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2024 Holiday Retail Outlook

The search for value: A season of cautious spending

Deloitte's 2024 Holiday Retail Outlook will be live on Tuesday, October 22nd

Deloitte's 2024 holiday retail outlook explores the shopping behaviours, attitudes, and preferences of consumers for the upcoming holiday season

Topics included in this year's report include:
- Planned holiday spend by category
- Evolving consumer sentiment (e.g., by region, age, household income)
- Canadian consumer perceptions of Sustainability, Cybersecurity, GenerativeAI, eCommerce, and more

Click here to access the report (available on October 22nd)

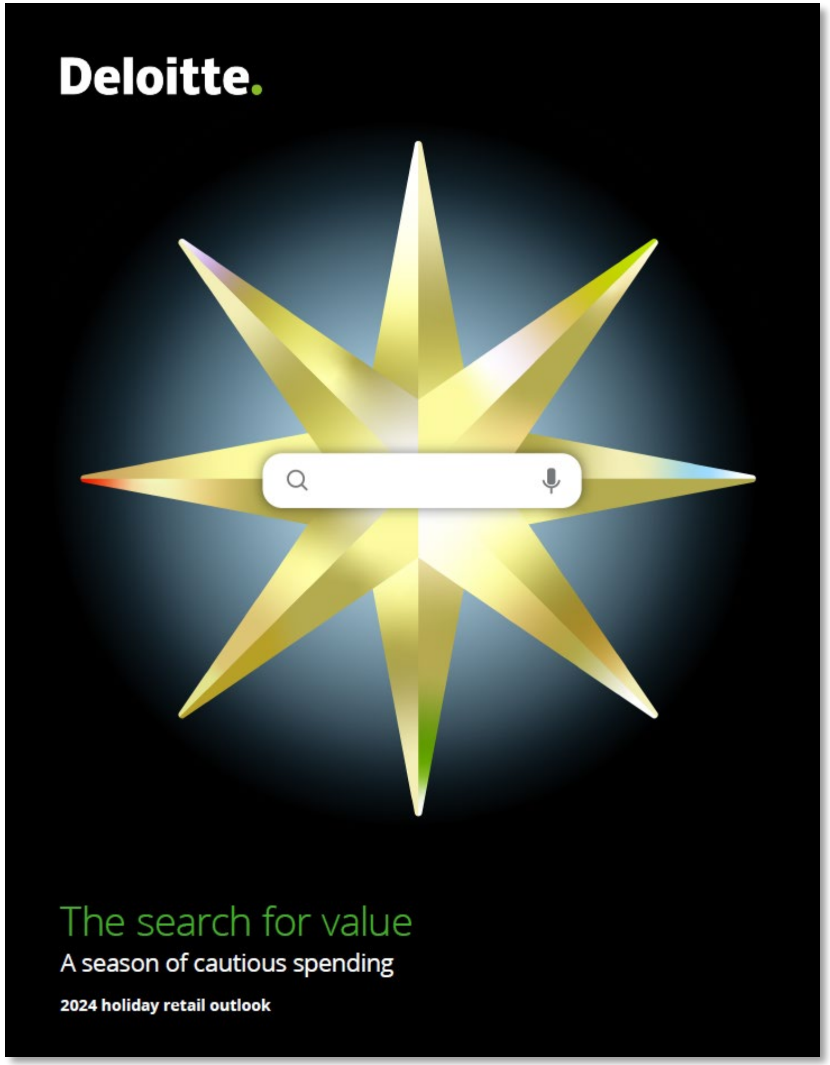
For any questions, please reach out to Marty Weintraub

Sneak Peak: Report Intro

Canadian consumers head into the 2024 holiday season still feeling the impacts of inflation and higher interest rates and continue to be concerned about their personal financial situation and the broader economic outlook. Encouragingly for retailers, holiday spending is expected to rebound by 10% from last year to an average of $1,478. However, this level of planned spend remains well below recent historic levels.

Consumers' focus on value and this year's late Black Friday will see retailers battling it out over a significantly shorter holiday shopping season. We expect competition for consumer spend to be particularly intense this year. With some shoppers planning to wait until Black Friday week to kick off their shopping, retailers should be prepared to pull out all the stops to encourage consumers to shop early, shop often—and shop with them.

This year's holiday outlook also provides a glimpse into how consumers are responding to emerging changes and challenges in the retail landscape. In their search for value, consumers are exploring what emerging 'marketplace' retailers such as Temu have to offer, and some are intrigued by the idea of shopping through social platforms such as Instagram and TikTok. They're skeptical—or simply indifferent—to GenAI, and they're wary of sharing personal information with retailers in a world where data breaches seem commonplace. Effectively responding to these shifts in consumer behaviours and attitudes will be vital as retailers look forward to focusing on growth again after a challenging few years.

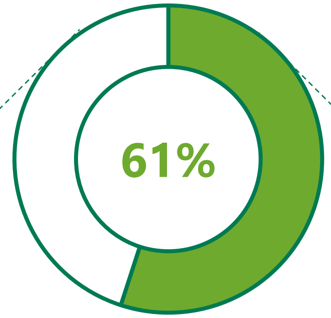


  Source: Deloitte 2024 Holiday Retail Outlook

Report Insights | Sustainability

Access the report

Financial and economic worries haven't dented Canadian shoppers' commitment to sustainability with many willing to pay more for sustainable products

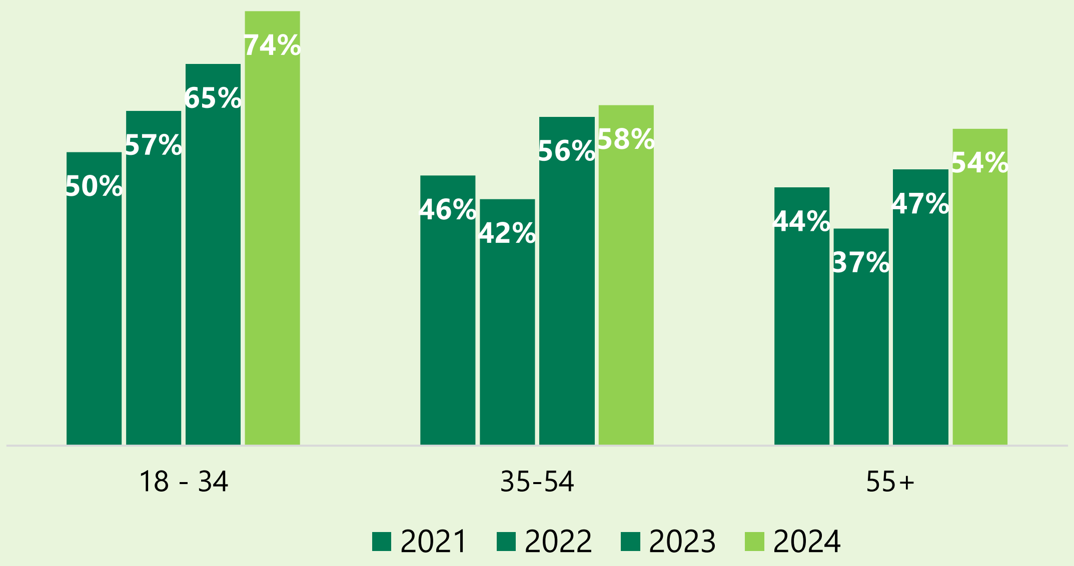


of Canadians claim they're willing to pay more for products certified as socially compliant, sustainable, or produced by factories that engage in employee well-being initiatives

28% willing to pay 1-5% more
20% willing to pay 6-10% more
8% willing to pay 11-15% more
3% willing to pay 16-20% more
2% willing to pay >20% more

61% of people are willing to pay more – higher than last year (55%)

Younger Canadians are more likely to pay more for sustainable products



Note: 2021 figures use different age cohorts (18-34, 35-49 and 50+ vs. 2022-2024 (18-34, 35-54, 55+)

  Source: Deloitte 2024 Holiday Retail Outlook

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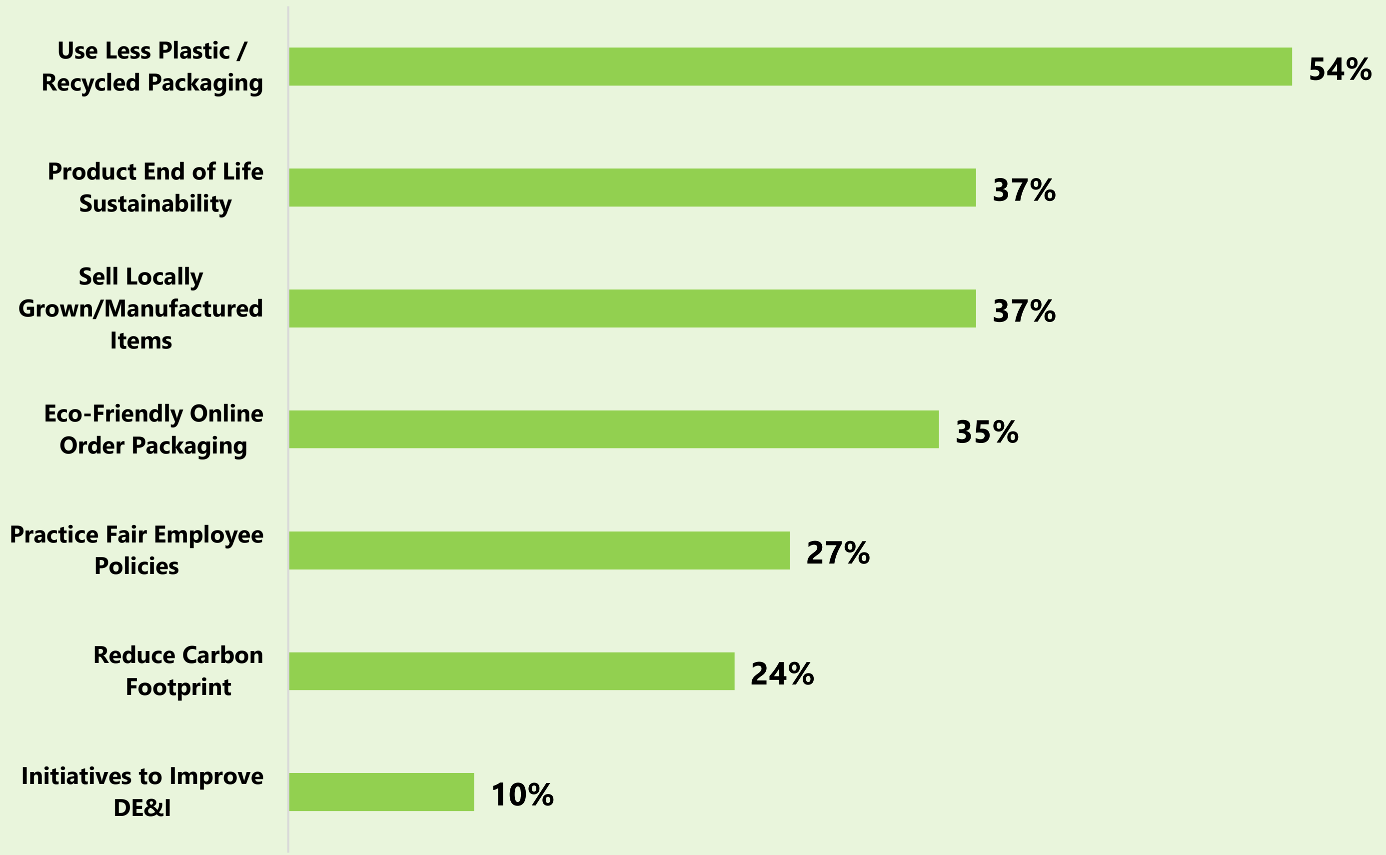
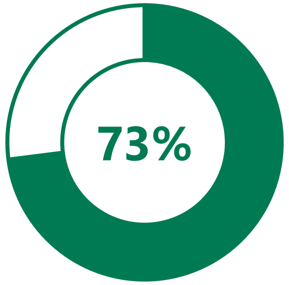
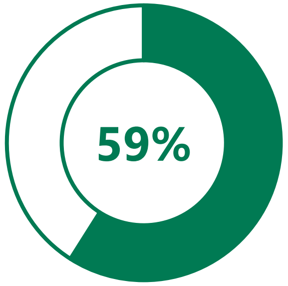
Consumers have various preferences around sustainability initiatives

Which of the following sustainability/socially responsible initiatives of retailers appeal the most to you?

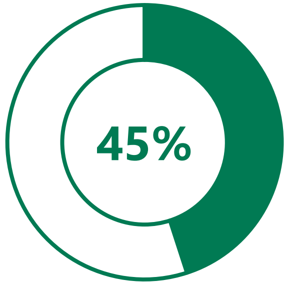




believe it **is a retailers' responsibility to create products that are not harmful** to the earth



would be interested in buying **sustainable or responsibly sourced** holiday gifts



say they're more inclined to **buy sustainable alternatives** for certain product types

  Source: Deloitte 2024 Holiday Retail Outlook

Many consumers are interested in buying sustainable or local gifts – but find it hard shop sustainably when experiencing financial constraints

While consumers are interested in purchasing sustainable or local this holiday season…

61% Are willing to pay more for products certified as socially compliant, sustainable, or produced by factories that engage in employee well-being initiatives

59% Are interested in purchasing sustainable / responsibly sourced gifts this holiday season

52% Prefer to buy gifts that support local or small businesses

… they find it hard to shop sustainably when their finances are challenged

64% Find it hard to identify genuinely sustainable products

60% Find it hard to shop sustainably when experiencing financial constraints

42% Do not believe sustainable products are good value for money

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Consumers may believe there is a trade-off between choosing retailers and products that align with their values while meeting their price expectations. This suggests that there is opportunity for retailers to **educate consumers of the efficacy of their products** – especially as there are high-quality, sustainable products that can actually help **save consumers' money in the long run**.

Marketing executives should **emphasize sustainable products' value proposition across channels** and customer communications (e.g., website and digital applications, loyalty programs etc.).

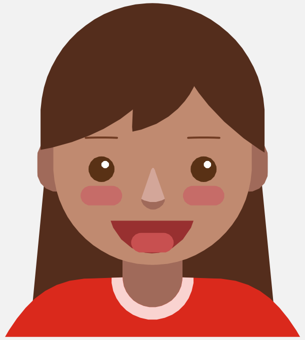
Source: Deloitte 2024 Holiday Retail Outlook

Appendix | Gen Z Overview

Access the report

Gen-Z Consumer Overview | Sustainability

- Gen Z consumers are more willing to pay extra for products certified as socially compliant, sustainable, or produced by factories that engage in employee well-being initiatives (75% vs. 54% for Baby Boomers)
- However – Gen Z consumers are more likely to find it hard to shop sustainably when they're concerned about their personal finances



Topic	Average	Gen-Z (born 1997 - 2012)	Gen-Y (Millennial) (born 1981 - 1996)	Gen-X (born 1966 - 1980)	Baby Boomers (born 1946 - 1965)
I am willing to pay extra for products certified as socially compliant, sustainable, or produced by factories that engage in employee well-being initiatives	61%	75%	67%	53%	54%
I find it hard to shop sustainably when I am concerned about my personal finances	60%	65%	65%	62%	52%
Sustainable products are not affordable / good value for money	42%	47%	48%	44%	35%

 | **Source:** Deloitte 2024 Holiday Retail Outlook

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Thank you