2021 Holiday Strategy Guide

TRENDS, PREDICTIONS, AND GO-TO STRATEGIES

Merry & Bright

The 2021 holiday season is expected to be bright for retailers, with an estimated **7%** year-over-year[1] growth in holiday sales. While some consumer activity had slowed or paused since 2020, shopping in-store, indoor dining , and leisure travel have all seen an uptick in foot traffic in recent months. While visitation patterns indicate that shoppers are ready to head back into stores, which is especially great news for retailers, there are additional variables that marketers must consider to win big in Q4.

As consumers gear up for the holidays, its crucial for marketers to have flexible digital solutions in place that can be optimized across multiple media channels to swiftly respond to consumer shopping needs in real-time. Equally important is the ability to find and reach last-minute shoppers before the traditional end of year rush.

Let's dive into relevant trends, predictions, and go-to strategies to help marketers 'sleigh' their holiday goals.

What to Expect

Shortages, Slowdowns, and Shifts in Shopper Behavior

Shortages from staffing to manufacturing materials to shipping containers will introduce additional hurdles for retailers this holiday.

Shipping time for items from Asia to the U.S. has nearly **doubled**[1] in 2021.

57% of consumers plan to shop earlier this year compared to 2020[3].

Where will purchases take place?
A mix of online and in-store.

While ecommerce sales have continuously grown and are expected to increase **11-15%**[4] this holiday only **14%** of U.S. shoppers say that they will *not* be shopping in-store this holiday season[5]. An important reminder for marketers that the slice of shoppers who are online-only shoppers is still just a sliver compared to in-store only and hybrid shoppers.

2020 Holiday Trends

Despite the chaos and uncertainty that surrounded 2020, visitation to retail categories followed similar trend lines to the 2019 holiday, with a major peak in in-store traffic beginning with Black Friday, upswings on weekends, and a mad dash in the final week before Christmas.

Foot Traffic to Key Holiday Retail Categories [6]
10/01/2020 - 12/31/2020
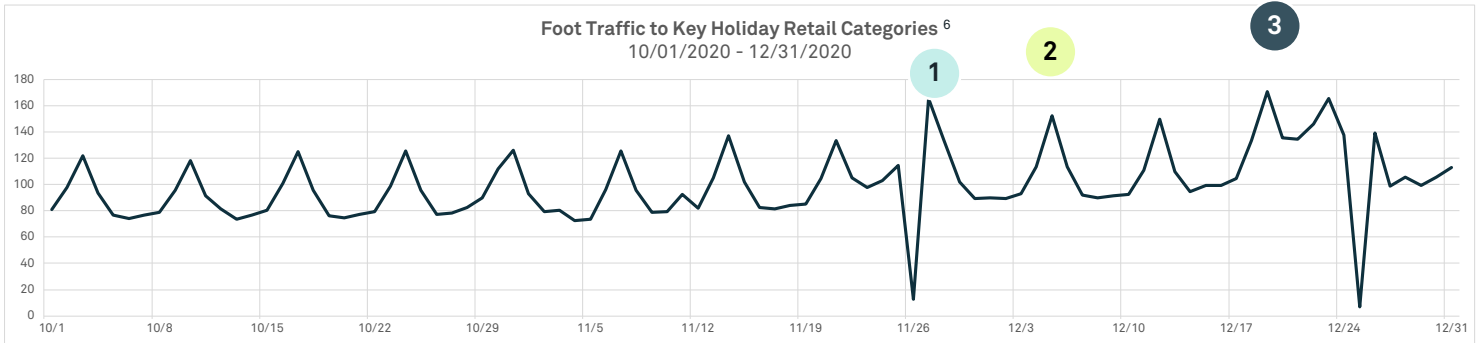
1

Categories with the largest increases in foot traffic on Black Friday 2020 compared to the fourth quarter included:

- Luxury Stores: **+156%**
- Apparel & Accessories: **+151%**
- Electronics: **+143%**

2

In-store visits the first Saturday in December (12/05/20) kicked off strong. In-store visitation to Department Stores was up **+77%** compared to fourth quarter, with Off-Price not far behind at **+61%**.

Shoppers flocked to Luxury Stores, Apparel & Accessories, and Crafts stores at almost **2X** the average.

3

The week before Christmas drove the highest weekly spike in visitation to retail stores, up **42%** for the week compared to the entire fourth quarter. An estimated **10%** of U.S. shoppers wait until the week before Christmas to complete their shopping[7]. In these final days, shoppers have likely missed shipping cut-offs, driving online and hybrid shoppers in-store to purchase last-minute gifts.

2020 Holiday Trends

Diving into week-over-week trends, foot traffic to holiday-related retail categories began scaling up in mid-November.

Week-Over-Week Foot Traffic to Key Holiday Retail Categories in 2020[6]

PERCENT CHANGES INDEXED AGAINST AVERAGE FOR Q4 (10/01/2020 – 12/31/2020)

WEEK OF	APPAREL & ACCESSORIES	BEAUTY	BIG-BOX/ WAREHOUSE	CRAFTS	DEPARTMENT STORES	ELECTRONICS	FOOTWEAR	LUXURY	OFF-PRICE
10/01/20	-16%	-15%	-9%	-17%	-17%	-17%	-11%	-25%	-10%
10/08/20	-16%	-16%	-10%	-17%	-17%	-18%	-12%	-20%	-11%
10/15/20	-14%	-14%	-7%	-16%	-15%	-16%	-10%	-17%	-10%
10/22/20	-17%	-15%	-5%	-12%	-17%	-18%	-12%	-21%	-10%
10/29/20	-19%	-14%	-1%	-12%	-20%	-16%	-12%	-24%	-12%
11/05/20	-14%	-13%	-6%	-8%	-15%	-14%	-11%	-14%	-10%
11/12/20	-14%	-10%	0%	1%	-12%	-5%	-10%	-13%	-7%
11/19/20	-3%	1%	9%	13%	0%	4%	-1%	-4%	-1%
11/26/20	6%	-1%	-8%	14%	10%	17%	0%	10%	-7%
12/03/20	7%	6%	5%	1%	12%	5%	5%	7%	7%
12/10/20	13%	14%	4%	14%	18%	10%	9%	8%	16%
12/17/20	68%	62%	30%	38%	65%	51%	55%	69%	59%
12/24/20	29%	23%	2%	-6%	18%	25%	19%	49%	9%

1

What were the go-to categories for in-person, last-minute shopping in 2020? **Luxury (+69%)**, **Apparel & Accessories (+68%)**, and **Department Stores (+65%)**.

2

Big-Box/Warehouse and **Craft** stores saw the first big spike in foot traffic among retail categories in Q4 2020, **+9%** and **+13%** respectively.

3

Big ticket items, like Electronics, often warrant an in-person visit to learn more from a sales expert as well as touch and feel the item. Foot traffic to **Electronics** stores begin with Black Friday preview sales **(+4%)** but spike to **+51%** the week before Christmas.

All foot traffic is indexed to the total quarter (10/01/2020 – 12/31/2020). Negative percentages should be read as below average foot traffic to the time period, whereas positive percentages showcase the increases in foot traffic for the time period.

BLACK FRIDAY BREAKDOWN

Which categories had the greatest share of foot traffic on Black Friday 2020?

Visitation to Luxury, Apparel & Accessories, and Electronics increased about **2.5X** above average on this deal-focused day.

Beauty and Footwear stores saw their in-store visitation **double**.

RETAIL CATEGORY	BLACK FRIDAY FOOT TRAFFIC
TOTAL RETAIL	+66%
LUXURY	+156%
APPAREL & ACCESSORIES	+151%
ELECTRONICS	+143%
DEPARTMENT STORES	+126%
CRAFTS	+108%
BEAUTY	+100%
FOOTWEAR	+100%
OFF-PRICE	+61%
BIG-BOX/WAREHOUSE	+33%

2021 Predictions & Planning

There is still time to win big this holiday season. Looking back at 2020 shopper visitation with a 2021 lens, one thing is clear: Marketers need to reach key audiences earlier than ever to get ahead of what is a historically last-minute shopping event.

More than half of consumers are planning to shop earlier, which means marketers have more time to reach, influence, and drive shoppers to make a purchase. So, when, and how should marketers get started?

35% of U.S. holiday shoppers say that COVID-19 will impact how they shop this year, down from **53%** in 2020[5].

57% of consumers plan to shop earlier compared to 2020[3].
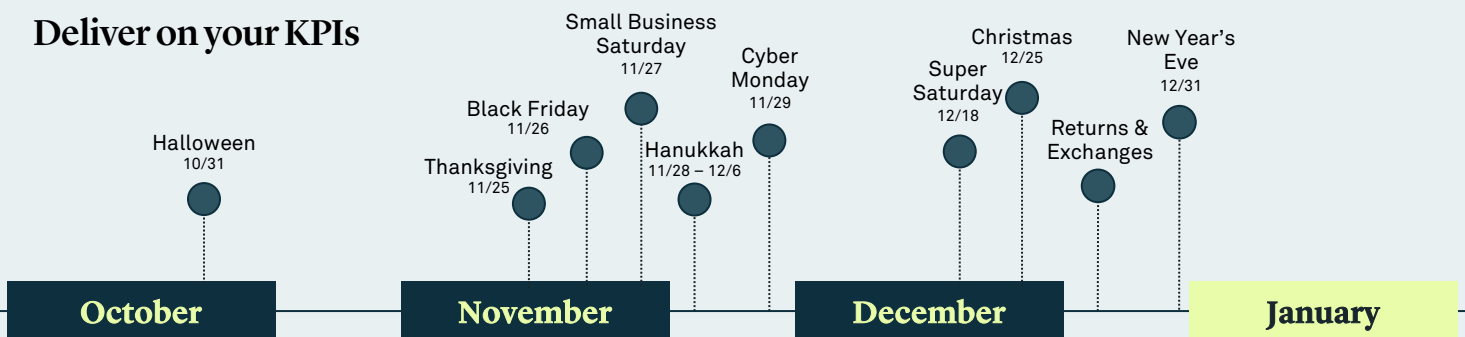
SHOPPING START SHIFT

While holiday shopping begins as early as October, **41%** of shoppers in 2020 said they usually start shopping some time in December, with **10%** of those shoppers waiting until the week before Christmas, including Christmas Eve[7].

With the current issues that brands are facing in terms of potential inventory shortages, however, holiday shoppers will need to start their shopping much earlier. In fact, **57%** of consumers plan to shop earlier compared to 2020[3]. While many consumers wait for Black Friday and Cyber Monday deals, shoppers will need to secure their stocking stuffers and stockpile gifts as early as October.

OMNICHANNEL SHOPPERS

Omnichannel strategies are key this season as shoppers are expected to shop across channels based on convenience. According to Think With Google, while **70%** of people surveyed said that their shopping experience would involve online touchpoints, only **14%** said that they will *not* shop in-store this holiday season[8]. While online experiences are still expected to play a major role in the purchase funnel, the in-store experience continues to be a priority for shoppers. Digital media as a channel can prompt shoppers to browse online, and then ultimately checkout however they prefer.

Deliver on your KPIs

Halloween 10/31

Thanksgiving 11/25
Black Friday 11/26
Small Business Saturday 11/27
Hanukkah 11/28 – 12/6
Cyber Monday 11/29

Super Saturday 12/18
Christmas 12/25
Returns & Exchanges
New Year's Eve 12/31

October — **November** — **December** — **January**

Boost Brand Awareness: Focus on Cross-Channel Targeting to reach core audience groups across multiple screens. Not only can GroundTruth serve media across all screens, but we can also measure the impact of marketing campaigns on driving visits to brick-and-mortar stores.

Increase Consideration: Leverage tactics like Custom Audience Targeting or Conquest Targeting can help reach loyal patrons or gain share of market from competitors.

Drive Conversion: Guide customers through to checkout with strategies like Proximity Targeting or creative solutions that underscore the urgency of making a purchase.

Recommended Tracks

Unwrap GroundTruth's Go-To Strategies
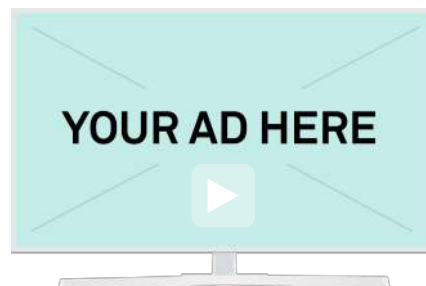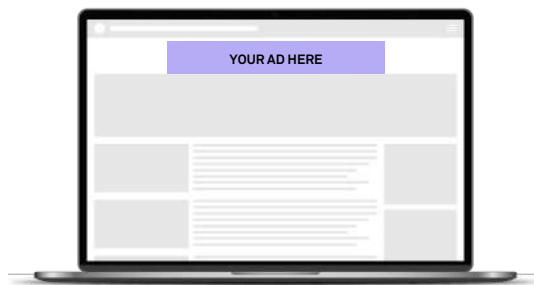
THE HOLIDAY PLANNER

Focus On:

» In-Store Shoppers

» Physical and Digital "Window Shoppers"

» Sale Previews and Specials

When:
Start as early as October through December.

Custom Audience Targeting: Layer on 1st or 3rd party data onto GroundTruth's audiences to hyper focus on a specific persona. GroundTruth has several attributes that marketers can tap into to customize targeting as needed.

Cross-Device Targeting: Extend the reach of your message across key media consumption moments by retargeting across media channels. Power campaigns with GroundTruth's rich audience data and targeting capabilities to engage with consumers across mobile, social media, desktop, and connected TV solutions.

Behavioral Audience Targeting: Align your marketing strategy with likely shoppers based on past behaviors. For example, if they're a discount shopper, they'd be the right audience to message with deep discounts or off-price locations. In comparison, luxury shoppers would be more likely to make a purchase at a designer retail stores with a higher price point.

THE CONVENIENCE-DRIVEN SHOPPER

Focus On:
» Reaching Shoppers in Real-Time
» Integrating Curbside Pick-Up
» Providing Flexible Delivery Options

When:
Leverage as an "always on" strategy to engage shoppers in real-time.

Proximity Targeting: If shoppers are near a store location, you can reach them with your best specials or with giftable items that drive them in-store. This can help them cross items off their list while they are already out and about.

Curbside Pick-Up Audience Targeting: Connect with custom audience segments comprised of shoppers who visit designated retail curbside pick-up areas.

Neighborhoods Targeting: Gather offline behavioral insights and target specific geo blocks that have a high affinity with a retailer or target a set of audiences, allowing marketers to focus and serve media to specific pockets where shoppers are also likely to visit.

THE LAST-MINUTE GIFTER

Focus On:
» Product Availability
» Curbside Pick-Up
» Same-Day Delivery

When: Heavy up in late November and the month of December.

In-Stock Targeting: With direct insight into stores' inventory, GroundTruth can dynamically turn media on or off based solely on your product availability at nearby surrounding stores. Drive shoppers to stores with in-stock inventory to ensure that they get their shopping done in time and maximizing media spend.

On Premise Targeting: Message consumers on the retail lot or within a specific store to incentivize them to to purchase a particular item once they're through the doors .

Location Audience Targeting: Reach likely shoppers based on past behaviors to stay top of mind during the last-minute dash. If driving them online, include a dynamic countdown for shipping cut-offs to help promote urgency and drive conversion. If driving them in-store, messaging limited-time offers or in-store availability of in-demand items are effective strategies.

Find out more at: **www.groundtruth.com**

Benefits of Teaming Up With GroundTruth

GroundTruth empowers marketers of all sizes to achieve their goals with targeting built from the most accurate intent data. Visitation data powers everything that we do, from audience building and targeting to dynamic creative solutions and measurement.

SCALE

Unique and unmatched solutions powered by our proprietary mapping , partnerships, and first-party data, with inventory across mobile, desktop, tablet, CTV, OTT, and social networks.

PERFORMANCE

Data-driven and dynamic targeting tactics optimized to help marketers achieve their objectives. GroundTruth builds audiences, serves media, and measures the impact of media including engagement, views and visits.
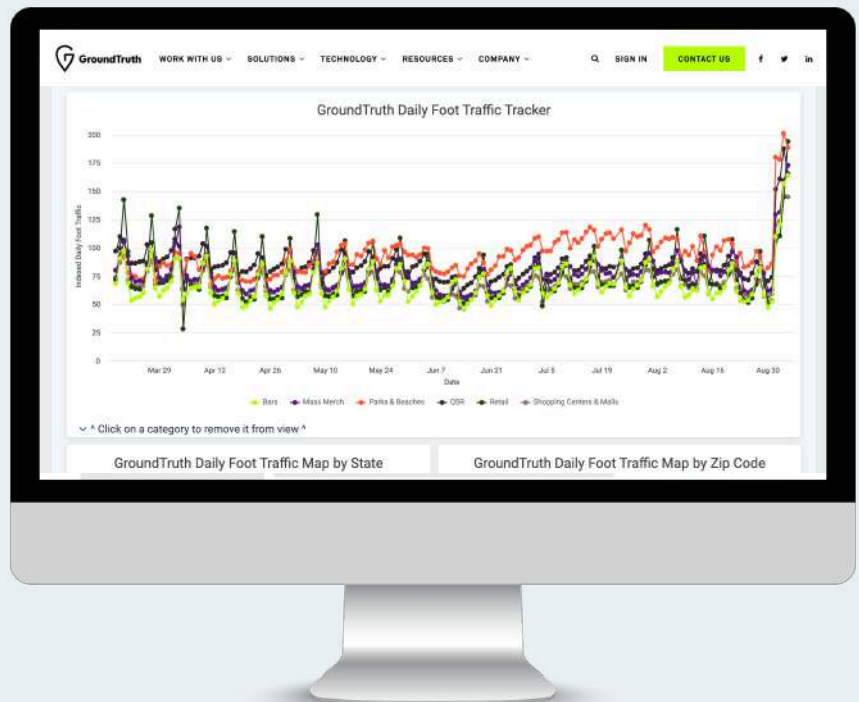
TRUST

Validated and verified to drive and measure results. The first and only ad tech provider to receive MRC accreditation for visitation data sets and independently audited with an accuracy rating of 99%.

Trend Watch

Keep a real-time pulse on foot traffic patterns with **GroundTruth's Foot Traffic Tracker**.

See foot traffic trends by category, state, zip code, custom timeframes, and more to understand current consumer behaviors to strategically shape your marketing strategies.

Contact us

GroundTruth is the leading location-based marketing and advertising technology company

hello@groundtruth.com
www .groundtruth .com

@groundtruthco