Feedvisor

A Deep Dive Into Modern Consumer Purchasing Trends in E-Commerce

Based on a Survey of 2,000+ U.S. Shoppers

Despite Caution, E-Commerce Prevails

In a world marked by unprecedented economic challenges, consumers find themselves navigating a landscape profoundly transformed by a convergence of factors influencing their purchasing decisions.

Purchasing decisions are currently defined by three critical elements:

1. Escalating Costs
2. Less Disposable Income
3. Perceptions of Value

Inflation, now at its highest rates in four decades, has cast a long shadow over consumers' daily lives. While it has shown signs of stabilizing, hovering around 3%, its lingering effects continue to reverberate through the purchasing power of individuals and families.[1] Rising prices for essential goods and services, from groceries to housing, have compelled consumers to adapt, reevaluate budgets, and strategize their spending in the face of financial headwinds.

The supply chain, a vital artery of global commerce, is still in the process of convalescing from escalating raw material costs and global and geopolitical tensions. Compounding this challenge, a tight labor market and surging fuel costs have further strained the supply chains, affecting the availability and pricing of goods. As consumers grapple with disruptions, businesses are navigating a complex web of logistical hurdles, leading to shifts in the retail landscape.

Consumers are resorting to various coping mechanisms in this delicate economic balance. Budgets are being scrutinized with unprecedented precision, non-essential purchases are becoming increasingly selective, and the hunt for deals and discounts has become a way of life.

Additionally, consumers are exploring new shopping destinations, seeking alternatives to established stores as they strive to make every dollar count.

In a time when convenience and affordability are of paramount importance, e-commerce remains a vital lifeline for consumers across a wide range of budgets.

Feedvisor continues to monitor the trends shaping e-commerce in the sixth installation of **The 2023 E-Commerce Consumer Behavior Report**. Providing an in-depth view into the minds and wallets of over 2,000 U.S. consumers, this report uncovers the dynamic shifts in consumer shopping behaviors within this altered e-commerce landscape. From the adoption of new technologies to evolving preferences and priorities, this report illuminates the insights brands and merchants need to recognize to navigate this challenging economic terrain.

Dani Nadel

President and
Chief Operating Officer,
Feedvisor

[1] *US Inflation Rate Charts 2023*

Key Takeaways

With inflation still worrying consumers, deals and discounts are now the deciding factors for where they make a purchase.

- **39% of consumers say they are buying where discounts and deals are prevalent**
- **44% say deals and discounts are their biggest motivator for purchasing**

In an effort to get stay within budget, **36% of consumers said they are conducting research online before buying products**, particularly when it comes to discretionary purchases

- **60% of consumers start their research on Amazon, with 19% starting on Google and 11% on Walmart**

Interactive ads are the way to capture consumer attention with **69% of consumers engaging with video ads**

- **Likewise, TV and streaming ads are gaining traction with 40% and 27% of consumers noticing them more**

This holiday season, sales will be driven by price promotions, coupons, and deals, **with almost half (49%) of consumers saying price promotions influence their holiday purchases**

- **43% of consumers say coupons and deals influence their holiday gift purchases**

Online grocery purchases are on the rise, with **35% of consumers saying they are buying groceries more this year than ever**

- This is most common among Millennials and Gen X

Despite having to cut budgets, c**onsumers still prefer brands (24%) over private labels (13%) while a majority seek both (54%)**

- **This is most prevalent in the following categories:**
  Beauty & Personal Care
  Cell Phones
  Electronics
  Pet Supplies
- **64% of consumers say price is the most significant factor when deciding to purchase private label over a brand**

Holiday shopping began in July with **12% of shoppers using Prime Day to kick off their holiday lists**

- **23% of consumers plan to start shopping in September with 27% planning on spending the bulk of their budgets in November**

Consumers are still holding out for big purchases on Black Friday, with **52% planning on making a purchase**

- **38% of consumers say Black Friday has the best deals, followed by Prime Day (17%) and Cyber Monday (14%)**

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This poll was commissioned and analyzed by Feedvisor. It was distributed online from July 14–20, 2023, among a sample of 2,014 U.S. adults who have purchased a product on Amazon within the last 6 months. Results from the full survey have a margin of error of plus or minus 2.2 percentage points. All numbers have been rounded to the nearest percent. Zogby Analytics conducted the survey on behalf of Feedvisor.

The respondent pool encompassed all age ranges and income levels as well as Prime and non-Prime members to provide a true snapshot of what the overall market wants from retail experiences.

Notable Shifts in Consumer Purchasing Behavior

Feedvisor

2023 Amazon Consumer Behavior

Who's Shopping on Amazon?

Today's Amazon Consumers Identify As:

51% Female

49% Male

Demographics

17% Gen Z (18-24)

28% Millennials (25-40)

29% Gen X (41-56)

15% Baby Boomers (57-75)

11% Silent Generation (75+)

Household Income

<$35K	26%
$35–$50K	13%
$50K–$75K	19%
$75K–$100K	12%
$100K–$150K	19%
>$150K	11%

Relationship with amazon

81% **Current** Prime Member

10% **Previous** Prime Member

12% **Not a** Prime Member

They prefer to:

Purchase from these **top 5 categories online:**

51% Clothing, Shoes, & Jewelry

49% Beauty & Personal Care

43% Grocery & Gourmet Food

30% Home & Kitchen

27% Pet Supplies

Consumer's Online Purchasing Behavior

57% make an online purchase **weekly with 9% purchasing daily.**

28% spend between $51 - $100

26% spend between $101 - $200

38% on mobile

36% on desktop

89% amazon

59% Walmart

32% TARGET

Reasons for **Purchasing Online:**

29% Lower Prices

21% Convenience

14% Free Shipping

7% Product Availabiliy

7% Good Customer Service

Holiday shopping has already begun:

12% of consumers kicked off holiday shopping with **Prime Day in July**

23% of consumers will **begin shopping in September** with **82% shopping on Amazon** for holiday needs

***All data is sourced from Feedvisor Proprietary Data, 2023*

Notable Shifts in Consumer Purchasing Behavior

Spending Has Increased, But Patterns Are Altered

Consumer spending has increased as inflation continues to mire the economy, with 36% expecting to spend more on products they currently buy in the next 6-12 months, showing a reluctant acceptance of the new economic reality.

As of August, the pace of inflation has stabilized from its peak of 9.1% to 3.7% giving consumers somewhat of a break[1], but the cooling does not tell the full story of exactly how much consumers are truly spending.

Prices in general are now 13% higher than they were two years ago, with some costs such as groceries, utilities, and gas, rising by 20%.

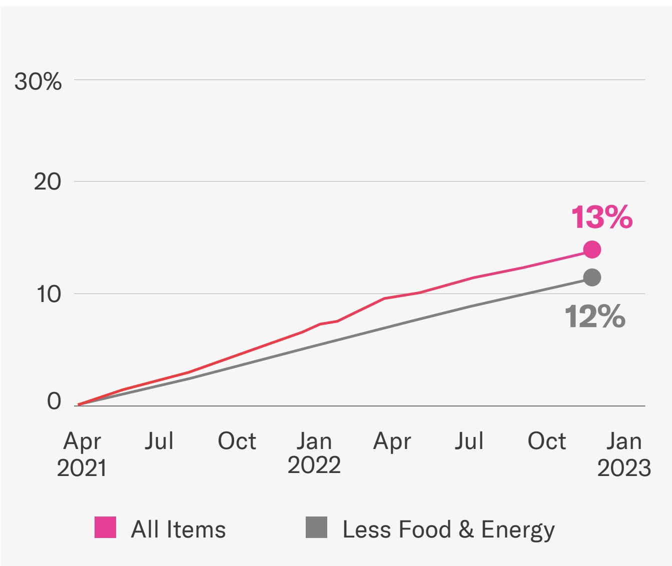
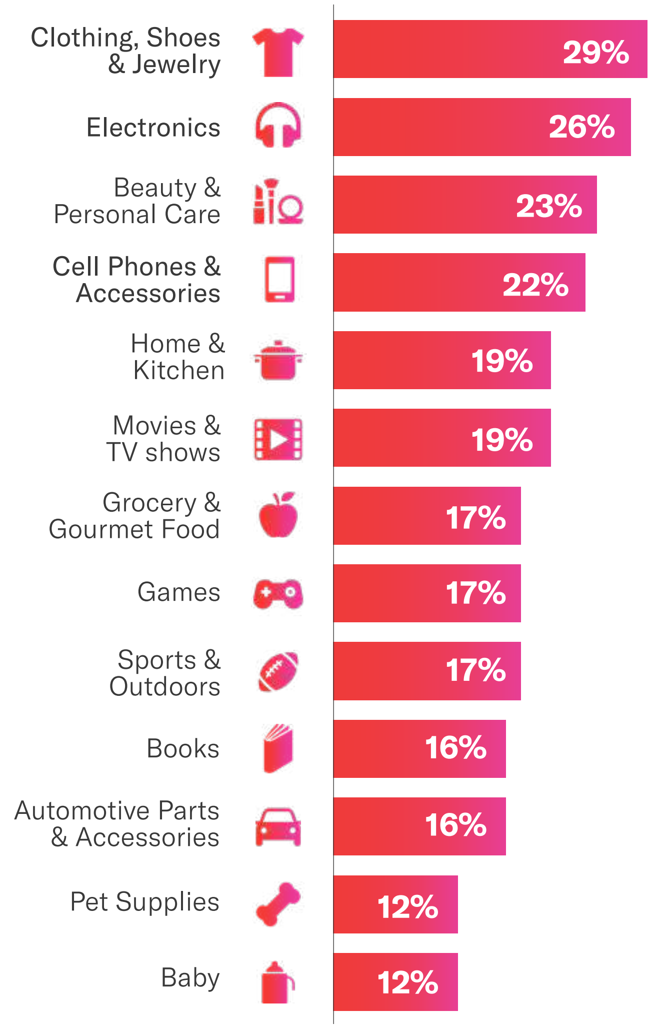


Chart: Gabriel Cortes / CNBC
Source: CNBC analysis of the U.S. Bureau of Labor Statistics' seasonally adjusted consumer price index
Data last updated April 12, 2023

65%
of respondents expect prices to persistently rise in next 6-12 months

Price hikes have been incredibly common, with 40% of consumers noticing an increase in the past year, something that is not likely to change. While wages remain relatively the same, consumers now grapple with the evolving economic landscape, and their spending behavior reflects a cautious response to inflation and escalating prices.

Categories Consumers Are Scaling Back On



[1] *YCharts 2023*

As consumers continue to move away from discretionary spending and re-evaluate their budgets, essential items like groceries remain in the mix. This trend not only highlights the growing significance of household necessities, but also reflects the prudent financial decisions individuals and families are making as they adapt to evolving economic circumstances.

The choice of where they make those purchases has also become a critical factor, with many favoring retailers known for their competitive or lower prices as they strive to make their dollars stretch.

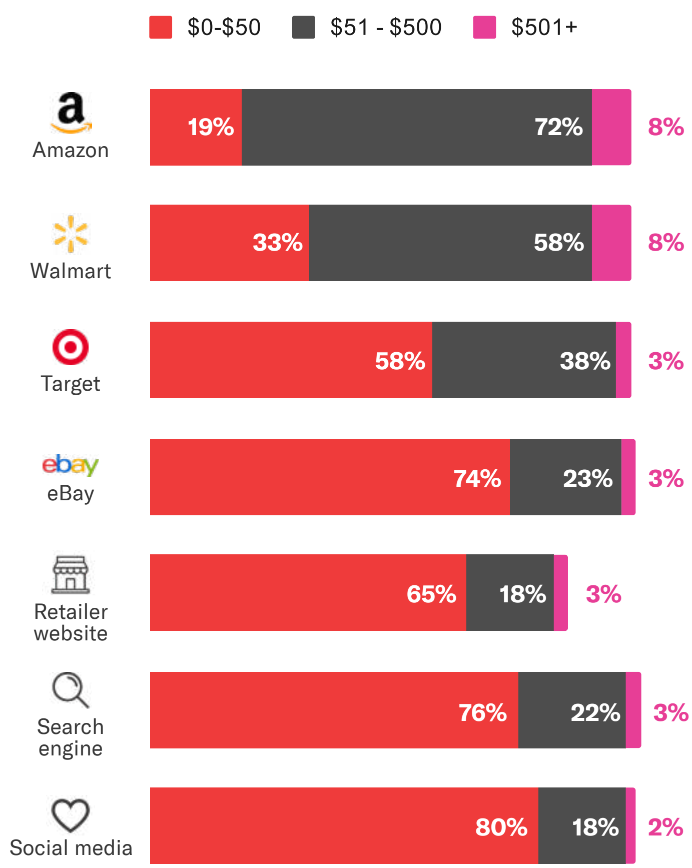
Where Consumers Purchase

	2022		2023
Amazon	66%	↑	68%
Walmart	14%	↓	12%
Target	3%	→	3%
eBay	2%	↓	2%
Brand website	4%	↓	3%
Search engine	8%	↓	7%
Social media	1%	→	1%

A majority (68%) of consumers now choose Amazon as their primary online shopping destination, while 12% opt for Walmart and 3% for Target. Surprisingly, only 7% of consumers are turning to search engines to make their purchases, and just 1% intentionally buy through social media platforms.

What is particularly striking is the evolving distribution of spending: lower spending patterns are emerging on social media and retailers' websites, those in the $0-$50 range, while higher dollar amounts ($50+) are gravitating towards online marketplaces like Amazon. This shift can be attributed to the unmatched convenience, product variety, and often competitive pricing that marketplaces offer, making them the go-to choice for today's discerning shoppers.

How Much Consumers Are Spending



Discounts Now Determine Shopping Destinations

44%
of shoppers say they will buy sale items over regularly priced items

With consumer priorities shifting, shoppers have become increasingly reluctant to purchase nonessential goods like shoes and appliances. Consequently, retailers are now relying heavily on sales and deals to entice consumers to pry open their wallets. Consumers are responding well to it, with 39% saying they buy more where they can find discounts and deals.

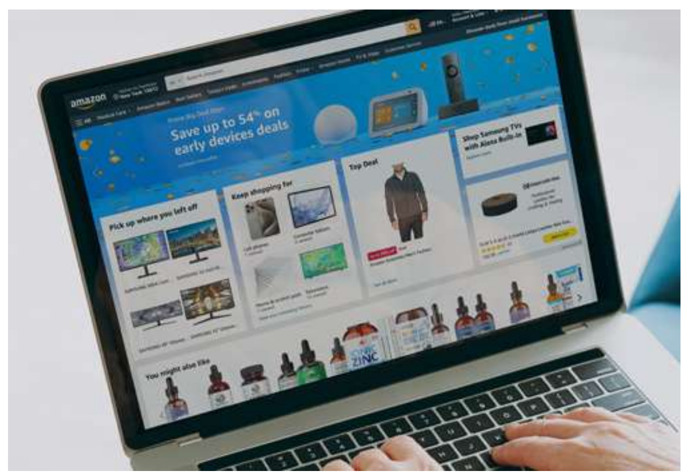
Retailers are leveraging additional promotional events to address the challenges they have been facing, especially stores catering to low- and middle-income consumers where inflation has hit the hardest.

68%
of consumers say prices have gone up

Despite online purchasing being seemingly cheaper, consumers have noticed price increases in each category and marketplace.

Top 5 Categories Where Prices Have Increased

	2022		2023
Grocery & Gourmet Food	51%	↑	70%
Clothing, Shoes & Jewelry	53%	↑	62%
Beauty & Personal Care	55%	↑	62%
Home & Kitchen	43%	↑	48%
Electronics	44%	↑	47%



Top Marketplaces Consumers Saw Price Increases

	Amazon	83%
	Walmart	71%
	Target	46%
	Retailer website (like bestbuy.com)	31%
	Brand website (like nike.com)	28%

Most of these price adjustments are attributed to increased operational costs as online marketplaces grapple with the challenges of staying profitable amidst rising inflation and fuel surcharges. Yet, despite these price fluctuations, the primary motivator driving consumers to shop online remains the allure of lower prices, as indicated by 29% of respondents.

Top 5 Reasons Consumers Shop Online

Consumers Are Researching Products More

36%
of consumers now emphasize the importance of conducting research before purchasing

Consumers are becoming increasingly discerning and meticulous when it comes to their purchasing decisions. More than a third of consumers now emphasize the importance of conducting comprehensive research before making a purchase. Besides saving money, they are seeking quality products and wanting to align with and understand a brand's ethical practices.

More people (60%) choose Amazon over any other search engine to begin their product search.

Amazon has emerged as the research hub of choice for a majority of shoppers, with a staggering 60% initiating their product investigations on the e-commerce giant's platform. This is up slightly from last year, when 56% of consumers started their search here.

Google follows with 19% of consumers using it as their starting point, while Walmart commands an 11% share in the research landscape. Both are down from previous years, which in Google's case may be from its announcement that it would be discontinuing its' shopping marketplace as it failed to gain the traction needed to sustain a marketplace.[1] This may play a role in the steady decline of searches, as less product information can be found.

Sites Consumers Search Most During Buyer Journey

Start Search	60% ↑	19% ↓	11% ↓
Check Prices	76% ↑	31% ↓	45% ↓
Check Reviews	76% ↓	26% ↓	38% ↑

When it comes to checking prices, Amazon maintains its dominance, with 76% of consumers turning to the platform for price comparisons. Walmart holds the second spot, with 45% of consumers checking prices on its website, followed by Google at 31%. Amazon has become a budget-friendly hotspot as more consumers use the platform to check prices and create alerts for prices within their comfort level.

Similarly, **consumers prioritize product reviews** in their decision-making process, with Amazon leading the way once again, as 76% of shoppers seek product reviews on the platform. Walmart garners the attention of 38% of consumers for reviews, while Google registers at 26%.

As the economic landscape continues to evolve, online research will play a pivotal role, particularly on Amazon, as product reviews, pricing, high-quality images, and detailed product pages become more important.

[1] *Marketplace Pulse 2023*

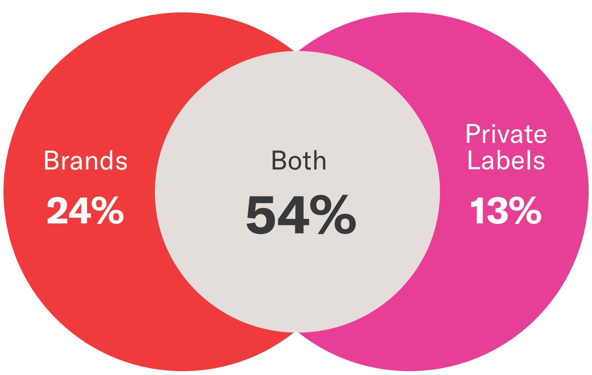
Brands Are Still Preferred, But Preference is Diminishing

Affordability takes center stage in consumer decision-making, tipping the scales in favor of private labels.

Despite a challenging economic climate where budget considerations are paramount, consumer preferences continue to lean toward branded products, with 24% expressing a clear preference for brands over private labels, while 13% favor private labels exclusively.

This preference for brands over private labels is particularly pronounced in categories such as Beauty and Personal Care, Cell Phones, Electronics, and Pet Supplies, where established brand names hold sway.

Private Labels vs. Brands Category Preferences



However, brand loyalty is weakening, as a majority of consumers, at 54% now opt for a balanced approach, seeking both brands and private labels in their shopping endeavors.

Inflation is partly to blame; as the cost of living rises, purchasing solely brand-name products can become financially burdensome as consumers attempt to maintain their lifestyles.

64%
of consumers said price is the most important factor in whether they choose brand vs. private label products

Tightening wallets and threats of recession have consumers continuing to check prices before shelling out their hard-earned money. Consumers are still spending, but 80% are trading down, or opting for less expensive products that provide the same features or use.[1] This could be why product appearance and listing quality are gaining prominence, with 56% of consumers now placing importance on how a product looks, suggesting a shift in consumer priorities towards aesthetics and perceived quality.

Factors for Choosing Private Label Products

- Price
- Product Appearance
- Listing Quality
- Positive Product Reviews
- Low Shipping Cost

Furthermore, the willingness to opt for private label products has been on the rise, with 64% of consumers open to choosing them if guaranteed fast shipping, and 70% if free shipping is offered. In this landscape, Amazon's private label products find a place in the market, as 59% of consumers have embraced them in their shopping choices.

Brands need to play by different rules in this evolving environment by employing distinct strategies involving content, pricing, and advertising to effectively connect with and captive today's consumers.

[1] *Retail Dive 2023*

Online Purchasing Rises, Especially for Groceries

36%

of consumers now shop daily to at least a few times a week online, up 6% from last year

As inflation-induced prices increase, consumers are frequently shopping online to prevent paying for those increases. Online prices in many categories are declining overall, falling almost 2% in July when compared to year-over-year.[1] This makes online items an attractive option for consumers looking to save, even if it is cents vs. dollars.

The Top 3 Category Purchases for Consumers in 2023 are:

1. Groceries
2. Clothing, Shoes, & Jewelry
3. Beauty & Personal Care

Current U.S. e-commerce sales have reached $549.4 billion[2] as of Q2 and are expected to reach $1.137 trillion, growing by 9.3% by the end of this year. Although this growth rate may appear slower compared to the rapid expansion witnessed over the past three years, it aligns perfectly with the projections that were in place before the disruptive events of 2020.[3]

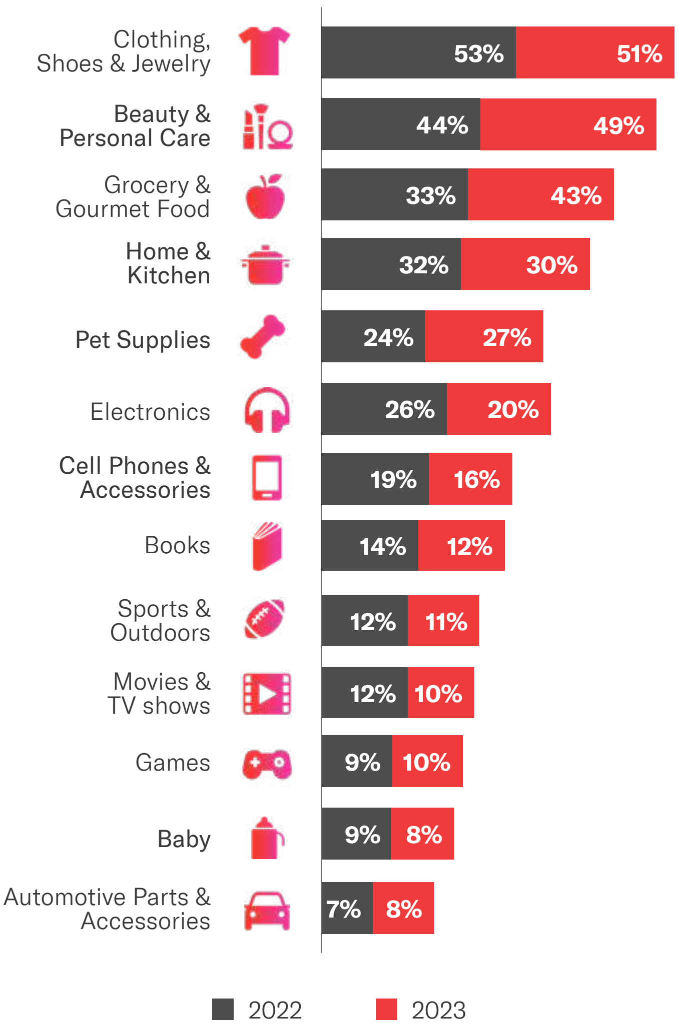
With online purchasing, consumers can avoid waiting in lines, access an almost infinite product selection, and save money on gas by eliminating the need to drive to and from the store. Since hybrid shopping models like buy online, pick up in store (BOPIS) have emerged, consumers can seek the best of both worlds—online convenience and occasional in-store experiences.

This is especially true for grocery sales, as online purchases have risen 10% since 2022. Consumers purchase perishable items weekly, and with the costs of groceries rising 6.3% YoY in July, finding ways to save while still fulfilling your list your shopping list has become a top priority.

Online grocery purchases have seen a significant uptick, with a 10% increase since 2022.

[1] *Adobe Analytics 2023*
[2] *U.S. Census Bureau 2023*
[3] *Insider Intelligence 2023*

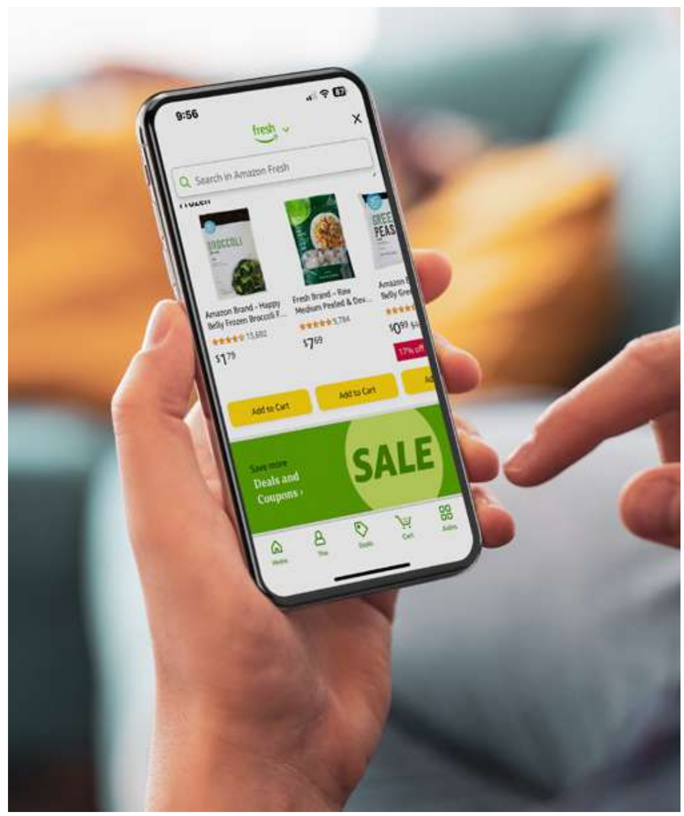
Top Online Purchasing Categories Y-o-Y



35% of consumers say they are purchasing groceries more this year than last.

This is most common among Millennials aged 33 - 40, and Gen X aged 41-49. Drawn to the convenience, flexibility, and pricing transparency, these generations are also more comfortable with digital purchasing and rely on subscription offers to ensure their pantries are stocked.

Since the average four-person household spends around $309 a week on groceries[2], this is a significant portion of these generations monthly budget, highlighting the importance of effective meal planning and budgeting to ensure financial stability and healthy eating habits.



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62%
of consumers prefer mobile purchases, leading to impulse buying

Since the average person checks their phone a total of 352 times per day, it is easy to see how impulse buying can be linked to app purchasing.[1]

Impulse buying or spontaneous purchasing is influenced by three factors:[2]

1. Emotions
2. Marketing tactics
3. Immediate gratification

The average consumer now purchases $151 in impulse buys a month, a number that was much higher before inflation.[3]

Impulse buys are closely linked to "luxury" items rather than necessities, with the top three categories for such purchases being Clothing, Shoes, and Jewelry, followed closely by beauty and personal care, and groceries.

Top 10 Impulse Buy Categories

Clothing, Shoes & Jewelry	39%
Beauty & Personal Care	33%
Grocery & Gourmet Food	32%
Home & Kitchen	16%
Cell Phones & Accessories	16%
Electronics	14%
Pet Supplies	14%
Games	13%
Movies & TV shows	13%
Books	11%

Nearly half (44%) of consumers prefer to purchase through Amazon's mobile app over sitting down and purchasing through a desktop, while a majority of those who shop at Walmart (38%) also prefer Walmart's mobile app over in-store and desktop purchasing.

Furthermore, a resounding **58% of consumers** prefer to conduct product research through their mobile devices, reaffirming the undeniable ascendancy of app-based shopping in the modern consumer landscape.

However, desktop usage is still strong with older generations, especially those in the Silent Generation.

[1] *Peak Behavioral Health 2023*
[2] *Freedom to Ascend 2023*
[3] *Chain Store Age 2023*

App Purchases Now Dominant

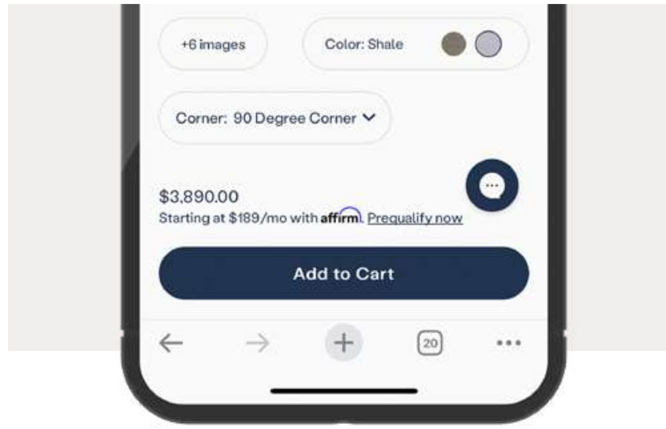
38%
of consumers prefer to make a purchase through an app than any other purchase method

In an effort to stick to budgets and an increased comfortability with innovative purchasing technologies, consumers are now preferring app purchasing over in-store and retailer websites. With options like 360-degree product views that allow them to inspect items from every angle, the ability to virtually try on products, and even make in-game purchases, consumers have no reason to leave the comforts of their couches to make a purchase.

App use has been on the rise, especially among younger generations with Gen Z and Millennials adopting app purchasing more frequently.

App Usage Across Demographics

Millennial	52%
Gen Z	47%
Gen X	39%
Boomer	20%
Silent Generation	17%



Not to mention, app purchases often offer affordable payment structures like Buy Now, Pay Later (BNPL), which has further accentuated the convenience and simplicity of app purchasing.

Still, consumers tend to purchase some categories through apps over others:

The Top 3 Categories Purchased Through Apps

In-App	Online	In-Store
Movies & TV shows 40%	Sports & Outdoors 36%	Grocery & Gourmet Food 62%
Games 36%	Electronics 34%	Baby 54%
Books 31%	Cell Phones & Accessories 32%	Automotive Parts & Accessories 53%

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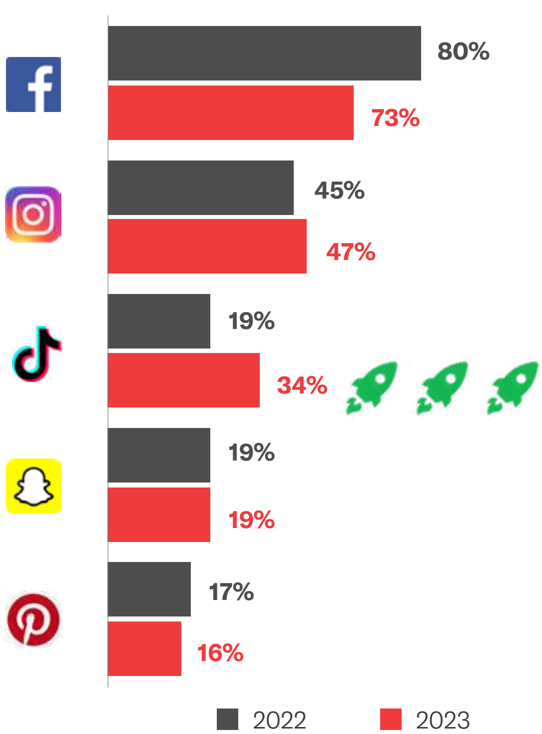
Social Commerce is Losing its Luster, but TikTok is the One to Watch

Social commerce, once hailed as the future of online shopping, is showing signs of losing its shine. Predicted to reach a staggering $79.64 billion in sales on social platforms by 2025, the growth trajectory is encountering some bumps along the way.[1] While the overall amount purchased through social commerce is still on the rise, the pace of growth is slowing, sounding alarms for industry observers.

In 2023, only 28% of consumers reported making a purchase directly from a social media platform, a notable decline from the 41% recorded in 2022.

Social Platforms Consumers Purchase Through



Among the social giants, Facebook retains its top spot as the most popular platform for making purchases, followed closely by Instagram at 48% and newcomer, TikTok at 34%.

In the span of just one year, purchases through TikTok have skyrocketed, rising 79%. This is most likely due to their new feature, TikTok Shop, which they quietly tested for months before officially launching in the U.S. in September 2023.

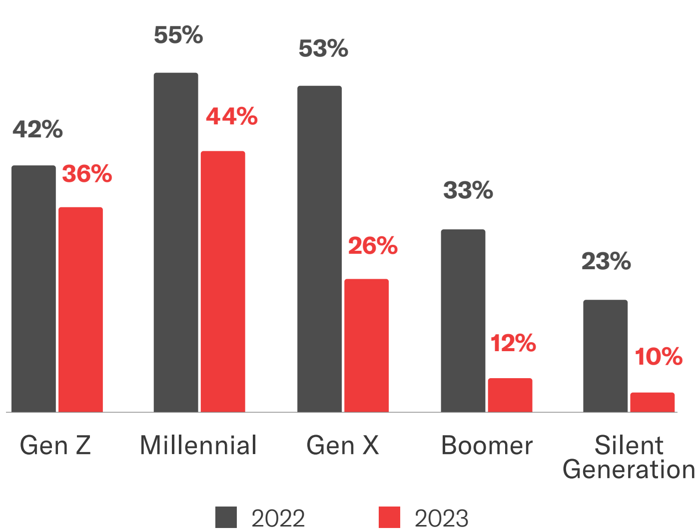
Consumers can now purchase directly from the app rather than leaving to follow a link.

With a user base that now exceeds 1 billion worldwide and 210 million users in the U.S. alone, TikTok's widespread appeal makes it a fertile ground for brands to engage with a diverse audience.[2]

TikTok purchases are on the rise, with the rollout of its latest feature: TikTok Shopping. Consumers can now purchase directly from the app rather than following a link elsewhere.

Not everyone is happy about this latest addition, particularly Amazon, as TikTok discusses whether or not to place a ban on Amazon links.[3] Time will tell if this ban becomes true, while ByteDance, TikTok's creator, continues to experiment with new ways to enter the social commerce field, and gain a larger slice of the U.S. commerce pie.

Social Media Purchases YoY By Demographic



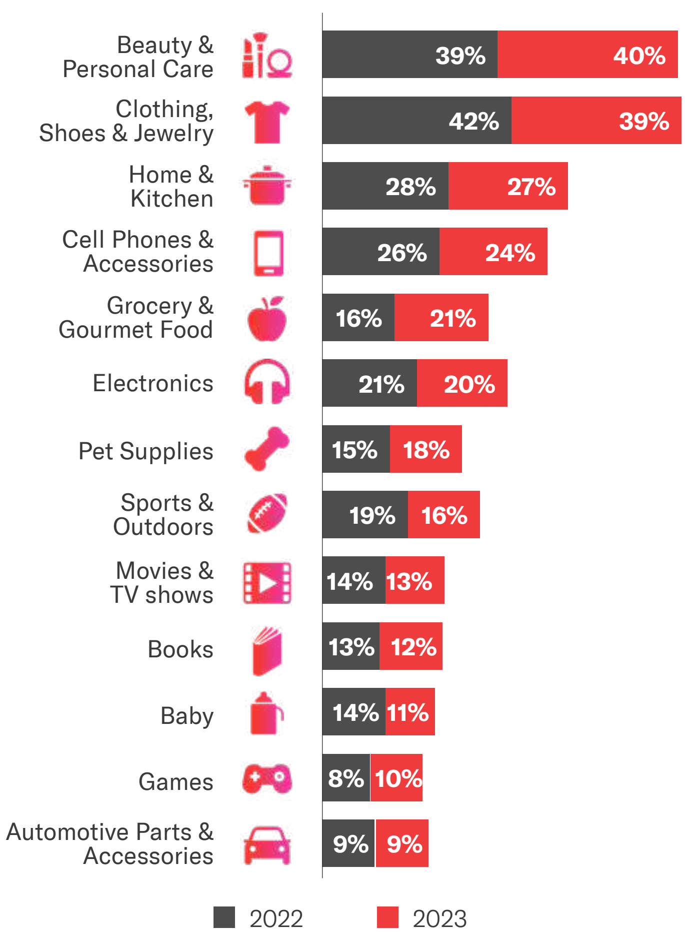
[1] *Insider Intelligence 2023*
[2] *Influencer Marketing Hub 2023*
[3] *Tech Crunch 2023*

40%

of social commerce purchases are made in the Beauty and Personal Care Category

One thing social commerce does well, is aligning product offerings with interests, preferences, and lifestyles of its target market. Meaning, the categories that do well on social, are ones that continue to add value to users, particularly those who have chosen female as their gender, as they make up 54% of all social use.[3] It comes as no surprise that the top social category purchases are those that resonate with female shoppers:

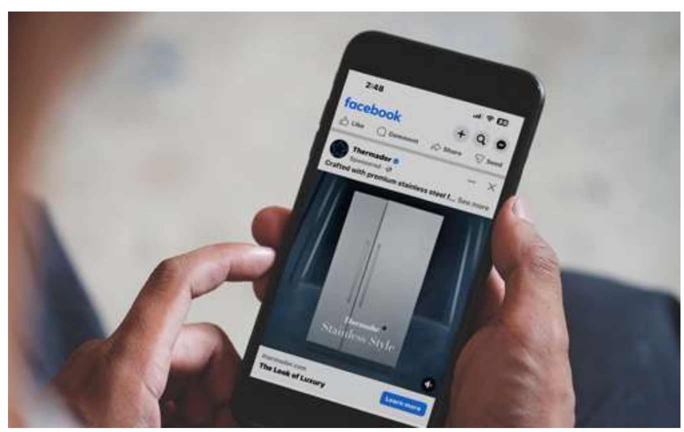
Categories Purchased on Social



Social purchases by demographic do not vary as much as expected, there is only one category anomaly among the youngest generation and the rest:

Top 3 Social Category Purchases by Demographic

Gen Z	Millennials, Gen X, Boomers, and Silent
Beauty & Personal Care	Beauty & Personal Care
Clothing, Shoes & Jewelry	Clothing, Shoes & Jewelry
Cell Phones & Accessories	Home & Kitchen



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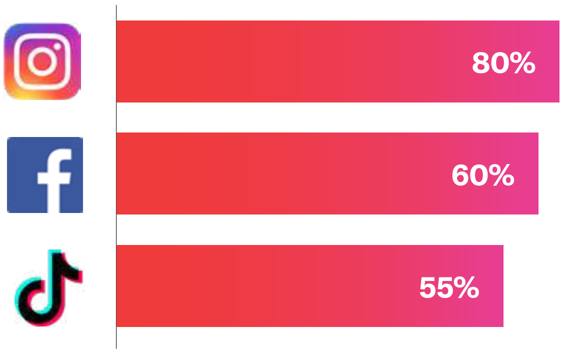
However, the influence of social media influencers, once a driving force behind social commerce, seems to be waning. Only 31% of consumers reported making a purchase after seeing products promoted by influencers. The same is true of Amazon influencers, with 31% of consumers making a purchase this year versus 37% making a purchase last year.

Despite these shifts, certain platforms and categories continue to hold sway in the influencer realm.

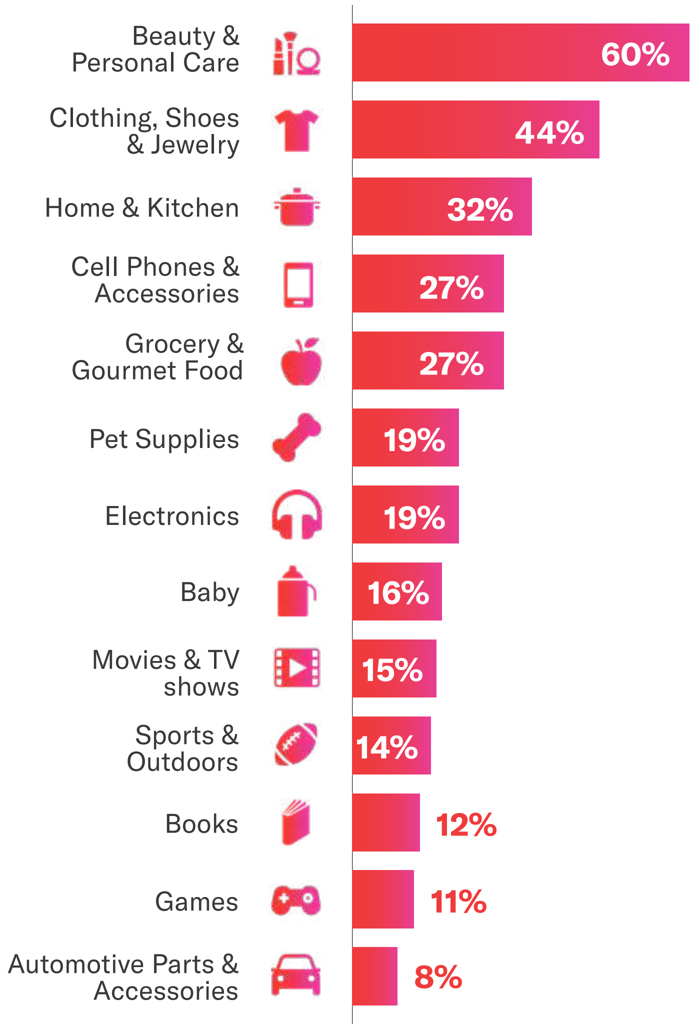
The Dominant Influencer Platforms



Among the categories, Beauty & Personal Care maintains its popularity, with 60% of consumers making purchases after watching an influencer, followed by Clothing, Shoes & Jewelry at 44%, and Home & Kitchen at 32%.

As social commerce evolves, these dynamics are reshaping the landscape, prompting businesses to adapt and rethink their strategies in this ever-changing environment.

Top Influencer Category Purchases



Grabbing Consumer’s Attention: What Ads Resonate?

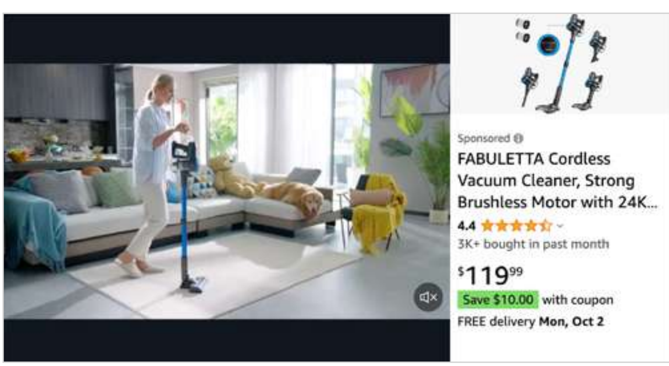
Grabbing Consumer's Attention: What Ads Resonate?

Interactive Ads Attract Consumers

Interactive content sees **52.6% more engagement** than static content.[1]

Interactive content continues to be the most effective advertising content, as its ability to capture attention and foster active engagement with brands surpasses static content. In fact, consumers are increasingly drawn to TV and streaming ads, with 40% acknowledging their impact on TV and 27% on streaming platforms, both showing slight gains from previous years. However, despite heightened visibility, our survey revealed that 49% of consumers resist prompts to visit marketplaces for purchasing.

Because of this, advertisers are now integrating attention-based metrics such as video completes and in-view time to measure ads' effectiveness.[2] These metrics act as a more profound performance indicator than viewability only because they assess whether a consumer saw an ad and whether it grabbed their attention and resonated with them. As a result, advertisers will be able to craft ads that catch attention and prompt action in the hopes that more of them will lead to purchases.



Our survey revealed consumers tend to engage with videos (69%) the most, with audio (61%) and Sponsored Brands (55%) coming in second and third, as indicated by the chart below.

Most Engaging Ads

69%	Video
61%	Audio
55%	Sponsored Brands
54%	Display
53%	Sponsored Product & Livestreaming
52%	Social Ads
48%	Retargeting

Gen X, and Millennial generations that that identify as males, high-earners, and parents are the consumers most likely to engage with video, livestreaming, and audio ad types.

Currently, advertisements featuring sales and discounts are commanding the most attention. These sales-oriented ads have proven to be the **most impactful form of retail media advertising, resonating with 51% of digital shoppers** in the United States who actively pay attention to them.[3]

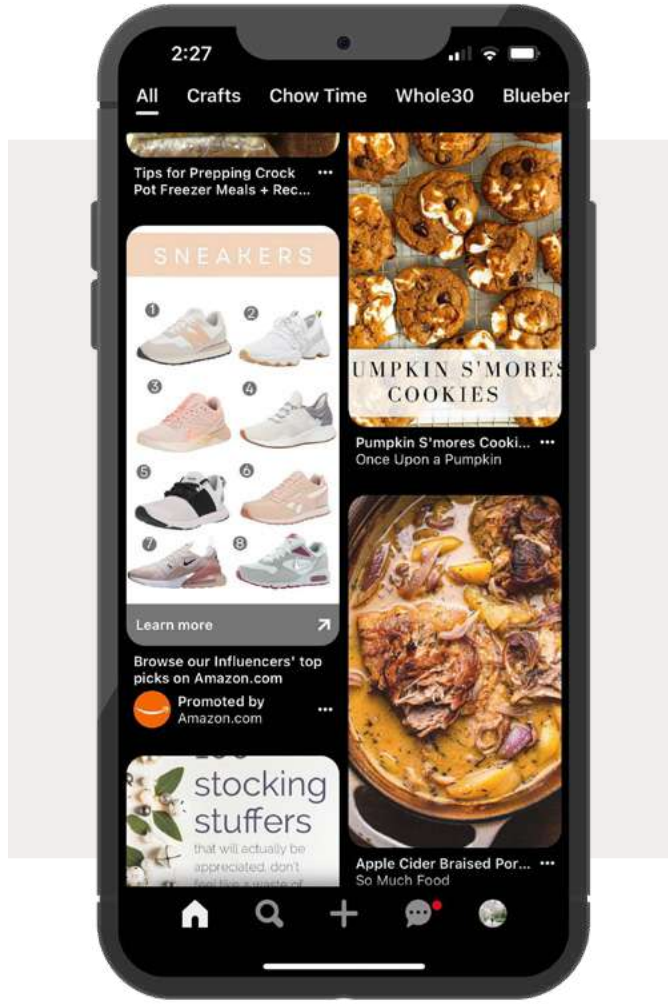
[1] *MediaFly 2022*
[2] *Insider Intelligence 2023*
[3] *Insider Intelligence 2023*

Most Helpful Ads Are Now Videos

Consumers shopping on e-commerce giants Amazon and Walmart find video ads particularly helpful, with 36% on Amazon and 30% on Walmart expressing appreciation for this format.

Likewise, sponsored ads, especially product ads, are evolving, as Amazon now offers off-site placement on premium apps and websites like Pinterest, BuzzFeed, and Hearst Newspapers. These new opportunities offer advertisers access to high-quality audiences with increased brand credibility, as well as contextual relevance and enhanced ad performance.

Walmart is also innovating by pushing into in-store advertising to capitalize on its huge reach and chase growth in higher-margin businesses.[1] Consumers will now see more ads in self-checkout lanes and TVs the blue giant is promoting for sale. While in-store traffic may have waned during the pandemic, it is up nearly 20% compared to pre-pandemic times, making in-store advertising an intelligent move.[2]



[1] *Showing Time 2023*
[2] *Influencer Marketing Hub 2023*

Ads in Search Are Less Noticeable

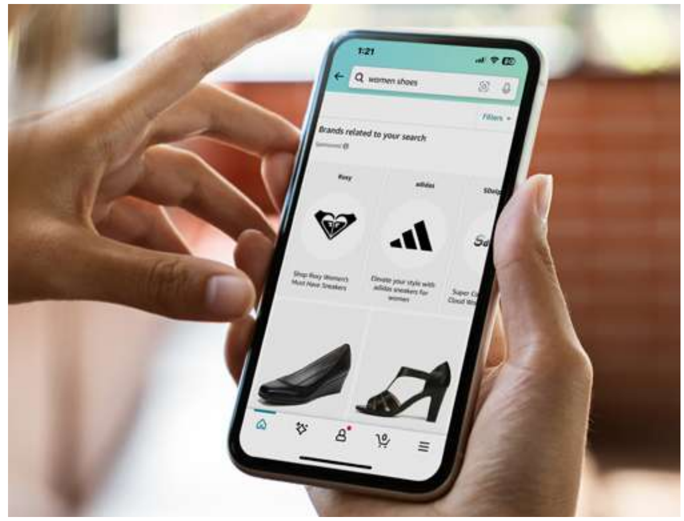
53%

of consumers notice ads on the product search results page, down slightly from 2022

Ads within search results are facing diminished visibility as consumer habits and preferences evolve. Likewise, outside of search, 47% of consumers acknowledge noticing ads on product detail pages, an 11% decrease from 2022. This may be attributed to the constantly changing composition and content on product pages, as well as the fact that price has become the dominant decision factor. If the price is not to their liking, consumers tend to quickly dismiss the ad in favor of a more cost-effective option.

Given the significant rise in the cost of advertising, with the average cost-per-click (CPC) reaching $0.91 on Amazon and $3.50 on Google and Microsoft platforms, advertisers need to be highly selective with their ad content and creative strategies.

These shifts in consumer behavior and increasing advertising costs underscore **the necessity for advertisers to adapt and refine their strategies to remain relevant and competitive** in the ever-evolving world of digital commerce.



56%

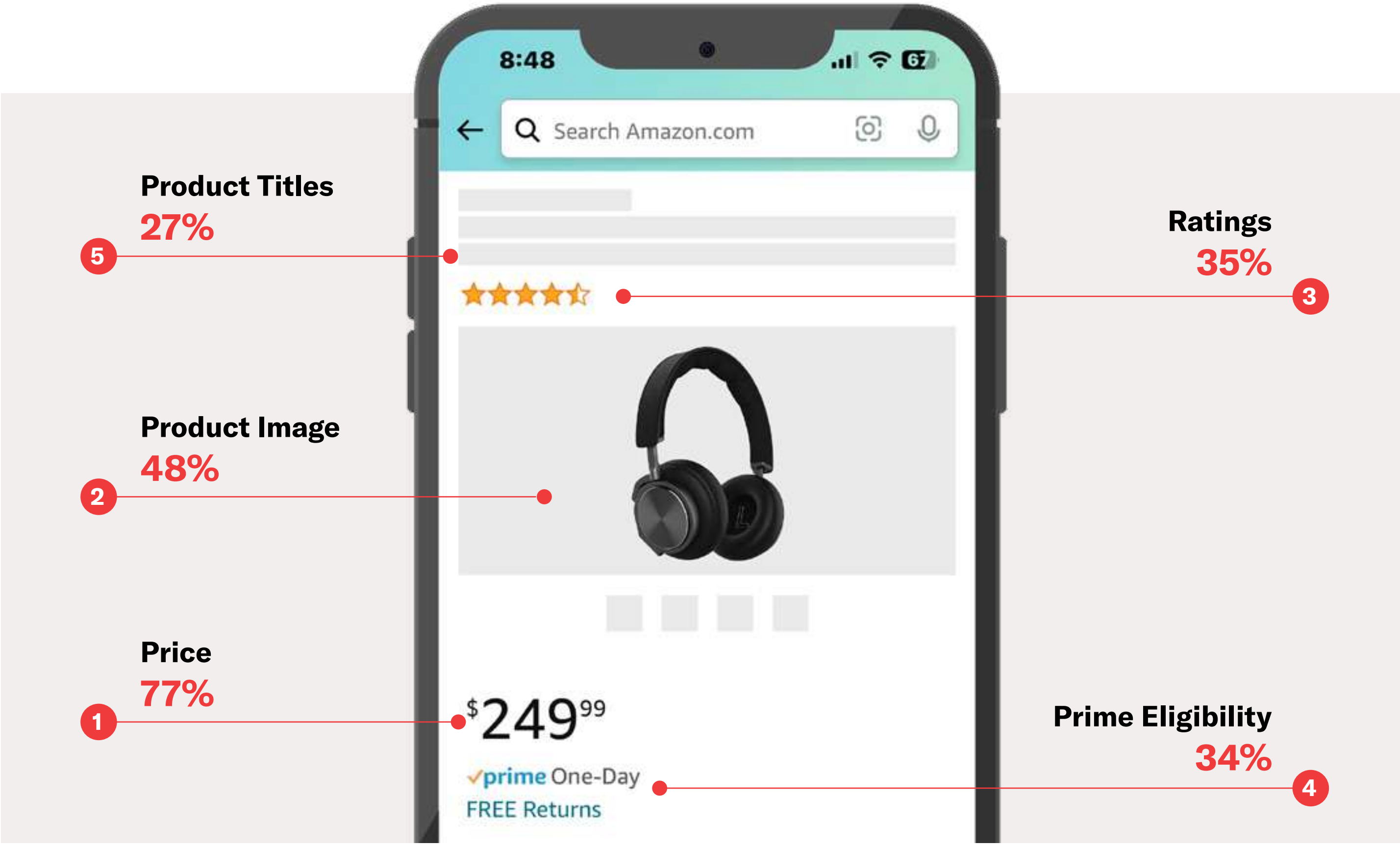
of consumers now scroll to the bottom of the search results page

An even more significant shift can be observed in the behavior of consumers, as 56% now choose to scroll to the bottom of search results, marking a 6% decline from 2022 and continuing the downward trend from 2021.

The modest decrease in engagement may be attributed to a shift towards a more specific and purpose-driven search behavior. Users are now actively browsing with focused intent. The reduced noticeability of ads could also be attributed to the seamless integration of continual content advancements and the introduction of various ad types within the page's organic flow, causing many consumers to simply not see them.

Anatomy of a High-Performing Product Detail Page

Consumers rank the most important factors when making a purchasing decision on a product detail page.



In order to avoid the scroll and grab consumers' attention, specific product details have proven more effective, reinforcing the evolving dynamics of online shopping in a cautious economy:

1. **Price** remains the number one feature consumers look at when purchasing a product, with 77% saying it is vital. This number has jumped **23% since 2022** as more and more consumers look for ways to save.

2. **Image representation** is the second most common element consumers notice. This is especially helpful as consumers look for quality in cheaper- priced products. As more shoppers continue to trade down, how a product looks will continue to matter more and more.

3. **Ratings** are becoming increasingly important as shoppers look for the best value. They are more willing to purchase an item with higher reviews than one that just looks like what they want.

4. **Prime Eligibility** ranks fourth as consumers want to get the most out of what they already pay for, in this case, a Prime subscription. Retailers and brands using Buy With Prime can benefit by prominently displaying this badge.

5. **Product Titles** give shoppers their first indication of what and how product can fit into their lives. Moving up from 6% in 2022, this feature must quickly convey your product's benefits.

Unwrapping Holiday Shopping Trends

Unwrapping Holiday Shopping Trends

2023 Saw the Biggest Prime Day Ever

$12.7B
in total sales this year - the largest in Prime Day history

In the lead-up to Prime Day, retailers across the board were grappling with the shadow of inflation, fearing that it might cast a pall over consumer spending, especially as the latest inflation report indicated a 3% increase from the year before.[1] There were concerns that rising prices and economic uncertainties might deter shoppers from opening their wallets as freely as in previous years.

However, what unfolded was a testament to the resilience of consumer enthusiasm. Despite the economic headwinds, consumers came through on a large scale, seizing the incredible deals and discounts offered during Prime Day and setting a new record with 375 million items sold over the 2-day period.[2]

29% of consumers enthusiastically participated in Prime Day, a slight dip from 2022.

Despite a slight decline in participation from the previous year, Prime Day saw a 6.1% growth in online spending compared to 2022. With an average spend of $54.05 per order,[3] shoppers seized the opportunity to snag incredible deals across various categories.

Top Performing Prime Day Categories

38%	Beauty & Personal Care
33%	Clothing, Shoes, & Jewelry
29%	Home & Kitchen
24%	Grocery & Gourmet Food
23%	Electronics

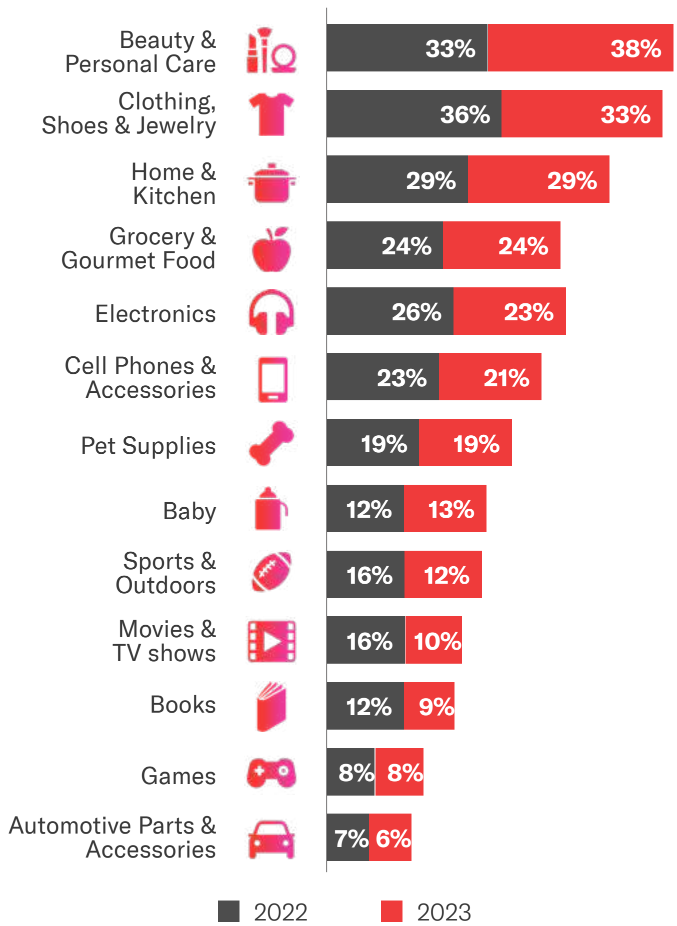
Beauty and Personal Care took the top spot with a 38% share of purchases, followed closely by Clothing, Shoes, and Jewelry at 33%. Home & Kitchen made its mark at 29%, while Grocery & Gourmet Food, rose to 24%, beating Electronics for the first time in several years.

[1] *Bureau of Labor Statistics 2023*
[2] *CNBC 2023*
[3] *Numerator 2023*

Grocery purchases rising above Electronics may be attributed to the fact that a majority of consumers saw Prime Day as an opportunity to replenish their essential goods rather than splurge on luxury items.

This is supported by the slight upticks in purchases within categories like Grocery & Gourmet Food and Baby Products, along with a substantial surge in the acquisition of Beauty & Personal Care products, while Electronics showed a 3% decrease.

Prime Day Category Purchases



Irresistible Discounts and Deals Delight Consumers

Over half (66%) of consumers were extremely or very satisfied with the discounts offered.

Customers across the globe collectively saved more than $2.5 billion on deals,[1] and reported the highest satisfaction rates with discounts in Prime's history. Steep discounts in electronics (peaking at 14% off listed price)[2], apparel (12%), and toys (12%) enticed shoppers.

Prime Day Discounts by Category

Electronics	14%
Apparel	12%
Toys	12%
Home & Furniture	9%
Computers	8%
Appliances	7%
Sporting Goods	6%
TVs	5%

It is highly likely that more deals were taken advantage of this year because Amazon introduced an "invite-only deal alert" program.[3] Prime members could request an invitation to score some of Prime Day's best deals that were expected to sell out ahead of time, increasing the chances they would make a purchase.

[1] *Amazon 2023*
[2] *Adobe 2023*
[3] *Amazon 2023*

2023 Amazon Prime Day Deals Outshine Other Retailers

65%

of shoppers were unaware of other deals besides Prime Day

The month of July is typically a big sale month for retailers, with many holding "Christmas in July" events to compete with Amazon's Prime Day. Like last year, retail giants like Walmart and Target all capitalized on Prime Day's popularity with Walmart+ Week and Target Circle Week, as well as Best Buy, which hosted Black Friday in July.

With a 9% increase in revenues from last year, Prime Day once again outperformed other retailers with more than half of consumers unaware of other retailers' deals.

Other Deals Consumers Shopped During Prime Day

	2022		2023
Unaware of Competing Promotions	59%	↑	64%
Walmart+ Week	24%	↓	22%
Target Circle Week	16%	↓	14%
Best Buy Black Friday in July	11%	↑	13%
Kohl's Sale Days	9%	↓	7%
Home Depot Special Buy of the Day sale	7%	→	7%

Overall, Prime Day shoppers were loyal to Amazon during Prime Day, and only 22% said they made purchases in addition to Amazon at Walmart's Deals for Days event, down slightly year-over-year.

Of those who shopped during Prime Day, 87% were members of Amazon Prime and 73% had been a Prime member for at least one year.[1] Shoppers eagerly anticipated Prime Day, with 97% knowing it was Prime Day prior to shopping because Amazon advertised across its platform, social media, and more.

[1] *Numerator 2023*

Not happy with your Prime Day performance? We can help. Get in touch with us at feedvisor.com/connect

Holiday Shopping Starting Earlier Than Ever

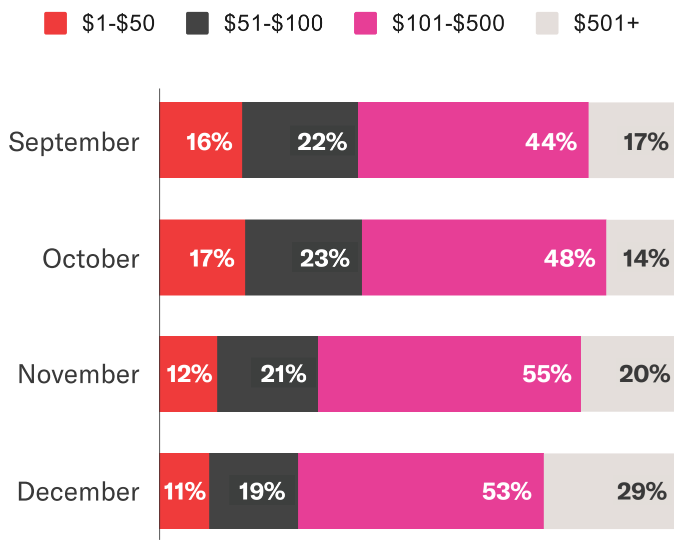
12%
of shoppers used Prime Day to kick off their holiday shopping

The shift towards earlier holiday shopping is becoming more evident each year as consumers seek more ways to save money while budgets tighten. Inventory availability is not as much of an issue this year, as more stores are dealing with excess inventory and offering more deals and discounts in an effort to move product.

Nevertheless, 23% of consumers are now beginning their holiday shopping in September, as opposed to 11% last year. Consumers plan to spend the bulk of their holiday budgets, between $100 - $500 in November.

When Consumers Plan to Spend on Holiday Purchases

How Much Consumers Plan to Spend Online by Month



Holiday spending patterns show distinct motives, with consumers planning their purchases around possible deal times:

	September	October	November	December
	Back-to-School Sales: Amazon, Target, Walmart, eBay, Best Buy	**Amazon - Big Deal Days Target - Circle Week Walmart - Holiday Kickoff**	**Black Friday Cyber Monday**	**Remaining Holiday Deals**
Clothing, Shoes & Jewelry	46%	46%	49%	52%
Beauty & Personal Care	31%	33%	35%	41%
Grocery & Gourmet Food	27%	28%	31%	37%
Electronics	24%	22%	28%	34%
Home & Kitchen	21%	25%	28%	33%

There is a slight uptick in some planned purchases during October, likely due to the anticipated second Prime Day, Big Deal Days, occurring on the 10th and 11th. Amazon saw great success during its first-ever second Prime Day in October 2022, which was dubbed "the herald of holiday shopping".

With deals starting sooner, there are significant implications for the overall holiday shopping landscape. It has transformed the traditional peak demand into a more extended bell curve, no longer confined to the Cyber 5 period. In fact, holiday sales in 2022 saw a subpar increase of 5.3% for November and December combined over the prior period.[1]

Beginning Holiday Shopping Times by Generation

September	October	November
Gen Z	Gen X	Silent Generation
Millennial	Boomer	

[1] *National Retail Federation 2022*

Looking to upgrade your full-funnel approach?
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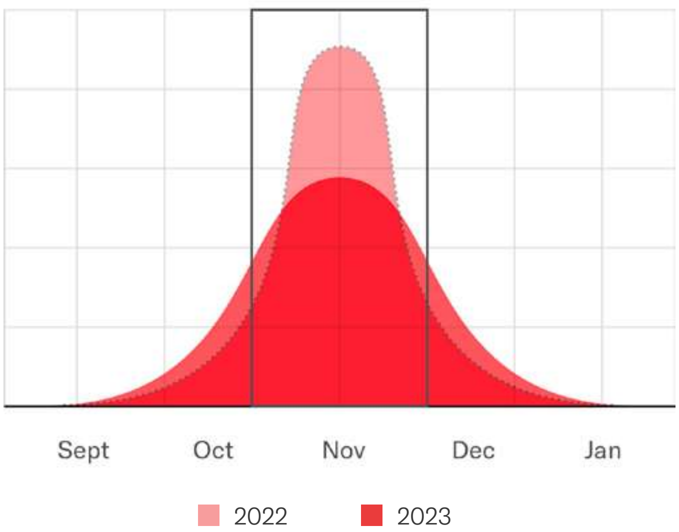
Peak Demand Periods



Holidays With Best Deals

Black Friday	38%
Prime Day	17%
Cyber Monday	14%
Pre-Prime Day	4%
Thanksgiving	4%
Back to School	3%
Prime Early Access Sale (PEAS)	3%
Presidents Day	3%
Small Business Saturday	1%

However, it is essential to note that this does not necessarily indicate a negative outlook for this year's holiday shopping period. Instead, it underscores the need for businesses to plan more meticulously. To navigate this shift in shopping patterns, retailers and brands must ensure that their sales and inventory strategies can sustain the prolonged shopping season. This means sales and promotional strategies must adapt to accommodate the new consumer behavior.

When It Comes to the Best Deals, the Cyber Five Period Remains Unbeatable

Despite holiday shopping starting earlier, consumers still view the holidays as the best time to score deals, with 52% of consumers saying they shop for deals and discounts during Black Friday and Cyber Monday and 72% of consumers saying they wait to make a big purchase until one of these events.

In particular, this year's Cyber 5, or rather, the period between Thanksgiving and Cyber Monday, is proving to be the time when the majority of consumers will make purchases, as 56% of consumers say these are the best times for deals. Yet, it would be remiss to not call out Prime Day's popularity for "best deals" is rising, with a significant 6% bump from last year.

Black Friday continues to dominate as the most popular annual shopping event across all age groups, as 38% of consumers say the best deals are on Black Friday, and 52% claim they will make a purchase on Black Friday. Cyber Monday is still just as important with 29% of consumers also planning to shop on this sales day.

Price Promotions, Coupons, and Deals Win This Holiday Season

Two-thirds of retailers expect consumers to be looking for discounts during peak retail season.[1]

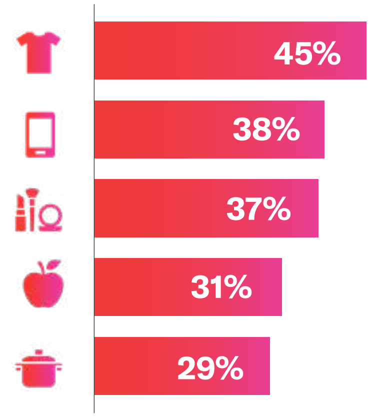
As we approach the holiday season, consumer spending patterns are being shaped by inflation, the resumption of student loans, and stagnant incomes. While inflation has witnessed a significant year-over-year decline, 92% of consumers, especially middle-income consumers, have pulled back on spending.[2] To win shoppers this season, retailers need to get creative with price promotions, coupons, and deals.

Nearly half, or 49%, of consumers have affirmed that price promotions play a pivotal role in influencing their holiday shopping purchases.

This influence is especially pronounced in specific product categories, with Clothing, Shoes, and Jewelry topping the list, followed by Electronics, and Beauty & Personal Care. Even traditionally less discount-driven categories like Grocery and Home & Kitchen are showing heavy influence this year.

[1] CNBC 2023
[2] CNBC 2023

Categories Consumers Would Purchase With Price Promotions



43%
of consumers say coupons and deals determine what and where they buy

Walmart, Best Buy, Gap, Target, Bath & Body Works, and numerous other retailers are ramping up their promotional efforts, slashing prices on merchandise as they seek to entice inflation-weary shoppers into purchasing the surplus goods adorning their shelves.[3]

Coupons and deals wield substantial influence over holiday shopping behaviors, impacting the decisions of 43% of consumers. Notably, these discounts are most persuasive in specific product categories, with Grocery & Gourmet Food leading the charge at 41%, closely followed by Beauty & Personal Care at 38%.

Despite many consumers saying they would limit their clothing purchases, Clothing, Shoes, and Jewelry are swayed by deals, with 35% of consumers influenced, while Home & Kitchen products trail at 25%.

Within this evolving retail landscape, the art of presenting attractive discounts and crafting compelling promotional offers, such as bundling and free gifts with purchases, become indispensable in capturing the attention of budget-conscious shoppers. The key will be to not only entice them to make a purchase but also to feel a sense of added value and satisfaction.

Looking Ahead

In the ever-changing landscape of the economy, retailers and brands must stay attuned to the factors influencing consumer behavior and spending habits. Over the next few months, we anticipate that these five key features will continue to shape the way consumers make purchasing decisions:

- **Inflation-Driven Purchasing:** Inflation will remain a driving force behind consumer spending with price remaining the key decision making factor.
- **Dominance of Smartphone Commerce:** E-commerce will continue to be dominated by smartphone use driving new requirements and approaches for marketers to capitalize on SMS campaigns and more.
- **Visual Platforms' Influence:** Consumer adoption of visual platforms for research and purchase will usher in the next wave of purchasing opportunities.
- **Instant Engagement and Personalization:** Consumers now seek instant engagement and personalized experiences.
- **Video and Livestreaming Surge:** Witnessing an unprecedented rise in popularity, video and livestreaming will be golden opportunities for brands and merchants to reach new audiences, foster engagement and encourage purchasing.
- **Generational Appeal, Especially Gen Z:** Tailoring offerings to different generations, notably Gen Z, will be a priority.

Stay tuned for a deeper dive into these predictions next month when we launch our Behavior Trends Shaping E-Commerce for 2024 report.

While the future of consumer behavior promises to be shaped by a dynamic interplay of evolving trends, successfully navigating this future demands the same agility and adaptability that businesses have shown in the past. The only significant change is a heightened need for businesses to empathize with consumers facing financial challenges. Embracing these shifts presents opportunities for innovation, growth, and the development of enduring relationships with an even more diverse range of shoppers.