

**SIMON • KUCHER & PARTNERS**

Strategy & Marketing Consultants

# The 2022 US Holiday Shopping Insights by Simon-Kucher & Partners

*United States*

October 2022

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# Agenda

1

**Executive Summary**

2


Deep Dive on Insights

3

Who we are: Brief introduction to Simon-Kucher


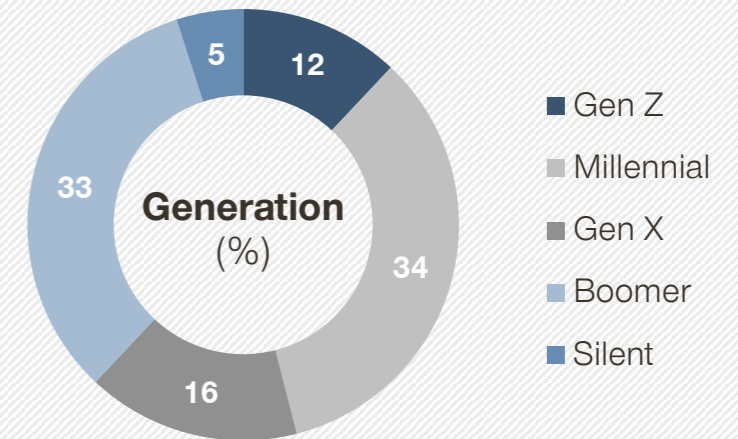
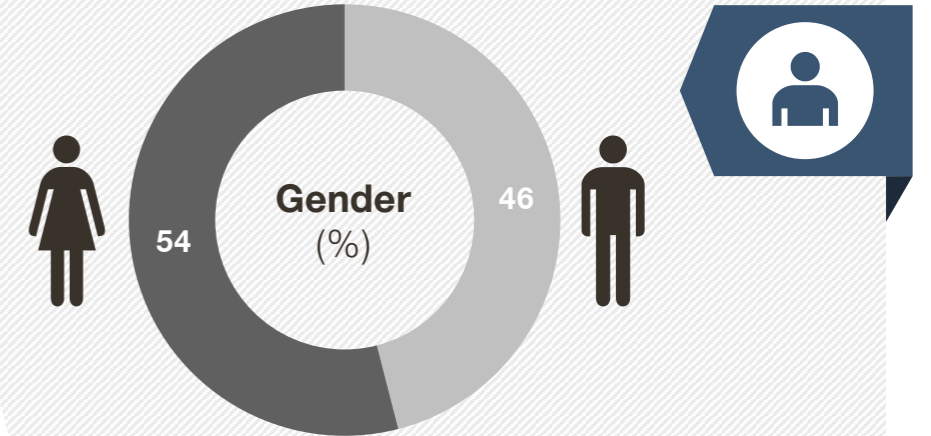
# 2022 marks the 4th annual Holiday Shopping Trends study conducted by Simon-Kucher

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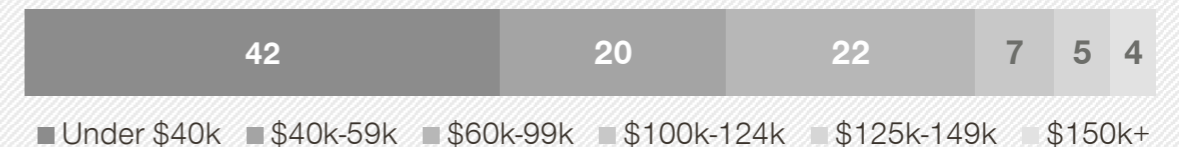


**The online study evaluates**

- ✓ 4 years of consumer shopping trends for Big Promotion Days including Black Friday
- ✓ Impact of major economic trends on shopping behavior

**Income (%)**



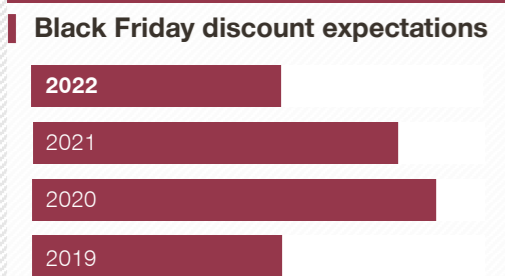
Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey; Total N = 1,000

# While participation in Big Promo Days remains high and discount expectations are more moderate, consumers have stricter budgets and expect to spend less

Overall trend  
(4-year)



## 01 Holiday Shopping Trends

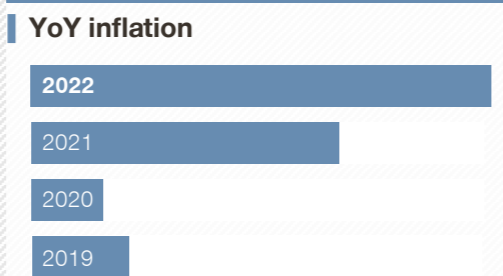


**Key insights** Participation levels and discounts trends are closer to pre-pandemic

As the pandemic is largely behind us, **consumers will participate in Black Friday similar to 2019 levels** and discount expectations are lower than in the past 2 years



## 02 Effect of Inflation

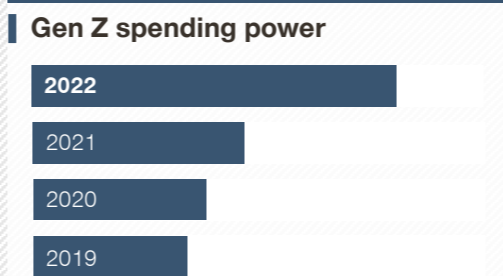


**Key insights** However, inflation is tightening consumer budgets

High inflation continues to stretch wallets, **expect reduced spending power during the upcoming holiday season.** Much of the spend will come from high-income consumers



## 03 Rise of Gen Z

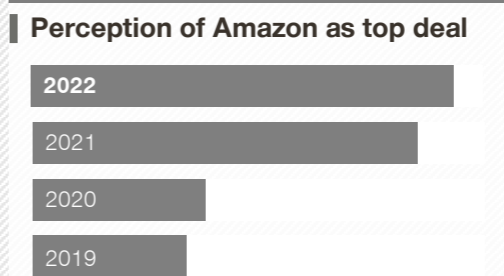


**Key insights** Gen Z is leading promo participation and showing their consumer power

**Gen Z plans to participate the most during big promo days.** They even plan to outspend Millennials in certain categories during these days



## 04 Continued Ascent of Amazon Prime

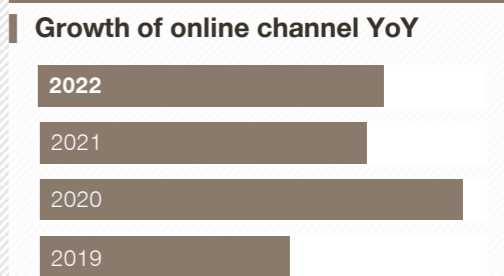


**Key insights** Amazon Prime is still perceived to be 2nd best deal of the year

Since Amazon took the silver spot last year, **expectations for Amazon Prime Day continues to grow while Cyber Monday wanes.**



## 05 Balancing Online & Retail



**Key insights** Omnichannel strategy remains crucial for retailers to win

Last year the in-person bounce-back is holding as **consumers will shop online and brick-and-mortar this holiday shopping season**

# Commercial excellence requires sophistication across the following business initiatives to ensure capitalizing on these trends

Business Initiatives



01

## Holiday Shopping Trends

- ✓ Promotional ROI
- ✓ Dynamic Promotions
- ✓ Personalized Promotions
- ✓ Marketing Spend & Campaign
- ✓ Demand Forecasting
- ✓ Real-time Inventory Management



02

## Effect of Inflation

- ✓ Pricing Optimization
- ✓ Dynamic Pricing
- ✓ Assortment Mix
- ✓ Private Label Strategy
- ✓ Promotional Effectiveness
- ✓ Price-Image Assessment
- ✓ Procurement / Negotiation Strategy



03

## Rise of Gen Z

- ✓ Brand Strategy
- ✓ Loyalty Strategy
- ✓ Digital Marketing
- ✓ Marketing Spend & Campaign
- ✓ Personalized Promotions



04

## Continued Ascent of Amazon Prime

- ✓ Channel Management
- ✓ Marketplace Strategy
- ✓ Membership / Subscription Models
- ✓ Digital Path to Purchase
- ✓ Shipping + Fee Optimization



05

## Balancing Online & Retail

- ✓ Omnichannel Strategy
- ✓ Delivery Model
- ✓ Customer Experience
- ✓ In-Store Salesforce Efficacy
- ✓ Digital Path to Purchase
- ✓ Store Clustering
- ✓ Shelf Space and Product Placement
- ✓ Channel Management



For more information check out other Simon-Kucher Insights at [www.simon-kucher.com/en-us/resources/overview](http://www.simon-kucher.com/en-us/resources/overview) or contact either [Shikha.Jain@simon-kucher.com](mailto:Shikha.Jain@simon-kucher.com) or [Hubert.Paul@simon-kucher.com](mailto:Hubert.Paul@simon-kucher.com) to talk about your Growth Strategy

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Who we are: Brief introduction to Simon-Kucher



01

## Holiday Shopping Trends

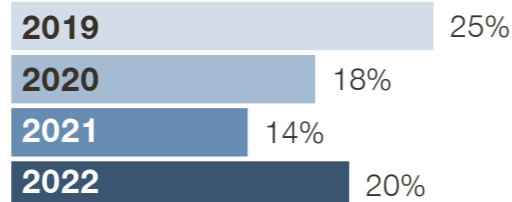


# Consumer participation levels this year are closer to 2019, indicating that holiday shopping season is bouncing back to pre-pandemic levels

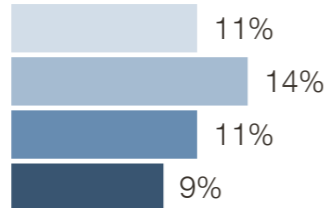
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## PURCHASE PLANS FOR BLACK FRIDAY AND CYBER MONDAY, 2022

**YES**, I plan to buy something on Black Friday only



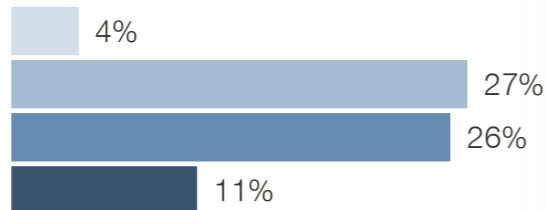
**YES**, I plan to buy something on Cyber Monday only



**YES**, I plan to buy something on both Black Friday and Cyber Monday



**NO**, I don't have plans to shop on these days



**89% of consumers expect to participate in Black Friday and/or Cyber Monday this year – a boost vs the 73-74% participation rate from the last 2 years, and closer to the 96% participation rate from 2019**

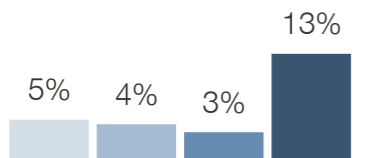
Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey, Total N = 1,000; 2021 US Holiday Shopping Survey, Total N=1,010  
Q8: How frequently do you generally make personal purchases during the following promotion days? [2022 Survey Study]  
Q9: Do you plan to buy something on Black Friday and /or Cyber Monday this year? [2021 Survey Study]

# Additionally, consumers no longer expect the deep discounts offered during the pandemic, expectations are par or better than 2019

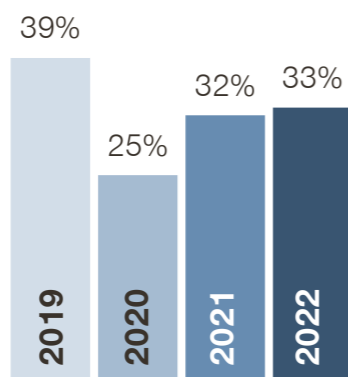
## EXPECTED DISCOUNT LEVELS ON BLACK FRIDAY AND CYBER MONDAY, 2019-2022

### BLACK FRIDAY

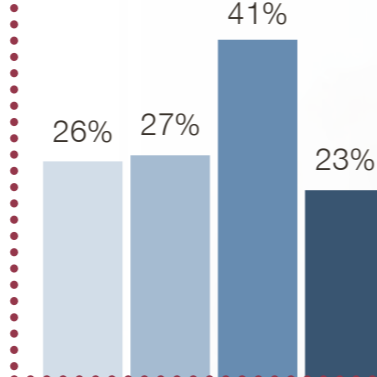
**Spike in consumers that expect <10% discount vs prior years**



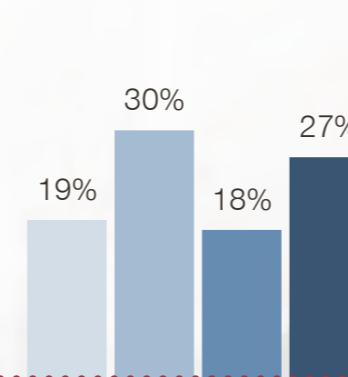
Discount of... 1% to 10%



11% to 25%

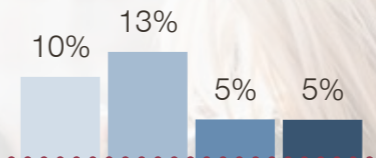


26% to 40%



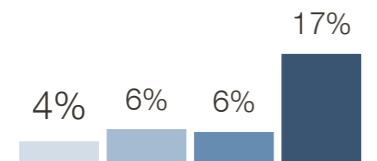
41% to 60%

**55% of Black Friday shoppers expect discounts of 26% or greater (-9% vs. 2021, -15% vs. 2020, +0% vs 2019)**

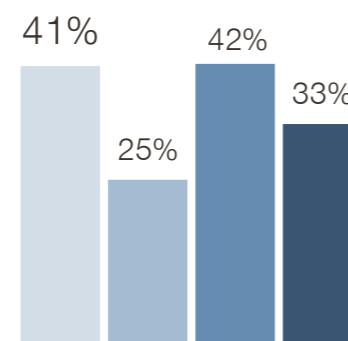


More than 60%

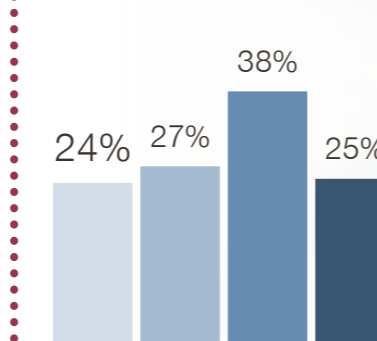
### CYBER MONDAY



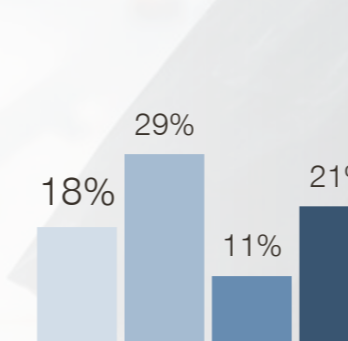
Discount of... 1% to 10%



11% to 25%

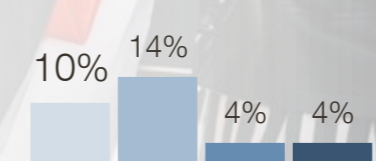


26% to 40%



41% to 60%

**50% of Cyber Monday shoppers expect discounts of 26% or greater (-3% vs. 2021, -20% vs. 2020, -2% vs 2019)**



More than 60%

Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey, Total N = 1,000; 2021 US Holiday Shopping Survey, Total N=1,010  
Q11. According to you, what is the overall discount you get during the following promotion days? [2022 Survey Study]  
Q14. What do you expect the average discount to be on Black Friday and/or Cyber Monday? [2021 Survey Study]

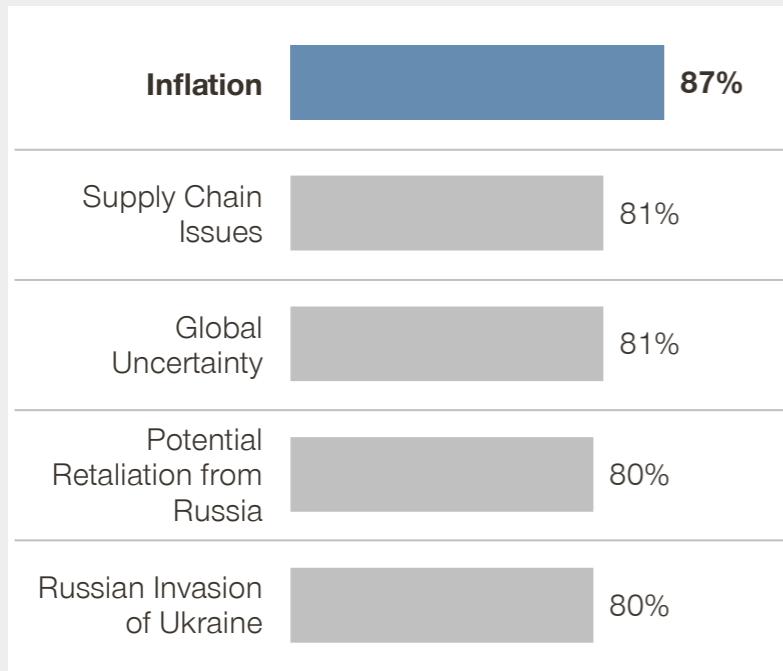
# 02

## Effect of Inflation

# As inflation pressure continues to sink into hearts and minds, how consumers spend this holiday season will be greatly impacted

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## TOP SOURCE OF STRESS



According to a recent poll conducted by the American Psychological Association, **more adults ranked inflation as a leading topic of stress** than any other topic in the poll's 15-year history<sup>1</sup>

## PERCEPTION > REALITY

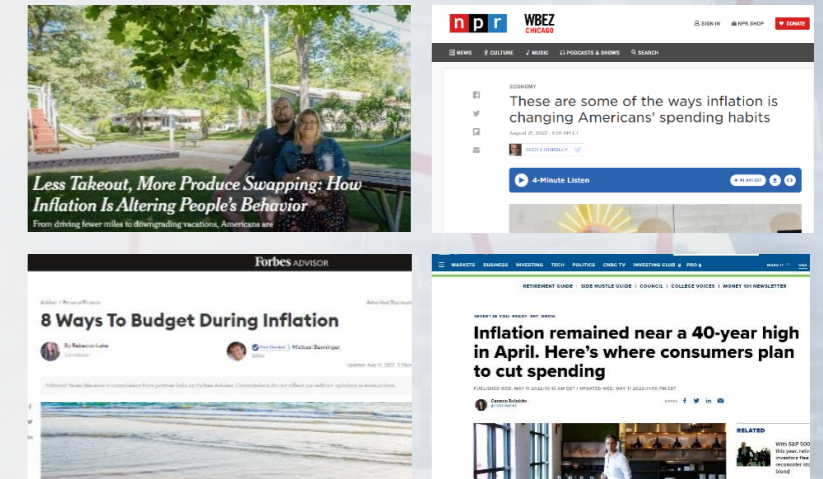
“...**People’s beliefs are not logical, they’re psychological.** What that means is the **perceptions of inflation are not based on actual changes in prices in the market** but on the changes that draw our attention....”<sup>2</sup>

- Ravi Dhar, George Rogers Clark Professor of Management and Marketing at Yale School of Management

Americans believe that food-at-home inflation has reached 22.8% which is almost a **10% jump from reality.**<sup>3</sup>

- dunnhumby, a global customer data science company

## MORE BUDGETING

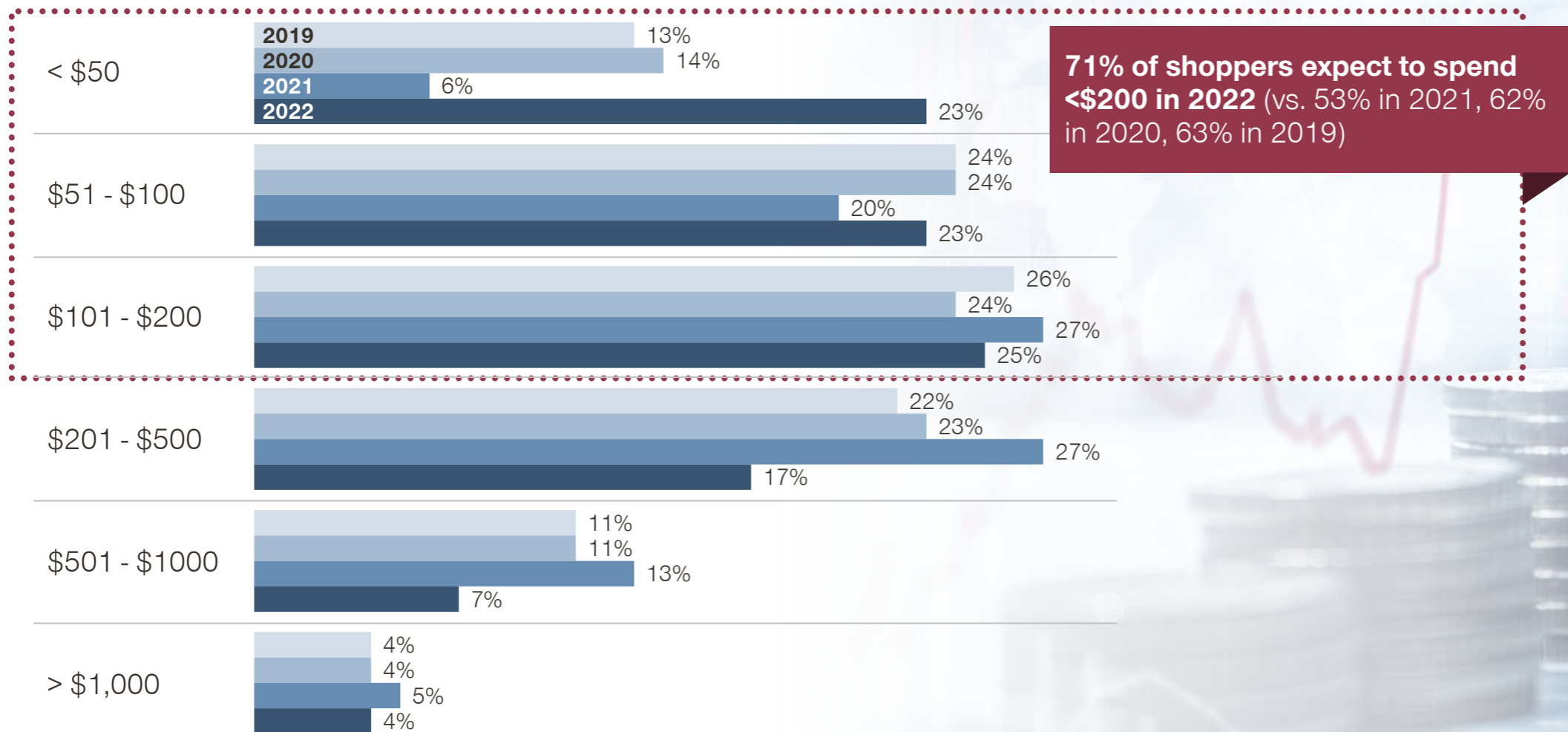


37% of Americans feel that their **personal finances have become worse** in the last year, resulting in **cutting back in spending** and **staying in**<sup>4</sup>

Source: Simon-Kucher & Partners; 1. “Stress in America: Money, inflation, war pile on to nation stuck in COVID-19 survival mode,” *American Psychological Association*; 2. “How Does Inflation Change Consumer Behavior?,” *Yale Insights*; 3. “Americans Believe Food Inflation is 22.8%, Nearly 10 Points Higher than Reality,” *dunnhumby Consumer Trends Tracker Finds, businesswire*; 4. “Americans are paying more and getting less as inflation hits home,” *NPR*; Pictures Clockwise: “Less Takeout, More Produce Swapping: How Inflation Is Altering People’s Behavior,” *New York Times*; “These are some of the ways inflation is changing Americans’ spending habits,” *NPR*; “Inflation Remained Near 1 40-Year High in August” *Next Advisor/Time*; “8 Ways to Budget During Inflation,” *Forbes Advisor*

# Tighter budgets due to inflation mean that consumers are planning to spend less during Black Friday this year vs prior years

## SPENDING EXPECTATIONS FOR BLACK FRIDAY, 2019-2022

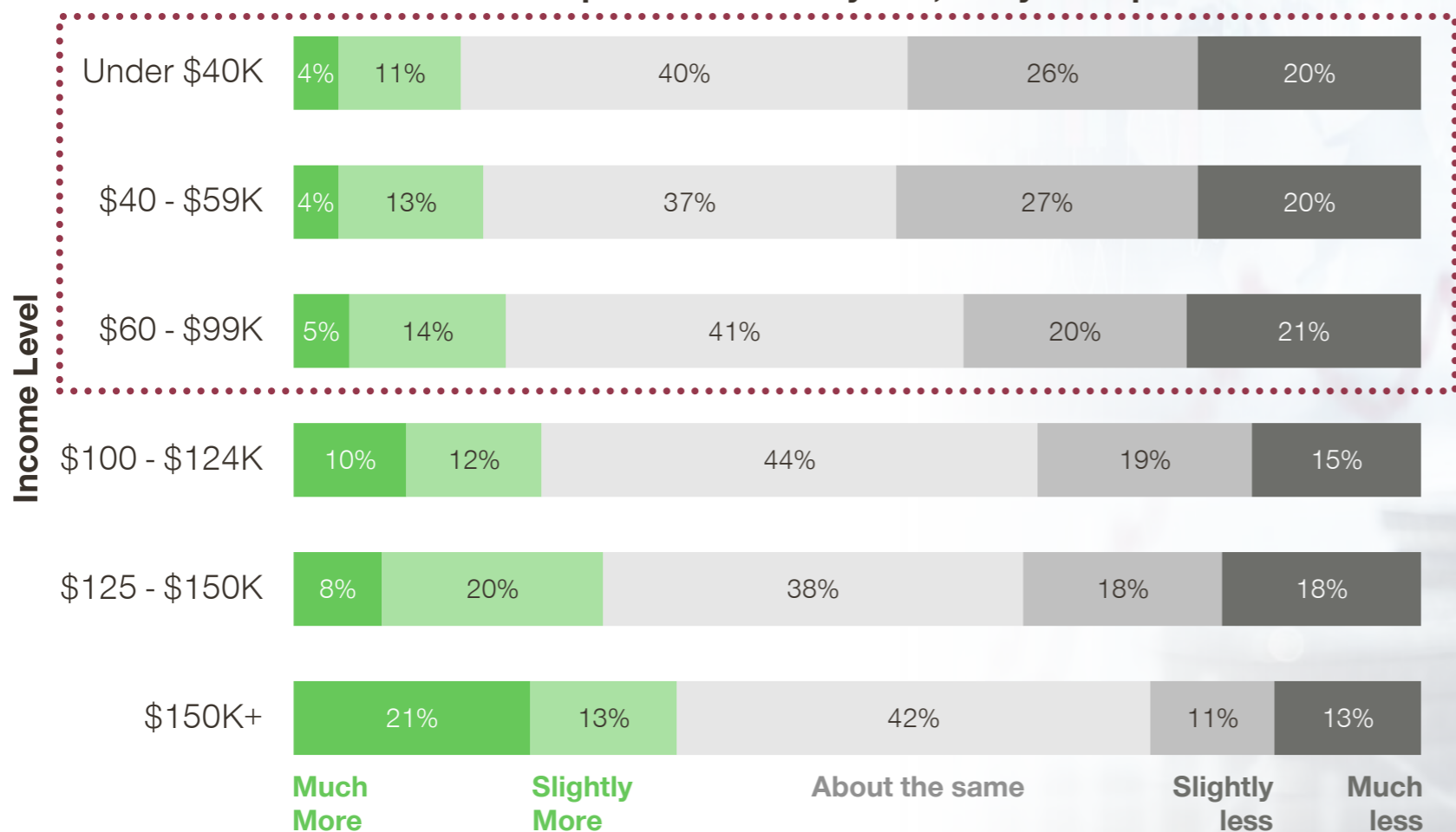


Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey, Total N = 1,000; 2021 US Holiday Shopping Survey, Total N=1,010  
 Q9: How much have you spent across last year during the following promotion days? Q10. How would you say that your expenses have evolved on the following promotion days this year compared to last years? [2022 Survey Study]  
 Q16. How much do you usually plan to spend on Black Friday in total? [2021 Survey Study]

# The impact of inflation is felt differently by income level - those in the highest income bracket expecting to increase their spending during Black Friday

## SPENDING EVOLUTION FOR BLACK FRIDAY BY INCOME LEVEL, 2022

Compared to the last years, this year I spent



Due to inflation, lower incomes are stretching their wallet and pulling back on BF spending

“The gaping divide between the rich and the poor in this inflationary moment is clear...the reality (is) that **America’s wealthier consumers have yet to sharply pull back in the face of rising prices**”  
- New York Times<sup>1</sup>

Significant amount of BF spending will come from higher incomes – and even they will be spending less than prior years

Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey; Total N = 1,000; Q10. How would you say that your expenses have evolved on the following promotion days this year compared to last years?; 1. “In an Unequal Economy, the Poor Face Inflation Now and Job Loss Later”, *New York Times*

A woman in a white lab coat is examining a pink cosmetic jar in a store. In the background, another woman is visible, and there are various cosmetic products on a counter. The scene is brightly lit, suggesting a retail environment.

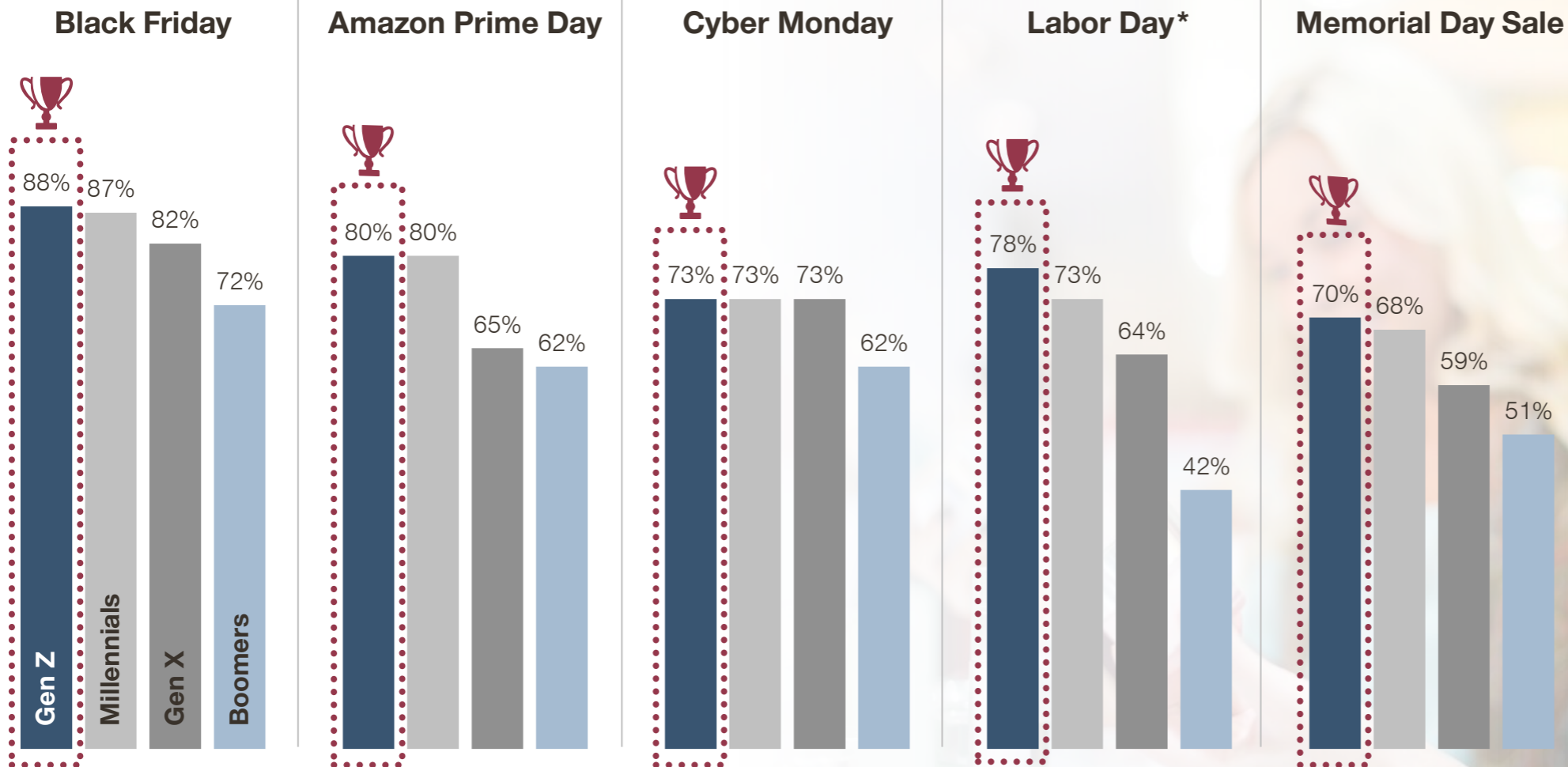
03

Rise of Gen Z

# Overall, Gen Z reports to have the highest planned participation across all major promotional holidays

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## PARTICIPATION INTENT FOR SELECT PROMOTION DAYS, BY GENERATION, 2022



\*Labor Day/Back to School Sale;

Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey; Total N = 1,000

Q8. How frequently do you generally make personal purchases during the following promotion days?



# Gen Z is particularly interested in products that will grant them memorable experiences, social status, and recognition

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## INDEX VS. AVERAGE INTENDED PROMOTIONAL SPEND FOR CATEGORY, BY GENERATION, 2021

Gen Z tends to spend more on Technology, Luxury Products, Sports & Leisure Equipment and Entertainment during promotional events than other generations

	Gen Z	Millennials	Gen X	Boomers
<b>Clothing and shoes</b>	Above	Above	Below	Below
<b>Technology</b>	Above	Above	Below	Below
<b>Toys</b>	Below	Above	Below	Below
<b>Small domestic appliances</b>	Above	Above	Below	Below
<b>Large domestic appliances</b>	Below	Above	Below	Below
<b>Accessories</b>	Below	Below	Above	Below
<b>Beauty products</b>	Below	Above	Above	Below
<b>Luxury products</b>	Above	Above	Below	Below
<b>Home Accessories</b>	Below	Above	Above	Below
<b>Sport &amp; leisure equipment</b>	Above	Above	Below	Below
<b>Entertainment</b>	Above	Below	Below	Below
<b>Holiday booking</b>	Below	Above	Below	Above

**Average Spend**

Below Above

Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey; Total N = 1,000  
Q16. Across last year, how much have you spent on promotion for the following product category?



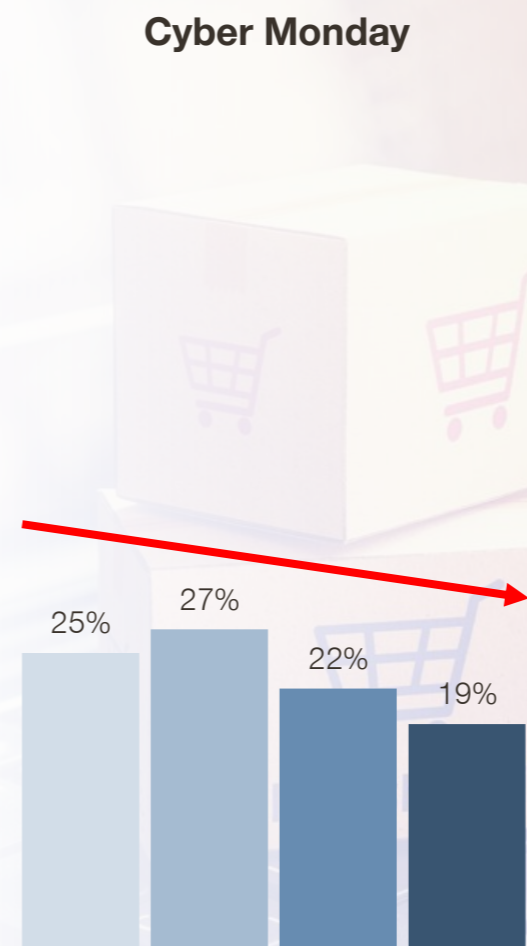
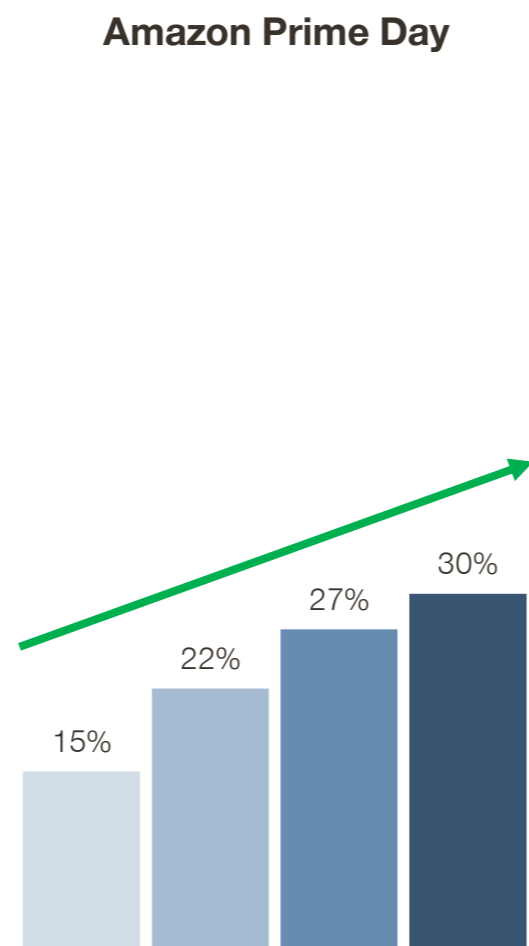
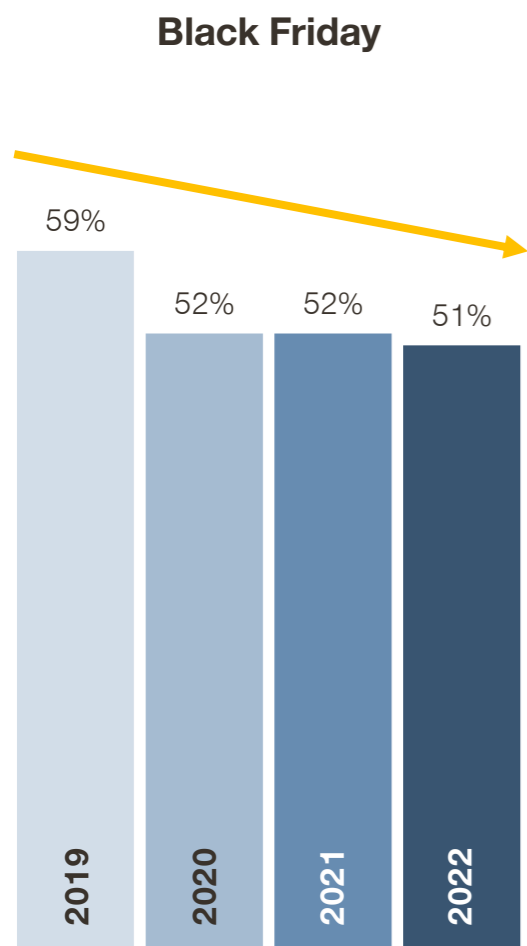
04

## Continued Ascent of Amazon Prime

Online Shopping

# Amazon Prime Day continues to be perceived as the 2<sup>nd</sup> best deal of the year – behind Black Friday and ahead of Cyber Monday

## EXPECTATION FOR TOP DEALS OF THE YEAR, BETWEEN SELECTED PROMOTIONS, 2019-2022

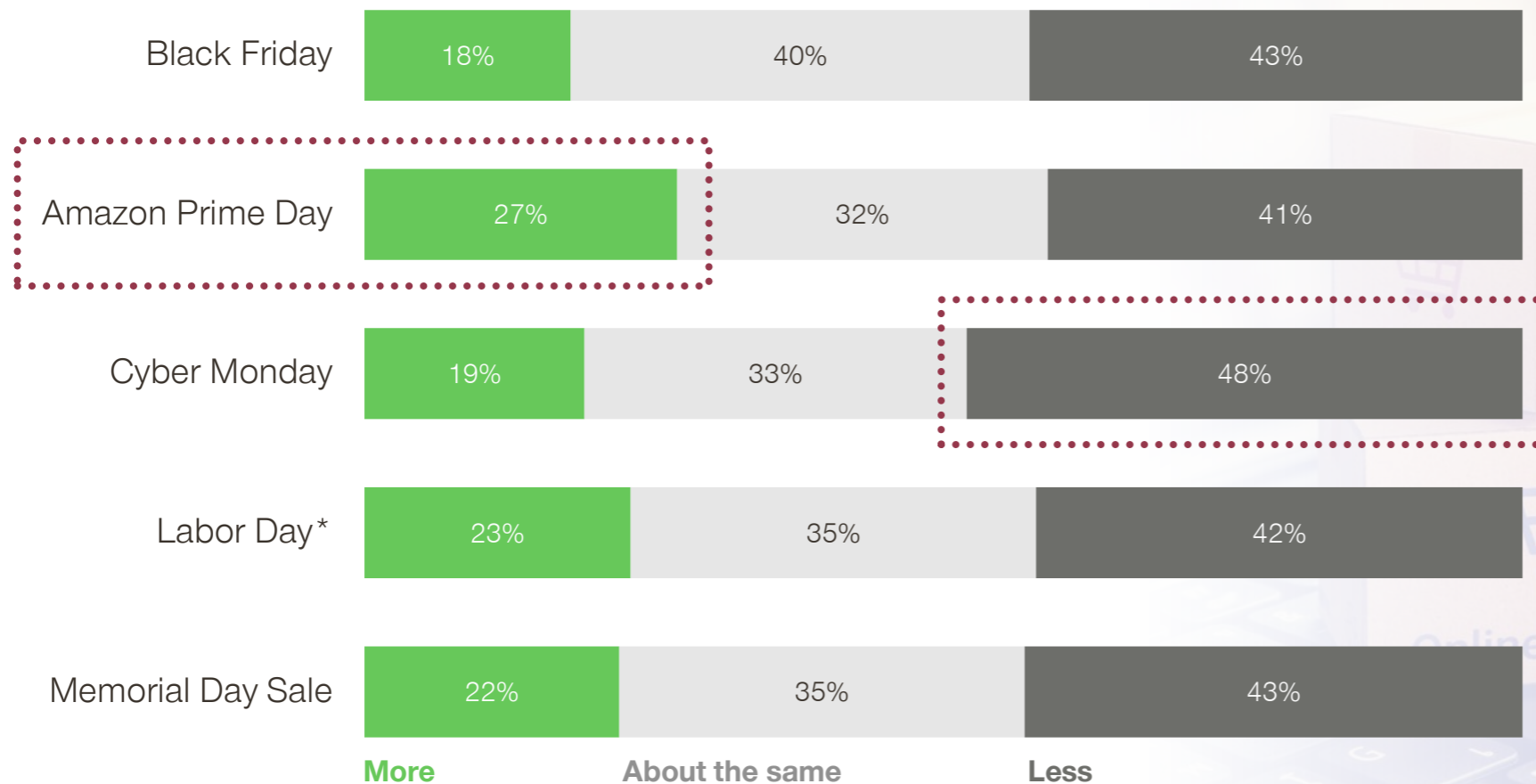


Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey; Total N = 1,000; 2021 US Holiday Shopping Survey, Total N=1,010; Q11. According to you, what is the overall discount you get during the following promotion days? [2022 Survey Study] Q22. When do you think the best deals are offered? [2021 Survey Study]

# Amazon Prime is growing faster than the other big promo days, with the greatest % of consumers intending to spend more this year vs prior years

## SPENDING EVOLUTION BY PROMOTION, 2022

Compared to the last years, this year I spent



Amazon Prime Day has the greatest number of respondents indicating they will spend more in the upcoming event...

...while consumer spending during Cyber Monday continues to shrink at comparatively greater rates

\*Labor Day/Back to School Sale  
Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey; Total N = 1,000  
Q10. How would you say that your expenses have evolved on the following promotion days this year compared to last years?



# 05

## Balancing Online & Retail

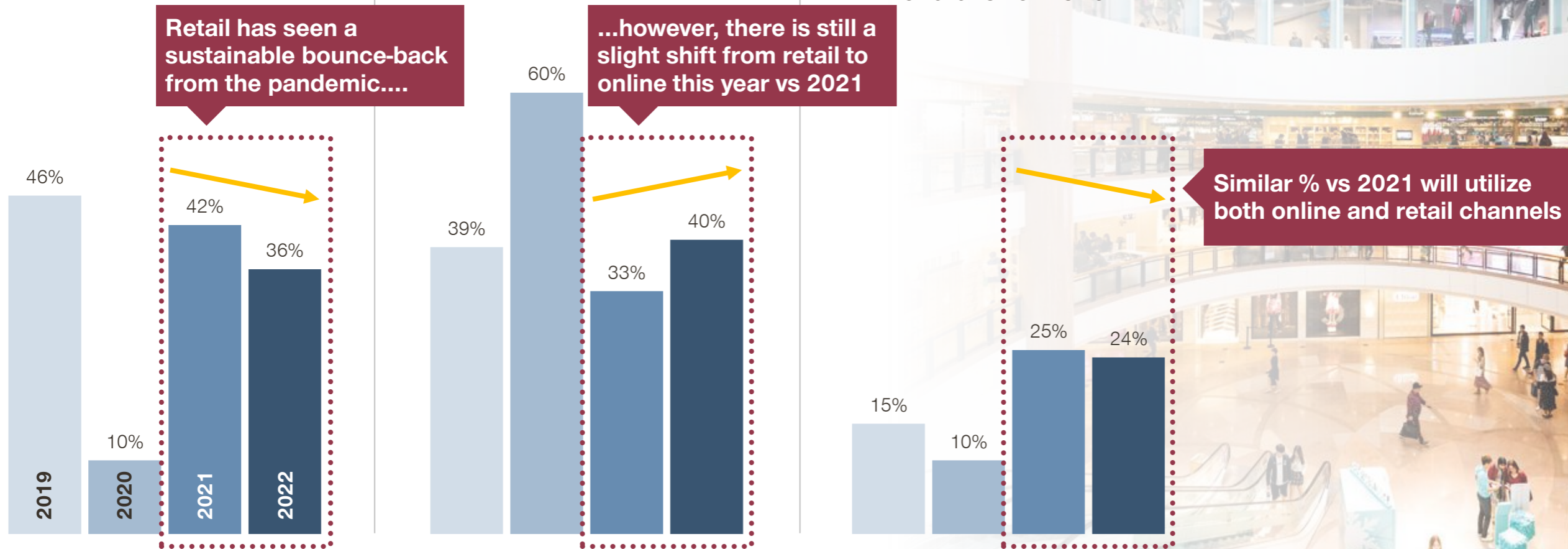
# For the second year in a row, consumers plan to balance their shopping between online and retail – and about a quarter of consumers will shop both

## EXPECTED SHOPPING CHANNELS ON BLACK FRIDAY, 2019-2022

### Mostly brick & mortar

### Only from online

### Equally from online and brick & mortar



Source: Simon-Kucher & Partners 2022 US Holiday Shopping Survey, Total N = 1,000; 2021 US Holiday Shopping Survey, Total N=1,010  
Q17. What is your preferred channel for a purchase with a promotion? [2022 Survey Study]  
Q15. Where do you plan to buy on Black Friday and/or Cyber Monday? [2022 Survey Study]

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# Simon-Kucher: No one drives growth like we do.



## No one drives growth like we do

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

We do this by optimizing their pricing, sales, and marketing strategies better and more sustainably than anyone else.

With over 35 years of experience in monetization topics of all kinds, our experts work across all industries and for businesses both large and small.

Our projects increase our clients' profitability by an average of 100 to 500 basis points, and we are regarded as the world's leading pricing advisor.



# Simon-Kucher & Partners at a glance

## Global experts in commercial strategy

Recognized across 12 sectors and functional areas, Simon-Kucher was one of only five consultancies in the world to be awarded five stars for the Marketing, Brand & Pricing function

*Forbes, 2022, together with Statista: list of the World's Best Management Consulting Firms, 2022*



## What others say about us

*No one knows more about pricing than Simon-Kucher.*

Philip Kotler, marketing guru

*Simon-Kucher is a down-to-earth consultancy, highly committed and trustworthy. They deliver what they promise.*

Member of the executive board,  
Bank Julius Baer & Co. Ltd

*Simon-Kucher was a great partner during our research phase. We appreciated their support, expertise, and partnership throughout the process of developing Uber Rewards.*

Barney Harford, former COO, Uber

*Pricing strategy specialists.*

*The Wall Street Journal*

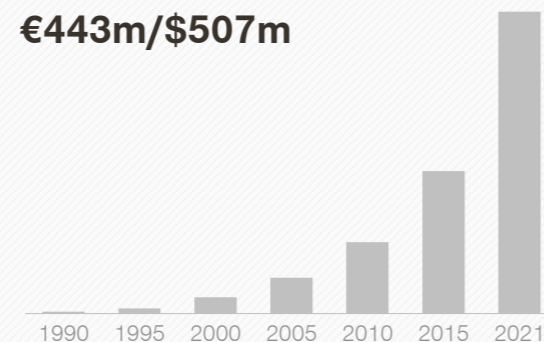
## Facts and figures

Global locations:



Avg. annual growth: **+17%**

Revenue in 2021:  
**€443m/\$507m**



## Simon-Kucher profile

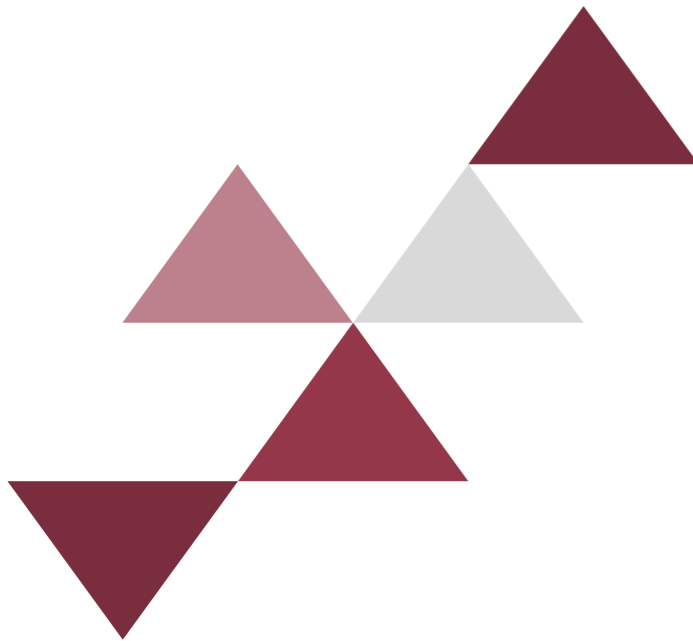
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## Clear focus

# Unlocking Growth



### Strategy

- Growth strategies
- Scenario planning
- New business models and monetization strategies
- Competition strategies
- Market due diligence

### Marketing

- Market/customer segmentation
- Portfolio design
- Branding and value communication
- Digital marketing
- Marketing efficiency and effectiveness
- CRM strategies

### Pricing

- Pricing excellence programs
- Pricing strategies for products, business units, and companies
- Innovative price and revenue models
- Launch and post-launch pricing
- Pricing organization and processes

### Sales

- Sales organization and efficiency
- Omnichannel strategies
- Sales force effectiveness
- Key account management
- Channel management
- Discount/bonus systems

### Digitalization

- Digital monetization strategies
- Data-driven pricing
- Online marketing and sales maximization
- AI/ML-based pricing and sales
- Deep-dive analytics and data science

- Fast prototyping
- End-to-end solutions
- Go-to-market strategies
- Digital sales force optimization
- Innovative business models

# US thought leadership: our retail expertise on recent trends have been showcased in the media



## Retail trends

### TotalRetail

#### The Retail Apocalypse: 5 Dangerous Competitive Trends Explained

"While the U.S. economic outlook is looking healthy, peering into the retail sector reveals fundamental cracks that indicate a state of decline."

*Hubert Paul, Senior Director*

### Vox

#### The psychology of sales, explained

"The threat of losing something is a powerful motivator in human psychology, outweighing even the prospect of an equivalent gain."

*Shikha Jain, Partner*

### HubSpot

#### A Tech Expert's Advice on Growing Customer Lifetime Value

"Companies are moving away from traditional revenue models and shifting towards recurring revenue and subscriptions."

*Ellen Kan, Partner*

### TotalRetail

#### How to Sustainably Compete With Retail Giants on Price

"Investments will only pay off if they're directed at fulfilling customer needs and keeping offers relevant."

*Hubert Paul, Senior Director*

### MULTICHANNEL MERCHANT

#### Promotional Excellence: Monitor Promotions for Future Decisions

"Promotions are a great tool for driving revenue, but they require the right preparation, targets, and tools."

*Shikha Jain, Partner*

### THE WALL STREET JOURNAL

#### Retailers Face Pressure to Offer Discounts While Battling Inflation

"If you start to do too much, without being intentional and using proper merchandising tactics for your markdowns, you're going to start to train consumers."

*Shikha Jain, Partner*



## Apparel

## Selection

### Forbes

#### To Get Online Bra-Fitting Right, ThirdLove is Going Physical

"While apparel shopping has gone online, pure e-commerce apparel retailers will have to reverse the trend to fulfill on their custom fit promise."

*Shikha Jain, Partner*

### retail TouchPoints®

#### Resale Is The New \$51 Billion Retail Reality – Retailers Should Prepare Accordingly

"Department stores are the latest retail segment to jump into the resale genre in yet another attempt to differentiate their physical presence."

*Shikha Jain, Partner*

### WWD

#### Consumers Willing to Pay a Premium for Sustainable Businesses

"Simon-Kucher believes sustainability has become 'the new standard' and an opportunity for new business growth."

*Shikha Jain, Partner*

### NATIONAL REAL ESTATE Investor

#### Apparel Retailers Try Lending Clothes to Draw in Shoppers

"It's going to be quite important that retailers start chasing their brand identity moving forward."

*Ricardo Rubi, Partner*

### BAZAAR

#### Can Sustainable Fashion and Inclusive Sizing Coexist?

"Body positivity was the fourth-most important consideration for choosing more conscious fashion, after fair labor standards, sustainable materials and processes, and sending profits to charity—a third of all respondents marked it down as important."

*Shikha Jain, Partner*

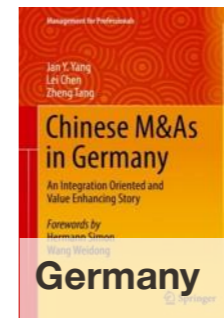
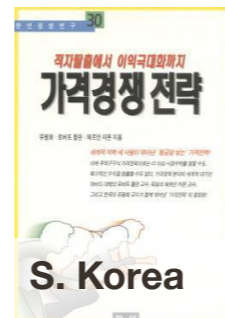
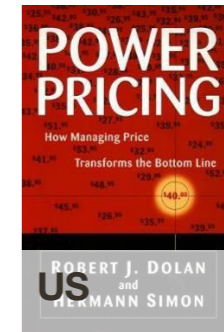
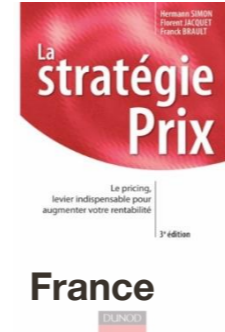
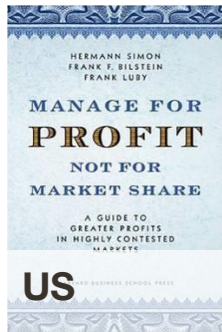
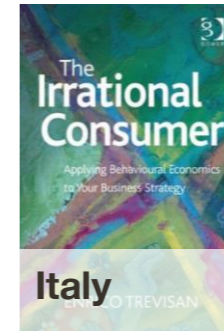
# Publications

Over 150 books published worldwide

8,000 published articles, interviews, and quotes worldwide in the last five years

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## Selection



# We are looking forward to get in touch with you!



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**Thank You!**

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with any questions**

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