

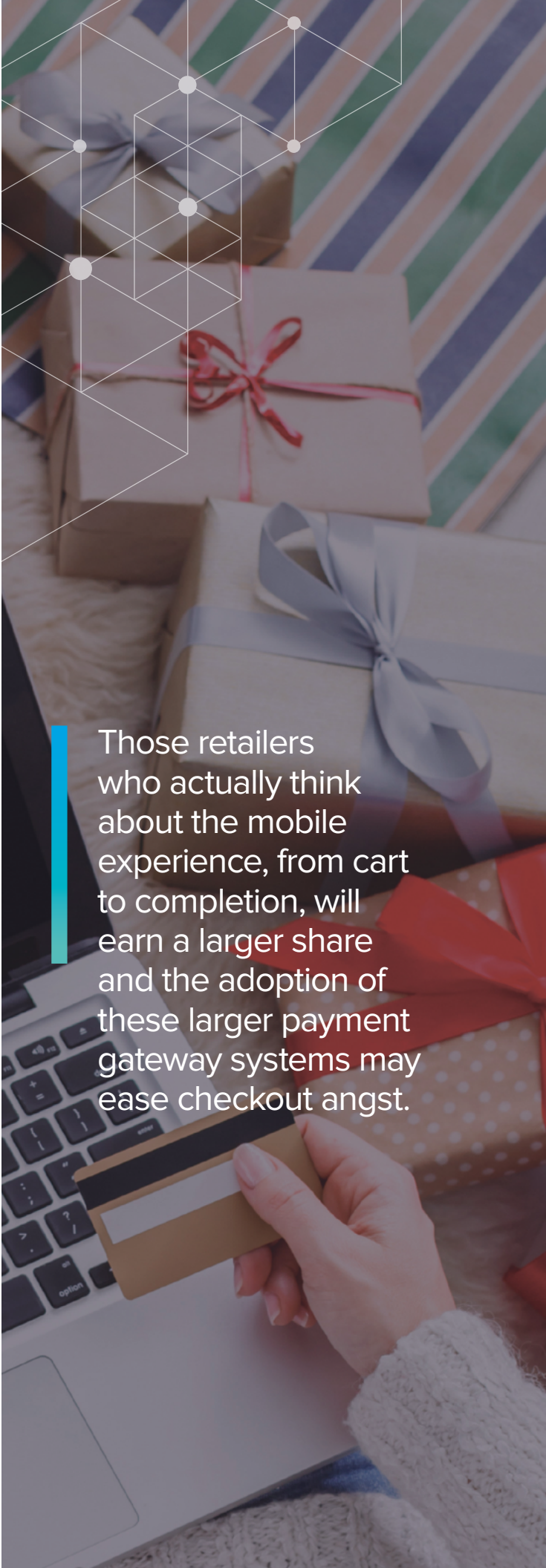
# Holiday Trends |

From the time of writing this, we are less than 10 weeks away from the Christmas Holiday of 2017. Hard to believe I am sitting at our office in Lancaster, Pennsylvania with weather that reminds me of Los Angeles in October. However, for the past 8-10 weeks, we have been heads down in holiday retail preparation and ensuring that our client's strategies for the holiday are aligned to maximize return on investment. With many other CMOs and marketing leaders in the same situation, I thought it was a perfect time to highlight the 5 biggest holiday trends that we are seeing for the 2017 retail holiday.

# 1. The reduction of friction leading to device agnostic conversions

For the past 5-6 years, it has been the 'year of mobile' for the retail holiday season. Each year, the estimates of mobile saturation have either come up significantly short of expectations, or crushed expectations. The unfortunate reality is that consumers do not care or even think about devices when interacting with a purchase journey. They use the device they feel is most convenient, with little regard to which device is 'best' for completing this purchase.

Now think about the mobile experience for a moment. Think of the steps that retailers require in the checkout experience. Billing information, Shipping information, payment information; there are generally many fields and while browsers like Chrome help populate some of these metrics, the completion of these fields is time-consuming and cumbersome, causing friction. Despite having some of the strongest thumbs of any generation, we just expect more out of our experience. Gateways like Apple Pay, Samsung Pay, PayPal, Amazon Checkout, and Google Wallet have spoiled us into enjoying a wonderful retail experience, free of form friction. The continued rate of adoption for those services by retailers has eased the purchase experience and will continue to do that in the retail holiday season. Those retailers who actually think about the mobile experience, from cart to completion, will earn a larger share and the adoption of these larger payment gateway systems may ease checkout angst.

A hand holding a credit card over a laptop keyboard, with several wrapped gifts in the background. The gifts are wrapped in various patterns and colors, including stripes and polka dots. A geometric wireframe pattern is overlaid on the top left of the image.

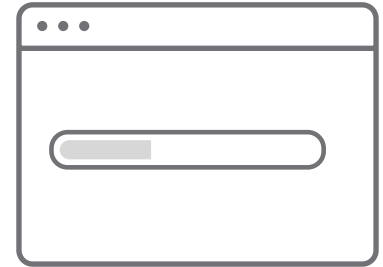
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## 2. Continued impatience with slow sites

First it was a mobile friendly experience, then an offshoot of that was responsive, then it was the app economy, now it is Google's AMP project, but the reality is that consumers just want the online shopping experience to be faster. According to Google, **40% of mobile visits end if it takes longer than 3 seconds** for a page to load. Coupled with the fact that the average webpage in the US loads in 24 seconds on mobile and we have a recipe for poor conversion rates.

With this fact comes a chasm in most web experiences. We have the quest for aesthetics competing against a fast, simplistic experience. Designers would prefer a beautiful design, while consumers adopted apps for their simplicity, ease of completion, and speed to access.

CMOs and digital marketing leaders should utilize resources such as Google's PageSpeed Insights Tool, WebpageTest.org, and Pingdom.com to dig into the speed of pages within your cart (why don't people ever check these? They are your most valuable pages) to understand what resources, third party scripts, and other elements are causing latency and work to optimize those elements before the holiday season.



# 40%

of shoppers will wait no more than three seconds before abandoning a retail or travel site

## 3. The eradication of silo shopping experiences

While consumers were adopting new devices for browsing and conversion, there were clear silos being built for various experiences. According to data from **Adobe**, mobile tended to be the browsing medium, accounting for over 50% of browsing behavior, yet only accounting for 30% of conversions in 2016. Historically, holiday retail purchase also reached the pinnacle on Black Friday and Cyber Monday, but consumers appear to be **moving away from those lighthouse days** to make purchases, choosing to extend their holiday shopping behavior well before and after these flagship events.

What used to be Black Friday has become what many are calling Black November.

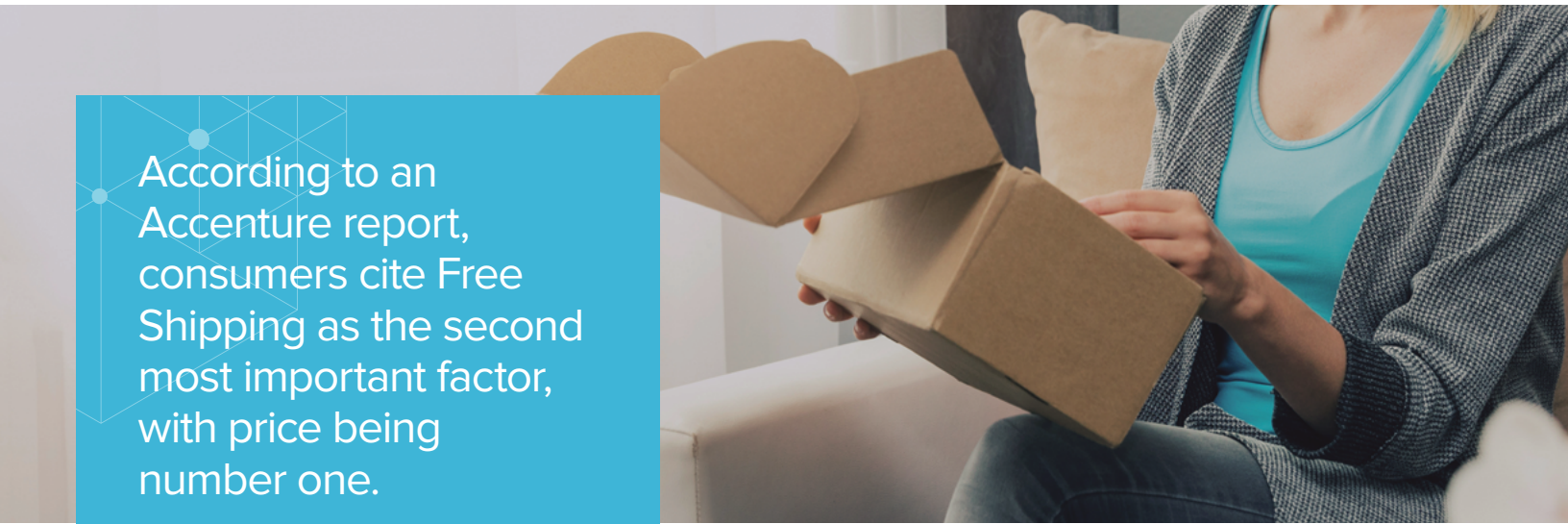
Shopping for the holiday season can be and will be everywhere, free from a silo experience. Consumers may initiate purchase on the medium that invokes discovery, provides them the most pleasurable experience, and provides a benefit array at parity with other mediums.



## 4. The role of voice

2017 may mark the first year in which voice search plays a significant role in consumer purchase behavior. In-home devices such as Amazon Echo and [Google Home](#) have already morphed consumer's behavior relative to asking particular questions, so this migration over to shopping behavior is the inevitable next step. Even Google highlighted a statistic that 20% of mobile searches are voice searches, and this number was from 2016! There were zero voice

searches in 2014 and 50 million a month in 2015. The voice search adoption is showcasing incredible growth. With voice search behavior, remember that everything lies in the long tail. Voice searches are generally longer than desktop searches, due to their [conversational nature](#) and the fact that without typing, we tend to be more verbose and specific with our requests. We do not just want shoes, but shoes that match our size, gender, and specific use case.



According to an [Accenture](#) report, consumers cite Free Shipping as the second most important factor, with price being number one.

## 5. Free Shipping has become table stakes

Remember when Free Shipping was the biggest draw to a purchase? That was so 2015. Consumer expectations of shipping have evolved from Free Shipping meaning a benefit that comes with a 'price' (felt in the length of time in which you waited for the product), and with Amazon, Walmart and other retailers offering free shipping with 2 or less day delivery times, this has commoditized the shipping experience.

According to an [Accenture](#) report, consumers cite Free Shipping as the second most important factor, with price being number one. While many retailers look at this as a win for those offering 'slow' free shipping, they are missing the [Deloitte study from 2016](#) that stated

only 42% of consumers feel 3-4 day shipping is fast; citing 83% of consumers consider 'fast' shipping 2 days or less.

If retailers are unable to offer Free Shipping that has a 3-5 day (or worse) delivery time, this isn't a non-starter. Clearly highlight the additional value that you are providing, such as exemplary service, free returns, free or low-cost lifetime repairs (Patagonia), or inclusion of free samples (BodyBuilding.com). Consumers may be willing to wait for the product or even pay for shipping if they know they are receiving some form of value from the transaction, unavailable from their retail counterparts.

## 6. The increased demand for personalization

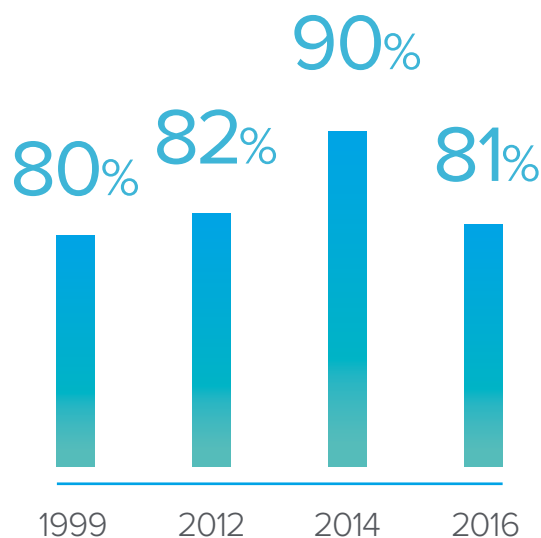
As consumers, we really love our phones and other devices. We have a personal connection to them (they are indeed tethered to us at all times) and with that personal connection comes an inherent requirement for personalized results. This quest for personalized results with our phone is also building on our subliminal interest in the apps, browsers, and device knowing more about us. While consumers scream for privacy, their actions online speak otherwise as a study from [Deloitte](#) points out. With less than 10% of all clicks making it to the second page of search, consumers expect search engines, apps, and browsers to get it right, the first time.

This increased interest in personalization should be included in your marketing strategy. If you have first party data of a consumer, use it, but do not be relegated to the inbox. Email addresses are the definition of permission marketing, so use that permission wisely, without abuse. If a consumer has purchased from you in the past, use that knowledge to personalize their experience. Send relative items, complimentary items, or just reward their loyalty with an exclusive sale or offer. Being an avid fitness geek, sneakers are a common

purchase of mine. Also being loyal to New Balance, [Joe's New Balance Outlet](#) does a great job of offering 'insider' sales in which loyalists like me are able to see offers on select styles not offered to the general public. This continues my loyalty with Joe's.

A word of caution... please take your personalization through the rigors of review. All too often, we are sent an email, message, SMS, etc. in which the name is wrong, or worse, it includes the infamous Hello [Customer Name], which is the bastardization of consumer loyalty.

If a consumer has purchased from you in the past, use that knowledge to personalize their experience.



Percentage of surveyed US consumers that agreed or strongly agreed with the statement, "Consumers have lost control over how personal information is collected and used by companies."



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## 7. The endless shelf leveling the retail playing field

With an increasing share of holiday retail commerce happening online ([estimates](#) predict an increase of 15% during 2017 holiday season), coupled with the fact that 76% of consumers plan to browse online and purchase in store, leaves a significant opportunity to earn their sale prior to a retail experience. Much of this hinges on the inherent benefits that ecommerce presents, especially as it relates to product mix and selection. The endless shelf of ecommerce, paired with the convenience of the online purchase experience, allows online-only retailers the opportunity to capture share of wallet. Consumer's interests are continuously shifting from the products generally available in retail to the uniqueness of online and to up and coming brands not yet available in retail. Additionally, many brands are choosing to start online, prior to making a retail leap. Brands like BH Cosmetics, Warby Parker, Bonobos, and others chose to start online and then create a retail experience once they have built and

nurtured a hoard of loyal consumers. The endless shelf of retail provides this opportunity. If you are looking to capture consumer's share of wallet on ecommerce while they are browsing, then you need to ensure your search and Amazon marketing strategies are sound. Ranking for top of funnel queries on organic search, or bidding on those queries for SEM isn't necessarily the best methodology. Choosing to look towards niche, artisan, and hot consumer trends and targeting those queries could provide you the deep browsing consumer, eyeing that serendipitous needle in a haystack product that retail can't provide. However, you need to understand that the share of consumer's attention and wallet remains a top priority for online retailers, so competition will be fierce for the high volume and top of funnel queries. This provides you a unique opportunity to earn clicks and share for longer tail queries (especially with voice being in the mix in 2017).

## 8. Trial of premium brands will be dictated by value, unless purely gifting

According to Scott Galloway from [L2](#), the amount of people who can name their favorite luxury brand has declined 20-30% in the past 5 years. Add in the fact that luxury stores such as Michael Kors, Nordstrom, and others are closing stores at an alarming rate and you have a difficult time for luxury and premium brands. This shouldn't mark the apocalypse for premium brands, as consumers still have a discerning interest in premium goods, but are looking for value, especially for their initial purchase. According to study from [Deloitte](#) relative to consumer's interest in luxury goods amongst millennials, consumers are most interested in quality products, but feel the label 'luxury' means 'overpriced.' Luxury doesn't have to equal luxury in the traditional sense, and should be more towards showcasing the greatest value for a consumer. Take luxury brand Burberry, who crea-

ted an omnichannel experience in which consumers can select various items online and try them on in retail, with a personalized experience. Other brands such as White House Black Market provide a similar 'tailored' experience for those shopping in their stores, offering them a 'premium' experience unavailable on the 2D world of the web. However, with such strong in-store experiences, e-commerce must be priority number one for luxury retailers this holiday season, especially coupled with personalized experiences and activating previous customers (see earlier trends for more details).

The lone exception to this rule could be with gifting, where consumers are more inclined to upgrade to the premium brands, potentially to showcase vanity over value.

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## 9. Influencers vs. Mass Marketing

While influencer marketing has been the buzzword of 2016 and 2017, the impact that these influencers have on purchase is no secret. Whether a micro-influencer or a big budget influencer with reach larger than even the priciest of TV buy, employing Influencer Marketing into your marketing mix should already be a foregone conclusion. For example, Fox's hit show *Empire* debuted to over 9 million users, reaching the highest number it has ever have and

according to AdAge, is the most expensive non-Sports TV buy, coming in at over \$400k a spot. Compare that to YouTube influencers, such as Jenna Marbles, who have over 17 million subscribers and produces videos that routinely earn over 20 million views, of which have lasting impact well past that specific episode. Also remember the time-shifting of consumer's interest and how on-demand ads are different than first run ads.



## 10. Cyber Week 2.0

While Black Friday and Cyber Monday are the lighthouse moments to earn the largest share of retail purchases, the rise of gift cards is created a second Cyber Week; the week between Christmas and New Year. Citing the same Accenture study from earlier, 71% of consumers plan to purchase gift cards this holiday season and since gift cards are generally given around Christmas, consumers are more inclined to redeem those gift cards immediately after Christmas.

Now the actual sale (as in dollars) will happen when the gift card is purchased, this Cyber Week 2.0 is the perfect opportunity for retailers to use consumer attention to promote upsells, add-on items, and start to establish loyalty, especially if the gifter upgrades to a premium brand.

Retail marketers should employ tactics such as remarketing, point of purchase upsells/recommendations, as well as add-on items based upon the upcoming balance the consumer will have on the card.

## 11. Amazon Entering the Google Shopping Market for the full holiday season

After spending almost 5 years absent from Google Shopping ads, Amazon made a surprise entrance into the Shopping auction the week of Christmas 2016, surprising many online retailers. With 2017 on the horizon, many estimate that Amazon will start much earlier with their Google Shopping entrance, meaning costs may be impacted.

With so much change happening in the months leading up to the 2017 retail season, retail digital marketers have an increasing challenge to show year over year growth, without destroying their budgets. As you plan for the post mortem period in January, think about your 2018 goals. Our team begins to plan for the Holiday season very early with our clients and with a constant ear to the ground, we are able to identify trends to keep your ROI in the black.

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