



Festive Forecast 2023

**Make your season bright with
insights from Square & Clearpay**

A look at how consumers are planning, spending,
and saving this festive season.



Contents & Methodology.

Age

Gen Z
(18-24) **12%**

Millennials
(25-40) **27%**

Gen X
(41-54) **21%**

Baby Boomers
(55-74) **35%**

Post War
(75-99) **5%**

Methodology

Ad-Hoc Quantitative Online Survey

n=1,000 consumers in the UK, plus a boost of n=500 Gen Z and Millennials. Core sample was collected nationally representative across age, gender and location

Fieldwork ran from 21st-31st July 2023

Gender



52%



47%

Others = 1%

Location - UK

North **37%**

Midlands **31%**

South **32%**

All figures are from the Main sample n=1000

Festive Findings Wrapped.

The key takeaways from this year's Festive Forecast Report, and how this impacts your business.

Brits battle to budget.

Inflationary pressures mean Brits are finding it harder to save and budget their finances. More than ever, Brits are considering BNPL when buying gifts this year.

Customer trust.

Many Brits are cautious when shopping online - having a payment product that they trust, such as Clearpay, is strongly conducive to conversion.

Social shoppers.

Consumers are strongly inspired to buy Christmas gifts from social media platforms. Around half of Gen Z get their gifting inspo from TikTok.

Fashion, footwear and fun.

The most popular gifting categories amongst consumers this year are clothing, footwear, accessories and toys.

It's all about online.

Almost all generations are planning to buy Christmas gifts online vs. in-store. Brands should ensure they have the most up to date technology to support customers when shopping online.

Deals and discounts.

As consumers grapple with the rise in the cost of living, deals on gifting are more important this year. Retailers must enter this competitive period with strong, fixed offers for customers.



How Inflation Will Impact Festive Spending.

Costs are rising. Here's how shoppers are reacting.

Despite the current economic climate, **72% of consumers are planning to spend the same or more** this festive season than last. That being said, Brits will be making use of budgeting tools this year to help them spend responsibly, with **1 in 5 Gen Zs and Millennials considering a BNPL service when purchasing a gift**.

Brits are also having to **trade down on brands and make greater use of price comparison websites**. However, with Clearpay, customers can access what they want, without having to compromise.

Millennials are the generation most inclined to consider us when buying a gift, with 1 in 5 selecting BNPL as a potential payment method.

77%

of Clearpay customers are finding it harder to save with the rising price of products, which is why half of them use our service to help manage their budget.



One in five

Gen Z and Millennial

**shoppers have used Clearpay in the
last year.**

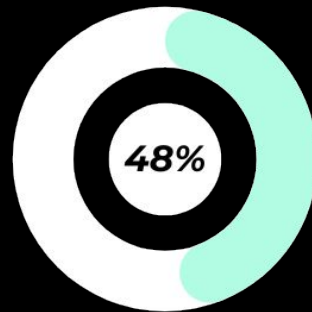


How BNPL Will Support Your Customers This Festive Season.

A great way to bolster your business at checkout is by offering a BNPL service like Clearpay. Research finds that retailers not offering BNPL payment options are **down -11%** YoY in converted visits.



Almost 1 in 4 Millennials will purchase from a store if they see a BNPL service is available.



Almost half of BNPL consumers will **lean on the service** to help them **budget and manage their money** this holiday season. This figure is even higher amongst Clearpay customers at **51%**.

TIP

Avoid the war on prices by adopting Clearpay, a payment product that allows shoppers to budget on their own terms. Our customers use us to have better control over their finances and buy larger ticket items. Last year, our partners' Average Order Value (AOV) grew by 4%.



What Influences Christmas Gifting?

For shoppers today, there's inspiration everywhere. We delved into what platforms provide the most inspiration for them when they are doing their Christmas shopping.

Consumers largely get inspired by word of mouth from the people around them, social media and fixed discounts.

What are Brits buying this season?

Almost 1 in 5 consumers are planning to purchase clothing, footwear and accessories, especially Gen X at 21%.

The second-highest gifting category is kids clothing, accessories and toys, most popular amongst Millennials.



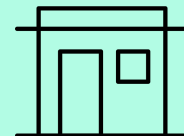
The main sources of inspiration for those seeking to buy gifts are from friends, family or colleagues.

TIP

Almost half of Gen Z consumers get inspired to buy gifts from TikTok, so grab this shopper by making sure your brand has a strong presence on the platform.



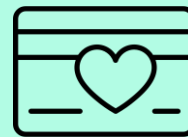
35% of consumers are inspired by social media.



40% of consumers are inspired by shopping in-store or at shopping centres such as Westfield.



'Fixed discounts off RRP' is the most popular amongst consumers, particularly with Gen X, as **63%** of them stated it would influence them most when buying a gift.



Spend & Save discounts work best amongst Gen Z consumers with **32%** finding this marketing offer enticing.



Older generations are more likely to appreciate having **'early access to new products'** when buying gifts.



When will Brits hit the shops?

When it comes to Christmas gifting, for some shoppers, timing is everything.

We looked into the points of the season where shoppers are planning to buy, so that you can be prepared to engage them with your best deals and marketing strategies.



START OF SEASON SHOPPERS

18% of consumers are buying gifts in October.

DECEMBER DASHERS

23% of consumers leave the Christmas shopping to early - mid December with just 2% waiting until the week before Christmas.

September

October

November

December

EARLY BIRDS

21% of consumers said they planned to purchase gifts in or before September.

DEAL SEEKERS

39% of consumers are buying in November or making the most of **Black Friday and Cyber Monday** deals.

TIP

Make sure you have a strong and competitive plan for Black Friday, as the majority of shoppers hold out for deals on gifting across this period.

In-Store vs. Online

Clearpay is available in a wide variety of stores, both online and in-store.

Perhaps unsurprisingly, the majority of today's consumers prefer to purchase gifts online vs. in-store. However, what is surprising here is the generational split of consumers shopping online. It's not just young Brits who are more inclined to shop online, in fact, Gen X show the same amount of interest as Gen Z, when it comes to online shopping vs. in-store.

Generation

Are you likely to buy your gifts online or in-store?

- Online
- In-Store

59% Gen Z

54% Millennials

59% Gen X

55% Baby Boomers

TIP

It's important to offer a variety of payment options so that your customers can choose the one that suits their lifestyle best. **22%** of Clearpay customers feel that our services stands out for being available in a wide variety of retailers.



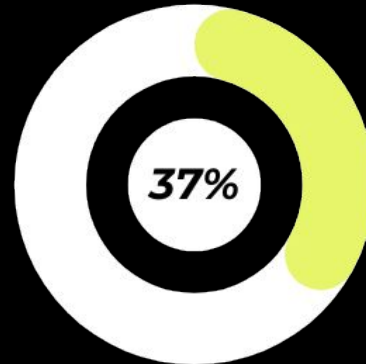
Keeping Safe Online With Clearpay.

Online safety is extremely important for today's customers, as scammers and fraudsters become increasingly sophisticated in accessing private customer information.

A helpful way for shoppers to know that a retailer is safe, is to offer a payment service that they trust and recognise. Amongst BNPL consumers, Clearpay is highlighted as being a "safe and secure way to pay" and for making their shopping experience seamless through "faster checkout". These customers love to shop with Clearpay, giving us a **4.8/5 score on TrustPilot** and awarding us **top place for 'customer happiness' and 'customer trust' in the Fairer Finance** survey.



1 in 5
CONSUMERS FEEL
APPREHENSIVE TO
SHOP ONLINE



of Clearpay
customers choose
us for being a safe
and secure
payment option



Customer Support.

With new technologies in customer support, ensure your business is adopting the most intelligent tech solutions to help your customers.

Millennials and Gen Z are most likely to embrace virtual assistants (such as chatbots and conversational AI support) when shopping online. However, our research shows that this is likely due to a lack of education around these products in older generations, as opposed to a resistance to use them.



Millennials & Gen Z

3x


more likely to use
virtual assistants than
older generations.



TIP

Virtual assistants may seem like the less personal approach to customer service, but in reality, young shoppers are keen for retailers to implement these services. They feel strongly that virtual assistants help them get **product information and source online deals** over other functionalities.





Let's sleigh the holiday season together!

Discover more tips, advice, and sales season insights at [Clearpay Access](#). Because there's no time like the present to maximise your festive strategy.

[Learn more](#)

These findings were based on a survey conducted of 1500 UK consumers between July 21 to July 31 2023. The core sample data was nationally representative across age, gender, and location with an additional sample of 500 for Gen Z and Millennials.