2024 RETAIL

CONSUMER REPORT

UNWRAPPING HOLIDAY TRENDS

INSIGHTS FOR RETAIL SUCCESS

THE 2024 HOLIDAY SEASON PRESENTS UNIQUE OPPORTUNITIES AND CHALLENGES FOR RETAILERS as consumers adjust their shopping behaviors and preferences. This *2024 Retail Consumer Report* provides valuable insights into these evolving trends, focusing on how consumers plan their purchases, their loyalty to brands, and the strategies they use to find the best deals. Understanding these dynamics will help retailers create effective marketing strategies to engage their target audiences and maximize sales during this critical period.

CHIP WEST, DIRECTOR OF CATEGORY STRATEGY, NATIONAL SALES, RRD

Understanding the shifts in consumer behavior is more critical than ever. Our insights reveal how strategic timing and personalized offers can significantly enhance engagement and drive sales.

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YOUR GUIDE TO HOLIDAY INSIGHTS

01 Shopping Plans in Flux

02 Holiday Hosting

03 Practical vs. Pleasurable

04 Minding Their Money

05 The Power of Social Media

06 Leveling Up Loyalty

07 Driving Home the Holidays

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01

SHOPPING PLANS IN FLUX

As the holiday season approaches, consumers are adjusting their shopping timelines compared to previous years. The trend shows a shift toward later shopping, with fewer people planning to shop early. The primary reason for early shopping is to save money through sales and discounts, followed by the need to spread out expenses over a longer period.

KEY FINDINGS

Early shoppers

44% of consumers plan to start shopping for the holidays in October or earlier, down from **47%** in 2023

31% of parents, more likely than other consumer groups, do most of their shopping in October or earlier

Main shopping period

Most consumers (**74%**) plan to do most of their holiday shopping in November and December

November: **41%**
December: **33%**

THE GIFT OF TIMING

While the majority of holiday shopping activity continues to take place toward the end of the year, consumers are starting their shopping later. Visualizing this data helps identify trends and focus on the critical insights that can guide retail marketing strategies for the upcoming season.

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01

SHOPPING PLANS IN FLUX

How RRD helps

RRD's advanced Consumer Graph™ technology enables precise targeting to help ensure your holiday messages reach consumers actively in the market for those occasions. This approach maximizes your ad spend by avoiding those not yet ready to purchase.

You can tailor solutions to different stages of the buying funnel:

- **Connected TV (CTV)** for Awareness: Capture the attention of early shoppers and build brand awareness.
- **Direct Mail With Coupons**: Activate and engage consumers with tangible offers.
- **Digital Out-of-Home** (DOOH): Influence in-the-moment buying decisions when consumers are most receptive.

By leveraging these diverse strategies, RRD helps you connect with consumers effectively throughout their holiday shopping journey.

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SPECIAL SHOPPING DAYS

Responses reveal motivations behind shopping on key dates like Thanksgiving, Black Friday, and Small Business Saturday.

WHY CONSUMERS PLAN TO SHOP ON THANKSGIVING

Convenience and practicality: Many consumers shop on Thanksgiving due to convenience, getting items needed for holiday dinners, and early access to Black Friday deals.

Traditional shopping habits: Shopping on Thanksgiving is a tradition for some, tied to finding good deals and taking advantage of discounts.

Family and holiday celebration: Thanksgiving shopping is often linked to family gatherings, with consumers buying food for dinners, hosting parties, and giving gifts.

Attraction to deals and discounts: The allure of good deals and sales drives many to shop, aiming to find bargains and take advantage of promotions.

Online vs. in-store shopping: Preferences vary between online shopping for convenience and in-store shopping for better deals and the in-person experience.

FEAST ON THIS: These insights indicate the balance consumers seek between practicality, tradition, and the festive atmosphere of the holiday season. Retailers can cater to the **40%** of shoppers who plan to buy either in-store, online, or a combination of both by providing a variety of convenient shopping experiences.

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SPECIAL SHOPPING DAYS

WHY CONSUMERS PLAN TO SHOP ON BLACK FRIDAY

Tradition: Many respondents view shopping on Black Friday as a family tradition. They enjoy the excitement, chaos, and the routine of finding good deals.

Discounts and deals: The primary motivation is the availability of discounts, deals, and sales. Consumers aim to find bargains, take advantage of promotions, and save money.

Convenience: Several respondents highlighted convenience, whether it's avoiding crowds by shopping online, finding everything in one place, or having products delivered to their homes.

Holiday shopping: Many participants see Black Friday as an opportunity to start or complete their Christmas shopping, buy gifts for family and friends, and take advantage of holiday-specific sales.

Product variety: Respondents plan to shop for a wide range of products, including electronics, apparel, household items, toys, and more, reflecting the diversity of offerings and deals available.

Online shopping: Several respondents prefer online shopping to avoid crowds, find better deals, and save time.

Brand preference: Some respondents prefer shopping at specific brands or stores, like Amazon®, Best Buy®, Walmart®, and Target®, known for substantial discounts and promotions.

LIGHT UP BLACK FRIDAY: These insights reveal that consumers' motivations for Black Friday shopping are driven by tradition, the allure of discounts, convenience, and a wide variety of products. With **51%** of consumers planning to shop both in-store and online, there's a clear opportunity for retailers to engage customers across multiple channels.

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SPECIAL SHOPPING DAYS

WHY CONSUMERS PLAN TO SHOP ON SMALL BUSINESS SATURDAY

Support for small businesses: Many consumers want to support local businesses, small business owners, and the local community. They appreciate unique offerings, personalized service, and the positive impact on the local economy.

Deals and discounts: Consumers are attracted to the deals, discounts, and special offers available, seeing it as an opportunity to save money while shopping for quality products.

Convenience: Several respondents mentioned the convenience, whether it's avoiding shipping charges, experiencing less crowded stores, or finding unique items closer to home.

Personal values: Some consumers expressed personal values such as enjoying the experience, supporting entrepreneurship, or preferring face-to-face interactions over online shopping.

Community engagement: Many enjoy the community aspect, including events, meeting people, and feeling connected to their local area.

Unique and authentic products: There is an appreciation for the authenticity and uniqueness of products offered by small businesses, which are often not found in larger stores or online platforms.

Tradition and habit: Some respondents mentioned shopping as a way of showcasing a sense of loyalty to local small businesses.

SMALL BIZ, BIG IMPACT: Businesses can tailor marketing strategies to resonate with Small Business Saturday consumers. Nearly one-third (**31%**) plan to make purchases in-store, online, or both. Highlight unique offerings, promote special deals, emphasize local impact, and create engaging experiences to drive engagement and loyalty.

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02

HOLIDAY HOSTING

Many consumers are gearing up to host festive holiday gatherings. Understanding their plans and preparation strategies provides valuable insights for retail marketers looking to tap into this segment.

KEY FINDINGS

Hosting plans

35% of consumers plan on hosting at least one holiday party or meal this year

HOLIDAY HOSTING PLANS ARE MORE COMMON AMONG

52%
AFFLUENT CONSUMERS
($100K+ HH Income)

50%
MILLENNIAL PARENTS

46%
HISPANIC CONSUMERS

46%
PARENTS OVERALL

46%
GEN Z

44%
MILLENNIALS

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02

HOLIDAY HOSTING

PREPARATION STRATEGIES

Meal planning

- **30%** plan meals at least a week in advance
- Particularly common among baby boomers (**40%**) and affluent consumers (**37%**)

Stocking up

- **28%** stock up on paper goods such as plates and napkins

Early shopping

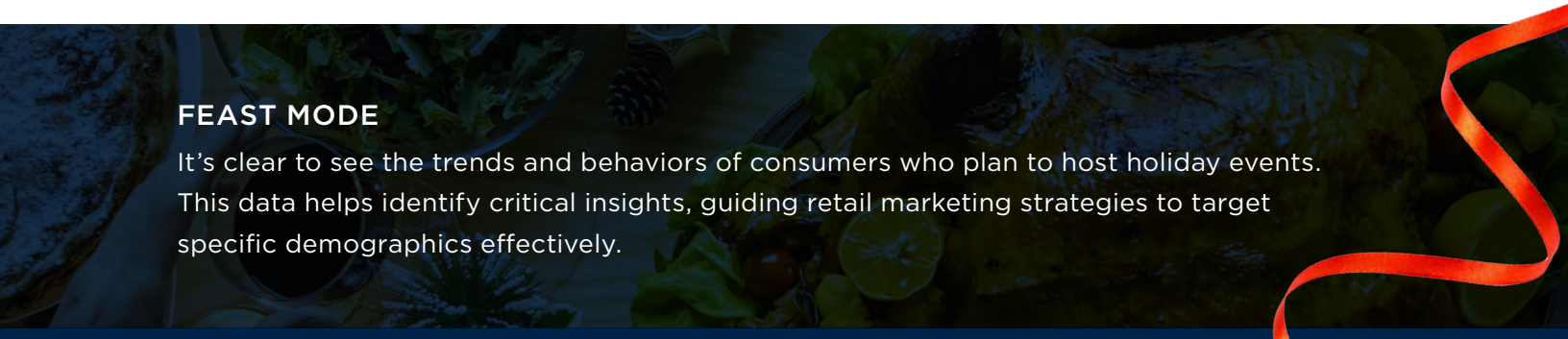
- **23%** start shopping in advance to spread out the expense
- Prevalent among baby boomers (**29%**)

Using coupons and discounts

- **23%** search for coupons and discounts to make the event more affordable
- Particularly common among baby boomers (**30%**)

Credit card rewards

- **23%** use credit cards with cash back or rewards
- More common among baby boomers (**28%**) and affluent consumers (**35%**)



FEAST MODE

It's clear to see the trends and behaviors of consumers who plan to host holiday events. This data helps identify critical insights, guiding retail marketing strategies to target specific demographics effectively.

HOW RRD HELPS

RRD Direct Mail solutions offer unique advantages to build lasting connections with customers and drive tangible marketing results. It's the perfect tool for holiday retail marketing. To uncover key insights and strategies on how direct mail can elevate your marketing results, request our **Direct Mail Influence report**.

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03

PRACTICAL VS. PLEASURABLE

As the holiday season approaches, consumers exhibit behaviors that reflect both their need to save money and their desire to enjoy themselves. This dual approach is evident in their dining habits and their approach to hosting holiday events.

KEY FINDINGS

Dining out trends

- **23%** of consumers say they dine out more often during the holiday season, especially Gen Z (**34%**), millennials (**33%**), parents (**36%** overall), millennial parents (**42%**), affluent consumers (**33%**), and Hispanic consumers (**37%**)
- **41%** of consumers dine out the same amount, with **50%** of baby boomers most likely to say they dine out the same amount
- **35%** of consumers dine out less often, driven by Gen X (**44%**)
- Gen X has shifted from intending to dine out more (**17%**) to indicating they'll dine out less (**44%**)

DURING THE HOLIDAY SEASON

44%

of Gen X plan to dine out less

up significantly from **38%** in just one year

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03 PRACTICAL VS. PLEASURABLE

Spending vs. saving

When hosting a holiday party or event, consumers exhibit mixed feelings:

- **56%** are willing to spend more to make the event special
- **66%** are looking for ways to save as much money as possible

Although many are interested in making holidays special, significant drops from last year were noted in the willingness to spend more among:

MILLENNIALS **64%**

PARENTS OVERALL **65%**

Both down 8 percentage points

MILLENNIAL PARENTS **69%**

Down 11 percentage points

SAVORING THE SAVINGS

Consumers face an internal conflict between the desire to save money and the temptation to splurge during the holiday season. For a closer look into how a desire for joyful experiences influences spending habits against a backdrop of economic constraints, read, **"Splurge or Save? Unpacking the 'Fun-flation' Phenomenon in Today's Consumer Market."**

HOW RRD HELPS

RRD's Connected TV (CTV) solution is perfect for holiday retail marketing, allowing you to showcase ideas and highlight what your target audience values. Our CTV solution offers advanced targeting, cross-channel retargeting, and dynamic creative optimization to effectively reach your audience. By including CTV in an omnichannel strategy, you can tell a comprehensive story — from entertaining ideas and inspiring consumers to providing ways to comparison shop. Harness the power of video advertising to engage viewers with relevant content that resonates, making your campaigns both impactful and efficient. **Learn more about our CTV solution.**

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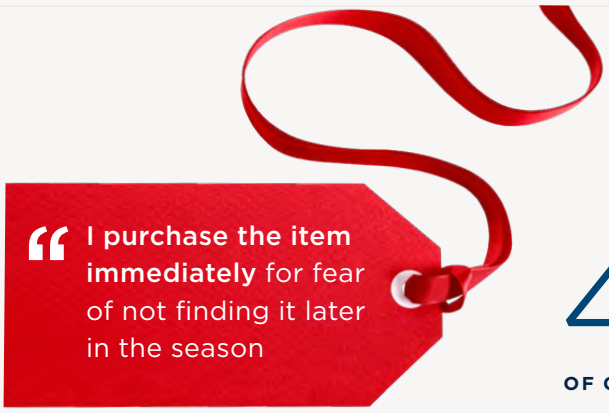
03

PRACTICAL VS. PLEASURABLE

Securing the sure thing



44%
OF CONSUMERS AGREE

This sense of urgency is even higher among parents

51%
OF PARENTS OVERALL

54%
OF MILLENNIAL PARENTS

FOMO FRENZY

Understanding this behavior can help marketers strategize around limited-time offers and early season promotions to capitalize on consumers’ fear of missing out.

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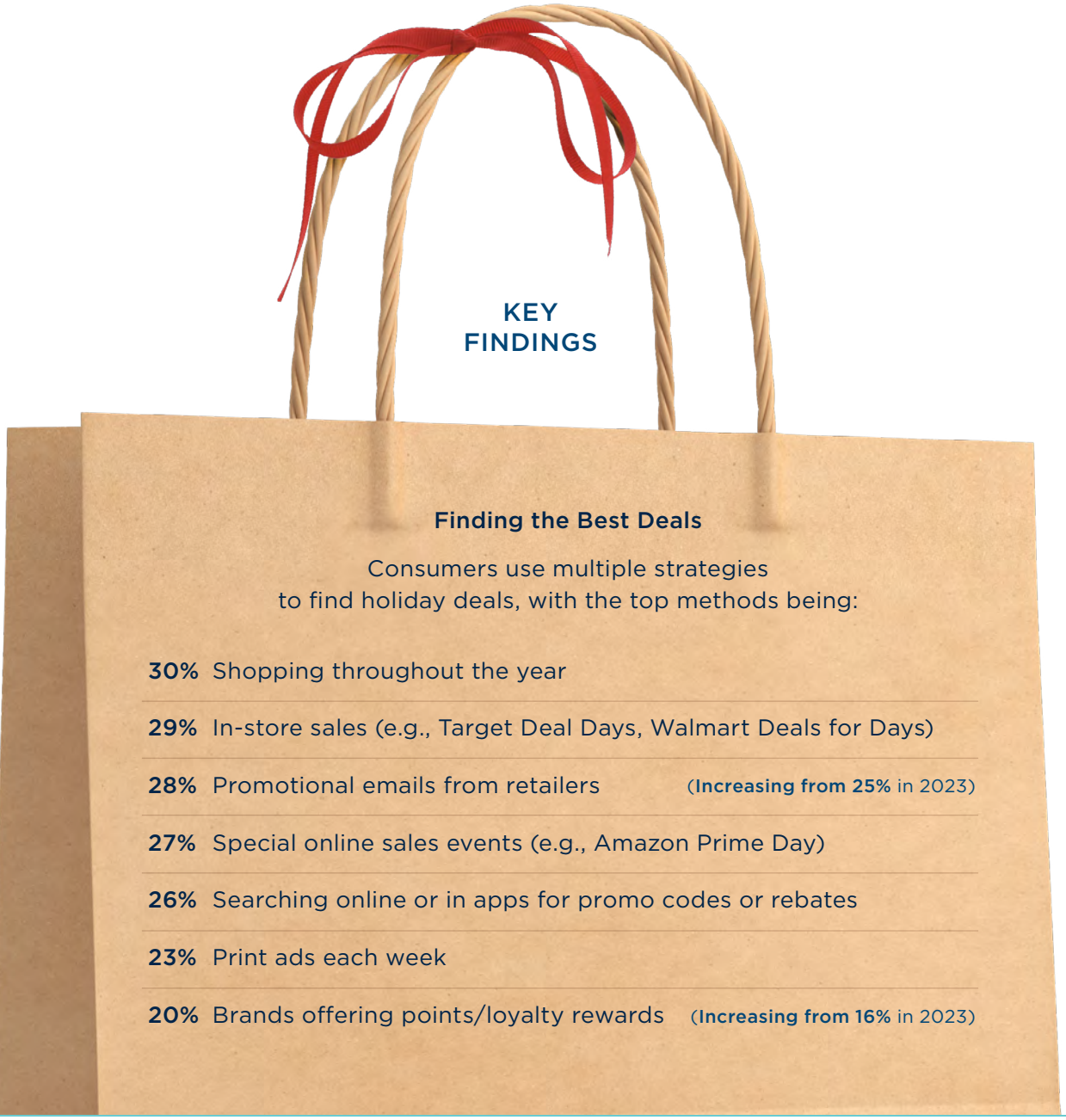
04

MINDING THEIR MONEY

Consumers are utilizing a variety of strategies to find the best deals for holiday purchases, highlighting both traditional and modern approaches. Many are turning to year-round shopping, in-store sales, and promotional emails from retailers to maximize savings and spread expenses.



KEY FINDINGS

Finding the Best Deals

Consumers use multiple strategies to find holiday deals, with the top methods being:

- **30%** Shopping throughout the year
- **29%** In-store sales (e.g., Target Deal Days, Walmart Deals for Days)
- **28%** Promotional emails from retailers (**Increasing from 25%** in 2023)
- **27%** Special online sales events (e.g., Amazon Prime Day)
- **26%** Searching online or in apps for promo codes or rebates
- **23%** Print ads each week
- **20%** Brands offering points/loyalty rewards (**Increasing from 16%** in 2023)

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04 MINDING THEIR MONEY

Timing of purchases

Nearly half (**48%**) plan to shop earlier in the year to spread expenses, higher among:

61% Millennial parents

58% Parents overall

57% Hispanic respondents

55% Millennials

55% Gen Z

Slightly fewer (**42%**) wait until closer to the holiday for the best discounts, higher among:

51% Millennials

48% Gen Z

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04 MINDING THEIR MONEY

Payment methods

Consumers plan to pay for holiday purchases using:

43% Debit card

38% Cash

36% Major credit card

26% Gift cards

20% Credit card points & incentives

All but two segments prefer to pay using a debit card or cash, with affluent consumers (**54%**) and baby boomers (**51%**) favoring major credit cards as their top choice.

Mobile wallets are popular among:

25% Gen Z

23% Millennial parents

22% Hispanic respondents

20% Parents overall

20% Millennials

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04 MINDING THEIR MONEY

SAVVY SHOPPING STRATEGIES

By leveraging year-round shopping, promotional emails, and social media discounts, consumers are ensuring they get the most value for their money. Additionally, their diverse payment preferences highlight the importance of offering multiple payment options to cater to different consumer segments.

SARA THOMSEN, SENIOR MANAGER, CLIENT STRATEGY, RRD

Consumers are becoming increasingly savvy in their search for the best deals, utilizing both traditional and digital methods. By tapping into these diverse strategies, retailers can meet consumers where they are and maximize their holiday impact.

HOW RRD HELPS

RRD's marketing solutions enable you to deliver deals and savings through multiple channels efficiently and effectively. Save Direct Mail, for instance, ensures that your offers reach consumers right at their doorstep. Additionally, you can reach out with deals and savings through display ads, email marketing, video, and more. This omnichannel approach maximizes your holiday reach and engagement. Learn more about RRD's marketing solutions.

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04 MINDING THEIR MONEY

Not-so-secret Santa

A notable portion of consumers (**41%**) plan to purchase a gift for themselves this holiday season. This trend is even more pronounced among specific demographics:

56% OF MILLENNIALS

47% OF GEN Z

Parents (**51%**) and affluent consumers (**50%**) also show higher tendencies to buy gifts for themselves

The gift of self-gifting

Understanding this trend can help marketers create targeted campaigns and promotions that appeal to consumers looking to treat themselves during the holiday season. This could include special self-gifting deals and personalized shopping experiences.

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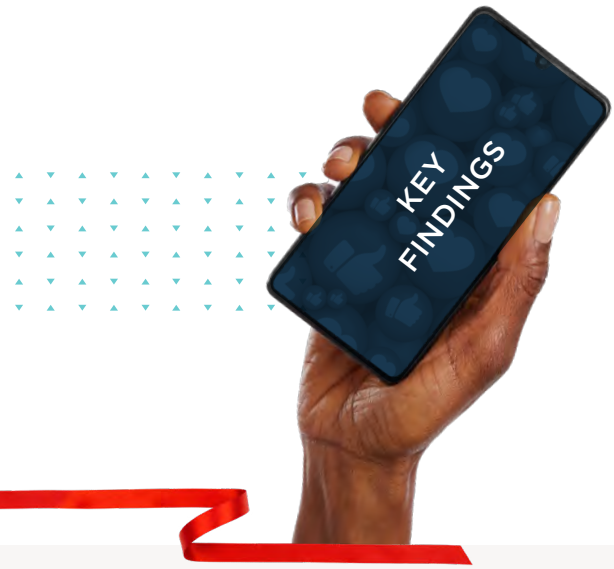
05

THE POWER OF SOCIAL MEDIA

Social media continues to play a significant role in influencing consumer holiday shopping behaviors, particularly among younger generations and specific demographics.



Increased social media shopping

Plan to shop more through social media:

ALL CONSUMERS
9%

GEN Z
21%

MILLENNIALS
14%

HISPANIC RESPONDENTS
14%

Highlighting the importance of targeted social media campaigns for this group

SCROLLING FOR SAVINGS

By understanding and capitalizing on the social media preferences of these key consumer groups, retailers can effectively boost their holiday sales and engagement. Retailers should focus on robust social media strategies to reach and engage these tech-savvy and socially connected shoppers.

HOW RRD HELPS

RRD's Branded Paid Social solution delivers impactful content on platforms like Facebook, Instagram, TikTok, and Pinterest, expertly managed from start to finish to build lasting relationships and attract new customers. Our **Influencer Marketing** amplifies your brand message with authentic visual content that inspires and engages your audience across social media. Leverage these solutions to boost your holiday sales and engagement.

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06

LEVELING UP LOYALTY

Consumers are increasingly favoring brands that offer personalized loyalty rewards. We explore these trends and their implications for retailers.

KEY FINDINGS

Personalized loyalty rewards

- **57%** of consumers are more likely to shop with advertisers that reward their loyalty with personalized offers or coupons/discounts. This percentage remains unchanged from 2023
- This trend is particularly strong among millennials (**63%**) and parents (**65%** overall), with millennial parents showing the highest agreement at **70%**

Brand loyalty

- **36%** of consumers agree that they are less loyal to stores and brands, a decrease of four percentage points from last year, indicating an improvement in brand loyalty

Points and loyalty rewards

- **20%** of consumers shop with brands that offer points/loyalty rewards for purchases, an increase of four percentage points

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06

LEVELING UP LOYALTY

LOYALTY PAYS OFF

This data highlights the growing importance of personalized loyalty programs. Retailers focusing on customized offers and points programs can effectively enhance customer retention and satisfaction this holiday season.

CHIP WEST, DIRECTOR OF CATEGORY STRATEGY, NATIONAL SALES, RRD

Personalized loyalty programs are not just a trend; they are a necessity in today's competitive market. Our data shows that consumers respond positively to brands that recognize and reward their loyalty, making it a key area for retailers to focus on.

HOW RRD HELPS

NXTDRIVE™ from RRD harnesses the full potential of your first-party data to overcome today's data challenges. It unites your customer data to derive actionable insights and create meaningful, personalized connections with your customers, making it an essential tool for enhancing loyalty programs and driving holiday retail marketing success. **Learn more about NXTDRIVE.**

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07

DRIVING HOME THE HOLIDAYS

Many consumers are planning road trips to visit family and friends during the holiday season, presenting a significant opportunity for automotive services.

KEY FINDINGS

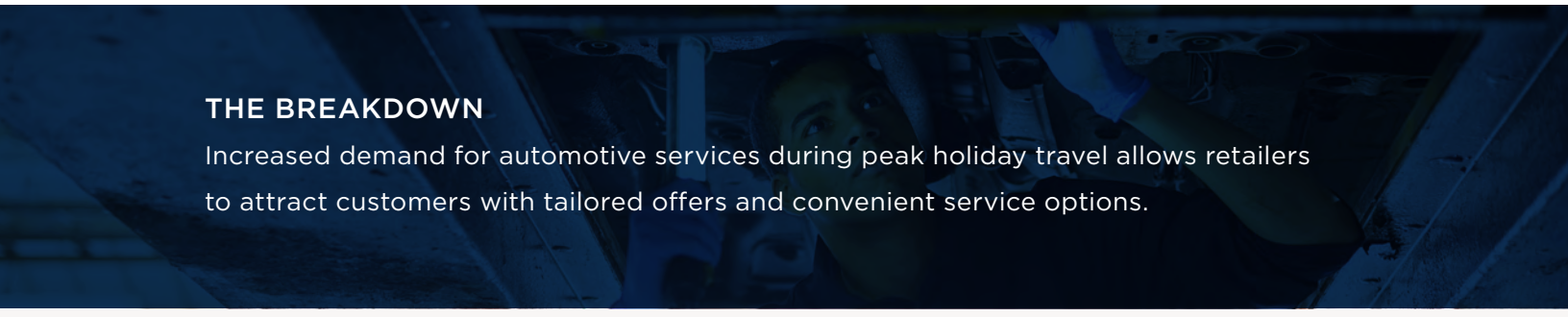
Travel plans

- **63%** of consumers plan to travel by car during the holidays, especially among Gen Z (**78%**), parents (**76%**), Hispanic consumers (**74%**), affluent consumers (**71%**), and millennials (**70%**)

Car services

Among those planning to travel by car:

- **51%** plan to perform a car service, primarily oil changes, tune-ups, brakes, and tire services. This is particularly true for millennial parents (**68%**) parents (**67%** overall), Gen Z (**64%**), Hispanic consumers (**64%**), and millennials (**60%**)



THE BREAKDOWN

Increased demand for automotive services during peak holiday travel allows retailers to attract customers with tailored offers and convenient service options.

SARA THOMSEN, SENIOR MANAGER, CLIENT STRATEGY, RRD

The holiday travel season presents a unique opportunity for automotive services. With a significant number of consumers planning road trips, targeted promotions for car maintenance can ‘drive’ both traffic and sales.

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As you plan for the 2024 holiday season, leverage these insights to craft effective retail marketing strategies that resonate with consumers' evolving behaviors and preferences.

ABOUT

THE **RETAIL** CONSUMER REPORT

The report explores emerging trends in consumer behavior that significantly impact the retail industry. It offers valuable insights, addresses challenges, uncovers opportunities, and suggests innovative marketing strategies to channel through this evolving sector. The RRD *Awareness-to-Action Study,* conducted in March 2024 in conjunction with Prosper Insights & Analytics, involved 1,867 respondents, all at least 18 years of age and residing in the contiguous United States, carefully selected through an online consumer research panel. Most of the questions in our retail consumer survey focused on individuals who engage with various retail shopping methods, providing a broad view of the sector's evolving dynamics.

ABOUT US

At RRD, we apply extensive industry expertise to deliver end-to-end solutions, effectively targeting and transforming customer touchpoints into moments of impact. Our global network of resources, creative execution, proprietary technologies, and measurable media influence engagement across the entire customer journey. Our clients trust us to deliver innovation and operational excellence that elevates performance.
Discover more at rrd.com

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ABOUT OUR EXPERTS

Sara Thomsen
Senior Manager, Client Strategy
Sara has a passion for retail marketing, with a focus in sporting goods, pet, and home improvement. She provides retailers with insights and strategies that drive traffic, generate responses, and boost sales.

Chip West
Director of Category Strategy, National Sales
Chip leads efforts to deliver consumer insights, trends, data, and marketing strategies to help hundreds of businesses in multiple industries make smarter marketing decisions.

At RRD, our goal is to be your trusted guide for navigating the evolving retail landscape and staying ahead of consumer trends.

Today's retail success hinges on staying connected to shifting consumer behaviors and leveraging customer data to drive growth. RRD is uniquely positioned to help you achieve this.

We excel at transforming first-party data into targeted, trend-driven marketing campaigns that amplify your strategies and enrich your insights. Our expertise empowers you to anticipate and respond to consumer trends with precision and confidence.

As your partner, RRD is dedicated to delivering these benefits, helping you refine your strategies and gain a deeper understanding of your customers.

Baby Boomer 1946 – 1964 (age in 2024: 60-78), **Generation X** 1965 – 1980 (age in 2024: 44-59), **Millennial** 1981 – 1996 (age in 2024: 28-43), **Generation Z** 1997 – 2006 (age in 2024: 18-27).
Note: The survey exclusively targeted members of Generation Z who are 18 years of age and older. However, that the Gen Z group also includes individuals born after 2006.

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