



E-Commerce Primer

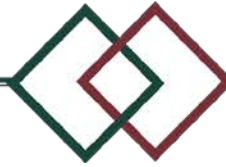
What is E-Commerce?

The E-Commerce Picture

U.S. Retail Trade Sales



What is E-Commerce?



- The U.S. Annual Retail Trade Survey defines E-Commerce as:
“Sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated, over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.”

Remote Sellers & Marketplace Providers



- **Remote Sellers**

SDCL 10-64-2 “any seller selling tangible personal property, products transferred electronically, or services for delivery into South Dakota, who does not have a physical presence in the state”

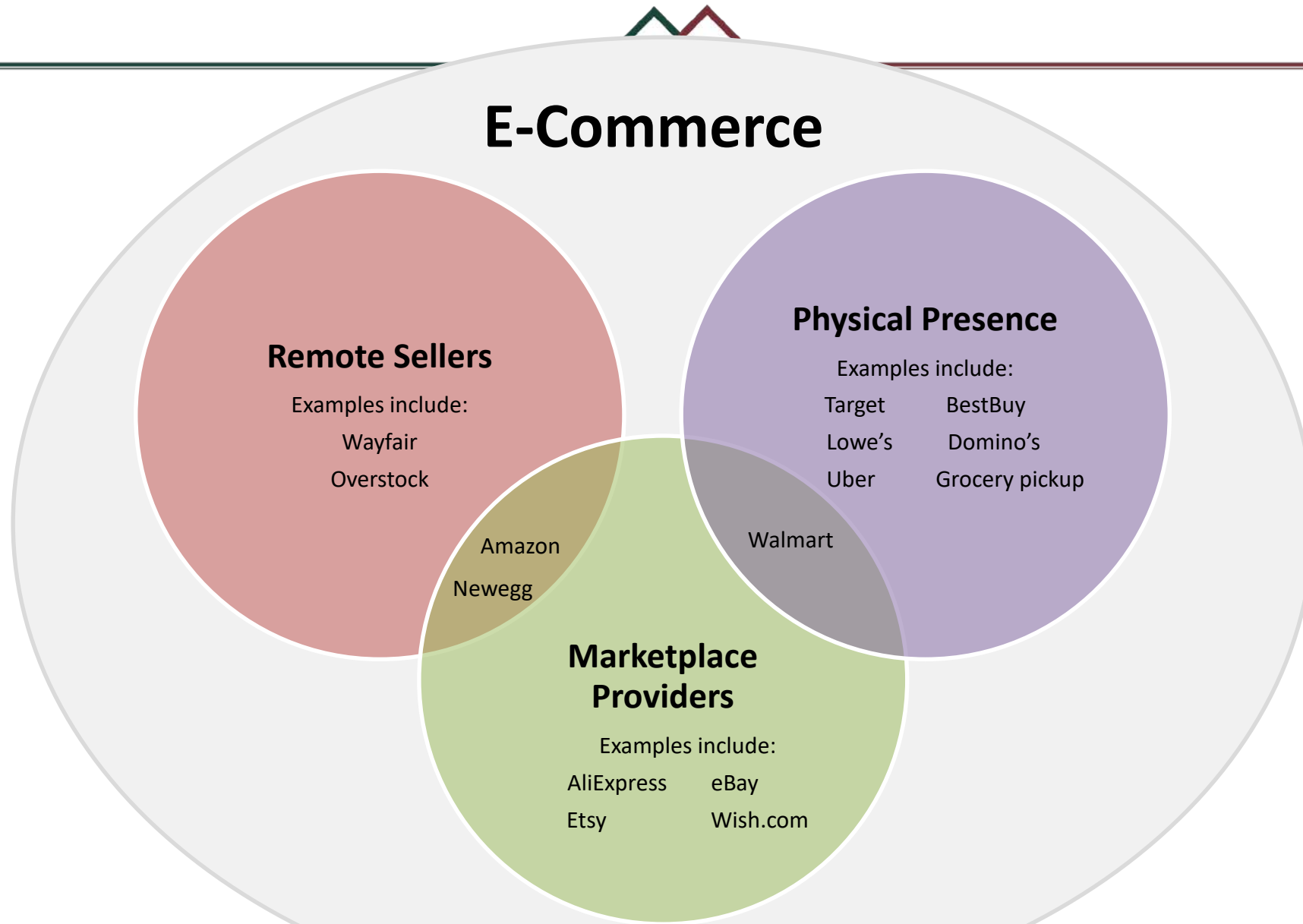
- **Marketplace Provider** (can be in-state or out-of-state)

SDCL 10-65-3 “any person that facilitates a sale for a marketplace seller through a marketplace by:

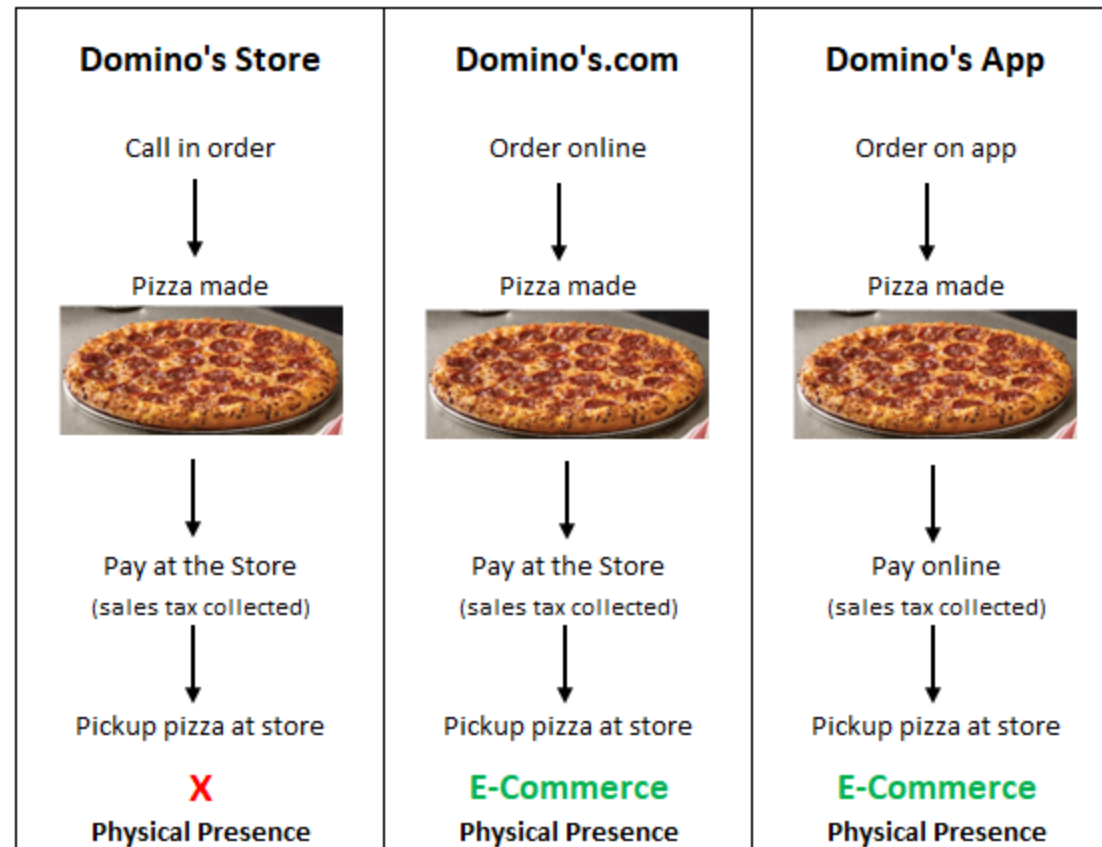
(1) Offering for sale by the marketplace seller, by any means, tangible personal property, products transferred electronically, or services for delivery into this state; and

(2) Directly, or indirectly through any agreement or arrangement with third parties, collecting payment from a purchaser and transmitting the payment to the marketplace seller, regardless of whether the person receives compensation or other consideration in exchange for facilitating the sale or providing any other service.”

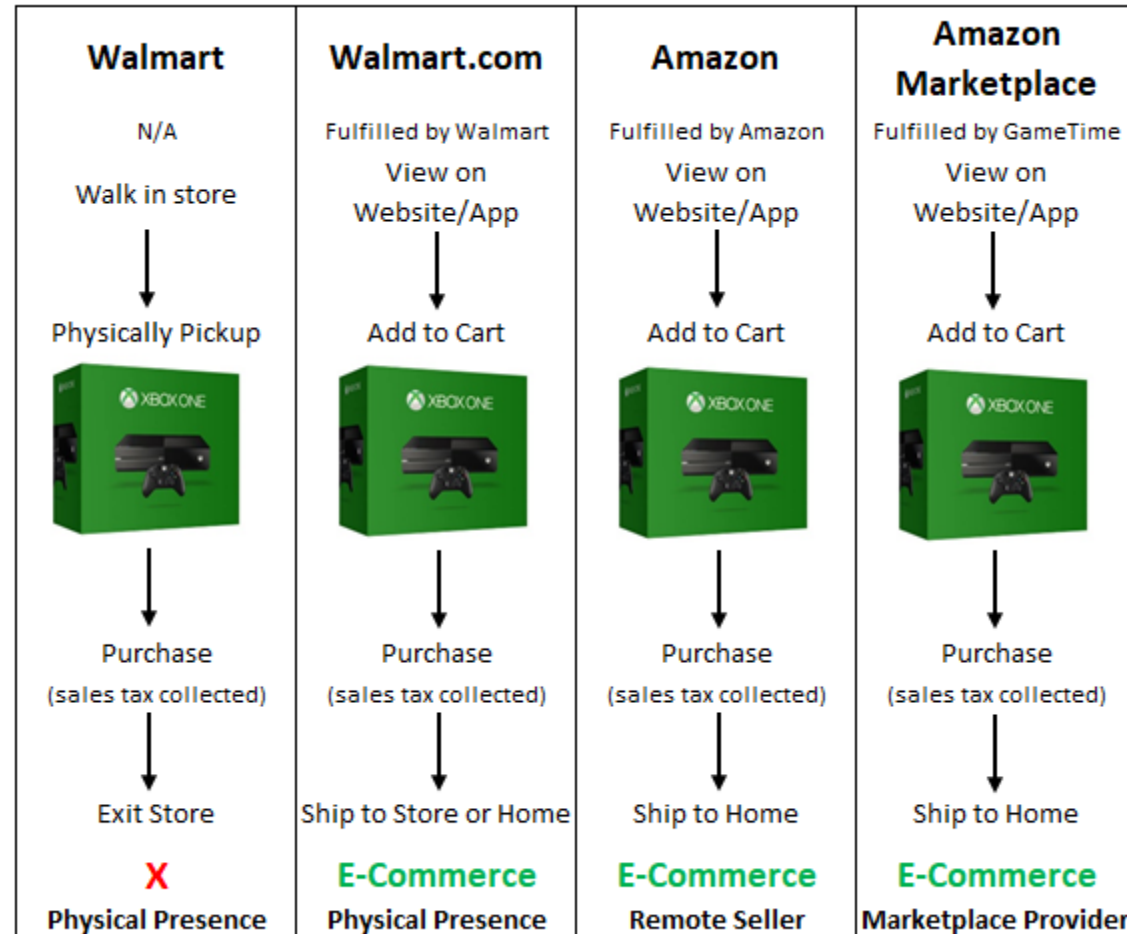
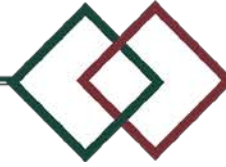
The E-Commerce Picture



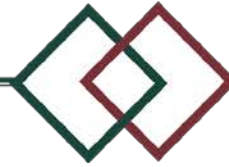
Identifying the Difference



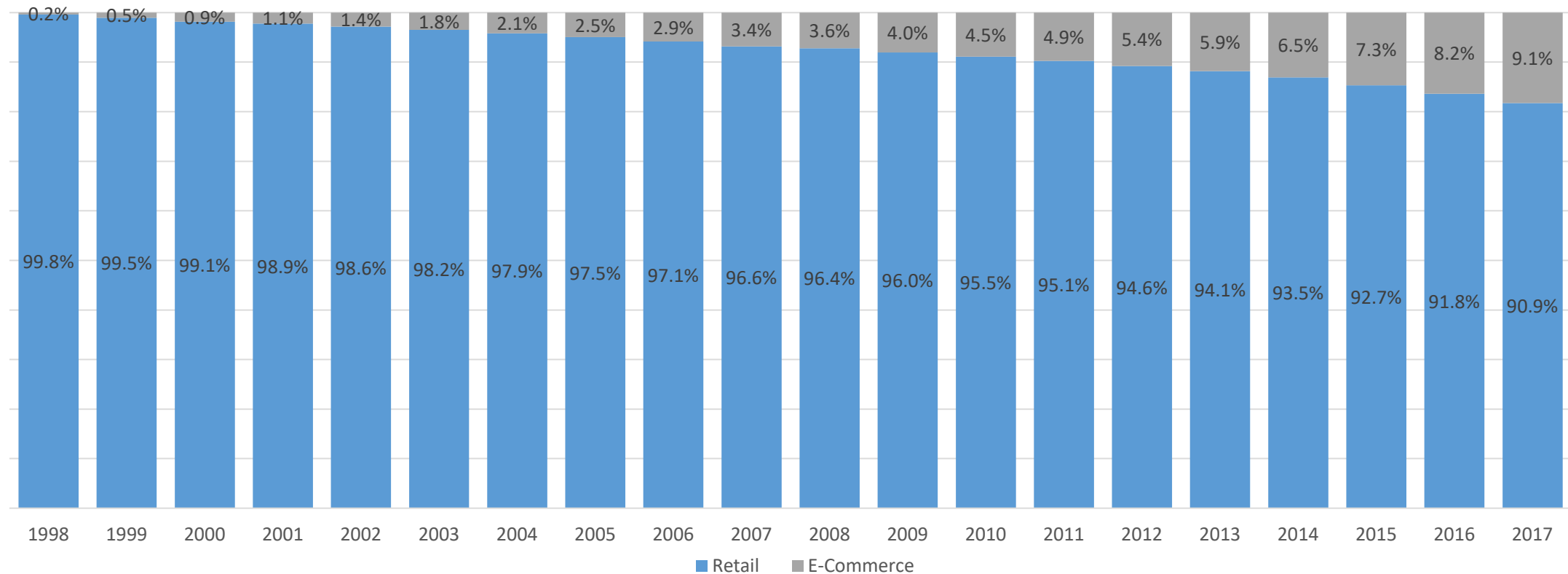
Identifying the Difference



U.S. Retail Trade Sales: Retail and E-Commerce



U.S. Retail Trade Sales - Retail and E-Commerce



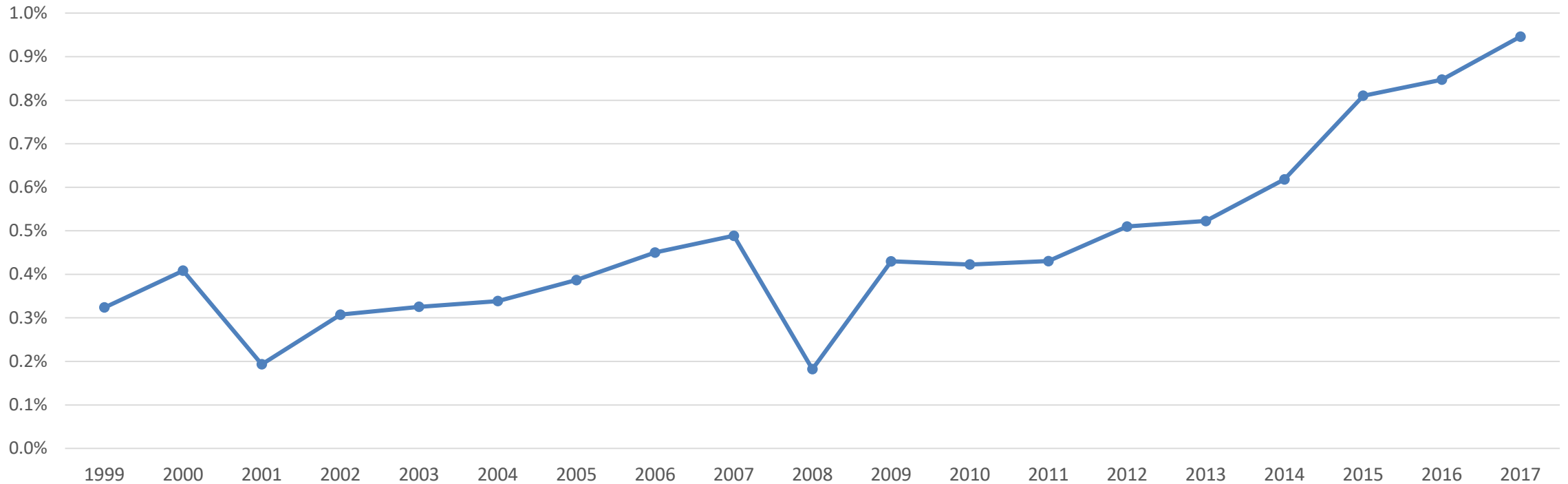
Note: Based on data from the U.S. Census Bureau, Annual Retail Trade Survey.

Note: E-commerce sales are sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated, over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.

U.S. Retail Trade Sales: Retail and E-Commerce



Annual Percent Increase in U.S. E-Commerce Retail Sales



Where is E-Commerce Occurring in U.S. Retail Trade Sales?

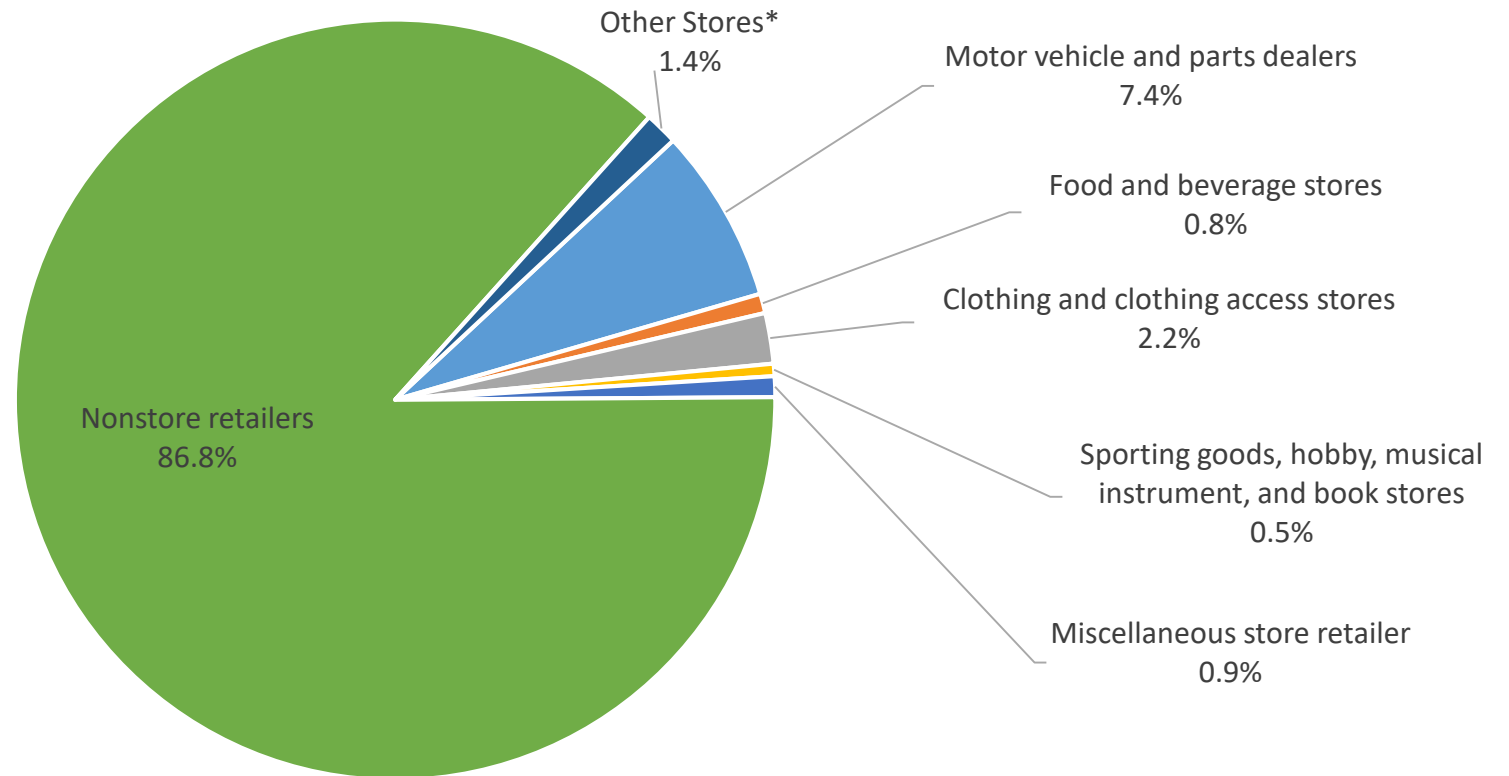


The retail trade sector comprises two main types of retailers:

- Store Retailers
- Nonstore retailers:

Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers.

Nonstore retailers are like store retailers, but their retailing methods differ. Reach customers and market merchandise with methods, such as the broadcasting of “infomercials,” the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls, and distribution through vending machines.



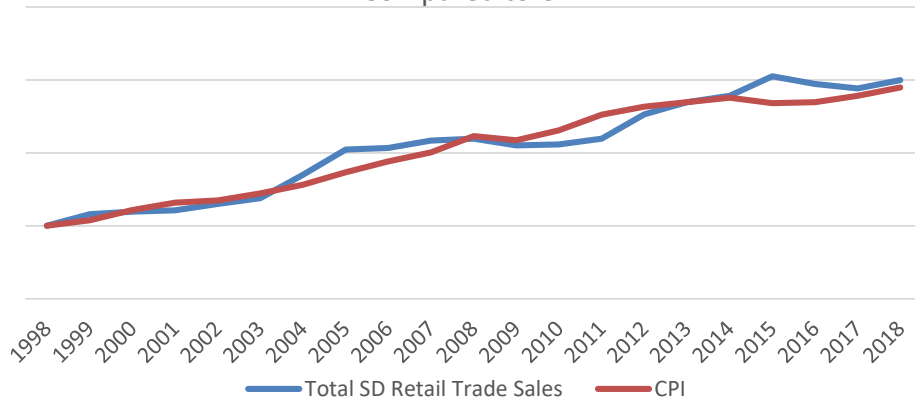
Note: Other Stores include: general merchandise stores, furniture and home furnishings stores, electronics and appliance stores, and building mat. and garden equip. and supplies dealers.

Note: The estimate for health and personal care stores and gasoline stations does not meet publication standards because of high sampling variability.

South Dakota Retail Trade Sales Data



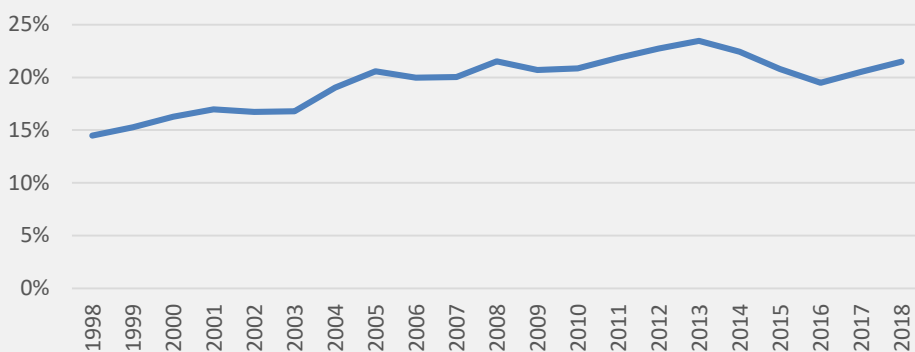
Growth of South Dakota Taxable Retail Trade Sales Compared to CPI



- Retail trade sales have grown mostly in line with CPI.
- Misc. retail trade represent a larger portion of overall retail trade sales
- Catalog & mail-order houses sales represent a much larger portion of overall retail trade sales.

Note: Base year is 1998. Retail trades sales adjusted for inflation.

Taxable Misc. Retail Trade Sales as a Percent of Taxable SD Retail Trade Sales



Catalog & Mail-Order Houses are a subset of misc. retail trade.

Taxable Catalog & Mail-Order Houses Sales as a Percent of Taxable SD Retail Trade Sales

