



# USA – the land of online shoppers

The American e-commerce market offers enormous growth opportunities for European online retailers.

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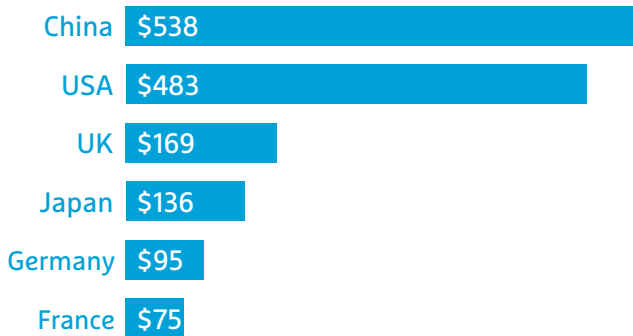
**Hermes**

# USA – the land of the online shoppers

Global economic power in the West: for decades, the USA dominated the international market – until China replaced it as the world's largest trading nation in 2013. The US also ranked second in terms of online trade in 2014.

According to the Ecommerce Foundation, revenues amounted to \$483 bn. However, the proportion of online shoppers is higher than their Chinese counterparts. More than three-quarters of American consumers have bought something online, with 30 percent of online shoppers regularly buying products from non-domestic producers.

## TOP 10 E-COMMERCE NATIONS REVENUE (in billion dollars)

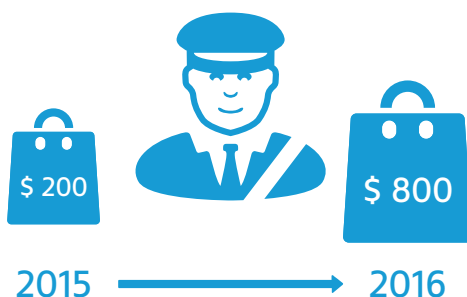


Source: Ecommerce Foundation, Key B2B E-Commerce Data of Goods and Services (2014)

For retailers and brand manufacturers from Europe, this cross-border business offers enormous opportunities – especially as duty-free allowances for imports to the US rose in March 2016 from \$200 to \$800 per consignment. No taxes or duties are due below this 'de minimis' threshold. In addition, customs clearance formalities have been simplified considerably. Companies looking to expand their business internationally stand to gain from these new regulations. They can accelerate their logistics processes and at the same time cut the costs and expense of delivering to the US.

And last but not least, end customers interested in international goods can benefit from uncomplicated imports – cross-border shopping on the internet is becoming ever-more attractive.

## Duty-free thresholds for imports to the US



## International brands highly popular

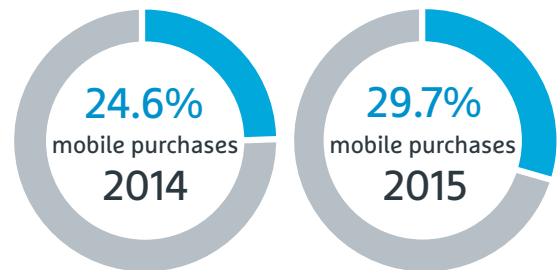
Today, American online shoppers are already spending more than \$5 bn on fashion items from abroad. International brands of cosmetics, jewellery and electronic devices are also highly popular. So why would US consumers decide to order items from international webshops? A study conducted by online payment system PayPal provides the answers.

Twenty-six percent of Americans valued the idea of buying products that are not easy to find on their local markets. For 29 percent of those surveyed it was the favourable prices, the secure methods of payment and the free-of-charge returns that were important. And 40 percent of consumer decided to make their online purchases because of the free delivery.

The wide distribution of mobile end devices – around 110 percent in the US – is a strong driver of e-commerce. Mobile commerce accounted for nearly 30 percent of total e-commerce revenues in 2015. Therefore, it is important for international providers to optimise their webshops for mobile applications.

## The proportion of mobile commerce of total e-commerce revenues

### Mobile commerce on the rise



Source: Internet Retailer 2016 Mobile 500 Guide

## Strong seasonal business

Companies should also be taking the peculiarities of the US e-commerce market into consideration. Traditionally, there is huge demand at online shops at Thanksgiving. According to auditors and consultants PwC, around 103 million Americans shopped on the internet on this weekend in 2015.

Adobe reported that on Cyber Monday, the Monday following Thanksgiving, online shops posted sales of around \$3 bn – more than ever before. On Black Friday the figure was \$2.7 bn. Here, the proportion of mobile shopping increased again.

According to Adobe, the majority of orders (51 percent) were placed via smartphone or tablet – nearly one-third of revenues were attributed to mobile shoppers. Expert opinion estimates that this trend is set to continue.

Investment bankers Goldman Sachs forecast that by 2018, half of the whole of e-commerce will be processed through mobile end devices. Amazon and eBay have the greatest say on the e-commerce market. These pure players have not only posted the highest sales revenues, they are also pioneers when it comes to innovative additional services and loyalty programmes.

Overall, with a population of roughly 320 million and its highly-developed logistics infrastructure, the USA is an ideal market for newcomers to global e-commerce. Economic growth – in 2015, the country's GDP grew by 2.4 percent – is traditionally driven by private consumption. And in future, this will shift even more to the internet. Between 2014 and 2015 alone, the American e-commerce market rose by 15 percent. In their Global Retail E-Commerce Index, corporate consultants A.T. Kearney ranked the USA as the country with the strongest growth in online retail – a market of virtually unlimited e-commerce opportunity

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