tablet commerce
 - Tablets expected to outship PCs by 2016
 - Tablet users are more likely to purchase from this device than on smartphones
 - Tablet users more affluent, savvier online

What to Do

- Enable and optimize your mobile store to cater to mobile shoppers
- Think about mobile with your marketing communications, particularly social
- Keep track of mobile traffic
 - Use Google Analytics' Mobile Report
 - Look at most popular devices
 - Monitor key performance metrics

Pressure to ship faster



The Facts

- Amazon already dabbling in same-day delivery in major metro areas
- eBay, Macy's Target and Best Buy now following suit
- Third-party couriers to jump on board to meet retailer demand
- Shipping providers offering same-day options in major US cities

What to Do

- Don't freak out – this expectation won't be the norm for most of your customers
- If you're able/willing to offer same-day shipping, charge a high premium
- Make priority shipping options available and prominent on your site
- Find other value-adds to make up for the lack of same-day shipping

Comparison shopping skyrockets



The Facts

- New tools and apps (Hukkster) are now alerting shoppers when prices drop
- Increase in “showrooming” impacting physical and online retailers
- Traffic to comparison shopping sites increases, especially during the holidays
- 27% of online shoppers say they visit coupon sites before purchasing (RetailMeNot)

What to Do

- Get started with Comparison Shopping Engines (CSEs), now
- Ramp up your competitive reconnaissance for pricing levels
- Work to improve customer loyalty and drive repeat traffic
- Actively communicate coupons, discounts and special promotions

Content becomes the new SEO



The Facts

- Low quality sites continue to be impacted by additional Google Panda updates
- 61% of people are more likely to buy from a company that delivers custom content (Custom Content Council)
- Social sharing signals have a growing impact on search results
- 90% of respondents believe content marketing will become more important over the next 12 months (Econsultancy)

What to Do

- Remember Google's mission: to deliver the most meaningful and useful results possible to its users
- Launch or ramp up your blogging efforts; mix up your content formats
- Add social buttons and encourage social sharing
- Identify key informational needs and target specific keywords

Amazon strengthens its power



The Facts

- Over 100 million people visited Amazon.com in Dec. 2012 (Quantcast)
- Revenues from Q4 2012 are projected to reach \$22 billion (Business Insider)
- Amazon's sheer size and network allow it to accept razor thin margins, or even losses
- Amazon set to acquire more companies, after purchasing Zappos and investing heavily in LivingSocial

What to Do

- Embrace being small, then showcase it to your advantage
- Personalize customer experience to establish unwavering brand loyalty
- Focus on product specialization and expertise
- Support a worthy cause
- Don't compete on price, but do what you can

A few more predictions to chew on...

- Economic and government uncertainty shakes consumer confidence, impacts growth rates
 - Despite this, ecommerce continues to climb
- Facebook unveils a game-changer
- Google+ plays a bigger part in search results
- New attention given to internet sales tax

A few things that won't change this year:

- There will still be 24 hours in a day
- Money will not be engineered to grow on trees
- Your products and customers still come first
- You'll face setbacks and celebrate big victories
- Your overall goals



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