The History of Cyber Monday: Q&A with Scott Silverman, Co-Founder of the Biggest Day in Ecommerce

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The term "Cyber Monday" was first introduced to the retail world in 2005 via a press release from Shop.org. What is now the moniker of one of the biggest shopping holidays of the year was coined by members of the organization and its then-executive director Scott Silverman.

eMarketer principal analyst Andrew Lipsman spoke with Silverman—who has since co-founded the CommerceNext retail conference—about Cyber Monday's early days, how the media initially misinterpreted the big shopping event, and what retailers are doing to maximize their success.

You were there at the beginning of Cyber Monday. Can you share with us the origin story and who was involved?

There were a few different people involved: Ray Greenly, who was the vice president of research and member services for Shop.org; and Ellen Davis, who was running PR for the National Retail Federation and was assigned to Shop.org.

We had been doing some consumer research, looking at spending habits during the holiday season, and we saw a trend that customers were seeing a surge in shopping the Monday after Thanksgiving. We were hearing this from the retailers as well. The data was there, with a strong indication that there was a pattern, so we decided to give it a name.

We had no idea that "Cyber Monday" would be picked up by the media as much as it was. We sent the release out about a week before Cyber Monday, and The Wall Street Journal did an article on it. From there, it really snowballed.

The rest of the media picked up the story. And then on Cyber Monday itself, we were invited to go on some of the network morning shows. Even into the evening, I remember seeing Jon Stewart [of "The Daily Show"] do a satire bit on Cyber Monday.

I've heard several different theories behind why the Cyber Monday phenomenon existed in the early days. With the benefit of hindsight, what is your best explanation for the effect?

People were shopping from their offices, and there were a couple of reasons for that. One, they could shop without loved ones looking over their shoulders. And two, this was a time in 2005 when high-speed connections weren't as prevalent in the home. That's certainly not the case anymore, but that was a really important factor at the time when the event was born.

Early on, there was a misconception that Cyber Monday was the heaviest online shopping day of the year, when really it was more of an initial spike. But in 2010, Cyber Monday finally did vault into the No. 1 position. What do you think spurred its eventual ascendance?

When we first put out the press release, we never claimed that Cyber Monday was the biggest shopping day of the year. Yet, it got reported in the media that way. And then suddenly, we found ourselves defending a claim that we never made.

But it did turn into [the No. 1 day] around 2010. It was definitely a self-fulfilling prophecy, and I'd like to think that Shop.org helped push it along. We did live events with people shopping; we continued to put out research showing how Cyber Monday was growing. And we created CyberMonday.com—a site that was a collection of Cyber Monday deals from hundreds of retailers. It shouldn't be a surprise that the retailers were going to capitalize on the opportunity to boost spending further.

By the second year, assuming it would get continued media attention, stores were pushing emails with Cyber Monday sales and posting big promotional takeovers on their websites. By year three, four and so on, it just kept getting bigger.

Are you surprised at all when you look back at how far Cyber Monday has come? When it started, it was generating about $500 million in sales, and this year it could be somewhere in the neighborhood of $10 billion.

It's not surprising given that ecommerce sales have been the biggest source of growth in retail for a couple of decades now. We continue to see big numbers and strong growth rates, which act as big multipliers.

What can an individual retailer do to stand out from the crowd on Cyber Monday, when everybody seems to be conveying similar marketing messages?

It's about being relevant to your customers during the other 364 days of the year. When you call on them to pay attention to you on a big day, then they have an affinity toward you. You've established a relationship with them, where you've been consistent with your brand promise and the products that you're selling.

Then, it comes down to execution. It starts with having the right products, being a good merchant, knowing what's going to be popular, making sure that you have the inventory to carry the day—and that you're not going to run out.

There's a marketing execution that needs to happen as well, to ensure that you're coordinating your Cyber Monday promotions across multiple channels, emails, social media, your affiliates, your search

engines, your display network, whatever other channels you're using. You want to make sure you're synchronized across all of them.

When you look back at your role in founding the Cyber Monday event, what are you most proud of?

Just being part of something and being able to tell my kids that I was the co-inventor of Cyber Monday, it's kind of a fun thing.

But in terms of what I'm most proud of, it's something related to the fundraising aspect. I mentioned that we created CyberMonday.com. Around that same time, our team member Ray Greenly passed away from lung cancer, and he was 51.

I had this idea of, "What if we make Cyber Monday an affiliate site, take the affiliate commissions, and put them toward a scholarship fund, so that we can provide tuition assistance to students who are pursuing careers in ecommerce and retail?" Retailers got on board and put their promotions on CyberMonday.com.

Even probably four or five years ago, over $3 million was raised in Ray's name. Ray was really beloved in the community, so to do something that can carry his name for years to come is definitely the thing I'm most proud of today.