

## **Holiday spending slows but reveals positive outlook for post-pandemic retail**

***Shoppers are eager to return to previous shopping habits once pandemic is over, but don't want recent innovations to be forgotten***

**Paris, December 10, 2020 – Capgemini today announces the second of its [holiday trends research](#), which shows that consumers are displaying caution in their spending this holiday season. The study has found that 38% of consumers are currently spending less on holiday shopping than they did last year.**

This news will come as a disappointment to retailers, as [45% had expected an increase in sales](#). However, many admitted they were less confident in their ability to accurately predict sales patterns this holiday season compared to last year (39% compared to 55% in 2019).

Today's findings show the drop in spending is mainly down to a decrease in disposable income (24%) coupled with ongoing COVID-19 restrictions (22%) preventing consumers from shopping in store, as well as people giving fewer gifts because they're seeing fewer family members (20%). These factors are also impacting what consumers are buying: 48% of holiday season purchases are for essential items, with consumers prioritizing clothing (36%), beauty/personal care products (21%) and electrical items (21%).

With prudence top of mind for consumers, a third (32%) cite discounts as the most influential factor when making a purchase, and that the importance of price cannot be underestimated. While more than a third (35%) are focused on buying only the things they need, 29% indicated they have been persuaded by a discount to buy something they hadn't planned to purchase, 20% have yet to buy something in the hope of a better deal soon, and 58% say they have made the most of free shipping options this year.

While spending might be down, consumers are embracing new shopping formats. 48% have shopped more online this festive season than ever before, while almost a quarter (24%) say they have purchased more locally produced goods than in previous years. And the online shopping trend is set to continue. While more than a quarter of consumers surveyed (26%) had never shopped online before the pandemic, 45% are now more comfortable with this format and 48% say they will shop online more in future.

The outlook for in-store shopping is also positive. While the preference for in-store shopping on Black Friday dropped from 39% last year to 28% this year according to Capgemini's first holiday season survey, findings from the second study, which focuses solely on consumer attitudes, suggest shoppers are missing the in-store experience. 63% of consumers would like to return to their previous shopping habits once the pandemic is over, with 59% stating that they miss shopping in-store. But consumers don't want the innovations that retailers introduced during the pandemic to be forgotten. New technologies which were brought in to mitigate the risk of COVID-19, such as contactless payments and self-service kiosks, encouraged 44% of shoppers to venture in-store. Now, three in five (60%) want these technologies to remain in the future.



*"2020 has been a year of extraordinary disruption, but we have also seen significant creativity and innovation in retail. As our previous findings showed, many consumers and retailers swiftly adapted to the preference – or necessity – of presence-free shopping. 93% of retailers took deliberate steps to bolster their online offering and one in five introduced new virtual shopping experiences," says Tim Bridges, Global Head of Consumer Goods and Retail at Capgemini. "Physical retail has a long-standing place in the hearts of consumers and our research shows that they will return to stores when they feel it is safe to do so, but the pandemic has also exposed retail to new customers who hadn't previously shopped online. Whether shopping returns to a version of the old normal or embraces the new, retailers must continue to innovate and evolve to create experiences for consumers that feel safe, convenient and personal - whether online or in-store."*

The first part of Capgemini's holiday shopping research can be found [here](#).

### **Methodology**

The second consumer survey was conducted between 30<sup>th</sup> November and 2<sup>nd</sup> December among 7,543 consumers in the UK, US, Germany, France, Spain, Netherlands, Sweden, Finland, Norway and Denmark by Sapio on behalf of Capgemini. Interviews were conducted online using an email invitation and an online survey.

The first part of Capgemini's holiday shopping research was based around two surveys: one of 851 retail managers across six regions: UK, US, Germany, France, Netherlands and Scandinavia, in companies with at least 250 employees; the second of 6,588 consumers across the same six regions. Both surveys were conducted between 13<sup>th</sup> and 19<sup>th</sup> October.

### **About Capgemini**

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