


Will This Season Be Jolly?

2020
SPECIAL COVID-19
HOLIDAY REPORT



PREMISE™





Just like this year, a lot about the 2020 holiday season is still uncertain. With COVID-19 restrictions on gatherings and limitations on business operations, we can expect changes to shopping and celebrations.

Holiday shopping is a critical time for stores and might be even more so this year as many retail brands are experiencing decreasing sales due to the global pandemic. "Holiday sales in November and December can bring in 20 percent of a retailer's annual revenue, and 30 percent of sales for hobby, toy and game stores, while driving tremendous profitability, according to the National Retail Federation."¹

Rosh Hashanah, which marks the Jewish New Year, was the first test of what we can expect this holiday season. Due to in-person restrictions, many people transitioned to digital methods of creating community and celebrating the holiday.

For Halloween, cancellations to larger in-person gatherings are also occurring, including parades due to the risk of spreading the virus.² Brands are understandably nervous about how these changes to consumer trends will shape their revenue this year and shoppers behavior.

To learn how Americans are preparing for this upcoming holiday season, Premise fielded two surveys between September 1-15 with 3,398 respondents. This report will take a more in-depth look at the data and what that means for businesses this year.

¹ <https://www.nytimes.com/2020/09/02/business/retailers-holiday-shopping.html>

² <https://www.wsj.com/articles/hershey-maps-trick-or-treating-risks-in-hopes-coronavirus-wont-scare-off-halloween-sales-11600097275>

WILL THIS SEASON BE JOLLY?

Due to shelter-in-place orders and the rampant spread of COVID-19 in the United States, the economy understandably took a hit earlier in 2020. For the fourth straight month in a row, retail spending increased this August, though data on total consumer spending appears to still be below pre-pandemic levels.³

Retailers and brands are understandably anxious about this upcoming holiday shopping season, and there are many reasons for them to invest additional resources in being successful this year, including safety and increased importance of cost. Based on data from Premise and consumer spending trends, businesses might be able to feel some relief in knowing that roughly 60% of our respondents expect COVID-19 to have “no effect,” a “minor effect” or are “neutral” on the impact to their seasonal shopping.



³ <https://www.wsj.com/articles/us-economy-august-retail-sales-coronavirus-recovery-11600200513?mod=djemalertNEWS>

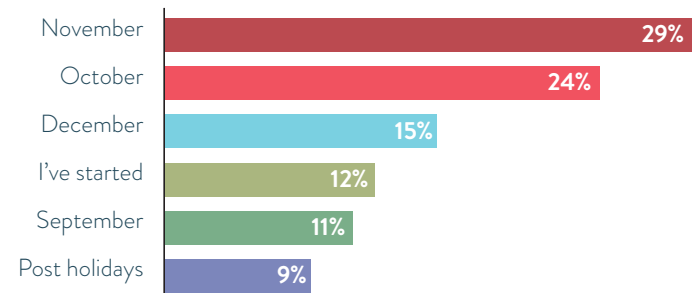


CHRISTMAS IN OCTOBER

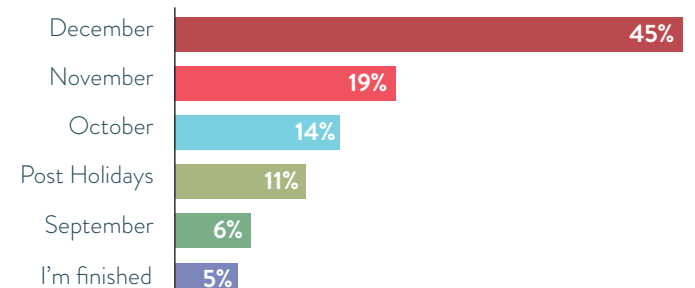
Last year was a shorter holiday shopping season⁴, and due to several factors this year, many companies are pushing for an earlier start to the holiday shopping season. With Prime Day moving to October 13-14 this year, many businesses will likely start the holiday push in October.

We asked our respondents when they plan to start shopping, 24% said October and 25% of people said they plan to finish by the end of October. Twenty-three percent said they would begin in September, or they have already started. Still, most respondents (45%) do not intend to complete their shopping until December.

WHEN DO YOU THINK YOU WILL START PURCHASING HOLIDAY GIFTS?



WHEN DO YOU THINK YOU WILL FINISH PURCHASING HOLIDAY GIFTS?



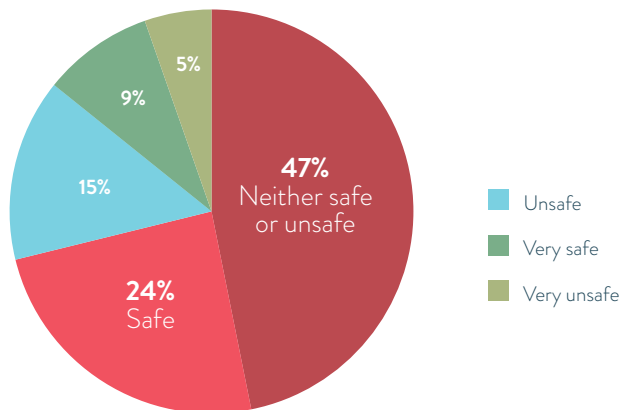
⁴ <https://www.inc.com/bill-murphy-jr/heres-crazy-reason-why-holiday-season-is-6-days-shorter-in-2019.html>

IS SHOPPING SAFE?

As the pandemic continues with no end in sight, it is no surprise that safety is top of mind for most consumers. Consumers appear torn over how safe they feel shopping in brick-and-mortar stores; 47% said “neither feel safe nor unsafe,” and about 20% feel some degree unsafe. While this isn’t a glowing review of consumer trust, it tells us that there is room for businesses to show shoppers how they plan to keep them safe when shopping in-person at their stores.

Premise found that for 45% of our respondents, a store’s safety precautions would have a “moderate” or “major” impact on their willingness to purchase from that brand or store. Many companies are taking significant action to keep both employees and shoppers safe interacting in-person, including mandatory mask mandates in stores and providing additional time off when sick.

HOW SAFE DO YOU FEEL ABOUT SHOPPING IN BRICK-AND MORTAR STORES?

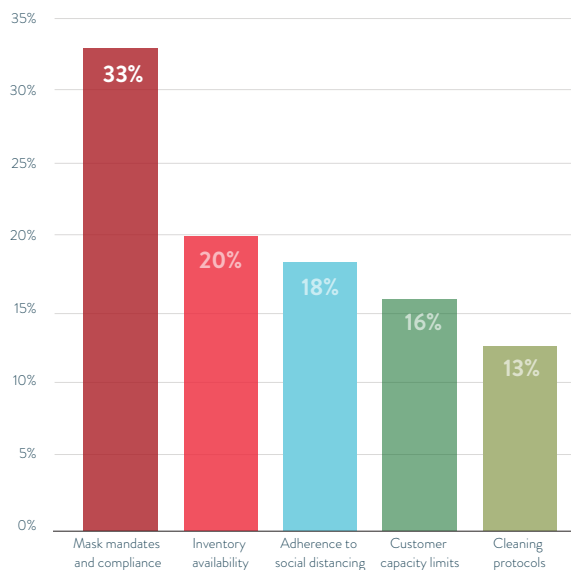


MONITOR COMPLIANCE WITH STORE AUDITS

Auditing safety measures to ensure your locations meet safety standards is one action that businesses should consider seeking. As restaurants, bars and companies begin reopening across the country, operators now have to think about several new considerations. Guidelines to help slow the spread of COVID-19 vary across states and even at the local level. Using an agile crowdsourced solution like Premise allows you to task community members worldwide to provide real-time insight. During COVID-19, those requirements might look like submitting pictures of exterior signage about social distancing, noting if employees are wearing face-masks, and so much more.

While there is no nationwide mask mandate currently, states⁵ have instituted their own and so have many companies—like Walmart and Starbucks.⁶ When it comes to purchasing gifts in-stores this year, 33% of our respondents said mask mandates are the most critical factor. Understanding the usage of masks at different shopping locations could be the essential information needed to make decisions this year.

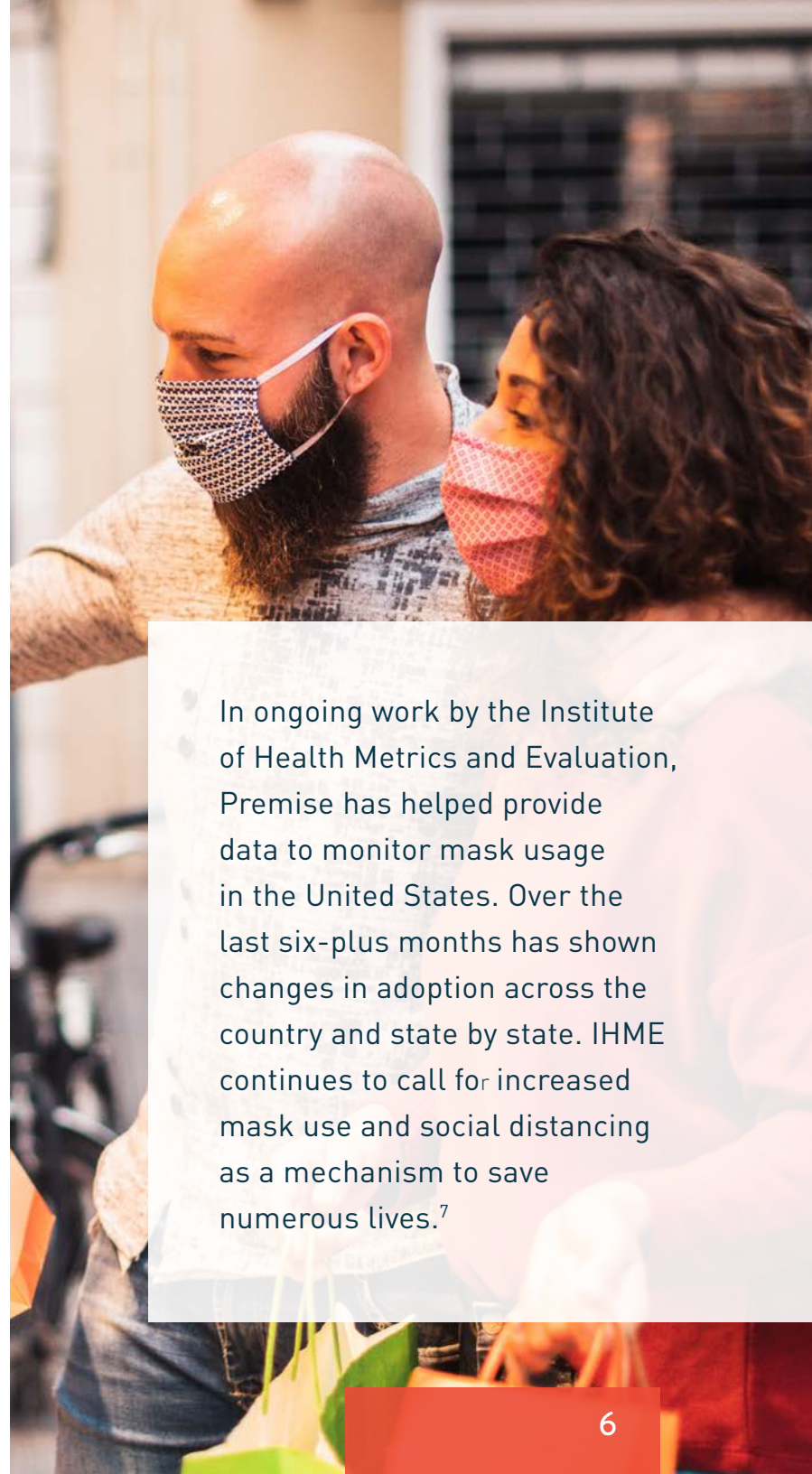
WHEN IT COMES TO BUYING GIFTS IN STORES THIS YEAR, WHAT IS MOST IMPORTANT TO YOU?



⁵ <https://www.aarp.org/health/healthy-living/info-2020/states-mask-mandates-coronavirus.html>

⁶ <https://www.nytimes.com/article/which-stores-require-masks.html>

⁷ <http://www.healthdata.org/news-release/first-covid-19-global-forecast-ihme-projects-three-quarters-million-lives-could-be>



In ongoing work by the Institute of Health Metrics and Evaluation, Premise has helped provide data to monitor mask usage in the United States. Over the last six-plus months has shown changes in adoption across the country and state by state. IHME continues to call for increased mask use and social distancing as a mechanism to save numerous lives.⁷



IS BLACK FRIDAY DEAD?

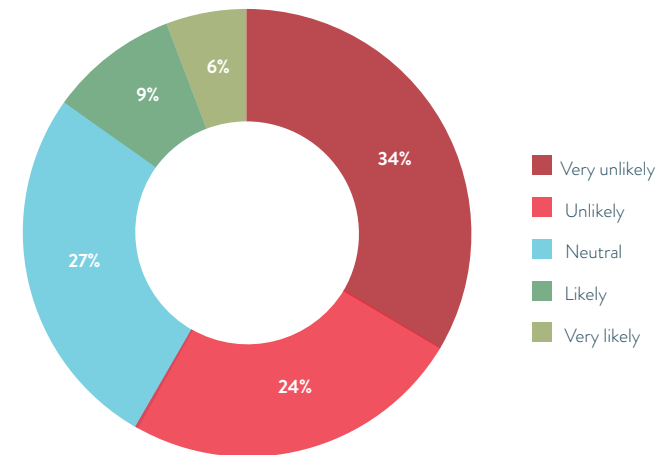
It's no surprise that in-store shopping is going to look different this holiday season. During the last six months, American shopping habits have shifted dramatically to accommodate the global pandemic.

Black Friday is often thought of as the official kick-off to the holiday shopping season, though there has been some push back on Thanksgiving day doorbusters and Black Friday in general in recent years. This year several chains, like Walmart and Target⁸, have announced plans not to participate on Thanksgiving Day.

When we asked our respondents how likely they were to shop in-store on Black Friday this year, 58% reported being “unlikely” or “very unlikely.” Surprisingly, 27% were neutral which might indicate that they have yet to make up their mind or are not yet fully confident in shopping in stores.

By understanding that two significant concerns this year are cost and safety, businesses can target shoppers who have yet to decide on in-store shopping by highlighting savings and their approach to safety.

HOW LIKELY ARE YOU TO SHOP IN PERSON ON BLACK FRIDAY THIS YEAR?



⁸ <https://fortune.com/2020/07/27/pandemic-store-closures-thanksgiving-black-friday-2020/>

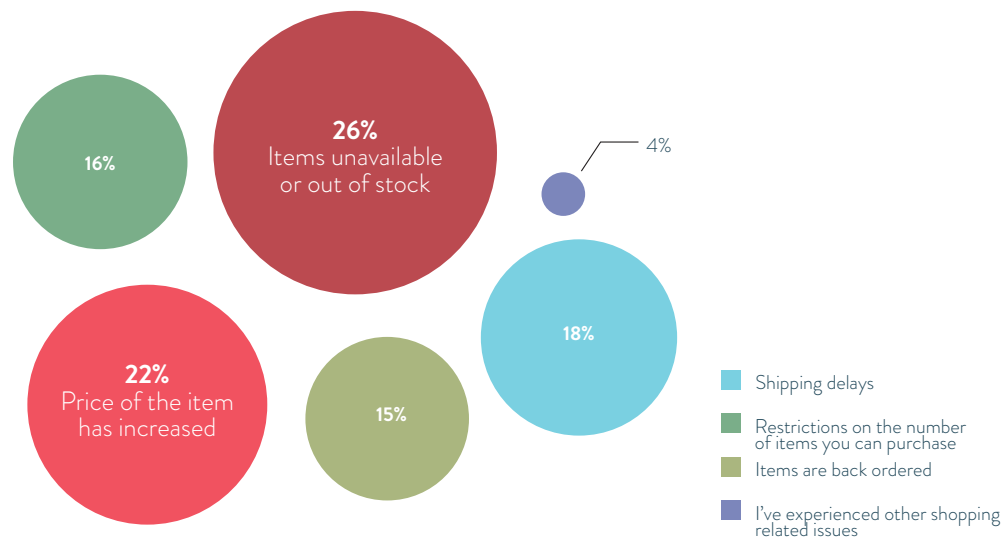
COVID CALAMITIES WITH SHOPPING

History will likely remember 2020 as the year of toilet paper shortages, skyrocketing sales of bidets and Pelotons, and grocery hoarding. Understandably a considerable worry for many brands and retailers this year is how shopping issues faced earlier in the pandemic will play out during the holidays.

A large majority of our respondents reported experiencing shopping-related problems due to COVID-19. Over 1,000 respondents said that they encountered items being unavailable or out of stock and 640 reported encountering items that were back ordered. The second top issue facing our respondents was the increase in the price of items, which, as cost is a top issue for most respondents, could be troubling this holiday season should increases continue.

HAVE YOU EXPERIENCED ANY OF THESE SHOPPING-RELATED PROBLEMS AS A RESULT OF COVID-19?

**SELECT ALL THAT APPLY*



MONITORING OUT OF STOCK WITH PREMISE

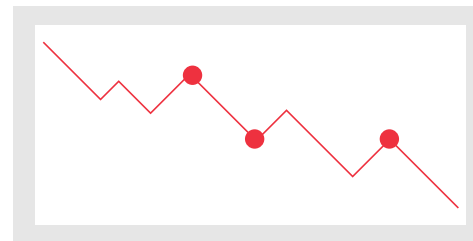
In this current retail environment, tracking out of stock (OOS) is critical. Monitoring OOS ensures the product is on the shelf when your customer visits the store and gives you the insight to respond to empty shelves quickly. It also can help you get information to help you gain sales from competitors' lack of inventory. Premise's network can help you gain in-store visibility around the globe.





COVID-19'S IMPACT ON SPENDING

One of the most noticeable impacts of COVID-19 on the U.S. economy has been the number of Americans out of work. According to the Department of Labor reports from the end of September, nearly 30 million Americans are currently receiving unemployment.⁹ With high unemployment levels and general uncertainty, U.S. consumers have been spending less than usual due to COVID-19.



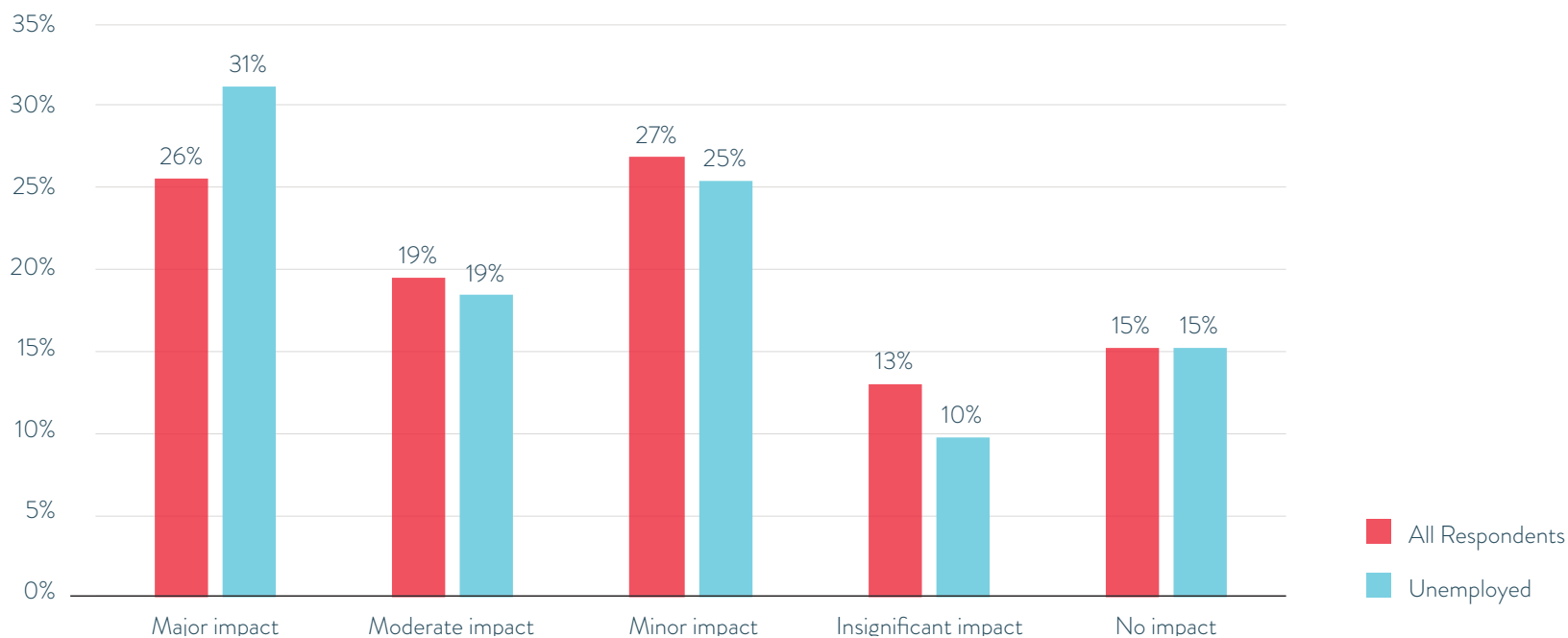
⁹ <https://www.axios.com/unemployment-growing-coronavirus-cdc0e0fa-172e-47de-af86-6100109b51be.html>

Roughly 27% of our respondents reported only “minor impact” on their financial situation due to COVID-19. About 45% indicated a “moderate” or “major impact,” which could have implications for how they will be spending this year.

When looking only at respondents who are unemployed, 75% indicated a “minor,” “moderate” or “major” impact to their financial situation due to COVID-19.

Understandably, consumers are a bit skittish. There is still a lot of instability and uncertainty for those who are still employed or have not had significant changes in their financial situation. When it comes to COVID-19’s impact on shopping behavior this year, 821 of our respondents expected the most significant impact for them would be on how much they will be spending on gifts.

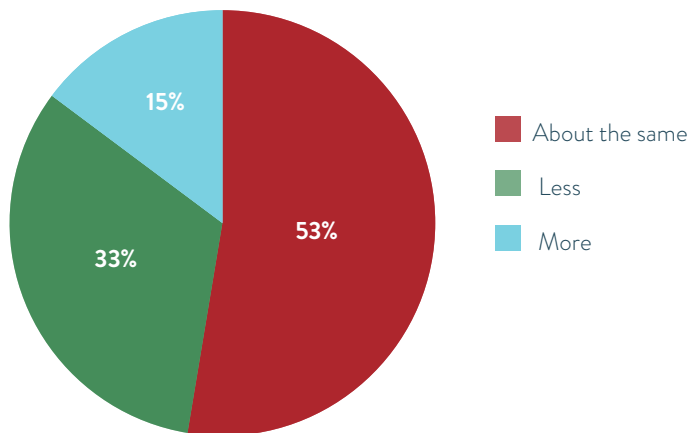
WHAT IMPACT HAS COVID-19 HAD ON YOUR FINANCIAL SITUATION?



CONSUMERS CARE ABOUT COST

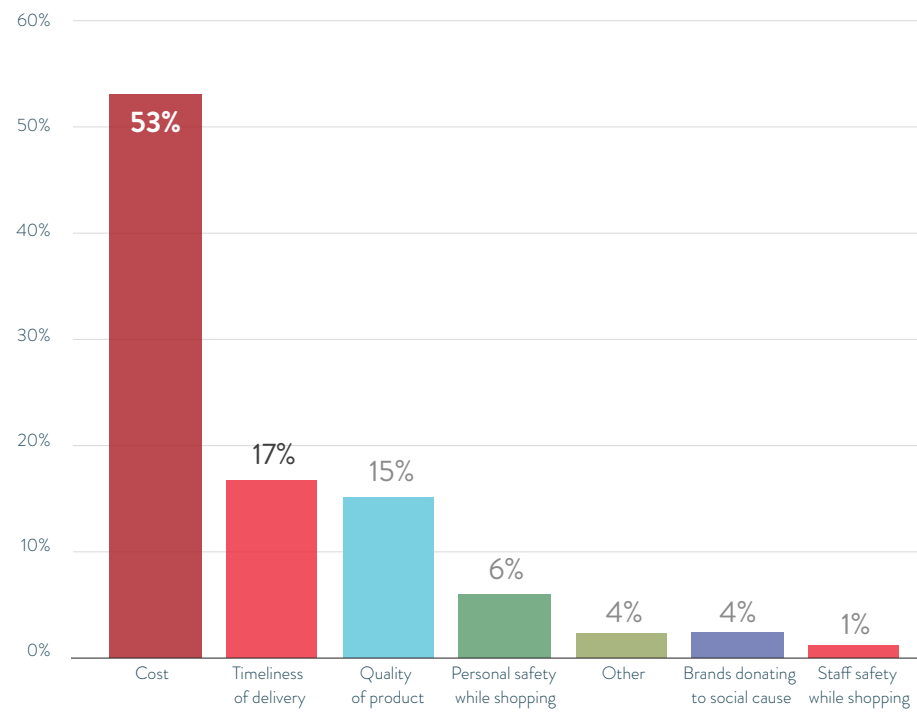
Even with our shoppers expecting the most significant impact on spending, 53% are still planning to spend about the same as last year. Unfortunately, about 33% do anticipate spending less than did in 2019. Due to COVID-19, some consumers might have extra spending money due to more canceled vacations and travel plans and changes to spending habits—approximately 15% of our respondents said they are planning to spend more this year.

HOW MUCH ARE YOU PLANNING TO SPEND THIS HOLIDAY SEASON IN COMPARISON TO LAST YEAR?



When we asked our survey respondents to choose the most important thing tied to buying gifts this year, the number one importance was cost (by an overwhelming majority). It seems that where businesses can win this year will be on cost.

WHAT IS MOST IMPORTANT WHEN IT COMES TO BUYING GIFTS THIS YEAR?

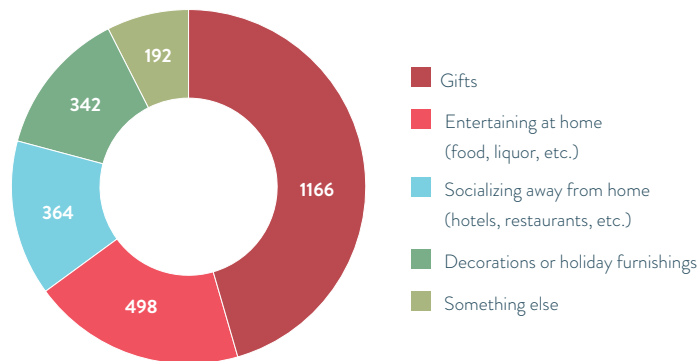


UNWRAPPING GIFT-GIVING THIS YEAR

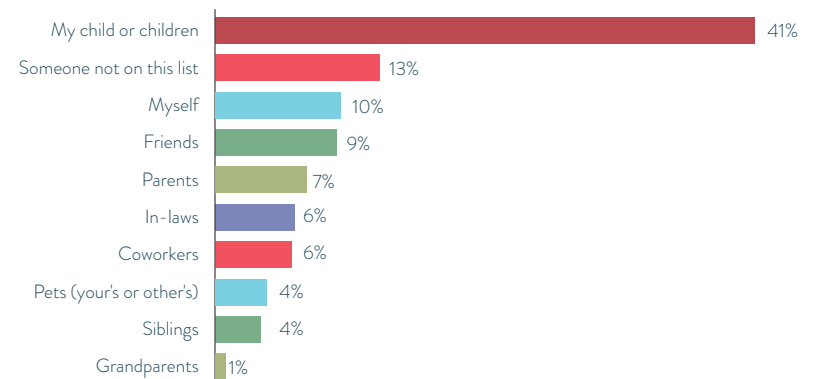
Of all the things to spend on this holiday season, 1,166 of our respondents chose gifts as what they planned on spending the most money on this upcoming holiday season. The second top spending category our respondents expect this year is entertaining at home (food, liquor, etc.).

You might be wondering who are consumers planning to spend all of their money on this year? Based on data around how COVID-19 will impact their shopping behavior this year, only 413 respondents reported an impact on who they will be buying gifts for this year. Forty-one percent of our respondents expect to spend the most money on holiday gifts for their child or children.

WHAT ARE YOU PLANNING TO SPEND THE MOST MONEY ON DURING THIS UPCOMING HOLIDAY SEASON?



WHO DO YOU PLAN TO SPEND THE MOST MONEY ON FOR HOLIDAY GIFTS THIS YEAR?



You can expect to be getting a few gift cards or gift certificates this year. Eight hundred twenty-one of our respondents noted that they plan to purchase them as gifts this holiday season. After gift cards and gift certificates, the top planned purchase is apparel.

WHAT ARE YOU PLANNING TO PURCHASE THIS HOLIDAY SEASON AS GIFTS?

**SELECT ALL THAT APPLY*

Gift cards or gift certificates	821
Apparel	705
Games, toys, dolls, etc.	626
Shoes	486
Cosmetics, fragrances or health and beauty aids	321
Technology	308
Essential items	304
Books	293
Computer or video games	285

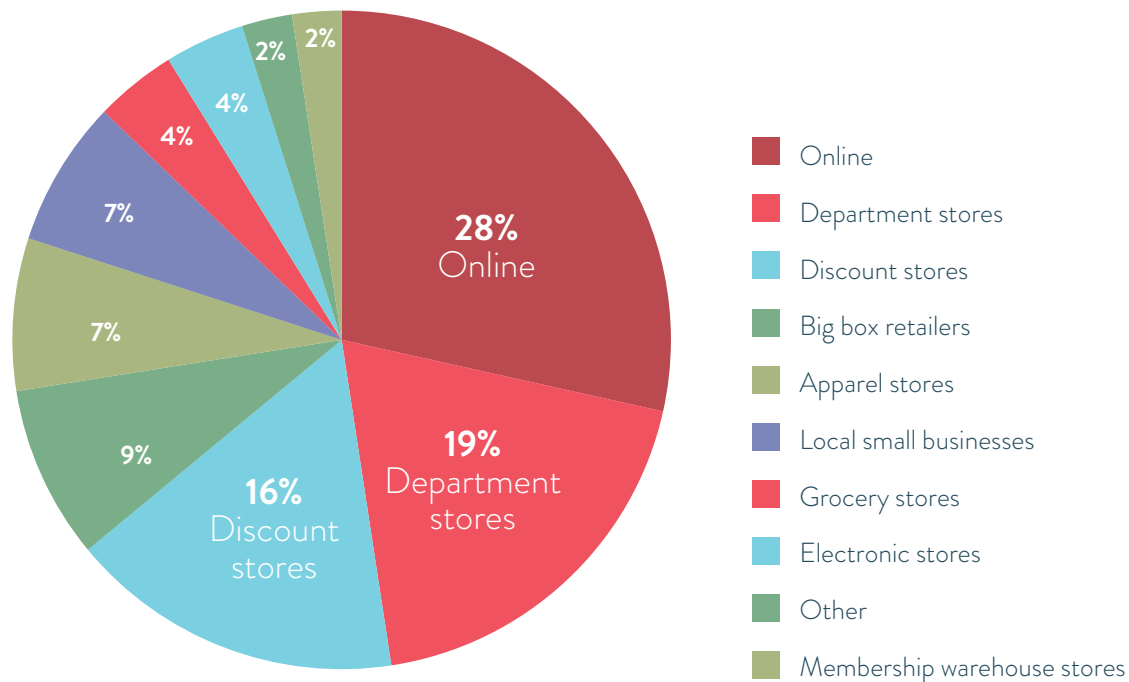


E-COMMERCE CONTINUES TO THRIVE

Online shopping has only been growing over the years and it is possible that COVID-19 may have accelerated that transition for many consumers. The most popular shopping destination among our respondents is online. With cost being a huge factor for our shoppers this year, it does not come as much of a surprise that the third top avenue for purchasing gifts this year would be discount stores, with 544 respondents reporting it as one of their planned shopping destinations.

WHERE WILL YOU PURCHASE GIFTS FROM THIS YEAR?

**SELECT ALL THAT APPLY*



WILL NEW TECHNOLOGIES DOMINATE HOLIDAY SEASON?

Implementation and adoption of new technology for retail have had a massive moment due to the pandemic as many shoppers look for easier, quicker and often contactless ways to get the goods they need.

When it comes to Buy Online, Pick Up In-Store (BOPIS), about 47% of our respondents said that they are “likely” or “very likely” to use this method to purchase gifts and goods during the holiday season. Roughly 44% of respondents said they were “neither likely nor unlikely” to use BOPIS (particularly among 36 to 45 year olds), which could be another avenue for stores to invest in continued education and promotion, particularly this holiday season.



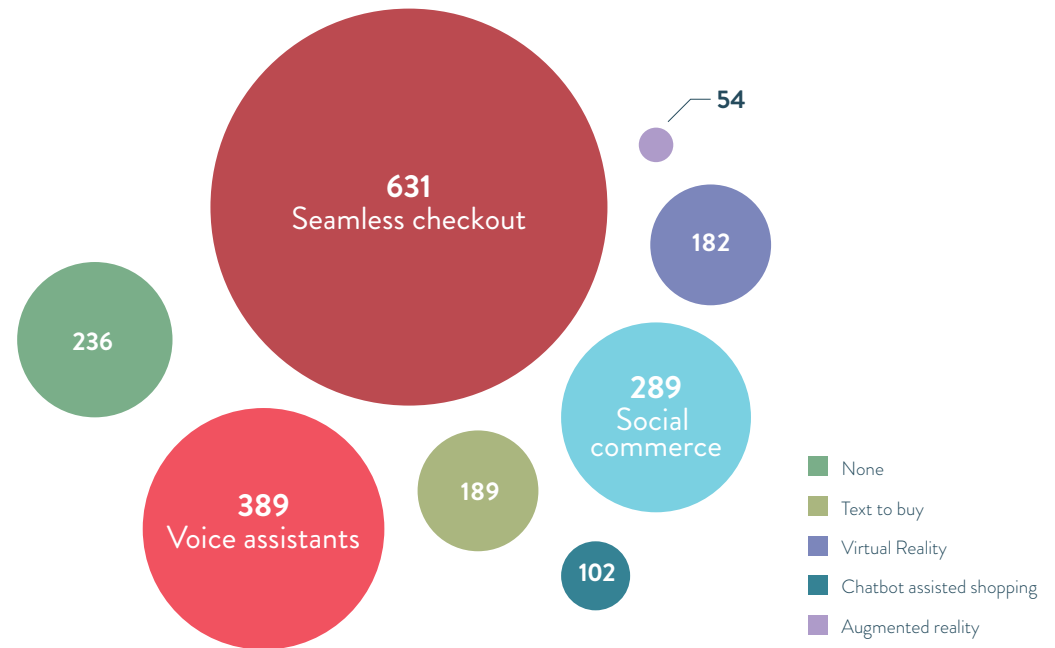
UNDERSTAND CUSTOMER EXPERIENCE BY CROWDSOURCING

Customer experience with new methods of shopping, like BOPIS, is essential for retailers to understand. Mystery shopping feedback has empowered our clients with immediate action items to improve customer service and increase sales worldwide. Shopping programs require a lot of effort for recruiting, qualifying, scheduling, training and managing shoppers. By using a crowdsourcing solution, like Premise, it can be a lot easier and more efficient.

One-click shopping has become increasingly popular with consumers—originally made popular by Amazon¹⁰, but since its patent has expired other ecommerce and apps have increased adoption. Six hundred thirty-one of our shoppers are planning on using seamless checkout methods this holiday season.

In recent years, the industry has seen considerable growth in omnichannel shopping, which is unlikely to decrease this year. Two hundred eighty-nine of our respondents reported that they plan to use social commerce this season and 189 are planning to use text to buy.

DO YOU PLAN TO USE ANY OF THESE DURING THE HOLIDAY SHOPPING SEASON?



SNAIL MAIL CONCERNS

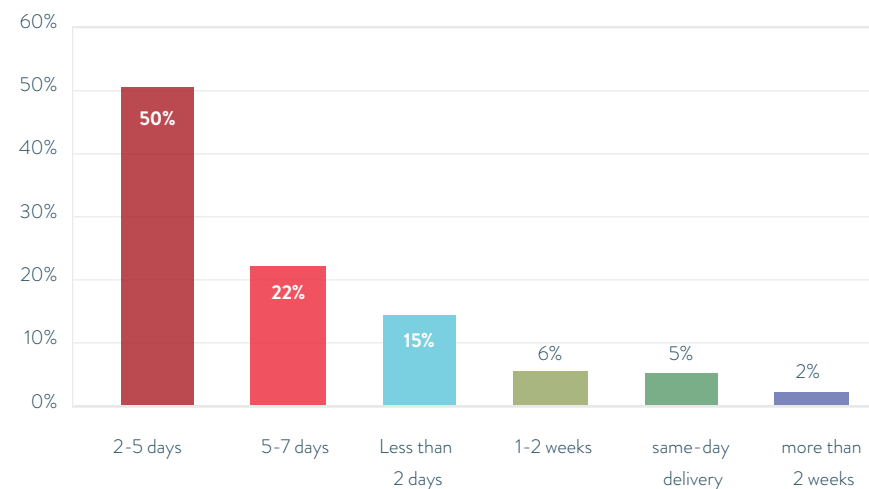
There has been a recent increase in concern over the postal system's speed in the United States. Data indicates that since July the Postal Service has been slower than usual.¹¹ While these delays pose immense problems for the November elections, they could present complications during the shopping season this year.

Even with all the news about shipping delays, folks seem mildly confident about getting their packages on time and the state of shipping. When asked about their confidence in receiving gifts on time, 33% said they were "somewhat confident" and 12% said "very confident". When asked about the reliability of the U.S. shipping network, 45% answered "reliable" or "very reliable".

For our respondents, timeliness of delivery was the second most crucial factor in purchasing holiday gifts for our respondents. Many of the supply chain issues that shoppers have encountered have impacted delivery times for many businesses, which may be a significant hurdle to overcome as more shoppers are likely to pursue online options this year.

As Amazon has come to dominate much of retail, it is two-day shipping options of disrupted shipping for the retail industry.¹² It has changed many consumers' expectations of what timely delivery means. Most of our shoppers expect to receive their orders within 2-5 days.

WHAT DO YOU CONSIDER AN ACCEPTABLE SHIPPING TIME FRAME FOR YOUR ORDERS TO ARRIVE?



¹¹ <https://www.nytimes.com/interactive/2020/09/14/upshot/is-the-mail-getting-slower-tracker.html>

¹² <https://www.wsj.com/articles/the-prime-effect-how-amazons-2-day-shipping-is-disrupting-retail-1537448425>

WRAPPING UP THE 2020 HOLIDAYS

This holiday season is still mostly uncertain, and not just for consumers but retailers and brands alike. Many consumers are taking everything day by day. I mean, we still have to get through Halloween.

Sixty-one percent of respondents expect COVID-19 to have a limited impact on how they plan to celebrate the holidays this year, but 39% are still expecting a “moderate” to “major” impact. There is no doubt COVID-19 will have some degree of influence on how consumers celebrate and shop this season, but that impact will not look the same for everyone.

As discussed in this report, cost and safety are of the utmost importance to consumers this holiday season as this global pandemic continues. No one can say for sure how the holiday season will shake out, but we know that customer experience will continue to be extremely important. For brands and retailers, cost and safety will be both a threat and an opportunity.

COVID-19’s unprecedented impact on consumer sentiment and behavior requires new tactics to operate in this brand new territory. Tracking changes in real-time will provide the up to date data on trends and behavior for businesses to survive this season. Using data to drive decisions is no longer just a competitive edge you can use to succeed this holiday season and beyond, but a requirement to survive.



WANT TO KNOW WHAT YOUR CUSTOMERS THINK DURING COVID?

Knowing your customers and their experience is critical for your business. Premise's crowdsourced mystery shopping programs are low risk, quick and more affordable than traditional shopper programs.

WANT TO LEARN MORE ABOUT PREMISE SOLUTIONS?

Visit us at premise.com/business

UNDERSTAND CUSTOMER EXPERIENCE

The 'New Normal' Begins with Data Collection Strategies



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The Premise mobile app is available in over 100+ countries and in 35+ languages via the Google Play Store or Apple Store. Premise collects ground-level data from across the globe to help organizations answer their most important questions. Contributors provide local knowledge by completing simple tasks, such as sharing an opinion, completing a short survey or taking photos through the task marketplace.

Premise empowers decision makers with the high-quality, trustworthy data they need. Premise is headquartered in San Francisco, CA, with offices in Washington, D.C. and Seattle, WA. For more information, visit www.premise.com or follow us on LinkedIn, Facebook, Instagram and Twitter.

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