



Holiday Season 2023

Best Practices Guide for
E-commerce Brands

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Introduction

As 2023 draws to its end, the eCommerce industry is expected to **total \$8.1 trillion and account for 20.8% of all retail sales** this year. Despite the ongoing inflation and economic crunch, shoppers are still expected to maintain their holiday spending in 2023. In fact, online spending is expected to increase more than overall spending as customers compare prices and search for deals among popular online retailers (which is much harder to do when visiting brick-and-mortar stores!).

While tidal layoffs had settled down in H1 of 2023, the lingering sentiments are expected to continue. They can

potentially influence holiday season shopping trends. If we go by predictions and analysis, this year is going to be crucial for eCommerce brands. Price-conscious consumers are expected to keep a tight grip on their purses influenced by the macroeconomic conditions. However, on the bright side, brands can still cash in on the holiday season by putting value and affordability at the forefront of their marketing campaigns.

The one-size-fits-all approach will no longer be valid this year. With higher stakes and more conscious customers, eCommerce brands will have to think out of the box and walk even greater

distances to meet their customers' expectations.

This report explains the trends that are shaping eCommerce for the 2023 holiday season and what they mean for eCommerce brands in the coming months. It also provides suggestions on how retailers can prepare for this year's holiday shopping season, apply the right tech stack, and draw insights from the hard lessons of 2022.



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Top 4 Insights From Holiday Season 2022

2

Top 4 Insights From Holiday Season 2022

As we enter the holiday season of 2023 and try to figure out what consumer behavior is going to be like and how it will impact both retail and the larger economy, it's worth taking a look at where consumers left off at the end of 2022. Whatever the 2023 season may have in store, you can't rely on mere assumptions and go in blind. Instead, you need to take an informed, data-driven approach when marketing for the holidays – and that means reviewing your historical performance in depth. Following are the factors that made the Holiday Season of 2022 unique.

2.1 E-commerce Spending Trends In 2022

The eCommerce revenues were impressive. Let's give you a quick overview of the eCommerce success and some of the major trends in eCommerce spending in 2022.

Retail sales grew by
4.8% YoY

Consumers spent
\$211.7 billion
on online shopping!

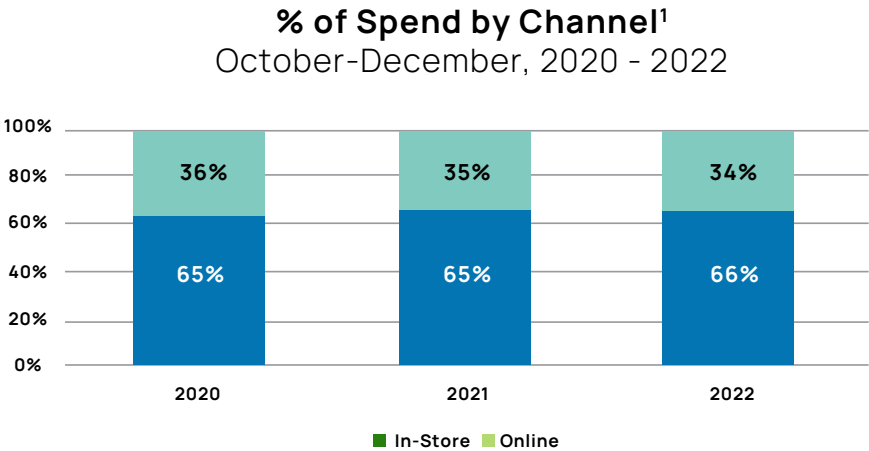
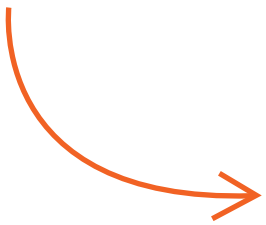
US holiday eCommerce sales
will return to double-digit growth
this year at 11.3% YoY

2.2 Consumer Behaviour In 2022

Businesses must understand where their customers are spending their time, know how to appeal to them, and also understand what they actually want once they are inside the store. According to Stackla (2022), 72% of online consumers are more likely to purchase from a brand that creates a more personalized experience. Hence, analyzing and tailoring the consumer experience is crucial for the success of your eCommerce business. Precise analysis can also lead to creating an effective marketing plan and maximizing your results.

Customers returned to stores for both in-person shopping and pickup of online orders. Although the role of the store changed during the pandemic, stores have since proved to be as important as ever. As a result, businesses can opt to create enhanced customer experiences or offer loyalty programs to incentivize shopping. This improvement can happen when you complete and enrich existing customer data, and discover data about customers who haven't shared their information via loyalty programs, eCommerce, newsletter sign-ups, etc.

2022 also saw the return of in-store shopping and the **desire for omnichannel experiences**.





2.3 Peak Time For Holiday Sales

In 2022, macroeconomic factors led to more people shopping earlier than in previous years. Marketers kept up with the evolving holiday shopping timeline. Below are some of the key differences observed in holiday sales.



In 2022, holiday shopping spiked around Mid-October



21% of Customers
began their holiday shopping in October.

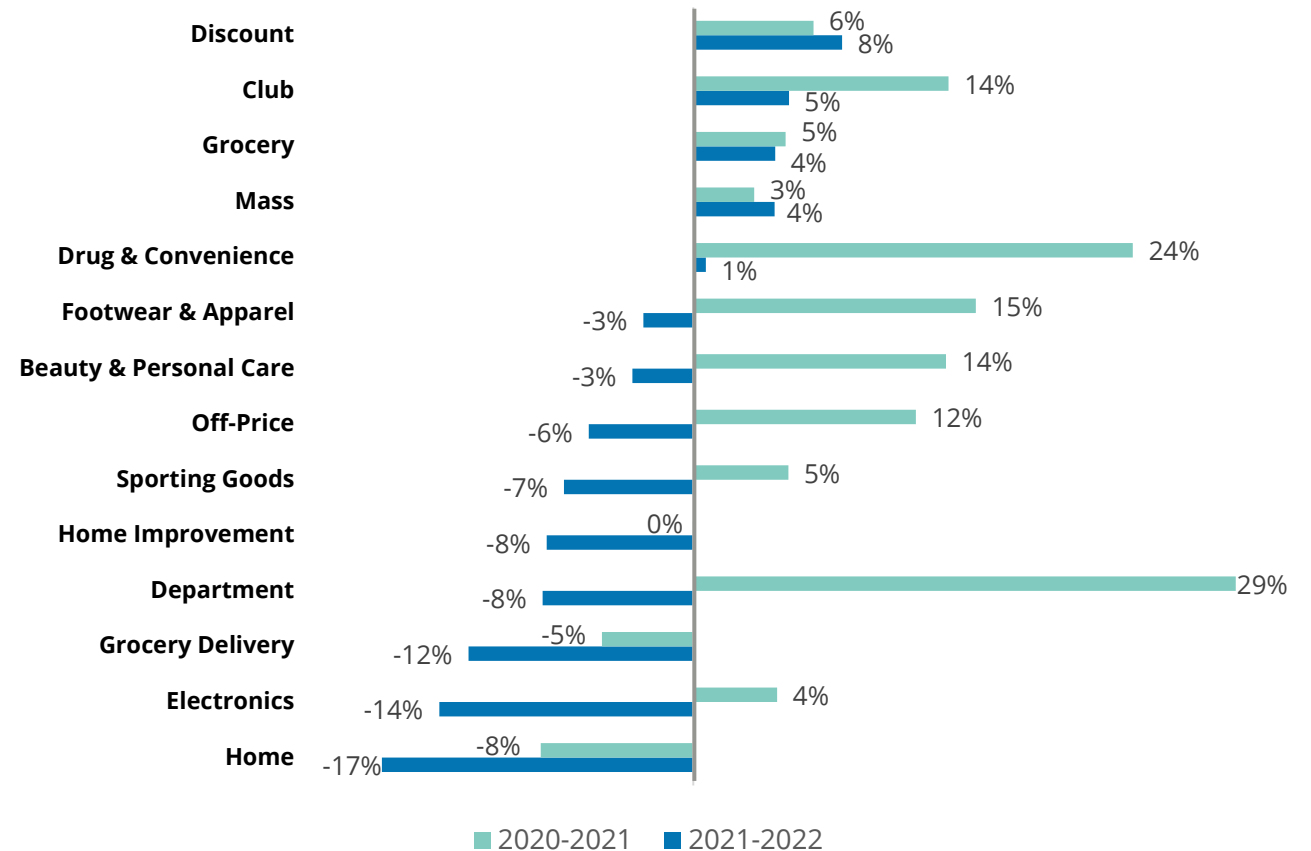


60%
of US consumers began their Christmas shopping before December.

2.4 Holiday Sales By Product Category In 2022

In line with the trend of 'focus on celebrations' and 'cautious spending', shoppers prioritised spending on gift-giving and shared experiences to maximize holiday fun and togetherness. Meanwhile, they forwent spending on other items in order to stay within planned holiday budgets.

YoY Growth by Retail Subsector¹
October-December, 2020 - 2022



(source Deloitte)



What We Learned From Holiday Marketing 2022

3

What We Learned From Holiday Marketing 2022

2022 saw a spike in holiday sales in comparison to 2021. However, the 2023 holiday season is predicted to be very different from last year owing to a volatile economy, an abundance of choices, and a shift in customer expectations. That being said, some trends from the previous years are here to stay. Let's take a look at the key takeaways from 2022, that would be integral to the 2023 holiday season sales.

Four Spending Trends for the 2023 Holiday Season

With so much uncertainty, **predictions about this year's holiday season vary**. However, there are four significant trends many sources agree on.



Back-to-school
spending is expected to increase.



Consumers will be looking for
discounts.



In-store shopping is projected to
rise.



Customers will favor
smooth purchase
and **return**
experiences.

3.1 Kickstart Holiday Campaigns Earlier

Keeping up with the trends of the season, major retailers started promotions before November. With holiday purchases spread across the year, it proved to be beneficial for eCommerce brands that stocked up and deployed campaigns earlier than usual.

People want time to compare prices and look for brands that offer good deals without compromising product quality or customer experience. In fact, **32% of consumers** in the UK said they spent more time researching online before purchasing last year, compared to previous years.

3.2 Integrate Online And In-store Customer Experiences

Today, customers expect a seamless experience across various channels. To improve customer satisfaction, deliver an omnichannel experience.



87% of customers

expected a seamless transition between different channels while interacting with a brand.

(Zendesk)



The number of retailers offering buy-online-pickup-in-store (BOPIS)

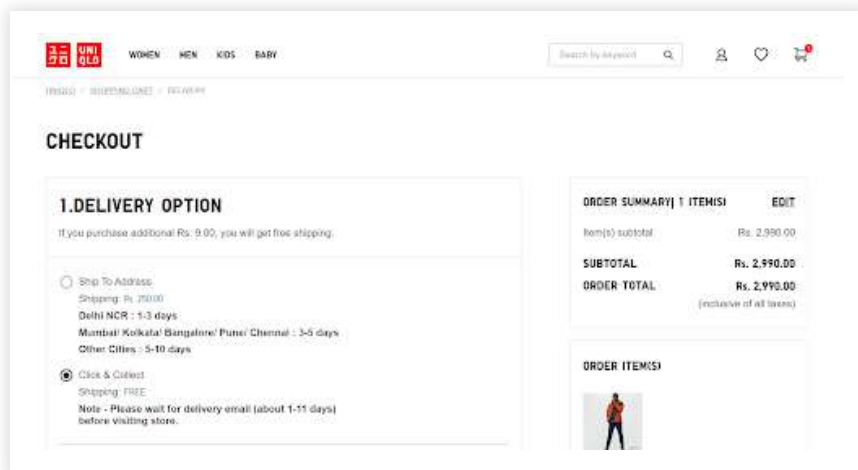
increased by 43%

compared to the previous year

(IBM)

This integration of online and offline experiences not only caters to customer preferences but also enhances convenience, leading to improved customer loyalty.

Global casual wear brand Uniqlo offers a 'Click & Collect' service. 'Click & Collect' is their global BOPIS option which allows customers to purchase products online and collect their orders in-store the very next day at no additional charges.



Furniture giant Ikea has set a benchmark in unifying offline and online customer experiences. Customers can visit their stores to browse through products. Additionally, the store provides consultation with their design executives, free of charge, to understand the shopper's requirements and determine which product best fits their needs. Once shortlisted, customers can place an order at the store and track the delivery online.

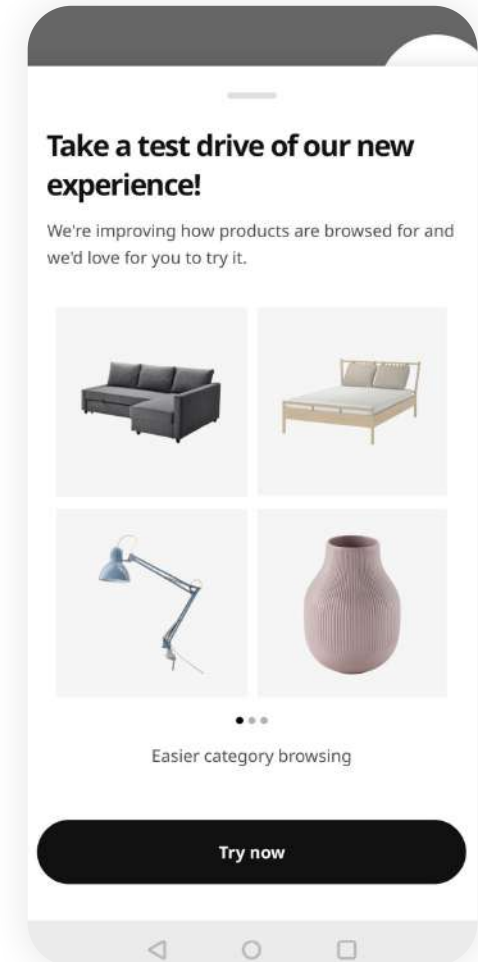
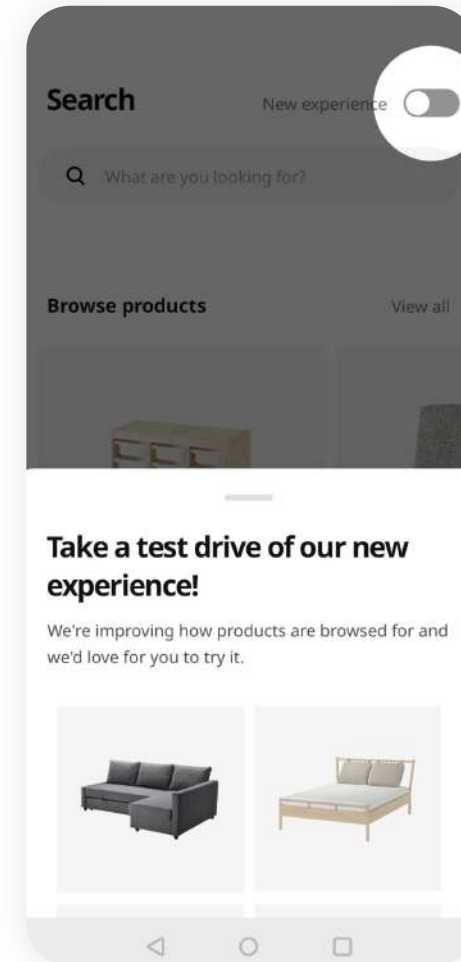
This not only enables customers to see the furniture in person but the additional consultation humanizes their interactions, subsequently establishing a personal rapport. Ikea's online-offline engagement strategy also boosts the brand recall value.

3.3 OptimizeApps and Websites

Most users uninstall apps within a month of downloading, due to poor onboarding and user experience. As the holiday season rolls in, it is imperative to optimize your website and app to capture leaving users rather than lose them to a subpar digital experience or in complicated journeys.

Contextual nudges and in-app messages are incredibly effective in boosting retention and preventing customers leaving..

Ikea understands the need for contextual nudges to promote effortless user onboarding and deliver a smoother overall user experience and feature adoption.

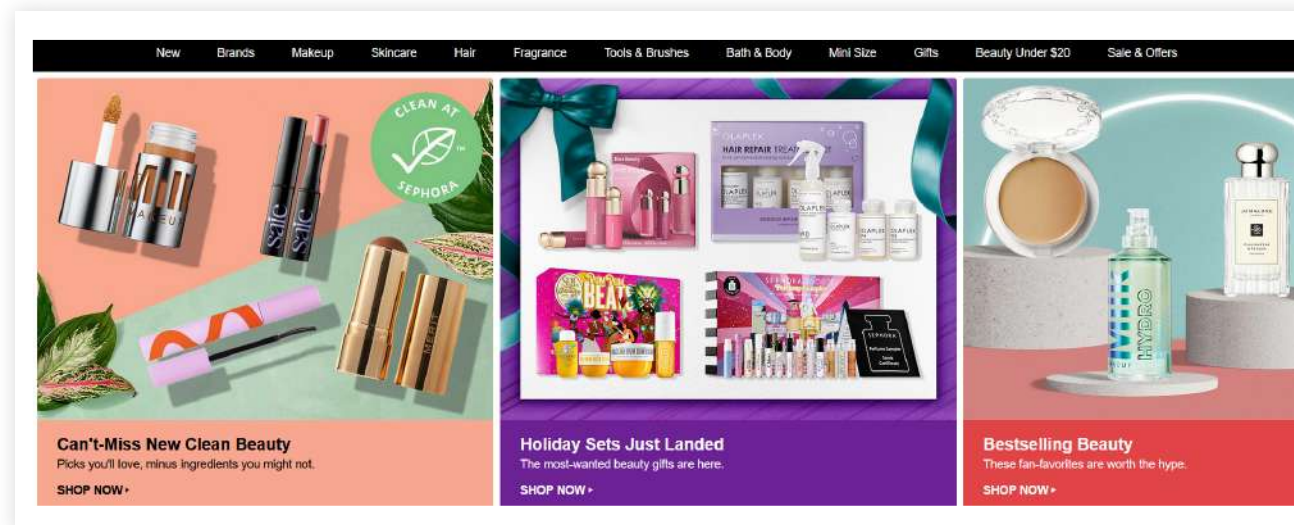


3.4 Personalize Campaigns

A reported [72% of consumers do not interact with non-personalized messaging](#). An increasing demand for personalization combined with a surge in eCommerce brands set the stage for a competitive online retail landscape. The holiday season and the influx of communication that customers come across, add to the already compounding competitiveness. So, to stand out, leading brands prioritize hyper-personalized omnichannel campaigns to create a lasting impression.

eCommerce brands that effectively utilize personalization on their websites have observed a 75% boost in their average page views. Likewise, creating personalized in-app user journeys delivers the dual benefits of arresting app churn and improving CLV.

Sephora's use of personalized recommendations makes their campaigns impactful. Based on previous interactions, Sephora displays similar recommendations.



Sephora's re-engagement strategy is equally masterful. Anyone who browses through or engages with holiday-themed offers or products on their website receives personalized messages conveying discounts on other similar products and bundles.

Beauty Offers (7)

[View all](#)


30% OFF** All Sephora Collection

Stock up on must-haves and routine essentials from Friday, 10/28, to Monday, 11/7.

Beauty Insider members only.

In store & online • Ends 11/7/2022

**Exclusions/terms apply. Discounts cannot be stacked.

[Shop Now](#)
[See Details](#)


Our Holiday Savings Event Is On!

It's time to get gifting! Save on exclusive beauty they—and you—will love.

Beauty Insider members only.

In store & online • Ends 11/5/2022

‡Exclusions/terms apply.

[Apply](#)
[See Details](#)


Free Danessa Myricks Beauty Trial Size

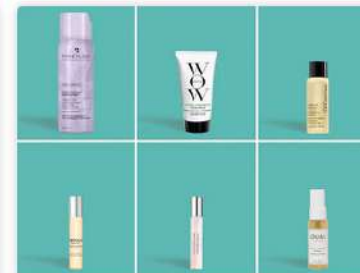
Cut back on shine with the bestselling Yummy Skin Blurring Balm Powder.

Free with \$25 purchase.*

Beauty Insider members only.

Online only

*Exclusions/terms apply.

[Apply](#)


Spend More, Get More

Pick up to six free trial sizes from Pureology, COLOR WOW, shu uemura, and more!

Free with \$100 purchase.*

Beauty Insider members only.

Online only

*Exclusions/terms apply.

[Apply](#)


Choose a Complimentary Skincare Trial Size

Pick a luxe trial size from Lancôme, Guerlain, SK-II, Augustinus Bader, or La Mer.

Complimentary with \$55 purchase.*

Beauty Insider members only.

Online only

Exclusions/terms apply.

[Apply](#)


3.5 Leverage Customer Intelligence To Understand Users

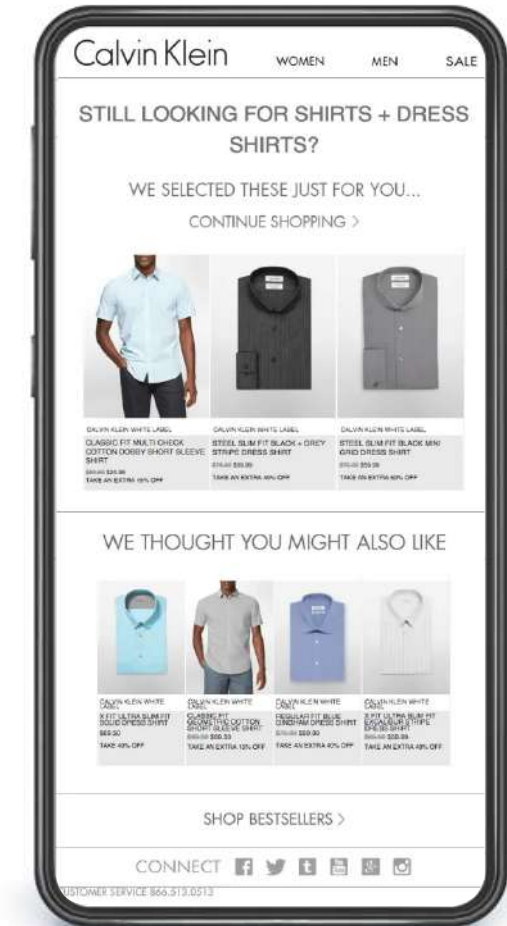
2022 saw an increasing need to make marketing campaigns more data-driven than ever. As online retail becomes saturated with options, leading brands are turning to actionable analytics to connect with their customers. Identifying customers, and products or enabling engagement based on real-time analytics has helped top brands prove their value to customers and establish brand recall.

3.6 Target Messaging Based On Personalized Recommendations

Brands that targeted recommendations based on customer behaviors had an easier time capturing customer attention, even

during the peak holiday season when a barrage of similar messaging flooded the consumers' inboxes. Similarly, relevant and customized product recommendations are foolproof methods of creating opportunities to cross-sell and up-sell, and, subsequently, generate more revenue.

Calvin Klein does a great job of delivering personalized outbound communications. This email displays a curated selection of products, alongside relevant price drops and discounts. Additionally, their recommendations and discounts, based on past interactions, incentivize customers to purchase products.





Planning For Holiday Season 2023

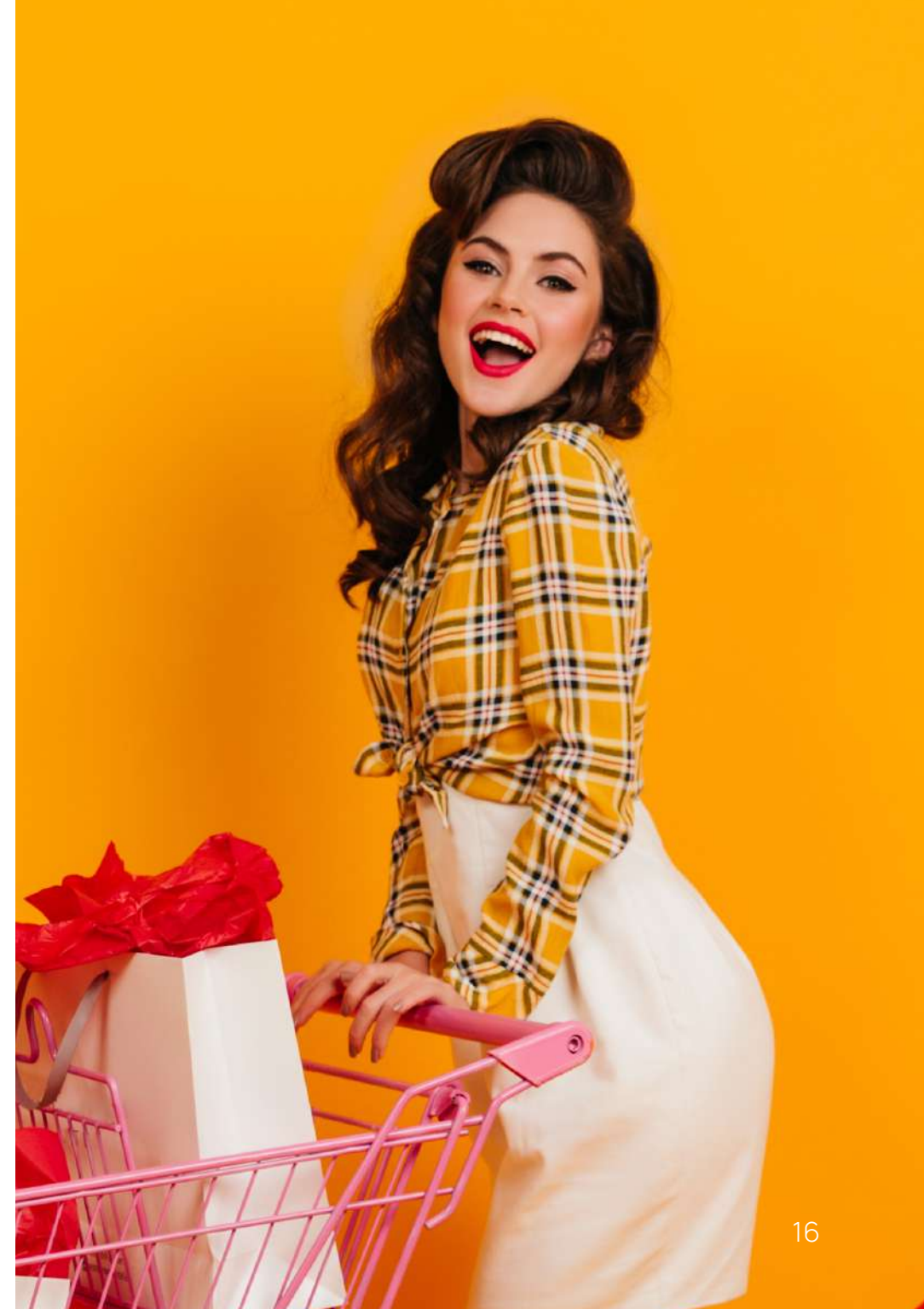
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Planning For Holiday Season 2023

2022 was the year when conventional wisdom on retail was no longer applicable and new trends started to emerge. While some things would not change, holiday season spending most certainly did and the trends of 2022 are here to stay. So, learning from the precedent set by retailers in the previous year, here are some of our recommendations for this holiday season marketing to get the desired ROI.

4.1 'Buy Now, Pay Later' Gained Popularity

Amid heightened inflation and high holiday spending, consumers sought to stretch their dollars further last holiday season with 'buy now, pay later' (BNPL) services: short-term financing parsing purchases into smaller no/low-interest payments. Heading into the holiday season, **72% of shoppers** were worried about the rising costs of gifts, and **almost a quarter of consumers** were worried about their inability to pay off this debt.

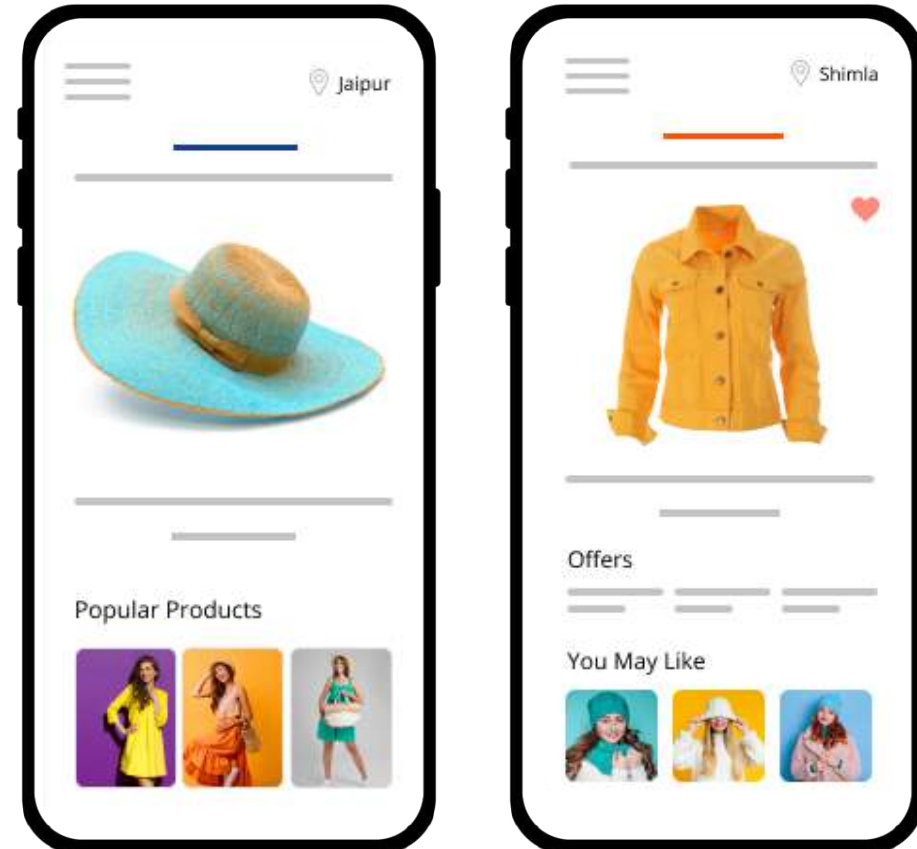


4.2 Start Early

The trend that dominated holiday shopping in 2022 is not going anywhere in 2023. With the shrinking of disposable incomes and the fallouts of inflation, consumers have spread out their purchases across the year. To drive conversions, it is imperative for your holiday campaigns to reach customers before November ends.

Accurate data at your fingertips is crucial to make the right decisions for your online store. You'll need accurate answers to questions such as—Which of your products should you procure more? Which ones to promote and which skews to drop?

With Netcore's A/B Testing, you can be prepared well in advance to see what does and does not work. Try different campaigns simultaneously to find out what is more effective. **Our AI-powered insights** will give you real-time campaign performance data and solutions for possible problem areas.



In addition, with the help of actionable analytics, change your web and app messaging and campaigns based on data you have on user behavior.

4.3 Prepare For Snags Across The Funnel

A lack of connection, insights, and a holistic view of how your SKUs perform, creates a chasm between your marketing strategy and your customers' expectations. In a world where customers are spoilt for choice, an out-of-stock message would not deter them from seeking to purchase that product elsewhere. The supply chain challenges of the last couple of years have influenced customers' purchase behaviors. Many have switched retailers in favor of brands that have adequate inventory. So, before the holiday season starts, cut down on any snags, and take stock of your inventory to deliver a satisfactory customer experience.

With Netcore's Product Performance for eCommerce solution, marketers and category managers can make the right decisions faster and

ensure optimal inventory management. Soon, with machine learning-based affinity segments, you can target the best audience by recommending/showing, or hiding select products.

With triggers for back-in-stock, price drops, and new arrivals, even your customers will be well-informed.



4.4 Offer Personalized Discounts

This year's shopping behaviors are highly influenced by inflationary pressures. A greater percentage of shoppers are looking for cheaper alternatives and making use of price comparison tools. Hence, this holiday season, e-commerce brands should be prepared for volatile customers and a decline in brand loyalty.

The most effective method of tackling this is by providing discounts to your customers. Communicate price drops based on their preferences. This will arrest customer defection. Additionally, provide coupons. They can help improve retention and loyalty even in the current economy.

Netcore Cloud enables you to personalize discounts to each customer across all channels such as emails, web messages, push notifications, exit intent pop-ups, and more!



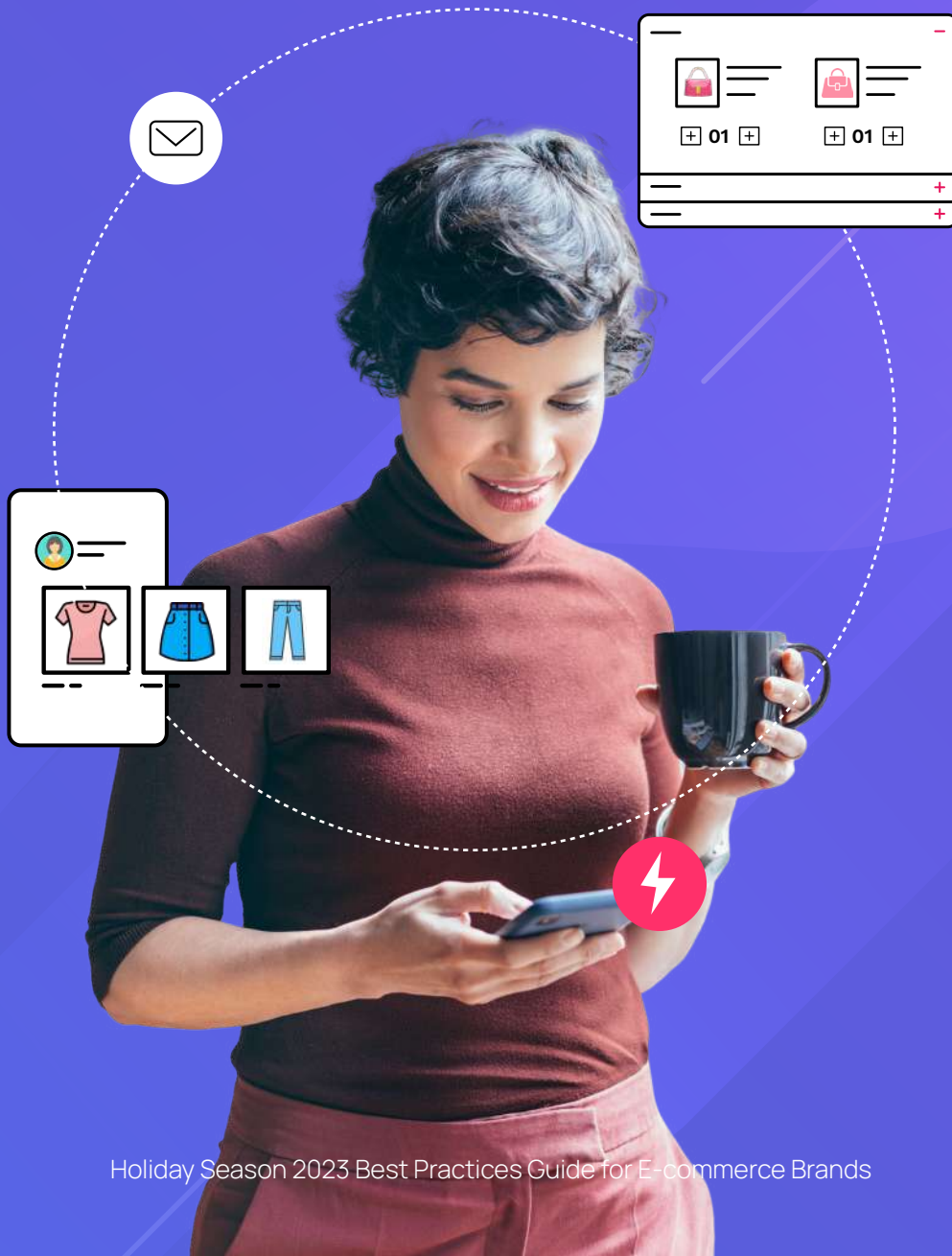
4.5 Create Loyalty Programs And Early-Bird Benefits Leading To The Holiday Season

The best way to boost your Customer Lifetime Value is to nurture a sense of exclusivity in your shoppers. Early-bird discounts and loyalty programs are exactly what you need to develop a meaningful relationship with your customers.

Identify your most loyal shoppers using the Netcore RFM analysis. The RFM analysis maps customer segments on the basis of their recency, frequency, and order value.

RFM Analysis



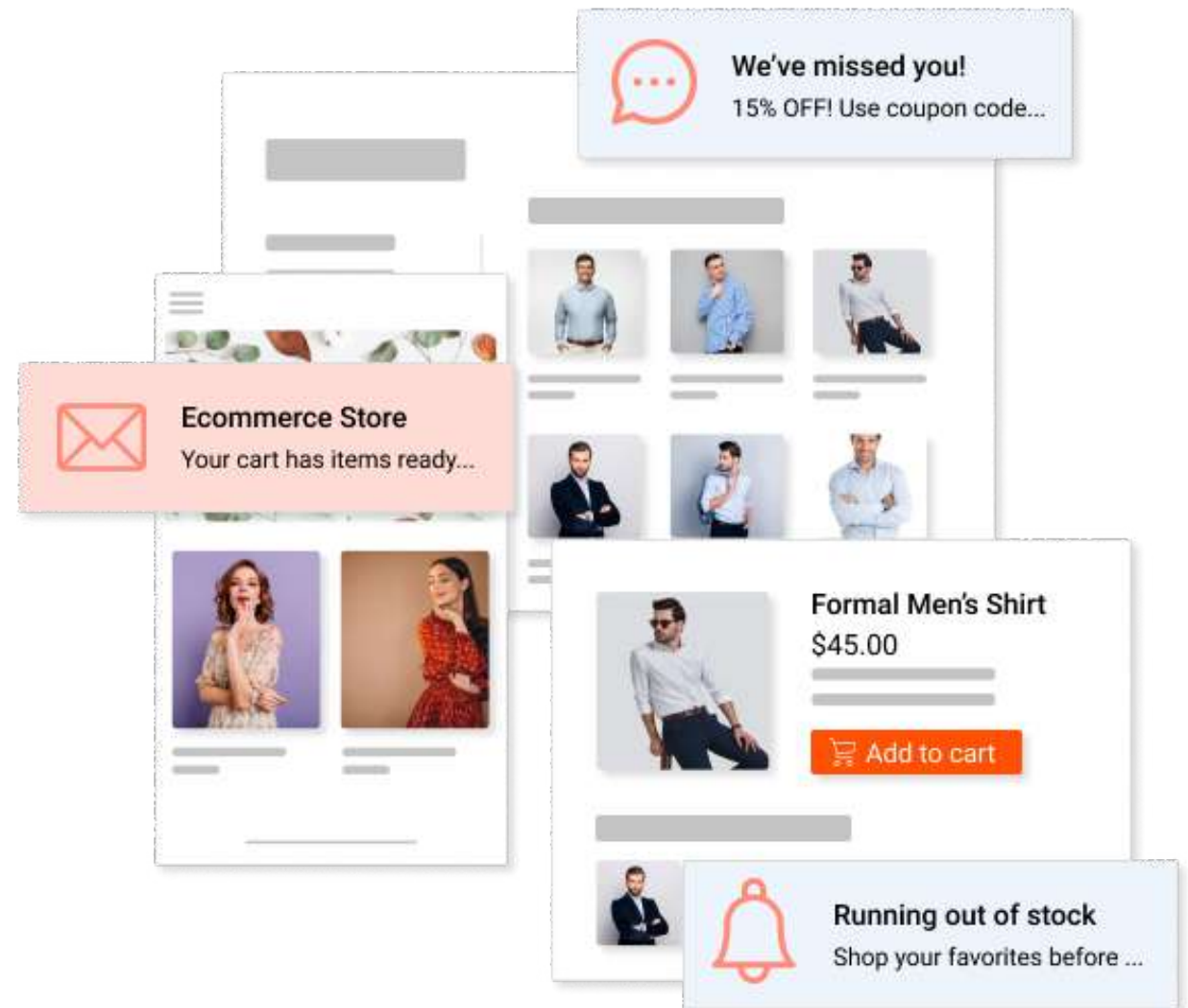


Once you've established the segment you want to target, use rich, detailed, and interactive AMP emails to give exclusive deals and loyalty points to your most valued customers. AMP for email is a revolutionary tool for any brand. It gives emails a dynamic and interactive web-page-like experience, using AMP components like carousels and accordions. It also makes it possible to dynamically update emails from external services, so the email content is always up to date – no matter when your recipient opens it.

4.6 Deliver Impeccable Omnichannel Experiences

Today's shopper is looking for the best option, irrespective of the channel. That's why the best way to ensure success this holiday season is to have an omnichannel-focused strategy.

To enhance your strategy, leverage our AI-powered omnichannel personalization to deliver bespoke recommendations to your users, at touchpoints across the funnel.

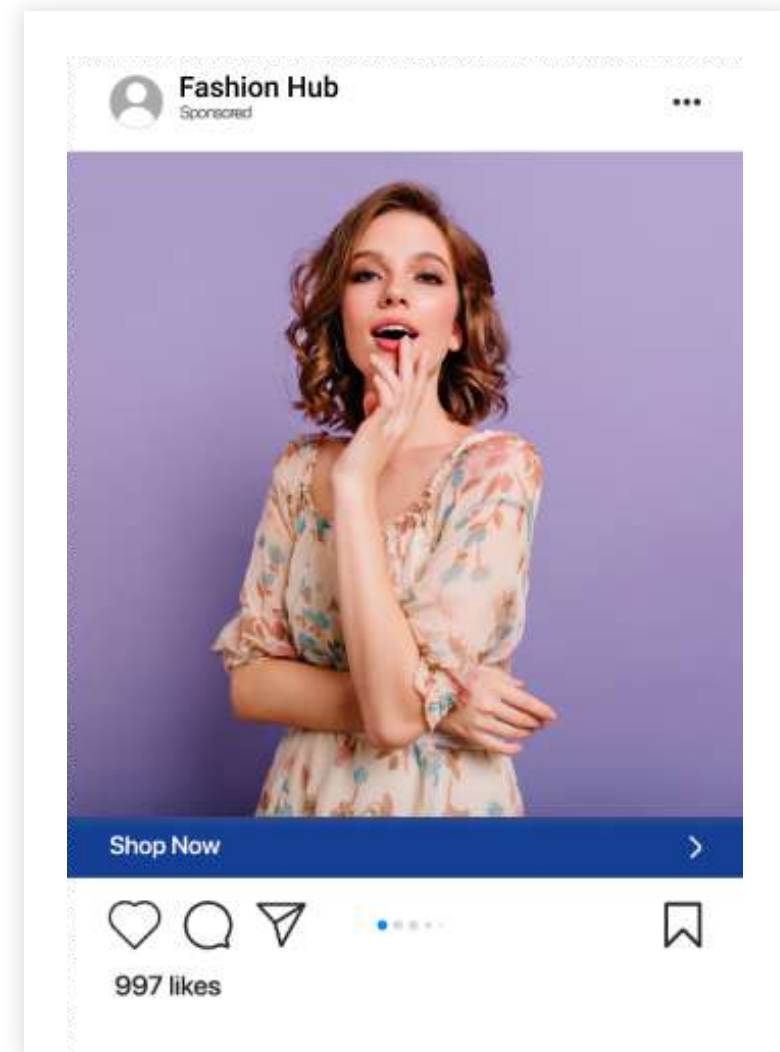


Netcore's AI-powered real-time insights can help deploy widgets and curate hyper-personalized pages based on your customer's past interactions.



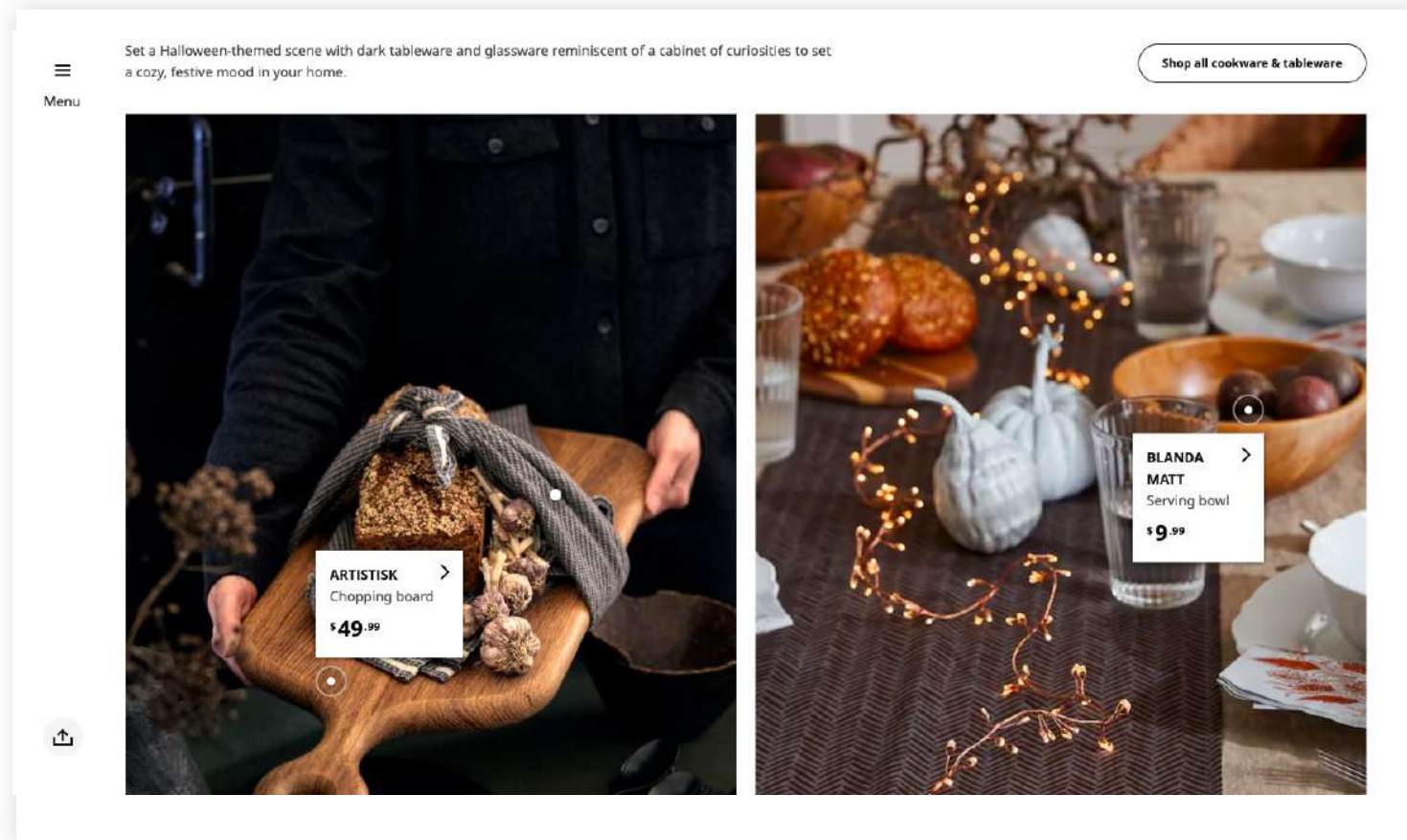
The buck doesn't stop there, you can drive engagement further with relevant emails, push notifications, SMS, and even WhatsApp messages.

This holiday season, leave no stone unturned. Take the help of our personalized ads on Google, Facebook and Instagram. Promote product discovery and improve conversions by displaying ads based on users' previous engagements.

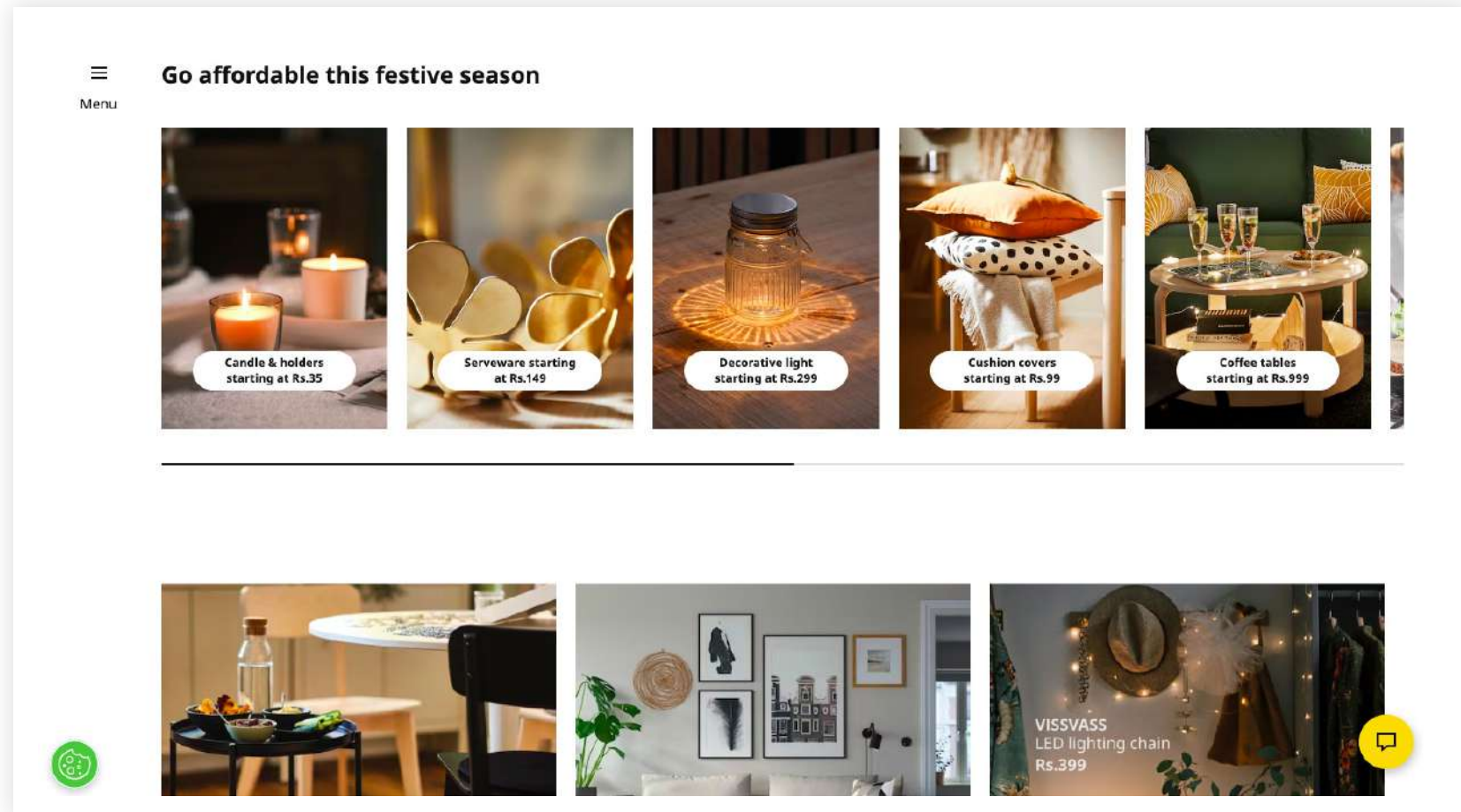


4.7 Use Geo-fencing With Personalization

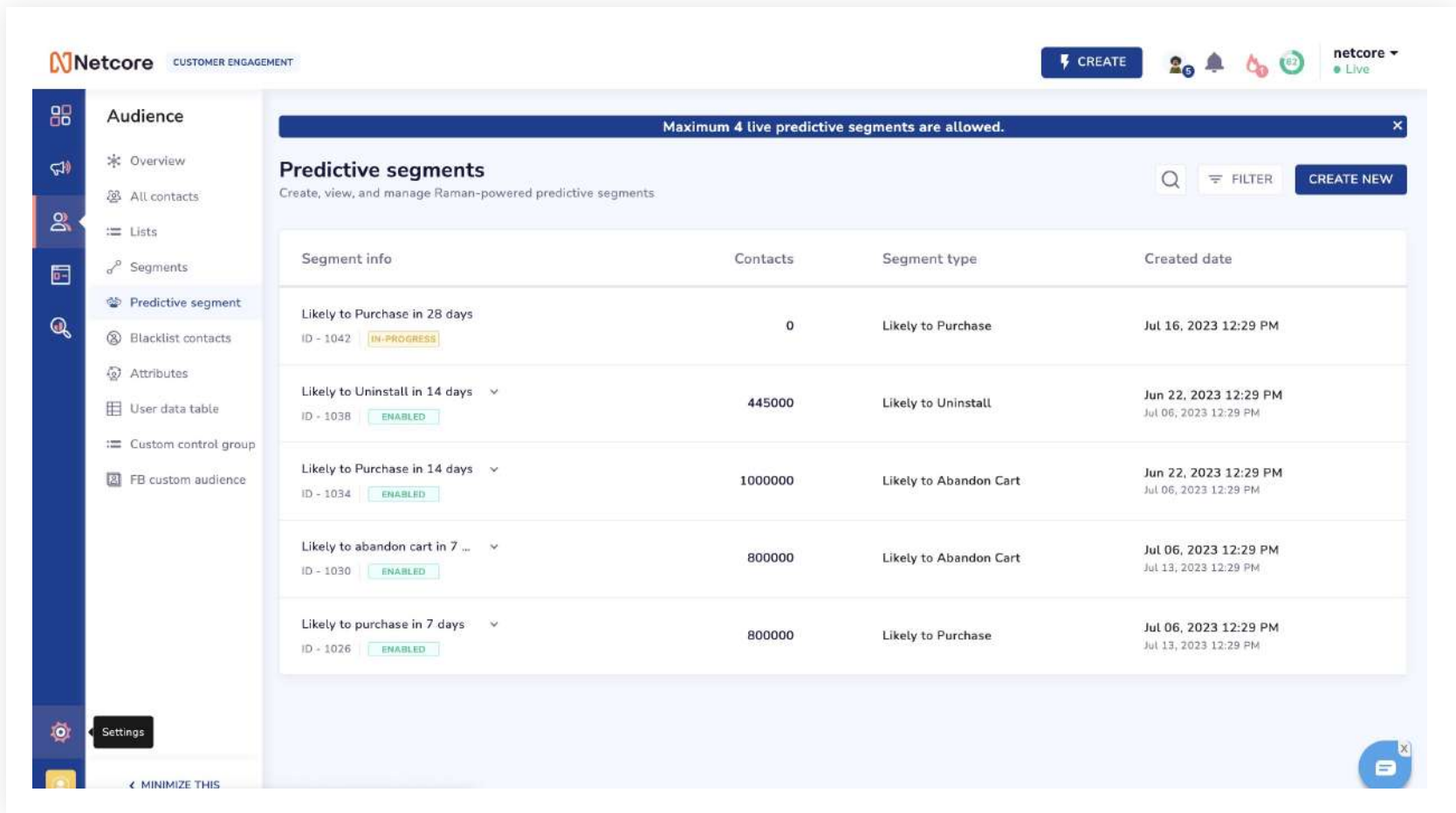
Smart marketers unanimously agree that it's essential to know your customer, not just for engagement, but also for sales. For your communication to align with this principle, you need to deploy personalized widgets, push notifications, and web messages based on your customer's previous interactions and their geography.



Ikea's disparate campaigns for different geographical regions speak to a wider audience. In 2022, their US homepage had curated collections for Halloween, while the Indian page displayed categories suitable for Diwali.



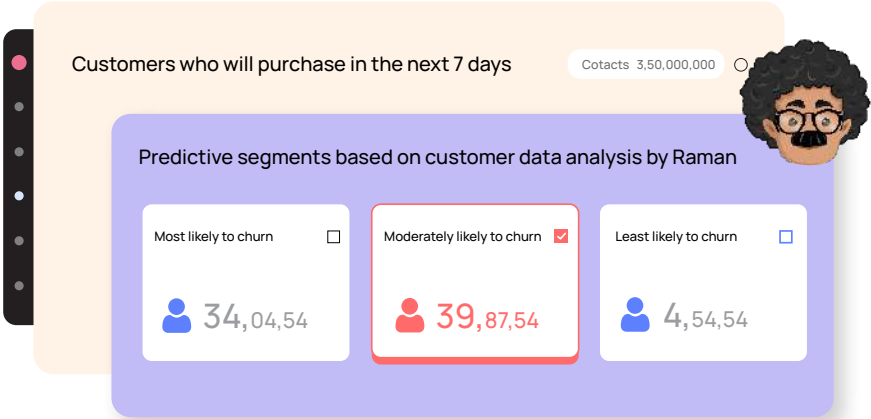
Understanding user sensibilities can help establish a long-standing relationship with your customers. To achieve this, use Smart Segmentation to create campaigns for specific regions. Also, use Predictive Segments to explore the nano-segments within the broader classifications.



The screenshot displays the Netcore Customer Engagement dashboard. On the left is a navigation sidebar with options: Audience, Overview, All contacts, Lists, Segments, Predictive segment (highlighted), Blacklist contacts, Attributes, User data table, Custom control group, and FB custom audience. At the bottom of the sidebar is a 'Settings' button. The main content area is titled 'Predictive segments' with a subtitle 'Create, view, and manage Raman-powered predictive segments'. A blue banner at the top of the main area states 'Maximum 4 live predictive segments are allowed.' Below this is a table of predictive segments. The table has four columns: Segment info, Contacts, Segment type, and Created date. The segments listed are: 'Likely to Purchase in 28 days' (ID - 1042, IN-PROGRESS, 0 contacts, created Jul 16, 2023), 'Likely to Uninstall in 14 days' (ID - 1038, ENABLED, 445000 contacts, created Jun 22, 2023), 'Likely to Purchase in 14 days' (ID - 1034, ENABLED, 1000000 contacts, created Jun 22, 2023), 'Likely to abandon cart in 7 ...' (ID - 1030, ENABLED, 800000 contacts, created Jul 06, 2023), and 'Likely to purchase in 7 days' (ID - 1026, ENABLED, 800000 contacts, created Jul 06, 2023). A 'CREATE NEW' button is located in the top right of the table area. A 'MINIMIZE THIS' button is at the bottom left of the main content area.

Segment info	Contacts	Segment type	Created date
Likely to Purchase in 28 days ID - 1042 IN-PROGRESS	0	Likely to Purchase	Jul 16, 2023 12:29 PM
Likely to Uninstall in 14 days ▼ ID - 1038 ENABLED	445000	Likely to Uninstall	Jun 22, 2023 12:29 PM Jul 06, 2023 12:29 PM
Likely to Purchase in 14 days ▼ ID - 1034 ENABLED	1000000	Likely to Abandon Cart	Jun 22, 2023 12:29 PM Jul 06, 2023 12:29 PM
Likely to abandon cart in 7 ... ▼ ID - 1030 ENABLED	800000	Likely to Abandon Cart	Jul 06, 2023 12:29 PM Jul 13, 2023 12:29 PM
Likely to purchase in 7 days ▼ ID - 1026 ENABLED	800000	Likely to Purchase	Jul 06, 2023 12:29 PM Jul 13, 2023 12:29 PM

Further, find accurate real-time data indicative of the campaign performance, for each segment. Based on these analytics and Netcore's AI-powered recommendations you can refine campaigns to achieve desired outcomes.



App Churn Management

Churn Performance

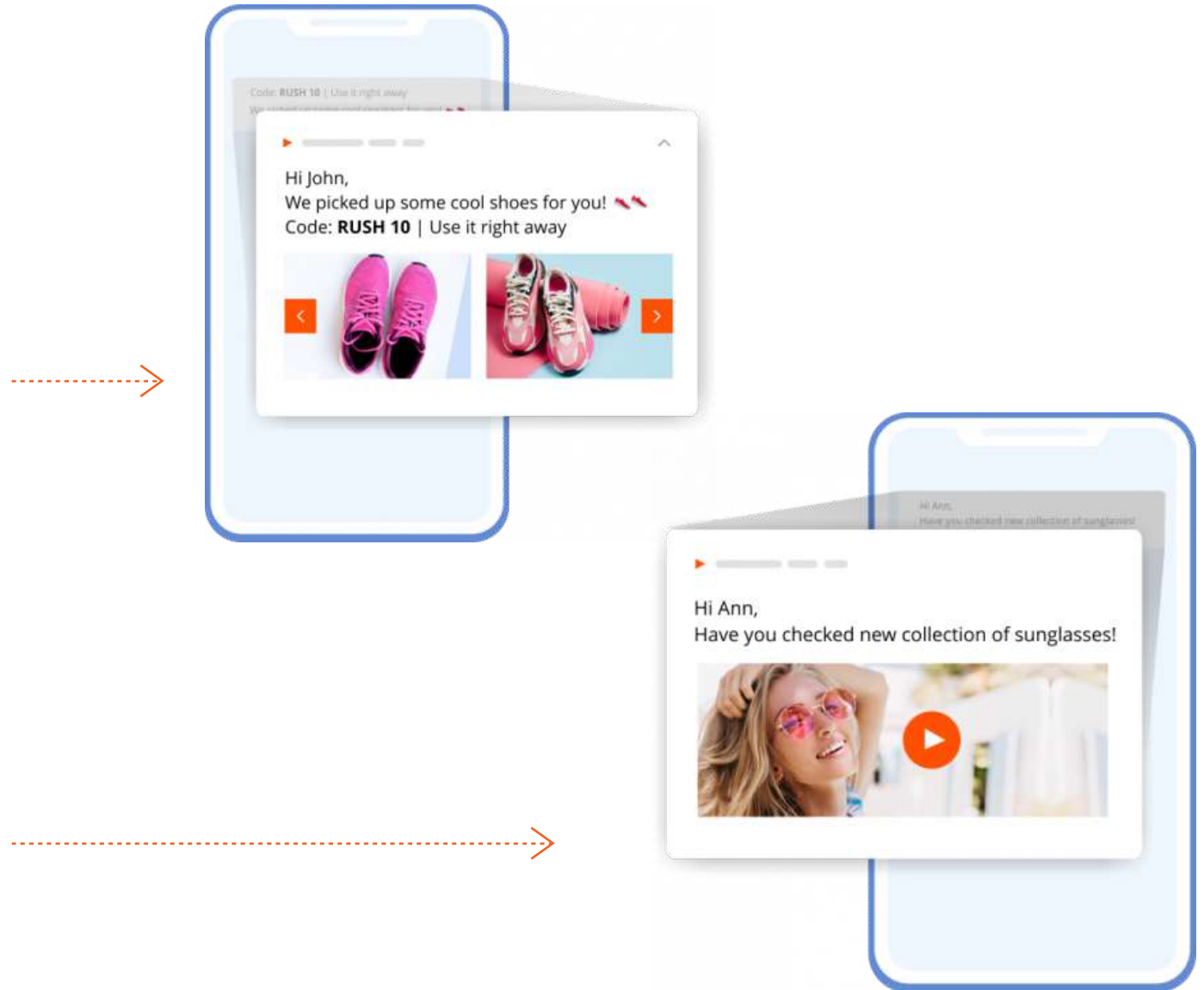
Period	Accuracy	Most likely to churn	Churn arrested	Opportunity loss
Last 90 days				
15th Jan 2020 - 29th 2020	91	23.5k	238	10338
15th Jan 2020 - 29th 2020	86	14.7k	425	8200

4.8 Focus On Mobile Acquisitions

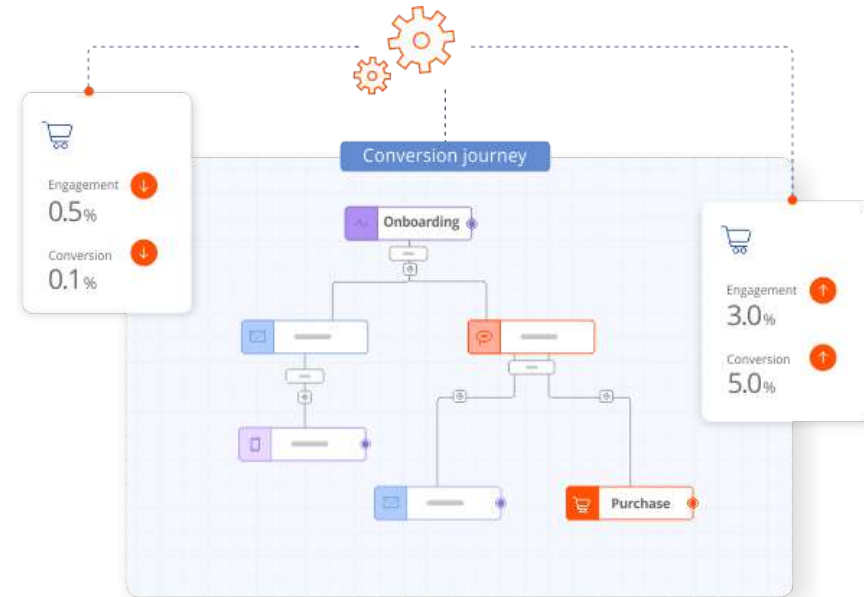
Mobile app purchases have been booming and they will only increase during the holiday season. So a mobile-focused marketing strategy, heavy on personalized communication via app-push, SMS, and WhatsApp messages can give you an upper hand. With easy access to the best offers at their fingertips, most customers would not be able to resist making a purchase.

To get the returns you desire, use the Netcore Smart Push solution. Smart Push cuts through the noise and ensures greater deliverability.

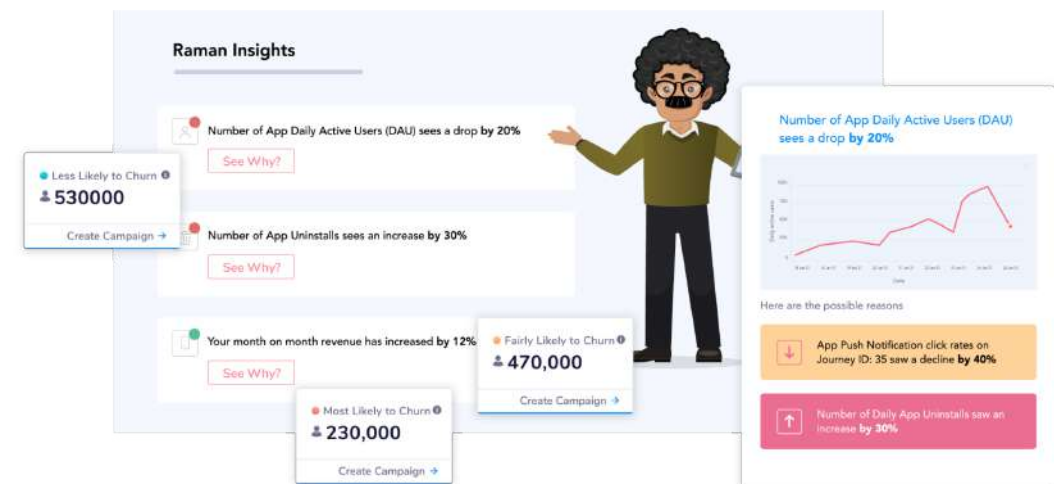
Additionally, Smart Push will allow you to engage with users better using richer, personalized media as opposed to the overused cut-and-dry methods.



To make the most out of your mobile traffic during the holiday season, we bring you Journey Orchestration. Take end-to-end control of campaigns and deliver personalization at scale. This intuitive tool will allow you to deliver relevant messages at the right time, every step of the way, from the time your user starts browsing...



Above all, our AI-generated insights will tell you exactly how to improve your app's performance.



4.9 Put Your Best Marketing Foot Forward This Holiday Season ‘Mask-down Holiday’

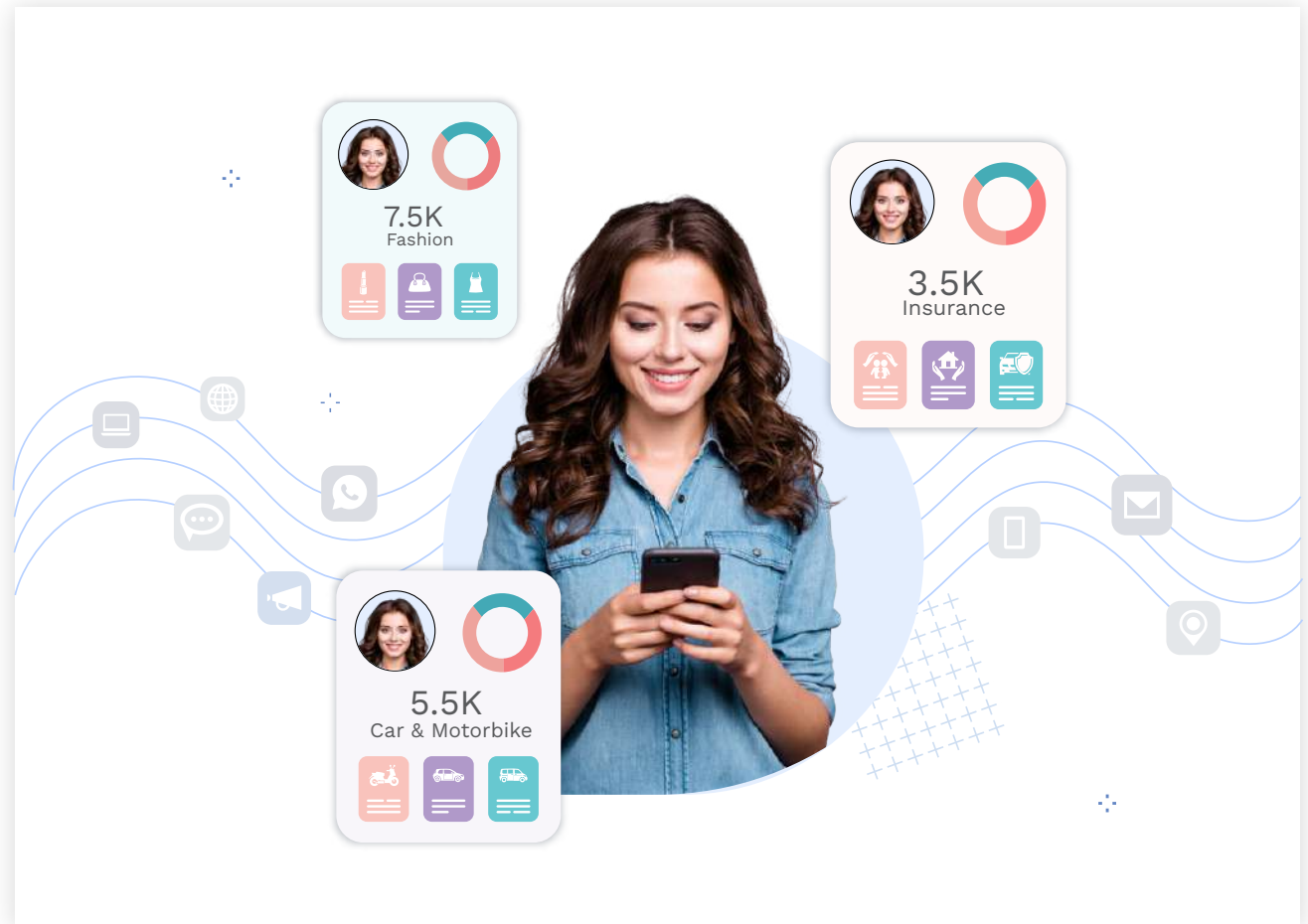
In 2023, identifying and eliminating points of friction across customer journeys in both online and offline engagement will be pivotal for retailers to deliver satisfactory digital shopping experiences. If done right, this can amplify sales as well as customer retention. An estimated 60% of digital orders are predicted to have some tie to brick-and-mortar locations, either to help create demand or to fulfill orders.

With these factors at play, the Netcore Online-Offline Engagement solution can help you bridge the gap. A well-integrated online and offline engagement strategy can help generate more opportunities to cross-sell and upsell.



With Netcore's Unified Customer View, be it on digital platforms or in traditional retail, you get a 360° view of individual customer profiles.

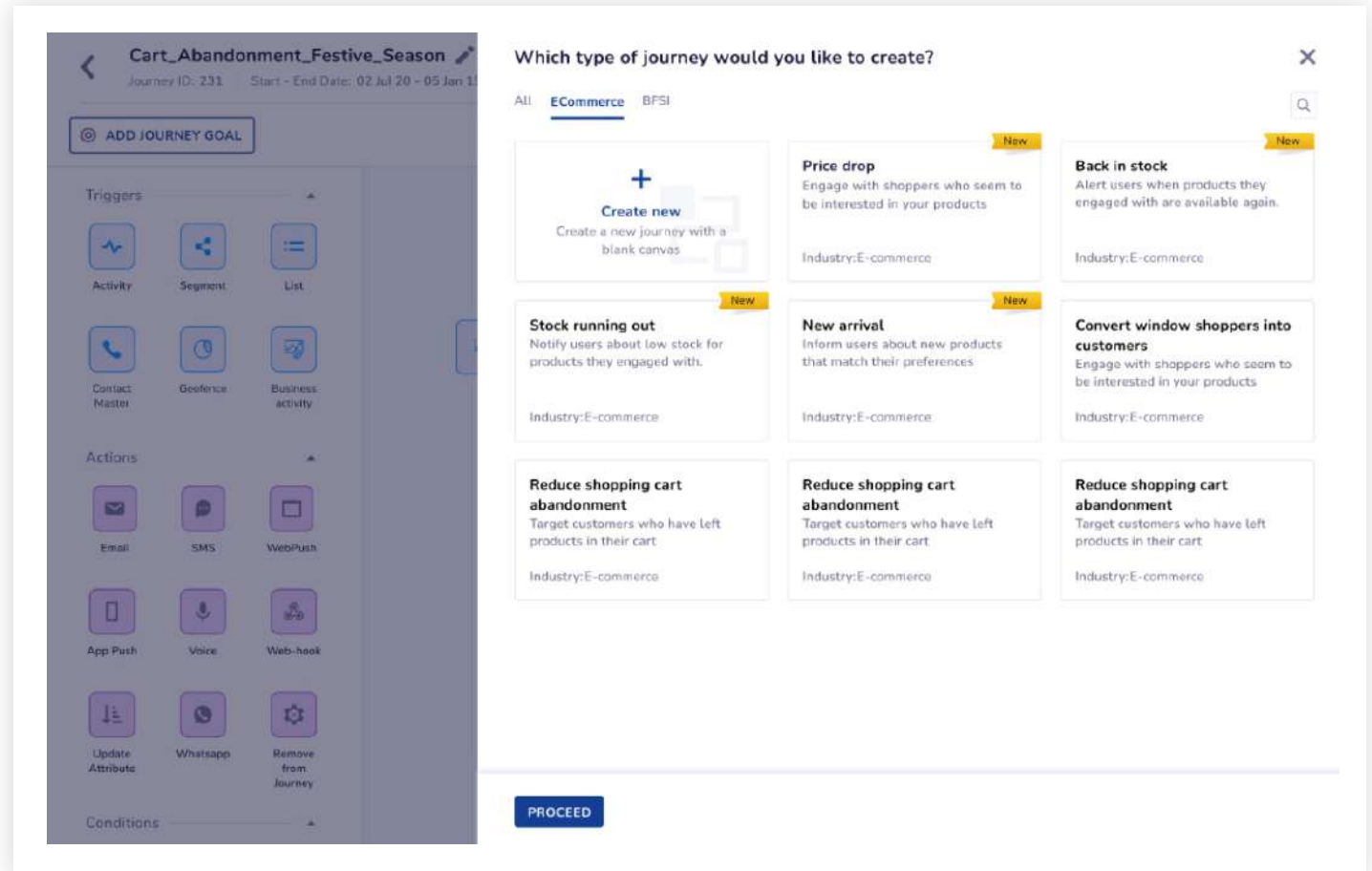
Based on users' digital and offline behavior, you can convey relevant and customized communication, offers, and even recommendations. Beyond this, UCV will also enable you to leverage each individual's preferred channel to ensure impactful personalized customer engagement.



4.10 Re-imagined The Merchandising With One-click Triggers

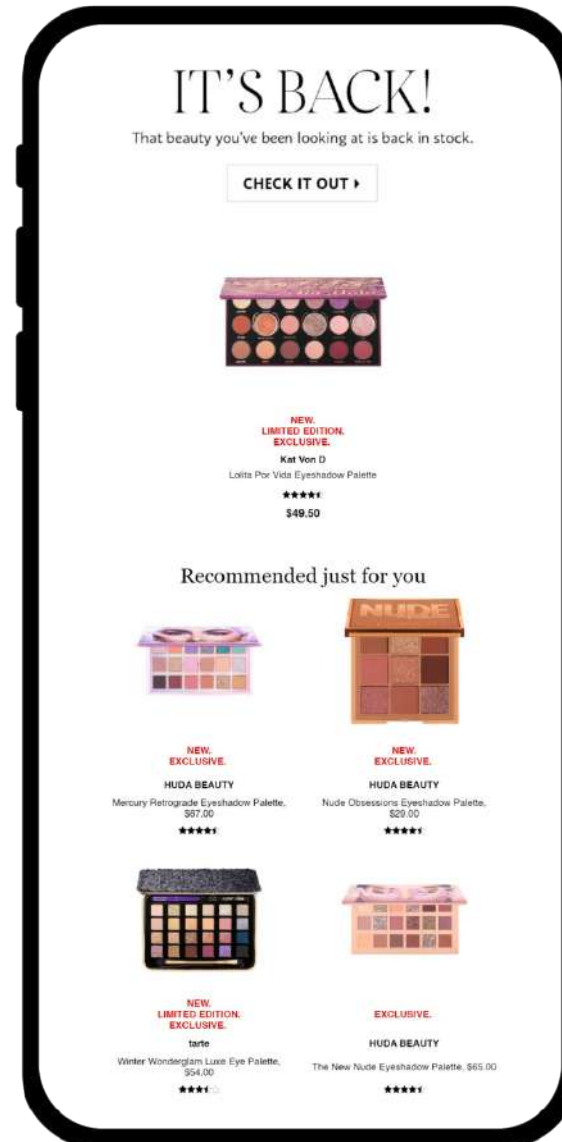
The checkout line in brick-and-mortar stores are crafted to upsell by displaying products that customers might otherwise miss. This is a well-known merchandising strategy in traditional retail. However, the modern customer has unique preferences that have been shaped by a wide variety of interests and personal research, accessed from the comfort of their personal devices.

Netcore has re-imagined the merchandising strategy to the same effect, highlighting Commerce with the Merchandising Trigger.



This innovative tool uses automated messaging based on catalog information. It acts as a 24/7 intelligent assistant.

Picture this: your online store catalog is seamlessly monitored for changes like product availability, price drops, and new arrivals. You, the merchandiser, can set rules for automatic actions, such as notifying customers about restocked items or price reductions.



This not only streamlines your marketing efforts but also enhances the customer experience. As we head into the holiday season, imagine effortlessly creating a sense of urgency with FOMO (Fear Of Missing Out) communications. Keep customers informed about discounts, promptly alert them when sought-after products are back in stock, and promote conversions with minimum effort.

Price Drop Alert!

An item you love is now 15% off!

Lightweight Cross-Trainers

~~\$70.00~~ **\$59.50**

CHECKOUT NOW

Still deciding? Check out these top items...

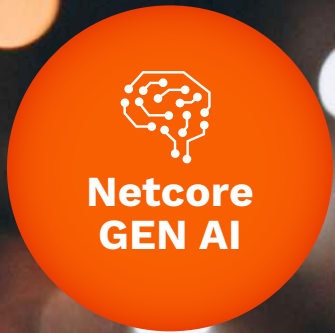
Breathe Running Shoe
\$74.99
[VIEW PRODUCT](#)

XT Training Shoe
\$69.99
[VIEW PRODUCT](#)

1530 Sneaker
\$95.99
[VIEW PRODUCT](#)

2530 Sneaker
\$69.99
[VIEW PRODUCT](#)

Unsubscribe from our mailing list.
© 2017 Sneaker Lounge



4.11 Turbocharge Your Campaigns With Gen AI

All through the holiday season, and beyond, Netcore's Gen AI, will be your copilot. It will not only boost efficiency and marketing impact but also seamlessly integrate into your daily tasks— providing real-time insights and data-driven recommendations to optimize decision-making.

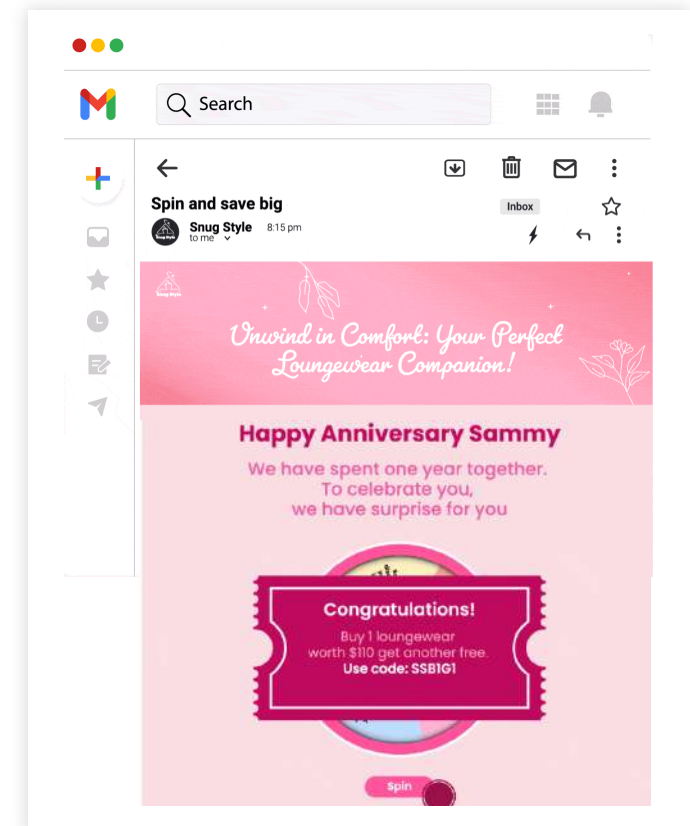
Imagine a tool that learns and adapts to customer preferences, and offers a personalized experience for each and every user. Gen AI's capabilities include turbocharging creativity with Generative AI, refining campaigns with intelligent feedback, and expediting marketing workflows from conception to deployment. During the holiday rush, it enables hyper-personalized campaigns and content at scale—ensuring timely, customized messages to captivate your audience.

With features like natural-language-based insight generation, advanced segmentation, and AI-powered search, Gen AI allows marketers to work smarter. It elevates efficiency and transforms strategies into tangible results. It's not just about getting the message across; it's about getting the right message to the right person at the right time, and Netcore's Gen AI does just that. It redefines effectiveness for eCommerce success during the holiday season and beyond.

4.12 - Make The Customers' Inbox Your Conversion Funnel

Customer inboxes during the holiday season are like a bustling marketplace—flooded with messages from diverse platforms, each competing for attention. This constant stream of notifications and emails can overwhelm users and, let's face it, make them a bit indifferent. While traditional advertising could be a great fix, it often gets lost in this influx of information, leaving you with minimal returns. An innovative and highly efficient solution exists—a way to captivate your customers' attention without draining your efforts and financial resources. Inbox Commerce!

Eliminate friction and allow customers to complete transactions wherever they are, ensuring shorter and smoother user journeys. Inbox Commerce's USP lies in its ability to streamline the shopping experience—from searching to browsing to checking out—all in one place: the customer's inbox! It does away with redirects and allows users to stay focused on their tasks, leading to higher conversion rates for your business.





The Netcore Holiday Marketing Checklist

5 The Netcore Holiday Marketing Checklist



Before the holidays:

- ☐ Test app and web interfaces for best results
- ☐ Launch campaigns well in advance



On creating the campaigns:

- ☐ Identify regions and holidays to customize communication
- ☐ Identify nano-segments to target



When customers arrive:

- ☐ Communicate offers and discount through web messages
- ☐ Deliver customized product recommendations
- ☐ Leverage nudges to create a sense of urgency or intrigue (e.g., 'Only a few left in stock')



If a customer is about to leave:

- ☐ Exit intent pop-ups with discounts
- ☐ Cart abandonment messages



If a customer leaves:

- ☐ Send customized Email, SMS, Whatsapp etc. with relevant offers and recommendations
- ☐ Re-target on Instagram, Google & Facebook using personalized ads



Final step:

- ☐ Boost your holiday sales with Netcore Cloud

Need help checking all the boxes?

Request demo

and improve your holiday season marketing plan.

Stay in touch with your customers throughout their lifecycle

TALK TO US



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