

Who Won the Holidays

and How to Win in 2023



The 2022 holiday season revealed just how much consumer habits have evolved when it comes to how they shop, spend and connect with retail brands.

Our retail experts analyzed three key retail categories head-to-head — discover the winning performance below.

From ecommerce vs. brick-and-mortar to Black Friday vs. Cyber Monday, learn three critical findings to make the right retail moves now for the 2023 holiday season. Plus, find out how **MERGE clients** stood up against the industry when looking at overall holiday performance.



NAUTICA

G.H. BASS & CO.
EST. *Bass* 1876
MAINE, USA

EILEEN
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KARL LAGERFELD
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AM | ANDREW MARC

PARLUX
FRAGRANCES, INC.

HOB0

WILSONS
LEATHER

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ONLINE

FAMOUSBRANDS
INTERNATIONAL

MERGE



Ecommerce vs Brick-and-Mortar

Ecommerce Wins

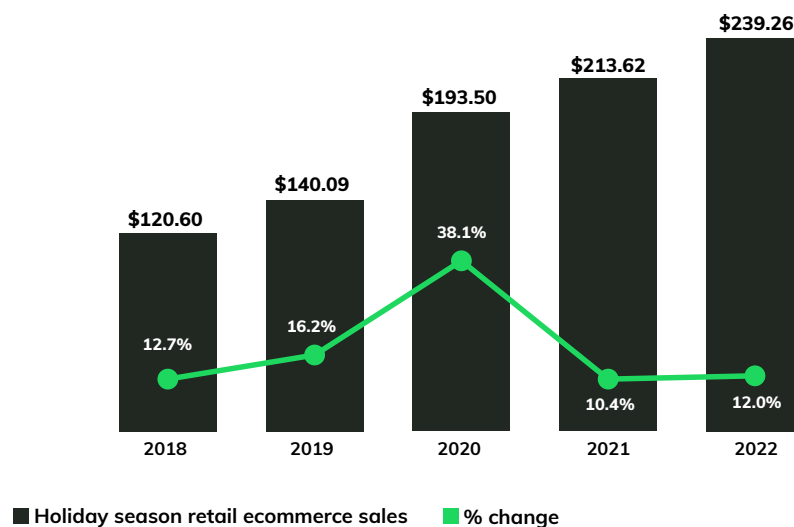
The shopping experience has become completely hybrid, merging both offline and online worlds. So where did consumers turn their attention and dollars to this past holiday season?

While brick-and-mortar saw an uptick with shoppers getting back into stores, the reality is that consumer convenience has become king in 2022.

On Black Friday alone, **retail site traffic** was up by an average of 11% from the year prior, while the size of online orders grew by 5%, per Bluecore. The same can be said for Cyber Monday site traffic, which was up 8% year-over-year.

Net-net: ecommerce takes share over brick-and-mortar, with consumer preferences still favoring holiday online shopping over in-store. Retailers both large and small are leaning into this shift by increasing their ecommerce offerings and presence to meet consumers exactly where they are.

US Holiday Season Retail Ecommerce Sales, 2018-2022
billions, % change, and % of total holiday retail



Note: sales are for Nov and Dec of each year; includes products or services ordered using the internet, regardless of the the method of payment or fulfillment; excludes travel and event tickets, payments (such as bill pay taxes, or money transfers), food services and drinking place sales, gambling and other vice goods sales
Source: Insider Intelligence, Nov 2022

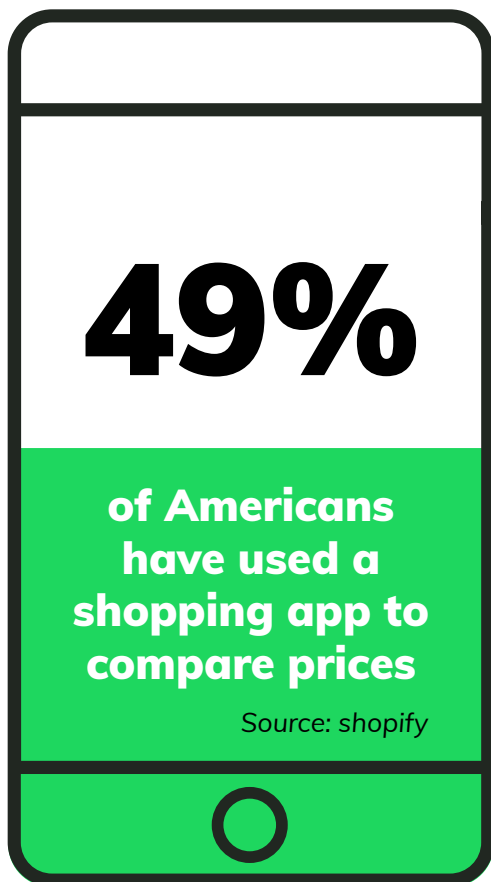


Showrooming vs. Webrooming

Showrooming Wins

Customers are defaulting to mobile devices to help make better online purchasing decisions — even when they are in-store. This phenomena has been labeled as “showrooming” because stores have become showrooms for inspiration and consumers ultimately purchase online.

With half of transactions coming from mobile devices during the 2022 Cyber 5 weekend, this data reveals the true customer story. Consumers are accessing better, more convenient deals online, personalized offers through shopping apps, and BNPL (buy now, pay later) options. Why wouldn't someone default to purchasing on their mobile device or online?



Americans
check their phone
an average of
344 times per day

Source: shopify



Black Friday vs Cyber Monday

Cyber Monday Wins

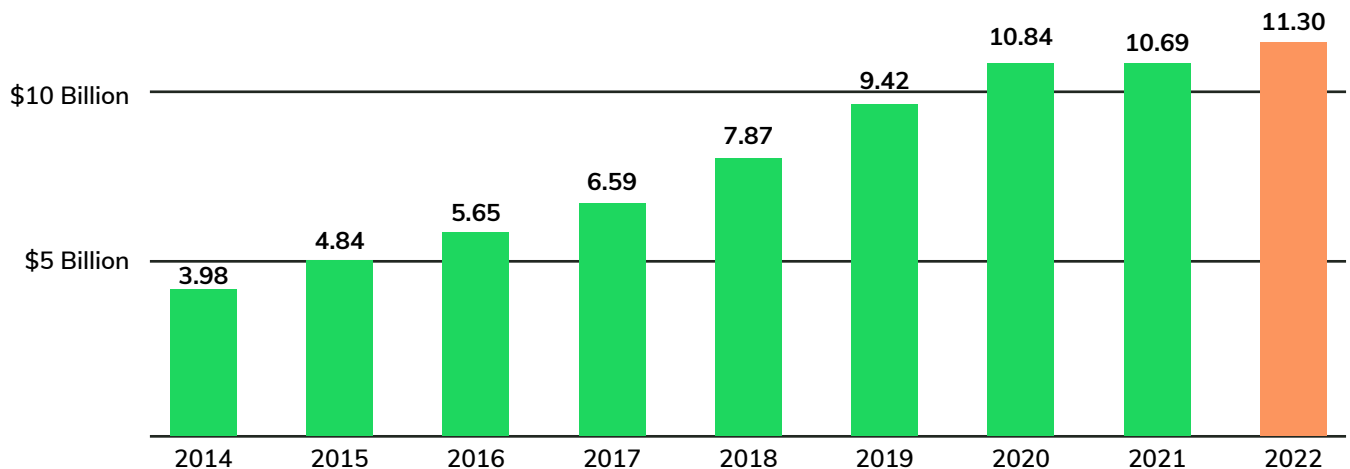
The Cyber 5 weekend dominated holiday sales, with US consumers spending more than \$35 billion online, according to Adobe Analytics. Retailers pulled out exclusive deals and record-high discounts, which despite inflation proved to have a greater impact on spending.

Cyber Monday ultimately came out on top, with total sales being 25% higher than those on Black Friday, according to Adobe Analytics. In fact, Cyber Monday online sales hit a new record at \$11.3 billion, the most ever for that day. And, it was the biggest online sales day in 2022.

What does this mean for retailers? Now is the time to adapt to new and evolving customer behaviors instead of repeating the same deals, promotions and events year-after-year. Because consumers are savvy — and with the holiday shopping season starting earlier and earlier every year, there's no reason to wait when there's opportunities to buy a product at a lower price elsewhere.

Cyber Monday Sales 2014-2022

in Billions of dollars



Source: Adobe Analytics



Retail Industry Performance vs MERGE Retail Clients' Performance

MERGE Retail Clients Win

Industry average Cyber Week growth YoY: 5.8%

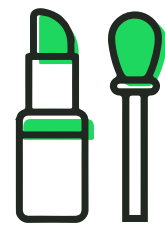
Our client's average Cyber Week growth YoY:



Leather Goods:
+8.58%



Apparel:
+27.44%



Beauty:
+37.98%



Activewear:
+19%



Footwear:
+204.20%



Outdoor:
+95.41%



MERGE's secret sauce to winning

6 Ways to Get Ahead of the Industry for Holiday 2023

- 1** Start planning for holiday deals sooner. Consumers are starting their holiday shopping earlier than ever, which means seasonal deals need to start earlier, too.
 - Pro tip: Keep a checklist and research current trends so it informs planning. Marketing tactics should align with current consumer behaviors and trends.
 - Don't forget: Leverage partners to get the inside scoop on how Amazon performed during Prime Day in July and October — this is a bellwether for Holiday performance.
- 2** Optimize for mobile. Nearly half of all online spend from the 2022 holiday season came from smartphones (\$99.3B), per Adobe.
 - Pro tip: Key holidays like Cyber Monday continue to be strong mobile shopping days. Be prepared to get in front of shoppers with the right messages and offers through the right channels.
- 3** Build-in extra email campaigns. During the 2022 Cyber Week, email drove 17% of total online traffic — a 10% increase YOY, according to Adobe.
 - If numbers are below expectation, be empowered to have extra emails planned and ready to go.
 - Pro tip: Make sure audience lists are tightened up so these campaigns can be targeted successfully.

More secret sauce this way



4 Optimize paid media campaigns throughout the Cyber 5 weekend.

- Pro tip: Forecast for surplus media budget. Watch for consumer demand and analyze how it ebbs and flows. Make your data accessible so you can check and respond to it on your mobile device!

5 Understand inventory levels.

- Pro tip: Spend money where there is inventory and plan promotions based on the data. This past shopping season, retailers provided exclusive offers and heavy discounts to incentivize consumer spending in addition to offloading excess inventory.

6 Become a holiday zealot.

- Pro tip: This is the superbowl for retail. Maintain constant contact with your team and reward them in engaging ways afterwards.

**If you're seeking a winning playbook
for the Super Bowl of retail next
year, we're here to help.**

LET'S TALK TODAY