

FORRESTER®

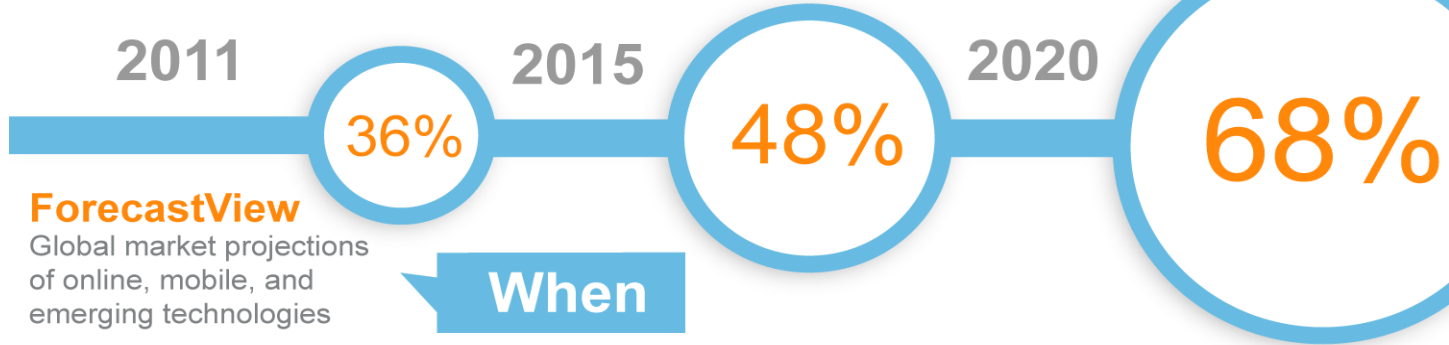
# Millennials, Mobile, And Marketplaces Are Changing The Future Of Retail

**Murat Yaşar, Country Manager**

November 7, 2017

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.



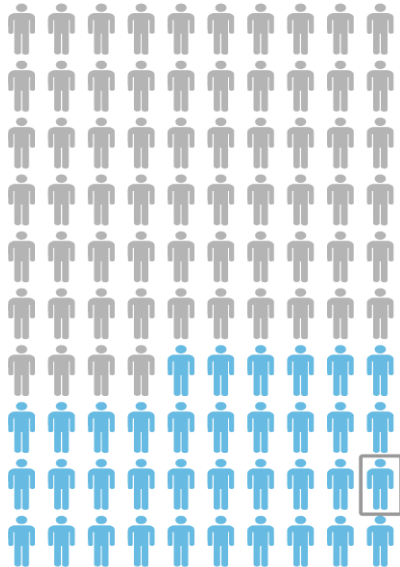


**ForecastView**

Global market projections of online, mobile, and emerging technologies

**When**

**What**



**Technographics®**

The largest and longest-running study of how technology affects consumers' attitudes, behaviors, and motivations

**Why**



**Community Speaks**

Qualitative consumer insights that provide the “why” directly from consumers to help you understand the consumer trends affecting your business

# What is Consumer Technographics®

## Quantitative

Gain insight from >600,000 consumers across 40+ annual surveys in nearly 20 global markets

## Trendable

Explore how consumers' technology adoption, behavior, and attitudes have evolved over time

## Customizable

View consumer data through your specific lens, including region, brand, demographics, and more

## Actionable

Leverage consumer behavior frameworks developed by Forrester thought leaders to contextualize digital consumers' actions

## Dedicated

Work with dedicated Insights personnel to help derive insight and gain maximum value from the data

# Agenda

- › *Millennials & Marketplaces*
- › *Why Millennials are important*
- › *Marketplaces are ruling the eCommerce market.*
- › *Impact on retail*

# Definitions

## › Millennials

- Millennials, or Generation Y, are defined as the demographic cohort born between 1980 and 2000 (currently aged 18 to 34 years old).
- There are more than 2 billion Millennials globally (nearly one-third of global population), with 86% of them living in emerging markets.
- 32% in Turkey

## › Marketplace

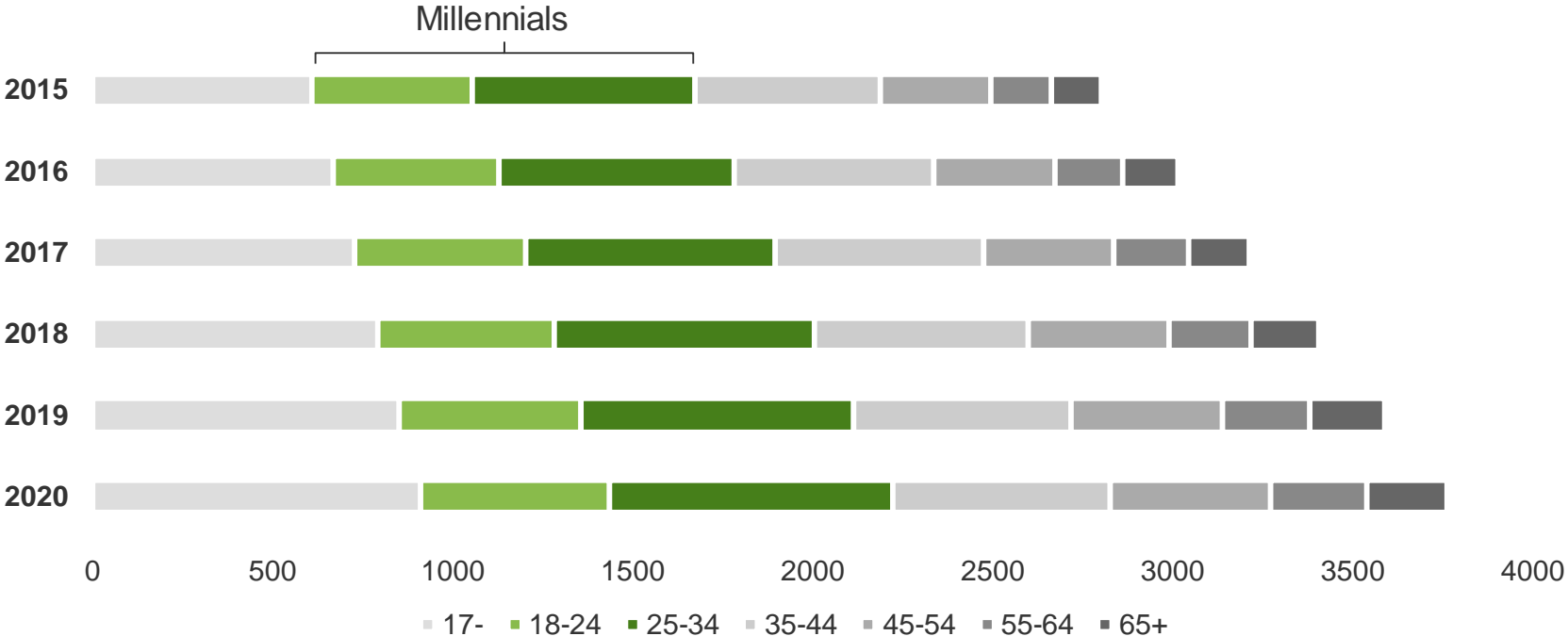
- Sales that are transacted through the following platforms: Tmall, Amazon, JD, eBay, Rakuten, Aliexpress, MercadoLibre, Flipkart, Allegro, Cdiscount, and Snapdeal, which includes direct to consumer sales and sales via third-party retailers

# Why Millennials are important

*Understanding the online behavior of millennial population*

# 46% of 2020 adults will be Millennials

Millennial Population Is Growing At Over A 4% Annual Growth Rate

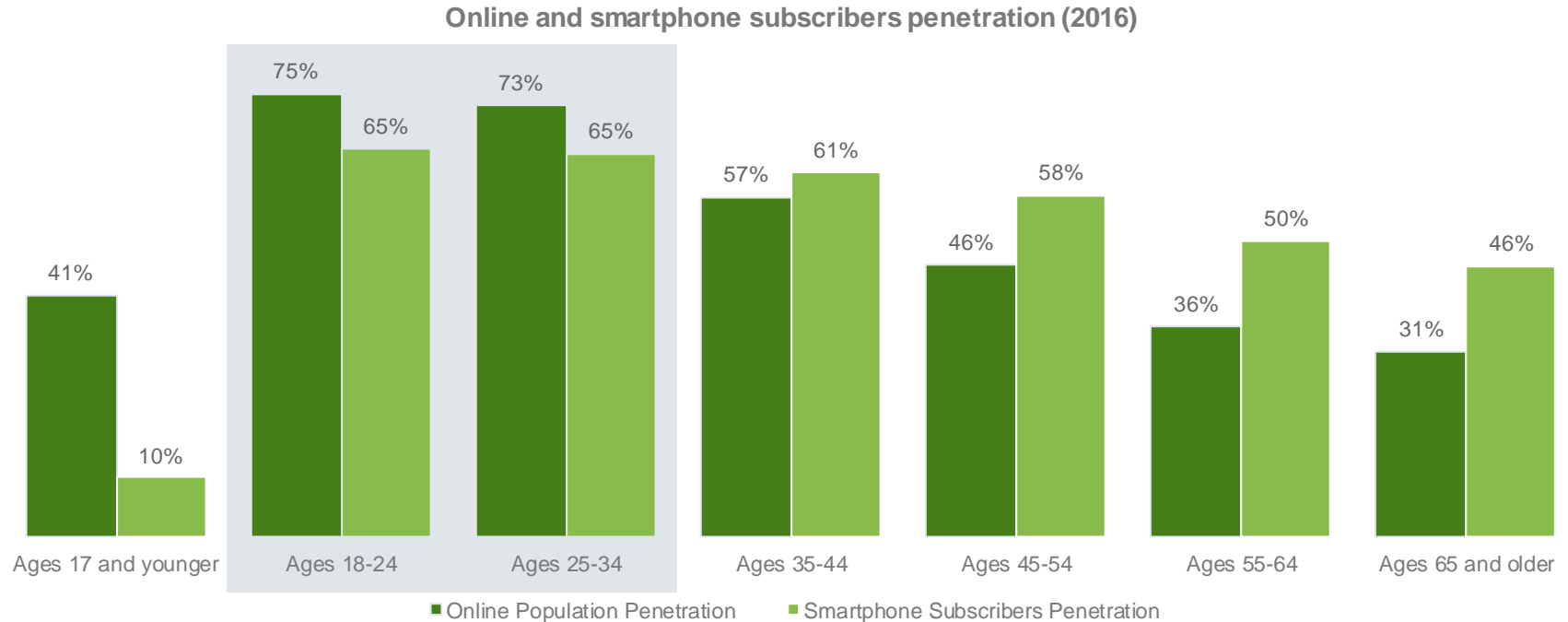


Source: Forrester Data: World Online Population Forecast, 2017 To 2022 (Global)



# More Millennials are online globally

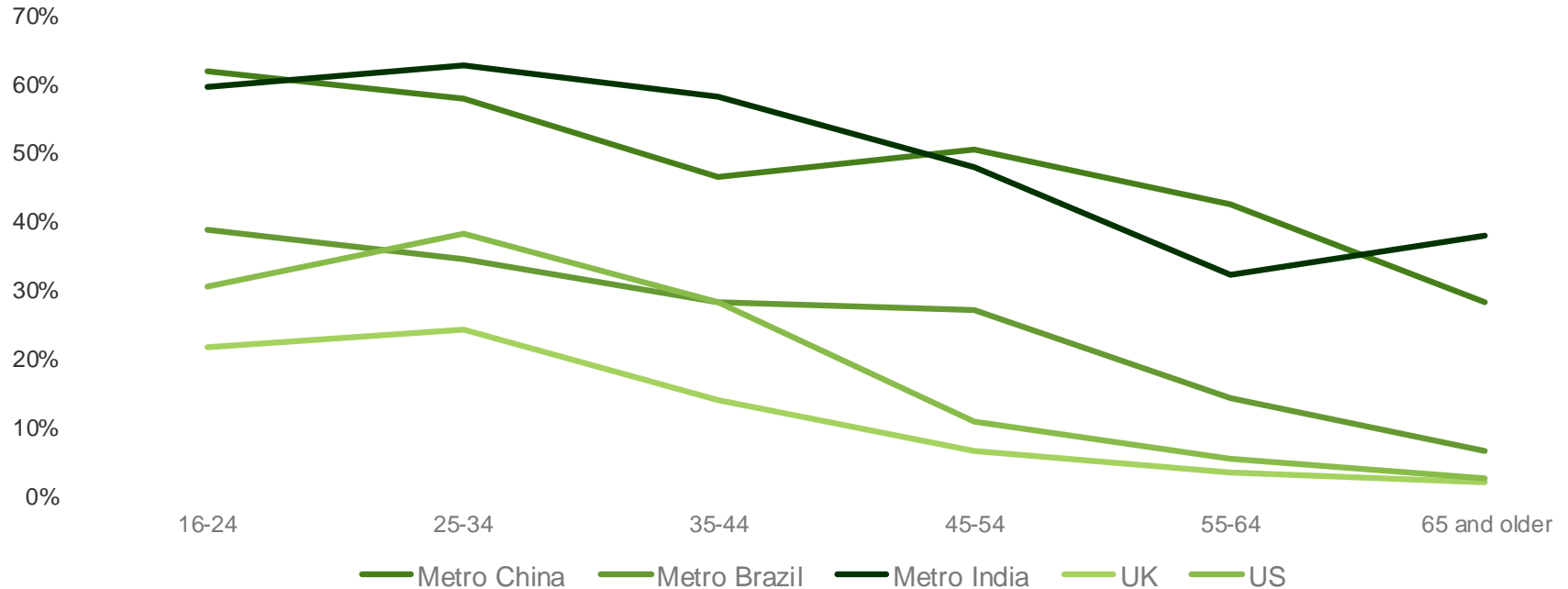
Nearly 75% Of Millennials Are Online And Using Smartphones



Source: Forrester Data: World Online Population Forecast, 2017 To 2022 (Global) and Forrester Data Mobile, Smartphone, And Tablet Forecast 2016 To 2021 (Global)

# Millennials are more mobile savvy

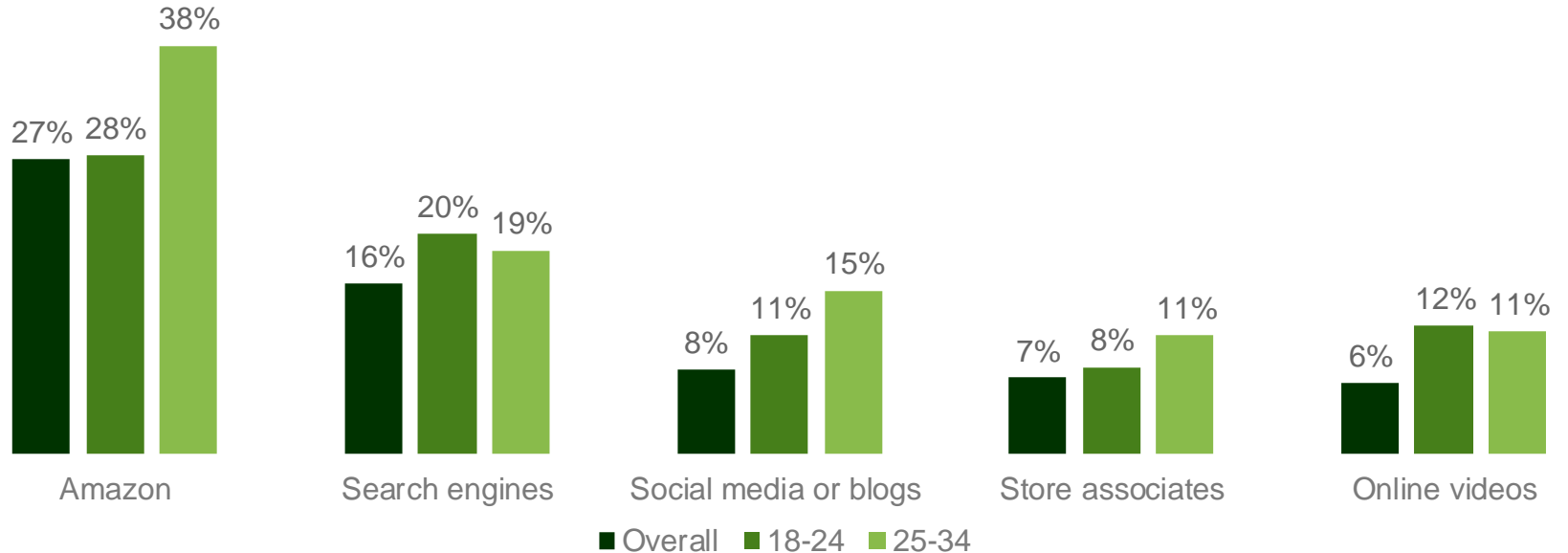
Purchased physical goods online (mobile)



Purchased physical good on mobile phone?" Source: Forrester Data Global Consumer Technographics® Online Benchmark Survey, 2016

# Amazon is the preferred destination for product research for Millennials

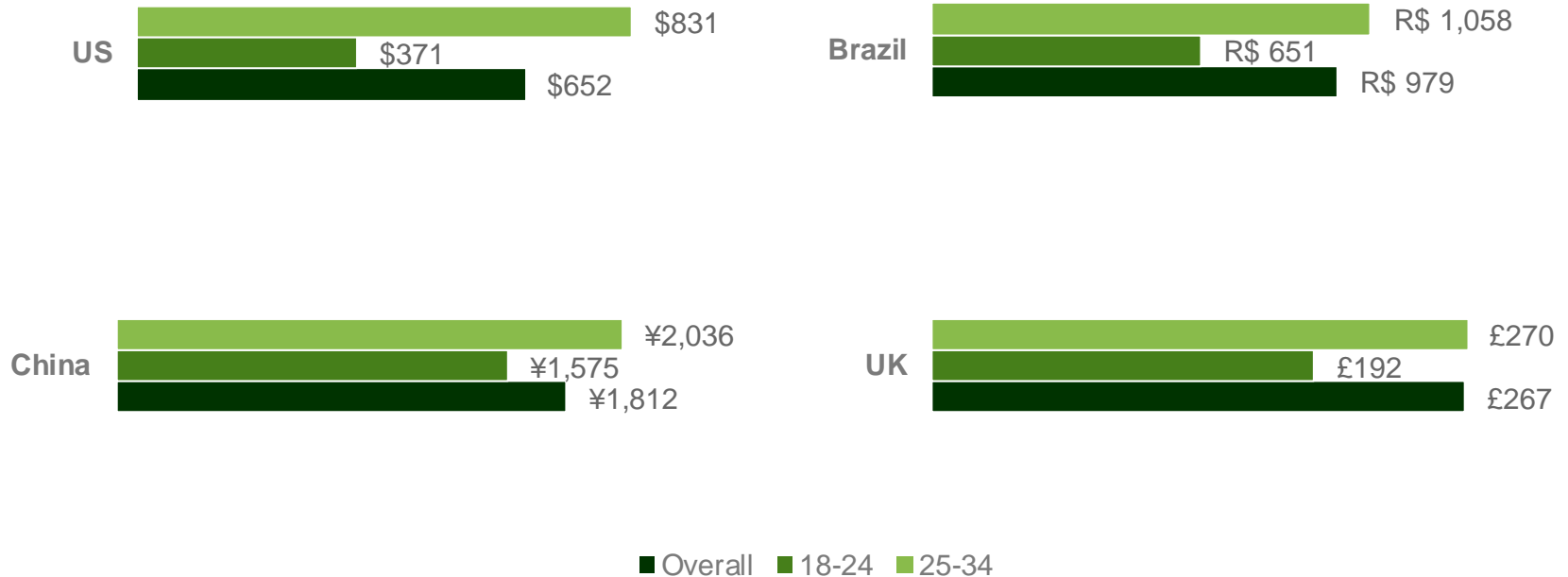
Which of the following did you use to research this most recent purchase?



Source: Forrester Data Consumer Technographics® North American Retail And Travel Customer Life Cycle Survey, Q1 2017 (US)

# Older Millennials are spending more

## Total Amount Spent By Respondents Buying Products/Services Online



“How much in total (including shipping and handling) have you spent buying products/services online, regardless of how you paid?” Source: Forrester Data Consumer Technographics® Retail Survey, 2016 (US, APAC, EU, and LatAm)



More Millennials  
are **online** and  
accessing internet  
via **smartphones**.



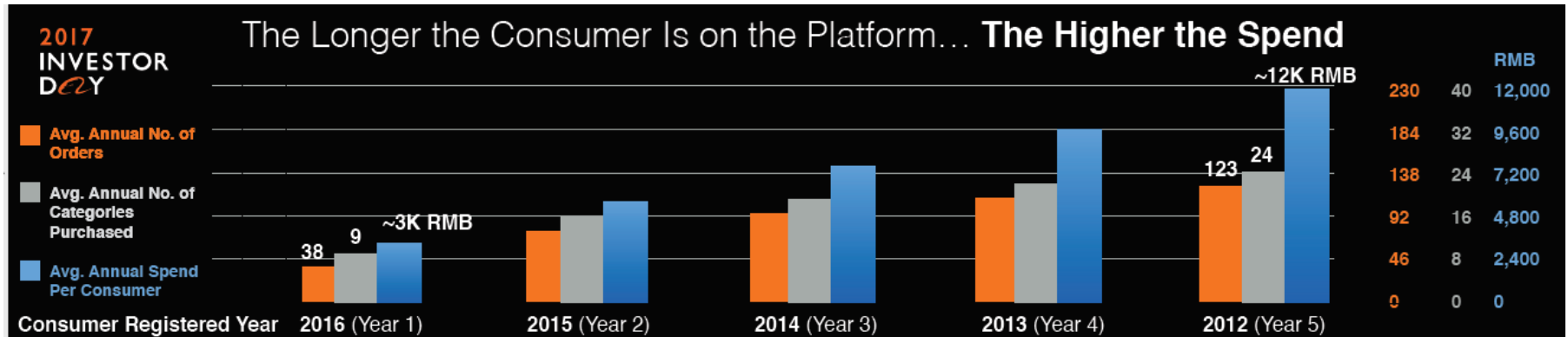
Millennials are  
more **engaged**  
online and research  
on **marketplaces**  
before purchase.



Millennials are  
**spending** more  
online and prefers  
**smartphone**.

# High engagement leads to more orders, more categories purchased, and more spend

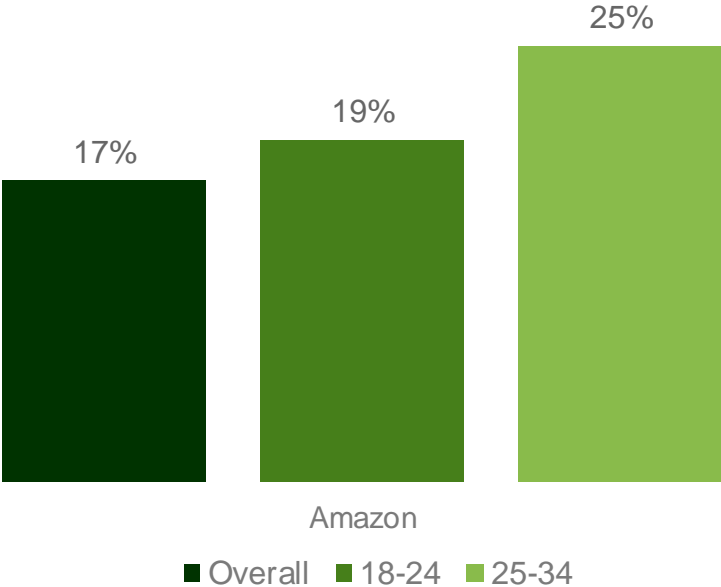
Online tenure leads to more spending per customer



# Marketplaces are ruling the eCommerce market

# In the US, Amazon is the preferred destination for product finding for Millennials

How did you originally find out about the brand of this most recent purchase?

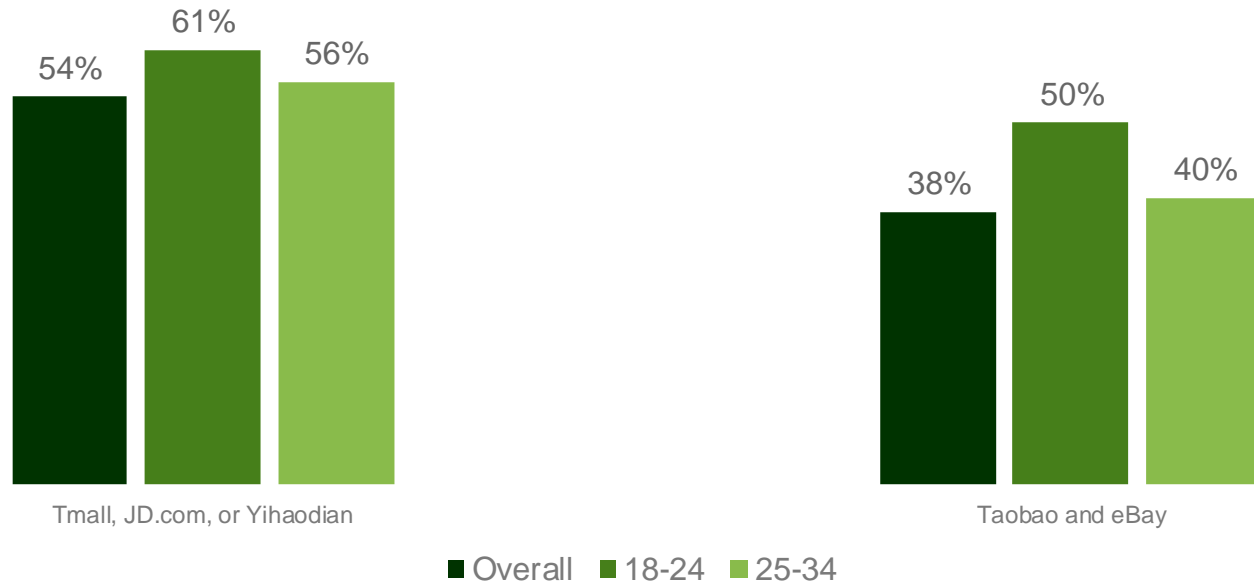


Source: Forrester Data Consumer Technographics® North American Retail And Travel Customer Life Cycle Survey, Q1 2017 (US)



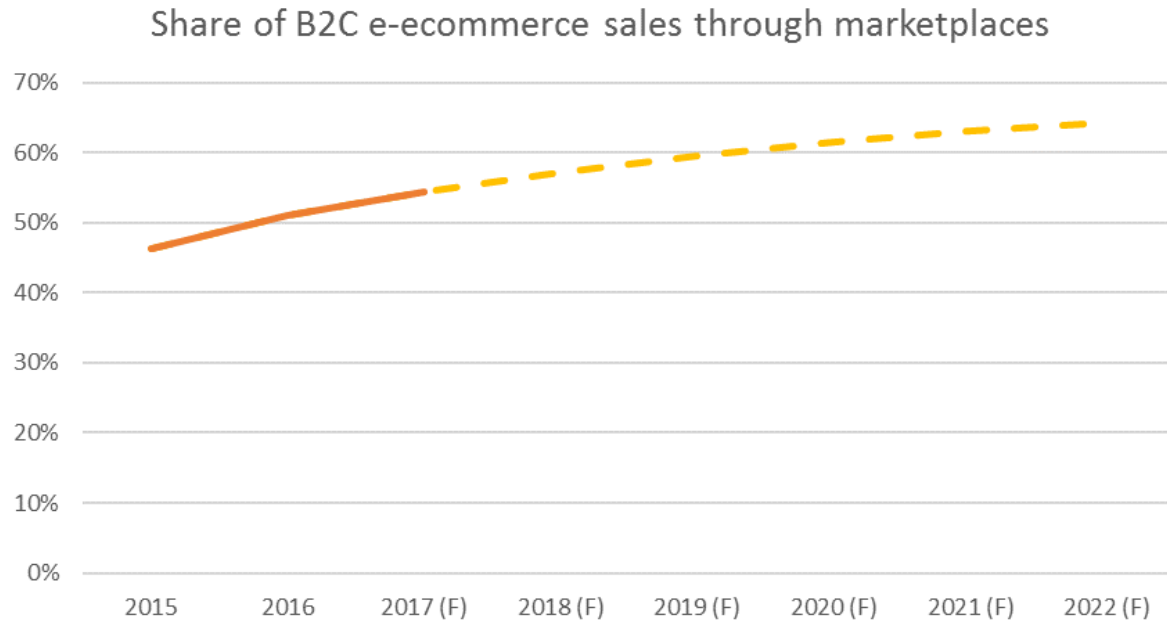
# In China, marketplaces are the preferred destination for product finding for Millennials

Which of the following did you use to research your most recent product before it was bought?



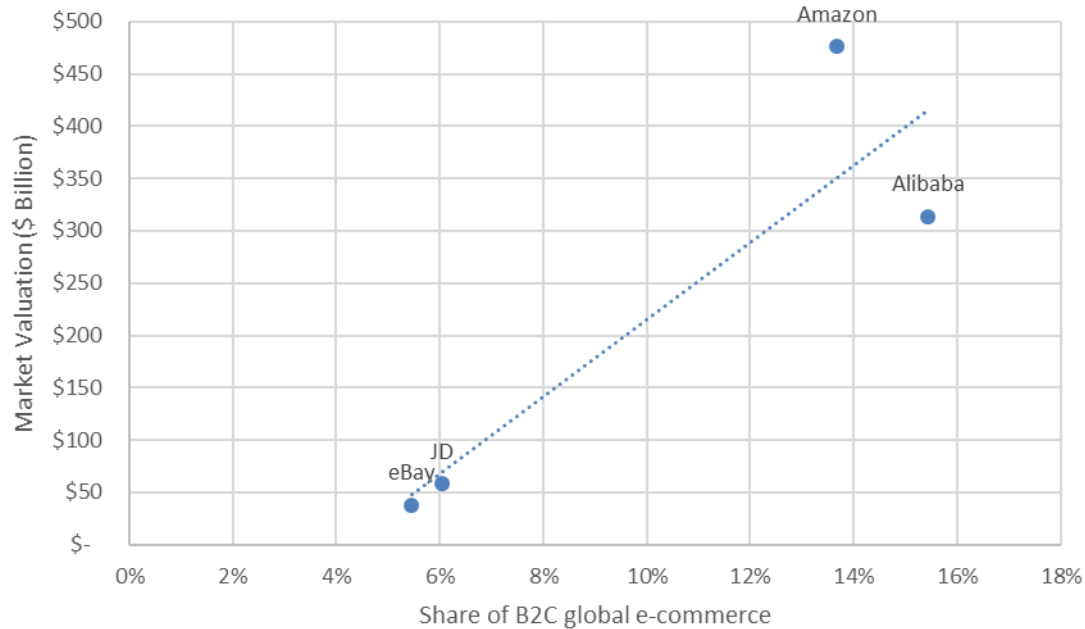
Source: Forrester Data Consumer Technographics® Asia Pacific Survey, H2 2016 (China)

# Half of B2C eCommerce sales comes from marketplaces



Source: Forrester Research Online Marketplace Tracker 2015 to 2017 (GLOBAL), across 16 countries in Europe, APAC, LATAM, and North America across 11 marketplaces, publication date July 2017

# Amazon and Tmall (owned by Alibaba) are the largest B2C marketplaces



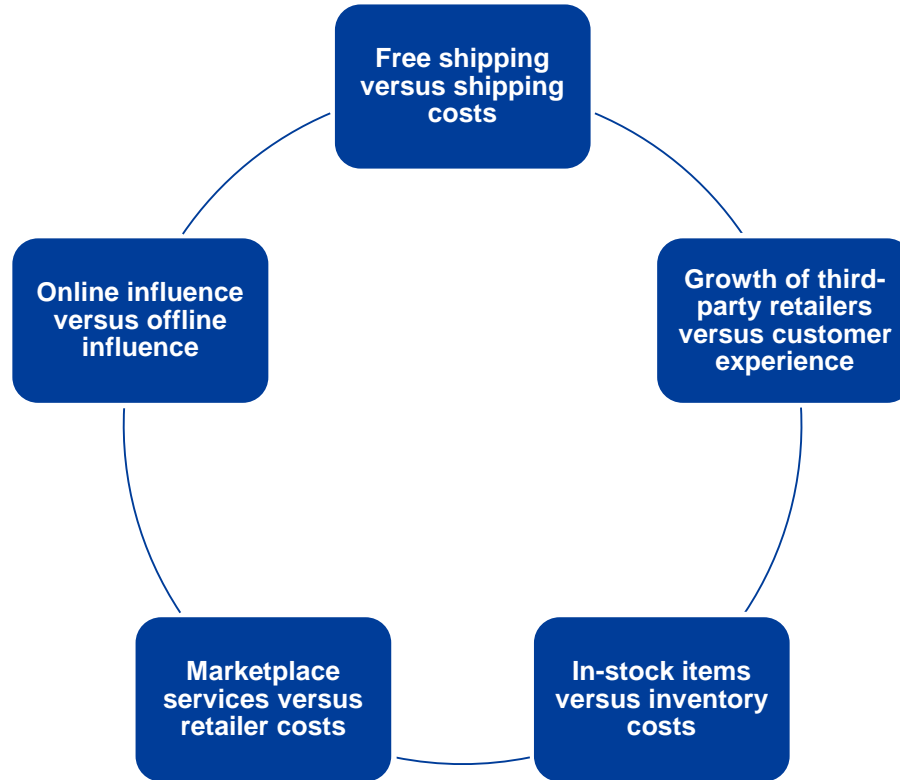
Source: eCommerce share from Forrester Research Online Marketplace Tracker 2015 To 2017 (GLOBAL) publication date July 2017, Market valuation

# Free shipping drives Amazon sales



Source: Forrester Data Consumer Technographics European Retail And Travel Survey, H1 2016

# Marketplaces need to balance . . .



# Impact on retail

# Across age, all European shoppers are more likely to use Amazon than search engines for product research

*Thinking of the sources you used to research this most recent purchase, which was the most influential in helping with your decision?*

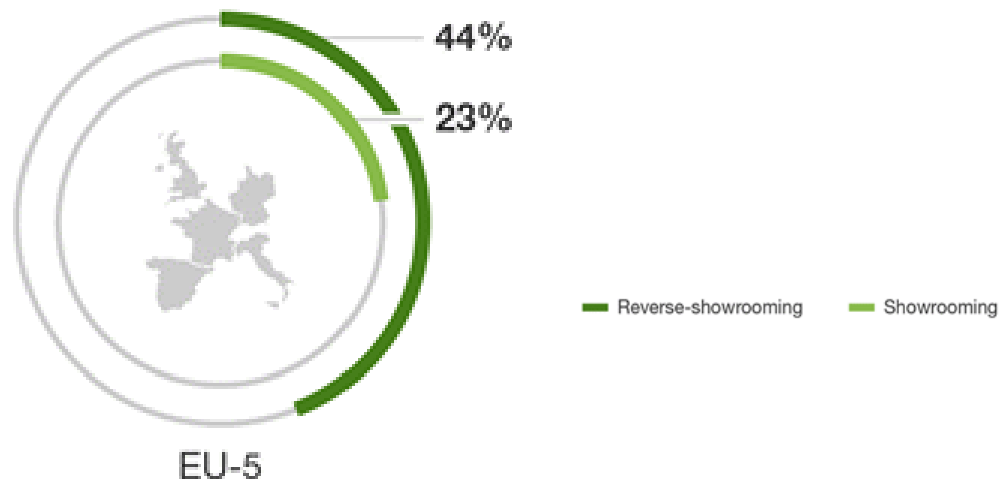


Source: Forrester Data Consumer Technographics® European Retail And Travel Survey, H1 2017

# In Europe, reverse-showrooming is more popular than showrooming

*Reverse-showrooming:* “I have researched products/services *online*, then purchased those products/services *offline* in the past three months.”

*Showrooming:* “I have researched products/services *offline*, then purchased those products/services *online* in the past three months.”

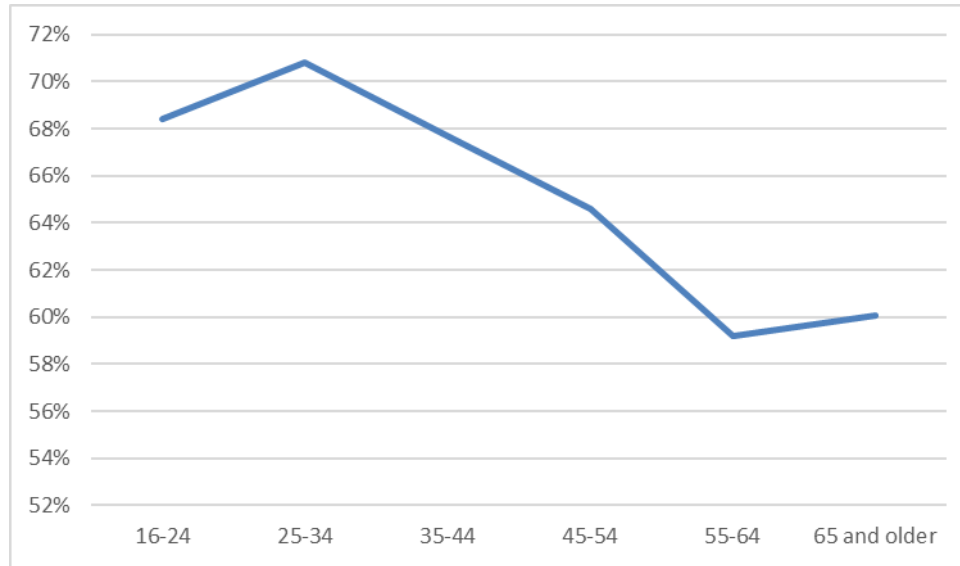


Base: online adults 16+ and N = 17,500; Source: Forrester Data Consumer Technographics® European Retail And Travel Survey, H1 2016



# Example: Showrooming is more popular amongst Millennials

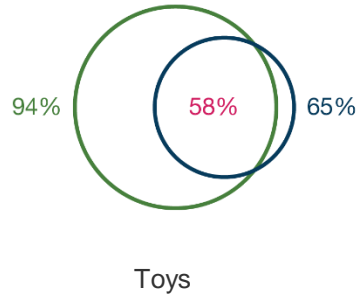
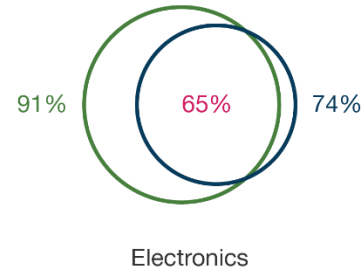
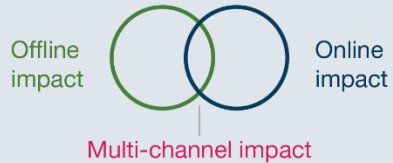
*“I have researched products/services OFFLINE, then purchased those products/services ONLINE in the past three months”*



Base: online adults (16+) who have researched products/services offline and purchased online in the past three months; Source: Forrester Data Consumer Technographics European Retail, Travel, And Auto Survey 1, 2016

# European multichannel shopper behaviour becomes dominant especially for electronics, clothes, and toys

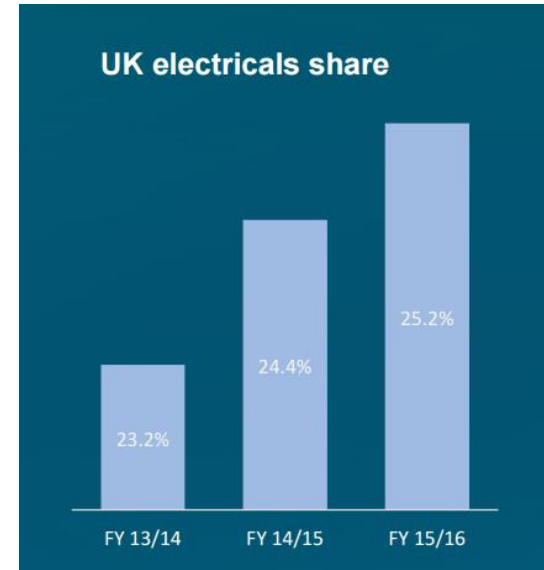
Share of 2015 retail sales impacted by online and offline research, multi-channel behavior differs by retail category:



Source: Forrester Data Web-Influenced Retail Sales Forecast, 2016 To 2021 (EU-7) and Forrester Data: Showrooming Forecast, 2016 To 2021 (EU-7)

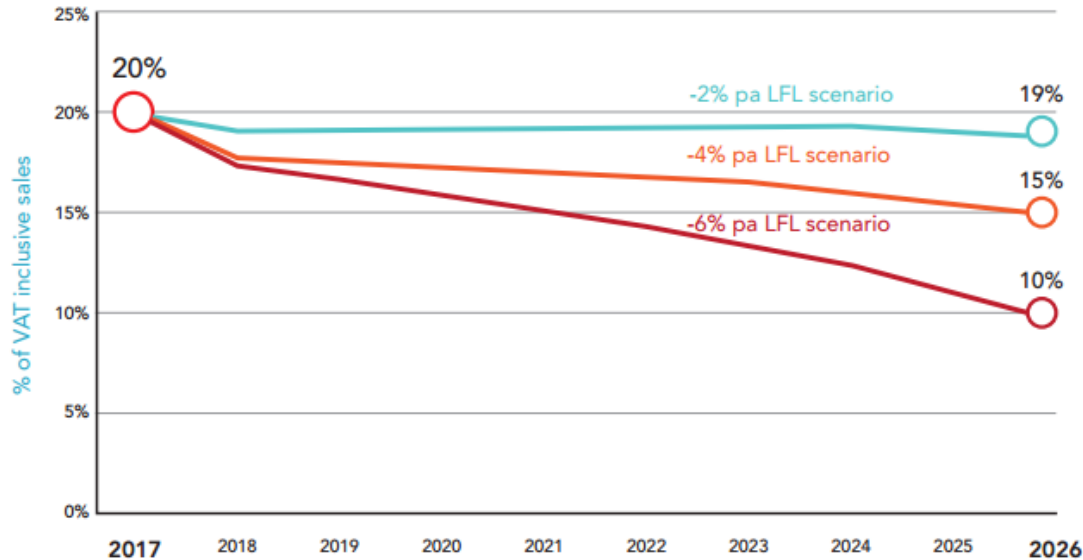
# Example: Dixons Carphone Warehouse consolidating store portfolio into fewer larger stores

No. of UK Dixons stores	2 Jan 2016	14 Dec 2016	Future Plan
- Currys	91	32	0
- PC World	60	7	0
- Currys Digital	8	1	0
- CurryPCWorld CPW	243	292	323
<b>Total</b>	<b>402</b>	<b>332</b>	<b>323</b>



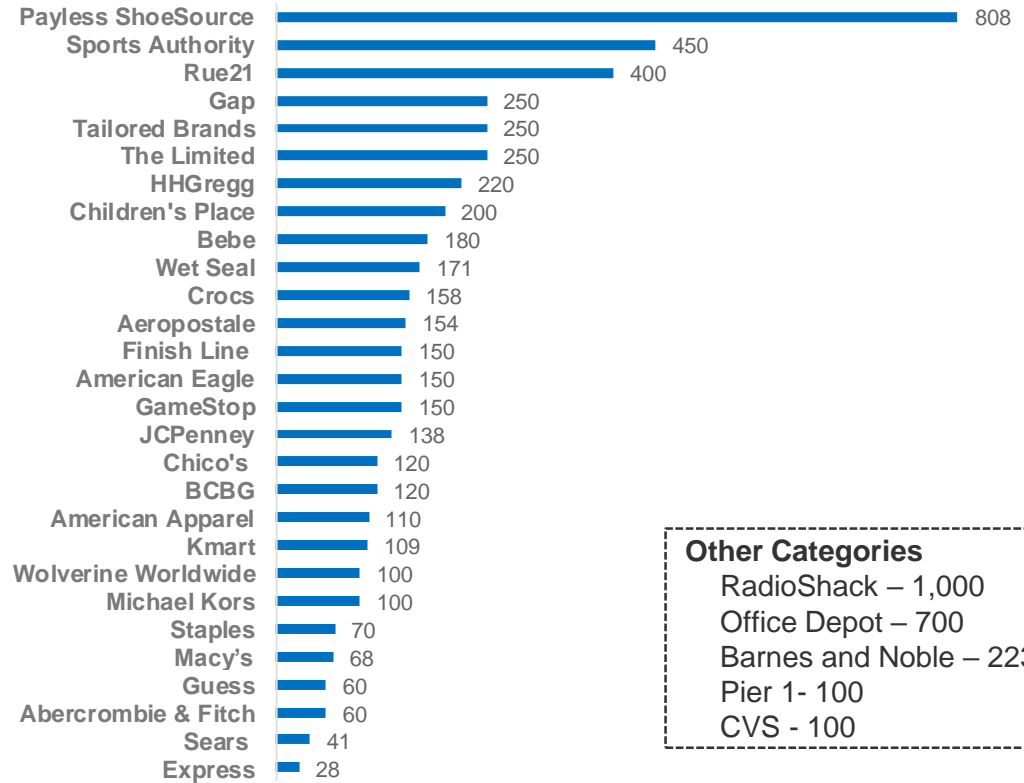
# Example: retailer Next, modelling store profitability to optimise future physical retail space

Projected Net Branch Profitability – Three Scenarios



# 5,000 planned closures of clothing and accessory stores in the US

## Store Closer Announcements in Last 12-18 Months



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Thank you

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