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OUR GUIDE

Consumer holiday shopping behavior trends from 2019-2021
Predictions on 2022

✕ TO THE

2022

HOLIDAY

SHOPPING SEASON

METHODOLOGY

Experian looked at its purchase-based and ConsumerView^{SM} data to understand holiday retail sales trends from 2019-2021. Experian evaluated its purchased-based data that covers credit and debit card usage across the top 500 merchants and defines holiday shoppers as consumers who made purchases during the period of 10/01-12/31 in 2019, 2020, and 2021. ConsumerView^{SM} is the largest and most comprehensive resource for traditional and digital marketing campaigns. With thousands of attributes on more than 300 million consumers and 126 million households, ConsumerView^{SM} data provides a deeper understanding of your customers, resulting in more actionable insights across channels.

Experian summarized the top 500 merchants into 15 categories and identified five categories that related to holiday shopping.

Merchants included in our data include stores such as:

MASS RETAILERS	APPAREL	OFFICE, ELECTRONICS, GAMES	SPECIALTY RETAILERS	WAREHOUSE CLUBS
amazon.com	adidas	Apple	BARNES & NOBLE	BJ's
buy buy BABY	chico's	BEST BUY	PETSMART	COSTCO
ebay	FOREVER 21	STAPLES	SEPHORA	sam's club
Etsy	H&M	Office DEPOT	Harry & David	
GROUPON	OLD NAVY		TSC TRACTOR SUPPLY CO	
TARGET	UNIQLO			
Walmart				

CONSUMER SPENDING REMAINS STRONG – BUT CHANGING ECONOMIC CONDITIONS CONTINUE TO SHAPE SHOPPER BEHAVIOR

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Knowing how to navigate change is the new normal. The pandemic and fluctuating economic conditions are re-shaping consumer shopping behavior, and as marketers, we must adapt our strategies. In a world with constant change, are you prepared for the 2022 holiday shopping season?

In our 2022 holiday shopping forecast, we will:

- Reflect on consumer holiday shopping behavior trends from 2019-2021

- Share our predictions on 2022 consumer holiday shopping behavior

- Provide more actionable insights for you to gain a deeper understanding of your customers for your holiday campaign planning

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WHEN CONSUMERS SHOP

CONSUMERS ARE SHOPPING EARLIER

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We identified four shopper segments to help us understand holiday retail sales trends from 2019-2021.

1. Early Shoppers (15%) made over 45% of their holiday purchases in October

2. Traditional Shoppers (16%) made over 45% of their holiday purchases in November

3. Late Shoppers (18%) made over 45% of their holiday purchases in December

4. Random Shoppers (51%) made their holiday purchases evenly across multiple months

HOLIDAY SALES BY MONTH | V. HOLIDAY SALES (OCT-DEC)

Year	Oct	Nov	Dec
2021	32%	33%	35%
2020	31%	32%	37%
2019	30%	33%	38%

● Oct ● Nov ● Dec
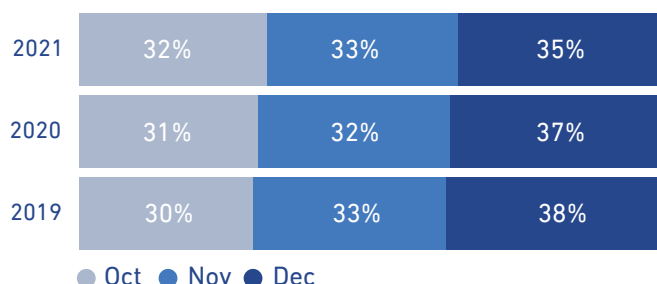
Shoppers tend to spread out their holiday purchases across multiple months and were more likely to start shopping earlier. We saw a shift in holiday shopping sales in October from 30% to 32% over the last three years while holiday sales in December decreased from 38% to 35%. Holiday sales in November remained constant and did not see a significant change like October and December, which indicates that November is a core month for holiday shopping.

To prepare for earlier shoppers, you can use the predictive power of transaction data to view ready-made audiences based on seasonal shopping patterns. Understanding these segments will help you develop more effective communication and engagement strategies to maintain and increase your customer base. Increased engagement with and development of your customer base will subsequently lead to an increase in:

• Customer loyalty

• Customer lifetime value

• ROI on marketing spend

• Marketing team efficiency

WHAT YOU CAN DO TO PREPARE FOR EARLIER SHOPPERS:

• Offer targeted promotions earlier in the shopping season

• Target your ads based on the shopping habits of your customers throughout the season

• Use the predictive power of transaction data to view ready-made audiences based on seasonal shopping patterns
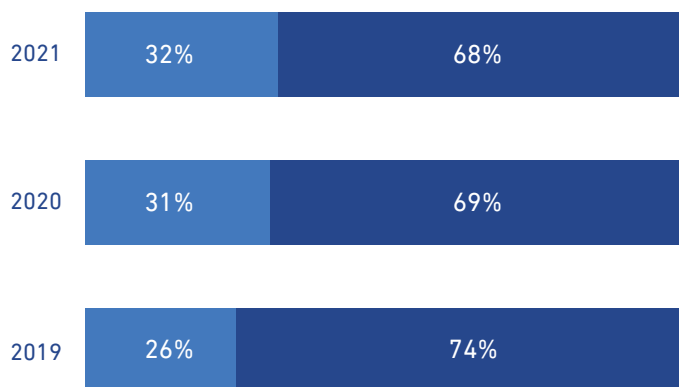
2 WHERE CONSUMERS SHOP

E-COMMERCE SALES CONTINUE TO RISE, BUT BRICK AND MORTAR STILL DOMINATES

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Online sales have steadily increased from 26% in 2019 to 32% in 2021. In-store shopping, on the other hand, has decreased from 74% in 2019 to 68% in 2021. While we expect online sales to continue to chip away at the share of overall holiday sales, and although in-store shopping has declined over the past three years, most shoppers still prefer to shop in-store.
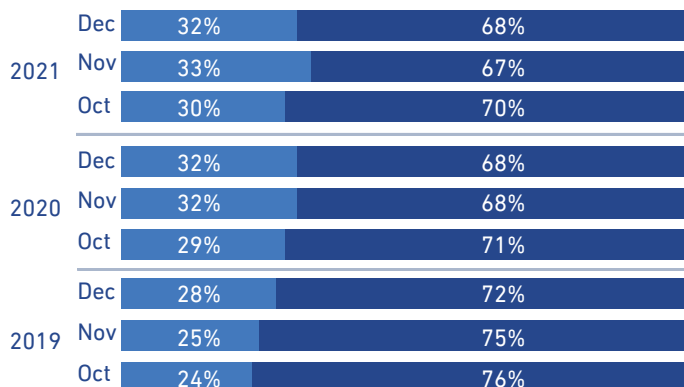
HOLIDAY SALES BY CHANNEL | BY YEAR

- Online
- Brick & Mortar

Year	Online	Brick & Mortar
2021	32%	68%
2020	31%	69%
2019	26%	74%

HOLIDAY SALES BY CHANNEL | BY MONTH

- Online
- Brick & Mortar

	Month	Online	Brick & Mortar
2021	Dec	32%	68%
	Nov	33%	67%
	Oct	30%	70%
2020	Dec	32%	68%
	Nov	32%	68%
	Oct	29%	71%
2019	Dec	28%	72%
	Nov	25%	75%
	Oct	24%	76%

Most in-store shopping is done in October, while most online shopping is done in November or December, correlating with Cyber Week deals.

To identify and reach consumers who returned to shopping in-store, use purchase-based data. Purchase-based data can show you consumer purchase behavior and preferences like online vs. in-store at the individual and household level to help you meaningfully connect with your customers.

With purchase-based data, you can link online and offline shopping behavior to gain additional insights into your customers' shopping preferences. This data set can help with planning inventory, determining scalable staffing models, and preparing for the busiest days. It can also be combined with location data to develop look-a-like models for greater campaign reach.

WHAT YOU CAN DO TO PREPARE FOR MORE IN-STORE SHOPPING:

- Focus on in-store shopping experience technology (self-checkout, VR, QR codes, scan to pay, etc.)

- Staff up earlier and be ready for the in-store crowds

- Offer multiple paths to purchase to connect your online and physical presence through methods such as BOPIS (Buy Online, Pickup In-Store), BORIS (Buy Online, Return In-Store), and ROPO (Research Online, Purchase Offline), etc.

We identified five spending categories related to holiday shopping and found that compared to pre-pandemic, shoppers tend to spend more at apparel stores and mass retailers.
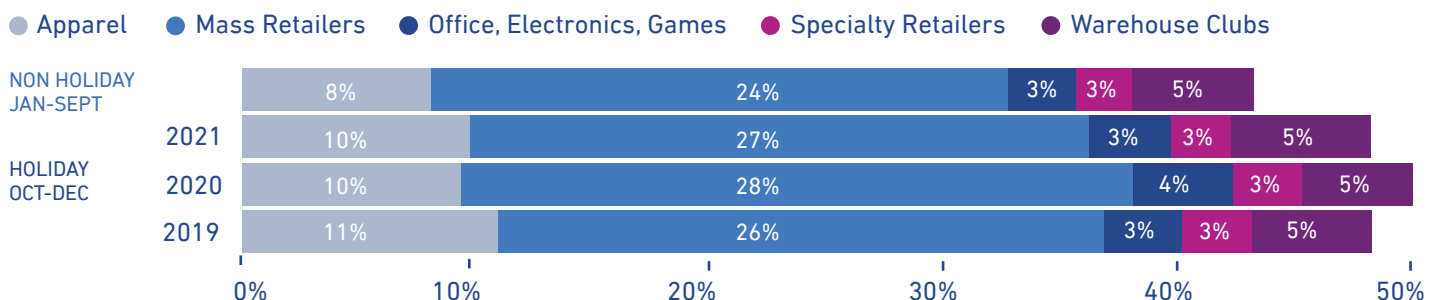
Five Shopping Categories

| APPAREL	MASS RETAILERS	OFFICE, ELECTRONICS, GAMES	SPECIALTY RETAILERS	WAREHOUSE CLUBS

Between 2019-2021, the share of spend during the holiday season at apparel stores and mass retailers has consistently been 2-4% higher than the share of spend during non-holiday shopping months. On the other hand, the share of spend at specialty retailers, warehouse clubs, and on office, electronics, and games, is almost identical across holiday and non-holiday months.

SPENDING | BY CATEGORY

● Apparel ● Mass Retailers ● Office, Electronics, Games ● Specialty Retailers ● Warehouse Clubs

|	Apparel	Mass Retailers	Office, Electronics, Games	Specialty Retailers	Warehouse Clubs
NON HOLIDAY JAN-SEPT	8%	24%	3%	3%	5%
HOLIDAY OCT-DEC 2021	10%	27%	3%	3%	5%
HOLIDAY OCT-DEC 2020	10%	28%	4%	3%	5%
HOLIDAY OCT-DEC 2019	11%	26%	3%	3%	5%

When consumers shop also affects what they shop for and how much they spend. We found that random shoppers spent less on clothing and electronics compared to early, traditional, and late shoppers.

CONSUMER SPENDING | CLOTHING
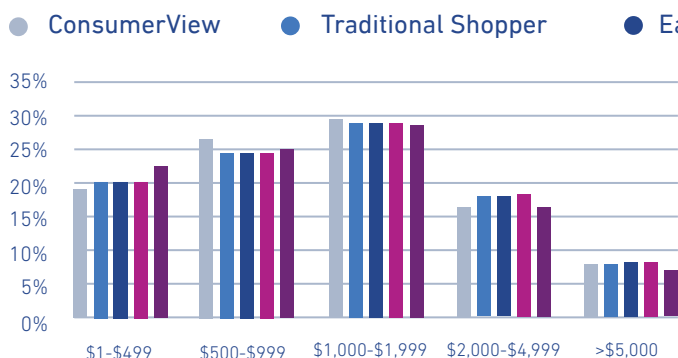
CONSUMER SPENDING | ELECTRONICS

● ConsumerView ● Traditional Shopper ● Early Shopper ● Late Shopper ● Random Shopper
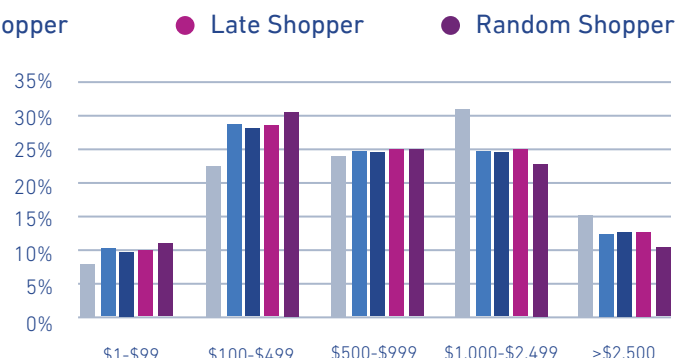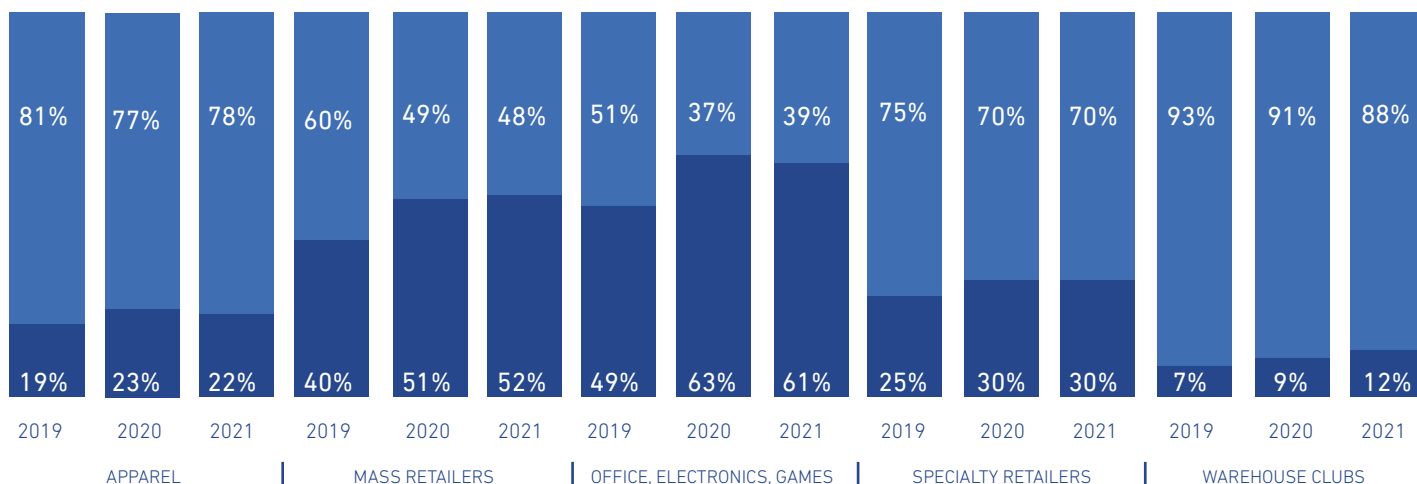
3 WHAT CONSUMERS PURCHASE

Purchase-based data can help you identify and reach consumers who purchase from your category and started shopping for the upcoming season. Through syndicated audiences, you can identify customers who shop at your target categories and market. This data can also show their likelihood to shop at your brand and competitors, which will help you identify the right target audience. You can even customize your target audience by channel to provide maximum lift for your marketing spend. Unlock additional insights such as spending behavior across competitors, categories, brands, geographies, and channels when using purchase-based data.

We also identified correlations between where consumers shop (online vs. in-store) and what they purchase. Shoppers who purchased from mass retailers were more likely to shop online, whereas shopping for apparel and warehouse clubs was done in-store.

HOLIDAY SALES BY CHANNEL | BY PRODUCT CATEGORY

● Online   ● Brick & Mortar

	APPAREL			MASS RETAILERS			OFFICE, ELECTRONICS, GAMES			SPECIALTY RETAILERS			WAREHOUSE CLUBS	
2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
81%	77%	78%	60%	49%	48%	51%	37%	39%	75%	70%	70%	93%	91%	88%
19%	23%	22%	40%	51%	52%	49%	63%	61%	25%	30%	30%	7%	9%	12%

The customer journey is becoming more complex. It's not uncommon for a shopper to research online and then purchase in-store. In this new world, the relationship between marketing campaigns and purchase channel becomes much more significant.

Our data-driven content and contact engagement solution allows you to see the full picture. From site-location analysis, to merchandising and distribution channel strategies, you can use these insights to set strategies more intelligently by understanding the buying channel preferences of your target audience. After your campaign goes out, you can tie the customer's purchase back to the campaign and learn how our capabilities impacted marketing performance. This will optimize your marketing budget allocation across channels and maximize ROI.

CONSUMER MEDIA PREFERENCES

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SHOPPERS PREFER A MIX OF DIGITAL AND TRADITIONAL MEDIA CHANNELS

Now that we understand when and where consumers shop and what they're shopping for, what about their media channel preference? In relation to the national average, our four shopping groups are most frequently consuming media in the following channels:

| DIGITAL NEWSPAPER | DIRECT MAIL | EMAIL | TRADITIONAL NEWSPAPER |

While we are seeing a shift to digital media channel preference, our demographic data reveals that consumers still engage with traditional media channels like direct mail and the traditional newspaper.

Successfully connecting with your customers involves capturing their attention through the right channel. Predict the channels your customers and prospects prefer. Experian data can help create more relevant communications to improve response, loyalty, and customer value.

USE DATA TO INFORM:

- Messaging styles based on how consumers make buying decisions
- The media channels in which the consumer is most receptive to hearing brand messages
- The customer's preferred transaction channels

WITH THIS DATA YOU CAN:

- Reengage lapsed customers
- Resonate with current customers
- Understand where your current customer base is most receptive to hearing brand offers
- Create a go-to-market plan to acquire new customers

Refine your content and creative strategy with Experian data to achieve maximum ROI for each campaign across all channels.

WHAT YOU CAN DO TO ADAPT TO THE CHANGE IN HOLIDAY SPEND AND MEDIA CONSUMPTION:

- Align your activation efforts to digital, but don't forget about traditional channels
- Expand your targeting and activation focus beyond in-store vs. online. Evaluate how you can further target your consumer based on where they shop in-store and online (apparel store, mass retailer, warehouse club, etc.)
- Examine the correlations between consumer spend amount, purchase type, and shopping month to identify and reach consumers who purchase from your category and started shopping for the upcoming season

5

WRAP-UP

EXTERNAL FACTORS, LIKE THE PANDEMIC, CONTINUE TO SHAPE CONSUMER HOLIDAY SHOPPING BEHAVIOR

Understanding consumer behavior will help you prepare your marketing campaigns for the 2022 holiday shopping season. Based on Experian data, we expect to see the following types of consumer behaviors this year:

WHEN CONSUMERS SHOP

Consumers are more likely to start their holiday shopping early. The holiday shopping season started earlier and earlier each year for the past three years and consumers were more likely to spread out their shopping rather than only focus on Cyber Week.

HOW TO PREPARE FOR EARLY HOLIDAY SHOPPERS

• Start targeted promotions early and maintain them throughout the holiday shopping season

• Expect electronics and apparel to continue to be at the top of shopping lists

• Extend your reach with additional audiences and look-alike audiences

WHERE CONSUMERS SHOP

Online shopping continues to rise, but most shoppers still prefer to shop in-store. We expect online shopping trends to continue but we can't ignore that brick and mortar still dominates holiday sales.

HOW TO PREPARE FOR MORE IN-STORE SHOPPING

• Offer a tech-forward in-store shopping experience using QR codes, self-checkout, VR, etc.

• Create an effective omnichannel strategy with digital solutions such as BOPIS (Buy Online, Pickup In-Store), BORIS (Buy Online, Return In-Store), and ROPO (Research Online, Purchase Offline), etc.

• Link online and offline shopping data to gain additional insights into your customers' shopping behavior

WHAT CONSUMERS PURCHASE AND THEIR MEDIA CHANNEL PREFERENCE

Holiday spending was different compared to pre-pandemic with shoppers spending more on apparel stores and mass retailers. Shoppers most frequently consume media in a mix of digital and traditional media channels.

HOW TO ADAPT TO THE CHANGE IN HOLIDAY SPEND AND MEDIA CONSUMPTION

• Deploy your campaigns through a mix of digital and traditional media channels

• Broaden the scope of where consumers shop beyond in-store vs. online to include the retailers they shop in-store vs. online

• Predict the channels your customers and prospects prefer with Experian data by augmenting your first party data

ABOUT
EXPERIAN MARKETING SERVICES

Experian Marketing Services delivers privacy-forward data and insights to help brands meaningfully connect with people. Advertising is smarter and more personalized than ever. Experian sets new standards in data management, usability, and measurement to thrive in this evolving ecosystem. Discover why brands, agencies, and publishers across the globe trust Experian.

Learn how you can use Experian data to target and activate your audience this holiday shopping season. **Download our new 2023 Holiday spending trends and insights report below.**

Download now

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