Retailer perspectives on the 2020 holiday shopping season
From rethinking the holiday shopping timeline to reimagining traditional sale events, retailers are actively planning ahead to ensure they are ready to meet consumers’ holiday shopping needs.

NRF surveyed 54 retailers to understand how they are approaching and planning for the 2020 holiday shopping season.
GENERAL APPROACH TO THE SEASON
A longer holiday shopping season

How strongly do you agree or disagree?
Given the current state of COVID-19, consumers will likely spread their holiday shopping out over several months.

![Pie chart showing the distribution of responses.]

- 41% Agree somewhat
- 33% Agree strongly
- 24% Disagree somewhat
- 2% Disagree strongly

The majority believe that overall, this holiday season will be longer than last year’s. 74% agree that consumers are likely to spread out their holiday shopping over several months.

Source: NRF Holiday Planning Survey 2020
Almost half of respondents expect consumers to start their holiday shopping in October this year. And retailers will be ready with holiday inventory and sales.
But consumers may not be adjusting their plans yet

When consumers plan to start shopping for this holiday season:

- September or earlier: 19%
- October: 27%
- November: 43%
- December: 11%

As part of addressing the gap between when retailers kick off the holiday season and consumers plan to shop, NRF is launching a consumer education campaign to encourage consumers to start shopping early and avoid the last-minute stresses of the holiday season, like shipping delays.

Source: NRF Holiday Planning Survey 2020
Advertising promotions and sales earlier

Are you advertising your holiday sales and promotions earlier or later than last year?

- Much earlier: 44%
- Somewhat earlier: 40%
- Same time frame: 10%
- Somewhat later: 6%

Given that retailers are expecting a longer season, with a kickoff in October, the majority say they’ll begin advertising their holiday sales promotions earlier this year.

Source: NRF Holiday Planning Survey 2020
Roughly two-thirds expect all of their stores to be open in October, November and December.
What steps are you taking to ensure customers feel safe shopping in your stores?

- **Signage, messaging and physical changes**
  that demonstrate what we’re doing and what’s expected of customers.

- **Mask requirements at all locations.**
  Implementation of social distancing practices and stringent sanitation and cleaning practices.

- **Emphasizing CDC guidelines**
  for employees and customers including social distancing, masks, cleaning and cashier barriers.

Source: NRF Holiday Planning Survey 2020
Most are cautiously optimistic about holiday sales

Please indicate whether you expect holiday sales to increase or decrease compared with last year:
(overall sales)

The majority say they do expect their overall holiday sales to increase compared with last year.

Source: NRF Holiday Planning Survey 2020
More holiday sales from online shopping

Are you expecting more or less of your holiday sales this year to come from online-only sales?

- 4% The same
- 34% Somewhat more
- 62% Significantly more

Digital purchases will be the primary driver of growth this year. 96% are expecting more online-only holiday sales.

Source: NRF Holiday Planning Survey 2020
Mobile sales expected to increase

Please indicate whether you expect holiday sales to increase or decrease compared with last year: (mobile app, mobile site)

<table>
<thead>
<tr>
<th></th>
<th>Increase significantly</th>
<th>Increase somewhat</th>
<th>Stay the same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online: mobile app</td>
<td>41%</td>
<td>47%</td>
<td>13%</td>
</tr>
<tr>
<td>Online: mobile site</td>
<td>50%</td>
<td>38%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Mobile — whether it’s through a retailer’s app or mobile website — is also expected to increase: Half report they’re expecting a significant increase just from a mobile site.

Source: NRF Holiday Planning Survey 2020
EXPECTATIONS FOR THE SEASON
Openings for Thanksgiving and Black Friday

Do you plan to have your stores open on Thanksgiving Day/Black Friday?

- 25% Yes, definitely
- 15% Yes, probably
- 18% No, probably not
- 44% No, definitely not

6 in 10 report they will not have their stores open on Thanksgiving Day.

But nearly all say they will reopen on Black Friday.

Source: NRF Holiday Planning Survey 2020
Consumer plans for Thanksgiving Weekend

How likely are you to shop in stores on Thanksgiving Day/Black Friday this year?

Consumers are, understandably, cautious about in-store shopping over the weekend. Most say they’re unlikely to visit stores.

Source: NRF Holiday Planning Survey 2020
Retailers re-thinking Thanksgiving Weekend strategies

How are you planning for Black Friday this year?

Appointment shopping, offering consistent deals across all channels, BOPIS with curbside.

Extending it over several weeks prior to and after Black Friday.

We have plans for all different scenarios, everything from managing a line out of the store, to curbside and ship from store to home.

Source: NRF Holiday Planning Survey 2020
Steeper discounts unlikely

Considering the current COVID-19 situation, are you planning to offer steeper discounts for the holiday season this year compared with last year?

- 55% No, definitely not
- 24% No, probably not
- 20% Yes, probably
- 2% Yes, definitely

Despite the pandemic, the majority are not planning to offer steeper discounts this holiday season than they typically do.

Source: NRF Holiday Planning Survey 2020
Compared with last year, are you expecting gift card purchases to increase or decrease?

- Increase significantly: 47%
- Increase somewhat: 7%
- Stay the same: 40%
- Decrease somewhat: 7%

Over half (54%) expect gift card sales to increase.

Source: NRF Holiday Planning Survey 2020
HOLIDAY INVENTORY AND MERCHANDISE
Inventory ratio and turn levels

Compared with last year, do you expect inventory ratio levels/turn levels this holiday season to be higher or lower?

40% of respondents anticipate higher inventory ratio levels, while just over half expect that for inventory turn levels.

Source: NRF Holiday Planning Survey 2020
Merchandise stock by channel

For each of the below, please indicate whether you plan to stock more or fewer items this holiday season compared with last year.

Respondents were split in terms of how they are planning for their overall holiday inventory levels. However, most (61%) are planning to stock fewer holiday items in store while 64% were planning to stock more items online.

Source: NRF Holiday Planning Survey 2020
HOLIDAY SUPPLY CHAIN AND FULFILLMENT
Fulfillment orders year over year

Compared with last year, do you expect to fill more or fewer orders for each of the below?

<table>
<thead>
<tr>
<th>Service</th>
<th>Significantly more</th>
<th>Somewhat more</th>
<th>The same</th>
<th>Somewhat fewer</th>
<th>Significantly fewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-store only purchases</td>
<td>24%</td>
<td>16%</td>
<td>41%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Online purchases</td>
<td>56%</td>
<td></td>
<td></td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Buy online, pick up in store</td>
<td>33%</td>
<td>58%</td>
<td></td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Free two-day shipping</td>
<td>22%</td>
<td>33%</td>
<td>33%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Free same-day shipping</td>
<td>21%</td>
<td>21%</td>
<td>37%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Free standard shipping</td>
<td>24%</td>
<td>44%</td>
<td>16%</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

Respondents expect they will fill more orders this year for online purchases, BOPIS transactions, free standard shipping and free two-day shipping.

Source: NRF Holiday Planning Survey 2020
Holiday returns year over year

Compared with last year, are you expecting an increase or decrease in returns this holiday season?

- **Returns overall**: 35% expect a significant increase, 43% expect it will be similar to last year, 4% expect a slight increase, 18% expect it will be lower than last year, 2% expect a slight decrease, and 4% expect a significant decrease.
- **In-store returns**: 48% expect a significant increase, 30% expect it will be similar to last year, 4% expect a slight increase, 2% expect it will be lower than last year, and 15% expect a slight decrease.
- **Mail/shipped returns**: 35% expect a significant increase, 39% expect it will be similar to last year, 11% expect a slight increase, 15% expect it will be lower than last year, and 11% expect a slight decrease.

Over one-third expect they will see higher return levels overall this season, while 43 percent expect it will be similar to last year. Respondents are more likely to say they expect higher levels of mail-in returns compared with in-store returns.

Source: NRF Holiday Planning Survey 2020
Given the current situation with COVID-19, have you had to find additional warehouse space for the holiday season?

- Yes 25%
- No 75%

Despite the current COVID situation, 75% say they have not needed to find additional warehouse space for the upcoming holiday shopping season.

Source: NRF Holiday Planning Survey 2020
Last-mile delivery methods

In light of the recently announced package rate increases, are you changing any of your last-mile delivery methods or providing expanded opportunities for customers to pick up their orders?

Most note that they’re not changing any of their last-mile delivery methods due to the recently announced package rate increases. But three in 10 say they’ll be providing additional pick-up locations for consumers.

Source: NRF Holiday Planning Survey 2020
HOLIDAY HIRING
Holiday hiring across locations

Please indicate if you plan to hire additional staff this holiday season for each of the below.

<table>
<thead>
<tr>
<th>Location</th>
<th>Plan to Hire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores</td>
<td>19% Yes, probably</td>
</tr>
<tr>
<td>Distribution centers</td>
<td>21% Yes, probably</td>
</tr>
<tr>
<td>Fulfillment centers</td>
<td>20% Yes, definitely</td>
</tr>
</tbody>
</table>

Are you planning to hire additional security this holiday season specifically to enforce social distancing and face covering requirements among customers?

<table>
<thead>
<tr>
<th>Plan to Hire</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, definitely</td>
<td>50%</td>
</tr>
<tr>
<td>Yes, probably</td>
<td>28%</td>
</tr>
<tr>
<td>No, probably not</td>
<td>20%</td>
</tr>
<tr>
<td>No, definitely not</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: NRF Holiday Planning Survey 2020