2021 Holiday Consumer Spending Trends

Position Your Brand for the Biggest Q4 on Record

Table of Contents

Executive Summary

Introduction

After a rocky year of pandemic recovery, merchants face uncertainty heading into the critical 2021 holiday season. Even as schools reopen and travel resumes, new coronavirus variants may impact consumer spending, casting doubt on forecasting for next week – never mind the next quarter.

Will shoppers flock to stores or stay away? Will online shopping continue its meteoric rise? Does Black Friday still matter if the holidays are quarantined again? Tinuiti's annual consumer survey report aims to dispel these uncertainties.

Based on the preferences and opinions of more than 2,000 U.S. consumers, this report includes data that brands and retailers can trust to guide their strategies for holiday success.

Armed with the following insights, sellers can prepare for nimble execution of the offerings and promotions that will resonate with shoppers– however their holidays ultimately take shape.

Top Findings

→ **The spending outlook is robust.** More than 85% will spend at least as much as last year, with 25% planning to spend more. The percent of survey respondents planning to spend more than $250 has risen year-over-year to 65% overall.

→ **Consumers plan to spend early,** with the majority, 57%, kicking off their quest for gifts on or before Thanksgiving. Nearly a quarter will start shopping on Black Friday, while the percentage of shoppers waiting until December has dropped by almost half to 15%.

→ **Online and hybrid shopping are set to dominate,** with 56% saying they'll shop primarily or exclusively online. The percentage of shoppers who say they'll shop more online this year than last is 45%, compared with just 31% who say they'll shop more in stores. More than three quarters of respondents say they'll use store pickup services as much or more this year.

→ **Mobile phones are dominant.** More than 80% of shoppers 40 and under will use their phones to find gifts, as will 66% of those over 40. Payment apps and "buy now, pay later" services are popular and can streamline mobile checkout experiences.

→ **Big-box retailers and Amazon are far and away the most popular shopping destinations for holiday shopping.** Amazon has a commanding lead online, with 88% of respondents planning to shop there, 20% of whom don't plan to visit either of the big-box leaders, Walmart or Target.

→ Close to half of respondents say local ownership influences holiday purchase decisions, and **more than a third plan to shop locally owned retailers**. Given their preference for digital shopping; however, independent sellers will have to step up their online offerings to reach these shoppers.

→ For the youngest cohort of shoppers, ages 18 to 24, **social, corporate, and environmental responsibility matter** – and they plan to spend accordingly, to a much higher degree than respondents overall.

MORE SPENDING

25%

of buyers are planning to spend more than last year. 65% planning to spend more than $250.

ONLINE SHOPPING

56%

of buyers will shop primarily online with 45% shopping more online than last year.

MOBILE SHOPPING

80%

of shoppers 40 and under will use their phones to find gifts, as will 66% of those over 40.

ONLINE RETAILERS

88%

of buyers plan to shop on Amazon, 20% of whom don't plan to visit Walmart or Target.

Consumers bullish on spending after a year of uncertainty

Consumers bullish on spending after a year of uncertainty

Top Takeaways

- In an encouraging sign for retailers and brands, a quarter of consumers plan to spend more this year than in 2020, and two-thirds will spend more than $250
- Among the top-three categories, clothing and gift cards appeal to both men and women, while men propel electronics into the number-three position.
- The majority of shoppers will begin gift shopping on or before Thanksgiving Day, so retailers and brands should plan an early start to holiday promotions.

The economic recovery and the strides the U.S. has made to reduce COVID infections – however halting – are fueling consumer optimism. As they anticipate the holidays, survey respondents say they're ready to spend on a wide range of products.

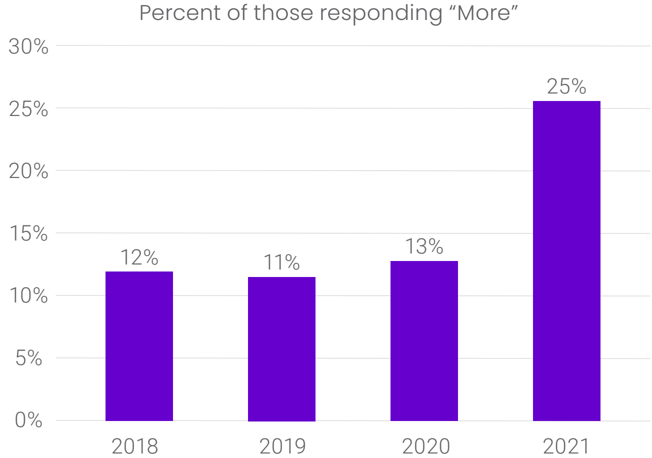
85% will spend the same or more than last year

Wholly a quarter of survey respondents plan to spend more on holiday gifts this year compared with 2020 – double the percentage who said in 2020 they planned to spend more than the prior year. In addition, 61% of consumers in 2021 say they'll spend about the same compared with 2020. Just 13% say they'll spend less.

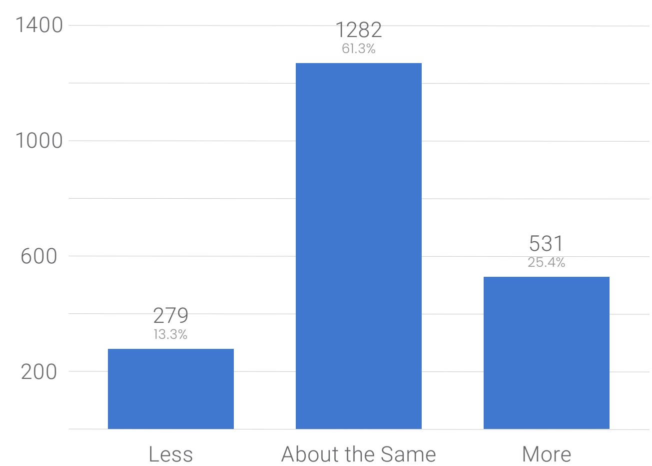
Younger shoppers make up a significant percentage, 70%, of the most optimistic spenders – significantly higher representation than in the survey population overall, 58% of whom are 40 or younger. A higher percentage of men predict they'll spend more than last year, 30%, compared with 22% of women.

Compared to last year, how much do you plan to spend on holiday gifts?

Percent of those responding "More"



Compared to last year, how much do you plan to spend on holiday gifts?



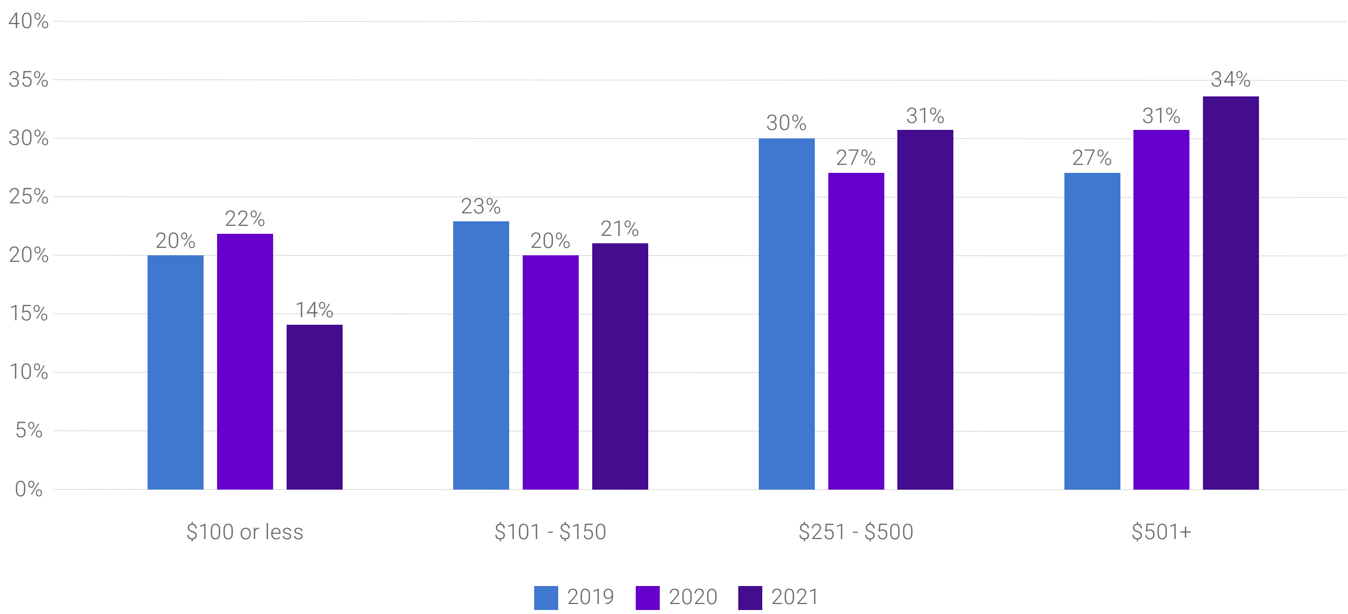
Six in 10 will spend more than $250

Among those who plan to buy more gifts this year than in 2020, fully 77% plan to spend more than $250. These spenders have nudged the overall average budget upwards, with 65% of all survey respondents saying they intend to spend more than $250 – seven percentage points higher than in 2020.

The category of "super spenders" budgeting more than $500 has also grown slightly to 34% of survey respondents, compared with 31% in 2020.

This upward movement has erased the dip in spending wrought by the pandemic, which saw spending polarize into the $100-or-less and over-$500 brackets. In 2021, the percentage of those planning to spend $100 or less has dropped to 14%, down from 22%.

What is your budget for holiday gifts this year?



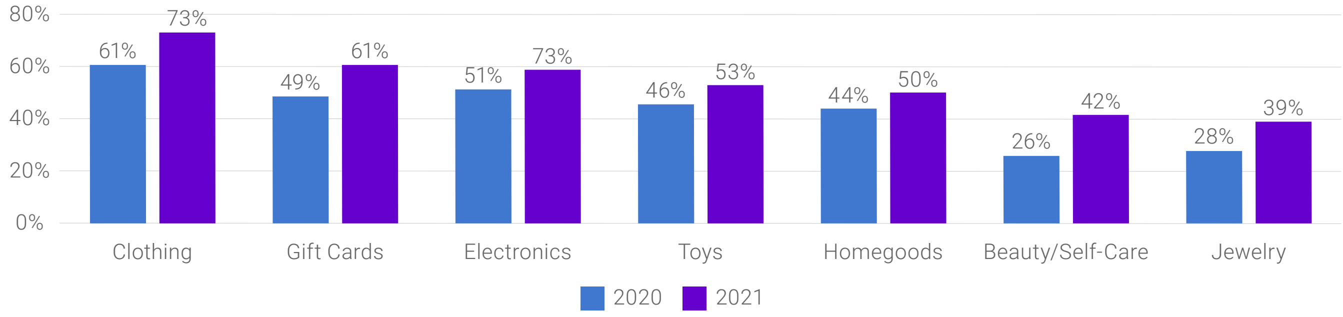
All gift categories will rise in popularity

Not only do shoppers intend to spend more in 2021 than they did last year, but also, they intend to spend on a broad range of gift types. At least 50% of shoppers said they would buy from each of five gift categories, with clothing leading the way at 73%, gift cards the second pick at 61%, and electronics ranking third at 59%.

In addition, percentages have risen for every category. Double-digit percentage-point gains in both clothing and jewelry may be driven by the end of lockdowns and closures in many parts of the country, giving consumers more places to wear gifted items. Similarly, smaller gains in home goods, electronics, and toys may indicate that consumers are ready to leave behind pandemic activities like bread-baking and remote schooling.

Which product categories do you plan to purchase as gifts this holiday season? (2020 v. 2021)

(Select all that apply)



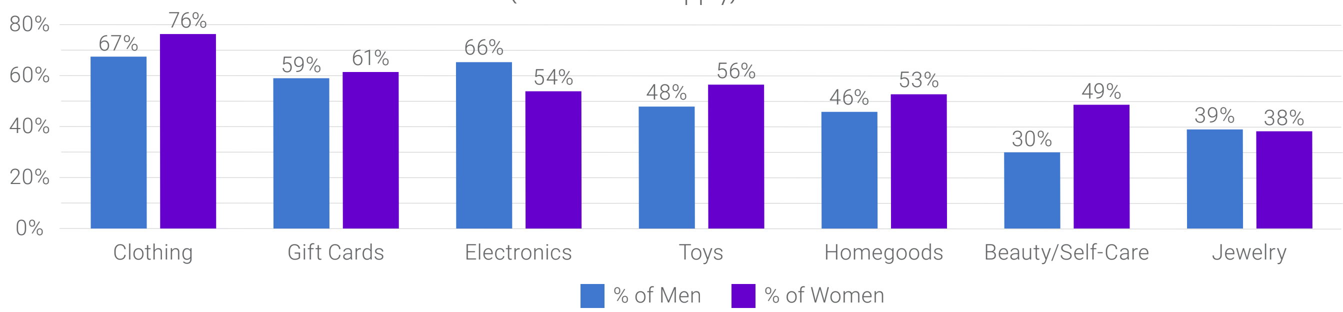
Women lead surge in beauty/self-care gifts – but men contribute, too

Earning the largest popularity bump compared with last year is the beauty and self-care category; 42% of respondents said they planned to purchase these items as gifts this year, compared with 26% last year.

Women primarily account for that strong showing, with 49% of female respondents saying they plan to gift beauty/self-care items this year, compared with 32% of women last year – a 17-point jump. But men are also more interested in this category in 2021; 30% say they'll gift a beauty/self-care product, compared with 19% last year.

Which product categories do you plan to purchase as gifts this holiday season? (Men vs. Women)

(Select all that apply)



Gift cards earn a number-two spot, thanks to strength with men and older shoppers

Gift cards have now edged out electronics as the second most popular gift category, thanks to a shift in buying preferences among men. Last year, electronics led as the most popular category for male respondents, followed by clothing; this year, clothing is narrowly in the lead, with electronics a close second. Altogether 59% of men now say they'll buy gift cards – up from 44% last year.

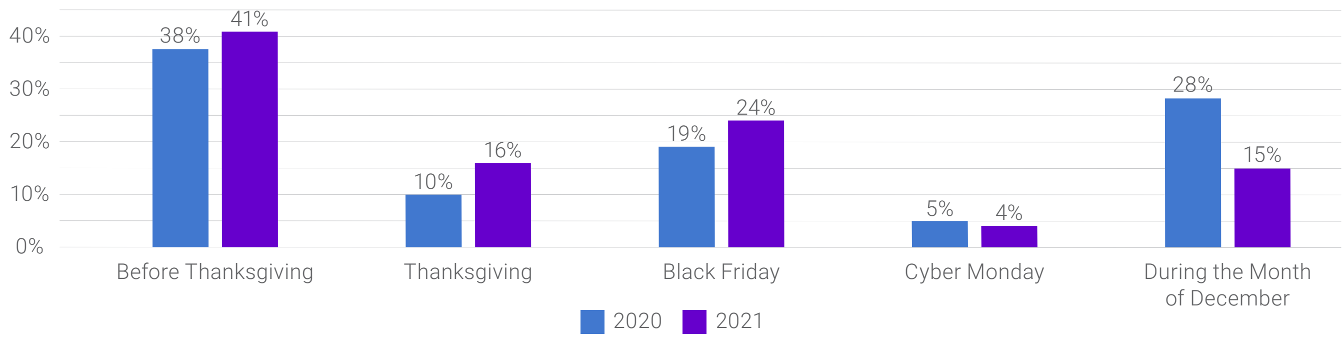
In addition, among respondents older than 40, gift cards rank number two by a wide margin. Among members of Gen X, Baby Boomers, and seniors, 66% plan to give gift cards, compared with 54% who will buy electronics as presents. Positioning gift cards as the safe choice to suit anyone's fashion preferences can help win over these shoppers as they contemplate what to buy for children and grandchildren.

Spending will start before Thanksgiving

In addition to spending more in a variety of product categories, respondents are also planning to begin buying gifts early in the season. The majority, 57%, say they'll begin shopping for the holidays on or before Thanksgiving, with 41% beginning before and 16% starting their gift quest on Turkey Day itself.

Another 28% will begin shopping on Black Friday or Cyber Monday, which this year is November 29 – bringing the total percentage of shoppers who will start holiday shopping before December to 85%.

When do you plan to start shopping for holiday gifts this year?



These results represent a shift from prior years, when Thanksgiving itself was not a shopping day and more consumers waited until December. Even in 2020, when an October Amazon Prime Day marked the de facto start of the holiday shopping season, less than half of shoppers said they would begin buying gifts on or before Thanksgiving, and 28% said they would wait until December.

This year's early start may be a corrective reaction to last year, when [over a million packages didn't make it under the tree in time] thanks to carriers' struggles to accommodate seasonal demand on top of already-high volume during the peak of the pandemic.

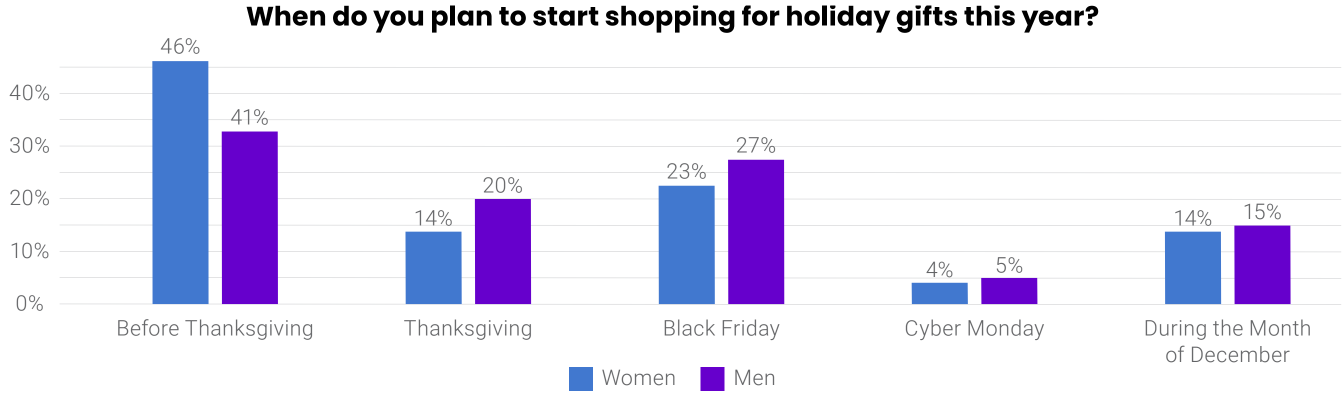
Women tackle lists early, while men respond to sales events

Women are much more likely than men to start shopping early in the season. Fully 46% of female respondents plan to start buying gifts before Thanksgiving, compared with 33% of men.

Historically, women have borne the brunt of other holiday obligations that make early shopping a sanity-saving necessity; in this regard at least, traditional gender roles may be continuing.

Meanwhile, the majority of men will start shopping during the "Cyber Five" holiday period from Thanksgiving Day through Cyber Monday. The holiday season kickoff will occur on Thanksgiving itself for 20% of men; 27% will start shopping on Black Friday, and 5% on Cyber Monday.

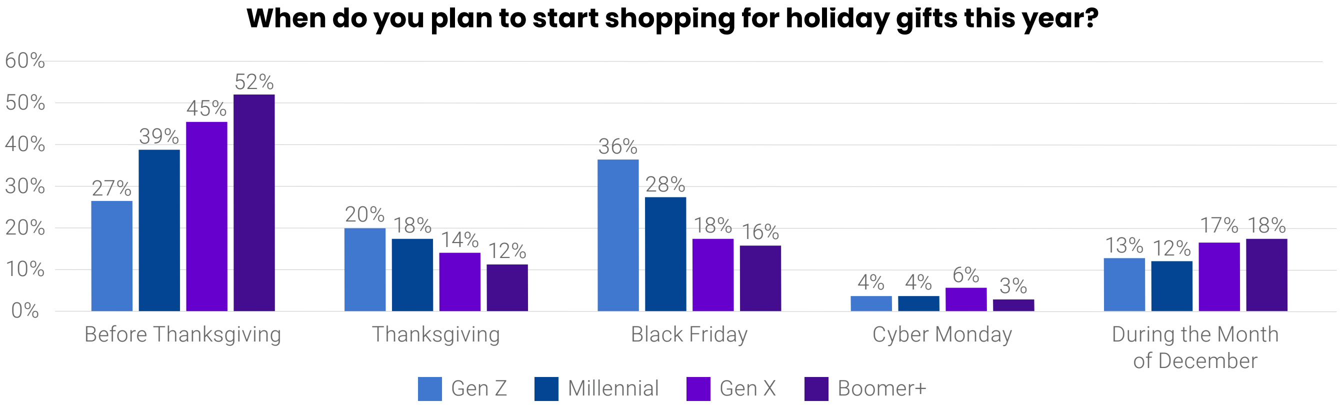
This contrast should guide retailers to calendar ad spend and plan content appropriately to target relevant audiences. For example, while apparel gifts are popular with both women and men, retailers may opt to focus any "buy gifts for them, get a treat for you" offers to include women's fashions earlier in November and men's categories over the "Cyber Five" weekend.



Gen Z embraces the "Cyber Five"

The majority of Gen Z shoppers, ages 18 to 25, will start shopping on Thanksgiving or the day after. This is thanks in large part to their enthusiasm for Black Friday, when 36% plan to begin shopping. Another 20% will start gift hunting on Thanksgiving itself, and another 4% will do so on Cyber Monday. Just a quarter of Gen Z shoppers will start buying gifts before Thanksgiving.

By contrast, older shoppers heavily favor early spending, with more than 50% of Boomers and over-75s planning to begin gift shopping before Thanksgiving. Just 30% will begin shopping during "Cyber Five" sales events.



Pandemic habits are here to stay

Pandemic habits are here to stay

Top Takeaways

- A digital presence is mandatory, with more than half of consumers planning to shop entirely or mostly online, and 45% planning to shop more online this year than in 2020.
- More than 75% of respondents will shop on their phones, making a strong mobile strategy a must, while more than 10% now use voice-enabled devices to shop.
- Adding payment apps and "buy now, pay later" services can help sellers reach younger shoppers, who use those offerings more heavily than average.

However enthusiastic consumers are to buy gifts this holiday season, the way they research and transact purchases will look a lot like it did in 2020, if not more so.

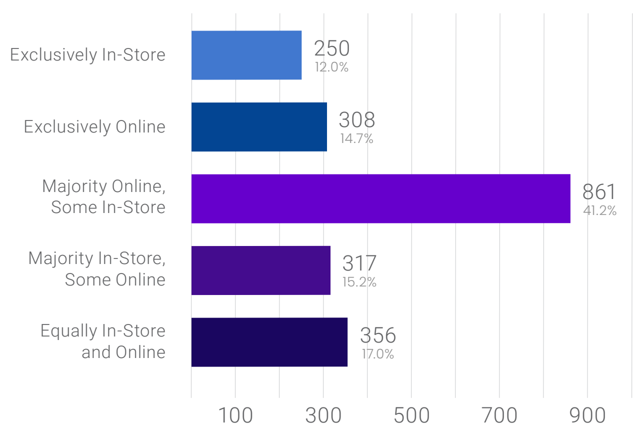
In 2020, ecommerce experienced astonishing 44% year-over-year growth – and survey data suggests that for the upcoming holiday season, most consumers plan to keep using the online and hybrid channels they relied on so extensively last year.

Online and hybrid shopping are set to grow, while return to stores falters

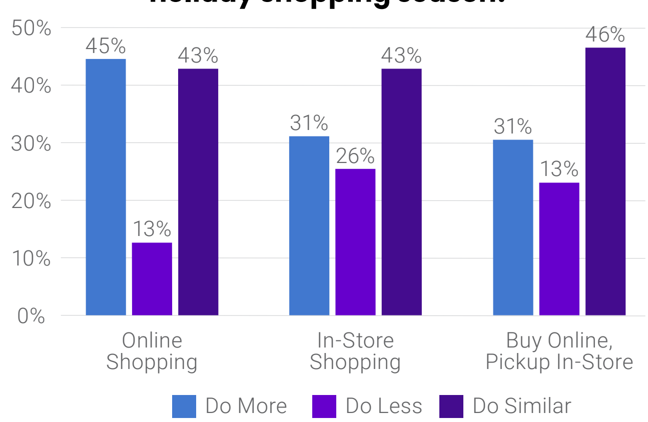
When asked where they plan to do most of their holiday shopping, 56% of respondents said they planned to shop mostly or completely online, with another 17% saying they planned to shop equally online and in-store. The highest percentage of respondents, 41%, said they planned to shop primarily online, supplemented by in-store shopping.

Furthermore, the popularity of online shopping is only growing when compared with last year. Altogether 45% of respondents say they plan to do more online shopping this year, suggesting that the convenience and safety of the channel continue to win converts. Another 43% of respondents say they'll shop online at the same rate as last year, while just 12% say they'll shop online less.

Where do you plan to shop for holiday gifts this year?



Relative to 2020, how do you plan to adjust your activity in the following areas this holiday shopping season?



Store visits may start and end at the curb

Just 27% said they planned to shop primarily or exclusively in stores, with only 12% planning to shop in-person for all their holiday needs. The percentage of respondents who intend to do more in-person shopping than in 2020 is 31%, while fully a quarter say they plan to do less.

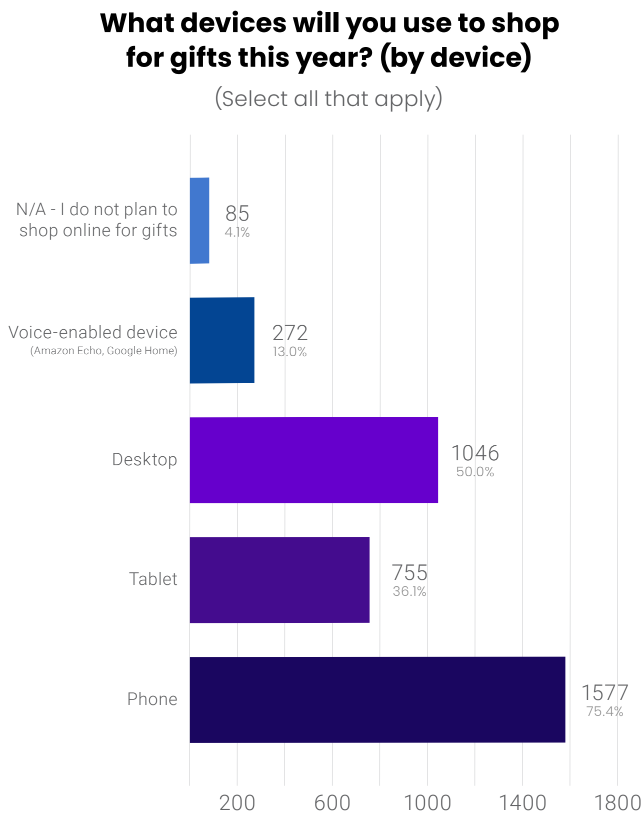
Shoppers may replace roaming the aisles with quick curbside service. When asked how their usage of store pickup will change this year, 31% said they planned to avail themselves of the service more than in 2020, while 46% said they would opt for pickup at about the same rate as last year.

Fears about the Delta variant and an unwillingness to join holiday crowds may be driving reluctance to linger in stores. Fully 36% of respondents plan less holiday travel this year than in pre-vaccine 2020, a data point that suggests consumers are hesitant about a range of in-person activities.

Mobile phones will dominate online shopping

When they go online to shop for gifts, shoppers will predominantly use mobile devices – another lingering effect of the peak pandemic period, when separation from office PCs and boredom at home caused mobile shopping to surge.

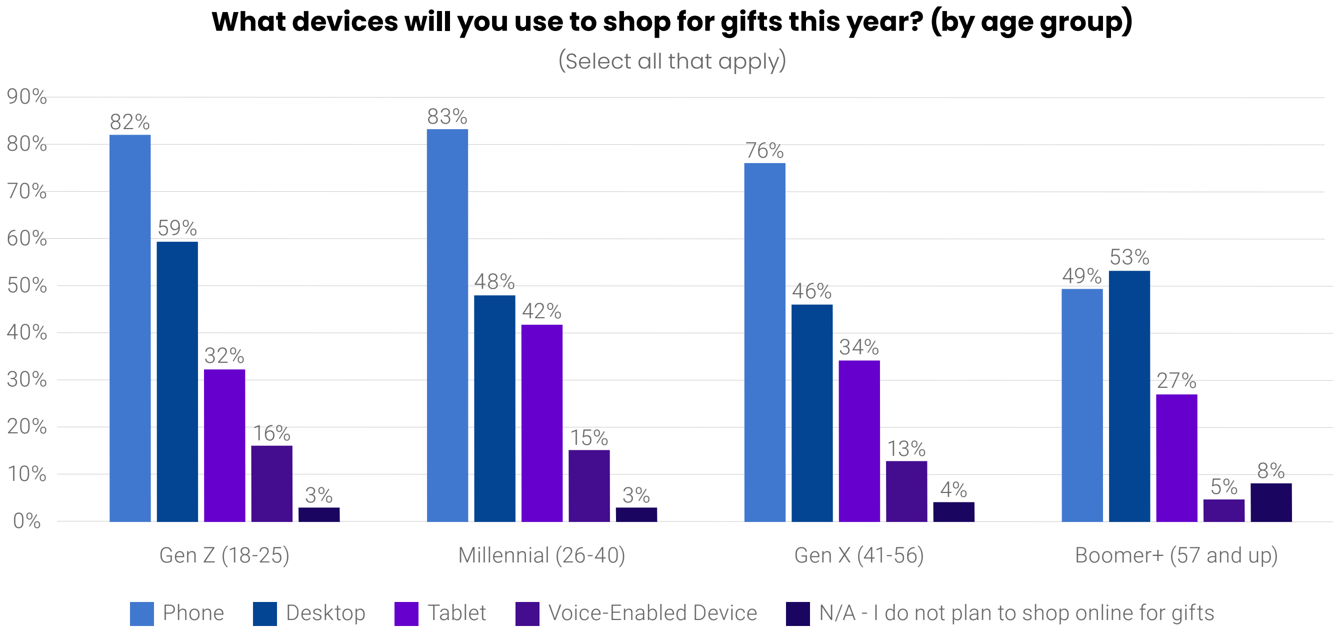
Overall, three-quarters of respondents will do holiday shopping on their phones, while more than a third will use tablets. Less than half of phone shoppers, 48%, also use PCs for shopping, highlighting the importance of mobile initiatives to reach these valuable shoppers.



Younger shoppers drive mobile use, while Gen Z also leads PC shopping

Not surprisingly, shoppers aged 40 or younger are more likely than older consumers to use phones, at 83% compared with 66% of those over 40. But younger shoppers also use PCs at a slightly higher rate than older consumers – 51% compared with 49% for those over 40.

That strong showing is driven by Gen Z, who may have wider access to full-sized computers after a pandemic year of remote classes and work. Wholly 59% of Gen Z respondents say they plan to shop on a desktop computer, the highest of any generational cohort. Additionally, more Gen Z shoppers than average will use both devices for shopping, with 61% of Gen Z phone users saying they'll also shop on a full-fledged computer.



Voice-enabled devices such as Amazon Echo and Google Home continue to gain popularity. More than one in 10 respondents in all age cohorts will use them for holiday shopping, except for Baby Boomers and seniors aged 57 and up.

Just 5% of those older shoppers will research or buy products via voice this year, and overall, this age cohort reports lower usage of all digital devices for holiday shopping beyond PCs. The percentage of older shoppers who won't buy gifts online at all is 8%, more than double the percentage of respondents belonging to the next-youngest age cohort, Gen X.

Apple device users spend more and shop more online

By and large, phone and tablet spending is on a par with respondents overall, but behaviors vary between mobile operating systems. Among those using Apple devices, 29% will spend more during the holidays this year than in 2020, compared with 22% of Android users. Similarly, 65% of those with iOS devices intend to spend more than $250 this holiday season, compared with 60% of Android device users.

Not only are Apple users apt to spend more, but also,they're more likely to do most or all of their shopping online, at 59%, compared with 54% of Android device respondents. These results suggest that although retailers may struggle to connect consumers on Apple devices with relevant messaging [thanks to new privacy measures] the company has instituted, those shoppers represent a valuable audience for advertisers and brands, and are worth pursuing investment resources.

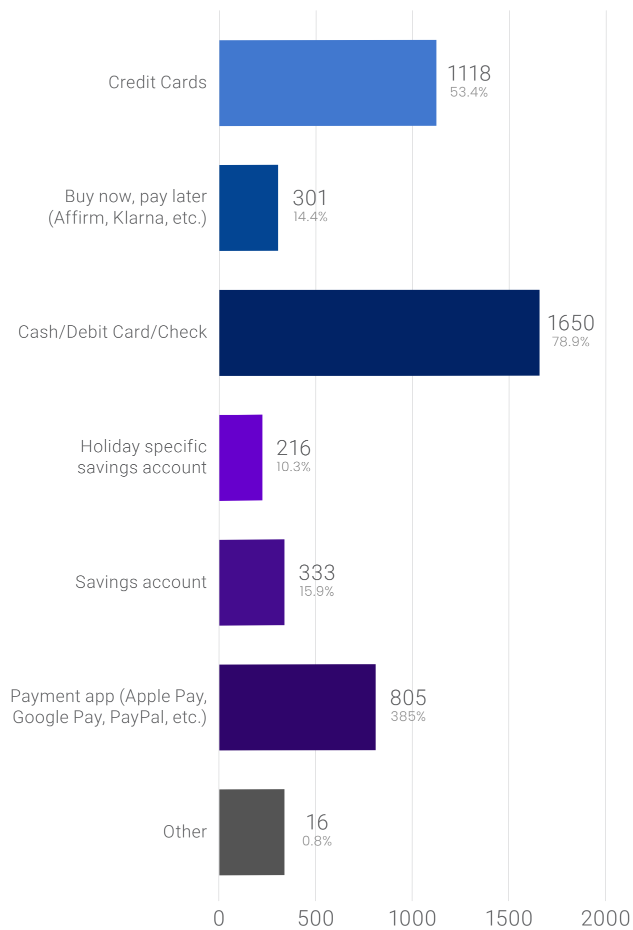
Digital and deferred payments will remain popular with the young

Increasing reliance on digital and hybrid shopping for the holidays isn't just shifting where consumers transact; it's also changing how they pay for their gift purchases. While cash and other forms of direct payment continue to reign supreme, digital payment apps are now the third-most-popular option – and among young Generation Z shoppers, they vie with credit cards for second place.

Overall, 79% of respondents said they'll pay with cash or direct payment using a debit card or check, while 53% said they'll use credit cards. Payment apps such as PayPal, Apple Pay, and Google Wallet, which store encrypted payment information for quick access via mobile or desktop devices, are in third place at 39%.

Which payment methods do you plan to use to purchase holiday gifts?

(Select all that apply)



Contactless point-of-sale boosts viability of payment apps

Payment apps, particularly when used on mobile devices as "mobile digital wallets," grew in popularity during the peak of the pandemic, as retailers installed touch-free point-of-sale systems. Shoppers could complete purchases by hovering their phones over point-of-sale terminals, reducing human contact and speeding transactions. eMarketer now forecasts that by 2025, [more than half of all mobile users will rely on payment apps] for in-store sales.

Currently, payment apps are particularly popular among younger shoppers. Among Gen Z respondents, ages 18 to 25, 45% will use payment apps for holiday shopping – lagging credit cards by just two percentage points. By contrast, just 25% of Baby Boomers and those over 75 will use payment apps.

Installment plans appeal to digital spenders

"Buy now, pay later" payment options offer financing and installment plans, traditionally used just for big-ticket items like cars, for everyday purchases. Apps such as Klarna, Affirm, and AfterPay may charge interest to shoppers and/or fees to participating merchants – and their popularity is soaring, with year-over-year growth of more than 200%.

Somewhat paradoxically, bigger spenders make up the majority of "buy now, pay later" users. Among those who say they'll use installment services, just 12% say they'll spend $100 or less on gifts, slightly lower than the survey average, while 35% are super spenders budgeting more than $500, slightly higher than the overall average. Millennials represent the dominant age group using these services; retailers who offer installment options will potentially appeal to digital consumers rising toward the peak of their spending potential.

"BUY NOW, PAY LATER" USERS

14%

of respondents overall, of whom:

18% are Gen Z (18-25)

51% are Millennial (26-40)

32% will spend more on gifts than in 2020

35% will spend $500 and up

59% will shop more online than 2020

86% will shop on phones

24% on voice-enabled devices

60% also use credit cards

56% also use payment apps

86% influenced by social media

CREDIT CARD USERS

53%

of respondents overall, of whom:

13% are Gen Z (18-25)

42% are Millennial (26-40)

28% will spend more on gifts than in 2020

41% will spend $500 and up

45% will shop more online than 2020

75% will shop on phones

17% on voice-enabled devices

16% also use "buy now, pay later"

40% also use payment apps

71% influenced by social media

Discounts and mass merchants are poised to dominate, overcoming intentional-shopping resolve

Discounts and mass merchants are poised to dominate, overcoming intentional-shopping resolve

Top Takeaways

- Sellers need a well-planned promotional strategy to lure holiday buyers, for whom price, sales or discounts, and free shipping are the top purchase drivers.
- Big-box retailers and Amazon are far and away the most popular holiday shopping destinations, making marketplace placements and digital ad buys on these platforms a must for raising visibility.
- Support for small and local retailers is strong, a sentiment they can capitalize on with a strong digital presence.
- Retailers and brands trying to reach Gen Z should highlight their social and environmental responsibility bona fides.

Even as consumers seem poised to spend freely this holiday season, cost-related considerations dominate their purchase decisions. This leads to Amazon and big-box store dominance when it comes to shoppers' preferred destinations.

At the same time, the majority of consumers say that economic, social, and environmental considerations guide holiday spending. The strongest of these convictions is the support of local and small retailers, making independent sellers a viable number-two option.

Price, discounts, and free shipping will top purchase factors

When asked to rank which factors influenced their purchase decisions, respondents consistently chose price as number one, followed by sales or discounts. Fully 44% of respondents overall chose price as the most important purchase factor, more than double the percentage who chose sales or discounts (20%).

Free shipping outranked fast shipping for the number-three most-important purchase factor, confirming that the price tag for delivery matters more than the timing. Speed also may be less of a factor given that the 147 million members of Amazon Prime automatically receive one- or two-day delivery at no additional cost, thereby setting the expectation that free shipping, by default, will also be fast.

How much do the following influence your holiday purchase decisions?

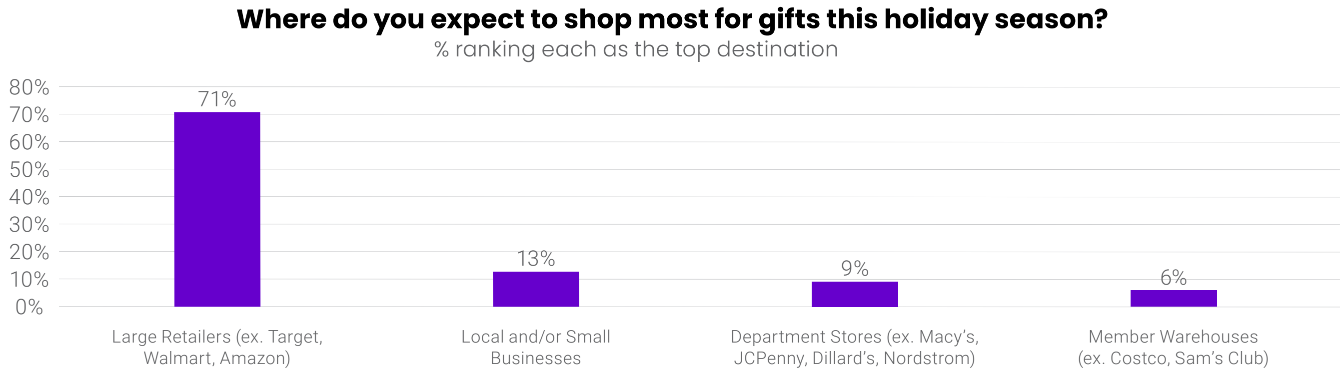
% ranking each factor a top priority

Similarly, the low percentages for ease of returns and store pickup capabilities may be less a reflection of the popularity of those services and more an indication that they're no longer rare enough to be differentiators.

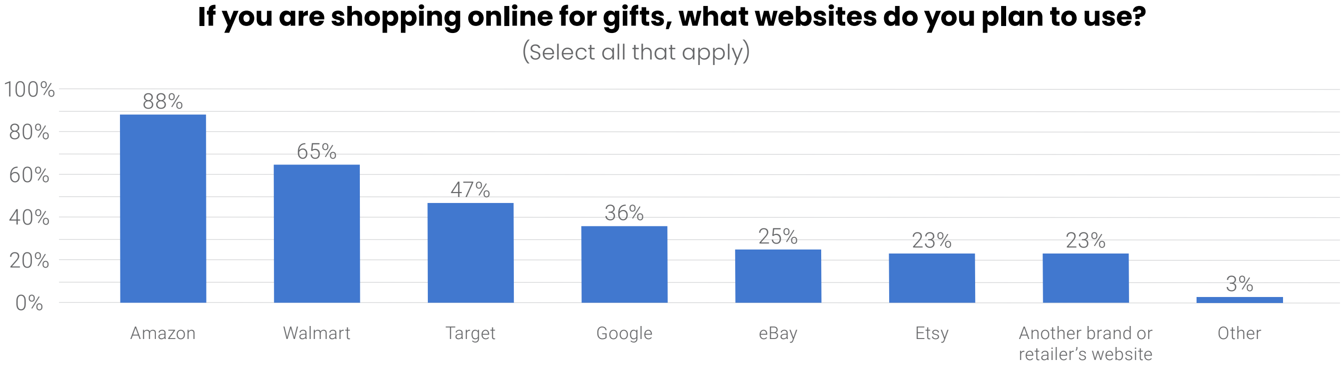
These rankings are unchanged compared with 2020 – and in fact, have solidified across gender, age, and spending cohorts. Whereas in 2020, a significant subset of consumers prioritized free shipping over other sales or discount offers, this year there is no variation in the top-two-ranked purchase factors.

Amazon and big-box stores will hold their rule

Given consumers' laser focus on pricing and discounts, it's no surprise that mass merchants are their top holiday shopping destinations. When asked to rank where they would shop most for holiday gifts, respondents far and away chose "large retailers" as their top destination, with 71% selecting them as the number-one retailer type. Local and small businesses ranked a distant second, with 13%, followed by department stores at 9% and member warehouses at 6%.



These results were consistent with responses about online shopping. [Amazon recently passed Walmart](#) to become the top retailer outside China, and respondents overwhelmingly named Amazon as their top online destination. A total of 88% of respondents will shop for gifts on Amazon.com; Walmart trails by more than 20 percentage points, at 65%. Target is the third most-popular online destination, with 47% of respondents saying they'll shop there during the holidays. Google, Etsy, eBay, and "another brand or retailer's website" were each selected by fewer than 40% of respondents.



Amazon shoppers are more likely to use the site to the exclusion of the two runner-up destinations. Altogether 21% of those who plan to shop for gifts on Amazon don't plan to shop online at Target or Walmart, whereas just 6% of Walmart shoppers will skip Amazon and Target and 3% of Target shoppers will avoid Amazon and Walmart. These results suggest that the well-established ultra-convenience of fast, free Prime shipping is helping engender loyalty that the big-box retailers' offerings have so far failed to interrupt.

Target fares best with younger shoppers and store pickup enthusiasts

While Target is squarely in third place behind Amazon and Walmart across multiple audiences, the gap is narrower among select demographics. More than half of Millennials and Gen Z shoppers, 54%, will shop online at Target, compared with just 38% of those over 40. Target is also more popular with those budgeting more than $250 for gifts, 53% of whom will shop there online, compared with 38% of those spending less.

But the strongest showing was among shoppers who will use store pickup more this year than in 2020; 60% of those respondents will shop at Target.com for gifts. Target's aggressive focus on same-day pickup services appears to be paying off, giving sellers who advertise on its platform access to valuable hybrid shoppers.

Beyond the top three, preferences differ by gender

Both men and women align in ranking Amazon, Walmart, and Target the top three websites for holiday gifts. But when it comes to secondary destinations, preferences differ, with men favoring Google and eBay, while women prefer Etsy and other brands/retailers.

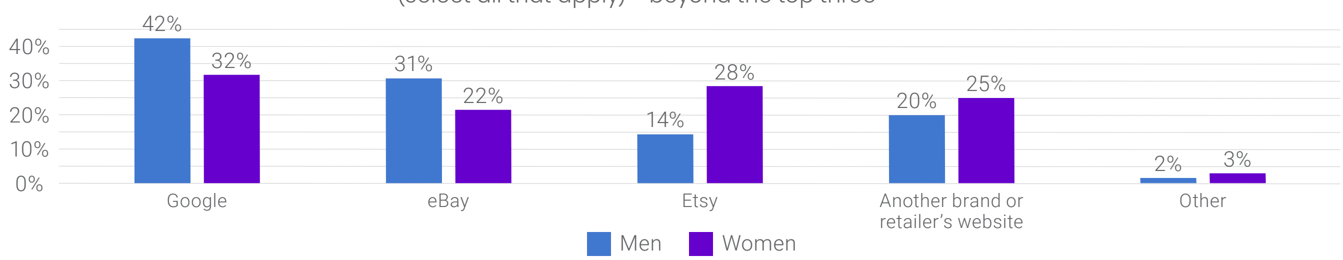
In fact, Google is a close rival to Target among men, with 42% planning to use the search engine as a shopping destination, compared with 46% who will find gifts at Target. By comparison, 32% of women will use Google.

Men also favor eBay to a greater extent than women, at 31% to 22%. That makes eBay the number-four destination for men, while Etsy is more popular with women, 28% of whom will shop the artisanal-goods site, compared with half as many men.

While both women and men rank small and local retailers as their number-two type of shopping destination overall, women are more likely to seek out alternative brands and retailers online; 25% of women will do so, compared with 20% of men.

If you are shopping online for gifts, what websites do you plan to use?

(Select all that apply) - beyond the top three



Broad support will give small and local sellers a shot at number two

Despite their intentions to shop heavily at Amazon and big-box retailers, survey respondents pledged strong support for local and small businesses as well. Small businesses ranked number two behind large retailers, albeit by a wide margin, as the type of destination where shoppers were most likely to purchase.

In addition, when asked to name which business traits or initiatives might influence holiday shopping decisions, nearly half of respondents, 48%, chose “locally owned” – by far the most popular choice, outranking minority or women ownership, environmental responsibility, and diversity, equity, and inclusion efforts, along with other concerns. Local ownership was the only such purchase factor to receive endorsement from more than 45% of every age cohort.

In addition, wholly 36% of shoppers say they plan to do more shopping this year at local and small businesses. This support was especially consistent among those planning to spend more this year and among those who turn to social media for gift inspiration. Among both of those audiences, at least half said local ownership was a purchase factor, and at least 40% planned to shop more locally this year than in 2020, as well as online at Etsy or “other brand/retailer websites.”

Still, these intentions don’t negate the dominance of Amazon and big-box retailers when it comes to the reality of where shoppers will spend their holiday dollars. Groups who rated local ownership a high priority are just as likely to shop online at Amazon – and in some cases the percentage who will do so is higher than the survey average.

Support for local and small retailers - intention and reality

Etsy’s popularity especially strong among young and female shoppers

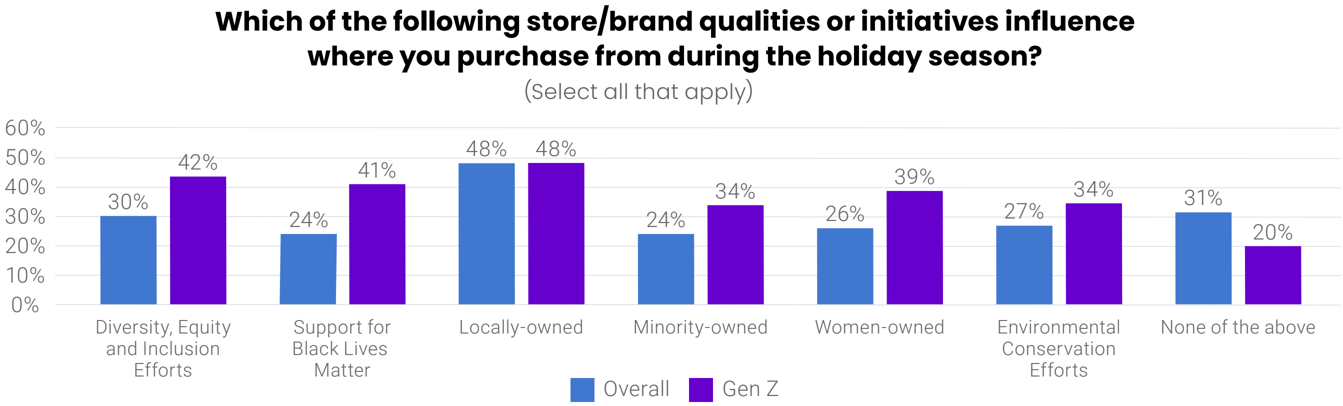
The growing strength of the artisanal marketplace Etsy.com is further evidence that shoppers may be ready to stand behind their convictions when it comes to supporting smaller sellers. [eMarketer.com ranks Etsy as the top eCommerce site for sales growth] since 2019. Overall, 23% of survey respondents said they would shop on Etsy for gifts this year; 28% of women and 31% of Generation Z shoppers said they plan to do so.

In addition, 30% of those who say local ownership is an important factor in holiday purchase decisions will shop the site, suggesting small sellers can reach intentional buyers through Etsy’s marketplace.

Gen Z will lead the way on intentional spending

Local ownership isn't the only cause shoppers would like to support with their holiday shopping dollars. Indeed, more than half of respondents, 53%, pledged support for at least one other socially or environmentally responsible retailer stance.

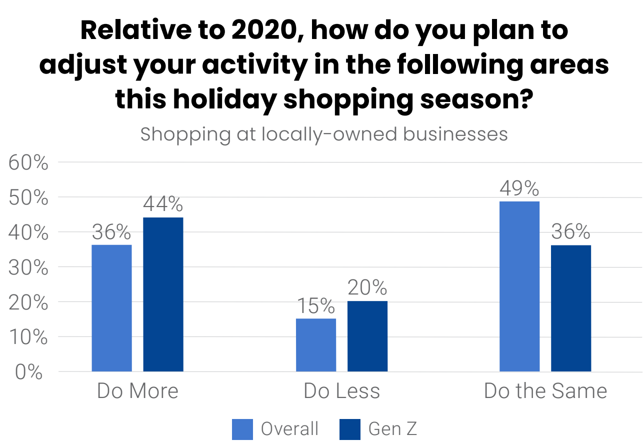
Efforts toward diversity, equity, and inclusion are important to 30% of respondents, while 24% said minority ownership and support for Black Lives Matter would guide their holiday purchasing. These percentages are roughly consistent with the 26% of shoppers who plan to spend more at minority-owned businesses this year than in 2020.

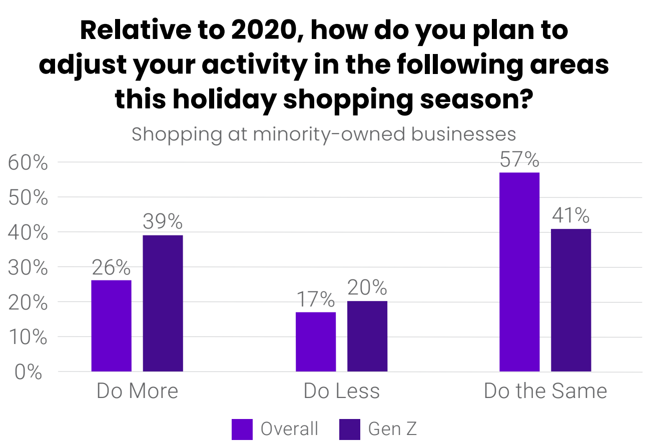


Gen Z is more socially engaged and vows to spend accordingly, up to a point

Younger Gen Z shoppers ages 18 to 24 are more likely to say retailers' stances and actions are purchase influencers across the spectrum of causes; 71% of these shoppers are likely to take into account at least one attribute aside from local ownership, while just 20% say "none of the above" apply – 10 percentage points lower than the survey average.

These younger shoppers also plan to spend more this year than in 2020 in alignment with their beliefs. Collectively, 44% say they'll shop more at local businesses during the upcoming holiday season than in 2020, while 39% will shop more at minority-owned businesses – 13 percentage points higher than the survey average.





Still, the lure of savings with mass merchants remains potent for Gen Z respondents; in fact, after big-box stores and Amazon, department stores – not small/local businesses – are their top pick for holiday shopping purchases. Online, Amazon is only slightly less appealing than average, with 85% of Gen Z shoppers planning to use the site for gift purchases.

Facebook/Instagram will dominate social media influence

Social media sites play a substantial role in influencing holiday purchases. A total of 70% of respondents picked at least one social media platform they use for gift inspiration. Not surprisingly, the percentage is highest among Gen Z shoppers, 84% of whom rely on social media for gift guidance, and declines slightly for Millennials (81%) before dropping off among Gen X respondents (63%), and Boomers and over-75s (40%).

Regardless of age, those who do look to social media for gift ideas are apt to be relying on a property owned by Facebook. The flagship Facebook platform is the leader overall, with 45% of respondents using it for holiday finds; it's also the leading site for women, and for every age cohort except Gen Z. Those younger shoppers prefer Instagram, with 61% saying they rely on Facebook's more image-centric platform to source gift ideas; they're also the only cohort to rank TikTok among their top-three social media choices, at 54%.

Overall, YouTube is the second most popular platform and the leading option for male respondents, 49% of whom say the video site influences gift decisions. Instagram is the overall number-three site, though it's in a dead heat with YouTube among Millennials.

Social Media by the Numbers

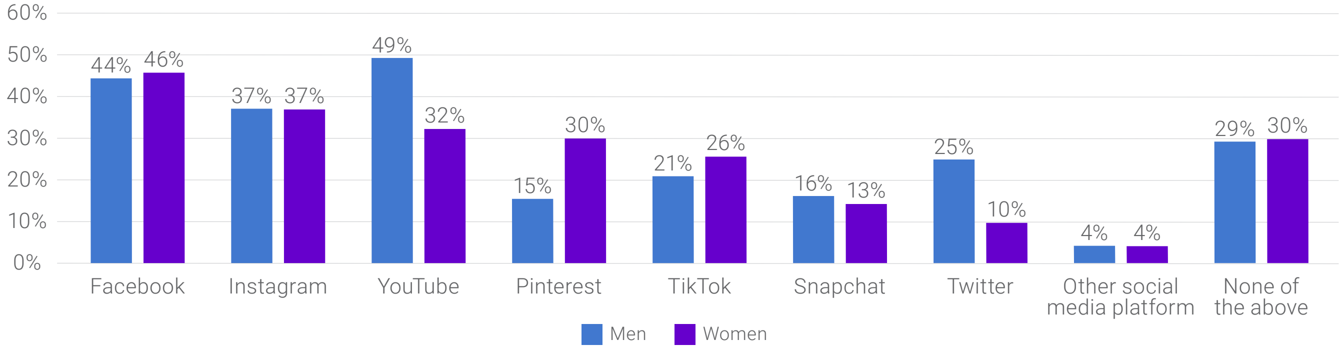
Rankings based on percent of each cohort influenced by the platform for holiday gifts.

OVERALL	GEN Z	MILLENNIAL	GEN X	BOOMER+
45% Facebook	61% Instagram	56% Facebook	45% Facebook	60% None of the Above
39% YouTube	54% TikTok	46% YouTube	37% None of the Above	26% Facebook
37% Instagram	49% YouTube	46% Instagram	34% YouTube	20% YouTube

Men favor YouTube and Twitter; women use more platforms overall

Men and women have different social media consumption patterns, with women consulting Facebook, Pinterest, and TikTok at higher rates than men, while a higher percentage of men use YouTube, Twitter, and Snapchat. Both women and men are equally reliant on Instagram for holiday gift ideas.

Which social media platforms influence your holiday shopping?
(Select all that apply)



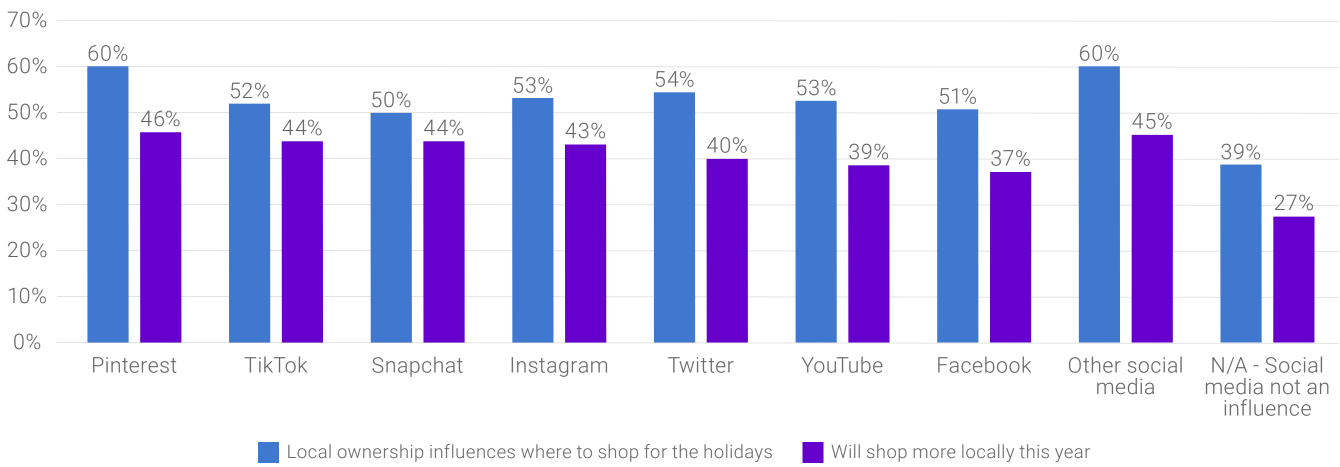
Pinterest users most likely to shop local

Local and small-business owners attempting to gain visibility with new shoppers for the holidays will find welcoming audiences on social media – and the good news is that smaller platforms correlate most strongly with intent to shop locally. This gives sellers opportunities to connect with desired audiences through affordable social media advertising.

Perhaps not surprisingly, those who turn to the craft- and lifestyle-inspiration site Pinterest for holiday ideas are most likely to say local ownership is a purchase decision factor, at 60%; 46% will also shop more locally this year than they did in 2020. Pinterest is used by a higher percentage of women, who are also more likely to shop Etsy and independent retailer and brand websites.

Users of the newer TikTok and Snapchat platforms are also local retail enthusiasts; 44% of those who say they're influenced by each of those platforms will shop more at local businesses in 2021 than last year.

% influenced by each social media platform who support local business



Key Takeaways

Key Takeaways

For retailers finalizing their plans for the 2021 holiday season, agility and responsiveness to changing consumer preferences will be crucial. In addition, brands and retailers should consider the following strategies:

→ **Promote hybrid offerings on mobile.** With shoppers set to continue shopping heavily online and relying primarily on phones to do so, retailers should design and streamline digital experiences for the small screen. Hybrid features such as store inventory lookup, easy store pickup processes, and payment app integrations that can be used for in-store and online transactions alike are important to ease online-to-offline experiences. Promoting these services through mobile ad placements on search and social media can help sellers reach holiday gift buyers with relevant offers.

→ **Encourage email and SMS signups now to woo shoppers in November.** Measures to protect consumer privacy on the web have evolved quickly this year, causing many retailers to focus with renewed interest on "first-party data." Using paid placements and organic content to encourage SMS and email signups now, and following up with robust welcome messaging offering consumers engaging and relevant content, gives sellers a direct line of communication for the holiday kickoff in November.

→ **Establish a presence on mass merchant marketplaces and ad platforms.** Amazon, Walmart, and Target dominate gift-buying destinations, so smaller sellers can gain access to a broad swath of new audiences by selling goods on their third-party marketplaces and investing in a paid placement strategy to boost visibility of offerings. Tinuiti offers comprehensive selling and advertising guidance for Amazon, Walmart, and Target to help merchants get started.

→ **Use social media for "shop local" and social responsibility campaigns.** Given that consumers whose holiday purchasing is influenced by social media are also motivated to shop with local and small retailers, social advertising is a ripe opportunity for independent sellers to highlight unique, artisanal gift recommendations, as well as their bona fides when it comes to environmental responsibility and support of social justice, equity, and diversity. Pinterest, TikTok, and Snapchat are especially fertile ground for connecting with shoppers looking to shop off the beaten path, and TikTok is the number-two site for intentional Gen Z shoppers – making it an especially promising platform for cause-based marketing.

→ **Get gender-specific with product preferences, timing, and preferred platforms.** Men and women have different holiday spending profiles, from which products they favor to which retailers they plan to shop beyond the mass merchants. They even have different schedules for when they'll start looking for gifts. Brands and retailers can optimize their paid placements for maximum relevance – and control costs – by taking all these factors into account when planning campaigns.

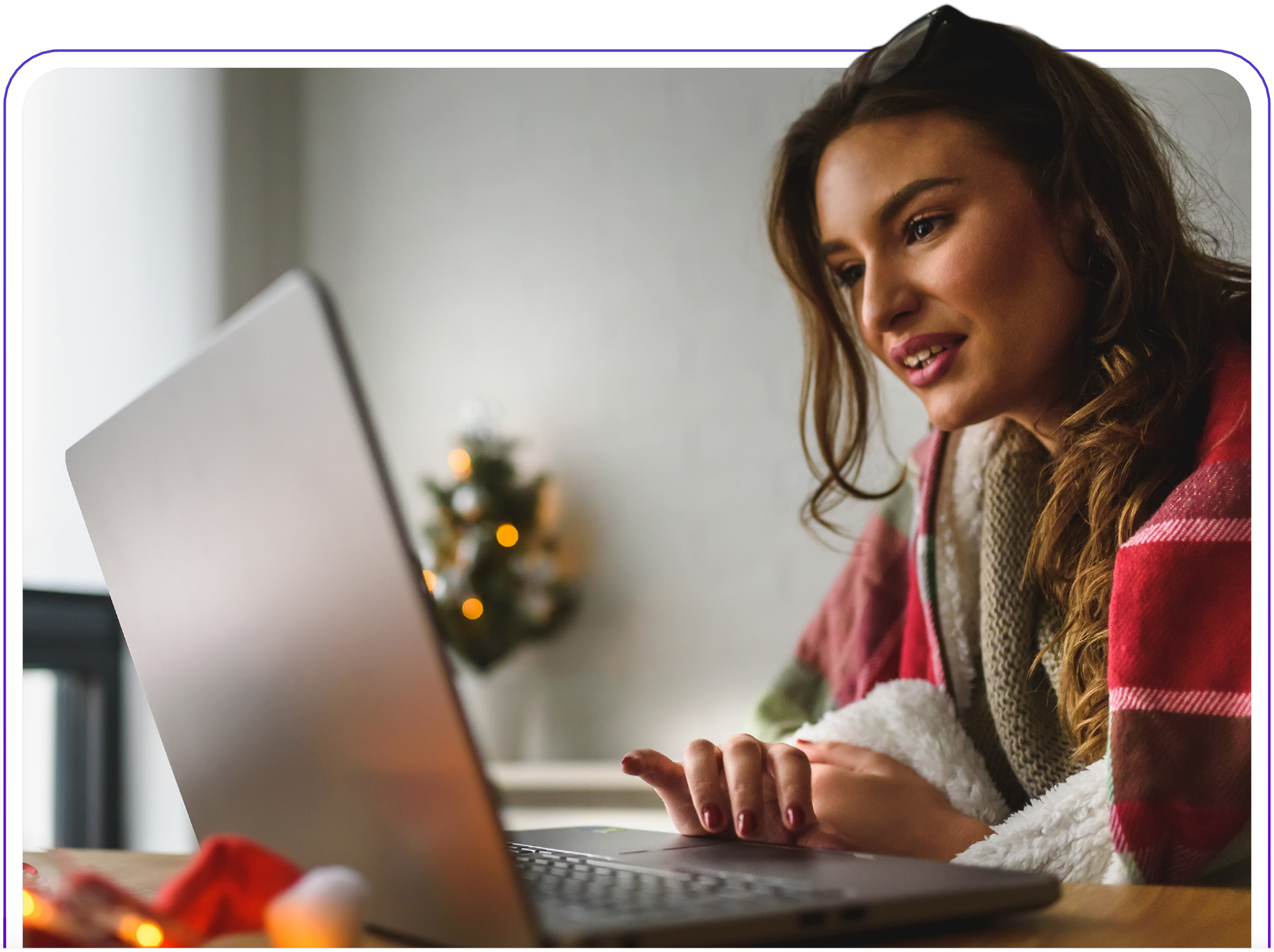
Conclusion

While the 2021 holiday season is shaping up to be complex and challenging, it also has the potential to be wildly successful. Brands and retailers that can nimbly provide online-to-offline services and present relevant content and offers throughout the season have an opportunity to connect with new audiences, win new customers, and emerge from the season better positioned than ever to tackle the challenges that await in 2022.

Methodology

Tinuiti surveyed 2,092 online respondents ages 18 and older on August 3, 2021, via the Pure Spectrum Insights platform. All respondents were screened with the question, "Will you shop for holiday gifts?" and those who do not plan to shop for holiday gifts did not participate.

> ### Methodology Details
>
> This survey was commissioned by Tinuiti and conducted by Pure Spectrum, which uses PureCore, proprietary technology for gathering quality responses. Consumers receive no monetary payment for their participation. More information on Pure Spectrum's methodology can be found at https://www.purespectrum.com/insights/.



TAKE THE NEXT STEP

tinuiti

Schedule Your Holiday Marketing Strategy Evaluation

Get in touch with one of our channel experts today for a free audit of your brand's marketing strategy to identify how we can help you grow your business this holiday season.

tinuiti.com/contact-us