



# ‘Make or Break’: How to Prepare for Christmas 2021

# Holiday season 2021 looks set to be the biggest yet



**In a normal year, the typical British household spends around a third more than usual in December.<sup>1</sup> But after the disappointment of Christmas 2020's last-minute lockdown, experts expect this year's holiday season to be even more extravagant than usual.**

According to research, 55% of consumers actively plan on making this Christmas 'the biggest yet'.<sup>2</sup> And this will inevitably translate into bigger spending. While average holiday season spending has been decreasing in recent years, research suggests this year will see the trend heavily reverse.<sup>3</sup>

## 30%

of consumers say they will spend more this year<sup>4</sup>

Retail sales in Q4 2021 will be up by at least

## 1.8%<sup>5</sup>

We can already see this trend growing: online searches for Christmas products have doubled on last year's record high – with a rise of 105 per cent,<sup>6</sup> and a quarter of UK shoppers that celebrate Christmas say they started thinking about Christmas shopping before the end of August.<sup>7</sup>

<sup>1</sup><https://www.economist.com/britain/2021/09/04/britains-economic-recovery-from-the-pandemic-is-far-from-smooth>

<sup>2</sup><https://www.retailtimes.co.uk/brits-set-to-spend-200bn-on-black-friday-and-christmas-research-shows/>

<sup>3</sup><https://www.thedrum.com/news/2021/08/03/christmas-shoppers-start-earlier-half-don-t-think-we-ll-have-normal-celebration>

<sup>4</sup><https://internetretailing.net/peak/peak/uk-shoppers-have-started-to-think-about-christmas-shopping--are-you-ready-23552>

<sup>5</sup><https://www.retail-week.com/customer/data-the-retail-sales-outlook-for-christmas-2021/7040199.article?authentic=1>

<sup>6</sup><https://www.retailgazette.co.uk/blog/2021/09/john-lewis-reveals-christmas-shop-4-months-early-as-searches-rise-105/>

<sup>7</sup><https://internetretailing.net/peak/peak/uk-shoppers-have-started-to-think-about-christmas-shopping--are-you-ready-23552>



**This will impact virtually every sector of the economy: hospitality businesses will have to manage increased demands and a longer period of festive sentiment; retailers will have to prepare stocks and find a way to get an edge on their competitors; and supply chain businesses like delivery and warehousing services will be stretched to capacity.**

**83% of experts believe Christmas 2021 will be 'make or break' for UK businesses presenting an unprecedented opportunity for them to make gains.<sup>8</sup>**

It's also important not to underestimate the 'break' part of this scenario. Challenges are already appearing for businesses, with reports of supply disruptions and ongoing difficulties procuring workers. Leaders looking to make the most of this coming holiday season must do everything they can today to get these challenges under control.

In this eBook, we explore exactly what those challenges are and how you can combat them in order to maximise your profits this holiday season.



# Christmas 2021 in brief:



## Celebrations will go ahead as usual...

The British government has explicitly stated that a Christmas lockdown is highly unlikely.



## ...and be bigger than ever

A quarter of the British population believe this year's Christmas will be more exciting to make up for last year's.



## Consumers are ready to spend...

UK consumers saved £200 billion during lockdown,<sup>11</sup> and experts expect much of this to be funnelled into Christmas and Black Friday spending.



## ...but supply chains are being stretched to breaking point...

With everything from petrol to turkeys being hit by severe delays and in many cases serious shortages.



## ...and Staffing is a struggle...

A scarcity of available talent is still being suffered across numerous industries, such as hospitality, warehousing and retail.



## ...so brands need to shore up their response to make the most of this festive season

45% of marketers believe this Christmas will be the last chance for the High Street to assert itself.<sup>12</sup> And for many businesses, that really does mean 'make or break'.

<sup>8</sup><https://www.businessleader.co.uk/last-christmas-2021-festive-season-is-make-or-break-for-uk-retailers/>

<sup>9</sup><https://metro.co.uk/2021/09/12/covid-uk-to-get-christmas-this-year-as-no-more-lockdowns-expected-15245685/>

<sup>10</sup><https://www.thedrum.com/news/2021/08/03/christmas-shoppers-start-earlier-half-don-t-think-we-ll-have-normal-celebration>

<sup>11</sup>Christmas demand stats 2021 UK

<sup>12</sup><https://www.businessleader.co.uk/last-christmas-2021-festive-season-is-make-or-break-for-uk-retailers/>





# 5 keys to maximise your profits this holiday season:

## 1 Prepare for early birds

**30% of consumers consider bringing forward their celebrations to avoid any seasonal disruption.<sup>13</sup> The luxury artificial Christmas tree and decor retailer Balsam Hill claims that they saw a 60 per cent boost in sales of trees and decorations in August compared to last year, as well as a 145 per cent increase in visitors to its website compared to the same month a year ago.<sup>14</sup>**

Perhaps more importantly, an unusually large number of consumers are planning to do their Christmas

shopping well in advance of the actual date this year. While we might assume this means toys and presents, retailers have been reporting an increase in frozen turkey sales of over 400%.<sup>15</sup> And that makes sense, given the last-minute disruption last year, as well as widespread awareness of supply problems throughout the year.

Businesses like John Lewis have already begun selling Christmas food and other festive products; businesses that wish to make the most out of this festive season will follow suit.



**41% of consumers say they expect to have all their shopping done before December this year.<sup>16</sup>**

<sup>13</sup><https://www.thedrums.com/news/2021/08/03/christmas-shoppers-start-earlier-half-don-t-think-we-ll-have-normal-celebration>

<sup>14</sup><https://www.retailgazette.co.uk/blog/2021/09/brits-get-a-head-start-on-shopping-for-christmas-trees-decorations/>

<sup>15</sup><https://www.theguardian.com/business/2021/oct/02/christmas-shortages-what-are-britons-ordering-this-year>

<sup>16</sup><https://www.thedrums.com/news/2021/08/03/christmas-shoppers-start-earlier-half-don-t-think-we-ll-have-normal-celebration>

## 2

# Embrace temporary workers

**Much of the supply chain disruption we've seen in recent months has been driven by staffing shortages. This is an ongoing problem businesses have been feeling throughout 2021, and the success of Christmas 2021 will depend in large part on how it is navigated. Reports have already suggested a lack of suitable workers could create a shortage of turkeys.<sup>17</sup>**

Some businesses have attempted to solve these issues financially: Dixons Carphone is giving a sign-on bonus of £1,500 to new lorry drivers and paying a £1,500 retention bonus to existing ones, and Amazon is offering

a £1,000 sign-on bonus to staff at some warehouses. Temporary staffing is a far more flexible and cost-efficient approach.

During the festive season, there are a greater number of people available for temporary work, in particular students who often need low-commitment work to tide them over throughout the winter. By making use of these workers, businesses will be able to adapt to the demand peak without spending excessively on bonuses or contracting more workers than they need long-term.



**Aldi has announced plans to hire 1,500 temporary workers for the Christmas period<sup>19</sup>**

## 3

# Strengthen your supply chains

Supply chains are at the heart of all commerce, and the peak demand of Christmas always stretches them. This year, these challenges have been so heavily exacerbated by staffing shortages, Brexit bureaucracy and the effects of COVID-19 that many experts have warned that Christmas 2021 could be completely derailed.<sup>20</sup>

These difficulties will impact businesses differently, depending on the complexity and contingency of their existing supply chains. But there is still time for businesses to diversify their methods of delivery.

Put simply, businesses that cannot meet increased demand will not only miss out on increased revenue, they will leave customers disappointed - potentially losing those customers for good.



**Transit times from Asian to the UK have doubled since the pandemic<sup>21</sup>**

<sup>17</sup><https://www.theguardian.com/business/2021/jul/11/uk-food-worker-shortages-push-prices-up-and-risk-christmas-turkey-supplies>

<sup>18</sup><https://www.ft.com/content/27742f31-fdde-44b5-a053-73179a460c07>

<sup>19</sup><https://www.reuters.com/world/uk/aldi-uk-recruit-over-1500-christmas-workers-2021-10-04/>

<sup>20</sup><https://www.bloomberg.com/opinion/articles/2021-09-17/supply-chain-trouble-might-be-the-grinch-that-steals-christmas-holidays-2021>

<sup>21</sup><https://www.ft.com/content/1e93fab0-916e-4697-be8a-af02bde94411>





## 4

# Market strategically

Christmas adverts are one of the UK's most beloved seasonal staples, and marketing departments across the country will be looking to ensure their efforts are as impactful and targeted as possible in 2021. But it's important to bear in mind the ways consumer behaviour is changing this year.

Experts suggest a 'real-time' approach, where businesses respond to the changing atmosphere immediately - rather than planning their Christmas campaigns months in advance.<sup>22</sup> This will ensure businesses to avoid sending out irrelevant messages, but it will also enable them to take advantage of consumers' changing attitudes.

Last year's most impactful campaigns were highly relevant to the situation consumers found themselves in,<sup>23</sup> and this should be taken further in 2021. By using their marketing resources more carefully, businesses can ultimately grow their bottom line profits this year.



**Brands spent nearly £1 billion less on advertising in 2020 than previous years<sup>24</sup>**

<sup>22</sup><https://www.thedrums.com/news/2021/10/01/it-s-influencing-media-plans-the-supply-chain-headaches-big-christmas-advertisers>

<sup>23</sup><https://www.thegrocer.co.uk/marketing/yougov-data-reveals-most-effective-christmas-advert-of-2020/651427.article>

<sup>24</sup><https://www.theguardian.com/media/2020/oct/29/advertisers-expected-to-spend-725m-pounds-less-than-last-christmas-pandemic-coronavirus>

# 5

## Integrate technology where it counts

Technology is often pushed as a solution to retailers, with eCommerce rapidly eating up market share and putting the High Street at risk. But current research doesn't quite support this. As supply chain disruptions are heavily publicised, far more consumers than would previously have been expected are avoiding online shopping; they believe online shopping is likely to end in unexpected delays.

This doesn't mean eCommerce should be overlooked: consumers are still heavily reliant on digital to make purchases, and perhaps as importantly to research their options. In particular smartphones have become extremely important to consumers, and the

distinction between digital and reality has become far less clear in the last 18 months.

Instead what this means, is technology should be seen as a targeted solution. From supporting staffing initiatives to making supply chains more transparent to customers, there are a number of smart ways businesses can leverage tech in order to make their Christmas 2021 efforts more impactful. Businesses that are able to introduce such solutions in time will see enormous benefits.



**94% of those who currently use recruitment software say it has had a clear, positive impact.<sup>25</sup>**



<sup>25</sup><https://www.g2.com/articles/recruitment-statistics>





# Struggling to attract and retain workers?

At Indeed Flex, we help organisations source temporary workers in a smarter, more efficient and more flexible way. Our cutting-edge technology allows you to hand pick the best candidates and source them as soon as you need.

We've built a community of over 44,000 temporary workers, giving you access to the widest range of skills and the most diverse talent pool possible. With automated HR and compliance, we make the process of hiring temporary workers seamless. And using our simple rating system, you can build up a pool of preferred candidates that you keep coming back to.

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Managed Service Provider



Workforce Management



Permanent Hiring



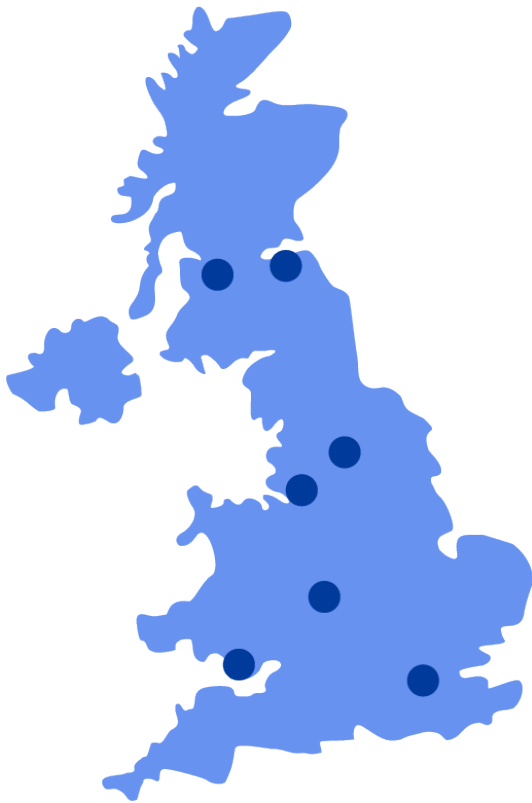
Temporary Staffing

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