



How retailers can maximize success in 2024

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As retailers come into the New Year, there's often a sense of letdown after the holidays. After all, the holiday season can account for 20% or more of retail sales, according to the [National Retail Federation](#). Traditionally, those two up months for merchants are followed by two very lean months, as "tapped out" consumers stop spending – and retailers hope for a spring uptick.

Merchants might be more optimistic after seeing the strength of holiday sales in 2023. [Black Friday, Cyber Monday and Cyber Week](#) sales were all up from a more muted 2022.

In 2024, e-commerce in the US is projected to top \$1.25 trillion, an increase of more than 10%, according to [Insider Intelligence](#), which would represent 16.6% of total retail sales. While [Fitch Ratings](#) notes that "[c]onsumer spending's direction is increasingly challenging to predict," inflation continues to ease and [interest rates are holding steady](#). That may give consumers more confidence to spend next year.

Whether the overall trend will be strong or soft, merchants can take some steps as the year starts with an eye toward reaching more customers and creating a better shopping experience. Here are four things to consider for your 2024 plans:

- 1. Deliver a generationally differentiated experience.** In general, shoppers have markedly different habits based on which generational cohort they fall into, and the younger they are, the more they take an omnichannel approach to purchasing. Omnichannel shopping is important to millennial shoppers as well, according to research from [Near](#): Gen Z (62.7%) and Millennials (64.6%) are twice as likely as Boomers to use omnichannel approaches. In addition, more than half of both Gen Z and Millennials shop more from brands that have an app.
- 2. Up your social game:** In 2024, social commerce is expected to grow 23.5% to more than \$82 billion according to [Insider Intelligence](#), primarily driven by Gen Z shoppers. [A report from ICSC last year](#) concluded that 85% of customers report buying decisions are influenced by social media – with the platform of choice changing with each generation. While Facebook is popular with Boomers and Millennials, 45% of Gen Z respondents named TikTok and Instagram as the top platforms influencing their purchasing decisions. Social media is likely to be essential to reaching the next generation of shoppers, [Gen Alpha](#), the first generation of digital natives who are children of digital natives.
- 3. Deliver a personalized experience.** Just as Gen Z and Millennial shoppers like an omnichannel experience, they also appreciate a personalized experience that includes on-target recommendations. In fact, [McKinsey](#) has consistently found that personalization is a key factor in a majority of consumer brand considerations – and a lack of personalization is also a turnoff.
- 4. Improve the checkout experience with more options.** Consumers increasingly say that they prefer to shop where they have a streamlined checkout process. That includes offering a range of payment options, which is becoming an increasingly important choice point for consumers. The National Retail Federation's [survey of consumers](#) last November showed that between 77% and 80% of shoppers between 18 and 44 planned to use an app or wallet for holiday purchases. Younger shoppers are cost-conscious, with less income than Millennials or Boomers, but they also are "willing to pay for convenience and quality," [ICSC](#) found. That's where Buy Now Pay Later options could be ideal for capturing their business. In fact, BNPL solutions like Affirm were a big factor on Cyber Monday in 2023, according to [Adobe Analytics](#), hitting an all-time high of \$940 million in online spending, up more than 42% over 2022. Throughout November, Adobe reported BNPL was used for \$8.3 billion in online sales – and increased the number of items in each order by 11%.

As the new year gets underway, retailers who keep their eyes on trends and work to meet consumers where they have opportunities to position themselves for success. Affirm's insights and ability to enable merchants to offer more flexibility in payments to their customers can play an important role in those efforts.