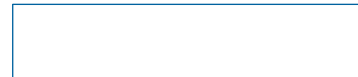
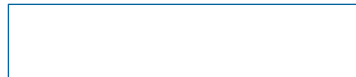
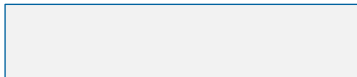
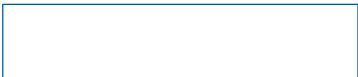
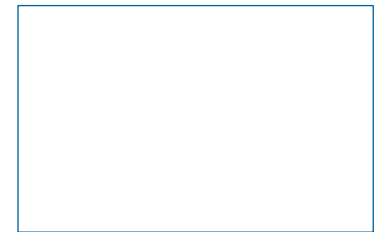
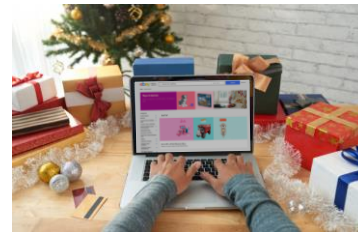
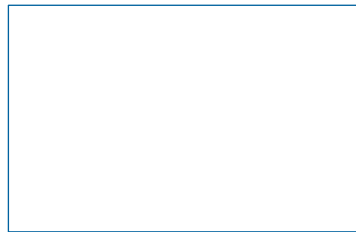
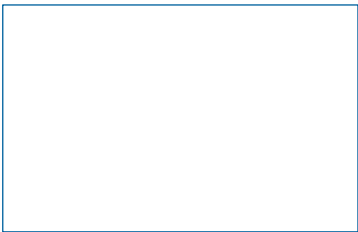
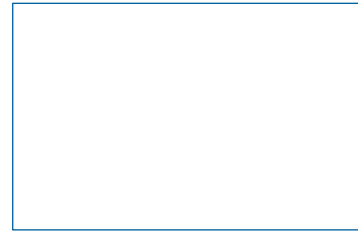
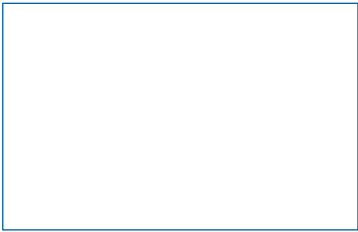
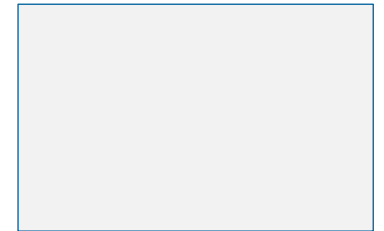
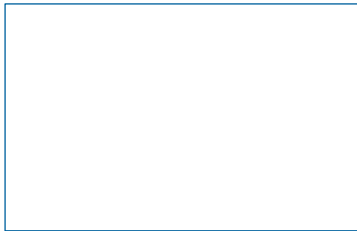


Klarna.

Covid-19 measures put off around three-quarters of Christmas consumers from spending in-store



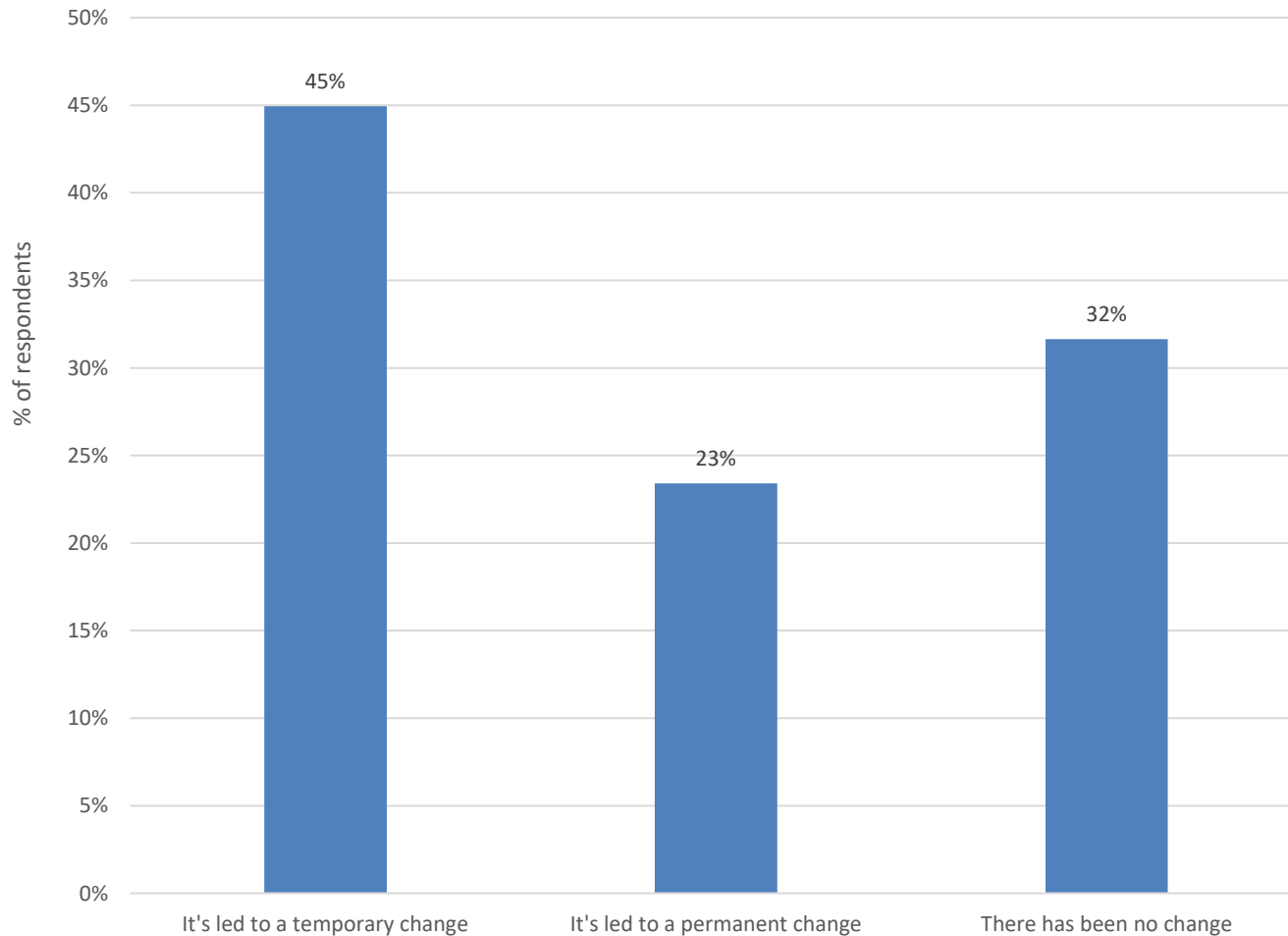
Executive Summary

- Christmas cheer will be far more muted in stores this year.
- Nearly three quarters (71%) of consumers are put off from Christmas shopping in stores this year, as Covid-19 measures are creating a barrier for physical shopping.
- Consequently, usual festive trading is expected to be highly disrupted as **more than half (56%) of shoppers expect to do a higher proportion of Christmas shopping online this year.**
- Adding to the disruption in trading patterns is that **Christmas spending is expected to be more spread out. Just under a quarter (24%) of consumers are planning to shop for Christmas earlier than last year, with around a tenth (13%) shopping later.**
- Critically, Black Friday is set to be more disruptive than ever, with **a third of shoppers hoping to grab a Christmas bargain during Black Friday.**
- Households are tightening their belts this Christmas, as **more than a third (36%) of shoppers expect to cut back on their festive spending**, with just 12% of consumers expecting to spend more than last year.
- As shoppers look to carefully manage their finances, **over three quarters (76%) of shoppers will rely on personal finances** – either earnings or savings – to fund their Christmas spending.
- The cautiousness of consumers means that **more than three times as many Christmas shoppers would prefer to make use of deferred payments** than enter into personal loans.



How would you describe the way that coronavirus (Covid-19) has impacted your spending habits?

Proportion of respondents:



23%

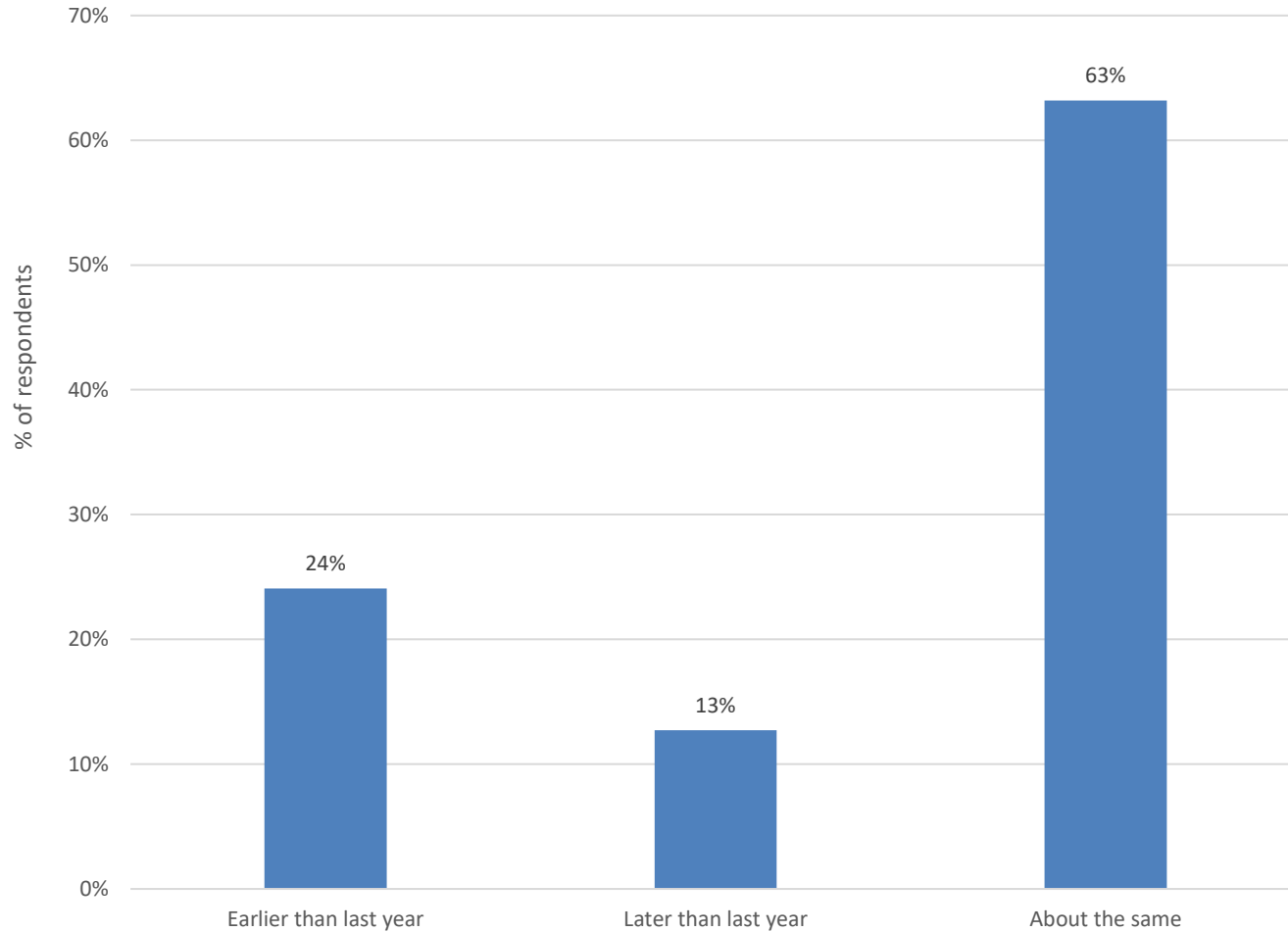
Of consumers believe the impact of the pandemic has led to a permanent change in their spending habits.

“For the vast majority, Covid-19 broke shopping habits and forced consumers to adapt to new ways of shopping. For around a quarter of shoppers, this is leading to a permanent shift in their behaviour”

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

Thinking about when you start your Christmas shopping, do you think it will be:

Proportion of respondents:



37%

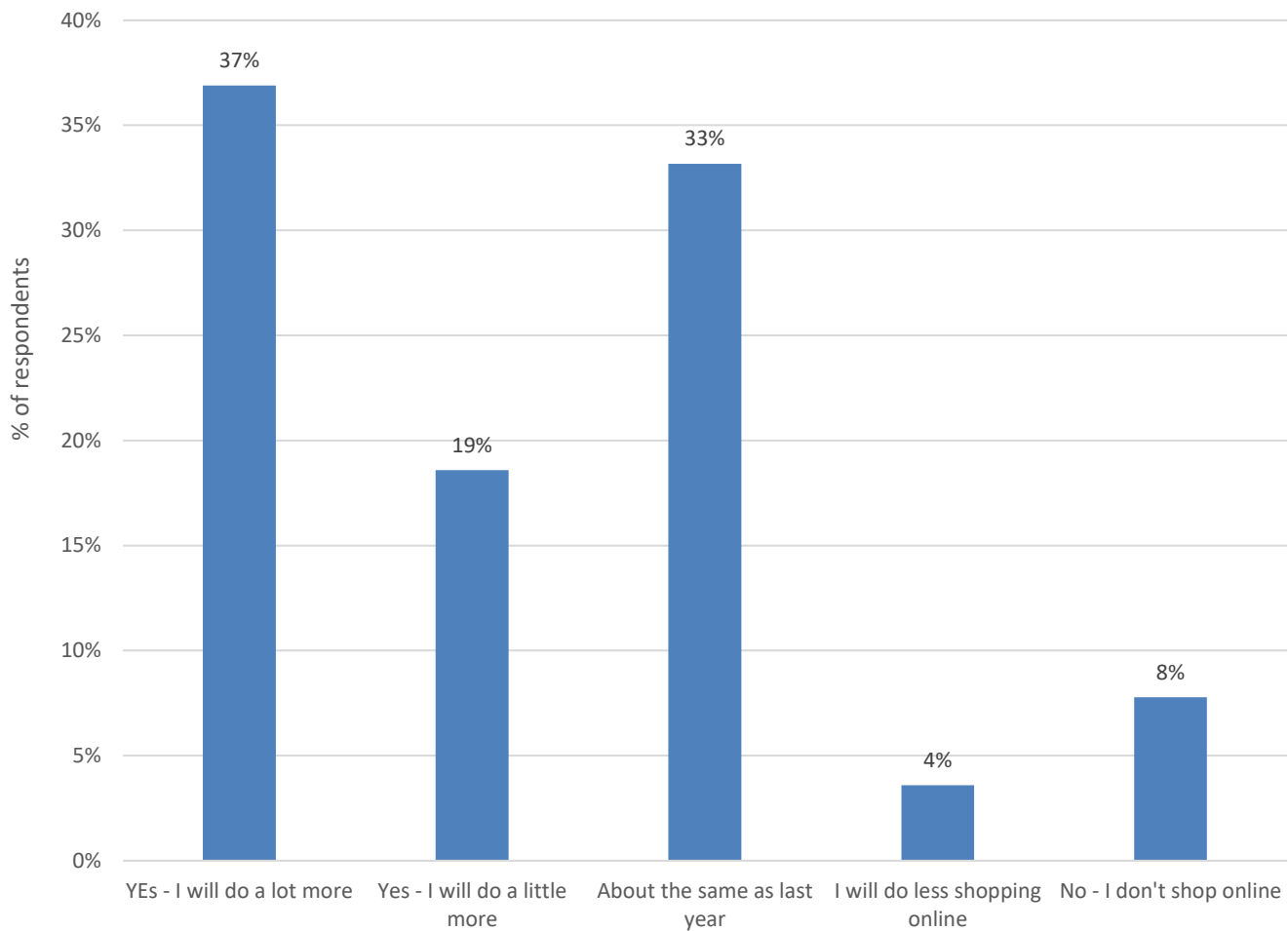
Of consumers expect to shift their Christmas spending to a different time to last year.

“Just under a quarter of consumers expect to shop for Christmas earlier this year, pulling forward their spending”

* Figures may not sum to 100 due to rounding
 Source: Retail Economics
 Sample size: 2,000

Do you think the proportion of Christmas shopping you do online will change this year ?

Proportion of respondents:



56%

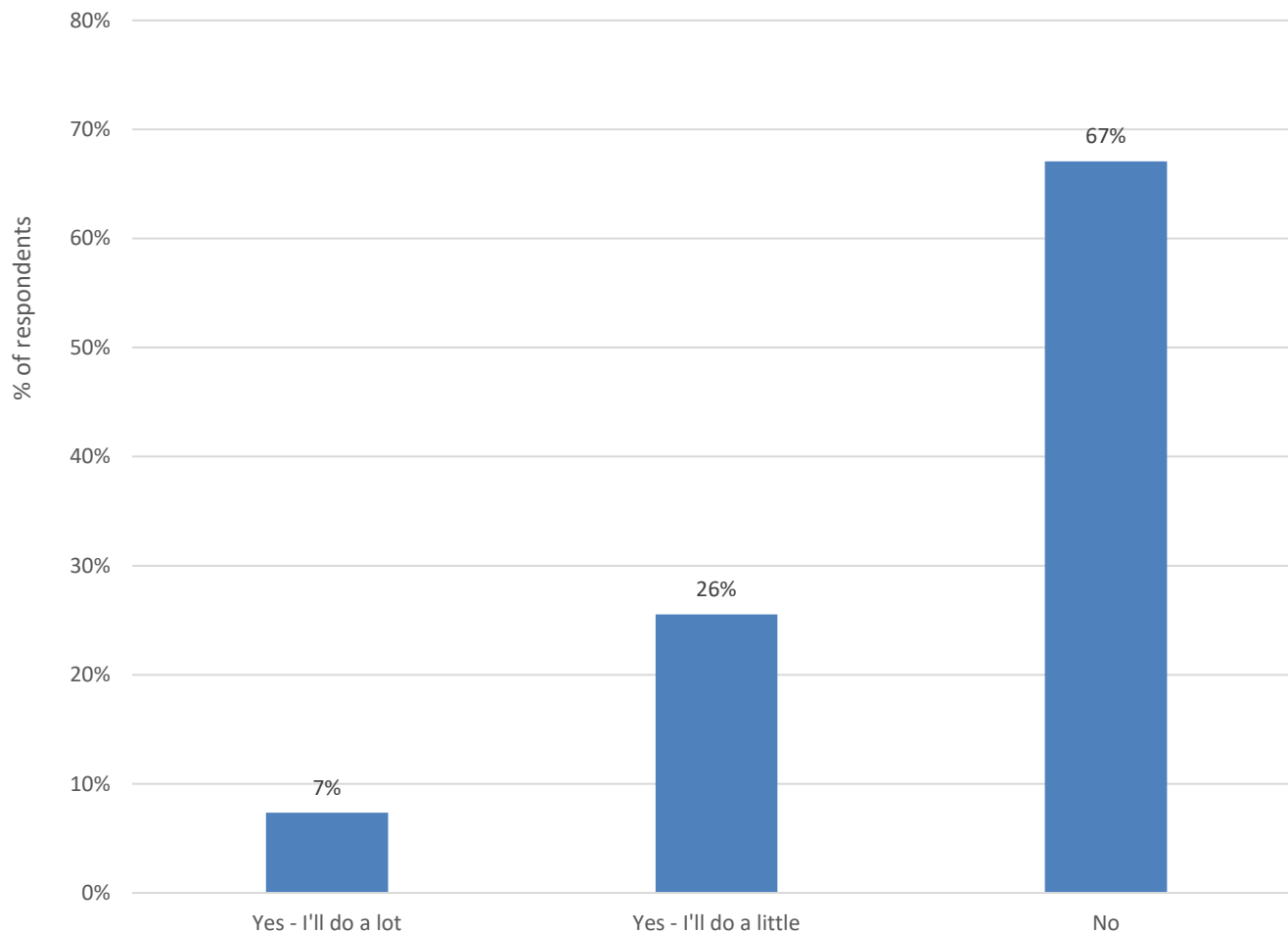
Of shoppers expect to do a higher proportion of Christmas shopping online this year.

“Usual Christmas trading is expected to be highly disrupted as more than half of consumers plan to shop more online this year”

* Figures may not sum to 100 due to rounding
 Source: Retail Economics
 Sample size: 2,000

Are you intending to do any of your Christmas shopping during Black Friday?

Proportion of respondents:



33%

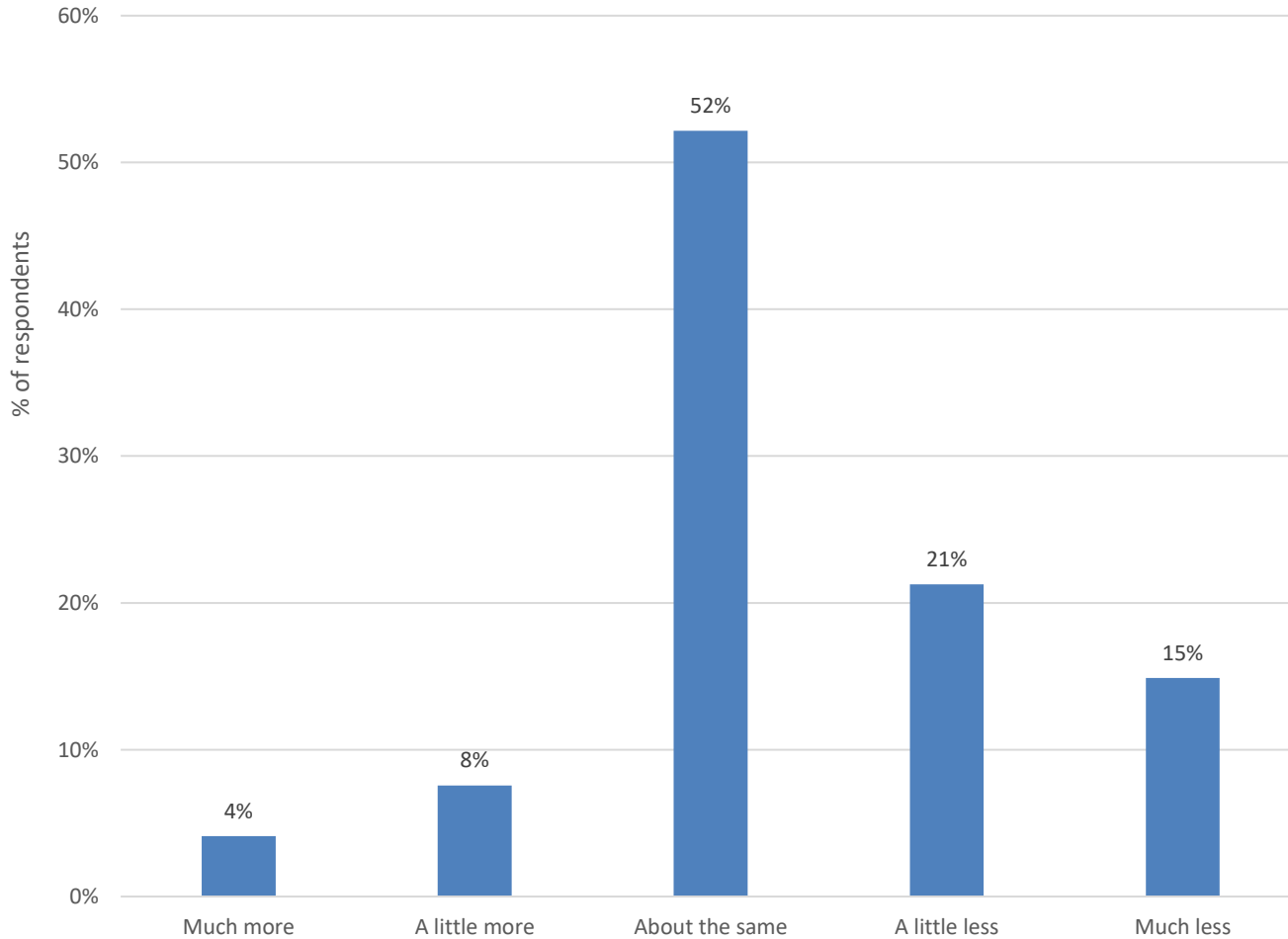
Of consumers intend to do at least some Christmas shopping during Black Friday.

“A third of shoppers are hoping to grab a Christmas bargain during Black Friday this year”

* Figures may not sum to 100 due to rounding
 Source: Retail Economics
 Sample size: 2,000

Thinking about the amount you will spend over Christmas, how do you think it will compare with last year?

Proportion of respondents:



12%

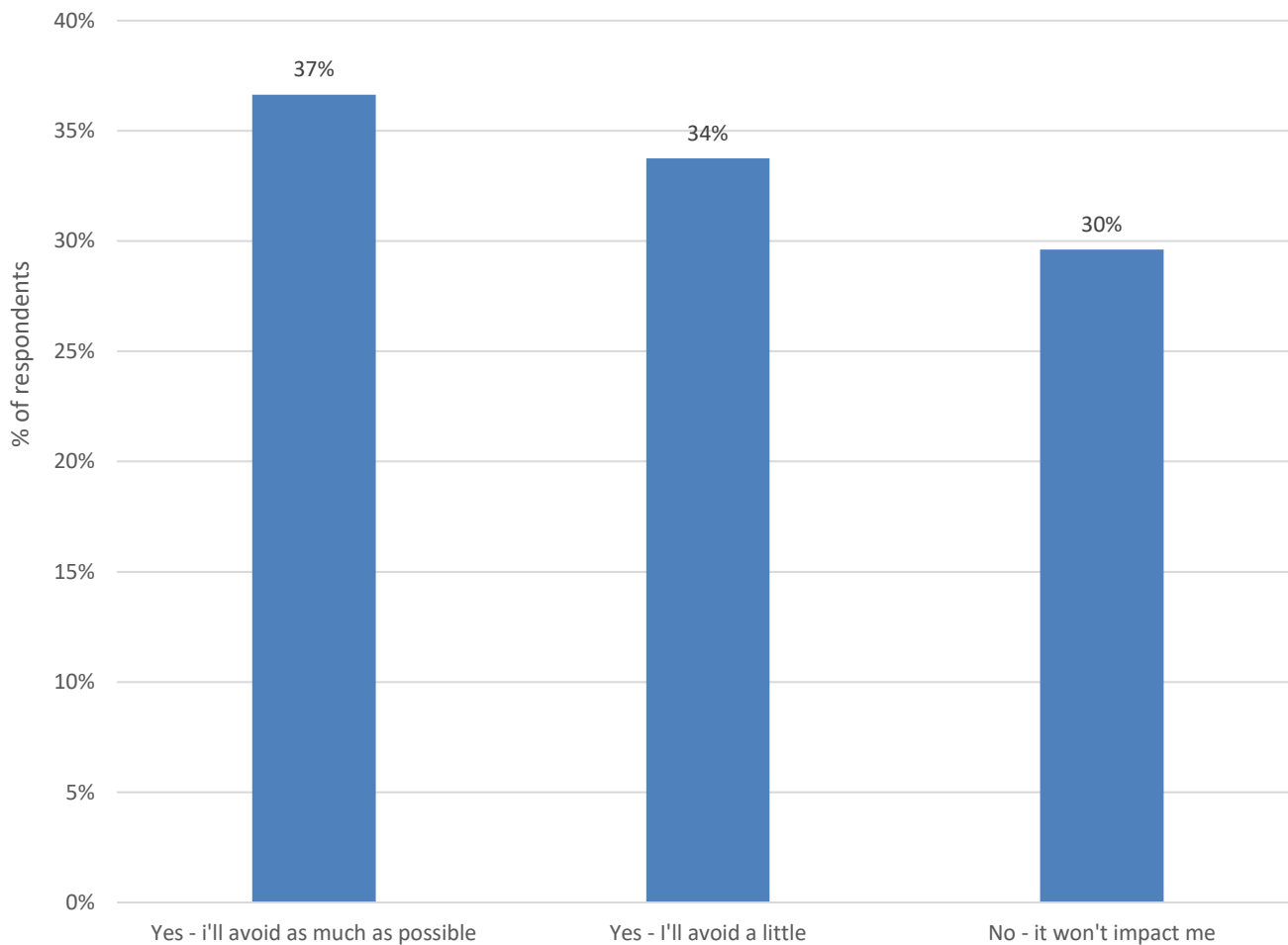
Only 12% of consumers expect to spend more on Christmas this year than last.

“Consumers are carefully managing their finances this year, with over a third of shoppers expecting to cut back on their Christmas spending.”

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

Do you think the rules around Covid-19 (e.g. masks, social distancing, maximum number in shops) will put you off doing Christmas shopping in physical locations this year?

Proportion of respondents:



71%

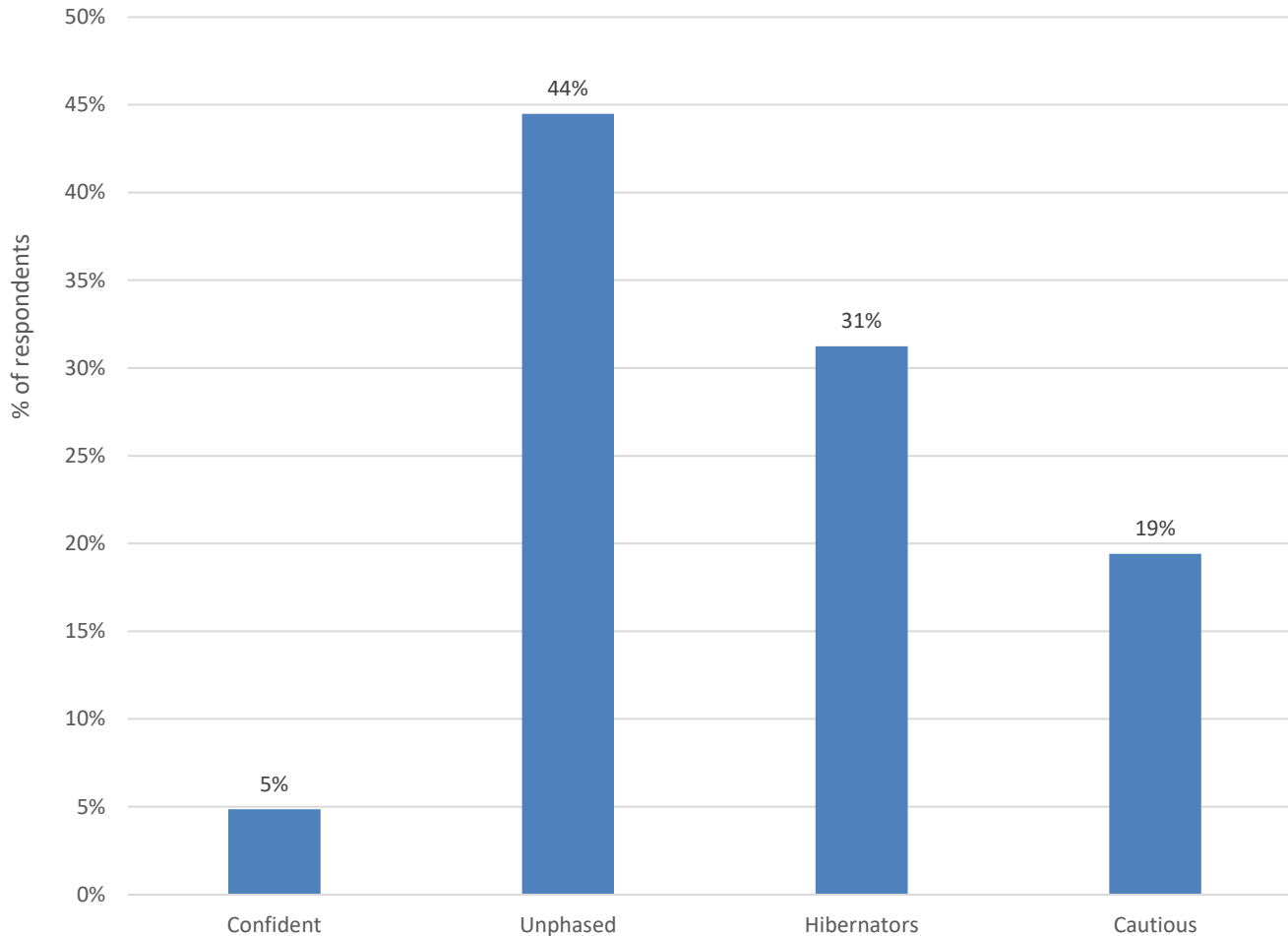
Nearly three quarters of consumers are put off from shopping in-store by Covid-19 measures.

“Covid-19 measures are creating a barrier to physical shopping, leading to clinical and often frustrating experiences”

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

Thinking about the way coronavirus (Covid-19) has impacted your spending habits, which statement best describes the way that you feel about Christmas spending?

Proportion of respondents:



19%

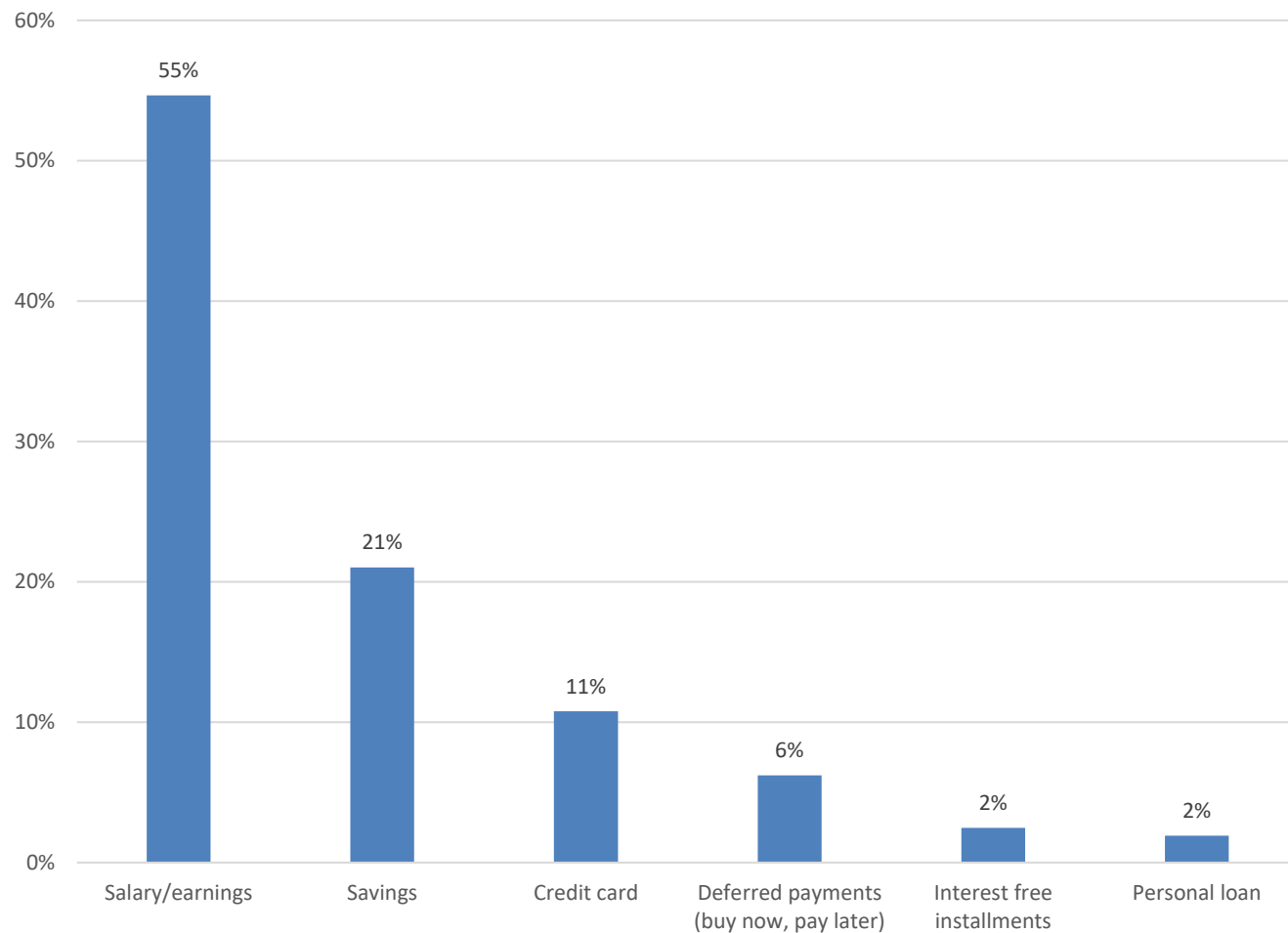
Around a fifth of consumers feel they should cut back on all non-essential spending for Christmas.

“Covid-19 has impacted spending for more than half, with consumers either taking the opportunity to grab bargains or to cut back spending around Christmas.”

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

Which of the following options will you use to fund your Christmas shopping this year?

Proportion of respondents:



76%

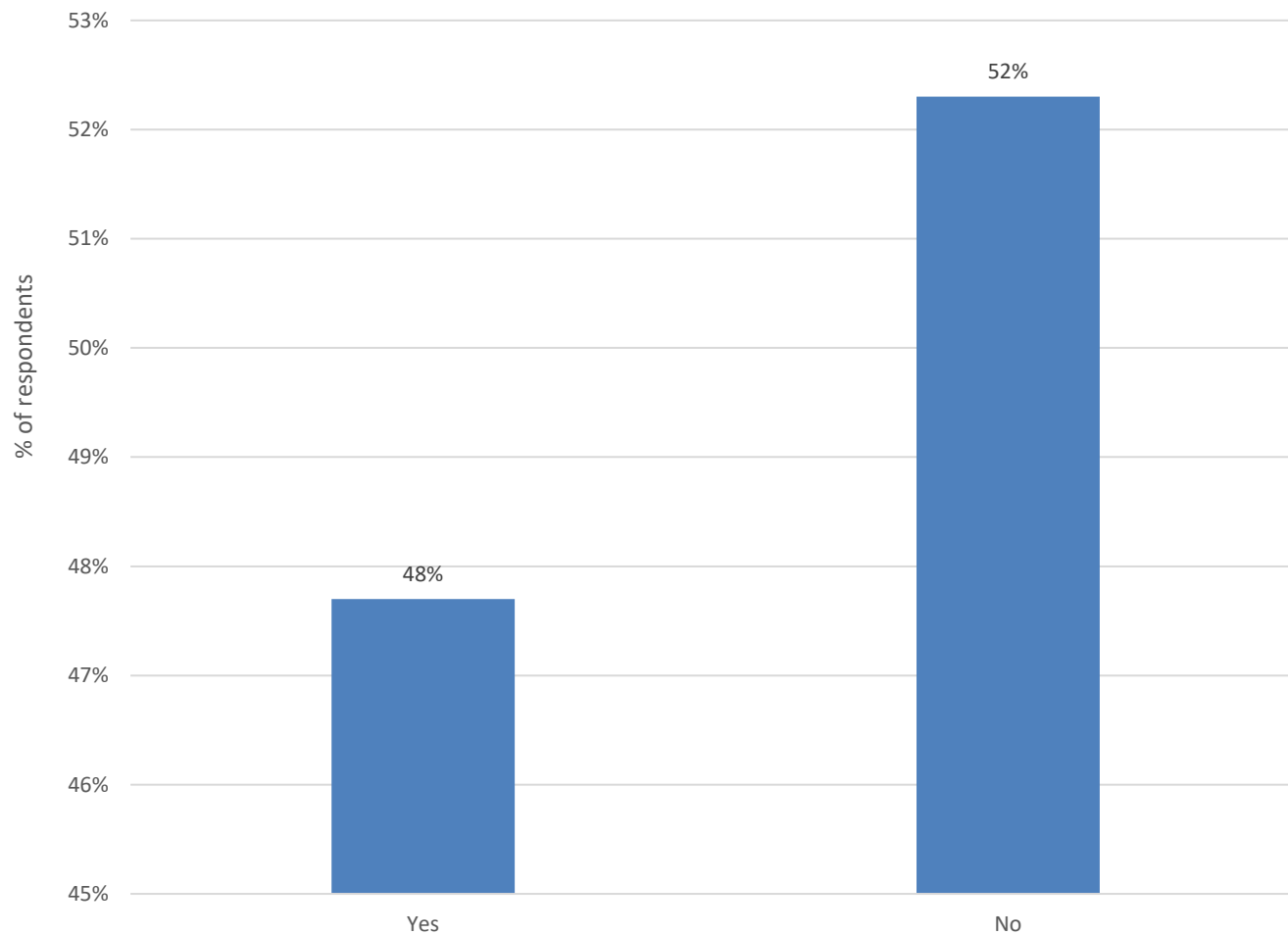
Three quarters will rely on personal finances – either earnings or savings – to fund their Christmas spending this year.

“More than three times as many Christmas shoppers would prefer to make use of deferred payments than enter into personal loans”

* Figures may not sum to 100 due to rounding
 Source: Retail Economics
 Sample size: 2,000

Since the outbreak of the coronavirus, have you switched to purchasing products online that you have always previously purchased in-store?

Proportion of respondents:



48%

said that they are shopping for retail products online for the first time.

“Nearly half of consumers are shopping online for products that they previously only ever bought in-store. For some, this will lead to a longer-term change in shopping habits”

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

About Retail Economics

Retail Economics is an independent economics research consultancy focusing exclusively on the UK retail and consumer industry. Our subscription service empowers you with a deeper understanding of the key economic drivers supporting the UK retail industry, providing a competitive edge needed to make critical business and investment decisions.

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Research Methodology

A consumer survey was distributed on 22 September 2020 and includes answers from a sample of over 2,000 nationally representative households.

Disclaimer

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