



2018 IN-STORE HOLIDAY SHOPPING

A Guide To Understanding This Year's In-Store Holiday Shoppers



Introduction

As retailers and brands well know, the holiday season is an important time to draw in new shoppers, push sales and build customer loyalty. This year, Natural Insight **surveyed 1,200 customers** to find out who does their holiday shopping in stores, what motivates them and common stressors that influence their holiday shopping experience.



Chapter 1: About In-Store Holiday Shoppers

Expect More In-Store Shoppers



88%

Intend to shop in stores
this holiday season.

People intending to shop in
stores by gender:



89%

Women

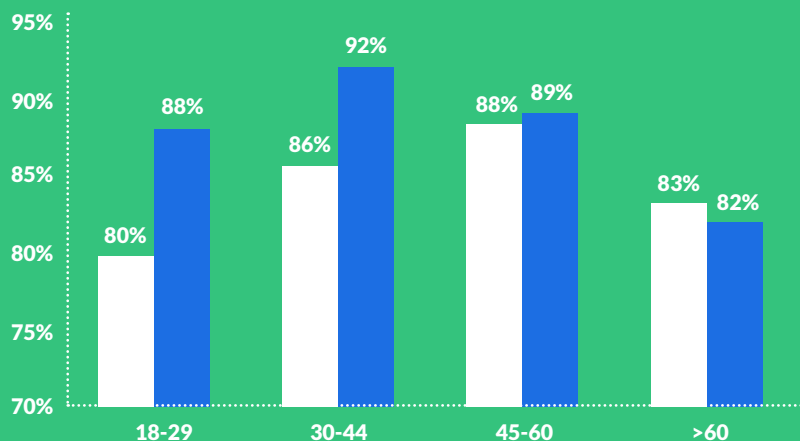


85%

Men

People intending to shop in stores by age range

2017 2018



With the vast majority of consumers planning to do their holiday shopping in stores, retailers need to be prepared for the busiest season of the year.

The main in-store demographic is shifting towards younger shoppers, and the gender gap is closing as more men plan to shop in stores. Last year, only 79 percent of men planned to shop in stores, falling behind women by 10 percent. This year, in-store male shoppers have increased by 6 percent, evening the playing field.

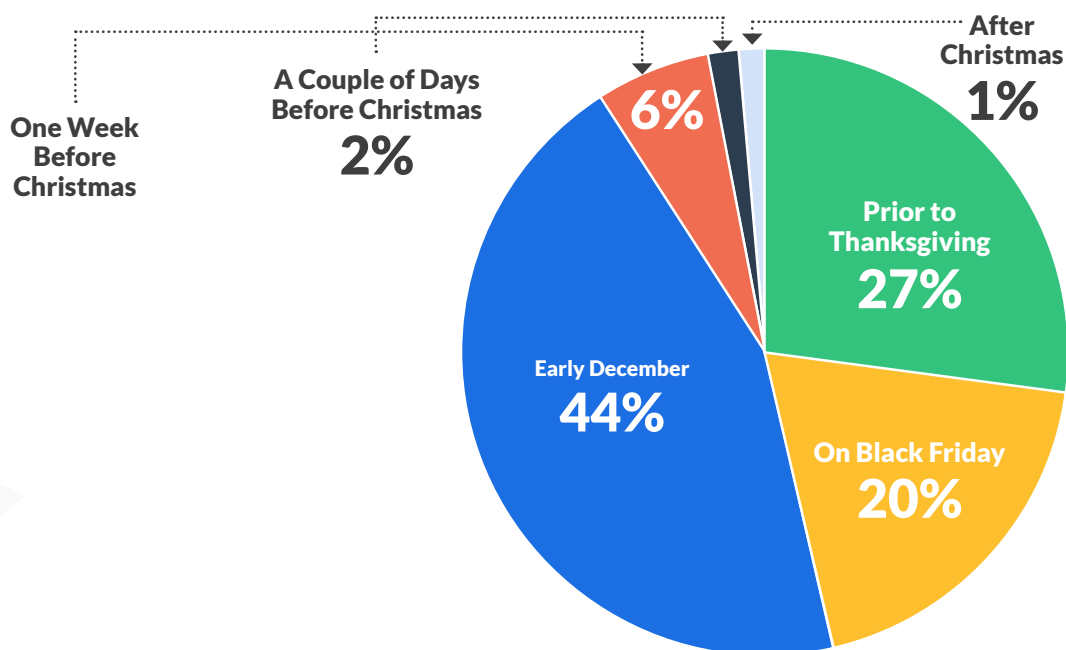
Retailers and brands should ensure they cater to both men and women as the gender divide closes, and should plan for younger crowds than previous years. While people aged 44-60 were 2017's largest in-store shopping group, 30-44 year-olds beat them this year at 92 percent. 18-29 year-old shoppers also significantly increased from last year, with 88 percent intending to shop in stores this year. Retailers should consider incorporating merchandising methods that cater to Millennials and Generation Z into their stores while still maintaining methods aimed at older shoppers. The retailer's mantra this holiday season? Market to all demographics.

Shoppers won't wait for December

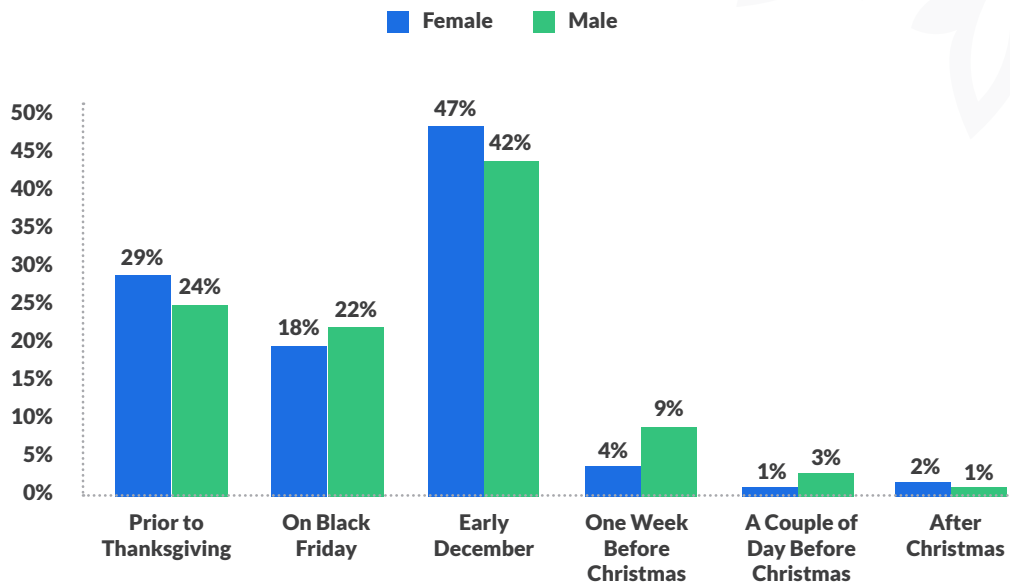
Holiday Shopping Starts Early

47% of holiday shopping will happen before December.

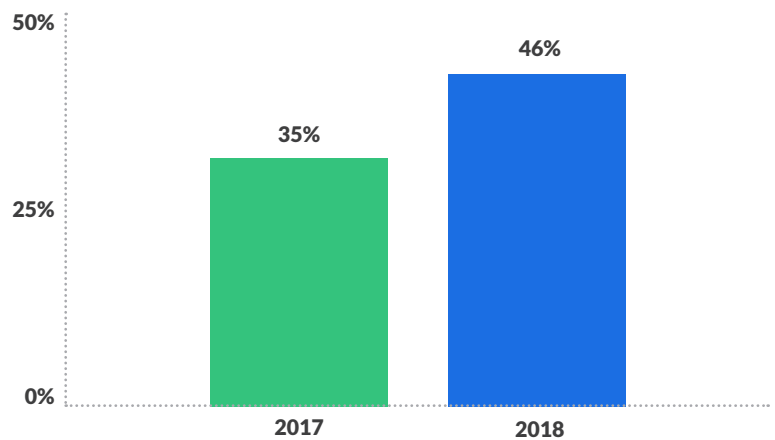
Year after year, shoppers tend to plan ahead and start shopping before December. This year, early in-store shopping plans increased by 9 percent, with roughly half of consumers planning to shop in stores before December (some earlier than Thanksgiving!).



In keeping with 2017's numbers, women will shop earlier in the season than men, with **almost a third of women completing the majority of their holiday shopping prior to Thanksgiving**, and 94 percent of women finishing up by early December.



While men still tend to shop later in the season than women, the amount of men planning to shop in stores before December has increased by 11 percent since last year.



Black Friday – Love It or Hate It?

When asked to recount a bad holiday shopping experience, many respondents chose to tell us about Black Friday. While prepping for Black Friday madness can feel like battening down before a hurricane, retailers should do their best to sufficiently staff stores and emphasize polite service—several consumers cited rudeness as the reason for their poor Black Friday experience.

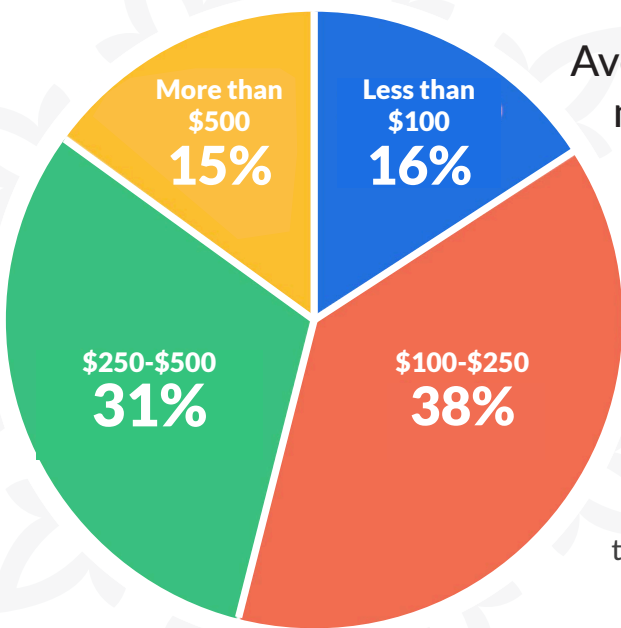
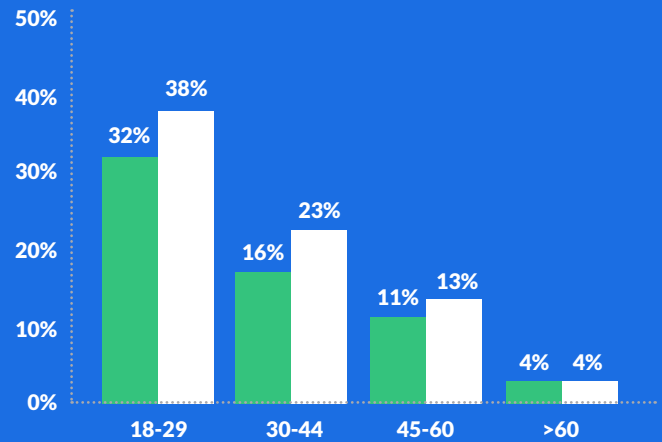
Despite the chaos, however, Black Friday madness isn't stopping shoppers from showing up in stores to take advantage of great sales. In fact, Black Friday shopping has increased from 2017, with 20 percent of respondents planning to do most of their holiday shopping on Black Friday, as opposed to 15 percent last year.

A large portion of these shoppers will be between 18 and 29 years old. When planning Black Friday sales and merchandising, retailers should take their younger audiences into account.



20% of respondents will do most of their holiday shopping on Black Friday.

1/2 of Black Friday shoppers will be between 18 and 29 years old.



Average in-store spending might be slightly down.

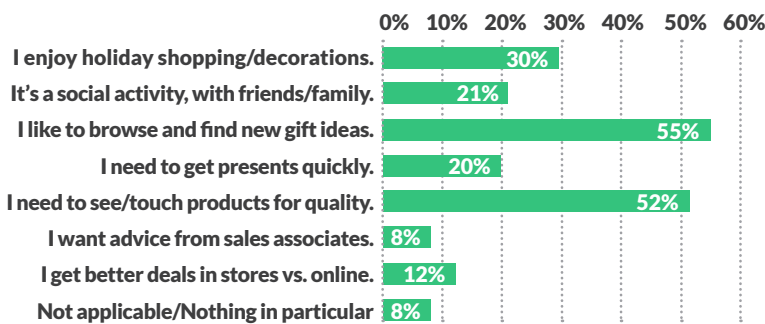
Holiday shoppers will spend slightly less in stores this year. 54 percent of shoppers expect to spend less than \$250 in stores, versus 48 percent last year. With frugality on the rise, retailers should emphasize holiday deals to pique shoppers' interest.

Overall, men will spend more than women, with 19 percent of men planning to spend more than \$500 compared to only 12 percent of women. 57 percent of women plan to spend less than \$250 in stores this holiday season, versus 50 percent of men.

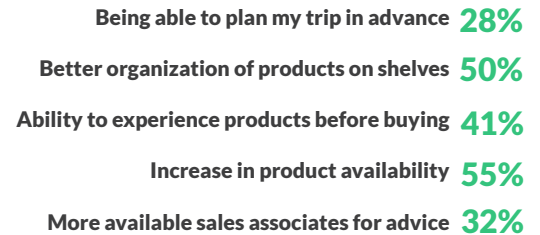
Chapter 2: Improving the Holiday Shopping Experience

Drawing on Shopper Preferences

Why Do Customers Shop in Stores?



What Would Make Customers' Holiday Shopping Experiences Better?



Finding the Right Gift

Holiday shopping is unique from other retail seasons, as shoppers are primarily buying for other people rather than themselves. Therefore, people's reasons for shopping in stores are different than the usual in-store retail motivators.

Not everyone knows what they're buying ahead of time. In fact, 55 percent of respondents reported that browsing for gift ideas is one of the main reasons to shop in stores. What does this mean for retailers? Eye-popping merchandising and knowledgeable floor reps are key to inspiring sales—try these [holiday merchandising techniques](#) to get started.

Furthermore, not all merchandising needs to be strictly product-related. 30 percent of respondents reported that the holiday decorations and atmosphere were some of the main reasons they shop in stores. Infuse your store with holiday spirit by thinking outside the box. Go beyond the typical holiday decorations with memorable techniques that make your store stand out. Try giving out hot cocoa or cider, offering free holiday cards or creating a branded filter on Snapchat or Instagram so shoppers can share their experiences with friends.

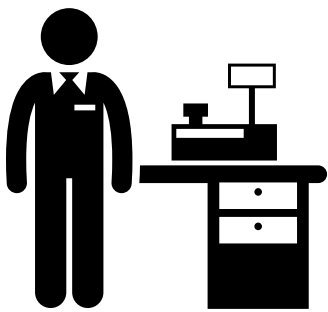
Product Displays and Demonstrations

The ability to see, touch and try out products before buying was the next most popular reason people shop in stores, clocking in at 52 percent. What's more, this factor is even more important for older generations: 65 percent of shoppers over 60 years old said experiencing products before buying was a main reason they shopped in stores during the holidays.



Retailers with older target demographics should be sure to include interactive and demonstrative displays in stores. "Try me" products, live demonstrations and other interactive merchandising techniques are great ways to showcase popular gift items in stores.

The Importance of Sales Associates

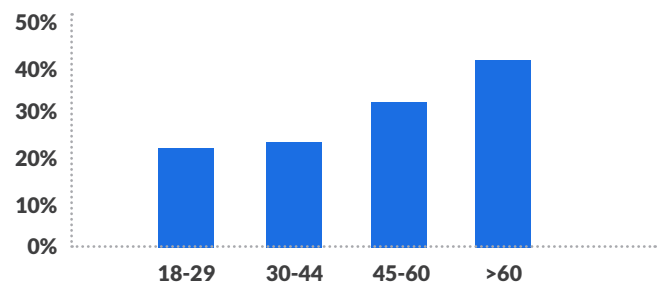


32% said having more available sales associates to advise on products would make their holiday shopping experience better.

While only 8 percent of respondents reported knowledgeable sales associates as a main reason they shop in stores, about a third of shoppers think helpful floor reps could improve their holiday shopping experience. And unavailable or unhelpful reps leave a lasting impression on customers: when asked about bad shopping experiences, a high number of shoppers mentioned either the lack of available sales associates, the lack of knowledgeable floor reps or rude staff.

Sales associates and customer service are all the more important for retailers catering to older demographics; over 40 percent of respondents aged 60+ years old said customer service was one of their main holiday shopping influencers.

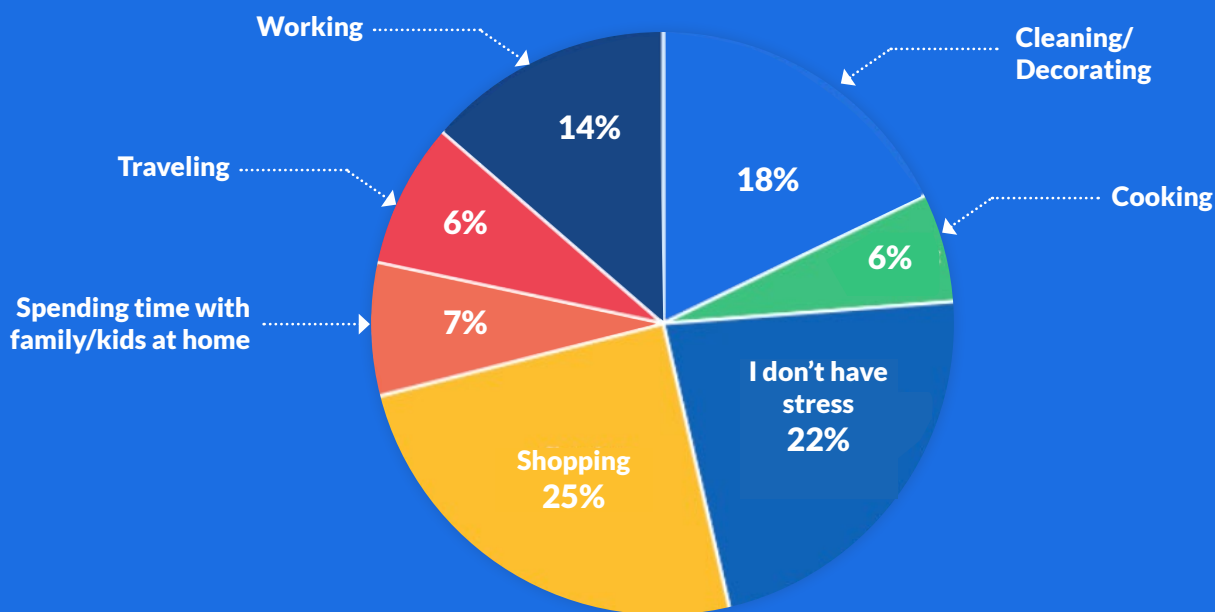
Customer Service



Reducing Holiday Shopping Stress

For some, holiday shopping is a treat. 36 percent of women reported that holiday shopping is something they enjoy doing, and 33 percent of respondents aged between 18 and 29 report that holiday shopping is a social activity that they enjoy with family or friends.

However, 25 percent of respondents reporting that shopping is their number 1 factor of stress over the holidays.

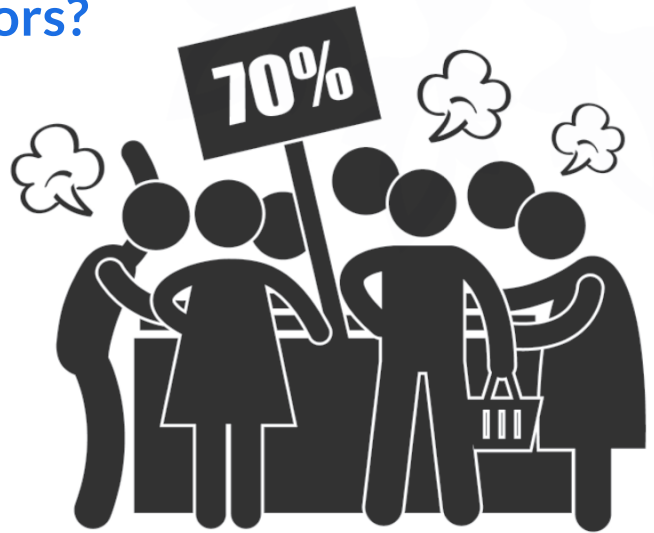


Interestingly, the younger the shopper, the more likely they are to find holiday shopping stressful rather than satisfying

Age	Cleaning/Decorating	Cooking	Shopping	Spending time with family/kids	Traveling	Working	I don't have stress
18-29	13%	8%	30%	10%	8%	17%	13%
30-44	18%	5%	27%	10%	11%	15%	13%
45-60	18%	5%	25%	6%	7%	13%	25%
>60	22%	6%	15%	4%	6%	9%	39%

What Are Customers' Top Stressors?

- Not finding presents that fit within my budget 49%
- Not being able to access product quality before buying 14%
- Stores are too crowded 65%
- Difficult to find good presents for my loved ones 48%
- Unable to find what I'm looking for in the store 47%



Crowds



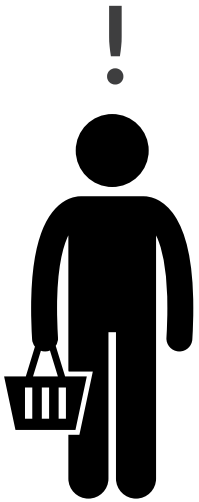
65%

listed crowded stores as one of their main causes of stress when holiday shopping.

Though seemingly counterintuitive, reducing bottleneck crowds can actually help increase foot traffic over time. Retailers should work to distribute foot traffic evenly, avoiding unmanageable rushes and intimidating crowds that push customers away. Here are a few tricks to promoting a steady flow of shoppers.

- Encourage customers to shop early in the season, and prep stores for the holidays before Thanksgiving.
- Allow consumers to buy online and pick up in stores.
- Display ideal times to visit your store ([Google tracks this for you](#)). If it is too crowded, visitors will know when to come back.
- Communicate peak hours and ideal shopping times with customers via email and social media so customers can plan ahead.

Stores That Are Difficult to Navigate



49%

listed finding a gift within their budget as one of their top three causes of holiday shopping stress.

When selecting presents, price and convenience are the two most important factors for customers.

Price	71%
Brand	30%
Convenience	48%
Customer Service	29%
Retail/Store Experience	30%
Incentives/Rewards	20%

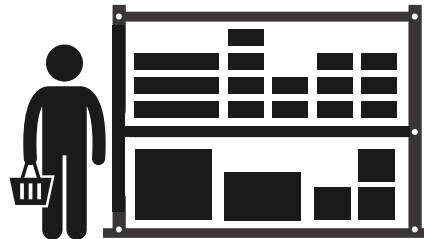
55 percent of holiday shoppers go to the stores to browse for gift ideas. With this in mind, guiding customers through stores is more important than ever during the holiday season. Retailers that cater to audiences aged 18-29 or above 60 should take particular care when organizing stores, as more than 50 percent of these shoppers list not being able to find what they are looking for as one of their main shopping stressors.

Try these store layout tips to help customers find products easily.

- Hang visible direction signs in your stores.
- Instruct sales associates to engage with customers and make sure they find what they need.
- Organize some displays by budget.
- Set up themed areas in your store based on the gift recipient. “Perfect presents for Mom,” “holiday gifts for your sweetheart” or “what’s trending for teens” are great examples of signs that might help direct a gift shopper looking for ideas.
- Create online and in-store surveys that will provide them with tailored gift ideas
- Arm your sales associates with popular gift options for different demographics, like parents or grandchildren.

Lack of Product Availability and Organization

55%
reported that increased product availability would improve their holiday shopping experience.



50%
reported that better organization of products on shelves would improve their holiday shopping experience.

Out-of-stock items and messy displays are common pain points for holiday shoppers. Here are a few ways to keep stores organized and customers happy:

- Leverage all in-store staff, including retail employees, brand ambassadors and third-party merchandisers, to keep shelves stocked.
- Use [retail execution software](#) to better track project completion, avoid fraud, and streamline inventory management.
- Make sure in-store displays match out-of-store Product promotions for consistency.

Schedule a Demo



About Natural Insight

Founded in 2003, Natural Insight provides a cloud-based advanced retail execution and workforce management platform for consumer brands, retailers and merchandising and marketing agencies. With Natural Insight, all players across the retail ecosystem are empowered to improve in-store experience, grow sales, increase ROI of distributed workforce and capture and report on field data to power continuous improvement. Natural Insight is headquartered in Sterling, Va., with multiple international offices. To learn more about Natural Insight, visit <https://www.naturalinsight.com/> and follow on Twitter @naturalinsight