

Unwrap consumer insights for your best holiday season

Bazaarvoice Holiday Headquarters 2018

What's inside

Introduction	2
Plan for two types of holiday shoppers	3
Some purchase decisions surprise even the shoppers	6
The holiday season is longer than you think	7
Mobile is changing the way people shop (and spend time on Christmas Day)	9
The shopper experience comes first – both online and in-store	10
Experiential gifting is on the rise	12
Attract and convert shoppers this season with experiences that resonate	13

Introduction

It's beginning to look a lot like the holiday shopping season. It seems to start earlier and earlier each year, bringing unique opportunities for brands, retailers, marketers, and agencies to create special shopping experiences and memorable marketing campaigns because consumers shop differently during the holidays than they do during any other time of year.

Between people hosting holiday-related get-togethers, traveling more often to visit friends and family, and of course, buying gifts, there's been a distinct uptick across the board in consumer spending during the holiday season. *In 2017, the National Retail Federation reported a 5.5% increase in consumer spending during the holidays, compared with 2016.* The 2018 holiday season presents a greater opportunity than perhaps any other time in history.

But consumer behavior is also more dynamic than ever, and not all consumers shop the same way. As the holidays loom, brands, retailers and advertisers must understand how consumers prefer to shop, what motivates them to buy, and what retail and marketing experiences appeal to them during the busiest shopping season of the year.

To understand consumer behavior at the holidays and what trends might be emerging to shape Holiday 2018, we partnered with Wakefield Research to survey 2,500 U.S. adults about their holiday shopping expectations and preferences.



To complement the survey, we analyzed holiday shopping data spanning our network of more than 6,000 brand and retailer websites. We examined purchase paths, research behaviors, and shopping patterns across different product categories and time frames to gain further insight into when people shop for what and for how long.

This report offers brands, retailers, marketers, and agencies a better understanding of what content and experiences consumers care about, what shapes their purchase decisions, and how to best reach them this holiday season.



Plan for two types of holiday shoppers

With countless sales days, stores, and items to choose from, today's consumers are tackling the holiday shopping season from all angles. And while there are plenty of places to shop and things to buy, there are two notably different types of holiday shoppers to consider. There are those shoppers who plan ahead (The Planners) and those who don't (The Spontaneous Shoppers). When preparing for the busy holiday season, it's crucial to understand the hearts and minds of both groups to attract them and help them throughout the shopping process.



THE PLANNERS

In our survey, **59% of respondents categorized themselves as a “prepared shopper”, meaning they plan out the gifts they want to buy in advance.**

This segment starts making their shopping lists, looking for sales, and stocking up on gifts and supplies **an average of 45 days ahead of the holiday.** Of note, one in four shoppers gets a head start of two months or more.

Don't miss the opportunity to engage Planners early. Brands and retailers should aim to inspire them with ideas several months before the holidays begin, connect with them while they're in their planning stages, and join in on their early excitement about the season.

- Start seeding holiday imagery, seasonal products, and holiday decorating ideas or recipes through social media, giving them ideas to include on inspiration boards on Pinterest and save to their Instagram collections.
- Incorporate wishlist functionality into your e-commerce experience to make it easy for Planners to bookmark and save items they plan to buy.
- Deploy timely early bird advertising campaigns and promotions for these prepared shoppers who are eager to get their shopping done well in advance of the holidays.



of respondents categorized themselves as a “prepared shopper”

THE SPONTANEOUS SHOPPERS

In contrast to the Planners, **41% of holiday shoppers self-identify as “spontaneous shoppers,” meaning they browse and buy gifts as they go.** The Spontaneous Shoppers prefer to wing it – **34% never make a gift list ahead of time, and 33% gain their inspiration while shopping,** perhaps relying on the spirit of the season for finding that perfect gift.

The key to reaching these types of shoppers is acting on their “last-minute” mentality and planting points of inspiration and discovery along the path to purchase – not before it.

- Create helpful, highly visual gift guides and seasonal catalogs that can assist them while they’re making their shopping choices, and display an assortment of stocking stuffers and last-minute items close to the point of purchase, whether it’s near the checkout line in your physical stores or via product galleries and carousels in your online experiences.
- As the holidays draw near, social media can provide the serendipitous discovery the Spontaneous Shopper needs. Pivot social storytelling to incorporate last minute inspiration by highlighting top-rated gifts and “popular this holiday” items, and include “buy now” functionality to streamline the purchase process.
- Offer bundled items and gift sets to inspire Spontaneous Shoppers while they’re browsing. Look beyond pairing obvious products together – like electronics and charging accessories. Analyze your shopping data to extrapolate unique purchase patterns that can inform how you merchandise and display bundled products. For example, consumers who are shopping for cocktail dresses and high heels may also be interested in jewelry, cosmetics, and hair styling tools.



of holiday shoppers
self-identify as
“spontaneous shoppers”

Some purchase decisions surprise even the shoppers

Planners and Spontaneous Shoppers have one important thing in common: they both buy some things on impulse. In fact, half of our survey respondents said they're more likely to buy something on impulse during the holidays compared to other times of the year – and **57% are more likely to do so when shopping for gifts.**

But impulse-buying behavior doesn't only apply to gifts for others: half of the surveyed shoppers admitted that they buy gifts for themselves during the holidays. 51% of consumers admit that on at least one occasion, they decided to keep a gift they had purchased for someone else because they wanted it for themselves.

Brands and retailers have an opportunity to boost cart sizes and average order value by appealing to impulsive shoppers and self-gifters with messaging and promotions that give shoppers the confidence to buy now.



Amplify consumer-generated content along the path to purchase. Highlight top-rated items and place compelling consumer review quotes in ad copy, point-of-sale materials, and across the online shopping experience.



Make the connection on social, bringing consumer content into owned channels and amplifying consumer-generated imagery centered on last-minute, self-gifting, and impulse purchases.



Offer “buy one, get one” deals that appeal to more than half of shoppers' propensity to self-gift.



For shoppers who have already bought something, send follow-up promo codes or extended sales deals to spur additional purchases.



Consider limited-time flash sales to ignite interest and urgency among impulsive shoppers who buy things for themselves and for others on a whim - promote these sales on social channels, with links to buy, to foster additional urgency.

The holiday season is longer than you think

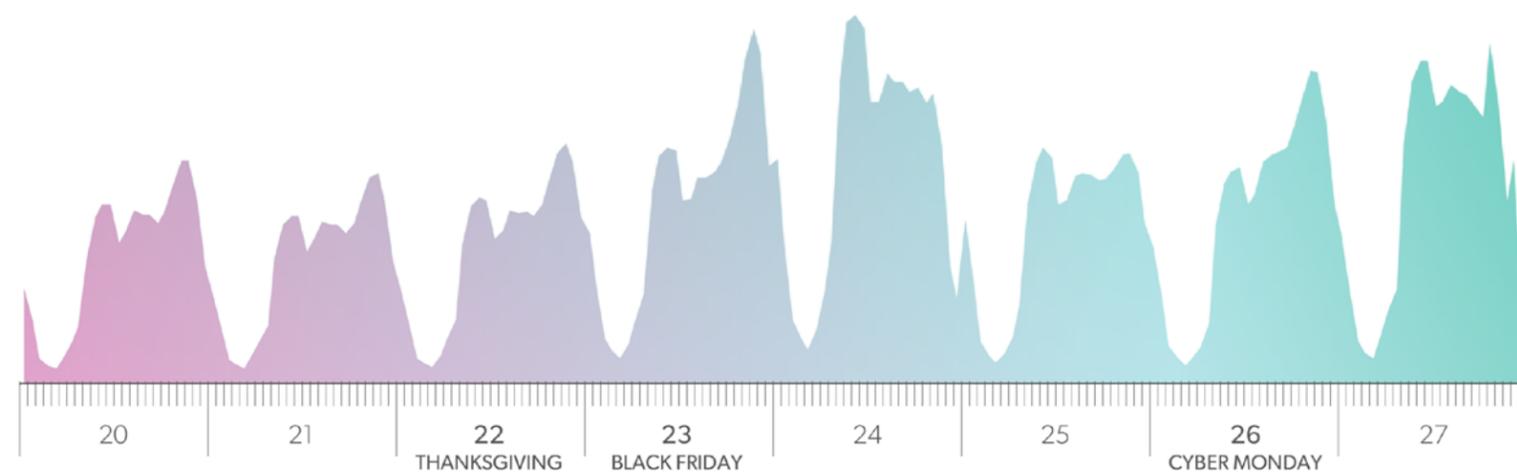
Sales days still reign supreme during the holiday season. No matter what type of shopper is visiting your store, everyone wants a good deal during this high-spend time of year. In fact, **59% of shoppers purchase most or all of their gifts during sales days** such as Black Friday, Cyber Monday, or Panic Saturday (the Saturday before Christmas), and even on Thanksgiving Day.

When analyzing shopping traffic across our network, we found that holiday shopping starts earlier and earlier each year. Veteran's Day weekend is generally the season's inflection point. But our data suggests that certain product categories, such as electronics and toys, are seeing spikes in research traffic as early as the first week of November. For example, **the first significant spike in traffic for toys was on November 4, which saw a 119% increase that day.** Beyond gift items, holiday decor, small appliances, and grills also see an uptick in shopping traffic during the first week in November – as soon as Halloween decorations come down, consumers start preparing to host their Thanksgiving dinners.

With the growth of online shopping, many might assume that Cyber Monday is the most popular shopping day of the entire season, but Black Friday still holds the crown both online and offline. While Cyber Monday traffic is on the rise, **53% of shoppers say Black Friday is their primary holiday shopping day.** Our traffic data confirms this as well, with Black Friday being the highest trafficked shopping day for 16 of the 20 product categories we looked at. It might come as a surprise, but Thanksgiving is also gaining ground as a popular

shopping day. For the first time in recent memory, our Network saw higher purchases and revenue on Thanksgiving Day 2017 than on Cyber Monday. **Thanksgiving Day brought in \$1.2 billion in sales, while Cyber Monday accounted for \$912 million, down noticeably from \$1.3B in 2016.** Furthermore, **Thanksgiving was the highest day for mobile sales at \$624 million** and had the highest average order value, even beating out Black Friday with these numbers.

SHOPPING BY THE HOUR



Cyber Monday came in third, behind Black Friday and Thanksgiving for seven product categories, including popular consumer electronics like TVs, computers, and video game consoles (which saw a 933%, 638%, and 596% increase in traffic on Thanksgiving Day, respectively).

Naturally, good prices and compelling discounts are the primary reasons for shopping on these popular sales days, but slashed prices and doorbusters are not the only important thing on major sales days. There's a little more to it. One in three sales day shoppers (35%) report that they shop on these

days to get into the holiday spirit, perhaps because consumers enjoy shopping with visiting relatives in town during Thanksgiving weekend. Rise above the crowds and deal-driven clutter by remembering that some shoppers are simply visiting your stores as an activity or experience.

2017 HOLIDAY SALES



Black Friday



Thanksgiving



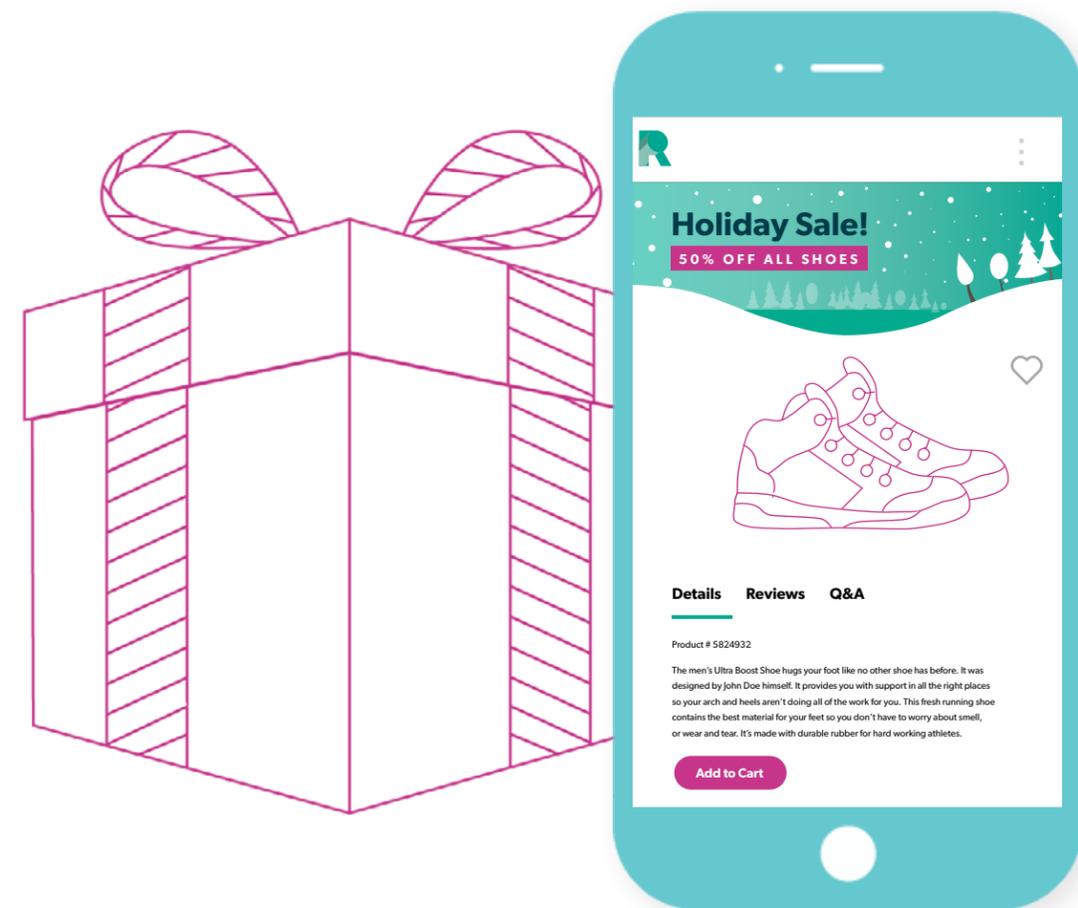
Cyber Monday

Mobile is changing the way people shop (and spend time on Christmas Day)

Brands and retailers know that mobile shopping is here to stay. Consumers frequently consult their devices to research products or find inspiration and discover new brands on social media. Consumers have embraced making purchases directly from their smartphones, with stored payment information becoming more ubiquitous and mobile checkout available at many stores.

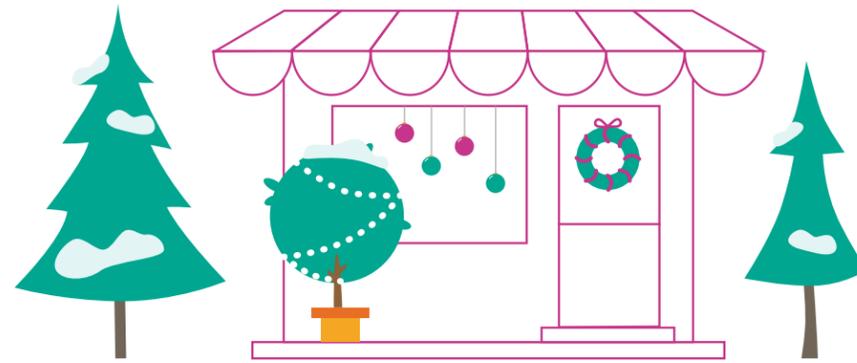
What is surprising is that mobile shopping volume peaks on Christmas Day, for almost all categories. There is also a boost on December 26 in most categories, suggesting that consumers are looking for ways to spend gift cards and researching and reading reviews about products they just received as gifts. Notably, mobile traffic to holiday decor product pages is at its third-highest on December 26, which shows that consumers are taking advantage of post-holiday sales right away and stocking up on wreaths, trees, and wrapping paper for the following year.

Pay attention to how long the holiday season lasts and to when the most popular shopping days are across categories. Timing relevant promotions and targeted advertising to shoppers while they're in-market heightens their likelihood to spend and lifts your return on ad spend during the busiest shopping season of the year.



The shopper experience comes first – both online and in-store

As with the rest of the year, holiday shopping is an omnichannel experience for consumers. Online shopping is certainly on the rise, with **30% of survey respondents saying they plan to do more shopping online this year compared to last, but 96% plan to shop both online and in-store.** Very few consumers prefer exclusively online versus exclusively offline shopping, so brands and retailers must prioritize making both shopping experiences easy and enjoyable. During the busiest shopping season of the year, what's most important for brands and retailers is understanding what consumers like and want from each experience, and finding ways for shopping activities – on and offline – to complement one another, as equal pieces of a larger puzzle.



DASHING THROUGH THE STORES

Besides “in-store only” deals, shoppers cite several reasons for wanting to join the crowds and do most of their shopping offline. Half of the survey respondents who shop in-store said they’re lured by the holiday ambiance, and one in three are drawn by holiday-specific activities such as tree lightings, ice skating, and, of course, getting a picture with Mr. Claus himself. Additionally, people value personal assistance from sales associates (37% cited this as a reason for shopping in-store) and the ability to see and evaluate products in person (75%).



HOME (AND ONLINE) FOR THE HOLIDAYS

On the flipside, there are many benefits to staying in and shopping online during the holidays. We asked why people shop online during the holidays, and 65% said they would rather avoid crowds. Behind that, 57% want to find better deals, 40% are looking for access to stores that aren’t in their area, and 36% appreciate the variety of products available.

MEET SHOPPERS WHERE THEY ARE

Knowing what shoppers enjoy about both online and offline shopping, brands and retailers can take cues from their feedback to know how to focus investments and close the gap. For instance, we know consumers still plan to shop in-store to see products in person and enjoy holiday-related activities.

- To make the shopping and buying experience easier in your physical stores, provide buy online, pick up in-store functionality to allow shoppers to spend less time making transactions and more time participating in special experiences and holiday-related activities with their loved ones.
- Remove friction and shorten wait times by offering auto-checkout or self-checkout, or by placing roving employees throughout your store who can handle remote transactions.

Conversely, brands and retailers can enrich the online shopping experience by making it as personal and helpful as possible.

- Emulate in-store personal assistance by targeting your shoppers with personalized product recommendations, compelling visual content and relevant marketing messaging based on their previous shopping activity.
- Make online help readily available and responsive with live chat widgets and easy-to-find return policies and product information.
- Knowing your customer support teams will be flooded with calls and questions during the holiday, prominently feature consumer-generated Q&A on your product pages to answer frequently asked questions.

Lastly, both online and offline, facilitating inspiration and discovery is the key – especially for Spontaneous Shoppers. Consumers draw inspiration across multiple shopping channels, experiences, and interactions, giving you many opportunities to be top-of-mind.

Browsing is the top source of inspiration for 61% of both online and offline shoppers, with **recommendations from friends and family coming in as a close second at 54%**.

Furthermore, 43% got holiday gift inspiration and ideas from traditional ads on TV, digital ads on the web, or in-store marketing messaging.

Experiential gifting is on the rise

Based on their shopping behavior and motivations, it's clear that consumers treat holiday shopping as a tradition and opportunity to spend time with their loved ones. But shopping isn't the only thing that's experiential during the holidays. **90% of people plan to give physical gifts for the holidays, but nearly one in three plan to give meaningful experiences to their loved ones.**

This is especially true among certain shopper segments: **46% of millennials plan to give experiential gifts, and perhaps overwhelmed by the popular toy frenzy, 42% of parents opt for experiences for their kids or partners.**

Among the many types of experiential gifts this season, crafting-related gifts, like a paint and sip experience, are the most popular, with 47% of experiential gifters citing this as their most likely option. Foodie-related gifts (like cooking classes) came in second at 45%, followed by travel-related gifts (41%), and romantic experiences (35%). Advertisers and agencies can take note of this growing trend and target promotions and campaigns around this emerging, non-traditional category.



Attract and convert shoppers this season with experiences that resonate

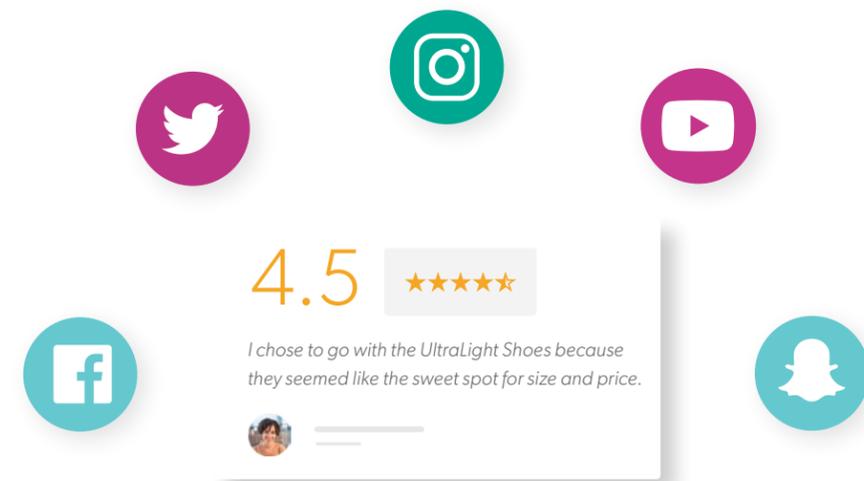
INSPIRE THEM AT EVERY TOUCHPOINT

During this lengthy holiday season, there are multiple opportunities to inspire shoppers and drive them towards a buying decision. Inspiration comes in all shapes and sizes:

- 43% of shoppers get inspiration from advertising, so marketers and agencies should be timely and relevant when planning their campaigns.
- 30% are inspired by product recommendations based on previous purchases, so personalize the shopping experience with relevant marketing content and smart recommendations.
- 27% are inspired by social media channels like Instagram and Pinterest, so produce compelling visual content for your brands' social channels, and make it easy for consumers to save, bookmark, and catalog ideas.

COLLECT CONSUMER-GENERATED CONTENT YEAR-ROUND

A winning holiday retail strategy, or year-round strategy for that matter, is one that puts consumer-generated content (CGC) front-and-center for shoppers to help make their purchase decisions easier. Shoppers are more than twice as likely to buy items after interacting with ratings and reviews, Q&A, and visual CGC, compared to when they do not. For brands and retailers, make collecting a high volume of fresh, authentic reviews a priority in preparation for the holiday season.



For seasonal products in particular, jumpstart review collection with product sampling. Since holiday-related items like home decor, seasonal food and beverages, or festive apparel are only sold and purchased during a limited shopping window, be proactive about collecting reviews before the season begins by offering samples of these products to shopper communities and requesting an honest review and product rating. This ensures that new or seasonal products have a wealth of consumer-generated product information in time for the holidays.

CREATE MEMORABLE MARKETING MESSAGES

With these figures in mind, it's also important to know what types of advertising and marketing messaging resonate with shoppers during the holidays. When asked which aspects of advertisements shoppers find the most appealing, price rose to the top (47% of respondents). But differentiating on price is a hard way to win, and it doesn't foster brand loyalty. Digging deeper into what message themes really connect with shoppers reveals an important consideration:

Thirty-two percent of respondents reported that authentic advertising featuring product ratings and reviews and word-of-mouth content are the most appealing type of advertising message. Most brands and retailers collect consumer-generated content to enhance their product pages, but consider incorporating that authentic customer voice into in-store marketing, product packaging, and digital ad placements to reach holiday shoppers.

PRODUCE ENTICING IN-STORE EXPERIENCES

Just as promotional ads and consumer-generated content are important online tools, the in-store experience should be just as enticing and engaging. Despite exaggerated rumors, brick-and-mortar stores aren't going away anytime soon, and the holidays especially bring in as much in-store traffic as ever. Beyond hosting festive, holiday-related activities, retailers should work with participating brands to create genuine and creative in-store moments for shoppers. Partner with brands to host an immersive pop-up experience, interactive crafting or cooking class, or in-store entertainment to create special moments in-store that are worth braving the crowds for.

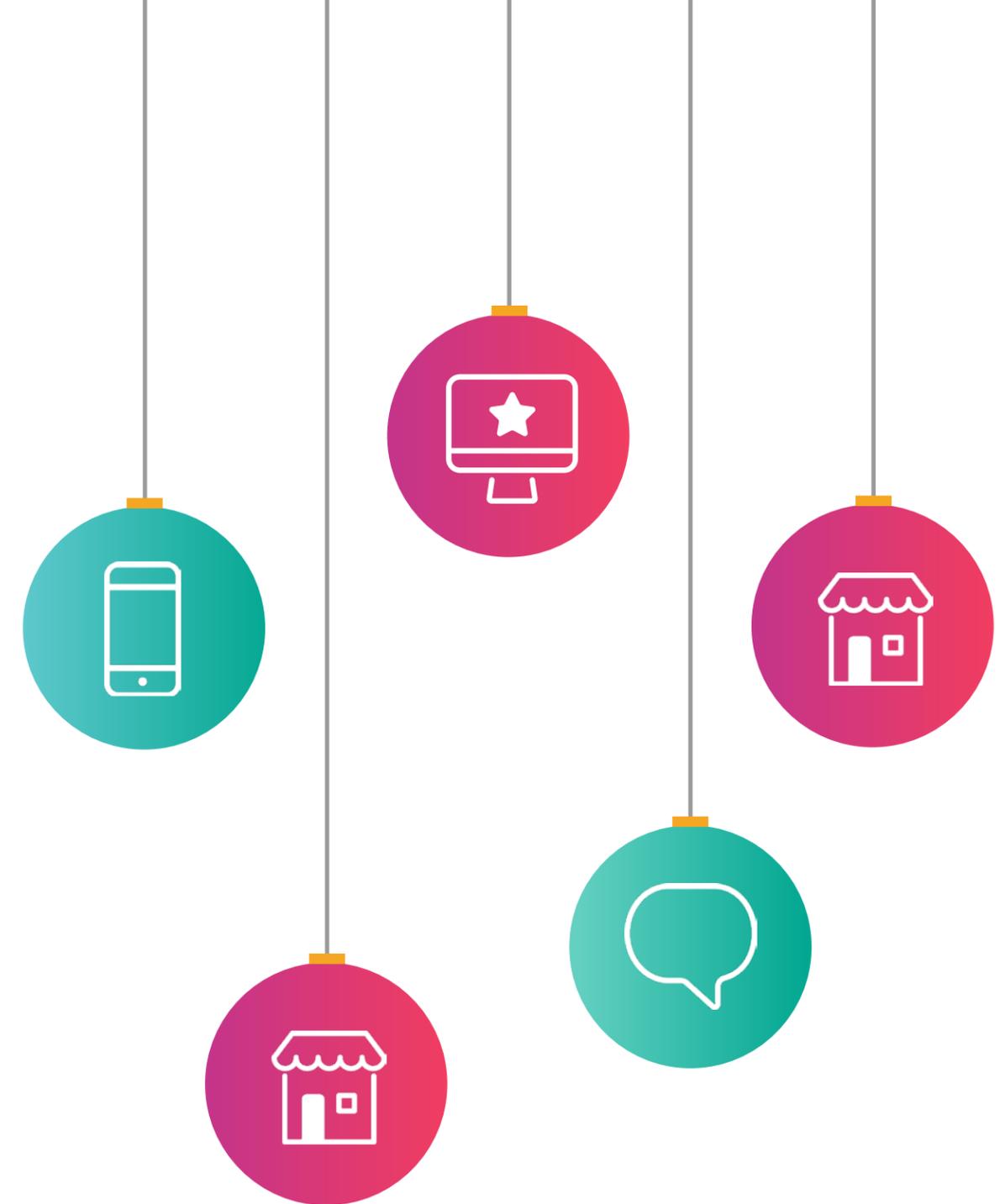


The bottom line

For a joyful holiday season, don't just decorate and discount – deliver experiences that resonate with modern shoppers.

The bottom line is that during the holidays and year-round, consumer expectations for a compelling shopping experience are growing – and that experience should transcend channels. Every channel – in-store, online, and social – is critical when it comes to creating a shopping experience that resonates with today's consumer.

During the holiday shopping season, the stakes are especially high, with different types of shoppers out in full force, eager to buy but expecting to feel inspired. New trends, like giving experiences as gifts, create exciting opportunities to foster discovery and delight. Brands, retailers, marketers, and agencies that understand the new world of holiday shopping, and respond with compelling, connected, and resonant content and experiences, can indeed make this season the most wonderful time of year.



 [Contact Bazaarvoice](#) to find out.

About Bazaarvoice

Bazaarvoice connects brands and retailers to consumers, so that every shopping experience feels personal. From search and discovery to purchase and advocacy, Bazaarvoice's solutions reach in-market shoppers, personalize their experiences, and give them the confidence to buy. Each month in the Bazaarvoice Network, more than one billion consumers view and share authentic content including reviews, questions and answers, and social photos across 6,000 brand and retail websites. Across the network, Bazaarvoice captures billions of shopper signals monthly - data that powers high-efficiency digital advertising and personalization with unmatched relevance.

Founded in 2005, Bazaarvoice is headquartered in Austin, Texas with offices in North America, Europe, and Australia. For more information, visit www.bazaarvoice.com



[bazaarvoice.com](https://www.bazaarvoice.com)