

MARKETING

Ecommerce to eclipse bricks-and-mortar for holiday shopping

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

By SARAH JONES

This holiday shopping season, consumers are planning to buy more via digital channels than through physical stores, with about 20 percent of sales coming through mobile devices.

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A report from OpenX finds that digital will surpass bricks-and-mortar for the first time this year in terms of sales, with consumers who have incomes of \$100,000 and more the least likely to shop in stores. This trend is partly driven by the increasing portion of sales attributed to millennials, who will account for much of the growth in spending this year.

"More so than any other demographic, millennials will determine success or failure this holiday season for many brands and retailers," says the report.

OpenX's **report**, conducted in partnership with the Harris Poll in August, surveyed more than 2,000 U.S. adults.

Optimistic outlook

Seven in 10 consumers feel the economy will pick up next year, with millennials even more apt to believe an improvement is coming.

Reflecting this optimism, 30 percent of consumers plan to spend more than they did in 2018. The report notes that in general, there is expected to be a 5 percent year-over-year uptick in sales, as consumers move from spending an average \$819 last year to \$862 this year.

Fittingly for millennials' stronger level of optimism, 90 percent of this generation expects to increase their spending this year.

Consumers are planning to splurge on themselves, anticipating shelling out an average of \$112 on self gifting. This amount is up 70 percent year-over-year.

Millennials' holiday budgets are 15 percent greater than the average consumer, with this generation planning to spend about \$990 on gifts. This age group is also 40 percent more likely to splurge on a big-ticket gift worth \$500 or

more.



Chanel's holiday 2018 make-up campaign starring Lily-Rose Depp. Image credit: Chanel

About two-thirds of millennials say they are the primary shopper in their household. Marketers therefore need to be mindful of millennials' shopping habits.

Sixty-nine percent of millennials expect to use their phone to shop this holiday season, preferring mobile devices over desktops or laptops.

A third of millennials spend at least three hours per week shopping on their mobile phones, while 10 percent say they spend upwards of 10 hours shopping on their phones per week.

Eight in 10 millennials have shopped during the workday, but 42 percent say they are most apt to shop between 6 and 11 p.m.

Aside from their digital proclivities, millennials are 50 percent more apt to purchase a subscription service as a gift, and they are 68 percent more likely to buy from a direct-to-consumer brand.

Online opportunity

Adobe released its online shopping predictions for the 2019 holiday season Nov. 1 through Dec. 31 powered by Adobe Sensei, Adobe's AI and machine learning technology.

Based on Adobe Analytics data, Adobe predicts that United States online sales will increase 14.1 percent, totaling \$143.7 billion, while total retail spending both online and offline is expected to increase 4 percent ([see story](#)).

With much of spending happening online, brands should consider ways to reach out to consumers on a personalized basis. OpenX's report notes that 68 percent of shoppers say they have bought a gift after seeing an ad.

For instance, Google is looking to own more of the purchase journey through a redesigned experience that spans from inspiration and research to the transaction.

The redesigned Google Shopping centers on a personalized homepage and offers consumers the ability to track prices, locate items in nearby stores and buy products from retailers without leaving the Google ecosystem. As Amazon continues to dominate consumers' retail searches and social media platforms up their commerce components, Google is positioning itself as a one-stop platform ([see story](#)).

Omnichannel engagement will also be key.

"With digital shopping overtaking in store shopping, advertisers have the ability to drive sales at all times of day, and in all sorts of locations," says the report. "Think about how to reach your target shoppers in non-traditional ways."