

Predictions of a gloomy Christmas for retailers are falling on deaf ears in the world of ecommerce, where online businesses are reporting strong and growing activity as the festive season draws closer.

Leading ecommerce solutions provider, eCorner, which hosts over 170 Web stores in its Australian SME cluster, has experienced a 90 per cent increase in traffic volume for November year on year. eCorner, which has been providing and supporting local businesses with ePages eCommerce software since 2003, also supports large retailers like Dick Smith Electronics and Weight Watchers Australia and New Zealand.

eCorner Managing Director, John Debrincat, said online sales by its customers have risen by 70 per cent in the past 12 months with significant growth in the past few months.

We've seen a 25 per cent increase in unique visitors in the past quarter alone and 17 per cent during November, said Mr Debrincat, who believes that consumers are increasingly looking for alternatives to traditional shopping methods.

Most of us know there are bargains to be had but you have to look for them. As more consumers are financially challenged or just more fearful about the future, they are turning to the internet as an attractive and lower cost alternative to bricks and mortar companies with their high overheads.

He said visitors to eCorner-hosted stores during December are on track to exceed last years figures by more than 20 per cent and beat November by around 25 per cent.

The average order value for our customers is almost 30 per cent higher than last Christmas and conversion rates have increased by over 50 per cent in the same period. Of course, our customers sell a wide variety of products, from home theatre systems to glass beads, but the overall trend is extremely positive, Mr Debrincat said.

Wilfried Beeck who is the CEO of ePages GmbH based in Hamburg, Germany gave an international perspective. We have seen similar trends throughout Europe over the last few months. We have now over 50,000 companies selling online using ePages and that number is increasing rapidly.

Transaction Volumes Increase

Other key players in the digital economy are reporting similar strong growth. eWay, which is the major payment gateway in Australia for online retailers, recorded a 69 per cent increase in transaction volumes in November compared to a year ago, as more companies shift online.

Our actual customer numbers are up 47 per cent from November 2007 as retailers move to take advantage of greater consumer confidence in ecommerce, said eWay CEO, Matt Bullock.

The biggest growth has happened in the past few months, with a 16 per cent increase in merchant numbers from October to November as retailers seek to take advantage of the Christmas trade.

Mr Bullock said while many new merchants were online-only businesses, a significant proportion were retailers keen to complement their established brick and mortar premises with a Web-based presence.

We've seen high profile firms like Orotan, The Shaver Shop and Wheel & Barrow set up trading accounts with us in recent weeks to handle transactions from their online stores. We're also seeing greater interest from not-for-profits like The McGrath Foundation and The Lions Club which are recognising that people are making more spending decisions online, he said.

PayPal Australias Director of Merchant Services, Brad Paterson, said they have noticed increased activity this Christmas, particularly amongst SME retailers.

We believe this can be partially attributed to our recent promotion which helped SMEs to begin online trading in time for the holiday season. We have noticed significant increases in areas such as books, gifts and lingerie, while other popular areas such as homewares, electronics and cosmetics are slightly down, he said.

Online Research Informs Buying Decisions

The rise of comparison shopping sites like GetPrice.com.au makes it easier for consumers to make informed decisions about where to make their purchases.

GetPrice CEO, Chris Hitchen, said traffic to the site has almost tripled in the past 12 months from 700,000 visits in November 2007 to 1.96 million visits last month.

Weve seen a massive increase in traffic as people use the internet to do their research and make buying decisions. During this uncertain economic climate, people are getting savvier about how they spend their money and of course the internet affords them transparency, immediacy and convenience, as well as the opportunity to compare products and prices to get the best deal relevant to their personal criteria.

Mr Hitchen said many consumers will click through to an internet store to make their purchase while others will simply do their research online and then go to an offline store to complete the transaction.

While price-conscious consumers simply want the cheapest product, were seeing higher click-through rates for known brands multi-channel retailers who sell online but also offer in-store returns to maximise convenience for shoppers. Were currently redesigning the site to provide more information about warranties and support levels to help our visitors have a more complete picture of the merchants offering to inform their buying decision, he said.

A Successful Formula

eCorners John Debrincat said success online is a formula that can be replicated. Its all about a professional approach, safe and reliable technology like ePages, and quality of goods and services. You must have the right channels to market and professional partners for technology, payments and marketing. he said.

When asked about comments from some of the large main street retail chains that online shopping does not work and costs too much Mr Debrincat surprised, There are some retail business leaders who still have their heads in the sand over online shopping. Primarily it is because they have chosen the wrong technologies or partners; or just spent too much without a real strategy. Unfortunately you cant save the dinosaurs; they will either evolve or become extinct. You just cannot ignore the overwhelming worldwide and local success stories.

Mr Debrincat said in todays economic climate, an online store or eCommerce website is essential to retail success. An online store is another channel to market and should be the face of your business on the World Wide Web and it is essential to have an online shopping and marketing strategy to succeed, he said.

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