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2021 Holiday Shopping Outlook

Lake County, California

PRESIDENT

Jenn Gregory



Jenn comes to Retail Strategies with a 13-year career in community development and downtown revitalization. She was the Founding Principal of a consulting firm specializing in downtown rejuvenation with clients throughout the Southeast and served as CEO of a community development agency in Mississippi where she strategically transformed their Downtown. Jenn also brings extensive governmental affairs expertise from her tenure as Assistant Director of a Federal legislative-branch agency on Capitol Hill.

Jenn was named a "Top 50 under 40" professional by Mississippi Business Journal in 2016. She serves as President of Parents for Public Schools Starkville and is the Executive Director/Vice President of Operations for Bully Bloc, a non-partisan political action committee supporting Mississippi State University alumni in political positions within Mississippi. She is a board member of the non-profit group Mississippi 30 Day Fund, an organization focusing on the private sector supporting small businesses the state.



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2021 HOLIDAY SHOPPING OUTLOOK

Our Path

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About our Partnership

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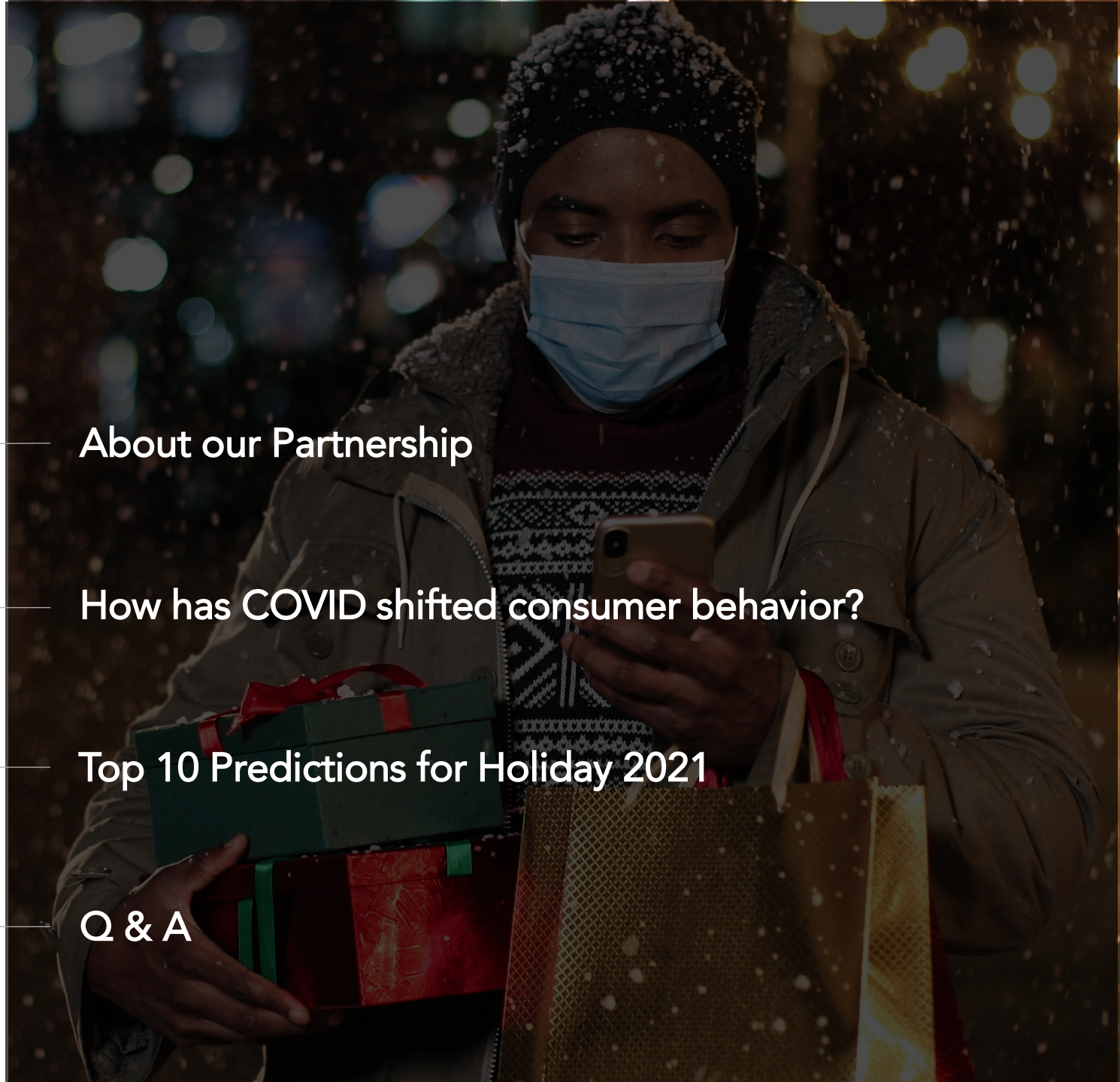
How has COVID shifted consumer behavior?

3

Top 10 Predictions for Holiday 2021

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Q & A





1

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About our Partnership



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ONE COMPANY, SEVERAL SERVICES

About Us

Grown from a Commercial Real Estate firm, we focus on all facets of community growth, recruitment and retention. Our team of 65 utilizes experience to make public-private partnerships thrive.



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retail recruitment

retail academy

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small business support

retail advisor

A woman with brown hair tied back, wearing a green cardigan over a white top and large hoop earrings, is sitting and looking down at a tablet computer. The background is softly blurred, showing a Christmas tree decorated with lights and stars. A semi-transparent grey rectangle is overlaid on the image, containing text.

2

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How has COVID shifted consumer behavior?

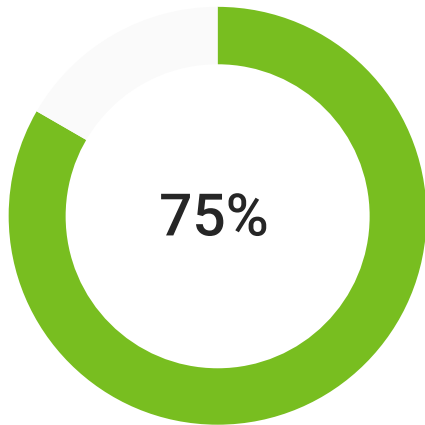
A hand holding a smartphone in front of a Christmas tree. The phone screen is dark and blank. The background is a blurred Christmas tree with warm lights and ornaments.

POLL:

What percentage of total retail sales are
conducted online?

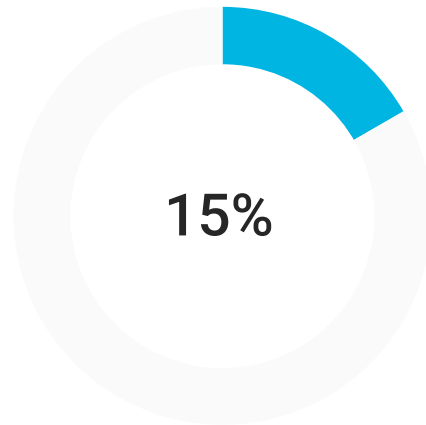
2021 HOLIDAY SHOPPING OUTLOOK

Post-COVID Shopping Behaviors



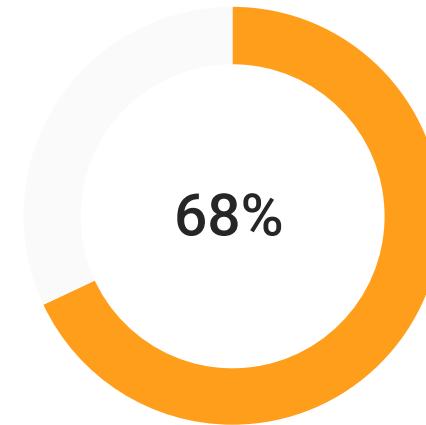
New Technology

Consumers having tried a new shopping method. Most intend to keep using it.



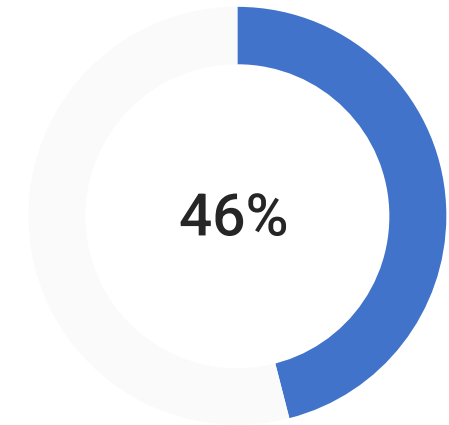
Online Sales

Total retail sales online comes to just 15% of overall sales.



Curbside Pick-up

Shoppers saying they are going to make more use of drive-up curbside collection facilities at stores in the future.

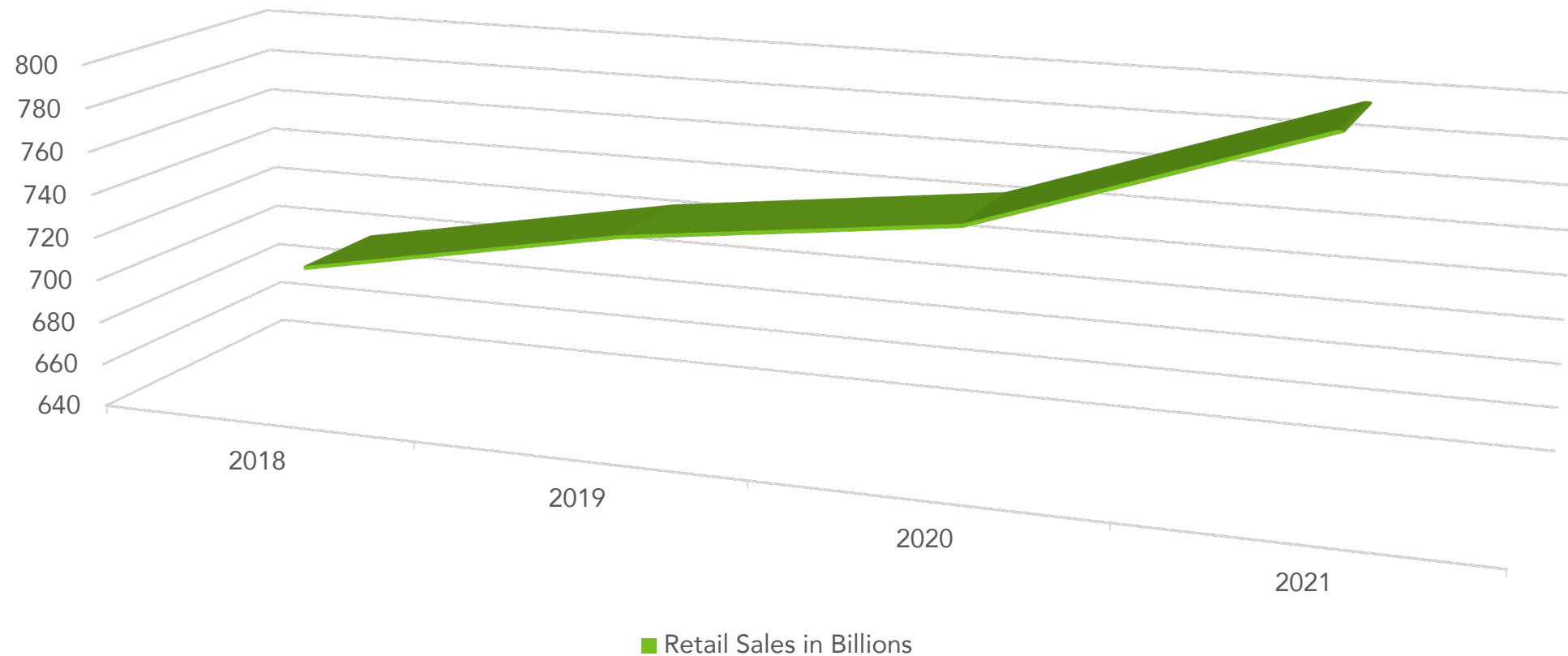


Brick & Mortar

Given the choice, some consumers prefer to shop in person rather than online.

2021 HOLIDAY SHOPPING OUTLOOK

Holiday Retail Sales in U.S.





3

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Top 10 Predictions for Holiday 2021

2021 HOLIDAY SHOPPING OUTLOOK

Sales Growth

Holiday forecasts from three different firms have predicted a sharp jump in year-over-year spending. Sales in November and December are expected to grow 7% compared with a year ago and reach \$800 billion.

- 2020 saw a 5.8% growth in holiday retail purchases.
- Growth fueled by stimulus funds and projected increase in in-store shopping.
- Early indicators are that customers have a big appetite for holiday décor, traveling, entertaining/hosting, luxury items, and apparel.



2021 HOLIDAY SHOPPING OUTLOOK

Workforce Woes & the Supply Chain

Industry-wide supply chain challenges that include factory shutdowns, chip shortages and port congestion are expected to last through the holidays and well into next year.

The pressures threaten to spoil the holiday season for families that don't shop soon enough. Many phases of the manufacturing and delivery processes are taking longer than normal. Consumers can expect packages to take more time to get to their doorsteps, as delivery carriers including UPS and FedEx work through their own bottlenecks.



The background of the slide is a dark, semi-transparent image. It shows a laptop keyboard on the left and a hand holding a pen, writing on a notepad on the right. The overall tone is professional and business-oriented.

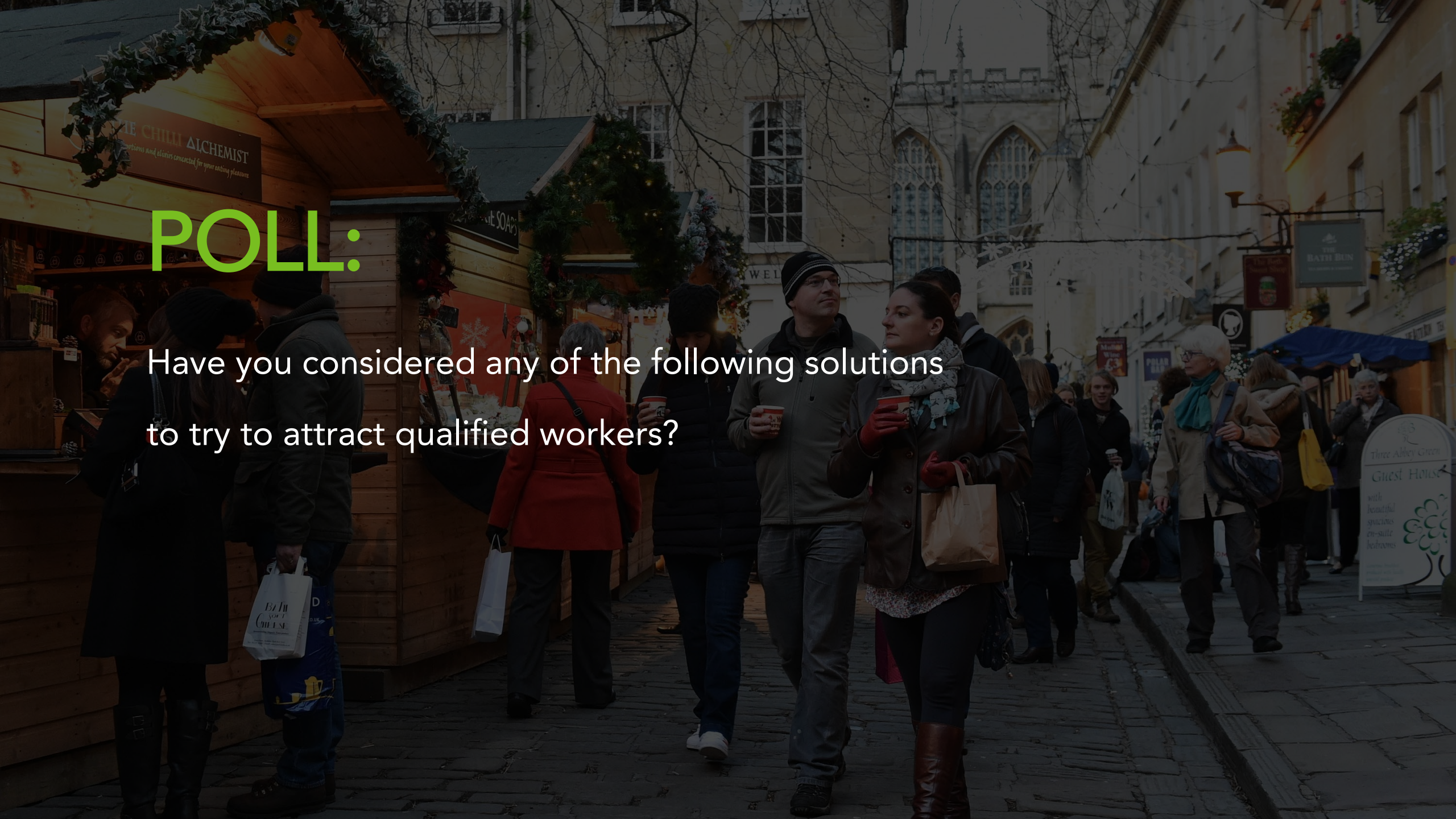
POLL:

55% of retailers say matching labor schedules to in-store customer demand is one of their biggest workforce management challenges.

Is your business experiencing hiring and workforce challenges?

POLL:

Have you considered any of the following solutions to try to attract qualified workers?



Fewer Discounts

Companies have less of a reason to put items on sale, as supply chain snafus tighten inventories. Instead, promotions will likely be strategically placed on goods that retailers have in excess stock. And that might not be something on top of holiday wish lists.

- Deals will start and end earlier.
- Many retailers are reporting higher profits as they've run fewer sales and promotions.
- Retailers looking for alternatives to discounts do have another option: 72% of shoppers indicated that they would feel positive toward brands that offered the opportunity to contribute to a charity or an initiative aligned with their values.



2021 HOLIDAY SHOPPING OUTLOOK

Earlier Shopping

Analysts predict holiday shopping will begin before Thanksgiving this year, think mid-October and finish weeks ahead of usual.

This could make days like Black Friday less important as shoppers expect they will have to pay up, regardless of the deals extravaganza, for certain coveted gifts.

- People are planning far in advance, which could drive up prices for procrastinators.
- There is a pent-up demand, the savings rate is high, the stock market is performing extremely well, and the consumer wants to get out and shop





62% of consumers are very or somewhat concerned about not receiving their items in time for the holiday.

Back to Bricks

Shoppers are expected to get off the sofa and head back to the brick and mortar. That will boost spending as people are more likely to make impulse purchases when they shop in person. It's a strong reversal from last year, when the pandemic inspired a shift toward e-commerce.

- In-store sales are predicted to increase 6.6% YoY.
- Apparel sales — both in stores and online — are expected to grow 46% from Nov. 1 to Dec. 24 compared with the year-ago holiday period.



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Handmade Hails

As retailers report that supply chain struggles are one of their biggest concerns heading into the holiday season, small businesses have the opportunity to ease holiday shopping frustrations by offering unique, hand-made items that don't depend on overseas shipping.

- Antiques, vintage, and hand-made don't have supply chain issues.
- Capitalize on this!



BOPIS

YOY growth rate for “buy online pick-up in store” (BOPIS) is projected to be upward of 10% this year.

- BOPIS has been found to improve the customer experience for 70% of surveyed consumers by increasing convenience.
- 90% of customers report that they’re more likely to choose a retailer based on convenience.
- If you’re new to BOPIS or curb-side pick-up, this holiday season is the perfect time to start!





POLL:

Has your business ever implemented
BOPIS or curb-side pick-up?

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Service Superior

Shoppers are more likely to face headaches such as impossible-to-find items, weeks-long shipping delays and unattended cash register this holiday season, and that will shape how they feel about retailers.

- Locally owned businesses are perfectly positioned to offer superior customer service, gift wrapping, curbside pick-up and other convenience measures



2021 HOLIDAY SHOPPING OUTLOOK

Omni-Channeling

Analysts forecast that e-commerce sales will grow by 11-15%, year-over-year, during the 2021-2022 holiday season.

- This holiday season, mobile commerce (m-commerce) is predicted to account for 36% of all eCommerce sales this year.
- If you're new to omni-channeling, start by collecting names and email addresses at the register this holiday season.



2021 HOLIDAY SHOPPING OUTLOOK

Communicate

Christmas occurring on a Saturday doesn't happen very often, and days of the week have a significant impact on shopping patterns.

Analysts expect shoppers to start buying early, but five of the 10 busiest shopping days are expected to be within seven days of Christmas, including No. 2 (Super Saturday, Dec. 18) and No. 3 (the Thursday before Christmas, Dec. 23).

- Expect to see last-minute shoppers
- Consistent and well-communicated operating hours and extended hour offerings will be essential to capture sales of those frustrated that their online items won't arrive in time



A woman with brown hair tied back, wearing a green cardigan over a white top, is sitting on a couch. She is looking down at a tablet computer she is holding. In the background, there is a Christmas tree decorated with lights and stars. The overall lighting is dim and warm, typical of indoor holiday lighting.

POLL:

Are you interested in 1:1 coaching?



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Questions?

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