

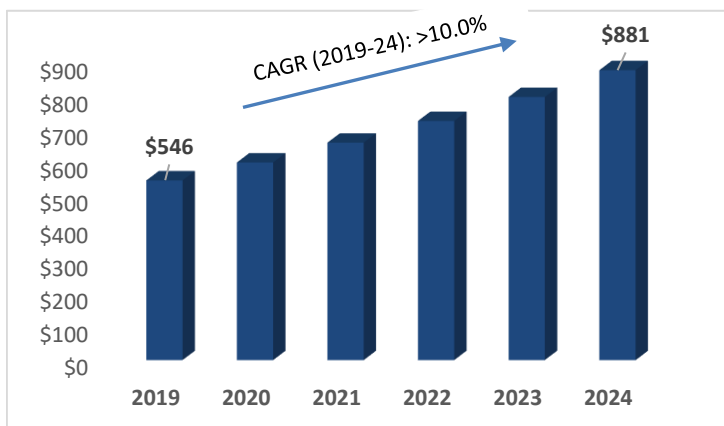
## Quazar Report – E-Commerce & Online Auctions

Q1 2020

Estimated Read Time: 4 minutes

“The rapid and continuous rise of the internet has given [e-commerce] industry companies the opportunity to reach hundreds of millions of customers without opening even a single store. Faster internet speeds and a surge in mobile device use have contributed to the mainstream adoption of internet shopping, which has contributed to stronger industry operating margins.<sup>1</sup>” During the five years through 2019, e-commerce sales in the U.S. rose at an annualized rate of 14.1%, bringing 2019 revenue to \$546.1 billion. The strong growth in e-commerce is expected to continue over the next five years. The highest growth is expected in traditional brick-and-mortar sectors like groceries, major appliance products, and clothing.<sup>1</sup>

### E-Commerce & Online Auctions in the U.S.<sup>1</sup> (\$Bn)



One of the primary factors contributing to the rise of e-commerce is the relatively low barriers to entry. Upfront capital costs and technical knowledge needed have become minimal through companies like Squarespace and Shopify Inc., which provide third party software tools to retailers simplifying the process of launching an e-commerce platform.<sup>1</sup> With increased competition, online retailers are going to have to continue to adapt and evolve to consumer preferences in order to compete.

In a recent article, Forbes gave some insight into what the future of the e-commerce experience might look like. The article states that the e-commerce experience will go beyond traditional screen purchases through new touchpoints such as voice, wearables, and kiosks. Additionally, companies will need to provide a more personalized experience based on things such as the consumer's geography, search history, and past behavior. Lastly, e-commerce brands will need to create more content around their products in order to give consumers more information to make correct purchasing decisions.<sup>3</sup>

### Key Trends/Industry Highlights

- Amazon.com Inc. has by far the largest e-commerce market share, accounting for roughly 21.2% of worldwide e-commerce sales through its combined brands Zappos.com, Woot.com, and Amazon.com.<sup>1</sup>
- Global e-commerce sales topped \$3.5 trillion in 2019, a roughly 18% increase over 2018. However, to put this into perspective, global retail sales topped \$25 trillion in 2019. This means e-commerce currently only accounts for 14% of total retail sales. This number is expected to grow at roughly a 2% pace through 2023.<sup>2</sup>
- Products and services segmentation as a percent of total U.S. e-commerce sales<sup>1</sup>:
  - Food, beer and wine – 3.2%
  - Media – 6.4%
  - Sporting good, toys, hobby items and games – 8.4%
  - Medication and health aids – 9.0%
  - Home and office – 14.6%
  - Clothing, footwear and accessories – 16.8%
  - Other merchandise – 20.2%
  - Computers, electronics and appliances – 21.4%

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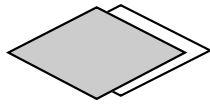
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# Quazar Capital Corporation

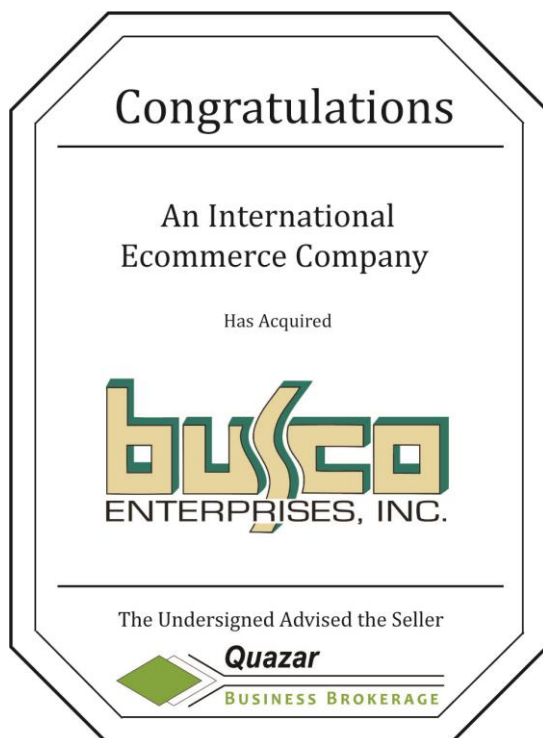
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## Selected Transactions: Recent Industry M&A Activity

M&A Closed Date	Target/Issuer	Buyers/Investors
03/31/2020	IdentityMind Global, Inc.	Acuant Inc.
03/19/2020	Petametrics, Inc.	TheMaven, Inc. (OTCPK:MVEN)
03/06/2020	Headliner Labs	Forward3D Limited
03/05/2020	Bestop Morris LLC	AutoAnything, Inc.
02/26/2020	NexuWeb Inc.	LANDRY et associés
02/14/2020	Colorado Kayak Supply	Twitch LLC
02/11/2020	Gorilla Commerce	Trilantic Capital Management L.P.
02/03/2020	CouponCause.com	Swagbucks
01/29/2020	iSense Ltd	Yotpo Ltd.
01/08/2020	Quantum Networks, LLC	Advantage Solutions Inc.
01/07/2020	Cirrus10, LLC	LucidWorks, Inc.
12/16/2019	Insite Software Solutions, Inc.	EPIServer AB
12/03/2019	k-eCommerce	Mediagrif Interactive Technologies Inc. (TSX:MDF)
11/07/2019	CenterStone Technologies, Inc.	PlumRiver LLC
10/29/2019	Muse Publishing, Inc.	ShootProof, LLC
10/07/2019	Direct to PolicyHolder, Inc.	Arthur J. Gallagher & Co. (NYSE:AJG)
10/01/2019	B2X Partners, LLC	Salsify Inc.
09/18/2019	Mediotype LLC	Blue Acorn iCi
09/11/2019	Sellers Choice, LLC	Jerrick Media Holdings, Inc. (OTCPK:JMDA)
09/10/2019	Anthony's Goods	ACH Food Companies, Inc.
09/05/2019	Nozani, LLC	Buy Box Experts
08/20/2019	Fully LLC	Knoll, Inc. (NYSE:KNL)

Source: Capital IQ

## Quazar Business Brokerage Advises Busco Enterprises, Inc. in its Sale



**Quazar Business Brokerage** is pleased to announce that Busco Enterprises, Inc. ("Busco") has been acquired by an International Ecommerce Company. Quazar Business Brokerage ("Quazar") advised Busco in the transaction.

The Shareholder of Busco made a strategic decision to transition the business to new ownership in order to create liquidity and to find a partner who could continue to grow the business. They chose Quazar as their M&A Adviser primarily due to Quazar's industry experience, extensive network, and reputation for successfully working with privately held businesses in the brokerage marketplace.

Quazar received national and international interest from many strategic buyers. The Shareholder ultimately decided that a large, international

company with industry and ecommerce expertise would be the best fit to continue to grow the business and create new opportunities for its employees.

**Busco Enterprises Inc.** is an online distributor of automotive, truck, agricultural, autobody, marine, small engine and industrial tools, equipment and shop supplies. Its website is directed to commercial, professional, individual and institutional users of these products. The company is based out of Vadnais Heights, Minnesota.

**Quazar Business Brokerage** ([quazarbusinessbrokerage.com](http://quazarbusinessbrokerage.com)) is a Minnesota based Business Brokerage Firm specializing in providing professional brokerage services to clients with \$1,000,000 to \$10,000,000 of enterprise value.