'TIS THE CYBER SEASON
The holidays are a time of year we typically associate with friends, family traditions and lots of cheer, but this year is masked by uncertainty and unrest. The global pandemic set off a chain reaction that is culminating in Q4, which means this holiday season is shaping up to be unlike any other. It is 2020 after all.

For advertisers, planning cycles and best practices are being turned upside down due to lingering unknowns. The question being asked by all is how do you succeed in a time of such ambiguity?

• Amazon’s decision to move Prime Day to the first week of October will pull forward holiday spending and purchase behavior much earlier than in years’ past.

• The same-day and next-day delivery that online shoppers have grown accustomed to will no longer be reliable as an uptick in e-commerce demand makes it impossible for fulfillment services to keep up.

• Ravenous Black Friday crowds will be a thing of the past as stores close their doors to reduce the risk of spreading COVID.

• A divisive election is underway that will have direct ramifications on consumer spending, behavior and consumption – not to mention taxing the mail service further.

• And finally, there’s the cultural shift from in-person to virtual which will alter how the holiday – and gift giving – is experienced in totality.

Our prediction: This year’s retail holiday season will be demanding, not a dash. Cyber Week is a thing of the past. 'Tis the Cyber Season.
Prime Day on October 5th will represent the unofficial kick-off of the holiday shopping season and retailers are expected to spend 40% of their holiday advertising budgets in October. This is up from 24% in 2019. Additionally, the possibility of a 2nd government-issued stimulus check reaching U.S. households in October would further influence consumer spending and purchase behavior.

The slow ramp-up to the Thanksgiving holiday that is typically observed will not occur in 2020. Instead, we anticipate retailers and marketers will push promotions earlier than ever, vying for the share of wallet before it’s too late.

300% INCREASE

Holiday related searches have already begun, increasing by as much as 300% on advertising platforms such as Google.

80% of consumers are planning their holiday shopping earlier to avoid crowds & fulfillment issues.

There has been a 77% increase in holiday related interest on Pinterest year-over-year.

WHAT YOU SHOULD DO

2020 is the year to jump the line and go early. There is a rare opportunity to compile large wins leading up to the historical peak days. With less holiday travel and more at-home time, there will be a sales influx in October.

Remember, investing in October isn’t just about getting the early sales. It also enables you to build high-value remarketing & audience pools to be leveraged throughout the holiday season.

Budget up to 35-40% of Q4 ad spend for October. Prepare for the “Prime Day” effect, as well as the possibility of additional stimulus checks reaching U.S. households at some point in October.

Begin ramping up ad spend in the 4th week of September by up to +10% in preparation of Prime Day across performance media.

Structure remarketing strategies (format vs. messaging vs. landing page) with cookie pools captured in October to use in early November, Cyber Week, and December. This will provide a competitive advantage that historically did not exist as buying patterns were so condensed to one week.

Sources: Google, Pinterest, 360i data
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E-commerce sales will be +34% in Q4

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Half of all shoppers feel unsafe trying on clothes in retail locations. And a third will avoid going into stores altogether to limit the spread of COVID (or to quarantine) ahead of family visits.

Additionally, consumers are just as concerned with the safety of store employees as they are with their own safety. Many have cited worker safety as a key consideration when determining whether to shop online or in-store.

Retailers will be facing increased pressure to offset the loss in physical store sales via e-commerce and DTC channels this holiday. While these channels cannot be expected to “close the gap,” this will serve as the first real test of retailers’ DTC and digital transformation efforts at scale. Where in-store represented 80%+ of total sales in the past, it will be flipped this holiday.

50% feel unsafe

WHAT YOU SHOULD DO

- Pressure test a variety of potential obstacles inclusive of landing pages experiments, widespread promotional changes, and website conversion funnel analysis. Transforming into a Digital-first marketer requires a fundamental shift in how you invest, prepare, and execute throughout the funnel seamlessly.
- Test shoppable commerce on Instagram or Pinterest throughout October. These are emerging platforms that consumers have become more acquainted with due to purchase habits changing in the pandemic.
- Focus on making physical locations become more digital. Personal shoppers or store employees leveraging Zoom or FaceTime can provide loyal customers with the in-store experience they crave.

Sources: Dentsu Pulse, Dentsu Navigator
The pandemic forced retailers to find new ways to get their products and services into the hands of consumers, safely. But consumers are now associating curbside and contactless fulfillment with convenience and a more frictionless experience. These changes have made shopping easier and we do not expect consumer habits to shift back to the ways of the old in a post pandemic world. Businesses will need to determine effective ways to make convenient, contactless order fulfillment as seamless as possible.

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Expectations have shifted in how consumers interact with retailers. Nearly 90% of consumers demand businesses to offer curbside pickup or contactless delivery.

54% of consumers have changed their shopping habits due to the pandemic.

77% now consider whether they need to come in contact with others before visiting a store.

Sources: Forbes

WHAT YOU SHOULD DO

While safety remains top of mind, consumers are experiencing COVID fatigue and will be seeking convenience this holiday season. A focus on personalization and interpersonal connection will be an avenue to gain brand loyalty and increase positive perception during a sensitive, heightened state.

- Nearly 45% of local listings have inaccuracies. Make sure your digital storefront mirrors your physical storefront. This highlights the critical role of search engine optimization and underscores the importance of accurate store listing information including hours of operation, safety precautions and/or restrictions.

- Reduce the strain on delivery logistics and fulfillment issues by incentivizing shoppers to opt for alternative fulfillment options via promotions and faster order pickup times. Highlight benefits in ad creative.

- Shift out of cleanliness, safety or other COVID related creative and create a content strategy tied to convenience, reliable shipping, urgency and frictionless experiences.
THE KNOWN UNKNOWN

–9% SALES

In the 2016 election cycle, we saw a lull in consumer sales during the two weeks leading up to Election Day as well as the week after voting. This translated to a 9% sales decline compared to non-election years.

Fortunately, sales have historically rebounded quickly post-election. Following the previous two presidential elections, pent up demand led to +20% sales on Black Friday against benchmarks in non-election years.

ON TOP OF THE PANDEMIC, THE ELECTION WILL GREATLY IMPACT HOLIDAY SHOPPING BEHAVIORS.

But, what does anyone really know, right?

While the historical data indicates retailers should anticipate a lift on Black Friday during election cycles, 2020 is not your typical election year. What if election outcomes are unresolved due contested victories or delays related to mail-in ballots? What if civil unrest occurs in cities across the United States that puts holiday spending on hold, especially given current cultural tensions? What if physical stores opt to close due to concerns with safety? What if the uncertainty extends beyond Black Friday? No one really knows what we are in store for.

WHAT YOU SHOULD DO

Make sure to keep some powder dry by reserving media dollars for unforeseen outcomes or circumstances. Consider “pivot plans” instead of contingency plans. These are not traditional planning scenarios where dollars are shifted between tactics, bids are increased or decreased based on inventory, or media is paused if sales forecasts are hit early. Instead, they represent monumental shifts in media investment and business decisions tied to unknowns that can’t be predicted. We must all prepare collectively.

- Prepare a pivot plan by mapping out 3–4 impactful “what if” scenarios that could play out: from Black Friday being a normal Friday to stimulus checks hitting in December
- Budget 5% of your total Q4 spend for an unknown opportunity after the election.
- Calculate pre-determined benchmarks that trigger reactive moves. Surprises will be plenty, but overreacting will result in revenue loss. Be methodical by creating thresholds that signal reaction and avoid knee-jerk decisions

Source: Abacus Cooperative