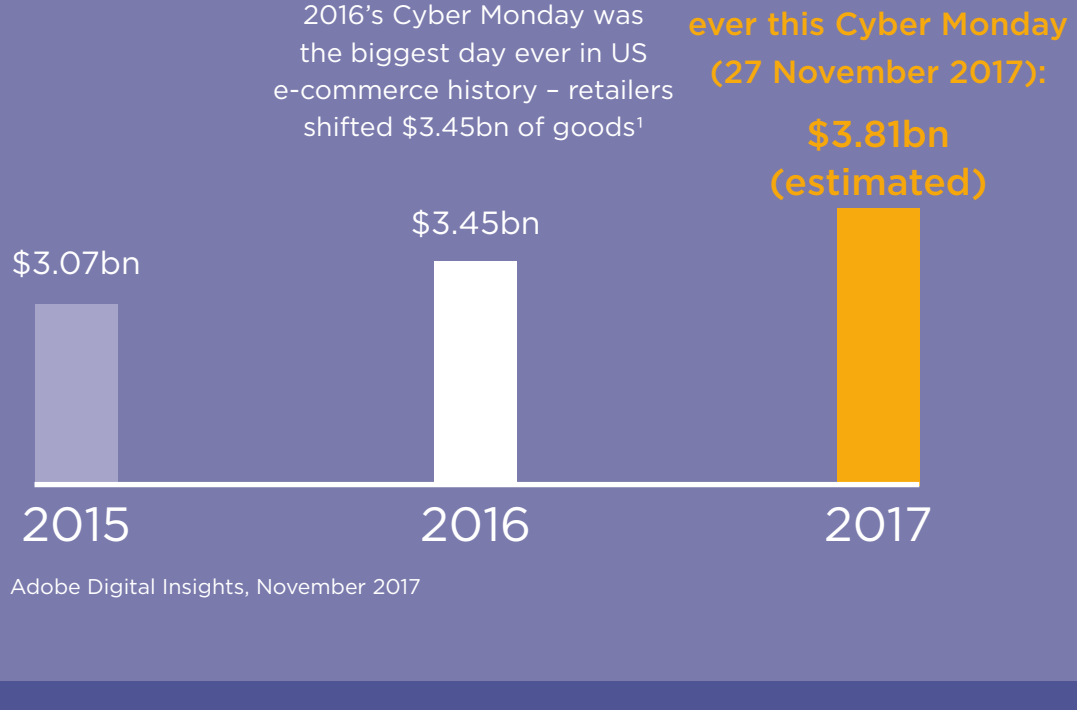


Cyber Monday

4 reasons online sales are surging

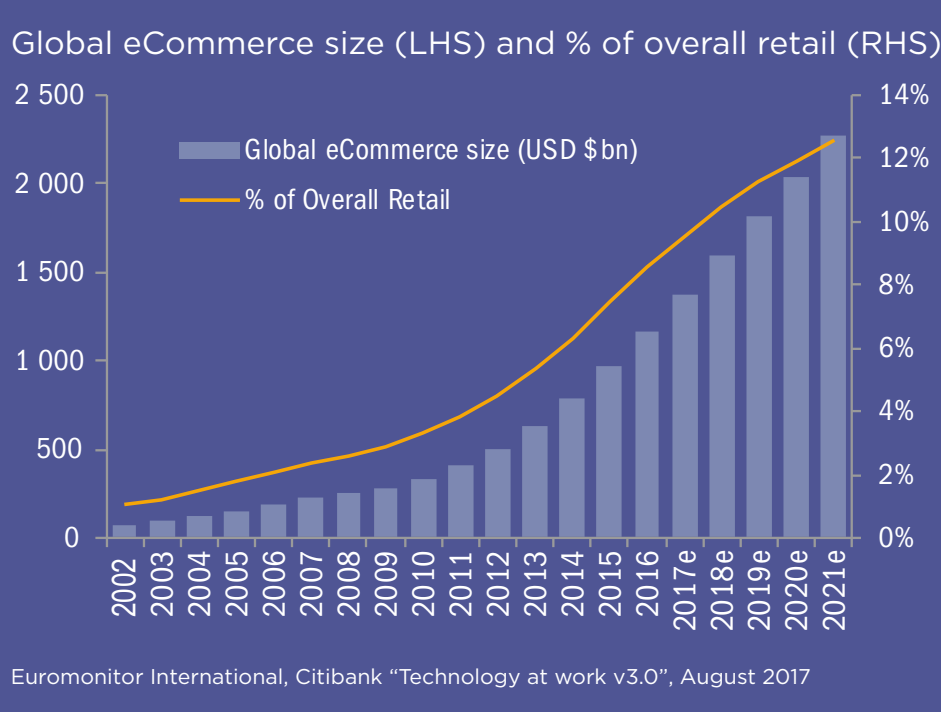
Cyber Monday evolved as the digital equivalent of US shopping holiday 'Black Friday', as retailers encouraged people to shop online.



This rise in online holiday spending is driven by four key factors:



Ecommerce penetration is rising:



Consumers are increasingly shopping on mobile:

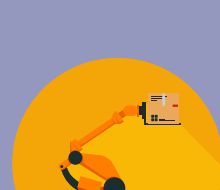
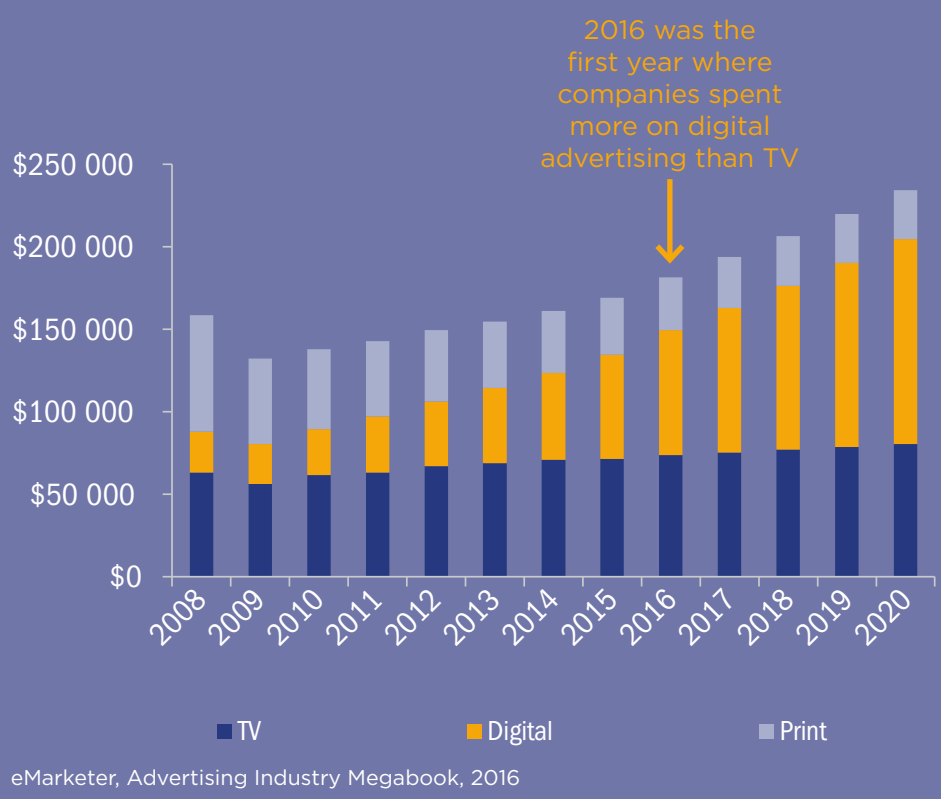
Last Cyber Monday, **31%** of transactions were done on mobile (\$1.07bn)²

40% of US consumers anticipate using a retailer's app on their smartphone³

Nearly **60%** of shoppers use their phones to look up product information – even when in-store⁴



Companies' marketing spend is shifting from traditional to personalised digital models:



Delivery times are improving as supply chain software and warehouse automation advance

US consumers would pay an extra **\$5.60** for same-day delivery³

Retailers' warehouse activity is currently >90% manual but automation could be **5-6x** more productive⁵

Amazon's installed base of robots grew **50%** in 2016 to 45,000⁵

How does Cyber Monday stack up against other online shopping holidays?

Amazon Prime Day

11 July 2017 (Global)

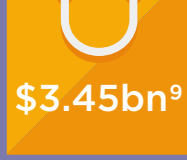


Now accounting for **36%** of all global e-commerce⁷, Amazon launched Prime Day in 2015 to offer one-day-only deals to their Prime customers.

Sales hit \$1bn in 2017, increasing by over **60%** from 2016. More people also signed up for the company's Prime service on Prime Day 2017 than on any other day in Amazon's history⁸.

Cyber Monday

27 November 2016 (US)

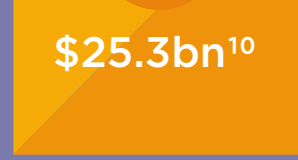


Cyber Monday evolved as the digital equivalent of US shopping bonanza 'Black Friday' around the US Thanksgiving holiday, as retailers encouraged people to shop online.

Indeed almost half (44%) of US shoppers wait for holiday sales to buy big-ticket items, and a quarter (26%) do the majority of their holiday shopping around this weekend³.

Singles Day

11 November 2017 (China)



Singles Day began life as a Chinese anti-Valentines Day for single people to celebrate their independence. E-commerce giant Alibaba has since transformed Singles Day into the world's largest retail event, eclipsing Cyber Monday and Prime Day combined.

2017's Singles' Day saw Alibaba sell \$25bn of goods in one day – 90% of which was on mobile¹⁰. For context – that's more than Starbucks makes in a year¹¹.

"Online shopping holidays like Cyber Monday are perfectly suited to today's connected consumer – smart phones offer shoppers immediate access to a huge choice of deals with increasingly quick delivery times. Companies need to keep pace with the high volume of sales this can create, and increase their digital presence to cater to consumers' holiday shopping behaviour."

Jeremy Gleeson,
Portfolio Manager
AXA Framlington Digital Economy strategy

The digital economy is here – and bigger than you think. Get in touch with your local AXA IM contact to find out more.

Sources:

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- Citi, Technology at Work. August 2017.
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- Forbes, How Did Amazon's 2017 Prime Day go? 13 July 2017.
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- Bloomberg, Alibaba's Singles' Day Goes Global With Record \$25 Billion in Sales. 12 November 2017.
- Starbucks' consolidated net revenues were \$21.3 billion in 2016. Source: Starbucks, correct as at November 2017.

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