

Department Stores Make a Comeback this Holiday Season

Shopkick survey finds consumers plan to spend most of their holiday budgets at department and apparel stores; shipping costs will impact consumers' online shopping decisions

REDWOOD CITY, Calif. -- Oct. 21, 2020 -- It is no secret that department stores and apparel retailers have struggled this year, with [many major retailers filing for bankruptcy](#) amidst the COVID-19 crisis. However, this upcoming holiday season may just be the comeback they need to make up for this year's lag.

According to a new survey by [Shopkick](#), 46 percent of consumers say they plan to spend most of this year's holiday budget at department stores and apparel retailers, presenting an important opportunity for retailers to catch up. And with the rise of ecommerce, shoppers are looking for more than just deals and discounts when deciding where to make their purchases. In fact, the majority (70 percent) of consumers say free shipping is the most attractive perk online retailers can offer, with an even higher proportion (84 percent) saying shipping costs will influence which online retailers they purchase from.

The leading shopping rewards app surveyed more than 17,000 American consumers to gain insight on how and where they plan to shop this holiday season, the election's impact on purchasing decisions, and the motivations behind their behavior.

2020 Holiday Headlines:

- **Deck the Department Store Halls:** A [recent Shopkick survey](#) found that apparel will take up the largest proportion of gift-givers' budgets this year. With more people planning to purchase clothing, 46 percent say they will spend the most at department and apparel stores, followed by big box retailers (19 percent), electronic retailers (7 percent) and local businesses (7 percent). However, this is a significant difference compared to [last year's holiday season](#), when most (53 percent) planned to do more of their shopping at big box retailers.
- **Shipping Season:** According to most consumers (70 percent), free shipping is the most compelling perk online retailers can offer this year, trailed by discounts (23 percent) and large return windows (4 percent). That said, with online shopping's increasing popularity, some consumers (52 percent) have noticed rises in shipping costs. Of those, 72 percent say pricey shipping will impact their decision to shop in-store versus online this holiday season. Eighty-four percent say it will influence which online retailers they shop with.
- **Homemade for the Holidays:** The holidays have always been filled with baking and cooking at home, even before the pandemic hit. That could be why most Americans (83 percent) say they typically spend more on groceries during the holiday season.
- **Low In-Stock Loyalty:** Following months of low-stock and out-of-stock items at the grocery store, 64 percent of consumers say they will remain moderately loyal to their go-

to brands if there is limited availability this season. Comparatively, 18 percent say they will not be loyal to their favorite brands, instead opting for different options.

- **Election Expectations:** While most (68 percent) do not think the election will impact their holiday shopping plans, those who do (32 percent) say the outcome of the election will determine how much they spend (52 percent). Nearly a third of Americans (30 percent) plan to support brands that take a political stance and share similar values. Other consumers (27 percent) plan to wait until the election results are in to start shopping.
- **Spirit of Giving:** This season, consumers plan to give back in a variety of ways, including donating new or gently used items (56 percent), making financial donations (36 percent), purchasing from retailers that donate to social causes (27 percent) or volunteering (21 percent).

Generational Differences:

- **Season of Safety:** When it comes to prioritizing in-store shopping safety, most Gen Zers (57 percent) say they will visit as few stores as possible to avoid crowds and exposure, even if it means sacrificing certain items or not visiting their preferred stores. Meanwhile, most millennials (55 percent), Gen Xers (58 percent) and Boomers (66 percent) say they plan to shop on less busy days and at less busy times.
- **Sustainable Shoppers:** While generally, consumers across all generations (41 percent) say making environmentally-friendly purchases are important this holiday season, more Gen Zers (30 percent) say it is very important. Comparatively, 34 percent of millennials, 40 percent of Gen Xers and 42 percent of Boomers say it is not important.
- **Cash Over Card:** Gen Z (24 percent) is more likely to pay for their holiday purchases with cash, compared to millennials (10 percent), Gen Xers (10 percent) and Boomers (11 percent) who lean towards using credit cards.

“With consumers seemingly excited to revamp their friends’ and families’ wardrobes this holiday season, our latest findings present an important opportunity for department stores and apparel retailers who may have experienced significant dips in sales this year,” said Dave Fisch, general manager of Shopkick. “We also know that ecommerce is expected to come out on top this holiday season, making omnichannel options more essential than ever. While deals and discounts may have driven shoppers in previous years, free shipping will be a key driver this holiday season, and retailers must be aware of consumers’ heightened expectations around shipping costs.”

This survey was conducted online from Sept. 17 - 21, 2020.

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About Shopkick, Inc.

Shopkick, a Trax company, is a leading shopping rewards app, bringing moments of joy to everyday shopping - both on- and off-line. For brands and retailers, Shopkick provides high

consumer engagement along the entire path to purchase. The company's unique pay for performance model has been proven to deliver high ROI, while driving incremental traffic, product engagement, and sales. Some of its leading brand and retail partners include Kraft-Heinz, Barilla, GE, Kellogg's, TJ Maxx and Unilever, among others.

Shopkick is available for free on iPhone from the App Store and for Android from Google Play. For more information, please visit www.shopkick.com.

Press Contact:

Angelena Lufrano for Shopkick

shopkick@thekeypr.com

(510) 517-2842