

2023 RETAIL HOLIDAY TRENDS

'Tis the season for strong growth amid festive fluctuations

Retailers are gearing up for a strong holiday shopping season, albeit one full of demand fluctuations. Here we offer a sneak peek at the 2023 holiday shopping trends and the steps retailers can take to ensure a merry and bright season.

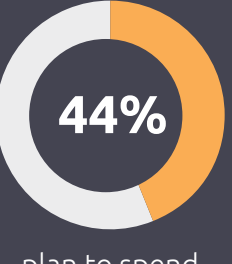


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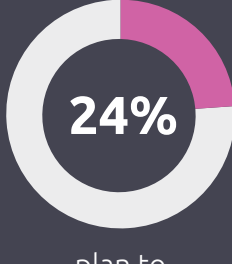
2023 estimated holiday retail spending growth¹...

...about **half** the growth rate of 2022, due, in part, to lower inflation rates².

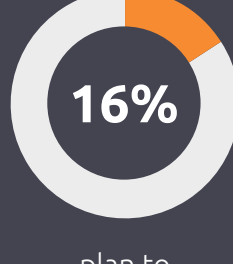
2023 consumer spending will be similar to the 2022 holiday season³.



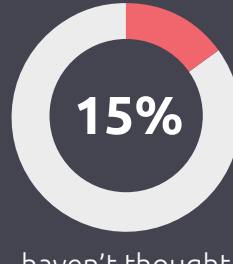
44% plan to spend about the **same**



24% plan to spend **more**



16% plan to spend **less**



15% haven't thought about their budget yet

1. Forrester: Five Holiday Shopping Trends That Will Surprise You
2. Forrester: Five Holiday Shopping Trends That Will Surprise You
3. Forrester's July 2023 data

Online sales were strong in 2022, though most consumers still plan to shop in stores.



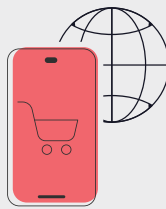
\$46.2B
2022 global Cyber Monday online sales⁴



20%
online channels account for **1/5th** of global retail sales⁷



3 in 4
consumers will visit stores this holiday season⁶



\$1.14T⁵
2022 global online sales during the holiday season

4. Salesforce 2022 Cyber Week data
5. Salesforce 2022 Cyber Week data
6. Forrester's July 2023 data
7. Statista, "E-commerce as percentage of total retail sales worldwide from 2015 to 2027," August 29, 2023.

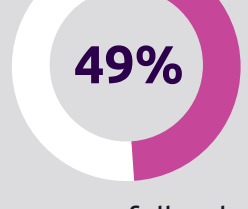
Consumers are moving fluidly between channels on the path to purchase.



8 in 10
global Cyber Monday shoppers do online research before shopping in-store⁸



60% of online sales are influenced by frontline workers in the store⁹



49% of consumers follow brands on social media to discover holiday shopping promotions¹⁰



7 out of 10

Consumer Products & Retail organizations believe increases in e-commerce have led to **increased supply chain costs**, causing **significant pressure on margins**.

A tough economic environment, stubborn inflation and the increase in online shopping makes for a challenging environment for retailers and brands.



47% Retailers
38% Brands

anticipate stockouts or product shortages



41% Retailers
36% Brands

expect to experience late deliveries caused by import delays



33% Retailers
37% Brands

will experience labor shortages



82% Consumer Product & Retail organizations believe the supply chain will need to change significantly to meet today's challenges.

Sustainability has become a table stakes issue for consumers... but it's not driving demand among consumers.

81% Consumer Products & Retail organizations believe most customers would be willing to pay extra for sustainable products

In actuality:
consumer behavior **41%**
of consumers are willing to pay extra for sustainable products

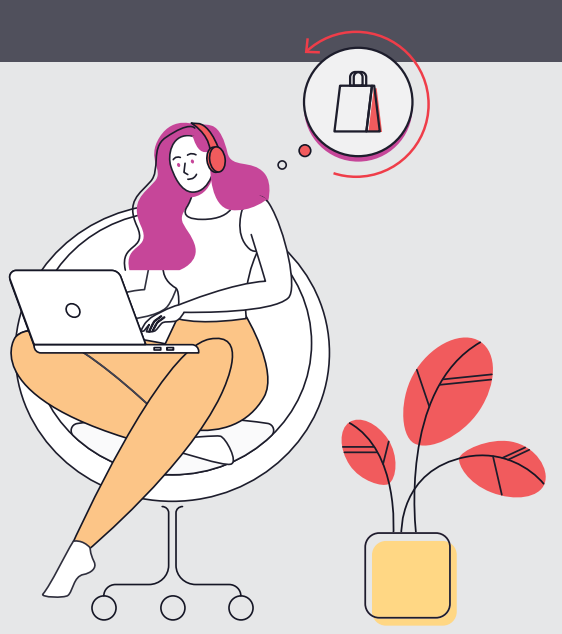
8. Klarna Insights: Black Friday and Cyber Monday data
9. Salesforce 2023 Holiday Forecast
10. Bazaarvoice Holiday Consumer Survey

Sustainability-related initiatives have become an important cost-out opportunity for retailers.



88% of retailers¹¹ say they will make their return policies stricter ahead of the holidays – a move that will improve their ability to resell items, as well as reduce carbon emissions through reduced transportation.

4 WAYS retailers can ensure a successful festive season



1 Unify commerce channels to drive cross-channel sales opportunities.
As consumers move fluidly between channels during the shopping experience, retailers need to better connect channels and touchpoints to create a cohesive experience and serve the customer where and when they want.

3 Extend the holiday shopping season to reduce supply chain constraints.
67% of consumers plan to begin their holiday shopping ahead of Black Friday and Cyber Monday¹³. Retailers should consider running promotions and offers in advance of the peak shopping periods to reduce strain on the supply chain, avoid delivery delays and optimize existing resources, including staff.

2 Optimize inventory using demand-sensing and data-sharing.
Demand forecasting and demand-sensing tools can help organizations improve holiday season planning, by using traditional data points, as well as less-common inputs, such as weather patterns, social sentiment, and other syndicated data.

4 Leverage sustainability as a cost-out opportunity.
Sustainability initiatives aren't just good for the environment or attractive to consumers – they're good for business. Identify opportunities where sustainability can provide a dual benefit, such as shortening return windows to reduce waste and emissions or redesigning shipping materials to reduce the use of plastic or be lighter.

15–40%¹² Forecast accuracy improvement through demand sensing

11. Salesforce Connected Shoppers Report 2023
12. Gartner, "In Age of COVID-19, a Good Demand Signal Can Help," April 2020.
13. Radial 2023 Peak Consumer Survey

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