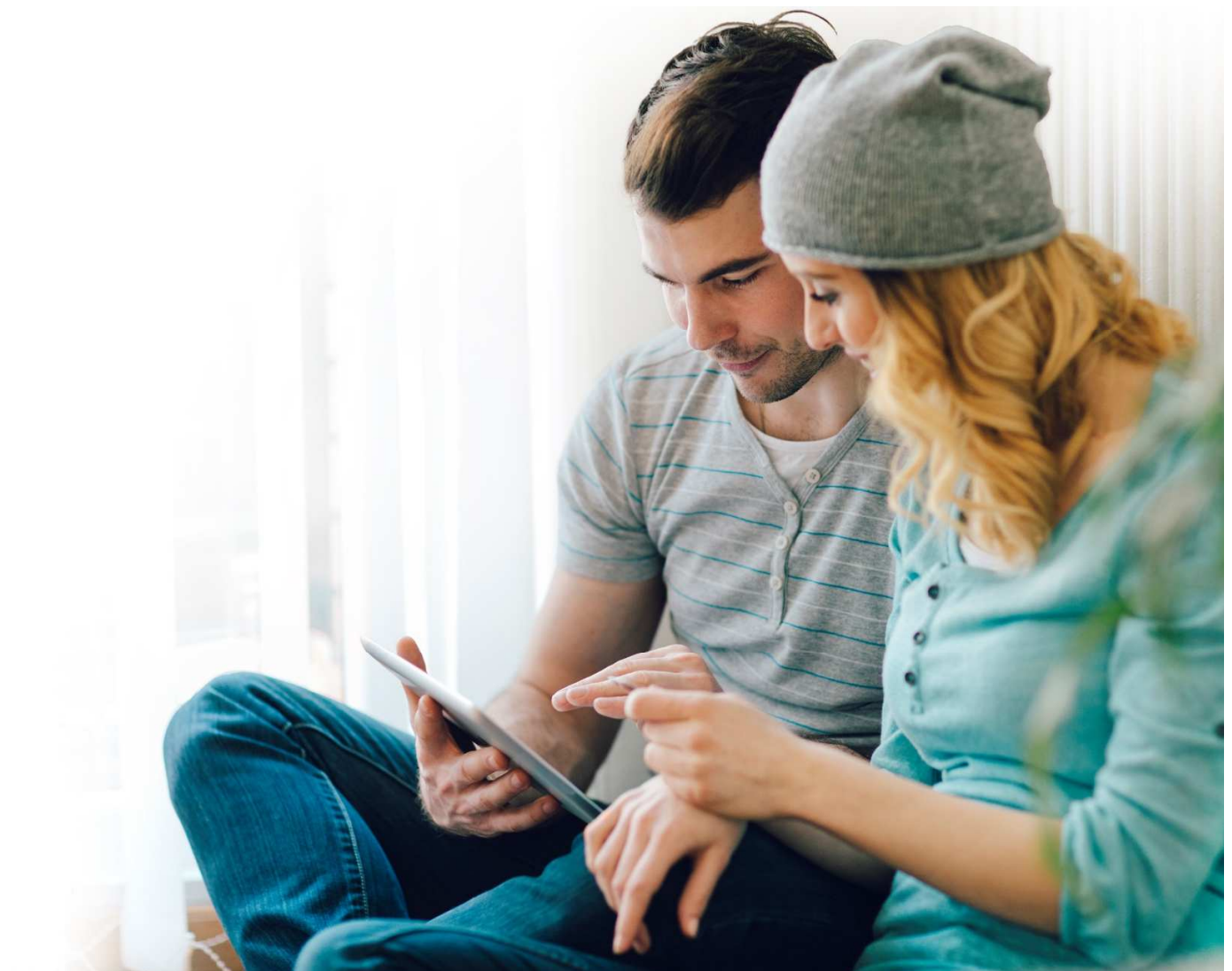


IBM Commerce

U.S. Retail
Black Friday Report
2015

IBM WATSON TREND



Summary

'Tis the season to be shopping – online! Consumers continued to take advantage of early Black Friday deals on Thanksgiving Day, with online retail sales rising by 26 percent year-over-year. Adding to Thanksgiving tradition, mobile shopping soared, accounting for nearly 60 percent of all online traffic and 40 percent of all online sales.

Momentum into Black Friday led to an increase in online retail sales of 21.5 percent over 2014 with mobile growing in double digits.

Led by mobile shopping, consumers indicated Samsung TVs, Apple Watch, Sony TVs, Beats by Dre, LG TVs and more were at the top of their shopping lists for Black Friday, according to IBM Watson Trend.

Some of the fastest trending products for Black Friday included Minecraft Video Game (plus Gameband Wearable Accessory), Pie Face Game, Phillips TVs, Asus Zenbok Laptop and Toshiba Satellite Laptops.

The IBM Watson Trend features the hottest 100 consumer electronics, toys and health and fitness products at any given time. The IBM Watson Trend app distills the sentiment of tens of millions of online conversations by scouring 10,000 sources across social media sites, blogs, forums, comments, ratings and reviews.

Using Watson's understanding of natural language and machine learning technologies, the app uncovers consumer preferences to pinpoint patterns and trends to reveal why people are choosing certain products or brands. The app also uses predictive analytics to forecast if a particular trend is a fleeting fad or will continue to remain strong.

For Black Friday IBM identified additional popular products and the stories behind them:

- **Beats by Dre:** Beats headphones, earbuds, and speakers have been wildly popular since first appearing in 2008. Watson finds growing chatter around the Beats Solo2 Wired On-Ear headphones as well as the release of Dr. Dre's unheard tracks on Apple's Beats 1 streaming music channel. Additional trending headphones include Sennheiser, Bose, Skullcandy and Sure.
- **Jordan Shoes:** Known best for its original Air Jordan line of basketball sneakers, Jordan Brand has released a new line of performance running shoes. Watson finds that the line is being lauded for both their aesthetics and foot support and is gaining popularity among consumers who sported the original sneakers in the 1990s.
- **Nintendo Super Smash Bros:** Nintendo's Super Smash Bros for Wii U is generating significant buzz and Watson knows why. While the game features popular Nintendo characters such as Mario, Donkey Kong and Pokémon, it's the "unprecedented" addition of Final Fantasy's Cloud Strife that has gamers buzzing with excitement.
- **MeccaNoid Personal Robots:** Personal robots including those from Star Wars are popular this year but many parents are also looking to more "edutainment" focused gifts. Watson reports that many parents are looking at MeccaNoid, which teaches kids from ages 8 to 12 how to create, learn and code so they can ultimately build their own robot.

As consumers use the IBM Watson Trend app to pinpoint what products are popular and why, IBM also reports on how consumers are shopping. IBM identified the following trends on Black Friday:

- **Consumers Cash in on Black Friday Deals:** The average order value for the mobile and desktop shopper combined for Black Friday was \$127.84, down slightly from 2014 at \$129.37.
- **Consumers Balance Mobile and Desktop Shopping:** Consumers continued to shop via their mobile devices—mobile traffic exceeded desktop, accounting for 57.2 percent of all online traffic, an increase of 15.2 percent over 2014. Mobile sales were also strong, with 36.2 percent of all online sales coming from mobile devices, an increase of nearly 30 percent over last year.
- **Tablets Out Spend Desktops:** For the first time, Tablets average order value of \$136.42 exceeded that of desktops, which ended the day at \$134.06. Smartphone shoppers spent \$121.06 per order, an increase of 4.3 percent over 2014.
- **Smartphones Shoppers Dominate:** Smartphones remained the Black Friday shopper's device of choice. Smartphones accounted for 44.7 percent of all online traffic, 3 and a half times that of tablets at 12.5 percent. Smartphones surpassed tablets in sales, driving 20.6 percent of online sales (up nearly 75 percent over 2014) versus tablets at 15.5 percent.

U.S. Retail Black Friday 2015

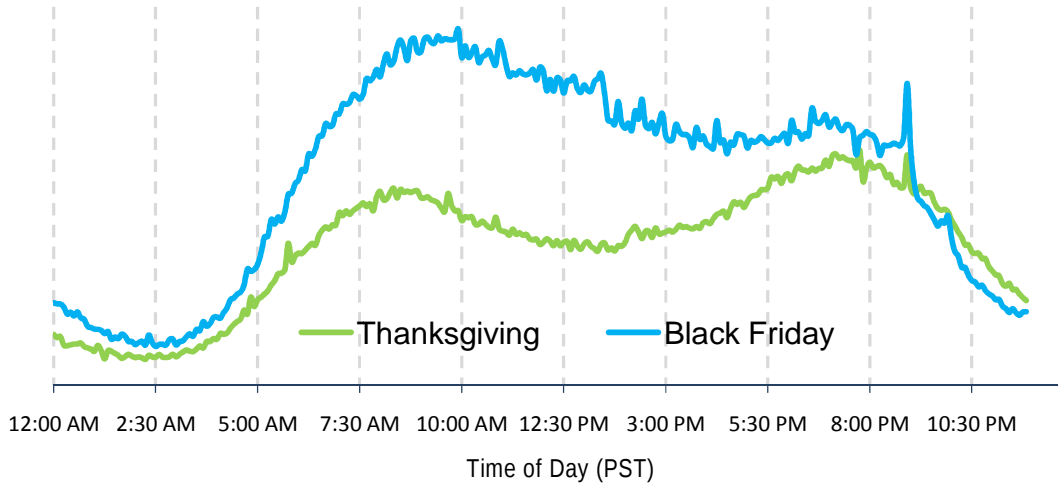
Black Friday Sales vs. Black Friday 2014 ▲21.46%
vs. Thanksgiving 2015 ▲52.04%



	Black Friday 2015	Black Friday 2015 vs. 2014	Thanksgiving 2015	Black Friday vs. Thanksgiving 2015
Transaction Metrics				
Items per Order	4.08	2.77%	4.20	-2.86%
Average Order Value	\$127.84	-1.18%	\$123.45	3.56%
Conversion Rate	4.20%	6.33%	3.65%	15.07%
New Visitor Conversion Rate	3.26%	3.49%	2.69%	21.19%
Shopping Cart Sessions	15.36%	16.10%	14.63%	4.99%
Shopping Cart Conversion Rate	27.19%	-1.38%	24.82%	9.55%
Shopping Cart Abandonment Rate	72.81%	0.52%	75.18%	-3.15%
Session Traffic Metrics				
Average Session Length	8:44	3.56%	8:26	3.56%
Bounce (One Page) Rate	31.26%	-0.35%	32.40%	-3.52%
Browsing Sessions	50.60%	6.19%	49.52%	2.18%
Page Views Per Session	8.76	4.66%	8.64	1.39%
Product Views Per Session	2.59	7.47%	2.52	2.78%
Desktop Metrics				
Desktop: % of Sales	63.82%	-11.43%	59.95%	6.46%
Desktop: % of Site Traffic	42.66%	-14.92%	40.01%	6.62%
Desktop: Bounce Rate	28.16%	0.64%	29.72%	-5.25%
Desktop: Conversion Rate	6.34%	9.31%	5.46%	16.12%
Desktop: Average Order Value	\$134.06	-0.94%	\$131.17	2.20%
Mobile Metrics				
Mobile: % of Sales	36.16%	29.56%	40.03%	-9.67%
Mobile: % of Site Traffic	57.19%	15.23%	59.81%	-4.38%
Mobile: Bounce Rate	33.57%	-3.48%	34.18%	-1.78%
Mobile: Conversion Rate	2.97%	12.08%	2.82%	5.32%
Mobile: Average Order Value	\$121.06	4.34%	\$113.40	6.75%

Online Sales 2015

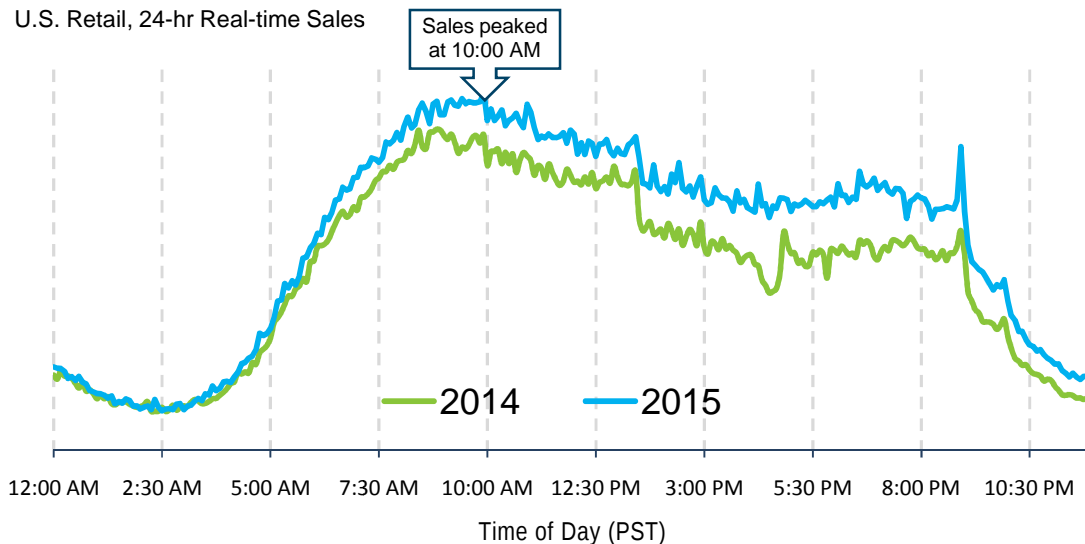
U.S. Retail, 24-hr Real-time Sales



While online retail sales for Thanksgiving increased by 26% over 214, Black Friday 2015 sales outpaced Thanksgiving sales by 52%.

Black Friday

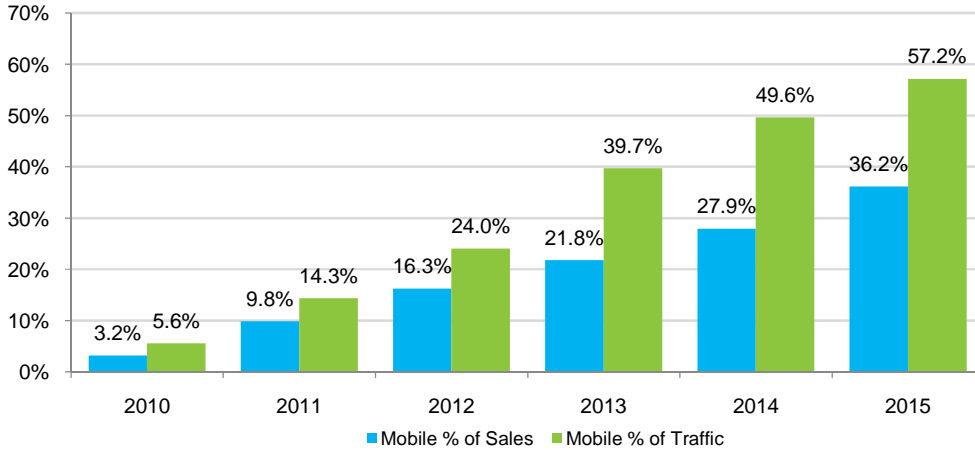
U.S. Retail, 24-hr Real-time Sales



Online retail sales for Black Friday peaked at 10:00 AM PST with sales increasing 21.5% over 2014.

Black Friday, 2010-2015

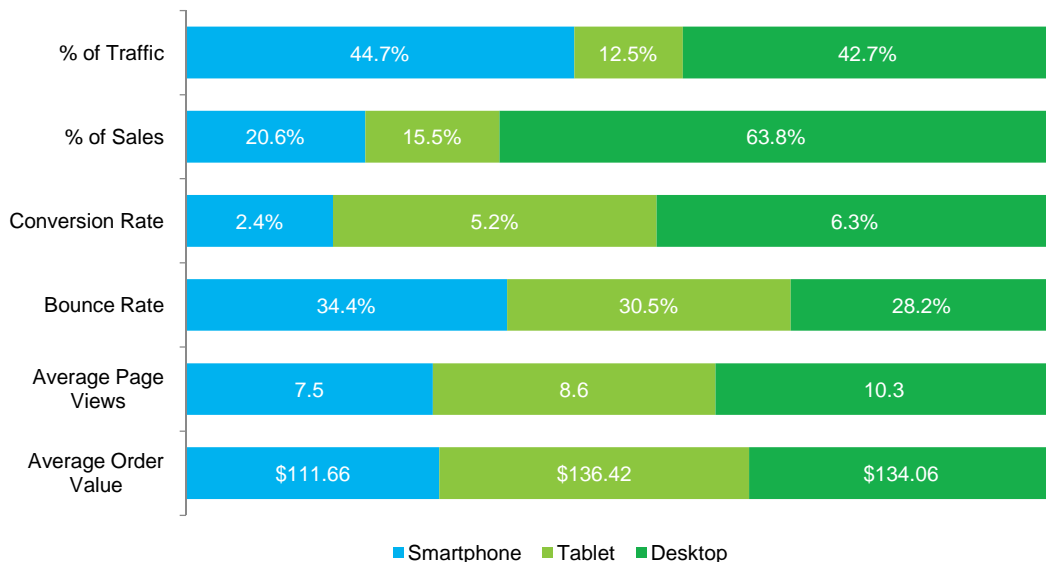
Mobile % of Sales and Site Traffic



Mobile growth has exploded since 2010 with more traffic being generated from mobile devices than desktop on Black Friday 2015.

Black Friday 2015

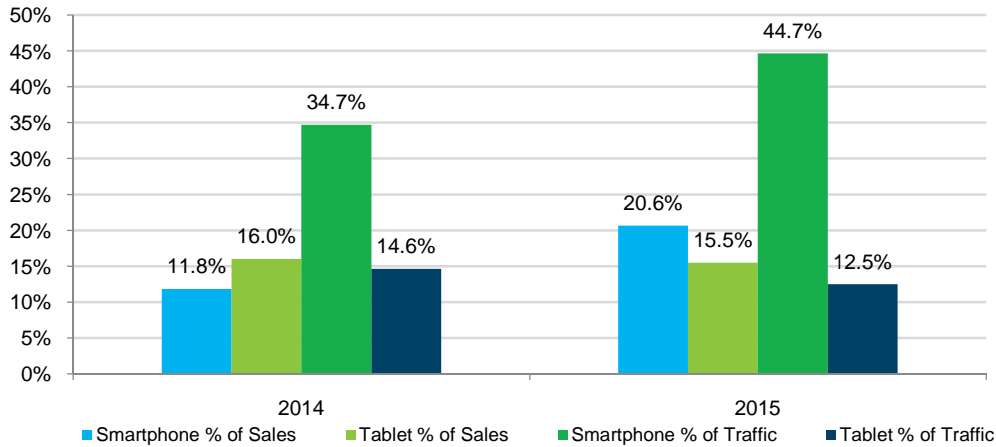
Performance by Device/Platform



Smartphones and tables combined outpaced desktop in generating traffic. Further, tablet average order value eclipsed that of desktop for the first time. Nonetheless, desktop, with its larger screen real estate performed better in other metrics such as percentage sales, conversion rate, bounce rate and average page views.

Black Friday, 2014-2015

Smartphone vs. Tablet YoY Sales and Traffic Growth

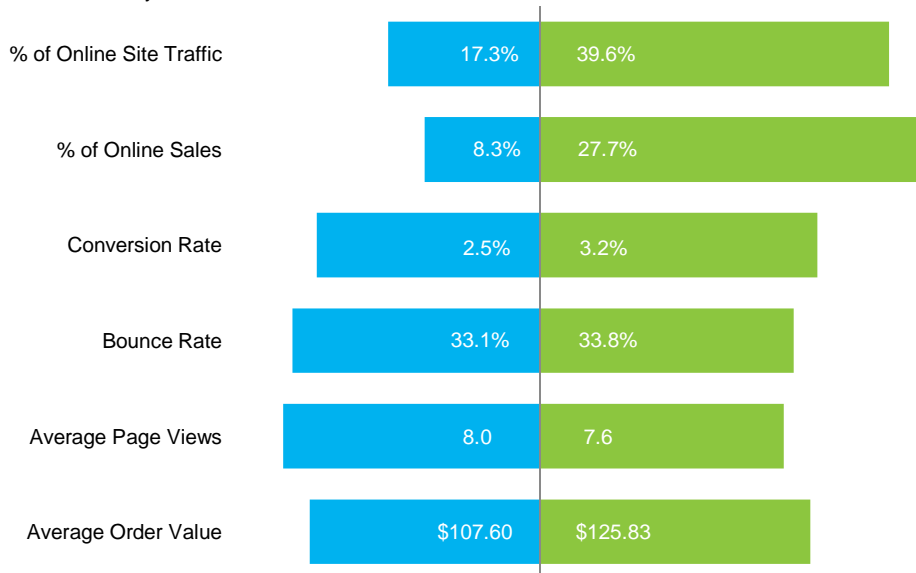


Smartphone sales and traffic have increased dramatically over tablets since 2014. On Black Friday 2015, smartphone percentage sales outpaced tablets while traffic was 3.5X that of tablets.

Black Friday 2015

Performance by Mobile OS

Android iOS



iOS outpaced Android in many online shopping metrics, however Android had slightly higher average page views per session.

Transaction Summary Metrics

- 1. Items Per Order**
The average number of items purchased per order
- 2. Average Order Value**
The average value of a submitted order
- 3. Conversion Rate**
The percentage of sessions that resulted in an order
- 4. New Visitor Conversion Rate**
Out of all new visitor sessions, the percentage that completed an order
- 5. Shopping Cart Session Percentage**
The percentage of sessions in which visitors placed at least one item in their shopping carts
- 6. Shopping Cart Conversion Rate**
The percentage of shopping carts that resulted in an order
- 7. Shopping Cart Abandonment Rate**
The percentage of shopping carts that are abandoned without completing the order

Session Traffic Summary Metrics

- 1. Average Session Length**
The average length of time for a visitor session
- 2. Bounce (One Page) Rate**
The percentage of sessions in which visitors only viewed one page before leaving the site
- 3. Browsing Session Percentage**
The percentage of sessions in which visitors viewed at least one product page
- 4. Page Views Per Session**
The average number of pages viewed in a single session
- 5. Product Views Per Session**
The average number of products viewed in a single session

Desktop and Mobile Summary Metrics

- 1. Percentage of Sales**
Out of all online sales, the percentage that was from desktop (or) from mobile devices
- 2. Percentage of Site Traffic**
Out of all sessions, the percentage that was from desktop (or) from mobile devices
- 3. Bounce Rate**
The percentage of sessions from desktop (or) from mobile devices in which visitors only viewed one page before leaving the site
- 4. Conversion Rate**
The percentage of sessions from desktop (or) from mobile devices that resulted in an order
- 5. Average Order Value**
The average value of orders submitted by desktop (or) by mobile devices

About IBM Watson Trend

IBM Watson Trend expands on the previous IBM Benchmark reporting, the industry's go-to source for real-time online shopper insights and predictions for a decade. Research is based on aggregated and anonymous data from retail web sites around the globe, analyzing millions of online sessions and transactions a day. IBM Watson cognitive computing analyzes the meaning of natural language from more than 10,000 sources – including social media, blogs, reviews and ratings to add insights on what products are trending and why they are happening. Combining this trend intelligence with our digital analytics creates the industry's only instant access to shopper insights and foresights about the what, why, and how of holiday shopping.

For More Information

For additional reports and trends in online retail, visit the IBM Watson Trend Hub at www.ibm.com/watsonrendhub

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