

ebay Ads

August 2022

Christmas spend trends 2022

Connecting with cost and climate-conscious consumers.

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01 Introduction

“The pandemic is barely behind us, with new variants sparking fresh concerns for the winter season. But the cost of living crisis and concerns around climate change have taken centre stage, emerging as critical influences over consumers’ Christmas shopping plans.

We’ve combined insights into eBay’s 20 million shoppers in the UK¹ with responses from a survey of over 2,000 UK consumers who celebrate Christmas to paint a picture of how the country is preparing for this year’s festivities.

We’ve discovered an air of optimism underpinned by a note of caution, with cost-conscious consumers prioritising value for money and challenging themselves to treat their loved ones to more thoughtful and functional gifts as purse strings tighten. Consumers are increasingly thinking green and local, seeking sustainable options and supporting small businesses.

As well as outlining peoples’ plans, priorities and past shopping behaviours across multiple categories, our report includes actionable tips to help brands and sellers connect with consumers during the months ahead.”



Upasana Gupta, GM Advertising UK, eBay

02 Seasonal stress threatens festive cheer

After a turbulent couple of years, consumers are generally feeling positive about this year's festive season.

Our research found that over half (52%) feel optimistic that they'll be able to celebrate as usual, with almost half (46%) looking to enjoy a traditional Christmas this year. One in six (17%) suggested that they're expecting to feel a sense of nostalgia as they plan ahead.

Over a quarter (27%) believe Christmas will be exciting, seeing it as a big occasion to look forward to. This is up from just 16% in 2020,¹ suggesting the nation's spirits have been lifted as the chance of further lockdowns seems increasingly unlikely. In fact, 24% are planning to go all out this Christmas to make up for the last couple of years of disruption – creating an opportunity for brands and sellers to engage with an enthusiastic audience.

But this excitement is underpinned by a note of caution that brands and sellers must be aware of. One in five (20%) consumers are expecting Christmas to feel stressful this year, a notable increase from one in seven (14%) last year.² This is likely a reflection of the cost of living crisis that is currently top of many's minds.





Which of the following best reflects how you think Christmas will feel this year?



Top tip #1.

With the festive season primed to evoke emotions, brands and sellers must be mindful of consumers' mindsets in the months to come. Use any opportunity to source insights into shopper sentiment and adapt your sales and marketing strategy to match it.

03

Cost of living crisis causes purse strings to pinch

The rising cost of living means that over half (51%) of consumers are worried about being able to afford gifts or hosting celebrations this Christmas.

Notably, 29% of consumers are planning to spend less overall than they did last year, with 10% saying they'll be spending significantly less.

Festive frivolities will bear the brunt, with a quarter (24%) planning to spend less on Christmas celebrations including food, decorations and parties. Meanwhile, nearly a third (31%) plan to buy fewer gifts than they did last year, and half (50%) of consumers will rely upon Black Friday offers to save money on gifts.

However, with 39% planning to spend the same as last year and 25% planning to spend more, average spend could continue its upward trajectory. Last year, the average spend on Christmas shopping was £623.61, up from £527.88 in 2020.¹



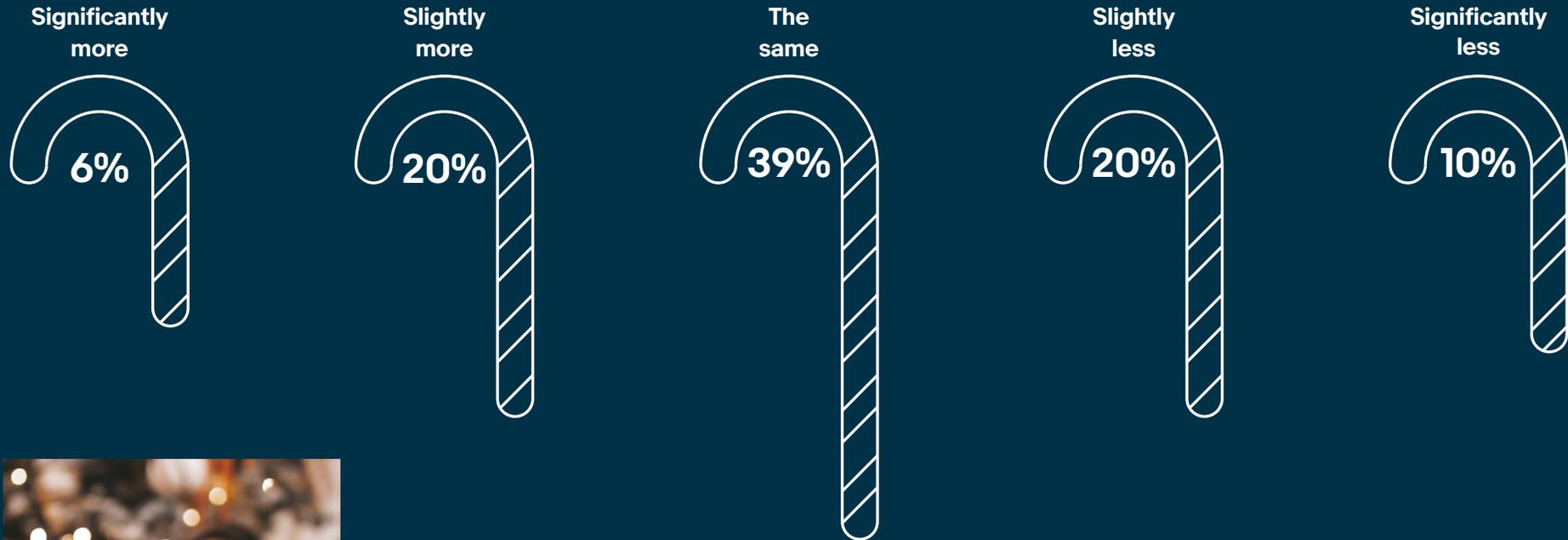
of consumers are planning to spend less overall than they did last year.



Half of consumers will rely upon Black Friday offers to save money on gifts.



Compared to last year, how much are you planning to spend on Christmas shopping and celebrations this year?



Top tip #2.

Be prepared for spikes of interest around key shopping milestones like Black Friday, especially as shoppers look to save money on gifts. Prioritise marketing and promotions to make the most of the opportunity and inventory to ensure you have sufficient stock for a surge.

Don't put all your baubles in one basket. Consider and prepare for other moments that could prompt people to spend, from sporting events to cultural occasions.

04 Value for money is a major focus for buyers this year

As purse strings tighten, good value for money is naturally a top priority.

Six in ten (60%) consumers told us that good value for money is the most important factor when it comes to this year's Christmas shopping. Notably, around three times as many people prioritised value than range of choice (22%) and quick delivery (19%). In fact, six times as many people prioritised value as did easy returns (10%), suggesting that cost will trump convenience this Christmas - although the latter is still important.

It's no surprise that consumers want to ensure they're getting bang for their buck, with four in ten (38%) citing quality of products as one of their biggest priorities when shopping for gifts this year.



What will be your biggest priorities when shopping for gifts this year?



Top tip #3.

Continually review your pricing strategy to ensure it remains competitive. Consider offering free shipping to appeal to price conscious shoppers, and make sure that the value of products is clearly communicated to help convert more cautious customers.

Clear descriptions for your items will help them stand out to shoppers. As well as value, make them aware of the unique selling points and the quality of your inventory, and consider promoting items to give them a visibility boost for mindful consumers researching online.

05

Gifts must add value as well as be good value

Consumers are also focused on finding gifts that will add value to their loved ones' lives.

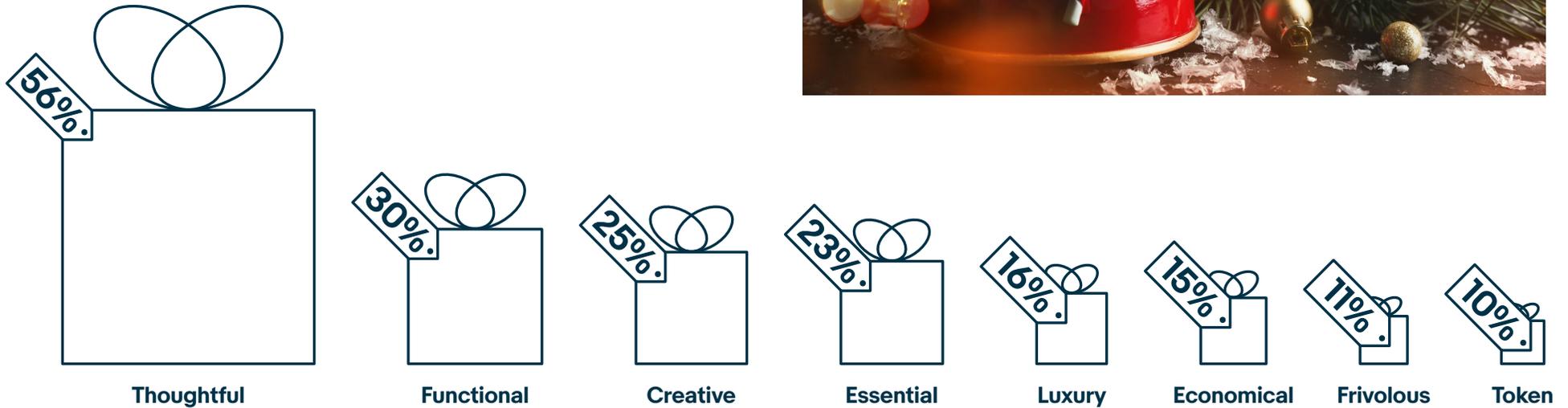
Over half (56%) plan to buy thoughtful gifts for friends and family this year, with over a quarter (26%) saying they are planning to put more thought into sourcing meaningful gifts.

Meanwhile, three in ten (30%) plan to buy functional presents and 23% will buy essential items, suggesting that they'd prefer to gift something useful at a time when many need help to afford everyday items.

Only 10% and 11% plan to buy token or frivolous gifts, respectively.



Which of the following best describe the types of gifts you expect you will buy for friends and family this Christmas?



Top tip #4.

Be prepared for shoppers to take their time choosing and purchasing gifts. Provide information and inspiration as timely reminders but don't pressure them into moving faster.

06

I'm dreaming of a green Christmas

The cost of living isn't the only factor influencing consumers this Christmas.

Powered by concerns around climate change, 39% of consumers are keen to be climate conscious when it comes to shopping and celebrating this Christmas.

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One in 10 (10%) said that buying eco-friendly products will be one of their biggest priorities when shopping for gifts this year, placing them on a par with easy returns (10%).



Almost a third (29%) of consumers will look for recyclable packaging and wrapping, whilst 17% will shop for second hand, preloved or refurbished items rather than buying new and 15% are committed to buying sustainable decorations.

In fact, despite aspirations to spend less overall, 27% said they are prepared to pay more for items that have better sustainability credentials this Christmas.

There's also growing appetite to support the local economy and small businesses, especially considering how difficult the past two years have been, with 28% planning to shop from local businesses.



of customers are prepared to pay more for items that have better sustainability credentials this Christmas.



of consumers will shop from local businesses this Christmas.



Top tip #5.

Pay attention to customers' priorities. Messages around cost and convenience may only land if environmental concerns are being catered for as well.

07 The early bird catches the best deals



Almost a third (32%) of consumers are planning to start their Christmas shopping earlier than they did last year, with 29% of shoppers intending to start before the end of August.

This means it's imperative for brands and sellers to ramp up Christmas campaigns now or risk missing out on valuable custom.

Such appetite to get going is unsurprising given the current context, with almost a third (30%) of consumers attributing this early start and organisation to the impact of the rising cost of living. 16-24 year olds and 25-34 year olds are the most likely to be starting their Christmas shopping earlier (45% and 41% respectively) - likely a reflection of lower income and the need to maximise value.

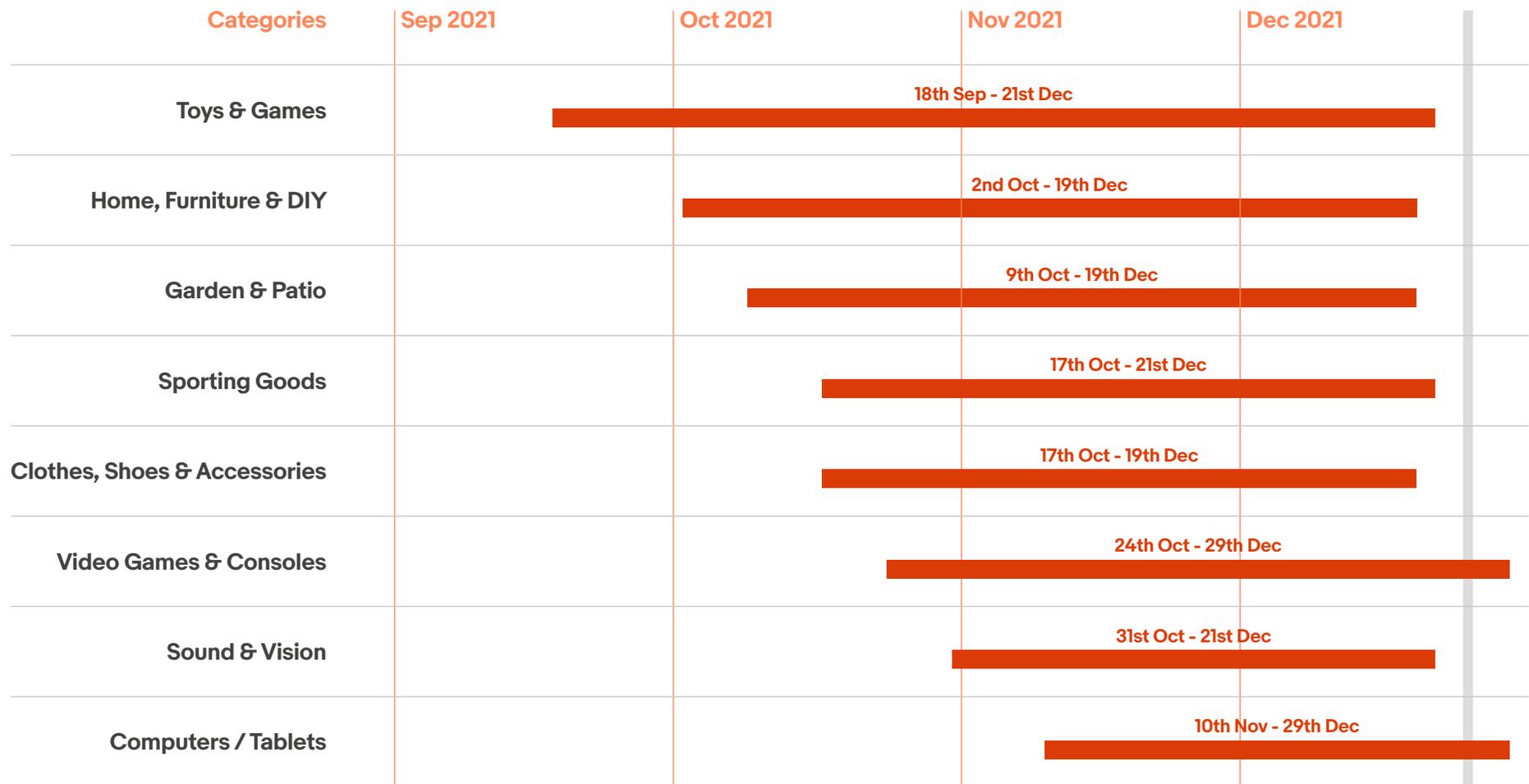


Top tip #6.

A desire to make gifting more thoughtful and to get the best value for money this Christmas means that shoppers' consideration window is starting earlier this year. Sellers and brands should ensure they're starting their Christmas promotions early on to ensure they're on shoppers' radar, even before they're ready to spend.

Christmas Tracker

Peak windows of opportunity in 2021¹



Christmas Day

08 Conclusion

“Christmas is coming and opportunities are rife for brands and sellers across multiple categories. Whilst traditional retail events such as Black Friday are important, people will be starting to prepare and plan early on in the season, so businesses will benefit from casting the net wider and considering other relevant milestones in the run up to Christmas that will inspire people to shop.

But with stress levels rising and purse strings pinching, businesses need to be particularly sensitive to consumers’ moods and needs and adapt their strategies accordingly. As well as providing and demonstrating good value, this means supporting shoppers in their quest to find the right products that will help make this Christmas a merry one.”

Upasana Gupta, GM Advertising UK, eBay

09

Methodology

Consumer research was undertaken on behalf of eBay Ads by Censuswide, with fieldwork conducted between 14th and 20th June 2022.

The survey sample was 2,010 adults in the UK who celebrate Christmas.

Source for all data in the report is attributable to the eBay Ads /Censuswide Christmas Report, August 2022, unless stated otherwise.

Other sources include:

- eBay Shop for Change Report, July 2022
- eBay internal data, 2021
- eBay Ads/Censuswide Christmas Report August 2020
- eBay Ads/Censuswide Christmas Report August 2021



10 About eBay Ads

eBay Ads is a trusted partner to some of the world's biggest brands and sellers.

Our innovative and transparent approach to data helps our partners understand their audience best.

Leveraging more than 100 million user journeys every month, we humanise data at scale and create connections between our partners and our community.

www.ebayads.com



If you'd like to have a conversation about your Christmas promotions, please contact your eBay Ads rep or email advertisinguk@ebay.com.