Everyone knows the term Cyber Monday, but have you ever wondered where it came from?

Article



In November 2005, before he joined Insider Intelligence, our analyst Andrew Lipsman was hired by Dan Hess to work at research and analytics company Comscore. Little did Lipsman

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know, he had just joined the company that "discovered" the Cyber Monday holiday.

Lipsman and Hess, now global chief product officer at The NPD Group, discussed how Cyber Monday came to be and shared three little-known facts (plus one obvious one) about the retail holiday.

1. Cyber Monday was originally called Black Monday

At the time of Comscore's founding (1999), the only way to measure online activity was either to survey consumers (which is slow and imprecise) or to compile stats like site and page views, said Hess on a recent episode of our "Reimagining Retail" podcast. There was no way to see what people were actually buying.

"Things we know now, like variations in conversion rates and basket size were only known to the retailers themselves," he said.

To get a more in-depth picture of how consumers were shopping online, Comscore built a new technology that captured not just what sites people were visiting, but also what items they were buying in real time.

Fast forward to Black Friday 2002. At first, Comscore saw the usual consumer shopping patterns as it gathered its data: There was a surge in shopping after people left the Thanksgiving dinner table, and over the weekend malls were busy while the internet was quiet.

But then, something unexpected happened.

"By Tuesday morning, we were looking at Monday's data, and online shopping had lit up, quite appropriately, like a Christmas tree. And we knew at that point we had stumbled on a pretty major disruption in consumer behavior," Hess said.

Comscore dubbed that day "Black Monday," referring to the fact that retailers often spend most of the year in the red or barely breaking even until holiday sales push them into the black.

2. Cyber Monday wasn't always the No. 1 online shopping day

By 2005, Black Monday had turned into Cyber Monday, but it still had a ways to go before it climbed to No. 1.

"For years, [Cyber Monday] got misreported as 'the heaviest online shopping day of the year,'" said Lipsman, "even though nobody ever actually claimed that to be the case."



In fact, in 2005, Cyber Monday was only the eighth-heaviest shopping day, and in 2006 it was 12th, according to Comscore. Generally, up until that point, the second Monday in December was the biggest online shopping day.

It wasn't until 2008 that Cyber Monday broke into the top three as the financial crisis hit and cash-strapped consumers started looking for better deals.

Two years later, in 2010, Cyber Monday finally reached the No. 1 spot, where it has stayed ever since.

3. Sometimes, a little play at work can pay off

About six months before discovering the Black Monday phenomenon, Hess published a paper on the major trend of workplace shopping.

"In 2002, only about half the population had access to the internet in the US. Of those, less than 10% had a high-speed connection from home," said Hess. So shopping from work "became a much smoother, faster experience."

As ecommerce began to grow and workplaces began to give employees more freedom to surf the internet, consumers felt comfortable taking a few minutes here and there to get their shopping done.

"For companies to trust their employees to take a few minutes to get these shopping errands done without leaving their desks had its benefits to everyone, employees and companies," said Hess.

4. Cyber Monday isn't going anywhere

We forecast that US Cyber Monday sales will reach \$11.84 billion this year, up from less than \$250 million 20 years ago. We expect it will be the heaviest online shopping day again, outpacing Black Friday at \$9.81 billion in sales.





US Cyber Five Retail Ecommerce Holiday Season Sales, by Shopping Day, 2022

billions and % change vs. prior year



When asked if he could have predicted that Cyber Monday would be such a huge retail phenomenon, Hess is not shy to call it like it is.

"I'm not sure we were thinking about the level of promotion that would accompany it, but ... honestly I do think we expected it would be a massive day of online shopping and [be] massively important to the industry."

Listen to the full podcast.

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