

celigo



# 2023

## Holiday Shopping Trends Report



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## Summary

Celigo conducted an independent survey in July 2023 that received more than 1,000 responses from U.S. consumers nationwide.

These respondents answered questions about their 2023 holiday shopping priorities and destinations, price and delivery preferences, previous Holiday shopping challenges, preferred shopping channels, gift budgets, prime times for shopping, and Black Friday and Cyber Monday plans, among others.

The survey found respondents expect a better holiday 2023 shopping experience compared to previous years. While they may have varying priorities when it comes to their shopping preferences, today's consumers are gravitating to online retailers that

offer the best deals on readily available products with reliable shipping and reasonable returns policies. Along with the allure of in-person holiday shopping at brick-and-mortar stores, the importance of Black Friday and Cyber Monday sales is dwindling, and consumers are starting their shopping as early as September.

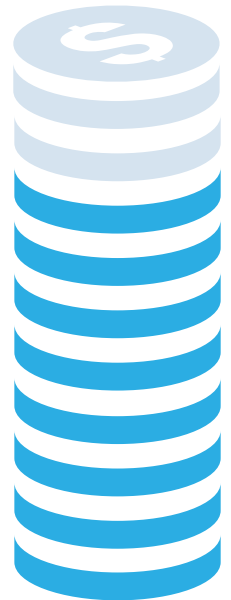
Retailers can no longer rely on a traditional, standardized approach to the holiday shopping season. Instead, they will need to employ more granular customer segmentation and a range of unique tactics best suited for each. This requires a substantial increase in resource allocation, which is where automation can provide critical support as an alternative to conventional staffing methods.



## Key Findings

- \* With a looming recession, consumers are more price-conscious than ever before with nearly 80% expected to spend less this holiday season. Nearly 50% will spend less than \$1000 on holiday gifts this year.
- \* An overwhelming majority expect retailers to provide more personalized offers in addition to good deals and cost savings this year.

**80%**  
 expected to  
 spend less this  
 holiday season



**75%**  
 prefer online shopping

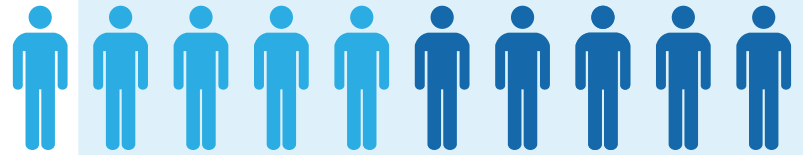


- \* Nearly two-thirds of those surveyed will do more holiday shopping online as opposed to shopping in actual stores this year. Survey respondents cited product availability, speedy delivery, and convenience as their top reasons to shop with an online retailer over a physical store.
- \* Consumers will forgo shopping with online retailers that do not provide fast delivery, low or moderate prices, customer-friendly returns policies or exceptional customer service.
- \* Shoppers will choose independent retailers over the “giants” like Amazon and Target because they offer desirable, readily available products and more personalized customer experiences.
- \* Black Friday and Cyber Monday are diminishing in importance with less than half of respondents stating that they are integral to their holiday shopping plans.
- \* Online is the #1 channel for holiday shopping with 75% of respondents stating that they will rely on it the most this season.
- \* Consumers will start holiday shopping early this season with nearly 50% starting in September and October.

## Consumers Embrace Price-Conscious Approach Amid Economic Volatility

A remarkable 77% of respondents expressed their intention to prioritize value and seek cost-effective options when making their holiday purchases. This shift in consumer mindset can be attributed to various macroeconomic factors and underpins the fact price-consciousness that has become a dominant factor influencing the holiday shopping decisions of U.S. consumers in 2023.

This holiday season, an overwhelming majority of consumers are setting budget limitations on their holiday spending. Nearly 80% of survey respondents indicated they are determined to spend less than \$5,000 on holiday shopping. Approximately half (49%) of the respondents said they plan to spend less than \$1,000 on holiday shopping, while 30% revealed they have budgeted between \$2,000 and \$5,000 for gifts this year.



# 49%

plan to spend less than \$1000 on holiday shopping

While a significant portion of shoppers are committed to strict financial prudence and responsible budget management, there remains a subset willing to spend moderately on meaningful gifts and experiences.

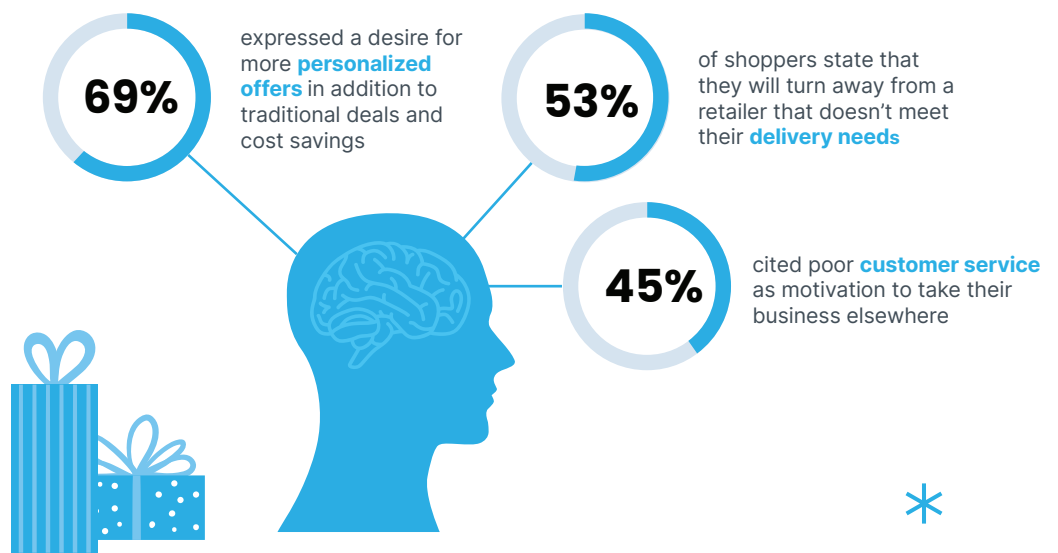
As the U.S. holiday shopping landscape continues to evolve, price-consciousness has become a defining characteristic of consumer behavior. Retailers must understand and respond to these shifting trends to effectively attract and retain customers during the peak season. By offering value-driven options, catering to diverse budget preferences, and providing a seamless shopping experience, businesses can position themselves for success and make the most of the 2023 holiday shopping season.



# Elevated Expectations Include at Personalized Offers, Streamlined Delivery and Customer Service

**R**etailers are facing greater demands from shoppers who seek not only good deals and cost savings but also personalized offers tailored to their shopping habits and seamless services. Personalization is king for consumers, as 69% expressed a desire for more personalized offers in addition to traditional deals and cost savings. At the heart of hassle-free shopping expectations is exceptional customer service and fast delivery options. 53% of shoppers state that they will turn away from a retailer that doesn't meet their delivery needs while 45% cited poor customer service as motivation to take their business elsewhere.

In 2023, consumers expect retailers to go beyond merely offering



**Consumers expect retailers to go beyond merely offering good deals and are looking to them to deliver an unparalleled shopping experience**

good deals and are looking to them to deliver an unparalleled shopping experience. Meeting and exceeding these expectations will not only ensure a successful holiday season, but also foster a sense of customer appreciation and loyalty in an increasingly competitive retail market. Retailers can position themselves for continued growth and success by prioritizing efficient supply chain management and offering expedited shipping choices, investing in top-notch customer support, and leveraging customer data and preferences to create tailored promotions and product recommendations.



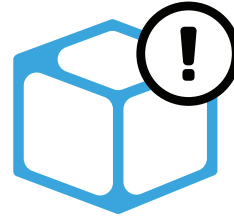
## Scorned Shoppers Vow to Overcome Pandemic-Era Obstacles

Over the past three years, U.S. consumers have encountered their fair share of challenges when it comes to holiday shopping. Rather than serve as a time of joy and excitement, the pandemic-era holiday shopping season has presented obstacles that have negatively impacted customer experiences across the country.

As popular items experienced a surge in demand during the peak holiday shopping, price hikes and scarcity proliferated throughout the market. With this thought still fresh in their minds, 45% of survey respondents indicated that they were most frustrated by increased costs for in-demand products and limited stock.

Timely delivery also emerged as a pandemic pain point for shoppers, and 44% of consumers stated they were unhappy with the frequency of late deliveries for their merchandise during the holidays.

By addressing the challenges shoppers faced in previous holiday seasons, U.S. retailers can proactively prepare for the upcoming rush. No retail business wants to drive away would-be customers from making purchases from their storefronts for reasons such as lack of inventory. Mitigating issues related to pricing, stock availability and delivery can create a better customer experience which, in turn, enhances customer loyalty, retention, and ultimately their lifetime value. Taking a close and critical look at their operations, and embracing innovative strategies and technologies will help retail companies overcome challenges and thrive during the peak season.

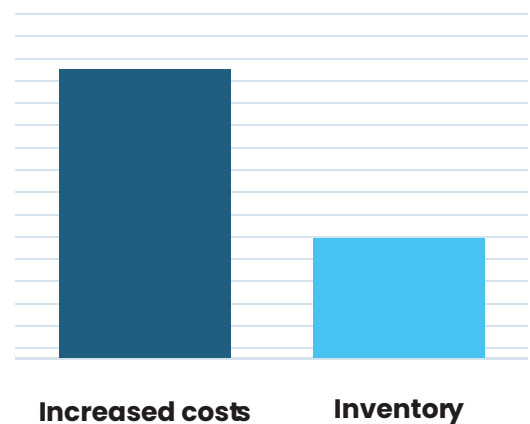


# 44%

of consumers stated they were unhappy with the frequency of late deliveries for their merchandise during the holidays

# 45%

frustrated by increased costs for high-demand products





## Desirable Products, Stocked Inventory and Community Support Make Independent Retailers Preferred Holiday Shopping Destination in 2023

# 53%

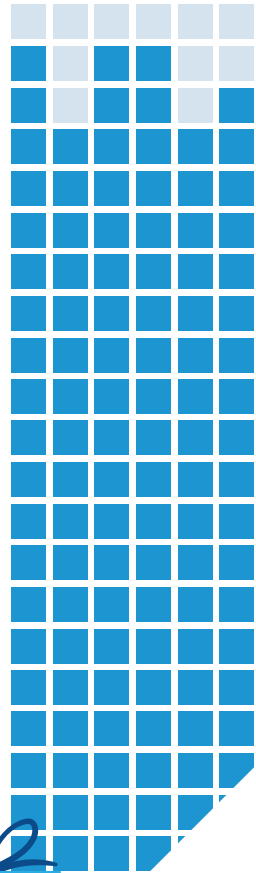
of consumers prefer  
independent retailers

In an ever-evolving retail landscape dominated by e-commerce giants like Amazon and big-box stores that include the likes of Target, independent retailers have emerged as a preferred choice among shoppers. One of the key factors driving this trend is the ability for these standalone stores to offer desirable products that are readily available. 53% of consumers prefer independent retailers because they stock an array of distinctive products that may not be easily found in larger chains. These smaller establishments often curate their inventory with a keen eye for quality and uniqueness, making them a go-to destination for shoppers during the holidays.

In an increasingly impersonal retail world, consumers are seeking a more meaningful shopping experience. Independent retailers have tapped into this need by fostering a greater sense of support and community, and 41% of survey respondents said they value that connection when supporting local businesses.

These establishments are deeply ingrained in the communities they serve, contributing to the local economy and building genuine relationships with customers by creating a strong sense of loyalty among their clientele.

The appeal of independent retailers stems from their ability to offer more than just products on shelves. By supporting these small businesses, consumers not only find exceptional products but also contribute to the growth and vibrancy of their local communities. As the preference for meaningful shopping experiences continues to rise, independent retailers are poised to play a significant role in the retail landscape by offering a refreshing and customer-centric alternative to the big box giants in the industry.



# 41%

value community  
connection





# Brick-and-Mortar Stores No Match for Convenience and Product Availability of Online Shopping

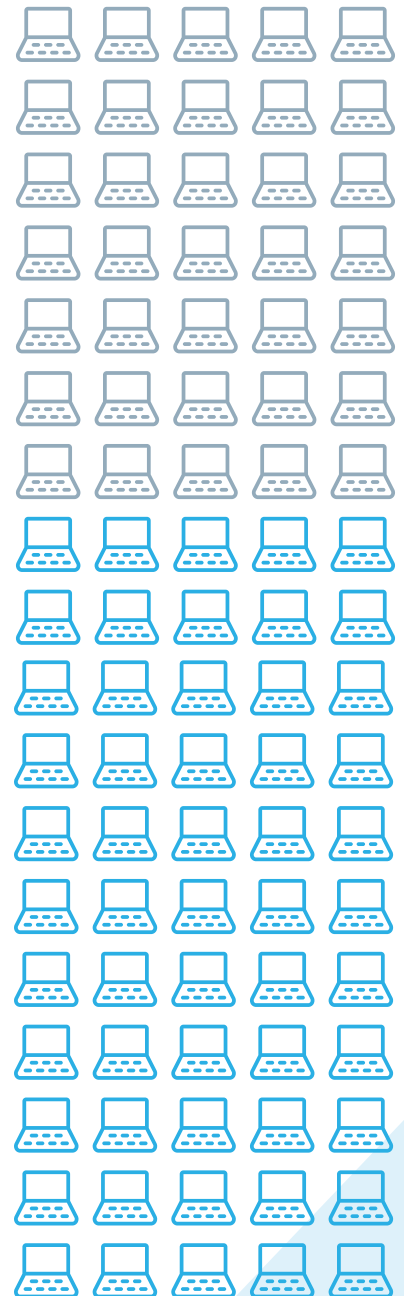
**65%** will do all of their holiday shopping online

The holiday shopping landscape in the United States is witnessing a seismic shift as consumers increasingly embrace the convenience and advantages of online shopping. With just a few clicks, consumers can access an extensive array of products from the comfort of their homes. The freedom to shop anytime, anywhere, and on any device has revolutionized the way consumers approach the holiday season. E-commerce has become the preferred choice for the vast majority of shoppers, and 65% of respondents said they will do all of their holiday shopping online.

As for the motivating factors behind this industry-wide transition, 69% of consumers said they choose online shopping over physical stores because of its unparalleled convenience.

The appeal of online shopping is deepened by the ease with which consumers can find their preferred products. 60% of holiday shoppers prefer online shopping because they have instant access to a vast selection of readily available items. E-commerce platforms offer a diverse range of products, including niche and specialized items, catering to individual tastes and interests. Products can be added to the cart, payments made securely, and items shipped directly to consumers' doorsteps.

Retailers need to connect with their customers where they are and prioritize the channels where consumers are most active. The growing preference for online shopping during the holiday season reflects the evolving shopping habits of consumers. The convenience, accessibility to preferred products and user-friendly experience have reshaped the way shoppers approach the gift-giving season. Retailers must adapt and invest in optimizing their online presence to meet the demands of tech-savvy consumers seeking the ultimate shopping experience in the digital age.



# Early Bird Shoppers, Shifting Opinions on Black Friday and Cyber Monday Redefine Holiday Shopping Season

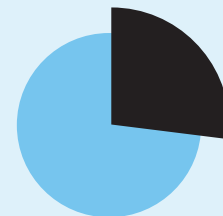
Shopping habits are undergoing significant transformations this year and have driven an industry-wide overhaul to the holiday shopping season. The days of waiting for last-minute deals on Black Friday and Cyber Monday appear to be a thing of the past, as nearly 50% of consumers plan to begin their holiday shopping as early as September. Not only must retailers adapt to the emergence of early bird shoppers, but 58% of consumers stated they will spend no more than five hours on their holiday shopping. The extended window of holiday deals and promotions, coupled with a limited time of engagement with consumers, indicate retailers need to prepare for both price- and time-conscious shoppers this holiday season.

The allure of early promotions and online shopping has diminished the significance of Black Friday and Cyber Monday. Traditionally known for doorbuster deals and massive crowds, 28% of shoppers said that Black Friday will not be important for their 2023 holiday shopping plans. While online shopping remains the preferred retail channel for consumers, 26% of those surveyed responded that Cyber Monday will have no impact on their gift purchasing.

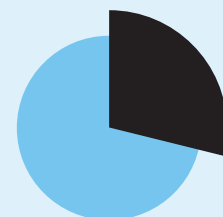
Consumers are increasingly embracing the convenience and value of early shopping, seeking to avoid the holiday rush and secure the best deals. Retailers must adapt to these changing trends, offering pre-holiday promotions, extended sales events, and a seamless shopping experience to cater to the needs of early bird shoppers. By reimagining the importance of Black Friday and Cyber Monday and aligning their strategies with evolving consumer preferences, retailers can stay ahead in the competitive holiday market and deliver a successful and enjoyable shopping experience for all.



**50%**  
of consumers plan to begin their Holiday shopping as early as September



**26%** of shoppers said that **Cyber Monday** will have no impact on their gift purchasing



**28%** of shoppers said that **Black Friday** will not be important

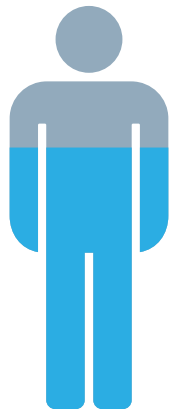
## Minding the Generational Gap: Holiday Shopping Priorities and Concerns for All Ages \*

**T**he holiday shopping landscape has endured significant changes over the years, with consumers of all ages embracing the ease of online shopping and bypassing traditional

holiday deal days. While each generation has its distinct preferences and challenges, convenience remains the top priority for holiday shoppers across the board, taking precedence over factors that include cost and product availability. Baby Boomers have expressed their fondness for convenience, and 78% of respondents stated it is the primary reason they intend to shop more online.

# 78%

**of Baby Boomer consumers stated that convenience is the primary reason they intend to shop more online**



# 49%

**of Gen Z and Millennial consumers were displeased with their delivery timelines**



On the other end of the spectrum, Gen Z and Millennials relayed that late delivery was the biggest challenge they faced during the pandemic-era holiday shopping seasons. 49% of Gen Z and Millennial consumers were displeased with their delivery timelines in previous years, which is likely attributed to the fact these demographics have grown accustomed to the convenience of free next-day shipping and prompt delivery. \*

A significant number of Gen X consumers are moving up their holiday shopping timeline in search of better deals and to build in time for potential supply chain disruptions. More than half of the survey's Gen X respondents revealed they start holiday shopping as early as August, further reducing the volume of last-minute holiday shoppers.

Identifying and understanding the evolving preferences and challenges faced by holiday shoppers across different generations is crucial for retailers aiming to stay competitive in today's dynamic market. Prioritizing convenience, optimizing supply chains, and offering early deals are essential strategies that can help businesses create a seamless shopping experience and foster long-term customer loyalty.

## Conclusion



## Retailers Must Be Prepared to Meet Higher Consumer Expectations for 2023 Holiday Shopping

**T**his year, consumers have higher expectations for their holiday shopping experiences, demanding timely delivery, readily available products, and seamless checkout and return policies more than ever before. They are also more price-conscious and keen on finding better deals and personalized offers to get their money's worth.

To meet these demands, retailers of all sizes must uplevel their customer experience by automating order-to-cash processes, fulfillment and returns. Embracing new technologies and achieving true operational readiness this season will enable them to deliver a flawless holiday shopping experience for discerning consumers. Fortunately, it's not too late for retailers to implement automation and integration strategies that will not only reduce operational costs but also redirect precious IT resources away from manual processes to supporting critical customer experience initiatives. This will enable retailers to make more personalized offers and deals on desired products, ensure in-demand merchandise is readily available for fast shipment and provide high-touch customer service.



## To Win Holiday 2023, Retailers Must Achieve True Operational Readiness

To achieve operational readiness in time for Holiday 2023, retailers must be able to easily automate order-to-cash processes, fulfillment and returns. From there, they can move on to operational planning initiatives that include reporting and analytics, demand forecasting and procurement. Here are the five key strategies that retailers should embrace to achieve ultimate operational readiness in time for Holiday 2023:

**1**

### Meet Customers Where They Are

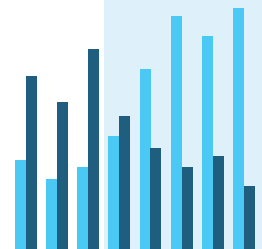
To expand reach and increase sales, retailers must meet customers where they are. This means not only listing products on marketplaces but also advertising on search engines and social media platforms. In 2022, global social advertising spending was \$230 billion, and it's expected to increase to \$300 billion in 2024. It is important to not only prioritize the channels where the target audience is most active but also to diversify the strategy to gain competitive advantage. Take into account the different demographics and shopping behaviors of each channel, and invest accordingly based on potential return-on-investment. Retailers must meet shoppers where they already are or they will have a hard time converting them.

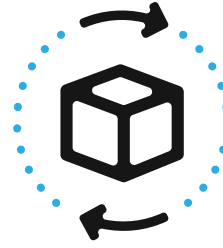


**2**

### Plan, Forecast and Manage Inventory

Many e-commerce leaders have issues with accurate visibility inventory levels; no retailer wants to be stuck with out-of-stock inventory which will potentially drive away potential shoppers from making purchases from their storefronts. At the same time, retailers don't want to be left with too much inventory that does not sell. The best way to maximize profits while minimizing losses is to use data to focus on items that will be in demand and sell them at a steady increased rate. In short, retailers need the data to support the products that are going to be the highest sellers because that is where they need to increase inventory the most.





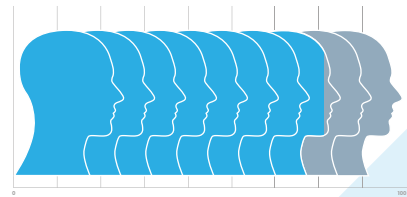
# 3

## Make Returns Easier

Product returns is another key area that is ripe for automation. The return rate for online purchases hovers around 20% normally and can surge from 30-50% during the holidays. Some retailers make returns harder thinking that it will reduce their return rate but that is a mistake for two key reasons. First, it annoys the shopper who will not convert into a loyal customer if they face an arduous returns process. Second, it makes more work for customer experience teams who should be focused on selling, fulfilling and finishing the abandoned checkout and reaching out to customers to finish sales. Retailers must have concise, clear returns policies as 79% of shoppers scrutinize retailers' returns policy before shopping. If they are confused or not confident of a returns policy, chances are they will not complete the buying experience.

# 79%

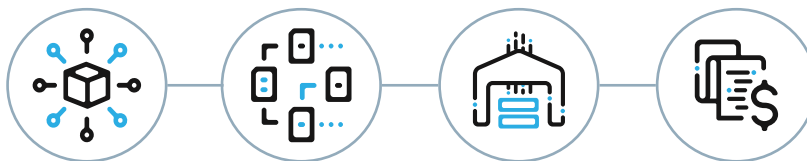
of shoppers scrutinize retailers' returns policy before shopping



# 4

## Improve e-Commerce Operations with Automation

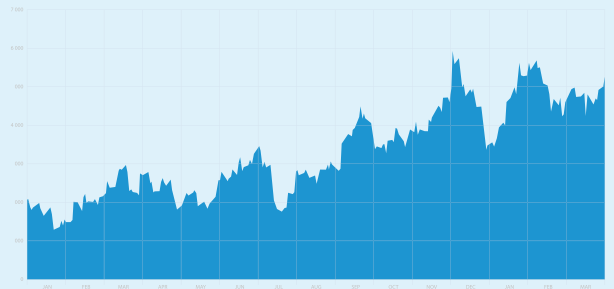
The top operational challenges retailers face each holiday season are delays in fulfillment and accurate fulfillment of orders. While being properly staffed or utilizing third-party logistics (3PL) providers can help alleviate those challenges, retailers can address the root cause of the problem with the right software and tools in fulfillment, 3PL, and other automated business processes. Manual processes are the biggest cause of holiday shopping headaches such as lack of inventory, poor fulfillment and weak connection to marketplaces. Automating those processes helps address the biggest pitfalls retailers face during the holidays.



# 5 Use Analytics and AI to Capture Critical Data Insights into Shopping Behavior

Retailers must leverage analytics and AI to obtain the right data that will provide accurate insights into current and future shopper behavior. Forward-thinking retailers are using substantive AI to drive predictive analytics strategies that gauge which products and shopping trends will be most popular with consumers over time. However, before embarking on an AI initiative, retailers must have solid automated business processes in place because AI will be ineffective without the accurate data generated by those processes. Fortunately, retailers can easily automate those processes by investing in iPaaS (Integrated Platform-as-a-Service) solutions.

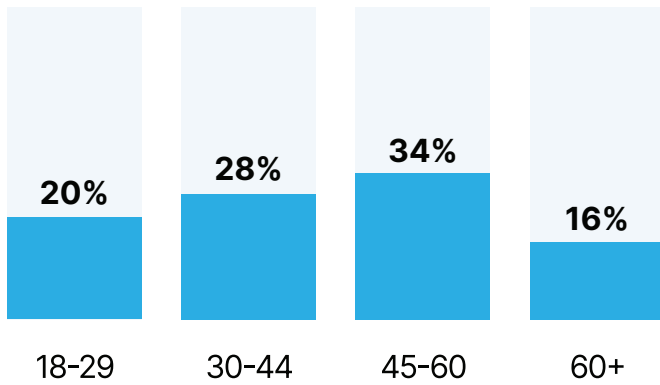
Now is the perfect time for retailers to make these impactful improvements that will ensure a more successful Holiday 2023. They will not only guarantee a stronger season, but they will have a long-lasting positive impact on sales, loyalty, and customer satisfaction while lowering costs and improving employee performance and productivity.



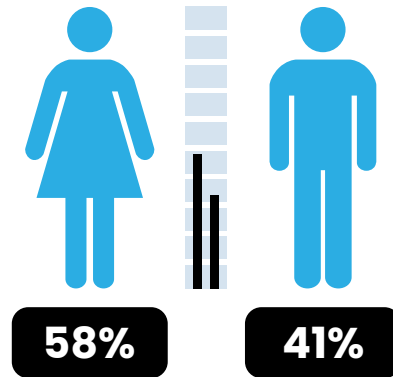
# Survey Respondents

Demographic Analysis of 1,088 Here is the demographic breakdown of survey respondents:

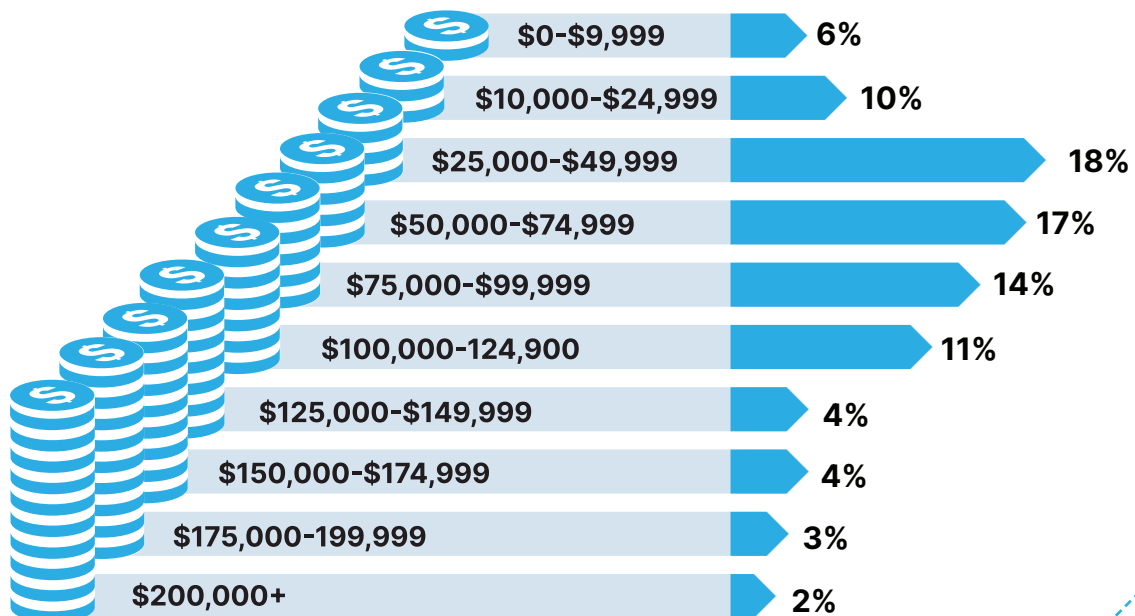
## Age



## Gender

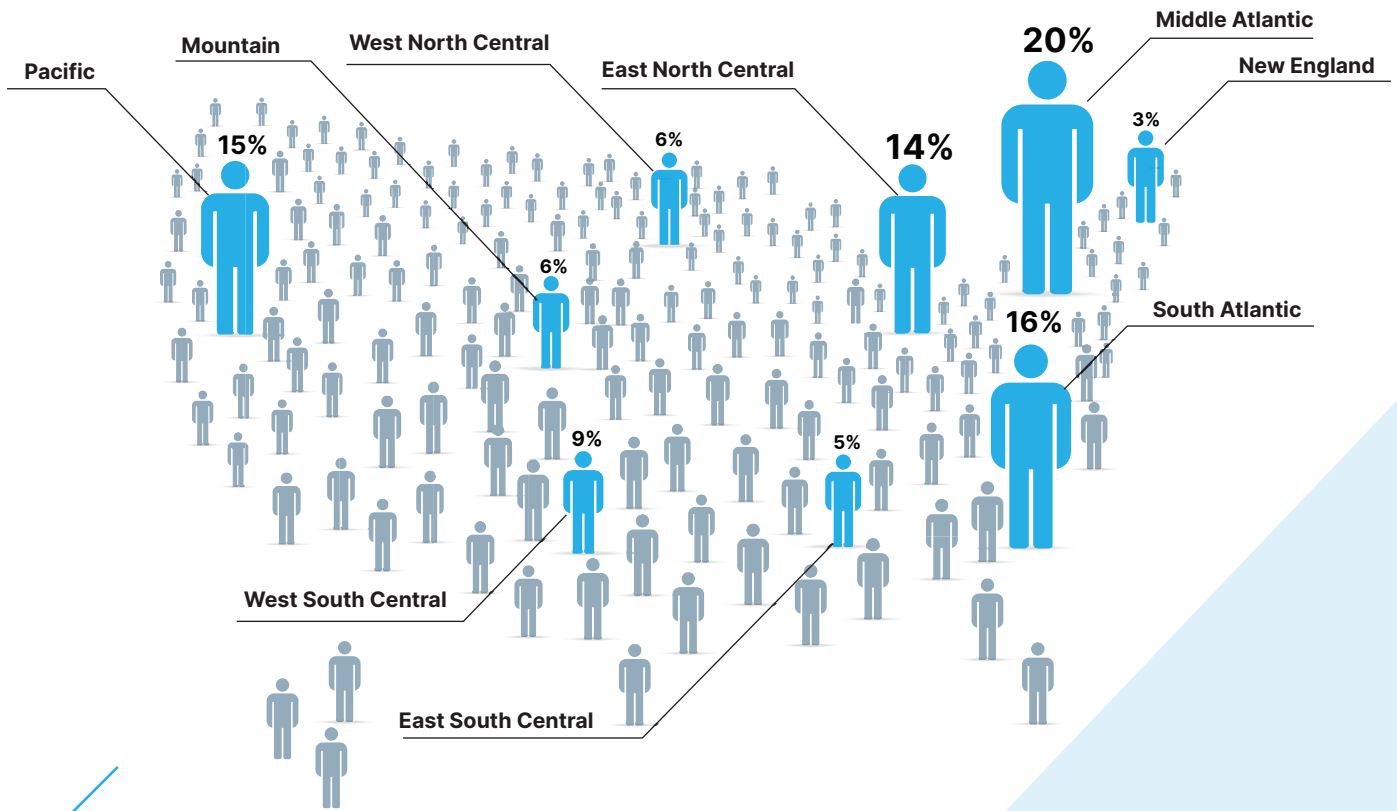


## Household Income





## Respondent Location (U.S. Regions)





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[Celigo](#) is the leading AI-driven integration-platform-as-a-service (iPaaS). At Celigo, we understand the evolving market and believe integration should be accessible to everyone in your organization. Our platform is built for both the line-of-business user and technical teams, promoting automation at every level of the business and enabling growth and innovation at scale.



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