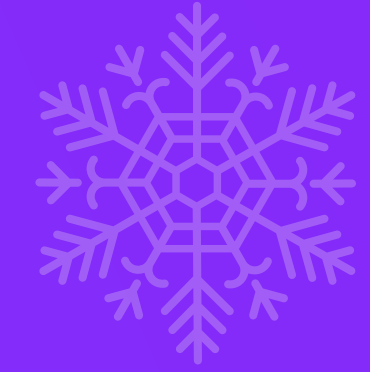


SALSIFY

REPORT

2023 HOLIDAY SHOPPING TREND PREDICTIONS

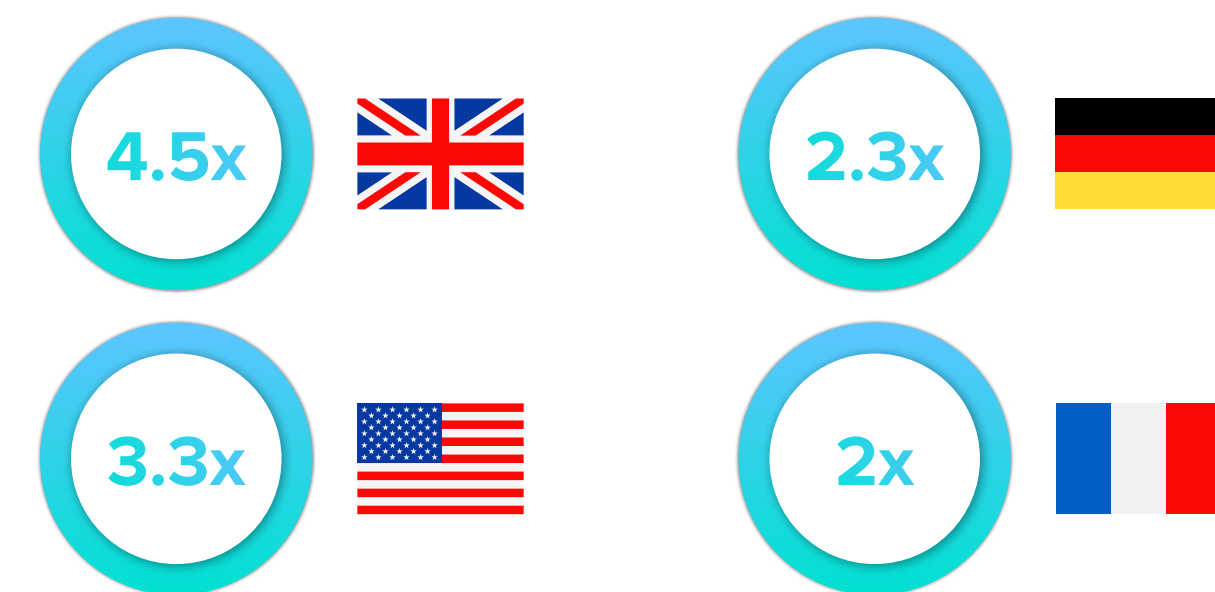
How Brands and Retailers Can Meet — and Exceed — New
Consumer Expectations This Holiday Season



START PREPPING FOR THE HOLIDAYS

During the first year of the pandemic — as retail stores shut their doors and consumers turned to online shopping — global ecommerce retail numbers skyrocketed.

Ecommerce retail sales grew by the following year-over-year (YoY), according to **McKinsey & Company**:



But in 2021 and 2022, **global consumers took more complex, nonlinear shopping journeys**, using multiple digital touch points before making purchases, according to Salsify consumer research.

For the past two years, the ecommerce and retail sectors have been grappling with another curveball that heavily impacts consumer shopping patterns: inflation. **The International Monetary Fund** is forecasting a global economic growth rate of 2.7% and a 6.5% inflation rate for 2023. As a result, global consumers are predicted to tighten their spending this holiday season, research products more heavily across the digital shelf, and give their loyalty to ecommerce retailers with the best discounts and highest-quality products.

Despite inflation and more careful spending, 43% of global consumers still plan to increase shopping online in the upcoming months, according to the global consumer survey from **PwC**. As brands and retailers move into the summer, now is the time to start planning for holiday promotions and sales.

The following report offers insights on current consumer and commerce trends, as well as tips for brands and retailers as they prepare for the 2023 holiday shopping season.





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HOW GLOBAL SHOPPING PATTERNS HAVE CHANGED:

While overall ecommerce and retail sales continue to rise — albeit at slower rates than in previous years — not every shopping vertical is seeing equal growth, and some verticals have been hit harder by inflation than others. Here’s a closer look at this year’s top trends for some of the most popular holiday shopping verticals.

1. Alcohol

The U.S. and Europe have seen increased alcohol purchases since the pandemic, with an 8.8% expected annual growth rate in the U.S. and a 9.81% expected annual growth rate in Europe through 2025, according to research from advertising agency Snipp.

While the pandemic is slowing down, at-home cocktail-making certainly isn’t. Consumers are showing an increased demand for ready-to-drink (RTD) alcoholic beverages, as evidenced by the 42.3% growth in the RTD category in the U.S. alone, according to Snipp.

Consumers in the U.S. are spending more on premium alcohol as well. Snipp reports that almost 82% of the U.S. spirits industry’s total revenue increase was from high-end spirits brands. European consumers, on the other hand, are shopping for value and waiting for their favorite brands to discount products before buying.



Expected annual growth rate for alcohol in the U.S. through 2025.



Expected annual growth rate for alcohol in Europe through 2025.

Source: Snipp

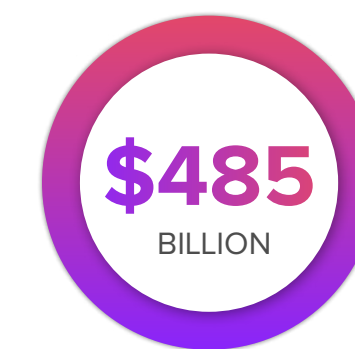
2. Food and Beverage

According to a global food and drink trend report from market research company Mintel, high energy costs significantly impacted consumers in 2022. As such, global consumers are motivated to buy products that use less energy to store or make, and brands can respond to this trend by including instructions on making meals with energy-saving devices like microwaves and air fryers.

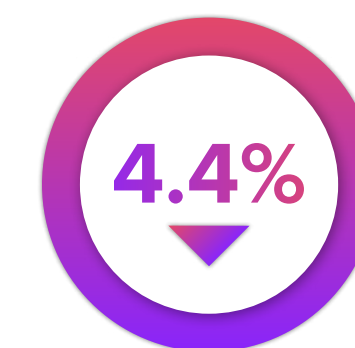
Additionally, consumers are becoming more interested in food and beverage products that claim to nourish the mind and body. Expect to see increased consumer interest in products with brain-boosting ingredients like nootropics, caffeine, plants, and legumes.

3. Electronics

Due to the recession, the electronics industry is seeing a decline in sales.



In the U.S. tech retail sector, this year’s \$485 billion in total revenue marks a 2.4% decline from last year, according to Barron’s.



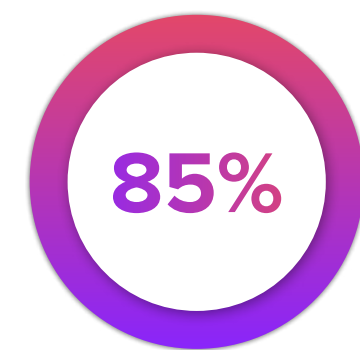
Gartner predicts worldwide shipments of devices will decline 4.4% in 2023 to a total of 1.7 billion units. Supply chain issues are resolving in China, however, which will be a boon to the global electronics market.

Fashion and Apparel

The Business of Fashion and [McKinsey & Company](#) “The State of Fashion 2023: Resilience in the Face of Uncertainty” report reveals that 85% of fashion executives anticipate that inflation will challenge the global fashion industry, while 58% believe geopolitical tensions, particularly the ongoing war in Ukraine, will weaken it.

[McKinsey & Company](#) forecasts a 5% to 10% growth in global luxury fashion sales and a 2% to 3% decline for the rest of the industry in 2023. Regional differences will be pronounced, as well, with the U.S. economy remaining more robust than other major global economies, such as China and Europe.

The report also highlights the fluid fashion trend, which involves blurring the lines between menswear and womenswear. Brands and retailers that rethink their product design, marketing strategies, and in-store and digital shopping experiences to cater to this shift in consumer preference will win this year.



85% of fashion executives anticipate that inflation will challenge the global fashion industry

Source: McKinsey & Company

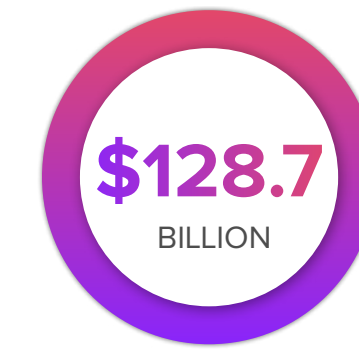
Furniture

Data from [Statista](#) shows that, despite inflation, sales in the global furniture ecommerce industry are still on the rise. By 2030, the worldwide furniture ecommerce market is projected to reach \$41 billion.

While sales are growing, ecommerce leaders and retailers are innovating to reach a more tech-savvy consumer market. Many are moving beyond 2D ecommerce, for example, to optimize furniture product pages with 3D visuals and augmented reality (AR).

Home Goods

Despite a slight decline during the pandemic, home goods, decor, and appliance sales are on the rise.

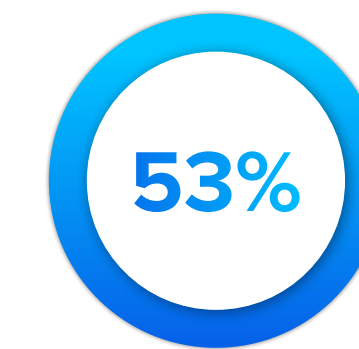


Data from Statista shows that global revenue for the home goods segment will reach \$128.7 billion in 2023, and it's expected to grow annually by 5.33% through 2027.

Personal Care and Beauty

When it comes to beauty and personal care, consumers want not only excellent results but also scientifically effective product ingredients. According to market research company [Intel](#), 53% of U.S. beauty product users research ingredients to better understand the effectiveness of products.

Consumers also want customized solutions. Thirty-four percent of U.K. skincare users said they would be interested in using formulas personalized to their unique needs, according to Intel's report.. Expect more beauty ecommerce businesses and retailers to optimize content with personalization in mind.



53% of U.S. beauty product users research ingredients to better understand the effectiveness of products

Source: Intel

Sports and Outdoor

Sporting goods companies have been some of the largest victims of global economic turmoil. There's been a 40% net decline in consumers' intent to purchase sporting goods items, according to global sporting goods report from The World Federation of Sporting Goods Industry (WFSGI) and [McKinsey & Company](#).



To quantify this further, **more than 50% of consumers** said they will buy fewer sports items, and 20% will trade down to less-expensive brands. E-bikes, however, are the one sporting item that's seeing an increase in sales.

Source: McKinsey & Company.

Home Improvement

Despite consumers getting out of the house more in recent months, they're still spending on home improvement and remodeling projects.

The global home improvement services market report from [The Business Research Company](#) found that the global home improvement vertical is projected to grow from \$324.8 billion in 2022 to \$343.8 billion in 2023, at a compound annual growth rate of more than 5%.

The same report predicts that spending will only increase over the next five years, as the market is expected to grow to \$423.9 billion in 2027.

GLOBAL HOME IMPROVEMENT SPENDING



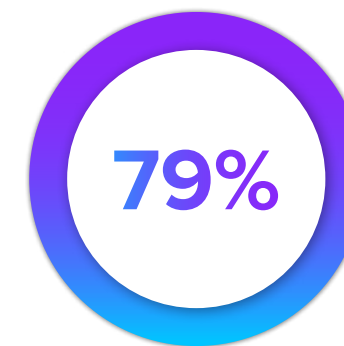
Source: The Business Research Company

Toy and Baby

After meeting with hundreds of global toy companies, researchers from [The Toy Association](#) found that 79% of parents view play as an important form of self-care — and 77% of parents used toys during the pandemic to help children learn.

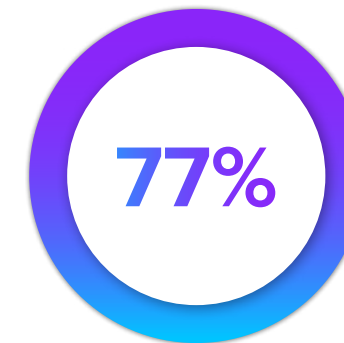
Yet, while parents are still prioritizing play, the toy and baby verticals have also been impacted by inflation. The Salsify "[2023 Consumer Research](#)" report found that 71% of global consumers are buying store-brand toys and games in an effort to save money.

Parents may be opting for cheaper toy and baby products, but new data from market research company [NDP Group](#) also shows an increase in purchases from "kidults" — teenage and adult consumers who enjoy toys and games — providing toymakers with a new demographic for growth and product innovation.



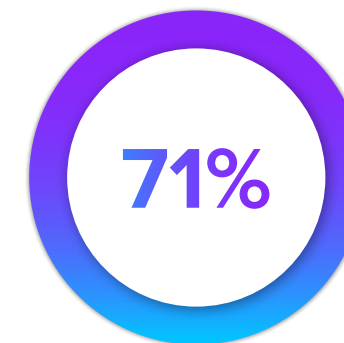
79% of parents view play as an important form of self-care

Source: The Toy Association



77% of parents used toys during the pandemic to help children learn

Source: The Toy Association



71% of global consumers are buying store-brand toys and games in an effort to save money

Source: Salsify "2023 Consumer Research Report"

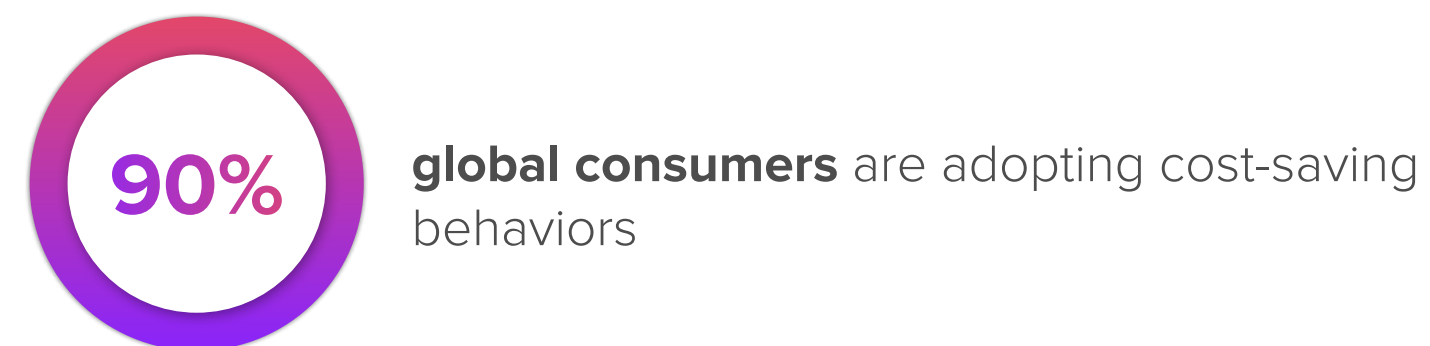
SHOPPING TRENDS ON THE RISE IN 2023

The 6.5% global inflation rate is driving nearly every aspect of consumer shopping trends this holiday season. In fact, 96% of consumers say that rising costs influence how they shop, according to Salsify's post-pandemic report.

Here's a look at some of the most essential shopping trends that brands and retailers should consider while preparing for the upcoming holiday season.

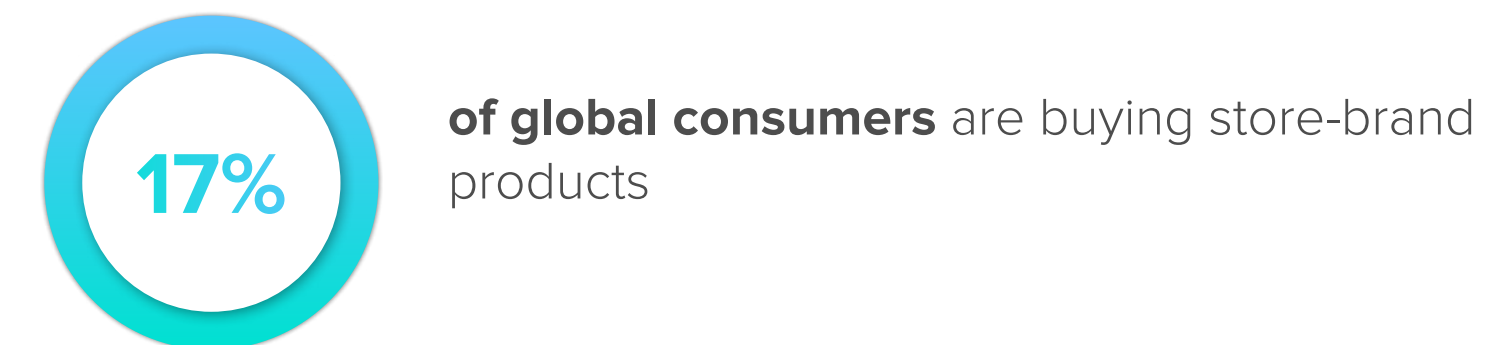
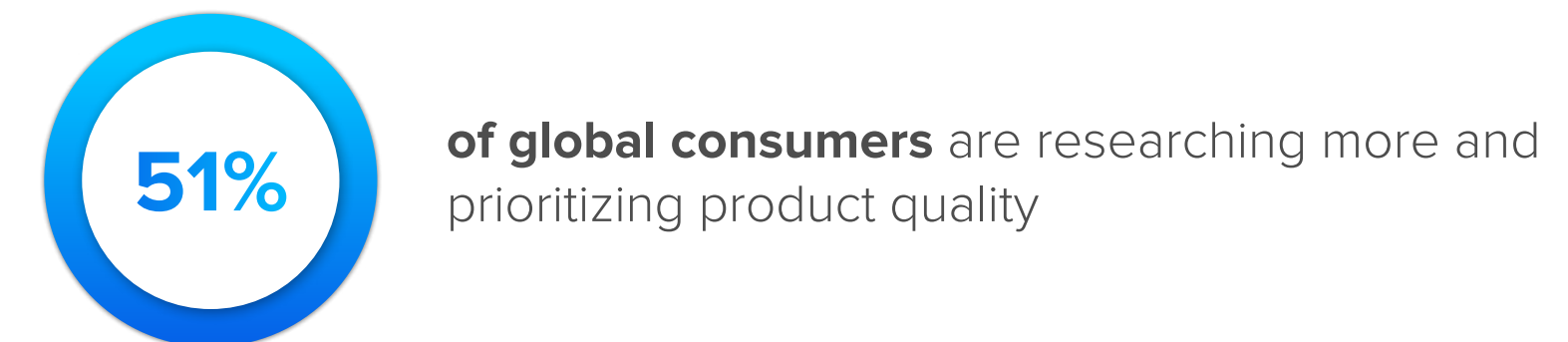
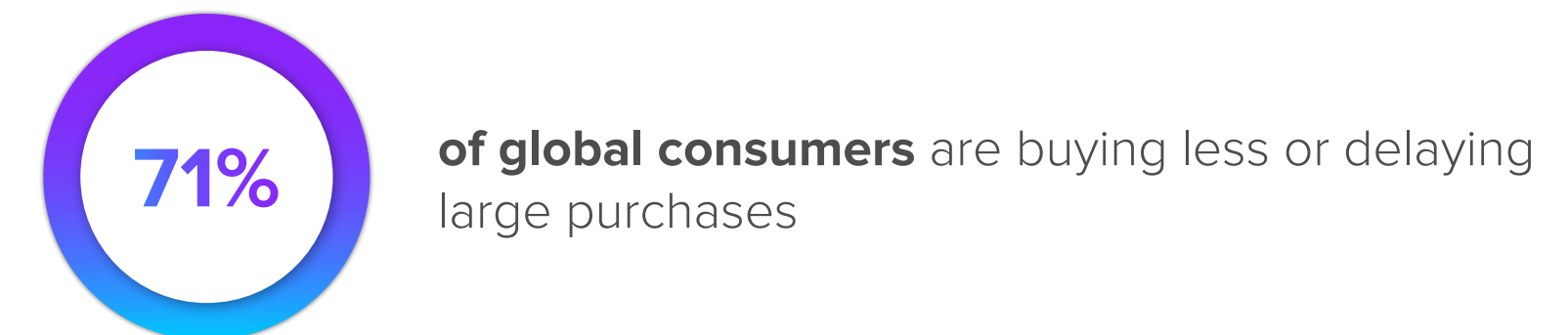
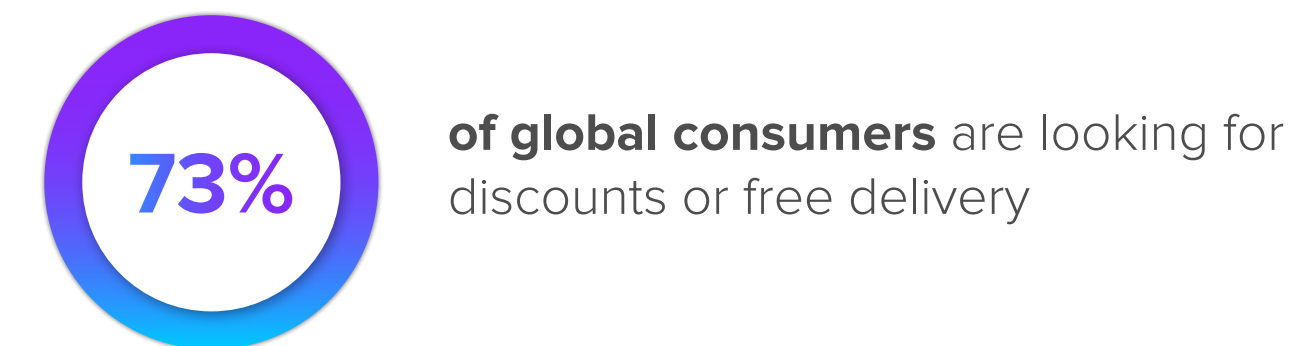
Consumers Are Concerned About Spending

The global consumer insights Pulse survey from professional services network PwC found that at least 50% of consumers are "extremely" or "very concerned" about their financial situation. The same report also found that rising prices are shifting consumer behavior in store and online.



Overall, it also found that consumers are spending less on luxury, travel, and fashion products. The good news is that, while consumers are holding back, they are still spending — just more carefully.

THE 2023 CONSUMER RESEARCH REPORT FROM SALSIFY FOUND THAT:



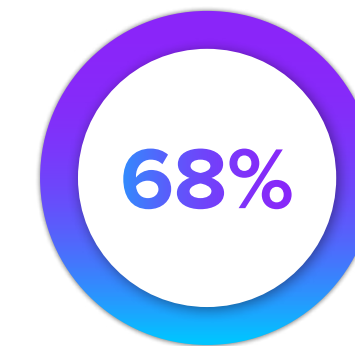
Ecommerce store owners and retailers must keep rising costs in mind when advertising products, creating new promotions, and optimizing across the digital shelf.

TIPS FOR BRANDS	TIPS FOR RETAILERS
<ul style="list-style-type: none"> • Create worthwhile product promotions when advertising products. • Consider a “free shipping” promotion this holiday season. 	<ul style="list-style-type: none"> • Make it easy for shoppers to find robust product information on your retail site. • Optimize your product pages to highlight product quality.

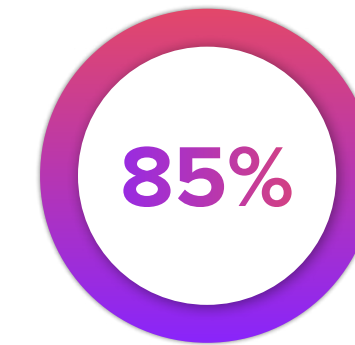
Consumers Want More Convenient Shopping Options

Brands and retailers saw a boom in online shopping during the pandemic — and the popularity of this method hasn’t slowed down. The 2023 Salsify consumer report found that 68% of global consumers shop online more now than they did pre-pandemic.

One reason online shopping has maintained speed is that it offers shoppers convenient ways to buy. According to Salsify, 85% of global consumers say delivery speed and flexibility play an essential role in where they choose to shop online.



68% of global consumers shop online more now than they did pre-pandemic



85% of global consumers say delivery speed and flexibility play an essential role in where they choose to shop online

Source: Salsify “2023 Consumer Research Report”

As online stores and retailers plan for the upcoming holiday season, they should meet consumer demands for convenience by prioritizing shipping speed, including additional product options, optimizing the checkout experience, and providing easy access to reviews.

TIPS FOR BRANDS	TIPS FOR RETAILERS
<ul style="list-style-type: none"> • Find ways to speed up shipping at affordable rates. • Place user-generated content (UGC) on all product description pages. 	<ul style="list-style-type: none"> • Invest in one-click checkout across all platforms. • Consider adding “recommended” supplemental products on product description pages.

Consumers Want Omnichannel Shopping and ‘Phygital’ Retail Experiences

There have been incredible advancements in technology this year, including social media shopping innovations, artificial intelligence (AI), virtual reality (VR), and augmented reality (AR). Consumers are using new technologies to virtually try on clothes, visualize furniture in their homes, and even shop with interactive assistance.

What’s more, today’s consumers are shopping across several digital touch points, platforms, and devices.

THE 2023 CONSUMER RESEARCH REPORT FROM SALSIFY FOUND THAT:



At a time when consumers have immediate access to tech that enhances their shopping experiences across channels and in brick-and-mortar locations, it’s more critical than ever to optimize products across the digital shopping shelf.

TIPS FOR BRANDS

- **Integrate complementary online experiences into in-store holiday shopping displays (e.g., QR codes that lead to promotions).**
- **Optimize the social media checkout process to enable customers to buy products directly from TikTok, Facebook, or Instagram.**

TIPS FOR RETAILERS

- **Consider adding VR or AR to your online experience to give shoppers hands-on experiences with products before buying.**
- **Make it easy for consumers to order online and pick up products in your store.**

SHOPPING TRENDS ON THE DECLINE IN 2023

Many popular shopping trends from the past few years are declining as stores open up and consumer preferences shift. Here are a few to consider while preparing for the upcoming shopping season.

Consumers Aren't as Concerned With Brand Names

As inflation continues to rise, consumers are becoming less interested in purchasing luxury products and brand names and are instead focusing on affordability and value.

The 2023 Salsify consumer report found that consumers associate savings with store-brand products or even private labels. According to the report, 63% of global consumers choose private labels over brands for lower prices.

As a result, store-brand names are making a significant comeback in 2023. This shift in consumer behavior is driving private labels to invest in their own growth and retailers to invest more in store-brand offerings, especially in the grocery and cleaning supply categories.

TIPS FOR BRANDS	TIPS FOR RETAILERS
<ul style="list-style-type: none"> • Draw attention to the value that consumers are getting for the money they spend with your brand. • Highlight the quality of your brand over unbranded products. 	<ul style="list-style-type: none"> • Start selling unbranded products. • Create special discounted promotions for your branded products.

Consumers Aren't Buying as Quickly

Consumers are increasingly concerned about their finances, so it's likely no surprise that they're also showing more discretion with their spending. Fifty-one percent of global consumers say they're researching products more before making purchases, according to Salsify research, which is slowing down their purchasing process.

Global consumers are actively looking for discounts, free delivery, and discounted goods from private labels, but low price isn't the only factor driving their brand and retail research.

They're also concerned with product quality. The 2023 Salsify consumer report found that consumers in the U.S., U.K., France, and Germany would buy a high-priced option online if the reviews were better and they trusted the brand. The survey also found that consumers would often prioritize product quality and brand trust over discounts and free shipping.

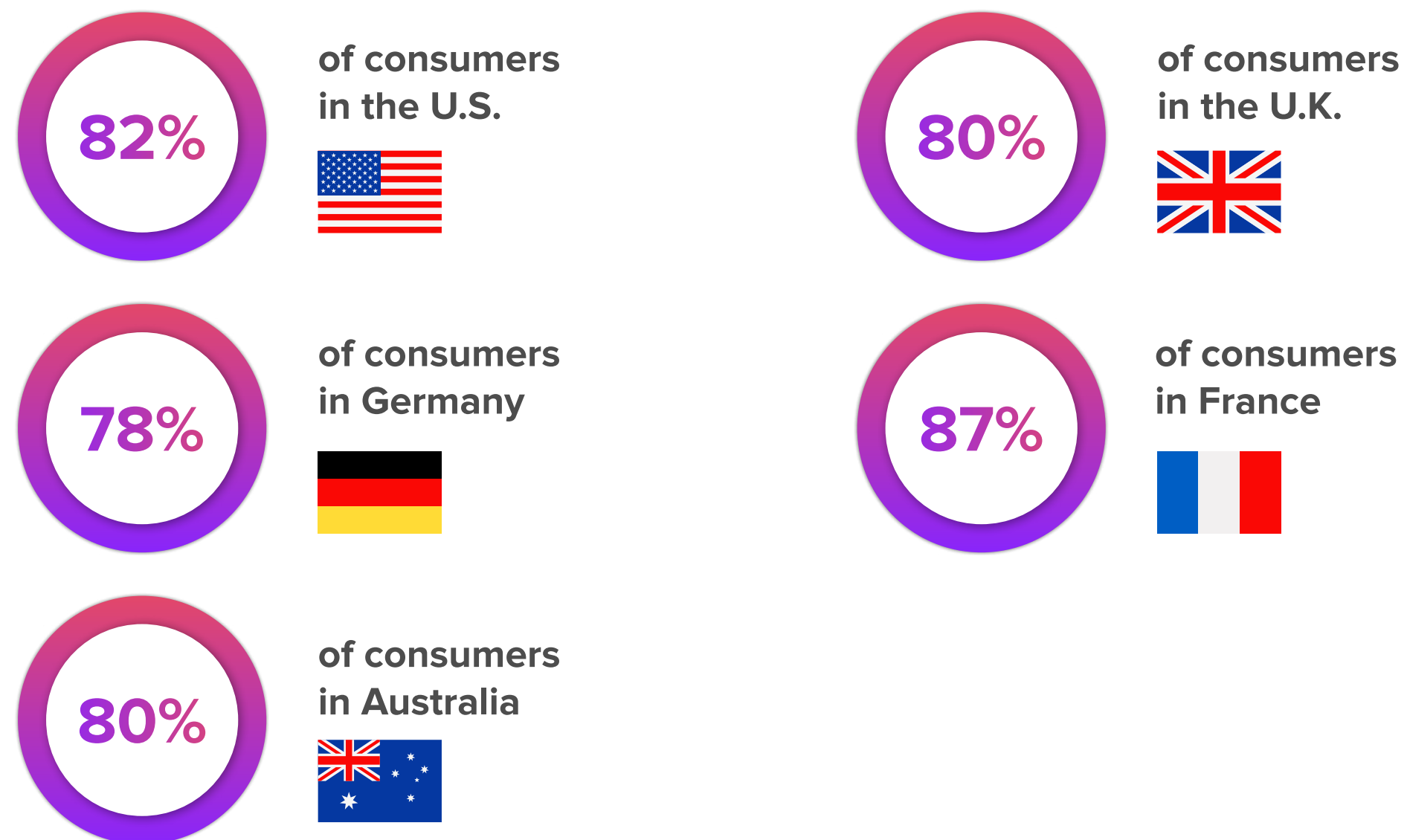
TIPS FOR BRANDS	TIPS FOR RETAILERS
<ul style="list-style-type: none"> • Conduct consumer research to identify what information customers are researching this holiday season. • Optimize product pages across the digital shelf to include the most essential information that consumers want to know. 	<ul style="list-style-type: none"> • Highlight the quality of the brands and products you sell on every product description page. • Retarget customers who are spending significant time researching products on your site.

The Online Shopping Experience Is No Longer the Main Loyalty-Driver

Optimizing the online shopping experience for convenience and cohesion is essential for capturing new customers and maintaining recurring purchasers. Without a cohesive message across the digital shelf, top-notch product pages, and an omnichannel presence, it's challenging for brands and retailers to stand out.

But this year, consumers are placing even more value on product quality.

SALSIFY FOUND THAT A SIGNIFICANT AMOUNT OF CONSUMERS ACROSS THE GLOBE SAY PRODUCT QUALITY IS THE NUMBER ONE ELEMENT THAT DRIVES THEIR BRAND LOYALTY, INCLUDING:



What's more, consumers place product quality above the online shopping experience; discounts; the in-store shopping experience; product innovation and selection; ethical standards and values; and mobile apps or interactive tools.

TIPS FOR BRANDS

- Invest in UGC from other customers who can speak to the high quality of your products.
- Include a money-back guarantee if the product doesn't meet consumers' quality standards.

TIPS FOR RETAILERS

- Distribute cohesive messages around product quality across all product pages and digital touch points.
- Include easy-to-access information that highlights your store's selection of high-quality products and brands.

TIPS FOR PREPARING FOR THE UPCOMING HOLIDAY SHOPPING SEASON

As you start planning for the holiday shopping season, your goal should be to meet — and exceed — customer expectations. Here are some strategies to consider.

Communicate Product Value

With consumers placing such a large emphasis on product quality, it's essential for global brands and retailers to demonstrate how and why their products are the best this holiday season. Consumers aren't just researching products before making a purchase. They're also researching the organizations themselves: Salsify found that 62% of global shoppers say they research a company's reputation for product quality before they buy from them.

To improve the online shopping experience and communicate value, include information about product quality and highlight third-party reviews wherever possible on product pages.

TIPS FOR BRANDS	TIPS FOR RETAILERS
<ul style="list-style-type: none"> • Add more UGC — such as reviews, images, and videos — about product quality to product pages. • Make it easy for consumers to find information about your brand and products. 	<ul style="list-style-type: none"> • Optimize content to highlight brand and product quality. • Invest in better images, videos, and copy that show how well products work.

Consider Every Digital Touch Point

Technology is improving every day, increasingly influencing how, when, and where consumers shop. In 2023, product discovery is happening everywhere — social media, influencer marketing, shopping apps, brick-and-mortar stores, search engines, catalogs, brochures, and more. And as the holiday shopping season rolls around, that will only increase.

Consumers are using these platforms and touch points to both find and research products too. They might visit Amazon online, then head to a store to make a purchase while researching the product on their phone.

To reach and retain these customers, it's critical for brands and retailers to optimize their content across the digital shelf and in stores.

TIPS FOR BRANDS	TIPS FOR RETAILERS
<ul style="list-style-type: none"> • Start selling products across all in-person and digital channels. • Create holiday campaigns across all channels that resonate with your audience. 	<ul style="list-style-type: none"> • Track users across platforms to learn where they're researching, shopping, and making purchases. • Consider employing retargeting ads to help drive customers back to your retail site and complete purchases.

Invest in Product Content

Unless there's a holiday miracle, consumers will most likely continue to tighten their spending this season. But that doesn't mean that consumers will stop spending altogether. It simply means they will pay closer attention to where they spend their money and purchase higher-quality products.

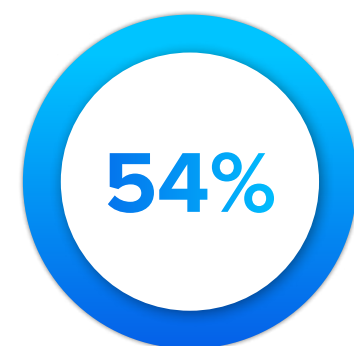
To win business this season, brands and retailers will need to make product content king. Providing accurate, robust, and compelling product information across all digital touch points can help consumers feel confident in making a purchase. This kind of content is essential today: 55% of global consumers won't buy a product if the content is bad — and 54% won't buy if the product reviews are bad, according to Salsify.

Not only does excellent, accurate product content help consumers make purchasing decisions, but it also reduces the number of post-holiday returns. Salsify found that 54% of global consumers return products due to the wrong size or product dimensions, 39% return because products didn't match the images, and 38% return products because they were damaged and in poor condition.

Brands and retailers can avoid nearly all these issues by prioritizing highly relevant and informative product content this upcoming holiday season.



55% of global consumers won't buy a product if the content is bad



54% of global consumers won't buy if the product reviews are bad

TIPS FOR BRANDS

- **Enhance your content to make it hard for consumers to resist making a purchase.**
- **Fine-tune product information across all selling channels to provide a complete, cohesive, and excellent shopping experience.**

TIPS FOR RETAILERS

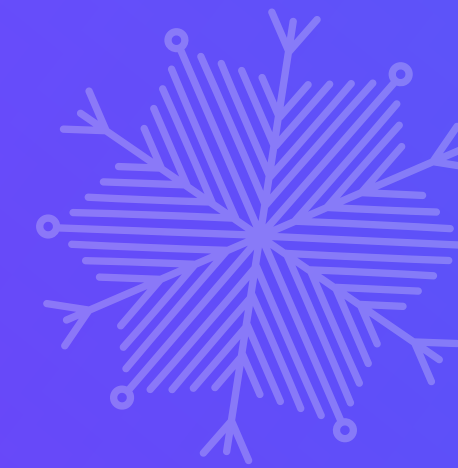
- **Double-check that all your product pages include comprehensive and accurate product information to avoid post-holiday returns.**
- **Post strong customer product reviews on product description pages to incentivize purchases.**

BUILD A WINNING HOLIDAY STRATEGY

The 2023 global shopping data and trends reports show that consumer behavior is still evolving rapidly, which will no doubt influence how consumers across the world shop this holiday season.

Expect consumers to research products and brands in depth; spend less on nonessential items; look for discounts; buy more unbranded products; and spend their hard-earned money on high-quality products that will last.

To make the most of the upcoming season, businesses should start planning now. Brands and retailers that improve their digital presence by offering accurate, robust, and engaging product content that speaks to consumer trends are poised to win this holiday shopping season.



SALSIFY

Salsify helps thousands of brand manufacturers, distributors, and retailers in more than 140 countries collaborate to win on the digital shelf. **The Salsify Product Experience Management (PXM)** platform enables organizations to centralize all of their product content, connect to the commerce ecosystem, and automate business processes to deliver the best possible product experiences across every selling destination.

Learn how the world's largest brands like Mars, L'Oreal, The Coca-Cola Company, Bosch, and GSK, and retailers and distributors like DoorDash, E.Leclerc, Carrefour, Metro, and Intermarché use Salsify every day to drive efficiency, power growth, and lead the digital shelf.

[Request Demo](#)