Holiday Online Shopping Trends 2019: Retailers Win with Customer Centricity

The Customer-Centricity Countdown

Happy Holidays Marketers and Merchandisers,

While consumers scratch their heads wondering where the year went – and "liking" memes on social media mocking early holiday store displays – you've been backstage (or more like in a backroom) dashing to put the finishing touches on your digital and in-store experiences. After all, it's time to meet those lofty 2019 revenue goals to get a return on yearlong investments and to ensure bets, big and small, pay off. If you read between the lines though there's a disconnect between the weary shopper realizing it may be time to act and the anxious retail team pushing them to do so. As Christmas approaches, the anxiety shifts to procrastinating consumers as the majority are last-minute shoppers who scramble to find the best gift at the best price with the best delivery options.

In fact, according to data from Episerver, the highest number of shoppers (21 percent) start their holiday shopping December 1-15 versus any other two-week period.

While online shoppers are becoming more accustomed to quick shipping and deep discounts to tackle their gift list, they are not without fear themselves particularly when doing business with an unfamiliar retailer.

- Will my gift arrive on time?
- Is it the best gift for the recipient?
- Will the retailer accept returns?
- Will this retailer keep my payment info secure?

Savvy retailers calm those fears through features such as order tracking, rich product content, "ships in time for Christmas" notices, clearly stated return policies and website security seals – some basic conversion rate optimization (CRO) best practices.

Fear-based CRO tactics, on the other hand, would encourage retailers to provoke those worries with product scarcity language [only a few left], countdowns [24 hours left to save 50% off] and any other tactic to induce the fear of missing out [FOMO]. These strategies are on par for retailers who don't know who their customers are and what their intent is.

This customer-centricity gap is a chief complaint of consumers who hold retailers to expectations set by Amazon, Walmart and others.

Customer centricity requires retailers to put their sales targets lower on the priority list and the expectations of consumers higher; trusting that meeting expectations will lead to higher sales.

Customer centricity doesn't sing in the same choir as CRO, and it's rewriting the rules for retailers this holiday season detailed in Episerver's survey of more than 4,500 global online shoppers.

In the following pages, we'll provide some do this, not that examples to earn customers' attention, action and advocacy.

Commerce cheers,

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Key Findings

- **Amazon Nearly Hits Its Tipping Point**
  Of the gifts online shoppers will buy this year, 42 percent expect to purchase all or most of them via Amazon.

- **Late Shopping is the Norm**
  Consumers' expectations for fast and free shipping means there is less fear about waiting until the month of December to shop online. The most popular time to begin holiday shopping is between Dec. 1 and Dec. 15 (21 percent), followed by Nov. 16-30 (17 percent).

- **Online is the Preferred Channel for Holiday Shopping**
  Thirty-nine percent of holiday shoppers prefer to do most of their shopping online compared to 36 percent preferring to do the majority of their shopping in-store and 25 percent preferring equal amounts of online and in-store shopping.

- **Holiday Shoppers Switch Into "Spearfish" Mode**
  Year round, 32 percent of online shoppers start on Google when they don't have a specific product in mind. During the holidays, nearly double the shoppers begin their online holiday shopping on Amazon (32 percent) instead of Google (18 percent), indicating holiday shoppers know what they want and are going straight to the source to get it.

- **Retail Sites Still Win with Apparel**
  Apparel shoppers look to a brand/retailer's website (43 percent) to learn more about products versus Amazon (30 percent) and Google (29 percent).

- **Websites are the Single Source of Truth**
  Twenty-six percent of shoppers enjoy a brand/retailer's site for product information compared to any other shopping channel.

- **In-Store Pickup Is a Must**
  Holiday shoppers want convenience with 31 percent expecting online retailers to offer click and collect to make purchases online and pick them up in store.

- **Comparison Shopping Has Peaked**
  Sixty-eight percent of online shoppers often or always compare what they find on a brand or website to what's available on Amazon making a brand's digital experience critical to winning mind share with consumers this holiday season.

- **People Shop with People**
  Influencer marketing will influence retail sales this holiday season as 52 percent of online shoppers have clicked on an influencer's product post on social media.

Do: Understand Timing

Thirty-one percent of online shoppers expect two-day shipping, year around. Knowing this, it's no wonder more people begin their holiday shopping in December (35 percent) than in November (30 percent). Breaking down the data further, December 1-15 is the peak of when online shoppers begin their gift giving (21 percent).

With only 12 percent of shoppers indicating they start their holiday shopping year-around, it is clear those look-alike Amazon Prime Day events so popular in the month of July are more about self-giving than gift-giving despite Episerver's B2C Dot-Com Report indicating a 91 percent uptick in the percentage of retailers' catalogs on sale in July 2019 versus July 2018.

Most retailers, however, default to "hurry up" messaging regardless of the time of year.

When do you typically start holiday shopping (e.g., shopping for Christmas, the New Year, Black Friday, etc.)?

September **5%**

October **9%**

November 1–15 **13%**

November 16–30 **17%**

December 1-15 **21%**

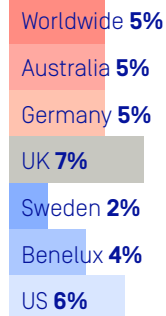The week before Christmas **11%**

Christmas Eve **2%**

Christmas Day **1%**
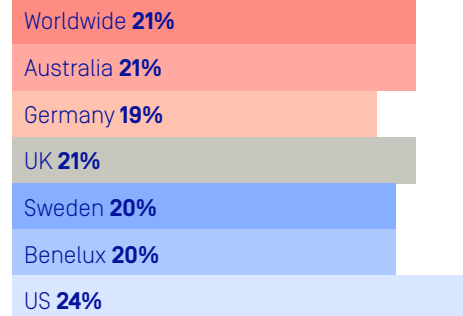
I shop year-around **12%**

I don't shop for the holidays **9%**

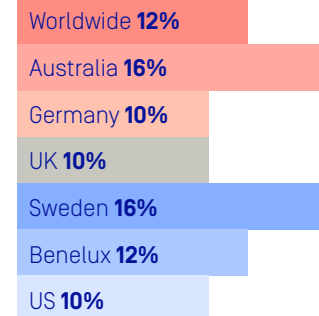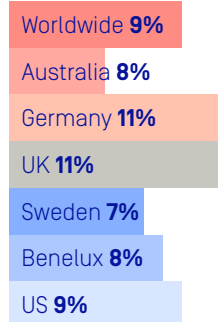# When shoppers begin their holiday shopping around the world...

September...

Worldwide	**5%**
Australia	**5%**
Germany	**5%**
UK	**7%**
Sweden	**2%**
Benelux	**4%**
US	**6%**

October...

Worldwide	**9%**
Australia	**8%**
Germany	**11%**
UK	**11%**
Sweden	**7%**
Benelux	**8%**
US	**9%**

November 1-15...

Worldwide	**13%**
Australia	**11%**
Germany	**14%**
UK	**15%**
Sweden	**11%**
Benelux	**11%**
US	**12%**

November 16-30...

Worldwide	**17%**
Australia	**12%**
Germany	**18%**
UK	**17%**
Sweden	**13%**
Benelux	**15%**
US	**21%**

December 1-15...

Worldwide	**21%**
Australia	**21%**
Germany	**19%**
UK	**21%**
Sweden	**20%**
Benelux	**20%**
US	**24%**

The week before Christmas...

Worldwide	**11%**
Australia	**11%**
Germany	**12%**
UK	**10%**
Sweden	**14%**
Benelux	**15%**
US	**10%**

Christmas Eve....

Worldwide	**2%**
Australia	**1%**
Germany	**2%**
UK	**1%**
Sweden	**5%**
Benelux	**1%**
US	**1%**

Christmas Day...

Worldwide	**1%**
Australia	**2%**
Germany	**1%**
UK	**0%**
Sweden	**4%**
Benelux	**3%**
US	**1%**

I shop year-round...

Worldwide	**12%**
Australia	**16%**
Germany	**10%**
UK	**10%**
Sweden	**16%**
Benelux	**12%**
US	**10%**

I don't shop for the holidays...

Worldwide	**9%**
Australia	**13%**
Germany	**9%**
UK	**7%**
Sweden	**7%**
Benelux	**12%**
US	**7%**

Don't: Alienate Self-Guided Customers

Shoppers turn into bargain hunters around the holidays, using retailers' on-site search tools to find the right product quickly. In fact, site searchers are 200-plus percent more likely to convert than regular users due to their focus on accomplishing a goal.

→ Thirty-three percent of global online shoppers say searching for a product or service is the number one reason they go to a brand/retailer's website for the first time.

Retailers need to optimize their on-site search before the holidays to ensure relevant search results for a shopper looking for quick finds, despite nuances like misspellings.

Here are some quick wins for tuning your on-site search:

1. Add more synonyms to your site search database.
2. Add re-directs for common non-product searches "return policy, store locator, etc."
3. Configure best-bets or boost-and-bury rules to pump up popular items in your catalog.
4. Investigate any null-result queries for common search results and fix them.
5. Add product recommendations to 404-error/no-search result pages.

Episerver customer, Superdry, uses personalized product recommendations on its search-results pages that do not return any results. They enjoy an 8.9 percent click-through-rate and 2 percent click-to-purchase rate by automatically displaying recently viewed items, abandoned carts and top items purchased from popular categories. Superdry also returns relevant results despite misspellings (like this search for "red cardigan"). Their tactics do not alienate customers trying to accomplish a goal but rather assist those self-guided customers.
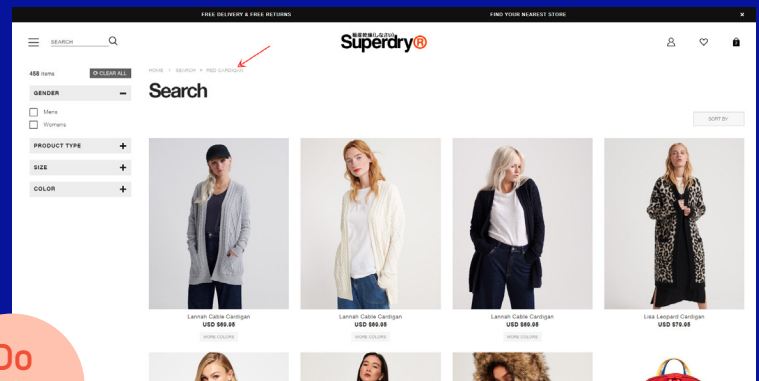
Don't: Surrender to Amazon

There's no denying Amazon's power in ecommerce – it would be like denying the Earth is round. In fact, eMarketer predicts Amazon to account for 38 percent of online commerce in 2019. Episerver data from our survey of 4,500 global online shoppers indicates similar findings.

→ Thirty-two percent of online shoppers start their holiday shopping on Amazon, followed by Google (18 percent).

→ Forty-two percent of online shoppers will buy all or most of their gifts this year on Amazon. Still, the majority (47 percent) will buy few or none of their gifts via Amazon.
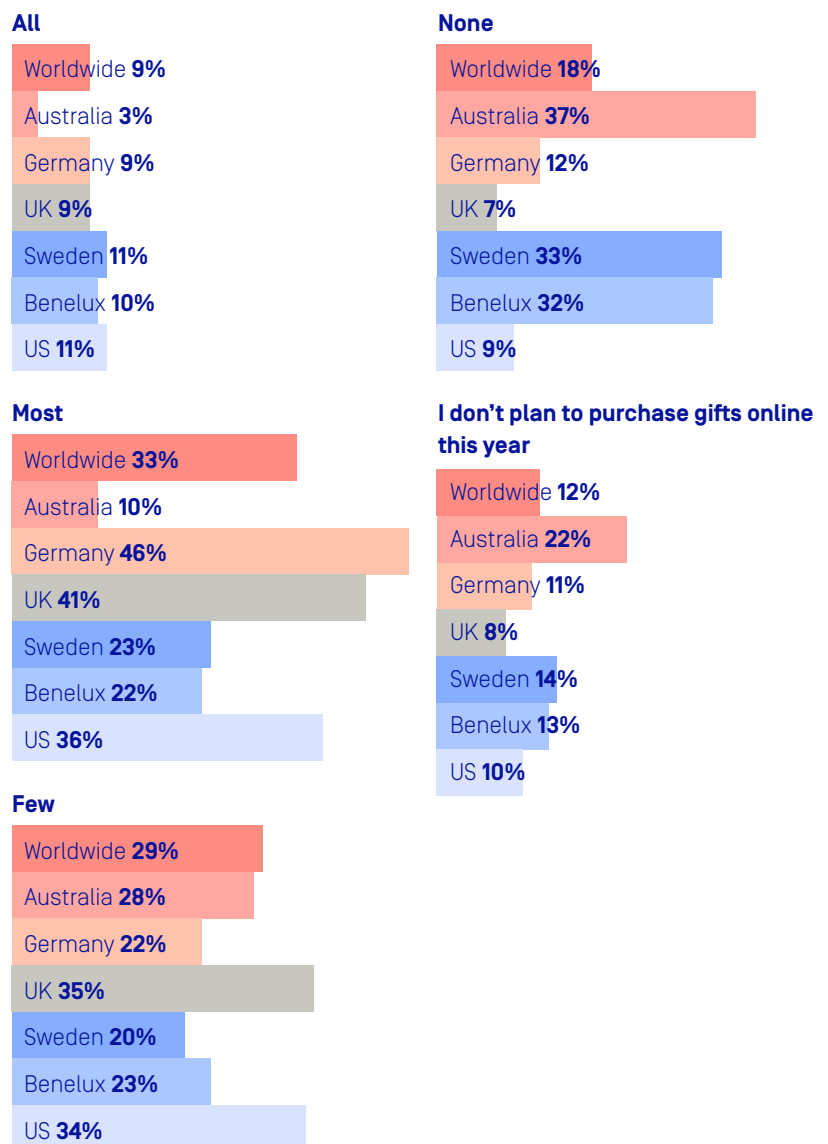
Not all categories are created equal, however.

→ When it comes to apparel shopping, more consumers turn to a brand/retailer's website (43 percent) than Google (29 percent) or Amazon (30 percent).

→ Apparel is also the category most often researched in-store (25 percent) before making a purchase online. Twenty-two percent of online shoppers also prefer to research furniture in-store before buying online.

A customer-centric approach ensures shoppers are confident with purchasing items online (their preferred way to shop this holiday season) by using technology to show how an item will fit them (apparel) or fit their lives (furniture).

Still, some customers prefer a mixed approach to shopping between in-store and online – making click-and-collect expectations the norm with a third (31 percent) of online shoppers expecting the ability to buy online and pick up in store.

Of the gifts that you will buy online this year, how many do you expect to purchase via Amazon?

All

Worldwide	**9%**
Australia	**3%**
Germany	**9%**
UK	**9%**
Sweden	**11%**
Benelux	**10%**
US	**11%**

None

Worldwide	**18%**
Australia	**37%**
Germany	**12%**
UK	**7%**
Sweden	**33%**
Benelux	**32%**
US	**9%**

Most

Worldwide	**33%**
Australia	**10%**
Germany	**46%**
UK	**41%**
Sweden	**23%**
Benelux	**22%**
US	**36%**

I don't plan to purchase gifts online this year

Worldwide	**12%**
Australia	**22%**
Germany	**11%**
UK	**8%**
Sweden	**14%**
Benelux	**13%**
US	**10%**

Few

|	
Worldwide	**29%**
Australia	**28%**
Germany	**22%**
UK	**35%**
Sweden	**20%**
Benelux	**23%**
US	**34%**

Do: Fill the Content Gap Amazon Created

Amazon prides itself on customer obsession but when it comes to product education, inspirational content, how-to guides and fanatical customer service, they come up short. Make sure your customer service team is dialed-in to serve and content teams are pumping out useful holiday guides for their websites – tactics Amazon won't invest in.

Content and customer service are key differentiators for online retailers to compete against Amazon, especially for holiday shoppers who don't know exactly what to buy for their spouse or office co-worker.

Do

H&M uses its homepage to provide timely editorial content to engage shoppers with compelling material to browse and get inspiration from.
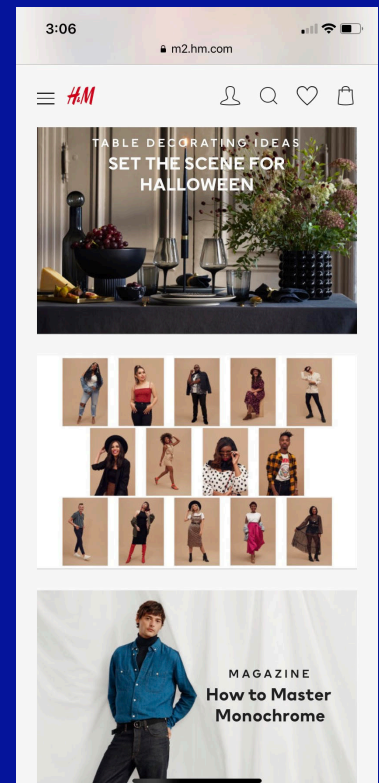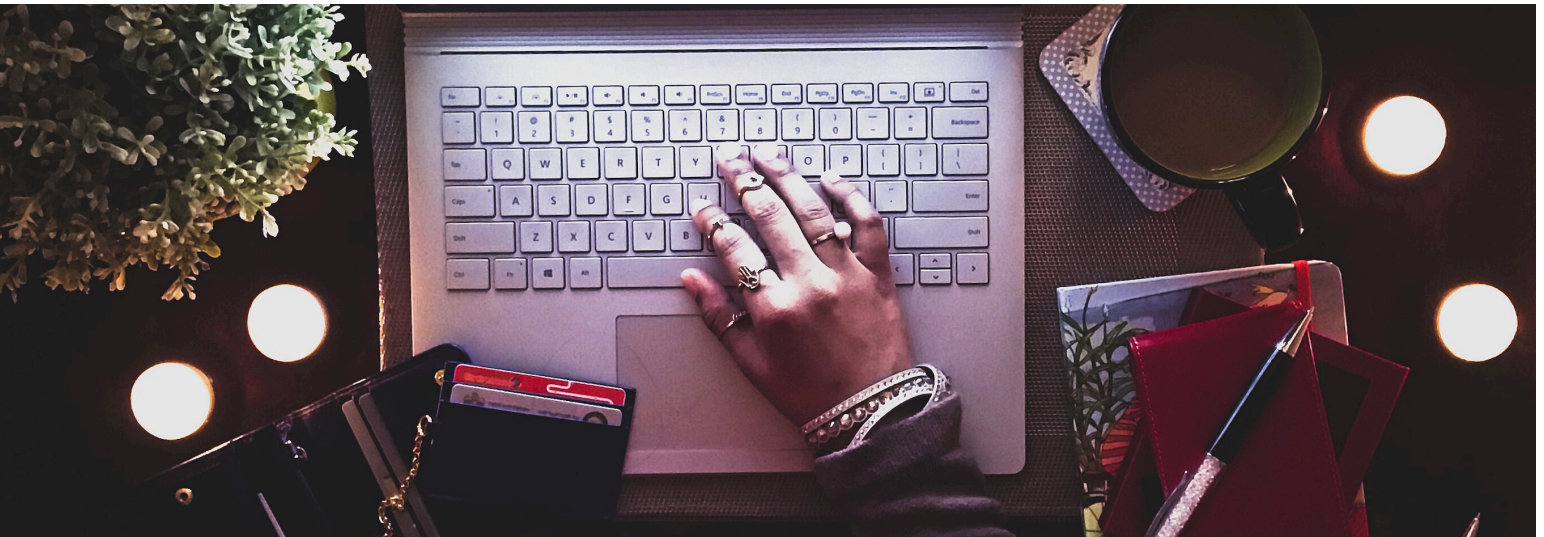
Don't: Ignore How Shoppers Research

When it comes to where shoppers usually start their online holiday shopping, Amazon tops the list.

→ Thirty-two percent of online shippers start their online holiday shopping on Amazon according to Episerver survey data, followed by Google (18 percent) with only 17 percent starting on a brand/retailer's website. This is different from the rest of the year when Google is the first stop whether they have a product in mind or not although Amazon is a close second.

→ Episerver data from our B2C commerce benchmark report shows paid search has the highest conversion rate of all traffic sources (2.9 percent) but organic search isn't far off (2.8 percent).

Strategies to consider:

•   Place ads on Amazon's website, linking to your website. This is feeding the beast, but it can bring shoppers to your site directly from Amazon's fire hydrant of traffic.

•   Keyword bidding will get competitive (more on paid search below), so don't forget organic search engine optimization (SEO) strategies prior to the holiday season to gain lower cost traffic that converts.

Do: Make Shopping Convenient Via Paid Search
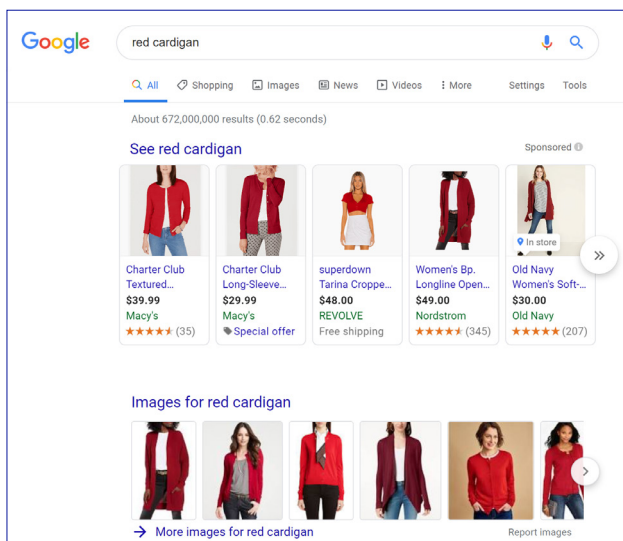
Paid search is the fastest-growing ad format for retailers according to Search Engine Land which reports retail advertisers in the U.S. will spend $13.12 billion on search in 2019, which is up 22.5 percent year over year.

Paid search can serve as a quick (albeit costly) fix this holiday season to be where your customers are when they are actively researching products to purchase. Paid search can even help retailers, with a limited personalization strategy, mimic some individualization customers crave. Take, for example, a search of "red sweater" on Google results in Product Listing Ads (PLAs). When the person clicks through, retailers will likely have more options for them to choose from in that category – giving the customer more choices and, ultimately, a better digital experience.

From a paid-search click, Nordstrom not only includes a "people also viewed" feature but also editorialized suggests of how to style the item. Revolve, on the other hand, offers no complementary content to help customers decide if the product is what they want. Nordstrom's world-famous customer service is proved digitally as well. The interactions on their site get smarter as the customer shows more intent as to what they want – helping the customer feel understood as if they were having a face-to-face interaction with a personal stylist. Customer-centric digital experiences create sustained customer lifetime value and can even turn one-off holiday shoppers into loyal brand advocates.
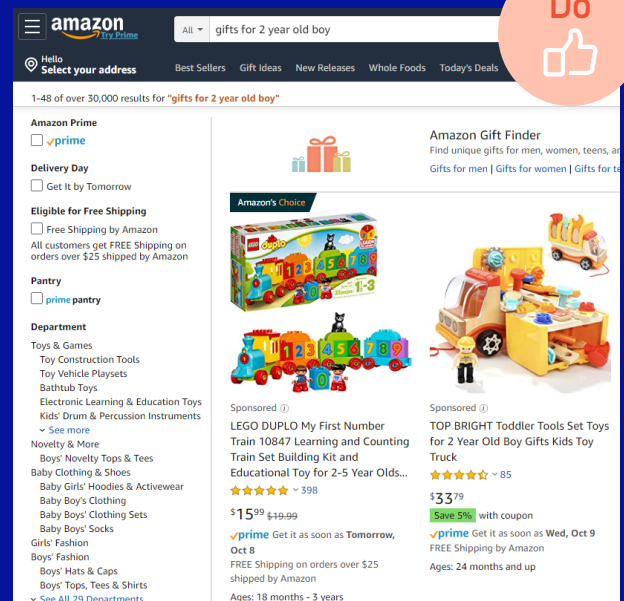

Do 👍

Don't 👎
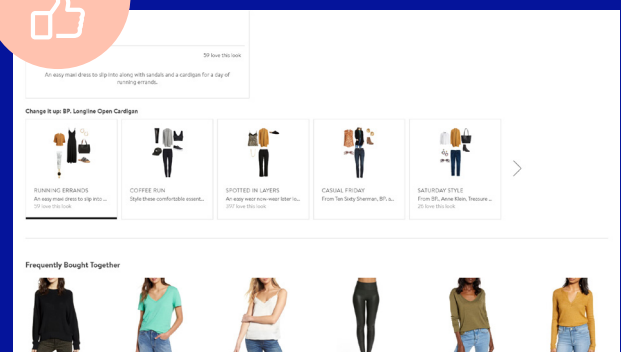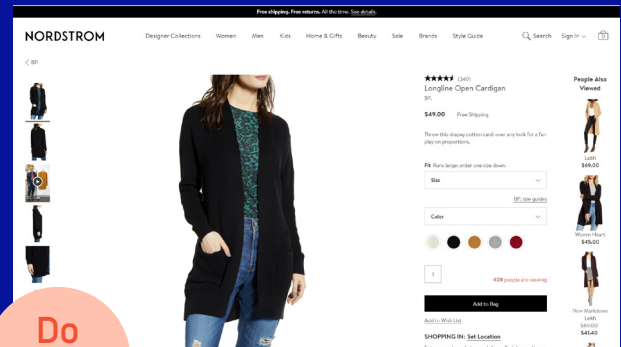
While earning the click can start at the paid-search level, the post-click experience is what earns positive attention and action.

Retailers should consider bolstering their paid search strategy to quickly get in front of targeted buyers as the conversion rate is high and paid search is engrained in shoppers' habits of clicking what tops the list on search engine result pages. People will consult Google in their gift-giving journey, year-round. The same is true, however, of Amazon and retailers are using Amazon search for advertising as well.
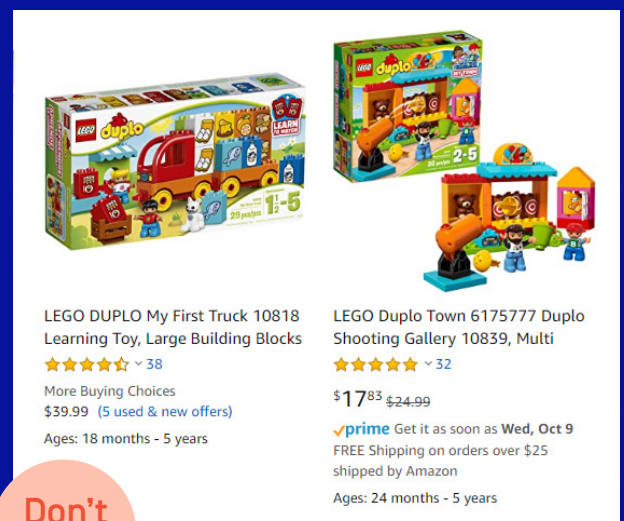
→ Sixty-eight percent of online shoppers often or always compare what they find on a brand or website to what's available on Amazon.

Sponsored product ads on Amazon allow for customer-centric targeting such as, "gifts for a 2 year old boy," which takes the guesswork out of gift-giving. Even for non-sponsored content, retailers can be more specific in their product naming as qualifying language such as "educational toy for 2-5 year olds" can help customers versus generic manufacturing language "large building blocks."

→ Ninety-seven percent of online shoppers are persuaded from making a purchase if content is incorrect or incomplete.

Do: Market with People

Social will play a larger role than ever in influencing product purchases this holiday season.

→ Traffic from social to ecommerce websites has doubled in the first half of 2019 compared to 2017 and 2018, according to Episerver data. They are often new visitors who come back later via retargeting ads, email newsletters or direct traffic. Tune up your social content where Amazon isn't present.

Further, data suggests internet users spend an average of 2 hours and 22 minutes per day on social networking and messaging platforms. Social media usage has drastically changed the way people shop and the way retailers advertise. The rise of the social media influencer has given brands access to individuals who shoppers trust, follow and are influenced by, from TV reality stars to popular bloggers.

Which of the following statements best describes your relationship with product posts from influencers (i.e., influencer posts about a product or service on their blog and/or Instagram, etc.)?

I have made a purchase directly from an influencer's product post **16%**

I have clicked on an influencer's product post, but never made a purchase **36%**

I have never clicked on an influencer's product post **26%**

I don't follow influencers on social media **23%**

→ Forty-six percent of shoppers have failed to complete a purchase online because there were too many options to choose from.

Influencer marketing humanizes product recommendations from people shoppers already like, narrowing choices to ones "recommended" by influencers.

What's more, influencer marketing cuts through newsfeed algorithms designed to limit brands' organic reach (the number of people who see a brand's messaging through unpaid distribution). Influencers are typically able to overcome this challenge because of their engaged fan base. Influencer marketing platforms exist to identify, hire and collaborate with influencers as well as analyze the results – making it easier for brands to connect with people their customers are already connected with.

A more do-it-yourself approach to an influencer marketing campaign is doable but may take more time, such as identifying influencers through your current social media management tool (or a solution like Buzzsumo), contacting them directly, working on the contract terms and analyzing the performance by connecting the dots between the post's performance, website traffic and sales (e.g., specific promo codes).

In any case, the most important element of influencer marketing is the influencers themselves – how do your customers respond to them and how will your customers view your brand's relationship with them? Amazon uses a more catch-all approach to influencer marketing through its self-service sign-up process, providing a storefront to influencers who qualify based on their social following (image on the left). Like in every example mentioned here, the post-click experience is also critically important. The landing page should be tailored to why the person clicked through the sponsored post or retailers risk alienating customers who thought they had something in common with them through the mutual relationship with the influencer.
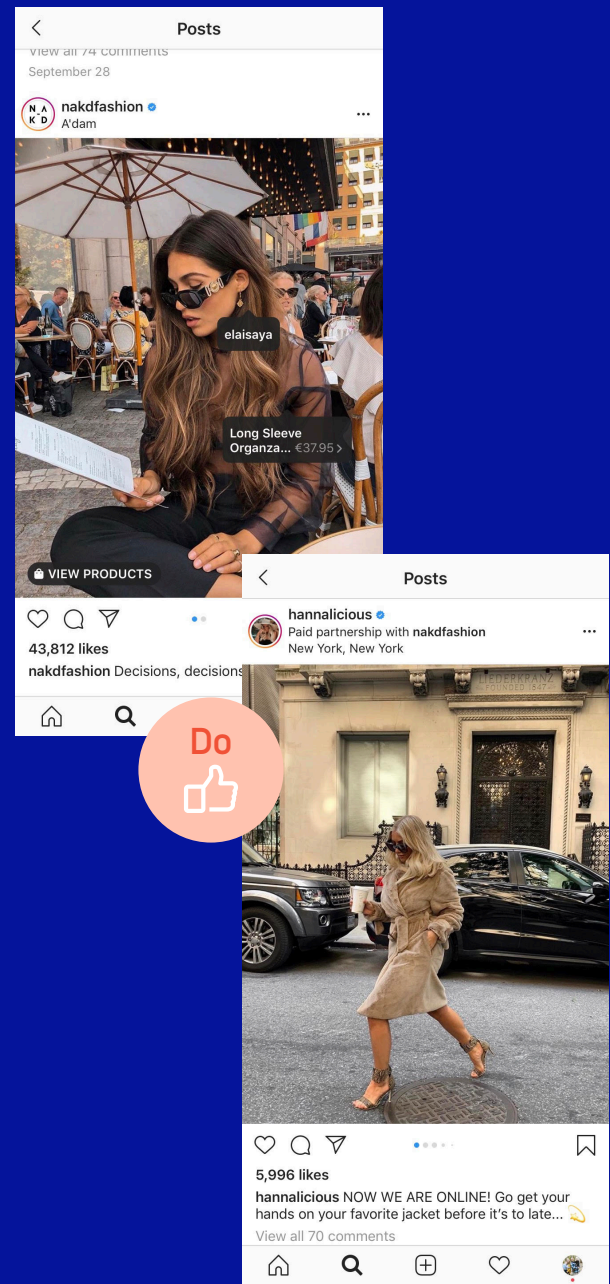
Influencer marketing is not isolated to just the influencer's page. NA-KD fashion, for example, has a two-way posting strategy. They have influencers post to their personal pages (with proper Federal Trade Commission disclosures) and they capitalize on the influencer's fame with their own posts, with tagged products.
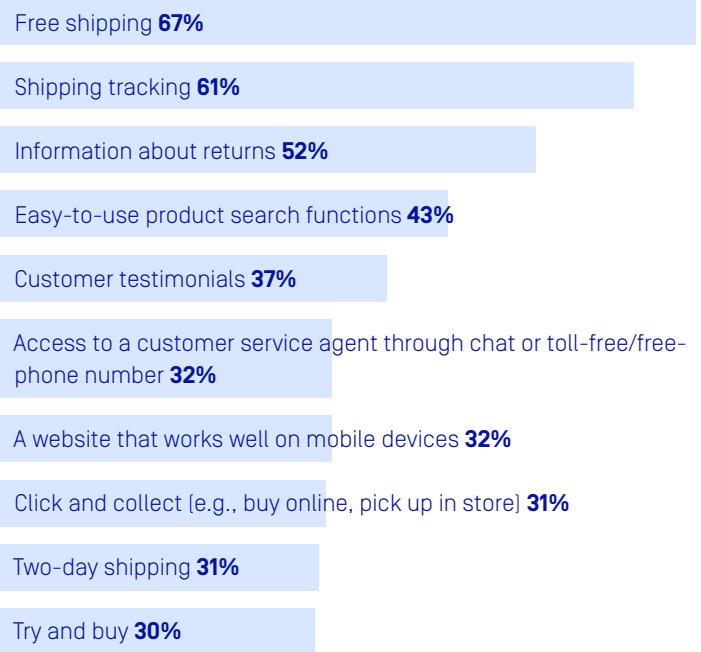
Don't: Forget About Tracking

A retail do's and don'ts list nearly always comes with advice about shipping – and this report is no exception. While free shipping is the number-one expectation for brands and retailers, shipping tracking isn't far behind.

→ Sixty-seven percent of online shoppers expect brands and retailers to offer shipping tracking.

During the holidays, people are eagerly – or in some cases anxiously – awaiting their shipments to their front door or their loved one's front door.

The holidays amplify everything, and retail capabilities are no exception. Retailers should proactively communicate with customers about their orders (yes, we got it; yes, it's on its way; yes, we have a shipping tracking number; yes, it's been delivered).

Which of the following capabilities/services do you expect brands and retailers to offer?
[Top-10 Answers Shown]

Free shipping **67%**

Shipping tracking **61%**

Information about returns **52%**

Easy-to-use product search functions **43%**

Customer testimonials **37%**

Access to a customer service agent through chat or toll-free/free-phone number **32%**

A website that works well on mobile devices **32%**

Click and collect (e.g., buy online, pick up in store) **31%**

Two-day shipping **31%**

Try and buy **30%**

Don't: Hide the Fine Print

To be customer centric, retailers also need to skip any tricky language or fine print in their shipping policies. Retailers often promise Christmas Eve delivery and plaster this guarantee across their homepage, product pages and even press releases. Unfortunately, customers often don't realize most guarantees for two-day or three-day shipping starts when the order is shipped versus when it was placed by the consumer — it's nearly unforgivable when holiday gifts arrive past their intended date.

Retailers cannot hide behind shipping fine print if they want a lifelong customer.

Do: Humanize Digital Interactions

Customer centricity is an all-encompassing approach to prioritizing customers based on how easy and enjoyable it is for them to shop with you. Customer centricity is also about knowing what your customers want from you and being able to deliver it quickly and in a personalized way.

In these example emails, note one company's focus on the customer and the other company's focus on the conversion. As different as the products they offer, Fun and Function and Fanatics differ drastically in messaging too. Fanatics uses a sense of urgency (again, a common CRO practice we've all come to accept as truth) and focuses on conversion while Fun and Function uses a sense of empathy and focuses on storytelling.

Slight changes to "what's in it for me" on Fanatics' side could put the customer back in their marketing: "Support Your Team. UP TO 60% OFF SELECT NFL GEAR." Even better, if Fanatics knows the email recipient has only purchased Los Angeles Chargers gear: "Support the Chargers. UP TO 60% OFF CHARGERS GEAR."

When Episerver analyzed 1.3 billion unique shopping sessions in the 2019 B2C Dot-Com Report, email (tied with direct traffic) was responsible for the highest basket sizes with 3.4 units per order. Email as a channel is nowhere near dead but messages may remain unopened without empathetic messaging.

→ The number one channel online shoppers wish retailers would communicate with them more frequently on is email (17 percent) followed by social media (14 percent) and a brand/retailer's mobile app (13 percent), to round out the top three.
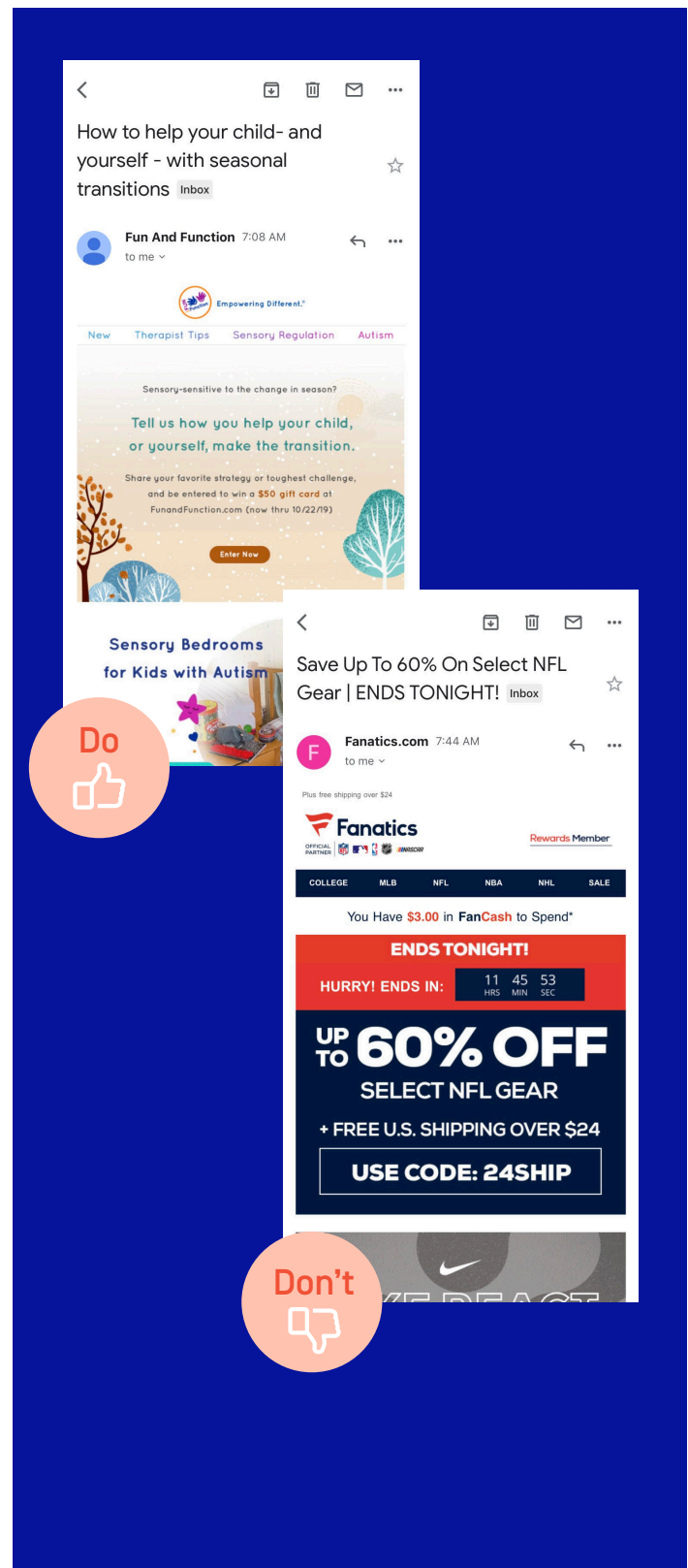
Don't: Under Invest in Mobile

Mobile's share of traffic has gone past 50 percent in 2018 and 2019. During the holidays, mobile traffic eats into desktop share as more shoppers are on-the-go – a quarter (25 percent) of shoppers prefer an equal amount of in-store and online holiday shopping – and are bombarded with generic paid ads and emails on their mobile devices. If you don't have your mobile site optimized and running fast, you're going to jeopardize your revenue.
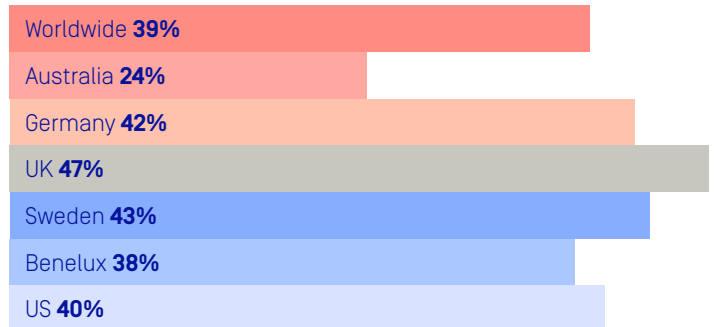
Mobile conversion rate is typically lower than desktop, so increased mobile traffic may actually hurt your overall sales. Lower conversions is not due to lack of interest from shoppers, but because of the customer-centricity gap that exists in what customers expect out of their mobile experience and what they actually get (e.g., slow-loading pages, impossible forms, lack of alternative payment options).

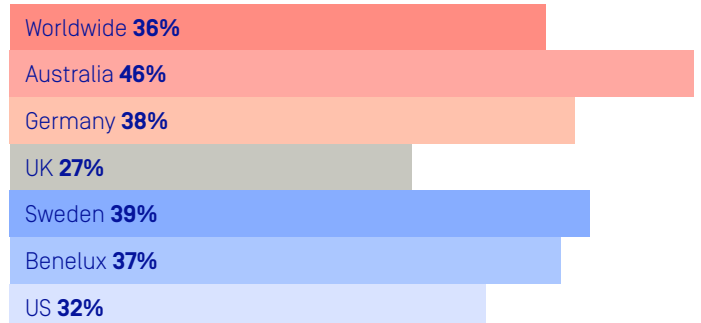Here are some quick fixes for mobile:

- Compile JavaScript and front-end code correctly to improve page load performance.

- Load images into a content delivery network (CDN) to load mobile pages faster.

- Reduce clutter on homepages and landing pages for mobile websites:
  - Tighter navigation bar
  - Quicker options to tap for search, store locator, etc.

- Add PayPal and Apple Pay to product pages, not just cart or checkout.
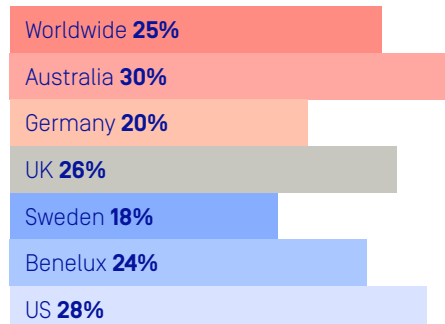
Where do you prefer to do your holiday shopping?

Majority online

Worldwide	**39%**
Australia	**24%**
Germany	**42%**
UK	**47%**
Sweden	**43%**
Benelux	**38%**
US	**40%**

Majority in-store

Worldwide	**36%**
Australia	**46%**
Germany	**38%**
UK	**27%**
Sweden	**39%**
Benelux	**37%**
US	**32%**

Equal amounts online and in-store

Worldwide	**25%**
Australia	**30%**
Germany	**20%**
UK	**26%**
Sweden	**18%**
Benelux	**24%**
US	**28%**

Do: Win with Customer Centricity

Conversion rate optimization (CRO) was born out of the need to prove the value of a website.

CRO pioneers made sense out of the Wild Wild West that was the web, creating best practices millions of companies followed to ensure their site was usable. It also encouraged businesses to test landing page elements to ensure they received "winning" content based on what a sample of people clicked on the most.

Today, customers want more. They want to feel like brands and retailers know them and want to help them find the best gift, at the best price and with the best delivery options. They want better than in-person customer service. They want to walk into your online store and be greeted by name, by preferences, by familiarity. They're not a sample A or a B or a C or a D, they are Amy, Brad, Carol or David.

Customer-centric digital experiences were born out of skyrocketing expectations of consumers and many retailers' inability or lack of interest in meeting them. If you only focus on revenue and sales, you will miss the forest for the trees. Integrate personalization, optimize your site search and make sure your mobile sites are lighting fast to keep up with Amazon, but add human touches like how-to guides, fanatical customer service and relatable messaging in email to gain an edge.

Digital experience platforms – blending once separate functionality like commerce, content, analytics and marketing – can take generic or A/B/C/D/E versions of a site and personalize each block of content on a page to the individual viewing it.
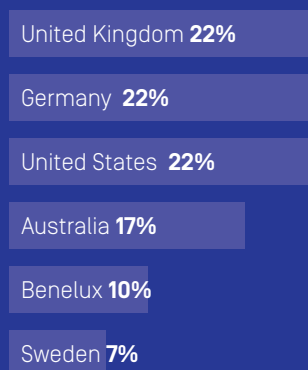
Optimization, party of one…?

Methodology

The "Holiday Online Shopping Trends 2019: Retailers Win with Customer Centricity" report explores the desires, behaviors and common trends of over 4,500 global online shoppers from the United States, the United Kingdom, Germany, Sweden, Belgium, the Netherlands, Luxembourg and Australia. Respondents have shopped online (e.g., via desktop, mobile, smart devices) in the past year, and the survey was conducted between December 2018 and January 2019.

Respondents from the "Holiday Online Shopping Trends 2019: Retailers Win with Customer Centricity" report are broken down as follows:
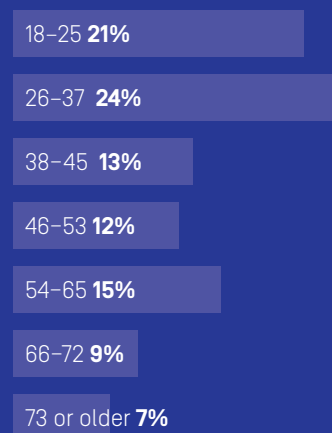
Geography

United Kingdom **22%**

Germany **22%**

United States **22%**

Australia **17%**

Benelux **10%**

Sweden **7%**

Gender

Female **49%**

Male **50%**

Other **1%**

Age

18–25 **21%**

26–37 **24%**

38–45 **13%**

46–53 **12%**

54–65 **15%**

66–72 **9%**

73 or older **7%**

Graphs included throughout this report may not add up to 100 percent since exact percentages were rounded to whole numbers.

About Episerver

Episerver empowers businesses to scale through the most customer-centric approach to digital experiences. Its Customer-Centric Digital Experience Platform™ features best-in-class content management, robust commerce, and intuitive data and personalization solutions. The platform has consistently earned industry analyst and media recognition for its vision, capabilities and customer commitment. Episerver's 900+ partners and 700+ employees in offices around the globe are proud to help more than 8,000 customers enrich their customer lifetime value, increase revenue and grow their brands. Learn more at episerver.com.