

IBM Study: Consumers are Ready to Celebrate and Spend for the Holidays but Uncertainty Looms

- **66% of consumers surveyed say they'll be more concerned about the economy this holiday season.**
- **58% plan to start holiday shopping before November.**
- **73% said they are considering sustainability when shopping for the holidays.**



ARMONK, N.Y., Oct. 17, 2022 /PRNewswire/ -- According to the [annual global holiday shopping and travel report](#) released by IBM's (NYSE: [IBM](#)) Institute for Business Value (IBV) today, many global consumers are ready to celebrate the holidays again and will be shopping earlier than in years past. However, as a wider set of economic and political issues took center stage this past year, new risks, and uncertainty loom over their plans.

The study found that 2022 shopping budgets are up 8% over 2021—in line with [Bain's economic forecast](#)—and holiday travel budgets are up by almost half. However, factors including inflation and price increases have made economic concerns top of mind this holiday season. While 59% of consumers surveyed say they will be less concerned about COVID-19, two in three say they will be more concerned about the economy. 59% of respondents report worrying more about supply chain disruptions that could make holiday shopping harder or more expensive.

"According to the survey results, in 2022, consumers are hoping to re-embrace holiday traditions they've had to alter for the past two years," said Karl Haller, Partner, Consumer Center of Competency Leader, IBM Consulting. "They're starting their shopping and travel planning earlier but also want to hedge their bets with options like free returns or cancellations. To adapt to these changes in consumer behavior, retailers will need better visibility and traceability across product inventory, fulfillment, and returns. AI can help them understand, prioritize, and resolve critical issues in real time."

Other noteworthy findings include:

Uncertainty around inflation, gas prices, and supply chain is driving consumer plans

As COVID-19 pandemic concerns abate for many consumers, worries are shifting towards uncertain economic and supply chain conditions this holiday season.

- Nearly half of consumers surveyed will spend less if inflation continues to drive price increases. If they're forced to cut their holiday shopping budget, over 60% will cut the non-essential categories like apparel, footwear, jewelry, and accessories.
- If goods are not available due to supply chain issues, 41% of respondents say they will spend less – but 30% will spend more if they can find substitutions easily.
- If gas prices go down, 35% of consumers surveyed will do more in-store shopping.

Consumers are making travel and shopping plans earlier but they want to keep their options open

Continuing the shift away from the traditional Black Friday start of the shopping season, 58% of consumers surveyed plan to start holiday shopping before November, compared to 44% last year. Almost two in three plan to pre-order this holiday season to get their products on-time with guaranteed prices.

At the same time, consumers want to keep their options open. Nearly seven in ten respondents surveyed will opt for brands or retailers that offer free cancellations, order changes, and returns, as well as a COVID-19-safe environment this holiday season. The study findings seem to indicate these perks are often worth the price due to the continued worries around supply chain and product availability this season.

Travel is also an area where consumers are looking to get back to normal, while still mitigating any risk associated with potential price changes due to inflation and fluctuating gas prices. The study found that average travel demand will go up by 9% during the holiday season and 78% of consumers surveyed are planning to purchase their airfare before October (61%) or in October (17%).

Sustainability remains top-of-mind for majority of respondents despite economic hardships

Consistent with [last year's report](#), sustainability remains top-of-mind for consumers surveyed globally. "As more consumers align their purchases with their values, retailers and brands that can provide more environmentally-friendly options could potentially earn a greater share of holiday spend," said Haller.

Three fourths (73%) of respondents said they are considering sustainability when shopping for the holidays. Twenty-nine percent of consumers surveyed will bundle multiple orders to help reduce carbon emissions, while 38% will avoid single-use plastics, and two in five will choose to shop nearby (42%), and buy products that are branded as being environmentally sustainable or socially responsible (41%). Notably, respondents surveyed are willing to pay an average premium of 41% for sustainable products, 34% for sustainable air travel, and 37% for sustainable lodging this holiday season.

IBV Study Methodology

To better understand consumer perspectives, as well as their plans to shop and travel this holiday season, the IBM Institute for Business Value (IBV) surveyed more than 12,000 adults across nine countries (Brazil, Canada, France, Germany, India, Mexico, Spain, United Kingdom, United States) in August 2022.

The full study is available at: <https://www.ibm.com/thought-leadership/institute-business-value/report/2022-holiday-shopping-travel>

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