

ASSEMBLY

What to Expect this Peak Season

September 2023

Table of Contents

Click or tap on a section below to jump to it.

- 01** Key shopping dates around the world

[Jump to Section](#)

-
- 02** Recap on Peak 2022

[Jump to Section](#)

-
- 03** Looking ahead to Peak 2023

[Jump to Section](#)

-
- 04** Understanding Peak in the beauty,
luxury fashion and retail verticals

[Jump to Section](#)

-
- 05** Key recommendations

[Jump to Section](#)



Q4 is a key shopping period with multiple retail events across the globe

KEY SHOPPING MOMENTS:

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Key International Retail Events				1st Nov	2	3	4
Other Events & Holidays							
<i>Notable Retail Market</i>							
Singles' Day The world's biggest online shopping event, though largely driven by Chinese consumers	5	6	7	8	9	10	11 Single's Day 
Diwali: The Festival of Lights, India's biggest holiday of the calendar year	12 Diwali 	13	14	15	16	17 El Buen Fin 	18 El Buen Fin 
Cyber Weekend: Historically the largest global shopping event outside of mainland China	19 El Buen Fin 	20 El Buen Fin 	21	22	23 Thanksgiving US 	24 Black Friday 	25 Cyber weekend
El Buen Fin: Annual nationwide shopping event in Mexico, inspired by Black Friday.	26 Cyber weekend	27 Cyber Monday 	28	29	30	1 Dec
Boxing Day: In the UK, Canada, Australia, Trinidad and Tobago, and New Zealand, Boxing Day is primarily known as a shopping holiday.			26 Boxing Day 			6 January 3 King's Day 
3 King's Day (Epiphany): A Christian holiday celebrated around the world.							



Continued financial uncertainty leads way to a challenging Peak

UNDERSTANDING 2022

Peak 2022 was forecasted to be a challenging one with a bleak outlook. Results were better than anticipated which in part can be attributed to inflation



COST-OF-LIVING CRISIS

Due to inflation and the cost-of-living crisis - particularly in EMEA, consumers will continue to be cautious with their spending habits



MEDIA INFLATION

+4%

media cost forecasted to increase in 2023, making media budgets work harder is key to success



INCREASING IMPORTANCE OF LOYALTY

Inflation is reducing loyalty, leading consumers to switch from their preferred brands to save costs. Retention remains crucial and a competitive loyalty offering can be the antidote



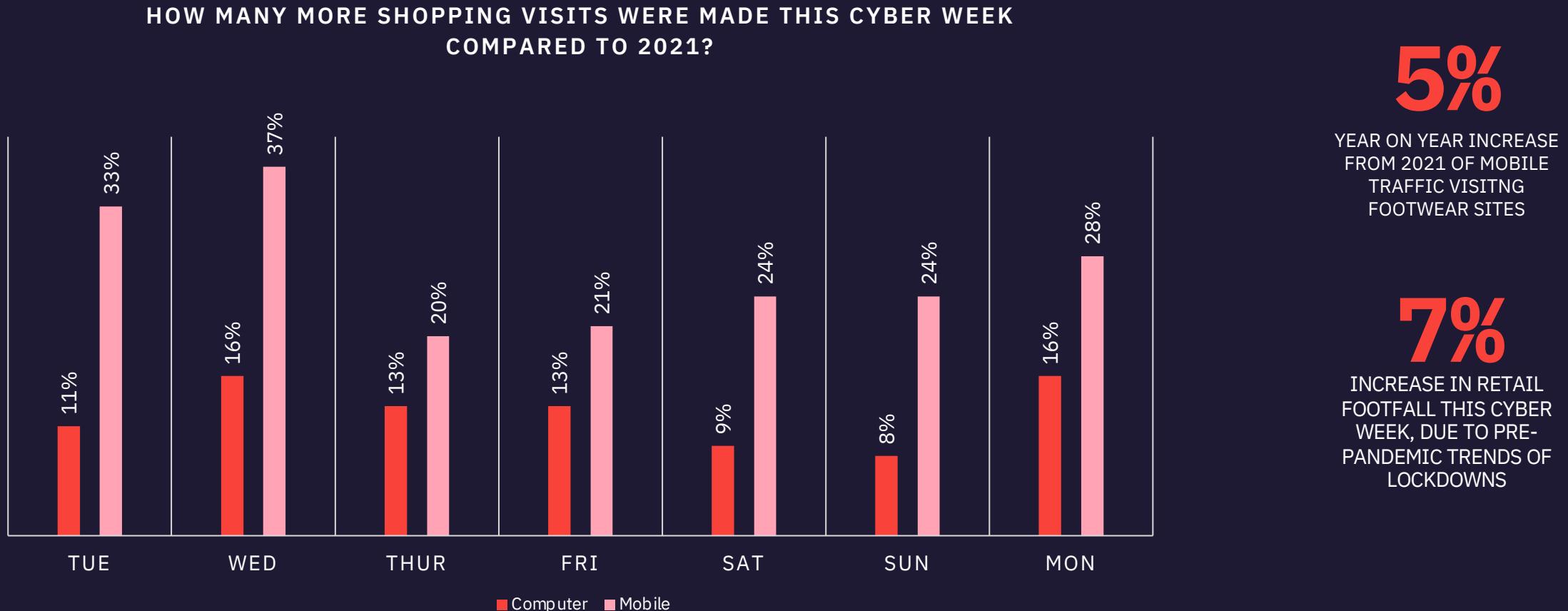
With the *uncertainty* in the market, *Cyber2022* performed better than expected. Consumers opted into using *alternative payment methods* to cope with financial struggles.

It was ever more apparent that *mobile* and *in-app* purchases are key to the sale shopping *experience*.



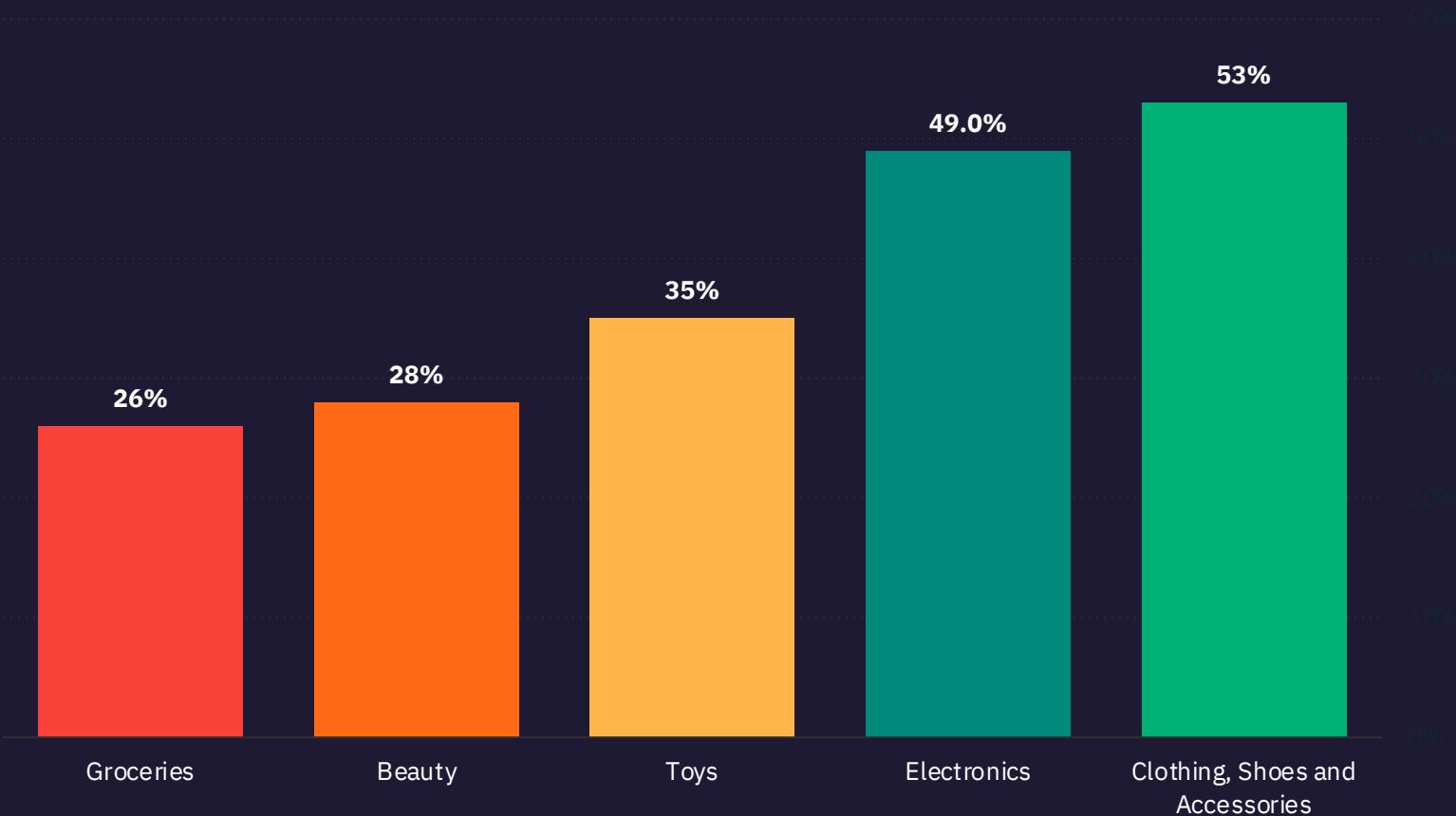
An increase in both footfall and traffic was seen last year, with the days leading up to Cyber Weekend seeing a particular boost

Retailers went early with offers to maximise sales over the period and Mobile is key for consumers looking for online deals.



Fashion and Electronics were leading categories for consumers looking to capitalise on Black Friday deals

NEILSON BLACK FRIDAY CONSUMER SPEND BY CATEGORY



Despite Cost-of-Living challenges, appetite for Black Friday deals remains...

49%

OF CONSUMERS AGREED THAT BLACK FRIDAY IS THE BEST DAY TO TAKE ADVANTAGE OF DISCOUNTED PRODUCTS

71%

OF CONSUMERS PLANNED TO PURCHASE GIFTS DUE TO BETTER PROMOTIONS/DISCOUNTS

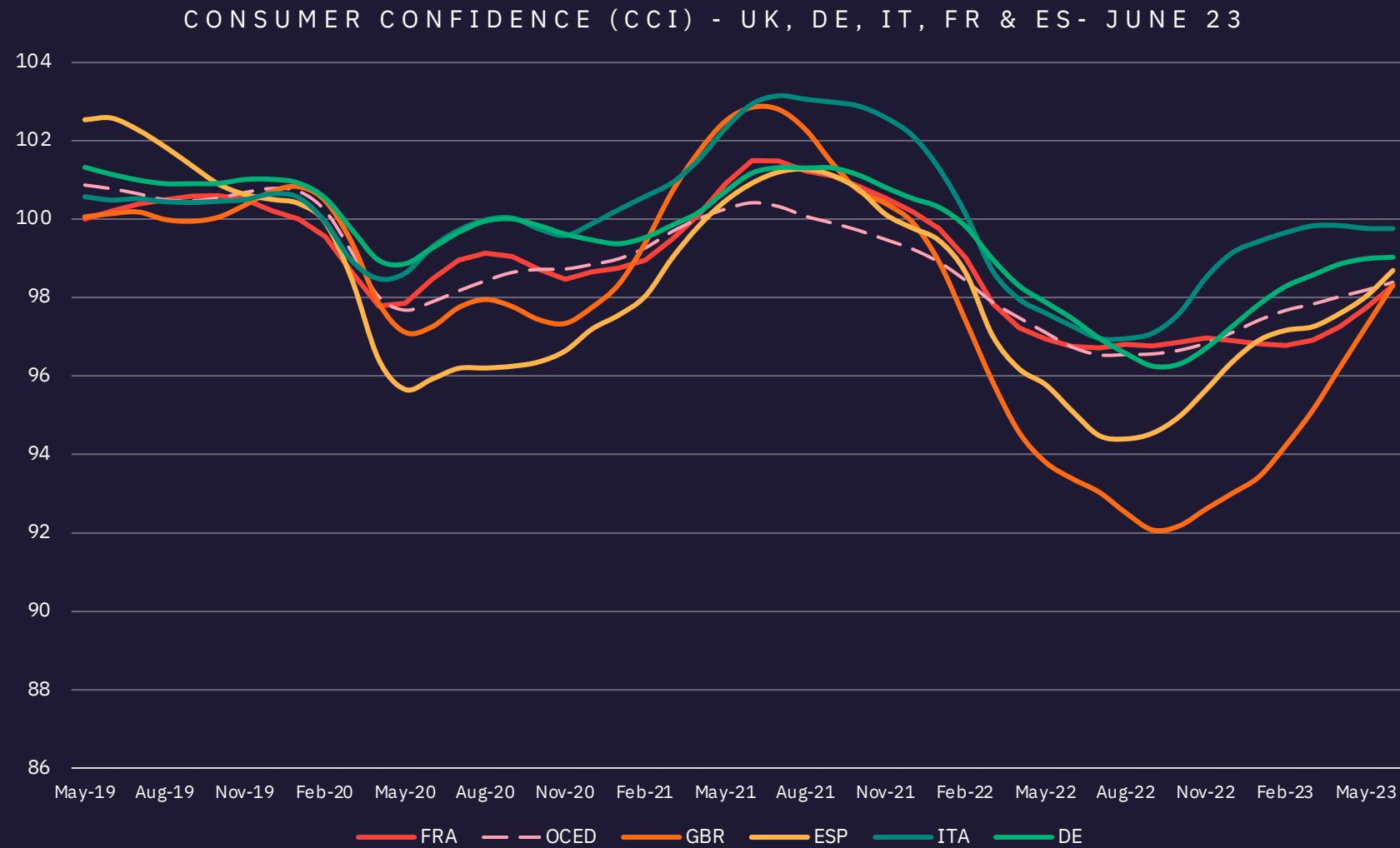
However, although Cyber Week saw growth, we know inflation was a key driving factor behind this

Globally, we saw retailers with excess inventory and consumers with pent up savings (largely in the US) create the perfect storm for Black Friday spending



Despite the +2% growth seen across Cyber Week globally, in the EU, the inflation rate was up 11.1% driving the value growth of YoY spend

As 2023 progresses, we've seen an uptick in consumer confidence in EU markets



We know that consumer confidence is strongly linked to spending...

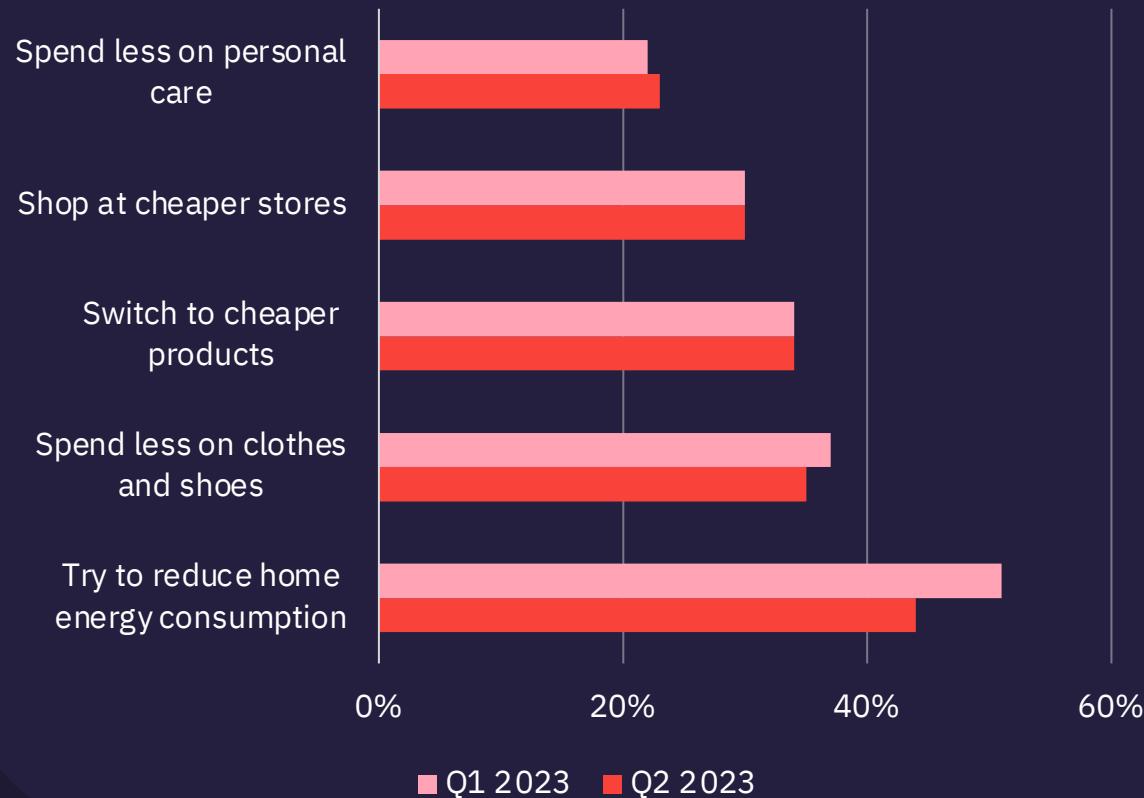
+5.7%

INCREASE IN UK NON-ESSENTIAL SPENDING IN JUNE, HIGHEST SINCE JANUARY 2023

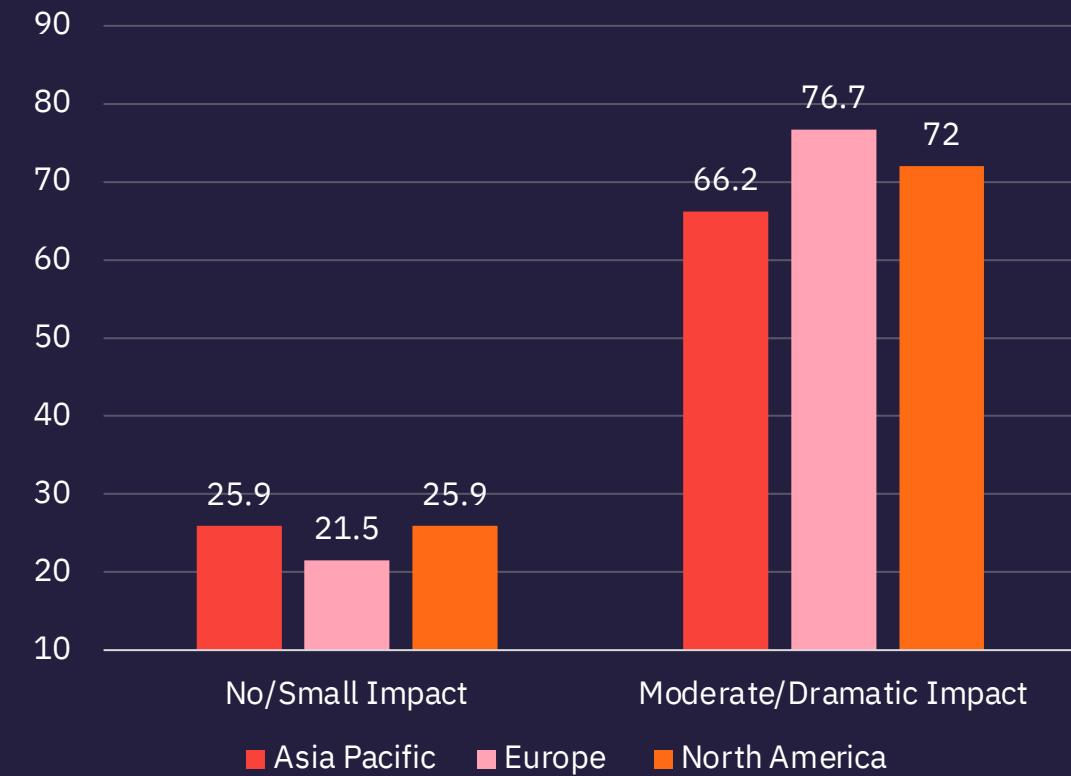
We are also seeing higher rates of consumer confidence than this time last year, indicating more promising demand for the months ahead

However, we mustn't forget that many consumers are still negatively impacted by the cost-of-living crisis, particularly in Europe

% of consumers that have, or intend to reduce spend in category as a result of COLC

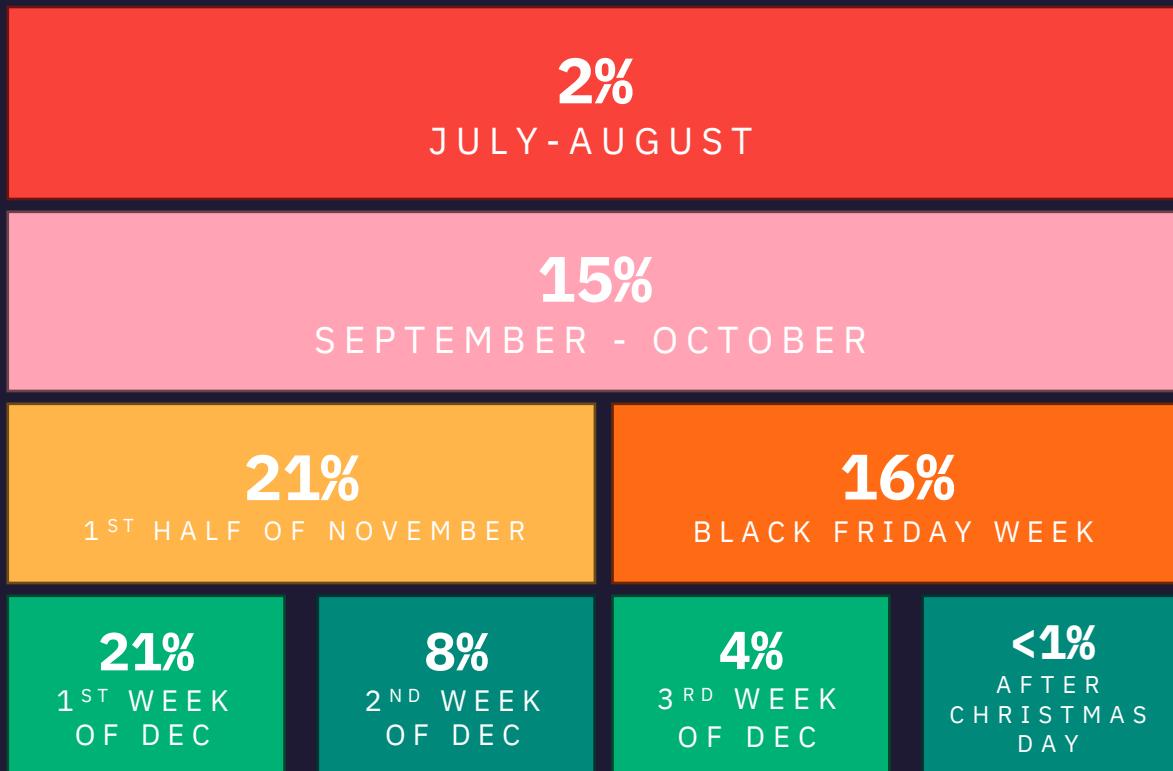


To what extent has inflation impacted you personally? (%)



Consumers are being mindful of their occasion spending, many (75%) plan to make Christmas purchases by the first week of December

WHEN DO PEOPLE PLAN TO START PURCHASING GIFTS FOR CHRISTMAS?

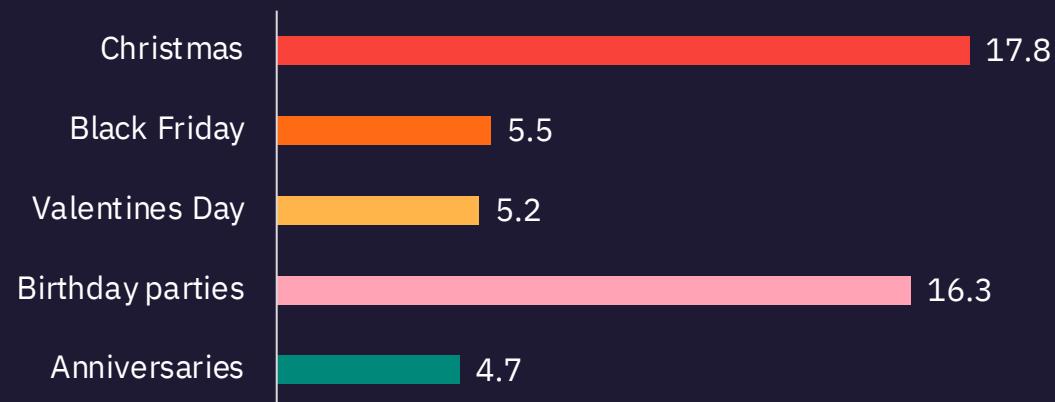


There is a +6% increase in people that plan to do the bulk of their Christmas shopping in the first week of December (compared to 15% in 2022)

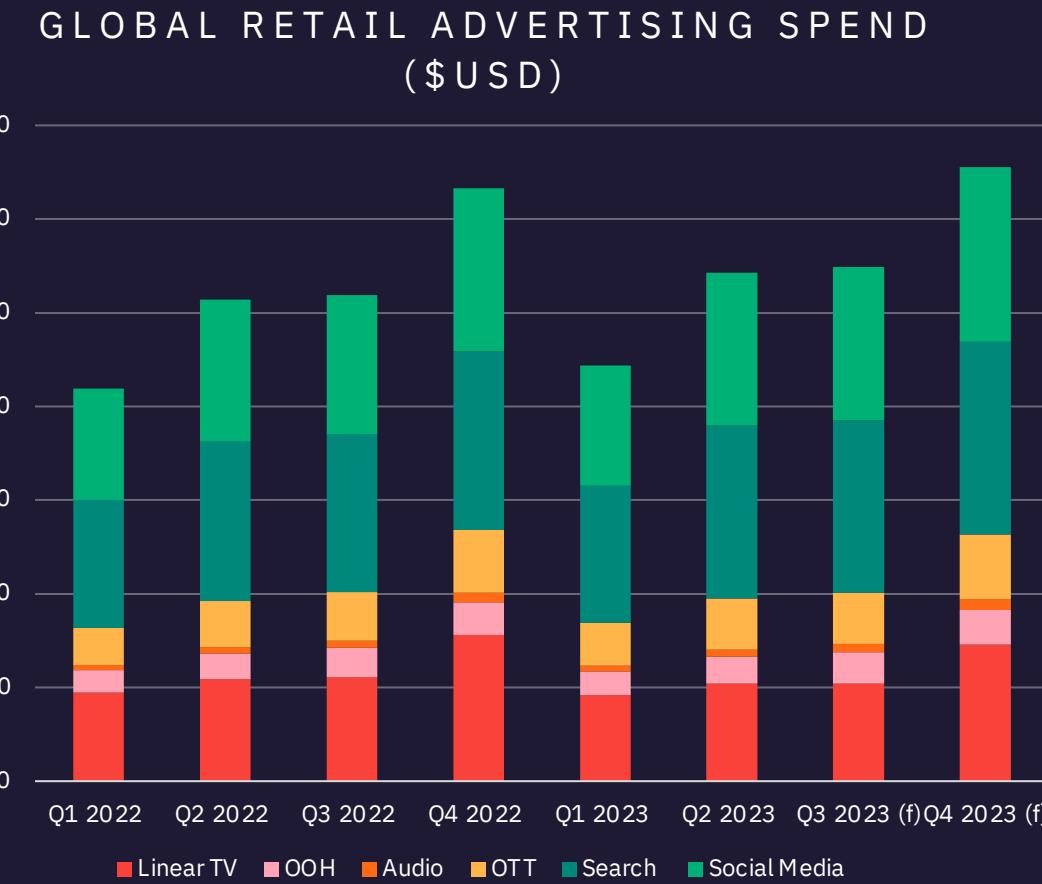
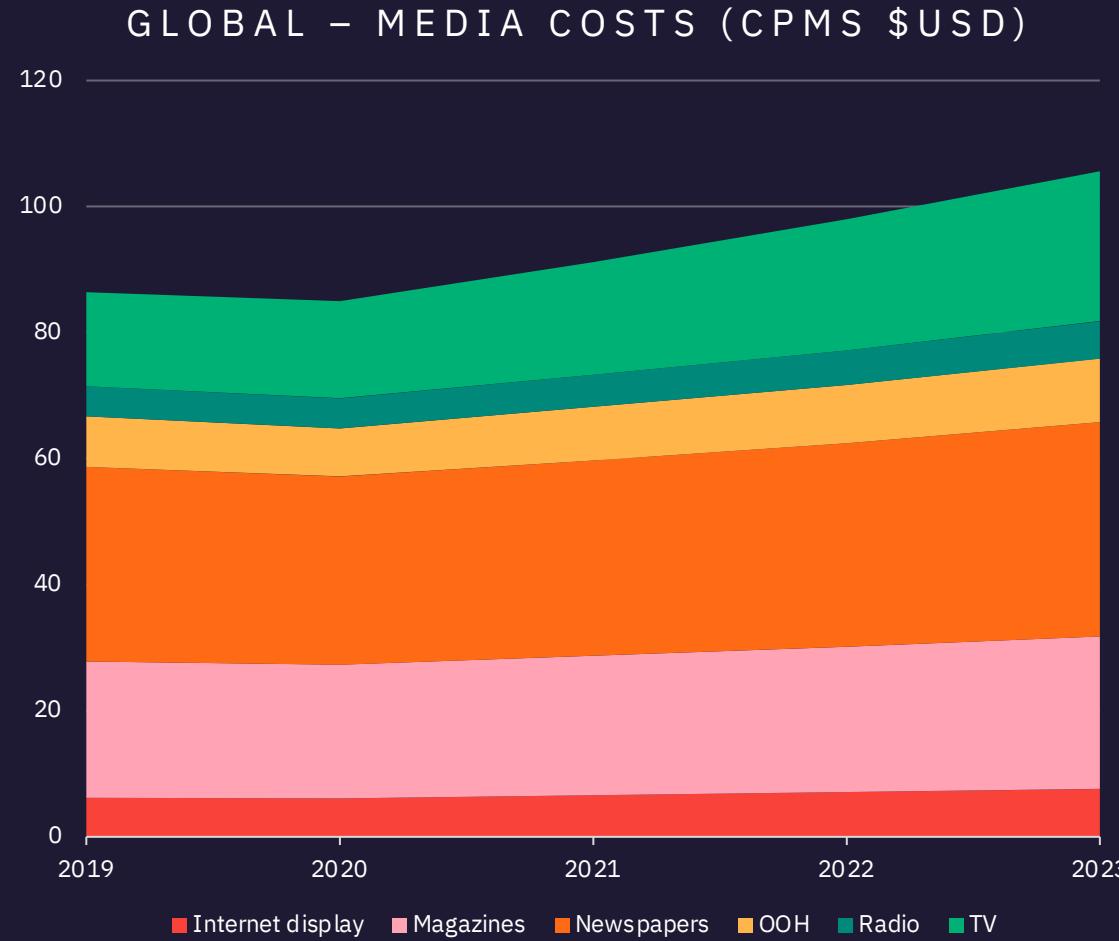
29%

OF CONSUMERS HOPE TO TAKE ADVANTAGE OF DISCOUNTS AND PROMOTIONS IN PEAK

'WHERE DO YOU PLAN TO CUT BACK THIS YEAR?' (%) EMEA

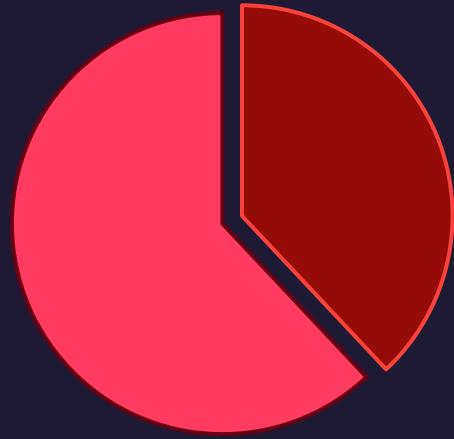


Advertising spend is expected to rise +4% this year driven by digital, while higher CPMs are seen across the board for all channels



While price remains priority for many, investing in loyalty will give brands a competitive edge

Consumers are typically **willing to pay more** for their favourite brands, however **financial pressures** are **straining loyalty**. Investing in **loyalty programs** and **personalisation** can be a way to mitigate this...



Almost
2/3
UK adults are prepared to pay more for their preferred brands



24% want personalised product recommendations from a loyalty program as well as discounts



49% are more likely to engage in a loyalty program this year than in 2022



21% globally, consumers spend an average of +21% more when brands personalise their experiences

Faced with financial pressures, consumers are shifting spending habits and behaviors. Offering value beyond price is key

40% OF CONSUMERS ARE SPENDING LESS THAN THEY DID IN 2022

Consumers are spending less, with EU consumers in particular reducing spend across all categories to manage their finances during a cost-of-living crisis



GLOBALLY, 24% WOULD STILL BUY GIFTING ITEM DESPITE PRICE INCREASE

While consumers may be reducing overall spend, in most regions, treats and gifts continue to grow as categories



77% OF CONSUMERS NOW RETRACT THEIR LOYALTY MORE QUICKLY THAN THEY DID THREE YEARS AGO

Consumers are willing to spend more on brands they are loyal to, yet pressures in the wider market are negatively impacting consumer loyalty



Value takes precedence over other purchase factors for most consumers. Brands should reconsider pricing strategies, offering loyalty programs and communicating with an emphasis on value

Reframe products and services as a great gifting opportunity or treat to appeal to consumers looking for some respite from tough economic times

Ensure loyalty and personalisation are considered within media strategy in order to recruit and retain customers over a competitive peak period

A photograph of a young couple with curly hair, smiling and looking at a tablet device. They are holding several wrapped gifts. The man is wearing a dark coat and a red scarf, and the woman is wearing a dark coat and a colorful plaid scarf. They are standing in front of a window display. The scene is lit with warm, golden light.

UNDERSTANDING PEAK

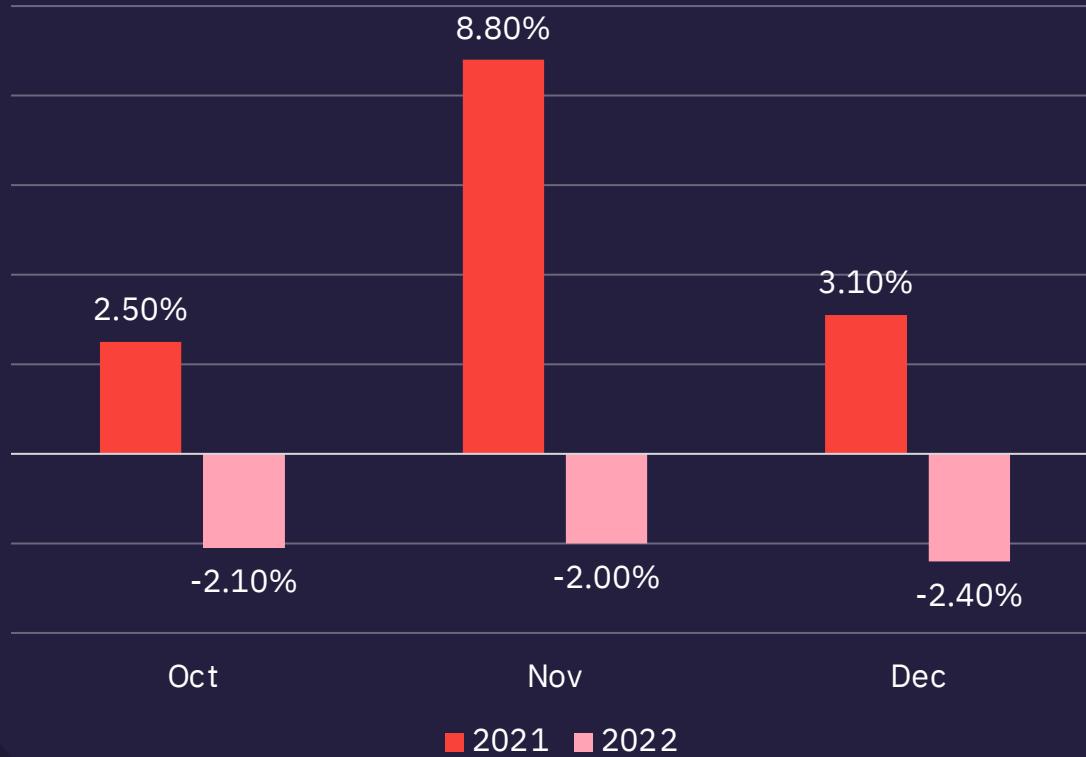
Retail



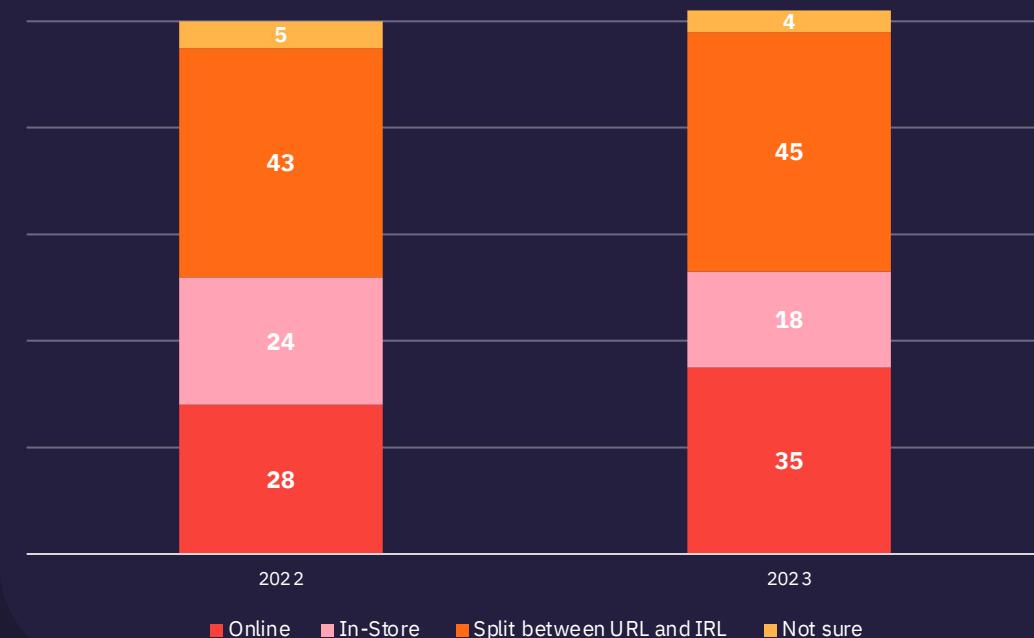
Despite the return to store shopping last year, European retail struggled. Omnichannel remains key for 2023

This year, a larger proportion of consumers plan to spend either online-only or a combination of both online and offline. An omnichannel strategy, complimentary to multiple channels will be key to success.

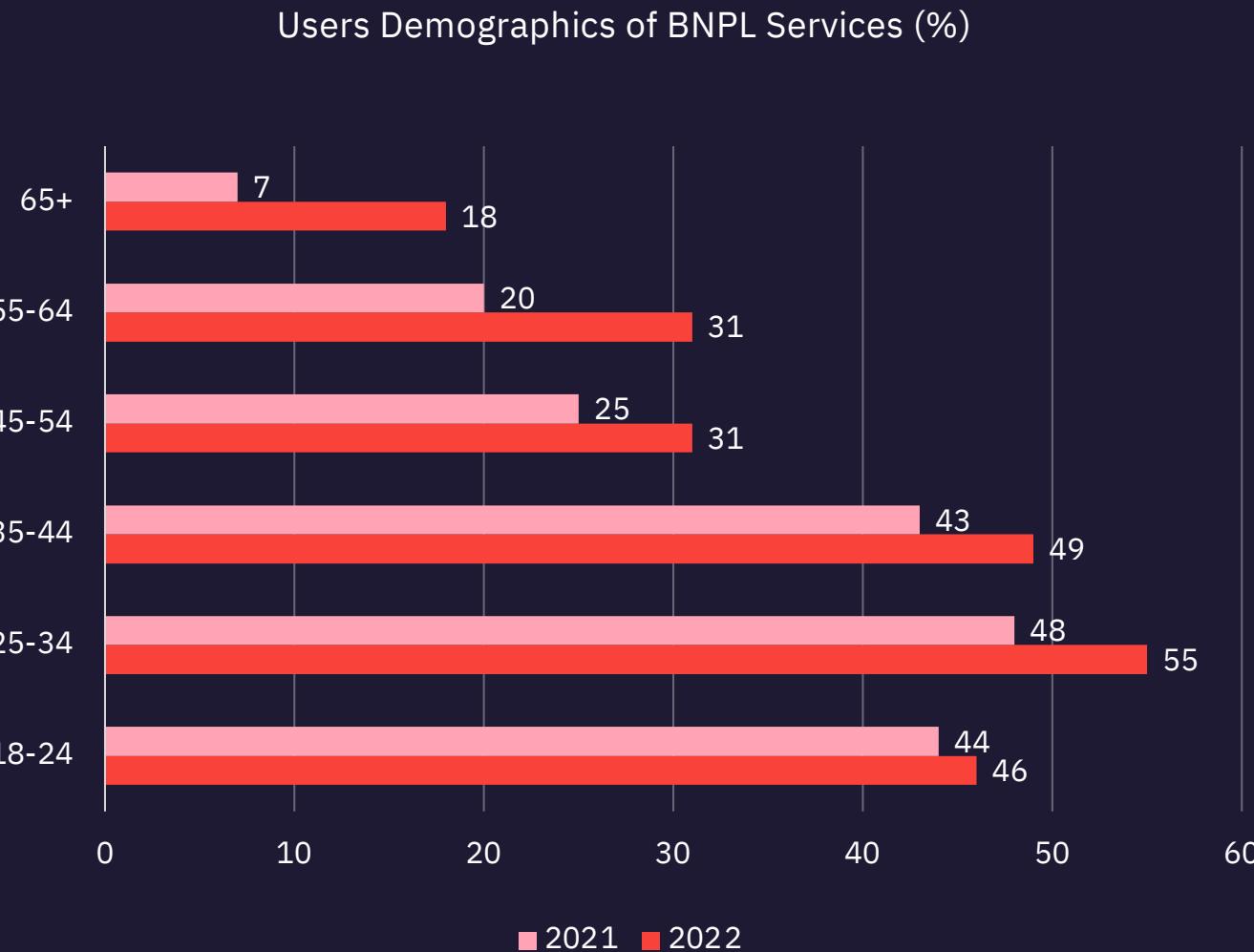
EU RETAIL SALES Q4 YOY



WHERE WILL YOU DO YOUR CHRISTMAS SHOPPING THIS YEAR? (%)



Buy Now Pay Later (BNPL) continues to recruit new users across all ages as consumers try to ease the financial burden



1/10

of UK consumers say they will be using credit more to purchase gifts



76%

of BNPL users said they came across BNPL advertising on social media

Offering flexible payment methods can provide an incentive to purchase for consumers facing greater financial challenges



UNDERSTANDING PEAK

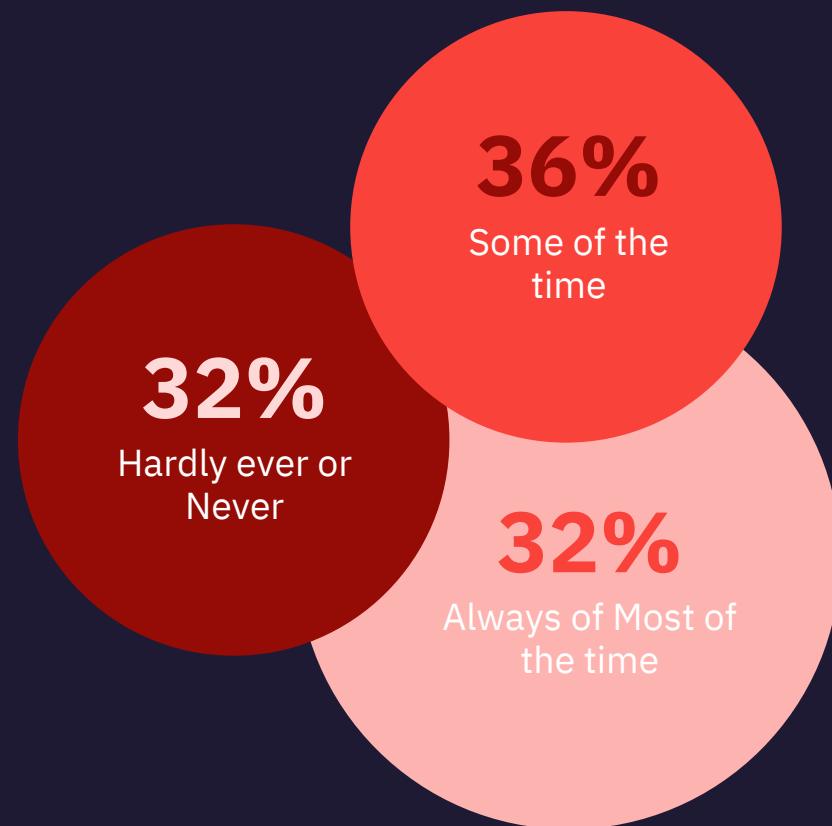
Luxury & Gifting

When it comes to **Gifting**, many consumers already have a brand in mind, leaving less room for spontaneous purchases

Which of these describe how you approach buying gifts?



Do you have a brand in mind when you start gathering gift inspiration?



10%

OF CONSUMERS PLAN TO USE THEIR SAVINGS TO BUY GIFTS THIS YEAR

48%

OF CONSUMERS BUYING GIFTS PLAN TO BUY A MORE PRACTICAL GIFT

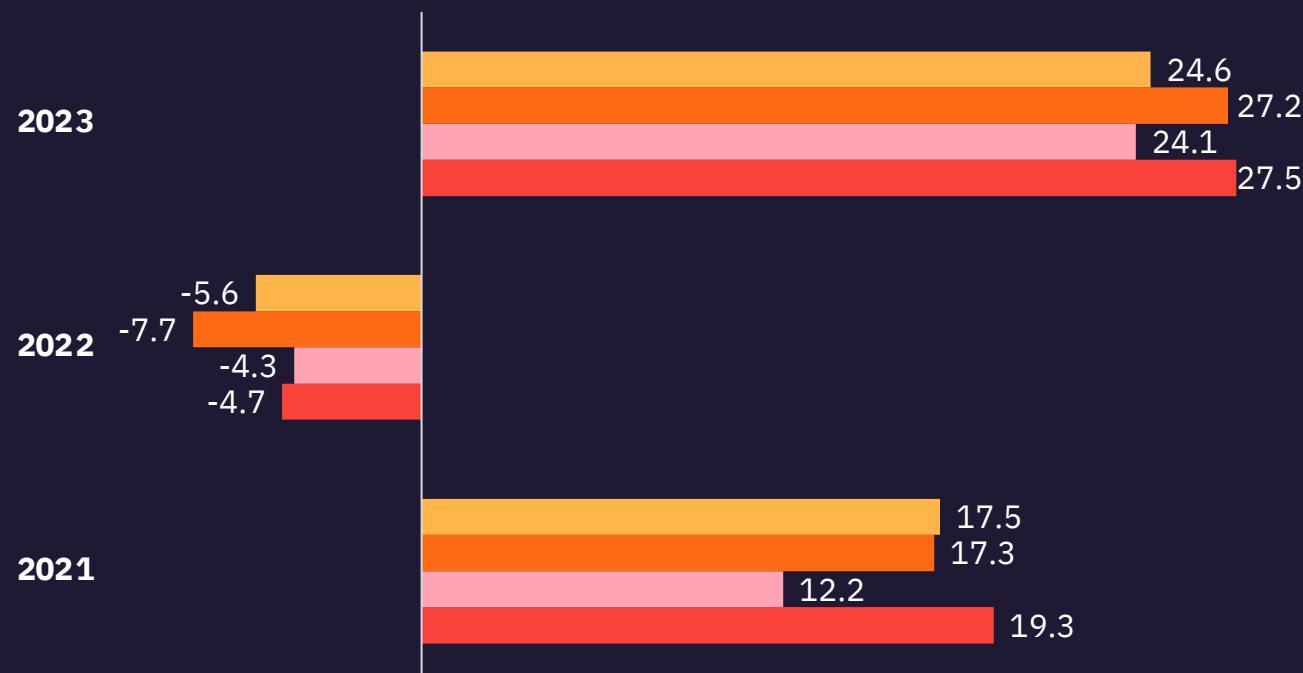
33%

OF UK CONSUMERS PLAN TO SPEND LESS ON GIFTS IN 2023

Luxury has seen a reduction in aspirational shoppers and therefore has a greater focus on its higher net worth shoppers

Despite a slow 2022, 2023 has brought the full return of international travel and is seeing double-digit growth driven by HNW shoppers and EMEA and APAC markets

Luxury Goods Revenue Change in EU %



+6.6%

projected increase in
global personal luxury
goods in 2023

-20%

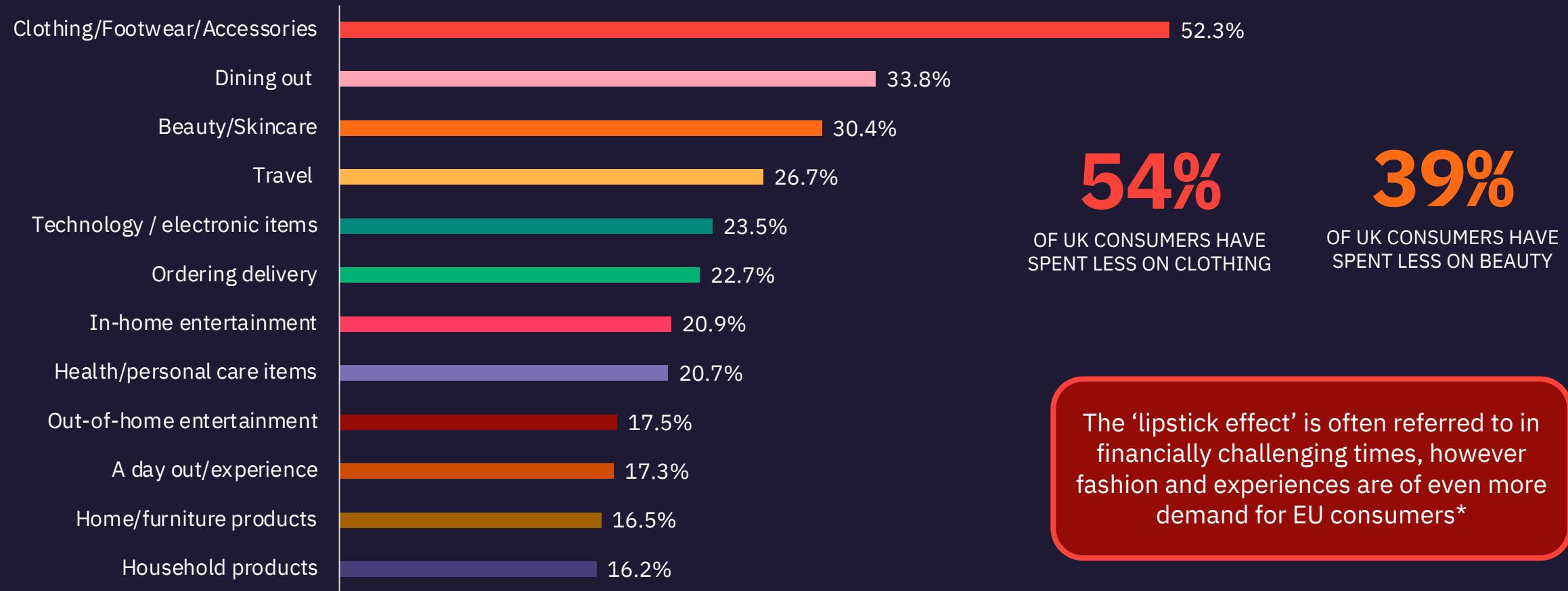
Decline in sales from
luxury aspirational
shopper YoY 2023

Black Friday, typically less relevant for luxury brands is now even more so as brands shift their focus to their UHNWIs. A strong Gifting strategy remains key throughout the season – even more so with the loss of entry-level shoppers

■ Total ■ Prestige Cosmetics & Fragrances ■ Luxury Fashion ■ Luxury Eyewear

Self Gifting: Although consumers are cutting back, fashion and beauty offer opportunities for consumers looking to treat themselves

Which of the following have you purchased as a treat for yourself in the last 6 months?



A woman with long dark hair, wearing a light-colored sweater, is smiling and looking down at a gift she is opening. She is holding a small, open gift box with a patterned paper and a red ribbon. In the background, a Christmas tree is decorated with lights and ornaments. The scene is set indoors, suggesting a festive holiday atmosphere.

UNDERSTANDING PEAK

Fashion & Beauty

Fashion: Consumers continue to embrace resale fashion, in part driven by its cost effectiveness

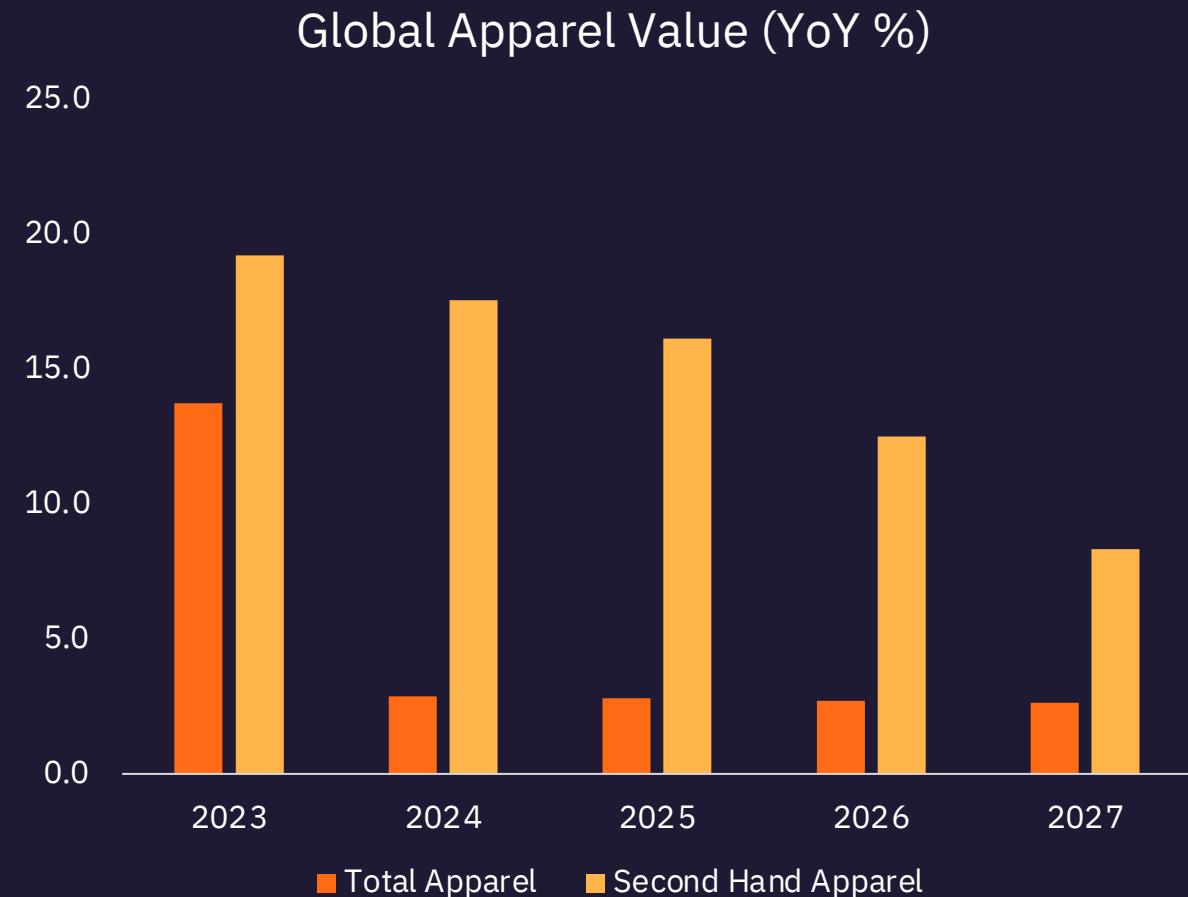
Fashion retailers are also competing with resale platforms as consumers seek the cost-saving, eco-friendly benefits of secondhand shopping.

63% nearly 2/3 of EU consumers have bought a second-hand product in the last year

44% of EU Gen Z state they buy secondhand online as it's more cost effective

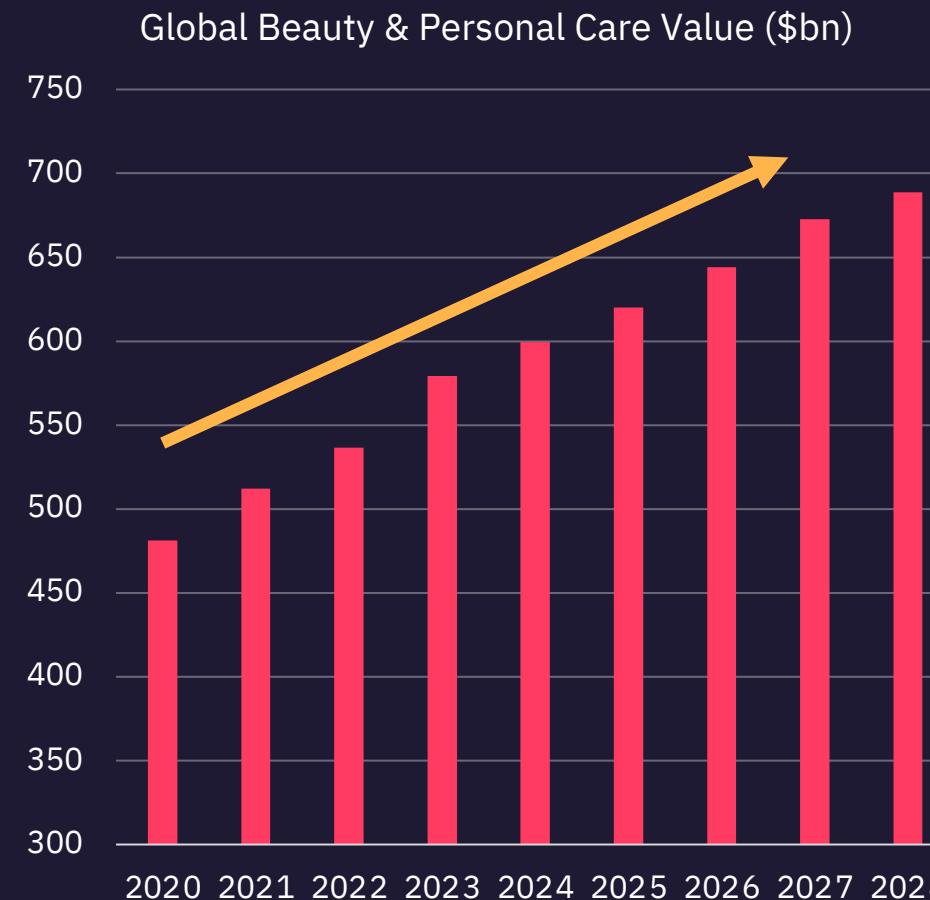
1 in 5 EU consumers plan to buy secondhand Clothing in the next 6 months

Luxury entry-level sales have dropped **-20%** from reduced demand from aspirational customers. Yet luxury resale platforms such as The RealReal saw **+23%** sales growth last year, indicating demand may be shifting to cheaper alternative. Moving forward **39%** of EU Millennials plan to purchase secondhand Accessories in the next 6 months



Beauty presents a key opportunity for Gifting and Self-Gifting

The beauty industry is expanding, with global sales growth projected to reach +19% over the next 5 years to 2028. Beauty shoppers also spend more online than any other retail channel, indicating social will be a key platform for beauty retailers over the peak season



Reasons Why Respondents Bought Beauty Products During Black Friday 2022



71%

Of TikTok users have liked a beauty video after seeing it on TikTok



TikTok is already the tenth-largest ecommerce merchant in the category

Recommendation #1 – Start Early

Last year, it was the days leading up to Cyber weekend that saw the greatest traffic growth and with 54% of consumers purchasing Xmas gifts before December and a third looking to take advantage of Black Friday deals this year, starting early is key.

Timing:

Consider building reach before peak to engage your audience and become top of their shortlist of consideration. Use this opportunity to demonstrate distinct brand assets and values, especially through video, to increase likelihood of being part of the consideration set during peak shopping moments. Going early allows you to build out CRM to create audiences for effective campaign builds and retargeting over peak, making marketing more effective.

If a multi-channel, multi-phased approach is beyond your budget, consider which marketing stacks offer you the best chance of end-to-end communications to maximise returns.

Moments:

While key shopping moments are not to be neglected. Singles day, cyber weekend and winter sales - at a time when everyone will be ramping up marketing efforts it pays to be distinctive. Consider how your proposition and brand differentiation can help you to stand out from the crowd. This could come in the form of a unique style of promotion or creating a distinctive moment in peak that resonates with your audience.



Recommendation #2 – Value Beyond Price

With heavy competition during the biggest shopping moment of the year, and financial uncertainty testing consumer loyalty, brands need to give consumers a reason to shop beyond price

Creating Value

Create value at all moments in the user journey. Build brand value early with an early focus on brand distinctiveness and core values, communicate this through rich media and video to prime users ahead of peak.

Deliver customer value by speaking to them directly, provide early access and unique offers to your most valuable customers and message them appropriately. Create product value through clear benefits – extoll the virtues of your product lines. It may be that you have a timeless bag that's a lifetime fashion investment or a set of trousers that can match an entire wardrobe – whether it's quality, durability or utility; focus on your strengths.

When it comes to offers and sales, deliver value with clear messaging that is consistent between your communications and site. Consider time sensitivity and scarcity with limited offers or product page alerts on “stock left” or “visitors on this page”. Remember the cost of losing something is often greater than the benefit of gaining something, capitalising on ‘FOMO’ can be key when creating limited-time-offer value. Remember that the depth and breadth of sale can ultimately harm full price sales and brand sensitivity, preserve value by creating value offers, add-ons or otherwise avoiding flat discounting.



Recommendation #3 – Understand Your Audience

Media (and wider market) inflation remains. Investing in understanding your shoppers can help to maximise returns in the long run.

Targeting

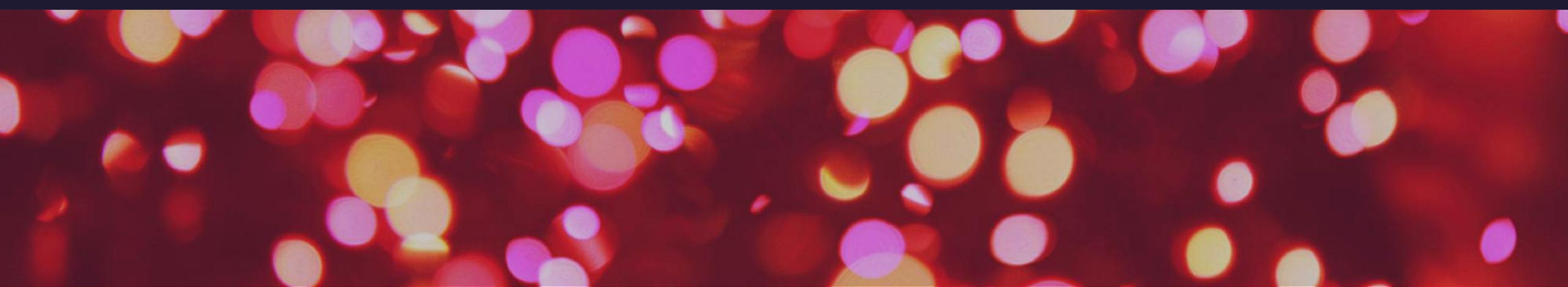
Lead generation and first party data capture are invaluable for audience targeting – these afford brands the ability of 1-2-1 communication through methods such as Email and SMS. First party data and platform audiences are key to maximising returns. At the most advanced level, a CDP utilisation that examines lifetime value or divides customers into key cohorts will net you the best results during a sale-centric period.

Knowing who are the likely converters, bargain hunters and full price shoppers will allow you to focus your efforts most effectively. If CDP and CRM are unavailable, it is still valuable to use in-platform audiences or GA4/site lists to focus your marketing campaigns and reach the right customers.



Don't Forget...

01	02	03	04	05
<p>BNPL (seeing YoY growth across all ages) can be a differentiator for consumers seeking flexibility when it comes to payment</p>	<p>Ensure there is an element of loyalty/ personalisation to your peak strategy – heavy discounting is not enough in a financially challenged landscape</p>	<p>Value growth is likely to continue to be driven by inflation this year but despite the squeeze for consumers, the appetite to spend remains – gifting and self-gifting present opportunities across all verticals</p>	<p>Many consumers already shop with a brand in mind – there is a job to be done to raise awareness and make your brand top-of-mind</p>	<p>Many consumers plan to shop for Xmas across both online and offline channels – an effective omnichannel strategy is key</p>





Thank You

Insights & Connections, EMEA