

The Democratization of Retail: How the Power of Community and Connections is Reshaping Commerce

As of late, there has been a lot of doom and gloom coverage harkening the death of retail. But every shakeup looks like death and destruction from afar. We've taken a closer look and found that for every bankruptcy headline, there are thousands of unique retail business models being built by the people who are going to reshape the future of retail.



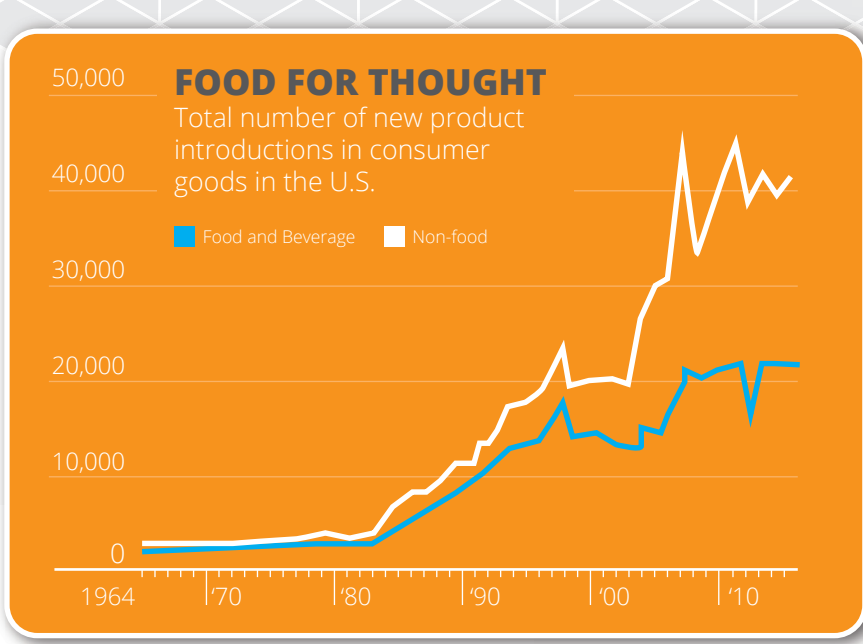
Small businesses created **+2 MILLION** new jobs in 2012, biggest gain in companies size of 1-4 employees (Source: 2015 BDS)

Independent retail businesses account for **95%** of retail trade (source: National Retail Federation)



Average grocery store carries **50X** more products than two generations ago (James Bessen, economist)

Number of packaged goods more than **DOUBLED** over last 10-15 years (James Bessen, economist)



THOUSANDS of new products are launched on Hubba each month (Jan 2016-2017)

From Retail Industry to Commerce Community

It has never been easier for niche brands and retailers to break into the mainstream. New models and technologies are changing the game. With gatekeepers removed, adaptive niche brands and retailers can personalize, customize, and fill their coffers. Those who adapt will be faced with enormous opportunity.



US \$50 BILLION estimated contribution of pop-up stores to the total annual U.S. sales figures (source: PopUp Republic)

Subscription economy is estimated at **\$5 BILLION** annual revenue (2014), and growing at a rate of **200%** per year (source: Amir Elaguizy, the founder of Cratejoy)



Telling a product story that fits into the consumers' story will result in purchases **55%** of the time

79% of brands have focused on event and experiential programs in 2015

65% of brands say they find a direct correlation between experiential marketing and increased sales (source: PopUp Republic)

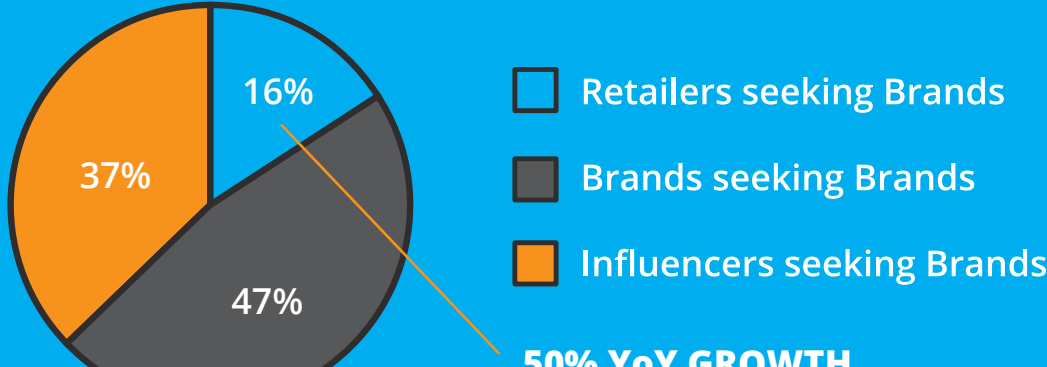
Community structure shifts power to small and medium-sized business owners

The retail industry is no longer built on linear processes. The democratization of the retail industry is resulting in new roles for buyers, sellers, manufacturers and distributors. More brands are entering the market and have more opportunities to find their paths to success. The need to differentiate and align with consumer values and aesthetics has never been more important.



CONNECTIONS DRIVING COMMERCE (Source: Hubba)

50% growth in retailers reaching out to new brands on Hubba's digital network



50% YoY GROWTH

OPPORTUNITY (Source: Hubba)

62% of new connections on the platform resulted in sustained business relationships

85% YoY growth in retailers connecting with influencers

40% increase in retailers searching for products from independent brands



RECOMMENDATIONS FROM MICRO-INFLUENCERS DRIVE PURCHASES (Source: Hubba)

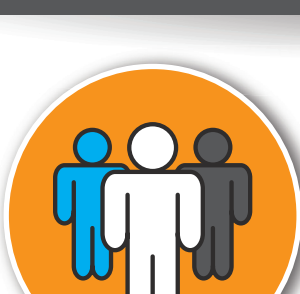
2X more effective than paid advertising

200% more interest in micro-influencers YoY

51% of retailers look to outside influencers to help predict customers' wants

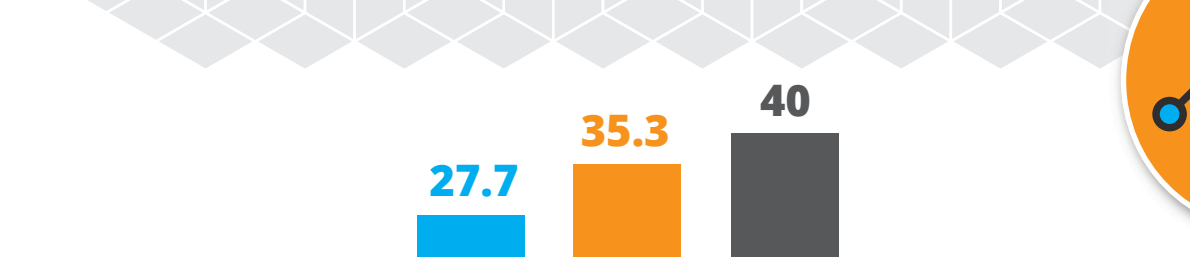
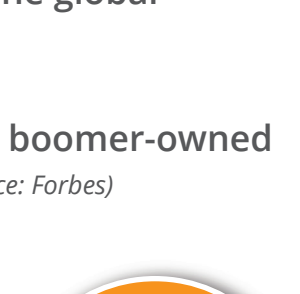
The Future of Retail: Community driven by Millennials

Millennials and Gen-Z will continue to reshape the retail industry. Their current consumer-behavior and digital interactions will be mirrored in their own companies, business decisions and in their careers. Understanding Millennials' social and buying behavior is understanding the future of the retail industry.



By 2025 Millennials will account for **75%** of the global workforce (Source: Shoppers)

By 2025, more than **\$10 TRILLION** in boomer-owned business assets will be passed down or sold (Source: Forbes)



Successful Millennial entrepreneurs have started **7.7** businesses, as compared to the **3.5** by boomers



84% of Millennials don't trust or like traditional ads

63% report that online reviews by someone they trust have influence on what they buy

62% of Millennials feel that online content drives brand loyalty