


# Simon-Kucher 2023 Holiday Shopping Study

5th year of voice-of-consumer insights, shopping behavior, and promotional day trends


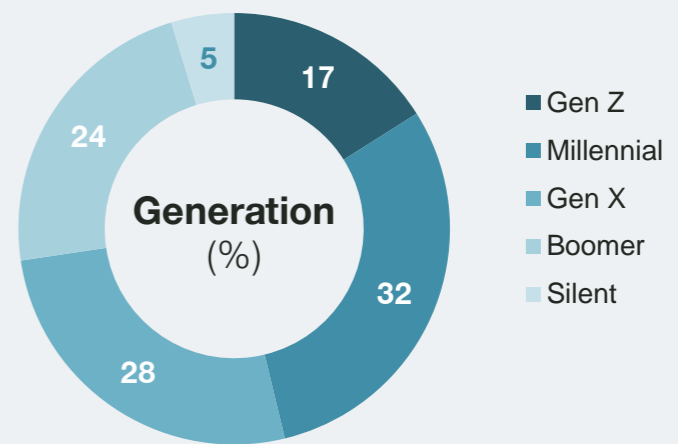
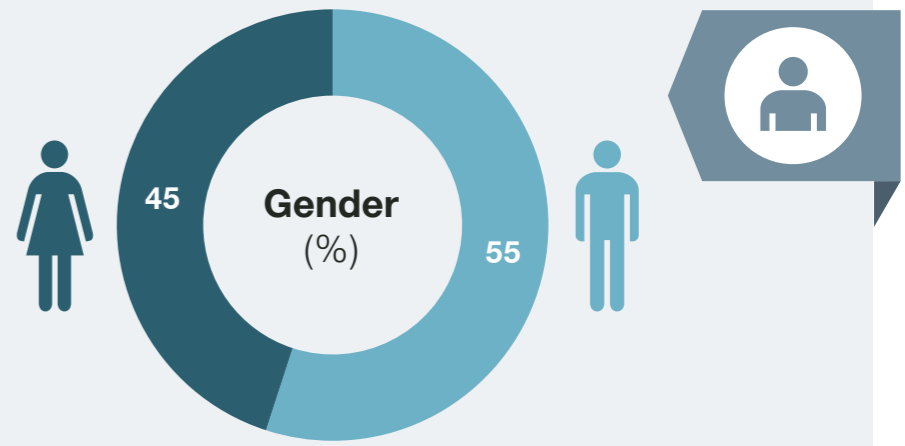




2023 marks the 5th annual Holiday Shopping Trends study conducted by Simon-Kucher



**The online study evaluates**

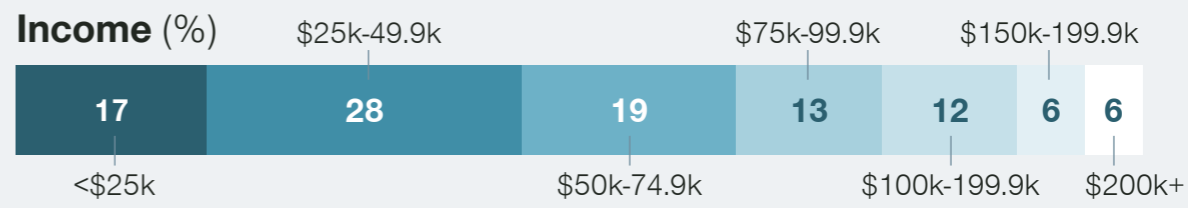
- ✓ 5 years of consumer shopping trends for Big Promotion Days including Black Friday
- ✓ Impact of macroeconomic trends on shopping behavior

 **United States**



**Sample Size ~1,000 everyday consumers**



# While Black Friday participation remains high, there are headwinds retailers will need to address to capture a more skeptical consumer

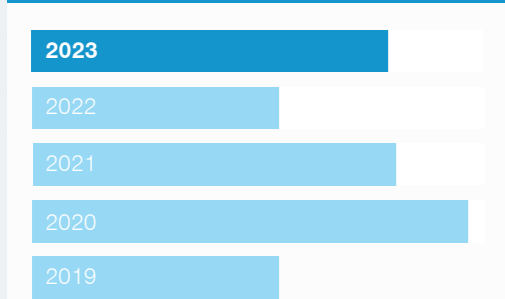


Overall trend  
(5-year)

Key insights



## 01 Discount Expectations

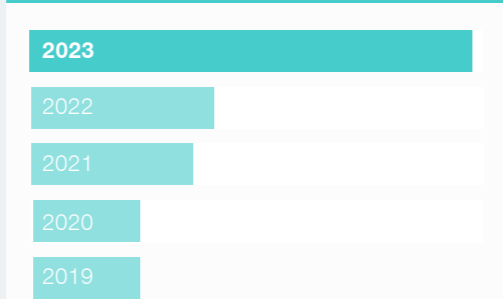


**Discount expectations are more normally distributed than previous years**

Consumers are roughly equally split into thirds across discount buckets pointing to a **differentiated discount strategy than years past**, and also expect **discounts to scale as items prices scale**



## 02 Consumer Skepticism

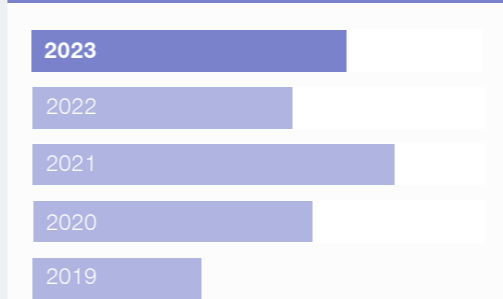


**Lack of authenticity with promotions is taking its toll on consumers**

**Consumers are skeptical** that retailers (especially Amazon) are being transparent **about the savings they get during big promotion holidays**



## 03 Stockout Concerns

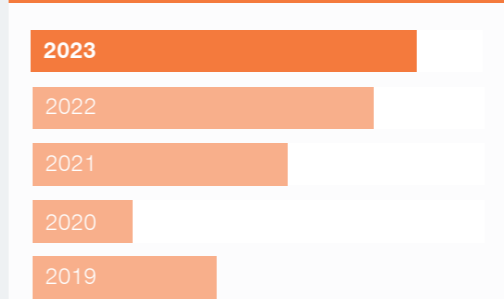


**Last minute shopping will put pressure on inventory levels in-store**

As consumers hold-out for the best deals, they will be **shopping within the final two weeks**. Retailers need to be prepared by continuing to **promote and maintain inventory levels** to meet their demands.



## 04 Inflation Fatigue

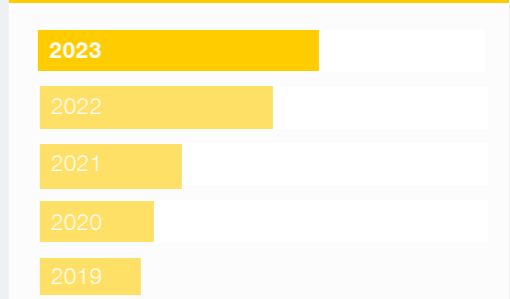


**Inflation will bring consumers to stores, but only for certain products**

As **inflation fatigue** sets in, consumers will be focusing their **spending more on essentials**, but overall with less frequency



## 05 Gen Z Purchase Power



**Gen Z has been disproportionately impacted by inflation, prompting a shift in spending behavior**

The **Gen Z consumer** continues to respond to headwinds by **shifting their spend towards essentials** and plan to **leverage promotional events for non-essentials**

Consumers are not expecting a one-size-fits-all discount strategy this holiday season.

Retailers can leverage promotions to differentiate discounts across product categories and strike a better balance between meeting consumers' discount expectations and maintaining their own profitability.

**Shikha Jain**

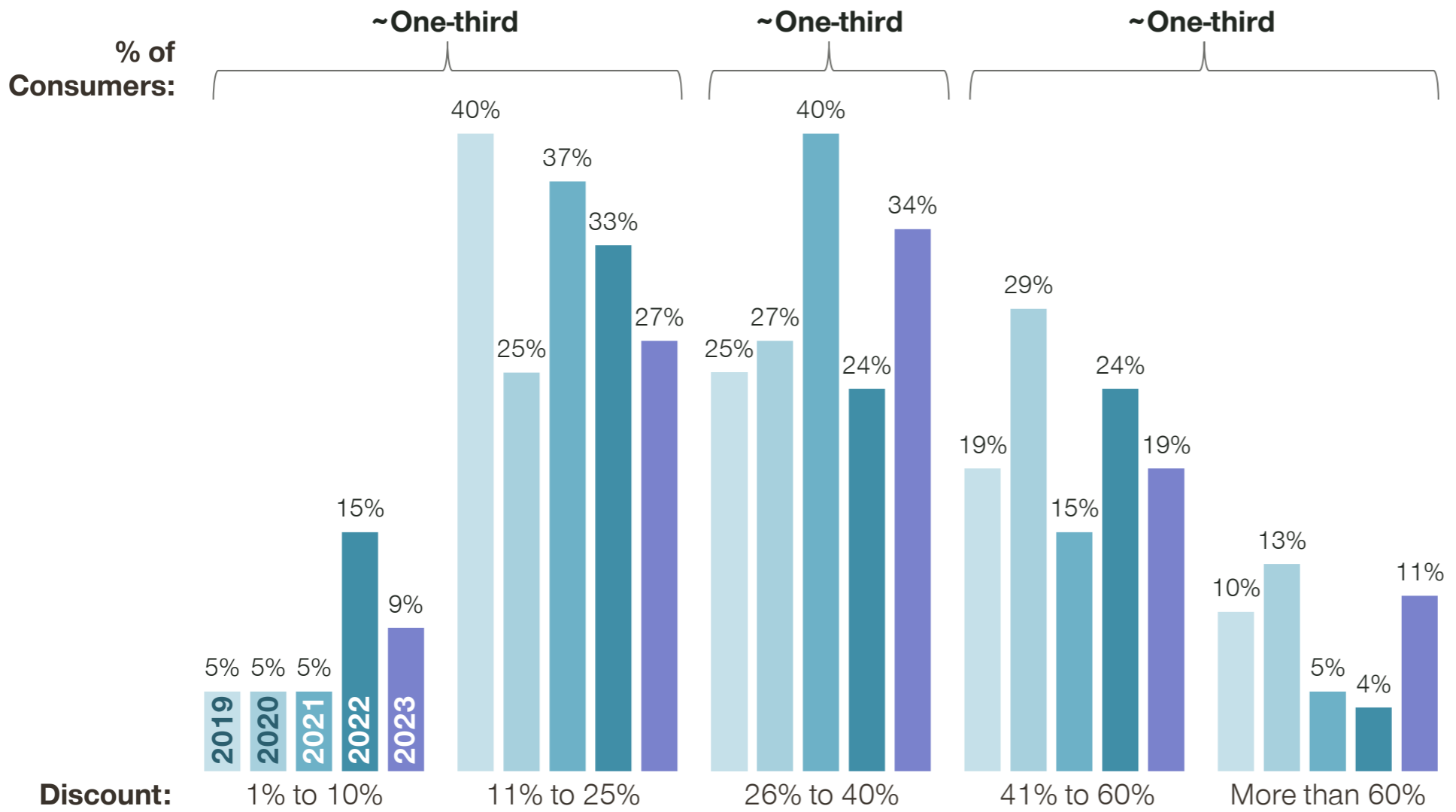
*Partner, Simon-Kucher*



**One-third of consumers are expecting discounts to be in the typical range of 26%–40% but there is a more normal distribution of expectations at each discount range**



**YEAR-OVER-YEAR EXPECTED DISCOUNTS LEVELS FOR BLACK FRIDAY AND CYBER MONDAY 2019-2023**



**Key Implication**

Retailers will need to take a more **differentiated doorbuster discount strategy**



Source: Simon-Kucher 2019-2023 US Holiday Shopping Survey  
 Q: What do you expect the discounts to be during Black Friday and/or Cyber Monday?  
 Simon-Kucher | 2023 US Holiday Shopping Insights

**There is a positive correlation between product prices and the discount expectation, pointing to a desire for consumers to be paying similar prices net of promotions**



**EXPECTED DISCOUNTS DURING 2023 BLACK FRIDAY AND CYBER MONDAY**

		Items priced at		
		Less than \$100	\$100 - \$250	\$250 & up
Discount expectation	Less than 10%	15%	4%	8%
	10% - 25%	<b>37%</b>	<b>26%</b>	18%
	26% - 40%	<b>28%</b>	<b>42%</b>	<b>31%</b>
	41% - 60%	11%	20%	<b>26%</b>
	More than 60%	8%	7%	17%
Less than 25%		<b>52%</b>	31%	25%
More than 25%		48%	<b>69%</b>	<b>75%</b>



Source: Simon-Kucher 2023 US Holiday Shopping Survey  
 Q: What do you expect the discounts to be during Black Friday and/or Cyber Monday, How much do you expect to spend in total on the following products during Black Friday and/or Cyber Monday?

Consumer skepticism around the authenticity of promotions may pose headwinds this upcoming holiday shopping season.

Retailers must continue to be transparent and maintain integrity to win back some of the lost trust.

***Shikha Jain***

*Partner, Simon-Kucher*

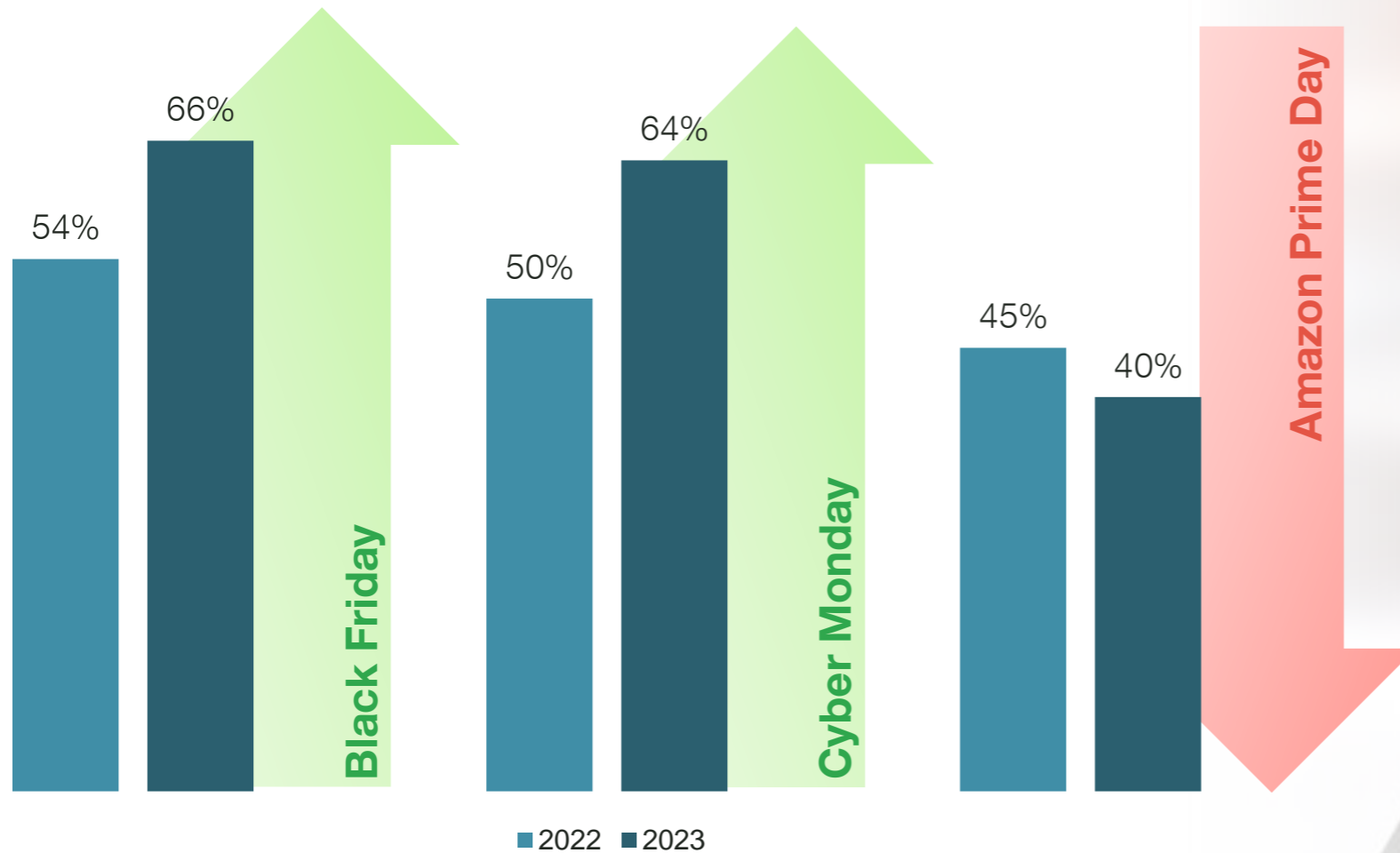
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# Black Friday and Cyber Monday lead Prime Day in the race for shoppers' planned participation with Amazon Prime Day seeing a dip from last year



## ANTICIPATED PARTICIPATION IN BLACK FRIDAY, CYBER MONDAY, AND AMAZON PRIME DAY



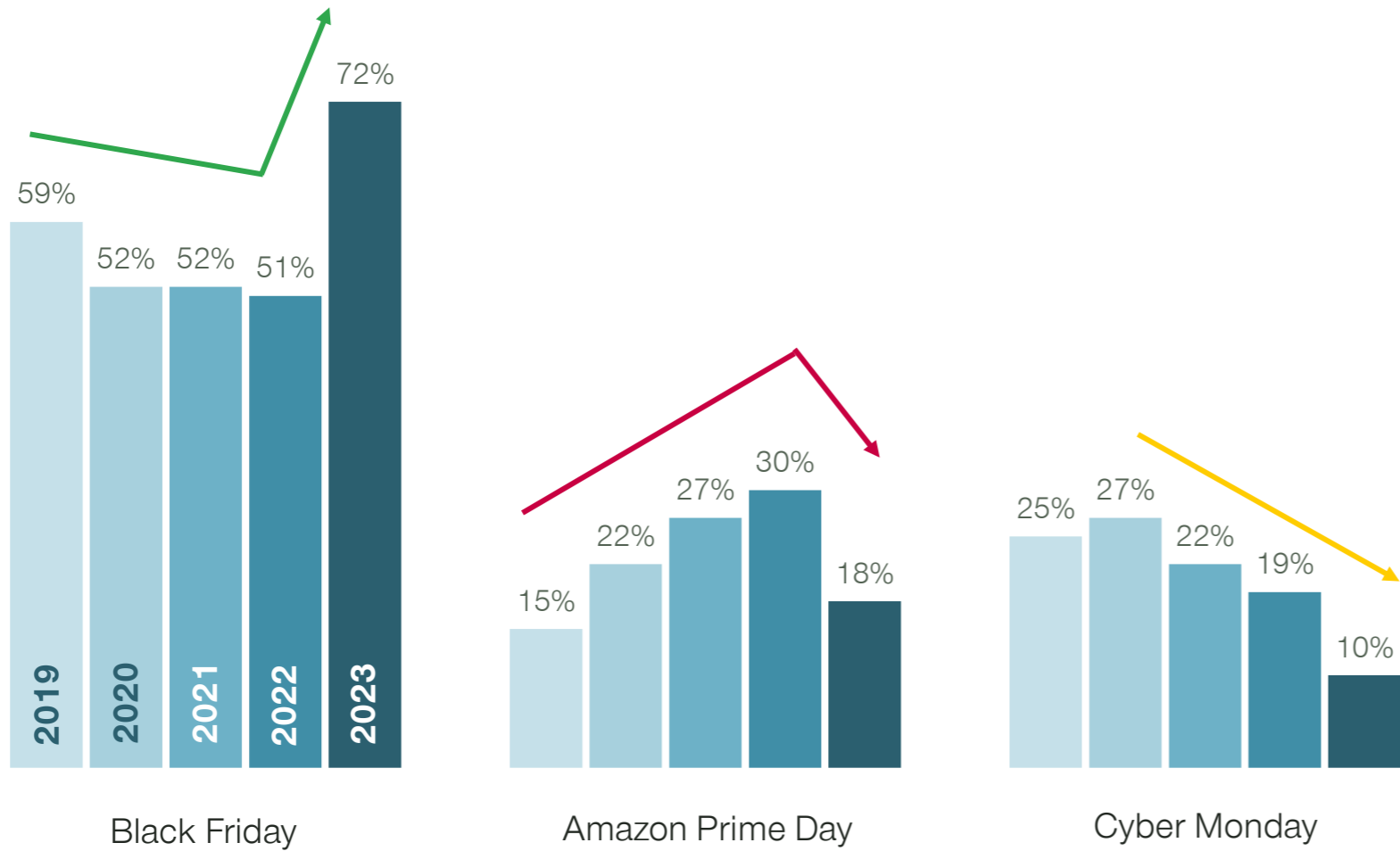
Source: Simon-Kucher 2022, 2023 US Holiday Shopping Study  
Q: Please indicate your participation in the following promotional events



# This is likely due to the fact that consumers expect the best deals this year will be found during Black Friday and not during Amazon Prime Day



## PERCEPTION OF WHERE THE BEST DEAL WILL BE OFFERED DURING PROMOTIONAL DAYS



### Amazon Prime Day in the News

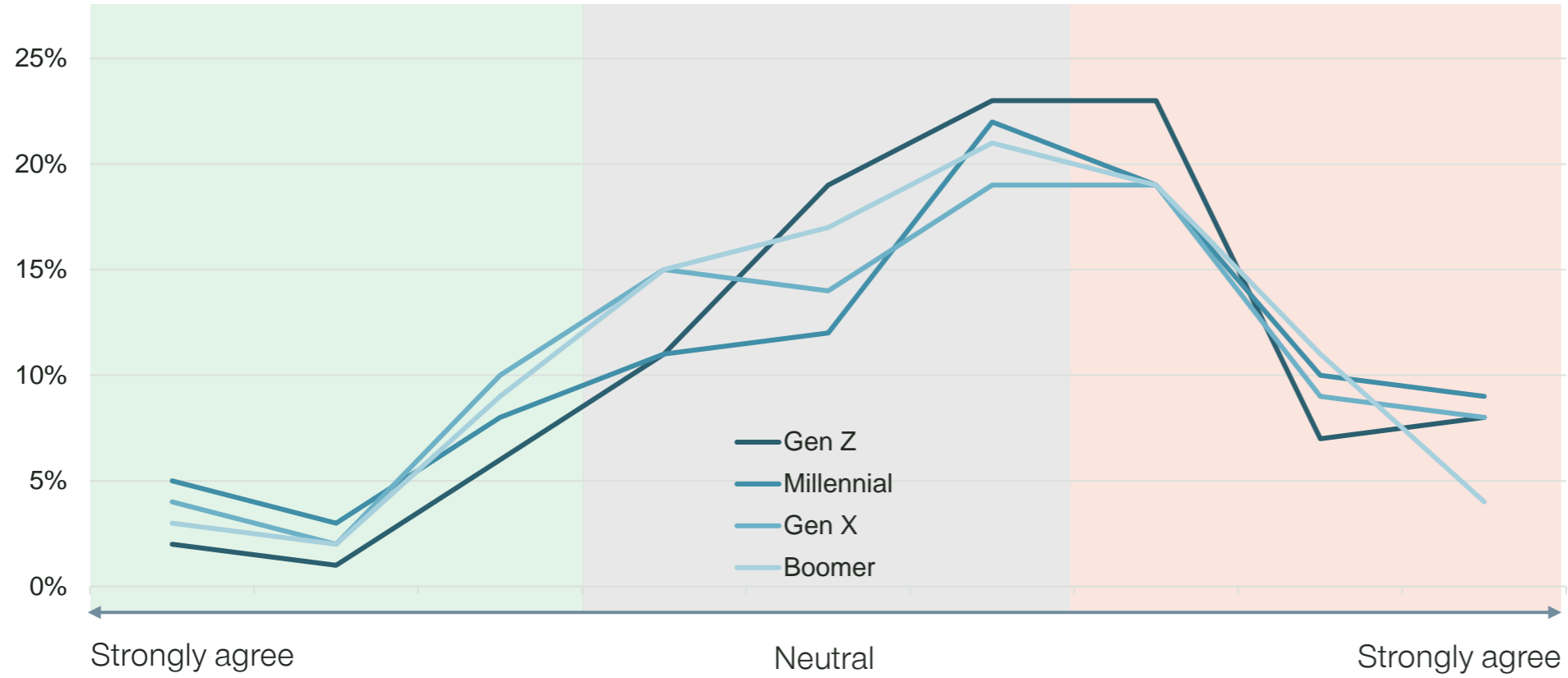
- NPR:** Are Amazon Prime Day deals worth it? 5 things to know
- The Guardian:** US government accuses Amazon of using its power to inflate prices
- Fast Company:** Amazon Prime Day 'discounts' could be price hikes disguised as great deals
- Fortune:** Amazon Prime Day sale could be used to 'misdlead' shoppers into paying higher prices, study warns
- CNET:** Amazon Sued by FTC and 17 States Over Alleged Monopoly Power

Source: Simon-Kucher 2023 US Holiday Shopping Survey. The Guardian, Sept 26, 2023, Fast Company, July 13, 2023, CNET, Sept 23, 2023, Fortune, Oct 11, 2022, NPR, July 11, 2023  
 Q: When do you think the best deals are offered?

# The skepticism around “false pricing” is prevalent across all generations of consumers pointing to a need for authenticity and transparency during promotional events



## PERCEPTION OF PROMOTIONAL AUTHENTICITY



“Retailers **do not increase shelf prices** during promotional days, offering real discounts”

“Retailers **increase shelf prices** during promotional days, not offering real discounts”

### Key Finding

40% of consumers believe “false pricing” is leveraged during promotional days



Source: Simon-Kucher 2023 US Holiday Shopping Survey. Q: Please indicate your level of agreement with each statement. Simon-Kucher | 2023 US Holiday Shopping Insights

Brick and mortar retailers must ensure shelves are stocked this season.

Especially as consumers will be shopping last minute and empty shelves will cause them to buy somewhere else.

**Shikha Jain**

*Partner, Simon-Kucher*

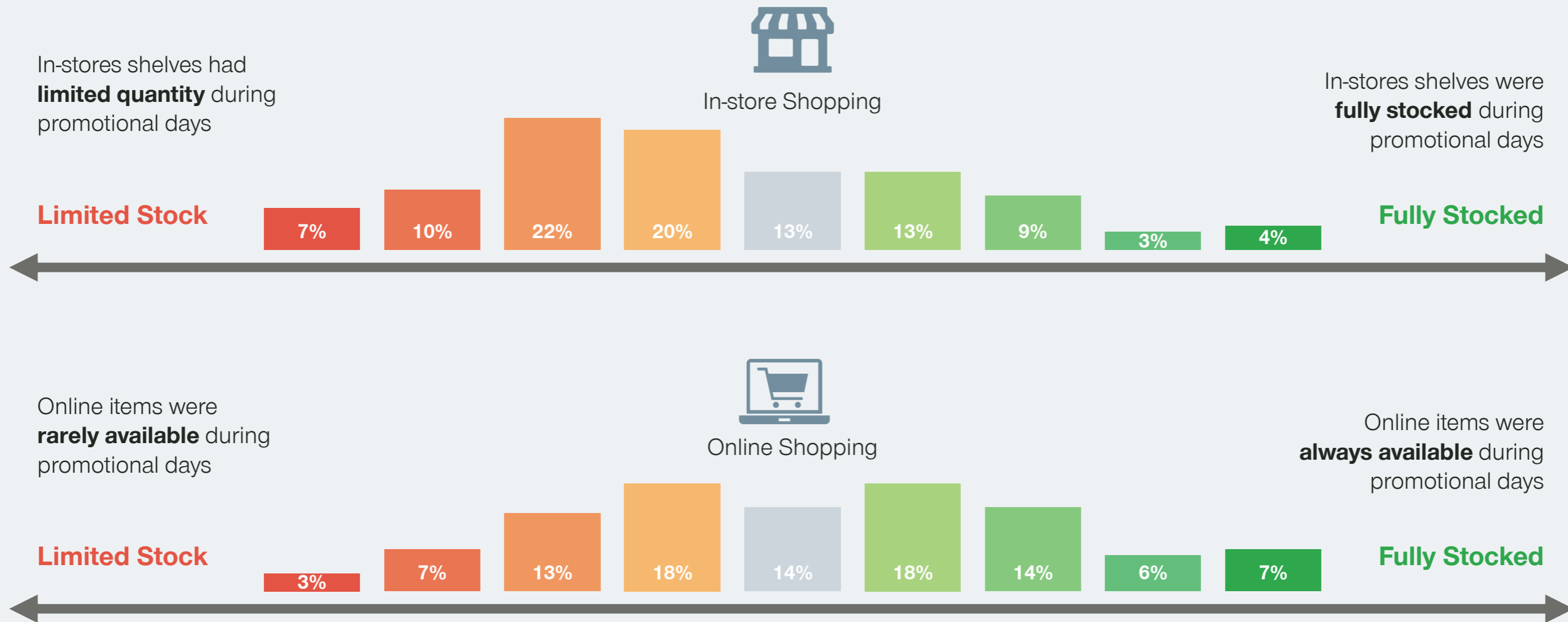
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# Unreliable and inconsistent availability of product on shelves in brick and mortar stores may also hurt foot traffic and drive consumers online



## PERCEPTION OF STOCKED AND AVAILABLE INVENTORY DURING PROMOTIONAL DAYS



Source: Simon-Kucher 2023 US Holiday Shopping Survey  
 Q: Please indicate your level of agreement with the statement

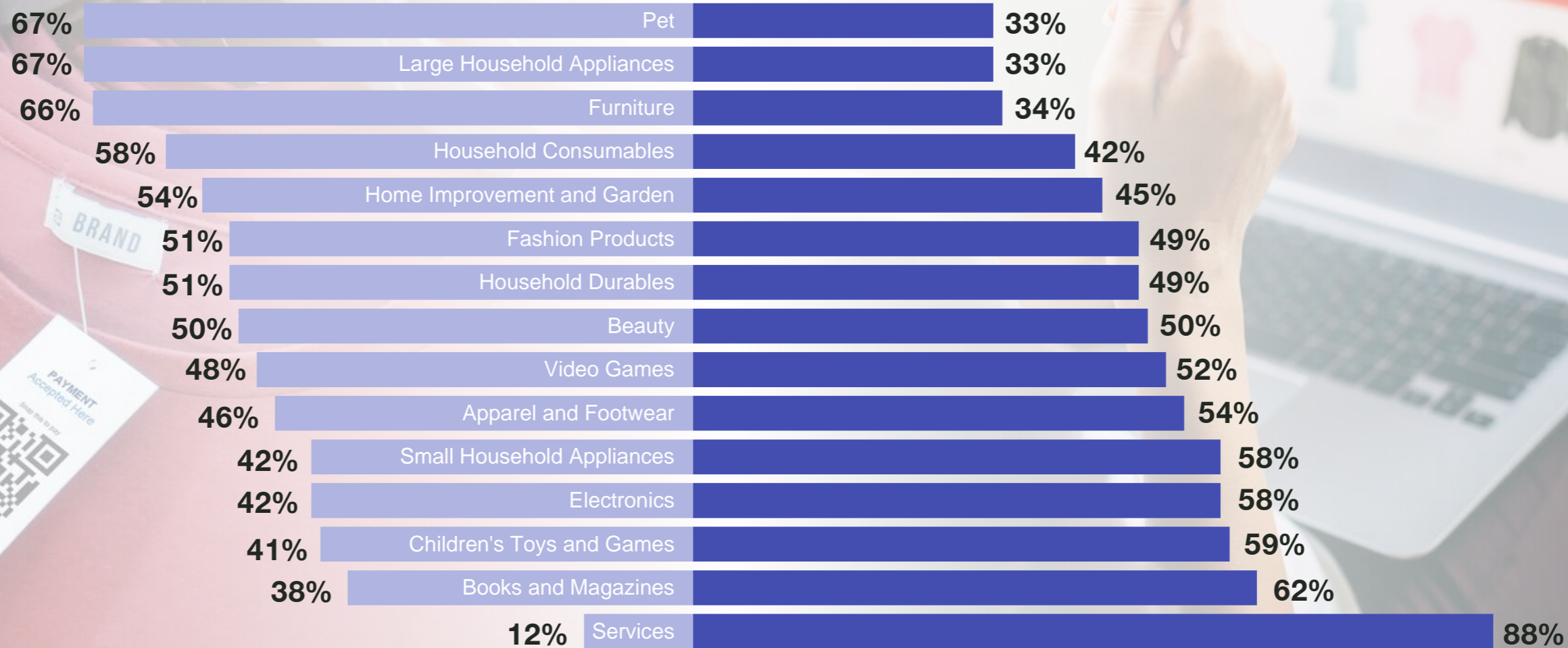
# However, for larger products that are prone to showrooming, consumers will choose to purchase in store to leverage holiday deals



Planning **IN-STORE** shopping only for holiday deals

49% 51%

Planning **ONLINE** shopping only for holiday deals

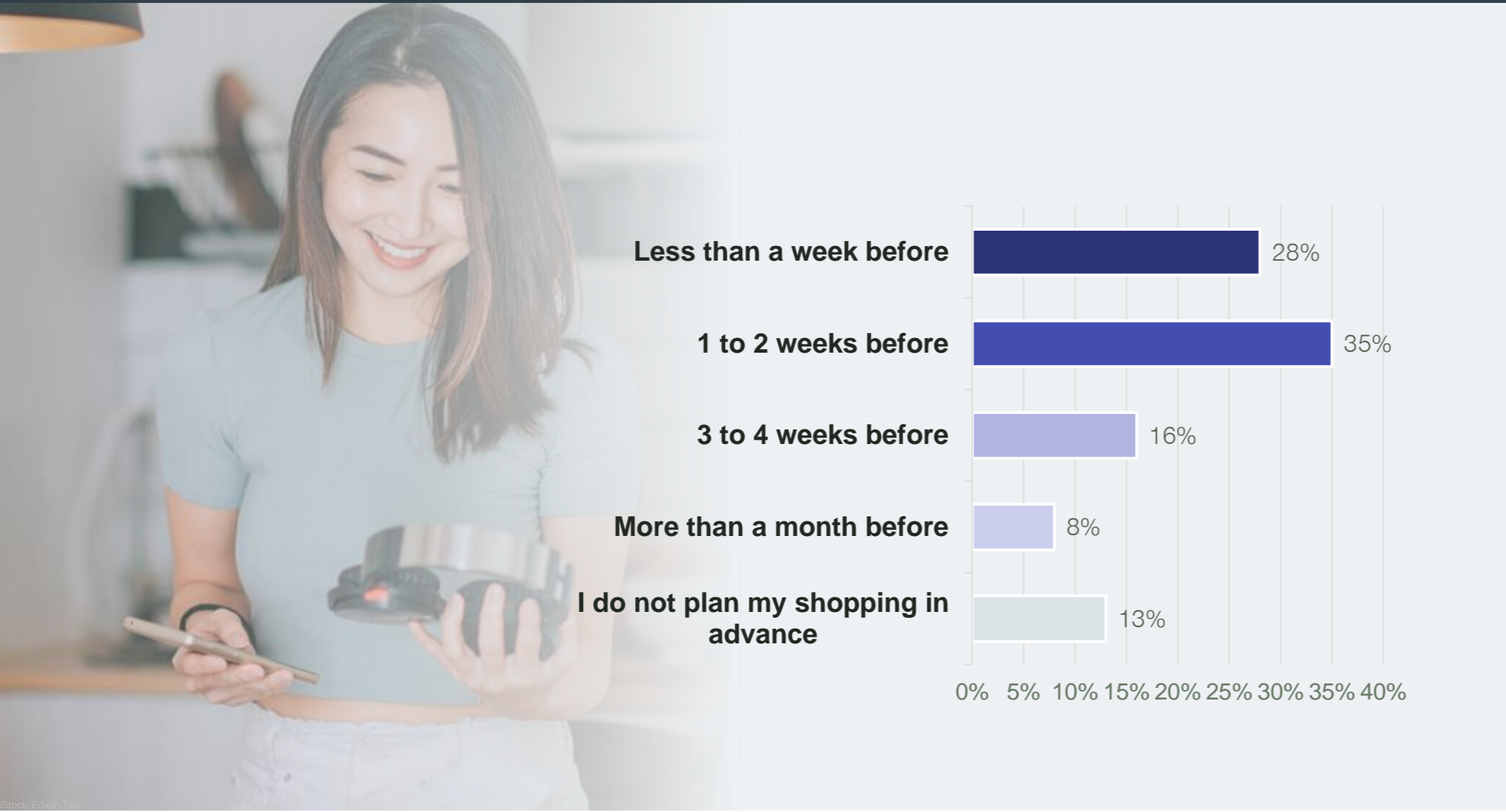


Source: Simon-Kucher 2023 US Holiday Shopping Survey  
 Q: Where do you plan to purchase the following products from during Black Friday and/or Cyber Monday

**Retailers will need to ensure sufficient stock and communicate deals all the way up to the promo day, given two-thirds of consumers will wait almost until the last minute**



**WHEN SHOPPING PLANS ARE MADE PRIOR TO PROMOTIONAL DAYS**



 Key Finding

**63%** of consumers **plan their shopping within 2 weeks before** Black Friday and Cyber Monday



Source: Simon-Kucher 2023 US Holiday Shopping Survey  
Q: How long before Black Friday and/or Cyber Monday do you usually plan your shopping list?

Consumers will continue to spend similarly to last year during this holiday season despite inflation fatigue.

”

That said, they will be shifting their spending to take advantage of promotions to fulfill their essential needs.

**Hubert Paul**

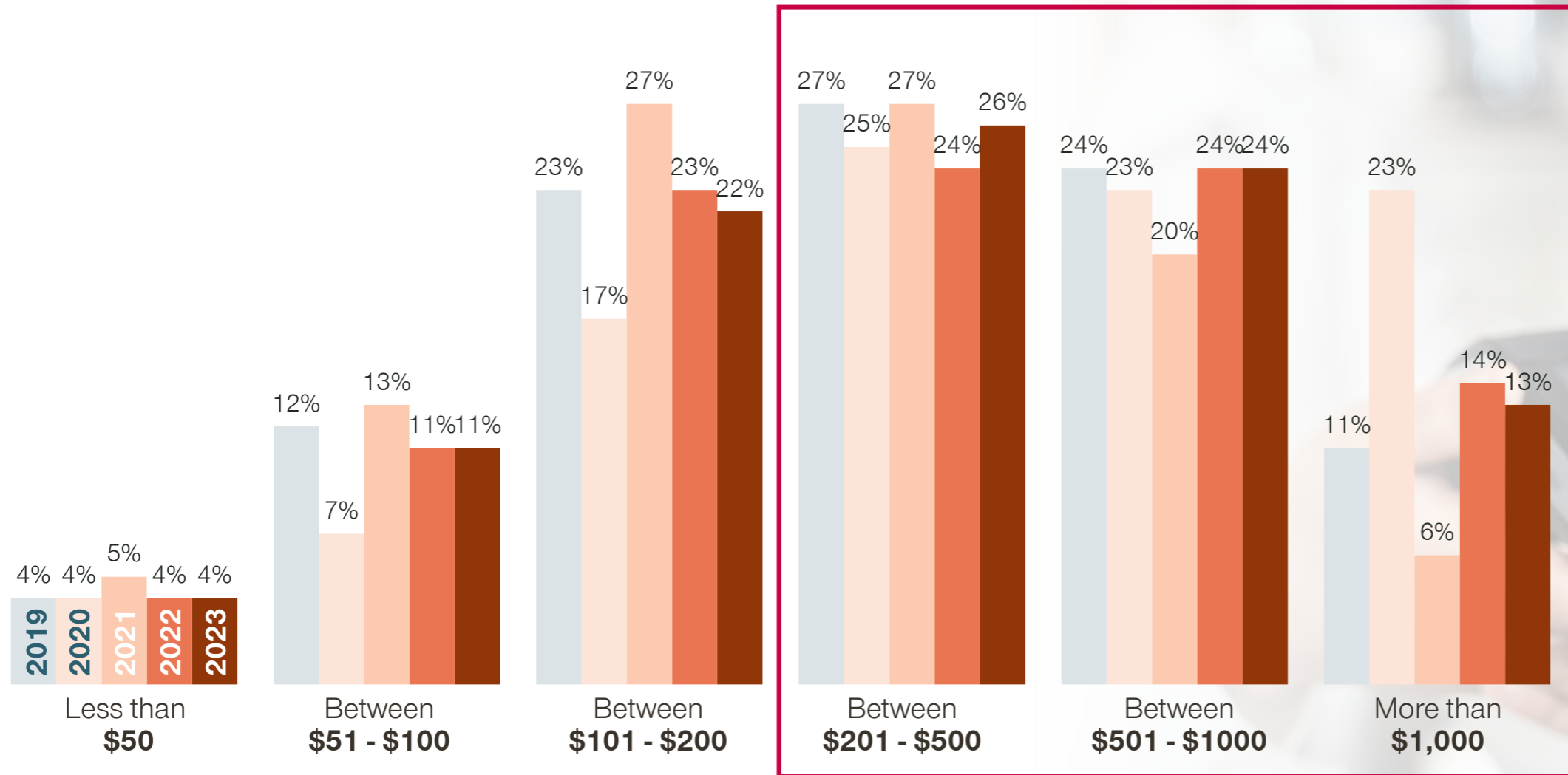
*Senior Director, Simon-Kucher*



# Consumers planning spend the same as last year despite continued high inflation, new skepticism around “false pricing” and a wider range of discount expectations



## YEAR-OVER-YEAR EXPECTED SPEND FOR BLACK FRIDAY AND CYBER MONDAY 2019-2023

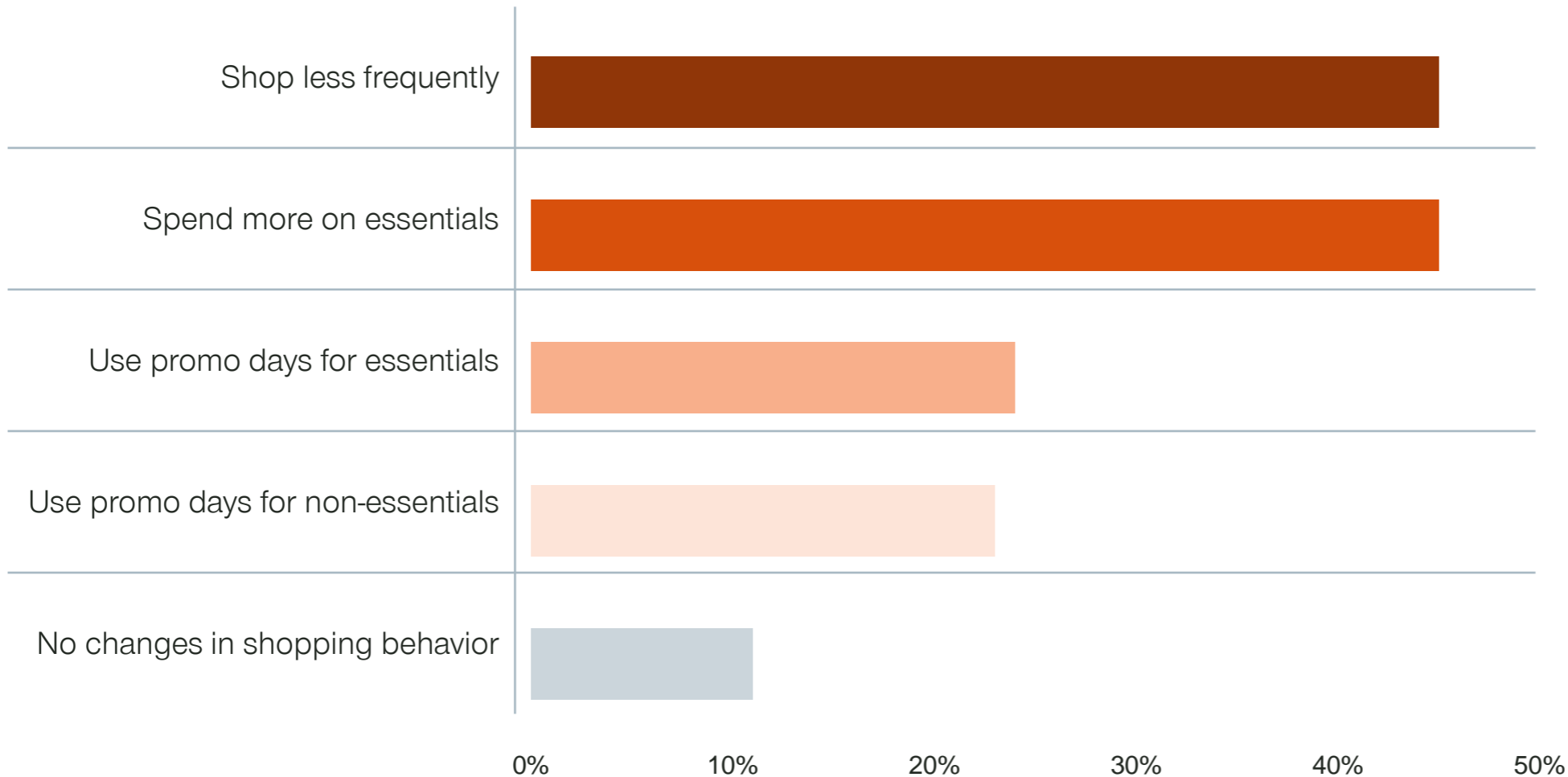


Source: Simon-Kucher 2019-2023 US Holiday Shopping Survey  
 Q. How much do you usually plan to spend on Black Friday and/or Cyber Monday in total?



# High inflation has caused consumers to pull back on their spending

## CONSUMER SHOPPING PLANS DUE TO INFLATIONARY PRESSURES



Key Finding

**45%** of consumers are **shopping less** and **spending more on essentials**

Source: Simon-Kucher 2023 US Holiday Shopping Survey  
Q: How has your shopping behavior changed over the last 1-2 years as a result of inflation?

Gen Z's purchasing power has shifted this year, as they are particularly impacted by the effects of inflation. They have shifted to spending more on essentials, while strategically leveraging promotional events for non-essentials, including beauty products, fashion items, video games, and other categories.

**Hubert Paul**

*Senior Director, Simon-Kucher*

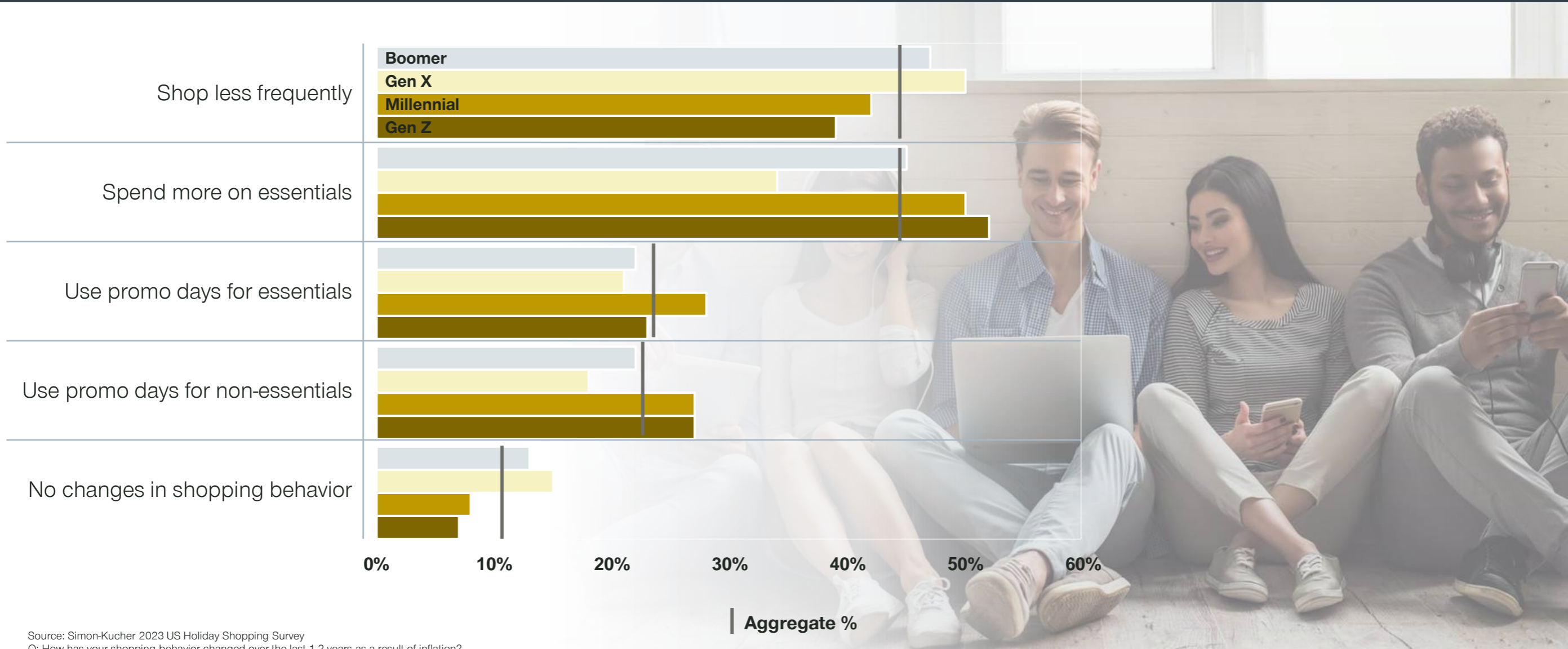
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# High inflation is impacting Gen Z disproportionately as they plan to shift spend towards essentials and use big promotion days for purchasing their non-essentials



## CONSUMER SHOPPING PLANS DUE TO INFLATIONARY PRESSURES



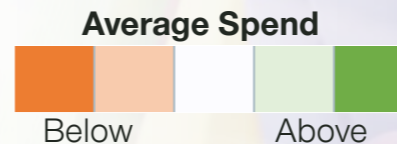
Source: Simon-Kucher 2023 US Holiday Shopping Survey  
 Q: How has your shopping behavior changed over the last 1-2 years as a result of inflation?

# Gen Z will spend more on beauty, fashion, pet, books/magazines, streaming services, and video games during big promotion days relative to other generations



## INDEX VS. AVERAGE INTENDED PROMOTIONAL SPEND FOR EACH CATEGORY BY GENERATION

	Gen Z	Millennials	Gen X	Baby Boomer
Apparel and Footwear	Light Green	Light Gray	Light Gray	Light Gray
Beauty	Dark Green	Dark Green	Orange	Orange
Large Household Appliances	Light Green	Dark Green	Orange	Orange
Household Durables	Light Orange	Light Gray	Light Gray	Light Gray
Household Consumables	Light Gray	Dark Green	Light Orange	Light Orange
Small Household Appliances	Light Gray	Light Gray	Light Gray	Light Gray
Furniture	Light Green	Light Gray	Light Orange	Light Orange
Home Improvement and Garden	Orange	Dark Green	Light Gray	Light Orange
Fashion Products	Dark Green	Light Gray	Light Gray	Orange
Children's Toys and Games	Orange	Light Green	Light Gray	Light Gray
Pet	Dark Green	Light Gray	Light Orange	Light Gray
Electronics	Light Gray	Light Gray	Light Gray	Light Gray
Books and Magazines	Dark Green	Light Gray	Light Orange	Light Gray
Streaming Services	Dark Green	Dark Green	Light Orange	Orange
Video Games	Dark Green	Light Green	Light Gray	Orange



Source: Simon-Kucher 2023 US Holiday Shopping Survey  
 Q: In which product categories do you normally look for offers and make purchases during Black Friday and/or Cyber Monday?

# Commercial excellence requires sophistication across the following business initiatives to best leverage trends



## 01 Discount Expectations

- ✔ Promotional Event Effectiveness
- ✔ Dynamic/AI-enabled Pricing and Personalized Promotions
- ✔ Marketing Spend & Campaign Optimization
- ✔ Assortment Mix



## 02 Consumer Skepticism

- ✔ Price-Image Assessment
- ✔ Promotional Event Effectiveness
- ✔ Dynamic/AI-enabled Pricing and Personalized Promotions
- ✔ Brand Value Proposition
- ✔ Public Relations Strategy



## 03 Stockout Concerns

- ✔ Demand Forecasting
- ✔ Real-time Inventory Management
- ✔ In-Store Salesforce Efficacy
- ✔ Shelf Space and Product Placement
- ✔ Store Clustering
- ✔ Omnichannel Management



## 04 Inflation Fatigue

- ✔ Dynamic/AI-enabled Pricing and Personalized Promotions
- ✔ Private Label Strategy
- ✔ Marketplace Strategy
- ✔ Shipping + Fee Optimization
- ✔ Procurement/Negotiation Strategy
- ✔ Loyalty Strategy



## 05 Gen Z Purchase Power

- ✔ Brand Strategy
- ✔ Omnichannel Strategies
- ✔ Digital Marketing
- ✔ Dynamic/AI-enabled Personalized Promotions
- ✔ Membership / Subscription Models
- ✔ Digital Path to Purchase

Business initiatives



For more information, check out other Simon-Kucher insights at [www.simon-kucher.com/en/industries/consumer](http://www.simon-kucher.com/en/industries/consumer) or contact either [Shikha.Jain@simon-kucher.com](mailto:Shikha.Jain@simon-kucher.com) or [Hubert.Paul@simon-kucher.com](mailto:Hubert.Paul@simon-kucher.com) to talk about Unlocking Better Growth

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Retailers should seize this opportunity to build profitable growth this holiday season.

Schedule your no-pressure consultation today:

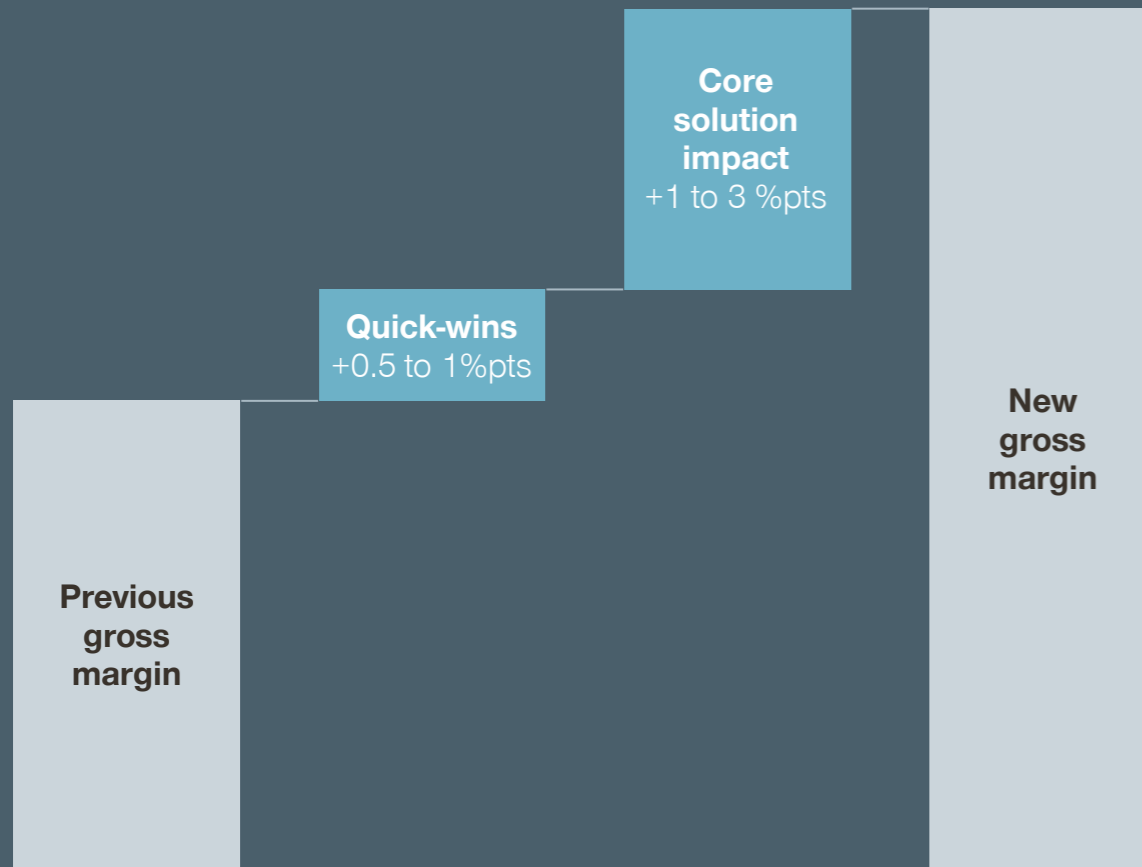
[Click here to schedule your appointment](#)



# Simon-Kucher Client ROI: Our pricing, sales, and marketing projects deliver significant, rapid and sustainable profit improvement



## Illustrative Project Impact



### PROVEN IMPACT

+3 to 5% pts

Gross margin improvement

*average from >3,000 Simon-Kucher projects over the past 3 yrs*



### FAST PAYBACK

< 4 months

*through capture of quick-wins*



### HIGH ROI

Typical project generates **10-40X ROI** after 1<sup>st</sup> full year of implementation

## Simon-Kucher is the leading global consulting firm specializing in unlocking better growth.

### Our people

- Specialists in Commercial Strategy & Pricing Consulting, Transaction Services & Private Equity, Digital and Software
- Our partners and experienced leadership team are hands on, delivering results at pace

### Our sector expertise

- Consumer Packaged Goods (FMCG, Durables)
- Retail (Specialty, Big Box)
- Restaurants, consumer services
- eCommerce, marketplaces, consumer internet
- Leisure, travel, tourism

### Our clients

- Our clients range from Fortune 500 firms to unicorns to PE/VC backed companies across the entire stage of maturity

### Our reputation



1985  
FOUNDED

45  
OFFICES

30  
COUNTRIES

2,000+  
EMPLOYEES

190  
PARTNERS



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