

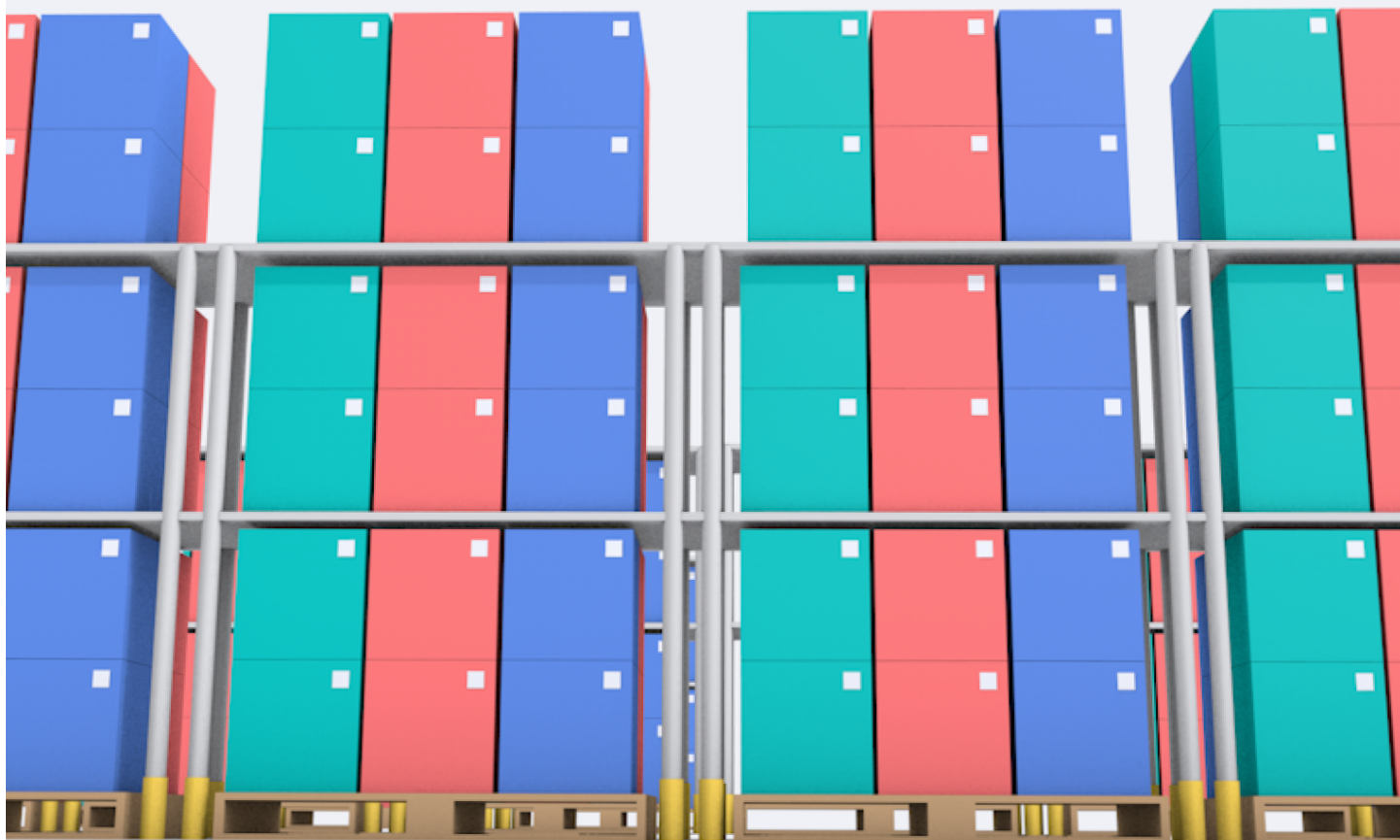


**WARE2GO**  
A UPS Company

# 2023

## Peak Season Prep

How brands are preparing for the new normal of holiday shopping



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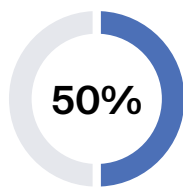
# An Optimistic Outlook

In spite of an uncertain economic outlook, brands are optimistic about 2023 holiday sales. **In fact, 73% of merchants expect this year's holiday sales to be higher than previous years.** This aligns with consumers' shopping plans. **67% will spend as much or more than last holiday season.**

- Of those respondents with student loans, 37% plan to spend less than previous seasons.

## However, several years of market disruption have led them to shift strategies.

A full 93% of merchants have adjusted their Peak planning for 2023. Some of their new strategies include:

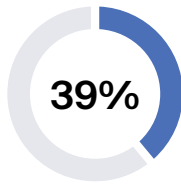


Introducing new deal days, coupons, or promotions to encourage more sales

- 64% of consumers say deals are more important this year than last
- 29% will purchase at least half of their gifts during deal days and BFCM
- The continued success of deal days like Amazon Prime Day show that consumers are willing to spend if they feel they are getting a deal.



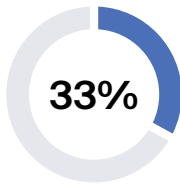
Changing the traditional 3PL model to make 1-2-day delivery easy and affordable for all merchants. Ware2Go offers a nationwide network of certified warehouses and technology to streamline fulfillment across sales channels for a fully scalable and truly on-demand solution. [Learn more at Ware2Go.com](https://www.ware2go.com)



Offering an economy shipping option

- Free shipping can sweeten the deal, even if it's a slower economy option. In fact, 63% of shoppers will forgo 1- to 2-day shipping in favor of free shipping.

\* 2023 Consumer Deliver Preferences Report, July 2023



Changing the kind of inventory they're promoting

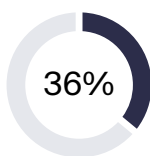
- As merchants see consumer demand shift, they're adjusting their product portfolios to be more in line with shopping habits.

## But overwhelmingly, merchants are relying on two major strategy shifts:

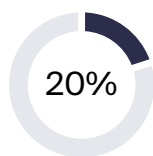
### More frequent demand forecasting



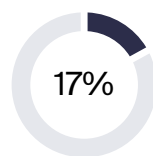
of merchants plan to revisit their Peak demand forecast more often than previous years.



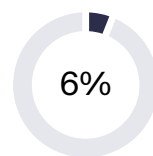
Monthly



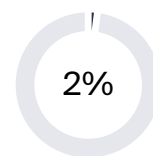
Bi-weekly



Weekly



Multiple times per week



Daily

Revisiting their forecast regularly will allow merchants to adjust their marketing and promotional strategies to stay on-target for sales volume and revenue goals.

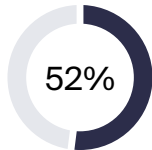


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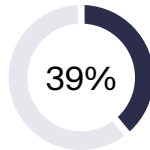
## Longer, more aggressive promotional calendars



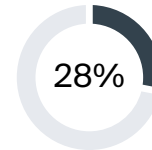
of merchants are planning a more aggressive promotional calendar than previous years



will have longer sales



are offering deeper discounts



are starting promotions earlier in the year

As merchants assess their progress against their forecast, they can adjust their promotions to meet sales volume targets without diminishing margins.

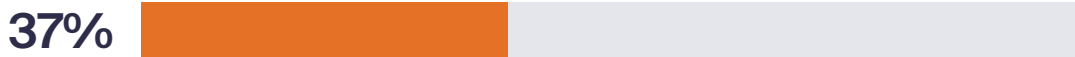


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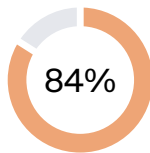
### Consumers will likely hold out for deals, so merchants should plan for a long Peak.



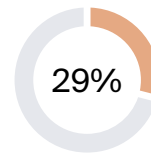
of consumers plan to buy most of their gifts in November



will buy most gifts in December



will buy at least some gifts online at the last minute



will buy at least half of their gifts online at the last minute

Last minute shoppers will be looking for fast, reliable shipping to make sure their gifts arrive in time for the holidays.

### Tips for merchants:



display promised delivery date early often



advertise fast shipping promises at the top of the funnel



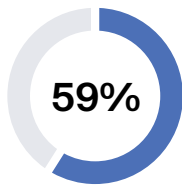
prioritize real-time delivery tracking and status updates



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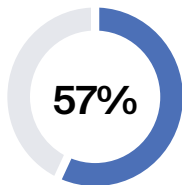
# Customer Engagement & Retention

New customer acquisition is essential to continued growth, but this holiday season, merchants will employ a healthy mix of strategies to attract new customers and nurture existing ones. Merchants report that they hope a more aggressive promotional calendar will



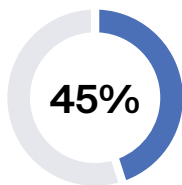
Re-engage existing, active customers:

- With personalized promotions and loyalty rewards



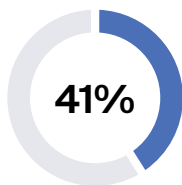
Attract new customers:

- With first-time purchase discounts, fast and free shipping, or a free gift with purchase



Re-engage existing customers that haven't made a purchase in 3+ months

- Win back dormant customers with new product features and personalized promotions



Incentivize earlier purchases

- Kickstart holiday shopping with early limited time offers

A secondary goal of Peak promotions is to offload current (33%) and aged (34%) inventory.




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### Consumers can expect a wide range of promotions throughout the holiday including:


 **57%**  
New customer discounts


 **47%**  
Black Friday/Cyber Monday (BFCM) deals

 **41%**  
Loyalty program perks

 **32%**  
Free gift with purchase

 **32%**  
Free shipping

 **31%**  
Influencer marketing with discount codes

 **31%**  
Buy One, Get One (BOGO) deals



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## Deals and incentives consumers are looking for:



65% (66%)

Provide free shipping



51% (49%)

Offer deal days, coupons or promotions on online products



40% (34%; YoY: +18%)

Provide 1-2 day shipping on all purchases



34% (35%)

Reward customers with extra loyalty points



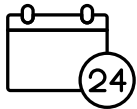
33% (28%; YoY: +18%)

Offer special in-store only discounts



29% (27%)

Ensure that in-store incentives are available online



21% (18%)

Provide same-day shipping options

Merchants looking to preserve margins should consider incentives beyond product discounts.

Most consumers (69%) find a 10% discount with free shipping to be more appealing than a 20% discount without free shipping (Q9)

# The Value of Experience

**Beyond traditional promotions and discounting, merchants recognize the need to provide excellent delivery experiences to engage and retain customers.**

In response to growing consumer expectations for more delivery options, **95% of merchants have added at least one delivery option this year.**



Offering diverse delivery options requires that your fulfillment technology is integrated into your point of sales experiences plus strategic inventory distribution across major metros that enable the preferred delivery option.



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# Optimism Supported by Strategy

Brands expect consumers to shop this holiday season, but they know that in an uncertain economic climate, they must have a strategy in place to respond quickly to consumer demand.

By regularly revisiting their demand forecast, merchants will have a pulse on their progress towards sales volume and revenue goals to inform promotional strategies.

By meeting consumer expectations for diverse fulfillment and delivery options, brands can attract and retain loyal customers in a competitive market.



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## **About the Survey:**

The 2023 Peak Season Prep report is based on an August 2023 survey conducted by Dynata on behalf of Ware2Go, a UPS Company, of 1,000 SMB decision makers, with revenue from \$1M - \$100M. This report also includes findings from a survey conducted by Dynata of 1,000 U.S. consumers aged 18+

conducted in September 2023.

## **About Ware2Go:**

Ware2Go, a UPS company, simplifies the supply chain to empower commerce businesses to optimize and scale. The company's integrated technology platform connects any sales channels to a nationwide warehouse network with diverse fulfillment capabilities.

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