



## RETAIL & CONSUMER ACT NOW



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## Who Is Going to Win This Holiday Season?

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Despite the “Retail House-is-Falling” headlines, consumer spending is projected to increase 3.5 percent this year and the retailers who have focused on their customers are thriving. With holiday festivities around the corner, the season will usher in more than tinsel and lights — it will bring more customers to stores. So, which retailers will be the holiday winners?

### 1. The Social Natives

Social media-savvy retailers, especially those who drive traffic and engagement on Facebook and Instagram, will be winners this season. Gen Z, Millennial and Gen X shoppers are increasingly influenced by social media and online advertising when making purchasing decisions. 47 percent of millennials, 39 percent of Gen Z-ers, and 31 percent of Gen X-ers use Facebook for holiday gift inspiration. 31 percent of online shoppers say they are using social media to browse for new items to buy. Facebook is the most popular website consumers use to shop, representing 85 percent of social media shopping. Not only does social media and online advertising give retailers a unique opportunity to engage directly with consumers, they also yield near real-time data that retailers can use to inform timely marketing responses and shifts in strategy. Smart retailers use social media to engage with customers, drive traffic and leverage the data to inform and react.

Don't stop to smell the hot chocolate — those who can find ways to move quickly, respond to customer feedback and modify campaigns in near real-time will be most competitive. For example, 71 percent of retailers currently take more than three weeks to go from concept to deployment of a holiday email campaign.<sup>1</sup> That's a snail's pace in dog-years!

### 2. Demand-driven buyers:

Demand-driven retailers will also win this holiday season. No retailer wants to miss out on THE hot product of the holidays. This often leads to overbuying and results in a vicious promotional cycle. However, thanks to technological advances, there are now even more ways to build and/or buy according to demand. Data needs to be captured, analyzed and then acted upon! Data can be captured through POS or sell-through data and through trade promotions/marketing campaigns from internal sources. Data can also be gathered via big data technologies and the “Internet of Things.” This makes it possible to capture and store real-time granular data that can be used, for example, to make real-time inventory reallocation decisions based on latest rate of sale across channels. More and more consumer data is also available through social media and even online surveys. Once the data has been collected, the key is to analyze it and then act.<sup>2</sup>

<sup>1</sup> Source: [The 2016 Retail Holiday Readiness Report](#)

<sup>2</sup> Source: [GenPact: Unlocking the Value of Demand Driven Supply Chain;](#)  
[SaS Blog: Can You Sense Demand with Social Media?](#)

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practice helps clients  
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its customers and  
transform operating  
models to deliver  
unprecedented  
financial performance.*

### 3. The Expectation Exceeders

Deliver the best in-store experience against your customer expectations, and you will be a winner. These expectations will differ depending on the retailer and the retailer's brand proposition and promise. If a customer is shopping at Walmart, a quick and easy check-out could exceed expectations. At a Nordstrom or specialty retailer, a stylist who builds a fitting room and serves a glass of wine could exceed expectations. The key is to over deliver against your customers' expectations. Retailers who emphasize service, especially during the busy holiday season, will stand out above the rest and keep shoppers on-site and in-store longer. Customer service can be critical to driving UPT (units per transaction) and conversion. For example, Walmart received feedback from unhappy customers regarding holiday checkout processes in the past. In response, for the 2016 season, Walmart sped up checkout lines by hiring in-store traffic directors called "Holiday Helpers." These associates directed shoppers to the next available cashier, opened an extra register if needed, helped with price checks and grabbed items a shopper may have forgotten.<sup>3</sup> No doubt these "Holiday Helpers" helped to drive conversion, resulting in higher sales than they would have had without them.

### 4. The In-store Optimizers

Winners will leverage their physical retail footprint to not only exceed customer service expectations, but to deliver the customer product when and how they want it. How can you use a physical space as part of an Omni-channel experience? If something

is out-of-stock in-store, how does that in-store team figure out how to get that item from another store and deliver it to that customer when and where they want it? Many customers want to order online and pick-up in store, saving time at the cash register while still getting the product immediately. Many customers want to buy online and use the store for returns. But don't forget, pick-up in store or return in store also offers an opportunity to sell these customers something else. Customers want to set up wish lists online or via mobile and have the in-store team pull their wish-list items — what an opportunity to deliver above expectations and to find something else they might need or be looking for! Nearly two-thirds of holiday shoppers said they would like to use retailer wish lists to facilitate gift purchases, whether it be a curated list of items or a special feature to save and share their own list of desired gifts.<sup>4</sup> How else can the physical footprint be used to deliver what your customer wants and how she/he wants it?

### 5. The Fast Reacters:

Those that know and REACT QUICKLY to their customer will win this holiday season. Period. Get an early read on how a product is selling and shift inventory from an underperforming store. A/B test different mobile, social and email marketing campaigns. Customize those campaigns specifically to your various customers. Jump quickly on the ones that are driving traffic, engagement and click-throughs. Those retailers that are looking at customer data daily — from marketing to product data — and who react will win.

<sup>3</sup> Source: [NRF 2017 Holiday Planning Playbook](#)

<sup>4</sup> Source: [NRF 2017 Holiday Planning Playbook](#)

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