



Holiday 2024 Shopping Season Forecast

The Holiday 2024 Shopping Season Will Be Unlike Any Other



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As we approach the 2024 holiday season, marketers are facing an unprecedented confluence of major events that will shape consumer behavior and spending patterns. The Summer Olympics in Paris, a contentious presidential election, and a shortened holiday shopping season will all intersect, creating challenges and opportunities. Here's how marketers can strategically navigate this unique landscape to maximize engagement and revenue.

Understanding the Macro Economic Environment

Consumer spending has shown resilience in recent years despite global challenges such as the COVID-19 pandemic, inflation, and political conflict. 2020 through 2022 were the most remarkable three years in retail history due to economic stimulus and reduced spending on travel and entertainment. 2023 generally saw a return to pre-pandemic patterns. According to the U.S. Department of Commerce Retail Division, average core retail (retail sales without automotive, gasoline, or restaurants) averaged 4.1% growth per year from 1992 through 2019, the average shot up to 9.4% from 2020 through 2022, and then returned to 3.9% in 2023.

So far, for 2024, from January through April, core retail has grown 3.8% versus the same period in the previous year. However, the seemingly typical growth rate obscures a significant change in the market. Post-COVID, the largest retailers in the U.S. have been winning a disproportionate share of all retail growth. Morgan Stanley ([as reported by CNBC](#)) estimates that Amazon alone accounted for 28% of all retail growth in the U.S. in the first quarter of 2024, and Walmart accounted for another 10%. Combined, Walmart and Amazon are taking approximately 38% of every incremental retail sales dollar, making growth very challenging for most other retailers and creating great uncertainty.

In 2024, these uncertainties will be amplified by the upcoming presidential election, which historically causes a dip in consumer spending due to heightened economic anxiety. Coupled with the Summer Olympics and a shorter holiday season, marketers must know the economic backdrop when planning their campaigns.





Leveraging the Olympics as a Marketing Opportunity

The 2024 Summer Olympics, set to take place in Paris from July 26 to August 11, will capture the world's attention across multiple screens, including T.V., digital streaming, and social media. During the 2021 Tokyo Olympics, consumer spending saw a slight dip but increased afterward, suggesting that while people may not spend as much during the event, they are highly engaged.

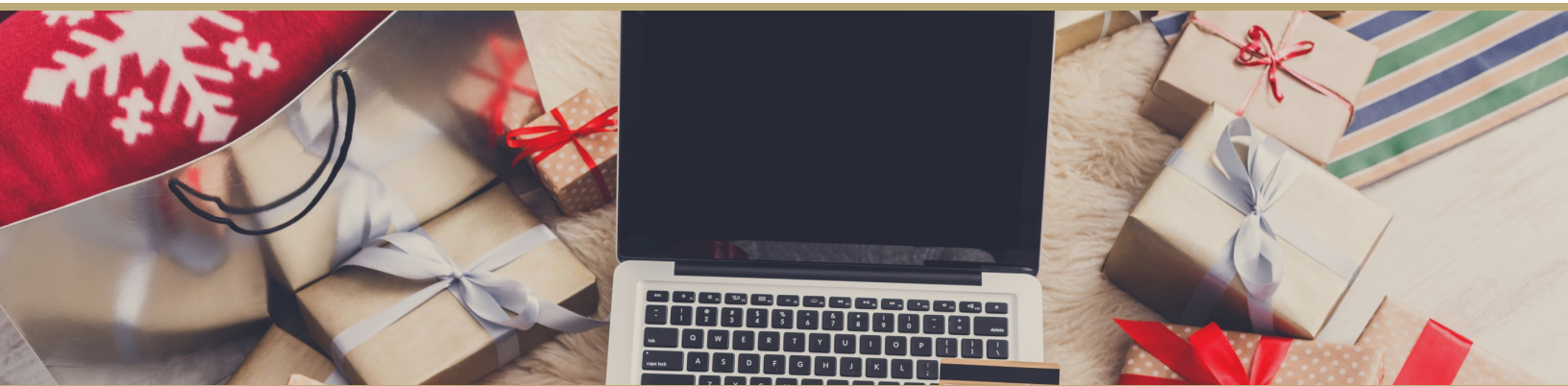
Marketers should utilize this captive audience by maintaining consistent communication before and during the Olympics. In particular, brands in the health, wellness, beauty, and fitness sectors can tap into the inspiration and motivation sparked by watching top athletes. Crafting messages aligning with the Olympic spirit and leveraging the broad reach of Olympic broadcasting can help keep brands in mind.

Navigating the Presidential Election

The U.S. presidential election on November 5, 2024, will add a layer of complexity to the holiday marketing season. The 2020 election saw a dip in consumer spending leading up to and following the election, a trend likely to repeat this year. The election's timing at the beginning of the holiday shopping season means marketers must plan their campaigns to account for potential disruptions.

To mitigate the impact, marketers should launch their holiday campaigns earlier than usual, well before the election commotion starts. This early start allows initial consumer reactions to be measured and offers adjusted as needed. Maintaining a solid presence and consistent messaging during this period is crucial. Additionally, brands that support specific causes may benefit from making their voices heard during the politically charged atmosphere.





Adapting to a Shortened Holiday Season

The 2024 holiday season will be particularly challenging due to a shortened shopping period, with only 27 days between Thanksgiving and Christmas. The last time the holiday season was this short was in 2019 when marketers compensated by starting their campaigns early and extending store hours during peak shopping days.

For 2024, it is imperative to push out communications early to capture consumer interest. The weeks leading up to Thanksgiving and the immediate period afterward, including Black Friday and Cyber Monday, will be critical. Data from 2019 shows that consumers take a break from spending just before Thanksgiving but return with force during the core shopping days.

Marketers should prioritize managing shipping deadlines and inventory and streamline campaign launches to maximize sales. Early communication and promotions can cater to the shopping habits of different generations, particularly Gen Z, who are known to shop later in the season.

Strategic Recommendations

1. **Enhance First-Party Data:** Understanding your customers through enhanced first-party data will allow for more relevant and timely messaging. This is crucial in a year when significant global events will divide consumer attention.
2. **Early and Consistent Engagement:** Start holiday campaigns early, especially in the period leading up to the presidential election. Consistent engagement across multiple channels will keep your brand top of mind.
3. **Leverage Olympic Inspiration:** For brands in relevant sectors, align your messaging with the inspiration drawn from the Olympics. Utilize the broad reach of Olympic broadcasts to engage with a captivated audience.
4. **Adapt to Consumer Sentiment:** Be mindful of the economic sentiment during the election period. Tailor your messaging to resonate with consumers' feelings of uncertainty and offer consistency and reliability.
5. **Targeted Generational Marketing:** Recognize the differing shopping behaviors of various generations. While older consumers may plan their shopping early, younger consumers like Gen Z may respond better to last-minute promotions.

By understanding the macroeconomic environment, leveraging historical patterns, and strategically planning around the unique events of 2024, marketers can effectively navigate this complex holiday season. The key lies in early preparation, consistent engagement, and a keen understanding of consumer behavior amidst these unprecedented times.

A version of this article was originally published in [Forbes](#) on May 29, 2024. For more on this topic, we recommend checking out [Epsilon's latest data trends report](#) which focuses on the key events that will define marketing this year.



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