



WALKER SANDS

Future of Retail 2017 Holiday Report

Retailers Should Prepare to Maximize on Holiday Sales Now

This time of year most consumers are focused on beach vacations and backyard barbecues, not where to do their Christmas shopping. But for retailers, summer is the best time to begin preparing for a successful holiday season.

Over the past few years new and emerging technology has completely transformed the way we shop. In fact, according to new data collected as a part of The Future of Retail 2017 report from Walker Sands, 41 percent of consumers completed all or the majority of their holiday shopping online in 2016 and 46 percent of consumers now prefer to shop online via desktop, mobile or voice ordering.

The rise of the connected consumer paired with Amazon's dramatic rise to success has drastically shifted the expectations for an online shopping experience. For the fourth year in a row consumers rated fast and free shipping as top incentives to purchase from a brand or retailer online. With more than half of consumers (55 percent) reporting they've used Amazon Prime in the past year, expectations for shipping this holiday season are likely to be faster-paced than ever.

But around the holiday season this influx of online orders can make delivering goods and user experiences a challenge. So what can retailers do to ensure that they're maximizing their online sales this holiday season?





Tip 01

Make a list of your target audience, and check it twice

Brands and retailers should understand that with the rise of the connected consumer has come an expectation for a more always-on experience. Focusing on an online interaction that mirrors in-store (and vice versa) will help provide a consistent and convenient experience.

Unsurprisingly, consumers who did all or the majority of their holiday shopping online in 2016 tend to be more likely to make more frequent online purchases. Sixty-six percent of those who made at least the majority of their holiday purchases online stated that they prefer to shop using a desktop, mobile or voice controlled device and almost three in four (71 percent) make an online purchase at least once or more per month.

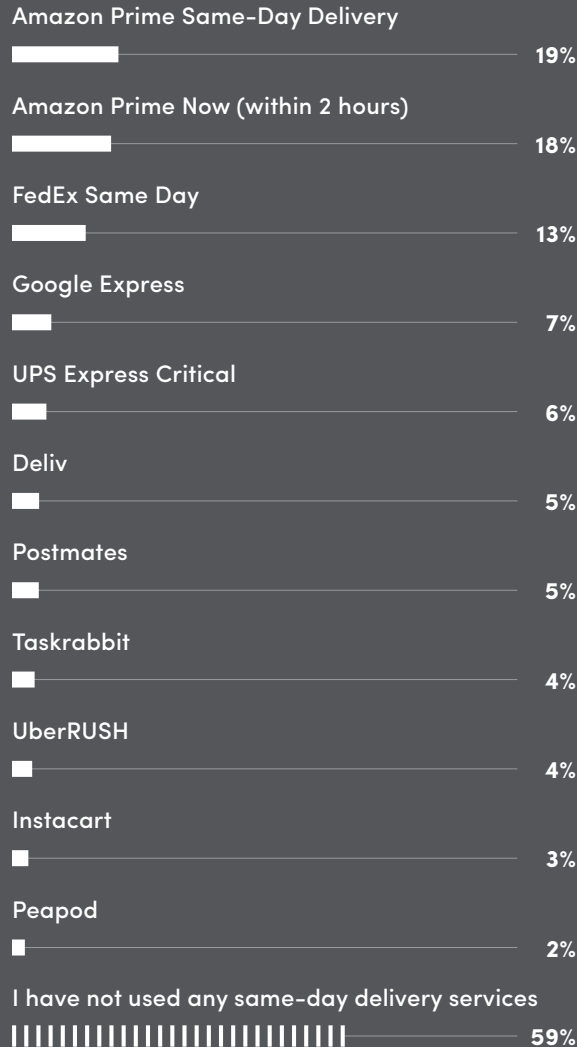
Comparatively, 83 percent of consumers who did very little to no holiday shopping online last season generally prefer to shop

in-store, with only one in three (39 percent) making an online purchase once per month.

Retailers should focus most closely on building out experiences that span multiple channels. While 58 percent of younger consumers (ages 18–25) still prefer the in-store experience, 77 percent of all consumers think the online experience will eventually pass in-store, proving there is still a wide variety of shopping preferences retailers should keep in mind when preparing for this holiday season.



What same-day delivery services have you used in the past year?



Tip 02

Be prepared to meet the more immediate demands of today's shoppers

Notably, Amazon Prime has become a favorite among those who completed the majority of their holiday shopping online in 2016. Two in three (66 percent) frequent online shoppers have used Prime in the past year, contributing to the expectations that shipping should be fast, free and trackable.

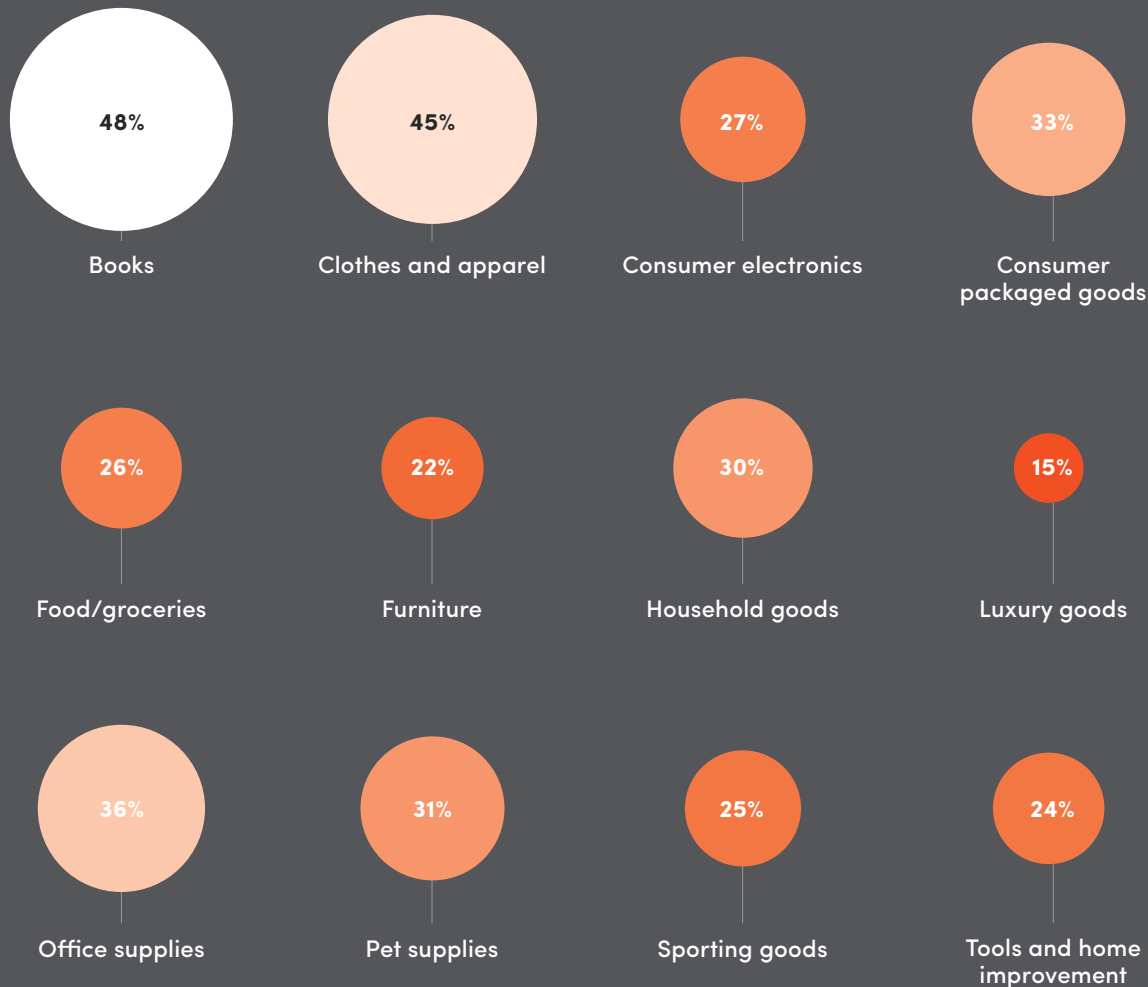
In fact, the majority of consumers (81 percent) reported free shipping as a primary motivator for shopping online more frequently. Speed also ranks highly for consumers, who reported next day shipping (40 percent), same day shipping (39 percent) and two hour or less shipping (27 percent) would make them shop online more frequently.

Consumers have also begun to look to different marketplaces to deliver on fast promises — from clothing to restaurants to groceries, two in five consumers (40 percent) report having received some kind

of same-day delivery in the past year. Consumers have big aspirations for faster delivery, too — 16 percent report they expect a drone-delivered package in the next year.

Still, retailers should note that while a lot has been done to pay attention to these expectations, only three in four (72 percent) consumers feel retailers are meeting their delivery expectations — a big miss that could mean 25 percent less revenue during the holiday season. Consumers also expect more from retailers' transparency — only 47 percent are happy with current options

For which products are you most open to third-party deliveries?



for transparency in delivery. Updates on packages, especially for procrastinators anxiously waiting for them to arrive under the tree, can help retailers mitigate these concerns this holiday season.

Retailers unable to provide free lightning-speed delivery should consider that there may be several other options. Outside of solutions like dropshipping and 3PL, brands and retailers could consider partnering with third-party services, or simply charging those who want faster delivery. Fifty-seven percent of consumers would pay at least \$5 for next-day shipping and nearly a fourth (24 percent) would pay between \$6-\$20 for the service.

Consumers are also open to third party delivery options, such as Uber, Postmates or Deliv — particularly trusting a third-party service when ordering books (48 percent), clothes and apparel (45 percent), consumer electronics (27 percent) and consumer packaged goods (33 percent). Seventy-nine percent of those who purchase the majority of holiday goods online are open to third-party delivery in at least one category.



Tip 03

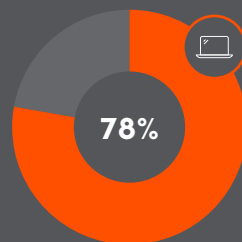
Ensure brand and product information is consistent across channels

With a variety of channels and devices available for browsing and buying behavior, brands should ensure their product information remains accurate and up to date across all platforms and channels this holiday season. Seventy eight percent of frequent online holiday shoppers report they 'often,' or 'always' complete online purchases using a desktop or laptop computer. The retailer's mobile site via smartphone or tablet comes in second,

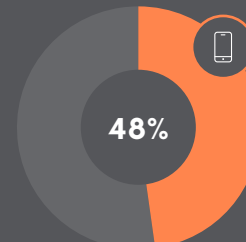
at 48 percent. Additionally, 24 percent of shoppers in this category 'often' or 'always' purchase through voice-controlled devices like Amazon Echo.

And these numbers could potentially rise. Nearly half (44 percent) of respondents say they are somewhat or very likely to make a product purchase through a voice-controlled device in the next year.

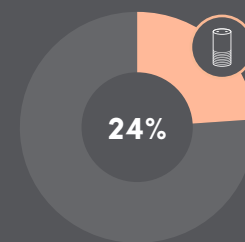
Frequency of Online Holiday Shopping By Device



Desktop or laptop



Smartphone or tablet



Voice-controlled device





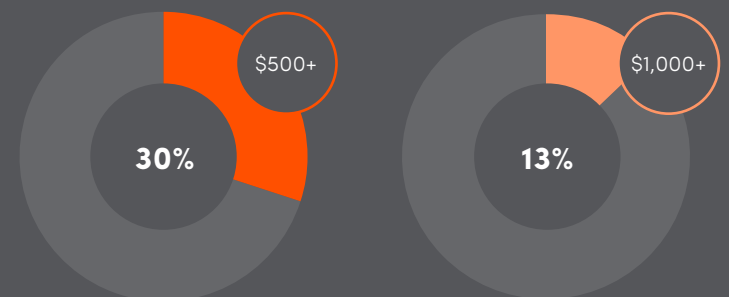
Tip 04

Don't limit online holiday focus to smaller items

Consumers who reported doing the majority of their holiday shopping online are also willing to make big-ticket purchases sight unseen, which could change the way retailers view high-end sales this holiday season. In fact, nearly a third (30 percent) of those who did the majority of their holiday shopping online last year reported having spent more than \$500 online without seeing an item first

and more than one in eight (13 percent) have spent more than \$1,000 without seeing an item first. This means that brands and retailers in industries such as furniture and luxury who have focused less historically on online holiday sales may want to ensure they have strong strategies in place.

Frequency of Big-Ticket Purchases Online By Price



Retailers — Get ready!

With a few short months until consumers are focused on holiday spending, retailers should prepare in the following ways:

Increase transparency throughout the delivery process

Shoppers want transparency when it comes to their items' delivery process. This is especially true during the holiday season when timing and quality of arrival are even more important. Providing a glimpse into the delivery process will increase customer confidence, satisfaction and ultimately, loyalty.

Think alternatively about shipping, if it means getting things there on time

Shoppers are more concerned with timely delivery than a reasonable delivery charge. Other options to consider include in-store pickup and third-party delivery services such as Uber or Deliv.

Ensure product content is consistent across all digital touchpoints

A shopper wants to find the same items at the same price, regardless of if they're using a mobile, desktop or voice-controlled device. Quality images and up-to-date inventory are essential in order to ensure a shopper can find just the right gift on any channel or device they choose.

It may be summer, but holiday prep is already upon us. Now is the time to capitalize on the inevitable rising number of online sales this holiday season.



To learn more about consumer shopping preferences, download the full [Future of Retail 2017](#) report.



About Walker Sands

Walker Sands is a public relations and digital marketing agency for business-to-business technology companies. With an integrated approach to creative services, Walker Sands helps clients build brand awareness, enhance credibility and drive new business. Walker Sands is a five-time Inc. 5000 honoree and regular recipient of some of the industry's most prestigious awards from organizations including Entrepreneur, Holmes Report and Hermes Creative. Walker Sands was founded in 2001 and has offices in Chicago and San Francisco. To learn more, visit walkersands.com or walkersandsdigital.com.