

SALSIFY | Report

2021 HOLIDAY SHOPPING TREND PREDICTIONS

WHAT TO EXPECT THIS HOLIDAY SEASON
— **AND HOW TO PREPARE**



WHAT'S INSIDE?

- Start Prepping for the Holidays.....3
- How Shopping Patterns Have Changed: A Vertical Breakdown.....4-5
- Holiday Commerce Trends on the Rise.....6-7
- Holiday Commerce Trends on the Decline.....8-9
- How Brands Can Prepare for Holiday Shopping Trends.....10-12
- Build a Winning Holiday Strategy With CommerceXM.....12



START PREPPING FOR THE HOLIDAYS

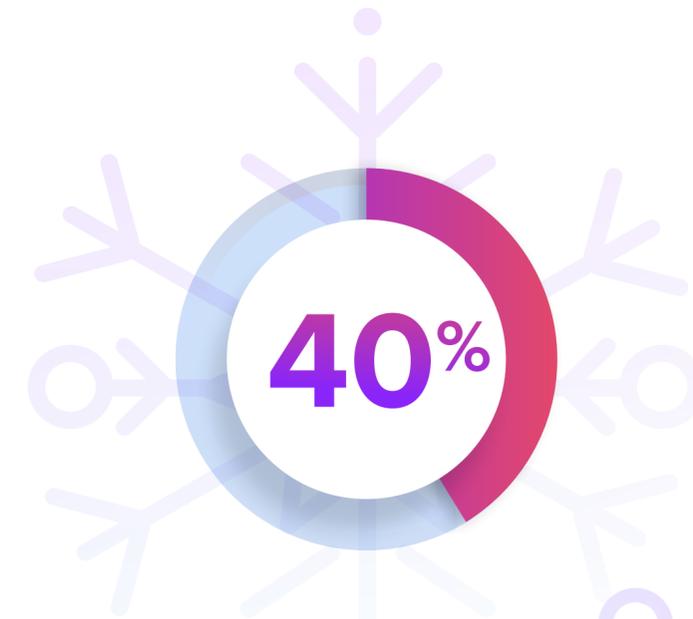
The retail world has seen more rapid and significant changes in 2020 than ever before. Most notably, nearly every retail sector experienced massive upticks in online sales.

In 2020, 40% of U.S. consumers relied on online shopping, according to research from the Salsify “Consumer Research Report 2021.” To quantify this, consumers spent over \$861 billion online with U.S. merchants alone in 2020.

This number represents a 44% year-over-year increase — and the most significant year-over-year jump for U.S. retail sales ever recorded, according to [Digital Commerce 360](#).

With critical stay-at-home orders and stores shuttering doors, it makes sense why online sales skyrocketed. What’s especially interesting, however, is that 43% of consumers report they expect to continue to shop more online instead of returning to pre-pandemic shopping behaviors.

If brands want to capture consumers’ attention this holiday shopping season, it’s critical to stay informed on the most recent shopping trend predictions and plan accordingly. This guide will look at holiday shopping trend predictions and what brands can do to prepare for changes.



In 2020, **40% of U.S. consumers** relied on online shopping.



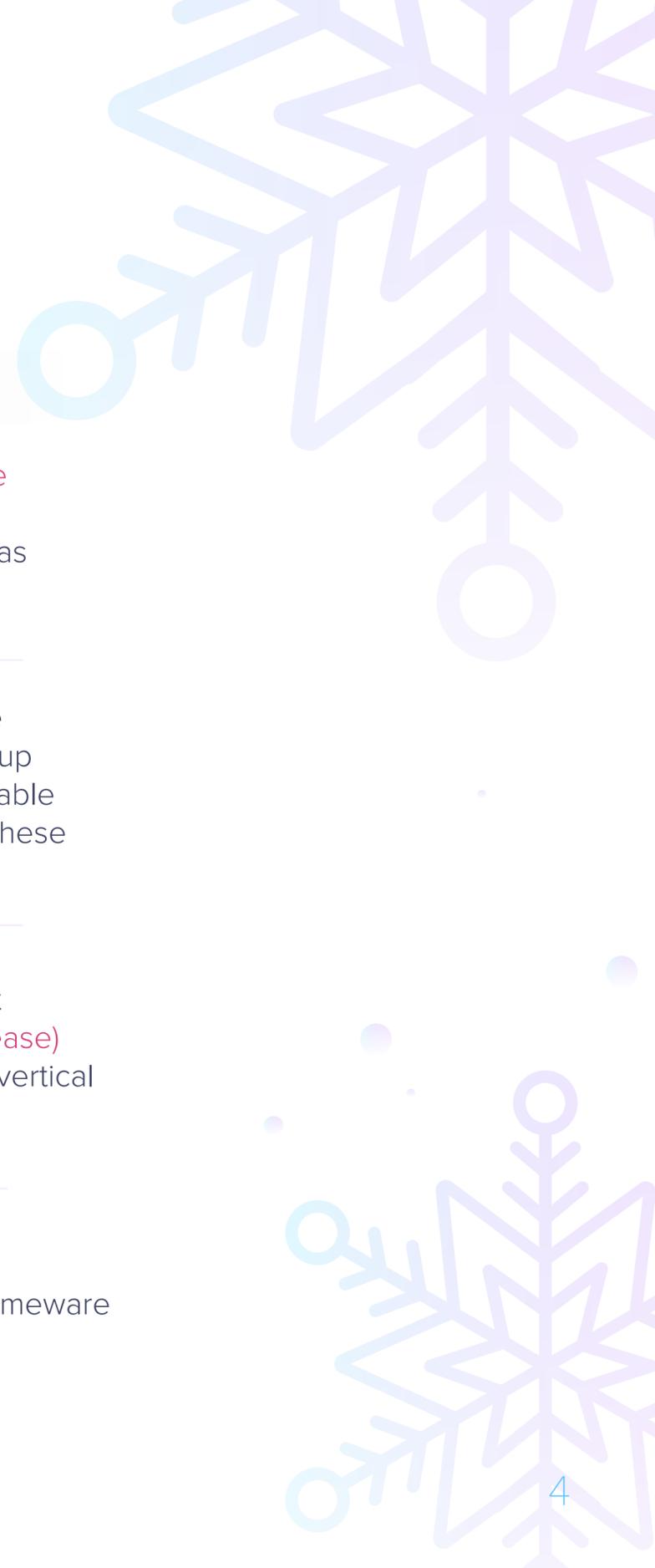
Consumers spent over **\$861 billion online** with U.S. merchants alone in 2020.



HOW SHOPPING PATTERNS HAVE CHANGED: A VERTICAL BREAKDOWN

While ecommerce is booming overall, not every industry has experienced equal success, and trends vary across verticals. Here’s a look at some of the most notable shopping changes across verticals.

Product Category	2020 Shopping Patterns		
Consumer Goods	Shoppers purchasing priorities shifted dramatically in 2020, and consumer goods brands felt the impact.		The year 2020 saw the first fall in the personal consumption of goods and services since 2010. Consumption was down over 11% year-over-year.
Food and Beverage	Digital shopping options like buy online, pick up in store (BOPIS), same-day delivery, and curbside pick-up grew in 2020 overall and during the holiday shopping season.		Eighty-five percent of shoppers have increased their use of curbside pick-up since the pandemic started. It’s probable that consumers will continue to use these services beyond 2021.
Home Improvement	In 2020, people didn’t stop engaging in their favorite activities. They simply moved them from outside to a private in-home environment. As such, sales grew for equipment related to in-home offices, gyms, and hangout spaces.		Hardware, in particular, saw the most significant year-over-year (137% increase) order count growth out of any other vertical in 2020.
Furniture and Home Goods	Global ecommerce web traffic for homeware spiked 318% in Q2 of 2020 as two-thirds of adults shopped online for their homes at least once a month during the year.		Global ecommerce web traffic for homeware spiked 318% in Q2 of 2020



Product Category	2020 Shopping Patterns	
<p>Electronics</p>	<p>Working from home is projected to continue, resulting in continued demand for tech and electronics that facilitate the work-from-home environment.</p> <p>Gaming is also still growing, and the industry is seeing boosts in sales for equipment like VR headsets. The 2020 Evolution of Entertainment report shows video game engagement in the U.S. grew significantly in 2020, and the number of consumers playing video games in the U.S. increased to 79%.</p>	 <p>The number of consumers playing video games in the U.S. increased to 79%.</p>
<p>Sports and Outdoor</p>	<p>Home improvement wasn't the only vertical to see significant boosts in sales. Sporting goods saw an 85% order count growth year-over-year and page view growth on par at 84%.</p> <p>Retail tracking data from NPD shows outdoor equipment sales grew significantly in the second half of 2020.</p>	 <p>Sporting goods saw an 85% order count growth year-over-year</p>
<p>Fashion and Apparel</p>	<p>Traditional retail fashion sales numbers declined in 2020. However, direct-to-consumer (D2C) alternatives that focus on niche products and sustainability had a strong 2020.</p> <p>Four of the top 10 fastest-growing brands in terms of website traffic were niche fashion and apparel brands: Cubcoats, For Days, Hari Mari, and Draper James.</p> <p>Consumer demand for sustainable business practices is also garnering ongoing attention. Stats show that 52% of consumers want retailers to prioritize sustainability.</p>	 <p>Stats show that 52% of consumers want retailers to prioritize sustainability.</p>
<p>Personal Care and Beauty</p>	<p>The beauty vertical is up from \$483 billion in 2020 to \$511 billion in 2021, with an annual compounded growth rate of 4.75% worldwide. There are no signs of this growth projection slowing down.</p> <p>More consumers are buying on social channels than ever before, and consumers are willing to pay more for high-quality products. Retention is also up as second-time buyers increased by 125% in the beauty category.</p>	 <p>Retention is also up as second-time buyers increased by 125% in the beauty category.</p>





HOLIDAY **COMMERCE TRENDS** ON THE RISE

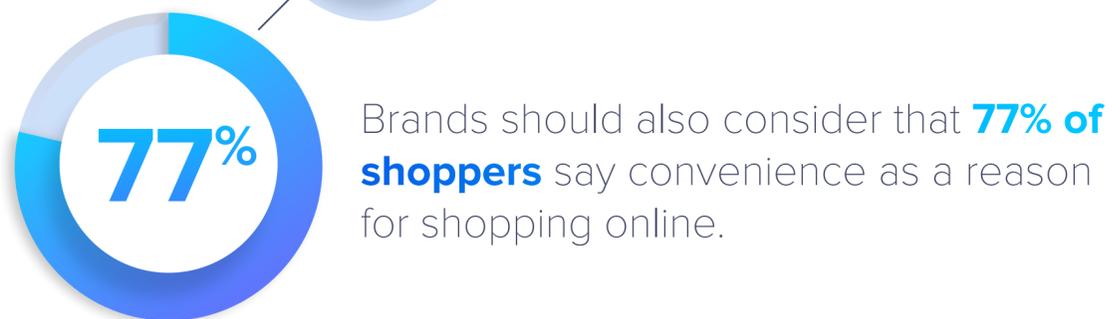
ONLINE COMMERCE WILL EXPERIENCE CONTINUED AND COMPOUNDED GROWTH

Research shows that ecommerce will continue to thrive throughout the holidays and beyond — even as the world returns to normal. **Seventy-three percent of Americans** recently said they would continue using the new purchasing channels and brands they've discovered in 2021.

Research by **eMarketer** shows that ecommerce grew by over 32% in 2020, and they predict a compound annual growth rate (CAGR) between 2020 and 2021 of 16.8%, which is higher than the 14.1% CAGR from the preceding two-year period.

Mobile commerce is rising too, to the tune of growth rates of nearly 27% between **2020 and 2025**. As more brands offer convenient mobile payments (e.g., Paypal, Apple Pay, Amazon Pay, etc.), mobile commerce will grow.

Social commerce is another market trending upwards as it is poised to **grow by \$2,051 billion** during 2020-2024, progressing at a compound annual growth rate of almost 31%. Brands that offer convenient purchasing options across online channels will win out this holiday season.



ONLINE SHOPPERS WILL COMPARE PRICES AND LOOK FOR BARGAIN BUYS DURING THE HOLIDAYS

Another trend that will continue through the 2021 holidays is the widespread consumer habit of looking for good deals. Nearly half of shoppers compared prices online across several retailers before purchasing in the last three months.

The 2020 Holiday Shopping Trends survey reported that **41% of respondents** said they used a holiday discount. Another survey had consistent results, as **44% of respondents** said they searched for a special deal during Black Friday.

Some reports show that **74% of consumers** actually don't prefer buying via a mobile device or tablet but would purchase from their mobile device to redeem a discount. This particular data story offers clear insight. As brands prepare for the holiday season, it's essential to offer holiday discounts.

\$2,051^B

Social commerce is another market trending upwards as it is poised to grow by **\$2,051 billion during 2020-2024**

CONSUMERS WILL LOOK FOR CONVENIENT SHOPPING OPTIONS DURING A HECTIC HOLIDAY SEASON

As we get closer to the holiday season, consumers say they still prefer to avoid crowded shopping areas. In a recent report, **49% of respondents** said they would shop for holiday gifts online to avoid crowds, traffic, and cramped parking lots.

That same report found that 75% of respondents purchased at least half of their holiday purchases online, and 16% bought all holiday gifts online.

In 2021, brands should also consider that 77% of shoppers say convenience as a reason for shopping online. This shift translates to easy payment options, buy now and pay later, **BIPOS**, and subscription services.



HOLIDAY **COMMERCE TRENDS** ON THE DECLINE ▼



SALSIFY

SHOPPING PRIORITIES **MAY SHIFT DURING HOLIDAYS** — AND THROUGHOUT THE REST OF THE YEAR

The pandemic created a massive change in shopping priorities, and we may see new shifts as people return to the office and socialize more. Increased opportunities to meet with people may spike demand for apparel, footwear, beauty, and hygiene products.

Recent research supports this prediction. For example, while footwear and apparel experienced a hit in 2020, stats show this vertical the highest consumer purchasing intent looking forward.

OLDER CONSUMERS MAY PURCHASE LESS ONLINE AND RETURN TO BRICK-AND-MORTAR SHOPPING EXPERIENCES

In 2020, consumers aged 65 and over quickly adopted online purchasing for groceries and merchandise. When comparing the numbers from the same period in 2019 and 2020, data showed a 10% rise in online purchases, making consumers over 65 the fastest-growing group regarding online spending.

While older consumers started shopping online, this trend may decline. Instead, we may see these older consumers return to their preferred brick-and-mortar shopping locations.

PHYSICAL STORES **WON'T LOOK THE SAME, AND WILL CONTINUE TO EVOLVE**

As consumers return to in-person shopping, their expectations will have shifted. For one, consumers are now used to same-day delivery, BIPOS, and curbside pick-up. As a result, retailers that want to stay ahead of the curve may need to cater to this consumer demand for convenience.

People also may have higher expectations for safe shopping experiences. Retailers will need to continue emphasizing customer safety with contactless purchases, sanitized and clean shopping environments, and maybe even continued social distancing until customers feel more comfortable.

As people quarantined, consumers also relied on social media platforms like TikTok and Instagram to interact with friends, brands, and influencers. In some ways, the “Creator Economy Renaissance” was born from the isolation of 2020. But as consumers re-engage with brands in person, the newfound love for content creators and social influencers is not going anywhere.

Brands that create immersive shopping experiences and incorporate digital strategy into in-house shopping experiences will win this holiday season.

“ consumers are now used to same-day delivery, BIPOS, and curbside pick-up. **As a result, retailers that want to stay ahead of the curve may need to cater to this consumer demand** for convenience. ”



HOW BRANDS CAN **PREPARE** FOR **HOLIDAY SHOPPING TRENDS**

Learning about upcoming shopping trends is the first step in creating an outstanding holiday ecommerce strategy. The next step is taking action to align your brand with those trends.



FOCUS ON BUILDING CONSUMER TRUST

Rapid ecommerce growth translates to increased competition across all verticals. But even if there is more competition, it doesn't mean your sales have to decrease: 86% of consumers report they will spend more money with a brand they trust.

This holiday season, focus on fostering trust.

- **Be comprehensive and transparent on your product pages:** Take the time to flesh out your product content, unify your message across the digital shelf, preemptively answer consumer questions, and incorporate reviews.
- **Give your customers enhanced content:** Enhanced content includes things like gorgeous images, 360-degree image views, comparison charts, and more. When you offer complete and detailed product content, consumers know what they are getting.

What's more, enhanced content can boost conversions by an average of between 10%-36% across product categories, according to internal Salsify data.

- **Highlight your products' quality:** Forty percent of consumers say high-quality ingredients, materials, and craftsmanship make them trust a brand. Communicate how your products are made, what they are made of, and your sustainable business practices across the digital shelf.



Eighty-six percent of consumers report they will spend more money with a brand they trust.



Forty percent of shoppers reported that high-quality images and detailed product descriptions were among the top three reasons they trust an online product.

OPTIMIZE THE ONLINE PRODUCT SHOPPING EXPERIENCE

Convenience is key to winning over holiday shoppers. It's critical to try and mimic real-life shopping experiences. In other words, optimize your digital product shelves.

Here's how to create a better online product shopping experience.

- **INCLUDE ROBUST DIGITAL INFORMATION.**



Eighty-six percent of shoppers say they rely on digital information while shopping.



Thirty-one percent of shoppers say that **not providing enough details** is the number one reason they don't make a purchase.

If you want to make more sales this holiday, give your consumers as much relevant detail as possible.

- **PERSONALIZE THE SHOPPING EXPERIENCE.**



Fifty-one percent of shoppers say they are **very likely to buy** when there are personally relevant reviews, images, videos, and text.

- **FOCUS YOUR ATTENTION ON IMAGES AND PRODUCT DESCRIPTIONS.**



Forty-five percent of shoppers reported that **high-quality images and detailed product descriptions** were among the **top three reasons** they trust an online product. If you have to focus your efforts on one area, focus on creating enhanced content.



CREATE A SEAMLESS OMNICHANNEL SHOPPING EXPERIENCE

It's tempting to focus all energies on ecommerce during the holiday season. Still, it's critical to remember some of the best performing online brands also have brick-and-mortar stores, according to [Bluecore](#).

Successful brands will focus on offering a seamless omnichannel shopping experience.

- **Streamline all shopping experiences:** Customers love convenience, no matter where or how they prefer to shop. Make online shopping, BIPOS, and same-day shipping equally accessible across shopping touchpoints.
- **Create innovative ways for brands and shoppers to interact across channels:** Consumers will visit you online, via your mobile app, on social media, and in-store. Consider cross-promoting customer experiences across channels. For example, create a holiday-themed area in your store where users can take a picture and share a branded hashtag.
- **Start a flexible rewards program:** A customer loyalty program is a stellar way to encourage customers to engage with you on various platforms. Consider linking a member's reward number that is equally accessible on your website, app, and in your store.



BUILD A WINNING HOLIDAY STRATEGY WITH COMMERCEXM

For brands, the holiday season is already upon us. Consumers are gearing up to make more purchases. Now is the time for brands to start their ecommerce strategy and optimize their product information across the digital shelf.

Request a guided demo of Salsify Commerce Experience Management (CommerceXM) for help with your ecommerce strategy this holiday season.

[Request Demo](#)

