

clearpay 

2022

Festive forecast.

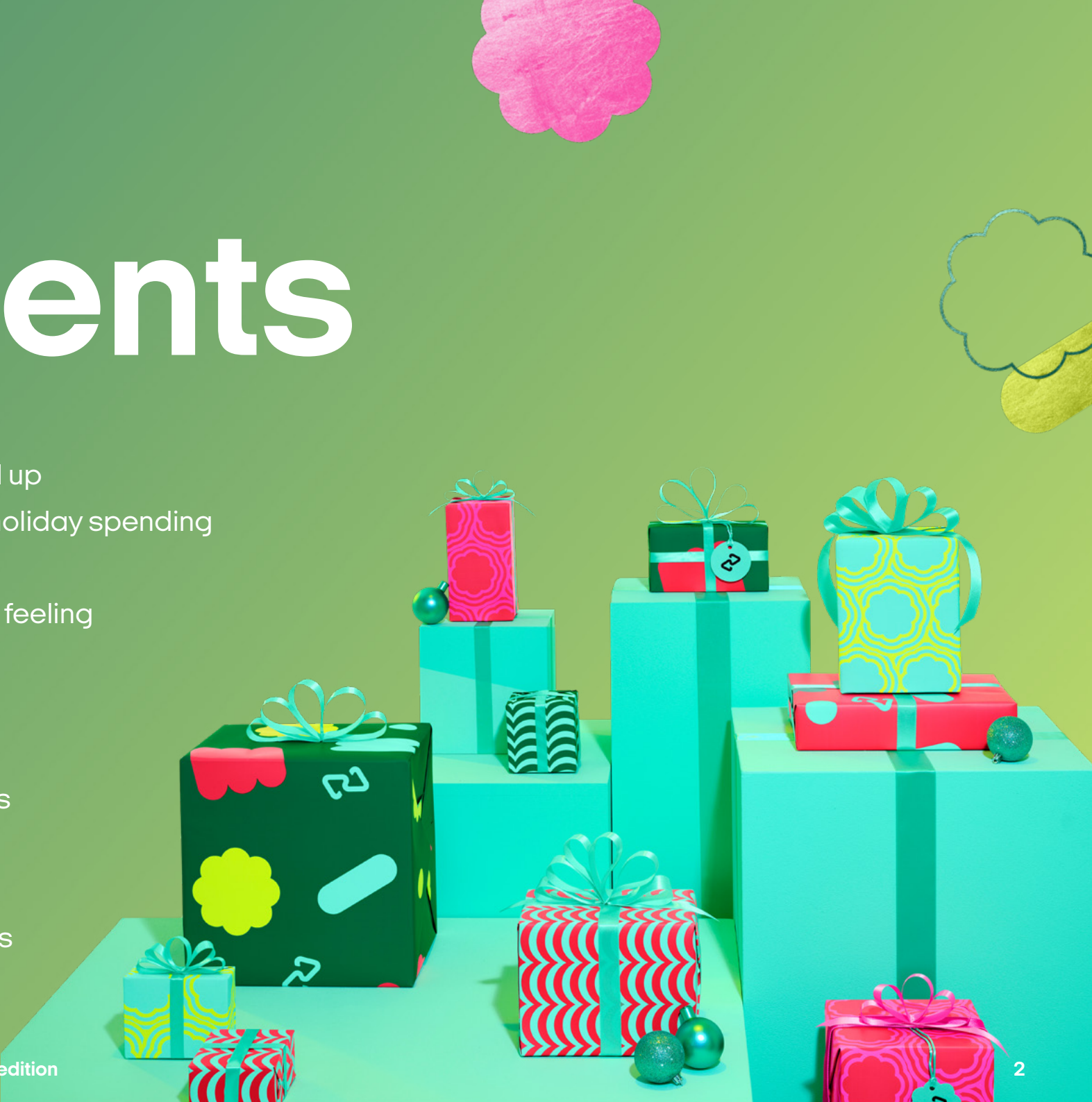
Small & medium business edition

Unwrap the latest insights to discover how shoppers will be spending with small-to-medium-sized businesses this holiday season.



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We surveyed 1,500 people.

This survey was conducted between 29 August and 9 September 2022. The core sample of 1000 consumers was nationally representative across age, gender and location, with an additional sample of 500 Gen Z and Millennials.

Gender

52%

Female

48%

Male

Generation

13%

Gen Z [18-24]

27%

Millennials [25-40]

21%

Gen X [41-54]

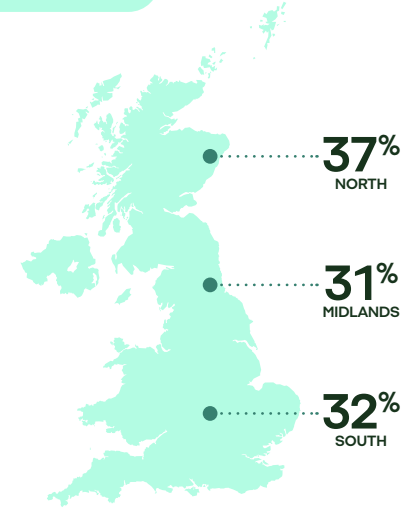
27%

Baby Boomers [55-74]

12%

Post-war [75-99]

Location



Festive findings, wrapped up.

Turbocharge your Christmas sales with these fresh insights.

Shoppers feel the squeeze.

Brits are being heavily impacted by inflationary pressures, and many are making cutbacks and trade-offs.

Making a list, checking the price.

Two in five shoppers plan to spend less this festive season, and one in 10 will be looking to purchase less expensive gifts.

Brits turn to BNPL.

Buy-now pay-later (BNPL) services are most popular among Gen Z and Millennial shoppers. Almost one in 10 Brits plan to use BNPL to help budget for gifts this Christmas season.

Feeling the festive love.

'Tis the season for celebration with Gen Z and Millennials being especially excited about the upcoming festive season.

Gift-giving inspo.

Customers will look to family and friends' recommendations, in-store environments and catalogues for gift ideas.

Fashion comes first... then it's onto food and beverages.

Fashion - from clothing to footwear and accessories - is the most popular gift to buy - and to receive. SMB gifters are also planning to buy food and beverage items and beauty, health and wellness products this festive season.



Festivities under financial pressure?

How Brits are responding to rising costs.

Shoppers are feeling the pinch.

Nearly half of all shoppers [44%] are cutting back on general purchases, while a quarter [26%] are reducing contributions to their savings. Nearly one in 10 [8%] plan to sign up to a Buy Now, Pay Later service like Clearpay to manage their finances.



44% Cutting back on general purchases.



26% Reducing contributions to their savings accounts.

Brits are looking for bargains

Almost a fifth [17%] of consumers are shopping for cheaper alternatives due to increasing prices and a similar proportion [17%] is finding it harder to save with the prices of products increasing.

Small business shoppers are dipping into savings

Nearly a quarter [24%] of Brits who shop with small and medium-sized businesses will cancel subscriptions or stop doing certain activities, while 28% will cover costs by using their savings.



Making a list, and checking the price.

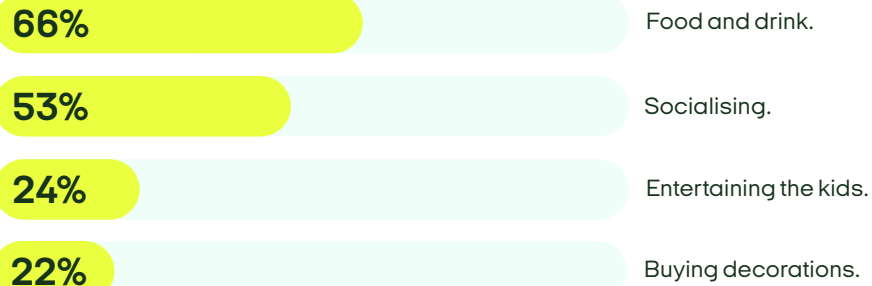
The rising cost of living means that almost half of Brits plan to spend less or slightly less than last year. Around one in 10 shoppers will be on the hunt for more affordable gifts.

TIP

How can you emphasise value? Consider offering buy-one-get-one-free offers or free shipping over a certain price point.

Eat, drink, travel and be merry.

Gift-giving isn't the only spending priority this festive season.



TIP

Shoppers are especially price-sensitive this year, and sale season offers an opportunity to reach budget-conscious customers. Is your store ready for sale season?



Brits love bargains.

More than a quarter of shoppers say they are always on the lookout for a bargain.

Younger shoppers support small.

Gen Z and Millennials are especially interested in purchasing from small and local businesses, and are keen to discover new and different brands.

'Tis the season for excitement.

How SMB shoppers are feeling in the countdown to sale season.

Merry motivations



Merry Z-mas.

Younger Brits are especially excited about the start of the Christmas season. Why? Many are looking forward to spending time with friends and family [37%], while others [13%] are simply happy about Christmas and New Year or celebrating [7%].

Why shoppers feel the festive love.

Most SMB shoppers give presents to show love and care [51%], with about half [48%] explain that they like to "put a smile on someone's face". A similar number [44%] simply enjoy the act of giving.



Stocking up on ideas.

Discover where Brits get inspiration for their festive purchases.

TIP

Small business shoppers trust recommendations from their friends and family, so consider setting up a referral or loyalty programme to reward customers for sharing the love. The Clearpay app also allows shoppers to wishlist items which can be useful as an inspiration source.

Referrals rule.

When it comes to gift ideas, family and friends are the top source of inspiration [52%] for those shopping with small-to-medium-sized businesses, along with simply being in-store [50%]. Catalogues [28%], Instagram [21%] and online wishlists [21%] that allow shoppers to save gifts ideas are also popular.

52%

Family and friends

50%

Being in-store

28%

Catalogues

21%

Instagram

21%

Online wishlists

Connected commerce.

Social shopping.

Social media is a key source of inspiration for younger shoppers, with Gen Z and Millennials turning to Instagram, in particular, for gift ideas.

Sales drive sales.

Another shopping cue? A discount. Nearly half [44%] of shoppers reveal that seeing an item on sale would prompt them to purchase, while 28% of Brits – particularly Gen Zs – also point to sales events like Cyber Monday as key prompts.

Bricks-and-mortar matters.

Spotting a product in a shop window would also prompt plenty of shoppers to spend [41%], while noticing a sign in a store window is another important cue [17%].

17% of Gen Z and Millennial shoppers would be prompted to buy a Christmas gift if they noticed that the store offered a BNPL service.



TIPS

- 1 Ensure your Black Friday Cyber Monday marketing speaks clearly to younger shoppers, using relevant channels, like social media. Educate older customers about sales with prominent visual displays in-store and in windows.
- 2 Start planning your festive, in-store displays and ensure that signage encourages shoppers to enter. It's all about creating a welcoming experience to engage shoppers in-store.
- 3 Don't forget to clearly communicate that your store offers Clearpay both online and in-store. If you don't already offer Clearpay, now is the time to start as consumers (especially younger Brits) are increasingly turning to BNPL services to buy their gifts.

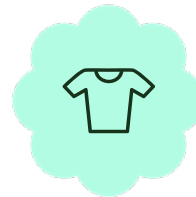


Gift it all you've got.

What and when SMB shoppers are buying this Christmas season – and who they're treating.

Popular presents.

Shoppers are most likely to gift clothing, footwear and accessories followed by food and beverage and beauty products this holiday season. Women's fashion, alcohol and toys were popular sub-categories.



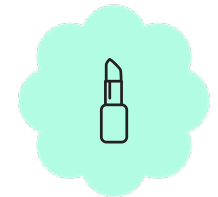
Clothing



Footwear and accessories



Food and beverage



Beauty products

Where the magic happens.

Brits plan to head to online marketplaces, department stores and supermarkets to tick off their gift lists.

AVERAGE SPEND

£23-£50

Bricks over clicks

Shoppers who plan to spend with SMBs are more likely to do their festive shopping in-store [58%], compared to online [42%].

42%

online

58%

in-store

Who gets the gifts?

SMB shoppers are putting family at the top of their gift lists. They're most likely to buy for their partner [22%], followed by their children [19%] and other family relatives [13%]. Some shoppers [3%] will be self-gifting this year.

22%

Partner

19%

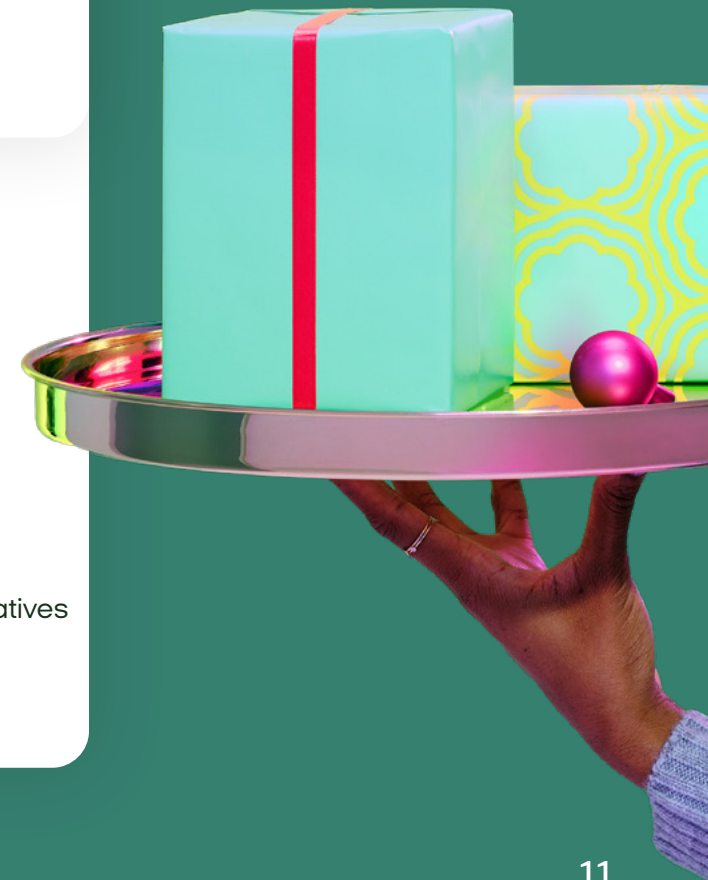
Children

13%

Other family relatives

3%

Self-gifting

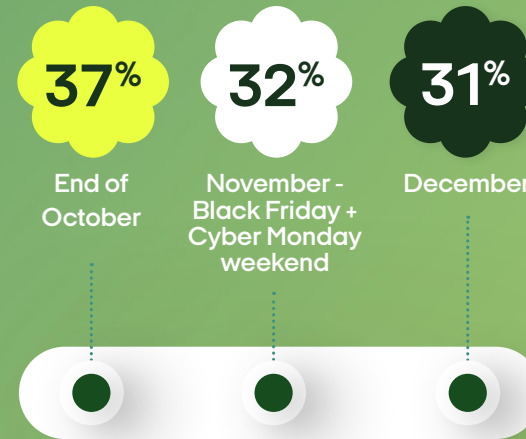


Shopping starts early.

More than one in three Brits [37%] finished their Christmas holiday shopping by the end of October, while 32% will start shopping in November – including during BFCM weekend. One in 10 will leave their shopping until mid-December or later.

TIPS

- 1 Timing counts this festive season. Ensure fulfilment centres are prepared and in-store staff are trained early.
- 2 Online shoppers often start purchasing earlier to avoid shipping delays. Finalise your delivery policy as soon as possible and ensure customers have all the information they need about product, from size to fit, to confidently buy online.



TOP TIP

The best time to target Gen Z and Millennial shoppers? In the lead-up to BFCM. Clearly communicating that you have Clearpay could help close the sale.

It's all about the timing.

Gen Z and Millennials are more likely to purchase during BFCM sales, while those over 54 are most likely to buy in December.



Why offering Clearpay pays.

Make the most of the festive season by offering BNPL.

Don't miss out on customers.

About 6% of SMB shoppers plan to use a BNPL service like Clearpay this festive season, and Gen Z and Millennials are most likely to pay with BNPL.

One in 10 Brits would sign up to a BNPL service at a small-to-medium-sized store to help budget for larger purchases.


TIP

Ensure that Clearpay is clearly displayed on your website to support shoppers over the festive period. Head to Clearpay's website for marketing resources to support your business online and in-store this holiday season.



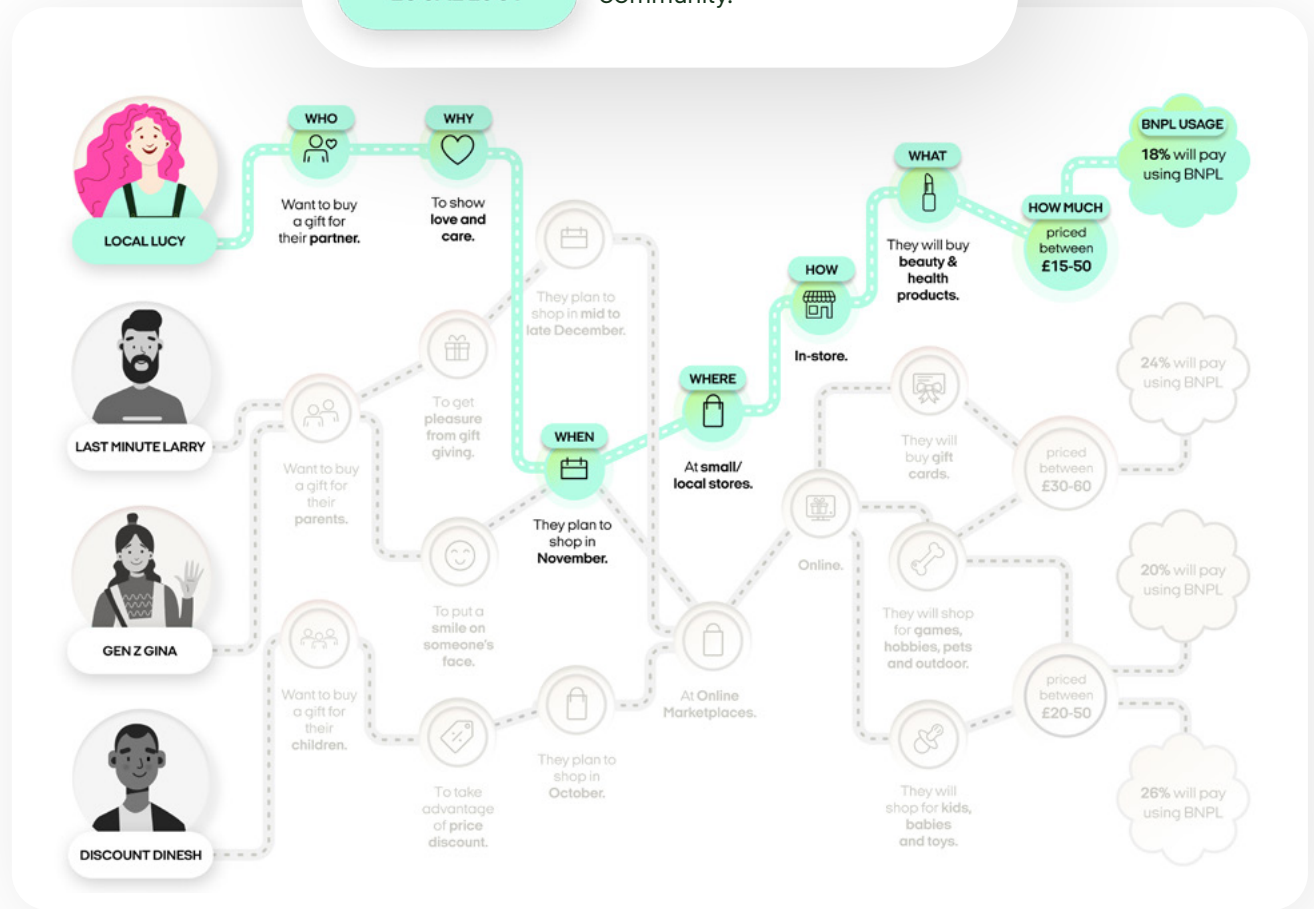
Present-buying predictions.

Want to target specific shoppers this festive season? We took a deeper dive into our data and created three key shoppers and their journeys.




LOCAL LUCY

Lucy is your small biz shopper, looking to support SMBs online and local businesses in the community.



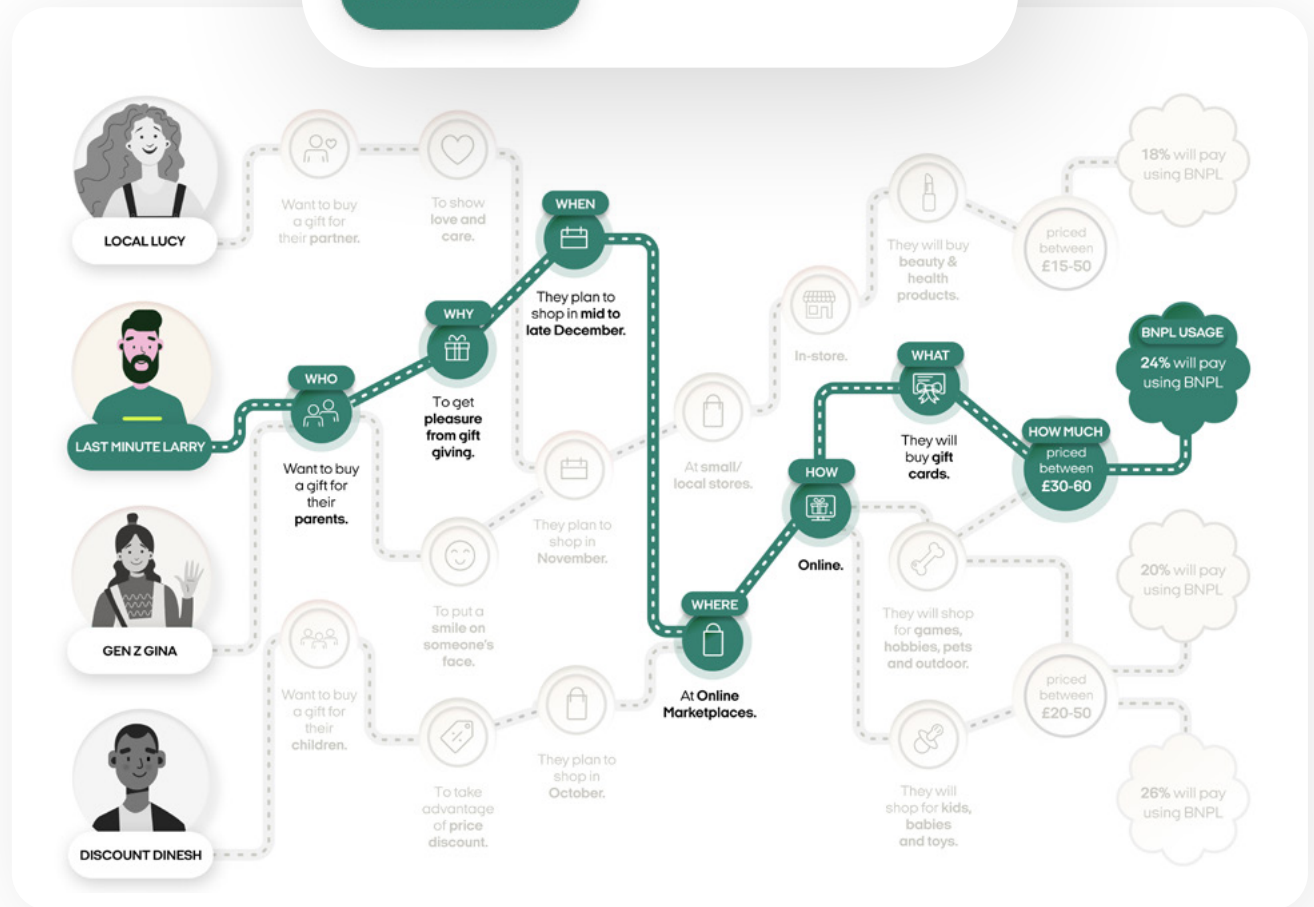
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LAST MINUTE LARRY

Larry's been busy, leaving the shopping to the very end and is in a bit of a rush.



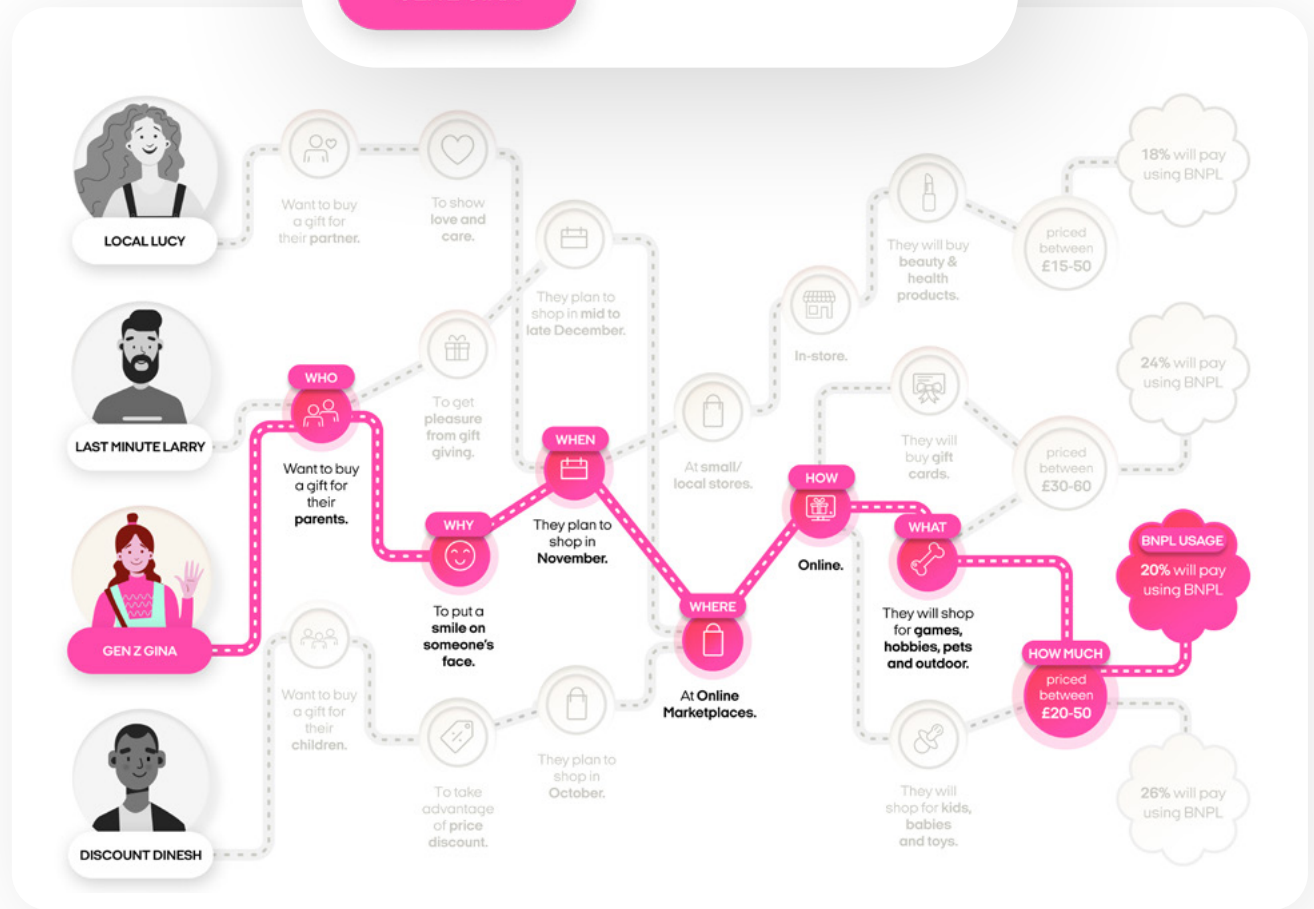
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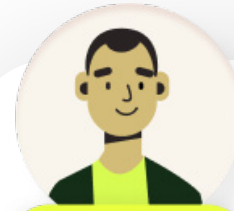
GEN Z GINA

Gina's your typical Gen Z Shopper, looking for the hottest gifts and what's trending this season.



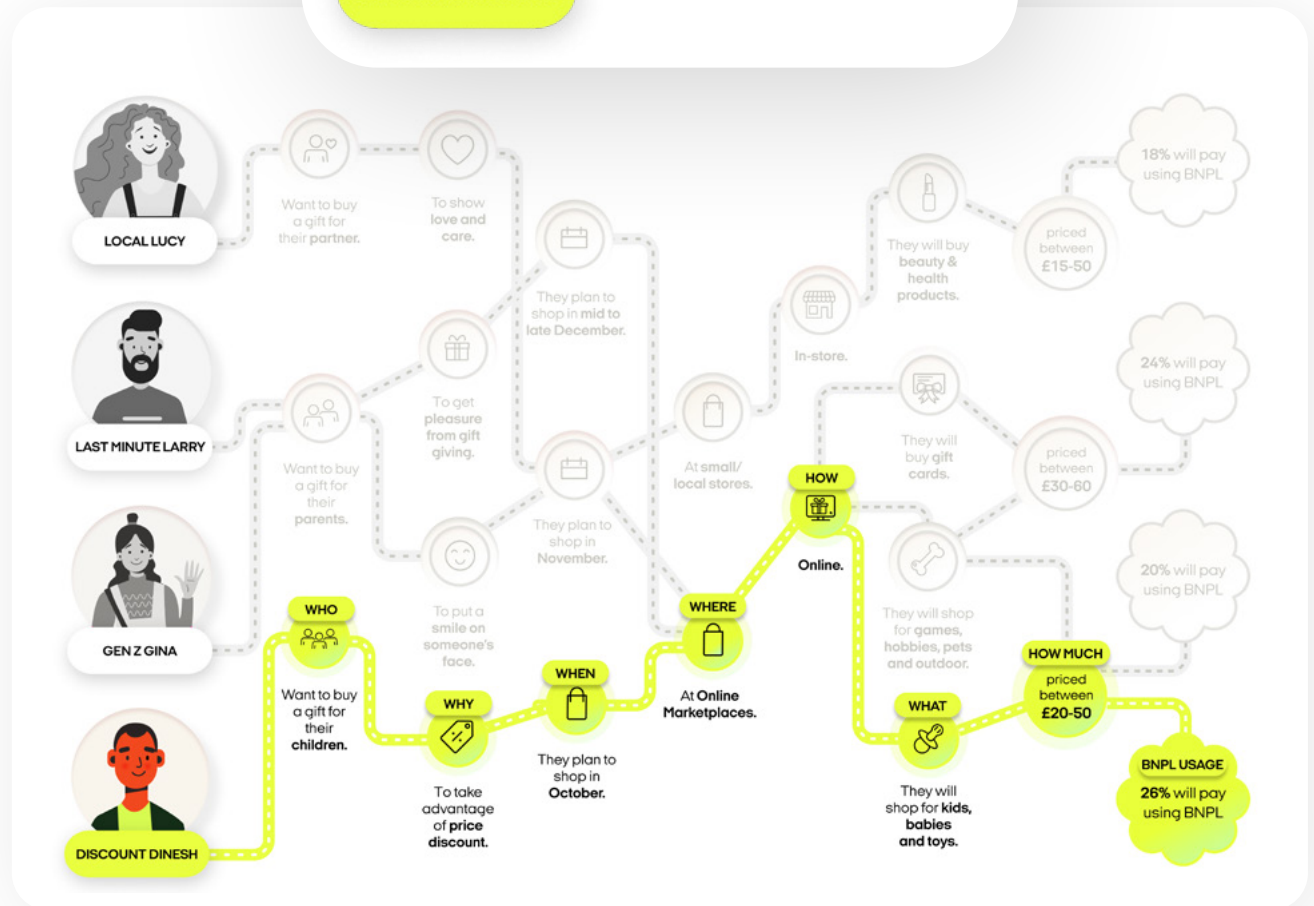
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DISCOUNT DINESH

Dinesh loves searching for the best deals and discounts at Christmas.





More festive findings.

Understand shoppers' mindsets this Christmas season.

Family time.

Brits are most keen to spend time with family and friends this festive season [46%], while one in six [13%] want to eat festive food. One in 10 are most looking forward to giving gifts.

Fashion first.

'Tis the season to get dressed up... and, in fact, seven in 10 Brits would most like to receive fashion or clothes this festive season.

Presents with purpose.

Sustainable products are another popular present, with 70% of Brits saying they'd love a gift that doesn't cost the earth.

A very merry menu.

Whatever you do, don't serve Christmas pudding or parsnips this season – Christmas [or plum] pudding is the least liked festive food, with 39 per cent of Brits giving them the thumbs down, followed by parsnips and mince pies. Meanwhile, roast potatoes, however, are almost universally loved.



Ready to supercharge sales this holiday season?

Get Clearpay. Get growing.

At Clearpay we help you put your customers first. Let them shop for what they want and pay over six weeks in four instalments*.

Get started with Clearpay today and say hello to new customers now.

Find out more at www.clearpay.co.uk/en-GB/for-retailers

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