

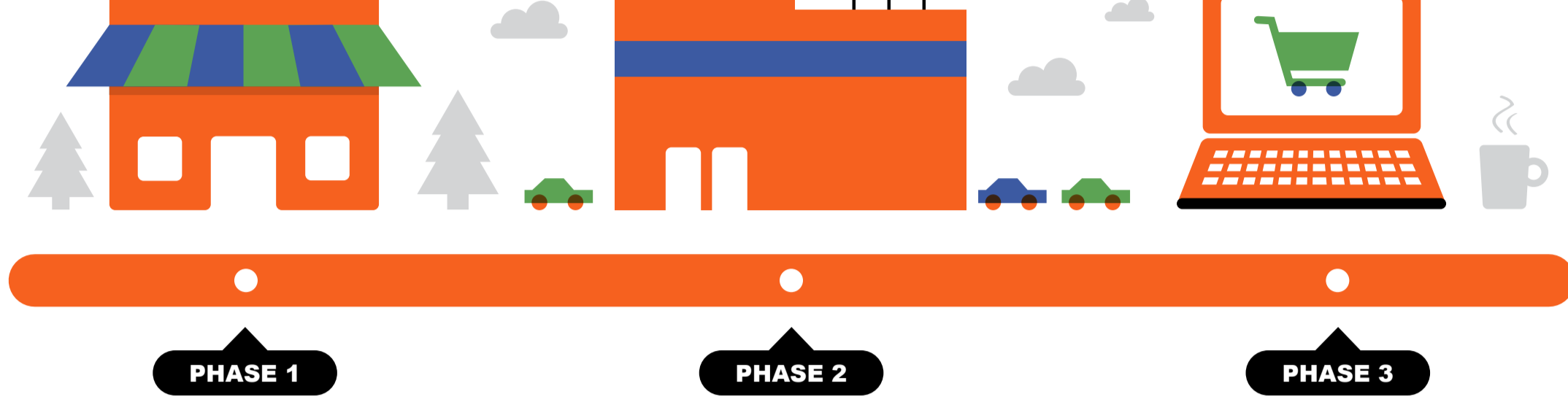
THE DIGITAL COMMERCE REVOLUTION

Forerunner Ventures is an early-stage investment firm dedicated to partnering with ambitious entrepreneurs who are meeting the challenges and opportunities of today's rapidly evolving digital commerce landscape.



Retail Has Evolved

But—great customer experience has and will always define the most successful retail models



PHASE 1 Local Shops

Despite limited offerings, the best shopkeepers delivered an intimate experience, by knowing their clientele, their tastes and preferences, and anticipating their needs.

PHASE 2 Modern Stores

As consumers dispersed, Malls evolved giving rise to chain retail. Best in class chains catered to targeted consumer segments with tailored offerings and environments.

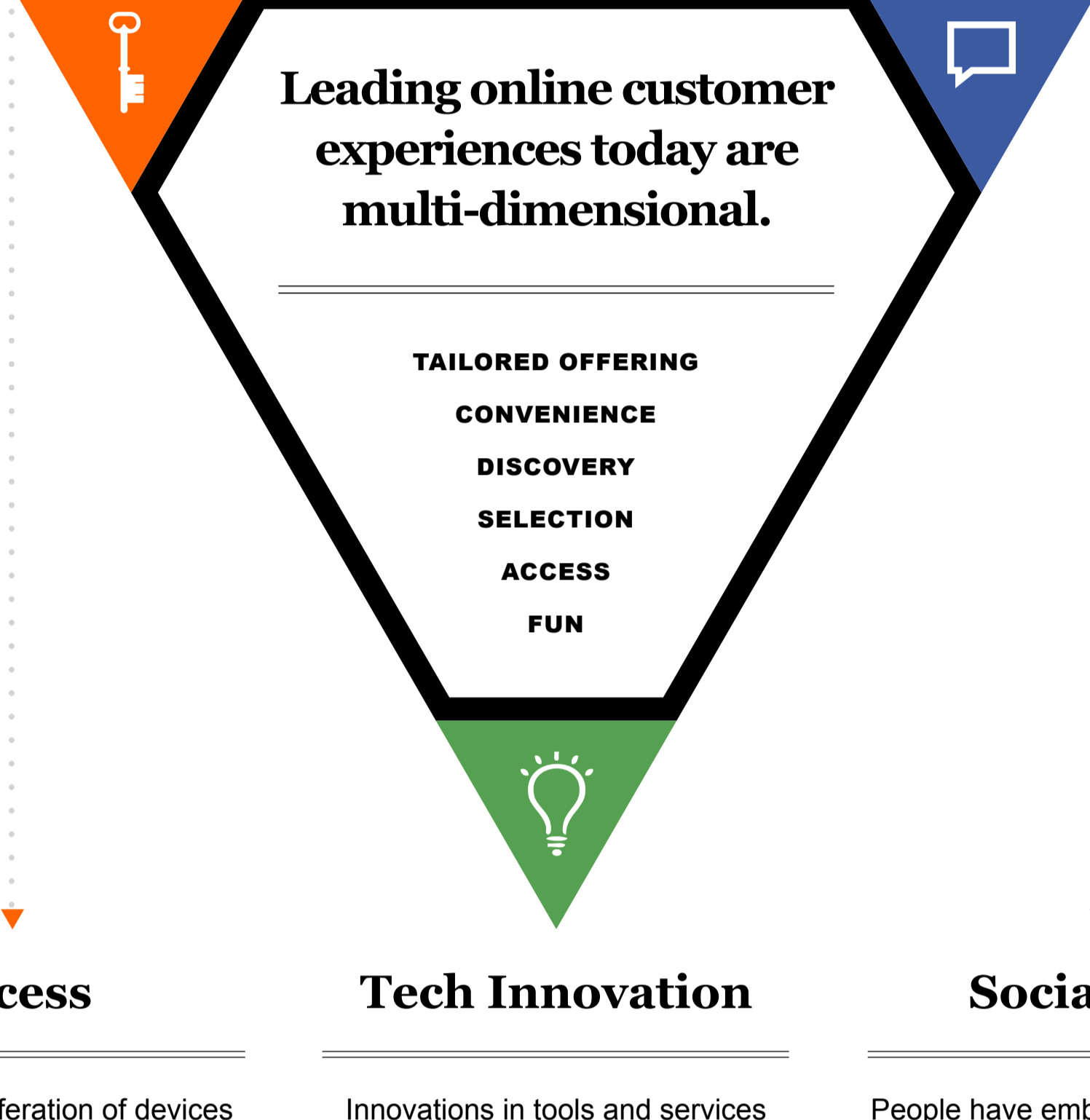
PHASE 3 Early eCommerce

Early eCommerce brought vast selection and access to the forefront, tapping into an increasingly busy consumer's desire for options and convenience above all.

TODAY

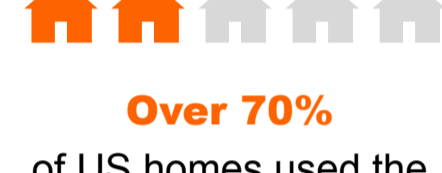
The New Digital Landscape

Internet usage has reached critical mass. The advent of social networks coupled with technological innovation is enabling retailers to learn more about customers and bring the best of retailing through the ages to life.



Access

Due to the proliferation of devices such as PCs, tablets and smartphones, internet usage has been steadily increasing.



Over 70% of US homes used the Internet in 2010.



x 82M

82 million smartphone Users reside in the U.S. alone; 81% use their smartphones to access the internet.



2012 55M

55 million tablet users in 2012; 63% more than 2011

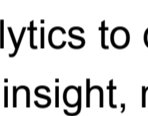
Tech Innovation

Innovations in tools and services have enabled more efficient, engaging retail and brand building business models.



Site Development

Software solutions to make it easier for businesses to set up a store online



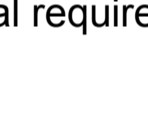
Marketing / Advertising

Rich analytics to drive deeper customer insight, more efficient business decisions and marketing efforts



Checkout / Payments

Improved backend online payment and innovative mobile payment services



Supply Chain

Innovations in supply chain to improve ROI by yielding efficiencies and decreasing capital requirements

Social Web

People have embraced being social online, giving retailers an unprecedented look into who their customers are.



845 million registered Facebook users

55% of consumers share purchases



200 million registered Twitter users

76% say they usually or always buy the product or service they need from brands they follow on Twitter.



11.7 million registered Pinterest users

3rd largest driver of traffic to brand sites

Ecommerce Sales are Approaching \$200B Annually in the United States and Eventually are Expected to Reach 15% to 20% of Global Retail Sales.

Bain & Company, 2011 Retail Holiday Newsletter, 2011

Wealth of New Opportunities

Today's digital retailers are poised to delight consumers on all fronts in a way that past generations have not been able to—propelling a unique opportunity for leaders to emerge and redefining a best in class experience.

Social Commerce



x 20M

20 million people 'Like' brand pages each day on Facebook.

A study revealed 97% of respondents have been influenced whether or not to buy a product/service from a brand by an online experience.

Connected Brands



The rise of the online-only brand marks

A NEW GENERATION OF E-COMMERCE.

It represents more-affordable, higher-quality brands that stand to replace many brands that previously purchased through traditional retail.

Consumer Web



Over half of the dollars spent in domestic retail will be influenced by the internet by 2016.

Total same store referral traffic from Pinterest to 5 apparel retailers rose

289% from July to December 2011

Mobile Commerce

Over 40% of smartphone users engage in online shopping.

In March 2012, the iPad accounted for

90% & 4%

of all mobile revenue | of total web revenue and is growing by leaps and bounds

Marketing & Media

59% of internet users have noticed targeted advertising



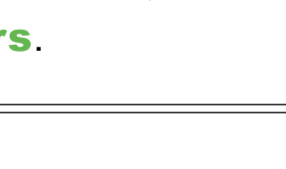
Marketers no longer just know where you live and what age bracket you fall into, but they're also aware of what sites you visit, what you search for, and what actions you take.

Tools & Platforms



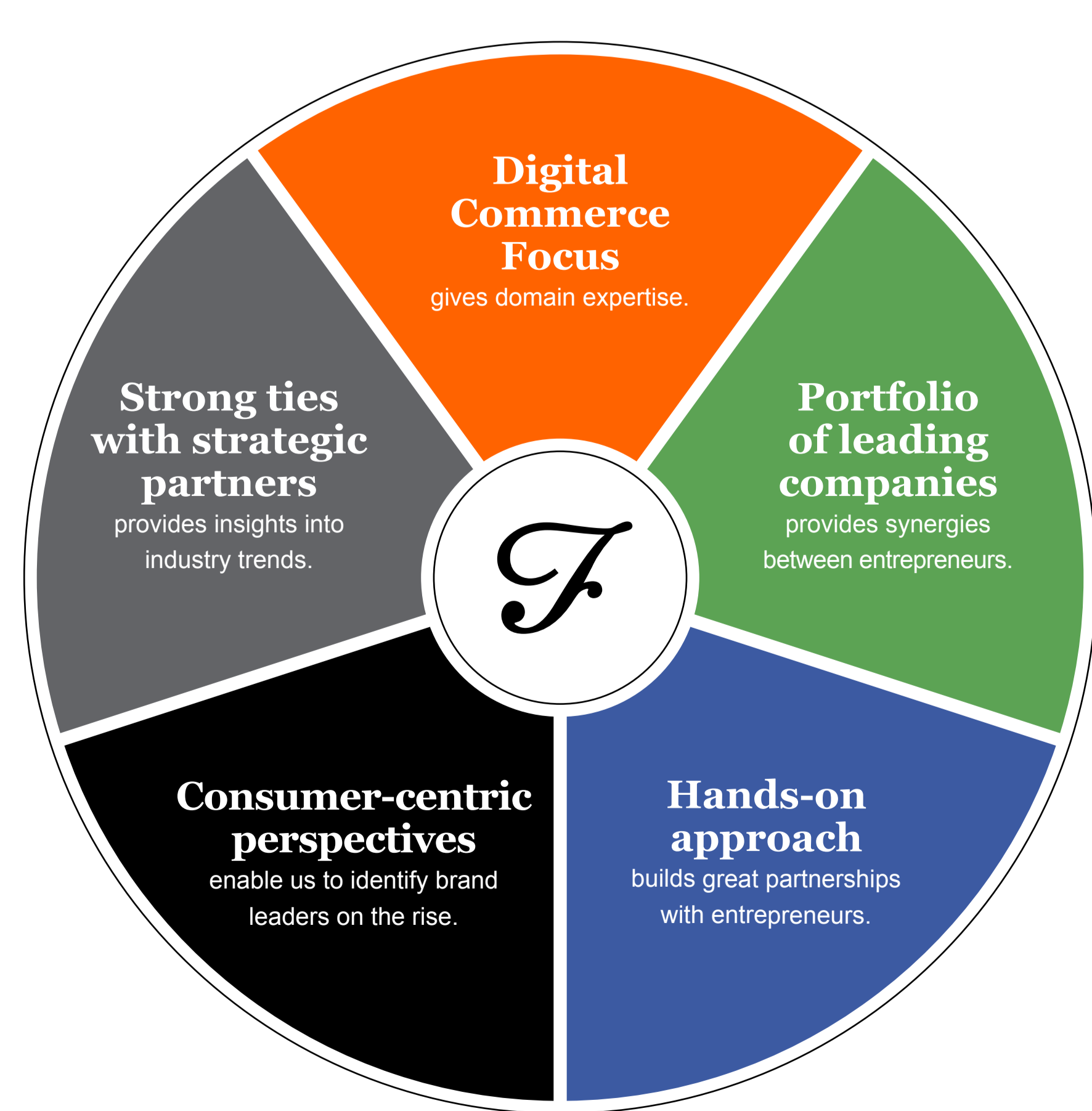
Mobile payments company, Square, processes \$4 Billion in transactions a year with over 750,000 active users.

Shopify's eCommerce platform hosts over 25,000 online stores for individuals and businesses.



Forerunner Competitive Advantage

Backed by over a decade of experience in partnering with entrepreneurs, Forerunner offers a distinct edge in navigating the retail landscape, anticipating consumer behaviors, and helping scale development-stage companies.



Forerunner Ventures is dedicated to partnering with ambitious entrepreneurs to define and dominate a new generation of commerce.



Sources: Comscore, eMarketer, Facebook.com, Flurry, Forrester, Mashable, Monetate, Pew Research, RichRelevance, Shopify.com, SocialMediaToday.com, Steelhouse.com, Square.com, The Next Web (Allen Gannett: July 7, 2012), Twitter.com, USA Today, US Census Bureau

Design: Eric Fenny (ericfenny.com)