

A photograph of a two-lane asphalt road stretching into the distance in a desert landscape. The road has a yellow dashed center line and white solid edge lines. The surrounding terrain is arid with sparse, low-lying vegetation. In the background, there are low mountains under a blue sky with scattered white clouds.

ROAD TO RECOVERY: LESSONS FROM MID-SIZE RETAILERS ROUNDTABLE DISCUSSION

6.18.2020



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

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

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SHORT SURVEY

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SHARE YOUR THOUGHTS
#KNOWLEDGEINSPIRES

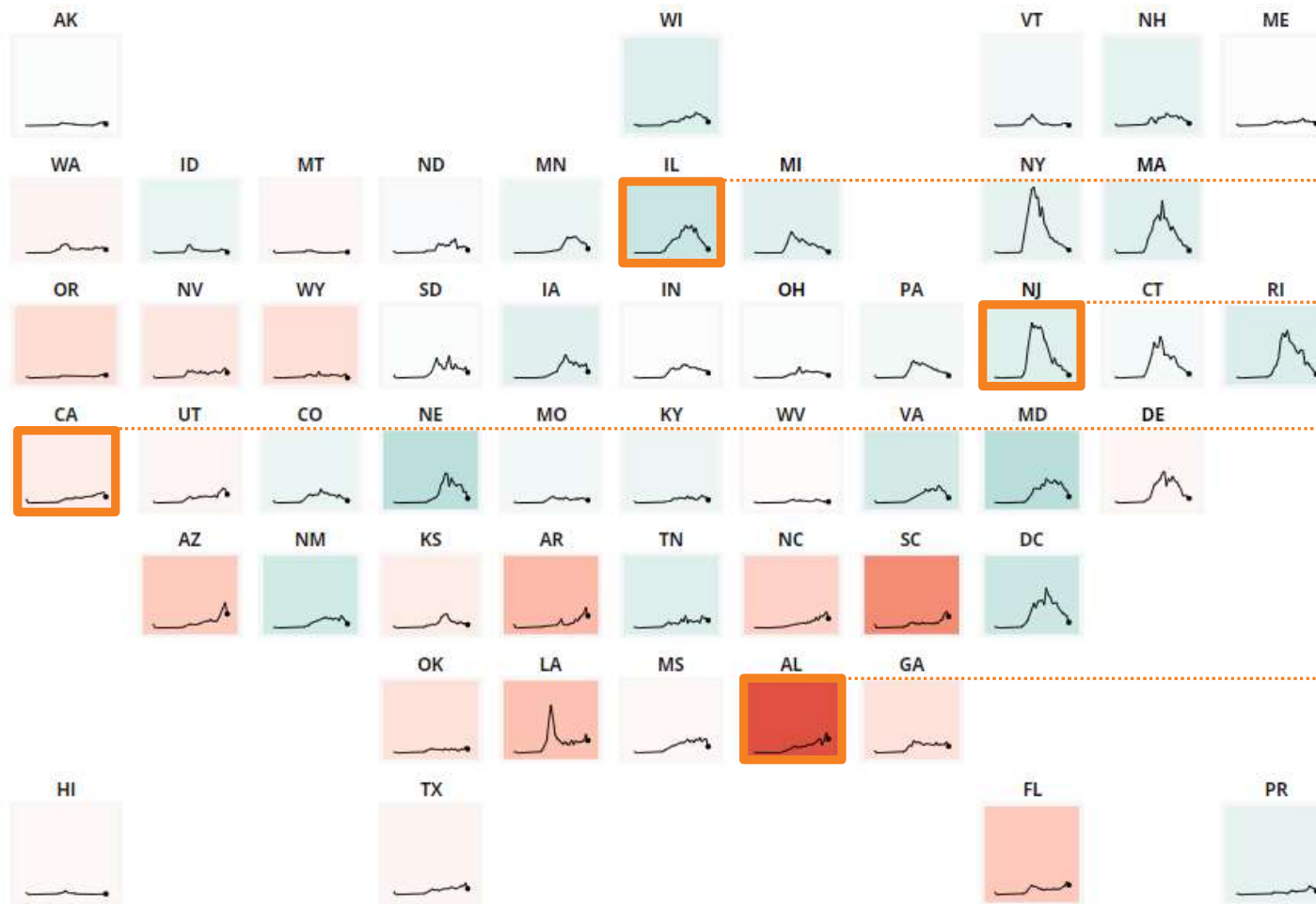
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The coronavirus outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people. With lives at risk, we hope that conditions improve quickly.

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The outbreak is moving quickly, and some of the perspectives in our presentation may fall rapidly out of date.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 **June 13, 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 nine, 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
 - **Period 8&9 (The Curve Flattens & Most States have Reopened):** 5/17-6/13
- 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>)



**YOU CAN ACCESS PREVIOUS
PRESENTATIONS OF THIS SERIES AT
[NETELIXIR.COM/COVID-19](https://netelixir.com/covid-19)**

A wide-angle photograph of a long, straight asphalt road stretching towards the horizon. The road is flanked by a dry, desert-like landscape with sparse vegetation. In the distance, a range of mountains is visible under a bright blue sky with scattered white clouds. The sun is high in the sky, creating a lens flare effect.

ECOMMERCE DATA & ONLINE SHOPPER INSIGHTS

#stayathome

ONLINE SALES CONTINUE TO GROW 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%
5/17-5/30	24.86%	184.00%	74.00%	155.00%	89.00%	86.00%	95.00%
5/31-6/13	11.2%	107.00%	73.00%	133.00%	78.00%	64.00%	71.26%

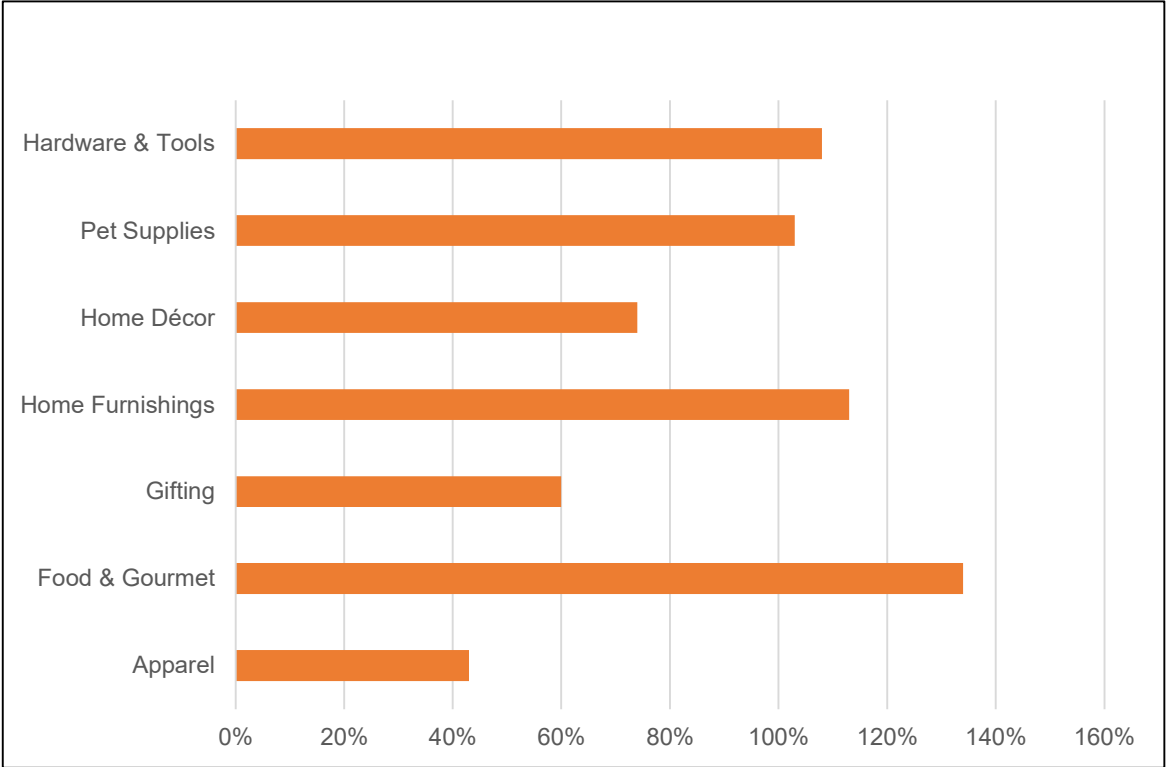
RETAIL DATA: CONTRIBUTION OF ELECTRONIC SHOPPING

	JAN	FEB	MARCH	APRIL	MAY
2020 TOTAL ELECTRONIC SHOPPING AND M/O HOUSES (\$,MM)	60,985	61,620	65,292	70,544	81,200
2019 TOTAL ELECTRONIC SHOPPING AND M/O HOUSES (\$,MM)	\$5.5 B 55,475	\$5.4 B 56,222	\$9.3 B 55,985	\$13.3 B 57,185	\$22.5 B 58,738
% Y/Y INCREASE	+10%	+9.6%	+16.6%	+23.3%	+38.2%
2020 TOTAL RETAIL SALES (\$, MM) (Excl. motor vehicle and parts and gasoline stations)	381,425	380,742	371,469	318,083	357,519
2020 TOTAL NON STORE SALES (\$,MM) (% of total retail sales excl. motor vehicle and parts and gasoline stations)	16%	16.2%	17.6%	22.2%	22.7%

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

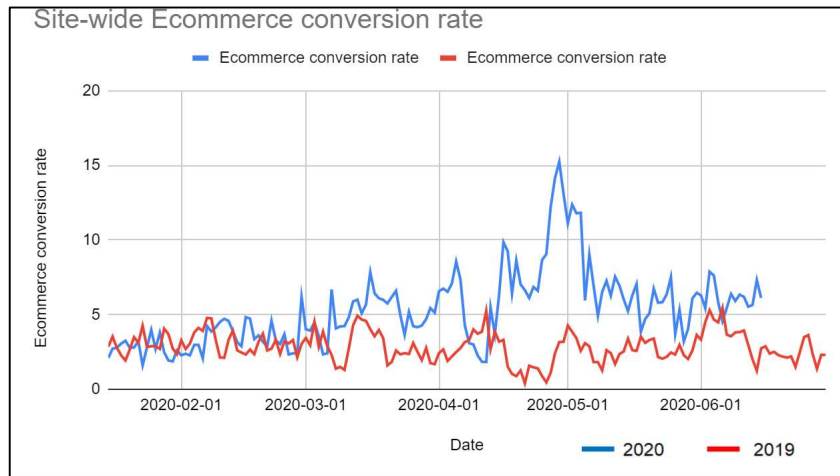
**ONLINE SALES WILL ACCOUNT FOR
23% OF TOTAL US RETAIL SALES BY
THE END OF THIS QUARTER**

%Y/Y INCREASE IN NEW SHOPPER REVENUE (5/17-6/13) CONTINUES TO BE VERY STRONG

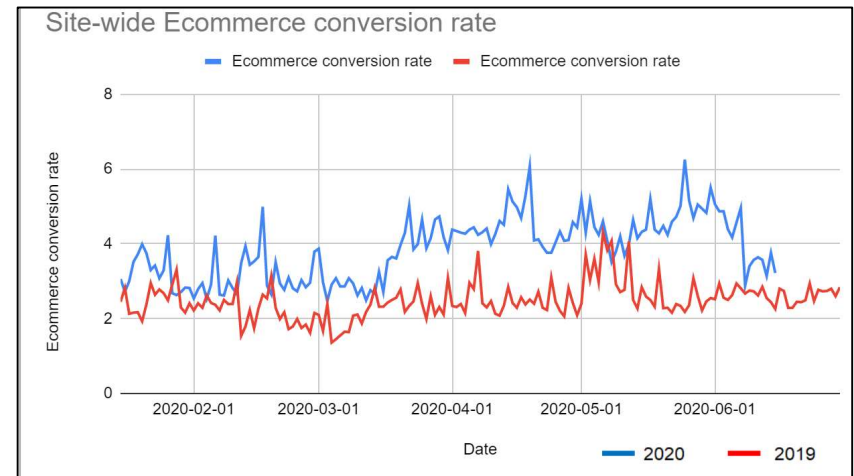


ACROSS CATEGORIES STRONG CONVERSION RATES CONTINUE

Food & Gourmet



Pet Supplies



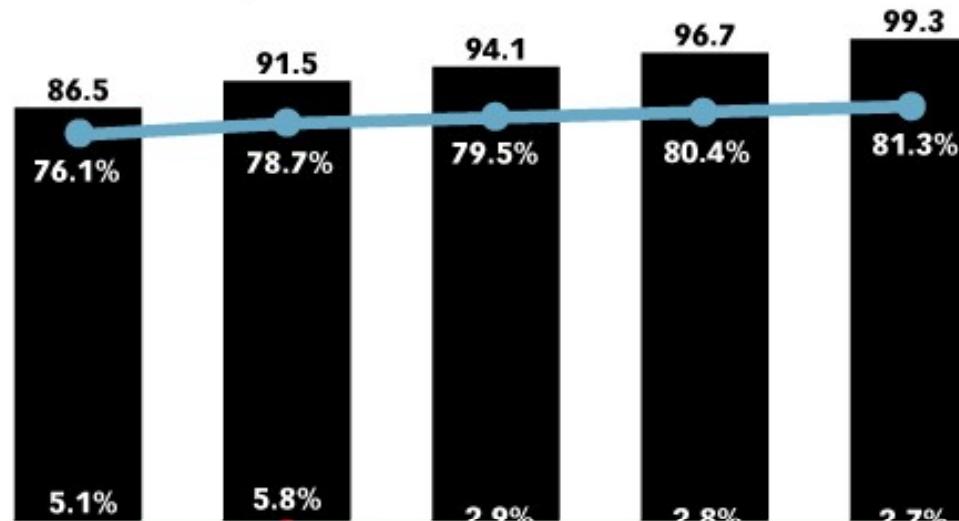
THE NEW SHOPPERS ARE

- Purchasing Faster (18%-27% faster than the pre-pandemic shopper).
- Purchasing More Frequently (30% more purchase instances compared to the pre-pandemic shopper).
- Spending More Per Purchase (12% increase in AOV compared to the pre-pandemic shopper).

**HAS THIS PANDEMIC ALTERED
SHOPPER BEHAVIOR PERMANENTLY?**

US Digital Buyers Ages 45+, 2019-2023

millions, % change and % of internet users



7.4 Million New Digital Buyers in 2020!

**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***?
- What % of total retail sales will ecommerce finally settle down at? **20%/25%/Higher?**
- How should omni channel retailers **re-think their business model** to adapt to this new normal?
- How big of an impact will the new shoppers have for retailers during the upcoming **holidays**?

NetElixirTM
PRESENTS

ROAD TO RECOVERY:

LESSONS FROM MID SIZED RETAILERS



Lee Kantz
Director of DTC
eComm Itzy Ritzy



Ruth Jeffers
CEO
Jeffers Pet



Aaron Pelander
VP of Marketing
GovX

PANEL ROUNDTABLE DISCUSSION

Q1: The Covid-19 outbreak has disrupted our daily lives. What are some of the challenges that you have had to deal with so far? How have you dealt with these challenges?

Q2: What are some of the key trends and shifts that you have observed in business' and shoppers' behaviors? How are you responding to these shifts?

Q3: What are some of your learnings during this crisis?

Q4: We have numerous retail executives joining us today. What is your advice for them over the next few weeks as the outbreak continues to spread, and we look to the next normal?

#KnowledgeInspires



REIMAGINE TOMORROW

UPCOMING TALKS



How Vigilant Organizations Gain An Edge

**Presented by Wharton UPenn,
Professor George Day**

July 9 at 2PM ET



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THURSDAY, AUGUST 13TH: 11:30 – 4:00

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COVID-19

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#stayathome 

The image features a person's hands holding the handles of several shopping bags. The background is a collage of mathematical formulas in a light yellow font, overlaid with semi-transparent shopping-related icons such as price tags and shopping carts. The text 'THANK YOU' is prominently displayed in the center in a large, bold, black sans-serif font.

THANK YOU

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