2019 eTail Holiday Report:
Showcasing Your Brand and Products in New and Novel Ways to Drive Holiday Sales
Introduction

As retailers continue to refine their service, delivery, and data-driven personalization efforts, presentation has become a new competitive field in 2019—and it will never be more critical than during the holiday retail surge. Retailers will transform customer engagement into a holistic user experience, implementing not just the latest technologies but adopting new and novel ways to showcase their products and individualize their brands.

This holiday shopping season, retailers are exploring immersive technology to curate and service customers in direct and tailored ways, ensuring frictionless commerce experiences. They are investing in personalized content and broadcasting specific digital and contextual information on their channels to build a strong customer base. And with new product presentation initiatives, they are prioritizing special seasonal offerings on new and targeted products exclusively in digital environments.

But how are those experiences building excitement and enhancing how customers identify with their products? In this year’s eTail Holiday Report, we’ll uncover the most effective and widely adopted product presentation and content tools that will drive this year’s holiday sales.

“According to our analysis, we need to gear up our channels as it is a critical part of marketing and sales, so directing more custom-based product information to our channels will be one of the first steps towards digitization.”

Footwear retailer
59% of retailers plan to introduce new methods for presenting their products for the 2019 holiday shopping season, among which 23% plan to fundamentally transform the way they present their products.

Among only those retailers, 39% hope to build excitement and enhance how customers identify with their products, and 35% expect new presentation methods will give them a competitive advantage.

Compared to the 2018 holiday season, 52% of retailers claim they have a better understanding of which aspects of product presentation and content drive customers to purchase.

For most retailers, mobile content will be an important (38%) or critical (32%) contributor to their product presentation strategy in the 2019 holiday season.

Nearly half of respondents would either use (20%) or test (29%) gated exclusive offers to improve conversion rates during the 2019 holiday season.
About the Study

A plurality of survey respondents represents specialty retailers (17%). Most remaining respondents represent retailers of hardware, electronics, and appliances (16%); apparel (14%); and entertainment, food, and travel (10%).

In each case, fewer than 10% of respondents represent supermarkets (8%); department stores (8%); and retailers of home furnishings (8%) and sporting goods (8%).

Fewer respondents represent toys & hobbies (7%), telecommunications (1%), or some other types of retailers (3%).

All retailers in the study sell through digital channels. Most retailers (73%) receive 50% or less of their sales revenue from digital sales—more precisely, 35% receive between 26% and 50% from digital sales, and 38% receive between 0% and 25% from digital sales.

Among the remaining retailers, 20% receive between 51% and 75% of their sales revenue from digital sales, and 5% receive between 76% and 100% of their sales revenue from digital sales. Only 2% of retailers sell exclusively through digital.

Which retail sector are you in?

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Specialty Retail</td>
<td>17%</td>
</tr>
<tr>
<td>Hardware, Electronics, and Appliances</td>
<td>16%</td>
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<tr>
<td>Apparel</td>
<td>14%</td>
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<tr>
<td>Entertainment, Food, and Travel</td>
<td>10%</td>
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<td>Supermarkets</td>
<td>8%</td>
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<td>Home Furnishing</td>
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<td>Sporting Goods</td>
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<tr>
<td>Department Stores</td>
<td>8%</td>
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<tr>
<td>Toys &amp; Hobbies</td>
<td>7%</td>
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<tr>
<td>Telecommunications</td>
<td>1%</td>
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<tr>
<td>Other</td>
<td>3%</td>
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What percentage of your sales revenue comes from digital sales?

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>0% - 25%</td>
<td>38%</td>
</tr>
<tr>
<td>26% - 50%</td>
<td>35%</td>
</tr>
<tr>
<td>51% - 75%</td>
<td>20%</td>
</tr>
<tr>
<td>76% - 100%</td>
<td>5%</td>
</tr>
<tr>
<td>N/A – all our sales revenue comes from in-store sales</td>
<td>2%</td>
</tr>
<tr>
<td>N/A – all our sales revenue comes from digital sales</td>
<td></td>
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</tbody>
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Holiday Season Opportunities

In 2019, retailers are approaching digital environments as spaces for innovation and transformation—a prime opportunity to differentiate themselves from competitors, especially with unique products, presentation methods, and special offers. They are tracking the buying behavior of their audiences using different tools and technologies to refine their techniques as well.

Retailers have realized several new opportunities in terms of the 2019 holiday shopping season when compared to the previous year. Most retailers have a better understanding of both their core customers (59%) and what aspects of product presentation and content drive customers to purchase (52%), differentiating them from their experiences in 2018.

“We value content above all. We’ve been focusing a lot on website traffic currently because it helps us collect more data, giving us more specification about the audience. Also, the same data could be used by the marketing team to broadcast relevant content [as we] reach out to new customers.”

Apparel retailer

In terms of the holiday shopping season, what opportunities do you have in 2019 versus 2018?

- We have a better understanding of our core customers. 59%
- We understand what aspects of product presentation and content drive customers to purchase. 52%
- We have access to and visibility into new payment providers, methods, and networks. 41%
- We have more opportunities to connect in-store and digital experiences. 41%
- We see more opportunities to drive re-purchasing and advocacy among our core customers. 36%
- We have better, more actionable customer data than we did last year. 35%
As customers increasingly include at least one digital touchpoint in their buying cycles, retailers are radically integrating marketing and UX strategies for more seamless customer experiences. For example, nearly half of retailers have access to and visibility into new payment providers, methods, and networks (41%), which makes buying easier for customers no matter how they engage. Retailers have also connected more in-store and digital experiences (41%), allowing customers to engage them from anywhere at any point in the buying cycle.

As retailers increasingly become fixtures in their customers’ lives, they are getting more out of their relationships with them. Over one-third of retailers see more opportunities to drive re-purchasing and advocacy among their core customers (36%) and have better, more actionable customer data than they did last year. Many retailers are using digital influencers to prioritize their products as they align with their new content initiatives.

Retailers were asked to expand upon their relationships with new payment providers, methods, and networks. Since over half of retailers do not have access to and visibility into new payment providers, methods, and networks, over half (52%) do not highlight any new opportunities in this area.

Which of the following are new opportunities you have in terms of new payment providers, methods, and networks?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We offer instant, point-of-sale financing for eCommerce purchases.</td>
<td>29%</td>
</tr>
<tr>
<td>We have greater visibility into total cost of payments across networks and transactions.</td>
<td>19%</td>
</tr>
<tr>
<td>We support newer payment methods that customers find highly desirable.</td>
<td>19%</td>
</tr>
<tr>
<td>We have simplified financial management that lets us focus more on our bottom line.</td>
<td>17%</td>
</tr>
<tr>
<td>We offer instant, point-of-sale financing for in-store purchases.</td>
<td>14%</td>
</tr>
<tr>
<td>We have integrated a FinTech-as-a-service platform.</td>
<td>10%</td>
</tr>
<tr>
<td>This does not apply.</td>
<td>52%</td>
</tr>
</tbody>
</table>
Retailers who have achieved greater access and visibility in this area report more streamlined customer transactions and more desirable customer experiences. For example, one-quarter of all retailers (29%) now offer instant, point-of-sale financing for eCommerce purchases as a result of their access and visibility into new payment providers, methods, and networks.

Nineteen percent have greater visibility into the total cost of payments across networks and transactions, and 19% support newer payment methods that customers find highly desirable thanks to that access and visibility as well.

Fewer of these companies have simplified financial management that lets them focus more on their bottom line (17%). Fourteen percent offer instant, point-of-sale financing for in-store purchases as a result of greater access and visibility into these payment options.

Only 10% of retailers have integrated a FinTech-as-a-service platform as a result of greater access to and visibility into new payment providers, methods, and networks.

A variety of payment options has long been a key to success in the eCommerce space, and retailers are beginning to establish relationships with a variety of traditional and non-traditional payment providers to provide customers with the same options in-store. However, the data indicate that many retailers still are not pursuing new payment opportunities.

Building relationships with new payment providers and providing customers with a range of payment methods does more than just streamline transactions. It can help retailers build better relationships with underbanked customers and customers who prefer the security of non-traditional payment methods, and it can also help retailers increase sales to customers who need immediate financing for purchases.
New Product Presentation Methods

In the past, product presentation has typically been product-centric, with pricing and product benefits taking precedence over the context and experience of the customer. Now, retailers are looking to use content to address customers’ needs in a more targeted way.

Most retailers (59%) will introduce new methods for presenting their products in the 2019 holiday shopping season to some degree. Among them, nearly one-quarter of retailers (23%) will fundamentally transform the way they present their products altogether. Over one-third of retailers (36%) will nonetheless introduce new presentations for their products.

Less than half of retailers (41%) will not make any substantial changes to how they present their products in the 2019 holiday shopping season.

Do you plan to introduce new methods for presenting your products for the 2019 holiday shopping season?

- **Yes** – We plan to fundamentally transform the way we present our products.
- **Yes** – We plan to introduce new presentation methods for our products.
- **No** – We are not making any substantial changes to how we present our products.
Respondents were asked to share why they are introducing new presentation methods in the 2019 holiday shopping season. Since 41% of retailers will not introduce new presentation methods in 2019 to any degree, 38% claim this question does not apply to them.

Over one-third of retailers (39%) plan to build excitement and enhance how customers identify with their products using new product presentation methods. Thirty-five percent believe new product presentation methods will give them a competitive advantage.

Why are you introducing new presentation methods for the 2019 holiday shopping season?

- We want to build excitement and enhance how customers identify with our products. 39%
- We see this as an opportunity to gain a competitive advantage. 35%
- We believe new methods will help customers emotionally connect with our brand. 28%
- Each customer will engage with our products in a way that suits that customer individually. 23%
- We consider the way we present our products as a critical part of the customer experience. 23%
- There are new technologies available to improve how we present out products. 22%
- Our presentation methods underperformed during the 2018 holiday shopping season. 14%
- This does not apply. 38%

"We want to provide gifting opportunities that are unique, so that our eCommerce customer has something special, and so our [in-store] customer may be interested in visiting the site for the first time."

Accessories retailer
Product engagement is a key motivator for many retailers. In each case, over one-quarter of retailers believe these new methods will help customers emotionally connect with their brand (28%) and nearly a quarter of retailers believe new presentation methods will help them engage with their products in a way that suits each customer individually (23%).

Twenty-two percent of retailers claim they will leverage new technologies to improve how they present their products. Fewer retailers (14%) are motivated by underperforming product presentation methods they leveraged in 2018.

By aligning meaningful content with the unique aspects and benefits of each product, retailers can direct customers’ attention to benefits that differentiate their products from those of competitors.

Most retailers are prioritizing certain products or content for presentation in digital environments as opposed to physical ones, broadly acknowledging digital as a unique medium for certain customer engagement and product presentation methods. Over two-thirds of retailers (68%) will prioritize certain products or content in this way, while 32% will not.

“I personally think creating content is the only way to reach out to our customers, so we’ve focused on developing relevant content for consumption. Our team, on the other hand, handles the product specifications by analyzing consumers’ desires.”

Specialty retailer

Are you prioritizing certain products or content for presentation in digital environments as opposed to physical environments?

- Yes: 68%
- No: 32%
Trend Analysis: How are retailers introducing new presentation methods prioritizing digital?

Food retailers are both introducing new presentation methods and prioritizing sustainable products and initiatives for digital:

“Our ‘zero hunger, zero waste’ initiative is gaining a lot of momentum, and to achieve more out of this initiative we are boosting our digital spaces to cover more ground.”

“Promoting organic and sustainable produce is a key to the environment and for us, and we have picked the digital front to promote these types of products so that they gain popularity faster.”

“We have newly discovered products in our organic range which have been prioritized… we believe that this set of customers who believe in using organic products search the web for products, and that is where they will find our products.”

Retailers are using digital platforms that help customers customize their orders before purchasing:

“DIY is a good platform for us to show the usefulness and stability of our products... through a digital platform, we can reach a larger customer base.”

“Electronic accessories will be given a better digital presence with the help of smart internet that we use to manage our digital marketing.”

“We are... boost[ing] our social media presence to promote the display of our outdoor products to a larger potential customer base.”

Hardware, electronics, and appliances retailers are prioritizing specific categories for new digital media channels as they expand their customer base:

“DIY projects with online influencers [are] now mainstream for us on the digital front... the count of potential customer conversions is higher here.”

“DIY is a good platform for us to show the usefulness and stability of our products... through a digital platform, we can reach a larger customer base.”

“Electronic accessories will be given a better digital presence with the help of smart internet that we use to manage our digital marketing.”

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“We are... boost[ing] our social media presence to promote the display of our outdoor products to a larger potential customer base.”

Apparel retailer

“We know the importance of tech accessories right now. As a priority, we are presenting accessories that are customizable and will be viewed digitally rather than physically.”

Toys & hobbies retailer
As new devices, channels, and platforms permeate the consumer market, retailers are beginning to reimagine the role of content. Retail customers continue to maintain elevated service expectations and likewise expect a frictionless content experience, regardless of which format that content is delivered in. In 2019, retailers are prioritizing improving content in multiple formats as they expand their customer base.

Respondents claim their content strategies already increase customer engagement and improve the quality of customer interactions. Researchers asked respondents to expand on these claims by sharing the degree to which certain content types will make up part of their product presentation strategy during the holidays.

To what degrees will the following content types make up part of your product presentation strategy this holiday season?

<table>
<thead>
<tr>
<th>Content Type</th>
<th>Critical</th>
<th>Important</th>
<th>Relevant</th>
<th>Irrelevant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Content</td>
<td>32%</td>
<td>38%</td>
<td>23%</td>
<td>7%</td>
</tr>
<tr>
<td>Interactive Content</td>
<td>31%</td>
<td>35%</td>
<td>22%</td>
<td>12%</td>
</tr>
<tr>
<td>Exclusive Content</td>
<td>25%</td>
<td>34%</td>
<td>23%</td>
<td>5%</td>
</tr>
<tr>
<td>Social Content</td>
<td>21%</td>
<td>40%</td>
<td>24%</td>
<td>13%</td>
</tr>
<tr>
<td>Content across Physical and Digital Channels</td>
<td>26%</td>
<td>43%</td>
<td>21%</td>
<td>13%</td>
</tr>
<tr>
<td>User-Generated Content</td>
<td>21%</td>
<td>37%</td>
<td>37%</td>
<td>6%</td>
</tr>
<tr>
<td>Immersive Content</td>
<td>21%</td>
<td>37%</td>
<td>37%</td>
<td>14%</td>
</tr>
<tr>
<td>Curated Content</td>
<td>16%</td>
<td>30%</td>
<td>30%</td>
<td>6%</td>
</tr>
<tr>
<td>Content Driven by In-Store Technologies</td>
<td>19%</td>
<td>29%</td>
<td>29%</td>
<td>14%</td>
</tr>
<tr>
<td>Humorous Content</td>
<td>11%</td>
<td>21%</td>
<td>21%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Critical: Most important
Important: Important
Relevant: Relevant
Irrelevant: Irrelevant
We’re halfway to the holidays!

Visit Pattern89.com/etail to start saving hours every week on your Facebook and Instagram ads.

Need more time? AI will save you hours every week.
More retailers consider mobile content critical to their product presentation strategy (32%) than any other content type. Since 38% also consider mobile content important, mobile content is clearly the most relevant content type among the options available. Sixty-six percent of respondents also consider interactive content to be critical (31%) or important (35%), which lends itself to multiple platforms, including mobile.

Distributing content across both physical and digital channels is another broad strategy and an important aspect of retailers’ content initiatives. While implementing content across physical and digital channels is critical for less than one-quarter of retailers (21%), nearly half (43%) consider it important.

Most retailers will employ exclusive content as part of their holiday strategies. But while one-quarter of respondents consider exclusive content to be critical, more retailers consider it relevant (36%) than important (34%). However, fewer retailers consider this content type irrelevant (5%) than any other in the study.

While 40% of retailers consider social content important, less than one-quarter of retailers (23%) consider it critical, implying it is necessary but not a driving force in most retailers’ content strategies. Another 13% of retailers consider social content irrelevant.

Some respondents prioritizing social content have suggested social influencers will be a new part of their content strategies—a departure from traditional content marketing. Retailers have also indicated they are prioritizing only specific product types for their social content.

In each case, less than one-quarter of retailers (21%) consider user-generated content critical—most consider it important or only relevant. Similarly, only 16% of retailers consider curated content critical to their strategies, but nearly half of retailers (48%) consider curated content important—the largest such metric in this section of the study.

Meanwhile, more retailers consider content driven by in-store technologies (19%) and humorous content (31%) irrelevant than any other content type in the study. While many retailers are employing these formats, the vast majority are not prioritizing them for the 2019 holiday shopping season specifically.

Mobile content, interactive content, and content distributed across digital channels will dominate retailers’ content efforts during the 2019 holiday season as they attempt to bridge the divide between online shopping and immersive in-store experiences. And although most retailers don’t consider content driven by in-store technology as critical as other types of content, presenting content on customers’ mobile devices will be a key driver of engagement, whether the customer is in-store or elsewhere.
Customer Acquisition Opportunities

Although an abundance of evidence shows that returning customers drive the most revenue, retailers have been concerned about acquiring new customers, both in-store and online, over the past few years. This stems in part from fears about the so-called “retail apocalypse” and its effect on the brick and mortar sector, but also from the challenges of connecting with a newer, younger base of customers who have different expectations than their predecessors.

Retailers still highlight several challenges related to customer acquisition as top barriers to overcome in the 2019 holiday shopping season.

Nearly half of retailers (46%) claim differentiating from competitors is among their biggest challenges. The growing costs of their existing channels is another challenge among nearly half of retailers (41%).

Forty percent of retailers struggle to reach their target audiences, which may be connected to their inability to improve how they leverage data versus the previous year.

In each case, over one-third of retailers struggle to overcome internal issues, such as limited operational resources or hard-to-reach goals (37%), maintaining conversion rates from promotions and offers (36%), and mitigating privacy concerns and/or new privacy regulations (34%).

Pick the top challenges you must overcome in the 2019 holiday shopping season.

- Differentiating from competitors: 46%
- Managing the increasing costs (e.g., CPC, CPM) of our current channels: 41%
- Reaching our target audience: 40%
- Overcoming internal issues (e.g., limited operational resources, or hard-to-reach goals): 37%
- Maintaining conversion rates from promotions and offers: 36%
- Mitigating privacy concerns and/or new privacy regulations: 34%
A slim majority of retailers (51%) believe universal price discounting will be among their most effective strategies for acquiring customers in the 2019 holiday shopping season.

Nearly half (48%) believe loyalty and reward programs will be among their most effective tactics; similarly, nearly half of retailers (41%) believe customer referral programs will be highly effective.

43% believe both giveaways and selective or exclusive promotions to specific segments will be among their most effective tactics.

Events are not a popular tactic among most retailers. Few consider event-based promotions (30%) and customer appreciation events (29%) to be among their most effective tactics.

Similarly, cause marketing—partnerships with charities, for example—are an effective tactic for only 28% of retailers. The least-popular tactics for acquiring customers in the 2019 holiday shopping season are contests or sweepstakes (23%) and brand collaborations (14%).

Which of the following promotion tactics do you believe will be most effective for acquiring customers in the 2019 holiday shopping season?

- Universal price discounting (i.e., a general discount or coupon available to everyone) 51%
- Loyalty/reward programs (e.g., free shipping, additional loyalty points) 48%
- Giveaways 43%
- Selective or exclusive promotions to specific segments (e.g., students, teachers, or military) 43%
- Customer referral programs 41%
- Event-based promotions (e.g., sponsorship of sporting or other events) 30%
- Customer appreciation events 29%
- Cause marketing (e.g., partnerships with charities) 28%
- Contests or sweepstakes 23%
- Brand collaborations 14%
Gated Exclusive Offers

Now, retailers are creating special teams to focus on individual products and unique promotional efforts, most of which align with specific segments. These segments may include targeted audiences for whom retailers provide personalized benefits, often in the form of gated offers.

Researchers defined a ‘gated exclusive offer’ as a promotional strategy that requires a customer to prove their eligibility to receive a specific offer—a discount for students or veterans, for example. Personalizing offers for specific groups can drive more value in those segments. When retailers develop products for this unique purpose—especially in the context of the holidays—they drive far greater value in those segments than they would among general audiences.

Most retailers are open to gated offers, while many may already be using the strategy. Nearly half of respondents (49%) claim they would either test such a strategy (29%) or use it without question (20%). Over one-quarter claim they would do more research before considering it (28%). Only 23% of retailers claim they would not use such a strategy.

Would you consider creating a gated exclusive offer to improve conversion rates in the 2019 holiday shopping season?

A gated offer requires a customer to prove their eligibility to receive the offer. For example, a holiday offer only for students.

- 29% Yes, I would use it
- 20% Yes, I would test it first
- 28% No, I would do more research first
- 23% No, I wouldn’t use it
Retailers are prioritizing not only driving the relevancy of their content but ‘marveling’ their customers with unique forms of engagement. For those prioritizing digital and introducing new presentation methods, doing so builds traction in those segments beyond what they can achieve through traditional marketing and sales—they increase the likelihood of captivating the bulk of members in specific audiences. Screening those segments by testing gated solutions is another way retailers can hone in on more personalized strategies that deliver on marketing and sales goals, no matter their scope.

**Conclusion**

Although customer expectations of a frictionless retail experience continue to grow, some industry truths remain constant. Retailers are still highly concerned about engaging and acquiring a new generation of customers. Traditional promotional tactics like reward programs, giveaways, and exclusive programs still hold promise in this area—but retailers are also looking to new promotional methods to reach a more selective and segmented audience.

During the holidays, the entire consumer market comes alive—there is no limit to the degree of segmentation and personalization retailers can achieve. The holidays are a time to introduce new methods and success metrics, which become a boon for analysis in the following year.

Presentation strategies play a pivotal role in realizing those successes, opening opportunities for extending the life of those yet untested efforts. The holiday retail market is crowded, lending itself to greater personalization and experimentation. Retailers must do more than engage potential customers in new and meaningful ways. They must amaze them, identify new measurements of success, then build on those successes to create new formats for engagement in the future.
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