



# 2022 Holiday Shopping Predictions

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FOURSQUARE



# Project Overview

In this report, we take a closer look at foot traffic patterns during the past 2 holiday shopping seasons, as well as throughout 2022 YTD, to help brands identify and capitalize on key learnings and trends for the 2022 holiday shopping season. This report includes consumer survey data from Foursquare's owned & operated rewards app to provide insight into consumers' intentions.

Foursquare analyzes consumer behavior based on foot traffic data from millions of Americans that make up our always-on panel. For the purpose of this report, all data is aggregated and normalized against U.S. Census data to remove any age, gender and geographical bias.



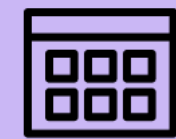


# Key Holiday Shopping Predictions



## Holiday bargain hunting has shoppers spending more time in-store

This year, holiday shoppers are willing to spend more time in-store in an effort to spend less money. Though various advancements have been made to reduce the amount of time shoppers need to spend in-store, many consumers have actually been spending more time at brick-and-mortar retail locations with each holiday season. Longer shopping trips have increased throughout 2022 YTD and are expected to continue throughout Q4 as more shoppers seek out the best prices & deals available.



## Consumers are starting their holiday shopping earlier this year

43% of surveyed Americans intend to begin holiday shopping before Black Friday this year.

Shopping malls experienced a bigger period of foot traffic growth between July through August this year compared to previous years — signs of an early start to 2022 holiday shopping.

On top of that, shopping mall penetration (the % of people who visited a mall 1+ time) was already slightly higher in September 2022 compared to last September.



## Discounted retailers will win this year's cost-conscious holiday shoppers

To minimize the impact of inflation on their wallets, many consumers have been capitalizing on sales events, and turning to discount and off-price retailers for their holiday shopping needs. 54% of Americans plan to shop at department stores (offering brand names for less), and 52% plan to shop at discount stores this holiday season. And while most retail categories (including department stores) have seen a decline in traffic since the start of this year, discount store traffic has remained elevated.

# 2022 Holiday Predictions



# Prediction 1: Holiday bargain hunting has shoppers spending more time in-store

Since the start of the pandemic, there has been a greater adoption of delivery services and e-commerce by retailers, and "buy online, pickup in store" (BOPIS) has become an ever popular shopping method among today's digitally savvy consumers.

However, many shoppers are returning to physical retail stores, and they're staying longer than usual. With inflation driving up prices across all retail categories, consumers have grown increasingly cost-conscious and budget constrained. Increased dwell time is likely the result of people willing to spend more time in-store in an effort to spend less money. In fact, various retailers have already started staffing up in preparation of in-store, discount-seeking shoppers this holiday season.\*





# Nearly 3/4 of Americans plan to shop in-store this holiday season

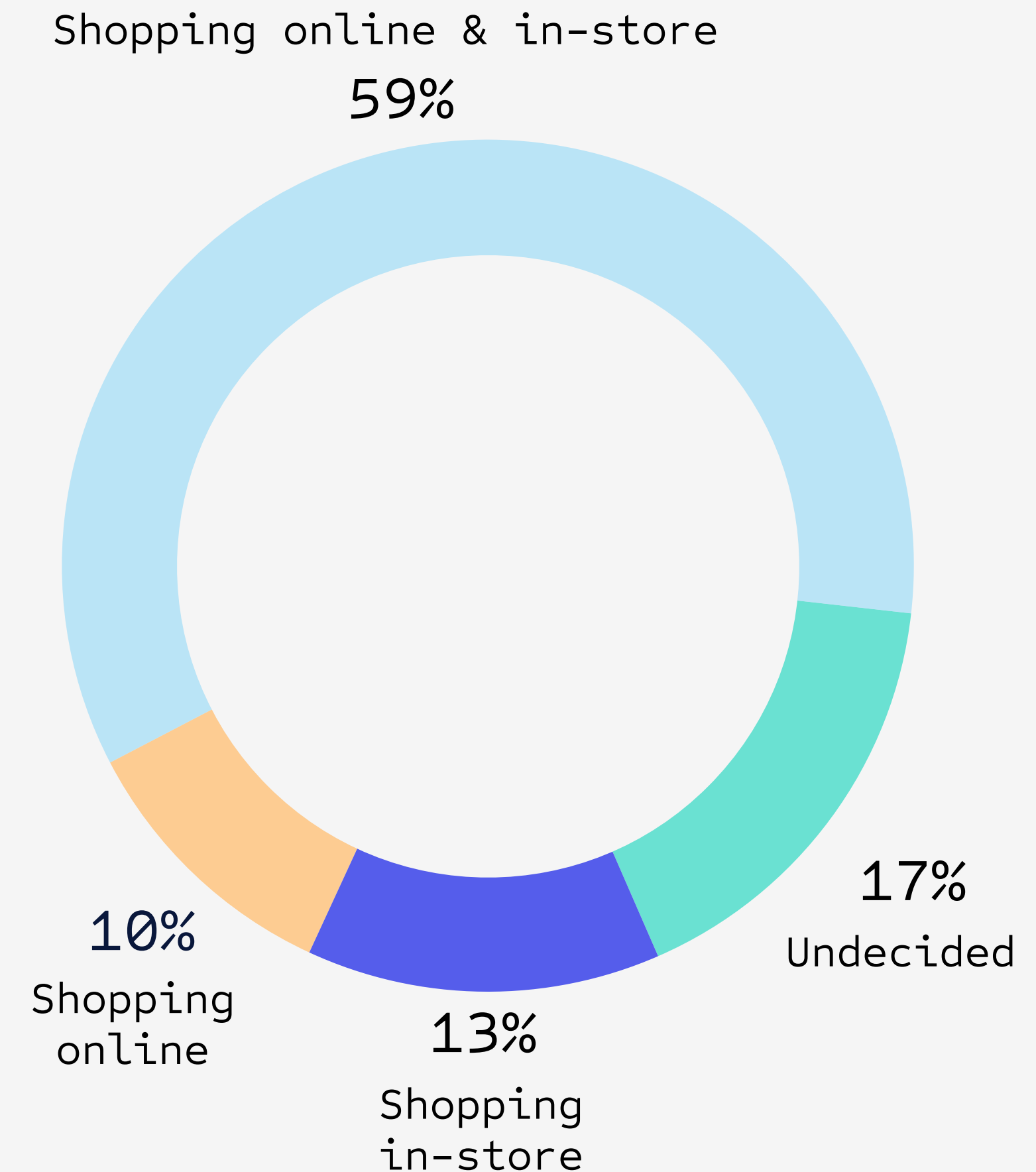
Not all Americans are planning to take the same approach to holiday shopping this year. **73%** of surveyed consumers say that they're planning to do **all or some** of their holiday shopping **in stores** this holiday season. This includes people who plan to browse, as well as people who plan to shop online and pick up their purchases in-store.

It's worth noting that 17% of consumers are still undecided about how they will be shopping this holiday season, and could potentially add to the number of in-store shoppers this year.

10% of consumers plan to solely do their holiday shopping online this year, avoiding brick & mortar retail altogether.



According to a survey of consumers in Foursquare's always-on panel in August & September 2022:



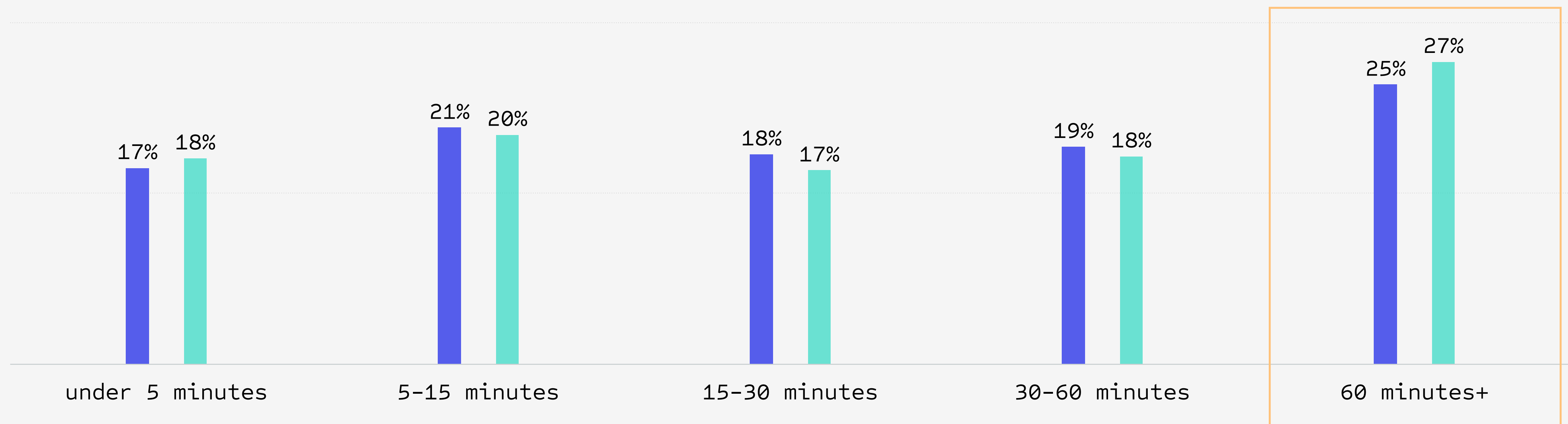
# Holiday shoppers are spending more time in-store YOY

**Searching for the best deals takes time.** And with over 60% of shoppers planning to cut back on holiday spending\*, we expect dwell time to increase further as even more cost-conscious shoppers join the holiday bargain hunt. Last year, shopping malls saw the biggest increase in hour+ visits (up +2 % pts), as shoppers spent more time browsing compared to 2020.

For those who still prefer the convenience of shopping online, the option to pick-up purchases in-store remains favorable, especially for last-minute shoppers in a time crunch. Between Q4 2020 to Q4 2021, the share of shopping mall visits lasting under 5 minutes increased slightly, indicating steadily rising adoption of 'buy online pick-up in-store' in recent years.

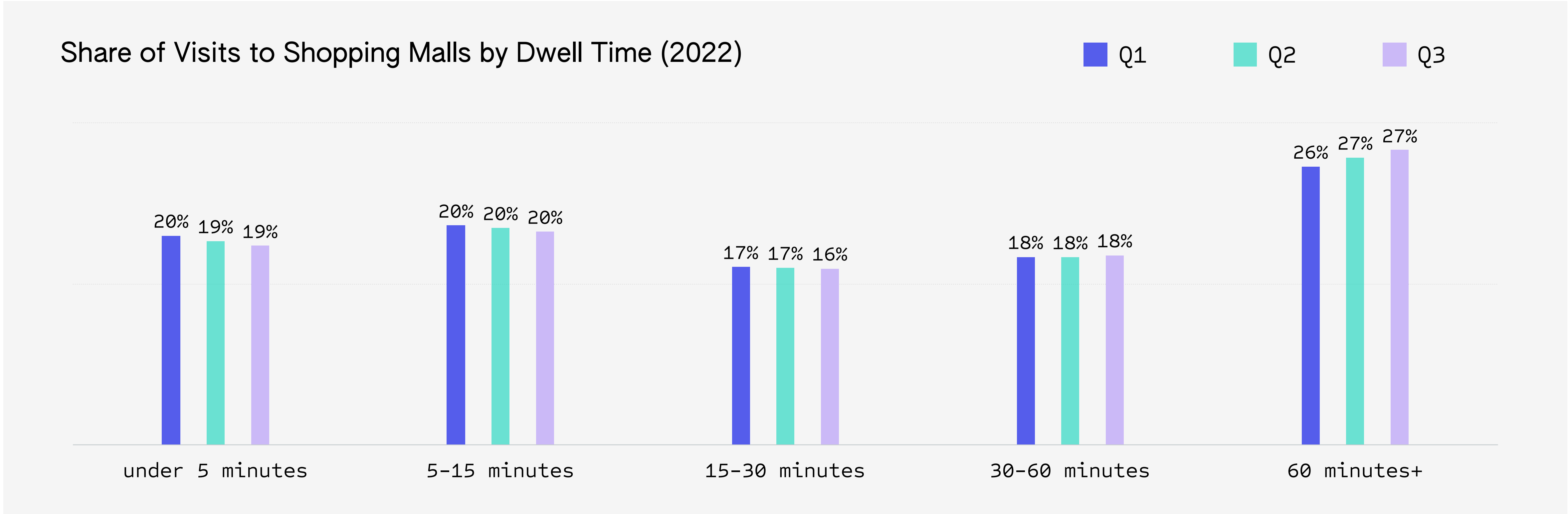
Share of Visits by Dwell Time For Shopping Malls in Q4

■ 2020 ■ 2021



# Shopping dwell time has continued to increase throughout this year to date

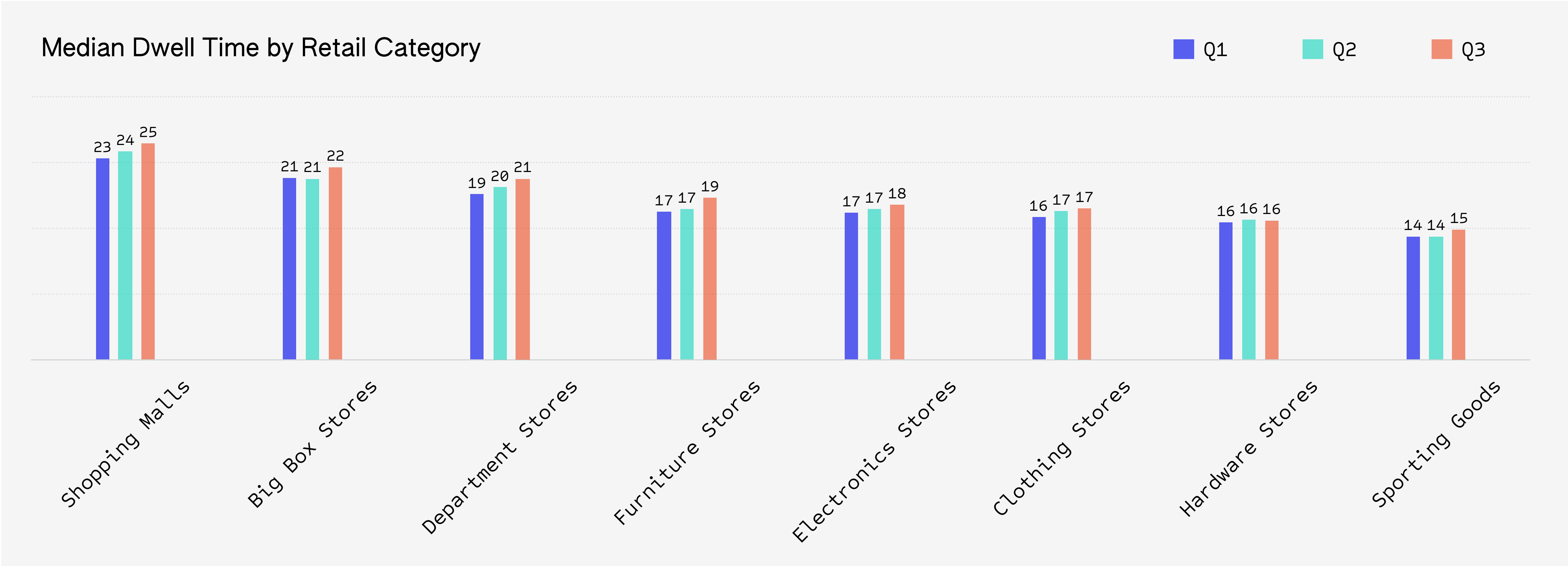
Between Q1 to Q3 this year, the share of shopping mall visits lasting < 1 hour dropped. And shopping mall visits lasting under 5 min dipped from 20% in Q1 to 19% in Q3. Meanwhile, shopping trips lasting over an hour increased from 26% in Q1 to 27% in Q3, indicating that shoppers have been spending slightly more time in-stores as the months go on, leading into the 2022 holiday season. With signs of economic recession top-of-mind this year, we expect dwell time to increase further by the end of this year. Now almost half way through Q4, it seems that a considerable % of shoppers are increasingly willing to spend more time > money in-stores.





# Most retail categories have seen longer shopping trips this year to date

Shopping malls are not the only retail venue that has been seeing increased dwell time throughout this year. With the exception of hardware stores, which saw a consistent median dwell time of 16 min between Q1 to Q3, every retail category we looked at saw a +1-2 min increase in median dwell time between Q1 to Q3 2022. If this trends continues into Q4, shoppers will likely be spending even more time browsing in stores during the holidays.





# ‘Buy Online Pickup In-Store’ is still popular amongst holiday shoppers

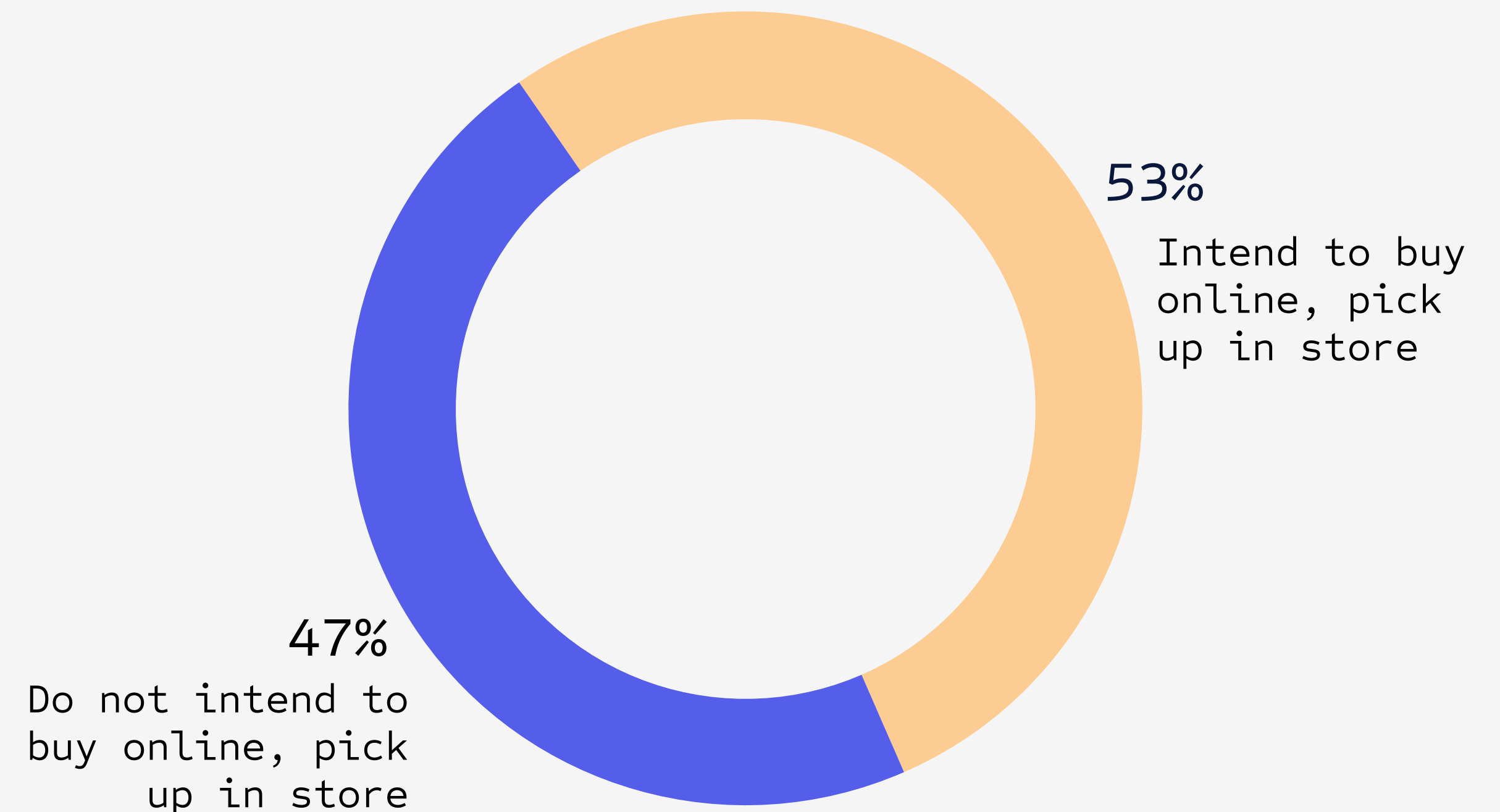
Though shoppers are spending more time in stores, BOPIS still remains a popular purchase method for those who prefer to shop online. In Q4 last year, 38% of shopping mall visits lasted 15 minutes or less, an increase from Q4 2020.

Looking ahead to the final months of 2022, **over 1/2** of consumers plan to shop online and pick up their purchases in-store this holiday season.

With shoppers coming in-store to pick up online purchases, retailers have an opportunity to entice consumers to stay longer and buy more, by presenting them with exclusive in-store offers.



According to a survey of consumers in Foursquare’s always-on panel in August & September 2022:





# Prediction 2: The holiday shopping season is starting earlier this year

Inflation has been hard on the wallets of many Americans, inciting a more conservative approach to shopping amidst rising prices and costly holiday expenses. As a result, many consumers have started their holiday budget planning & shopping earlier this year — Deloitte estimates that 23% of holiday shopping budgets will be spent by the end of October.

Retailers have also been contributing to this trend. In an effort to get penny-pinching consumers to spend more, many stores have been promoting earlier sales than usual. Amazon has launched a second Prime Day, while Target and Walmart have offered early access to holiday deals.\*





# Over 40% of Americans plan to get a head start on holiday shopping this year

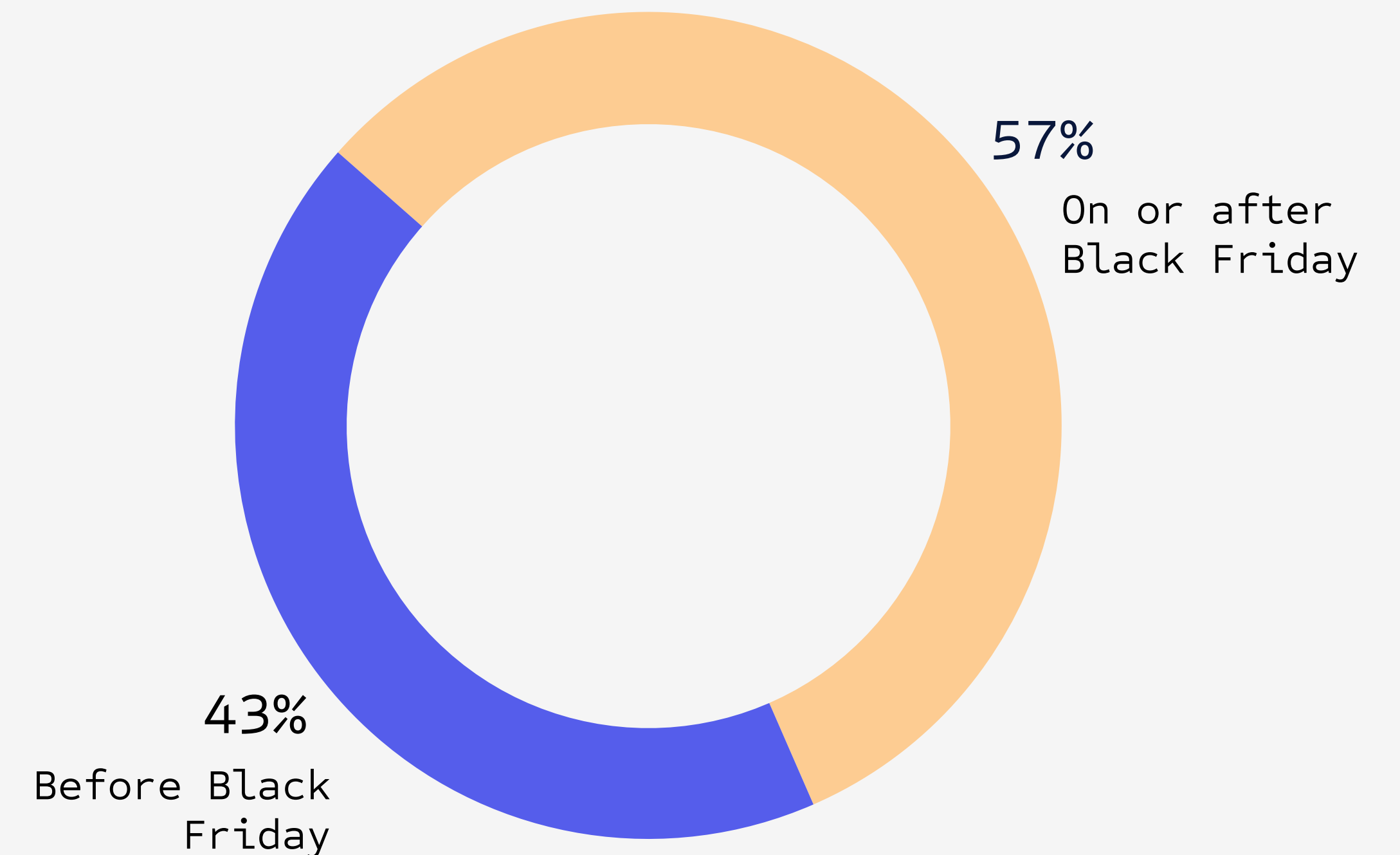
43% of survey respondents said they would begin their holiday shopping before Black Friday this year.

Our YoY comparison of foot traffic trends reveals that some of this earlier-than-usual shopping behavior already took effect in Q3 this year.

And with retailers promoting holiday sales even earlier than usual, it's likely that stores will draw an even greater % of shoppers by Black Friday 2022.



According to a survey of consumers in Foursquare's always-on panel in August & September 2022:





# Holiday shopping picked up later than usual last year due to a new COVID variant

Following a brief uptick in Labor Day weekend visitation last year, mall traffic remained below benchmark for longer than usual due to the Omicron variant. While it's certainly possible that malls drew more shoppers in-store last year compared to 2020, our data indicates more substantial growth in foot traffic volume between the start of Q3 through the end of Q4 2020. 2020 holiday traffic started surpassing benchmark visitation at the beginning of October, while 2021 holiday traffic didn't surpass benchmark visitation until Black Friday.

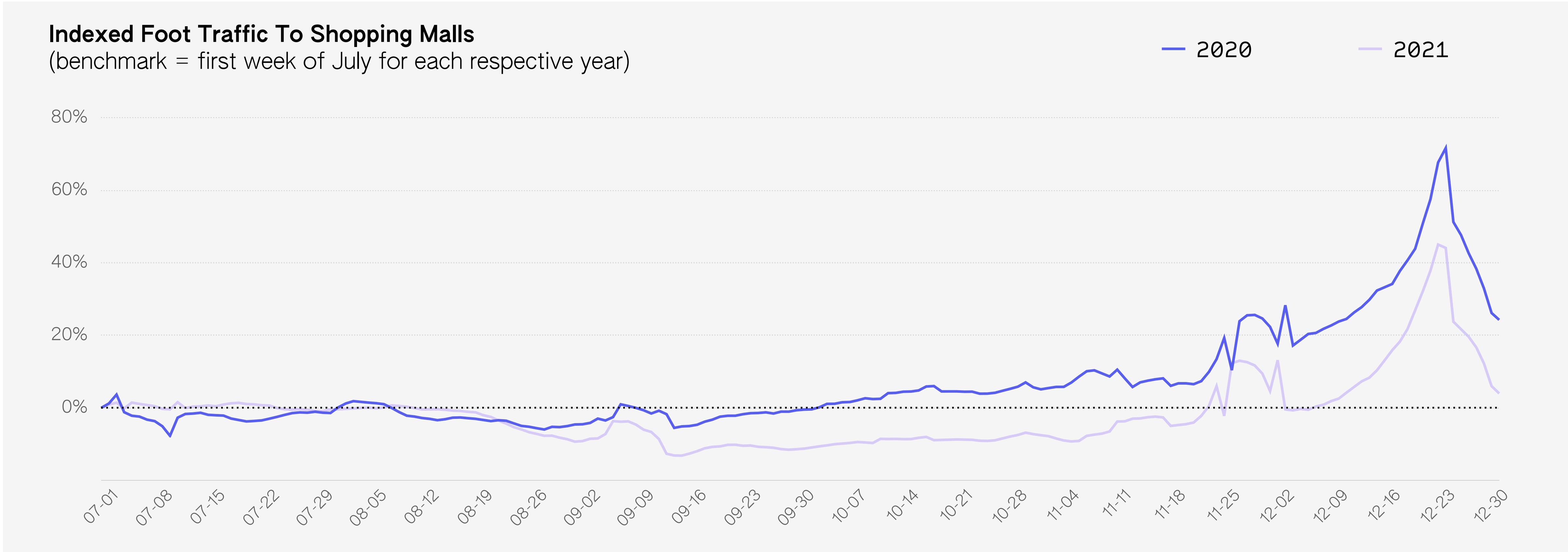


Chart illustrates indexed foot traffic to shopping malls, where visits on July 1 = 100 for each respective year (2020, 2021). We've used rolling 7 day averages to account for fluctuations by day of the week.



# Shopping malls saw an **earlier uptick** in visitation this year compared to previous years

Relative to foot traffic levels in early July, shopping malls continued to see elevated foot traffic volume for several weeks between early July through the end of August this year. During that same time in years past (2020, 2021), shopping mall visitation had remained relatively stable — hovering slightly above & below benchmark throughout July & August.

**Labor Day weekend** brought a relatively bigger uptick in mall visits this year relative to the past 2 years. This could indicate that a larger % of shoppers were looking to take advantage of end-of-season promotions for an early start to their 2022 holiday shopping.

Toward the end of Q3 this year, foot traffic has started to follow the same trend line observed last September, with traffic down roughly -11-12% from where it started in early July for both respective years. While the trending traffic for the rest of the holiday season could very well mimic what we saw last Q4, our data already indicates a relatively bigger period of growth in mall visit volume in Q3 YoY — signs of an early start to 2022 holiday shopping.

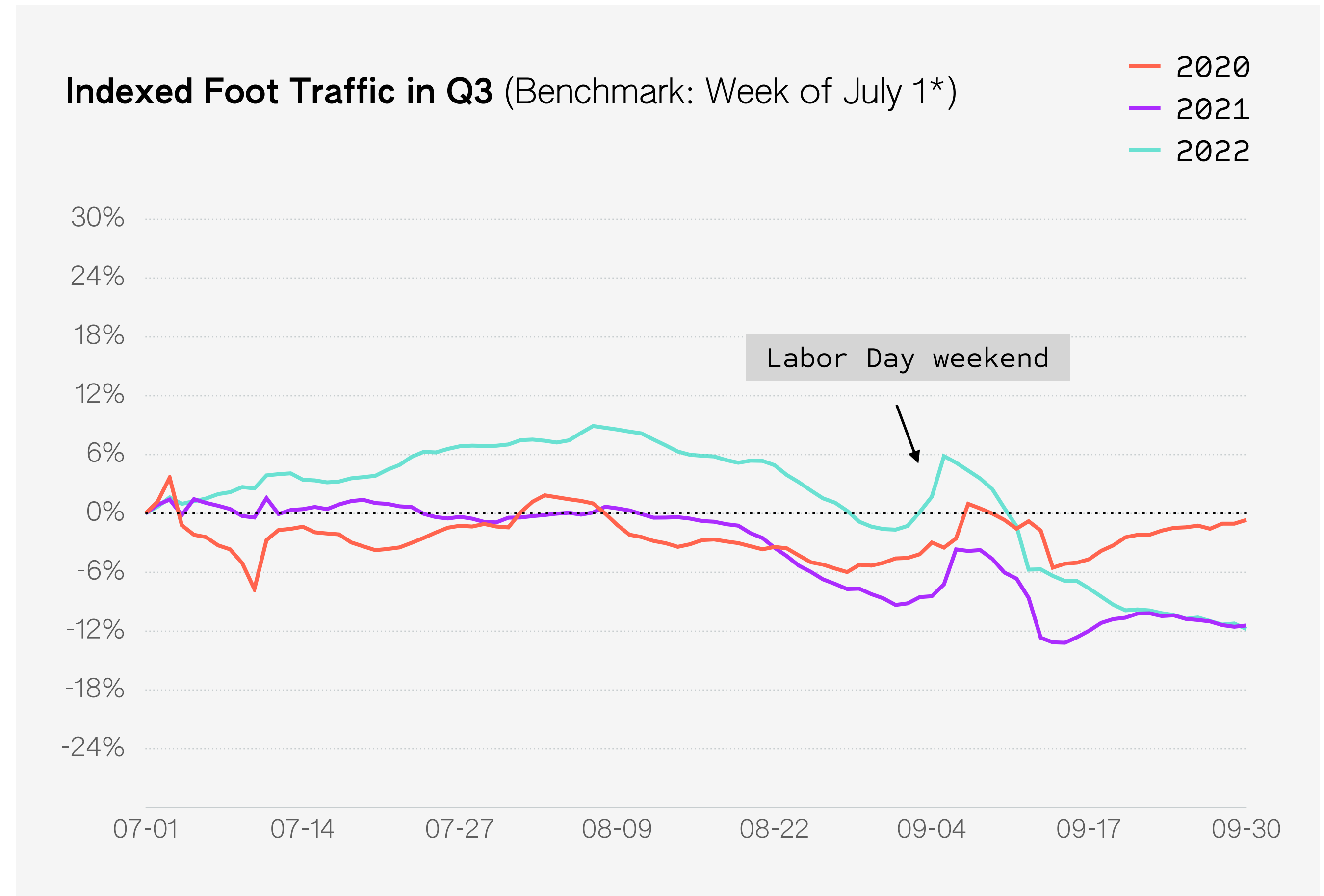


Chart represents indexed foot traffic to U.S. dining venues amongst all U.S. consumers, where visits in the first week of July = 100 for each respective year (2020, 2021, 2022)\*.



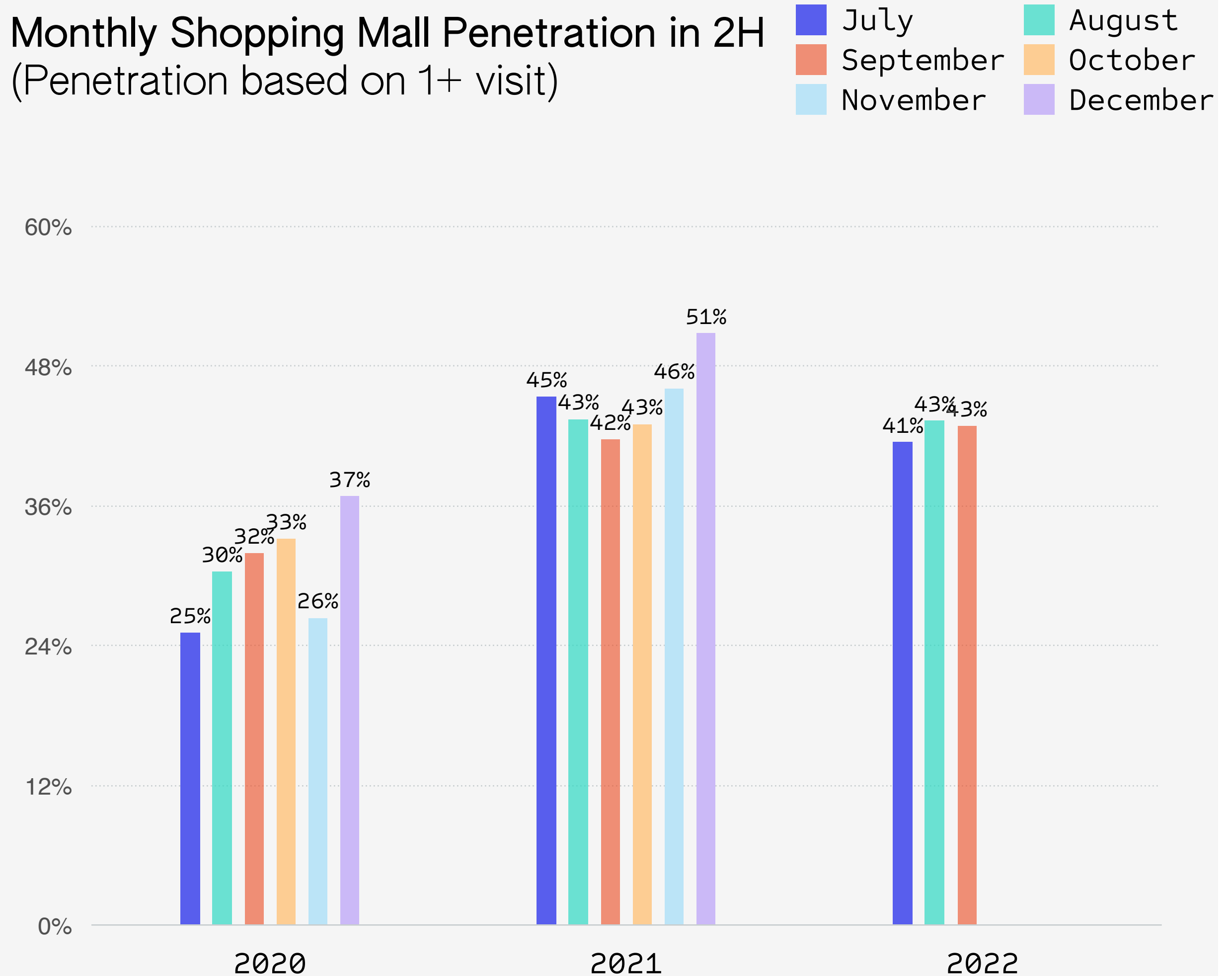
# Shopping malls draw the highest % of consumers in December YoY

In 2020, the steady increase shopping malls saw in during Q3 penetration continued into Q4, but rapidly declined to **26%** in November, as the U.S. faced a sharp spike in Covid-19 cases. Traffic to retail stores on Black Friday 2020 was -48% lower than in 2019.\* There was a rebound in December, however — **37%** of Americans made at least once trip to a shopping mall in December 2020. Traffic to retail stores on the final Saturday before Christmas 2020 was only -41% lower than the year before.\*

In 2021, shopping malls experienced a gradual decrease in penetration throughout Q3 due to the Omicron variant. The trend reversed starting in October, leading to over half of Americans (51%) visiting a shopping mall in December 2021.

With far fewer Covid-19 restrictions than last year, an additional round of booster shots, and inflation driving shoppers in stores for deals, shopping malls can expect to see a similar increase in penetration throughout the end of this year.

Monthly Shopping Mall Penetration in 2H  
(Penetration based on 1+ visit)



This graph illustrates the % of U.S. consumers who visited a shopping mall at least once in 2H each year (2020, 2021, 2022); \*Source: [CNBC](#)



# Prediction 3: Holiday shoppers are more price-conscious this year

Inflation has been a major concern for consumers this year, and with signs of a looming recession on the horizon, budgeting will continue to be top-of-mind during the holidays and well beyond.

In anticipation of the holiday season, shoppers have already considered what they plan to cut back on, and identified new ways to navigate rising prices.

This year, the average number of gifts purchased is expected to drop from 16 to 9. Additionally, nearly 60% of consumers are opting to purchase gift cards as presents this year—an option that makes it easier to spread holiday budgets, and provides a bit of financial relief to recipients amidst rising inflation.\*





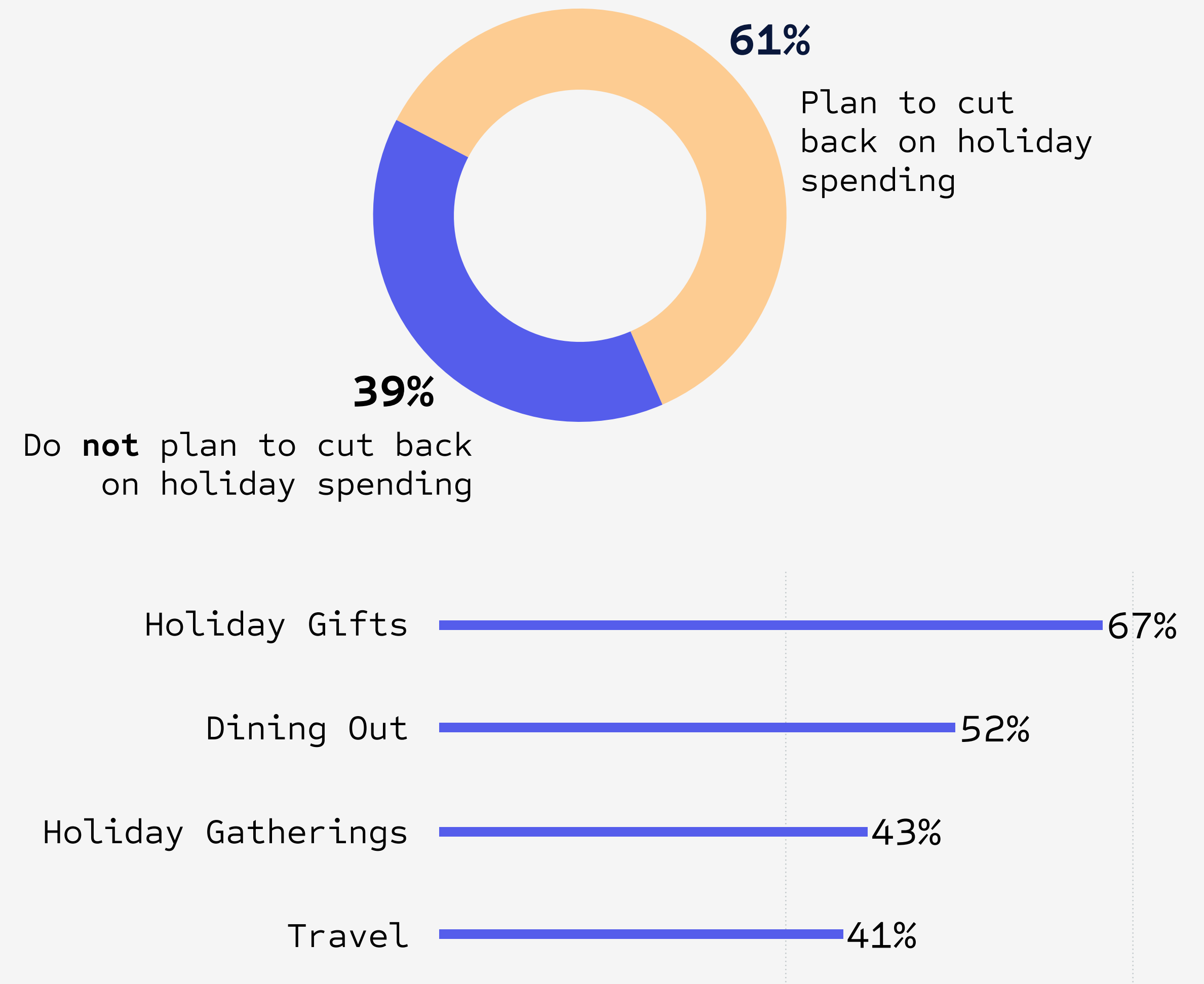
# Most Americans plan to cut back on holiday spending this year, and especially on **holiday gifts**

Over 60% of surveyed consumers claim that they're planning to **spend less during the holiday season** this year. Of those planning to cut back, 2/3 intend to spend less on holiday gifts, and just over 1/2 intend to spend less on dining out during the holidays.

However, retailers should not be too concerned with this response. Though shoppers are certainly being more frugal and discerning, they're still spending — and likely to spend more during the holidays. This holiday season, retail sales are expected to increase 7.1% from last year.\*



According to a survey of consumers in Foursquare's always-on panel in August & September 2022:





# Unbeatable prices are the top consideration for this year's holiday shoppers

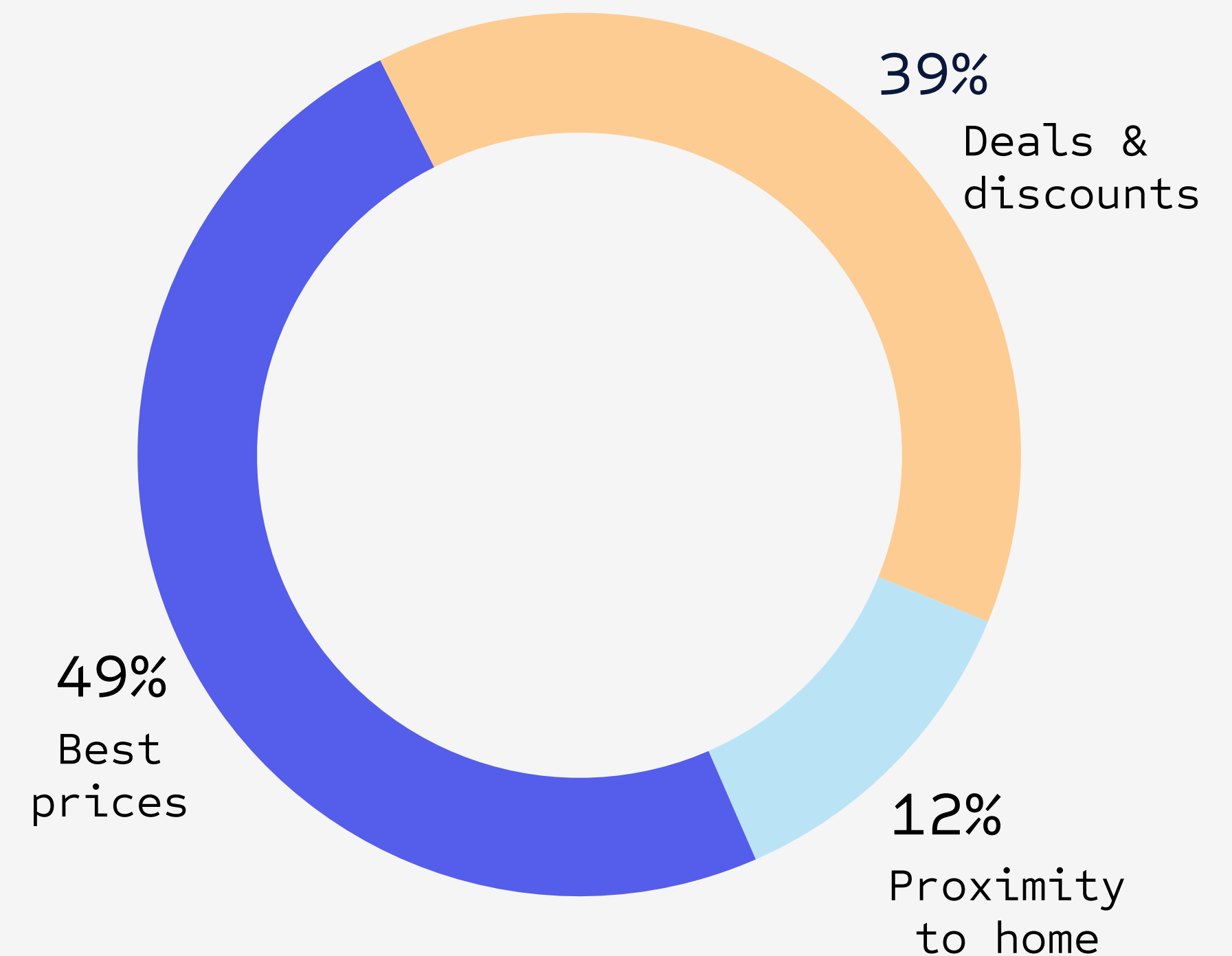
Discount and off-price retailers are likely playing a major role in keeping retail sales up this year.

According to a survey by rewards marketing platform Blackhawk Network, 46% of consumers are buying more things on sale, while 22% are buying less from their favorite brands. In today's economic climate, many consumers are more willing to choose brands with the best prices over favorable brand names.

Sure enough, 88% of the consumers we surveyed said that **best prices**, followed by **deals & discounts**, will be the most influential considerations in determining where to shop this holiday season.



According to a survey of consumers in Foursquare's always-on panel in August & September 2022:



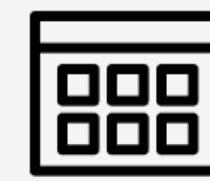


# A majority of Americans are searching for brand-name deals & steals this holiday season

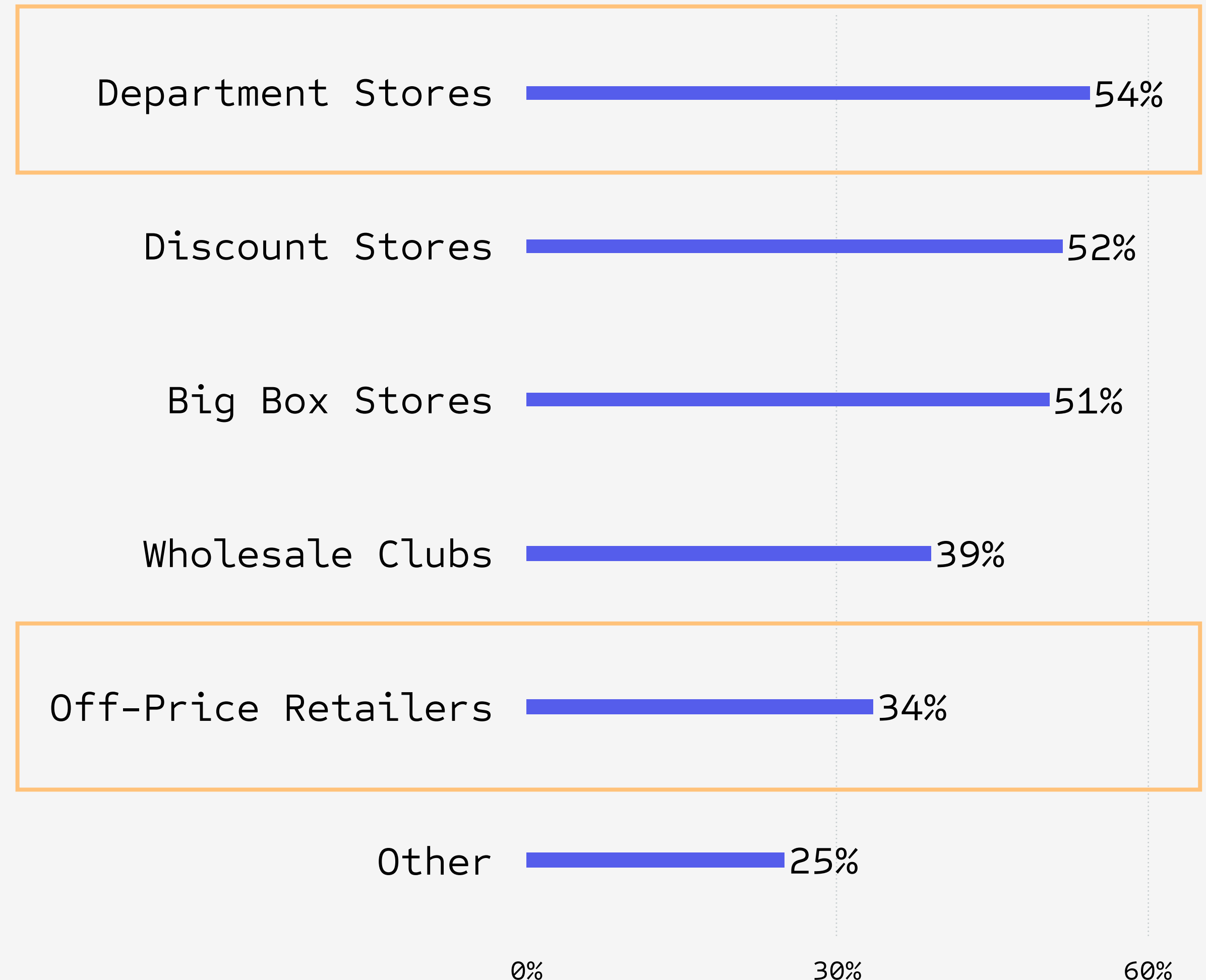
The cost-conscious consumer mindset is reflected in where people reportedly plan to do their holiday shopping this year.

With **54%** of consumers planning to visit, **department stores** are expected to be the number one retail destination of holiday shoppers this year. Department stores allow bargain shoppers to make the most of major holiday sales across multiple departments, and also redeem loyalty rewards points racked up throughout the year.

For those who find department store prices too high, even with discounts and points, but still want to purchase brand-name gifts, **off-price retailers** are a great alternative, and are already on the itineraries of **1/3** of holiday shoppers.



According to a survey of consumers in Foursquare's always-on panel in August & September 2022:





# Secondhand stores may also see an influx of holiday shoppers this year

**Secondhand retailers** have consistently maintained above-benchmark foot traffic levels since the beginning of the year, seeing greater foot traffic growth than **discount retailers**, who account for half of the top 10 fastest-growing retail companies\* and saw a +8% increase in visitation between the start of the year and end of Q3. Meanwhile foot traffic to retailers that specialize in selling new apparel & accessories has remained below benchmark since the start of this year, though there have been noticeable upticks during the back-to-school shopping season and holidays like Labor Day weekend.

It's possible that secondhand fashion has increased in popularity, not only due to lower prices, but also a renewed focus on sustainability amongst eco-conscious shoppers in recent years. Our recent [sustainability report](#) also reveals that younger Americans are even more inclined to shop at thrift/vintage stores.

It should be no surprise if thrift/vintage stores become a popular shopping destination for the cost-conscious, eco-conscious holiday shopper.

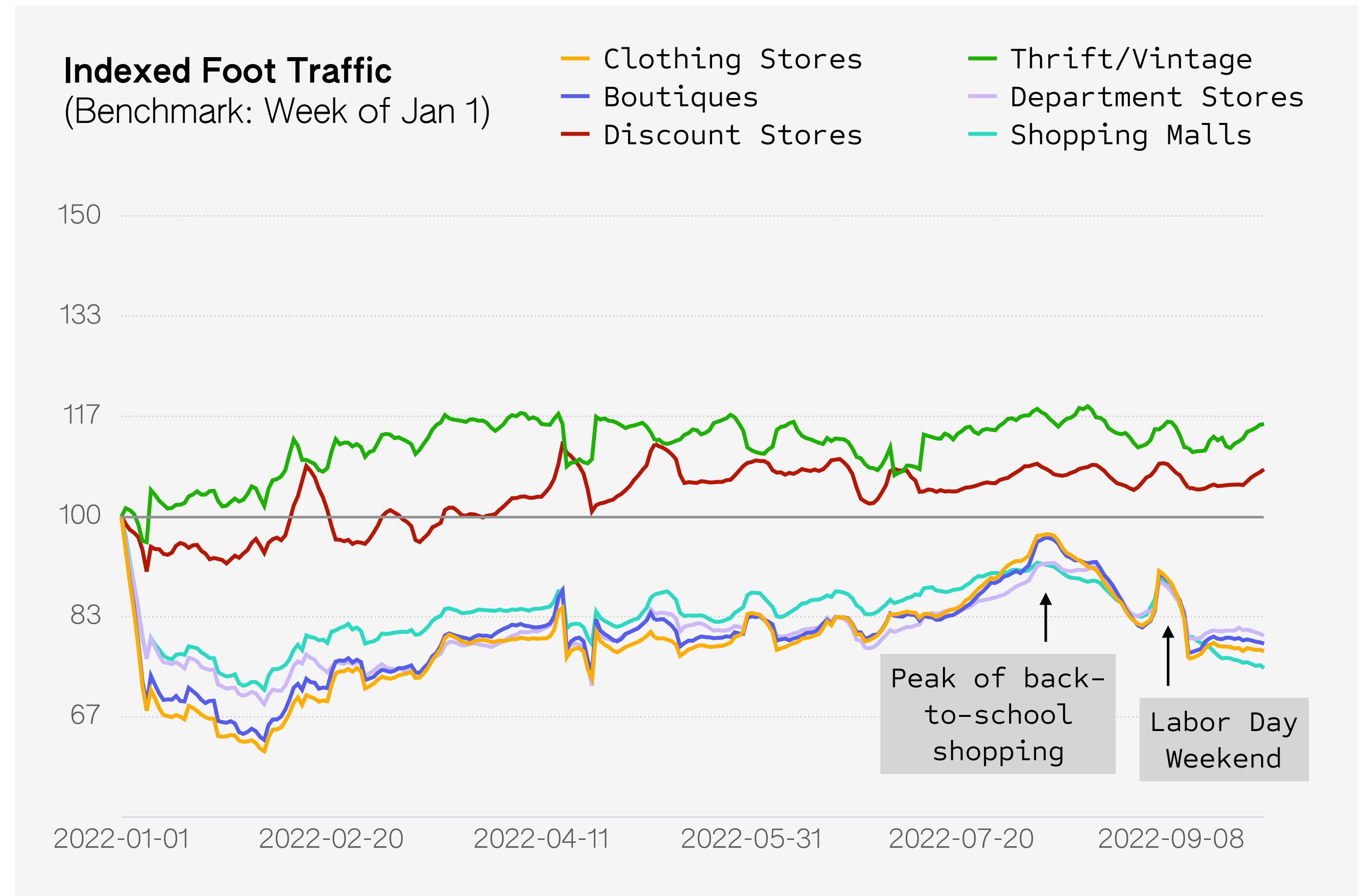


Chart represents indexed foot traffic to various retail stores amongst all U.S. consumers, where visits in the first week of January 2022 = 100.





\*Source: [Insider Intelligence](#); Source: [FSQ 2022 Inflation Impact Analysis](#)



# How To Activate With FSQ

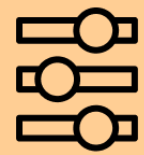


# Key Learning & Activation Opportunities For **Enterprises & Marketers**

LEARNINGS & PREDICTIONS	OPPORTUNITIES FOR MARKETERS	OPPORTUNITIES FOR ENTERPRISES
 <p>Inflation is driving shoppers in stores (for longer than usual) in search of the best prices and discounts on holiday gifts.</p>	<p>Identify distinct cohorts of consumers based on their foot traffic patterns and brand affinities.</p>	<p>Help users find a store nearby, displaying geo-contextual POI data in lists and maps.</p>
 <p>Over 1/2 of surveyed consumers plan to shop online and pick up their purchases in-store this holiday season.</p>	<p>Intercept key audiences based on their mindset. Leverage online interest data to identify &amp; reach prospective shoppers.</p>	<p>Surface nearby place recommendations in these categories within mobile apps or web experiences.</p>
 <p>Consumers' routines have evolved since the pandemic, resulting in shifting preferences around shopping, dining &amp; other activities.</p>	<p>Dynamically optimize messaging to align with the appropriate moment when consumers are most likely to shop during the holidays.</p>	<p>Use visitation data to specific physical locations in order to model and predict demand throughout the holiday season and beyond.</p>
 <p>Rising prices are a threat to brand loyalty. Shoppers are increasingly ditching brand names for more affordable alternatives.</p>	<p>Target consumers around competitor retailers to influence buyer behavior. Use location data to identify brands with the highest penetration, visit frequency, or audience overlap during the holidays &amp; beyond.</p>	<p>Deliver push notifications based on offline activity, such as reminding a user to redeem a coupon in a nearby store.</p>



# Strategic recommendations for brands & marketers.



## Segment Audiences

Identify consumers in different life stages with changes in foot traffic patterns, visit frequency & brand affinities



## Tap Into Trends

Use taste & trend data to identify consumer preferences, creating programs that drive mass personalization



## Reach Consumers With Moment Based Messaging

Dynamically optimize messaging and creative to align with the appropriate moment



## Influence Buyer Behavior

Reach key audiences on their path to purchase, intercepting and influencing their journeys



## Conquest Competitors

Target consumers in and around competitor locations to change their behavior with conquering messaging



## Proximity Target

Identify consumers in & around store locations to drive them to purchase specific products



## Leverage Insights

Use insights on lifestyles & brand preferences to influence future growth initiative



## Measure Impact

Monitor how cross platform advertising is driving visits to store locations, optimizing performance in real-time



# Thank You

Emily Owayni  
Research & Insights Lead  
[eowayni@foursquare.com](mailto:eowayni@foursquare.com)

Keri Gill  
Research & Insights Coordinator  
[kgill@foursquare.com](mailto:kgill@foursquare.com)



# Appendix



# Though shopping started early, volume of mall shoppers has continued to rise in recent months

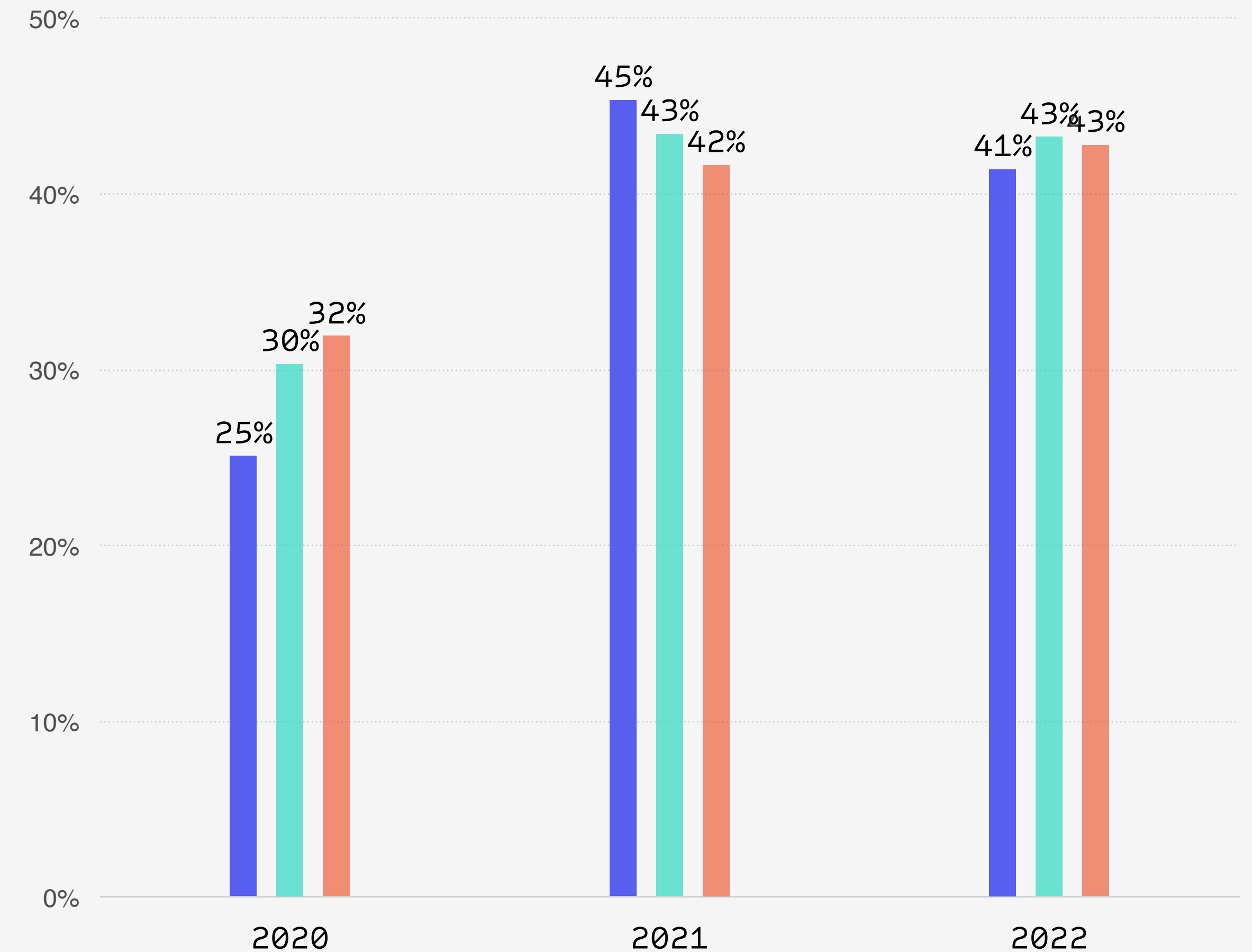
Though shopping malls saw a greater, and earlier, uptick in visitation in 2H 2020 compared to 2H 2021, there was a vastly higher % of Americans who visited shopping malls in Q3 2021 compared to Q3 2020.

Shopping mall penetration at the start of Q3 2021 was 45%, +20 % pts higher than shopping mall penetration at the start of Q3 2020. Even by the end of Q3 2021, penetration was up +10 % pts from September 2020.

This year, Q3 shopping mall penetration started out slightly below where it started in Q3 2021. However, while penetration decreased throughout Q3 last year, the opposite trend occurred throughout Q3 this year. By September 2022, shopping mall penetration had increased to 43%, +1 % higher than penetration in September 2021. Barring the emergence of a new Covid-19 variant, we'd expect this trend to continue throughout the end of the year.

Monthly Shopping Mall Penetration in Q3  
(Penetration based on 1+ visit)

July  
August  
September



This graph illustrates the % of U.S. consumers who visited a shopping mall at least once in Q3 each year (2020, 2021, 2022)