

THIS HOLIDAY SEASON, SHOPPERS BRING NEW EXPECTATIONS FOR RETAILERS

An Ipsos Point of View

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GAME CHANGERS



KEY FINDINGS:

- Consumers have clear expectations regarding how they will shop this year and what they expect. Retailers need to be prepared to meet those expectations, especially with regard to online shopping and in-person versus virtual events.
- Shoppers expect retailers to start their holiday promotional events sooner than in previous years to accommodate for possible shipping delays—could this spell the end of Black Friday as we know it?
- Inflation continues to take its toll, with many consumers expecting promotions that would bring prices down to pre-inflation levels.



As retailers anxiously prepare for the rapidly approaching 2022 Holiday shopping season, one question looms large: ***Will shoppers return to in-person shopping or shop online this year?***

The answer: depends on who you ask.

Online shopping for the ages

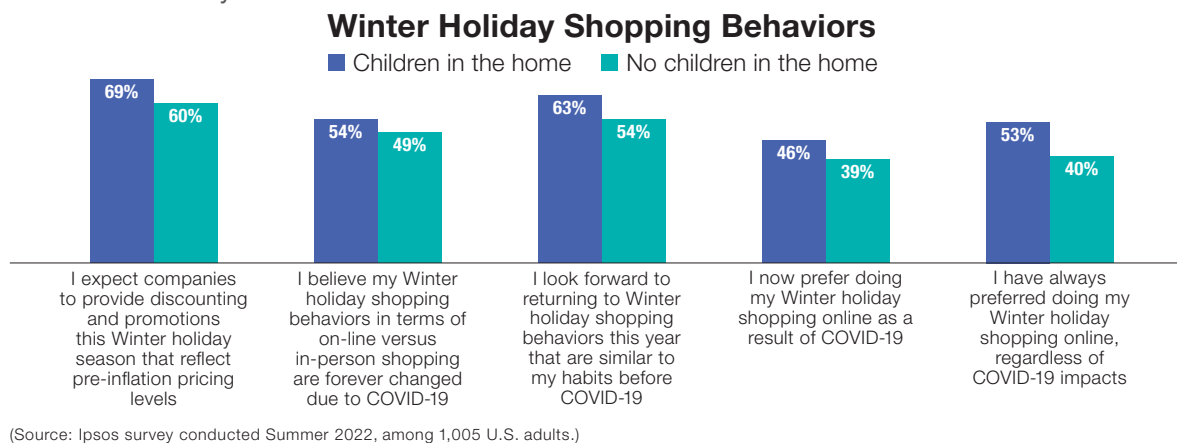
Most consumers are looking to return to holiday shopping behaviors that are similar to their pre-pandemic habits, showing a strong desire for a feeling of normalcy. Those aged 31 to 59 were evenly split between doing their holiday shopping online and in-person. While those aged 60+ were the least likely to shop online at all, favoring in-person shopping nearly two-to-one.



While most shopping experiences in years' past involved heavily decorated department stores and mall Santas, consumers this year are more interested in virtual events they can attend from home. More than half of consumers aged 18–59 are expecting retailers to have unique, experiential online events this holiday season. This could speak to the acceptance of the “Zoom culture” spawned by the pandemic and a level of comfort in attending virtual events.

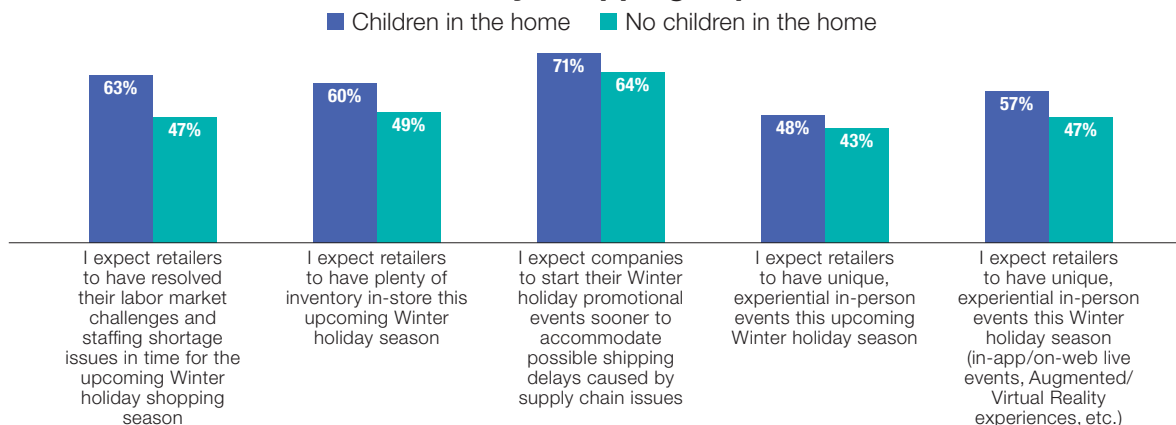
Parents need presents

Not surprisingly, consumers with children living in the home have higher expectations of retailers overall when it comes to Holiday shopping. Parents' ability to ensure that presents are secured in time for the Holidays is a clear concern this year.



Of note, consumers with children living in the home are more likely to expect retailers to have resolved their labor market challenges and staffing shortage issues in time for the upcoming winter holiday shopping season (63%). They also have higher expectations regarding retailers having plenty of inventory in-store (60%) compared to households without children.

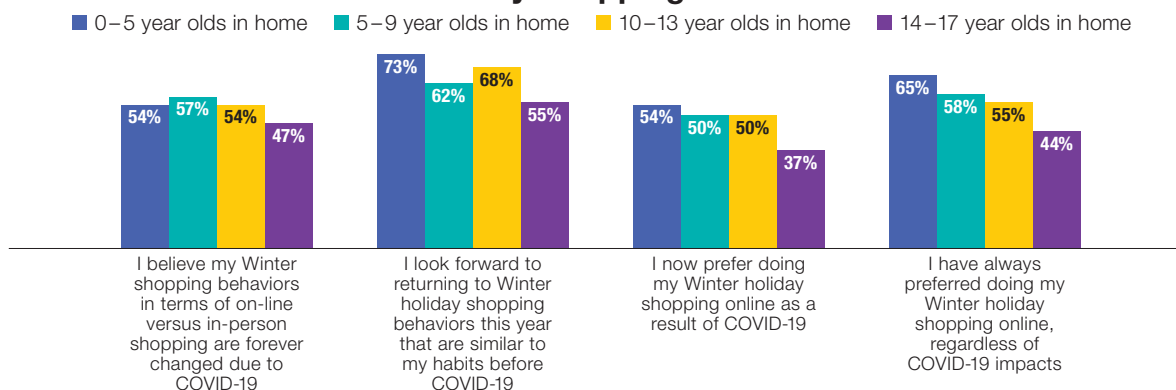
Winter Holiday Shopping Expectations



(Source: Ipsos survey conducted Summer 2022, among 1,005 U.S. adults.)

The data also showed that the ages of the children living in the household has an impact on consumers' behaviors and expectations. Parents of young children (0–5 years old) have the highest expectations for retailers compared to all other children's age groups—they are the most likely to expect discounting and promotions (77%) and the most likely to prefer shopping online (65%). Conversely, those with teenagers are the least likely to shop online, either pre- or post-COVID (44% and 37% respectively).

Winter Holiday Shopping with Children

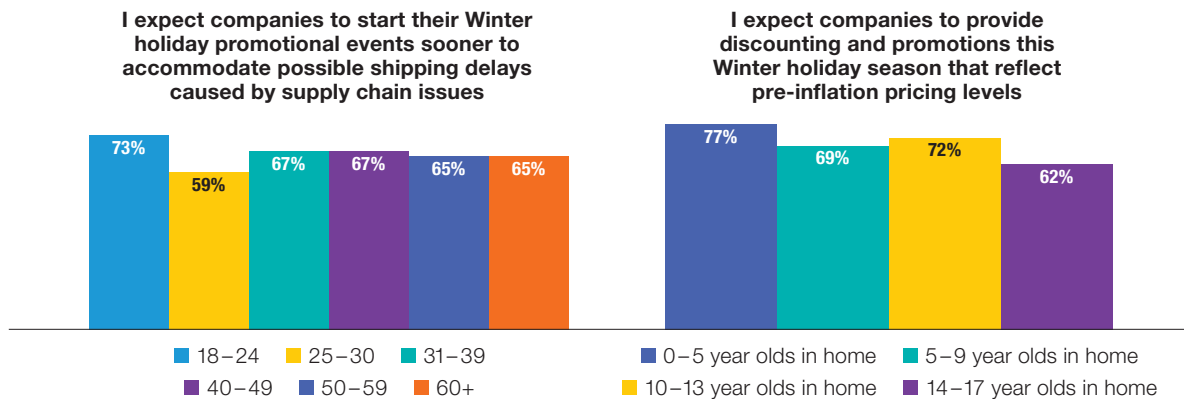


(Source: Ipsos survey conducted Summer 2022, among 1,005 U.S. adults.)



Inflation continues to take its toll

Promotions and sales are top of mind for shoppers this season. Consumers with children in the home overwhelmingly expect companies to provide discounting and promotions that reflect pre-inflation pricing levels.



(Source: Ipsos survey conducted Summer 2022, among 1,005 U.S. adults.)

Additionally, most consumers, and in particular those aged 18–24, expect companies to start their winter holiday promotional events sooner to accommodate possible shipping delays. Promotions early in the season could prove to be successful, particularly if shipping is guaranteed by a specific date.

What can retailers do to capture more spend this holiday shopping season?

Online and virtual experiences are worth the investment and should be considered over in-person events. Shoppers, especially those with young children, showed a greater tendency to shop online and prefer to engage virtually to do their shopping. Virtual events and sales are more likely to be successful than in-person sales and specials.

Where possible, retailers should offer promotions earlier in the season. Consumers indicated a willingness to shop earlier to avoid shipping delays which means that first movers will benefit the most this holiday shopping season. Early season specials will likely garner more support from consumers than last-minute shopping deals.

Lastly, communication will be key to managing expectations this holiday shopping season. Proactive communication and clear messaging are an integral part of great customer experiences. If shelves will be empty or shipping delays are expected, consumers should be kept in the loop. Parents clearly demonstrated that they are the most concerned about securing gifts in time, so, if delays occur, retailers would benefit from proactive communication to avoid angry customers.

Unsure of your own customers' expectations for the Holidays? Be sure—Ipsos CX Pulse is an affordable way to provide answers in a matter of days. Contact us for more information.



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