2020 REPORT PREVIEW

State of Online Retail
Agenda

1. 2020 Digital Commerce Update
2. Key Retail Trends
3. How has the Coronavirus Pandemic Impacted Online Retail?
4. Looking Forward to the 2020 Retail Holidays
5. Key Takeaways
Setting the Stage
The 2020 State of Retail webinar data were sourced from both Comscore’s consumer panel and custom quarterly surveys.

**Behavioral Panel**

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

**Survey**

Consumer 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=1,983 • Fielded September 2020
A few definitions…

**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.

**GROCERY SHOPPERS**
Survey data among consumers who are the primary grocery shoppers for their household and have shopped for groceries in the past month.
2020 Digital Commerce Update
Total Digital Commerce has grown to account for nearly 1 in 4 discretionary dollars spent by consumers

Desktop & Mobile Digital Commerce Share of Corresponding Consumer Spending*

Digital commerce tends to spike in colder months (Q4 and Q1), and Q1 2020, during coronavirus, saw the highest share ever of digital retail spending

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
Mobile commerce as a share of total digital spend has consistently been near 1 in 3 dollars spent since 2019.

**M-COMMERCE SHARE OF TOTAL DIGITAL COMMERCE DOLLARS**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>Q1'18</th>
<th>Q2'18</th>
<th>Q3'18</th>
<th>Q4'18</th>
<th>Q1'19</th>
<th>Q2'19</th>
<th>Q3'19</th>
<th>Q4'19</th>
<th>Q1'20</th>
<th>Q2'20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>19%</td>
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<td>32%</td>
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<td>32%</td>
<td>31%</td>
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Source: Comscore Digital Commerce Measurement, U.S., Q1 2016 - August 2020
While Q2 2020 year over year growth dropped to single digits, data from the first two months of Q3 shows signs of recovery.
Consumer spending on mobile continues to grow at a faster pace than desktop

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop Retail Commerce</td>
<td>$103.3b</td>
<td>$108.2b</td>
</tr>
<tr>
<td>Mobile Retail Commerce</td>
<td>$41.2b</td>
<td>$47.8b</td>
</tr>
<tr>
<td>Total Digital Retail Commerce</td>
<td>$144.5b</td>
<td>$156.0b</td>
</tr>
<tr>
<td>Share of Spending via Mobile</td>
<td>28.5%</td>
<td>30.6%</td>
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**YoY Growth**
- Desktop: +12% to +5%
- Mobile: +23% to +16%
- Total Digital: +15% to +8%

As mobile web and app experiences continue to improve, consumers are growing increasingly comfortable purchasing on mobile devices. Year over year growth rates are moderating but are still in double digits for mobile.
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