

# Holiday Shopping Behaviours can vary by where consumers live

City-slickers buy online and pick up in store unlike rurals who focus on home and fun

Although online shopping has erased geographic barriers for many consumers, there are still holiday shopping behaviours that differ between urban and rural consumers. Urban consumers in the US plan to spend 33% more on their holiday shopping this year than those in rural areas, and rural consumers are most likely to buy some of the key categories of the season, according to insights from the 2019 Holiday Purchase Intentions Survey from The NPD Group. Consumers respond to the major holiday shopping events, but their environment plays a role in the nuances of what that response looks like.

"The growth in online shopping has increased the importance of understanding how a consumer's location impacts their shopping behaviours," said Marshal Cohen, chief industry advisor, The NPD Group. "Retailers need to understand how behaviours between rural and urban shoppers differ in order to reach each of these shoppers with relevant marketing messages, especially throughout the competitive holiday shopping season," he added.

City-slickers will buy online and pick up in store

Urban consumers plan to spend \$843 this holiday season, which is more than the \$736 planned by those who live in suburban areas or the \$636 indicated by consumers in rural areas. These city-dwellers are more likely to buy online and pick-up in-store - 28% plan to take advantage of BOPUS options - and have packages delivered to a locker or inside their home. They are also more likely to buy electronics, and care about social, environmental, or political issues.

Rural consumers will focus on home and fun

Holiday shoppers in rural areas of the US plan to spend the least, but they are more likely to buy toys (41%), and products related to entertainment (43%) and the home (36%). These consumers are not influenced by a retailer's or manufacturer's position on issues.

The 'burbs are the middle ground

Holiday shoppers in suburban areas are the least polarized, but they are also the least likely to use social media for research - only 15%. Coast to coast, Black Friday and Thanksgiving Day lead holiday shopping. Regardless of region, consumers spent the most on Black Friday during the peak 2018 shopping weekend, followed by Thanksgiving Day. There were few differences through the rest of the days, but Small Business Saturday ranked highest in the Midwest, and Cyber Monday was most important on the West Coast.



Marshal Cohen, chief industry advisor, The NPD Group says, "there is more of a divide in consumer sentiment heading into this holiday season than we have seen in years. Fewer consumers are planning on doing what they did last year, which means retail needs to be prepared to think differently. With planned spending more polarized than it was a year ago, I'm expecting a roller-coaster holiday season with 2.7% to 3.2% sales growth at retail."



Joe Derochowski, Vice President, Industry Advisor, Home, The NPD Group feels, "based on strong performance so far this year, I'm expecting home to have another good holiday season. The consumer's focus on health and wellness will continue to be a sales driver, and multifunctional products that solve the pain points of life's tasks will be the holiday leaders. Thanks to innovative approaches by many manufacturers in these areas, air fryers, multi-cookers, toaster ovens, grilling-related products, robotic vacuums, and oral care are poised for holiday success."

Maria Rugolo, Director, Industry Analyst, Apparel says, "apparel will likely have a soft holiday at retail this year, with declines possible. But, there are some growth areas, like off-price, where consumers have indicated an increase in planned 2019 holiday shopping. Regardless of channel, retailers and brands will need to find ways to drive traffic to their storefronts, like they did with cozy stocking stuffers

last year. Keeping to the 'soft' theme, expect to see more fuzzy-inspired items, like socks, scarves, and jackets, to lure consumers in again this holiday."

Beth Goldstein, Executive Director, Industry Analyst, Accessories and Footwear said, "in accessories, I expect we'll see mid to high single-digit declines this holiday season compared to last year. There

will be bright spots from function-oriented categories including fanny/waist/chest packs and backpacks. In fashion footwear, bigger will be better. In addition to sneakers, the market will be driven by chunkier styles. Creature comforts like slippers and fuzzy boots will be key, although some of this performance will be contingent upon the weather."

### Holiday Purchase Intentions Snapshot

16% of consumers plan to shop in the off-price channel this holiday season, up three percentage points versus last season. By comparison, planned shopping in most channels is expected to remain relatively stable compared to last year. 46% of consumers plan to purchase intangible gifts this holiday season, with food/beverage experiences and charitable donations topping the list. 11% of consumers plan to purchase a subscription box/service as a holiday gift, up 2 percentage points versus last year. Beauty/grooming and fashion/apparel boxes were the top types identified. ■