



FTI Consulting Survey Finds Shifting Consumer Preferences This Holiday Season

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WASHINGTON, Oct. 27, 2020 (GLOBE NEWSWIRE) -- Total holiday spending is expected to decline by approximately 5%, as price and convenience are top priorities for consumers in light of COVID-19, according to a new survey released today by FTI Consulting, Inc. (NYSE: FCN).

The [2020 Holiday Gift Giving Outlook](#) provides additional insight into the mindset of holiday shoppers this year, from the changing preferences and burgeoning trends, to the likely winners and losers amid the fallout of COVID-19 and economic uncertainty. FTI Consulting's [Retail & Consumer Products](#) practice surveyed 1,000 U.S. consumers during the first half of September 2020.

Highlights from the survey include:

- **Consumers will spend less**, as “good price” and “good value” were the top two factors identified as important to holiday gift decisions. One-third of individuals indicated that they would reduce spending by 10% or more. Across the entire data set, spending is likely to decline closer to 5%. Consumers are also willing to bargain shop as they seek out good value – 60% of those polled said they would wait for price reductions of at least 25%.
- **Consumers will shop online more than ever before**. Nearly 80% of respondents answered “yes” when asked if they were more likely to shop online compared to last year. They also plan to do most of their holiday spending online – 34% indicated that they would spend at least 80% of their holiday budget online (up from 22% in the prior year).
- **Consumer preferences will impact product categories and retailers differently**. Social distancing, work-from-home orders and an uncertain economy have changed consumers’ priorities – they are focused more on at-home comfort and toys for kids or grandkids and less on clothing and accessories.

The survey also finds that the generational differences in how the effects of the pandemic are impacting holiday shopping expectations are less stark than may have been expected. Millennials are leading the shift, with 41% indicating that they expected to spend 80% or more online this holiday season. However, Generation X (30% intending to spend 80% or more online) and Baby Boomers (29% intending to spend 80% or more online) were not far behind.

[J.D. Wichser](#), Leader of the Retail & Consumer Products practice, said, “While we see some conservatism in consumer spending, the coming holiday season presents an opportunity to reconnect with family and friends through gift giving at a time when we are missing that level of social engagement. It remains unclear whether these changing preferences are a short-term reaction to the events of 2020 or a sign of more durable changes, but the way we shop, the categories we prioritize and the retailers best positioned to meet these changes have had to dramatically adapt to this new normal.”

[Christa Hart](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting, added, “Children don’t need to worry about toys under the tree. However, many other traditional gift giving categories will have a bumpy ride this holiday season. Consumers are waiting for good deals, and those with strong online offer and supply chain will be best positioned to deliver during this holiday.”

The holiday shopping trends follow FTI Consulting’s recent projection that U.S. online retail sales will experience a \$71 billion windfall in 2020 as a direct result of the impact of COVID-19 on consumers’ shopping habits. The [2020 U.S. Online Retail Forecast](#) expects U.S. online retail sales of \$748 billion in 2020, compared to \$598 billion in 2019 and its pre-pandemic 2020 forecast of \$677 billion.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 5,800 employees located in 27 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$2.35 billion in revenues during fiscal year 2019. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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