



Holiday Shopping Behavior: Consumers

Survey Results – National U.S. Sample
November 2021

Results overview

While access to finances is more of a barrier to holiday spending this year, consumers plan to spend a similar amount as last year

- Limiting contact with others and getting the best customer service amid labor and inventory shortages are leading consumers to plan their shopping earlier.
- Consumers also worry about the supply chain issues impacting many small businesses, like extended shipping times and inventory shortages, combined with the anticipated impact of a national labor shortage – e.g., stores not being sufficiently staffed and long checkout lines.
- Financial factors include inflation, efforts to save, and additional expenses. Consumers will otherwise plan to shop during slower times to ensure the best service and limit physical contact and SBO's plan to encourage in-person shopping by following all COVID-19 safety protocols.

Consumers are now just as likely to shop at large retailers as they are small businesses

- Despite that consumers began prioritizing small business shopping to support their local communities in 2020, this year's higher cost and smaller range of products/services at small businesses are weighing more on their shopping decisions.
- Focusing on offering unique experiences and exclusive items can keep small businesses competitive – while small businesses may also compete with larger retailers by offering better customer experiences overall.
- Minority-owned businesses (especially female-owned) are still seen as a priority, suggesting these qualities are worth promoting.

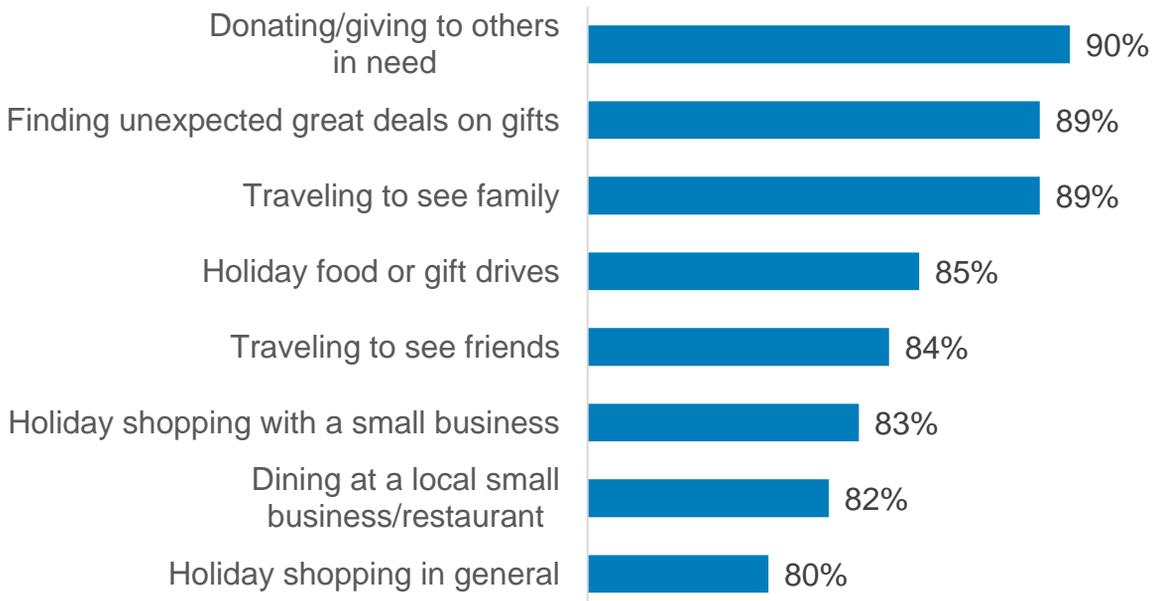
There is a disconnect between what consumers want and what SBOs are planning to offer

- Small businesses could earn up to half of most consumers' holiday budget this season, with over half being likely to spend an additional \$10 to support small or local businesses. That spending is critical to SBO's as the holiday shopping season is important to the success of their business this year.
- Still, consumers would most like to see holiday sales, discounts, and/or promotions, while SBOs plan to prioritize safety measures with mixed plans to offer special seasonal deals.
- SBOs should consider prioritizing low-cost, quick wins to earn consumer dollars – providing a cheery holiday experience and offering free local delivery could go a long way to standing out from larger big box stores that are otherwise struggling with supply chain issues and labor shortages.

Consumers' planned holiday spending is unchanged from the previous year

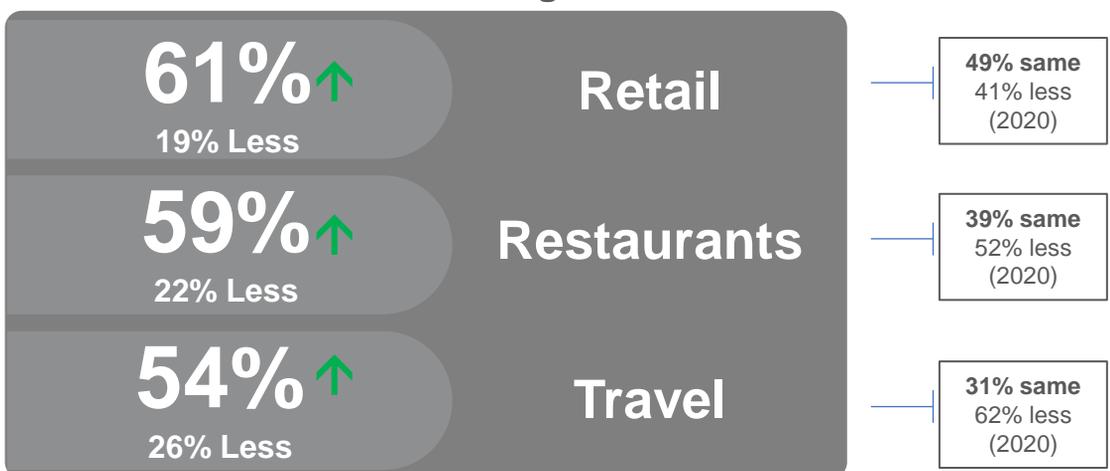
US consumers largely feel confident and have few regrets about the money they spend during the holidays – so long as that money goes towards others, be it loved ones or those who may be struggling due to the pandemic.

Shopping with a small business ranks high among the occasions where Americans feel their money is well spent during the holidays.



Spend on restaurants and travel have not rebounded to pre-pandemic levels. With spending having decreased in 2020 but staying the same in 2021, the lower spending levels will continue.

of consumers who will spend the same in 2021 as 2020 across categories:



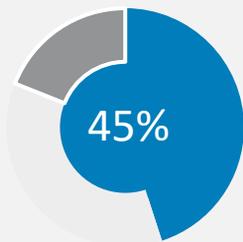
Q1: Thinking about spending on the following holiday activities, please rate the following on a scale of 1 to 4, where 1 is "Definitely Money Well Spent" and 4 is "Definitely a Waste of Money".

Q2: Which of the following best describes your plan for spending this holiday season compared to last year?
(U.S. n=1000, CA n=300)

Consumers are planning to shop earlier this year

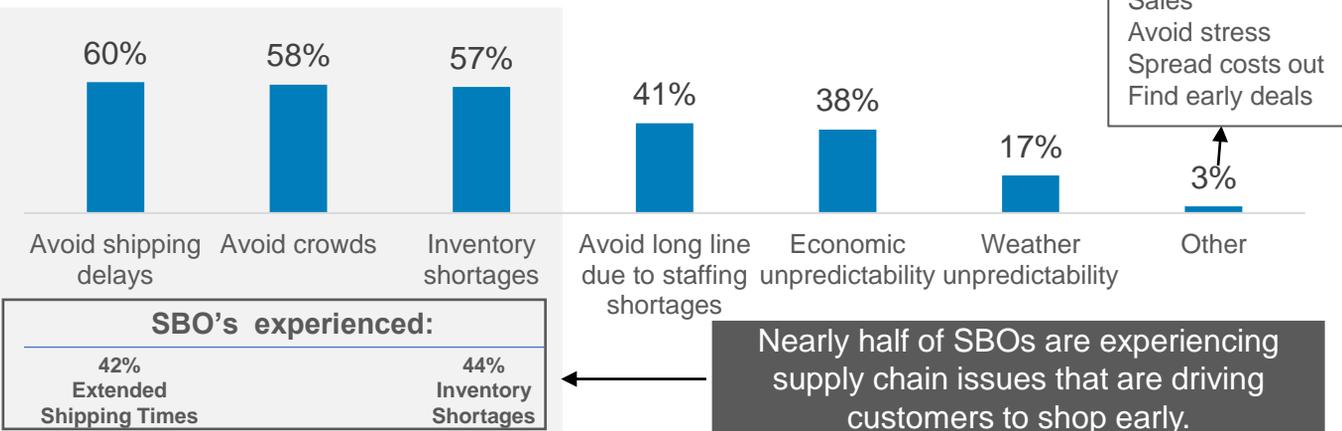
New concerns about holiday shopping issues and hurdles are driving them to shop earlier than previous years.

Avoiding crowds, navigating shipping delays, and fear of inventory shortages are responsible for nearly half of consumers planning to shop earlier than normal this holiday season.

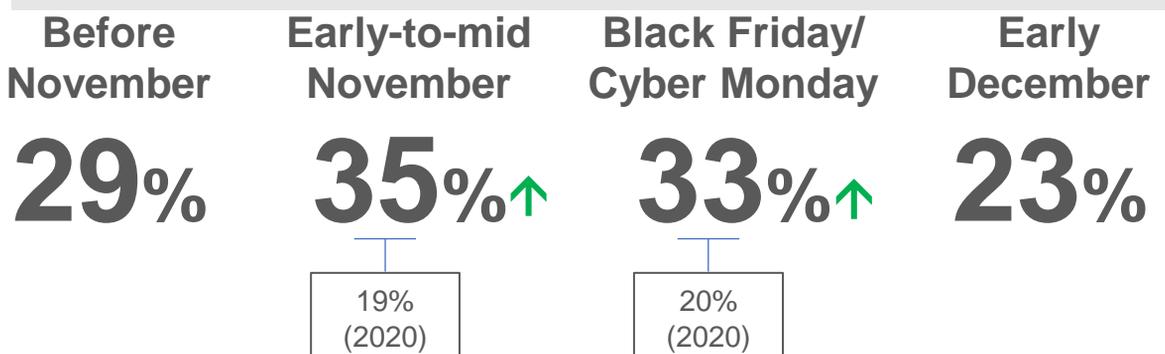


Plan to shop for the holidays **earlier than normal**

Reasons for shopping early include:



Most are early shoppers, planning to shop before mid-December, though the number planning to do most of their shopping in early December remains consistent compared to previous years.

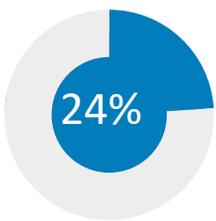


Q3: Are you planning to do your holiday shopping earlier than normal this year? (U.S. n=1000, CA n=300)
 Q4: Which of the following are reasons why you plan to shop earlier this holiday season? (U.S. n=645, CA n=191)
 Q5: When are you planning to do the majority of your holiday spending this year? (U.S. n=1000, CA n=300)
 SBO Q13: What supply chain challenges – if any – have you faced in the past 12-months? (U.S. n=200, CA n=100)

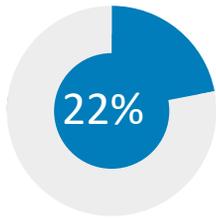
Financial factors, limiting physical contact and quality of customer service are top concerns this holiday shopping season.

Nearly a quarter of Americans say inflation is likely to – or already has – had an impact on their ability to spend on the holidays this year

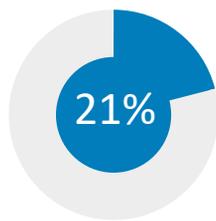
Inflation, efforts to save, and additional expenses are top financial considerations this year; still, a third feel financial factors won't play a role in their planning.



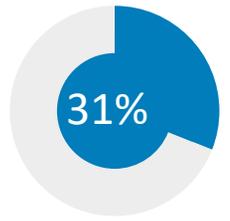
Inflation



**Trying to save more
This year**



**Increased Expenses
This Year**



**No Impact from
Financial Factors**

Meanwhile, channel and time of day they shop may be impacted as consumers seek to limit physical contact yet get the best customer service.

Agree/Disagree about the Holiday Season (Shown: % Top 2 Box "Strongly/Somewhat Agree")	
I plan to shop during slow times so I can limit contact with people	74%
I plan to shop during slow times so that I can get the best service	74%
I plan to shop at small businesses that have an online presence	58%
I plan to shop small instead of shopping at large retailers	58%
I am going to support local small businesses by dining out more during the holiday season	57%
I plan to shop small instead of shopping large e-commerce platforms	56%
I am going to purchase gift cards from small or locally/private owned retail stores this holiday season	49%
I plan to shop at online-only small businesses to support non-local small businesses	47%
I am going to purchase gift cards from small or locally/private owned restaurants this holiday season	47%
I am going to use a small local bakery or caterer to help me with my holiday feast	46%

1 in 2

SBO's will follow ALL COVID-19 safety protocols to encourage in-person shopping

Q9: What financial factors have positively or negatively impacted (or will likely impact) your ability to spend on the holidays this year?
 Q10. Below are some statements regarding the holiday season, please indicate if you agree or disagree with each of the following statements:(U.S. n=1000, CA n=300)
 SBO Q11: As customers return to in-store shopping, which of the following will you do to encourage consumers to shop in-person for the holiday shopping season this year? (U.S. n=300, CA n=100)

By the end of 2021, customers say they are confident yet stressed while managing the “new normal”

Consumers of all ages acknowledge the holiday shopping will look different this year due to inventory shortages and lower quality service, as well as financial strains due to higher prices.

Adjusting to the New Normal

(Shown: Open-End Responses among US Consumers)

Primary signs of a national labor shortage include insufficient stocking of items, reduced hours/staffing, and long checkout lines.

1 in 3 SBO's businesses were impacted by the ongoing national labor shortage.

Signs Of A National Labor Shortage That Consumers Have Experienced

Stores are not sufficiently stocking items	39%
I have noticed that some stores have reduced hours due to staffing issues	35%
I have visited restaurants that have reduced their dining room capacity	29%
While shopping, I have noticed that the checkout lines are longer than usual	29%
More stores are offering self-checkout	27%
Employees generally seem stressed	27%
I have visited restaurants with limited menu options	24%
I have shopped more online to get the products I need	23%
I have shopped more online to avoid long lines	21%
When I have a question, I have noticed that there are not enough employees available to ask for assistance	21%
I have spent more money overall at businesses	13%
I have gone to a competing business due to labor shortage issues at my usual store	10%
None of these	20%

Labor Shortage Consequences on Business

Reduced store hours
42%

Offered self-checkout stations
23%

Unable to compete with other companies
23%

*“A lot of stores don't have things in stock nor have enough help and I hope those things get sorted out.”
–Female, 25-34*

*“Struggling with poor or limited customer service and rising prices.”
–Male, 65+*

ConsumerQ16: In which ways, if any, have you personally seen or experienced the effects of the national labor shortage?

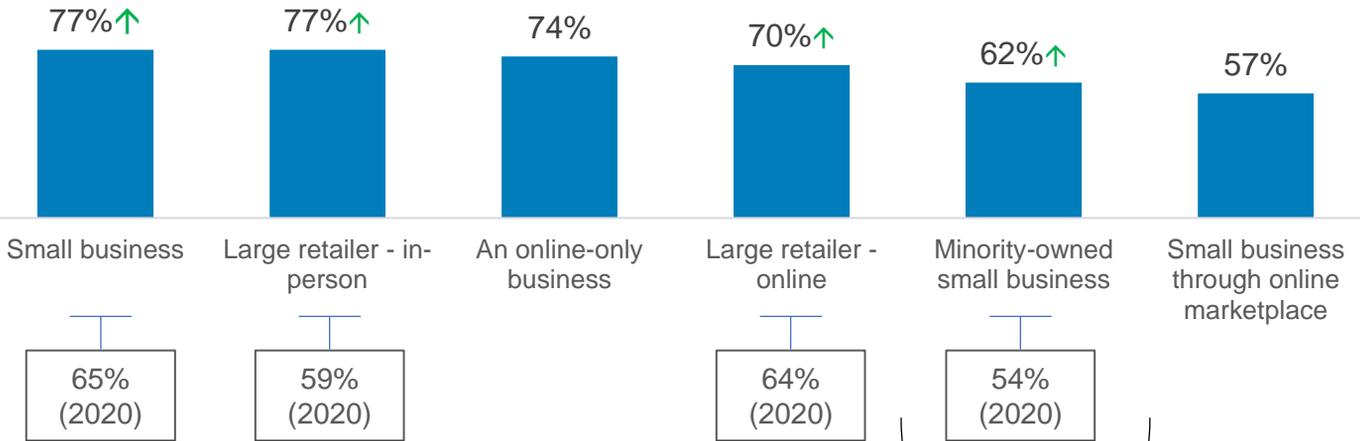
ConsumerQ17: [OPEN ENDED] Do you feel you have adjusted well to “the new normal”, or are you still struggling with having to navigate the new normal, or somewhere in between?

SBOQ14: Has your business been impacted by the ongoing national labor shortage? (US SBOs: n=200, CA SBOs: n=100)

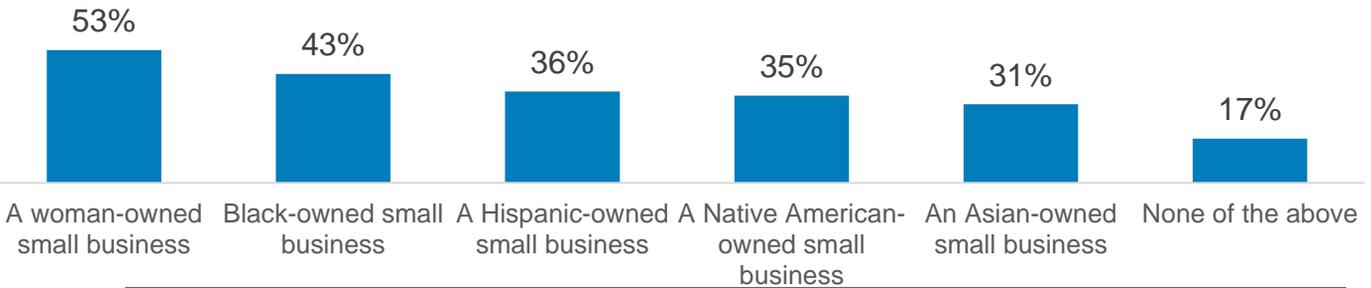
SBOQ15: What has been the consequences of the labor shortage on your business? (US SBOs: n=200, CA SBOs: n=100)

Shopping at small businesses continues to be a priority, but consumers are now just as likely to shop at big box stores

Plans to shop for the holidays at different types of businesses



Respondents who say they prioritize minority-owned small businesses are most likely to seek out a woman-owned business



Although small business shoppers are most likely to prioritize a woman-owned small business, 1 in 5 female SBO's feel the past year has been more difficult for them compared to male SBO's.

Consumers most rely on word of mouth and search engines when considering which small businesses to shop

56%

Word of Mouth

38%

Search Engines

21%

Searching Amazon for Small Business

17%

Small Business Saturday Site

14%

Search (Etsy, Redbubble, Society6)

11%

Instagram ads/ Creative Posts

9%

TikTok ads/ Creative Videos

9%

Influencers on Instagram

8%

Yelp

6%

Influencers on TikTok

Q6: When you consider shopping at a small business, which of the following helps you decide where to shop? (U.S. n=1000, CA n=300)

Q7 How likely are you to prioritize shopping at each of the following this holiday season? (U.S. n=1000, CA n=300)

Q8. You said that you were going to prioritize a minority-owned small business this holiday season. Which of the following minority-owned small businesses are you prioritizing? (U.S. n=619, CA n=165)

SBO Q17: As a female business owner, do you feel it has been more, less, or about as difficult to manage your business over the past year as for male business owners? (U.S. n=200, CA n=100)

Support remains strong for small businesses, though price is a stronger factor as consumers focus more on limiting spend

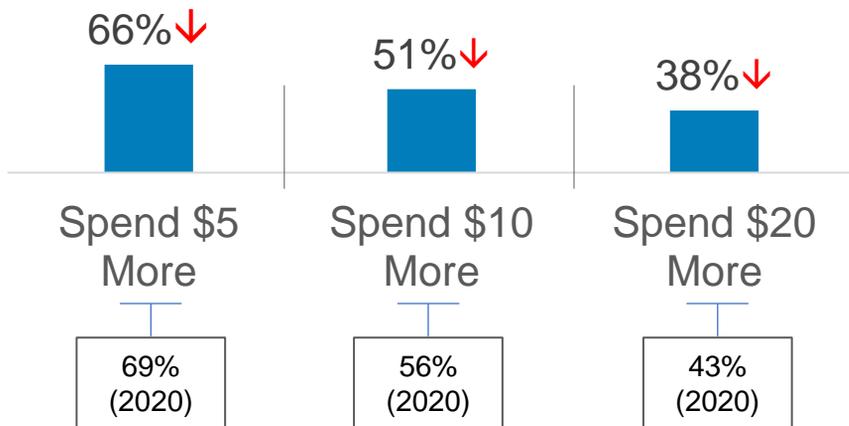
Supporting small business this holiday season continues to be important to consumers who prioritize giving back to their local communities.

A majority

feel an increased sense of responsibility to support online small businesses

- 64%↓ agree they feel an increased sense of community responsibility to **help local businesses** during this time 74% (2020)
- 58%↓ agree it's more **important to support small businesses** than to get the best deal or discount 72% (2020)
- 54% agree they've **increased** how much they shop/spend at **small and local businesses** during COVID-19 to help keep them in business
- 50% agree they feel an increased sense of responsibility to seek out and support **small businesses online** (e.g., through Etsy or other sites) that are outside their local community

The amount consumers are willing to spend with small businesses is therefore also starting to slip



3 in 4

Plan to spend between 10-50% of their holiday budget at small businesses

A majority

Say that the holiday shopping season is important to the success of their business this year

Consumers are planning to spend less at small businesses, even though the holidays are important to SBO success

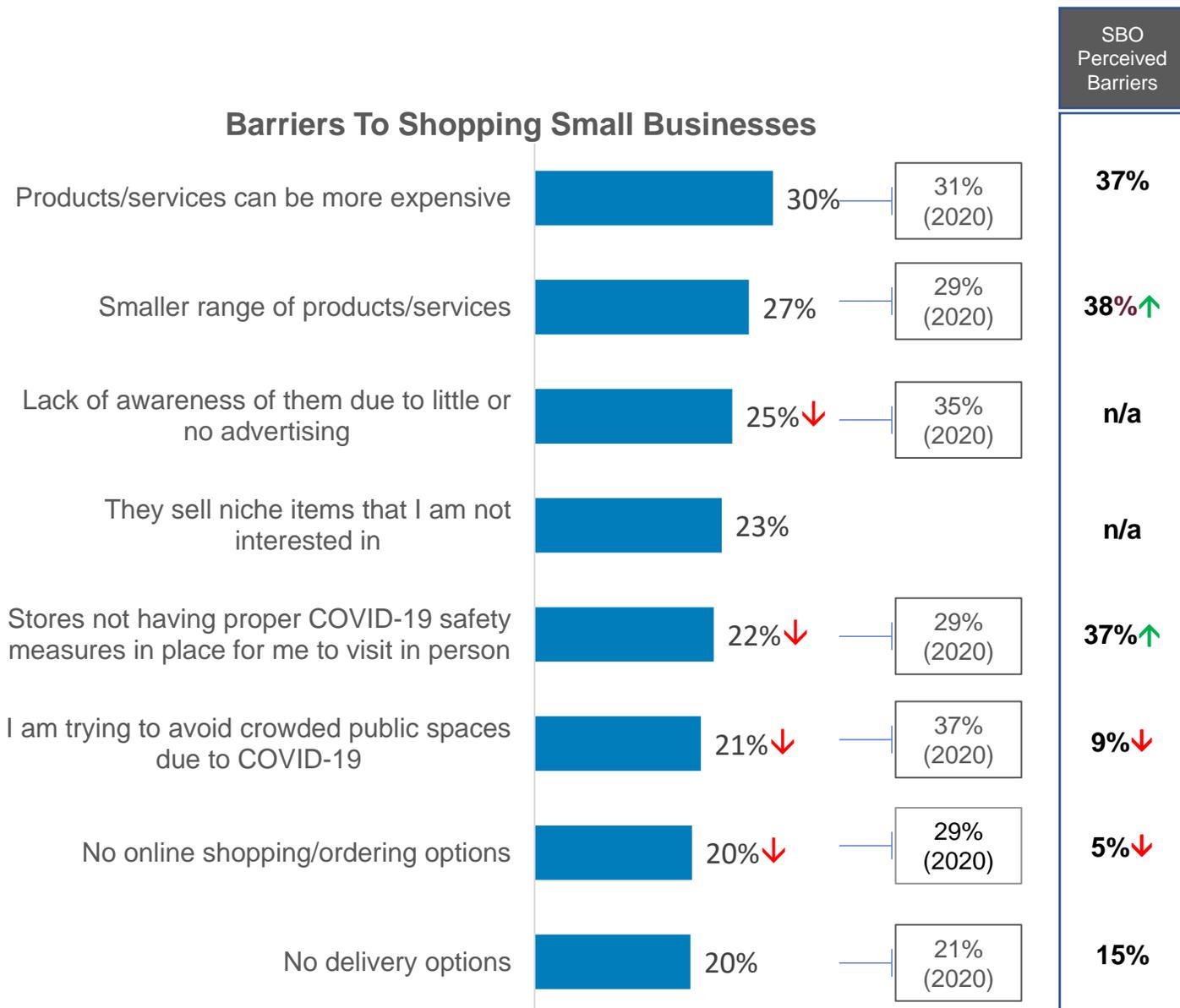
Q11. How much do you agree or disagree with the following statements? (U.S. n=1000, CA n=300)
 Q12. How likely would you be to do each of the following this holiday season? (U.S. n=1000, CA n=300)
 Q13. What percent of your holiday shopping budget are you planning to spend at small businesses? (U.S. n=1000, CA n=300)
 SBO Q10: How important is the holiday shopping season (e.g., Christmas, Hanukkah) to your business's success this year? (U.S. n=200, CA n=100)

The biggest barriers to shopping small businesses include higher costs per item, a smaller range of available products, and lack of awareness due to little or no advertising.

While barriers to shopping small businesses are decreasing, they still present important concerns for consumers in 2021.

In turn, they are less worried that stores aren't following COVID safety measures and as a result less worried about crowded public spaces – but these are still potential concerns.

Barriers To Shopping Small Businesses



Interestingly, SBOs are far less likely to see either aversion to crowds and availability of online order options as significant shopping barriers.

Sales, discounts, and promotions continue to be most effective in encouraging consumer spend.

That said, SBOs could prioritize unique customer experiences, like free local delivery and providing a cheery shopping experience as low-cost, easy wins for customers.

of consumers who would be more likely to spend with SBOs if they offered:

	2021	2020	SBO plans to incorporate
Offering holiday sales, discounts, promotions	64% ↑	60%	47%
Offering unique, exclusive gifts	59%	N/A	N/A
Ability to browse inventory online	52%	N/A	N/A
Offering local free delivery	49%	N/A	28%
Offering online ordering	48% ↓	51%	44%
Providing a cheery holiday experience/ambiance	46% ↑	35%	32%
Requiring masks for all customers	42%	46%	33%

About This Survey

Methodology | Demographics

This document includes findings from our survey among small businesses across the U.S., with a specific focus on minority-owned small businesses and small businesses in California. The survey was conducted online between October 5th - 13th, 2021.

To ensure we collected a diverse set of opinions from our small business owners, our respondents were a mix of gender, race/ethnicity (White, Black, Hispanic, Asian, multi-race, other), location (U.S. regions and California regions/cities).

In total, we surveyed 1,000 U.S. consumers and 200 U.S. small business owners.

Thank You

