



HOLIDAY

2021 RETAIL PREDICTIONS

Melissa Minkow
Retail Industry Lead

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BACKDROP

Holiday 2020 proved challenging for retailers and shoppers alike, as extreme uncertainty surrounded where people would be and with whom during the most wonderful time of the year. Delivery delays and a limited ability to visit brick and mortar caused frustration, but it also paved the way for innovation and creativity. This year, the best retailers will take what they learned to ensure as smooth of sailing as possible. Considering how **prevalent supply chain issues** have become and are anticipated to be once again, and how **connected consumers' paths to purchase** are, keeping it **frictionless** and intuitive are what will matter most.



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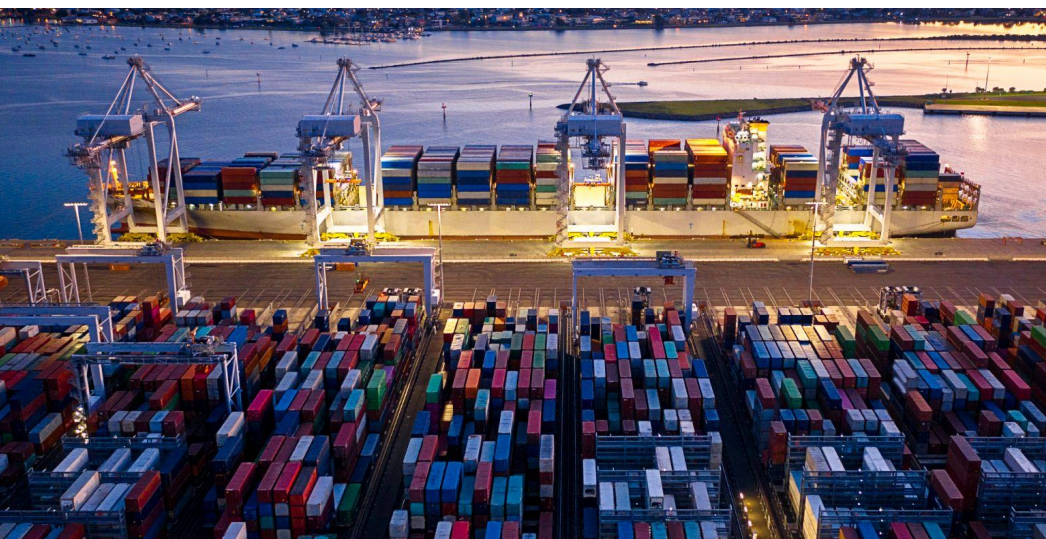
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WHAT TO EXPECT – HOW APPS AND SITES WILL BOOST OMNI-CHANNEL

The ongoing theme over the last several years of holiday shopping has been mobile's continued rise in popularity. This year will be no different here, however, as brands have been working their hardest to get their apps to a point where consumers actually understand the value in downloading, **holiday 2021 will be the moment for retailer apps**. In May, [United](#) incentivized mileage members to download their app by offering them the chance at a year of free flights in exchange for uploading a picture of their vaccine card. Also interestingly,

The Vitamin Shoppe and Tractor Supply Co have [reported](#) strengthening their loyalty programs by upgrading the perks built into their app usage (e.g. exclusive curbside pickup offerings). The smartest brands will take a page from these brands' books and **leverage the heightened demand during the holidays to drive consumers to downloading their apps**.





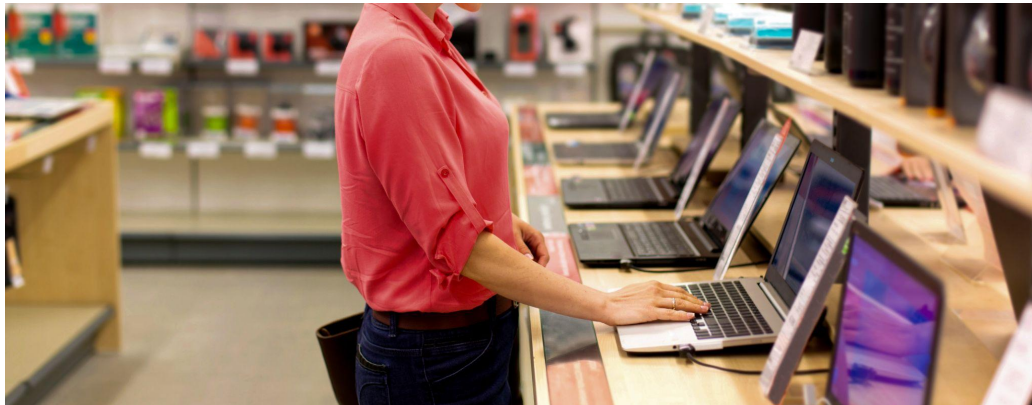
Beyond mobile being a main focus of 2020, the other bold headline was all about shipping and delivery delays. With slowdowns in both production and postage due to Covid and politics, retailers [struggled](#) to get consumers their packages anywhere near on time. Considering the [current](#) persistence of shipping issues, the USPS [proposal](#) to charge retailers extra during the holiday season on packages, **holiday demand will only highlight logistical bottlenecks once again.**

Home Depot has already begun strategizing around this, [securing](#) a ship just for its own product, and we can absolutely anticipate more of the retail giants doing the same or similar, getting creative with exclusive air freight and auto as well. More directly consumer facing, we can hope for detailed and proactive tracking notifications for both items out for delivery and for curbside and in-store pickups.



Our proprietary [Connected Retail Survey](#) from last year found that consumers prefer real-time delivery and pickup notifications to be sent via SMS. So, an opportunity exists in the urgency of holiday purchases to communicate tracking information that way and to then continue a relationship with shoppers in that SMS format. We'd also like to see retailers share these tracking updates with the recipient of the gift in cases where the buyer won't be present for the receipt. Lastly, implementing pre-ordering systems would be a smart way to take advantage of shoppers' likelihood of buying even earlier this year than in previous years. Since so many were burned by the delivery delays last year, consumers will likely get even further ahead on their gifting purchases. **Not only would pre-ordering systems aid in improving demand forecasting, but they're also a great opportunity to collect ample shopper data for future use.**

WHAT TO EXPECT – HOW STORES AND SOCIAL WILL BOOST OMNI-CHANNEL



If the rise in back to school spending is any indication, and it should be, of how pent-up demand will increase holiday shopping sales as well, **we can be sure consumers will keep the upward spend trend going.** Though even more holiday shopping will occur digitally versus in person, brick and mortar won't be completely irrelevant.

To ensure shoppers feel safe inside stores, especially amid the Delta variant, retailers can learn from high-end brands by taking appointments and establishing reservation-style accommodations. This would be yet another opportunity to merge online/apps and offline by having consumers book these appointments via their app or website, and special offers or rewards could be extended to motivate this system. A reservation system would also ensure employees aren't overwhelmed or feeling unsafe in these otherwise potentially crowded environments. Participants could even receive updates as inventory levels fluctuate, prompting them to buy in the app or on the site instead, or even to search for an earlier appointment time. **Real-time data should play a big role for both inventory management and in-store busyness assistance.**

Not only will stores be more organized thanks to appointment systems, but they will also boast more strategic floor plans, given how many retailers are overhauling their layouts and formatting. Over the last year, Walmart, Best Buy, and [Target](#) have been among the retailers adjusting their layouts to facilitate more in-store pickups and pandemic-influenced shopping preferences. Wider aisles, organization geared towards pickers, fixtures emphasizing experiential, and more dedicated space for online order retrieval are prime examples of how shoppers will be delighted by updated floor plans. These key adjustments will further reinforce the positive associations consumers have developed with in-store pickup, and the expansion of dedicated space for curbside pickups will do the same. Both types of onsite pickup will be massive season winners considering how appreciative shoppers now are of those options.



One other key innovation to hit more brick and mortar will be the more mainstream introduction of “just walk out” (JWO) technology and brands beyond Amazon’s usage of advanced POS systems. **Holiday is a perfect time to debut technology that will reduce checkout inefficiencies and alleviate stress.** Amazon’s June deployment of JWO systems in its larger format store was a preview of what will become widely embraced by consumers to avoid chaos and slowdowns.

Finally, this **holiday season will be a perfect time to get more creative with livestreaming.**

During the height of the pandemic, livestreaming was a way to leverage the empty brick and mortar store while driving consumers to buy virtually. This year, with consumers allowed and encouraged back in stores, livestreaming is a great way to motivate foot traffic physically and digitally. Hosting fun events to livestream that are also enjoyable to attend in person would create the ultimate seasonal experience.



CONVENIENT, SAFE, AND EXPERIMENTAL

In summary, 2021 will usher in an era of unnoticeably **connected retail experiences**. Consumers have gotten used to and expect apps, sites, stores, and social media to all be tied together in ways that allow for shopping to be intuitive and effortless. Convenience and safety will be at the core of the best experiential activations as shoppers navigate brick and mortar.

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MELISSA MINKOW

CI&T Retail Industry Lead

melissaminkow@ciandt.com



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