



Shopping Index

2016 Edition III

This report analyzes the activity of more than 500 million shoppers worldwide to identify trends and changes in year-over-year shopping activity. It represents the truest picture of shopping today.

 **salesforce** commerce cloud

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Methodology

This comprehensive report analyzes the activity of more than 500 million shoppers worldwide to identify trends and changes in shopping activity.

The sample set of digital commerce sites included in the report represents more than 800 sites and spans more than 40 regions. The top five countries – United States, United Kingdom, Germany, France, and Canada – represent approximately 60% of the sites.

To qualify for inclusion in the analysis set, a digital commerce site must have transacted throughout the analysis periods, in this case Q3 2016 and Q3 2015, and meet a monthly minimum visit threshold. Additional data hygiene factors are applied to ensure consistent metric calculation.

The Shopping Index is published quarterly. Data footnotes are noted inline throughout the report to provide additional clarity on analysis.

Any forecasts noted within the Shopping Index are forward-looking projections based on current and prior values and as such should not be read as guarantees of future performance or results.

The Shopping Index is not indicative of the operational performance of the Salesforce Commerce Cloud or its reported financial metrics including GMV growth and comparable customer GMV growth.

Shopping Index

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Shopping Index

2016 Edition III

The digital commerce refrain continues - growth, soaring traffic and more mobile shoppers. A 22% increase in traffic in Q3 2016 was well ahead of Q3 2015's YoY growth of 13%, indicating continued shopper migration to digital. Lower conversion rates pulled visit spend down, but these metrics are deceiving in today's world where shoppers are making more visits across channels.

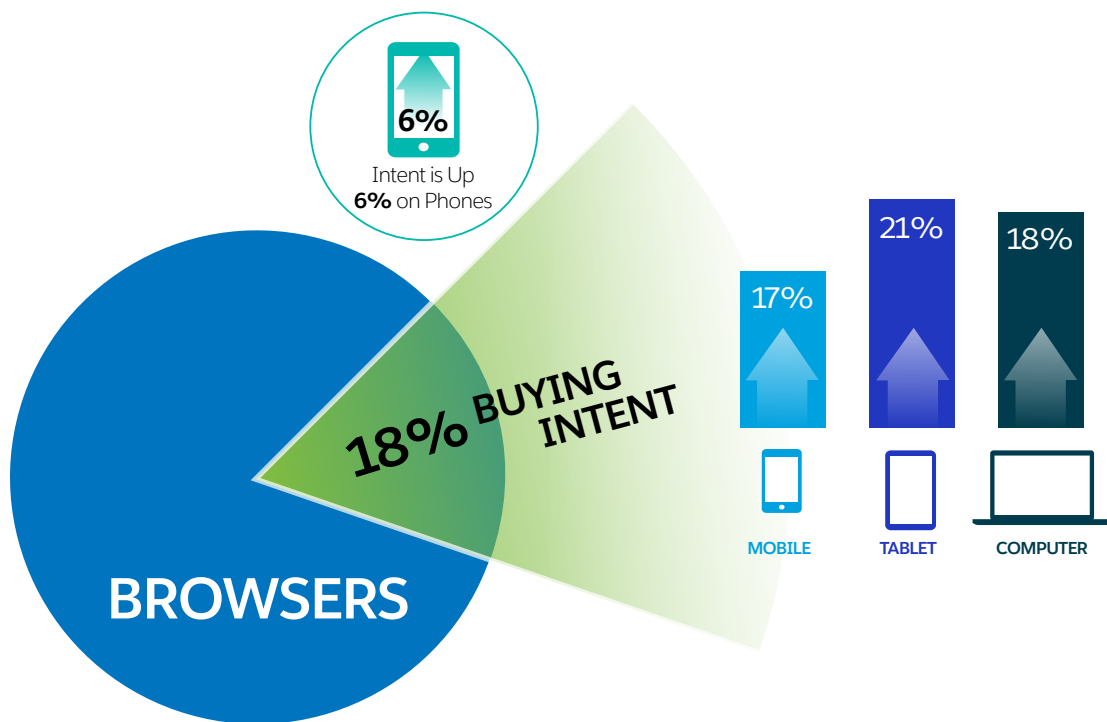


$$\text{Growth} = (\Delta \text{ Shopper Attraction}) \times (\Delta \text{ Shopper Spend})$$

The analysis reflects a comparison of digital commerce sites transacting in Q3 2016 and Q3 2015.

Mobile Shoppers Show Intent

Buying Intent, which measures which visitors are looking to buy and which visitors are just browsing, ticked up to 18% in Q3 2016 from 17% in Q3 2015 across all devices. Mobile shoppers made their intentions clear, showing their highest Buying Intent during a non-peak season, at 17%, up 6% from the same period last year.



The analysis reflects a comparison of digital commerce sites transacting from Q3 2014 through Q3 2016. Buying Intent considers orders, checkout starts, baskets created, and site searches.



Mobile Milestones Continue

Mobile achieved another milestone, as more than half of all traffic came from phones. Tablet traffic share fell once again, but similar to that last friend that held onto their Blackberry™, tablet shoppers show staunch loyalty, as tablet order share is actually higher than traffic share. For a detailed look at mobile trends and best practices, read the [Mobile Shopping Focus Report](#).

The analysis reflects a comparison of digital commerce sites transacting in Q3 2016 and Q3 2015. Percentages are rounded and may not always sum to 100%.

Incentives Remain High Prior to Holiday Season

Average order value fell, however free shipping increased from 65% to 67% YoY. In parallel to the increased rate of free shipping, there was a decrease in the number of units per order. This is a possible indication of retailer acceptance of shoppers' desire to [shop in increments](#) and offer the free shipping benefit either without threshold, or at a lower value. This comes at a time when order discounts made a noticeable jump, again putting pressure on retailers' bottom lines.

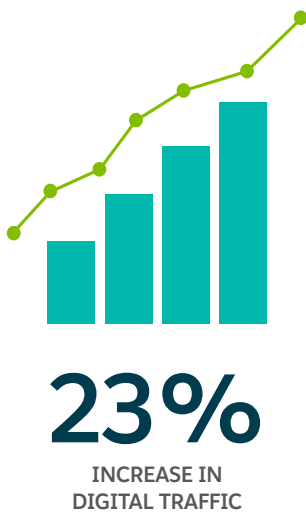


The analysis reflects a comparison of digital commerce sites transacting in Q3 2016 and Q3 2015. Discount rate is calculated as the discount on merchandise purchased and does not include items previously marked down.

Looking Ahead to the Christmas Holiday Shopping Season

As retailers prepare for the biggest shopping time of the year, here are some expected key shopping trends. Remember, this year's peak season, defined as Tuesday, November 22 to Monday, December 26, includes two additional shopping days*.

1. DIGITAL COMMERCE GROWTH



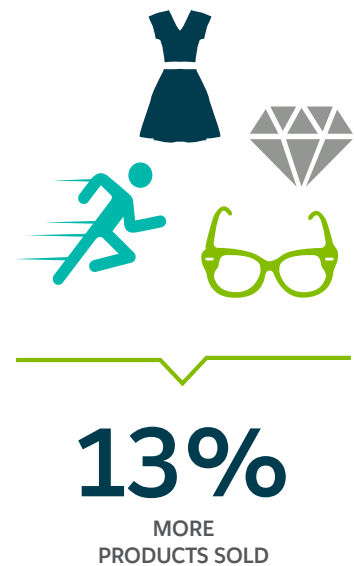
Digital traffic is expected to swell 23% over last year's level, and will combine with near-flat spending to deliver 22% revenue growth this year. Retailers should expect to see more buyers return multiple times within the holiday season, as 18% of orders are expected to come from buyers that place multiple orders, up from 17% last shopping season.

2. THE MOBILE MAJORITY



Mobile will reach yet another set of milestones this season, as phones are expected to account for 55% of traffic and 33% of orders. Phones own certain days; traffic on Christmas Day, Christmas Eve and Boxing Day is expected to surpass 64% share, while Black Friday will fall just shy of 60%. Overall, mobile is expected to drive 70% of the season's order growth, and 90% of the increase in traffic.

3. PRODUCT ASSORTMENT EXPANDS



Shoppers will enjoy a greater selection of product this year, as retailers widen their product assortment to provide greater choice. Retailers are expected to sell 13% more products than last year, as digital product catalogs continue an expansive trend. Simultaneously, the number of products per order are expected to fall by 5% over last year, an early indication of the impact of distributed commerce and accelerated payment options like Apple Pay and PayPal that enable orders of one or few items per order.

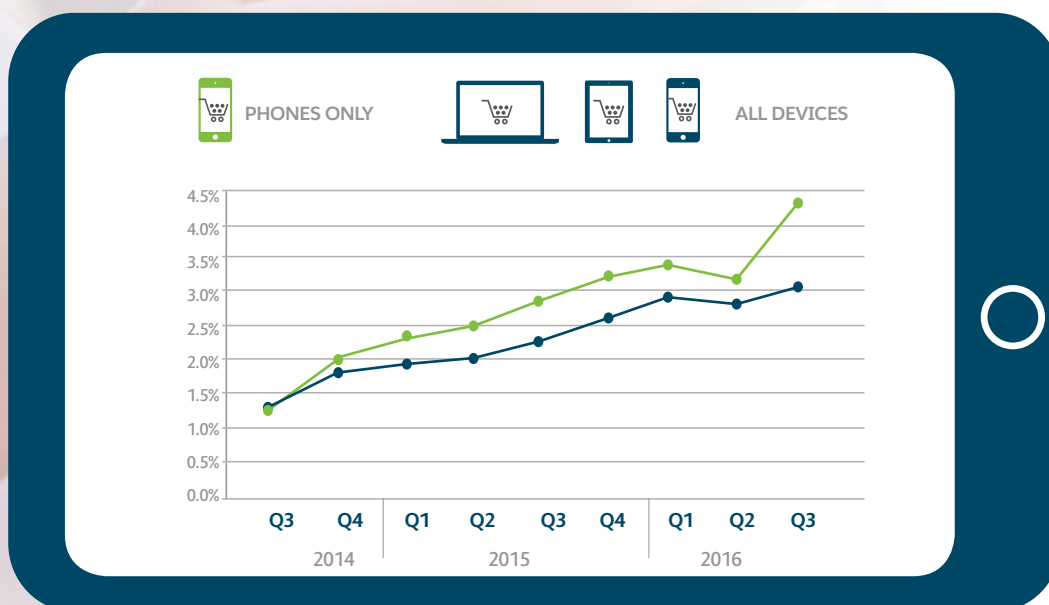
These are forward-looking projections based on current and prior values and as such should not be read as guarantees of future performance or results.

*The peak season for 2016 is defined as Tuesday November 22nd to Monday December 26th and for 2015 is Tuesday November 24th to Saturday December 26th.

Social Is Happening, Especially On Phones

Traffic from social media continues to rise, now accounting for 3.1% of all digital traffic – up 55% over last year, while social traffic from mobile pushed over 4%, up 57% YoY.

Social Share of Traffic



The analysis reflects a comparison of digital commerce sites transacting in Q3 2016 and Q3 2014. This analysis was conducted with US apparel sites only.

Rising & Falling



MOBILE BUYING INTENT

Phones closed in on other devices, with intent up 8%.



SOCIAL

Another quarter of 50% traffic growth suggests that social has emerged as a real traffic driving channel.



TRAFFIC

Growth in shopping visits, at 22%, far outpaced Q3 2015.



SITE SEARCH USAGE

Site search usage fell, which will lead retailers to offer new methods of product discovery, even experimenting with technologies like shopping bots and voice search.



PRODUCTS PER ORDER

Shoppers included 2% fewer products per order in Q3 2016, continuing the downward trend over the past few quarters.



VISIT SPEND

Conversion rate trended downward overall, while average order value fell slightly.

The analysis reflects a comparison of digital commerce sites transacting in Q3 2016 and Q3 2015.

Shopping Index

	Global	USA	UK	Germany	France	Canada
SHOPPING INDEX	18%	16%	21%	9%	10%	36%
SHOPPING ATTRACTION & GROWTH	22%	22%	31%	17%	13%	20%
SHOPPER SPEND GROWTH	-3.0%	-5.0%	-8.0%	-7.0%	-3.0%	13%

Mobile Shoppers Show Intent

Country	Computer	Phone	Tablet	Total
GLOBAL	18%	17%	21%	18%
USA	17%	17%	21%	17%
UK	24%	19%	26%	22%
GERMANY	22%	20%	22%	21%
FRANCE	15%	14%	15%	14%
CANADA	22%	18%	21%	20%

Mobile Milestones Continue

Traffic and Order Share by Device

2016 Q3	Traffic Share		
Country	Computer	Tablet	Phone
GLOBAL	40%	9%	51%
USA	41%	7%	52%
UK	30%	15%	55%
GERMANY	46%	11%	43%
FRANCE	44%	8%	48%
CANADA	41%	13%	46%
Vertical	Computer	Tablet	Phone
ACTIVE APPAREL	40%	7%	53%
GENERAL APPAREL	42%	9%	49%
LUXURY APPAREL	47%	8%	45%
HEALTH & BEAUTY	41%	7%	52%
HOME	32%	9%	59%

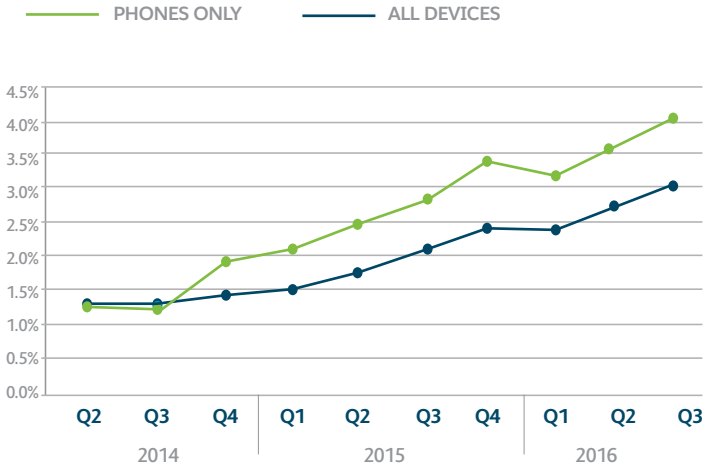
2016 Q3	Order Share		
Country	Computer	Tablet	Phone
GLOBAL	59%	12%	30%
USA	63%	9%	28%
UK	43%	20%	37%
GERMANY	63%	12%	25%
FRANCE	67%	9%	24%
CANADA	58%	14%	28%
Vertical	Computer	Tablet	Phone
ACTIVE APPAREL	61%	9%	31%
GENERAL APPAREL	60%	11%	29%
LUXURY APPAREL	57%	13%	30%
HEALTH & BEAUTY	61%	10%	29%
HOME	52%	15%	34%

Incentives Remain High Prior to the Upcoming Peak Season

Country	AOV	Average Order Discount	Free Shipping Order Share	Vertical	AOV	Average Order Discount	Free Shipping Order Share
GLOBAL	\$119	16%	67%	ACTIVE APPAREL	\$124	22%	76%
USA	\$112	18%	67%	GENERAL APPAREL	\$112	19%	65%
UK	£69	9%	68%	LUXURY APPAREL	\$288	9%	85%
GERMANY	€141	10%	59%	HEALTH & BEAUTY	\$85	15%	69%
FRANCE	€81	16%	71%	HOME	\$100	10%	58%
CANADA	\$12 (CAD)	28%	59%				

Social Traffic

	All Devices	Phone
2014 Q3	1.3%	1.2%
Q4	1.4%	1.9%
2015 Q1	1.5%	2.2%
Q2	1.7%	2.5%
Q3	2.0%	2.8%
Q4	2.3%	3.3%
2016 Q1	2.3%	3.2%
Q2	2.6%	3.9%
Q3	3.1%	4.4%



About the Salesforce Commerce Cloud

The Salesforce Commerce Cloud empowers retailers to unify customer experiences across all points of commerce, including web, social, mobile and store. From shopping to fulfillment to customer service, the Commerce Cloud delivers 1-to-1 shopping experiences that consistently delight customers, driving increased engagement, loyalty and conversion. With embedded predictive intelligence and a robust partner ecosystem, the Commerce Cloud delivers customer satisfaction and growth from planning to launch and beyond.



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