

RETAIL

Department store ecommerce sales up more than 10pc this holiday season

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Investments in ecommerce are paying off. Image credit: Neiman Marcus

By SARAH RAMIREZ

Retailers saw the best holiday sales season since 2012, with online sales jumping nearly 20 percent from last year.

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According to early data from Mastercard SpendingPulse, sales in the U.S. from Nov. 1 through Christmas Eve surpassed \$850 billion. Although department stores saw a decline in spending at their bricks-and-mortar locations, sales through their ecommerce platforms increased more than 10 percent in the buildup to Christmas.

"Most luxury brands stayed away from discounting during the holiday season," said Chris Ramey, president of [Affluent Insights](#), Miami, FL. "It's bad form, and inconsistent with pillars of luxury, for a luxury brand to discount.

"Luxury brands let their retail dealers take the markdowns," he said. "Luxury retailers and department stores jammed promotions throughout the last six weeks."

Sales cheer

Mastercard reports that sales were up 5.1 percent this holiday season, and ecommerce sales grew 19.1 percent from 2017.

Despite expectations that physical stores would draw a majority of shoppers this holiday, including one in a five who planned to shop at department stores ([see story](#)), sales at department stores dropped 1.3 percent year-over-year.

Nordstrom was among the retailers who hosted seasonal hiring events in an effort to boost their customer service offerings, in-stores and online, ahead of the holiday season ([see story](#)).



Nordstrom's 2018 holiday campaign. Image courtesy of Nordstrom

However, the positive news for department stores was that ecommerce sales were up 10.2 percent this November and December compared to the same timespan in 2017. Retailers will report their own sales figures in the coming weeks.

Apparel sales also saw gains, up 7.9 percent from 2017. Meanwhile, electronics saw a slight drop of 0.7 percent.

More than a third of affluents in the United Kingdom and United States planned to spend more this holiday season than last year, according to a new report from Altiant. Hard and soft luxury goods are the most in-demand gifts.

Forty percent of respondents admitted they have a particular luxury gift on their wishlist. Almost 150 brands were mentioned by affluent consumers, but Gucci and Chanel led the way with each label being mentioned 12 percent of the time ([see story](#)).



Gucci's gifting campaign for 2018. Image credit: Gucci

This season, Gucci stood out by tapping into nostalgia in a vintage-inspired holiday film.

For Gucci's gifting campaign, photographer Petra Collins shot a short video depicting revelers ringing in the New Year at a dance hall that dates back to the 1920s. Leading up to the holidays, Gucci leveraged content and consistent engagement to promote its present options ([see story](#)).

"Gucci has successfully built buzz this holiday season," Mr. Ramey said. "It's not coincidental that over 50 percent of their marketing spend is digital."

Ecommerce wins

Outside of the United States, other retailers saw a record holiday season.

British department store Selfridges saw a record-breaking year for its Boxing Day sale with more than 4 million pounds, or \$5 million at current exchange.

Including Selfridges' winter sale that start on Christmas Day, the department store saw an increase of 6 percent compared to last year. The store was able to garner the 4 million pounds throughout its stores and online ([see story](#)).

Internet giant Amazon continues to dominate ecommerce, accounting for 81 percent of online sales compared to other big-box companies between Dec. 1 and Dec. 19 according to Edison Trends.

Luxury brands have long operated as if there is still a distinction between the online and offline worlds instead of

accepting that affluent shoppers seek out personalized, omichannel experiences.

As the adoption of artificial intelligence and other technology makes even mass-market brands able to effectively market to individuals, luxury brands need to maintain the advantage of personal connections. Tech capabilities are not necessarily what draws in customers, but they do shape shoppers' experiences ([see story](#)).

"The most important trend this year reinforced last year's takeaway: every brand competes online first," Affluent Insights' Mr. Ramey said. "2019 will be the year of accelerating online marketing presence."

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