



# 2024 HOLIDAY SHOPPING TRENDS REPORT

Data-Powered Consumer & Market  
Intelligence Unwrapped

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## Intro

Welcome to the 2024 Holiday Shopping Trends Report, brought to you by the retail experts at Zeta.

This guide will help brands – especially those with ambitious holiday revenue goals – make informed marketing decisions about the upcoming gift-giving season.

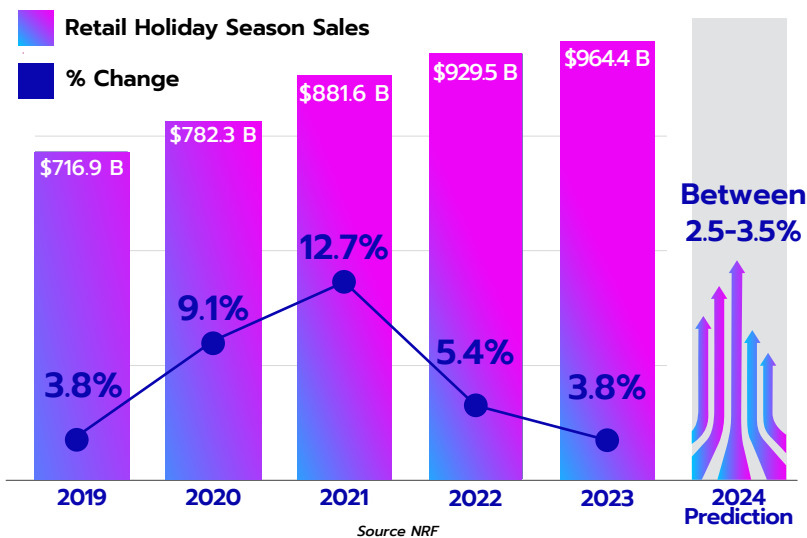
Just like prior years, we went straight to the source and asked nearly 6,000 consumers about their gifting choices, budgets, preferred shopping destinations, and more.

In this report, we'll highlight key trends and predictions for 2024, in addition to insightful comparisons from prior years. Finally, we'll offer data-backed strategies to guide your holiday campaigns. Let's dive in!

# PREVIOUS HOLIDAY SHOPPING SEASONS: IN REVIEW



## Holiday Retail Sales Since 2019



Holiday sales in 2023 hit \$964.4 billion, according to the National Retail Federation (NRF), achieving nearly 4% in year-over-year growth. These figures aligned with the NRF's forecast, despite continued inflation and high interest rates. Retail sales for the full year rose 3.6%, to a record \$5.13 trillion.

2024 is expected to pace similarly. When it comes to total holiday sales, the crux of them still takes place over the 'Cyber Five,' or the five days between Thanksgiving and Cyber Monday. Though in recent years, special deal events, like Amazon's October Prime Day, are lengthening the shopping season.

## 2023 TRENDS

As we look back on the 2023 holiday season, here are the most noteworthy trends:

**\$248 billion** total ecommerce-led sales, up 8.8% YoY

Online sales during the Cyber Five increased **7.8% YoY**

Non-ecommerce sales grew just 2.8%, but made up **81% of total US holiday retail sales**

## Cyber Five 2023

### #1 Cyber Monday



- **\$12.4 billion** in online sales
- **+9.6%** from 2022 to 2023

### #2 Black Friday



- **\$9.8 billion** in online sales
- **+7.5%** from 2022 to 2023

### #3 Thanksgiving



- **\$5.6 billion** in online sales
- **+5.5%** from 2022 to 2023

2023 again saw Cyber Monday eclipsing the other days of the Cyber Five, though all days continued to grow in total year-over-year sales. Not only is the holiday season continuing to be important to retailers, but it's also just getting bigger. Even with the macro-economic concerns leading into holiday 2024, most analysts expect this year to see similar growth compared to last year.

#### ZETA HOLIDAY TIP!

##### Early Sales Don't Impact the Cyber Five

Last year we saw not only Amazon Prime Day in October, but a continued trend among big box stores to start their holiday season extra early (even pre-Halloween!). The question is whether this impacts the true holiday shopping season.

Data – and experience – tells us not to worry about these early sales. In 2023, retail sales continued to soar during the Cyber Five and consumers still think these deals are worth their time. Stay the course! But perhaps consider experimenting with your own special deal program in October or early November to lengthen your holiday season.

# 2024 TRENDS & PREDICTIONS



The 2024 holiday season will be one for the books. Eyes from around the globe will be watching as this season comes with lots of turbulence.

While GDP has increased, the job market has slowed, and consumers are being cautious. [The Zeta Economic Index \(ZEI\)](#) has shown a continued, if muted, expansion of the US economy, despite a slowdown in the job market and reduction in discretionary spending.

The good news: Every holiday season sees growth, and this one will as well. The [NRF](#) are forecasting total annual sales for 2024 – not just holiday – to increase between 2.5 and 3.5 percent.

Let's now explore what nearly 6,000 consumers said about their plans for holiday shopping this year.

# WHAT THE DATA TELLS US:

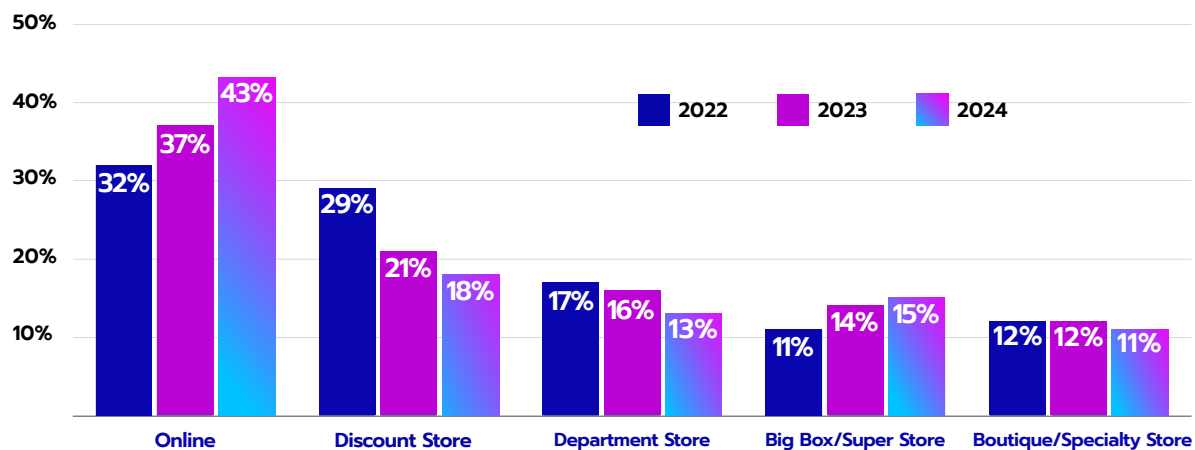
## Insights for Success in 2024



### Where Will Customers Do Their 2024 Holiday Shopping?

As depicted here, online shopping has grown in importance for the third year in a row for retail shoppers during the holiday season. And that growth is drawing shoppers away from discount stores and department stores this year.

Note: This data does not reflect the number of shoppers that will only shop at discount or department stores, but rather the total number of respondents who listed each shopping experience as a part of their holiday habits.



### Zeta Takeaway:

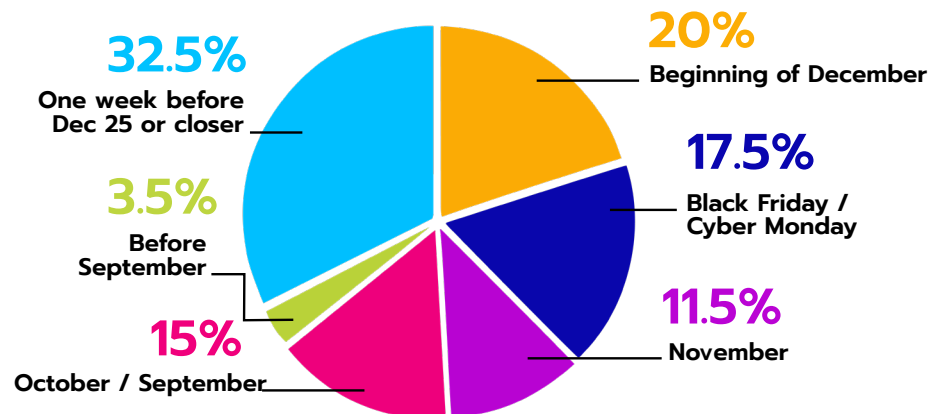
While there's more focus on online shopping for the coming season, this really tells us that an omnichannel marketing approach is critical. Shoppers are turning to all store types – both in-person and ecommerce – and your campaigns need to reflect that behavior. Advertisers may want to consider targeting and putting more support behind messaging that drives potential sales towards online storefronts. But with five fewer shopping days this year, we may also see some of the last-minute shoppers opting for in-store.

## When Are Consumers Planning to Start Their Holiday Shopping?

In reality, the holiday shopping season starts when Back-to-School ends (which is now!). A healthy 18.5% of shoppers will start in August or September, which means retailers that start now can capture those early shoppers.

Though this year, we see an increase of last-minute shoppers, with 32.5% planning to start their shopping one week – or less – from Dec. 25, compared to 23% last year. The key will be to stay engaged with consumers throughout the entire season, and prioritize your promotions based on timeframe. Your offers need to be highly relevant, personalized, and free from too much repetition. You don't want to bore those late shoppers too early in the season.

### 2024 Holiday Shopping Timing



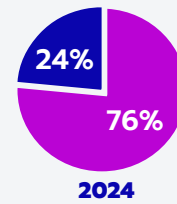
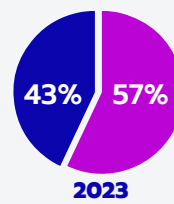
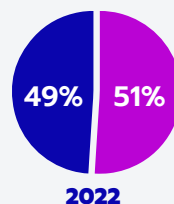
#### Zeta Takeaway:

Nearly 47% of shoppers who plan to spend less than \$100 this holiday season will do their shopping in the week prior to Christmas. With more cash-strapped consumers, target with low-priced goods, even sale items, to help them make their budget work harder for them. And encourage them to begin shopping earlier. Use countdowns, exclusive early-bird deals, and limited time offers to create a sense of urgency.

#### STAT TO KNOW

##### Are Consumers Planning on Shopping More In-Store This Year vs. Last Year?

■ YES ■ NO



**Tip!** Offer exclusive in-store only products/offers or create in-store events to capture both increased traffic and sales.



## Spending Habits & Budgeting Trends

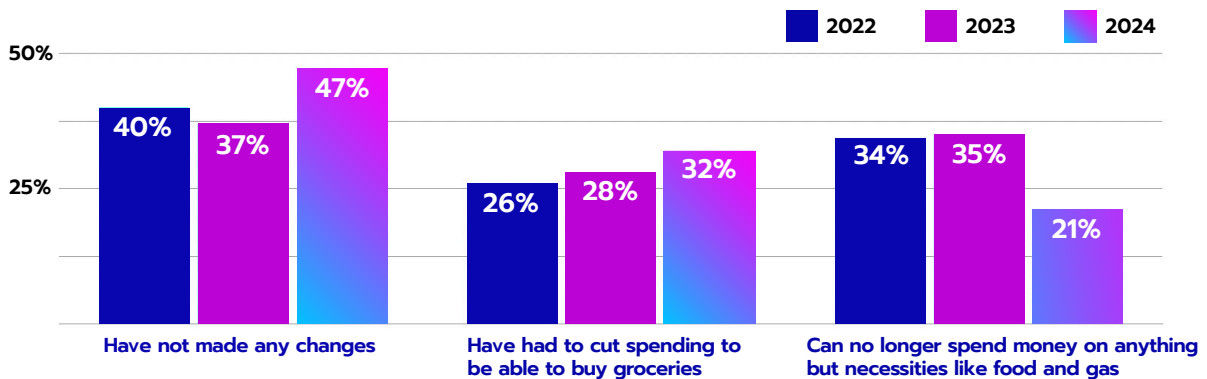
The first half of 2024 has continued the trend of financial, political, and macroeconomic challenges. And with that, consumer spending patterns change.

While 47% of consumers – up from 37% last year – have maintained their usual spending habits leading up to the holiday season, many are still tightening their budgets and being cautious with discretionary spend. While some shoppers will scale back, many seem more likely to spend on holiday gifts this year. Retailers should promote products at every price point, but don't shy away from big-ticket items this year.

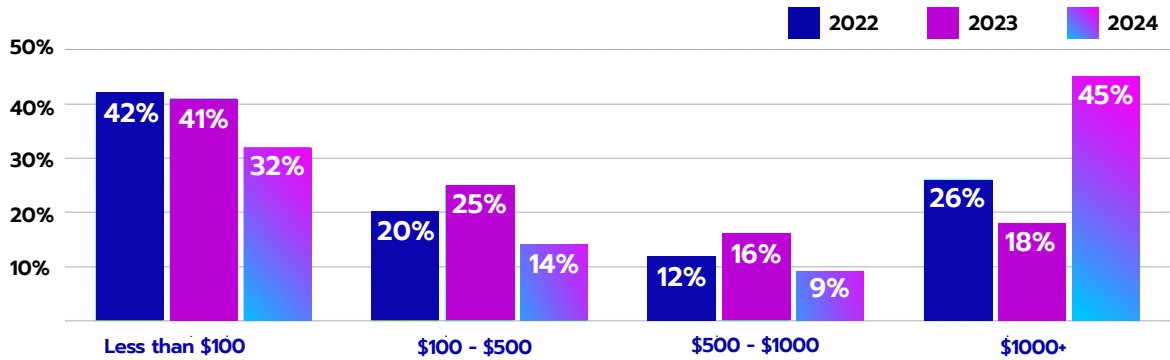
### ZETA HOLIDAY TIP!

57% of shoppers who were planning on shopping more in-store appear to also be those who find Black Friday/Cyber Monday compelling. While retail has been steadily making its way more online, this stat further accentuates the differences between the in-store and online audiences, and where advertisers may want align resources.

## Have Customers Had to Make Changes to Their Spending in General?



## How Much Are Customers Planning to Spend This Holiday Season?



### Zeta Takeaway:

Every year when we ask respondents how much they plan to spend that holiday season, they report low holiday budgets. Yet, without fail, we notice that the majority spend over their intended ceilings.

But this year we see a huge change in planned spend. All price points had significant decreases, except for the \$1000+ budget, which increased 150% YoY. Nearly half of the survey respondents plan to spend over a grand this season.

These shoppers are still price sensitive though. Let's discuss a few strategies for finding the middle ground here:

#### Offer different payment options

Not unlike last year, sticker shock is still profoundly guiding the decision-making process, from consumables like candy and candles, to higher-ticket items like electronics and tech toys. It's a great reminder for retailers, regardless of your price points, to offer various payment options to make the decision that much easier for buyers, whether you strike up a contract with a brand like Afterpay or Affirm, offer payment plans.

If you have a private label credit card or co-branded, negotiate with your bank to offer no interest or fees for purchases made from 11/15-12/24, which helps both your brand, your bank, and most importantly, your buyer. And of course, lean into all of your customer journeys and optimize all touch points to enable your consumers to purchase from your brand easily. This exercise should be going on now! Leverage different options like buy online, pick up in store (BOPIS) and buy online, ship to store (BOSS) to provide more convenience for customers and help mitigate any price concerns.

#### Relevancy and targeted offers are on the 'Nice List' this year

While this may seem self-explanatory, it's important to really lean into your 1P data to

## Zeta Takeaway Continued:

understand your micro-segments and what their behavior looks like. For instance, who regularly buys from your brand every holiday season, but never again during the year? You know they will buy again with the right message, product, and offers. Perhaps another group will only buy when things are marked down (your cherry pickers). Make sure you are not burying the lead with offers and timing.

Finally, it's ok to build your margin on those who buy at full price. There are many consumers who buy for many other reasons than for discounts. These reasons may include quality, convenience, nice gift packaging, returns, customer experience, etc. For this group, don't lead with the discounts, lead with the reason they are buying from you that makes it relevant to who they are. Retailers too often shout their discounts from the mountain tops, when in reality, you don't need to put the whole brand on sale. Have your data scientists dig into the data now to help you know which consumers need what offers, and at the very least, make it relevant.

### Personalize Marketing to Individual Shoppers

Generational connections, when done correctly, work in converting those hard to convert customers. Here are a few tips to reach each generation:

#### Baby Boomers (1946-1964)

Baby Boomers tend to emphasize customer service, face-to-face interactions, and brand loyalty. Focus on sales figures, in-store experiences, and traditional marketing strategies.

**Example:** Emphasize excellent customer service and maintaining strong relationships by thanking loyal customers.

#### Generation X (1965-1980)

Generation X often balances traditional retail approaches with the adoption of new technologies. Discuss both in-store sales and e-commerce, focusing on convenience and value.

**Example:** Emphasize online sales with an in-store twist. Buy online and get X gift free and buy in store and get Y gift free – forcing a 2-purchase buy, all focused on additional value.

#### Millennials (1981-1996)

Millennials are digital natives, so they often talk about retail sales in terms of online shopping, social media marketing, and personalized experiences. They value sustainability and brand ethics.

**Example:** Pick your hero goods and promote them on social media with non-celebrity micro-influencers. Be sure to weave in your sustainability message where you can.

## Zeta Takeaway Continued:

### Generation Z (1997-2012)

Gen Z is highly digital and mobile-first, discussing retail sales in terms of online platforms, quick delivery, and brand authenticity. They are also keen on the impact of social issues on purchasing decisions.

**Example:** To boost sales, focus on TikTok campaigns and offer limited-edition and exclusivity of product drops.

### Generation Alpha (2013 onwards)

Although still young, Generation Alpha is growing up in a fully digital world. Discussions about retail might involve AI, AR/VR shopping experiences, and instant gratification through tech.

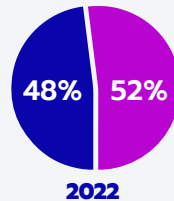
**Example:** Connected TV ads are a BIG hit for this group as well. This group still has "Lists" they desire for the season and while they are not the ones buying, they have a tremendous amount of influence.

## STAT TO KNOW

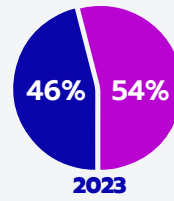
### The Black Friday Contradiction

Are Black Friday and Cyber Monday Still Compelling?

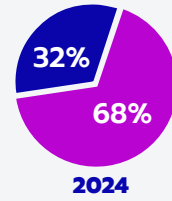
■ YES ■ NO



2022



2023



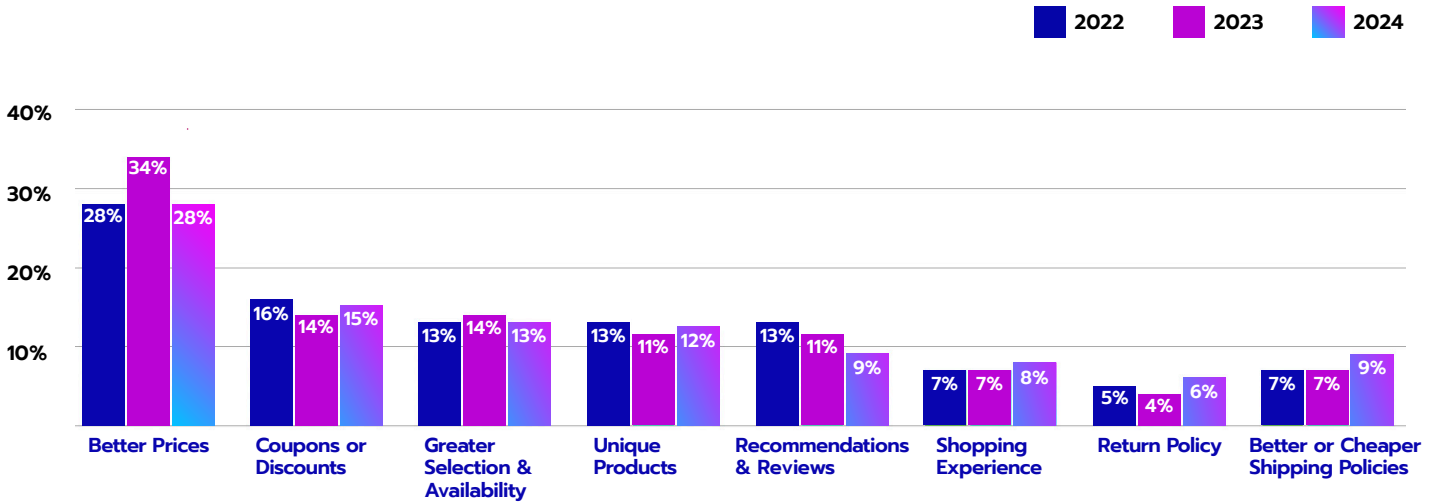
2024

### Zeta Takeaway:

Only 32% of consumers think Black Friday is still compelling ... it's time to panic, right?! Not so fast. In reality, while Cyber Monday has become the biggest sales day of the holiday season, Black Friday is still compelling for many shoppers.

Even if they don't plan their shopping around Black Friday, the proof is in the pudding. The sheer volume of sales – and related deals – are just too tempting to pass up for many shoppers, especially the more price-sensitive. So even though shoppers say they aren't as interested in Black Friday, we expect to see record numbers within the Cyber Five again this year.

## What Makes Customers Choose One Retailer Over Another?



### Zeta Takeaway:

Price continues to be the primary driver for choosing where to shop. 28% of U.S. consumers say pricing is the primary differentiating factor in choosing one retailer over another (down from 34% last year). But it's not just the sticker price – coupons and shipping have huge impact here. 15% choose retailers based on coupons or discounts and 9% based on shipping costs.

But that doesn't mean retailers can skimp on product selection, availability, or experience this year. The key is knowing what matters to your individual shoppers and targeting them appropriately.

## Top Gifting Trends

Over 40% of U.S. customers plan to stick with traditional gifts, such as toys, electronics, and clothing. However, one-third are opting for non-traditional gifts like gas cards and grocery gift cards and the other third plan to give experiences like travel or concerts. The choice of gifts correlates directly with customers' financial situations: those who have reduced their spending are most likely to gift non-traditional, pragmatic items and those who haven't changed their spending habits are more likely to prioritize experiences.

### What Kind of Gifts Are Customers Planning to Give This Year?

**41%** Traditional

– toys, electronics, clothes



**29%** Non-Traditional

– gas cards, grocery gift cards



**30%** Experience

– travel, concerts, etc.



### STAT TO KNOW

**41.6%** of responders who say they no longer spend money on non-essential items plan on giving non-traditional gifts.

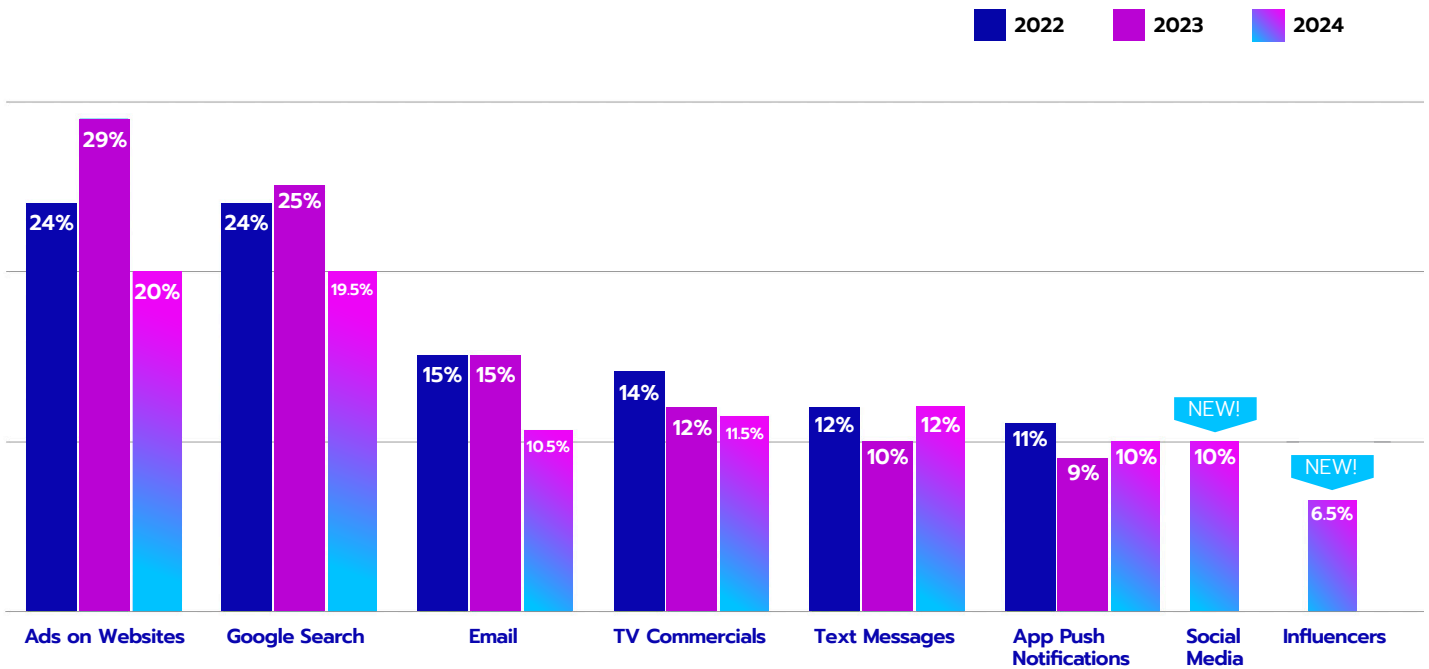
**40.5%** of customers who haven't changed their spending habits plan to give experiences rather than traditional gifts.

### Zeta Takeaway:

While traditional gift intent stayed flat compared to last year, fewer consumers plan to gift non-traditional gifts (29% compared to 34% last year). And gifting of experiences increased to 30% (from 24% last year). While traditional gifts should still get the lion's share of advertising budgets, don't forget about your non-traditional and experiential offerings.

And consider generational differences here: Younger generations tend to value experiences over things, while older generations tend to prioritize traditional or practical gifts.

## How Do Consumers Discover New Products?



### Zeta Takeaway:

Ads on websites topped search again this year, but both categories took less of the pie. It's likely that's because we added "Social Media" and "Influencers" to the survey. In prior years, the category of "Ads" didn't delineate between types of ads.

This tells us that social media is an important prospecting, retargeting, and activation channel. Deploy ads on these platforms that are highly visual with prominent, thumb-stopping CTAs. And if you aren't already, start testing influencer promotions to reach new audiences; these programs have high ROI – if executed well.



# Recommendations for a Successful 2024 Shopping Season

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## 2024 has 5 Fewer Shopping Days: Tips for a Successful Holiday Season

We've already discussed some of this year's challenges. With the macro issues of consumer sentiment and discretionary spend propensity remaining soft, to this year being an election year – which always tosses consumer buying caution into the wind – and of course the continued pressure that inflation puts on people's wallets, there's a long list of headwinds set to challenge the important retail season.

But there's also another critical headwind: time.

### 27 Days of Holiday Shopping

Beginning with online deals kicking off on Thanksgiving Day, consumers have **only 27 days** of shopping until Christmas Eve. That's a whopping 5 fewer shopping days than last year.

And in a season when every day matters, this shorter season will have significant impacts on revenue and campaign success.

Shorter selling seasons means we should see a surge in retail store traffic, especially after shipping cut off dates. Christmas is on a Wednesday, so late store hours the seven days leading up to Christmas Eve to match increased traffic patterns will be required.

With less time, the pressure we will be on to drive sales **faster**. Shipping cut-offs will undoubtedly arrive sooner than we think. At the same time, expect to see retailers offer more promotional shipping offers to compensate for the short shopping timeframe.

Online-only retailers should use their 1P data to develop a holiday-proof strategy to manage their promotional cadence gently balancing promotional activity and shipping offers to maintain both margin and profit. Overshooting with markdowns out of the gate will drain margin, and undershooting will soften top line growth.

The common trend of 'last minute shopping' will undeniably take center stage this year. To capture and convert that foot fall, prioritize stronger staffing to aid not only the checkout process, but also the ability to cross-sell and up-sell into the dark corners of the store. Plan every customer touchpoint – from in-store to online browsing to calls into call centers –with quick-turn conversion goals sitting in the center.

## Consumer Sentiment

Consumer sentiment is directly related to the election and inflation.

It's estimated that [prices are up 20%](#) over the past 2.5 years and in July, sentiment again fell, hitting an eight-month low.

Consumers are still in sticker shock and struggling to make ends meet, especially within lower income brackets. On the flip side, the higher-income, wealthier demos are not feeling the pinch and are using their vast purchasing power to drive a disproportionate amount of spending to drive growth in the US economy.

Retailers need to take action here and perhaps bring a tiered pricing strategy focused on zip+4 codes that sit on both ends of the continuum, from lower income to wealthier and adjust pricing accordingly based on location.

An even stronger strategy is to understand price sensitivity on an individualized basis, understanding who truly needs a discount/promotional price to convert, whereby margin is protected by the non-price sensitive, wealthier customers.

## 2024 Election

As for the election, we should see a lift in sales post-election with renewed confidence and the normalization of life. We know elections bring a level of uncertainty which then leads to market volatility and economic instability. The Bright Spot: retailers are grateful the election is early November, making way for a 'return to calmness' for holiday celebrations and shopping.

## Six Quick Tips to Holiday-Proof Your Business

1. Create a holiday war room and dig into the insights, data, and creative you will be presenting. Use a 'marketing scalpel' to get to the core customer clusters that are your sure-shoppers and develop comprehensive plans to get them to convert stronger and buy more often.
2. Create a promotional cadence that will drive an omni-channel engagement strategy, increasing UPT and AOV across your catalog of goods. Highlight the dark corners or categories often unrepresented in your marketing strategy that are fantastic add-ons and always showcase the relevant next best products.
3. Build your customer arsenal now! Summer and the back-to-school season is a great time to acquire new customers. Nurture those relationships during the Fall; top of the funnel growth will help deter the leaky bucket of holiday sales.
4. Use real-time intent data within your CRM to help recognize who is in market to buy your product. Then market to them in the channel in which they will engage, ensuring your ROI is strong and not wasted, as we know 50% of marketing dollars are wasted (we just don't know which 50%, says John Wanamaker).
5. Test new channels during the holiday timeframe. Whether it's stack ranking your influencer bench to driving more sales via social commerce or featuring your product on streaming TV with a QR code that redirects to a microsite for easy, new channel shopping, it's critical to pull in the eye-share and the wallet share as much as you can when there are a lot of consumers shopping. Casting a wide net with tests is a great idea when you have a lot of top of funnel interest, to then learn from and redeploy later.
6. Focus on your community. We know that community engagement, whether you're a big, recognized brand or a smaller start-up, is key to connect your brand locally. This helps drive a sense of commitment that will keep paying for itself long after the holiday season.

# FINAL THOUGHTS



2024 has already been full of ups and downs as it relates to the economy, spending behaviors, and consumer sentiment. Some segments are performing well, while others aren't fairing as positively.

The key to the upcoming holiday season is planning and agility.

Retailers need a plan to combat the shorter holiday shopping season and should closely monitor the election landscape. Be prepared to adapt your strategies in response to potential future shifts in consumer confidence and spending behavior.

By staying agile and responsive to the holiday climate, retailers can better navigate the uncertainties that 2024 has thrown at you and optimize your holiday sales performance.

Finally, ensure you're working with a vendor that can understand your consumers' demographics, interests, shopping habits, locations, and more. Better yet, look into a high-powered first-party data partner like Zeta's CDP+, which can help you leverage over 240M+ unique customer profiles to better recognize, segment, and target your customers throughout the entire season.

Wishing you a happy holiday season,

**Melissa Tatoris,**

**VP of Retail,** Zeta Global

## About Zeta

Zeta's platform and data empower many of the world's largest consumer brands to acquire, grow, and retain their customers at a lower cost. We help brands, agencies, and publishers to drive growth and connect with their customers.

With the [Zeta Marketing Platform](#), brands can build highly individualized experiences based on real intent, at scale. Our industry-leading, AI-based technology enables businesses to connect their data sources and recognize customers and prospects across channels and devices.