What Shopify’s Cyber Weekend Numbers Say About Ecommerce



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Key Insights:

- It’s all about how DTC brands connect with people
- Popular product categories spanned apparel to electronics

Despite concerns over the shorter 2019 holiday shopping season, consumers didn’t shy away from buying gifts on the busiest retail weekend of the year.

This year boasted the biggest Black Friday ever. According to Adobe Analytics, consumers spent $7.4 billion online, with $2.9 billion of sales occurring through smartphones. On Thanksgiving, 44.9% of revenue came from smartphones, an increase of 24.4% from last year. Cyber Monday sales notched a record $9.4 billion online, a 19.7% increase from last year, with $3.1 billion in purchases made with smartphones. AppsFlyer, a marketing analytics company, noted in-app purchases on Black Friday rose by 30% this year compared 2018.

Shopify, which a few weeks ago reached 1 million merchants on its platform, saw more than $2.9 billion in sales worldwide on Black Friday and Cyber Monday, with 69% of sales occurring on mobile. While data from Adobe Analytics and other platforms reflects larger retailers, Shopify's data shows the power direct-to-consumer brands have over consumers and highlights the growing trend of mobile shopping.

"The merchants on Shopify are unique retailers on the world," said Loren Padelford, general manager of Shopify Plus. "On Shopify, you get to see what DTC looks like—our customers are really focused on understanding their consumers really well."

While 2019 saw increased attention in the DTC market, from both consumers and investors, some industry experts at the recent IAB Direct Brand summit privately said the online-only business model is going away, with brands like Glossier, Away and others opening up brick-and-mortar shops.

Padelford countered by saying that DTC is much more about the business model of selling directly to a customer and how these brands connect with people, as opposed to having them sift through inventory at a big box store.

"You're watching consumers also say we want more choice, we want to shop directly with the brands," Padelford said. "Not everyone is in love with this idea of consolidation."

The growth of mobile isn't necessarily surprising, considering it's an item most people carry with them at all times, and payment solutions such as Shopify Pay (which enables one-click checkout) making it easier to buy products, Padelford explained.

The wide range of popular product categories, from apparel to electronics, further shows the power of brand storytelling: Consumers are willing to shop for these traditional categories with nontraditional companies such as Bose and JBL.

“You look at apparel [and] you think apparel brands should be commoditized,” Padelford said. “Yet, it continues to be the No. 1 category for Shopify because at the end of the day, [with the] things we want to buy that are valuable to us, we want to engage the story and the maker.”

Other notable data from Shopify’s Cyber Weekend includes a global average cart price of $83.05, a 7.9% increase from 2018, with the average time to checkout lasting 24.66 minutes. Top product categories included apparel, home and garden, electronics, while best-selling products included mobile phone accessories, makeup and skincare. In the U.S., 17 million people shopped with a Shopify merchant, a 51% increase from last year, with the peak sales hour occurring at 11 a.m. ET on Black Friday, with an average cart price of $85.88, a $6 increase from last year, and an average checkout time of 24.80 minutes.

In the U.S., the peak sales hour happened at 12 p.m. ET, with an average cart price of $85.39 and 24.80 minutes spent shopping before checkout. Padelford further noted the sales numbers were across all merchants, and not solely some of the platform’s more well-know retailers such as Jeffree Star Cosmetics or Allbirds (but did not disclose the variance of these brands).

“Consumers are coming back to [retailers] and saying, ‘We want to shop directly from the makers,’” Padelford said. “These acquisition channels and marketplaces aren’t all what they were cracked up to be, and they aren’t giving you the customer experience end relationships you want.”

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