

## **2019 Holiday Survey of Consumers**

Keeping the good times rolling

# Deloitte's 2019 retail holiday survey: Key findings



## **Shoppers are expected to spend \$1,496 per household during the holiday season this year, growing at a 5.4% CAGR since 2012.**

- The bulk (\$596) will go to spending on experiences and celebrations—including entertaining at home and socializing away from home (including travel and restaurants).
- Gift purchases account for roughly one-third (34%) of holiday budgets, and respondents expect to spend an average of \$511 on them. People plan the remaining \$389 to go toward non-gift items like clothing for themselves or the family, and home/holiday décor.
- Most (78%) expect to spend the same or more than last year's holiday season, despite their less optimistic outlook for the economy in 2020; 44% expect the economy to weaken next year, up from 27% who said so in last year's survey.
- The top 20% of spenders account for 60% of total dollars people plan to spend during the holiday season.



## **Online remains the lead shopping destination with mass merchants second.**

- People surveyed expect to spend 59% of their holiday budget online, compared with 36% in store.
- More than half (54%) prefer online shopping vs. stores during the holiday season, with some variation by category. Online reigns as the top shopping destination for electronics and toys; mass merchants top the list for food and beverage, health and beauty, and home items and appliances; department stores lead by a narrow margin for clothing and accessories.
- Buying via smartphone continues to climb every year; 70% of smartphone users say they expect to make a purchase from their device, up from 41% five years ago.

# Deloitte's 2019 retail holiday survey: Key findings



## **Promotions and price are still timeless holiday shopping traditions.**

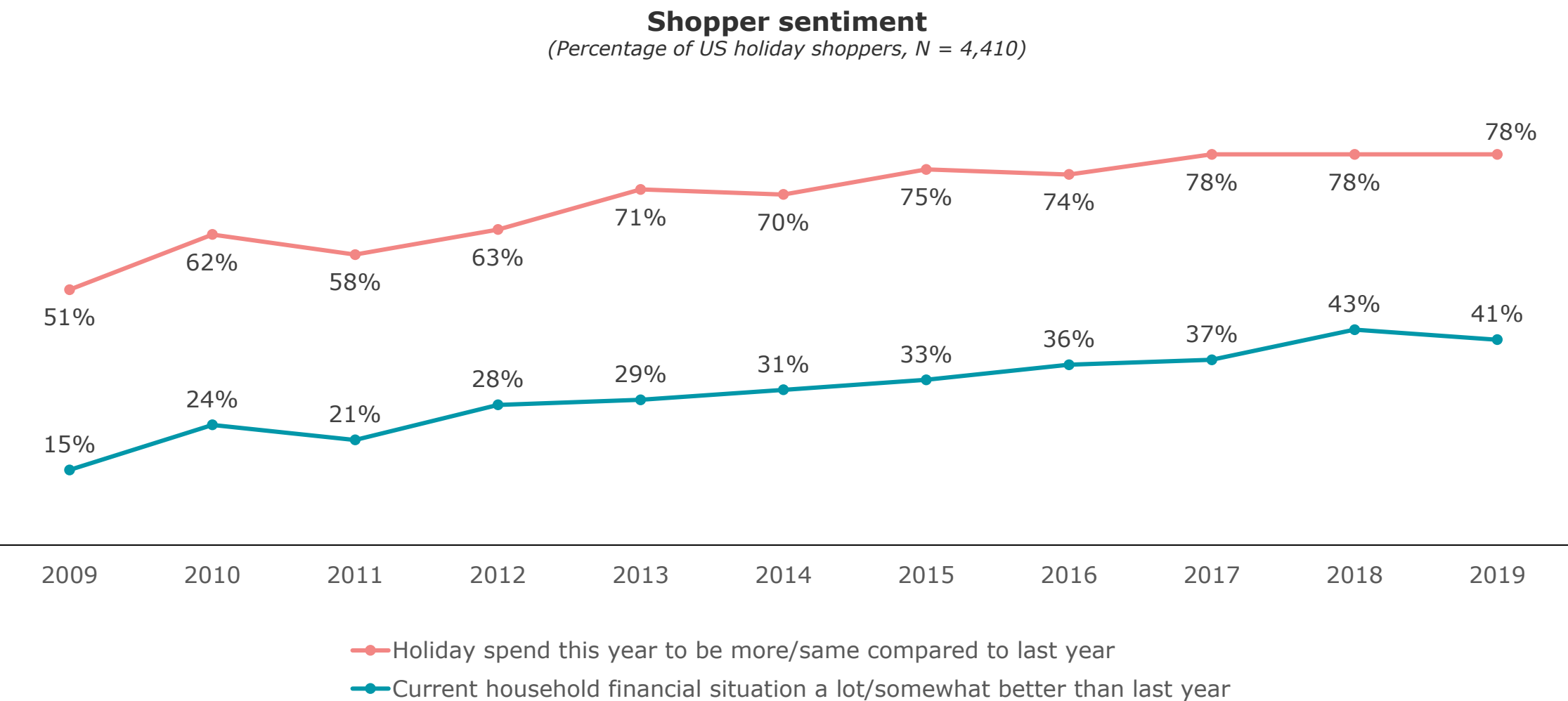
- Most consumers (81%) expect that promotions will influence them this holiday season—with price discounts (74%) and free shipping (72%) at the top of their wish list, far ahead of other incentives like BOGO (39%) and cash back (29%).
- Free shipping is more important to shoppers (85%) than fast shipping (15%). Most of those who choose “fast” (68%) expect no more than two days; the majority of those who opt for free shipping (67%) are willing to wait three to seven days.
- Shopper traffic is expected to peak in early December, but it’s the early birds who plan to spend the most; those who begin shopping before Thanksgiving are expected to spend almost \$400 more than those who start late.



## **Shoppers are willing to share data for a deal, but many remain unsure their privacy is protected.**

- Promotions, discounts, and other offers are the No. 1 thing people want from retailers in return for sharing their personal information, among 61% of respondents—with offers for preferential treatment like faster customer service (34%) and faster checkout (31%) a distant second and third.
- The majority (56%) of respondents feel they have little control over their consumer data; 70% say they would be more comfortable if they had viewing/editing rights for data collected on them.

# Despite less forward-looking economic confidence, shoppers' spending intentions this holiday season remain stable

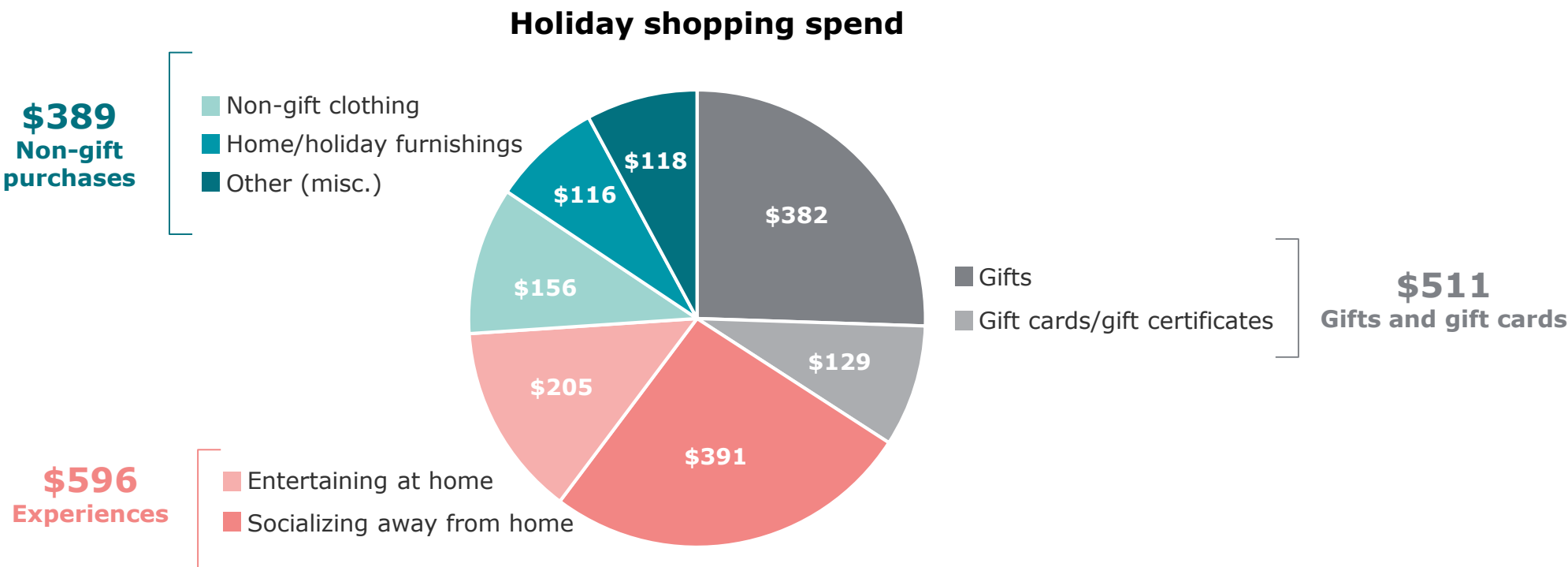




# HOLIDAY SPENDING DETAIL

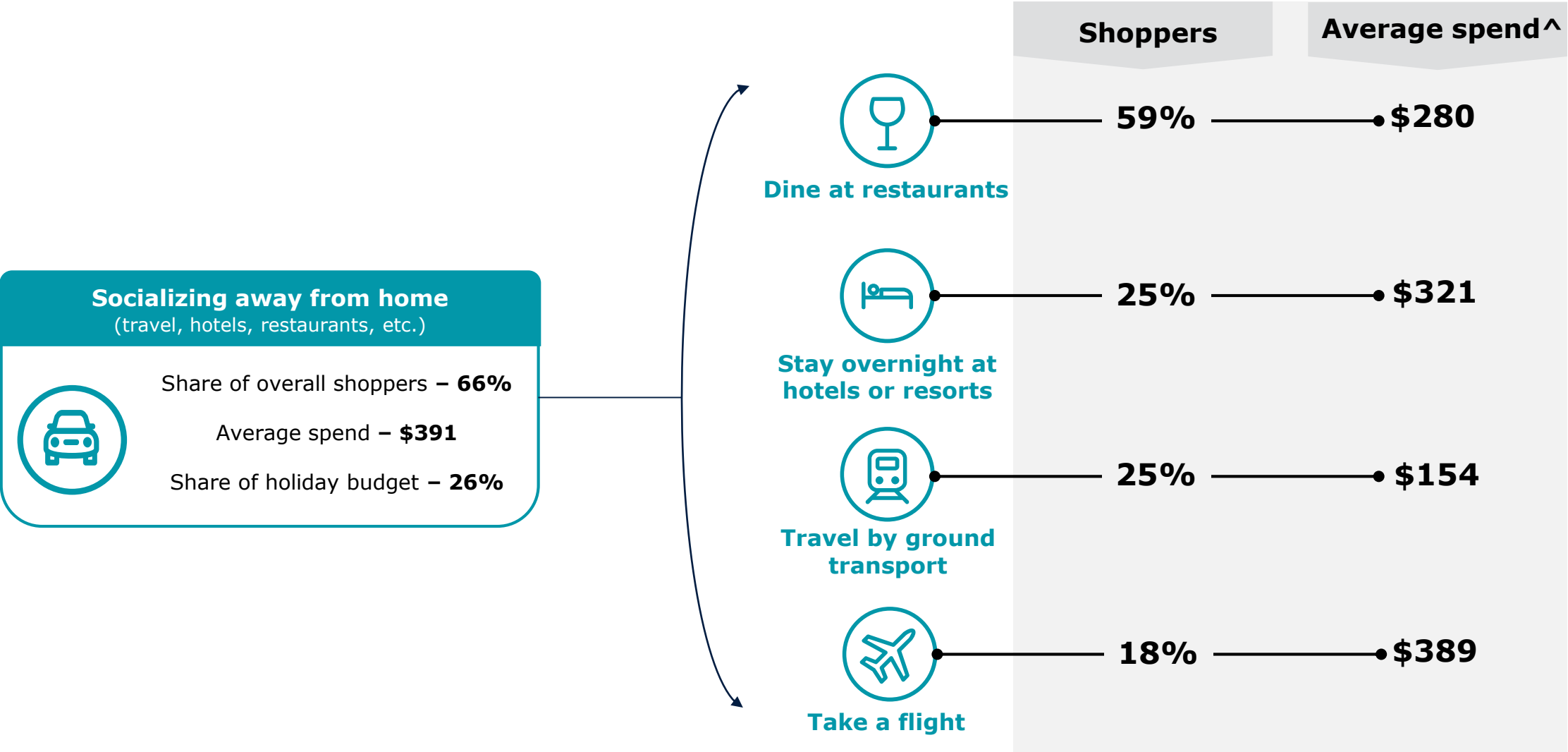
# Experiences lead the charge when it comes to holiday spending

**\$1,496** Average expected amount of spend per household during year-end holiday season



**74% of total holiday spend will be with retailers while the balance will be spent on socializing away from home**







# More than a quarter of holiday spending goes to socializing away from home



Sample size (N) = 4,410. <sup>^</sup>Average spend includes only respondents who will purchase the above-mentioned item.  
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# At retail, clothing and accessories are likely to attract most holiday season spend

**\$1,105** Average amount to be spent on **retail categories** during year-end holiday season

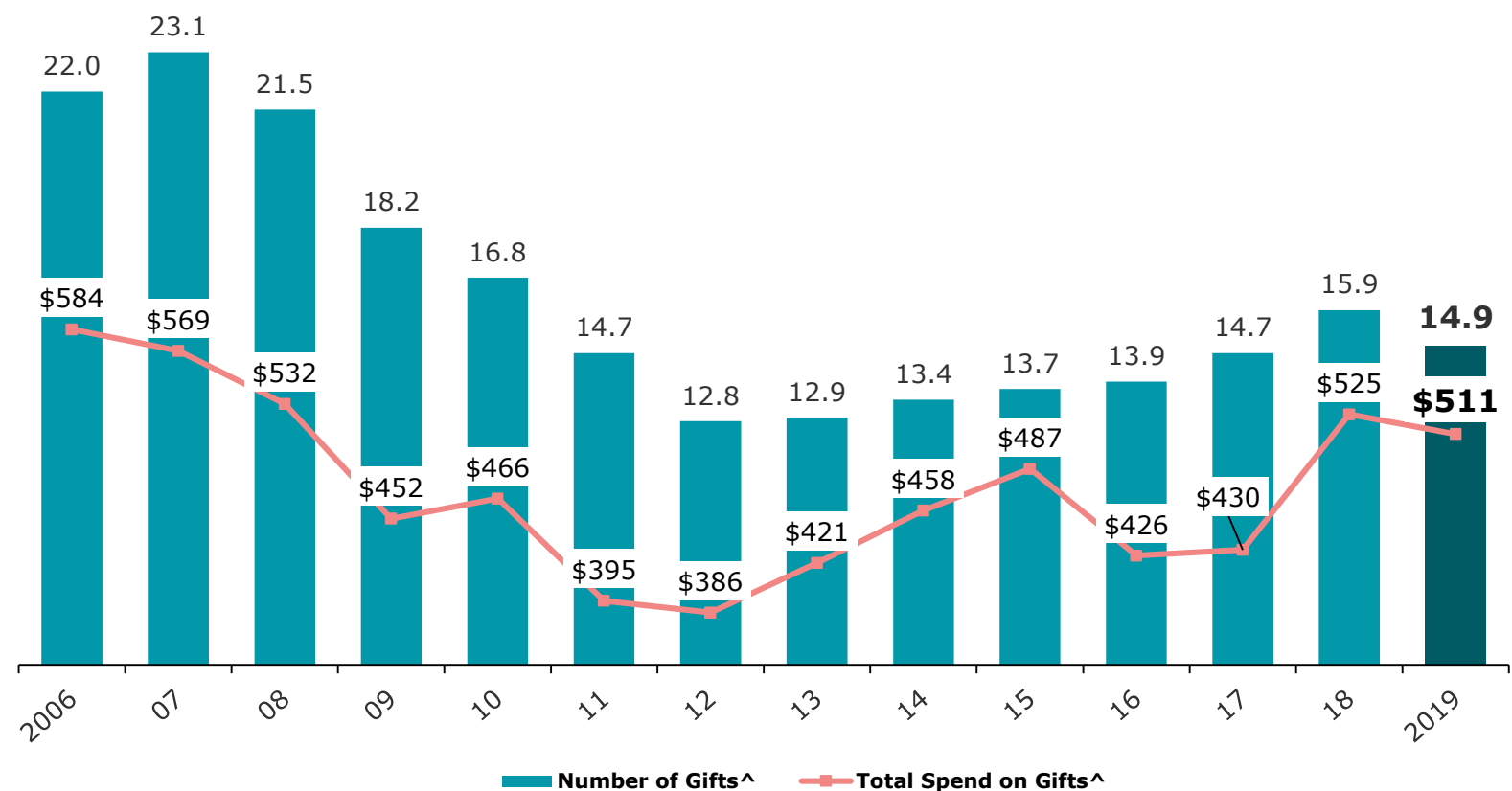
	Category	Share of total holiday spend at retail	Average category spend^	Total shoppers
	<b>Clothing and accessories</b> (clothing, shoes, jewelry, etc.)	26%	\$387	73%
	<b>Food and beverage/health and wellness</b> (personal care, food/liquor, etc.)	20%	\$310	70%
	<b>Toys and hobbies</b> (books, board games, dolls, movies, handcrafted items, etc.)	17%	\$299	64%
	<b>Electronics and accessories</b> (computers, tablets, wearables, etc.)	15%	\$348	47%
	<b>Home and kitchen</b> (home improvement, home appliances and electronics, furniture, etc.)	9%	\$280	36%
	<b>Other</b> (pet-related products, data plans, money, subscription products, etc.)	13%	\$418	36%



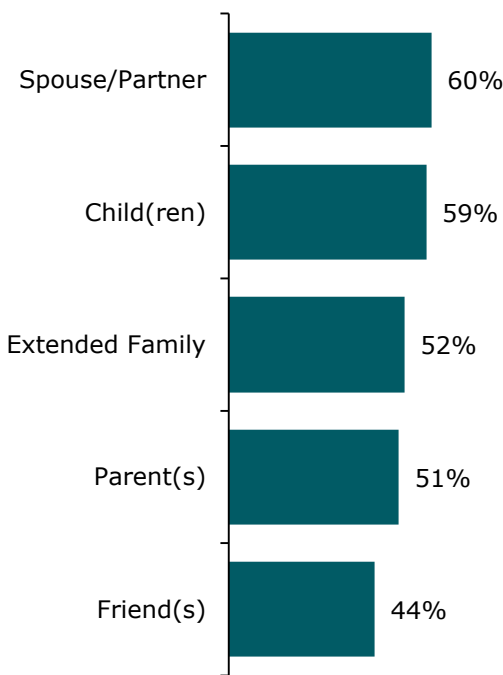
**HOLIDAY GIFTS**

# Shoppers will spend an average of \$511 on gifts and gift cards

Gift purchasing: Volume and value



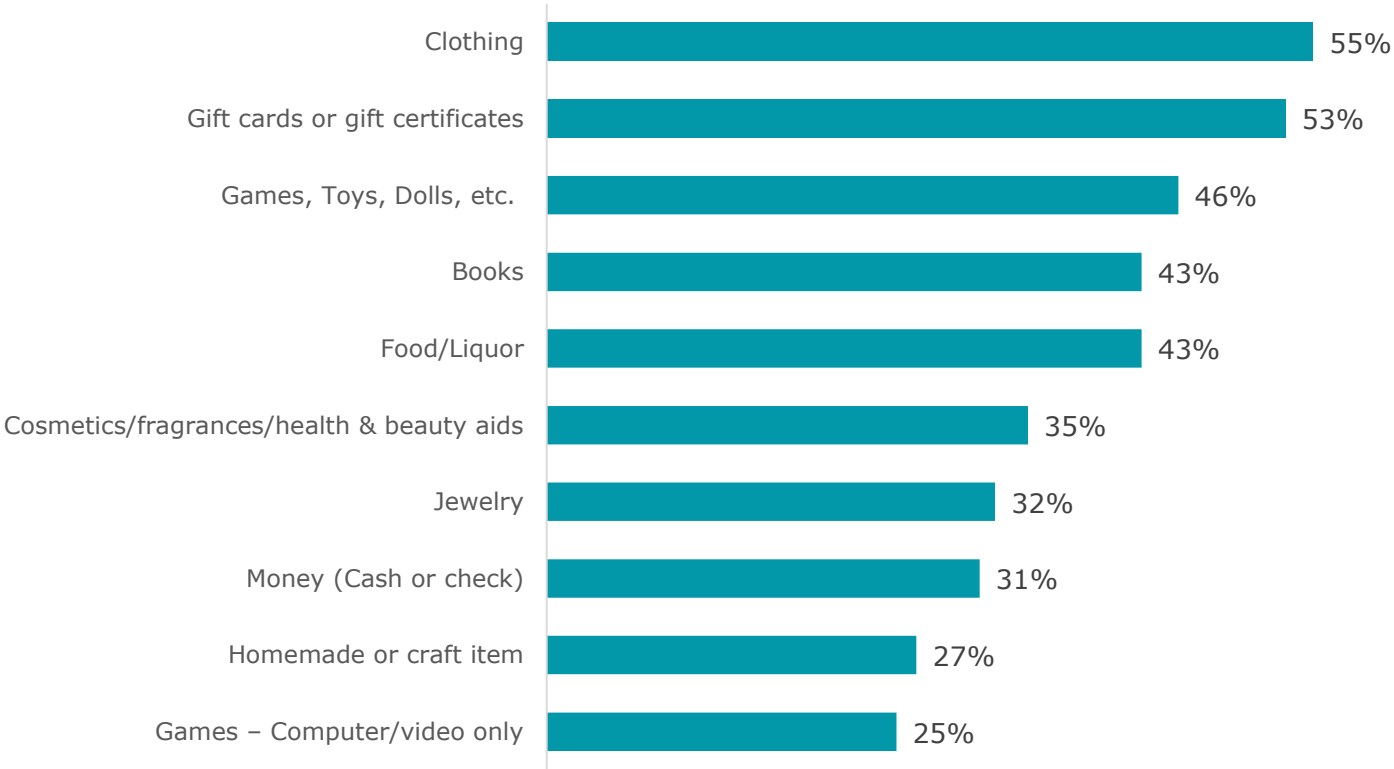
Gift recipients



Sample size (N) = 4,410. ^ "Gifts" includes gift cards/gift certificates.  
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# Clothing is likely to be the top purchased gift this year

Top 10 items people plan on buying as gifts (% of shoppers)



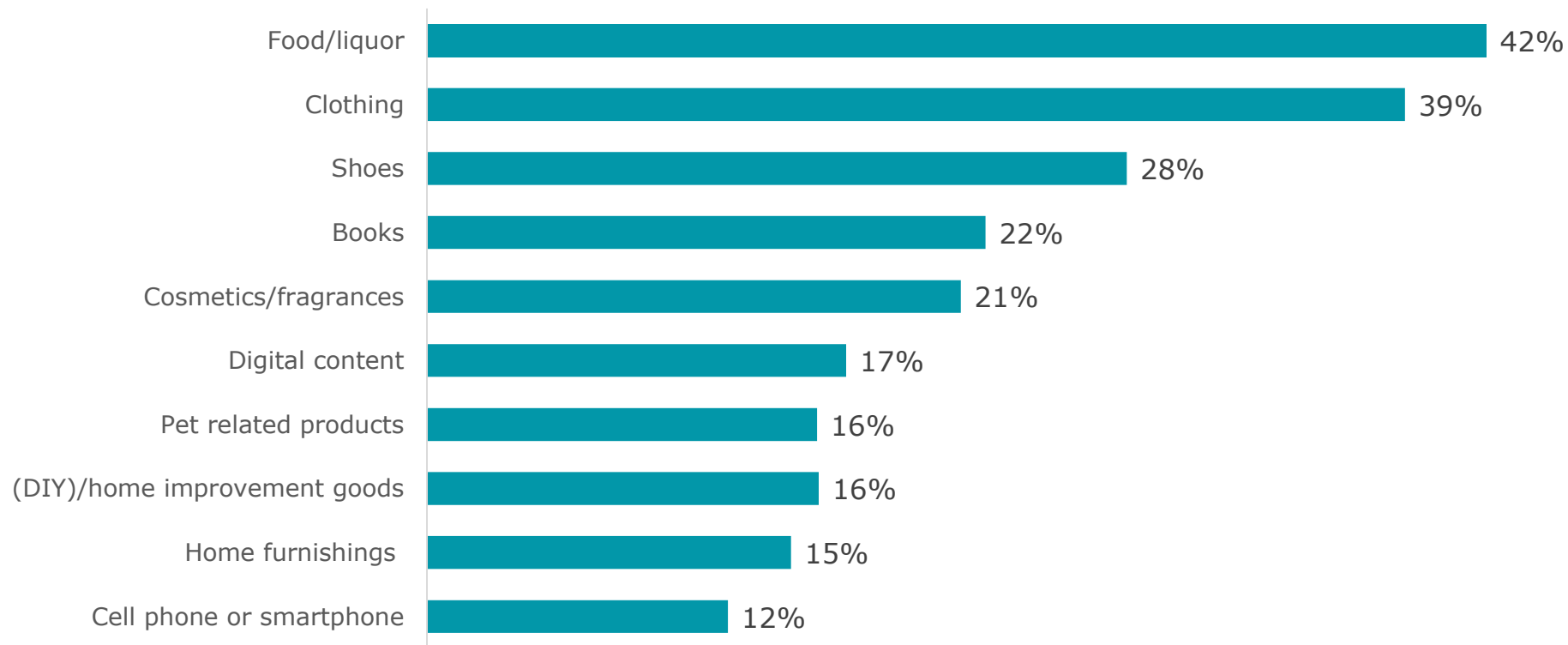
\$129

Average spend on gift cards this holiday season (vs. \$139 in 2018)

Question: "Which of the following do you plan to buy this holiday season?"  
Sample size (N) = 4,410  
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# Half of the shoppers likely to purchase gifts for themselves while holiday shopping

Top 10 items people plan to buy for themselves (% of shoppers)

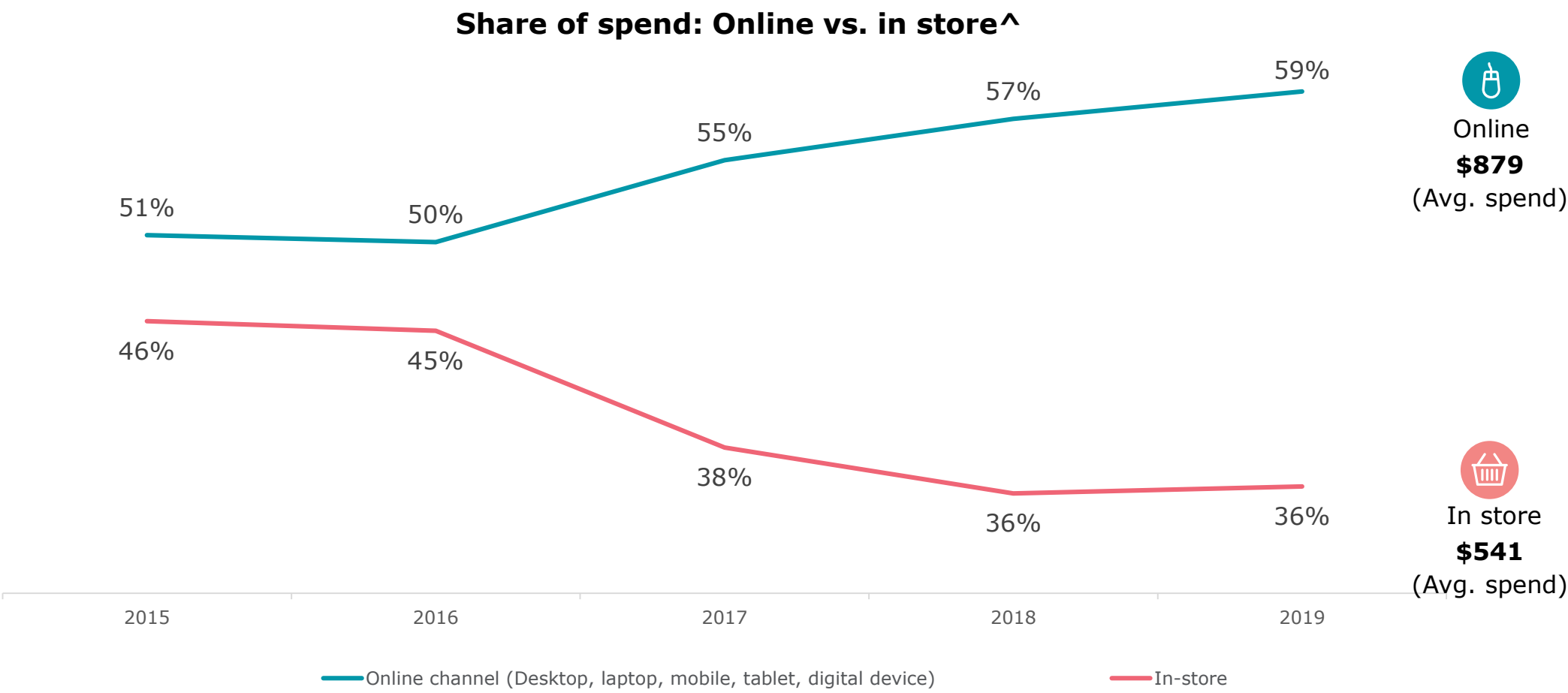


Question: "And which of the following are you planning to buy for yourself?"  
Sample size (N) = 4,410  
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# **PREFERRED CHANNELS AND FORMATS**

# Share of spend continues to shift toward online channels



Question: "What percentage of your total holiday budget do you expect to spend..?"

<sup>^</sup> Other retail channels (e.g., catalogue or direct mail promotion) not included in the chart (Share of spend = 3% in 2015; 5% in 2016; 7% in 2017; 7% in 2018; and 5% in 2019)

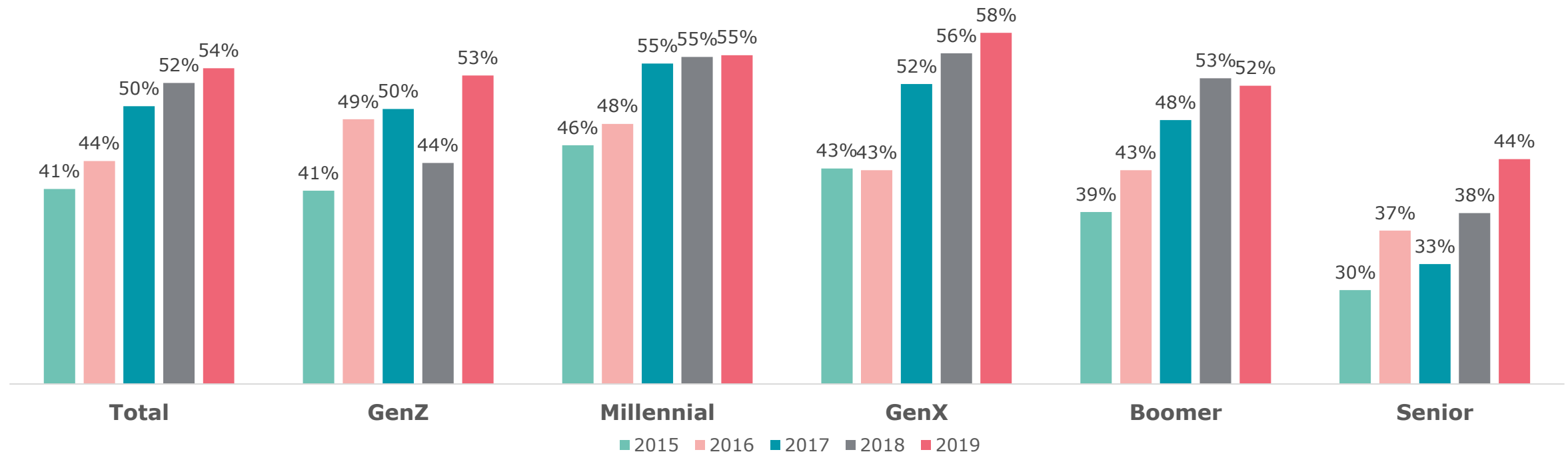
Sample size (N) = 4,280

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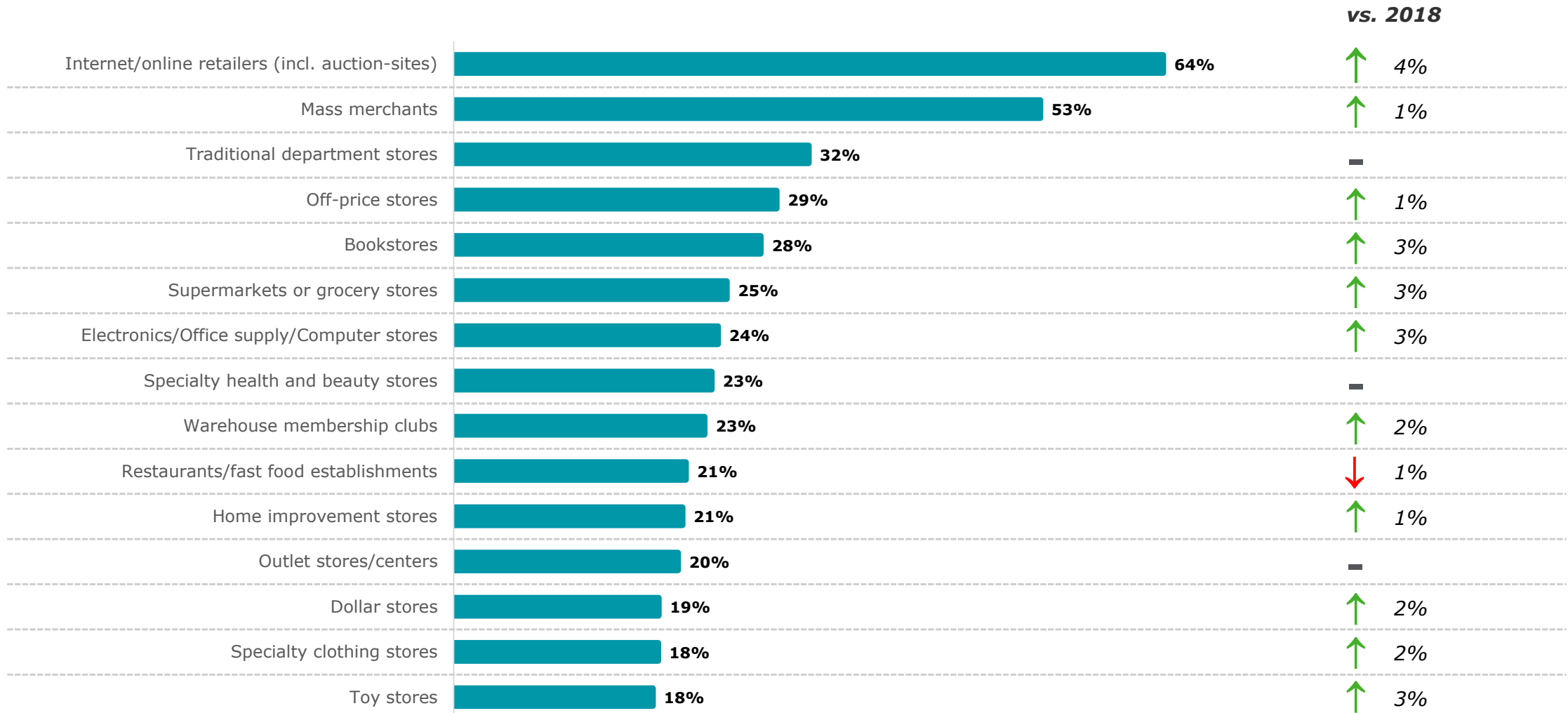
# Online continues to gain momentum across all cohorts

## Prefer online rather than physical store during the holiday season (% of shoppers who agree/strongly agree)



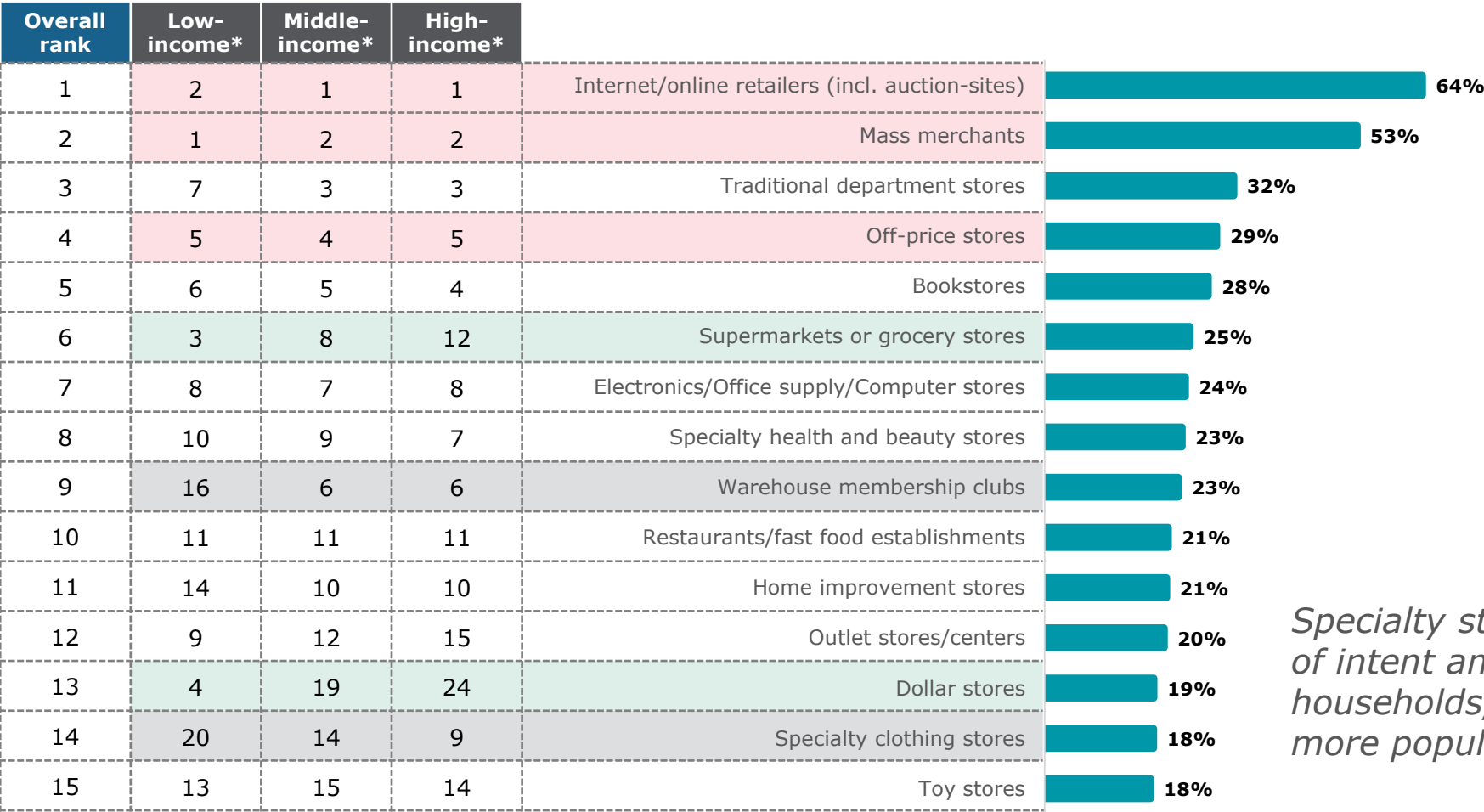
# Online retailers continue to extend their lead

**“At which of the following types of retailers will you likely shop for holiday gifts?”**



# Shopper retail format preferences vary across incomes

**“At which of the following types of retailers will you likely shop for holiday gifts?”**



*Specialty stores have higher levels of intent among higher income households, while value stores are more popular among low income.*

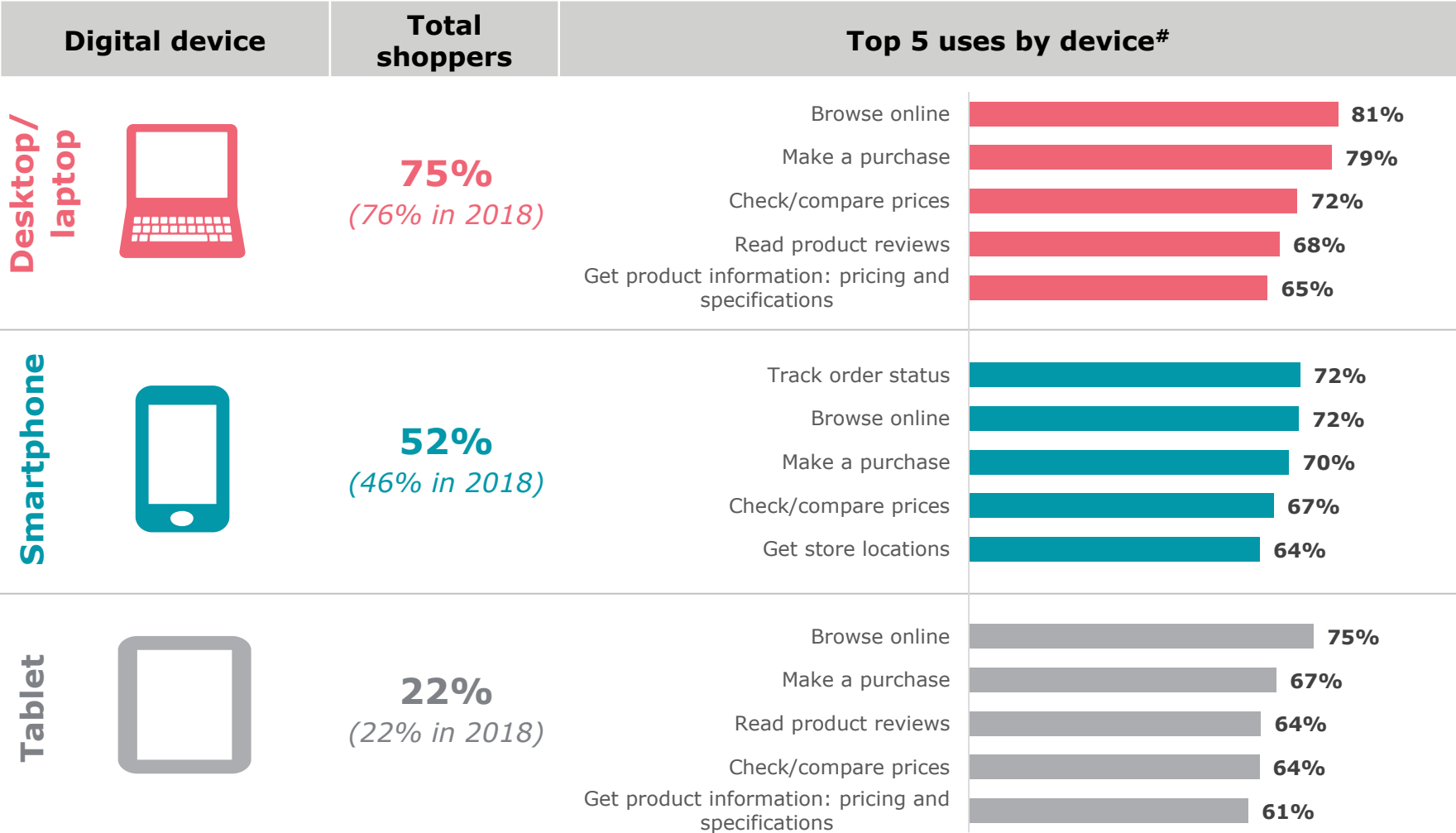
\* Income references annual household income: Low = <\$50K, Middle = \$50K-\$99K, High = \$100K+.  
 Question: “At which of the following retail sources or venues will you likely shop for holiday gifts?”  
 Sample size (N) = 4,410. # Multi-select question.  
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Format preferred by all groups    Format preferred by low-income group    Format preferred by high-income group

# **DIGITAL INFLUENCE**

# Laptop/tablet usage flatlined, while smartphone has gained momentum

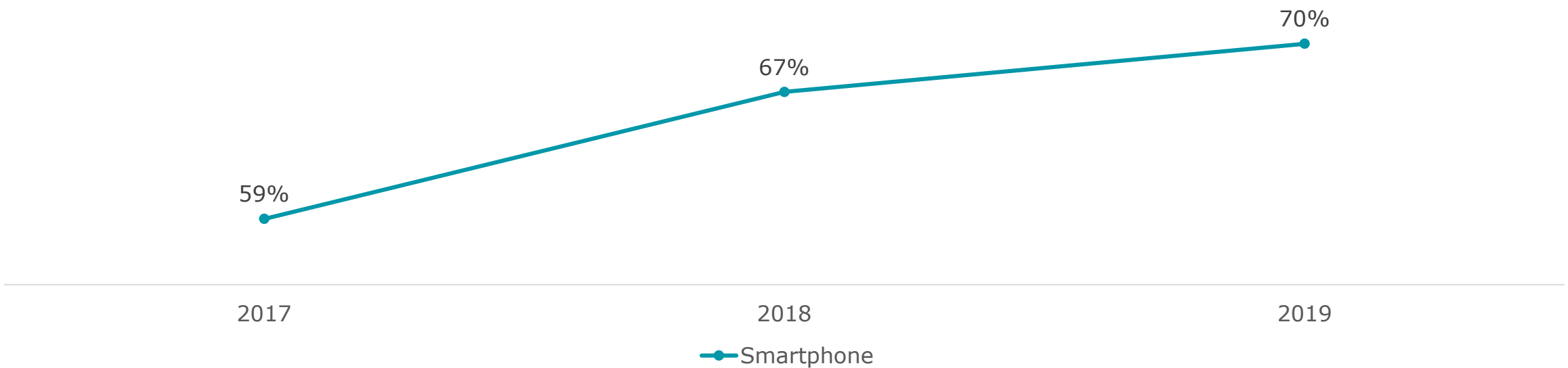
Browsing, purchasing, and price comparison occur across all devices. However, tracking orders and getting store locations are more prevalent through mobile devices.



Question: "Please select the device(s) you use or plan to use for holiday shopping"  
Sample size (N) = 4,410. # Multi-select question.  
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# Shoppers are increasingly using smartphones to make purchases

Share of smartphone users who plan to use it to “make a purchase”

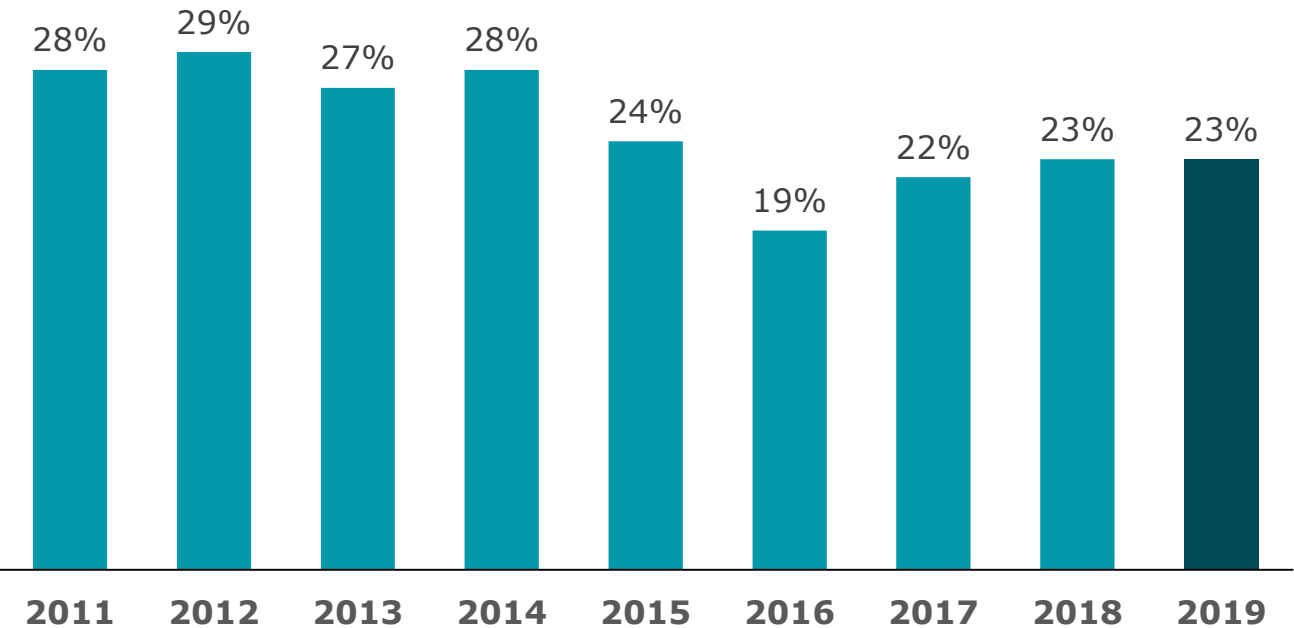


Question: “Please select the device(s) you use or plan to use for holiday shopping”  
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# Influencers only have so much influence; not a game-changer yet

**Social media usage**  
(% of respondents)



## Top 3 uses of social media

- 60%** Read reviews
- 53%** Browse products
- 52%** Find promotions

# Multi-select question.  
Question (1): "Do you plan to use social media sites to assist in your holiday shopping?" Sample size (N) = 4,410  
Question (2): "During this holiday season, how do you plan to use social media for shopping?" Sample size (n) = 964  
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# Shoppers no longer separate online from in store

## Popular omnichannel experiences



**Research online and make purchase in store**

**69%**  
(vs. 66% in 2018)



**Research in store and make purchase online**

**57%**  
(vs. 54% in 2018)



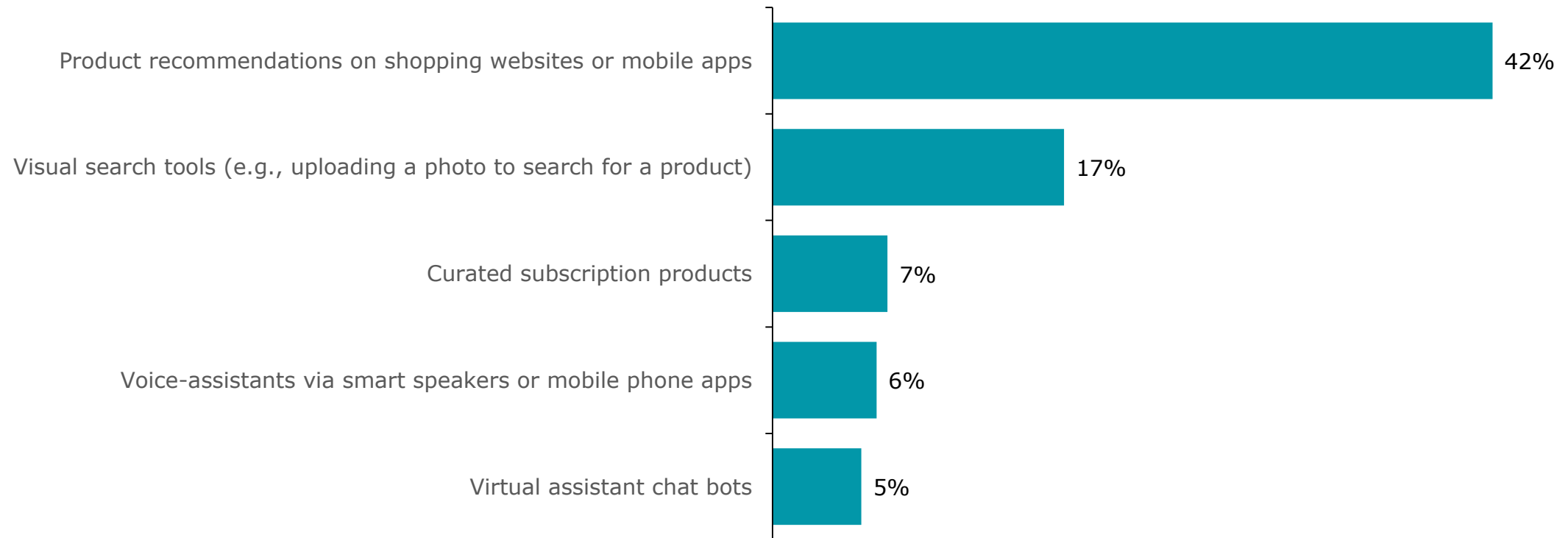
**Buy online and pick up in store**

**45%**  
(vs. 45% in 2018)

Note: Percentages combine those respondents who selected answer choices "Very likely" and "Somewhat likely."  
Question (1): "How likely will you be this holiday season to first look at items online, then go to a store to see the item, and then make your purchase at the store?"  
Question (2): "How likely will you be this holiday season to first go to a store to look for an item and then search online for the best price, and then purchase online?"  
Question (3): "How likely will you be this holiday season to buy a product online and then instead of having it shipped to you, you will go to the store to pick up the item?"  
Sample size (N) = 4,410  
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# Emerging technology still has a long way to go with consumers

## Useful while shopping

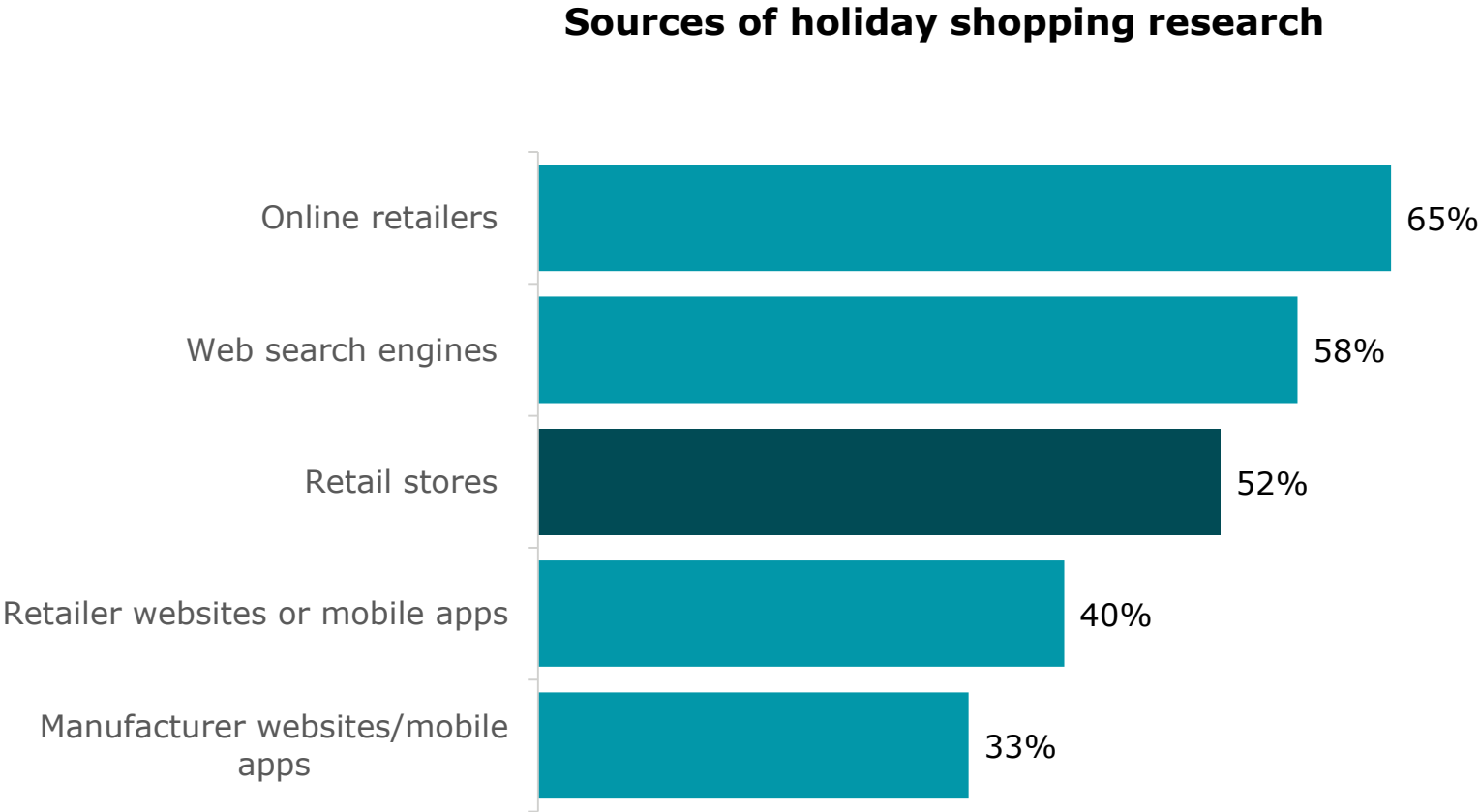


Question: "Which of the following have you found to be useful while shopping?"

Sample size (N) = 4,410

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# Shoppers still come to the stores for inspiration



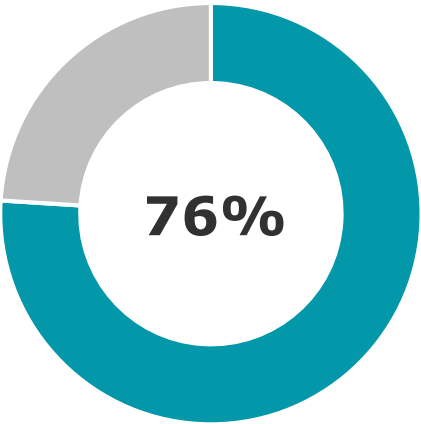
# Multi-select question.  
Question: "Which of the following will you use for research before making your holiday purchases?"  
Sample size (n) = 4,410  
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# CONSUMER PREFERENCES

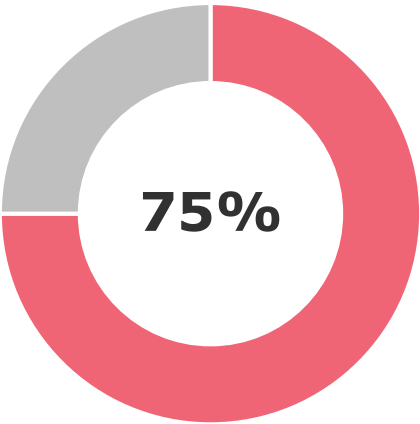
# Product assortment and price lead the way followed by convenience



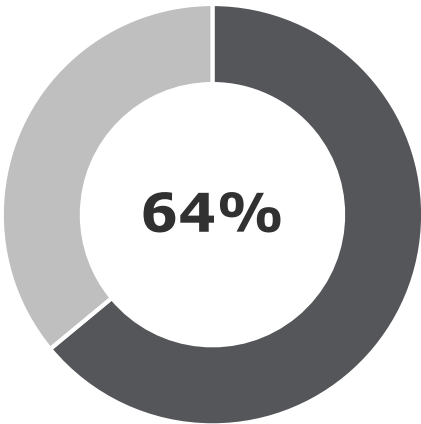
**Product**



**Price**



**Convenience**

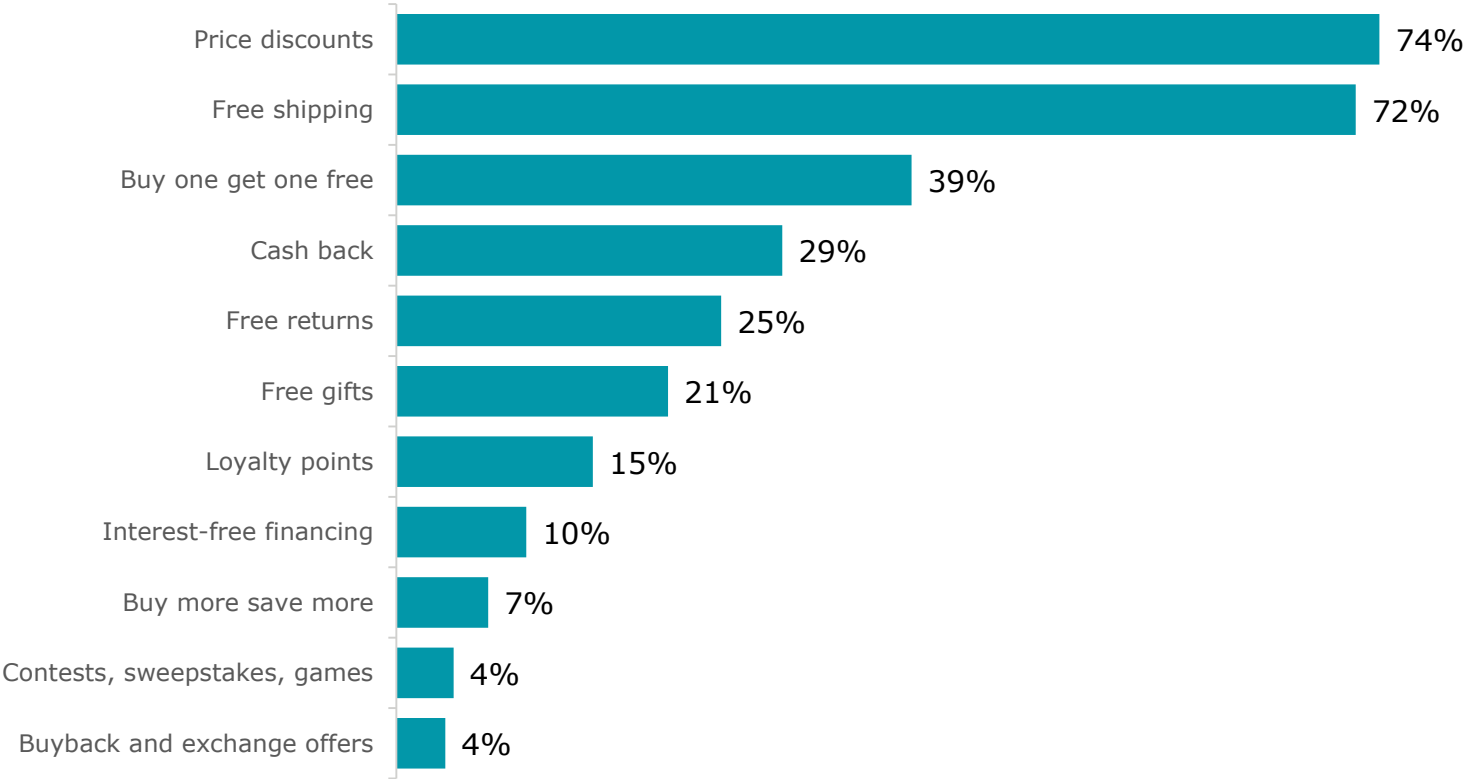




# Promotions are still a holiday favorite

Most appealing promotional offers#

81%  
of consumers will be  
influenced by promotions



Question (1): "What percentage of your total holiday purchases will be influenced by any coupons and promotional offers that you receive?"

Question (2): "Which of the following holiday promotional offers most appeal to you?"

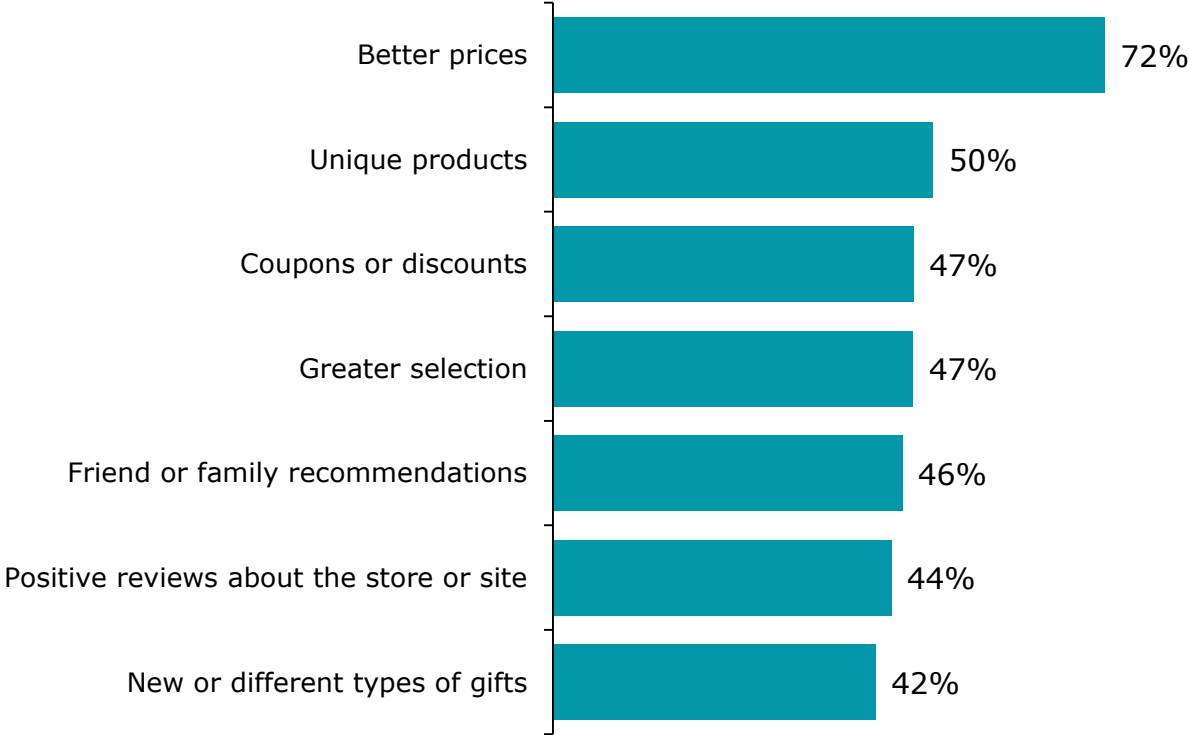
Sample size (n) = 3,462; # Multi-select question.

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# Competitive pricing can likely get retailers new customers this holiday season

## Influences in trying new store/online retailer

**79%**  
of shoppers are  
open to trying new  
retailers this season



# Multi-select question.  
Question (1): "What percentage of your holiday gifts and shopping this year do you anticipate will be at those same locations as last year?" Sample size (N) = 4,410  
Question (2): "What would influence you to try a new store or online retailer?" Sample size (N) = 3,495  
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# HOW TO WIN THE HOLIDAYS

# High spenders are likely to account for 60 percent of the total holiday spend

## Share of holiday spend



**60%**

*Of overall holiday spend is coming from high spenders*

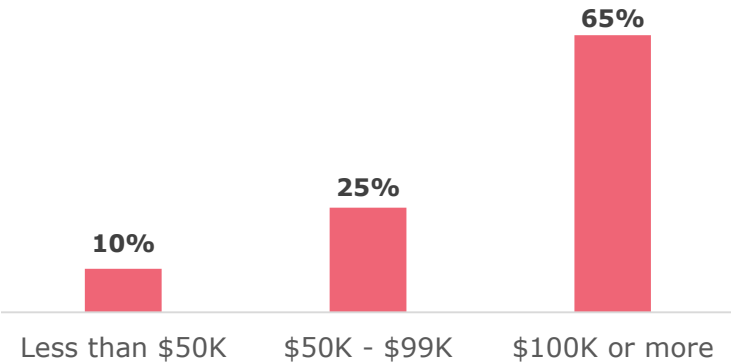
## Spend amount



**\$2,101 or more**

*Amount high spenders will be spending this season*

## Household income



## Early shoppers



**69%**

*To start holiday shopping before Thanksgiving Day*

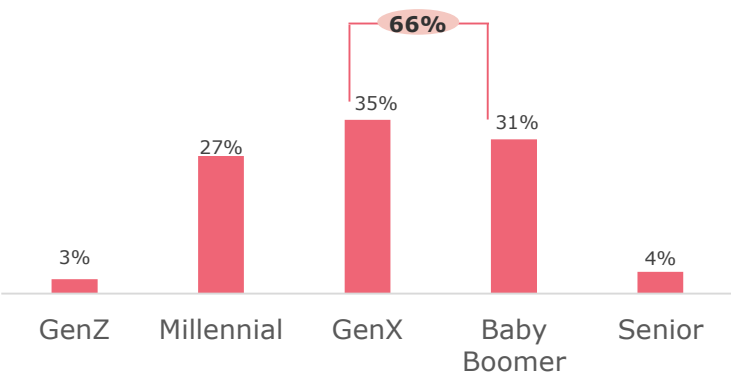
## Socializing away from home










**71%**

*The percentage of spending on socializing and travel that will come from high spenders*

## Generations



# High spenders more likely to be traveling and socializing away from home this year

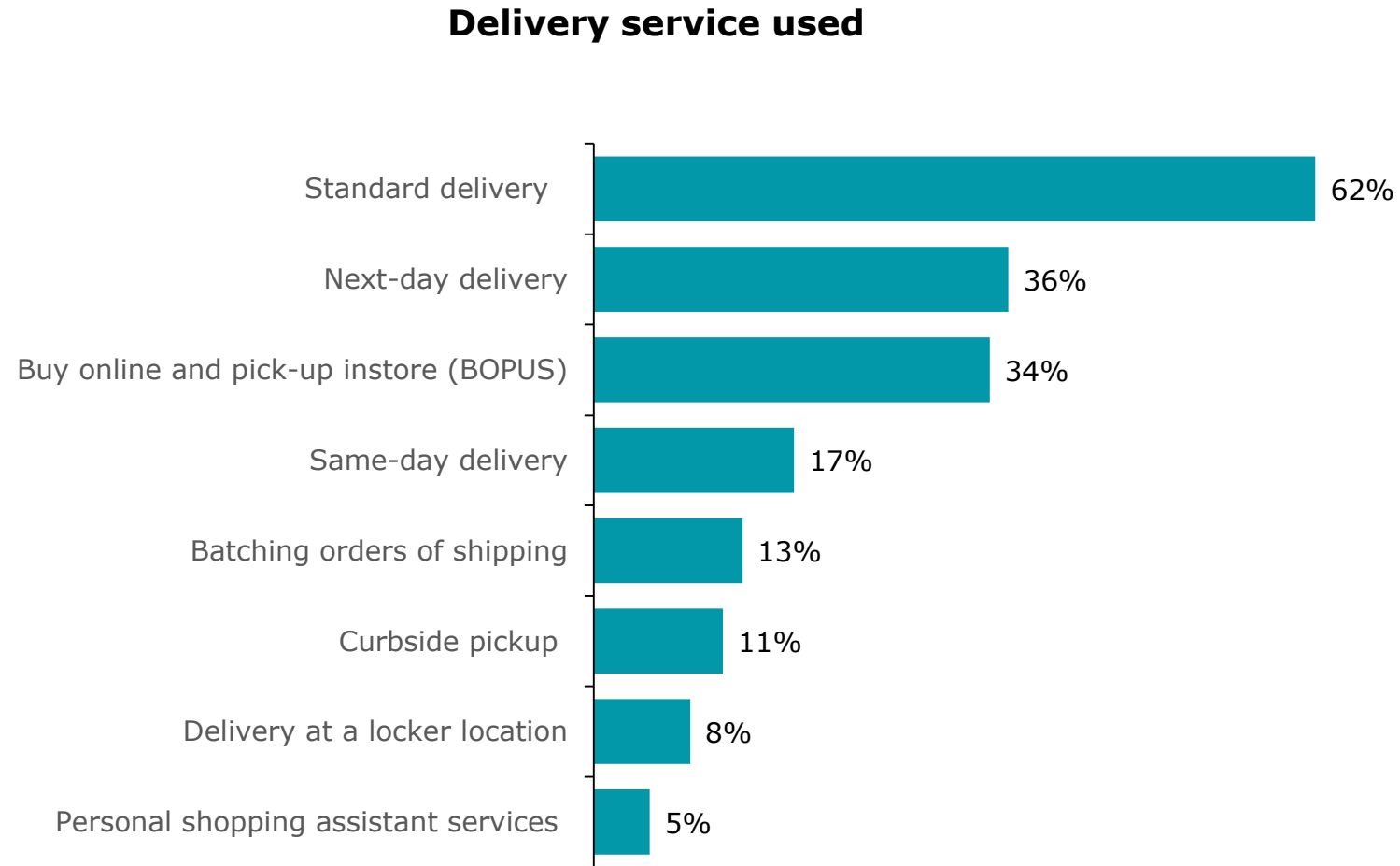
Category		Share of spend by category (high spenders vs. others)		Top items high spenders are likely to buy
	<b>Clothing and accessories</b> (clothing, shoes, jewelry, etc.)	<b>57%</b>	vs. <b>43%</b>	<ul style="list-style-type: none"> <li>• Clothing (85%)</li> <li>• Shoes (54%)</li> </ul>
	<b>Food and beverage/health and wellness</b> (personal care, food/liquor, etc.)	<b>54%</b>	vs. <b>46%</b>	<ul style="list-style-type: none"> <li>• Food/liquor (74%)</li> <li>• Cosmetics/fragrances/health &amp; beauty aids (61%)</li> </ul>
	<b>Toys and hobbies</b> (books, board games, dolls, movies, handcrafted items, etc.)	<b>51%</b>	vs. <b>49%</b>	<ul style="list-style-type: none"> <li>• Books (66%)</li> <li>• Games, toys, dolls, etc. (57%)</li> </ul>
	<b>Electronics and accessories</b> (computers, tablets, wearables, etc.)	<b>62%</b>	vs. <b>38%</b>	<ul style="list-style-type: none"> <li>• Games – computer/video only (39%)</li> <li>• CDs/DVDs/Blu-ray discs for movies or music (36%)</li> </ul>
	<b>Home and kitchen</b> (home improvement, home appliances and electronics, furniture, etc.)	<b>65%</b>	vs. <b>35%</b>	<ul style="list-style-type: none"> <li>• Home furnishings (42%)</li> <li>• Do-it-yourself (DIY)/home improvement goods (39%)</li> </ul>
	<b>Other</b> (pet-related products, data plans, money, subscription products, etc.)	<b>51%</b>	vs. <b>49%</b>	<ul style="list-style-type: none"> <li>• Gift cards or gift certificates (66%)</li> <li>• Tickets to an event – sporting, concert, etc. (39%)</li> </ul>
	<b>Socializing away from home</b> (travel, hotels, restaurants, etc.)	<b>71%</b>	vs. <b>29%</b>	<ul style="list-style-type: none"> <li>• Travel by flight or ground transport (52%)</li> <li>• Dine at restaurants away from home (82%)</li> <li>• Stay overnight at hotels or resorts (52%)</li> </ul>



# RETAILER POLICIES



# Shoppers are slow to adopt newer delivery models



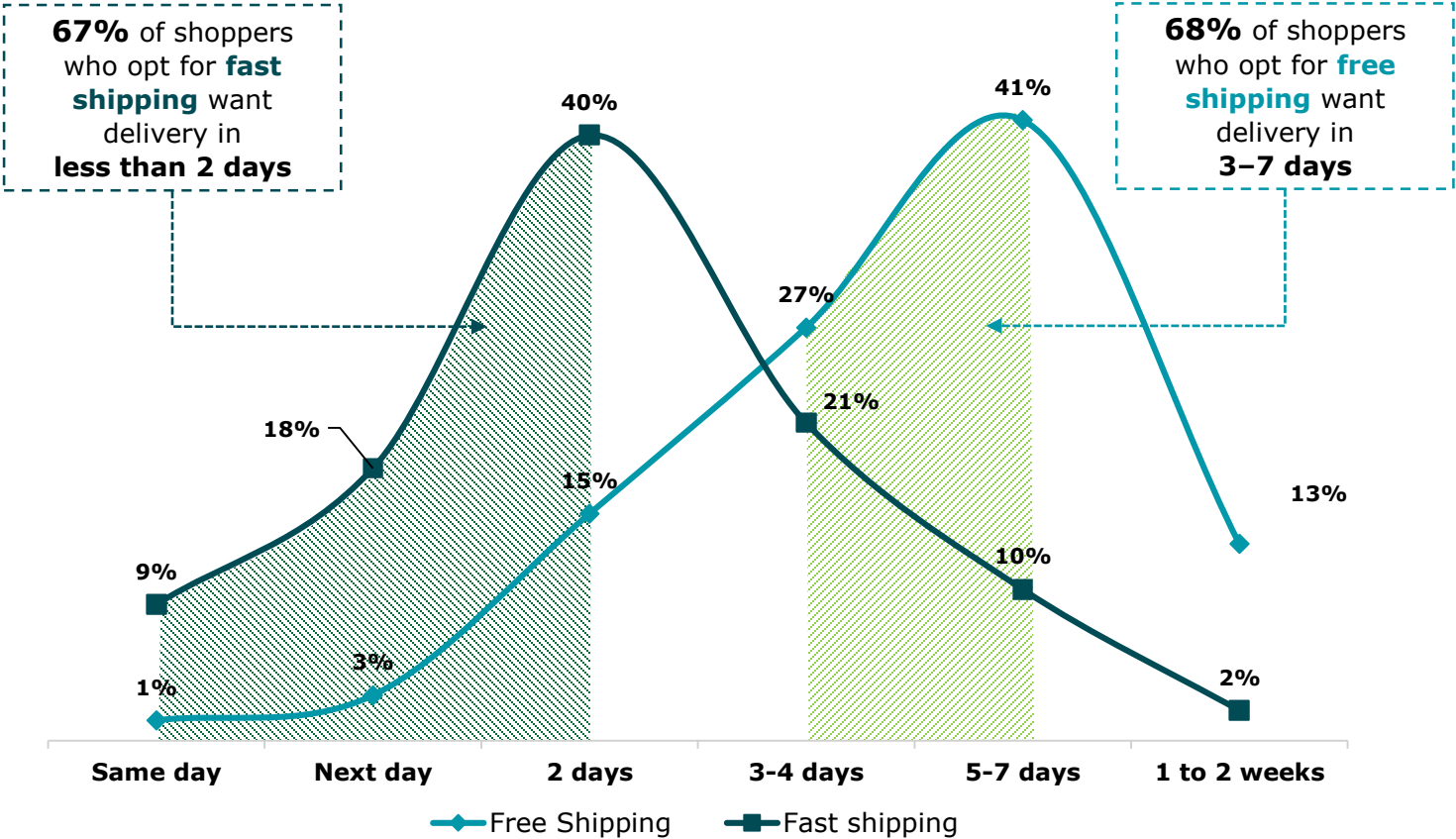
Question: "Which of the following delivery services are you likely to use during the upcoming holiday shopping season?"

Sample size (N) = 4,410

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# Shoppers want free shipping and are willing to wait up to seven days for it

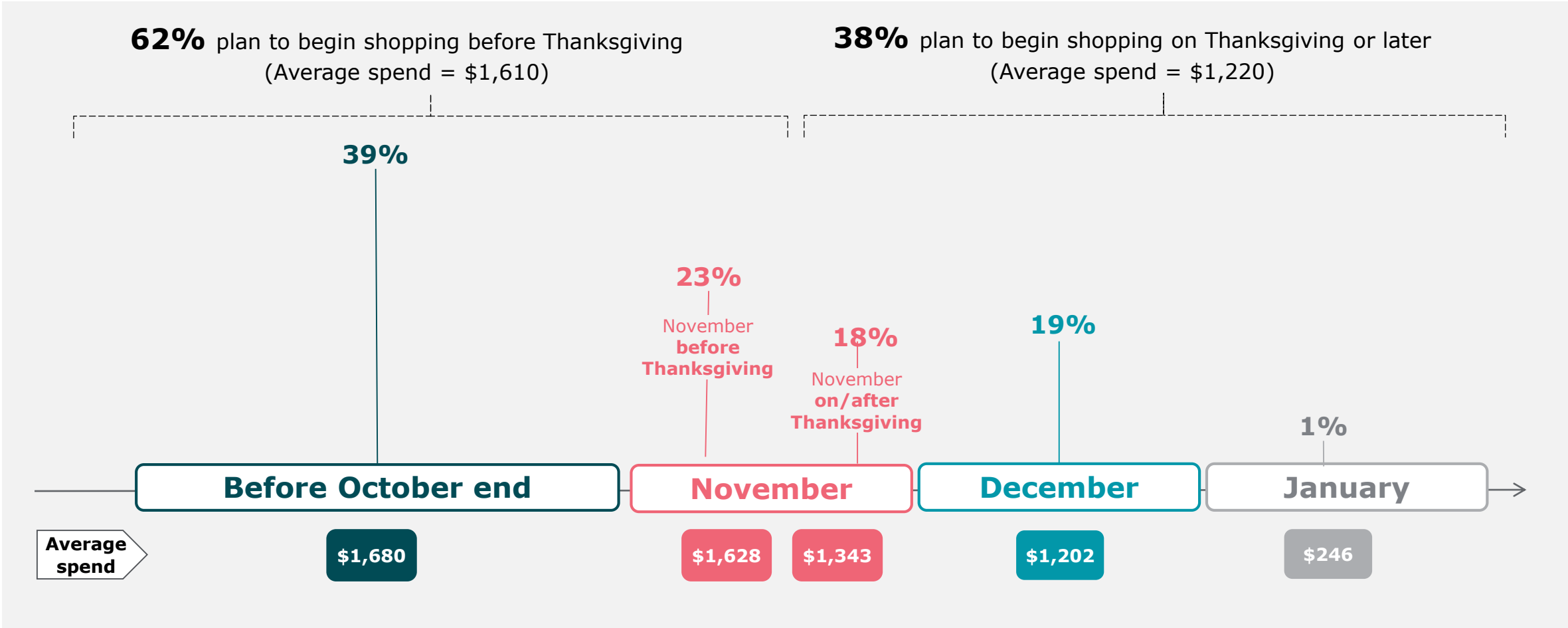
## Importance of free vs. fast shipping



Question (1): "When you are shopping online, which of these two promises below would be more important to you?"  
Question (2): "When you opt for free shipping/fast shipping, how long are you willing to wait to receive your product?"  
Sample size (N) = 4,410  
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# HOLIDAY SEASON TIMING

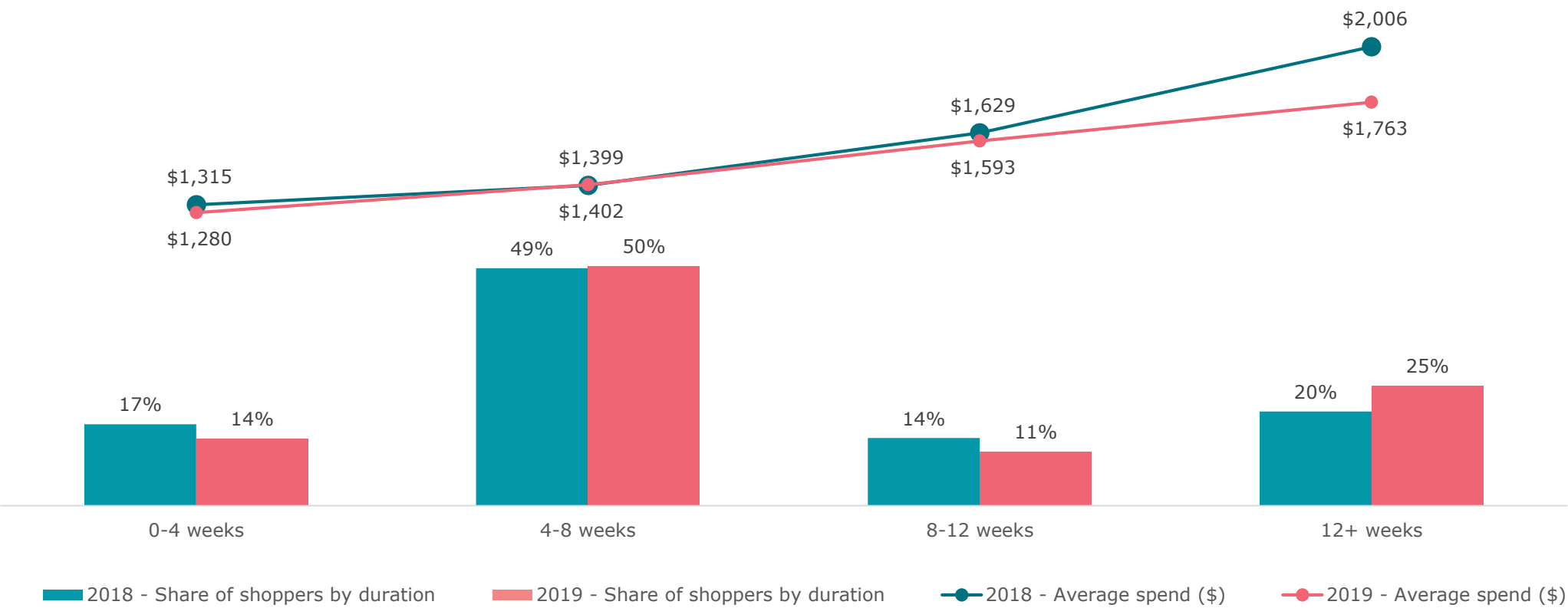
# Early shoppers spend more



Question: "When are you likely to begin your holiday shopping this year?"  
Sample size (N) = 4,410  
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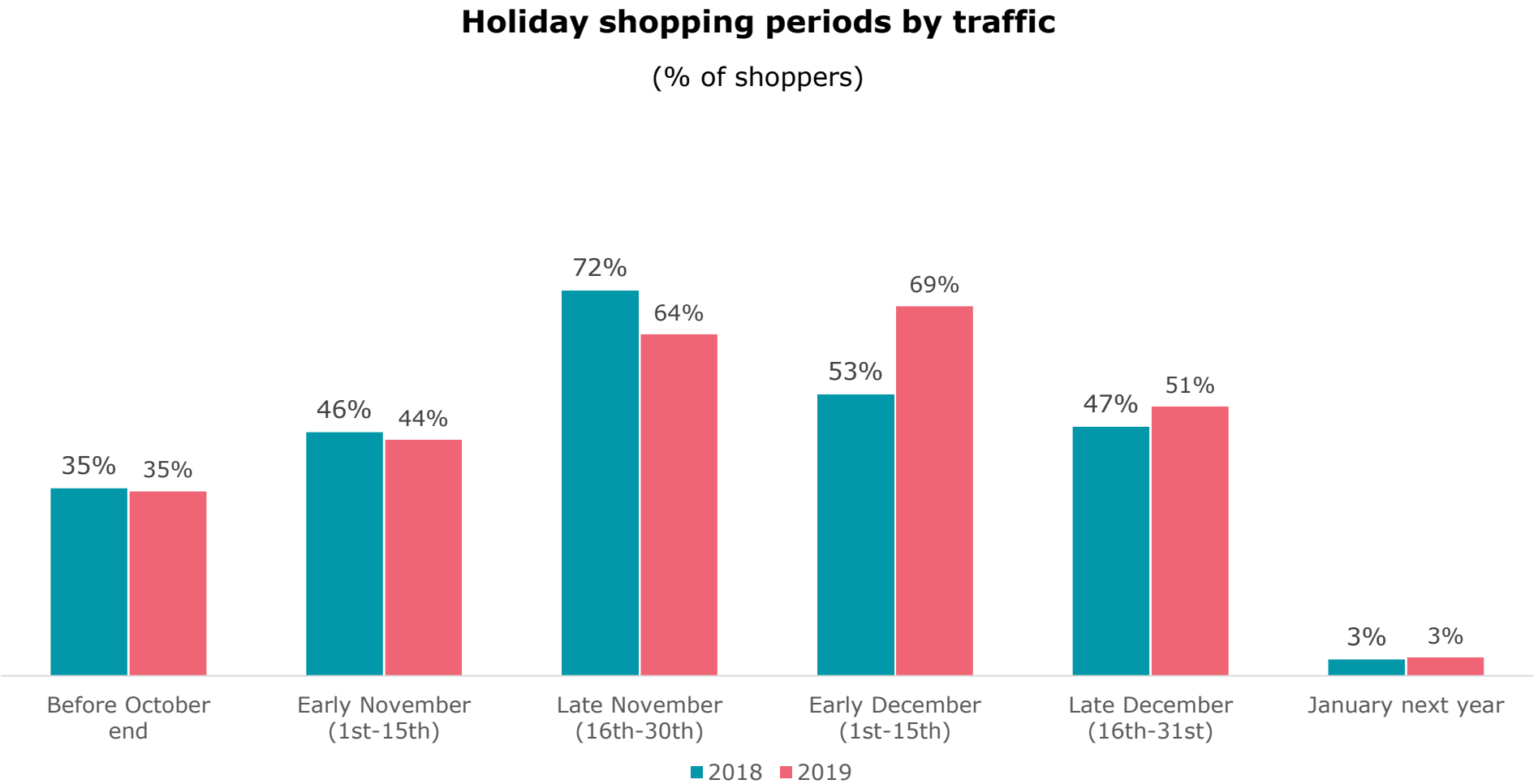
# Most consumers plan to complete holiday shopping over a four-to-eight-week period

Average spend and duration of shopping period



Question (1): "When are you likely to begin your holiday shopping this year?"  
Question (2): "By which one of these days or months do you expect to complete your holiday shopping this year?"  
Sample size 2018 (N) = 4,036. Sample size 2019 (N) = 4,410.  
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There are six fewer days this holiday season, which may shift traffic to peak in December

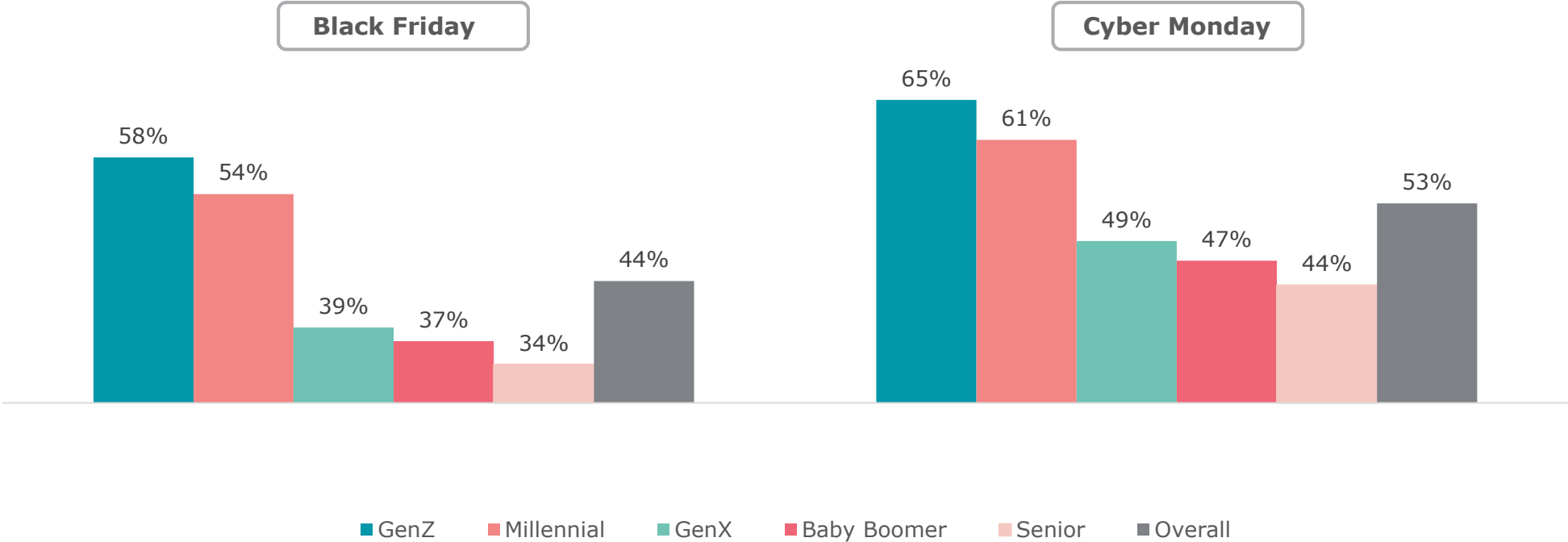


Question: "Out of \$\_\_ you plan to spend during the holiday season, do you plan to spend during the following months?"  
Sample size (N) = 4,410



# Cyber Monday has surpassed Black Friday across all age cohorts

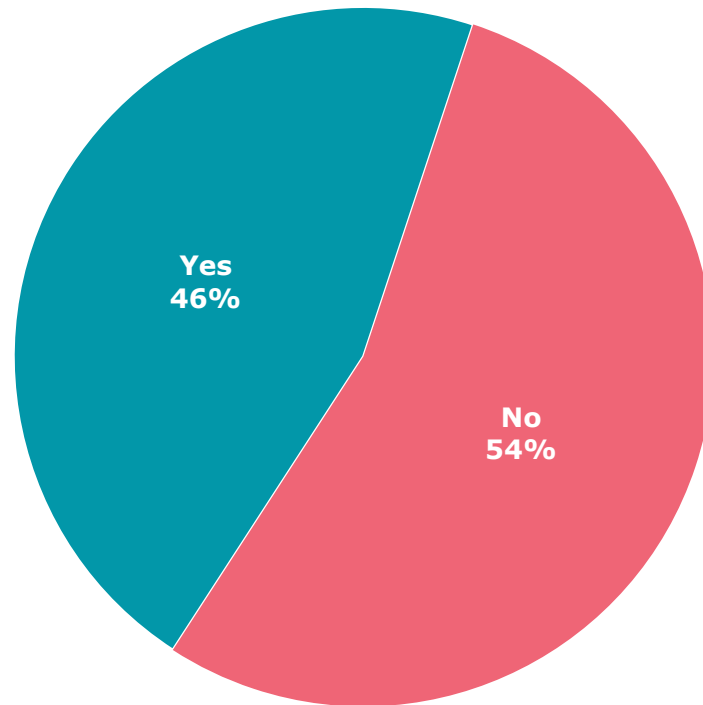
**Shoppers who plan to maintain reliance on discount days**  
*(Agree/very much agree/neutral %)*



Using a scale of 1 through 5, where 1 means 'Very much disagree' and 5 means 'Very much agree', please state how much you agree with each of the following statements.  
Question (1): 'I rely on Black Friday shopping as much as I used to during the holiday season'  
Question (2): 'I rely on Cyber Monday shopping as much as I used to for the holiday season'  
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# Almost half of shoppers plan to donate during the upcoming holiday season

## Holiday donating...



**\$151**

Mean spend on items to  
donate this holiday  
season

Question (1): "Are you planning to buy any items to donate during the upcoming holiday season?"

Question (2): "How much are you likely to spend on the items to donate?"

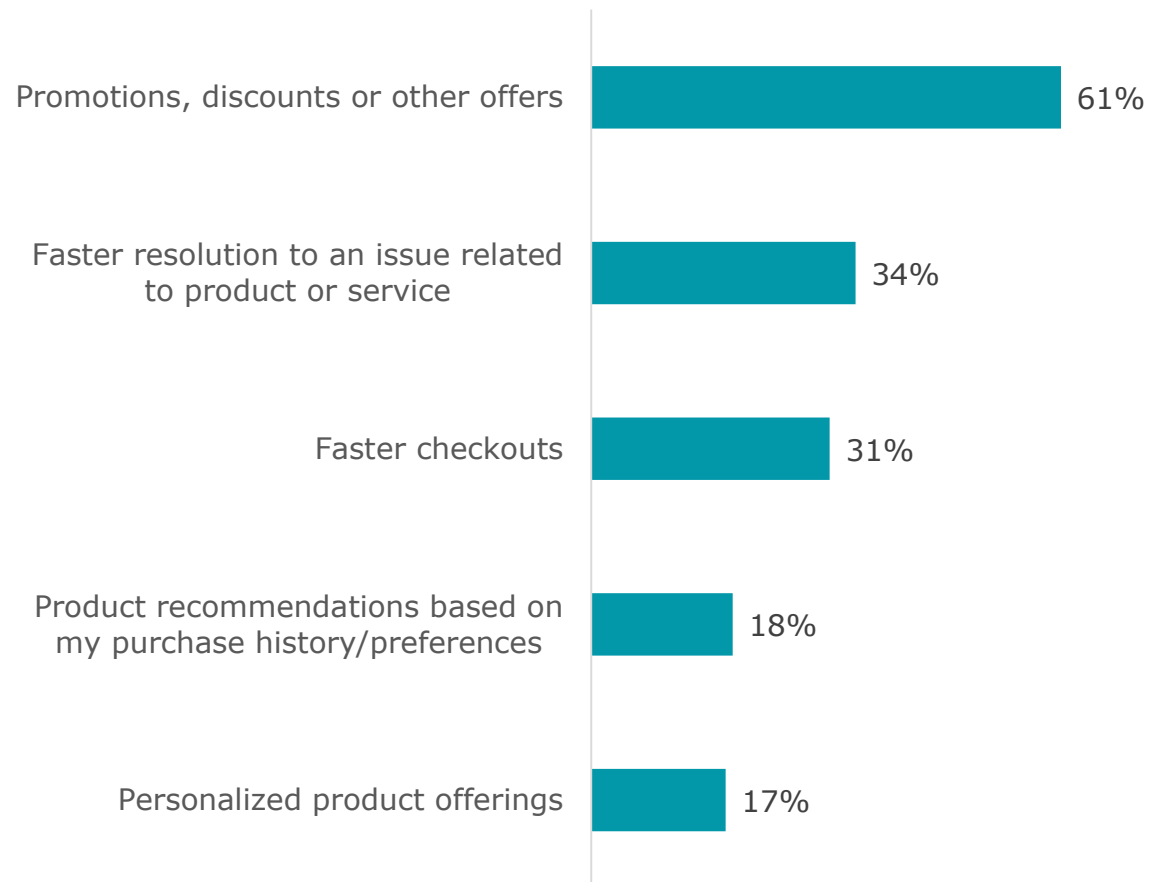
Sample size (N) = 4,410/(N)= 2,000

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# CONSUMER DATA AND PRIVACY

# What lies ahead for privacy?

## Benefits shoppers want from retailers in return for sharing personal information



**56%** of shoppers feel **little/no control** over their consumer data



**79%** of shoppers are **concerned** about shopping at retailers with either **multiple data breaches** or data breaches within the last year



**70%** of shoppers would be **more comfortable** if they had **viewing/editing rights** for data collected on them

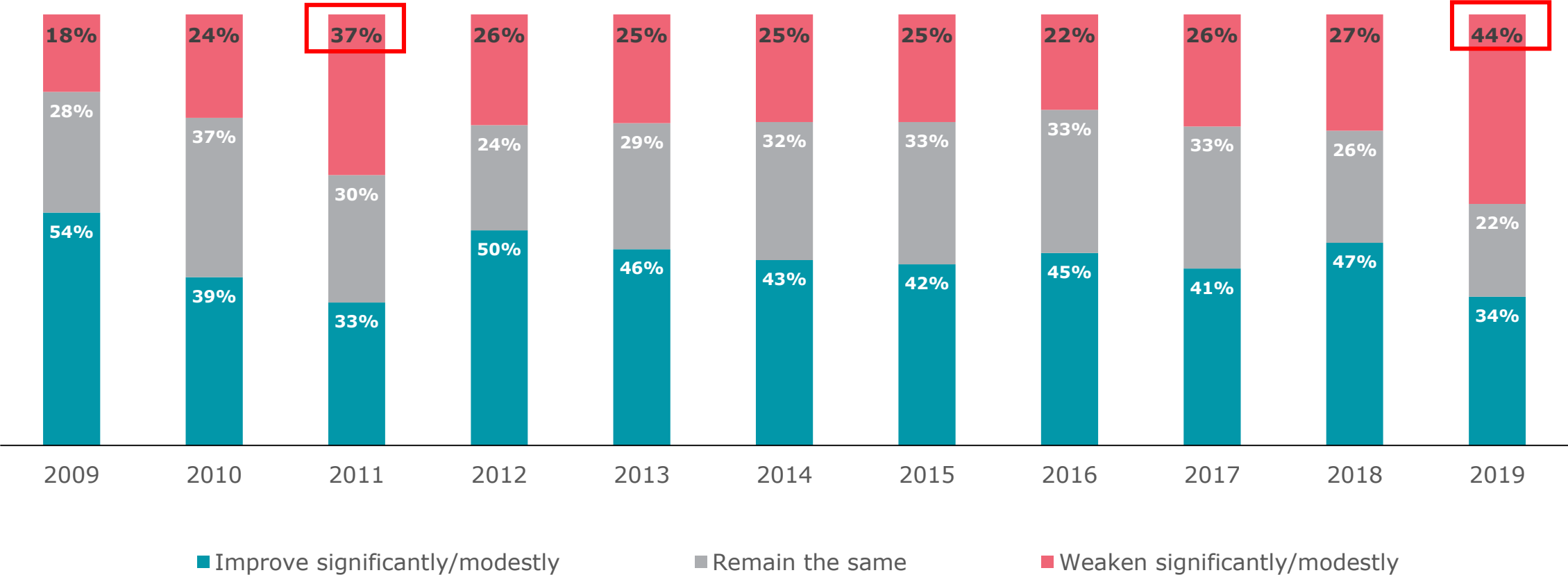


# **ECONOMIC AND HOLIDAY SPENDING OUTLOOK**



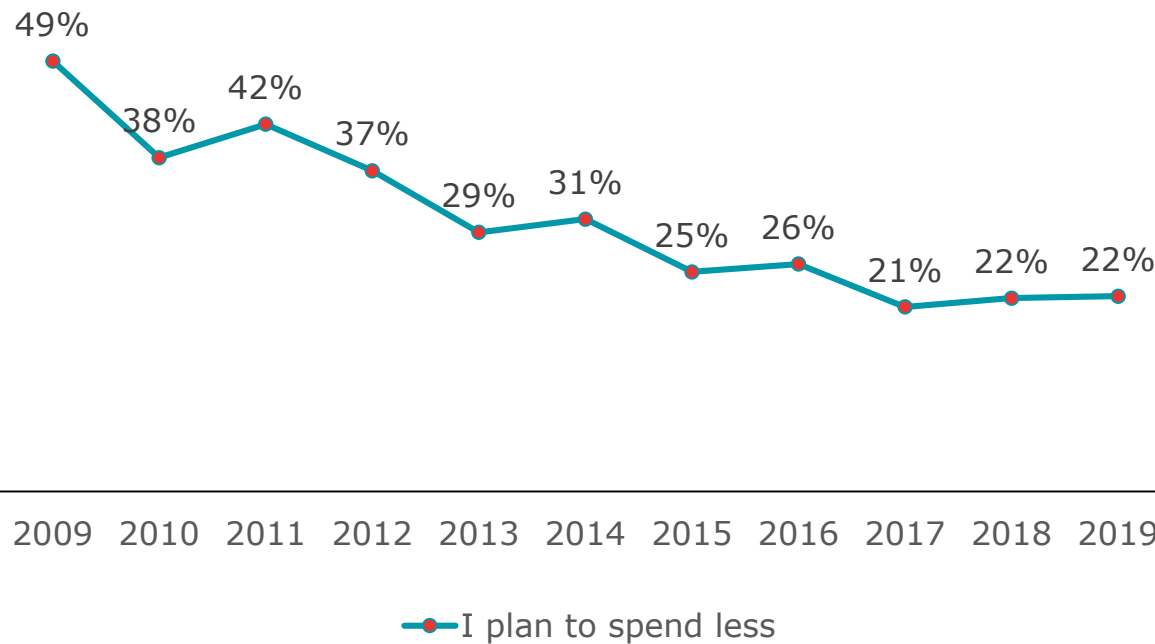
# Shoppers' outlook on the 2020 economy is the weakest it's been in years

Shoppers' view on the 2020 US economy



# 1 in 5 shoppers plans to spend less this holiday season

## Shoppers who plan to spend less this year



## Top 5 reasons given for spending less:

- **9%** saving more instead of spending
- **8%** paying down debt instead of spending
- **7%** household financial situation is worse
- **7%** economic instability/general concern for the economy
- **6%** higher food prices

## About the survey

This survey was commissioned by Deloitte and conducted online by an independent research company from September 6–13, 2019. It polled a national sample of 4,410 consumers and has a margin of error for the entire sample of plus or minus one to two percentage points.

## About the Center

Deloitte Insights Consumer Industry Center (the “Center”) provides a forum for innovation, thought leadership, groundbreaking research, and industry collaboration to help companies solve the most complex industry challenges.

Technology is changing at a rapid pace, and so are consumers. How will these changes impact the way our clients do business in the future? The Center provides premiere insights based on primary research on the most prevalent issues facing the Consumer industry to help our clients run effectively and achieve superior business results.

The Center is your trusted source for information on leading trends and research that connect insights, issues, and solutions for Deloitte’s four Consumer sectors: Automotive, Consumer Products, Retail, Wholesale & Distribution, and Transportation, Hospitality & Services.

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