

AUSTRALIAN CHRISTMAS SHOPPING INTENTIONS

Unboxing consumer
shopping trends
for Christmas



2021 CHRISTMAS SHOPPING

TRACKING SURVEY

The CPM-Retail Safari annual Christmas Shopping Intentions Survey is designed to offer insights into holiday shopping and purchasing behaviour before the gift-buying madness begins. To undertake the research we partnered with Swinburne University's CXI Research Group to conduct an online survey during August 2021, with a sample size of 500 representing the Australian population.

This year's edition builds on data collected in our annual surveys since 2016. We'll compare the survey results to historical data and trends, where we'll explore the shopping behaviours, attitudes, and preferences of Australian consumers for the 2021 holiday season.

A new addition to this year's survey includes insights into **how holiday shopping behaviour has changed in relation to pre-COVID**, and what **Black Friday and Cyber Monday** shopping habits will be for the upcoming holiday season.

2020 saw unprecedented disruptions to shopping and consumption patterns. For Christmas, Australians found new ways to find and buy gifts for loved ones by embracing online shopping to keep the spirit of the season alive. Here we present the trends retailers, brands and the industry need to be on the lookout for as we approach Christmas 2021 with the same challenges once again.



2021

KEY FINDINGS

HOLIDAY SHOPPING CHANGES RELATIVE TO PRE-COVID-19

Australians will be doing more **purchasing online to avoid physical stores**, and increasingly **support local businesses** when shopping for Christmas presents.

AUSTRALIAN CONSUMERS PIVOT ONLINE

More Australian shoppers are planning to use **only online stores** to conduct their holiday shopping. For the first time in six years running this survey, the **most popular retail format** with holiday shoppers is **internet-based retailers**.

SHOPPER CHANNEL PREFERENCES

Despite a surge in shopping online only, most shoppers will use an **omnichannel approach** to find the perfect Christmas gift in 2021.

TOP REASON FOR SHOPPING IN-STORE

Even in the middle of a pandemic, **touching, feeling and experiencing** the product remains important.

CHRISTMAS SPENDING PLANS

This holiday season, more consumers are planning to **spend more than last year**, but they are still cautious with their spending.

WHEN CONSUMERS PLAN TO SHOP

Australians intend to keep shopping to the end of the year. **November** peaks as the **most popular Christmas shopping month**, with December not far behind.

IS BLACK FRIDAY THE NEW BOXING DAY?

In 2021 Cyber weekend sales events, Aussies will be more likely to **buy from local retailers than overseas retailers**, buy **electronics**, and buy **online** rather than in physical stores.

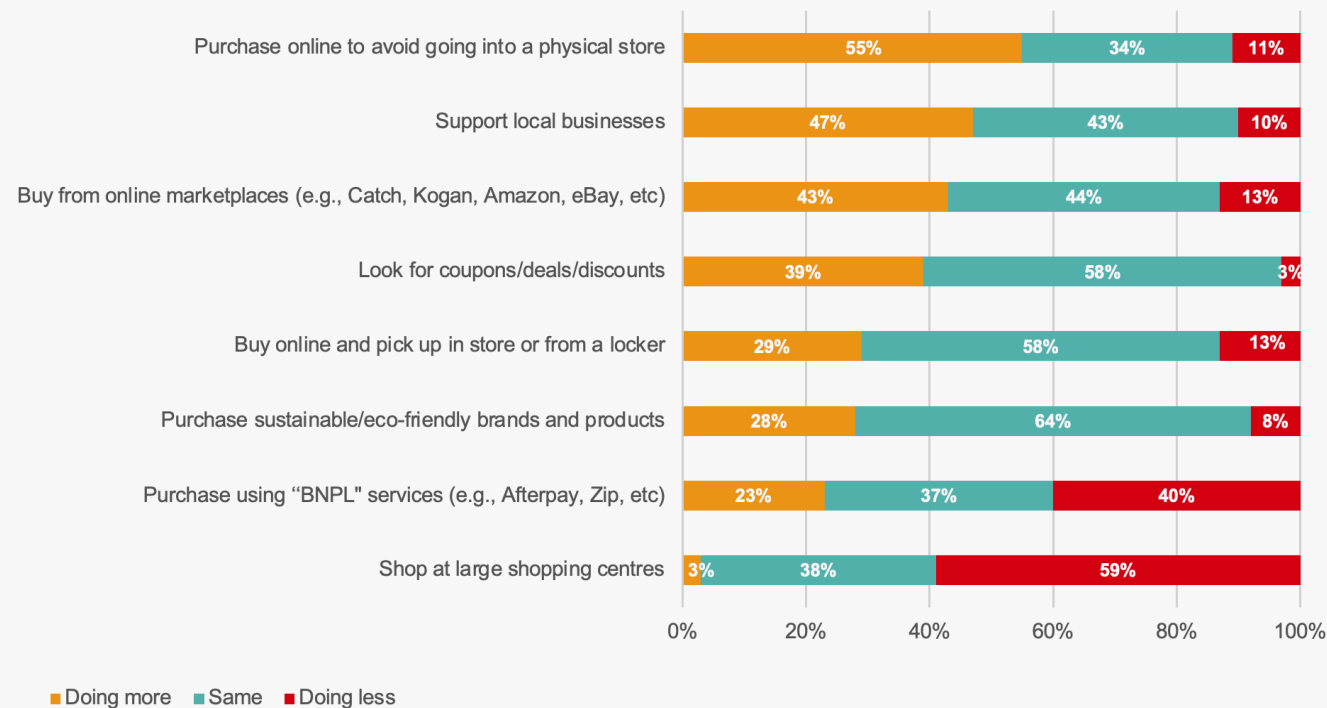
MORAL OF THIS CHRISTMAS STORY

With the hybridisation of retail, **physical stores** are not the final destination choice for shoppers; they are now one of **many touchpoints** along the journey.



HOLIDAY SHOPPING COVID-19 IMPACT

This Christmas, Australians will be doing more **purchasing online to avoid physical stores**, and increasingly **supporting local businesses** when shopping for presents.



KEY INSIGHTS

The pandemic has persuaded Australian consumers to change their Christmas shopping habits.

With the uncertainty of ongoing COVID-19 restrictions around travel and shopping this year, 55% of respondents say they're planning to do **more purchases online to avoid going into physical stores**. Buying from online marketplaces (e.g., Catch, Kogan, Amazon, eBay, etc.) is a popular option (43%).

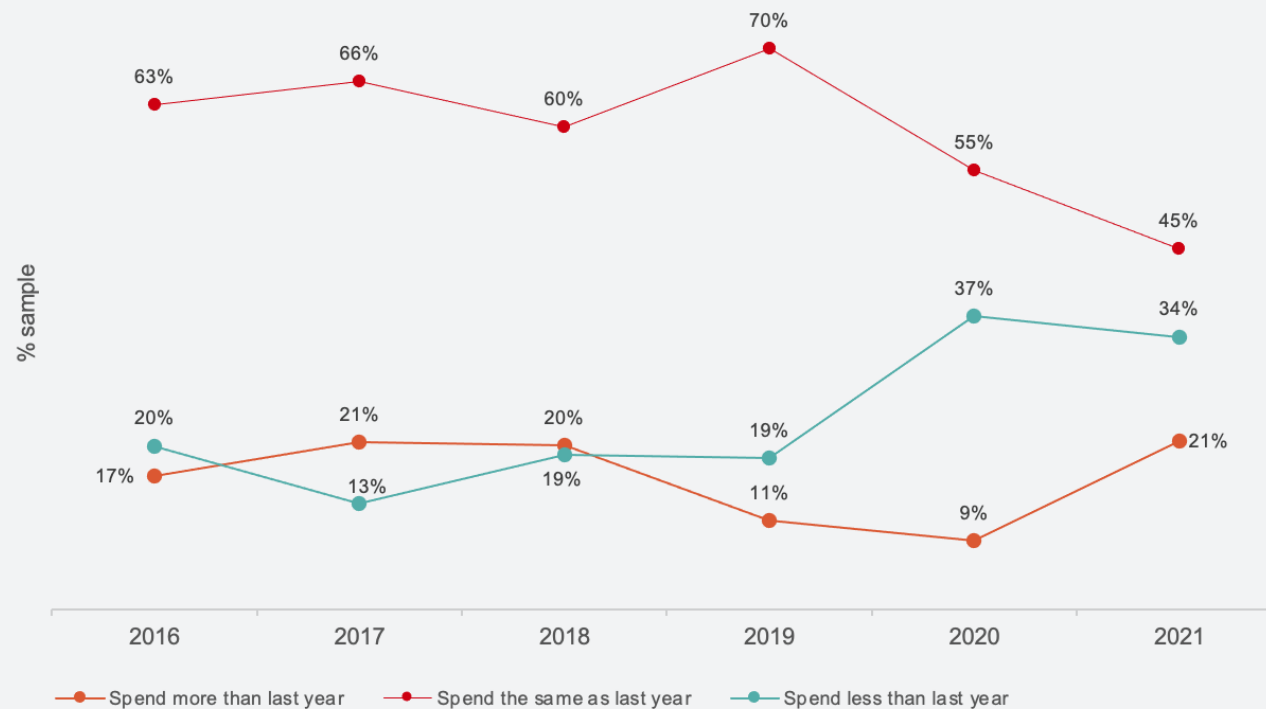
Consumers are also passionate about buying from their **local businesses** this Christmas (47%). They have developed a strong desire to be more connected with their local communities, and care more about what they buy and who it is from. The resurgence of the 'shop local' movement among Australians is expected to become stronger.

Compared with pre-COVID times, consumers this year are the least **likely to shop at large shopping centres** for their Christmas presents (59%).

Q: Thinking about the coming Christmas season, to what extent will your shopping behaviour change relative to pre-COVID-19 for the following statements?

CHRISTMAS SPENDING PLANS

This holiday season, more consumers are planning to **spend more than last year**, but they are still cautious with their spending.



KEY INSIGHTS

Compared to 2020, a **smaller proportion** of consumers intend to **spend the same** (45%). This is significantly lower compared to the previous year (55%) and the long-term average (63%).

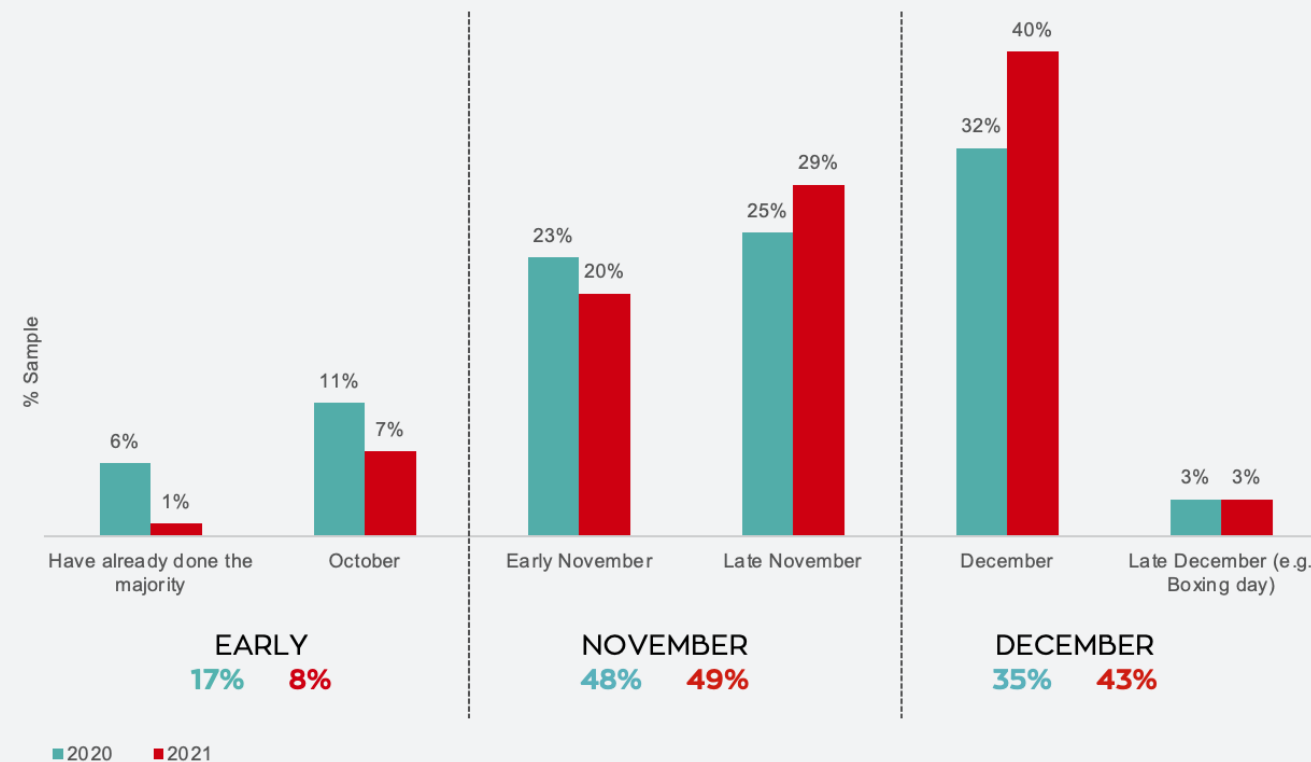
Although the proportion of consumers planning on **spending less** this Christmas has decreased slightly from 37% in 2020, to **34% in 2021**, it is still a significant deviation from the long-term average (22%).

On a brighter note, Aussies are feeling more optimistic this year, with **21% of respondents intending to spend more than last year** (+12%).

Q: How will your total Christmas spending compare with last year's Christmas spend?

WHEN CONSUMERS PLAN TO SHOP

Australians intend to keep shopping to the end of the year.
November peaks as **the most popular Christmas shopping month**, with December not far behind.



KEY INSIGHTS

When should retailers expect the spending rush?

Overall there have been some changes in the planned timing of **Christmas shopping** compared with last year, with **late-November** and **December** increasing in popularity. Fewer shoppers intend to do most of their shopping by the end of October (8%) compared to 2020 (17%).

Australian consumers will do almost half of their shopping in **November** (49%), with late November remaining more popular than early November (29% vs. 20%), which coincides with Cyber weekend sales events.

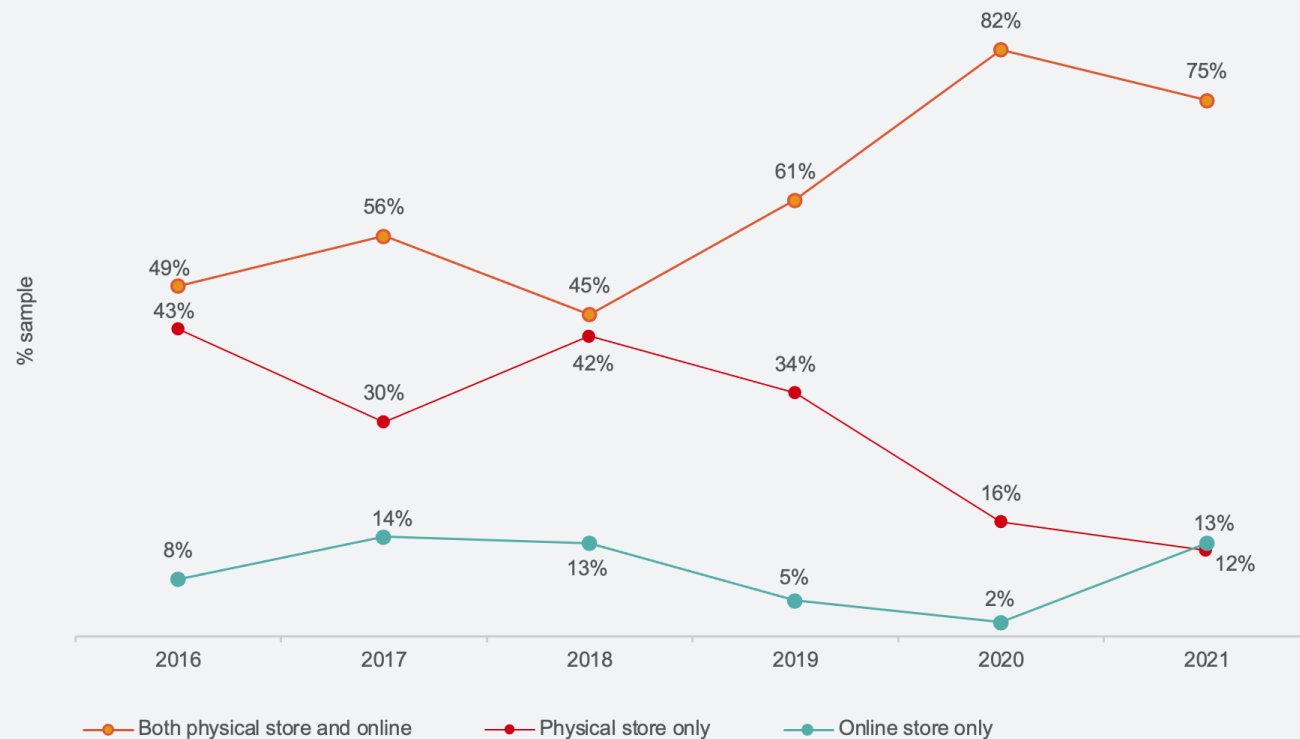
The number of shoppers planning to shop for presents in **December** rose considerably, up from 35% to 43%.

The decrease in early bird shoppers who started in October or earlier may be driven by the uncertainty of lockdowns and store closures in some states due to the pandemic.

Q: This Christmas, which one of these time periods do you expect to do the majority of your Christmas shopping?

SHOPPER CHANNEL PREFERENCES

Despite a surge in shopping online only, **most shoppers will use an omnichannel approach** to find the perfect Christmas gift in 2021.



KEY INSIGHTS

The online vs. physical stores gap has closed.

With the ongoing pandemic and associated restrictions on travel and shop openings, **we expect the consumer shift to online to consolidate this Christmas**, with significantly more Australian shoppers planning to use only online stores to conduct all of their holiday shopping (13%, up from 2% in 2020).

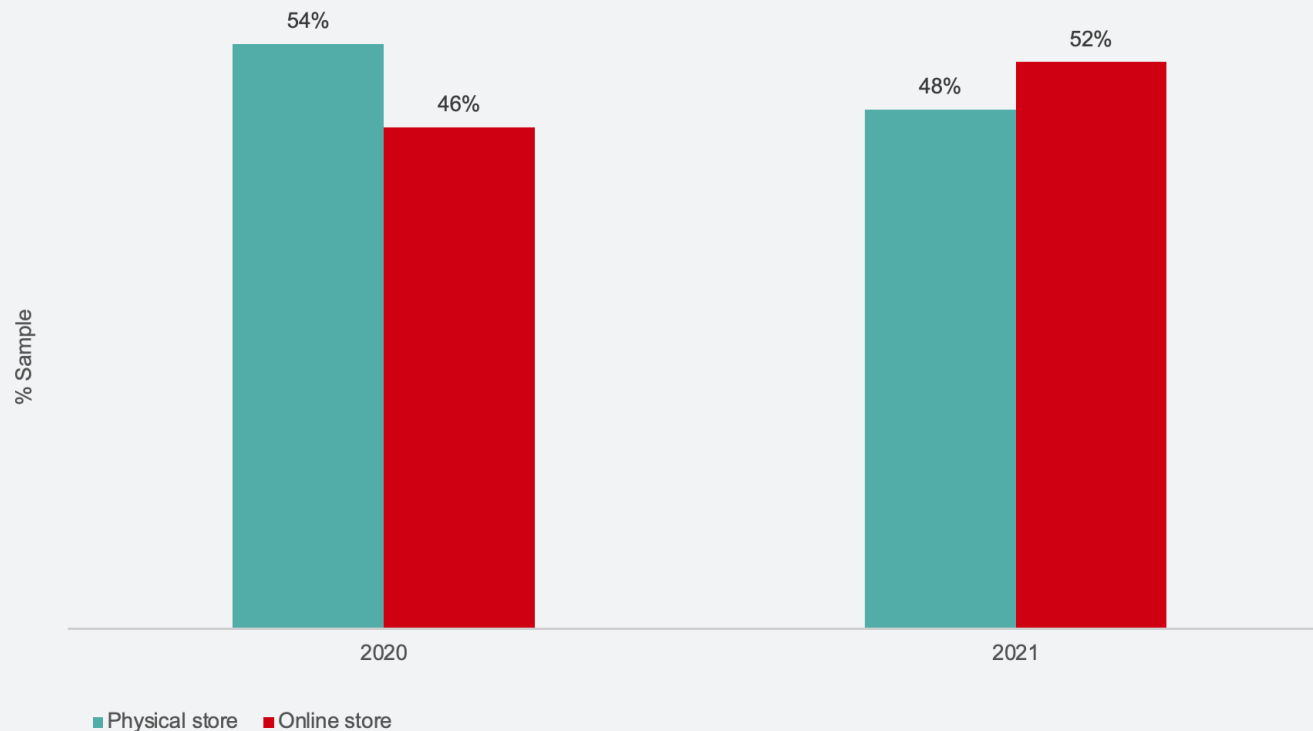
12% of shoppers plan on using physical stores only for their gift shopping this Christmas, a significant deviation from the long-term average of 33%.

Though fewer consumers are planning to use an omnichannel approach this Christmas (75%, down 7%), it is still their most popular shopping channel choice.

Q: What proportion of your Christmas shopping do you plan to complete through the following channels?

OMNISHOPPERS: PHYSICAL VS. ONLINE

For Christmas 2021, **omnichannel consumers** intend to use **physical stores as often as online channels**.



KEY INSIGHTS

Proportions of physical store and online purchases for omnichannel shoppers.

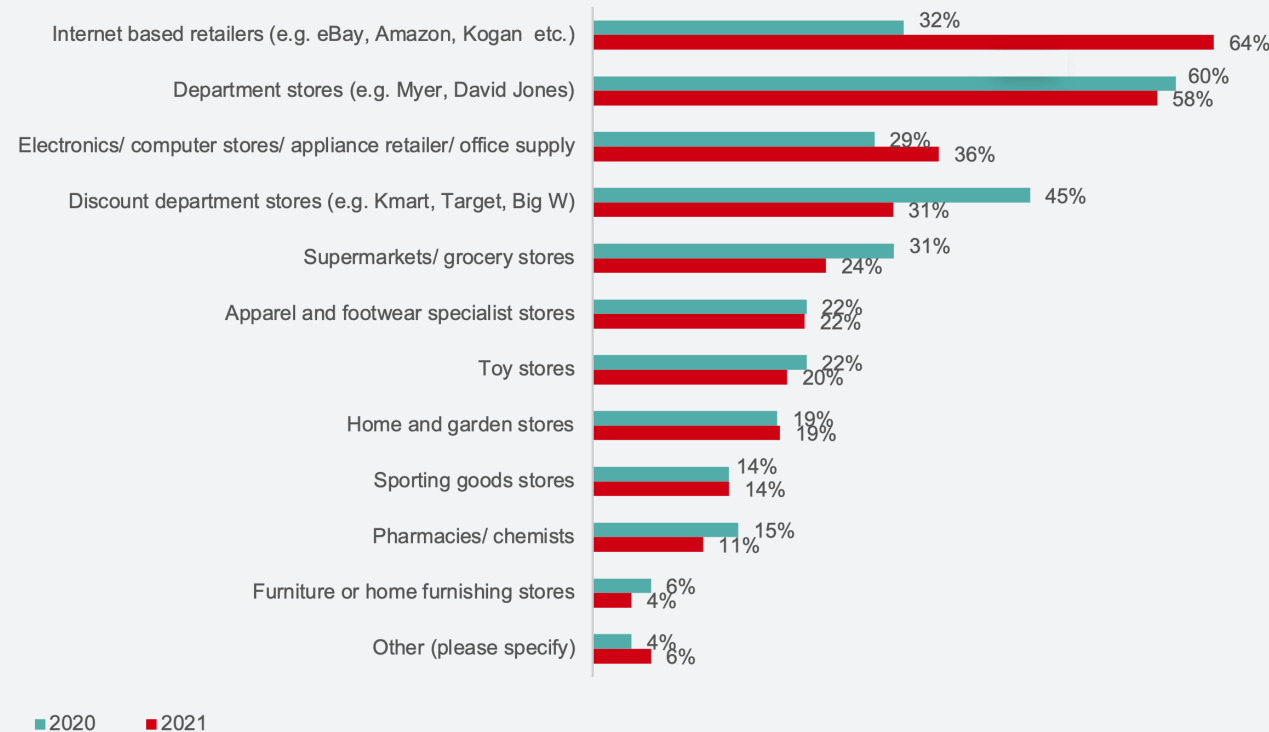
For the 75% of shoppers intending to use an omnichannel approach for Christmas 2021, they will be using physical stores as often as online channels (48% and 52% respectively).

Combining physical store-only shoppers with omnichannel shoppers, **48% of Christmas shopping is expected to be conducted in-store in 2021**, down from 60% in 2020. While physical stores remain a popular option, the ongoing pandemic has clearly accelerated Australians' embrace of online shopping.

Q: What proportion of your Christmas shopping do you plan to complete through the following channels?

CHRISTMAS SHOPPING FORMATS

For the first time in six years running this survey, the **most popular** retail format with holiday shoppers is **internet-based retailers**.



KEY INSIGHTS

This holiday season, consumers will continue to shop across a variety of locations. **Internet-based retailers**, such as eBay, Amazon, Kogan, etc., are now the most popular retail format for Christmas shopping, with **department stores** not far behind.

Compared to Christmas 2020, the number of consumers planning to use **internet-based retailers** has doubled from 32% to 64%. **Electronics/computer stores/appliance retailer/office supply** also remain popular formats, up 7%.

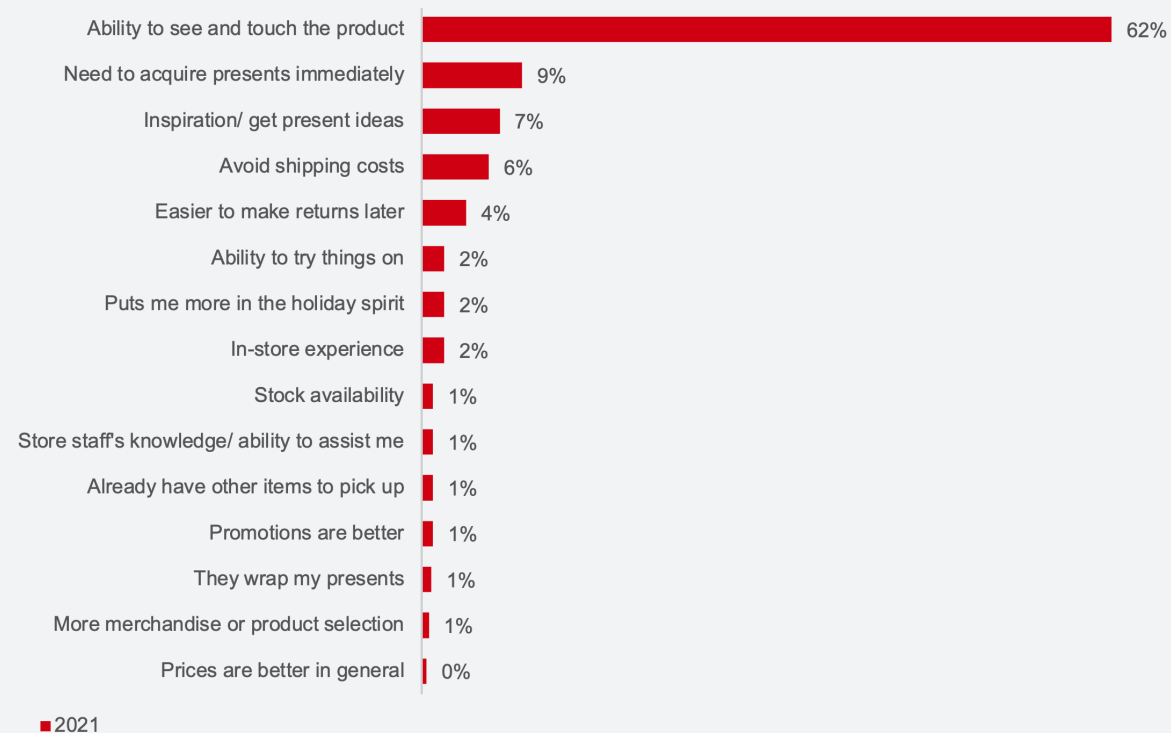
In contrast, overall intentions to shop for gifts at discount department stores (e.g. Kmart, Target, Big W) decreased from 45% to 31%, while supermarkets/grocery stores also dropped in popularity.

Shoppers continue to be least likely to shop for presents at **furniture or home furnishing stores** (4%). The 'Other' category included small local shops, bookstores, liquor shops, etc.

Q: This Christmas, at which of the following retail formats will you likely shop for presents?

TOP REASON FOR SHOPPING IN-STORE

Even in the middle of a pandemic, **touching, feeling and experiencing the product** remains important this holiday season.



KEY INSIGHTS

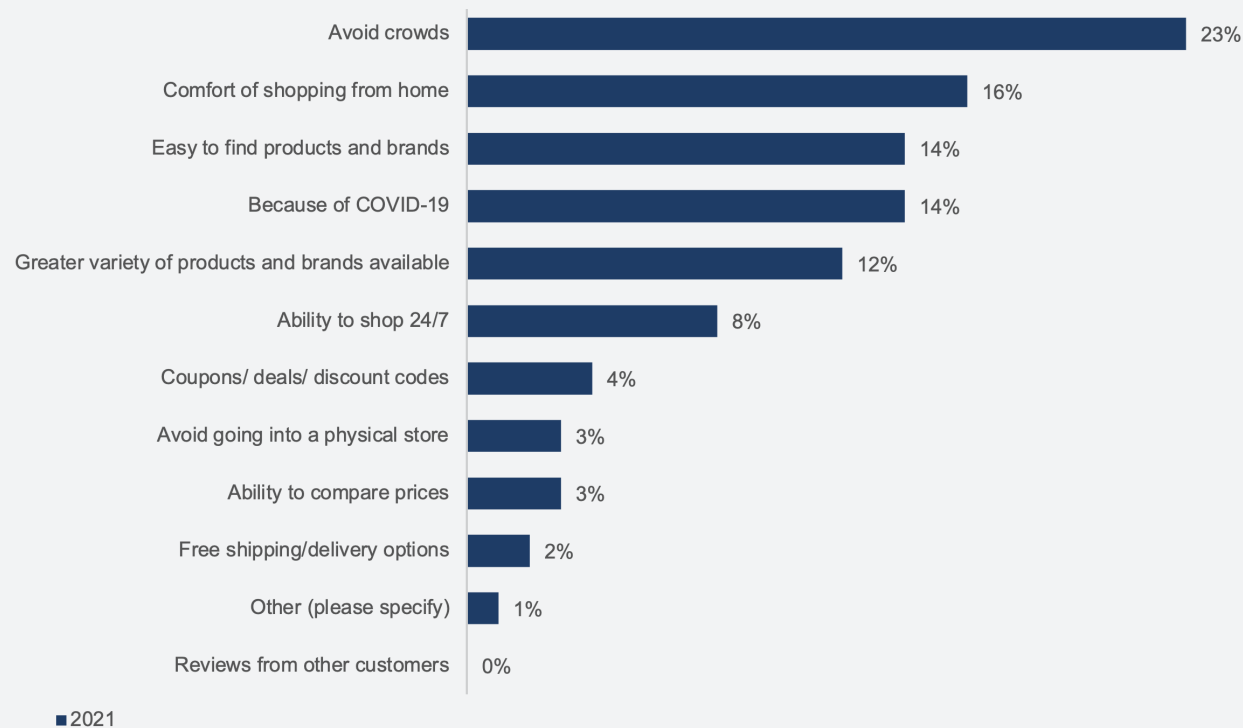
By far the top reason Australians will choose to shop in a physical store versus online this Christmas is that a physical store gives them the ability to **see and touch the product** they are considering buying (62%).

The need to **acquire presents immediately** and **getting inspiration and gifts ideas** were also important reasons for shopping in physical stores this upcoming holiday season.

Q: What is your main reason for shopping in a physical store this Christmas?

TOP REASON FOR SHOPPING ONLINE

Consumers are doing their Christmas **shopping online to avoid crowds** this year.



KEY INSIGHTS

The growing popularity of shopping online is clearly being driven by COVID-related factors.

Close to **1 in 4 online shoppers nominated 'avoiding crowds' as their main reason for shopping online**, a number almost certainly bolstered by pandemic-related factors.

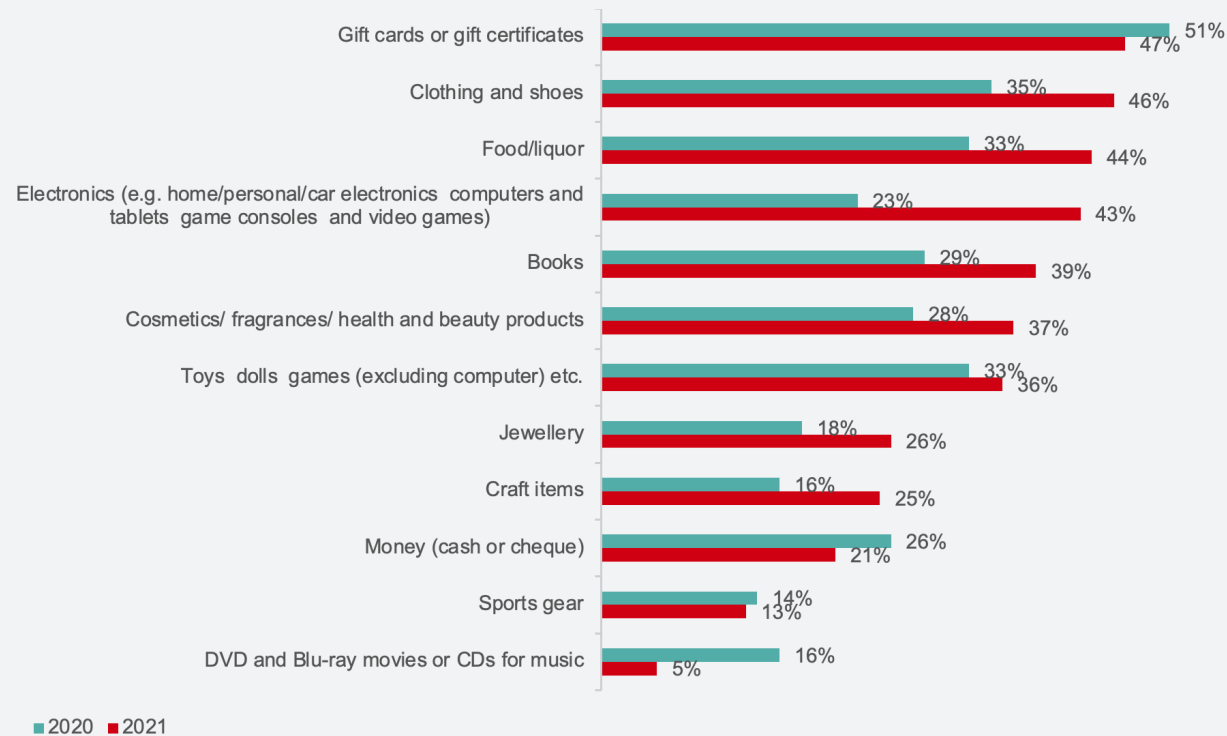
In a similar vein, lockdowns and the growing number of people working from home appear to have made Australians more comfortable with purchasing online, with 16% of consumers nominating the 'comfort of shopping from home' as their main reason to shop online for their Christmas presents.

14% of Christmas shoppers directly said they are shopping online 'because of COVID-19'.

Q: What is your main reason for shopping online this Christmas?

PURCHASE PLANS FOR PRESENTS

This year the gifts at the top of shoppers' lists are similar to Christmas 2020: **gift cards, clothing, food/liquor** and **electronics**.



KEY INSIGHTS

Gift cards are again the most popular present shoppers intend to buy this Christmas (47%), closely followed by clothing and shoes (46%).

While the **majority of present categories** report **increased** intention to buy for Christmas 2021 compared to 2020, the intention to include electronics and craft items on Australian consumers' Christmas shopping lists has increased substantially:

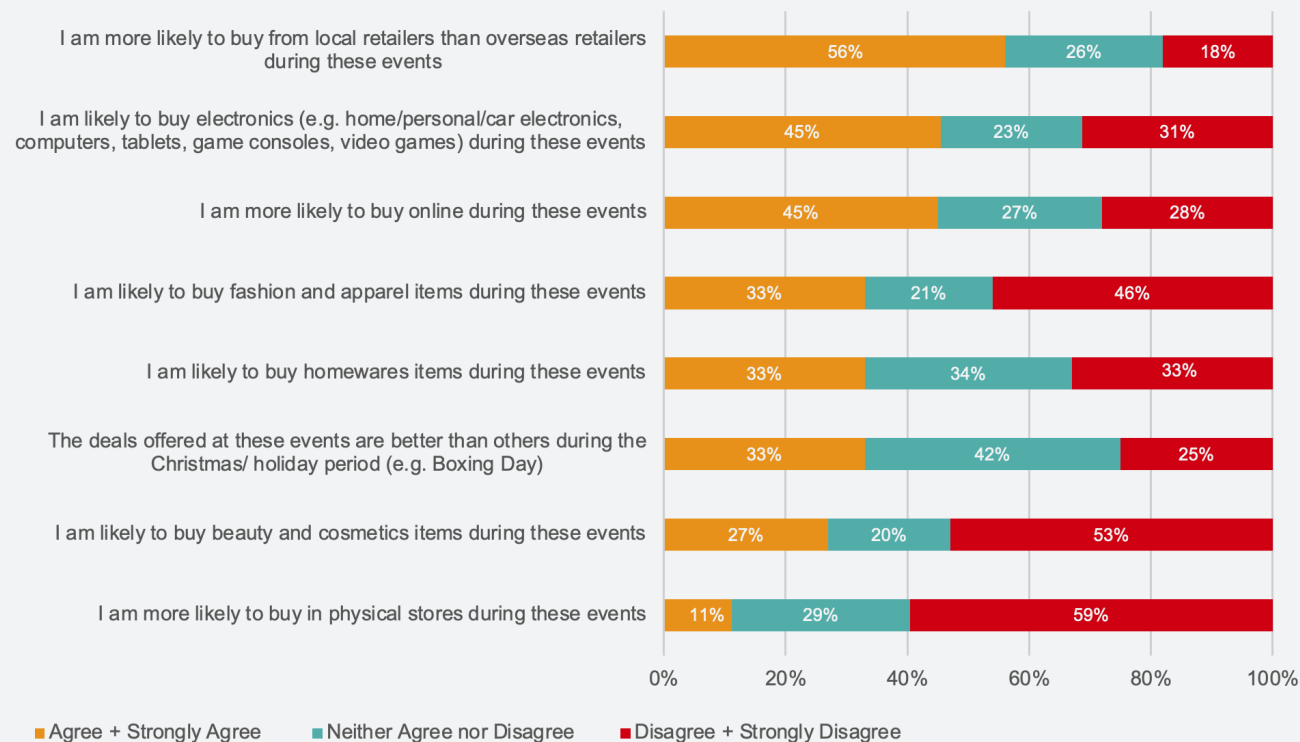
- **Electronics** reported the greatest year-on-year increase, almost doubling in popularity from 23% to 43%.
- **Craft items**, the least popular gift category for the past five years, have risen from 10% in 2019 to 16% in 2020 and now 25% in 2021, an enormous rise over two years. Clearly the pandemic is bringing out the creative side of Australians!

The popularity of **DVD and Blu-ray movies** or **CDs for music** is down 11% from last year, and it is now the **least popular** Christmas present category.

Q: This Christmas, which of the following types of presents do you plan to buy?

BLACK FRIDAY VS. BOXING DAY

In 2021 Cyber weekend sales events, **Aussies will be more likely to buy from local retailers** than overseas retailers, **buy electronics**, and **buy online** rather than in physical stores.



KEY INSIGHTS

Australians appear to have fully embraced America's Black Friday and Cyber Monday tradition, with it surpassing all online sales expectations in 2020*.

Black Friday and Cyber Monday have seen enormous growth in Australia, pushing consumers to take advantage of offers, both online and in-store, and start their Christmas spending sooner. Cyber weekend sales events coincide with what will be the most popular Christmas shopping period in 2021 – late November (29% of shoppers).

During Black Friday and Cyber Monday events in 2021, Australians:

- show a **preference for local retailers** over overseas retailers;
- are more likely to **buy electronics** like home/personal/car electronics, computers, tablets, game consoles, and video games; and,
- are more likely to buy **online than in physical stores**.

Q: Thinking about this year's Black Friday (November 26) and Cyber Monday (November 29) sales events and your Christmas shopping, to what extent do you agree or disagree with the following statements?

FINAL THOUGHTS

With the hybridisation of retail, bricks-and-mortar stores are not the final destination choice for shoppers; they are now one of many touchpoints along the journey.

With COVID-induced limitations around shopping, most Australians have become comfortable with the concept of moving seamlessly between physical and online channels for their shopping experience. Retail has responded by blurring the lines between physical and online stores, so they are not viewed in isolation anymore – the hybridisation of retail. This looks to be a change that is here to stay. Nonetheless, for holiday shoppers clicks aren't replacing bricks.

Physical stores remain a popular option, with the 75% of shoppers intending to use an omnichannel approach for Christmas 2021 using physical stores as often as online channels (48% and 52% respectively).

The main reason for Australians buying their gifts in-store is the ability to see and touch the product (62%). Even in the middle of a pandemic, touching, feeling and experiencing the product remains important.

With the rise of online and an unwavering passion for physical store experiences among consumers, retailers and brands that embrace the blur will find themselves increasingly well-positioned to respond to retail's new era of hybridisation, being available anywhere and anytime during the purchase journey.



INSIGHTS BROUGHT TO YOU BY

AUTHORS

If you would like further information regarding the 2021 Christmas Shopping Intentions research, please contact us.

Mariluz Restrepo

Group Insights & Marketing Manager

Mariluz Restrepo is CPM's leading in-house expert on omnichannel retail, consumer behaviour and trends affecting the shopping space. As our noted retail authority, Mariluz leads CPM's marketing strategy and research, and is a key collaborator on thought leadership initiatives. Her research covers retail-oriented topics such as retail forecasting, trends and customer shopping habits, as well as merchandising and contact centre best practices.

Email: mariluz.restrepo@cpm-aus.com.au

Nabs Awad

Retail Safari Managing Director

A natural collaborator, Nabs jointly finds solutions that transform retail landscapes. Leading initiatives of strategy, sales and merchandising operations, he's a key driver in helping clients strengthen their brands and generate sales. Nabs works in partnership with our clients to develop insights, strategies and ideas that ensure success of their marketing and sales efforts.

Email: nawad@retailsafari.com.au

CPM AUSTRALIA

Whether at home, at work, at leisure or in retail stores, we connect brands and people.

CPM Australia, as part of CPM international, operates under a group structure, with brands including CPM and Retail Safari delivering a unique end to end offer.

CPM and Retail Safari provide field, contact centre, talent acquisition and training solutions, and a complementary suite of retail marketing services that connect the consumer with a brand in environments where the ability to influence is at its strongest.



RETAILsafari

For further information visit:

www.cpm-aus.com.au | www.retailsafari.com.au

CUSTOMER EXPERIENCE & INSIGHT (CXI) RESEARCH GROUP

The CXI Research Group is part of Swinburne Business School. CXI is dedicated to advancing knowledge and practice in business-to-business and business-to-customer relationships through the study of customer experience.

Working collaboratively with organisations to create and deliver customer value, and ultimately compete on customer experience.

Achieving this through employing a range of qualitative and quantitative research methodologies and frameworks that generate powerful insights.



For further information visit:

www.swinburne.edu.au/business-law/research/cxi-group