

5 HOLIDAY TRENDS THAT WILL SHAPE

2020 Retail Strategies



The 2019 holiday season brought retailers positive sales growth and a positive outlook for 2020. According to the **National Retail Federation**, holiday retail sales reached \$730.2 billion, with non-store sales (including e-Commerce) growing by nearly **15%**.

But the greatest gift of all may be all the strong examples of experiential retail that emerged during the holiday season. From Michael Kors to Nordstrom and even Kohl's, many brands uncovered a host of new ways to improve the shopping experience, including:

- Embracing augmented reality (AR) to bridge the digital-physical gap;
- Testing new social commerce offerings from Instagram and other platforms; and
- Getting “back to basics” by embracing high-touch and high-impact physical touch points.



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- The National Retail Federation

Strong Storytelling Remains The Heart Of Branding

Using the latest tech and tactics is useless without a great story. **Gap** showed the power of narrative with its “Gift the Thought” campaign, which shows the emotional bond and experiences between a mother and son. The linchpin of the story is the son’s hoodie from, you guessed it, the Gap.

The most interesting point, however, is that this ad spot wasn’t pushed to TV screens; it was shared across branded social channels and through YouTube, making it a purely digital play for the retailer.

The Gap embraced the sentimental value of retail to tug at consumers’ heart strings



2020 PREDICTION: As more brands strive to stand out in a sea of sameness, storytelling and mission-driven marketing will only become more crucial to success.

Augmented Reality Earns A Powerful Use Case

Despite years of hype, there have been few successful use cases for augmented reality (AR). That is, until now. **Kohl's was among the brands** that used AR to connect the dots between their digital and physical experiences, and most importantly, add value to the shopping journey.

With the Kohl's Cash Snapchat Lens, shoppers played a football-themed game to fill their carts with gifts and Kohl's Cash. A branded Snapchat portal lens also allowed users all over the world to experience the retailer's New York City pop-up and shop featured products.



2020 PREDICTION: We'll see more brands test AR to make physical shopping experiences more engaging and interactive, but added value and utility will be key to success.

Brands Get Back To Basics To Refresh Experiences

Automated, AI-powered chat is great, but sometimes, shoppers just want to interact with a human. That's why **Etsy's Holiday Hotline** was so refreshing. The curated marketplace had a team of experts manning the phone lines, acting as "gifting gurus" that pick Etsy items for all types of gift receivers.

Callers had to share who they were shopping for, price point and any unique traits. They would then receive a curated list via email to jumpstart their holiday shopping. The best part? Shoppers who consulted and purchased through the hotline received free shipping on their items and even got a gift card to sweeten the deal. This was a high touch and extremely thoughtful way to inspire product discovery, and ultimately helped make Etsy the ultimate gifting destination.



2020 PREDICTION: Brands will integrate more physical touch points, be they live agents and service reps or even direct mail, to make their interactions with customers more personal and high touch.

Shoppable Social Brings Curation To The Next Level

We all love a good store display, but as consumers rely more on digital channels to discover and research products, brands need to expand their strategies. That's why **Instagram** released **a series of curated collections** that were shoppable through the app.

The beautiful displays spoke to different personas, like #NewParent and #MakeupQueen, and as shoppers sifted through each image, they had the power to purchase each item they looked at instantly. If someone wasn't ready to buy at that moment, they were able to save products to personal shopping collections.

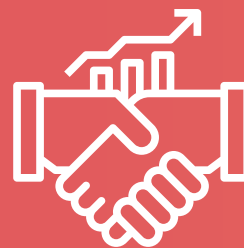


2020 PREDICTION: Social commerce will reach a tipping point, with retailers eager to test different ad offerings and capabilities through key platforms including Instagram and TikTok.

Pop-Up Producers Seek A New Killer Ingredient

Pop-ups have become a key pillar of the retail marketing mix. As more brands test these short-term initiatives and even embed them into their business strategies, they must find new ways to stand out. Given the variety of **pop-up bars, wineries and culinary destinations** that sprang up this year, there is an opportunity for retailers and brands to expand beyond their comfort zones and find new ways to whet consumers' appetites.

A great example of this approach is **POPSUGAR's Sugar Chalet**, an immersive holiday retreat created in partnership with **Athleta, e.l.f.** and other brands. Visitors could shop in a special gifting suite but they also enjoyed seasonal sweets, ice skating, giveaways and much more. It wasn't just about pushing products but about creating a joyful, stress-free experience.



2020 PREDICTION: Brands will establish partnerships with bars, restaurants and even complementary businesses to turn their pop-up concepts into impossible-to-ignore destinations.



The 2019 holiday season showed that retailers are eager and willing to step up their experience games, bringing the best of digital and physical together to engage their customers.

We believe this is only the beginning of all the great use cases and success stories to come. To stay in tune with the latest industry trends, subscribe to *Retail TouchPoints*.



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