

‘Sleigh’ your holiday strategy in 2023

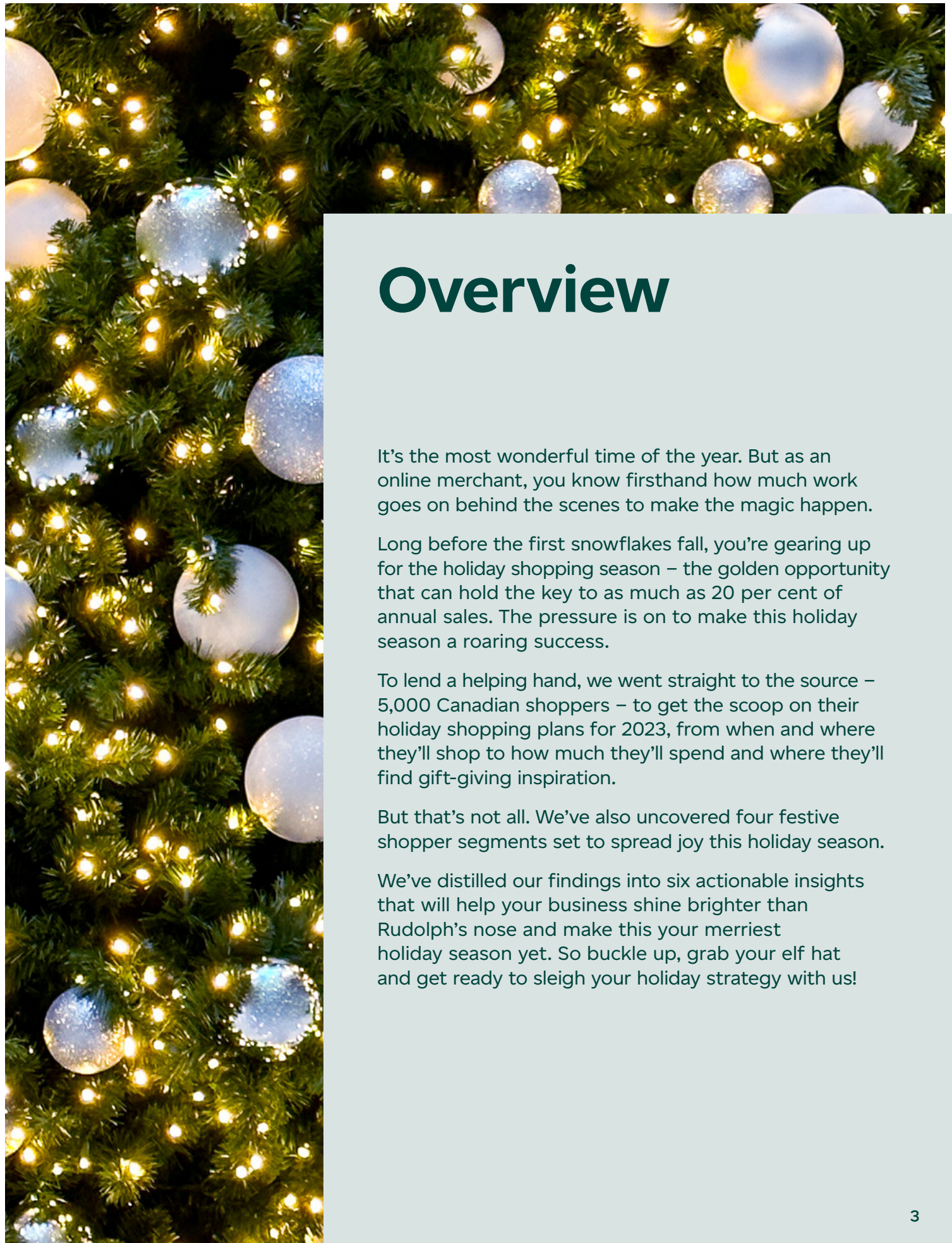


Six insights to boost your ecommerce sales this peak season



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Overview

It's the most wonderful time of the year. But as an online merchant, you know firsthand how much work goes on behind the scenes to make the magic happen.

Long before the first snowflakes fall, you're gearing up for the holiday shopping season – the golden opportunity that can hold the key to as much as 20 per cent of annual sales. The pressure is on to make this holiday season a roaring success.

To lend a helping hand, we went straight to the source – 5,000 Canadian shoppers – to get the scoop on their holiday shopping plans for 2023, from when and where they'll shop to how much they'll spend and where they'll find gift-giving inspiration.

But that's not all. We've also uncovered four festive shopper segments set to spread joy this holiday season.

We've distilled our findings into six actionable insights that will help your business shine brighter than Rudolph's nose and make this your merriest holiday season yet. So buckle up, grab your elf hat and get ready to sleigh your holiday strategy with us!

Trimming the tinsel

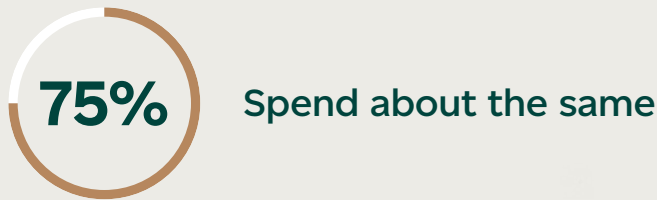
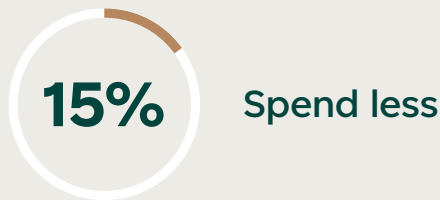
Canadians deck the halls on a flat holiday budget

In 2022, we saw the tinsel dust settle on holiday spending in Canada, with a return to more typical growth patterns. As we slide into 2023, budgets are predicted to remain steady. On average, holiday shoppers spent \$877 on gifts in 2022. Looking ahead, three in four shoppers anticipate staying in the same spending lane, 10 per cent plan to rev up their budget and 15 per cent will rein it in.



Decking the halls on a flat budget

Holiday budgets are predicted to remain relatively flat in 2023, with nine in 10 Canadian shoppers saying they'll spend the same or less than last year.



\$877

Average spend per shopper during the holiday season in 2022

8.3 → 8.5

Average number of people on a shopper's gift-giving list from 2022 to 2023

\$106

Average spend on each of those gift recipients in 2022

Sleigh your strategy: **Unwrap the power of sales and discounts**

Canadians' shopping plans offer a telling glimpse into their minds. The fact that their budgets will remain unchanged year over year indicates potential worries about inflation and the economy at large, which will likely make them even more keen on festive deals and promotions than usual.

There are many ways to unleash the power of sales and discounts this holiday season: Offer a single, irresistible deal to reel in bargain hunters. Orchestrate a series of weekly promotions to keep shoppers coming back for more. Or boost online sales by tapping into the magic of promo codes.

Whatever strategy you choose, ensure to plan your promotions early.



Channel-hopping

Canadians glide from bricks to clicks this holiday season

In store or online – where will the holiday shopping magic happen this year? Canadians plan to spread cheer across all channels, with a third venturing out of their homes to buy most or all their holiday gifts in store (37 per cent), a third ready to sleigh the online realm (35 per cent), and a third expected to divide their purchases equally between clicks and bricks (28 per cent).





Gliding across channels

Canadians have made their holiday shopping plans clear.*



*Percentages may not add up to 100 due to rounding.

Sleigh your strategy:
**Harmonize
in-store and
online shopping**

With shoppers gliding between virtual and physical channels, it's important to harmonize your presence across both. Online, cater to their convenience, selection and price-comparison needs by optimizing discoverability and streamlining their journey. In store, enchant them with immersive experiences, capturing their senses and allowing them to connect with products firsthand.

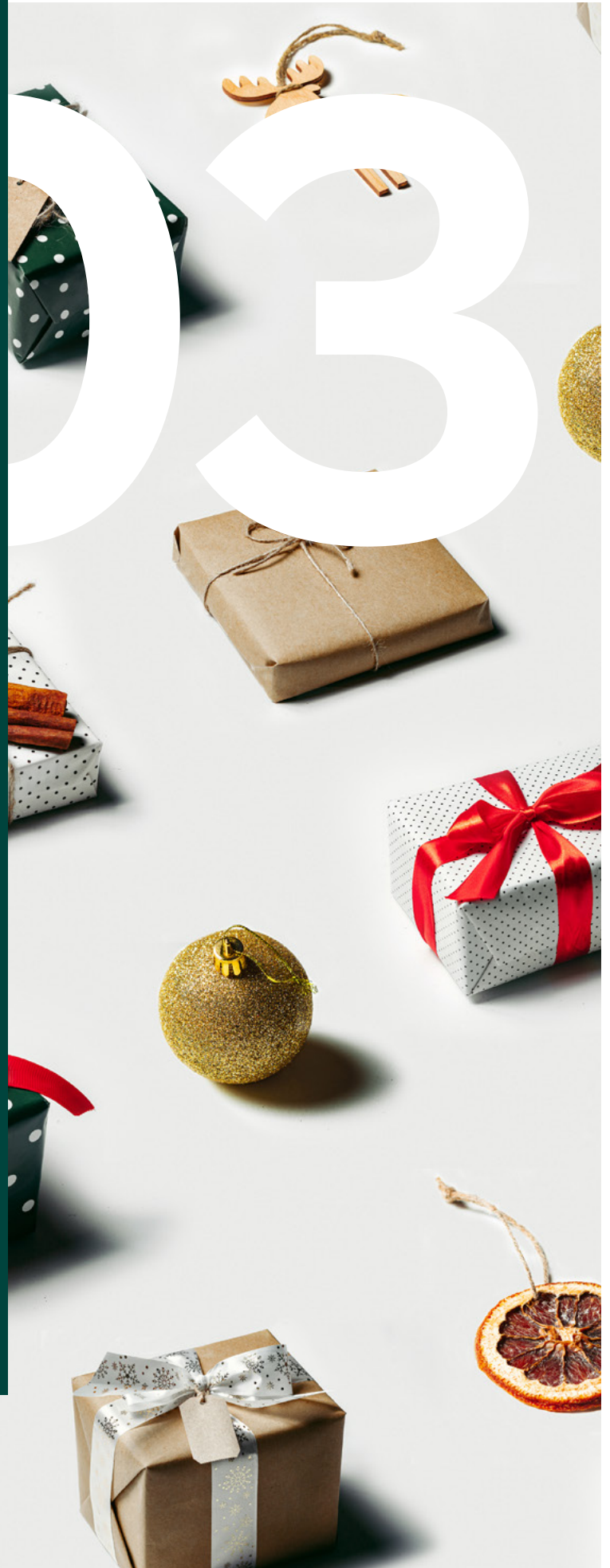


Early-bird alert

Canadians kick-start holiday shopping early

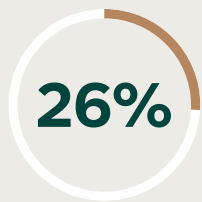
The once-uniquely American tradition of Black Friday is now a staple of the Canadian holiday calendar, though it has become less of a single day and more of an entire season as merchants have extended the timelines of their pre-holiday sales blitzes. About half of festive shoppers won't start shopping until the big holiday sales have begun.

But there remains a sizeable segment of early shoppers that will dance to their own jingle bells. A spirited 26 per cent are picking up gifts throughout the year, while 16 per cent will begin their holiday shopping as early as September and October. These early birds tend to consider themselves thoughtful and heartfelt gift-givers who are open to inspiration wherever and whenever it arises.



Kicking off the festive season

When do Canadians start shopping for the holidays? Turns out, bells jingle throughout the year.



26%

Pick up gifts all year long



13%

Closer to Christmas



16%

September or October



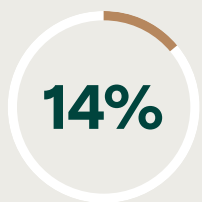
3%

Boxing Day sales



13%

Weeks leading up to Black Friday



14%

Don't shop over the holidays



15%

Black Friday or Cyber Monday



Sleigh your strategy: Cater to early holiday shoppers

Even if you're well-prepared for the merry madness of November and December, there's more to securing your share of Canadians' holiday spend. It's crucial to stay in tune with your customers' buying motivations throughout the year. Gift-givers have unique needs, distinct from shoppers buying for themselves. By enchanting them with gift lists, gift receipts and gift-wrapping options year-round, you'll sleigh the way to satisfying early holiday shoppers.

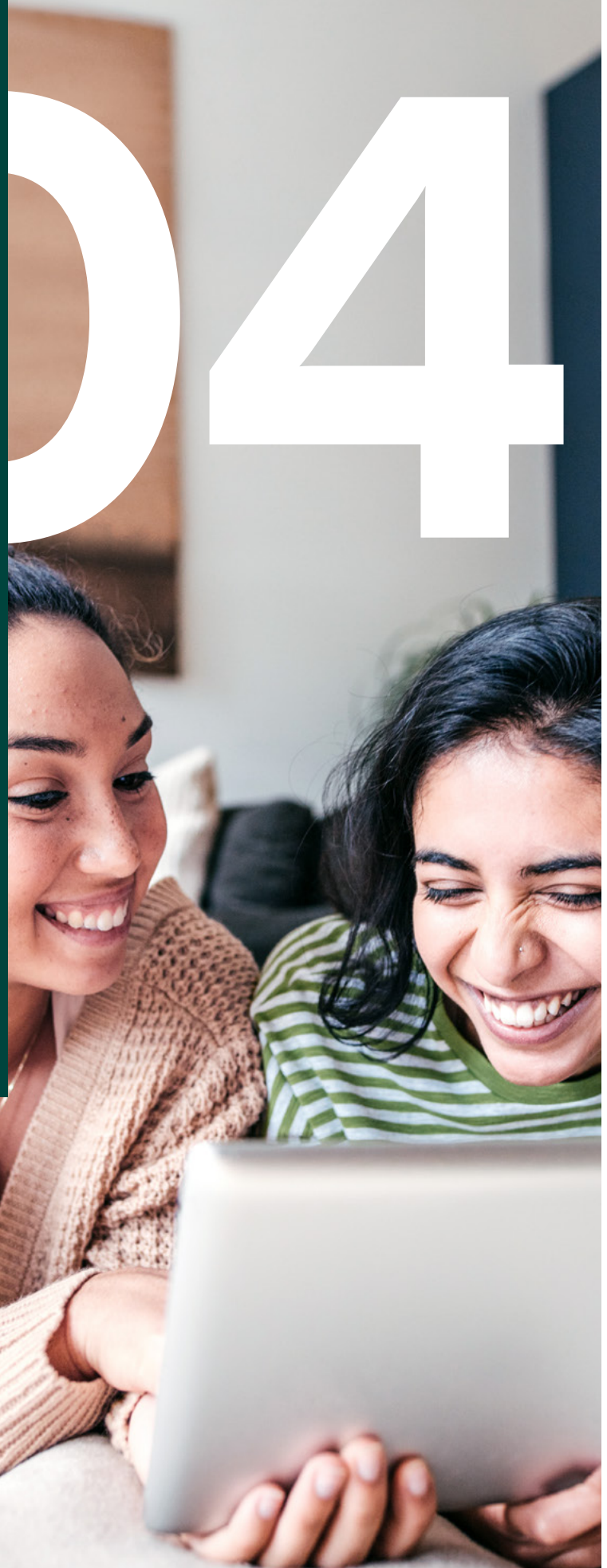


Holiday Report

Santa's little helpers

Canadians turn to their inner circles for gift ideas

When on the lookout for gift-giving ideas this year, Canadian shoppers will be turning to their own little elves, asking those on their list what they want and seeking advice from trusted friends, family and colleagues. Online search and in-store browsing will also inspire their shopping choices.



Sources of gift-giving inspiration

Canadians say they plan to turn to many sources for gift-giving ideas and inspiration this season.



Sleigh your strategy: Encourage the share factor

A key secret to holiday sales growth lies in understanding where shoppers seek gift-giving inspiration. This can help unlock the best marketing tactics to showcase your brand and catalogue, increasing the odds of captivating shoppers' attention.

With the influence of friends and family weighing so heavily on Canadians' gifting decisions, consider using tactics that encourage the share factor. Offer rewards for sharing with friends. Make it effortless to save and share products with convenient bookmarks and wish lists. And ensure your catalogue spreads like holiday cheer by enabling and inspiring sharing through social media, text messages and email.



Checking it twice

Canadians put return policies in the holiday spotlight

Because they occur post-purchase, returns are often a neglected part of the holiday journey. Yet they hold the power to sway a customer relationship even before the initial purchase. A startling 40 per cent of Canadian shoppers have refrained from making a holiday purchase due to concerns over a return policy.



Checking your return policy twice

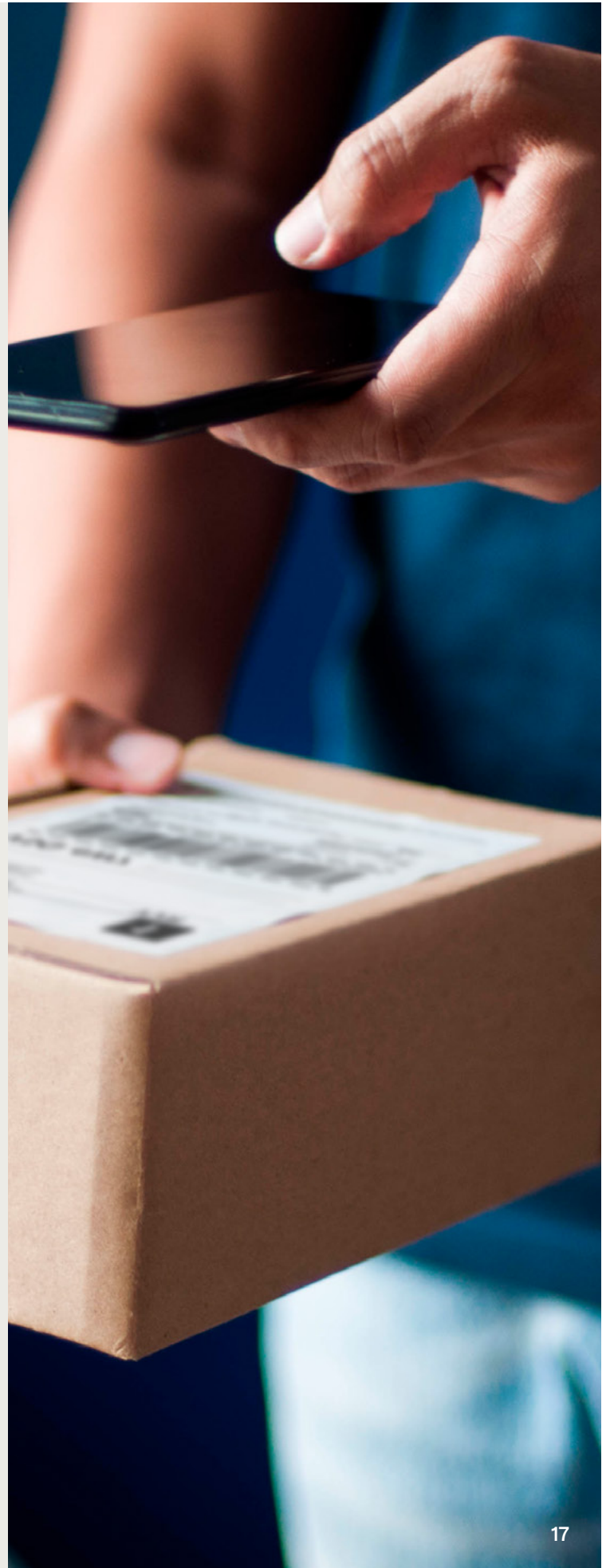
Concerns over frosty return policies have shoppers putting holiday purchases on ice.



Avoided purchasing



Did not avoid purchasing



Sleigh your strategy: **Master your holiday return policy**

'Tis the season to sleigh your return strategy! Make your return policy crystal clear and easy to spot on your website. Consider gifting your customers with a longer return window, extending the jingle all the way into January. And don't forget to wrap their purchases up nicely with both standard and gift receipt options, ensuring a smooth and seamless return process. Mastering the art of holiday returns is a chance to transform a one-time shopper into a loyal customer.



Holiday Report

Santa's squad unveiled

**Four shopper segments
set to spread holiday cheer**

Meet the four festive shopper personalities that are set to spread holiday cheer this year.



Shopper segment 1: **Thoughtful gifters**

**“It’s the thought that counts –
and I put a lot of thought into
the gifts I buy.”**

Thoughtful Gifters believe in the power of heartfelt gestures over lavish spending. Making up over half (52 per cent) of shoppers, they plan, they ponder and they purchase gifts year-round.

General traits of Thoughtful Gifters

Tend to purchase holiday gifts all year long

Get gift ideas from friends and family

Shop for the holidays both in store and online

Cut across generation segments

Predominantly female (54 per cent)

\$99,293 | Average household income

\$812 | Holiday spend in 2022



Shopper segment 2: **Deal gifters**

“I scour the sales so I can stretch my holiday budget further.”

Deal Gifters are the savviest of shoppers, hunting for sales to stretch their holiday budgets to the max. Comprising about a quarter (24 per cent) of shoppers, they rarely settle for full price.

General traits of Deal Gifters

Wait for holiday sales to start shopping

Make most of their holiday purchases online

Most influenced by price, loyalty rewards and easy returns

Overrepresentation of Millennials and Gen X

Predominantly female (56 per cent)

\$101,128 | Average household income

\$812 | Holiday spend in 2022





Holiday Report

Shopper segment 3: Cash gifters

“I like to give the gift of choice.”

Cash Gifters prefer to empower loved ones with the freedom to choose their own gifts. Making up one-fifth (19 per cent) of shoppers, they often wait until the clock strikes Santa to begin holiday shopping.

General traits of Cash Gifters

Start holiday shopping closer to Christmas

Make most of their purchases in store

Get gift ideas by asking people what they want

Overrepresentation of Boomers

Predominantly male (58 per cent)

\$96,987 | Average household income

\$935 | Holiday spend in 2022



Shopper segment 4: **Extravagant gifters**

“I spare no expense and go all-out over the holidays.”

Extravagant Gifters spare no expense as they create moments of awe with grand gestures during the holidays. This segment is the smallest, representing just 5 per cent of Canadian holiday shoppers.

General traits of Extravagant Gifters

Start holiday shopping in September or October

Make most of their holiday purchases online

Get gift ideas from social media and advertising

Overrepresentation of Gen Z and Millennials

Predominantly male (57 per cent)

\$122,368 | Average household income

\$1,625 | Holiday spend in 2022

Sleigh your strategy: **Tailor your marketing to shopper personalities**

Tap into your customers' gift-giving personalities to sleigh your holiday marketing.

Thoughtful Gifters seek to enchant their loved ones with heartfelt and personalized presents. Are you capturing their spirit with your messaging and shopping experience? Deal Gifters love a good bargain and want to feel like they're getting the best value for their holiday dollar. Show them the sleigh full of savings you have in store! Cash Gifters prefer to gift the freedom of choice, so highlight your gift card selection. And let's not forget about the Extravagant Gifters, who dream of creating moments of awe. Unleash their holiday spirit with your exclusive, one-of-a-kind offerings that embody the joy of grand gestures.



Holiday Report

Key takeaways



Key takeaways

Now, let's wrap up this report with six takeaways to make this holiday season your most successful one yet.

Unwrap the power of sales and discounts

Whether it's a single compelling discount or weekly promotions, unleash the magic of festive sales to entice shoppers with flat holiday budgets.

Cater to early holiday shoppers

Cater to early shoppers who begin their spree before the holiday sales blitz with gift-related options throughout the year.

Master your holiday return policy

Make your return policy clear, extend the return window and offer both standard and gift receipt options for a smooth and seamless holiday return process.

Harmonize in-store and online shopping

Synchronize your online and in-store presence, catering to convenience, selection and price-comparison needs online, while captivating customers with immersive in-store experiences.

Encourage the share factor

Tap into the power of social influence by encouraging sharing among friends and family via rewards, wish lists and more.

Tailor your marketing to shopper personalities

Customize your marketing to the four festive shopper personalities, tailoring your messaging and offerings to their gift-giving motivations and preferences.



For more forward-thinking
insights and advice to empower
your decision-making,
visit our ecommerce hub at
canadapost.ca/ecommercehub
or reach out to a
[Canada Post representative](#).

Source:

*Canada Post's 2023 eShopper Survey
conducted by Phase 5 Consulting Group, May 2023*

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