optimove

The Optimove 2023 Holiday Shopping Survey

Executive Summary

Optimove's 2023 Holiday Shopping Survey has unveiled essential insights into consumer behavior, brand loyalty, and confidence in the economy. These elements hold the key to retail success during the holiday season.

1. **Loyalty is Crucial:** A significant majority of respondents (93%) expressed a likelihood to revisit a brand or retailer following a positive experience, indicating the importance of brand loyalty. Additionally, 42% of consumers exclusively shop at stores or websites they have patronized before, highlighting the impact of loyalty on driving sales.

2. **Balancing Relevance and Volume in Marketing Messages:** Retail marketers should focus on delivering timely and relevant content to engage consumers. Understanding consumer preferences and managing the frequency and relevancy of marketing communications is crucial for maintaining consumer engagement and preventing marketing fatigue.

3. **Rising Consumer Confidence:** The survey reveals increased consumer confidence in personal finances and the overall economy for the upcoming holiday season. This presents opportunities for retailers to employ strategies such as upselling and cross-selling.

4. **Strategies for Winning Consumer Loyalty:** Marketers can foster loyalty by providing special treatment and early access to sales offers, offering personalized recommendations based on past purchase history, and delivering tailored shopping experiences that consider individual preferences and habits.

5. **Consumers shop early:** Marketers cannot connect with consumers too soon as more than half of shoppers start their hunt before November.

6. **Price as a Dominant Influencer:** Price remains a primary factor influencing consumer decisions. Whether it involves trying a new brand, shopping at an unplanned location, or purchasing holiday items, price plays a significant role alongside quality.

7. **Importance of Omnichannel Approach:** The preference for online and in-store shopping underscores the increasing importance of implementing an omnichannel approach where brands create a cohesive and unified shopping experience to meet consumer expectations.

8. **Building Trust:** Trust is crucial in the online marketplace, with a significant percentage of consumers expressing confidence in the security of their personal information when interacting with retailers. It is vital for brands to enhance privacy assurance efforts and maintain transparent communication to build and retain trust.

9. **Environmentally Conscious Consumerism:** Most respondents value brands that demonstrate a commitment to environmental causes. Retailers have an opportunity to differentiate themselves and attract environmentally conscious consumers by showcasing their environmental initiatives.

Understanding these consumer insights will enable retailers to make informed decisions, develop effective strategies, and create exceptional experiences that drive holiday sales and foster long-term customer loyalty.
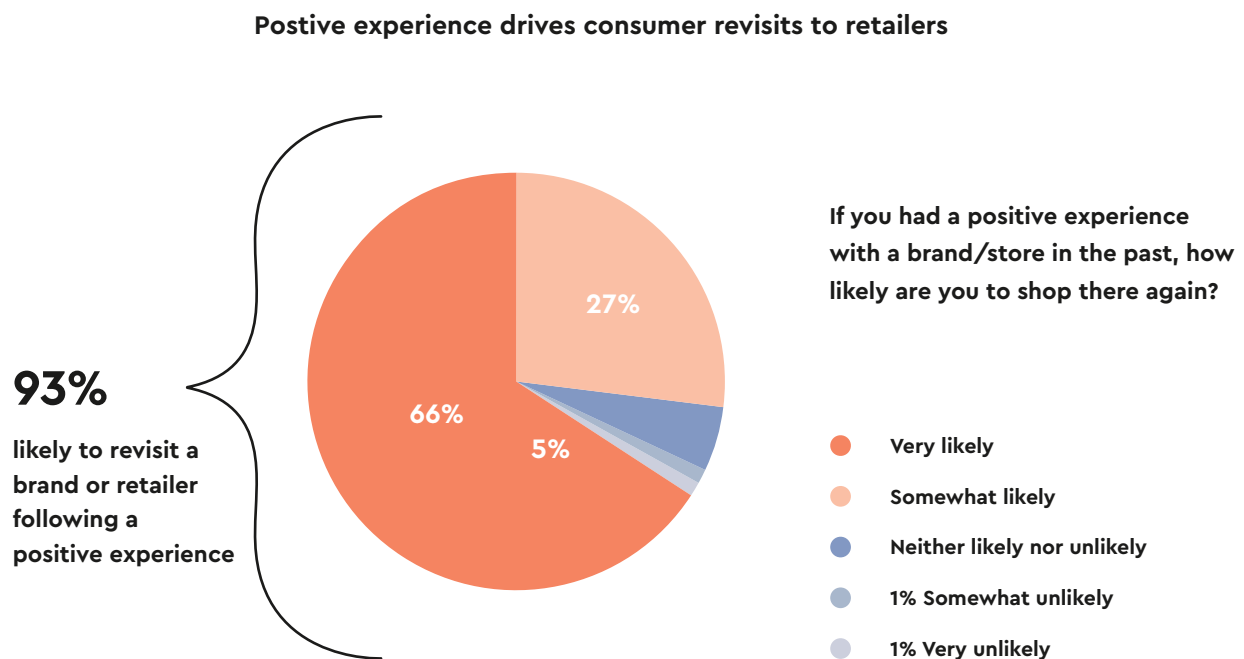
Methodology

The Optimove 2023 Consumer Holiday Shopping Report was based on queries of 281 U.S. citizens in July 2023. Respondents were ages 18-plus, 50% male/50% female (no respondents were non-binary or declined to answer); and household incomes were $75,000-plus.

Detailed Results:

3.1. Loyalty is Critical to Retailer's Success

Brand loyalty is an indispensable factor in retail success, especially during the holiday season. According to our survey, more than nine in ten (93%) of respondents were likely to revisit a brand or retailer following a positive experience, with a notable 66% indicating that they were "very likely" to be repeat customers.

Postive experience drives consumer revisits to retailers

93%

likely to revisit a brand or retailer following a positive experience

27%

66%

5%

If you had a positive experience with a brand/store in the past, how likely are you to shop there again?

● **Very likely**

● **Somewhat likely**

● **Neither likely nor unlikely**

● **1% Somewhat unlikely**

● **1% Very unlikely**

Furthermore, our data revealed a deep-rooted loyalty among consumers, with 42% stating they would only shop at stores or websites they had shopped at before.
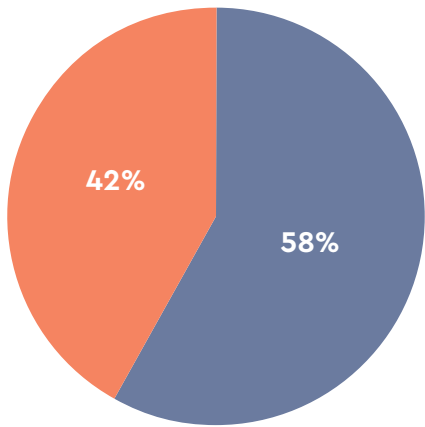
Will you be shopping exclusively at stores you patronized last year, or will you explore new brands?

● **Exclusively at stores I patronized last year**

● **I will explore new brands**

An additional 48% planned to purchase 60% or more of their gifts from brands or retailers they had previously patronized, further emphasizing the crucial role of loyalty in driving holiday sales.

Percent of holiday purchases at brands/stores consumers shopped at before
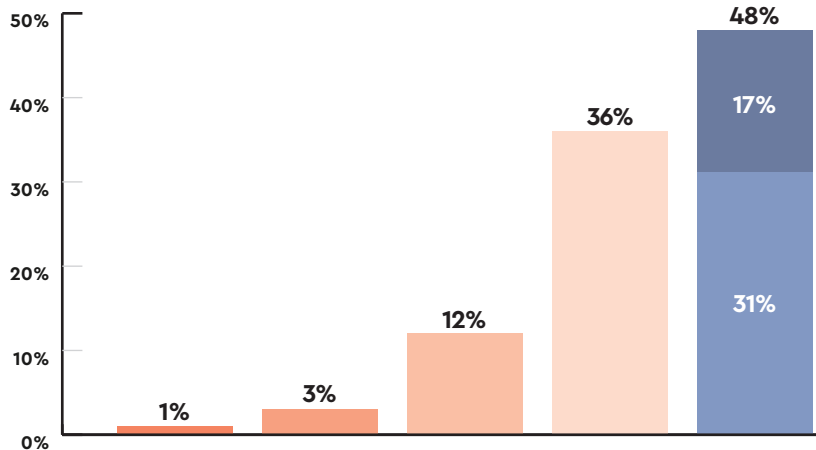
What percentage of your 2023 purchases do you expect will be from brands/stores you have shopped at before?
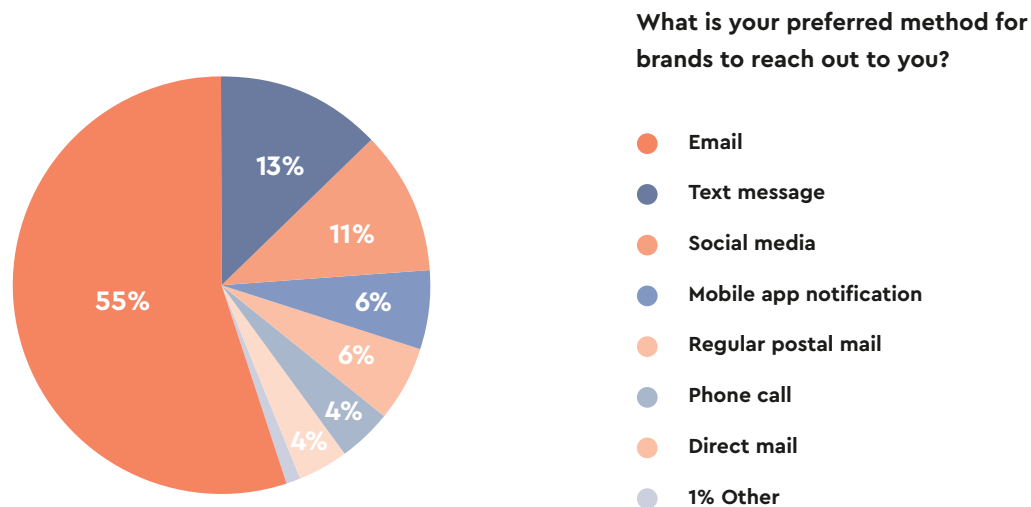

● **I will not purchase anything from brands/stores I have shopped at before**

● **1–20%**

● **21–40%**

● **41–60%**

● **61–80%**

● **81–100%**

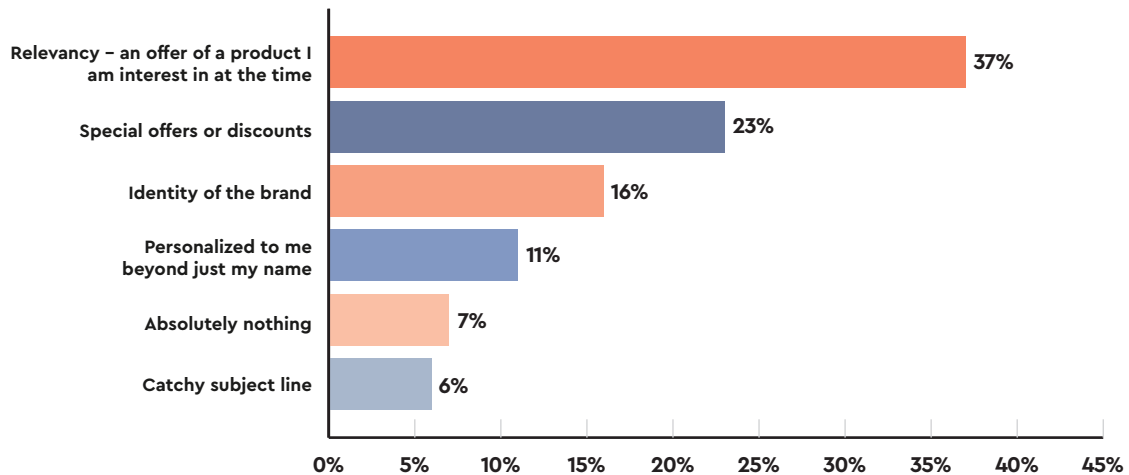## 3.2. Balancing Message Relevancy and Volume

The survey data highlights a key issue for retail marketers: the need for a balanced approach to the relevance and volume of marketing messages. Understanding consumer preferences and managing the frequency and relevancy of marketing communications is crucial for maintaining consumer engagement and preventing marketing fatigue.

Channel preference: Consumers continue to favor email (55%) as their preferred method of communication. This is followed by 13% who prefer text messages and 11% who opt for social media.
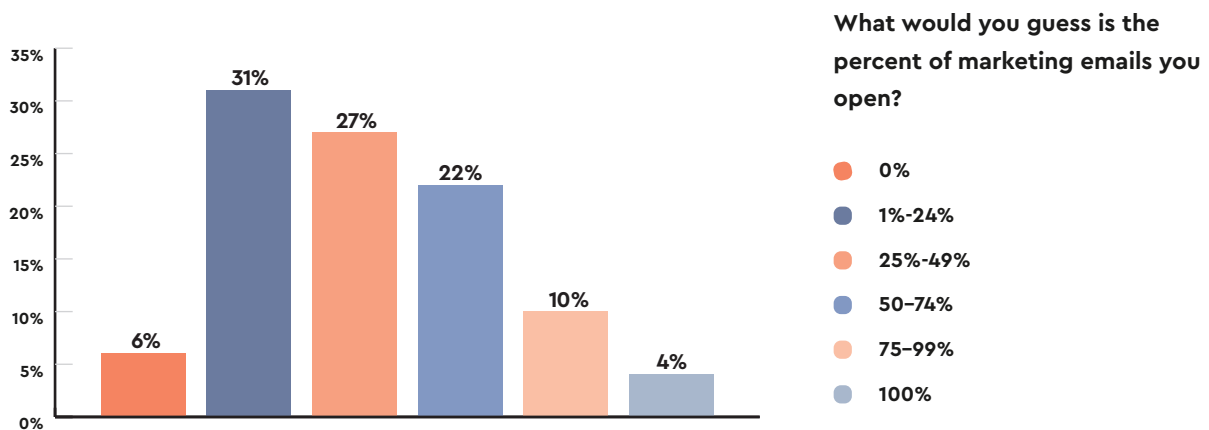

What is your preferred method for brands to reach out to you?

- Email
- Text message
- Social media
- Mobile app notification
- Regular postal mail
- Phone call
- Direct mail
- 1% Other

Message relevancy: Relevance significantly impacts a consumer's decision to open an email, with 37% stating that timely, relevant content prompts them to engage. Additionally, special offers and discounts sway 23% of respondents, while brand identity appeals to 16%.

What is the number 1 thing that will make you open a marketing email?

Relevancy – an offer of a product I am interest in at the time	37%
Special offers or discounts	23%
Identity of the brand	16%
Personalized to me beyond just my name	11%
Absolutely nothing	7%
Catchy subject line	6%

Thirty-seven percent (37%) of respondents open less than a quarter of marketing emails, and 27% open between a quarter to half of the messages received.

What would you guess is the percent of marketing emails you open?

● 0%	6%
● 1%-24%	31%
● 25%-49%	27%
● 50–74%	22%
● 75–99%	10%
● 100%	4%

Message Frequency: The volume of marketing communications also influences consumer reception. Data shows that 37% of respondents would prefer fewer messages, with 12% feeling overwhelmed by the current amount. In contrast, 33% suggest that more messages would be welcome, provided their relevance is maintained. The remaining 29% view the current frequency as satisfactory.

How customers feel about the amount of marketing messages they get from brands they subscribe to
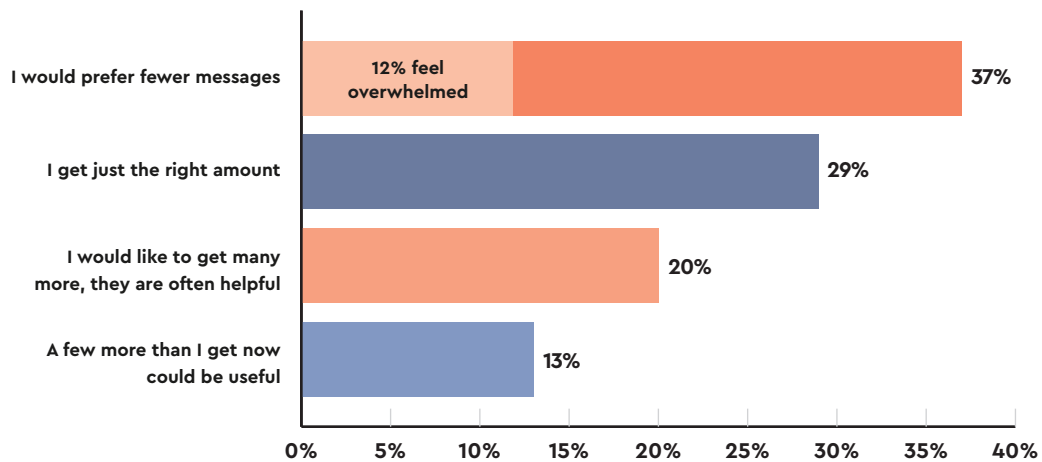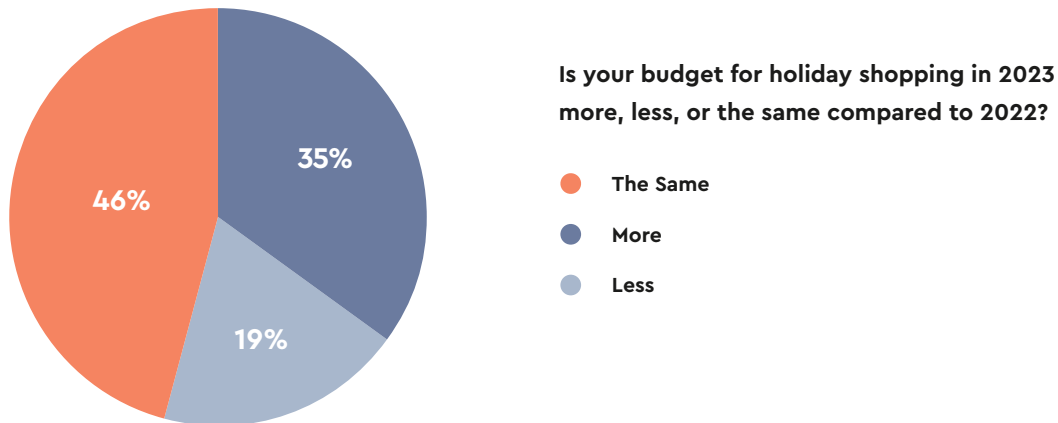

Marketing fatigue: However, there is also a risk of marketing fatigue, with 55% of consumers predicting they will feel overwhelmed with marketing messages by November 1. This figure is expected to rise to 73% by December.

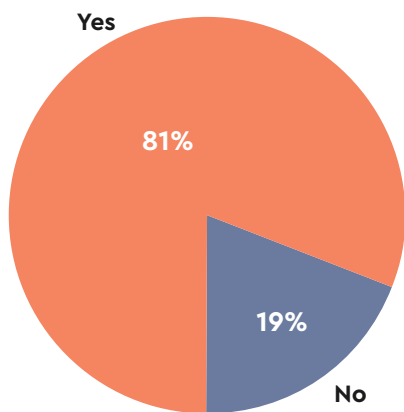**When do you tire of holiday messages from retailers and brands?**
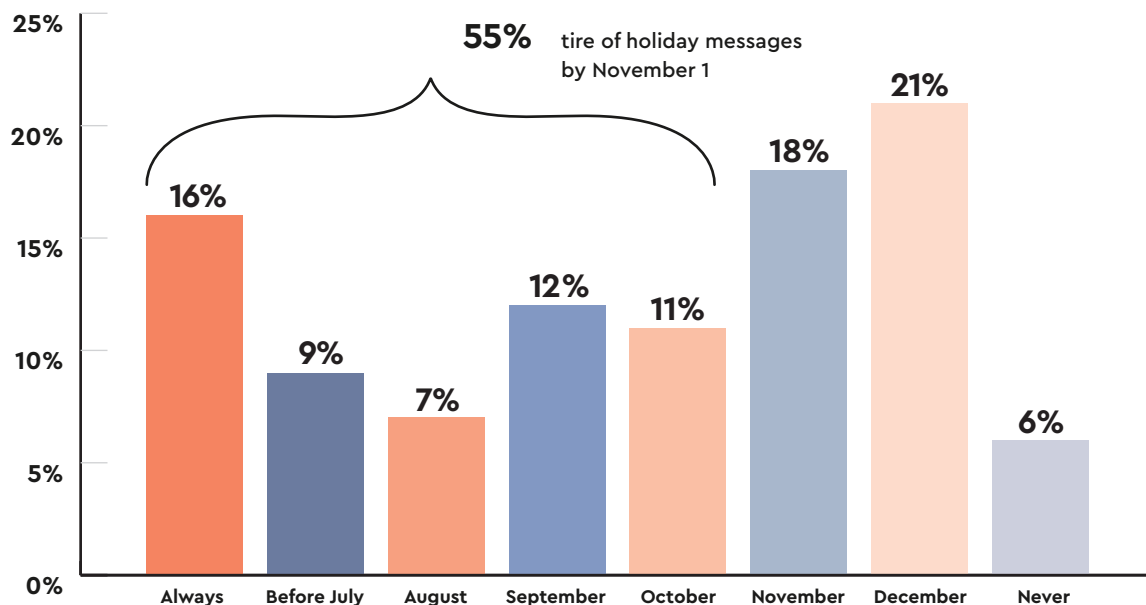
Overall, thirty-three percent of consumers want fewer emails than they received in the holiday season of 2022, with 43% open to receiving the same amount.
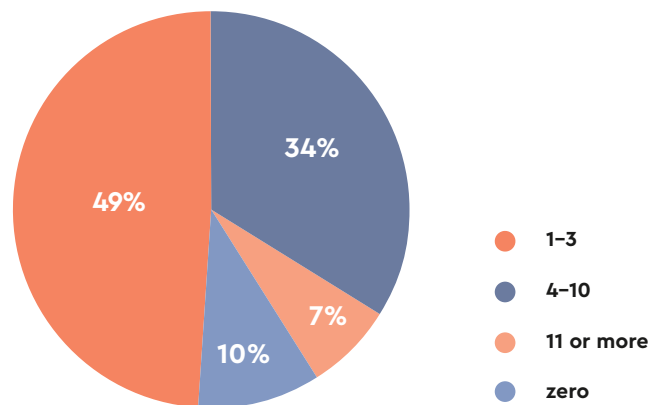
Is your budget for holiday shopping in 2023 more, less, or the same compared to 2022?

- The Same
- More
- Less

35%
46%
19%

Unsubscribe: An overwhelming 81% of consumers unsubscribe from brands that send excessive texts and emails—forty-one percent (41%) part ways with four or more brands due to communication bombardment. Only one in ten consumers do not unsubscribe from a brand.

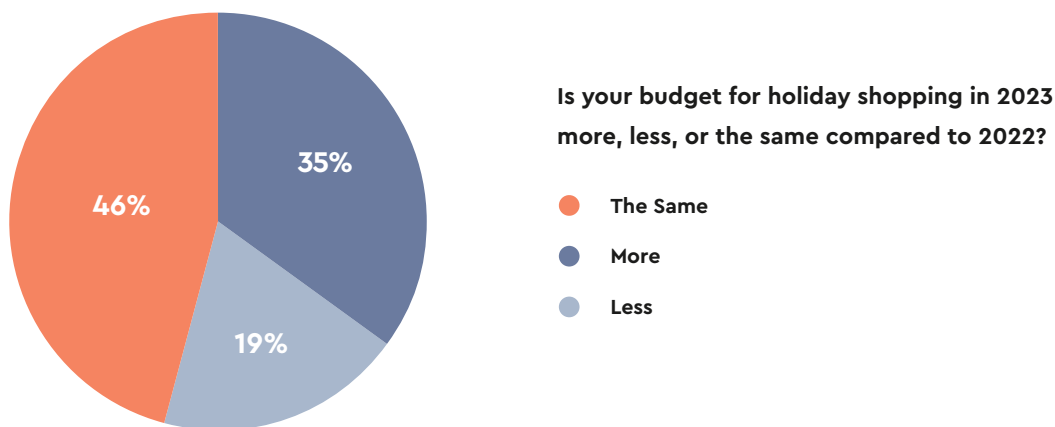**Do you ever unsubscribe from brands that send excessive texts and emails while shopping online?**

Yes
81%
No
19%

How many brands do you typically unsubscribe from during the holiday shopping season?

34%
49%
7%
10%

- 1–3
- 4–10
- 11 or more
- zero

Source: Optimove 2023 Consumer Holiday Retail Shopping Survey

3.3. Rising Consumer Confidence and its Potential Impact on 2023 Holiday Sales

The survey results indicate an uptick in consumer confidence concerning personal finances and the broader economy for the 2023 holiday season. Notably, 35% of respondents plan to spend more on holiday gifts this year than in 2022, showing an increased willingness to spend.

Is your budget for holiday shopping in 2023 more, less, or the same compared to 2022?

- The Same
- More
- Less

Additionally, 65% of respondents expressed greater confidence in their holiday shopping budgets than in the previous year. These findings suggest potential opportunities for retailers to apply strategies such as upselling and cross-selling.
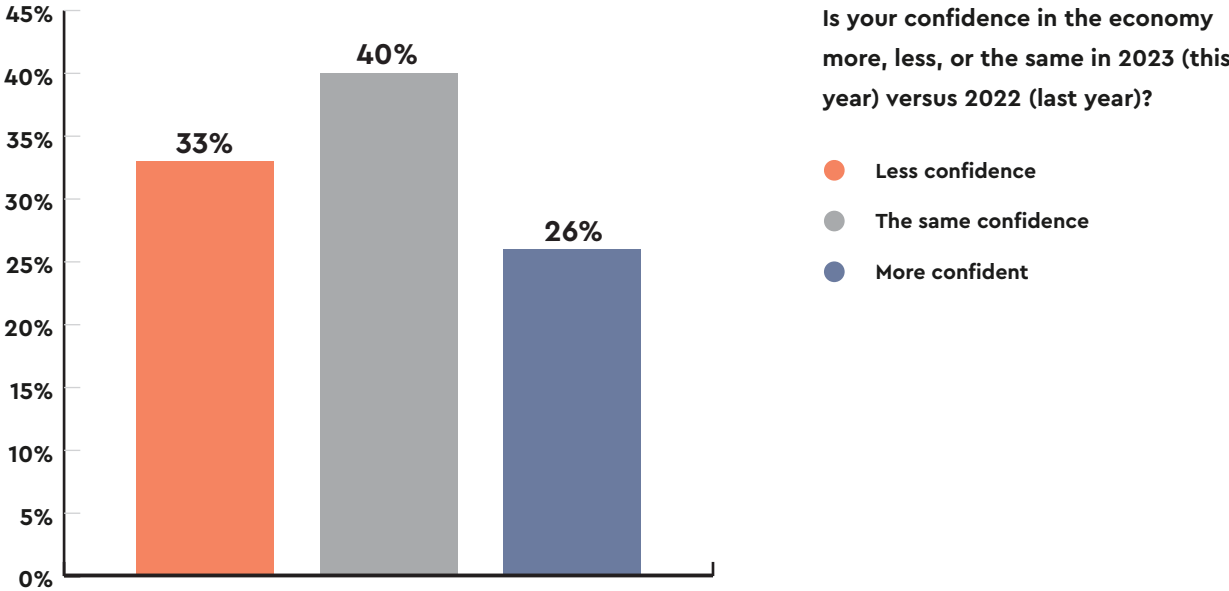
Comparative data from last year highlight this upward trend. In 2022, only 17% of respondents planned to spend more, whereas a majority, 48%, anticipated maintaining their spending levels. In contrast, this year, besides the 35% planning to increase their expenditure, 46% expect to sustain their spending as in 2022.

Source: Optimove 2023 Consumer Holiday Retail Shopping Survey

Looking back on holiday 2022 versus 2023 – Do you feel more confident, less confident, or the same about what you will budget for shopping?
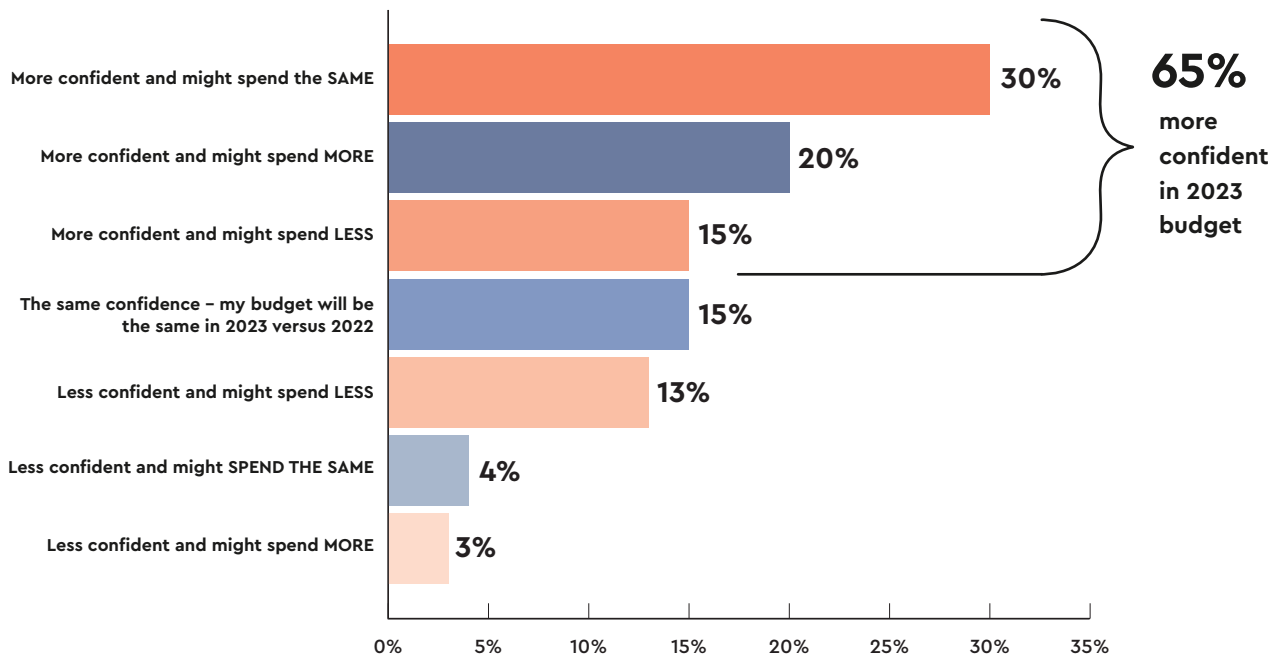
There is also an evident boost in overall confidence in budgeting for holiday shopping. While in 2022, only 19% of consumers expressed more confidence, that figure has risen to 65% this year. Meanwhile, fifteen percent (15%) will maintain the same confidence level, and a reduced 20% will have less confidence, a significant drop from the 39% seen last year.

This data points towards a subtle but noticeable growth in consumer optimism regarding their finances and spending capabilities, which might affect the holiday season's retail dynamics.

Source: Optimove 2023 Consumer Holiday Retail Shopping Survey

Is your confidence in the economy more, less, or the same in 2023 (this year) versus 2022 (last year)?

- 🟠 Less confidence
- ⚪ The same confidence
- 🔵 More confident

3.4. What Wins Consumer Loyalty

Winning consumer loyalty is a multi-faceted process, and our findings suggest a few key strategies for marketers:
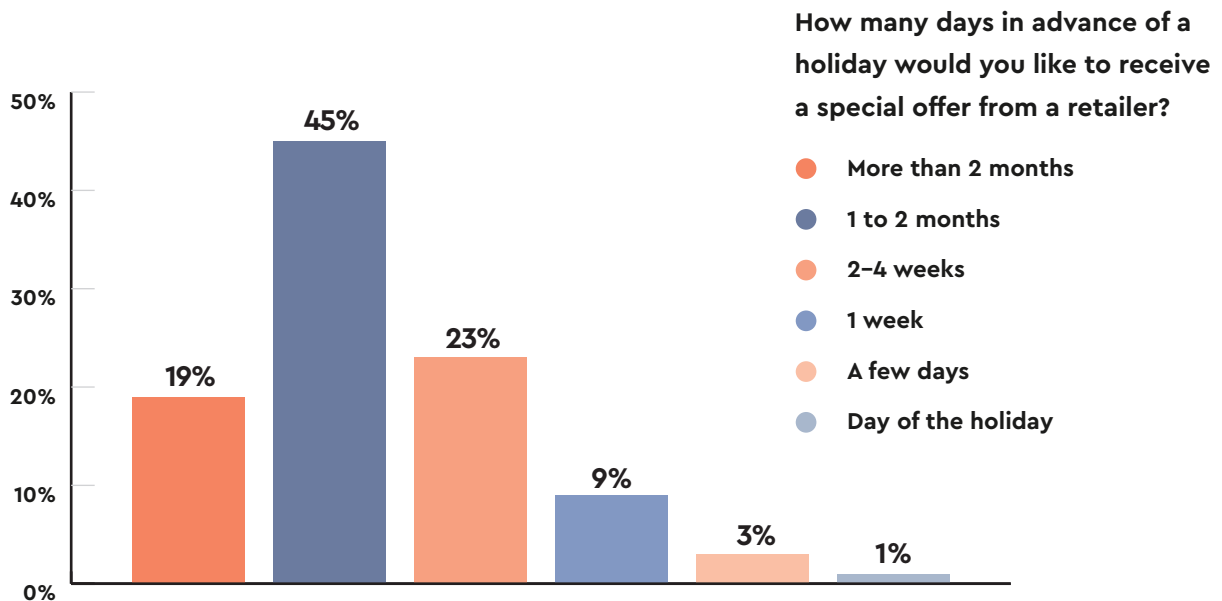
Special Treatment and Early Access to Offers
Our data reveals that 87% of respondents look favorably upon receiving special treatment and early access to sales offers. A notable 45% prefer receiving such offers 1–2 months before the holiday season.
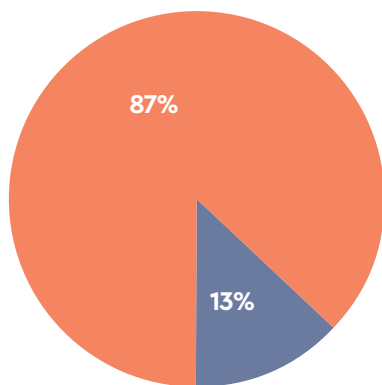
Do you want to be part of a group that gets offers early with your preferred retailer?
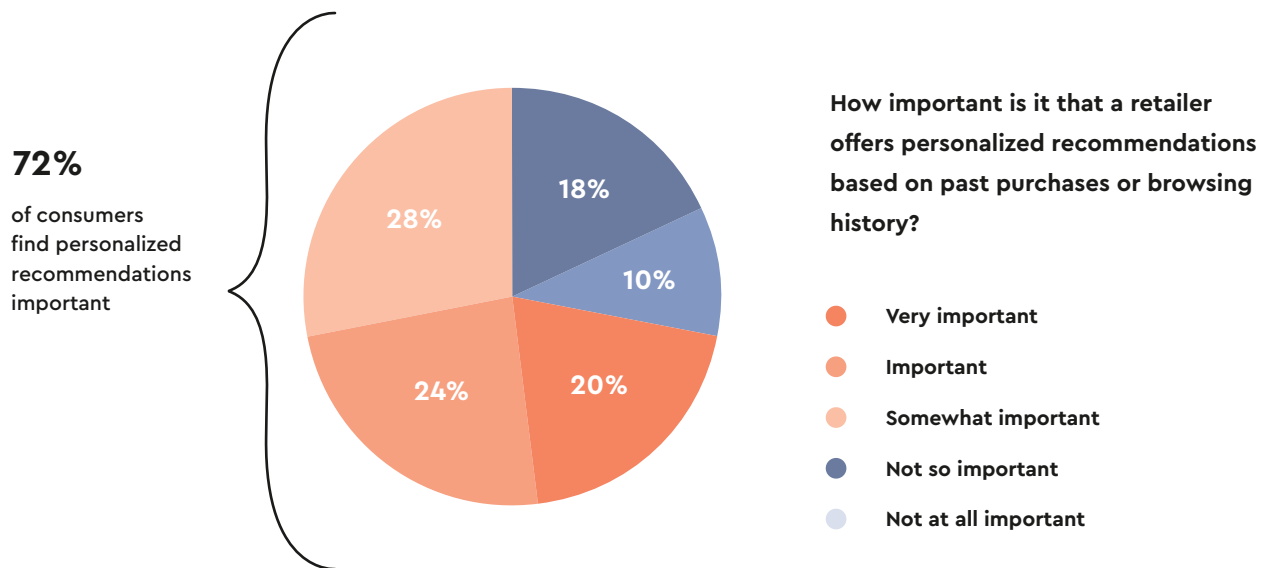
- Yes
- No

How many days in advance of a holiday would you like to receive a special offer from a retailer?

- More than 2 months
- 1 to 2 months
- 2–4 weeks
- 1 week
- A few days
- Day of the holiday

Personalized Recommendations

Personalization also plays a crucial role in fostering loyalty. A significant 72% of consumers expect retailers to provide personalized recommendations based on their past purchase history, and 44% rate it as important or very important.

Holiday shoppers say personalized recommendations from a retailer are important

72%

of consumers find personalized recommendations important

18%

10%

28%

24%

20%

How important is it that a retailer offers personalized recommendations based on past purchases or browsing history?

- Very important
- Important
- Somewhat important
- Not so important
- Not at all important

Tailored Shopping Experience

Our findings indicate that a 'one-size-fits-all' approach is unlikely to yield desired results. The data suggests that consumers value a tailored shopping experience that considers their individual preferences and shopping habits.

By delivering on these preferences, retailers can enhance their relationship with consumers and, in turn, foster stronger brand loyalty.

3.5. Consumers Keep the Tradition of Shopping Early

In their hunt for holiday gifts, 2023 sees consumers starting early, with 50% commencing their shopping by the end of October and 30% beginning by September. November still emerges as the peak starting point for holiday shopping, with 39% of consumers initiating their purchases then. The number of super-early and last-minute shoppers is statistically the same as 9% will begin before August and 10% shopping in December.

**When do you plan to start your holiday shopping for 2023?**
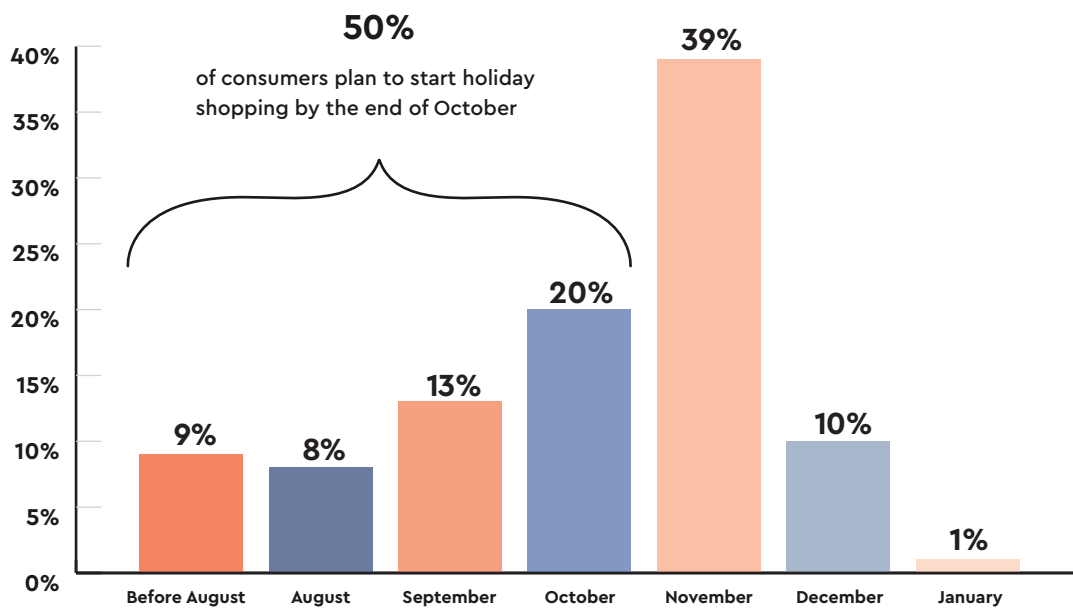
This trend echoes our 2022 Consumer Holiday Shopping Survey results, which showed more than half of U.S. consumers (56%) aiming to get a jump on their holiday shopping by Halloween. Acknowledging and leveraging this early shopping trend presents retailers with an invaluable opportunity to establish a competitive edge in the fiercely contested holiday retail market.

Source: Optimove 2023 Consumer Holiday Retail Shopping Survey

As for what is motivating these early birds, discounted prices reign supreme, compelling 65% of respondents to shop ahead. This is followed by "availability of desired items," cited as a key driver by 26% of respondents. Despite the prevalence of early shopping, over half of the consumers surveyed (54%) still reserve their shopping sprees for the traditional retail peaks of Black Friday and Cyber Monday, underscoring the enduring appeal of these shopping events.

**What incentivizes you to shop earlier than normal?**
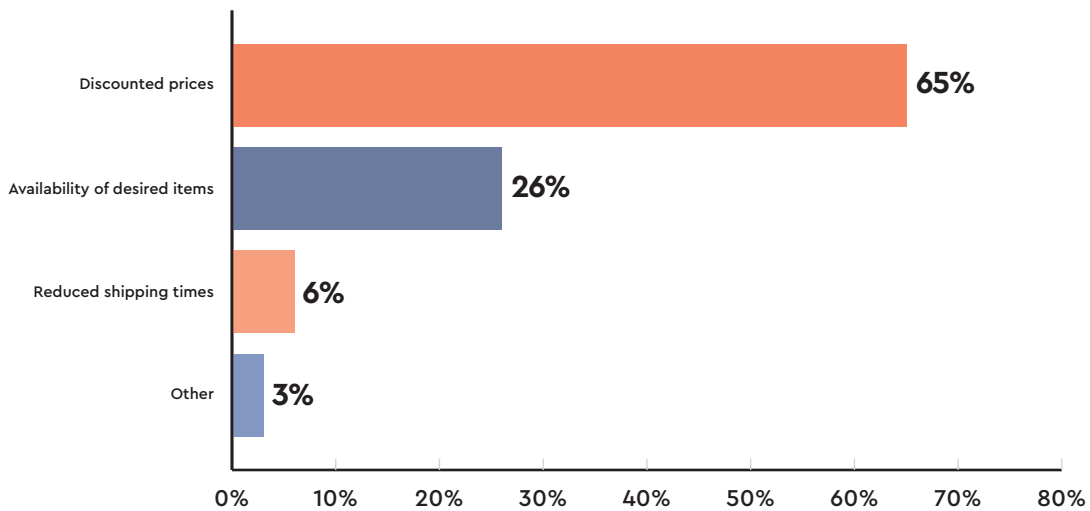
Do you plan to wait for Black Friday/Cyber Monday to start shopping?

Source: Optimove 2023 Consumer Holiday Retail Shopping Survey
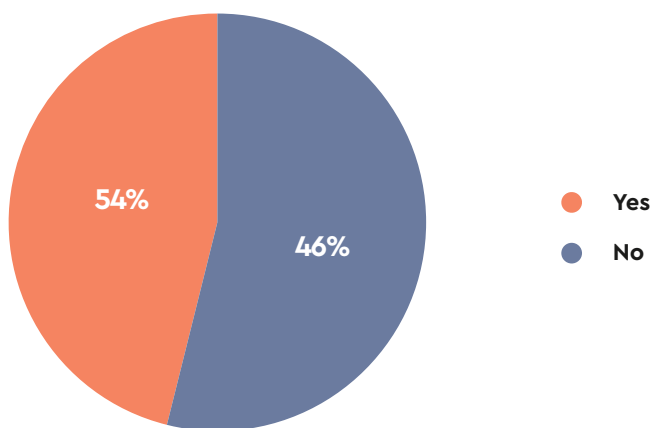
### 3.6. Price, Price, Price, and Price Remain the Top Influencers

4. *Price drives* trial of new brands: In consumers' decision to try a new brand, as in our previous surveys, price (80%) and quality (78%) remain dominant factors.

What factors influence your decision to try a new brand/store over a previous one?
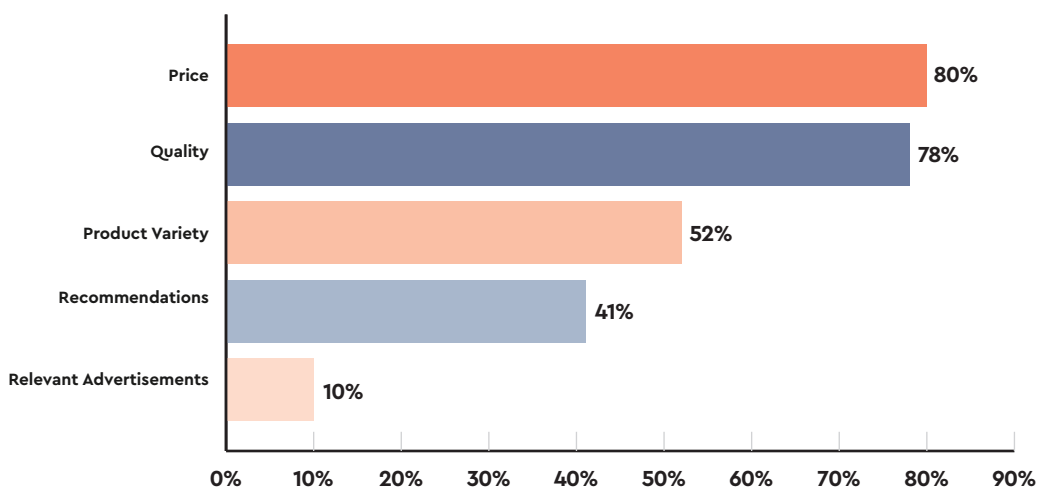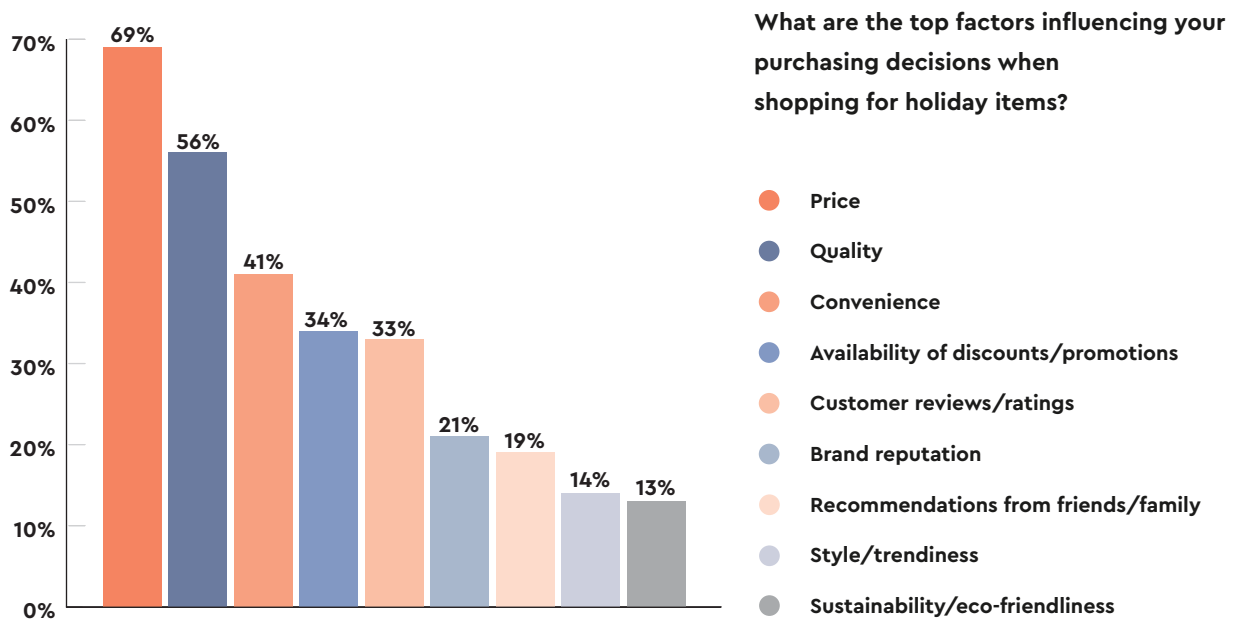

5. *Price drives shopping* at an unplanned location: Price (59%) is also the primary factor driving consumers to veer off and shop at an unplanned location. This was followed by "better product selection," a distant second at 23%.

What would motivate you to shop at a place an unplanned location?

Source: Optimove 2023 Consumer Holiday Retail Shopping Survey
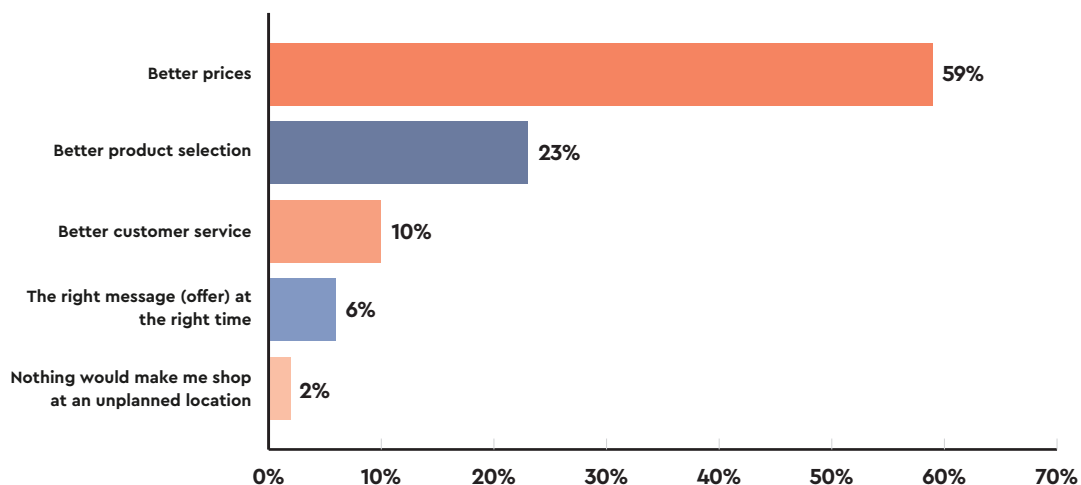
3. *Price as the top influencer in shopping for holiday items:* Overall, the top influencing factors in shopping for holiday items were price (69%) and quality (56%).

What are the top factors influencing your purchasing decisions when shopping for holiday items?

- Price
- Quality
- Convenience
- Availability of discounts/promotions
- Customer reviews/ratings
- Brand reputation
- Recommendations from friends/family
- Style/trendiness
- Sustainability/eco-friendliness

4. *Price trumps service:* When prioritizing the binary choice of price versus service, consumers overwhelmingly chose price.

Which is more significant to you in holiday shopping, service or price?

- Price
- Service

Source: Optimove 2023 Consumer Holiday Retail Shopping Survey
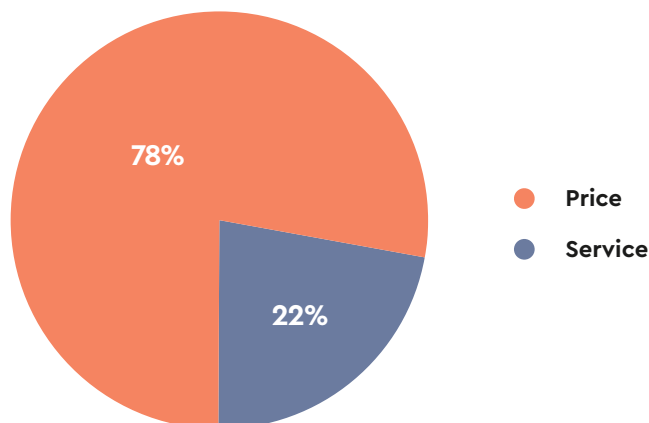
3.7. Shopping Preferences Underscore the Importance of Omnichannel

The survey results shed light on the preferences of consumers when it comes to their shopping habits. Of importance is that 55% of consumers will shop mostly online and in-store. Of note is that 32% indicated they would predominantly shop online. It means that a significant 87% of respondents expressed their intention to shop online during the holiday season. Only 13% mentioned a preference for shopping mostly in physical stores.
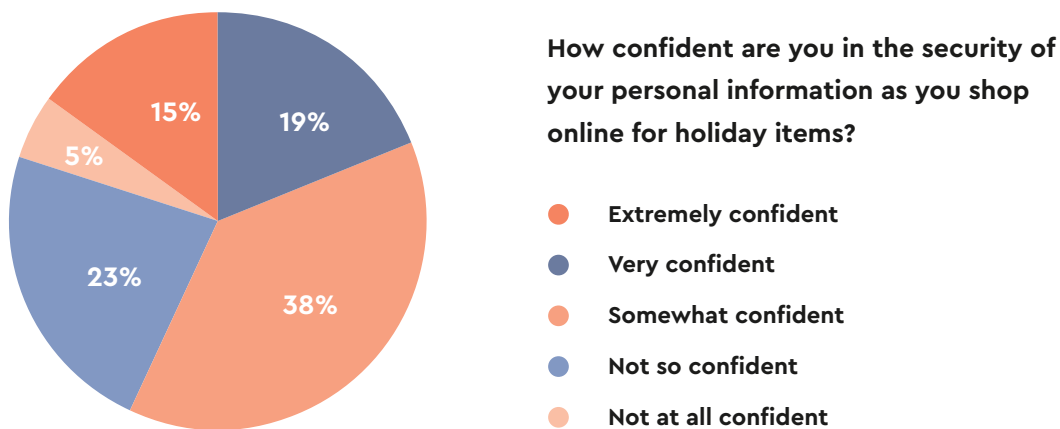
This data underscores the increasing importance of implementing an omnichannel approach, where retailers integrate their online and physical stores to create a cohesive and unified consumer shopping experience.

Where do you plan to shop for holiday gifts?

● Mostly online

● Mostly at physical stores

● A combination of both
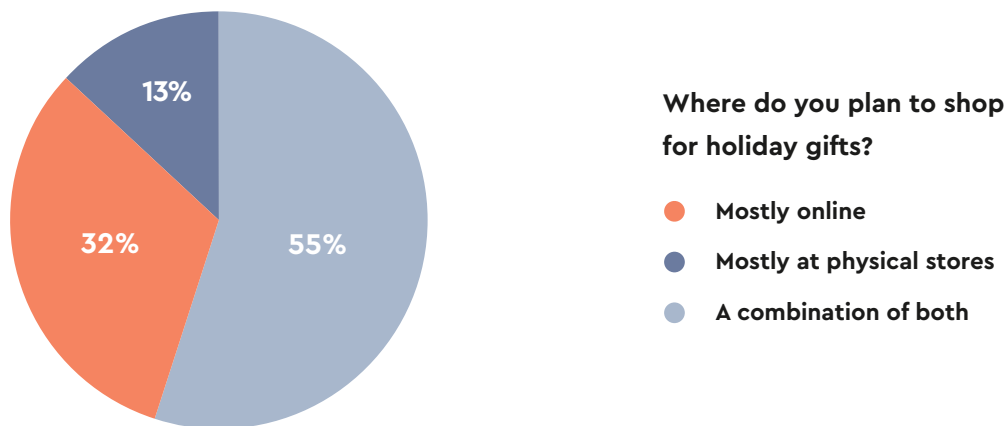
3.8. Trust is a Must

About half of the consumers express trust in online brands, revealing a significant level of confidence in the digital marketplace. Notably, 57% of respondents demonstrate confidence in the security of their personal information when interacting with retailers, highlighting the trust placed in these entities.

However, this trust is not universal. Approximately 28% of consumers display apprehensions about sharing their information with marketers, signaling a need for online brands to enhance their privacy assurance efforts.

How confident are you in the security of your personal information as you shop online for holiday items?

- **Extremely confident**
- **Very confident**
- **Somewhat confident**
- **Not so confident**
- **Not at all confident**

Trust-building is a complex, ongoing process. It relies on consistently providing products or services and is underscored by transparent, honest communication. Swift and effective responses to customer issues or complaints can further bolster this trust.

Retailers should never take this trust for granted. Once lost, trust is challenging to regain. Hence, for retailers, the task lies in balancing utilizing consumer data for personalized marketing while respecting and ensuring privacy. This equilibrium forms a crucial aspect of the contemporary digital retail landscape.

Do you trust online retailers with your personal information?
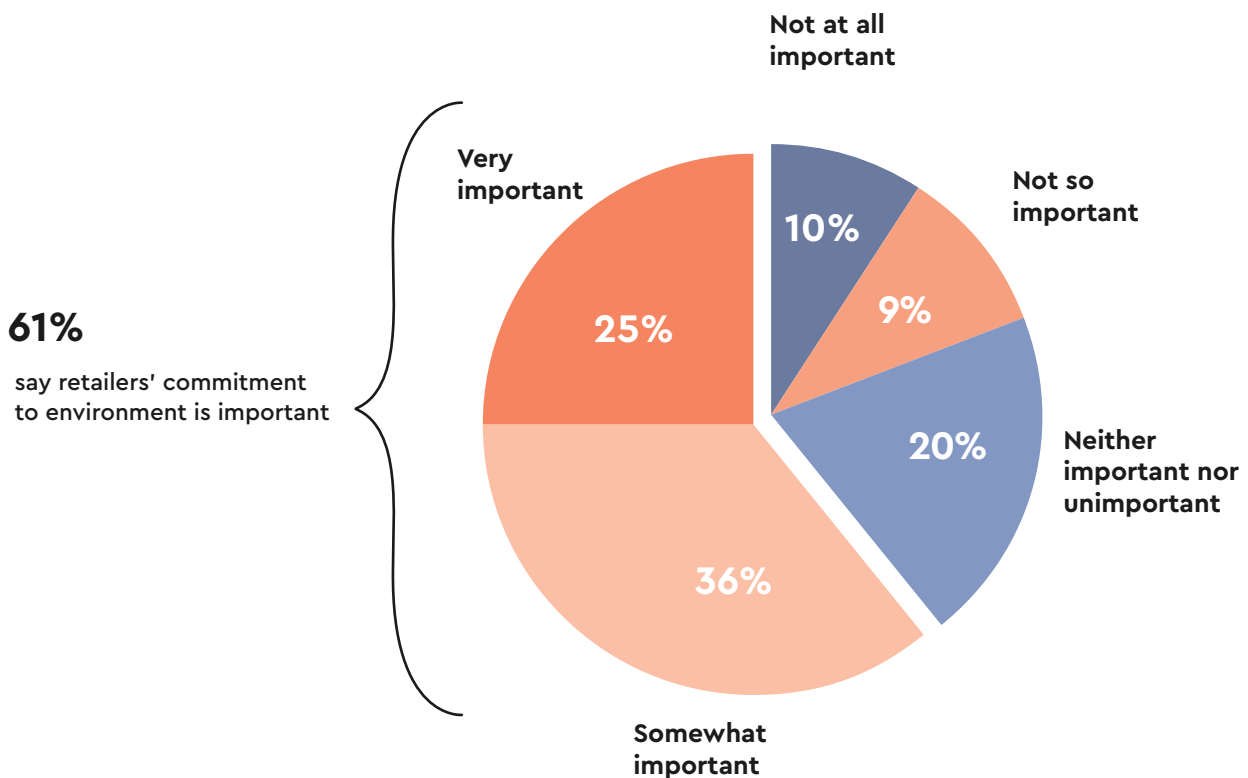

52% Yes
48% No
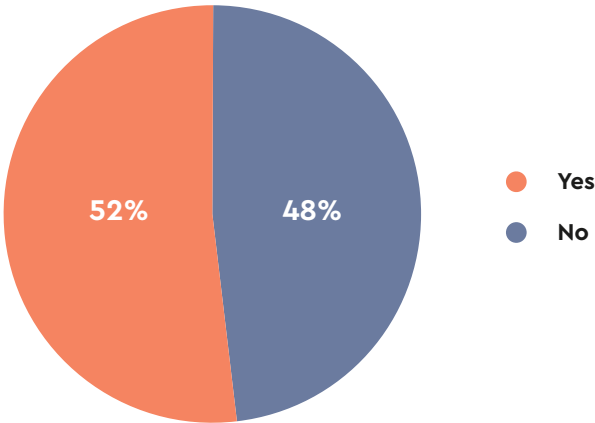
3.9. Being Environmentally Conscious Pays

Consumer preference for environmentally conscious brands is evident in the survey data. A significant 61% of respondents consider a brand's commitment to environmental causes important; notably, 57% are willing to pay a premium for products from these environmentally responsible brands.

This trend not only underscores the value consumers place on environmental stewardship but also presents an opportunity for retailers to differentiate themselves and gain a competitive edge through demonstrable environmental commitment.

How crucial is it for you that the merchant has a commitment to the environment?

61%

say retailers' commitment to environment is important

Not at all important — 10%

Not so important — 9%

Neither important nor unimportant — 20%

Somewhat important — 36%

Very important — 25%

Are you willing to pay a bit more to a merchant that is committed to the environment?
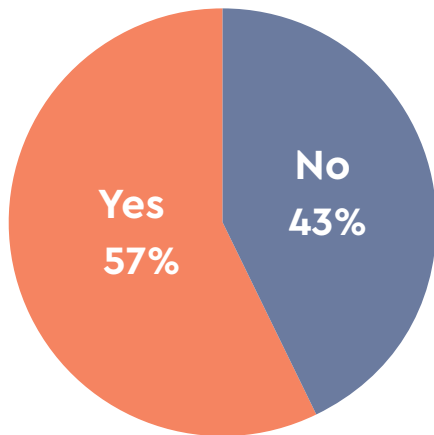
How important is it to you to purchase eco-friendly or sustainable items for holidays and that a retailer is eco-friendly?

- Extremely important
- Very important
- Somewhat important
- Not so important
- Not at all important
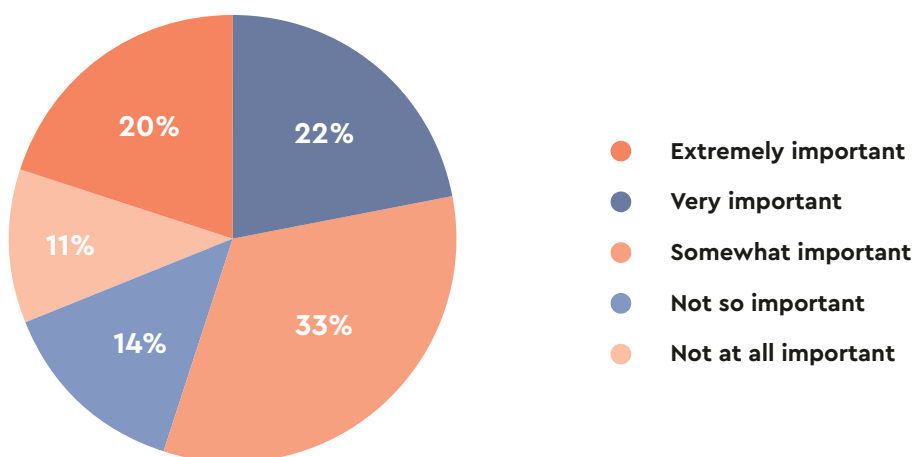
Summary and Recommended Actions for Retailers

Recommended Actions:

Below is a list of recommendations that marketers should consider in optimizing the customer experience and drive brand loyalty:

Manage Communication Frequency and Relevance: Be mindful of communication overload and ensure marketing messages are relevant to customers' interests and preferences. Personalization and relevancy in retailer communications are key to avoiding customer dissatisfaction and unsubscribing.

Personalize Recommendations: Leverage customer data to provide personalized recommendations based on past purchase history. Tailor product suggestions and offers to individual preferences to enhance the shopping experience and foster loyalty.

Provide Early Access to Offers: Establish a group or program that gives customers early access to sales offers. Consider offering special treatment and exclusive discounts to incentivize customer loyalty.

Prioritize Customer Satisfaction: Recognize the critical role of customer satisfaction in promoting brand loyalty. Focus on delivering a positive shopping experience that exceeds customer expectations.

Lead with Price: Understand that price is the number one factor in motivating consumers. Strive to offer competitive pricing while providing excellent customer service to avoid potential damage to customer relationships.

Embrace Omnichannel Strategy: Recognize the increasing importance of e-commerce and prioritize your online presence. Provide a seamless shopping experience across digital channels to cater to the preferences of the growing number of online shoppers.

Capitalize on Early Shopping Trends: Acknowledge the trend of consumers initiating their holiday shopping early. Offer attractive discounts and promotions to incentivize early shoppers and gain a competitive edge in the holiday retail market.

Build and Maintain Trust: Establish trust with customers by consistently delivering on promises, providing transparent and honest communication, and promptly addressing customer issues or complaints. Respect customer privacy and ensure data security.

Demonstrate Environmental Responsibility: Respond to the growing consumer preference for environmentally conscious brands. Highlight your commitment to environmental causes and offer sustainable products or practices to differentiate yourself and appeal to eco-conscious customers.

By implementing these actions, retailers can enhance brand loyalty, attract and retain customers, and drive success during the holiday season.

About Optimove

Optimove is the first Customer-Led Marketing Platform. Its solutions ensure that marketing always starts with the customer instead of a campaign or product. Customer-led marketing has been proven to deliver brands an average increase of 33% in customer lifetime value.

It is the only customer-led marketing platform powered by the combination of 1) rich historical, real-time, and predictive customer data, 2) AI-led multichannel journey orchestration, and 3) statistically credible multitouch attribution of every marketing action.

Optimove provides industry-specific and use-case solutions for hundreds of leading consumer brands including BetMGM, SodaStream, Pennsylvania Lottery, Papa John's, bet365 and Staples. For more information go to
Optimove.com