

Merchants anticipate a strong holiday season—but faster and more flexible payments will be key

Article

The data: Twenty percent of US consumers plan to shop more during the 2021 holiday season than they did last year, [according to](#) Deloitte's annual holiday retail survey.

- Total holiday retail and ecommerce sales are **projected to hit \$1.092 trillion this year**, up from \$1.064 trillion in 2020, [per](#) eMarketer forecasts from Insider Intelligence.
- And 35% and 30% of consumers plan to stretch their holiday spending budget using credit cards and buy now, pay later (BNPL) offerings, respectively, per Deloitte.

Why it matters: Sixty-eight percent of global merchants said holiday shopping is critical for their annual revenues, [per](#) a Paysafe-commissioned survey of 900 businesses in the US, the UK, Canada, Germany, Brazil, Italy, Austria, and Bulgaria.

What this means: The importance of holiday revenues signals why merchants should implement faster checkout solutions. Faster checkout helps merchants avoid friction-induced cart abandonment—leading to higher conversion and higher sales volume.

Solutions like one-click checkout let customers avoid inputting payment information at checkout, which can be time-consuming and prone to error. More sophisticated offerings like [open banking](#) can achieve the same thing in markets where it is available by redirecting customers to their banking page at checkout, where they can easily authenticate and complete the transaction.

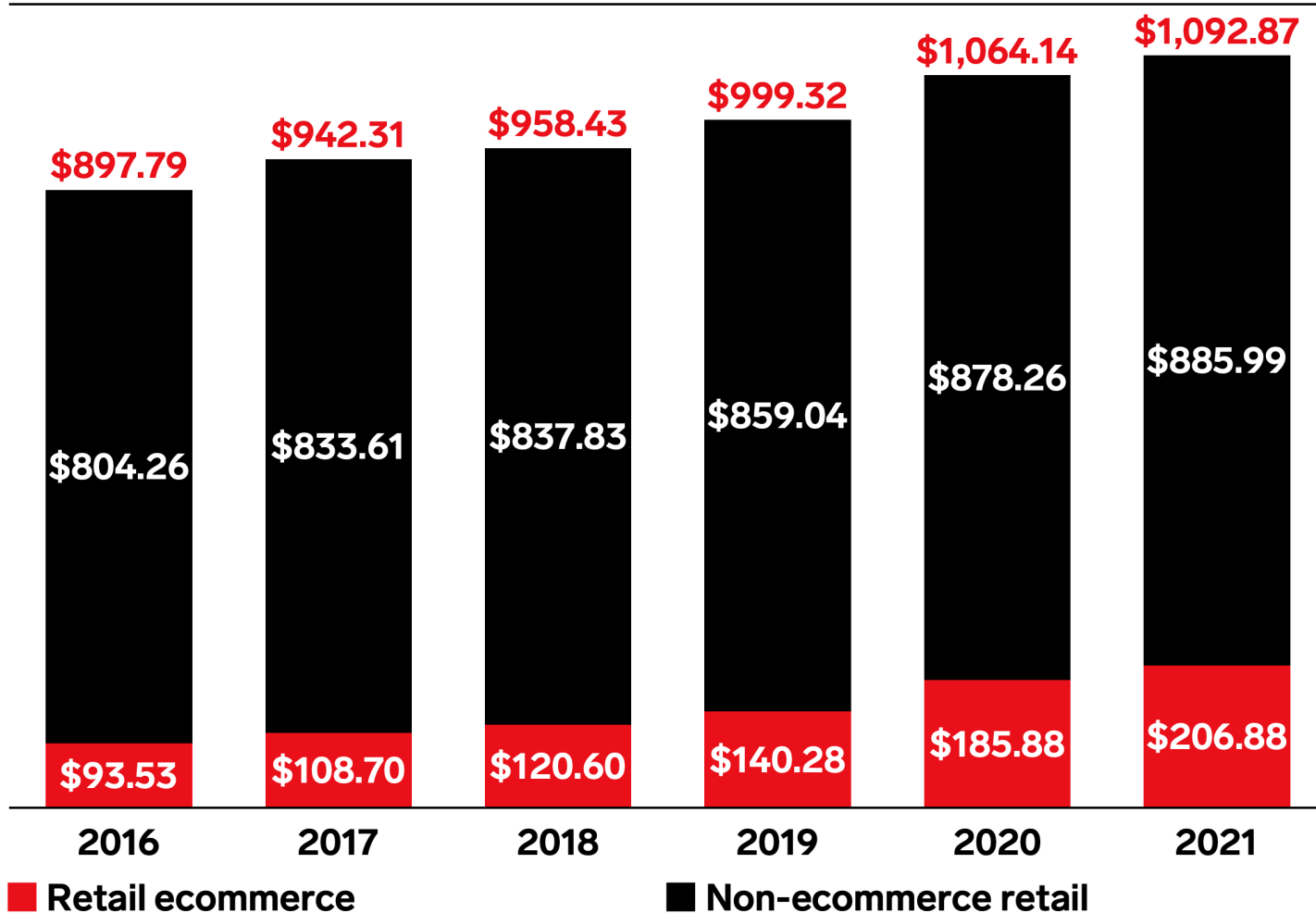
Merchants would also benefit from providers that offer alternative payment options like BNPL to capture sales.

- With the number of **US BNPL users expected to hit 45.1 million** this year, per [our](#) forecasts, offering merchants BNPL solutions gives customers more payment flexibility. This can extend [purchasing power](#) to customers who may be strapped for cash or may want to avoid using a credit card.
- A [bevy](#) of issuers already announced BNPL solutions earlier this year, including **Synchrony** and **US Bank**, to keep up with competing fintechs like **Afterpay** and **Klarna**, which could further extend use and entice merchants to enable acceptance quickly.

Related content: Check out our [“US Holiday Shopping 2021”](#) report for our take on what to expect this holiday season, including changes in consumer spending compared with last year.

US Retail & Ecommerce Holiday Season Sales

billions



Note: Sales are for Nov and Dec of each year; excludes travel and event tickets, payments (such as bill pay, taxes, or money transfers), food services and drinking place sales, gambling and other vice good sales; includes products or services ordered using the internet, regardless of the method of payment or fulfillment. eMarketer benchmarks its retail sales and retail ecommerce sales figures against US Department of Commerce data, for which the last full year measured was 2017.

Source: eMarketer, February 2021

Methodology: Estimates are based on the analysis of data from benchmark source US Department of Commerce, estimates from other research firms, historical trends, reported and estimated revenues from major online retailers, consumer online buying trends, and macro-level economic conditions.

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