


2023 RETAIL HOLIDAY TRENDS

'Tis the season for strong growth amid festive fluctuations

Retailers are gearing up for a strong holiday shopping season, albeit one full of demand fluctuations. Here we offer a sneak peek at the 2023 holiday shopping trends and the steps retailers can take to ensure a merry and bright season.



4% 2023 estimated holiday retail spending growth¹...
...about **half** the growth rate of 2022, due, in part, to lower inflation rates².

2023 consumer spending will be similar to the 2022 holiday season³.

44%

plan to spend about the **same**

24%

plan to spend **more**

16%


plan to spend **less**

15%

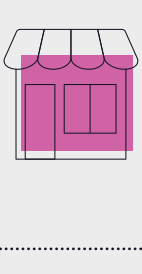
haven't thought about their budget yet

1. Forrester: Five Holiday Shopping Trends That Will Surprise You
2. Forrester: Five Holiday Shopping Trends That Will Surprise You
3. Forrester's July 2023 data


Online sales were strong in 2022, though most consumers still plan to shop in stores.



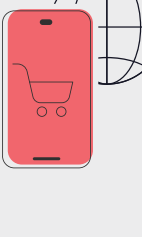
\$46.2B
2022 global Cyber Monday online sales⁴



20%
online channels account for **1/5th** of global retail sales⁷



3 in 4
consumers will visit stores this holiday season⁶



\$1.14T⁵
2022 global online sales during the holiday season

4. Salesforce 2022 Cyber Week data
5. Salesforce 2022 Cyber Week data
6. Forrester's July 2023 data
7. Statista, "E-commerce as percentage of total retail sales worldwide from 2015 to 2027," August 29, 2023.

Consumers are moving fluidly between channels on the path to purchase.



8 in 10
global Cyber Monday shoppers do online research before shopping in-store⁸

60%

of online sales are influenced by frontline workers in the store⁹

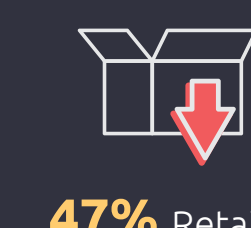
49%

of consumers follow brands on social media to discover holiday shopping promotions¹⁰

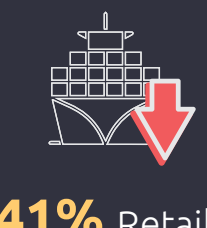


7 out of 10 Consumer Products & Retail organizations believe increases in e-commerce have led to **increased supply chain costs**, causing **significant pressure on margins**.

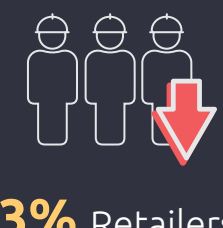
A tough economic environment, stubborn inflation and the increase in online shopping makes for a challenging environment for retailers and brands.



47% Retailers
38% Brands
anticipate stockouts or product shortages



41% Retailers
36% Brands
expect to experience late deliveries caused by import delays



33% Retailers
37% Brands
will experience labor shortages



82% Consumer Product & Retail organizations believe the supply chain will need to change significantly to meet today's challenges.

Sustainability has become a table stakes issue for consumers... but it's not driving demand among consumers.

81% Consumer Products & Retail organizations believe most customers would be willing to pay extra for sustainable products

In actuality:
consumer behavior **41%**
of consumers are willing to pay extra for sustainable products

8. Klarna Insights: Black Friday and Cyber Monday data
9. SalesForce 2023 Holiday Forecast
10. Bazaarvoice Holiday Consumer Survey

Sustainability-related initiatives have become an important cost-out opportunity for retailers.



88% of retailers¹¹ say they will make their return policies stricter ahead of the holidays – a move that will improve their ability to resell items, as well as reduce carbon emissions through reduced transportation.

4 WAYS retailers can ensure a successful festive season



- 1 Unify commerce channels to drive cross-channel sales opportunities.**
As consumers move fluidly between channels during the shopping experience, retailers need to better connect channels and touchpoints to create a cohesive experience and serve the customer where and when they want.
- 2 Optimize inventory using demand-sensing and data-sharing.**
Demand forecasting and demand-sensing tools can help organizations improve holiday season planning, by using traditional data points, as well as less-common inputs, such as weather patterns, social sentiment, and other syndicated data.
15–40%¹² Forecast accuracy improvement through demand sensing
- 3 Extend the holiday shopping season to reduce supply chain constraints.**
67% of consumers plan to begin their holiday shopping ahead of Black Friday and Cyber Monday¹³. Retailers should consider running promotions and offers in advance of the peak shopping periods to reduce strain on the supply chain, avoid delivery delays and optimize existing resources, including staff.
- 4 Leverage sustainability as a cost-out opportunity.**
Sustainability initiatives aren't just good for the environment or attractive to consumers – they're good for business. Identify opportunities where sustainability can provide a dual benefit, such as shortening return windows to reduce waste and emissions or redesigning shipping materials to reduce the use of plastic or be lighter.

11. Salesforce Connected Shoppers Report 2023
12. Gartner, "In Age of COVID-19, a Good Demand Signal Can Help," April 2020.
13. Radial 2023 Peak Consumer Survey

Connect with us:
For more details regarding our report or to speak with one of our experts, connect with us.

