Be ready for
5 shifts in shopping behavior this holiday season

Think with Google

While there's no question that the holidays will look a little different this year, it will continue to be a **season of peak demand and a critical time to connect with shoppers**. More than ever, shoppers are turning online to browse, explore, research, and buy — creating an opportunity for retailers to be discovered, grow their e-commerce offering, and help shoppers find the information and products they need.

In this guide, discover 5 shifts in shopping behavior for retailers to take action on right now.
Consumers are already holiday shopping online.
Are you ready?

Bill Ready,
President, Commerce

Be ready for

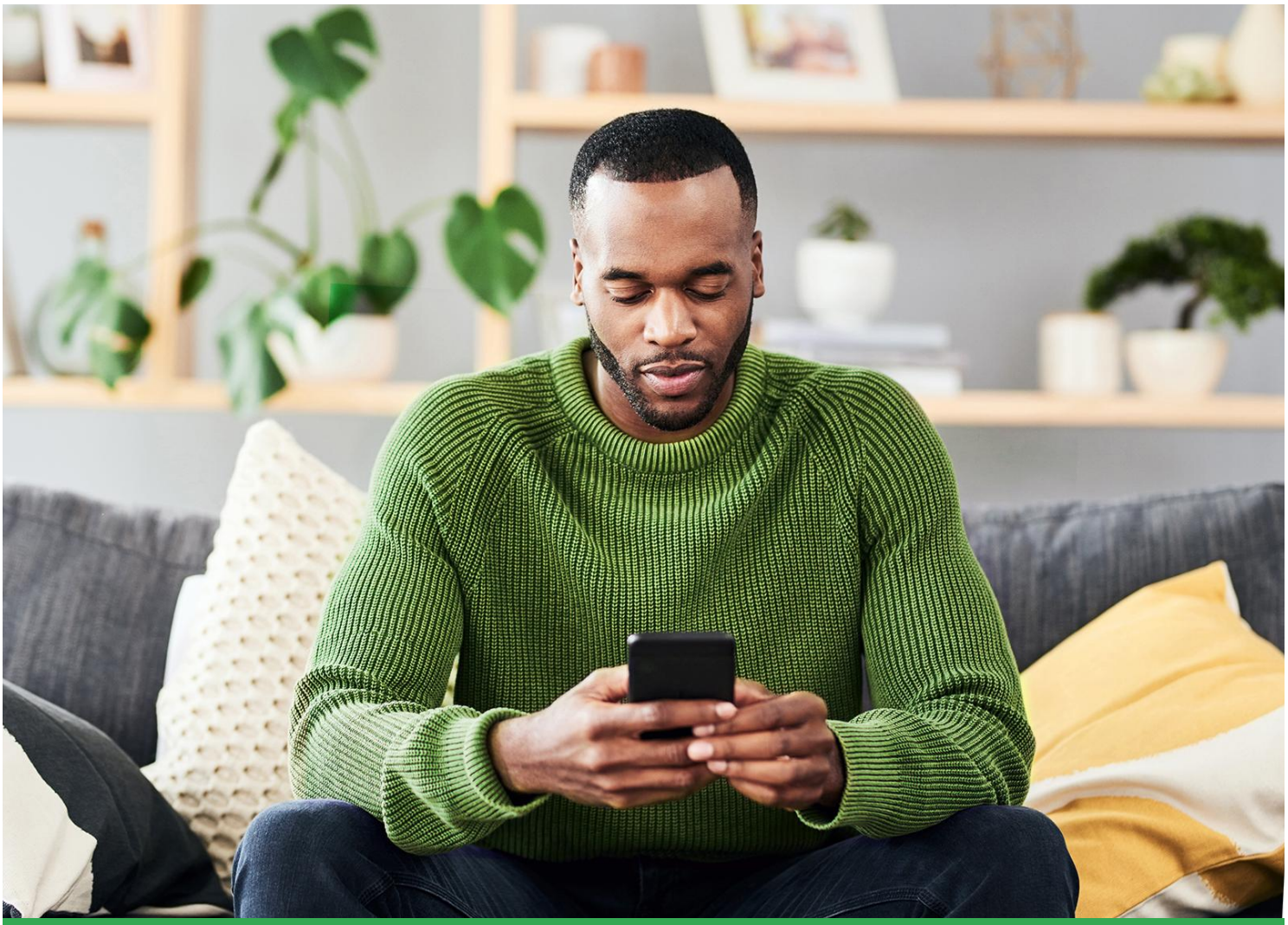
- a month-long Cyber Monday
- digital newcomers driving growth
- a skew toward online SKUs
- the purpose-driven shopper
- something new & something known

1

Be ready for a month-long Cyber Monday

Social distancing measures have altered **how, when, and where** people shop. This holiday season is no exception. Shoppers are planning to start their holiday shopping earlier, which will extend the usual Cyber Monday and Cyber Week timelines.

Be ready for a month-long Cyber Monday



62% of US shoppers will start holiday shopping earlier to **avoid items being out of stock***

* Google commissioned Ipsos COVID-19 tracker, US, CA, UK, FR, DE, IT, AU, JP, RU, IN, CN, BR, MX, ES, ZA, KR ~n=400-800 online consumers 18+ per market who will shop for the holiday season. Aug 27-30

With many people staying at home, people are turning **online more than ever** to browse, explore, research, and buy. And while deal-seeking behavior is not new, COVID-19 has led to an increase in shoppers looking for value in terms of **quality and price**.

46% of online US shoppers expect retailers to **offer discounts***

Searches for “best affordable” have **grown globally by over 60%** year-over-year†

* Google commissioned Ipsos COVID-19 tracker, US, CA, UK, FR, DE, IT, AU, JP, RU, IN, CN, BR, MX, ES, ZA, KR n=1000 online consumers 18+ per market. Aug 13-16
† Google Data, Global English, Mar 25, 2020 - May 23, 2020 vs Mar 25, 2019 - May 23, 2019

How to be ready:

Think beyond peak days and prepare for an extended period of holiday shopping and deal-seeking. Capture early and late holiday traffic by setting adequate budgets and competitive targets for Smart Shopping campaigns or Smart Bidding.

Get your on-sale items discovered by deal-seekers across Google. Shoppers are more price-conscious this year. Maximize the exposure of your ongoing sales and holiday deals with sales prices and promotions.

Case Study

DAGNE DOVER

In preparation for the holiday rush, online handbag company Dagne Dover needed an efficient way to maximize its advertising spend. With their agency partner, Mason Interactive, the brand launched Google Smart Shopping campaigns that delivered **4X ROAS over two months.**

2

Be ready for digital newcomers driving growth

As many states have paused or reversed their reopening plans, US shoppers are reverting to the safety of online shopping. This year, **69% of US shoppers** plan to shop online for the holidays more than in previous years,* with more people going online to browse and buy for the very first time.

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Be ready for digital newcomers driving growth

More than 50% of surveyed US shoppers tried a new shopping service for the first time this year*

More than one in ten surveyed US shoppers tried a new shopping app for the first time this year†

The increase in online shopping can mean an influx of first-time digital customers for your business. Target CEO Brian Cornell said the retailer attracted **10 million new digital customers** in the first half of the year.‡

* Google/Ipsos, Shopping Tracker, Jan- May 2020, Online survey, Americans 18+ who conducted shopping activities in past two days: n=1000 per month.
†Google/Ipsos, Shopping Tracker, Jan - July 2020, Online survey, Americans 18+ who conducted shopping activities in past two days: n=7006
‡https://www.cnbc.com/2020/08/19/target-tgt-q2-2020-earnings.html

How to be ready:

Create a frictionless digital storefront for customers going online to research, browse, or buy from your website or app. Get tailored tips to improve your online shopping experience with Grow My Store and improve your mobile site speed with Test My Site. Implement app deep linking to deliver seamless experiences across your website and app.

Connect with shoppers across Google. It's now free to list your products on Google to reach the hundreds of millions of people who come to Google every day for their shopping needs.

Case Study

Vitamix®

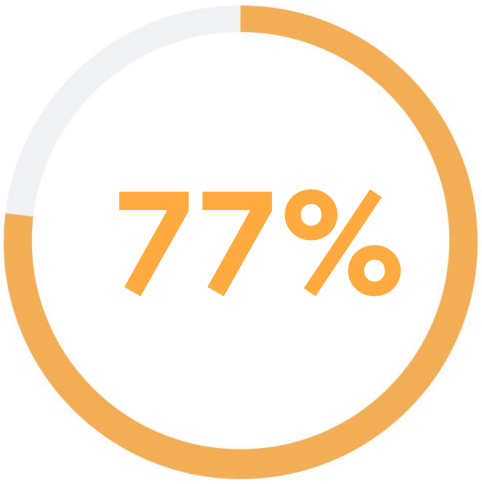
As physical stores shut their doors and large internet retailers stopped moving non-essential products during the COVID-19 pandemic, Vitamix's traditional avenues of sale began to vanish. They needed a major digital overhaul to focus on their direct-to-consumer business with hopes of increasing online revenue. Vitamix employed a combination of Smart Shopping, Search, and YouTube campaigns to drive their direct sales and **boosted revenue by 500%**.

3

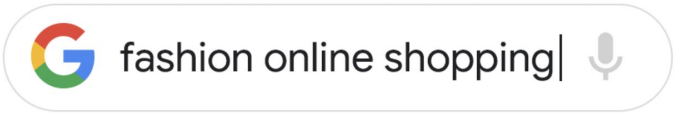
Be ready for a skew toward online SKUs

Throughout the pandemic, we've seen an increase in searches for inspiration, ideas, comparisons, and online shopping. During the holidays, **this will mean more purchase decisions will be made online**, regardless of whether the items will be delivered to your home, collected in-store, or picked up at the curb.

Be ready for a skew toward online SKUs



77% of US holiday shoppers said they would **browse for gift ideas online, not in-store***

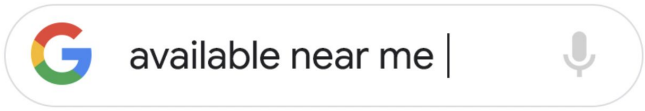


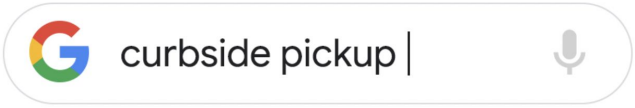
600%

Searches for “fashion online shopping” **are up 600% year-over-year**†

*Google commissioned Ipsos COVID-19 tracker, US n=745 18 +online consumers who plan to shop for the holidays. June 25-28
†Google Data, Global English, Mar 25, 2020 - May 23, 2020 vs Mar 25, 2019 - May 23, 2019.

Search trends reveal a big shift in how customers expect to interact with brick-and-mortar stores. With more decisions being made online, stores are increasingly being reduced to transaction points. Often, by the time customers enter your store, **they've already decided what they're buying.**





100%

Searches for "available near me" have **grown over 100% globally** year-over-year*

3,000%

Searches for "curbside pickup" have **grown over 3,000% globally** year-over-year†

*Google Data, Global English, Feb 26 - Apr 25, 2020 vs Feb 25 - Apr 25, 2019
†Google Data, Global English, Mar 18 - May 16, 2020 vs Mar 18 - May 16, 2019

How to be ready:

Monitor consumer trends and understand demand in real-time. Shopping Insights helps you understand what shoppers are looking for across products, brands, and categories. The best sellers report helps you identify the most popular brands and products used in Shopping ads, while retail category reporting lets you know what your customers are searching for across your campaigns.

Bring the best of your store online. Update your Business Profile on Google with information about store hours, shopping options like curbside pickup, and safety attributes. You can also show in-store products on your Business Profile with with Pointy from Google or the Product Editor. Promote items that are available for in-store pickup using local inventory ads and reconnect nearby customers to your stores with Local campaigns.

Case Study

petco

When shelter-in-place restrictions prevented many pet-parents from getting the products they needed, Petco saw demand for curbside pick-up services spike. Based on this new consumer trend, they accelerated the launch of their curbside pickup service and leaned into their digital channels to promote it. They increased their investment in Search, Shopping, and local inventory ads and saw a **100% lift in their e-commerce business**, along with a **10x increase in new e-commerce customers**.

4

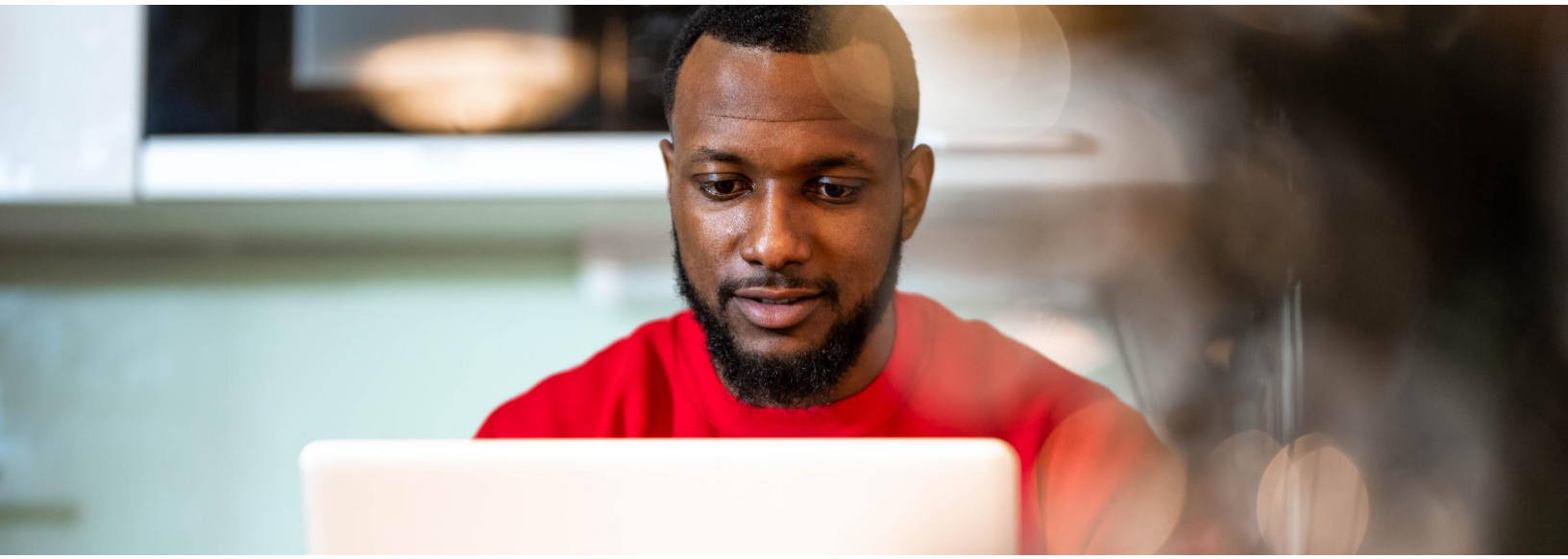
Be ready for the purpose-driven shopper

Our consumer research has also shown that shoppers are increasingly using their purchasing power as a way to **support businesses with shared values**. With more choices than ever before, consumers can align their purchase decisions with companies that have ethical practices and shared beliefs.

Be ready for the purpose-driven shopper

46% of surveyed US shoppers agreed that "**I make a deliberate effort to shop at businesses that align with my values**"*

66% of US consumers who plan to shop this holiday season said they **will shop more at local small businesses**†



*Google commissioned Ipsos COVID-19 tracker, US, CA, UK, FR, DE, IT, AU, JP, RU, IN, CN, BR, MX, ES, ZA, KR n=1000 online consumers 18+ per market. June 25-28

†Google-commissioned Ipsos COVID-19 tracker, U.S., ~n=745 18+ online consumers who plan to shop for the holidays, June 25, 2020–June 28, 2020.

How to be ready:

Let customers know what your business has to offer through Google My Business attributes. You can add attributes such as “Black owned,” “women-led,” or “LGBTQ-friendly” to help you stand out to customers who find your business on Google.

Google searches for “support local businesses” **grew by over 20,000% since last year***

Stand out to customers searching for you with our local opportunity finder. By analyzing your free Business Profile on Google, the tool offers ways to improve your business’s online presence across Search and Maps to ensure customers are able to find you.

*Google Data, Global English, Jul 1, 2020 - Aug 29, 2020 vs Jul 1, 2019 - Aug 29, 2019

Case Study

BRANCH BASICS

Branch Basics is a company that sells non-toxic cleaning products and laundry detergents. After experiencing the detriments of chemical exposure, the founders wanted to educate people about clean, natural living and the dangers of toxic chemicals. Google Ads accounts for about **20% of the company's total site traffic**, and they've grown quickly during the pandemic — selling only on their website and breaking sale records almost daily.

5

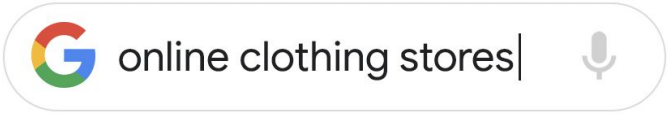
Be ready for something new & something known

During COVID-19, we've seen that nearly **a third of US shoppers have purchased from a brand that was new to them.*** Going into the holidays, shoppers will continue to be open to the new retailers and brands that they are increasingly finding online.

*Google commissioned Ipsos COVID-19 tracker, US n=1000 online consumers 18+ per market. June 25-28

Be ready for something new & something known

70% of US shoppers said they were **open to buying from new retailers***



100%

Searches for "**online clothing stores**" have increased 100% globally year-over-year†

*Google/Ipsos, U.S., Omnichannel Holiday Study, online survey, n=6,122, online Americans 18+ who shopped for the holidays in the past two days, Nov. 2019–Jan. 2020.
†Google Data, Global English, Mar 18 - May 16, 2020 vs Mar 18 - May 16, 2019.

While many shoppers are open to buying from new brands and retailers, some will prefer what's already familiar to them. Whether you're selling to new or repeat customers, **actionable brand formats can help you reach potential customers.**

over 70%

Over 70% of viewers say YouTube makes them more aware of new brands*

*Google/Talkshoppe, U.S., whyVideo study, n=2,000, A13–64 genpop video users, Feb. 2020

How to be ready:

Help people discover your brand and products through immersive formats. Showcase Shopping ads let you group a selection of related products and present them to introduce your brand or business. Immersive creative on video can help build awareness and differentiate your brand with shoppers across Google.

Discovery ads can help you drive action with up to 3 billion users monthly on YouTube, Discover, and Gmail. Feeds in app campaigns surface images of your most popular items as ads on apps and sites in our network.

Case Study

ARIAT®

When their stores closed due to COVID-19, apparel and sportswear brand Ariat looked to engage with new customers and increase online sales. They launched YouTube TrueView in-stream ads and increased investment in Shopping ads. The strategy resulted in a **700% lift in sales** year-over-year and a **300% boost in online conversions** year-over-year.

Visit our **Holiday Toolkit** on [Google for Retail] to plan ahead with certainty with the best of Google's insights and tools.