

ONE SIZE FITS NONE

'TIS THE  
*Season*  
**(To Be Scalable)**

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# Foreword

## Cate Trotter, Insider Trends



**“It’s clear from this report that the proliferation of new digital channels has caused a fragmentation among shoppers – often along generational lines – that demands a more flexible approach from retailers.”**

It is never too early for retailers to start planning for the holiday season.

For many it’s their biggest sales period of the year. No retailer wants to be leaving money on the table to be snapped up by their competitors.

But in the current global climate being prepared has taken on new meaning.

Things can, and do, change rapidly and retailers who aren’t in a position to deal with that will find themselves fighting for customers’ pocket change.

They’re not going to be a customer’s first choice because they’re not where customers want them to be.

As this report shows, customers are not willing to compromise on experience. They want to be entertained and inspired when buying online in the same way that they are in physical stores.

In their quest for this, they’re looking to the new digital channels that they already use to socialise and access entertainment. With the consumers leading the way in these new behaviours, retailers need to meet customers where they are.

In my experience of working with many leading retailers, this can be a daunting prospect for some.

However, retail is an omnichannel business. It’s clear from this report that the proliferation of new digital channels has caused a fragmentation among shoppers – often along generational lines – that demands a more flexible approach from retailers.

I talk a lot about modern commerce in my work. This is a new view of retail that recognises that to be futureproof retailers have to constantly reinvent themselves.

In order to do this, they need to change their mindset. They also need to build flexibility into every part of their business from operational processes to technology platforms.

It’s clear from the valuable insights in this report that retailers who can do this have a lot to gain.

This is not only in the short-term. The Gen Z consumers who are used to engaging through an ever-evolving roster of apps and digital services are going to keep growing in purchasing power.

Generation Alpha and subsequent generations will be even more digitally savvy.

By not embracing non-traditional shopping channels, retailers aren’t just impacting their sales this holiday season. They’re also taking money out of the till for the future.

The following pages will make this clear, but I hope you’ll also see that there’s plenty that retailers can do to seize the new opportunities that come with change.

# Executive Summary

**Nick Shaw,**  
**Chief Revenue Officer**  
**Brightpearl**



## Brands Must Learn To Be Hyper-Scalable - Or Pay The Price

In the pre-internet age, retailers gradually realised shopping can be a form of entertainment, and a social activity - one that's not only fun for consumers but also boosts sales.

As such, traditional stores made more effort to make shopping 'an experience' - a form of leisure. We're now seeing the same shift happen with online shopping. It's all thanks to a host of brand new ways to buy online - from new social media channels, to voice and live streaming - that combine shopping with socialising and entertainment.

Our latest report delivers a number of insights into how shopper behaviour will change this festive season and beyond. What's clear from the data is that we're ushering in a new normal for commerce which is going to be framed by an explosion of spending in non-traditional ways and fragmentation in the types of channels different audience groups utilize.

We really are at the beginning of a new trend. Things are changing in the world of online shopping - and quickly.

Consumers will have more choice than ever and will buy and spend online in a variety of ways - especially as we approach Christmas and Black Friday. Unfortunately, many retailers will miss out because they aren't set up to quickly add the new selling channels that their customers now prefer.

The low adoption of new digital channels and reliance on dated and inflexible backend technology suggests many merchants haven't realised we have entered a new era of hyper-scalable commerce that requires new ways of thinking. The upcoming desire for consumers to be able to 'buy wherever they are' will unearth operational complexities; but with the right retail operating system it needn't be intimidating.

In fact, for those who are willing to grasp the opportunities that the emergence of new digital channels brings, whether that's this holiday season or in the New Year, there's perhaps never been a more exciting time to be in business.

Whether you fail or thrive will ultimately depend on whether you have a system in place that's built for scale, agility, and optionality. It's only with this type of system that you can easily and rapidly add the new services your customers demand and prepare your business to be an ever-evolving commerce leader.

It truly 'tis the season to be scalable.

**“We really are at the beginning of a new trend. Things are changing in the world of online shopping - and quickly”**

# Executive Summary

## Krish Iyer

Head of Industry  
Relations and Strategic  
Partnerships  
ShipStation



As e-commerce has progressed, it has transitioned more towards catering to the consumer. Historically, omnichannel sales have been made by driving customers either to a marketplace or, hopefully, to your website. This approach is rapidly changing. Instead of building out more lavish websites, businesses are moving more towards a new trend in omnichannel sales. Younger shoppers are increasingly receptive to buying items via the social media they scroll through. If the 1980s saw the apex of shopping malls being a gathering place where people met up and shopped, social media platforms are moving in to this new space.

Adapting to these new trends is essential for businesses to not only remain competitive but to stay relevant too. With newly emerging ecommerce heavyweights such as the social media platform TikTok or ads in Instagram stories, more established platforms like the Facebook marketplace are rapidly becoming obsolete. Even though it is only half of consumers embracing these new trends, the younger generations are disproportionately welcoming them.

77% of 18–24-year-olds increasingly buy from these new avenues. Furthermore, 65% of all consumers want it to be easier to shop through these new platforms such as TikTok or Pinterest. Even though older adults are slower to adapt to new behaviors, social media itself has taken off in popularity in the past decade. So, it's safe to say that in the next few years, there will be a greater push away from traditional selling channels in favor of social media platforms.

A merchant's level of success in these areas comes down to adaptability. Luckily, scaling onto new platforms can be fairly simple—especially for established businesses. E-commerce as a whole is evolving at a drastic pace. The growing demand to cater to both traditional and emerging selling platforms can cause you to lose sales.

The holiday shopping season continues to evolve and 2021 is no different. With supply chain disruptions impacting the traditional shopping period, customers are buying earlier and where they can. Finding customers where they already shop is a lot easier than bringing them to you. But, if you can capture their attention, and provide a good buying and shipping experience, you are more likely to bring them into your ecosystem. Agility has never been more crucial for an e-commerce merchant than it is now.

### About ShipStation

ShipStation is a web-based software designed to help e-commerce retailers process, fulfill, and ship orders from popular marketplaces and shopping carts. With automated workflows that cater to your workflow and discounted carrier rates, we simplify shipping by making it quicker and more affordable. [Start your free 30 day trial today!](#)

**ShipStation®**

## INTRODUCTION

# Next Gen Shopping is Fractured, Omnipresent, Fun

### Non-traditional channels are becoming more popular

Shoppers are radically changing the way in which they discover and purchase items.

49% of shoppers have increasingly used 'alternative' methods for their online shopping over the past year.

### "50% of consumers prefer new ways of buying as they combine 'entertainment and shopping'"

Non-traditional channels includes social media platforms (Instagram, Facebook, Twitter, TikTok, SnapChat); video streaming platforms such as Twitch and YouTube; video games such as Fortnite; messaging platforms such as WhatsApp; Livestream shopping via a retailer's shop; and Voice assistants (for example Amazon's Alexa, Apple's Siri and Google Assistant).

In fact, 59% of shoppers now prefer to shop online via these platforms - turning against traditional methods that aren't as fun, sociable or easy to use.

50% of Americans prefer new ways of buying as they combine entertainment and shopping - much like traditional malls do.

This trend is even bigger for younger age groups with more than three thirds (77 per cent), of 18- to 24-year-olds turning to non-traditional ways of spending over the last year - with the shift is expected to accelerate as we head into the festive period.

In this survey, we reveal all the statistics you need to know ahead of this holiday season and how they are likely to shape 2022.

### "59% of shoppers now prefer to shop online via 'non-traditional methods' rather than use 'boring' websites"

## Key stats

# 49%

of shoppers have increasingly used 'non-traditional' methods to make purchases online in the last year

# 59%

of shoppers prefer to shop online via 'non-traditional' methods than traditional websites

# 54%

of shoppers anticipate spending through non-traditional digital channels for Black Friday/Cyber Monday and Christmas 2021.

# 50%

of shoppers prefer new ways of buying as they combine shopping and entertainment pending

# 77%

of 18-24s are increasing shopping through alternative methods - such as Alexa, Pinterest and Livestream

# 52%

Would decide against making a purchase with a retailer in favour of another that has made it easier to shop through non-traditional channels

# 65%

wish retailers would make it easier to shop via non-traditional channels

# 75%

of 18 to 24 year olds would shop elsewhere to benefit from non-traditional channels

# 78%

of 18 to 24 year olds want retailers to make non-traditional channels easier to shop through

# Methodology

In order to find out more about how behaviours are changing and how this will impact Black Friday, Cyber Monday and Christmas 2021, we polled 2,000 shoppers during one week in July. We also surveyed 200 US retailers.

The interviews were conducted online by OnePoll using an online survey.

It asked shoppers about where they would spend their money, how much they would spend and through which channels, in order to find out more about their intentions and their opinions of traditional versus non-traditional shopping channels. We then quizzed retailers to get their views on these channels and whether they were planning to adopt them in time for the holiday shopping season.

## CHAPTER 1

# 'Tis the Season for Change

### Merrily online: Non-Traditional Channels Set to be a Winner this Holiday Season

This holiday season is shaping up to be more diverse in terms of channels and platforms than ever before.

70 percent of Gen Zs will do their Black Friday and Christmas shopping using 'alternative' methods such as Pinterest, Livestream, TikTok and Alexa - shunning 'boring' websites.

Instagram (47%) takes the lead as the shopping platform of choice for holiday shopping, but Facebook (40%), Amazon Alexa (35%), Pinterest (32%), and TikTok (29%) will also be popular — as will livestream shopping.

And the trend isn't limited to younger adults: 45% of those in their 30s intend to use similar ways of spending during their Christmas and Black Friday sprees too.

Overall, 54% of shoppers anticipate spending through 'non-traditional' digital channels for Black Friday/Cyber Monday and Christmas 2021.

One of the major shifts is the expectation that purchases will be made within the platform itself, without having to visit a different channel in order to

complete a purchase. Previously these non-traditional channels would have been important for discovery, but now 52% of all shoppers say that they would actively decide against making a purchase with one retailer in favour of another if that retailer has made it easier to shop through non-traditional channels.

A further 65% wish retailers would make it easier to shop using new methods.

### Warning to retailers with younger customers

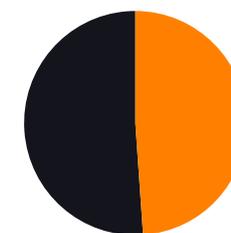
There is another trend that is seen throughout the survey – the most fragmented groups and the groups least tolerant about having to switch channels can be found in the younger age brackets. The number of 18 to 24-year-olds who would shop elsewhere to benefit from non-traditional channels rises to a staggering 75%, while 78% of 18 to 24-year-olds say that they wish retailers would make it easier for them.

All of this means that audiences will be harder to pinpoint and the problem will be dramatically more pronounced if the demographic a retailer serves is more skewed towards younger groups. It means retailers will need to think harder than ever about how to win or retain this business. Merchants will need to be aware that 18-24s may have very different touch points for discovery and purchase than older groups

and these will need to be considered and refined. Brands may even need to consider specific channels and apps for different audiences.

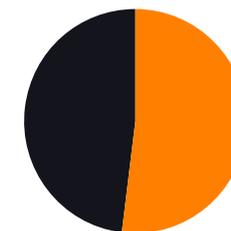
### Out with the old, in with the new

More shoppers than ever say they have already used non-traditional channels more and retailers apps and websites less



# 49%

Have increasingly used non-traditional channels to make purchases online in the last 12 months



# 52%

Have used retailer websites less and less to make purchases online in the last 12 months

## CHAPTER 1

# 'Tis the Season for Change

### The sheer volume of channels is growing

For younger shoppers (those 18-24), Instagram (47%) takes the lead as the main shopping platform they'll rely on most this winter.

But Facebook (40%), Amazon Alexa (35%), Pinterest (32%), and TikTok (29%) will also be popular — as will livestream shopping via retailer websites (25%).

Across all age groups Facebook and Whatsapp emerge as the leading choices for alternative ways to shop during the festive season.

This doesn't mean that the retailers' own websites are no longer important. In fact, 36% of overall respondents said that retailers websites continued to play a role and influence them when shopping online — with the strongest advocates coming from 35 to 64 age groups, although support was strong across the board.

It means that the new channels are not removing the need for other alternatives, it's that the customer wants more choice overall when buying goods, whether that's via social media, live stream or voice commerce.

It also shows that momentum will gather surprisingly rapidly and could leave some retailers behind who will be caught unawares about the size of the shift and the volume of new channels their customers are using for discovery and purchase.

### Key Takeaway:

**There's a very real danger of retailers losing out on sales this holiday season if they don't - or can't - enable shoppers to spend in these new ways.**

## The Top 10 Alternative Ways Consumers Want to Shop This Winter

1. Facebook
2. WhatsApp
3. Instagram
4. YouTube
5. Twitter
6. Voice assistants (Amazon Alexa/ Amazon Echo/Apple Siri/Google Assistant)
7. Livestream shopping
8. Pinterest
9. TikTok
10. Video games such as Fortnite

## CHAPTER 2

# Are You Not Entertained?

The transition to a more fragmented retail landscape is already underway. Of the shoppers that we surveyed, 49% said that they have increasingly been using non-traditional channels to make online purchases over the last twelve months. This includes 66% of 18 to 24-year-olds, 59% of 25 to 34-year-olds, where the trend is the most significant and well-established, and 49% of 35 to 44-year-olds.

Meanwhile, 47% also say that they have used retailers' own websites less frequently over the last twelve months, rising to 74% of 18 to 24-year-olds and more than half (54%) of 25 to 34-year-olds.

### But why now?

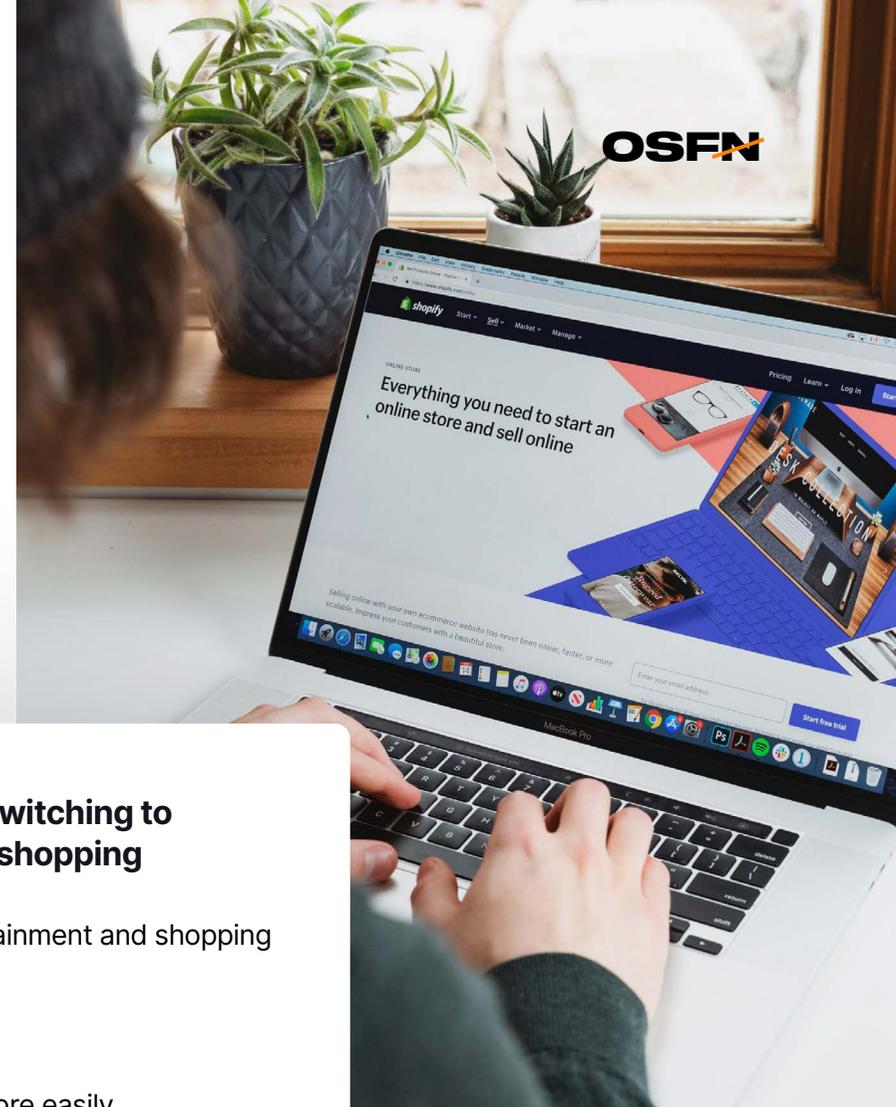
Half prefer new social buying channels and livestream as they combine entertainment and shopping in the same way traditional malls do.

**“Similarly, 46% of Americans think they are better because they can interact and socialise with their friends more easily while they enjoy a spending spree.”**

The other top reasons for consumers switching to new ways to buy include the fact it's more convenient (47%) and fun (35%) and easier to find more interesting and unique items (40%)

### The top 5 reasons people are switching to these non-alternative ways of shopping

1. It successfully combines entertainment and shopping - much like traditional malls do
2. It's more convenient
3. I can interact with my friends more easily
4. I tend to find more interesting/unique items this way
5. It's more a fun shopping experience



## CHAPTER 2

# Are You Not Entertained?

### Building the mall for the digital era

While convenience is an important reason that shoppers give for wanting to spend more of their holiday budget on non-traditional channels, entertainment is the MOST powerful driving force.

The other top reasons for preferring new methods of buying include that it's easier to interact with friends and a more fun shopping experience.

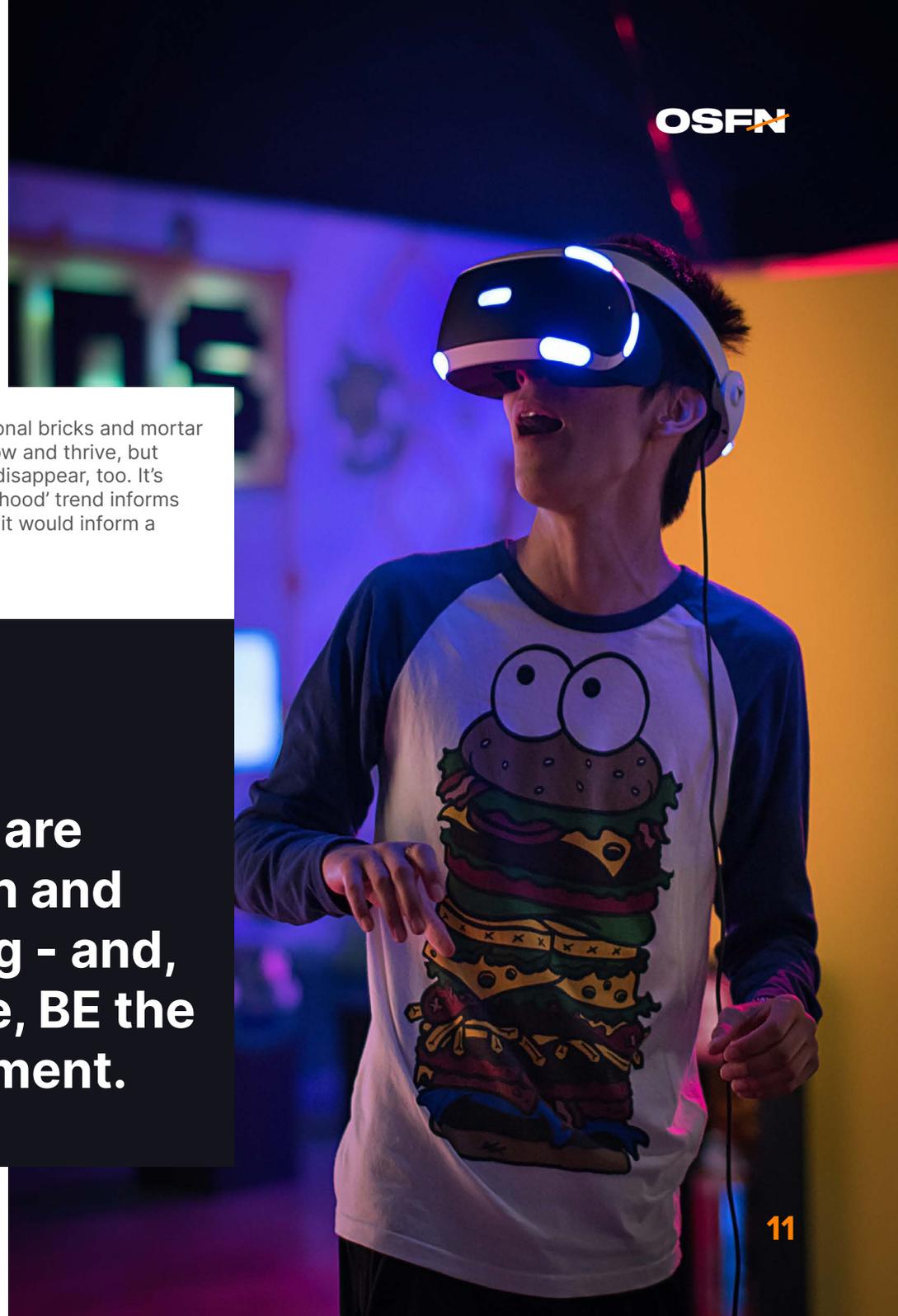
The answers from this survey show the extent to which a smooth transaction and quick delivery is no longer seen as a perk for customers – it is just the baseline expectation. Now, consumers everywhere are additionally seeking a rewarding and enjoyable online shopping experience - one to rival, if not replace, the real thing (and includes social interaction).

More than half of 18 to 24-year-olds with More than half of 18 to 24-year-olds said that it was easier to interact with friends by shopping in non-traditional ways - a result that was significantly higher for this age group than any of the others. Accelerated by the pandemic, the concept of 'place,' especially in this age group, has become an intermeshed blend of the digital and physical world. Work meetings taking place from our own homes, young teens meeting up on 'Fortnite' after school, and music lovers watch virtual streamed concerts - all as part of digital neighborhoods, where individuals come together to socialise online.

However, just as in the traditional bricks and mortar world, neighborhoods can grow and thrive, but equally they can decline and disappear, too. It's vital that this 'digital neighborhood' trend informs e-commerce strategy, just as it would inform a physical retail approach.

#### Key Takeaway:

**Be where shoppers are having fun and socialising - and, if possible, BE the entertainment.**



## CHAPTER 3

# Retail Readiness

### More urgency required

We polled 200 US merchants to understand the level of retail readiness for new festive season shopping habits.

We found that a quarter (25%) of retailers still do not have options for shoppers to buy via social channels, including some of the largest brands in the country. Of those that do, Facebook (61%) is by far the most popular social media sales channel.

Even retailers that have adopted social selling channels like Facebook typically have low adoption for new discovery and selling channels, including

#### Key Takeaway:

**Retailers that continue to ignore the trends already in play for this holiday period will be missing out on consumer spend.**

very few businesses facilitating non-traditional ways of shopping like TikTok (12%), Instagram (39%), Pinterest (12%) and livestream (15%)

This could be detrimental to their profit margins because more than half of consumers (59%) have decided against purchasing goods and services from a retailer who didn't offer new ways to buy.

Two thirds of shoppers (65%) polled in our survey stated that they wished that retailers would make it easier to shop specifically via non-traditional channels – and no more so than in the youngest age group, which represents a huge outlier in this matter, as 78% of 18-24s want retailers to make shopping via non-traditional channels easier.

52% of shoppers also say that they would actively decide against making a purchase with one retailer in

**“A quarter of retailers still do not have options for shoppers to buy via social channels”**

favor of another if that retailer has made it easier to shop through non-traditional channels. Furthermore, the 18 to 24-year-olds (75%) are around six times more likely than shoppers over 65 to do this.

Businesses with younger customers should especially take note - as it this age group that has shown most enthusiasm for shopping in new ways during this festive period.

Despite shoppers being more fickle than ever, many retailers remain ill-prepared for these rapidly growing and continually evolving expectations.

## CHAPTER 4

# Retailers Are Leaving Money on the Table This Holiday Season

### Holiday season spending

The average amount that the shoppers in our survey anticipated spending in the UK for Black Friday and Cyber Monday was \$248. Christmas, on the other hand, was revealed to command a larger budget, with an average of £311 being set aside for festive gift spending (i.e. **excluding** spending on Holiday food, decorations and travel etc).

### Money left on the table?

By taking the average spend that shoppers intend to spend via non-traditional channels (54%), and the amounts that they are anticipating spending on Black Friday, Cyber Monday and at Christmas, it is estimated that retailers could potentially be missing

**“US retailers are set to miss out on \$300 dollars worth of sales, per customer, this festive season as shoppers turn to new ways to buy”**

out on **\$133 per customer** during Black Friday and Cyber Monday by not utilising new channels.

This rises to an estimated \$167 dollars per customer lost during the Christmas period.

This means, at an aggregate level, retailers are missing out on **\$300 worth of business** for each consumer that has already indicated they will do their festive shopping with retailers who do offer non-traditional channels.

However, this missed opportunity is not evenly represented within the different age groups, which means that if your demographic is weighted more towards younger age groups, the amount of potentially lost sales is disproportionately much, much higher. For example, 70% of shoppers aged 18-24 intend to spend via non-traditional channels, which means merchants could potentially be missing out on \$391 per customer within this age group during the holiday season.

# Holiday Season to Usher in Hyper-Scalable Commerce

### Setting up for success in hyper-scalable commerce world

Modern customers want the ability to buy goods in multiple ways - including new 'alternative' methods such as livestream, TikTok, Pinterest, Twitch and voice commerce. The speed of new service adoption is being driven by consumer behavior - especially this holiday season. It appears we're at a tipping point - and it's leading to a new era of hyper-scalable commerce that's defined by the ability to quickly curate new services and deploy better shopping experiences.

But not all non-traditional channels will be successful in the longer-term. That means retailers need to think about how they can set themselves up to add new channels rapidly, but also to be able to turn channels on and off as necessary in order to move with changing shopper trends. This requires investment in processes and operating systems built for scale that can support optionality and agility.

The trends for this holiday season are important - but they are just a snapshot of a larger movement.

With more commerce channels coming online, retailers must have a greater understanding of their customers and where they will shop - and be present

in those areas. They may need to use a whole host of different commerce options for various age cohorts - and be able to swap these out as needed. As we've seen, age groups in our study had different preferences for the commerce channels they used - even within 'non-traditional' options.

The growing popularity of social media and streaming platforms as both a method for discovery and purchase is also a strong indication that 'shoppertainment' is not just a fad. Shoppers, particularly those in younger age groups, see no distinction between the digital and physical world. Consumers no longer 'show up' to online stores only to browse and buy goods, but also to socialise and be entertained - and they favor retailers who make shopping convenient and fun.

This means moving from using social media and other platforms purely as discovery channels to using them as buying channels. Plus, retailers must remove any friction during the buying journey - ideally giving consumers the option to buy directly via an app or platform.

Hyper-scalable commerce presents exciting opportunities to connect and sell to customers across a true omnichannel environment - but it also presents a number of hurdles. Unfortunately, most

**“Modern merchants are increasingly switching to systems that support hyper-scalable commerce.”**

Cate Trotter, Insider Trends

brands are not set up to take advantage of new shopping behaviors - either lacking the urgency or the ability to quickly integrate new, better e-commerce technology. It means they will likely miss out on significant consumer spending this winter.

Which leaves one question remaining: are you set up to deliver this festive season?

## Conclusion

# Holiday Season to Usher in Hyper-Scalable Commerce

### What now?

With research showing consumers plan to do their holiday shopping on TikTok, Pinterest and Alexa, are YOU all set to cash in on this latest shift in shopping habits?

Don't worry if the answer is 'no'. We're hosting a free webinar to help businesses stay ahead of the curve - and you're invited. Packed with brand new insight and real world advice from high growth commerce brands you'll be set to maximise your potential this peak season.

Reserve your spot now at [brightpearl.com/masterplan](https://brightpearl.com/masterplan)

### Make Brightpearl a pillar of your digital strategy

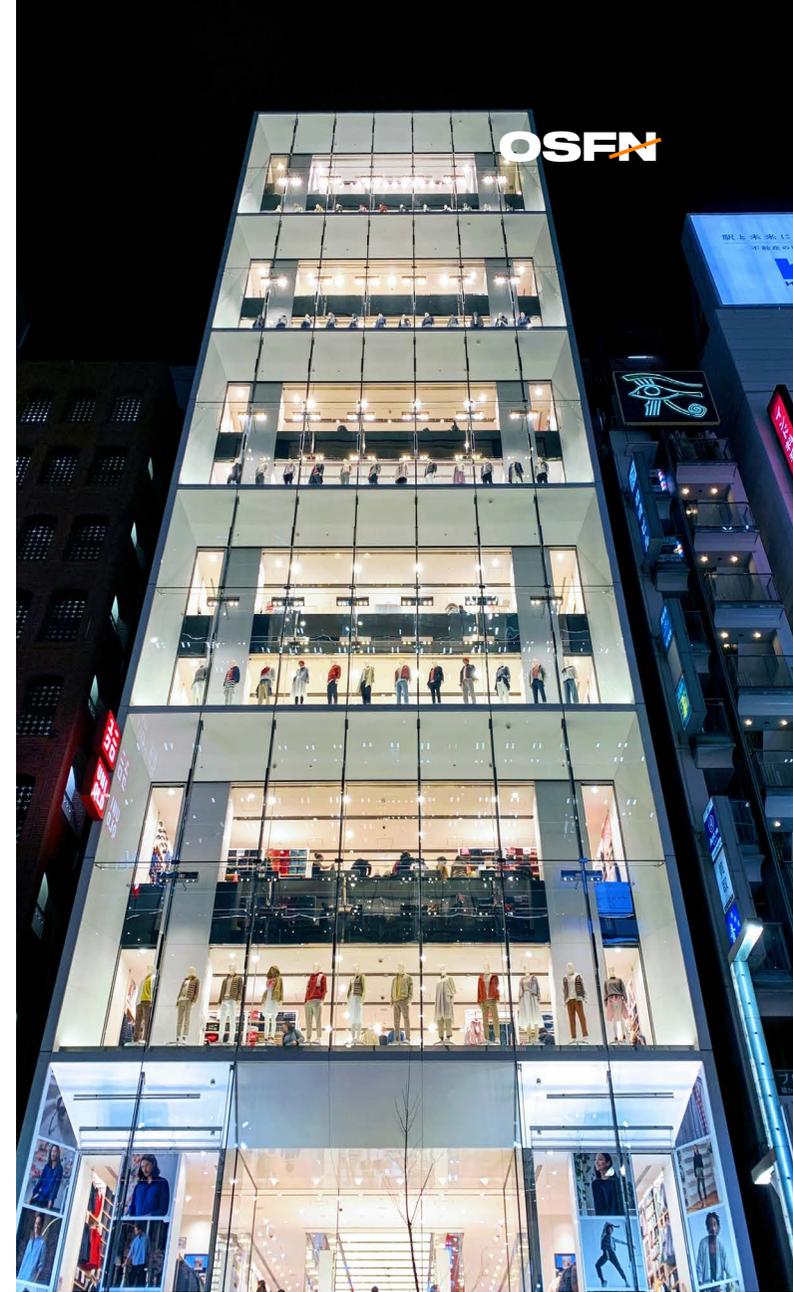
Brightpearl was born in the hyper-scalable era. We're an extensible operating system built for scale, agility and optionality - with a wide range of Plug & Play integrations, making us perfect for companies operating in the hyper-scalable commerce environment

Find out more about Brightpearl and how our retail operating system can streamline and future proof your business for the era of hyper-scalable commerce, enabling you to realise your digital ambitions for 2022.

Speak to our expert team today

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