

klaviyo<sup>™</sup> x qualtrics<sup>XM</sup>

# THE 2023 CONSUMER SPENDING REPORT

Insights to apply to your owned  
marketing strategy for BFCM and beyond



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Younger consumers feel better about the economy than older ones—and they're more likely to increase spend on discretionary items, little luxuries, “dupes,” and gifts this holiday season.

Based on responses from 3K+ US consumers, a new survey from Klaviyo and Qualtrics finds that while inflation is impacting current spending habits for 91% of consumers and future spending plans for 69%, Gen Zs and millennials are more likely to feel optimistic about the economy and its impact on their future spending plans—including over the holidays.

FEATURING INSIGHTS FROM:



01

## ECONOMIC PERCEPTIONS

Overall, **opinion of the current US economy is cautious**: While 59% of consumers feel negatively about the economy, 42% feel neutral or positive, and 46% believe it's holding steady or on its way up.

Although all generations are feeling the impact of the economy to a similar extent, **Gen Zs and millennials are more likely to take an optimistic view of the economy** and its potential impact on their future spending.

02

## CURRENT VS. FUTURE SPEND

As in previous years, consumers continue to **allocate most of their budgets to conventional goods**. Most expect to continue to do so in the year ahead, and to be **more diligent about discretionary spending**. Many consumers feel hesitant to make large purchases.

Potentially due to their more positive economic outlook, **younger consumers are more likely to engage in the “lipstick effect”** and feel more comfortable spending on non-essentials.

03

## IN-STORE VS. ONLINE SHOPPING

**Consumers are 2.25x more likely to prefer shopping online**, but they're currently shopping about equally online and in-store. Those who shop in-store do so to touch the product and for immediate product availability, while those who shop online do so mostly out of convenience. **Nearly half of consumers prefer email over all other methods of brand marketing.**

**Older consumers are more likely to prefer shopping in-store** and are currently doing so more frequently. Their shopping behaviors are more influenced by promotions and competitive prices.

04

## HOLIDAY SHOPPING PLANS

**Consumers plan to shop primarily online this holiday season**, most likely during the months leading up to the holidays. Holiday spend is likely to remain similar compared to previous years: **On average, consumers spend \$745 on holiday gifts.**

**Older consumers are more likely to shop in-store for the holidays** and generally plan their shopping throughout the year. Gen Zs are more spontaneous and are most likely to do their shopping the month in which the holiday falls. They're also likely to spend significantly less on gifts.

# HOW DO PEOPLE FEEL ABOUT THE ECONOMY?





Economic opinion is relatively split:  
While about half of consumers feel  
negatively about the economy, the  
other half feel neutral or positive.

External economic factors are already impacting most consumers' spending behaviors—and will continue to do so for most consumers moving forward.

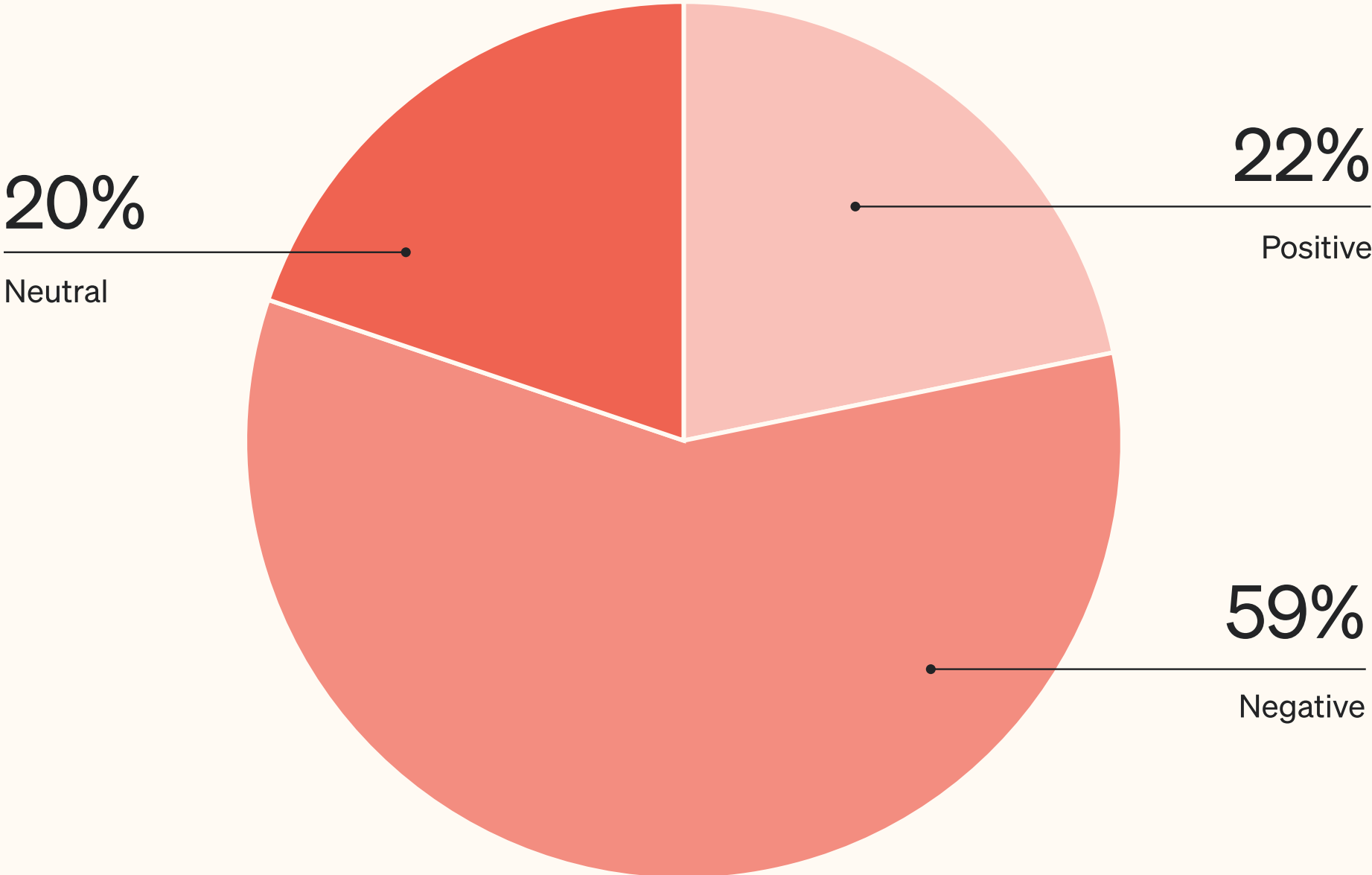
While Gen Zs and millennials are feeling the effects of the economy and inflation as much as their older counterparts, they are more likely to take a more optimistic view of the economy and its potential impact on their future spending behavior.



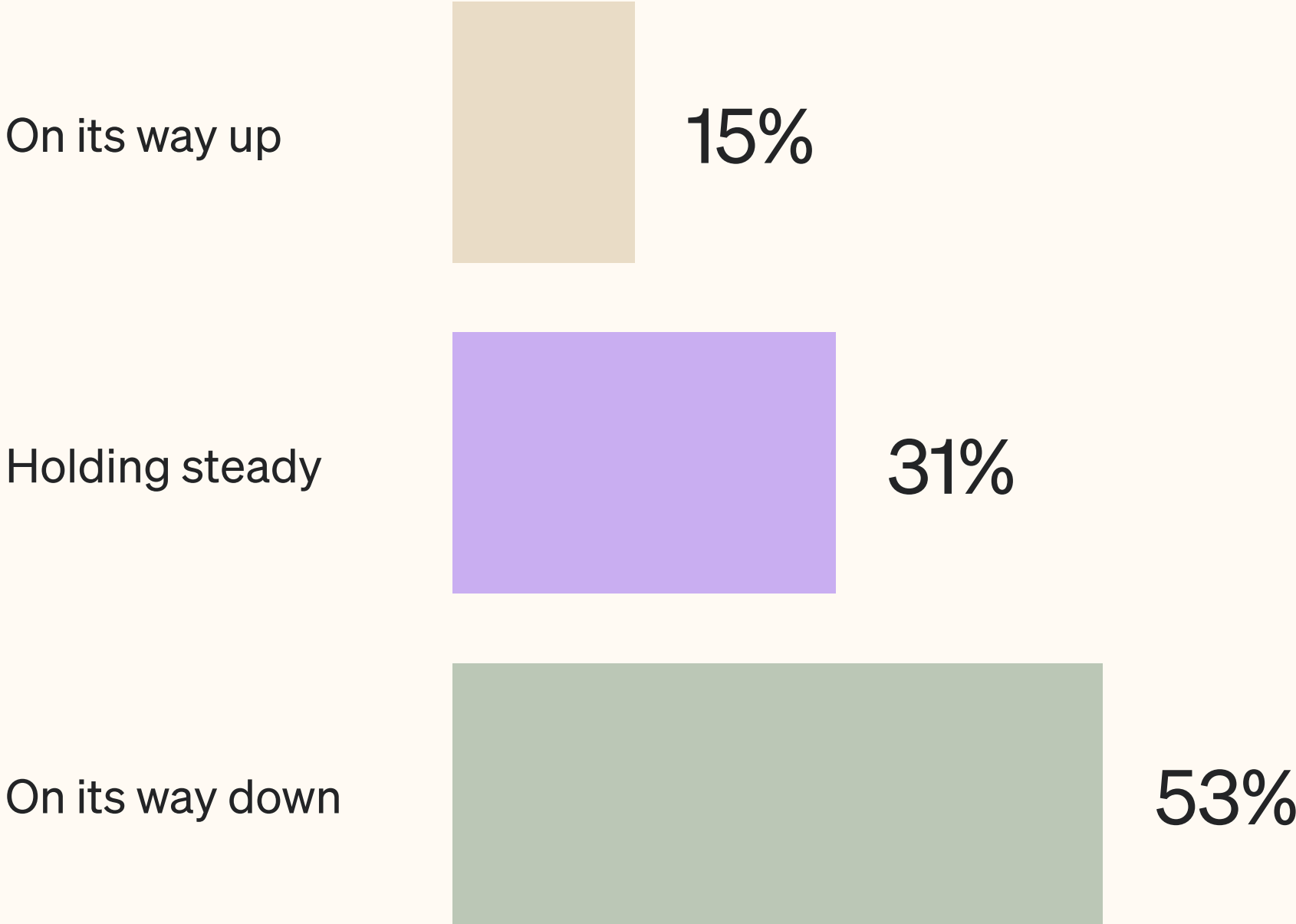
# CURRENT ECONOMIC PERCEPTIONS

Over half of consumers feel negatively about the current state of the US economy and believe that the economy is on its way down, but 42% feel neutral or positive, and 46% believe the economy is holding steady or on its way up.

CURRENT OPINION OF THE US ECONOMY



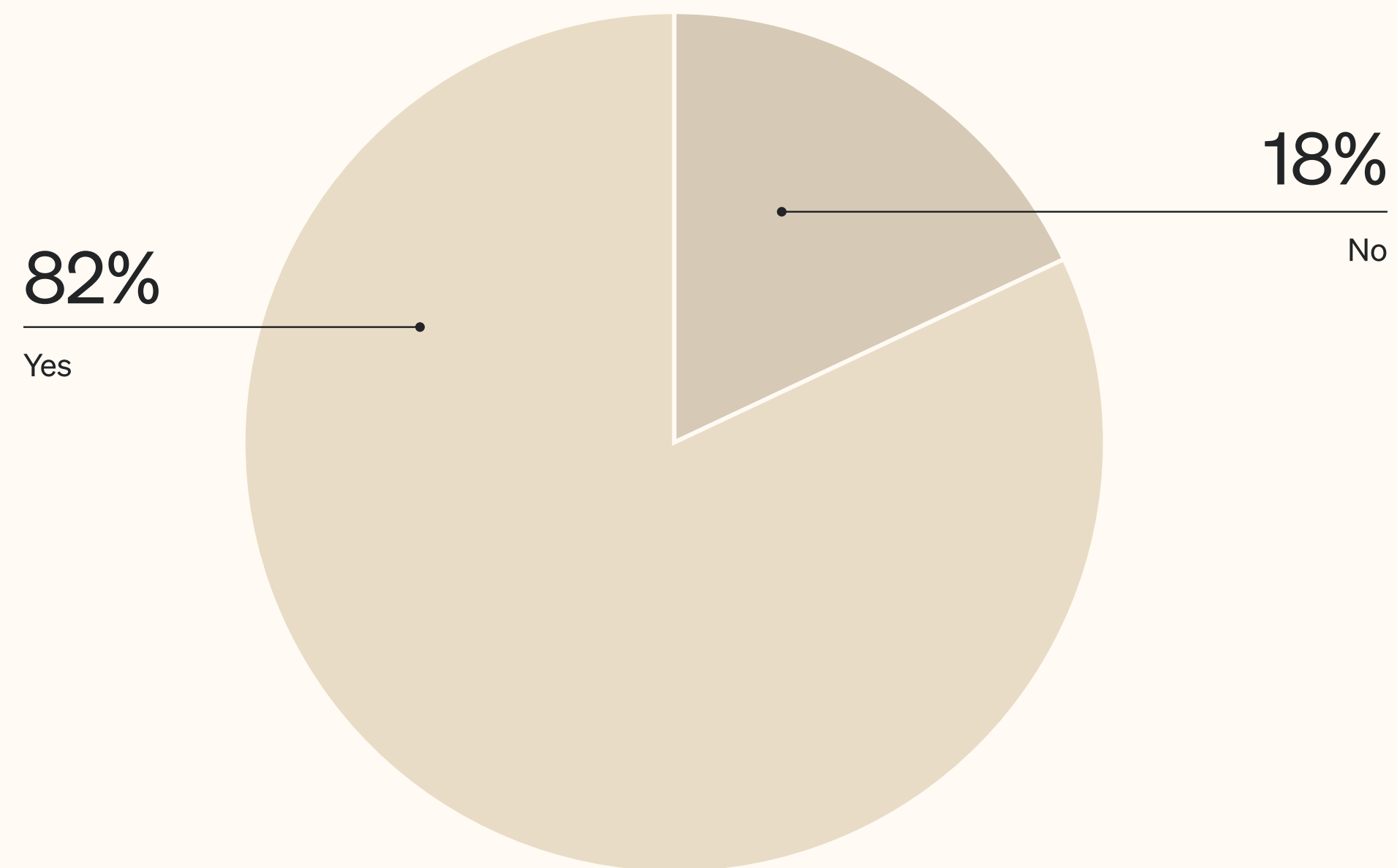
PERCEIVED DIRECTION OF US ECONOMY



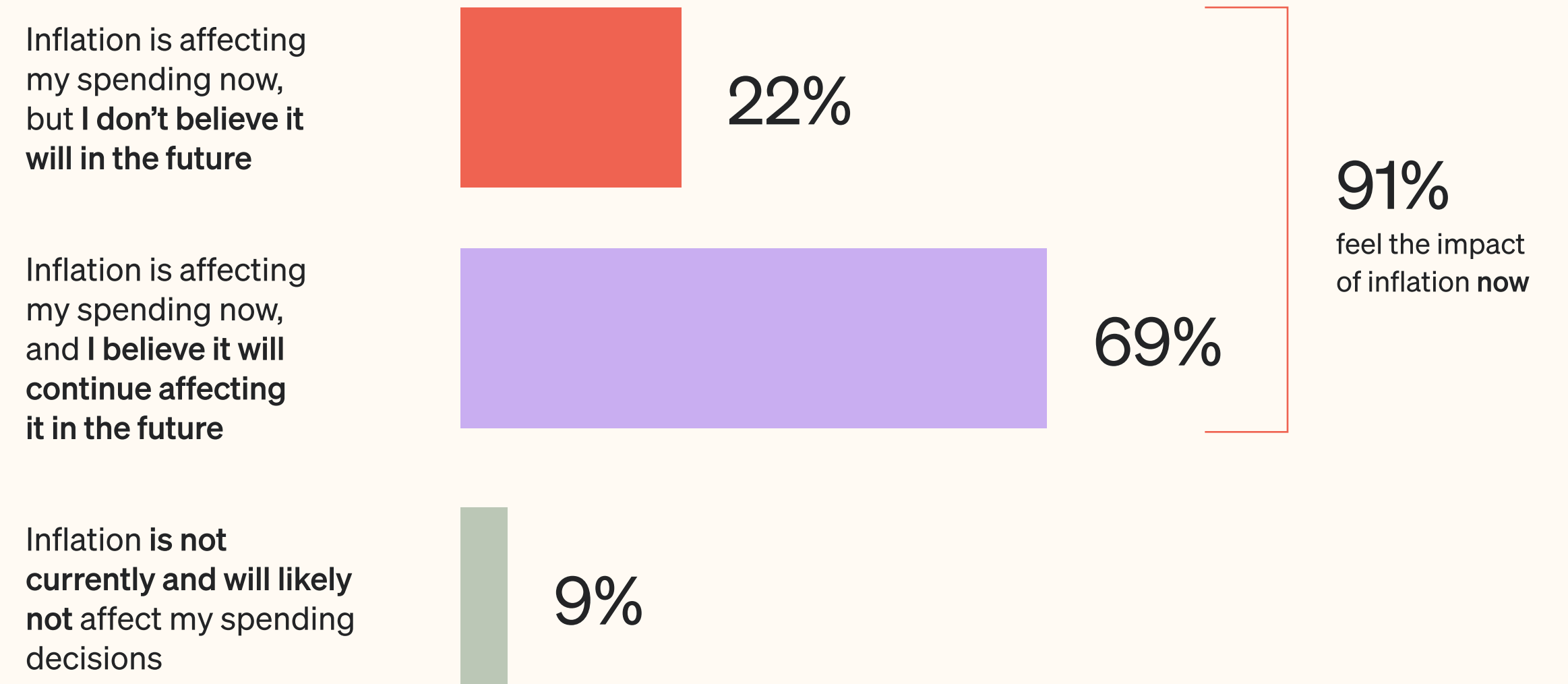
# ECONOMIC IMPACT ON SPENDING BEHAVIORS


Over 4 in 5 consumers have adjusted their spending habits due to external economic factors. Similarly, most are feeling the impact of inflation now, and over two-thirds believe inflation will continue to impact their future spending—but 22% believe it won't affect future spending.

ADJUSTED SPENDING BEHAVIOR DUE TO EXTERNAL ECONOMIC FACTORS




IMPACT OF INFLATION ON FUTURE SPENDING



 Gen Zs and millennials are currently feeling the impact of inflation, but they have a **more optimistic outlook** on their future spending compared to Gen Xers and boomers+.







**KNOWINGLY OR NOT, CONSUMERS SOLVE FOR THE EQUATION OF PERCEIVED VALUE DIVIDED BY COST. IF THE RESULT EQUALS 1 OR HIGHER, THEY'RE LIKELY TO PURCHASE. TO INCREASE THE PERCEIVED VALUE OF YOUR PRODUCT OR SERVICE, DEMONSTRATE THE VARIOUS USE CASES AND DURABILITY OF YOUR PRODUCT FOR YEARS TO COME.**

SPENCER FLAHERTY  
INTERNAL MARKETING MANAGER  
GROOVE COMMERCE



01

## CREATE PERCEIVED VALUE

“Using exclusivity is a great way to encourage the buy, especially with older generations. Many of us still think of ‘older’ people as the ‘silent generation,’ raised by practical, low-spending, Great Depression-era parents. But today, they’re baby boomers. It all comes back to: What’s your ‘why’? Show your value, build perceived value, and build exclusivity.”

—Matt Fier, VP of retention marketing, QDL Agency

02

## CRAFT OFFERS THAT ADDRESS CONSUMER CONCERNS

“If you’re selling motorcycle crash protection to Gen X and boomer customers, offer a low-cost replacement warranty for riders who take a spill. For Gen Z and millennial customers, showcase your gear’s features and styles.

These methods will increase the perceived value of your product to each demographic group when compared to a perceived high initial investment cost.”

—Spencer Flaherty, internal marketing manager, Groove Commerce

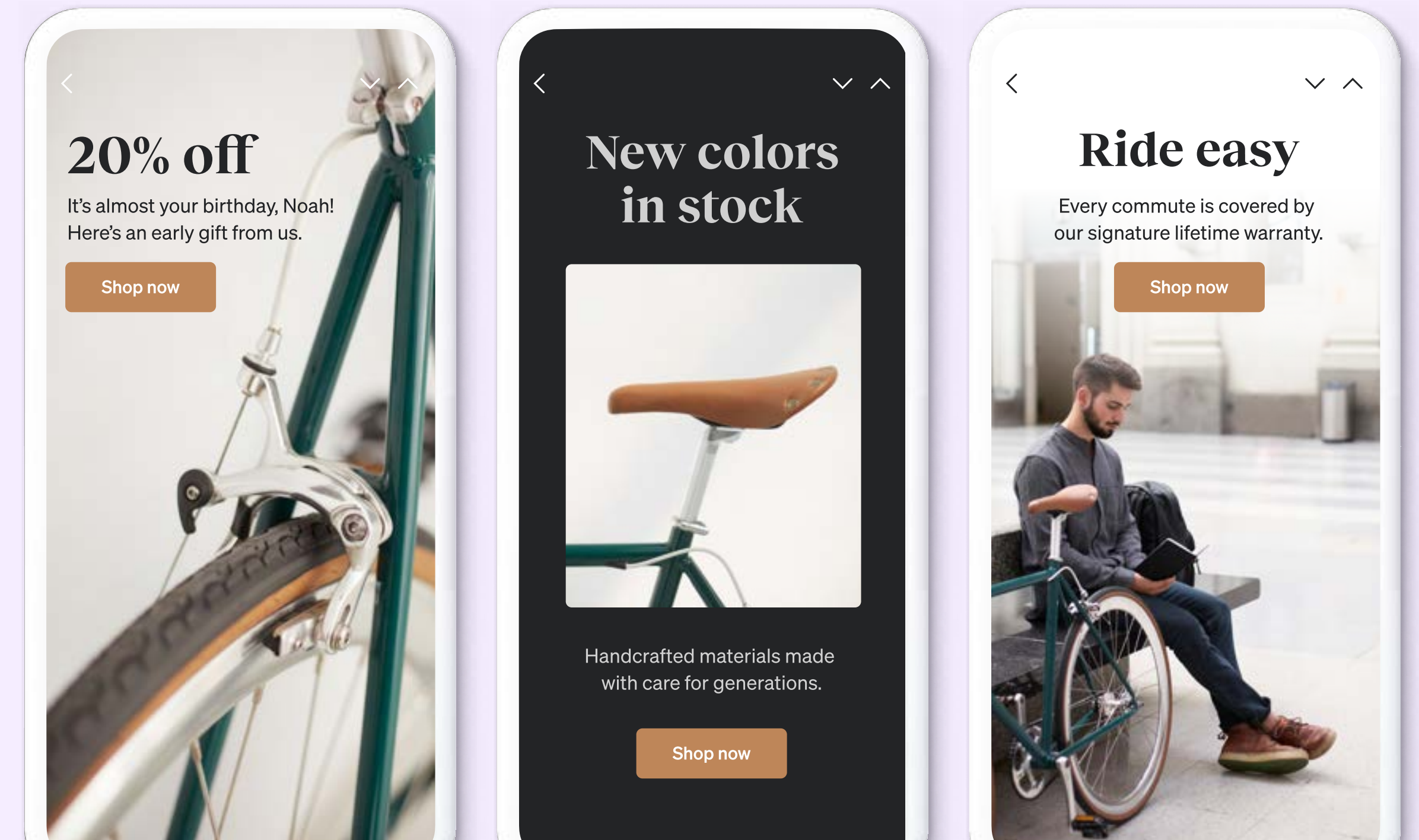


03

## BE CLEAR AND CONCISE

“Make sure your language makes sense, while still getting your message home. I’m challenging brands to keep it simple: Figure out what you believe your top 3-5 objections will be, and hone in your messaging to 3 of them. Then, craft messages based on data to get over broader, macro trend objections.”

—Matt Fier, VP of retention marketing, QDL Agency



**WHAT ARE  
PEOPLE  
SPENDING  
MONEY ON?**





# Consumers are currently allocating most of their budgets to conventional goods.

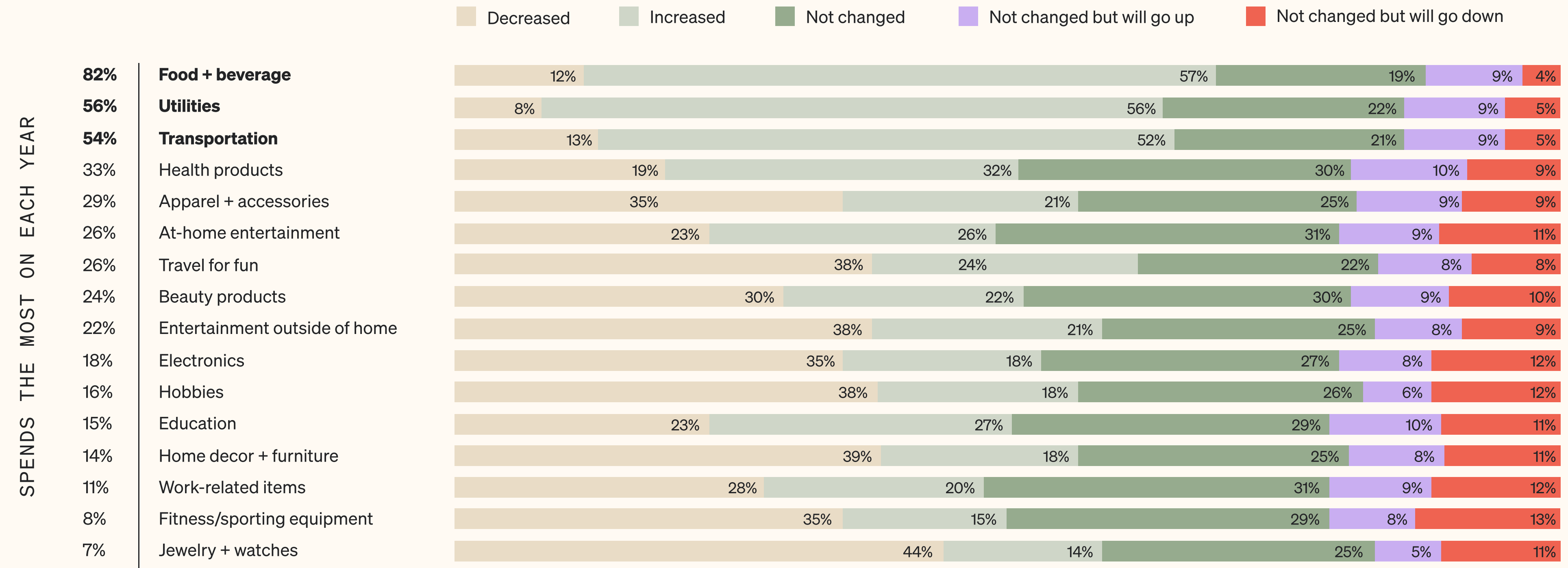
Most expect their spend in these areas to continue to grow, and are being more diligent about spending on discretionary goods. Many consumers are hesitant to make larger purchases.

Potentially due to their more positive economic outlook, younger consumers, particularly Gen Zs, are more likely to engage in the “lipstick effect” during times of economic uncertainty. They are more likely to increase their spend on goods and services this year compared to previous years, and more likely to feel comfortable spending on non-essentials.

# SPENDING CATEGORIES + CHANGES

Consumers have increased their spending on conventional items such as food, utilities, and transportation, and most expect to see additional increases over the next year. Many consumers, meanwhile, are being more diligent about discretionary spending.

## SPENDING THIS YEAR HAS...



# SPENDING CATEGORIES + CHANGES BY GENERATION

Compared to their older counterparts, Gen Zs and millennials are less likely to currently spend on or expect to increase spend on essentials. They're more likely, meanwhile, to expect to increase spend in categories like food and traveling for fun.

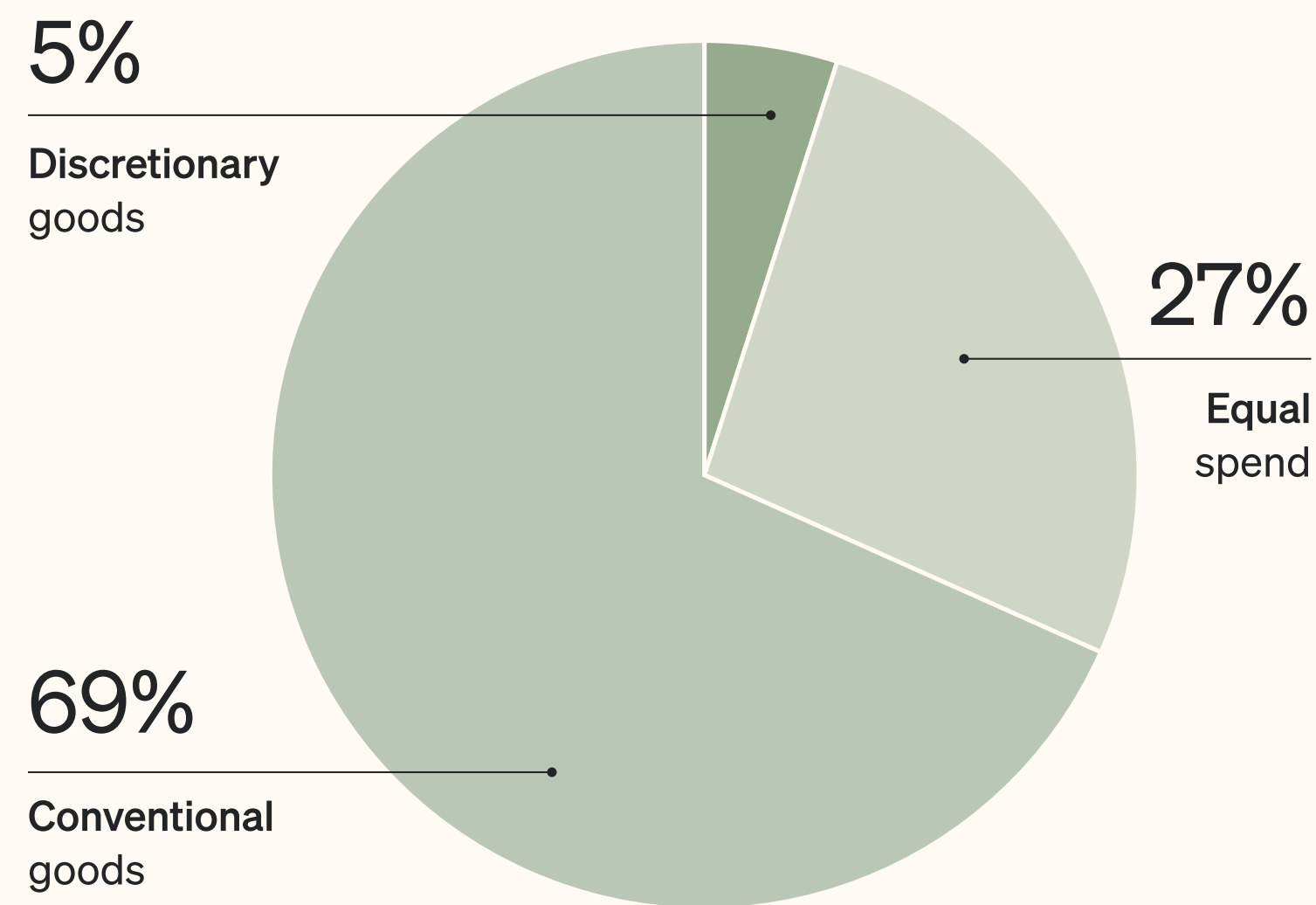
|  | Gen Z (A)  | Millennial (B)  | Gen X (C)  | Boomer+ (D)   |
|--|--|---|--|---|
| <b>Top spend categories</b>                                      | <ol style="list-style-type: none"> <li>1. Food + beverage (77%)</li> <li>2. Transportation (50%)</li> <li>3. Health products (43%, BCD)</li> </ol> | <ol style="list-style-type: none"> <li>1. Food + beverage (78%)</li> <li>2. Transportation (54%)</li> <li>3. Utilities (53%, A)</li> </ol>                | <ol style="list-style-type: none"> <li>1. Food + beverage (84%, AB)</li> <li>2. Utilities (59%, AB)</li> <li>3. Transportation (55%)</li> </ol>                                  | <ol style="list-style-type: none"> <li>1. Food + beverage (88%, ABC)</li> <li>2. Utilities (65%, ABC)</li> <li>3. Transportation (54%)</li> </ol>                       |
| <b>Top categories with <u>DECREASED</u> spend</b>                | <ol style="list-style-type: none"> <li>1. Hobbies (25%)</li> <li>2. Travel for fun (23%)</li> <li>3. Home decor (22%)</li> </ol>                   | <ol style="list-style-type: none"> <li>1. Hobbies (31%)</li> <li>2. Entertainment outside of home (31%, A)</li> <li>3. Travel for fun (30%, A)</li> </ol> | <ol style="list-style-type: none"> <li>1. Apparel + accessories (40%, ABD)</li> <li>2. Entertainment outside of home (39%, ABD)</li> <li>3. Travel for fun (37%, ABD)</li> </ol> | <ol style="list-style-type: none"> <li>1. Apparel + accessories (33%, AB)</li> <li>2. Entertainment outside of home (31%, A)</li> <li>3. Home decor (29%, A)</li> </ol> |
| <b>Top categories with <u>INCREASED</u> spend</b>                | <ol style="list-style-type: none"> <li>1. Food + beverage (48%)</li> <li>2. Transportation (44%)</li> <li>3. Utilities (38%)</li> </ol>            | <ol style="list-style-type: none"> <li>1. Food + beverage (57%, A)</li> <li>2. Utilities (52%, A)</li> <li>3. Transportation (51%, A)</li> </ol>          | <ol style="list-style-type: none"> <li>1. Utilities (58%, AB)</li> <li>2. Food + beverage (56%, A)</li> <li>3. Transportation (49%)</li> </ol>                                   | <ol style="list-style-type: none"> <li>1. Utilities (58%, AB)</li> <li>2. Food + beverage (58%, A)</li> <li>3. Transportation (49%)</li> </ol>                          |
| <b>Top categories likely to <u>increase in the next year</u></b> | <ol style="list-style-type: none"> <li>1. Food + beverage (15%, BCD)</li> <li>2. Utilities (13%)</li> <li>3. Travel for fun (13%, BCD)</li> </ol>  | <ol style="list-style-type: none"> <li>1. Utilities (11%)</li> <li>2. Apparel + accessories (10%, CD)</li> <li>3. Health products (9%)</li> </ol>         | <ol style="list-style-type: none"> <li>1. Health products (10%)</li> <li>2. Utilities (9%)</li> <li>3. Transportation (8%)</li> </ol>  | <ol style="list-style-type: none"> <li>1. Utilities (9%)</li> <li>2. Health products (8%)</li> <li>3. Transportation (8%)</li> </ol>                                    |

Note: A letter means there is a statistically significant difference between the two groups, at the 95% level.

# DISCRETIONARY VS. CONVENTIONAL GOODS

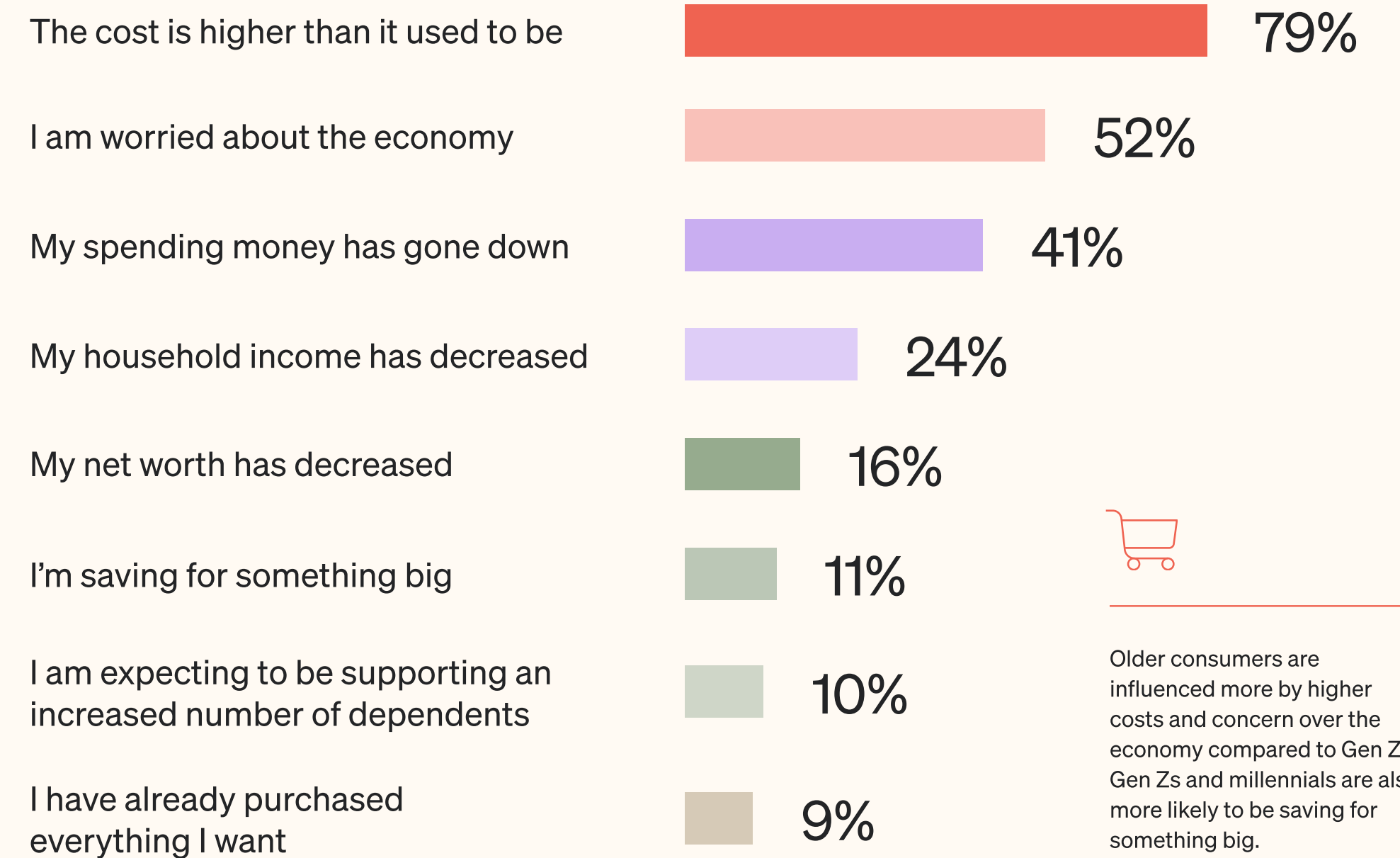
Consumers expect to invest the majority of their future income in conventional goods such as groceries, utilities, and transportation. For many, this marks a shift in their normal spending habits, primarily caused by higher costs and caution over the economy.

## MAJORITY OF FUTURE SPEND WILL BE ON...



**40%**  
say spending more on conventional goods marks a shift from their normal spending habits.

## REASONS FOR SHIFT TO CONVENTIONAL GOODS



Older consumers are influenced more by higher costs and concern over the economy compared to Gen Zs. Gen Zs and millennials are also more likely to be saving for something big.



**GIVEN THAT YOUNGER AUDIENCES ARE MORE POSITIVE ABOUT THE CURRENT ECONOMIC CLIMATE, MORE LIKELY TO SHOP ONLINE, AND MORE LIKELY TO SPEND ON NON-ESSENTIALS, IT IS VITAL TO BE ABLE TO IDENTIFY AND SEGMENT THESE AUDIENCES USING A PLATFORM LIKE KLAVIYO.**

Lean in especially to SMS, which yields high open, click, and conversion rates. Leveraging Klaviyo CDP functionality allows marketers to better segment and activate campaigns in paid and owned channels. When done correctly, ROAS and profitability will improve—a requirement when consumer fears about the economy drag down purchase activity.

SEAN MACBETH  
INTERIM LEADER, GROWTH MARKETING  
CHAMELEON COLLECTIVE





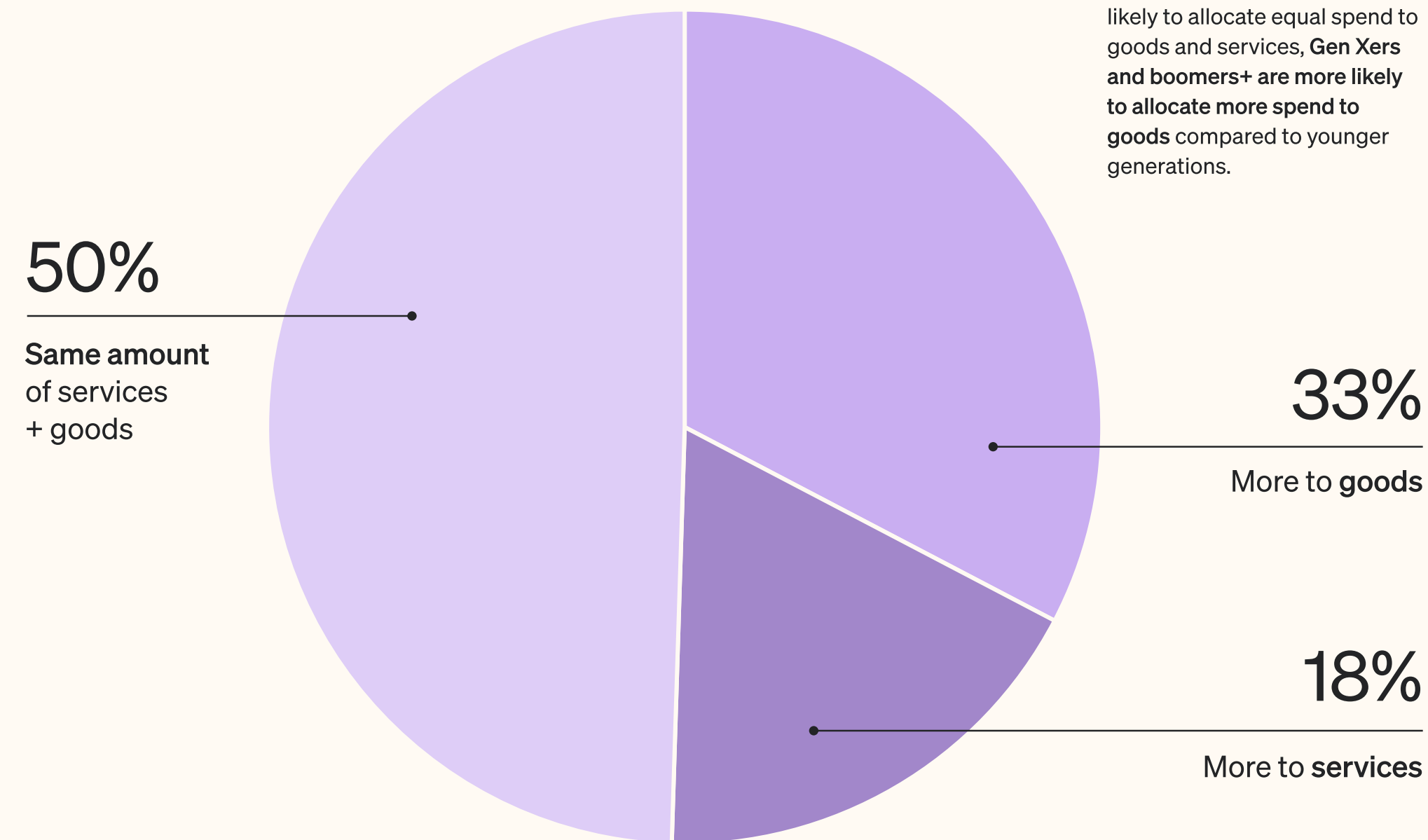
# SERVICES VS. GOODS

Half of consumers are currently allocating an equal amount of money to goods and services, followed by a third who are allocating more to goods. Most consumers anticipate this budget allocation to remain consistent over the next 6 months.

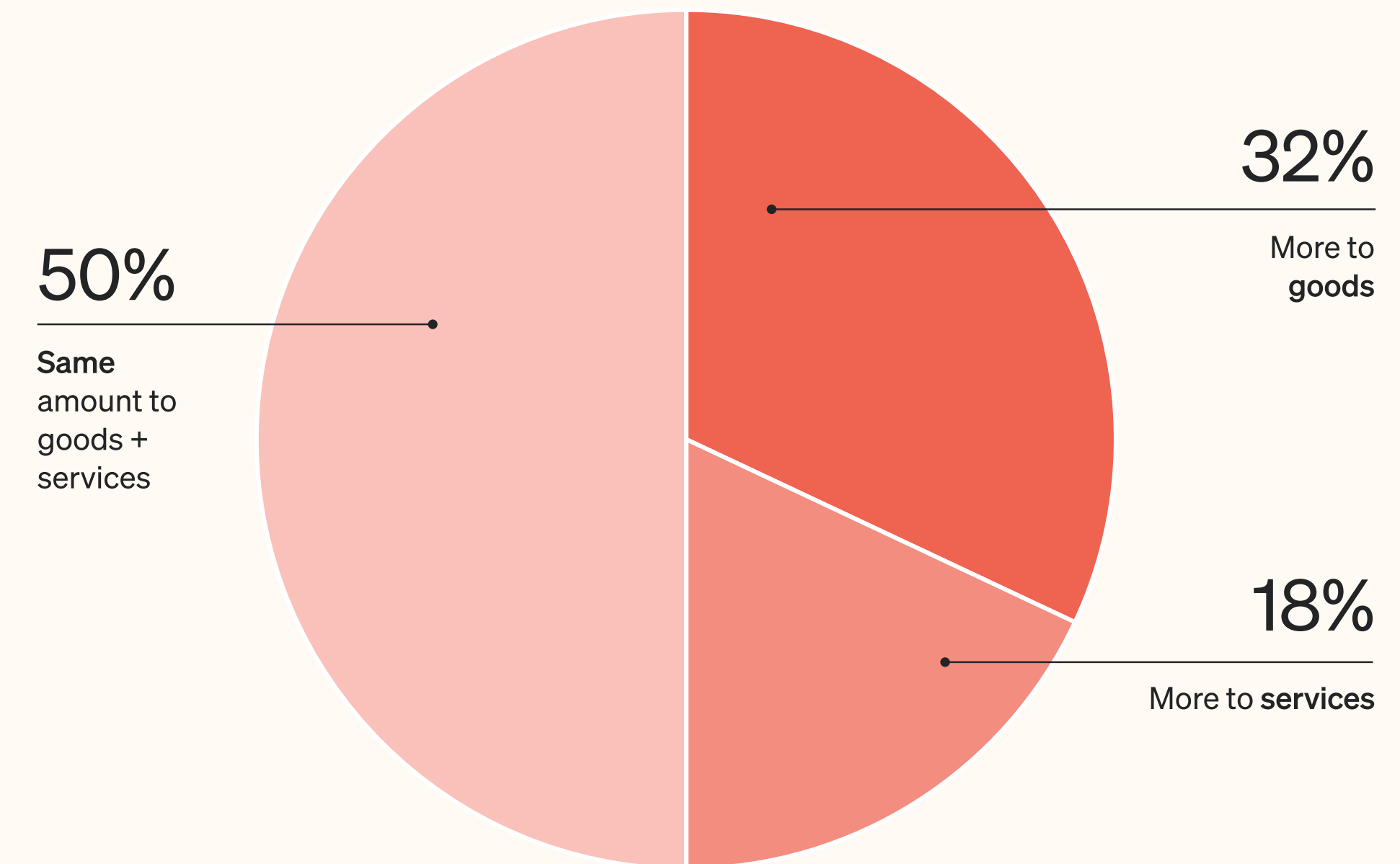
CURRENT ALLOCATION OF BUDGET



While all generations are most likely to allocate equal spend to goods and services, Gen Xers and boomers+ are more likely to allocate more spend to goods compared to younger generations.



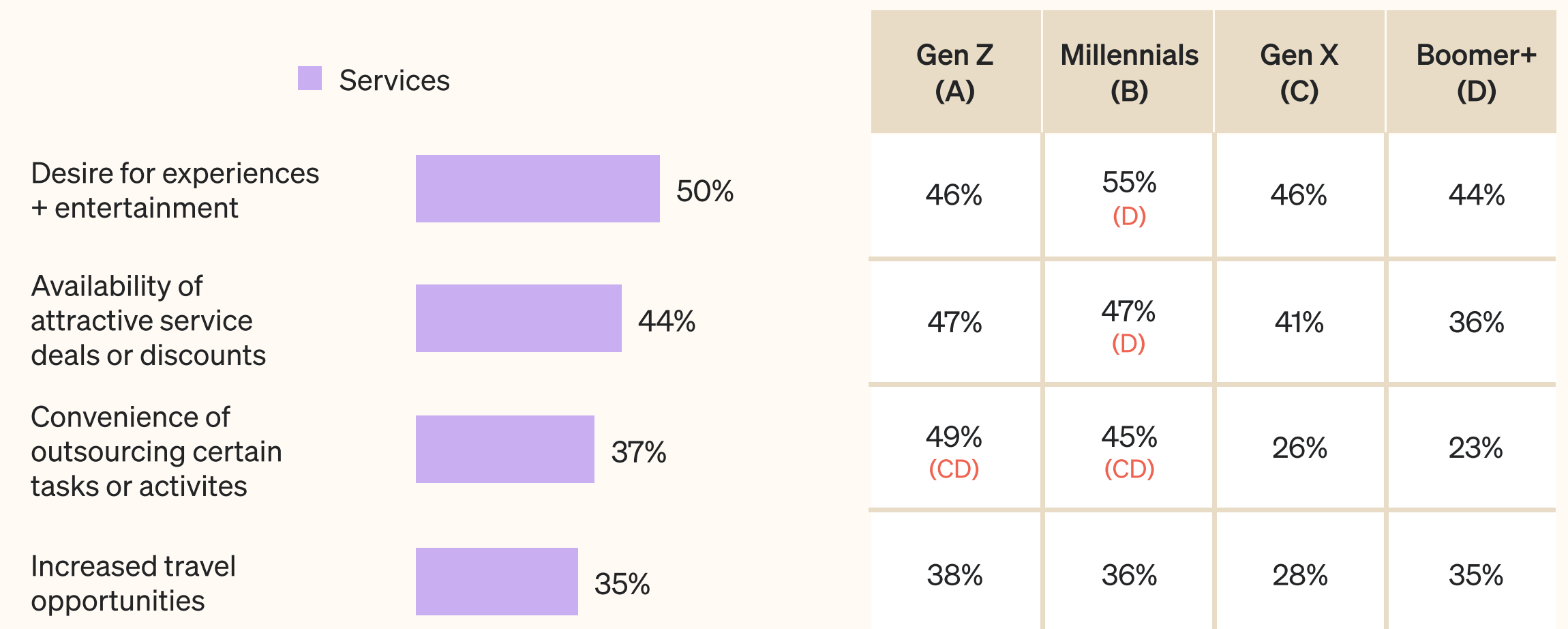
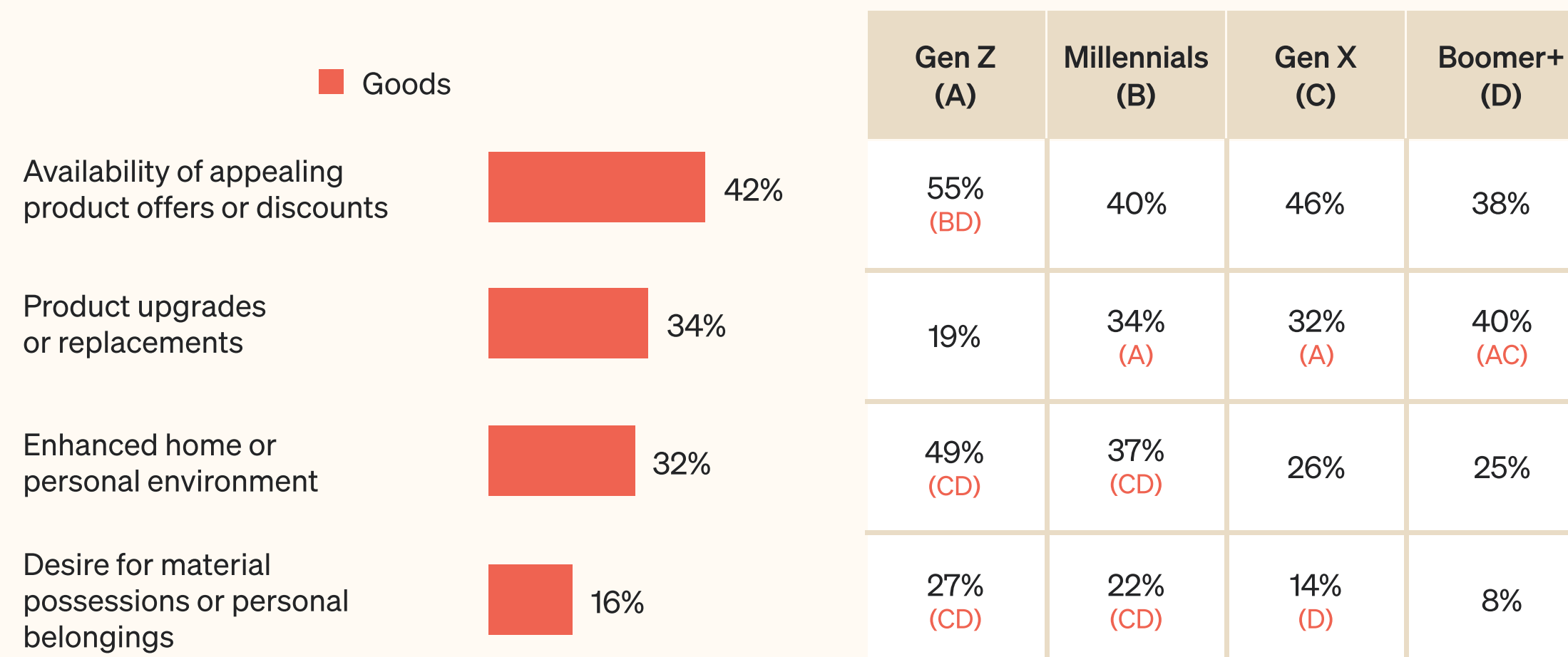
FUTURE ALLOCATION OF BUDGET (EXPECTATIONS FOR NEXT 6 MONTHS)



# REASONS FOR SERVICES VS. GOODS ALLOCATION

Deals and discounts are top drivers for both goods and services spend, while a desire for experiences is the primary influence on the services side. Of those who spend more money on goods, older generations are more interested in upgrades or replacements, while younger consumers are more interested in new products that enhance their environment, or simply collecting more belongings.

## REASONS FOR ALLOCATING MORE TO...

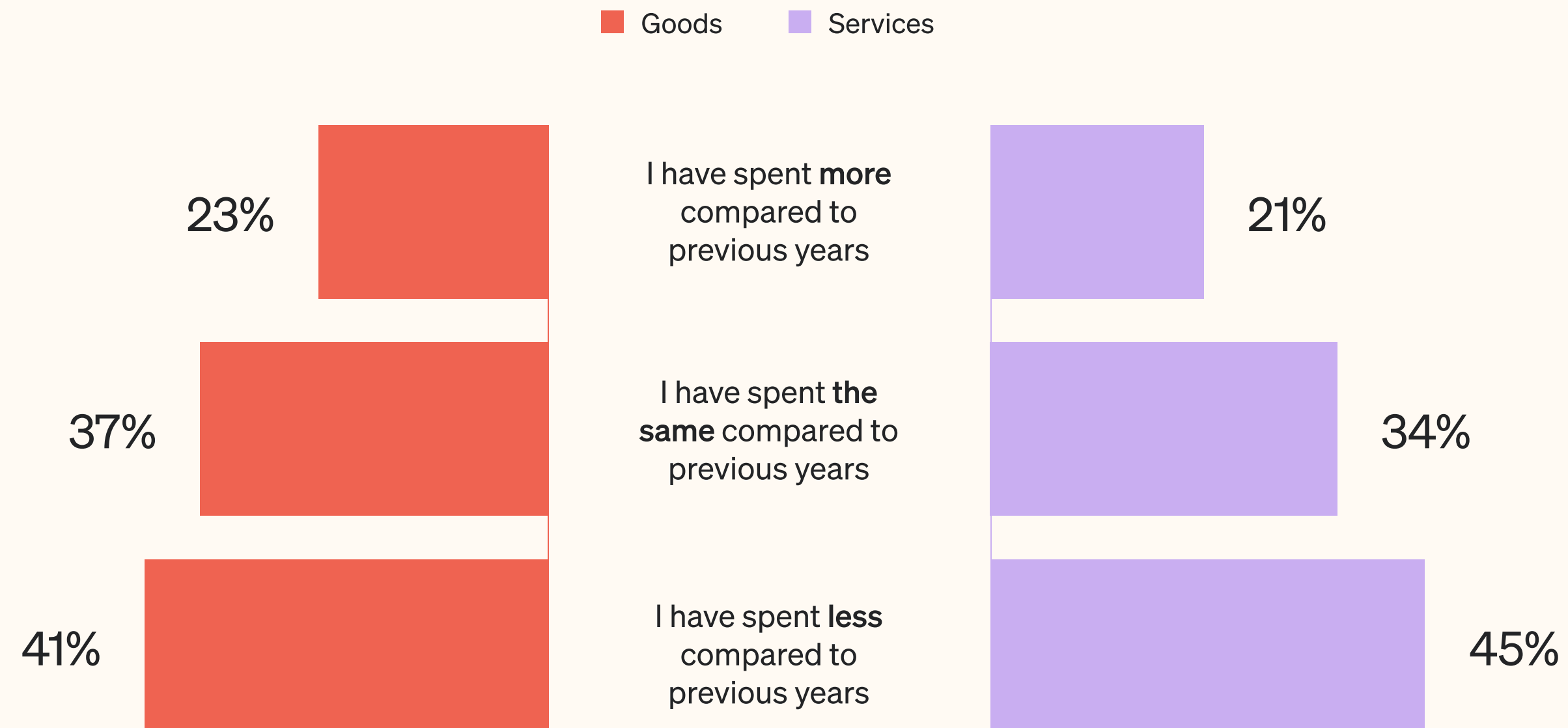


# SHIFTS IN SERVICES VS. GOODS SPENDING

Gen Zs and millennials have increased spending on both goods and services this year compared to previous years, while older generations are more likely to have decreased their spending in these categories.

## SHIFTS IN SPENDING THIS YEAR ON...

| Gen Z (A)    | Millennials (B) | Gen X (C)   | Boomer+ (D) |
|--------------|-----------------|-------------|-------------|
| 33%<br>(CD)  | 29%<br>(CD)     | 16%         | 14%         |
| 49%<br>(BCD) | 38%<br>(CD)     | 33%         | 32%         |
| 18%          | 33%<br>(A)      | 51%<br>(AB) | 53%<br>(AB) |

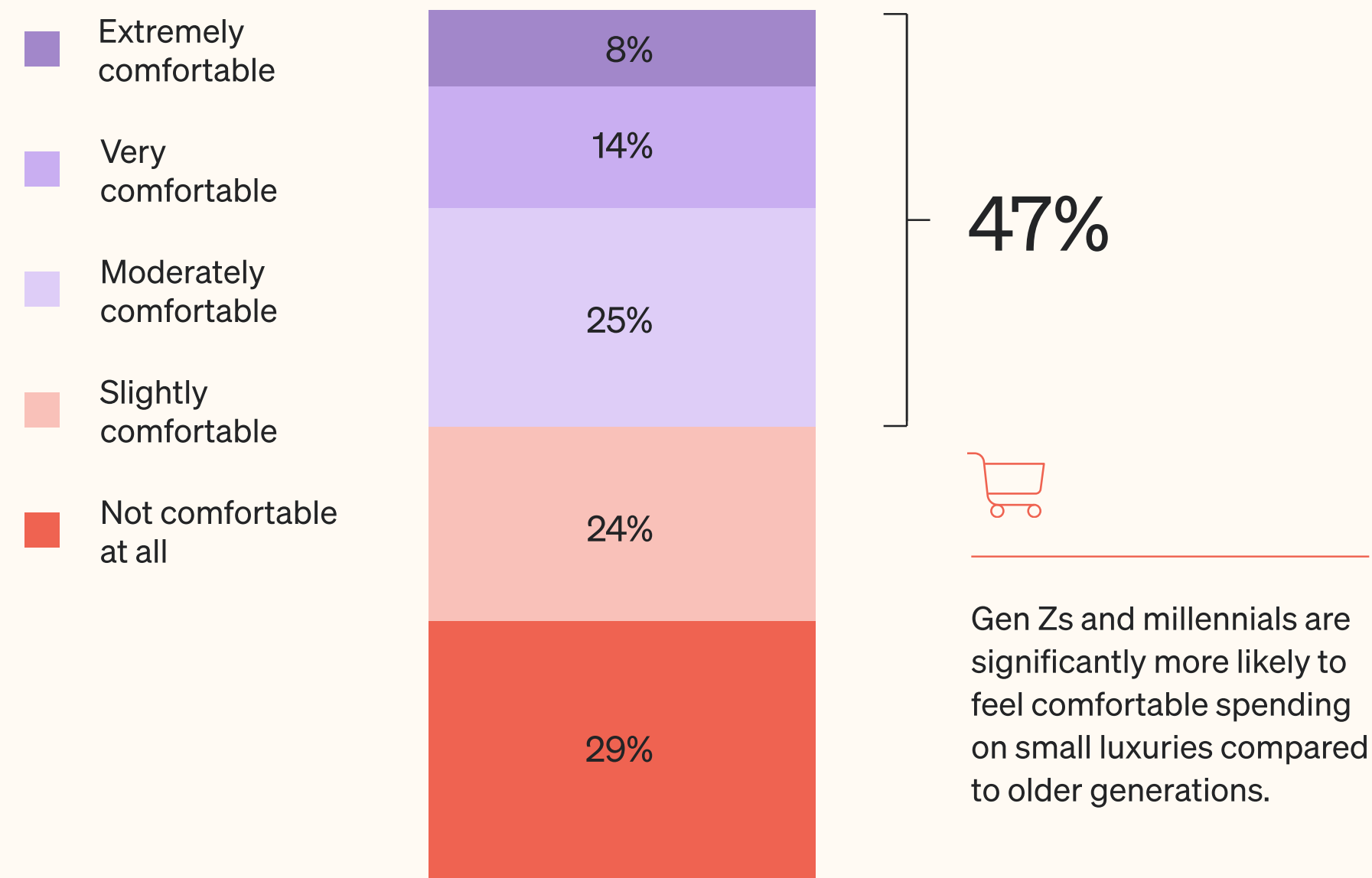


| Gen Z (A)    | Millennials (B) | Gen X (C)   | Boomer+ (D) |
|--------------|-----------------|-------------|-------------|
| 34%<br>(BCD) | 25%<br>(CD)     | 16%         | 14%         |
| 42%<br>(CD)  | 37%<br>(CD)     | 28%         | 30%         |
| 24%          | 38%<br>(A)      | 56%<br>(AB) | 56%<br>(AB) |

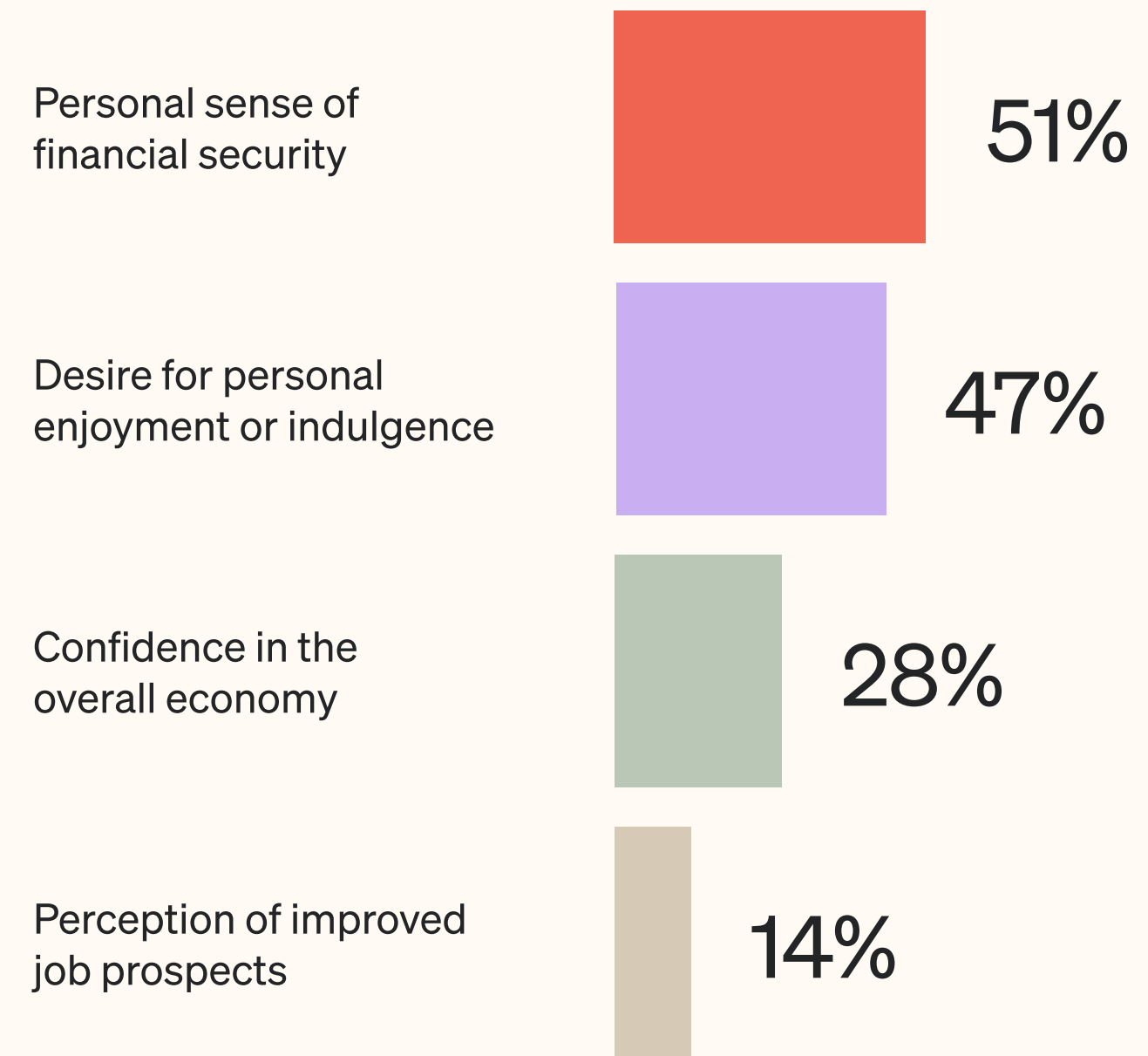
# LUXURY SPENDING

Nearly half of consumers feel at least moderately comfortable spending on small luxuries or non-essentials. Top influencers for luxury spending include a personal sense of financial security and a desire for personal enjoyment.

## COMFORT SPENDING ON SMALL LUXURIES / NON-ESSENTIALS



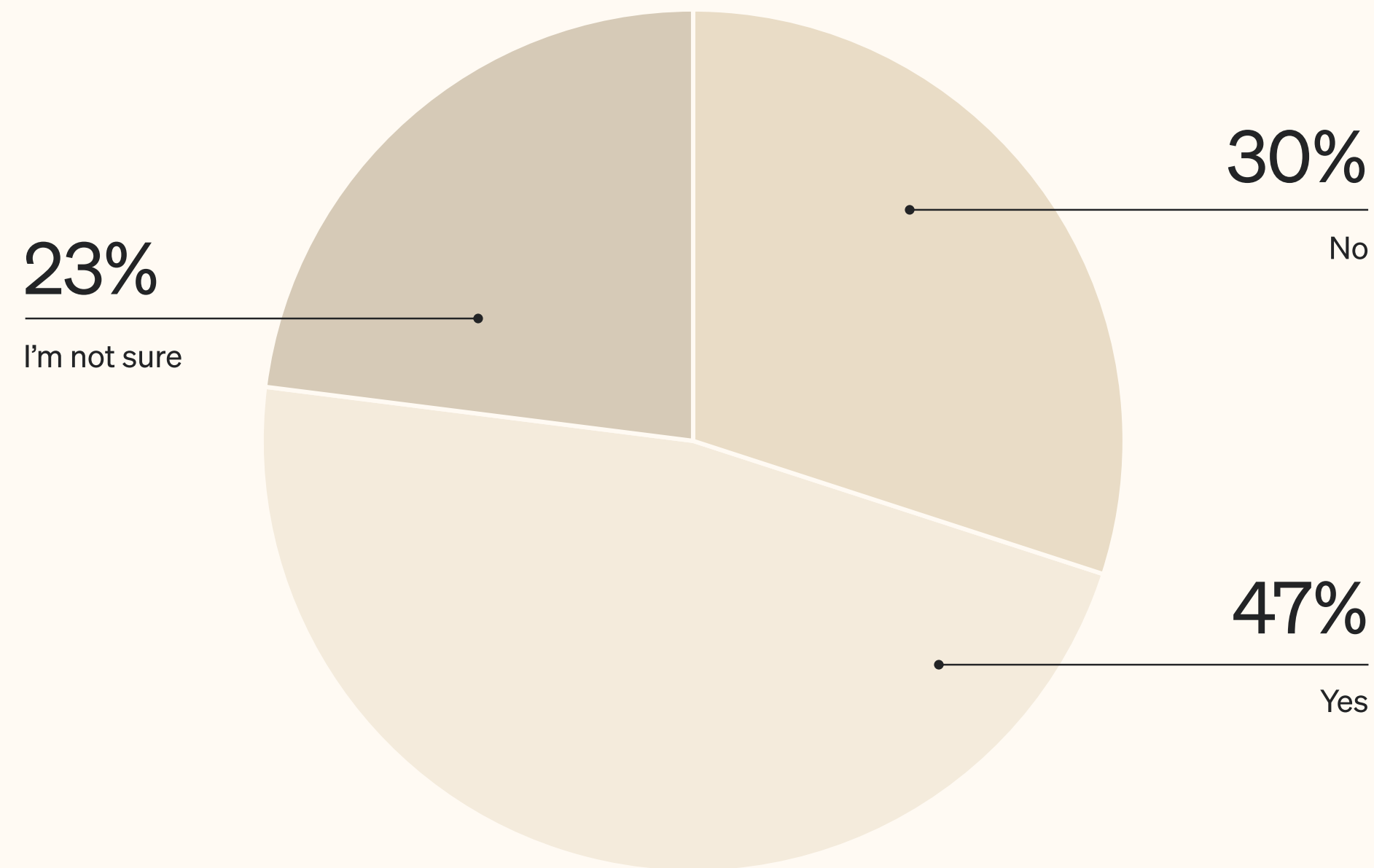
## LUXURY SPENDING INFLUENCERS



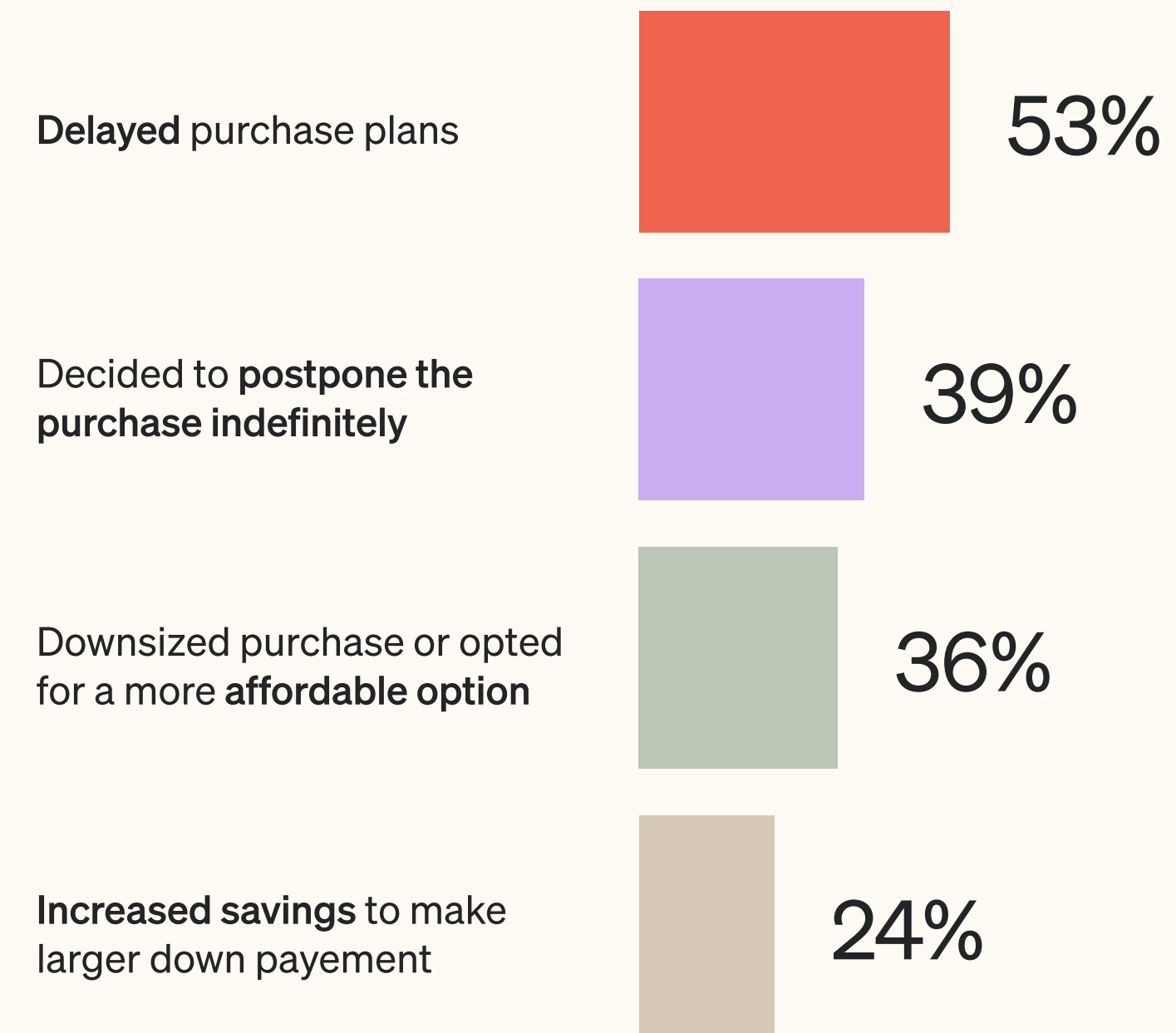
# IMPACT OF LENDING STANDARDS

Nearly half of consumers feel hesitant to make larger purchases due to current lending standards and credit availability. As a result, consumers are most likely to either delay their purchase plans or postpone the purchase indefinitely.

DO CURRENT LENDING STANDARDS CREATE HESITATION FOR LARGER PURCHASES?



CONSEQUENCES FOR LARGER PURCHASES

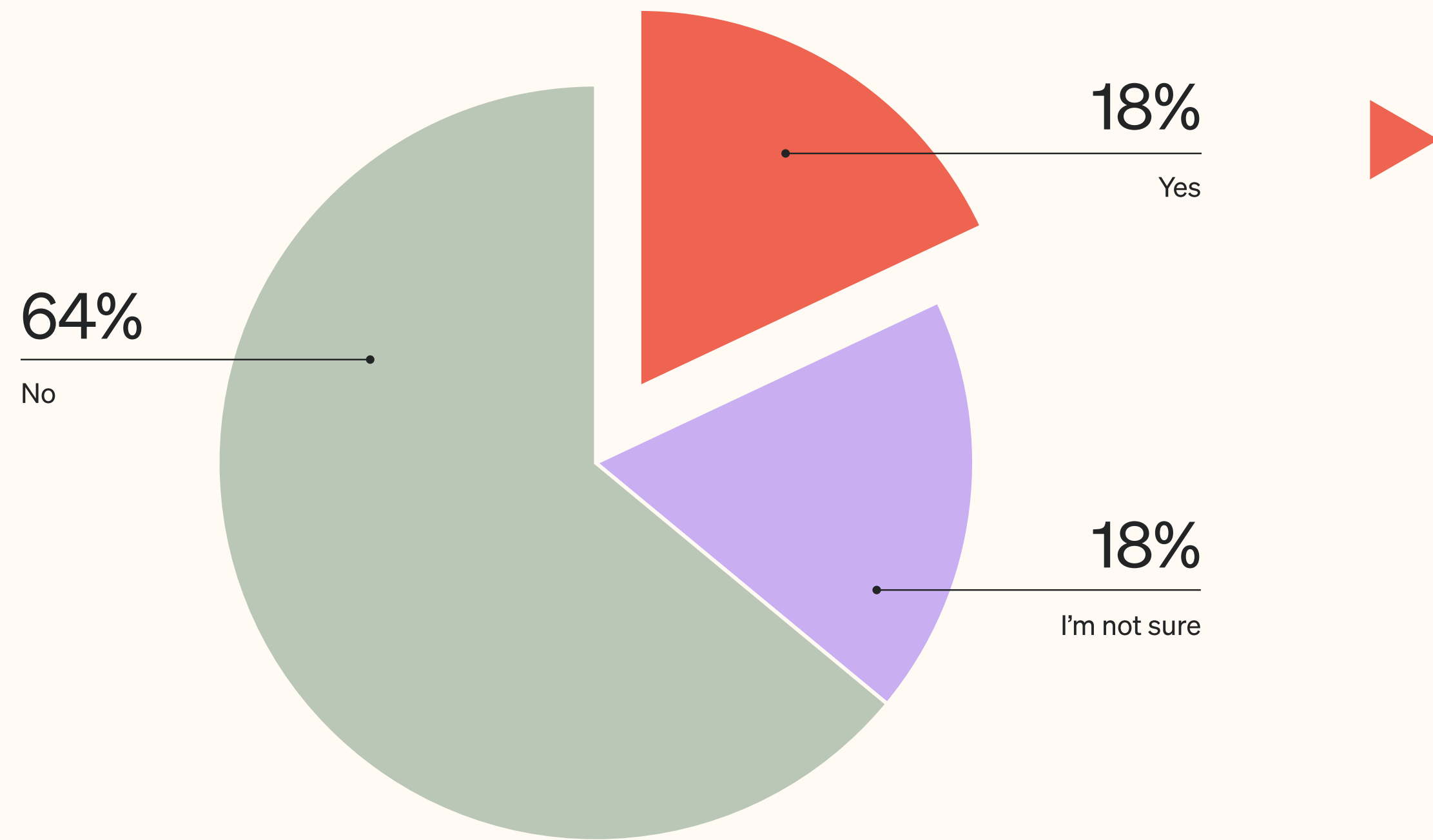


Gen Zs are significantly less likely to delay their purchase plans and are more likely, along with millennials, to increase savings or downsize purchases compared to older generations.

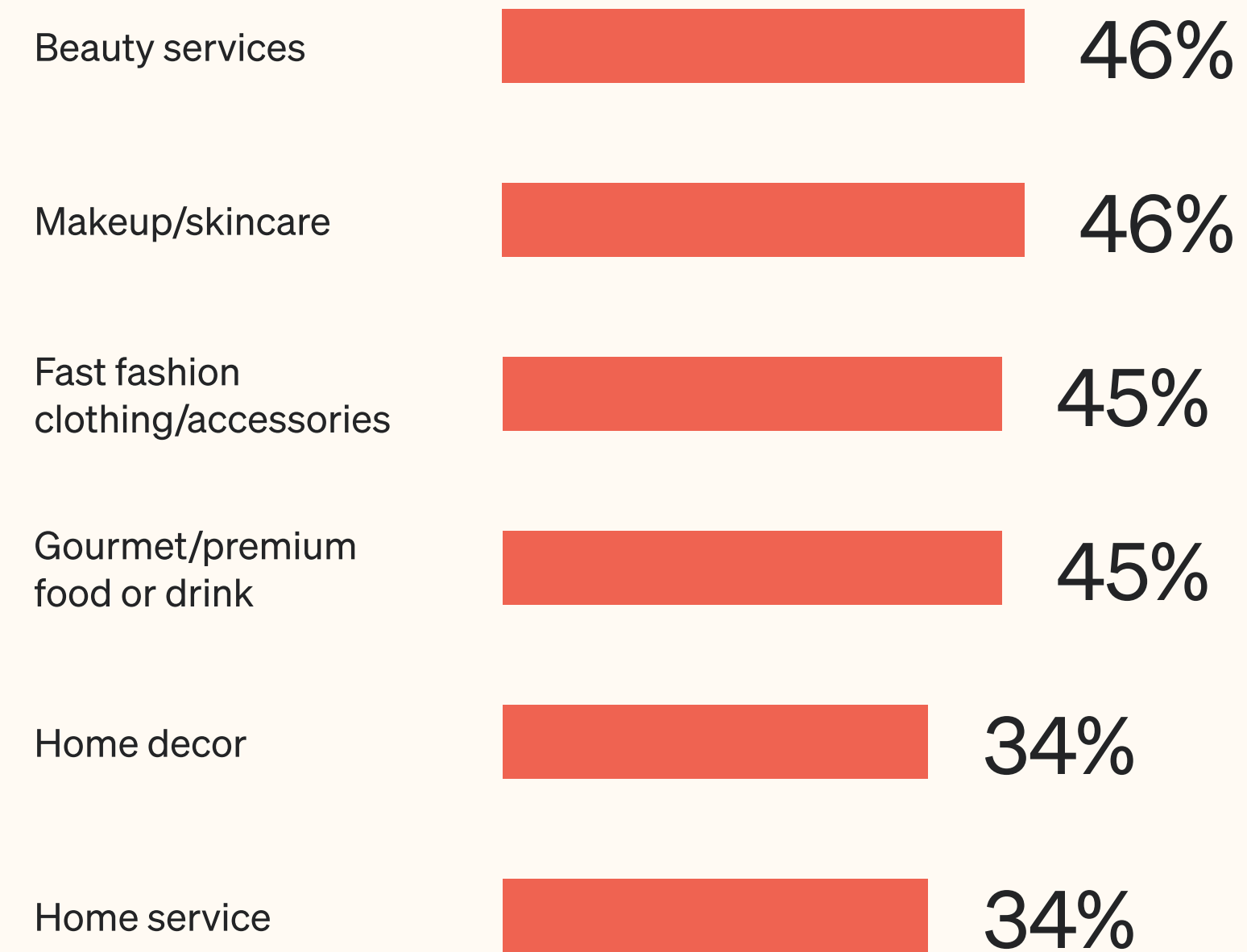
# THE “LIPSTICK EFFECT”

While less than 1 in 5 consumers have engaged in the “lipstick effect” during times of economic uncertainty, those who do are most likely to treat themselves to beauty services, makeup and skincare, fast fashion, or gourmet/premium food and drink.

HAS ENGAGED IN THE “LIPSTICK EFFECT”



ITEMS PURCHASED DUE TO “LIPSTICK EFFECT”



Gen Zs and millennials are significantly more likely to engage in the “lipstick effect” during times of uncertainty compared to older generations.

When engaging in the “lipstick effect,” boomers+ are those most likely to purchase more gourmet/premium food or drink (58%), while Gen Zs are most likely to purchase fast fashion (58%).

## HOW TO APPLY THESE LEARNINGS TO YOUR BFCM MARKETING

Flaherty suggests brands implement the marketing methodology of Alex Hormozi:

“Make an offer so good, people feel stupid saying no.”

01

### IF YOU SELL ITEMS IN A CATEGORY WHERE SPEND IS DECREASING...

“Focus on your hero products and push those heavily. Take your products’ value propositions and push messaging that gets shoppers to choose you over a competitor or better offer—because there will almost always be a better offer.”

—Matt Fier, VP of retention marketing, QDL Agency

02

### IF YOU SELL ITEMS IN A CATEGORY WHERE SPEND IS INCREASING...

“Be as aggressive as possible. Be willing to take smaller overall net profits [during BFCM] by believing you’ll retain them for returning purchases later on. We talk a lot about CACs with paid media, but I like to view BFCM as an opportunity to have higher CACs for retention conversions because I believe we will reconvert them after that holiday purchase.”

—Matt Fier, VP of retention marketing, QDL Agency

03

### IF YOU SELL CONVENTIONAL GOODS...

“Since conventional goods spending is rising—due to inflation, not increased demand—demonstrate the increased value your product offers over others at the same price point.”

—Spencer Flaherty, internal marketing manager, Groove Commerce

04

### IF YOU SELL LUXURY OR DISCRETIONARY GOODS...

“High-end and luxury brands struggle to keep CACs low. Therefore, it is important to maintain a higher-than-average level of customer retention.


Simply put, a generic automated email requesting feedback and reviews isn’t always enough. Consider personally reaching out to these customers 1 week, 1 month, 3 months, and 1 year after their purchases. These calls should center around their satisfaction with the product they purchased, as well as information about similar or complementary products that have just been released. Consider special ‘try-it-on’ offers for customers who have exhibited purchase intent.”

—Spencer Flaherty, internal marketing manager, Groove Commerce

**WHERE ARE  
PEOPLE  
CURRENTLY  
SHOPPING?**







Although consumers are 2.25x more likely to prefer shopping online, they are currently shopping about equally online and in-store.

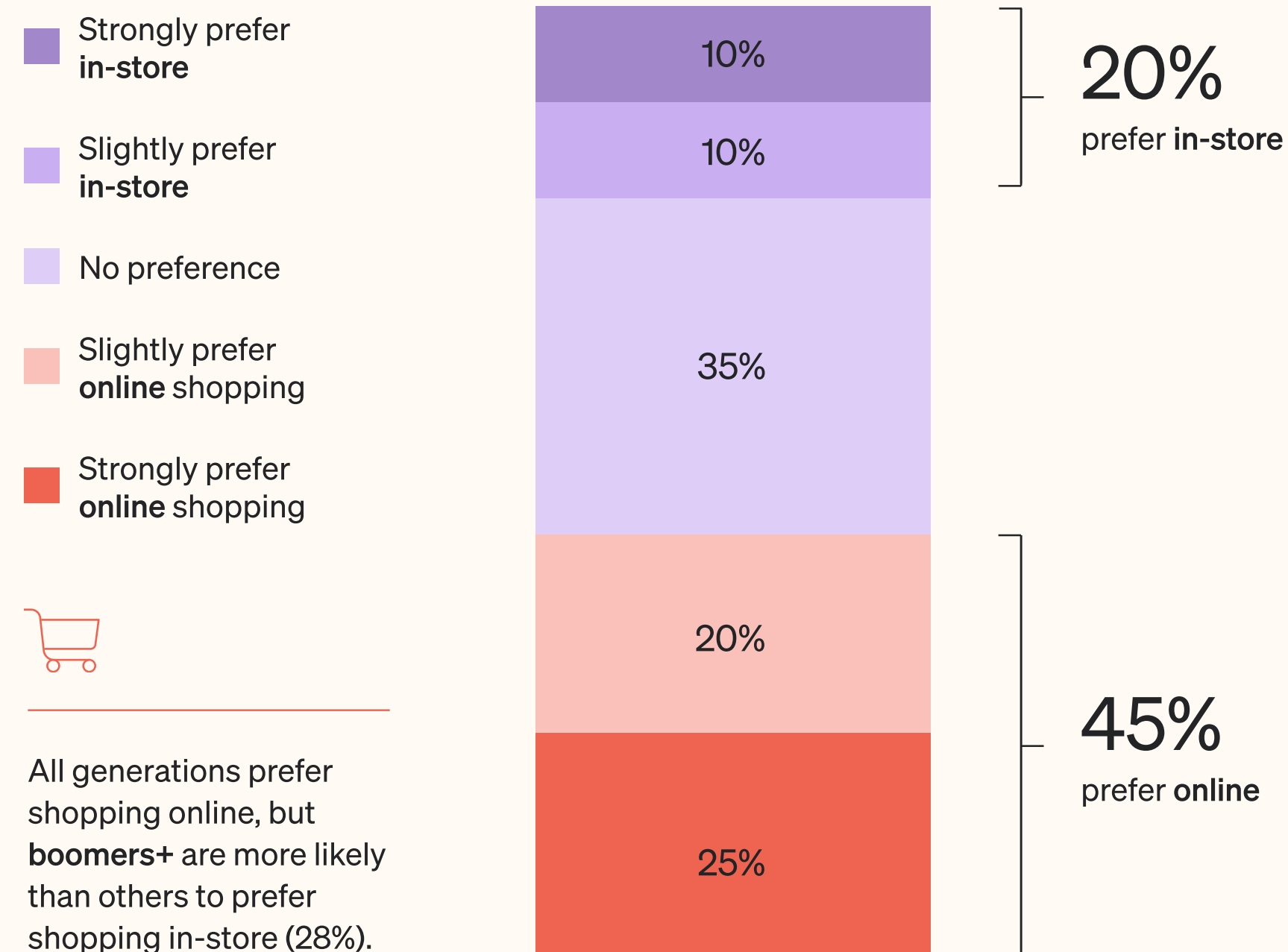
Those who shop in-store do so to touch the product and for immediate product availability, while those who shop online do so mostly out of convenience. Nearly half of consumers prefer email over all other methods of brand marketing.

Older consumers are more likely to prefer shopping in-store and are currently doing so more frequently. Their shopping behaviors are more influenced by promotions and competitive prices, potentially due to their less positive economic outlook compared to Gen Zs and millennials.

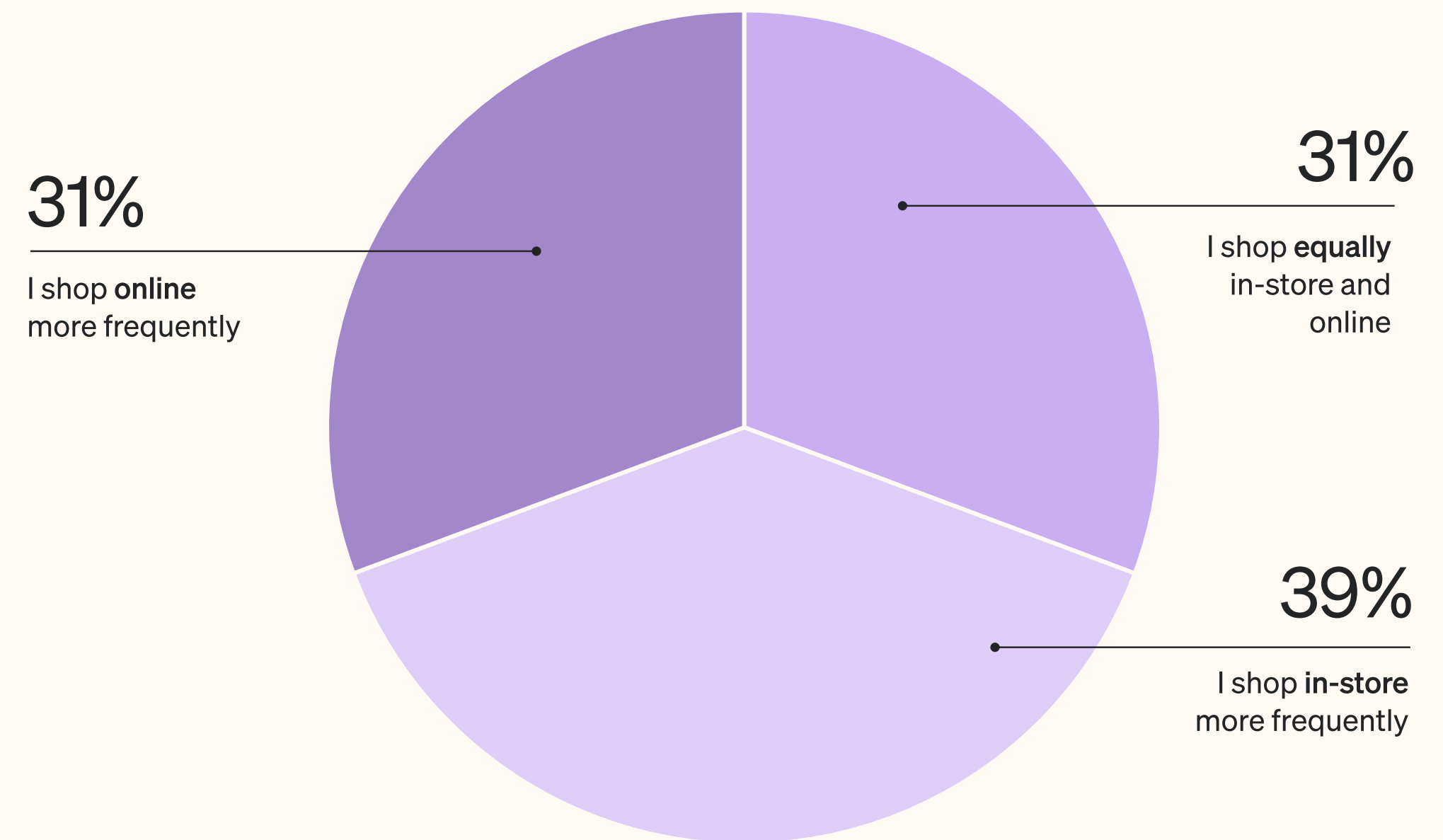
# IN-STORE VS. ONLINE SHOPPING PREFERENCES

Although consumers are over twice as likely to prefer online to in-store shopping, current trends do not actually reflect this preference. In fact, consumers report shopping in-store slightly more than online.

ONLINE VS. IN-STORE PREFERENCE



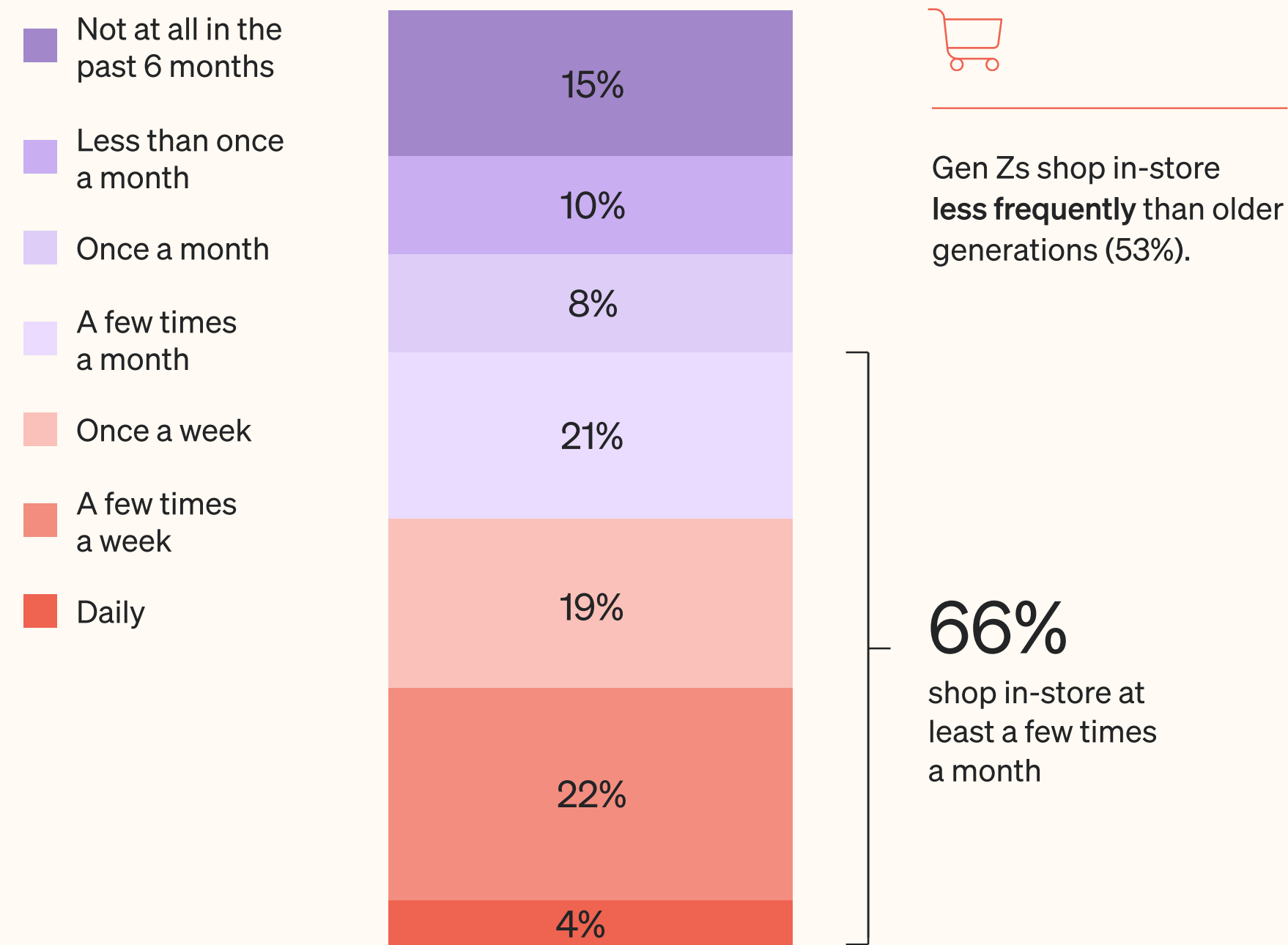
CURRENT SHOPPING LOCATION TRENDS



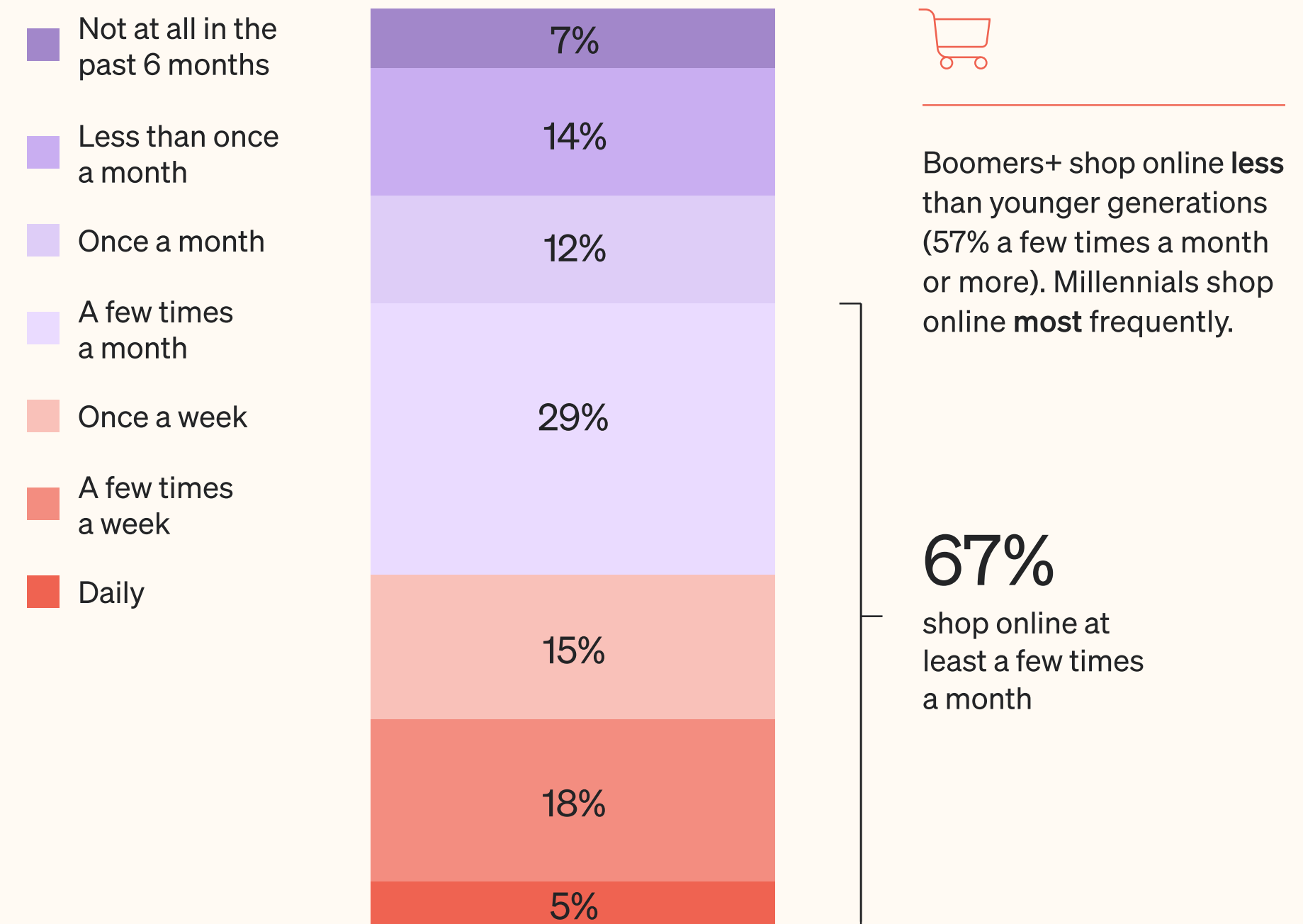
# IN-STORE VS. ONLINE SHOPPING FREQUENCY

Consumers currently shop about equally in-store as they do online, although there are unique generational differences.

## CURRENT IN-STORE SHOPPING FREQUENCY



## CURRENT ONLINE SHOPPING FREQUENCY





**MERGING THE PHYSICAL AND DIGITAL SHOPPING EXPERIENCES IS ONE WAY TO BOOST CUSTOMER SATISFACTION AND REACH CUSTOMERS WHERE THEY WANT TO SHOP. ONE WAY BRANDS CAN DO THIS IS BY OFFERING BUY ONLINE, PICK UP IN-STORE (BOPIS)—PEOPLE CAN SHOP ONLINE, CHECK OUT, AND THEN PICK UP THEIR ORDER IN-STORE.**

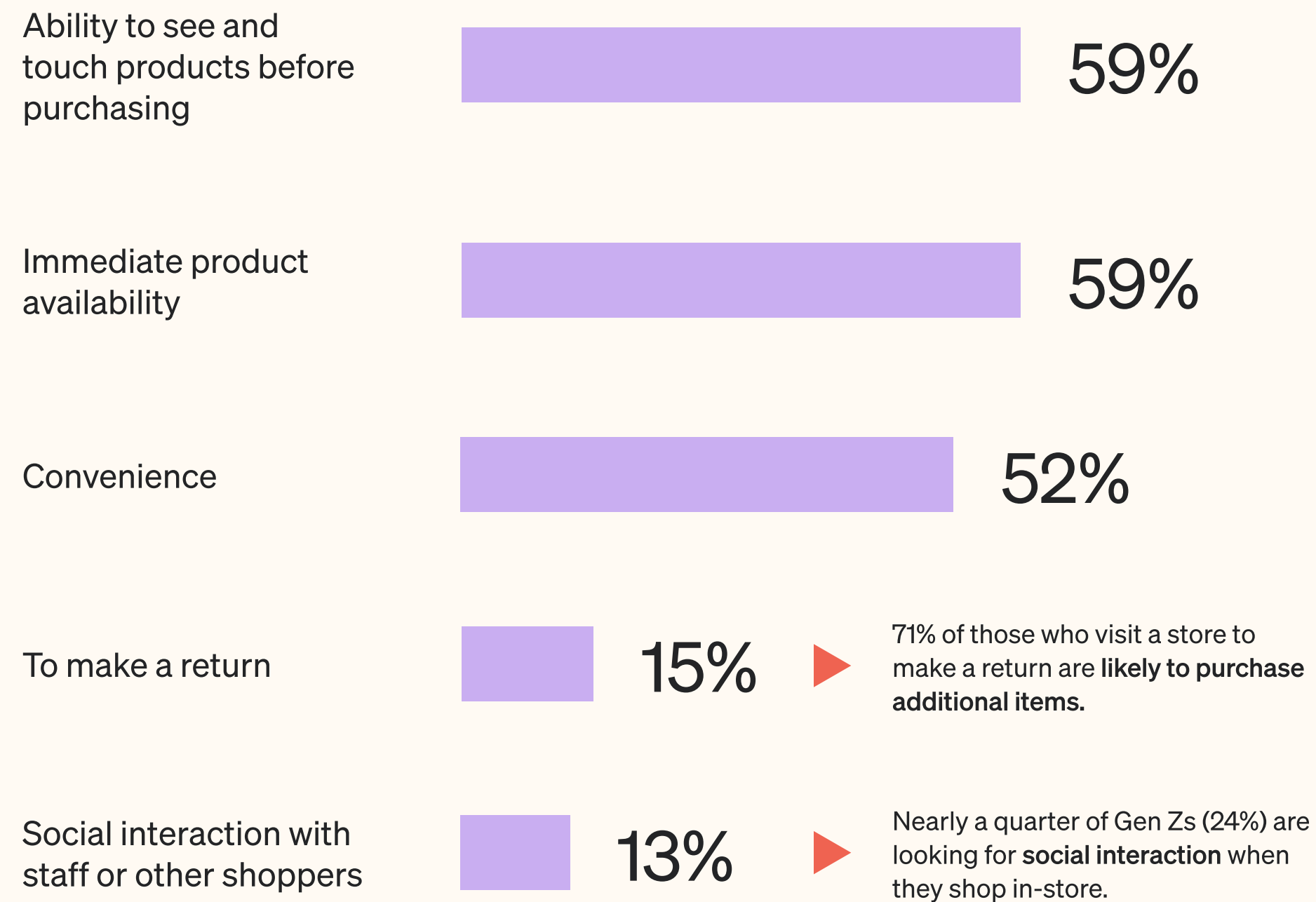
RITU KHANNA  
VP PARTNERSHIPS  
SHOPIFY



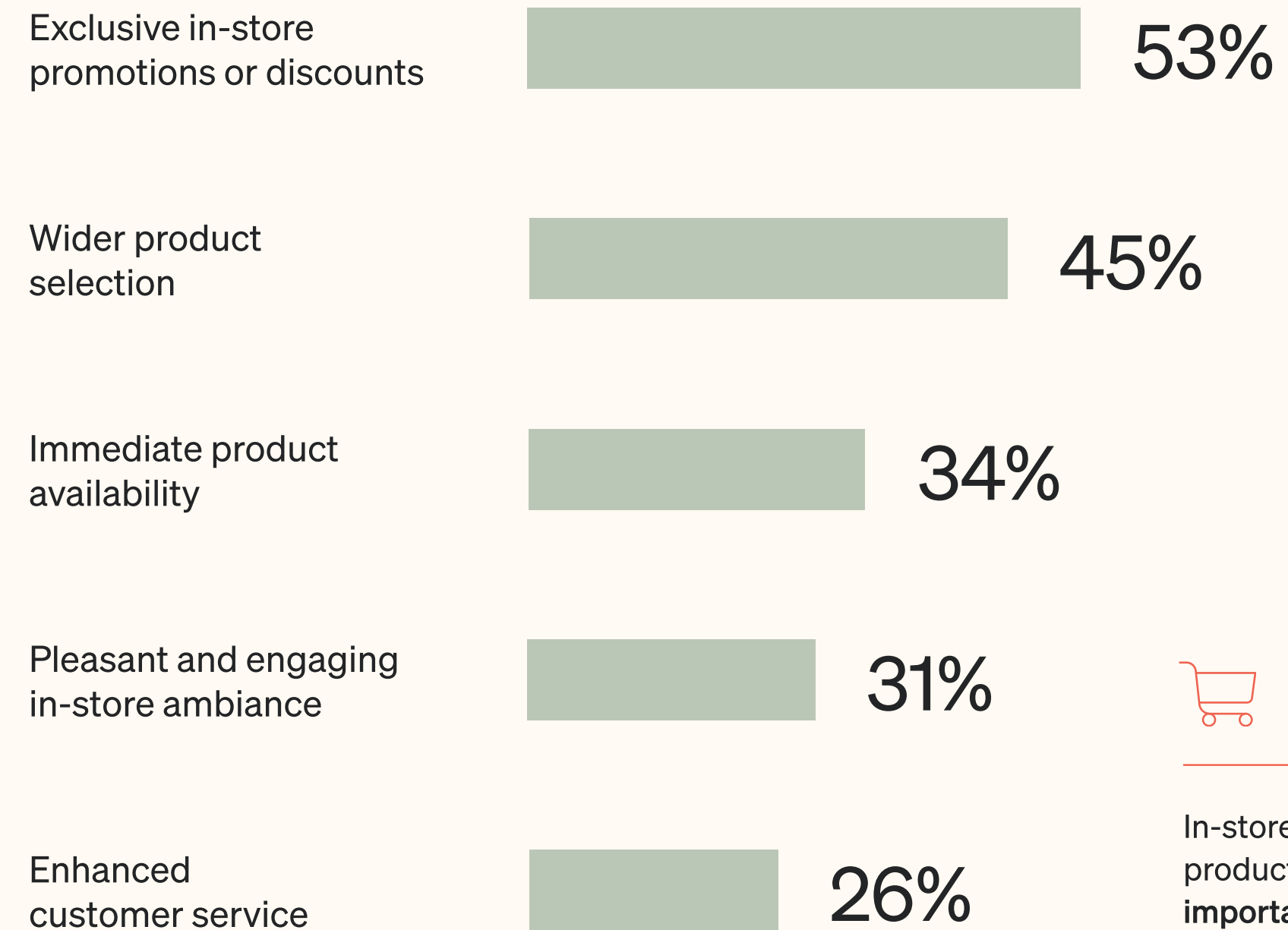
# IN-STORE SHOPPING DRIVERS

The ability to see and touch products, as well as immediate product availability, are the top reasons consumers shop in-store. Exclusive promotions and wider product selection would drive more individuals, especially older generations, to shop in-store.

## PRIMARY REASONS FOR SHOPPING IN-STORE



## FUTURE IN-STORE SHOPPING DRIVERS




In-store promotions and immediate product selection become **even more important** as consumers get older.

# ONLINE SHOPPING DRIVERS + MARKETING

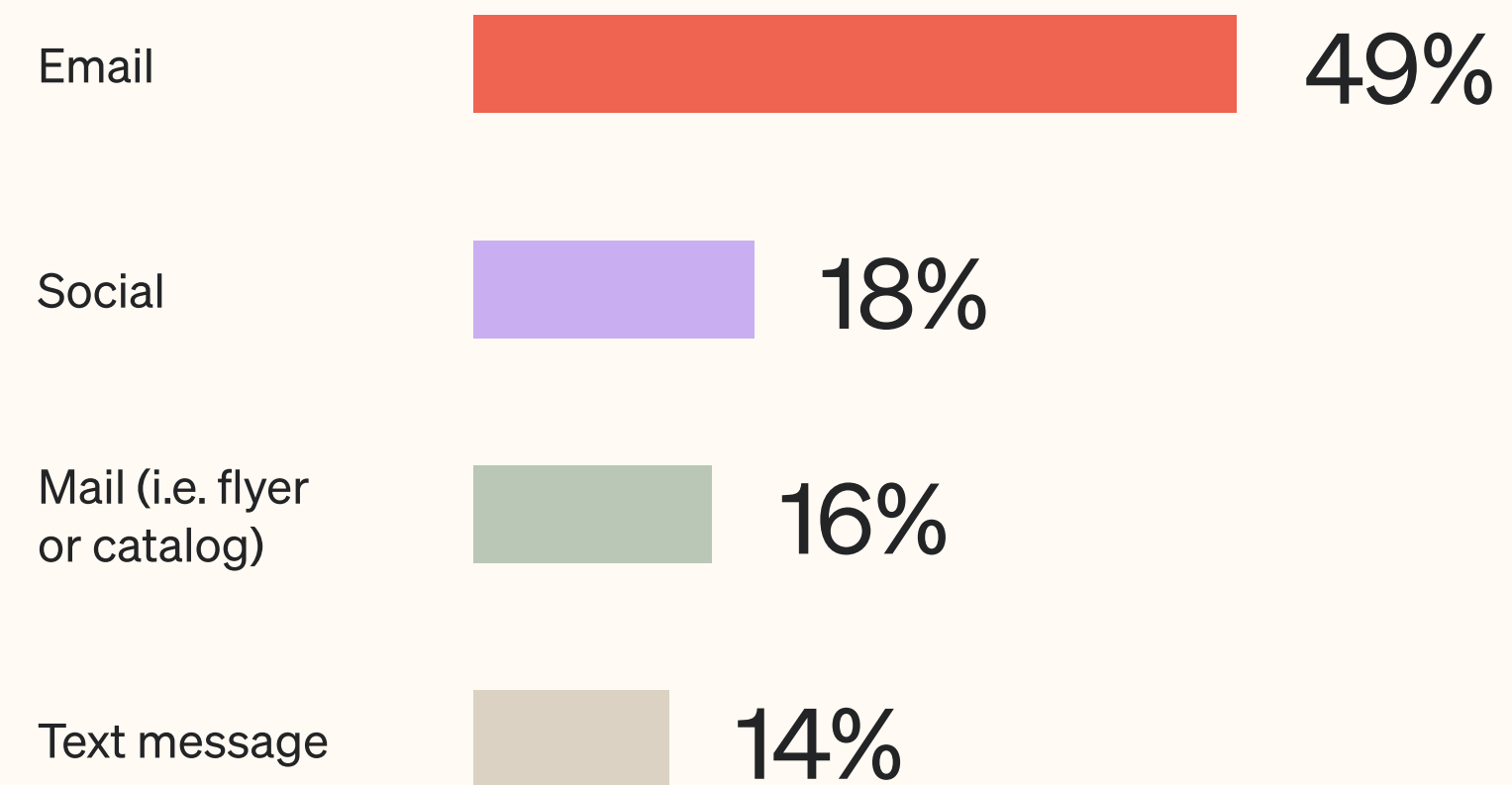
Convenience is the top reason consumers shop online. Similar to in-store shopping, competitive prices are more important to older generations. Email is the most preferred form of brand marketing among consumers, although there are unique generational differences.


## PRIMARY REASONS FOR SHOPPING ONLINE




 Older consumers shop online more for convenience and competitive prices, while younger generations are more likely to shop online for greater product variety.

## PREFERRED BRAND MARKETING METHODS



 Gen Xers and boomers+ are significantly more likely to prefer email over any other marketing method, while Gen Zs prefer email and social media equally (35%), followed by text message (22%).



**PREACH. YOUR. VALUE. SO MANY BRANDS FORGET THAT NEARLY ZERO PEOPLE READ EVERY SINGLE EMAIL THAT YOU SEND TO THEM. THEY'RE NOT GOING TO REMEMBER EVERYTHING. ON TOP OF THAT, WE HAVE 5-7 SECONDS PER EMAIL BEFORE THEY BOUNCE TO THEIR NEXT EMAIL/TEXT/ETC.**

Keep your messaging simple and preach your 'why,' and then make sure the customer can immediately recognize why going through your online store is the most convenient and pragmatic choice. Use their emotions to encourage their logic.

MATT FIER  
VP OF RETENTION MARKETING  
QDL AGENCY



01

## IF YOU'RE AN ONLINE-ONLY BRAND...

“Don’t send emails just to send them. Make sure you provide a defined offer that is designed specifically for your segmented audiences. Too many emails, especially too many with empty offers, will burn out your contact list—making them even more difficult to convert in the future.”

—Spencer Flaherty, internal marketing manager, Groove Commerce

02

## IF YOU'RE A RETAIL BRAND

“Share in-store-only promotions and events that would draw your segmented audience into the store. Underpromise and overdeliver. If your offer promises a free ‘X’ to those who buy over \$50 in goods, throw in ‘Y’ for good measure. Building goodwill with in-store customers will have them coming back for years.”

—Spencer Flaherty, internal marketing manager, Groove Commerce

03

## IF YOU HAVE BOTH IN-STORE AND ONLINE PRESENCES

“Brainstorm ideas that combine channels. Examples include using online sign-up forms to collect RSVPs to in-store holiday events and gain more subscribers; leveraging loyalty programs to purchase in-store and online to gain more points; handing out coupons at in-store check-out for deals shoppers can redeem online; and sending segmented emails to both online and in-store purchasers to increase total shopping across channels.”

—McKenzie Hibler, director of ecommerce marketing, Groove Commerce

“I believe more people will end up buying in-person this year than they think. With the increased traffic from in-office requirements and total lifts of social restrictions, people will always choose convenience, even over slight savings. Use your online presence to push to stores. Personally, I’ll be excluding loyal and returning customers—I don’t want to turn them into in-store shoppers. But for those who engage with our emails but don’t convert? Let’s make this as easy as possible for them.”

—Matt Fier, VP of retention marketing, QDL Agency



**HOW WILL  
PEOPLE  
SHOP FOR  
THE HOLIDAYS?**





## This holiday season, consumers plan to shop primarily online in the months leading up to the holidays.

Holiday spending is likely to remain similar compared to previous years, although those who plan to spend more this year are most likely to attribute it to increased prices from inflation—not more gifting. Nearly half of consumers would not mind giving or receiving “dupes” as gifts.

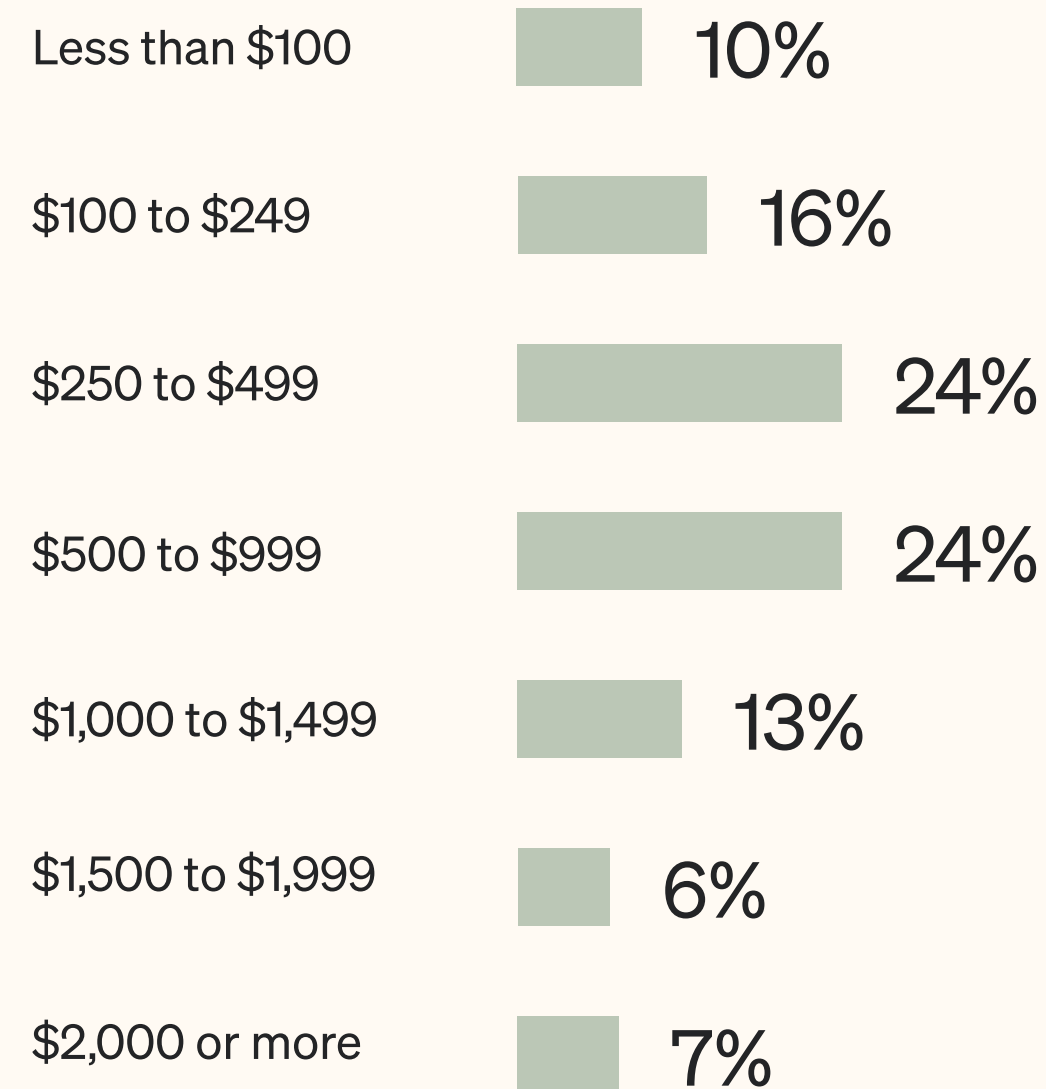
Boomers+ are more likely than younger generations to shop in-store for the holidays and generally plan their shopping throughout the year, especially compared to Gen Zs, who are most likely to shop in the month the holiday falls. Younger generations are also more likely to increase their holiday spending this year compared to previous years, potentially due to their more positive economic outlook.



# HOLIDAY SPENDING

Consumers spend an average of \$745 each holiday season. This year, over half plan to spend the same amount as last year, but nearly a third plan to spend less.

## AVERAGE SPEND ON HOLIDAY GIFTS



**\$745**

estimated spend average



Holiday spending increases as consumers get older. On average, Gen Zs spend only \$550 on holiday gifts.

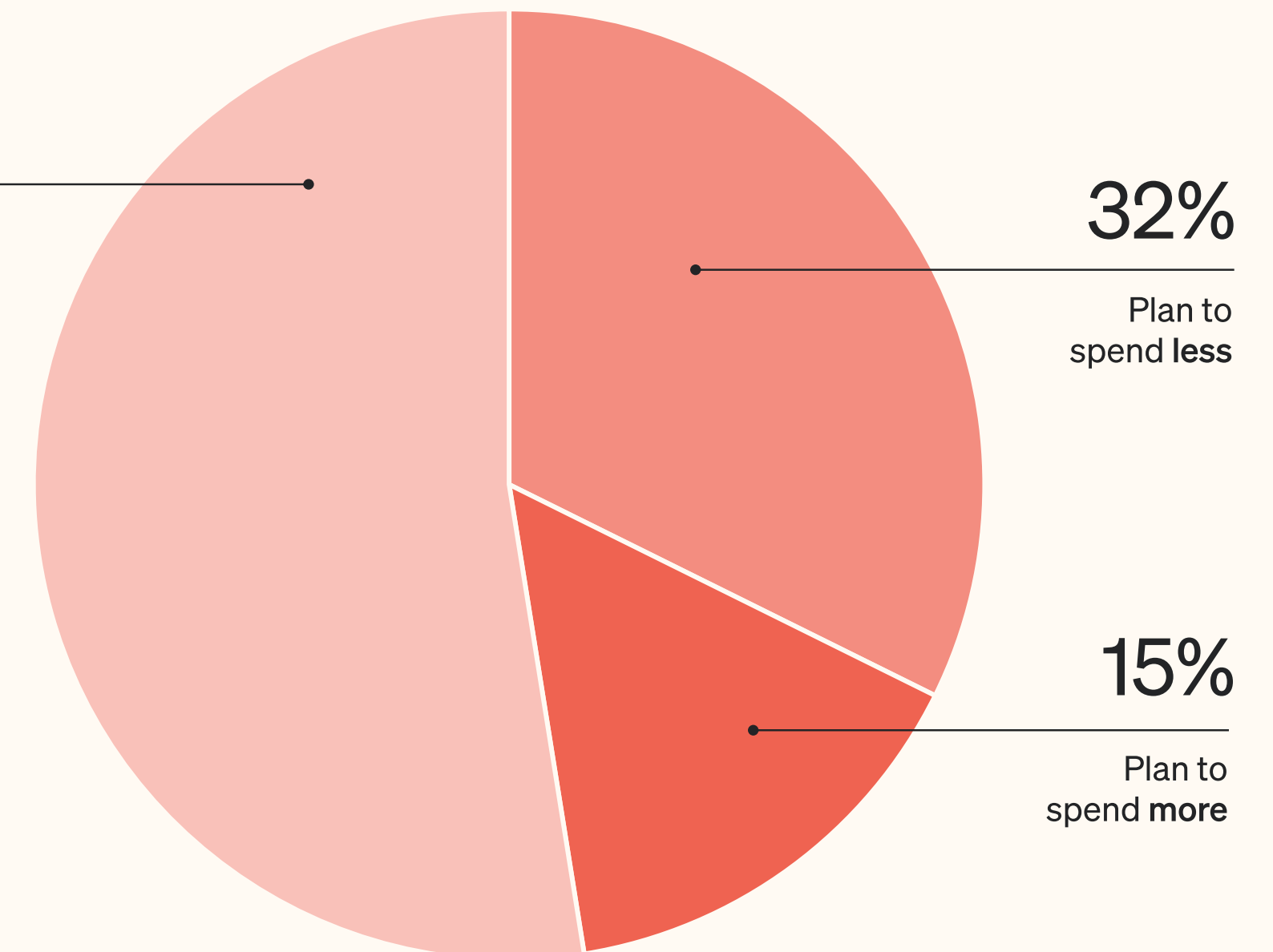
## HOLIDAY SPENDING SHIFTS FOR 2023

**52%**

Plan to spend the same



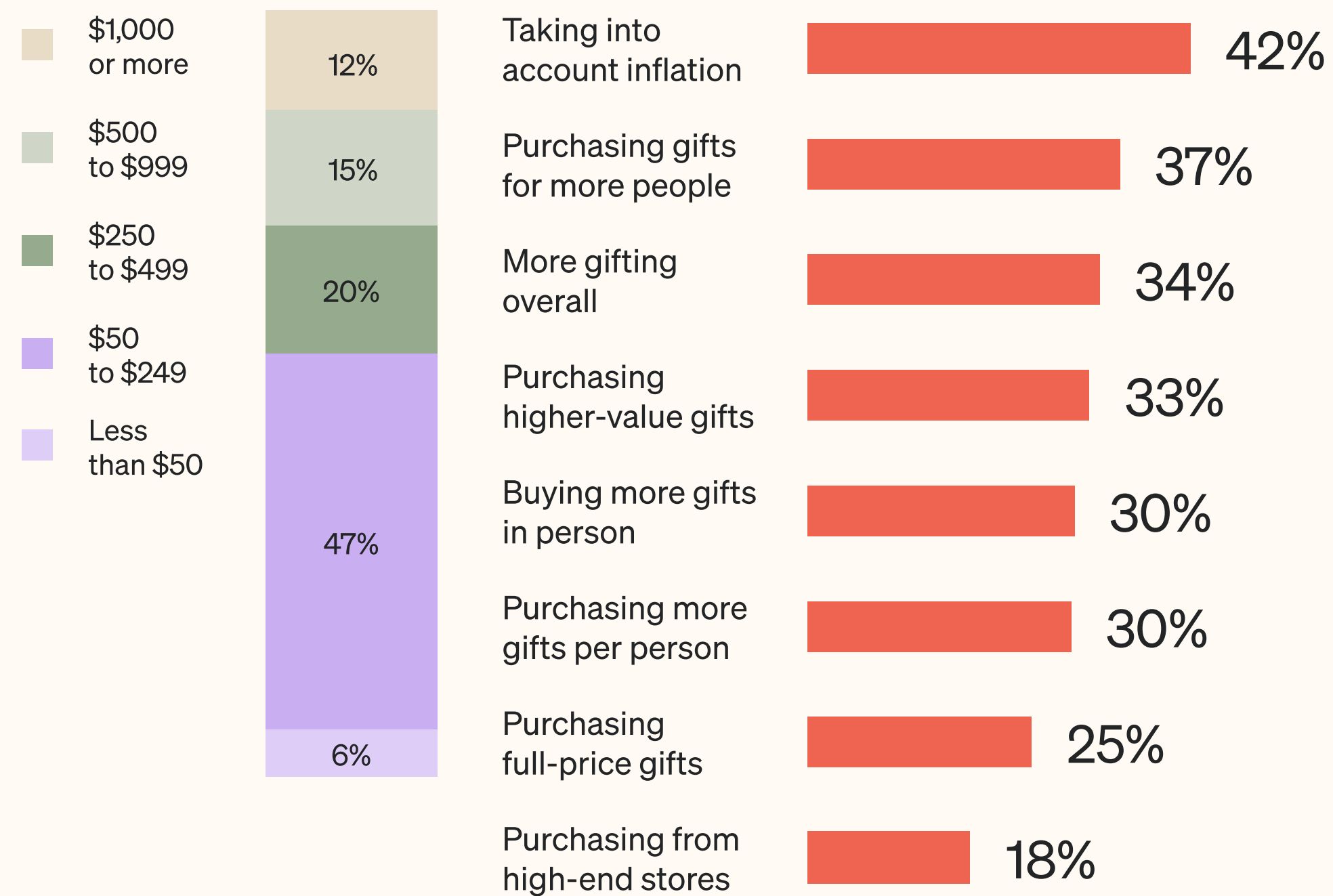
Gen Zs and millennials plan to spend more this holiday season compared to previous years, while Gen Xers and boomers+ plan to spend less.



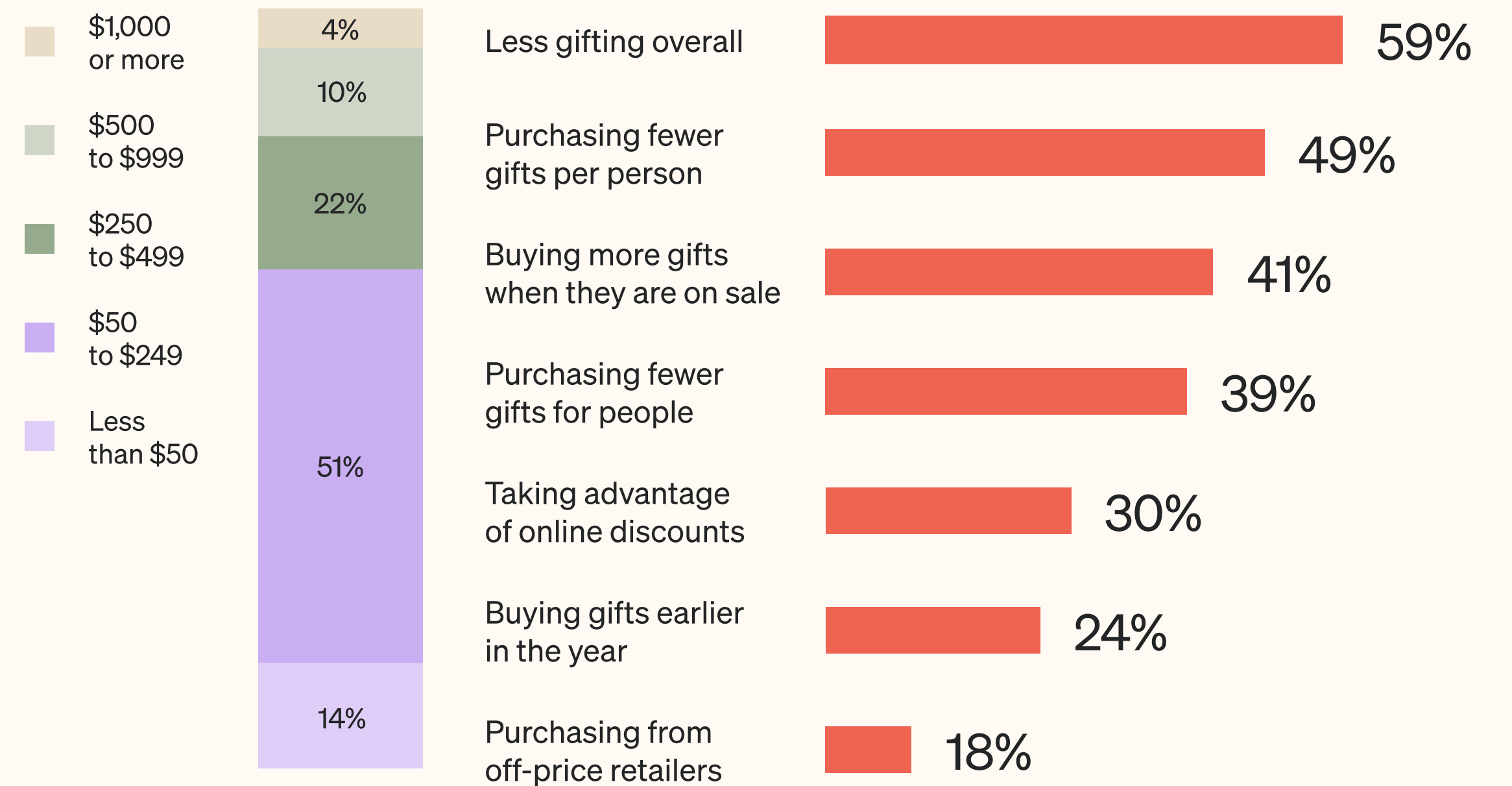
# HOLIDAY SPENDING INCREASES + DECREASES

Those who plan to increase their holiday spending this year will do so primarily because of inflation or because they plan to purchase more gifts for people. Those who plan to decrease their holiday spending this year will do so primarily by purchasing fewer gifts overall.

AMOUNT PLANNING TO INCREASE AND HOW  
(FOR THE 15% WHO PLAN TO INCREASE SPENDING)



AMOUNT PLANNING TO DECREASE AND HOW  
(FOR THE 32% WHO PLAN TO DECREASE SPENDING)





**THE HOLIDAY SEASON MAKES [MARKETING DIFFERENTLY TO DIFFERENT DEMOGRAPHICS] TRICKY BECAUSE YOU'RE GOING TO HAVE AN INFLUX OF POTENTIAL CUSTOMERS WHO MIGHT BE OUTSIDE YOUR NORMAL DEMOGRAPHICS, FOR GIFTING PURPOSES PRIMARILY.**

While it's hard to differentiate ages in our email and SMS audiences, we can, to a degree, use time of day as an indicator. Change your messaging depending on your time of day of the send, and test ahead of the holiday.

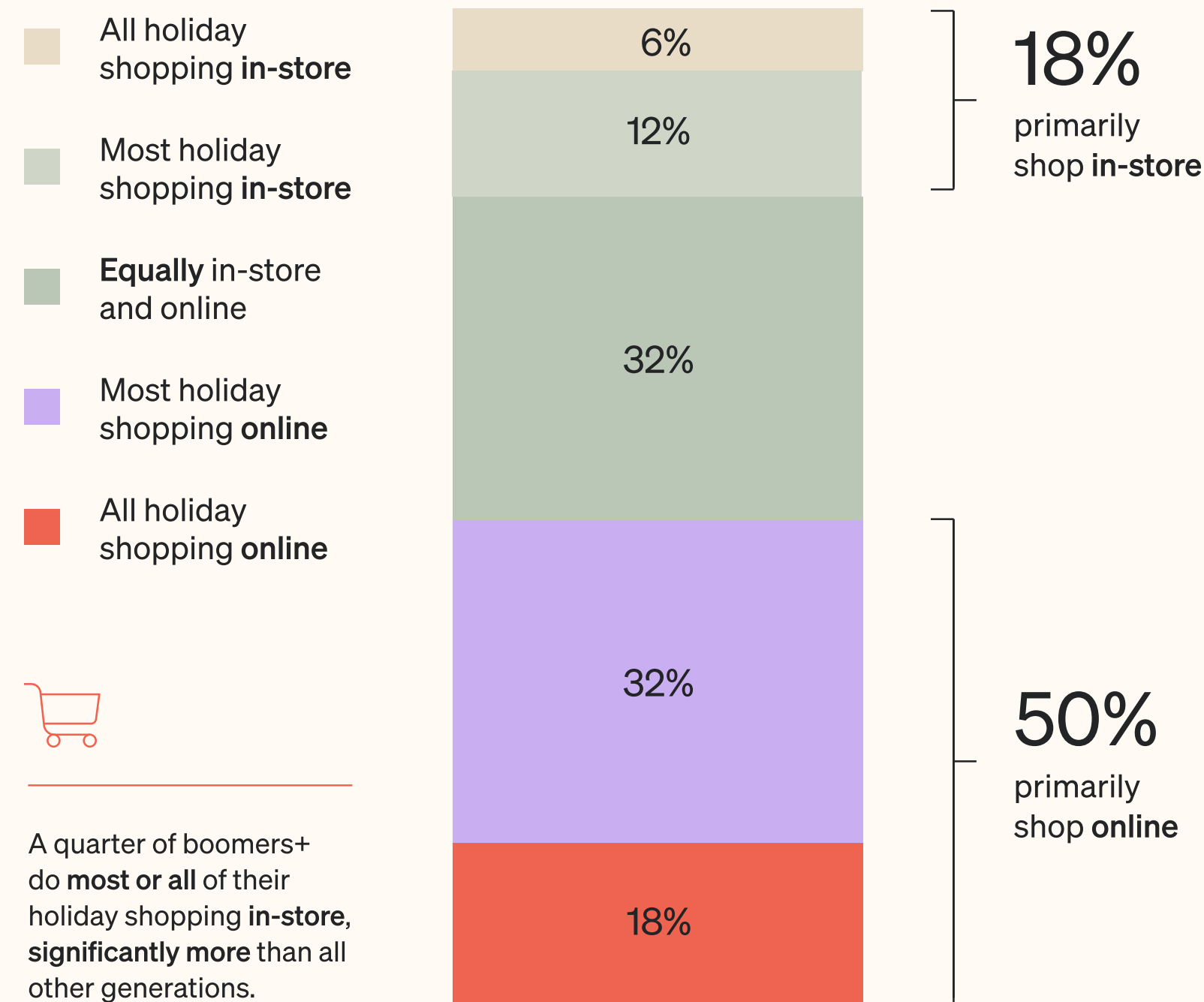
MATT FIER  
VP OF RETENTION MARKETING  
QDL AGENCY



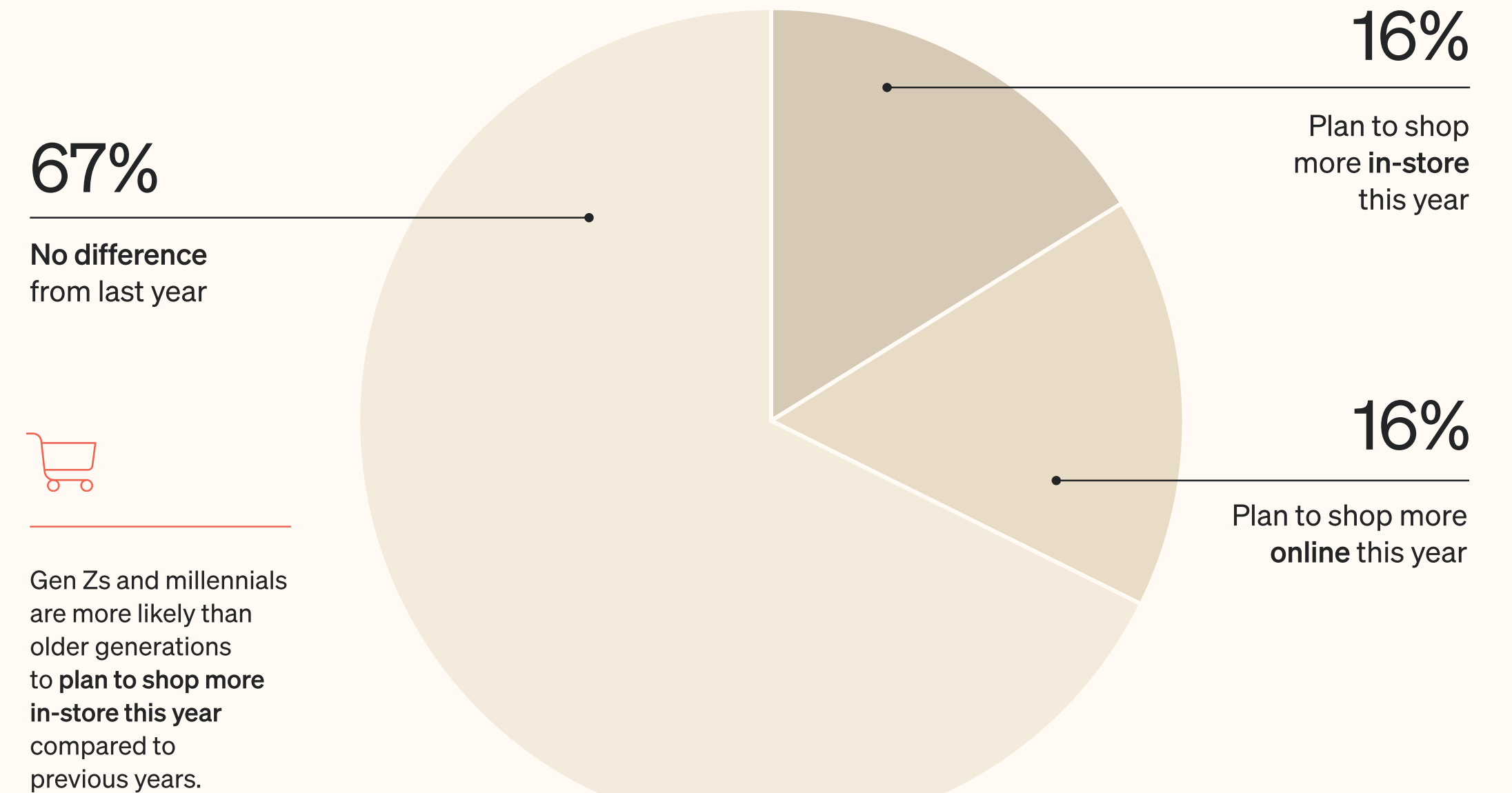
# HOLIDAY SHOPPING LOCATION

Half of consumers plan to shop online this holiday season, and most say this is not a shift from previous years.

## IN-STORE VS. ONLINE HOLIDAY SHOPPING



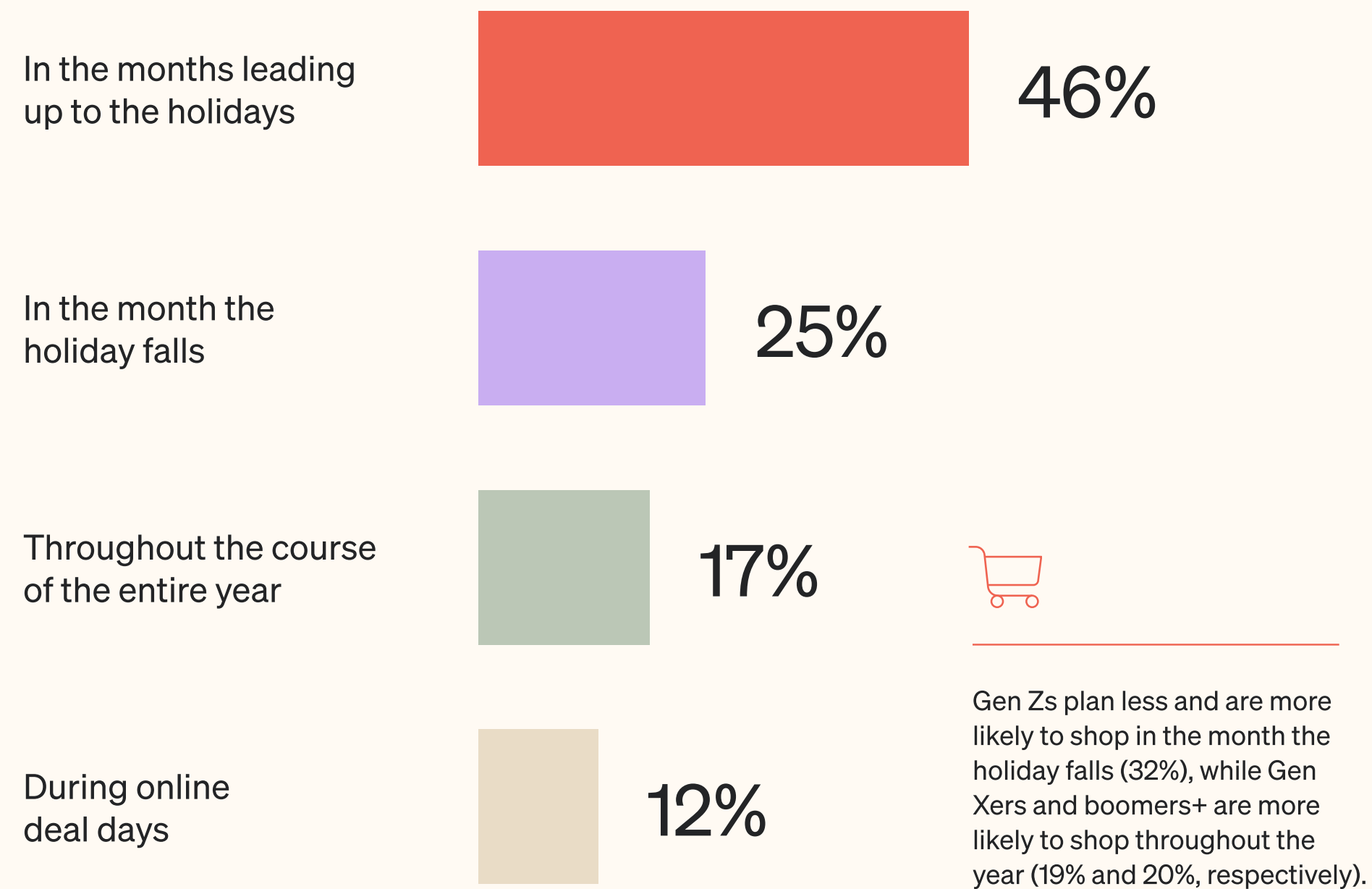
## 2023 HOLIDAY SHOPPING SHIFTS



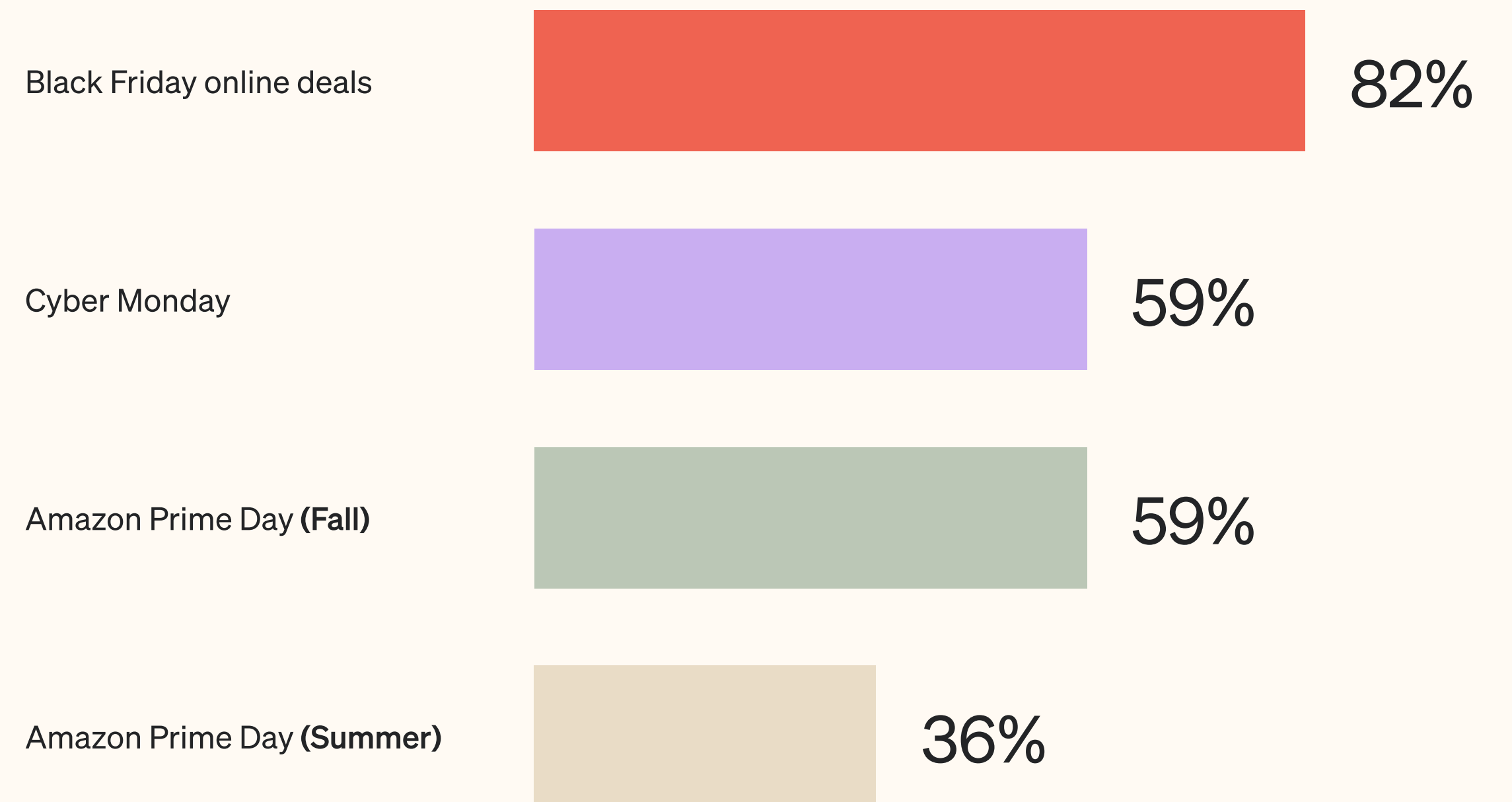
# HOLIDAY SHOPPING TIMING

Most people do their holiday shopping in the months leading up to the holidays (October and November). For those who primarily shop during online deal days, Black Friday is the most popular day, although fall Amazon Prime Day is now as popular as Cyber Monday.

## WHEN MOST HOLIDAY SHOPPING HAPPENS



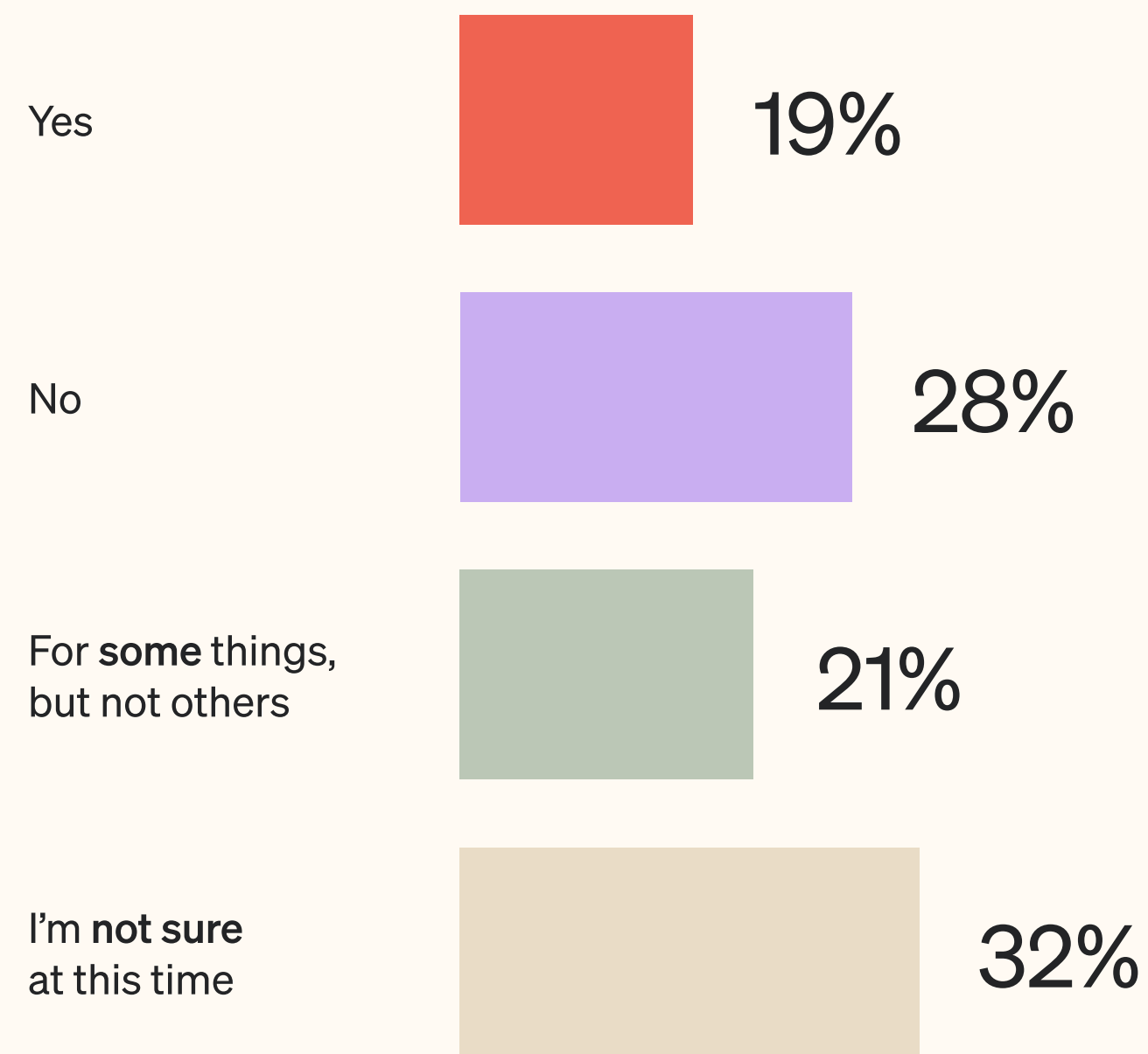
## ONLINE DEAL DAYS SHOPPED



# “DUPES” GIFTING

For some consumers, “dupes”—products of similar quality from lesser-known brands—provide an affordable alternative to popular, high-ticket items. Overall, 40% of consumers would consider purchasing “dupes” as gifts, and the same amount would not mind receiving a “dupe” as a gift.

WOULD PURCHASE “DUPES” AS GIFTS



Interest in purchasing “dupes” as gifts to save money decreases significantly as consumers get older.

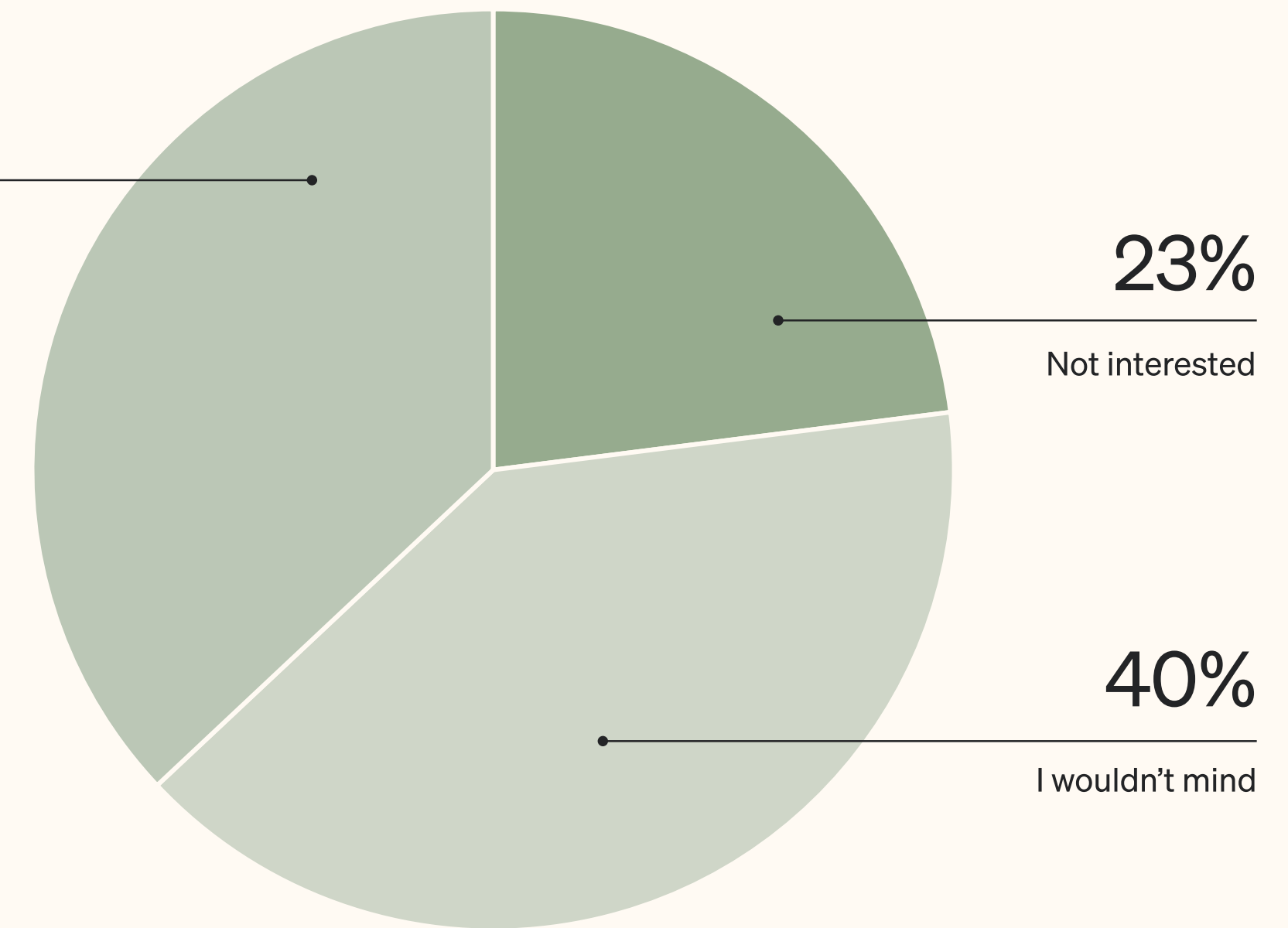
INTEREST IN RECEIVING “DUPES” AS GIFTS

37%

No preference



Similar to purchasing, interest in receiving “dupes” decreases as consumers get older. 60% of Gen Zs wouldn't mind receiving a “dupe.”







**IT'S VITAL TO SPEND TIME ANALYZING CUSTOMER SEGMENT BEHAVIORS WITHIN KLAVIYO. USING THIS RESEARCH, YOU CAN DEVELOP A STRATEGY THAT ACTIVATES YOUR FIRST-PARTY DATA IN BOTH OWNED AND PAID MEDIA CHANNELS TO PRODUCE OUTCOMES THAT DRIVE PROFITABLE NEW CUSTOMER ACQUISITION AND HIGHER RETENTION RATES.**

SEAN MACBETH  
INTERIM LEADER, GROWTH MARKETING  
CHAMELEON COLLECTIVE



01

## FOCUS ON EXECUTING THE BASICS, BETTER

“Automate and simplify to reduce friction in your service touchpoints. Set up killer triggered email campaigns with updated content and fantastic cross-selling opportunities—and not just post-purchase, but bounce-back and win-back and lost souls. Build them all. Check your go-to-market, align cross-functional communications well in advance, and build out your holiday ‘gap closer’ promotional Plan B.”

—Gary Penn, ecommerce practice consultant, Chameleon Collective

02

## CONSIDER YOUR RETENTION STRATEGY

“We approach returning customers with two questions in mind: How do we continue to raise our value to our loyal customers to encourage increased lifetime value (LTV)? And how do we prevent loyal customers from becoming churn risks by shopping us with other brands? I am a firm believer that we want to turn brand loyalists into brand evangelists. We do this by offering incentives.”

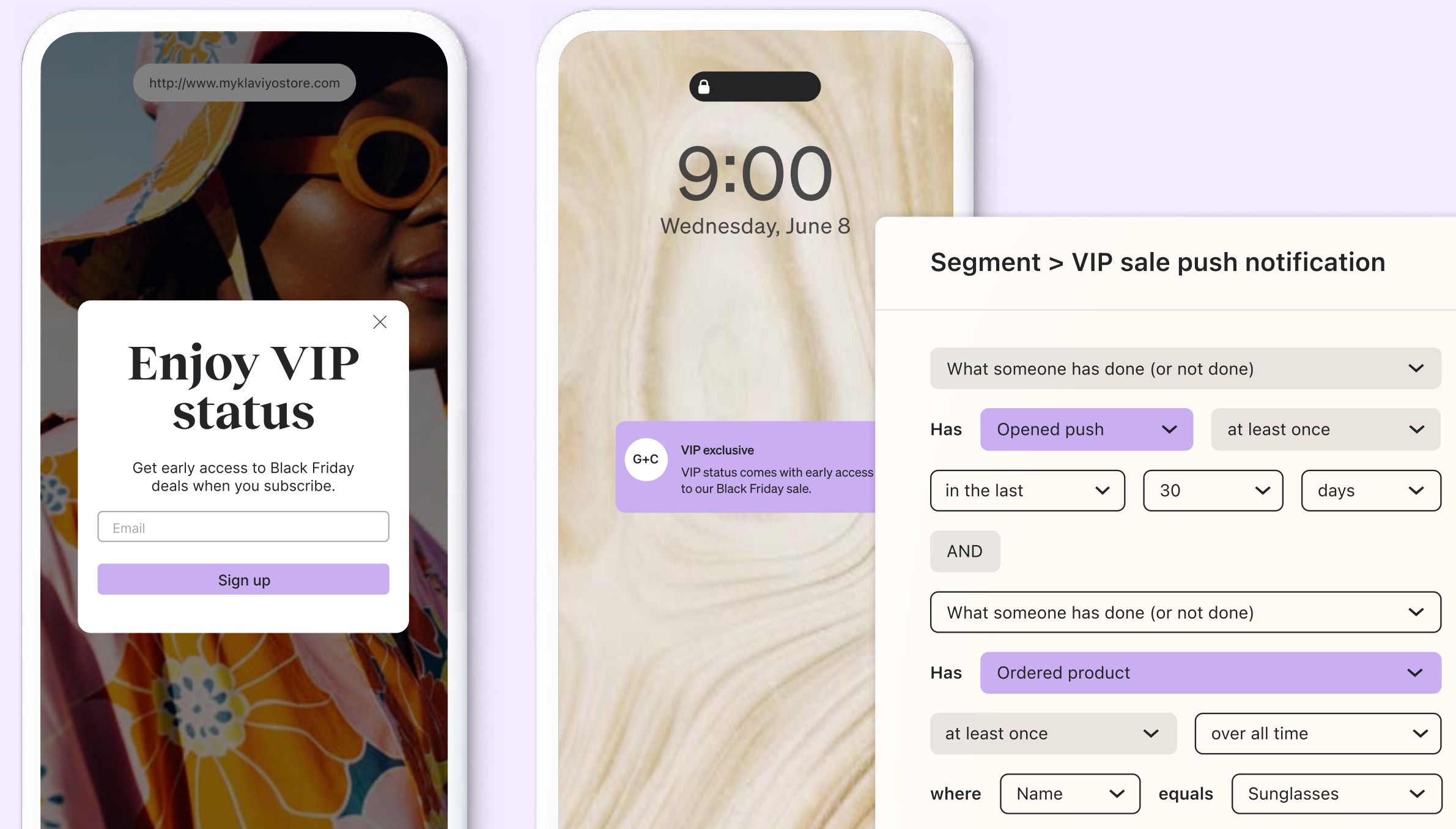
—Matt Fier, VP of retention marketing, QDL Agency

03

## UPDATE YOUR POP-UPS TO REFLECT YOUR BFCM CAMPAIGN

“Update your welcome pop-up or sign-up incentive to showcase greater deals during the holiday season than what you normally offer. Advertise upcoming exclusive deals, etc.”

—Mckenzie Hibler, director of ecommerce marketing, Groove Commerce



04

## FACTOR IN CONTEXT

“Take a step back and realize there will be more brands than ever offering higher discounts than ever for a longer period of time than ever. In a buyer's market, find your niche, keep it simple, and don't get cheap during the holidays. This is when you keep loyalists happy and convert those who have either sniffed around before or just found out about you from a listicle you made. Lead with your 'why' and get them to your site as fast as possible via simple-to-digest emails.”

—Matt Fier, VP of retention marketing, QDL Agency

05

## KEEP PRICE-CONSCIOUS CONSUMERS IN MIND

“Bundles are a great start. There's a perceived value in them. Given that the spend-apprehensive audience will skew older, we usually like to approach it with problem > solution language. Typically, our messaging will be 'Why us' > 'Your problem' > 'Our solution.' Whether the problem is gifting, avoiding sell-outs, crossing off to-do lists, etc., there's an angle for any brand.”

—Matt Fier, VP of retention marketing, QDL Agency



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