



Show Notes | S3 Ep5 | It's a Mad Holiday Season

INTRODUCTION

It's a mad world when the Holiday season starts so early. We look into the Holiday season – that we're already in. Woven into the season, which is not just topical but extremely important, we are talking Sustainability – or I should say, the customer is telling us sustainability matters.

THE CONVERSATION

Once one of the retailers starts, they all have to go, because while consumers are saying they are far less influenced by the pandemic this year, they are focused deeply on making smart choices in the path of high inflation. And they want to make smart sustainable choices too.

Retailers are realizing if it's a fixed, and smallish pie, those who get their pieces early at least get a piece. They're getting their sales early, even with a discount.

Do we have Amazon to blame here? They did introduce a 2nd Prime Day on October 11th and 12th. Technically, it wasn't a 2nd Prime Day. It was officially, "Prime Early Access Sale."

<https://www.forbes.com/sites/forbes-personal-shopper/2022/10/13/amazon-prime-day-2022/?sh=68d11a0c3601>

We have Amazon to blame.

IBM INSTITUTE FOR BUSINESS VALUE | 2022 HOLIDAY SHOPPING AND TRAVEL REPORT

In IBM's 2022 holiday shopping report, holiday spending growth is forecast to be half of what it was last year, coming in at about 7.5% - a number nearly or perhaps entirely negated by inflation, depending on whose yardstick you're using.

That's probably why economic concerns are top of mind this holiday season. Here are the stats - while 59% of individuals say they will be less concerned about COVID, two in three say they will be more concerned about the economy. 59% report worrying more about supply chain disruptions that could make holiday shopping harder or more expensive.

Overall, holiday shopping is starting earlier this year, with 58% of consumers planning to begin buying before November. This is up from 44% last year, demonstrating a massive shift away from the traditional Black Friday start of the shopping season. From black cat to black Friday.

The report lines up four segments, "To better understand the buying behavior of different individuals—and what influences their holiday purchasing decisions—we took a holistic view of consumer household finances. By analyzing changes in income, debt, expenses, and contributions to savings and investments, we identified four groups of consumers with vastly different financial circumstances:

- The Insulated (41%)
 - On average, individuals in this group have maintained the status quo.
- The Strained (31%)



- These consumers are in the most precarious position. Half are from the bottom income brackets, and they've seen declining incomes—along with the highest average increase in household expenses.
- The Secure (18%)
 - Despite the economic downturn, these consumers' finances appear to be on the upswing. Nearly half of individuals in this group are from the top income brackets.
- The Frugal (11%)
 - This group is more financially conservative than the others. Most (56%) of these individuals are from the bottom income brackets and have seen the highest average decline in monthly income over the past year.

<https://www.ibm.com/downloads/cas/B4PXK9JN>

APPLE

How about the ongoing impact of Apple's privacy-driven changes to iOS 14 and iOS15? I'm talking the impacts to targeted ads.

This is particularly true for DTC and ecommerce brands. Modern Retail wrote about this with great insights recently. Money quote, *"If brands are struggling with paid — or specifically Facebook — through Q3 and now the start of Q4, they are either going to have to be a lot more promotional as we enter the holiday period, or they are going to have to readjust their selling expectations,"* Alex Greifeld, an e-commerce growth advisor and founder of the newsletter *No Best Practices*.

<https://www.modernretail.co/marketing/dtc-briefing-dismal-tech-earnings-forecast-a-gloomy-holiday-for-brands-that-havent-adjusted-to-ios-14/>

SUSTAINABILITY

The Customer Channel.

By tailoring offerings accordingly, brands and retailers can provide the products and services consumers are willing to prioritize and pay more for—and help their customers enjoy the holiday season they've hoped for all year.

Many consumers have seen their financial situation worsen in the past year—which could impact their holiday plans. Yes, consumers are increasingly demanding sustainability.

They expect retailers to make smarter choices. They expect this and are willing to pay.

We discuss the new IBM Institute for Business Value report titled, "The Heat Is On: 5 Steps to Accelerate Sustainable Transformation."

<https://www.ibm.com/downloads/cas/Q6ZN3LAZ>

Highlights:

- Embrace sustainability as a business opportunity
- Tap the potential of data and digital technologies
- Embed sustainability within structures and processes



- Activate sustainability across the organization
- Engage ecosystem partners and suppliers to meet sustainability goals

Five years into Walmart's Project Gigaton, the company's ambitious program hit 574 million metric tons avoided.

<https://www.greenbiz.com/article/walmart-reaches-halfway-project-gigaton>

Walmart is notable here because they are doing the work. Five Walmart suppliers teamed up [to purchase renewable energy](#) from a Kansas wind farm. The deal is part of the retailer's plan to reduce 1 billion metric tons worth of emissions throughout its supply chain by 2030.

- Levi Strauss & Co., J.M. Smucker Co., Great Lakes Cheese, Valvoline and Amy's Kitchen executed an aggregate purchase for renewable energy from a wind farm in Marion County, Kansas, operated by the Denmark-based energy company Ørsted. Financial terms were not disclosed, and the agreement is expected to create 250,000 megawatt-hours annually of renewable energy.
- The 12-year power purchase agreement is the first under Walmart and Schneider Electric's [renewable energy accelerator Gigaton PPA](#). The program expands suppliers' access to clean energy by allowing vendors to partner and enter into long-term contracts with renewable providers.

https://www.supplychaindive.com/news/walmart-suppliers-renewable-energy-sustainability-ppa-utility/634536/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202022-10-24%20Supply%20Chain%20Dive%20%5Bissue:45482%5D&utm_term=Supply%20Chain%20Dive

To quote from a Seeking Alpha report as published in their Wall Street Breakfast, "Backlash against Coca-Cola (NYSE:[KO](#)), one of the planet's biggest users of plastic, erupted as soon as the multinational announced that it would sponsor the COP27. While the company has pointed to its signing of a global treaty meant to tackle plastic waste through a "holistic, circular economy approach," as well as plans to collect and recycle a bottle or can for every one it sells by 2030, many say the policies are misleading and fall way short. Coca-Cola currently produces 120B single-use bottles per year, resulting in 3.3M tons of plastic packaging (its plastic use even rose by 8.1% between 2019 and 2021)."

https://seekingalpha.com/market-news/wall-street-breakfast?mailingid=29615100&messageid=wall_street_breakfast&serial=29615100.1004481

CONCLUSION

We'll keep tracking this Holiday Season. And, of course, sustainability remains an ongoing topic near and dear to us. Much more to come on both topics...

HEROES & CHANGE MAKERS | *Our New Feature*

Our new feature, **Heroes and Change Makers**, concluded our discussion.

Cristene selected... **Target**. They've announced their next push toward sustainability, Target Zero. The new initiative communicates to consumers the products and packaging that are designed to be refillable, reusable, or compostable, or are made from either recycled content or materials that reduce the use of plastic.

Give yourself and your home a sustainability glow-up with Target Zero

Looking for products that keep waste in check? Simply find the Target Zero icon on shelves at your nearest Target store, or shop the curated assortment on **Target.com**. Each Target Zero product or its packaging is designed with at least one of the following features:

Reusable

From trash to treasure: These products or their packaging are creatively designed with the intention of being reused at end of life.

Refillable

All out? Never fear — these items were created with the intention of being refillable so you can plus-up your product but not your waste.

Reduce plastic

These products swap out plastic for Forest Stewardship Council-certified paper, aluminum, steel or glass (preferably recycled) for most of their packaging.

Include recycled content

These top picks contain at least 30% post-consumer recycled content in place of virgin plastic.

Waterless or concentrated

From powders to concentrates, these products contain less water, minimizing packaging and waste while reducing water use.

Include compostable elements

Whether the product itself, its packaging or both, these items contain elements that are compostable to help keep waste out of landfills.



Jeff selected... **Rothy's**. Made from recycled plastic. New 3D knitting technology. A sustainable approach to their business model. Seamless online and offline integration.

<https://rothys.com/>

This is **RETAIL DONE RIGHT**. Thank you for listening. And please join our conversation.

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Let's go shopping!

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RETAIL DONE RIGHT is produced and hosted by Jeff Fisher & Cristene Gonzalez-Wertz