

# Holiday 2023 marketing strategies should adapt to a value-oriented environment

Article

We forecast the 2023 holiday season to grow similarly to 2022. Although we expect unemployment rates to rise, that won't be enough to drag down consumer spending amid

economic uncertainty.

**Total retail sales growth will remain in mid-single digits.** Overall retail spending will rise 4.5% to \$1.328 trillion for the 2023 holiday season.

US Retail Holiday Season Sales, by Channel, 2022 & 2023					
billions, % change, and % of total					
	2022	2023	% change	% of total 2023 spending	% of 2023 growth contribution
Brick-and-mortar/ in-store retail	\$1,037.94	\$1,067.41	2.8%	80.4%	51.5%
Retail ecommerce	\$232.85	\$260.56	11.9%	19.6%	48.5%
—Desktop and other (includes voice)	\$120.85	\$131.32	8.7%	9.9%	18.3%
—Mobile	\$112.00	\$129.24	15.4%	9.7%	30.2%
Total	\$1,270.79	\$1,327.97	4.5%	100.0%	-
<small>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 goods sales; retail ecommerce holiday season sales include products or services ordered using the internet, regardless of the method of payment or fulfillment; retail non-ecommerce holiday season sales exclude products or services ordered using the internet; numbers may not add up to 100% due to rounding</small>					
<small>Source: eMarketer, Feb 2023</small>					

Retailers and brands will need to acquire 2023 holiday shoppers more cost-effectively and give them reasons to spend. By confidently investing in fast-emerging growth marketing opportunities now, they can gain a competitive edge by holiday time.

- **Drive mobile app adoption with branding campaigns promoting exclusive benefits.** Apps are the connective tissue for cross-channel shopping journeys that drive loyalty. Apple’s disruption of the mobile app install market should compel retailers to try different marketing tactics to drive adoption.
- **Experiment with TikTok marketing to ride the social commerce trend.** TikTok is the primary reason we expect social commerce to grow by 29.8% this year. Lifestyle and consumer brands should run paid and organic campaigns to figure out the algorithm, maximize reach, and drive conversions. Adopting a holiday wish list strategy could be another key to riding the #TikTokMadeMeBuyIt trend.
- **Invest in retail media-powered connected TV (CTV) campaigns.** Brands benefit from ad-supported CTV inventory powered by retail media networks like Amazon Ads and Walmart Connect. Knowing how to efficiently reach the right shoppers with these high-impact ads—and subsequently retarget them with digital ads—can produce outsize gains in holiday conversions.

- **Expand buy now, pay later (BNPL) to physical stores.** Cash-strapped consumers will look for ways to stretch their dollars during the holidays. These shoppers will be ready to use BNPL at brick-and-mortar locations, meaning retailers can capture incremental purchases by providing in-store payment alternatives. The introduction of Apple Pay Later is likely to accelerate this trend, given Apple Pay's widening adoption in physical retail.

**Report** by Andrew Lipsman Feb 28, 2023

## US Holiday 2022 Review and Holiday 2023 Preview

