Over the last year, the retail industry has experienced tremendous disruption and with these changes, both merchants and their customers have found new opportunities. In its first State of Commerce Report, Shopify found that online storefronts represent over 80% of sales and over 62 million buyers have bought from the same store twice.

Shopify has continued its global growth with more than 820,000 merchants on the platform in over 175 countries, with new insights on what's driving commerce and buying behavior around the world.

At Shopify, our ecosystem consists of a variety of merchants, some selling services, selling goods or selling both.

Shopify found that our merchants report selling a variety of goods: Physical goods dominate with over 80%, 2% selling services only, 13% are hybrid (goods + services), 3% other.*

*Merchant country examined: Global  **This data is based on Shopify's Merchant Survey
Methodology

This report is based on:

1. A subsection of global sales data on Shopify from April 2018 to April 2019.
3. Quantitative and qualitative research on consumers in Canada and the United States in December 2018, including interviews and an online survey of 2,653 consumers.
North American Consumer Buying Behavior

We’ve determined there are four different types of buyers in North America: Trend Trackers, Engaged Explorers, Savvy Searchers and Pragmatic Planners.

**Trend Trackers**
Hesitant to provide personal information, make the least amount of money, least likely to spend money, yet they are impulsive and they strongly prefer to buy in-store, even after doing their research online.

**Savvy Searchers**
Comfortable with using digital tools and prefer to research product options online and need a lot of information before making a purchase decision. They have high expectations in the quality of their purchases.

**Engaged Explorers**
Like to buy new things and shop to make themselves feel good. They will prioritize a great deal on a familiar brand and rely heavily on reviews and share advice with their networks when making purchase decisions.

**Pragmatic Planners**
Do not particularly enjoy shopping as an experience and tend to stick to the brands they know and trust. They prefer to research their options online, yet prefer to buy in-store, likely on pre-planned one-stop-shop trips.
## North American Consumer Buying Behavior

<table>
<thead>
<tr>
<th>Trend Trackers</th>
<th>Engaged Explorers</th>
<th>Savvy Searchers</th>
<th>Pragmatic Planners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>% of Buyer Population</strong></td>
<td>28%</td>
<td>13%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Buying Motivation</strong></td>
<td>Wanting it</td>
<td>Experiencing it</td>
<td>Finding it</td>
</tr>
<tr>
<td><strong>Attitude To Marketing and Personalization</strong></td>
<td>Indifferent to marketing engagement</td>
<td>Wants to engage with marketing</td>
<td>Wants to discover for themselves</td>
</tr>
</tbody>
</table>

*This information is based on the North American Consumer Buyer Survey*
The battle for brand loyalty

Brand loyalty is slowly taking the lead over individual purchases.

Over 50% of shops see a buyer purchase 2 or more times from their store.

Over 62 million buyers have bought from the same store twice - representing over 14% of buyers overall.

Last year, on average, buyers purchased 3.8 times from the same store.

*Merchant country examined: Global

While Trend Trackers are less likely to go to the same stores each time they shop, both Engaged Explorers and Pragmatic Planners demonstrate the highest brand loyalty.

*Merchant country: Canada and the United States
The battle for brand loyalty

Brand loyalty is slowly taking the lead over individual purchases.

73% of North American respondents agree that "once they find a product or brand they like, they stick with it."

Shops in Japan are more likely than any other country to have repeat buyers.

*Merchant country examined: Australia, Canada, China, France, Germany, Hong Kong, Ireland, Japan, New Zealand, Singapore, UK, United States
Seasonal Shopping

November is the most popular shopping time worldwide. This is likely due to big retail events like Black Friday, Cyber Monday, Singles Day and pre-holiday shopping.

February is predominantly the least active shopping month.

The biggest growth YoY was in the 3rd week of January, possibly indicating that more people are shopping on Martin Luther King Day weekend than last year.

*Merchant country examined: United States, UK, Canada, Australia, China

*Merchant country examined: Global
Seasonal Shopping

It’s no secret that retail holidays like Black Friday, Cyber Monday and Singles Day play a role in impacting the holiday shopping season. But what happens outside of the holiday season? January comes in at the top of the list as the busiest sales month outside of November and December, likely due to carry-over sales and overstock.

January

is the shopping month with the largest year over year growth outside of the holiday season.

*Merchant country examined: Global

This also aligns with the biggest YoY growth for store launches. Merchants may be launching stores in January as a New Years resolution or have carry-over sales and overstock.

While January is the month with the largest YoY growth outside of the holiday season, the 4th overall biggest YoY growth by week is Valentine’s Day week. Despite industry belief that all holiday sales are declining, our data is showing the opposite—YoY sales growth peaks around holidays.
Online Purchasing Habits

More people are buying online than ever before. Complementing this, buyers are also more likely to buy from the same store when they make an online purchase.

The number of buyers buying from Shopify merchants continues to grow.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>163 million</td>
</tr>
<tr>
<td>2018</td>
<td>218 million</td>
</tr>
</tbody>
</table>

Consumers in the US buy nearly twice as much (6 items) as any other country (2-3 items).

*Merchant country examined: United States, UK, Australia, Canada, Germany, France, New Zealand, Singapore, Ireland, Japan

The number of buyers buying from Shopify in 2018 is 25 times the population of New York City.

*Merchant country examined: Global
More people are buying online than ever before. Complementing this, buyers are also more likely to buy from the same store when they make an online purchase.

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Time (min)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>17.68</td>
</tr>
<tr>
<td>France</td>
<td>18.97</td>
</tr>
<tr>
<td>US</td>
<td>23.47</td>
</tr>
<tr>
<td>Canada</td>
<td>26.90</td>
</tr>
<tr>
<td>Japan</td>
<td>27.60</td>
</tr>
<tr>
<td>Singapore</td>
<td>28.23</td>
</tr>
</tbody>
</table>

*Merchant country: Germany, France, United Kingdom, Ireland, United States, Australia, New Zealand, Canada, Japan, Singapore*
03

Online Purchasing Habits

More people are buying online than ever before. Complementing this, buyers are also more likely to buy from the same store when they make an online purchase.

Consumers in Japan spend the most on average per transaction.

- **Japan**: ¥141.72 USD
- **Canada**: $100.66 USD
- **Singapore**: $91.09 USD
- **Australia**: $85.42 USD
- **United States**: $81.26 USD
- **New Zealand**: $76.26 USD
- **Ireland**: €73.26 USD
- **Germany**: €72.43 USD
- **United Kingdom**: £67.13 USD
- **France**: €65.04 USD

*Merchant country: Germany, France, United Kingdom, Ireland, United States, Australia, New Zealand, Canada, Japan, Singapore*
Shop Around The Clock

Whether a night owl or a mid-day shopper, it's apparent that across geographies and no matter what the peak browsing/transaction hour is, consumers shop to unwind.

<table>
<thead>
<tr>
<th>Shop Around The Clock</th>
<th>Peak Transaction Time</th>
<th>Peak Browsing Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canada</strong></td>
<td>5PM EST</td>
<td>8PM EST</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>5PM EST</td>
<td>12AM EST</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>5PM EST</td>
<td></td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>5PM EST</td>
<td></td>
</tr>
</tbody>
</table>
Whether a night owl or a midday shopper, it’s apparent that across geographies and no matter what the peak browsing/transaction hour is, consumers shop to unwind.

Buyers in North America shop at 5PM EST. These shopping trends could be reflective of a 9-5 culture, with North Americans using their time right after work to unwind and shop. Or potentially killing time just before work ends to shop. US’s peak browsing time is midnight, while Canada’s is 8PM.

Across all buyer segments, 36% of North American respondents agree that “they often buy things to cheer themselves up.”
Mobile, Desktop or Tablet?

Geography has an impact on which medium buyers prefer to make a purchase from. This could be due to the availability of features and certain technologies in those locations and cultural preferences.

**Vietnam, New Zealand, Netherlands, Singapore, Morocco, Ireland, Malaysia, Denmark**

purchase more on tablet than mobile.

**US, Canada, Australia, China, UK**

use all three mediums for purchasing.

**India**

purchases more on desktop and tablet than mobile.
Mobile, Desktop or Tablet?

Geography has an impact on which medium buyers prefer to make a purchase from. This could be due to the availability of features and certain technologies in those locations and cultural preferences.

- **United Arab Emirates**: purchases more on tablet than any other medium.
- **Brazil**: purchases more on mobile than desktop.
- **Mexico**: purchases more on desktop than any other medium.
- **Denmark**: purchases more on tablet and the least on mobile.
Making the sale
While social media plays a big role in discovery, brands on Shopify make more revenue through their online and physical stores. Merchants also make more revenue from their owned channels, when they own the direct relationship with the buyer compared to other avenues such as marketplaces.

Online Storefronts represent over 80% of sales.

Second largest sales channel is point-of-sale (POS).

*Merchant country examined: Global
Marketing continues to be the biggest challenge businesses face
Over 30% of merchants state that marketing is one of their biggest challenges, followed by building a brand at 22%.**

According to our merchant survey, social media plays a big role in discovery, but online storefronts are twice as likely to be the main source of revenue.**

*Merchant country examined: Global  **This data is based on Shopify's Merchant Survey

Average online order
$75 vs. $62 for in-person spending.

*Merchant country examined: Global
Retail Reborn

In-person selling is an important and ever evolving part of the direct to consumer retail strategy for business owners. An omni-channel approach is key for merchants, as many buyers do product research online before walking in the shop.

100,000+ retailers
We’re seeing more in-store selling with 100,000+ retailers using Shopify POS software to sell in-person in 2018.*

*Merchant country: Global

14% increase
From 2018 to 2019, merchants using Shopify POS increased by 14%.

*Merchant country: Global

Significantly more North American buyers prefer researching online than in-store, but significantly more buyers prefer buying in-store than online.

*Merchant country examined: Canada and the United States
Products By Country

*Merchant country examined: Global*
Dance Dresses / Skirts and Costumes
This is a top-selling product in Germany (5). For most other countries, this product doesn't even rank in the top 50.

💡 Fun Fact: Oktoberfest in Germany is a large costume holiday!

Shirts and Tops
One of the highest-ranking products sold across almost all countries, usually holding the first, second or third spot.
Tea and Infusion and Knives
These products rank higher in Japan (4) than most other countries.

Bracelets
Are a top-selling product in Germany (4), France (5), US (8), Canada (9).
💡 Fun Fact: Highest-ranked jewelry item overall.

Nail Polish and Facial Cleansers
These are high selling products in Singapore (5)(6).

Vitamins
A fairly high-selling product sold across all countries.
💡 Fun Fact: This is the top selling product in New Zealand.
Books are a high-selling product across all countries.

Mobile Phone Cases
A popular product purchase everywhere. While shirts & tops rank high across all countries, mobile phone cases are also a universally highly sold product.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.

Perfume & Cologne and Lingerie
These are a top-selling products in France (4)(6).

Fun Fact: While shoes are a popular product everywhere, this product under indexes in Germany & Japan.

Shoes
Are a popular product purchase across most countries.