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**ECONOMICS
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U.S. CENSUS BUREAU

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**RETAIL E-COMMERCE SALES ARE \$5.3 BILLION IN FIRST QUARTER 2000,
CENSUS BUREAU REPORTS**

The Census Bureau of the Department of Commerce announced today that the estimate of U.S. retail e-commerce sales for first quarter 2000, not adjusted for seasonal, holiday, and trading-day differences, was \$5.260 billion, an increase of 1.2 percent ($\pm 3.9\%$) from fourth quarter 1999. The fourth quarter 1999 e-commerce sales estimate was revised downward \$94 million (1.8%) to \$5.198 billion.

Total retail sales for first quarter 2000 were estimated at \$747.8 billion, a decrease of 8.9 percent ($\pm 0.4\%$) from fourth quarter 1999. The fourth quarter estimate was revised upward \$124 million (0.02%) to \$821.4 billion.

E-commerce sales in the first quarter accounted for 0.70 percent of total sales. E-commerce sales in the fourth quarter were 0.63 percent of total sales.

Estimated Quarterly U.S. Retail Sales: Total and E-commerce
 (Data in millions of dollars. Not adjusted for seasonal, holiday and trading-day differences.)

Period	Total Sales	E-commerce Sales	E-commerce Sales as a Percent of Total Sales
4 th Quarter 1999	821,351	5,198	0.63
1 st Quarter 2000	747,844	5,260	0.70
Percent Change	-8.9	1.2	

E-commerce sales are sales of goods and services over the Internet, an extranet, Electronic Data Interchange (EDI), or other online system. Payment may or may not be made online.

Retail e-commerce sales are estimated from the same sample used to estimate U.S. retail sales in the Monthly Retail Trade Survey (MRTS). A stratified simple random sampling method is used to select over 12,000 retail firms whose sales are then weighted and benchmarked to represent the complete universe of over two million retail firms. Online travel services, financial brokers and dealers, and ticket sales agencies are not classified as retail and are not included in either the total retail or retail e-commerce sales estimates. E-commerce sales are included in the total monthly sales estimates.

The retail e-commerce sales estimate for the second quarter is scheduled for release in August 2000.

E-commerce retail sales data and frequently asked questions (FAQ's) about e-commerce sales are available on the Census website at <http://www.census.gov/mrts/www/mrts.html>. For additional information about Census Bureau e-business measurement programs and plans visit <http://www.census.gov/epcd/www/ebusines.html>.

Explanatory Notes

Retail e-commerce sales are estimated from the same sample used in the Monthly Retail Trade Survey (MRTS) to estimate preliminary and final U.S. retail sales. Advance U.S. retail sales are estimated from a subsample of the MRTS sample that is not of adequate size to measure change in retail e-commerce sales. The MRTS sample is probability based and represents all employer firms engaged in retail activities as defined by the current Standard Industrial Classification (SIC) Manual. Coverage includes all retailers whether or not they are engaged in e-commerce. Nonemployers are represented in the estimates through the benchmarking operation. The e-commerce sales estimate does not include online revenues generated from firms primarily engaged in activities not classified as retail in the SIC manual, such as travel services, financial brokerages, and ticket sales agencies.

The MRTS sample is updated on an ongoing basis to account for new retail employer businesses (including those selling via the Internet) and other changes to the retail business universe. Research was conducted to ensure that retail firms selected in the MRTS sample and engaged in e-commerce are representative of the universe of e-commerce retailers.

Firms are asked each month to report e-commerce sales separately. For each month of the quarter, data for nonresponding sampling units are imputed from responding sampling units falling within the same kind of business and sales size category. Approximately 16 percent of the e-commerce sales estimate for first quarter 2000 was imputed. Imputed total retail sales data accounted for approximately 26 percent of the estimate of U.S. retail sales for the first quarter.

For each month of the quarter, estimates are obtained by summing weighted sales (either reported or imputed). The monthly estimates are benchmarked to prior annual survey estimates. Estimates for the quarter are obtained by summing the monthly benchmarked estimates. For first quarter 2000, the estimate for the month of March is a preliminary estimate. Therefore, the estimate is subject to revision.

The fourth quarter 1999 estimates were revised to reflect additional response data and benchmarking to final results from the 1997 Census of Retail Trade and the 1998 Annual Retail Trade Survey.

The margin of error for the quarter-to-quarter change in U.S. retail e-commerce sales is approximately 3.9%, giving a range of -2.7% to 5.1%. Since this range contains 0%, it cannot be concluded that the true U.S. retail e-commerce sales increased or decreased over the period. Range estimates for the estimated dollar volumes are as follows.

Estimate	Lower Bound (\$Billion)	Upper Bound (\$Billion)
Fourth quarter 1999 retail e-commerce sales	4.862	5.533
First quarter 2000 retail e-commerce sales	4.862	5.659
Fourth quarter 1999 total retail sales	815.093	827.609
First quarter 2000 total retail sales	741.418	754.270

Range estimates are computed based on the particular sample selected and canvassed. If we had repeated the process to draw all possible samples and form all corresponding range estimates, approximately 90 percent of these individual range estimates would have contained the true quarter-to-quarter change in e-commerce.

Estimates in this report are based on a sample, and therefore, are subject to sampling and nonsampling error. A general discussion of the estimates and survey methodology appears in BR/99-A Current Business Reports and on the Internet at: <http://www.census.gov/mrts/www/mrts.html>.

The U.S. Census Bureau, pre-eminent collector and disseminator of timely, relevant, and quality data about the people and the economy of the United States, conducts a population and housing census every 10 years, an economic census every five years, and more than 100 demographic and economic surveys every year, all of them evolving from the first census in 1790.