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# PREPARING FOR CHRISTMAS AND BEYOND: THE NEW ERA OF COMMERCE



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YOU MAY HAVE HEARD: THE CHRISTMAS SHOPPING SEASON WILL BE LIKE NO OTHER.

In the months since the outbreak of COVID-19 the very nature of shopping has changed. The [shift to online shopping](#) has been catapulted years ahead. The number of first-time ecommerce shoppers has grown dramatically. Click-and-collect continues to gain in popularity. And consumers have apparently become less hesitant to game the system in order to avoid paying for goods.

All of these trends will be magnified during the holiday season, according to a September [Signifyd survey of 1,500 UK consumers](#). [Consumers](#) will be in stores less; will be shopping online more and they will be cutting back on spending, the survey says.

And perhaps most surprisingly, consumers will also be willing to bend the rules by falsely claiming that ecommerce orders never arrived or that satisfactory orders were not as promised. More than 30% of those surveyed admitted to falsely claiming that a delivered order never arrived or that something was wrong with a product when nothing was wrong.

## THE WORLD OF COMMERCE IS CHANGING

Let's start with the shift in shopping behaviour. Nearly 80% of those surveyed said they would avoid shopping in stores this Christmas, with 22.9% of those saying they would not shop in stores at all. Not surprisingly, those consumers will be turning to online shopping. Nearly 88% said they would be shopping more by desktop, laptop and mobile phone this year than they have in the past.

And like many shopping trends that emerge or are cemented during the holiday season, these shifts in consumer behaviour will not fade completely when Christmas lights dim, nor will they disappear when the virus is vanquished.

Respondents indicate that these new ways of shopping — less in-store, more online, more click-and-collect — are here to stay, with 82.9% of respondents saying they will be shopping differently a year from now than they were a year ago.

What it all means for merchants is that they will need to be more in-tune with customers' online and omnichannel experiences and that they'll need to be extra vigilant when consumers claim something went wrong with an online order — yes, during the holiday shopping season, but likely for years to come.

Oh, and did we mention that retailers will need to do all these things while still making sure they don't treat loyal customers as if they were dishonest or criminal?

How did we get here? The COVID-19 pandemic transformed the UK consumer and accelerated a shift to online buying. After mind-boggling spikes early in the pandemic, ecommerce sales in the UK are still 50% above where they were pre-pandemic, according to Signifyd Ecommerce Pulse data.

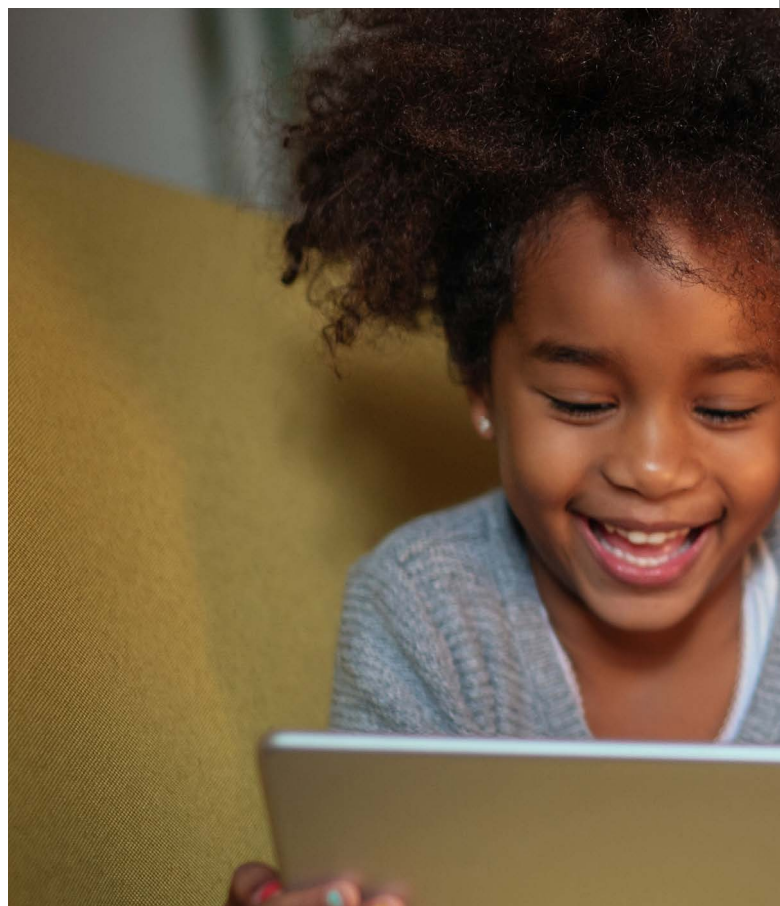
## STORE CLOSURES CREATED A NEW ONLINE COHORT

Many non-essential stores closed early in the pandemic and many consumers were afraid to shop in the stores that were open. That created a wave of regular online shoppers who rarely, or never, shopped online.

The number of new shoppers on Signifyd's Commerce Network of more than 10,000 merchants peaked at levels rivaling what we see during the holiday shopping period. And while the increase has leveled off, the number of new shoppers on the network remains about 30% higher than a year ago.

All this means that not only are consumers shopping online more, but more consumers are shopping online. And they are shopping differently. The number of click-and-collect locations in the UK, for instance, [increased by 32%](#) between 2019 and 2020, Retail Gazette reported. And in the Signifyd survey, conducted by market researchers Upwave, 39% of respondents said they would use click-and-collect more this Christmas season than last. Moreover, 25.1% said they'd be using click-and-collect more a year from now than they were a year ago.

All these changes indicate that in many cases consumers tried online shopping or increased their online purchases and decided they like it. In short, they are developing new shopping habits.



## FOUR KEYS TO SUCCESS IN A HOLIDAY SEASON LIKE NO OTHER

This is good news for retailers, who obviously are in the midst of *a very difficult year*. It's not that consumers are going to stop shopping — though they may spend less until the economy rights itself. It means they are changing the way they shop.

So, what to do if you're a retailer approaching this holiday season like no other? Here are four things:

1. Reimagine your brick-and-mortar fleet: Think of your physical stores as repositories of forward-deployed inventory. Stores will be your hub for click-and-collect, whether in the building, at lockers or delivered directly to a customer's waiting car. Stores will serve as fulfillment centers for orders shipped to nearby homes and for orders shipped from warehouses or other stores to be collected by customers who ordered by phone or online.
2. Optimise your click-and-collect capabilities. Doing click-and-collect right requires clear inventory insights, so you know what products are available where and when. The service requires the ability to rapidly review orders for fraud, as customers expect to be able to claim their purchases quickly. The orders also come with no delivery address, a detail that provides a number of signals that help identify the cardholder who placed the order. Consider upgrading your fraud tools or teams if necessary.

3. Recommit to building an excellent online customer experience that provides personalised search, relevant recommendations, clear navigation, crisp content, seamless checkout, timely fulfillment and accessible and helpful customer support.
4. Be prepared to recognise customers who are likely to be falsifying claims of missing or unsatisfactory orders. As importantly, have systems in place to rapidly pull together the necessary evidence and data to challenge any chargebacks that you believe are unjustified. Be thoughtful about how you determine which customers have legitimate complaints and which are trying to take advantage. There are few greater customer insults than accusing an innocent customer of being dishonest.

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