



FTI Consulting Projects U.S. Online Retail Sales to Reach \$525 Billion in 2018

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E-Commerce Now Accounts for 13.2 Percent of U.S. Retail Sales

WASHINGTON, Sept. 11, 2018 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE: FCN) today released its [2018 U.S. Online Retail Forecast](#), which projects U.S. online retail sales will approach \$525 billion by the end of this year, a 15.9 percent increase over \$452 billion in 2017.

Due to stronger-than-expected results in 2017, the [Retail & Consumer Products](#) practice at FTI Consulting now expects U.S. online retail sales to top \$660 billion by 2020 and surpass \$1 trillion in 2025, compared to the estimate of 2027 in last year's forecast. This represents a compound annual growth rate of nearly 10 percent over the next decade.

E-commerce now accounts for 13.2 percent of the U.S. retail sales market (excluding auto and gas sales), and 15.7 percent if the supermarket category is also excluded, according to the forecast. FTI Consulting projects the ultimate ceiling for total online share of U.S. retail sales to level off at 25 percent around 2030, demonstrating the potential to nearly double from current levels. However, annual online market share gain is peaking in 2018 at 135 basis points, and the forecast model expects online sales growth will begin to decelerate next year.

The online channel is taking a disproportionate share of total retail sales growth, with U.S. online sales growth accounting for 46 percent of total retail sales growth over the past year, an increase of more than 15 percentage points since late 2014.

"Online sales are growing at a respectable rate for many omni-channel retailers in large part because they continue to bear nearly all the associated costs of attracting and accommodating online shoppers, while their store-based sales often languish," said [Christa Hart](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting. "This has made the omni-channel strategy far less lucrative for retailers than once anticipated, even though they collectively claim a majority of online sales. An omni-channel strategy that is well executed and achieves respectable scale has allowed those retailers to remain competitive as the retail shakeout continues, rather than boost profitability and return on invested capital."

With the sprawling presence of Amazon.com across product categories, the forecast also projects that the retailer will continue taking a high proportion of online market share, increasing to 39.7 percent in 2018 from 35.7 percent in 2017, and reaching 50 percent in 2023.

"We all recognize that Amazon is the preeminent online retailer, but what we've come to realize in the last couple of years is that Amazon's total retail reach, particularly its third-party sales, is considerably larger than previously thought. The Amazon ecosystem is taking the vast majority of U.S. online retail sales growth. This is hampering efforts by large omni-channel retailers to retain or win market share without compromising margins and profitability," said [Khaled Haram](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting.

[J.D. Wichser](#), Leader of the Retail & Consumer Products practice and a Senior Managing Director at FTI Consulting, added, "Those retailers with a distinctive and cohesive omni-channel strategy combined with the ability to flawlessly execute on the operational dimensions will steal share, at an increasing rate, from those that can't. This will be a rude, and expensive, awakening for many that have devoted considerable investment and effort in an attempt to transform their retail business."

About the 2018 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, apparel, grocery and other product categories.

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 2017. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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