



THE FUTURE OF RETAIL 2018

STEPHANIE PANDOLPH, RESEARCH ANALYST

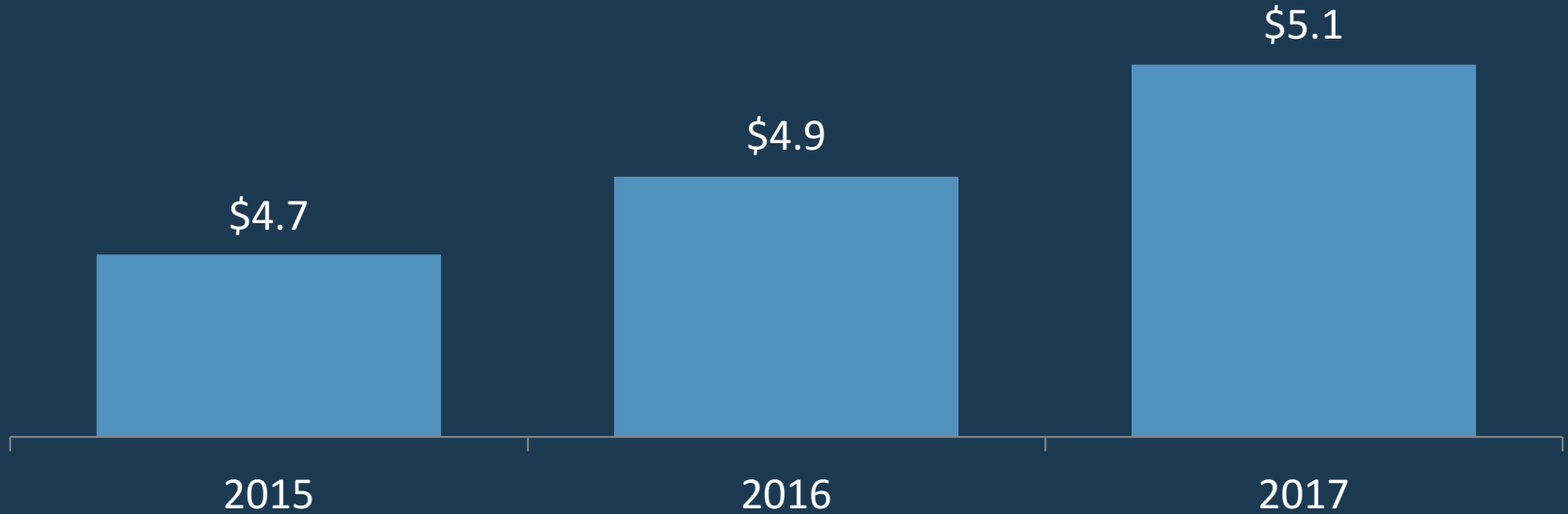


BI INTELLIGENCE

PROVIDING IN-DEPTH INSIGHT, DATA, AND ANALYSIS OF EVERYTHING DIGITAL

US RETAIL IS GROWING \$200 BILLION YEAR-OVER-YEAR

US RETAIL SALES, TRILLIONS (\$)



AND WILL BE \$5.5 TRILLION IN 2020

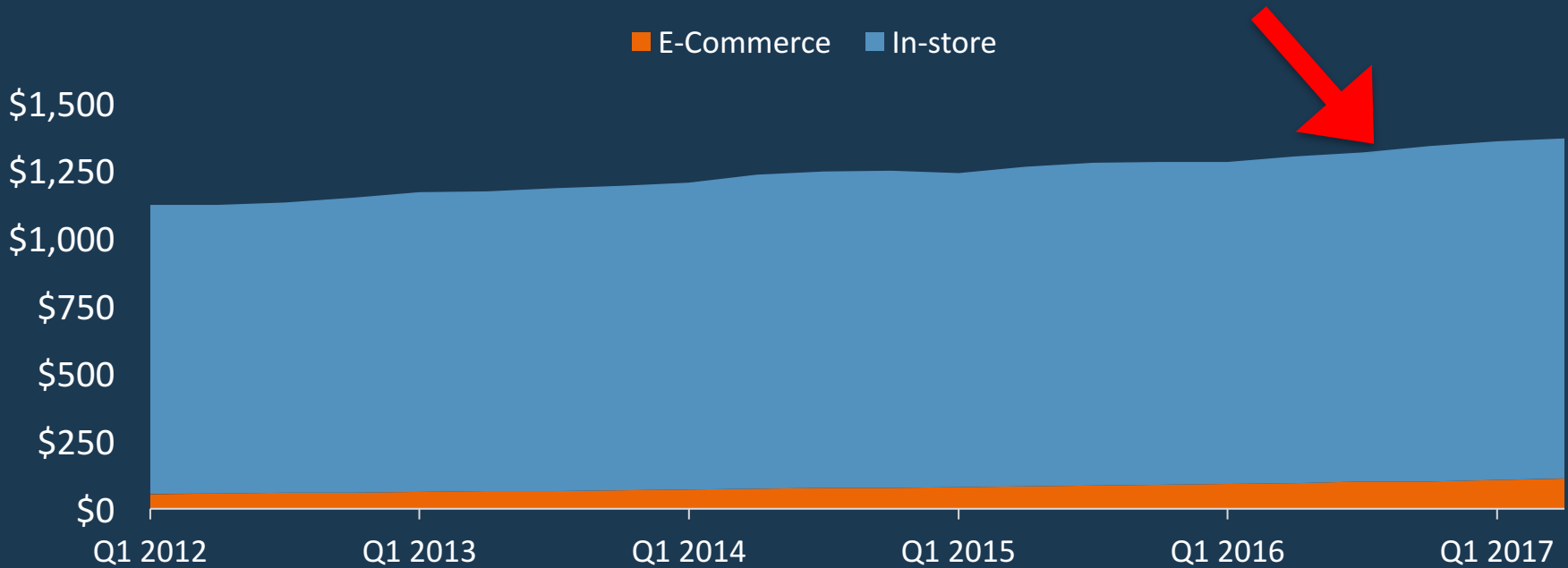
US RETAIL SALES, TRILLIONS (\$)



SO WHAT'S DRIVING THIS GROWTH?

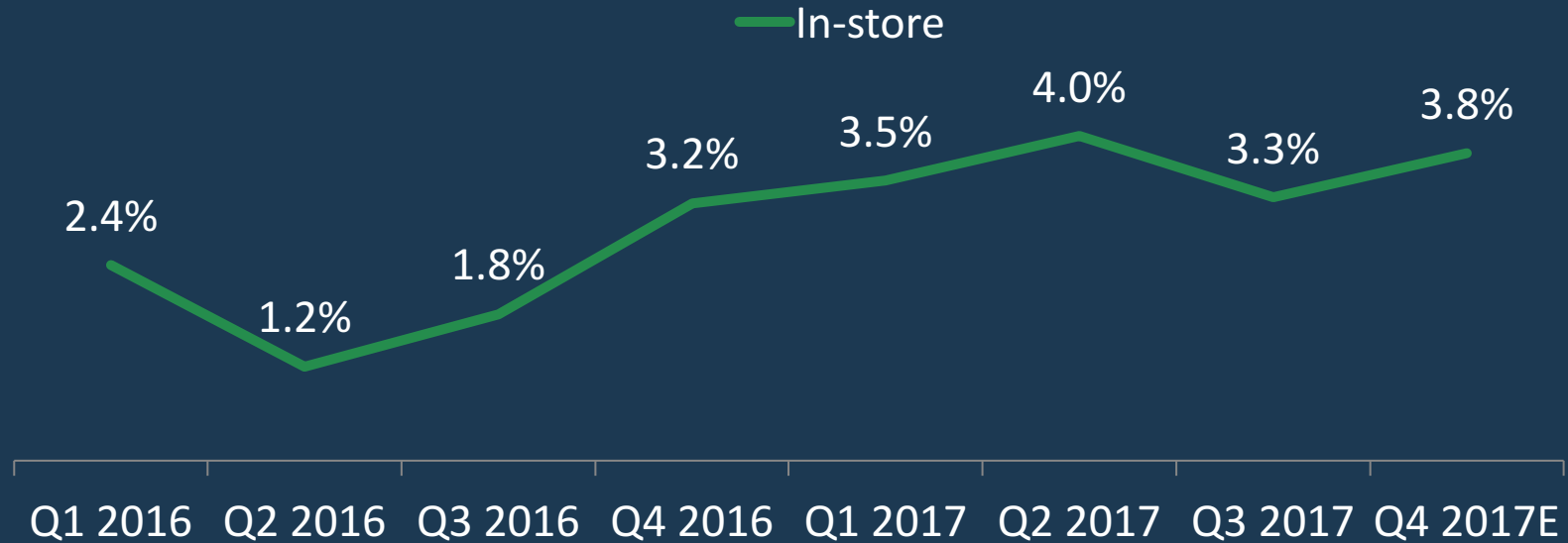
IN-STORE RETAIL DWARFS E-COMMERCE

US RETAIL SALES, BILLIONS (\$)



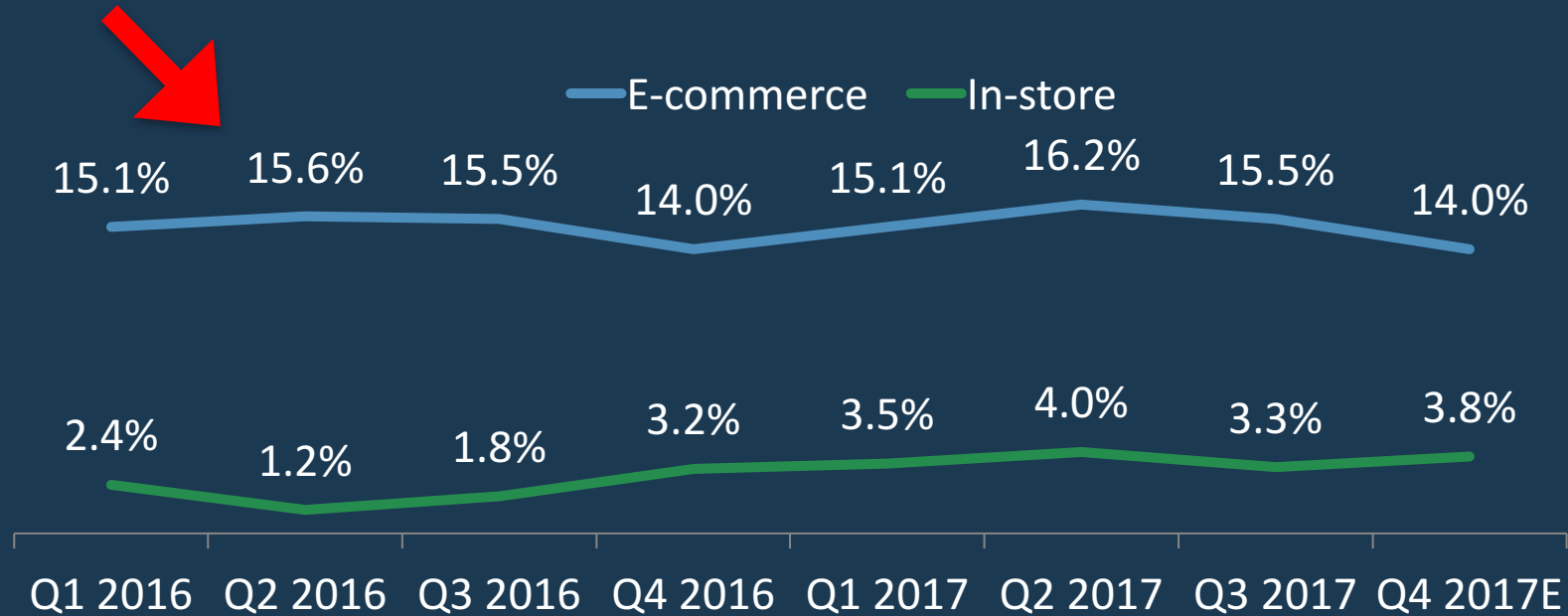
AND IS GROWING STEADILY

US IN-STORE YOY GROWTH RATES



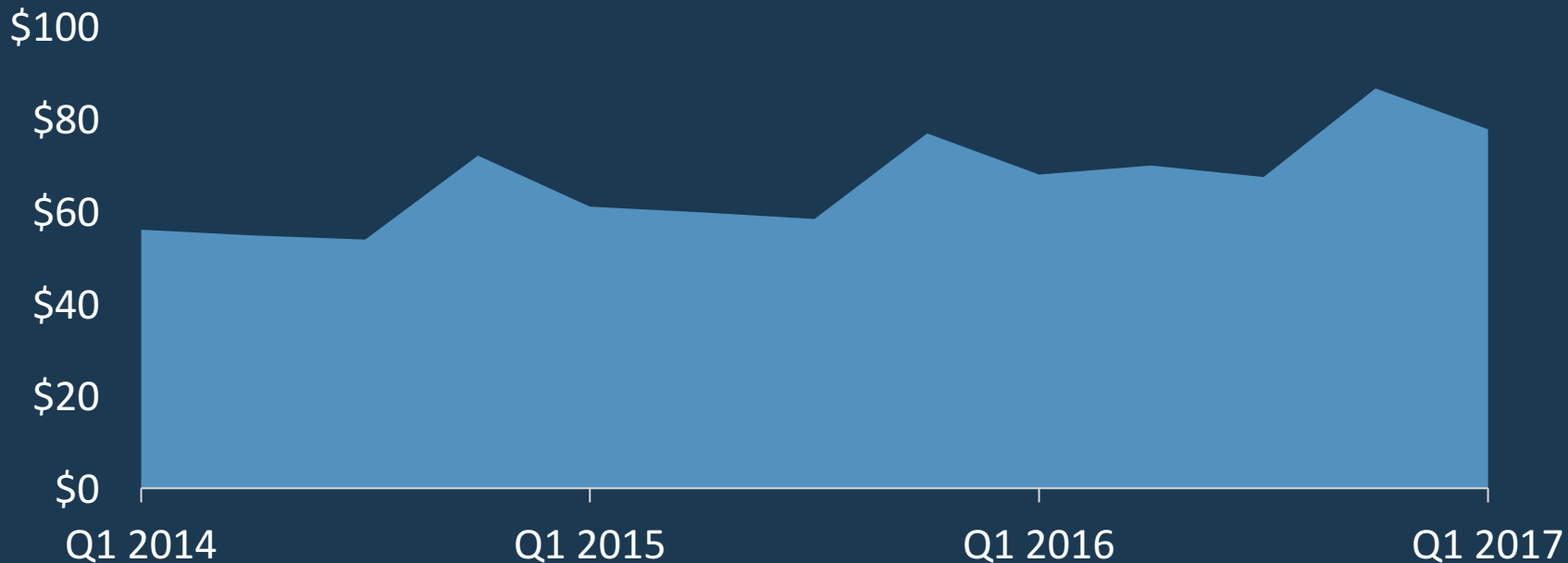
BUT E-COMMERCE IS GROWING ALMOST 4X FASTER THAN IN-STORE RETAIL

US IN-STORE AND E-COMMERCE GROWTH RATES



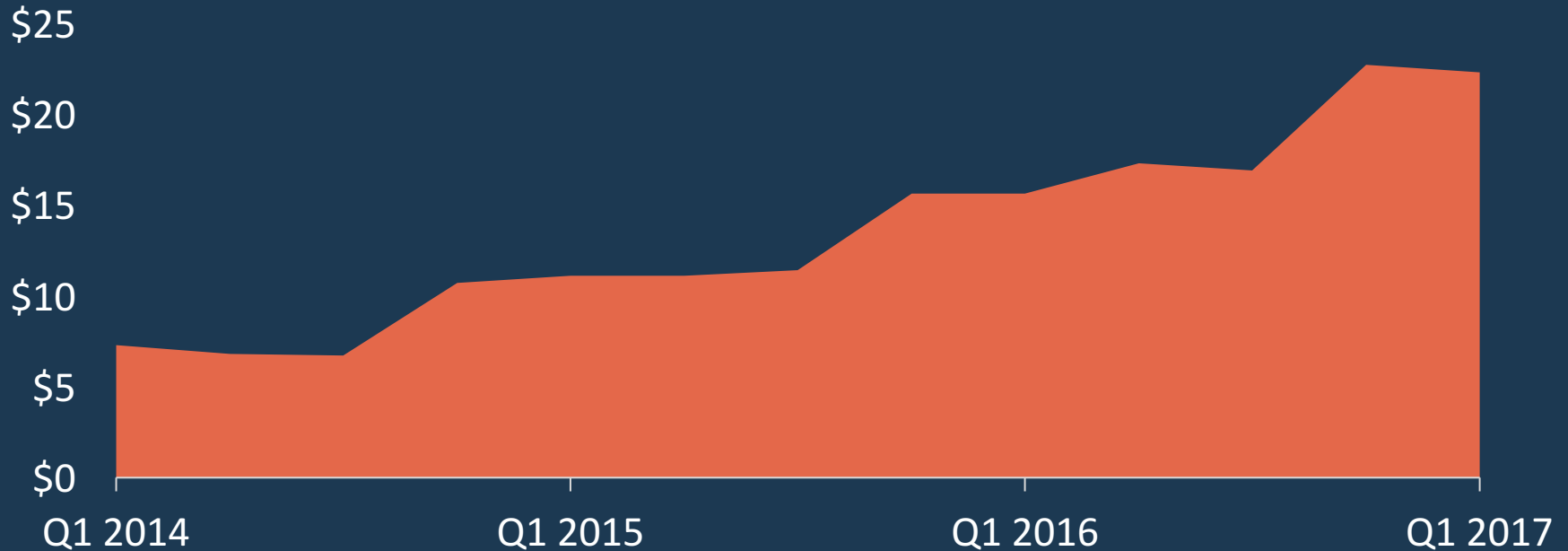
AND WHILE CONSUMERS ARE MAKING MORE PURCHASES ON DESKTOP

US E-COMMERCE SALES ON DESKTOP PC, BILLIONS



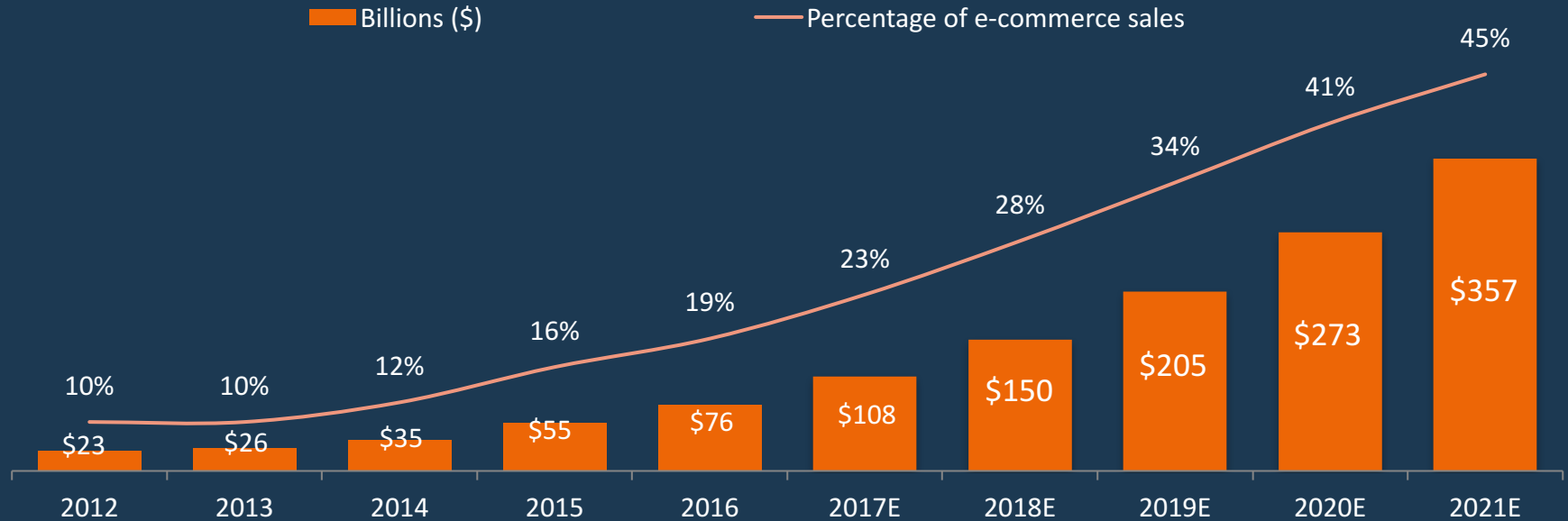
IT'S MOBILE COMMERCE THAT'S DRIVING GROWTH

US M-COMMERCE SALES, BILLIONS



AND WILL SOON ACCOUNT FOR NEARLY HALF OF E-COMMERCE SALES

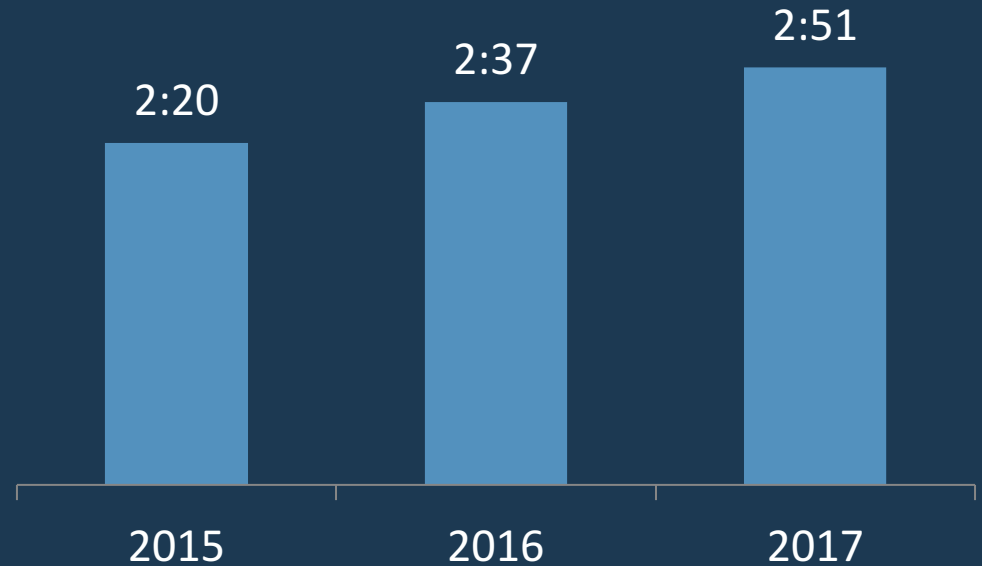
FORECAST: US M-COMMERCE SALES VOLUME



**MOBILE WILL BE THE MOST IMPORTANT
CHANNEL FOR E-COMMERCE RETAILERS**

HOURS SPENT ACCESSING INTERNET VIA MOBILE,
US

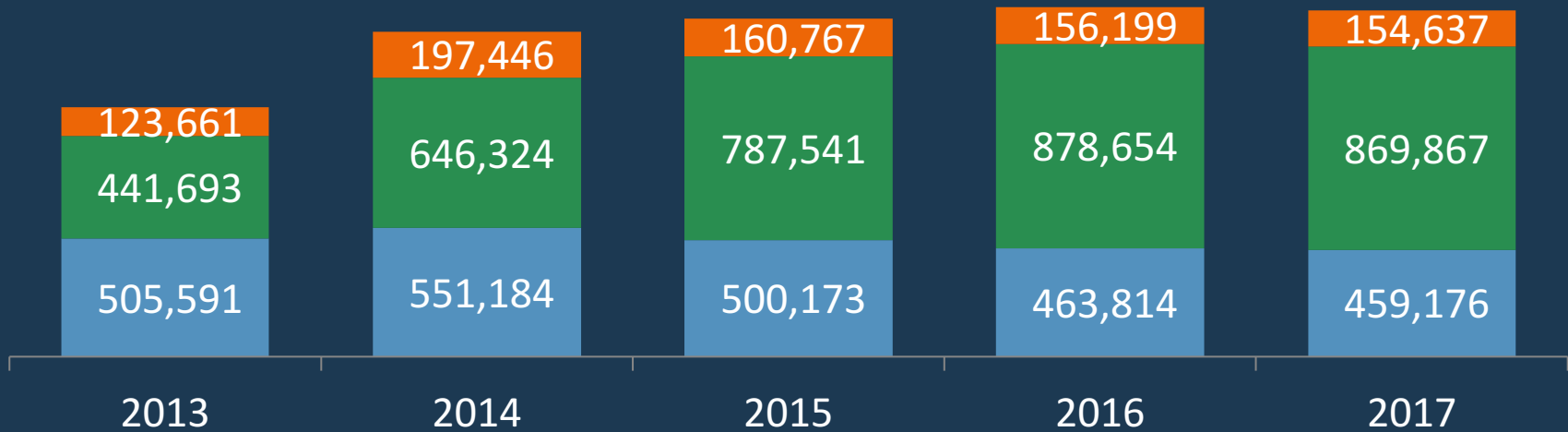
PEOPLE SPEND
NEARLY
3 HOURS A DAY
ACCESSING THE
INTERNET ON THEIR
PHONES



WHICH IS MORE TIME THAN ANY OTHER DEVICE

MINUTES SPENT ACCESSING INTERNET BY DEVICE IN A MONTH, MILLIONS, US

■ Mobile ■ Smartphone ■ Tablet

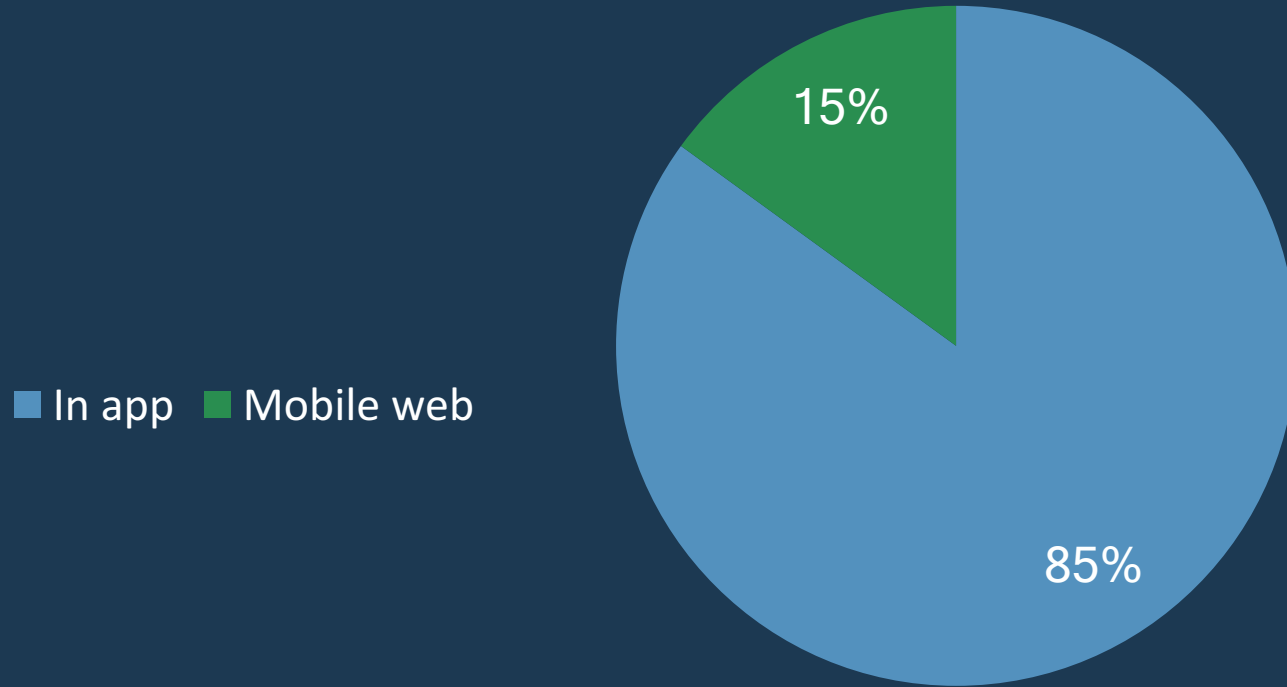


Note: Month referenced is December

Source: comScore Media Metrix MultiPlatform, BI Intelligence estimates

BI INTELLIGENCE

AND EVEN THOUGH NEARLY ALL OF THAT TIME IS IN APPS



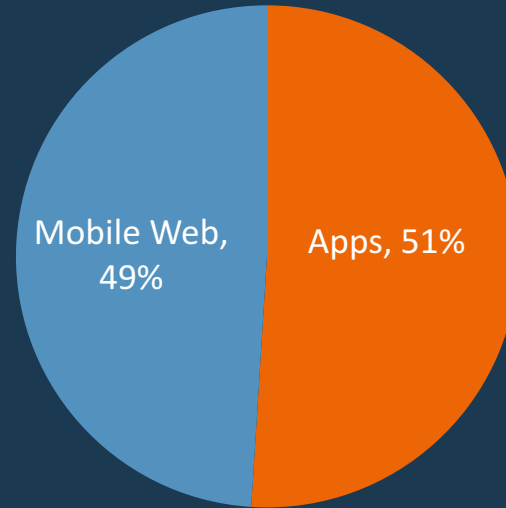
AND CONSUMERS SAY PURCHASING ON APPS SAVES MONEY AND TIME

WHY US CUSTOMERS USE E-COMMERCE APPS



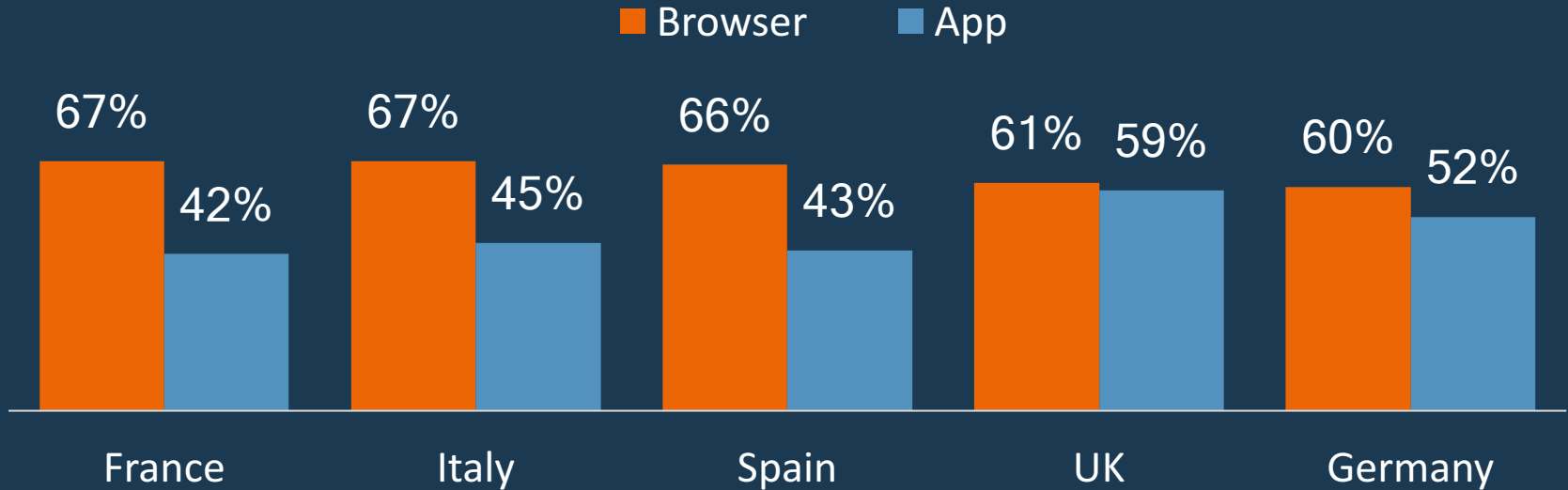
CONSUMER MOBILE PURCHASE PREFERENCE

**CONSUMERS STILL
ONLY MAKE HALF OF
THEIR PURCHASES ON
APPS**



AND IT'S A GLOBAL TREND

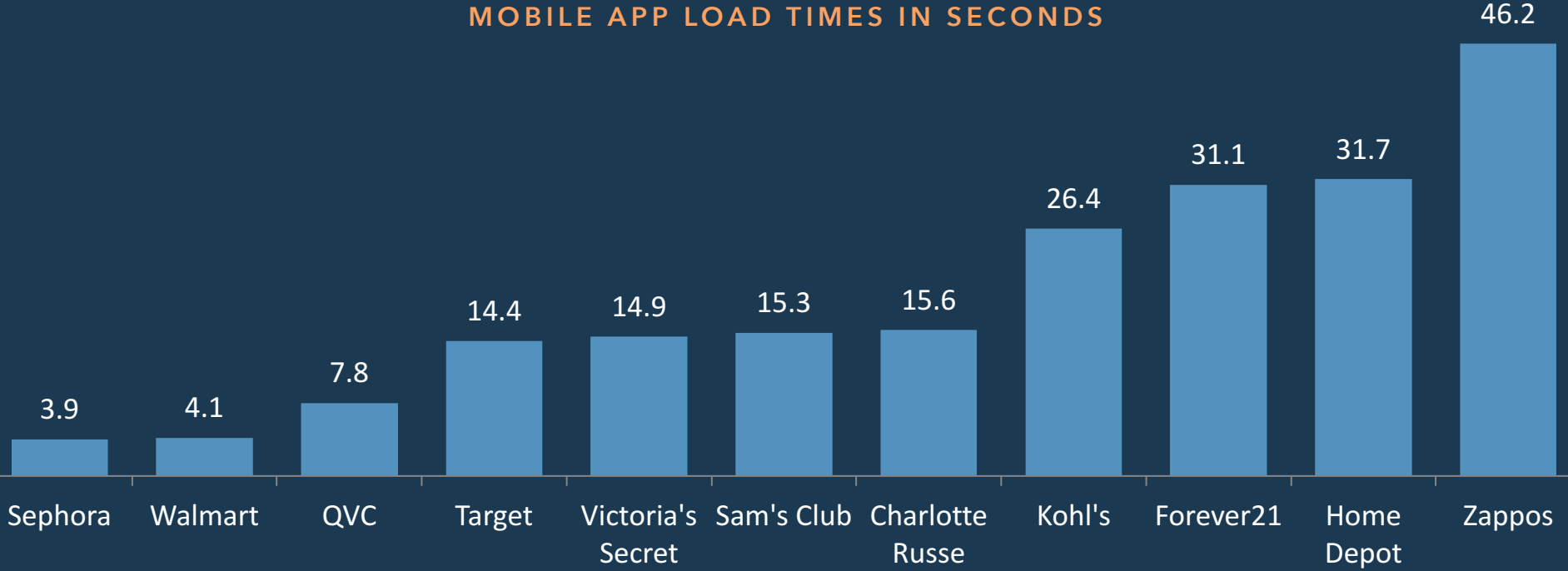
METHOD OF MOBILE PAYMENT AMONG SMARTPHONE USERS, BY COUNTRY
AVERAGE OVER THREE MONTHS ENDING APRIL 2016



Note: Discrepancies occur from rounding
Source: comScore, MobileLens Plus

BECAUSE APPS TAKE A LONG TIME TO LOAD

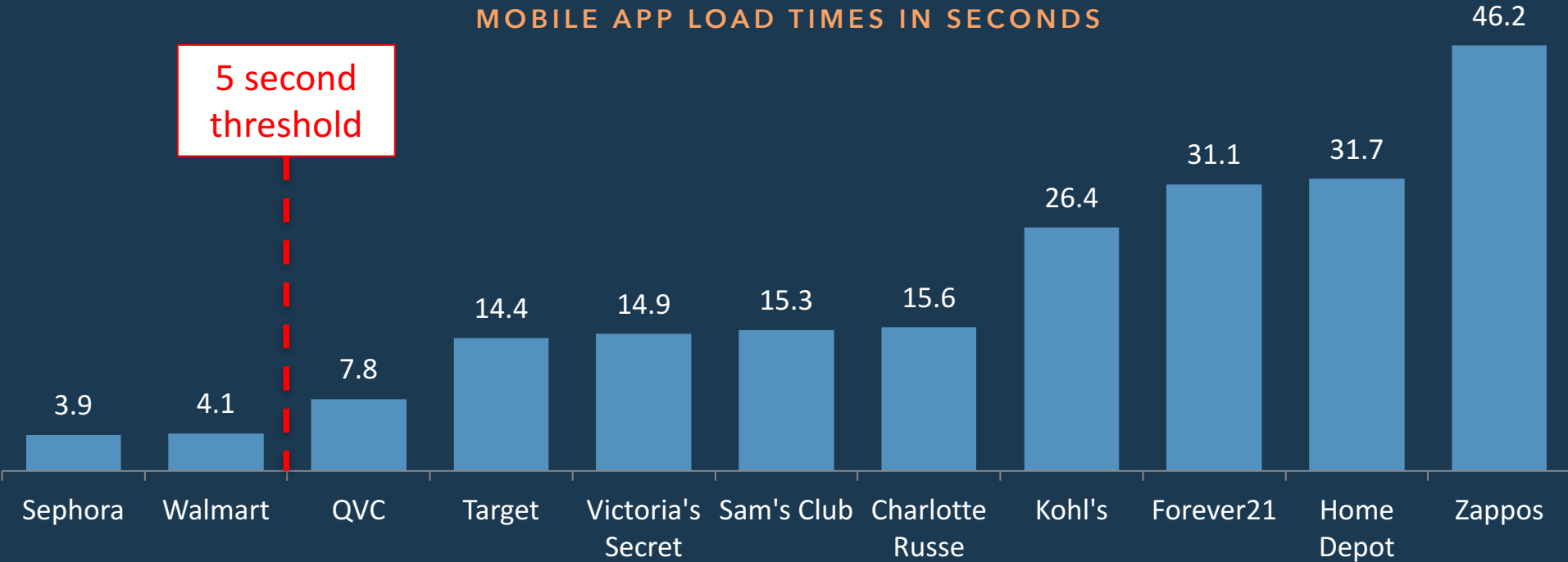
MOBILE APP LOAD TIMES IN SECONDS



Note: Times were measured on iOS devices using a WiFi connection
Source: PacketZoom Mobile App Retail Index, 2017

AND CONSUMERS WON'T WAIT MORE THAN 5 SECONDS FOR AN APP TO LOAD

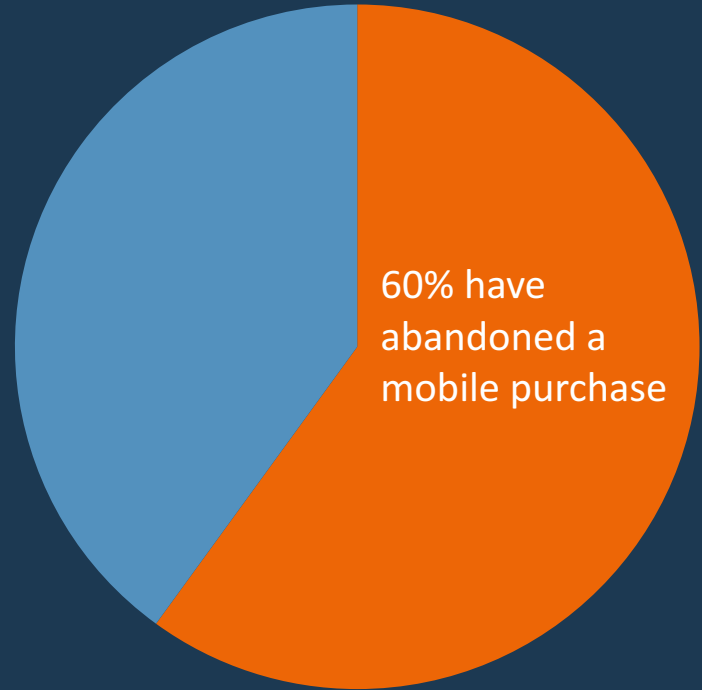
MOBILE APP LOAD TIMES IN SECONDS



Note: Times were measured on iOS devices using a WiFi connection
Source: PacketZoom Mobile App Retail Index, ContentSquare 2017

BI INTELLIGENCE

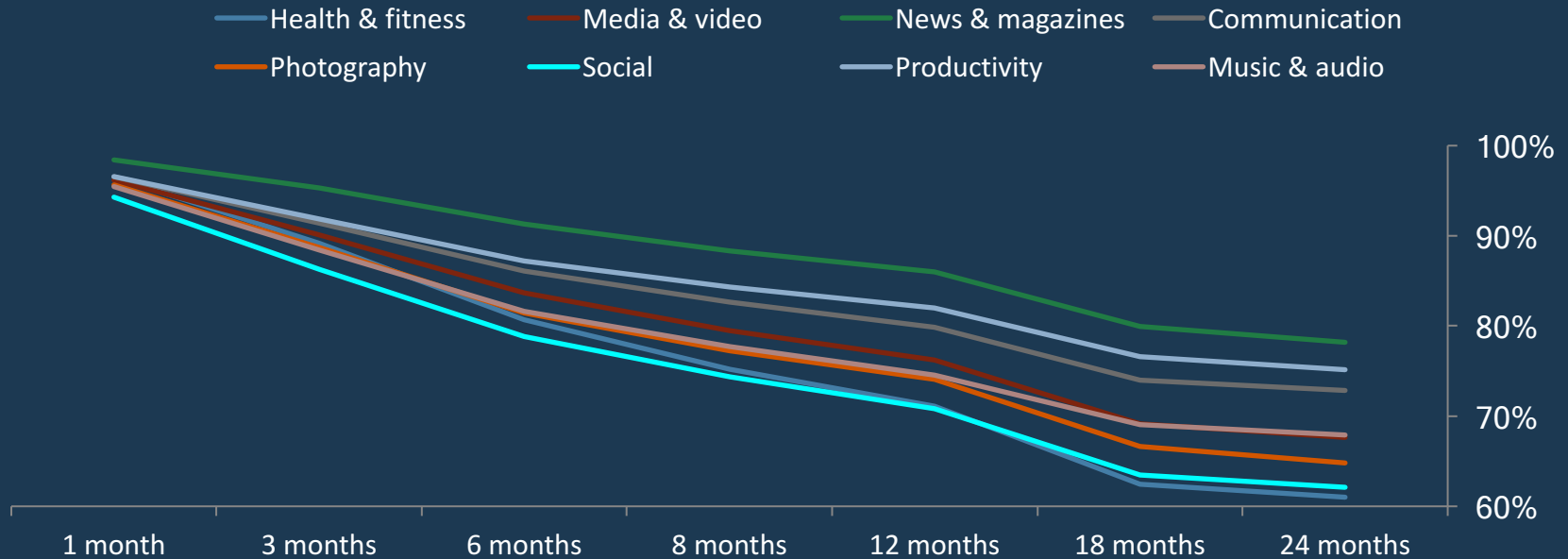
**OVER HALF OF
CONSUMERS
ABANDON PURCHASES
ON MOBILE**



**TO REENGAGE CONSUMERS
ON APPS
RETAILERS ARE USING
PUSH NOTIFICATIONS**

BECAUSE CONSUMERS KEEP THEIR APPS EVEN IF THEY'RE NOT USING THEM

APP CATEGORY INSTALL RETENTION RATES



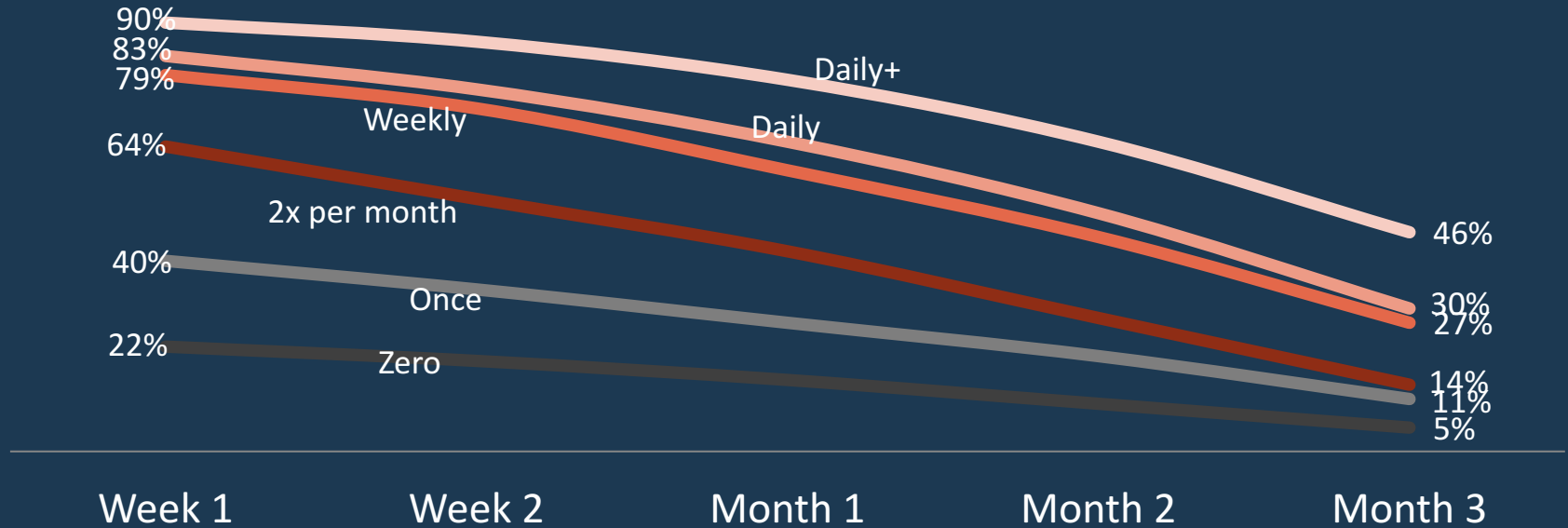
n= 4 million Android users

Source: SimilarWeb

BI INTELLIGENCE

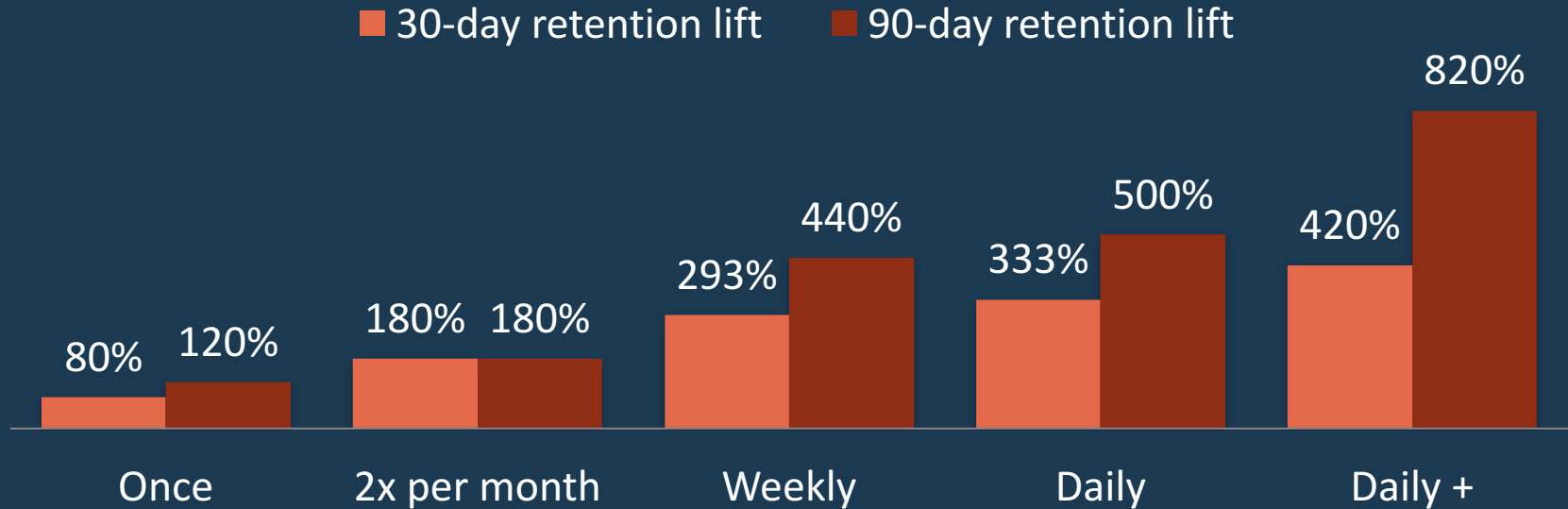
AND PUSH NOTIFICATIONS HELP APP RETENTION

APP RETENTION RATE OVER TIME, BY FREQUENCY OF PUSH NOTIFICATIONS



AND MORE PUSH NOTIFICATIONS ARE EVEN BETTER

PUSH MESSAGE IMPROVEMENT ON RETENTION RATE, BY MESSAGE FREQUENCY



**RETAILERS WHO USE
PUSH NOTIFICATIONS SAW
9.6X MORE PURCHASES
COMPLETED**





**AND 16% HIGHER
ORDER VALUE
ON AVERAGE**

E-COMMERCE GROWTH IS THE TOP PRIORITY FOR RETAILERS





**BUT VERY FEW RETAILERS
INVEST IN MOBILE –
ONLY 38% PLAN TO
INCREASE THEIR
INVESTMENT**

AND EVEN FEWER OPTIMIZE FOR MOBILE WEB EXPERIENCES

MOST FRUSTRATING PART OF MOBILE PURCHASING EXPERIENCE

