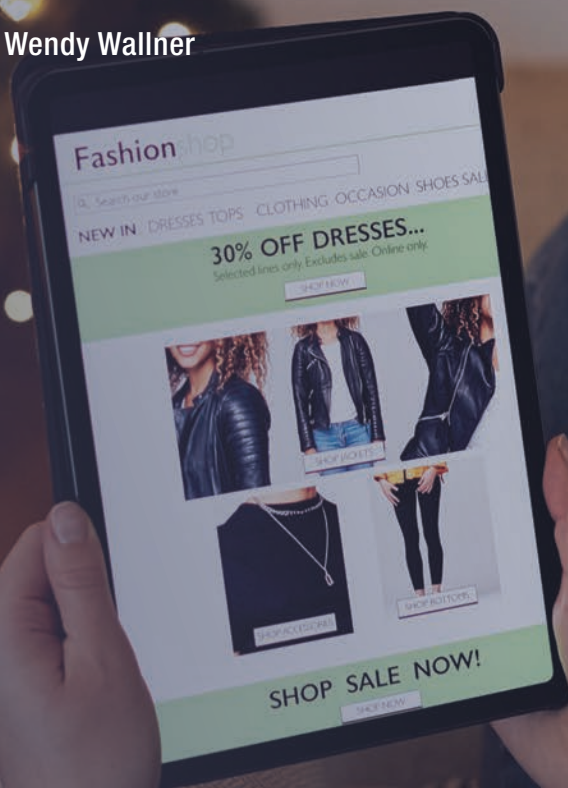


2021 HOLIDAY SHOPPING EXPECTATIONS

Why retailers should be enthusiastic about the 2021 holiday season

An Ipsos Point of View

By Danielle Edwards and Wendy Wallner



GAME CHANGERS





KEY TAKEAWAYS

- Expect total 2021 holiday sales and online sales to be strong, rivaling or potentially exceeding even the record levels seen in 2020.
- Black Friday, Small Business Monday and Cyber Monday are still relevant and appealing—although shoppers hope, for health reasons, to avoid large crowds.
- In-store shopping plays a large role in reclaiming the holiday spirit for many, so we'll see a return—but possibly on a smaller scale than pre-pandemic. Many want that store experience to be “kinder” than in the past.
- Families and younger consumers are key this year. While deals and online access are again important to them, don't forget the influence social media can have on their decisions.

BLACK
FRIDAY

Retailers are gearing up for this year's holiday shopping season amid continued uncertainty. Health and safety concerns have heightened; inflation is high. And there's a belief that practicality may end up superseding any pent-up demand left over from a year of sacrifices and underwhelming holidays, which could dampen shopper enthusiasm but also return us to record high e-commerce activity.

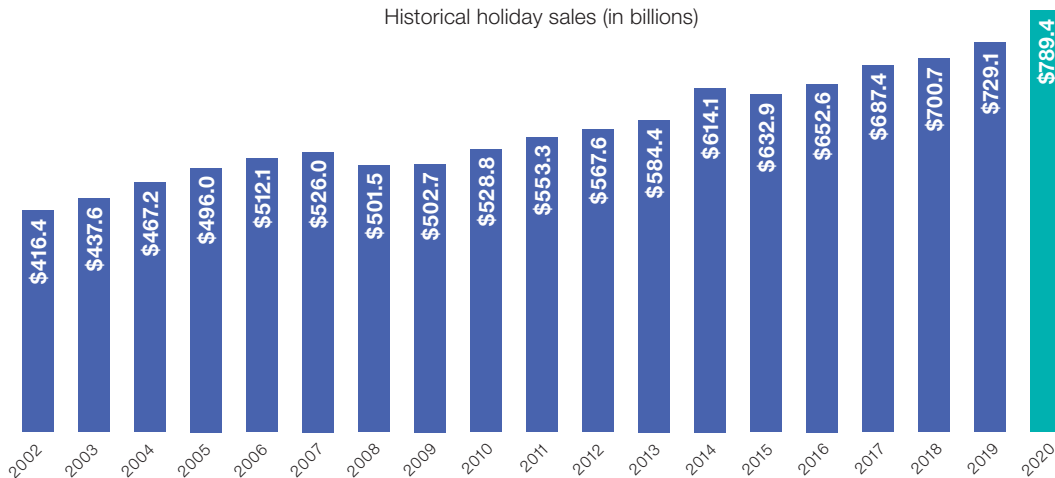
Ipsos has been probing Americans on how they expect to handle this holiday season. In this article, we focus on shopping—what Ipsos data reveals about 2021 holiday spending, shopping behaviors and the optimal shopping experience.

Expect holiday sales to be strong

2020 was a tumultuous year for retail. Yet 2020 holiday spending set a record with an outstanding and unexpected increase of 8% over the prior year, boosted by government stimulus and the announcement of more stimulus to come early in the new year.

Holiday Sales

Historical holiday sales (in billions)



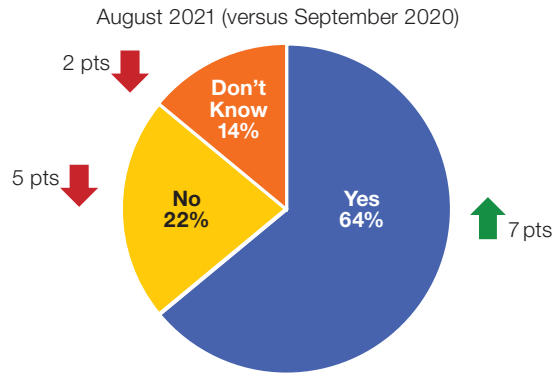
Source: NRF calculation based on U.S. Census Bureau data.
NRF holiday spending is defined as the months of November and December.



Ipsos is projecting that holiday spending will be strong again this year, even compared to last year's record performance. More people expect to shop this holiday season, and many expect to spend more money than they did a year ago. Both exceed the same expectations that Americans had this same time last year.

More Americans plan to shop this holiday season than this same time last year

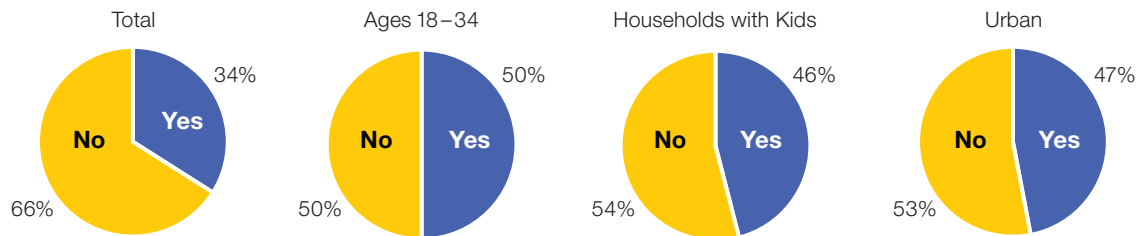
% Planning to shop for the winter holidays (2021 versus 2020)



Source: Ipsos Coronavirus Consumer tracker survey of 1,137 Americans, conducted August 18–19, 2021.

Roughly one-third of Americans plan to spend more this holiday season, but several groups are even more bullish

% Agree—I plan to spend more during holiday shopping season than I did last year



Source: Ipsos Coronavirus Consumer tracker survey of 1,137 Americans, conducted August 18–19, 2021.

And a few groups are very bullish on their expected spend this season, namely younger consumers (ages 18–34), households with children and people who live in urban areas. Roughly half of each group expect to spend more than last year.



What are you looking forward to the most when it comes to holiday shopping this year?



I will buy and spend more than I did last year. I am hoping to be able to shop in store and happen upon unexpected items which I think makes shopping for others more fun."

— Ipsos Online Community Member, Female, Age 25–34

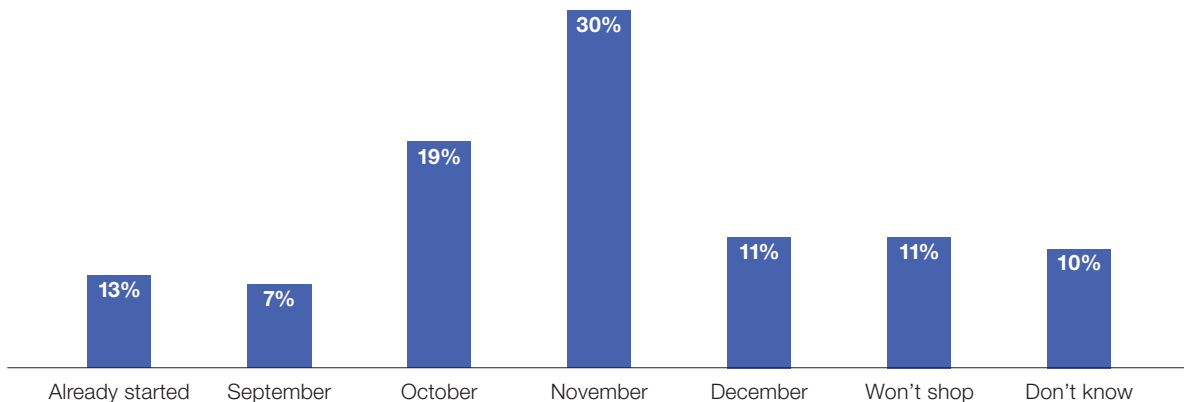
Source: Ipsos U.S. Syndicated Online Community, July 2021, n=847

Shopping strategies revealed

Shopping patterns will remain consistent this year. Most Americans will start shopping in October or November, unchanged versus last year. However, as more become aware of the supply chain issues affecting product availability, some holiday shopping may end up happening earlier than suggested below.

Most people will start holiday shopping in October/November. These levels remain unchanged versus 2020.

When do you plan to start your holiday shopping this year?



Source: Ipsos Coronavirus Consumer tracker survey of 1,137 Americans, conducted August 18–19, 2021.

Buying things online and on sale will be popular this year. Over half of Americans intend to purchase only on sale this year. And online shopping may even exceed the phenomenal levels we saw in 2020, since recent Ipsos data shows almost 70% of Americans are planning to shop mostly online this holiday season.



Buying on sale and online both popular this year



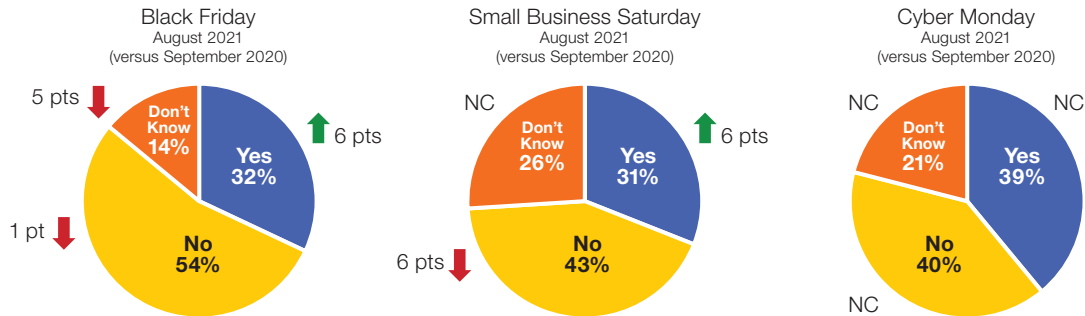
Source: Ipsos Coronavirus Consumer tracker survey of 1,137 Americans, conducted August 18–19, 2021.

Retail holidays still matter

Retailers are wondering whether promotional holidays like Black Friday have run their course, particularly given the renewed caution shoppers feel about returning to stores, brought on by the Delta variant. But Ipsos data still shows a strong interest in all three key retailer promotional “holidays”: Black Friday, Small Business Saturday and Cyber Monday. Cyber Monday is most popular of the three, but roughly a third of adults do plan to shop on Black Friday and Small Business Saturday, with higher interest than a year ago for both.

More Americans plan to shop on Black Friday and Small Business Saturday this year than same time last year. Cyber Monday still somewhat more popular.

% Planning to Shop Specific Promotions (2021 versus 2020)



Q: Do you plan to shop on Black Friday and Small Business Saturday this year?

Source: Ipsos Coronavirus Consumer tracker survey of 1,137 Americans, conducted August 18–19, 2021 versus September 1–2, 2020.



When Ipsos recently asked “What are you going to pay a lot of attention to when it comes to making purchase decisions this holiday?,” Black Friday and Cyber Monday were among the top responses, only exceeded by “ability to order online” and “gift lists from family and friends.”

Imagine you're setting out (or online) for your holiday shopping. Walk us through what that will look like in as much detail as possible.



I will start looking for good deals during the fall season. I will still do a lot of shopping on Black Friday and Cyber Monday since that is a tradition for me.”

— Ipsos Online Community Member, Female, Age 35–44

Source: Ipsos U.S. Syndicated Online Community, July 2021, n=847

Inflation is expected to be a consideration among one-quarter of the population, and 20% desire gift cards.

Being able to order online is top consideration for purchase decisions, followed by Black Friday

% Paying a lot of attention to when comes to purchase decisions



Q: What are you going to pay a lot of attention to when it comes to your purchase decisions this holiday season?

Source: Ipsos Omnibus survey n=1,000 U.S. gen pop, conducted August 20–22, 2021.

Imagine you're setting out (or online) for your holiday shopping. Walk us through what that will look like in as much detail as possible.



I would go to Target.com and Etsy.com because they're my favorite places to shop and aren't too expensive usually. I spend about \$10–20 per person. I would look up things they're interested in and see if I find anything that works for them.”

— Ipsos Online Community Member, Female, Age 18–24

Source: Ipsos U.S. Syndicated Online Community, July 2021, n=847

Americans are looking forward to reclaiming the holidays and the shopping experience itself is a key part of that

Recent studies from the Ipsos U.S. syndicated online community reveal cautious optimism about the holiday season and a desire to reclaim the holidays despite ongoing COVID-related uncertainty. People look forward to experiencing the sights, sounds, and smells related to the holidays and a return to traditions they felt were lost last year. For many, this manifests itself in anticipation of returning to in-store shopping and creating excitement albeit on a smaller scale.

What are you looking forward to the most when it comes to holiday shopping this year?



Hopefully doing some Christmas shopping for stocking stuffers and decorations, in store, since I love walking around and looking at all the new things they have on display.”

—Ipsos Online Community Member, Female, Age 35–44

Source: Ipsos U.S. Syndicated Online Community, July 2021, n=847

Shoppers are also thinking ahead to the holiday shopping experience itself and what would make that experience better this year. Ipsos asked community members to write “a letter to Black Friday”; the community responded with some key themes including wanting a kinder, less crowded experience, having fully stocked items, and having deals spread over multiple days.

Dear Black Friday

- ❖ Make shoppers kinder
- ❖ Make the stores less crowded
- ❖ Stay in your calendar lane and not creep into Thanksgiving
- ❖ Extend deals past the one day
- ❖ Have plenty of stock (don't lure me with deals to then be disappointed by sold-outs)
- ❖ Though it would be OK if Black Friday took the day off this year and shared its deals with the other days of the week

Source: Ipsos U.S. Syndicated Online Community, July 2021, n=847



Younger consumers and families key for holidays

As retailers set strategies for the holidays, there are two groups to pay special attention to— younger adults (ages 18–34) and households with children. As previously shown, both groups are highly likely to spend more this year (roughly 50% of each). However, both groups will be sales-driven and will pay a lot of attention to Black Friday and Cyber Monday deals. Both plan to shop mostly online this season. And unlike the general population, many will pay attention to social media in making their buying decisions (YouTube, Instagram, TikTok, Facebook, etc.), and more are likely to buy experiences as gifts.

Several things matter even more to younger consumers and households with children—with Black Friday at top



Q: What are you going to pay a lot of attention to when it comes to your purchase decisions this holiday season?

Source: Ipsos Omnibus survey n=1,000 U.S. gen pop, conducted August 20–22, 2021.

Imagine you're setting out (or online) for your holiday shopping. Walk us through what that will look like in as much detail as possible.



I stay home, grab my Nintendo Switch, and open up the Nintendo eShop to browse the sales. I'll buy whatever catches my eye and is in my price range."

—Ipsos Online Community Member, Male, Age 18–24

Source: Ipsos U.S. Syndicated Online Community, July 2021, n=847





In summary

Americans are enthusiastic about spending this holiday season and we should again see record online sales. Deal-seeking will be high and retail promotions will be popular. Shopping experience should allow for safety, convenience, and plenty of holiday spirit. Younger consumers, families and urban areas will be most enthusiastic about buying, will be heavily influenced by social media, and will have special interest in buying experiences as gifts.

WHAT'S NEXT

- Ipsos will continue to monitor holiday attitudes and expected behaviors as we get closer, but current indicators suggest there are several actions to take right now.
- Invest in the holidays, offering easy ways to get inspired and buy online and on sale, with emphasis on retailer holidays: Black Friday, Small Business Saturday, Cyber Monday.
- Make the in-store shopping experience kinder, gentler, less crowded than in years past and convey plenty of holiday cheer.
- Reach younger consumers and families on social media, and get creative by offering experiences as gifts.

About the Authors

Danielle Edwards

Executive Vice President,
Online Communities
danielle.edwards@ipsos.com

Wendy Wallner

SVP Client Officer Retail,
Restaurants, Tech
wendy.wallner@ipsos.com

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