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# 10 Things to Expect During the 2021 Holiday Shopping Season

Supply chain and shipping delays are impacting consumer spending and retailers' inventories in a major way this year.

By LAYLA ILCHI NOVEMBER 10, 2021, 12:20PM



Black Friday shoppers AP

The 2021 holiday **shopping (https://wwd.com/tag/shopping/)** season has already begun, bringing with it new changes to how retailers operate and consumers do their **shopping (https://wwd.com/business-news/technology/googles-shopping-antitrust-appeal-in-eu-fails-leaving-2-8b-fine-1234994441/)**.

The pandemic is continuing to impact the holiday season, with retailers following last year's practices of closing stores on Thanksgiving (https://wwd.com/fashion-news/fashion-scoops/thanksgiving-2021-stores-closed-target-walmart-kohls-1234982107/) and extending the Black Friday sales period (https://wwd.com/fashion-news/fashion-scoops/black-friday-2021-savings-shopping-guide-retailers-1234982843/) to give customers more time to do their shopping.

Additionally, this year's holiday shopping season is plagued by supply chain and shipping delays due to the pandemic and increasing consumer demand, among other reasons, which has led to inventory stockouts and price increases. Retailers are navigating this change by extending their sales periods and encouraging customers to do their holiday shopping earlier than usual.

Here, WWD looks at 10 things to expect during the 2021 holiday shopping season. Read on for more.

#### 1. Production and Shipping Delays Are on the Rise

This year has seen several major supply chain disruptions due to a range of factors, including increasing consumer demand, pandemic-related shutdowns, dangerous weather conditions, port congestions and other reasons.

Many retailers are navigating these delays by extending the holiday shopping season to start earlier than usual, which has encouraged consumers to start their shopping early in order to receive all their goods on time. This change in consumer behavior can also be attributed to the pandemic as a whole, which has seen production and supply chain delays since March 2020.

According to a holiday shopping report by KPMG\_(https://wwd.com/business-news/business-features/kpmg-predictions-holiday-1234969561/), about half of survey responders said they are somewhat concerned about stockouts in stores and shipping delays. Additionally, 82 percent of retail\_(https://wwd.com/tag/retail-2/) executives said they were "somewhat" to "very concerned" about inventory shortages.

#### 2. The Holiday Shopping Period Has Been Extended

To accommodate supply chain delays and give consumers more time to do their holiday shopping amid the pandemic, retailers are again starting the holiday shopping season early. Many retailers, such as Target and Amazon, launched holiday shopping initiatives as early as mid-October, with most others starting their savings periods at the beginning of November.

Customers are also taking note of the supply chain and shipping delays by taking advantage of the early shopping period. A report from Deloitte (https://wwd.com/business-news/retail/adobe-deloitte-holiday-1234979599/) found that three out of four consumers are concerned about inventory stockouts and are therefore motivated to begin their holiday shopping earlier.

#### 3. Holiday Spending Is Expected to Increase

While holiday shopping last year plummeted because of the pandemic, retail (https://wwd.com/business-news/financial/walmart-raises-full-year-eps-estimates-thanks-to-strength-in-grocery-1234996839/) experts and forecasters are predicting that the opposite will happen this year. The National Retail Federation predicts (https://wwd.com/business-news/retail/holiday-2021-national-retail-federation-1234984707/) that 2021 holiday sales will grow between 8.5 to 10.5 percent from 2020, with overall sales between \$843.4 billion to \$859 billion. Online shopping is also expected to increase between 11 to 15 percent for a total of \$218.3 billion to \$226.2 billion.

Other reports show that the pandemic is largely not impacting consumers' holiday spending plans this year as opposed to last year. A report from PWC (https://wwd.com/business-news/business-features/holiday-pwc-outlook-1234969665/) shows that nearly 40 percent of respondents stated the pandemic isn't impacting their holiday spending and 30 percent said they are anticipating spending more this holiday season.

#### 4. In-store Shopping Is Back

Unlike last year's holiday shopping season — which was prior to the COVID-19 vaccine rollout — forecasters anticipate a large return to in-store shopping this season. A report by Springboard\_(https://wwd.com/business-news/business-features/consumer-behaviors-continue-to-sway-in-u-s-amid-reopenings-and-

<u>delta-variant-1234952422</u>/) shows that 51 percent of consumers are comfortable visiting retail destinations this year.

According to a report by Adobe (https://wwd.com/business-news/retail/adobe-deloitte-holiday-1234979599/), the share of in-store spending is expected to rise to 33 percent, up from 28 percent in 2020.

#### 5. Savings Are Lower Than Usual

Although holiday deals have started early, forecasters see the discounts as being less than previous years' offerings. Adobe expects smaller discounts in major gifting categories like apparel, electronics, appliances, toys, sporting goods, furniture and tools, with goods three percent more expensive than last year. The price increase can in many cases be attributed to supply chain disruptions, as some items are now harder to get than before.

#### 6. Stores Closing on Thanksgiving

Like last year, many major retailers are closing their doors on Thanksgiving (https://wwd.com/fashion-news/fashion-scoops/thanksgiving-2021-stores-closed-target-walmart-kohls-1234982107/) due to the pandemic and to show their appreciation to their employees. The list of companies closing stores on Thanksgiving includes Target, Walmart, Kohl's, Macy's, Best Buy and many others.

#### 7. Black Friday Is a Month-long Initiative

Also seen during last year's holiday shopping season, many retailers are changing up their Black Friday sales initiatives (https://wwd.com/fashion-news/fashion-scoops/black-friday-2021-savings-shopping-guide-retailers-1234982843/) to last throughout November, giving customers more time to do their holiday shopping. Retailers like JCPenney, Macy's, Nordstrom, Target and many others started their Black Friday savings at the beginning of the month, offering new deals every week across categories.

#### 8. Shoppable Livestreams Are Growing in Popularity

While shoppable livestreams have been around for a few years now, more consumers are becoming interested in the experience. According to a report from Klarna (https://wwd.com/business-news/business-features/klarna-holiday-shoppers-

<u>1234958168</u>/), 70 percent of Millennial and Gen Z surveyors said they are interested in participating in a shoppable livestream.

Shoppable livestreams have become increasingly popular in the beauty world (https://wwd.com/beauty-industry-news/beauty-features/why-live-shopping-platforms-betting-beauty-1234898005/), with many new platforms popping up recently. YouTube is also betting big on shoppable livestreams by hosting a weeklong Holiday Stream & Shop event (https://wwd.com/fashion-news/fashion-scoops/youtube-holiday-stream-shop-livestream-event-details-1234992968/) where viewers can shop from livestreams hosted by major influencers.

#### 9. Online Sales Are Driven by Older Consumers

Older consumers are leading online holiday shopping sales this year, according to a report from January Digital. (https://wwd.com/business-news/business-features/sarah-engel-free-shipping-motivators-holiday-shoppers-1234986937/) More consumers over the age of 60 are planning to shop online exclusively, while shoppers between the ages of 30 and 44 are planning to do more in-store shopping.

A report from Accenture (https://wwd.com/business-news/business-features/accentures-consumer-survey-holiday-1234972884/) echoed this consumer behavior, stating that 70 percent of Gen Z surveyors plan to shop in-store, while 54 percent of Baby Boomers will mostly do their shopping online.

#### 10. Facebook Is the Leading Social Media Platform for Shopping

While social media overall has been highly influential in impacting consumer spending over the last decade, reports show that consumers gravitate more to Facebook as their shopping platform than others. January Digital's report shows that 50 percent of respondents said they plan to use Facebook as their shopping social media channel, followed by YouTube and Instagram.

Overall, social media continues to be influential on consumer spending. The report states that 10 percent of U.S. shoppers reported they discover new products through influencers.

#### **READ MORE HERE:**

A Guide to How Retailers Are Doing Black Friday 2021 (https://wwd.com/fashion-news/fashion-scoops/black-friday-2021-savings-shopping-guide-retailers-1234982843/)

Holiday Promos Start Way Earlier Amid High Hopes and Headwinds (<a href="https://wwd.com/business-news/retail/holiday-sales-christmas-promotions-1234965890/">https://wwd.com/business-news/retail/holiday-sales-christmas-promotions-1234965890/</a>)

For Holiday 2021, A Mix of Price Hikes, Cyber Gains and Consumer Pains (https://wwd.com/business-news/retail/adobe-deloitte-holiday-1234979599/)



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