



BEAT THE HOLIDAY RUSH

3 STRATEGIES FOR GETTING AHEAD

WRITTEN BY

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You could light a lot of menorahs and Christmas trees with the energy shoppers will expend hunting for the perfect gifts this holiday season. It's why the season accounts for as much as 40% of annual retail sales, according to the National Retail Federation. With so much at stake, now is the time for retailers to make preparations for a successful holiday sales season. Here are three areas you should be focusing on beginning in September, based on recent shopper surveys and 2012 holiday sales trends.

What comes to mind when we mention "September retail trends"? Probably the back-to-school sales rush, the second-biggest retail season of the year. But September is also a critical time for retailers to prepare for the holiday shopping season, which is right around the corner (and, for a growing number of consumers, has already begun).

A good place to start is with a look back at the trends and consumer behaviors from last year's holiday season. E-Commerce was the clear star, even on big in-store shopping days like Black Friday. Online sales on Black Friday increased 26% last year¹ while **in-store Black Friday sales actually declined 2%**.²

This trend shows no signs of slowing down. Nearly half of consumers say they plan to buy holiday gifts online this year, according to a Google Consumer Survey of 1,500 consumers conducted in early July.³ In fact, with the exception of boomers and seniors (55+), **every demographic we asked plans to shop more on the internet** than in brick-and-mortar retail stores.⁴

This is no huge revelation. We know shoppers are increasingly taking digital avenues along their path to purchase. But digging deeper into the data, we uncovered some interesting trends that can help retailers prepare for the coming holiday season — and they need to. **The 2013 calendar has six fewer days** between Thanksgiving and Christmas. This is likely to make the key shopping days even more intense than last year, **when each day topped \$1 billion in sales** and saw double-digit sales growth year-on-year.⁵ Also, Hanukkah begins weeks earlier than last year, kicking off before Thanksgiving. Competition for shoppers' attention on those days — and throughout the entire season — will be fierce.

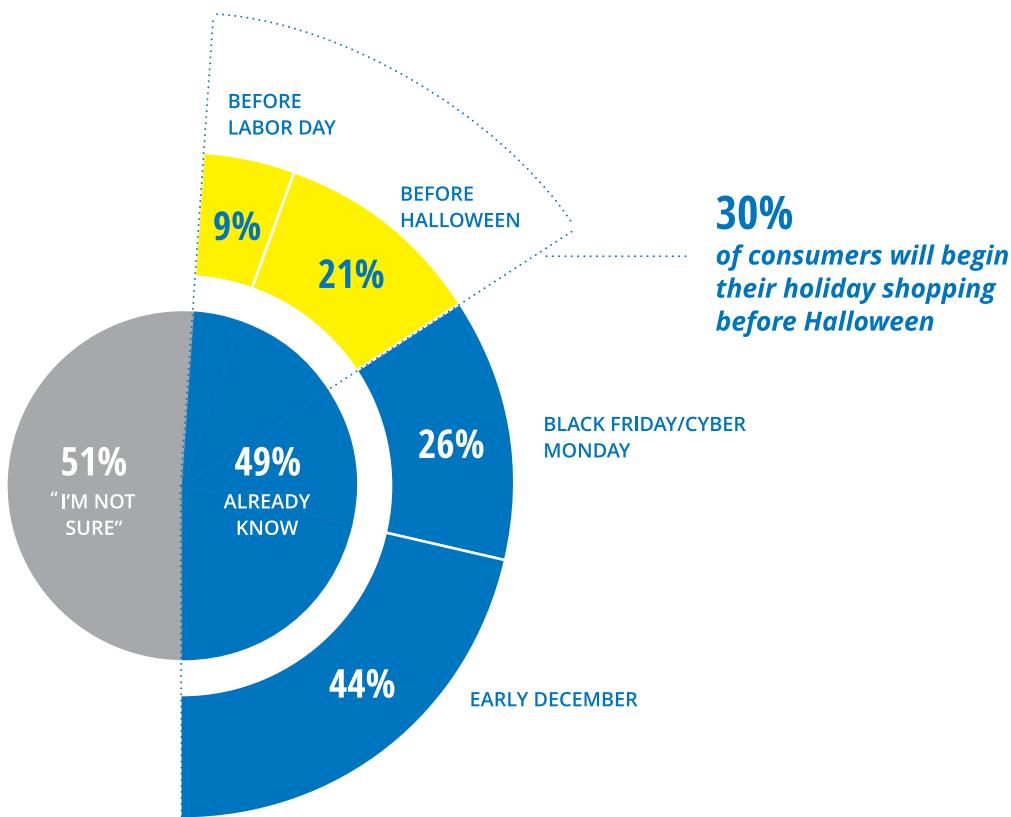
Last year, online sales on
Black Friday increased

26%¹

Remember the early birds when making your season's greetings

For the big shopping seasons, people are making their wish lists — and shopping lists — earlier than ever. In July, nearly half of surveyed shoppers already had made plans for when to purchase their holiday gifts. Of those actively planning, **30% are expecting to start before Halloween, with 9% starting before Labor Day**,⁶ according to our surveys. And consumers are already deciding on brands and products before they shop.⁷

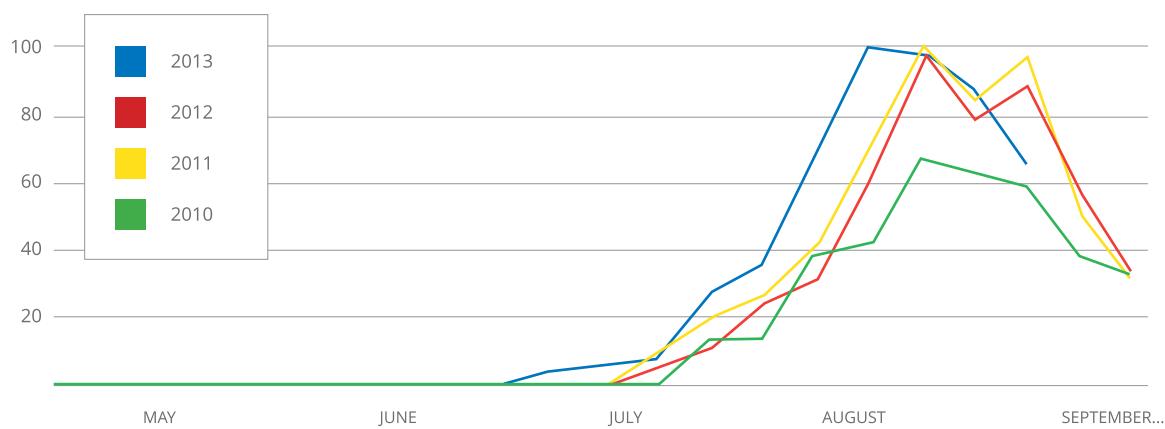
When Shoppers Plan to Start Making Holiday Purchases



Source: Google Consumer Surveys, n=1,500, Week of 7/8/13

We have seen this trend already in 2013, with back-to-school shopping: Consumers were shopping for backpacks and school supplies earlier than in years past. "In seven and a half years, I've never once seen so much emphasis put on back-to-school before July 4," National Retail Federation (NRF) representative Kathy Grannis told AdAge.com. We see this in our data as well. **Search demand for back-to-school promotions and deals is starting earlier and earlier:**

Indexed Google Search Demand for Back-to-School Promotions & Deals



Source: Google Insights for Search, Shopping Category, Searches for Back to School Sales, Back to School Deals, Back to School Promotions, and Back to School Coupons. Apr 2013-Aug 2013, Apr 2012-Aug 2012, Apr 2011-Aug 2011, Apr 2010-Aug 2010. The number 100 represents the peak search interest.

Retailers' own marketing efforts may well be fueling this early interest. With increased competition during the holidays, they continue to nudge promotions earlier to lengthen the season and try to get ahead. Last year, **six out of ten retailers** began holiday advertising before Halloween.⁸

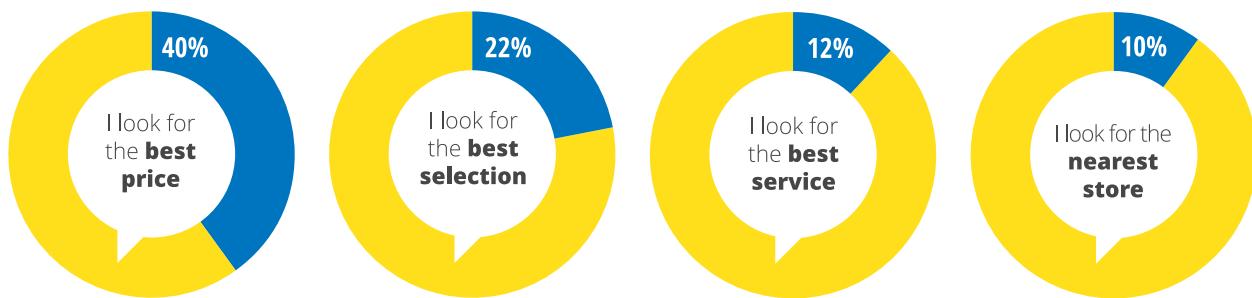
In light of this, it's increasingly important for retailers to reach people during the early shopping stages, when they are researching brands and products online, and to do so earlier than ever. There's also a huge opportunity to reach people who aren't even in the market yet. An entire **51% of respondents said they weren't sure when they'd start shopping.** With pervasive marketing efforts, you can get them thinking about the holidays — and your brand — before any others.

Consumers shop around; get them to stick around

Sales are up for grabs during the holidays. In 2012, **one-fourth of gifters purchased from a retailer they had never even shopped with before.**⁹ This makes sense: Many are in the market for things they don't usually buy. There are also tons of sales luring them to competitors.

As our data shows, price is the main reason for shopping somewhere new, followed by better selection:¹⁰

Reasons Shoppers Are Not Loyal to a Particular Retailer When Gift Shopping



Source: Google Consumer Surveys, n=630, Week of 7/8/13

When shopping around, consumers are looking online to help them make up their minds. Roughly one third of those surveyed did online research to determine what type of gift to buy, the brand to choose, and where to get it.¹¹

So, for retailers, there's a huge opportunity to influence brand choice this holiday season. You can sway the undecided who are still picking gifts, as well as reinforce your brand with existing fans. And if you can earn more of that loyalty, it will pay itself back many times over. We found that first-time customers who become loyal customers tell their friends about a brand more than a third of the time, and more than half the time they'll make a repeat purchase.¹²

This is especially important around those big promotional days — **Thanksgiving Weekend, Black Friday, Cyber Monday, Free Shipping Day** — that are all coming in quick succession this year. Encourage repeat customers to spread the word and drive sales during this shortened time frame. A simple formula: Use online brand-building tools like video and display to stay top of mind, offer deals and promotions (especially free shipping) to attract new customers, run remarketing campaigns to follow up, and keep them coming back with deals that build loyalty.

3

Be open for business on mobile, especially on big in-store shopping days

As the past year has brought into focus, much of the increase in online spending is happening on mobile. **Shopping-related search queries from mobile devices were up 59%** year-over-year in July.¹³ We're always shopping — while waiting in line, with friends on the bus, on our lunch breaks and in the airport killing time.

We're also shopping on our phones while we shop in stores, comparison-shopping other retailers. Eighty-four percent of shoppers use smartphones in-store as shopping companions.¹⁴ And one in three shoppers turn to their phones *instead of* asking an employee, according to research we conducted earlier this year.¹⁵

This means that the traditional big in-store shopping days present an even greater opportunity to win holiday sales *if* you're present on mobile. Last year, shopping-

related searches on mobile devices boomed during key in-store days. The three biggest days for mobile queries were **Black Friday, Thanksgiving, and the day after Christmas**.¹⁶ Whether shoppers are comparing prices, checking inventory or hunting for coupons, retailers should aim to meet them in context wherever they are, based on the shopper's location and device.

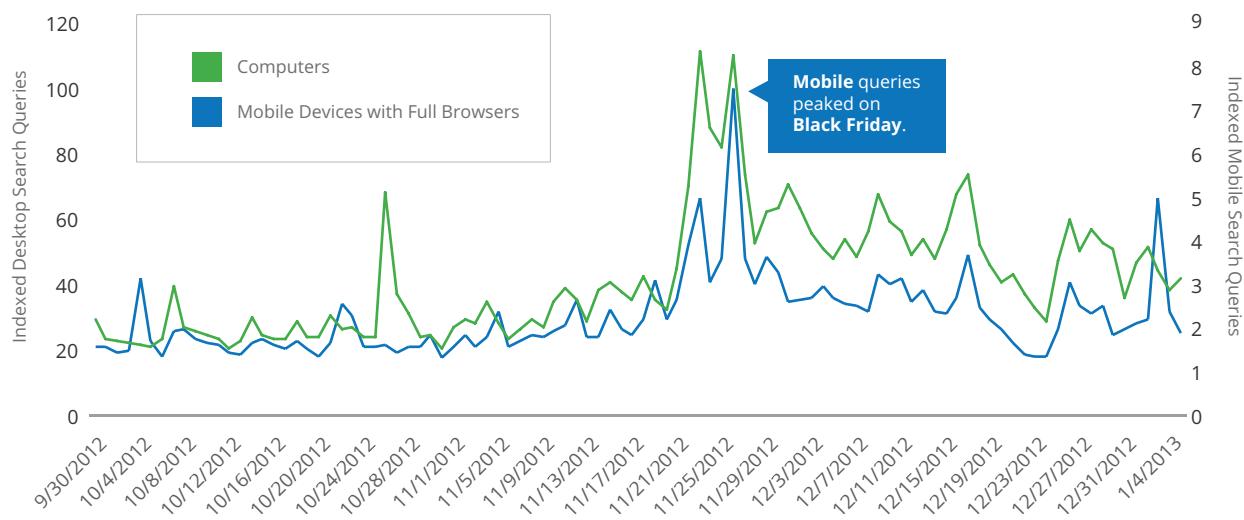
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And here's a hint from our research: The term "free shipping" surged last year as a search query, peaking on Cyber Monday.¹⁷ **On mobile devices, it peaked on Black Friday**, as in-store customers looked around for comparable deals online. **One in five** say free shipping will be the deciding factor on purchases this year, so use it to your advantage on the big in-store shopping days.¹⁸

Indexed Google Search Queries for "Free Shipping": Q4 2012



The biggest season for shopping starts now

Up to **40% of this year's sales** will likely happen¹⁹ during the holiday shopping season. In some ways, that season is getting longer, as retailers kick off marketing campaigns earlier. In other ways it's getting shorter, as the span between Thanksgiving and Christmas is cut by almost a week.

But any way you look at the calendar, September is a big month for holiday shopping preparation. If it seems a little too early for Bing Crosby and warmed chestnuts, that probably means you're right on schedule.

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METHODOLOGY

The research for this article is composed of internal Google data from search trends, Google surveys conducted by Google employees and reputable external data sources, such as the National Retail Federation, comScore and ShopperTrak. It also references previous Google research reports, such as the [Ipsos OTX/Google 2012 Holiday Shopping Intentions Survey](#) and [Google Shopper Marketing Council Mobile In-Store Research](#) from April 2013. The methodology behind the Google Consumer Surveys can be found on the [Google Consumer Surveys website \(pdf\)](#). Information about Google Insights for Search can be found on the [Google Trends website](#). Further information about individual report values and survey dates is contained within individual citation footnotes.

ENDNOTES

- 1** Comscore, Inc., 2012 Holiday Season To Date vs. Corresponding Days in 2011, Non-Travel (Retail) Spending, November 2012
- 2** [ShopperTrak](#), Retail Foot Traffic Up, Sales Slightly Down on Black Friday, Says ShopperTrak, November 24, 2012
- 3** Google Consumer Surveys, n=1,500, week of 7/8/13
- 4** Google Consumer Surveys, n=1,500, week of 7/8/13
- 5** Comscore, Inc. Online and Offline Total, Non-Travel (Retail) Spending, December 2012
- 6** Google Consumer Surveys, n=580, week of 7/8/13
- 7** Google Consumer Surveys, n=1,500, week of 7/8/13
- 8** [National Retail Federation](#), October 2012
- 9** Google Consumer Surveys, n=1510, 7/31/13
- 10** Google Consumer Surveys, n=630, Week of 7/8/13
- 11** [Ipsos OTX/Google 2012 Holiday Shopping Intentions Survey](#) Wave 1, n=1,500
- 12** Google Consumer Surveys, n=900, 8/15/13
- 13** Google Internal Data, Smartphone Queries in the Shopping Category, July 2013 vs. July 2012
- 14** Google Shopper Marketing Council, [Mobile In-Store Research](#), April 2013
- 15** Google Shopper Marketing Council, [Mobile In-Store Research](#), April 2013
- 16** Google Internal Search Data, Shopping Category, Q4, Percentage lift vs. Average Q4 day
- 17** Google Internal Search Data, Indexed by Device, Q4 2012
- 18** Google Consumer Surveys, n=1,500, Week of 7/8/13
- 19** [National Retail Federation](#), Holiday FAQ