

A woman with voluminous curly hair is sitting on a plaid blanket, looking down at a laptop. The background is a living room decorated for Christmas, featuring a large, decorated Christmas tree with white ornaments and lights, and several wrapped gifts on the floor. The scene is lit with warm, indoor lighting.

THE 2017 U.S. HOLIDAY SHOPPING FORECAST

How Shoppers Will Buy Products in Q4 2017

Table of Contents

Introduction	3
35.5% of Shoppers Will Start Shopping for Products Before Black Friday	4
72.1% of Shoppers Plan to Look for Gifts on Amazon.com	5
88.1% of Shoppers Plan to Spend About the Same or More as Last Year	7
32.0% of Shoppers Price Check Products on Their Phones While in Store	9
Fast & Free Shipping is Now the Baseline for Online Retailers	10
Conclusion	12
Survey Methodology	13



Introduction

Do you know what your sales will look like in Q4 2017?

You could look at last year's numbers and make predictions based on that—or you could directly ask shoppers your biggest questions.

It's not easy to parse that data. Fortunately, we did the work for you.

In this year's Q4 Consumer Survey, we asked over 1,500 U.S. shoppers the following questions:

- ✓ When do you plan to start shopping for gifts?
- ✓ Where do you plan to look for gifts?
- ✓ How much are you planning to spend?
- ✓ Will you be spending more or less than last year?
- ✓ If you price check products on your phone while in a store, where do you look first?

Read on to find out what you can expect from shoppers in Q4 2017, and how you can use this knowledge to boost your marketing strategy.





35.5% of Shoppers Will Start Shopping for Products Before Black Friday

In 2016, the biggest holiday shopping day was December 17—aka “Super Saturday”, according to the [National Retail Federation](#).

2017 is shaping up similarly.

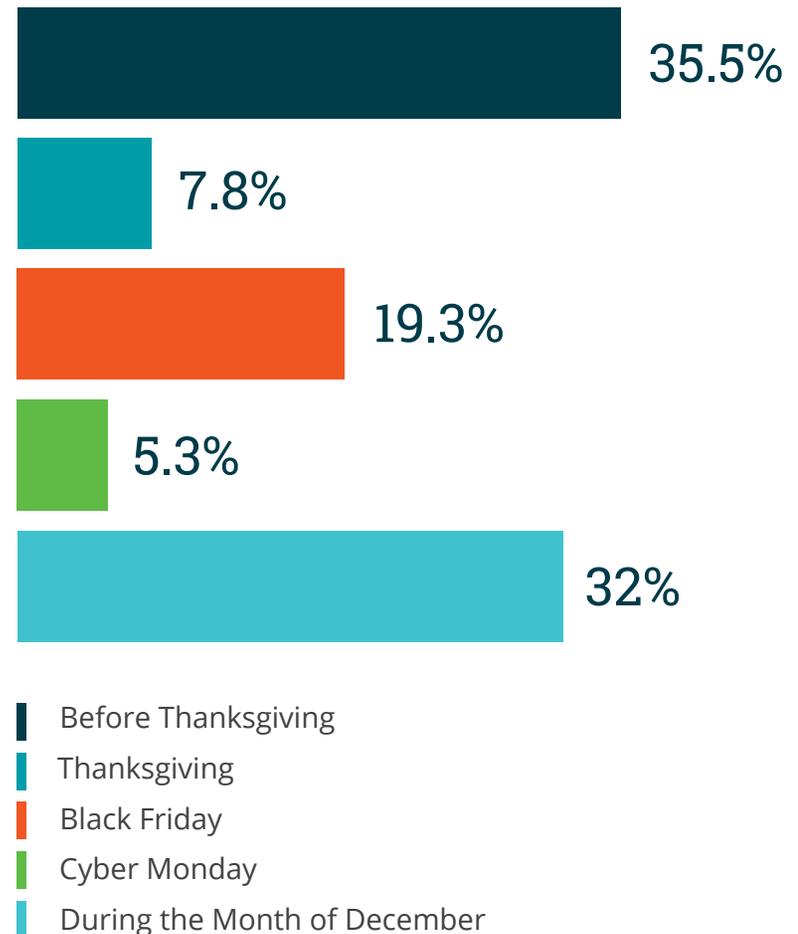
Thanksgiving weekend, which includes Black Friday and Cyber Monday, doesn't hold much weight in the numbers.

Instead, shoppers were divided between two extremes: shopping early and shopping late.

- ✓ 35.5% plan to start shopping for gifts before Thanksgiving
- ✓ 32.0% plan to start shopping for gifts in December

Amazon's wildly popular Prime Day could be part of the reason why 35.5% of shoppers opt to stock up on gifts early. Just this last July, Prime Day sales [grew by more than 50 percent](#).

When do you plan to start shopping for holiday gifts this year?





When we look deeper into the ages of respondents, we found 18-24 year olds were the least likely to shop for gifts before Thanksgiving (24%), while 45-54-year olds were the most likely (45%).

There were differences between the genders, too. 43% of female respondents stated they plan to shop for gifts before Thanksgiving, while 40% of males prefer to shop during the month of December.

72.1% of Shoppers Plan to Look for Gifts on Amazon.com

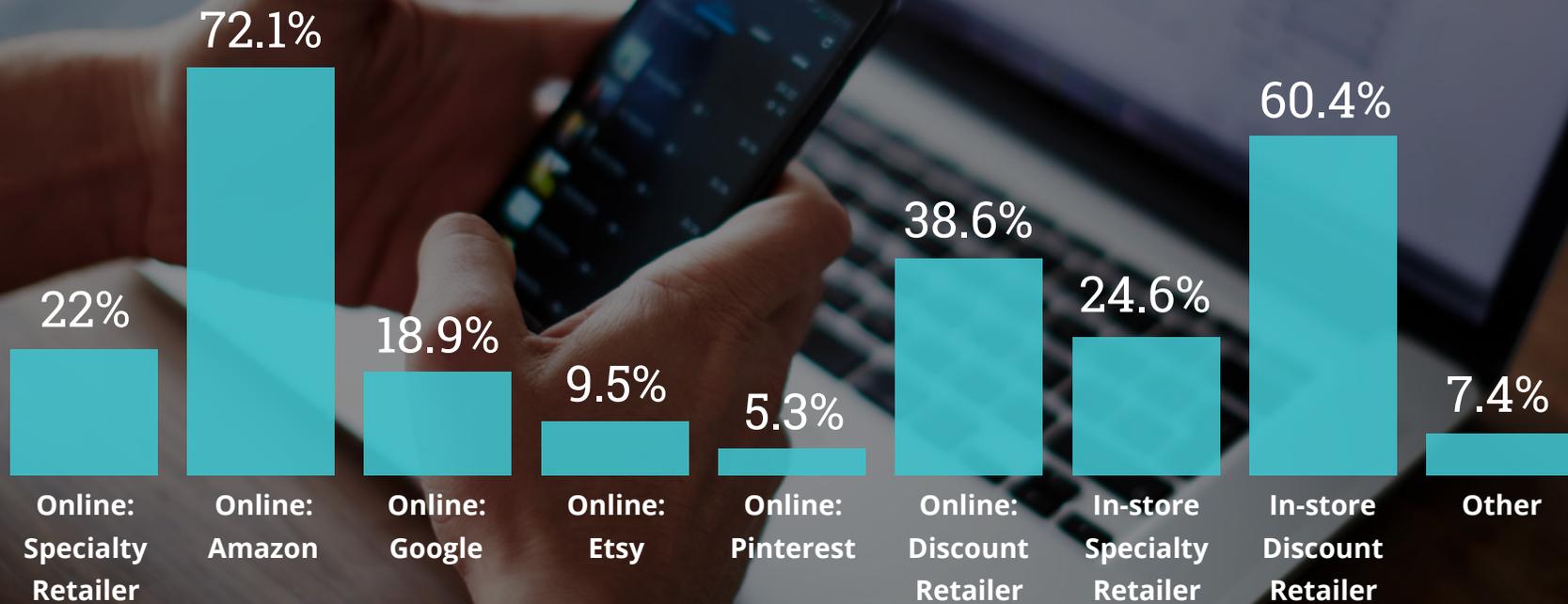
The fact that 72.1% of shoppers plan to seek out gifts on Amazon.com shouldn't come as a surprise to anyone.

However, we also saw that 60.4% of shoppers plan to shop in-store at Walmart, Target, or other big box retailers, and 38.6% of shoppers plan to shop at those same stores online.

Put simply, Q4 will be a big deal for big box retailers, who have been fighting to stay alive in the face of Amazon's massive popularity.



Where do you plan to look for gifts?



Women were significantly more likely to state they would shop at big box retailers such as Walmart and Target (67%), and ages were typically 35+. This could be because compared to younger ages, this age range is more likely to be shopping for gifts for both children and adults.

Men, on the other hand, were far more likely to state they would shop for gifts on Amazon.com (76%).

Who won't be shopping at Walmart and Target this year?

18-34 year olds, who were also the most likely out of all groups to shop on the crafty marketplace site Etsy.com.





Finally, 46% of shoppers plan to look for gifts at specialty retailers that cater to a specific demographic (Chewy.com, Anthropologie, Sephora).

One important thing to note is the way this question is phrased. We asked where shoppers would “look” for gifts, not necessarily where they would make their final purchase.

While they may not make final purchases at any of the above spots, it’s safe to say that these stores will play a large part in their gift research and journey to purchase.

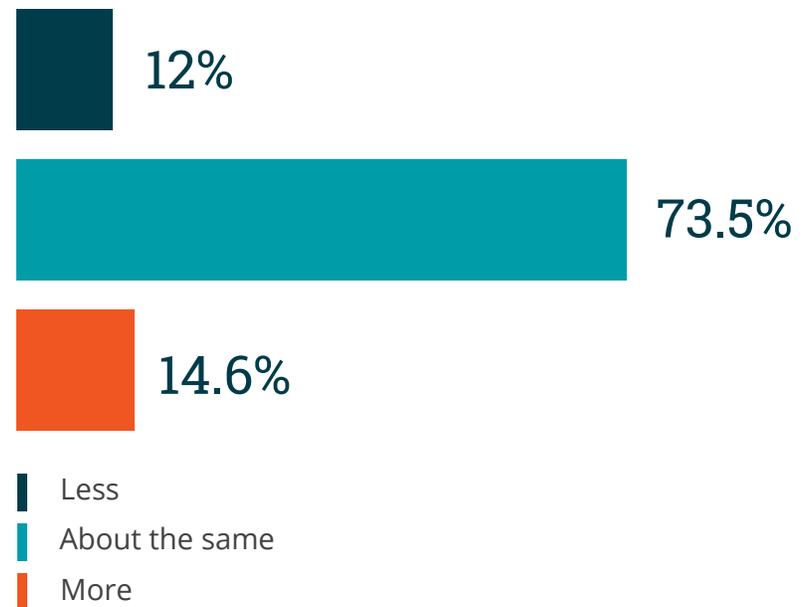
88.1% of Shoppers Plan to Spend About the Same or More as Last Year

While the majority of shoppers plan to spend about the same as they did in 2016 (73.5% of respondents), **14.6% of shoppers actually plan to spend more.**

We asked respondents to indicate the dollar amount they’d spend, and the most significant numbers follow:

- ✓ 30% of respondents plan to spend \$250-\$499
- ✓ 26.7% plan to spend \$500-\$1000

Compared to last year, how much do you plan to spend on holiday gifts?



When we look at the breakdown of ages on our first question, we find that 23% of 18-24 year olds reported they would spend more this year, while a whopping 79% of 55-64 year olds plan to spend about the same as they did last year.

The second number is significant because in terms of sheer numbers, 55-64 year olds are the biggest holiday gift spenders. **47% of 55-64-year olds plan to spend at least \$500 and even above \$1000+ on holiday gifts this year.**

Considering holiday retail sales in 2016 were \$658.3 billion, a 4 percent increase over 2015, retailers should expect numbers to remain stable and potentially go up.



32.0% of Shoppers Price Check Products on Their Phones While In-Store

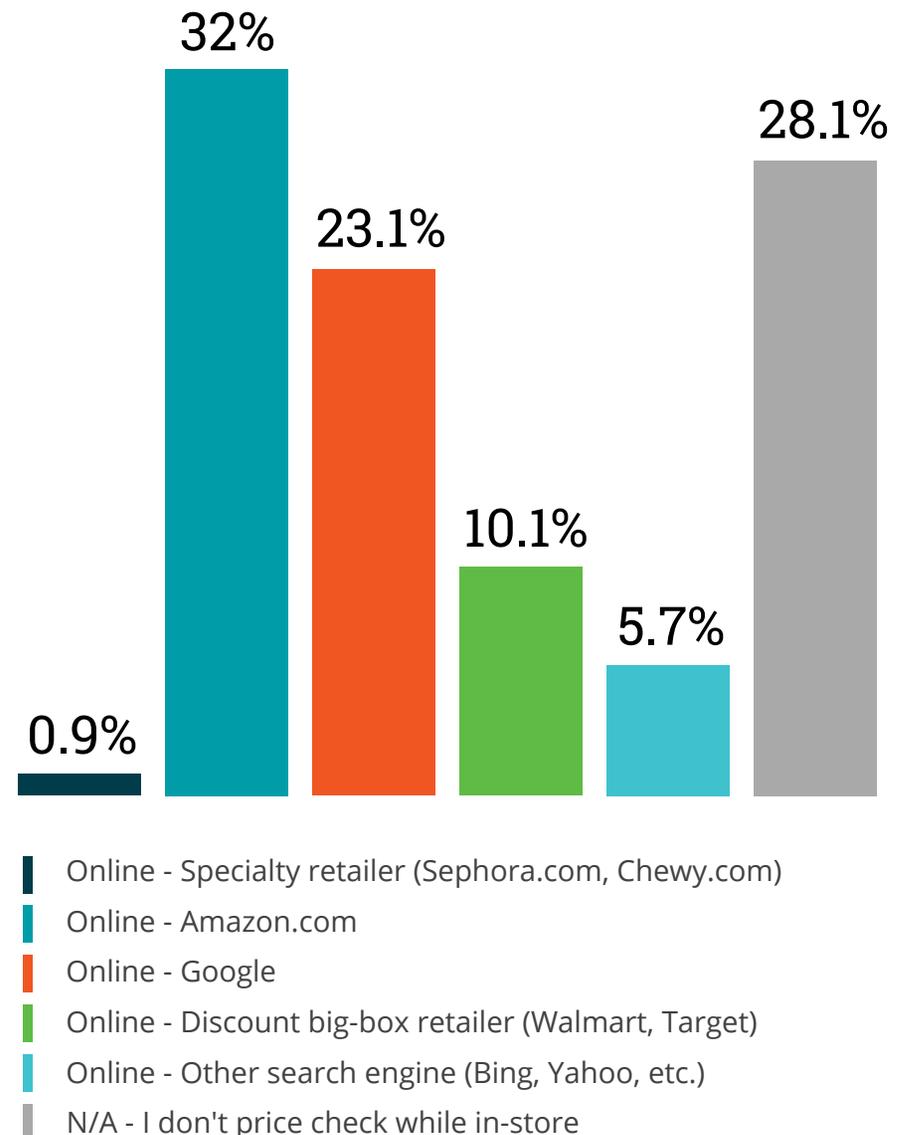
32.0% of shoppers price check products on Amazon.com while in a store, and a surprisingly large percentage—23.1%—also price check on Google.

When we looked at gender, we found that females were more likely to price check on Walmart.com or Target.com (13%), while male respondents were far more likely to turn to Amazon.com (36%).

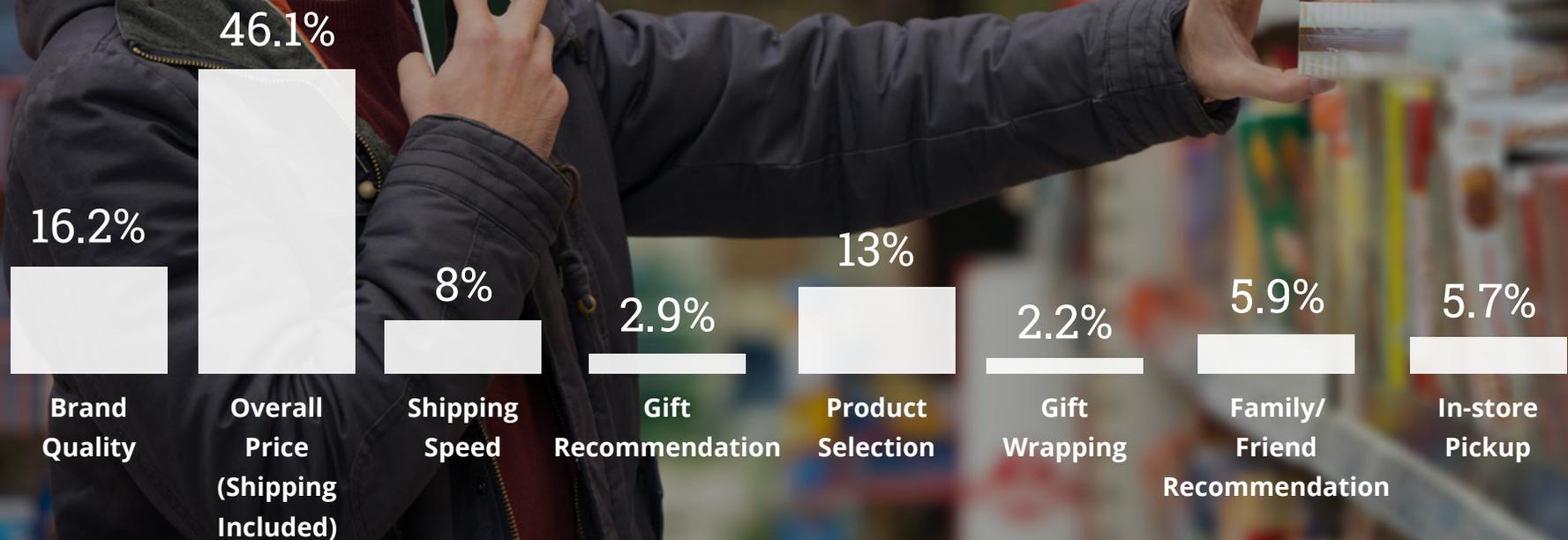
We were initially surprised to find that 28.1% reported they don't price check while in-store, but again, we must examine the phrasing of the question.

While these shoppers may not “price check” products while on their phone in a store, they may conduct research on a product, including checking reviews.

If you price check products on your phone while in a store, where do you look?



Which of these factors most affect your decision to shop for holiday gifts from a particular brand or retailer?



Fast & Free Shipping is Now the Baseline for Online Retailers

As expected, low prices reign.

46.1% of shoppers report overall price (including shipping) as being the most important reason to buy holiday gifts from a particular retailer.

However, there's more to it than just the price of a product. We referenced "overall cost," which includes shipping. ("Shipping speed" was another option, and it received only 8% of shopper votes.)

In [another survey of U.S. Consumers](#) by Internet Retailer, 47.4% of shoppers reported both fast and free shipping are "equally important"—and Amazon's built their empire on that foundation.

Fast and free shipping isn't just optional—it's now the baseline for retailers.





While there was no significant correlation between gender and responses, we found there were for ages.

18-24-year olds were the least likely out of all age groups to select “overall price (including shipping)” as a reason to purchase gifts from a particular brand or retailer.

Instead, 23% of this age group emphasizes brand quality when shopping for gifts. They also place more weight on “family or friend recommendations” than any other group (10%).

This is consistent with [other reports](#) that show 82% of millennials “tend to favor word of mouth from friends, family, and social media when they’re deciding what to buy.”

We could speculate that 18-24-year olds have been conditioned to expect free or fast shipping, so it’s not the main reason they would make a purchase from a particular retailer.

Another interesting fact that emerged:
20% of 55-64-year-olds reported a preference for “product selection”, which could help explain why they choose to shop at big box retailers such as Walmart and Target.

While Amazon may seem to be the natural place to go for product selection, other studies have also found that [84% of Baby Boomers](#) (many of whom are in this age range) overwhelmingly prefer to shop in-store.



Conclusion



Conclusion

Although responses vary by age and gender, this year is shaping up to be promising for U.S. retailers.

Millennial shoppers are coming of age, and many of them are planning to spend more this year than they did last.

Boomers are planning to hold steady on their spending and plan to frequent big box retailers on foot, which is good news for struggling big box retailers such as Target.

We're seeing the impact of Amazon in nearly every answer, but particularly in expectations for low prices and fast, free shipping.

The bottom line?

If retailers aren't selling on Amazon, they'll need to offer a shopping experience that proves they know their customers better than the retail giant.



Survey Methodology



Survey Methodology

This survey was commissioned by CPC Strategy and conducted by Survata, an independent research firm in San Francisco. Survata interviewed 1504 online respondents between July 13, 2017 and July 14, 2017. These were the numbers of respondents by age:

18-24: 195 respondents

25-34: 287 respondents

35-44: 288 respondents

45-54: 291 respondents

55-64: 295 respondents

65+: 148 respondents

Number of respondents by reported gender:

Female: 815 respondents

Male: 689 respondents

Survey participants were reached across the Survata publisher network, where they take a survey to unlock premium content, like articles and ebooks. Participants were required to answer the following screening question: "Will you shop for holiday gifts this year?"

Those who responded "Yes" were allowed to continue the survey, while those who responded "No" were passed directly to their content without participating. Respondents received no cash compensation for their participation.

More information on Survata's methodology can be found at survata.com/methodology.



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Schedule Your Q4 Strategy Evaluations

CPC Strategy's Q4 Strategy Evaluations are a complimentary 60-minute analysis and assessment of your brand's existing shopping channel accounts, advertising campaigns, and profitability metrics.

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We Turn Browsers Into Buyers