

The most wonderful time of the year? Five things retailers need to consider this holiday season

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The holiday season is the most wonderful – and the busiest – time of year for retailers. With the holiday season now in full swing, here are 5 things your business needs to consider:

The industry outlook

With pressure on traditional bricks and mortar or high street retailers continuing throughout 2018, sales over the holiday period seem likely to assume an increased importance for retailers. The importance of online sales and online marketing has grown and brings with it its own set of difficult issues to manage, such as managing consumer sensitivities around the use and collection of data, the risk of fraud and breaches of security from online hackers, and how to measure and regulate the impact of social media on a brand's sales, to name a few. In addition, the backlash against consumerism and traditional retail structures has resulted in more shoppers looking to shop small and to shop local. How the market performs this holiday season may foretell the shape of the industry in 2019.

Geo-blocking rules to impact e-commerce and sales

Online sales are a predicted growth area for the fashion industry, particularly for luxury brands. As the holiday season approaches and online shopping peaks, online fashion retailers should make sure they don't run afoul of the new EU rules on geo-blocking, which come into force on 3 December. Under the new rules online traders must treat online customers from another EU country in the same way as a local customer, which means applying the same domestic prices and terms. Any blocking or rerouting of customers from another EU country is also banned. If your website has country specific versions, check your terms of use are compliant now.

Pop ups move into mainstream

The effect of online shopping on retail stores is well known, with many closing and landlords struggling to re-let space. However, it's not all bad news. For many brands, physical stores are an important part of their offering, and an opportunity to give their customers the product experience that online shopping cannot match.

The changing market means landlords increasingly offer shorter and flexible leasing deals, and "pop ups" are becoming more mainstream. Pop ups offer retailers an exciting platform from which to showcase their brand and – as they avoid many traditional real estate liabilities – can be ideal during holiday periods.

Using influencers to increase sales

This busy holiday shopping season we expect continued client retailer reliance on social media influencers to target Millennial and Gen Z consumers, who have the largest combined buying power and are most likely to turn to social media platforms to inform purchases.

Legal issues around influencer marketing are likely to abound, including concerns that the FTC may find insufficient clarity in influencer and brand relationships, or concerns over an influencers use of brand's pictures, graphics, and other content. Before doubling-down on influencer marketing, we recommend evaluating existing practices and vigilantly monitoring influencers' online activities to ensure Happy Holidays for all.

Privacy and data concerns are still very much present

Don't let the holiday rush cause you and your organization to overlook privacy and cybersecurity issues:

- Remind your workforce that hackers and other bad actors may take advantage of increased shopping activity to initiate phishing or cyber-attacks;
- Confirm that your 2019 budget supports compliance with California's new privacy law and other emerging legal frameworks;
- Review your seasonal promotions and campaigns for compliance with direct marketing requirements, including under the GDPR; and
- If you offer connected devices to consumers, monitor social and mass media for indications that breaches or opinion pieces may lead to recalls or mass returns

Contacts



Meryl
Bernstein

Partner



Sahira
Khwaja

Partner



Oliver
Chamberlain

Partner



Nicola
Fulford

Partner



W. James
Denvil

Counsel



David Horan

Senior
Associate

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