



2020 HOLIDAY SHOPPING

... a Year Like No Other!



What will holiday shopping in 2020 look like? We've seen a fundamental shift in consumer behaviour this year, forcing the fast track of digital transformation for many retailers. In the lead up to Christmas, 58% of UK consumers say they're shopping more online than they did before Covid-19 and foot traffic has declined as Brits continue to embrace ecommerce. What effect will the current lockdown have on the festive season, and will ecommerce continue to thrive when we can once again venture outside?

Stock shortages, strained supply chains and postal delays have made a profound and permanent impact on consumers. Will this view of the new world change consumer behaviour this holiday shopping period? Here are our top predictions and some tips on what retailers can be doing now to ensure their success.



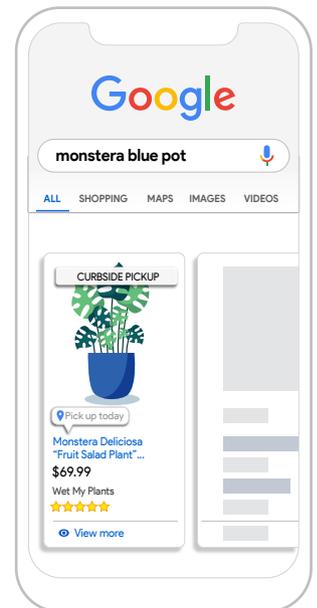
ECOMMERCE WILL CONTINUE TO GROW AS CONSUMERS LOOK TO AVOID SHOPPING CENTRES, OR LIMIT THEIR TIME INSTORE.

[Almost half \(46%\)](#) of UK consumers are unsure whether retail will remain part of the high street mix in the future and recent [BRC ShopperTrak data](#) shows a footfall decline of 41.7% YoY on high streets, and shopping centre footfall down by 37.4% YoY.

Even prior to the current lockdown, [71% of Brits](#) were reluctant to shop instore this Christmas. [Over a third](#) claim they will **actively avoid physical retail spaces** 'as much as possible' during the festive period. Retailers embracing omnichannel features are setting themselves up for a successful season; delivery options, free delivery thresholds and the ability to Track & Trace in real time will help drive conversions.

Physical retail stores still have an important role alongside ecommerce. We predict that click & collect will see a dramatic increase as shoppers plan to consolidate their trips when stores reopen; they want to get in and out as quickly as possible. Accenture reports that [BOPIS is up 195% globally](#) since the pandemic, as retail stores transform into local fulfilment centres. Google has recently rolled out a new [omni-channel feature](#) that allows customers to pinpoint stores with contactless service options, such as curbside collection and click & collect / buy online pickup in-store (BOPIS) services.

[Salesforce predicts](#) that up to 30% of global retail sales will be made through digital channels this holiday season, and that sites offering store pickup (click & collect, concierge service, curbside, drive-through) will see a 90% increase in digital sales over the previous holiday season. [36% of UK consumers](#) say they're likely to choose click and collect options where available when shopping for gifts in 2020.



WHAT PART OF DELIVERY IS THE MOST IMPORTANT TO THE ONLINE SHOPPER?

DELIVERY COSTS



SPEED OF DELIVERY



FLEXIBILITY WITH DELIVERY OPTIONS



FLEXIBILITY IN DELIVERY TIMES



FLEXIBILITY IN DELIVERY ADDRESS



ENVIRONMENTAL IMPACT OF DELIVERY



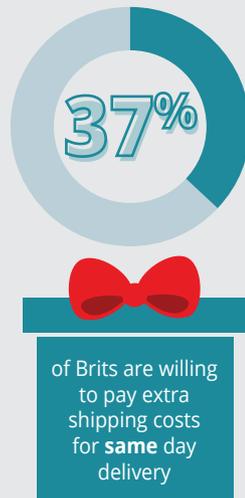
VERY IMPORTANT

NOT IMPORTANT AT ALL



TOP TIPS FOR RETAILERS

- Omnichannel is core to retail survival. Retailers need to embrace click & collect, publishing live inventory availability (and ensure it is 100% correct!). A [Distributed Order Management System \(DOM System\)](#) will give you a consolidated view of your ATS inventory, give your customers up to date inventory availability for their local store and prevent oversells.
- [Foot traffic will be dramatically reduced](#) compared to previous years, but stores can still play an essential part as fulfillment centres. Empowering ship from store functionality can mitigate the risk of shipping from a single warehouse, where staff numbers are limited. Shipping from the closest location to the customer will also decrease the shipping time and make for a better customer experience. A DOM System can help you automate processes and give staff the tools they need to become truly omnichannel.
- Offer your customers delivery options. Free delivery does drive conversions, with [72% of Brits](#) adding more products to reach a minimum spend threshold, but they're also willing to pay for more. The average expected standard delivery time for UK consumers is 3 days, however:



[[SOURCE](#)]

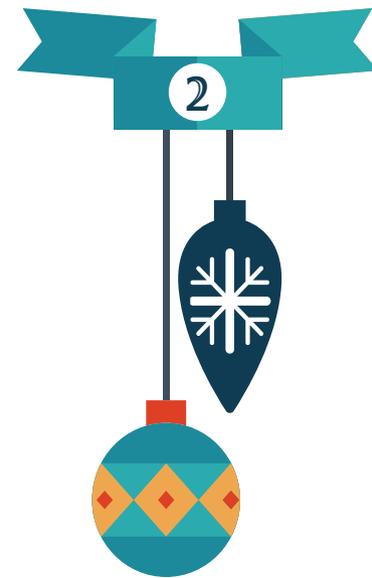
Building the right courier ecosystem will help you offer the delivery options customers demand, spread the load of deliveries and ensure capacity.

CONSUMERS WILL SHOP EARLIER IN THE SEASON.

Concerns about stock shortages and slow delivery times, coupled with the perpetual search for a bargain and the current lockdown, we predict consumers will shop earlier. They're likely to take advantage and embrace the Singles Day / Black Friday / Cyber Monday sales period more than ever.

The UK's 2019 Black Friday sale saw a [16.5% increase in transaction value](#) from the previous year - a growth that is expected to be absolutely smashed in 2020. [One third of British consumers](#) hope to bag a bargain at the Black Friday sales in November, ready for Xmas.

[The BRC](#) is also looking to mitigate health and safety risks for shoppers, store colleagues, warehouse workers and delivery drivers with it's nationwide ['Shop early, start wrapping, enjoy Christmas' campaign](#). The campaign also aims to reduce the last-minute demand for items in the final weeks of November and December, reducing stress on couriers and customers alike!



TOP TIPS FOR RETAILERS

- Mitigate the risk and strain of shipping from one location by connecting not only your stores but also suppliers and dropshippers. Shipping directly from the inventory source will reduce shipping times and negate double handling of inventory.
- Ensure your products are in front of the widest possible audience by connecting [sales channels and marketplaces](#) to your ecommerce ecosystem. Having your product in the right place at the right time will give it the best possible chance to convert. [Euromonitor](#) reports that 56% of global retailers are seeking to sell through additional digital channels, such as through more marketplaces, and almost half are looking to accelerate their overall investment in omnichannel.





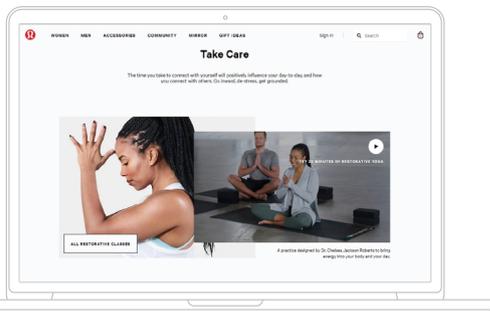
Check out how General Pants were able to switch on additional sales channels when their retail stores were forced to close for an unknown period of time.

READ THE CASE STUDY HERE

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RETAILERS WILL EMBRACE NEW WAYS TO ENGAGE WITH THEIR CUSTOMERS.

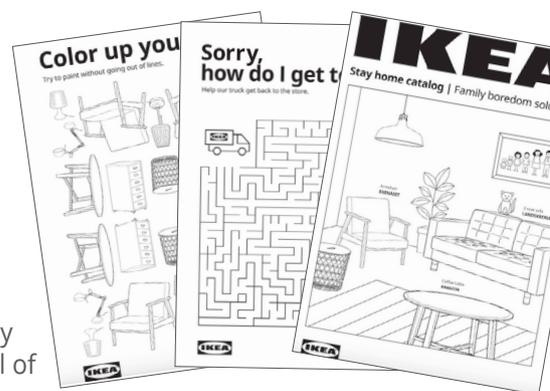
Shopping centres are virtual ghost towns, and the days of casually perusing stores and interacting with retail staff are long gone. In the past few months, we've seen enterprising brands mixing up their social strategy to engage with their customers in a whole new way. Consumers are hyper-engaged with social media right now and leading brands are looking to inject value into their customers' lives, rather than simply sell product.



[Lululemon](#) is offering a variety of free yoga, workout, and meditation classes through its online community [#thesweatlife](#) to promote self-care and help reduce anxiety during the coronavirus outbreak.

IKEA Israel has created a downloadable PDF version of a mock ['Stay Home Catalogue'](#), cleverly integrating their product and inviting people seeking a creative outlet while stuck at home.

Engaging with customers in real time is a marketer's [top priority and also their top challenge](#). Fewer than half (49%) of marketing leaders believe they provide an experience completely aligned with customer expectations, as they continue to struggle to adapt to customers' rising expectations for a new level of engagement.



TOP TIPS FOR RETAILERS

- Build trusted relationships with your customers and gain new ones by offering value through your social and communication channels. Retailers that build trust now will be rewarded with loyalty into the future.
- Analyze the data. Customer insights have never been more valuable; analyze customer behaviour and buying habits on a daily basis to and adapt your strategy accordingly. What new unmet needs have emerged? What new pain points have surfaced? What new markets are emerging for your company? It all comes down to the data.
- Be creative! Run online competitions, host virtual meetups or parties, encourage user generated content and reward loyal, engaged customers accordingly.



2020 has been a challenging year for retailers globally. We've seen a fundamental shift in consumer behaviour forcing the fast track of digital transformation for many retailers. The ones that are thriving have embraced omnichannel retailing and shifted their behaviour and practices to suit the new environment they find themselves operating in. The new world of retail is here to stay and there is opportunity for retailers to embrace change, survive and thrive.



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