

RETAIL

Creating holiday experiences in-stores will be vital this season

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Holiday shopping will rely on in-store experience for 2018. Image credit: Neiman Marcus

By BRIELLE JAEKEL

As the holiday season is expected to see a healthy spend from consumers, luxury marketers need to attract gift shoppers with an emphasis on experiential retail that ties into the holiday spirit.

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According to a report from Harris Insights in collaboration with OpenX, 60 percent of consumers believe that Black Friday shopping is overwhelming, and 44 percent say that they even avoid shopping the day after Thanksgiving. However, Bazaarvoice findings show that it is not just the low prices that attract shoppers on Black Friday, but that it also jumpstarts the festive feeling for celebrators.

"It's looking to be a very merry holiday shopping season for retailers," said Dallas Lawrence, chief brand officer at OpenX. "According to the report, 75 percent of consumers say the economy is getting stronger and plan to spend their hard earned cash in a variety of ways.

"In fact, over 80 percent of people say they will spend the same or more on gifts this year, and over 40 percent of Millennials say they will spend more," he said. "Millennials plan to spend nearly \$100 on their pets this season and dads plan to spend more on themselves this year than their spouse/partner."

Holiday shopping

Retailers should reconsider how they strategize for Black Friday shopping, focusing on bringing in the holiday spirit and an experiential level in addition to lower prices. This tactic could help change the opinion of the significant number of shoppers who find the retail holiday aggravating.



Nordstrom saw sales increase 2.5 percent for the holidays. Image credit: Nordstrom

The Bazaarvoice report revealed that 42 percent of consumers brave the crowds during the holiday season because they enjoy the festive ambience. In addition, 32 percent believe that holiday activities such as ice skating and visiting Santa are an important part of holiday shopping.

Based on the answers of 2,000 United States and 1,000 United Kingdom consumers for Harris, spending on gifting is likely to increase this year. Eighty percent of survey takers said they are planning on spending more or at least the same on gifts this year, and 40 percent of millennials say they will spend more.

Ninety percent of shoppers still plan on gifting tangible goods to loved ones, according to Bazaarvoice, but travel-related experiences are on the rise at 41 percent.

The in-store experience remains extremely important for holiday shopping, and not just in delighting shoppers. The need to attract them to physical locations is vital, as 42 percent of holiday shoppers shop spontaneously, says Bazaarvoice.

However, its report shows that price is still a significant factor, with 47 percent saying the economic ads had the greatest impact on their purchasing decisions.



Cyber Monday and Black Friday are integral in the holiday shopping season. Image credit: Nordstrom.

Consumers' shopping lists will include more than people. Harris Insights has found that millennials claimed to be planning to spend more than \$100 on their pets this year for the holidays.

In addition to travel, technology will also be a major trend with 50 percent of planned big-ticket purchases being technology.

Additional insight

Favorable economic conditions including a low unemployment rate and wage growth are expected to boost holiday spending this year.

According to projections from Coresight Research, retail sales this holiday season will grow 4 percent year-over-year to a total \$720 billion. With more days between Thanksgiving and Christmas this year, consumers also have more time to shop in the height of the holidays, giving retailers an extended period to engage gifters ([see story](#)).

Meanwhile, estimations from Deloitte say that holiday spending will grow as much as 5 percent this year.

As the holiday season approaches, luxury brands can help deliver the customized shopping experiences consumers

crave through search.

Data from Google shows that consumers are open to new brands as they seek out presents for their friends and loved ones, making search a valuable tool in driving discovery. As gifters look for guidance during what can be a stressful time of year, being visible on search engines is one way to drive traffic and sales as well as establish new customer relationships ([see story](#)).

"Consumers have issues with Black Friday," Mr. Lawrence said. "60 percent say it is overwhelming, 44 percent say they avoid shopping on this day, and 48 percent say they hate' shopping on this day.

"All three stats are almost twice as high as Cyber Monday," he said. "In fact, half of shoppers plan to skip the lines all together and spend a majority of their holiday budget via online or mobile devices.

"Eighteen percent of people expect to make a big ticket (\$500) purchase this year. Of those, 50 percent of the purchases will be on technology like the new iPhone."

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