



**2020 Deloitte holiday retail survey**  
Retail insights for holiday 2020: December pulse  
Unwrapping holiday 2020  
December 2020

# Listening to what consumers say, watching what consumers do

## INTRODUCTION

For the 35th straight year Deloitte tracked the holiday shopping period by capturing feedback on shopping behaviors and preferences through the [holiday retail survey](#). We captured consumer's COVID-19 related anxiety and noted how that was translating into expectations for reduced holiday spending. We heard from consumers that they were seeking out contactless shopping solutions and aiming to avoid crowds amidst anxieties about shopping in-store. We reported that consumers were favoring shopping efficiency and expected a shorter shopping window.

This year, Deloitte has enhanced our holiday retail survey findings by also integrating our InSightIQ capability to observe and track what consumers *do*, in addition to what they *say*. Deloitte's InSightIQ capability provides access to a fact base of granular and frequent data sources across a broad spectrum of consumer behaviors to develop a deep understanding of consumers. We supplemented our survey findings with our InSightIQ data capability, pulse checked the [impact of Prime Day](#) moving to mid-October and serving as the unofficial kickoff to the holiday shopping season, and we integrated the behavioral data into the [pre-Thanksgiving pulse](#).

As the 2020 holiday period is coming to a close, we're taking one more quick look back to observe what consumers did in October and November to see if their pre-holiday expectations were realized. Did holiday spending decrease? Was there a shift to digital and away from in-store shopping? Were retailers able to successfully re-distribute holiday shopping outside of the key Black Friday and Cyber Monday events? Let's take a look...

**Rodney Sides**  
Vice Chairman and US leader  
Retail & Distribution  
Deloitte LLP  
[rsides@deloitte.com](mailto:rsides@deloitte.com)

**Jeff Simpson**  
Principal  
InSightIQ leader  
Deloitte Consulting LLP  
[jesimpson@deloitte.com](mailto:jesimpson@deloitte.com)

**Bobby Stephens**  
Principal  
Deloitte Digital  
Deloitte Consulting LLP  
[rostephens@deloitte.com](mailto:rostephens@deloitte.com)

**David Kearns**  
InSightIQ  
Retail & Consumer Products  
Deloitte Services LP  
[dkearns@deloitte.com](mailto:dkearns@deloitte.com)

**Ford Baertlein**  
InSightIQ  
Retail & Consumer Products  
Deloitte Services LP  
[fbuertlein@deloitte.com](mailto:fbuertlein@deloitte.com)

# Key findings



## Holiday shopping in the time of COVID-19

The pandemic has caused major inflections in consumer shopping behavior: driving significant shifts in traffic and spending online and redistributing share of traffic and spending across retail subsectors, with home improvement and mass retailers taking share



## Prime Day is its own holiday

Prime Day moving to mid-October drove a spike in consumer spending during the event, but did not appear to pull forward a significant amount of holiday spending



## A modest YoY spending increase for November

Consumer retail spending increased 1% YoY for November; however, more spending occurred earlier in the month as retailers offered extended promotions and focused less on Black Friday as a singular event



## The digital shift continues

Significant increases in digital spending were enough to just offset the losses in brick-and-mortar (B&M) spending during the holiday shopping season



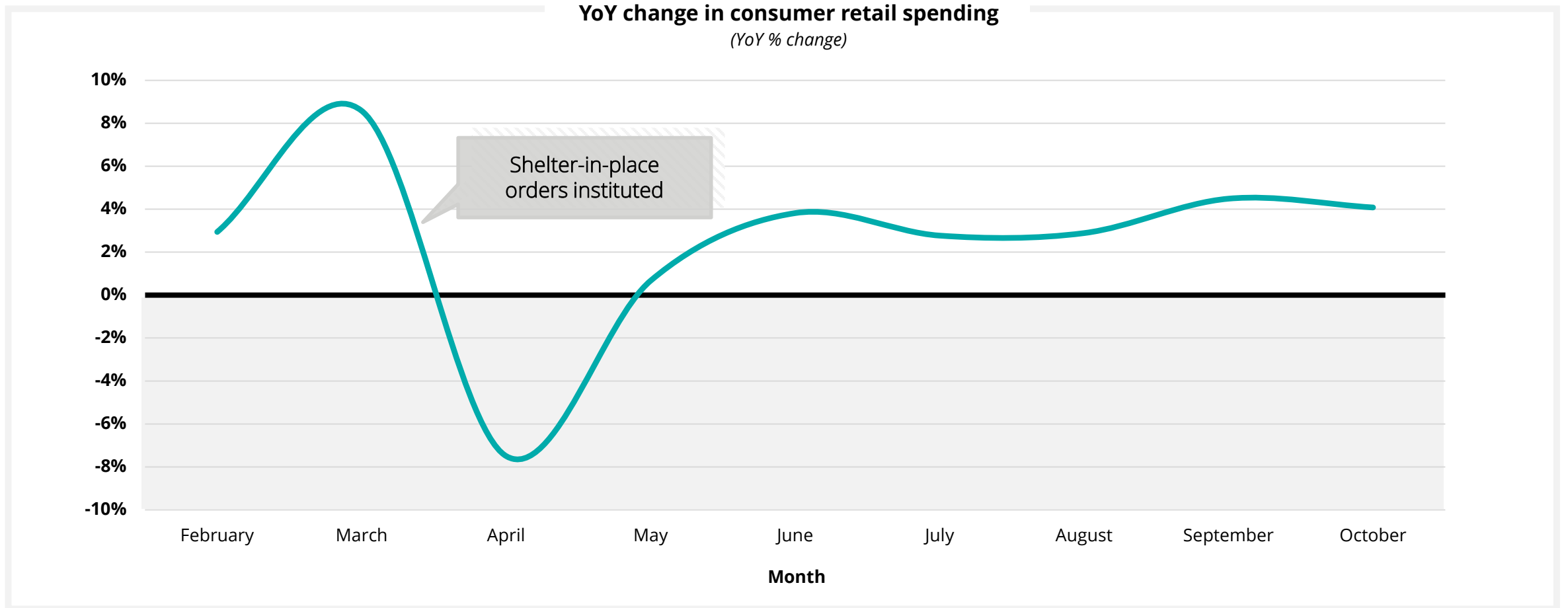
## Fewer transactions, larger baskets

Consumers shopped less, but spent more when they did shop; increased transaction values offset decreases in transactions



An unprecedented  
starting point for  
holiday shopping

Following a sharp pandemic-driven decline in late March, consumer retail spending has recovered throughout the summer and fall heading into the holidays

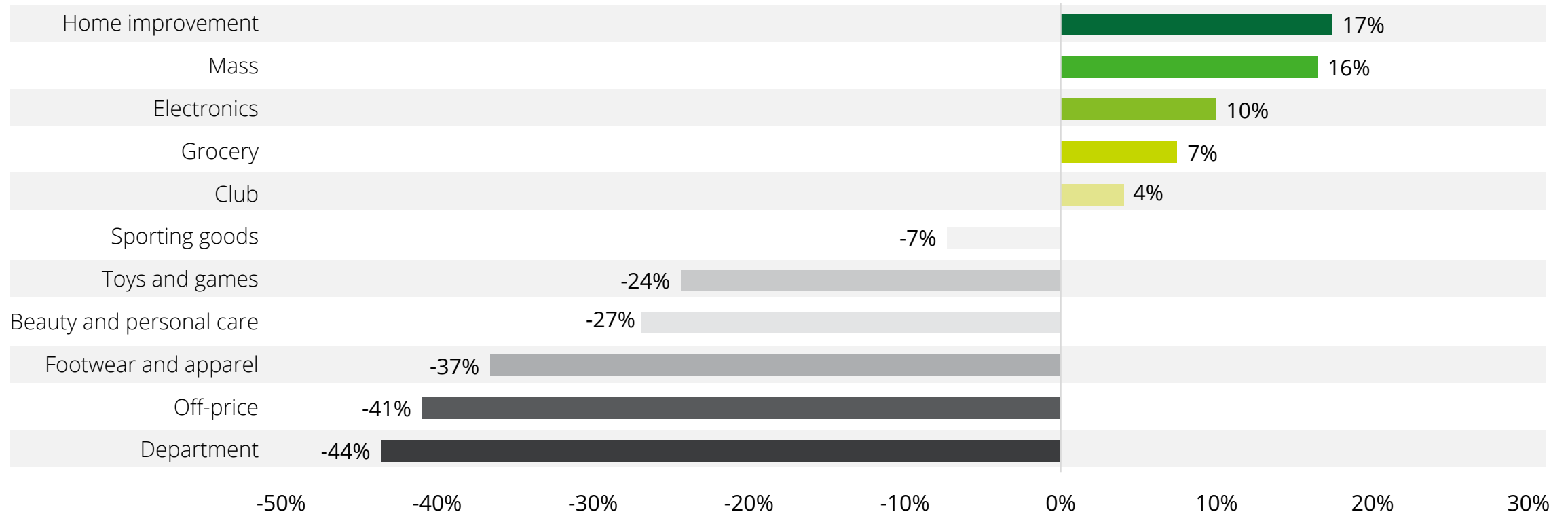


Source: Affinity Solutions Inc., Deloitte InSightIQ analysis

However, recovery in retail has not been equally distributed across all subsectors—home improvement and mass have been the “winners”

**YoY change in consumer spending across retail subsectors**

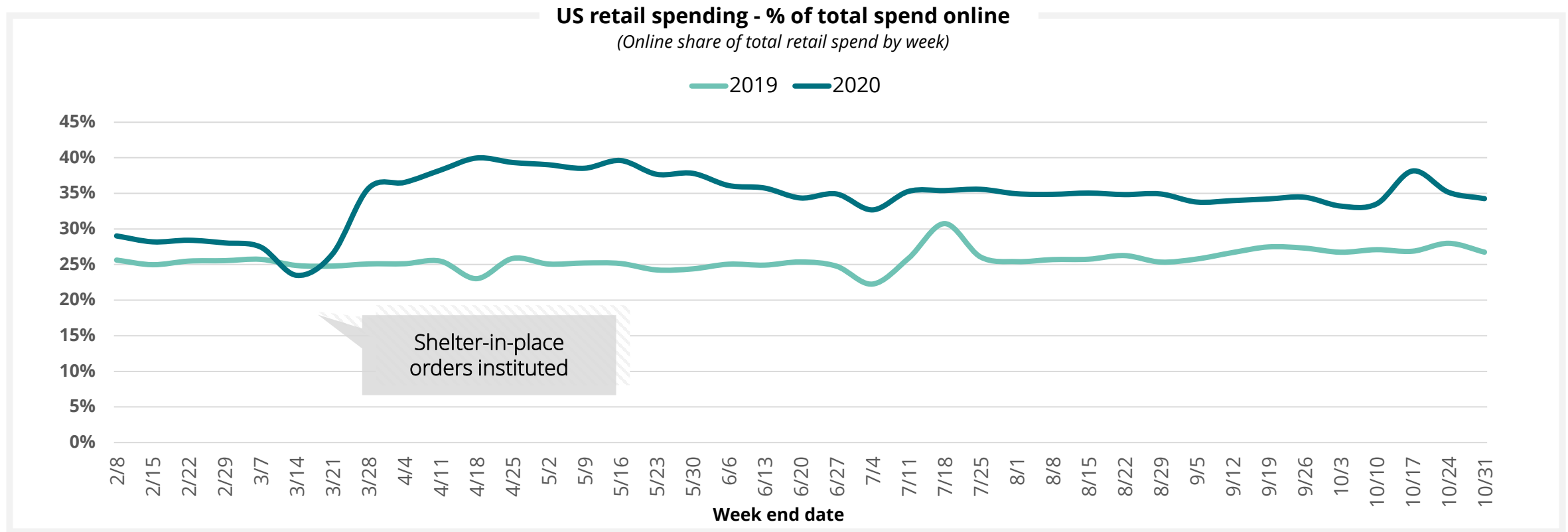
*March to October 2020 vs. 2019*



Source: Affinity Solutions Inc., Deloitte InSightIQ analysis

Note: March to October 2020 vs. March to October 2019 subsectors reflect a representative set of retailers within each category; spending reflects both online and in-store transactions.

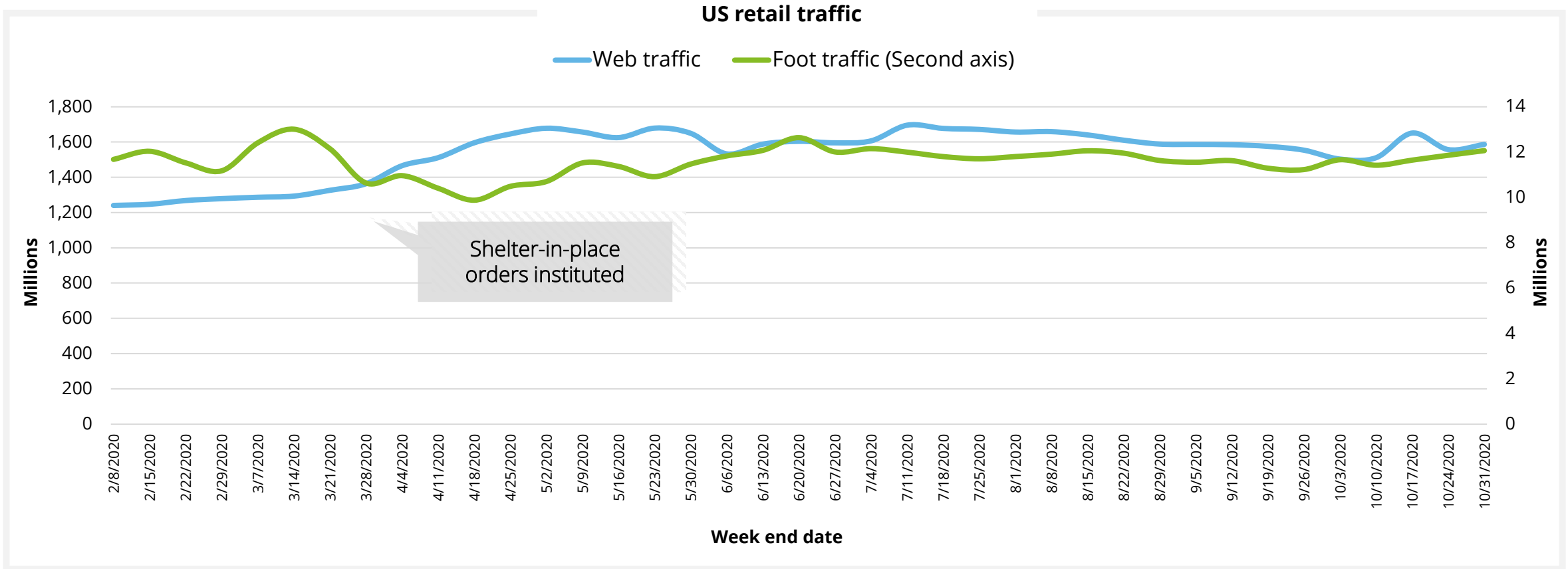
Much of this recovery has been driven by e-commerce; while online spending spiked during shelter-in-place, it has remained elevated throughout the summer and into the holiday season



Source: Affinity Solutions Inc., Deloitte InSightIQ analysis

Note: "Retail" = a representative mix of ~500 individual retailers; dates aligned by retail 4/5/4-week structure, beginning week one as week end 2/8/2020; unique spikes in July 2019 and October 2020 correspond to Prime Day.

Retail traffic has shifted online; although foot traffic has rebounded back to pre-COVID-19 levels, web traffic has remained elevated

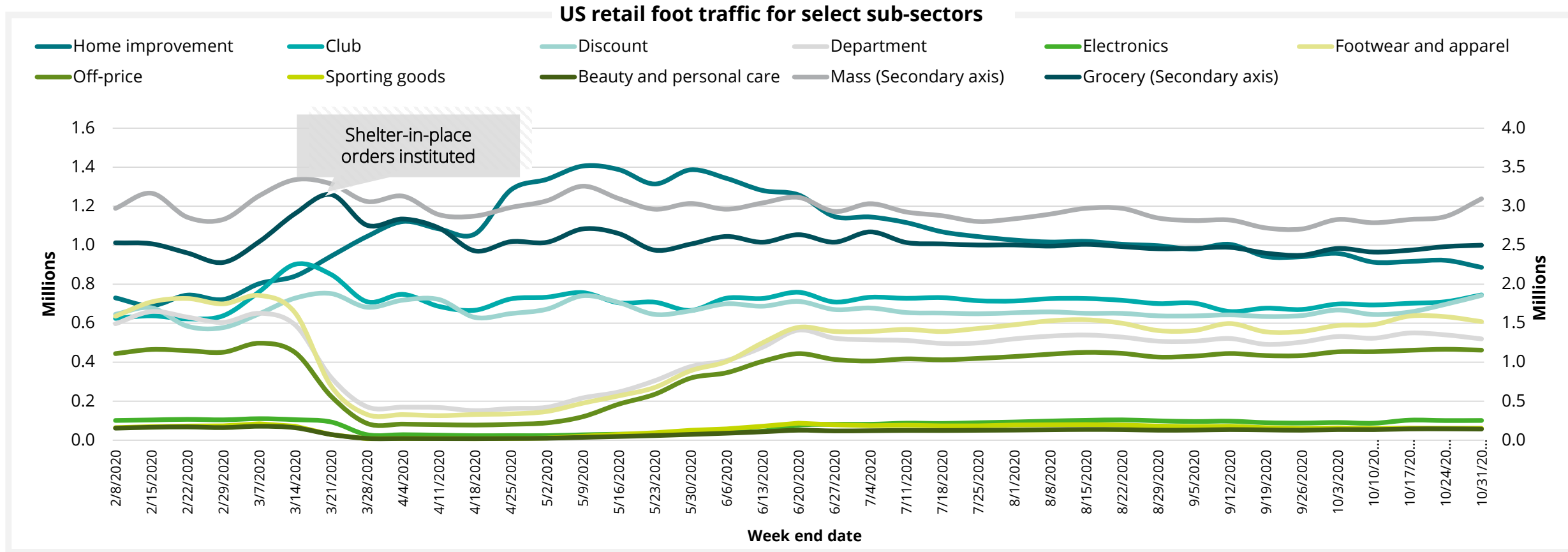


Source: SimilarWeb internet traffic analytics data, Skyhook location data, Deloitte InSightIQ analysis

Note: "Retail" = a representative mix of ~500 individual retailers; dates aligned by retail 4/5/ four-week structure, beginning week one as week end 2/8/2020; unique spikes in July 2019 and October 2020 correspond to Prime Day; Data Sets have different sample sizes, raw #'s should not be directly compared.



Overall retail foot traffic is being buoyed by mass, grocery, home improvement, and club retailers, which are all trending up since the onset of the pandemic; other retail subsectors are still experiencing foot traffic below pre-pandemic levels



Source: SimilarWeb internet traffic analytics data, Skyhook location data, Deloitte InSightIQ analysis

Note: Sectors reflect a representative set of organizations; dates aligned by retail 4/5/4-week structure, beginning week one as week end 2/8/2020.

# Retailers offered new promotions in October in an effort to jump start holiday sales



**23%**

**Holiday shoppers** shopped on Prime Day

**\$187**

**Average spend on Prime Day**

lower than customers indicated in September (\$344), as many retailers offered competing promotions



**25%**

Holiday shoppers say **deals are better on Prime Day** than during Thanksgiving week



**76%**

Plan to **spend same/more during the Thanksgiving period**, irrespective of Prime Day shopping; but 24% said they will spend less

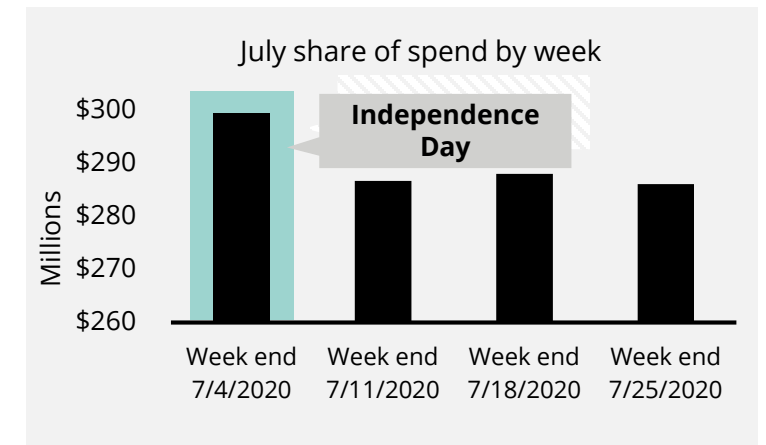
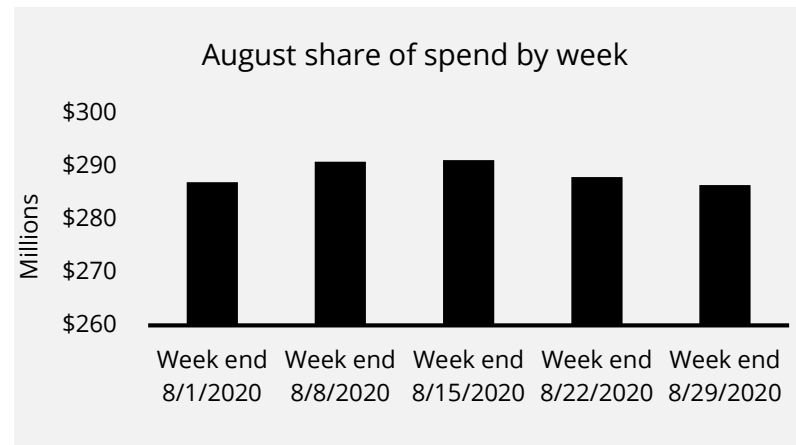
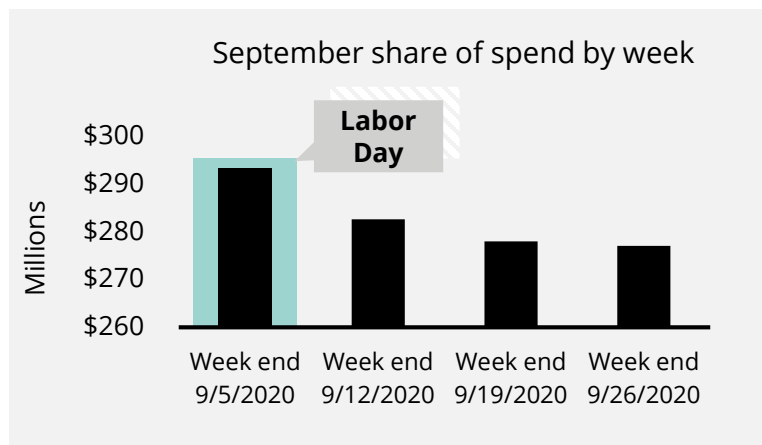
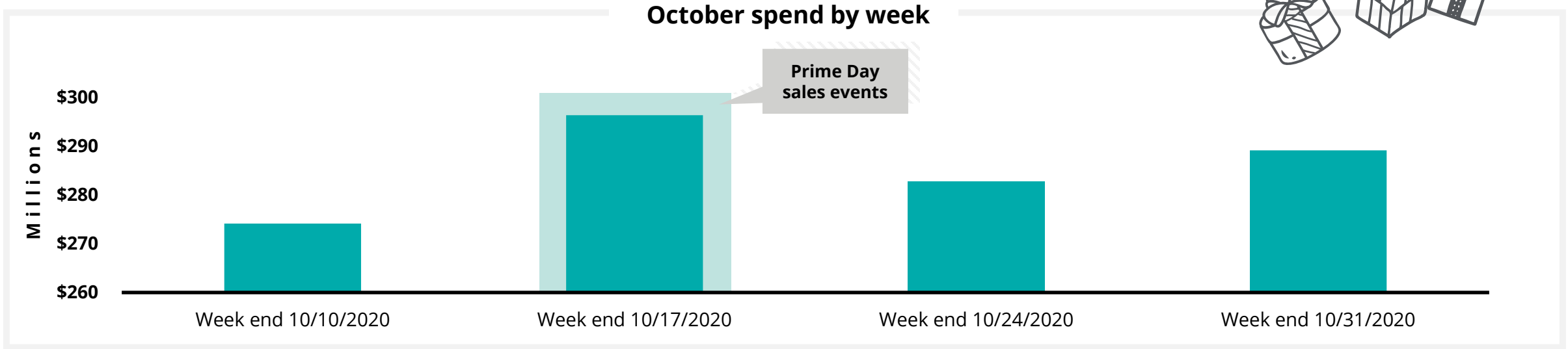
**56%**

Plan to **purchase earlier** in the holiday season to **avoid stock-outs** on desired items (42% LY)

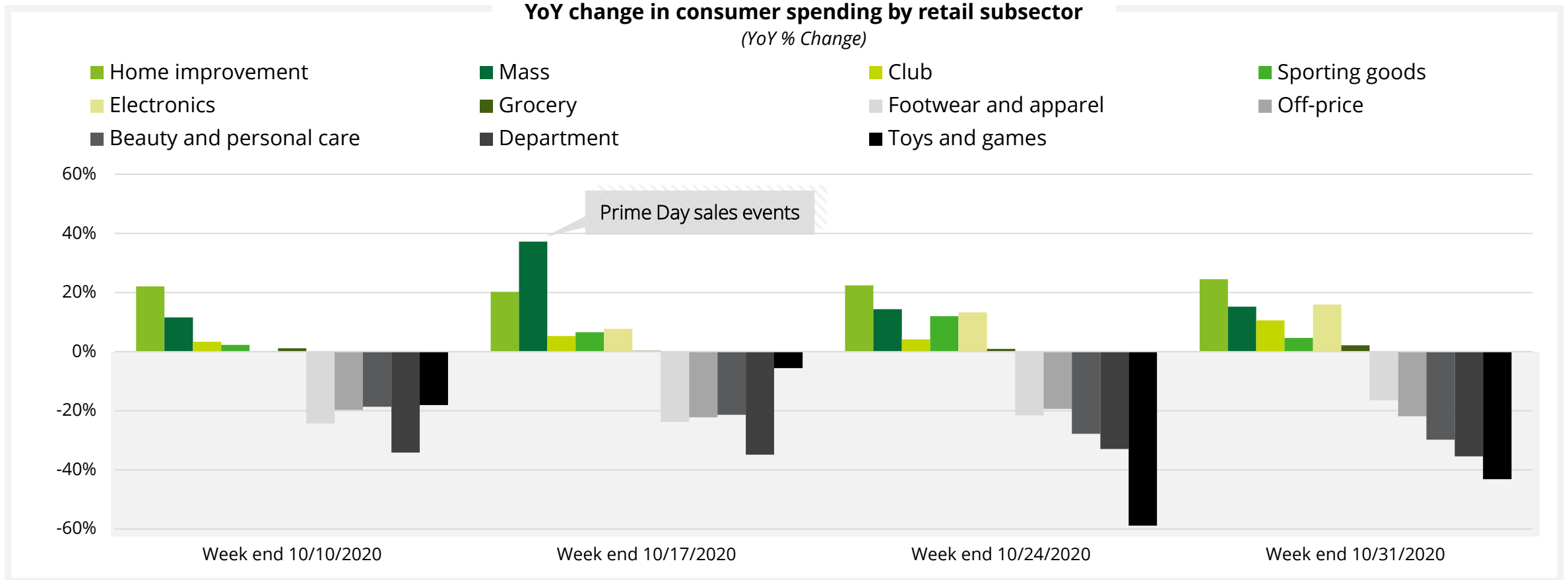
Source: Deloitte 2020 pre-Thanksgiving pulse survey

Questions: (1) "Did you shop for holiday gifts on Prime Day in this year?" - % Yes; (2) How much did you spend on holiday gifts while shopping on Prime Day this year?"; (3) "Prime Day deals are better than deals on Thanksgiving week (Thanksgiving Day to Cyber Monday)" - % Agree/Strongly agree; (4) "How will holiday gift shopping on Prime Day affect your spending plans for Thanksgiving period?" - % Same or more than last year; (5) "I will purchase earlier in the holiday season to avoid out of stock on desired items." - % Agree/Strongly agree.

Prime Day promotions drove a single week spike in sales, similar to holidays like Labor Day and Independence Day



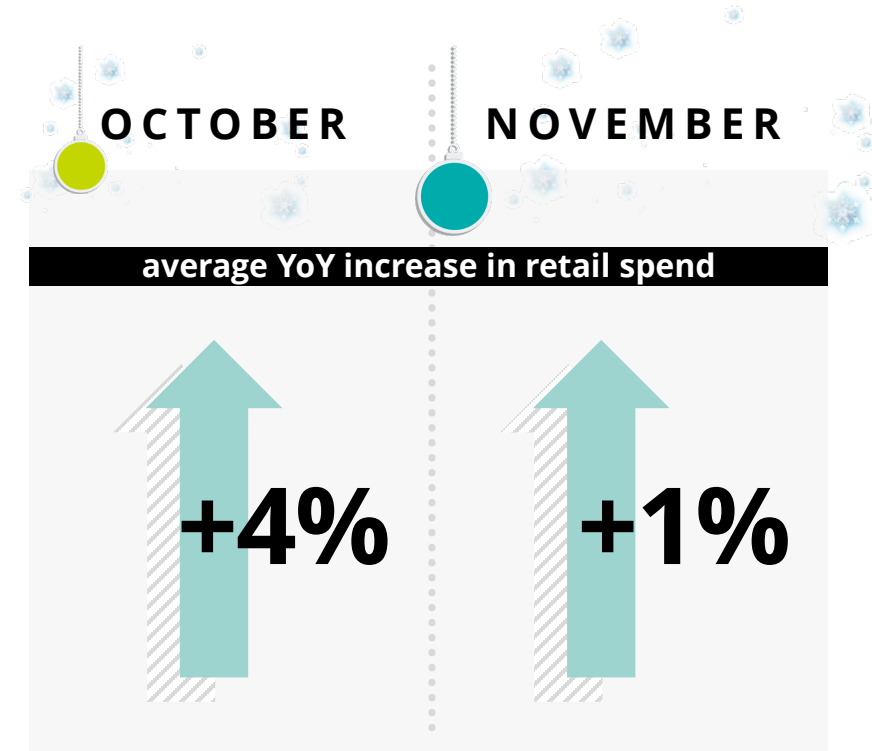
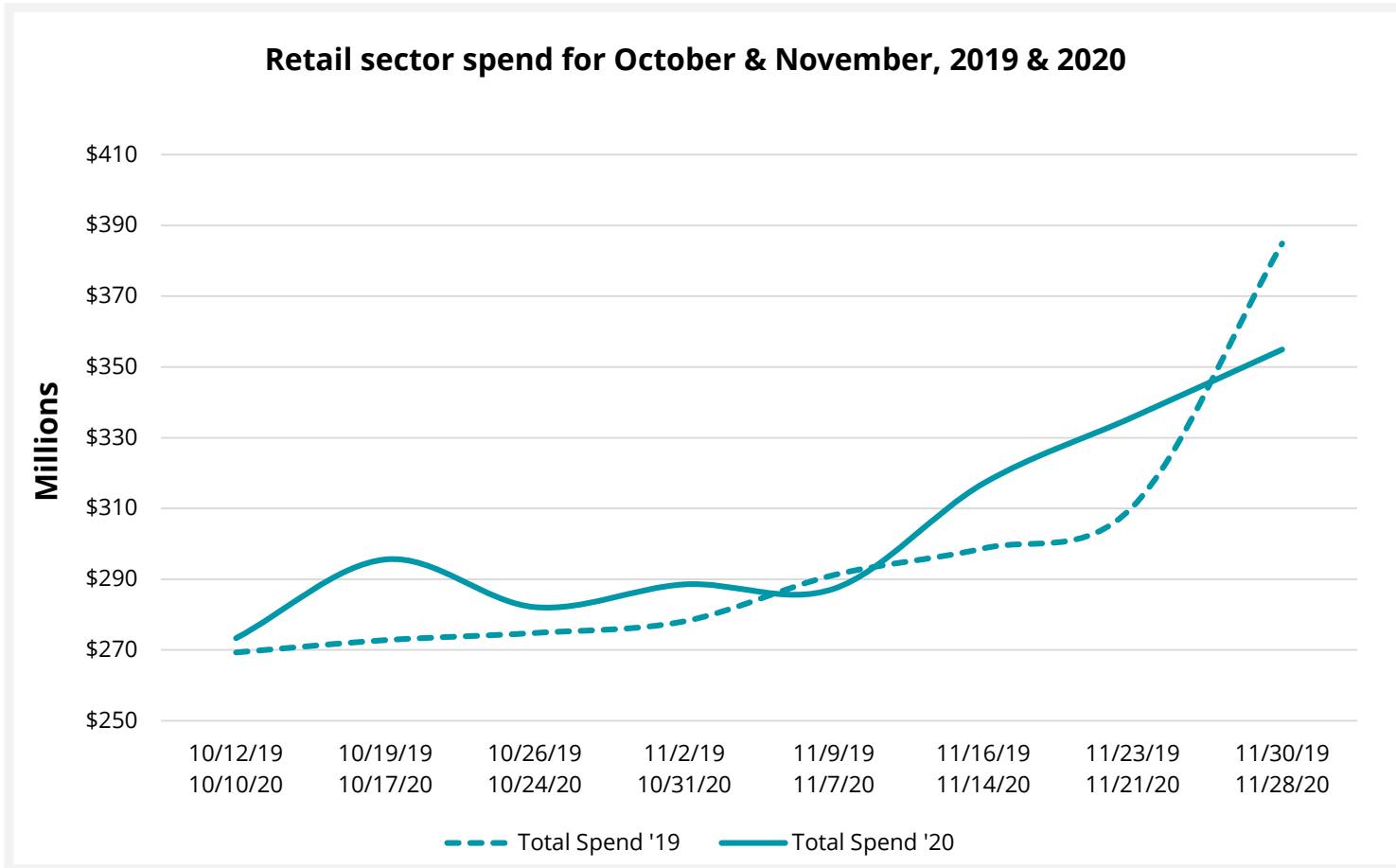
Mass merchants benefited most from Prime Day, and along with home improvement were poised to take holiday share; traditional gift giving subsectors like electronics and sporting goods also began to surge in late October





# Unwrapping holiday 2020

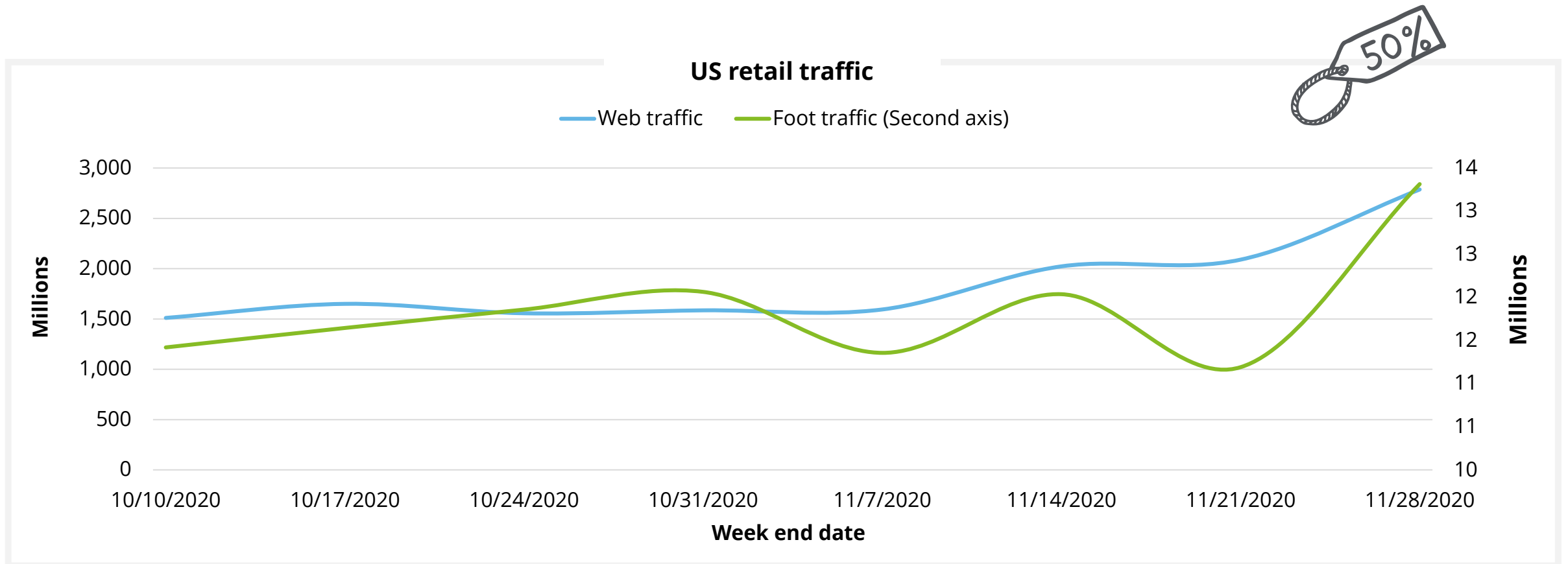
Consumer retail spending increased modestly YoY for November; however, more spending occurred earlier in the month as retailers offered extended promotions and focused less on Black Friday as a singular event



Source: Affinity Solutions Inc., Deloitte InSightIQ analysis

Note: Weeks aligned to consistent retail calendar.

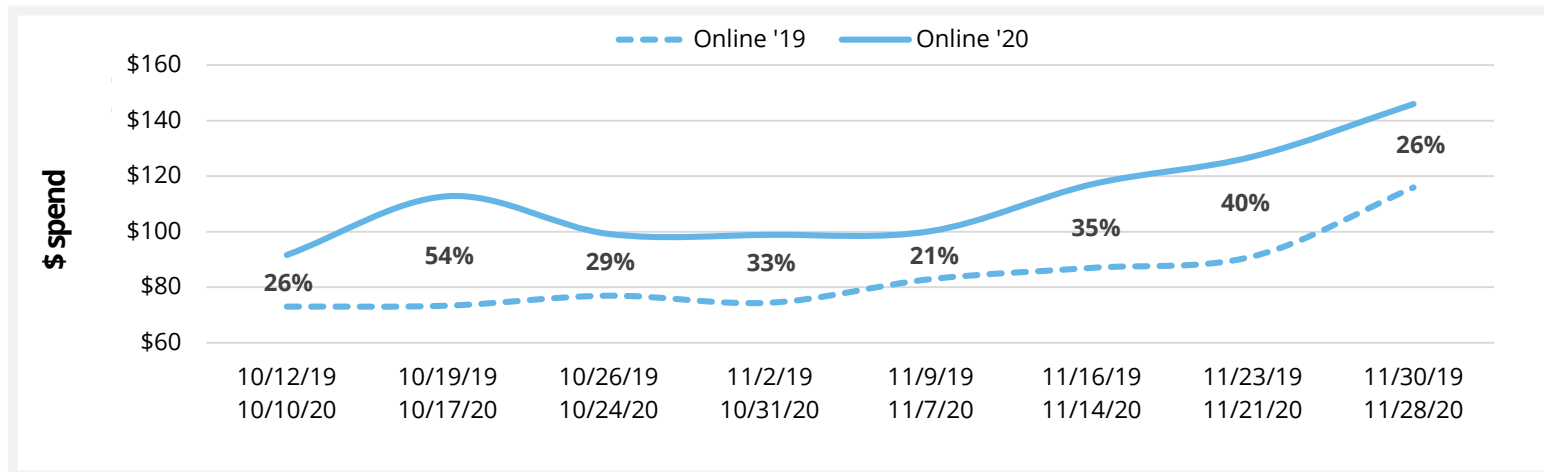
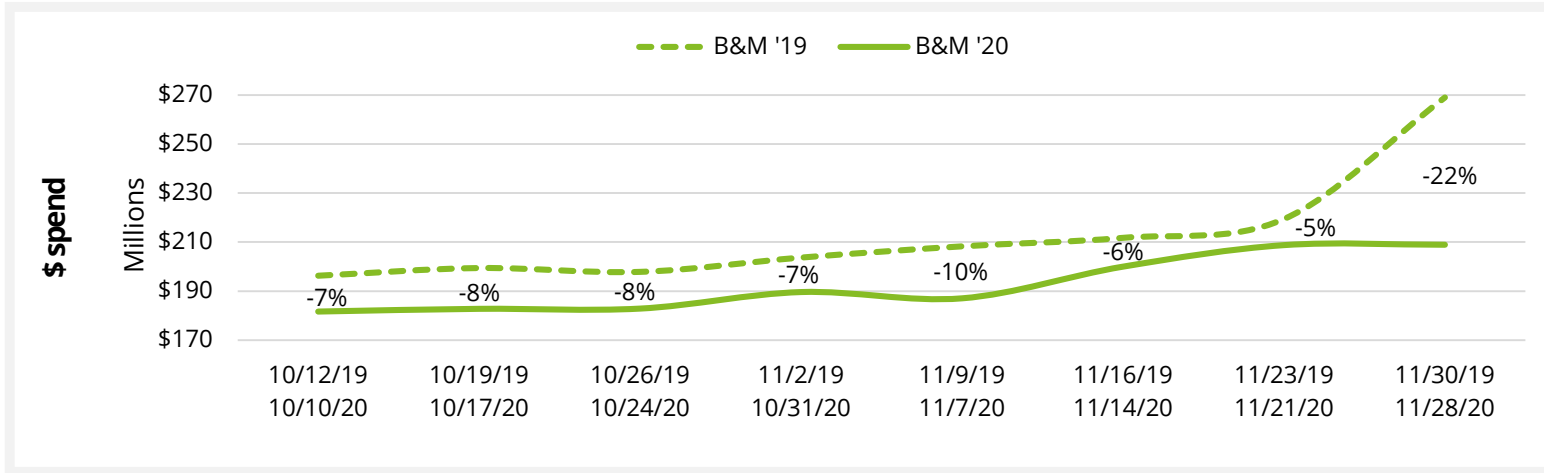
Although Thanksgiving week saw an increase in visits to physical stores, holiday traffic continued the larger 2020 trend of a major digital shift, with digital traffic consistently increasing throughout November




Source: SimilarWeb internet traffic analytics data, Skyhook location data, Deloitte InSightIQ analysis

Note: "Retail" = a representative mix of ~500 individual retailers.

# Significant increases in digital spending were enough to just offset the losses in B&M spending during the holiday shopping season





**OCTOBER**

average YoY decrease in retail B&M spend

**-8%**

**NOVEMBER**

average YoY decrease in retail B&M spend

**-11%**


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average YoY increase in retail online spend

**+35%**

average YoY increase in retail online spend

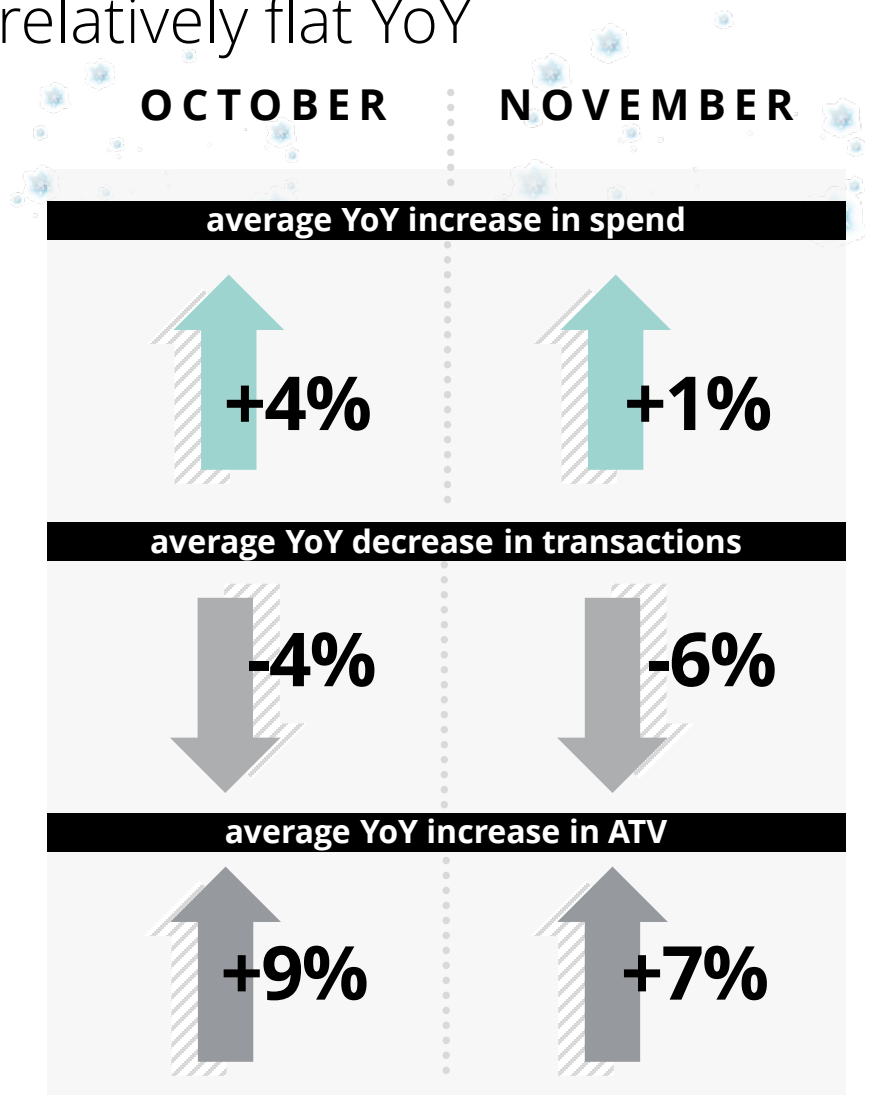
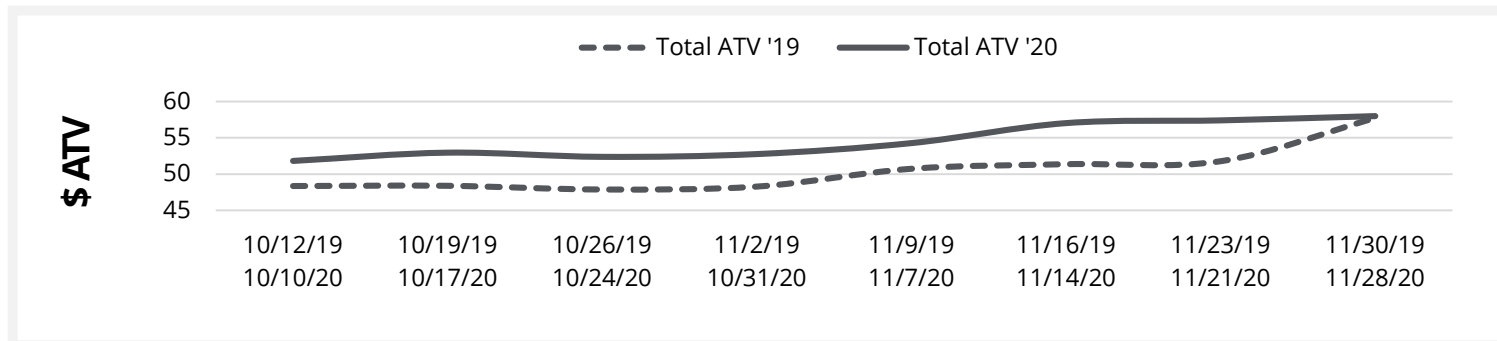
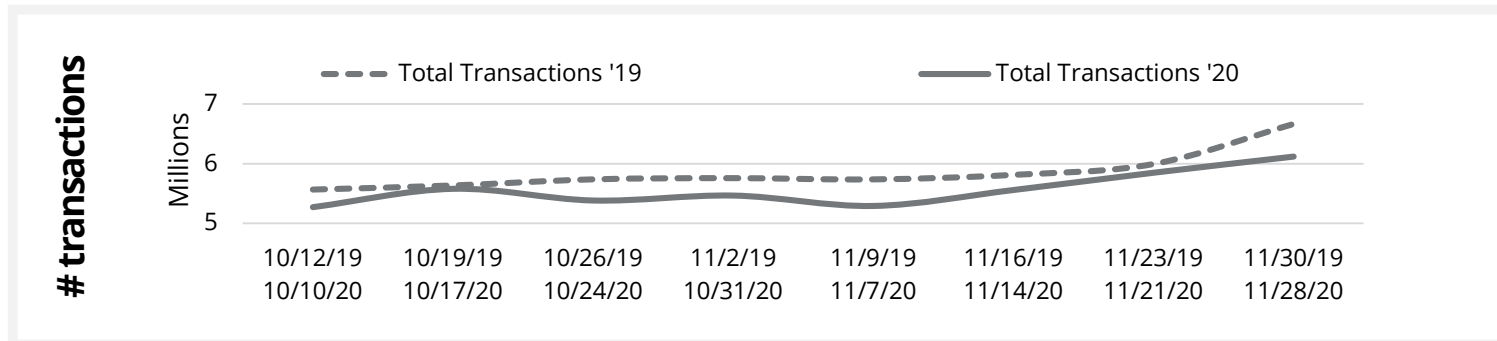
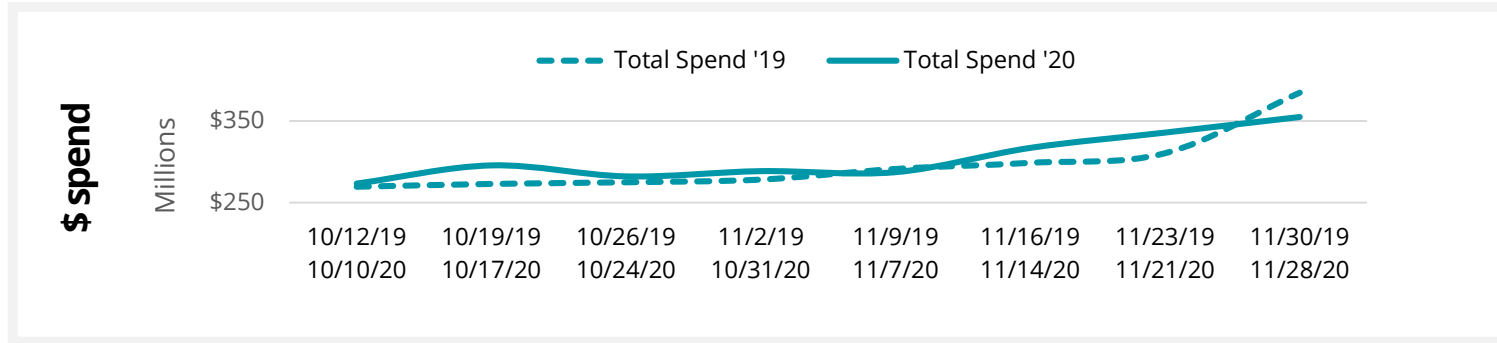
**+30%**



Source: Affinity Solutions Inc., Deloitte InSightIQ analysis  
Note: Weeks aligned to consistent retail calendar.



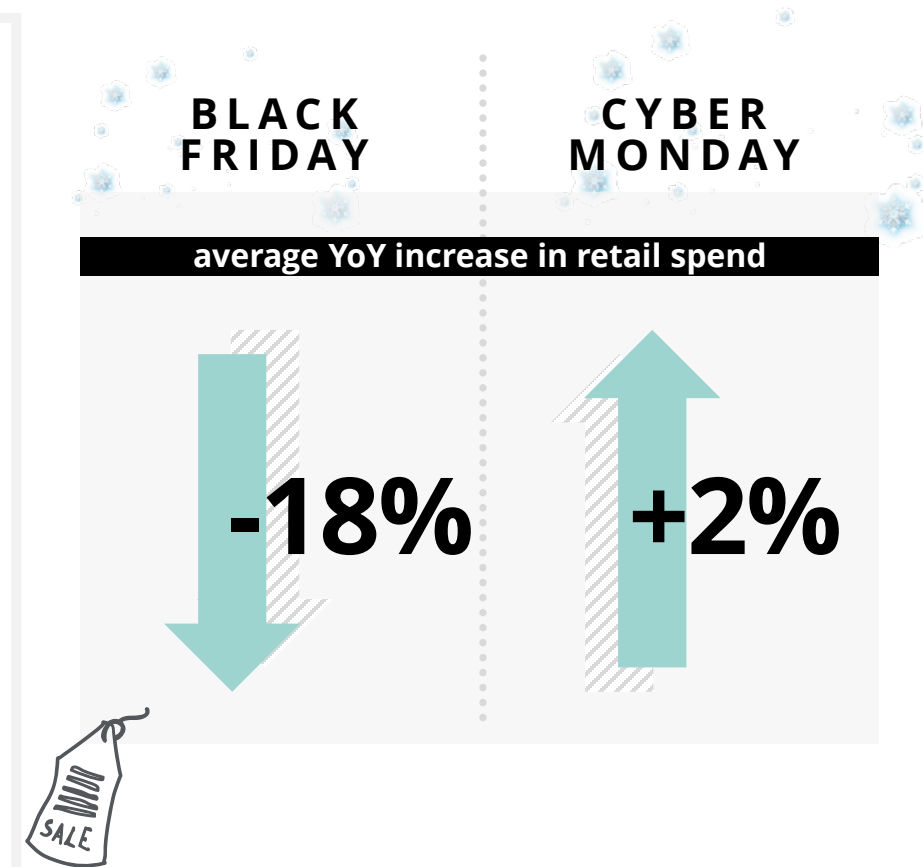
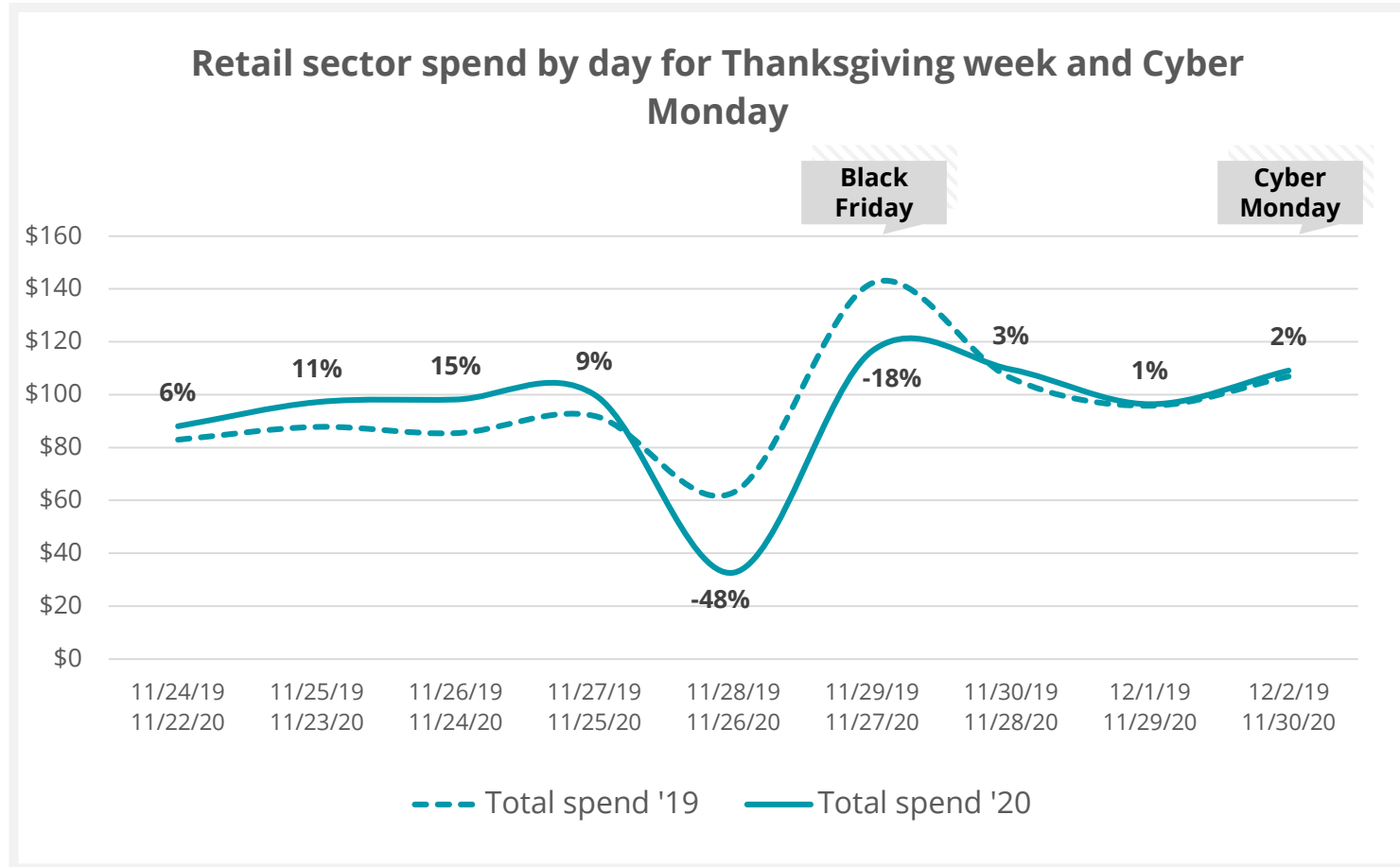
Consumers shopped less, but spent more: increased transaction values offset decreases in transactions, keeping holiday spending relatively flat YoY



Source: Affinity Solutions Inc., Deloitte InSightIQ analysis

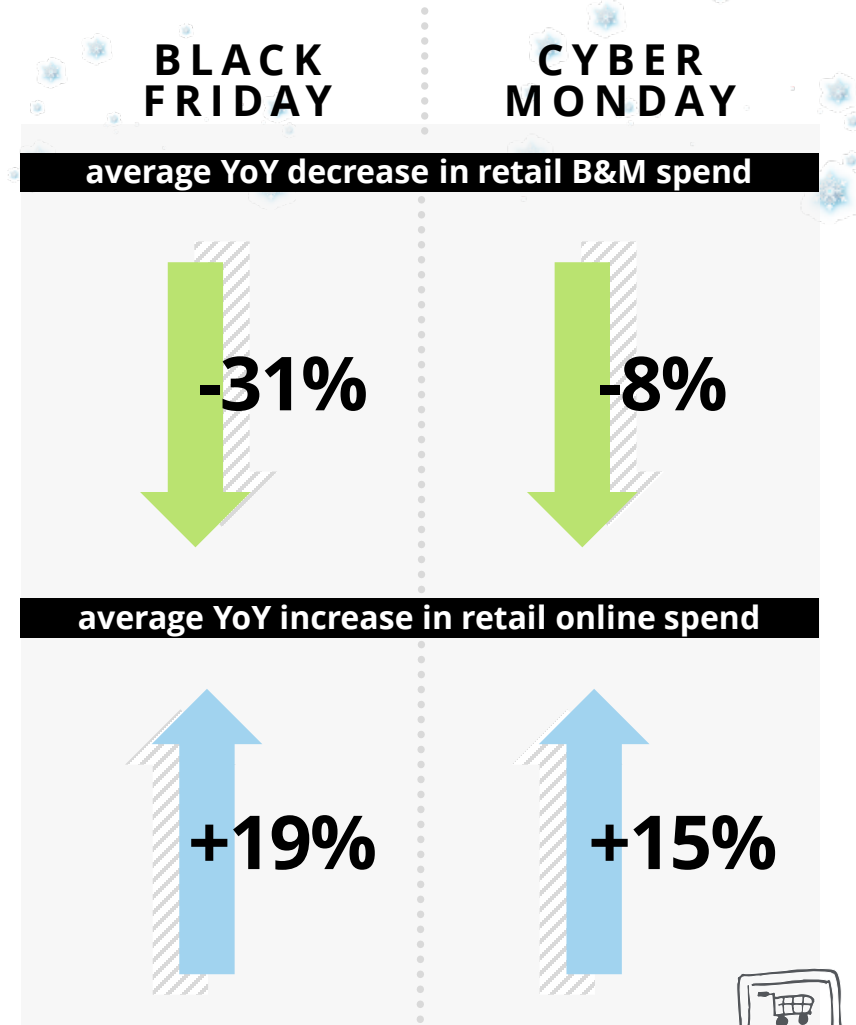
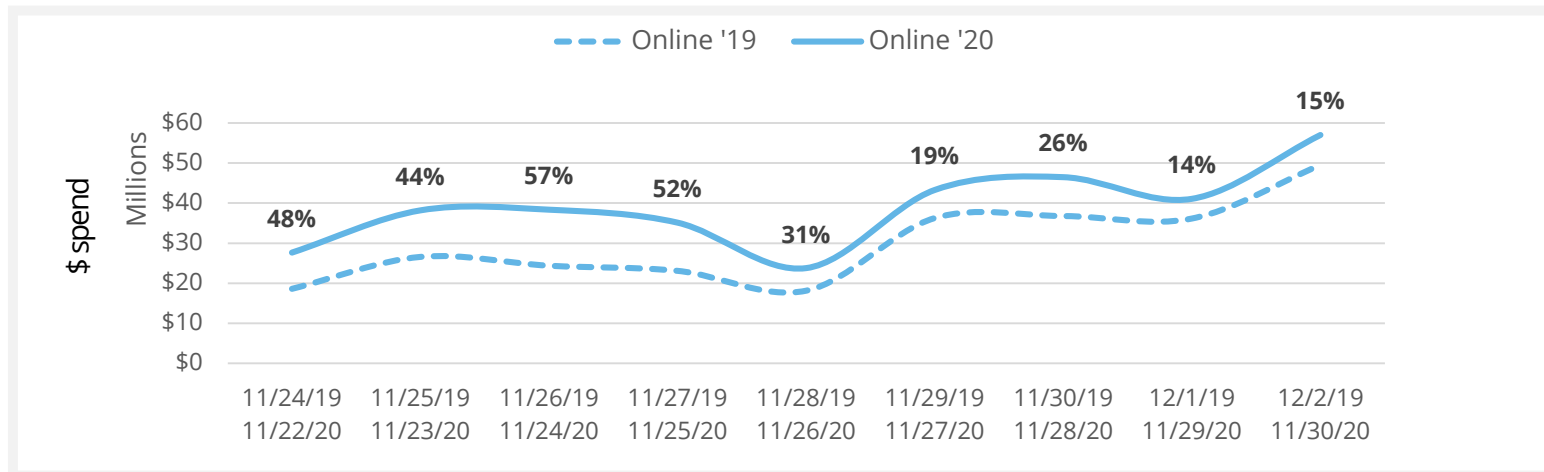
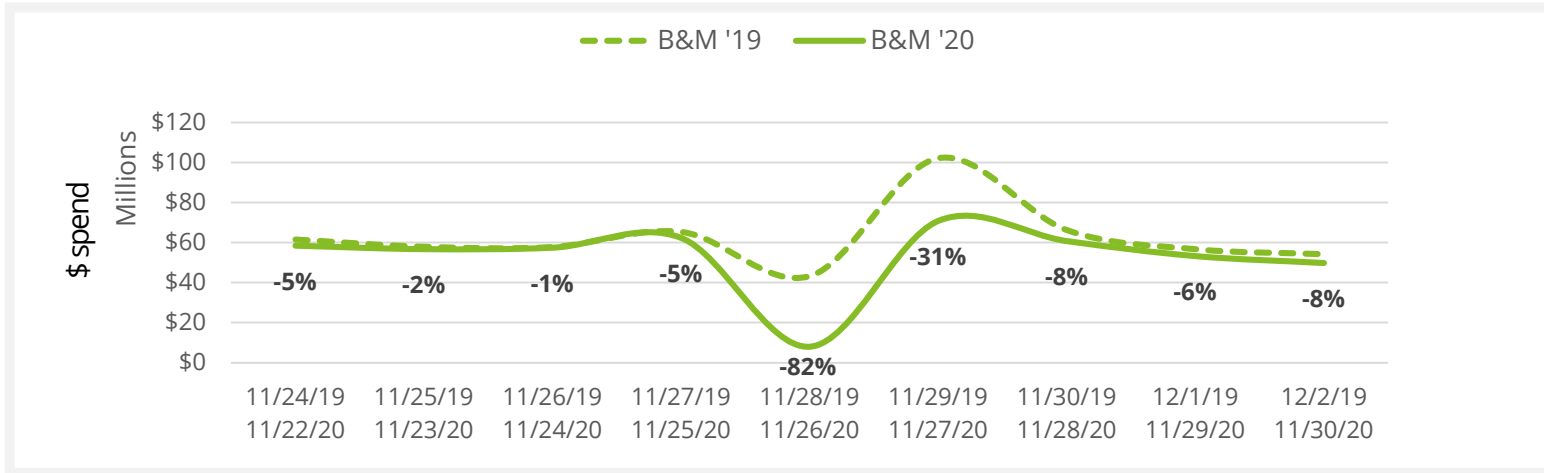
Note: Weeks aligned to consistent retail calendar.

# Reduced shopping on Thanksgiving day and Black Friday drove the decline in spending for the holiday week



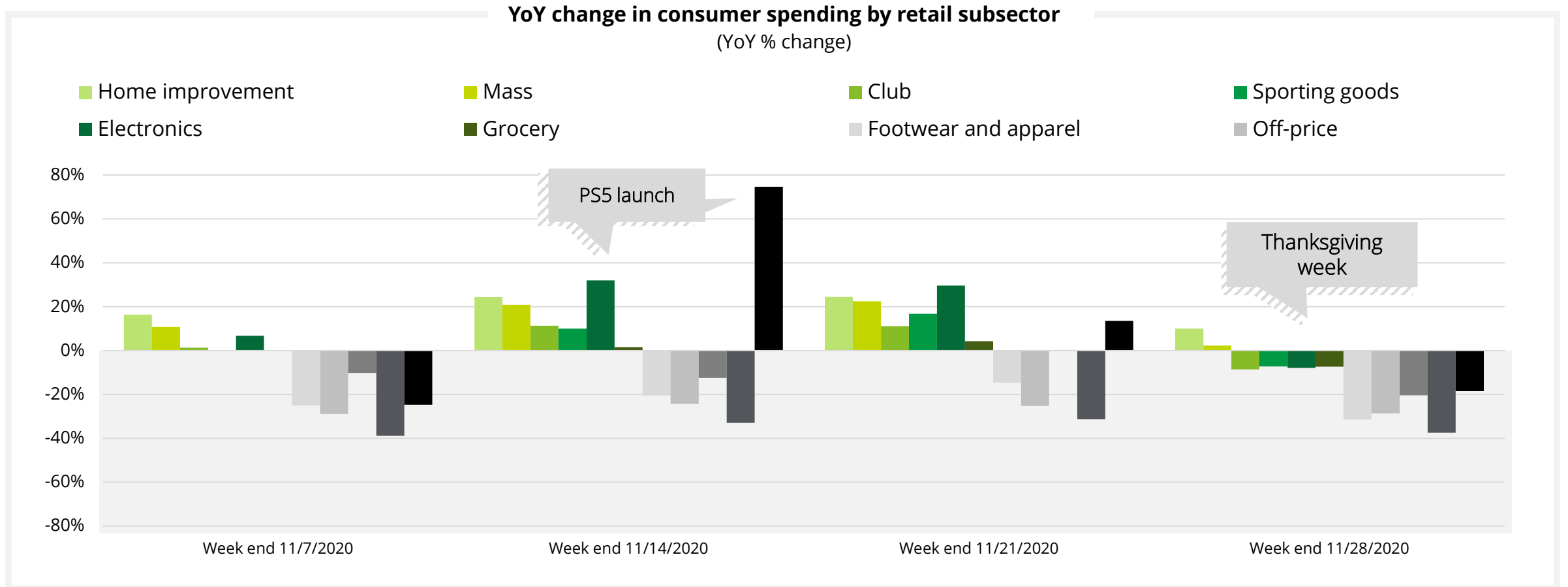
Source: Affinity Solutions Inc., Deloitte InSightIQ analysis

The pullback on in-store shopping drove the Black Friday declines; Thanksgiving shopping was also down YoY as major retailers chose to close for the holiday



Source: Affinity Solutions Inc., Deloitte InSightIQ analysis

Home improvement and mass were the only subsectors to experience gains in spending during Thanksgiving week; several subsectors experienced increased spending in mid-November



Source: Affinity Solutions Inc., Deloitte InSightIQ analysis  
Note: Sectors reflect a representative set of organizations.

The page is decorated with gold confetti and streamers at the top and a large, intricate gold snowflake on the left side. The snowflake is made of many small gold dots and has a complex, multi-armed structure.

## InSightIQ:

FACTS. PERSPECTIVE. ACTION.

### **Deloitte InSightIQ**

Deloitte's InSightIQ capability provides access to a fact base of granular and frequent data sources across a broad spectrum of consumer behaviors to develop a deep understanding of consumers. InSightIQ was built with a belief that true consumer insight must come from a holistic approach that starts with an outside-in view and utilizes a broad mix of data sources, moving beyond a singular reliance on traditional survey research to leverage the wealth of data available today. To learn more, contact Jeff Simpson, principal, Deloitte Consulting LLP, [jesimpson@deloitte.com](mailto:jesimpson@deloitte.com); or Rob Bamford, senior manager, Deloitte Consulting LLP, [rbamford@deloitte.com](mailto:rbamford@deloitte.com).

### **About the Deloitte Consumer Industry Center**

The Deloitte Consumer Industry Center (the Center) is the research division of Deloitte LLP's Consumer industry practice. It provides a forum for industry insights, thought leadership, and groundbreaking research to help companies in the automotive, consumer products, retail, transportation, and hospitality and services sectors solve their most complex industry challenges.

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