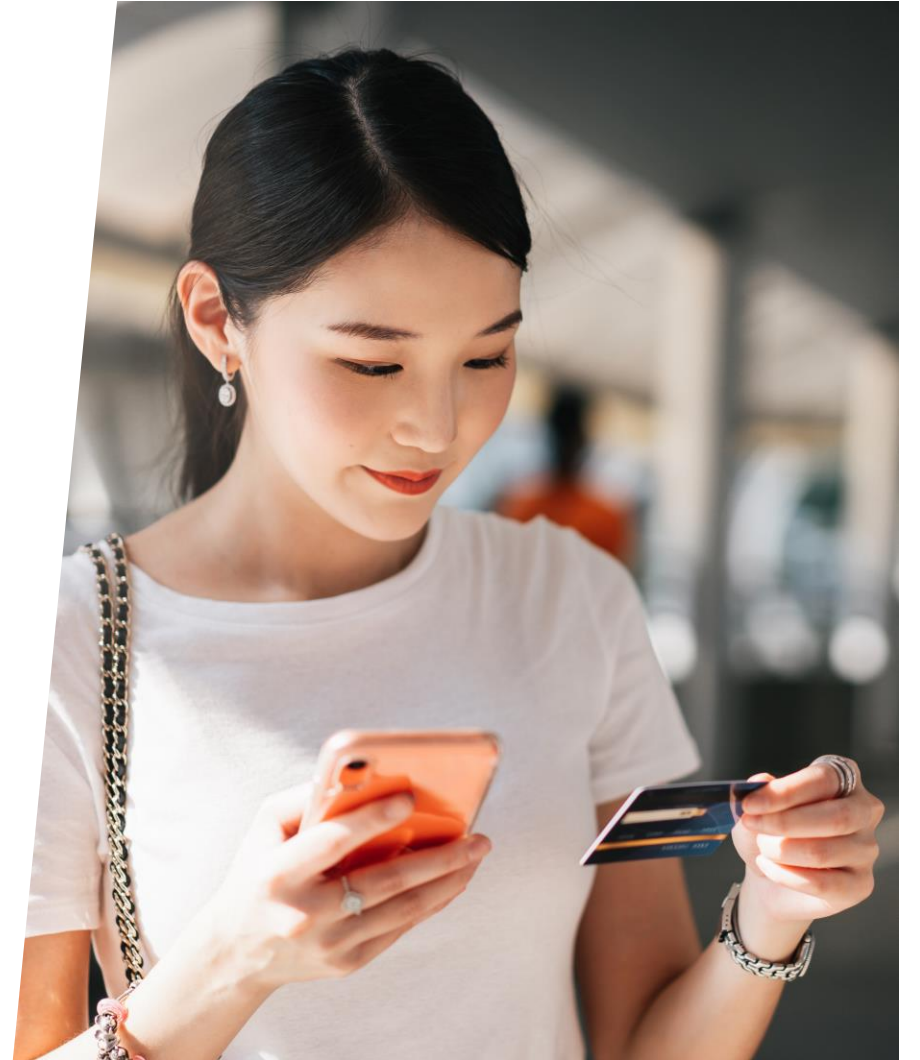


2022 STATE OF RETAIL

# How to Thrive in the Retail Space



# Agenda



**2021 Digital  
Commerce  
Update**



**Growth of  
Online  
Grocery**



**Key Online  
Retail Trends**



**Holiday  
2021**



**Finding Valuable  
Retail Audiences**

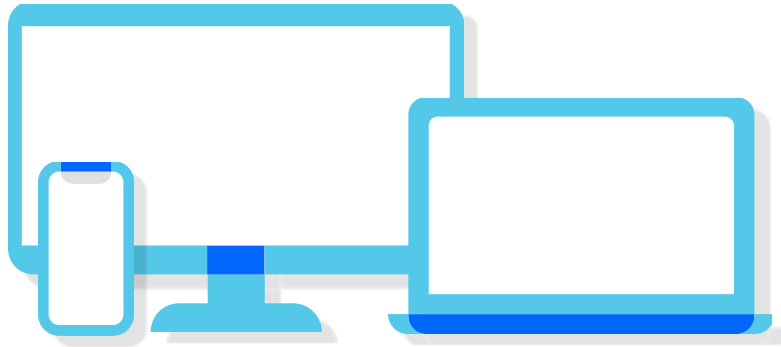


**Key  
Takeaways**

# Setting the Stage



# The 2022 State of Retail webinar data were sourced from both Comscore's consumer panel and custom surveys



## BEHAVIORAL PANEL

**Online behavior** of desktop and mobile panelists who have opted in to allow for passive observation.



## SURVEY

**Consumer opinion data** are sourced from a custom survey, measuring key retail trends among the online population. Comscore's State of Retail survey has been run on a regular cadence since 2009.

Total Survey Respondents n=2,939 • Fielded February 2022

# A few definitions...



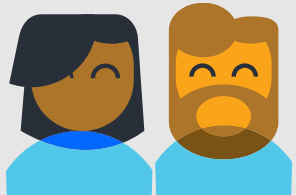
Focus of this  
report is  
**U.S. data**

## **MOBILE COMMERCE**

Dollars spent online in non-travel retail categories, via both smartphone and tablet.

## **DIGITAL COMMERCE**

Dollars spent online in non-travel retail categories, via desktop or mobile devices.



Survey sample  
is among  
**ages 18+**

## **GROCERY SHOPPERS**

Survey data among consumers who are the primary grocery shoppers for their household and have shopped for groceries in the past month.

SECTION 01

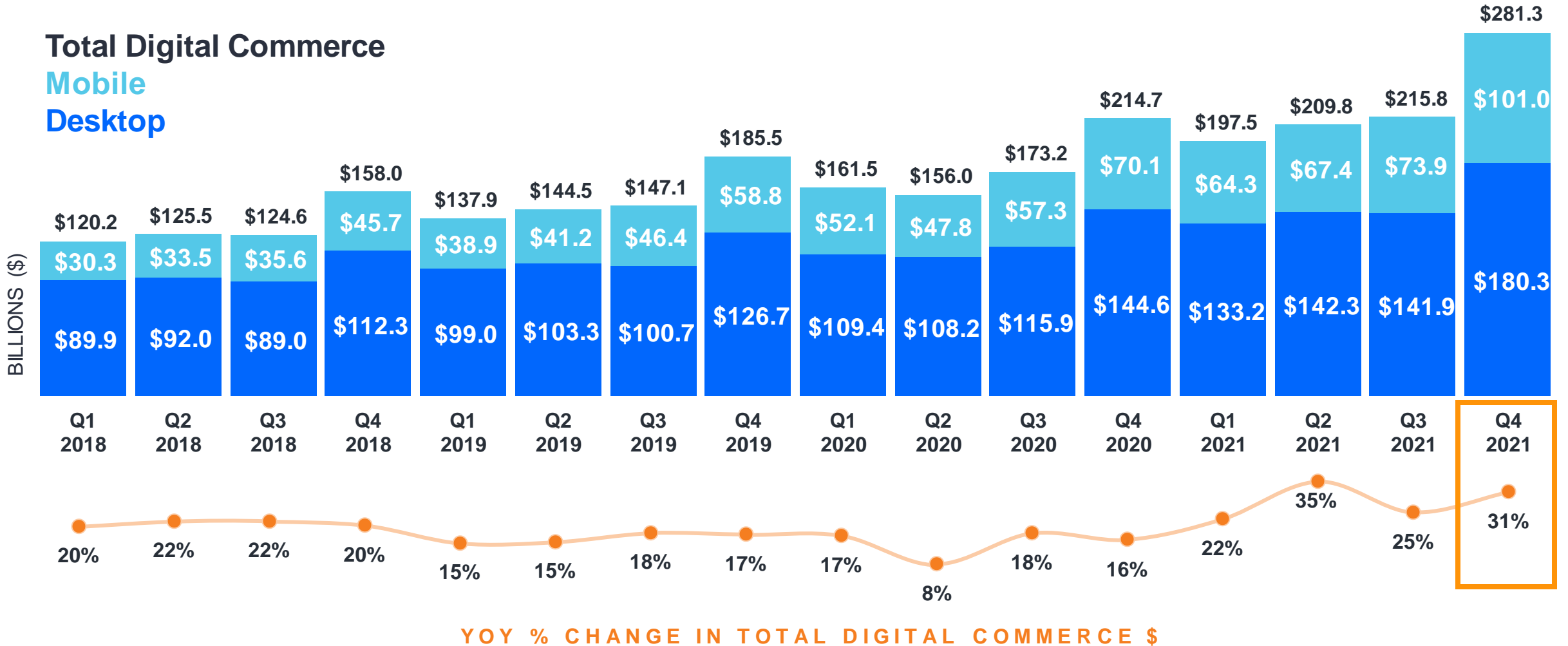
# 2021 Digital Commerce Update



# Digital commerce spending rose +31% year over year, to \$281 billion in Q4 2021, the highest-ever online spending quarter

## Total Digital Commerce

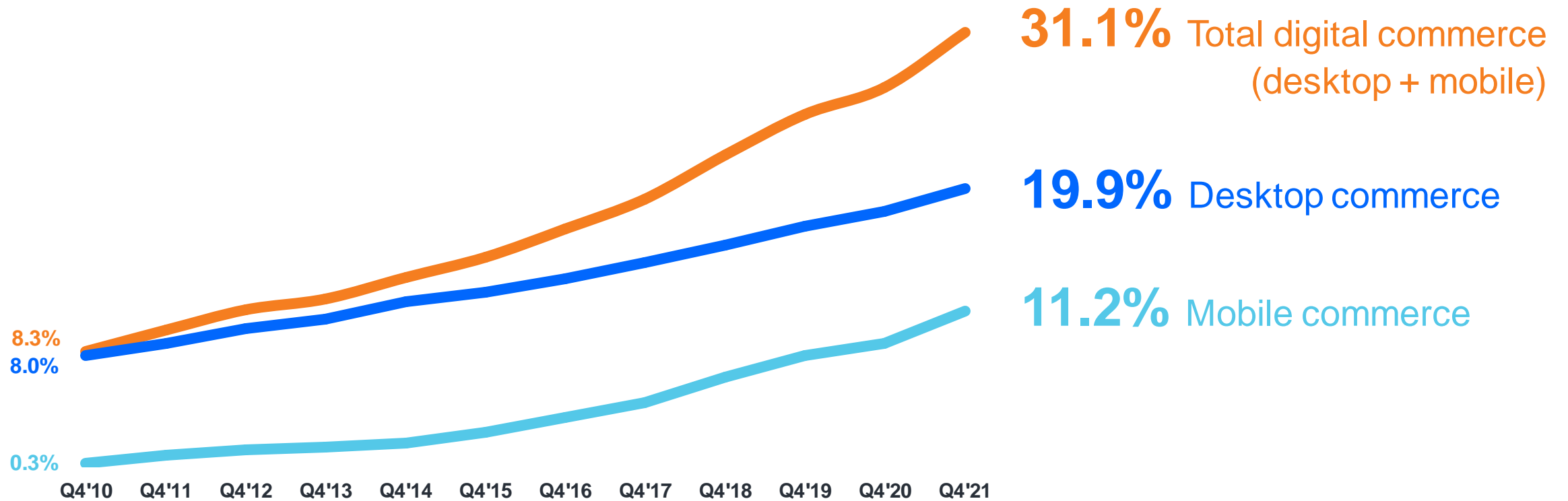
Mobile  
Desktop



# Total Digital Commerce has grown to account for nearly 1 in 3 discretionary dollars spent by consumers

Desktop & Mobile Digital Commerce Share of Corresponding Consumer Spending\*

## 4<sup>th</sup> QUARTER DIGITAL COMMERCE SPENDING – BY YEAR

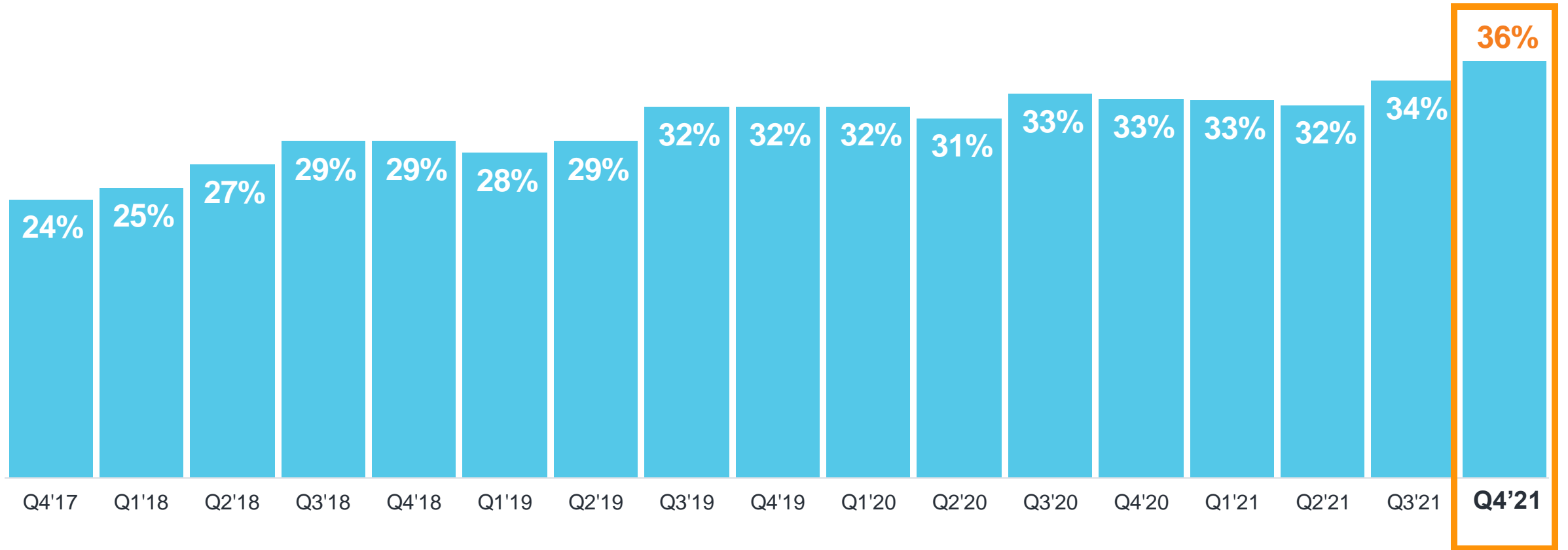


Source: Comscore Digital Commerce Measurement & U.S. Department of Commerce (DOC) for Retail, U.S.  
\*Note: digital commerce share is shown as a percent of DOC's Total Retail Sales excluding Food Service & Drinking, Food & Bev. Stores, Motor Vehicles & Parts, Gasoline Stations and Health & Personal Care Stores



After multiple years hovering in the low 30s, mobile's share of total digital commerce dollars spiked to 36 percent in Q4 '21

M-COMMERCE SHARE OF TOTAL DIGITAL COMMERCE DOLLARS



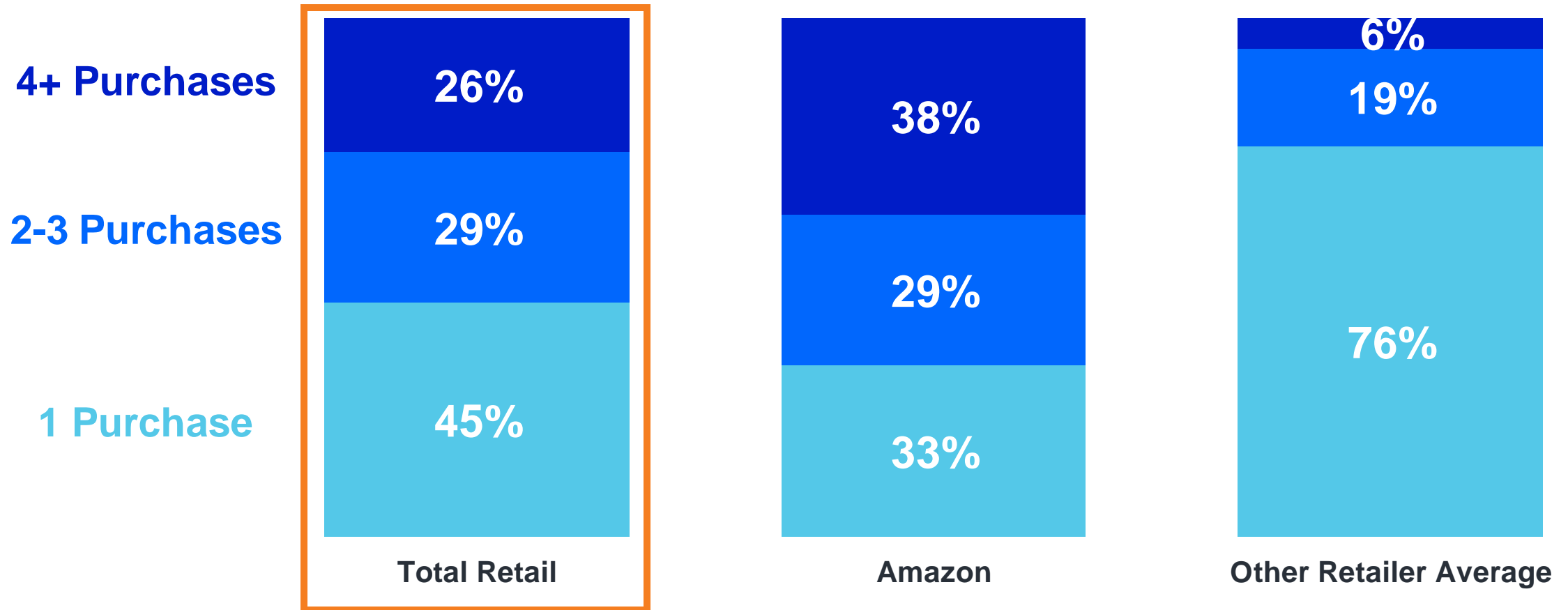
The strong 31 percent growth seen in Q4 2021 was driven largely by mobile's 44 percent year-over-year jump

	Q4 2020	Q4 2021
Desktop Retail Commerce	\$144.6b	\$180.3b
Mobile Retail Commerce	\$70.1b	\$101.0b
Total Digital Retail Commerce	\$214.7b	\$281.3b
Share of Spending via Mobile	32.6%	35.9%
Y-o-Y Growth – Desktop	+14.1%	+24.7%
Y-o-Y Growth – Mobile	+19.2%	+44.1%
Y-o-Y Growth – Total Digital	+15.7%	+31.0%

After modest ~20% Y-o-Y growth in Q4'20, consumer spending on mobile devices skyrocketed in Q4'21.

Nearly 70 percent of Amazon buyers made multiple purchases from the site in Q4 '21 – clearly driving the high Total Retail repeat buyer average

PERCENT OF RETAIL CONSUMERS MAKING REPEAT PURCHASES



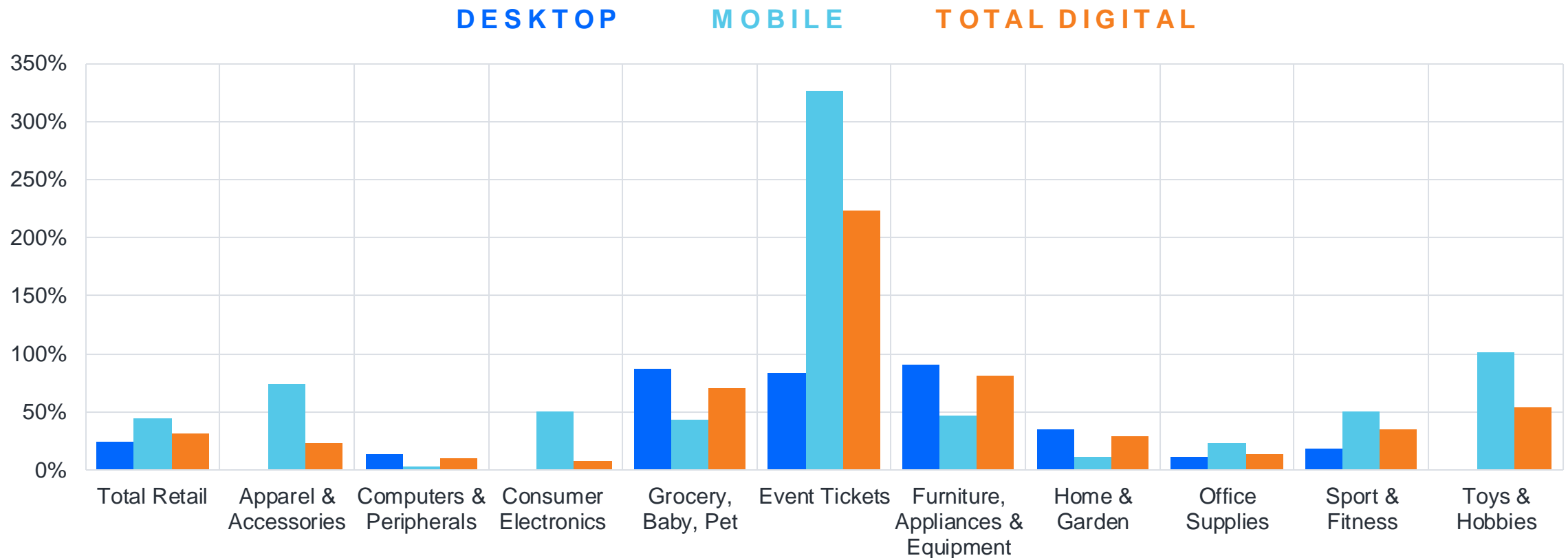
# For desktop spending, the Furniture & Appliances category moved up 4 spots, while on mobile, Event Tickets jumped 9 places

Numbers in ( ) below indicate change in rank vs. Q4'20

TOP 10 CATEGORIES (DESKTOP SPEND)			TOP 10 CATEGORIES (MOBILE SPEND)		
Grocery, Baby, Pet	(+1)	1	Grocery, Baby, Pet		
Furniture, Appliances, & Equipment	(+4)	2	Apparel & Accessories		
Apparel & Accessories	(-2)	3	Computers & Peripherals		
Computers & Peripherals		4	Toys & Hobbies		
Consumer Electronics	(-2)	5	Digital Content & Subscriptions		
General Services	(-1)	6	Consumer Electronics		
Home & Garden		7	Furniture, Appliances, & Equipment		
Office Supplies		8	Event Tickets	(+9)	
Digital Content & Subscriptions		9	Jewelry & Watches		
Toys & Hobbies		10	Sports & Fitness		

While many key categories saw strong year-over-year growth on both mobile and desktop, Event Tickets was an obvious outlier

YEAR-OVER-YEAR CHANGE IN CONSUMER SPEND (Q4 2020 VS. Q4 2021)



A big story this year is the recovery in the Tickets & Events category, which has seen huge growth via both mobile and desktop devices

TOP 3 **GROWING** CATEGORIES – TOTAL DIGITAL COMMERCE

**+223%**

**EVENT  
TICKETS**

**+81%**

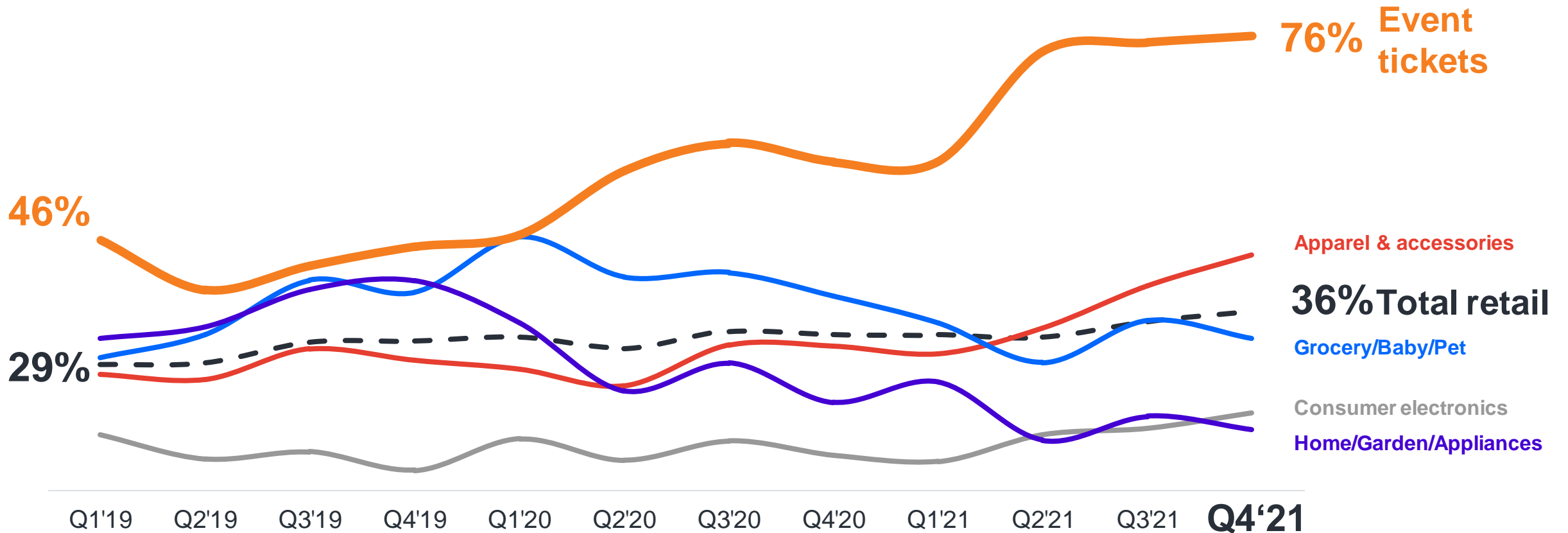
**FURNITURE &  
APPLIANCES**

**+70%**

**GROCERY/  
BABY/PET**

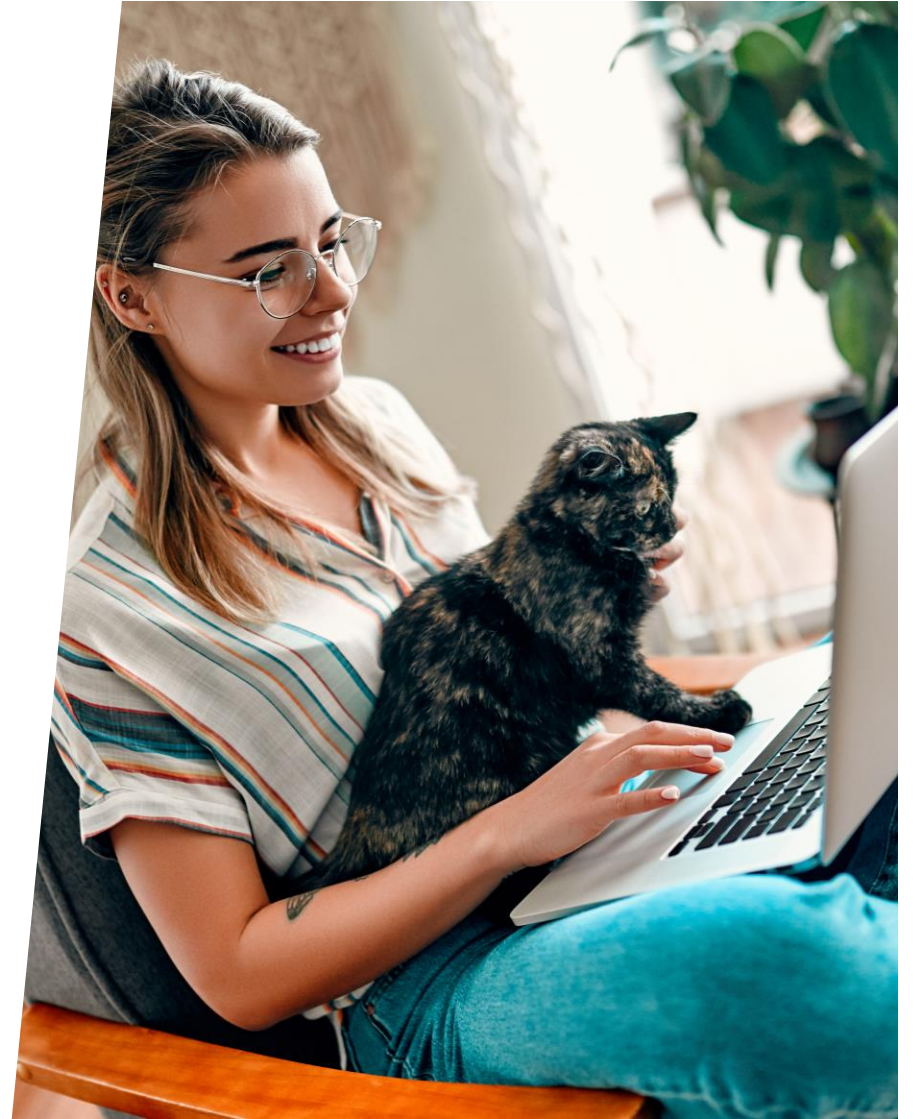
Not only is the Tickets & Events category growing quickly in terms of mobile dollars, it is also showing significant share growth

MOBILE SHARE OF TOTAL DIGITAL SPEND BY KEY RETAIL CATEGORY



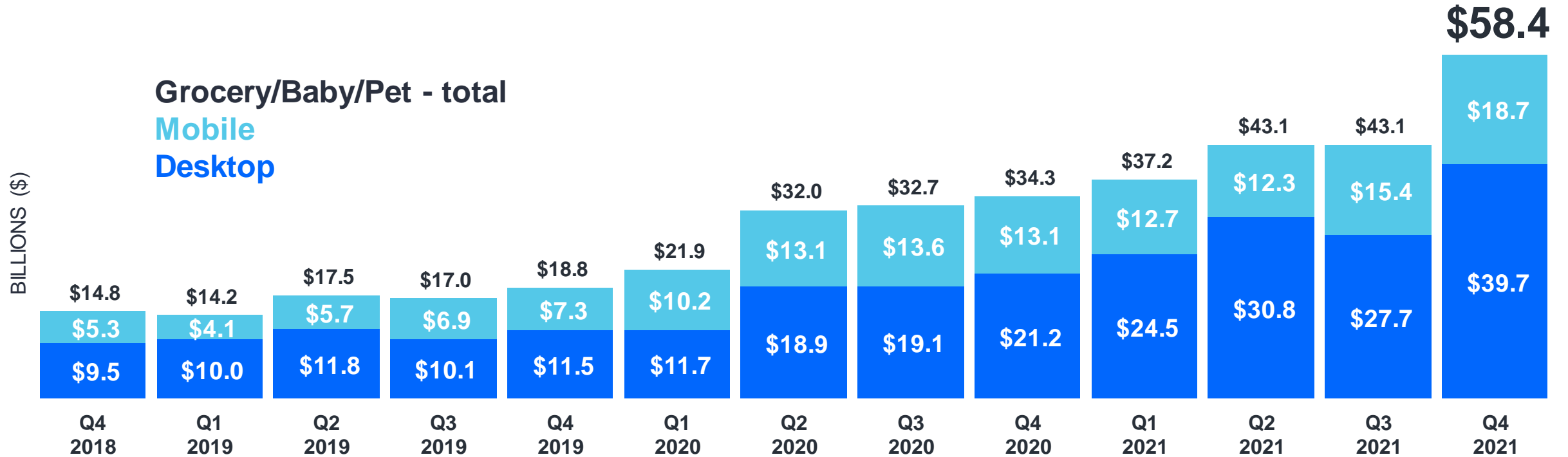
SECTION 02

# Growth of Online Grocery





# In just three years, online grocery spending has rocketed to a top-grossing digital commerce category

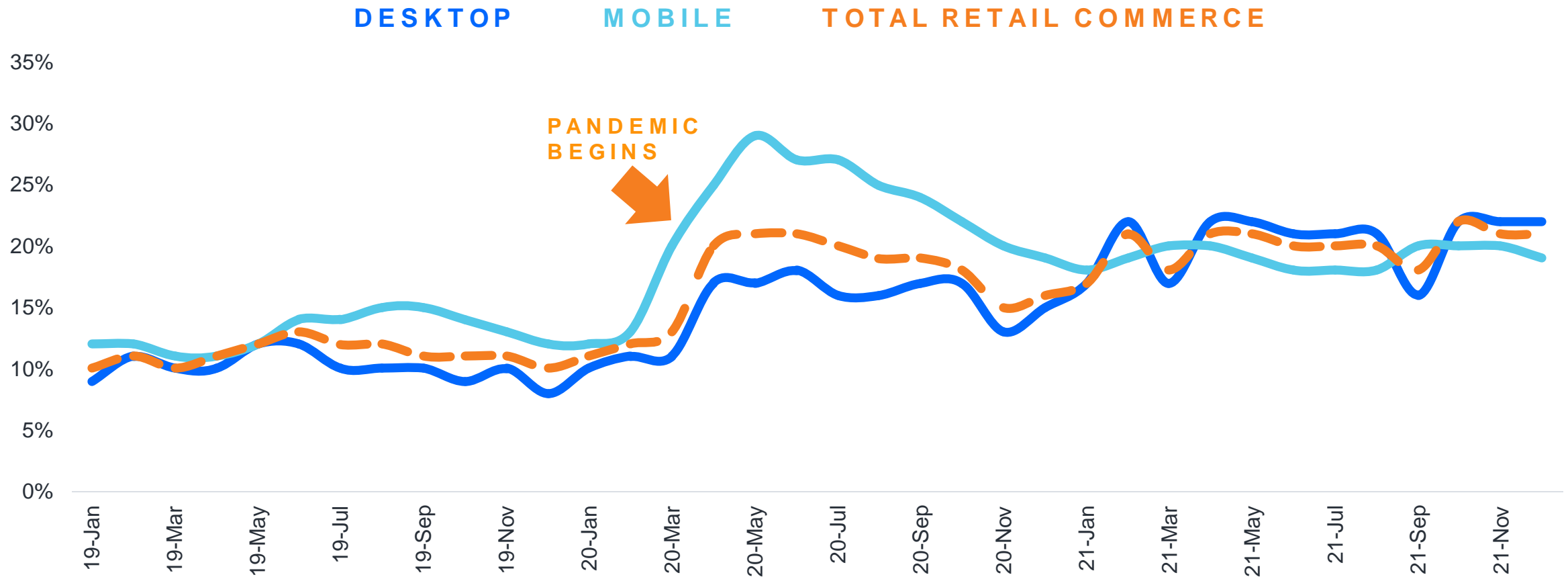


**Nearly +300% increase in online grocery spending in just 3 years**

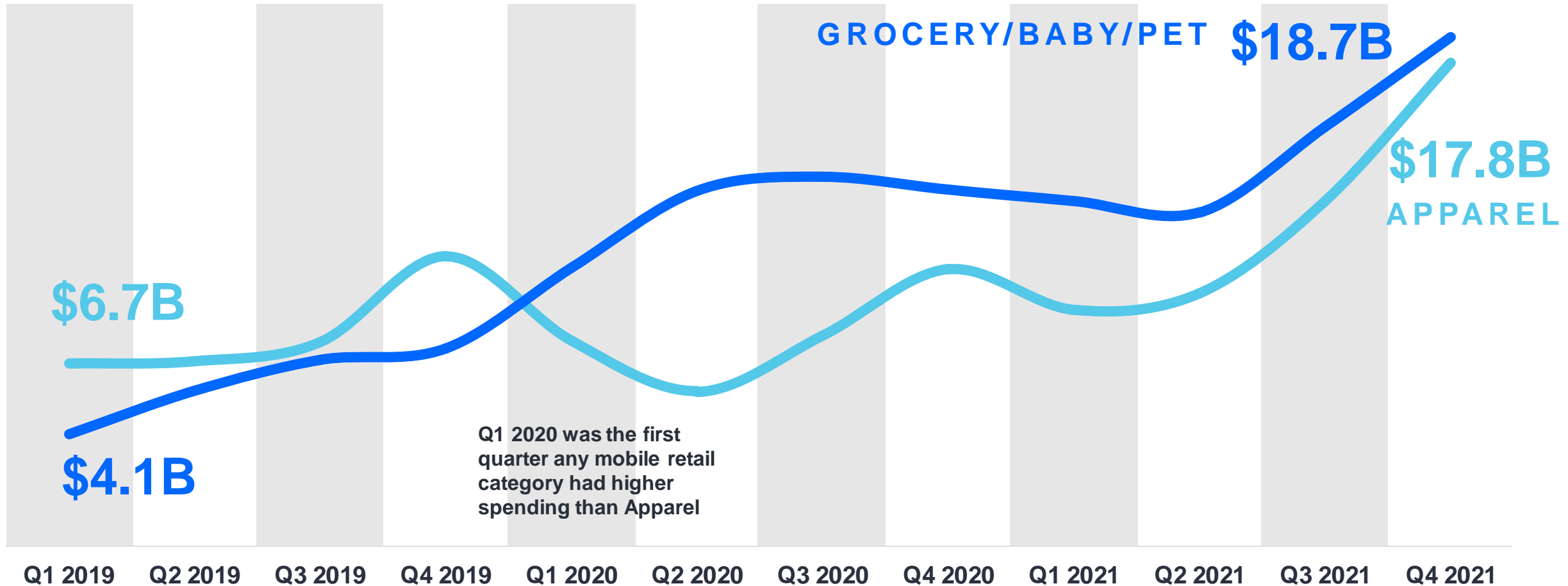


The Grocery category saw huge growth at the start of the pandemic, but leveled off in 2021 – still at a much higher share than pre-pandemic

### GROCERY/BABY/PET CATEGORY AS A SHARE OF TOTAL RETAIL COMMERCE

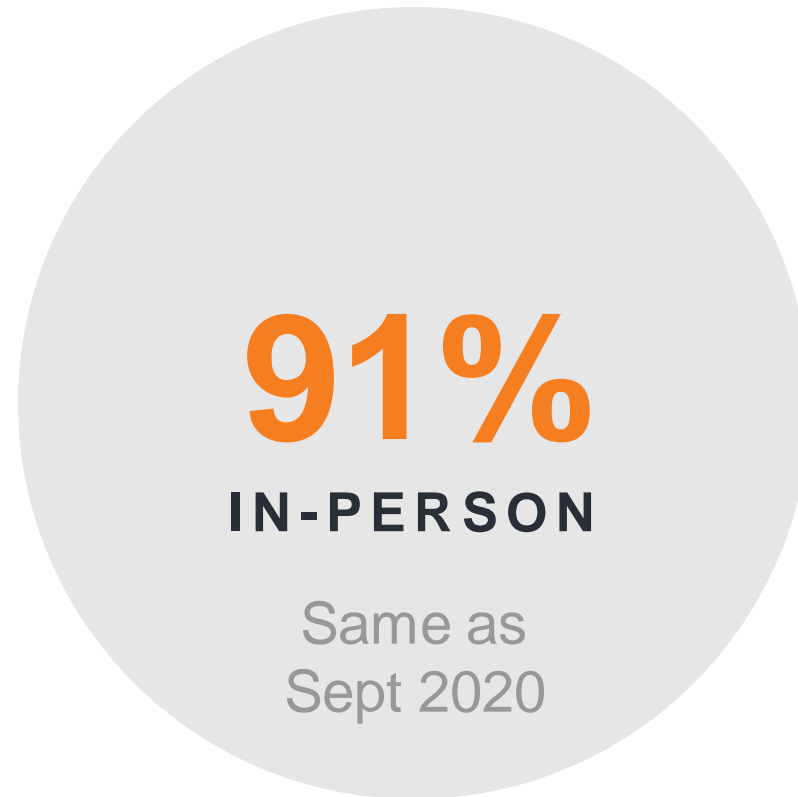


# Grocery spending on mobile devices has continued to outpace apparel since the start of the pandemic



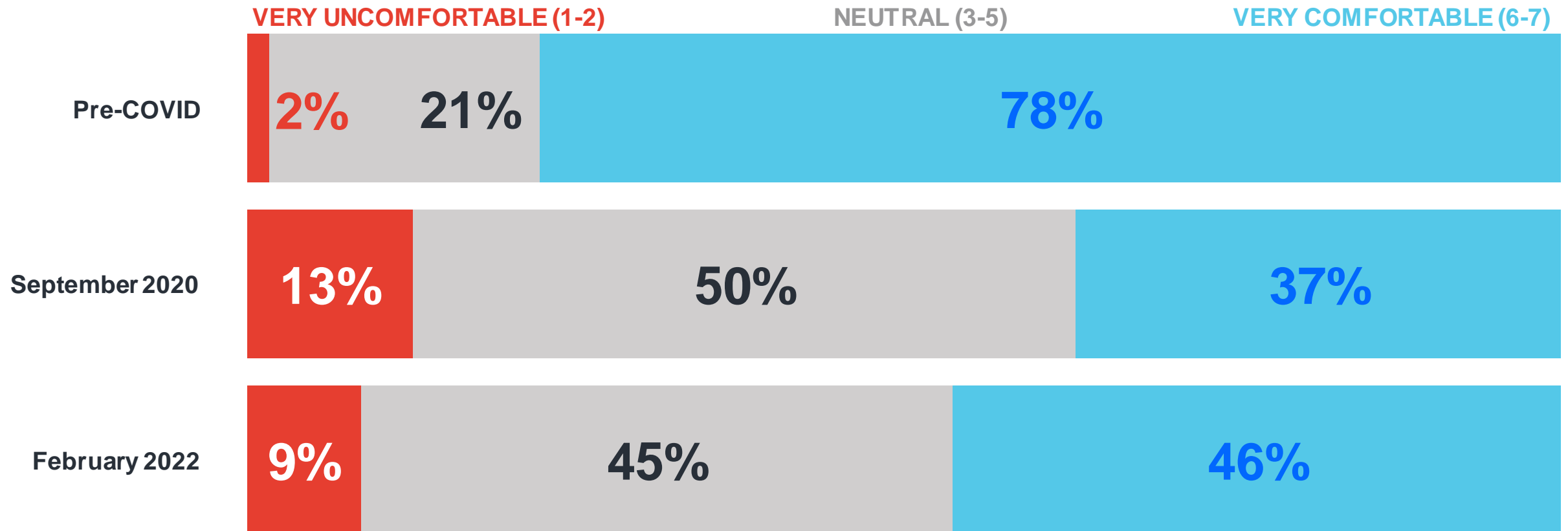
Most primary shoppers have bought in person in the past 30 days, but the percentage who have purchased online dropped compared to 2020

By which of the following ways have you **purchased groceries in the past 30 days?**



Among consumers who are the primary grocery shopper for their household and have made at least one grocery purchase in the past 30 days

# Comfort with in-person shopping has dropped during the coronavirus pandemic



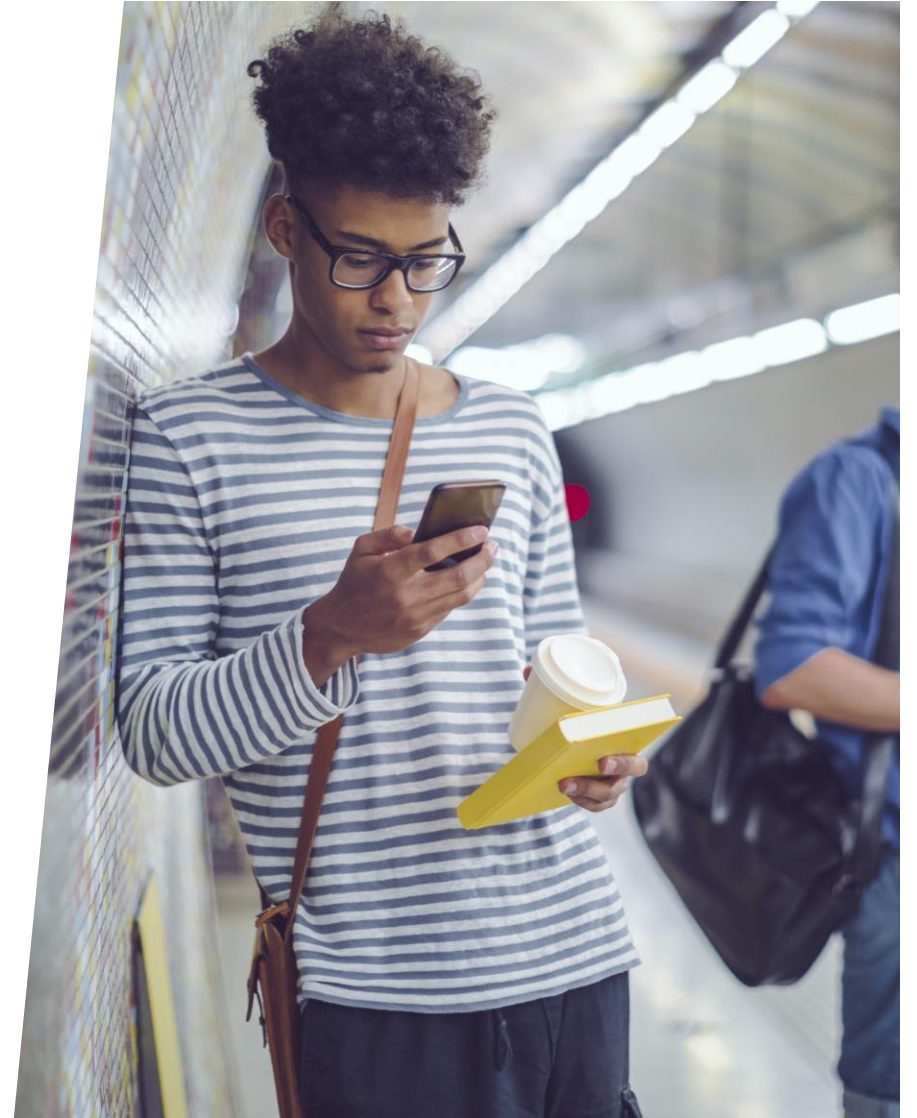
SECTION 03

# Key Retail Trends

CONSUMER ECONOMIC PERCEPTIONS

CART ABANDONMENT

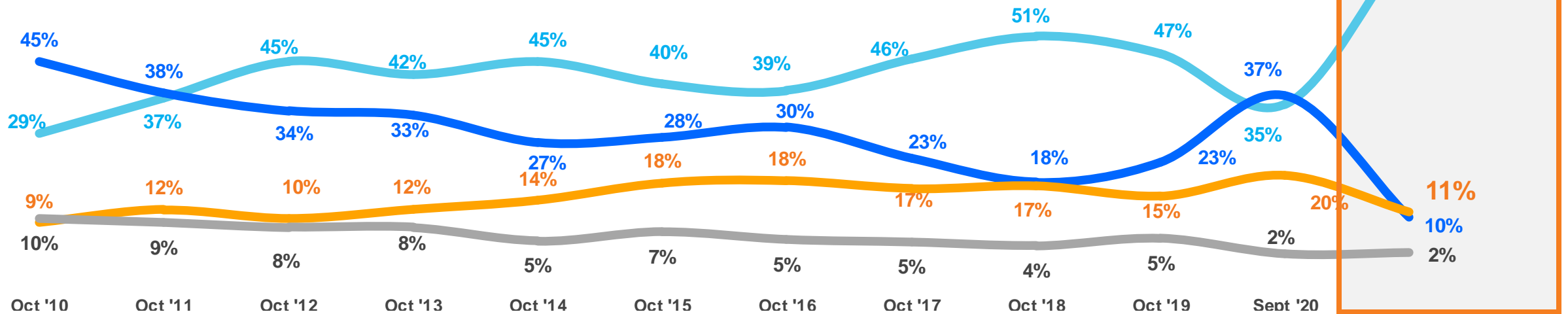
RETAIL SITE VISITATION TRENDS



Nearly three quarters of consumers selected rising prices as their number one economic concern – the highest concern for prices ever seen in this survey

PERCENT OF RESPONDENTS CITING THEIR ONE MOST IMPORTANT ISSUE

**RISING PRICES**  
**UNEMPLOYMENT/JOB SECURITY**  
**FINANCIAL MARKETS**  
**REAL ESTATE/HOME VALUES**

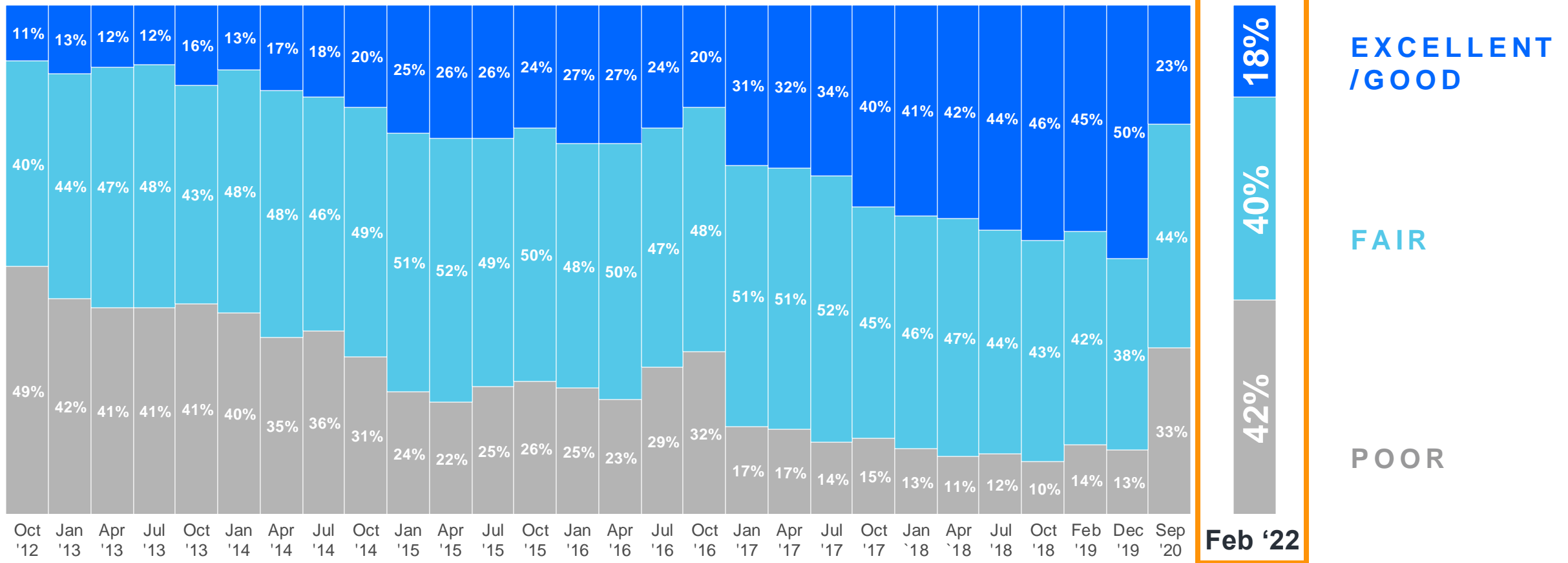


Source: Comscore Custom Surveys, "State of Retail," Age 18+, 2010-2022, U.S.

Based on your current situation, which one of the following economic conditions most concerns you?

# Unsurprisingly, consumer sentiment on the economy is the lowest since January 2013

## CONSUMER PERCEPTIONS OF THE ECONOMY



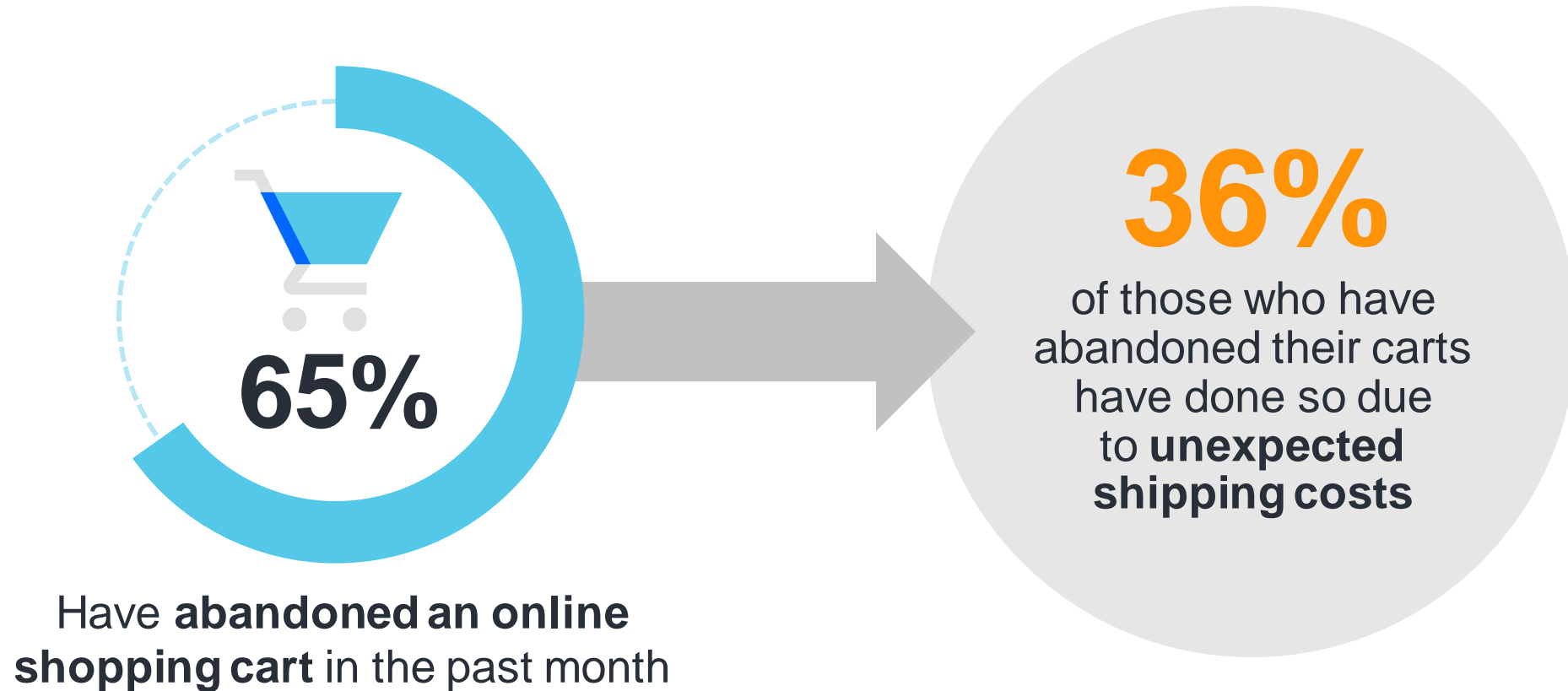
Q: How would you rate economic conditions today?

Source: Comscore Custom Surveys, "State of Retail," Age 18+, 2012-2022, U.S.

\*Note: respondents selecting "I don't know/ not sure" accounted for an average of 3% of responses in each quarter, and results shown above are rebased to exclude these data



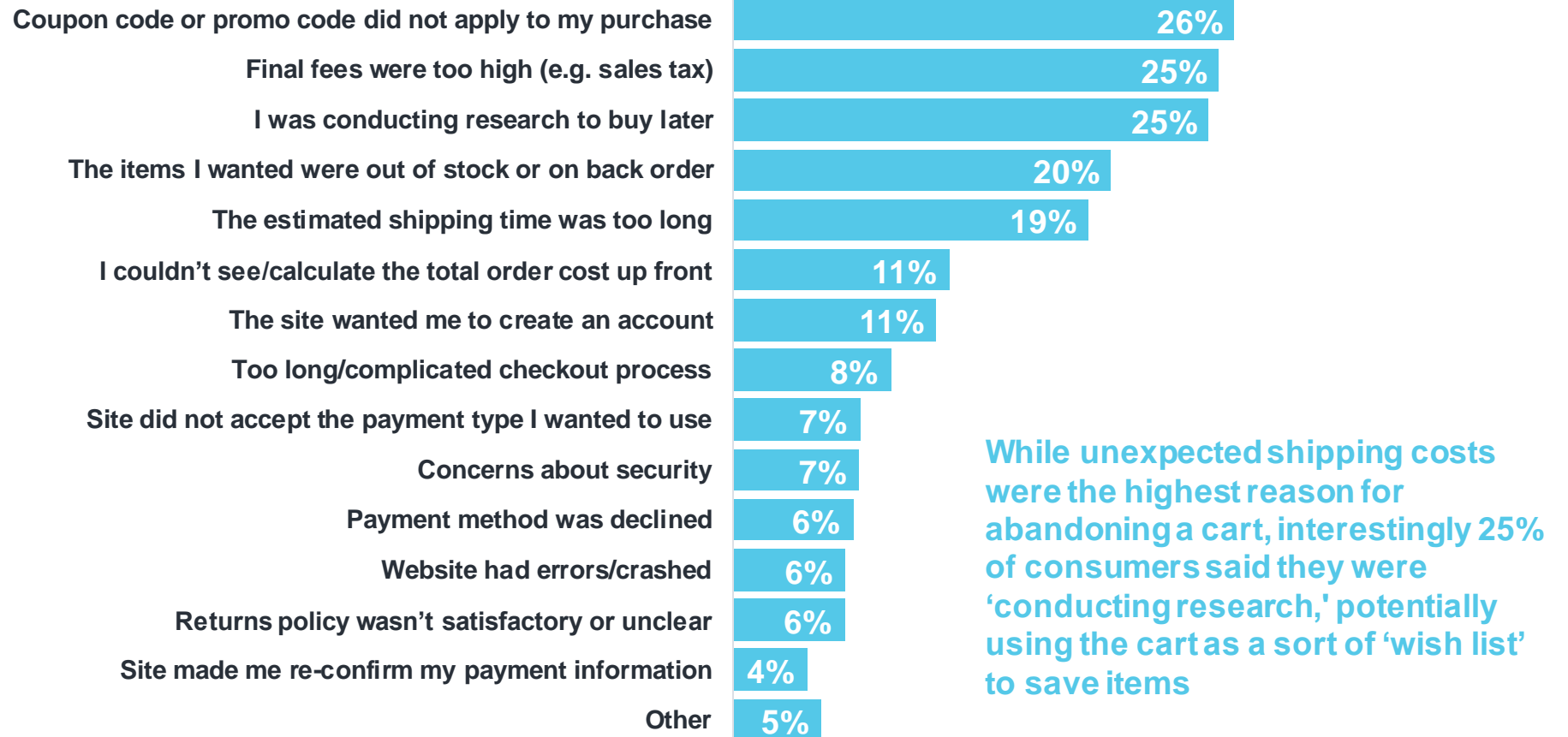
The importance of shipping is again seen here with unexpected shipping costs being the #1 reason for cart abandonment



# Unexpected shipping costs, 'conducting research,' and a coupon or promo code not working were the top reasons for cart abandonment

You indicated that you have abandoned an online purchase during the checkout purchase. What were your reasons for doing this?

## Unexpected shipping costs



While unexpected shipping costs were the highest reason for abandoning a cart, interestingly 25% of consumers said they were 'conducting research,' potentially using the cart as a sort of 'wish list' to save items

# The top 10 desktop and mobile sites are nearly identical (albeit in slightly different order)

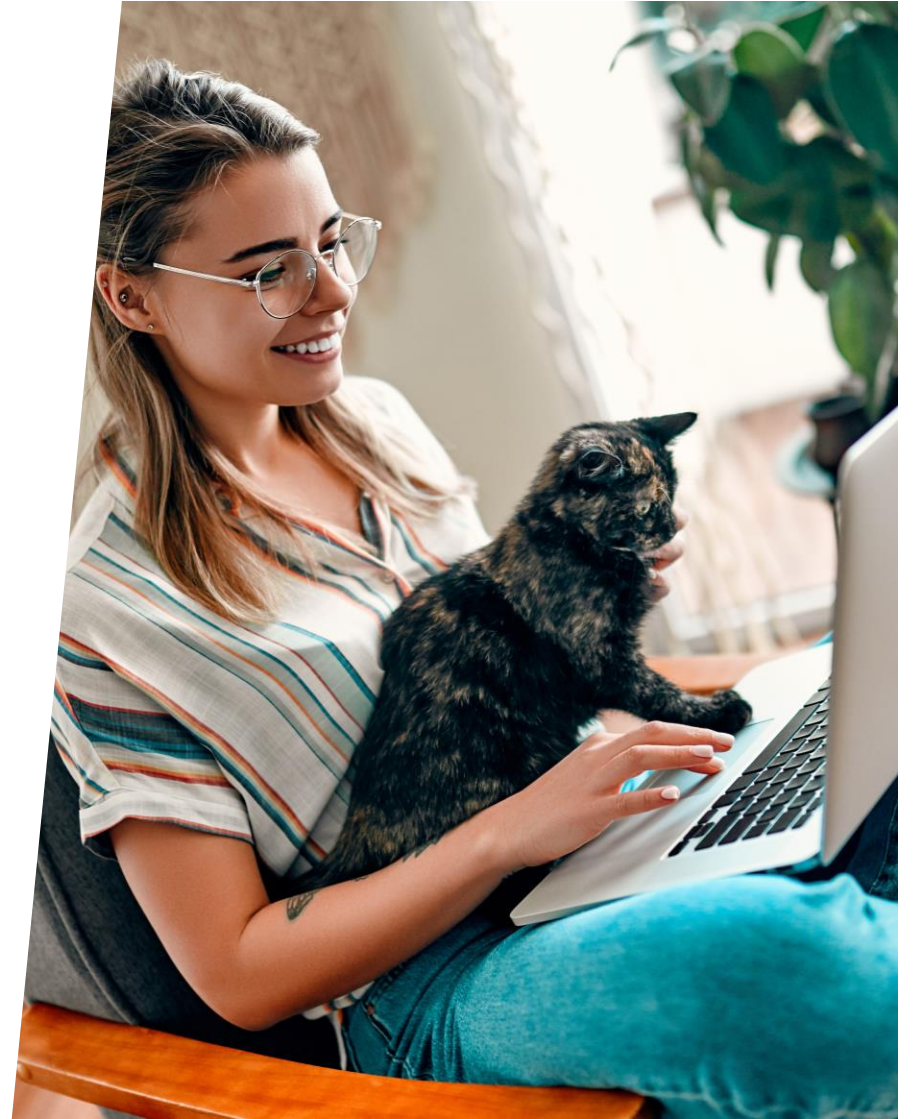
TOP 10 RETAIL DOMAINS (DESKTOP UVs)

TOP 10 RETAIL DOMAINS (MOBILE UVs)

		1		
		2		
		3		
		4		
 (+2)		5		
 (-1)		6		
 (-1)		7		
		8		
 (+2)		9		
 (+2)		10	 (+6)	

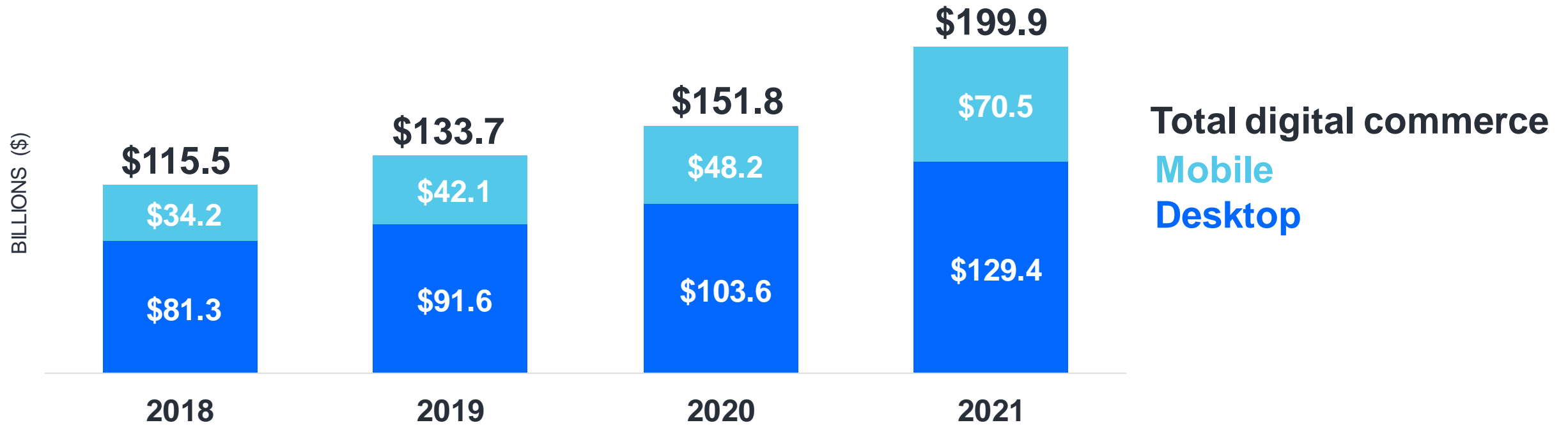
SECTION 04

# Holiday 2021



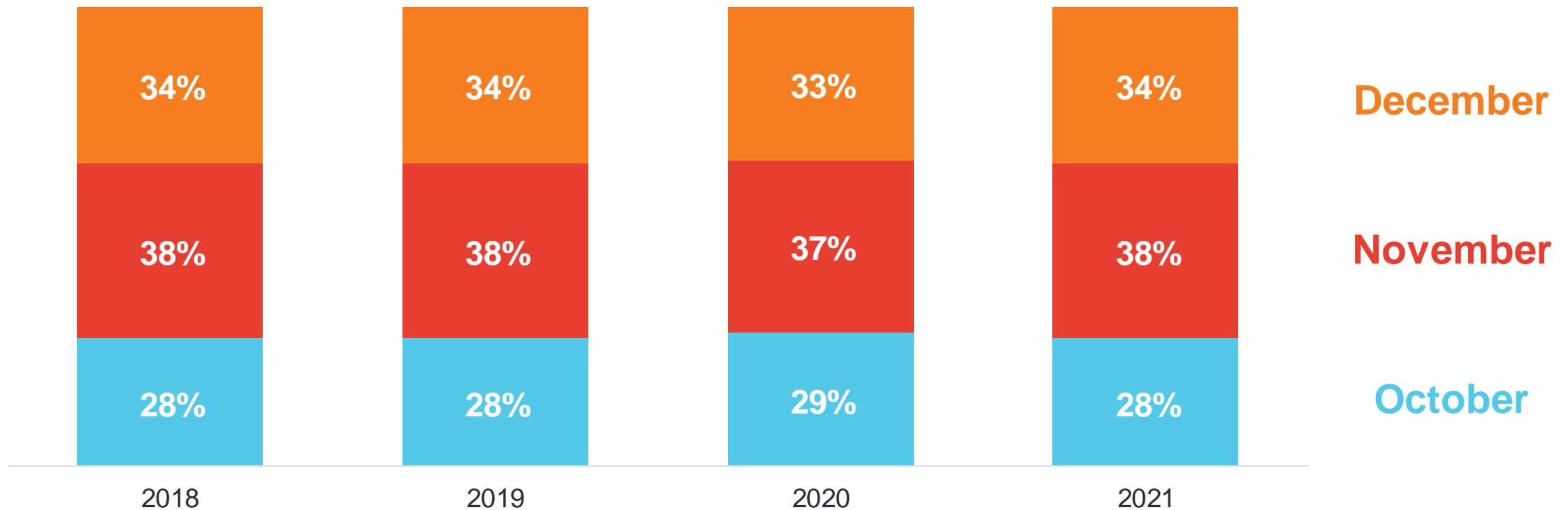
Online retail spending in the 2021 holiday season nearly reached \$200 billion, growing +32% year over year

RETAIL DIGITAL COMMERCE SPENDING (NOV + DEC)

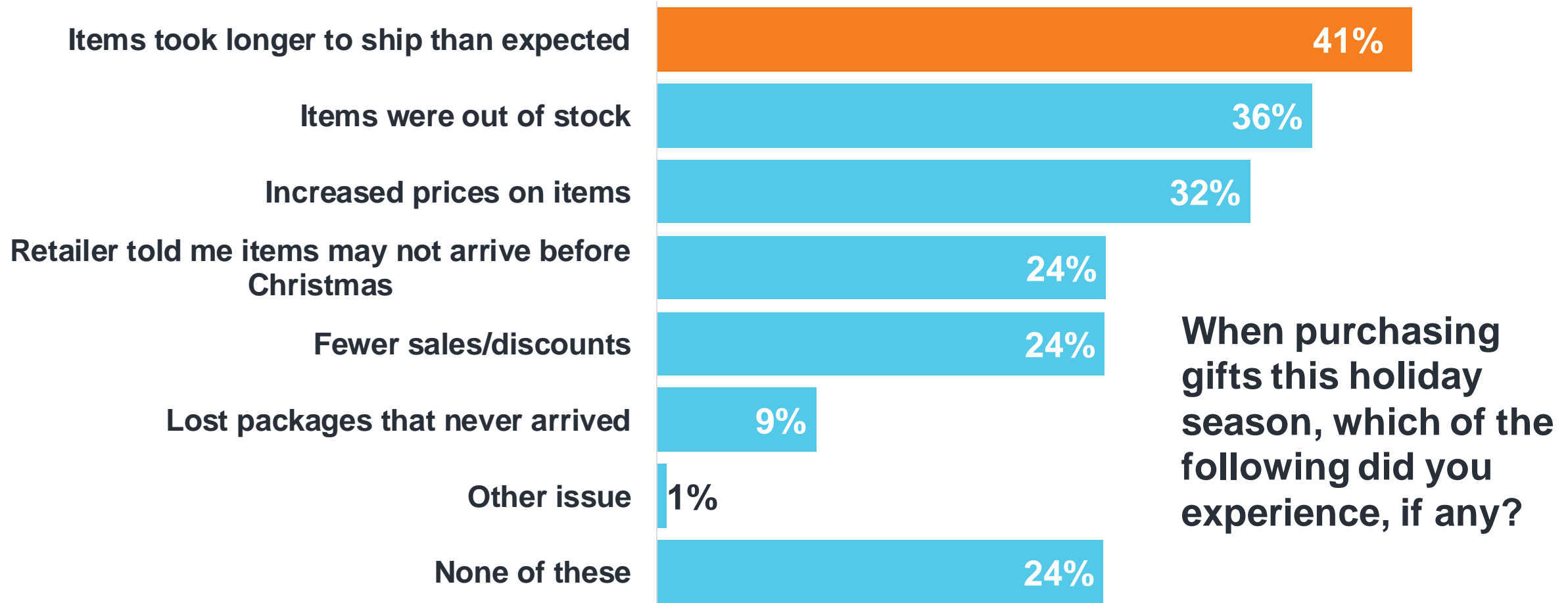


# Despite consumer spending shifting ahead of Black Friday and Cyber Monday, there has not been a huge shift of spending into October

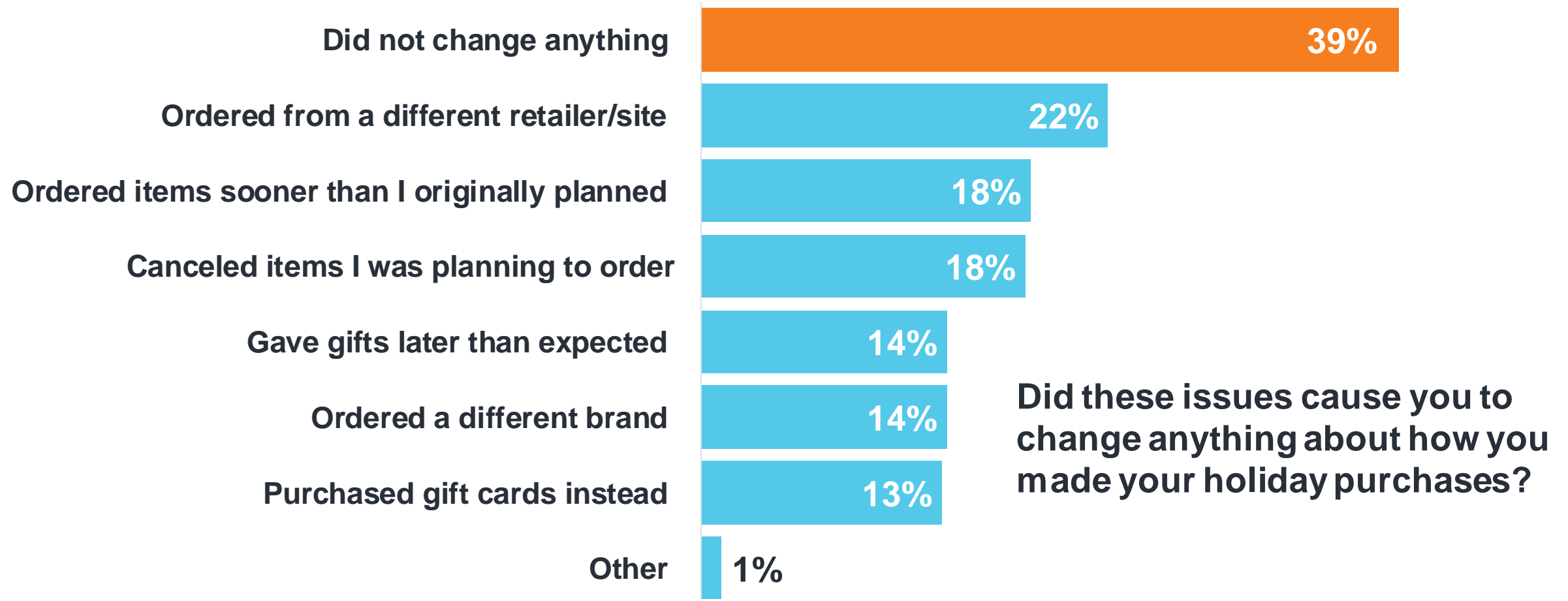
## MONTHLY SHARE OF HOLIDAY CONSUMER SPENDING (TOTAL DIGITAL)



More than 3 in 4 gift-buyers said they experienced at least one of these issues this season, with 41% citing longer shipping times



# Despite these issues, nearly 40% of consumers did not change their plans, while 22% ordered from a different retailer





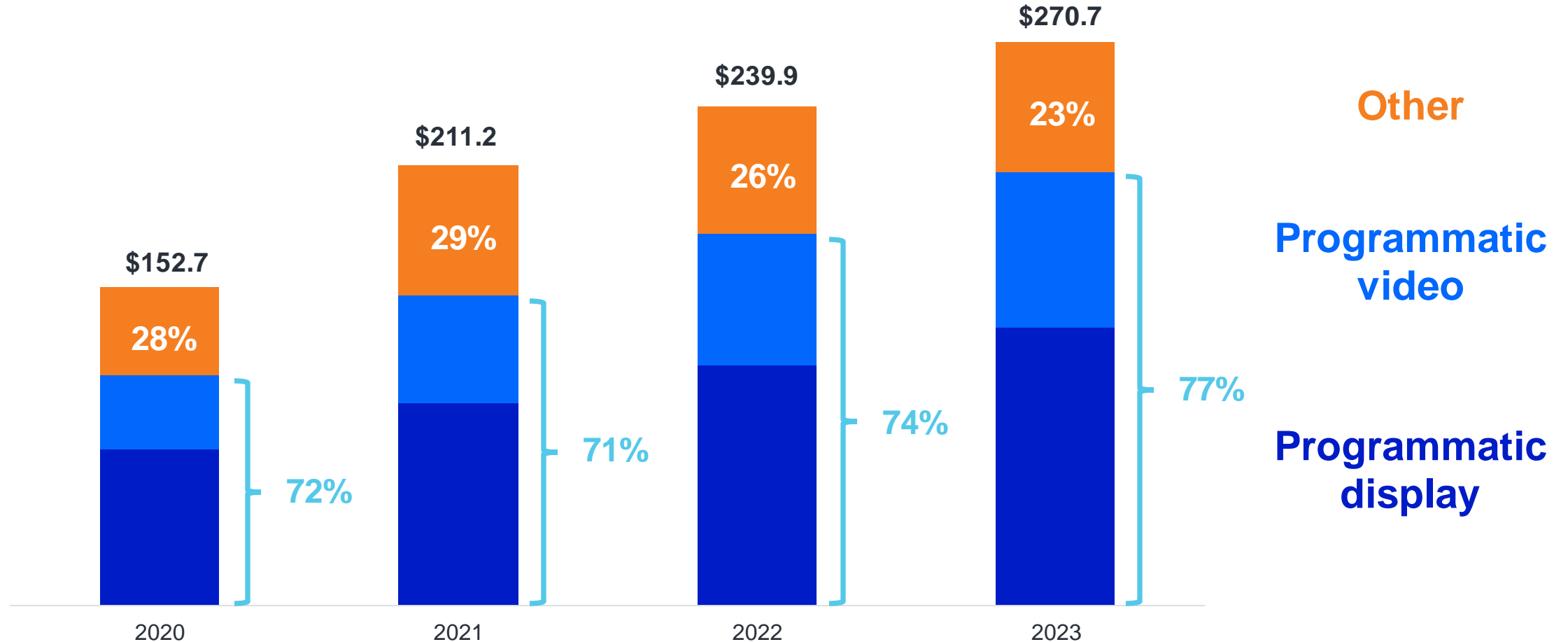
SECTION 05

# Finding Valuable Retail Audiences



# Growth in digital ad spend and programmatic expected to continue

## US DIGITAL AD SPEND BY TYPE • BILLIONS



# Best practices for digital targeting strategies



## DIGITAL EXTENSION

Reach underexposed TV audiences to drive incremental reach



## COST-EFFICIENCY

Reach high-value personas on digital at a fraction of the cost of other media



## COMPETITOR CONQUESTING

Target competitors' shoppers as a way to win new business and improve share of voice

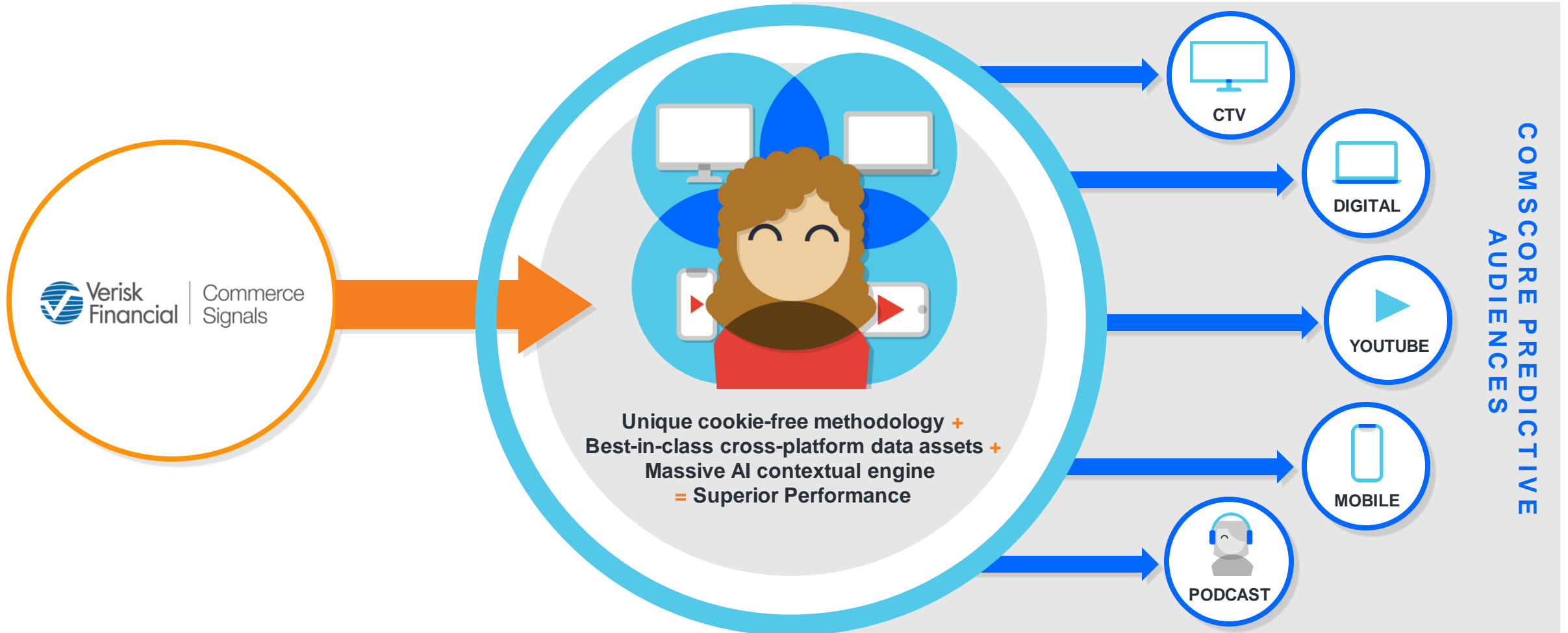


## CHANNEL ENHANCEMENT

Identify shoppers of retail stores where your goods are available to drive increased sales

# Reach Brand and Category Purchasers Programmatically

A crosswalk between deterministic behaviors and privacy-friendly contextual signals



# Top Retail segments used



**CATEGORY**  
AIRLINES



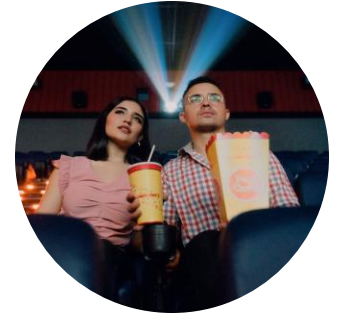
**CATEGORY**  
FAST FOOD RESTAURANTS



**CATEGORY**  
FOOD DELIVERY



**CATEGORY**  
HOUSEHOLD GOODS/  
FURNITURE STORES



**CATEGORY**  
MOVIE THEATERS



**MERCHANT**  
GAP



**MERCHANT**  
PAPA JOHN'S



**MERCHANT**  
TRADER JOE'S



**MERCHANT**  
UBER

# Move in lockstep with retail consumer trends

## Food & Grocery

- ✓ Online Grocery
- ✓ Food Delivery
- ✓ Costco
- ✓ DoorDash
- ✓ Fast Food Restaurants
- ✓ Uber Eats
- ✓ Casual Restaurants
- ✓ Trader Joe's
- ✓ Buffalo Wild Wings

Additional Food & Grocery Segments Available

## Retail Shopping

- ✓ Amazon
- ✓ Macy's
- ✓ Target
- ✓ Walmart
- ✓ JCPenney
- ✓ Dollar Tree
- ✓ H&M
- ✓ Ulta
- ✓ Family Dollar

Additional Retail Segments Available

## Baby/Pet/Furniture

- ✓ Ashley HomeStore
- ✓ Chewy.com
- ✓ Household Goods/Furniture Stores
- ✓ Baby Stores

# Key Takeaways



# 2022 State of Retail: Key Takeaways

1

## Digital Retail Commerce +31% YoY in Q4 2021

The last quarter of 2021 set an all-time high for digital commerce, as consumers spent over \$280 billion online in retail categories. Mobile spending continued to outpace desktop in growth, and now accounts for 36% of all digital spending.

2

## Online grocery continues strong growth

Having grown nearly +300% in total digital dollars since 2018, online grocery purchases have shown no signs of slowing down, as it was the highest-grossing category on mobile devices in Q4 2021.

3

## Most consumers experienced issues purchasing holiday gifts

While nearly 40% of these consumers made their purchases as planned, 1 in 5 said they made a purchase at another site – highlighting the importance of retailers being adaptive to market forces (e.g., potential shipping delays, supply chain issues)



Q & A

2022 STATE OF RETAIL

**Thank you!**

