

WHAT TO EXPECT FROM THE 2023 HOLIDAY SEASON

The upcoming shopping season is likely to bring rising holiday budgets — and stress.

Are retailers prepared to meet consumer needs?

An Ipsos Point of View

Authors: : Charlene Richey, Silvana Daehn, Connor Simmons

GAME CHANGERS



KEY TAKEAWAYS:

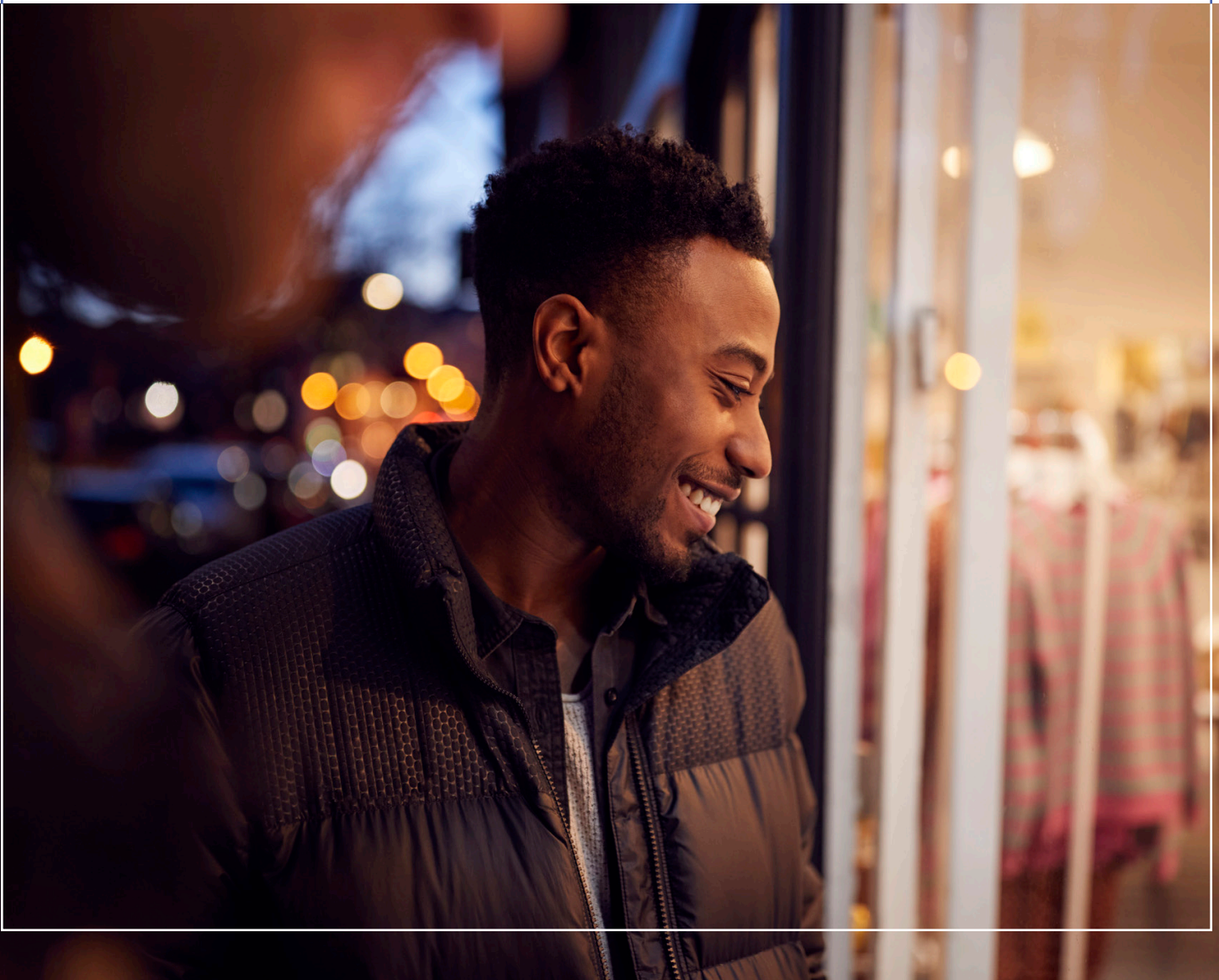
1. Approximately one-third of consumers (32%) plan to increase their holiday shopping budget this year.
2. About four in ten (41%) Millennial and Gen Z consumers plan to buy gifts for more people this year.
3. Half of Millennial and Gen Z consumers plan to spend more during the holiday season.



Holiday shopping budgets are on the rise after being relatively stagnant for the last three years, according to the Ipsos Consumer Tracker. However, there seems to be a mix of emotions surrounding this season's shopping. While a good portion of shoppers plan to increase their spending, they also have concerns about gift affordability and crowded retail spaces.

Based on these insights, retailers should prepare for the holiday surge by:

- Catering to Millennial and Gen Z shoppers who are likely to increase their holiday spending, prioritizing digital shopping experiences,
- Enhancing their in-store environment to provide a welcoming and stress-free shopping experience, addressing affordability concerns through varied pricing and deals,
- Preparing for larger crowds to ensure a pleasant shopping experience,
- Optimizing for omni-channel shopping to provide a seamless shopping experience across both physical and digital channels.



The holiday spending outlook improves year-over-year

Approximately one-third of consumers (32%) plan to increase their holiday shopping budget this year, with most of their shopping still ahead. This represents a positive shift in consumer sentiment since the pandemic, as only 24% planned to increase their budget in November 2022 and 21% in 2020. While some consumers have already begun their holiday shopping adventures, the majority (55%) intend to begin in November or December.

About four in ten (41%) Millennial and Gen Z consumers plan to buy gifts for more people this year, and half (50%) of them plan to spend more during the holiday season. It's worth noting that these generations are most likely to start their holiday shopping in November, so there is still a short window of time to ensure the buying experience caters to their shopping preferences.





The holidays evoke mixed feelings, and this year is no exception

One-third of consumers express both stress (33%) and excitement (32%) about the upcoming holiday season. Six in ten consumers (60%), feel anxious about affording gifts, with the Midwest region being particularly affected (73%). Additionally, three in ten (30%) dread dealing with large crowds, a sentiment strongly shared by two seemingly different generations: Millennial/Gen Z (30%) and Baby Boomers (28%).

“For retailers, it’s especially important to consider the experience you are offering shoppers. Are you delighted by a friendly and welcoming environment? Is it well-organized and easy for shoppers to discover great gifts? Are you helping to minimize stress by offering ease of doing business in an omni-channel world?”

—Charlene Richey, SVP Ipsos

Mystery shopping can be a great way to understand the extent to which your brand promises are being consistently well-executed.

Digital shopping continues to rise, especially among Millennials and Gen Z

A significant majority (72%) of Millennial and Gen Z consumers plan to do more digital shopping this year, which is more than older generations (56% Gen X, 42% Baby Boomers). Furthermore, one in four (23%) consumers plan to send more gifts in lieu of in-person exchanges, which is likely contributing to an increase in online purchases.

Buy local campaigns, such as Small Business Saturday, seem to be having an impact

Buying local is becoming more popular, and Hispanics present the greatest opportunity in this regard. Around 43% of consumers (a significant increase from 31% in November 2022) plan to support more local businesses this year. Among this trend, Hispanic consumers stand out with 56% likely to buy more from local businesses. The Hispanic population has started their holiday shopping early, in October, and will be continuing to do the bulk of their shopping in November. More than half (55%) of Hispanic consumers plan to spend more and 45% intend to buy for more people during the 2023 holiday season.





Conclusion

With increased spend and more people planning to shop online this year, pressure will be on retailers to make sure their experiences meet expectations this holiday season.

Is your eCommerce and in-store experience ready for the increased opportunity? Ipsos Channel Performance can help you uphold your brand standards and consumer needs, ensuring you are ready for the opportunities that lie ahead this holiday season.

Authors:

Charlene Richey

SVP, US Channel Performance

Charlene.Richey@ipsos.com

Silvana Daehn

VP, US Channel Performance

Silvana.Daehn@ipsos.com

Connor Simmons

Business Development,

US Channel Performance

Connor.Simmons@ipsos.com

About Ipsos

At Ipsos we are passionately curious about people, markets, brands, and society. We deliver information and analysis that makes our complex world easier and faster to navigate and inspires our clients to make smarter decisions. With a strong presence in 90 countries, Ipsos employs more than 18,000 people and conducts research programs in more than 100 countries. Founded in France in 1975, Ipsos is controlled and managed by research professionals.