



**Real-Time
Consumer
Insights**

December 2020

Special Report: Black Friday Weekend '20
Early Holiday Shopping Winners & Losers

A Letter From Our Founders

It's happening. 2020 is coming to an end. Before then, consumers have a ton of gifts to unwrap.

Imagine if you could know what gifts are hiding under the tree – before they're unwrapped – on a massive scale. Talk about an investment edge.

Luckily, this level of fortune-telling is our specialty at LikeFolio.

We've been listening to consumers over the last month...and the data is unbelievable. We identified 3 key segments of Holiday Shopping winners and losers.

This report analyzes:

- **Shopping:** Where consumers are shopping? What stores are they visiting (online or in-person) to score their favorite gifts?
- **Platforms & Payments:** What companies (perhaps under the radar) are facilitating these purchases and connecting brands with consumers?
- **Hot Gifts:** What are the most popular items under the tree? And which items aren't doing as well as expected?

Most importantly, **we highlight the key trends driving these decisions.** Understanding the “why” is what makes this data so powerful, and so predictive. More than 25 companies are covered in this report and compared against their peers.

Good stuff. Consider it our Holiday gift to you.

Enjoy,

Andy and Landon Swan



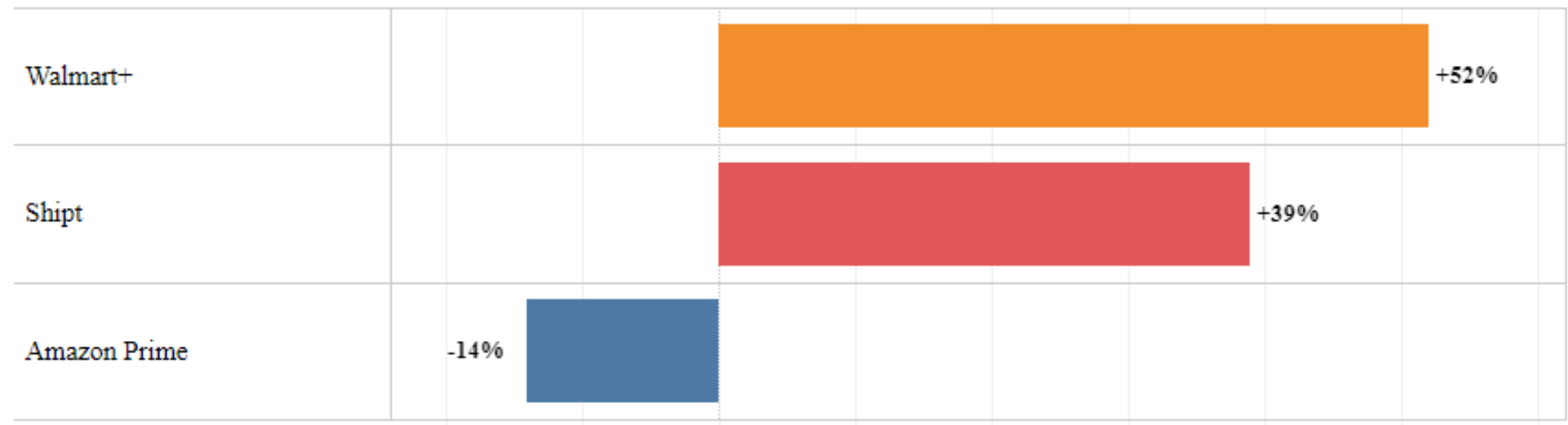
Winners & Losers



Shopping – Winners

BBY, KSS – Digital Execution: Purchase Intent mentions surged for Best Buy and Kohl's, and most mentions referred to item availability online. This successful transition to eCommerce is a promising sign moving forward, and investors may not expect it out of KSS, especially.

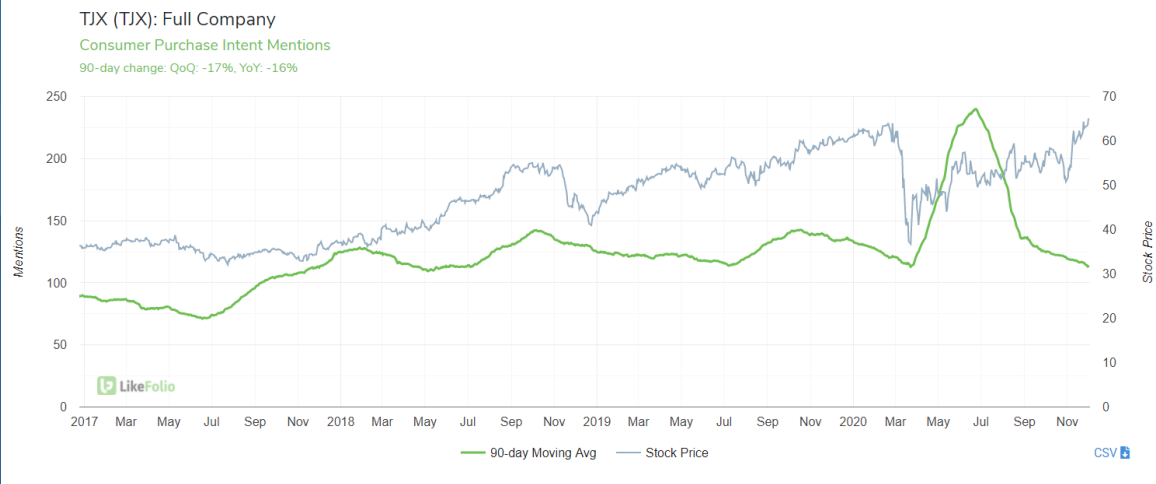
WMT, TGT – Omnichannel: Target and Walmart continued to enhance their digital offerings this year. Walmart+ adoption rates soared and Target's Shipt platform mentions also boomed in November. In contrast, Amazon exhibited relative weakness (see mention growth chart below).



Shopping – Losers

TJX – Digital Flop: TJX has a limited digital platform offering...and it shows. Purchase Intent mentions are plummeting as consumers avoid crowded stores. As unique gift ideas are increasingly available online, TJ Maxx may need to diversify its offerings to remain competitive.

DDS – Mall Shopping: Investor expectations for Macy's are extremely low, so weakness in that name wasn't shocking. But Dillard's slump in shopping mentions surprised us: -47% YoY. This may also surprise investors.



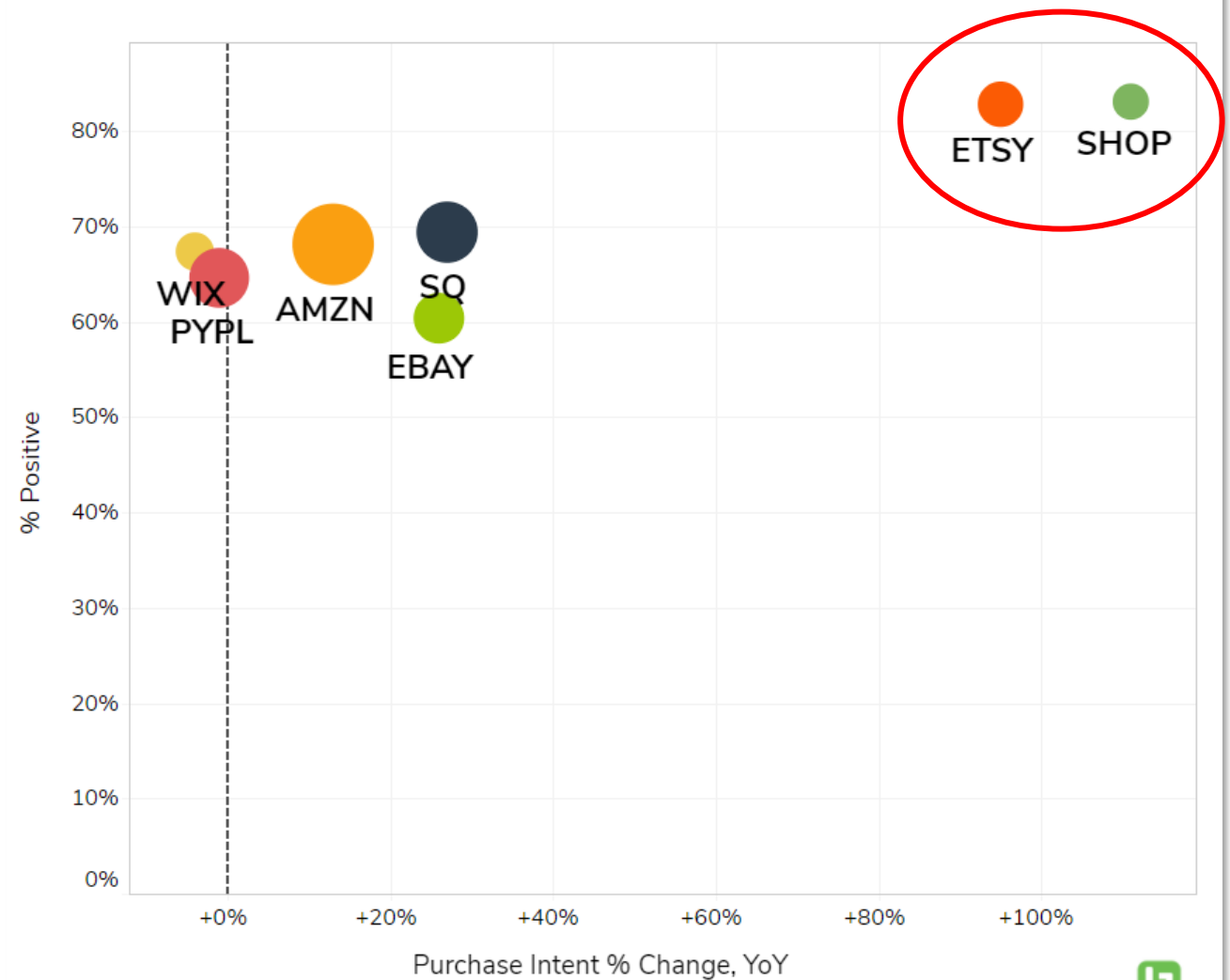
Platforms & Payment - Winners

ETSY, SHOP – Clear Leaders:

Not only are users flocking to Shopify and Etsy, they're extremely happy. The chart on the right shows just how far they're separating themselves from the pack. Impressive.

These names are being propelled by major trends detailed later in this report: they are empowering brands to meet consumers online.

YoY Change in Purchase Intent vs. % Positive Sentiment



Platforms & Payment - Loser

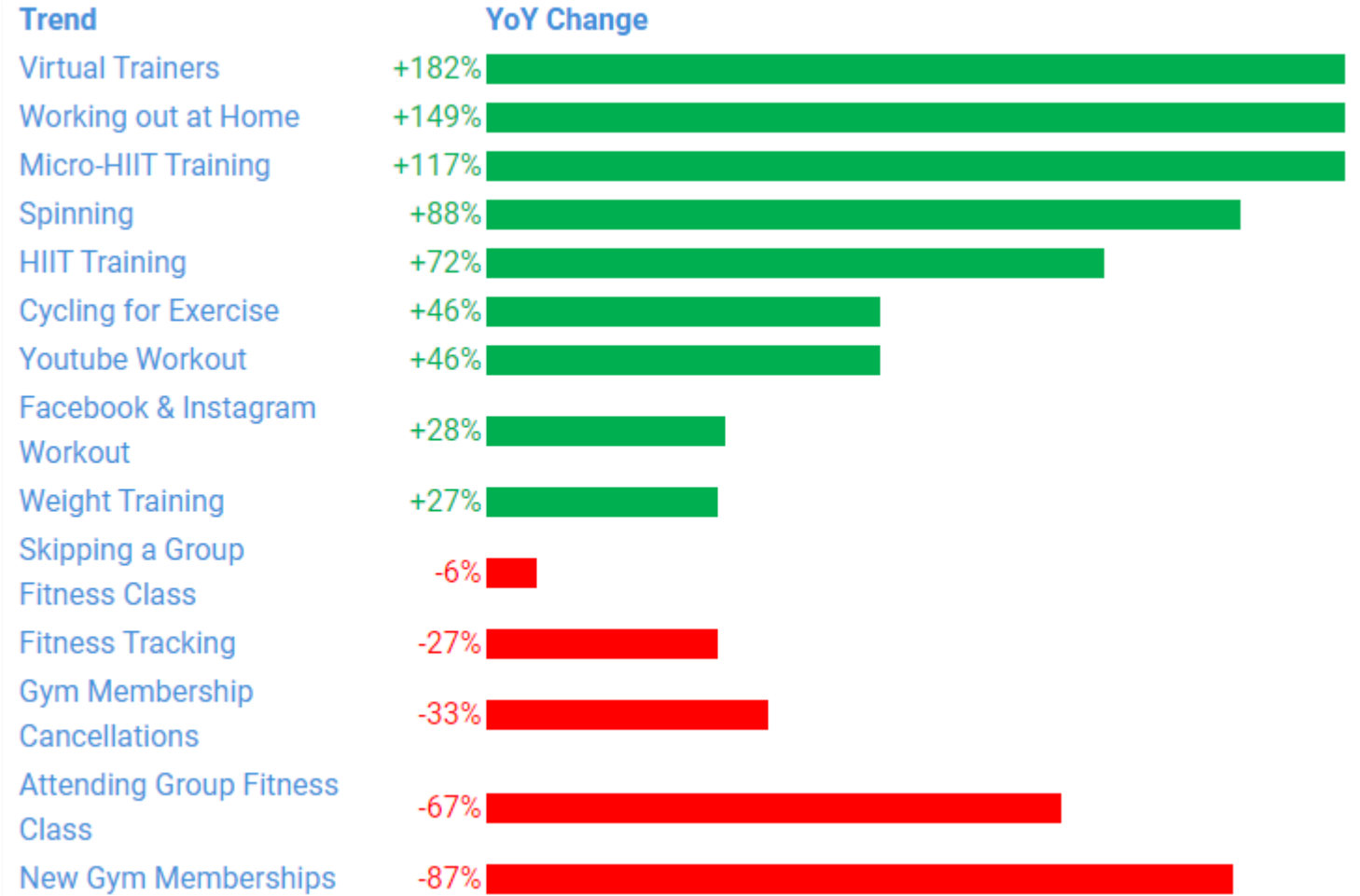
PYPL – Getting Stale? While payment provider SQ expanded its services over the past year, PayPal is playing a bit of catch up. On top of that, Ebay allowed its payment agreement with PayPal to [expire earlier this year](#). While digital transactions are expected to rise across the board (remember the ecommerce mention growth we noted earlier), it may not be enough to meet investor expectations. As shares hover near all-time-highs, demand isn't following suit.



Gifts - Winners

PTON, NLS – Home Fitness Platforms:

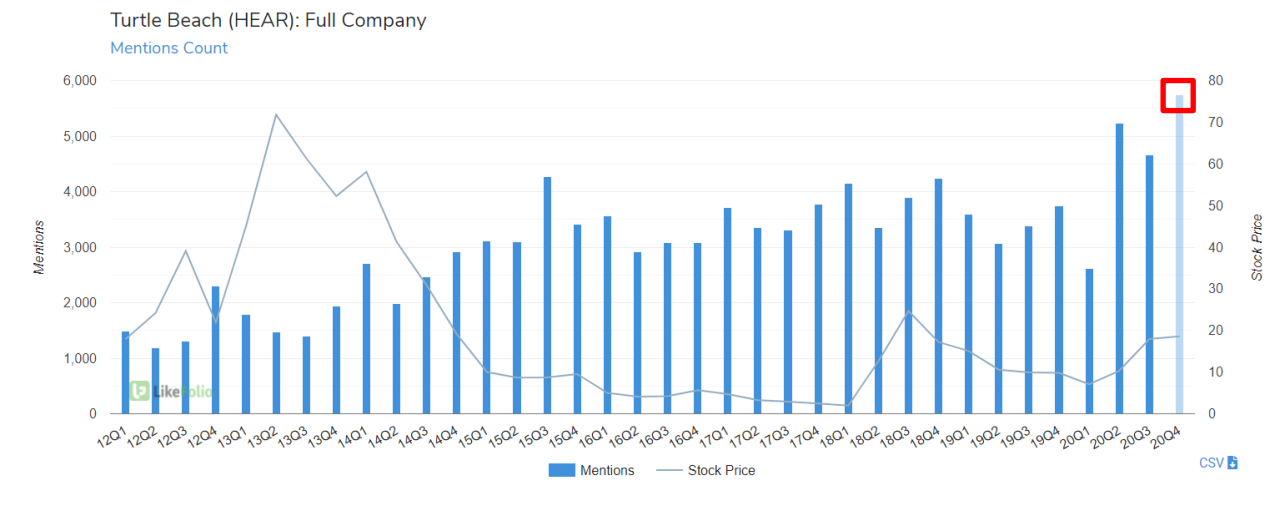
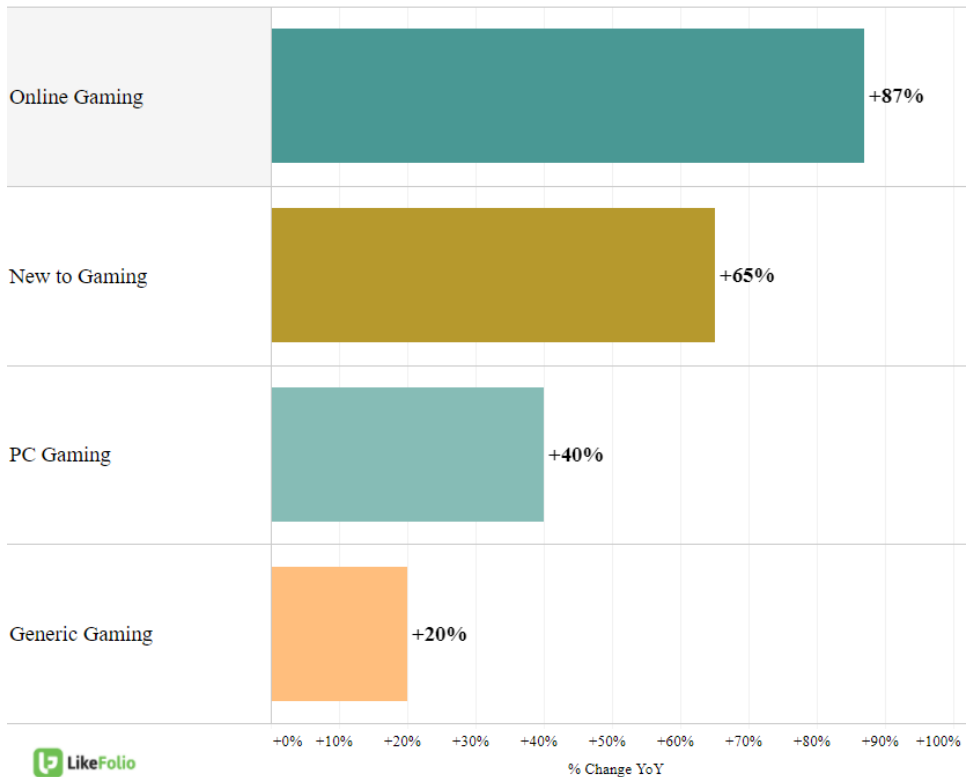
In past years, fitness trackers were go-to Holiday gifts. Now consumers are thinking bigger. Peloton and Nautilus, who both offer home fitness equipment AND subscription services, are surging. This is no surprise. Check out Fitness trends to the right, displaying YoY growth in the past 90 days.



Gifts - Winners

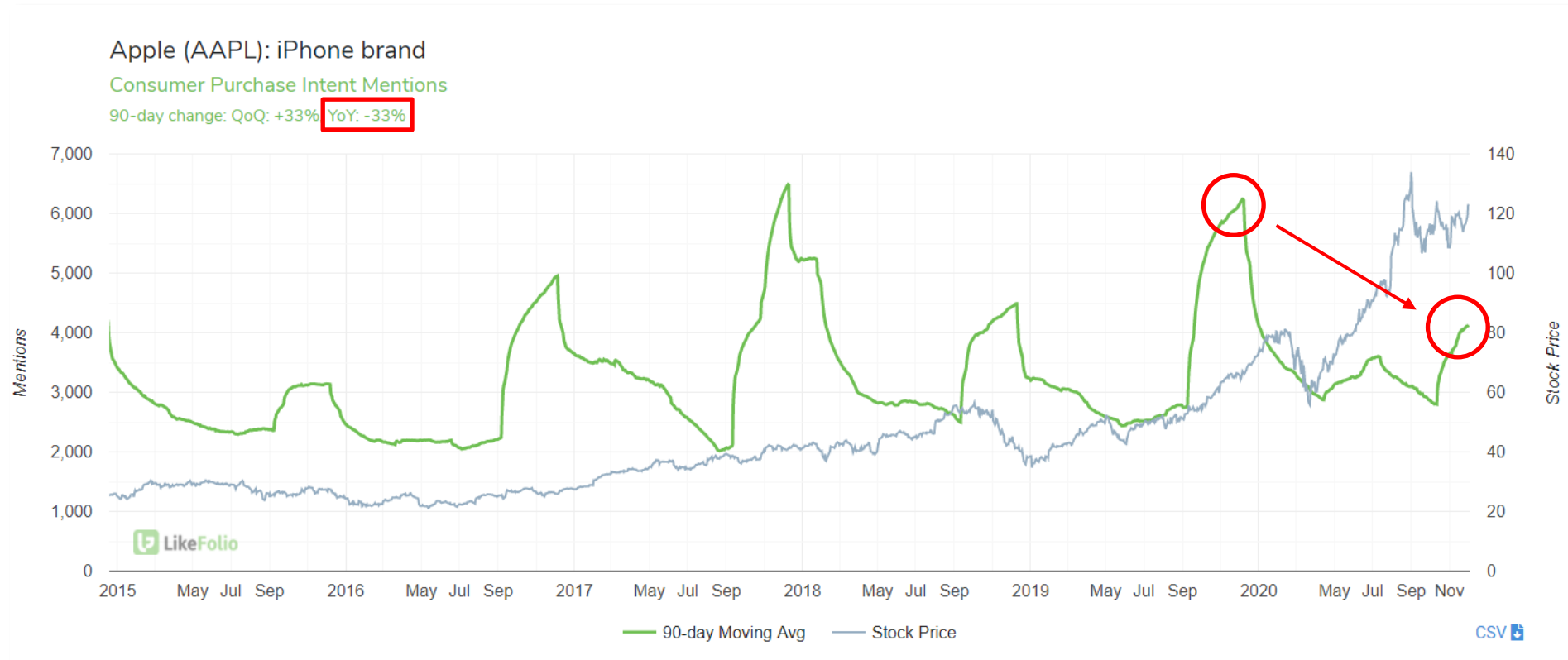
HEAR – Gaming: Most investors know Xboxes and Playstations flew off shelves. What investors may not consider is that these gamers also need accessories. Turtle Beach products are in high demand...and the best part? The market doesn't know it yet.

Trend



Gifts - Loser

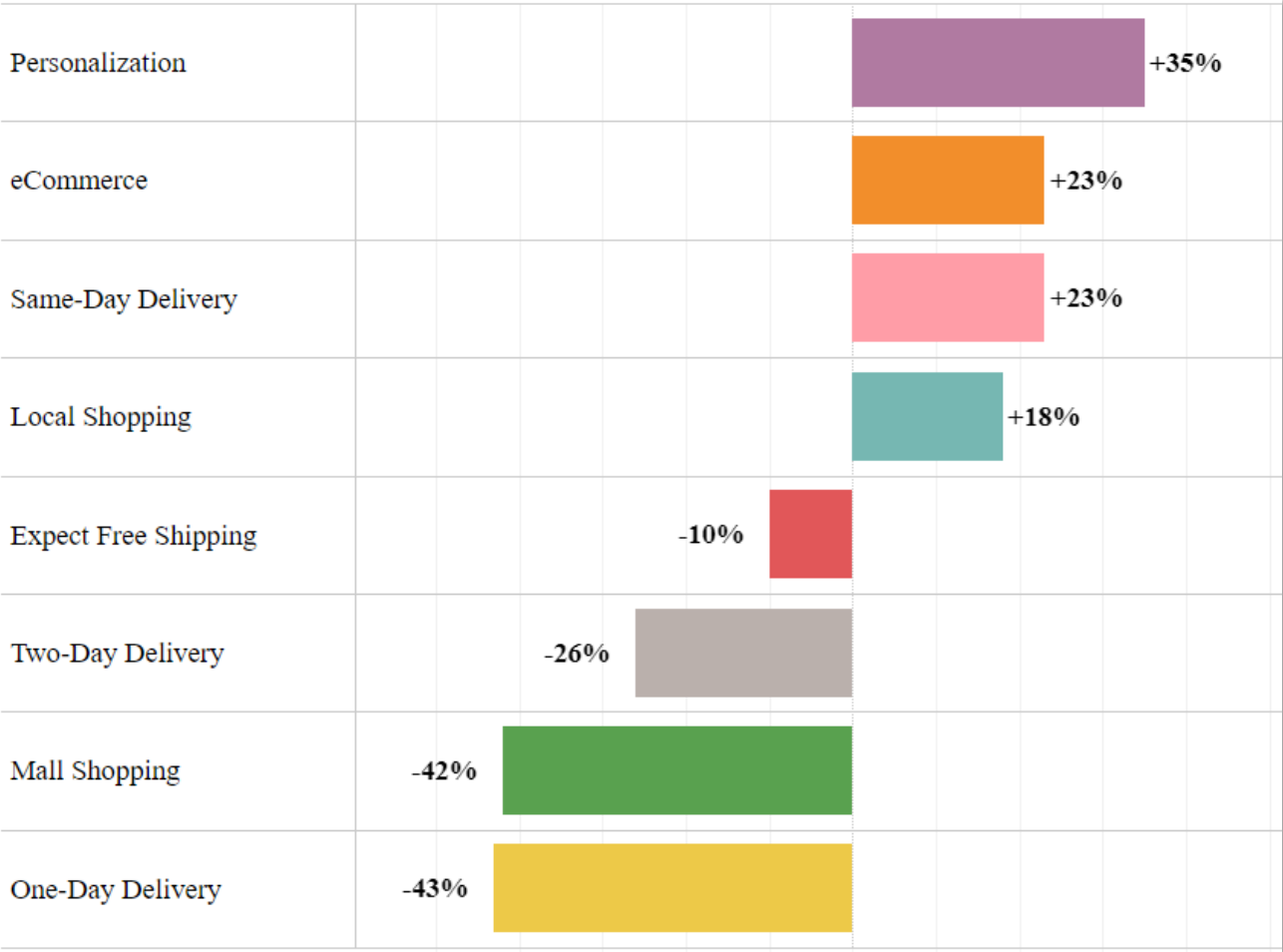
AAPL – Short-term Pain. Apple iPads and Macs continue to exhibit strength as consumers work from home. The market knows this. What we're noting: AirPods and Apple Watch Purchase Intent is declining. While these were once go-to gifts, data suggests significant weakness. On top of that, Apple's new iPhone models aren't booming, comparatively. While Apple is focused on growing its service offerings long-term, device weakness may surprise investors on its next report.



Trends



Trends – Decision Drivers



The chart above plots the YoY percent change in consumer macro trend mentions in November.



Trends – Decision Drivers

- ✓ **Consumers are hunting personalized gifts.**

[Mentions](#) of consumers purchasing *personalized* items increased 35% YoY in November. Tweet review revealed these custom gifts are available in “[local](#)” shops...many of which are now online. Note that consumer intent to shop locally also increased YoY, +18%.

- ✓ **Shipping expectations are rising.**

Amazon’s 2-day delivery used to be the standard. Now, consumers want more. While 1- and 2-day delivery mentions are on the downtrend, same-day delivery mentions increased 23% YoY. In addition, more consumers than ever expect shipping to be free. Many indicated this was a [deal breaker](#).

- ✓ **Location-based retail is struggling.**

Mall-shopping mentions are bottoming out while eCommerce mentions rocket. However, location-based retailers that allow consumers to order-online then [pick up in store](#) are extremely well-positioned for success. The most significant trend shift of the year was curbside pickup & delivery.

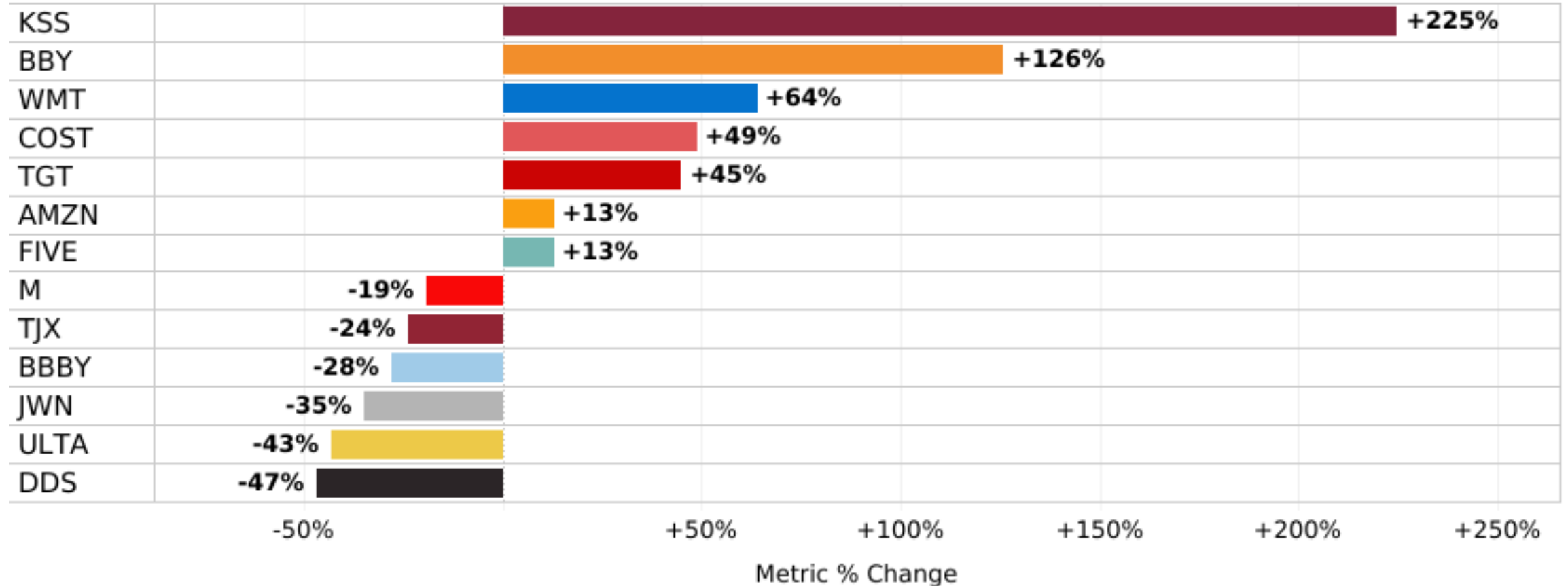


Shopping (Stores)



Shopping (Stores)

Consumer Purchase Intent Growth in November, YoY



Shopping - Key Takeaways

- ✓ **Consumer timelines for Holiday shopping shifted in 2020.**

Retailers launched November-wide “Black Friday” sales, and shoppers capitalized. Consumer mentions of “being done with Holiday shopping” increased 36% YoY in November.

- ✓ **Deals and “hot items” drove purchase intent, especially digitally.**

Best Buy (BBY) and Kohl’s (KSS) experienced a surge in demand due to promotions for key items in the gaming industry. Meanwhile, traditional “hot items” (we’re looking at you, Apple) cooled this season.

- ✓ **eCommerce really is everything.**

Retailers with weak (or non-existent) digital experiences suffered...a lot. Retail locations with robust omnichannel options for consumers -- think order online, pick up in-store -- thrived.



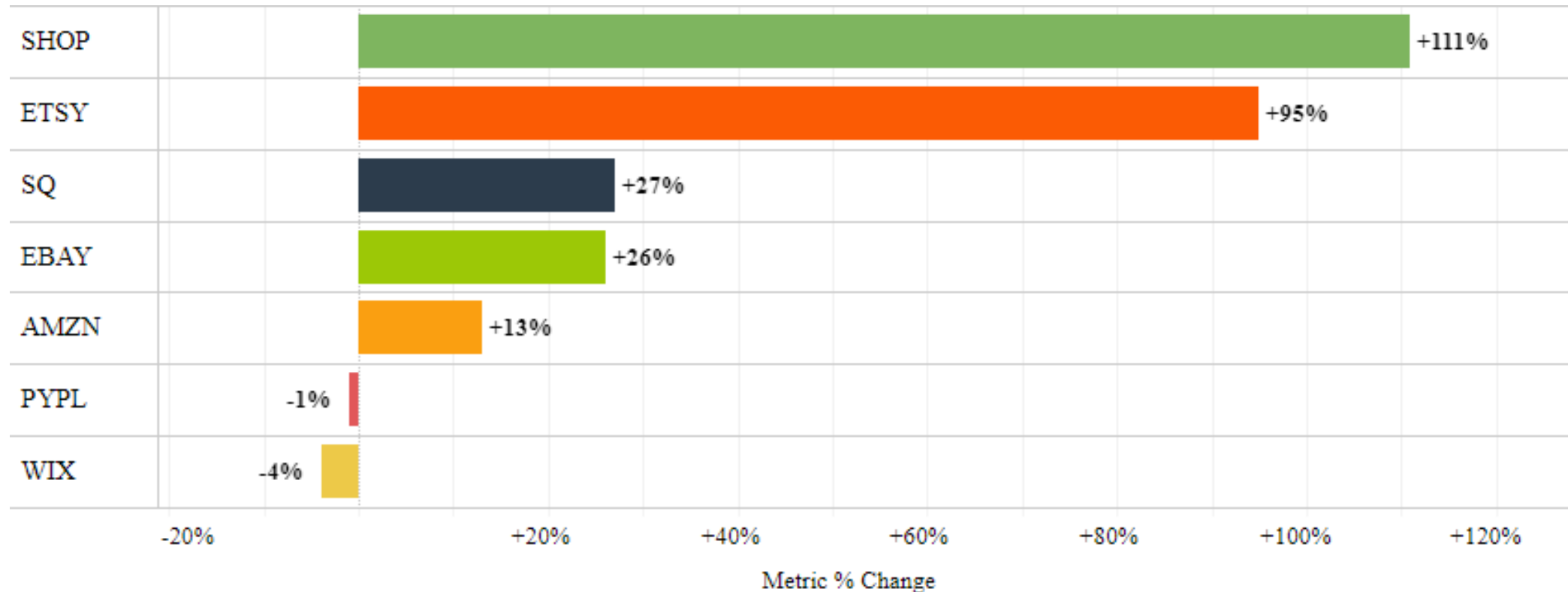
Platforms & Payment



LikeFolio

Platforms & Payment

Consumer Purchase Intent Growth in November, YoY



Platform & Payment - Summary

- ✓ **Local businesses are moving online.**

The platform and payment providers enabling businesses of ALL sizes to make the digital transition are booming.

- ✓ **Platforms with diverse “ecosystems” are pulling ahead.**

Square (SQ) continues to outperform PayPal (PYPL) in overall consumer demand mentions. Not only does SQ provide platform support for small business, but it also leverages services like investing, cryptocurrency, and peer-to-peer payments to bring consumers into its environment. We're watching to see if PayPal's foray into crypto can drive usage and engagement.

- ✓ **Shipping cost and speed are decision drivers.**

Platform happiness is most impacted by accessibility to free, speedy shipping. Platforms facilitating brands/companies to meet high expectations are outperforming: Shopify, Etsy.

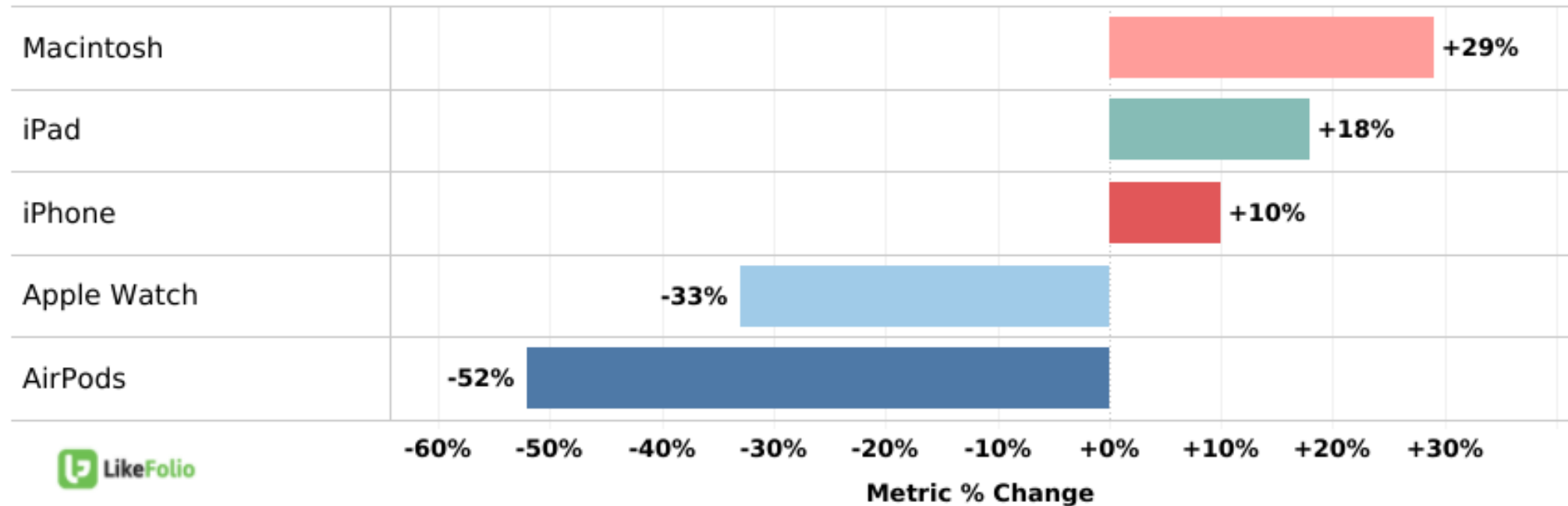


Gifts



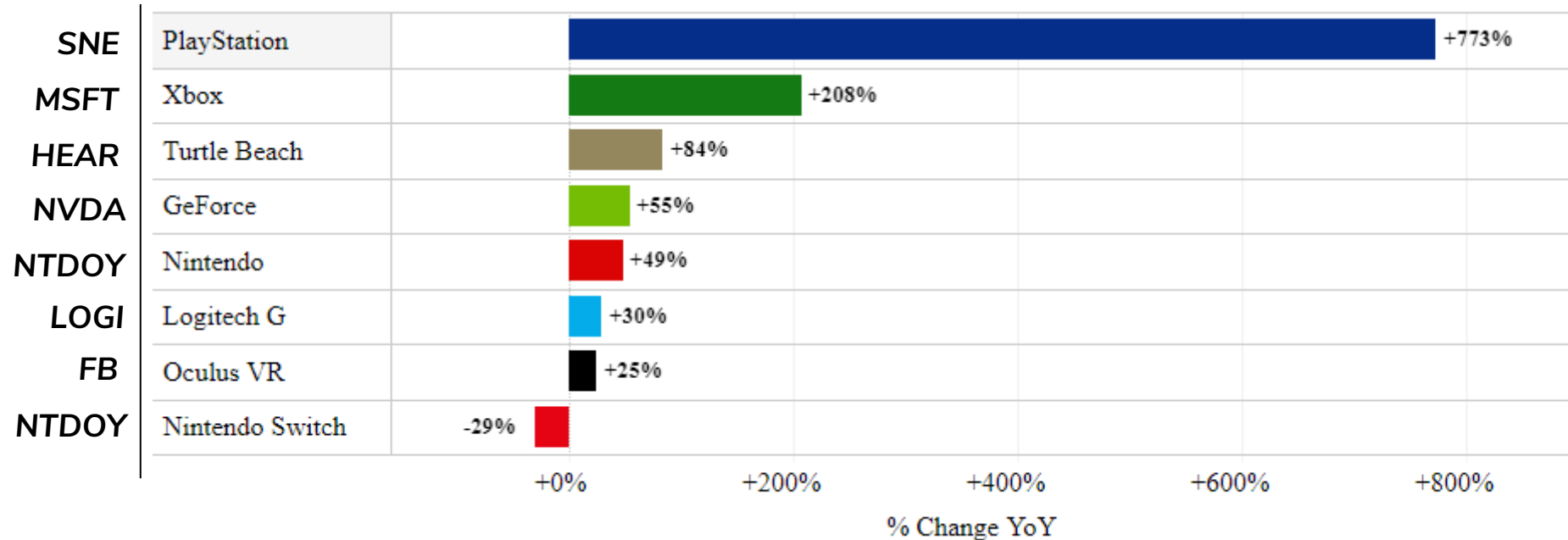
Gifts - AAPL

Consumer Purchase Intent Growth in November, YoY



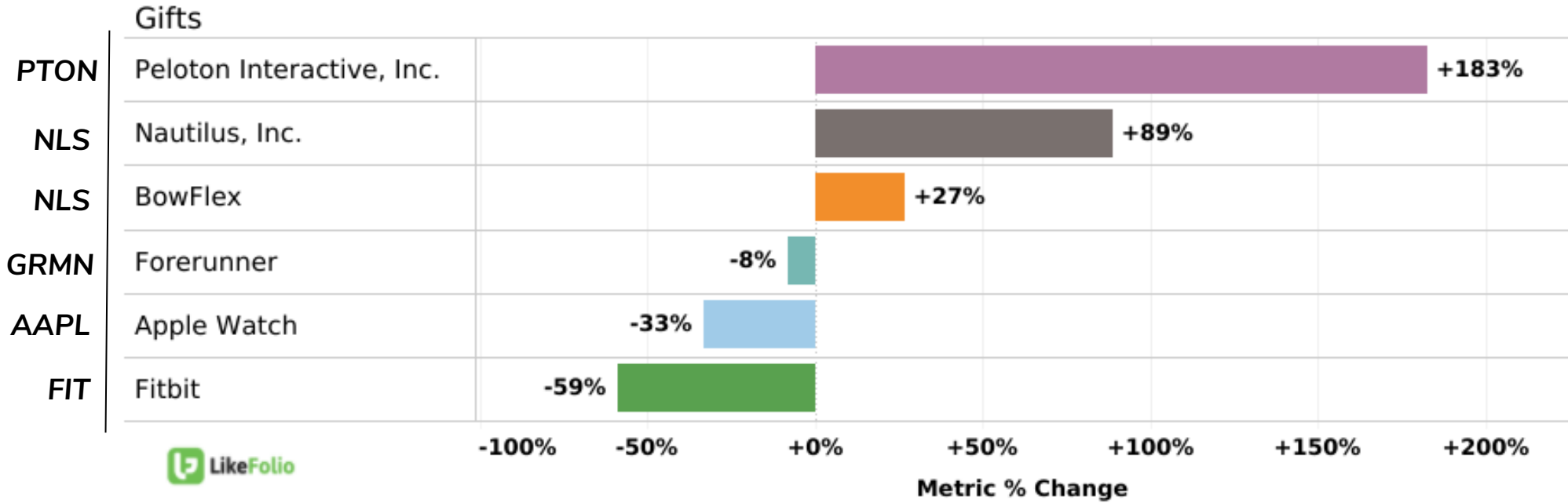
Gifts - Gaming

Consumer Purchase Intent Growth in November, YoY



Gifts – Home Fitness

Consumer Purchase Intent Growth in November, YoY



Gifts - Summary

- ✓ **Lifestyle changes are shifting demand in favor of gaming, fitness.**

Consumer lifestyles transformed drastically this year. Brands and products that offer entertainment value and support fitness are the hottest items of the year.

- ✓ **Traditional “favorites” are exhibiting relative weakness.**

For years, tech gadgets and fitness trackers were on the top of consumer wish-lists. Now, fitness tracking mentions are on the downswing.

- ✓ **Watch out for functional cross over.**

Many gift items (like iPads, computer accessories, and other electronics) serve multiple purposes: they allow consumers to work *and* play from home. We're watching sustained demand for both trends -- working and playing from home -- in the Holiday season for brands and retailers alike.



Winner and Losers: Summary

Winners:

- BBY
- KSS
- WMT
- TGT
- ETSY
- SHOP
- PTON
- NLS
- HEAR

Losers:

- TJX
- DDS
- PYPL
- AAPL





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