



**Sensormatic IQ**  
by Johnson Controls

UK Retail  
**Shopper  
Sentiment  
Report**

[sensormatic.com](https://sensormatic.com)



## Overview

Following a turbulent 2022, the UK economy experienced a slow beginning to 2023, with a mere 0.1% growth in the first quarter of the year. Additionally, inflation persisted, further eroding the disposable income of most households.

According to the [Office for National Static \(ONS\)](#), the UK gross domestic product (GDP) showed an estimated growth of 0.2% in the second quarter (April to June 2023), preventing the country from slipping into a recession. Furthermore, the pace at which prices of consumer goods and services are increasing continued to ease, with the annual inflation rate falling to 6.3% in the period up to August 2023.

Conversely, private consumption has experienced a notable deceleration due to persistent high inflation and increasing prices, which have been steadily eroding household finances for several months. Recent [public opinion polls](#) revealed that 56% of individuals stated their cost of living had once again increased in the preceding months (September 2023), and approximately 42% of adults in Great Britain reported that they are finding it very or somewhat difficult to afford energy bills.

This report will conduct a thorough analysis of how the UK population is gearing up for the upcoming Christmas season in light of the prevailing economic challenges. It will also delve into the present trends and attitudes in shopper behaviour.







# Contents

Overview	02
Impact on Retail Footfall (Year-on-Year Analysis)	04
Impact on Shopping Patterns	05
<b>Shopper Behaviour</b>	06
Sensormatic Research	07
Channel Preferences	08
Key Considerations for Shoppers	09
Top Christmas Gift Categories UK Shoppers Intend to Spend on This Year	10
Christmas Shopping: Viewing It Through the Generational Lens	11
UK: The Greener Shopper	12
UK: Black Friday Insights	13
Other Findings	14
Top Trends in Europe	16
Circular Retail	18
<b>Conclusions</b>	20

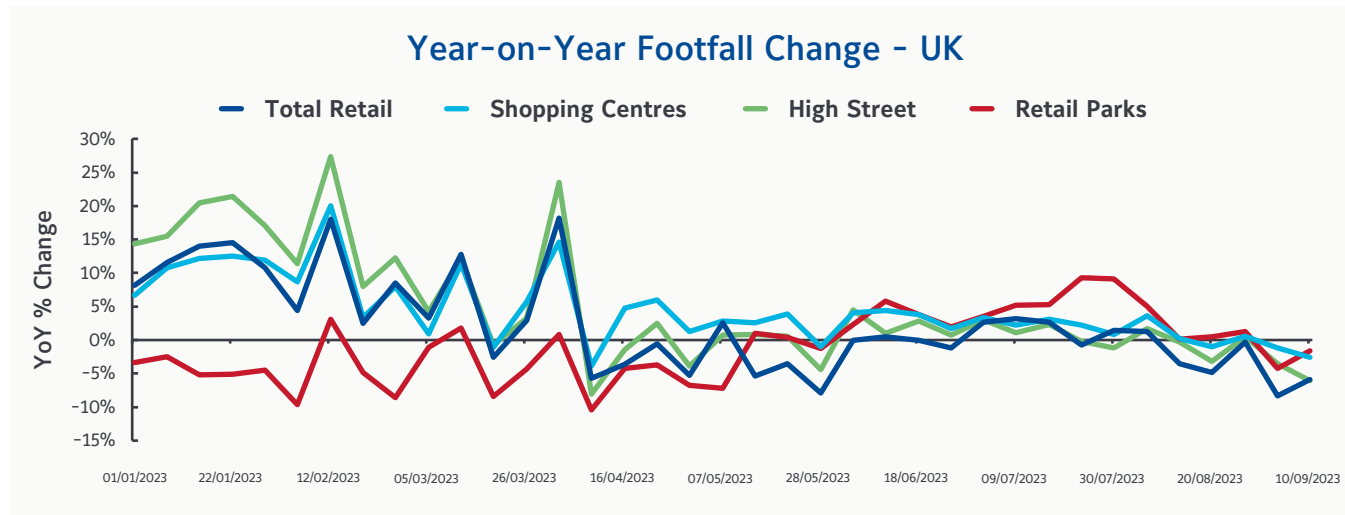


# Impact on Retail Footfall (Year-on-Year Analysis)



The Year-on-Year (YoY) comparison has returned to relevance from May 2022, with the ending of all pandemic related restrictions. On the graph below you will see the YoY footfall development that compares current traffic data against post-COVID times that include new geo-political and economic factors like the invasion of Ukraine, high inflation, the rising costs of living and supply chain distortion. We believe that these benchmarks give real context to store footfall and performance.

As such, the first quarter of 2023 saw traffic at most destinations remain high against the previous year, often seeing double-digit growth when compared to 2022. However, after March, traffic began to "normalise", seeing fewer extreme dips and spikes, with all destinations following a similar trend. This came alongside an improvement in retail park traffic, which had been flagging at the beginning of the year.





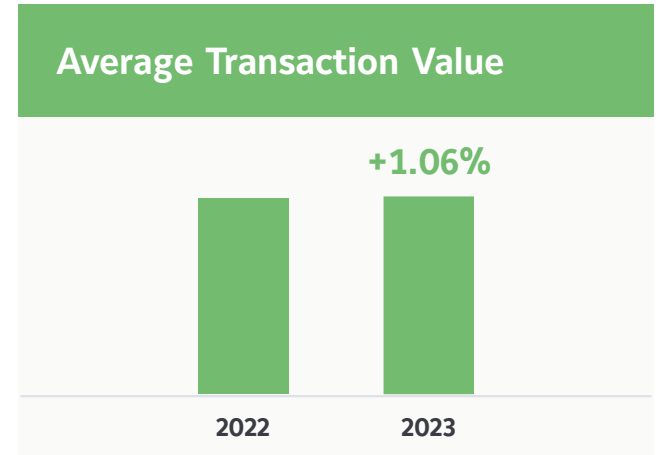
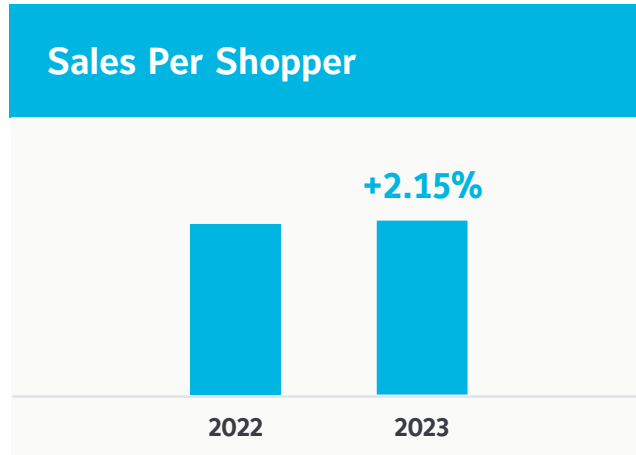
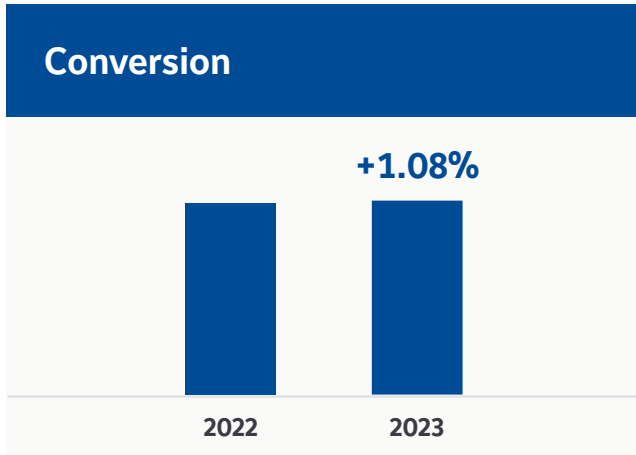
# Impact on Shopping Patterns



There has been minimal change in shopping patterns when compared to 2022. Whilst all metrics saw an increase, the highest uplift was 2% for SPS (Sales Per Shopper).

Although these (modest) improvements suggest that people are spending more, this could partly

be inflation-related. Conversion has seen a small increase when compared to last year, but with ever-increasing prices, an increase in Average Transaction Value (ATS) may well be the result of items costing more, rather than consumers purposefully spending more money.







# Shopper Behaviour



# Sensormatic Research



Sensormatic Solutions' shopper sentiment research delves closer into how consumer attitudes have evolved over the past five years, particularly regarding key fulfilment methods, their confidence levels when shopping in physical stores, and the pivotal factors influencing their shopping behaviour.

Just like the preceding year, shoppers are feeling the strain of the cost of living crisis and soaring inflation rates. Consequently, 65% of them intend to reduce their Christmas spending compared to 2022, which represents a slight 2-percentage-point decrease when compared year-on-year. Among those planning to cut back on expenses, their average reduction in spending is anticipated to be around 30%.

Among various demographics, Generation X emerges as the most likely group to state that their financial situation will impact their Christmas spending plans, with 74% expressing this concern.

Budget constraints and the cost of living crisis appear to affect consumers across all income levels, as even those with the highest annual salaries, earning £125,000 or more, plan to curtail their spending, with 42% intending to cut back this Christmas season.

Furthermore, a significant 77% of shoppers have committed to dedicating more time to seeking out deals and promotions in response to the current economic challenges.

When it comes to shoppers' timelines, the trend continues with Christmas shopping starting earlier and increased time allocated to seeking out deals. As such:

- 28% have already started their Christmas shopping as of September this year.
- 21% intend to start buying Christmas gifts in October this year – up by 3 percentage points compared to 2022.
- 27% will start Christmas shopping in November, representing a slight decline of -2 percentage points compared to 2022 (29%).
- Just 11% will kickstart their Christmas shopping in December, this figure remains unchanged when compared to the previous year. However, it rises to 17% among male shoppers who prefer to wait until the start of advent to purchase gifts.

In total 77% of Christmas shoppers will have already started Christmas shopping by the start of December.

The average UK household Christmas gifting budget is £472.20 this year



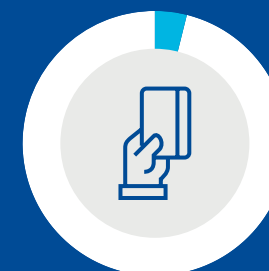
## 31%

plan to spend up to £299



## 18%

plan to spend between £450 - £599 on gifts



A mere

## 4%

plan to spend over £1,050 on gifts

**45%** will cut back on other areas to ensure Christmas spending isn't impacted.

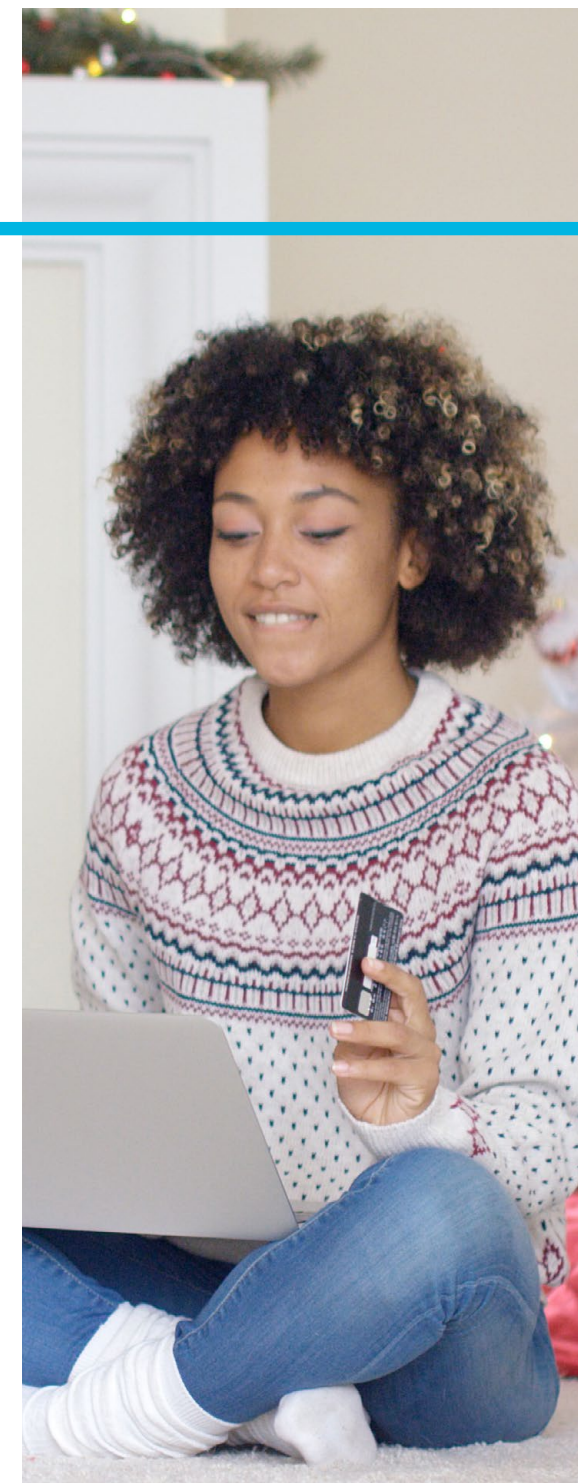
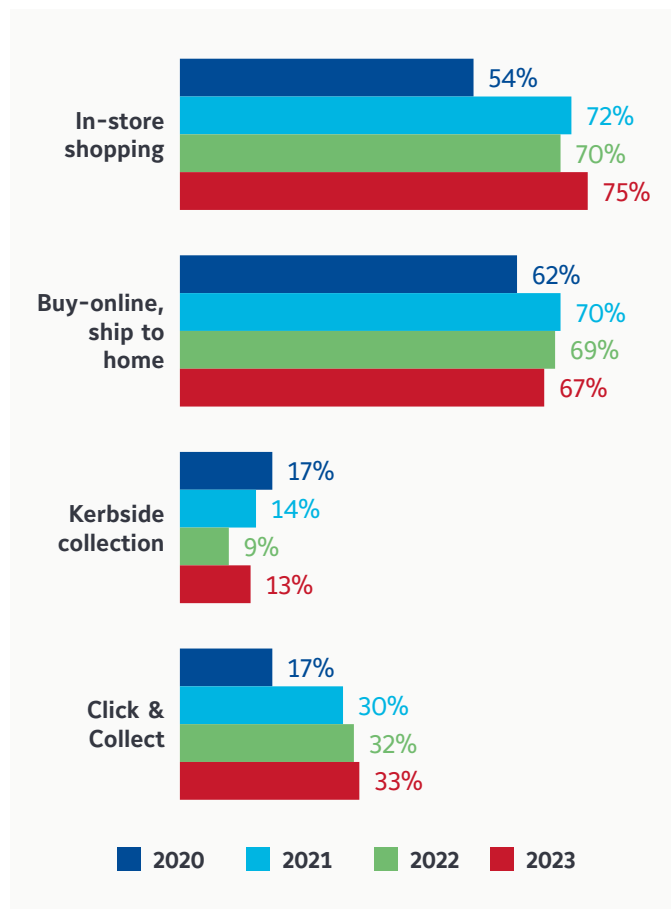
# Channel Preferences



Channel preferences remain stable over years, however in 2023 shoppers are more likely to prioritise in-store shopping compared to last year. 75% will choose to shop in bricks-and-mortar outlets in 2023 versus 67% who will choose to shop online.

As we explored the reasons behind why shoppers are opting for in-store shopping rather than online, we discovered that:

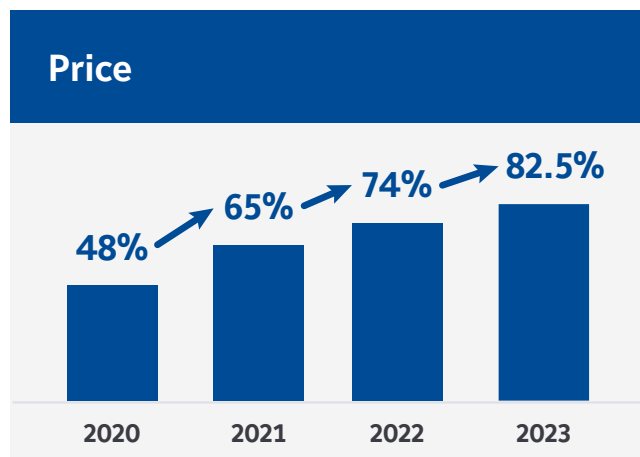
- Being able to browse for gifts in-store was the top motivation for in-store shopping among Christmas shoppers (70% – up 18% YoY), followed by product validation and being able to see/touch goods (50% – up 5% YoY).
- 22% chose shopping in-store over online for fear they would be let down by a late delivery.
- 14% are being driven to shopping in-store this Christmas for fear of porch piracy or who had experienced being a victim of doorstep theft before, rising to 17% of Millennials.
- 70% of UK shopper plan to shop in-store on the High Street, however 58% plan to visit discount retailers or outlet stores to buy gifts, showing further pricing/promotions sensitivity.







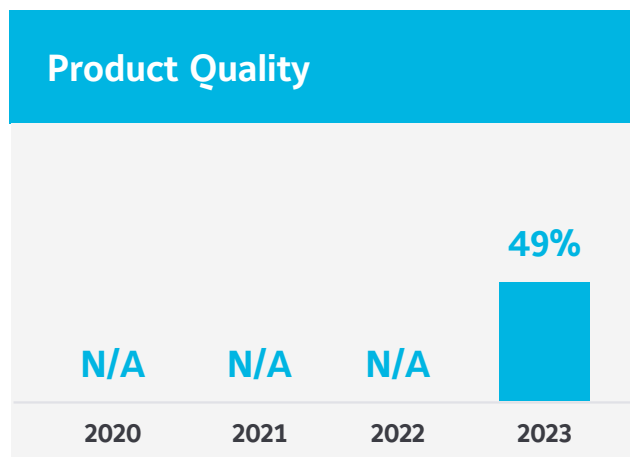
# Key Considerations for Shoppers



Price is by far the most important factor influencing in-store shopping this Christmas – up 8.5 percentage points compared to 2022 showing a continuously growing level of price sensitivity.

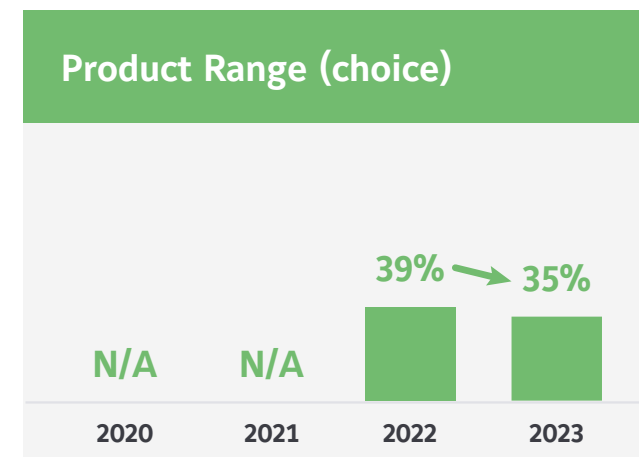
Price is also up 34 percentage points compared to 2020 when less than half (48%) cited it as the most important factor in Christmas shopping, highlighting how the pandemic initially, and now the ongoing cost of living crisis, have heightened shoppers’ sensitivity to prices, especially with inflation steadily rising over recent years.

Additionally, in-store promotions are a key consideration for 34% of the UK respondents.



Product quality did not play a major role in recent years; however, it has become increasingly important to UK shoppers.

This goes hand in hand with more conscious shopping patterns and circular retail and shopper needs, in which the quality/ durability of products is a necessary pre-condition for re-use or resale, including repair and replace components.



Product range maintains its position as the third most influential factor in the shopping decisions of UK consumers. Although it has seen a YoY decrease of 4 percentage points, more than a third of UK shoppers still desire the option to switch between alternative products, brands, and qualities as part of their shopping experience.



# Top Christmas Gift Categories UK Shoppers Intend to Spend on This Year

The table below provides a summary of UK shoppers' gift category preferences, taking into account both traditional gender perspectives and a closer examination of generational preferences. Although clothing/apparel remains the top choice in gift categories across all segments, some interesting insights emerge, such as Gen Z's strong inclination toward jewellery gifts (44.3%) and Gen X's increasing interest in pre-owned items (15.2%).

	Female	Male	Gen Z (born 1997-2012)	Millennials (born 1981-1996)	Gen X (born 1965-1980)	Baby Boomers (born 1946-1964)	The Silent Generation (born 1928-1945)
Clothing/Apparel	59.3%	58.3%	52.8 %	62.7%	58.8%	56.6%	<b>64.4%</b>
Toys, books & other media	<b>50.7%</b>	40.4%	34%	<b>51.2%</b>	40.9%	49.8%	42.2%
Health & Beauty	<b>48.5%</b>	32.1%	34.9%	36.6%	38.5%	47.6%	<b>48.9%</b>
Gift cards	38.2%	38.5%	32.1%	39%	38.1%	45.3%	<b>60%</b>
Jewellery	21.9%	22.6%	<b>44.3%</b>	20.9%	21%	16.8%	24.4%
Experiential gifts	22.1%	17.1%	8.5%	20.6%	21%	<b>21.7%</b>	20%
Gaming	15%	23.1%	<b>30.2%</b>	26.8%	20.2%	8.1%	4.4%
Consumer electronics	12.4%	<b>24.6%</b>	18.9%	18.5%	19.1%	18.1%	6.7%
Pre-loved items	12.2%	10.3%	12.3%	12.9%	<b>15.2%</b>	7.4%	4.4%
Sporting goods	6.7%	<b>13%</b>	<b>14.2%</b>	8.7%	10%	9.1%	2.2%
Home improvement /deco	6.2%	9.8%	<b>13.2%</b>	8.4%	7.8%	5.5%	8%
Other	6.6%	10.3%	4.7%	2.8%	8.6%	<b>13.9%</b>	13.3%



# Christmas Shopping: Viewing It Through the Generational Lens



<b>Gen Z</b> (born 1997-2012)	<b>Millennials</b> (born 1981-1996)	<b>Gen X</b> (born 1965-1980)	<b>Baby Boomers</b> (born 1946-1964)
<p>9.4% of Gen Z have already been a victim of porch piracy (theft of online deliveries from doorsteps) and now prefer to shop in-store.</p>	<p>61% of Millennials intend to start their shopping earlier this year, with the goal of spreading the cost of Christmas across multiple paycheques or paydays.</p>	<p>Price sensitivity is the highest amongst Gen X – 86.4% named price as the key factor influencing their Christmas shopping.</p>	<p>80.3% of Baby Boomers plan to shop in-store this Christmas.</p>
<p>36.8% of Gen Z shopped in-store during last Black Friday weekend. Additionally, 38.7% plan to visit stores during the same time this year.</p>	<p>Shopping Centres are the go-to destination for Millennials. 74.3% plan to visit while shopping for Christmas gifts this season.</p>	<p>36.2% of Gen Z plan to buy more pre-loved/secondhand items as gifts this Christmas.</p>	<p>Only 7.5% of Baby Boomers plan to visit stores this Black Friday weekend. Additional, 11% will shop online.</p>
<p>77.4% of Gen Z respondents are willing to pay more for a product that is 'sustainable' or 'eco friendly'.</p>	<p>Only 3.8% of Millennials do not intend to shop online this Christmas.</p>	<p>The high street is the preferred shopping destination for Gen X with 76.7% planning to do their Christmas shopping there.</p>	<p>53.1% of Baby Boomers are not willing to pay a premium for sustainable products.</p>



# UK: The Greener Shopper

According to Sensormatic Solutions' research, **19% of UK shoppers** became **more concerned about sustainability and retail environmental impact** compared to last Christmas versus only 10% who claim to have become less concerned about sustainable retailing compared to last Christmas.

Furthermore, 22% of respondents mentioned that, despite their heightened concern for sustainability, the surge in prices and inflation has limited their ability to purchase more sustainable products, even though they wish to do so.

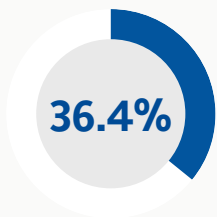
These findings are reinforced by the fact that 54% of UK shoppers plan to prioritise price over sustainability this Christmas.



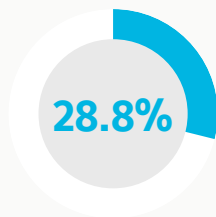
Almost **60%** are willing to pay extra for more sustainable products

## How much more?

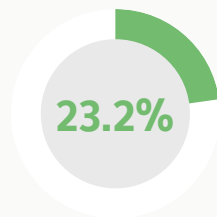
Premium (5-10%)	<b>17.7%</b>
Premium (11-20%)	<b>19.9%</b>
Premium (21-30%)	<b>12.6%</b>
Above 30%	<b>9.6%</b>



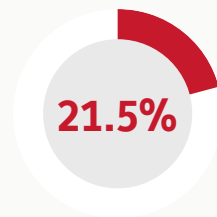
More sustainable, plastic-free packaging



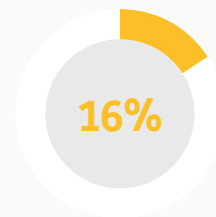
More environmentally-friendly products in general



Recycling services offered in-store



Sustainable delivery options



Local sourcing





# UK: Black Friday Insights

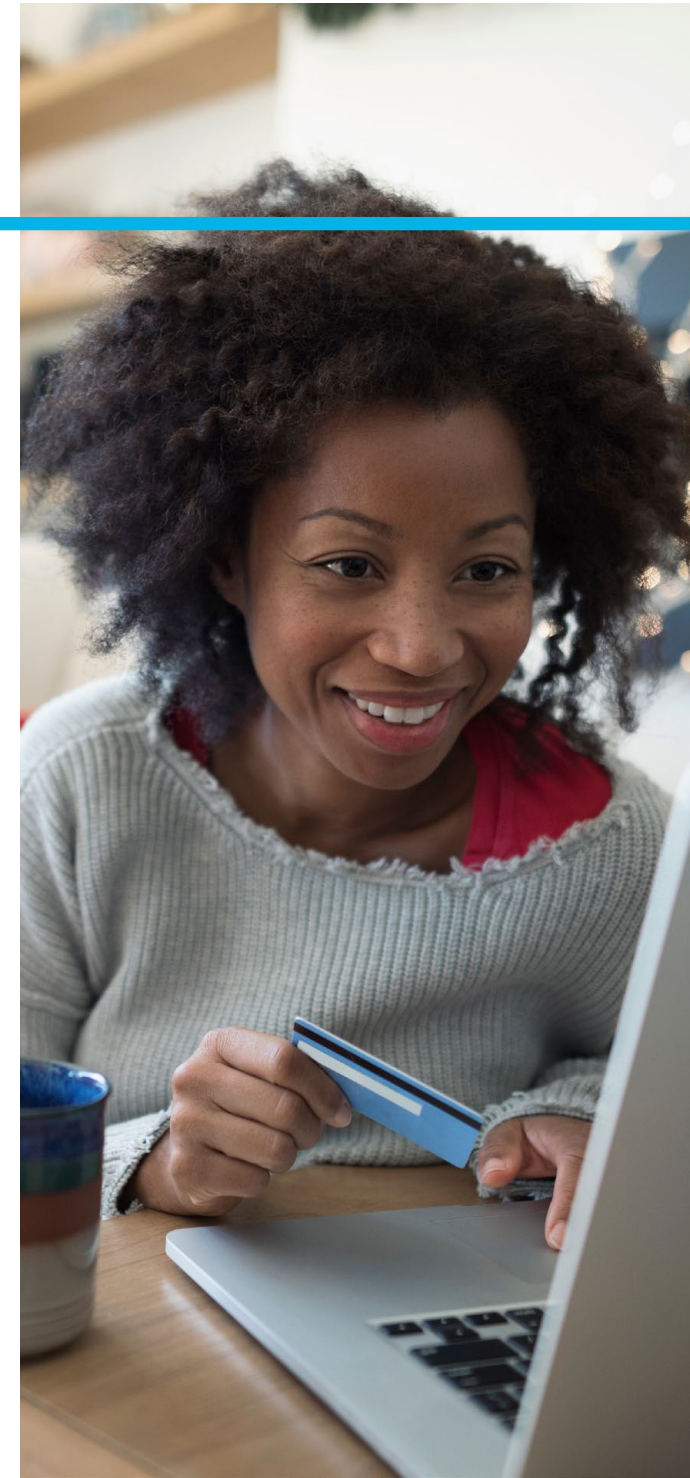
Despite the increasing financial strain on households, Black Friday no longer wields the same influence over shoppers, with only 6% intending to kickstart their Christmas gift shopping during the discounting weekend. This marks a decrease of -2 percentage points compared to the previous year.

In 2022, 21% of shoppers opted for in-store purchases during Black Friday, a notable increase from the 17% recorded in 2021. Nevertheless, the majority, comprising 79%, chose to forgo in-store shopping on Black Friday in 2022.

Additionally, we saw a 6 percentage point decline on the number of shoppers planning to visit stores this black Friday (27%). This number may be first sign of so called "Black Friday Fatigue", a combination of lack of "real" deals in combination with extensive promotions and discounting at other times.

Interestingly, Sensormatic research found that while only 18% plan to shop online this Black Friday weekend, **38% plan to shop on the Amazon Prime Early Access Sale**, peaking to 55% of Millennials and 49% of Gen Z's

**Is it possible that this brand-new shopping event, exclusive to Amazon Prime members, has the potential to steal Black Friday's crown?**



**36%**

say they never head in-store on Black Friday



**43%**

say they find similar deals elsewhere online or at other times of the year





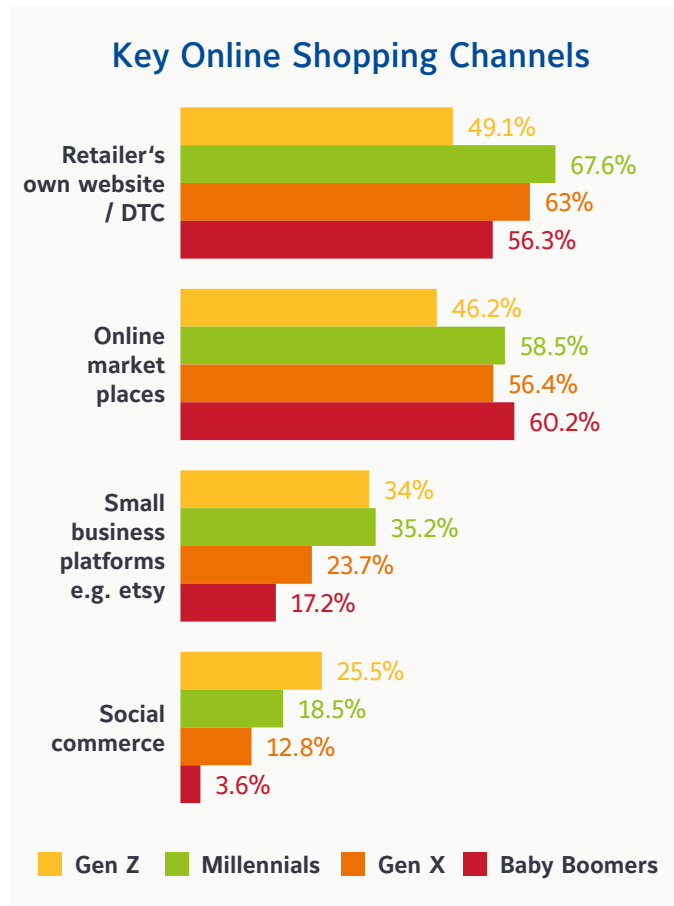
# Other Findings

## Authentic Online Experience

67% of UK shoppers plan to use: buy-online, ship-to-home services this Christmas.

However, for the first time in our research we see that more shoppers (60%) plan to shop directly with brands (on retailers' own websites) in 2023 compared to online marketplaces (57%)! This is a step change from last year when 9% more shoppers planned to shop on marketplaces, such as Amazon, versus direct-to-consumer (DTC) websites.

This change may be interpreted as customers shift toward consciously choosing the offers with authentic brand experience paired with brand emphasis to provide premium shopper experience, such as quick and responsive customer support and service, personalised emails and exclusive packaging.





# Other Findings

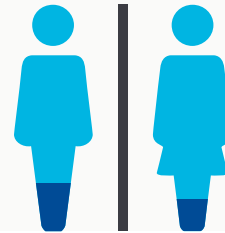
## Brand Loyalty



**17.7%**

of the UK respondents will remain loyal to their preferred brands

Men assert a stronger brand attachment at 21.4%, compared to women at 13.9%.



## Brand loyalty across generations

Gen Z (born 1997-2012)	Millennials (born 1981-1996)	Gen X (born 1965-1980)	Baby Boomers (born 1946-1964)	The Silent Generation (born 1928-1945)
19.8%	17.1%	12.8%	19.1%	28.9%

On the other hand, given the rising cost of living and the ongoing economic and geo-political uncertainty:

- 56% will divert their Christmas spending to discounters or value retailers.
- 52% said that while they won't buy less gifts, they will switch to less expensive brands.





# Top Trends in Europe



**82.5%** see price as the single most important factor influencing their Christmas shopping this year ▲

The average UK household Christmas gifting budget is **£472.20** this year

**65%** plan to spend less this Christmas ▲

**75%** plan for in-store shopping this Christmas ▲



**73.1%** see price as the single most important factor influencing their Christmas shopping this year ▲

The average German household Christmas gifting budget is **423.30€** this year

**57%** plan to spend less this Christmas ▼

**70%** plan for in-store shopping this Christmas ▲



**80.3%** see price as the single most important factor influencing their Christmas shopping this year ▲

The average Spanish household Christmas gifting budget is **461.40€** this year

**62.3%** plan to spend less this Christmas ▼

**78%** plan for in-store shopping this Christmas ▲

**12%** will choose Click & Collect services



**78.6%** see price as the single most important factor influencing their Christmas shopping this year ▲

The average French household Christmas gifting budget is **465.50€** this year

**65.8%** plan to spend less this Christmas ▶

**70%** plan for in-store shopping this Christmas ▲



**75.7%** see price as the single most important factor influencing their Christmas shopping this year ▲

The average Italian household Christmas gifting budget is **422.10€** this year


**68.2%** plan to spend less this Christmas ▲


**72%** plan for in-store shopping this Christmas ▲




# The Top 3 categories that European shoppers intend to allocate the most spending to this year for Christmas gift purchases





 UK	
Clothing/Apparel	58.9% ▲
Toys, books and other media	46% ▲
Health & Beauty	40.8% ▶

 France	
Clothing/Apparel	52% ▼
Toys, books and other media	50.5% ▲
Gift cards	39.9% ▼

 Spain	
Clothing/Apparel	72% ▲
Toys, books and other media	46.1% ▲
Health & Beauty	34.7% ▲



 Germany	
Toys, books and other media	46.7% ▶
Gift cards	45.6% ▲
Clothing/Apparel	42.1% ▼

 Italy	
Clothing/Apparel	63% ▲
Toys, books and other media	36.9% ▲
Gift cards	36.6% ▲

- Clothing/apparel remains the most popular gift category among all generations – peaking for Generation Z. (born 1997-2012) with 67.1%
- Toys, books, and other forms of media are notably favoured by Millennials (born 1981-1996) – 49.9%.
- Gift cards are particularly popular amongst Baby Boomers (born 1946-1964) – 45% versus only 26% within Gen Z.



## Circular Retail

The circular, resale or pre-loved market continue to flourish in 2023, as it combines its environmentally-friendly aspect with lower-cost/value for money options.

A recent report from [thredUP](#) predicts that the global secondhand market is expected to nearly double by 2027, reaching **\$350 Billion!** This will be predominantly driven by Gen Z consumers who are proud to buy them, as such products come cheaper and greener.

By 2024, 10% of the global apparel market is expected to be made up of secondhand apparel.

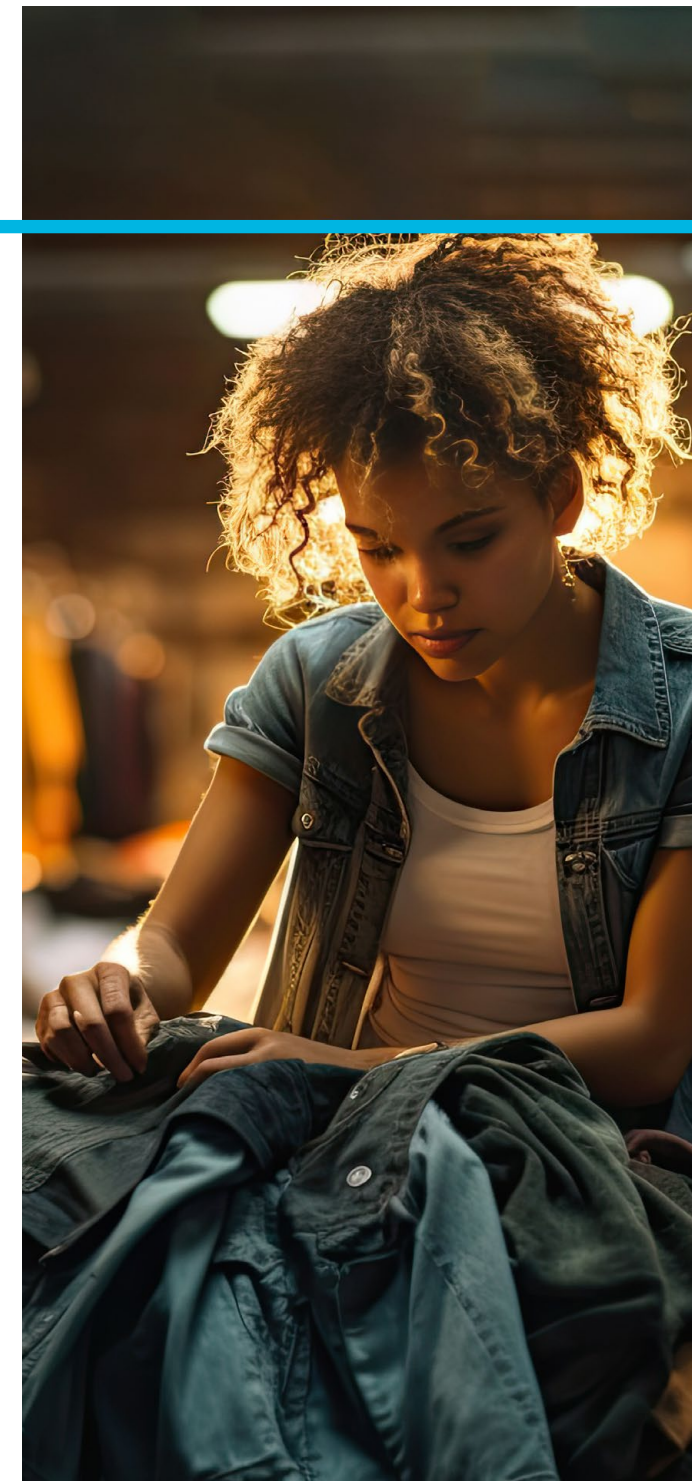
- More than one-third of retailers say if resale proved to be successful, they'd cut production of new products.
- 86% of retail executives say their customers are already participating in resale, up 8 percentage points from 2021.

In 2022, we have already seen the biggest fast fashion players entering the re-sale space: H&M via Sellpy, **Zara Preowned**, **Shein Exchange**, AboutYOU with their second love selection or Zalando's Zirkle. Players like Lulumelon, Cos and Isabel Marant also claim to have seen success selling collections on their websites and in their stores, aided by in-house capabilities or white-label solutions.

In the UK, a retail space in Brent Cross shopping centre has recently opened a **Charity.Super.Mkt**, a department store of secondhand clothes. The reality show [Love Island](#), once sponsored by fast fashion brand Pretty Little Thing, has now been sponsored by eBay for the second series running, and Depop (which allows people to buy and sell used clothing online).

France went a step further and has recently introduced a series of anti-waste regulations that aim to encourage design for circularity, such as the Extended Producer Responsibility (EPR) scheme for clothing which mandates companies manufacturing and selling clothing in the country to pay a fee that covers the management and disposal of their products at the end of their lifecycle. This fee increases significantly when low-quality, less durable garments are being used.

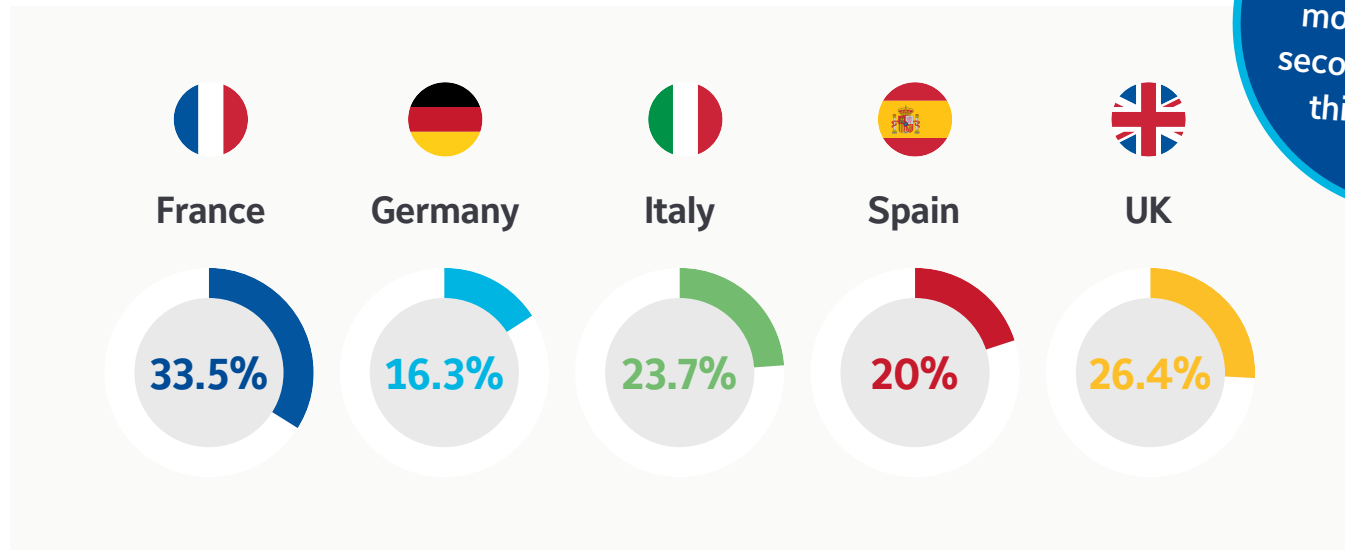
On the topic of mainstream - [Amazon joined forces](#) with luxury vintage apparel company, What Goes Around Comes Around, to sell high-end brand merchandise on their website, all of which is secondhand.





# Circular Retail

Is secondhand a new trend?



% of shoppers planning to buy more pre-loved/secondhand goods this Christmas



Gen Z (born 1997-2012)	Millennials (born 1981-1996)	Gen X (born 1965-1980)	Baby Boomers (born 1946-1964)
34.9%	32.6%	26%	14.7%





# Conclusions

# Conclusions



As the disruptions caused by the pandemic began to subside at the start of 2022, the Russian invasion of Ukraine in late February had a profound impact on Europe and reverberated across global economies and societies.

In the UK, 2023 commenced on a sluggish note, following a turbulent 2022. The year brought persistent cost of living pressures, stubbornly high inflation rates, and ongoing disruptions due to strikes.

The retail industry, in particular, has grappled with significant challenges in 2023 as shoppers face shrinking disposable incomes, resulting in smaller shopping baskets.

Additionally, the sector is dealing with pressing issues such as retail theft and incidents of violence against retail employees.

**Sensormatic Solutions has been helping retailers address operational challenges for many years. The tightening of shoppers' disposable income, raising shrink and personnel issues have increased the need for unmatched insights into retail inventory, shopper behaviour, video analytics and loss prevention.**



To learn more about our portfolio of solutions, visit our [online Innovation Experience centre](#)



Interested to learn about shopper behaviours in other European countries?  
Download our reports here: [France](#), [Germany](#), [Italy](#) and [Spain](#).



Contact us to discuss **strategic initiatives** and **actionable insights**





# Sensormatic IQ

by Johnson Controls



## About Johnson Controls

At Johnson Controls (NYSE:JCI), we transform the environments where people live, work, learn and play. As the global leader in smart, healthy and sustainable buildings, our mission is to reimagine the performance of buildings to serve people, places and the planet.

Building on a proud history of nearly 140 years of innovation, we deliver the blueprint of the future for industries such as healthcare, schools, data centers, airports, stadiums, manufacturing and beyond through OpenBlue, our comprehensive digital offering.

Today, with a global team of 100,000 experts in more than 150 countries, Johnson Controls offers the world's largest portfolio of building technology and software as well as service solutions from some of the most trusted names in the industry.

Visit [www.johnsoncontrols.com](http://www.johnsoncontrols.com) for more information and follow [@johnsoncontrols](https://www.instagram.com/johnsoncontrols) on social platforms.

[sensormatic.com](http://sensormatic.com)

## About Sensormatic Solutions

Sensormatic Solutions is the leading global retail solutions portfolio of Johnson Controls powering operational excellence at scale and enabling smart and connected shopper engagement. Our intelligent digital operating platform – Sensormatic IQ – combines the full Sensormatic Solutions portfolio, including third-party data to deliver unmatched insights into shopper experience, inventory intelligence, loss prevention and operational effectiveness with advanced technologies, like AI and Machine Learning. This enables retailers to act on prescriptive and predictive data-driven outcomes to confidently move into the future.

Please visit [Sensormatic Solutions](#) or follow us on [LinkedIn](#), [X](#), and our [YouTube channel](#).

