

Consumers plan to spread their holiday purchases across fewer retailers this year

Article

The forecasts: Two new holiday season forecasts add to the [growing consensus](#) that retail sales over the final two months of the year will be strong, but not spectacular.

- **ICSC**, the trade group that represents malls, shopping centers, and other marketplaces, **expects US retail sales to grow 3.8% year-over-year (YoY) over the holiday season**. The group's holiday report, which is based on a consumer survey, expects 80% of shoppers to spend the same amount or more than they did last year, up from 73% last year.
- Those results dovetail with TransUnion's report, also based on a consumer survey, which expects 29% of consumers to spend more than last year, and 56% to spend the same as last year.

Meanwhile, our **holiday forecast** expects sales in November and December to grow 4.5% YoY, which would be the sixth-fastest rate in the past 15 years.

The big data point: Tucked inside ICSC's report is a notable data point that suggests a shift in how consumers will shop this holiday season.

- Consumers plan to purchase from an average of 2.4 different types of retailers, compared with 3.4 in 2022, per ICSC.

That suggests retailers need to aggressively lean into discounting and marketing to capture shoppers' attention (and dollars).

Zoom in: While the vast majority of consumers plan to spend at least as much as last year, a significant portion of that increased spending will stem from inflation, which was up 3.7% YoY in September.

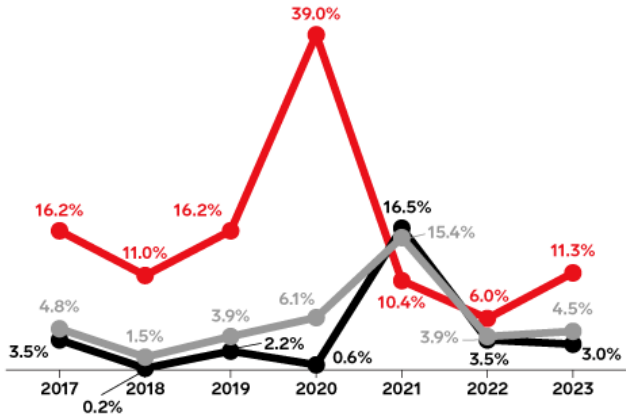
- Beyond inflation, high interest rates and the resumption of student loan repayments could soften spending. That said, **78% of all households, and 65% of households with children, say the student loan repayments will have no effect on their spending**, per TransUnion. Another 10% of all households, and 16% of households with children, say it will have a "small effect."

The big takeaway: There are several important and oppositional forces at play affecting this year's holiday retail sales, which the varying forecasts reflect. Overall, there is mounting evidence that this season is likely to see healthy spending, but perhaps distributed unevenly, which could make for a more competitive landscape among retailers.

Go further: Read our [Holiday Shopping 2023](#) report.

US Retail Ecommerce, Non-Ecommerce, and Total Retail Holiday Season Sales Growth, 2017-2023

% change



- Retail ecommerce holiday season sales growth
- Retail non-ecommerce holiday season sales growth
- Total retail holiday season sales growth

Note: sales are for Nov and Dec of each year; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling and other vice goods sales; retail ecommerce holiday season sales includes products or services ordered using the internet, regardless of the method of payment or fulfillment; retail non-ecommerce holiday season sales excludes products or services ordered using the internet

Source: Insider Intelligence | eMarketer, June 2023

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