CYBER MONDAY

Cyber Monday,
Unwrapped:
How Retailers
Can Win Big This
Holiday Season

Cyber Monday, Unwrapped

The holiday shopping season is typically associated with discounts, door busters and incentives to entice shoppers to "buy now." The prevalence of this practice does not fall short on shoppers – especially ones presented with more channels to shop on than ever before and whose preferences have been shaped by the growing accessibility to digital mediums.

What emerges is a highly competitive landscape for retailers to win share of wallet, not only now, but in the long term. Our research finds that although providing the "best" discount drives the fair share of shopping decisions during the holidays, it's the experience that keeps shoppers coming back.

Our research explores how consumers from the United States, the United Kingdom, Sweden and France view their own holiday shopping journeys from Black Friday throughout Cyber Monday – from what makes a great deal, to how those deals impact purchase decisions, and relationships with retailers, and ultimately, ongoing brand loyalty. We also explore what steps retailers should take to find their big wins this season – ones that will extend long after the rush is over.
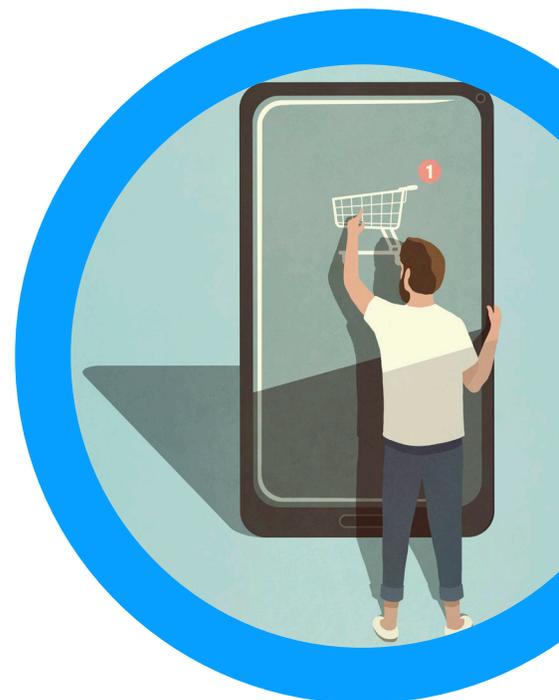
SUMMARY OF KEY FINDINGS

1. Discounts Defy Loyalty: Value mining is top-of-mind for consumers. Shoppers start their research early and will abandon brands they are loyal to for new retailers if it means they're getting the best deal.

2. A Clear Value Exchange: Consumers are more willing to share their personal data with retailers if it means getting a better deal, signaling a clear value exchange between brands and shoppers.

3. Experience Is Essential: Though deals are the primary driver of purchase decisions, site experiences have potential to make or break continued brand loyalty, especially with new consumers.

4. Promise of Delivery: Shoppers are more likely to be willing to wait for purchases if it means getting the best deal or free shipping. However, they still expect retailers to deliver on time.

5. A (Somewhat) Informed Buyer: More than half of shoppers say they won't need to return items in exchange for good deals over the holiday. However, returns are often prompted by a shopper's inability to understand exactly what they're purchasing online, leaving room for improvements to e-commerce experiences.

STATS

$789 BILLION
spent over the holiday season in 2020

$42 BILLION
spent on Cyber Monday globally

$10.8 BILLION
spent on Cyber Monday in the U.S., the largest shopping holiday in U.S. history

1. Discounts Defy Loyalty

Black Friday through Cyber Monday is a time for shoppers to capitalize on sales and discounts they wouldn't typically find throughout the rest of the year. Seventy-six percent of shoppers say they will buy from a retailer that offers the best deal, even if it's their first time purchasing with them, rather than sticking with brands they know or trust.

Holiday shopping starts early

Preparation for holiday shopping starts early, with 58 percent researching deals well in advance. The hunt for great discounts, though, goes beyond the holiday weekend. While 40 percent believe they'll find the best discounts then, 21 percent of shoppers have their eye on earlier deals, while others place bets on later markdowns.

When do you expect the best discounts to be available?
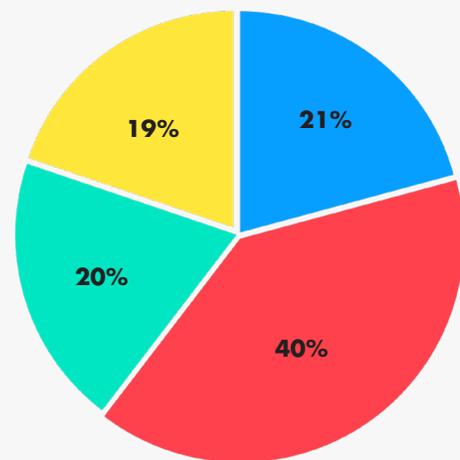
- 21% Early in the season (Before Thanksgiving)
- 40% Black Friday through Cyber Monday
- 20% Weeks leading up to Christmas
- 19% Week before Christmas

Shoppers show preference for different types of discounts

Nearly half (52%) of shoppers view percentage-off deals as the best type of discount, with email being the preferred channel for promotion delivery (48%). Typically, consumers are looking for discounts of at least 20 percent to persuade them to buy, with around 25 percent looking for discounts of at least 50 percent or more. In France, that number is even higher, with 34 percent of consumers searching for markdowns of 50 percent or more.
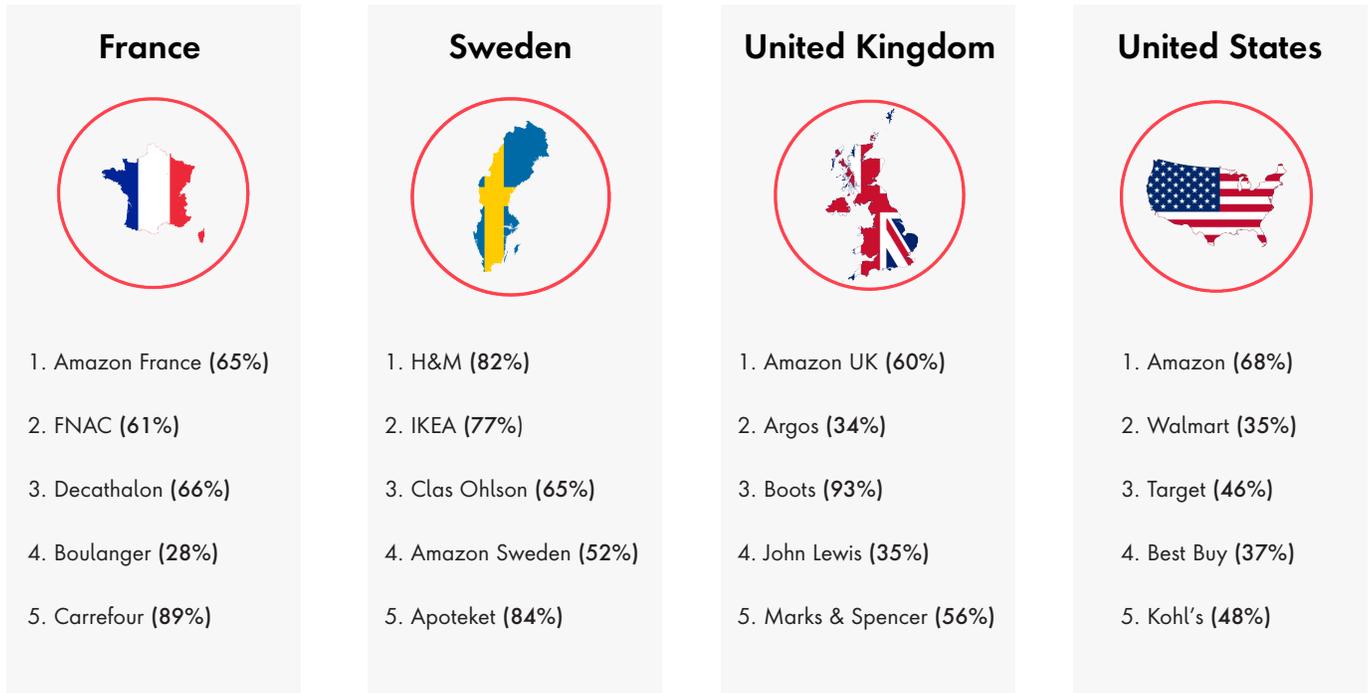
What kind of discount do you consider the best discount?

- Percentage off — 52%
- Flat dollar amount off — 22%
- Free shipping — 17%
- Free gift with purchase — 10%
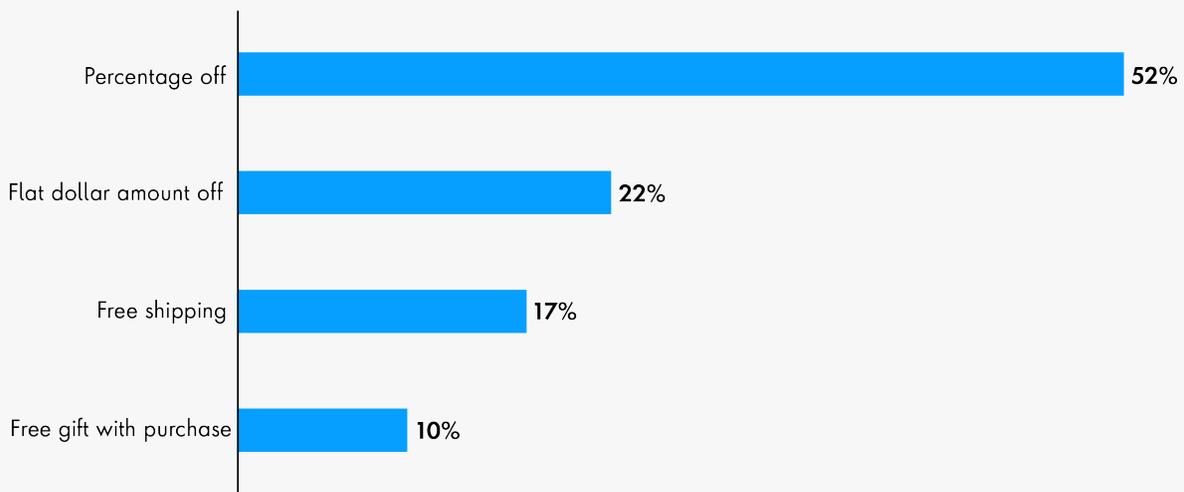
Top brands have established some brand loyalty

Most shoppers (69%) plan to visit up to five retailers from Black Friday through Cyber Monday. Despite propensity for brand switching, shoppers still report loyalty program membership for brands they choose to buy with most.

Top Brands and Loyalty Program Membership by Country

France

1. Amazon France **(65%)**
2. FNAC **(61%)**
3. Decathalon **(66%)**
4. Boulanger **(28%)**
5. Carrefour **(89%)**

Sweden

1. H&M **(82%)**
2. IKEA **(77%)**
3. Clas Ohlson **(65%)**
4. Amazon Sweden **(52%)**
5. Apoteket **(84%)**

United Kingdom

1. Amazon UK **(60%)**
2. Argos **(34%)**
3. Boots **(93%)**
4. John Lewis **(35%)**
5. Marks & Spencer **(56%)**

United States

1. Amazon **(68%)**
2. Walmart **(35%)**
3. Target **(46%)**
4. Best Buy **(37%)**
5. Kohl's **(48%)**

What this means for retailers:

- **Start early:** Shoppers view the period between Thanksgiving and Christmas as the best time to get a deal. They're also well-informed, often researching deals well in advance. It's important to be a part of these conversations, with a targeted approach for different types of buyers. Data helps retailers segment marketing spend intelligently. For example, by separating new buyers that are just looking for a deal, from new buyers with potential for greater engagement, or high-value purchasers with proven engagement, retailers can structure offers that engage unique audiences while also being cost-effective. Channel activity, search and browsing data also signals buyer intent, informing how and when to advertise to the right customers.

- **Incentivize loyalty:** Loyal customers have established relationships with their top retailers, but may look to another brand if there's a better deal. By deeply understanding customer needs or preferences, retailers can create personalized, curated offers that will incentivize shoppers to stay loyal.
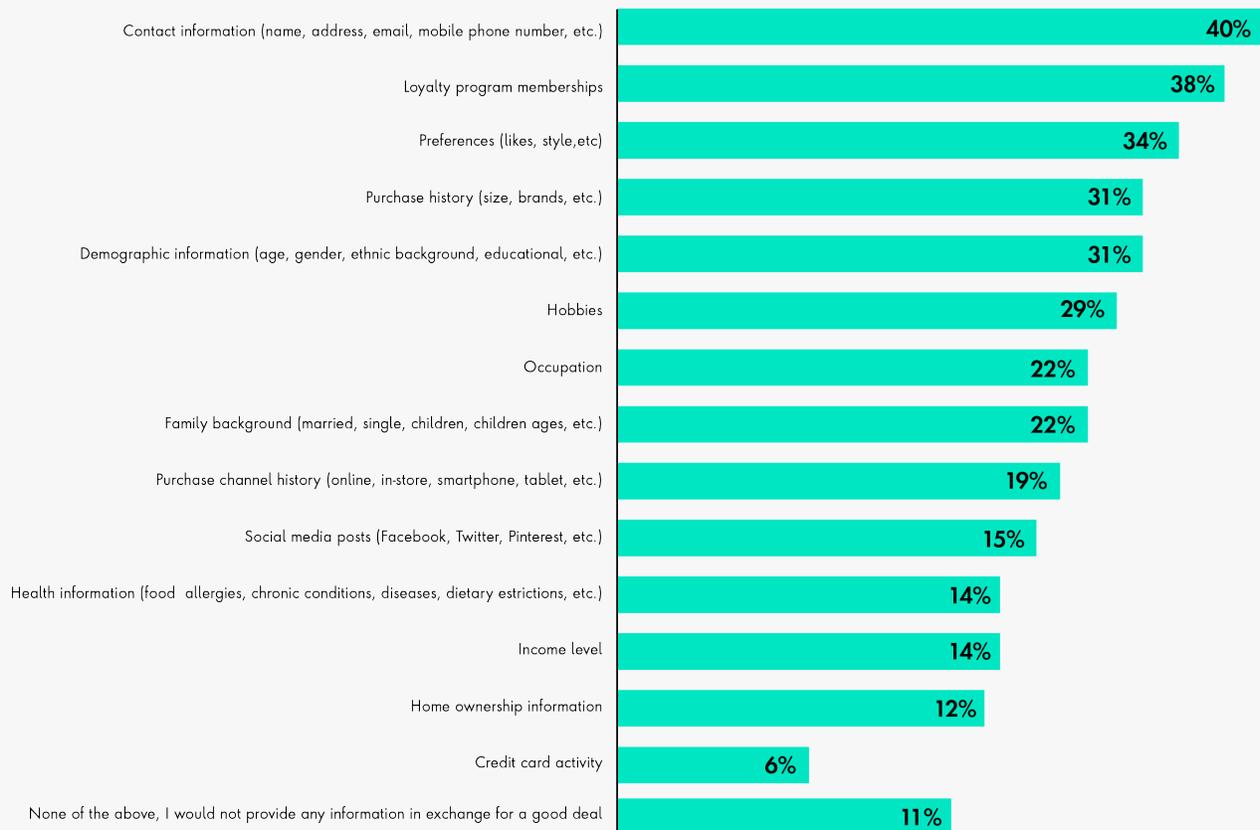
How this comes to life:

When faced with the challenge of better understanding shoppers, Falabella Group used a customer data platform (CDP) to unite customer data from across the business, enabling them to offer smart deals with personalized offers extended to the best audiences. Learn more here >>>

2. A Clear Value Exchange

More than half (54%) of shoppers say they're comfortable or very comfortable with sharing personal data with a retailer if it means getting a better deal.

However, comfortability with the types of data they're willing to share varies. While shoppers are willing to share contact information or loyalty program details, they're less likely to share more personal details like income level or credit card activity.

Which of the following types of information would you be willing to provide to a retailer in exchange for the lowest price? (Multiple responses)
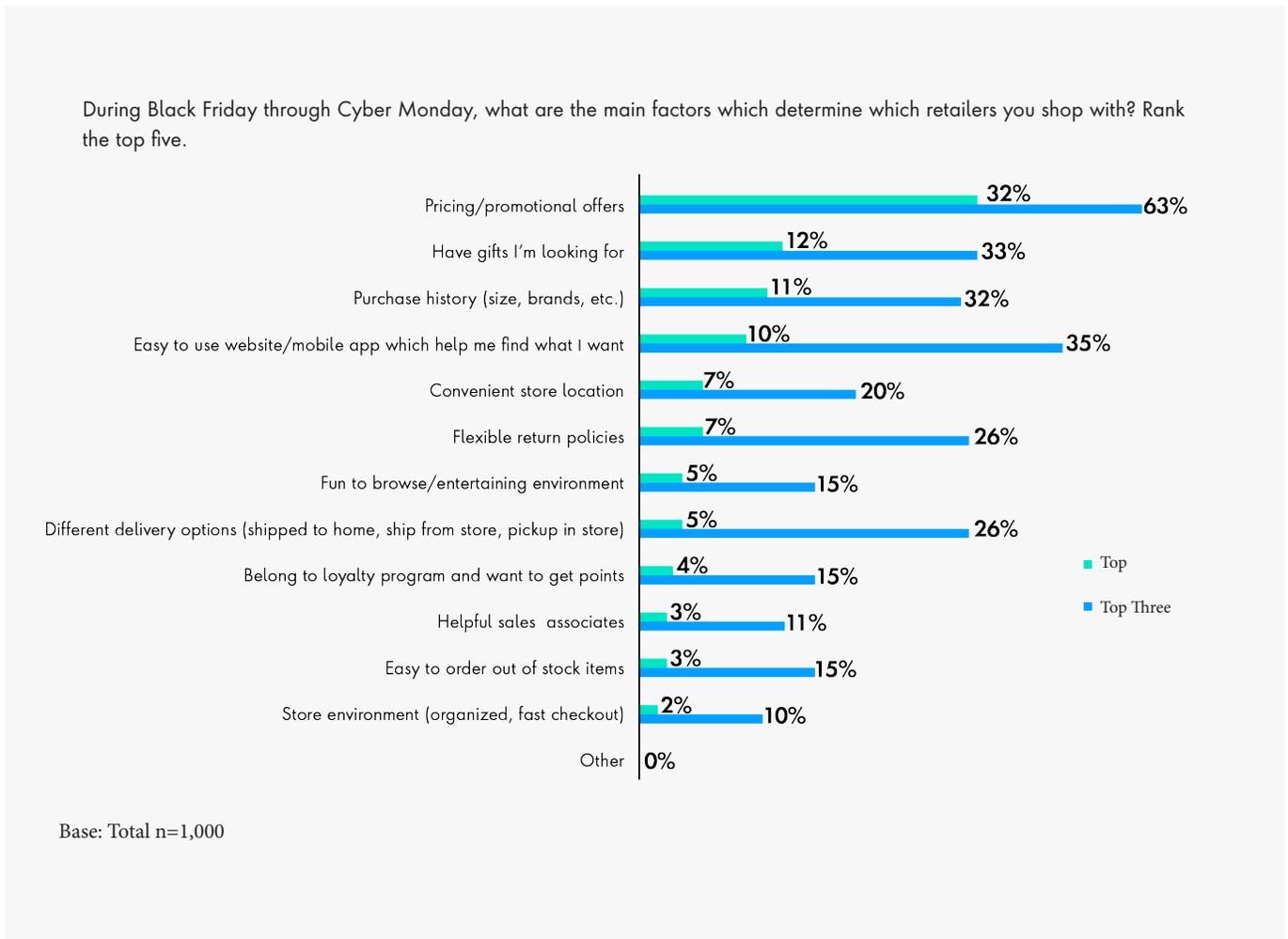
Type of information	%
Contact information (name, address, email, mobile phone number, etc.)	40%
Loyalty program memberships	38%
Preferences (likes, style,etc)	34%
Purchase history (size, brands, etc.)	31%
Demographic information (age, gender, ethnic background, educational, etc.)	31%
Hobbies	29%
Occupation	22%
Family background (married, single, children, children ages, etc.)	22%
Purchase channel history (online, in-store, smartphone, tablet, etc.)	19%
Social media posts (Facebook, Twitter, Pinterest, etc.)	15%
Health information (food allergies, chronic conditions, diseases, dietary estrictions, etc.)	14%
Income level	14%
Home ownership information	12%
Credit card activity	6%
None of the above, I would not provide any information in exchange for a good deal	11%

What this means for retailers:

- Build new relationships: This is an opportunity for retailers to begin relationships with new customers, with the potential to convert value-miners into repeat buyers through ongoing engagement or loyalty program membership.

- Ask only for what you need: While shoppers are willing to share some of their information, it's important to not ask for too much. Retailers should look at data as a value exchange, where the information given makes sense in context to what a shopper will be receiving in terms of services, promotions or experiences.

3. Experience Is Essential

While pricing and promotions are the biggest contributing factors in where consumers choose to shop, easy-to-use mobile and web experiences along with prior positive shopping experiences (32%) also play a role in shopper decisions.

During Black Friday through Cyber Monday, what are the main factors which determine which retailers you shop with? Rank the top five.

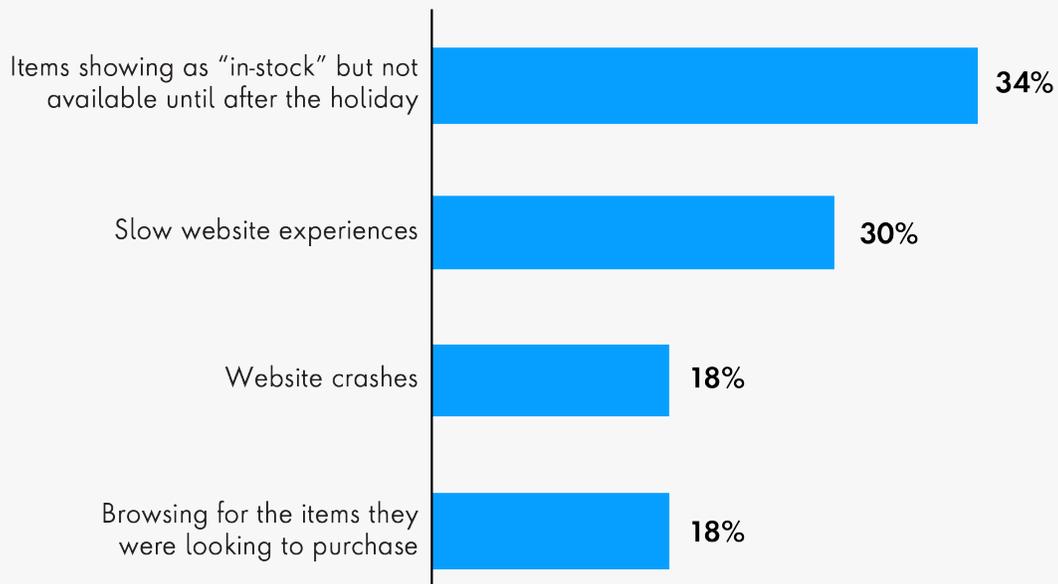| Factor	Top	Top Three
Pricing/promotional offers	32%	63%
Have gifts I'm looking for	12%	33%
Purchase history (size, brands, etc.)	11%	32%
Easy to use website/mobile app which help me find what I want	10%	35%
Convenient store location	7%	20%
Flexible return policies	7%	26%
Fun to browse/entertaining environment	5%	15%
Different delivery options (shipped to home, ship from store, pickup in store)	5%	26%
Belong to loyalty program and want to get points	4%	15%
Helpful sales associates	3%	11%
Easy to order out of stock items	3%	15%
Store environment (organized, fast checkout)	2%	10%
Other	0%	

Base: Total n=1,000

A positive online experience can go a long way when determining whether shoppers continue to interact with a brand after the holiday season. Of shoppers that choose to buy from a retailer that offers the best deal, regardless of brand loyalty, nearly 25 percent say they are somewhat or very unlikely to shop from that retailer again if they did not have a good online experience.

Common bottlenecks in the online shopping experience

Sixty-nine percent of shoppers say they had a disappointing e-commerce experience last year.
Out-of-stock items and slow website experiences were the top issues shoppers faced.

What experiences disappointed you using a retailer's website during Black Friday through Cyber Monday last year? (Multiple responses)

Experience	Percentage
Items showing as "in-stock" but not available until after the holiday	34%
Slow website experiences	30%
Website crashes	18%
Browsing for the items they were looking to purchase	18%

What this means for retailers:

- **Prepare for increased traffic:** Spikes in traffic can overwhelm websites that are not properly equipped to handle surges in demand. Retailers saw this firsthand during the COVID-19 pandemic, when increased reliance on e-commerce led to system overload. Retailers can take those lessons and apply them to other large-traffic events by ensuring infrastructure and backend systems are equipped to process increased demand in real time.

- **Optimize for mobile:** According to Mintel, nearly 60 percent of shoppers browse or buy items on their mobile device, with Millennials and Gen Z buying more on their smartphones (77%, 69%) than on desktop (56%, 55%). To appeal to this new set of buyers, retailers must ensure mobile experiences are optimized for e-commerce, with experiences that are accessible and easy to navigate.

- **Manage inventory in real time:** Stockouts are one of the biggest pain points for shoppers. Retailers can get ahead of this frustration by offering alternatives at checkout, like pickup at a local retail location. Inventory visibility helps retailers understand where items may still be in stock so they can offer the right alternative.
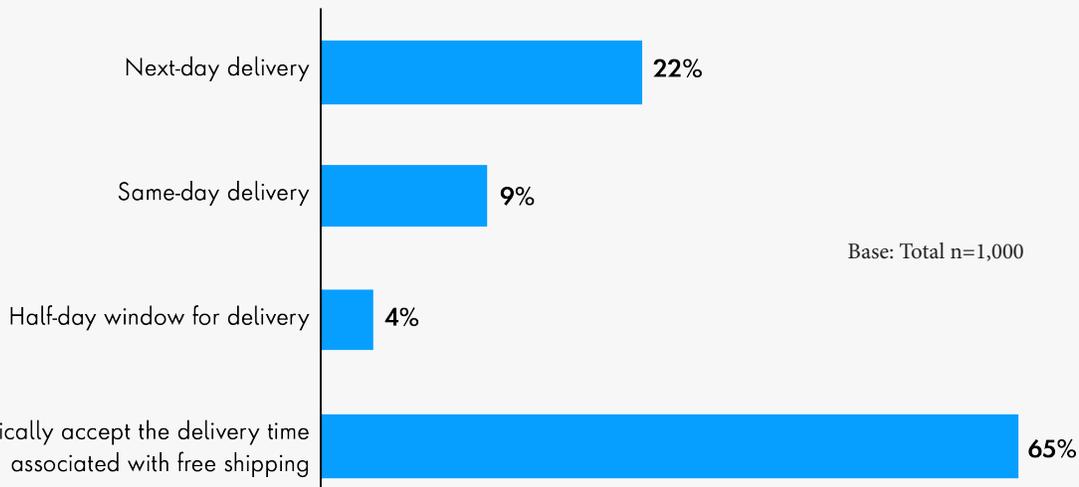
How this comes to life:

Walmart Canada created a responsive web experience that easily adapts to any screen, letting shoppers browse and buy consistently, regardless of how they are engaging with the retailer. This led to a 98 percent increase in mobile orders and a 36 percent decrease in page loading time, while creating a more seamless experience for customers. Learn more here >>>

4. Promise of Delivery

Shoppers are willing to wait longer for online purchases throughout the holiday season, especially if it means getting a better deal (58%) or receiving free shipping (65%).

Which of the following delivery options will you use most for your Black Friday through Cyber Monday online purchases assuming an appropriate delivery charge for each?

Delivery option	%
Next-day delivery	22%
Same-day delivery	9%
Half-day window for delivery	4%
I would typically accept the delivery time associated with free shipping	65%

Base: Total n=1,000

However, retailers still need to be transparent about delivery dates. Despite willingness to wait, consumers expect to get their items on time. Sixty-one percent of consumers are somewhat or very concerned about receiving e-commerce orders on time for the holidays this year.

Buy-online-pickup-in-store (BOPIS) is another option for shoppers that do not want to wait. More than three-fourths (77%) of shoppers say they've used BOPIS to collect online orders, with 55 percent using the service more than once. Shoppers who have used BOPIS also say they are somewhat or very likely to purchase additional items when they go to the store to pick up their purchase.

Despite adoption, perception of the customer experience is not always consistent.

France

- Use of BOPIS: **83%**
- Satisfaction with Experience (Good or Great): **63%**

Sweden

- Use of BOPIS: **79%**
- Satisfaction with Experience (Good or Great): **55%**
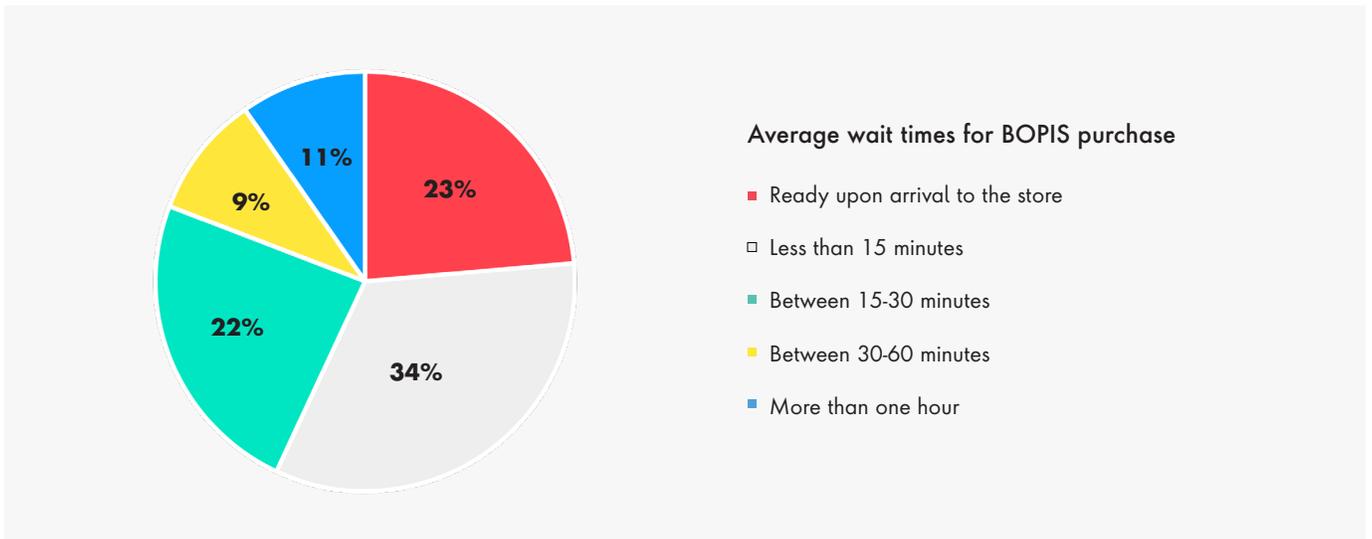
United Kingdom

- Use of BOPIS: **75%**
- Satisfaction with Experience (Good or Great): **80%**

United States

- Use of BOPIS: **72%**
- Satisfaction with Experience (Good or Great): **80%**

Average wait times for BOPIS purchase

- Ready upon arrival to the store
- Less than 15 minutes
- Between 15-30 minutes
- Between 30-60 minutes
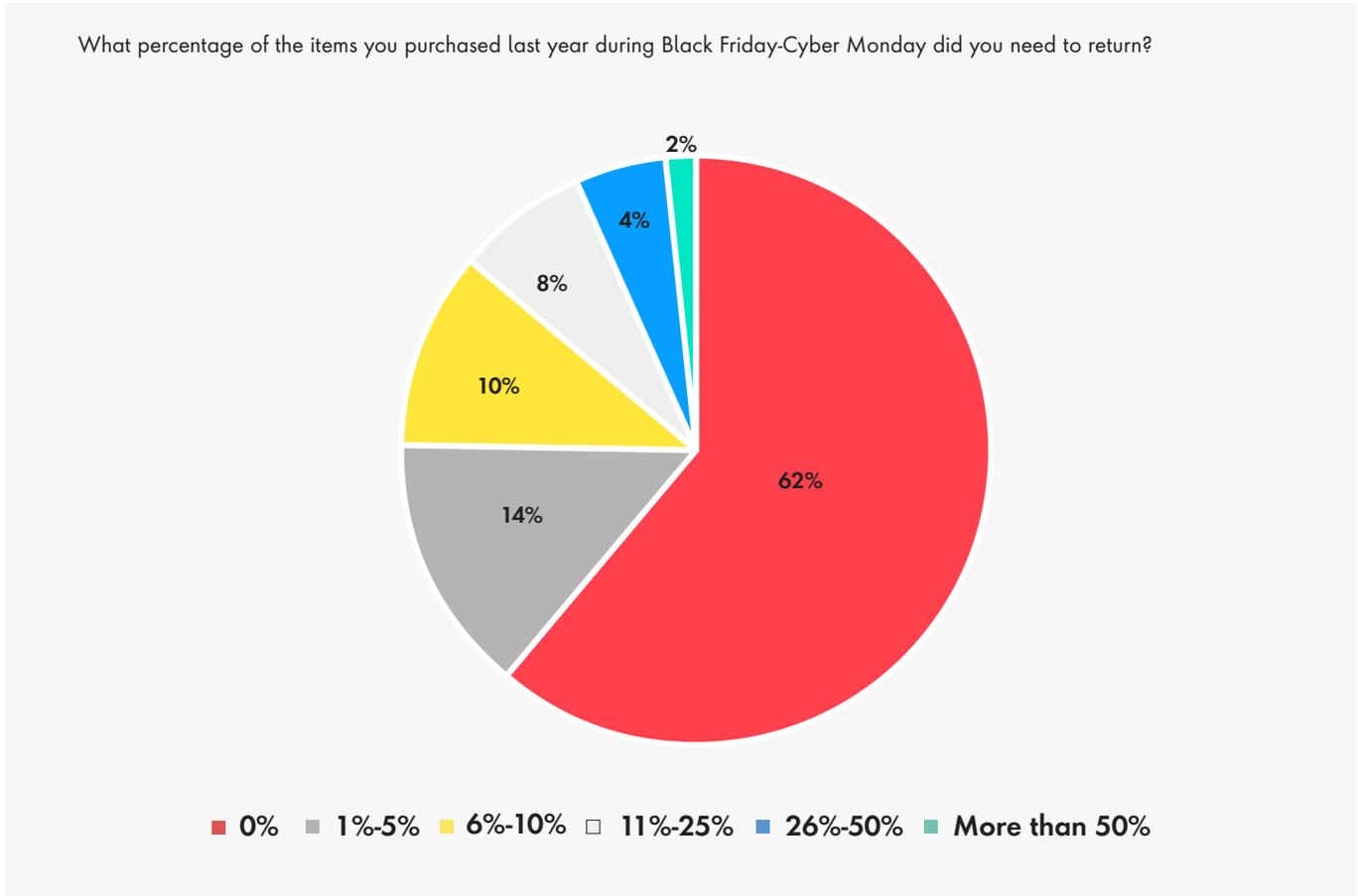- More than one hour

What this means for retailers:

- **Be transparent about delivery:** Throughout the COVID-19 pandemic, fulfillment issues led to significant delivery delays for many consumers. This residual experience could leave shoppers feeling skeptical about getting their holiday orders on time. Retailers this year should be transparent if experiencing delays, and incentivize alternatives like BOPIS or click-and-collect to help curb longer delivery times.

- **Keep shoppers engaged:** BOPIS brings online traffic to brick-and-mortar locations. Retailers should view this as an opportunity to extend the shopping experience through exclusive in-store deals.

- **Optimize BOPIS/click-and-collect experiences:** Ensure staff is equipped to manage orders so shoppers aren't waiting too long for pickup. An optimized order management system can help associates locate and assemble orders quickly while managing customer inquiries.

How this comes to life:

When faced with fulfillment issues, Eileen Fisher transformed their order management system for the omnichannel shopper. Improvements to inventory visibility enabled the retailer to make associate picking more efficient and allowed them to roll out services like ship-from-store and combined online/offline offers. Learn more here >>>
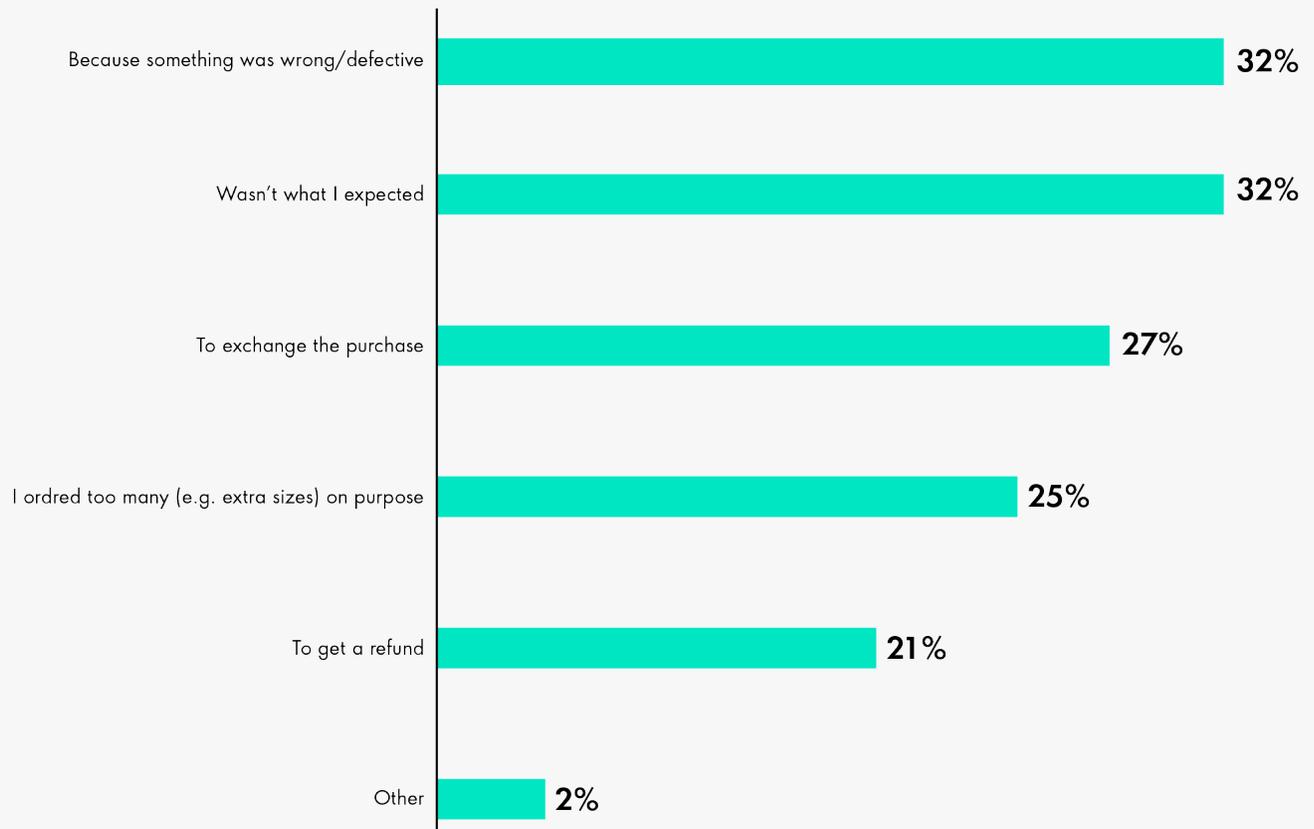
5. A (Somewhat) Informed Buyer

Shoppers tend to know what they want going into the holiday season and are less likely to engage in shopping habits that lead to higher return rates. More than half (53%) of shoppers disagree or strongly disagree that they will need to return items in exchange for good deals. Sixty-two percent of shoppers say they did not return any items purchased from Black Friday through Cyber Monday last year.

What percentage of the items you purchased last year during Black Friday-Cyber Monday did you need to return?

- ■ 0%
- ■ 1%-5%
- ■ 6%-10%
- □ 11%-25%
- ■ 26%-50%
- ■ More than 50%

For shoppers that did return, it was mainly because they received a defective item, or it wasn't what they expected. One-fourth of shoppers admit to buying the same item in multiple sizes on purpose to find the right size or fit.

Why did you return items from your Black Friday through Cyber Monday shopping? (Multiple responses)

Reason	%
Because something was wrong/defective	32%
Wasn't what I expected	32%
To exchange the purchase	27%
I ordred too many (e.g. extra sizes) on purpose	25%
To get a refund	21%
Other	2%

What this means for retailers:

• Help shoppers make the right purchase decisions: Retailers have opportunity to stop returns before they happen by providing shoppers with the right tools to make better purchase decisions online. Arm shoppers with information by optimizing product pages with accurate details and imagery, or AR tools that recreate the "touch-feel" experience. Tools like video, livestreaming and chat can help connect shoppers to a representative that can answer their questions before checkout.

• Turn returns into a relationship opportunity: More than one-fourth of shoppers say they plan to exchange items instead of returning them. Retailers can use these moments to offer personalized deals or product substitutions that help shoppers get what they need.

About the report

Shopper data was collected through an online survey sent to 1,000 participants across France, Sweden, the United States and the United Kingdom in June 2021.

●

GET IN TOUCH

To learn more about how we can help you with Retail, visit publicissapient.com/contact.

GUY ELLIOTT

Retail & Consumer Products Industry
Lead, EMEA & APAC

✉ Let's connect

SUDIP MAZUMDER

Retail Industry Lead, North America

✉ Let's connect