

RETAIL

## Retailers should incorporate CX fundamentals into gifting strategies

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Shoppers are in the mood to shower loved ones with gifts. Image credit: Versace

By SARAH RAMIREZ

While the 2021 holiday shopping season is still in the rearview mirror, retailers should waste no time in adjusting their gifting strategies to better meet consumer demand.

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According to a [CommerceNext](#) webinar on Feb. 23, gifting is a year-round opportunity for brands as shoppers want to splurge on their loved ones for birthdays, holidays and other special occasions. Three-quarters of ecommerce executives agree that gifting is important to their digital strategies, but only 2 percent are confident they are doing it well.

"Consumers are spreading out their shopping, so it makes it challenging," said Lauren Freedman, president at the [E-Tailing Group](#), Chicago. "Retailers have to be smarter about how they integrate gifting into the shopping experience."

### Gifting fundamentals

During the 2021 holiday shopping season, a record 38 days saw more than \$3 billion in daily spending, according to Adobe Analytics. This is indicative of consumers spreading out their shopping beyond the typical Cyber Week creating opportunities for strategic retailers.

Strong consumer spending on gifting has continued into 2022.



Gift cards are in high demand. Image credit: Saks

Valentine's Day, the first major retail holiday of the year, saw 35 percent growth year-over-year in digital gift cards sold. The average order value of all gifts also increased by 9 percent from 2021.

Consumer sentiment remains influenced by persisting uncertainty about the economy and the COVID-19 pandemic, while supply chain disruptions and inventory issues impact both brands and shoppers.

However, retailers should keep gifting fundamentals in mind to provide high-level customer experiences.

According to Ms. Freedman, the four gifting fundamentals encompass the availability and customization of gift cards, how brands merchandise or showcase gift offerings, loyalty programs and customer service.

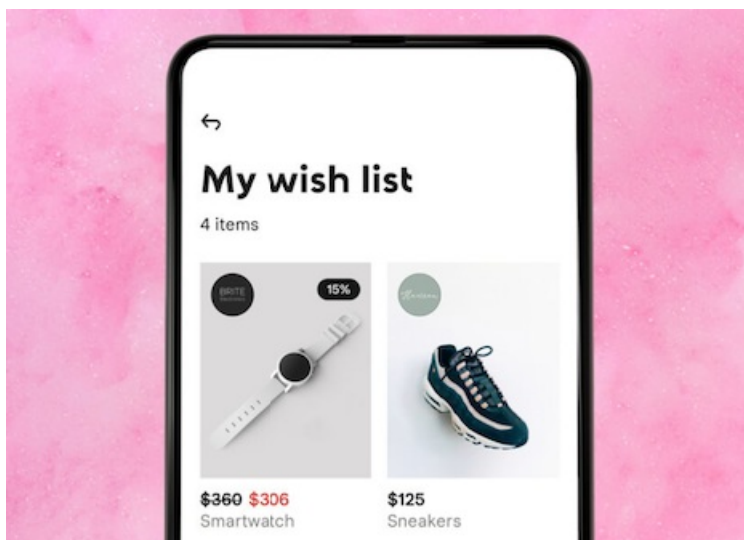
Offering plastic and digital gift cards is the bare minimum for retailers now. More than eight in 10 allow for gift givers to customize themes or messages, while 20 percent of retailers in 2021 allowed video to be added to digital gift cards.

Online, retailers should have a gifting vertical with the ability for shoppers to filter options by various attributes. Within those gifting areas, few brands are further capitalizing by highlighting top sellers or new additions.

More retailers are also promoting their loyalty and gifting programs hand in hand. More than three-quarters also offer a wish list function so shoppers can share their favorite items with friends and family.

"Shopping may start with a list, but inspiration is the ingredient that powers the shopper to push the buy button," Ms. Freedman said.

Finally, customer service fundamentals cover shipping, delivery and support elements that bolster a retailer's gifting strategy.



*Klarna sends users price drop notifications on any item pinned to a Wish List. Image credit: Klarna*

Eighty-eight percent of retailers offered live chat support in 2021, while the availability of same-day delivery whether for free or fee-based more than doubled from 2020. Nearly six in 10 retailers also extended the holiday return window, in acknowledgment of supply chain issues.

By consolidating all customer service information from return policies and shipping timelines to contact information in a single online destination, retailers can simplify the shopping experience for consumers and improve communication.

Brands receiving "gift rich" scores of 70 or more on E-tailing Group's 2021 Gifting Index included luxury department stores Neiman Marcus and Nordstrom and beauty retailers Sephora and Ulta.

#### Communicating with consumers

Open channels of communication are the foundation of effective and engaging customer experiences.

The way in which consumers interact with sales associates or support staff is evolving, calling for more relationship building.

According to Lucidworks, more than half of consumers in the U.S. and U.K. say they use chatbots often or all the time when shopping online. Nonetheless, excellent customer service remains a top-three reason why consumers are loyal to a specific brand ([see story](#)).

Similarly, if approached correctly, brands can leverage today's supply chain disruptions as an opportunity to build consumer engagement and loyalty. Brands and retailers should be proactive and transparent about supply chain issues, incentivizing consumers to shop early and setting expectations about product fulfillment and shipping times ([see story](#)).

"Are you messaging to your shoppers, order early or preseason selling where there's a supply chain reference, letting them know that they better start thinking about placing those orders," Ms. Freedman said. "Retailers were wise to this and they were making sure that their customers knew.

"Simplicity of solutions were really sought by the shoppers."

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