

October 2023

# Looking Ahead: Lessons from the 2022 Holiday Season

Dive into the data to find out what's in store for retailers this holiday season, and what brick-and-mortar chains can do to make the most of the busiest quarter of the year.



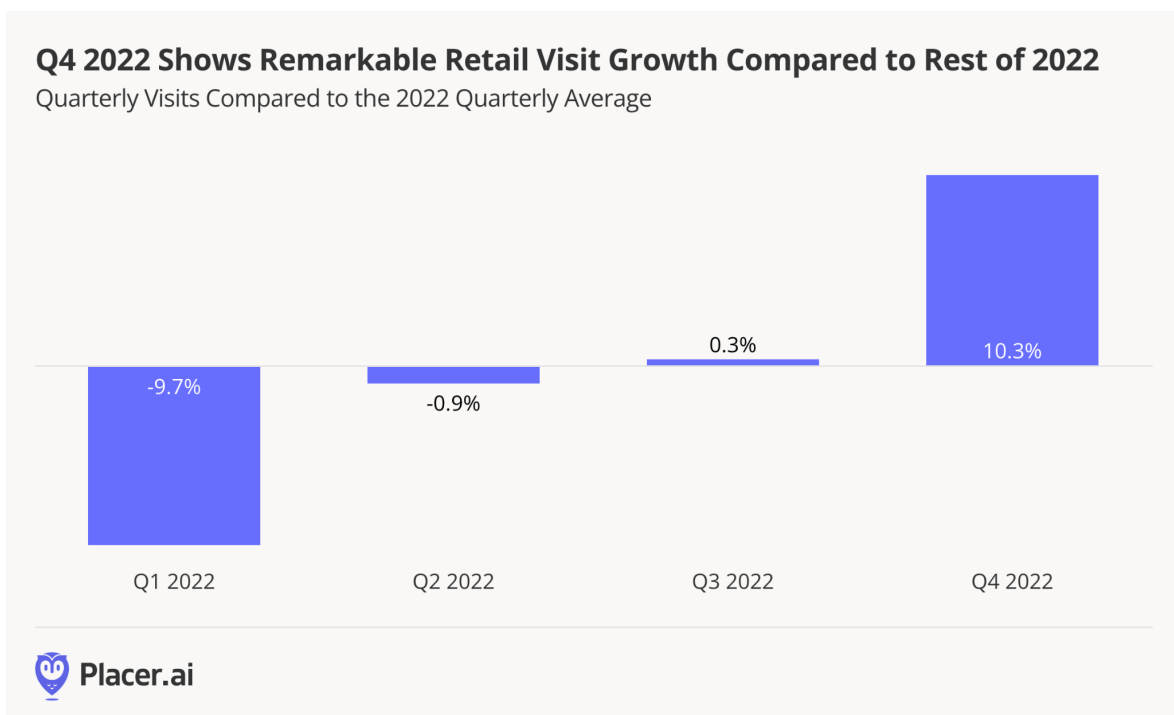
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## Diving into the Holiday Season

Still-high prices and [economic uncertainty](#) continue to weigh on [consumer confidence](#) heading into the 2023 holiday season. But though Americans are keen on saving money, surveys show that consumers still prioritize [gift giving](#) and fully intend to [pony up](#) for presents and other indulgences that make the holidays enjoyable.

Traditionally, Q4 (October through December) is retail's strongest quarter – and after months of tightened purse strings and reduced [discretionary](#) spending, shoppers may relish the opportunity to let loose and splurge a little.



So what's in store for brick-and-mortar retailers this holiday season? What lessons can be learned from last year when inflation was at its peak? And how can leading chains make the most of the busiest time of the year?

This white paper dives into the data to explore some of the key trends that shaped the 2022 holiday season – and that may continue to impact consumer behavior this year. The report, produced in partnership with [Spatial.ai](#), harnesses location

intelligence and [audience segmentation](#) analysis to reveal the habits and characteristics of offline shoppers during the holiday season.

## 'Tis the Season to Go (Grocery) Shopping

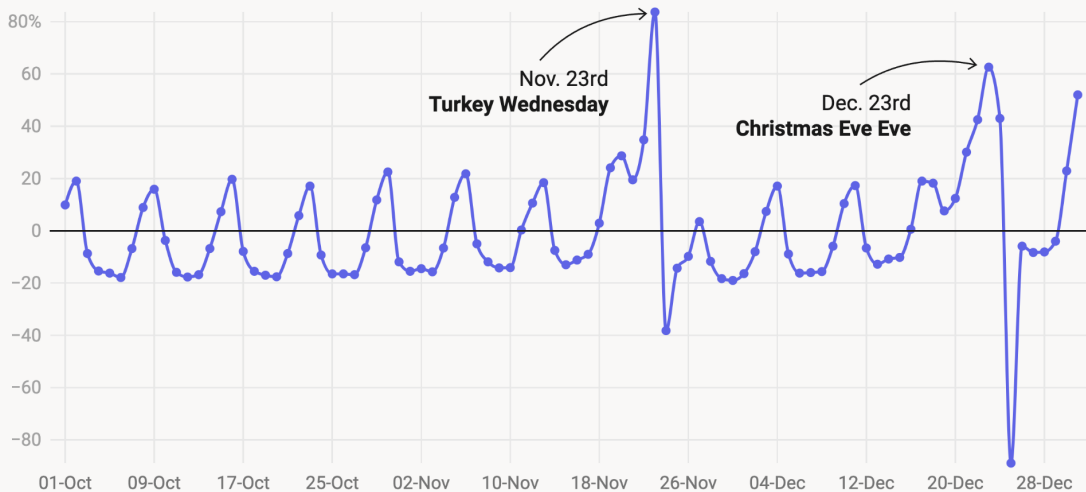
The first big shopping day of the holiday season is [Turkey Wednesday](#) – the day before Thanksgiving, when people converge on grocery stores nationwide to stock up on birds, cranberry sauce, and other holiday delicacies.

On a typical week, grocery stores are busiest on Saturdays and Sundays, and quietest mid-week. But as Thanksgiving approaches, this pattern is upended. Foot traffic data for Q4 2022 shows that grocery visits begin to trend upwards a few days before the holiday, and reach a frenzied crescendo on Turkey Wednesday – the busiest grocery shopping day of the year. In 2022, grocery chains saw a whopping 83.7% more visits on Turkey Wednesday than on an average day in Q4 2022.

Another big day for grocery chains is the day before Christmas Eve. Christmas shopping is most commonly associated with gift-buying – but foot traffic data reveals that “Christmas Eve Eve” is not just a [Friends' meme](#): It's the second-busiest day for grocery chains year-round. While not quite reaching the harried peak of Turkey Wednesday, December 23rd, 2022 experienced 62.6% more than the Q4 2022 grocery store daily average.

## Q4 2022 Daily Foot Traffic Across The Grocery Industry

Compared to Q4 2022 Daily Average



### Value Grocers Win Turkey Wednesday

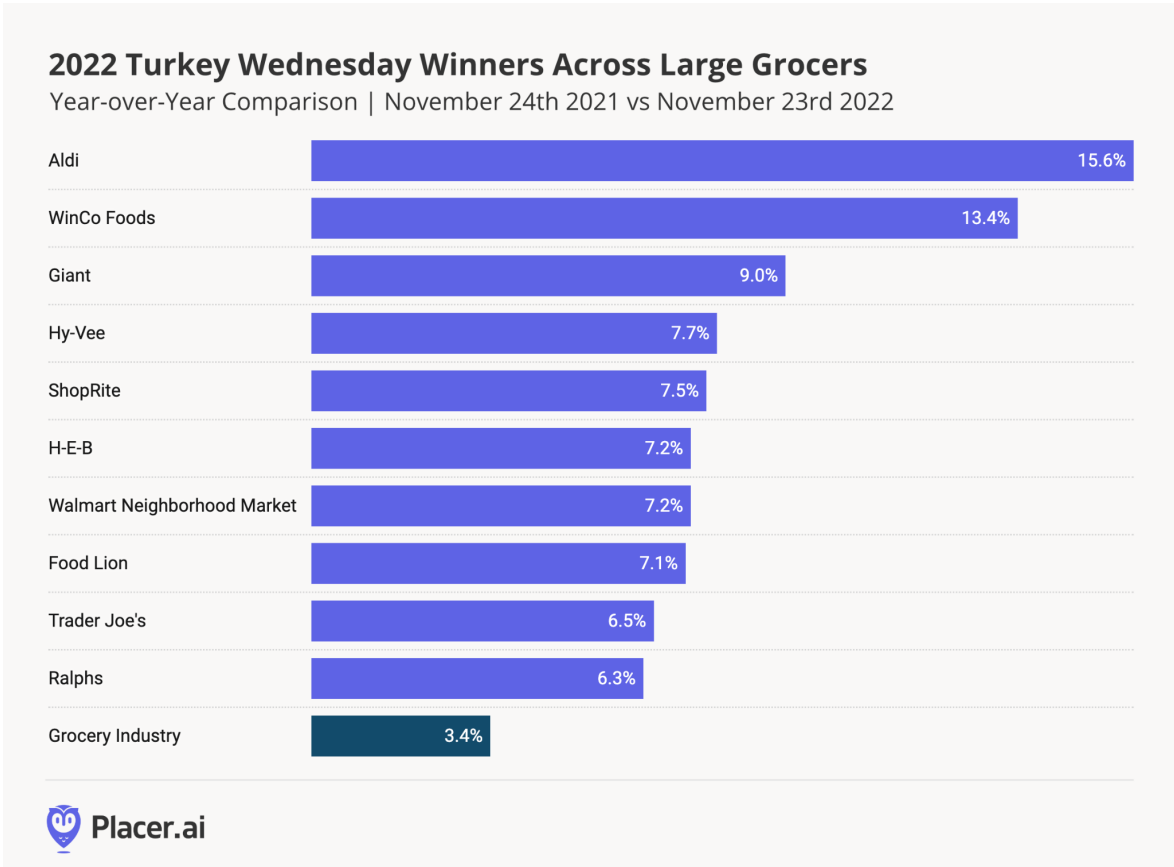
Value-priced grocery chains emerged as the 2022's clear Turkey Wednesday visit growth winners, and this segment is likely to outshine the competition this year as well. Aldi – the popular European grocery chain [famous](#) for providing quality groceries at low prices – received 15.6% more visits on Turkey Wednesday 2022 than it did the previous year. And WinCo, another [no-frills](#) grocery store that keeps prices [low](#) by avoiding credit cards and leaving customers to bag their own purchases, received 13.4% more visits on Turkey Wednesday 2022 than in 2021.

The exceptional performance of these value-oriented brands should come as no surprise. Price was top of mind for many consumers last holiday season, as runaway food-at-home [inflation](#) led shoppers to seek out cheaper baskets. And with value still a major concern this year, low-cost chains appear poised to win Turkey Wednesday once again.

At the same time, foot traffic data also shows that many other chains – including regional brands like Giant, Hy-Vee, H-E-B, and others – also experienced significant



year-over-year (YoY) visit growth last Turkey Wednesday. During the festive holiday season, there's plenty of room for a variety of grocery chains to thrive.



### Chilling In-Store on “Christmas Eve Eve”

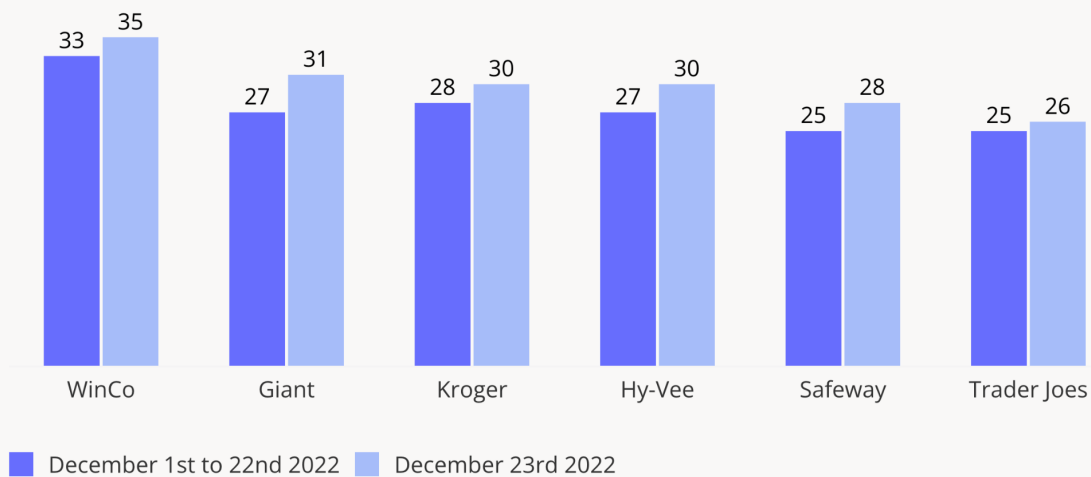
The holidays don't just bring an increase in grocery visits – 2022 data also suggests that shoppers also spend more time browsing the aisles on “Christmas Eve Eve.” At major grocery chains throughout the country, visitors spent 4.0% - 14.8% longer in-store on December 23rd, 2022 than they did during the first 22 days of the month.

Some of this increased visit duration may be due to bigger crowds and longer lines. But holiday cheer may also be at play, as people relax and take more time to browse the aisles. Either way, longer dwell time offers retailers a prime opportunity to interact with customers and increase basket size. Greater visit duration is also good news for the growing number of grocery chains that operate [retail media networks](#) –

since more time in-store means more exposure to onsite advertising messaging by brand partners.

### Last Minute Christmas Shoppers Are Staying in Store Longer Across Large Grocers

Comparison of Median Duration of Visits in Minutes



## Superstores, Discount Chains, and Shopping Sprees

Superstores also draw huge crowds during the holiday season, as consumers seek out Black Friday deals and search for holiday gifts at a bargain. For category leaders like Walmart and Target, the period between Thanksgiving and Christmas is the busiest time of the year. And as the centrality of Black Friday [waned](#), “Christmas Eve Eve” is emerging as a major shopping day.

Foot traffic data shows that visits to both Walmart and Target remained relatively stable on Black Friday 2022 relative to pre-pandemic 2019, although the retailers did see an uptick in traffic relative to 2022. But on the day before Christmas Eve, 2022 visits really spiked, with Walmart and Target attracting 21.7% and 15.6% more December 23rd visits, respectively, than in 2021. The two chains – and Target in

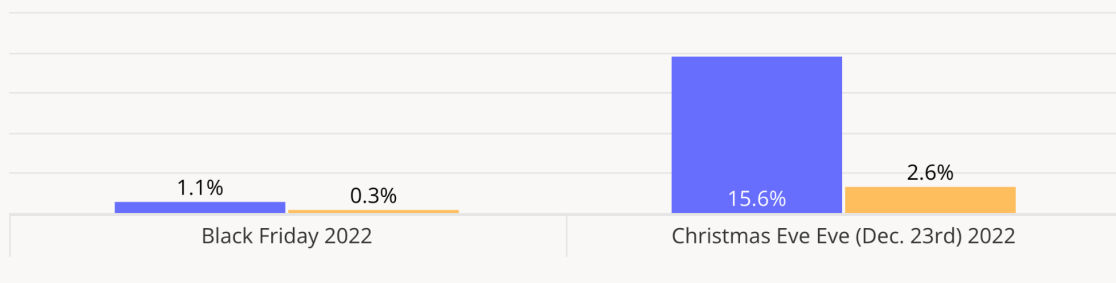


particular – also saw a sizable “Christmas Eve Eve” visit bump relative to December 23rd 2019 traffic.

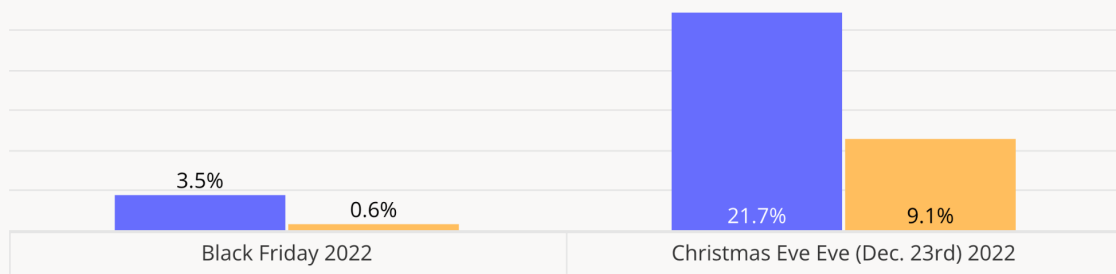
December 23rd’s remarkable visit growth appears to reflect shifting patterns in holiday shopping. The extended holiday season sees retailers launching holiday promotions [well before](#) Black Friday, which may be coming at the expense of the traditional post-Thanksgiving retail traffic surge. But last-minute gift shopping still needs to be done in-store, which could explain why December 23rd visits are on the rise. Still, the data also shows that Black Friday itself hasn’t lost all its magic for superstores, which continue to draw crowds on the big sales day.

### Superstores See Pronounced Visit Growth on the Day Before Christmas Eve

Change in Visits to Walmart



Change in Visits to Target



■ Visits Compared to 2021 ■ Visits Compared to 2019





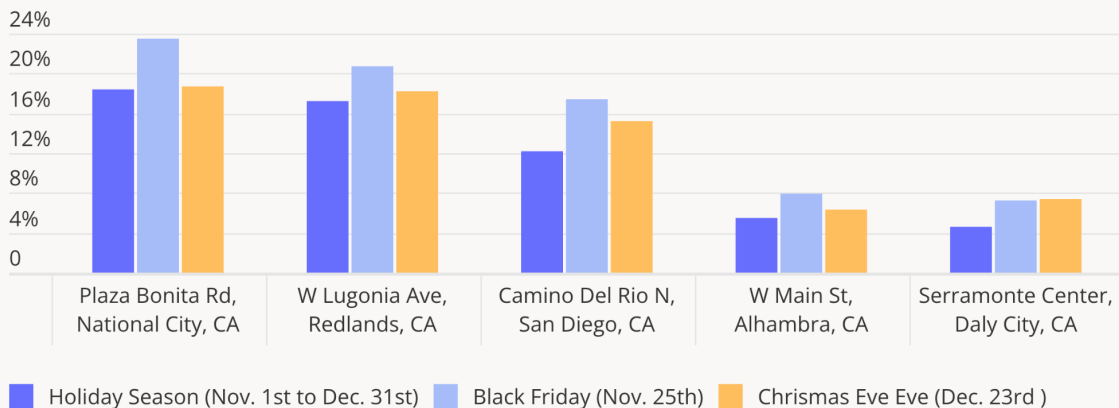
## Uncovering the Shoppers Behind Holiday Visit Spikes

California is a major market for both [Target](#) and [Walmart](#). And analyzing the [captured markets](#) of leading Golden State venues with the [PersonaLive dataset](#) from Spatial.ai can provide important insight into the audiences driving the two chains' holiday visit spikes.

In 2022, the captured markets of California's top Target locations included greater shares of "Young Urban Singles" on Black Friday than on "Christmas Eve Eve" or than during the holiday season as a whole. For this demographic, which features singles starting out their careers in trade and service jobs, Black Friday deals on everything from electronics to apparel can be particularly enticing.

### Top California Target Locations Drew Higher Share of "Young Urban Singles" On Black Friday in 2022

Based on Spatial: PersonaLive Data of Captured Market of Trade Areas

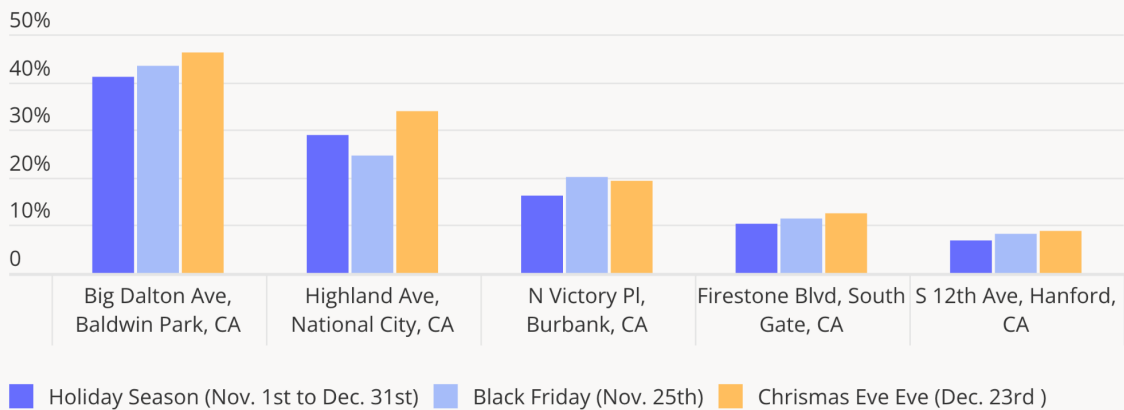


During the same time period, the captured markets of top California Walmart locations saw increasing shares of "Near-Urban Diverse Families" on the day before Christmas Eve. Members of this segment group, which includes middle-class diverse families living in urban or near-urban areas, may be driven to visit superstores on December 23rd in search of last-minute holiday bargains, to fulfill the decidedly

[non-discretionary](#) need of gifts for loved ones. By breaking down the audiences that are likely to visit their stores at different stages of the holiday season, retailers can better anticipate their needs and plan accordingly.

### Top California Walmart Locations Drew Higher Share of "Near-Urban Diverse Families" on Christmas Eve in 2022

Based on Spatial: PersonalLive Data of Captured Market of Trade Areas



## Five Below's Growing Holiday Appeal

Other bargain retailers also thrived during last year's holiday season, as consumers traded down and sought to cut costs.

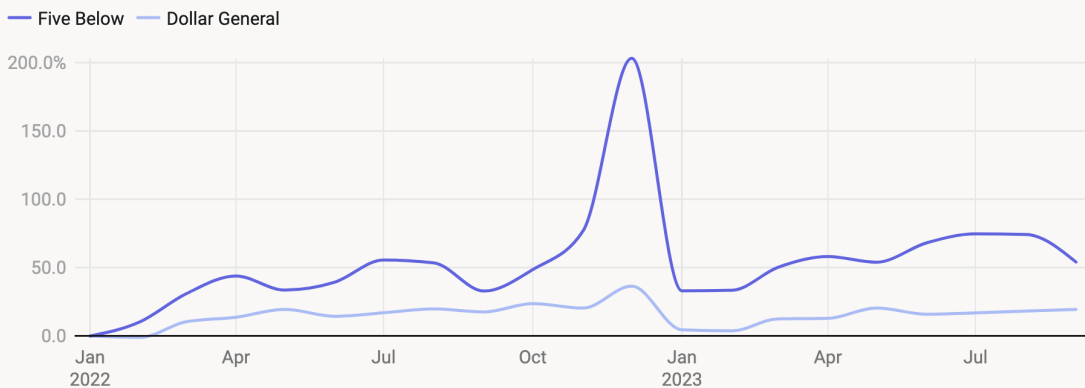
Five Below, the discount retailer that specializes in toys, candy, and party supplies, experienced significant visit growth throughout 2022, [propelled](#) by shoppers seeking to indulge in affordable luxuries. And in December 2022 Five Below saw an astonishing visit bump – with foot traffic up 203.2% compared to a January 2022 baseline. With a whimsical vibe that [invites](#) customers to “let go and have fun”, the chain appears to have cemented its role as a prime holiday shopping destination. By comparison, December 2022 visits to Dollar General – where people are more likely to buy everyday necessities – were up just 36.5% compared to January 2022.



Given its emphasis on discretionary items, it should come as no surprise that Five Below's customer base tends to be [more affluent](#) than that of other leading dollar and discount stores, including Dollar General. And this trend continued during the holiday season – in December 2022, Five Below's captured market included a greater proportion of high-income suburban audiences than that of Dollar General.

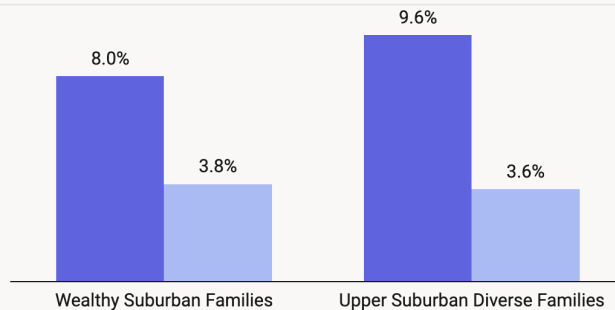
### Five Below Visits Sees a Spectacular Jump During December 2022 While Attracting Suburban Families

Compared to Q4 2022 Daily Average



Created with [Datawrapper](#)

Share of Household Segments Based on Spatial.ai PersonaLive Data of Captured Market of Trade Areas | December '22



## Bargain Hunting Across Chains

The distinct emphasis on value in 2022 also led some holiday shoppers to visit multiple retailers to find the best bargains.

Throughout much of 2022, Target shoppers were more likely than Walmart shoppers to visit Five Below – a further reflection, perhaps, of the chain’s greater appeal for more affluent customers. But during the months of November and December 2022, both chains saw significant increases in the share of shoppers that patronized Five Below – and Walmart shoppers were the ones more likely to visit Five Below during this period.

The uptick in cross shopping between the superstore leaders and Five Below in November and December 2023 – especially for Walmart – underscores the priority consumers place on value during the holiday season. With so much buying to do, shoppers actively seek out bargain alternatives, and are willing to explore diverse retailers to secure the best deals.



## All-Day Breakfast Chains for the Christmas Win

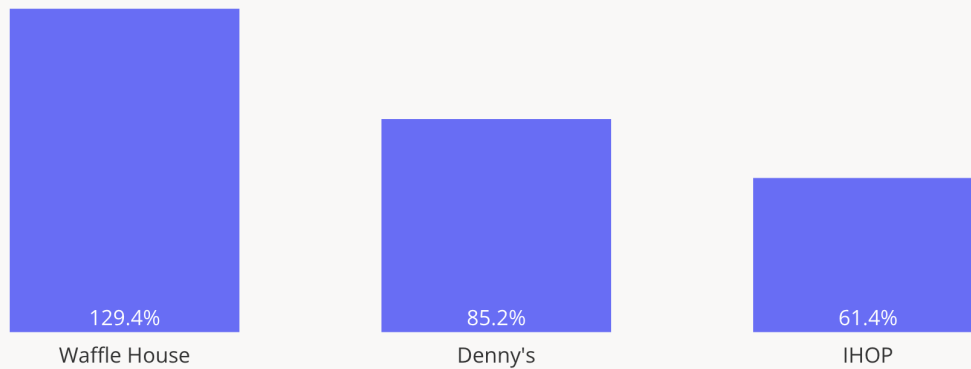
The quest for affordable indulgences also made its way into the dining category in 2022 – with all-day breakfast chains emerging as Christmas Day [favorites](#). All-day breakfast chains are generally open 24/7 and tend to be [less expensive](#) than other restaurants. So when budget-conscious consumers are looking for something fun to do on the holiday, eateries like Waffle House, Denny's, and IHOP are a natural destination.

Foot traffic data shows that for some all-day breakfast chains – including Waffle House and Denny's – Christmas was the busiest day of 2022, with visits up 129.4% and 85.2%, respectively, compared to the 2022 daily average. For IHOP, Christmas day wasn't the busiest day of the year, but it certainly was up there – with 61.4% more visits than an average day last year.

And not only are people patronizing all-day breakfast chains on Christmas day more than usual – they're also visiting them later in the day. On an average day in 2022, only 16.5% of visits to Waffle House took place between the hours of 3:00 PM and 9:00 PM. But on Christmas day, about one-third of visits took place during this time frame. Denny's and IHOP experienced similar Christmas Day dinner bumps.

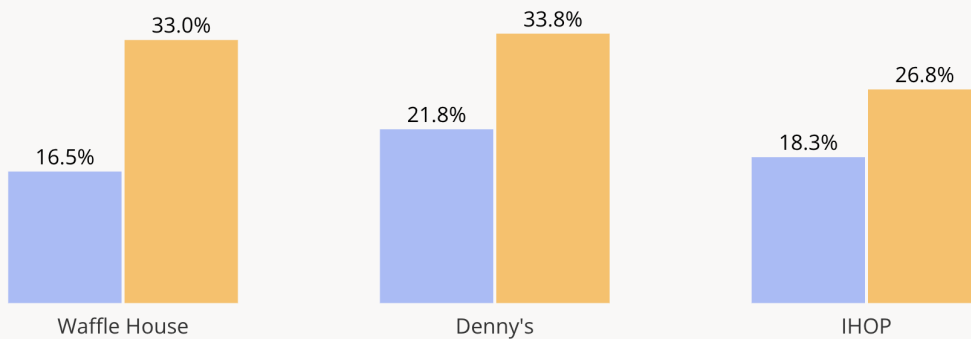
## All Day Breakfast Chains See a Big Boost in Visits on Christmas Day Thanks to Later Dining Hours

Visits on Christmas Day 2022 Compared to 2022 Daily Average



### Share Of 3pm to 9pm Visits

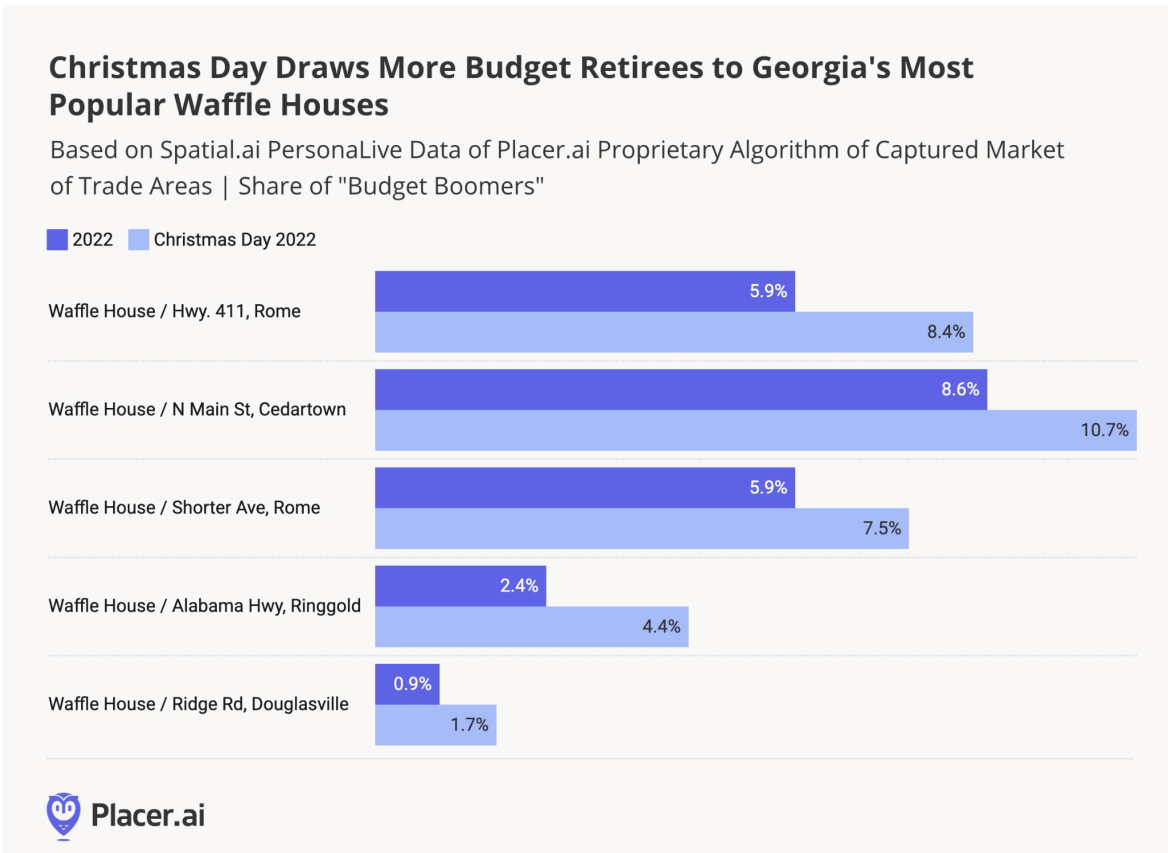
■ 2022 ■ Christmas Day 2022



## Christmas Waffle Cravings

Who are the customers behind the Christmas visit bump at all-day breakfast chains? And how do the restaurants' holiday visitors differ from their usual ones? Some 437 of Waffle House's nearly 2,000 restaurants are in [Georgia](#) – the chain's biggest market by far. And analyzing the captured markets of five top Georgia Waffle House locations with data from Spatial.ai's [PersonalLive](#) shows that on Christmas day 2022, all five

locations experienced a spike in their share of “Budget Boomers.” This segment group is made up of empty-nesters near or at retirement age and living off savings. Understanding the demographic and psychographic characteristics of the visitors that flock to their venues on Christmas Day can help the brands make the most of this prime opportunity.



## A Season of Opportunities

Like last year, the 2023 holiday season will almost certainly be defined by deal seeking. Consumers will be sticking to their budgets – but they’ll also be on the hunt for thoughtful gifts and indulgences that don’t break the bank. Whether on Turkey Wednesday, Black Friday, or Christmas Eve Eve, retailers that can provide festive, low-cost shopping opportunities – while remaining attuned to the specific shopping habits of their shifting audiences – will be poised to succeed.

## Key Takeaways

1. **Turkey Wednesday will continue to be grocery's biggest day – followed by "Christmas Eve Eve."** And while no-frills value grocers may see the greatest holiday visit growth, the festive season offers plenty of room for a variety of grocery chains to thrive.
2. **December 23rd may continue to experience outsize visit growth.** In 2022, superstores drew more Black Friday visits than they did in 2019 or 2021 – but their real visit growth spikes took place on the day before Christmas Eve. The extended holiday season notwithstanding, a similar trend may emerge this year, as inflation-weary consumers hold out for Christmas bargains or seek to defer purchases to later in the quarter.
3. **Discount chains like Five Below will continue to stand out as prime holiday shopping destinations.** Low-cost retailers that specialize in affordable indulgences will flourish this holiday season as consumers actively shop around for bargains.
4. **Affordable eateries that remain open on Christmas Day will draw the crowds.** In 2022, this niche was filled by all-day breakfast chains, which attracted an outsize share of visitors throughout the day. Chains like Waffle House emerged as favorite holiday dinner destinations, especially for retirees on a budget.
5. **Audience segmentation can help retailers make the most of the holiday season.** Whether visits end up being up or down this year, audience segmentation can help retailers maximize the value of the foot traffic they do receive. By analyzing their captured markets with psychographic and demographic data sets, chains can identify the specific habits and characteristics of their audiences and better meet their needs.