

# PRE-HOLIDAY CONSUMER TRENDS & RETAIL DATA INSIGHTS

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

**&**

**ACQUIRE**  
GAME CHANGING INSIGHTS

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AMAZON MARKETING SERVICES

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ECOMMERCE TECH DEV

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## PARTNERS



## CLIENTS



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## UDAYAN BOSE

Founder & CEO of NetElixir

Founded PartyBingo.com (PartyGaming)

Guest Lecturer:

- Johnson School of Management, Cornell University
- City University of New York, Baruch
- Indian School of Business



# RESEARCH OVERVIEW



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 the 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The outbreak is moving quickly, and some of the perspectives in our presentation may fall rapidly out of date.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 **September 19, 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.

# QUESTIONS

MARKETERS ARE ASKING US

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- Will this outbreak lead to permanent shifts in consumer behavior?
- Will the new customers continue to shop with us after the pandemic is over?
- How should I calculate the Return on Marketing Investment when I am not sure of the LTV of the new customer?
- Are the existing set of Marketing KPIs relevant?
- How do we prepare for this holiday season when there is so much uncertainty?



## RESEARCH OVERVIEW

- We aggregated and analyzed daily online sales metrics for 7 retail categories over sixteen, 14-day periods starting 2/9.
- We compared daily data from 2020 to 2019 over these sixteen 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**<sup>™</sup> (<https://www.netelixir.com/lxrinsights>)

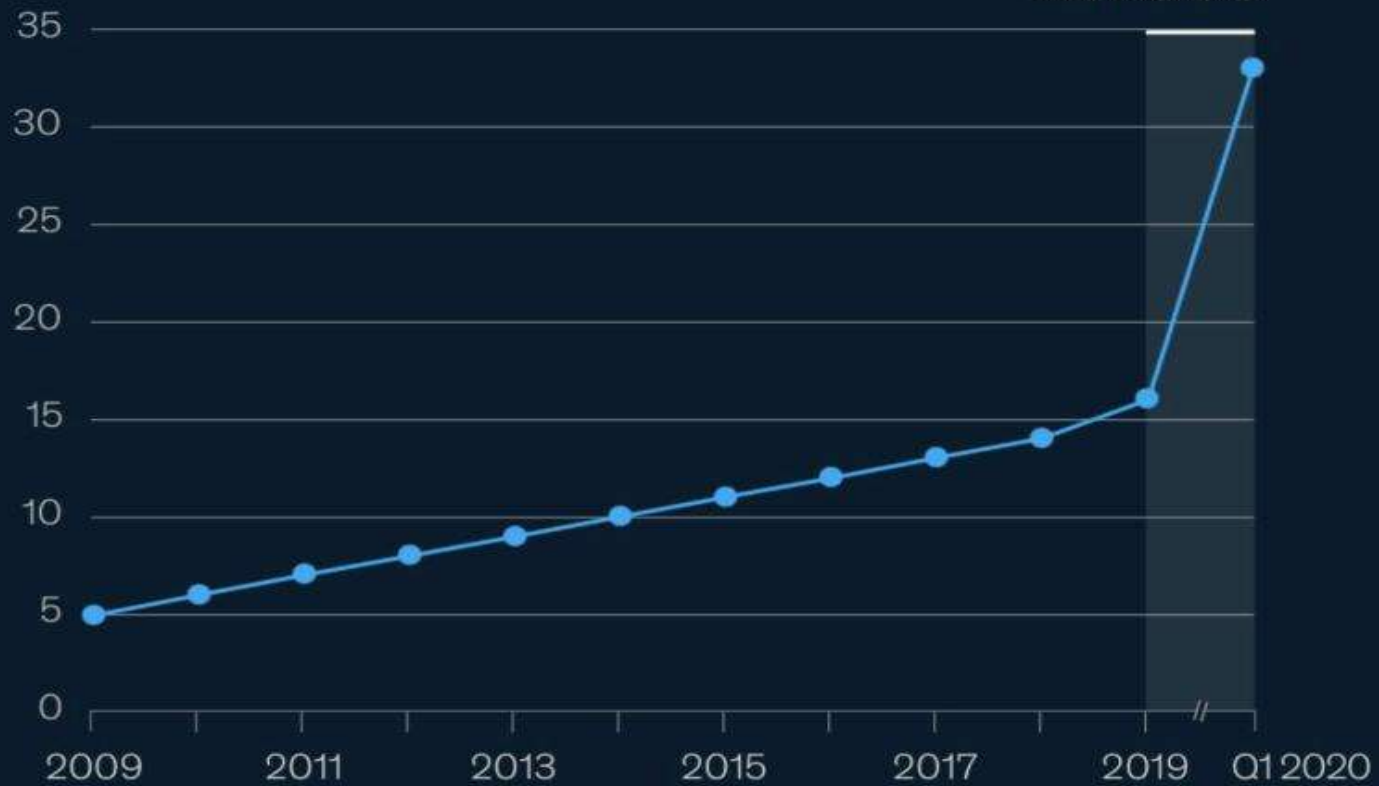


# IMPACT OF COVID-19 ON ECOMMERCE SALES & ONLINE SHOPPER BEHAVIOR

DON'T MAKE ASSUMPTIONS  
GET THE REAL DATA ON COVID-19

## US e-commerce penetration, %

10 years' growth  
in 3 months



## ONLINE SALES CONTINUE TO GROW AT AN EXPLOSIVE PACE ACROSS CATEGORIES

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

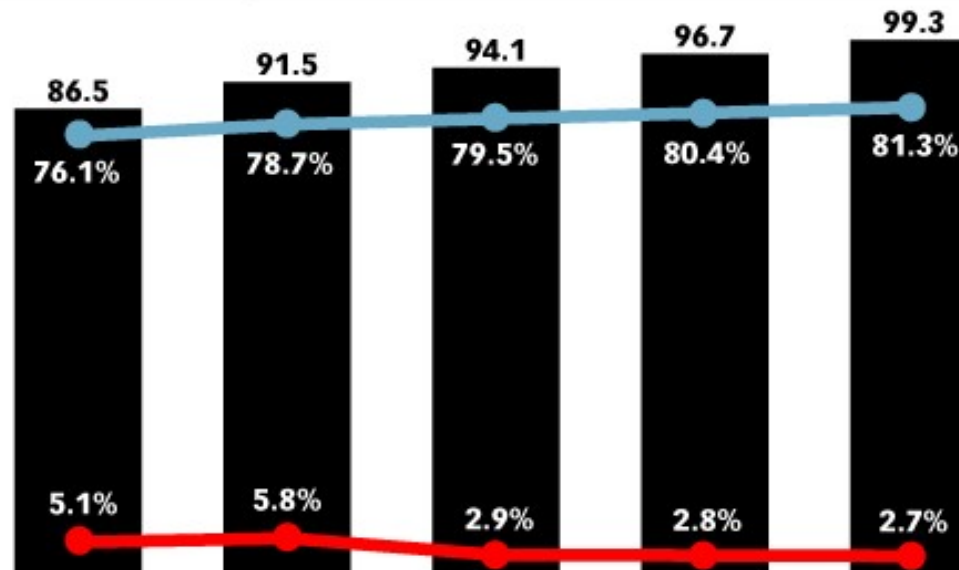
Date	Apparel	Food	Gifting	Home Furnishings	Home Décor	Pet Supplies	Hardware & Tools
3/8-3/21	-12.20%	186.16%	49.15%	2.84%	14.61%	14.71%	3.98%
3/22-4/4	-22.22%	590.64%	80.57%	30.86%	14.12%	56.33%	46.65%
4/5-4/18	-4.00%	263.00%	96.00%	57.00%	55.00%	81.00%	71.00%
4/19-5/02	16.90%	426.00%	89.00%	112.00%	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%
6/14-6/27	14.7%	82.73%	56.06%	129.34%	46.57%	71.98%	81.02%
6/28-7/11	24.3%	73.51%	45.51%	111.14%	38.57%	60.9%	69.79%
7/12-7/25	25.9%	93.84%	39.23%	124.40%	36.4%	73.27%	59.88%
7/26-08/08	32.2%	46.21%	33.89%	178.00%	24.4%	67.22%	48.45%
08/09-8/22	36.9%	45.81%	34.09%	87.5%	38.18%	49.4%	72.8%
08/23-09/05	23.3%	37.06%	30.69%	52.5%	29.65%	30.5%	58.6%
09/06-09/19	57.47%	28.15%	18.2%	52.5%	36.9%	35.57%	46.2%

# RETAIL DATA: CONTRIBUTION OF ELECTRONIC SHOPPING

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG
2020 TOTAL ELECTRONIC SHOPPING AND M/O HOUSES (\$,MM)	56,350	53,979	62,588	69,952	76,336	74,335	74,803	83,140
2019 TOTAL ELECTRONIC SHOPPING AND M/O HOUSES (\$,MM)	51,647	48,295	52,458	54,612	58,855	54,928	58,814	65,175
% Y/Y INCREASE	9%	12%	19%	28%	30%	35%	27%	27.6%
2020 TOTAL RETAIL SALES (\$,MM)	381,425	380,742	371,469	318,083	357,519	380,445	376,541	377,342
(Excl. motor vehicle and parts and gasoline stations)								
2020 TOTAL NON STORE SALES (\$,MM)	15%	14%	17%	22%	21%	20%	20%	22.0%
(% of total retail sales excl. motor vehicle and parts and gasoline stations)								

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

**US Digital Buyers Ages 45+, 2019-2023**  
*millions, % change and % of internet users*



**7.4 MILLION**  
NEW DIGITAL BUYERS  
IN 2020!

# MOBILE IS DRIVING MORE SALES THAN EVER BEFORE

**43%**

2019

**48%**

2020

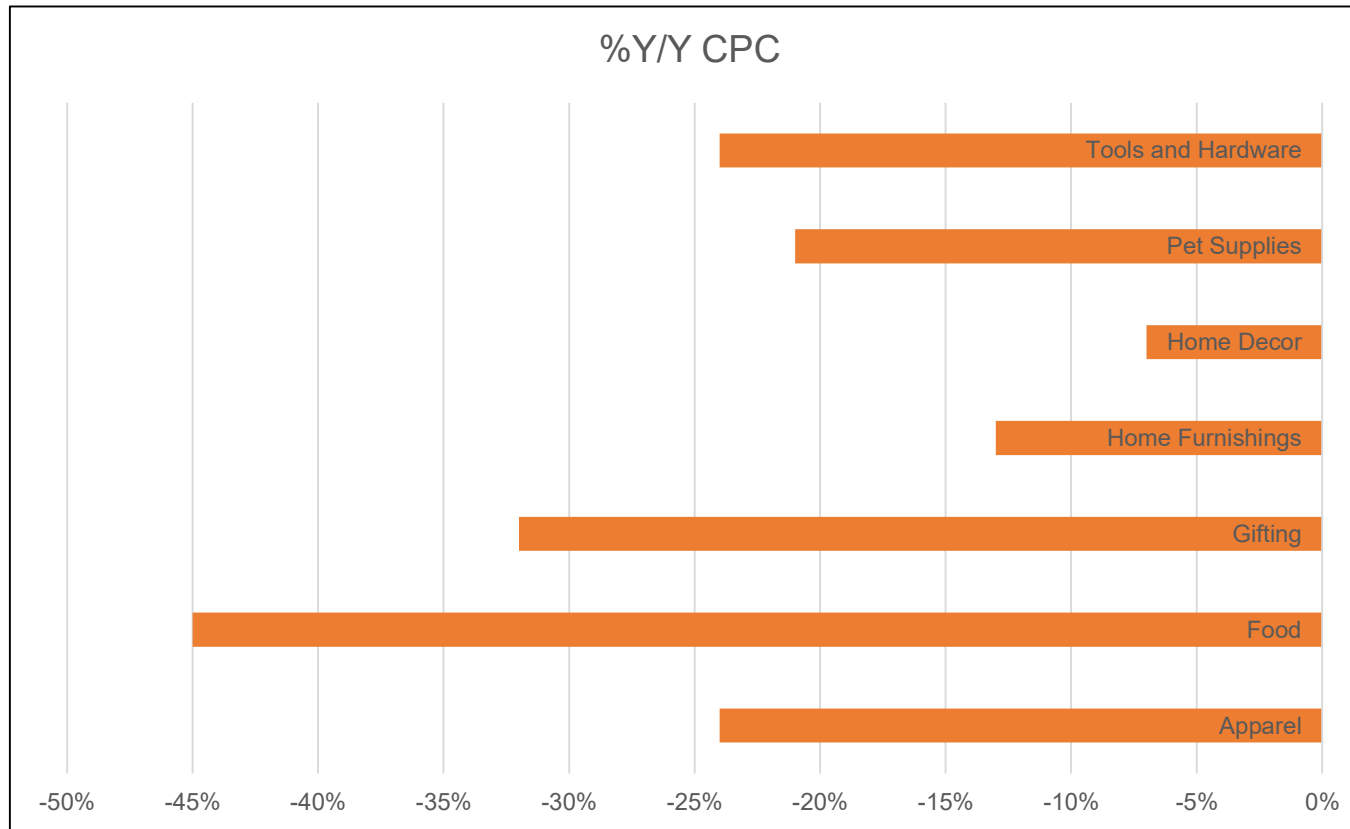




# IMPACT OF COVID-19 ON GOOGLE AD INVESTMENTS

DON'T MAKE ASSUMPTIONS  
GET THE REAL DATA ON COVID-19

# GOOGLE CPC Y/Y TRENDS



## GOOGLE AD INVESTMENT Y/Y ESTIMATES FOR Q4

	%Y/Y GOOGLE AD SPEND, Q4
Small eCommerce Businesses	+5-7%
Mid Size eCommerce Businesses	+25-28%
Enterprise eCommerce Businesses	+15-20%
<b>Aggregate</b>	<b>+22%-23%</b>

# HOLIDAYS 2020 WHAT TO EXPECT

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1. 25% of all retail sales in Q4 will happen online. (Up from 16% in Q4, 2019).
2. Incremental ECommerce Sales Projection for Q4 in the US (vs. Q4, 2019) ~ \$50B-\$80B.
3. Holiday Shopping will start as early as in October first week. (2 weeks away!)
4. Stockouts will pose the biggest challenge this holiday season.
5. There is a possibility that instead of Cyber 5, we have Cyber 10 this year!
6. Retailers will be lowering their sales promotions and focus more on tapping into the demand surge by expanding their online visibility.
7. Over 5% of all holiday online revenue will be driven by new online shoppers (those who had not purchased anything online prior to the pandemic).
8. Enterprise and Large Businesses (>\$250 MM revenue) will be increasing their digital marketing spend by upwards of 20% Y/Y to take advantage of the shift from stores to online.
9. Amazon's share will increase from 43% of the total US eCommerce to 45% this holiday season. The biggest driver for their holiday growth will be "faster shipping".
10. Buy Online Pick Up in Store (BOPIS) will be an important driver of eCommerce sales after December 10. BOPIS (includes curbside pickup) revenue will increase Y/Y by 50%+

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**22% Y/Y**  
**ECOMMERCE GROWTH**



NetEl<sup>ix</sup>ir™ presents:

[www.netelixir.com/university/consumer-insights/](http://www.netelixir.com/university/consumer-insights/)





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The background of the image features a person's hands holding several shopping bags of various colors (brown, yellow, and patterned). The background is a light beige color with a pattern of faint mathematical formulas and symbols, including  $\cos$ ,  $\sin$ ,  $\pi$ ,  $\lambda$ ,  $\alpha$ ,  $\beta$ ,  $\gamma$ ,  $\delta$ ,  $\epsilon$ ,  $\zeta$ ,  $\eta$ ,  $\theta$ ,  $\iota$ ,  $\kappa$ ,  $\lambda$ ,  $\mu$ ,  $\nu$ ,  $\xi$ ,  $\omicron$ ,  $\pi$ ,  $\rho$ ,  $\sigma$ ,  $\tau$ ,  $\upsilon$ ,  $\phi$ ,  $\chi$ ,  $\psi$ ,  $\omega$ ,  $\alpha$ ,  $\beta$ ,  $\gamma$ ,  $\delta$ ,  $\epsilon$ ,  $\zeta$ ,  $\eta$ ,  $\theta$ ,  $\iota$ ,  $\kappa$ ,  $\lambda$ ,  $\mu$ ,  $\nu$ ,  $\xi$ ,  $\omicron$ ,  $\pi$ ,  $\rho$ ,  $\sigma$ ,  $\tau$ ,  $\upsilon$ ,  $\phi$ ,  $\chi$ ,  $\psi$ ,  $\omega$ . There are also yellow shopping cart icons and price tags scattered across the background.

**THANK YOU**

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