

2021 Holiday Season Shopping Report

 The industry projects a strong season, what can you do to plan for it?

gradient.
An Intelligent Insights Company

SETTING THE SCENE FOR HOLIDAY SEASON '21

Sales performance of Holiday 2020 exceeded projections, despite the unprecedented challenges of the pandemic. The halo effect of 2020 is sure to ripple through the Holiday Season in 2021. Bain predicts this season's retail sales to grow +7% year-over-year. It's no surprise that much of this growth will be driven by eCommerce. eMarketer expects eCommerce to contribute to a sizeable 18.9% of holiday season sales, growing on its own +11.3% year-over-year. Industry confidence in the outlook of Holiday sales for the 2021 season indicates both a fundamental shift in how consumers approach and value holiday shopping and the means by which they do so.

US Retail Ecommerce Holiday Season Sales, 2016-2021

billions, % change, and % of total holiday season retail sales



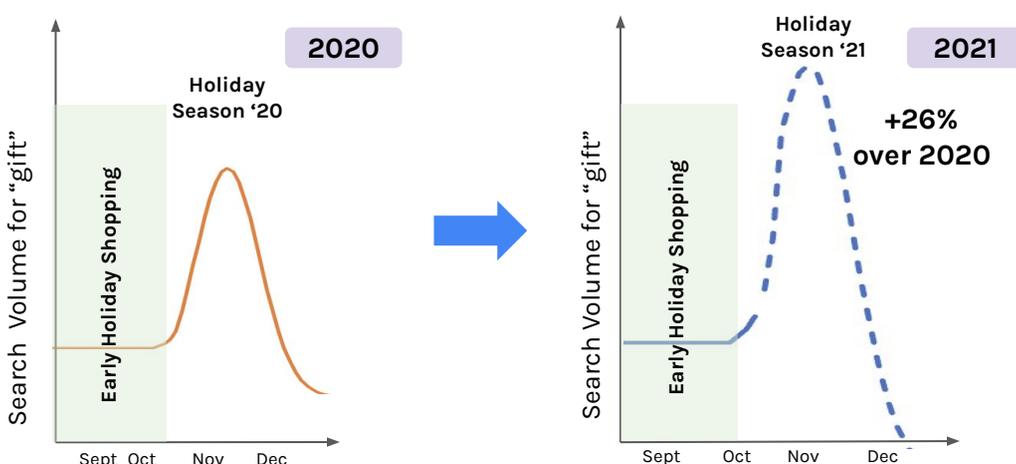
■ Retail ecommerce holiday season sales
■ % change ■ % of total holiday season retail sales

Note: excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales; includes products or services ordered using the internet, regardless of the method of payment or fulfillment; retail ecommerce sales are for Nov and Dec of each year
Source: eMarketer, Feb 2021

A CASE STUDY OF A SHIFT IN SHOPPING BEHAVIOR

While travel, live entertainment, and dining out begin to recover from the pandemic-stricken consumer psyche, consumption is still far from where it was in the beginning of 2019. As a result, consumers are projected to continue to look towards the holiday gifting season as an opportunity to celebrate. Additionally, shoppers are returning to the gifting season more planful and value-driven motivated by lingering the economic circumstances of the pandemic. In a McKinsey interview discussing the 2020 Holiday gifting season, planful, value-driven shoppers flocked online, proving that online prices & promotions were matching in-store deals in value. On top of that, Amazon's biannual Prime Day (slated for early October this year) will kick-start activity amongst the prominent online retailers to offer coinciding shopping events and aggressive deals to motivate shopper excitement - all this will continue to entice the planful, value-driven shopper to kick off the Holiday shopping season earlier and with more gusto. Digging into Gradient data, we see this shopper behavior reflected: the search volume of "gift" keywords on prominent eTailers has seen +26% growth YoY looking at the L30 9/26/21 v. YA, showing that shoppers are beginning their Holiday shopping as early as September. This significant shift in shopper behavior should compel brands to supercharge promotional activity in prop to consumer behavior.

Normalized Search Volume for "gift" Across Prominent eTailers 2020 v. 2021



Insight:

Search volume for "gift" is up year over year suggesting that more shoppers are gifting will before the traditional Holiday season with stronger purchasing intent.

HOW DO I ACTIVATE MY MEDIA STRATEGY FOR THE HOLIDAY SEASON?

Gradient's Media Strategy Framework guides decision-making to help you win share of shelf

1. Leverage Gradient's breadth of data to identify the retailers with the highest density of shoppers that appeal to you & require strategic focus



2. Identify the primary and the secondary categories that your product lines play within to play to your portfolio & isolate cross-sell categories

3. Evaluate your Categories' Paid Ratio against the Retailer Benchmark & prioritize highly relevant, under-saturated Categories to broaden your brand reach

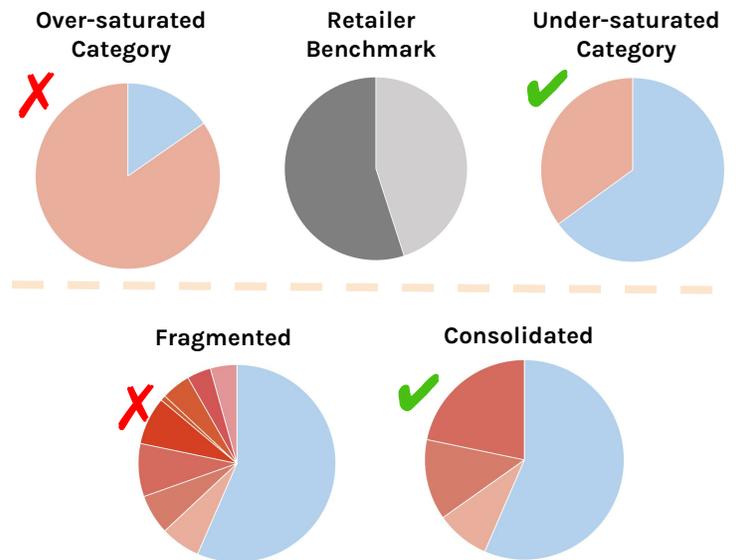
WHAT IS PAID RATIO?



A Category's **Paid Ratio** will tell you how well-monetized its products placements are.

A high **Paid Ratio** will flag a category that is over-saturated with paid activity.

A low **Paid Ratio** will indicate that a category is under-saturated and ripe for strategic prioritization.



Benchmark Categories' Paid Ratios against the Retailer Benchmark to determine paid placement saturation.

Prioritize under-saturated, consolidated Categories for resource allocation.

4. Identify and organize your hero SKUs - products that have high sales potential

4a. Isolate the retailer Categories that are the best fit for merchandising your hero SKUs.



Best-Fit Categories:

- Toothpaste
- Oral Care

Ensure that you are whitelisted for all keywords relevant to your best-fit retailer Categories.

4b. Identify the retailer Categories that contain SKUs for cross-sell opportunities for your hero SKUs.



Cross-Sell Categories:

- Toothbrushes
- Mouthwash

Make certain that cross-sell Category taxonomies are appropriately tagged in your line items.

🔊 Interested in a demo of Gradient?

Contact customersuccess@gradient.io to learn more or visit us at www.gradient.io