

HELLO



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## Context.

This provides a POV on Consumers as we head into the holiday season.

In 2020, Empower fielded a similar study (actually almost exactly the same for the first 10 questions), and discovered the mix of fear and hope that consumers had as they looked towards celebrating in the midst of the pandemic. That report, dubbed the X-Factor, helped illuminate opportunities for brands and marketers as they faced that fourth quarter.

In 2021, we have fielded that same study, with an extra question or two at the end, to help understand how consumers feel this year (and we can use 2020 as an all-important benchmark).

This year, things look different, yes, but good different.  
Vividly bright and exuding positivity and warmth.

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Empower

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Q4 Study



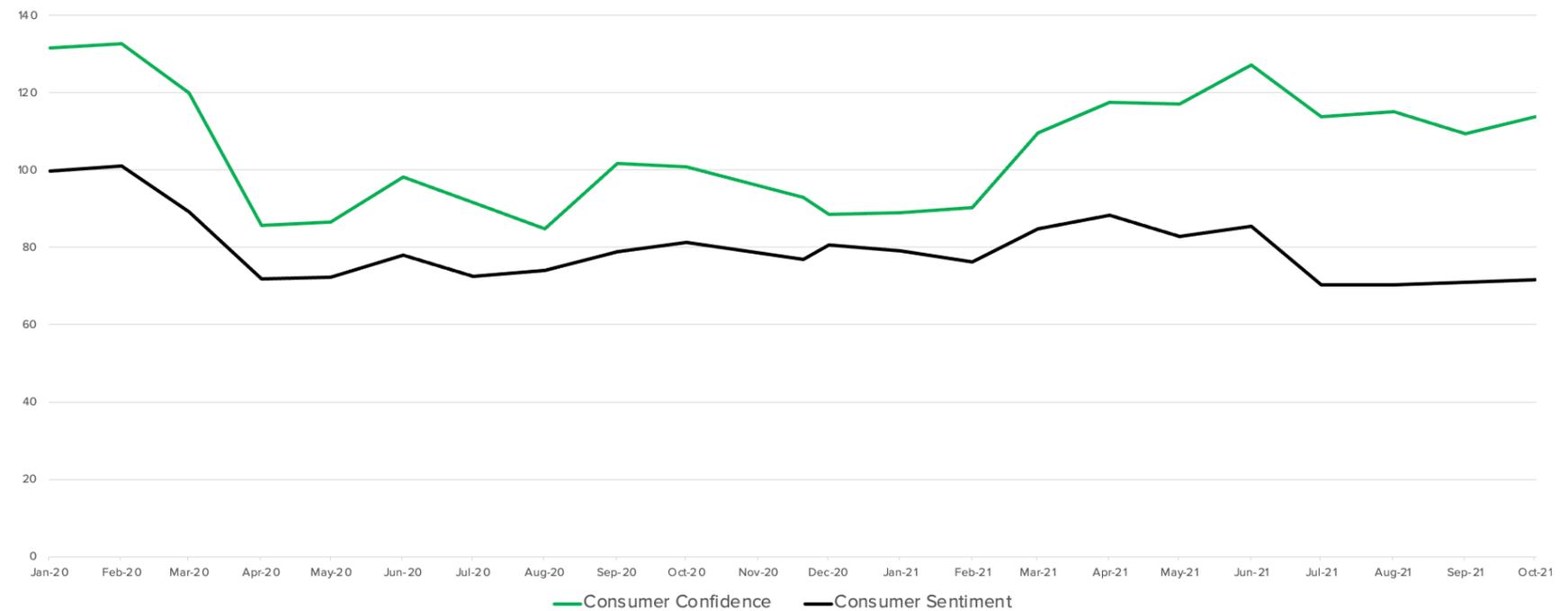
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Set the Stage.



October's Consumer Confidence edged upward, reversing the 3-month downward trend as the concerns about Delta variant seem to have eased.

### Consumer Confidence and Consumer Sentiment January 2020 - Present

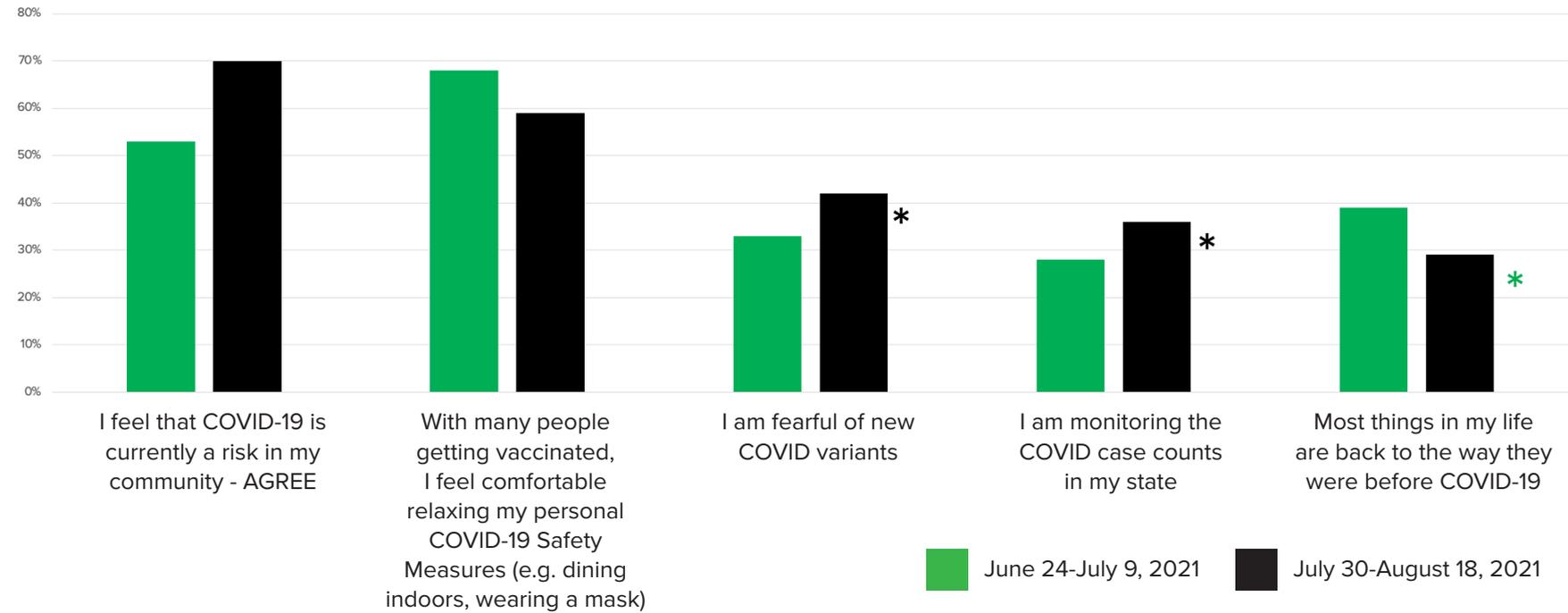


Source: Conference Board, Consumer Confidence Index, October 26, 2021; Consumer Sentiment, October 29, 2021



The impact of Delta on consumers is well noted, and supported.

### Changing concerns and attitudes of consumers from June 24-July 9 to July 30-August 18, 2021

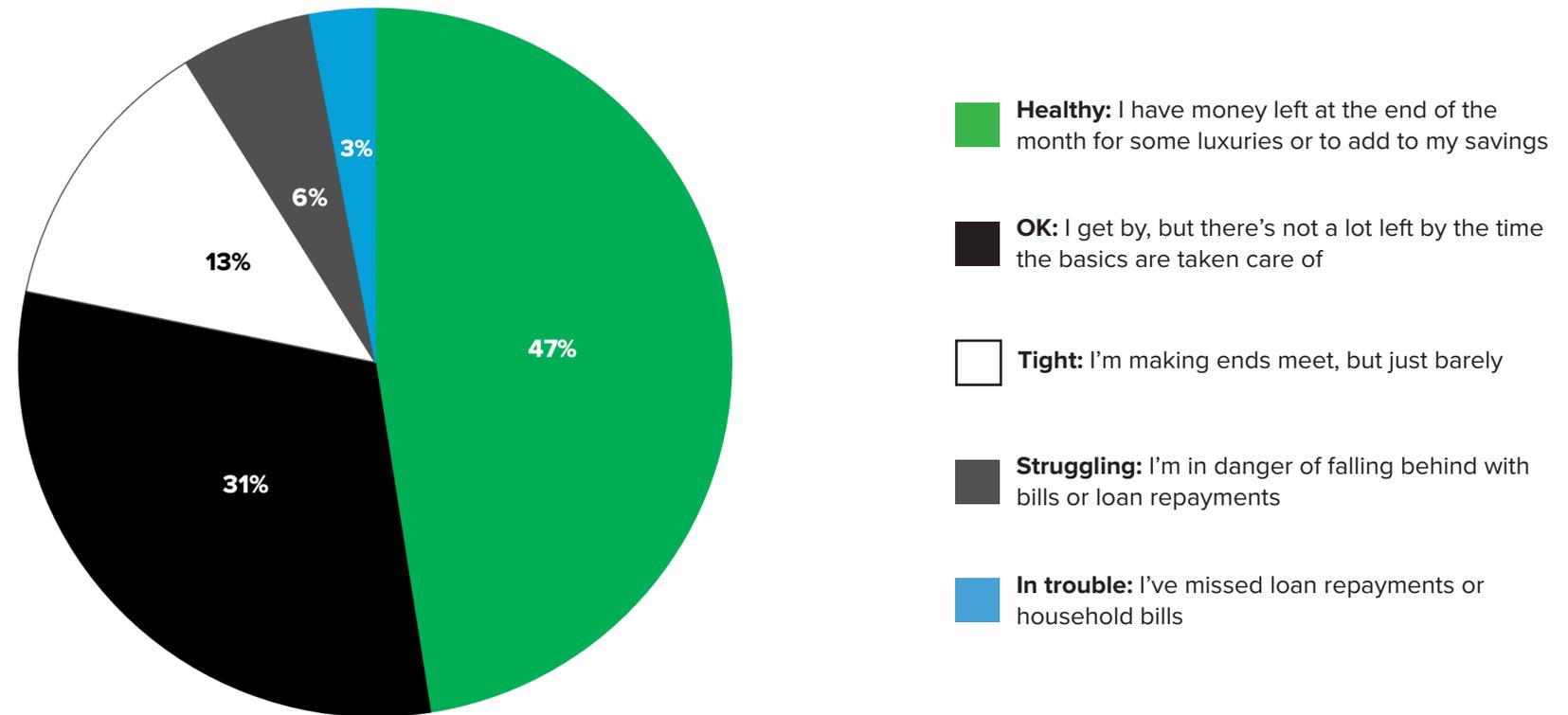


Source: Mintel, COVID-19 Tracker, June 24-July 9, 2021 and July 30-August 18, 2021; \* highest since April, 2020\*; \*lowest it's been since April, 2020  
And a special Thank You to our Mintel partner who hasn't yet published this data, but gave us this advance preview.



Consumers don't feel great about their own personal financials: 50%+ of consumers "Get by" to being "In trouble," while 47% are "Healthy."

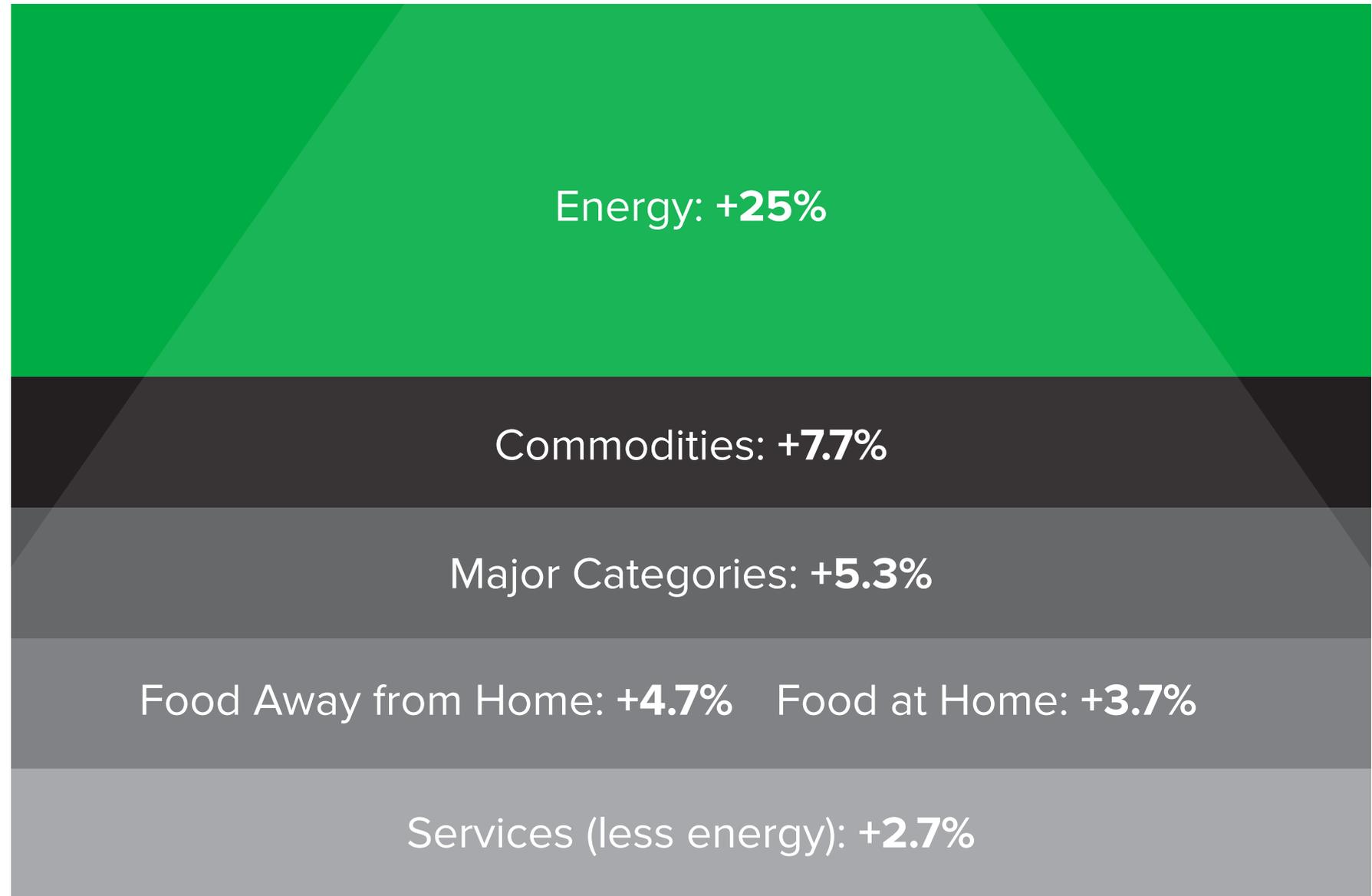
Financial Health, September, 2021



Source: Mintel, COVID-19 Tracker, August 26 - September 9, 2021; "How would you generally describe your financial situation at the moment?", 18+ Internet Users, n=2,000

Other economic indicators, like inflation, only add to the woes. Prices for everyday essentials, including food, seem to keep rising (and rose another 5.4% in September).

This is noteworthy, considering the Federal Reserve cites 2% or a bit below as an acceptable Inflation rate, although there is no such thing as a formal Inflation target.



Source: U. S. Bureau of Labor and Statistics, Consumer Price Index (CPI), 12-month percentage change, select categories, August, 2021



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Is there hope on the horizon? Consumers expect inflation to continue into the next year (a record high since 2013).



And the government is working on the shipping delays to help temper inflation sooner.

## Biden Tries to Tame Inflation by Having LA Port Open 24/7

President Joe Biden has announced a deal to expand operations at the Port of Los Angeles in hopes of ending the logjam of ships waiting to unload.

By [Associated Press](#) | Oct. 13, 2021, at 10:33 p.m.

POLITICS

### There's a backlog at U.S. ports. Here's how Biden hopes to get you your goods, faster

Updated October 13, 2021 · 3:52 PM ET  
Heard on [Morning Edition](#)

 [FRANCO ORDOÑEZ](#)    [BRIAN NAYLOR](#) 

### FACT SHEET: Biden-Harris Administration Announces Supply Chain Disruptions Task Force to Address Short-Term Supply Chain Discontinuities



Experts have differing opinions on 2022 but consensus seems to indicate moderate growth (expected after a record year, tbh). The numbers right now support that growth.

Increased freedom to work from home has put a premium on space, which led many consumers to the suburbs (versus having the shorter commute and living downtown).

In the Q2, 2021, the median existing-home sales price rose to **\$375,000, a 16% increase** from Q2, 2020.

The average rate on a 30-year fixed mortgage is **3.01%**.

On a 15-year fixed mortgage, the average rate is **2.28%**.

Lower rates translate into more affordability for homebuyers as it decreases monthly interest payments, as well as provides an opportunity to refinance homes with cash-out equity. The extra cash can fuel buyers to upsize, search for a new home or remodel.

Home ownership rates increased to **65.8% in 2020**, a ten-year high. Robust economic stimulus packages, plus a seemingly “quick” economic rebound put many consumers in a better financial position than pre-pandemic.

YOY prices for homes were higher in 182 of 183 metro areas. Prices rose more than **10% in 94%** of those markets. The typical home in June, 2021, was on the market for **17 days**.



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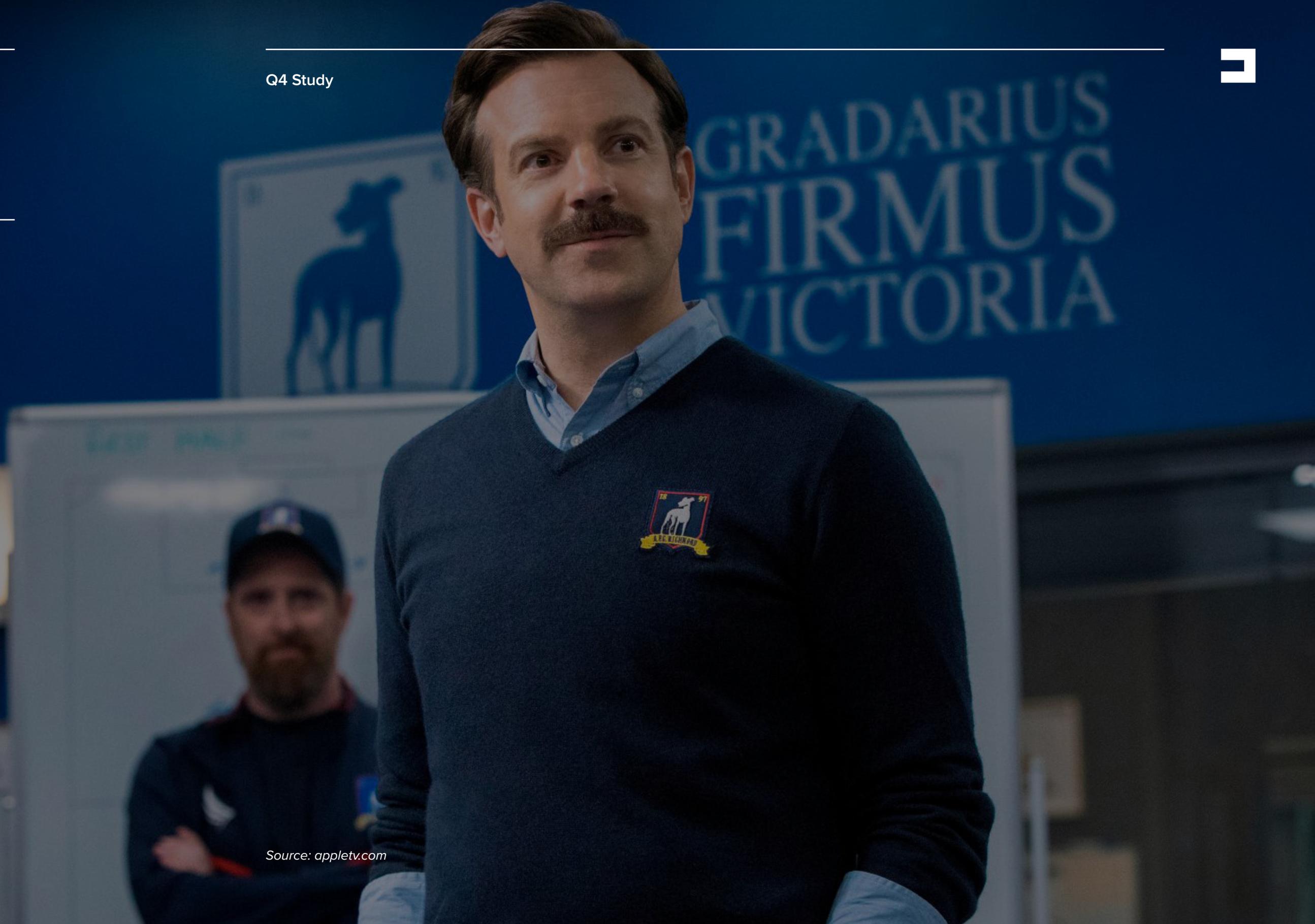
Why this  
matters:

“People are much more short-term focused and they reflect much more on their short-term experience, you know, when they go to the grocery store or the gas station.”

- *Economist, Connel Fullenkamp, Duke University*



This all sounds like bad news. But we know today's consumers are pivoting and adjusting constantly. This points towards a need for a closer look. Right now.





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Empower Pulse  
Check Q4, 2021:

## The Real Meaning of the Holidays

*An of-the-moment qualitative  
review with US consumers*

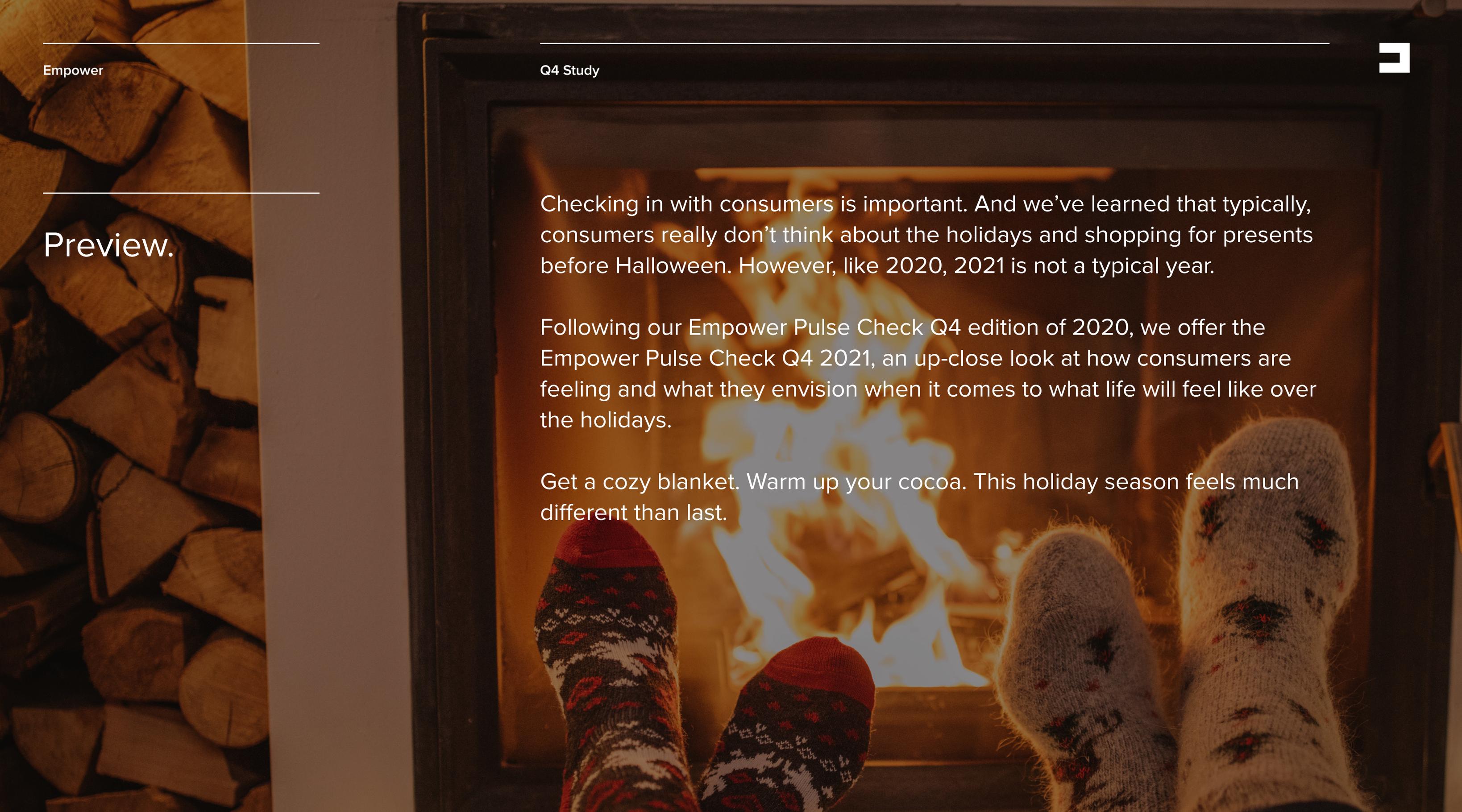


## Preview.

Checking in with consumers is important. And we've learned that typically, consumers really don't think about the holidays and shopping for presents before Halloween. However, like 2020, 2021 is not a typical year.

Following our Empower Pulse Check Q4 edition of 2020, we offer the Empower Pulse Check Q4 2021, an up-close look at how consumers are feeling and what they envision when it comes to what life will feel like over the holidays.

Get a cozy blanket. Warm up your cocoa. This holiday season feels much different than last.





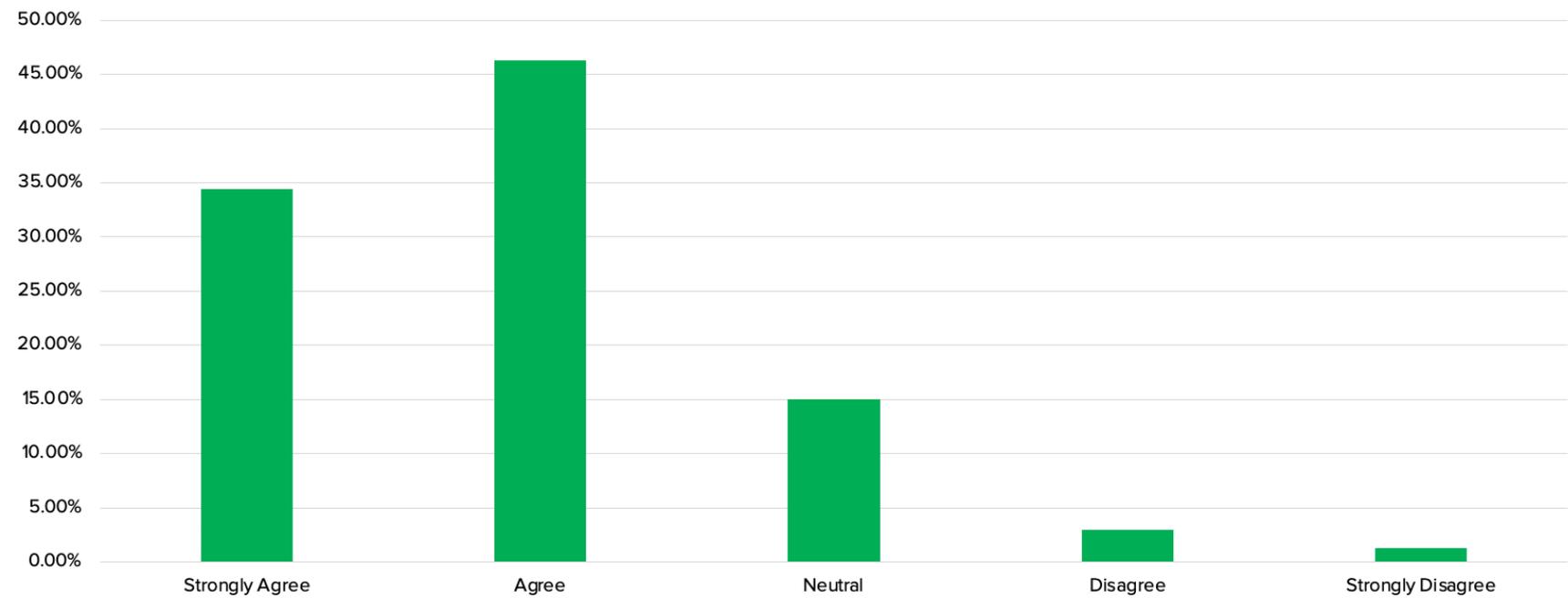
3 Observations  
about Consumers  
as Q4 is upon us.

1. This holiday will be LIT.
2. Shopping is upon us.
3. Food matters, but maybe less of it than we'd expect.



Right from the start, the participants in this study indicate 81% agreement with their “enjoyment of the holidays,” which may serve as a positive indication of what’s to come.

Agreement with the statement, “I typically enjoy the holiday season”



Sources Empower 2021, Q4 Consumer Study, Q.3 “Please rate your agreement to the following statement: I typically enjoy the holiday season.”: N=160, October 4, 2021



The vision for the holidays connotes a completely satisfying, idyllic state

dinner immediate music room snow fire lots opens gifts gifts  
decorations shopping presents work watching  
decorating together extended family food  
good holiday Spending time family family  
lots food Christmas None friends spend trees

Source: Empower Q4 Consumer Study, Q. 4, "When you look towards the 2021 Holidays, what words or images come to mind? Please describe the scene you are imagining, who is with you, what you are doing and where you are. Please be as descriptive as possible" N=160, October 4, 2021



Family, together moments, decorating, coziness and even “holiday smells” conjure a saturated, sensorial image of the holidays. Truly idyllic, and fully expressed.

Enjoying time with my college age children and family- decorating, baking cookies and shopping	With family in family room laughing and having good time	Family, warmth, relaxation, vacation. Time off from work, fireplace and candles burning, sitting under a blanket with family.	Family. Parents. Sisters with their families. Trees, lights. More lights. Food. Gifts. Music.
Being together with my family around the tree. Cooking, eating, and drinking together. Watching my son’s face light up when he opens presents.	Parties, wholesome feelings, a bit of FOMO, time off from work, lots of food, laughing, merriment	Festive lights, holiday smells, presents, family	Would love to be with my family and enjoy christmas tree, wonderful food,a fire in the fireplace and conviviality all around.
I am at home with friends or family, lots of food and drinks, and holiday decorations.	Big thanksgiving meal at my aunts house with the extended family and lots and lots of delicious food!	Xmas morning: Living room is decorated. I’m with my family and my pets. Breakfast is cooking. Smiles. Cameras/videos being taken.	

Source: Empower Q4 Consumer Study, Q. 4, “When you look towards the 2021 Holidays, what words or images come to mind? Please describe the scene you are imagining, who is with you, what you are doing and where you are. Please be as descriptive as possible” N=160, October 4, 2021



“Family, holiday celebrations. Decorating the house. The smell of fall and then transitioning into the smells of Christmas. Warm food gathered with friends and family.”

*Source: Empower Q4 Consumer Study, Q. 4, “When you look towards the 2021 Holidays, what words or images come to mind? Please describe the scene you are imagining, who is with you, what you are doing and where you are. Please be as descriptive as possible” N=160, October 4, 2021; image: Unsplash, Chad Madden*

The accompanying emotions are positive, with some of the typical holiday stuff.



**RELAXED**

Excited, we're all vaccinated so we can be together  
Hopeful, Grateful  
Hope and joy.

**ANXIOUS**

My parents can drive me nuts.



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The defining part  
of that positivity?  
Time with others.

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Being together  
with my family  
around the  
tree. Cooking,  
eating, and  
drinking  
together.  
Watching  
my son's face  
light up when  
he opens  
presents.

Parties,  
wholesome  
feelings, a  
bit of FOMO,  
time off from  
work, lots of  
food, laughing,  
merriment.

Festive lights,  
holiday smells,  
presents,  
family.

Would love  
to be with  
my family and  
enjoy christmas  
tree, wonderful  
food, a fire in  
the fireplace  
and conviviality  
all around.



In fact, family is mentioned most of all, more than 3 times the mentions of the word holiday itself. And more than 50% more mentions than 2020's study.

Word	Number of mentions
<b>Family</b>	<b>75</b>
Holiday	21
Christmas	20
Food	15
Friends	13
Together	11
Trees	11
Decorating	10
Lights	10



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This (almost universal) positivity stands in stark contrast to 2020's X-Factor report, which brought to life the conflict between worry and hope for the holidays.

Thankful, happy, loving,  
relieved, excitement,  
grateful, hopeful, love, joy

Loneliness, scared, worried,  
anxious, conflicted, dread,  
uneasy, apprehensive

What does this mean for you?



The get-togethers, the friends, the positive associations (and really, a much smaller set of negative associations) points towards an uplifting holiday season, with the traditional holiday cheer.

That said, the uncertainty of the economy may inhibit some spending as stocks and news rise and fall. Promotions or sales early to grab excited shoppers who wish to save and avoid hassles may prove to be helpful for all. In the end, though, it feels almost certain that sales will be increased from 2020.



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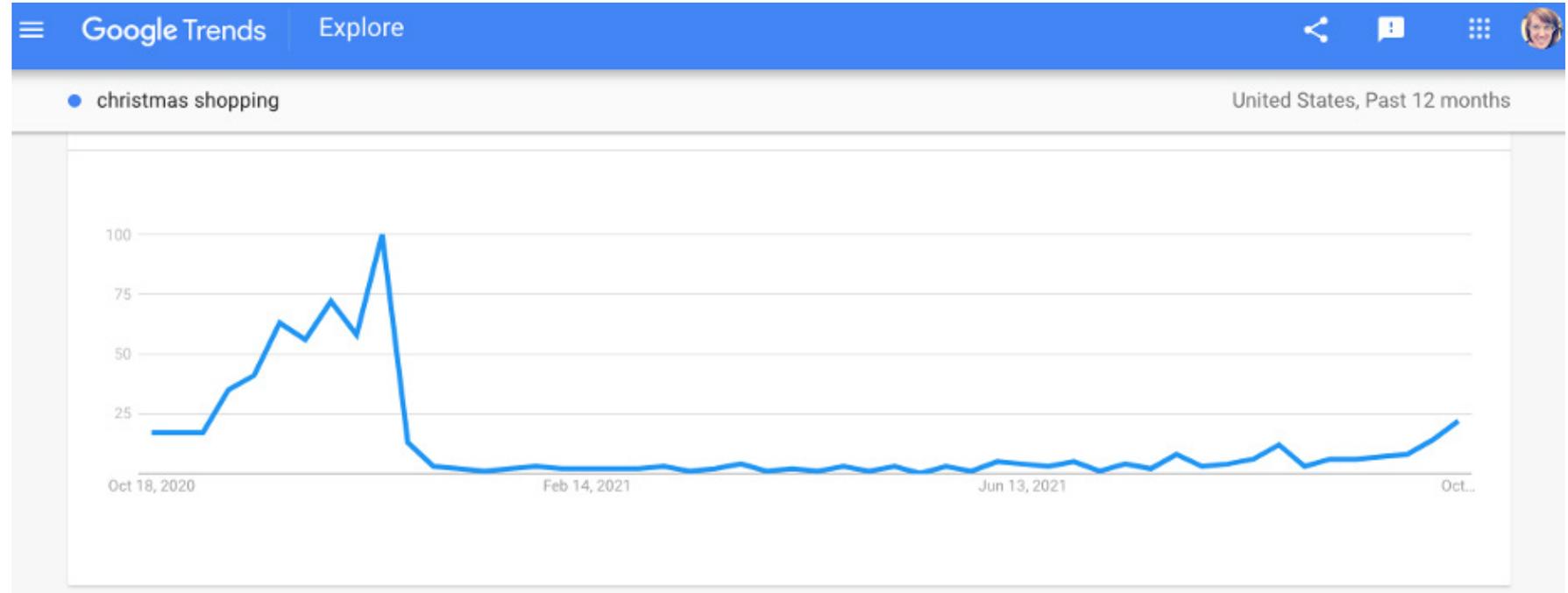
Shopping for the holidays: The time is upon us.



In the list of key words, Presents and Gifts were some of the mentions, although only 18 of the mentions.

Word	Number of mentions
Family	75
Holiday	21
Christmas	20
Food	15
Friends	13
Together	11
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Lights	10
<b>Presents / Gifts</b>	<b>18</b>

So far, though, participants are ahead of the shopping game. Today's search is already trending 5 points higher than last year.



eMarketer predicts a retail sales increase of 9% YoY and higher ecommerce sales during Thanksgiving, Black Friday and Cyber Monday vs. 2020. Cyber Monday is expected to be the biggest online spending day in US history once again.

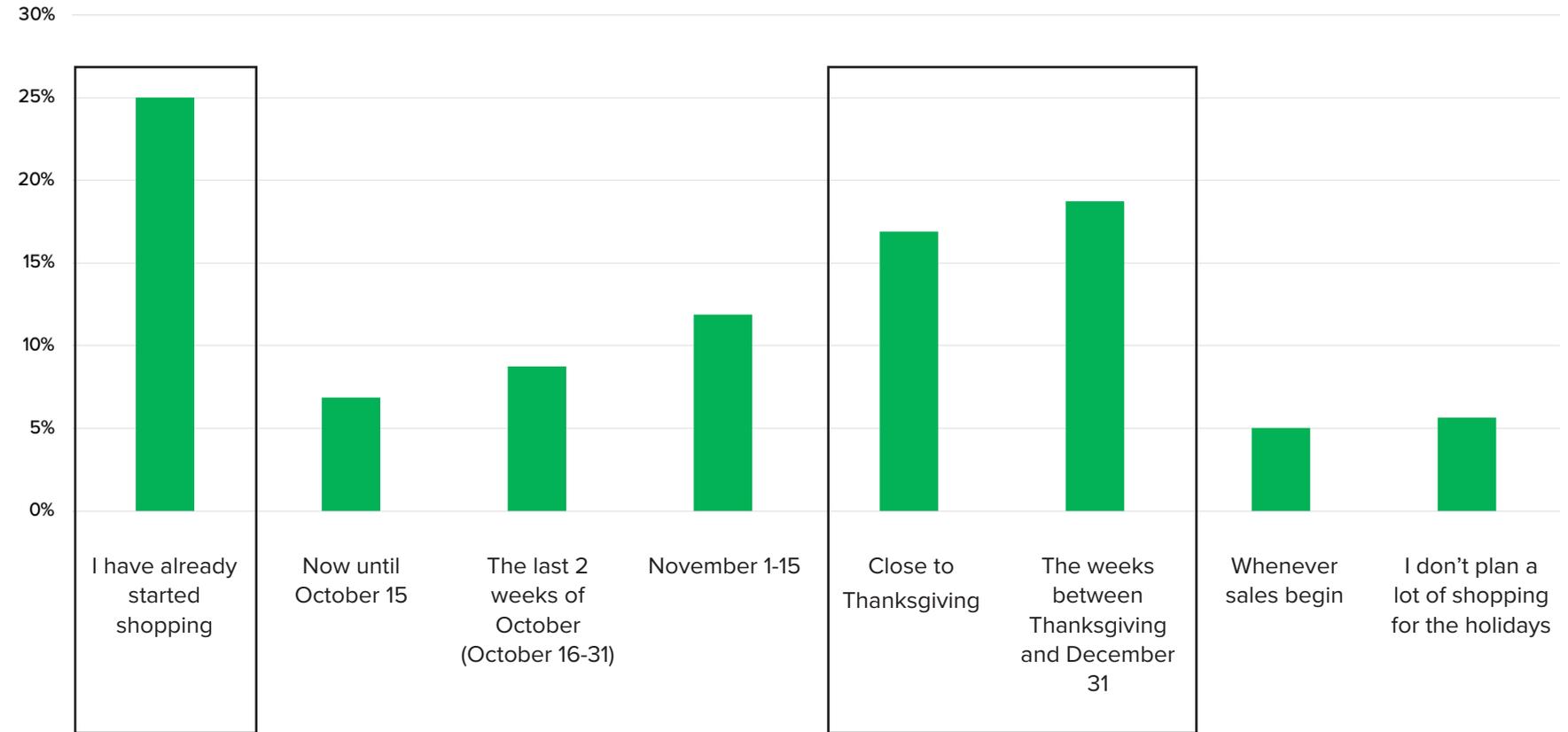


Ecommerce Sales Prediction (vs. 2020)	
Thanksgiving	+21%
Black Friday	+16%
Cyber Monday	+12%



Seemingly, they'll continue to shop until they can't.

### When do you expect to begin shopping for the holidays?

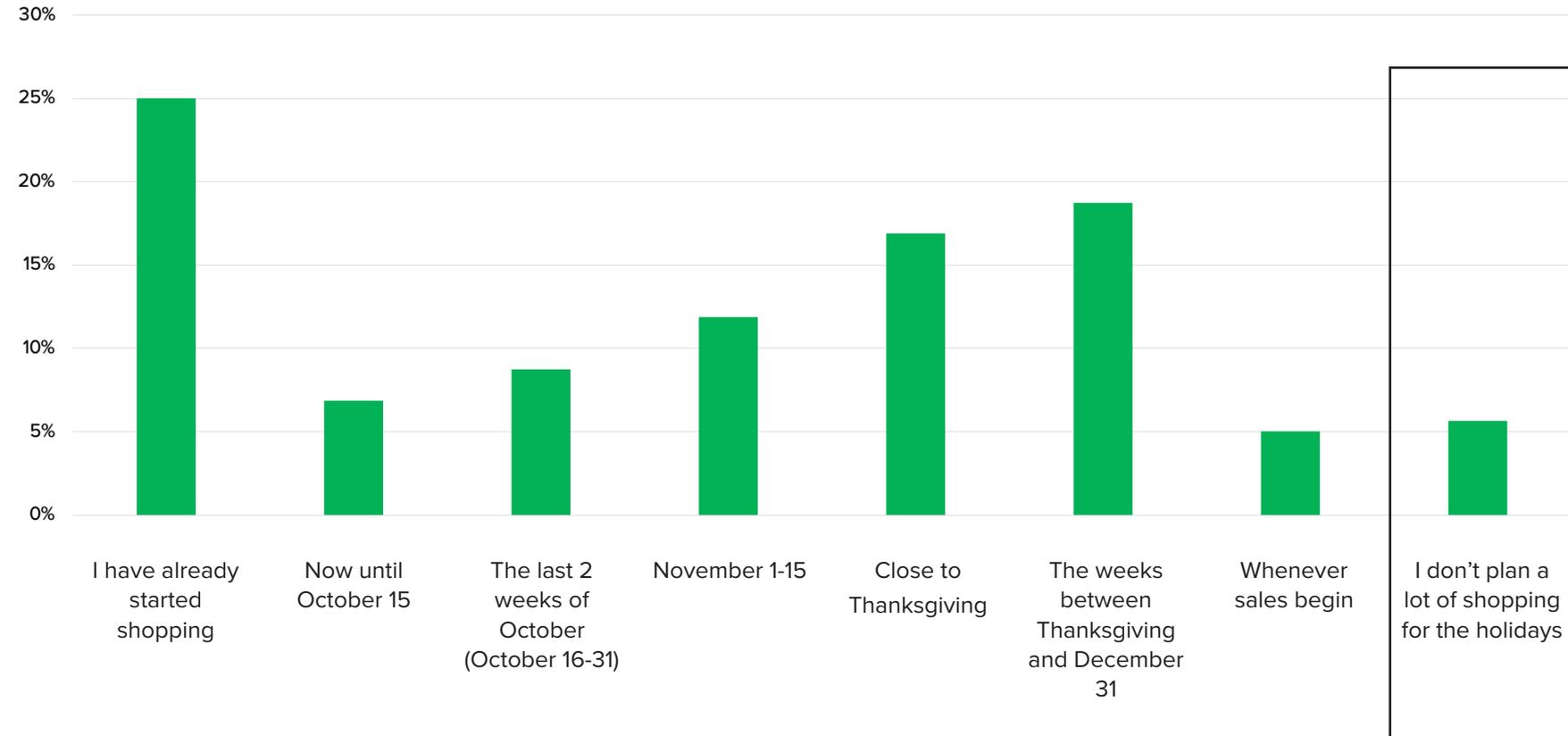


Source: Empower Q4 Consumer Study, Q. 7, "When do you expect to begin shopping for the holidays?" N=160, October 4, 2021



A remarkable few don't plan on shopping, about 6%. In 2020, that was 15% of participants. While Qualitative, this points towards a more positive inclination in 2021.

### When do you expect to begin shopping for the holidays?



Source: Empower Q4 Consumer Study, Q. 7, "When do you expect to begin shopping for the holidays?" N=160, October 4, 2021



With the positive views towards the holidays it's not a surprise that participants expect to not only shop, but they expect to shop in-store.

78.75% of participants say

**YES**

They plan on shopping in stores for the holidays.



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And, when asked  
if participants had  
any concerns, 47  
participants said...

**NO**

This points towards feeling safe /  
comfortable with shopping more and more.



News about the supply chain is giving some participants pause. This is a new area of research to this study, one that we hadn't explored in 2020.



Source: Empower Q4 Consumer Study, Q. 10, "Do you have any concerns about the holiday season this year? Please explain." N=160, October 4, 2021



Could the supply chain woes be enough to help support already eager consumers to shop in-store?



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Indicated Actions.

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Q4 Study



Shopping sooner, more get-togethers and more categories shopped adds up to increased spend across a range of categories. Also, is there a chance that more parties means more FOMO (aka more Social)?

This also provides context as to what consumers are looking forward to when they do shop. Seemingly, impulse items, eye-catching displays and more can only help consumers as they shop for gifts etc.

The parties and get-togethers reinforce the importance of home, as consumers find a way to celebrate in their own quintessential ways. Scent, holiday décor, and more sprucing up seem imminent.



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Food matters.  
But it may be less  
of a focus than  
years past.



As we shared in our 2020 report, Food is closely associated with the iconic elements of the holiday. It is truly something to look forward to.



Food is just one part, but an important part, of the visions for Holidays 2021. Whether it's being cooked, baked, enjoyed, or shared.

Enjoying time with my college age children and family- decorating, baking cookies and shopping.	With family in family room laughing and having good time.	Family, warmth, relaxation, vacation. Time off from work, fireplace and candles burning, sitting under a blanket with family.	Family. Parents. Sisters with their families. Trees, lights. More lights. Food. Gifts. Music.
Being together with my family around the tree. Cooking, eating, and drinking together. Watching my son's face light up when he opens presents.	Parties, wholesome feelings, a bit of FOMO, time off from work, lots of food, laughing, merriment.	Festive lights, holiday smells, presents, family.	Would love to be with my family and enjoy christmas tree, wonderful food,a fire in the fireplace and conviviality all around.
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Groceries are one of the top products to shop in-store for, along with clothing, gifts/presents, household items and toys. Conjures up lots of celebrations with others.

Types of products participants will shop in-store for



Source: Empower Q4 Consumer Study, Q. 9, "What types of products do you imagine you will shop in-store for? Please check all that apply" N=160, October 4, 2021



Unlike last year, food isn't the star of the show as much. Family, friends and those quintessential moments seem stronger.

Word	Number of Mentions
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Holiday	21
Christmas	20
<b>Food</b>	<b>15</b>
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“Family, holiday celebrations. Decorating the house. The smell of fall and then transitioning into the smells of Christmas. Warm food gathered with friends and family.”

It’s almost as though food is part of creating that warmth and that sensorial experience—but not “center of the plate” if you will.

*Source: Empower Q4 Consumer Study, Q. 4, “When you look towards the 2021 Holidays, what words or images come to mind? Please describe the scene you are imagining, who is with you, what you are doing and where you are. Please be as descriptive as possible” N=160, October 4, 2021*

Interestingly, not one participant mentioned supplies related to groceries as a concern, even with recent headlines.



## Grocery store shelves aren't going back to normal this year



By [Nathaniel Meyersohn](#), CNN Business  
Updated 9:01 AM ET, Sun October 10, 2021

NEWS

## Why experts say you need to plan your menu ahead this Thanksgiving

"Holiday food shopping this year will be more challenging than ever," one industry analyst said.

LIFE

## Here Are the Groceries You Might Be Missing On Store Shelves

OCTOBER 14, 2021 – 9:34 AM – 0 COMMENTS

**thrillist**

NEWS • SHORTAGES

## More Food Shortages Are Coming This Fall

You might have to get a little creative with your Thanksgiving menu.

By [Megan Schaltegger](#) Published on 10/1/2021 at 5:07 PM



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Remember what  
we said about  
consumers?

“People are much more short-term focused  
and they reflect much more on their short-term  
experience, you know, when they go to the  
grocery store or the gas station.”

*Economist, Connel Fullenkamp, Duke University*

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Empower

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What does this  
mean for you?

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Q4 Study



Food, as always, has the power of connectivity and bringing people together. And while it may not be center of the plate, it is still a part of the warmth and conviviality of the holidays.

Looking ahead, grocery stores should continue to see the growth, albeit at a slower pace perhaps, as supplies see some shortages.



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## In Summary.

We anticipate Consumers will likely rally in Q4, spending as much as last year, and likely more, as they start shopping sooner and celebrating more than 2020, and maybe even more than years prior.

Recognition that there may be starts and stops, as COVID cases fall or rise, should be planned for. In those cases, that steady cadence is important, as things can, as we all know now, change quickly.



**THANKS**