

COMMERCE

Digital innovations should be core to holiday marketing plans

August 6, 2020



Astound Commerce's latest report advises on how brands should prepare for this holiday season. Image courtesy of Astound Commerce

By DIANNA DILWORTH

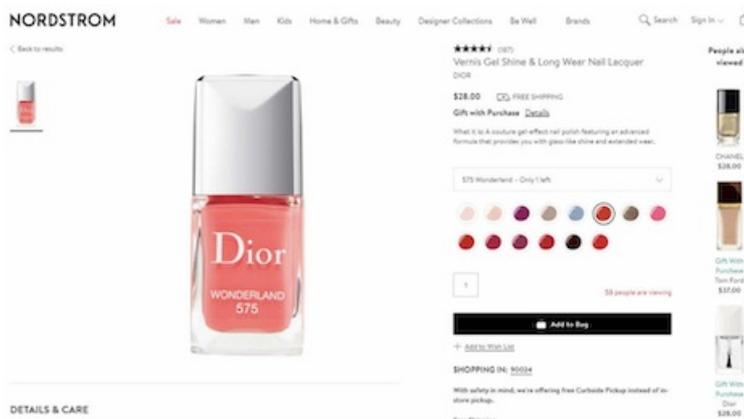
Despite the major hit from the pandemic, this year's holiday shopping season will not be that different from years past digital will play a central role and retail will likely be stagnant.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

With this in mind, brands should be focusing on their digital customer experience this year more than ever as holiday sales are the opportunity to turn earnings into the black after a tough year at retail.

"More shopping will be driven online as access to stores could remain somewhat limited depending on consumer location," said Kylee Magno, principal analyst at Astound Commerce, San Francisco.

"Money that would have been spent on travel and fine dining this year could find its way into the luxury market, as an effort to resume some semblance of normalcy during the holidays, or as a pick me up to make a time that will undoubtedly be celebrated a little differently this year, a little brighter."



Nordstrom uses realtime inventory to help avoid confusion over product shortages. Image courtesy of Astound Commerce

Digital innovations

The pandemic has accelerated ecommerce and many brands and retailers were caught off-guard for the surge in online fulfillment.

In fact, 65 percent of consumers said they experienced out-of-stock issues during the first couple of months of the crisis, according to a new report from Astound Commerce called [2020 Holiday Preparedness](#). To avoid these issues in the future, particularly during the holiday season, many retailers are focused on improving their supply chains and offering better digital experiences to customers.

For example, Nordstrom now shows ecommerce shoppers the number of people who are viewing an item as well as low-inventory messaging so that consumers can avoid facing out-of-stock messaging.

Another trend on the rise is retail videos, which offer brands a way to demonstrate products in a deeper way than a simple photo. Since consumers are staying home from stores and cannot pick up and investigate the way a product looks when it is moving, influencers and retail employees can do the work for them.

Astound cited Forbes research that revealed 43 percent of people 55 and above and 65 percent of shoppers in the 1824 bracket want to see retail videos.

"Online shopping will still be the primary shopping channel, but we'll see the emergence of video shopping pick up steam," Ms. Magno said. "Video shopping is the perfect fit for the luxury customer who favors a one on one interaction with a knowledgeable associate. It replicates the in-store shopping experience from the comforts of the customer's home."



Retail videos are on the rise as consumers look for more depth in product discovery before ordering online. Image courtesy of Astound Commerce

Mobile & social media

Last year mobile commerce grew by 75 percent YOY, per a Mastercard study cited in the Astound Commerce report.

As consumers continue to stay at home and get more comfortable with their mobile devices, this year brands should be working on a mobile strategy for their holiday campaigns.

Additionally, classic direct marketing could help cut through the clutter and connect to people at a time when digital marketing will likely be high.

"Using methods like text messaging, a simple phone call or direct mail keeps brands in line with the clienteling approach indicative of luxury," Mr. Magno said.

But, marketers also need to get creative by using social platforms like Tik Tok or Facebook Live and newer technologies such as Zoom or Slack to connect with younger shoppers.

"Authentic, empathetic messaging is key," Ms. Magno said. "Brands should acknowledge the current situation and be more customer-centric in their approach. Customer service is the foundation of luxury, and brands must showcase the steps they are going through to ensure associates and customers are safe while in store, if applicable."

Additionally, creating a smooth and easy shopping process with lots of payment options will likely help consumers complete purchases.

"Offering payment options that allow customers to buy now and pay later' can also appeal to more price-sensitive shoppers in this uncertain economic climate, as well as bring in younger shoppers," Ms. Magno said. "Luxury brands need to be able to quickly shift and adapt, and no matter what they do, they need to ensure they have the inventory and associates to support these initiatives."

A combination of creative customer-centric approaches will be key to getting attention and converting customers during this year's holiday season.

"Brands need to think outside the box and come up with solutions that fill shopper's current pain points," Ms. Magno said. "Whether that's video appointments, extended return time-frames, virtual personal shopping events curbside pick-up or contactless delivery because they're apprehensive about the in-store experience."

"Luxury brands have the same challenges that other retailers selling non-essential fashion items have," she said.

"When reaching out to consumers, they need to appeal to the consumer on a personal level and be authentic. Acknowledge the current situation and offer items that fit into the customer's new lifestyle. Give the customer what they want, show your loyalty to their needs and they'll reciprocate."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.