

HOLIDAY SHOPPING 2019: RETAILERS BE WARY

What should retailers expect this holiday season? The unexpected.

As the retail industry's competitor and consumer landscape continues to dramatically shift, traditional retailers and new entrants alike are being pressured to adapt—or risk getting left behind. And despite a current positive outlook for consumer spending through the 2019 holiday season, ongoing economic uncertainty may curb receipts and create concern for retailers' bottom lines.

TRADE TENSION AND RECESSION FEARS TIGHTEN PURSE STRINGS

According to BDO's 2019 Retail Rationalized Survey, **44 percent of retailers are actively planning for a market correction**—and it looks like consumers are following suit. Uncertainty around trade tension, tariffs, and an impending economic downturn, is impacting consumers' holiday spending.

Consumers say they will **decrease** their holiday spend this year due to:



Trade tensions
25%



Economic downturn
34%

RETAILERS' NEXT BIG COMPETITOR SET: THEIR CUSTOMERS

Competition among industry players is ramping up, but retailers shouldn't overlook their own customers as part of this competition. Whether on the hunt for lower prices, specific products or sustainable options, **resale and peer-to-peer purchasing have emerged as attractive alternatives to buying from brands.**

Consumers who **plan to purchase** the following retail offerings:



Goods sold by other consumers
71%



Pre-owned goods from a store
63%



Rentals or rent-to-own goods
34%

RETAILERS RISK SALES WITHOUT CUSTOMER ALIGNMENT ON SOCIAL ISSUES

Social issues are playing an increasing role in consumers' decision-making. More and more, **consumers are expecting retailers to take stances on important topics**—from climate change to equality—and are aligning themselves with the brands who they agree with ideologically.

Over half of consumers (55%) say a **social issue** will influence their decision-making for holiday purchases.

Millennials



63%

Gen Xers



60%

Baby Boomers



47%

Among the social issues listed, consumers care most about **Sustainability (30%)** and **Diversity (28%)**

PAPER, PLASTIC, PEER OR VOICE?

The payments revolution is upon us. While PayPal and private label credit cards may be the payment methods most used by consumers today, options like Venmo and Afterpay are proving to be more popular with younger consumers and may one day become the status quo.



22%

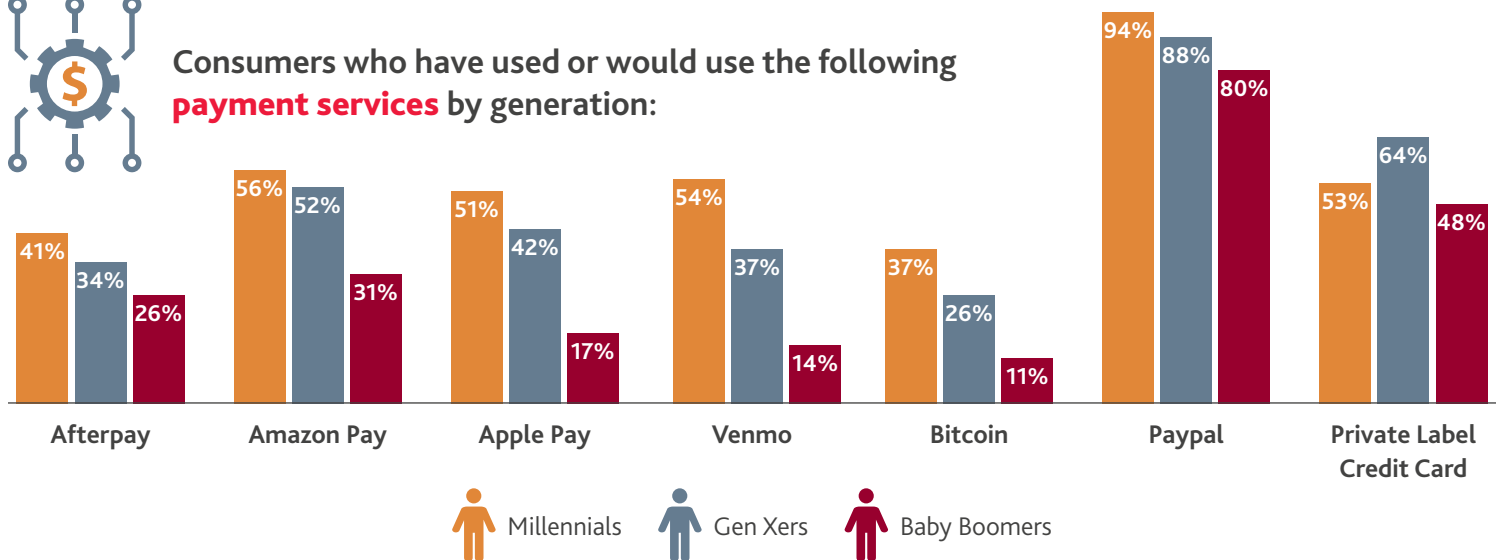
of consumers plan to use a **voice assistant** for holiday shopping this year



For big ticket items, **1-in-3** consumers would rather pay in **monthly installments** than in full



Consumers who have used or would use the following **payment services** by generation:



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For more information contact:

NATALIE KOTLYAR

Partner and National Leader of BDO's Retail & Consumer Products Practice

212-885-8035 / nkotlyar@bdo.com

Methodology: BDO's Consumer Beat Survey was conducted in October 2019 using ORC International's CARAVAN® omnibus among a sample of 1,006 U.S. adults age 18 and older.

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