Predictions and Overall Results
Consumers and retailers alike entered the holiday season amid unique economic and social circumstances with concerns of a potential economic downturn and rising prices.

While Deloitte forecasted an annual total sales increase of 4% to 6% year over year (YoY) and an e-commerce increase of 12.8% to 14.3% YoY during the holiday season, the observed growth ranged from 5.3% to 7.6% for total sales and from 3.5% to 10.6% for e-commerce. The 2022 YoY holiday growth rate slightly surpassed analysts' projections. However, it is important to note that the annual inflation rate during the 2022 holiday season was as high as 6.5% (note: the average annual inflation over the prior five years was only 2.9%), which largely offset the reported revenue growth.

The 2022 holiday shopping season was shaped by inflation and digital spending, showcased by cautious spending behaviors—like spreading out expenses and shopping around for discounts—as consumers watched their buying power shrink. This quick take examines several trends that affected how consumers, retailers, and infrastructure providers performed during the 2022 holiday retail season.
Return of in-store shopping and desire for omnichannel experiences
This holiday season, customers returned to stores for both in-person shopping and pickup of online orders. Although the role of stores has evolved since the pandemic, they proved to be as important as ever—71% of customers shopped in physical stores as often or even more often than before the pandemic, and overall spend in stores increased 6.8% compared to 2021. This year, in-store spend accounted for 66% of total holiday sales in 2022, up slightly from 65% in 2021 and 64% in 2020. As omnichannel shopping continued to influence the retail landscape, “buy online, pick up in store” (BOPIS) services became increasingly popular around the holidays. This season, nearly one of five orders were placed using BOPIS. While BOPIS usage saw unprecedented spikes when the pandemic hit in 2020, its steady usage increase YoY indicates that customers enjoy this convenience.

Earlier shopping, higher discounts, and excess inventory
Though Cyber Weekend is traditionally the start of the holiday shopping season, over half of US consumers this year began their holiday shopping before Thanksgiving. The phenomenon was likely due to pre-Black Friday deals, such as early access sales in mid-October, as well as early savings deals for loyalty members. As a result, this season’s retailer loyalty programs became more important than ever, and discounts were the most sought-after program benefit. With an earlier start to what proved to be a longer shopping season, Cyber Weekend became the halfway point to the holiday shopping period. Less than half of US consumers completed their holiday shopping prior to December, leaving plenty of room for additional purchases, with the majority looking for more holiday deals. Sixty percent of consumers surveyed ahead of the season cited that discounts or sales would be a main driver in deciding where to shop. Many retailers reacted by offering steeper discounts this year, especially on Cyber Monday, with toys discounted at 34% and electronics discounted at 25%, on average. Several retailers even offered post-holiday deals in a last-ditch effort to lift sales and clear excess inventory, extending this year’s holiday season.

Social platforms provided gift inspiration
One of the top social media sites, most well-known for creating and sharing videos, asserted its growing popularity and influence once again this holiday season. While consumers still primarily headed to established social media platforms for gift inspiration, the new application was able to attract consumers, with 67% of users seeking out the platform for gifting inspiration. Platform users were 1.4x more likely to purchase something seen on the application than on any other social media this holiday. However, the brand’s user and engagement metrics prevented it from completely surpassing established social media sites this holiday season. From September to December 2022, with a monthly active user count of ~35 million, the social media platform lagged its biggest competitor by 50–75 million users. Should the application’s monthly active user count grow to that of its counterparts and avoid impending government regulatory action, it could be even more influential next holiday season.

Shifts in spending categories
By category, discount, club, grocery, and mass retailers saw increased growth in spend this holiday season as consumers shifted spend away from specialty retailers, such as those in home and electronics. This trend continued from last year as the spend rebalanced from the “COVID winners,” home improvement, grocery delivery, and home categories. The decline in spend at specialty retailers, including last year’s big winners, department and footwear and apparel, represents the shift from discretionary to non-discretionary spending as consumers’ purse strings tightened with inflation.
Holiday in the metaverse
The metaverse provided retailers with unique opportunities to engage with tech-savvy shoppers this holiday season; however, its long-term value remains unclear. Major players adopted virtual reality to innovate how they research, market, and sell to their customers. One multinational fast fashion retailer created a new revenue stream selling holiday accessories and apparel, like winter beanies and hoodies, using virtual currency in the metaverse world. A luxury department chain built a virtual holiday store for its premium retail brands to display new products, integrated with unique virtual experiences (e.g., displaying outdoor winter products in a virtual ski chalet). Lastly, this mega retailer took its famous Thanksgiving Day parade into the metaverse with virtual experiences (e.g., displaying outdoor winter products in a virtual ski chalet). Lastly, this mega retailer took its famous Thanksgiving Day parade into the metaverse with the virtual parade, including non-fungible token galleries where visitors could vote on their favorite designs to become a parade float next year!

Retailers disincentivized returns
Retailers changed infrastructure and altered existing policies to disincentivize returns this holiday. In 2021, the return rate climbed to ~16.6% of total US retail sales, and consumers were predicted to return over $1.4 billion in holiday purchases this year, a 57% jump YoY. To avoid the holiday return frenzy, retailers condensed return windows and charged return fees. Several notable apparel retailers shortened their existing return policies to be within a month of the purchase date. Other retailers opted to charge customers shipping and processing fees for returns by mail. Sixty percent of retailers adjusted their existing policies, signaling that the operational and financial headache of returns aren't always worth the customer flexibility.

Buy now, pay later gained popularity with holiday shoppers
Amid heightened inflation and high holiday spending, consumers sought to stretch their dollars further this holiday season with buy now, pay later (BNPL) services: short-term financing parsing purchases into smaller no-/low-interest payments. Heading into the holiday season, 72% of shoppers were worried about the rising costs of gifts, and almost a quarter of consumers were worried about their inability to pay off this debt. BNPL services offered consumers flexibility with alternative financing and the ability to increase spend this holiday season. BNPL services saw a 17% increase YoY in monthly page visits from October to December,1 and more than a third of Cyber Weekend shoppers indicated they would use BNPL to finance their holiday shopping. Financing purchases via credit, loans, or BNPL on Black Friday was most popular with millennial and Gen Z consumers along with those struggling to pay their bills.

Seasonal hiring and corporate layoffs
Despite last year’s labor shortage, many retailers hired fewer seasonal employees this year. During November, the retail industry experienced a low that hasn’t been seen since 2008, with only ~256,700 retail seasonal jobs added to combat the holiday rush, down 26% YoY. This decline came as little surprise, as a major retailer announced they were hiring only 40,000 seasonal employees after hiring 150,000 in 2021. Large retailers also conducted major corporate layoffs to manage costs, leaving many consumers unemployed during one of the most popular spending periods of the year.

That’s a wrap on the holiday.

1Affinity Solutions, Inc. – Deloitte InSightIQ Analysis

While inflation remained elevated, consumers found ways to stretch their wallets, and retailers offered steeper discounts to attract price-sensitive shoppers and clear out excess inventory. While holiday spend increased compared to last year, when accounting for inflation, we see that retail sales growth remained relatively flat YoY.
Contents

1. Overall Results
2. Consumers
3. Retailers & Categories
4. Infrastructure
5. The Takeaway
Overall results
Moderate growth was predicted this holiday season amid economic concerns among shoppers and retailers.

**Overall Results**

- **Economically Cautious Consumer Sentiment**
  - 86% of shoppers expected more holiday deals this season, with 72% of shoppers concerned about the affordability of gifts given the economic climate.
  - 56% of shoppers said they took advantage of early holiday sales or promotions before Thanksgiving this year.
  - 70% of shoppers looked to spread out their spending throughout the season.
  - Consumers looked to take advantage of more discounts after Cyber Weekend and even after December 25th to take advantage of more discounts.

**Economic Outlook**

- **Significant YoY Growth in Ecommerce Sales**
  - Deloitte forecasted moderate growth across the holiday season.
  - 4 - 6% YoY growth in total retail sales.
  - 12.8 - 14.3% Significant YoY growth in ecommerce sales.

**Economic Cautious Consumer Sentiment**

- Over Cyber Weekend and is expected to grow to $957.46 per user in 2022, shifting how consumers take on debt during the holidays.

**E-Commerce Growth**

- Significant YoY growth in ecommerce sales.

---

1) Modern Retail 2) Insider Intelligence 3) Retail Dive 4) ABC 5) Deloitte 6) The year-over-year (YoY) increases and growth rates stated in this document are based on nominal dollars and do not account for inflation.
Year-over-year growth slightly surpassed projections, while record inflation largely offset gains

### Overall Results

Overall retail spending during the holiday season (Nov 1–Dec 31), representing a 5.3% YoY increase.

**$936.3B**

Online retail spending during the holiday season (Nov 1–Dec 31), representing a 3.5% YoY increase.

**$211.7B**

The BLS reported **6.5% YoY inflation during the holiday season**, significantly higher than the 2.9% average over the prior 5 years.

### Year-Over-Year Growth

<table>
<thead>
<tr>
<th>Total Retail (ex. auto and gas)</th>
<th>7.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Store</td>
<td>6.8%</td>
</tr>
<tr>
<td>Ecommerce Sales</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

**2021 vs. 2022**

(Nov 1 – Dec 24; unadjusted for inflation)

**PROJECTED VS. ACTUAL HOLIDAY SEASON**

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Growth</th>
<th>Actual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5.0%</td>
<td>5.3%</td>
</tr>
<tr>
<td>2017</td>
<td>7.5%</td>
<td>5.8%</td>
</tr>
<tr>
<td>2018</td>
<td>7.2%</td>
<td>6.0%</td>
</tr>
<tr>
<td>2019</td>
<td>7.6%</td>
<td>6.1%</td>
</tr>
<tr>
<td>2020</td>
<td>7.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2021</td>
<td>7.6%</td>
<td>7.6%</td>
</tr>
<tr>
<td>2022</td>
<td>8.0%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>


### Year-Over-Year Growth

- **Total Retail** (ex. auto and gas): 7.6%
- **In-Store**: 6.8%
- **Ecommerce Sales**: 10.6%

**Y O Y S A L E S G R O W T H**

While spend growth exceeded initial analyst projections, high inflation during this period reduced consumers’ overall buying power and significantly offset actual growth.

---

1) NRF 2) Adobe 3) Mastercard 4) The reported YoY growth rates in total sales varied between NRF (5.3%) and Mastercard (7.6%) and the reported YoY growth rates in online sales varied between NRF (9.5%), Adobe (3.5%), and Mastercard (10.6%) due to differing methodologies and data sets.
6) US Inflation Rates
While spend increased, consumers made slightly fewer transactions, resulting in basket sizes similar to last year.

Consumers spent more and took slightly less trips, leading to a subtle increase in ATV.

**Average Transaction Value (ATV)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$53.11</td>
<td>$54.30</td>
<td>$54.58</td>
</tr>
</tbody>
</table>

**YoY Spend and Transaction Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Spend Growth</th>
<th>Transaction Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>7.0%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>2022</td>
<td>4.7%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

1) Affinity Solutions, Inc. – Deloitte InSightIQ Analysis
We analyzed the holiday through three distinct lenses

Consumers
When and how they shopped

Retailers & Categories
Where and what they bought

Infrastructure
Who and what made it possible
While consumers returned to stores, they remained interested in omnichannel options that accelerated during the pandemic

Customers once again returned to physical stores as their primary shopping method....

...but BOPIS services continued to gain popularity, especially closer to the holidays.

71% of consumers shopped in physical stores as often or even more often than before the pandemic¹

In store shopping increased 6.8% from 2021, while online sales grew 10.6% in the same period²

Nearly 1 of 5 orders this holiday season were placed using buy online pickup in store (BOPIS)⁴

BOPIS usage peaked at 25% this year on Christmas Eve, as customers rushed to gather last minute gifts⁴

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1) Retail Dive 2) Mastercard 3) Affinity Solutions, Inc. – Deloitte InSightIQ Analysis 4) Chain Store Age 5) JLL
Consumers shopped earlier than ever this year, with many shopping prior to Thanksgiving weekend.

- **YoY Change in Spend by Week**
  - October – December, 2021 vs. 2022
  - Early Access Sales Day Events, 2022:
    - OCT +2% YoY
  - Cyber Weekend:
    - NOV -1% YoY
    - DEC 0% YoY
  - Christmas & Post-Holiday Sales:
    - Spend in October continued to increase as consumers shopped earlier, up 2% from 2021 and 9% from 2020.

- **56%** of consumers shopped earlier than Thanksgiving weekend.
- **47%** of shoppers completed their holiday shopping before December.

---

1) Affinity Solutions, Inc. – Deloitte InSightIQ Analysis
2) Cyber Weekend includes the 5 days between Thanksgiving Thursday and Cyber Monday
3) NRF
4) NRF

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13 | Copyright © 2023 Deloitte Development LLC. All rights reserved.
Consumers were incentivized by deals both before and after Cyber Weekend

Retailers offered deals and promotions as early as October...

Several major retailers offered pre-Black Friday deals, such as **early access sales** in mid-October₁

...as well as early access deals for loyalty members...

This season, retailer loyalty programs became more important than ever, and **discounts were the most sought-after program benefit**²,³

...and deals continued through December.

Several retailers offered post-holiday deals in a last-ditch effort to **lift sales** and **clear excess inventory**, extending this year’s holiday season⁴

1) Amazon  2) Lending Tree  3) Insider Intelligence  4) Yahoo
Cyber Weekend regained importance as consumers spent an unprecedented amount via digital channels, reversing last year’s trend.

**Traditional “Key Shopping Days” Online Sales ($B)**

- **Thanksgiving Day**: 2019: $4.2B, 2020: $5.1B, 2021: $5.1B, 2022: $5.3B

**YoY Change (2021 to 2022)**

- **Thanksgiving Day**: 3.1%
- **Black Friday**: 2.3%
- **Cyber Monday**: 5.8%

**Peak discounts**

- **Electronics**: 2021: 8%, 2022: 25%
- **Toys**: 2021: 19%, 2022: 34%
- **Apparel**: 2021: 13%, 2022: 18%

1) Forbes 2) Adobe
Shoppers used BNPL services to stretch holiday spending

Many consumers who worried about inflated costs and budgets turned to BNPL services

**Heading into the Holiday Season:**

- **72%** of consumers were worried about being able to afford gifts
- **31%** of consumers who use BNPL services said they would spend more if using BNPL services

Consumers preferred BNPL as an alternative and flexible financing option separate from traditional credit and big banks

- **24%** of consumers were worried about not being able to pay off their credit card debt
- Consumer credit card debt historically rises during the holiday months
- There was a **70%** increase in BNPL services used during Black Friday & Cyber Monday

**BNPL grew in popularity compared to previous years, mostly due to the following cohorts**

<table>
<thead>
<tr>
<th>Of those who shopped with BNPL services.....</th>
</tr>
</thead>
<tbody>
<tr>
<td>45.4% were living paycheck to paycheck</td>
</tr>
<tr>
<td>44.5% were millennials</td>
</tr>
</tbody>
</table>

**YoY Growth of Total Web Visits to Top BNPL Sites**

- **October - December, 2020 - 2022**

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021</td>
<td>3.7%</td>
</tr>
<tr>
<td>2021-2022</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

**Note:** Demographic data was conducted for the week during and between Black Friday and Cyber Monday. BNPL services included in chart are based on Finbold’s top 10 BNPL services.
TikTok asserted its growing influence and popularity once again this holiday season

TikTok rapidly gained market share and was among the top three most popular social channels for gifting inspiration, along with Facebook and Instagram...

...but TikTok’s influence exceeded that of established social commerce sites

60% of Gen Z and 56% of millennials indicated they would do at least some holiday shopping on social commerce applications.

TikTok users were 1.4x more likely to buy a product they saw on the platform than users of other social platforms.

Of TikTok users said the platform was likely to inspire a gift idea this year.

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1) Retail Dive 2) Deloitte Holiday Survey 3) TikTok for Business
Retailers and Categories
Discount, Club, Grocery, and Mass categories saw highest growth in spend, while consumers pulled back at specialty retailers.

Spend grew in Q4 at Discount, Club, Grocery and Mass retailers as consumers shifted toward non-discretionary items amid rising costs of essentials and lower purchasing power.

Discount outpaced other retailers in growth, at 8% YoY in Q4, amid frugal shopping behaviors instigated by inflation.

Spend continued to rebalance away from “COVID Winners” as Home and Grocery Delivery retailers each saw spend continue to decline from 2020 and 2021.

YoY % Growth by Retail Subsector
October to December, 2020 - 2022

- Discount: 8% (2020-2021), 6% (2021-2022)
- Club: 14% (2020-2021), 12% (2021-2022)
- Grocery: 5% (2020-2021), 4% (2021-2022)
- Mass: 4% (2020-2021), 3% (2021-2022)
- Drug & Convenience: 24% (2020-2021), 1% (2021-2022)
- Footwear & Apparel: 15% (2020-2021), -3% (2021-2022)
- Beauty & Personal Care: 14% (2020-2021), -3% (2021-2022)
- Off-Price: 12% (2020-2021), -6% (2021-2022)
- Sporting Goods: 5% (2020-2021), -7% (2021-2022)
- Home Improvement: 29% (2020-2021), -8% (2021-2022)
- Department: 14% (2020-2021), -8% (2021-2022)
- Grocery Delivery: 4% (2020-2021), -12% (2021-2022)
- Electronics: 8% (2020-2021), -14% (2021-2022)
- Home: 8% (2020-2021), -17% (2021-2022)
Consumers continued to shift toward experiences, increasing spend on Travel and Food & Beverage.

Though spend growth slowed compared to the resurgence that took place in the experiential sectors last year, consumers continued to shift spend away from Retail and into Travel and Food & Beverage.

Unlike last year, consumers decreased their spend on Full Service & Fast Casual Restaurants, and shifted toward “To Go”-type formats.
The metaverse offered retailers new opportunities to engage with shoppers this season, however its long-term value remains unclear

Retailers across the country used the metaverse to pioneer new ways of researching, marketing, and selling products this season – see below for three case studies:

1. **Top Line Growth: Multinational Fast Fashion Retailer**
   - This retailer created a new revenue stream this season by selling holiday specific accessories and apparel, such as winter beanies and hoodies, using virtual currency in the metaverse.

2. **Marketing & Advertising: Bloomingdales**
   - Bloomingdales built a virtual holiday store this year to enhance advertising for its premium brands; each brand received its own space to display new products and had an opportunity to integrate them with unique virtual experiences to further cultivate their brand image (e.g., luxury apparel brand displayed outdoor winter products in a virtual ski chalet).

3. **Research & Development: Macy’s**
   - Macy’s took its famous Thanksgiving Day parade into the metaverse this year! The virtual parade included galleries from various NFT projects, which customers were able to vote on to determine the best design – the winner of the best design contest will have their design brought to life on a real float in next year’s parade!
Retailers responded to infrastructure changes by altering store policies to disincentivize returns this season

Retailers experienced high costs with returns... ...and looked for ways to offset the cost on the customer

On average, stores incurred $166M in merchandise returns for every $1B in sales¹

Returns were predicted to jump 57% YoY

Totaling $1.4 Billion in holiday purchases this year²

60% of Retailers made changes to existing return policies³

SHORTENED RETURN WINDOWS

Many major retailers shortened their return windows to within a month around the Holiday season³

CHARGED RETURN FEES

Some apparel retailers began charging fees for returns via mail⁴

RETAILERS SIGNALED THAT THE OPERATIONAL AND FINANCIAL HEADACHE OF RETURNS ARE NOT ALWAYS WORTH CUSTOMER FLEXIBILITY

1) NRF  2) Retail Dive  3) CNBC  4) Fox Business

1. NRF
2. Retail Dive
3. CNBC
4. Fox Business
Carrier performance this holiday season improved to pre-pandemic levels, rebounding from last year’s delivery delays. Majority of consumers did not have to worry about their packages being delivered on-time this year.

On-time delivery rates across three of the top national carriers: 94-98%.

Parcels delivered during 2022 peak, averaging 20 parcels per household.

While an arctic cold blast leading up to Christmas delayed more than 10 million packages, these were not included in on-time performance figures as they were considered delays beyond the carriers’ control.

Several factors influenced on-time delivery:

1. **ENTRY OF NEW CARRIERS**
   At least 3 carriers entered the field, distributing demand across more entities.

2. **STABLE LEVELS OF EMPLOYMENT**
   Carriers did not face labor shortages as seen during the peak of the COVID-19 pandemic.

3. **CONSUMERS CONTINUED TO SHOP EARLY**
   Consumers continued to purchase gifts early to ensure they received their presents in-time for the holidays.

---

1) ShipMatrix 2) ShipMatrix data is based on packages delivered between Black Friday and Christmas Eve 3) SupplyChainDive
The retail industry added the lowest number of retail seasonal jobs in the month of November since 2008.

seasonal jobs were added in November, compared to last year’s 348,000, a **26% decrease YoY**¹

Types of Retailers that hired fewer seasonal employees YoY

<table>
<thead>
<tr>
<th>Types of Retailers</th>
<th>2021</th>
<th>2022</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury Department Chain</td>
<td></td>
<td></td>
<td>-29%</td>
</tr>
<tr>
<td>Department Store</td>
<td></td>
<td></td>
<td>-46%</td>
</tr>
<tr>
<td>Big Box Retailer</td>
<td></td>
<td></td>
<td>-73%</td>
</tr>
</tbody>
</table>

¹ Chain Store Age ² Barron ³ Details included in the graph are a representative sample for each type of retailer and does not reflect the entire retailer category.
While economic uncertainty shifted expectations this holiday season, several key themes emerged.

What we learned in holiday 2022:

Consumers
Incentivized by the perfect storm of more promotions ahead of traditional key shopping days and the need to stretch a dollar due to inflation, consumers shopped earlier than ever and leaned on BNPL more than ever this season, with unprecedented levels of spend prior to and during Thanksgiving weekend, and on into December.

Retailers & Categories
Retailers leveraged new, innovative strategies like virtual reality to promote and sell products while disincentivizing returns to avoid operational complications and increased costs. With inflation elevated, consumers shifted spend toward discretionary categories, like grocery and mass.

Infrastructure
With the reduction of delivery delays, carrier performance improved and returned to pre-pandemic levels. However, seasonal hiring continued to decline as retailers generally added fewer seasonal jobs.
**THE TAKEAWAY**

With great anticipation, we wait to see what we will be gifted in the coming year.

### What to watch for in holiday 2023:

<table>
<thead>
<tr>
<th>Economic Pressures</th>
<th>Timing &amp; Promotions</th>
<th>Stores</th>
<th>Evolution of Payment Methods</th>
<th>Inventory / Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>As an impending recession of unknown severity and length is on the horizon, how will retailers face the complexity of keeping stores afloat with less employees on the floor and rising cost of goods amid low willingness to pay among consumers? Additionally, the looming 2024 presidential election, with preparation beginning ahead of the holiday season, could add further consumer uncertainty around spending.</td>
<td>Holiday deals and promotions will continue to kick off prior to Cyber Weekend and extend through the month of December, but exactly how early will these deals begin and how late will they end? Additionally, will traffic over Cyber Weekend decrease due to longer promotions, or will pre-Black Friday deals add to the anticipation leading up to the traditional week of sales?</td>
<td>As retailers shift away from malls into more urban spaces with smaller store formats, how will they leverage existing physical locations, i.e. fulfillment or experiences? With the resurgence of in-store shopping, will stores that focused solely on e-commerce during the pandemic lag behind? What value will unlimited reality hold for customers in the long-run?</td>
<td>With the increase of BNPL, will consumers see these services negatively impact their credit and add to the steadily increasing credit card debt most consumers face? As more players enter the realm of payments, how will the providers differentiate themselves? Alternatively, will there be government regulation in this space to discourage new entrants?</td>
<td>As retailers increase promotions to shed excess inventory, will retailers innovate new ways to shrink overstocked goods, particularly in apparel, while minimizing impact on margin? With no signs of improvement in the labor shortage of store employees, stores will double down on AI and automation to support customers.</td>
</tr>
</tbody>
</table>