

E-COMMERCE GROWTH BY INDUSTRY



MINIMAL GROWTH
SOME GROWTH
RAPID GROWTH

INDUSTRY	ONLINE SALES	PREDICTED GROWTH	GENERATIONAL DATA	INSIGHTS
APPAREL	Online sales could grow 20% by 2020, compared to just 10% from 2010-2016 (Goldman Sachs)	RAPID GROWTH	Millennials are 3x more likely than other generations to turn to social media for product purchasing advice. (Accel + Qualtrics Millennials Study 2017)	GENERAL: More brick and mortar stores are projected to close in 2017 than in 2015-16 combined. (Credit Suisse)
				RETAILERS: Focus on creating in-store experiences to draw the customer in. Consider offering free in-store pickup for online purchases.
				MANUFACTURERS: Since online sales generate more returns than in-store transactions, use real-time data to carefully track inventory.
AUTOMOBILE	Online sales are projected to grow 16% in 2017.	SOME GROWTH	The idea that millennials don't want to own cars is a myth. Nearly 80% of millennials own cars and 75% of the remaining millennials aspire to own one. (Accel + Qualtrics Millennials Study 2017)	GENERAL: U.S. auto sales only grew by 1% in 2015, but aftermarket sales grew by 7%. Online retailers, such as Amazon, are jumping into the aftermarket auto industry to capitalize on American's aging cars. (Hedges & Company)
				RETAILERS: AutoZone, Advance Auto Parts and O'Reilly Automotive will find it difficult to compete with Amazon. They need to pivot and offer in-store experiences that can't be found online. (Hedges & Company)
				MANUFACTURERS: Amazon has already secured deals with the largest auto parts makers in the country. To stay relevant, manufacturers should consider selling directly to Amazon. (New York Post)
ELECTRONICS	Online sales of electronics make up 17.7% of all e-commerce sales for 2017. This is projected to rise to 20% by 2020. (Statista)	RAPID GROWTH	Nearly 60% of millennials check their phone first thing in the morning and young millennials check their phones on average 150 times per day (Qualtrics)	GENERAL: Electronics have been at the forefront of e-commerce sales for years with no signs of slowing.
				RETAILERS: 56% of in-store sales involve a mobile device (Deloitte). Retailers need to seamlessly blend the online and in-store experience.
				MANUFACTURERS: Diversify your inventory to accommodate both online and brick and mortar sales.
ENTERTAINMENT (MOVIE, THEATRE, CONCERTS, SPORTING EVENTS & HOME ENTERTAINMENT)	"Second screening" is watching something on one screen and checking a mobile device at the same time, usually Facebook. An estimated 80% of mobile device users do this at least once a month. (Weaveability.com)	MODERATE GROWTH	Millennials account for 29% of ticket sales at movie theatres according to the film analytics firm, Movio. This solid percentage is contrary to widely held assumptions that millennials don't go to the movies. (thewrap.com)	GENERAL: While streaming services (like Netflix) are certainly growing, they aren't cutting into the profits of movie theatres, concerts and in-person events.
				RETAILERS: Offer technology as an enhancement to the in-person experience: mobile page, reserved seats online, etc.
				MANUFACTURERS: Tangible products have to be made somewhere. Whether it is a concert ticket or a movie ticket apps had to be made in order for us to have easy conveniences
FAST FOOD	Mobile order ahead in the fast food industry is projected to be a \$38 billion industry by 2020. (Business Insider)	RAPID GROWTH	Domino's has positioned itself as an "ecommerce company that sells pizza" by letting customers order via a voice assistant named Dom, Amazon's Echo, Facebook Messenger and their app. (Digiday)	GENERAL: Fast food poses unique e-commerce challenges due to the quick turnaround and short shelflife of product.
				RETAILERS: Harnessing mobile technology to bring in customers is what will set apart the successful from the stagnant.
				MANUFACTURERS: The similarities between manufacturing and fast food are so strong that one can argue that fast food is now a manufacture in its own right.

GROCERIES		The top three retailers going into 2016 all had a food market element in their physical stores. This may be one reason that grocers haven't pushed technology in the same way as other retailers—their sales aren't suffering. (National Retail Foundation)		MINIMAL GROWTH	Millennials are less likely than any other generation to clip coupons. They also prefer convenience to the typical supermarket trip—meaning they're more likely to stop at a Walgreens for milk and bread than other generations. Finally, they are eating out more than they're buying groceries, which is on pace with a larger trend across all generations in America. (Gallup)	<p>GENERAL: The grocery industry has remained insulated from e-commerce growth due to the unique nature of selling fresh goods. That being said, the industry has been slow to adopt technology and should look ahead to stay relevant.</p> <p>RETAILERS: Brands that are seeing success have created "destination" stores with bars, fast food options and events. Incorporating technology geared at increased store efficiency and customer convenience will also put stores ahead.</p> <p>MANUFACTURERS: Grocery stores are one of the few places where consumers still want to visit the physical location. But more and more, stores are adopting mobile apps and online ordering. Manufacturers should take note and work with stores to feature their products in technology with the same prominence they'd be featured on the store shelf.</p>
HOME IMPROVEMENT & APPLIANCES		Home Depot's online sales rose by 23% in Q1 of 2017. This is indicative of rising online sales for the home improvement sector in general. While other retailers are struggling to meet numbers in 2017, the home improvement sector is seeing an uptick due to rebounding housing prices. Homeowners see their houses as a sound investment and are willing to spend money on improvement projects (Bloomberg News).		RAPID GROWTH	Millennials are becoming homeowners and are spending more money than any other generation on online home improvement.	<p>GENERAL: The rapid growth of online sales in home improvement is due to an overall increase in sales. Both retailers and manufacturers can expect home improvement projects to continue due to a healthy and growing home market.</p> <p>RETAILERS: "The pace at which e-commerce is gaining acceptance among home improvement consumers emphasizes the need to understand how consumers are utilizing online and in-store shopping options, and how to make them work together," -Joe Derochowski, executive director and home industry analyst at The NPD Group, Inc.</p> <p>MANUFACTURERS: Due to a substantial increase in online sales, manufacturers should closely monitor inventory and be ready to make quick adjustment.</p>
HEALTH, BEAUTY		Online beauty became accounted for \$6.2 billion in sales, or 8 percent of the industry, in 2015 (Fung Global Retail & Tech). This number is projected to rise steadily with the growth of the industry as a whole. Amazon leads the pack, accounting for about 1 in every 5 online beauty purchases in 2016 (1010data).		MODERATE GROWTH	Social media advertising via Instagram, Youtube and blogging, has become a way for consumers to buy products online without seeing them in person. Nevertheless, millennials are still drawn to the in-store experiences of retailers like Ulta and Sephora. Both factors contribute to relatively stable growth in online beauty sales.	<p>GENERAL: Online beauty sales are increasing, but not at a rapid pace. The industry as a whole is focused on innovation and should continue to leverage technology and new marketing strategies to increase overall sales.</p> <p>RETAILERS: In-store experiences that create "destination stores" are working well for retailers to draw customers in. They should also look for ways to integrate online and in-store experiences to blend the two markets.</p> <p>MANUFACTURERS: Given the moderate growth, there's no need to make big supply chain adjustments. Monitor the market, but be patient.</p>
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