

IPSOS ESSENTIALS VIEWPOINT

Placing bets this holiday shopping season



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It is an understatement to say that technology has redefined holiday shopping in our world of convergent commerce. Retail environments and marketing touchpoints have blurred. Consumers shop online and instore simultaneously, based on their varying needs, budgets and moods.

Last year's holiday season was all about digital experimentation, social commerce, and livestream influencers going viral. We know this year will be remarkably different. The holiday season bets we need to place must consider four contextual forces:

- **Inflation** is the top worry for +50% of the world's shoppers. Three-quarters say they will cut back on spending this holiday season. Price will matter more than it has in decades.
- Greener consumers question the **environmental impact** of constant consumerism and those e-commerce deliveries that are core to our daily lives.
- **COVID flareups** and lockdowns will keep many wondering whether the time is right to return to in-person holiday celebrations and gift giving.
- **Worries of war** intensify everything and complicate supply chains. Will people turn to holiday shopping for relief or will holiday gifting seem trivial given the tragedy in Ukraine?

Retailers are fixated on this perfect storm and lack precise navigational tools. The natural response is to turn to price promotion, cheapened products, and being first with the deal. These short-term tactics might help steal short-term share but will not grow collective industry sales and customer lifetime value.

So, what can we do to stem the tide?

Focus on the omnichannel ecosystem. Retail channels and shoppable touchpoints are now critical elements throughout the marketing funnel. Consumers live within unique commerce ecosystems of default go-to brands, retailers,

channels, and touchpoints. Constantly bombarding shoppers with reminders of how bad things are will not drive sales or brand engagement.

Avoid the temptation to make every day Black Friday. Retail audits during this past October weekend identified again and again that major retail leaders have extended the holiday season earlier than ever before. Will shoppers really buy more by buying earlier? Or will fears of rising prices and supply shortages make people skip the purchase altogether?

Humanize technology. In our increasingly digital world, keeping humans at the center is ever more important. The explosion of convergent commerce channels, notably livestream and social commerce, can help us connect in new more personal ways. Marketers need to bring empathy and emotion to the digital world. Thankfully, social and livestream channels offer tremendous flexibility to test and learn what holiday messaging works, and what doesn't, in real time.

Shopping is no longer a physical place nor a linear journey. It is a fluid set of activities across touchpoints and channels. Winning manufacturers and retailers will be those that align – and continuously realign – around the consumer's ecosystem of needs, experiences, and expectations. Yes, price points matter an awful lot right now, but so will keeping the holiday season as real, sensorial, and empathetic as possible.



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