COGENT
COMPANY

E-commerce & Online Marketplace Report 2013

Industry at a Glance

Key Statistics Snapshot

Revenue **$110.5bn**

Annual Growth 08-13 **2.7%**

Annual Growth 13-18 **1.9%**

Profit **$7.5bn**

Wages **$7.4bn**

Businesses **162,884**

Market Share

Amazon.com Inc. 38.8%

eBay Inc. 7.8%

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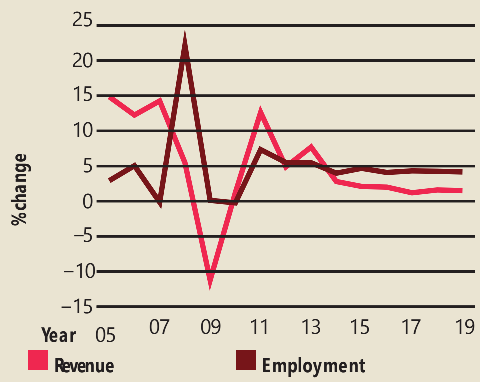
Key External Drivers

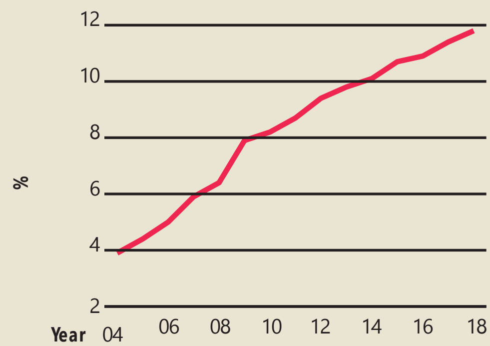
- Percentage of services conducted online
- External competition
- Consumer sentiment index
- Per capita disposable income
- Number of broadband connections

p. 5

Revenue vs. employment growth

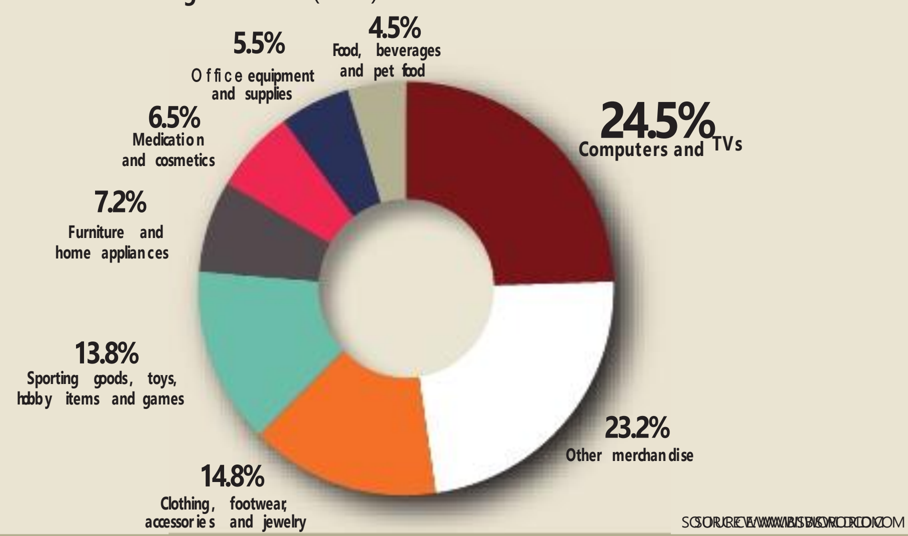


Percentage of services conducted online



SOURCE: WWW.IBISWORLD.COM

Products and services segmentation (2013)



SOURCE: WWW.IBISWORLD.COM

Industry Structure

Life Cycle Stage	Growth	Regulation Level	Medium
Revenue Volatility	High	Technology Change	High
Capital Intensity	Medium	Barriers to Entry	Low
Industry Assistance	None	Industry Globalization	Low
Concentration Level	Medium	Competition Level	High

FOR ADDITIONAL STATISTICS AND TIME SERIES SEE THE APPENDIX ON PAGE 30

Industry Performance

Executive Summary | Key External Drivers | Current Performance
Industry Outlook | Life Cycle Stage

Executive Summary

Every year, more than 100 million Americans purchase goods from the online retail marketplace, one of the fastest-growing industries in the United States. Since the start of the decade, E-Commerce and Online Auctions industry revenue has grown at an exceptional rate, outperforming most retail industries.

The rapidly growing industry will benefit from improving incomes and greater internet access

Despite the brief recession-induced slump in 2009, industry revenue is expected to increase at an average annual rate of 2.7% in the five years to 2013, including a 7.7% jump in 2013 to bring revenue to $110.5 billion. Because of this steady growth, industry profit margins have also improved, increasing from about 5.0% of revenue in 2008 to an estimated 6.8% in 2013.

As online shopping becomes more popular, retailers are expanding the products they carry to include common household goods like CDs, DVDs, Blu-rays, books, clothing, footwear and even groceries. Hard-to-find niche products or products that are no longer being produced have also found homes online. As product ranges have grown, so has the number of industry operators. The number of enterprises is estimated to grow at an average annual rate of 4.6% in the five years to 2013 to an estimated 162,884.

In the coming years, continued economic recovery is expected to contribute to the industry's strong growth. Rising disposable income and employment will improve consumer sentiment, increasing consumers' likelihood to buy. Additionally, broadband internet adoption will grow in the next five years, boosting accessibility to online retailers. Analysts forecasts that these factors will cause industry revenue to grow at an average annual rate of 1.9% over the five years to 2018 to total $121.6 billion.

Key External Drivers

Percentage of services conducted online

The E-Commerce and Online Auctions industry is sensitive to the penetration rate of personal computers. As the rate of computer ownership increases, a larger proportion of the population will have the ability to shop via e-tailers. Additionally, increased computer and internet use will likely raise confidence in the security of online transactions among skeptical demographics (such as seniors), leading to greater computer sales. The percent of households with at least one computer is expected to increase over 2013.

External competition

As part of the retail sector, E-Commerce and Online Auctions industry operators face an increasingly competitive environment. Because this industry is relatively new, e-tailers are up against established traditional retailers that have long histories that can often secure better terms from vendors, adopt aggressive pricing and have more resources to devote to marketing, infrastructure and fulfillment (i.e., processing returns) than industry retailers can. Further, brick-and-mortar retailers have built strong online presences of their own presences of their own over the past five years. External competition is expected to increase over the next year, posing a threat to this industry.

Consumer sentiment index

During periods of low economic growth, consumer sentiment declines; as a result, consumers buy less. This factor reduces

Industry Performance

Key External Drivers continued

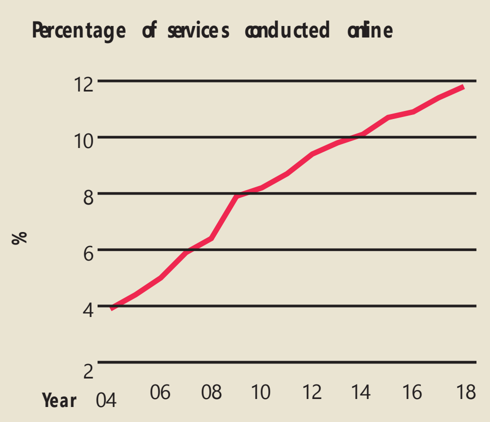
demand for products online. Consumer sentiment is expected to rise slowly over 2013, but it will rise slowly because of the lingering effects of high unemployment.

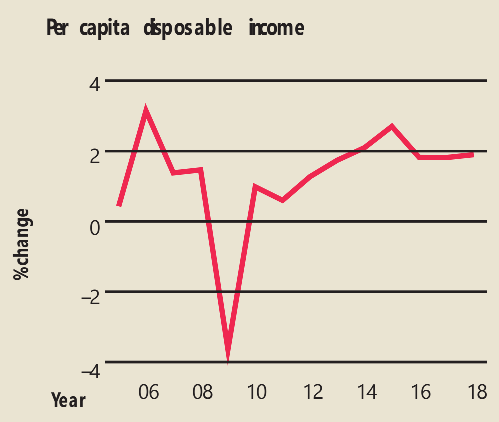
Per capita disposable income

Disposable income is a deciding factor in determining the quantity and quality of online purchases. Changes in income can occur because of movements in wages, government benefits, unemployment and tax rates, and returns on assets. Per capita disposable income is expected to increase slowly over 2013, making it a potential opportunity for industry growth.

Number of broadband connections

When more households have access to broadband internet as opposed to dial-up, they are more likely to make online purchases because of the speed gains derived from a broadband connection. Number of broadband connections is expected to increase over 2013.





SOURCE: WWW.IBISWORLD.COM

Current Performance

After a decade of growth as more and more Americans become accustomed to making purchases online, the E-Commerce and Online Auctions industry was slowed only by the recession. Yet even the most troubling signs of the recession could not keep this industry down much. Consumer sentiment dropped double digits during the recession and per capita disposable income market its first decline in nearly two decades. Yet this industry was hardly fazed, which is remarkable for a retail industry, because cash-strapped consumers looked online for deals and comparison shopping. In fact, the percent of services conducted online increased in 2009. Over the past five years, this industry's revenue grew at an estimated annualized rate of 2.7% to $110.5 billion this year. Industry revenue is expected to jump about 7.7% in 2013 as e-tailers benefit from the economic recovery. Higher disposable income and improved consumer sentiment are encouraging individuals to spend more money.

Industry Performance

Technology leads the way

The growth of this relatively new industry has coincided with the increasing ubiquity of internet access, particularly broadband. The costs to obtain an internet connection and a personal computer have declined in recent years. The easier and more affordable it is to connect to the internet, the more accessible online retailers are, making consumers more likely to purchase from these stores. According to comScore, an internet market research firm, consumers who use broadband connections are more likely to make online purchases than those who use dial-up internet connections because broadband provides higher speeds, more bandwidth and better connection stability than dial-up.

Online retailers owe much of their success to the development of eBay's PayPal and other secure payment methods, which add a practical component to the "shop anytime, anywhere" spirit of the online marketplace. Before 2008, when the recession sent household and business incomes into a dive, online sales grew at double-digit rates. Advances in online payment security aided this trend by making consumers confident in the reliability and safety of the online shopping process. Furthermore, much of the wariness that consumers previously expressed about making credit or debit card transactions online has faded. Because building trust among consumers is important for attracting repeat customers, increased consumer confidence through secure transactions has aided the industry's sales tremendously.

Payment systems like PayPal help consumers feel more secure online, boosting industry demand

Besides security, the industry's payment processes are also designed for convenience. For example, PayPal allows users to create personal online accounts, making it easier for them to transfer funds to a retailer from their credit cards or bank accounts without disclosing any financial details. Meanwhile, Amazon.com allows for "one-click ordering," which lets consumers buy goods with default payment methods stored on their accounts.

Growing rapidly

The number of enterprises in the E-Commerce and Online Auctions industry has increased over the five years to 2013, rising at an average annual rate of 4.6% to an estimated 162,884 businesses. Low entry barriers and skill requirements allow companies to easily enter this growth industry. In addition, local one-man firms make up about half of the industry. As a result, the top two firms are estimated to hold almost half of the market share in 2013.

Despite this industry's rapid rise, operators do face an increasingly competitive environment. To generate sales, firms have been forced to aggressively compete on price, seasonal promotions and other discount initiatives, particularly during the recession. Also, many players have had to invest heavily in advertising (e.g. Google Adwords) to distinguish themselves from the competition, which more and more includes traditional retailers with robust retail websites of their own. As such, the industry is expected to generate profit of only about 6.8% in 2013, even though operators benefit from low overhead costs.

In response to high competition, some operators have begun offering

Industry Performance

Growing rapidly continued

additional services like free shipping or postage and handling as a way to retain customers and attract new ones. Additionally, new forms of online retailing known as social commerce have emerged to generate higher sales and reduce costs. For instance, social commerce websites like Groupon and LivingSocial, which sell products at discounted prices, require group participation and consumer word-of-mouth promotion; this new model essentially guarantees high sales volumes, while cutting out the need for advertising. Analysts expects these social commerce websites to gain popularity in the coming years, further aiding industry growth.

Sales tax struggles

In the five years to 2013, online retailers have largely been successful in competing with traditional brick-and-mortar stores by providing the convenience of at-home shopping. Most importantly, online retailers can provide discounted prices for the same or comparable products. Industry operators can achieve these lower price points because of two key advantages of the online marketplace. First, because they have no physical storefront, online operators have avoided fees associated with property ownership. Second, online retailers are not required to charge sales tax on out-of-state purchases, which has lowered prices paid by those shopping online. As the law currently stands, industry operators are required to collect sales tax only if the business has a physical presence in the state a purchase was made in. If a business does not have a presence in the state, the burden of tax then falls on the purchaser, who is required to report it on the income tax form as a use tax. However, because use tax generated through online purchases is generally small, many consumers do not report such tax, resulting in large sums of uncollected cash for US states.

Legislation forcing firms to collect sales tax would further cut into industry profit margins

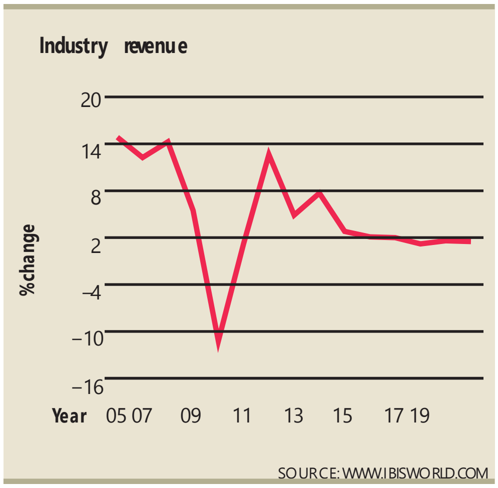
With the rising popularity of online shopping and many states facing budget deficits, the industry's battle over sales tax has gained increasing attention in recent years. To collect additional revenue, many states, including California, Colorado, Minnesota, Connecticut and Missouri, have passed legislation that will require industry players to collect tax (see Regulation and Policy section). This move toward tax collection will likely have a detrimental effect on the industry, as it eliminates one of the major cost-saving advantages of operating online. Small and mid-size operators would likely incur the additional cost of hiring tax departments to handle various rate calculations and any audits initiated by tax jurisdictions. This legislation faces major opposition, but if it passes, it would significantly affect the bottom line of all online retailers.

Industry Performance

Industry Outlook

The E-Commerce and Online Auctions industry will attract a larger customer market as more households buy items online. Analysts projects that in the five years to 2018, revenue will increase at an average annual rate of 1.9% to total $121.6 billion. In 2014 alone, industry revenue is forecast to rise 2.8% to $113.6 billion. However, the looming threat of regulation may hamper sales and slow profit growth in the coming years.

The industry's projected growth is the result of several economic factors. First, disposable income is projected to grow over the next five years at an average annual rate of 2.1%. Joblessness will decline too, though the unemployment rate will remain relatively high at an estimated 7.9% in 2013. Improved disposable income and employment will revive consumer sentiment, which is anticipated to grow through 2018. As consumers' wallets fatten, online spending will increase. The industry will benefit from pent-up demand during the recession, when many consumers delayed discretionary purchases in response to economic uncertainty.



Ease of e-shopping supports growth

In addition to improvements in wages, sentiment and employment, the industry will benefit from changes in consumer preferences. Rather than spend big in department stores or other retail outlets, consumers will increasingly turn to cheaper options offered online. As a result, the industry is expected to continue solid growth. Online retailers will also continue to benefit from low operational costs because they do not have to rent, staff and operate brick-and-mortar stores. To this end, industry profit margins are projected to account for about 8.3% of revenue by 2018, up from 6.8% in 2013. Improvements in productivity and efficiency have driven the rapid rise in profit, with revenue growth outpacing employment and wages.

The household broadband use rate is set to grow an annualized 5.0% in the five years to 2018. By the end of 2018, Analysts anticipates that about 85.0% of US households will have broadband internet connections; as more households gain access to broadband internet, more consumers will have access to online retailers and shop with industry operators.

Operators look for clicks

Competition within the industry will be based on the reputation and reliability of operators and price. Operators will attempt to expand the number of regions they service to capture a wider range of customers. Therefore, shipping and handling costs will also be a point of differentiation among players, as will the ability to provide timely product delivery and refunds. The functionality of shopping websites and the ease with which consumers can place orders will

Industry Performance

Operators look for clicks continued

also contribute to the number of repeat and loyal customers.

Online retailers will continue to improve the online sales process for consumers. These efforts will include improving product descriptions, making prices more competitive, and keeping freight and delivery costs low. Furthermore, operators will gradually place a greater emphasis on customer service, increasing their efforts to meet the various needs of online shoppers. Operators will strive to deliver superior after-sales service and devise ways of assuaging consumer concerns regarding privacy and credit card payment issues. Online retailers that meet these requirements will ultimately benefit from strengthened brand recognition and increased consumer spending.

The growth of broadband internet will increase the accessibility of online retailers

Analysts forecasts that in the five years to 2018, the number of enterprises will grow at an average annual rate of 4.6% to total 162,884 operators. Similarly, industry employment is projected to rise at an average annual rate of about 3.6% to about 294,265 workers, while wages are forecast to jump an average of 4.0% annually in the five years to 2018 to $9.1 billion.

Legislation threats

Online retailers will continue to wage a legislative battle over tax laws to protect their bottom lines. As the law now stands, businesses are required to collect sales tax only on transactions that take place within a state where that company has a physical office. If the business has no presence in the state of the transaction, then the tax burden falls on the purchaser, who must report the subsequent use tax in their income tax filing. This has been a point of significant cost savings in past years for online retailers, allowing them to reduce prices and attract customers by dodging sales tax.

As a result of these factors, many states facing budget crises will likely pursue legislation that requires online operators to collect sales tax. In fact, such legislation has already passed in 24 states, including California, Colorado, Minnesota, Connecticut and Missouri. A shift in policy along these lines could be devastating to industry operators in the coming years. By burdening online retailers with sales tax on all purchases, this legislation could remove a significant portion of the cost saved by operating online, resulting in considerable losses in sales transactions. Furthermore, many small and medium-size operators would need to hire tax specialists for compliance reasons, reducing industry margins.

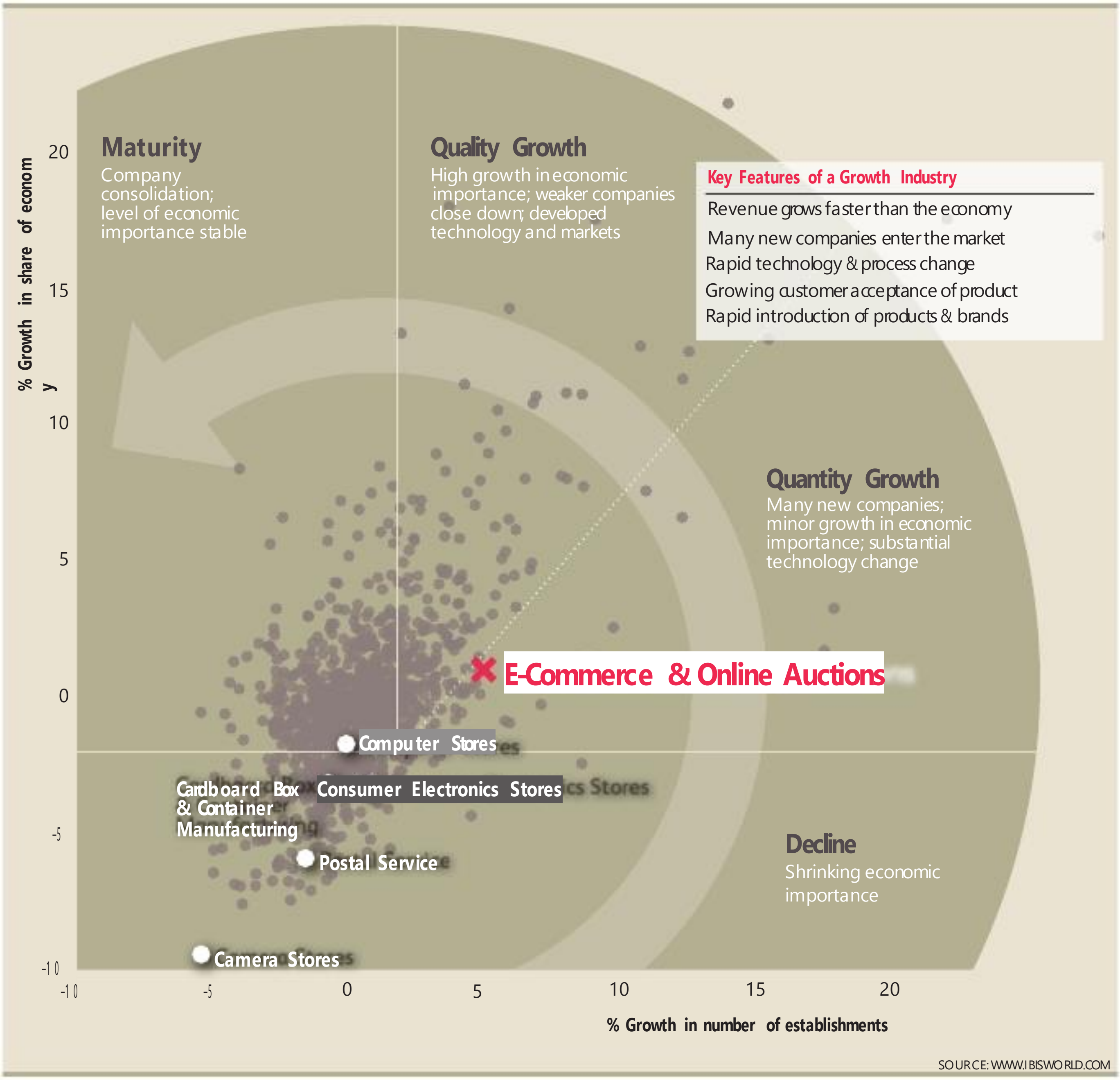
Industry Performance

Life Cycle Stage

Revenue is expected to slightly outpace GDP growth over the 10 years to 2018

Improvements in technology, such as the development of broadband, have positively affected growth

This industry has experienced rapid entry of new players



Industry Performance

Industry Life Cycle

This industry is **Growing**

In the 10 years to 2018, industry value added, which measures the E-Commerce and Online Auctions industry's contribution to the US economy, is expected to increase at an average annual rate of 3.1%. Meanwhile, US GDP is forecast to rise at an average annual rate of 2.1% over this same period. The industry is in a growth phase of its life cycle because its growth rate outpaces GDP over a 10-year period, and the industry is still experiencing the entrance of many new operators and rapid innovation.

Over the five years to 2013, the number of online retailers and auction sites has increased at an average annual rate of 4.6% to an estimated 163,343. This growth in industry participation can be attributed to an increase in e-commerce demand and driven by the rising prevalence of broadband connections and other high-speed internet services. Such services have allowed more consumers to surf the Internet and buy products without experiencing any lag time; consequently, more consumers have been able to make purchases online with added convenience. Furthermore, the industry's low barriers to entry and skill requirements have allowed companies to enter the industry without much difficulty, leading to higher participation. In the five years to 2018, the number of operators is expected to further rise at a projected average annual rate of 5.3% with higher demand for e-commerce websites.

In recent years, a relatively new form of e-commerce, known as social commerce, has emerged within the industry. Unlike traditional e-tailers, social commerce involves using social media – online media that encourages online interaction and user contribution – to assist in the online buying and selling of goods. This subset of e-commerce retailers has gained wide consumer acceptance in the five years to 2013 by providing engaging content and discounted (or wholesale) prices through user interaction (i.e. sharing information and purchasing as groups). Analysts expects more forms of social media or new e-commerce businesses to arise in the next five years, further contributing to the growth stage designation of the industry.

Products & Markets

Supply Chain | Products & Services | Demand Determinants
Major Markets | International Trade | Business Locations

Supply Chain

KEY BUYING INDUSTRIES

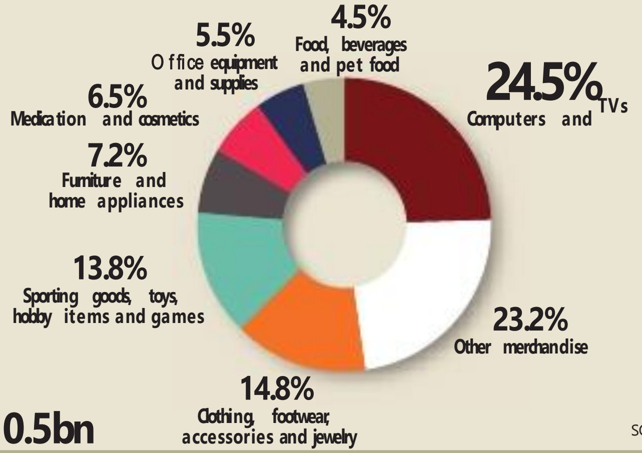
99	**Consumers in the US** American households form the key online retail-buying category.

KEY SELLING INDUSTRIES

32221	**Cardboard Box & Container Manufacturing in the US** This industry produces and supplies paperboard containers, boxes and packaging material to online operators. These products are used to house a range of merchandise to be sent to the consumer.
42	**Wholesale Trade in the US** Various wholesale operators are key suppliers of merchandise to online retailers.
44312	**Computer Stores in the US** This industry retails computers and software products to online retailers.
49111	**Postal Service in the US** This industry provides postal services in the United States to online retailers.
49222	**Couriers & Local Delivery Services in the US** This industry provides courier services in the United States to online retailers.

Products & Services

Products and services segmentation (2013)



Total $110.5bn

SOURCE: WWW.IBISWORLD.COM

Computers and TVs
Computer hardware, software and supplies, along with TVs, DVD players and related items comprise the largest product group sold online. With the number of computers, laptops, TVs and similar electronic goods increasing in America, demand for these products has been strong. Most households now own multiple TVs and computers, and new models of these products (especially flatscreen TVs and laptops) tend to be released rapidly, leading to repeat purchases as older models become obsolete. Though consumers are more likely to purchase TVs or computers at brick-and-mortar stores, a growing number of consumers are buying them online because of the positive reputation most large sites have for providing warranties and quality guarantees. As

Products & Markets

Products & Services continued

such, this product group has grown as a percentage of total online sales, from 19.8% in 2008 to an estimated 24.5% in 2013.

Clothing, footwear and accessories

Clothing, footwear, accessories and jewelry are also popular items to buy on the web, with the average item in this segment costing less than the average item in the electronics segment. In fact, though this product group accounts for only 14.8% of revenue in 2013, the quantity purchased is significantly larger compared to that of TVs and computers. However, over the past five years, sales of clothes, footwear, accessories and jewelry have declined slightly as a percentage of total revenue, from 15.4% in 2008. This is mainly due to consumers' desire to try on clothes before buying them and a decline in the average price of these items.

Sporting goods, toys, hobby items and games

Another popular product group sold on the web includes toys, hobby goods, sporting goods and books. Consumers will buy these items on the web to get a good deal, or because the particular game, book or toy they want is not available locally. In the past five years, sales of these items have grown from 8.7% of revenue in 2008 to 13.8% in 2013 due to the significant rise in demand for video games and gaming consoles.

Other

Other smaller product groups include furniture and household appliances, medication and cosmetics, office equipment and supplies, and food and beverages. Sales of groceries on the web have increased considerably over the past five years, as consumers embrace the convenience of not going to grocery stores over any significant price savings. Conversely, sales of furniture and home appliances have fallen from 7.7% of revenue in 2008 to 7.2% in 2013 due to the sharp downturn in construction in the country and a drop in demand for furnishings. Office equipment and supplies are growing as part of the online sales industry as businesses seek to cut costs by purchasing supplies through cheaper online retail channels. Medication and cosmetics have declined as a percentage of revenue due to a significant fall in online prescription sales.

There are plenty of other products sold online, including draperies, sewing machines and kits, audio equipment, photographic equipment, hardware, farm tools, luggage, antiques and collectibles. Overall demand for these products has grown faster than the rest of the product groups, increasing from 19.4% of revenue in 2008 to 23.2% in 2013. The main reasons include consumers' acceptance of online purchasing and companies taking advantage of this acceptance by expanding their product range.

Demand Determinants

Fluctuations in household disposable income affect the timing and quantity of merchandise purchased via online sites. In fact, according to a number of retail and electronic associations and a study published by Colorado College's department of economic and business, households and individuals with higher disposable income will be more likely to make online purchases. This is particularly relevant for purchasing flowers (with deliveries) and booking vacations and movie tickets online.

Disposable income has become an increasingly important factor over the past couple of years. Discretionary spending stalled over 2008 and 2009 as a result of declining household wealth

Products & Markets

Demand Determinants continued

bought on by rising unemployment, volatile markets and falling house prices. Since then, per capita disposable income has increased along with consumer spending, and both are expected to rise in the five years to 2018.

Clicks over bricks

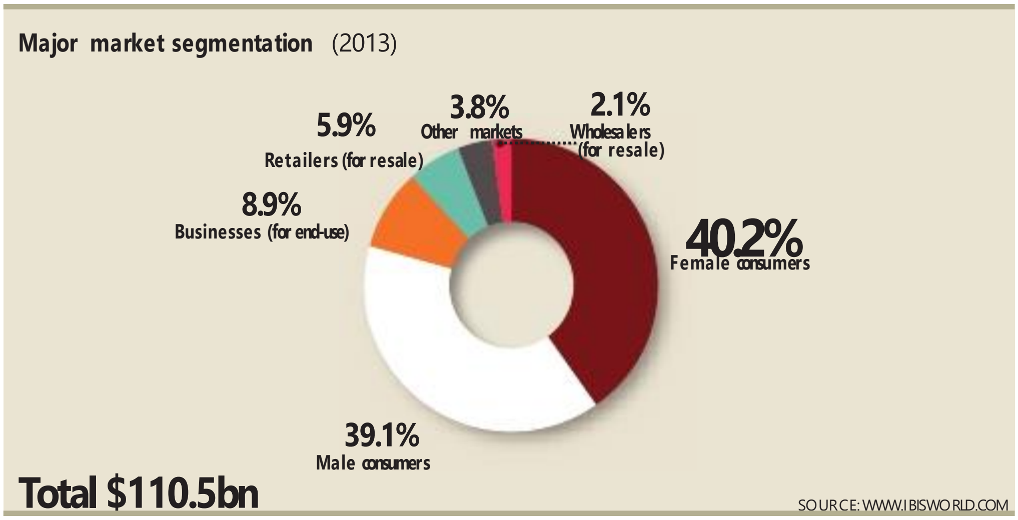
The internet allows customers to shop around for the best price. The ease with which the internet can be used for research allows consumers to shop among competing online stores at the click of the mouse, as well as catalogs for brick-and-mortar stores. Often, prices for online goods are lower than that of traditional retail stores because many of the traditional costs associated with operating physical stores (e.g. building rents, utilities and cash registers) are eliminated through electronic commerce. As such, these savings can be passed off in the form of lower prices to consumers.

Consumers will also judge the safety, reliability and privacy of ordering goods via the internet before placing an order. Consumers with higher education and a knowledge of computers and the internet will be more likely to make online purchases.

Product availability

Operators should ensure that their product range is as extensive, if not more extensive, as those found in traditional stores. This will entice consumers to turn to online retailers for hard to find items, driving demand for products retailed online. Online retailers have the advantage of stocking an infinite volume of merchandise, given that they are not constrained by shelf space.

Major Markets



Female consumers

The E-Commerce and Online Auctions industry primarily operates in the consumer market, as this segment accounts for about 79.3% of industry revenue. Within the consumer sector, the demand for e-commerce is slightly higher for women than men because women account for a larger portion of the US population. In 2013, female consumers are expected to generate 40.2% of industry revenue. This segment has remained stable over the past five years as the ratio of women to men has remained relatively intact.

Products & Markets

Major Markets continued

Male consumers

Male consumers are expected to generate 39.1% of industry revenue in 2013, marginally down from 39.3% in 2007. This product segment has fallen not because males have curtailed their shopping, but because businesses have increased their expenditure on online goods. Businesses increased their spending on online goods at a faster rate than male consumers did over the past five years, causing males to account for a slightly smaller portion of industry revenue in 2013.

Other

In 2013, retailers and wholesalers are expected to represent 5.9% and 2.1% of the market, respectively, while businesses for end use (which do not resell) account for about 8.9% of the market. Businesses' share of revenue has grown from 8.2% in 2008 due to rising corporate profit, which are expected to increase at an average annual rate of 4.8% in the five years to 2013. The remaining market segment accounts for 3.8% of revenue and includes government bodies, building contractors, repair shops, restaurants, hotels, food service industries and exports.

The industry's market segments have remained stable over the past five years, despite exceptional growth in revenue. Consumer incomes and knowledge of ordering procedures determine retail expenditure on industry goods and services. Recent trends indicate a strong correlation between consumer income and the probability of shopping online. More educated, computer-literate and higher-income consumers are more likely to buy online. Conversely, lower-wage consumers often avoid online shopping due to a lack of confidence in the system, technology constraints and concerns about divulging personal and financial details.

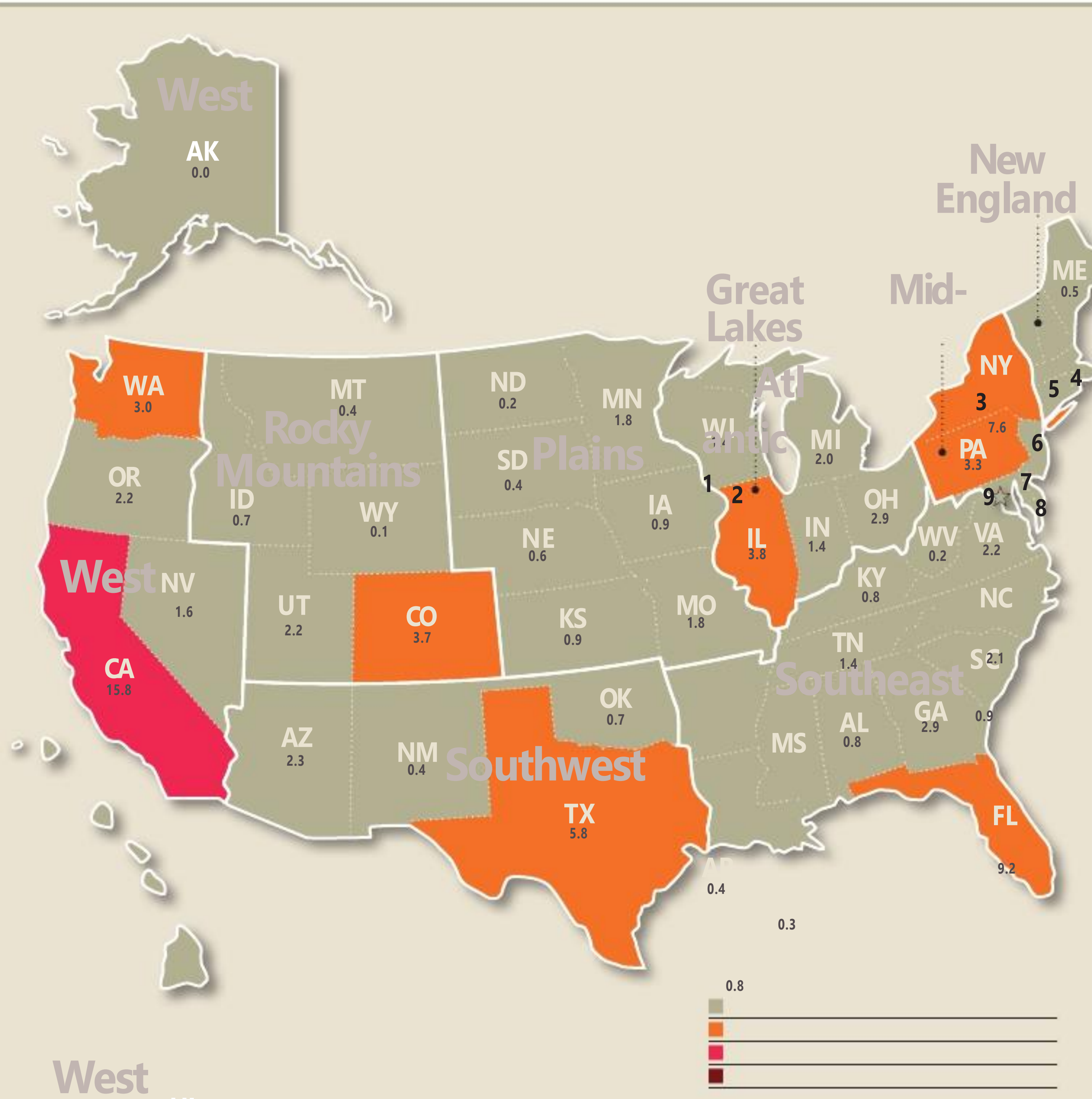
According to the National Retail Federation – the world's largest association that supports retailers and e-tailers through resource sharing and advocacy – wealthy consumers are more likely to shop online. To this end, about 62.0% of individuals earning between $100,000 and $149,000 are expected to use e-commerce in 2013. Popular purchases included tickets and travel reservations, as well as comparison shopping.

International Trade

Domestic operators in this industry supply the domestic and international market through online websites. However, trade in goods supplied by retail industries is accounted for at the manufacturing level. This means that import and export activity at the retail level is low and steady by convention. Nonetheless, international consumers are able to purchase a range of goods as efficiently as US buyers. Furthermore, auction websites like v have many overseas sellers and buyers that actively participate in trade.

Products & Markets

Business Locations 2013



Additional States (as marked on map)

2.6 1 2

1 **VT** 0.4	2 **NH** 0.7	3 **MA** 1.8
5 **CT**	6 **NJ**	7 **DE**

Industry establishments (%)

0.4

4 RI
0.4
8 MD
1.9
9 DC
0.1

Less than 3%
3% to less than 10%
10% to less than 20%
20% or more

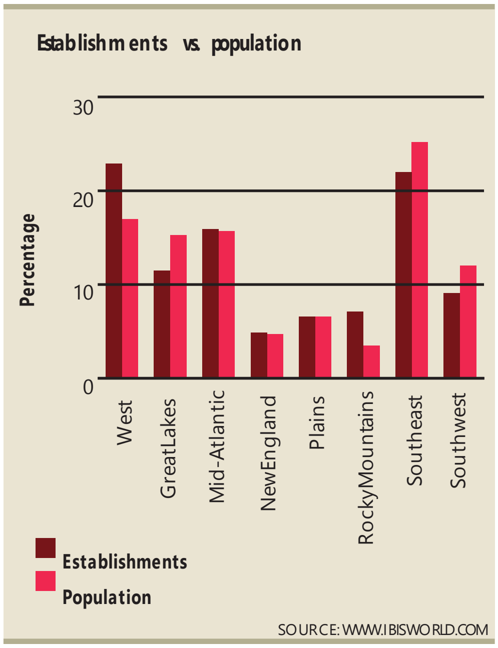
SOURCE: WWW.IBISWORLD.COM

Products & Markets

Business Locations

Because of inherent characteristics of the E-Commerce and Online Auctions industry, the geographic spread of establishments is not proportional to the population distribution. While largely populated regions are the most important to the industry, the number of establishments per capita varies considerably across the country. This is dissimilar to the rest of the retail industry, where it is necessary for physical stores to be near customers. Online retailers require only a warehouse space to store goods, which are then delivered via mail to the customer.

Major hubs for online shopping include the West, Southeast and the Mid-Atlantic. These are the most-populated regions in the United States, but the Southeast has fewer industry establishments per person than the West. The main reason is that online sellers typically want to keep their warehouses near major import or export centers. In the West, companies are near the Pacific market. The Southeast and Mid-Atlantic regions are the main markets for trade across the Atlantic.



Competitive Landscape

Market Share Concentration | Key Success Factors | Cost Structure Benchmarks
Basis of Competition | Barriers to Entry | Industry Globalization

Market Share Concentration

Level
Concentration in this industry is **Medium**

The E-Commerce and Online Auctions industry has a medium level of concentration, as small companies make up almost half of the market. Industry concentration has increased over the past five years due to merger and acquisition activity. Large firms are buying up smaller ones that offer innovative technologies and services. Further, acquisitions allow major players to expand their product mix to reach a wider customer base. The four largest players are expected to account for about 50.2% of industry revenue in 2013; dominant player Amazon is responsible for 41.8% of industry revenue alone. According to US Census data and Analysts estimates, more than half of all industry firms employ fewer than five people. The nature of the industry results in this sort of market share structure because it is not very costly to start an online store, and virtually no skills are required.

Key Success Factors

Analysts identifies 250 Key Success Factors for a business. The most important for this industry are:

Ability to control stock on hand

To profit from trends, operators need to be able to control stock on hand to ensure that they have an adequate amount of popular items.

Ability to quickly adopt new technology

Ever-changing software systems, internet speeds and personal information security systems require operators to continually update their business to keep pace with recent technology. For example, eBay's adoption of PayPal supported strong growth in sales.

Provision of superior after-sales service

Operators should provide superior after-sales service, including shipment tracking, offering refunds or exchanges and establishing new shopping platforms as technology evolves.

Having a loyal customer base

Successful operators have a loyal customer base to attract repeat buyers and ensure continued sales. Building a base takes time and success depends on strong before- and after-sales customer service.

Cost Structure Benchmarks

Profit

The E-Commerce and Online Auctions industry's profit (defined as earnings before interest and taxes) is expected to account for about 6.8% of industry revenue in 2013, up from 4.6% in 2008. In the mid-2000s, e-commerce sites opened at a rapid rate, so competition was intense and many new operators lost money. Since then, demand has outstripped supply, leading to better conditions for the remaining participants. In addition, wages have fallen as a share of revenue over the past five years, transferring wage savings into profit.

Purchases

Purchases are estimated to account for about 71.8% of industry revenue in 2013, up from about 63.8% in 2008. Purchases consist of products purchased from vendors (domestic or international) for resale to consumers. The volume of merchandise purchased follows overall sales trends for the year. This category makes up the largest component of the industry's cost structure. Purchase costs have risen over the past five years because of the falling trade-weighted index, which measures the strength of the US dollar relative to other currencies.

Competitive Landscape

Cost Structure Benchmarks continued

When the trade-weighted index falls, foreign-made goods become more expensive for Americans to buy. Because a large share of products sold by industry participants is manufactured abroad, this segment has risen as a share of revenue.

Depreciation

Operators in this industry are faced with depreciation on fixed assets, such as furniture and fixtures for offices, heavy equipment for warehouses, technology infrastructure, internal-use software and website development. The nature of the industry means there is a need to continuously maintain and update websites and databases. Depreciation costs for this industry have increased in recent years due to greater acceptance of online retailing, evolving technology, software programs and more advanced payment systems. Depreciation costs vary among operators depending on their size and the number of assets involved. Overall, the depreciation expense for this industry is expected to average about 1.3% of revenue in 2013.

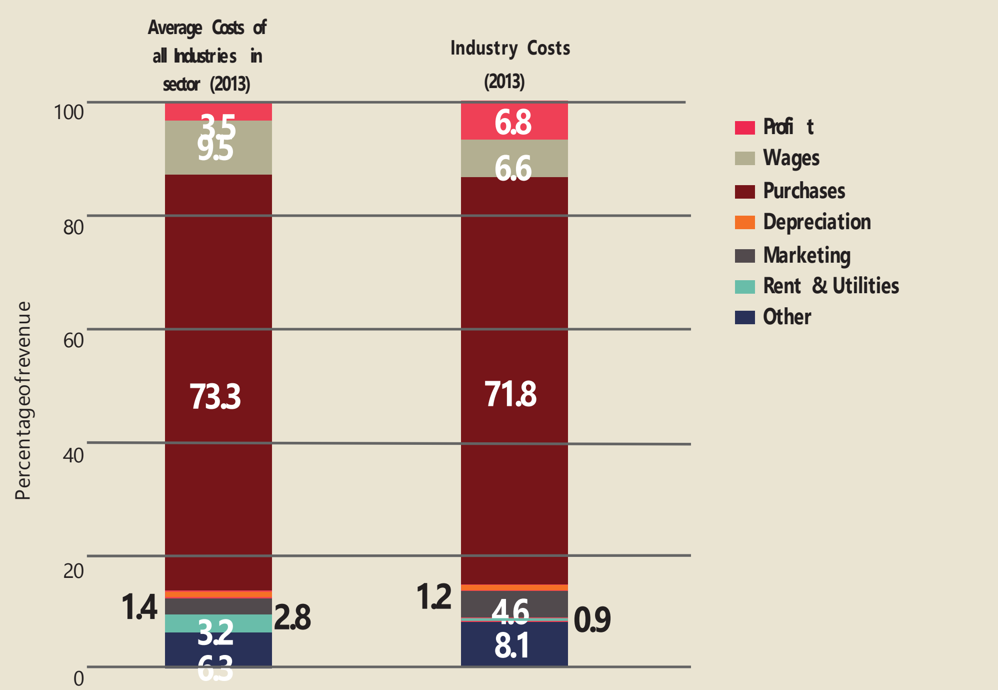
Wages

The E-Commerce and Online Auctions industry has uncharacteristically low wage costs for a retail industry. Wages are a small component of the total cost structure because online stores do not have a wide network of stores in which to staff employees. As a result, industry wages will account for about 6.6% of revenue in 2013, up from 5.9% in 2008 due to increasing specialization and increased focus on customer service.

Other

Other costs are estimated to account for about 8.1% of industry revenue in 2013, about the same as 2008. Other expenses comprise a diverse set of expenses,

Sector vs. Industry Costs



SOURCE: WWW.IBISWORLD.COM

Competitive Landscape

Cost Structure Benchmarks continued

including insurance premiums, interest charges, advertising expenses, administrative costs, selling expenditures and taxes. However, most costs pertain to transportation and shipping activities.

The nature of online shopping eliminates geographic boundaries. Consequently, goods can be purchased in any part of the country and delivered straight from the warehouse. As such, the industry incurs transport and outbound shipping costs, which are expected to comprise about 5.2% of industry revenue, up from 5.0% in 2008. Often, retailers incur shipping costs through marketing strategies (e.g. providing free shipping and handling for purchases). Operators that employ such marketing strategies are more likely to draw customers in an already highly competitive environment.

Basis of Competition

Level & Trend
Competition in this industry is **High** and the trend is **Steady**

Internal competition

Operators should ensure that detailed descriptions (e.g. color, size, functionality and quantity) accompany products for sale. Due to the online-based nature of this industry, consumers are not able to physically examine products before buying them. Hence, the more product details operators provide, the more closely they mimic the traditional shopping experience.

While product and service prices are relatively stable from one industry player to another, shipping charges can vary significantly. Although online store and auction operators cannot control freight charges, an effective marketing technique has been to absorb a percentage or even all of the cost in delivery to the consumer. Retailers that are able to offer free or discounted shipping and handling appear more competitive and attractive to prospective customers.

Mode of delivery also becomes an important aspect of competition because purchases such as wine, groceries, and large or fragile goods can have very specific shipping needs. Furthermore, consumers must divulge personal details (such as an address) for delivery of goods. Consumers entrust retailers with this information with the belief that it will not be forwarded to a third-party without their consent.

Each operator's refund policy should be clearly outlined to consumers at the time of purchase. As with traditional retailers, consumers should know whom to contact in the event that a refund is needed. The reputation of an operator has a significant impact on repeat buyers. Due to the absence of a physical shop front, consumer awareness of online retailers comes from media advertising and, more importantly, from word-of-mouth recommendations.

External competition

Online retailers compete with players in other industries, such as brick-and-mortar department stores and big-box retailers. These stores often have websites where consumers can make purchases, which has intensified the industry's online competition over the past five years. Such external competition is based on efficiency, price and product availability.

Competitive Landscape

Barriers to Entry

Level & Trend
Barriers to Entry in this industry are **Low** and **Steady**

Prospective players can establish e-commerce sites without much difficulty. This industry has a low level of concentration, with the two largest players accounting for about 14.5% of the available market. The industry is highly fragmented, with a large number of small and independent players dominating the industry. These two characteristics are reflective of low barriers to entry; Nonetheless, incumbent players can still benefit from the reputations they have established as reliable operators who supply merchandise of an acceptable quality. Existing operators have also had to gain the trust of consumers with regard to providing secure websites for credit card details.

The industry has a moderate level of capital intensity, which can prevent new entrants. The initial and continuing costs required to establish an electronic shopping site can be quite extensive, depending on its functionality and features. Establishing databases requires an initial capital investment along with subsequent costs for maintenance.

Product differentiation between a traditional retailer and an online retailer is nonexistent. As such, retailers operate in a highly competitive environment. A low level of product differentiation is likely to make it difficult for operators to establish a niche market. The preestablished distribution networks between operators and suppliers may, in some cases, be viewed as a barrier to entry. Existing operators benefit from the relationships they have built with their suppliers. As such, they may be offered better lines of credit and low-priced, high-quality stock compared with players entering the industry.

Players not fazed by the financial costs will need to implement a strategy to attract traffic to their website. As new players, they will need to prove that they offer a broad product range and that their goods are competitively priced. Retailers also have to ensure customer loyalty and repeat buyers. Those that choose to match the low prices offered by established online retailers will suffer a decline in profitability. Some players may choose to respond to the price pressure by expanding the range and quality of merchandise they offer in order to appeal to a broader market.

Barriers to Entry checklist	Level
Competition	High
Concentration	Medium
Life Cycle Stage	Growth
Capital Intensity	Medium
Technology Change	High
Regulation & Policy	Medium
Industry Assistance	None

SOURCE: WWW.IBISWORLD.COM

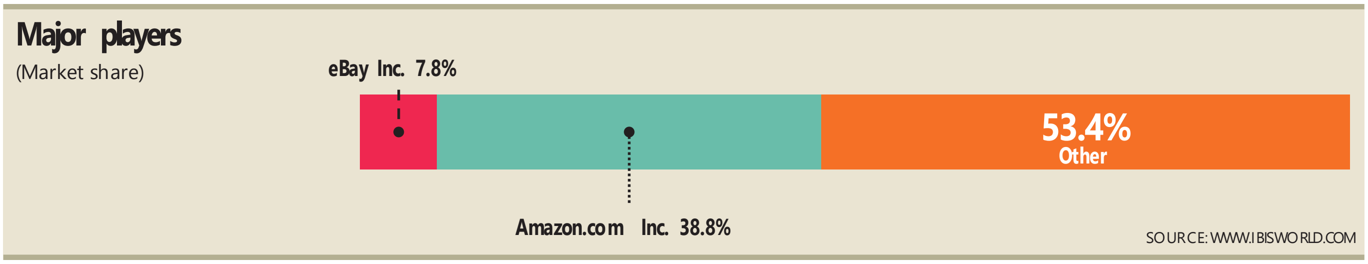
Industry Globalization

Level & Trend
Globalization in this industry is **Low** and the trend is **Increasing**

Most industry participants are US-owned and earn their revenue domestically. Domestically earned revenue for the top two major players (Amazon.com and eBay) will account for about 14.5% of total revenue in 2012. However, over the past five years, the proportion of domestically generated revenue has been declining, while internationally generated revenue has been rising as more players expand their operations globally.

Major Companies

Amazon.com Inc. | eBay Inc. | Other Companies



Player Performance

Amazon.com Inc.
Market share: 38.8%
Industry Brand Names
Zappos.com

Listed as one of the top 100 companies in Fortune magazine, Amazon.com has harnessed the online-selling platform to grow into a company that is expected to generate more than $40.0 billion in US revenue in 2013. Launched in July 1995 as an online bookseller with weekly revenue of about $20,000, this publicly listed company has expanded its product range to include music, DVDs, videos, consumer electronics, hardware, lawn and patio items, kitchen products and wireless products.

In the five years to 2013, the company has mainly expanded through acquisitions. In 2010, Amazon purchased deal-a-day site Woot.com for $110.0 million; in 2009, Amazon purchased Zappos, an e-commerce company, for $880.0 million. In 2008, the company purchased digital audiobook publisher Audible for about $300.0 million. That same year, Amazon acquired Abebooks, an online retailer of used, rare and out-of-print books. In addition, Amazon sells the Kindle e-book reader and delivers web content to television via its Unbox digital download service.

One of the company's latest developments has been the launch of the Amazon Cloud Drive, Amazon Cloud Player for Web and Amazon Cloud Player for Android in March 2011. The introduction of these players signified the company's entry into the cloud computing market by enabling customers to securely store music virtually and play it on any compatible phones, tablets or computers. While the long-term implications of this development is yet to be unknown, it is nonetheless reflective of the company's strategy to further expand its offerings of downloadable music, video and text.

Financial performance

In the five years to 2013, Amazon's US revenue is expected to rise an average

Amazon.com Inc. (US segment) – financial performance

Year	Revenue ($ million)	(% change)	Operating Income ($ million)	(% change)
2008	10,917	26.3	367.4	22.1
2009	13,960	27.9	513.8	39.8
2010	18,707	34.0	955.0	85.9
2011	26,705	42.8	933.0	-2.3
2012	34,813	30.4	1,592.0	70.6
2013*	42,848	23.1	1,797.0	12.9

*Estimate

SOURCE: IBISWORLD

Major Companies

Player Performance continued

annual rate of 31.5% to $42.8 billion. Amazon has consistently outperformed the industry over the past five years, increasing its US market share from 8.2% in 2008 to an estimated 19.9% in 2013. Acquisitions and the company's ability to expand its product mix to attract more buyers have driven rapid expansion.

Amazon has also successfully maintained its bottom line: the firm's US operating income rose from $367.4 million in 2008 to an estimated $1.8 billion in 2013. Similar to revenue, the company managed to maintain earnings despite the recession through aggressive acquisitions and product expansion.

Player Performance

eBay Inc.
Marketshare: 7.8%

Industry Brand Names
Stubhub.com
Shopping.com
Rent.com

Through its namesake site and related websites, eBay sells about 45,000 categories of products via fixed-price or auction listings. Beginning as an auction website in 1995, eBay has since introduced a fixed-price selling format that now generates 66.0% of eBay's gross merchandise volume, or the total value of all closed items. The company's business model generates revenue through listing and selling fees and advertising.

In the five years to 2013, the company expanded its international presence via acquisitions. In November 2009, eBay completed the sale of internet phone service Skype to an entity owned and organized by an investor group. Today, eBay has operations throughout the world. These operations facilitate auction activities.

Three primary business segments make up eBay's operations: marketplaces, payments and communications. The segment most relevant to the E-Commerce and Online Auctions industry is the marketplace segment. Commerce websites in this segment include a secondary tickets marketplace (Stubhub.com), an online shopping comparison website (Shopping.com) and an apartment listing service platform (Rent.com).

Financial performance

In the five years to 2013, eBay's marketplace segment revenue is expected to rise at an average annual rate of 13.8% to $8.0 billion, faster than the industry's growth rate. The company's US segment also outperformed the industry in terms of profit, which rose from $1.8 billion in 2008 to an estimated $3.6 billion in 2013

eBay Inc. – financial performance

Year	Revenue ($ million)	(% change)	Operating Income ($ million)	(% change)
2008	8,541.3	11.3	1,779	222.7
2009	8,727.4	2.2	2,389	34.3
2010	9,156.3	4.9	1,801	-24.6
2011	11,652	27.3	3,229	79.3
2012	14,072	20.8	2,609	-19.2
2013*	16,300	15.8	3,550	36.1

*Estimate

SOURCE: ANNUAL REPORT AND IBISWORLD

Major Companies

Player Performance continued

(profit margin of 21.8%). The reasons for strong performance include profitable acquisitions, divestment of less profitable businesses and a slower wage growth than revenue growth (allowing for more profit).

eBay Inc. (US segment) – financial performance

Year	Revenue ($ million)	(% change)	Operating Income ($ million)	(% change)
2008	4,176.5	6.1	869.9	187.1
2009	4,267.5	2.2	1,168.2	34.3
2010	4,797.7	12.4	943.7	-19.2
2011	5,429.8	13.2	1,504.7	59.4
2012	6,712.3	23.6	1,244.5	-17.3
2013*	7,970.7	18.7	1,736.0	39.5

*Estimate

SOURCE: ANNUAL REPORT AND IBISWORLD

Other Companies

The E-Commerce and Online Auctions industry has a low level of concentration, with the two largest companies accounting for 23.5% of total industry revenue. The remaining market is made up of small and independent businesses that operate only online. Players are varied in this dynamic industry. Well-known industry operators include apparel websites Piperlime and Bluefly, discount retailer Overstock and handmade crafts seller Etsy.

Newegg Inc.

Estimated market share: 3.1%

Founded in 2001, California-based Newegg Inc. has grown to be the third-largest online-only retailer in the United States. Newegg primarily sells desktop and laptop computers and related components through its website. Newegg also stocks a wide range of consumer electronics, such as home theater systems, digital cameras, cell phones and game consoles. The e-tailer boasts about 84,000 products (including brand-name products like Apple, Sony, Canon and Toshiba) and more than 14.0 million registered users. The company filed for an initial public offering with the US Securities and Exchange Commission in 2009, but withdrew its application in 2011. Analysts estimates that the company will generate about $2.9 billion in 2013.

Groupon Inc.

Estimated market share: 0.6%

Groupon is an e-commerce website that connects local merchants to consumers by selling their goods and services at a discount. The company started out selling discounted gift certificates to restaurants and events, with the gift certificates valid only after a number of consumers purchased the coupon; hence the name "Groupon." Business insiders point to Groupon, which will bring in about $635.0 million in US revenue in 2013, as an example of internet companies' precariousness. After blazing the trail in online daily deals in 2008, the startup had trouble getting its initial public offering off the ground in 2011. Investors fretted that the novelty of its coupons were wearing

Major Companies

Other Companies continued

off and competitors crowded the market. In its annual report to the SEC, Groupon executives say that the company's scale, strong brand and experience are "sustainable competitive advantages." Company revenue and profit have grown over the past five years, despite the turbulence.

Operating Conditions

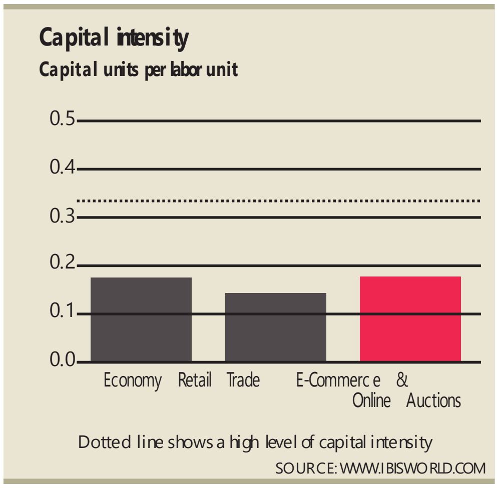
Capital Intensity | Technology & Systems | Revenue Volatility
Regulation & Policy | Industry Assistance

Capital Intensity

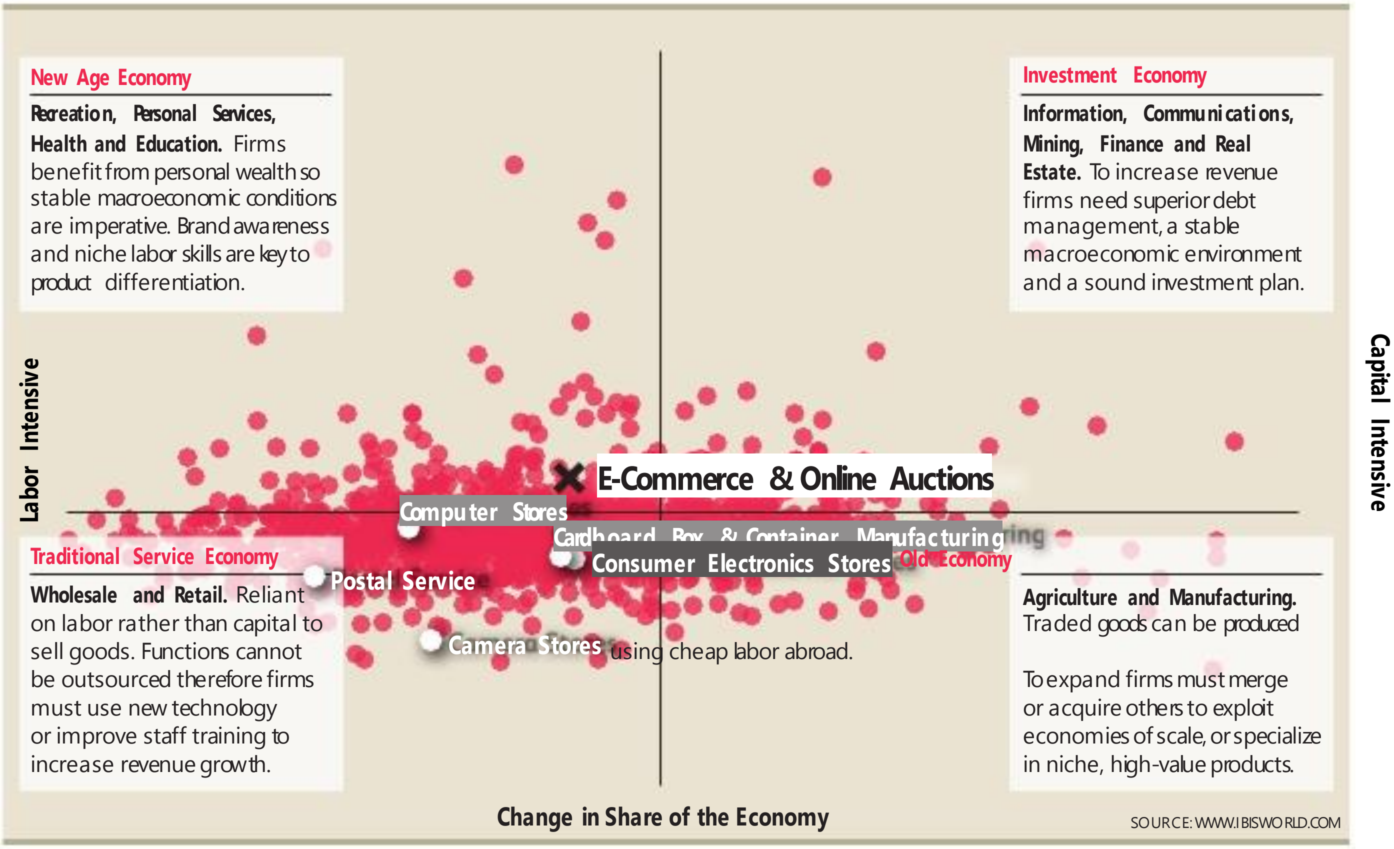
Level
The level of capital intensity is **Medium**

The E-Commerce and Online Auctions industry has a medium level of capital intensity. Investment requirements mainly include warehouse space, computer equipment and warehouse staff. For every dollar spent on labor in 2013, the average operator will spend $0.19 on capital investments. E-tailers spend more on wages than they do on equipment because the value of fixtures needed to run the business is marginal compared to the man-hours needed to manage websites and sales.

In addition, online shopping operators outlay capital on technology to establish, implement and maintain their websites. Establishing and maintaining databases requires computers, printers, software programs for electronic payment system, firewalls and more. Operators may also incur capital expenditure though purchasing and maintaining vehicles for



Tools of the Trade: Growth Strategies for Success



Operating Conditions

Capital Intensity continued

delivering goods. Labor costs are incurred through hiring staff to fulfill orders. Usually, only a low level of education or training is required; for larger companies, packers often work part-time shifts.

Technology & Systems

Level
The level of Technology Change is **High**

The development, penetration and use of the internet are central to this industry and its revenue. Additionally, the declining cost of computer processing power has and continues to have a large effect on the ease with which e-commerce is conducted. Some of the basic requirements for an electronic retailer are a selling platform, hardware and the related software. Online stores have websites displaying the nature of the company, the services or goods provided and their price. These sites must be user friendly by incorporating easy-to-use search engines. Increasingly, e-tailers have mobile applications enabling consumers to make purchases via smartphones.

Another crucial element is establishing an application process that facilitates payment transactions, either by credit card or electronic funds transfer. One example of such a payment system is eBay's PayPal, which gives users an online account that makes it easy to transfer funds from their credit cards or bank accounts to the retailer.

Revenue Volatility

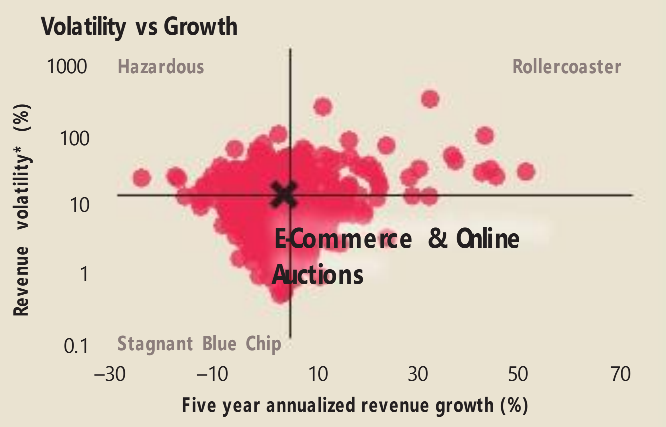
Level
The level of Volatility is **High**

Analysts estimates that industry revenue has exhibited moderate volatility in the five years to 2013: revenue is expected to fluctuate from a revenue drop of 15.3% in 2009 to a climb of 12.2% in 2010. Much of this volatility can be attributed to the Great Recession.

The E-Commerce and Online Auctions industry is expected to return to more consistent growth rates in the next five years. Furthermore, players in this industry compete for a share of consumers' discretionary income, which is highly dependent on changes in employment levels, interest rates and consumer confidence, which are all expected to rise in the next five years.

A higher level of revenue volatility implies greater industry risk. Volatility can negatively affect long-term strategic decisions, such as the time frame for capital investment.

When a firm makes poor investment decisions it may face underutilized capacity if demand suddenly falls, or capacity constraints if it rises quickly.



*Axis is in logarithmic scale

SOURCE: WWW.IBISWORLD.COM

Operating Conditions

Regulation & Policy

Level & Trend

The level of Regulation is **Medium** and the trend is **Increasing**

The most prominent regulation affecting the E-Commerce and Online Auctions industry in recent years has been the Streamlined Sales and Use Tax Agreement organized by the Streamlined Sales Tax Governing Board. The agreement is the result of the cooperative efforts of most states and the business community and was drafted in hopes of minimizing the costs and administrative burden on retailers that collect sales tax across multiple states. With rising popularity of online shopping and many US states facing budget deficits, more and more states have been passing legislation to conform to the agreement in recent years. As of June 2011, 24 states have passed legislation conforming with this agreement.

Tax collection poses a threat to the industry, as it would eliminate one of the major cost-saving advantages of operating online. As the law currently stands, industry operators are required to collect sales tax only if the business has a physical presence in the state where the purchase was made. This factor has served as a competitive advantage for online retailers over brick-and-mortar stores, allowing consumers to pay less for the same goods sold through traditional retail outlets. As such, if e-tailers are required to collect taxes, the industry will likely experience considerable falls in sales volumes. An additional burden of this new regulation would be the more than 8,000 state jurisdictions that would subsequently apply to all online retailers. Small- and medium-size industry operators would likely be forced to incur additional costs by hiring tax departments to handle various rate calculations and any audits initiated by tax jurisdictions.

As such, this legislation faces major opposition from various industry associations supporting the e-commerce industry. Consequently, Analysts does not foresee this agreement becoming a major federal law in the near future. Nonetheless, this law is expected to remain popular among states with high budget deficits, representing a major threat to the industry.

Industry Assistance

Level & Trend

The level of Industry Assistance is **None** and the trend is **Steady**

While tariffs are applicable to industry goods, they do not apply at the online retail level. Retail operators purchase goods from importers and wholesalers after the tariff has been applied. A change in the tariff rate of a particular good will generally alter where the good is purchased and the purchase price. A decline in tariffs for computer parts may result in falling purchasing costs, which can be passed on to consumers as lower prices, allowing the retailer to remain competitive.

Key Statistics

Industry Data

	Revenue ($m)	Industry Value Added ($m)	Establishments	Enterprises	Employment	Exports	Imports	Wages ($m)	Domestic Demand	Per Capita Disposable Income
2004	62,183.7	6,640.6	99,748	99,570	186,903	-	-	4,755.5	N/A	31,184
2005	71,421.2	6,729.0	108,875	108,709	192,376	-	-	4,633.1	N/A	31,318
2006	80,172.0	6,957.1	115,530	115,344	202,112	-	-	4,677.4	N/A	32,303
2007	91,604.7	7,852.3	126,490	126,190	201,846	-	-	4,410.0	N/A	32,749
2008	96,623.9	11,330.0	130,195	129,942	246,562	-	-	6,212.7	N/A	33,229
2009	85,785.0	8,157.2	129,448	129,149	246,887	-	-	6,321.4	N/A	32,020
2010	86,841.7	9,816.2	132,531	132,216	246,322	-	-	6,051.2	N/A	32,335
2011	97,810.1	9,933.8	144,344	143,887	264,409	-	-	6,592.8	N/A	32,529
2012	102,587.5	10,248.2	152,475	151,900	278,981	-	-	7,014.0	N/A	32,942
2013	**110,485.3**	**11,091.6**	**163,343**	**162,884**	**294,265**	**--**	**--**	**7,445.5**	**N/A**	**33,515**
2014	113,578.9	11,607.7	169,288	168,748	306,021	-	-	7,746.1	N/A	34,218
2015	115,964.0	12,144.0	178,854	178,367	320,360	-	-	8,085.2	N/A	35,142
2016	118,283.3	12,420.6	186,580	185,858	333,495	-	-	8,398.9	N/A	35,782
2017	119,702.7	12,909.2	199,831	198,868	347,912	-	-	8,719.6	N/A	36,432
2018	121,618.0	15,351.0	211,702	210,204	362,765	-	-	9,059.3	N/A	36,995
Sector Rank	**9/123**	**15/123**	**2/123**	**2/123**	**17/123**	**N/A**	**N/A**	**14/123**	**N/A**	**N/A**
Economy Rank	**80/1192**	**233/1192**	**49/1191**	**46/1191**	**126/1192**	**N/A**	**N/A**	**198/1192**	**N/A**	**N/A**

Annual Change

	Revenue (%)	Industry Value Added (%)	Establishments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)	Per Capita Disposable Income (%)
2005	14.9	1.3	9.2	9.2	2.9	N/A	N/A	-2.6	N/A	0.4
2006	12.3	3.4	6.1	6.1	5.1	N/A	N/A	1.0	N/A	3.1
2007	14.3	12.9	9.5	9.4	-0.1	N/A	N/A	-5.7	N/A	1.4
2008	5.5	44.3	2.9	3.0	22.2	N/A	N/A	40.9	N/A	1.5
2009	-11.2	-28.0	-0.6	-0.6	0.1	N/A	N/A	1.7	N/A	-3.6
2010	1.2	20.3	2.4	2.4	-0.2	N/A	N/A	-4.3	N/A	1.0
2011	12.6	1.2	8.9	8.8	7.3	N/A	N/A	9.0	N/A	0.6
2012	4.9	3.2	5.6	5.6	5.5	N/A	N/A	6.4	N/A	1.3
2013	**7.7**	**8.2**	**7.1**	**7.2**	**5.5**	**N/A**	**N/A**	**6.2**	**N/A**	**1.7**
2014	2.8	4.7	3.6	3.6	4.0	N/A	N/A	4.0	N/A	2.1
2015	2.1	4.6	5.7	5.7	4.7	N/A	N/A	4.4	N/A	2.7
2016	2.0	2.3	4.3	4.2	4.1	N/A	N/A	3.9	N/A	1.8
2017	1.2	3.9	7.1	7.0	4.3	N/A	N/A	3.8	N/A	1.8
2018	1.6	18.9	5.9	5.7	4.3	N/A	N/A	3.9	N/A	1.5
Sector Rank	**22/123**	**27/123**	**9/123**	**9/123**	**14/123**	**N/A**	**N/A**	**17/123**	**N/A**	**N/A**
Economy Rank	**139/1192**	**147/1192**	**56/1191**	**57/1191**	**103/1192**	**N/A**	**N/A**	**144/1192**	**N/A**	**N/A**

Key Ratios

	IVA/Revenue (%)	Imports/Demand (%)	Exports/Revenue (%)	Revenue per Employee ($'000)	Wages/Revenue (%)	Employees per Est.	Average Wage ($)	Share of the Economy (%)
2004	10.68	N/A	N/A	332.71	7.65	1.87	25,443.68	0.05
2005	9.42	N/A	N/A	371.26	6.49	1.77	24,083.57	0.05
2006	8.68	N/A	N/A	396.67	5.83	1.75	23,142.61	0.05
2007	8.57	N/A	N/A	453.83	4.81	1.60	21,848.34	0.06
2008	11.73	N/A	N/A	391.88	6.43	1.89	25,197.31	0.09
2009	9.51	N/A	N/A	347.47	7.37	1.91	25,604.43	0.06
2010	11.30	N/A	N/A	352.55	6.97	1.86	24,566.22	0.08

2011	10.16	N/A	N/A	369.92	6.74	1.83	24,934.10	0.07
2012	9.99	N/A	N/A	367.72	6.84	1.83	25,141.50	0.08
2013	**10.04**	**N/A**	**N/A**	**375.46**	**6.74**	**1.80**	**25,302.02**	**0.08**
2014	10.22	N/A	N/A	371.15	6.82	1.81	25,312.32	0.08
2015	10.47	N/A	N/A	361.98	6.97	1.79	25,237.86	0.08
2016	10.50	N/A	N/A	354.68	7.10	1.79	25,184.49	0.08
2017	10.78	N/A	N/A	344.06	7.28	1.74	25,062.66	0.08
2018	12.62	N/A	N/A	335.25	7.45	1.71	24,972.92	0.09
Sector Rank	**116/123**	**N/A**	**N/A**	**34/123**	**97/123**	**115/123**	**63/123**	**15/123**
Economy Rank	**1158/1192**	**N/A**	**N/A**	**424/1192**	**1053/1192**	**1106/1191**	**989/1192**	**233/1192**

Figures are inflation-adjusted 2013 dollars. Rank refers to 2013 data.

SOURCE: WWW.IBISWORLD.COM

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