Retail Sales – The New Reality
Federal Economic Statistics Advisory Committee
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Online Sales Reach New Highs This Holiday Season

- More than 50% of baby boomers will do none of their holiday shopping online.

- Nearly 40% of millennials - age 18 to 34 - will do most or all of their shopping on the web, and another 35% said they would shop both online and in-store for a total of 75%.

- US shoppers pushed online sales to almost $9B on Thanksgiving, Black Friday, and Cyber Monday.

- Mobile phones and tablet devices accounted for 57% of visits to retailers online stores, and 40% of all sales.

- IBM Retail Forecast expects a 14% y/y increase in US ecommerce 2016 holiday shopping.


** See: Lindsay Whipp, Black Friday Online Sales Set To Hit $3bn Record, Financial Times, November 25, 2016, p. A1. link

*** Source: Michael P. Haydock, IBM Fellow, VP & Chief Scientist, IBM Global Business Services
IBM Watson Trend Benchmark Live

http://ibmbenchmarklive.mybluemix.net/#/realtime/sales
Retail Stores Become Service Centers

- **Visual search**, offering shoppers items that are similar to a picture they like and have uploaded, and *personalized recommendations*
  - Engine serves consumers just like an experienced shop assistant

- **Chat** – voice or text - will become useful on websites and in stores
  - Dialogue-based searches to become the norm
  - Standard to walk into a retail store, pull out your phone and ask it any question

- Algorithms powered by AI rapidly tests alternatives for website design
Considerations

- Channels – stores, ecommerce – within categories are very important

- Alignment with international standards can help
  - Learn from other nations
  - Use COICOP to facilitate data sharing with third parties

- Lesson learned: the seasonal variation is much larger than the m/m change in the underlying economics so monthly data may not be necessary

- Third parties: in the US 400M credit card holders, not including corporate and small business

- Annual benchmarking with monthly third party data could be a viable approach