COVID-19:
Holiday Shopping
2020

IN MARKET INSIGHTS

Overview

For most retailers, the weeks leading up to the holidays are the most important time of the year. According to Deloitte, Americans are expected to spend between $1.147 trillion and $1.152 trillion during November to January 2020 despite an ongoing pandemic and an uncertain economy.

While sales are expected to increase between 1% to 1.5% over 2019 figures, this holiday season is likely to look vastly different this year in terms of consumer behaviors due to COVID-19. With record unemployment and social distancing measures in place, what consumers are buying, how much they're spending, and how they purchase it (e.g. online, in-store, etc) are expected to change.

By layering customer loyalty, foot traffic volume over time, and survey data, InMarket has created a multi-level report that acts as a stand-in crystal ball to see what the upcoming holiday season behaviors might look like. Customer loyalty is an excellent barometer to measure healthy repeat business, while foot traffic maps the key peaks and valleys of the shopping cycle for many retailers. Additionally, survey data allows us to identify future intent, attitudes, and possible trends. We've also included the ideal times to visit to help shoppers best avoid the crowds and stay safe. Combined, these insights paint a clear picture—2020's holiday season will require new and innovative thinking to provide value for consumers as they navigate an evolving environment.

IN|MARKET

How We Did It

In this InMarket InSights Report, we're using our first-party, permission-based data collected from InMarket's SDK platform of Comscore-verified monthly active users in the U.S. In addition, in some cases, various third-party data sources may be used to augment our data for InMarket's InSights Reports.

In this report, we'll be analyzing three core areas to provide key InSights:

Loyalty Index
We ranked retailers based on their assigned loyalty index score, which was determined by the number of visits observed, and normalized for month-over-month comparability. For example, a retailer with 1,000,000 visits from 500,000 devices would have a loyalty score of 2, whereas a retailer with 10,000 visits from 4,000 devices would have a loyalty score of 2.5.

Foot Traffic
We've mapped visit fluctuations during key events, and have identified the most impactful shopping dates based on the heaviest foot traffic in each retail category. These insights allow brands to better support consumer demand and initiate conversations that engage shoppers during the moments that matter—while they are in the purchase process.

Survey Data
We surveyed a sample of over 2,000 U.S. based consumers collected from our first-party, permission-based SDK platform of Comscore-verified monthly active app users in August 2020 to understand holiday shopping and purchase intent, including timing and key influences.

INMARKET

Loyalty Index

Big box chains have all other categories beat when it comes to having the most loyal customers. Consumers are returning to big box stores repeatedly during the holiday season because of its appeal as a convenient one-stop shop to pick up groceries for dinner, decorations, wrapping paper/ribbon/tape, gifts, and other essentials to make sure the holidays go off without a hitch.

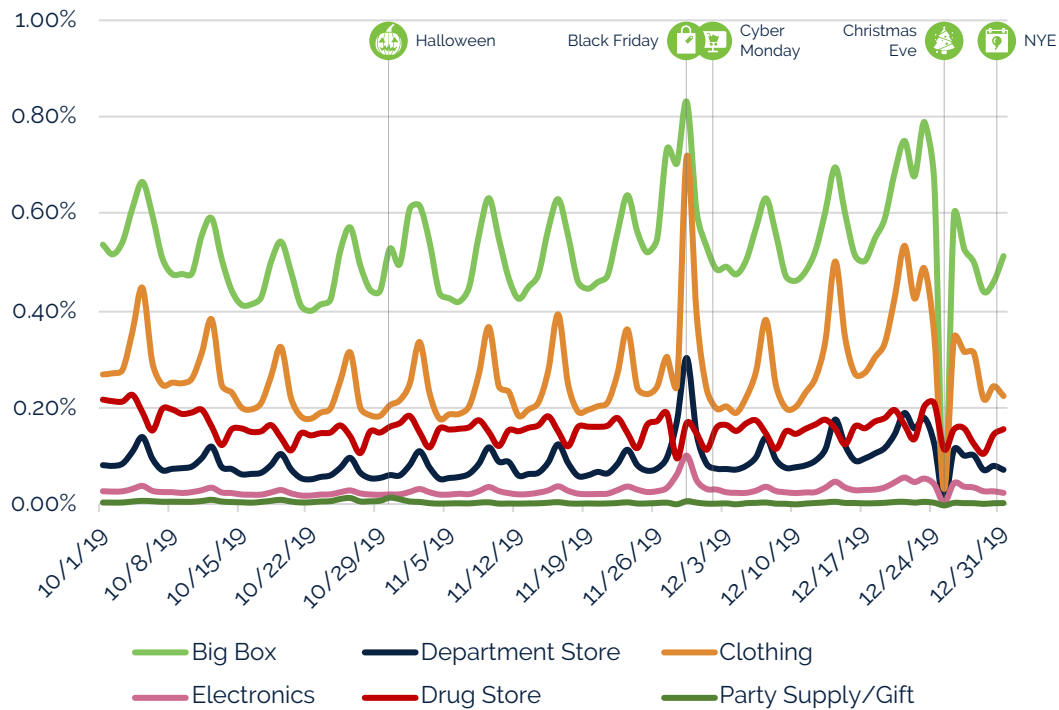|	Big Box	Index	Department Store	Index	Clothing	Index	Electronics	Index	Drug Store	Index	Party Supply/Gift	Index
1	Walmart	3.99	Macy's	1.89	SHOE SHOW	2.97	Best Buy	1.57	Duane Reed	2.41	Hallmark	1.30
2	Fred Meyer	3.23	Nordstrom	1.88	GUESS	2.46	Apple Store	1.32	CVS	2.03	Spirit Halloween	1.29
3	Meijer	2.97	Kohl's	1.69	Ross Stores	1.67	GameStop	1.29	Walgreens	1.95	PAPYRUS	1.23
4	Target	2.44	Sears	1.68	Marshalls	1.65	Game X Change	1.29	Rite Aid	1.86	Tuesday Morning	1.22
5	Costco	2.18	Elder-Beer Man	1.64	T.J. Maxx	1.62	Brookstone	1.21	Thrifty White Pharmacy	1.68	Factory Card Outlet	1.21
	Category Average	2.83	Category Average	1.44	Category Average	1.30	Category Average	1.32	Category Average	1.69	Category Average	1.19

Foot Traffic

Not surprisingly, the big box category saw the highest volume of daily foot traffic — this is likely because they are one-stop shopping destinations that enable consumers to consolidate multiple trips into one. After Thanksgiving, the increased foot traffic during the days leading up to Christmas are likely driven by last minute holiday shopping.

In terms of day of week, an upward trend in foot traffic was observed daily with Fridays generally experiencing the biggest increases, except for party supply/gift stores which were busiest on Wednesdays. Saturdays were the next busiest day of the week for half of the categories.

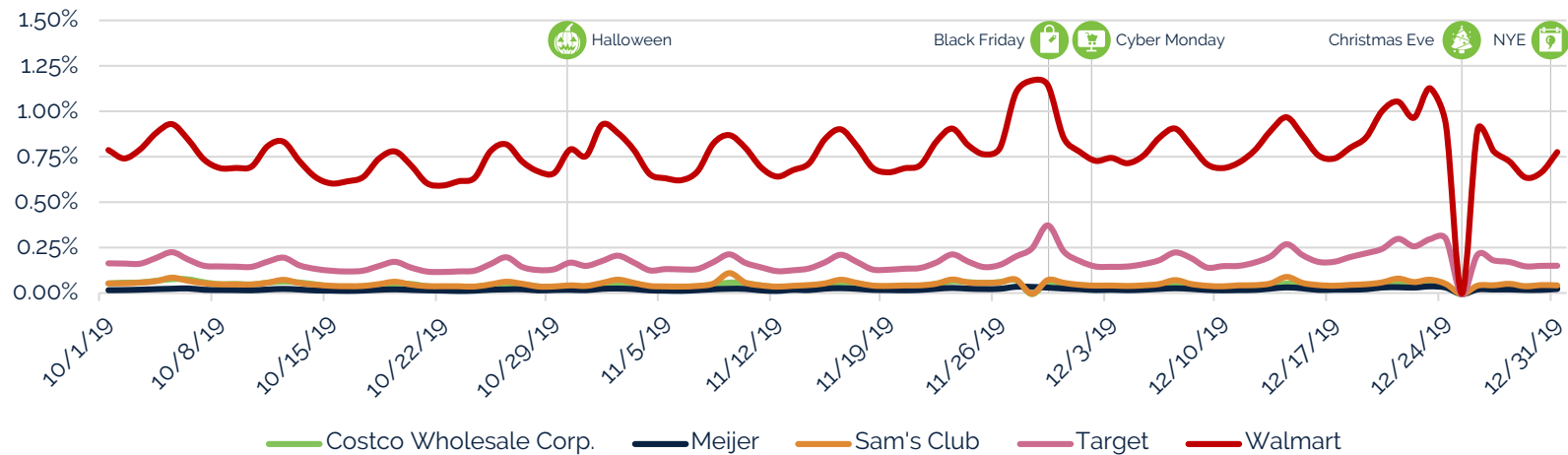## Top 5 Chains by Total Volume of Visits

	Big Box	Department Store	Clothing	Electronics	Drug Store	Party Supply/Gift
1	Walmart	Kohl's	Ross Stores	Best Buy	Walgreens	Spirit Halloween
2	Target	Macy's	T.J. Maxx	GameStop	CVS	Party City
3	Sam's Club	JCPenney	Marshalls	RadioShack	Rite Aid	Hallmark
4	Costco	Nordstrom	Old Navy	Apple Store	Health Mart	Spencer's
5	Meijer	Sears	Claire's Stores	Brookstone	Good Neighbor Pharmacy	Disney Store

Categories by Daily Foot Traffic — Q4 2019

Legend: Big Box, Department Store, Clothing, Electronics, Drug Store, Party Supply/Gift. Event markers: Halloween, Black Friday, Cyber Monday, Christmas Eve, NYE.

	1st Busiest Day of Week	2nd Busiest Day of Week	3rd Busiest Day of Week
Big Box	Friday	Monday	Saturday
Clothing	Friday	Saturday	Monday
Department Store	Friday	Saturday	Monday
Electronics	Friday	Thursday	Saturday
Drug Store	Friday	Tuesday	Wednesday
Party Supply/Gift	Wednesday	Saturday	Friday

Big Box Chains by Daily Foot Traffic — Q4 2019

🎃 Halloween   🛍 Black Friday   🛒 Cyber Monday   🎄 Christmas Eve   NYE

Legend: ● Costco Wholesale Corp.   ● Meijer   ● Sam's Club   ● Target   ● Walmart

Among the top five big box chains, Walmart held the highest volume of visits throughout the holiday shopping season. Big box holiday shopping seemed to start with Black Friday, and then saw a steady upward trend up until Christmas Eve.

Department Stores by Daily Foot Traffic — Q4 2019

🎃 Halloween   🛍 Black Friday   🛒 Cyber Monday   🎄 Christmas Eve   NYE

Legend: ● JC Penney   ● Kohl's   ● Macy's   ● Nordstrom   ● Sears
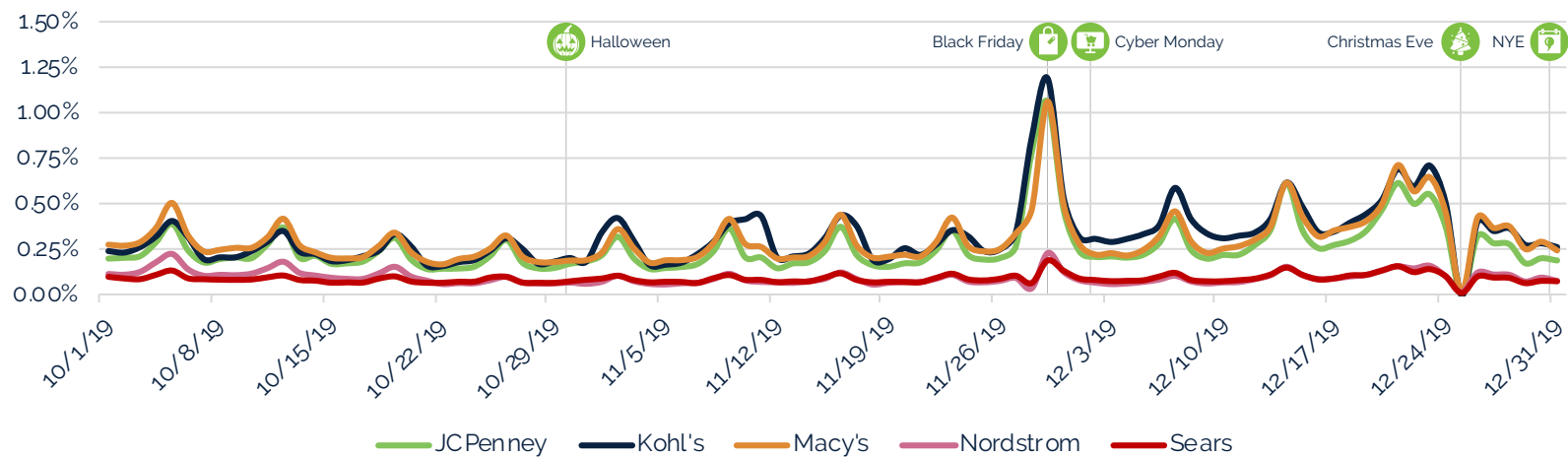
The top five department stores saw very similar foot traffic patterns, likely due to the fact that these chains are clustered in the same malls — a consumer would be able to conveniently visit each one of these stores in just one shopping trip. Similar to big box stores, department stores also saw their busiest day on Black Friday. However, while this category's Christmas Eve was not as busy as that of big box stores, it was still one of the busiest days in December.

IN MARKET

Apparel Chains by Daily Foot Traffic — Q4 2019

Legend: Claire's Stores · Marshalls · Old Navy · Ross Stores · T.J. Maxx
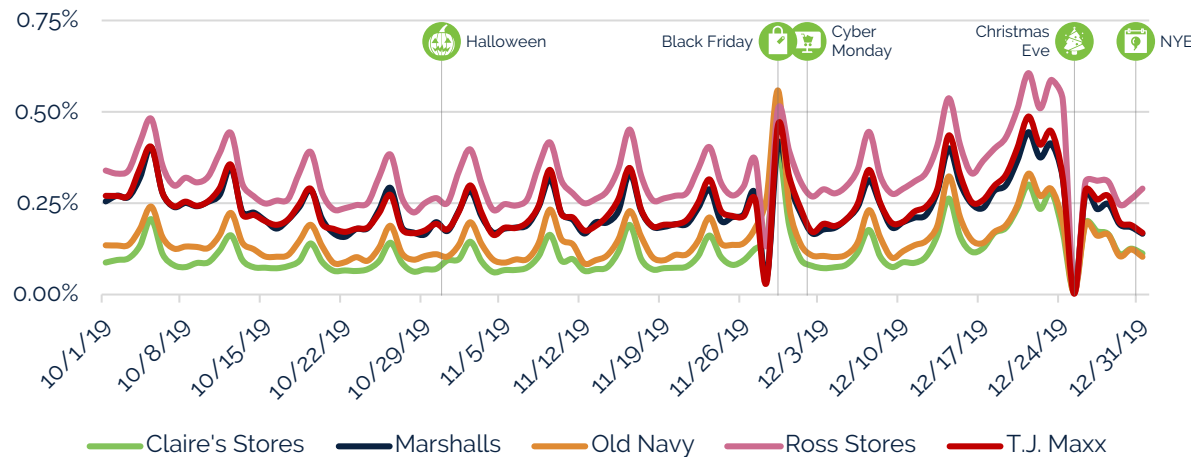
Similar to department stores, apparel chains also saw very similar shopping patterns. The top five apparel chains are typically mall-centric and could likely have been visited all in the same shopping trip. Interestingly, Marshalls, Ross Stores, and T.J. Maxx are discount chains which not only offer everyday low prices, but also a variety of items besides apparel (e.g. home decor, toys, etc.) which are all great gift options. While budgeting has always been top of mind during the holidays, value will be especially important this year due to COVID-19.

Claire's and Old Navy are normally responsible for a much smaller portion of foot traffic than Marshall's, Ross, and T.J. Maxx. However, these two chains saw significantly larger jumps around Black Friday than the other three. In contrast, this pattern is not seen around Christmas as all chains have a fairly similar and proportional increase in visits.

Drug Store Chains by Daily Foot Traffic — Q4 2019

Legend: CVS · Good Neighbor Pharmacy · Health Mart · Rite Aid · Walgreens
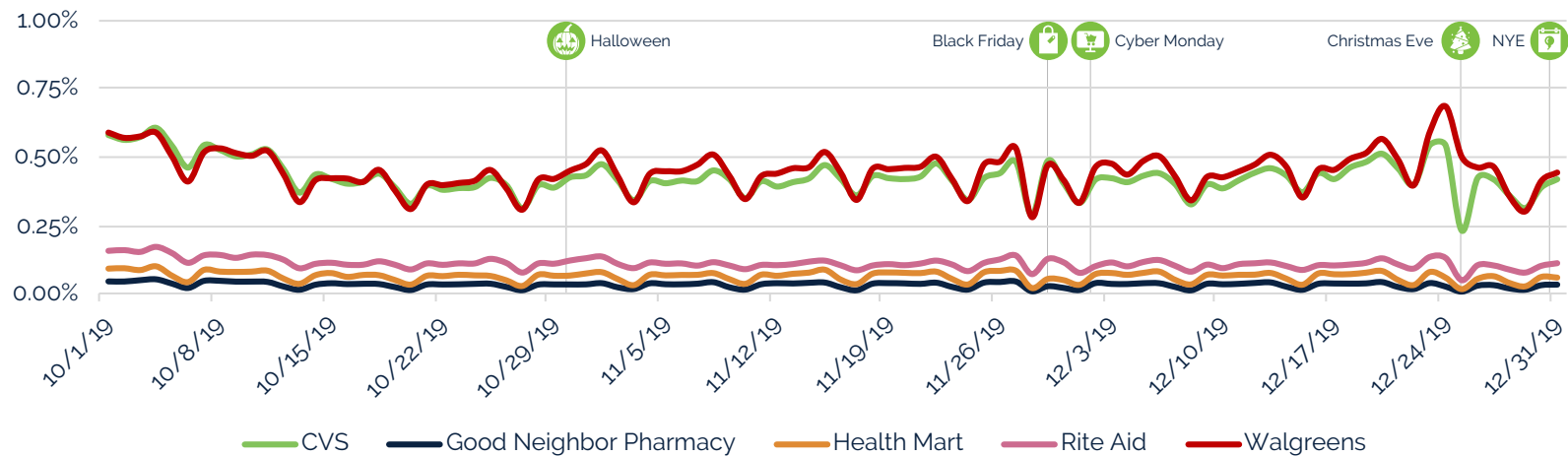
Walgreens and CVS had the highest volume of traffic. Drugstore chains typically saw their busiest foot traffic days on Fridays with smaller spikes in foot traffic early in the week on Mondays and (to a lesser extent) Tuesdays. The spike on Christmas Eve was likely due to consumers stopping in to pick up their medications before most businesses closed their doors, and for other last minute items like Christmas cards, candy, gift cards, or small stocking stuffers.

Electronics Store Chains by Daily Foot Traffic — Q4 2019
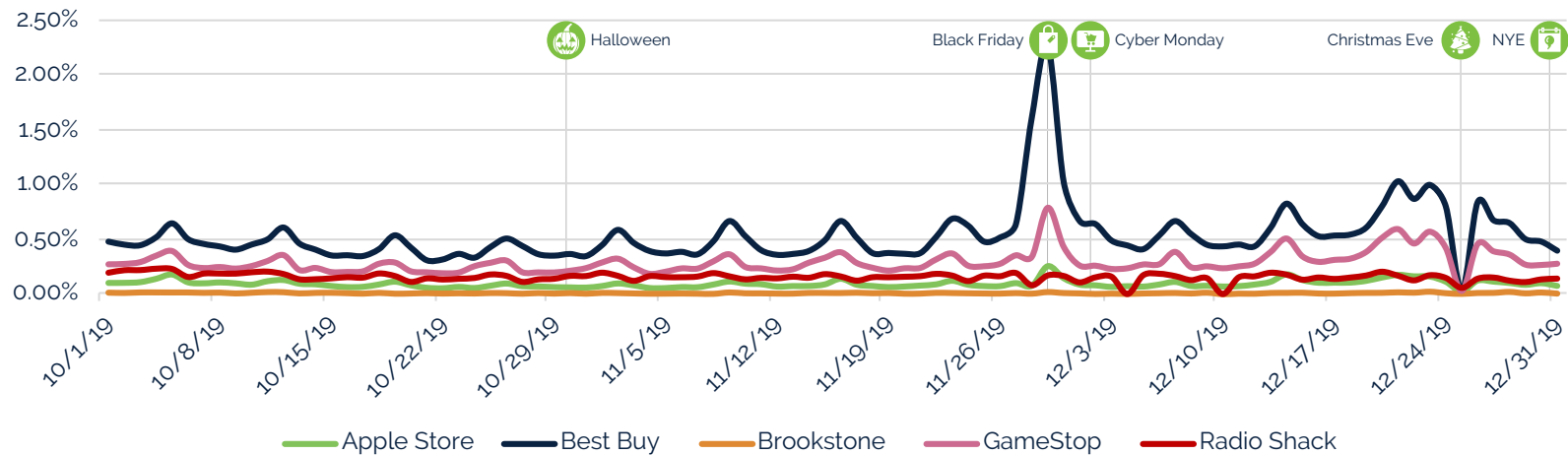
While there was an incredible spike in store foot traffic on Black Friday, electronics store chains saw a consistent upward trend leading up to Christmas. Saturdays were the busiest days for driving visits in stores. Best Buy, followed by Apple stores, were the top retailer for driving the highest volume of overall visits during the holiday shopping period. Interestingly, Apple stores saw a larger increase around Christmas than on Black Friday when compared to other competitors in the same category.

Party Supply Stores by Daily Foot Traffic — Q4 2019
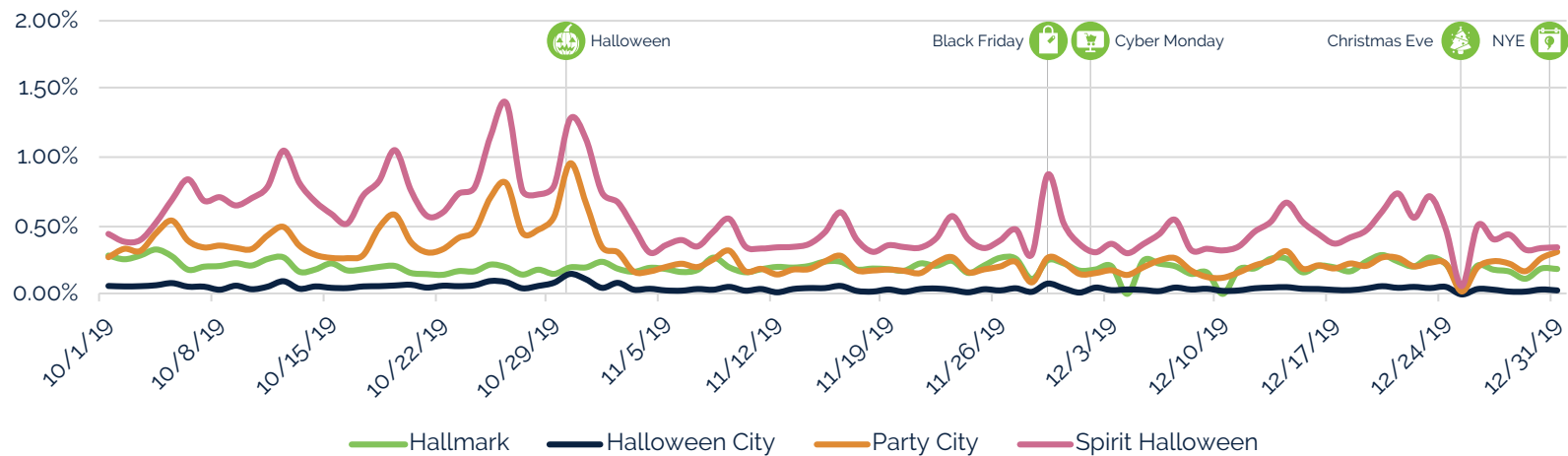
Party supply stores saw more erratic foot traffic than other categories. While the weeks leading up to Halloween were the busiest time during Q4, there was another spike on Black Friday—the official start of the holiday shopping season—as well as a slight upward trend leading up to Christmas for entertaining and family gatherings. The steady incline in visits for party supply stores may have been due to consumers purchasing holiday-themed decorations and disposable cups, plates, cutlery, and more to make hosting for big parties more colorful and convenient.

INMARKET

Hourly Visits by Category — Q4 2019

Hour	Big Box	Department Store	Clothing	Electronics	Drug Store	Party Supply/Gift
6:00 AM	0.84%	0.38%	0.37%	0.51%	0.64%	0.50%
7:00 AM	1.67%	0.69%	0.75%	1.11%	1.71%	0.87%
8:00 AM	2.84%	1.39%	1.53%	1.80%	3.41%	1.61%
9:00 AM	4.19%	2.98%	3.03%	2.95%	4.59%	3.01%
10:00 AM	5.92%	5.72%	5.38%	5.52%	5.86%	5.21%
11:00 AM	7.22%	7.85%	7.47%	7.38%	7.11%	7.10%
12:00 PM	8.21%	9.43%	9.23%	8.86%	8.15%	8.81%
1:00 PM	8.36%	10.18%	9.85%	9.24%	8.22%	9.45%
2:00 PM	8.32%	10.12%	9.94%	9.40%	8.50%	9.45%
3:00 PM	8.60%	10.03%	9.95%	9.53%	9.00%	9.83%
4:00 PM	8.94%	9.81%	9.82%	9.53%	9.24%	10.06%
5:00 PM	8.82%	9.30%	9.44%	9.58%	9.14%	9.67%
6:00 PM	7.87%	8.10%	8.45%	8.68%	7.80%	9.01%
7:00 PM	6.52%	6.55%	6.86%	7.14%	6.31%	7.20%
8:00 PM	4.79%	4.13%	4.42%	4.81%	4.65%	4.59%
9:00 PM	3.48%	1.96%	2.03%	2.17%	3.01%	2.09%
10:00 PM	2.21%	0.92%	0.99%	1.14%	1.66%	1.01%
11:00 PM	1.20%	0.45%	0.51%	0.66%	1.00%	0.53%

This table shows the breakout of foot traffic seen throughout the day within its own category. For example, 8.94% of all traffic at big box stores were seen at 4PM. However, 10.03% of all traffic at clothing stores were seen at 3PM.

- Big box stores were more consistently busy with foot traffic spread out throughout the day. Their peak hours were a little less busy than other categories.

- Big box stores saw some of their busiest foot traffic from 12pm until about 6pm during Q4 2019. Shoppers looking to avoid crowds are best off shopping in the morning, or later in the evening.

- Clothing stores are busiest from 12pm-6pm. For shoppers interested in avoiding the crowds, mornings before noon are the best bet, while evenings are a little better (but not ideal).

- Department stores are slightly more forgiving than clothing stores in terms of when best to shop (but shoppers definitely do not want to visit during their peak hours as they have the highest percentage of traffic seen during that time). While department stores see some of the highest percentage of visits from 1pm-4pm, shoppers can avoid some of the crowd before noon, or 7pm and later.

- Drug stores are pretty consistently busy throughout the day with peak foot traffic from 3pm-6pm, so it's likely it'll be busy no matter what time shoppers go. However, the ideal times to shop are early morning before 11am, and 8pm or after.

- Party supply/gift stores experience their peak shopping hours from 1pm-7pm, with the busiest hour at 4pm. Shoppers are best off visiting before noon, and after 7pm.

- Electronics stores see their peak hours from 1pm-6pm with their busiest hours at 5pm-6pm. If shoppers want to beat the lines, they're best off visiting in the mornings before 1pm, or after 6pm.

Survey Data

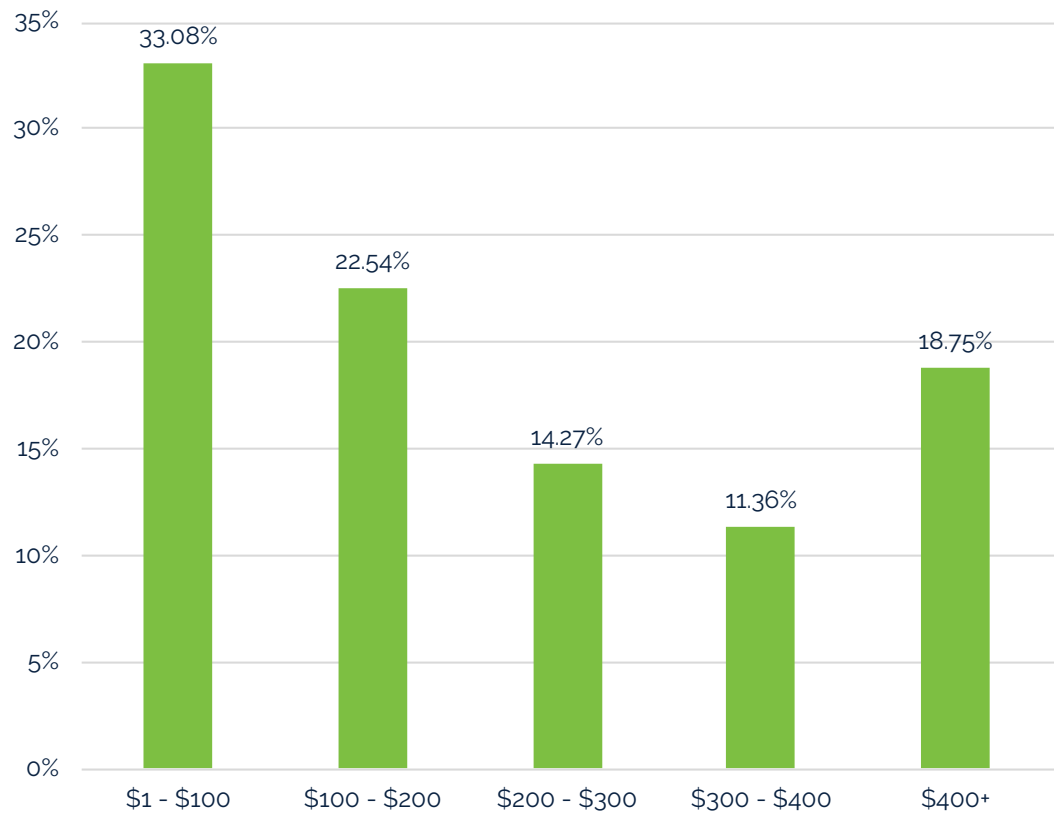## How Do You Plan on Buying Gifts?
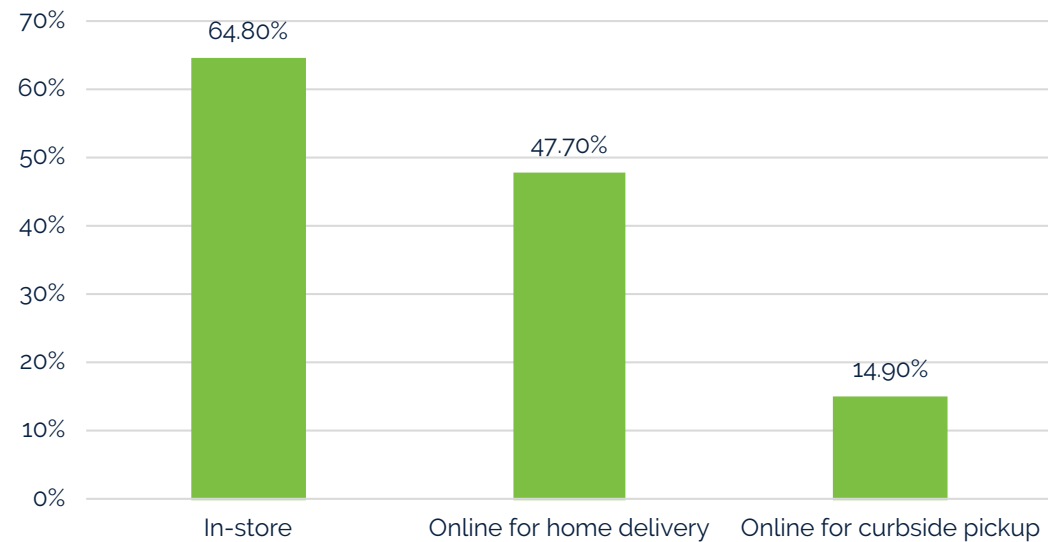
The vast majority, nearly 65% of those surveyed, plan on shopping largely in stores this upcoming holiday season. However, online for home delivery (47.70%) is the next popular choice with curbside pickup (14.90%) as the least favored choice.

Interestingly, omni-channel shopping is becoming popularized as 16% of those surveyed preferred a combination of in-store and online for home delivery when purchasing gifts. 7% responded they preferred a combination of in-store and online for curbside pickup, and 6% preferred a combination of all three. Consumers will be shopping through multiple channels for maximum flexibility. In addition, this behavior will likely vary and shift based on the current status of the pandemic at the community level.

How Much Do You Plan to Spend on Gifts for Others?

Over half of those surveyed (55.62%) plan on spending less than $200 on gifts this holiday season as consumers keep budgets and value top of mind.

What Gifts Do You Plan on Buying for Others?
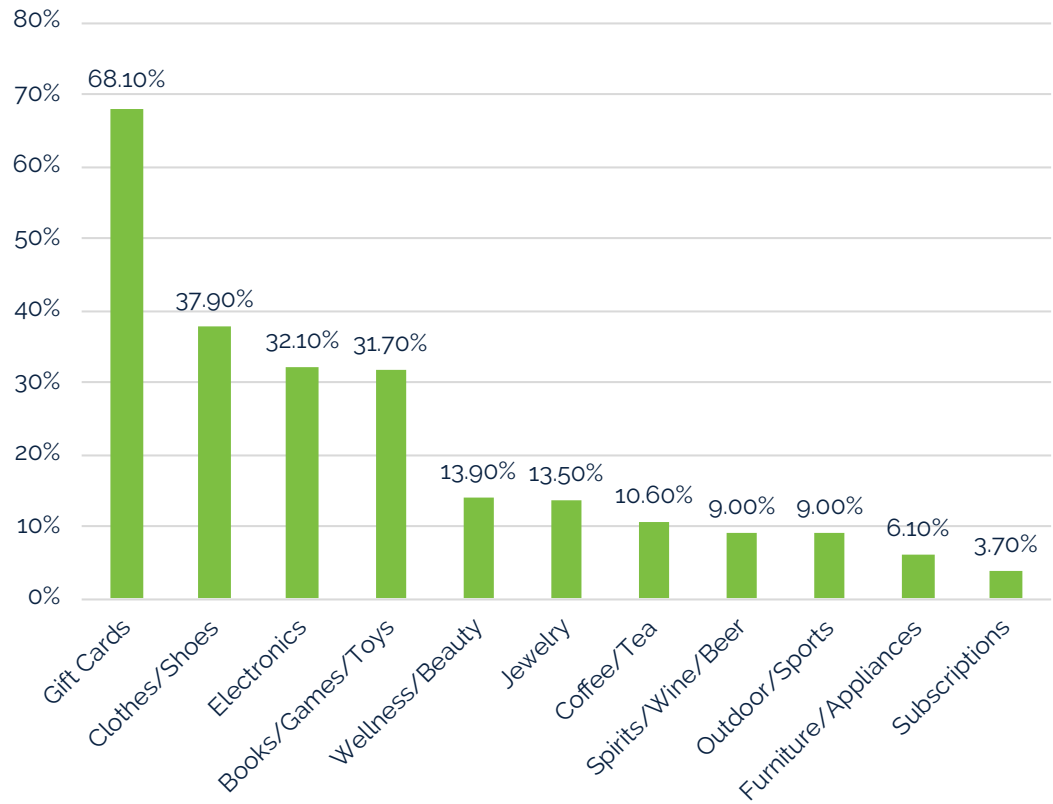
Gift cards (68.10%) were by far the overwhelmingly top choice for holiday giving this year. Gift cards are a flexible choice for consumers who want to maintain social distancing—postage for mailing a physical gift card is cheaper than other items that are larger or heavier, and also can be sent via email instantly for free.

The next most popular gifts were clothes/shoes (37.90%), electronics (32.10%), and books/games/toys (31.70%), which are fairly traditional and expected gifts to give.

IN MARKET

What Service Most Influences Where You Will Choose to Shop This Holiday Season?
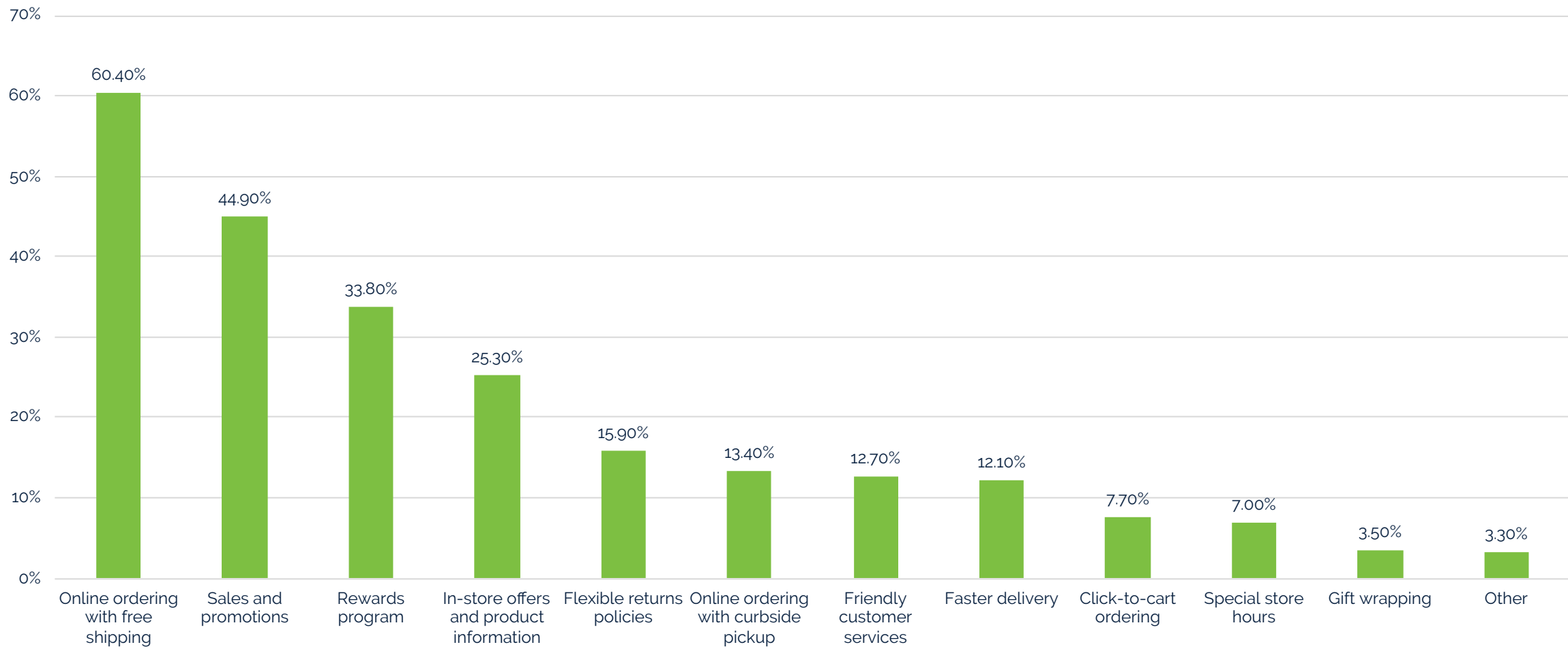
A large majority of those surveyed highly value online ordering with free shipping (60.40%) when considering where to shop. Sales and promotions (44.90%) were the next most popular service as consumers seek value and are mindful of their budgets during uncertain times.

INMARKET

Conclusion

While COVID-19 may have impacted how the holidays are celebrated this year, plans and purchasing continue. By leveraging past visitation and loyalty data--and combining it with future intent data collected via survey's-- InMarket is able to provide consumers, brands, and agencies with a fuller picture in regards to how this holiday season may look. For consumers, that means planning ahead by paying attention to when and where you shop. For marketers, exercising flexibility to adapt to a changing environment and evolving consumers needs will be critical to success. By offering relevant products, services, advice, and value in real time, advertisers can help ensure awareness, consideration, and ultimately purchase during the all important holiday season.

Finally, brands and advertisers should also keep in mind these critical trends and insights:

- Focus on a hybrid of in-store and online options

- Highlight convenient online ordering and free shipping

- Emphasize value messaging, which highlights relevant sales and promotions

- Spotlight gift cards as an offering

- Shift to real-time strategies to meet consumers during their moment of need

- Be flexible and think local—understand consumer needs and challenges at the community level

To view additional reports, please visit InMarket's COVID-19 InSights Center.

For more information on InMarket InSights, or to learn about how InMarket's advanced segmenting and one-to-one in-store and out-of-store advertising programs can help you drive business, please contact us today.

IN MARKET