The New Digital Divide

Retainers, shoppers, and the digital influence factor

To help retailers understand the evolving impact of digital, Deloitte surveyed over 2,000 U.S. consumers in late 2013 asking them questions about how they use digital devices during their shopping journey. The focus of our research moves beyond “if” digital is having an influence to quantify “how” it is changing behavior along the path to purchase. The results are staggering and suggest retail is at a tipping point; no longer can the industry afford to view digital as a separate business function, but rather integral to the entire enterprise.

Over 1 trillion

$1,100,000,000,000

in retail sales today are influenced by digital, and digital is projected to influence 50% of all retail sales by the end of 2014

Where digital shoppers go for help

<table>
<thead>
<tr>
<th>Activity</th>
<th>Own device or in-store device</th>
<th>Sales associate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Get product information</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Check item availability</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Checkout/Make a payment</td>
<td>76%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Mobile’s and digital’s influence on in-store sales

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>5%</td>
<td>19%</td>
</tr>
<tr>
<td>Digital</td>
<td>14%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Traffic

84% of visitors report using digital for shopping-related activities before or during their most recent trip to a store

Conversion

Consumers who use a device during their shopping journey convert at a 40% higher rate

Order Size

22% of consumers spend more as a result of using digital – with just over half spending at least 25% more than they had intended

Loyalty

75% of consumers said product information found on social channels influenced their shopping behavior and enhanced brand loyalty

Role of digital during the shopping journey

Percent of shoppers that use digital devices throughout their shopping experience:

Before 69%  During 36%  After 14%

Retail categories most and least influenced by digital

MOST influenced

1 Electronics  2 Furniture  3 Sporting

LEAST influenced

8 Convenience Store  9 Grocery  10 General Merchandise