EIGHTH EDITION | 2023

AUSTRALIAN CHRISTMAS SHOPPING INTENTIONS

WHAT'S SHAPING 2023 HOLIDAY TRADING?

CPM RETAILsafari

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2023 CHRISTMAS SHOPPING
TRACKING SURVEY

INTRODUCTION

The CPM-Retail Safari annual Christmas Shopping Intentions Survey is designed to offer insights into holiday shopping and purchasing behaviour before the gift-buying madness begins.

Our 8th edition builds on data collected in our annual surveys since 2016. We compare the survey results to historical data and trends, where we explore the shopping behaviours, attitudes, and preferences of Australian consumers for the 2023 holiday season.

Additionally, we'll provide specific insights into Christmas spending sentiments, and what Black Friday and Cyber Monday shopping trends are looking like for the upcoming holiday season.

The 2023 Christmas season will likely be defined by the continued impact of inflation and interest rates on the Australian economy, and a shift in consumer priorities as consumers find ways to navigate the rising cost of living and keep the holidays festive.

ABOUT THIS SURVEY

To undertake this year's research we partnered with Swinburne University's CXI Research Group to conduct an online survey from July 28 to August 2, 2023, with a sample size of 504 consumers representing the Australian population.

RESIDENTIAL LOCATION

NSW 27%	**QLD** 19%	**WA** 10%	**ACT** 3%
VIC 26%	**SA** 13%	**TAS** 3%	**NT** 0%

GENDER AND AGE

MALE 51%
FEMALE 47%

18-34 32% **35-54** 38% **55+** 30%

*2% Other / Prefer not to answer

Note: The 2018 to 2023 State of Customer Experience surveys have been undertaken by the CXI Research Group, Swinburne University. 2016 and 2017 surveys were undertaken by the ACRS, Monash University.

KEY FINDINGS
CHRISTMAS 2023 SHOPPING INTENTIONS

SPEND

Fewer gift buyers are planning **to spend more or the same** as last year (68% vs. 76% in 2022).

Shoppers in **TAS, VIC and NSW** show the greatest intent to spend less than last year.

On average, Australians plan to **spend $600** on Christmas gifts.

The majority of consumers (73%) expect inflation and interest rates to impact their spending.

SHOPPING LIST

Gift cards or gift certificates are back as the go-to presents (43%).

Electronics remain a popular gift choice in **second place** at 42% vs. 51% in 2022.

Gift cards are popular with older age groups (35-54 & 55+), while **electronics** are popular with those aged **18-34.**

TIMING

By the end of November, most shoppers (70%) will have completed their Christmas shopping.

Over half of consumers (53%) will do their shopping in November, with **late November** being the **most popular time.**

November is the most popular shopping time in QLD (58%) and NSW (57%), and least popular in TAS (38%).

FORMATS

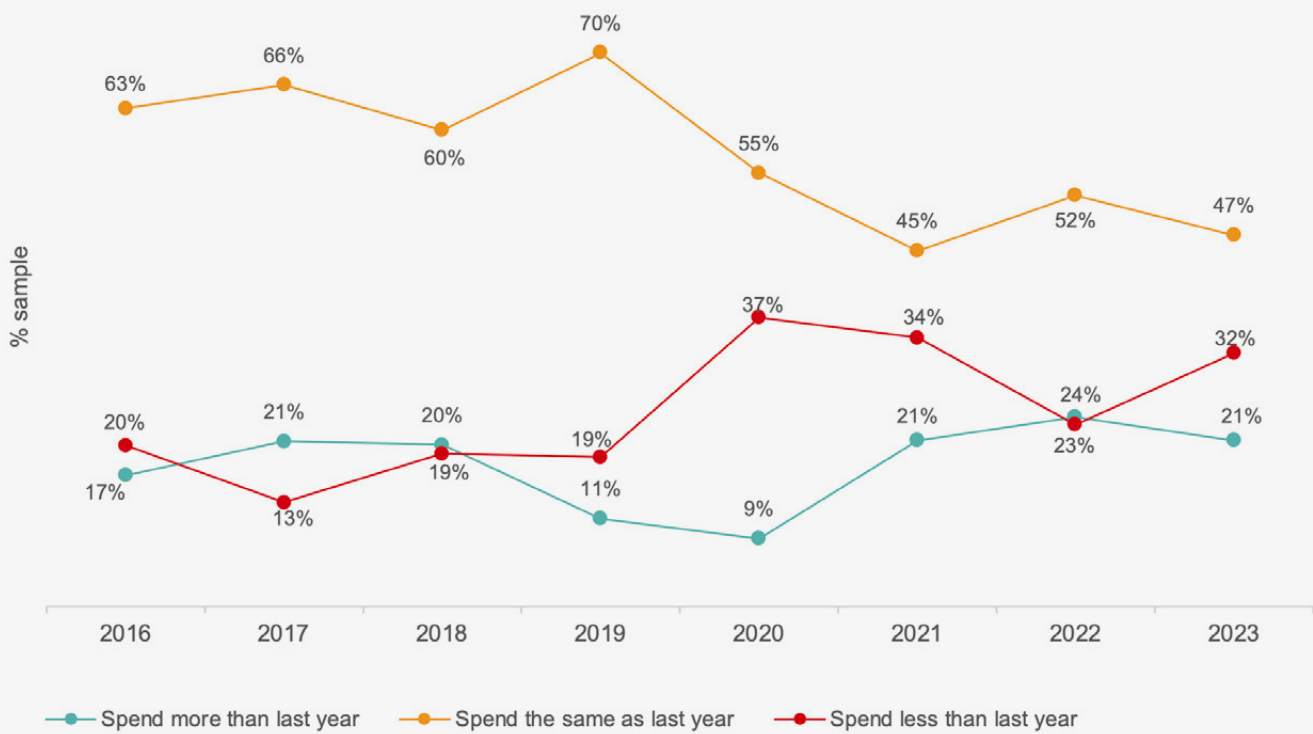
83% of shoppers plan to use both physical and online channels to conduct their holiday shopping (vs. 84% in 2022).

Online marketplaces are the No.1 retail format for gift buying at 66%, followed by department stores at 59%.

During Cyber weekend sales events, Aussies will be more likely to **buy online instead of in physical stores.**

CHRISTMAS
SPENDING PLANS

Q: How will your total Christmas spending this year compare with last year?



KEY INSIGHTS

Australian consumers are intending to be significantly more cautious with their spending this holiday season, compared with 2022.

Shoppers appear to be returning to Covid years' spending patterns, with a **higher proportion of shoppers planning to spend less this Christmas** (32%), up 9% compared to 2022. This is also significantly higher than the long-term average of 24%.

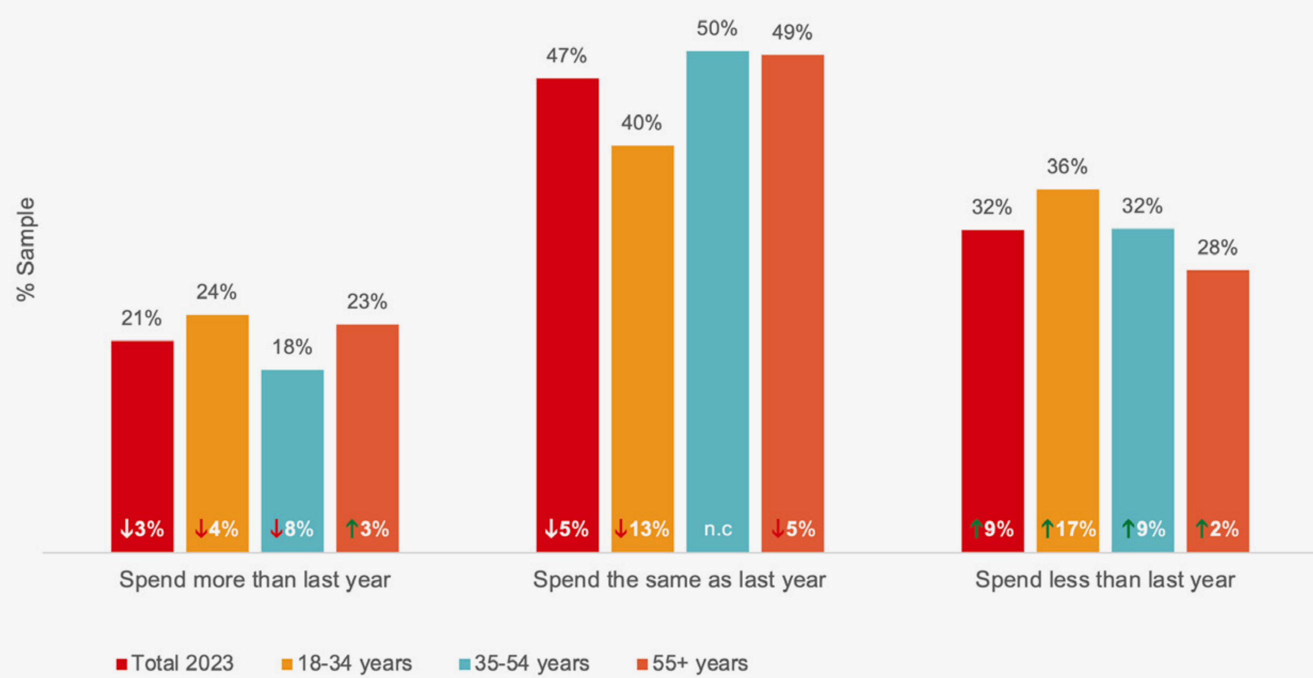
This shows that the current **rising cost of living** might be having a noticeable **effect on how much Australians are planning on spending** this coming Christmas.

On a positive note, **more than two-thirds (68%)** of consumers say they plan to **spend more than or the same** as last year (vs. 76% in 2022).

Note: Sample size = 504

CHRISTMAS
SPENDING PLANS BY AGE GROUP

Q: How will your total Christmas spending this year compare with last year?



KEY INSIGHTS

The intention to spend less this coming Christmas increased across all age groups, with the greatest increase occurring in the 18-34 age bracket (+17%).

Since 2016, the age group most **likely to spend more** on holiday gifts has consistently been **younger (18-34) consumers;** however, this Christmas **fewer consumers aged 18-34 are intending to spend more** than last year (24%, down 4 points). This age group is also much less likely to spend the same as last year, down 13 points.

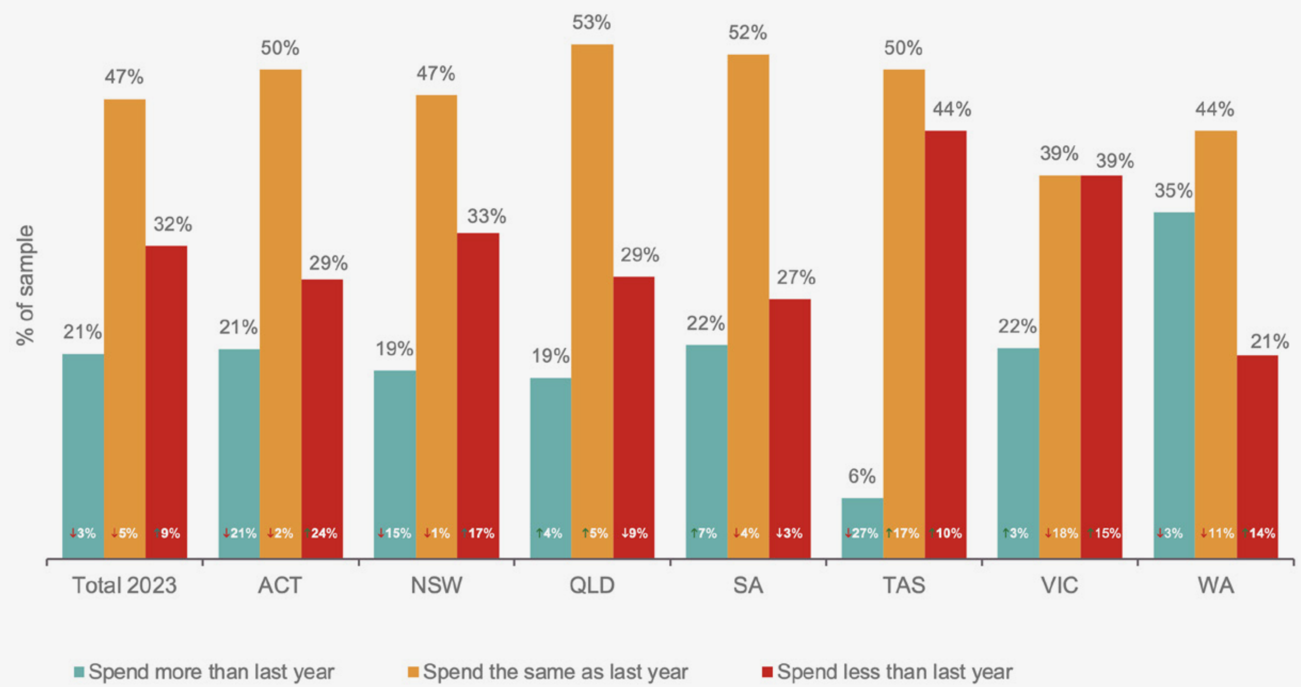
The number of 55+ year olds planning to spend more than last year has increased (23%, up 3 points).

These results are consistent with perceptions that younger demographics are being hit the hardest by cost-of-living impacts (rent, food, interest rates, etc.), while older demographics, who are more likely to own their homes, are feeling less pressure on their household budgets.

Note: Sample size = 504

CHRISTMAS
SPENDING PLANS BY STATE

Q: How will your total Christmas spending this year compare with last year?



KEY INSIGHTS

Looking at Christmas spending intentions by state, Tasmanians and Victorians are the most likely to be spending less this Christmas.

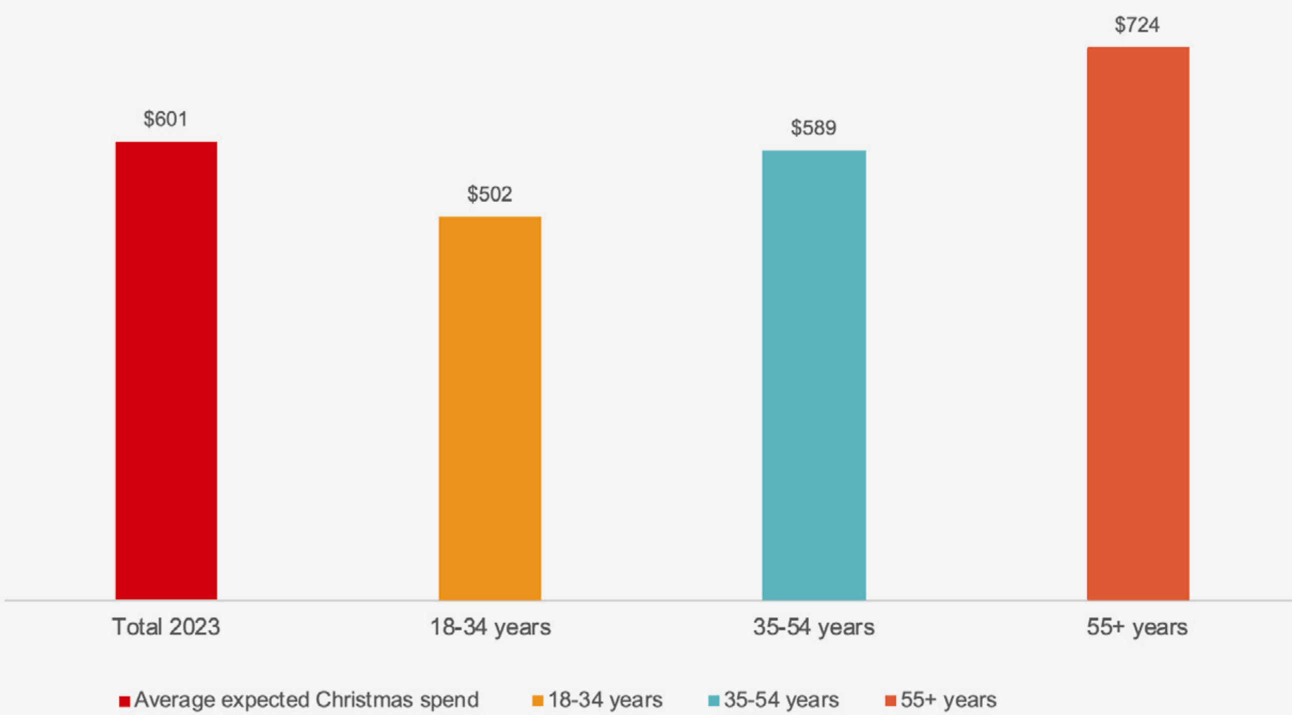
Tasmanians are showing the **greatest intent to spend less** this Christmas, at 44% (average across all states = 32%). Victorians are not far behind at 39%. Tasmanians are also by far the least likely to be planning on spending more this Christmas (6%).

At the other end of the spectrum, **Western Australians** are, by a large margin, **the most likely to be spending more** this Christmas, with 35% planning to spend more (average across all states = 21%).

Note: Sample size = 504

EXPECTED
CHRISTMAS SPEND

Q: What is your expected total spending for Christmas this year?



KEY INSIGHTS

On average, Australians will spend $601 on Christmas gifts this year, although this figure varies between age groups.

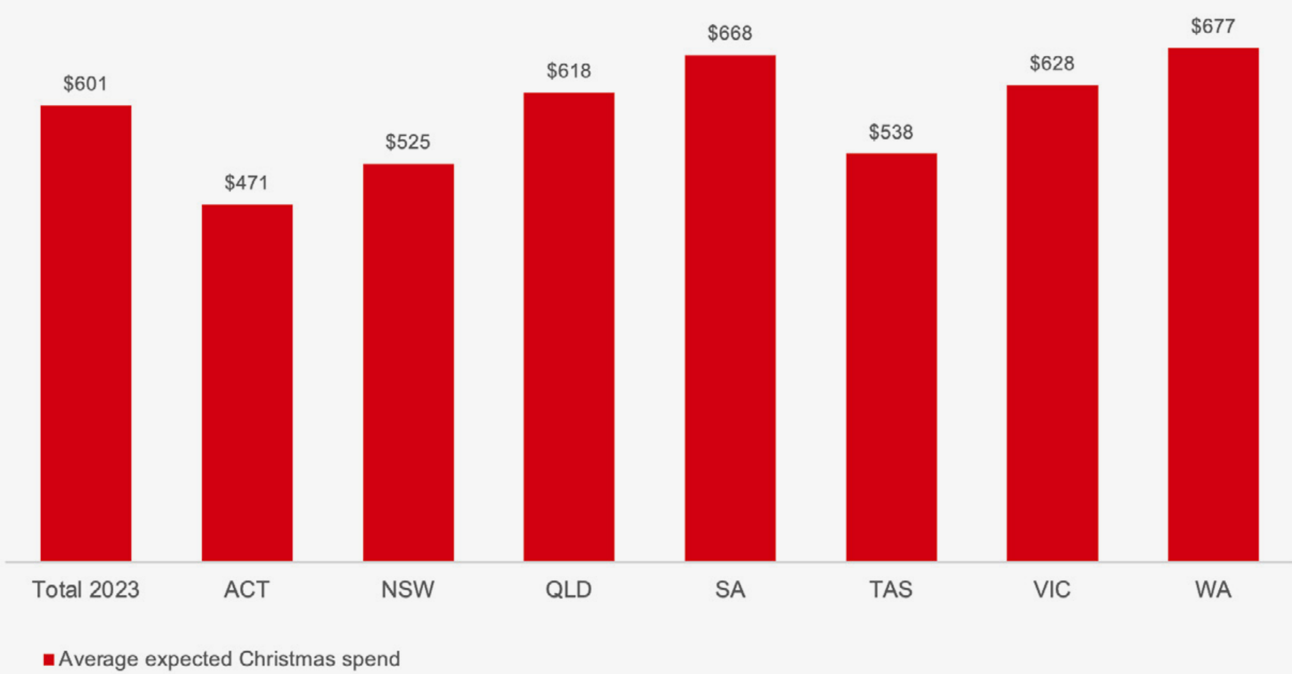
The survey revealed that **shoppers aged 55+ years** are set to be the **biggest spenders** this Christmas, intending to spend **an average of $724** on holiday gifts - 20% more than the national average.

Consistent with other survey results, the **younger age group (18-34)** will **spend the least**, planning an average spend of $502 on Christmas gifts.

Note: Sample size = 504

AVERAGE SPEND
ON HOLIDAY GIFTS BY STATE

Q: What is your expected total spending for Christmas this year?



KEY INSIGHTS

This Christmas, Western Australians will be spending the most of any state ($677), closely followed by South Australians ($668).

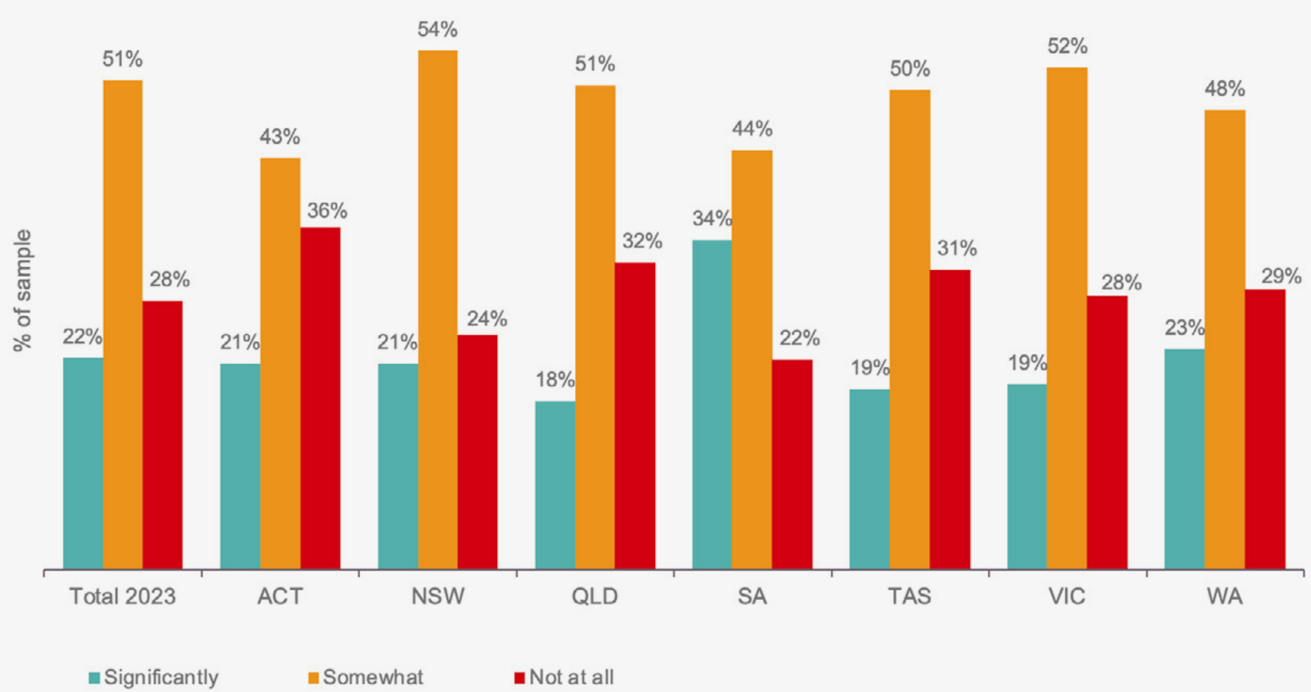
Consumers in **the ACT, New South Wales and Tasmania** will be spending less than the national average.

Canberrans will be **spending the least of all states**, planning an average spend of $471 on their holiday gifts.

Note: Sample size = 504

INFLATION &
INTEREST RATES IMPACT

Q: How will changes in interest rates and inflation affect your Christmas spending decisions?



KEY INSIGHTS

Almost three-quarters of consumers (73%) expect inflation and interest rates to 'somewhat' or 'significantly' impact their 2023 Christmas spending.

Across all states, **South Australians are the most likely to think that interest rates and inflation will impact** their Christmas spending this year, with 34% of respondents saying 'significantly' compared to the national average of 22%, and only 22% saying these factors won't impact their spending at all.

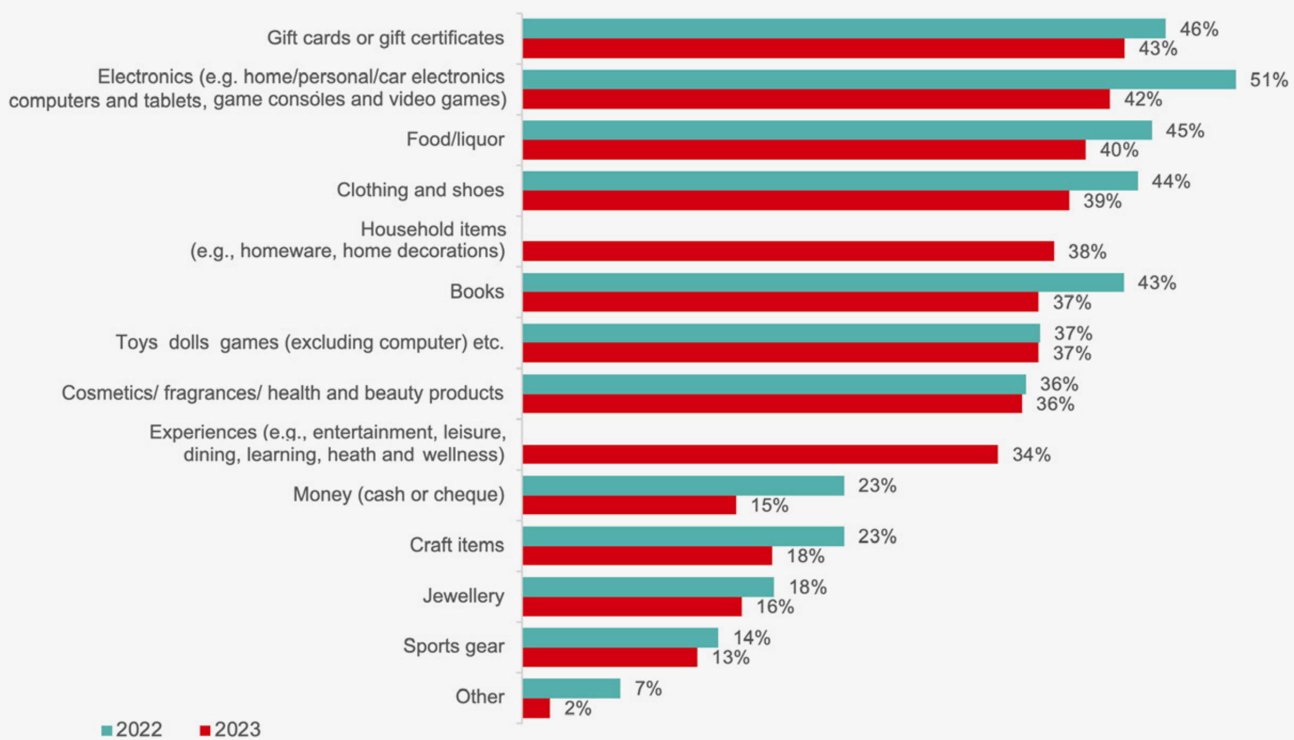
Canberrans are the least affected by inflation and interest rates, with 36% of ACT respondents saying these factors won't impact their spending at all.

Overall, with only **28% of Australians** saying that interest rates and inflation **won't affect** their holiday spending decisions, it is clear that retailers will need to be thinking about how to attract increasingly value-conscious shoppers.

Note: Sample size = 504

PURCHASE PLANS
FOR PRESENTS

Q: Which of the following types of gifts do you plan to buy this Christmas?



KEY INSIGHTS

Top holiday gifts for Christmas 2023:

- Gift cards or gift certificates
- Electronics
- Food/liquor

Gift cards or gift certificates are once again the most popular present shoppers intend to buy this Christmas, with 43% of respondents planning on buying these. Gift cards are particularly popular with the older age groups (35-54 & 55+), with an average 47% of this group intending to purchase them.

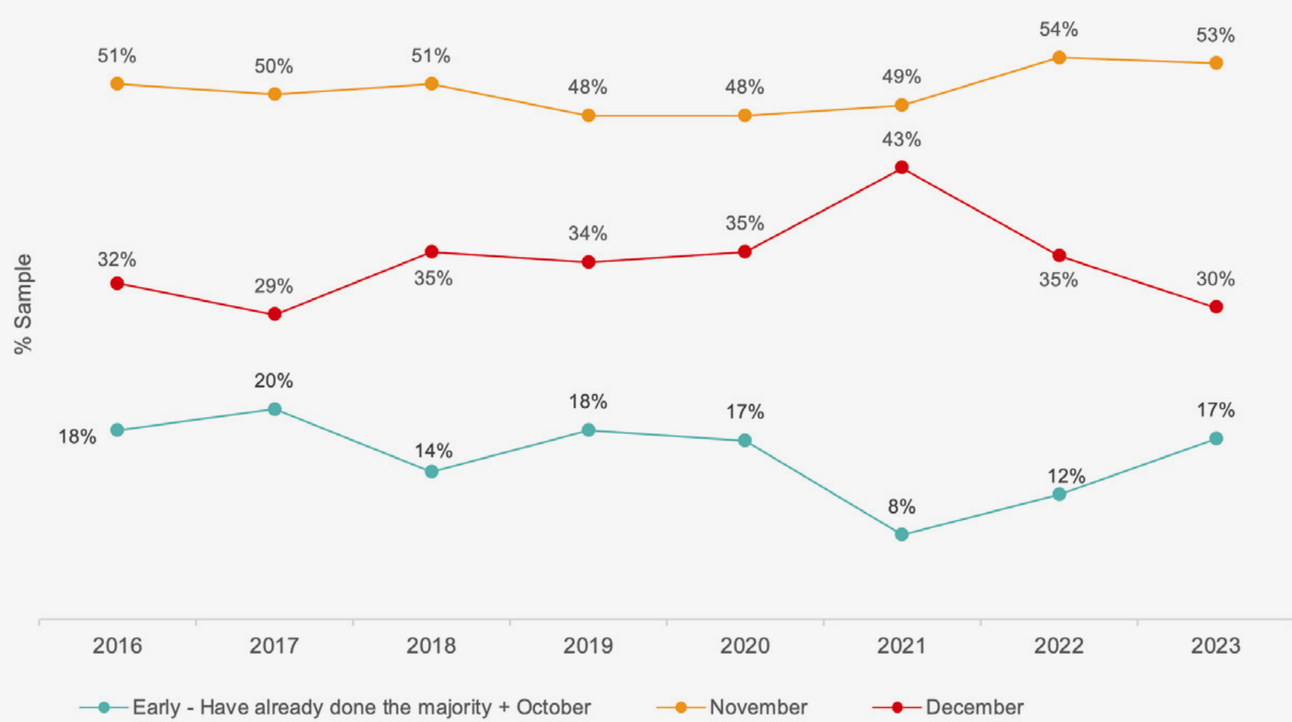
Electronics remain a popular gift choice (42%), particularly with those aged 18-34. However, this category reported the greatest year-on-year decrease (-9%), losing the top position that it held in 2022. This result may be reflective of the rise of budget-conscious shoppers and the higher price point of electronics relative to other categories.

As for 2023, sports gear remains the least popular Christmas present category.

Note: Sample size = 504. For 2023 survey, household items and experiences are new type of gifts included.

WHEN
CONSUMERS PLAN TO SHOP

Q: During which one of the following time periods do you plan to do most of your Christmas shopping?



KEY INSIGHTS

Australians are off to an early Christmas start in 2023!

After a drop off in October early-bird shopping in 2021 and 2022 (and a concurrent rise in December shopping), Christmas shopping times appear to be returning to their pre-COVID norms.

This year we expect an **increase in early bird shoppers** planning to do most of their Christmas shopping **no later than October** (17%, up 5 points).

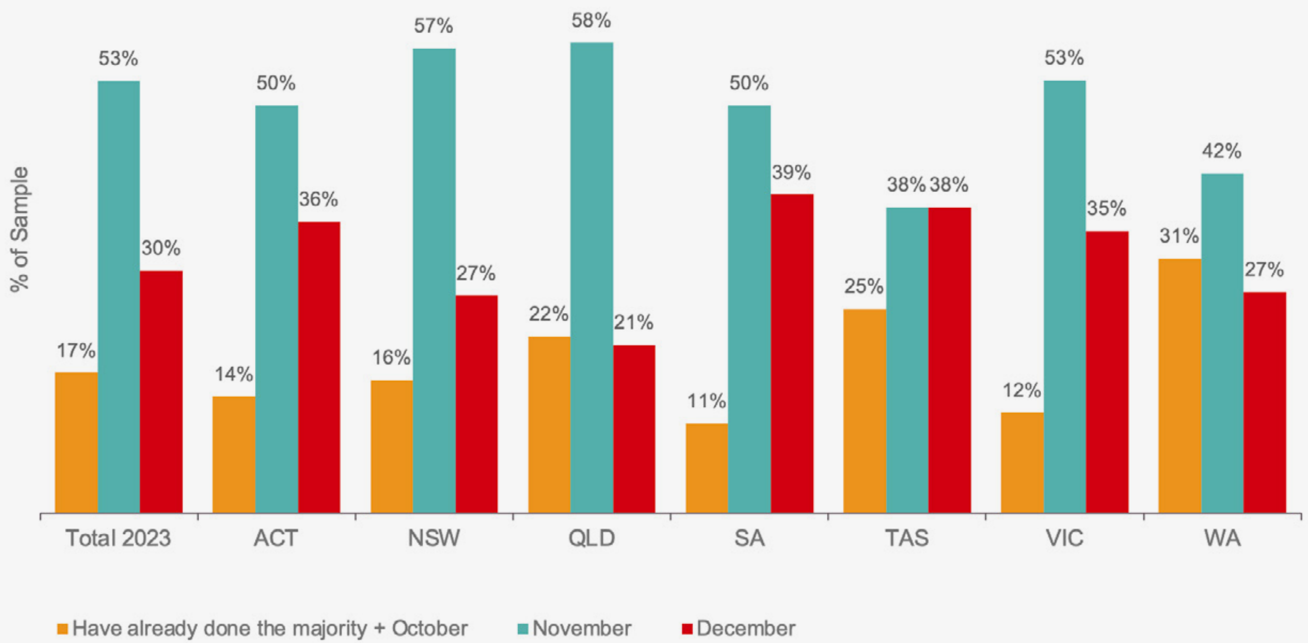
November remains the most popular holiday shopping month. **Over half of Australian consumers** (53%) will do their shopping in **November**. **Late November** remains more popular than early November (29% vs. 24%), which coincides with Cyber weekend sales events.

By the end of November, most shoppers (70%) will have completed their Christmas shopping, leaving **30% to do theirs in December**, down 5% compared to Christmas 2022.

Note: Sample size = 504

WHEN
CONSUMERS PLAN TO SHOP BY STATE

Q: During which one of the following time periods do you plan to do most of your Christmas shopping?



KEY INSIGHTS

In line with 2022, the most popular Christmas shopping month across all Australian states is November.

Across all states, **53% of shoppers** plan to start their Christmas shopping in **November**. November is the most popular in **QLD** (58%) and **NSW** (57%), and **least popular in TAS** (38%).

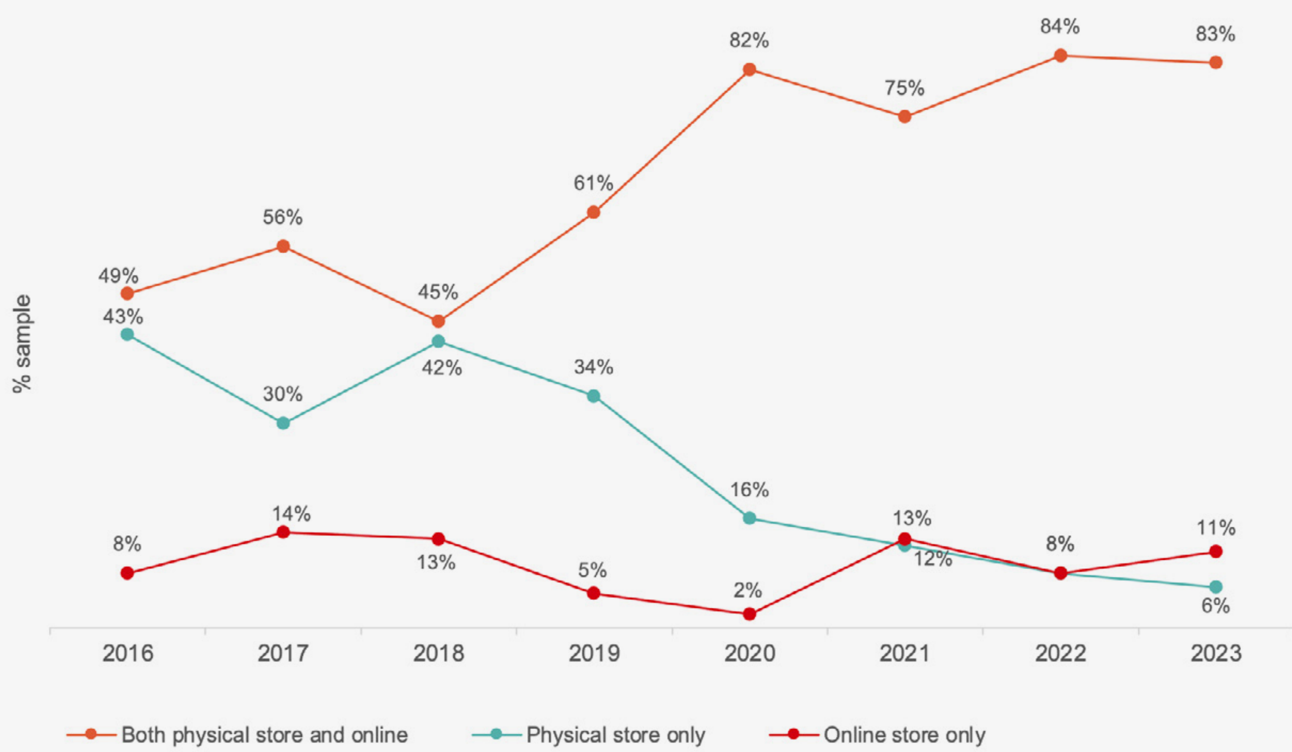
Western Australia has more early birds than the other states, with 31% of shoppers planning on completing **most of their Christmas shopping by October**. At the other end of the spectrum, **South Australians** (11%) and **Victorians** (12%) are the least likely to shop **before November.**

In terms of late shoppers, South Australians and Tasmanians are the most likely to shop for holiday presents in December (39% and 38% respectively). They are almost twice as likely as Queenslanders (21%) to do most of their Christmas shopping in December.

Note: Sample size = 504

SHOPPER
CHANNEL PREFERENCES

Q: What proportion of your Christmas shopping do you plan to complete through the following channels?



KEY INSIGHTS

For finding the perfect Christmas gifts, omnichannel shopping still rules this holiday season.

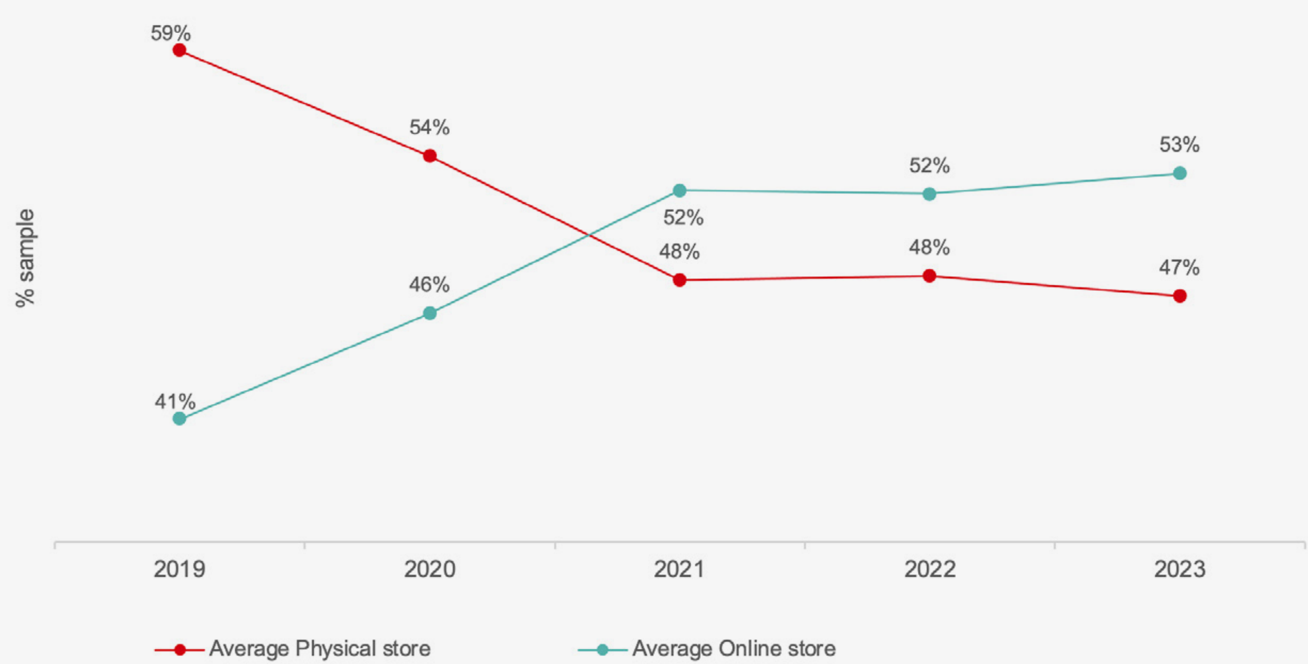
After a large rise during COVID, online shopping has solidified its status as a mainstream shopping channel, with 94% of respondents saying they will use online channels for their Christmas gift shopping. The vast majority of these shoppers – 83% – will use both online and physical store channels.

Physical store-only shoppers continue their long-term decreasing trend, with fewer consumers than ever planning on using physical stores only when shopping for holiday gifts (6%). This downward trend has remained unbroken since 2019 and is unlikely to be reversed. The news is not bad for physical store retailers though, with 89% of respondents planning on using physical stores for their Christmas gift shopping. Clearly an omnichannel approach is the attractive choice for shoppers!

Note: Sample size = 504

SHOPPER
CHANNEL PREFERENCES

Q: What proportion of your Christmas shopping do you plan to complete through the following channels?



KEY INSIGHTS

As with 2021 and 2022, this year Australian shoppers are planning on splitting their Christmas gift buying almost equally across online and physical store channels.

For 2023, 53% of Christmas gift buying will be done through online channels, while 47% is expected to be conducted in-store. These proportions have remained almost constant for three years in a row.

While omnichannel shopping is dominant (83% of respondents), these results show that omnichannel shoppers still use physical stores for a large proportion of their Christmas shopping needs.

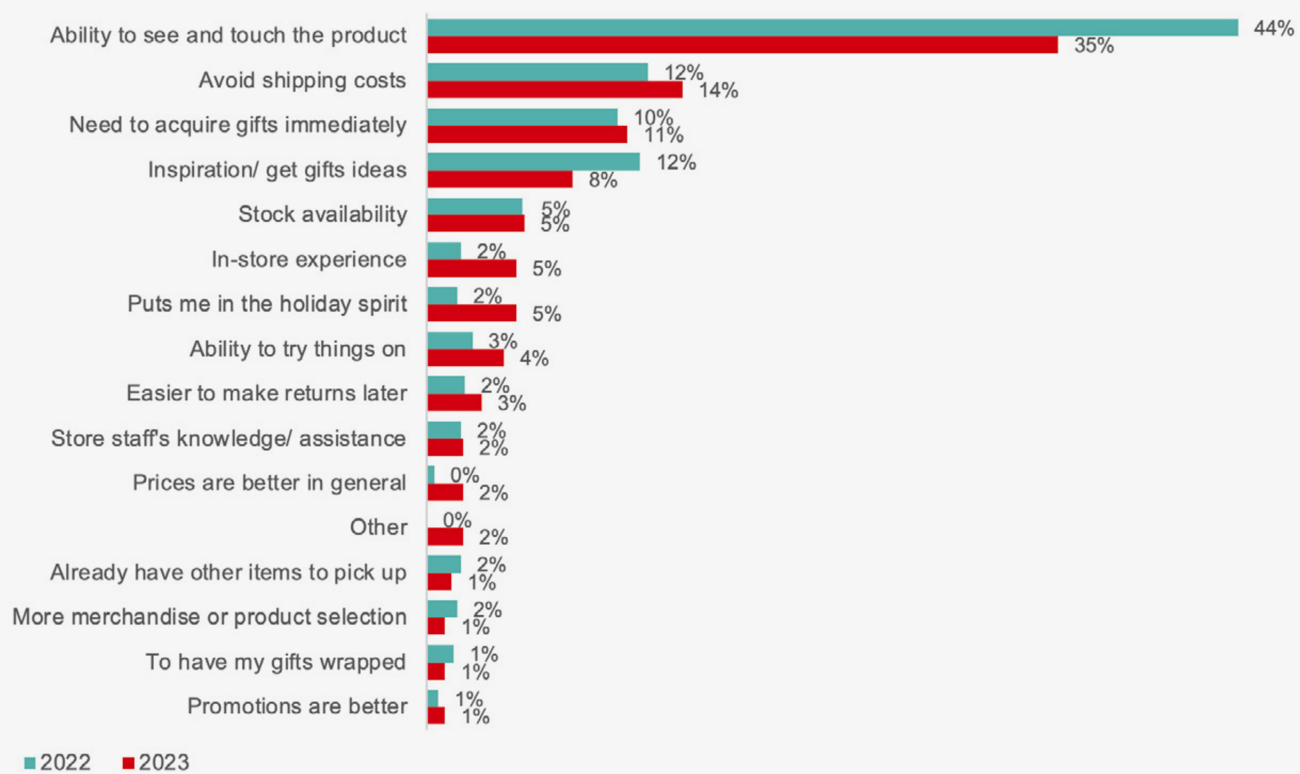
Clearly **Australians still want the physical store to be a significant element of their overall holiday shopping journey** – but coupled with the unique benefits of online shopping.

Retailers who maintain both a physical and online presence are best situated to take advantage of this omnichannel landscape.

Note: Sample size = 418

TOP REASON
FOR SHOPPING IN-STORE

Q: What is your main reason for shopping in a physical store this Christmas?



KEY INSIGHTS

Physically seeing and touching products remains the dominant reason for shopping in-store instead of online this holiday season.

Though dropping from Christmas 2022 (-10%), **35% of consumers** indicated that the top reason they will choose to shop in a physical store versus online this Christmas is **that a physical store gives them the ability to see and touch the product** they are considering buying.

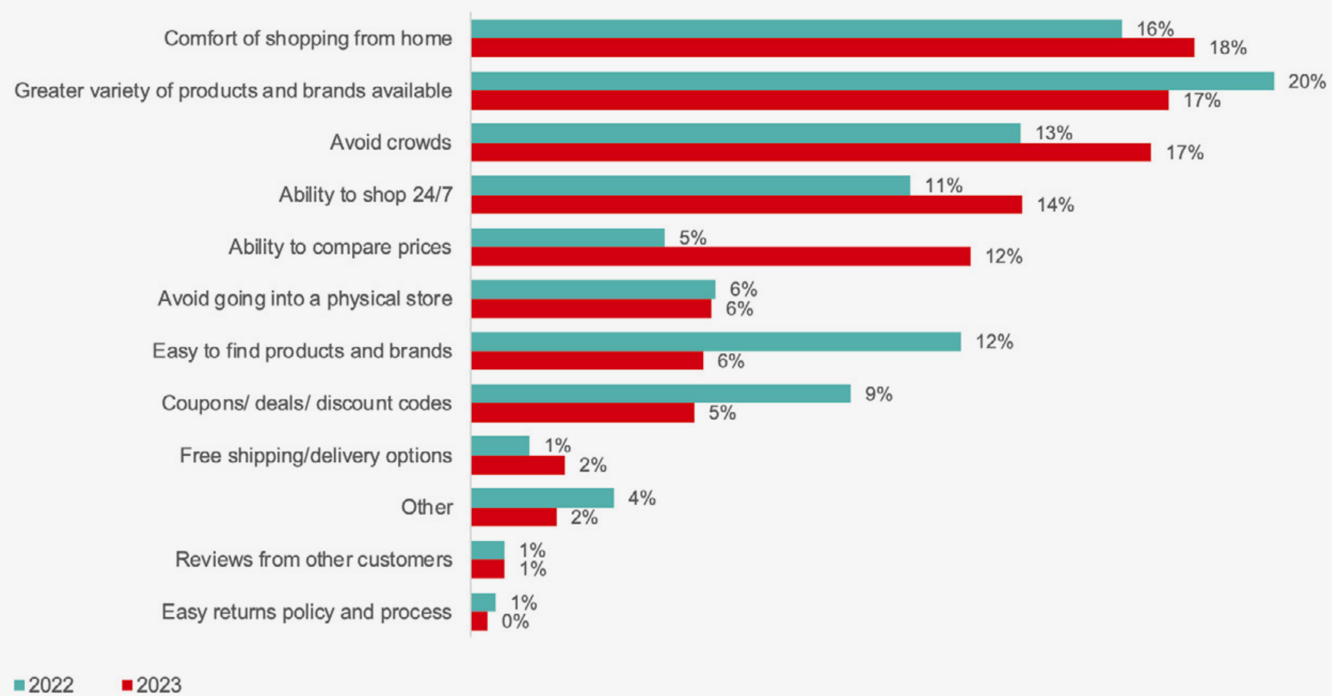
Other top reasons for shopping in physical stores this upcoming Christmas include:

- **Avoid shipping costs** (+2%) – the second highest rated reason
- The **need to acquire presents immediately** (+1%)

Note: Sample size = 448

TOP REASON
FOR SHOPPING ONLINE

Q: What is your main reason for shopping online this Christmas?



KEY INSIGHTS

Whereas the **ability to see and touch the product** they are considering buying is the dominant reason for people to shop in-store by a large margin, **the reasons for shopping online are less clear cut**, with respondents nominating a **range of reasons** for choosing to shop online.

The 'comfort of shopping from home' is the top reason for shopping online for holiday gifts this year (18% of respondents), though four other reasons are also important factors:

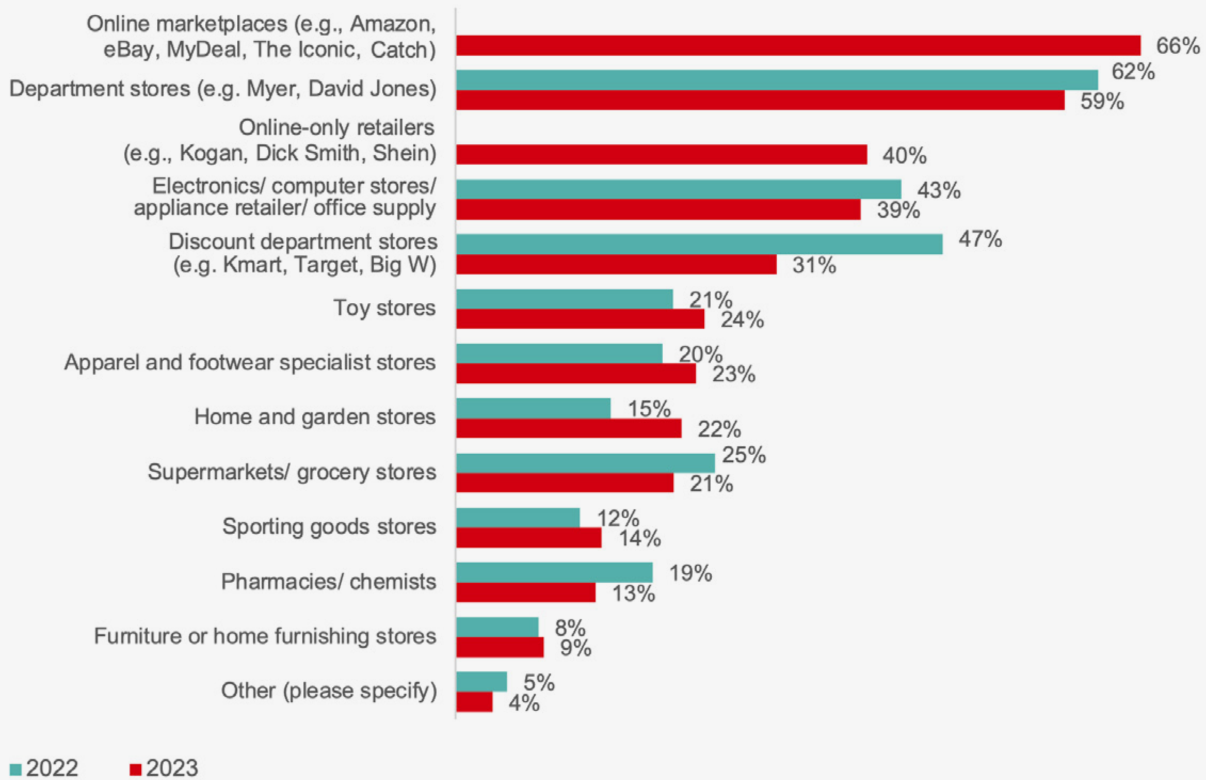
- Greater variety of products and brands available (17%)
- Avoid crowds (17%)
- Ability to shop 24/7 (14%)
- Ability to compare prices (12%)

These reasons almost certainly bolstered by Australians becoming more familiar and comfortable with e-commerce than ever.

Note: Sample size = 473

CHRISTMAS
SHOPPING FORMATS

Q: At which of the following shopping formats do you plan to buy Christmas gifts?



KEY INSIGHTS

Online marketplaces and department stores are the most popular retail formats for Christmas shopping in 2023.

This Christmas, Australian consumers will continue to shop across a variety of formats, with both online and in-store formats remaining relevant. **The No.1 retail format** for gift buying is now **online marketplaces** such as Amazon, eBay, MyDeal, The Iconic, etc., at 66%.

In second place are **department stores** (59%), followed by **online-only retailers** (e.g., Kogan, Dick Smith, Shein) at 40%.

Compared to 2022 **the biggest changes** are:

The **decreased intention** to shop for holiday gifts at **discount department stores** (falling from 47% to 31%) and electronics/ computer stores/ appliance retailer/ office supply (39%, down 4%).

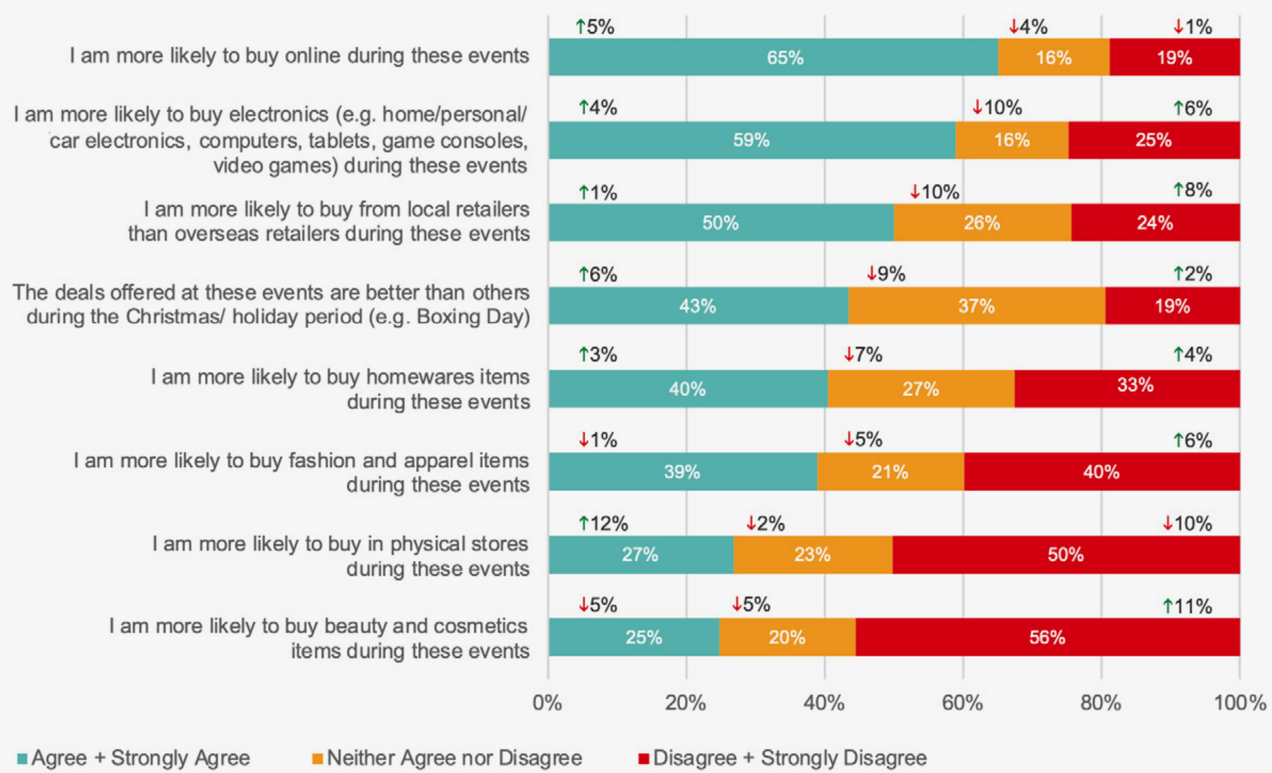
More surveyed consumers plan to visit **home and garden stores** (+7%).

Shoppers continue to be least likely to shop for presents **at furniture or home furnishing stores** (9%).

Note: Sample size = 504. For 2023 survey, Internet Based Retailers has been split into Online Marketplaces and Online-only Retailers.

MERRY
CYBER CHRISTMAS?

Q: Thinking about this year's Black Friday (November 24) and Cyber Monday (November 27) sales events and your Christmas shopping, to what extent do you agree or disagree with the following statements?



KEY INSIGHTS

During Black Friday and Cyber Monday sales events in 2023, Australians:

- show a preference to buy online (65%) versus physical stores (27%);
- are likely to buy electronics (59%); and,
- are more likely to buy from local than overseas retailers (50%).

The most significant change from 2022 is **a greater number of consumers will be more likely to buy from physical stores** during Cyber weekend sales events (rising from 15% to 27%). Clearly shoppers will be taking advantage of 'cyber' offers in physical stores.

Christmas shoppers are using Cyber weekend sales to save on gifts this holiday season, with more consumers surveyed saying that the **deals at these events are better than others during the holiday period** (e.g., Boxing Day) (43%, up 6 points).

What are Aussies shopping for?
Consumers are most likely to buy electronics (59%), homewares items (40%) and fashion and apparel items (39%) at Black Friday and Cyber Monday sales.

Note: Sample size = 504

KEY TAKEAWAYS
TO ELEVATE YOUR 2023 CHRISTMAS STRATEGY

AUSSIES CONTINUE TO GET IN EARLY FOR THEIR CHRISTMAS GIFTS

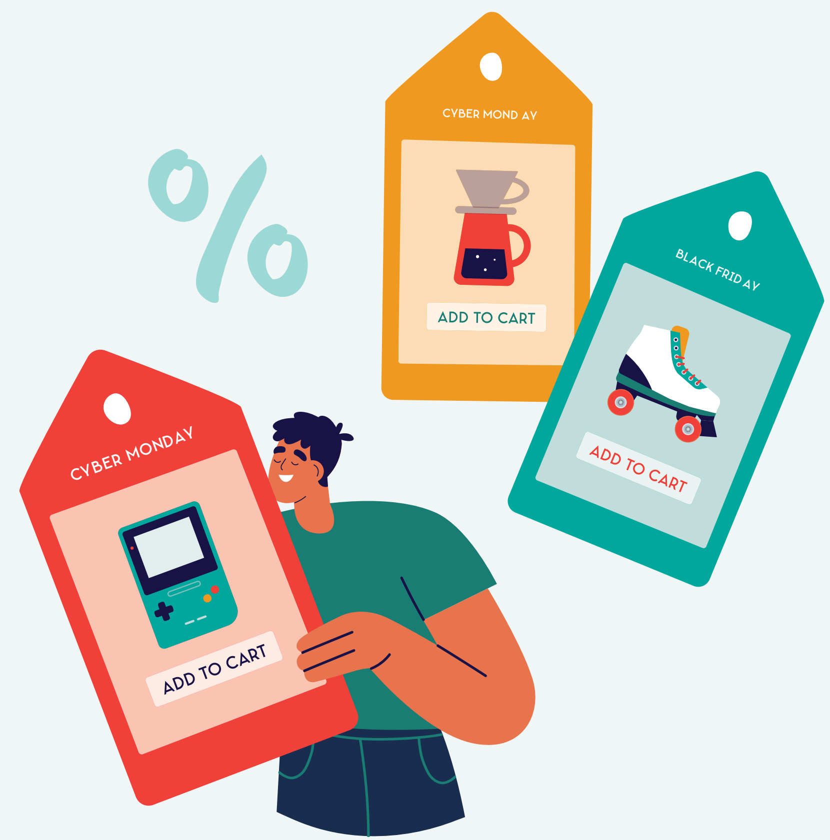
Gift buyers are getting ahead of the game for their Christmas shopping, with 70% of shoppers doing most of their gift buying before December. With **November being the biggest month for Christmas season sales, retailers and brands can't focus solely on the traditional holiday sales period anymore**. Those who assess the shifting trends and respond to them accordingly may be at an advantage to draw in more shoppers in the run-up to Christmas.

CYBER WEEKEND CONTINUES TO STEAL BOXING DAY'S THUNDER

Over 70% of consumers stated that cost-of-living rises will impact their holiday spending plans. **Expect many shoppers to leverage savings during the Cyber weekend sales events.** A strong discounting strategy for the four-day shopping period will be more critical than ever to remain competitive and attract price-sensitive holiday shoppers.

IT'S AN OMNICHANNEL CHRISTMAS

Australians will continue to shop at physical stores as often as using online channels for their Christmas gift purchases. **While in-store shopping remains important, online adoption is now a holiday habit.** Enhance the advantages of omnichannel shopping by offering specialised Product Advisors to advise and recommend products, supporting both in-store and online.



INSIGHTS
BROUGHT TO YOU BY

AUTHORS

If you would like further information regarding the 2023 Christmas Shopping Intentions research, please contact us.

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Mariluz Restrepo is CPM's leading in-house expert on omnichannel retail, consumer behaviour and trends affecting the shopping space. As our noted retail authority, Mariluz leads CPM's marketing strategy and research, and is a key collaborator on thought leadership initiatives. Her research covers retail-oriented topics such as retail forecasting, trends and customer shopping habits, as well as merchandising and customer service experience best practices.

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CPM AUSTRALIA

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www.cpm-aus.com.au I www.retailsafari.com.au

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