2015 Holiday Online Shopping Predictions

Adobe Digital Index

Methodology

Most comprehensive report of its kind in industry

Based on analysis of aggregated and anonymous data from Adobe Marketing Cloud

- Adobe Analytics, Adobe Mobile Services, and Adobe Social

More than 1 trillion visits to 4,500 retail websites since 2008

- 55 million product SKUs analyzed to determine price discount expectations
- Over $7.50 out of $10.00 spent online with top 500 retailers is measured by Adobe Marketing Cloud
- Over $8.00 out of $10.00 spent online with top 100 retailers

Thanksgiving and Cyber Monday predictions in previous years were within 2%

Separate survey findings from 400 consumers per country in the US, UK, Germany, France, Australia, China, and Singapore

United States: Online Shopping Predictions

Adobe Digital Index

Top Predictions

1. 76% of all spend will go to 1% of product SKUs
2. Cyber Monday will hit $3 Billion for the first time; Black Friday closing the gap
3. Mobile will drive majority (51%) of shopping traffic for the first time
4. The best time to buy depends on both discounts and product availability
5. Shoppers more likely to find discounts via display ads and social media
6. Social buzz will predict top gifts of the season

ADOBE DIGITAL INDEX

Shoppers sharpen their focus

PERCENT OF SPEND BY PERCENT OF PRODUCTS
SOURCE: ADOBE MARKETING CLOUD

*Analysis involved 55 million product SKUs offered by top online retailers.

During the year, 65% of all spend goes to a mere 1% of products, but that number jumps up to 76% during the holiday season.

High demand for a select few products, especially during the holiday season means that:

- Retailers need to make sure to have the right products in stock.
- Consumers need to focus on being first on finding the best deals.

Note: The 1% of products that account for the majority of online sales are mostly electronics items (60%) and gift cards. They tend to be higher priced items that require little 'touch-and-feel' evaluation before purchase.

ADOBE DIGITAL INDEX

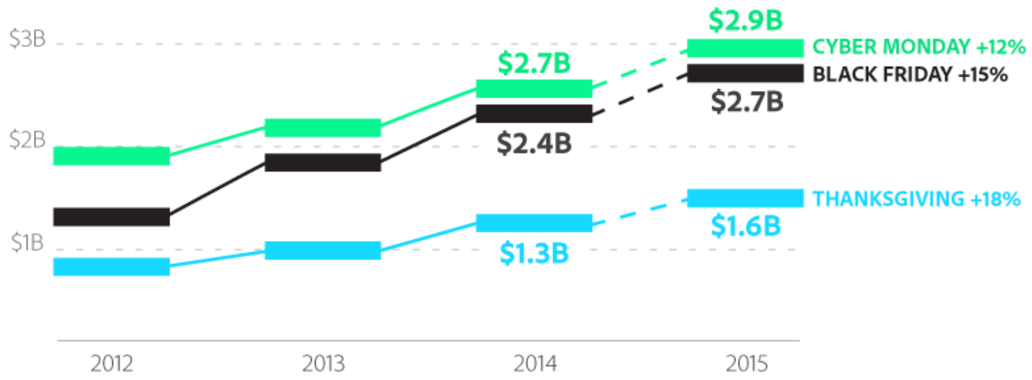
Cyber Monday reigns, Black Friday closing in

$83 Billion this holiday season; +11 YoY

Thanksgiving growing fastest because of select few
- $1.6 Billion, +18% YoY
- Large national retailers to grow fastest.

Black Friday to surpass Cyber Monday in 2016
- $2.7 Billion, +15% YoY
- Brick-and-Clicks will grow fastest.

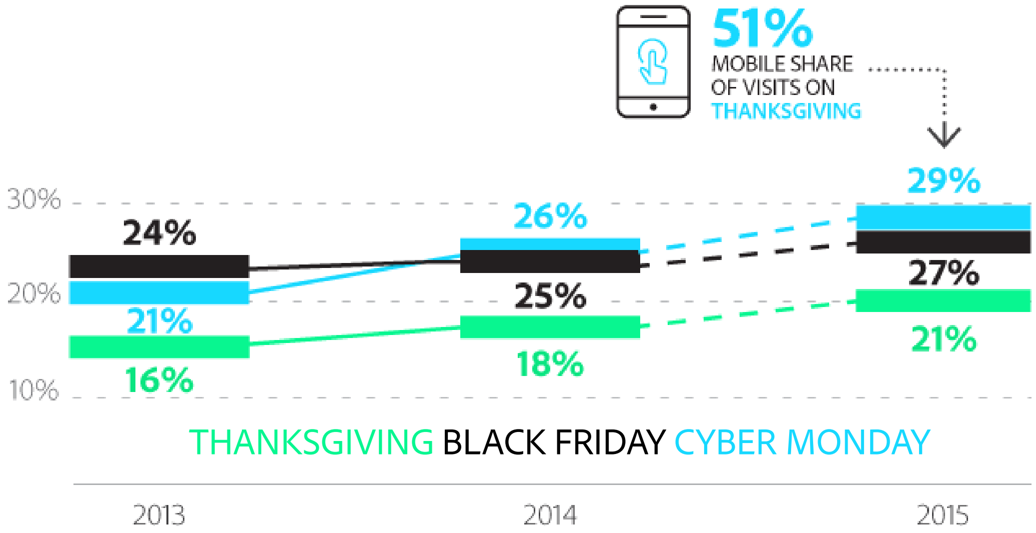
Cyber Monday remains king:
- Despite heavy advertising to start earlier
- $3 Billion, +12% YoY



EXPECTED ONLINE SALES: US (YOY GROWTH)
SOURCE: ADOBE MARKETING CLOUD

Single's Day is still not a major shopping day for US consumers, but it will see the highest number of products on sale in November before Thanksgiving week (5% compared to 4%)

Mobile to exceed 50%



MOBILE SHARE OF SALES: US
SOURCE: ADOBE MARKETING CLOUD

51% of browsing via mobile on Thanksgiving:

- 29% of purchases via mobile
- By shopping on their phones , savvy shoppers will find deals without missing out on festivities
- Christmas to exceed Thanksgiving in mobile share (52% of visits, 30% of sales)

iOS will drive the majority of mobile shopping:

- iOS: 22% of sales; Android: 7% of sales
- iPhone users are 23% more likely to purchase than Android users.

Mobile shopping replaced by desktop shopping on Black Friday and Cyber Monday as consumers return home and back to work.

Mobile Wallets: Apple Pay is used for 3-4% of sales revenue when it is available. Consumers have been slow to adopt methods to simplify mobile shopping.

SURVEY: 400+ consumers cite key inhibitors to mobile shopping, including desire to see an image of the product on a bigger screen and difficulty in entering credit card or payment information. Online shopping via mobile phone was seen as the most stressful, with 17% of consumers rating it a 6/7 out of a 7-point scale.

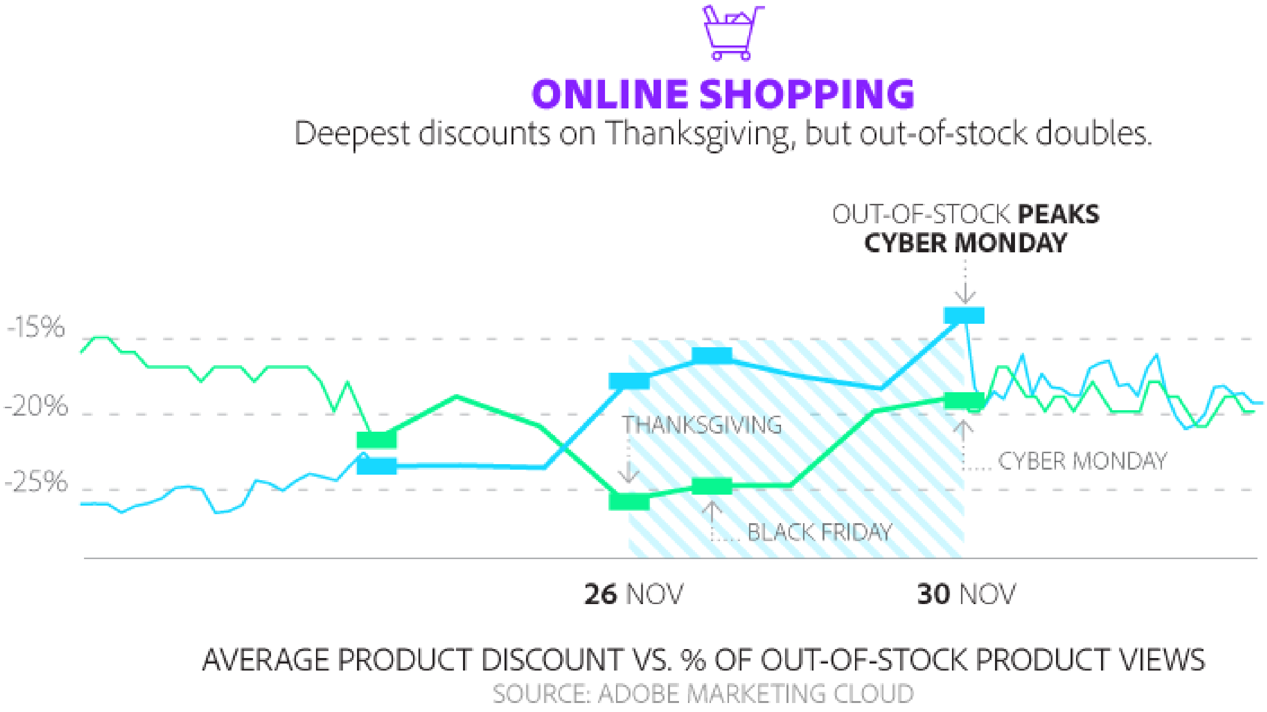
Holiday shopper guide: balancing discounts and inventory

SURVEY: Lower prices/good deals remains the biggest driver of online shopping, with 66% of US consumers ranking that among their top two reasons to shop online. Just as last year, Product Variety is less of a driver, chosen in the top two by only 20% of respondents.

For a sample of all products, the Monday before Thanksgiving has consistently been a good option to beat the rush and still get deals.

Thanksgiving offers the best prices, followed by Black Friday & Saturday.

Out-of-stock incidence almost doubles on Thanksgiving, reaching its peak by Cyber Monday.

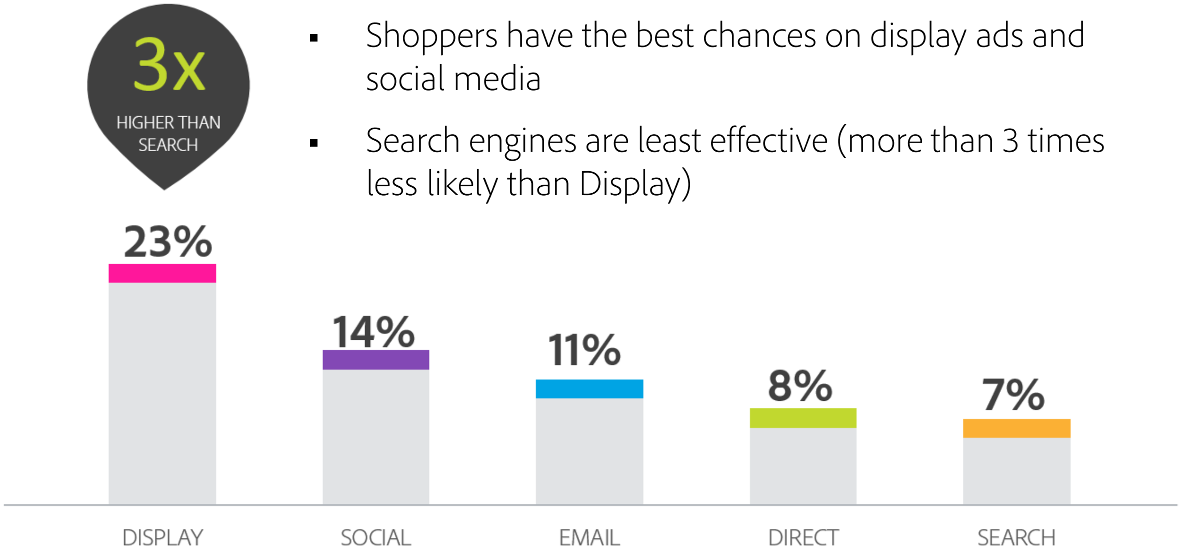


Thanksgiving, Cyber Monday offer lowest shipping costs

Social & Display best marketing channels for deals

For discounts of 10% or more:

- Shoppers have the best chances on display ads and social media
- Search engines are least effective (more than 3 times less likely than Display)



ODDS OF FINDING A DISCOUNTED PRODUCT BY LAST TOUCH CHANNEL – UNITED STATES
SOURCE: ADOBE ANALYTICS

SURVEY: Signs of Consumers Getting More Efficient at Holiday Shopping:

The majority (58%) report anticipating spending as much time as they did last year in terms of holiday shopping, but a quarter (25%) say they expect to spend less time this year. Those 18-34 (28%) and 35-49 (32%) are the most likely to anticipate spending less time on holiday shopping. Given that those 18-34 are the biggest online spenders, we can assume they see online shopping as a time saver.

39% of respondents say they have gotten more efficient at holiday shopping over the last several years. Those 18-34 are the most likely to say this (52%).

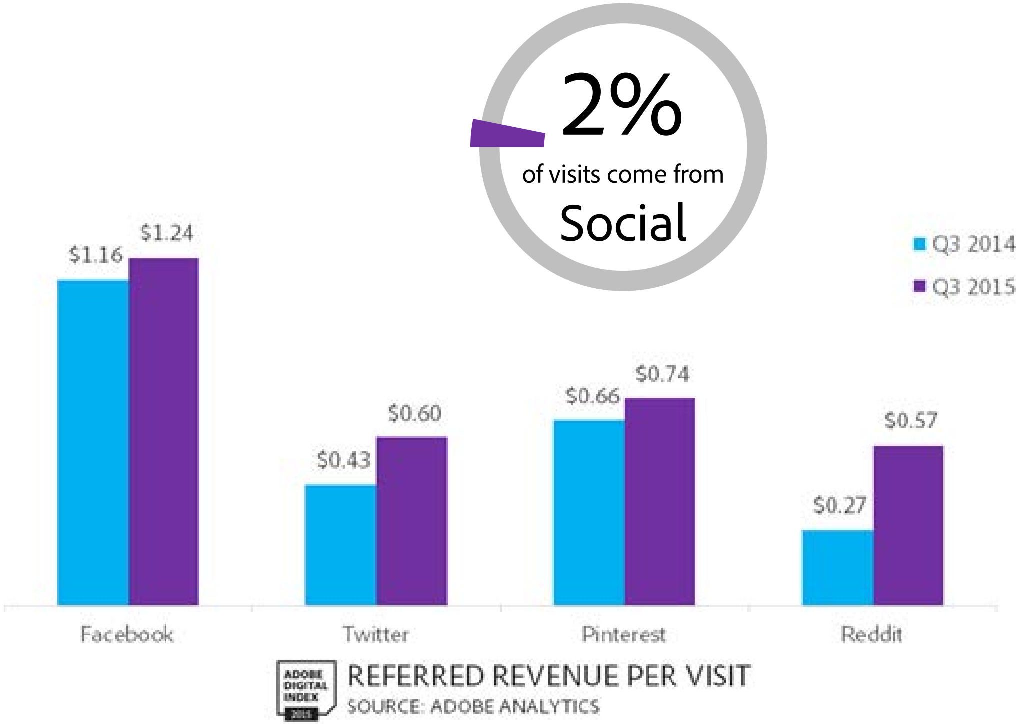
Social drives awareness, not sales

Smart retailers use social channels to generate awareness. Social networks allow retailers to target similar profiles and consumers often notice and follow the same brands as their friends.

Even as some networks have implemented buy buttons, this year we expect social media will only drive 2% of referred visits (flat YoY) to retail websites.

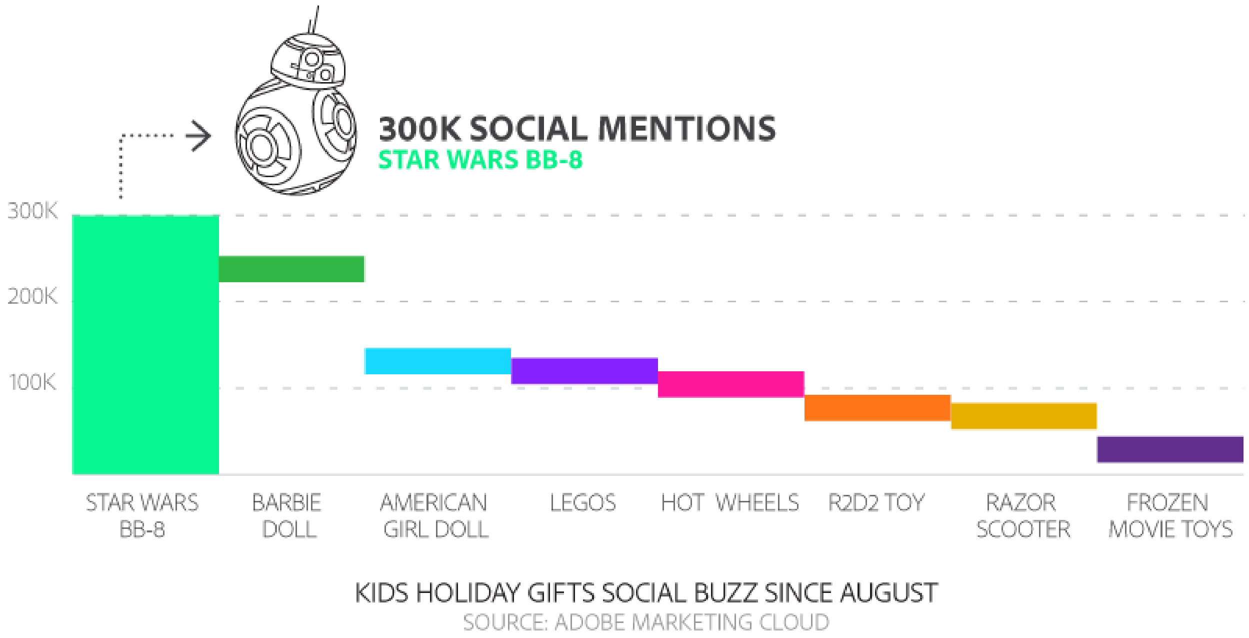
As measured by last-touch attribution, each social visit will yield about a dollar of revenue:

- Revenue per visit via Facebook: $1.24
- Pinterest: $0.74, Twitter: $0.60, Reddit: $0.57



ADOBE DIGITAL INDEX

Hot products revealed by social listening



Social offers early indicator of top gift items:

BB-8 from Star Wars leads for kids toys, followed by Barbie, and American Girl Doll.

Apple leads in wearable, video streaming devices and, of course, tablets:

- Apple Watch is followed by GoPro and Fitbit.
- Apple TV is ahead of Roku and Chromecast.
- iPad leads in the tablet category followed by the Kindle and iPad Mini.

PlayStation 4 leads in the gaming hardware category, while Minecraft and Halo 5 are neck and neck in the race for the most buzzed about game.

Sony holds a strong lead over LG and Samsung for 4K TVs.

ADOBE DIGITAL INDEX

Thanksgiving is a hot time for Jewelry shopping

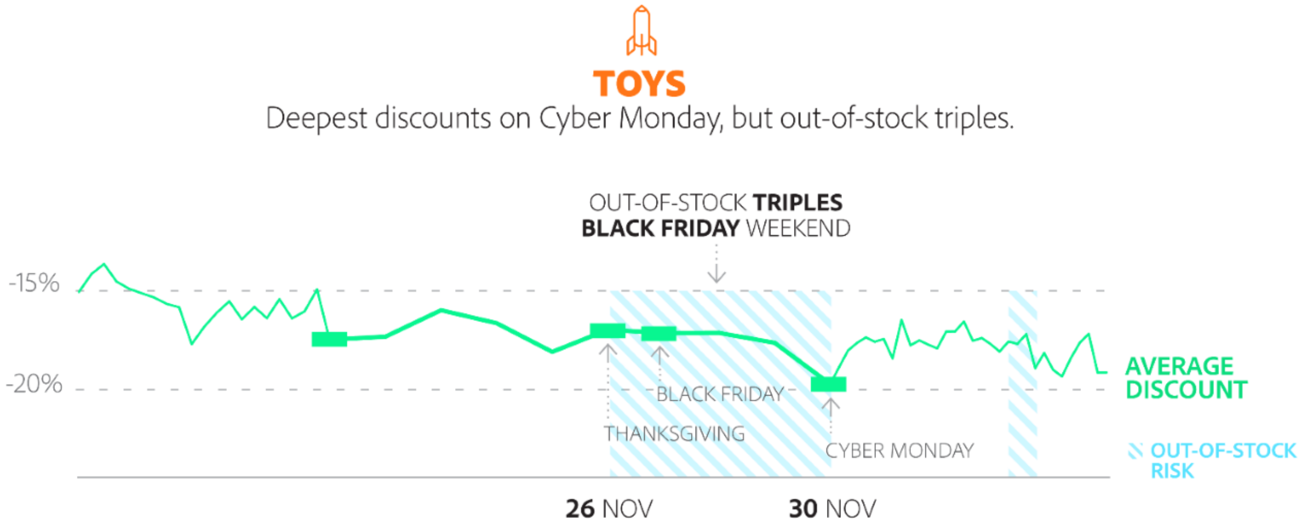
Jewelry is often purchased late in the season, but the data suggest a better strategy:

Lowest prices and highest % of products on sale occurs on Thanksgiving, with average discount of 25% and 20% of items on sale (4x above "normal" day)

Incidence of out-of-stock views fairly low during Black Friday weekend, making it the very best time to buy

ADOBE DIGITAL INDEX

Saturday before Thanksgiving best for toys



AVERAGE PRODUCT DISCOUNT VS. OUT OF STOCK RISK

SOURCE: ADOBE MARKETING CLOUD

Savvy shoppers should start on the weekend before Thanksgiving, before hot toys are out-of-stock.

Lowest prices and highest % of products on sale on Cyber Monday, with average discount of 18%, with 13% of products on sale.

Do not procrastinate: out-of-stock incidence increases by 3x on Black Friday weekend, 6x on the week before Christmas.

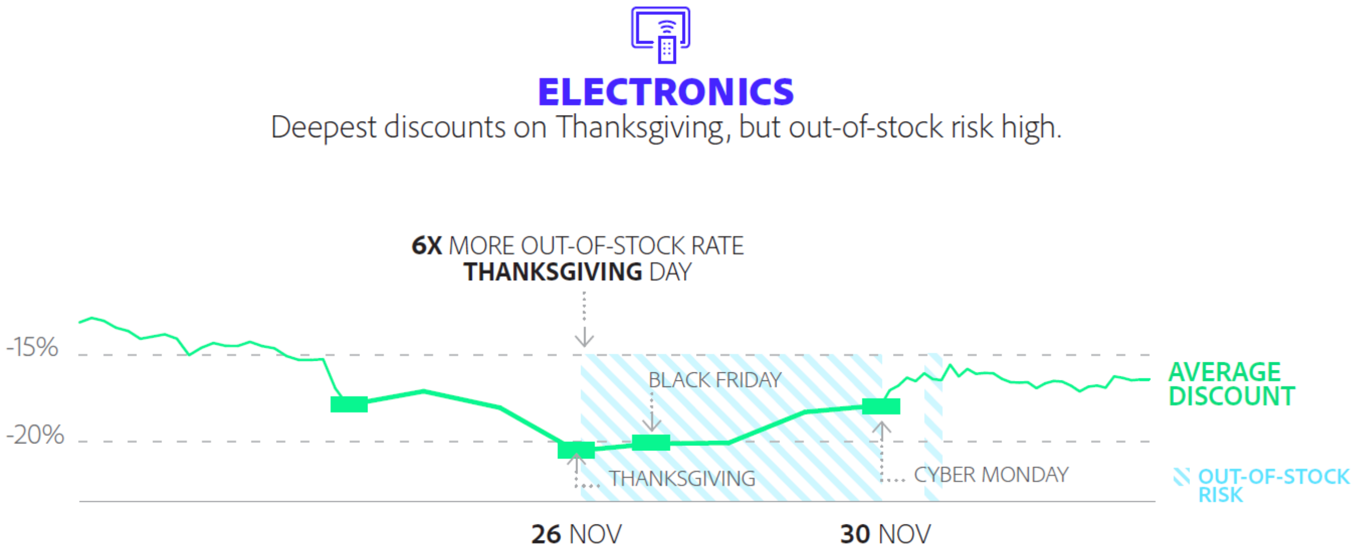
ADOBE DIGITAL INDEX

Monday Before Thanksgiving is a great time to buy Electronics

Savvy shoppers should take the Monday before Thanksgiving seriously for best deals and items still in stock.

Lowest prices and highest % of products on sale on Thanksgiving, with average discount of 18% with 17% of items on sale.

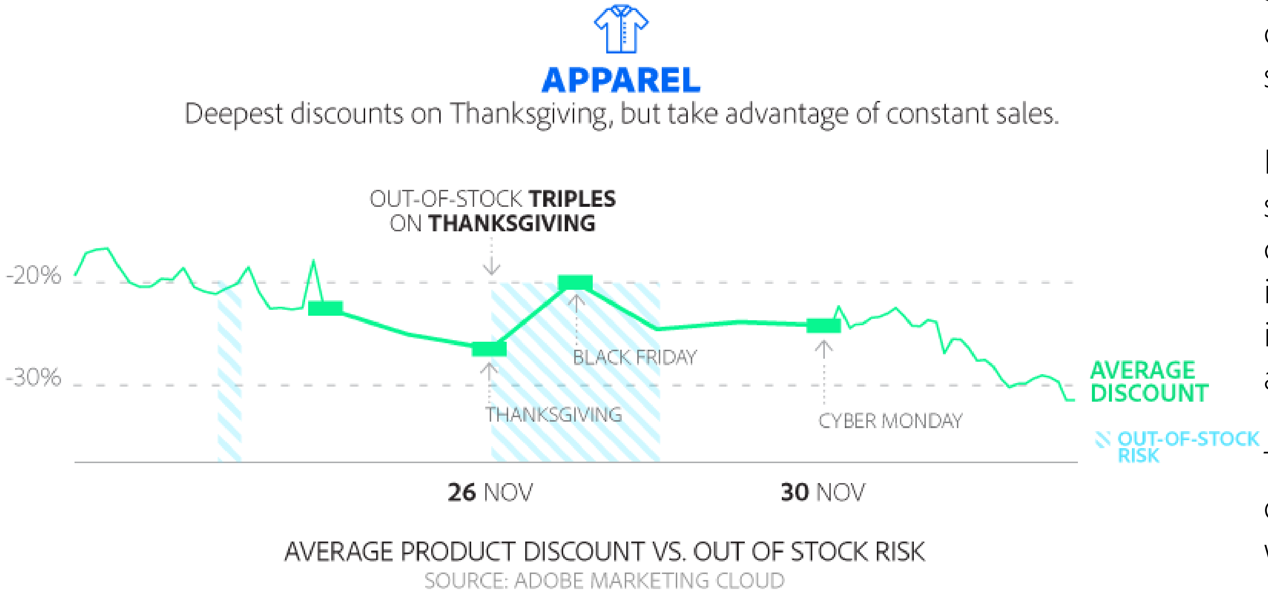
Highest incidence of out-of-stock product views happens on Thanksgiving day.



AVERAGE PRODUCT DISCOUNT VS. OUT OF STOCK RISK
SOURCE: ADOBE MARKETING CLOUD

ADOBE DIGITAL INDEX

Apparel is less important on Black Friday weekend



Shoppers can count on constant discounts on apparel throughout the season.

Lowest prices and % of products on sale on Thanksgiving, with average discount of 27% and 28% of apparel items on sale; however, the highest incidence of out-of-stock product views also happens on Thanksgiving day.

Trend in discounts and % of products on sale continues after Black Friday weekend.

ADOBE DIGITAL INDEX

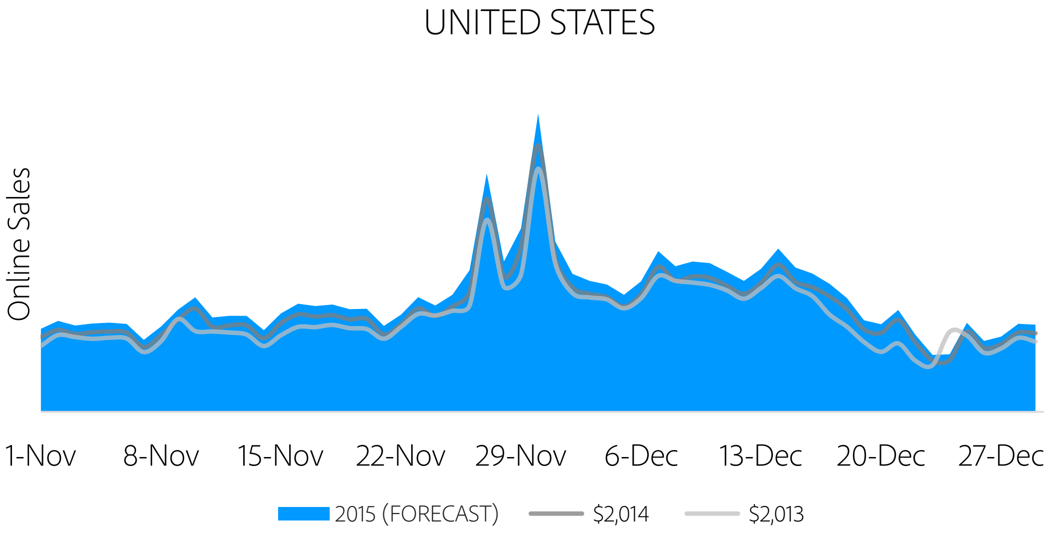
United States

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $83 billion
- YoY growth: +11%
- Share of annual ecommerce: 22.0%
- Spend per internet user: $305.00
- eCommerce: Phone = 11%, Tablet = 9%
- Browsing: Phone = 29%, Tablet = 11%

Biggest Day Forecast:

- Biggest day during holiday season: 11/30/15
- Total spend $2,970 million
- Relative to normal spend level: 2.92x
- Spend per internet user: $11.05

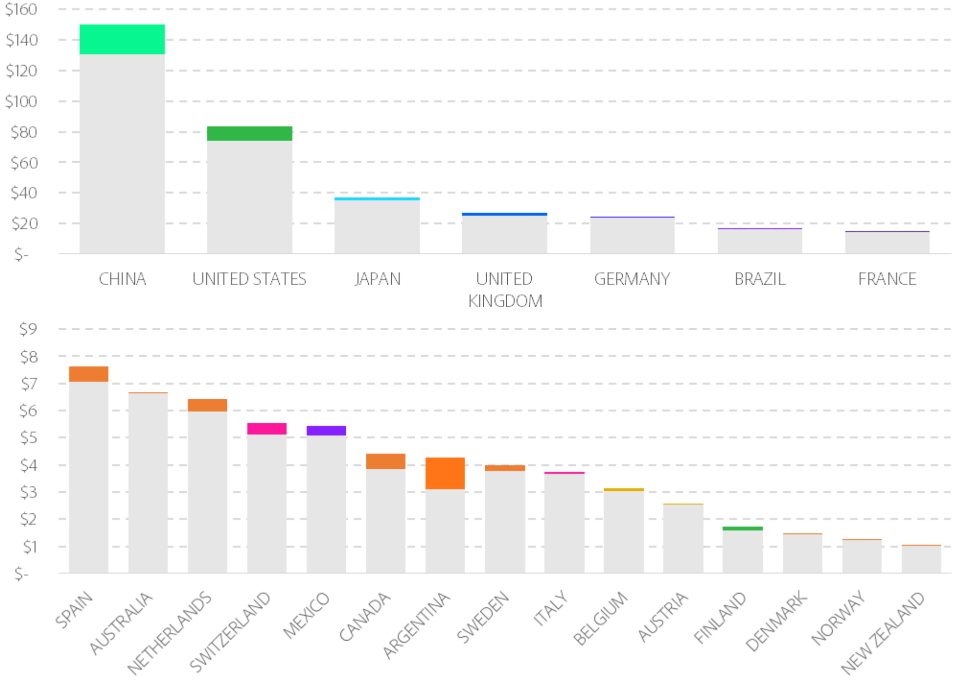


International: Online Shopping Predictions

Adobe Digital Index

ADOBE DIGITAL INDEX

China, US have largest holiday season.



EXPECTED HOLIDAY ONLINE SALES REVENUE (BILLIONS)

SOURCE: ADOBE ANALYTICS

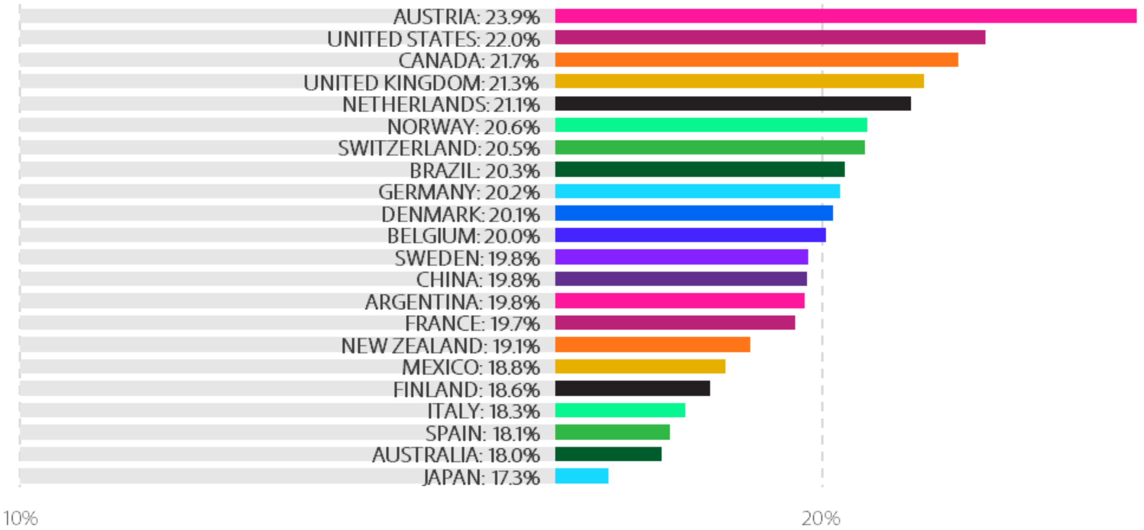
China's massive and growing economy has led it to have the highest anticipated online shopping during the holiday season, even though that season is relatively less important in China.

Europe is led by United Kingdom in total sales, followed by Germany and France. The US is bigger than these three countries combined.

In Asia, Japanese retailers will bring in the most revenue during November and December, followed by Australia.

ADOBE DIGITAL INDEX

$1 in $5 spent during the holiday season



EXPECTED 2015 HOLIDAY SEASON SHARE OF ANNUAL ONLINE SALES REVENUE

SOURCE: ADOBE ANALYTICS

The holiday season represents 20% of worldwide online spending – with Austria and the US at the top of the list.

Europe varies quite a bit – the UK and Austria rank high; while the Benelux, Spain, and Italy are less reliant on the holiday season to make the year.

While China is close to the 20% line, all other Asia Pacific countries are in the bottom half.

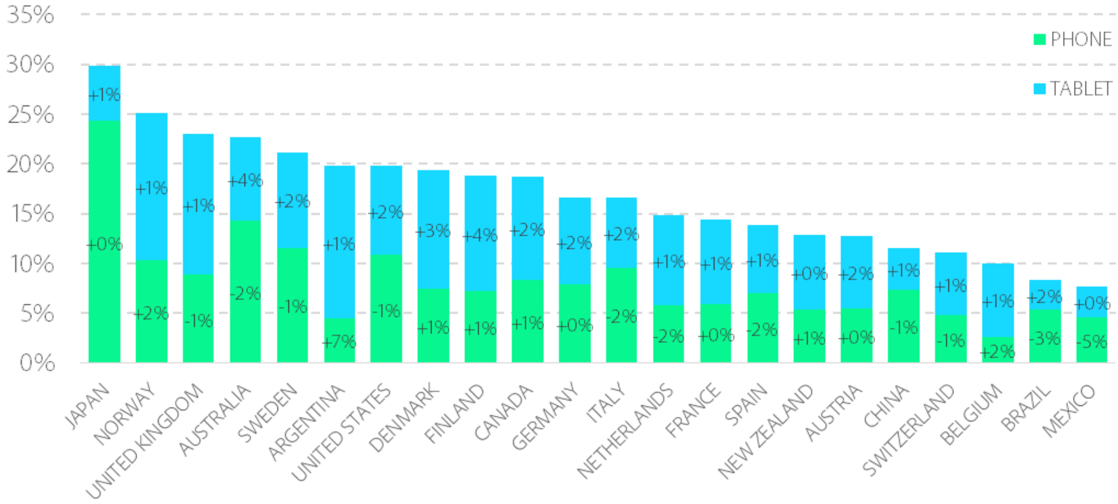
Mobile Usage During Holidays

Northern Europe, US and Japan have the most mobile-oriented shoppers.

Many countries will see revenue from smartphones equal that of tablets.

- Japan, China, Sweden, Italy favor smartphones
- UK, US, Canada, Spain are equal.

Shoppers in Japan use their smartphones for $7 out of $10 in mobile sales. Those in Norway, Netherlands and Brazil use their smartphone for less than one out of three online sales.

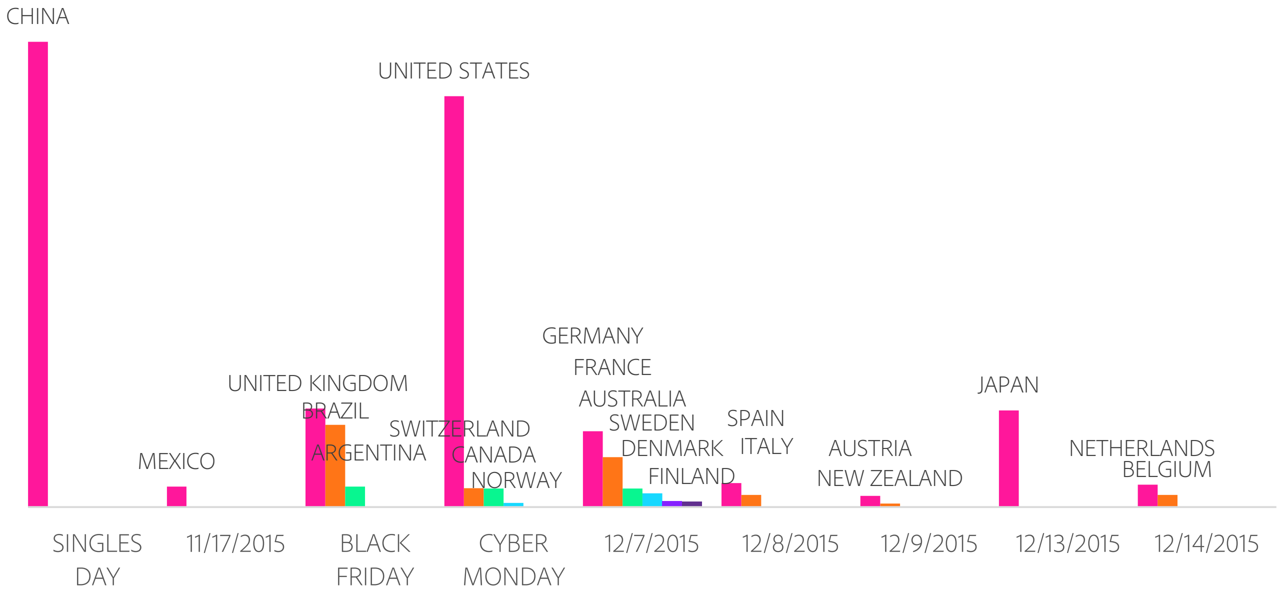


ONLINE SALES REVENUE & YOY GROWTH BY DEVICE TYPE

SOURCE: ADOBE ANALYTICS

ADOBE DIGITAL INDEX

There is no one “best day” worldwide.



ONLINE SALES REVENUE ON BIGGEST SHOPPING DAY

SOURCE: ADOBE ANALYTICS

Most countries will see peak online holiday shopping in December.

Black Friday and Cyber Monday have grown in importance to following the trend in the US.

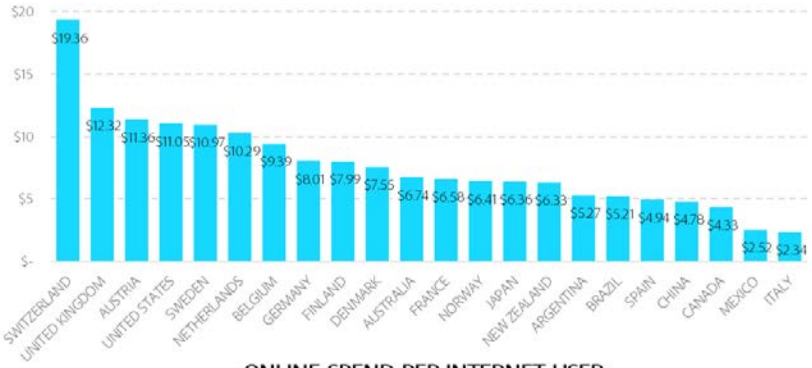
China is unique for its large online shopping day in early November on Singles Day.

Relative spend on biggest online shopping day by country

The average amount spent online per user is $8, led by double-digit amounts in Europe and the US.

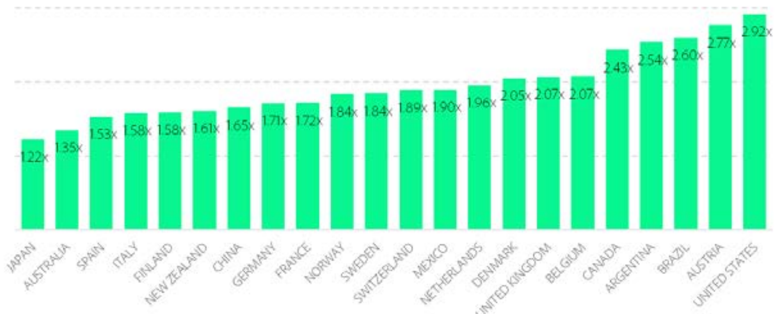
Emerging economies with large populations (China and Brazil) are near the bottom on a per capita basis.

The 'best day' generated 2x the sales of a normal day on average. Cyber Monday in United States is 3x more than a normal day's online sales.



ONLINE SPEND PER INTERNET USER

SOURCE: ADOBE ANALYTICS



SPEND RELATIVE TO A NORMAL DAY

SOURCE: ADOBE ANALYTICS

European Countries: Online Shopping Predictions

Adobe Digital Index

Survey: EMEA Key Findings

- Compared to last year, the percent EMEA consumers expect to spend online in terms of holiday shopping remains stable in each country over last year.
- While all EMEA shoppers indicate that Lower prices/good deals are important motivators in their desire to shop online, Product Variety has increased substantially over the last year in both France and Germany, making it #2 and #1 in those countries, respectively.
- Signs of consumers getting more efficient and less stressed at holiday shopping? Nearly a quarter or more in each country say they expect to spend less time holiday shopping this year compared to last. Germans are particularly optimistic in terms of spending less time. They also have the highest % of anticipated online spending, which might indicate that online shopping is perceived as having made consumers more efficient over time. Online shopping is also consistently seen as much less stressful than offline shopping in physical stores. However, when it comes to online shopping, doing so via mobile phone remains more stressful than doing so via desktop/laptop or tablet.

Spending	UK	France	Germany
% Anticipating Total Spend Increase	15%	10%	12%
% Anticipating Online Spend Increase	20%	18%	17%
% Anticipated Spent Online	57%	53%	60%

Importance of Reasons for Buying Online (% ranking 1 or 2)	UK	France	Germany
Lower prices / good deals	67%	54%	40%
Free Shipping	42%	32%	28%
Product Availability	41%	33%	31%
Product Variety	35%	54%	59%
No traffic / lines	12%	24%	35%
Can shop from work	3%	3%	5%

Efficiency & Stress	UK	France	Germany
% Expecting to Spend Less Time Holiday Shopping	24%	23%	30%
% Saying They Have Gotten More Efficient over last several years	27%	24%	22%
% Rating Offline Shopping Very/Extremely Stressful	24%	22%	32%
% Rating Online Offline Shopping Very/Extremely Stressful	6%	5%	1%
% Rating Online Shopping via Mobile Phone Very/Extremely Stressful	19%	15%	20%

ADOBE DIGITAL INDEX

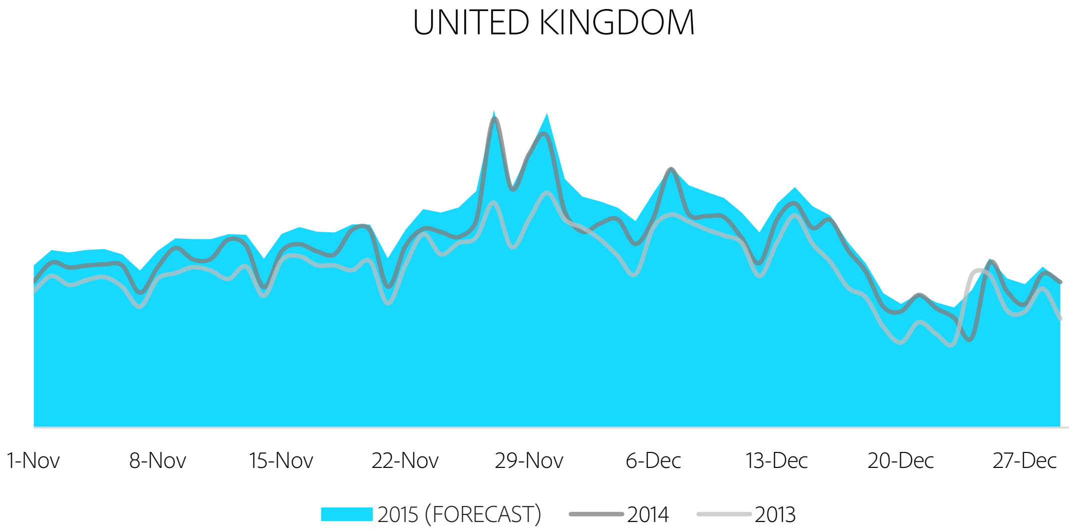
United Kingdom

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $27 billion
- YoY growth: +7%
- Share of annual ecommerce: 21.3%
- Spend per internet user: $462.23
- eCommerce: Phone = 9%, Tablet = 14%
- Browsing: Phone = 27%, Tablet = 18%

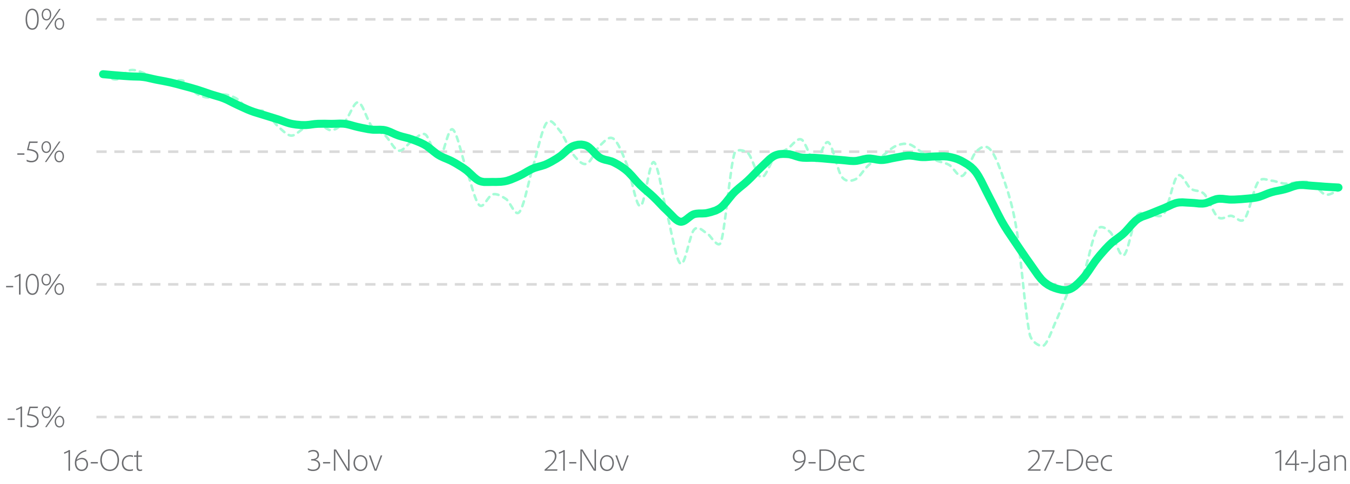
Biggest Day Forecast:

- Biggest day during holiday season: 11/27/15
- Total spend $724 million
- Relative to normal spend level: 2.07x
- Spend per internet user: $12.32



ADOBE DIGITAL INDEX

United Kingdom: Online Price Level



AVERAGE DISCOUNT: UNITED KINGDOM
SOURCE: ADOBE ANALYTICS

In UK prices fall gradually throughout the holiday season, with a significant drop near Black Friday and hit their lowest point near the end of December.

US prices are lower throughout November, but stay relatively high during December when many consumers expect lower prices due to inventory blow-outs

UK Holiday Survey: Key Findings

- Shopping shifts to later in season. The percent of those shopping early remains stable at 28%, but there's indication that a greater percentage of people this year who say they won't begin until the second half of November or later.
- Showrooming is basically flat from last year. 67% say they do it during the holidays. And showrooming remains an infrequent activity: only 19% of UK consumers report checking prices via mobile while in a physical store a moderate amount/a great deal (vs. 15% last year). The younger, the more likely you are to showroom. 32% of those 18-34 report doing so a moderate amount/a great deal. Those with greater than 5-inch smartphones are also more likely to showroom a moderate amount/a great deal (30%). Does this suggest that retailers have NOT successfully addressed showrooming by having more transparent/better pricing in-store, as they appear to have done in the US?
- Online shoppers still most motivated to shop online because of lower prices/good deals. Lower prices/good deals remains the biggest driver of online shopping, with 67% of consumers ranking that among their top two reasons behind their desire to shop online. Importance of Free shipping has jumped substantially (from 34% last year to 42% this year)
- Product reviews are important! Nearly half of respondents (45%) said product reviews are among the top 2 influencers when they are considering a major purchase. On average, respondents said that nearly one-third (36%) of their 2015 holiday purchases will require them to consult a product review. And this jumps to 41% for those 18-34. There is also a tie to social media, with more people turning to social media to find out which products are 'the best." 43% in this year's survey said they used social media for this, versus 25% last year.
- Signs of Consumers Getting More Efficient at Holiday Shopping. The majority (67%) report anticipating spending as much time as they did last year in terms of holiday shopping, but almost a quarter (24%) say they expect to spend less time this year. Those 18-34 (33%) are the most likely to anticipate spending less time on holiday shopping. 27% of respondents say they have gotten more efficient at holiday shopping over the last several years.
- Stress of shopping: We asked consumers to rate how stressful various types of shopping are. No surprise, offline shopping at physical stores is rated as much more stressful than online shopping. 24% of consumers rated offline shopping as Very/Extremely Stressful (6/7 out of a 7-pt scale), with the percentage even higher for women (27% vs. 21% for men). This compared to online shopping, which only 6% of consumers rated as such. We also asked about how it is to shop online via various devices. Online shopping via mobile phone was seen as the most stressful, with 19% of consumers rating it a 6/7 out of a 7-point scale. This jumped to 31% for those 65 and older. Online shopping via desktop/laptop was rated a 6/7 by only 5% of respondents, and tablet online shopping by only 8%.

ADOBE DIGITAL INDEX

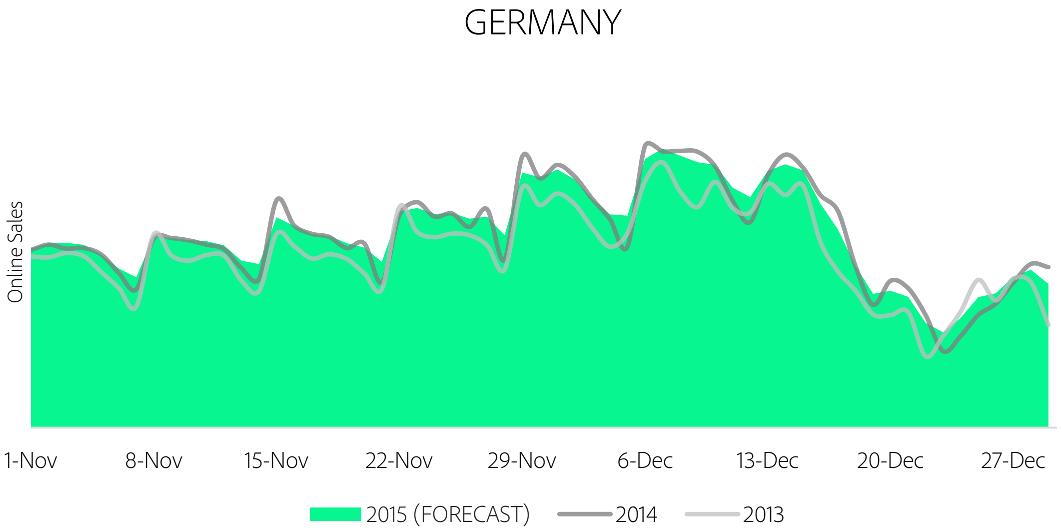
Germany

Holiday Season (Nov and Dec) Forecast:

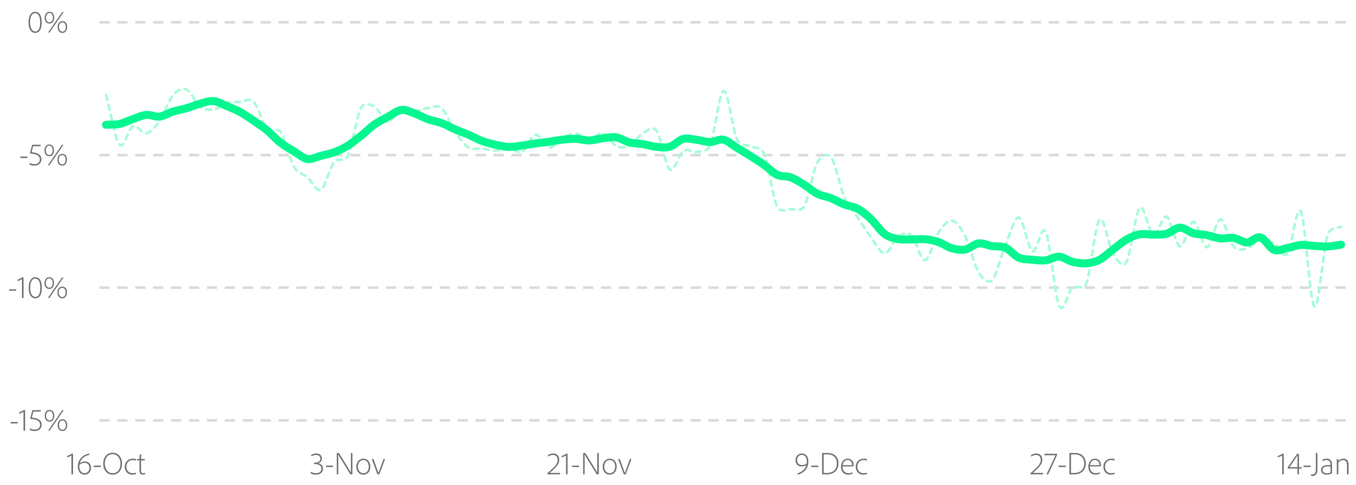
- Total ecommerce: $24 billion
- YoY growth: +1%
- Share of annual ecommerce: 20.2%
- Spend per internet user: $345.24
- eCommerce: Phone = 8%, Tablet = 9%
- Browsing: Phone = 21%, Tablet = 12%

Biggest Day Forecast:

- Biggest day during holiday season: 12/7/15
- Total spend $556 million
- Relative to normal spend level: 1.71x
- Spend per internet user: $8.01



Germany: Expected Price Discounts



AVERAGE DISCOUNT: GERMANY
SOURCE: ADOBE ANALYTICS

Discounts are expected to stay relatively low until Cyber Monday when prices will start to fall leading up to December 25th and stay near 10% for the average product through the middle of January.

Germany Holiday Survey: Key Findings

- Increase in the number of those shopping early, with nearly one-quarter of consumers (22%) saying the start before November 1st. This is largely driven by women, 31% of whom this year plan to start holiday shopping before November 1st (vs. 22% of women doing so last year).
- Showrooming is down from last year. 62% say they do it during the holidays (vs. 72% last year). Showrooming remains an infrequent activity: only 12% of consumers report checking prices via mobile while in a physical store a moderate amount/a great deal (vs. 17% last year). Those 18-34 still the most likely you are to showroom (27% of those 18-34 report doing so a moderate amount/a great deal).
- The past two years, the #1 reason German shoppers have gone online to shop has been Lower prices/good deals, but that seems to have changed. In the latest holiday spending survey, Germans say Product Variety is the main reason they shop online. “No traffic/lines” also jumped significantly year-over-year, indicating that online is a time saver. Those 18-34 are particularly focused on the convenience of online shopping, given they are more likely to cite both “No traffic/lines” and “Can shop from work” as drivers of online shopping.
- Product reviews are important! Nearly two-thirds of respondents (64%) said product reviews are among the top 2 influencers when they are considering a major purchase. Women are more likely to rate reviews in the top 2 (70% vs. 60%). On average, respondents said that 33% of their 2015 holiday purchases will require them to consult a product review.
- Consumers report that the most effective way to get an offer to them on their mobile device during their holidays is email (24%), followed by Display Ad (12%). Display Ad has increased significantly year-over-year, while Notification via App has declined (perhaps given the decreased presence of apps reported). A high percentage of German consumers say “Don't bother me. I will search the web for the offer I want.”
- Signs of Consumers Getting More Efficient at Holiday Shopping. The majority (58%) report anticipating spending as much time as they did last year in terms of holiday shopping, but 30% say they expect to spend less time this year. 22% of respondents say they have gotten more efficient at holiday shopping over the last several years (35% for those 18-34).
- Stress of shopping: We asked consumers to rate how stressful various types of shopping are. No surprise, offline shopping at physical stores is rated as much more stressful than online shopping. 32% of consumers rated offline shopping as Very/Extremely Stressful (6/7 out of a 7-pt scale). This compared to online shopping, which only 1% of consumers rated as such. Online shopping via mobile phone was seen as the most stressful (20% of consumers rating it a 6/7 out of a 7-point scale).
- Social media makes strides, particularly as a source of product reviews. While the number one reason for using social media for holiday shopping is still to get new gift ideas (56% of respondents cite this), there’s an enormous increase in those saying they will use it to find out what products are ‘the best’ (48% vs. 16% last year).

ADOBE DIGITAL INDEX

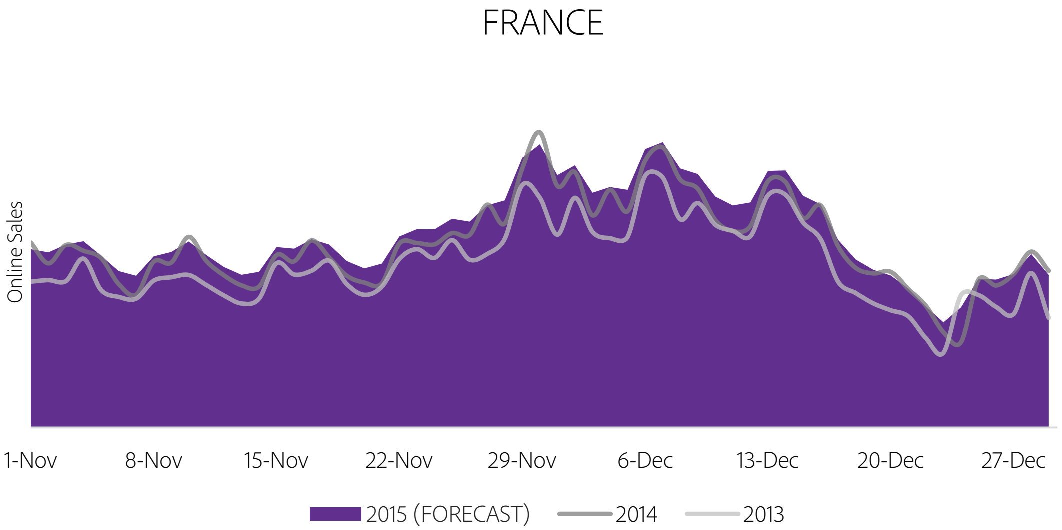
France

Holiday Season (Nov and Dec) Forecast:

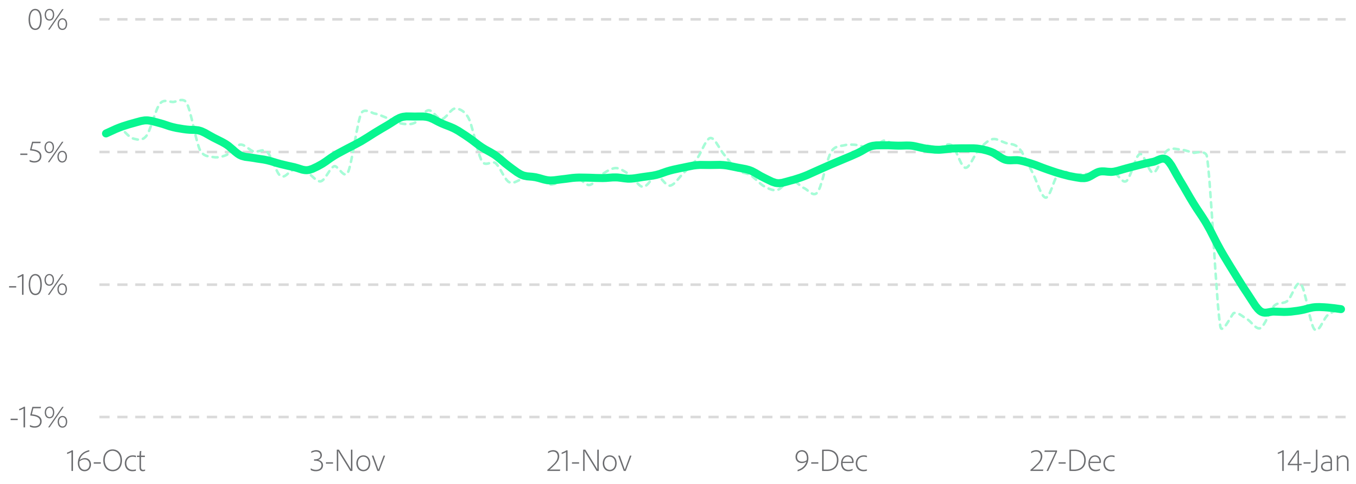
- Total ecommerce: $15 billion
- YoY growth: +5%
- Share of annual ecommerce: 19.7%
- Spend per internet user: $275.04
- eCommerce: Phone = 6%, Tablet = 8%
- Browsing: Phone = 21%, Tablet = 13%

Biggest Day Forecast:

- Biggest day during holiday season: 12/7/15
- Total spend $366 million
- Relative to normal spend level: 1.72x
- Spend per internet user: $6.58



France: Expected Price Discounts



AVERAGE DISCOUNT: FRANCE

SOURCE: ADOBE ANALYTICS

Prices will not be discounted much in France until the sales begin in January

France Holiday Survey: Key Findings

- Online shoppers remain focused on deals this year, even as price declines as a driver to shop online. Product Variety jumps back up as an equally important driver of shopping online. Free shipping's importance declined year-to-year.
- Product reviews are important! Nearly half of respondents (48%) said product reviews are among the top 2 influencers when they are considering a major purchase. On average, respondents said that 36% of their 2015 holiday purchases will require them to consult a product review. And this jumps to 44% for those 18-34. There is also a tie to social media, with more people turning to social media to find out which products are 'the best." 35% in this year's survey said they used social media for this, versus 28% last year.
- Social media makes big strides, particularly as a source of product reviews. The percentage of those who report ever consulting social media to help them make holiday purchase decisions has jumped year-to-year (31% vs. 23% last year). Of those who consult social media, 68% anticipate they will absolutely need to consult it for about 30% or more of their purchases. While the number one reason for using social media for holiday shopping is still to get new gift ideas (61% of respondents cite this), there's an increase in those saying they will use it to find out what products are 'the best' (35% vs. 28% last year).
- Showrooming is up very slightly from last year. 64% say they do it during the holidays. Showrooming remains an infrequent activity: only 17% of French consumers report checking prices via mobile while in a physical store a moderate amount/a great deal (vs. 14% last year). The younger, the more likely to showroom. 30% of those 18-34 report doing so a moderate amount/a great deal. Those with greater than 5-inch smartphones are also more likely to showroom a moderate amount/a great deal (32%).
- Signs of Consumers Getting More Efficient at Holiday Shopping? The majority (61%) report anticipating spending as much time as they did last year in terms of holiday shopping, but 23% say they expect to spend less time this year. Those 18-34 (27%) and those with greater than 5-inch smartphones (30%) are the most likely to anticipate spending less time on holiday shopping. 24% of those 18-34 say they have gotten more efficient over the last several years.
- Stress of shopping: We asked consumers to rate how stressful various types of shopping are. No surprise, offline shopping at physical stores is rated as much more stressful than online shopping. 22% of consumers rated offline shopping as Very/Extremely Stressful (6/7 out of a 7-pt scale), with the percentage even higher for women (26% vs. 17% for men). This compared to online shopping, which only 5% of consumers rated as such. Online shopping via mobile phone was seen as the most stressful, with 15% of consumers rating it a 6/7 out of a 7-point scale.
- Again this year, consumers report that the most effective way to get an offer to them on their mobile device during their holidays is email (33%). However, there's been a big increase in those saying they prefer SMS/text (10 point increase year-to-year).

ADOBE DIGITAL INDEX

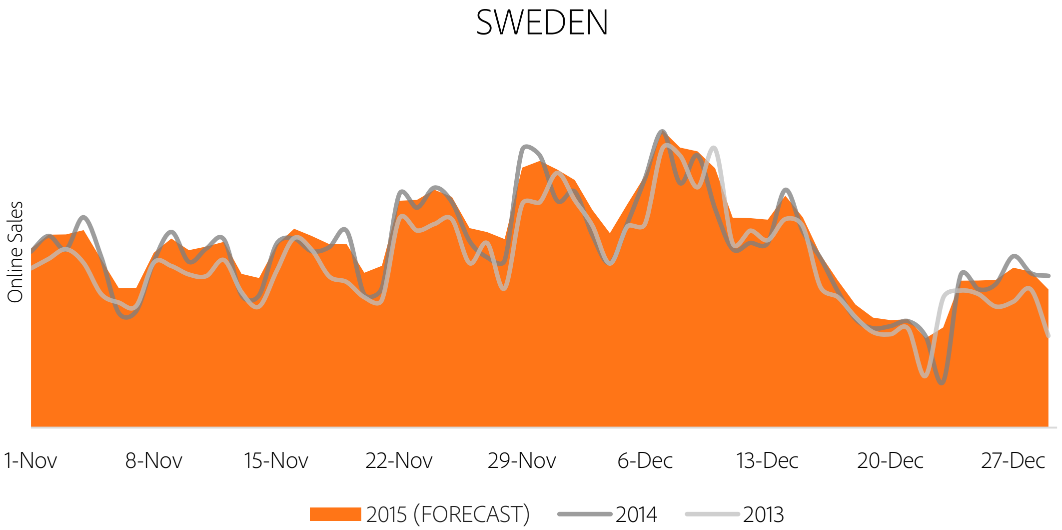
Sweden

Holiday Season (Nov and Dec) Forecast:

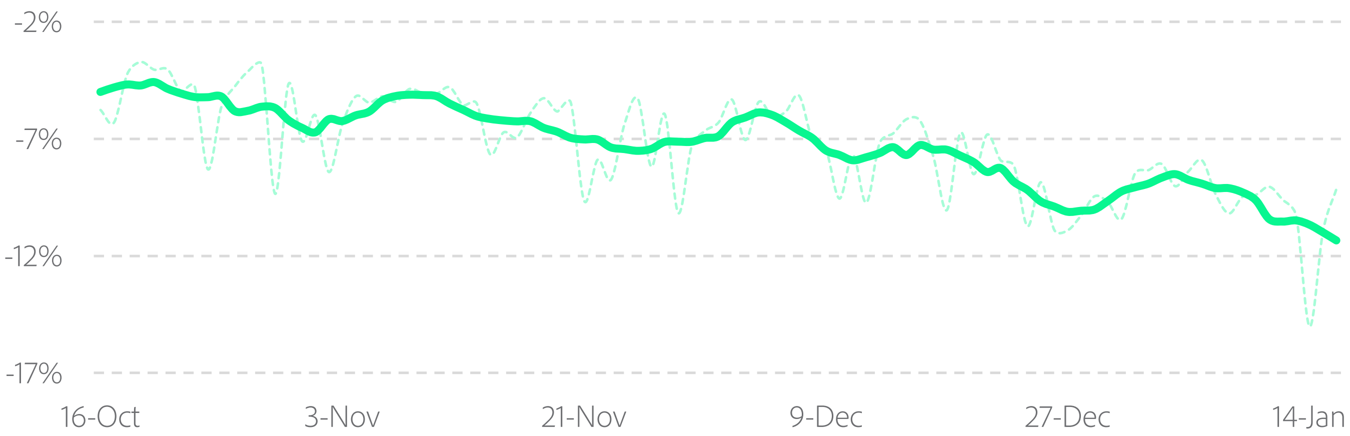
- Total ecommerce: $4 billion
- YoY growth: +5%
- Share of annual ecommerce: 19.8%
- Spend per internet user: $430.87
- eCommerce: Phone = 12%, Tablet = 10%
- Browsing: Phone = 33%, Tablet = 13%

Biggest Day Forecast:

- Biggest day during holiday season: 12/7/15
- Total spend $102 million
- Relative to normal spend level: 1.84x
- Spend per internet user: $10.97



Sweden: Expected Price Discounts



AVERAGE DISCOUNT: SWEDEN
SOURCE: ADOBE ANALYTICS

In Sweden the average price level is expected to fall throughout the Holiday season and hit low points just after Christmas.

ADOBE DIGITAL INDEX

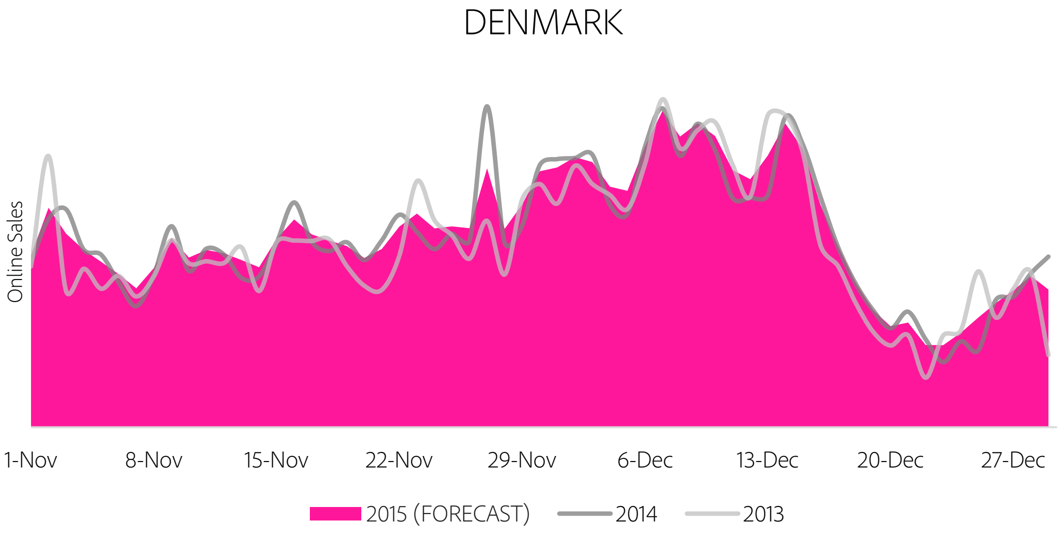
Denmark

Holiday Season (Nov and Dec) Forecast:

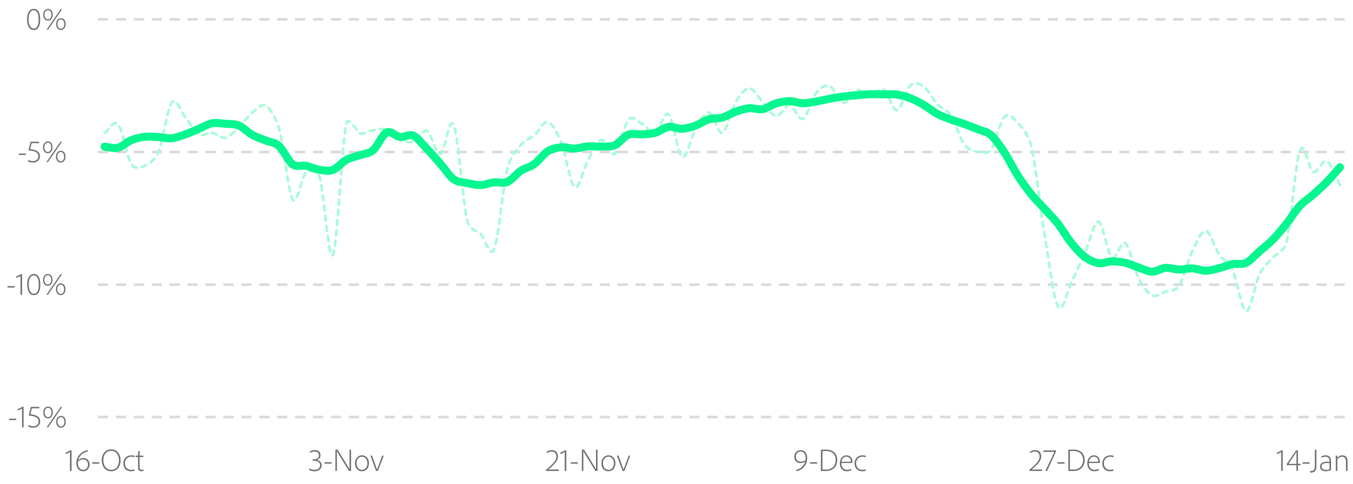
- Total ecommerce: $1 billion
- YoY growth: +2%
- Share of annual ecommerce: 20.1%
- Spend per internet user: $270.50
- eCommerce: Phone = 7%, Tablet = 12%
- Browsing: Phone = 23%, Tablet = 19%

Biggest Day Forecast:

- Biggest day during holiday season: 12/7/15
- Total spend $41 million
- Relative to normal spend level: 2.05x
- Spend per internet user: $7.55



Denmark: Expected Price Discounts



AVERAGE DISCOUNT: DENMARK
SOURCE: ADOBE ANALYTICS

Denmark is one of the only countries where prices are expected to rise from mid-November to mid-December, before falling dramatically and then rebounding in January.

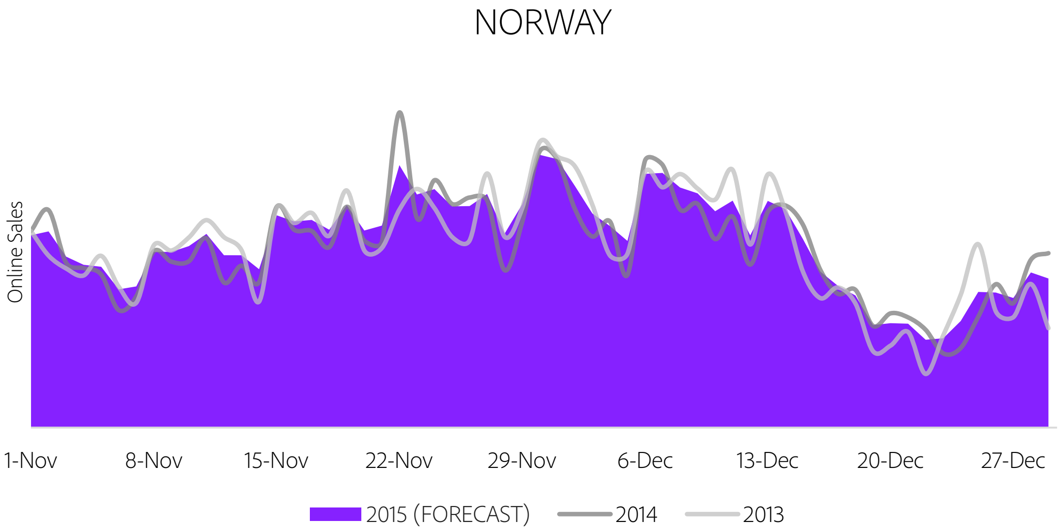
Norway

Holiday Season (Nov and Dec) Forecast:

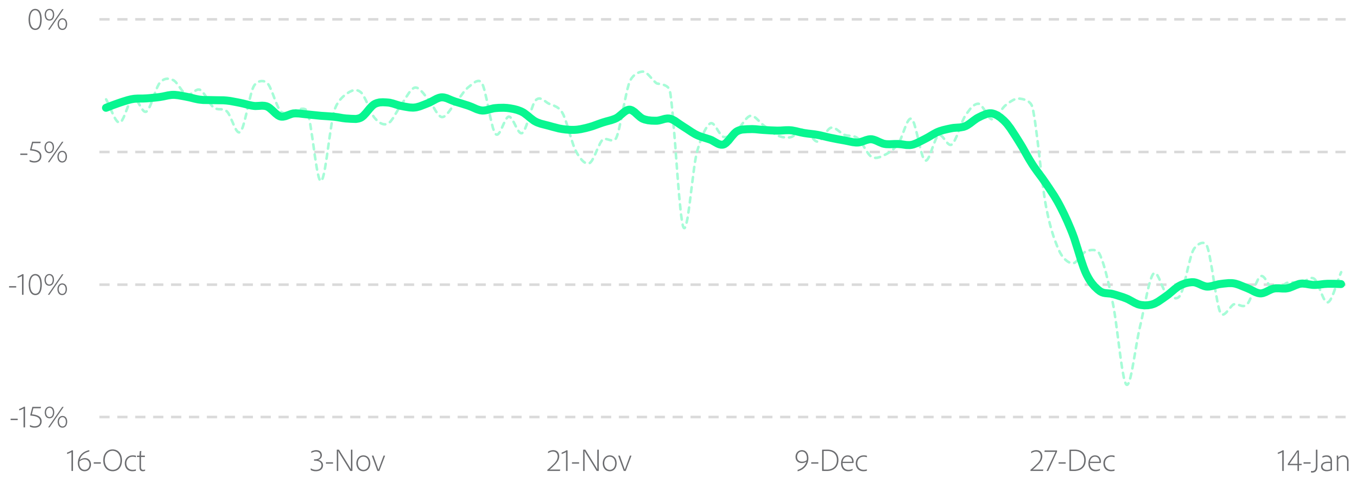
- Total ecommerce: $1 billion
- YoY growth: +3%
- Share of annual ecommerce: 20.6%
- Spend per internet user: $261.98
- eCommerce: Phone = 10%, Tablet = 15%
- Browsing: Phone = 29%, Tablet = 16%

Biggest Day Forecast:

- Biggest day during holiday season: 11/30/15
- Total spend $31 million
- Relative to normal spend level: 1.84x
- Spend per internet user: $6.41



Norway: Expected Price Discounts



AVERAGE DISCOUNT: NORWAY
SOURCE: ADOBE ANALYTICS

In Norway, prices are expected to stay relatively even until the week before Christmas, when they will fall dramatically and stay low through January

ADOBE DIGITAL INDEX

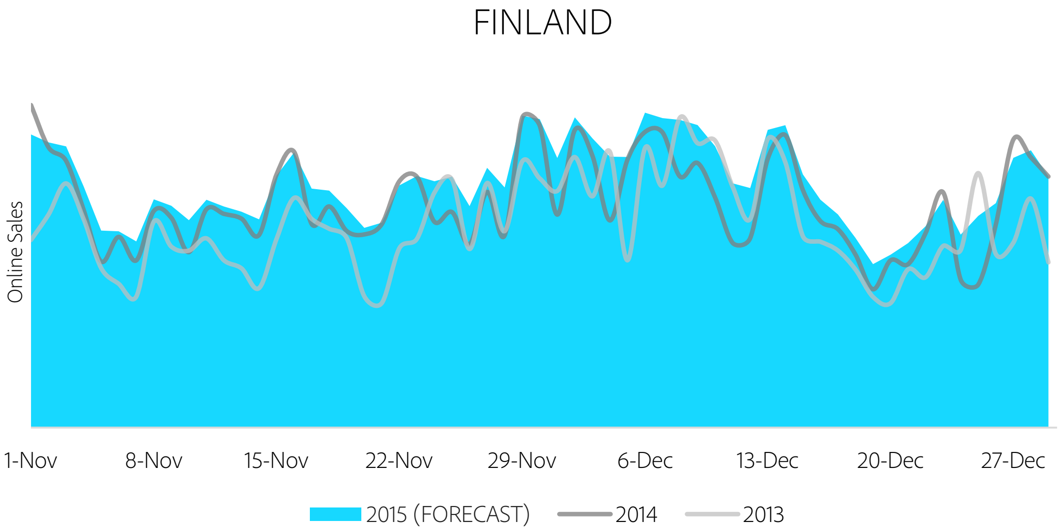
Finland

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $2 billion
- YoY growth: +9%
- Share of annual ecommerce: 18.6%
- Spend per internet user: $342.16
- eCommerce: Phone = 7%, Tablet = 12%
- Browsing: Phone = 24%, Tablet = 14%

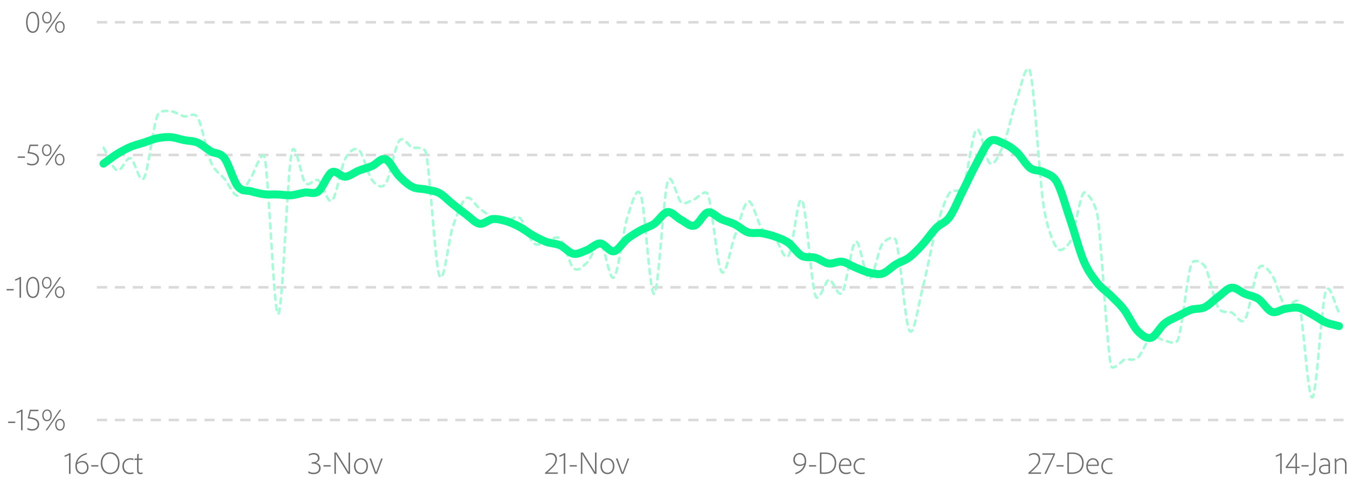
Biggest Day Forecast:

- Biggest day during holiday season: 12/7/15
- Total spend $40 million
- Relative to normal spend level: 1.58x
- Spend per internet user: $7.99



ADOBE DIGITAL INDEX

Finland: Expected Price Discounts



AVERAGE DISCOUNT: FINLAND

SOURCE: ADOBE ANALYTICS

In Finland, consumers will get the best deals if they don't wait until the last minute to shop as there will be fewer discounts during the week of Christmas,.

ADOBE DIGITAL INDEX

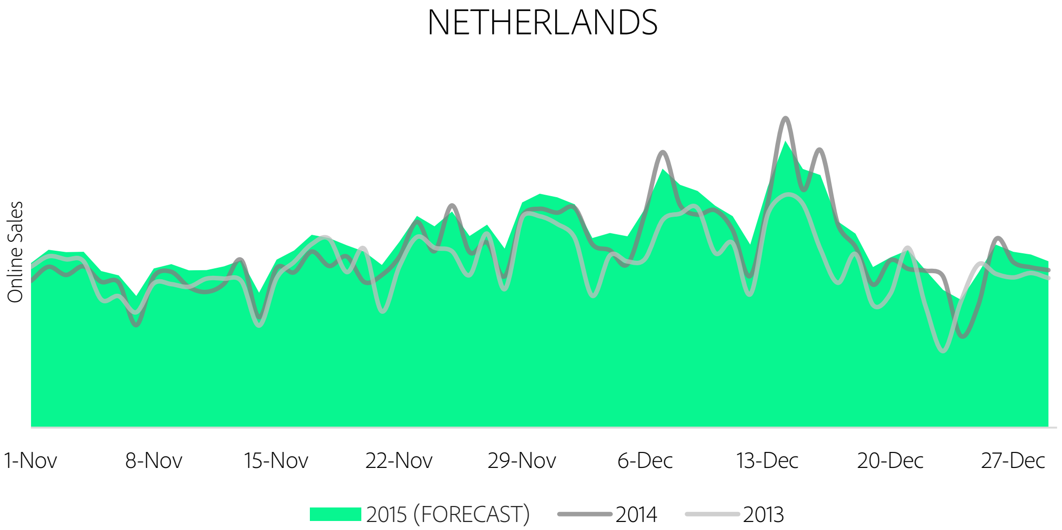
Netherlands

Holiday Season (Nov and Dec) Forecast:

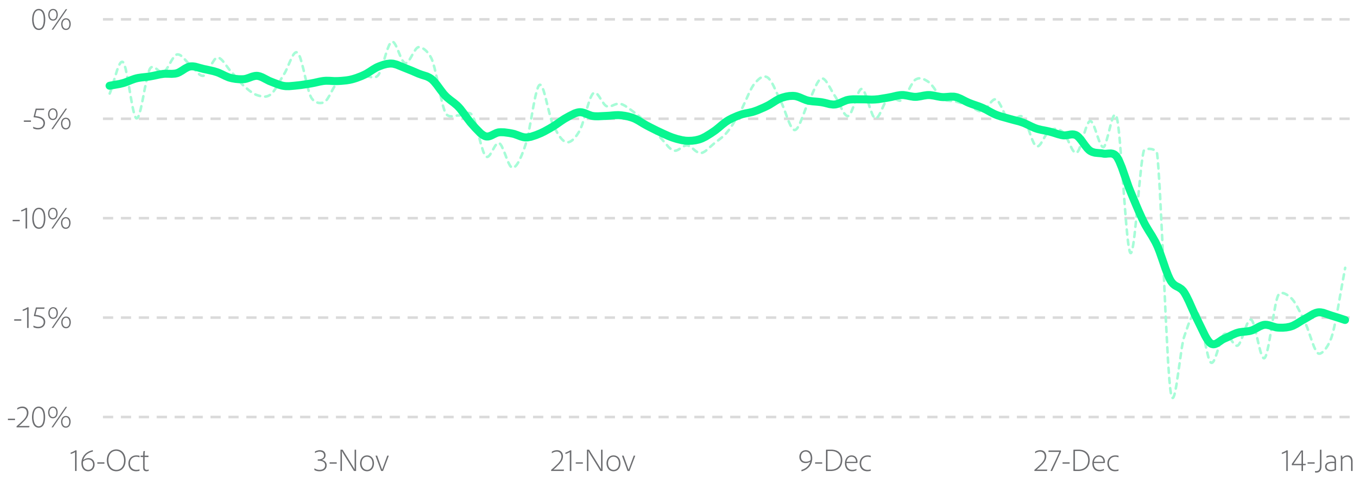
- Total ecommerce: $6 billion
- YoY growth: +7%
- Share of annual ecommerce: 21.1%
- Spend per internet user: $405.36
- eCommerce: Phone = 6%, Tablet = 9%
- Browsing: Phone = 20%, Tablet = 16%

Biggest Day Forecast:

- Biggest day during holiday season: 12/14/15
- Total spend $164 million
- Relative to normal spend level: 1.96x
- Spend per internet user: $10.29



Netherlands: Expected Price Discounts



AVERAGE DISCOUNT: BELGIUM
SOURCE: ADOBE ANALYTICS

Prices will fall very gradually until December 25th when they will hit a dramatic low point before rebounding in January

ADOBE DIGITAL INDEX

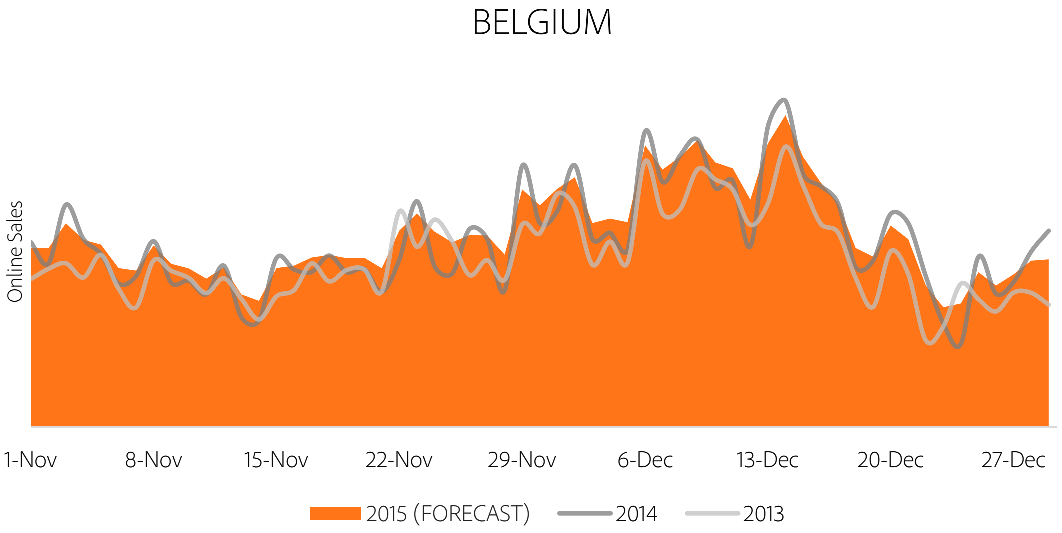
Belgium

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $3 billion
- YoY growth: +4%
- Share of annual ecommerce: 20.0%
- Spend per internet user: $331.33
- eCommerce: Phone = 3%, Tablet = 7%
- Browsing: Phone = 14%, Tablet = 14%

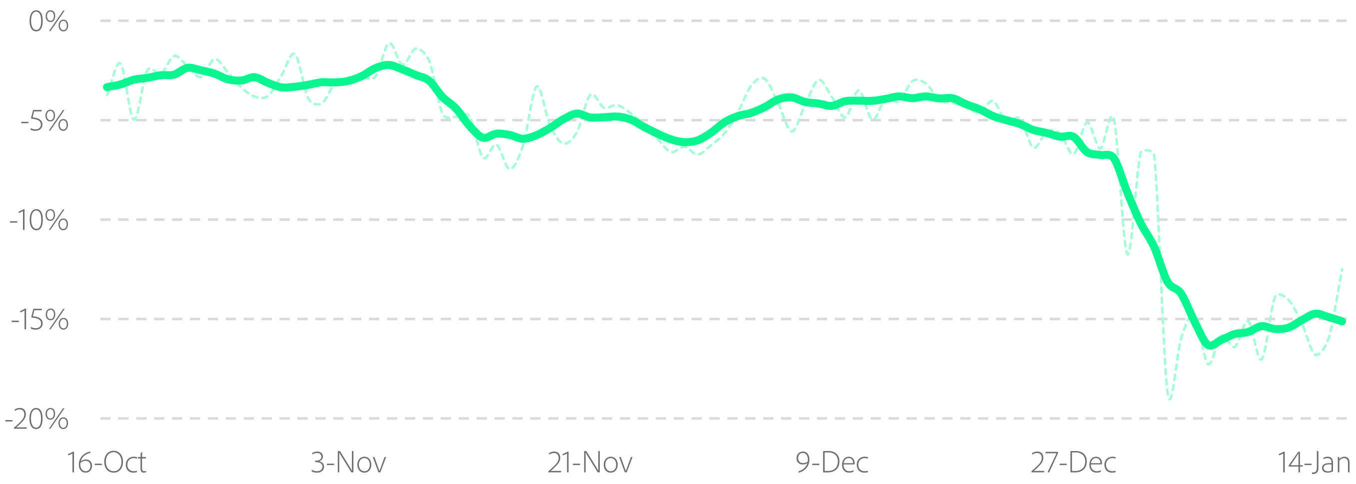
Biggest Day Forecast:

- Biggest day during holiday season: 12/14/15
- Total spend $89 million
- Relative to normal spend level: 2.07x
- Spend per internet user: $9.39



ADOBE DIGITAL INDEX

Belgium: Expected Price Discounts



AVERAGE DISCOUNT: BELGIUM
SOURCE: ADOBE ANALYTICS

Consumers in Belgium will see the most dramatic price cuts just after Christmas and into January.

ADOBE DIGITAL INDEX

Austria

Holiday Season (Nov and Dec) Forecast:

Total ecommerce: $3 billion

YoY growth: +1%

Share of annual ecommerce: 23.9%

Spend per internet user: $358.51

eCommerce: Phone = 5%, Tablet = 7%

Browsing: Phone = 19%, Tablet = 10%

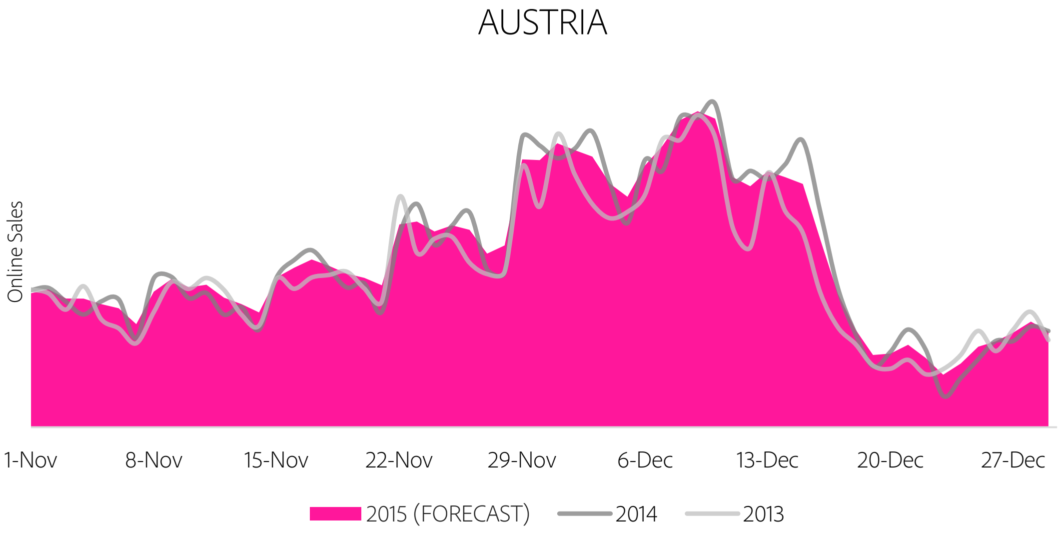
Biggest Day Forecast:

Biggest day during holiday season: 12/9/15

Total spend $81 million

Relative to normal spend level: 2.77x

Spend per internet user: $11.36



ADOBE DIGITAL INDEX

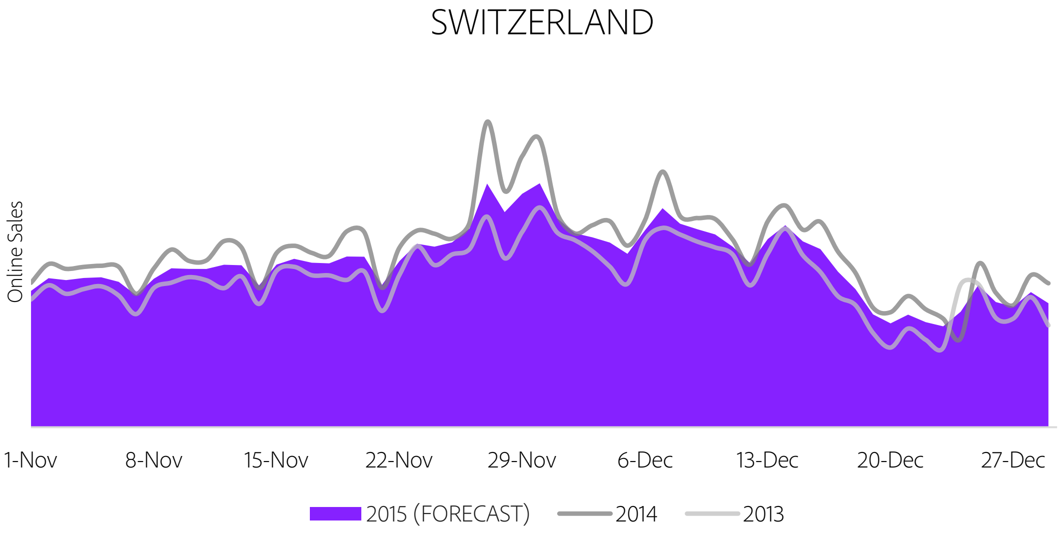
Switzerland

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $6 billion
- YoY growth: -8%
- Share of annual ecommerce: 20.5%
- Spend per internet user: $766.60
- eCommerce: Phone = 5%, Tablet = 6%
- Browsing: Phone = 19%, Tablet = 13%

Biggest Day Forecast:

- Biggest day during holiday season: 11/30/15
- Total spend $139 million
- Relative to normal spend level: 1.89x
- Spend per internet user: $19.36



Asia Pacific Countries: Online Shopping Predictions

Adobe Digital Index

Survey: APAC Key Findings

- Compared to last year, the percent AP consumers expect to spend online in terms of holiday shopping remains stable in each country over last year. China remains the most bullish, with nearly half expecting to increase their holiday spending, both in total and in terms of online. China also has the highest percentage of anticipated online spend, at 55%.
- While all AP shoppers indicate that Lower prices/good deals are important motivators in their desire to shop online, focus on Lower prices/good deals and Free shipping are particularly strong in Australia and Singapore. Product Variety has increased substantially in China, with it now the #1 driver of online shopping in that country.
- Signs of consumers getting more efficient and less stressed at holiday shopping? 20% or more in each country say they expect to spend less time holiday shopping this year compared to last. Those in Singapore are particularly optimistic in terms of spending less time, while more than half of the respondents in China said they'd gotten more efficient over the last several years. Online shopping is also consistently seen as much less stressful than offline shopping in physical stores—the big exception is China, the only country of the seven surveyed in which the two are seen as equally stressful. However, when it comes to online shopping, doing so via mobile phone remains more stressful in all three countries than doing so via desktop/laptop or tablet.

Spending	Australia	Singapore	China
% Anticipating Total Spend Increase	14%	16%	48%
% Anticipating Online Spend Increase	24%	23%	49%
% Anticipated Spent Online	45%	46%	55%

Importance of Reasons for Buying Online	Australia	Singapore	China
Lower prices / good deals	65%	71%	49%
Free Shipping	51%	52%	32%
Product Availability	33%	28%	34%
Product Variety	31%	37%	63%
No traffic / lines	16%	7%	17%
Can shop from work	4%	5%	5%
% ranking 1 or 2			

Efficiency & Stress	Australia	Singapore	China
% Expecting to Spend Less Time Holiday Shopping	25%	39%	20%
% Saying They Have Gotten More Efficient over last several years	31%	27%	53%
% Rating Offline Shopping Very/Extremely Stressful	19%	12%	6%
% Rating Online Shopping Very/Extremely Stressful	6%	5%	6%
% Rating Online Shopping via Mobile Phone Very/Extremely Stressful	17%	14%	11%

ADOBE DIGITAL INDEX

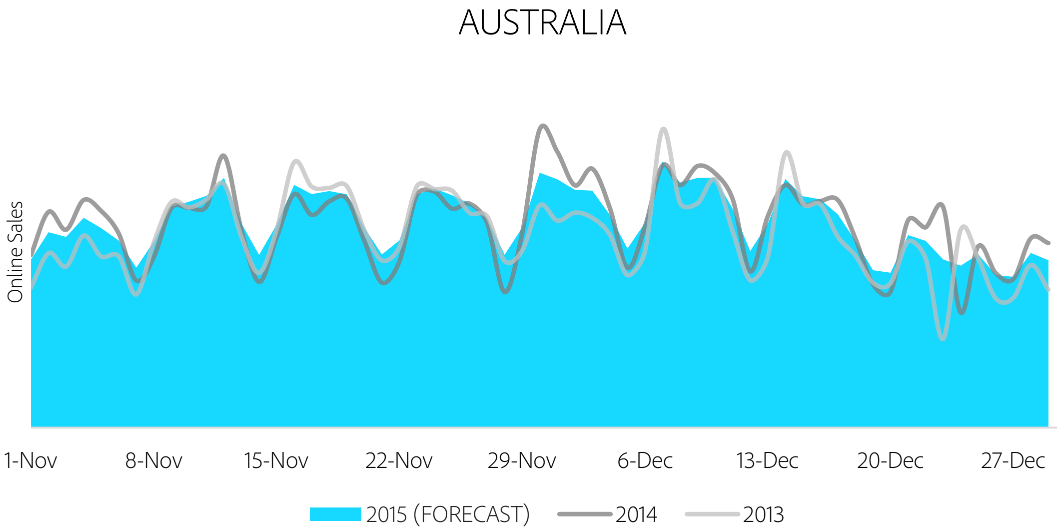
Australia

Holiday Season (Nov and Dec) Forecast:

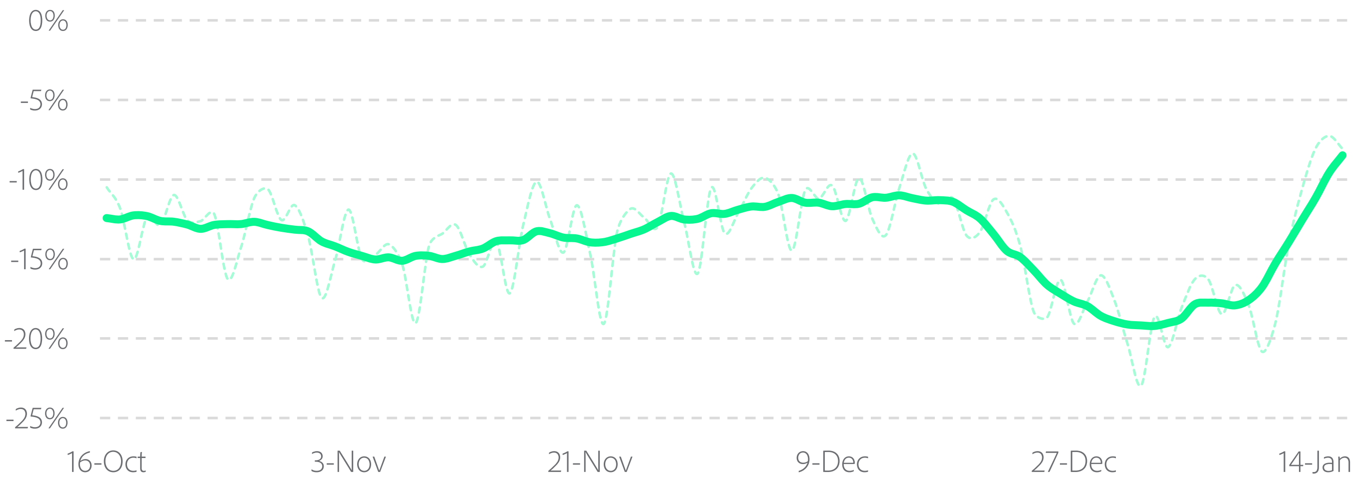
- Total ecommerce: $7 billion
- YoY growth: +0%
- Share of annual ecommerce: 18.0%
- Spend per internet user: $328.04
- eCommerce: Phone = 14%, Tablet = 8%
- Browsing: Phone = 31%, Tablet = 12%

Biggest Day Forecast:

- Biggest day during holiday season: 12/7/15
- Total spend $136 million
- Relative to normal spend level: 1.35x
- Spend per internet user: $6.74



Australia: Expected Price Discounts



AVERAGE DISCOUNT: AUSTRALIA
SOURCE: ADOBE ANALYTICS

Prices are expected to fall throughout the season, but see major drops in early and mid-November and also on Black Friday and Christmas

Australia Holiday Survey: Key Findings

- Since 2013, we've seen a shift to shopping later in Australia. One-quarter of consumers continue to shop early, saying they will start before November 1st. Women again are much more likely to start early (33% vs. 17% of men start before November 1st).
- Showrooming is basically flat from last year, but becoming a more frequent activity.
- Online shoppers are less focused on deals than last year: Lower prices/good deals remains the biggest driver of online shopping, with 65% of consumers ranking that among their top two reasons behind their desire to shop online. But that represents an 8% decline year-over-year. Just as last year, Free shipping comes in second (ranked 1 or 2 by 51% of consumers).
- Product reviews are important! Over one-third of respondents (36%) said product reviews are among the top 2 influencers when they are considering a major purchase. On average, respondents said that 26% of their 2015 holiday purchases will require them to consult a product review.
- Social media still not a key tool for the majority of consumers, but provides information on 'best' products. The percentage of those who report ever consulting social media to help them make holiday purchase decisions (23%) is up slightly year-to-year. The number one reason for using social media for holiday shopping is to get new gift ideas (58% of respondents cite this), followed by finding out what products are 'the best' (52%). Use of social media is much more focused around finding what products are 'the best' (while other reasons have declined, 'the best' has increased this year, up from 45% last year).
- Signs of Consumers Getting More Efficient at Holiday Shopping. The majority (60%) report anticipating spending as much time as they did last year in terms of holiday shopping, but a quarter (25%) say they expect to spend less time this year. 31% of respondents say they have gotten more efficient at holiday shopping over the last several years.
- Stress of shopping: We asked consumers to rate how stressful various types of shopping are. No surprise, offline shopping at physical stores is rated as much more stressful than online shopping. 19% of consumers rated offline shopping as Very/Extremely Stressful (6/7 out of a 7-pt scale), with the percentage higher for women (25% vs. 14% for men). This compared to online shopping, which only 6% of consumers rated as such. We also asked about how it is to shop online via various devices. Online shopping via mobile phone was seen as the most stressful, with 17% of consumers rating it a 6/7 out of a 7-point scale. Online shopping via desktop/laptop was rated a 6/7 by only 6% of respondents, and tablet online shopping by only 10%.

ADOBE DIGITAL INDEX

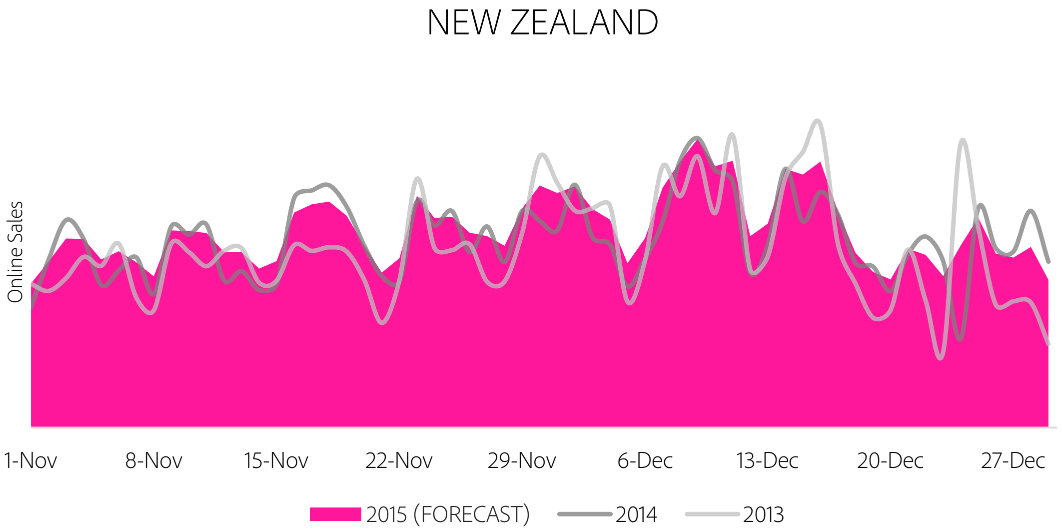
New Zealand

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $1 billion
- YoY growth: +5%
- Share of annual ecommerce: 19.1%
- Spend per internet user: $274.57
- eCommerce: Phone = 5%, Tablet = 8%
- Browsing: Phone = 22%, Tablet = 9%

Biggest Day Forecast:

- Biggest day during holiday season: 12/9/15
- Total spend $25 million
- Relative to normal spend level: 1.61x
- Spend per internet user: $6.33



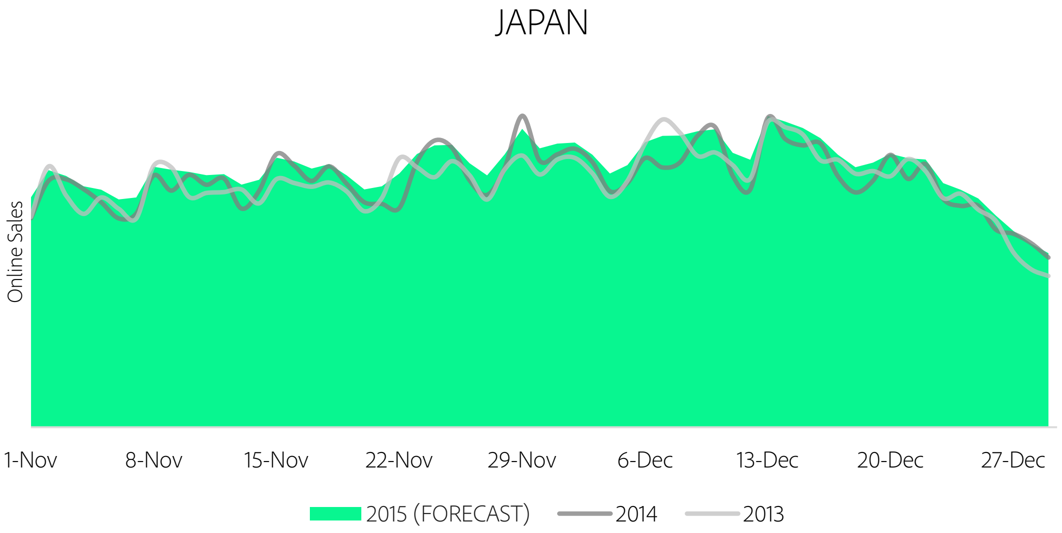
Japan

Holiday Season (Nov and Dec) Forecast:

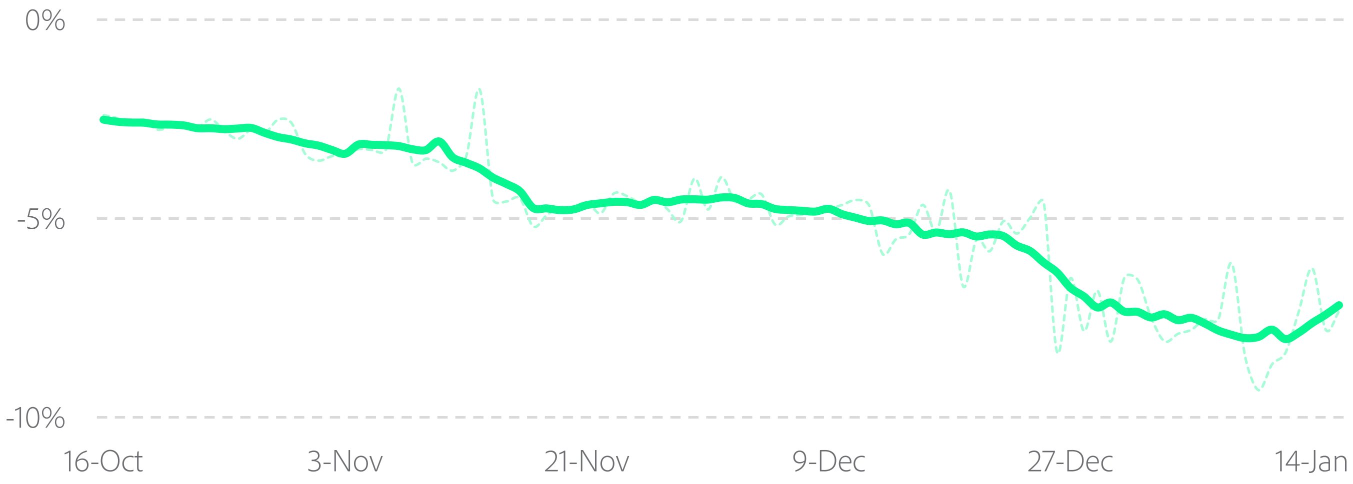
- Total ecommerce: $37 billion
- YoY growth: +5%
- Share of annual ecommerce: 17.3%
- Spend per internet user: $330.46
- eCommerce: Phone = 24%, Tablet = 6%
- Browsing: Phone = 41%, Tablet = 7%

Biggest Day Forecast:

- Biggest day during holiday season: 12/13/15
- Total spend $710 million
- Relative to normal spend level: 1.22x
- Spend per internet user: $6.36



Japan: Expected Price Discounts



AVERAGE DISCOUNT: JAPAN
SOURCE: ADOBE ANALYTICS

Discounts continue to increase throughout the season. Hitting dramatic low points near Cyber Monday and at the very end of the year.

ADOBE DIGITAL INDEX

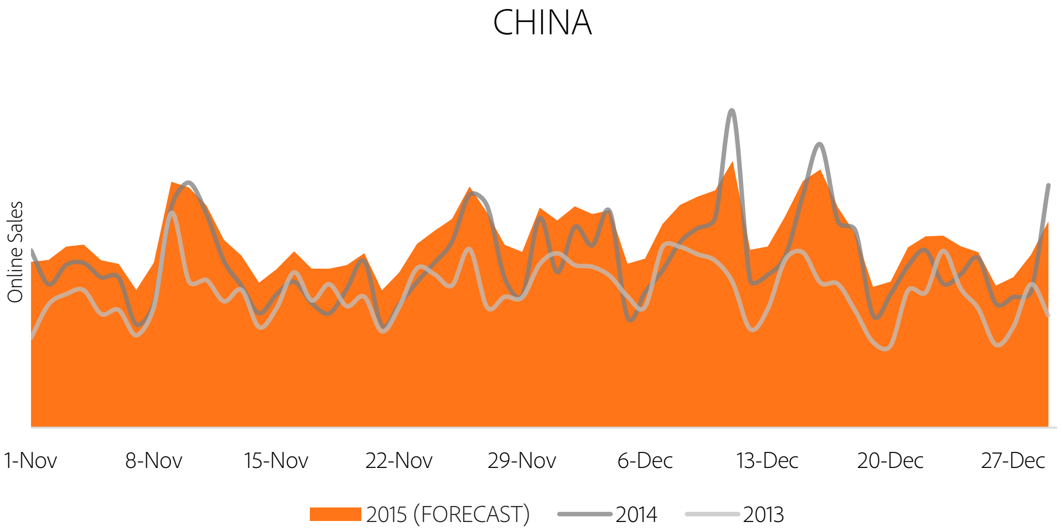
China

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $150 billion
- YoY growth: +13%
- Share of annual ecommerce: 19.8%
- Spend per internet user: $209.87
- eCommerce: Phone = 7%, Tablet = 4%
- Browsing: Phone = 18%, Tablet = 5%

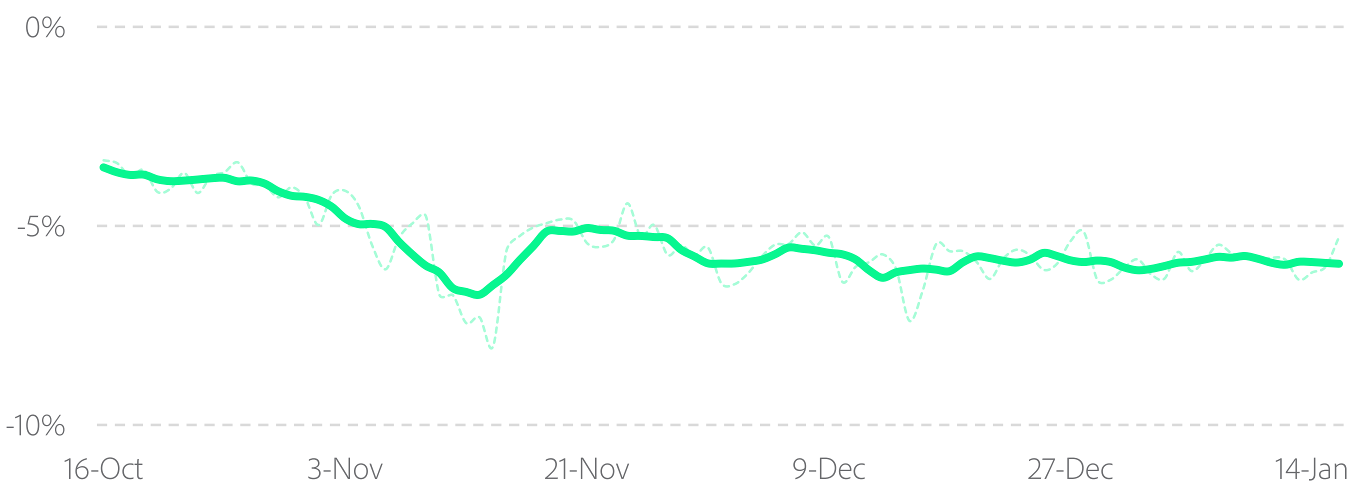
Biggest Day Forecast:

- Biggest day during holiday season: 11/11/15
- Total spend $3,420 million
- Relative to normal spend level: 1.65x
- Spend per internet user: $4.78



ADOBE DIGITAL INDEX

China: Expected Price Discounts



AVERAGE DISCOUNT: CHINA
SOURCE: ADOBE ANALYTICS

In China, discounts are expected to hit their peak in mid-November and again in mid-December at about 7% off for the average product.

China Holiday Survey: Key Findings

- We see a shift to shopping earlier in China, presumably driven by the popularity of Single's Day (Nov. 11). 23% of those 18-34 start shopping before Nov. 1st.
- 49% of respondents reported in this year's survey that they have shopped online while in a physical store, up significantly from last year's 42%. Those 18-34 are the most likely to shop online while in store (55%).
- Online shoppers are less focused on deals than last year: Lower prices/good deals remains an important driver of online shopping, but Product Variety has now become the #1 driver.
- Product reviews are important! 43% said product reviews are among the top 2 influencers when they are considering a major purchase. Product reviews are more influential for women than men (48% vs. 40% for men). On average, respondents said that 48% of their 2015 holiday purchases will require them to consult a product review.
- Social media continues to play a very key role for the majority of consumers, particularly in terms of providing information on 'best' products. The number one reason for using social media for holiday shopping is to find out what products are 'the best' (62%). This displaces last year's #1 (to find out what family and friends want, which was cited by only 45% of respondents this year, vs. 74% last year).
- Disenchantment with retailer apps?
  - 73% of respondents have a retailer's app on their mobile device, among the highest of any country surveyed, but this is slightly down year-over-year (from 78%), particularly among women (down 9% to 77%) those 18-34 (down 10% to 79%), and those 35-49 (down 13% to 74%).
  - Only 52% report being Likely/Very Likely to download an app that is specifically designed for holiday shopping (down from 66% last year). Decline is sharper among men and those 18-49.
- Consumers do see some improvement on the part of advertisers over the last several years. 50% say that advertisers are better than they were two years ago at providing ads that are valuable/compelling. Women are more likely than men to have seen significant improvement (15% vs. 7% for men).
- Signs of Consumers Getting More Efficient at Holiday Shopping. The majority (47%) report anticipating spending as much time as they did last year in terms of holiday shopping, but a quarter (20%) say they expect to spend less time this year. An amazing 53% of respondents say they have gotten more efficient.
- Stress of shopping: We asked consumers to rate how stressful various types of shopping are. Surprisingly, Chinese consumers see offline and online shopping as equally stressful. 6% of consumers rated offline shopping as Very/Extremely Stressful (6/7 out of a 7-pt scale), the same percentage as for online shopping. Online shopping via mobile phone was seen as the most stressful, with 11% of consumers rating it a 6/7 out of a 7-point scale.

ADOBE DIGITAL INDEX

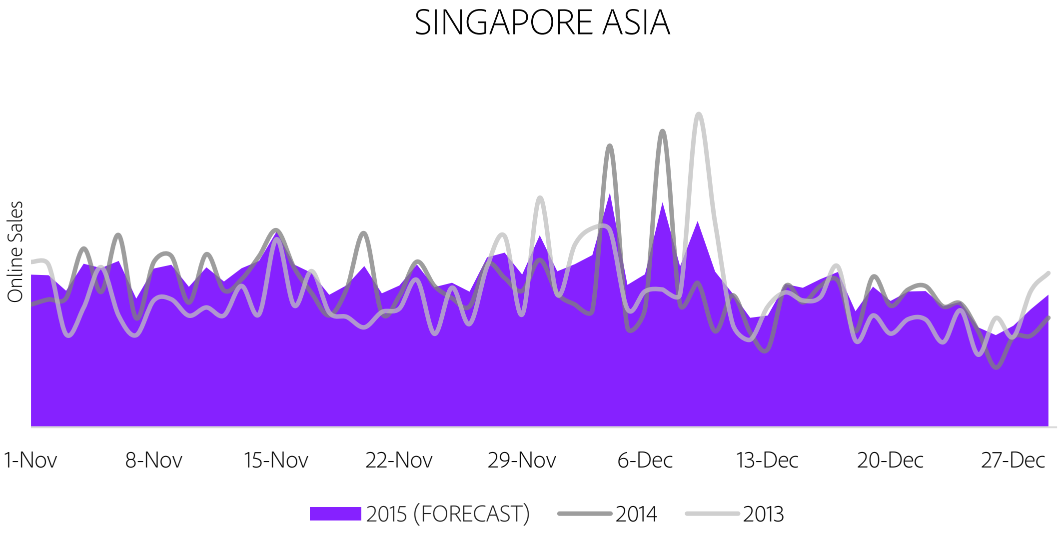
Singapore

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $1 billion
- YoY growth: +8%
- Share of annual ecommerce: 13.6%
- Spend per internet user: $159.26
- eCommerce: Phone = 18%, Tablet = 9%
- Browsing: Phone = 42%, Tablet = 11%

Biggest Day Forecast:

- Biggest day during holiday season: 12/7/15
- Total spend $20 million
- Relative to normal spend level: 1.50x
- Spend per internet user: $4.80



Singapore Holiday Survey: Key Findings

- Online shoppers are as focused on deals as they were last year: Lower prices/good deals remains the #1 driver of shopping online, and Free Shipping has increased in importance substantially year-over-year.
- Product reviews are important! 44% said product reviews are among the top 2 influencers when they are considering a major purchase. On average, respondents said that 39% of their 2015 holiday purchases will require them to consult a product review (and this rises to 45% for those 18-34).
- Social media continues to play a key role for the majority of consumers, particularly in terms of providing information on 'best' products. The percentage of those who report ever consulting social media to help them make holiday purchase decisions (41%) is essentially flat year-to-year. The percentage of women saying they have consulted social media for holiday purchase has increased significantly (up 11% to 42% this year), while men's reported use declined. The percentage of those saying they will use social media for holiday shopping to find out what products are 'the best' (56%) is stable year-to-year, while those saying they will use it to get new gift ideas or to find out what family and friends want have declined. This shows that use of social media is shifting to focus more around product reviews.
- The great news is that consumers do see some improvement on the part of advertisers over the last several years. 42% say that advertisers are better than they were two years ago at providing ads that are valuable/compelling.
- Signs of Consumers Getting More Efficient at Holiday Shopping
- 44% report anticipating spending as much time as they did last year in terms of holiday shopping, but many (39%) say they expect to spend less time this year.
- 27% of respondents say they have gotten more efficient at holiday shopping over the last several years.
- Stress of shopping: We asked consumers to rate how stressful various types of shopping are. Offline shopping tends to be rated more stressful than online shopping, but, surprisingly, Singapore consumers see online shopping via mobile phone as more stressful than offline shopping in a physical store. 12% of consumers rated offline shopping as Very/Extremely Stressful (6/7 out of a 7-pt scale), while the figure is only 5% for online. However, 14% rate online shopping via mobile phone as Very/Extremely stressful.

ADOBE DIGITAL INDEX

Southeast Asia

Holiday Season (Nov and Dec) Forecast:

- Total ecommerce: $11 billion
- YoY growth: +0%
- Share of annual ecommerce: 15.2%
- Spend per internet user: $54.60
- eCommerce: Phone = 21%, Tablet = 10%
- Browsing: Phone = 35%, Tablet = 9%

Biggest Day Forecast:

- Biggest day during holiday season: 12/2/15
- Total spend $365 million
- Relative to normal spend level: 1.77x
- Spend per internet user: $1.75

Adobe