

Sellercloud 2020 Year-Over-Year E-Commerce Growth Report

2020's E-commerce boom lays
the groundwork for continued
omnichannel relevance



Sellercloud 2020 Year-Over-Year E-Commerce Growth Report

2020 Marked a definitive inflection point for the e-commerce industry. Due in large part to the disruptions caused by the COVID-19 pandemic, digital commerce became an essential lifeline for the survival of retail businesses of all sizes. With brick-and-mortar retail largely hampered for a significant portion of the year, customers flocked online competing for limited merchandise supply. Fulfillment delays and out-of-stock notices on some of the most popular e-commerce channels led customers to adopt new online shopping habits. In particular, increased online comparison shop-

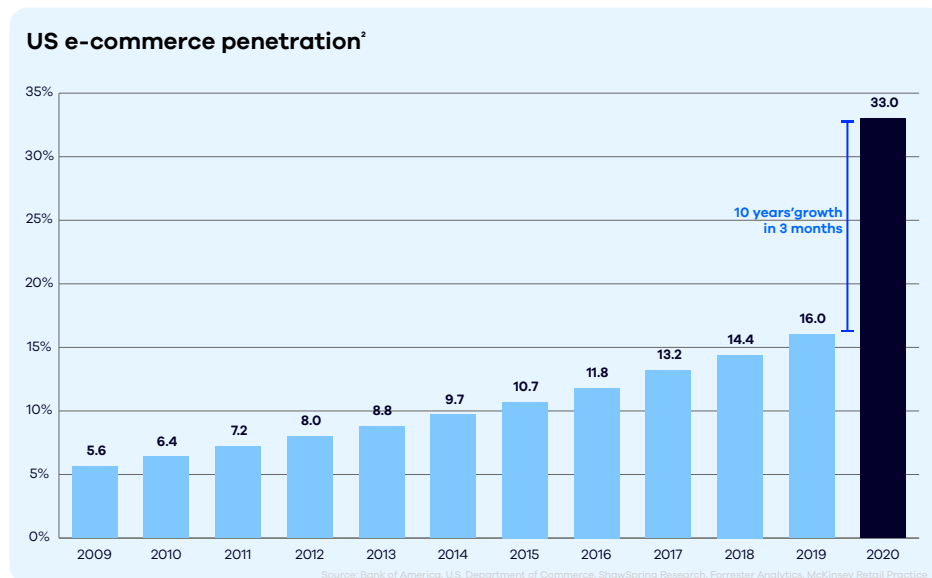
ping created an increased willingness to try new retailers, brands, and channels.¹

As a result, e-commerce took off on a staggering upward trajectory. In just the first quarter of 2020 alone, e-commerce adoption in the US market accelerated at a pace that would have typically taken 10 years to achieve.

The meteoric rise of e-commerce has not shown any signs of relenting. What's more, our data has shown that this boom has truly been omnichannel. Third-party mar-

ketplaces, first-party sales³, dropshipping, wholesale, and retail website sales have all seen (and continue to see) increased conversions as well as the largest active e-commerce customer base in the history of the industry.

Sellercloud users' year-over-year growth figures bear these trends out and create an optimistic outlook for the continued viability and growth of the e-commerce sector as a whole - especially for businesses committed to omnichannel diversification.



¹ <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19>

² Information source: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/five-fifty-the-quickenning>
<https://pbs.twimg.com/media/EgXNJMTXkAA1MEh?format=jpg&name=large>

³ <https://sellercloud.com/white-papers/white-paper-sellercloud-annual-trends-and-first-party-e-commerce-growth-report>

2020's Top-Tier Performers: Amazon, Fulfillment by Amazon (FBA), and Wholesale E-Commerce

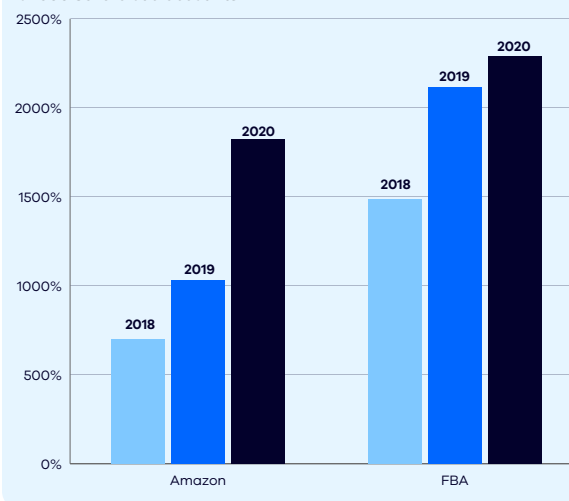
Despite early fulfillment challenges and pandemic-inspired FBA policy shifts, Amazon remained an online retail powerhouse for Sellercloud users in 2020. Amazon Marketplace sales experienced an 80% GMV increase YOY in 2020 (up from its 42% YOY increase in 2019) and FBA broke the \$2 billion GMV threshold for the second straight year.

Amazon's first-party (1P) e-commerce channels also experienced a strong 2020. Vendor Central Direct Fulfillment (formerly Dropship Central) and Amazon Vendor Central saw YOY GMV growth of 43% and 81%, respectively.

With just over 70 million unique orders in 2020, the combination of Amazon Mar-

Annual GMV year-over-year

for 600 Sellercloud accounts

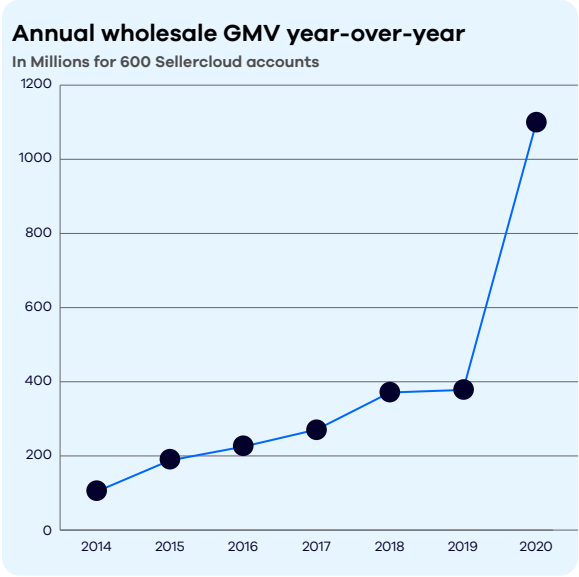
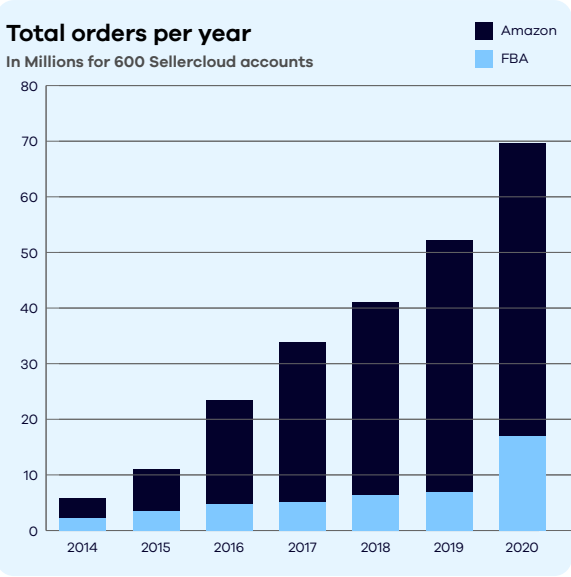


ketplace and FBA remains a stalwart of e-commerce sales, even as we see the ongoing rise of competing online sales channels and the increasing viability of omnichannel sales strategies.

The only channel that was close to Amazon's 2020 performance in terms of both GMV and order volume for Sellercloud users was wholesale e-commerce.

The well-documented supply chain and fulfillment struggles during the pandemic meant that sellers with the ability to move wholesale merchandise to both retailers and customers in need could reap profitable benefits. This bears out with the incredible rise in both wholesale GMV and total orders YOY from 2019 to 2020.

A 194% increase in GMV and nearly a million unique orders drove total wholesale revenues across the \$1 billion mark for Sellercloud users.



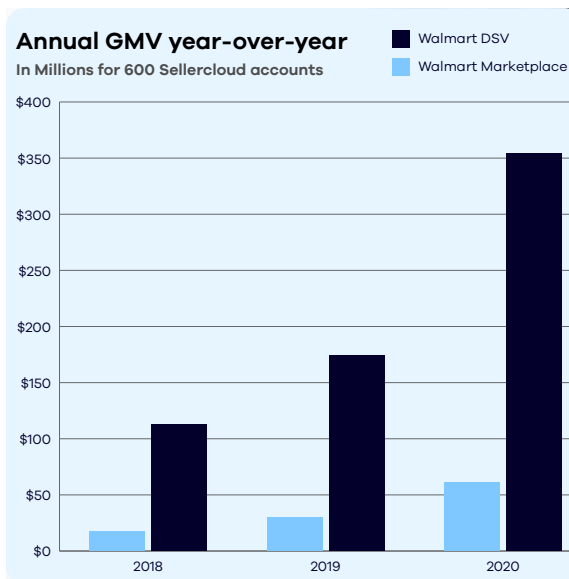
2020's Mid-Tier Performers: Walmart, eBay, Magento, and First-Party Websites

Given Amazon's 2020 performance, it should be no surprise that Walmart's e-commerce channels also had a strong year for Sellercloud users. Walmart Marketplace and Walmart Drop Ship Vendor (DSV) combined for a 104% YOY increase - a notable spike compared to the 54% YOY increase of 2018-2019. The rollout of Walmart+ and further optimization of the company's brick-and-mortar e-commerce fulfillment plans⁴ should prove to help Walmart maintain its positive e-commerce momentum into 2021.

While Walmart's 2020 was certainly noteworthy, both eBay and first-party website sales outpaced the retail giant's e-commerce output.

In eBay's case, 2020's \$423 million in GMV reversed a slight YOY dip from 2018-2019. The premier online auction marketplace offered a forward-thinking Up and Running campaign⁵ that helped many newcomers to e-commerce onboard with digital sales. If these new sellers remain on the platform and eBay continues to show a similar dedication to growing both its seller and customer bases post-pandemic, it should mean good things for eBay in the new year.

Perhaps the most eye-opening observations about this data are both the 2020 performance of Sellercloud users' first-party websites as well as the sales generated



⁴ <https://www.cnn.com/2020/10/29/walmart-turns-four-stores-into-e-commerce-laboratories-.html>

⁵ <https://blog.sellercloud.com/now-is-a-great-opportunity-to-get-your-ebay-presence-up-and-running/>

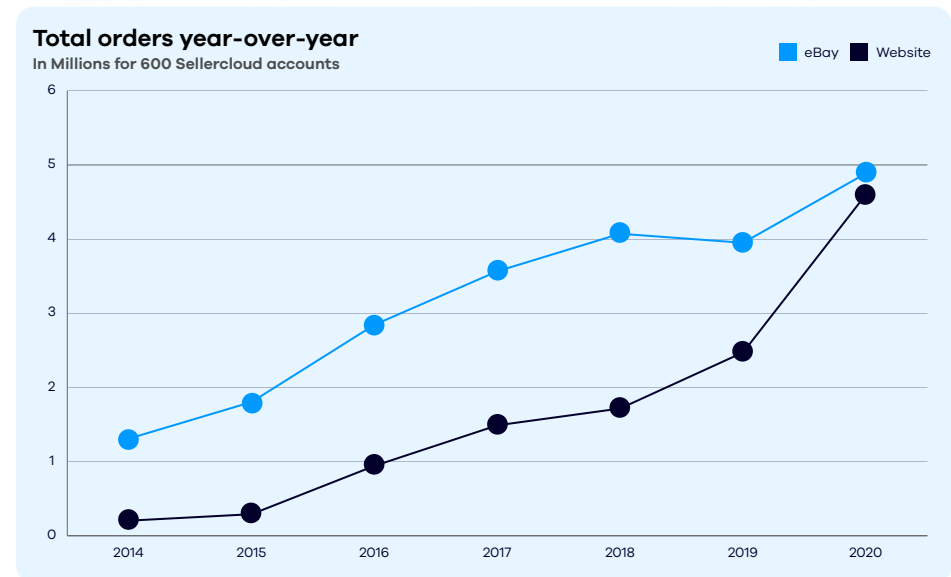
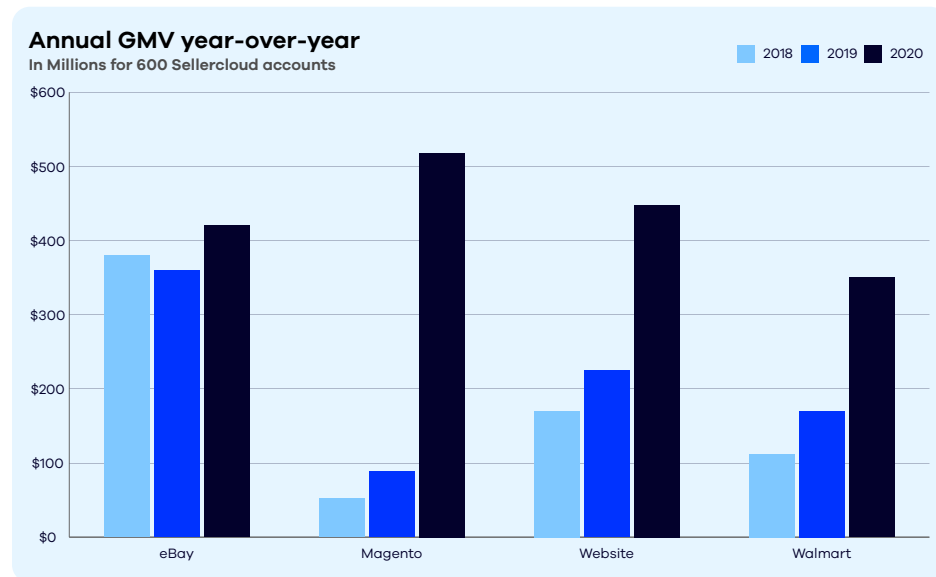
through the shopping cart and storefront builder platform Magento. Each of these first-party sales channels produced sales totals that eclipsed both eBay's and Walmart's respective 2020 GMV gains.

With so many retailers thrown into e-commerce this year (and the struggles of third-party marketplaces to accommodate them) a growing number of sellers turned to more self-sufficient e-commerce options. As a result, Sellercloud's Magento users saw a 492% YOY increase in GMV (up from 53% in 2018-2019) and generated over half a billion dollars.

Even with Magento's performance set aside, Sellercloud users' 2020 first-party website order numbers were extremely impressive. Not only did the total GMV from users' website sales nearly double from 2019 to 2020, but 2020's total order

numbers surpassed eBay's annual order totals for each of the last six years.

It will be important to pay attention to the impact this influx of first-party e-commerce⁶ will have on the industry in 2021 and beyond. Customers and sellers alike have shown a willingness to lean on direct-to-consumer (D2C) channels more so than ever before. As a result, D2C must certainly be considered a crucial component of an omnichannel e-commerce growth strategy moving forward.



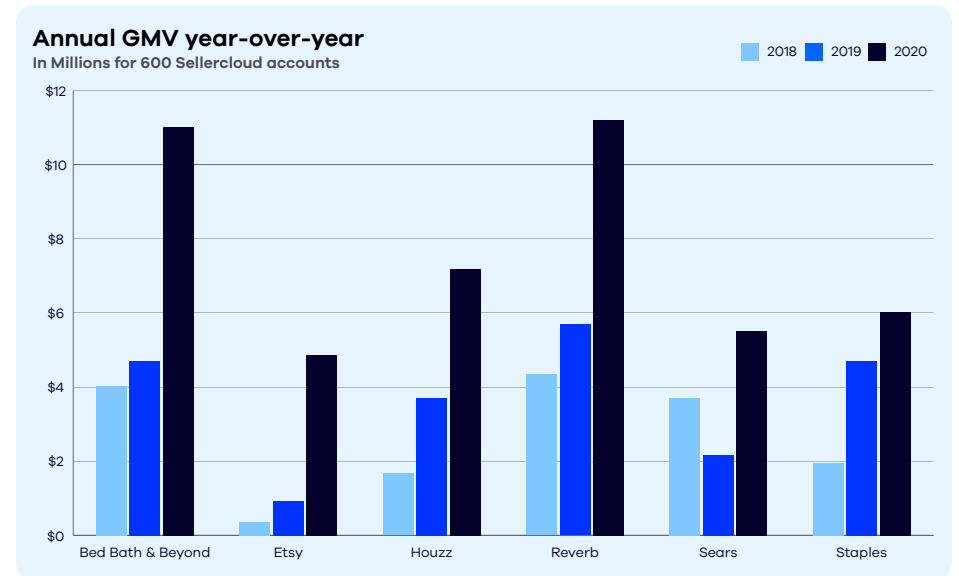
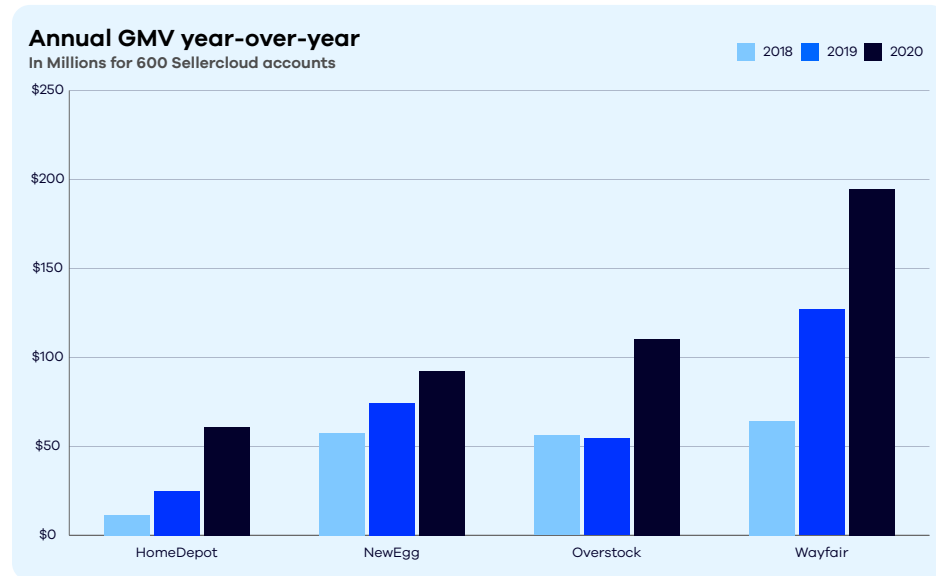
⁶ <https://sellercloud.com/white-papers/white-paper-sellercloud-annual-trends-and-first-party-e-commerce-growth-report>

Lower-Volume Performers: Smaller Online Retailers Made Some of 2020's Most Significant Gains

One of the most impressive aspects of the growth of the e-commerce industry in 2020 is how it affected channels and marketplaces of all sizes. In some cases, the pandemic transformed diminished brick-and-mortar foot traffic into increased website visits. Home Depot, Bed Bath & Beyond, Staples, and Sears all generated notable GMV upticks for Sellercloud users in 2020. Bed Bath & Beyond and Home Depot, in particular, saw 133% and 140% YOY increases, respectively - likely fueled by customer bases spending significantly more time at home than in a typical year.

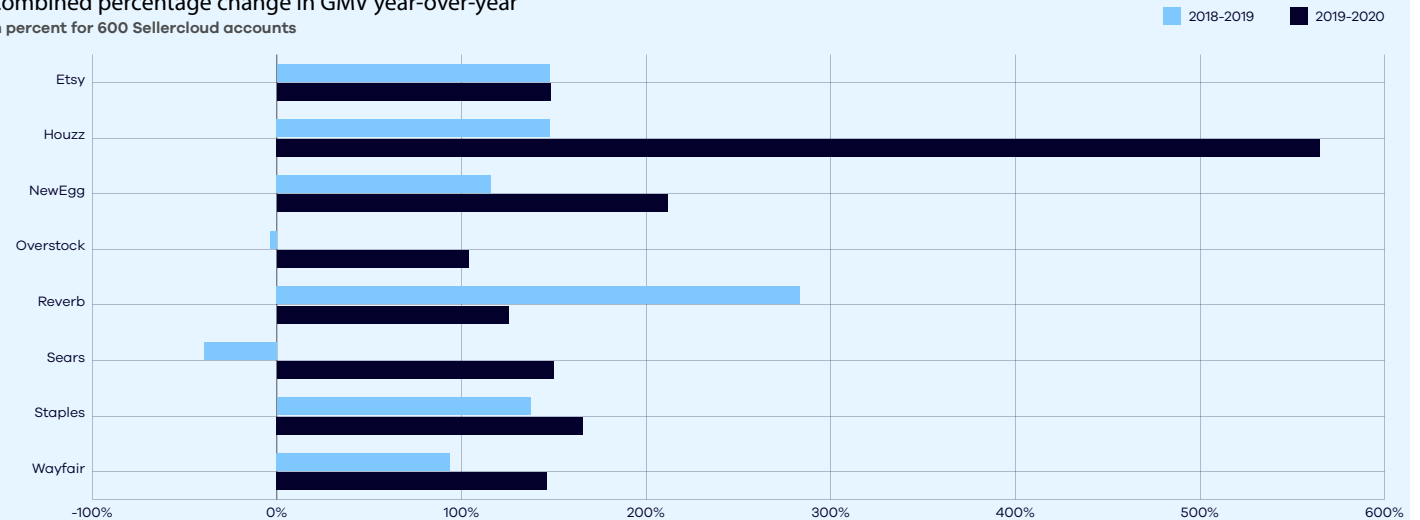
Online-exclusive channels also saw big

gains in 2020 for Sellercloud users. Etsy built on its 149% YOY GMV increase from 2018-2019 with an astonishing 415% jump in 2020 - a two-year proportional increase unrivaled by any other Sellercloud-supported channel of any size. Overstock and Sears were able to overcome GMV decreases in 2018-2019 and make notable positive YOY growth in 2020. Wayfair and Houzz were clearly able to benefit from the homebody economy as people looked to spruce up their abodes just as both Staples and Newegg was certainly able to capitalize on the work-from-home boom. Even Reverb, the secondhand music gear website, received a noteworthy 95% YOY boost to their GMV.



Regardless of what brought them online, this data shows that there are now entirely new populations of customers who have made the shift from in-person retail to e-commerce. Veteran online shoppers have also changed behaviors and begun using the internet to purchase new categories of products for the first time.⁷ If industry projections⁸ are correct, many of the customers who helped generate these exciting growth metrics will be repeat online shoppers in 2021 and beyond.⁹

Combined percentage change in GMV year-over-year
In percent for 600 Sellercloud accounts



” One of the most impressive aspects of the growth of the e-commerce industry in 2020 is how it affected channels and marketplaces of all sizes



⁷ <https://www.shopify.com/enterprise/the-future-of-ecommerce/retail-industry>

⁸ <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19>

⁹ <https://blog.sellercloud.com/e-commerce-industry-gains-projected-to-last-beyond-coronavirus-pandemic/>

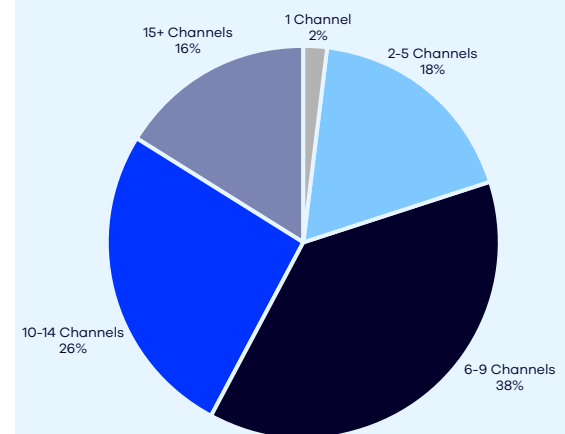
Takeaways: 2020 solidified omnichannel e-commerce as a profitable best practice for 2021 and beyond

As unprecedented as 2020 was (in a multitude of ways), it will be remembered in the e-commerce sector as a critical inflection point. Many of the projections about where the industry was heading - including the value of omnichannel strategies - were both accelerated and confirmed. A growing number of customers have come to experience the convenience and value of online retail; if your e-commerce business can reliably deliver on both of those fronts, you will be in the driver's seat to grow and profit.

Moving forward, successful e-commerce will depend on your ability to ensure your products are where the customers are. An omnichannel presence is now a necessity. Expanding into new sales channels should be part of the growth model for every online sales business.

Our data suggests that Sellercloud users are already in the know. Only 2% of our user base sells exclusively on a single channel. By contrast, 80% of our users use the platform to actively sell on 6 or more e-commerce channels. This diversification has certainly been a key factor in generating the tremendous YOY growth figures outlined here.

Sellercloud users' number of active selling channels



Expand your omnichannel e-commerce presence with Sellercloud

As a truly omnichannel management platform, Sellercloud ensures that all of the channels where you sell can coexist within the same inventory, warehousing, shipping, and tracking workflows. What's more, adding new marketplaces and channels into existing workflows is made simpler by both a host of over 120+ API- and EDI-level integrations with leading e-commerce partners as well as a responsive and agile support team ready to help you onboard new ones. Sellercloud is truly an all-in-one, end-to-end e-commerce solution offering a multitude of convenient and dependable features:

- **Fully-synced inventory management** – Low-stock notifications, automated re-ordering, dynamic warehouse management, and end-to-end inventory tracking give you peace of mind knowing that your merchandise is always where it is supposed to be.
- **Integrations with numerous major channels, business systems, and logistics providers** – Rapidly expand your online presence across multiple marketplaces (both 1P and 3P) and distribution channels while also gaining complete visibility

into metrics that matter.

- **Multi-channel catalog tools** – Create, adjust, and optimize your listings from one convenient database that seamlessly syndicates listings across an extensive list of integrated channels.
- **Customizable workflows** – Easily create workflows to meet your business's unique needs across all of the channels where you sell and between all the software and cloud-based systems you rely on.





SELLERCLOUD HAS HELPED HUNDREDS OF SUCCESSFUL E-COMMERCE RETAILERS TAKE THEIR BUSINESSES TO THE NEXT LEVEL.

To learn more about Sellercloud [contact us](#), or [request a demo](#) today.

Visit us:



 Kasey Magyar
Sales Executive | Sellercloud
 732-481-1179 EXT 347
 magyar.k@sellercloud.com

410 Monmouth Ave Suite 502,
Lakewood, NJ 08701, United States
(888) 315-6652
sales@sellercloud.com