



2022 eTAIL HOLIDAY REPORT

Exploring the Technologies, Strategies, and Customer Experiences
Retailers Are Planning for the 2022 Holiday Shopping Season

TABLE OF CONTENTS

 3 Executive Summary	4 About the Respondents	5  Key Insights
7 Retailers Are Preparing for a Digital Holiday Shopping Season	11 Online and In-store Technologies Will Play a Large Role in This Year's Holiday Shopping	14 Most Companies Will Outsource At Least Some Capabilities This Season
17 Most Organizations Are Somewhat Confident in Their Ability to Service Customers	20 Conclusion: A Strategic Approach to Holiday Sales	21 Key Suggestions 
22 About the Sponsor	23 About the Authors 	

EXECUTIVE SUMMARY



Holiday shopping has significantly changed as more and more consumers do the bulk of their shopping online. Retailers have already adapted to shifts in how in-store shopping, online shopping, and retail marketing must operate.

As a result, retail organizations are now positioning themselves to engage holiday shopping customers earlier than ever before. They're also getting out of the cycle of adopting new technology just for its own sake, and instead focusing on what it means for customers.

This year, retailers face multiple challenges, including inflation, supply chain issues, and ongoing shifts in consumer shopping trends. Most organizations must focus on creating retail experiences that engage and delight while also improving the bottom line. Although holiday retail sales increased by 8.5% in 2021, ongoing economic stressors are likely to place a strain on this year's season.¹

This report explores what technologies, strategies, and customer experiences retailers have planned for the 2022 holiday season. It includes industry benchmarking information and key suggestions from industry leaders.

Most organizations must focus on creating retail experiences that engage and delight while also improving the bottom line.

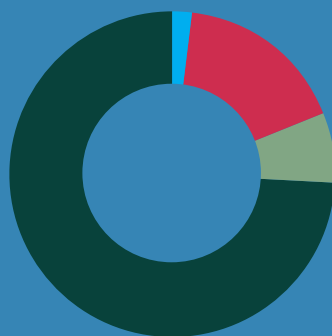
¹McHenry, Sean. "So how good were the holidays for retailers?" Marketplace. January 4th, 2022. <https://www.marketplace.org/2022/01/04/so-how-good-were-the-holidays-for-retailers/>

ABOUT THE RESPONDENTS

The WBR Insights research team surveyed 100 leaders from multi-brand retailers and brand manufacturers to generate the results featured in this report. The respondents represent organizations across the U.S. and Canada.

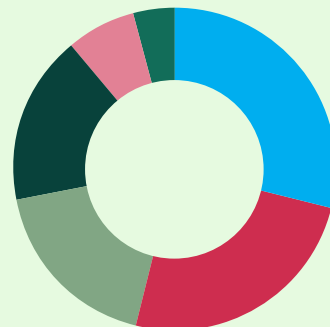
Most of the respondents (74%) are directors. The remaining respondents are vice presidents (17%), department heads (7%), and C-suite executives (2%).

The respondents occupy roles in marketing (29%), eCommerce (25%), customer experience (18%), IT (17%), customer analytics (7%), and direct-to-consumer (D2C) sales (4%).



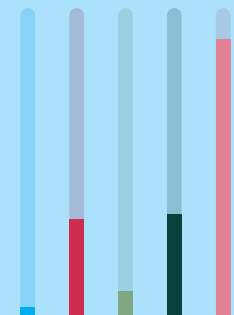
What is your seniority?

- 2% C-Suite
- 17% Vice President
- 7% Department Head
- 74% Director



What is your role?

- 29% Marketing
- 25% eCommerce
- 18% Customer Experience
- 17% IT
- 7% Customer Analytics
- 4% D2C



What is your annual revenue?

- 2% Less than \$10 million
- 19% \$10 million to \$100 million
- 5% \$100 million to \$250 million
- 20% \$250 million to \$1 billion
- 54% More than \$1 billion



What type of retailer do you represent?

- 9% Toys & Hobbies
- 8% Health & Beauty
- 8% Auto & Transportation
- 7% Apparel
- 7% Department Stores
- 7% Entertainment, Food, and Travel
- 7% Hardware, Electronics, and Appliances
- 7% Home Furnishing
- 7% Sporting Goods
- 7% Supermarkets
- 7% Pet & Animal
- 7% Food & Beverage
- 6% Specialty Retail
- 6% Telecommunications

KEY INSIGHTS

Among the respondents:

49%

rate their level of preparedness for the holiday shopping season as good, while 24% rate theirs as exceptional.

56%

expect 50% to 75% of their retail sales to be digital this holiday shopping season.

82%

estimate they are devoting 50% to 75% of their annual budgets to this year's holiday shopping season, a significant increase from last year.

46%

expect consumers to buy gifts earlier in the season this year and 45% expect consumers to be concerned about health and safety while in-store shopping.

43%

believe consumers will be loyal to retailers and brands they shopped with last year.

46%

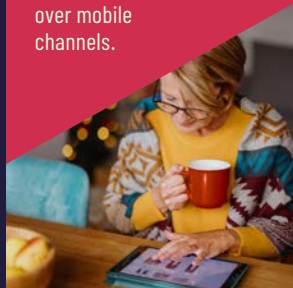
are leveraging in-store customer analytics and in-store robotics—45% are leveraging foot traffic analytics this year.

46%

expect more transactions over mobile channels during this year's holiday shopping season, while 50% expect to see roughly the same number of transactions over mobile channels.

54%

say their companies are currently utilizing or considering outsourcing services for this coming holiday shopping season.



42%

say they are currently outsourcing or considering outsourcing customer service as part of their customer experience (CX) strategies.

45%

are currently outsourcing or considering outsourcing B2B lead generation as part of their CX strategies.

36%

say increasing prices is their biggest change in strategy to address new trends in consumer spending.

65%

expect overall consumer spending to increase this holiday shopping season compared to last year. However, 33% expect it to decrease.



NEARLY HALF

of the respondents are very confident in their ability to provide a seamless returns process (47%), fulfill orders (43%), and drive customer loyalty (41%).

Expectations and Preferences of the Post-Pandemic Hybrid Shopper

As the restrictions of the pandemic have eased, we are often asked how retail and eCommerce shopping trends have changed over the last two years. Our response is that we have evolved to the new normal where the Hybrid Shopper has become commonplace.

eCommerce has been growing as a channel over the past 15+ years but dramatically accelerated during the pandemic. It became the only channel available to shoppers. And it's not like we are going back. Now that malls and stores are fully opened-up, we've seen the emergence of the Hybrid Shopper—consumers who jump back and forth between in-store and online shopping and expect their experiences to be seamless and convenient regardless of their preference. These shopping patterns will likely be especially prevalent during the hectic peak shopping season that is right around the corner.

We recently surveyed 1,000 U.S. consumers to learn what today's Hybrid Shopper expects from their shopping and order fulfillment experiences. Some of the results were expected given what we know about eCommerce trends, but others were surprising—especially the behaviors of different generations and how they relate to a post-pandemic retail environment. Here are a few of the key findings from our survey.

Preferences of Hybrid Shoppers

First, let's define our terms. We consider the Hybrid Shopper to be a consumer who expects their shopping experience to be flexible, convenient, and affordable—and include multiple omnichannel fulfillment options and speedy delivery.

Our survey found that 54% of consumers shop more online today than they did in 2020 and are now shopping across multiple channels at once. While 51% prefer online shopping, 36% of consumers still prefer in-store shopping. When it comes to fulfillment, the most popular options are curbside pickup (24%) and in-store pickup (21%). It's clear that the more blended the shopping experience has become for consumers, the more retailers and brands continue to make omnichannel investments to provide more options for their customers.

Interestingly, using a third-party/personal shopper is the least popular shopping preference, with only 4% of consumers choosing this shopping method.

Generational Behaviors

It may come as a surprise that middle-aged consumers shop online more than younger consumers who prefer to shop in-store. Our survey found that 61% of millennial consumers (ages 26-41) and 50% of Generation X consumers (ages 42-57) are shopping online more now than they were prior to the pandemic. Even though Generation Z consumers (ages 18-25) are assumed to be the most eCommerce-centric, our survey found that 24% shop online less now than they did in 2020, revealing how important it is for brands to have a diversified approach to different demographics. Baby boomers (ages 58-76) shop online less than other generations, with 49% shopping online only once a month.



Laura Ritchey, COO, Radial

Inflation's Impact

Retail sales have continued to increase despite the steepest rise in inflation in over forty years. But that doesn't mean consumers are spending more. In fact, our survey found that 40% of shoppers stopped purchasing unnecessary items, 34% delayed less-important purchases, and 26% bundled purchases for online orders to reduce fees or shipping costs.

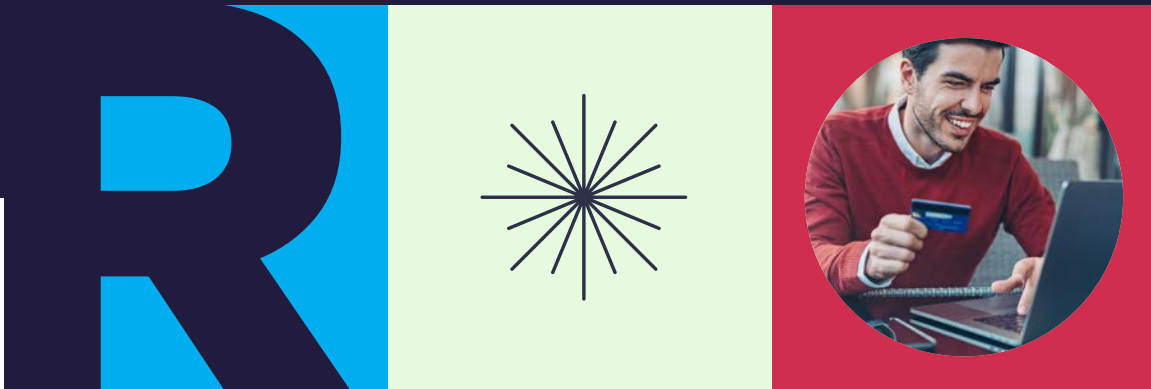
While consumers are adjusting their spending—with those making less than \$25,000 a year the third least likely to change current spending habits—food and beverage and health and beauty rank number one and two, respectively, for their essential expenses. Regardless of income, age, or employment status, consumers are focused on their health and well-being.

Make the Right Moves to Effectively Engage the Hybrid Shopper

Amid our current economic volatility—and especially with peak season on the horizon—meeting consumers' expectations with their preferred omnichannel experiences and fulfillment options are essential for winning their loyalty.

Want to learn more about today's Hybrid Shopper so you can devise and execute the best strategy to convert them into customers during peak and beyond? **Download our report and infographic** to take a deeper dive into the survey results.

RETAILERS ARE PREPARING FOR A DIGITAL HOLIDAY SHOPPING SEASON



Recent holiday shopping seasons were unprecedented for both retailers and brand manufacturers. In 2020, the pandemic resulted in a dramatic shift in consumer shopping behavior, with many consumers adopting online shopping as their primary choice for buying gifts.

Although consumers have now returned to in-store shopping, there is evidence that their adoption of eCommerce will remain. Consumers are also changing their behaviors due to other disruptions, such as the escalating cost of goods, inflation, and recession concerns.

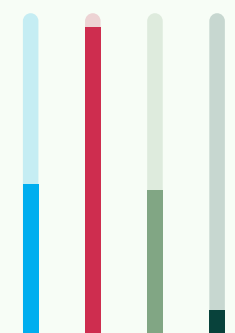
Retail and consumer brands are taking steps now to prepare for another season of holiday shopping that may look decidedly different from those of years past.

Most of the respondents say they are prepared for the upcoming holiday shopping season. At 49%, about half say their level of preparedness is "good." These respondents are ready for the season but don't think they have any edge against their competitors.

About one-quarter of the respondents (24%) say their level of preparedness is "exceptional." They believe they are ahead of their competitors or otherwise have an advantage.

"Customers are going to be more interested in getting out and about this season, but stores need to give them a reason to get off the sofa. It's up to the retailer to provide unique experiences."

- David Altman, CEO, MarketShare Advisors International



How would you rate your organization's level of preparedness for the upcoming holiday shopping season?

- 24%** Exceptional—We're ahead of/have advantages over our competitors.
- 49%** Good—We're prepared, but no more than our competitors.
- 23%** Needs Improvement—We're falling behind our competitors.
- 4%** Poor—We are unprepared or only just beginning to prepare.



Researchers asked the respondents who say they are falling behind their competitors to describe their top concerns. Most say they are primarily concerned about supply chain issues or their ability to meet consumer demand.

"It's the sudden spike in demand that could catch us off guard and is unexpected that concerns us," says an IT director at a sporting goods company. "Holiday shopping seasons have been highly unpredictable due to lockdowns."

"Our top concern is managing the supply chain and staffing issues, as demand prediction is a bit volatile at the moment," says a customer experience director at a food and beverage company.

Addressing supply chain issues will be integral to ensuring enough stock is in stores, but it will also be essential to protect companies' aspirations for digital sales.

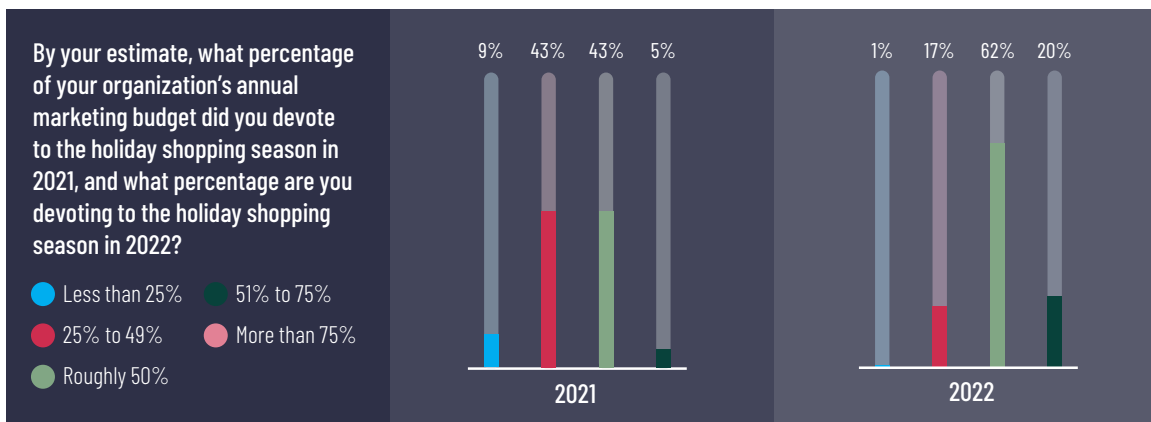
Retailers and brand manufacturers are anticipating digital and eCommerce sales to take up about half, or most, of their holiday sales. Altogether, 56% of the respondents say they expect about 50% to 75% of their sales to be digital.

Companies may devote more of their resources to digital enablement, digital promotions, and fulfillment this season. However, they shouldn't write off in-store experiences, either. Consumers who shop online may also be ready to enter stores not only to pick up items they purchased online, but also to enjoy unique shopping experiences.

Companies are also expecting to devote more of their annual marketing budget to the holidays this year.

"Shop online and pickup in-store will continue to be a top priority. Sales associates may need to communicate one-to-one with customers, especially at the luxury level of retail."

- David Altman, CEO, MarketShare Advisors International



In 2021, most of the respondents (52%) devoted less than 50% of their annual marketing budget to the holiday shopping season. This year, 82% of the Respondents expect to devote roughly 50% to 75% of their marketing budgets to holiday shopping promotions.

There are also expectations for ongoing shifts in consumer shopping behavior to continue this year. For example, 45% of the respondents anticipate much more focus on concerns about health and safety during in-store shopping among consumers. This could explain the respondents' belief that digital shopping will increase again this year.

Most of the respondents (65%) expect consumers to engage in online shopping at least somewhat more this year than they did last year.

Furthermore, almost half of the respondents (46%) expect consumers to buy gifts earlier in the season—more respondents than in previous years. This could explain some of their shifts in budget allocation, as they may now be launching holiday promotions earlier in the season.

Researchers asked the respondents to identify the specific trends they believe will have the most impact on the retail industry this year. Although some respondents mentioned online, eCommerce, and omnichannel shopping, many more identified unpredictable demand and rising prices as key concerns.

"Excessive demand and short supply are the biggest trends that are going to impact the retail industry this year," says a marketing director at a health and beauty company.

Several respondents believe consumer demand will be "unpredictable" or even "chaotic" this year, so they are preparing for several contingencies.

Other respondents say non-traditional holidays are starting to play a more prominent role in consumer spending. Non-traditional holidays could refer to holidays the retail and eCommerce industries created themselves, such as Cyber Monday, or could refer to holidays created via popular culture, such as Star Wars Day or "Friendsgiving."

"The growth in the celebration of non-traditional holidays is the biggest trend this year. Customers are seeking every opportunity to celebrate freedom post-pandemic," says an eCommerce head at a toys and hobbies company.



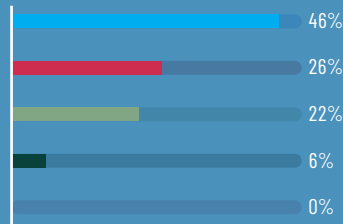
"Retailers need a deep understanding of what customers are looking for this holiday shopping season. There's far too much uncertainty. Companies must have agility built into their processes, so they can react to changes in customer demand quickly."

- David Altman, CEO, MarketShare Advisors International

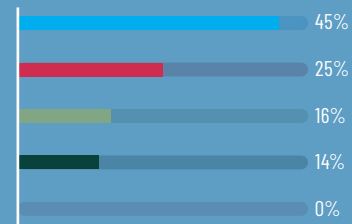
Which of the following consumer shopping behaviors do you anticipate more or less of in 2022?

- Much more
- Somewhat more
- Remain the same
- Somewhat less
- Much less

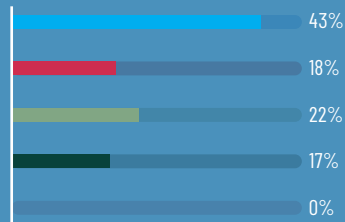
Buying gifts earlier in the season



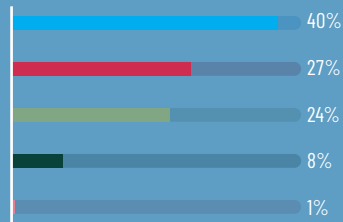
Concerns about health and safety during in-store shopping



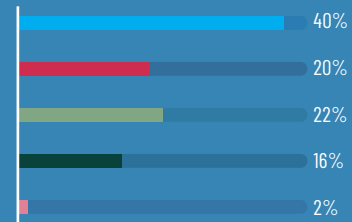
Remaining loyal to retailers and brands they shopped the previous year



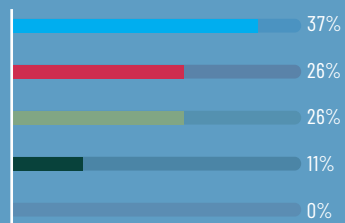
Taking advantage of special sales, discounts, and promotions



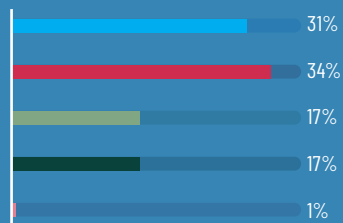
Reduced holiday spending



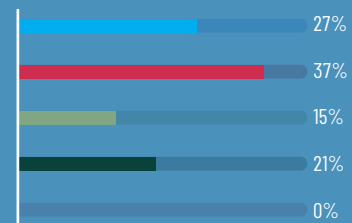
Alternative payment options (e.g., digital wallets, mobile payments, cashless payments)



Online shopping instead of in-store shopping



Trying new retailers and brands



65%

Most of the respondents (65%) expect consumers to engage in online shopping at least somewhat more this year than they did last year.

"Amazon keeps raising the stakes, so logistics is the new battleground. Technology will play an essential role on the fulfillment side. Retailers need to determine how they can get products to their stores and into the customer's hands faster."

- David Altman, CEO, MarketShare Advisors International

ONLINE AND IN-STORE TECHNOLOGIES WILL PLAY A LARGE ROLE IN THIS YEAR'S HOLIDAY SHOPPING



Retailers and brand manufacturers have implemented numerous technologies in the past few years to improve the customer experience, both online and in-store. Many of these technologies are also omnichannel, as they enable customers to get a seamless shopping experience regardless of how they choose to shop on a given day.

Achieving a true omnichannel experience has been difficult for most retailers. However, some of the respondents indicate they are farther ahead than others in deploying omnichannel resources.

For many companies, in-store technologies are bridging the physical and digital divide to create a true omnichannel experience. In-store technologies can also provide some of the capabilities traditionally devoted to online shopping to the in-store shopping experience, including analytics.

Currently, almost half of the respondents leverage in-store customer analytics (46%), in-store robotics (46%), and store foot traffic analytics (45%) in their stores. These solutions could enable them to provide more automated customer experiences and help them shift their strategies quickly based on customer demand.

For example, foot traffic analytics could allow retailers to quickly determine which stores have high footfall. They could then divert their supply chain resources to refilling stock in those stores, so they can meet demand. Artificial intelligence, which is being used by 43% of the respondents, could even do this automatically.

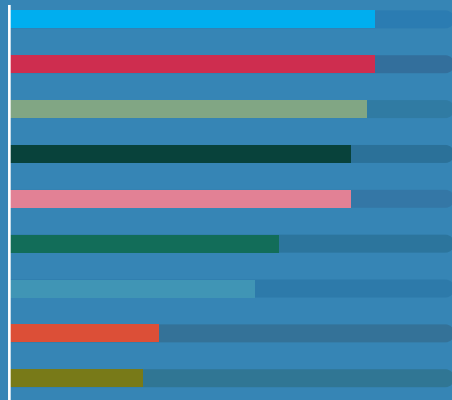
Other popular in-store technologies are mostly experiential. For example, 43% of the respondents will leverage augmented or virtual reality, while 31% will leverage frictionless checkout technology to make in-store purchases easier.

“When it comes to eCommerce technology, retailers need to find ways to break down the barriers between the in-store and online experiences. How do you recognize your best online customers in-store?”

- David Altman, CEO, MarketShare
Advisors International

IN-STORE TECHNOLOGIES

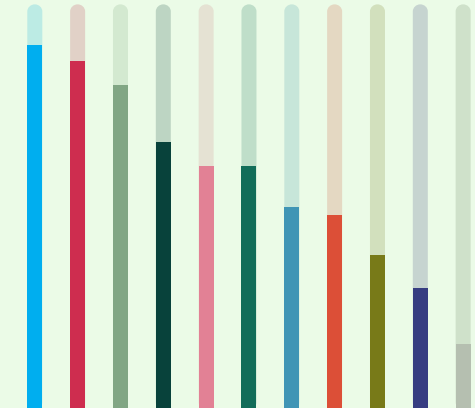
What technologies are you leveraging in stores this holiday shopping season?



- 46% In-store customer analytics
- 46% In-store robotics (e.g., picking robots, cleaning robots)
- 45% Store foot traffic analytics
- 43% Augmented reality, virtual reality, or other experiential technologies
- 43% Artificial intelligence (e.g., inventory management systems)
- 34% POS systems that are directly integrated into online commerce
- 31% Frictionless checkout technology (e.g., "just walk out" cameras and sensors)
- 19% Indoor positioning systems (IPS) to help customers navigate stores
- 17% Item tracking (RFID technology)

ONLINE TECHNOLOGIES

What technologies are you leveraging online this holiday shopping season?



- 45% Predictive analytics (e.g., behavior/demand prediction)
- 43% Intelligent product recommendations or cross-selling
- 40% Product information or content management systems
- 33% Enterprise eCommerce platforms
- 30% Digital membership platforms
- 30% Real-time personalization
- 25% Omnichannel shopping carts
- 24% Chat-based commerce
- 19% Intelligent chatbots
- 15% Live shopping or live streaming
- 8% Virtual product demonstrations (e.g., virtual fitting rooms, virtual living rooms)

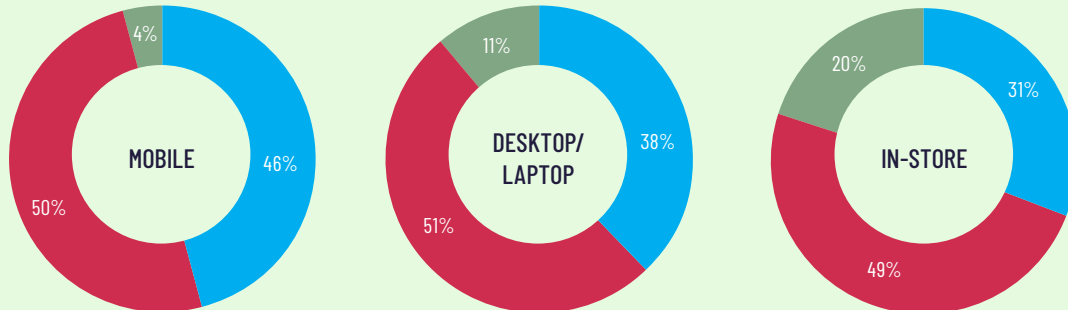
On the digital front, retailers and brand manufacturers are investing in analytics and personalization.

In each case, almost half of the respondents will use predictive analytics (45%) and intelligent product recommendations (43%) as part of their online shopping strategies. Meanwhile, 40% will use product information or content management systems to empower customers to find products more easily.

On the digital front, retailers and brand manufacturers are investing in analytics and personalization.

Based on your expectations, will there be more or fewer transactions over the following channels during this year's holiday shopping season?

● More transactions ● About the same number of transactions ● Fewer transactions



Many of these technologies will be important from a strategy perspective. However, some of them, such as omnichannel shopping carts, will play an important role in managing customer transactions.

Almost half of the respondents (46%) expect to see more mobile transactions this year compared to last year. Over one-third (38%) also expect to see more desktop or laptop transactions.

Notably, 31% expect to see more in-store transactions, but 20% expect in-store shopping to fall compared to last year. About half (49%) expect it to stay the same.

This data implies that digital purchases are likely to take precedence this year, even if holiday shoppers are excited to return to stores or intend to pick up their orders in stores. Some holiday shoppers may choose to return to stores to view products, but then return home to purchase them online, presumably at a lower price—a behavior known as “showrooming.”

When asked how their companies plan to “bridge the digital and physical retail divide” during this year’s holiday shopping season, many respondents confirm that they are planning to implement digital integrations in their physical stores. These will come in the form of “mobile-assisted personalization,” “location data utilization,” and “seamless omnichannel experiences,” among others.

“We are currently working on tracking customers’ digital and physical purchases and then identifying a stable strategy through the information collected,” says a marketing director from a department store.

“We are developing a better understanding of customer journeys and targeting them with personalized omnichannel solutions,” says a customer experience VP from another department store.

Similarly, a C-suite marketing executive from an auto and transportation company says they are “attracting customers to physical stores and supporting them with digital channels there, too.”

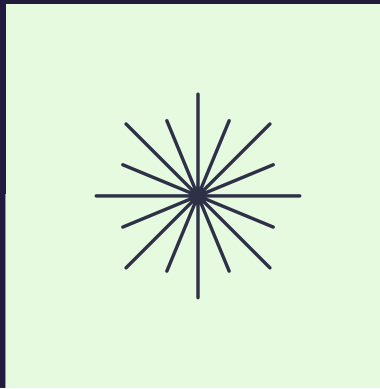
“Most customers are going to interact through digital channels, and most of those customers are going to be mobile-first. Retailers need to take a mobile-first perspective when it comes to readability and optimization.”

– David Altman, CEO, MarketShare Advisors International

“Customers don’t care about hierarchy. They care about brands. Whether they’re shopping online or shopping in-store, retailers need to create a personalized experience based on who they are and what they’ve purchased.”

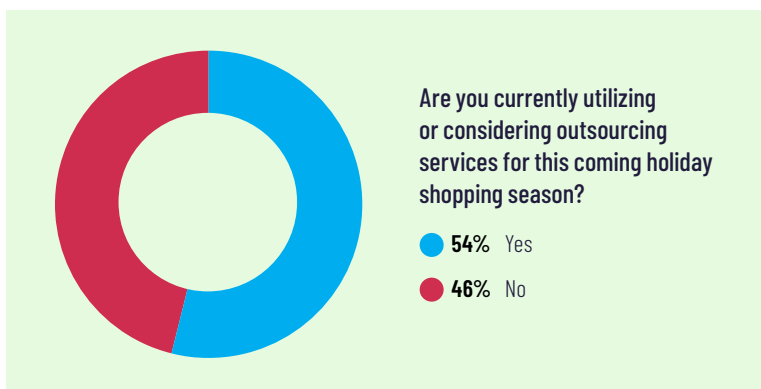
– David Altman, CEO, MarketShare Advisors International

MOST COMPANIES WILL OUTSOURCE AT LEAST SOME CAPABILITIES THIS SEASON



Retailers and brand manufacturers have always relied on outsourced assistance during the holiday shopping season. Bringing in outsourced staff is often a flexible and scalable alternative to hiring internally. There are also plenty of outsourced resources that can help with digital commerce and analytics, such as managed IT services.

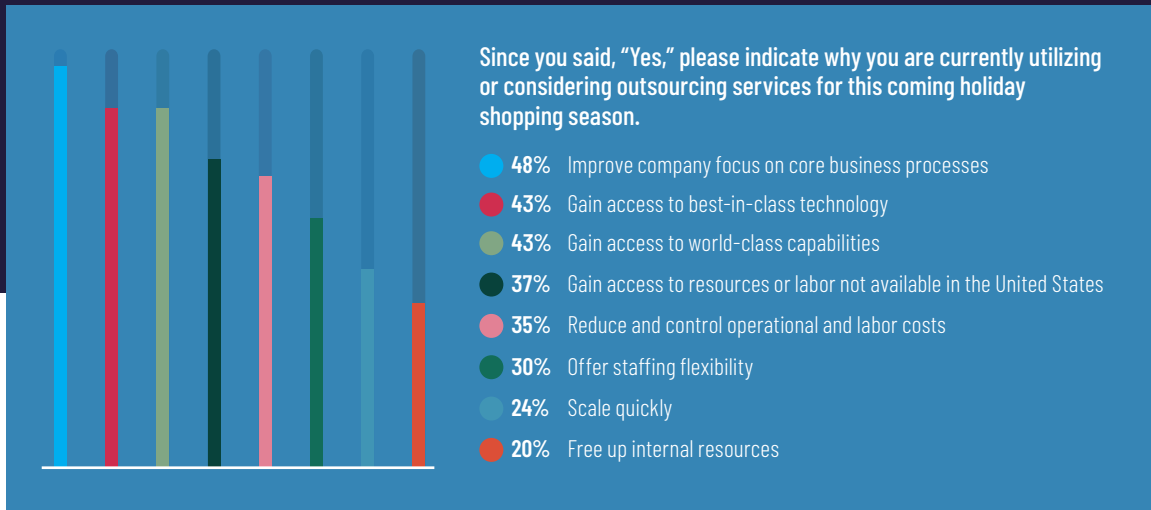
At 54%, a slight majority of the respondents say they are either currently utilizing outsourced services or they are considering doing so during the holiday shopping season.



Among these respondents, almost half are relying on outsourcing to improve the company's focus on core business practices (48%). Outsourcing some aspects of the business will enable these companies to focus more on customer service, fulfillment, and supply issues instead of worrying about the inevitable increase in manual tasks associated with the busy season.

"There are outsourced experts out there who have very narrow specializations like supply chain, staffing, and shipping. However, it can be difficult to manage so many third parties. Recognize what you're good at and do it yourself whenever possible."

- David Altman, CEO, MarketShare Advisors International



In each case, 43% of these respondents also say they are using outsourced services to gain access to best-in-class technology and "world-class" capabilities. These companies are relying on third parties to implement new technology solutions in their stores and online, or they are otherwise relying on them for core capabilities. Many third-party organizations specialize in areas like customer service, analytics, and more.

Large portions of the respondents are planning to outsource both inbound and outbound customer experience services. Inbound CX refers to the company's ability to attract, engage, and delight customers, whereas outbound CX refers to the company's ability to win back customers through comprehensive strategies based on customer feedback and market research.

Almost half of the respondents (42%) plan to outsource aspects of their customer service as part of their inbound CX strategies. These companies may rely on third-party services to field customer inquiries or process other types of customer requests.

In each case, over one-third of the respondents will outsource upselling and cross-selling (36%), help desk services (36%), and order processing (35%). Outsourcing these capabilities is often a necessity during the holiday shopping season as many companies don't have the immediate resources on-hand to process the increase in demand from customers.

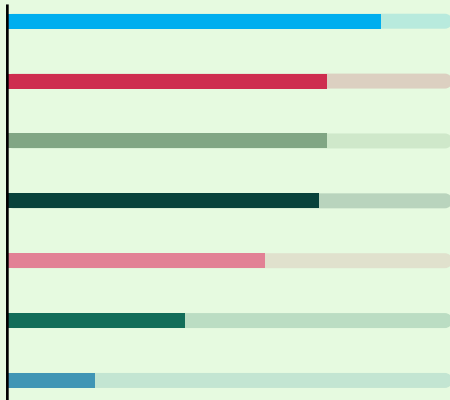
For outbound CX, 45% of the respondents say they are outsourcing B2B lead generation. For consumer-facing organizations, B2B lead gen is still crucial, as it enables them to form partnerships with suppliers and other organizations that can market and sell their goods.

About a third of the respondents (34%) also plan to outsource their market research capabilities. Working with consulting firms for market research is an affordable way to scale these efforts and gain new, impartial insights about prospective sales.

"Technology shouldn't replace the in-store experience. It can enhance it. There's nothing better at converting a customer than a well-educated sales associate who is equipped with the right tools."

- David Altman, CEO, MarketShare Advisors International

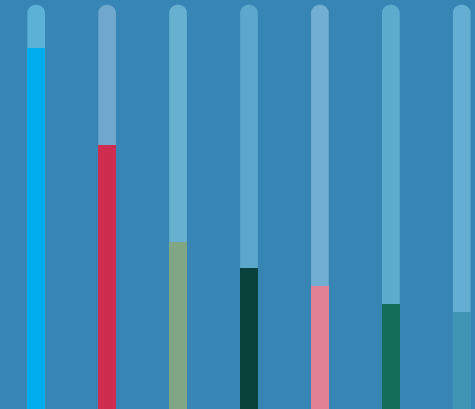
CX INBOUND SERVICES



What CX inbound services are you currently outsourcing or considering outsourcing?

- 42% Customer Service
- 36% Help Desk Services
- 36% Upselling/Cross-Selling
- 35% Order Processing
- 29% Live Chat Support
- 20% Social Media Support
- 10% None of these apply

CX OUTBOUND SERVICES



What CX outbound services are you currently outsourcing or considering outsourcing?

- 45% B2B Lead Generation
- 34% Market Research
- 23% Customer Win-Back
- 20% List/Database Scrubbing
- 18% Appointment Setting
- 16% Catalog/Merchandising
- 15% None of these apply

42%

Almost half of the respondents (42%) plan to outsource aspects of their customer service as part of their inbound CX strategies.



45%

For outbound CX, 45% of the respondents say they are outsourcing B2B lead generation.

Outsourcing certain capabilities is often a necessity during the holiday shopping season as many companies don't have the immediate resources on-hand to process the increase in demand.

MOST ORGANIZATIONS ARE SOMEWHAT CONFIDENT IN THEIR ABILITY TO SERVICE CUSTOMERS



The holiday shopping season is a time when consumers are especially active in making purchases, typically because they are buying gifts for their loved ones. However, consumer journeys during the holiday shopping season may differ from those of the off-season.

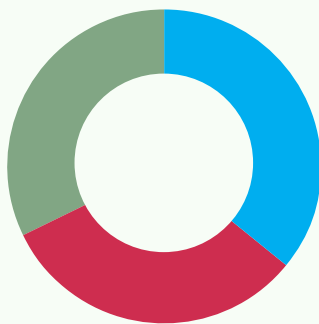
Many consumers now expect companies to offer them discounts and promotional offers for extended time periods throughout the season, and they may need help selecting the perfect gift. Personalization has become essential during this period. Companies that can recommend the perfect gift at the perfect price are in a better position to succeed compared to those that offer generic deals.

Most respondents (65%) expect overall spending to increase at least somewhat this year compared to last year. Only 35% expect it to decrease.

If consumer spending does decrease, it may be due to recent economic developments. Inflation has accelerated since the survey for this report was taken. Many consumers are now struggling with high fuel prices, high rents, and other increases in their cost of living.

Companies that can recommend the perfect gift at the perfect price are in a better position to succeed.





How will you adapt your marketing strategy to address new trends in consumer spending?

- 36% Raise prices to protect margins
- 32% Offer more discounts or promotions
- 32% Lean into brand differentiators



However, companies are struggling with high prices as well. Supply partners that experience costs upstream are likely to pass down those costs to manufacturers and retailers. Many will have no choice but to pass on those cost increases once again to customers.

Over one-third of the respondents (36%) say they plan to raise prices to protect their margins this year. This is likely a direct response to increases in operational and supply chain costs.

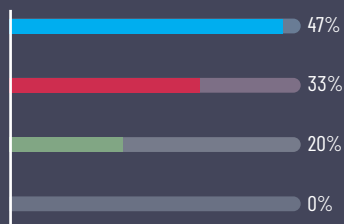
Nonetheless, 32% of the respondents plan to offer more discounts or promotions this year or lean into brand differentiators. These strategies could help them stand out against competitors, improve their sales, and create new opportunities for the customer journey.

Supply partners that experience costs upstream are likely to pass down those costs to manufacturers and retailers.

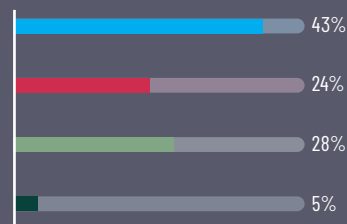
How confident are you in your ability to support your holiday shopping customers through the following stages of the customer journey?

- Very confident
- Somewhat confident
- Not very confident
- Not confident at all

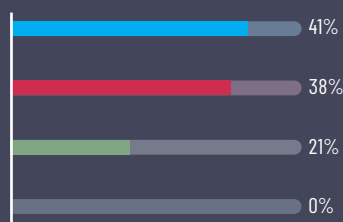
Providing a seamless returns process



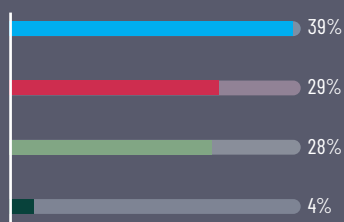
Fulfilling orders and delivering on-time



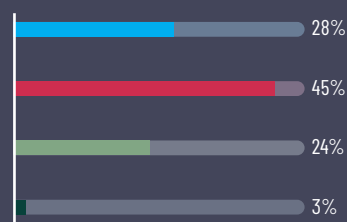
Driving repeat purchasing and inspiring customer loyalty



Notifying customers of delays



Acquiring and converting new customers



Most businesses are at least somewhat confident in their ability to support customers through the various stages of their buying journey. For example, almost half of the respondents (47%) are very confident in their ability to provide a seamless returns process, while 43% are very confident in their ability to fulfill orders and deliver them on time.

There are some gaps, however. Over one-third of the respondents lack confidence in their ability to fulfill orders, for example. This is likely due to cost and supply chain challenges.

Most retailers need to establish clear paths through which consumers can browse options, choose a purchase, make the purchase, and retrieve their products. They must also facilitate a seamless post-purchase experience, including the returns process. Increasingly, all these pathways are omnichannel.

Finally, many respondents are also concerned about their ability to notify customers of delays. Many organizations solve this challenge by empowering customers with tracking apps or links that enable them to watch the progress of their purchases via a mobile device.

Respondents confirm this strategy in their verbal responses, saying their customers like to track packages via online tools or proprietary apps.

"All our online portals have real-time package tracking facilities that customers use," says a CX director at a food and beverage company.

"We have an automated system that provides information at every stage of delivery and customers can also track their packages through live data," says an eCommerce director from a hardware, electronics, and appliance company.

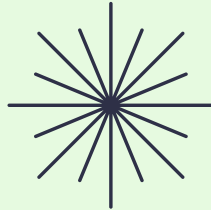
Based on the responses, package tracking appears to be standardized across most of the consumer retail industry. However, some respondents rely on proprietary apps, whereas others leverage other online tracking solutions.

Some respondents say they use SMS messaging to communicate tracking information to customers. This could be a valuable system for customers to opt into if they want up-to-date information about their latest gift purchases.



Retailers need to establish clear paths through which consumers can browse options, choose a purchase, make a purchase, and retrieve their products.

CONCLUSION: A STRATEGIC APPROACH TO HOLIDAY SALES



This holiday shopping season, retailers and brand manufacturers will need to be especially strategic if they hope to capitalize on consumer shopping trends. Confidence in consumer spending is still relatively high, but companies are struggling with increased costs and the potential for supply chain challenges.

To protect margins against inflation, some businesses plan to raise prices. However, most companies will need to weigh this strategy against potential pitfalls, as high prices may cause some customers to search for similar gift choices elsewhere.

Most importantly, retailers and brand manufacturers need to be confident in their ability to fulfill orders and notify customers of delays. They must have an automated system in place for package tracking, as this has become standard, and they must be prepared to offer engaging deals, discounts, and promotions at every stage of the consumers' buying journey.

By using these strategies, retailers and brand manufacturers can provide customers with a positive experience that leads to increased sales and the potential for more long-term relationships.

Confidence in consumer spending is still relatively high, but companies are struggling with increased costs and the potential for supply chain challenges.

KEY SUGGESTIONS



INVEST IN DIGITAL.

Most retailers and brand manufacturers are expecting more digital shopping this year compared to last year. Develop digital strategies for assisting customers through their buying journeys and beyond.

CONSIDER OUTSOURCING CAPABILITIES like customer service, B2B lead generation, and upselling.

These are just a few of the things that respondents are outsourcing as part of their efforts to scale operations.

LEVERAGE TECHNOLOGIES that bridge the physical and digital divide, creating an omnichannel experience for the customer.

For example, many retailers are using in-store analytics in conjunction with their digital personalization capabilities. This will enable them to provide better recommendations for customers based on both their in-store and online shopping habits.



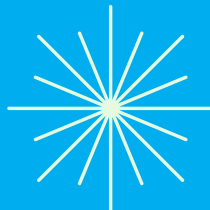
BUILD STRONG PARTNERSHIPS with critical suppliers.

Develop contingency plans in case of disruptions and ensure you and your suppliers have space to collaborate to overcome challenges quickly. Fulfillment will be crucial before and during the season.



USE TRACKING TECHNOLOGY to keep customers updated about their purchases.

Most respondents are already doing this through their apps and websites, or through third-party services.



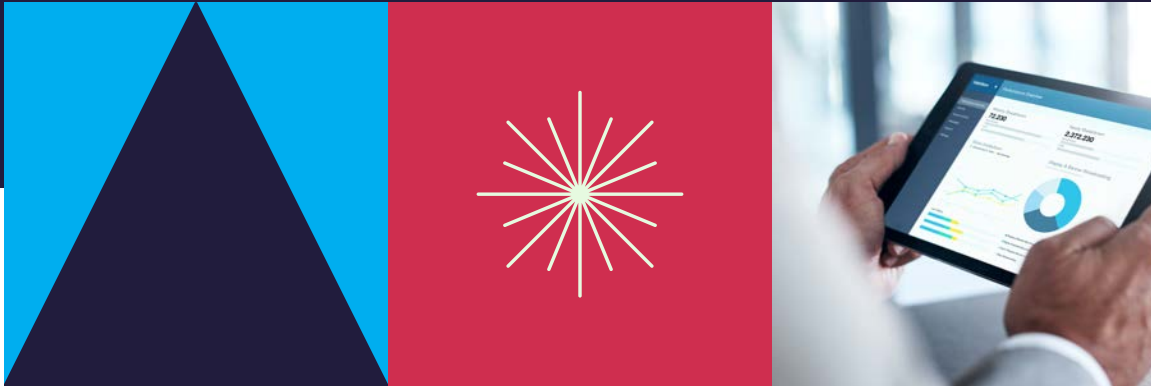
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