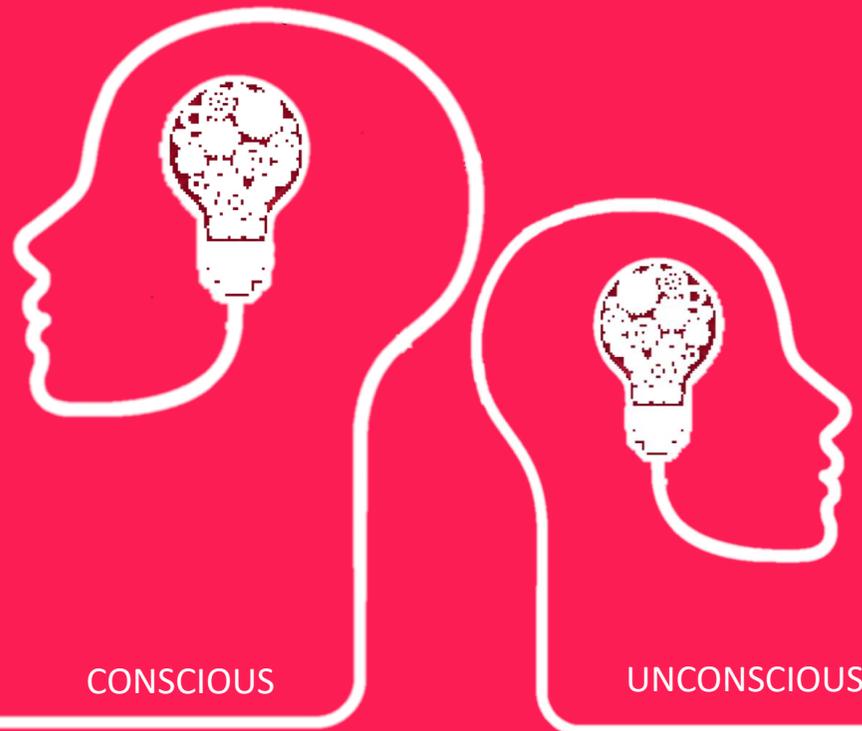




2020
CHRISTMAS SPENDING
REPORT



Our Approach

Our approach considers both logic and emotion, conscious and unconscious reactions and we have been applying a behavioural approach for more than a decade.

We combine traditional techniques with neuroscience and psychology to deliver better insight, clearer results and most of all the power to influence consumer behaviour.



“

A truly modern holistic
research project:
behavioural economics
thinking delivering
directly actionable
insights

**MRS Award
Judges**

Actionable results

And our approach works.

The fact that many of our clients commission repeat studies with us over many years is proof of this – but we also have won a number of awards for delivering industry leading, tangible bottom line results.





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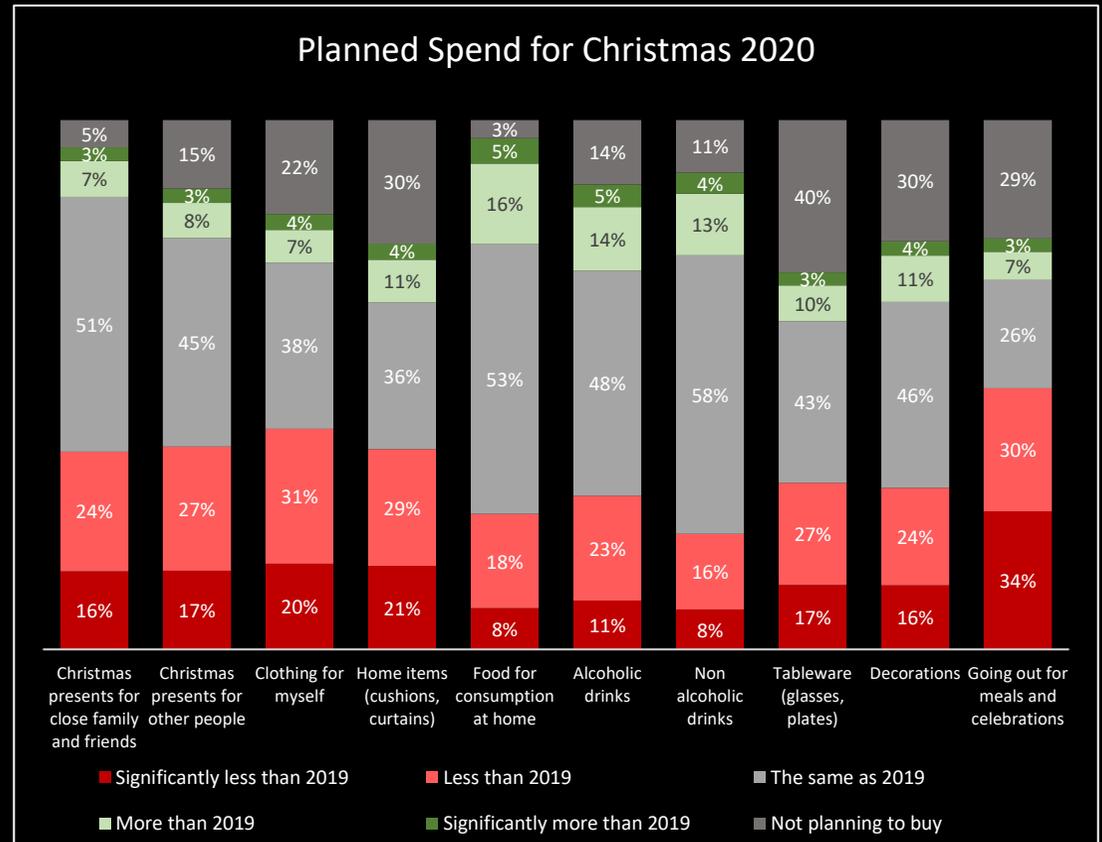


40% of shoppers are planning to spend less on Christmas

Going out for meals is hardest hit with 64% of consumers expecting to be spending less than in 2019. This is perhaps expected, however even in categories where consumers could spend (such as presents) over 40% are also expecting to spend less than in 2019.

Food for home consumption looks similar to 2019 levels with the number of shoppers expecting to spend more similar to those spending less than the previous year.

However for alcoholic drink we could see a reduction with 34% intending to spend less and only 19% think they may be spending more than 2019.





Food, drink, table ware and decorations will draw shoppers to stores

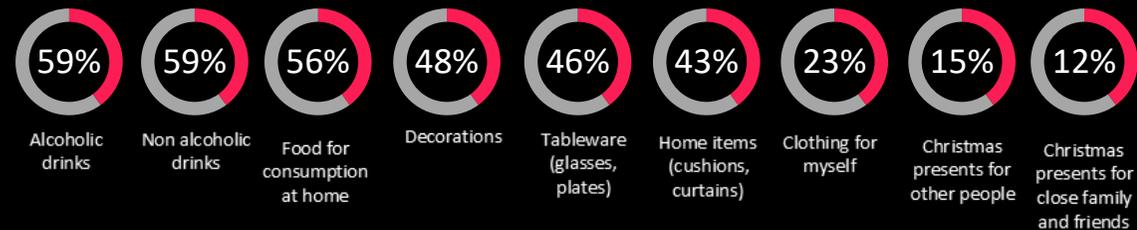
In a new study conducted by Emotional Logic, we have noticed that the average UK shopper has also shown to be making a switch and purchasing more online. With many consumers shopping via e-commerce for the first time – this presents massive opportunities for brands to engage with new-to-online customers.

38% of those aged 65 or over will be shopping mostly online for close family and friends, with 41% continuing to shop in-store (when they can).

The items most likely to still draw shoppers to stores are food, drink, decorations and tableware.



Proportion intending to spend in store:



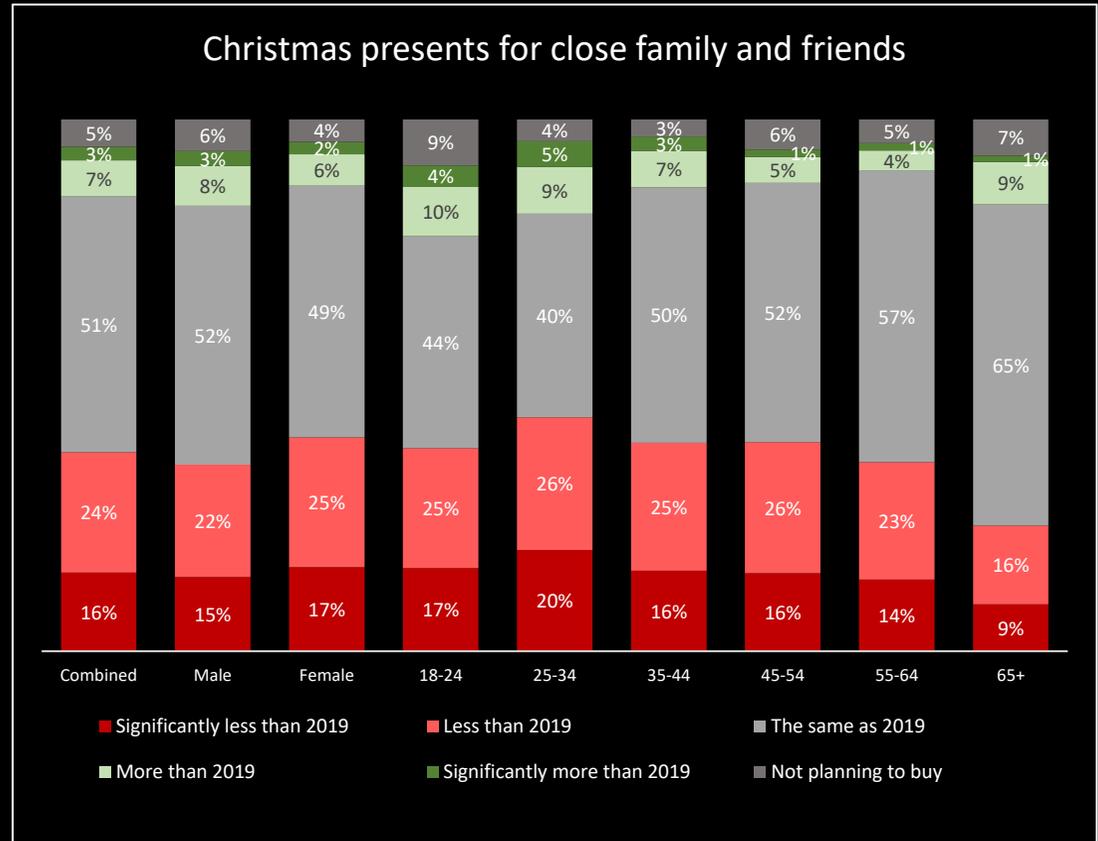


Older consumers least likely to cut present spend

When shopping for close friends and family around half of consumers are going to be spending the same amount of money as they did in 2019. So despite a nationwide pandemic, it isn't stopping peoples spending habits.

Consumers over 65 are going to be spending the most inline with 2019 on Christmas presents, with 25-34-year-olds most likely to alter their spending patterns.

And although 14% of the younger generation (18-34 year olds) are going to be spending more on Christmas presents this does not make up for those who are spending less.



emotional **logic**

51%
will be buying
the same
amount of
presents for
close family
and friends at
Christmas.



[Source: Emotional Logic, Survey 2000 Adults, October 2020.]

www.emotional-logic.co.uk



The majority of sales made during Christmas will be online.

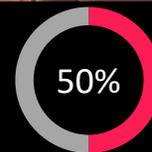
Even before COVID-19 we were heading towards a cashless and digital society, however the pandemic has just pushed us along and encouraged this.

Inline with that, 50% of consumers will be doing their Christmas shopping online for close family and friends. Whereas, only 12% will be actually shopping mostly in-store.

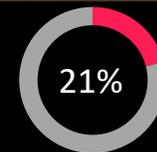
However, the older the consumer, the more they will be shopping in-store rather than online.

On average, 38% of all consumers will be doing about half online and half in-store shopping for Christmas presents for close family and friends, so lets not forget about the high-street just yet.

Brands, when thinking about your marketing campaigns, males are going to be doing 4% more shopping in store in comparison to women.



Of sales will be made online overall



Over 55-year-olds will be spending more in-store

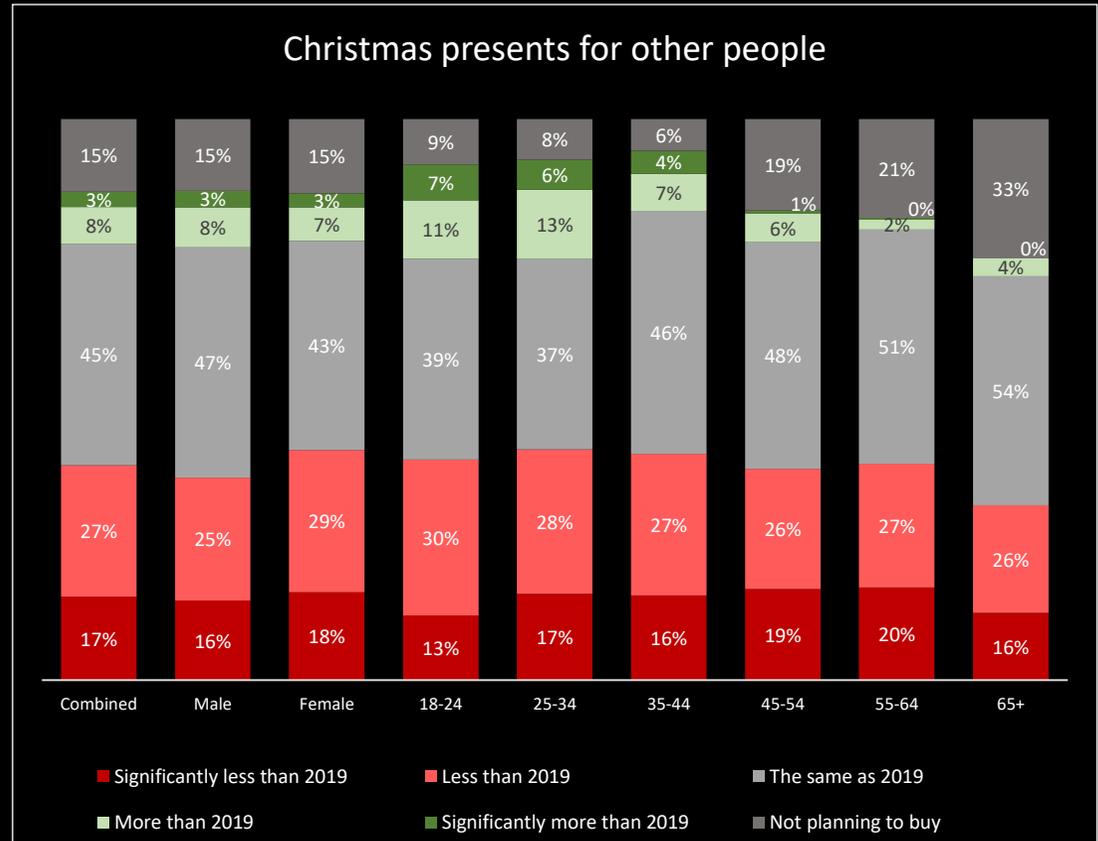


Brits aren't going to be splashing the cash for non-family members or close friends this year.

45% of Brits planning on spending the same and 44% are planning on spending significantly / less than on presents for other people than in 2019, consumers might be feeling the effects of COVID-19.

Although some consumers are increasing their spend, mainly 18-34-year-olds (18.5%), for other people outside of their family – it isn't looking promising for any other age group.

As you can see, the biggest percentages are those looking to reduce their spends on other people, particular over 65's. 33% have said they are not planning to purchase at all, and 15% of Brits are not planning to buy for other people at all this year.



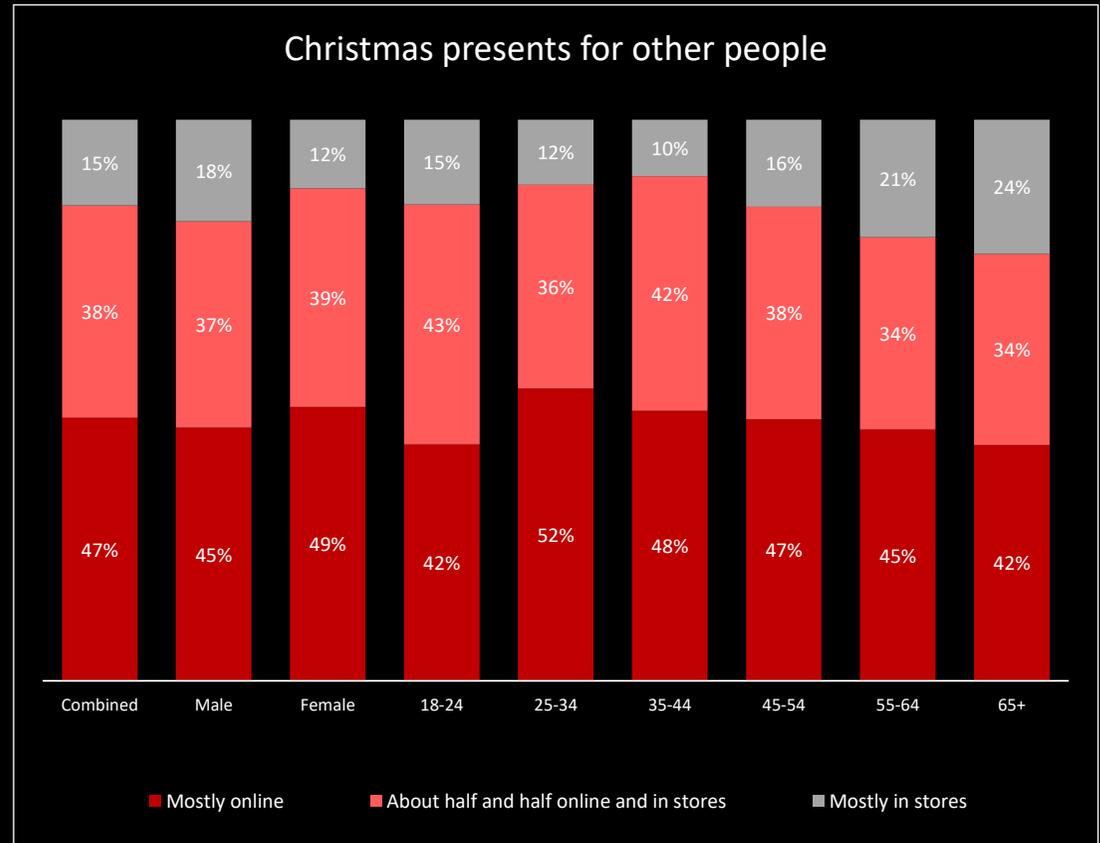


When purchasing for other people, Brits are more open to shopping in-store.

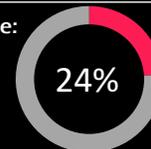
Even though 47% of consumers will still be purchasing Christmas presents for other people online there is a slight increase in people shopping in-store. Looking for a gift for someone can sometimes be a challenge: when walking through a shop, you often get inspiration on what to buy.

18-24-year-olds almost have a half and half split between shopping online and in-store (42% and 43%), whereas the older the consumer, the more they will be shopping in-store.

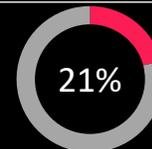
Males we be doing more in-store shopping in comparison to females. So brands, know your target audience.



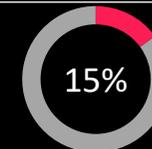
Presents for other people:



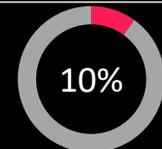
Of over 65-year-olds will be shopping mostly in-store



Of 55-64-year-old will shop in-store



Of 18-24-year-old will shop in-store



Of 35-44-year-old will shop in-store



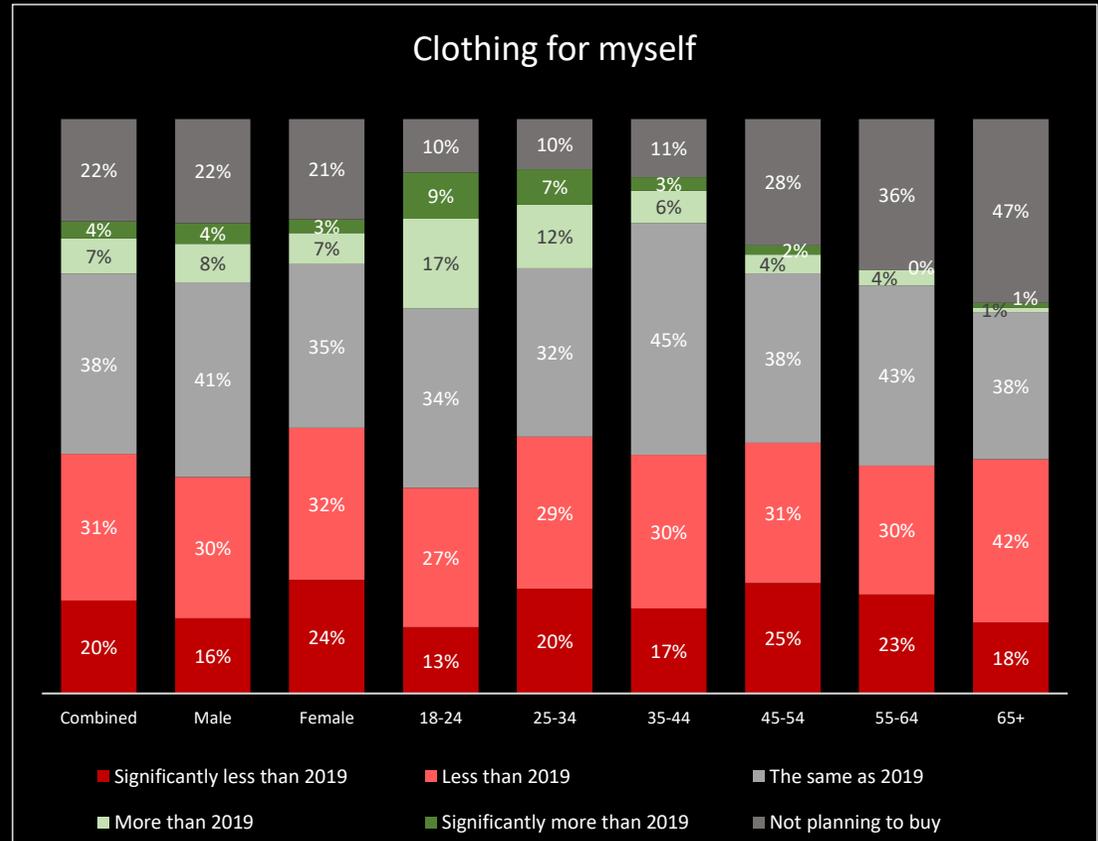
Clothing spends likely to be lower than in previous years.

During the festive season, there are a lot of events and festivities, which results in us buying plenty of outfits for the occasion. Having mentioned earlier, around the Christmas period: there is usually a 43% increase, however this Christmas there will be a decrease. 51% of consumers say they are going to be spending less, than more. On average, clothes shopping is going down.

22% of respondents say they aren't going to be purchasing clothing for themselves at all because of the current restrictions.

In light of that, females are planning on spending (10%) significantly less than men on 'clothing for myself' than what they did in 2019.

Also, 47% of consumers over 65 are not planning to buy clothing for themselves – these decrease for each age group. With the younger generation planning on buying more – loungewear sales are still increasing.





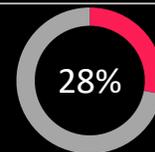
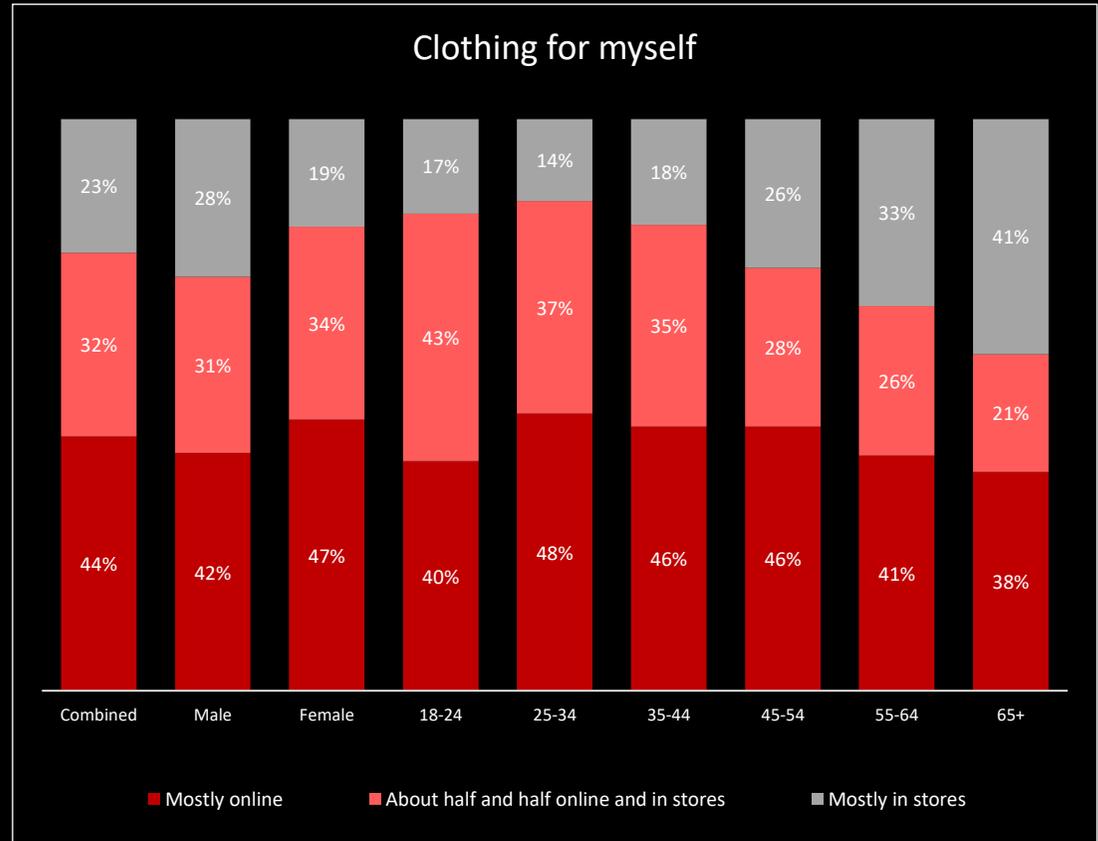
1/4 of Brits will be coming to the high street.

Buying clothing over the Christmas period might not be a priority: when shoppers are spending, they are mostly doing so online (44%). However, males are going to be doing 9% more shopping in-store, compared to females when purchasing clothing.

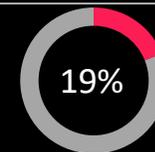
25-34-year-olds will be doing the most online clothes shopping (48%), whereas over 65-year-olds will be doing the most in-store purchasing (41%).

Younger generations are not buying like their grandparents or parents, so advertisements and marketing materials need to have a tailored approach.

Younger consumers will purchase from the click of a button, unlike grandparents who want to put back into the local community and see their high street be a success.



Men will be purchasing more in-store than women



Females will be spending 9% less than men in-store



[Source: Emotional Logic, Survey 2000 Adults, October 2020.]

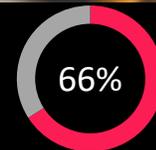


Younger age groups are more likely to buy homeware and tableware items

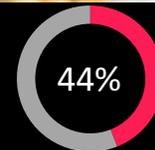
35% of Brits aren't planning on purchasing homeware or tableware at all over the Christmas period, and 47% are going to reduce their spend in comparison to in 2019.

In both instances, 18-34-year-olds are more likely than the other age groups to be increasing their spend on these items. This is not out of the ordinary as consumers this age are fleeing the nest and moving onto their own chapters.

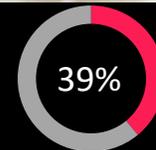
As the consumer gets older, the least likely they are to be purchasing and spending money on these non-essential items. For example, 66% of over 65's won't be purchasing homeware or tableware at all.



Of over 65's won't be purchasing at all



18-34-year-old increase in spend



Of Brits will be spending the same as in 2019



Around 2/5s of shoppers will be purchasing homeware and tableware items in-store

Homeware and tableware items are mostly bought in store (45%): this is because stores play an important role in helping customers check the quality and feel of the product.

Surprisingly, 47% of 18-24-year-olds are shopping in-store for these items unlike purchasing clothing or Christmas presents. However, this dips to 33% in 25-34-year-olds and then gradually increases as the consumer gets older.



Consumers want to shop in-store for their household needs.



Christmas food will be mostly bought in-store.
With 56% of consumers doing so.

emotional logic

[Source: Emotional Logic, Survey 2000 Adults, October 2020]

www.emotional-logic.co.uk

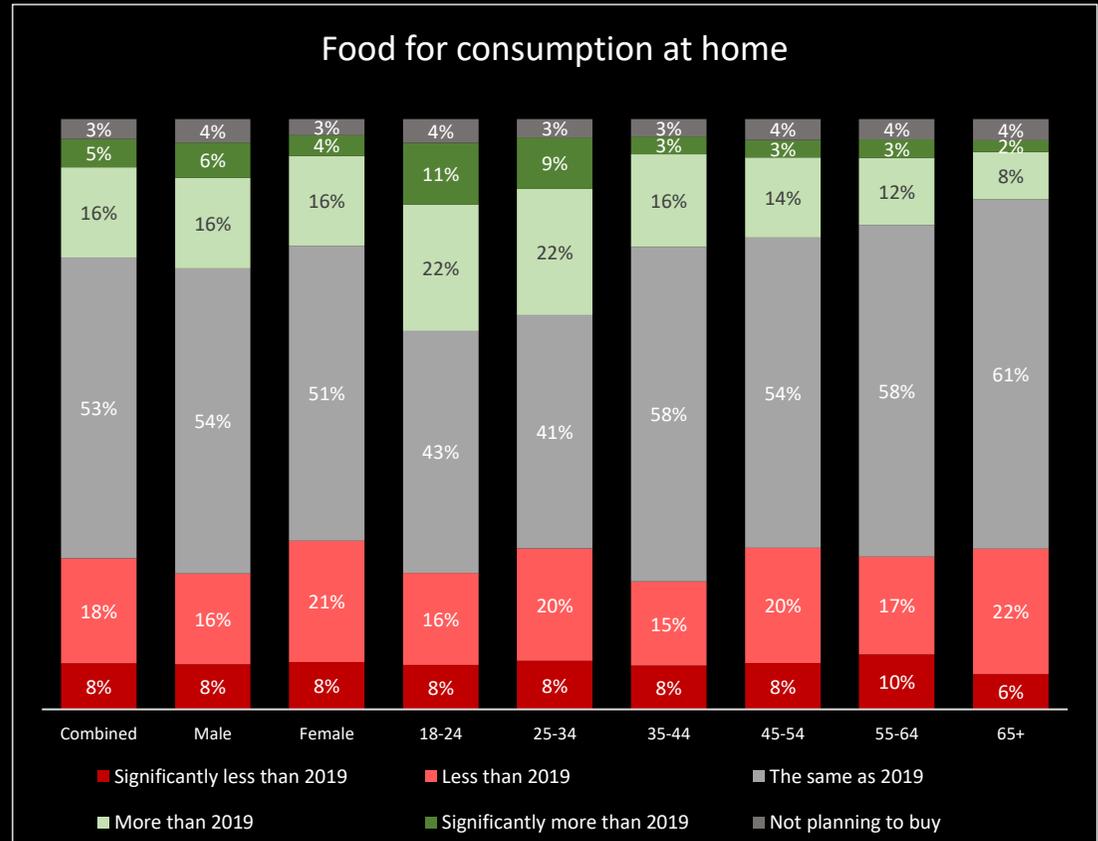


Ho Ho Ho! Food consumption at home is still going to be a Christmas success.

When you ask someone what their favourite moment about the Christmas period is – 75% of Brits will reply, food.

Spend on food for consumption at home will not be decreasing, with 53% of people consuming the same as in 2019 – young people (18 – 34-year-olds) are going to be spending more (33%) on food, compared to 10% of those aged 65 and above.

21% of females are planning on spending less on food than 2019, whereas only 16% of males are.



33% of 18-24-year-olds are planning on spending more money on food than in 2019.



Online food shopping is not a crowd-pleaser this Christmas.

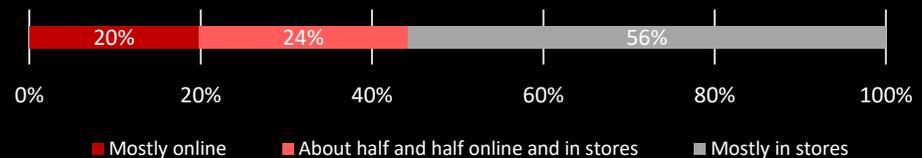
This Christmas, 56% of shoppers will be waiting in lines and shopping in-store for their food items – despite the pandemic. In the UK, it took around two decades for online grocery shopping to go from 0 to 7% however; because, of the coronavirus outbreak, it reached around 13% in roughly eight weeks, with millions of shoppers trying it for the first time.

Like anything, online food shopping seems to have had a drop-off effect; online grocery sales accelerated to 40% because of the pandemic* however, now only 20% of shoppers are planning to buy their groceries online, with 24% of 25-34-year-olds doing so the most and consumers over 65 doing the least.

A lot of shoppers have run into problems with purchasing groceries online, which is why they now choose to shop in-store.



Food consumption at home:



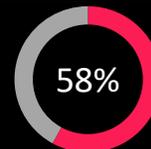
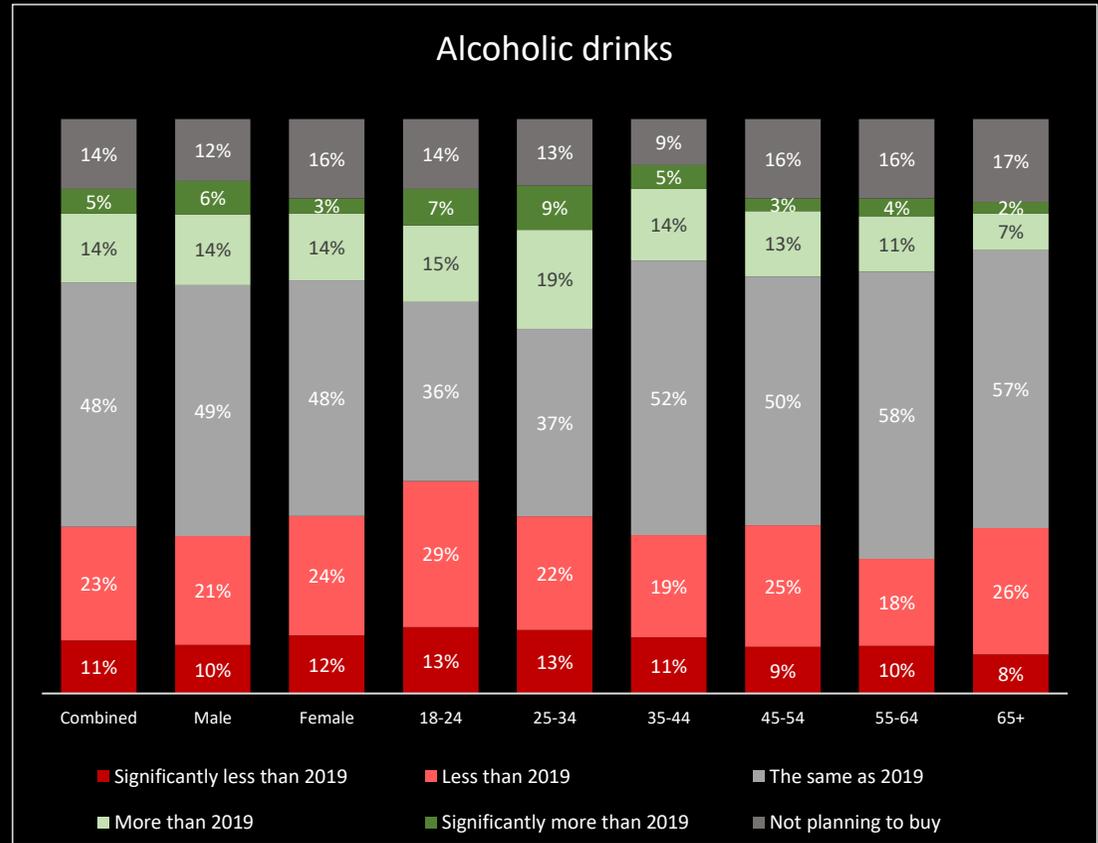


14% of 18-24-year-olds are not planning on drinking alcohol at all

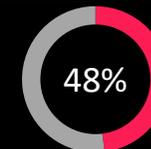
With food comes drink. On average, alcoholic beverage sales are going down with 24% of consumers planning to buy significantly / less than what they did in 2019, and only 19% planning to purchase significantly / more than.

However, 42% of 18 – 24-year-olds are going to be buying significantly less/fewer alcoholic beverages over this Christmas period, with 14% planning on not buying at all. There has been a noticeable difference in the beverages being bought both online and in-store – with price being a contributing factor. Consumers have increased their budget for alcohol spend to get a finer product.

However, 28% of 25-34-year-olds are planning on spending significantly / more on alcoholic drinks than in 2019.



Of consumers will be spending the same as they did in 2019 on non-alcoholic drinks



Of consumers will be spending the same as they did in 2019 on alcohol



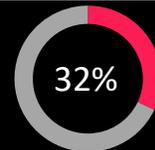
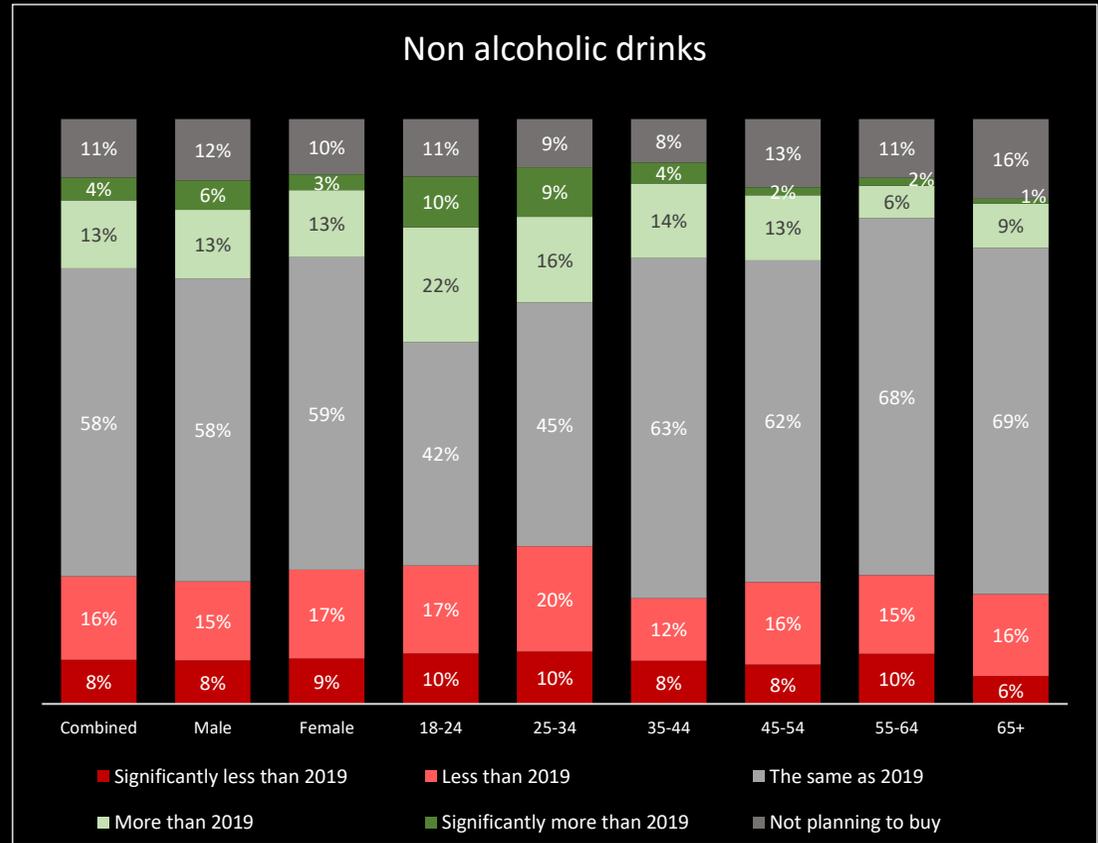
A rise in non-alcoholic beverages in young adults

On average, 58% of shoppers are planning on spending the same as in 2019 on non-alcohol drinks, and this increases with age.

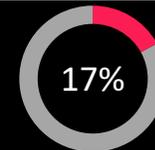
On average, 18-24-year-olds are slightly more likely to increase their spend on non-alcoholic drinks than reduce it. While 25-34-year-olds show the opposite trend.

18-24-year-olds have the highest percentage (32%) for purchasing more non-alcoholic beverages – so brands, be aware!

Knowing your target audience is key.



Of 18-24-year-olds are planning to buy the same or more non-alcoholic drinks



Are planning to buy more than / significantly more than they did in 2019 on soft-drinks



Alcohol and non-alcoholic purchases will be made in-store.

The majority (59%) of Brits are choosing to purchase in-store when choosing alcoholic and non-alcoholic beverages – 22% of shoppers are shopping half online/half in-store and, 19% will be buying online.

25-34-year-olds will be doing the most purchasing online (22%), and over 65-year-olds will be doing the least (15%).





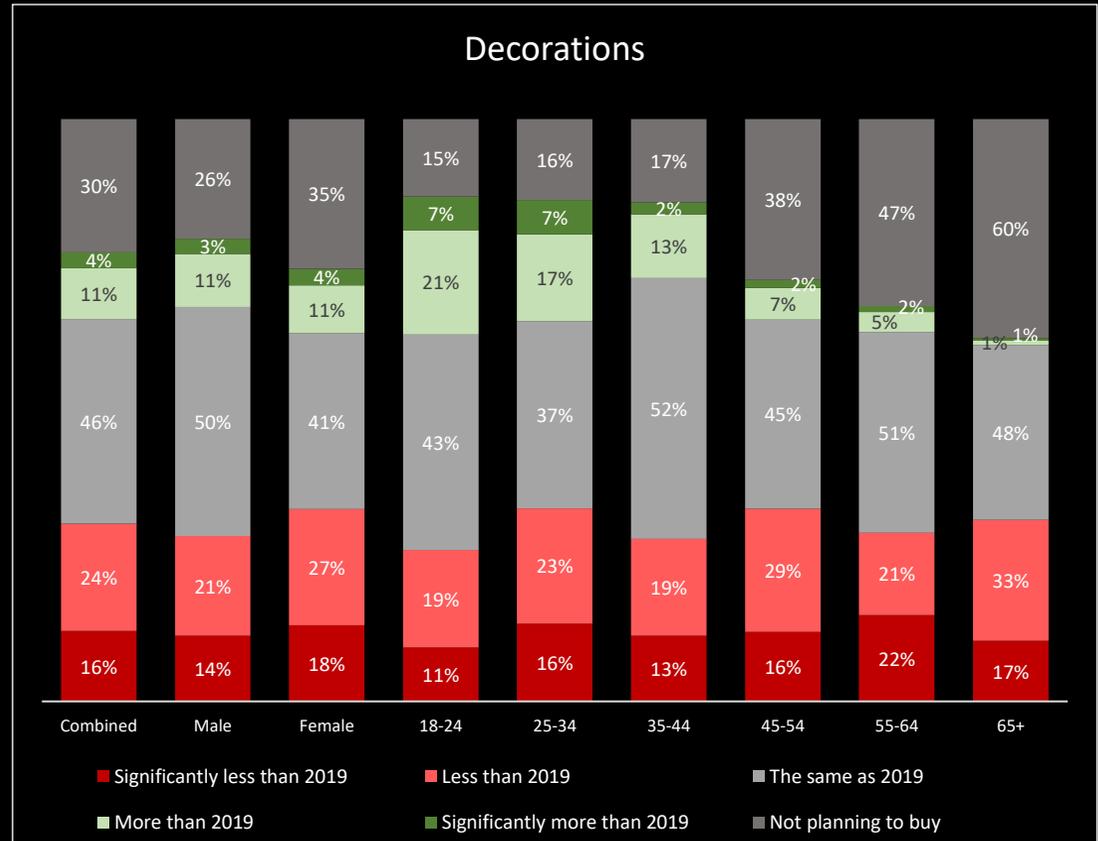
Brits are decking the halls with continued Christmas decoration purchasing.

Brits are keen to deck their halls, with 46% of respondents still planning on buying new Christmas decorations and spending the same as they did in 2019.

18-44-year-olds will buy the most however, it tends to decrease after the age of 45.

While 45% of women are planning to buy less, only 35% of men do so. Meanwhile 60% of over 65-year-olds are not planning to buy Christmas decorations at all in 2020.

48% of consumers will be shopping mostly in-store for Christmas decorations, whereas only 23% will be shopping mostly online. However, 25-34-year-olds are more likely to purchase online (30%) in comparison to any other age group.





[Source: Emotional Logic Survey 2000+ adults, October 2020.]

emotional logic 

21% of
18-24-year-olds will
be going out more
than/significantly
more than what they
did in 2019 for meals
and celebrations

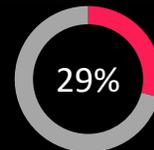
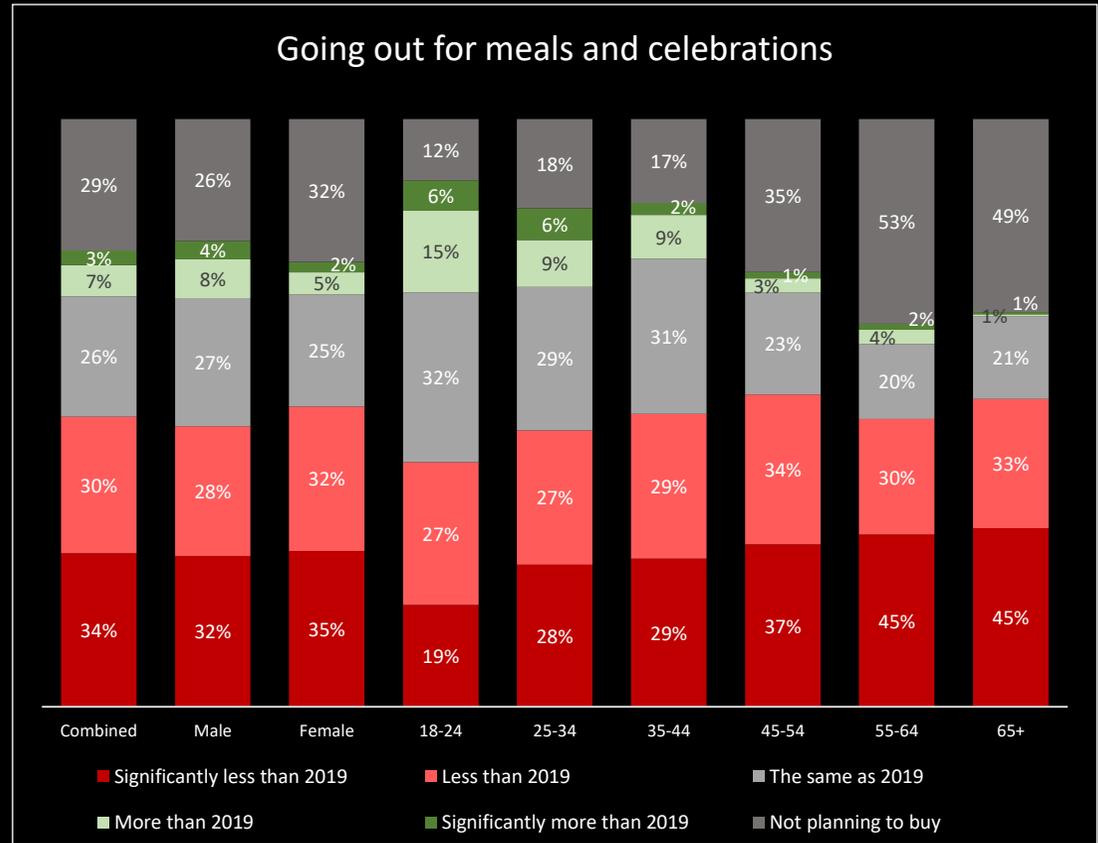


Restaurants might suffer over Christmas as Brits are not eating out as much.

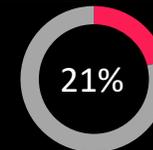
Although going out for food and drinks is usually at the top of everyone’s priority list at Christmas – this year we, are expecting a change with 34% of Brits planning on going out significantly less/fewer than in 2019 and 29% not planning to go out at all.

The younger the generation, the more likely they will be going out for meals and celebrations – 15% of 18-24-year-olds will be going out for more meals than what they did in 2019, compared to only 3% of 45-54-year-olds and 53% of 55-64-year-olds are not planning to buy/go out for meals and celebrations over the Christmas period

Males are more inclined to go out for meals and celebrations than females.



On average of Brits will not be going out for meals or celebrations



Of 18-24-year-olds plan on going out more than /significantly more than in 2019



29% of Brits **are not**
planning on going out for meals and
celebrations over Christmas.



[Source: Emotional Logic, Survey 2000 Adults, October 2020.]

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