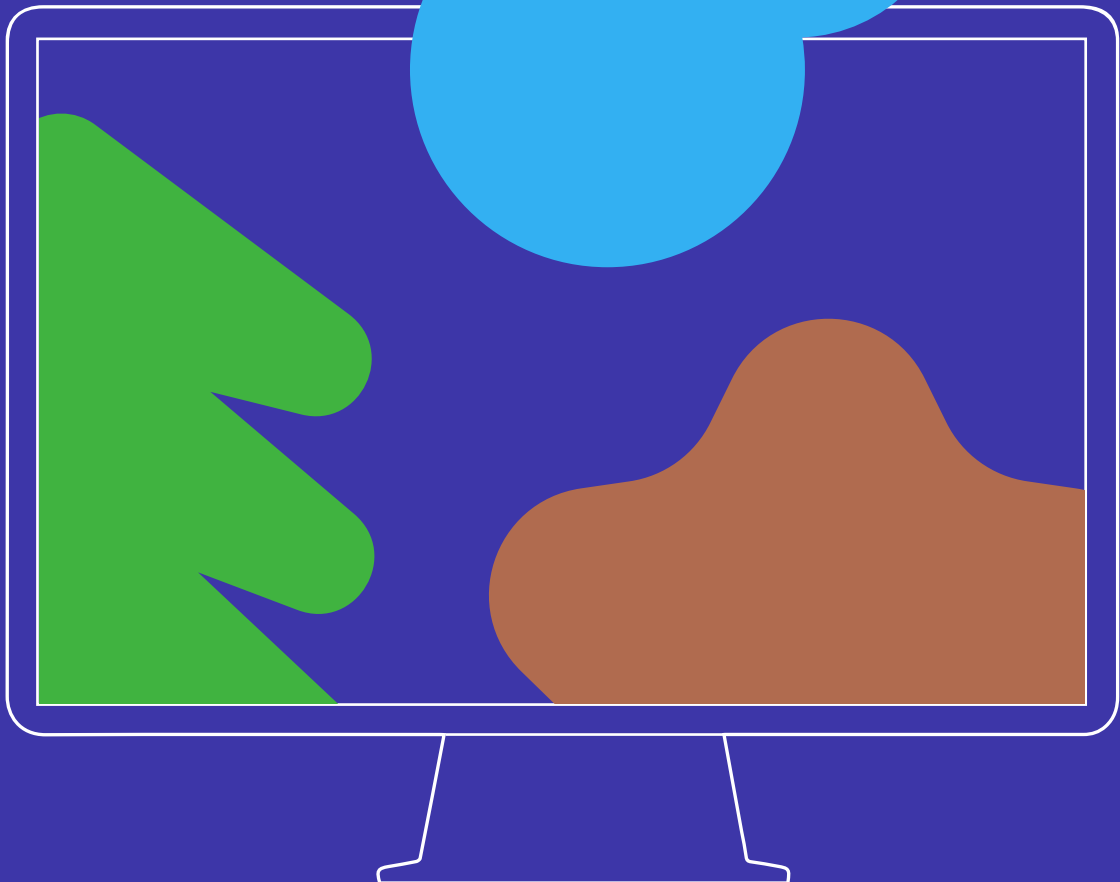


E—COMMERCE TREND REPORT 2021: HOLIDAY SEASON



E-COMMERCE TREND REPORT 2021: HOLIDAY SEASON

A deep dive into the shifting tides
of holiday e-commerce in Europe

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Foreword

As fall approaches and the summer heat subsides, e-commerce retailers gear up for their busiest time of year: the holiday season. From conceptualizing and producing new product lines to tightening processes and setting timelines to streamline operations, the tasks that come with the holiday season are both many and multifaceted.

For European e-commerce businesses, preparation is an ever-evolving practice, as the holiday shopping landscape has shifted to online more and more with every passing year. Here at Packhelp, we serve thousands of e-commerce businesses throughout Europe during the bustling holiday season, providing them with bespoke custom packaging.

As a leading marketplace for custom packaging in Europe, Packhelp takes pride in partnering with our e-commerce customers. We help them celebrate their unique brands during the holidays as they reach customers for the first time and overcome the operational challenges associated with preparing their products for shipment.

This year, we wanted to support the community of European e-tailers by sharing data and insights that reveal how e-commerce business owners are planning to take on an influx of orders this year. To do so, we decided to go straight to the source and ask our customers.

In August, we surveyed over 400 e-commerce businesses in Europe to learn how they're getting set for the holiday season of 2021. The group of selected survey participants reflects diversity of industries, company sizes, locations and perspectives. You can view a detailed breakdown of survey demographics on page 26.

We hope that the insights revealed in this report can advise e-commerce businesses in their journey toward a smooth and prosperous year's end.

01.

Our survey generated a wealth of insights about the state of e-commerce as the holiday season draws near. We curated the findings that we believe you'll find most valuable and actionable, as they can advise how you might craft your holiday preparation strategy. To delve into the data, read on to see additional analysis, detailed charts and notable trends.

- E-commerce businesses in Europe aim to drive more revenue this holiday season by **adding new products to their offer (27%), growing social commerce (17.2%), increasing their budget for advertising (15.8%) and re-designing or updating online experience for their customers (14.9%)**.
- To convert leads to customers, European e-commerce businesses will primarily lean upon **free shipping (24.3%), discounts (22.6%) and special add-ons to products (19.3%)**. While businesses across Europe all plan to offer the first two incentives, companies in France and the UK are passing on special add-ons to products in favor of special deals like 2-for-1 sales, which are more popular there.
- **An incredible 62% of e-commerce businesses are getting an early start this year by preparing for the holiday season in August and September.** Only about 27% of companies hold off on preparations until the October/November timeframe.
- **Half of e-commerce businesses have already begun to prepare for their busiest season, but they don't feel ready for the rush of orders they expect this year.** 22% admit to being totally unprepared and only about 4% confidently claim that they are set for the season. While many business owners say they have quite a bit of work ahead of them, the level of preparation that's been completed thus far differs significantly from country to country. **39% of all respondents that are not prepared at all are based in France.**
- E-commerce businesses in the **United Kingdom, Germany and France expect the holiday rush to peak early and reach record sales in November** while Spain and the rest of Europe are counting on last-minute purchases in December to skyrocket their holiday sales totals.

- This holiday season, e-commerce companies will look to the following sales channels: their own **online shops (37%), social commerce (28%) and online marketplaces (17%)**. Online marketplaces are a prevalent choice in the UK, while social commerce is the top sales channel in Spain. Only about 10% of European e-commerce businesses plan to sell their products in brick and mortar stores. Just under 7% intend to use wholesalers.

- **Instagram is king this holiday season, as 40% of e-commerce businesses throughout Europe seek to leverage the buzz of this social media platform for this upcoming holiday season.** Social media giant Facebook, the parent company of Instagram, comes in second place as 31% of all businesses will advertise and convert customers there. **Newcomer TikTok's rising success with Gen Z ranks the social platform as the third most popular tool in the United Kingdom,** while Pinterest is the third-place choice in Germany and **Youtube is in Spain.**

- **45% of e-commerce businesses will offer the same packaging for their products as they do throughout the year but will add holiday-themed details** like tissue paper and thank-you cards. Just under 36% will design and produce dedicated holiday packaging, while only about 18% will stick with their standard, generic packaging.

- **91% of e-commerce brands agree that they should offer sustainable packaging.** This is the biggest trend we forecasted for the upcoming holiday season.

- **87% of e-commerce businesses agree that they should prioritise the mobile shopping experience.**

- **86% of e-commerce brands agree they should offer more local products and speak openly about their origin.**

- **81% of e-commerce brands agree that those not investing in social commerce will be left behind.**

- **64% of e-commerce businesses agree that the holiday season will start earlier than usual.**

KEY FINDINGS

02.

E-COMMERCE TRENDS:

HOLIDAY SEASON 2021



Strategies and incentives to drive more revenue during the Holidays Season

For e-commerce businesses, the holiday season officially kicks off with Black Friday in late November, leading into Small Business Saturday and Cyber Monday, arguably the most significant online shopping event of the year.

While businesses among countries in Europe may be approaching it differently, their strategies to reach their holiday revenue goals largely orbit around tactics that support the same idea: driving awareness and fostering engagement to reach new audiences and turn existing customers into advocates.

27% of European e-commerce businesses are betting on the debut of new products to appeal to holiday shoppers and stand out among their competitors. New products excite current customers and provide the opportunity for brands to appeal to new audiences right at the time when shopping is at the top of just about everyone's to-do list.

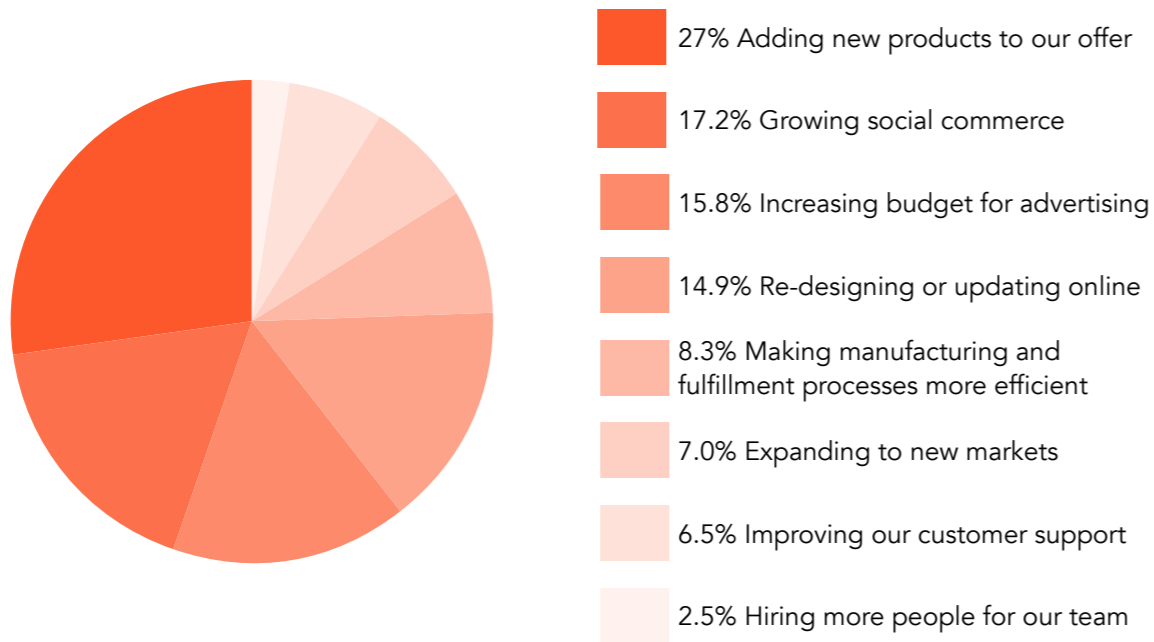
In the age of social media, relationships between brands and their customers are closer than ever, as companies tap into the concept of customers as influencers who interact with and share their content. This explains why almost half (47.9%) of respondents are looking to strategies that bolster their brands by enhancing their digital presence (Redesigning or updating online shopping experience 14.9%), expand their use of social media to gain and retain customers (Growing social commerce 17.2%) or increase their advertising budget (15.8%). These strategies aim to meet new customers where they live and shop: online.



Revenue-boosting business strategies for the holiday season

Q: What actions are you undertaking to drive more revenue this Holidays?

Base: All respondents (408)
Source: Packhelp's Holidays
Season 2021 Survey



Most respondents based in countries throughout Europe cited new products as their number one strategy revenue driver. At the same time, German businesses hope to see success by prioritising the growth of their social commerce.

Aside from French businesses that plan to increase their ad spend and German businesses that listed new products as their second priority, the rest of the survey showed respondents will be investing in brand initiatives that result in a better, more engaging online shopping experience.

Except for Germany, social commerce growth goals ranked third in priority for all other respondents. This is likely due to their previous investments in priming their social media channels for lead generation, new customer acquisition and customer retention before the start of the holiday season.



Top revenue-boosting strategies by region

Q: What actions are you undertaking to drive more revenue this Holidays?

Base: All respondents (408)
Source: Packhelp's Holidays
Season 2021 Survey

France	Germany	Spain	United Kingdom	Rest of Europe
#1 Adding new products to our range	#1 Growing social commerce	#1 Adding new products to our range	#1 Adding new products to our range	#1 Adding new products to our range
#2 Increasing budget for advertising	#2 Adding new products to our range	#2 Re-designing or updating online shopping experience	#2 Re-designing or updating online shopping experience	#2 Re-designing or updating online shopping experience
#3 Growing social commerce	#3 Increasing budget for advertising	#3 Growing social commerce	#3 Growing social commerce	#3 Growing social commerce

Budget-friendly perks for holiday shoppers steal the show when it comes to incentives. E-commerce businesses are betting that the lure of free shipping (24.3%), discounts (22.6%), special deals (19.3%) and special add-ons (20.1%) will convert at a higher rate than other types of incentives. Loyalty points and rewards trailed by almost half (12.1%).

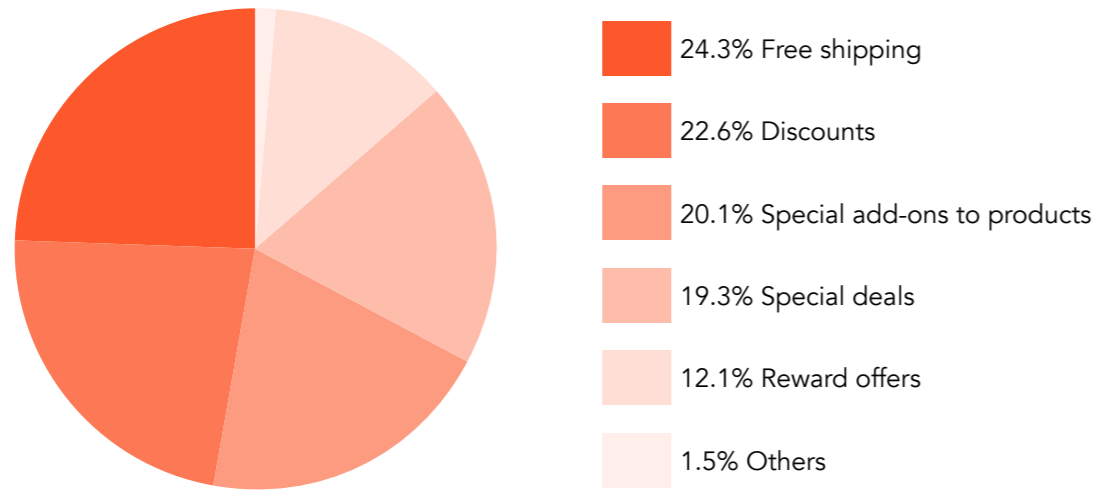




Top holiday season purchase incentives for e-commerce

Q: Which incentives are you using or planning to use to convert more leads to customers this holiday season?

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



Other incentives reported by respondents included the promise of faster shipping at a time when delivery delays are almost a guarantee and free gifts that invite customers to treat themselves or gift to someone on their holiday shopping list.

Another incentive idea harnessed the novelty of the holidays with businesses creating an exclusive "Holiday category" of curated products deemed to be the most-wanted gifts.



Preparing for the holiday season

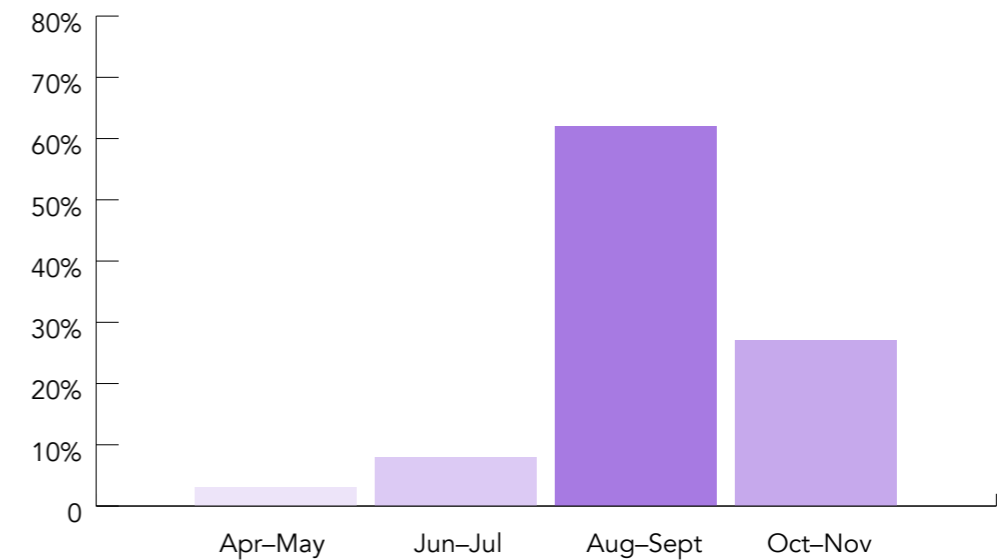
Holiday prep is no easy task, so one would assume that most e-commerce businesses start early, especially after the seismic shift to online shopping that occurred in 2020. Surprisingly, the majority of European e-commerce companies begin later. According to the data, the least amount of preparation occurred in Q2 and the beginning of Q3. Instead, it skewed heavily toward the cusp between Q3 and Q4. Similarly, some businesses choose to wait until well into Q4 to determine how to fulfil the increase in demand during the holiday season.



Percent of respondents planning earlier in the year or closer to the holidays

When do you start preparing your business for the holiday season?

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey

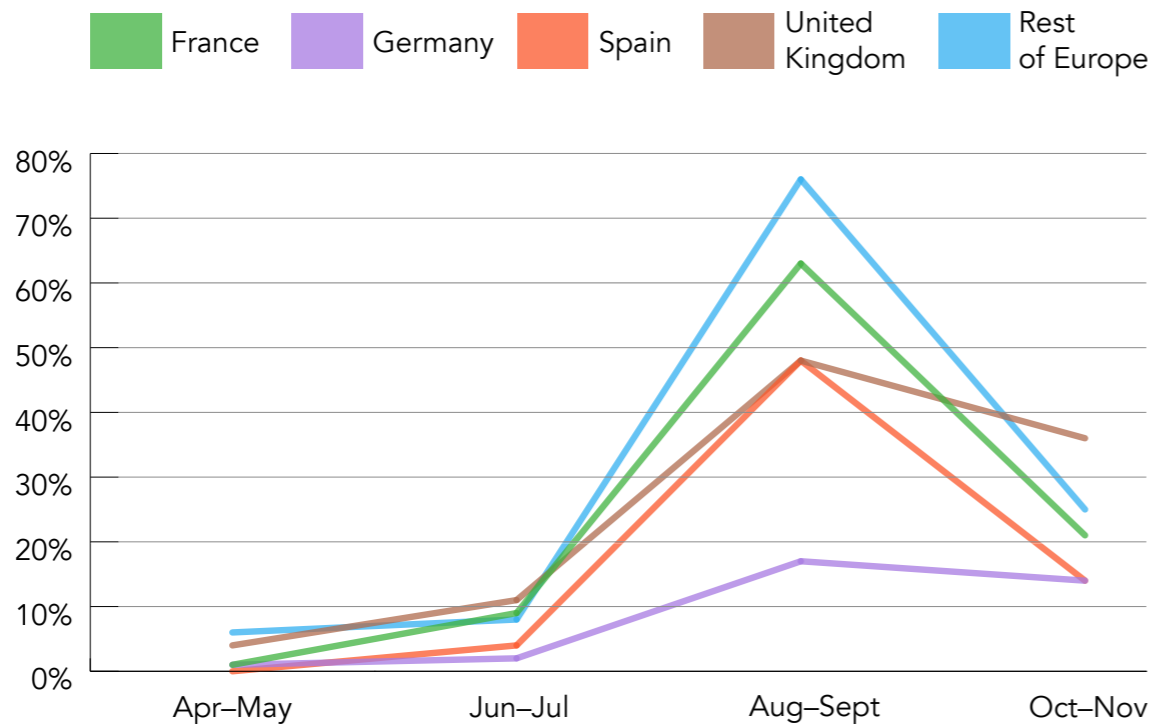


E-commerce companies in the UK are most likely to be among those that start preparing early in late Q2. Businesses in Spain and Germany follow close behind, with many setting at the cusp between Q2 and Q3. Companies that tend to wait until late Q3/early Q4 to get started are based mainly in France and other areas of Europe.



Regional markets planning earlier in the year or closer to the holidays
Q: When do you start preparing your business for the holiday season? (Data displayed by region)

Base: All respondents (408)
 Source: Packhelp's Holidays Season 2021 Survey



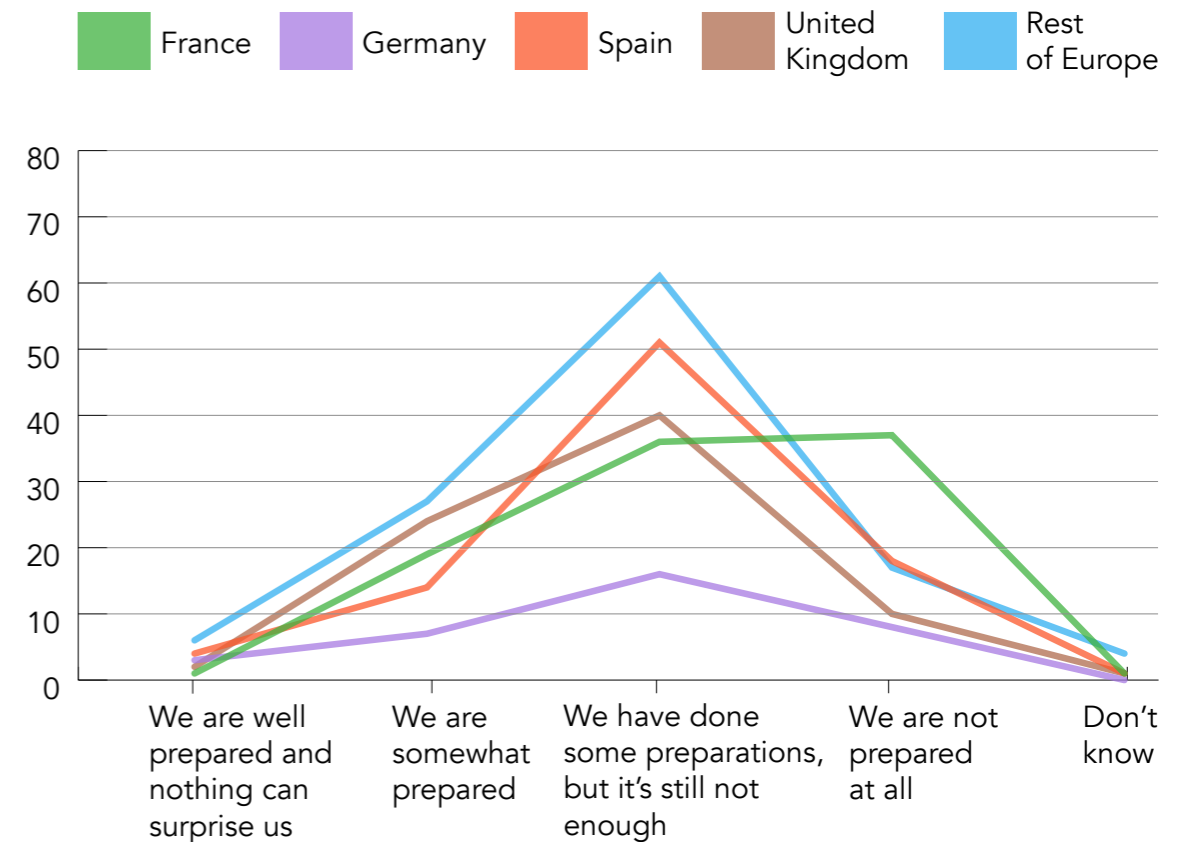
Most survey respondents replied with mixed emotions to this question, citing feelings of excitement for the soon-to-be busy season and anxiety over the many to-dos that accompany it. They look to 2021 as an opportunity to take the lessons they learned during the pandemic year and put them into practice.



How regional markets describe their holiday season preparedness

Q: How well-prepared do you feel for the upcoming holiday season? (Data displayed by region)

Base: All respondents (408)
 Source: Packhelp's Holidays Season 2021 Survey



Unsurprisingly, early preparation appears to correlate with businesses feeling confident that they're ready to handle the holiday rush in most cases. Late Q2/early Q3 preppers that include the UK and the rest of Europe are among those reporting that they "are well prepared" and that "nothing can surprise us."

There is one outlier. Although most French companies subscribe to the same timeline, many choose to wait for the late Q3/early Q4, which may have influenced the spike in France-based respondents who claim that they "are not prepared at all."

On the other hand, businesses in Spain and Germany that feel they haven't done enough are the ones most likely to wait until late Q3/early Q4 to begin their preparations.



It's beginning to look a lot like sales records!

Black Friday, Small Business Saturday and Cyber Monday undoubtedly play a significant role in the predictions that pinpoint November as a record sales month for respondents based in the UK, France and Germany.

While Black Friday debuted in the US in the mid-20th century, it didn't reach most of Europe until the 2000s, when e-commerce retailers and brick-and-mortar shops alike looked to compete with the deep discounts from companies like Amazon.

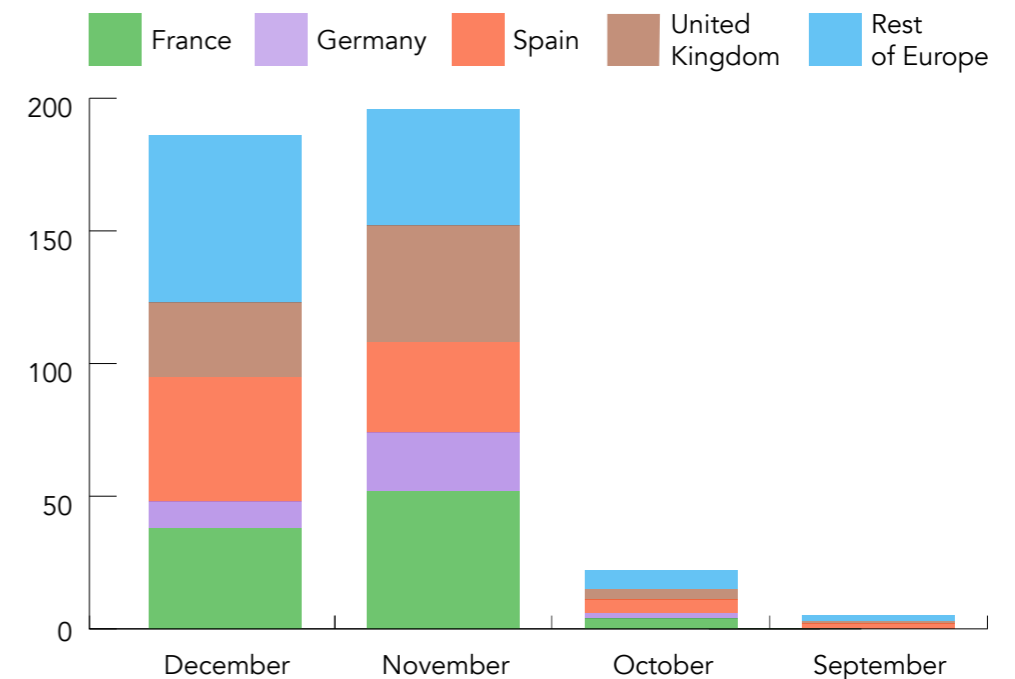
Businesses in Spain and the rest of Europe that favour last-minute shoppers and closer-to-Christmas sales to drive revenue may feel that Black Friday isn't the fully-established phenomenon in Europe than it is in the US. Another factor could be that they prefer to participate in holiday season sales in ways that better resonate with their brand values and customer base.



Expected holiday season sales peak by region

Q: When are you expecting to reach record sales in the upcoming holiday season? (Data displayed by region)

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



Top predictions for expected holiday season sales peak by region

Q: When are you expecting to reach record sales in the upcoming holiday season? (Top answers displayed by region)

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey

France	Germany	Spain	United Kingdom	Rest of Europe
#1 November	#1 November	#1 December	#1 November	#1 December

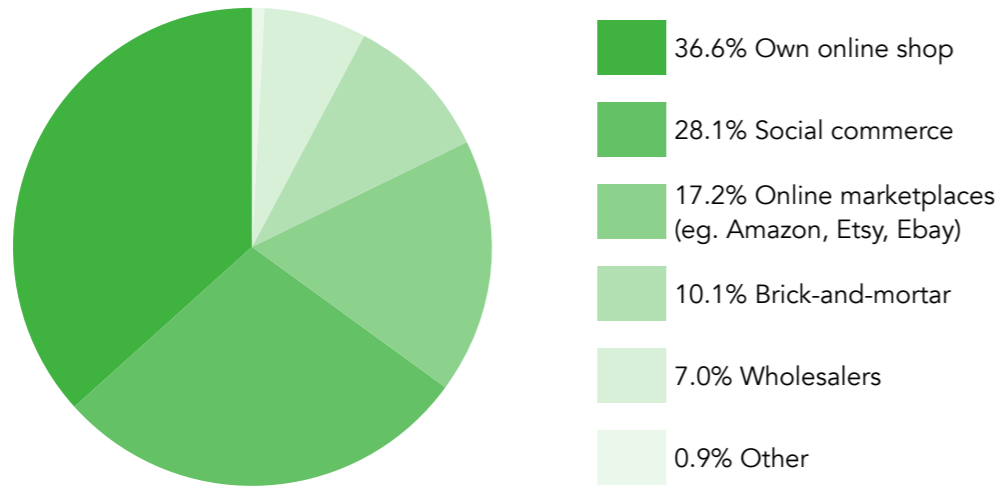
Most e-commerce businesses take a multichannel approach to their sales strategy to reach their revenue goals for the holiday season. While the majority rely on their own online shops to drive sales, other channels like social media, online marketplaces and even brick-and-mortar shops play a role in getting their products in front of holiday shoppers.



Sales channels for holiday season e-commerce

Q: Which sales channels are you planning to use for the upcoming holiday season?

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



Most e-commerce businesses take a multichannel approach to their sales strategy to reach their revenue goals for the holiday season. While the majority rely on their own online shops to drive sales, other channels like social media, online marketplaces and even brick-and-mortar shops play a role in getting their products in front of holiday shoppers.

A notable outlier to this strategy would be UK-based e-commerce companies, 38% of which point to online marketplaces like Amazon to boost their sales success during the holidays. According to [a study by Mintel](#), almost 90% of UK shoppers use Amazon. 70% of those shoppers visit the marketplace at least once per month throughout the year.

Businesses in Germany and France tend to favour brick-and-mortar stores over online marketplaces. This may be influenced by the immense popularity of European Christmas markets, a tradition beloved by locals and tourists alike.

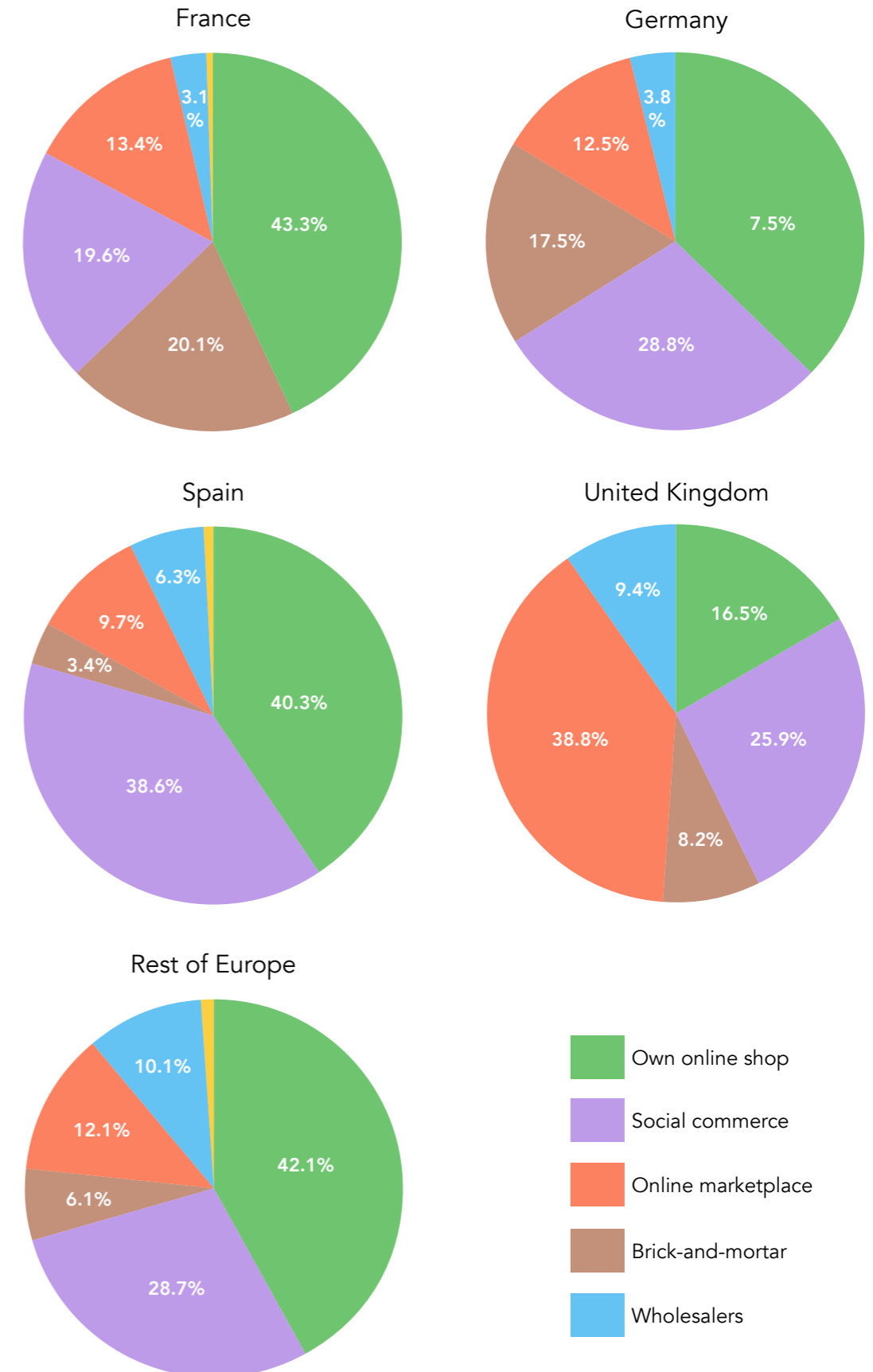
Most respondents plan to harness the buzz of social media to spotlight their products, regardless of where they're based, with Spanish businesses investing in social commerce (38.6%) almost as much as they will their own online shops (40.3%).



Sales channels for holiday season e-commerce by regional market

Q: Which sales channels are you planning to use for the upcoming holiday season? (Data displayed by region)

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



As social commerce is expected to gain even more ground during the 2021 holiday season, most European e-commerce businesses are betting big on the photo-centric format of Instagram to showcase their products. Facebook is the second most preferred social media platform, while Pinterest and TikTok are far distant third and fourth priorities.

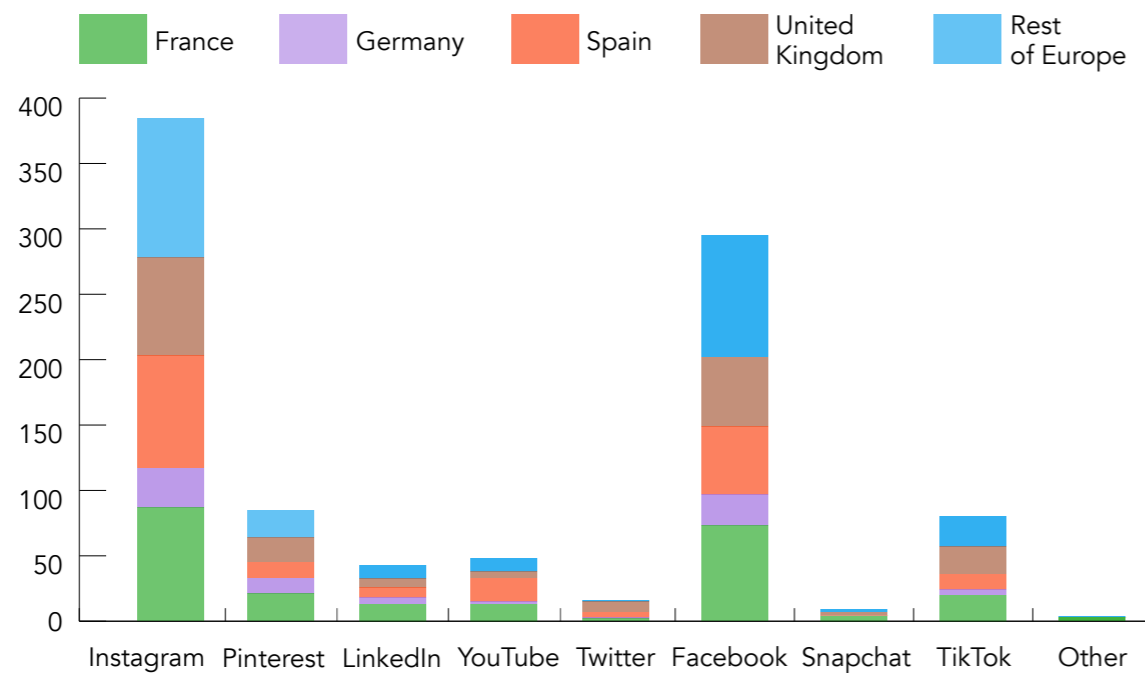
As brands begin to note the spending power and sheer influence of the rising Gen Z, TikTok will likely surpass Pinterest in subsequent holiday seasons. While investments in TikTok are for the most part even, e-commerce businesses based in Germany favor Pinterest, perhaps because it is a more familiar platform at this point.



The popularity of social media platforms for holiday season engagement by region

Q: Which social media platforms are you planning to leverage the most this holiday season? (Data displayed by region)

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



Packaging for the holiday season

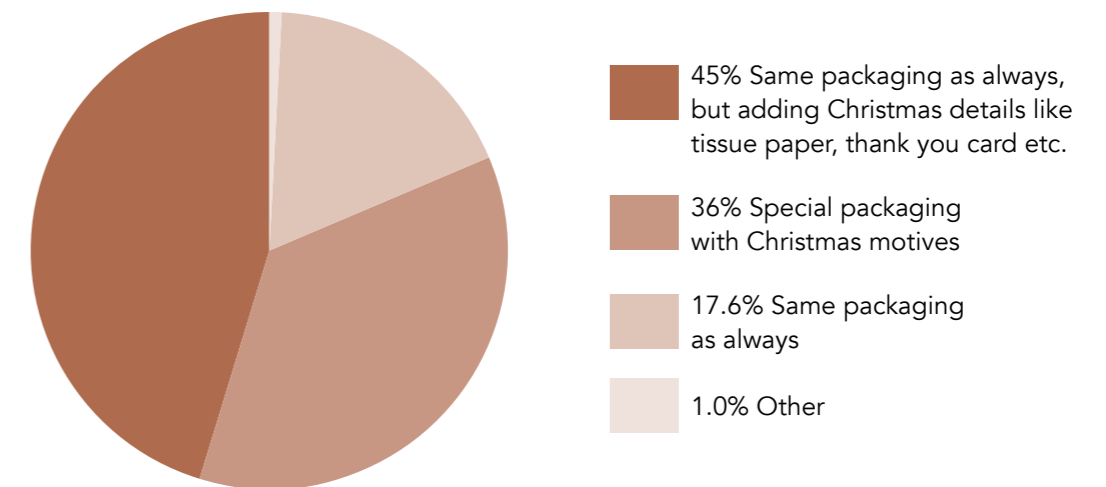
This study revealed that the holiday season is not the time to skimp on fun and festive packaging. 81.3% of e-commerce companies state that they'll either go all out and order Christmas-themed packaging (36%) or add special holiday details to spruce up the packaging they use throughout the year like tissue paper and thank-you cards (45.3%). Just 17.6% of businesses feel comfortable sticking with their usual packaging.



Packaging decisions for holiday season e-commerce orders

Q: How are you planning to pack your products during this holiday season?

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey





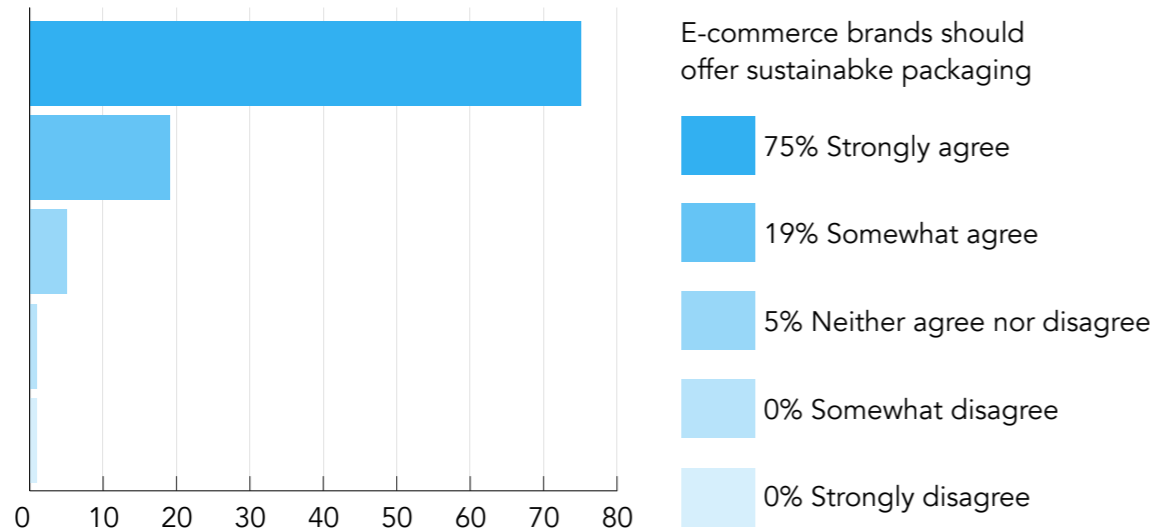
5 e-commerce trends to watch this holiday season

#1

Sustainable packaging

94% of e-commerce brands agree that they should offer sustainable packaging

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



Sustainable packaging is packaging that, over time, reduces its environmental footprint through its ingredients by using 100% recycled or raw materials. It minimises the production process and supply chain, which lightens its carbon footprint compared to non-sustainable packaging. Sustainable packaging is also reusable, creating its own circular economy, extending its life cycle and usability. Product packaging that is sustainability designed aims to do as little harm to the environment as possible. For example, sustainable design intentionally incorporates recycled materials in packaging or designs packaging designed with multipurpose functionality.

For e-commerce businesses throughout Europe, making the switching to sustainable packaging is a brand-building decision. According to [a global study by Nielsen](#), 63% of European consumers are either very concerned or extremely concerned about packaging waste. 68% don't just desire for companies to care about the environment: they expect it.

Various industries respond to consumers' increasing desire to purchase items and support brands that empower them to lighten their footprint on the earth. Businesses that follow suit will only strengthen their brands as consumers will see their own values reflected in any organisation that invests in sustainability.

As 81.3% of businesses plan to refresh their packaging for the holidays, here are four recommendations on how to make it happen with sustainable packaging:

- [Eco-friendly boxes](#) that plant trees around the globe
- [Pre-printed bio poly mailers](#) that say "I'm sustainable!" with style
- [Biodegradable custom tissue paper](#) to pack items with care and purpose
- [Custom tote bags](#) made from recyclable materials (Great add-ons for the holiday season)

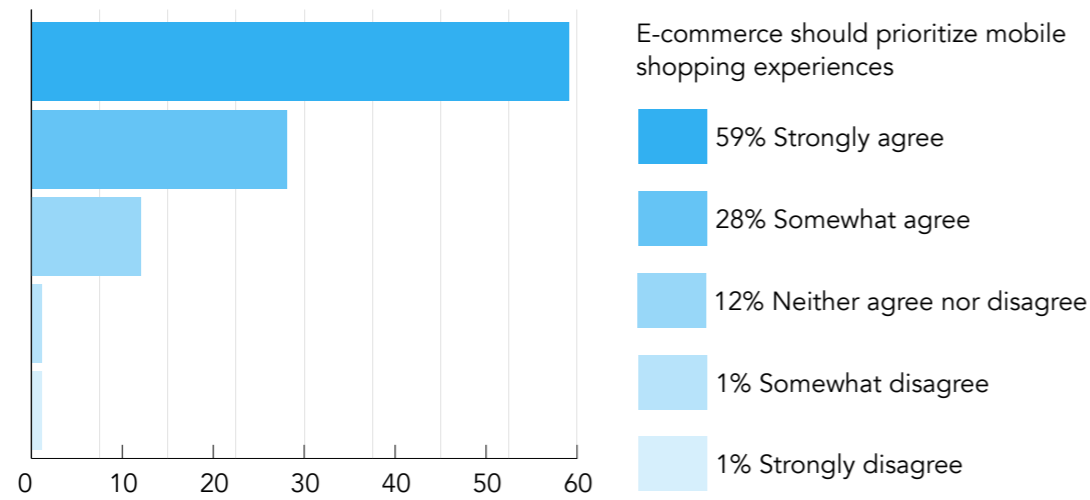
Stock up on sustainable packaging for your holiday orders with Packhelp.

#2

Prioritising mobile experiences

87% of e-commerce agree they should prioritise mobile shopping experience

Base: All respondents (408)
Source: Packhelp's Holidays
Season 2021 Survey



As we approach the holiday season, much of our new normal, including shopping, is taking place on mobile. The implementation of lockdowns not only moved consumers online but connected them to their phones more than they had ever been before. According to [Salesforce's Shopping Index](#), orders made on a mobile device shot up by 62% YOY in Q1 2021. This staggering growth remained flat through Q2, suggesting that mobile will continue to be the preferred choice for holiday shoppers.

The trend of mobile shopping, particularly shopping motivated by social media, is a trend that will persist even as restrictions ease. E-commerce businesses should take note by testing and refining the mobile experiences in their own online shops before the holiday shopping surge begins.

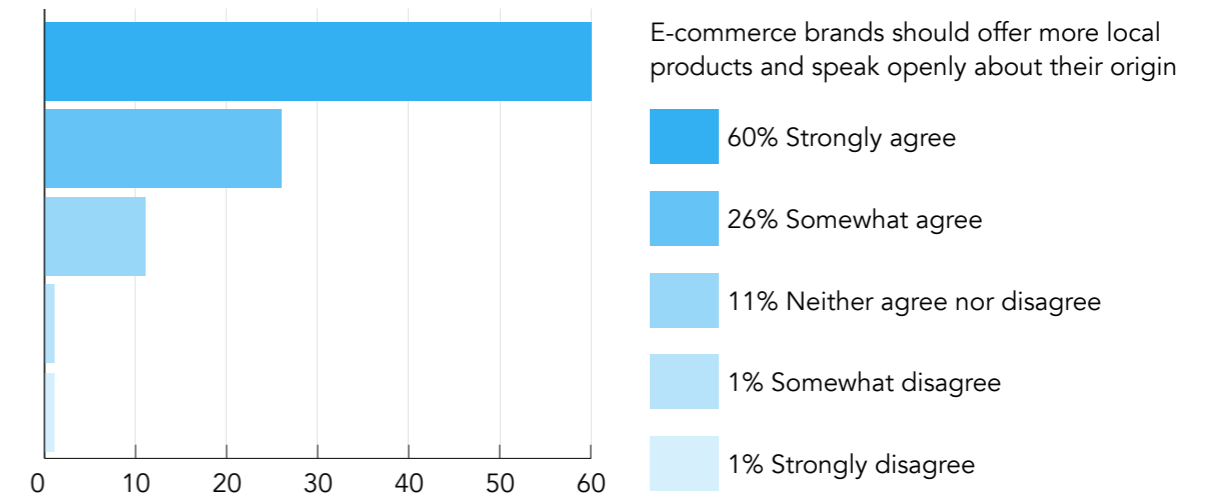
Testing should answer the question, *How fast is my website on mobile?* [Research from Google](#) reveals that 53% of visitors will abandon a mobile website if loading takes longer than 3 seconds. In addition to speedy load times, mobile websites should also be easy to navigate on a small screen to encourage repeat purchases and referral traffic. Google also reports that 79% of people say that they're both more likely to return to a mobile website and even share it if they felt that it was easy to use.

#3

Multi-localism

86% of e-commerce brands agree they should offer more local products and speak openly about their origin

Base: All respondents (408)
Source: Packhelp's Holidays
Season 2021 Survey



Multi-localism celebrates the idea of feeling at home or like a local in many places. It expresses curiosity and appreciation for other areas, cultures, and traditions. As the largest generation of consumers, millennials are driving the way companies do businesses, pushing them away from a tired, one-size-fits-all globalist mindset to one that is both more inclusive and more personal.

On the consumer end, this shift in preferences spans multiple generations as more and more people seek out companies that stock goods produced by local artisans, chefs, and small businesses close to home or local to the merchant. [PwC's March 2021 Global Consumer Insights Pulse Survey](#) found that 63% of consumers are likely willing to spend more money when purchasing local products with a traceable origin.

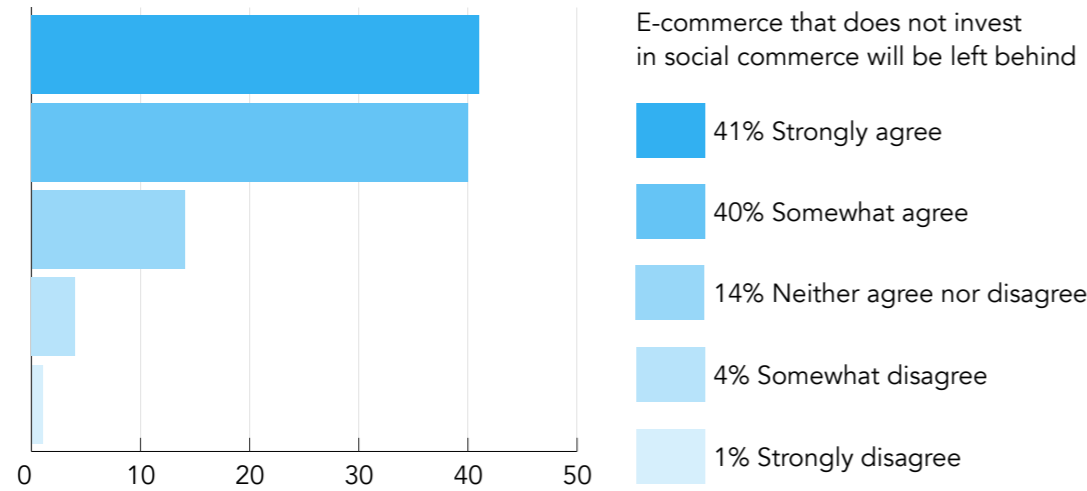
Businesses that offer community-centric products in their shops can generate interest from consumers and drive the "Shop Local" trend by highlighting locally-sourced items on their websites, social media channels, and in their email marketing. [A study from Integral Ad Science](#) reported that in 2020 one-third of British consumers said they planned to support local, independent businesses as they sought out gifts for their holiday shopping list.

#4

Social commerce

81% of e-commerce brands agree that those not investing in social commerce will be left behind

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



It's no surprise that "social commerce" is on the rise. From their growing spending power to their penchant for posting about their purchases and interacting with brands on social media, Gen Z and millennials are charting a new path forward for how companies grow and engage their customer base.

The COVID-19 pandemic redefined the way we communicate with one another, stay connected to the world outside our homes and yes, even the way we shop. [Salesforce's Shopping Index](#) revealed that orders from social-referred channels in Q2 skyrocketed by 87% year-over-year in Europe, doubling the number of orders recorded in Q1.

The influencer effect is everywhere as more brands tap into the idea that consumers are more likely to purchase products from social media figures who they consider to be one of their peers. And with the ever-slimming formula of *scroll-see-click to buy*, the lead-to-sale conversion time for purchases made on social media is lightning-fast.

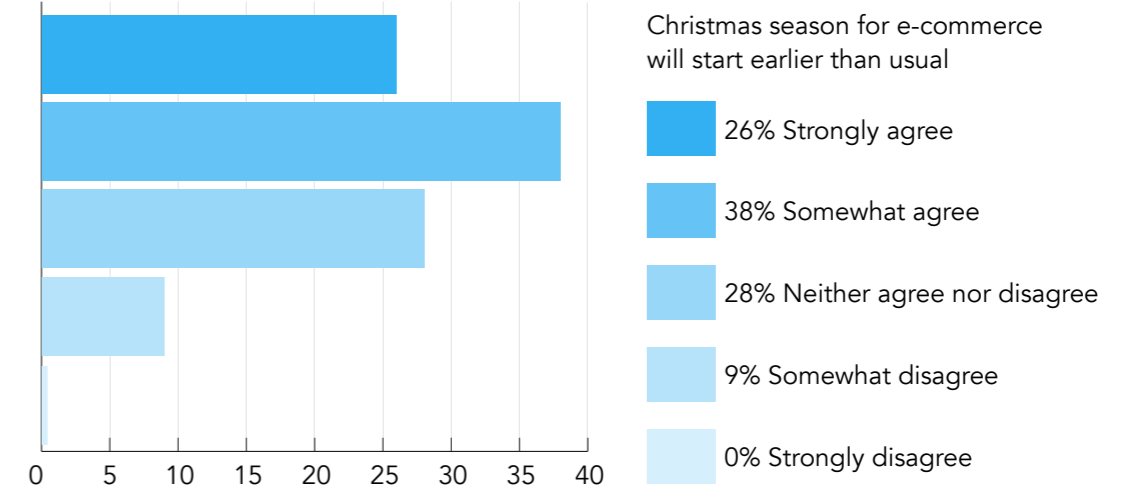
By leveraging the ever-growing popularity of hyper-visual social media platforms like Instagram and TikTok, e-commerce businesses in Europe count on social commerce to provide a highly-interactive digital showroom for their product lines this holiday season.

#5

Christmas orders will come earlier

64% of e-commerce businesses agree that the Christmas season will start earlier than usual

Base: All respondents (408)
Source: Packhelp's Holidays Season 2021 Survey



The holiday shopping season in 2021 will be like nothing we've ever seen before. Ravaged by the COVID -19 pandemic, the supply chain retailers rely on to stock goods has been completely disrupted. Shipping demand, along with prices, is soaring.

Many shipping providers are adding holiday surcharges to their fees to compensate for the additional resources needed to meet the demand. This [headline news](#) is sure to encourage holiday shoppers to purchase gifts earlier than they have in years past.

Between the threat of the COVID-19 Delta variant and the many predictions that shipping timelines and items in stock will be anything but reliable, holiday shopping will take place online in record fashion and digital orders will roll in early on, likely even before Black Friday.

Consumers have been avoiding crowds in physical stores and enjoying the incredible convenience of online shopping for over a year and a half, which means that E-commerce companies should be well-prepared to welcome their busiest and most successful holiday season yet.

03. SURVEY DEMOGRAPHICS

Location

France: 25%
United Kingdom: 22%
Spain: 22%
Germany: 10%

Countries that make up the Rest of the Europe Category include:

Ireland: 4%
Italy: 3%
Portugal: 3%
Slovenia: 2%
Czechia: 1%
Sweden: 1%
Romania: 1%
Finland: 1%
Greece: 1%
Netherlands: 1%

Additional countries selected represent 3% of total respondents: Bulgaria, Denmark, Estonia, Switzerland, Guernsey, Belgium, Croatia, Austria, Cyprus, Hungary, Lithuania and Norway.

Industry

Fashion & apparel: 32%
Beauty & personal care: 22%
Groceries, food & drinks: 16%
Furniture & home decor: 6%
Toys & games: 3%
Pet products: 3%
Art & design: 3%
Books, CDs & other physical media: 2%
Electronics: 1%
Other: 12%

Company size

1–5 employees: 84%
6–10 employees: 9%
11–25 employees: 3%
26–50 employees: 2%
51–100 employees: 2%

Role

Founder or CEO: 76%
Marketing: 10%
Design: 5%
Sales: 4%
Operations: 4%
Finance: 1%

Questions?

If you have any questions about the data or the collection process, please contact Magda Sowierszenko via email at magda.sowierszenko@packhelp.com.

