



**THE ROAD TO RECOVERY:
Y/Y ECOMMERCE SALES
& ONLINE SHOPPER INSIGHTS**

NetElixir™

AGENDA

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THE NEW RETAILER

Q&A SESSION WITH CHAS FOX, CEO OF MICROMARK



**WE HELP RETAIL BRANDS
FIND & ENGAGE
HIGH VALUE CUSTOMERS**

OUR SOLUTIONS

- PAID SEARCH & SHOPPING
- SEARCH ENGINE OPTIMIZATION
- SOCIAL MEDIA MARKETING
- AMAZON MARKETING SERVICES
- ANALYTICS CONSULTING
- ECOMMERCE TECH DEV

PARTNERS



CLIENTS



TODAY'S SPEAKERS



Chas Fox

CEO of Micro-Mark



<https://www.linkedin.com/company/micro-mark/>



Udayan Bose

Founder & CEO of NetElixir



[linkedin.com/in/udayanbose](https://www.linkedin.com/in/udayanbose)

AFTER THE WEBINAR ENDS, PLEASE TAKE A MINUTE TO COMPLETE OUR

SHORT SURVEY

JOIN THE CONVERSATION AND
SHARE YOUR THOUGHTS
USING #NXINSIGHTS

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The coronavirus outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people. With lives at risk, we hope that conditions improve quickly.

The outbreak is also having a growing impact on the global economy. This presentation is intended to provide retail industry leaders with a perspective on the evolving situation within United States and implications for their company's marketing programs.

The outbreak is moving quickly, and some of the perspectives in our presentation may fall rapidly out of date. This presentation is based on first hand ecommerce sales data for a select data set of online retailers as of **May 16, 2020**.

We will continue to closely track the category-level shopper insights and ecommerce sales data to identify any significant trends that emerge as the outbreak evolves. You can subscribe to netelixir.com/blog for weekly data updates.

RESEARCH OVERVIEW

- We aggregated and analyzed daily online sales metrics for 7 retail categories over seven, 14-day periods:
 - **Period 1 (The Beginning):** 2/9-2/22
 - **Period 2 (The First Spike):** 2/23 – 3/7
 - **Period 3 (The Outbreak Spreads):** 3/8-3/21
 - **Period 4 (The Second Spike Starts):** 3/22-4/4
 - **Period 5 (The Outbreak Spreads 2):** 4/5-4/18
 - **Period 6&7 (The Curve Starts to Show Signs of Flattening & States start to reopen in phases):** 4/19-5/16
- We compared daily data from 2020 to 2019 over these four time periods.
- The retail categories considered for our research: Apparel, Home Decor, Tools and Hardware, Food, Gifting, Pet Supplies and Home Furnishings.
- For analyzing the Online Shopper Behavior metrics we used our proprietary, real-time customer analytics platform, **LXRInsights™** (<https://www.netelixir.com/lxrinsights>)



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ECOMMERCE DATA & ONLINE SHOPPER INSIGHTS

#stayathome

ONLINE SALES IS GROWING AT AN EXPLOSIVE PACE ACROSS CATEGORIES

%Y/Y Increase in Online Sales (2020 vs. 2019)

Date	Apparel	Food	Gifting	Home Furnishings	Home Décor	Pet Supplies	Hardware & Tools
2/9-2/22	-3.06%	61.98%	-3.03%	15.25%	19.43%	18.24%	1.88%
2/23-3/7	11.54%	44.91%	13.86%	5.08%	26.44%	39.94%	14.92%
3/8-3/21	-12.20%	186.16%	49.15%	2.84%	14.61%	14.71%	3.98%
3/22-4/4	-22.22%	590.64%	80.57%	30.86%	14.12%	56.33%	46.65%
4/5-4/18	-4.00%	263.00%	96.00%	57.00%	55.00%	81.00%	71.00%
4/19-5/02	16.90%	426.00%	89.00%	112.00%	114.00%	89.00%	114.00%
5/03-5/16	19.20%	278.00%	94.00%	116.00%	113.00%	68.00%	107.00%

RETAIL DATA: CONTRIBUTION OF ELECTRONIC SHOPPING

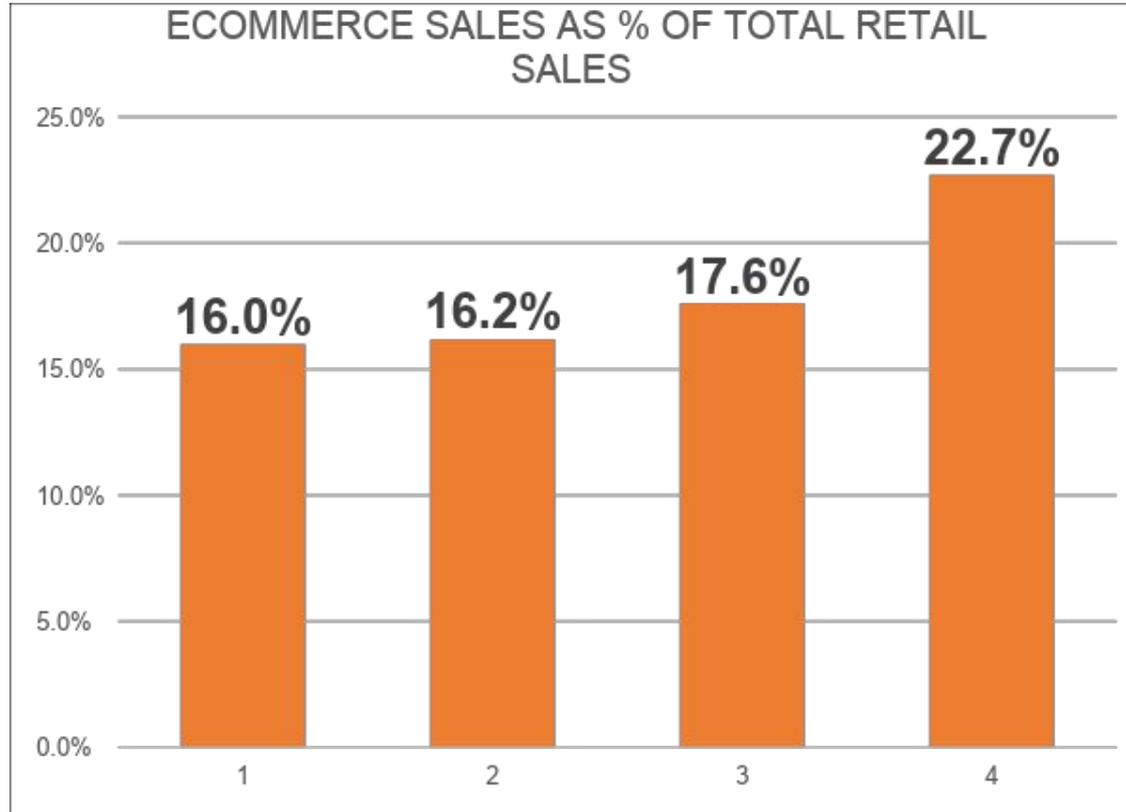
	JAN	FEB	MARCH	APRIL
2020 TOTAL ELECTRONIC SHOPPING AND M/O HOUSES (\$,MM)	60,985	61,620	65,292	70,544
2020 TOTAL ELECTRONIC SHOPPING AND M/O HOUSES (\$,MM)	55,475	56,222	55,985	57,185
% Y/Y INCREASE	+10%	+9.6%	+16.6%	+23.3%
2020 TOTAL RETAIL SALES (\$, MM) (Excl. motor vehicle and parts and gasoline stations)	381,425	380,742	370,779	310,841
2020 TOTAL NON STORE SALES (\$,MM) (% of total retail sales excl. motor vehicle and parts and gasoline stations)	16%	16.2%	17.6%	22.7%

↑ \$5.4 B

↑ \$13.3 B

Source: Monthly Retail Trade Reports for 2020 and 2019. <https://www.census.gov/retail/index.html>

ECOMMERCE WILL BE 25%+ OF TOTAL US RETAIL SALES BY END OF THIS QUARTER!



**IF YOUR ECOMMERCE BUSINESS IS
NOT GROWING AT 100% Y/Y,
YOU ARE PROBABLY
LOSING MARKET SHARE!**

QUESTIONS WORTH ASKING: ECOMMERCE

- How much demand can ecommerce retailers manage without breaking their supply chain and ecommerce infrastructure? Do they have the resources, technology, and partner ecosystem to manage this *rapid scale up*?
- Total retail sales decline in March and April was > \$125 B. When will this pent up demand explode and are ecommerce retailers ready for this?
- Should we start thinking about the 2020 Holiday Season now?

FORECAST FOR MAY: MOST CATEGORIES WILL EXPERIENCE HIGH DOUBLE DIGIT% Y/Y GROWTH

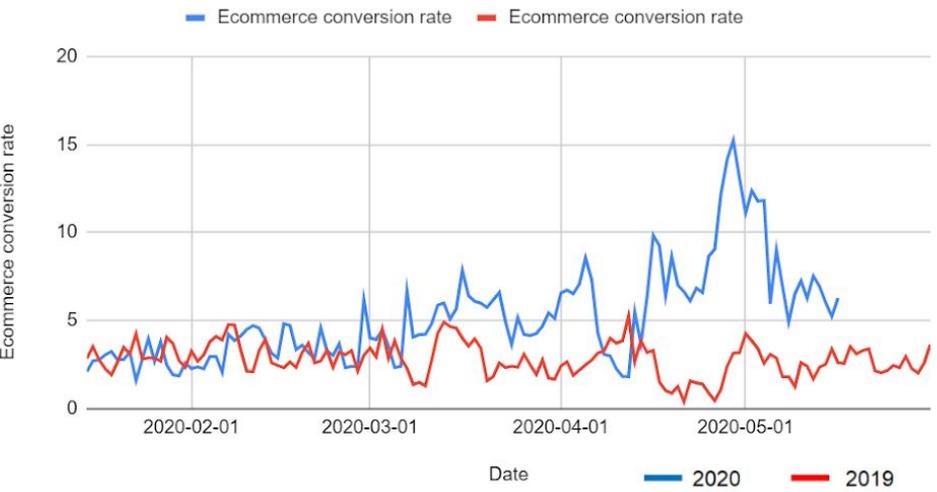
RETAIL CATEGORY	%Y/Y GROWTH IN ONLINE ORDERS (MARCH 2020)*	%Y/Y GROWTH IN ONLINE ORDERS (APRIL 2020)	%Y/Y GROWTH IN ONLINE ORDERS (MAY 2020), NETELIXIR ESTIMATES
Apparel	-9%	+3%	+12%
Food	+200%	+170%	+130%
Gifting	+60%	+88%	+80%
Home Furnishings	+18%	+76%	+60%
Home Decor	+23%	+70%	+60%
Pet Supplies	+28%	+55%	+55%
Hardware & Tools	+20%	+107%	+90%

* Our dataset comprises ecommerce retailers with annual ecommerce revenue of \$20 MM- \$300 MM. The above data pertains exclusively to our dataset and the forecasts may not be applicable for the entire category.

STRONG LIFT IN CONVERSION RATES ACROSS CATEGORIES

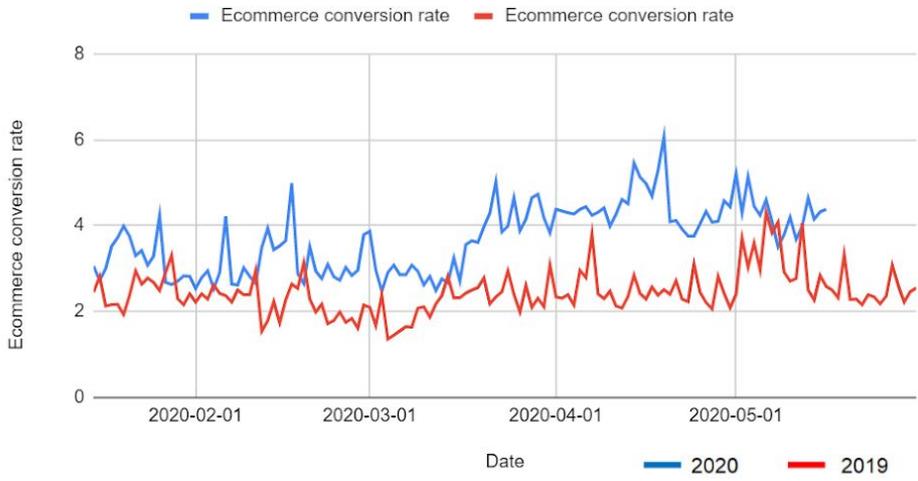
Food & Gourmet

Site-wide Ecommerce conversion rate

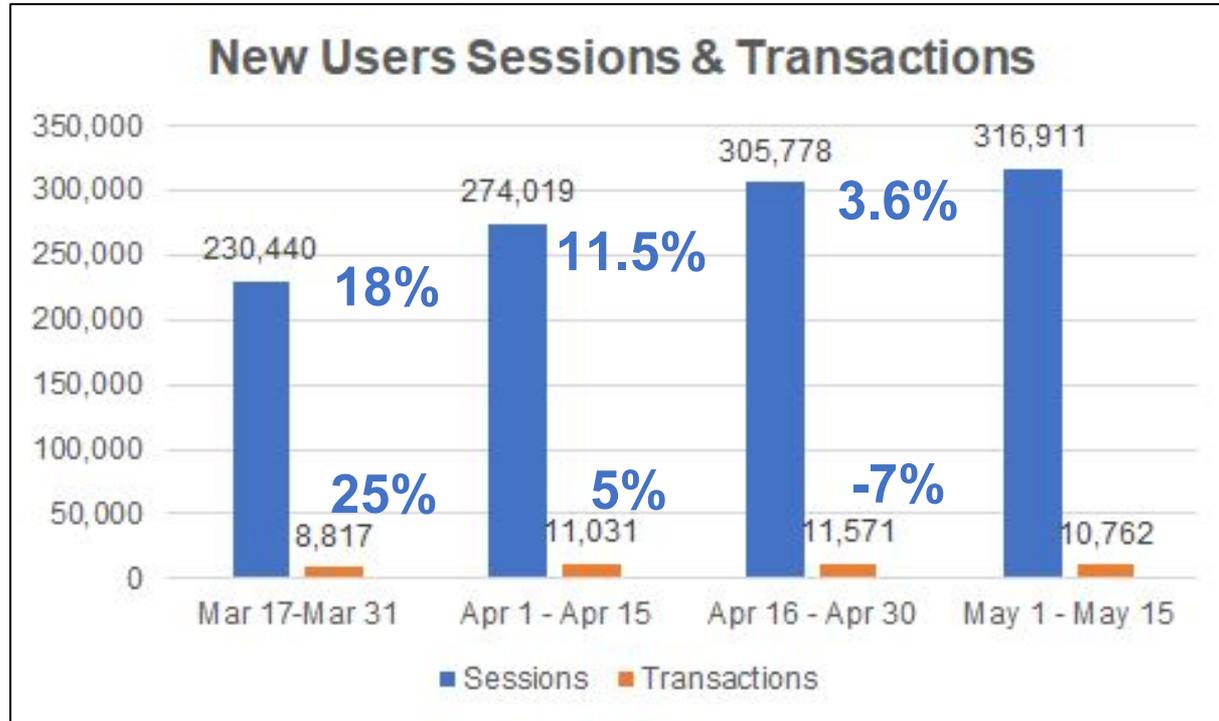


Pet Supplies

Site-wide Ecommerce conversion rate

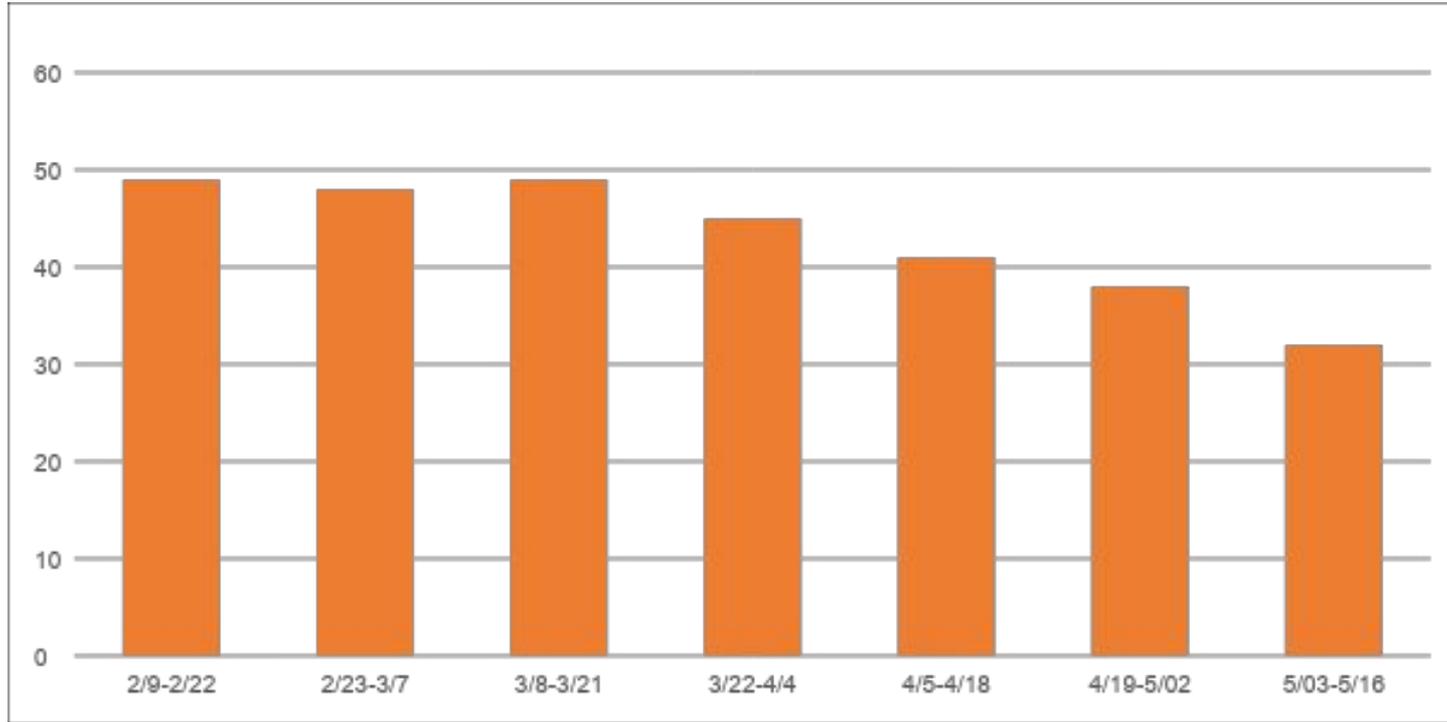


% INCREASE IN NEW SHOPPER SESSIONS AND ORDERS HAVE STARTED SETTLING AT AROUND 37% HIGHER THAN PRE-PANDEMIC LEVEL



Pet Supplies

NEW SHOPPERS ARE TAKING LESS TIME TO MAKE A PURCHASE



Pet Supplies

WHICH CATEGORY HAS BEEN SUCCESSFUL IN WINNING NEW SHOPPERS?

Category	Change in %New Orders (2020 vs2019)
Apparel	-3%
Food & Gourmet	+7%
Gifting	+8%
Home Furnishings	+3%
Home Décor	+4%
Pet Supplies	+3%
Hardware & Tools	+3%

OBSERVATIONS

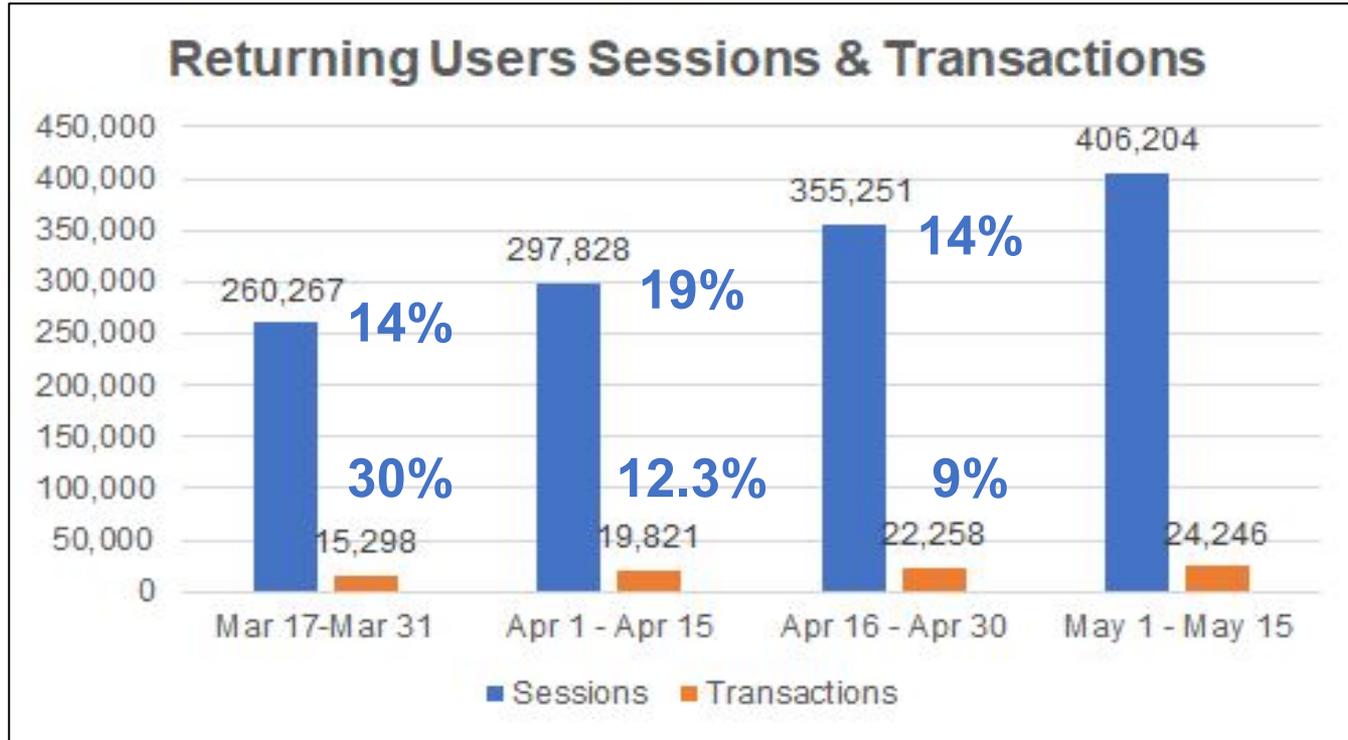
- Food and Gifting experienced the biggest jump in new shopper wins.
- Interestingly, even though larger and mid size retailers acquired new shoppers, their % new shopper orders remained more or less flat (+1.2%). On the other hand, SMBs that were nimble and aggressive with new customer acquisition, saw their % new shopper orders change by 8% vs. 2019.

DISCLAIMER: This presentation provides an informative overview based on data collected from a select set of NetElixir's clients belonging to the retail categories discussed. It does not purport to be a comprehensive analysis of all retailers within any particular category. Before acting on any information, you should consider its appropriateness to your particular circumstances and marketing objectives. Accordingly, NetElixir assumes no liability for the information

QUESTIONS WORTH ASKING: NEW SHOPPERS

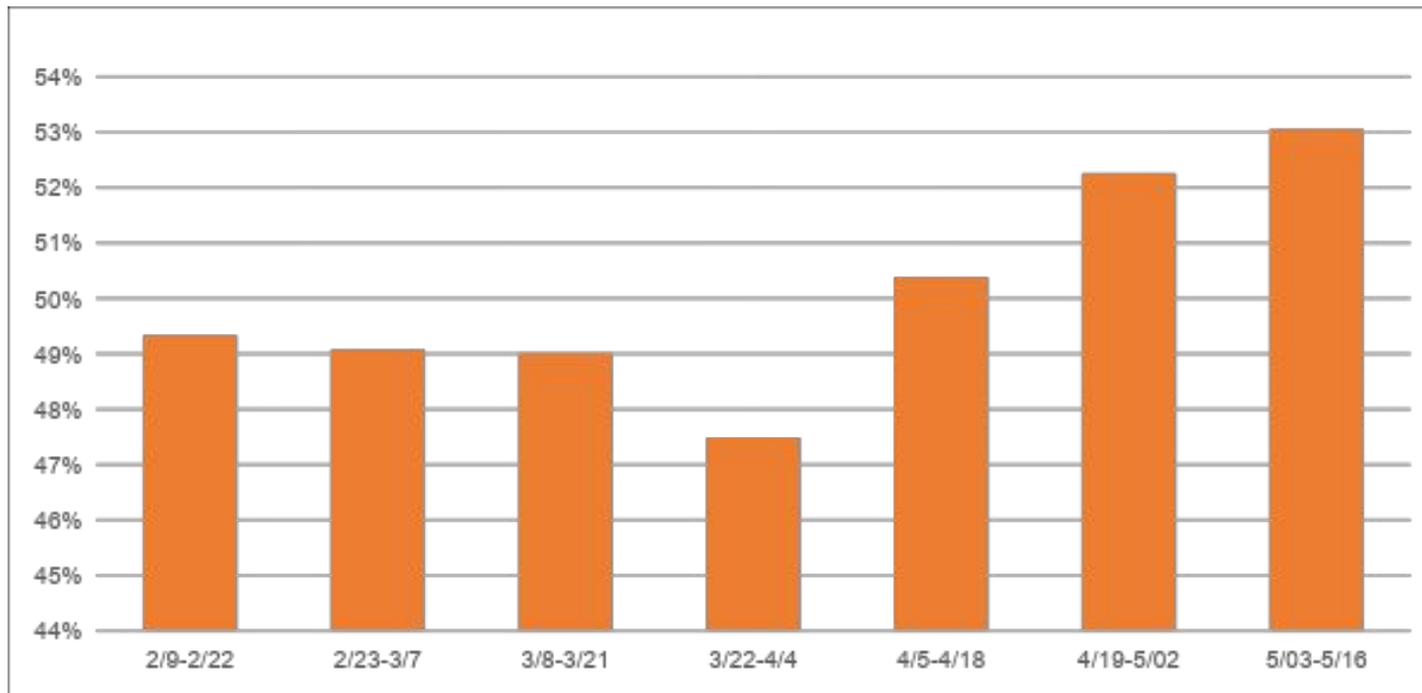
- Since March, your website conversion rate should have gone up at least by 20%. Have you ramped up your acquisition marketing yet to drive new website visitors?
- What are you doing to engage the new shoppers that you are acquiring? Do you have a plan in place?
- Are you analyzing the buying patterns of your new customers? Is it similar to your existing customers? What insights have you derived about the 4Ps of your marketing mix? How are you adapting the 4Ps?

RETURNING USERS ARE VISITING & BUYING MORE (76% MORE THAN THE PRE-PANDEMIC TIMES!)



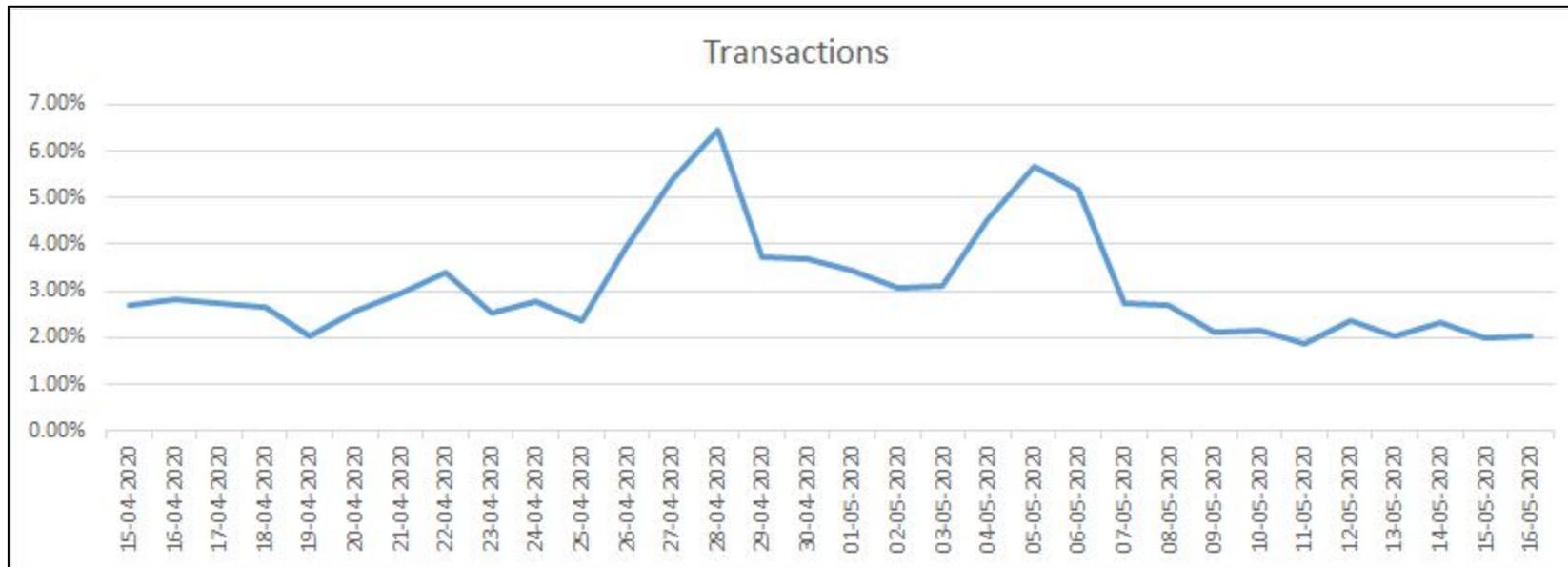
Pet Supplies

MOBILE IS DRIVING MORE SALES THAN EVER BEFORE



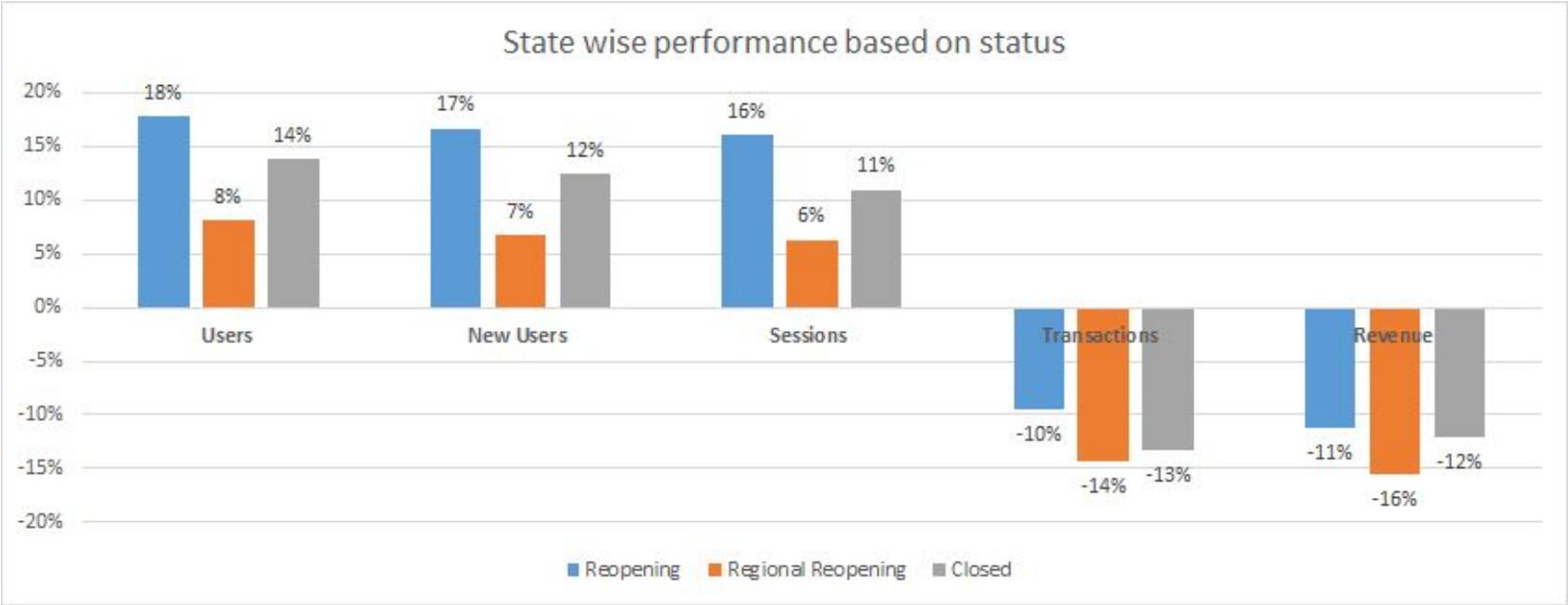
Pet Supplies

DAY-WISE REVENUE CONTRIBUTION



Food & Gourmet

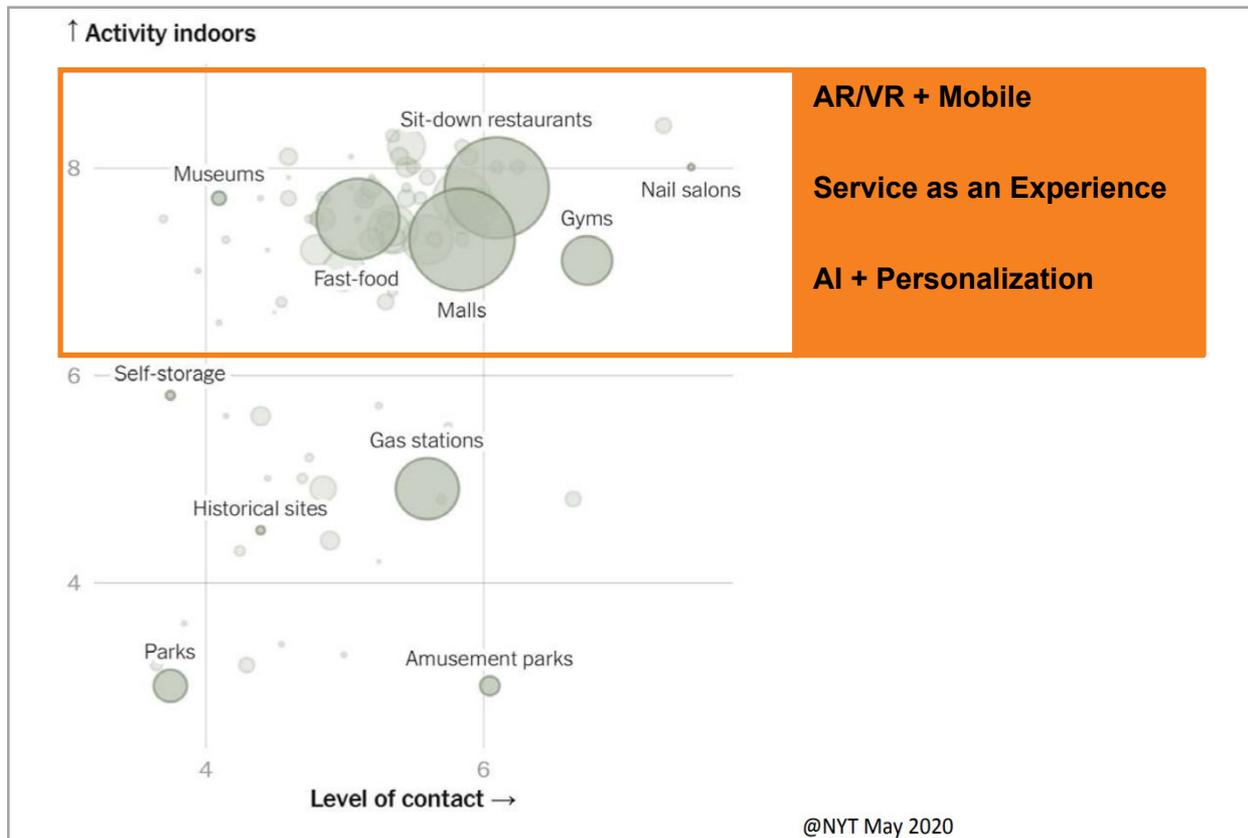
AS STATES REOPEN ARE THE ONLINE SALES TAKING A HIT?



Food & Gourmet

RETAIL INNOVATION OPPORTUNITIES ABOUND

Which Business to Patronize



GAIN A DEEPER UNDERSTANDING OF YOUR CUSTOMER

LXR INSIGHTS Powered by **NetEllixir** DEMO

High Value Customers

US 2.5k (11%) **24%** Revenue Contribution

Total Orders	Days since last Order	Orders Per Customer	Revenue per Customer
7,977	73	3.2	\$325

\$108 AOV (7 D) | \$98 AOV (17 D)

Top path among 680 unique paths: Google Paid Search (425 Orders)

Frequent Purchasers

US 992 (4%) **9%** Revenue Contribution

Total Orders	Days since last Order	Orders Per Customer	Revenue per Customer
2,628	140	2.6	\$301

\$121 AOV (7 D) | \$114 AOV (25 D)

Top path among 329 unique paths: Google Paid Search (158 Orders)

Mid Value Customers

US 10.0k (42%) **42%** Revenue Contribution

Total Orders	Days since last Order	Orders Per Customer	Revenue per Customer
9,986	88	1.0	\$144

Low Value Customers

US 10.0k (43%) **25%** Revenue Contribution

Total Orders	Days since last Order	Orders Per Customer	Revenue per Customer
9,984	159	1.0	\$83

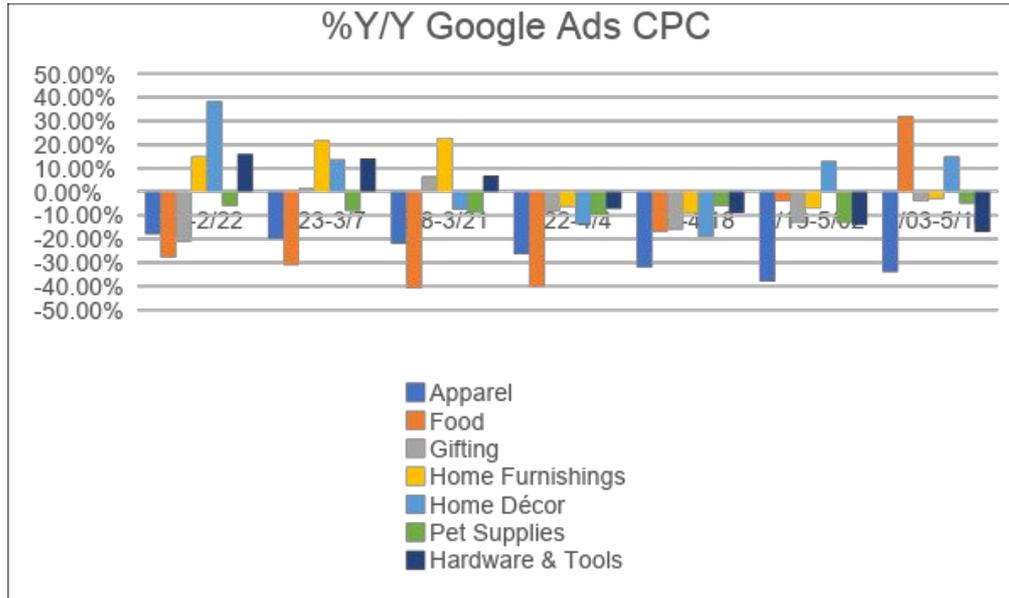




GOOGLE AD INVESTMENT & COST PER CLICK INSIGHTS

#stayathome

AFTER RAPID Y/Y DECREASE, THE CPC'S ARE SLOWLY MOVING BACK UP

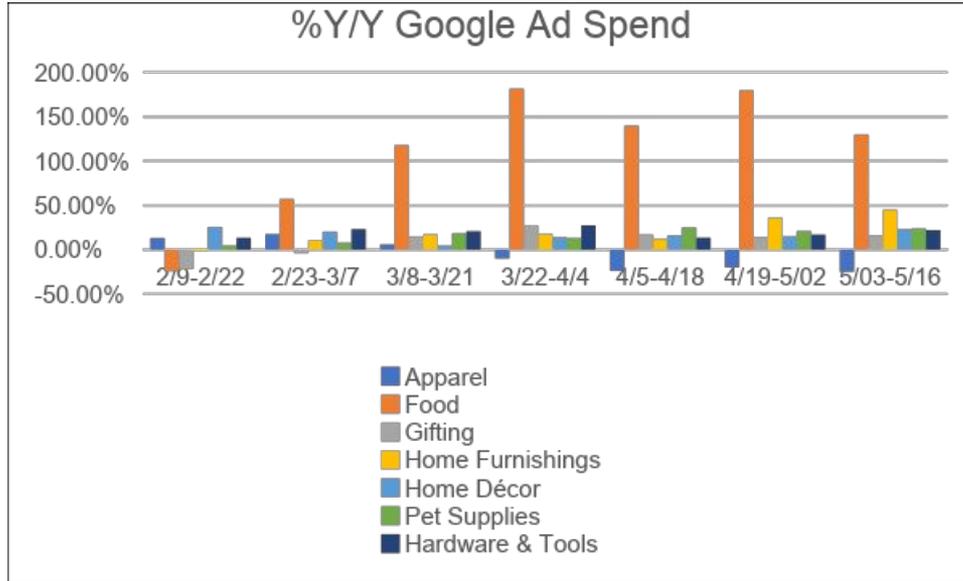


OBSERVATIONS

- The CPCs across categories are mostly lower than last year. As the CPC trend for the Food category shows, marketers are quick to jump in once they see sales growing (albeit, they take between 2-4 weeks to analyze trends and take action).
- Increase in online demand along with a lower CPC presents an attractive opportunity for businesses in food, home furnishings, home décor, pet supplies and hardware & tools categories to gain precious share of voice on Google.

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MOST ONLINE MARKETERS ARE INCREASING THEIR AD BUDGETS



OBSERVATION

- With the exception of apparel, marketers are slowly increasing their Google ad spend to take advantage of the low CPCs and incremental online demand.
- Due to low CPCs and substantially higher conversion rates, ROI from Google Ads has experienced a sharp increase for most categories.

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THE “NEW” RETAILER...

A woman in a light blue shirt and dark brown apron is working in a bakery. She is standing behind a counter with several large cakes decorated with strawberries and blueberries. In the background, there are shelves with various items and a colorful wall. The scene is lit with a soft, warm light.

**FOCUSSES ON
SHOPPING
CONVENIENCE**

**KNOWS THE POWER
OF SOCIAL ECONOMY**

**KNOWS HOW TO
CREATE NEW VALUE**

**KNOWS HER
CUSTOMER**

**HAS AN INTEGRATED
DIGITAL STRATEGY**

**IS SOCIALLY
RESPONSIBLE**

**SERVICES A DIVERSE
CUSTOMER BASE**

**PROMOTES A
HEALTHY LIFESTYLE**

**EMBRACES
TECHNOLOGY DRIVEN
INNOVATION**



IS PROUD TO PRESENT:

Lessons From the C-Suite



CHAS FOX

**CEO
at Micro-Mark**

TOOLS AND HARDWARE



REIMAGINE TOMORROW

UPCOMING TALKS



Opportunities in Times of Crisis

Presented by: Wharton UPenn,
Professor Jerry Wind

June 4 at 2PM ET



How Vigilant Organizations Gain An Edge

Presented by Wharton UPenn, Professor
George Day

July 9 at 2PM ET

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COVID-19

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A person wearing a grey jacket is holding several colorful shopping bags (brown, yellow, black with a pattern, and multi-colored striped). The background is a collage of mathematical formulas and symbols, including $X =$, \sin , \cos , π , λ , β , α , γ , δ , ϵ , ζ , η , θ , ι , κ , λ , μ , ν , ξ , \omicron , π , ρ , σ , τ , υ , ϕ , χ , ψ , ω , α , β , γ , δ , ϵ , ζ , η , θ , ι , κ , λ , μ , ν , ξ , \omicron , π , ρ , σ , τ , υ , ϕ , χ , ψ , ω . There are also icons of a shopping cart and a price tag.

THANK YOU

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