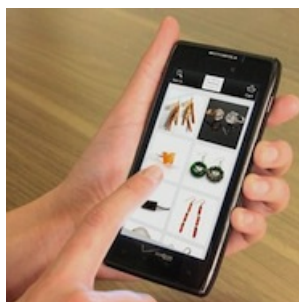


RESEARCH

Mobile's influence on offline sales continues to grow: Forrester

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Mobile commerce is rapidly changing, offering consumers widespread choices on how to shop

By CHANTAL TODE

More than \$1 trillion of total retail sales in 2015 were influenced by mobile phones, with most of this coming from in-store transactions and further growth expected, according to a new report from Forrester Research.

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In the latest update to Forrester's Web-Influence Retail Forecast, the research firm points to several key trends that are laying the groundwork for mobile to play an even bigger role in influencing in-store sales. These trends include bigger phones and third-party services that meet mobile shoppers' needs.

"As phones are getting larger and wireless networks are improving, more web traffic is flowing through mobile networks," said Sucharita Mulpuru, an analyst at Forrester Research and author of the report. "Shopping is a beneficiary of that trend."

Web-impacted sales

While ecommerce sales continue to grow, consumers still complete most of their purchases in stores. Per Forrester, ecommerce sales totaled \$334 billion in 2015 while offline sales totaled \$2.9 trillion.

However, shoppers are increasingly engaging with digital touch points - often their smartphone - to research a purchase. In 2016, Forrester expects Web-influenced sales to total \$1.3 trillion and, by 2020, to reach \$1.6 trillion.

As a result of this growth, Web-impacted retail sales will account for 55 percent of total sales by 2020, up from 49 percent in 2016.

photo (8)

Several factors will support the growth of Web-influenced offline sales.

Forrester expects the total number of online buyers and browsers to increase rapidly as smartphone penetration continues to grow. Between 2015 and 20, Forrester expects the online population of shoppers to grow by 26 million.

At the same time, the preference for in-store shopping remains strong.

Omnichannel experiences

Given the growth in mobile and the preference for in-store shopping, retailers are investing in more and better omnichannel experiences. The move toward omnichannel experiences supports retailers' belief that seamless views of inventory allow shoppers to buy what they want when they want and receive product more quickly and inexpensively than before.

Another factor influencing Web-impacted sales is the fact that smartphones are getting bigger while wireless networks are faster. As consumers get used to being able to use their phones anywhere, shopping is one of the activities they are engaging in more frequently.

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Additionally, search engines are making it easier for mobile users to quickly access the kind of information these users are typically looking for, from store locations and coupons to comparing prices and looking up product information.

Retailers also continue to invest where it matters most to shoppers, such as improvements in browsing products and placing orders on mobile sites. Speculative investments such as geofencing and beacons are lower on their list.

"We expect more than \$1 trillion of total retail sales to be influenced by mobile phones in 2015, and the lion's share of that will be transactions in stores," Ms. Mulpuru said.

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