

Strong online growth seen this holiday shopping season

Alistair Barr, Reuters

(Reuters) - E-commerce is expected to grow strongly this holiday season, spurred by early online deals, the rise of mobile devices and more offers of free shipping.

ComScore Inc expects online sales to grow 15 percent to 18 percent in the United States this holiday season. Last year, holiday e-commerce spending rose 15 percent to a record \$37.2 billion, according to the firm.

Doug Anmuth, an analyst at J.P. Morgan, expects online purchases in the fourth quarter to top 10 percent of total U.S. [retail](#) [1] spending for the first time.

"It's still early, but our sense is that we will have a really positive holiday season," said Joel Anderson, head of Walmart.com, the online [business](#) [2] of Wal-Mart Stores Inc.

Wal-Mart expects 600 million online visitors during its holiday quarter, which runs from November through January. That is up 13 percent from the same period last year, according to Anderson.

"We're still on forecasts and off to a good start," he added.

The holiday season is crucial for retailers because that is when they generate the most revenue and a big chunk of their [earnings](#) [3].

Thanksgiving and the days following, which include what is traditionally the busiest online shopping day, Cyber Monday, are more important this year as retailers lure consumers with earlier promotions.

"This trend could drive a disproportionately higher percent of overall holiday spending to the first half of the period," said Brian Pitz and Brian Fitzgerald, Internet analysts at Jefferies. "Heavy promotions would be needed later on to achieve the growth rates of last year."

Cyber Monday online spending is forecast to jump 30 percent this year, versus growth of 22 percent last year, according to comScore data compiled by Jefferies. Last year, Cyber Monday was the busiest online shopping day, with \$1.25 billion in sales, according to the data.

Starting on Thanksgiving, Wal-Mart will send early online deals to customers who connect with the retailer via email, [Facebook](#) [4] Inc or by downloading its mobile shopping application to their smartphones.

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Fab.com, an online design website, said sales more than tripled in the first half of November from the same period a year earlier.

"Last year we didn't see that spike until Black Friday," said Fab Chief Executive Jason Goldberg. "This holiday season started much earlier."

The spread of mobile devices, such as smartphones and tablet [computers](#) [5], will also drive online sales growth this holiday, analysts said.

J.P. Morgan's Anmuth estimates that mobile shopping will account for 12 percent of holiday e-commerce spending in the United States in the fourth quarter, up from 3 percent in the same period of 2010 and 9 percent last holiday season.

Some mobile shopping represents a shift from personal [computers](#) [5] to smartphones and tablets, rather than extra spending. However, Anmuth said the rise of mobile devices is fueling a faster switch to online commerce from physical retail.

Free shipping will also be a major driver of online sales growth this holiday, according to Anmuth and others.

More than half of consumers will abandon online shopping carts if they have to pay for shipping, recent data from comScore showed.

Retailers have responded by offering more free shipping for online purchases. Between 50 percent and 60 percent of online transactions this holiday will come with free shipping, according to Shawn Milne, an analyst at Janney Capital Markets.

(Reporting by Alistair Barr; Editing by Richard Chang and Steve Orlofsky)

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