



2016 HOLIDAY SHOPPING + MOBILE MARKETING TRENDS

A Consumer Study



INTRODUCTION

Before back to school shopping even starts, retailers are shifting their focus to the biggest shopping season of the year: holiday. And for good reason. The National Retail Federation expects holiday sales in November and December to reach \$655.8 billion -- a solid 3.6% increase from last year. But consumers' shopping habits are more unpredictable than ever.

The traditional shopping activities of waiting in checkout lines, perusing store aisles, and filling website shopping baskets are now all being accompanied or completely replaced by smartphones. Shoppers are savvier than ever, trying to find the best deals by shopping in-store, online and on their smartphone. Consequently, retailers are forced to be nimble and create both a consistent and attractive customer experience throughout the omnichannel shopping journey. However, even with this mounting pressure, most retailers are still falling behind the technological curve.

When it comes to cross-channel marketing maturity, a Forrester study found only 28% of retailers have implemented overall company solutions to identify customers across channels. At the same time, only 22% of retailers indicated they have implemented device attribution solutions across the overall company.

Retailers are struggling to sync customer profiles and gather high value behaviors across channels, resulting in a belated, disjointed and generic customer experience. This holiday season presents retailers across categories with a massive opportunity to increase sales and set themselves apart from competitors. So how can brands understand the trends and implement the proper technology to improve their approach to omnichannel marketing and consumer personalization?



WHAT WE'LL COVER

In this guide, we will take a closer look at 2016 holiday shopping trends and habits from over 7,000 consumers to identify the ways that retailers can leverage technology to deliver consistent and personalized omnichannel experiences to capitalize on the most lucrative shopping season of the year.

THE SURVEY

SessionM fielded a 13 question mobile survey to gain a deeper understanding of how they are holiday shopping this year, how smartphones impact and influence their decision making, and how personalization plays a part in their purchase behavior during the holiday shopping experience. We received over 7,000 responses from consumers across all demographics.

Results are also compared to the same survey field in 2015 to understand how consumer behavior and trends are evolving year-over-year.



THE RESULTS

In-store shopping continues to decline

This year, the tradition of shopping at retail stores for the holidays continues to slow and digital channels continue gaining share. Looking at yearly trends, 70% of people plan to shop in retail stores for the holiday season in 2016, a decline from the 78% of people who would do the same in 2015. External factors, such as poor weather during the winter season, only serve to enhance this trend. If there is inclement weather for the 2016 holiday season, 38% of people will be more likely to do all of their shopping online rather than in-store, as opposed to 19% of people in 2015.

What It Means For Brands

As the trend of holiday shoppers leaving store aisles to seek other purchase channels increases, retailers must ensure they are providing a seamless omnichannel experience across multiple platforms. Not only should a brand's mobile app and website provide personalized product recommendations and shopping journeys as if a customer were being helped by an in-store associate, but also the experience in-store should be as inviting as possible for those shoppers spending most of their time on digital channels.

How It's Being Done

Target's strategy for the holiday season includes adding additional in-store space for online customers to "click and collect," with at least 70 stores receiving dedicated counter space for omnichannel customers that made purchases via mobile or web seeking to pick up their items in-store. Target is also looking to open hundreds of smaller flex-format retail stores that combine online order pickup with some more commonly purchased and regionalized products offered on the shelves. As consumers increasingly travel across shopping channels, these types of behaviors that bridge the gap between them are a great initial step towards providing a seamless holiday journey for customers while simultaneously growing sales both in-store and online.

Digital channels, especially mobile, are climbing

46% of people plan to shop via mobile device in 2016, as opposed to 43% of people in 2015, but purchases are not the only behavior that is shifting from retail to digital. When deciding where to go holiday shopping, online research would help 51% of people make their decision, as opposed to assistance from store mailings/emails (37%) or television (23%). Additionally, while the shopping process is underway, 46% of people plan to use their mobile device to search for deals or sales at particular stores while 44% of people plan to use their mobile device to compare prices at different stores.

What It Means For Brands

As device capabilities progress and the mobile phone begins to act as the trusted advisor to a consumer during the duration of the shopping process, from researching, to comparing prices, to actually placing an order, retail brands must be there to provide a thorough experience throughout the complete purchase funnel. With the number of mobile apps and retail competitors in the market, innovation is one critical piece to both acquiring and also retaining customers.

How It's Being Done

This holiday season Kohl's is innovating their in-app experience and catering to mobile consumers by introducing Kohl's Pay, a payment and loyalty solution for Kohl's gift cards and charge cards. This solution features mobile payments, which have become commonplace in many stores, but adds additional features pertaining to the total shopper's journey such as rewards program info, product information when scanned, and personalized discount offers.

Cole Haan is also innovating on a mobile scale, as updates to their app for the holiday season include an integration with Uber. Customers who are using the store locator or are interested in a particular sale are offered the ability to take a ride to the store to check it out, with a click resulting in a push to the Uber app with trip details to the store input automatically. These are great examples of innovation to drive mobile engagement at different points of the shopper's journey that often times will result in a purchase, either directly through the mobile app or when the customer is in-store. As consumers continue to use their mobile device for different types of shopping behaviors, brands must innovate to be at the forefront each step of the way.



Personalization leads to increased holiday purchases

Personalization is a driving factor for higher sales during the 2016 holiday shopping season. Of those surveyed, 31% of people would be more likely to shop with a retailer this holiday season if they received personalized offers from the brand. This personalization insight also fits well into the shift to digital. Of those that would prefer to receive personalized offers from a retailer, email and mobile device are the two most popular channels for receiving (43% prefer email while 26% prefer mobile device).

What It Means For Brands

Consumers are going to receive thousands of engagements from retailers as the season approaches. Whether advertisements, emails, weekly flyers, or push notifications, as consumers get bombarded by offers and invitations they will inevitably tune out the vast majority because they are generic and irrelevant. Relevance is the key to staying top of mind. For a brand to make a noticeable impact, they must reach out to the customer in a personalized manner.

How It's Being Done

Bed Bath and Beyond, famous for their giant \$5 or 20% off mailer coupons, is introducing a new membership model that will provide 20% off purchases and free shipping for a yearly fee. Although the offer itself may sound appealing to the consumer, the value here for the retailer is their ability to personalize with the program. Rather than sending out blanket coupons, Bed Bath and Beyond can now collect data about each individual customer and customize unique offers that are provided to them through the program.

At the same time, some retailers such as Lowe's are looking to take personalization to the next level. A few test stores have incorporated 3D scanning and printing services to build customized products for unique customer projects. Each customer has a different need and Lowe's is seeking to meet that challenge with the exact product they are looking for. Although more from a product than a marketing perspective, the retailer is sending a message that personalization is a priority, and they seek to understand the customer and deliver unique solutions on a one-to-one level.



WHERE TO START

As shopping trends and consumer preferences continue to shift, brands must make adjustments to their strategies to adapt and stay relevant. The change from in-store holiday shopping to digital purchasing is continuing to grow. Retailers need to meet these challenges head on by providing an exceptional customer experience while personalizing their engagements with each unique customer, which all starts with their smartphone.

One of the major keys to unlocking personalization as an omnichannel retailer is understanding each customer's unique preferences and behaviors across every platform and from each in-store trip they make. Many brands have multiple databases and various POS systems across each purchase path. To truly understand the customer, this data must be unified into a single profile, as transactions and data are exchanged. If a brand understands each individual customer as a whole, marketing can become automated and engagements and promotions can be precisely targeted and trigger on a one-to-one basis.

With the vast amounts of customer data that can be collected, especially during the holidays when shoppers are the most active, engagements can become more innovative. For example, when a customer places an order through a brand's mobile app for in-store pickup, utilize personalization to lead them to the next step in their customer journey. When the customer arrives to pick up their items, leverage data to answer any questions they may have had during their digital shopping journey and recommend additional products you are aware they are interested in based on the rest of their abandoned cart.

Now is the time for retailers to act. 2016 is projected to be a record year for holiday retail sales and 72% of people plan to start their holiday shopping prior to Black Friday, with 27% of those people having already started in September.

Billions of customer data points already exist but must be synced and properly leveraged in order to develop a truly unique and personalized customer journey.

Learn how SessionM's technology can help make your current marketing stack more agile for a mobile-first world: [request a demo](#) today.



METHODOLOGY

SessionM's research is based on data compiled from a survey of over 7,000 randomly selected smartphone users, as well as the billions of data points from SessionM's proprietary mobile audience intelligence platform. The survey & platform data were collected from September 22nd - September 25th, 2016.

ABOUT SESSIONM

SessionM's technology allows you to deliver one-to-one, real-time engagement and loyalty at scale. Built on a real-time, mobile-first architecture, our platform gathers first-party data about your users to build a database of dynamic profiles about your key in-app events and behaviors. By applying our real-time rules engine solution against these events and behaviors, you can trigger personalized user engagement at the moments of impact. Using those behaviors, you can define key milestones to reward customers and unlock new program features, keeping their engagement for the long-term and expanding their loyalty.

For more information on SessionM, visit www.sessionm.com