

2015 Holiday Insights Guide for Retailers

Strategies for a Successful Holiday Season

October 2015

The happiest time of year is rapidly approaching—for retailers and consumers alike. In 2015, will brands be ready to meet shoppers in the moments that matter most during the busiest season of the year? With more consumers questioning the value of days like Black Friday, should retailers expect shoppers even earlier or has holiday creep finally stopped creeping? Using internal data from 2013 and 2014, RetailMeNot has unwrapped what's really happening in holiday commerce and what to expect in 2015.

Here are four insights from RetailMeNot data and research to help retailers ensure their holiday season is merry and bright.



SHOPPERS COME EARLY—AND STAY LATE— FOR HOLIDAY DEALS.

Holiday shopping buzz starts earlier and earlier each year (think Halloween or even before!). But are shoppers really browsing for deals that early, and are retailers offering promotions to capture that marketshare?

RetailMeNot data shows that a steady number of earlybird shoppers were active in the days before Thanksgiving 2014. Holiday spending kicked off on November 1, with consumer interest in holiday deals trending up more than 20 percent compared to the October search average (see fig. 1). Additionally, a consumer survey conducted by RetailMeNot and Kelton Research in September 2015 shows that 54 percent of shoppers expect retailer holiday promotions to begin in October or earlier, and 85 percent expect deals before Black Friday.

Almost half of shoppers said they completed the majority of their shopping on or before Cyber Monday in 2013 (what we refer to in this report as "early bird" holiday shoppers),





indicating that the days leading up to the Thanksgiving holiday are just as important for retailers as the holidays themselves.¹ However, retailer promotional content doesn't always meet consumer demand (see fig. 2).

Other than Thanksgiving weekend, we found that the amount of deals offered by retailers fluctuated wildly throughout November. Interestingly, the volume of offers dipped to a low point on November 1, which is a day that many consumers are poised to begin their search.



FIGURE 1

HOLIDAY SHOPPING TAKES OFF AFTER HALLOWEEN



FIGURE 2

RETAILER DEALS SHOW MISSED OPPORTUNITIES DURING HOLIDAYS

RetailMeNot Offer Count Data, 2014



As the Black Friday and Cyber Monday demand spreads to additional days during the season (see fig.3), retailers need to keep their promotional engines running. Attracting shoppers earlier in the month may secure a retailer as the consumer's first choice during their discovery and planning phases—and eventually drive them straight to checkout when they're ready.

However, a snapshot of the top days for both desktop and mobile shoppers across RetailMeNot platforms indicates that retailers must be prepared for the holiday season to continue well after Black Friday and Cyber



FIGURE 3

THE SHOPPING SEASON IS GROWING BEYOND BLACK FRIDAY AND CYBER MONDAY



Monday. Retailers can avoid deal fatigue by varying their promotional offers throughout the season. Promotions like rebates and discounted gift cards can be incredibly valuable alternatives that excite consumer demand in the final days of December.

HOLIDAY SHOPPERS HAVE A GAME PLAN.

Consumers don't shop for everything on their list at once. According to RetailMeNot internal data, category affinity tends to change throughout the season (see fig. 4).

For example, holiday travel seekers looking to plan winter getaways in advance of the season are finding an average discount of 33 percent off during the month of October. For travel brands that want to ensure their deal is the one chosen, providing even a small amount of extra value, like a free breakfast with a two-night stay, may help them stand out from the crowd.







Unsurprisingly, electronics and computers hit their peak from Thanksgiving through Cyber Monday and then into the first week of December. With an average discount ranging from 38 to 40 percent off, retailers may want to consider what additional promotions they can provide to sweeten the deal. Additional perks like free shipping, a gift with purchase, or allowing shoppers to order online during Cyber Monday sales and pick up in stores may also give retailers an edge.

FIGURE 4

SHOPPERS' LISTS CHANGE THROUGHOUT THE SEASON

2014	Most Searched Categories on RetailMeNot	Average % off offer opened	Average \$\$ off offer opened
Sept. 28 – Nov. 15 (Weeks 40 – 46)	Travel, Auto, Food & Entertainment, Home & Garden, Office Supplies	33%	\$26.75
Nov. 16 – 22 (Week 47)	Multi-Category, Toys & Kids, Travel & Auto	35%	\$28.28
Nov. 23 – 29 (Week 48)	Computers & Electronics, Multi-Category, Office, Sports & Fitness	38.95%	\$33.80
Nov. 30 – Dec. 6 (Week 49)	Computer & Electronics, Personal Services, Sports & Fitness, Toys & Kids	40.13%	\$35.91
Dec. 7 – 27 (Week 50 – 52)	Books, Gifts, Health & Beauty, Personal Services, Sports & Fitness	35.12%	\$22.16
Dec. 28 – Jan. 3 (Week 53)	Books, Food & Entertainment, Health & Beauty, Personal Services	35.83%	\$21.17

THERE'S NO PLACE LIKE HOME FOR THE HOLIDAYS.

Consumers are ready to find the best deals, and they're checking them twice—especially before making a trip to the store. Research shows a spike (82 percent) in the utilization of mobile devices for deal seeking—allowing consumers to research for holiday gifts whenever most convenient.²

While eMarketer reports holiday in-store foot traffic declined about 7 percent YoY between Thanksgiving 2014 and January 2015, in-store sales were mostly flat and/or up during that time frame.^{3,4} Fewer trips to the stores may be an indicator that consumers are doing their research beforehand in order to maximize their time at home with family and minimize their time fighting crowds.



YoY, Mobile App Catches Up to Desktop for Holiday Browsing

FIGURE 5.1

IN 2013, DESKTOP IS THE PLATFORM OF CHOICE FOR ONLINE HOLIDAY SHOPPERS

RetailMeNot Platform Visits and Clicks*



FIGURE 5.2

IN 2014, MOBILE CLOSES THE GAP ON BROWSING, BUT NOT BUYING

RetailMeNot Platform Visits and Clicks



Our data shows that the gap between desktop and mobile impressions closed between 2013 and 2014 for the month of November, but click-through rates remained steady with desktop leading the channels both years (see fig. 5.1 and 5.2). Mobile app visits and transactions should continue to climb during the 2015 holiday season, and if trends continue, we expect to see mDot visits surpass desktop as well.

Consumers are relying on their mobile devices more than ever for discovery and research during the holiday season and are converting across platforms and in stores later.

DECK THE HALLS WITH IN-STORE DEALS.

Yes, e-commerce and mobile commerce are booming. That said, 9 out of 10 purchases are still made instore. While it is equally important for all retailers to invest in bridging the gap between mobile and in-store, RetailMeNot internal data found consumers are more likely to browse on a mobile device in certain categories, such as apparel, shoes and kids & toys.⁵ These categories may benefit from strong in-store offer content as shoppers browse their aisles with mobile devices in hand.

A May 2015 study conducted by RetailMeNot and Kelton Research found that consumers who find deals on their smartphone are most likely to redeem in-store



(29 percent), making in-store promotional content more important than ever for the mobile shopper. However, a good deal found on an app can turn into a negative customer experience if frontline employees aren't properly trained to help shoppers redeem an offer at the register. Training store employees on how to make the redemption process frictionless can be the best way to reverse the trend of sales moving to an online competitor.



Additionally, content is still king. A 2014 survey by RetailMeNot, in conjunction with The Omnibus Company, found that among Black Friday shoppers who took to the stores in both 2013 and 2014, 34 percent felt the in-store deals worse than the previous year.⁶ Only 10 percent of consumers surveyed by RetailMeNot in September 2015 felt "Black Friday shopping is worth it because of the savings."⁷ Retailers in the apparel, multi-category and home & garden categories topped the list with the highest number of requests for more in-store content on the RetailMeNot app during the 2014 season. Brands in these categories should consider increasing the amount of in-store offers they provide on mDot and mobile app platforms. Those who lack strong in-store content across mobile platforms—from strong promotional deals to curated collections and hot products—may be left in the cold this holiday season.

SUMMARY

The holidays are upon us. Consumers are well-versed in finding the best deals during the season, especially with powerful research devices in hand. Early-bird shopping is already beginning and core holiday consumers aren't far behind. Retailers looking to stay off shoppers' naughty list should keep these things in mind:

- Consumers are browsing well before Black Friday. Brands should be there to meet them in these moments. If so, retailers may be able to catch more share of a consumer's wallet before Thanksgiving.
- 2. Having an always-on strategy is key. Investing in a variety of promotional content before November and into late December will ensure that retailers are top of mind when consumers are making purchasing decisions.
- 3. It's going to be a very mobile holiday. Mobile browsing is gaining increased influence over purchases made across channels, but shoppers are still hesitant to buy on smartphones.
- 4. In-store opportunities abound. Don't miss out on those mobile moments happening in-store. Offering more in-store deals on apps and mobile websites will help push shoppers from browse to buy in the moments that matter.
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