

Contacts: Scott Scheleur *Survey Processing* (301) 763-2713 (Census)
 Carol King *Survey Methodology* (301) 763-2675 (Census)
 Electronic inquiries: retail.trade@census.gov

For Release 10:00 A.M. ET
 Friday, August 22, 2003
 CB-03-126

RETAIL E-COMMERCE SALES IN SECOND QUARTER 2003 WERE \$12.5 BILLION, UP 27.8 PERCENT FROM SECOND QUARTER 2002, CENSUS BUREAU REPORTS

The Census Bureau of the Department of Commerce announced today that the estimate of U.S. retail e-commerce sales for the second quarter of 2003, not adjusted for seasonal, holiday, and trading-day differences, was \$12.477 billion, an increase of 27.8 percent ($\pm 4.3\%$) from the second quarter of 2002. Total retail sales for the second quarter of 2003 were estimated at \$858.8 billion, an increase of 4.9 percent ($\pm 0.3\%$) from the same period a year ago.

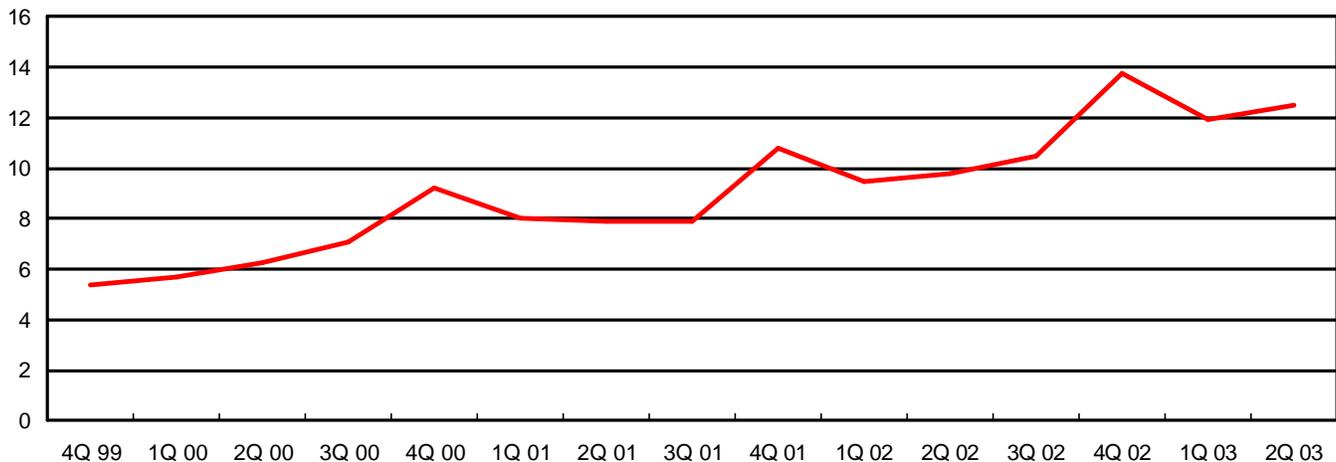
The second quarter 2003 e-commerce estimate increased 4.6 percent ($\pm 1.1\%$) from the first quarter of 2003 while total retail sales increased 11.2 percent ($\pm 0.5\%$) from the prior quarter.

E-commerce sales in the second quarter of 2003 accounted for 1.5 percent of total sales, while in the second quarter of 2002 e-commerce sales were 1.2 percent of total sales. In the first quarter of 2003 e-commerce sales were 1.5 percent of total sales.

**Estimated Quarterly U.S. Retail E-commerce Sales:
 4TH Quarter 1999 – 2ND Quarter 2003**

(Data not adjusted for seasonal, holiday, and trading-day differences)

Billions of dollars



The retail e-commerce sales estimate for the third quarter of 2003 is scheduled for release on November 21, 2003 at 10:00 A.M. ET.

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

Table 1. Estimated Quarterly U.S. Retail Sales¹: Total and E-commerce
(Data in millions of dollars, not adjusted for seasonal, holiday, and trading-day differences.)

Period	Retail Sales ¹		E-commerce as a Percent of Total Sales	Quarter-to-Quarter Percent Change		Year-to-Year Percent Change	
	Total	E-commerce ²		Total Sales	E-commerce Sales	Total Sales	E-commerce Sales
1999 4 th Quarter	787,362	5,393	0.7	8.2	(NA)	9.1	(NA)
2000 1 st Quarter	715,102	5,722	0.8	-9.2	6.1	11.3	(NA)
2 nd Quarter	775,364	6,250	0.8	8.4	9.2	7.6	(NA)
3 rd Quarter	768,559	7,079	0.9	-0.9	13.3	5.6	(NA)
4 th Quarter	812,667	9,248	1.1	5.7	30.6	3.2	71.5
2001 1 st Quarter	723,710	8,009	1.1	-10.9	-13.4	1.2	40.0
2 nd Quarter	801,115	7,904	1.0	10.7	-1.3	3.3	26.5
3 rd Quarter	777,882	7,894	1.0	-2.9	-0.1	1.2	11.5
4 th Quarter	850,608	10,788	1.3	9.3	36.7	4.7	16.7
2002 1 st Quarter	740,020	9,470	1.3	-13.0	-12.2	2.3	18.2
2 nd Quarter	818,609	9,761	1.2	10.6	3.1	2.2	23.5
3 rd Quarter	822,125	10,465	1.3	0.4	7.2	5.7	32.6
4 th Quarter	864,653	13,770	1.6	5.2	31.6	1.7	27.6
2003 1 st Quarter ^r	772,185	11,928	1.5	-10.7	-13.4	4.3	26.0
2 nd Quarter ^p	858,787	12,477	1.5	11.2	4.6	4.9	27.8

NA Not available. ^r Revised. ^p Preliminary.

¹ Does not include Food Services.

²E-commerce sales are sales of goods and services where an order is placed by the buyer or price and terms of sale are negotiated over an Internet, extranet, Electronic Data Interchange (EDI) network, electronic mail, or other online system. Payment may or may not be made online.

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 changes in retail e-commerce sales.

A stratified simple random sampling method is used to select approximately 11,000 retail firms whose sales are then weighted and benchmarked to represent the complete universe of over two million retail firms. The MRTS sample is probability based and represents all employer firms engaged in retail activities as defined by the North American Industry Classification System (NAICS). Coverage includes all retailers whether or not they are engaged in e-commerce. 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. Nonemployers are represented in the estimates through the benchmarking operation. E-commerce sales are included in the total monthly sales estimates.

The MRTS sample is updated on an ongoing basis to account for new retail employer businesses (including those selling via the Internet), business deaths, 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 14 percent of the e-commerce sales estimate for second quarter 2003 was imputed. Imputed total retail sales data accounted for approximately 19 percent of the estimate of U.S. retail sales for the second quarter 2003.

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 second quarter 2003, the estimate for June is a preliminary estimate. Therefore, the estimate is subject to revision.

Reliability of Estimates

The margin of error for the change in U.S. retail e-commerce sales from the first quarter 2003 to the second quarter 2003 is approximately 1.1%, giving a range of +3.5% to +5.7%. Range estimates are computed based on the particular sample selected and canvassed. If we had repeated the process of drawing all possible samples and forming all corresponding range estimates, approximately 90 percent of these individual range estimates would have contained the quarter-to-quarter change in e-commerce sales computed from a complete enumeration of all retail firms on the sampling frame. Because the range above does not contain 0%, we can conclude at the 90 percent confidence level that retail e-commerce sales increased from the first quarter 2003 to the second quarter 2003.

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/02-A Current Business Reports and on the Internet: <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.