



afterpay

Festive Forecast.

Small & medium business edition

Sleigh your sales targets with Afterpay this holiday season, with a little help from these exclusive insights into how Aussies will shop and save.

Contents

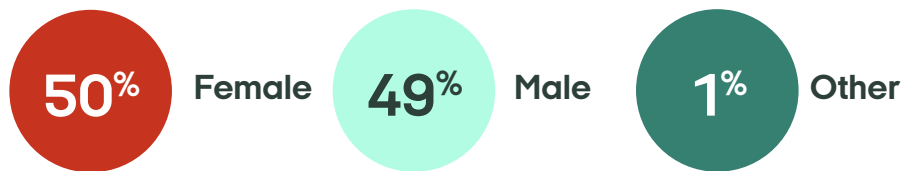
- 03. Methodology
- 04. What you need to know this festive season
- 05. How the economy is affecting spending
- 06. Why shoppers gift
- 07. Stocking up on ideas
- 08. What shoppers are buying
- 09. What's topping gift lists
- 10. Get, set, gift
- 11. Sleigh with Afterpay
- 12. Present-buying pathways
- 16. All AI want for Christmas...



We surveyed **1,500** Australian consumers.

Core sample data was nationally representative across age, gender and location.

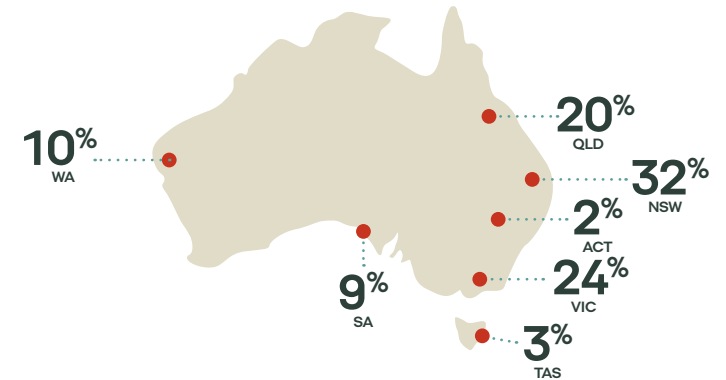
Gender



Generation



Location



6 things you need to know this silly season. And why there's Claus for celebration.



Yes, customers are reining in spending.

Australian consumers are feeling inflationary pressures and cutting back in some areas.

However, festive shopping still looks strong.

More than 7 in 10 shoppers will spend the same or more than they did last Christmas.

Christmas is coming early.

More than 3 in 5 SMB shoppers will have wrapped up their presents by the end of November, and SMB shoppers start shopping especially early.

BNPL sleighs.

Buy-now-pay-later (BNPL) has grown in popularity since last year. More Australians will turn to BNPL for affordable gifting.

Festive season = family time.

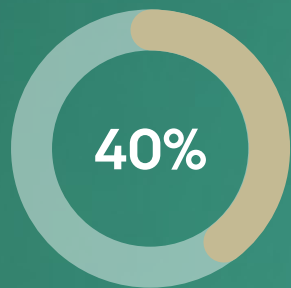
The festive season offers an opportunity for family time, and family is at the top of shoppers' gift lists.

A targeted approach means a tree-mendous result.

Merchants can enjoy a merrier festive season by delving deeper into different shoppers' purchase journeys.

How inflation is impacting holiday spending.

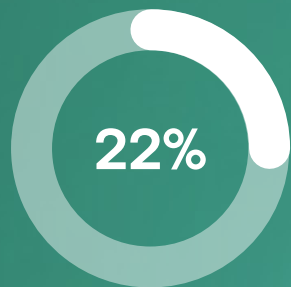
Here's how consumers are cutting back as costs rise.



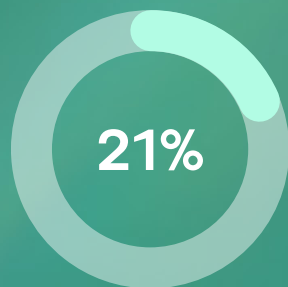
Cutting back on general purchases.



Cancelling or stopping certain activities, such as subscriptions.



Working longer hours.



Shoppers strongly agree they're finding it hard to save amid rising costs.



Tip

More shoppers plan to sign up to Buy-now-pay-later services this festive season. Here's how to make the most of Afterpay, online and in-store.

- 1 Let your customers know you offer Afterpay – and promote it across all your channels, from your website and emails to social media. Need a few tips? Check out our marketing resources [here](#).
- 2 Don't forget to feature the Afterpay logo and price breakdown on your online product pages, to remind customers you have Afterpay. Discover a guide [here](#).
- 3 Promote your partnership with Afterpay in-store with attention-grabbing visual merchandise (VM). You can find everything you need for in-store market in [here](#).

Tree-mendous spending still on the cards.



But there's good news in-store...

Although some Aussies will cut their spending, plenty plan to spend the same - or even more. Leading the line to the cashier? Gen Z and Millennial shoppers.

41%

will spend the same as last year.

19%

will spend slightly more.

8%

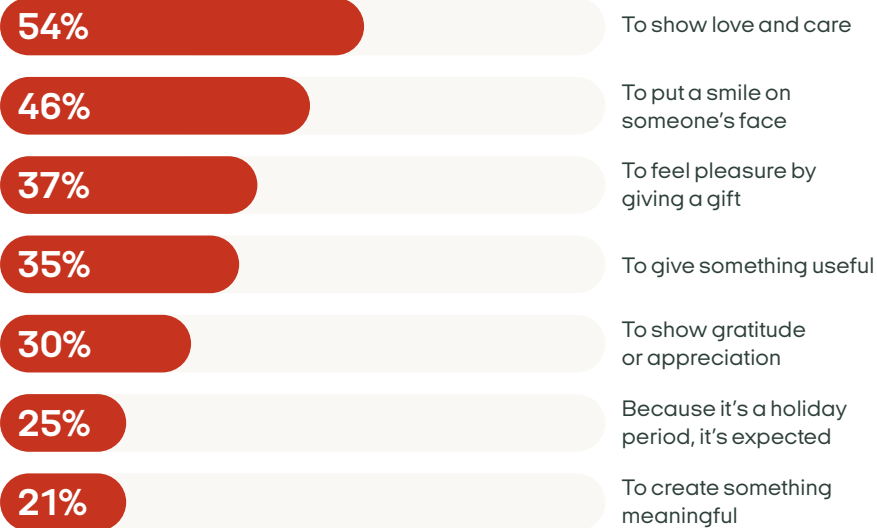
will spend significantly more.

No ho-ho-holding back for Millennials.

They may be feeling the pinch, but Millennials are considerably more likely to spend more than last year. In fact, more than one in seven plan to spend significantly more than in 2022.

Feeling Santa-mental?

The reasons people are gift-giving are mostly sweeter than gingerbread.



Beside them'elves with excitement.

51% of SMB Gifters are excited for the festive season, with young SMB gifters especially feeling the Christmas spirit.

Feeling the family love.

Spending time with family is the number one reason Australians love the festive season. That's followed by having time off, a celebratory atmosphere and gift giving.

Tip

Consider your market when you're marketing - if your products appeal to Millennials, amp up the meaning messages. If you're selling to older shoppers, play on the pleasures of gift giving.



Treat yo 'elf.

Discover where SMB shoppers seek gift-giving inspiration.

53%

Being in-store or at a shopping centre

47%

Friends and family

34%

Catalogues

27%

Websites, blogs or forums

19%

TV programs

16%

Instagram

Top Tips

1

Plenty of shoppers wait until they're in-store for inspiration to strike. So, creating eye-catching window displays, visual merchandising, and curated collections should be on your to-do list this Christmas.

2

What's the number one thing that will prompt SMB shoppers to purchase a gift? Noticing that it's on sale. In fact, 57% of people will buy a gift if they spot that 'sale' sticker. [So, start planning your discount strategy now.]

3

Afterpay is the third most popular shopping app [after eBay and Amazon] for researching gift ideas. So, it's more important than ever that your store is listed.

4

Ho, ho, hold up! You don't have Afterpay in-store? You could be missing out on sales, as not only do 13% of customers say they'll consider buying a gift if they notice that BNPL is offered, but 57% of customers say they will look elsewhere if a store didn't offer Afterpay*. Find out how to enable Afterpay in-store in time for sale season by contacting sales@afterpay.com.au.

What shoppers are gifting.

Here's what [and when] shoppers are buying this holiday season.



Gift cards or vouchers



Clothing and accessories



Beauty, health and wellness

Who shoppers are splurging on.

- 1 My children
- 2 My partner
- 3 My parents

Average spend:

\$50-\$155

Festive shopping sweet spot?

November is set to be peak shopping period for SMB gifters.

In-store vs IRL

Brick-and-mortar is best for those shopping small and local. [But don't forget your e-commerce presence; plenty of shoppers will head online to research first.]

47%

will head in-store to purchase their gifts

39%

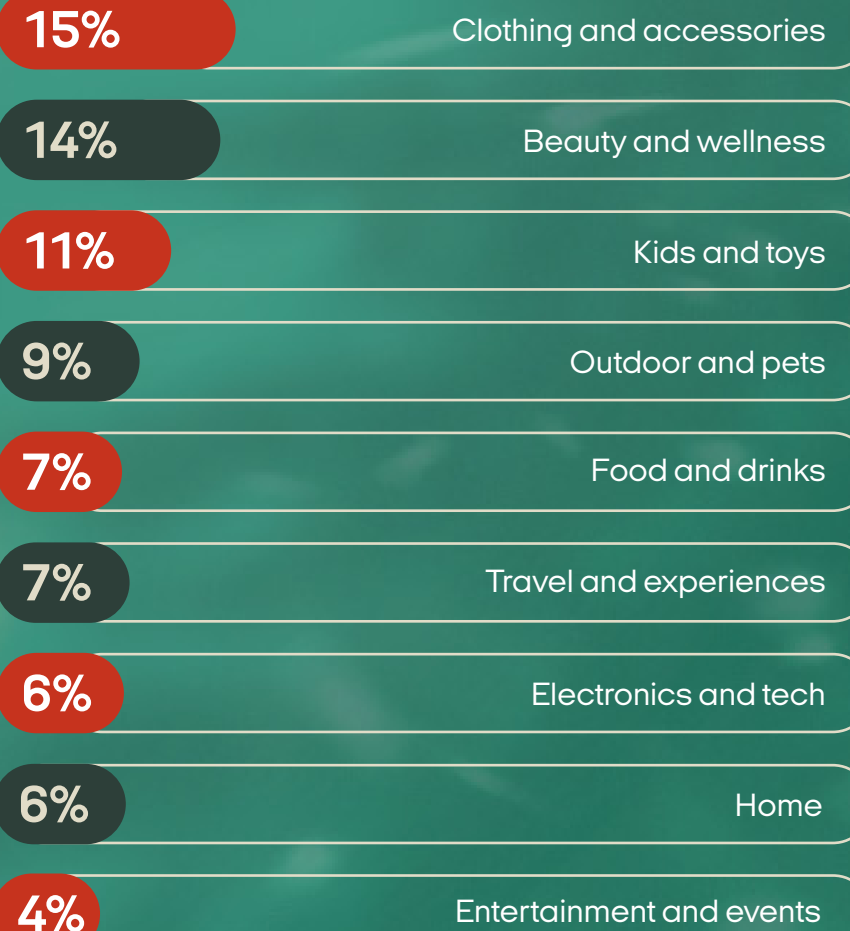
will shop online

What's topping gift lists.

Besides gift vouchers, here's what shoppers plan to buy this festive season.

Tip

Family-focused holiday gifting campaigns may encourage more purchases, as most shoppers are buying for family members.

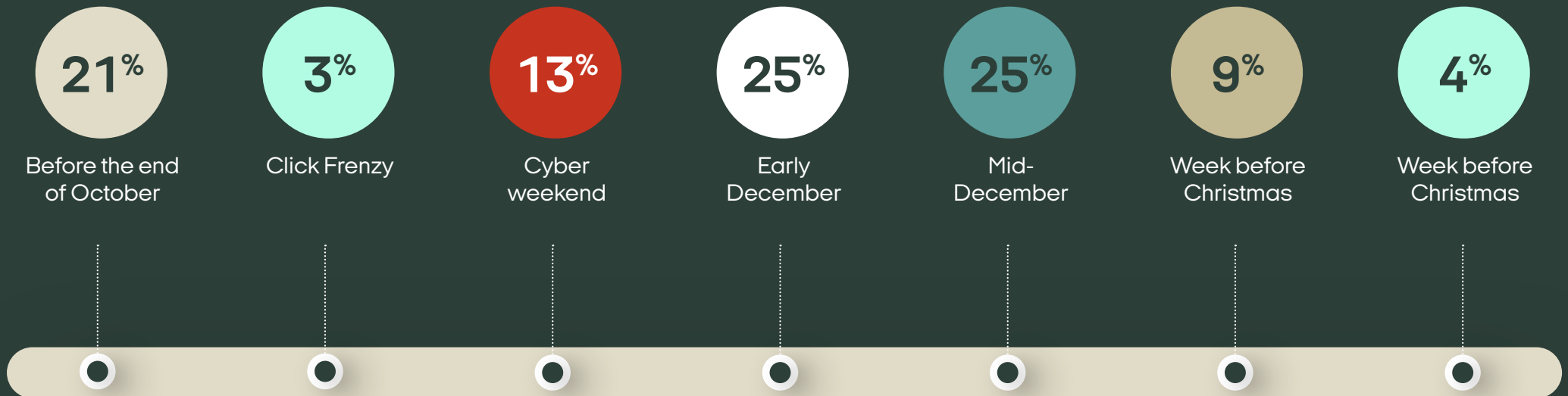


Ready, steady gift!

Yule want to consider these key shopping moments in your marketing calendar.

Tip

Planning your Black Friday Cyber Monday strategy? Make Gen Z your primary audience; they're the consumers planning to spend the most during this period.



Sleigh with Afterpay.

Buy-now-pay-later is popular – and becoming more popular, especially with Millennials and Gen Z.

Why Afterpay?

Afterpay is especially popular among high-spenders, who enjoy the fast and secure checkout experience.

Online shoppers appreciate Afterpay because it helps them manage their money, doesn't attract interest charges and offers a fast and easy checkout experience.

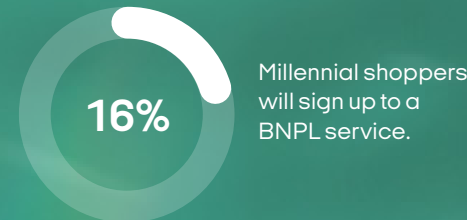
Credit card crunch.

Fewer shoppers plan to use a credit card this festive season, and popularity is falling especially fast among Millennials.

Best thing since sliced (ginger)bread.

Younger shoppers – Gen Z and Millennials – are more likely to turn to BNPL for festive spending.

Millennials are more likely to make a purchase if they see BNPL being made available.



SMB shoppers are twice as likely to use BNPL services like Afterpay for online shopping compared to in-store purchases.

Tip

Want extra insights into how to make the most of the holiday season? Discover how to drive more sales with Afterpay's Festive Marketing Toolkit, which you can access [here](#).

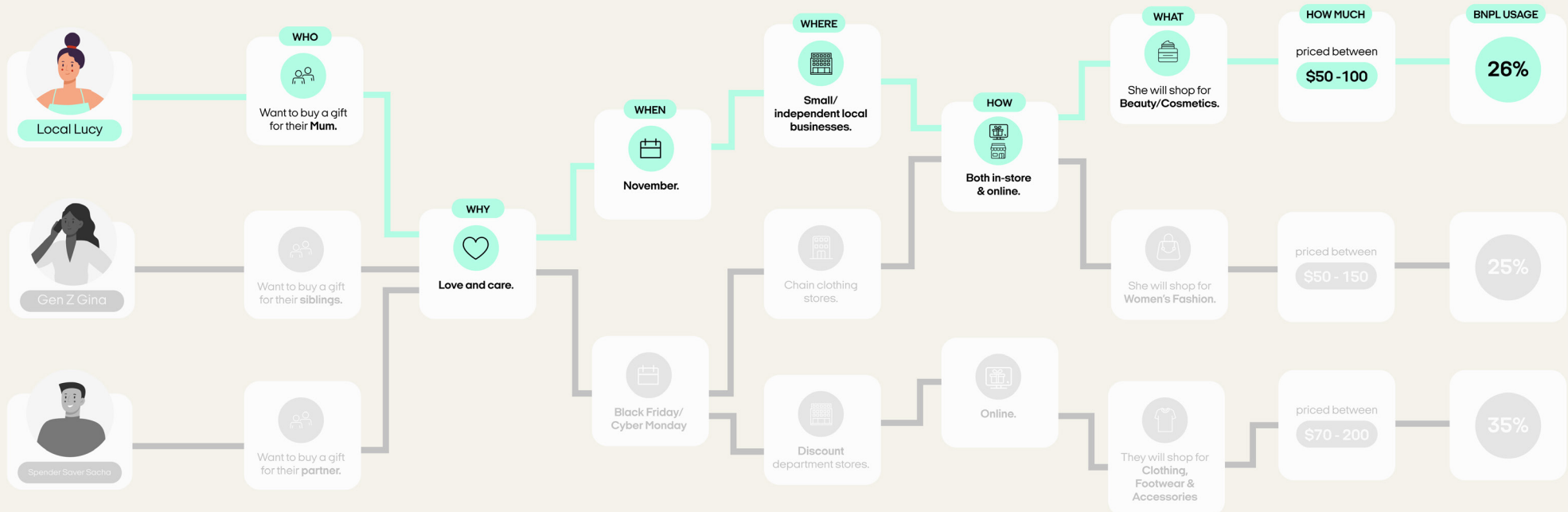
Get to know your gifters.

The secret to driving more sales this silly season is getting specific with target audiences. We took a deeper dive into our data to deliver three key shoppers and their journeys.



Local Lucy

Local Lucy wants to show her mum she cares, and plans to shop locally and pick up beauty and wellness products for her mum.



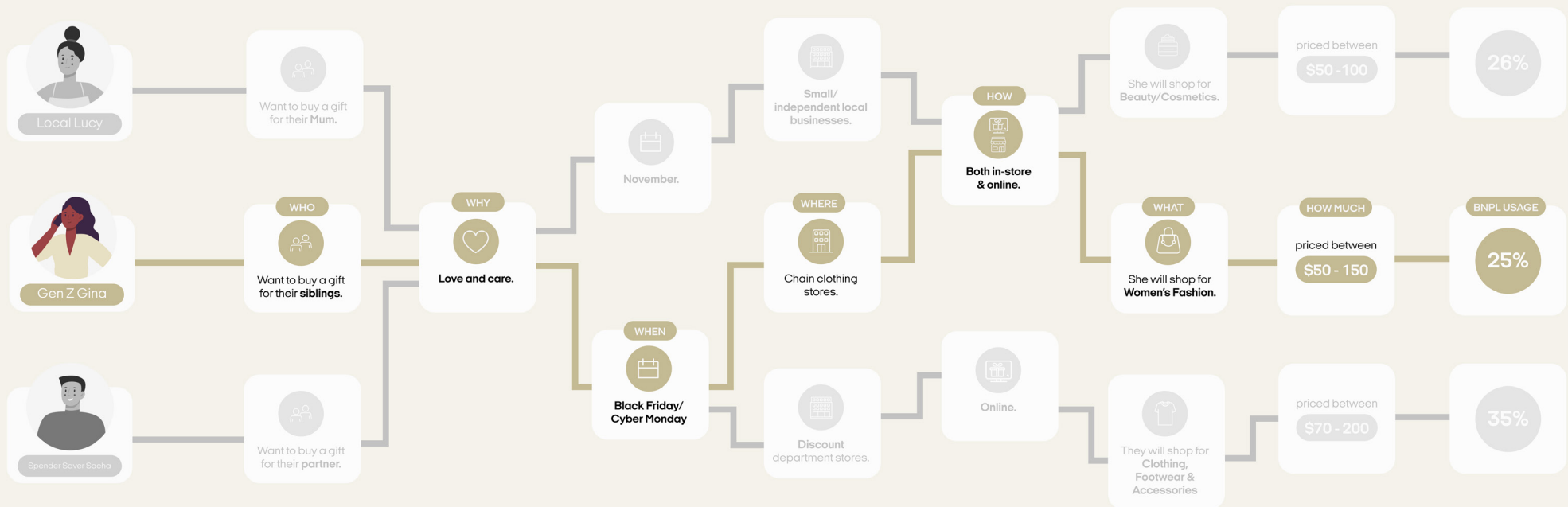
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Gen Z Gina

Gen-Z Gina will hit the BFCM sales and head to large chain stores to find clothing for her siblings.



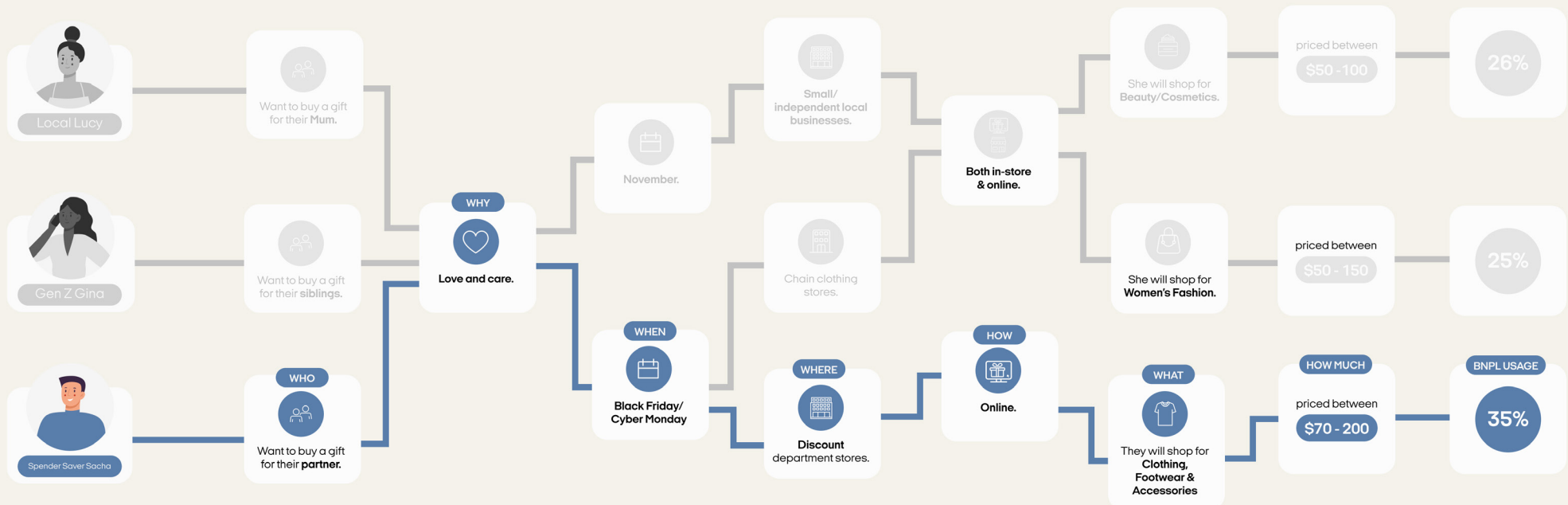
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Spender Saver Sacha

Spender Saver Sacha wants to treat their partner and will be shopping the BFCM sales online for clothing, shoes and accessories.



A large, wrapped gift box in red paper with a white grid pattern, tied with a red ribbon. The gift is set against a dark green background with a subtle pattern of white gift boxes and red ribbons.

All AI want for Christmas.

Considering enlisting extra (virtual) elves this festive season? We asked customers for their view on artificial intelligence.

34%

Shoppers appreciate AI when it helps with product information. If merchants are considering investing in AI, this is the feature customers like most.

25%

Consumers have used a virtual assistant while shopping in the past year.

41%

Shoppers say their biggest bugbear with AI assistance is the lack of human interaction and its potential for inaccuracy and inefficiency.

19%

Shoppers would consider using virtual reality (VR) shopping if it was available during the festive period.

Meet your shortcut to success...

We've created a suite of templates and assets that you can customise to help you promote your Festive sales. From email banners to social media posts, these eye-catching assets will make your sales offer stand out, while also reminding your customers that they can pay with Afterpay.

[Download Festive Assets](#)



A teal background with a red ribbon tied in a bow in the top right corner. The ribbon has a repeating pattern of the Afterpay logo.

Before you go...!

Looking for ways to amplify your Festive deals?
Submit your Black Friday, Christmas and Boxing
Day offers to be featured in Afterpay's Shop
Directory and App.

We wish you a very merry sales season!

And we hope yule use these insights to delight
your customers.

*AlphaBeta Afterpay Analysis, March 2021.

Source: All data has been taken from Afterpay Festive Forecast research 2023 Australia.
This report is not intended to reflect wider consumer behaviour.

