

Winter Holiday Shopping: Incl Impact of COVID-19 - US - June 2020

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“A recession and the continuing threat of COVID-19 will have a major impact on how people shop for the winter holidays this year. Many consumers will scale back spending to focus only or mostly on the essentials. They will also choose where and how to shop based on how concerned they are about the virus.”

– **Diana Smith, Associate Director – Retail & eCommerce**

This report looks at the following areas:

- **The impact of COVID-19 on consumer behavior and the retail industry, and what this means for retailers during the winter holidays**
- **The recessionary impact on winter holiday shopping**
- **How, where and when consumers plan to shop this winter holiday season**
- **Potential purchases for gifts and holiday celebrations**
- **What retailers can do to help consumers plan for, shop for and celebrate the holidays**

US retail sales in November and December are predicted to reach \$807 billion in 2020, up 1.5% over the same period in 2019. This is much lower than the growth in 2019 (+4%) and the 10-year average of +3.3%, driven down as a result of the effects of COVID-19 and subsequent recession.

Macroeconomic factors at the time of writing (July 2020) do not bode well for the retail industry, economy at large, or the winter holiday shopping season. However, although early planners have already begun preparations, there are still a few months before holiday shopping begins in earnest. The percentage of consumers who plan to shop during the holidays remains relatively unchanged versus last year, but how they shop, what they buy, how much they can realistically spend, and how they celebrate the holidays will be altered this year. Retailers can play a very large role in helping shoppers make the holidays special, even if it's different than how they originally planned.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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How a COVID-19 recession will reshape the retail industry and impact winter holiday shopping

Consumers rein in unnecessary spending

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Winter holiday sales grew in 2019, but growth will be stifled in 2020

eCommerce was the big winner, and will be again

Macroeconomic factors do not bode well for upcoming season

Advertising messages addressed the financial realities during the last recession; expect more of the same this year

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Abbreviations

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