

DIRECT AGENTS

AUGUST 2021



# HOLIDAY 2021 TREND REPORT



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Holiday marketing starts earlier every year, and this year is no exception. As the summer comes to an end, brands have already begun holiday prep. From ramping up ecommerce efforts as consumers stay glued to their smartphones, to developing a strategic messaging plan, we've highlighted everything you need to crush your Holiday 2021 goals.



# AN “ALWAYS SHOPPING” SEARCH STRATEGY

Unlike in previous years, in 2021, customers have gotten a head start on holiday shopping, fueled by both Amazon’s Prime Day & discounts from other retailers. This leads to an “always shopping” mindset and customers looking for deals even during non-holiday periods. Part of holiday shopping is also the rise of gift searches. With last year’s restrictions, many people were unable to travel or attend special events. As a result, this year, gifting for these experiences have boomed.

On the other hand, if customers are searching for tangible goods, Google Shopping has grown by 70% over the last year. Ecommerce revenue grew by 20%<sup>1</sup> in 2020 & shows strong signs of growth for the 2021 holiday season.

Another area we have seen an impact has been YouTube, where 214.9 million Americans watch platform content, making up 74.2% of US internet users<sup>2</sup>. As advertisers jumped on board to capitalize on this, ad costs have risen. However, this only means that customers get influenced across their online channels.

To prepare for this holiday season, Direct Agents recommends setting up a promotional calendar and budget ahead of time to capture interest, while activating tactics such as Google Shopping to capture intent. To maximize brand awareness & consideration, enable YouTube ads with holiday messaging, which can lead to down the funnel purchases in the long term.

1. Digital Commerce 360. (2021). US ecommerce grows 44.0% in 2020. Available at <https://www.digitalcommerce360.com/article/us-ecommerce-sales/>

2. E-Marketer. (2020). US YouTube Advertising 2020 - How YouTube Viewing Is Shifting to CTV—and What It Means for TV Advertisers. Available at <https://www.emarketer.com/content/us-youtube-advertising-2020>



# BUILDING A COMPREHENSIVE ECOMMERCE PLAN

With the continued growth of Amazon, sellers and vendors need to think differently and plan earlier than they ever have for the upcoming holiday season. While Amazon has yet to announce if they will run an event in October again to match the momentum that Prime Day brought in 2020, it would be wise to plan for holiday sales regardless.

So what can brands do to ensure they succeed on Amazon this holiday season?

First, brands must ensure they have a complete promotional plan built out. Shoppers are expecting a greater volume and frequency of sales on eCommerce platforms, and we know that sales are a huge ranking factor on Amazon. We suggest expanding promotional strategies, providing coupons or running sale prices leading up to peak traffic times and saving for Black Friday/Cyber Monday. The cutoff in the US for Amazon deals is September 17th, so this should be at the top of the priority list.

Brands should also use Q4 as a key opportunity to expand their advertising efforts. Gone are the days where just Amazon advertising was enough to win. It is now crucial to utilize social (both paid and organic) to drive traffic to Amazon. Consumers use social as a key discovery tool for gift ideas and Amazon sees peak conversion rates during the holiday season because of fast, easy, and convenient shipping.

Lastly, ensure your brand store is updated before October to highlight deals. One way to call out these deals is by creating a gift-giving guide within the store. Drive your social campaigns directly to the Brand Store to encourage exploration and increase AOVs.



# CONNECTING WITH CONSUMERS

The 2021 holiday season will be drastically different from any we've seen before. In 2020, people stayed indoors and online shopping surged. While some COVID-19 regulations are returning due to the new variant, we are nowhere near where we were last year. In 2021, messaging will be focused on hope, joy, and positivity for the year ahead. Consumers are embracing the “dreamier”<sup>3</sup> side of life and seeking creative designs that mirror this positivity. According to Snapchat, 2 in 3 Snapchatters plan to spend as much money during the year or more in 2021 as they did in 2020.



In addition to looking at the glass half full, consumers want authentic messaging that speaks to their values. As social media continues to play a significant role in holiday shopping, authentic messaging is key.

Outside of brand messaging, immersive experiences will set brands apart in Holiday 2021. As consumers seek out human connections, brands are turning to AR in order to create customer-centric experiences. “Adver-tainment”-style<sup>4</sup> content will see a surge this holiday season, with 71% of shoppers surveyed agreeing they will likely take part in an entertaining shopping experience (Facebook). In Soho, NYC, Zara created a digital art installation for social media. The art was commissioned exclusively for social media, many users traveled to the store hoping to see the artwork. After posting a TikTok highlighting the

3D experience, Zara racked up over 12 million views and 700,000 likes. In addition to 3D displays, gamified shopping experiences and live shopping events are also gaining popularity.

According to a recent study, 91% of marketers will enhance their VR offerings by the end of the year<sup>5</sup>. To stay current with Holiday 2021 trends, brands should invest in virtual shopping experiences and personalized messages to emulate the feeling of shopping in-person.

3. Snapchat. (2021). Get the Gift of Results.

4. Facebook. (2021). 2021 NA Holiday Marketing Guide. Available at [https://s3.lightboxcdn.com/vendors/fa326600-3d11-46ca-9bff-f8d76abc17a3/uploads/0eb3704d-39dc-4486-af1f-393a7fb6064c/2021\\_Holiday\\_Marketing\\_GuideFacebook.pdf](https://s3.lightboxcdn.com/vendors/fa326600-3d11-46ca-9bff-f8d76abc17a3/uploads/0eb3704d-39dc-4486-af1f-393a7fb6064c/2021_Holiday_Marketing_GuideFacebook.pdf)

5. Site Core. (2021). 41% of Brand Marketers Say Holiday 2021 Will Make or Break their Business. Available at <https://www.sitecore.com/company/news-events/press-releases/2021/07/brand-marketers-say-holiday-2021-will-make-or-break-their-business>

# TOP OF MIND CULTURAL CONVERSATIONS

Last holiday season, brands with successful campaigns engaged cultural moments and embraced consumers with empathy and an understanding of the challenges 2020 brought into their households. Whether it was Apple capturing the challenges of working from home or Match accurately pairing 2020 with Satan, some companies stepped up to the plate by creatively speaking to the realities that their consumers were facing.

While brands have to learn the tangible lessons of last season, like keeping a close eye on product feeds and being proactive about supply chain strain, keeping an empathetic connection with consumers will be critical for marketers seeking to cut through a more competitive space. This holiday season will be a one of transition as COVID-19 variants throw a wrench in societal inclinations to declare the pandemic over, and many of the core lifestyle changes that it has brought on remain. We've identified the cultural conversations that will be top of mind for consumers looking to make early holiday purchases and decide which brands to embrace:

## Diversity & Inclusion in Design

2020 was a turning point for inclusive marketing, with more brands recognizing a need to embrace a more diverse approach to their general market strategy. The polycultural approach also includes how brands reach out to under served communities. Interest in inclusive sizing has surged through the pandemic, and more brands like Tommy Hilfiger and ASOS<sup>6</sup> are embracing disability-friendly products. Brands should be sure to keep the conversation open and expand their customer base in order to differentiate.

## Mental Health and Wellness

Mental health and wellness became one of the core focuses of the Olympics. Naomi Osaka and Simone Biles have brought renewed focus on mental health awareness amidst unprecedented challenges folks at home have been experiencing. Searches for 'therapist near me' reached 5-year record highs as a recent study showed that 41% of adults reported anxiety or depressive disorder symptoms in 2021, up from 11% in 2019<sup>7</sup>. Wellness brands should lean into these conversations and begin leveraging partners that have a track record of mental health advocacy. There is a distinct interest in more knowledge and resources surrounding wellness.

## Environmental Impact

Interest in sustainable products has consistently grown over the past year when examining social media trends. Many businesses have embraced the need for environmental change but have rarely adopted it as a marketing angle. Even before the recent climate report, 57% of consumers reported they'd change their purchasing habits to help reduce negative environmental impact<sup>8</sup>. Brands that have made strides towards making their product more environmentally friendly should put that front and center when possible.

6. Forbes. (2021). The Fight For Adaptive Fashion: How People With Disabilities Struggle To Be Seen. Available at <https://www.forbes.com/sites/annahaines/2021/06/24/the-fight-for-adaptive-fashion-how-people-with-disabilities-struggle-to-be-seen/?sh=6adda84e694d>

7. KFF. (2021). The Implications of COVID-19 for Mental Health and Substance Use. Available at <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/>

8. IBM. (2021). Meet the 2020 consumers driving change Why brands must deliver on omnipresence, agility, and sustainability. Available at <https://www.ibm.com/downloads/cas/EXK4XKX8#:~:text=Nearly%206%20in%2010%20consumers,this%20jumps%20to%2077%20percent.>



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