



FTI Consulting Projects U.S. Online Retail Sales to Top \$1 Trillion by 2027

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Online Market Share Expected to Nearly Double in Next 10 Years

WASHINGTON, Oct. 17, 2017 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE:FCN) today released its [2017 U.S. Online Retail Forecast](#), which projects U.S. online retail sales will surpass \$1 trillion in 2027, compared to the expected \$445 billion in 2017, representing a compounded annual growth rate of 9 percent over the next decade.

U.S. online retail sales grew by 15.5 percent year-over-year ("YOY") through the second quarter of 2017, extending online sales growth from 2016, which reached 14.9 percent YOY, according to research from FTI Consulting's [Retail & Consumer Products](#) practice. The online channel now accounts for 12.2 percent of total U.S. retail sales, excluding auto and gas, a number that is expected to reach 22 percent by 2027.

Furthermore, FTI Consulting expects Amazon.com will account for more than half of U.S. online sales by 2027, compared to the current share of 34.2 percent, as noted in a recently published report, [Is Amazon Invincible? Store-Based Retailers at Tipping Point](#).

"The impact of accelerating online sales growth has been evident in the past two years, with elevated levels of retail bankruptcies and announced store closures amid a non-recessionary environment," said [Christa Hart](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting. "If online sales double by 2023, as we expect, stores will have to contend with the prospect of losing the same amount of sales to the online channel in the next six years as they did in the previous 16. The frustration for many retailers is that even building a complex and expensive omnichannel enterprise has just kept them in the game instead of leading to renewed profitability."

The online channel accounted for nearly 50 percent of total retail sales growth in the past year. With most Americans already shopping online, FTI Consulting expects future growth in online shopping will come from shoppers using the medium to purchase more frequently and across more product categories than they do currently.

Grocery is one sector that continues to challenge online retailers seeking to expand market share. Current online market penetration is less than 2 percent, despite grocery and home meal solutions being a \$750 billion category. As a result, FTI Consulting's forecast projects grocery's online market share may only reach the mid- to high single-digits.

"Grocery is the current obsession of many online retailers, but U.S. consumers have still not embraced online grocery shopping and appear to prefer to shop for their food in-store," said [Khaled Haram](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting. "Tens of billions of dollars in sales migration to online are at stake in this category, so efforts and investment by Amazon, Wal-Mart and others will attempt to break down these barriers to adoption in the next few years. It is increasingly clear that physical stores will play a role in that effort to get more shoppers buying their groceries online."

About the U.S. Online Retail Forecast

FTI Consulting's U.S. Online Retail Forecast is a bottom-up logistic growth curve (or S-curve) that best fits estimated historical market shares for various product categories since 2000. Those categories include: music and videos, books and magazines, toy and hobby, consumer electronics, sporting goods, and apparel.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,600 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$1.81 billion in revenues during fiscal year 2016. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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