

E-Stats 2014: Measuring the Electronic Economy

Economy-Wide Statistics Briefs

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E14-ESTATS

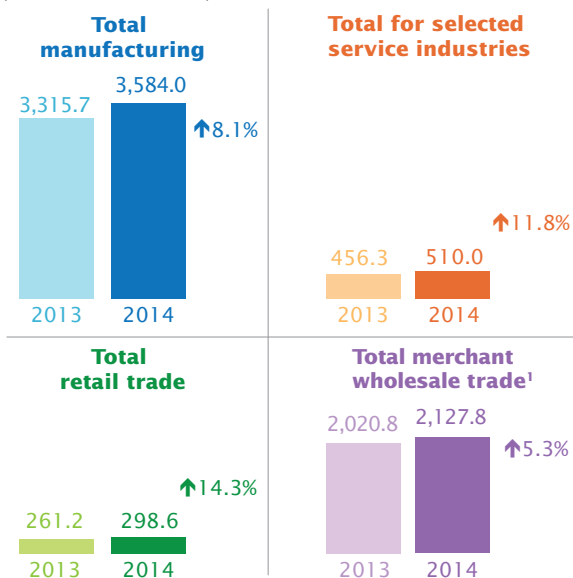
E-COMMERCE SHIPMENTS/SALES/REVENUES UP FROM PREVIOUS YEAR FOR ALL KEY SECTORS IN 2014

This edition of E-Stats provides estimates of e-commerce activity in key sectors of the U.S. economy for 2014, revises previously released estimates for 2013 and earlier, and places these estimates in historical context.

Figure 1.

E-commerce Total Shipments/Sales/Revenues: 2013–2014

(In billions of dollars)



¹ Total merchant wholesale trade including manufacturers' sales branches and offices.

Note: For the estimates of e-commerce total shipments, sales, and revenues, measures of sampling variability can be found at www.census.gov/library/publications/2016/econ/2014-e-stats.html.

Source: U.S. Census Bureau, 2014 Annual Survey of Manufactures; 2014 Annual Wholesale Trade Survey; 2014 Service Annual Survey; and 2014 Annual Retail Trade Survey.

Annual increases for all key sectors—manufacturing, wholesale trade, retail trade, and selected service industries—are reflected in Figure 1.¹ Underlying data are collected in four separate surveys of manufacturing, wholesale, service, and retail businesses.

Manufacturing E-Commerce Shipments Increase 8.1 Percent

E-commerce shipments were \$3,584.0 billion in 2014, up 8.1 percent from the revised \$3,315.7 billion in 2013 (see Figure 1). Total shipments increased 1.2 percent, from a revised \$5,809.7 billion in 2013 to \$5,880.9 billion in 2014.

Shipments from e-commerce accounted for a larger proportion of all manufacturing shipments with 60.9 percent in 2014 and a revised 57.1 percent in 2013 (see Figure 2). In 2014, e-commerce shipments accounted for over 55 percent of total shipments for 13 of the 21 manufacturing subsectors, led by transportation equipment manufacturing (80.6 percent), beverage and tobacco product manufacturing (70.2 percent), and paper manufacturing (67.8 percent).

See the *U.S. Manufacturing Shipments—Total and E-commerce Value: 2014 and 2013* table for more information.

Wholesale E-Commerce Sales Rose 5.3 Percent

U.S. merchant wholesalers, including manufacturers' sales branches and offices (MSBOs), reported total sales for e-commerce rose 5.3 percent to \$2,127.8 billion

¹ Percent changes quoted in the release are calculated using estimates rounded to millions, as provided in the corresponding tables for each sector. These sector specific tables containing estimates and their corresponding measures of sampling variability can be found at www.census.gov/library/publications/2016/econ/2014-e-stats.html.

in 2014, from a revised \$2,020.8 billion in 2013 (see Figure 1). Total sales experienced an increase of 3.0 percent from the revised \$7,468.1 billion in 2013 to \$7,692.2 billion in 2014.

E-commerce sales of merchant wholesalers, including MSBOs, were 27.7 percent of total sales in 2014, an increase from the revised 27.1 percent from 2013 (see Figure 2).

E-commerce sales accounted for 22.0 percent of total sales of merchant wholesalers, excluding MSBOs in 2014, while e-commerce sales were 42.5 percent of the sales of MSBOs.

See the *U.S. Merchant Wholesale Trade Sales, Including Manufacturers' Sales Branches and Offices—Total and E-commerce: 2014 and 2013*; *U.S. Merchant Wholesale Trade Sales, Excluding Manufacturers' Sales Branches and Offices—Total and E-commerce: 2014 and 2013*; and *U.S. Manufacturers' Sales Branches and Offices Sales—Total and E-commerce: 2014 and 2013* tables for more information.

Selected Services E-Commerce Revenues up 11.8 Percent

E-commerce revenues for U.S. selected service industries were \$510.0 billion in 2014, up 11.8 percent from a revised \$456.3 billion in 2013 (see Figure 1). Total revenues were \$13,418.0 billion in 2014, up 5.8 percent from a revised \$12,684.4 billion in 2013.

Selected service industry e-commerce revenues were 3.8 percent of total revenues in 2014, an increase from 3.6 percent in 2013 (see Figure 2). See the 11 selected service sectors listed under the Survey Methods section of this brief.

See the *U.S. Selected Services Revenue—Total and E-commerce: 2014 and 2013* table for more information.

Retail E-Commerce Sales up 14.3 Percent

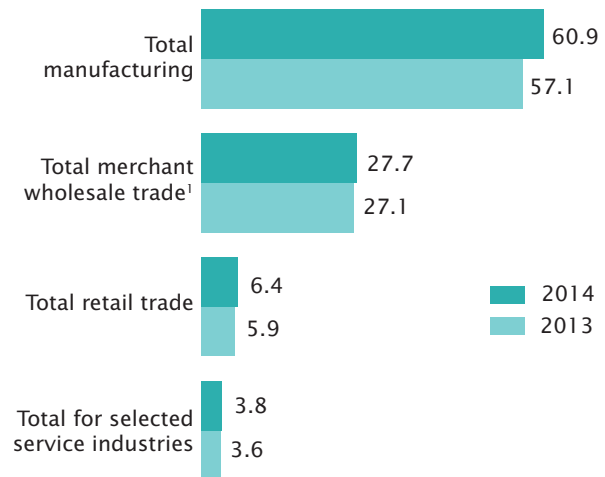
Sales from e-commerce for U.S. retailers were \$298.6 billion in 2014, an increase of 14.3 percent from a revised \$261.2 billion in 2013 (see Figure 1). Total sales saw an increase of 4.0 percent from a revised \$4,459.0 billion in 2013 to \$4,636.3 billion in 2014.

E-commerce sales were 6.4 percent of total sales in 2014, up from a revised 5.9 percent of total sales in 2013 (see Figure 2).

In 2014, the largest retail merchandise category for e-commerce sales in the Electronic Shopping and Mail-Order Houses industry (North American Industry Classification System [NAICS] 4541) was Clothing and

Figure 2.

E-commerce as a Percentage of Total Shipments/Sales/Revenues: 2013–2014



¹ Total merchant wholesale trade including manufacturers' sales branches and offices.

Note: For the estimates of e-commerce as a percentage of total shipments/sales/revenues by sector that are shown in this table, the corresponding standard errors can be found at www.census.gov/library/publications/2016/econ/2014-e-stats.html.

Source: U.S. Census Bureau, 2014 Annual Survey of Manufactures; 2014 Annual Wholesale Trade Survey; 2014 Service Annual Survey; and 2014 Annual Retail Trade Survey.

Clothing Accessories (including footwear) with \$46.8 billion. This category increased 16.3 percent from a revised \$40.3 billion in 2013.

See the *U.S. Retail Trade Sales—Total and E-commerce: 2014 and 2013* and *U.S. Electronic Shopping and Mail-Order Houses (NAICS 4541)—Total and E-commerce Sales by Merchandise Line: 2014 and 2013* tables for more information.

EXPLANATORY NOTES

The estimates in this release are based on data collected from four surveys conducted by the U.S. Census Bureau: the 2014 Annual Survey of Manufactures (ASM); the 2014 Annual Wholesale Trade Survey (AWTS); the 2014 Service Annual Survey (SAS); and the 2014 Annual Retail Trade Survey (ARTS). These surveys were conducted independently. Measures of total economic activity and e-commerce are presented in this report to provide a broad perspective of e-commerce activity across the many sectors. Brief descriptions of the survey methods are given below.

Industry classifications used in this report are based on the 2007 NAICS, except for the 2014 and 2013 manufacturing data, which are based on the 2012 NAICS. Information about NAICS and additional detail about coverage, sample design, and estimation

methodology for the annual surveys can be found at <www.census.gov/econ/estats>. In addition, all current and prior reports, historical data tables, and past research papers are available at this same Web site.

Different measures of economic activity are used in the four surveys:

ASM. “Value of shipments” is the measure used for manufacturing in the ASM. It is the value of all products shipped plus all miscellaneous receipts. Value of shipments includes shipments to outside customers, as well as to affiliated plants.

AWTS and ARTS. “Sales” is the measure used in AWTS and ARTS. Sales is the dollar value of transactions between the reporting firm and its customers. Sales includes transactions to foreign affiliates, but excludes transactions among domestic affiliates.

SAS. “Revenues” is the measure used in SAS. Revenue is the dollar value of transactions and contracts between the reporting firm and its customers. These values include services performed for foreign affiliates, but exclude transactions among domestic affiliates. Revenue includes the total value of service contracts, the market value of compensation received in lieu of cash, amounts received for work subcontracted to others and other industry-specific items.

E-commerce sales/revenues are sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated, over the Internet, mobile device (m-commerce), Extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.

E-commerce shipments (e-shipments) are online orders accepted for manufactured products from customers, including shipments to other domestic plants of the same company for further manufacture, assembly, or fabrication where price and terms of sale are negotiated over the Internet, Extranet, EDI network, electronic mail, or other online system. Payment may or may not be made online.

SURVEY METHODS

Annual Survey of Manufactures

The 2014 estimates of manufacturing shipments and e-shipments were derived from the 2014 ASM. In the ASM, data are collected annually from a probability sample of approximately 50,000 manufacturing plants.

Data for small- and medium-sized single establishment companies are estimated using information obtained from administrative sources.

The ASM is a survey of manufacturing plants and represents activities at individual plants, rather than the entire company.

E-commerce questions were included on the ASM questionnaires along with questions about such things as employment, payroll, value of shipments, cost of materials consumed, and capital expenditures. Data for nonresponding plants were imputed using information from responding plants with similar characteristics.

Shipments estimates for the NAICS subsectors were calculated by summing both the reported and the imputed plant data. For the ASM, the data were weighted by the reciprocal of the probability of the plant’s inclusion in the sample. The total shipment estimates were then linked to the 2012 Economic Census results to reduce sampling and nonsampling errors.

For more information on the ASM, see <www.census.gov/manufacturing/asm/>.

Annual Wholesale Trade Survey, Service Annual Survey, Annual Retail Trade Survey

The AWTS measures the economic activity of merchant wholesale firms with paid employees (i.e., employer firms), including MSBOs as defined by the 2007 NAICS. Merchant wholesale firms are those that take title to the goods they sell. The AWTS also collects data from wholesale agents and brokers, but e-commerce sales are not requested. Therefore, agents and brokers are not included in the wholesale E-Stats estimates. Data are requested annually from about 8,000 wholesale firms that include approximately 1,000 MSBOs. Data for MSBOs were first collected with the 2003 AWTS for years 2002 and 2003. For more information about AWTS, see <www.census.gov/wholesale>.

The SAS measures the economic activity of employer firms classified in 11 service-related sectors as defined by the 2007 NAICS: Utilities; Transportation and Warehousing; Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment, and Recreation; and Other Services. Data are requested annually from about 72,000 firms. For more information about SAS, see <www.census.gov/services>.

The ARTS measures the economic activity of employer and nonemployer (i.e., businesses without paid employees) firms classified in Retail Trade or Accommodation and Food Services as defined by the 2007 NAICS. The sample contains approximately 22,000 firms with paid employees—roughly 17,500 that are classified in Retail Trade and 4,500 that are classified in Accommodation and Food Services. Data for nonemployers are included in the estimates through imputation or administrative data provided by other federal agencies. For more information about ARTS, see <www.census.gov/retail>.

For these three surveys, stratified random samples of firms are selected from a sampling frame constructed using information from the 2007 Economic Census and updated with information from the Census Bureau's Business Register. The samples are subsequently updated to represent employer firms in business during 2014.

All wholesale, service, and retail firms surveyed are asked to report total sales/revenues and e-sales/e-revenues for 2014. Wholesalers are also asked to report e-sales made through EDI networks. Retailers in the Electronic Shopping and Mail-Order Houses industry are also asked to report total sales and e-sales for 2014 for specific merchandise lines. E-commerce data for nonresponding employer firms and all retail nonemployers were imputed from responding firms within the same kind of business.

Estimates of total sales/revenues and e-sales/e-revenues were calculated by summing data (both reported and imputed) weighted by the reciprocal of the probability of the firm's inclusion in the appropriate sample. The retail, wholesale, and services estimates in this report have been adjusted using results of the 2012 Economic Census to reduce sampling error and to allow comparability with the census results.

Reliability of Estimates

The estimates in this report are based on sample surveys and are subject to sampling error. All estimates in this report are subject to nonsampling error. Sampling error occurs because only a subset of the entire population is measured. Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate and may also occur in censuses.

Appendix Tables, which can be found at <www.census.gov/library/publications/2016/econ/2014-e-stats.html>, show standard errors for estimates of

percentages and coefficients of variation for estimates of total dollar value. The standard error measures the extent to which estimates derived from all possible samples of the same size drawn using the same design differ from the average of these estimates. The coefficient of variation (expressed as a percentage) is the standard error of the estimate divided by the estimate. Note that standard errors and coefficients of variation are estimates derived from the sample and are also subject to sampling error. The coefficients of variation and standard errors presented in the tables may be used to compute confidence intervals about the sample estimates.

The particular sample used for each survey included in this report is one of a large number of samples of the same size that could have been selected using the same design. For the ASM, we estimate sampling variances using the Poisson variance estimator, rather than the method of random groups. In about 9 out of 10 (90 percent) of the possible samples, the estimates would differ from the results of a complete enumeration by less than 1.645 times the estimated standard error. For AWTS, ARTS, and SAS, we use the method of random groups ($G=16$ random groups) to estimate sampling variances for estimates produced from these samples. In about 9 out of 10 (90 percent) of the possible samples, the estimates would differ from the results of a complete enumeration by less than 1.753 (a t -statistic with 15 [$G-1$] degrees of freedom) times the estimated standard error.

To compute a 90 percent confidence interval for an estimated total, multiply the estimate by its coefficient of variation and then by either 1.753 or 1.645, as indicated above. This amount is then added to and subtracted from the estimate to give the upper and lower bounds of the interval. As an example, suppose the estimated total revenue is \$51,770 million and the estimated coefficient of variation for this estimate is 1.3 percent (0.013). Multiplying \$51,770 million by 0.013 and by 1.753 gives \$1,180 million. Subtracting \$1,180 million from and adding \$1,180 million to \$51,770 million gives a 90 percent confidence interval of \$50,590 million to \$52,950 million. Confidence statements for estimated percentages are computed in a similar manner. 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 these estimates. All comparative statements in this report have undergone statistical testing and, unless otherwise noted, comparisons are statistically significant at the 90 percent confidence level.

One source of nonsampling error is the inability to obtain information about all cases in the samples. Economic surveys at the Census Bureau are required to compute two different types of response rates: a unit response rate and weighted item response rate. Refer to each survey's Internet page (links provided previously) for the unit response rates of the surveys that contribute to this report. The weighted item response rates are called Total Quantity Response Rates (TQRR) and are item-level indicators of the quality of each estimate. The following table shows the TQRRs for the sectors included in this report. More detailed information about calculating and reporting response rates for economic surveys can be found at www.census.gov/retail/arts/how_surveys_are_collected.html.

**Total Quantity Response Rate for 2014
Total Shipments/Sales/Revenues and
E-Commerce**

Sector	Total sales	E-commerce sales
Manufacturing	80.0	74.0
Wholesale	92.7	78.7
Retail	93.5	85.6
Services	87.7	77.8

CONTACTS

For additional information regarding surveys included in this report, and for general information about the Census Bureau's e-business measurement program, contact:

Data User Outreach and Education Office
Economy-Wide Statistics Division
ewd.outreach@census.gov
800-242-2184

FUTURE E-STATS REPORTS

- Quarterly retail e-commerce data will be released August 16 and November 17, 2016.
- E-Stats for 2015 will be released in mid-2017.

All E-Stats reports, including prior reports, historical data tables, and past research papers, are available at www.census.gov/econ/estats.