

ebay Ads

Christmas spend trends 2021



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1. Introduction

After a muted and chaotic Christmas period in 2020, consumers and brands alike are looking forward to what will hopefully be a dose of normality this December. But, even with restrictions lifted, the impact of the pandemic on shopper behaviour is ongoing and will likely become evident again this Christmas.

For instance, while some people may have seen their finances take a hit over the past 18 months, others may have benefited from restrictions on spending. This may result in a split between those feeling optimistic about a more traditional Christmas – and those nervous that best made plans will be ruined.

As society begins to return to normality and Christmas campaigns and promotions begin, brands will need to understand the myriad ways in which consumer values, priorities and behaviours have evolved – and continue to evolve – so that they can have the best chance of cutting through the competition and engaging their consumers this festive season.

To help brands succeed this Christmas, we've created this new Christmas spend trends report, which combines insights into eBay UK's 29 million shoppers with responses from a survey of over 2,000 UK consumers who celebrate Christmas – and looks back at some of the findings from our 2020 research report, to identify emerging trends.

In this report, we'll explore:

- **How are people feeling about Christmas?**
- **When and where is the opportunity for brands?**

2. How are people feeling about Christmas?

2.1 People are more excited and optimistic.

It's going to be a more traditional and nostalgic, but also, a more exciting Christmas this year, as people anticipate a return to normality.

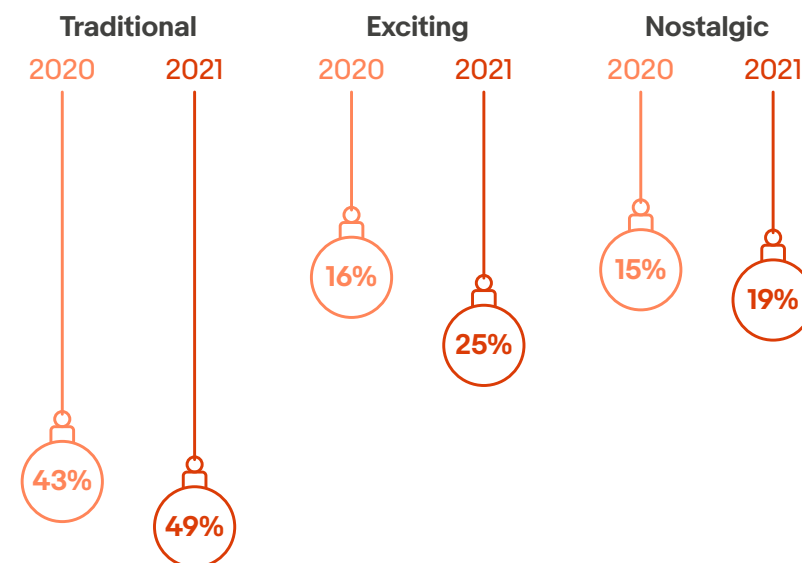
Our research found that half (49%) of people think that this Christmas will feel traditional, as they plan to do what they always do - up from 43% in 2020. Meanwhile a fifth (19%) say it will be nostalgic.

After last year's stress and disappointment, people are also much more excited as they anticipate a more familiar festive season - 25% of adults say they feel Christmas will be exciting this year, compared to just 16% in 2020.

All in all, people are feeling more positive about Christmas celebrations. 60% report feeling optimistic that they'll be able to celebrate as usual this Christmas, while 39% are optimistic that they'll be able to travel in the UK and abroad.



How will Christmas feel?



2.2 More confidence in Christmas spending.

After what was a very difficult year, people report spending slightly less, on average, on Christmas presents and celebrations in 2020, compared to 2019. But, this year, generally, consumers are planning to spend more – suggesting greater confidence in their financial situation.



On average, people say they spent £527.88 on Christmas shopping and celebrations last year (2020), compared to £551.34 in 2019.

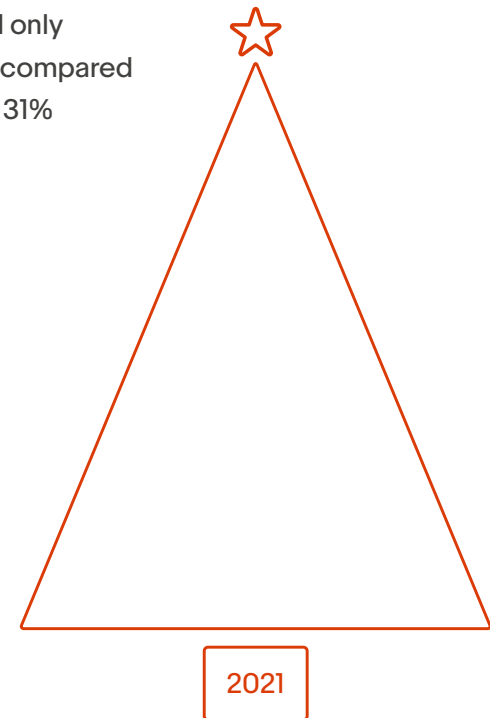
This year, 30% of consumers plan to spend more, and only 15% plan to spend less. This is much more optimistic compared to 2020, where only 13% said they'd spend more, and 31% said they'd spend less.

Christmas spending plans



13%

of shoppers planned to spend more on Christmas presents and celebrations.



30%

of shoppers plan to spend more on Christmas presents and celebrations.

2.3

But many are still feeling cautious.

Despite this optimism, many people are worried about further disruption due to Covid-19.

45% say this means they will likely put off making plans for Christmas until the last minute, and 30% are so worried about more disruption, that they might celebrate Christmas early with friends or family.

When it comes to priorities for this Christmas, our research shows that while more people want to 'go big or go home' with their celebrations and gifts compared to last year (13% in 2021, compared to 8% in 2020), a greater number of people are still looking forward to a quieter, relaxed Christmas (25%) – rather than a blowout party.

Indeed, signalling that people may have appreciated a quieter Christmas last year, 36% of people think it would be stressful to see lots of friends and family this Christmas.

Top six priorities for Christmas 2021:

57%

to spend time with loved ones.

28%

to spend time at home by choice rather than obligation.

25%

to have a quiet Christmas after a difficult year.

20%

to celebrate in the most cost-efficient way possible.

13%

to throw a big celebration after a difficult year.

12%

to treat loved ones to extravagant gifts.

2.4

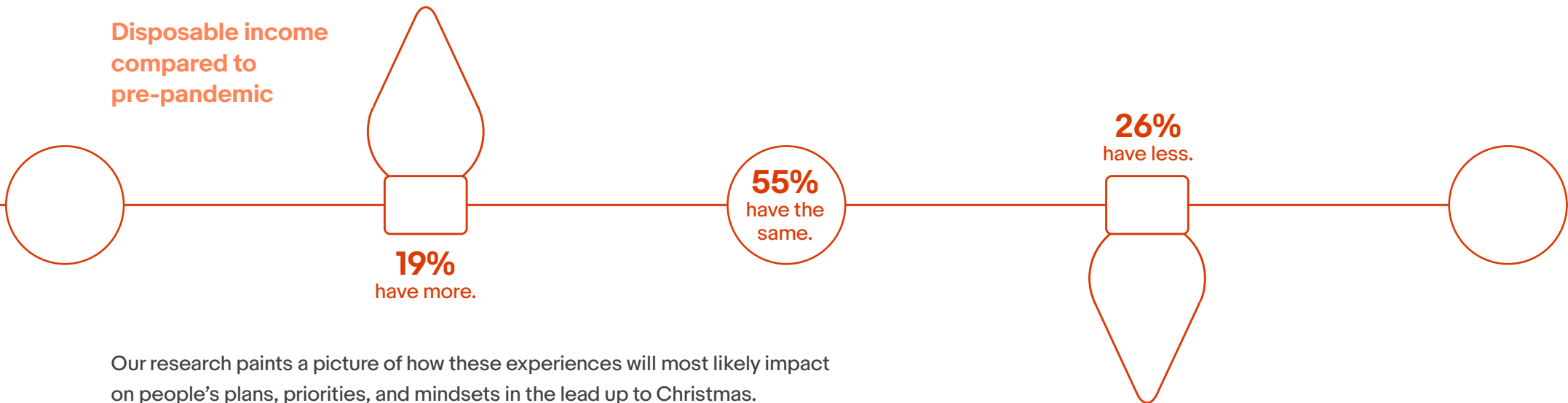
A divided nation: the pandemic has impacted people's finances, and mindsets.

The past 18 months have seen people's finances impacted in extreme ways – and our study suggests that this could result in very different mindsets and priorities this Christmas.

For many of those lucky enough to still be employed, and even work from home, the hiatus in spending on holidays, commuting, leisure and hospitality helped them to save more money than they had done previously. Meanwhile, for many of the millions who became furloughed, were made redundant, or who struggled to work or run a business, personal finances took a real hit.

Our research found that almost a fifth (19%) of respondents report having more disposable income compared to pre-pandemic, while a quarter (26%) have less disposable income. Just over half report having the same amount of disposable income.

Disposable income
compared to
pre-pandemic



Our research paints a picture of how these experiences will most likely impact on people's plans, priorities, and mindsets in the lead up to Christmas.



2.5 More disposable income means bigger spend and celebrations.

Looking at the fifth of respondents that report having more disposable income compared to pre-pandemic, their top priority is to save it for the future (38%), followed by spending on travel / holidays (28%), and a quarter (24%) say they plan to save for Christmas presents.

And we also found that if they had to choose who to spend it on, while the kids come first (28%), over a fifth would prefer to spend on themselves (23%) or their partner (22%). Just 10% would spend their additional disposable income on their parents.

What are you planning to do with your additional disposable income?

38%
to save it for the
future.

28%
to spend it on travel
or holidays.

24%
to save for Christmas
presents.

People with more disposable income are also more likely to go all out this Christmas and prioritise extravagant gifts or experiences.

Compared to those that have less disposable income than pre-pandemic, they're more likely to:

Spend more on gifts and celebrations this Christmas.



Think that Christmas will feel exciting.



Believe that Christmas will be a bigger celebration.



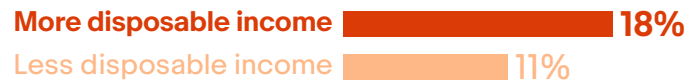
Plan to go all out this Christmas season to make up for what they missed in 2020.



Treat loved ones to extravagant gifts.



Prefer to gift experiences rather than material objects.



2.6

Less disposable income means a more considered Christmas.

People with less disposable income compared to pre-pandemic may be more considered and family oriented when it comes to Christmas celebrations and gifting.

Compared to those that have more disposable income than pre-pandemic, they're more likely to:

Think good value for money is a priority for gifting.



Have started buying / considering Christmas gifts already.



Think celebrating in the most cost-efficient way possible is a priority.



Think spending time with loved ones is a priority.



Prefer to have a small, quiet Christmas.



3. When and where is the opportunity for brands?

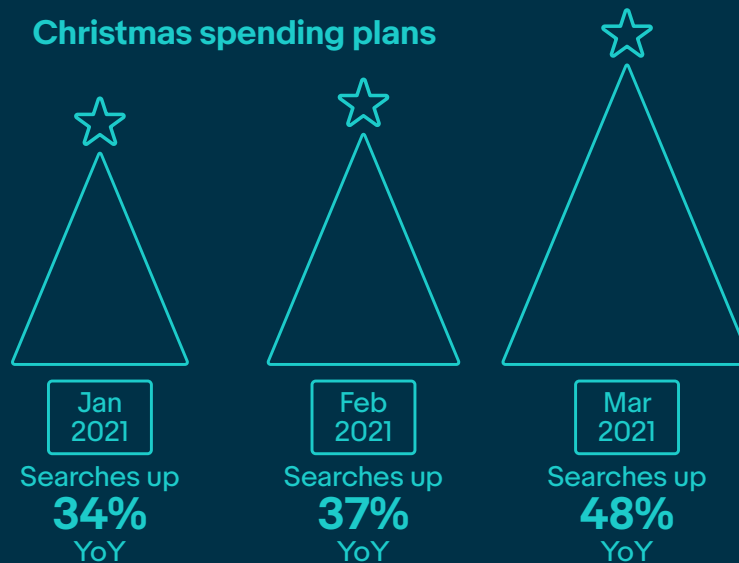
3.1

The 2021 lockdown drew out the Christmas period.

Analysis of data insights from ebay.co.uk shows that Brits have been thinking about this coming Christmas from early in the year, as the quiet 2020 Christmas and subsequent January lockdown prompted people to seek out some cheer.

Year on year, searches for ‘Christmas’ or ‘Xmas’ on the site were 38% higher in January – March 2021, compared to 2020.

Christmas spending plans



The elevated search volumes finally returned to 2020 levels in April, but interest in Christmas took off again in May, spurred by the May Bank Holiday weekend.

On the Early May Bank Holiday Monday (3rd May 2021), searches for ‘Christmas’ or ‘Xmas’ on ebay.co.uk were up 54% compared to the same day the week before.

Christmas-related searches also rose across key categories on the Early May Bank Holiday in this same time frame:

- Home, Furniture & DIY (up 66%)
- Clothes, Shoes & Accessories (up 52%)
- Toys & Games (up 45%)

Interest in the festive period was higher over the course of May, with searches for ‘Christmas’ or ‘Xmas’ on ebay.co.uk 15% higher compared to April 2021.

Meanwhile, views for products in the ‘Christmas Crackers’ and ‘Christmas stockings’ categories rose 22% and 18% respectively in May 2021, compared to April 2021.



3.2 Christmas is getting even earlier.

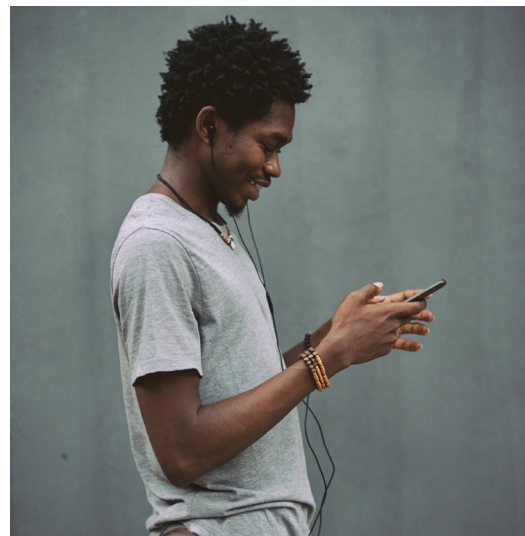
While in our 2020 report, we found that people were planning to start Christmas preparations earlier than usual, our latest findings suggest that Christmas could be getting even earlier.

Our research finds that this year a quarter (25%) of people will have started thinking about shopping before the end of the summer, of which 13% will likely have already started thinking about Christmas gifts by the end of June, and 12% intend to start shopping during July or August.

Meanwhile, 27% of people are planning to start Christmas shopping and preparations earlier than they did last year, with only 11% saying they'll start later.

25%
of shoppers will have started thinking about Christmas shopping before the end of the summer.

Demonstrating how much earlier Christmas shopping is getting – and the importance of the pre-December shopping period – **two fifths (41%) of people intending to give gifts this year say they're planning to have finished their Christmas shopping before December starts.** In comparison, when asked the same question in 2020, only 25% of consumers said they would plan to finish Christmas shopping before December.



3.3 Sporting Goods was one of the earliest Christmas categories to trend in 2020.

With a quarter of consumers planning to start researching Christmas gifts before the end of August this year, it's no surprise to find that Christmas-related searches on ebay.co.uk started ramping up as early as August last year as well.

Over the course of August 2020, the site saw a 66% boost in searches for the keywords 'Christmas' and 'Xmas' compared to July. The Sporting Goods category saw a particular surge in Christmas-related traffic, with searches up 262% in August 2020 compared to the previous month, while Christmas searches in the Clothes, Shoes & Accessories and Home, Furniture & DIY categories jumped 83% and 85% respectively.

Our analysis shows that interest in the Toys & Games and Sporting Goods categories then started ramping up in earnest in September 2020. Searches for 'Christmas' or 'Xmas' on ebay.co.uk in the Toys & Games category jumped 44% from 20th to 27th September 2020, while searches in the Sporting Goods category rose 190% from 23rd to 30th September 2020.

At the other end of the spectrum, Christmas-oriented searches in the Video Games & Console category didn't gather momentum until November, with searches rising 49% between 8th and 15th November 2020. However, the window of opportunity for brands for this category also extended further, with interest only dropping off after Boxing Day.

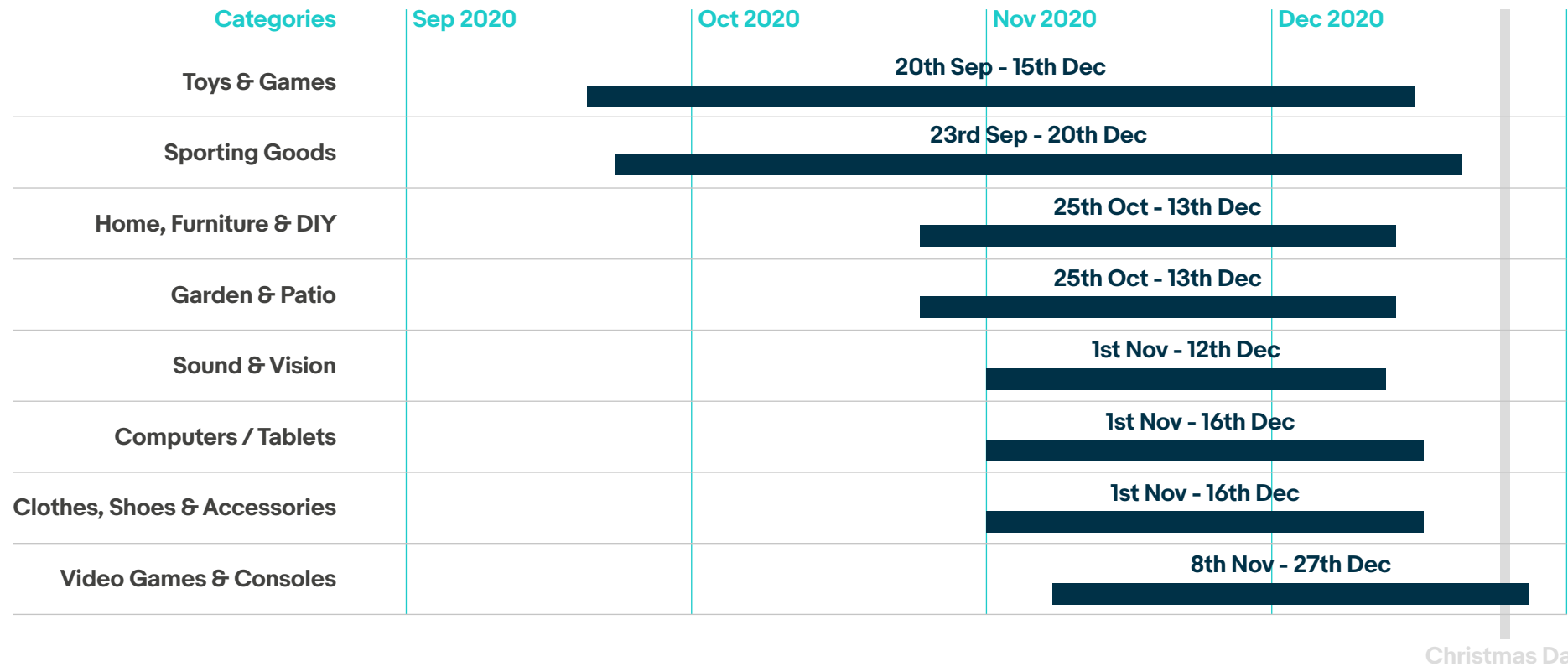
In August 2020,
ebay.co.uk saw:

66%
more searches
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262%
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Goods category
compared to
July 2020.

Christmas Tracker

Peak windows of opportunity in 2020.



3.4 Where is the opportunity? Online first, in store second.

With people likely to spend more on Christmas this year, more of that spend is also set to go online.

57% of consumers say they expect to do most, if not all, of their Christmas shopping online, of which 16% plan to do all their shopping online. And, demonstrating increasing reliance on ecommerce, just 10% strongly agreed that they would do all their shopping online when asked in 2020.

Meanwhile, 41% expect to do most, or all, of their Christmas shopping in physical stores.

Whether people intend to shop instore or online, many shoppers plan to research gifts online first. Nearly two thirds (63%) state they will likely research gifts online before committing to purchases and over a third (38%) like to get inspiration for gifting from gift guides (e.g. in magazines or online). Conversely, 29% say they will likely browse for gifts in physical stores, and then buy online.

When Christmas shopping, many consumers are also keen to support local (58%) and small businesses (57%). With slightly fewer respondents stating their support in 2020 (53%), this could be a growing priority for shoppers.



When it comes to gifting, people who will be giving gifts this year prioritise good value for money (58%) and quality of products (44%).

And, with shoppers keen to get a bargain on their gifts, 46% state they will look for Black Friday offers, and 60% will look for other offers to save money on gifts.

Five biggest priorities when it comes to shopping for gifts this year:

58%
good value for money.

44%
quality of products.

22%
unique products.

22%
range of choice.

16%
quick delivery.



4. The agency perspective

“”

2020 brought us a Christmas like no other with retailers, brands and consumers having to flex and adapt plans at short notice. As we look forward to what we hope will be a less disrupted Christmas, this data from eBay demonstrates that it is even more important than ever to understand the mindset and behaviours of your audience in the run up to this crucial period.

The brands that will win this Christmas will be those that are able to use this insight to drive cultural relevance and to ensure that their campaigns reflect the diversity of their audiences. But if there is one thing that the pandemic has taught us, it's that things can change quickly and that businesses need to be able to adapt and pivot in response, so flexibility will be key.

Pauline Robson, Managing Partner, MediaCom UK

5. Conclusion

Christmas may currently feel far away, but this year especially, it's a year-round event that Brits are already looking forward to – especially with 'normality' on the horizon.

While brands have a brilliant opportunity to engage with excited and mostly-optimistic consumers from now until December, it's vital that marketers consider the wide-ranging impact of the pandemic – with some people left worse off than before.

Brands should ensure they have the data insights and tools available that not only allow them to understand these different experiences, but that also allow them to tailor their marketing to people with the most relevant messages. And, with so much still uncertain, as ever, brands will need to be prepared to react and pivot strategies in line with any unexpected changes.



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

6. Key takeaways

1. One size doesn't fit all.

People have lived vastly different experiences during the pandemic, so make sure you take this into account when tailoring your Christmas promotions.

Understanding your consumers' priorities and reflecting this in your messages will be key to demonstrating you really care for your customers this Christmas, especially for those that have had a more difficult year.

2. Fresh data insights will be crucial for relevancy.

While some consumers will go big this Christmas, many are still feeling nervous, or are just hoping for more relaxed celebrations after a chaotic year.

To ensure your messages land, make sure you harness fresh data to tap into the current mood of consumers and be more concise when it comes to sentiment messaging in your creative.

3. Be ready to flex.

Amid ongoing uncertainty, and with some consumers still feeling worried or hesitant about Christmas plans, brands should be ready to adapt their strategies in line with changing circumstances.

4. Start engaging with consumers early.

With Christmas browsing and shopping already well underway, brands need to start early when it comes to raising brand awareness and engaging with consumers.

6. Key takeaways

5. Be creative in how you reach customers.

As competition heats up, creativity will be key to getting cut-through – so don't be afraid to be bold and innovative in the ways you reach customers.

6. Consumers want to be inspired this Christmas.

People will look for ideas for their Christmas shopping online. Offering consumers inspiring content and gifting advice can encourage them on their path to purchase.

7. Demonstrate your ethical credentials.

Many people want more than just a good deal on a gift this Christmas, brand reputation and purpose counts too.

Consider how you can highlight your ethical policies and credentials to potential customers.

8. Show how you support small businesses.

Small businesses are at the top of many consumers' agendas this Christmas. Think about how you can help shoppers support small or local businesses as part of your seasonal strategy.

7. Methodology

Consumer research was undertaken on behalf of eBay Ads by Censuswide, with fieldwork conducted between 10th and 14th June 2021. The survey sample was 2,005 adults in the UK who celebrate Christmas.

Includes comparisons with corresponding data points from eBay Ads UK research carried out in 2020.

Supporting data points from eBay refer to search volume and views on [ebay.co.uk](https://www.ebay.co.uk).

8. 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.

www.ebayads.com

