

A man with a beard is looking at a laptop in a restaurant setting. He is holding a white mug. The background is dark with colorful bokeh lights. The text is overlaid on the image.

# THE 2018 U.S. HOLIDAY SHOPPING FORECAST

How Shoppers Will Browse and Buy in Q4 2018

# Table of Contents

Key Takeaways .....	3
Holiday Spending .....	5
Spending by Generation .....	8
When Will They Shop? .....	12
Where Will They Shop? .....	15
What Devices Will They Use? .....	19
What Websites Will They Use? .....	22
The Bottom Line .....	25
Methodology Details .....	28



# Key Takeaways

- 81% of shoppers who plan to look for gifts online will use Amazon
- 20% of shoppers are planning to cut back on holiday spending
- 40% of shoppers plan to buy their gifts before Thanksgiving
- 46% of shoppers are planning to shop both online and in store for gifts



# Holiday Spending

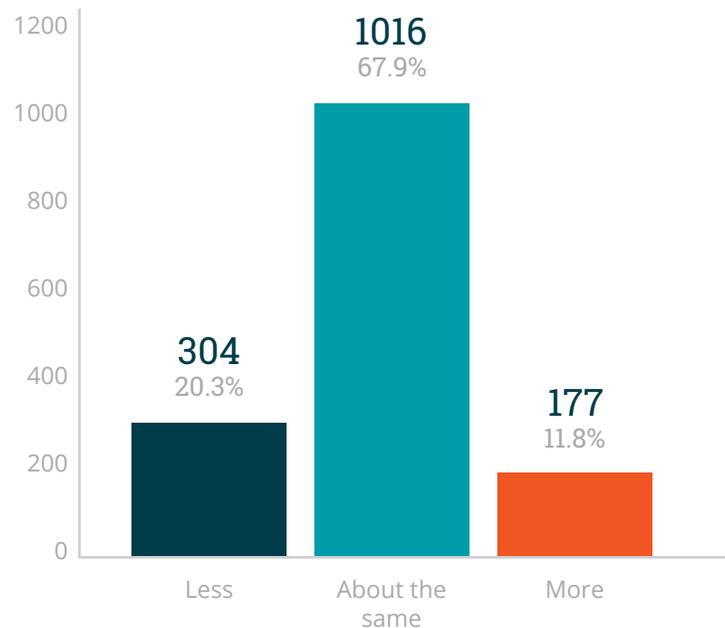


# Holiday Spending

Last year, the majority of respondents — about 68% — planned to spend more than \$250 on gifts, and only 12% planned to spend lower than they did in the previous year.

This year, only 53% of consumers plan to spend more than \$250 on gifts, and **20% of shoppers are actually planning to cut back on gift purchases.**

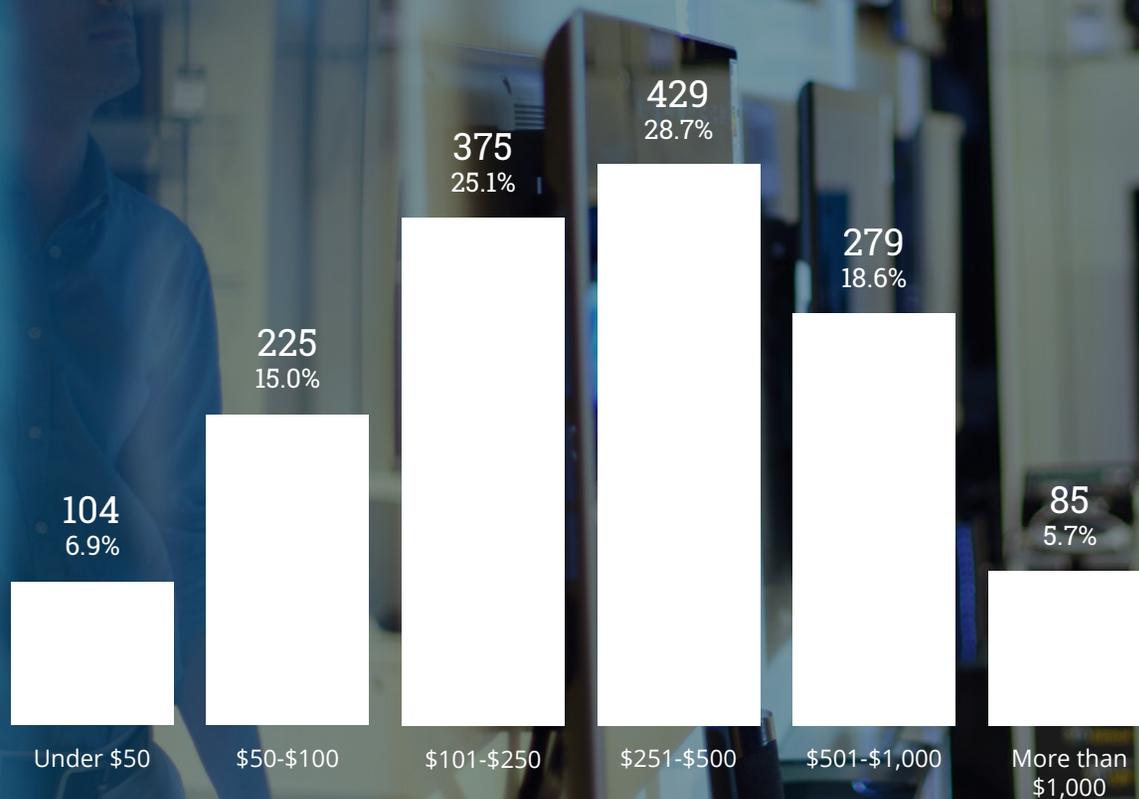
Compared to last year, how much do you plan to spend on holiday gifts?



The number of respondents planning to spend under \$100 on gifts nearly doubled — roughly 11% to 22% — [from 2017 to 2018](#), and the number of respondents planning to spend above \$500 on gifts dropped by about 13%.

Women were more likely than men to report a lower spending plan than men (25% of women, compared to 15% of men).

## What is your budget for holiday gifts this year?



# Spending by Generation



# Spending by Generation

Brands and retailers may see a downshift in holiday shopping revenue from the 20% of shoppers who plan to spend less on gifts this year, but there are a few age variables that could make a huge difference.

## Statistical Significance



	18 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 and over	Totals
Less	12%	13%	15%	30%	25%	20%	20%
About the same	67%	63%	69%	62%	69%	73%	68%
More	21%	24%	16%	8%	6%	5%	12%
Totals	100%	100%	100%	100%	100%	100%	100%





## Gen Z

**Gen Z** (roughly 18- to 24-year-olds) is ready to pull out their wallets: 21% of Gen Z-ers plan to spend more on gifts this year. However, considering 66% Gen Z is limited by a gift budget of less than \$250, this is not likely to make a dent in the market.

While we could easily assume this is temporary due to low-paying entry-level jobs, we need to keep in mind that Gen Z has a more conservative view of finances than Millennials. There have been [reports pointing to Gen Z's "money-mindedness"](#) and aversion to debt. We'll need to wait to see how this pans out in the next few years, as more Gen Z-ers gain spending power.

## Millennials

**Millennials** (roughly 25- to 37-year-olds) are ramping up their gift spending this year: 24% plan to spend more than they did last year, and 25% plan to spend more than \$500. 9% of 25 to 34 year olds plan to spend upwards of \$1000.

The additional spending points to some big transitions that this generation is going through. They're the [largest generation in the U.S. labor force](#). And while the youngest are graduating college, older millennials are getting married and having children. In fact, in 2016, Millennial women accounted for [82% of U.S. births](#).



# Gen X

**Gen X** (roughly 38- to 54-year-olds) will be the shoppers to watch this year. 62% of 35- to 44-year-olds will spend more than \$500 on gifts, and 10% reported a budget of more than \$1000 — more than any other age group.

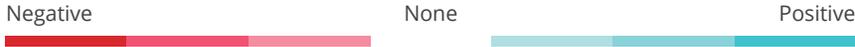
It's worth noting there is a 30% segment in the older realm of Gen X - 45- to 54-year-olds — who are planning to spend less. This could have several reasons — perhaps an awareness that retirement is looming, or an attempt to decrease debt. (Gen X claims the [most debt per household in the U.S.](#))

# Baby Boomers (+Silent Generation)

**Baby Boomers** (roughly 55- to 72-year-olds) are slowing down on holiday spending. 25% of 55 to 65 year olds and 20% of the 65+ set plan to spend less than last year. As we mentioned before, this seems to be a trend in the “over 45 range”.

This is important to consider as we head into the holidays because [Boomers account for over 50% of U.S. spending](#), and they strongly [value the ability to research and shop online](#). More than ever, brands should generate campaigns to engage this affluent generation.

### Statistical Significance



	18 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 and over	Totals
Under \$50	11%	7%	6%	9%	3%	7%	7%
\$50-\$100	24%	15%	9%	14%	14%	19%	15%
\$101-\$250	31%	23%	23%	20%	32%	23%	25%
\$251-500	22%	28%	30%	31%	31%	27%	28%
\$501-\$1,000	9%	18%	22%	21%	17%	20%	19%
>\$1,000	3%	9%	10%	5%	3%	4%	6%
Totals	153 100%	197 100%	265 100%	287 100%	302 100%	293 100%	1,497 100%



When Will They Shop?

# When Will They Shop?

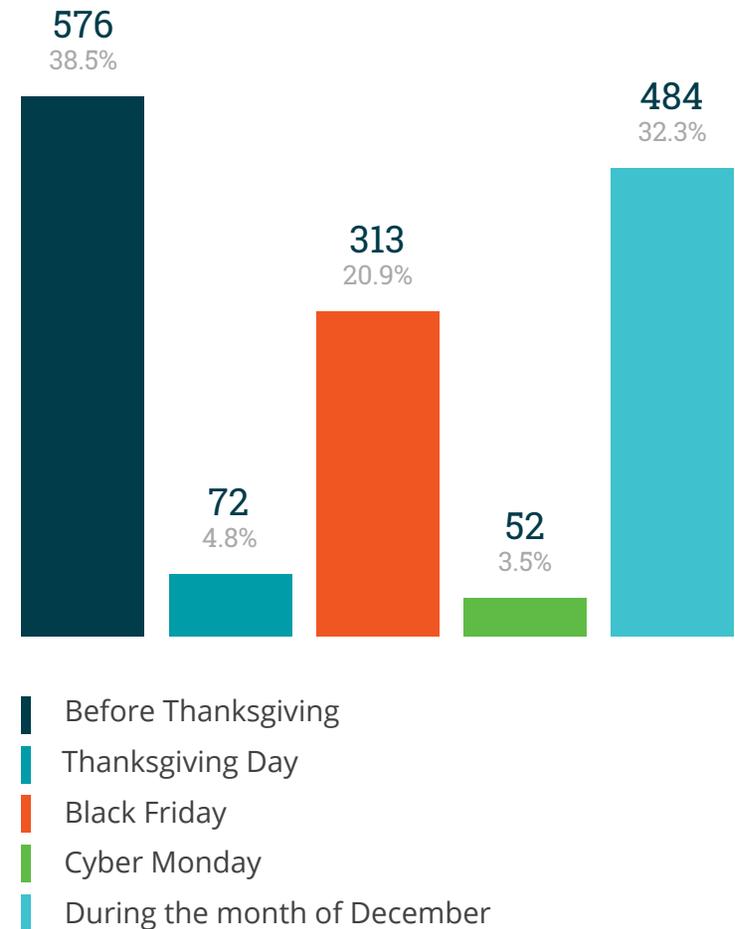
It's very possible that your customers have already purchased the majority of their holiday gifts for the year.

**Our survey showed that 40% of shoppers plan to buy their gifts before Thanksgiving.**

However, shoppers aren't gravitating towards the usual shopping holidays.

- **The number of shoppers planning to buy gifts over Thanksgiving weekend (Thanksgiving Day, Black Friday, and Cyber Monday) was 30%**, down 2% from last year.
- **Out of the three biggest traditional holiday shopping days, Black Friday remained the steadiest**, with about 20% of shoppers planning to spend on the holiday.
- **Thanksgiving Day and Cyber Monday will likely see the biggest decline in holiday shoppers** (just 4.8% and 3.5% respectively).
- **Women in general are more likely to shop before Thanksgiving (45%)**, but women ages 18-24 are heavily leaning towards shopping on Black Friday (41%) — more than any other group.

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





Amazon has eliminated the date dependency and urgency of Thanksgiving weekend by offering deals all year long and by instituting the shopping holiday to end all others: Prime Day. [Brands who are on the platform are reaping the benefits.](#)

**Considering Amazon's Prime Day is in July, it's quite possible that the 40% of respondents who reported plans to shop for gifts before Thanksgiving already purchased gifts for the season on the platform.**

Many brands and retailers have resorted to launching [competing sales during Prime Day](#) or running sales all year long to combat Amazon's low prices, but they are missing a key piece of Amazon's strategy: it's not just about running sales. It's also about high quality products, fast and free shipping, and world-class customer service.



Where Will They Shop?



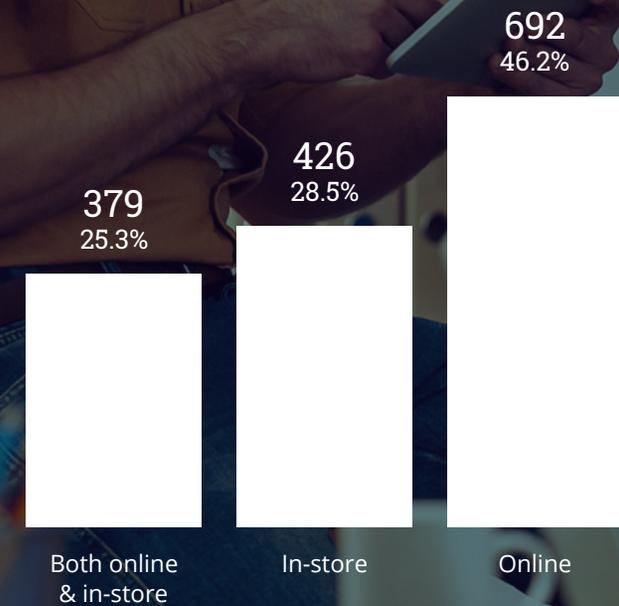
# Where Will They Shop?

While we've heard countless stories about the demise of brick-and-mortar stores (B&M), the new selling model for brands and retailers is actually omnichannel.

Customers haven't been replacing their in-store holiday shopping with online shopping. Instead, they've learned to balance the two.

**About 25% of holiday shoppers plan to buy gifts both online and in store this season.**

Where do you plan to shop for the majority of your gifts this year?





Of course, as with all metrics, there are differences between ages.

## Statistical Significance



	18 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 and over	Totals
Online	27%	27%	25%	24%	26%	25%	25%
In store	23%	25%	20%	34%	30%	34%	28%
Both online & in store	50%	48%	55%	42%	44%	41%	47%
Totals	100%	100%	100%	100%	100%	100%	100%

**At least 30% of shoppers ages 45 and up reported plans to shop for gifts in-store.** This isn't a huge surprise for most advertisers, who have grown to assume that older shoppers prefer an in-store experience.

**27% of 18 to 24 year olds planned to only shop online,** however, that number wasn't far off from other age groups. Even those 65 and older stated a similar preference (25% of 65+ shoppers plan to buy gifts online).

But that's not always the case.





Both digitally native brands and established B&Ms know there are pros and cons to the online versus offline experience. There are vocal advocates for both shopping experiences, but the truth is, consumers only care about having a seamless shopping experience.

**Shoppers want to find the right gifts (and brands) wherever they are — whether it's in a high end mall, pop up shop, or listed on Amazon.**

We've seen big B&M stores successfully migrate online, and we've also seen digitally native brands build physical locations. That integration of online and offline shopping experiences is sure to become more important every year.



What Devices Will They Use?



# What Devices Will They Use?

Mobile and desktop are close contenders for shopping online this year.

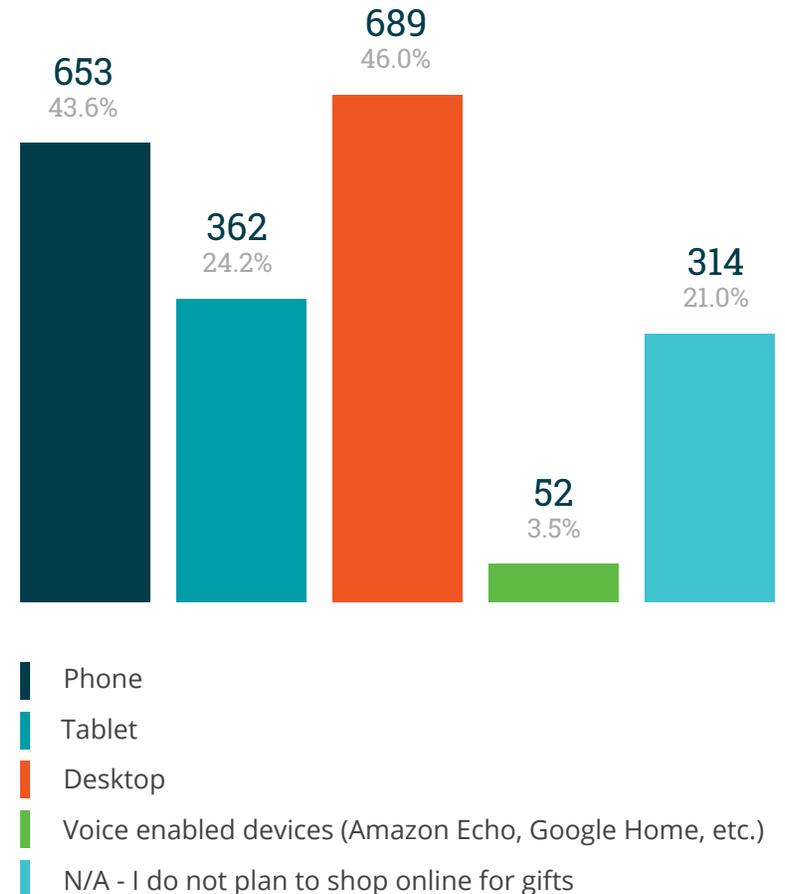
**43% of respondents plan to shop for gifts via mobile devices this year and 46% plan to shop for gifts on desktop.**

- 3.5% plan to use voice enabled devices, mainly an audience of 18-24 year olds.
- Men were more likely than women to report plans to use a mobile device to shop (34% of men).

**It's important to note that this isn't a battle between desktop and mobile.**

Just as brick-and-mortar stores and ecommerce stores provide different shopping experiences, mobile and desktop play a part in the shopper's journey.

## What devices will you use to shop for gifts this year?



Note: This was a multiple choice question, and results are pulled only from users who responded they plan to shop online this year for holiday gifts.





What Websites Will They Use?



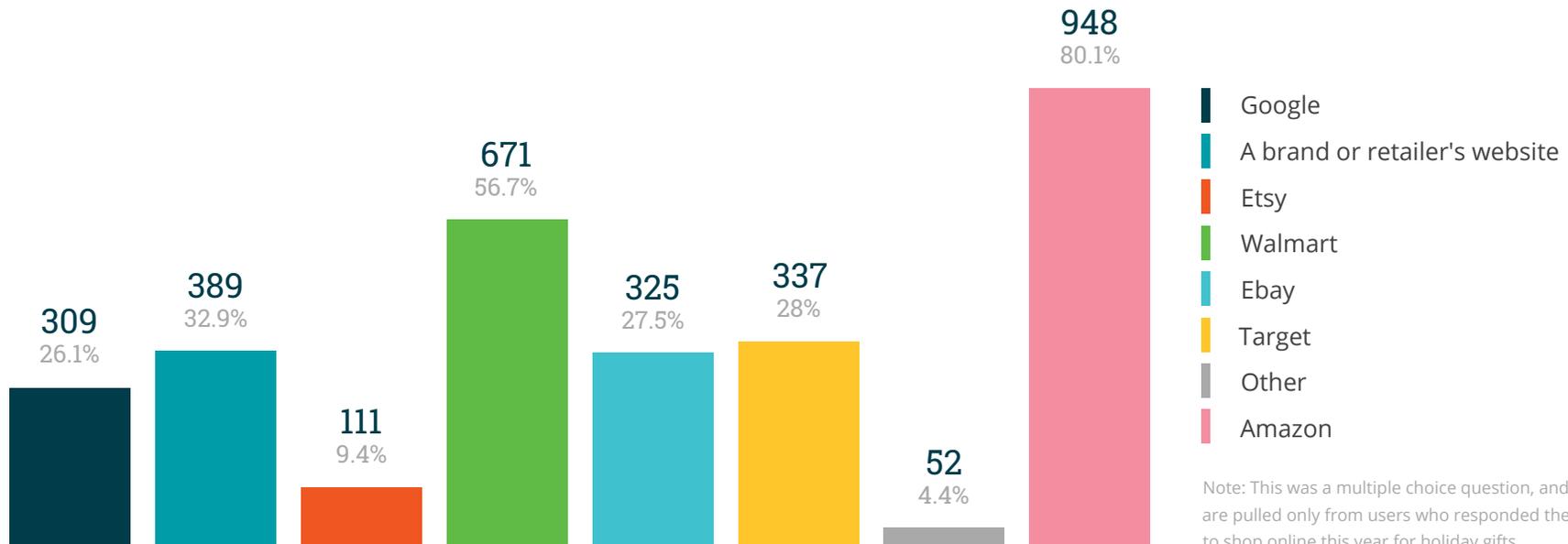
# What Websites Will They Use?

This year, 33% of respondents plan to shop directly on a retailer's website for holiday gifts, which is good news for brands who have been investing in a unique site experience or are investing in a direct-to-consumer strategy.

Now let's get to the stat that overtakes the rest:

**A whopping 80% of shoppers who plan to look for gifts will use Amazon (up 8% points from 2017.)**

If you are shopping online for gifts, what websites do you plan to use? (Select all that apply)



Note: This was a multiple choice question, and results are pulled only from users who responded they plan to shop online this year for holiday gifts.





**Walmart comes in second, with 57% of online shoppers planning on visiting the site this holiday season.**

The likelihood of shopping at Walmart increases with age and gender: 70% of 45-54 year old women plan to shop at Walmart.

This is consistent with a [2016 survey by Kantar Retail](#) that revealed that the average Walmart shopper is a “50-year-old woman with an annual household income of \$53,125.”

It's also hints at a successful holiday season for the discount big box retailer that's been doubling down on efforts to compete with Amazon.



# The Bottom Line

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The biggest takeaway from this year's study wasn't just that consumers want to spend less. It's that they're getting smarter about how and where they spend.

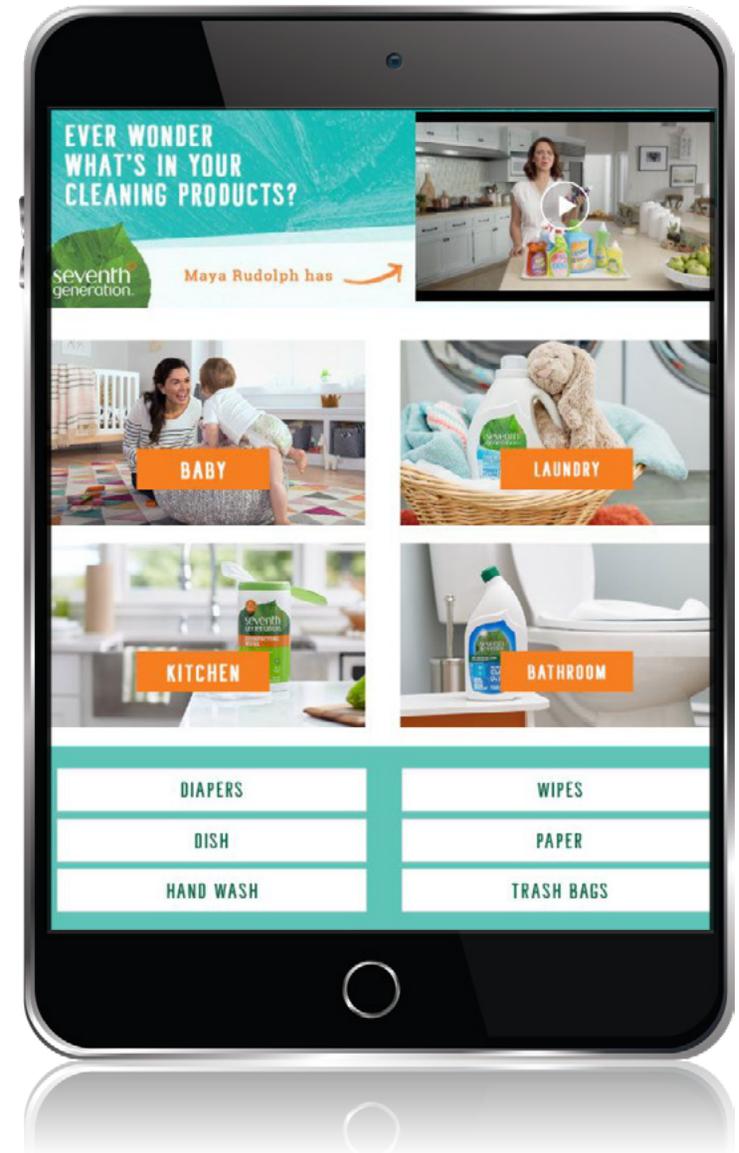
Considering the fact that 20% of shoppers are planning to spend less this year than they did last year, it's important to be where they are.

**That being said, 81% of shoppers are planning to look for gifts on Amazon.**

Amazon isn't the big bad wolf in the ecommerce space anymore. It's your competitors, it's most likely your distributors, and it should be you.

In the past, brands were wary of losing the ability to control the consumer's experience and their [own product pricing on the marketplace](#). But that's changed rapidly over the last two years.

Brands can own their shopper's experience on Amazon by investing in Amazon ads, custom creative A+ and EBC content, Amazon stores, and [driving traffic to those pages from the outside](#).

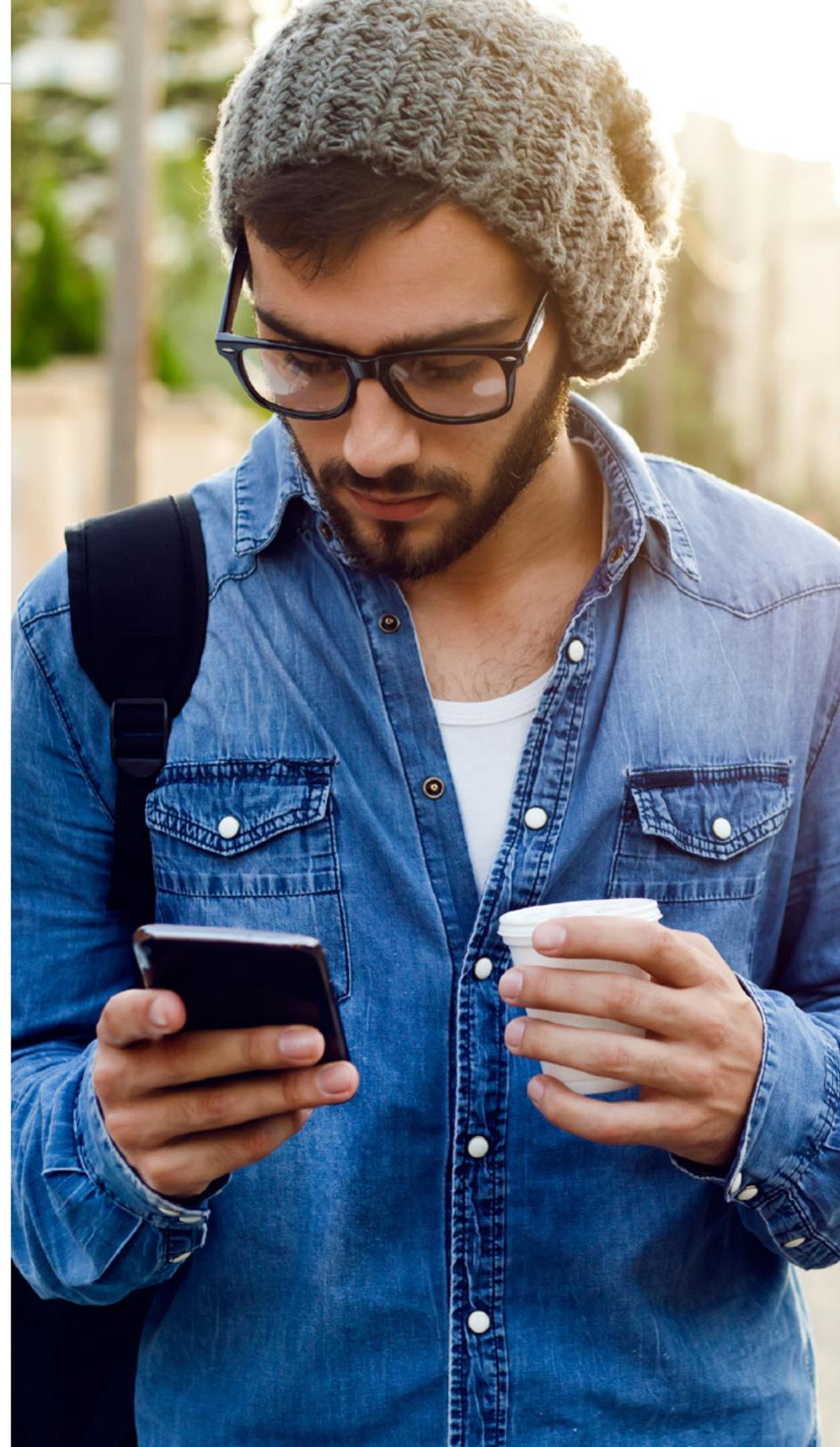




**These aren't fluffy investments. Here are some of the concrete results for brands we've worked with on all of the above:**

- Vitamin & supplement manufacturer Natrol [drove 70% increase in sales with Amazon Store](#)
- Seventh Generation [increased sales by 441.41% with Amazon Marketing Services ads](#)
- Great Art Now [scaled Amazon order volume by +274% through FBA and Sponsored Products optimization](#)

Take advantage of these offerings, and you'll be well positioned to compete in Q4 2018.



# Methodology Details



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This survey was commissioned by CPC Strategy and conducted by Survata, an independent research firm in San Francisco. Survata interviewed 1,500 online respondents between August 07, 2018 and August 09, 2018. Respondents were reached across the Survata publisher network, where they take a survey to unlock premium content, like articles and ebooks.

Respondents received no cash compensation for their participation. More information on Survata's methodology can be found at [survata.com/methodology](http://survata.com/methodology).

PARTICIPANT AGES	
Age	# of Respondents
18 to 24	153
25 to 34	198
35 to 44	267
45 to 54	287
55 to 64	302
65 and over	293
<b>Grand Total</b>	<b>1500</b>

PARTICIPANT GENDERS	
<b>Female</b>	768
<b>Male</b>	732
<b>Grand Total</b>	<b>1500</b>





## Survey Questions

### 1. Single Select

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

- Less Reverse
- About the same Reverse
- More Reverse

### 2. Single Select

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

- Before Thanksgiving
- Thanksgiving Day
- Black Friday
- Cyber Monday
- During the month of December

### 3. Single Select

Where do you plan to shop for the majority of your gifts this year?

- Online Random
- In store Random
- Both online and in store Fixed

### 4. Multi Select

What devices will you use to shop for gifts this year?

- Phone Random
- Tablet Random
- Desktop Random
- Voice enabled devices (Amazon Echo, Google Home, etc.) Random
- N/A - I do not plan to shop online for gifts Fixed

### 5. Multi Select

If you are shopping online for gifts, what websites do you plan to use? (Select all that apply)

- Google Random
- A brand or retailer's website Random
- Etsy Random
- Walmart Random
- Ebay Random
- Target Random
- Other:  Fixed
- Amazon Random

### 6. Dropdown

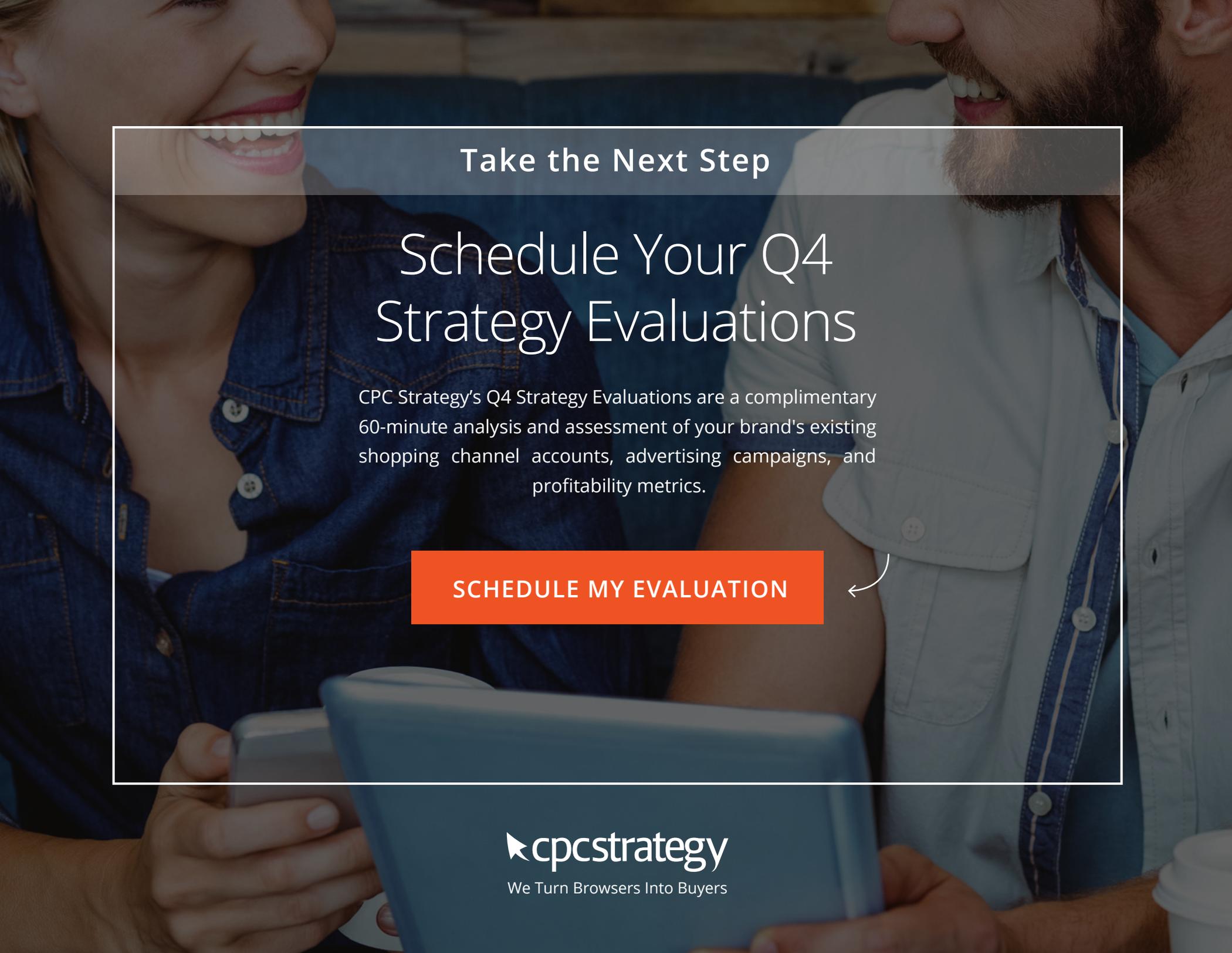
What is your budget for holiday gifts this year?

-- select from options below -- ▼

#### Notes:

I have made the scale of answer options mutually exclusive



A smiling woman and man are looking at a tablet together. The woman is on the left, wearing a denim shirt, and the man is on the right, wearing a light blue button-down shirt. They are both smiling and looking at the tablet. The background is a blurred indoor setting.

Take the Next Step

# 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.

[SCHEDULE MY EVALUATION](#)



We Turn Browsers Into Buyers