

Salesforce predicts consumers will face higher prices this festive season

Salesforce has announced new consumer insights and predictions for the 2021 holiday shopping season. Once again, the company expects digital sales to top \$1tn globally, but consumers, retailers, and suppliers are predicted to face rising costs and decreased inventory due to pressure on the global supply chain.



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The impact of the worldwide pandemic on digital shopping habits is expected to persist.

Though the rise in online commerce may not compare to last year's historic 50% surge, total sales are expected to reach record rates for the upcoming holiday season.

Salesforce forecasts:

- 7% year-over-year overall growth in global digital commerce for November and December (slowing down from 50% year-over-year growth in 2020)
- Total digital sales are expected to reach a record high of \$1.2tn globally
- Digital commerce growth will be driven by a 20% rise in consumer prices despite fewer global (-2%) holiday orders expected

Despite this global rise, the market for retailers, suppliers and consumers has become more challenging.

Manufacturing capacity, logistics costs and labour shortage have become pressure points in the industry which is likely to cause higher retail prices for merchandise.

On top of that, product availability is likely to decrease replacing shipping delays as the season's biggest spoiler.

Nevertheless, the rise in prices and costs remains unlikely to deter consumers from spending this festive season, the first that resembles relative normality in two years.

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