



Future of Technology

Mike Crosby, Executive Director,
Industry Analyst, Technology

Consumer Landscape

Inflation pressures continuing, consumers more scrutinizing

- **Recession like behavior by consumers without recession** – seeking best value v. lowest price
- **Buying season elongated** with kick off being Prime Day- milestone dates Black Friday / Cyber Monday anticipated to be pulled forward and extended
- **BNPL options are seeing increased utilization** especially for lower to middle income and the younger demographic
- **Higher income demographic more concentrated** higher percentage of purchases migrate to higher household income levels > \$100K
- **Inventory more concentrated at mid-range and premium mix** may contribute to higher discounts in the event of slowing demand / recession
- **Consumers more willing to consider alternative brands, retailers** in support of greater value or better experience

BTS – Holiday Leading Indicator

With ongoing inflation pressures, consumers more cautious, focusing on value

- Consumers inflation-driven spend during Back-to-School, could negatively impact holiday budgets and plans
- Consumers may opt for trading down or considering alternative brands
- Assortment needs to support the entire value/price spectrum
- As discretionary spend continues to rebalance, heavier discounting may be required to maintain demand momentum
- Omnichannel capability and flexibility is critical to satisfying consumer demand for a more flexible, frictionless purchasing process

Future of Tech

Value is a key driver this holiday season and will require agility on the part of both manufacturers as well as retailers to ensure customer demands are being met



BALANCED PORTFOLIO ACROSS VALUE - PREMIUM CONTINUUM

Broad product assortment across price value continuum critical to serving the complete customer demographic



AGILITY CRITICAL TO CHANGING DYNAMICS

Manufacturers and Retailers need to remain agile as demand could become fragile in the event of recession – potentially driving significant discounting to help preserve demand



FRICTIONLESS ENGAGEMENT OMNICHANNEL

Omnichannel capabilities BOPIS, BOPAC and BORIS critical to securing customer participation and loyalty