



Geometry Trendspotting: US Holiday Commerce Recap 2019

Four Key Trends That Will Shape The Season & Future
Insights preview from Black Friday & Cyber Monday

I'm too full from Thanksgiving, give me the exec summary:

The triptofan has faded and we now have a full picture of the commerce impact of the Holiday weekend. What do we see? Powerful evidence of a changing retail holiday, and shifting consumer preferences. U.S. consumers spent \$7.4B, digitally on Black Friday this year; almost a 20% increase over Black Friday 2018. Overall great news for the U.S. economy but more acutely an indication of channel-shifting and very good news for omnichannel retailers and brands.

Cyber Monday saw \$9.2B in sales - a big jump from 2018, which brought in \$7.9 billion. Making it the U.S.'s biggest single-day commerce event in history, and an approximated 16.9% year-over-year increase according to a report by Adobe. The growing online activity points to the shift away from physical stores, with retailers such as Target and Walmart training more of their staff to focus on online orders versus in-store purchases, while also using their stores to handle deliveries, according to The WSJ. With a serious digital component to Black Friday; traditionally an in-store event, along with deals, both on and offline extending all weekend, this November shopping holiday is starting to resemble a true 4-day omnichannel shopping event.

Cool. What does that mean for brands, marketers and the industry?

Glad you asked! key trends stick out this holiday season, expect these to shape retail 2020:

If you're not connecting commerce to consumers via mobile, you may not matter:

That mobile shopping increased, in itself, is not surprising given the sustained shift over the last few years. But the 2019 numbers and scale for Black Friday are impressive; looked at outside of Cyber Monday, they demonstrate that even the most traditional instore holiday is now steeped in mobile interactions.

- A full \$2.9 billion of Black Friday sales happened on smartphones. (techcrunch)
- Smartphone sales were up 21% over last year and those who were not buying were, as a start, browsing, with a whopping 61% of all online traffic to retailers coming from smartphones, up 15.8% since last year. (techcrunch)

Shoppers still value an event to excite and inspire shopping, but finger traffic is just as important for brands and consumers as foot traffic.

The future of inspired shopping requires a strong Unified Commerce experience across all channels of trade

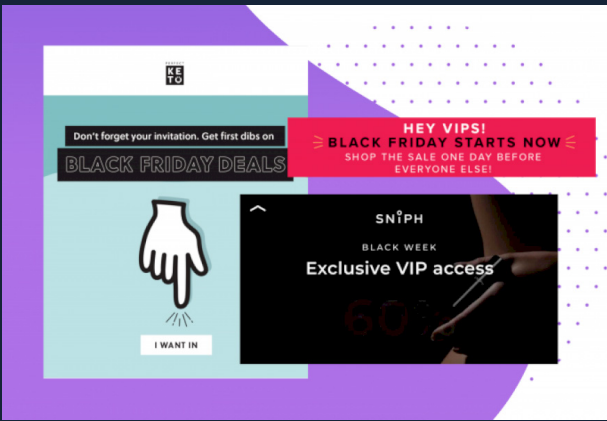
the huge increase in BOPIS (Buy Online, Pick-Up In Store, as reported by Adobe) up 43% compared to last year. The power of immediacy is obvious when shoppers reserve and pay for their purchases digitally, but still trek to the shops to pick-up their items. We tend to believe that this combination of digital buying and physical pick-up works best for the holiday because there is still meaning and value in the ritual of holiday store visits, even if it is primarily to fulfill an online order.

The holidays provide a glimpse into shoppers evolving routines around a variety of trips. From the much planned holiday trek, to the last-minute hostess gift, the 2019 holiday season launch has so far demonstrated that shoppers expect options for obtaining their purchases. What is also interesting is



Food, the next omnichannel experience frontier

While holiday gift shopping has seen the impact of online first, we expect 2019 as the first year where meal and food shopping also become holistic omnichannel experiences. With 48% of consumers forgetting (at least!!) one key ingredient for the Thanksgiving dinner (according to a recent Postmate survey); using services like Prime Now, Instacart, Shipt, etc. can be a lifesaver for stressed hosts. And since new behaviors that emerge at charged emotional moments tend to stick better, you can expect a halo effect that lasts into 2020 and beyond. Similarly, since the overall adoption of delivery services has continued to increase this year, we expect that restaurant delivery services will see a rise in orders from 2018 for those Americans who would rather not cook. (no shame)



Black Friday is becoming more about stronger DTC and blurrier retail

Cyber Monday also highlighted another emerging trend: Direct-to-consumer brands often have shunned discounts on big shopping days, but more of them are now joining in, including mattress brand Casper, jewelry company Mejuri and flower company The Bouqs according to AdAge. The change is further proof of the increasing blurring of lines between DTC brands and established retailers. “As the smaller companies try to scale their businesses,

they are borrowing some tactics, like brick-and-mortar locations, and holiday discounts, from the playbooks of larger brands.” Mentions AdAge. As Black Friday becomes more mobile and digital, the physical locations involved in Black Friday matter less – which gives DTC a more level playing field with traditional retailers. This is better for consumers, and gives them more choice than they’ve even had before on this most important of all shopping occasions.



A UNIFIED COMMERCE FUTURE

We believe that the investments made by retailers and brands in the past 12 months, along with changing shopping behaviors and expectations, have solidified the 2019 holiday season as the first to provide a truly unified commerce experience at national scale that is bound to become the de facto expectation for shoppers across the US. The traditions around getting up early for blockbuster deals are now just one more choice; an experience

to be done for fun; and one that may be trumped, more often than not, by the other experience of staying in bed and scrolling on smartphones..! Whether planning for the Thursday dinner, getting the best deals or grabbing a last minute gift, we now have it all, with better convenience, better service and less need to choose the when, where and how we buy.

These charges are good for everyone and reflect continued enthusiasm for financial performance for innovation and new consumer conveniences, regardless where and how they choose to shop and buy