



Australian
Retailers
Association


Are you
*Christmas
Ready?*



Look out for Pebble's
2019 key Christmas
insights!



Last year didn't reach the highs that retailers hoped for, with sales figures lower than anticipated, particularly post-Christmas.



2019 has been a mixed year as shoppers remain cautious and save rather than spend.



Strong mid-2018 retail performance offered promise, but as the year wore on consumer sentiment was dampened by **slowing house prices, stagnant wages and low interest rates.**



As retailers gear up for the 2019 Christmas period, it's worth looking at developing trends from recent years to know what to prepare for.



PAYMENT METHODS



There's no guarantee as to which payment method shoppers will use this year.

Alternative payment options increased

122%

year-on-year from 2017 to 2018 as many stores adopted buy-now pay-later services such as Afterpay and ZipPay.



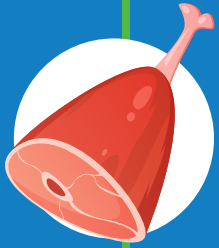
Cards were still the most popular payment methods (46%), and the research company Statista predicted steady growth of E-wallets as shoppers used them for 22% of their payments in 2017, increasing to 26% in 2018.

Retailers who adopt these services will possess a significant advantage during the Christmas trading period 2019.



“With the buy-now pay-later sector growing in popularity and diversity, this can be expected to continue into 2019.”

Retail sales figures revealed a couple of sectors that were big winners from the 2018 Christmas trading period.



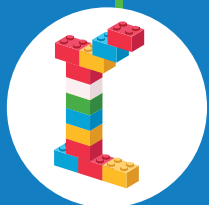
Food retailing performed exceptionally well during the season, posting **3.98%** year-on-year growth in December to cap off a strong year.



Other retailing proved a standout for the month of December, driven by the growth of **Pharmacy and Cosmetics purchases (5.03% growth year-on-year)**.



Fragrances, bath and body products and cosmetics gifts again proved popular in the lead up to Christmas 2018, with consumers turning to online platforms for their purchases.



Some **familiar toys kept their status as fan favourites**. LOL Surprise! Dolls topped the toy charts for the second year in a row, while LEGO remained a staple purchase, and Duplo Steam Train Sets proved an ideal gift for curious kids aged 2-5.



“2018 saw a range of toys that were designed to stimulate imagination and creativity, a change from the tech-driven pattern seen in previous years, a trend that’s expected to continue in 2019.”

RETAIL CATEGORIES



This year we will again see Black Friday and Cyber Monday kicking off the pre-Christmas sales. In 2018, Black Friday and Cyber Monday purchases eclipsed the first week of December (**the typical peak for online sales**) which has brought Christmas spending forward and dragged out the sales period. This year, these sales days are the latest they've been for some time, falling almost a whole week later than they did in 2018. Black Friday falls on **November 29** this year. This is expected to increase December takings.



While Boxing Day reigns supreme as the most favourable sales day over the holiday shopping season, newer sales days including Black Friday and Cyber Monday are boosting consumer purchases. Shoppers are no longer waiting until Boxing Day for a bargain, with Australia Post reporting that Black Friday and Cyber Monday enjoyed a **28% year-on-year** increase from 2017 to 2018. The Black Friday and Cyber Monday weekend was a lynchpin for beauty and cosmetics sales, **while jumped 54% year-on-year.**



“Retailers with online presence should factor Black Friday into their Christmas sales strategy”



Online Upswing

Shoppers have been increasing their basket size online to prepare for the rush that occurs in the lead up to the festive season, but the trend isn't limited just to the build-up to Christmas. Neto recorded a 30% increase in 2018 online retailing sales compared with 2017, while foot traffic during Boxing Day sales declined 20% as millennials preferred to do their shopping from home.

Online shoppers still prefer a laptop or PC for web purchases, but retailers should make sure their sites are mobile-friendly as **mobile purchases increased 28.8% year-on-year.**

Online shopping is particularly popular among categories, such as Beauty and Cosmetics, Fashion and, Consumer Electronics. Fashion is the most popular product category purchased **online (27%) and boasted the highest year-on-year growth with 57%.** Fashion and Consumer Electronics underpin the sales of variety stores which account for 35.6% of all online purchases.





How quickly do you deliver?

As online shopping grows, so do customer expectations of delivery solutions. Shoppers dealing with the Christmas rush are using the least stress avenue to having presents bought, wrapped, and under the tree before Christmas Day arrives.

Christmas shopping deliveries are growing by

10% each year

The week before Christmas was Australia's peak week for express shipping, with Australia Post figures recording 32% were express deliveries, compared to 19% across the rest of the year.

Speed isn't the only consideration though, shoppers are still driven by cost considerations and choice according to Commonwealth Bank's Retail Insights. Many shoppers want to choose a place and time of delivery ; choosing a preferred timeslot is important to 63% of consumers, while only 24% of retailers offer this option.



“Retailers are encouraged to offer flexible delivery options for successful first-time delivery, as they prepare for record volumes of online orders this month and next.”

Is NOVEMBER the new DECEMBER?

It's unlikely to be, though recent years reveal Australians are getting their Christmas shopping done sooner rather than later. They aren't waiting until Boxing Day for a bargain, as Black Friday and Cyber Monday become more and more popular, so retailers need to be ready early – especially for those selling beauty and cosmetics products.

Customers also want speed and convenience in their shopping experience. Retailers need to be equipped for increasingly popular 'frictionless' payment methods such as buy-now pay-later or E-wallets. The same goes for fast deliveries – don't be caught out without an express option, especially in the week before Christmas.

**Take note and be prepared,
and it will be a very Merry Christmas indeed!**





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Follow the Australian Retailers Association
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Christmas Trends and Predictions

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if you have a story for us!