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**RETAIL E-COMMERCE SALES IN FOURTH QUARTER 2003 WERE \$17.2 BILLION, UP 25.1 PERCENT FROM FOURTH QUARTER 2002, CENSUS BUREAU REPORTS**

**Intention to Revise:** Quarterly retail e-commerce estimates will be revised based on the results of the 2002 Annual Retail Trade Survey. Unadjusted estimates will be revised for fourth quarter 1999 through fourth quarter 2003. Revised data are scheduled for release on May 21, 2004.

The Census Bureau of the Department of Commerce announced today that the estimate of U.S. retail e-commerce sales for the fourth quarter of 2003, not adjusted for seasonal, holiday, and trading-day differences, was \$17.2 billion, an increase of 25.1 percent ( $\pm 4.2\%$ ) from the fourth quarter of 2002. Total retail sales for the fourth quarter of 2003 were estimated at \$918.2 billion, an increase of 6.2 percent ( $\pm 0.4\%$ ) from the same period a year ago.

The fourth quarter 2003 e-commerce estimate increased 29.7 percent ( $\pm 2.1\%$ ) from the third quarter of 2003 while total retail sales increased 5.2 percent ( $\pm 0.3\%$ ) from the prior quarter.

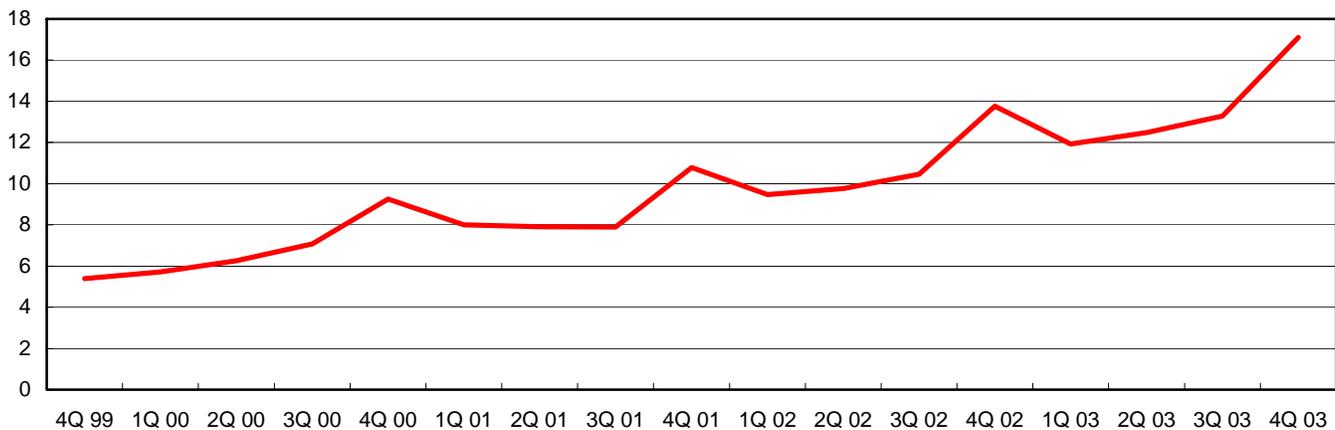
E-commerce sales in the fourth quarter of 2003 accounted for 1.9 percent of total sales, while in the fourth quarter of 2002 e-commerce sales were 1.6 percent of total sales. In the third quarter of 2003 e-commerce sales were 1.5 percent of total sales.

Total e-commerce sales for 2003 were estimated at \$54.9 billion, an increase of 26.3 percent ( $\pm 3.9\%$ ) from 2002. Total retail sales in 2003 increased 5.4 percent ( $\pm 0.2\%$ ) from 2002. E-commerce sales in 2003 accounted for 1.6 percent of total sales. E-commerce sales in 2002 accounted for 1.3 percent of total sales.

**Estimated Quarterly U.S. Retail E-commerce Sales:  
 4<sup>TH</sup> Quarter 1999 – 4<sup>TH</sup> Quarter 2003**

(Estimates not adjusted for seasonal variation, holiday or trading-day differences, or price changes)

Billions of dollars



The retail e-commerce sales estimate for the first quarter of 2004 is scheduled for release on May 21, 2004 at 10:00 A.M. ET. Annual e-statistics for the year 2002 covering manufacturing, wholesale, retail, and selected service industries are scheduled for release in April 2004. For more information, visit: [www.census.gov/estats](http://www.census.gov/estats).

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](http://www.census.gov/mrts/www/mrts.html). For additional information about Census Bureau e-business measurement programs and plans visit [www.census.gov/estats](http://www.census.gov/estats).

**Table 1. Estimated Quarterly U.S. Retail Sales<sup>1</sup>: Total and E-commerce**  
(Estimates are based on data from the Monthly Retail Trade Survey and administrative records)

Period	Retail Sales <sup>1</sup> (millions of dollars)		E-commerce as a Percent of Total Sales	Quarter-to-Quarter Percent Change		Year-to-Year Percent Change	
	Total	E-commerce <sup>2</sup>		Total Sales	E-commerce Sales	Total Sales	E-commerce Sales
1999 4 <sup>th</sup> Quarter	787,362	5,393	0.7	8.2	(NA)	9.1	(NA)
2000 1 <sup>st</sup> Quarter	715,102	5,722	0.8	-9.2	6.1	11.3	(NA)
2 <sup>nd</sup> Quarter	775,364	6,250	0.8	8.4	9.2	7.6	(NA)
3 <sup>rd</sup> Quarter	768,559	7,079	0.9	-0.9	13.3	5.6	(NA)
4 <sup>th</sup> Quarter	812,667	9,248	1.1	5.7	30.6	3.2	71.5
2001 1 <sup>st</sup> Quarter	723,710	8,009	1.1	-10.9	-13.4	1.2	40.0
2 <sup>nd</sup> Quarter	801,115	7,904	1.0	10.7	-1.3	3.3	26.5
3 <sup>rd</sup> Quarter	777,882	7,894	1.0	-2.9	-0.1	1.2	11.5
4 <sup>th</sup> Quarter	850,608	10,788	1.3	9.3	36.7	4.7	16.7
2002 1 <sup>st</sup> Quarter	740,020	9,470	1.3	-13.0	-12.2	2.3	18.2
2 <sup>nd</sup> Quarter	818,609	9,761	1.2	10.6	3.1	2.2	23.5
3 <sup>rd</sup> Quarter	822,125	10,465	1.3	0.4	7.2	5.7	32.6
4 <sup>th</sup> Quarter	864,653	13,770	1.6	5.2	31.6	1.7	27.6
2003 1 <sup>st</sup> Quarter	772,185	11,928	1.5	-10.7	-13.4	4.3	26.0
2 <sup>nd</sup> Quarter	858,793	12,464	1.5	11.2	4.5	4.9	27.7
3 <sup>rd</sup> Quarter	872,634	13,284	1.5	1.6	6.6	6.1	26.9
4 <sup>th</sup> Quarter	918,245	17,226	1.9	5.2	29.7	6.2	25.1

NA Not available. † Revised. ‡ Preliminary.

<sup>1</sup> Estimates exclude Food Services.

<sup>2</sup> E-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.

Note: Estimates are not adjusted for seasonal variation, holiday or trading-day differences, or price changes. For information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions, see <http://www.census.gov/mrts/www/nrely.html>.

## Description of the Survey

Retail e-commerce sales are estimated from the same sample used for 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 benchmarking. 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 fourth quarter 2003 was imputed. Imputed total retail sales data accounted for approximately 19 percent of the estimate of U.S. retail sales for the fourth 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 fourth quarter 2003, the estimate for December is a preliminary estimate. Therefore, the estimate is subject to revision. Individuals who use estimates in this report to create new estimates should cite the Census Bureau as the source of only the original estimates.

## Reliability of Estimates

Because the estimates in this report are based on a sample survey, they may contain sampling error and nonsampling error.

Sampling error is the difference between the estimate and the result that would be obtained from a complete enumeration of the population conducted under the same survey conditions. This error occurs because only a subset of the entire population is measured in a sample survey. The margin of error, as used on page 1, gives a range about the estimate which is a 90 percent confidence interval.

The margin of error for the change in U.S. retail e-commerce sales from the third quarter 2003 to the fourth quarter 2003 is approximately 2.1%, giving a range of +27.6% to +31.9%. 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 third quarter 2003 to the fourth quarter 2003. The Census Bureau recommends that individuals using estimates in this report incorporate this information into their analyses, as sampling error could affect the conclusions drawn from the estimates.

Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. This type of error can occur because of nonresponse, insufficient coverage of the universe of retail businesses with e-commerce sales, mistakes in the recording and coding of data, and other errors of collection, response, coverage, or processing. Although not directly measured, precautionary steps are taken to minimize the effects of nonsampling error.

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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.