



WHITEPAPER 2021



# Holiday Season Trends That Will Shape the Retail Supply Chain Industry in 2021

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# 1. Overview

*If 2020 was a good year for retailers, 2021 promises to be even better. With excitement levels soaring and customers readying themselves for the shopping season, retailers can expect profitable holiday sales this year.*

**eMarketer**  
**INSIDER**  
**INTELLIGENCE**

*The US retail e-commerce holiday season sales are expected to increase from*

**\$185.88 billion to \$206.88 billion.**

As 2021 nears a close, the holiday season sets in, and a slew of festivals line up to be celebrated, consumers all over the world are still coming to terms with the 'new normal'. After a long time, the 'new normal' is beginning to look a lot like the 'old normal.' People, albeit masked, are stepping out of their homes to partake in the holiday season, and Halloween, Thanksgiving, Christmas, and New Year are just enough reasons to celebrate.

If 2020 was a good year for retailers, 2021 promises to be even better. With excitement levels soaring and customers readying themselves for the shopping season, retailers can expect profitable holiday sales this year. Despite the post-pandemic uncertainties that the economy can expect, a boom in sales, especially in the online space is foreseen. According to a [report](#) by eMarketer Insider Intelligence, the US retail e-commerce holiday season sales are expected to increase from \$185.88 billion to \$206.88 billion.

The holiday season has always been the busiest time of the year, and 2021 will be no different. If anything, like 2020, the sales period will be extended. In this white paper, we dive into the emerging holiday season trends that are ruling the retail market this year, and discuss the growing role of logistics tech in optimizing holiday season supply chains.



## 2. Top Trends That Are Shaping Up the Holiday Season of 2021

What has changed considerably this year is the way people shop, and this will have an inevitable impact on the way a business is carried out. Keeping an eye on this year's holiday season trends can help businesses plan their holiday season sales and *last-mile operations* efficiently.

### Here are some holiday season trends to watch out for in 2021:



#### **Both online and offline shopping continue to grow**

As store aisles begin to crowd again and offline shopping gains its lost momentum, both online and offline retail are expected to flourish. The pandemic has made convenience the top priority for many-a-shopper, and the digital realm has taken precedence over retail. This means mobile devices will be an active part of in-store shopping as well, as customers come across several digital touchpoints when making a decision at the store. Businesses that intend to flourish must keep in mind to play to both their online and offline strengths to meet demand this holiday season.



#### **Curbside pickup remains popular**

The pandemic may have one foot out the door, but the Covid-related safety measures are not going anywhere for a while. Customers wary of entering stores made the click-and-collect model retail sales go from *\$36.48 billion in 2019 to \$58.52 billion in 2020*, and this number is only expected to rise in 2021. So, even as brick-and-mortar stores enjoy their time in the spotlight again, customers will keep themselves from crowded places, and continue the ongoing trend of curbside pickup or buy online, pick-up in-store (BOPIS).



#### **Cleanliness becomes non-negotiable**

The pandemic taught businesses to put customers before all else. Cleanliness and good hygiene practices not only enhance the in-store experience but also bring about customer satisfaction. This concern has grown exponentially since the pandemic, as stores can be breeding grounds for infection. In 2021, with the number of Covid-19 cases dropping, *new stores* opening up, and *customer footfall steadily increasing*, cleanliness and hygiene standards need to be top-notch to ensure success.



### **Pop-up stores and fulfillment models are here to stay**

Alternative fulfillment models, also known as micro-fulfillment centers (MFCs) are highly automated fulfillment centers with small storage facilities. They are aimed at bringing about flexible, faster, and sustainable delivery and can be used for both e-commerce as well as in-store operations. Pop-up fulfillment models can help do away with separate fulfillment centers for physical and online stores, bringing flexibility to fulfillment models. Many brands are also leveraging a dark store model to enable faster fulfillment in high density order areas by using retail store spaces as fulfillment centers.



### **Renewed focus on sustainability and green logistics**

Sustainability has been a hot topic in the supply chain industry for some time now, but the pandemic has reintroduced it with greater force. COVID-19 has been a harsh reminder that we cannot take our resources and consumption habits for granted and has led to an indelible change in consumer consciousness.

According to the [CDP Global Supply Chain Report from February 2021](#), supply chain emissions are 28.3 percent higher in retail when compared to other operational emissions. A move towards more sustainable practices include making use of micro-fulfillment centers, e-cargo bikes, drones, electric vehicles, and adopting delivery logistics software to save on fuel emissions.

## **3. Every Brand's Top Priority This Holiday Season: Optimizing the last mile**

With customers being at the center of the holiday season, meeting delivery SLAs and fulfilling customer expectations is a top priority for all brands. The final phase of the retail supply chain is one with the most potential for savings, both in terms of time and money. By bringing in a third-party logistics solutions provider, many businesses are ensuring that goods are delivered to customers on time even during peak season, and the trend is likely to continue.

However, streamlining last-mile deliveries is particularly difficult during the holiday season when sales are in full swing. A delivery logistics software can not only help businesses tackle logistical constraints and find the fastest, most efficient routes for delivery; it also helps them come up with better strategies for the last mile.



## 4. Locus in the Holiday Season Supply Chain: Fine Tuning Logistics with AI

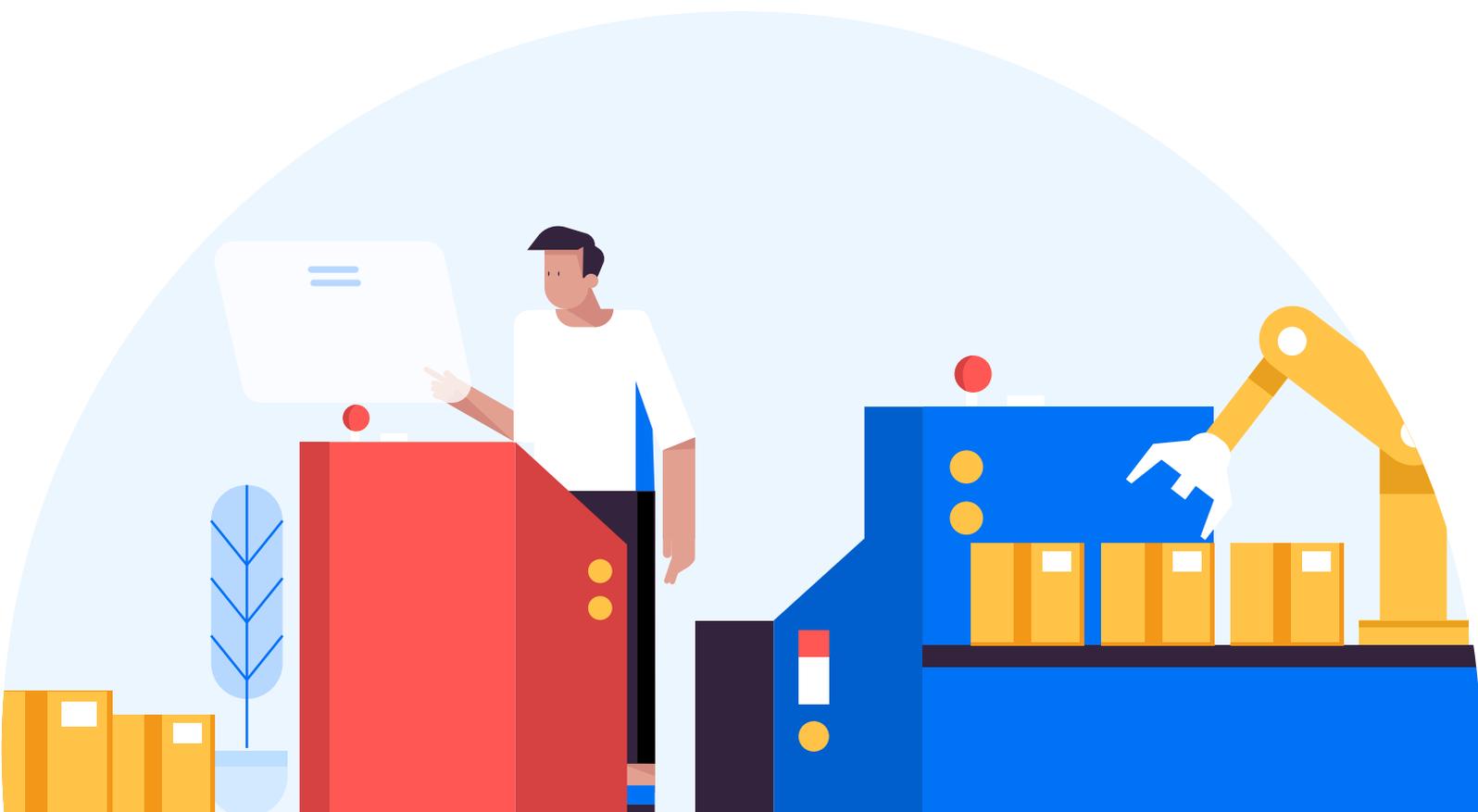
Locus helps enterprises across retail, 3PL, wholesale distribution and e-commerce streamline logistics planning, last-mile delivery execution and supply chain decision making with AI-enabled logistics optimization software. In a competitive and time-sensitive holiday season market, Locus can significantly improve your last-mile efficiencies, while saving costs too.

Locus DispatchIQ, *the routing software*, makes use of its geocoding engine and on-the-go rerouting and can be used to create optimized dispatch plans.

TrackIQ, *the fleet tracking software*, can help businesses make real-time estimated time of arrival (ETA) calculations. Its intuitive dashboard makes sharing of reports easier and insights easy.

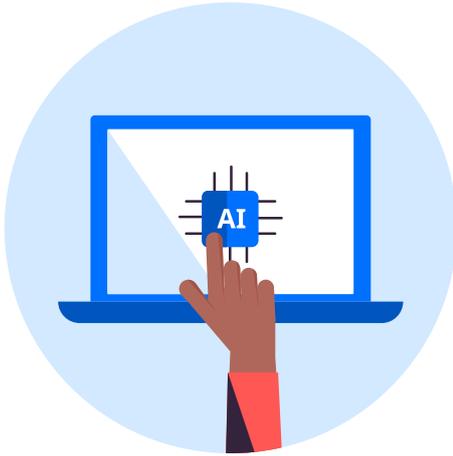
Planning will go beyond the holiday season and can help retailers create more resilient and agile supply chains in the long term. *FieldIQ* is ideal for this, as it comes with the kind of operational flexibility that is necessary for long-term planning. Businesses can customize

Permanent Dispatch Plans (PJP) and Permanent Journey Plans (PDP) to meet their particular needs. *NodeIQ* can help make smarter supply chain decisions by making use of its intelligent optimization and design engine to weed out inconsistencies during data sanitization. It is known for creating a 'digital twin' of the supply chain which can run alternative scenarios so as to be better prepared for the future.





The 2021 holiday season seems to continue many of the trends that emerged during the pandemic. The big difference between this year's holiday season and last is that the customer must be made happy with their online and offline experiences. The competition will only get stiffer, and expectations for a fast, efficient and transparent order fulfillment higher. Planning for challenges well in advance will help the retail industry thrive.



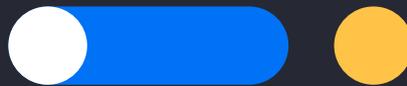
**Locus offers AI-led logistics solutions for efficient logistics planning and last-mile fulfillment. Get in touch with our experts for a quick tour of our services.**

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*Locus is a deep-tech SaaS platform that uses machine learning and proprietary algorithms to automate supply chain decisions. Its smart logistics solutions enable enterprises to enhance operational efficiency, reign in costs, streamline the customer experience, and provide end-to-end visibility.*



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