



2022 Peak Season Report

**Insights from the 2022
holiday season to help
grow your business.**



Post-peak 2022 insights that matter to your business

To help drive growth for your business, FedEx has put together key takeaways from the last holiday peak season. We created this report by analyzing industry data to determine what impacted shopping during the season. Here you'll see the results along with suggestions for taking action and applying these insights.

Let's make the next holiday season the best one yet for your business.



FedEx worked with C Space to survey consumers and small and medium-sized businesses regarding the holiday shopping season; these results are shared throughout the report.



INTRODUCING FEDEX E-COMMERCE SPECIALIST INSIGHTS

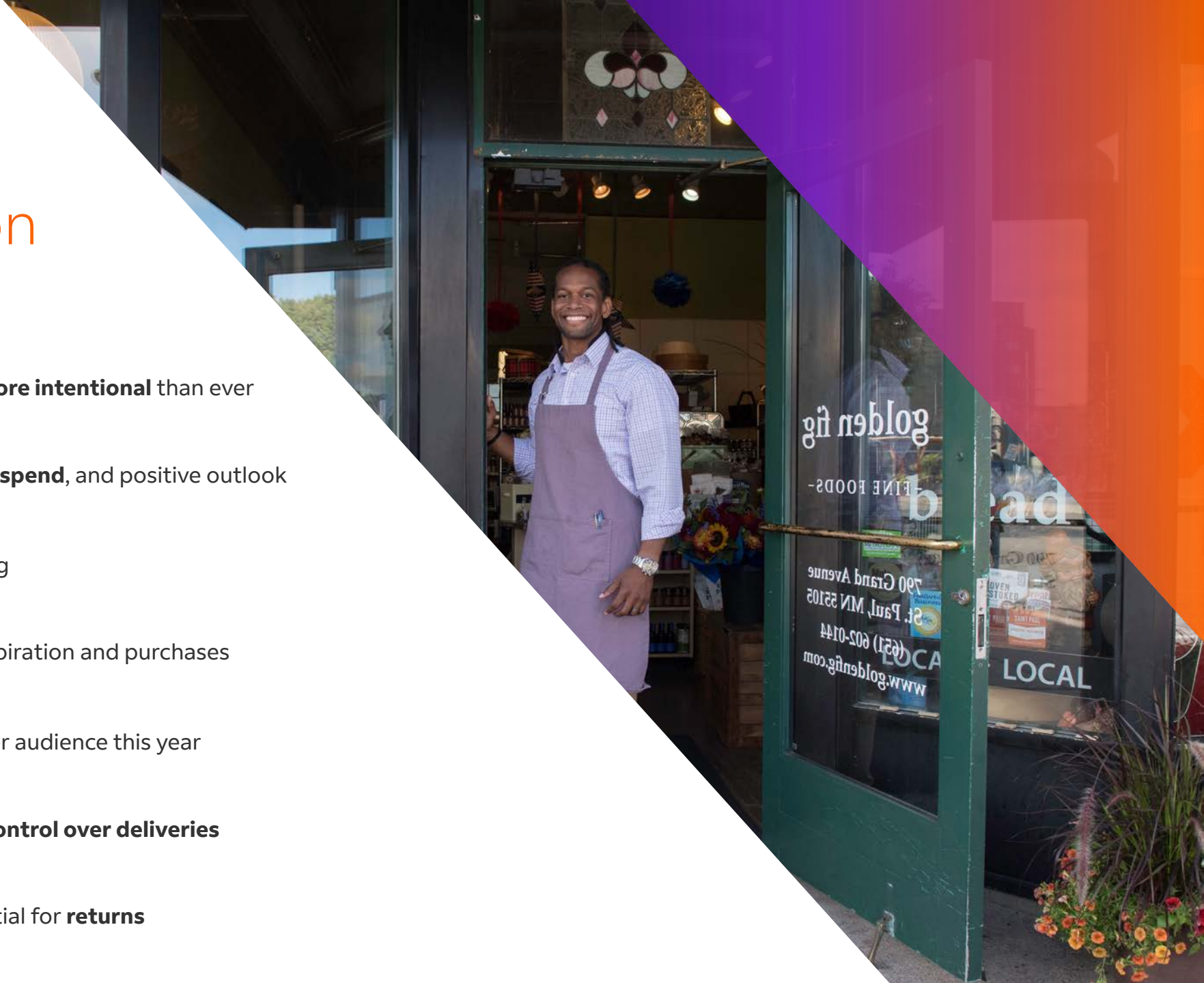
Look for this icon throughout the report for insights on online retail from our **E-Commerce Specialists**. [Visit our resources section](#) for more information about how this team of digitally savvy marketing experts can support your business.



Key takeaways from the 2022 holiday peak season

Click on a topic below to jump to that section.

- 1 Economic uncertainty made **shoppers more intentional** than ever
- 2 New highs for number of shoppers, **total spend**, and positive outlook
- 3 The **holiday shopping timeline** is evolving
- 4 **Social media** was more of a go-to for inspiration and purchases
- 5 “**Buy Now, Pay Later**” appealed to a wider audience this year
- 6 Customers continued to demand more **control over deliveries**
- 7 Increased sales brought increased potential for **returns**



Economic uncertainty made shoppers more intentional than ever

INTENTIONAL
SHOPPING

SURVEY RESULTS

55%

of shoppers said deals and discounts were very important to them this holiday season—the percentage increased to **66%** among millennial and Gen Z shoppers.¹



Rising prices strained wallets.

The Consumer Price Index was up **6.5%** overall for 2022.²



People were more worried about affordability.

67% of Americans worried about being able to purchase items they wanted due to inflation.³



Shoppers switched retailers, or items, to get a deal.

44% would only purchase an item if it was on sale and **43%** would switch retailers if the item wasn't on sale.⁴



Value was key, more than ever.

Shoppers were more likely to make lists, set budgets, track deals, compare prices, and give fewer gifts overall.⁵

What shoppers said about the 2022 peak season

INTENTIONAL
SHOPPING



“ I directly shipped more things before Christmas because of shipping delay concerns and things out of stock.

– Consumer

”

“I shopped at more stores to get the best deals to save money instead of going to the most convenient one.”

“I didn't have as much money as I did last year.”

“I spent less and was more focused on what I really need versus what I want.”

“Fewer but more thoughtful gifts.”

“I did more in-person this year due to stores being reopened.”

“I couldn't find certain things.”

TAKE ACTION

E-commerce retailers can support intentional shoppers by finding opportunities to reinforce added value such as calling attention to product quality, “Buy Now, Pay Later” (BNPL) payment options, and exclusive discounts.

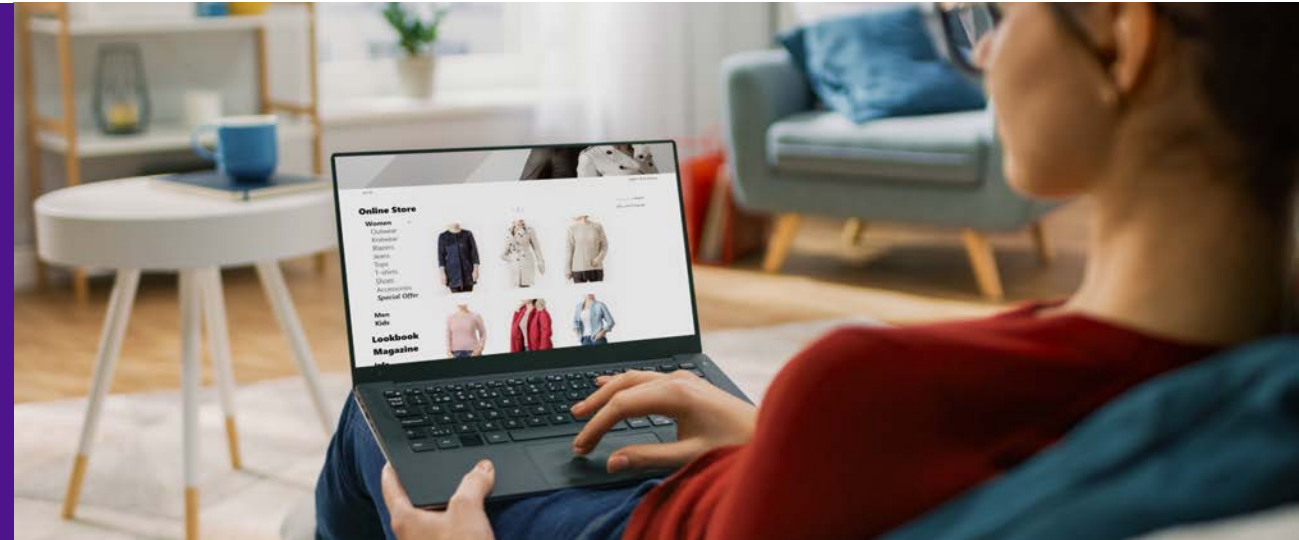
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New highs for number of shoppers,
total spend, and positive outlook

NEW HIGHS



Cyber Monday was the biggest shopping
day of the season—and the year.



\$211.7B

in total e-commerce sales, a new high, from November 1
through December 31, 2022 (a 3.5% year-over-year increase)⁶

+21%

positive outlook over 2021 among low- and medium-
income shoppers despite economic concerns⁷

6. “2022 Holiday Shopping Trends & Insights Report,” Adobe Analytics, January 2023

7. “US holiday shopping 2022: 'Tis the season to be (cautiously) optimistic,” McKinsey & Company, October 21, 2022

Fast facts about Cyber Week 2022



Total sales reached a new high and outpaced inflation, driven by net-new demand.

196.7M

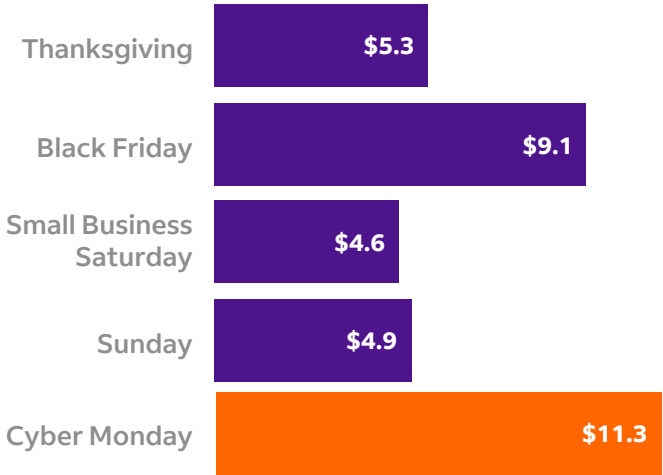
The record-breaking number of online and in-store shoppers over Thanksgiving weekend; +17 million shoppers and +9.4% year-over-year.⁸

\$35.3B

Online sales; +4% from 2021’s down year and +2.65% from 2020’s record-breaking year.⁹

Cyber Week 2022 sales by the day

2022 e-commerce sales by day, in \$billions^{10, 11}



8. “A record-setting 196.7 million US consumers shopped over the Cyber Five,” Insider Intelligence, November 29, 2022
9. “Record 196.7 Million Consumers Shop Over Thanksgiving Holiday Weekend,” National Retail Federation, November 29, 2022
10. “Strategy Insights: The 2022 Cyber 5 Report,” Digital Commerce 360, December 2022
11. “2022 Holiday Shopping Trends & Insights Report,” Adobe Analytics, January 2023

Cyber Week: What kept sales strong?

NEW HIGHS



1

Higher discounts

The average discount increased to 21% in 2022 versus 19% in 2021 and peaked around 30% over Cyber Week¹²

2

Earlier shopping events

such as Amazon's second Prime Day and Target Deal Days¹²

3

"Buy Now, Pay Later"

financing options to maximize spending power¹²

4

Willingness to splurge

on quality, convenience, or more meaningful gifts¹²

5

Pent-up demand

for in-person experiences and traveling¹²



TAKE ACTION

Consider surveys and social listening to uncover opportunities in areas like products, promotions, and content.

3

The holiday shopping timeline is evolving

EARLY SHOPPING



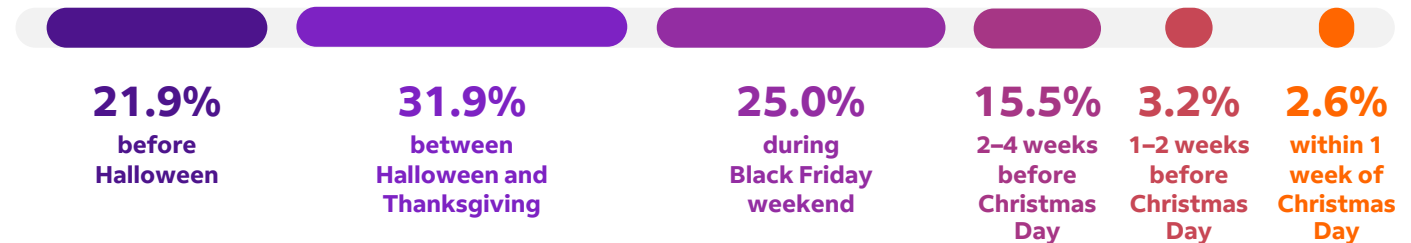
SURVEY RESULTS

28%

of our shoppers started their holiday shopping earlier in 2022—among millennial and Gen Z, 50% shopped early, nearly double the average.¹³

More than half of shoppers started before Thanksgiving and more than 20% started before Halloween.¹⁴

In 2022, peak shopping (i.e., holiday shopping) started earlier¹⁴



16% of consumers now shop year-round for holiday gifts.¹⁵

Why did shoppers start earlier in 2022?

EARLY SHOPPING



49%

capitalized on early holiday promotions¹⁶

55%

were worried about items going out of stock¹⁶

60%

wanted to ensure gifts arrived on time¹⁶

60%

wanted to spread out their gift-shopping budget¹⁷



FEDEX E-COMMERCE SPECIALIST INSIGHT

Historical inventory trends relative to promotional sales and competitor promotions can offer useful perspectives when forecasting and preparing for this year's peak season.

TAKE ACTION

Consider how to utilize promotions, like discounts or free shipping, to attract customers—and help them plan ahead for when they can get the best deals from you via your marketing communications.

16. C Space x FedEx Post-Peak 2022 Survey

17. "Holiday 2022 by the Numbers," National Retail Federation, December 2022

4

Social media was more of a go-to for inspiration and purchases

SHOP SOCIAL



SURVEY RESULTS

63%

of millennial and Gen Z consumers used social to stay informed about retailer promotions during the 2022 holiday shopping season.¹⁸



36% of consumers made a purchase from a retailer's social, **+8%** YOY, with greater interest and adoption from millennial and Gen Z consumers.¹⁹

Channels that led the pack for social shopping:²⁰



Facebook
62%
of buyers



Instagram
40%
of buyers



TikTok
23%
of buyers

Social buying power

Millennials and Gen Z are increasing their buying power year over year. Now is the time for businesses to leverage content marketing strategies to drive overall engagement and brand awareness through social media channels.

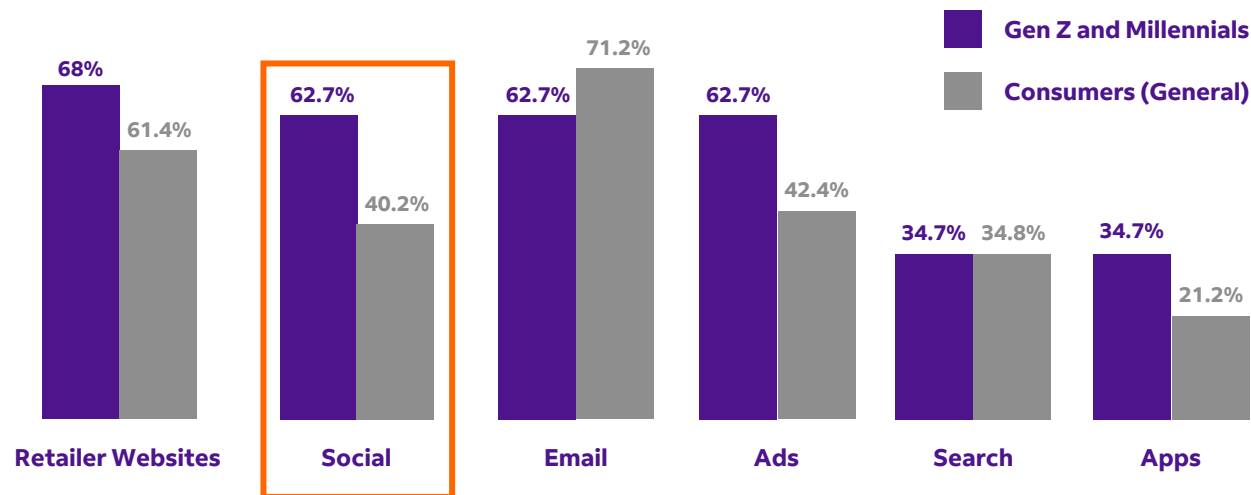
Who shopped on social platforms?

Younger generations led the way in social commerce during the 2022 season.

SHOP SOCIAL



How shoppers found the best deals.²¹



Gen Z and millennials honorable mention: Store signage, blogs, discount aggregators

Consumers (General) honorable mention: Discount aggregators, TV/news, SMS/text, store signage



FEDEX E-COMMERCE SPECIALIST INSIGHT

Retailers who invest in social media strategies while focusing some of their efforts on paid search, UX/UI design, organic search, and well-crafted email campaigns could yield sustained growth.

TAKE ACTION

Audit your store traffic to determine which channels are pulling in the most customers for you. Explore new channels, like social media, to help boost visibility. Test out different types of content to better connect with your customer base.

5

“Buy Now, Pay Later” appealed to a wider audience this year

“BUY NOW, PAY LATER”



SURVEY RESULTS

Why shoppers chose to use BNPL services this season:²²

Multi-select question, answers don't add up to 100%

88%

To spread out payments

50%

Interest free

25%

I didn't have enough money to cover the full cost

17%

Less hesitation to buy

22: C Space x FedEx Post-Peak 2022 Survey

Inflationary and recessionary pressures influenced greater usage of “Buy Now, Pay Later” (BNPL) to finance purchases and **help shoppers maximize their buying power** this season.



BNPL sales jumped tremendously during Cyber Week.²³



Orders placed with BNPL **grew 85%** over the course of the five days of Cyber Week.²³



Increased usage continued into December.²⁴



Twice as many Americans used BNPL services in December compared to just four months prior.²⁴

23. “Buy now, pay later sees holiday spike,” Insider Intelligence, December 5, 2022

24. “Americans relied on buy-now-pay-later more this year as inflation rose,” Yahoo! News, December 20, 2022

Make BNPL work for your business

"BUY NOW, PAY LATER"



FEDEX E-COMMERCE SPECIALIST INSIGHT



Retailers can utilize BNPL payment options to reduce cart abandonment and keep their customers actively moving through the buying journey.

Strategies that have been successful with BNPL include offering bundled and cross-sold items with a discount.

TAKE ACTION

Explore BNPL solutions available through your platform. Promote these payment options to appeal to the budget-conscious consumer, increase average order value, and boost your competitive advantage.

6

Customers continued to demand more control over deliveries

DELIVERY CONTROL



Transparent, reliable, and affordable shipping options was a **major factor in purchasing decisions**.²⁵

A positive delivery experience was also crucial to overall customer satisfaction and influencing repeat orders.



98%

of consumers said free shipping was the most important consideration when shopping online²⁶

Most important factors when selecting method of delivery²⁵



25. "Holiday spending statistics: 2022 Holiday Outlook," PwC, 2022

26. "Consumer Survey: Returns in Retail in 2021," Power Reviews, 2022

Multi-select question, answers don't add up to 100%

Shoppers took advantage of pickup options during the holidays

DELIVERY CONTROL



The option to purchase online and pick up in person provided flexibility and helped alleviate stress for last-minute shoppers.

1 in 5

Orders that were "buy online, pick up in-store" (BOPIS)²⁷

21%

Percentage of curbside pickup orders, slightly down overall from 23% in 2021; usage spiked to 42% of online orders placed from Dec. 22–23 (right before Christmas)²⁷

35%

Usage of BOPIS hit its peak on the Friday before Christmas, encompassing 35% of all orders²⁷



260M

packages were stolen by porch pirates last year, up from 210 million in 2021. The annual cost of stolen packages is an estimated **\$19.5B**.²⁸

TAKE ACTION

Consider which options provide your business and consumers with the most insight and control over their deliveries. Providing options can help optimize the experience. Implementing options like BOPIS, picture proof of delivery (PPOD), and transparent shipping methods can have a positive impact on a business's conversion rates.

27. "Online holiday season sales topped \$1.14 trillion globally, Salesforce says," Digital Commerce 360, January 9, 2023

28. "Porch pirates' stole an estimated 260 million packages in the last year. How to prevent theft on your doorstep," CNBC, December 18, 2022

Increased sales brought increased potential for returns

INCREASED RETURNS



SURVEY RESULTS

38%

of those who made holiday-related returns said it was because the product didn't meet their expectations, and 22.5% said the item they received didn't match the description.²⁹

29. C Space x FedEx Post-Peak 2022 Survey

60% of retailers changed their return policies as a result of rising costs and volumes.³⁰



1.39 billion orders purchased this holiday season (13% of total holiday orders) were returned—up 63% YOY.³¹



More than 75% of shoppers said "free returns" was the most important consideration when making a purchase.³²



Among 300 retailers surveyed this year, **36% said they didn't offer free shipping on returns**, double the number that refused to cover those costs last year.³³

30. "Don't bank on free returns: 60% of retailers roll out stricter policies," CNBC, November 25, 2022

31. "Online holiday shopping hit new record, Adobe says," Digital Commerce 360, January 5, 2023

32. "Consumer Survey: Returns in Retail in 2021," Power Reviews, 2022

33. "Don't wait on returns. Many stores will have a stricter return policy this holiday season," USA Today, December 12, 2022

How to improve the returns experience

INCREASED RETURNS



Shoppers said better product information could help them make better purchases and reduce the likelihood that they'll return items.



2 in 3

Agreed they would be less likely to return an item if they had access to content such as user-generated reviews and feedback, Q&A, photos, and video.³⁴

34. "Consumer Survey: Returns in Retail in 2021," Power Reviews, 2022



FEDEX E-COMMERCE SPECIALIST INSIGHT

Having a competitive return policy has been proven to increase sales, customer satisfaction, and brand loyalty. Additionally, a carefully crafted returns experience may raise conversion rates, lower cart abandonment, and boost lifetime customer value.

TAKE ACTION

Review your return policy and identify ways to make returns work better for you and your customers—get creative! For example, free returns are ideal for most consumers, but having an easy, convenient (and not necessarily free) return policy could be equally as effective.

Review your product information and customer service options to ensure you're helping customers make confident purchases and to cut down on potential returns.

Consumers are already planning for the **2023** holiday season

ACTION STEPS



Starting earlier was the #1 response.

"I'll try to spread my gift-buying throughout the year, perhaps buy monthly." ³⁵

Continued emphasis on budgeting and deals.

"Shop earlier and take advantage of sales throughout the year." ³⁵

Shoppers will use multiple channels.

"I'll shop more online." ³⁵

"I'll use in-store pickup more often." ³⁵

"I'll make more of an effort to get into retail stores." ³⁵

Get ready for 2023 peak season

ACTION STEPS



Start planning now for the next shopping season with action steps that can help make shopping easier and more enticing for your customers.

Refine operations

- ✓ Consider how and when to utilize **promotions** to attract customers
- ✓ Review your **return policy**
- ✓ Assess “**Buy Now, Pay Later**” options to determine if it’s right for your business and customers
- ✓ Explore opportunities to engage outside **service providers** or upgrade existing systems

Connect with your audience

- ✓ Help customers **plan ahead** for when they can get the best deal from you
- ✓ Audit existing **marketing channels** to prioritize those with the most engagement
- ✓ Use regular communications to **build loyalty** among existing customers

Validate your experience

- ✓ Implement surveys and social listening to **gather feedback** from your customers
- ✓ **Test out** your experience to learn how shoppers would rate it and where you can improve
- ✓ Reduce the need for returns by amping up your **product information** and social interaction. Consider doing one or all of the following:
 - Ask for product reviews
 - Enhance product descriptions
 - Add a live chat function to answer questions immediately and move buyers to checkout



FEDEX E-COMMERCE SPECIALIST INSIGHT

Engage with your audience early and often! What promotions did you offer last year that generated positive customer response? How can you improve for 2023? If you’ve found these insights helpful, [we invite you](#) to learn more about how we can support your business.



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ACTION STEPS



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