

Forrester sees online sales through 2010 rising

Shoppers like the convenience of doing research and buying at the same time

News Story by [Eric Lai](#)

DECEMBER 14, 2005

[\(COMPUTERWORLD\)](#) - Consumers' love of online research and purchasing convenience is fueling online retail sales growth, according to a report released today by Forrester Research Inc.

The Cambridge, Mass.-based market research company is predicting that North American online consumer sales, including auctions and travel, will hit \$329 billion in 2010 -- a cumulative average growth rate over the next five years of 14%. The latest sales forecast is \$13 billion higher than Forrester predicted in September 2004.

Online sales this year should total \$172 billion, with holiday sales shaping up well, according to another research firm, comScore Networks Inc. in Reston, Va. It said that online sales, excluding travel, were up 23% to \$12.75 billion over the prior year for the 39-day period ended Dec. 9.

The percentage of U.S. households shopping online is expected to grow from 39% this year to 48% in 2010, and Forrester predicts that revenues will continue to grow because online shoppers tend to have more money. And, driven by the convenience of being able to research and buy online at the same time, buyers are expanding their online shopping activities.

"The Web makes many specific shopping-related activities easier than before -- activities that become routine for customers and ultimately lead to a purchase," wrote Carrie A. Johnson, an analyst at Forrester.

The market research firm expects 13% of all sales will be done online by 2010, with computer hardware and software, already big sellers online, expected to remain popular. more than half of those products, 54%, will be bought online by 2010 for sales that will total \$17 billion, predicts Forrester.

One of the fastest-growing categories is likely to be travel: Online travel revenues are expected to double between 2005 and 2010 to \$119.1 billion -- comprising 46%

of all sales, online and off-line. Other categories in which consumers will buy heavily online by 2010 include tickets, books, consumer electronics, small appliances, gifts, cosmetics and fragrances, linens, music and video products, and video games.