

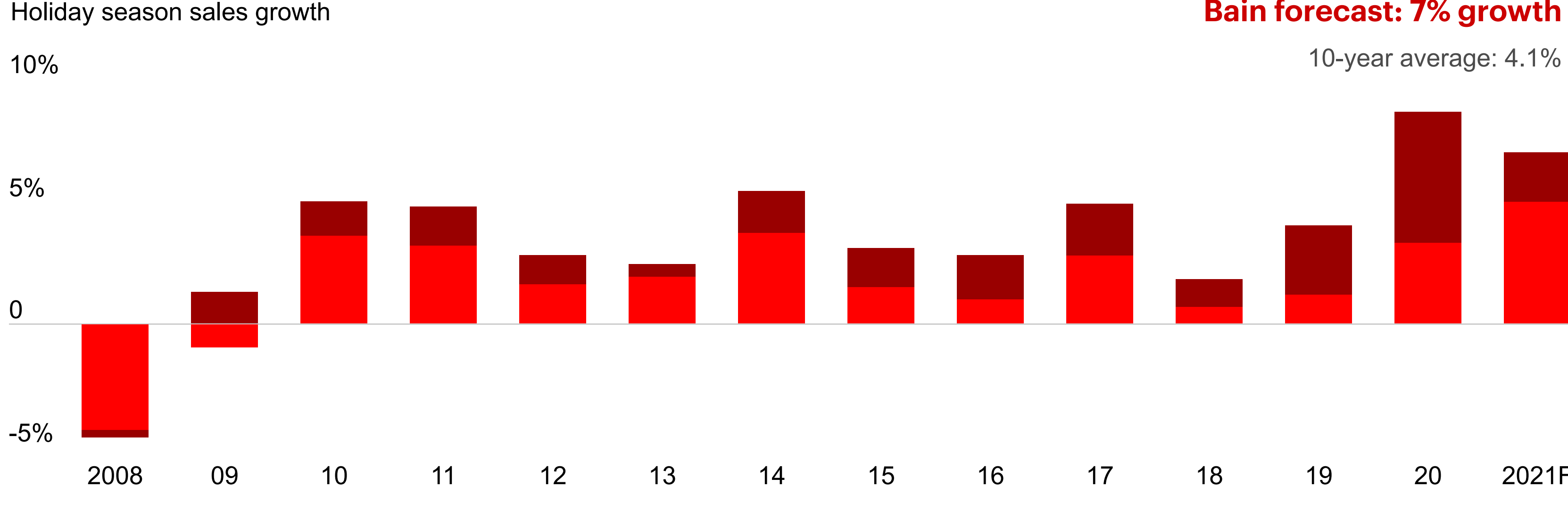
# 2021 Holiday Shopping Outlook

Bain forecasts 7% growth in US retail sales this holiday season.

## Holiday retail sales are primed for strong growth

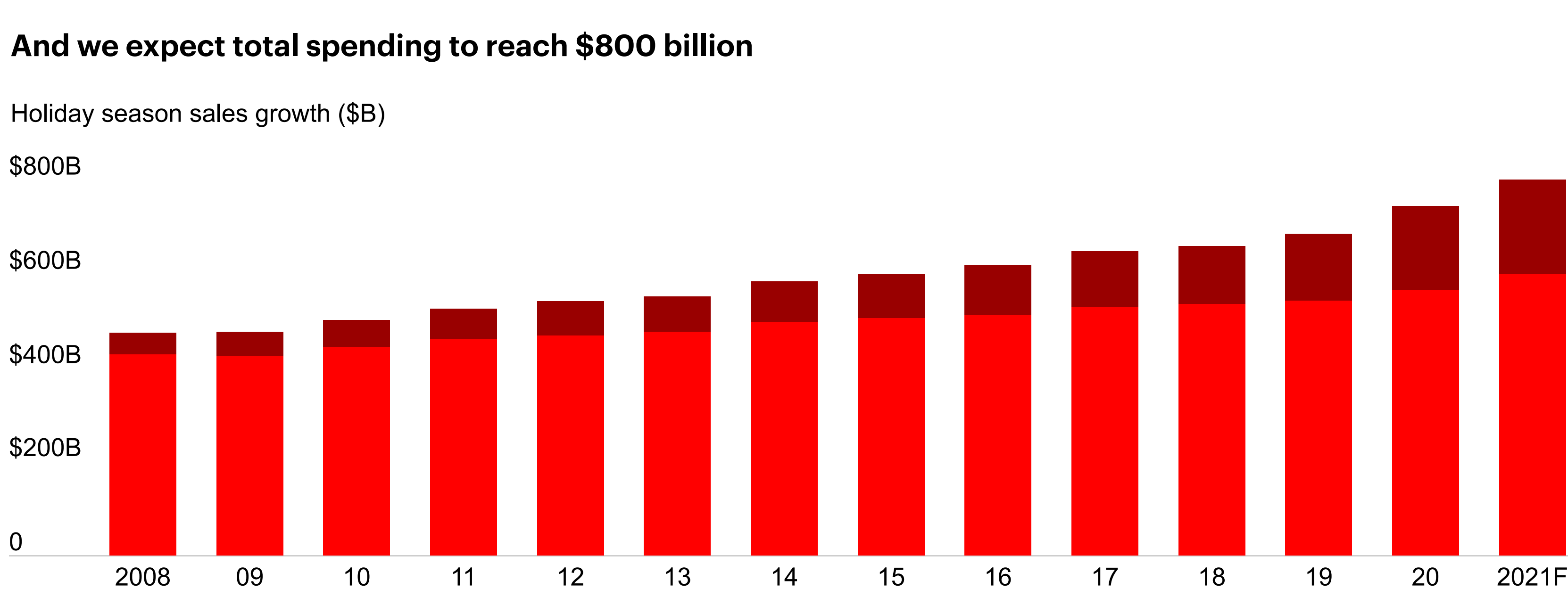
### Year-over-year growth

We expect holiday sales to grow by 7%, the second-highest growth rate in more than 20 years



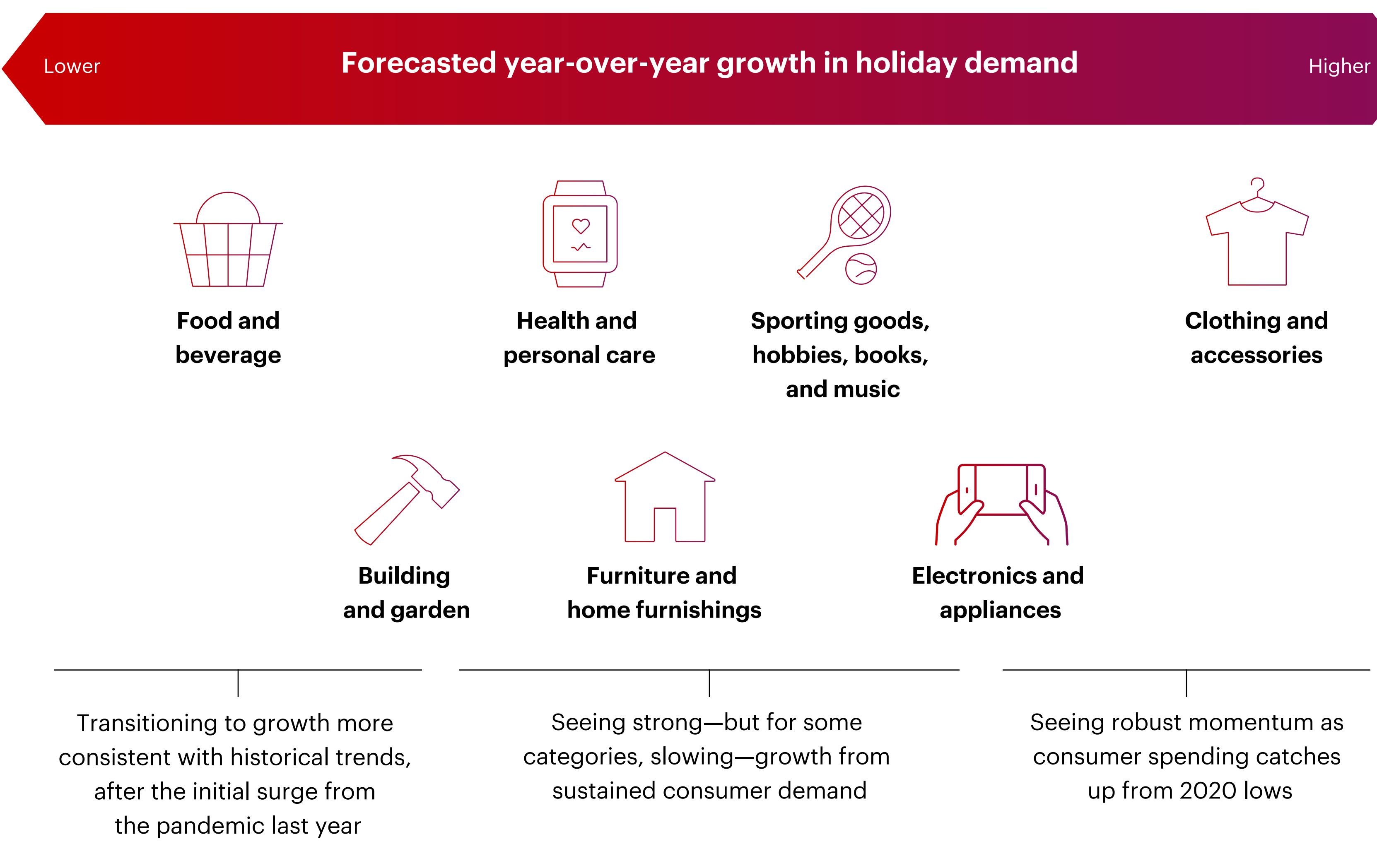
### Total sales

And we expect total spending to reach \$800 billion



## Sales growth will vary significantly across categories

And pandemic-boosted categories could see growth rates return to historical trends



## Macroeconomic tailwinds could bring retailers the gift of high sales ...

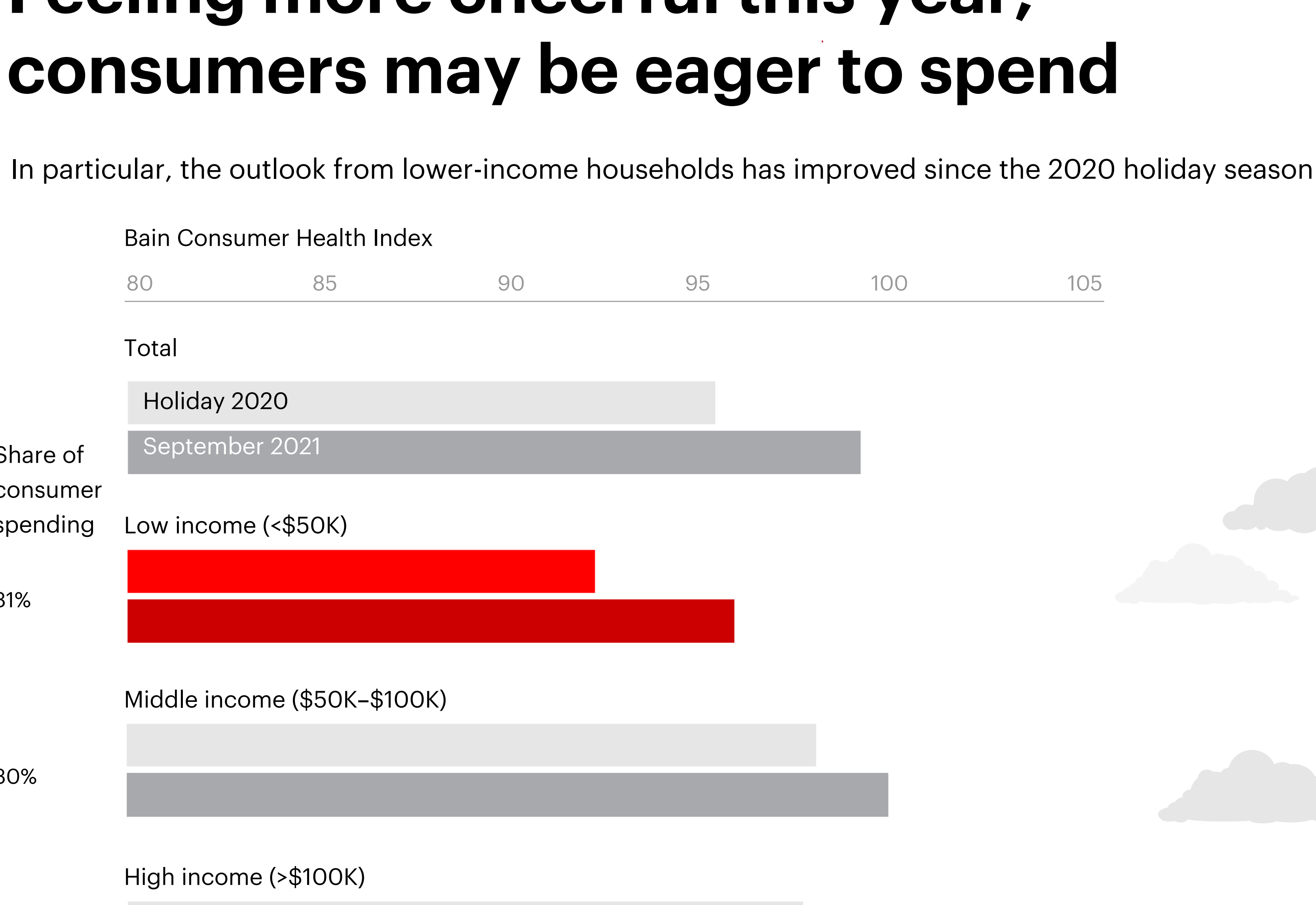


## ... but they will face several headwinds



## Feeling more cheerful this year, consumers may be eager to spend

In particular, the outlook from lower-income households has improved since the 2020 holiday season



## Winning retailers will make a list (and check it twice)

- Prepare for supply shortages and strong demand.** Avoid discounting scarce inventory and don't overpromise on delivery times. Explore secondary sources for in-demand items when possible
- Keep marketing nimble.** Align promotional campaigns with inventory realities and use rapid testing to optimize messages and media mix
- Set channel value propositions clearly, then become channel agnostic.** Help customers shop however and whenever they want, as the distinction between e-commerce and stores continues to blur
- Find new opportunities to delight customers.** Transform potential moments of frustration—such as stockouts, item substitutions, delays, and returns—into enriching experiences
- Win the holiday labor battle.** Sharpening your employee value proposition and inspiring your team to deliver a great customer experience can pay off in-season, as increased automation can't fully offset this year's shortages