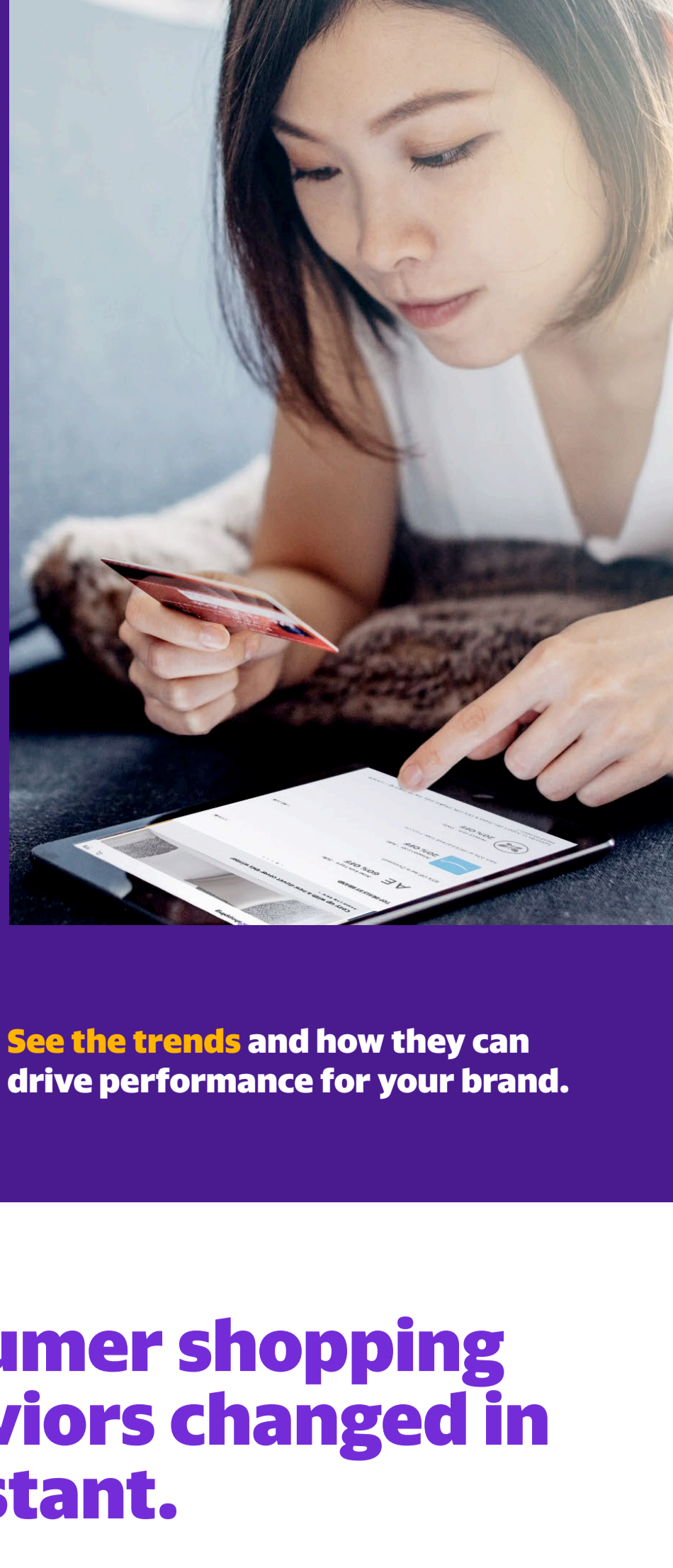


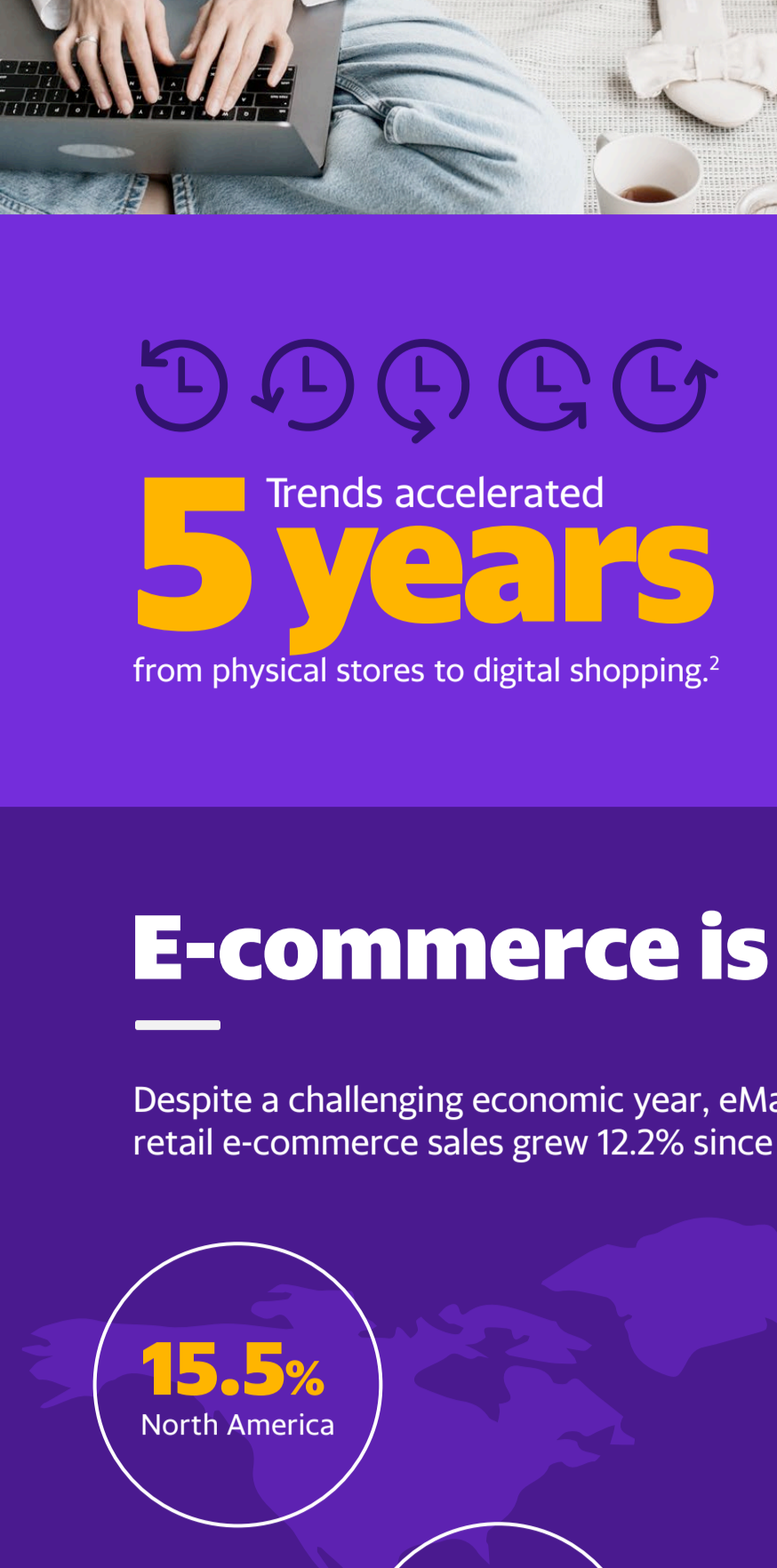
7 TRENDS SHAPING THE FUTURE OF HOW WE SHOP

Today's shopping experience is about recreating the best of brick and mortar in the digital space. New technologies are helping the industry thrive, supporting commerce growth through 3D catalogs, AR try-ons, and shopping within email inboxes and video ads. This is pandemic shopping—and it's here to stay.



yahoo!

See the trends and how they can drive performance for your brand.



Consumer shopping behaviors changed in an instant.

The pandemic has accelerated the shift to "storeless" environments by as much as 500%, permanently altering the brand value chain.¹

Shoppers have been tasked with navigating supply chain challenges, employment disruption, and inflation-influenced budget constraints.

As a result of these disruptions, consumers have reprioritized what matters to them and seeking shopping experiences and products that cater to their new needs.

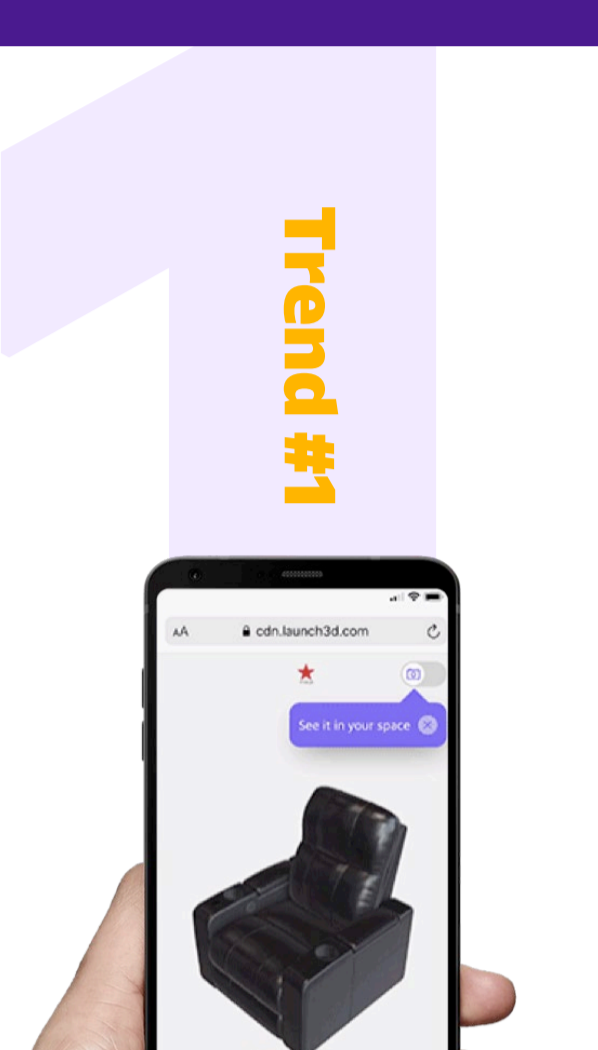
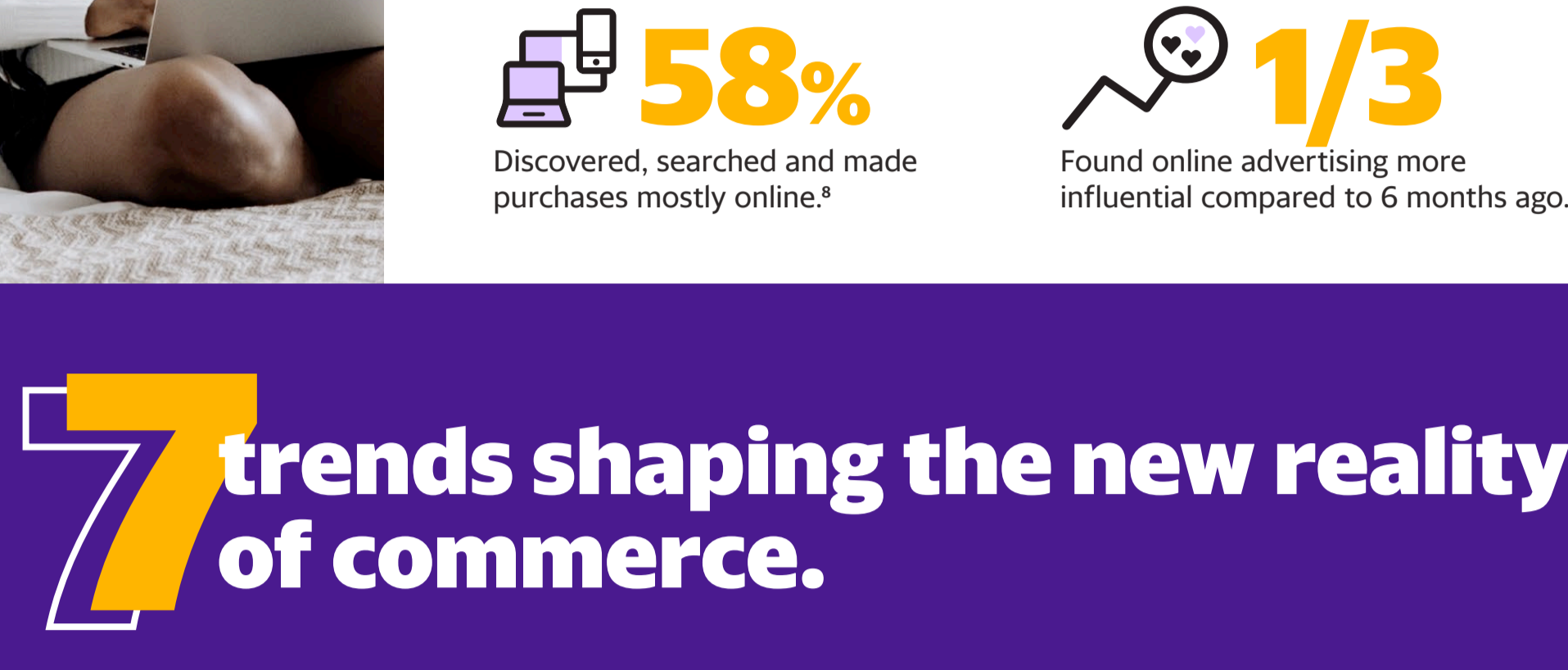
5 Trends accelerated from physical stores to digital shopping.²

30% Of shoppers feel they have a totally different set of priorities than 2019.³

74% Of respondents believe that their priorities, and resulting shopping habits, have been impacted to some degree by COVID-19.⁴

E-commerce is growing globally.

Despite a challenging economic year, eMarketer estimated that worldwide retail e-commerce sales grew 12.2% since 2021.⁵



Since the COVID-19 pandemic began:

33% Of shoppers will continue to avoid certain shopping settings if COVID-19 persists for the next 12 months.⁶

3/4 Of shoppers who clicked an ad made an online purchase.⁷

58% Discovered, searched and made purchases mostly online.⁸

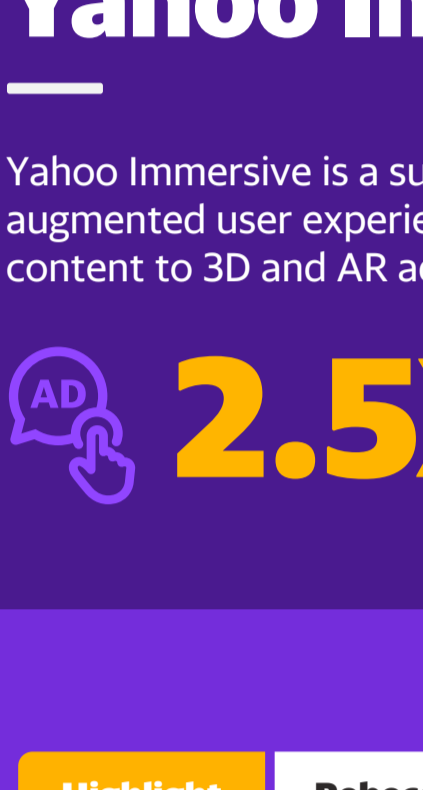
1/3 Found online advertising more influential compared to 6 months ago.⁹

7 trends shaping the new reality of commerce.

Trend #1

Try it before you buy it.

Extended reality (XR), such as augmented reality, virtual reality and 3D tech, allows consumers to try before they buy—bringing a new level of interactivity to online shopping.



46% Of consumers are interested in AR content.¹⁰

63% Are more likely to pay attention to the product or device with innovative formats.¹¹

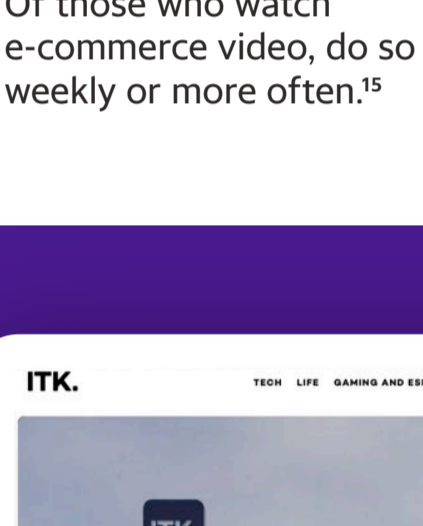
71% Say innovative formats are more engaging.¹²

Solution

Yahoo Immersive

Yahoo Immersive is a suite of products and services that powers augmented user experiences at scale, from editorial and branded content to 3D and AR ads.

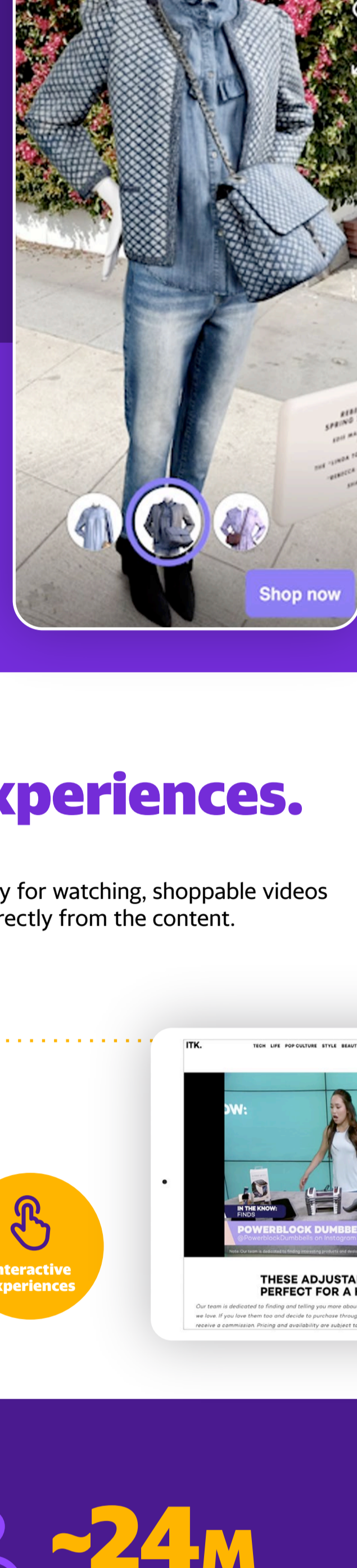
2.5X Higher engagement with immersive 3D and AR ads.¹³



Highlight

Rebecca Minkoff

Yahoo was the Innovation Partner for New York Fashion Week, working with leading fashion designers like Rebecca Minkoff to create extended reality experiences that add a multidimensional lens to designer collections and presentations.



Trend #2

New browsing experiences.

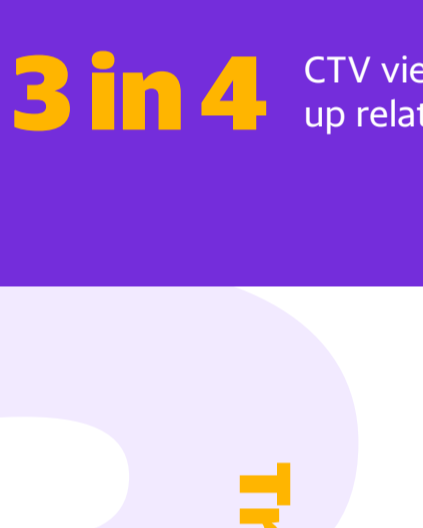
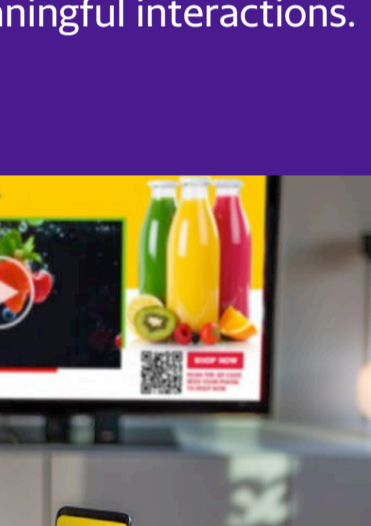
Unlike traditional advertisements that are only for watching, shoppable videos allow customers to take action, purchasing directly from the content.

40% Increase in shoppable video.¹⁴

1/3 Of those who watch e-commerce video, do so weekly or more often.¹⁵

Top purchase motivators:¹⁶

- Free delivery and returns
- Quick and easy checkout
- Interactive experiences



IN THE KNOW: 1K DREAM ROOM

Rachel & Clay's Living Room

Shop this Manhattan apartment!

Artificial 28" Palm Stem

~24M Monthly users.¹⁷

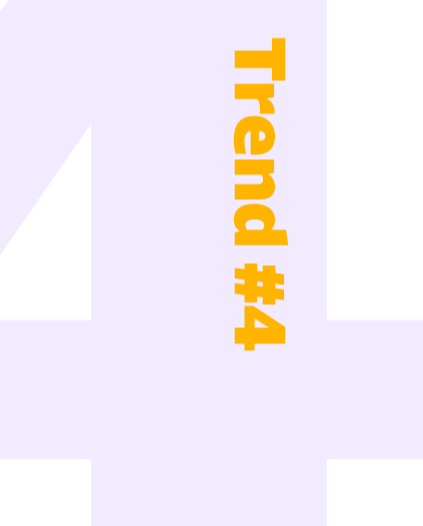
Solution

Yahoo is building immersive video experiences. Our fast-growing, award-winning property, In The Know, has 24 million monthly users and is debuting even more shoppable video experiences across Yahoo, meeting viewers where they are and empowering brands to connect through more meaningful interactions.

Trend #3

Contactless buying.

As consumers contemplate going back out to shop, safety and hygiene transparency have emerged as important sources of concern. Technologies that enhance contactless experiences are taking off as a result.



79% Of consumers intend to continue or increase their usage of self-checkout in retail after COVID-19.¹⁸

36% Have used touch-free shopping such as Apple's Wallet app in the past 6 months.¹⁹

2.3B Mobile wallet users today.²¹

Trend #4

Personalization and discovery.

Shoppers today miss that sense of discovery that comes from finding something new just for them—and that's where tech can play a major role. Smart and personalized shopping experiences captivate consumers, shortening the path to purchase across every stage.

65% Of shoppers look for convenient online shopping options.²²

92% Higher conversion for personalized ads over non-personalized native image ads.²³

27% Of shoppers are more likely to rely on personalized ads for recommendations than social media influencers.²⁴

Solution

Dynamic Product Ads

Dynamic Product Ads (DPA), powered by Yahoo, create intuitive shopping experiences built for creativity, yet are mindful of a user's specific interest. DPA dynamically pulls creative from a brand's product feed and serves it based on each user's unique online shopping behavior.

Dynamic Creative

Save time and drive results with dynamic creative ads that automatically update based on customers' online habits. We combine our in-house ad creative expertise with our deep understanding of the Yahoo ecosystem to execute on DSP clients' omnichannel strategies. This enables Yahoo to uniquely deliver on a range of business goals for our programmatic clients.

20% Higher conversion rates from high-impact mobile and display ads.²⁵



Highlight

Purple

The mattress retailer Purple incorporated Dynamic Product Ads, resulting in ROAS 70% above target benchmarks across display, video and native ad formats.²⁶

70% Return on ad spend.²⁷

Check out the case study

Trend #5

Deals and savings.

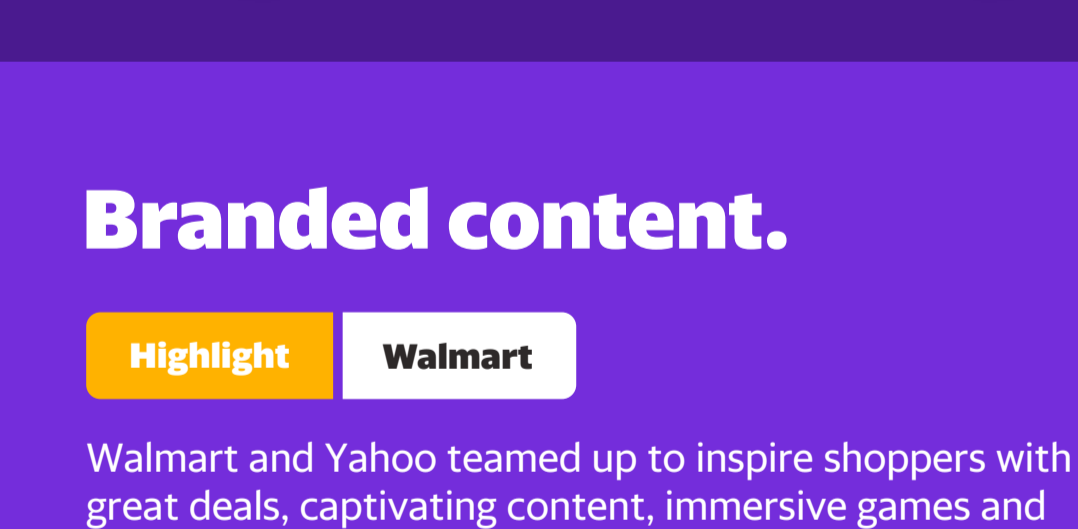
We know that deals and price-savings are more important than ever. Consumers say they rely on convenient shopping options and more budget-friendly items this year, making it important to incentivize them to buy.

72% Of consumers are trying to be more budget-conscious and look for deals.²⁸

Solution

Yahoo Native Ads

Features like Custom Content, Mobile Wallet, Countdown Tickers, and Dynamic Product Ads can resurface products that a user has browsed, incentivizing and convening shoppers to take that next step to transaction.



Trend #6

Branded content.

Highlight

Walmart

Walmart and Yahoo teamed up to create immersive games and exciting influencer partnerships. The engaging "Holiday with Heart" video program was a hit with shoppers. Viewers spent 81% more time with the content, compared to expected benchmarks.²⁹

Trend #7

Interactive experiences.

Out-of-home advertising is more innovative than ever. If you want to engage your customers IRL on a large scale, connect with them when they're outside and primed to purchase using digital banner spaces.



35% Of consumers looked for shopping inspiration through formats like outdoor ads, interactive ads or podcasts.³⁰

Solution

Yahoo digital out-of-home partnerships.

Yahoo DSP gives you easy access to all addressable programmatic DOOH inventory within the U.S. Reach audiences across diverse venues: Grocery and convenience stores, malls, gas stations, liquor stores, parking garages, pharmacies, and more.



Trend #7

Quality content and premium sites.

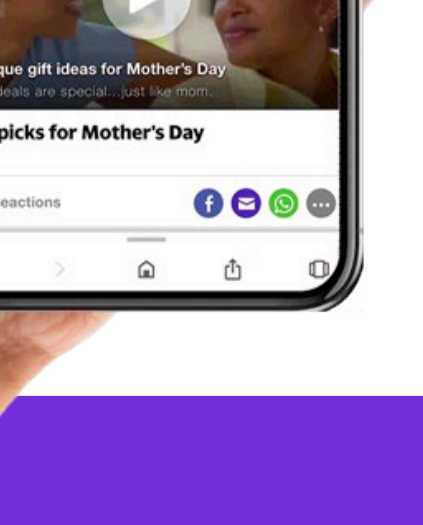
You can have the best product, but people won't bother looking at your ad if it doesn't have stand-out creative. That's why it's important to have a talented production team to help you develop high-quality content for high-quality sites.

70% Of shoppers use premium sites for product discovery, inspiration, and recommendations.³¹

50% Of shoppers would rather see professionally-made content over social media content. Including 50% of shoppers 18-23-years-old.³²

1/3 Shoppers say that brands that advertise on trusted sites influence their purchase.³³

1/2 Of people say high-quality ads make them more likely to purchase a product or service.³⁴



At Yahoo, our commerce story starts with the individual.

We design experiences to meet peoples' daily needs, inspiring them across the purchase path by weaving premium content with immersive formats powered by unparalleled technology and data. Our end-to-end commerce experiences reach shoppers in key moments of receptivity, positioning your brand to thrive in today's shopping world.

They're qualified shoppers

181M Commercial messages opened daily.³⁵

They're taking action

1.2B Engagements – shares, comments, etc.³⁶

They're purchasing

+\$458B Receipt emails opened in 2020.³⁷

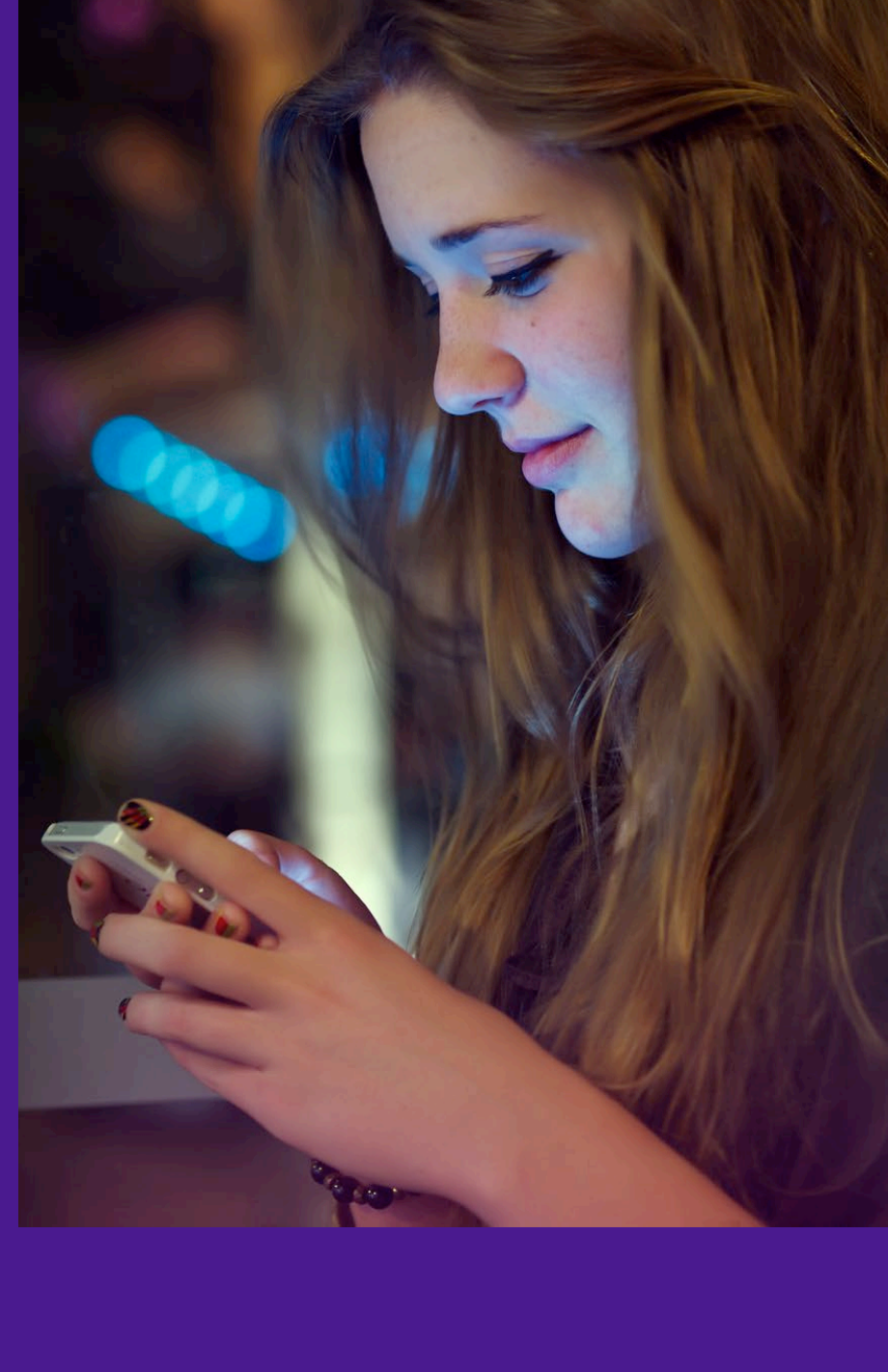
Work with a trusted partner.

Yahoo enables you to easily buy immersive, personalized and innovative brand experiences in the #1-ranked DSP by Adweek.

500M Linked profiles globally.³⁸

#1 DSP, SSP and CTV by Adweek 2020.³⁹

With new partnerships, such as Shopify for small businesses, branded storefronts with our MikMak integration, and innovative ad solutions across our trusted content sites, we can help you capture attention, build trust and meet consumers wherever they are.



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Contact us to get the conversation started.

¹ Marketing Dive, Nov. 2020. ² Statista, August 2022. ³ NielsenIQ, "The 2022 state of consumers," January 2022. ⁴ Yahoo, AR/VR survey, March 2021. ⁵ Yahoo, Immersive formats, 3Q-4Q, May 2020. ⁶ Yahoo, Shopping Trends, 3Q-4Q, June 2020. ⁷ Yahoo, AR/VR survey, March 2021. ⁸ eMarketer, "Retail e-commerce sales growth worldwide, by region, 2022 (% change)," January 2022. ⁹ ComScore, Media Matrix, Yahoo.com.com, 3Q, March 2021. ¹⁰ NielsenIQ, June 2020. ¹¹ Yahoo, Internal data, 2019. ¹² Yahoo, Internal data, FY 2020. ¹³ Yahoo, Internal data, FY 2020. ¹⁴ Yahoo, Content Study, October 2020. ¹⁵ Yahoo, Internal data, FY 2020. ¹⁶ Adweek, 2020 Behavior: Check: Best of Tech Awards, July 2020.