

Industry Insight Guide : Retail Playbook

Date - 20th November

1. US Retail Landscape

1.1. Introduction

- Retail is how producers of goods and services get their products to the consumer. Retailers often get their goods directly from the manufacturer. That is when a commodity becomes a finished product.
- Retailers can also buy products from a middleman, known as a wholesaler or distributor. The wholesaling company consolidates the products from around the world. It repackages them for easier marketing and distribution. Retailers are the last stop on the supply chain before the products end up in your shopping cart.

1.2. How Retail Is Measured

- Retail is measured by retail sales. The U.S. Census publishes a report on retail sales every month. The most current statistics are in the U.S. retail sales report.

1.3. Importance of the Retail Industry to the U.S. Economy

- In 2018, the U.S. retail industry generated \$5.3 trillion in sales. It's almost tripled since 1992 when it was \$1.8 trillion.
- The largest category within retail is automotive, with \$1.3 trillion in sales.
- Food and beverage stores are next, at \$746 billion. It's followed by general merchandise stores at \$706 billion. This includes warehouse clubs and supercenters at \$484 billion.
- Online sales contributed \$612 billion, compared to \$35 billion in 1992. This dramatic increase is due to the advantages of online shopping.

The COVID-19 pandemic hit the retail industry very hard. Shoppers were told to avoid any stores except essential services, such as groceries and drug stores.

- The most important time of the year in retailing is the holiday shopping season. It starts on Black Friday, the day after Thanksgiving. Almost 20% of annual retail sales occur between Black Friday and Christmas. This season includes Cyber Monday, the biggest day of the year for online sales.

1.4. How Retail Works

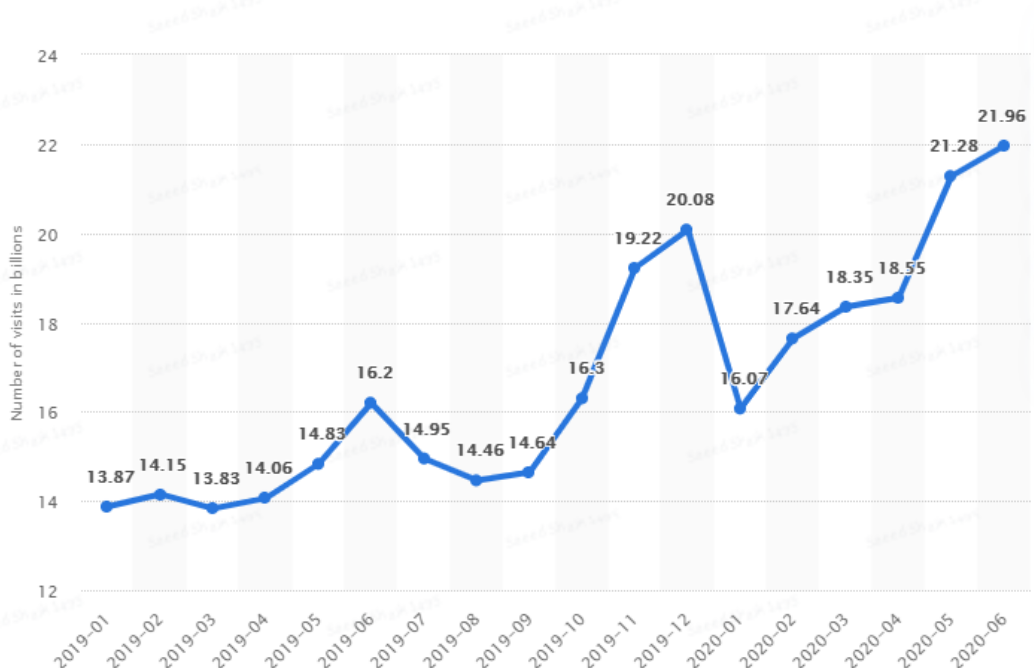
- Retailers make money by raising prices well above their cost of labor, equipment, and distribution. Everyone along the supply chain does the same thing.
- Retailers can sometimes make more money if they bypass the wholesaler and purchase directly from the factory.
- Some large retailers often manufacture best-selling items themselves. This is called vertical integration.
- This price increase is known as a markup or the retailer's profit margin. It's typically 100% (double the cost) at each stage. That's called "keystone markup." It's needed to cover costs and provide enough profit to pay stockholders or private owners.

Source:- the balance

2. Impact of COVID-19 Pandemic

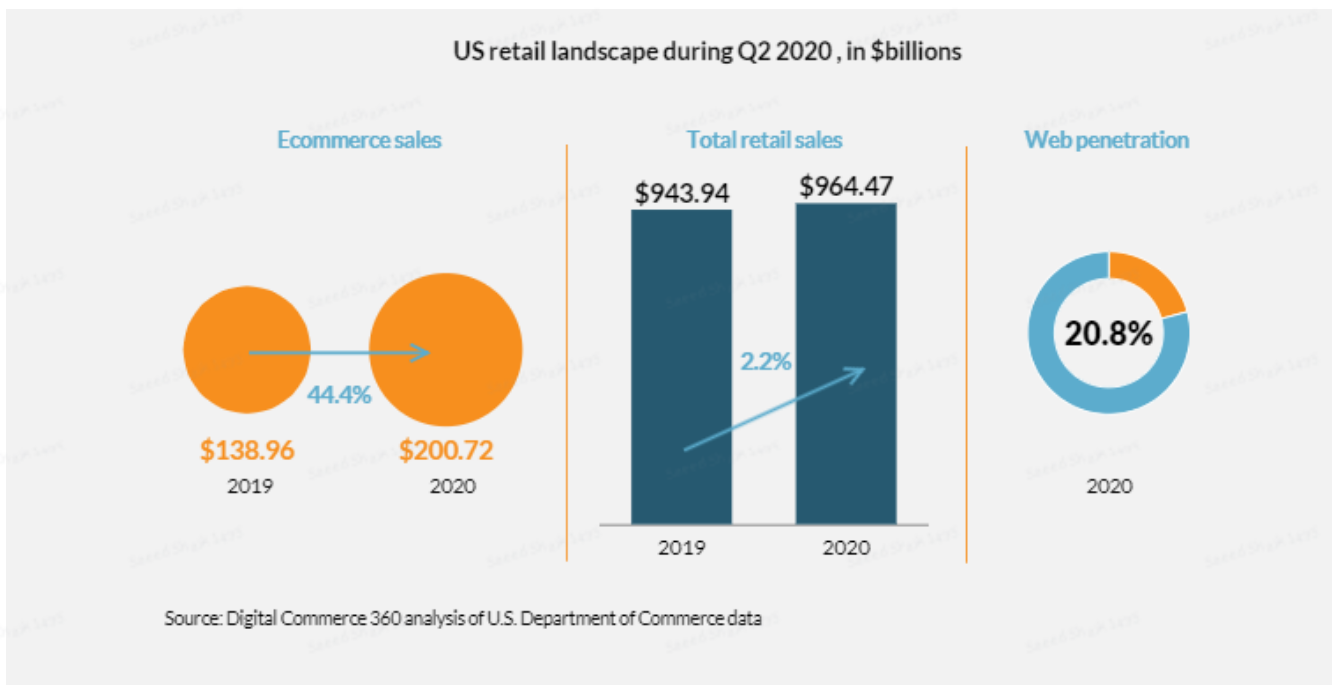
2.1. Coronavirus impact on retail e-commerce website traffic worldwide as of June 2020, by average monthly visits

- Retail platforms have undergone an unprecedented global traffic increase between January 2019 and June 2020, surpassing even holiday season traffic peaks. Overall, retail websites generated almost 22 billion visits in June 2020, up from 16.07 billion global visits in January 2020. This is of course due to the global coronavirus pandemic which has forced millions of people to stay at home in order to stop the spread of the virus. Due to many shelter at home orders and a desire to avoid crowded stores in places where it is possible to shop, consumers have turned to the internet to procure everyday items such as groceries or toilet paper.



Source :- Statista

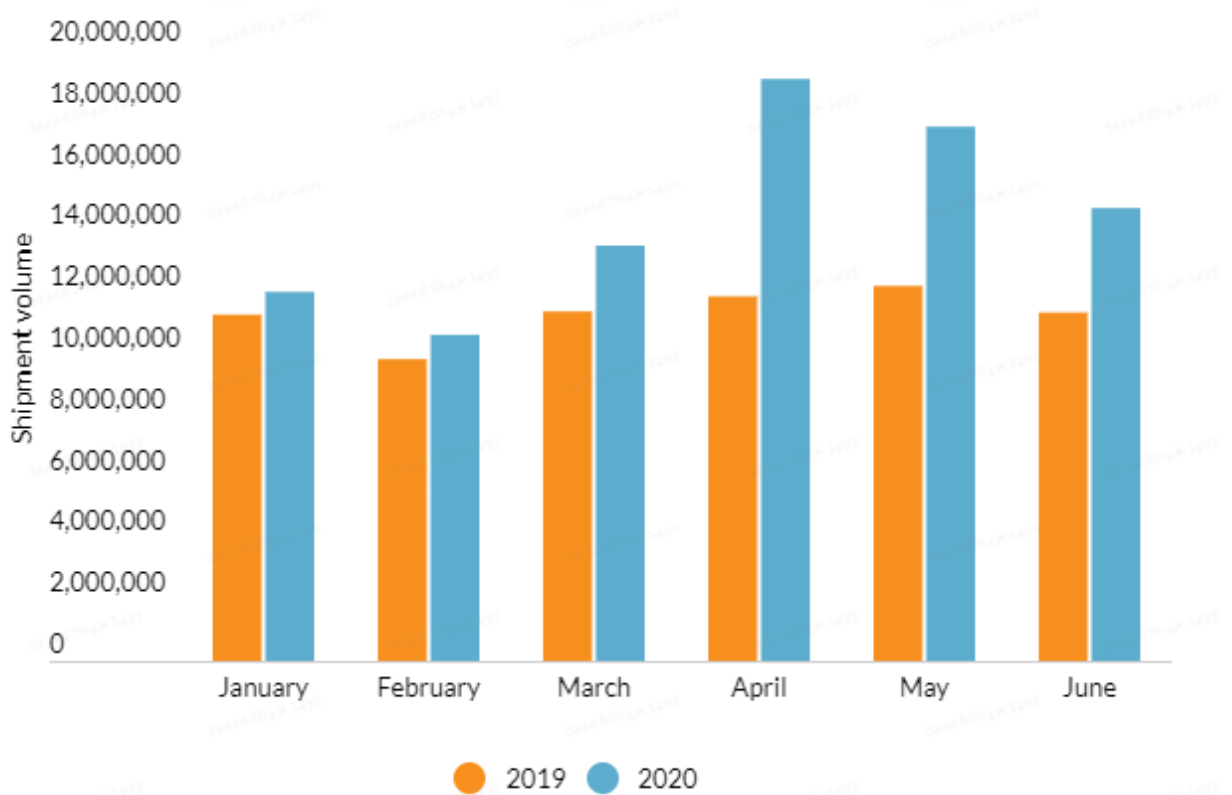
- In a second quarter of 2020 plagued by the coronavirus that caused widespread store closures and stay-at-home orders, retail flourished online with record growth in purchases through ecommerce sites, according to new data released by the U.S. Department of Commerce.
- During the height of the COVID-19 pandemic, consumers spent \$200.72 billion online with U.S. retailers, up 44.4% from \$138.96 billion for the same quarter the prior year, according to retail figures published Tuesday by the Commerce Department. That means more than \$1 in every \$5 spent came from orders placed on the web during the April-June period.
- Q2 2020 marked the highest year-over-year growth for any recorded second quarter and the second-highest rate of any quarter or year overall. Q2 2020's striking performance also was more than triple the ecommerce growth registered in Q2 2019 as well as Q1 2020.



- Total retail sales through all channels hit \$1.87 trillion in the first half of the year, up from \$1.80 trillion for the same period in 2019. Notably, the 4.0% growth is higher than the 3.4% rate registered in the first 6 months of 2019.
- Like in Q2, online spending more than made up for the decline in offline sales for the first half of 2020, so ecommerce accounted for all gains in the retail market for the period.

Ecommerce shipment volume jumps 44% during pandemic's Q2

Number of online retail packages by month, 2019-2020



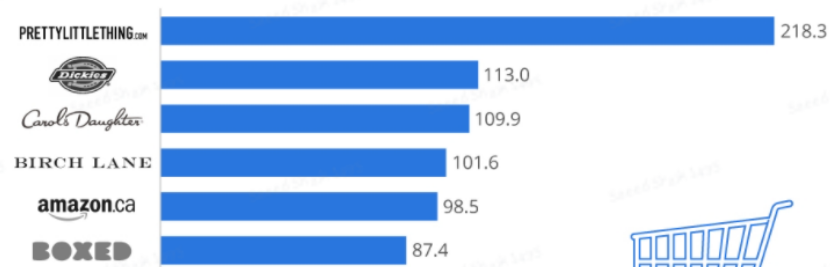
Source: DigitalCommerce360

2.2. Amazon & COVID-19

- Prior to COVID-19, Amazon was estimated to net \$81.2 billion in revenue in Q2 2020. **Because of the pandemic, Amazon allocated \$4 billion** in additional spend to keep customers and employees safe and increase deliveries after prioritizing only essential items.
- The ecommerce giant's Q2 2020 numbers actually ended up **totaling \$88.9 billion**, marking 40% year-over-year growth. YOY growth was especially impressive for **grocery sales, which tripled YOY after Amazon increased its grocery capacity by 160%** amid the pandemic.

The Fastest Growing Online Shops in the United States

Top eCommerce stores by net sales growth 17-18 in the U.S. (in %)





2.3. Key Takeaways

- U.S. retail sales saw a 1.9% month-over-month increase in September 2020.
- Sales were also up year over year by 5.4%.
- Retailers that saw monthly sales rise the most include clothing and accessory stores, department stores, and sporting good stores.

3. US Market details

- The most recent U.S. Retail Sales Report shows that retail sales continued to rebound in September, rising 1.9% since August, and 5.4% since this time last year. Total sales for July through September 2020 were up 3.6% year over year. Sales have been increasing since June after record lows were seen in the spring during the height of the coronavirus pandemic.
- Clothing and accessory stores saw an 11% increase in September, though sales were still down about 12% unadjusted year over year.
- Department store sales were also up, with an increase of almost 10% from August, as were sporting good stores, which saw an increase of 5.7% month over month. Many well-known department stores had declared bankruptcy in May due to high debt entering the pandemic, so the sales seen in from September are promising.
- Online and other non-store sales rose by 0.5% last month and were up about 27% unadjusted since September 2019.
- Health and personal care stores, such as drug stores, saw an increase in sales of 1.7% for the month and 5.3% year over year.
- Building and garden supply stores saw a very small month-over-month increase of 0.6%, but rose 23.4% unadjusted year over year.

- Restaurant and bar sales were up about 2% in September, though sales were still down about 14% from this time last year.
- Food and beverage stores saw no real change month over month and were up about 11.5% unadjusted year over year.³
- Car and parts dealers saw an increase in sales of almost 11% year over year, but just about 4% month over month. Gas station sales were up 1.5% since August, but still down about 13% since September 2019
- <https://www.thebalance.com/u-s-retail-sales-statistics-and-trends-3305717>

4. Fastest Growing Market

The 10 Fastest Growing Industries in the US-2019-2020 Revenue Growth

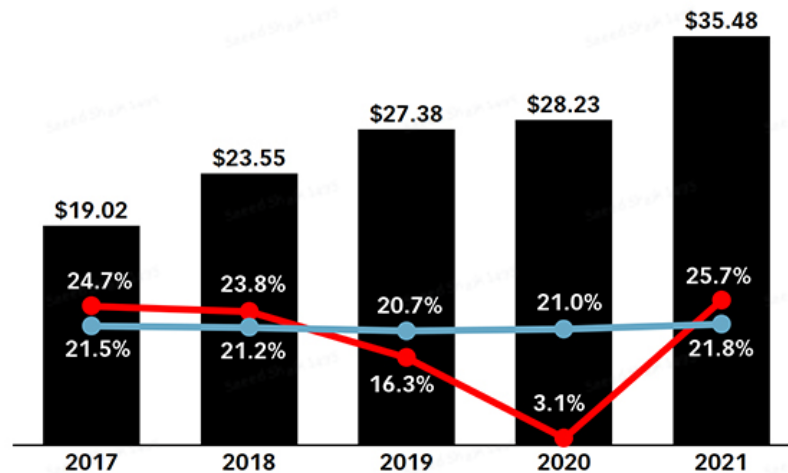
1. **Online Grocery Sales - 74.5%**
2. **Cough & Cold Medicine Manufacturing OTC - 68.8%**
3. **3D Printing & Rapid Prototyping Services-28.8%**
4. **Online Pet Food & Pet Supply Sales-28.5%**
5. **Hydraulic Fracturing Services-27.8%**
6. **Autonomous Underwater Vehicle Manufacturing-26.7%**
7. **Stock & Commodity Exchanges in the US-26.3%**
8. **Medical & Recreational Marijuana Growing-25.2%**
9. **Thermometer Manufacturing-23.7%**
10. **Massage Franchises-23.6%**

5. Trends and Insights - US Online Retail Market

- The US retail industry will remain the largest spender on digital advertising across all verticals, despite a huge deceleration in its digital ad spending growth and a difficult year for retail sales overall. Nearly every industry in the US will experience dramatic slowdowns—and even contractions, for some—in digital ad spend this year. But thanks to its accelerated embrace of ecommerce, retail will slightly outperform the industry average. Estimating that retail digital ad spend will increase by 3.1% in 2020—to \$28.23 billion—compared with US digital ad spend overall, which will grow by 1.7%.

- The below report includes our annual breakdown of US retail digital ad spending. It includes a comprehensive overview of total digital ad spending, as well as estimates by channel, device and format, and how the coronavirus pandemic has affected these figures.

Retail Industry Digital Ad Spending in the US, 2017-2021
billions, % change and % of total digital ad spending



■ Digital ad spending
■ % change ■ % of total digital ad spending

Note: includes mail order/catalog, restaurants/fast food, drug stores, retail stores, cosmetics stores, and merchants of apparel, home furnishings/textiles, toys, pet food/supplies, appliances, jewelry and general merchandise; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms

Source: eMarketer, August 2020

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www.eMarketer.com

5.1. How does the retail compare with other industries

- The retail industry will spend \$8.61 billion more on digital ads this year than the next-closest vertical, financial services, and nearly \$25 billion more than the lowest-spending industry, travel. Overall, retail will account for 21.0% of total US digital ad spend.

5.2. Which digital ad will format will see the most spending

- The retail industry is extremely balanced in its approach to digital advertising. Retailers will spend 47.9% of their budgets on display ads and 47.5% on search ads. Within display, retailers will **spend 48.4% on video ads.**

5.3. Which platforms are covered for digital retail ads

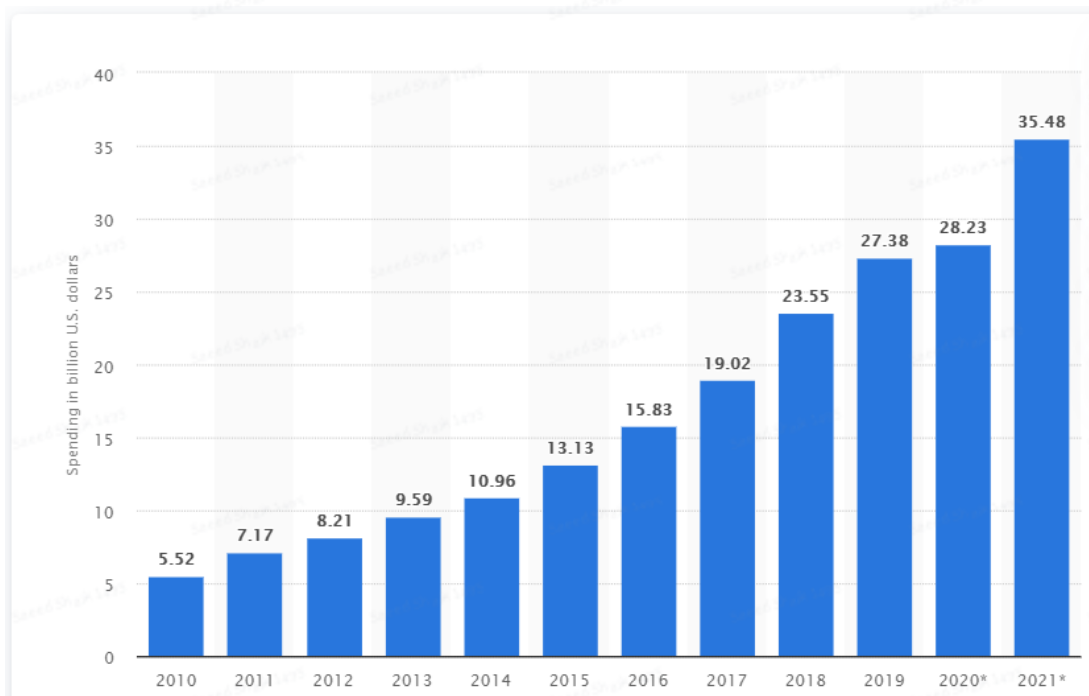
- Mobile is king, but retail still overindexes on desktop/laptop ad spending compared with other industries. Retail ad spending on mobile will surpass \$18 billion this year, and desktop/laptop spending will reach nearly \$10 billion. Both of these figures far and away lead their respective packs, and for desktop/laptop spending, retail nearly doubles the next-closest industry.

5.4. How has the coronavirus changed the outlook?

- Prior to the outbreak of the pandemic and subsequent decline in economic activity, Anicipited another strong year for digital retail ad spending, with 16.9% expected growth and spending above \$33 billion. The new forcaste numbers suggest roughly \$5 billion less in spending than previously anticipated.

5.5. Retail industry digital advertising spending in the United States from 2010 to 2021

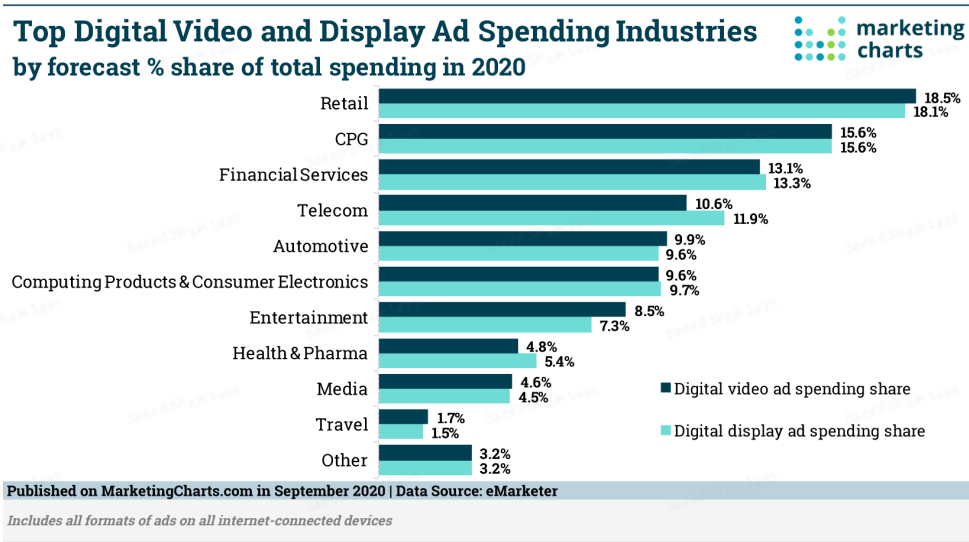
In 2019, digital advertising spending of retailers in the United States amounted to 27.38 billion U.S. dollars. Tis figure is expected to further grow to 35.5 billion dollars in 2021. Retail is the industry with largest digital ad spend in the U.S., followed by automotive and financial services. Across industries, digital ad spending is going to amount to nearly 172 billion U.S. dollars in 2021



5.6. Retail Digital Display Ad Spend

The data from August 2020 identifies the Retail industry as the key player in digital video ad spend, with the industry estimated to account for the largest share (18.5%) of digital video ad spending this year. CPG follows behind with a 15.6% share, followed by Financial Services

(13.1%), Telecom (10.6%) and Automotive (9.9%). The Travel industry comes in at the bottom, constituting just 1.7% of spending.

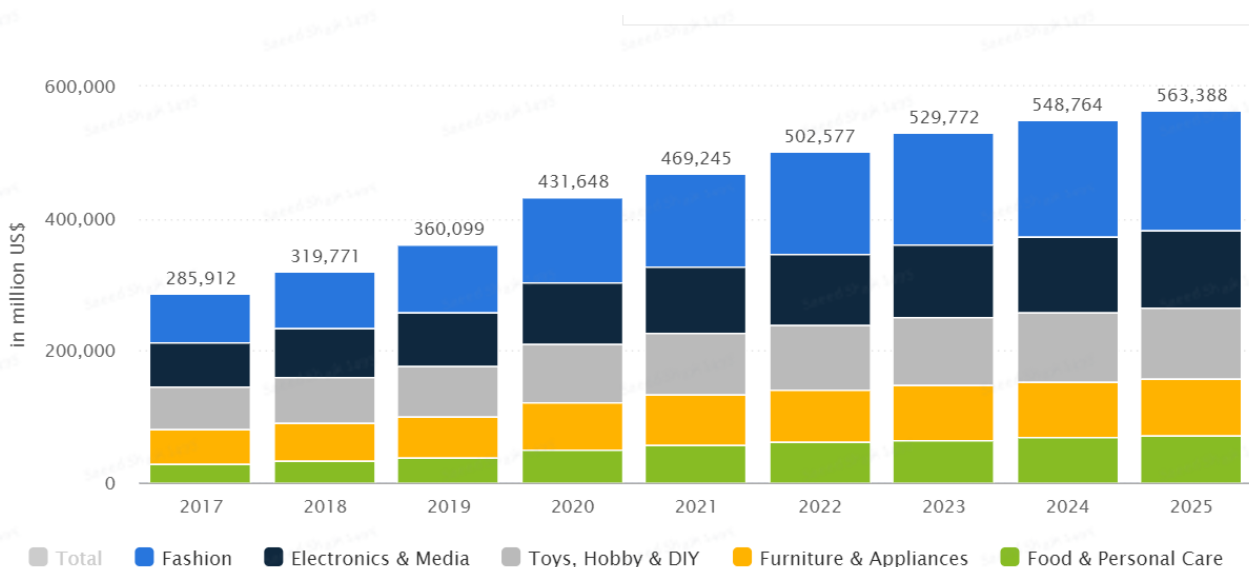


Based on the recent research regarding the new data on mobile ad spending for Q3 2020, finding that while mobile platforms' share of US digital ad dollars is at an all-time high at more than two-thirds (68%), the fallout of the pandemic has shrunk growth.

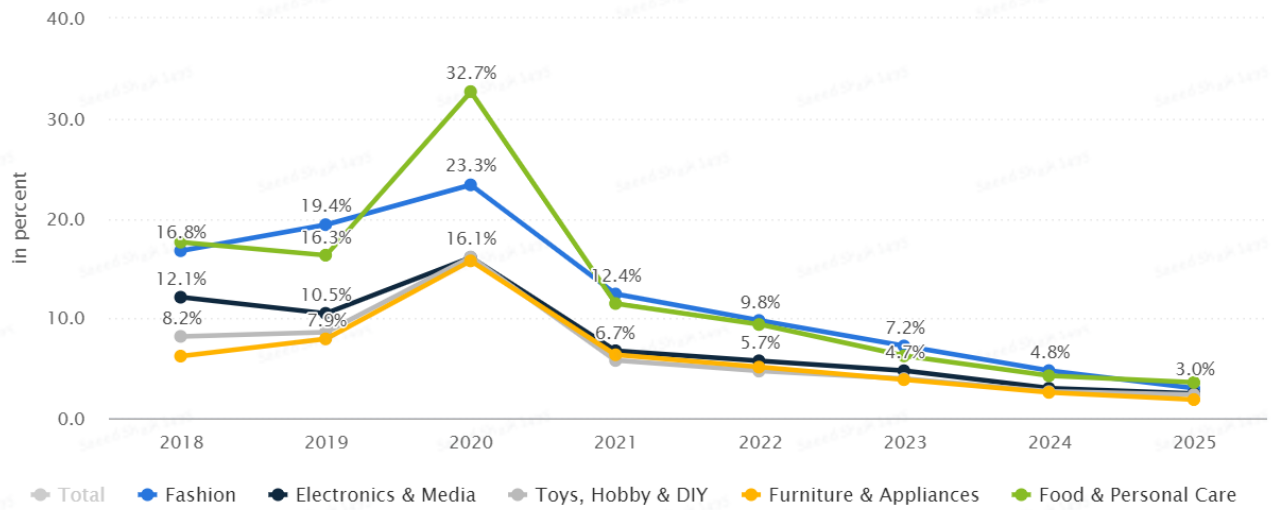
As a result, mobile ad spending this year is set to increase by 4.8%, which is a significant departure from both last year's growth of 23% as well as eMarketer's estimated growth of 22.5% for 2021.

5.7. Share of Wallet - Internet

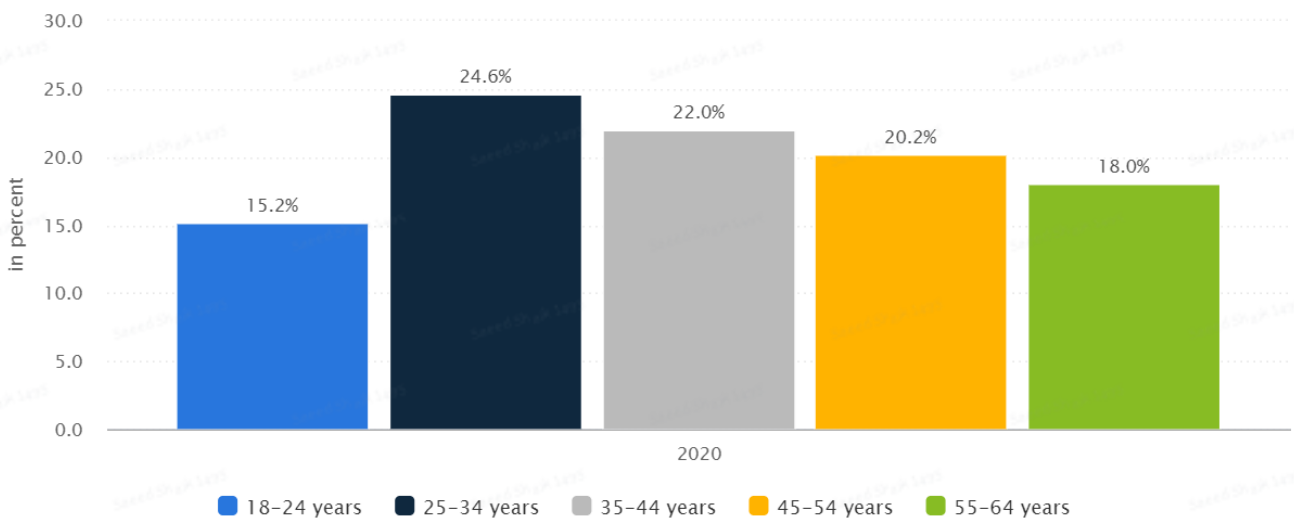
Revenue in the retail, eCommerce market is projected to reach US\$431,648m in 2020.



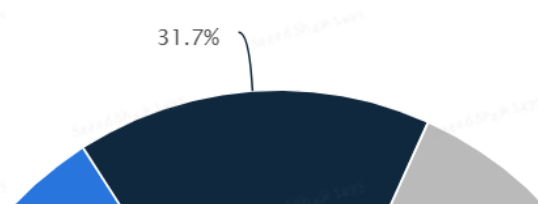
The eCommerce market is expected to show a **Revenue Growth** of 8.7% in 2021.

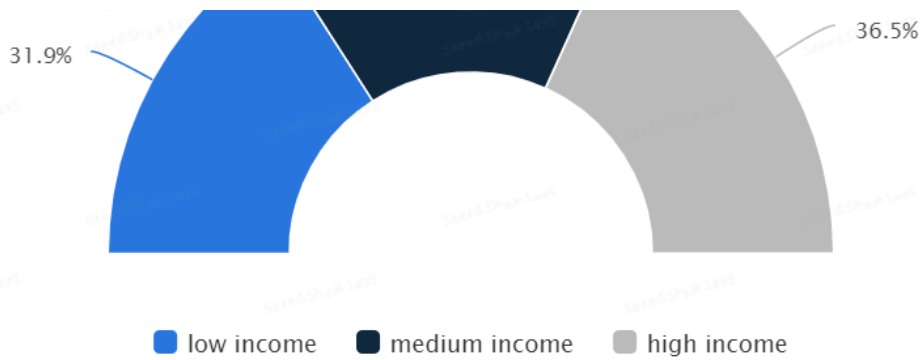


In the year 2020 a share of 24.6% of users is **25-34 years old**.



In the year 2020 a share of 36.5% of users is in the high income group.





5.7.1. Engagement Rate

In the near future, small retailers may see up to 30% higher mobile conversion rates compared to larger retailers.

In 2019, it's estimated there are 1.92 billion digital buyers, and eCommerce sales account for 14.1% of retail purchases worldwide. Since online shopping, in general, is growing so fast, the next statistic shouldn't come as a surprise to you. In 2023, eCommerce retail purchases are expected to rise from 14.1% to 22%.

According to Invesp, the countries with the leading average eCommerce revenue per shoppers are: USA (\$1,804), UK (\$1,629), Sweden (\$1,446),

Country	Average revenue per online shopper
United States	\$1,804
United Kingdom	\$1,629
Sweden	\$1,446
France	\$1,228
Germany	\$1,064
Japan	\$968
Spain	\$849
China	\$626
Russia	\$396
Brazil	\$350

5.7.2. Black Friday and Cyber Monday Statistics

Black Friday and Cyber Monday are by far still the busiest time of the year in terms of spending money. In 2018, 174 M Americans shopped on this holiday. Each of these people spent an average of \$335 per person.

93% of the biggest spenders, millennials aged 24-35, plan to shop during this weekend. And they spend an average of \$419.52 per person.

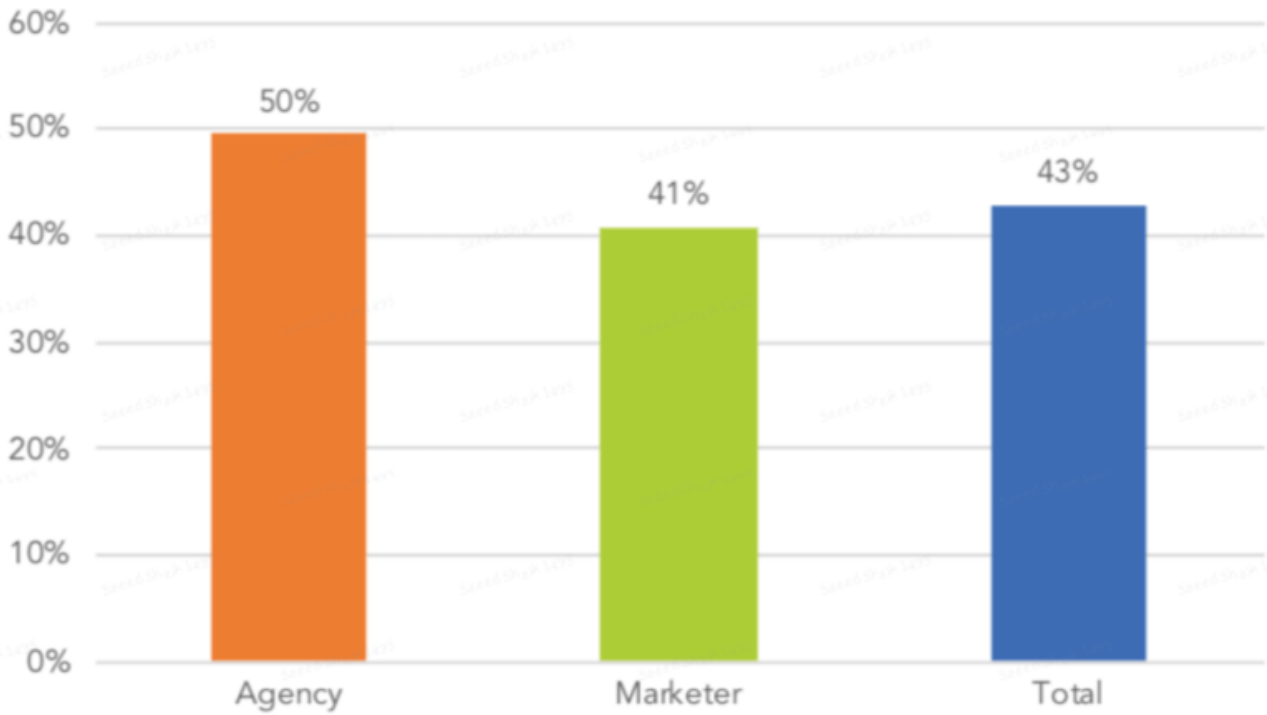
6. Competitors Overview

- **Google, Facebook and Amazon are the top three digital ad platforms in the U.S. Together they capture just under 70% of all digital ad dollars spent according to eMarketer.**
- More than two-thirds of all digital spending. The three companies are collecting 68.1% of digital ad spending says the latest estimates. It's comparable when mobile advertising is broken out (69%). In real dollar terms this represents about \$73 billion between the three companies, using the IAB's full-year 2018 spending estimates.
- Amazon owns 38% of e-commerce. Interestingly, this represents a significant revision downward from its estimate of almost 50% a year ago. The firm also says that Facebook controls 83% of social ad spending.

	Google	facebook	amazon	
Market Share				
% of Ecommerce Sales			37.7%	
% of Digital Ad Spending	37.2%	22.1%	8.8%	
% of Social Ad Spending		83.3%		
% of Mobile Ad Spending	33.0%	30.8%	5.2%	
User Share				
% of Connected TV Users	16.8%		26.6%	
% of OTT Users	96.2% (YouTube)		47.1%	<i>There is overlap, as users often use more than one service.</i>

- By comparison, the IAB said that in Q4 2018, “75% of internet advertising revenues [were] concentrated with the top 10 leading ad-selling companies.” This suggests a slightly more competitive market than eMarketer's estimates indicate, but not by much. The IAB added that the concentration of digital ad revenue in the top 10 “has fluctuated between 69% and 77% over the past ten years.”
- **Self-reported ad-spending lower.** A recent survey of 700 in-house and agency marketers, by Factual and Lawless Research, found that they were spending, on average, 43% of their ad budgets on Google, Facebook and Amazon.

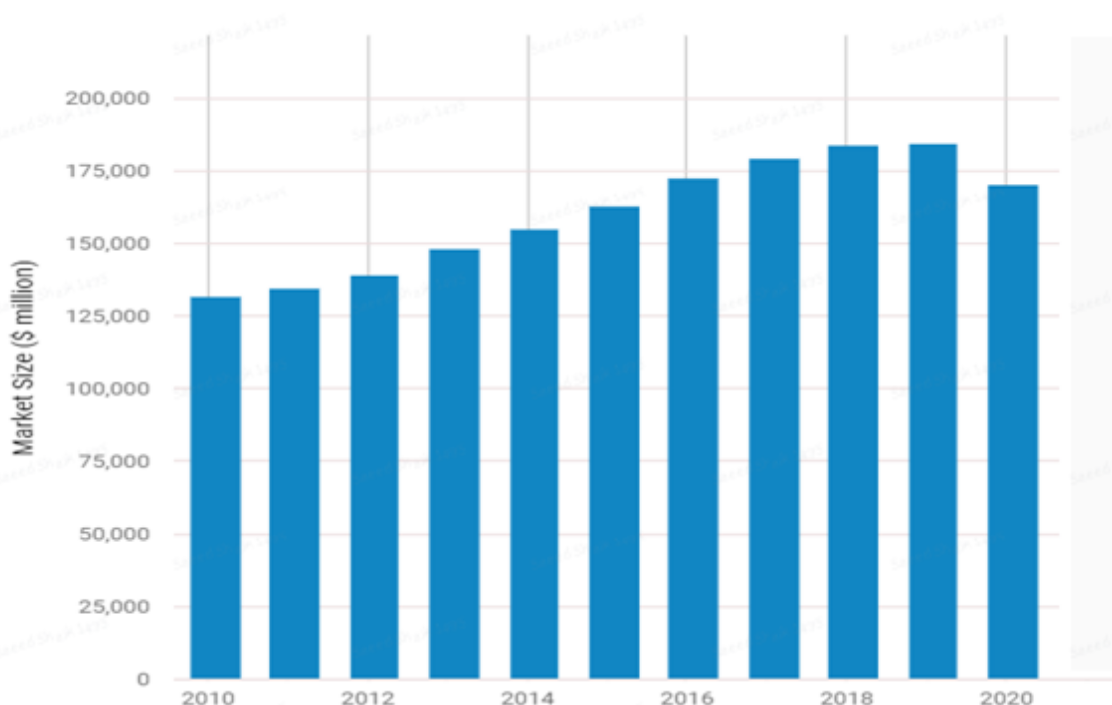
Annual advertising budgets spent on Google, Facebook, Amazon



7. Sub Category Details for Retail Playbook

7.1. Home Improvement

In 2020, it seems home is just about where everything making up a typical consumer's life is, as COVID-19 has seriously dimmed most people's enthusiasm for being out and about.



Source: Statista

7.1.1. Home Prices Appreciating For All But Luxury Homes

Although existing house sales are experiencing a slowdown, home prices, for the most part, are appreciating. Low, low-medium and medium-high priced houses have continued to grow in value in 2019, while high priced luxury homes have actually begun to see decline.

7.1.2. Home Builders Pivot To Entry Level Homes

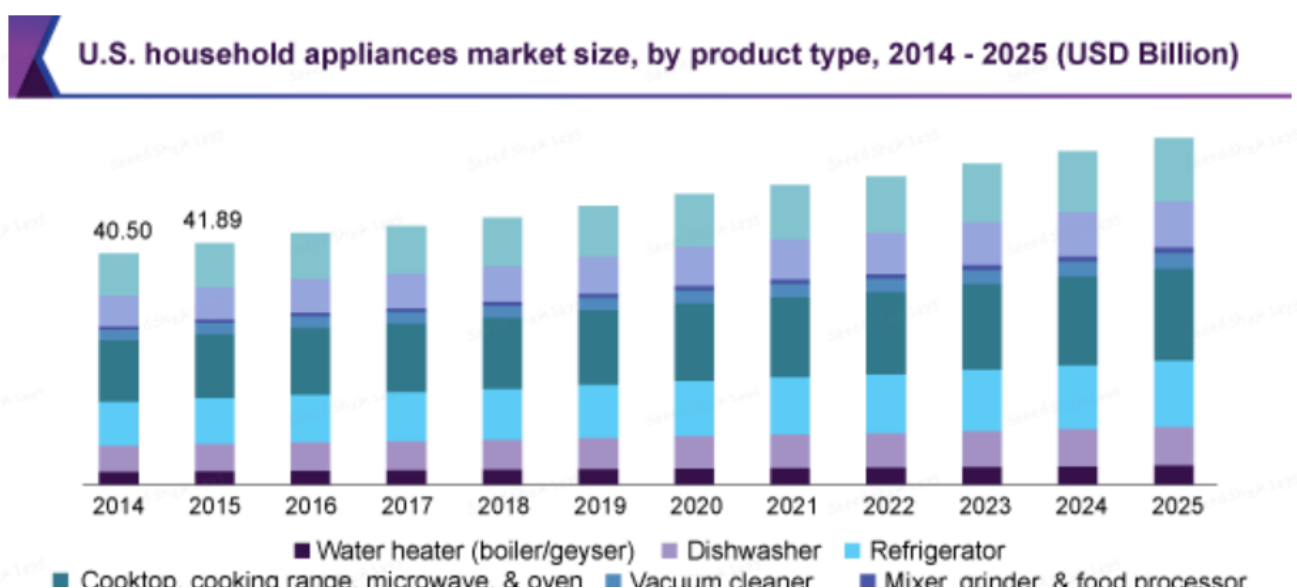
In recent years, home builders have pivoted towards building new entry-level homes. As millennials enter the home buyers' market, home builders have responded with increased starts of new homes targeted towards first-time buyers - specifically millennials.

7.1.3. E-Commerce Limited In-Home Improvement

According to McKinsey and Company, e-commerce retailing in home improvement has the lowest channel share of any home and garden category. This is because consumers looking to begin a home improvement project generally need two things: the products needed for the job, and expertise and advice on how to get the job done. Online channels of sales can actively take the covid times as an opportunity and try to change this notion of thought as most people are locked up in their houses and there is now more than before need of DIY home improvement products.

7.2. Appliances

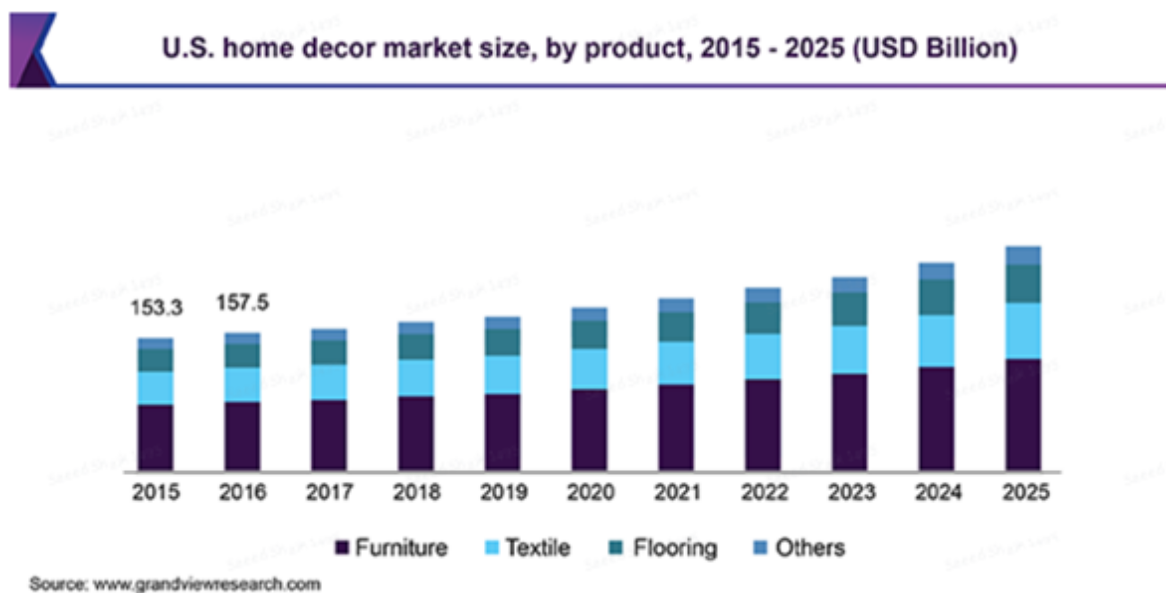
The US household appliances market growth is as shown below:



— Desktop, sewing range, microwave, & oven — vacuum cleaner — mixer, grinder, & food processor
 ■ Washing machine ■ Air conditioner & heater

According to Global Web Index, 53% consumers in US have delayed their home appliances purchase.

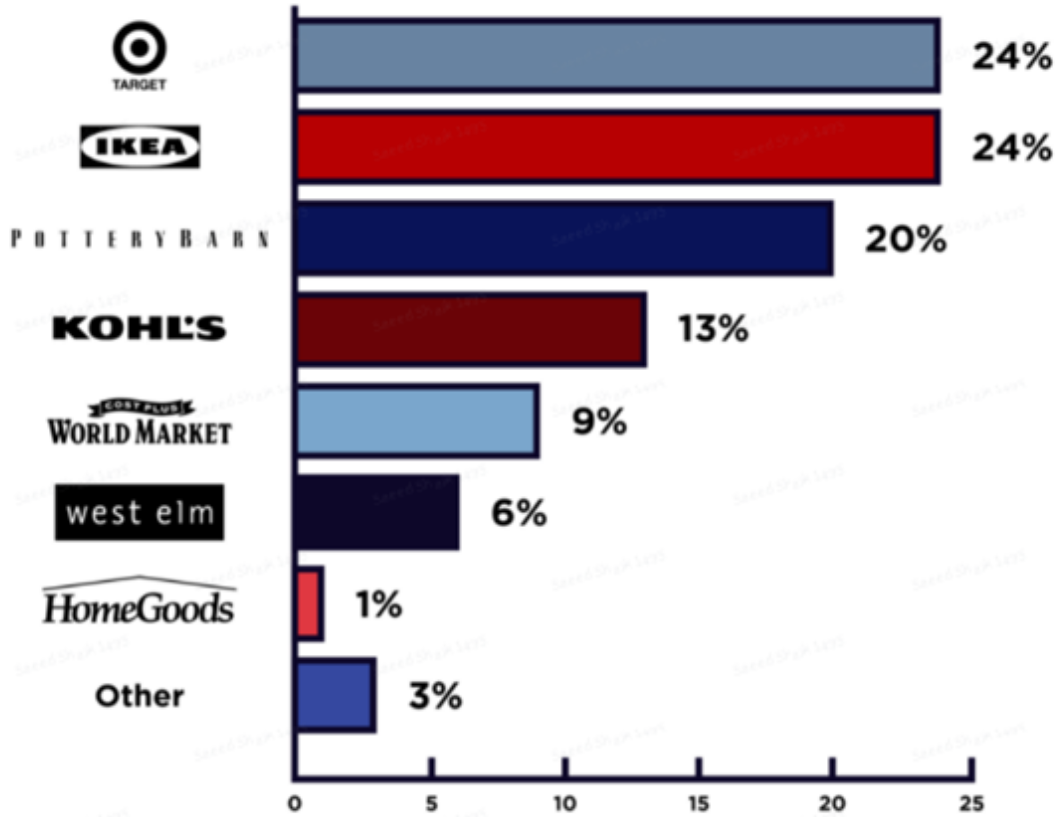
7.3. Home Decór



According to the United Nations, 55.0% of the global population is residing in urban areas in 2018. Therefore, this increasing rate will pose a positive effect on the demand for home décor products in the forecast period. Furthermore, expansion and development in the real estate sector are expected to supplement the growth of the home decor market.

According to offers.com the highest visited home décor stores are as below:

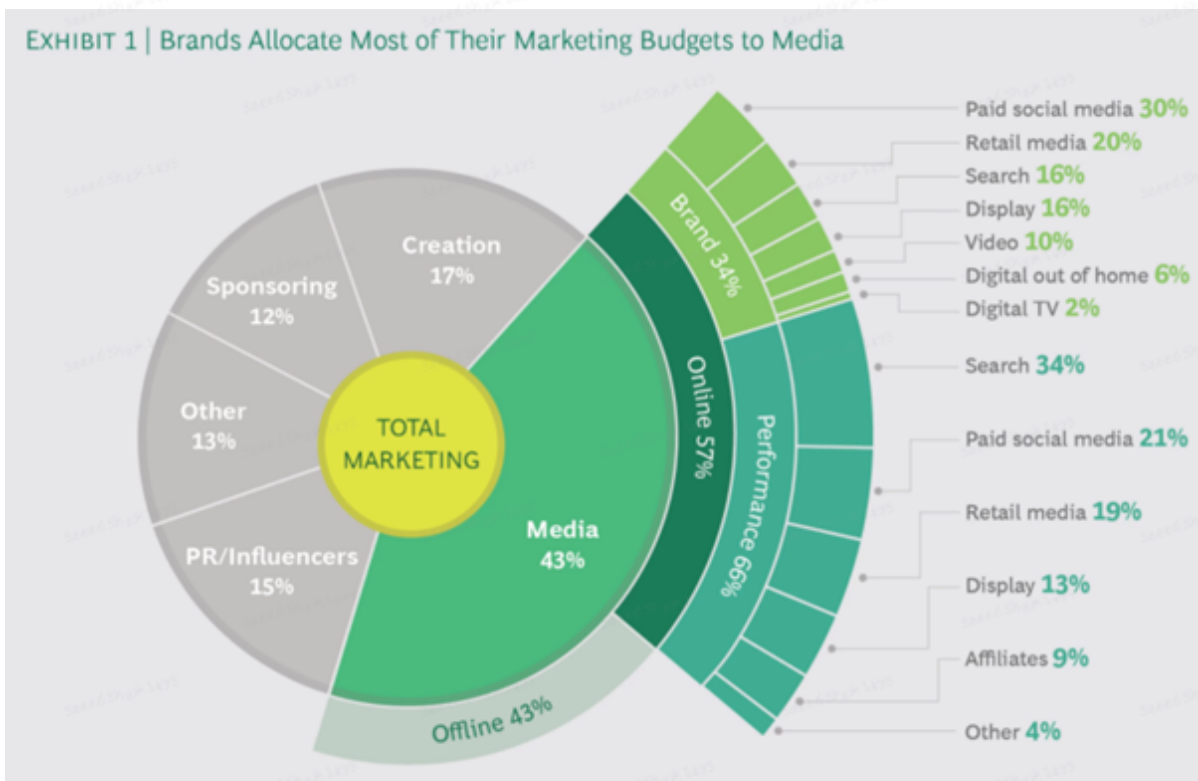
Favorite Home Decor Store



The Source: Offers.com

7.4. Fashion

Fashion marketing, budget allocation in January, 2020:



Source: BCG.

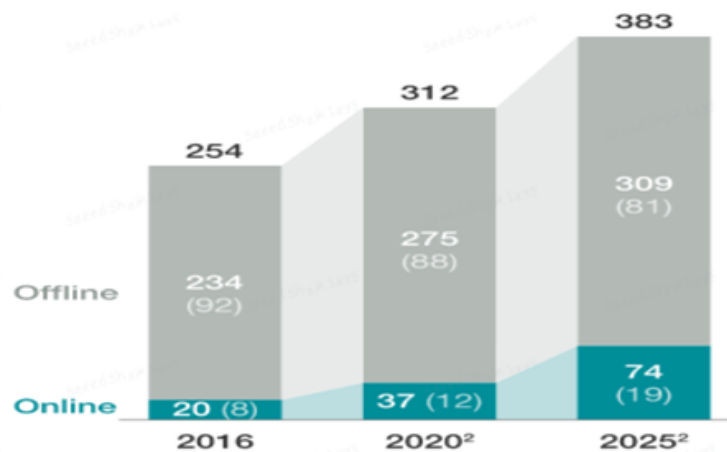
Note: Percentages are medians (n = 41).

The brands most advanced in their journey to overall digital-marketing excellence are excelling in three dimensions:

- Analytics for budget allocation, attribution, and impact measurement
- Targeting and personalization
- Asset production and content strategy

7.4.1. Luxury Clothing

Sales of personal luxury goods,¹ € billion (%)



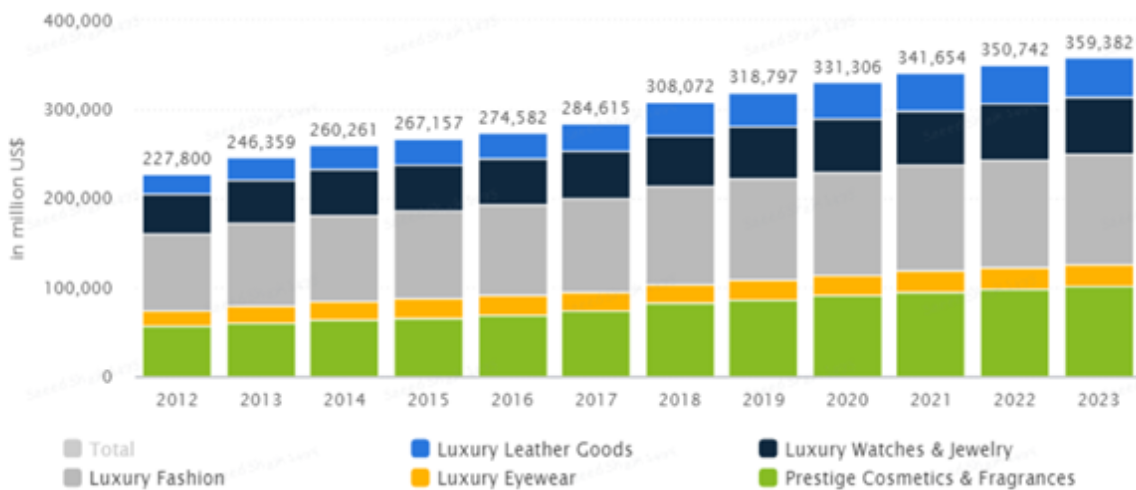
¹Accessories, apparel, beauty products and perfumes, footwear, jewelry and watches, and leather goods.

²Forecast.

Source: Euromonitor; Forrester

In 2019, the Global luxury goods market produced a revenue of \$318,797 million, and will grow at a Compound Annual Growth Rate (CAGR) of 3% for the forecast period of 2019-2023. If you are into a market this size, your marketing needs are also huge and you can't just rely on the traditional approaches towards luxury brand marketing.

Vertical wise distribution of the luxury goods:



Personal luxury is already a market segment of the large pool of luxury brand marketing. But, the personalization of luxury products like beauty products, cosmetics and fashion products has seen a huge preference in recent times, and will continue to rule the marketing trends this year.

The market will be **ACCELERATING** at a CAGR of nearly **5%**

INCREMENTAL GROWTH ▶ **\$83.06 bn**

The year-over-year growth rate for **2019** is estimated at



Source: Technavio

Luxury brands have entered the Social Media marketing realm since early 2012, but, it is the Social Media engagement that has been the difference between brands that have maintained their brand value and the ones that have lost relevance.



Source: Oberlo

The way consumers discover and acquire luxury brands are equally in flux and have been for quite some time. Some areas that brands need to think about are listed below.

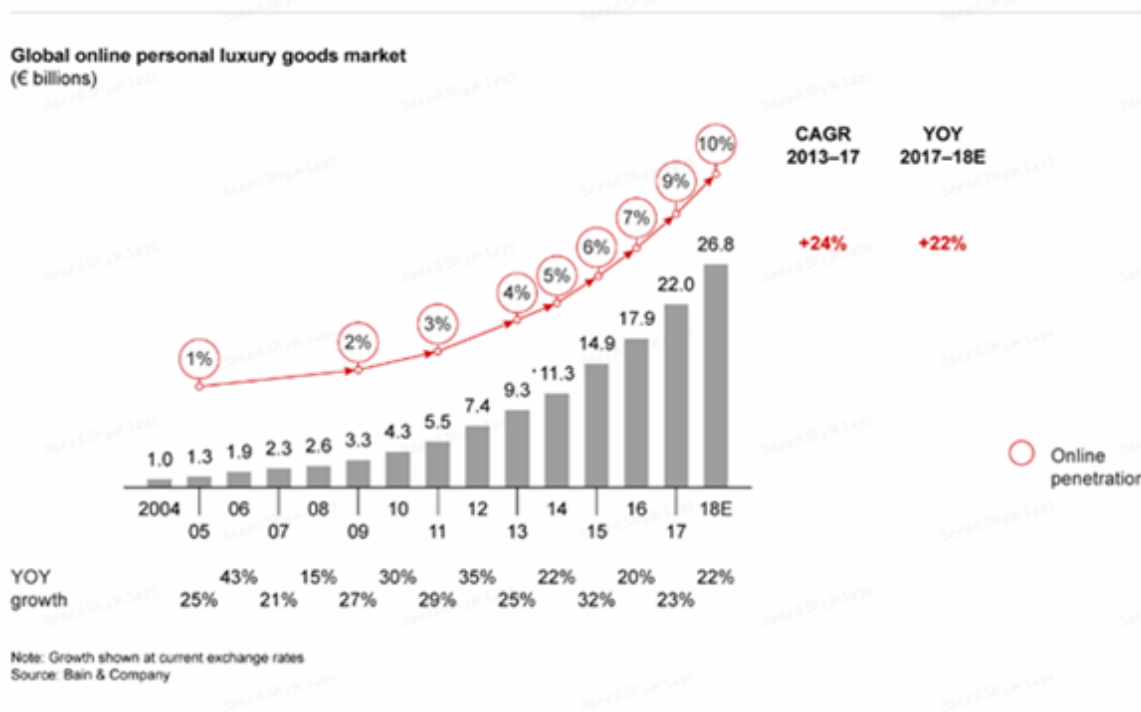
1. The continued rise of online purchases

2. The emerging younger consumer
3. Sustainability

Factors affecting luxury brands:

1. The Continued Rise Of Online

According to data from Bain Future of Luxury Report, of all the factors affecting luxury brands, this is probably the largest. In 2018 online luxury shopping grew a whopping 22% continuing to rise to €27 billion.



Source: Growth in Luxury Brands via Bain & Co

By 2025, the online channel will make up 25% of all luxury sales with ‘digital’ facilitating over 50% of all purchases.

Asia (especially China and India) will be one of the fastest growing future markets. Of the figures last year 44% of growth came from The Americas with Asia nudging Europe to third place.

Top selling items were accessories that were just ahead of online luxury fashion. The growth of jewellery and watches also saw a significant increase as consumers became far more confident online.

Interestingly, in certain sectors, consumers were increasingly looking to purchase directly from the luxury brands websites as e-commerce functionality for certain brands improved. The

growth in second-hand luxury goods also increased rapidly to €22 billion in 2018.

2. The Emerging Younger Consumer

Writing about luxury brands without mentioning millennials would be like having calamari without a dash of lemon.

An amazing 33% of all luxury purchases in 2018 were driven by Generation Y and growth in this market seems no bounds. This new younger ‘aspirational’ consumer is forcing many traditional brands to adapt to a changing social landscape. A change which is paying dividends as brands like LVMH’s Louis Vuitton are taking advantage of street brands like Milan-based Off White, who is driving trainer (sneakers) sales driven by the designs of Virgil Abloh.

3. Sustainability

Sustainability is another area that is a key driver for luxury brands. Driven by millennials, this is now something of a universal issue spanning all ages, continents and brands.

With brands like Gucci launching Gucci Equilibrium and focussing on Corporate and Social Responsibility, luxury is not just following suit but, in many ways, leading the charge.

Brands like Vivienne Westwood have launched ecotricity along with super group LVMH which last year announced it is investing in sustainability starting with a carbon fund that will raise money for every ton of CO2 emission the brands generate.

These initiatives and many like them are an attempt by luxury brands to give something back and hone in on the sentiment about waste and what our future planet may look like. The upside and some may say cynically, that by addressing these modern day issues, customers both old and new will feel far more comfortable about purchasing.

7.4.2. Luxury Skincare

The Opportunity

- The high-end beauty and skin care market is one of the fastest growing luxury industry. Euromonitor International estimates a 6% growth for the year, with the premium skin care segment outperforming its mass market counterpart for a third year in a row.
- Affluent consumers have an appetite for skin care knowledge and are receptive to learning about and engaging with luxury brands online.
- High-end skin care brands have an opportunity to build digital appeal and credibility by tapping into global consumer demand for entertaining and educational content.

The Problem

- Beauty and skin care remain industries that are driven by fast-disappearing fads.
- Aside from uncovering robust trends, the digital-driven discovery of new skin care products and the information is borderless. This necessitates that digital marketers be attuned to the ebb and fall of global trends, which makes forecasting trickier than ever.
- The way luxury skin care brands engage with consumers online are changing as conscious consumption and scientific expertise become priorities.
- Power players like Unilever have made moves into the high-end skin care category with the acquisition of boutique brands, heralding an increasingly competitive landscape.

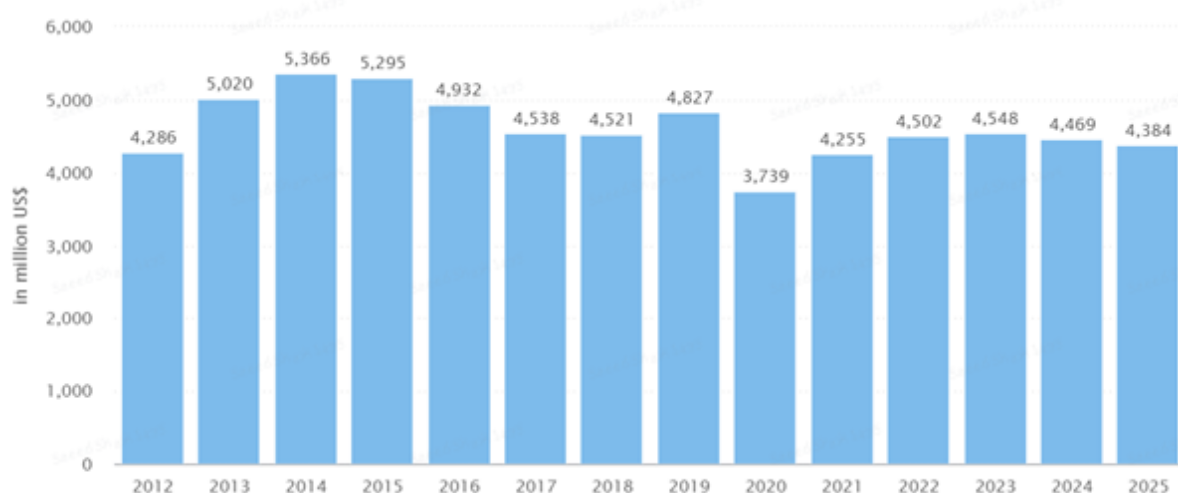
The Solution

- Harness a multi-faceted digital strategy that embraces conscious luxury and natural organic skin care by showcasing transparency and authenticity.
- Luxury skin care brands need to build credibility amongst well-informed consumers by demonstrating unparalleled expertise around the science behind their products.
- Carefully vetted collaborations with online beauty influencers and luxury online retailers become potential components to a well-rounded global digital strategy.
- Exercise a global mindset when it comes to beauty trends and potential audiences. Search data is an invaluable resource to determine specific, global long-term trends in the luxury skin care category.

7.4.3. Luxury Jewellery / Watches

7.4.3.1. Luxury Watch

Year on year growth luxury watch:



Source: Statista (Forecast adjusted for expected impact of COVID-19), July 2020

In the luxury watch sector, Covid has played a huge role in digitisation and has brought the otherwise not to digitisation friendly sector to the digital platforms.

“Three weeks ago, I had no idea what an Instagram Live was, now we have these formats where we’re so much closer and so much more humane” said Maximilian Büsser, founder and creative director of the Geneva-based independent brand MB&F. In mid-May, he used the platform to showcase “55 Minutes,” a series of interviews with fellow watch executives and designers.

7.4.3.2. Luxury Jewelry

Year on year growth of luxury jewelry:

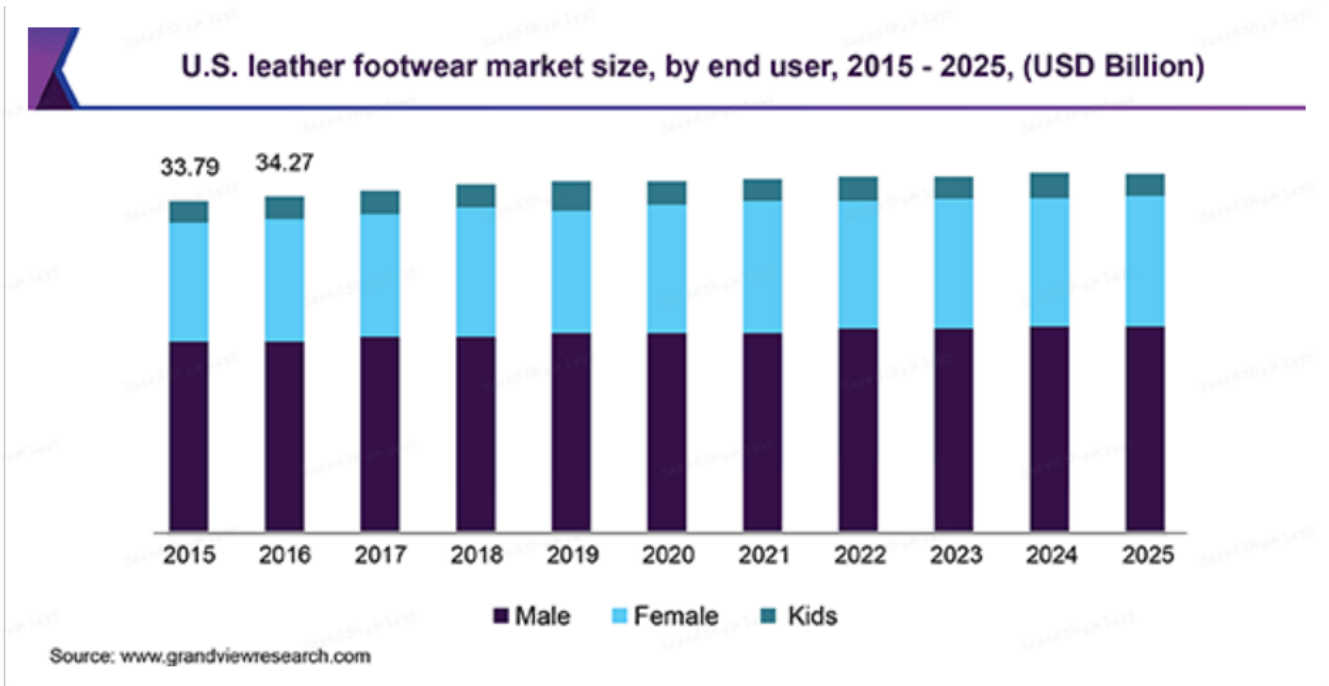


The offline distribution channel segment is expected to reach USD 36.73 billion by 2025. The online portals of the leading companies focus on providing a better customer experience. Market leaders, such as Tiffany & Co., are providing pre-purchase home delivery for selected products against a surety of buying a product. This trend in the selling strategy has provided them with positive customer behavior, which helps increase company revenue.

7.4.4. Footwear

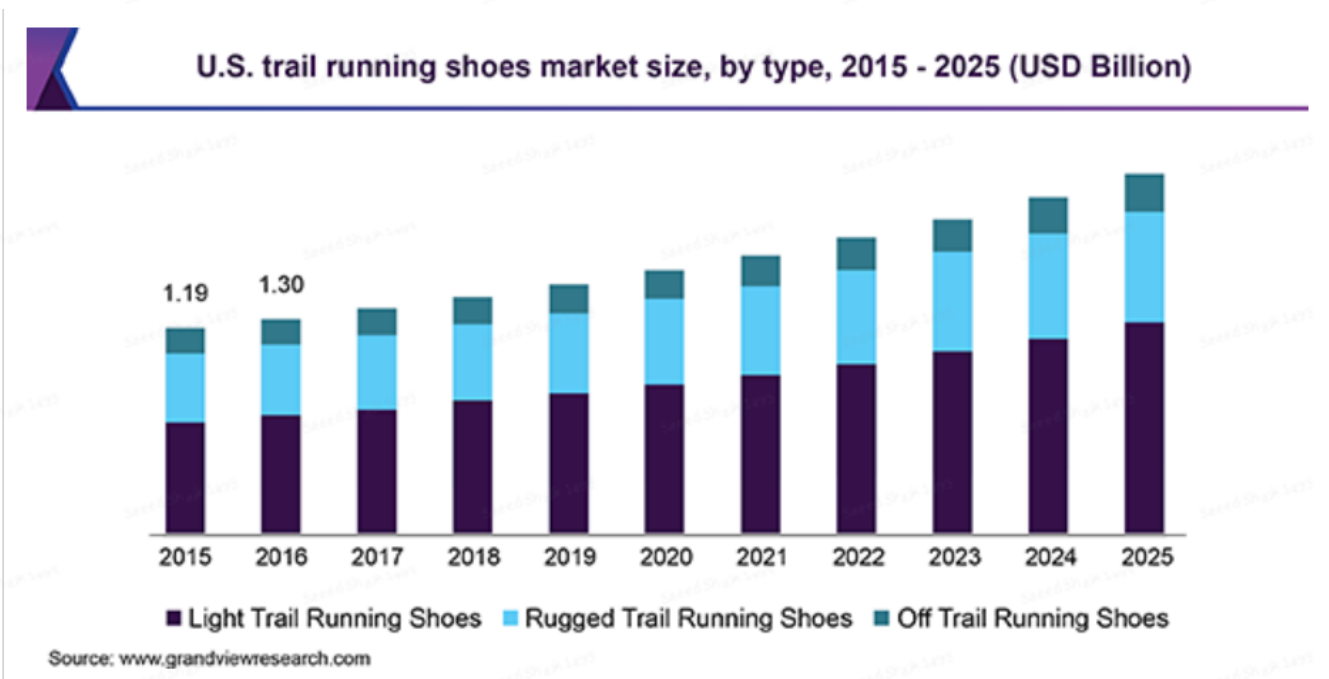
Leather footwear:

The year on year growth of leather footwear market size in USA:



Leather shoes are widely accepted as a premium product. Introduction of new products by numerous brands has been driving the market growth. High adoption of the products even in areas with relatively warmer climates is anticipated to drive growth. As the demand for flexible and lightweight products is growing at a rapid rate, numerous innovations and technological advancements help surge the product demand. Leather footwear have high durability and stand strong even in heavy duty work along with casual, designer shoes and can be used for both indoor and outdoor applications, making it more popular among consumers.

Sneakerheads:



Nike the world's largest maker of sneakers, according to SEMRush shows that close to 60M users land on Nike's site monthly, spending around 7 minutes there and browsing almost 5 pages.



Visits	Unique Visitors	Pages / Visit	Avg. Visit Duration	Bounce Rate
Aug 2019	Aug 2019	Aug 2019	Aug 2019	Aug 2019
57.7M -4.81%	26.8M +1.21%	4.81 -7.88%	07:23 +2.07%	35.96% +4.27%



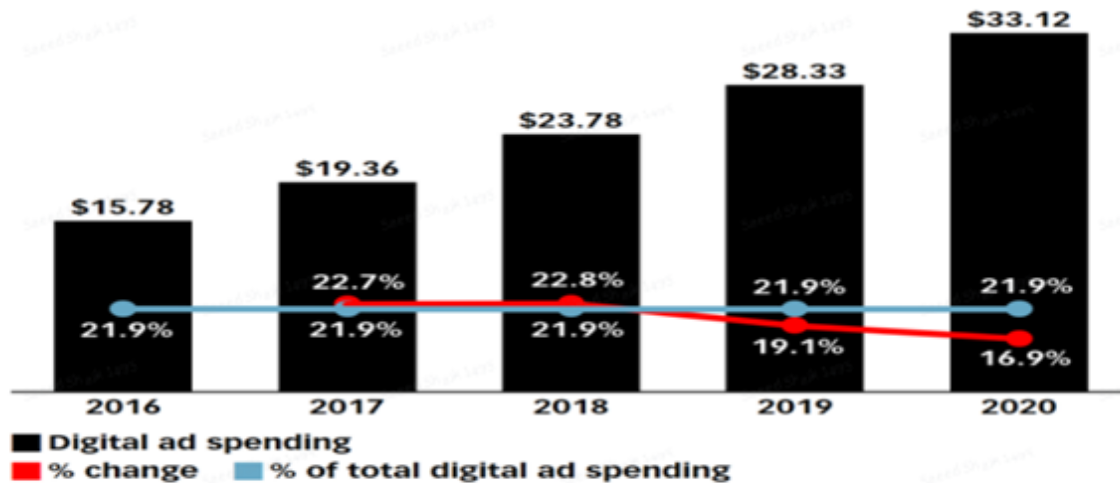
Marketing strategy: influencer marketing- collaboration with sportspersons, fashion designers, rappers and singers and sponsoring events.

7.5. Retail Stores

Types of retail stores:

1. Departmental stores
2. Speciality stores
3. Convenience stores
4. Supermarkets
5. Discount stores
6. Hypermarkets

Retail Industry Digital Ad Spending in the US, 2016-2020
billions, % change and % of total digital ad spending



Note: includes mail order/catalog, restaurants/fast food, drug stores, retail stores, cosmetics stores, and merchants of apparel, home furnishings/textiles, toys, pet food/supplies, appliances, jewelry and general merchandise; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms

Source: eMarketer, July 2019

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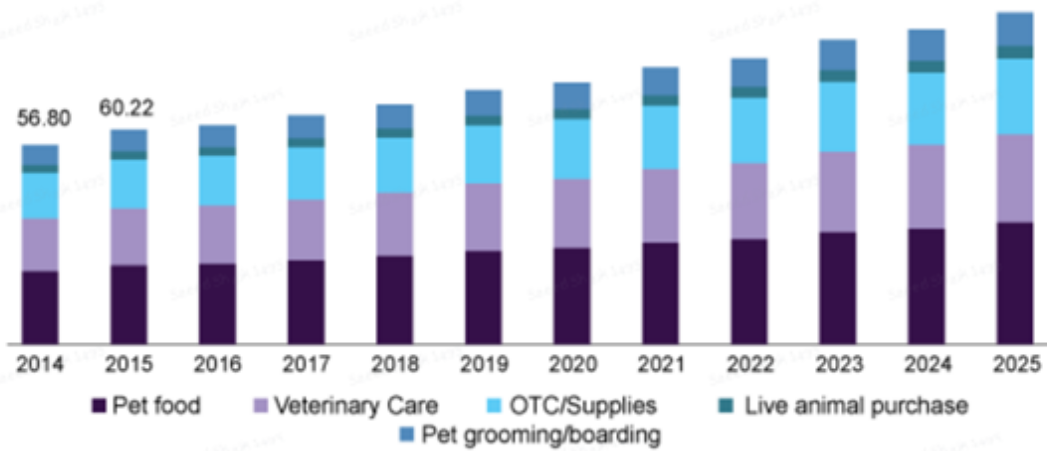
www.eMarketer.com

Over the years, the digital spends by the biggest of retailers in USA, like Walmart, Costco, HomeDepot, Target, and so on has increased.

7.6. Petcare

Pet care market size:

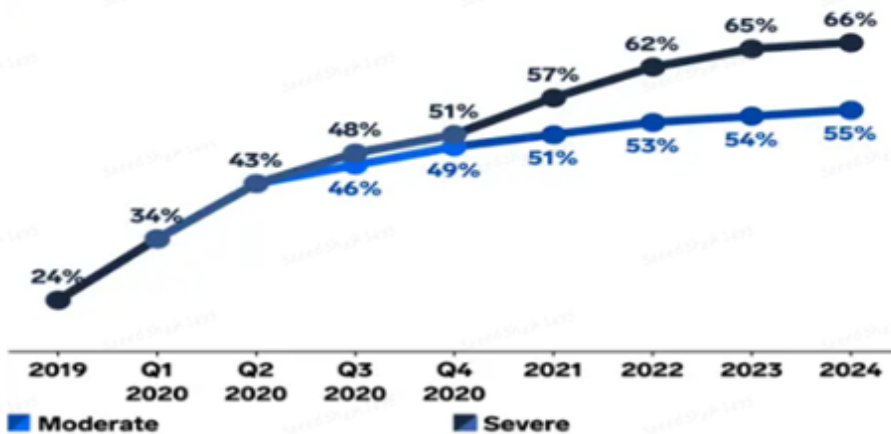
U.S. Pet Care market size, by product, 2014 - 2025 (USD Billion)



The pandemic has forced pet owners to order pet care products online, rising opportunities for online advertising.

7.7. Grocery

US Online Grocery Penetration Forecast



Note: Penetration is defined as percent of consumers who have ever purchased groceries online for delivery or pickup. The moderate case considers if the pandemic subsides during Q3 2020, while the severe case looks at if concerns persist until there is a vaccine in 2021 or 2022.

Source: Business Insider Intelligence estimates, Business Insider Intelligence "Coronavirus Consumer Study," Coresight Research, Bain & Company, Brick Meets Click

Methodology: Business Insider Intelligence considered third party data and the April 2020 Business Insider Intelligence "Coronavirus Consumer Survey" to determine this forecast. The survey polled 1,199 US adults ages 18+ online on March 31, 2020. The sample resembles the US population (based on census data) on the criteria of age, gender, income, and living area.

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Business Insider Intelligence

According to a study by Business Insider on buying groceries online, the following are the key takeaways:

- The coronavirus pandemic is pushing consumers to buy essential products digitally, which is rapidly accelerating adoption of online grocery services in the US.
- Online grocery's staying power will come down to the length of the pandemic — because if the crisis stretches on, more consumers may be pushed to try an online grocery service — and how well online grocers meet surging demand, because consumers may abandon online grocery if they find it difficult to receive orders.
- The online grocery services that are best able to handle surging order volume will likely be the most popular services after the pandemic subsides because consumers will be able to rely on those services to consistently bring them groceries.
- Walmart and Instacart are best positioned to lead the pack post-pandemic given Walmart's massive brick-and-mortar network and Instacart's wide reach thanks to its platform model.

8. Titkok Benchmark and Insight 2020

- Platform Benchmarks:
 - The top spending accounts in Retail vertical is Amazon.com , HPH Mexico, General Mills, Kraft Heinz, Essie, Serta Simmons Bedding, 7-Eleven Reservation, GT'S LIVING FOODS, MilkPEP IFV Reservation, Laura Mercier, Crocs, Garnier etc.
 - The analysis is done across all objectives, creative type etc over a duration of Jan to Oct 2020 for USA market.

	A	B
1	Metrics	Avg. Performance
2	CTR	2.33%
3	CVR	0.40%
4	CPC	\$0.12
5	CPM	\$2.38
6	25% VTR	14.6
7	50% VTR	6.1
8	75% VTR	3.51
9	Video Complete Rate	2.67%