

Press release

Consumers are returning to holiday shopping at near pre-pandemic levels, but overall spend will be down, according to new study

Simon-Kucher's 2022 US Holiday Shopping Study reveals consumers are tightening their belts for the season in the wake of inflation, Gen Z emerges as a new spending powerhouse, Amazon Prime continues to rise as a milestone occasion, and omni-channel strategy is more important than ever for retailers

[Boston, U.S. October 11, 2022] – Highlighting consumer purchasing behaviors during milestone promotional days, Simon-Kucher & Partners revealed the findings of its *2022 US Holiday Shopping Study* which details how 89 percent of consumers expect to participate in holiday shopping but are spending less than they did in previous years. As inflation continues and consumers' budgets shrink, more than two-thirds (71 percent) of shoppers expect to spend less than \$200 on Black Friday, which accounts for a significant drop in spending habits compared to prior years.

According to the study, consumers are more conscious about inflation and budgeting, leading to a demand for a wider range of retail discounts. Shoppers are no longer expecting the deep discounts offered during the height of the pandemic; in fact, their expectations track closer to those in 2019. Additionally, there is an increase in consumers expecting particularly lower discounts, with about four times as many consumers compared to 2021 expecting discounts at 10 percent or less. Expectations of discounts of 26 percent or greater were comparable with the 2019 shopping season.

The rise of the newest generation of spenders

The study also details how Gen Z will participate more than previous years as this cohort's budgets increase and its spending habits evolve. In all major promotional holidays, Gen Z has expressed the highest participation intention across generations with 88 percent planning to participate in Black Friday, 80 percent in Amazon Prime Day and 78 percent in Labor Day and Back-to-School Shopping.

"The data explains how Gen Z tends to spend more on products which will grant them memorable experiences, social status and recognition," explained Shikha Jain, Partner at Simon-Kucher & Partners. "Based on these findings, Gen Z is expected to lead sales in the technology, luxury products, sports and leisure equipment and event tickets sectors during these promotional events compared to other generations."

The ascent of Amazon Prime Day

Furthermore, the *2022 US Holiday Shopping Study* illustrates how participation in Black Friday remains the most consistent across major promotional holidays, while Amazon Prime Day is growing faster than other promotional days with the greatest percent of consumers intending to spend more versus prior years. Nearly 27 percent respondents indicated they will spend more this year on Amazon Prime Day.

“Currently, Black Friday remains well ahead of other promotional holiday events for perceived top deals,” said Joanna Perey, Director at Simon-Kucher & Partners. “However, the consumer population has doubled its trust in Amazon Prime Day since 2019 to have the best deals with a total of 30 percent believing so.”

The balancing act between online and brick and mortar retail

For the second year in a row, consumers plan to balance their shopping between online and brick and mortar retail with about a quarter of consumers (24 percent) planning to shop in both channels. Since 2021, retail has recognized a sustained bounce-back from the pandemic with only a slight shift from brick and mortar to online this year.

“Promotions will remain a major driver to attract consumers, but businesses will need to additionally implement dynamic and personalized incentives, according to Hubert Paul, Senior Director at Simon-Kucher & Partners. “They will also need to emphasize brand and loyalty strategies to recruit and retain young generations of consumers. Additionally, requirements for financial efficiency for brands and retailers will result in shipping and pricing optimization and critical updates to their assortment mix. Retailers will need to better forecast for demand and optimize the customer experience to maximize the shopping season.”

The complete study is available here on the Simon-Kucher & Partners website and available upon request.

**About the Study: 2022 US Holiday Shopping Study is Simon-Kucher & Partners’ fourth installment of the study. The study was conducted online between July and August 2022 by the global consultancy Simon-Kucher & Partners. 20,500 consumers from across 23 countries were surveyed on consumer purchasing behavior during key promotional periods.*

Simon-Kucher & Partners, Strategy & Marketing Consultants:

Simon-Kucher is a global consultancy firm with more than 2,000 employees in 27 countries. We focus on delivering measurable revenue and profit growth for our clients.

We do this by optimizing our clients’ pricing, sales, and marketing strategies—better and more sustainably than anyone else.

With more than 35 years of experience in monetization, our experts work across all industries and types of business.

We are regarded as the world's leading pricing advisor.

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