Holiday Predictions

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Speakers:

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Speaker B - 58.85%

Speaker C - 9.61%

Notes:

- Kayla Schwartz is director of consumer Insight Salesforce. She talks about the latest holiday shopping trends and what to expect this fall.

- We're predicting around 2% year over year growth across November plus December in digital sales. 50% of consumers are saying that they're going to be placing a holiday purchase on these applications and marketplaces. The reason why consumers are gravitating is because of price.

- Amazon just announced their prime day is going to be October 8 and 9th. Consumers are waiting for Cyber week to make their purchases. 67% of consumers are waiting until Cyber week for good deals. So it'll be very busy for retailers.

- 18% of holiday orders will be influenced by AI. That's really going to be key to connecting consumers to product quickly and easily. It's also important to cut through that noise with targeted marketing.

- There's one less week between Cyber week and Christmas. Pickup in store is going to be a key factor for retailers. It's going to extend their online shopping period. We're predicting that 33% of online orders after that ground shipping cutoff will be placed for bopus.

- Salesforce is using data cloud, Agent force as well as commerce cloud to make the shopping experience that much better. Behind every generative AI result is a prompt. Prompts help your teams work faster by embedding AI functionality. Come and see us today at the campground.

Speaker A   00:00:00
Aside from Dreamforce, the most wonderful time of the year is right around the corner. So to learn more about the latest holiday shopping trends and what to expect this fall, I'm joined by Kayla Schwartz, director of consumer Insight Salesforce. Hi, Kayla.

Speaker B   00:00:14
Hi.

Speaker A   00:00:14
Thank you for having me. Um, all right, well, before we jump into the holidays, we have to talk about the big news here at Dreamforce, which is agent force when it comes to customer expectations of customer service. What trends are we seeing?

Speaker B   00:00:27
Yeah, great question. We're seeing some really interesting trends in our consumer data around this, particularly that consumers are leaning into some of these newer channels like online chat. And the reason is because they are valuing the convenience and speed of this channel. I mean, we all are moving at a very fast pace, so it's no surprise. But what we do see as well is there's definitely this need or this want for this human AI partnership. Consumers lean into online chat and chat bots for the convenience and the speed. However, sometimes they recognize that not all cases, not all questions can be answered without a human. And so they want that assurance, that human AI partnership.

Speaker A   00:01:09
Absolutely. Now let's kick off the holiday trends with, let's take a global perspective. What are we expecting to see for holiday performance worldwide this year?

Speaker B   00:01:19
Yeah, so we're expecting moderate sales growth on a global level. We're predicting around 2% year over year growth across November plus December in digital sales. And that is

equaling about $1.19 trillion. So that's our forecast.

Speaker A   00:01:34

Okay. Yeah. And then what's the headline when it comes to consumer behavior? What are consumers looking for this holiday season?

Speaker B   00:01:42

There's a definite shift to value. Now, consumers always have prioritized value. Nobody wants to pay more for the products and services that they're buying. However, this year, that is what consumers are putting the utmost priority on. They want discounts, they want promotions, they want to feel like they're getting a good deal. And so that's really the pervasive theme that's going to dominate how and when consumers shop. And we're seeing that in some of these newer trends, like the role of the chinese marketplaces, the tmus, the Shein's. If you go to the Apple app store, they're the top two downloaded shops.

Speaker A   00:02:16

Really?

Speaker B   00:02:16

Yeah, it's wild.

Speaker A   00:02:17

Wow.

Speaker B   00:02:18

And the reason why consumers are gravitating is because of price. They say they're getting the best price on these apps. And so, yeah, it's a huge transition. 50% of consumers are saying that they're going to be placing a holiday purchase on these applications and marketplaces. So we're predicting they'll capture around 20% of the total market share outside of Asia. So it's a huge factor, uh, this holiday.

Speaker A   00:02:42

Yeah. All right, well, let's talk a little bit more about the holiday calendar. Like, you know, everybody knows about Cyber Monday in the fall, but you know, last year we heard a lot about shoppers starting early, like October, Prime Day, uh, that being a big shopping event. What are we seeing in terms of those, those aspects?

Speaker B   00:02:58

So Prime Day, you know, Amazon just announced their prime day is going to be October 8 and 9th. Um, and so there's definitely going to be some activity around that event and retailers will set up their own promotions during that period. We're already starting to see the announcements from other retailers, but what we're seeing, what consumers are telling us is that they're waiting for Cyber week, and that means the season isn't going to start early like it has in years past. And again, going back to the concept of value, 67% of consumers are waiting until Cyber week to make their purchases, to make their own purchases, purchases that they've been putting off throughout the entirety of 2024 because they're waiting for those.

Speaker A   00:03:39

Good deals and they're holding out for the best deals on Cyber week. So it's going to be very busy for retailers.

Speaker B   00:03:45

Absolutely.

Speaker A   00:03:45

That week. All right, well, there's so much noise, there's so many channels, you know, so much, so much competition vying m for our attention. How can retailers cut through the noise?

Speaker B   00:03:55

It's really the huge opportunity is going to be around AI. Um, we're predicting that 18% of holiday orders will be influenced by AI. So these are consumers that are clicking and tapping on AI powered product recommendations. And that's really going to be key to connecting consumers to product quickly and easily, promoting product discoverability. It's also going to be really important to cut through that noise with targeted marketing, targeted, uh, right time, right message, right price type of communication, uh, throughout the season, and to make sure you're cutting through that noise and effectively messaging to the right customer.

Speaker A   00:04:32

Yeah, and we were just having a conversation about personalization. And when you shop and being able to see it on a body that looks like your body and all of that level of personalization, it's really so convenient, like as a shopper.

Speaker B   00:04:45

Absolutely.

So I'm excited to see where that's going. And then we talked about Cyber week. But what about what's going to happen in store? What are we expecting there?

Speaker B   **00:04:54**

Well, the stores are still such an incredibly important channel for retailers. And this holiday, the store is going to be massively important for one really key reason. There's one less week between Cyber week and Christmas, which means that there's one.

Speaker A   **00:05:09**

Less week to ship and, uh, it's a condensed timeline.

Speaker B   **00:05:15**

Condensed. And consumers aren't necessarily tracking that. They're not keeping tabs on.

Speaker A   **00:05:19**

No, that's news to me. That's why I reacted. I'm like one last week to shop.

Speaker B   **00:05:22**

Exactly. So you got to get your online orders in early. So buy online. Pickup in store is going to be a key factor for retailers, uh, that have physical stores later on in the season. It's going to extend their online shopping period. And we're predicting that 33% of online orders after that ground shipping cutoff will be placed for bopus. And the closer we get to Christmas, that number will creep up to 50%.

Speaker A   **00:05:48**

Really? So it's going to be a huge.

Speaker B   **00:05:50**

Factor this year and it's going to be a growth differentiator as well.

Speaker A   **00:05:54**

Wow. Okay. Yeah, because I use that all the time when I have a deadline coming up or a trip and I'm like, it's not going to get here in time. I'll just go into the store. All right, well, any other final words you would say, any last words of advice you'd give to retailers about this season if they could give them one or two takeaways?

Speaker B   **00:06:11**

You know, it's going to be a busy season, it's going to be a noisy season, it's going to be a

quick season.

Speaker A   **00:06:17**

Yeah.

Speaker B   **00:06:17**

Um, so buckle up.

Speaker A   **00:06:18**

Buckle up.

Speaker B   **00:06:19**

Every year is exciting, but, um, this holiday, thinking about how you're servicing value, what your brain to your customer. And value doesn't always have to be discounts and promotions. It can be through a loyalty program, it can be through the services and the perks and unlocking experiences. Um, and so thinking about what value means to your consumer, your audience, and making sure you're delivering and showing up for them, and that's really going to be the unlock for the season.

Speaker A   **00:06:47**

Love that. Always love talking to you, Kayla. Such valuable insights for the retail space. We appreciate it. So if you want to get ready for a busy season with retail, get your device ready for this QR code. Kayla, where's it gonna take them?

Speaker B   **00:07:01**

It's going to take them to our shopping insights hq, which is our free resource for everything holiday. So if you go there today, you'll see all of our shopping predictions. But in a few weeks we'll update this with dashboards. Where we are going to track the season in real time. So we'll be having daily data updates to help brands and retailers benchmark their season performance against their peers. So it is a free resource.

Speaker A   **00:07:24**

Very cool. That's free.

Speaker B   **00:07:25**

It's completely free. Anyone can use it and you can slice the data by vertical, by region. So this is a, um, very powerful tool.

Powerful tool.

Speaker B   00:07:35

We hope people will use it.

Speaker A   00:07:36

Wow, that is really impressive. Thank you so much. The QR codes aren't. If the QR code isn't quite your thing, you can also go to the link salesforce.com Retail Peak Holiday thank you again, Kayla and have a great holiday season everyone.

Speaker B   00:07:54

Thank you.

Speaker A   00:08:09

Mhm. Mhm.

Speaker C   00:08:52

Hi, I'm Monica Bowie, director of product marketing at Salesforce and I'm live in the campground at Dreamforce 2024. If you missed the Saks demo in today's keynote, you missed an amazing experience. But don't worry, you can come right here to the campground to check it out live behind me. There is so much to experience, to experience the announcements that we made today with this premier luxury shopping experience with Saks Fifth Avenue using the Salesforce platform data cloud and Agentforce. It's an exciting experience to come here and see firsthand through the lens of, um, a shopper, a designer, a stylist, an online shopping experience and an in person shopping experience. Plus, you can see a demonstration live with our solutions engineers on site to see how we're using data cloud, Agent force as well as commerce cloud right here to make the shopping experience that much better. Come and see us today at the campground.

Speaker B   00:09:51

What is Promptbuilder? Well, behind every generative AI result is a prompt. A prompt is a set of questions or instructions. We provide a large language model so it can create relevant content. Prompts help your teams work faster by embedding generative AI functionality.