



7 WAYS TO LEVERAGE DATA FOR HOLIDAY SEASON SUCCESS



CHAMPION
GUIDES

EBOOK

TABLE OF CONTENTS

- 3** Forecast demand and plan for disruptions
- 3** Build a personalized customer experience
- 4** Create profitable holiday ad campaigns
- 4** Optimize pricing strategies
- 4** Establish a connected marketplace for consumers
- 5** Leverage stores as distribution centers
- 5** Discover new data revenue streams through data monetization
- 6** Conclusion
- 7** About Snowflake

7 WAYS TO LEVERAGE DATA FOR HOLIDAY SEASON SUCCESS

The retail forecast for the 2023 holiday season is clouded with uncertainty. Last year, holiday sales came in below industry expectations as shoppers felt pinched by inflation and rising interest rates.¹ The trend may continue this year as 53% of consumers expect inflation or a possible economic slowdown to impact their holiday shopping, causing 48% of them to plan on buying less.²

The good news is that retailers that gain the right data capabilities can experience sunnier seasonal skies. With such data, retailers can improve advertising and marketing, pricing strategies, and their customer experience to better attract and retain customers. They can forecast and prepare for fluctuations in demand. And they can turn to new business models and data monetization opportunities to save costs and generate revenue.

Here are seven ways data can help retailers thrive during the holiday season:

1. FORECAST DEMAND AND PLAN FOR DISRUPTIONS

It's a well-known adage in the retail industry that your holiday retail plan is only good until day one. Retailers need to continually develop and refine strategies to meet customer demand while maximizing ROI and minimizing the risk of wasted inventory.

The right strategies are even more important this year as economic, geopolitical, and climate conditions continue to transform consumer trends and behavior. The threat of an extreme weather event, for example, can slow down supply chains, affect workforce numbers, and complicate logistics—causing delivery delays for important holiday items and gifts. It can also create increased demand for emergency and weather-dependent items.

Retailers need to break down data silos so they can use internal, partner, and third-party data to forecast demand and plan for disruptions. With the democratization of accurate, timely data across the enterprise, different lines of business can make better decisions about inventory levels, pricing, and delivery during the busiest time of the year.

2. BUILD A PERSONALIZED CUSTOMER EXPERIENCE

According to a [2023 McKinsey article](#), “the modern customer does expect a personalized experience—even if they take it for granted.” Building a personalized customer experience at each touchpoint is especially important during events such as Black Friday and Cyber Monday when competition is fierce and shoppers may use multiple channels to complete a purchase.

Understanding customers with data such as past purchase history and buying trends in their region can help retailers recommend and promote the right product to the right consumer at the right time—and the right price. Access to external data sets can yield real-time consumer insights from third-party sources. Equipped with granular data, retailers can build seamless, customized experiences in stores, online, and through social media, increasing topline growth as well as customer loyalty.

3. CREATE PROFITABLE HOLIDAY AD CAMPAIGNS

The holiday season—which now starts as early as October³ and lasts through January, thanks to gift card redemptions and returns—is also the busiest time of year for advertising. But according to Insider Intelligence, retailers this year will need to acquire holiday shoppers more cost-effectively and give them reasons to spend.⁴

To create ad campaigns that attract consumers more efficiently, retailers must break down barriers to real-time data sharing. They can then access data from external sources to better target specific audiences based on demographics, interests, behaviors, and location. For example, product-specific ecommerce data can be combined with direct-to-consumer purchase transactions, demographics, and lifestyle information, and then analyzed through predictive modeling to forecast purchases from brands. With this type of information, retailers can reach the right people with the right message at the right time.

4. OPTIMIZE PRICING STRATEGIES

Nearly half of the respondents in a 2022 McKinsey survey of U.S. consumers said they would switch stores if they found a better price elsewhere.⁵ At the same time, inflation is increasing costs throughout the supply chain, from raw materials to wages. To stay ahead of other brands during the fiercely competitive holiday season, it's essential for retailers to optimize their pricing strategies.

Data analytics can help by providing insights into consumer desires and behavior. By analyzing vast amounts of data, retailers can dynamically adjust prices in response to evolving demand, market trends, and competitor pricing actions. AI and machine

learning methodologies can estimate the right level of price. Channel-based pricing can also be used to leverage profitability. Successful pricing strategies require access to granular, real-time data on markets, geography, point-of-sale transactions, and consumer characteristics.

5. ESTABLISH A CONNECTED MARKETPLACE FOR CONSUMERS

It's a retailer's biggest holiday challenge: too little inventory leads to stockouts and lost consumers while too much inventory leads to deep discounts and squeezed profit margins. One way to achieve optimal inventory levels is by collaborating on data with suppliers. With visibility into supplier data, retailers can gain early knowledge about availability and manufacturing issues and proactively address potential supply constraints. In turn, suppliers can use retailers' data to react to sales shifts, gain insight into planned promotions, and understand regional holiday season periods to better plan their procurement cadences. This type of visibility can create a connected marketplace for consumers that results in a better shopping experience.

To achieve a connected marketplace, retailers and suppliers must be able to easily and securely share and collaborate on real-time data. Creating a data partnership can lead to big dividends for both parties.



6. LEVERAGE STORES AS DISTRIBUTION CENTERS

Time is of the essence during the holiday shopping season. As ecommerce shopping has increased (by 30% since the pandemic⁶), more than 90% of consumers view two- to three-day delivery as a baseline expectation.⁷ But large distribution centers often struggle to get items to online shoppers that quickly. So, leading retailers are turning their stores into fulfillment and distribution centers. Shipping from locations closer to consumers reduces delivery time, decreases cost, and offers big rewards to retailers. But this business model requires overhauls in operations, inventory, and physical spaces. It also requires unlocking partnerships and collaborations by breaking down data silos between functions—such as merchandising to plan assortment, supply chains to manage inventory, HR to plan and place the workforce, store operations to plan the physical space and operations, and external partners such as logistics companies to deliver the goods. Once data flows freely through the enterprise, stores can acquire the information and analysis needed to plan better and distribute products quickly and cost efficiently to consumers.

7. DISCOVER NEW DATA REVENUE STREAMS THROUGH DATA MONETIZATION

Retailers amass a lot of information on consumers during the holidays—data on purchase history, browsing data and preferences, ad click-through rates, and demographic data. When shared securely and in accordance with consumer privacy laws, this data can be valuable to a number of businesses. Suppliers can improve inventory planning and pricing. Advertisers can better target their marketing content. Financial and support organizations can offer adjacent customer services such as financing and warranties. To leverage this opportunity, retailers must be able to isolate specific data sets and share them easily, securely, and compliantly. Data monetization can provide a major revenue stream for retailers; the global market for data monetization, which was estimated to be at \$1.6 billion in 2020, is projected to reach \$4.1 billion by 2026.⁸



CONCLUSION

Retailers need every tool at their disposal during the holiday season. Data is essential for retailers looking to convert higher foot traffic and sales events into increased profits. According to IDC, by 2025, 75% of retailers will fully integrate order and inventory data and optimization against fulfillment, improving conversion by 10%, customer satisfaction by 50%, and reducing cost to serve by 25%. To leverage data, businesses need to unite siloed data, easily access first-, second-, and third-party data, and work and collaborate seamlessly internally and with partners. They also must share and access real-time data and turn it into insights with advanced analytics using AI and machine learning. With these capabilities, retailers can turn the busiest time of the year into the most profitable as well.

For more information on how you can leverage data to uplevel your planning for the 2023 retail holiday season, [watch our on-demand webinar](#).





ABOUT SNOWFLAKE

Snowflake enables every organization to mobilize their data with Snowflake's Data Cloud. Customers use the Data Cloud to unite siloed data, discover and securely share data, power data applications, and execute diverse AI/ML and analytic workloads. Wherever data or users live, Snowflake delivers a single data experience that spans multiple clouds and geographies. Thousands of customers across many industries, including 590 of the 2022 Forbes Global 2000 (G2K) as of April 30, 2023, use Snowflake Data Cloud to power their businesses.

Learn more at [snowflake.com](https://www.snowflake.com)



© 2023 Snowflake Inc. All rights reserved. Snowflake, the Snowflake logo, and all other Snowflake product, feature and service names mentioned herein are registered trademarks or trademarks of Snowflake Inc. in the United States and other countries. All other brand names or logos mentioned or used herein are for identification purposes only and may be the trademarks of their respective holder(s). Snowflake may not be associated with, or be sponsored or endorsed by, any such holder(s).

CITATIONS

¹ [cnn.com/2023/01/18/holiday-2022-sales-fall-short-of-expectations.html](https://www.cnn.com/2023/01/18/holiday-2022-sales-fall-short-of-expectations.html)

² [supermarketnews.com/consumer-trends/53-consumers-expect-economic-impact-2023-holiday-plans](https://www.supermarketnews.com/consumer-trends/53-consumers-expect-economic-impact-2023-holiday-plans)

³ [mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/us-holiday-shopping-2022-tis-the-season-to-be-cautiously-optimistic](https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/us-holiday-shopping-2022-tis-the-season-to-be-cautiously-optimistic)

⁴ [insiderintelligence.com/content/holiday-2023-marketing-strategies-should-adapt-value-oriented-environment](https://www.insiderintelligence.com/content/holiday-2023-marketing-strategies-should-adapt-value-oriented-environment)

⁵ [mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/us-holiday-shopping-2022-tis-the-season-to-be-cautiously-optimistic](https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/us-holiday-shopping-2022-tis-the-season-to-be-cautiously-optimistic)

⁶ [mckinsey.com/industries/retail/our-insights/beyond-the-distribution-center](https://www.mckinsey.com/industries/retail/our-insights/beyond-the-distribution-center)

⁷ [mckinsey.com/industries/retail/our-insights/beyond-the-distribution-center](https://www.mckinsey.com/industries/retail/our-insights/beyond-the-distribution-center)

⁸ [prnewswire.com/news-releases/valued-to-be-4-1-billion-by-2026--data-monetization-slated-for-robust-growth-worldwide-301392899.html](https://www.prnewswire.com/news-releases/valued-to-be-4-1-billion-by-2026--data-monetization-slated-for-robust-growth-worldwide-301392899.html)

⁹ [forbes.com/sites/sap/2022/02/07/retail-trends-2022-in-search-of-the-ultimate-customer-experience/?sh=6bcc109652ad](https://www.forbes.com/sites/sap/2022/02/07/retail-trends-2022-in-search-of-the-ultimate-customer-experience/?sh=6bcc109652ad)