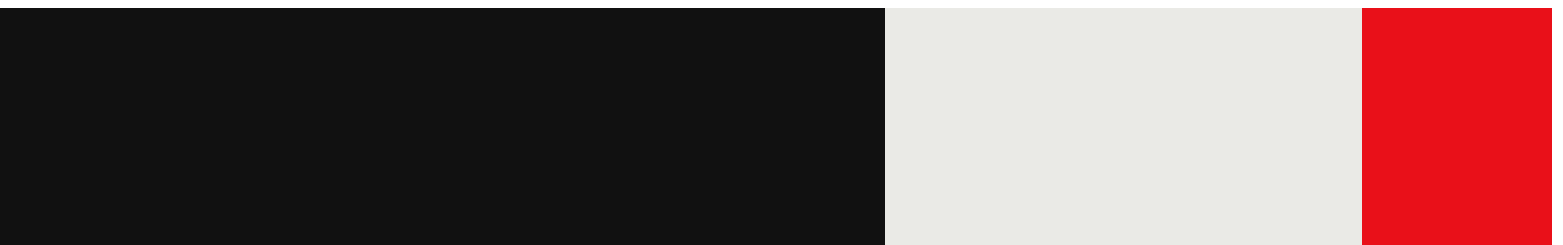


# Mcommerce Is the Path to Profits with Holiday Sales Expected to Surge 32%

Article



The 2018 holiday season is shaping up to be one of the best in years with several key macroeconomic indicators at or near multiyear highs.



Unemployment is low, consumer sentiment is high, and the stock market remains strong, putting plenty of disposable cash in Americans' wallets. If the first three quarters of the year are any indication, shoppers appear ready to spend both online and at brick-and-mortar. And retailers sound downright ebullient, with Target CEO Brian Cornell saying on the company's Q2 earnings call in August 2018, "There's no doubt that, like others, we're currently benefiting from a very strong consumer environment—perhaps the strongest I've seen in my career."

For the 2018 holiday season, eMarketer expects total US retail sales to grow 4.1% to \$986.8 billion, with ecommerce jumping 16.2% to \$123.4 billion. While renewed strength in brick-and-mortar should continue to be a positive storyline this season, the mcommerce's increasing influence—which will eclipse \$50 billion this holiday season for the first time—cannot be ignored.

#### US Retail Holiday Season Sales, 2017 & 2018

billions, % change and % of total

	2017	2018	% change	% of total 2018 spending	% of 2018 growth contribution
Brick-and-mortar/ in-store retail	\$841.41	\$863.38	2.6%	87.5%	56%
Retail ecommerce	\$106.14	\$123.39	16.2%	12.5%	44%
—Desktop and other (includes voice)	\$65.28	\$69.22	6.0%	7.0%	10%
—Mobile	\$40.87	\$54.17	32.6%	5.5%	34%
<b>Total</b>	<b>\$947.55</b>	<b>\$986.77</b>	<b>4.1%</b>	<b>100.0%</b>	<b>100%</b>

Note: includes products or services ordered using the internet via mobile devices, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments (such as bill pay, taxes or money transfers), food services and drinking place sales, gambling and other vice good sales; sales are for Nov and Dec of each year

Source: eMarketer, Aug 2018

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"We're several years into the emergence of mobile shopping, but it's mobile buying that's really flexing its muscle at the moment," said Andrew Lipsman, principal analyst at eMarketer.

"Mobile's contribution to growth this holiday season will be six times its contribution to sales. Retailers that look past mobile because it's the smallest sales channel will find it much harder to post the sort of profits they're hoping for—and should be able to expect—given the positive economic backdrop."

eMarketer's latest report, "**Holiday Shopping 2018: A Strong Economy Sets the Stage for a Spending Surge**," looks at what is driving mcommerce as well as six other key trends that will affect this year's shopping season.

What's behind mobile's gains? Retailers' continued efforts to streamline checkout on mobile web and apps have improved conversion, and consumers are growing more adept at transacting on mobile devices.

As a result, Ryan Williams, head of client insights for retail, travel and CPG at comScore, has seen consumers ramping up their mobile spend in categories like furniture, computers and electronics. "It appears that consumers are increasingly comfortable with higher-ticket purchases on mobile devices," he said. "That's largely because of the [bigger] screen size and the ability for these retailers to produce mobile versions of their websites that are actually very navigable on mobile devices."

Mobile will drive the majority of online shopping throughout the season but will experience strong skews around Thanksgiving and Black Friday—as shoppers take to “couch commerce” and showrooming—and the week before Christmas—as they use their smartphones for last minute click-and-collect transactions.

Retailers like The Home Depot have been at the head of the curve when it comes to click and collect, but see mobile's influence extending far beyond that use case. "It's not just about click and collect anymore," said Dawn Erksa, senior director of marketing for The Home Depot, "We want to give customers maximum flexibility. Mobile is very important for us during the holidays. There's no question that shoppers love their mobile devices, and are increasingly more comfortable shopping and buying on them. Mobile equals convenience for our customers."

eMarketer recently released new forecasts for the 2018 holiday season, including total retail, retail ecommerce and mcommerce sales. eMarketer PRO subscribers can access the forecast and the full report now.

**Report** by Andrew Lipsman Oct 08, 2018

## Holiday Shopping 2018



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In the latest episode of eMarketer's "Behind the Numbers," Andrew Lipsman discusses this year's holiday shopping season.

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