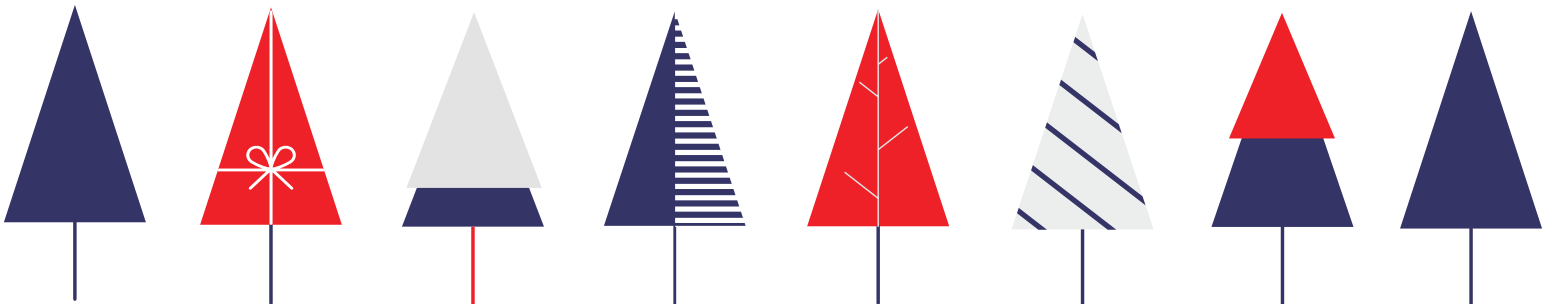# 5 Holiday Shopping Trends

for Retailers to Know in 2019

# The holiday shopping season is an exciting— and busy— time for businesses.

NOV

CYBER MONDAY

In 2018, total retail numbers from the last three months of the year reached $998.40 billion.[1]

A significant portion (16%) of that nearly $1 trillion in retail spending came from online sales: From October to December of 2018, U.S. e-commerce sales hit $162.8 billion, a growth of 14.4% year-over-year.[1]

Customers are also spending more: From November 1 to December 26, 2018, U.S. consumers spent $126 billion online.[2] During that 61-day period, the daily online revenue average was $2.1 billion.[3]
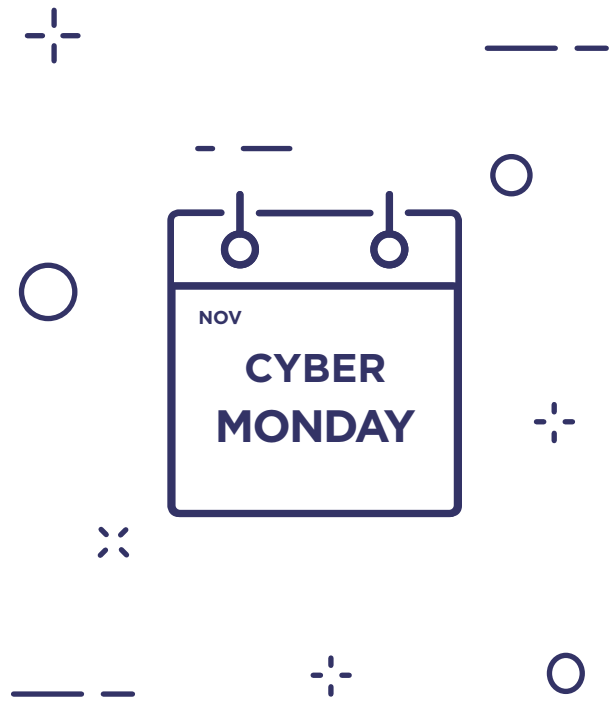
$7.9 billion

was spent by consumers on Cyber Monday alone in 2018, making it the largest online sales day in U.S. history.[4]

Each new holiday season comes with new growth opportunities. For the first time in six years, a late Thanksgiving creates a shorter holiday season in 2019, meaning early-bird shoppers could represent an even larger portion of sales. Approach this end-of-year sales period head-on with these five tips for success.

No. 1

Get ready for a bigger wave of early shoppers.

Every year, consumer holiday shopping starts a little earlier. In fact, a survey by CreditKarma reported that 45% of Americans had already begun their 2018 holiday shopping by October of that year.[5]

This year, because Thanksgiving (and the shopping holidays that accompany it) falls late in November, expect many shoppers to start looking for deals early.

Ensure that logistics, e-commerce and marketing teams are in sync before the season begins. Create pathways and processes that allow for easy communication between these teams.

Know when marketing promotions or website changes go live so that all teams can be aptly prepared for an influx of online orders.

And don't think the early start will cause consumers to spend less on Thanksgiving weekend: last year, Thanksgiving Day sales hit $3.7 billion—with more than $1 billion coming from mobile devices.[4]

mobile sales

other online sales

Mobile represented one-third of online sales last Thanksgiving— $1.2 billion of the $3.7-billion pie

Bottom Line

Prepare for an early-season surge in sales and site traffic. Have shipping strategies and carriers lined up well in advance to streamline holiday deliveries and returns.

No. 2

Align with customer expectations to deliver exceptional experiences.

Customers have high expectations for quick and painless delivery options, especially around the holidays.

A RetailMeNot survey found that

89%
of millennial shoppers want their gifts in hand as soon as possible.[6]

61%
of consumers won't buy online without free shipping.[6]

This mind-set may have contributed to the 50% increase in online orders with in-store pickup during Thanksgiving weekend of 2018.[7]

Focus your logistics strategy on customer experience:

- **Make delivery dates and shipping costs known throughout the shopping experience.** If customers know when an item will arrive (and how much it will cost to ship it faster) before they place an order, they may be more likely to complete the purchase.

- **Provide flexible shipping options.** Cater to the early-season shoppers and the last-minute ones. Let customers choose how fast they want their products delivered, and for what price. Even better, find a shipping partner that offers seven-day-a-week delivery so that your customers feel that they have the most control and confidence in the shipping experience.

- **Share precise tracking data.** Customers want to know where their items are in the shipping process. Offer end-to-end package tracking to help them feel in control of their delivery experience.

- **Integrate data with shipping vendors.** Merge shipping data with your online store to manage multiple customer concerns. Use a carrier that offers Application Programming Interfaces (APIs) to help customers verify addresses, access tracking data and print return shipping labels.

- **Offer simple (and free) returns.** Don't prolong an unsatisfactory experience. If a customer needs to send something back, make it easy — and, if you can, free.

Bottom Line

Pay attention to customer expectations early to develop smart, integrated shipping tactics for the entire holiday season. Work closely with your shipper to ensure fast, painless and reliable delivery. Exceed customer expectations by providing more delivery options that appeal to both early-bird and last-minute shoppers.

No. 3

Make mobile a priority.

Mobile e-commerce is exploding. For the first time, in 2018 smartphones accounted for a majority (51%) of holiday shopping visits.[7] Adobe also reports that mobile devices accounted for 40% of total online sales — and 31% of those were from smartphones alone.[7]

As mobile experiences improve, consumers are becoming more comfortable with making purchasing decisions from their smartphones. Data shows 66% of smartphone owners used their mobile devices to make holiday decisions in 2018 (up from 63% in 2017).[8]

Additionally, shopping experiences on mobile devices were 5.2% shorter than in previous years, with more visits leading to purchases.[4]

Christmas Day is an important day for mobile e-commerce: 42.3% of online revenue on Dec. 25, 2018, came from smartphone sessions.[2]

It is critical that retailers create a seamless and easy-to-use mobile experience for the growing pool of consumers using smartphones to make purchases.

Bottom Line

Create an online store experience that is optimized for mobile screens. Ensure that checkout pages, shipping options and package-tracking screens are clear, easy to access and simple to use on a mobile or smartphone surface.

> " As retailers invest in improving mobile experiences, consumers are clearly feeling more confident in buying on their smartphones. "
>
> —Taylor Schreiner, Director of Adobe Digital Insights[4]

No. 4

Reduce cart abandonment with new shipping strategies.

Delays in fulfillment due to low or "out of stock" inventory levels can trigger customers to abandon their carts and shop elsewhere:

The average e-commerce store loses more than 75% of its sales to cart abandonment.[9]

When shoppers are easily able to find the item they're looking for and have it shipped to them quickly, studies show that cart abandonment rates drop.

Research from Adobe shows consumers are 44% more likely to complete an online purchase when shopping at an online-only retailer (versus a retailer with both a physical store and an online presence).[3] Ship-from-store programs can also cut down on abandoned carts.

These solutions give more flexibility to order fulfillment. An online order can be completed with inventory from a variety of locations, rather than one central or regional facility. This means that customers have a greater chance of finding the item they are looking for in stock, and receiving it sooner— and for less.

This strategy is especially critical during the busy holiday season when inventories sell quickly at popular locations. Look for ways to incorporate **ship-from-store strategies** and free shipping options during the holiday sales season.

Bottom Line

Incorporate your brick-and-mortar store into the online fulfillment experience. With ship-from-store solutions for online purchases, retailers can curb cart abandonment and provide more fulfillment options for your logistics teams and customers.

uspsdelivers.com

No. 5

Play into the omni-channel shopping experience.

Despite the boom of online shopping, the advantages of having a brick-and-mortar store shouldn't be overlooked. Retail experiences are evolving: Digitally native brands are set to open 850 brick-and-mortar stores within the next five years.[10]

Physical stores allow customers to experience and engage with a brand, its products and its culture. This creates a powerful customer experience and can contribute to deeper brand loyalty. Plus, it opens up new opportunities to connect with consumers — and drive sales.

Research shows that physical stores can increase online traffic by an average of

37%.[11]

Having a store space often means better access to inventory, as well as the ability to invest in omni-channel offerings.

You can also train in-store associates to help shoppers order items that are available online but not in stock at the store or facilitate buy-online, pick-up-in-store programs to help close more sales.

Digital tactics can improve a customer's shipping experience, too. The USPS Informed Delivery® service provides a transparent line of communication between logistics teams and the customer about the status of a delivery, and allows consumers to customize delivery and redelivery options, all from a simple mobile experience. This helps increase customer satisfaction in an often stressful season, and encourages future sales.

Bottom Line

Take advantage of your store, if you have one. Consider hiring staff who can help facilitate programs that connect your online store to your physical one. Implement digital tools like Informed Delivery®.

Key
Takeaway

Focus on the customer this holiday season.
Ensure that your online infrastructure and logistics
processes are centered on creating an easy
experience for consumers, whenever and however
they choose to shop.

Use this data from 2018 to craft plans for the
upcoming 2019 holiday season. By implementing
these tips early, retail businesses can look forward
to a successful and gainful holiday season.
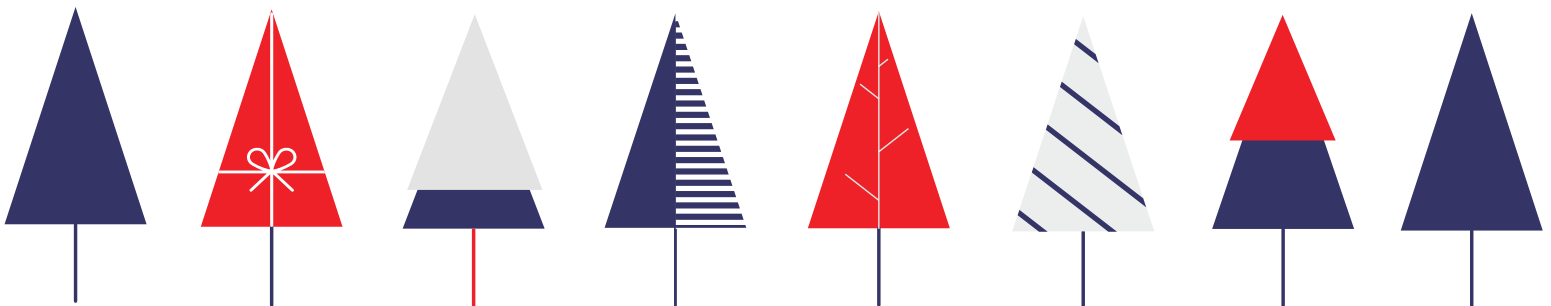
Footnotes

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11. "The Halo Effect: How Bricks Impact Clicks," International Council of Shopping Centers, (www.ICSC.com), Oct. 2018.