

UNITED STATES DEPARTMENT OF COMMERCE NEWS

WASHINGTON, DC 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

U.S. CENSUS BUREAU

Contacts: Nancy Piesto *Survey Processing* (301) 457-2706 (Census)
Carol King *Survey Methodology* (301) 457-2675 (Census)
Electronic inquiries: retail.trade@census.gov

For Release 10:00 A.M. EDT
Wednesday May 16, 2001
CB01-83

Special Notice: In August 2001 with the release of retail e-commerce estimate for second quarter 2001, we will begin using the North American Industry Classification System (NAICS) in place of the Standard Industrial Classification (SIC) System for the quarterly e-commerce data series. The first quarter 2001 estimate will be released on a NAICS basis with the second quarter estimate in August. For further information on NAICS see our website at <http://www.census.gov/mrts/www/naics.html>.

RETAIL E-COMMERCE SALES IN FIRST QUARTER 2001 WERE \$7.0 BILLION, UP 33.5 PERCENT FROM FIRST QUARTER 2000, CENSUS BUREAU REPORTS

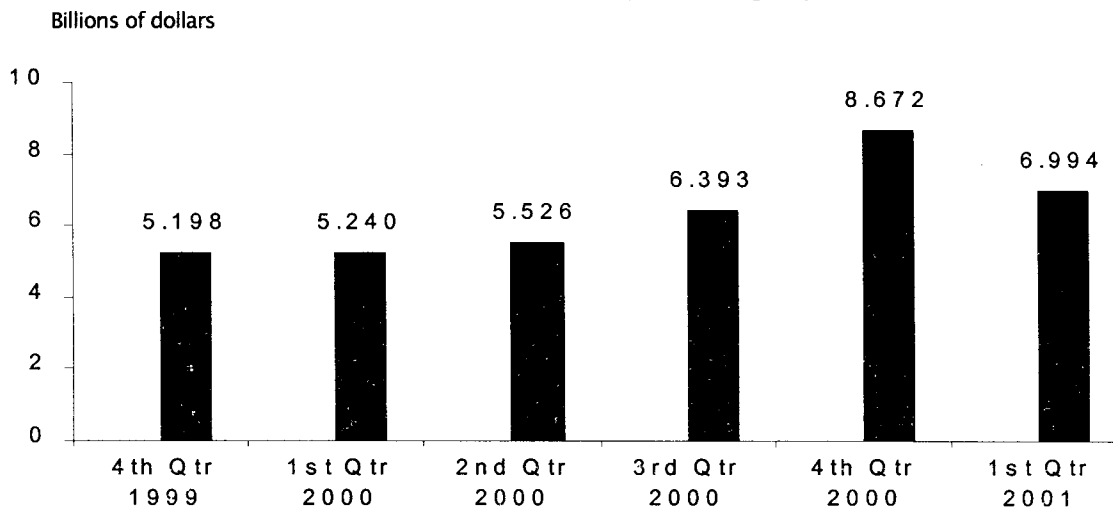
The Census Bureau of the Department of Commerce announced today that the estimate of U.S. retail e-commerce sales for the first quarter of 2001, not adjusted for seasonal, holiday, and trading-day differences, was \$6.994 billion, an increase of 33.5 percent ($\pm 5.3\%$) from the first quarter of 2000. Total retail sales for the first quarter of 2001 were estimated at \$765.2 billion, an increase of 2.3 percent ($\pm 0.5\%$) from the same quarter a year ago.

The first quarter 2001 e-commerce estimate decreased 19.3 percent ($\pm 2.6\%$) from the fourth quarter of 2000 while total retail sales were down 10.6 percent ($\pm 0.4\%$) from the prior quarter.

E-commerce sales in the first quarter of 2001 accounted for 0.9 percent of total sales compared to 1.0 percent in the fourth quarter of 2000. E-commerce sales were 0.7 percent of total sales in the first quarter of 2000.

Estimated Quarterly U.S. Retail E-commerce Sales: 4th Quarter 1999 - 1st Quarter 2001

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



The retail e-commerce sales estimate for the second quarter of 2001 is scheduled for release in August 2001.

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/econ/www/ebusiness614.htm>.

Table 1. 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	Retail Sales		E-commerce as a Percent of Total Sales	Quarter-to-Quarter Percent Change	
	Total	E-commerce ¹		Total Sales	E-commerce Sales
4 th Quarter 1999	821,351	5,198	0.63	8.5	(NA)
1 st Quarter 2000	747,934	5,240	0.70	-8.9	0.8
2 nd Quarter 2000	815,677	5,526	0.68	9.1	5.5
3 rd Quarter 2000	812,158	6,393	0.79	-0.4	15.7
4 th Quarter 2000 ^r	856,282	8,672	1.01	5.4	35.6
1 st Quarter 2001 ^p	765,227	6,994	0.91	-10.6	-19.3

NA Not available. ^r Revised. ^p Preliminary.¹E-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.

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 over 12,000 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 current Standard Industrial Classification (SIC) Manual. 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 15 percent of the e-commerce sales estimate for first quarter 2001 was imputed. Imputed total retail sales data accounted for approximately 27 percent of the estimate of U.S. retail sales for the first quarter 2001.

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 2001, the estimate for March is a preliminary estimate. Therefore, the estimate is subject to revision.

Estimates of total retail sales and e-commerce sales for the fourth quarter of 2000 were revised to reflect additional response data. The total retail sales estimate for fourth quarter 2000 was revised from \$856.2 billion to \$856.3 billion. The fourth quarter 2000 e-commerce estimate was revised from \$8.686 billion to \$8.672 billion.

Reliability of Estimates

The margin of error for the change in U.S. retail e-commerce sales from the fourth quarter to the first quarter is approximately 2.6%, giving a range of -21.9% to -16.7%. 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 true quarter-to-quarter change in e-commerce sales. Because the range above does not contain 0%, we can conclude with at least 90 percent confidence that retail e-commerce sales decreased from the fourth quarter to the first quarter.

Table 2. Range Estimates for Estimated Dollar Volumes

(Data in millions of dollars)

Period	Retail Sales		Retail E-commerce Sales	
	Lower Bound	Upper Bound	Lower Bound	Upper Bound
4 th Quarter 1999	815,093	827,609	4,939	5,456
1 st Quarter 2000	741,414	754,455	4,893	5,586
2 nd Quarter 2000	808,818	822,536	5,203	5,849
3 rd Quarter 2000	804,715	819,601	6,027	6,759
4 th Quarter 2000 ^r	848,535	864,029	8,213	9,131
1 st Quarter 2001 ^p	757,045	773,409	6,604	7,384

^r Revised. ^p Preliminary.

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: <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.