

Peak season spend trends 2023

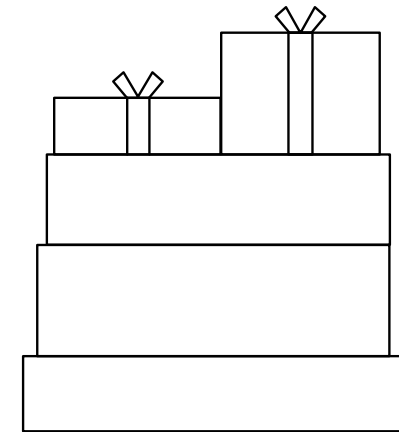
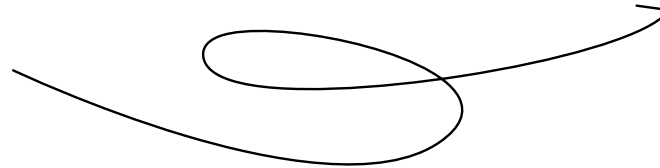
Unwrapping consumer priorities
ahead of the festive season.

ebay Ads



Contents

1. Introduction
2. The impact of advertising
3. Cost of living continues to influence Christmas plans
4. Thoughtful gifting is thriving
5. Spotlight on: younger shoppers
6. The big Christmas getaway
7. The early birds vs the eleventh hour enthusiasts
8. Conclusion
9. Methodology
10. About eBay Ads



1. Introduction

“UK consumers have undoubtedly faced another difficult year, with continued rising prices across the board and economic uncertainty causing financial worries for many. As the cost of living crisis shows no sign of easing, we explore how this is impacting plans for peak season 2023.



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 explore what the population is planning to prioritise this festive season.

Alongside selective spending and prioritising value for money when Christmas shopping this year, we've seen an emerging trend of people opting for meaningful over materialistic gifting. And after years of disrupted Christmas plans due to the Coronavirus pandemic, despite money woes, plans for a Christmas getaway are firmly on many Brits' agendas - from UK staycations to chasing some winter sun.

As well as outlining consumers' plans and priorities for this year and past shopping behaviours across multiple categories, our report includes tangible insights, advertising tips and actionable advice to support brands and sellers as they look to connect with consumers in the lead up to the festive season”

Upasana Gupta, GM Advertising UK, eBay

2. The impact of advertising

One of the key findings of this report is that advertising is just as important for buyers as it is for sellers. In addition to driving visibility and sales of sellers' listings, it is evident that advertising continues to play a significant role on consumers' purchasing decisions.

34% of consumers said they are influenced by online advertisements during the Christmas period; from those that are somewhat influenced - citing that they are open-minded and that advertisements help spark discovery - to those that are heavily influenced - relying on advertisements to help them find exactly what they are looking for.

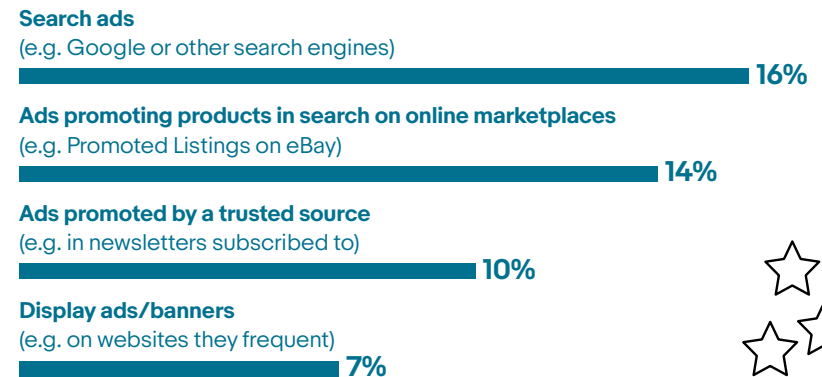
Top tip:

Buyers are actively looking to sellers to inspire them and help them discover the perfect gift. Use advertising to drive visibility of relevant listings and grow market share.

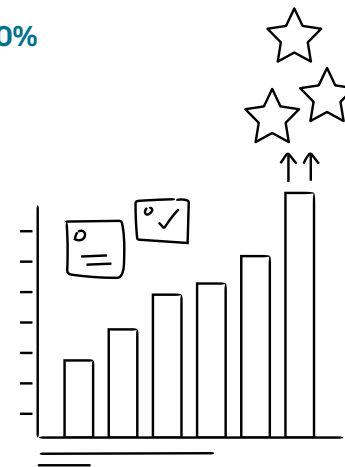
Peak season spend trends 2023.

And different online ads resonate with different consumers.

When shopping during peak period, people report being most likely to click on ads from:



35% claim not to click on ads and 17% responded don't know/not applicable.



3. Cost of living continues to influence Christmas plans

The ongoing cost of living crisis is having an evident impact on how UK consumers are feeling, with a fifth (19%) of people saying they think this Christmas will feel stressful as there is more to worry about than usual.

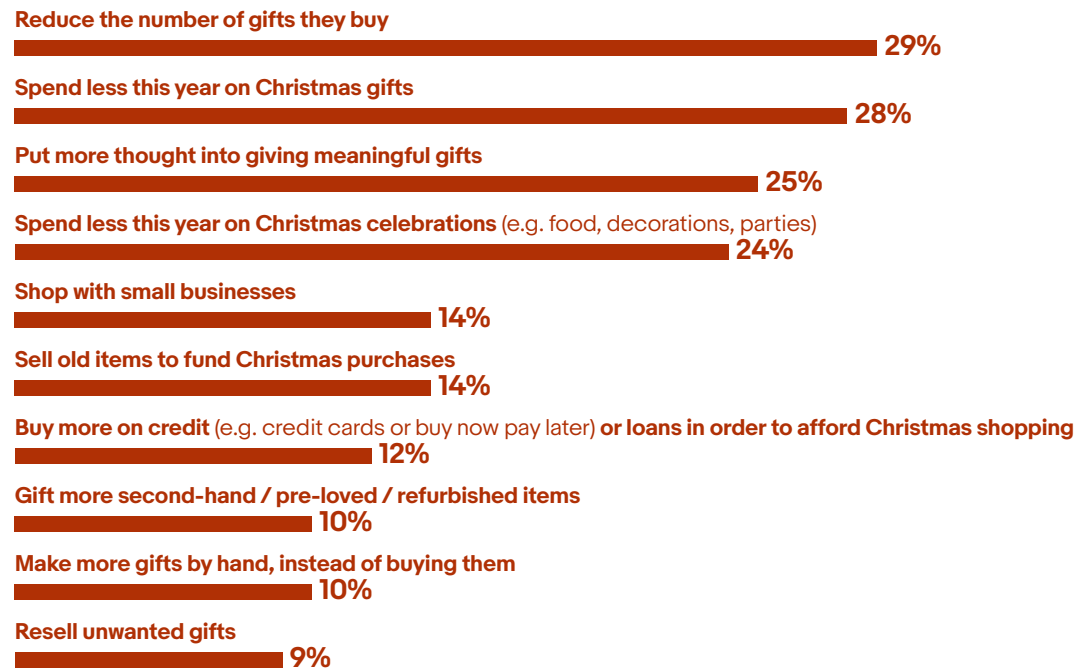
This is almost the same percentage of people that said Christmas would feel stressful last year (20%),¹ highlighting that the effects of the rising cost of living have not lessened in the last twelve months.

This sentiment is reflected in how people are planning to approach festive shopping and celebrations this year.

Indeed, 48% of consumers say that due to the rising cost of living their seasonal celebrations will be modest this year, and over half (51%) say good value for money is the biggest priority when shopping for gifts.



Thinking about the impact of the cost of living on peak season shopping and spending this year, people report that they are going to:



Insight:

The impact of the cost of living crisis is also influencing online shopping priorities.

The top factors that will decide where consumers do their online peak season shopping are retailers that offer sales and promotions (42%), and free shipping (33%).

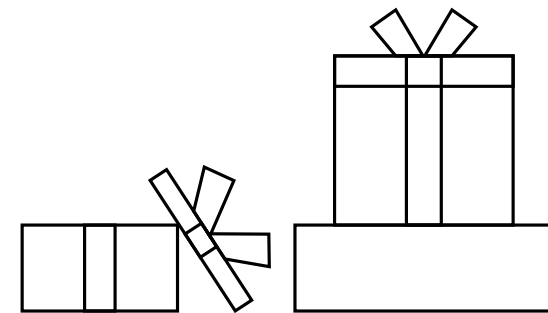
And with 42% of consumers preferring to do their peak season shopping online, retailers and sellers would do well to consider this customer experience ‘wishlist’ to engage a significant segment of shoppers this Christmas.



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Saving money is also a key reason why people are looking to shop pre-loved this Christmas.

Of those shopping for second-hand, pre-loved and refurbished items this Christmas, people are doing so to:



4. Thoughtful gifting is thriving

As people become more savvy with their spending, we have seen a desire from consumers to give meaningful rather than materialistic gifts this Christmas.

Indeed, almost two thirds (64%) of consumers say they find thoughtful gifts are better received than expensive gifts, and almost half (47%) say they plan to buy thoughtful gifts for friends and family this year.

And this theme of thoughtfulness is evident in Brits' festive shopping habits, with 48% saying they spend a lot of time exploring their options before making gift purchases. Beyond this, 55% are confident that they always, or almost always, gift people items that they will keep and use - highlighting the care and intention that people demonstrate when Christmas shopping.

Top tip:

For those shoppers not rushing to make purchases, ensuring your products are visible - through solutions like Promoted Listings - for when they are ready to buy is critical. And combining advertising with a discount or coupon can really drive sales and convert undecided shoppers.



5. Spotlight on: younger shoppers

1. Black Friday is a key moment for younger consumers

When it comes to peak season shopping, Black Friday is a key moment for Gen Z and millennial shoppers

Over a quarter (27%) of 16-34 year olds say that they consider Black Friday as the beginning of the Christmas shopping season, compared to just 17% of all consumers.

And this is apparent in shopping behaviours. More than a fifth (22%) of those aged 16-34 say they do a lot of their Christmas shopping in the Black Friday sales, and 1 in 5 (20%) of this age group earmark Black Friday as the time to do their Christmas shopping, compared to 12% and 11% of all UK consumers respectively.

Top tip:

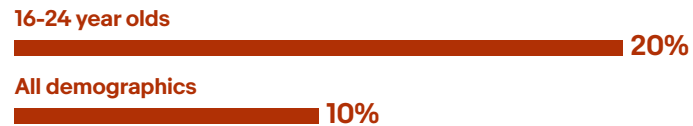
40% of younger shoppers (aged 16-34) plan to spend more on peak season shopping and celebrations this year than they did last year.

They are more likely to be influenced by online ads during the Christmas period (54% vs 34%) and actively earmark Black Friday.

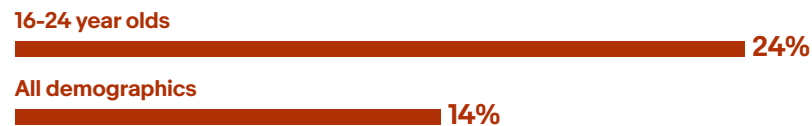
With this in mind, brands and sellers should ramp up advertising campaigns during this period for items that appeal to this age group, to maximise sales opportunities.

2. The youngest shoppers are paving the way with pre-loved purchasing

When looking at the wider factors impacting seasonal shopping decisions, a fifth (20%) of 16-24 year olds say that due to the cost of living crisis they are going to gift more pre-loved items this year - double the amount of all consumers (10%).



Additionally, almost a quarter (24%) of this age group said that they would shop for pre-loved items in order to reduce the environmental impact of their seasonal shopping, compared to just 14% of all consumers.



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6. The big Christmas getaway

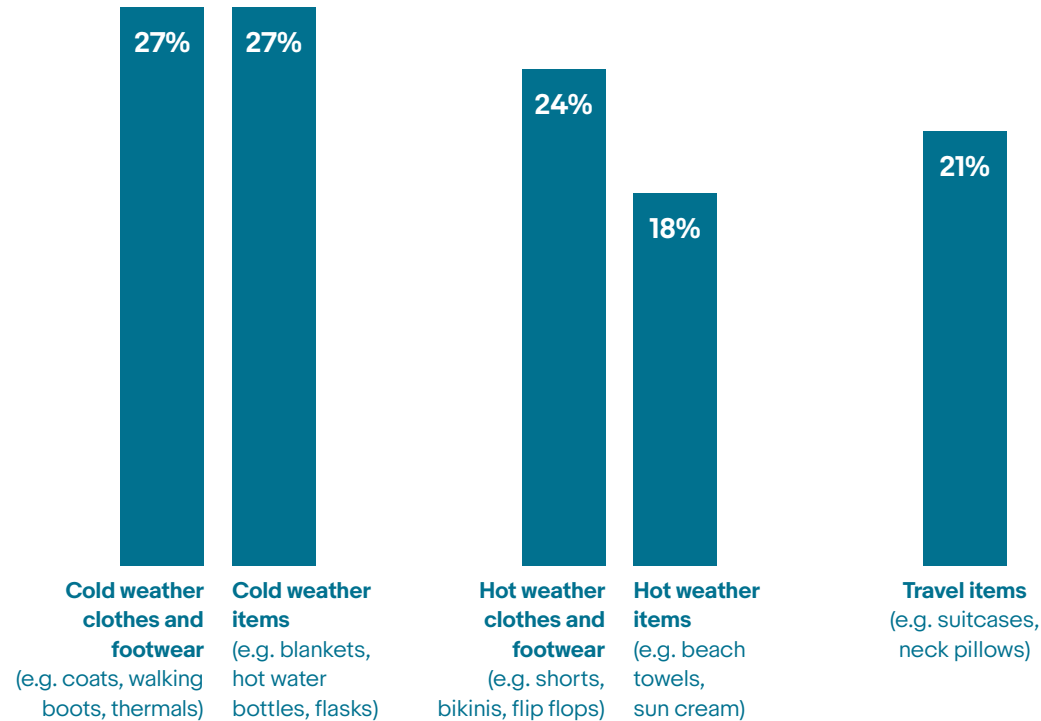
Despite consumers erring on the side of caution with their festive spending, following years of disruption and uncertainty around Christmas celebrations due to the effects of the Coronavirus pandemic, many Brits plan to make up for lost time and have a getaway for Christmas 2023.

A fifth (20%) plan to celebrate this Christmas with a holiday - either a staycation in the UK or abroad. And a similar number (19%) plan to travel abroad this Christmas - to either visit family or friends, for a winter destination holiday, or for a hot weather getaway.

And when focusing on the youngest consumers, the getaway plans rank significantly higher. Over a third (35%) of 16-34 year olds plan to celebrate this Christmas with a holiday (whether a UK staycation or to further flung destinations), and 37% plan to travel abroad this Christmas for visiting long distance family and friends, or to holiday outside of the UK.



For those planning to spend Christmas away from home, purchasing priorities include:

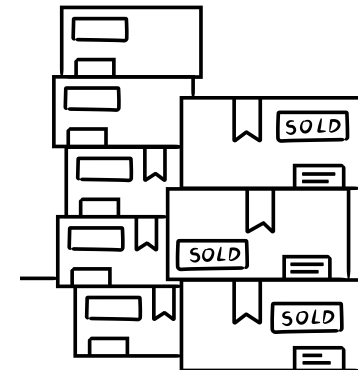


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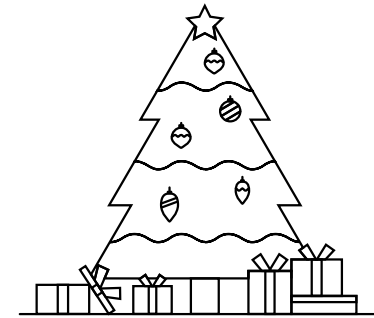
Top tip:

With a significant number of Brits not 'Driving Home for Christmas' and instead looking to holiday this festive season, brands and sellers should look to capitalise on unseasonal demand and steal a march on competitors focused solely on Christmas.

Marketing strategies to drive visibility and sales of these seemingly unseasonal products may well perform better with fewer sellers targeting the consumer.



7. The early birds vs the eleventh hour enthusiasts



In response to ongoing economic uncertainty, UK consumers are taking varying approaches on how best to go about their seasonal shopping to **manage costs** - with a mix of early birds and last-minute planners on the cards for both brands and sellers to consider.

When it comes to peak shopping this year:

32%

say they are going to be organised and start their Christmas shopping early.

28%

say they will wait until later in the year when they have a better idea of their budget for this Christmas.

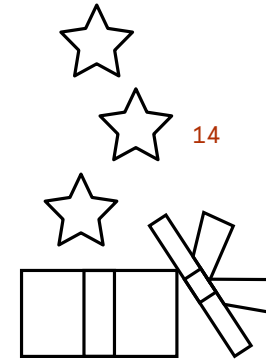
35%

say they will spread their Christmas shopping across the remaining months of the year.

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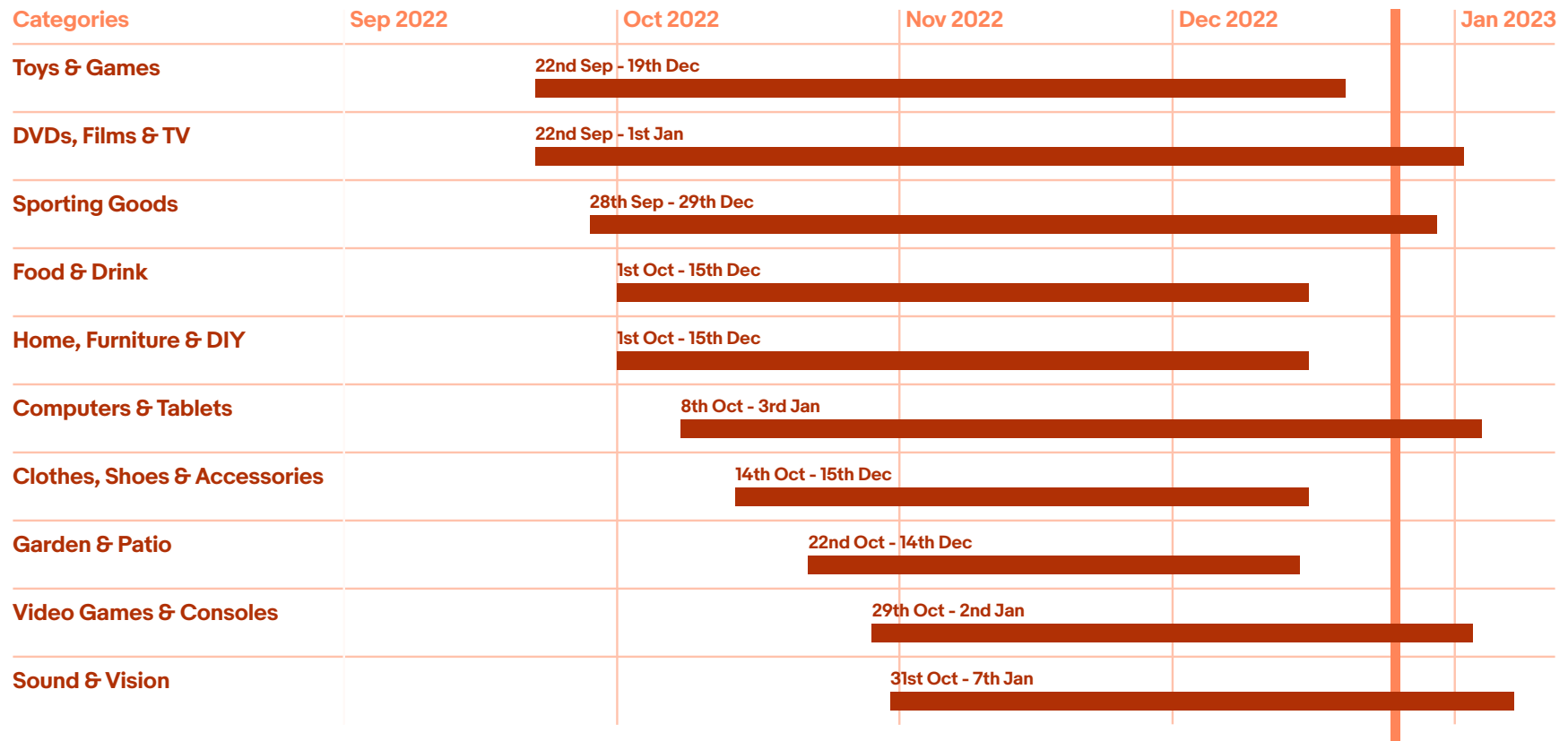
Don't make generalisations about buyers this peak season...

...or what they will buy and when. Organised shoppers who habitually create gift list ideas early, may simply be waiting for a discount before making a purchase. So use advertising solutions to drive visibility of your products to influence shopper shortlists.



Christmas tracker

Peak windows of opportunity in 2023 informed by 2022 trends¹



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Source: 1. eBay internal data Jan-Dec 2022.

Christmas Day

8. Conclusion

“Before we know it, the peak season will be upon us once again. Our research makes clear that consumers are divided when it comes to how they will approach their festive purchases - with some already getting their Christmas shopping underway, some waiting to utilise sales and promotions, and others planning to make their purchases at the very last minute.



With this in mind, brands and sellers alike should ensure to spread their advertising plans across the remainder of the year in order to reach different shoppers at the right time.

There are also a number of contrasting priorities evident this festive season. This includes those on a budget aiming to get as much bang for their buck as possible, to people giving carefully thought out gifts, and even those looking to spend the holidays adventuring to far flung destinations.

There is clearly no one size fits all approach when it comes to consumer wants and needs. Businesses should have varying advertising strategies in place and optimise based on performance to engage as many people as possible this Christmas - to not only drive sales, but maximise festive cheer.”

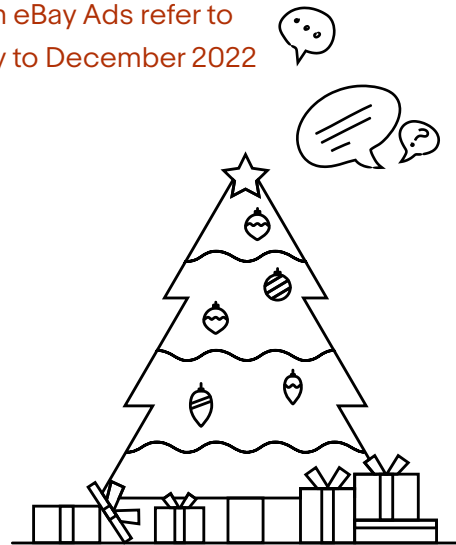
Upasana Gupta, GM Advertising UK, eBay

9. Methodology

Consumer research was undertaken on behalf of eBay Ads by Censuswide, with fieldwork conducted between 30th June and 4th July 2023.

The survey sample was 2067 adults in the UK who celebrate Christmas.

Supporting data points from eBay Ads refer to search volume from January to December 2022 on ebay.co.uk.



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.

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