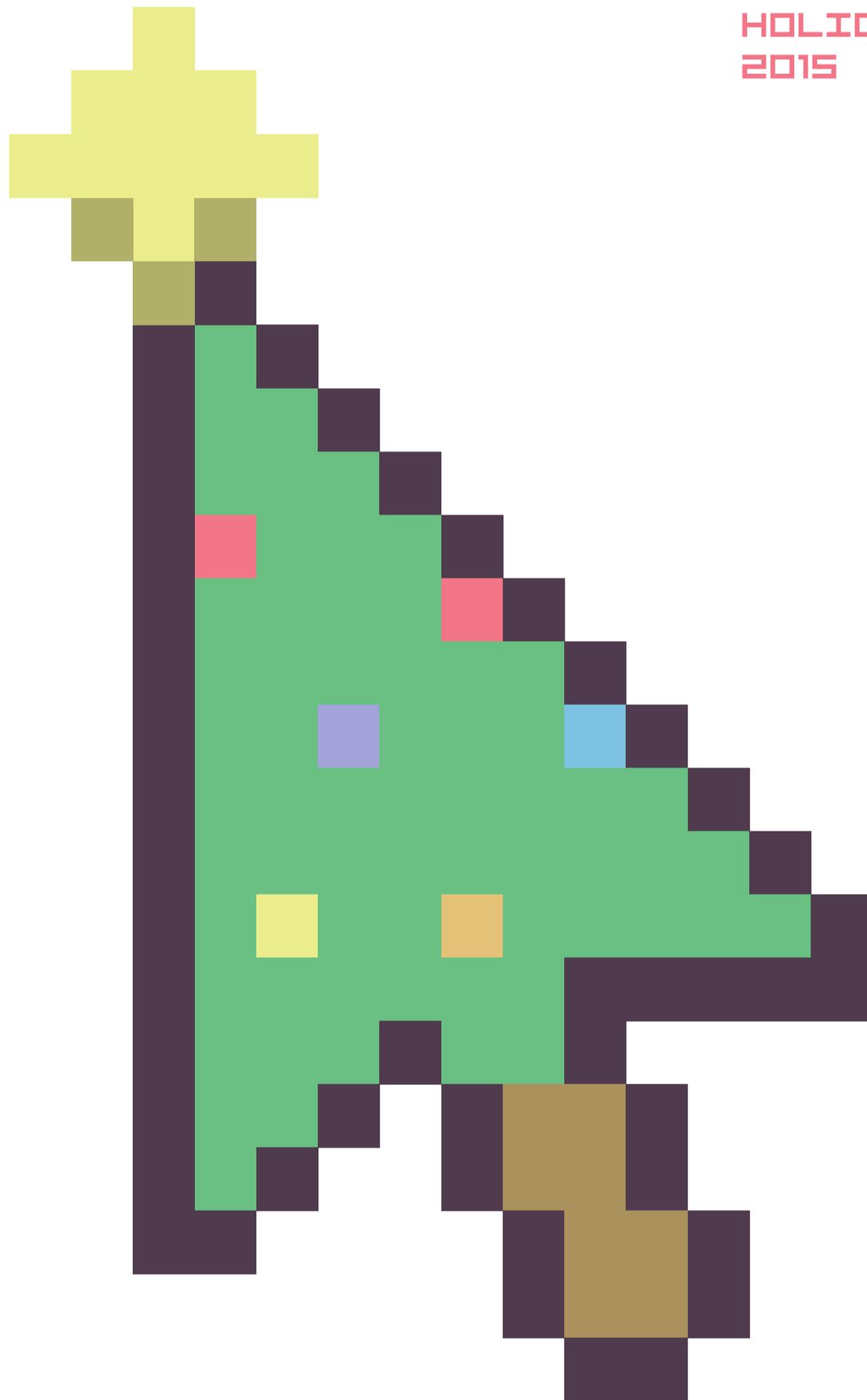


CUSTOMER
E-COMMERCE
PULSE
HOLIDATA
2015



THINGS WE HEARD

THIS SEASON I ONLY WENT TO THE MALL ONCE WE ADDED A TON OF AUTOMATED LIFECYCLE MARKETING CAMPAIGNS :D REVIEWS ARE HELPFUL AND PLENTIFUL GIFT GUIDE ARTICLES WERE ACTUALLY GENERATING A GOOD AMOUNT OF REVENUE I BOUGHT LESS EXPENSIVE GIFTS WITH MORE SENTIMENTAL VALUE

CUSTOMERS SEEMED TO
BE SHOPPING LAST-MIN-
UTE THIS YEAR I HAVE
A MILLION(ISH) TABS
OPEN AT ONE TIME WE
INCREASED THE RE-
SPONSE RATE BY 80%
WITH A TWO-MINUTE
SURVEY BLACK FRIDAY
FEELS MORE LIKE A BLIP
NOW BECAUSE OF THE
NON-STOP EMAIL BLASTS
EVERY OTHER DAY WAY
LESS FREE SHIPPING
THAN LAST YEAR



Wrapping paper. Hot chocolate. Turkey legs. Holidata.

The time has come to sort through the bits and bytes that led to another holiday season full of e-commerce growth.

The findings in this report are based on the [Custora E-Commerce Pulse](#), a free online dashboard tracking online transactions from over 200 US retailers, 500 million shoppers, and over \$100 billion in transaction revenue. Unless otherwise specified, the data refers to the holiday shopping season: November - December 2015, and the corresponding timeframe in 2014. (Read more about our methodology on the back page).

HEADLINES



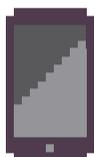
Another year for (e-commerce) holiday cheer

US e-commerce revenue was up 12.1% this holiday season over holiday 2014, keeping with the trend of double digit growth over the past five years.



Cyber Monday? How about “Cyber Week?”

Black Friday and Cyber Monday were once again the top two shopping days of the season. The week leading up to Cyber Monday filled out the rest of the top spots, stretching Cyber Monday into Cyber Week. [Pg 7]



Mobile magic strikes again

Nearly a third of online purchases (30.4%) were made on a mobile device this holiday, driven mostly by smartphone shopping. Black Friday was “Mobile Friday” again with 36.1% of sales made on phones and tablets. [Pg 8]



Search and email made the season bright

Search (free and paid) and email marketing were the stars of the holiday season. Social media... not so much (yet?). [Pg 10]



Holiday Bonus! Download our data

We’ve made the complete data sets for the findings within this report available at custora.com/holidata15.

ALSO

*We spoke with several **SHOPPERS** and **E-COMMERCE MARKETERS** to get their perspective on the season. Their comments are featured throughout the report.*

AND

The [Custora E-Commerce Pulse](#) updates on a monthly basis with new US e-commerce stats and seasonal research reports. You can subscribe for updates, for free, [right here](#).

HOLIDAY 2015



OVERALL STATS, NOV-DEC

REVENUE	+12.1%
ORDERS	+10.9%
AVG ORDER VALUE	+1.1%

Holiday 2015 was another festive season for US online shopping, which experienced a 12.1% growth in revenue throughout November and December over the same time period in 2014. E-commerce orders (transactions) grew 10.9% while AOV (average order value) grew 1.1% year over year, indicating a less promotionally driven holiday season than last year.

REVENUE BY DAY



Note: 2015 dates are shifted by one day to enable year-over-year alignment.

custora

Download data at custora.com/holiday15

THANKSGIVING was huge for mobile shopping – nearly 40% (39.3%) of online orders happened on smartphones and tablets

BLACK FRIDAY revenue increased 17.4% with help from e-mail marketing, which drove 25.1% of orders

CYBER MONDAY revenue was up 12.5%. The day continued its reign as the #1 US online shopping day

CYBER WEEK fully emerged during the 2015 holiday season. These seven consecutive days (November 24 - 30) claimed the highest relative share of holiday revenue

LAST MINUTE SHOPPING was big thanks to faster shipping speed – December 22 and 23 were the two days with highest year over year revenue growth

TOP DAYS BY REVENUE

RANK	DATE	WEIRD-ISH NAME	SHARE (%) OF HOLIDAY REVENUE	SHARE (%) OF HOLIDAY ORDERS
1	11/30	CYBER MONDAY	6.3	6.4
2	11/27	BLACK FRIDAY	5.2	4.3
3	11/29	CYBER SUNDAY	3.0	3.0
4	11/28	CYBER SATURDAY	2.8	2.5
5	11/24	MASHED POTATO* TUESDAY	2.7	1.5
6	11/26	THANKSGIVING	2.4	1.9
7	11/25	THANKSGIVING EVE	2.2	1.5

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Download data at custora.com/holidata15

Cyber Monday and Black Friday were the highest grossing holiday shopping days for another year in a row, and the rest of Thanksgiving weekend had retailers swinging from the rafters.**

Last year Thanksgiving made a solid, though unsuccessful effort to break through as a leading holiday shopping day. In 2015, strong year-over-year growth of 10.7% helped Turkey Day earn one of those spots, and its neighbors on the calendar decided to get in on the action too. Unlike in 2014 when the highest revenue-driving days were spread throughout the season, the winners in 2015 were the days including (and bordering) Thanksgiving weekend.

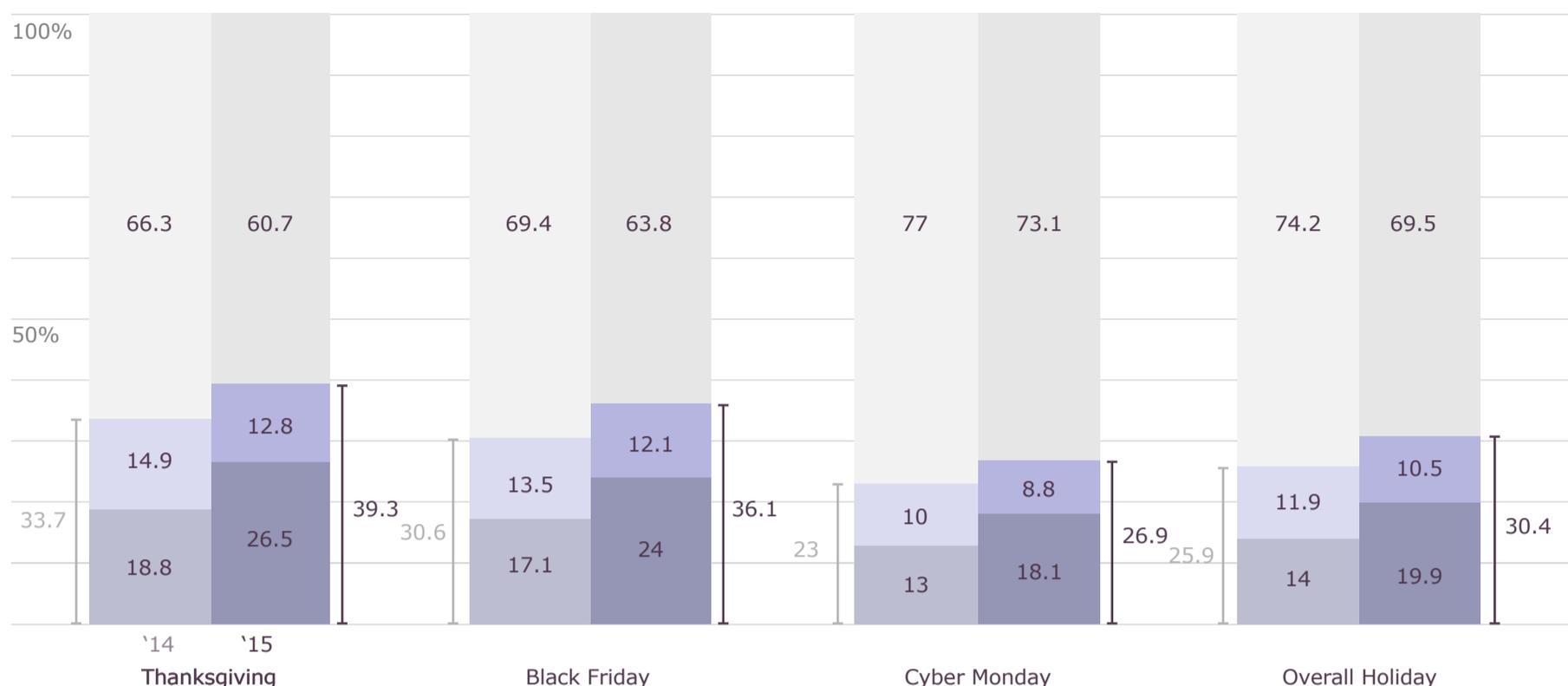
If the holiday shopping season is more of a marathon than a sprint, Thanksgiving weekend is where it catches its stride. For the full holiday weekend (Thanksgiving day – Cyber Monday), revenue growth came in strong at 16.4% over 2014. During this time 19.8% of online revenue was generated for the holiday season. Put in perspective, December as a whole claimed 44.8% of the season's revenue.

*Okay not the best name but at least it's not cyber :)

**A "rafter" is a group of domestic turkeys

MOBILE ORDERS BY DATE, 2014 v 2015

SHARE (%) OF MOBILE ORDERS ON KEY HOLIDAY DATES



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Download data at custora.com/holiday15

MOBILE SHOPPING

Black Friday was Mobile Friday (again)

Black Friday was “Mobile Friday” for yet another year, with 36.1% of online shopping done on mobile devices, up from 30.6% on Black Friday 2014.

Mashed Potatoes and Mobile

The trend toward mobile shopping was especially pronounced on Thanksgiving day, when orders on phones and tablets constituted about 40% (39.3%) of all e-commerce transactions.

Mobile shopping up

Overall 30.4% of online shopping was done on a mobile device (phone or tablet) during the holiday season, up from 25.9% in 2014. This is due to an increase in smart-phone shopping, which climbed from 14% of orders in 2014 up to nearly 20% (19.9% to be exact) this year.

I preferred either phone or tablet, (depending on where I happen to be and what I'm doing). However, I almost always continued anything I started [on mobile/tablet] on a computer, ultimately completing purchases there. The only exceptions would be if I had dedicated apps on my phone/tablet (like Amazon). -Eric



I DID 100% OF MY CHRISTMAS SHOPPING ONLINE IN MY FAMILY ROOM ON MY TABLET.

I honestly just use my phone. It's always in my hand and I can do the same thing on it as on my computer without leaving my couch. I am always on the go and sometimes buy a gift when I remember someone or am inspired by something. - Jasen



Apple still owns mobile shopping

Over the past few years iOS devices (iPhones and iPads) have slowly been losing share of mobile e-commerce to smartphones and tablets running Google's Android platform, and the 2015 holiday season was no different. Three out of four mobile orders happened on Apple devices – 76.9%, down slightly from 78.7% during holiday 2014. Over the course of the season only 22.7% of online orders were placed on Android devices, up from 20.7% in holiday 2014.

THE
HOLIDAY
MOVIE
SERIES

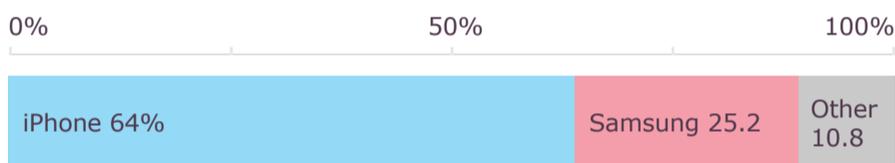
I shopped on my tablet. It's always sitting with me in the comfort of my recliner. I did 100% of my Christmas shopping online in my family room.
-Mike

MOBILE ORDERS BY BRAND

SHARE (%) OF HOLIDAY E-COMMERCE ORDERS MADE ON MOBILE DEVICES

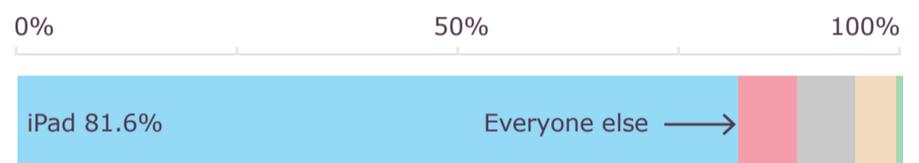
APPLE SAMSUNG AMAZON GOOGLE OTHER

PHONE ORDERS 2015



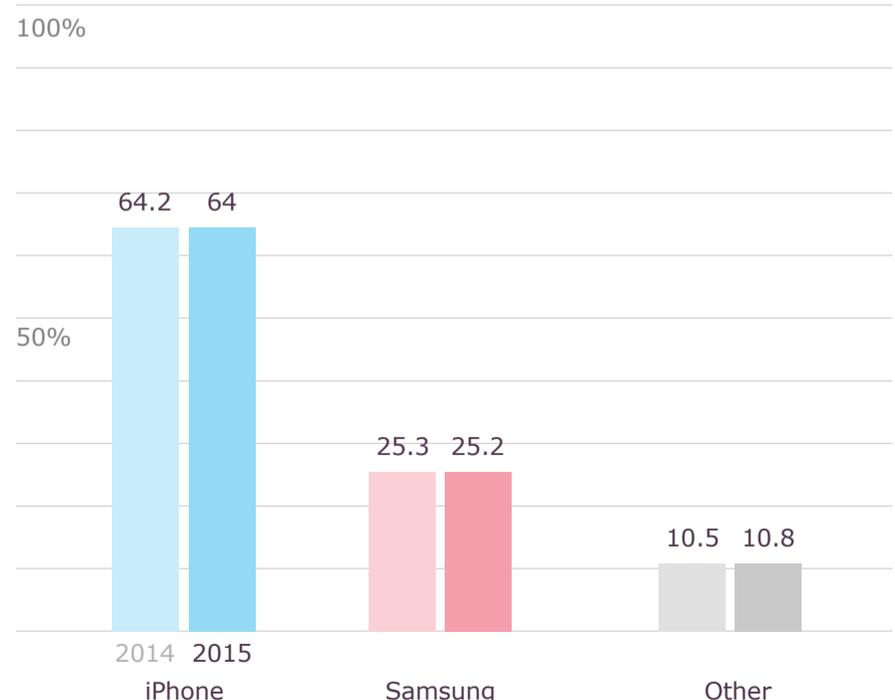
Smartphone shopping this holiday mirrored the previous year with a majority of orders taking place on iPhones (64%) and Samsung phones (25.2%).

TABLET ORDERS 2015

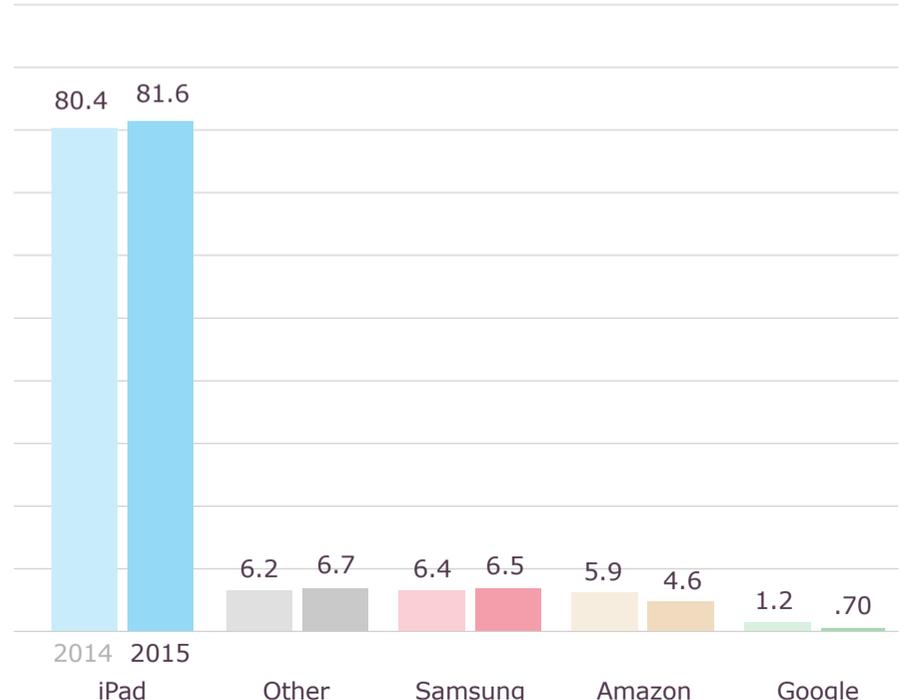


Apple held tightly onto the reigns of tablet shopping during holiday 2015, with 81.6% of online orders placed on iPads. The remaining 18.4% of orders were split among the other tablets — the Samsung Galaxy Tab, Amazon Kindle Fire, and Google Nexus.

2014 v 2015

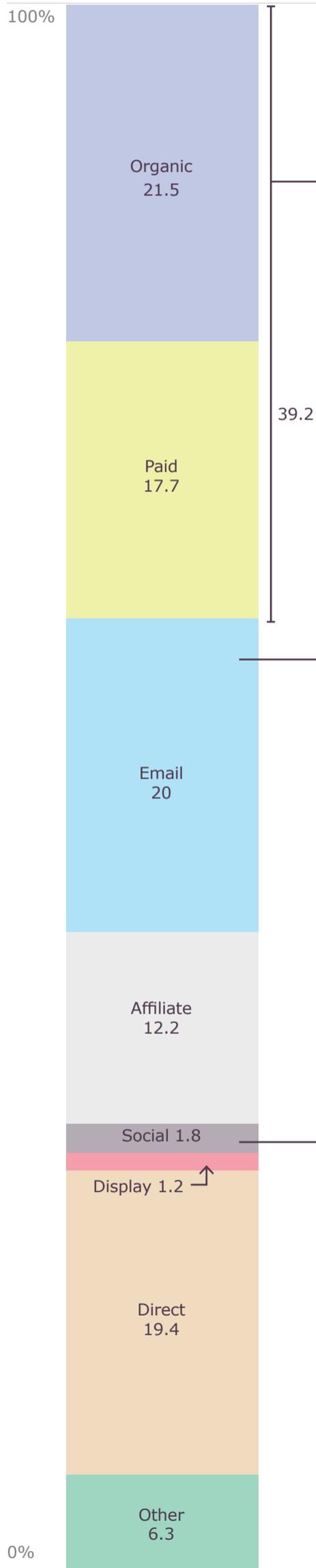


2014 v 2015



ORDERS BY MARKETING CHANNEL

SHARE (%) OF HOLIDAY E-COMMERCE ORDERS BY MARKETING CHANNEL



Google is still the gatekeeper to e-commerce

During the 2015 holiday shopping season, 39.2% of online transactions originated from search (either free or paid). Organic (free) search drove 21.5% of orders while paid search drove 17.7%.

Email Marketing: Huge for the Holiday (especially Black Friday + Cyber Monday)

Email marketing played a major role in the overall holiday season by driving 20% of online orders, making it the second largest channel after organic (free) search (21.5%). Email made an even bigger impact during Thanksgiving holiday weekend, when it was the primary channel driving online sales, accounting for 23.3% of orders. This trend was even more pronounced on the weekend's major shopping days, when it accounted for 25.1% of online sales on Black Friday and 22.1% on Cyber Monday.

Online shoppers still aren't 'liking' social media

The jury is still out on whether social media (Facebook, Twitter, Instagram, Pinterest, etc.) will live up to its hype, and holiday 2015 was another season in which social did not deliver. Through the holiday season, social media drove only 1.8% of all e-commerce orders - similar to the previous year, when it drove 1.9%.

MARKETING CHANNELS

WE NOW
ATTRIBUTE
35% OF OUR
MONTHLY
EMAIL
MARKETING
REVENUE TO
AUTOMATED
CAMPAIGNS

Before I bought anything at a store, I would check first online to see if I could find it somewhere else for cheaper. Maybe I'm just getting more responsible? Or maybe I'm just really poor and need the best deal possible? Yay sales! -Kathryn

Black Friday feels more like a blip now because of the non-stop email blasts every other day between then and Christmas. I've stopped feeling a sense of urgency when brands send me e-mail deals because I get them so frequently. -Alex

This year the pleasant surprise was how well e-commerce has matured along with the systems that support it. My orders are easy to place and delivered without error in a timely manner....and I don't pay a premium for the service! -Kathy

I once inquired about renting a helicopter to Atlantic City and now they continue to send me "deals," which sometimes I think I should take even though it's out of my price range. It's just nice to see emails from them in my inbox. Makes me feel fancy. -Kelsey

ADD'L COMMENTARY

We added a ton of automated lifecycle marketing campaigns that didn't exist in 2014 and the response has been strong. These include "cart abandonment", "post-purchase" and a "back in stock." We have leveraged the capabilities of our ESP to provide dynamic product recommendations that are unique to each customer. We were able to spend a good part of the year testing offers and a launch timeline for these campaigns to make sure we were maximizing their potential. We now attribute 35% of our monthly email marketing revenue to automated campaigns that run on their own and require little to no effort on our part to maintain. [online fashion retailer]

It was surprising that customers seemed to be shopping last-minute this year. In 2014, most of our holiday business fell off dramatically after standard shipping deadlines lapsed. But this year, we recognized the need for additional shipping promotions on expedited methods, and we included a last-minute pre-Christmas sale that ended up being one of the top 5 performers of the month in terms of conversions and revenue. [online retailer]

What surprised me the most was that long, advice style "give" articles were actually generating a good amount of revenue. (For example, one of our biggest revenue-driving articles covered holiday travel tips.) [lifestyle retailer]

In order to gather insight into customer purchasing behaviors, we designed and launched a mass survey (it went to our entire opt-in list) asking customers about how they shop, who they buy for and why. We couldn't believe the response. [online retailer]

We did start the blog and content side of our retail site and have been incorporating a lot of recipes that have been doing well for us. [lifestyle retailer]

ADD TO CART

ADD TO CART

WE INCLUDED
A LAST-MINUTE
PRE-CHRIST-
MAS SALE
THAT ENDED
UP BEING ONE
OF THE TOP
5 PERFORM-
ERS OF THE
MONTH

custora

Custora is retail marketing software that powers sustainable growth by driving revenue through repeat customers.

Our platform centralizes customer data, runs a suite of predictive models to uncover the preferences of every customer, and automates relevant, multi-channelled campaigns to increase conversion.

Custora is the only software that identifies, prioritizes, and automates repeatable programs to drive ROI while enabling Marketing teams to more effectively collaborate with Finance, Merchandizing, and Creative.

Companies such as Ann Taylor, Crocs, GUESS?, and Bonobos trust Custora to maximize the value of every customer.

Custora E-Commerce Pulse

The Custora E-Commerce Pulse is a free online dashboard tracking key US e-commerce statistics. The Pulse is based on Custora's analysis of over 500 million online shoppers and over \$100 billion in e-commerce revenue across over 200 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 the US industry at large.

Pulse research has been featured in The Wall Street Journal, The Washington Post, Inc., Fortune, Bloomberg TV, CNBC, McKinsey Insights, AdAge, eMarketer, and many other publications. Custora E-Commerce Pulse data is also part of the Bloomberg Professional® Platform.

METHODOLOGY

The report's findings are derived from data spanning over 500 million anonymized shoppers, \$100B in e-commerce revenue, and over 200 online retailers.

Statistics for the percentage of orders made by channel, by device type, and by platform, are actual aggregate numbers obtained from the group of retailers described above. These statistics are derived by first computing the distribution within each e-commerce firm, then taking the average of these distributions.

For marketing channel analysis, channel attribution was set by each retailer; most retailers use "last click" or "last touch" attribution.

Please direct inquiries to info@custora.com.

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