



provoke  
insights

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*Retail  
Consumer Trends  
Summer 2023*

# Background & Objectives

## Overview

Provoke Insights, a leader in research for branding, advertising, media, and content marketing initiatives, conducts a bi-annual consumer trends study to keep a pulse on the market across multiple industries. The extensive study allows Provoke Insights to stay ahead of the trends and understand consumer mindset in the current moment.

## Spring 2023 Wave

As economic uncertainty looms, American consumers are changing their buying habits. Brands need to understand when consumers consider quality over price, and what purchases they are not willing to compromise.

In the sixth wave of our bi-annual trends research, Provoke Insights probes into these behaviors to understand how the economic climate has affected shopping habits across multiple categories.

# Methodology

Provoke Insights conducted a 15-minute survey among 1,500 Americans between the ages of 21 and 65. The study was in-field in Spring 2023.

A random stratified sample was used to ensure a high degree of sample representation of the U.S. population (household income, age, gender, geography, ethnicity, and children in the household).<sup>1</sup>

Results based on this sample have a maximum margin of sampling error  $\pm 2.5\%$  at a 95% confidence level.

Statistical differences between subgroups indicated in this report were tested at a 95% confidence level.

## Shopping Habits

The in-store shopping experience is enjoyable to many shoppers, with a fifth only shopping in-store. Most prefer a hybrid of online and offline when it comes to buying items. Shoppers who enjoy browsing aisles are often younger, parents, and less affluent.

Consumers are purchasing apparel and alcohol at higher rates. Electronics, furniture, home improvement items, fitness, and outdoor gear will experience an increase in sales as shoppers are planning to purchase these items in the next three months.

Most consumers will not compromise quality over price for skincare, major appliances, electronics, and furniture. Americans are more price-conscious when purchasing toys, alcohol, and fitness gear.

## Inflation & The Economy is Impacting Shopping

Inflation is still a top concern as Americans notice price increases at stores. As a result, nearly two-thirds of consumers have become more budget conscious. They are now couponing and shopping at discount stores more frequently.

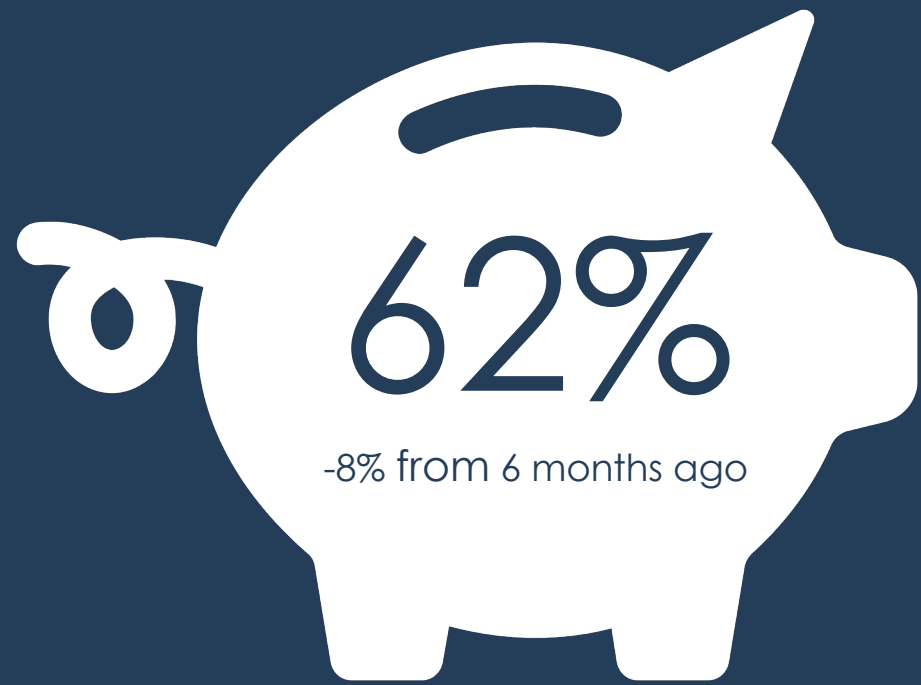
In a recession, Americans would be completely comfortable cutting off buying fine jewelry/watches, outdoor and fitness gear, furniture, and toys. They would also be ok putting on hold shopping for apparel for a short time.

# Overview

A woman with long brown hair, seen in profile, is looking at a pink garment hanging on a black hanger. She is wearing a blue denim jacket. The background shows a clothing store with racks of various garments, including a blue jacket and a white shirt. The lighting is bright and natural, suggesting a window in the background.

# External Trends Impacting Retail Shopping

Consumers are still in saving mode, particularly those who live in rural areas out West.



**More Budget  
Conscious in the Last 6  
Months**

## Who is Significantly More Likely to Be in Saving Mode



69% Live in Rural area



66% Live in the West

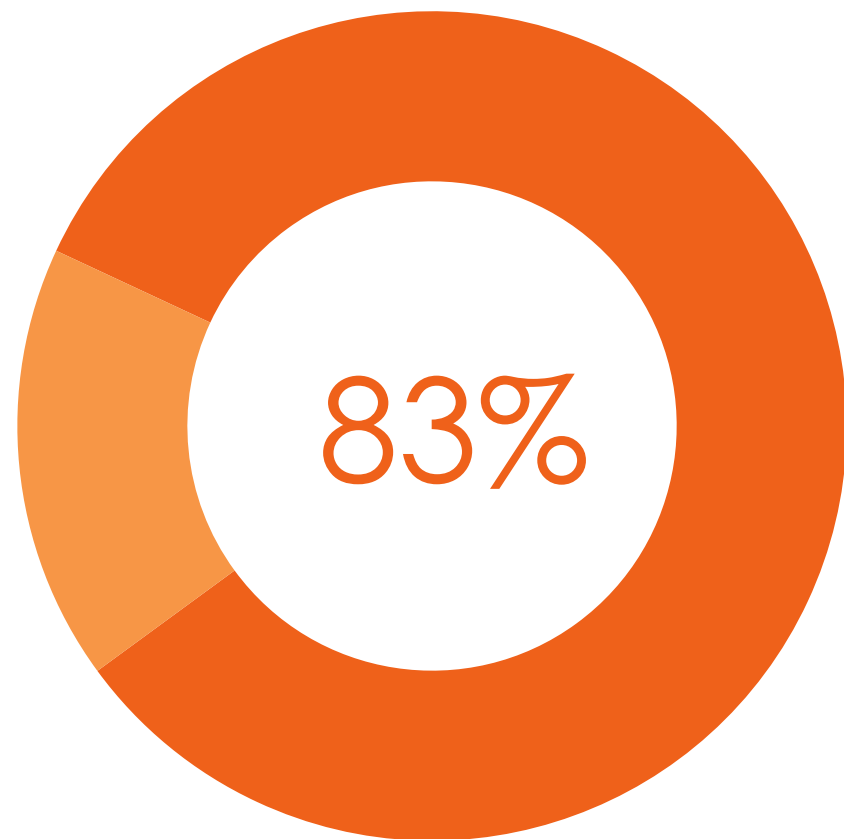
**B**

65% Baby boomers

# Spending Behavior Changes

Consumers are couponing and shopping at discount stores more.

## Changed Spending Behavior in the Last 3 Months



Base: All Qualified Respondents (N=1,500)



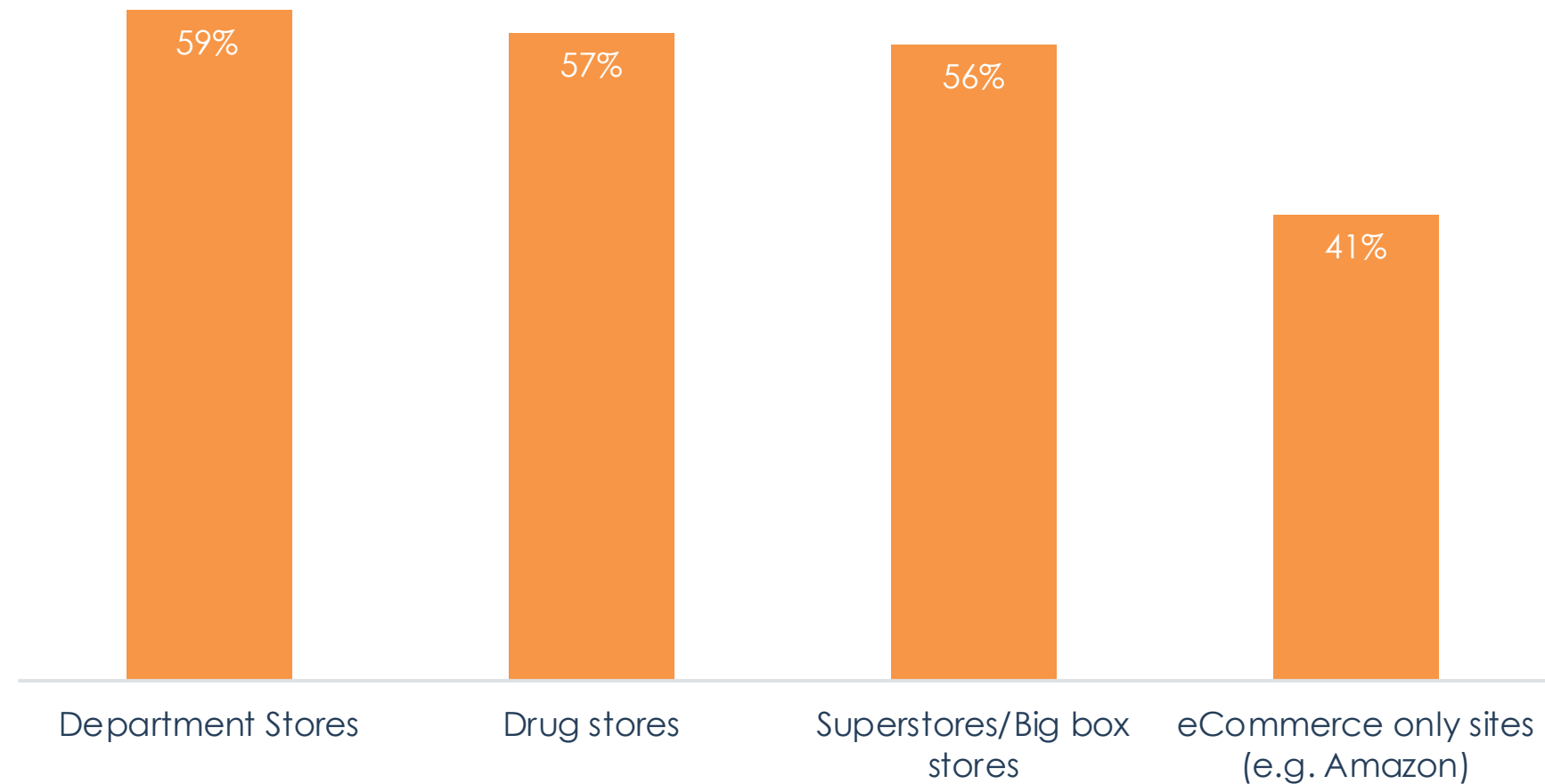
## Ways Spending Behaviors Have Changed



Base: Spending behavior has changed (n=1,250)

# Price Increases

Consumers are noticing the price increases, especially at department stores, drug stores, and superstores. Consumers are seeing less of the inflation effect on eCommerce sites.





A photograph of two women in a clothing store. The woman on the left has dark curly hair and is smiling while holding a white shopping bag. The woman on the right has blonde hair and is also smiling, holding a white tablet. They are both looking at the tablet. The woman on the right is also holding a white long-sleeved shirt on a hanger. In the background, there are racks of clothing, including brown jackets and white shirts. A dark blue banner with white text is overlaid on the left side of the image.

# Retail Shopping Habits

# Shopping Habits

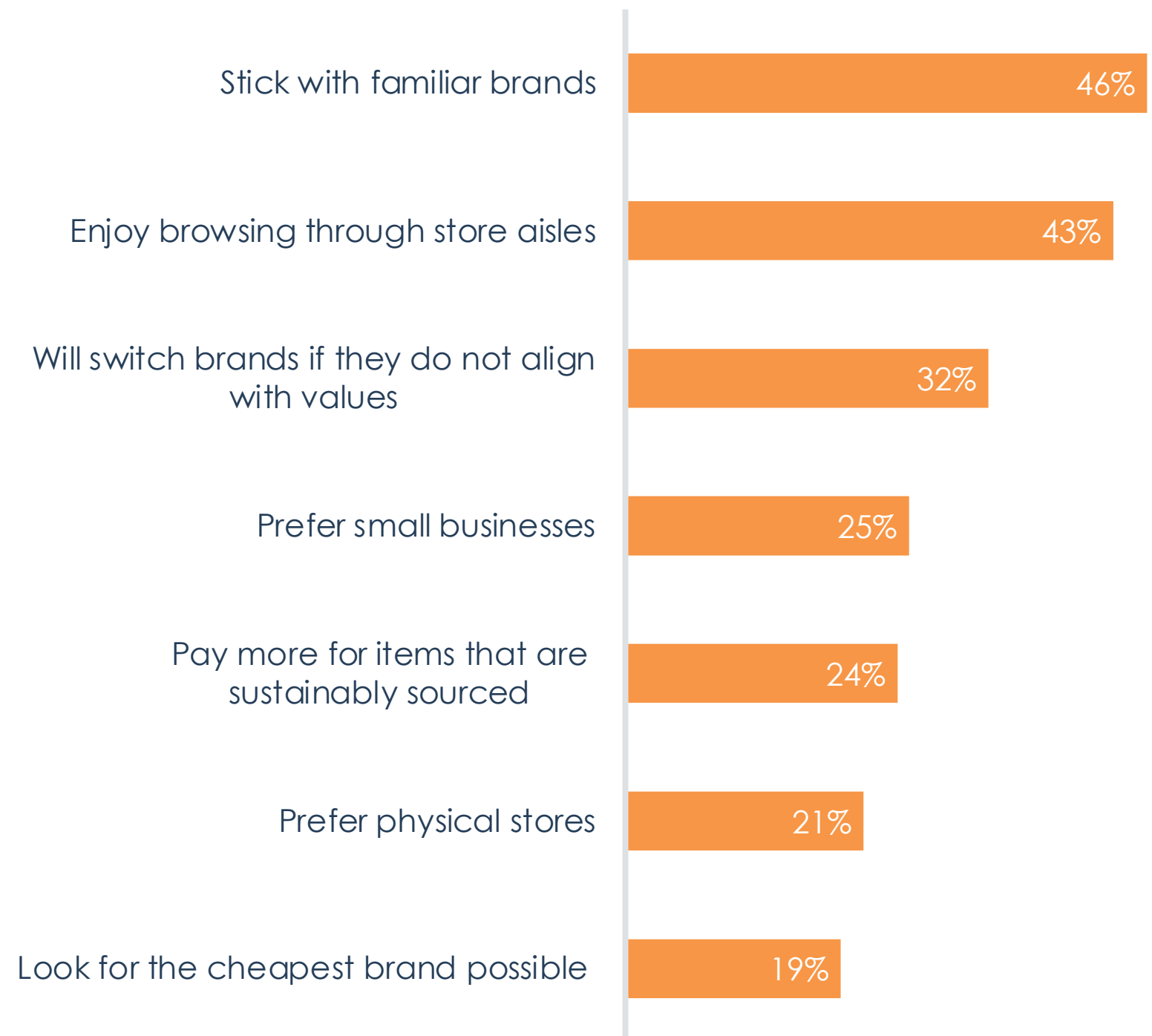


*Most consumers are open to purchasing new brands, as less than half only stick with familiar labels.*

*The in-store shopping experience is enjoyable to many shoppers.*

*However, only a fifth prefer shopping in physical stores exclusively.*



Top 2 on a 7-Point Agree Scale



## Groups Significantly More Likely to Enjoy Browsing through Store Aisles...

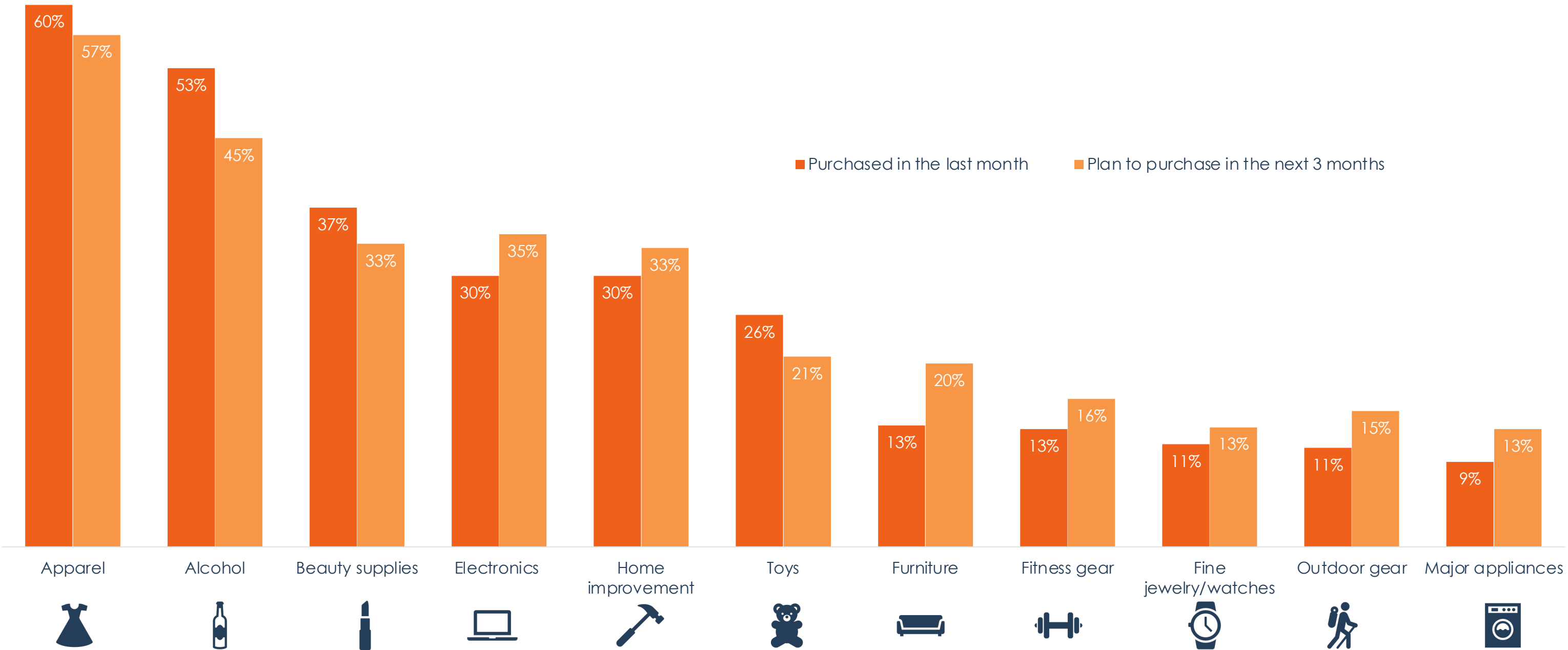
**43%** of Americans enjoy the in-store shopping experience

*Top 2 on a 7-Point Agree Scale*

- M** 51% Millennials
-  51% Parents
- \$** 49% HHI under \$100K
-  49% South
-  49% Less budget conscious

# What are They Buying?

Consumers are purchasing apparel and alcohol at higher rates. Electronics, home improvement items, furniture, fitness, and outdoor gear will experience an increase in sales as shoppers are planning to purchase these items in the next three months.



\*Varying base sizes

# Quality vs. Price

Most consumers will not compromise quality over price for skincare, major appliances, electronics, and furniture. Americans are more price conscious when purchasing toys, alcohol, and fitness gear.

## Quality Index By Industry

Skincare	15%
Major appliances	14%
Electronics	14%
Furniture	14%
Home improvement items	9%
Fine jewelry/watches	4%
Beauty supplies	2%
Outdoor gear	1%
Apparel	0%
Fitness gear	-6%
Hotel stays	-7%
Alcohol	-12%
Toys	-16%
Airline tickets	-34%

Index created by percent who stated quality over price minus the average

## Price Index By Industry

Airline tickets	34%
Toys	16%
Alcohol	12%
Hotel stays	7%
Fitness gear	6%
Apparel	0%
Outdoor gear	-1%
Beauty supplies (not skincare)	-2%
Fine jewelry/watches	-4%
Home improvement items	-9%
Furniture	-14%
Electronics	-14%
Major appliances	-14%
Skincare	-15%

Index created by percent who stated price over quality minus the average

A woman with long, dark, curly hair is wearing a white lace dress. She is holding a large, plain brown paper shopping bag. In the foreground, a hand is offering a credit card to her over a light-colored wooden counter. The background is slightly blurred, showing what appears to be a retail store environment.

# Future Retail Shopping Trends



**Shopping During a Recession:  
“Buy at same rate”**

*Beauty supplies are the most likely category to continue to be purchased at the same rate during a recession.*

**Industry average  
23%**

Industry	Buy at the same rate	+/- industry Average
Beauty supplies	33%	+10%
Alcohol	28%	+5%
Electronics	25%	+2%
Major appliances	25%	+2%
Apparel	22%	-1%
Toys	22%	-1%
Furniture	21%	-2%
Home improvement items	21%	-2%
Fine jewelry/watches:	18%	-5%
Outdoor gear	17%	-6%
Fitness gear	16%	-7%

Base: Varying base sizes

# Shopping During a Recession: “Could Live Without For a Little While”

More than half of Americans would put a hold on apparel purchases during economic uncertainty.

**Industry  
average  
41%**

Industry	Could live without for a little while	+/- industry Average
Apparel	53%	+12%
Home improvement items	48%	+7%
Electronics	45%	+4%
Beauty supplies	43%	+2%
Major appliances	42%	+1%
Fitness gear	40%	-1%
Alcohol	38%	-3%
Toys	38%	-3%
Outdoor gear	37%	-4%
Furniture	36%	-5%
Fine jewelry/watches:	32%	-9%

Base: Varying base sizes





# Shopping During a Recession: “Can Easily Cut Out”

Consumers could easily stop purchasing fine jewelry/watches during a recession. Outdoor and fitness gear, furniture, and toys are also on the chopping block.

**Industry  
average  
36%**

Industry	Can Easily Cut Out	+/- industry Average
Fine jewelry/watches	50%	+14%
Outdoor gear	46%	+10%
Fitness gear	44%	+8%
Furniture	42%	+6%
Toys	41%	+5%
Alcohol	34%	-2%
Major appliances	33%	-3%
Home improvement items	31%	-5%
Electronics	30%	-6%
Apparel	25%	-11%
Beauty supplies	24%	-12%

Base: Varying base sizes

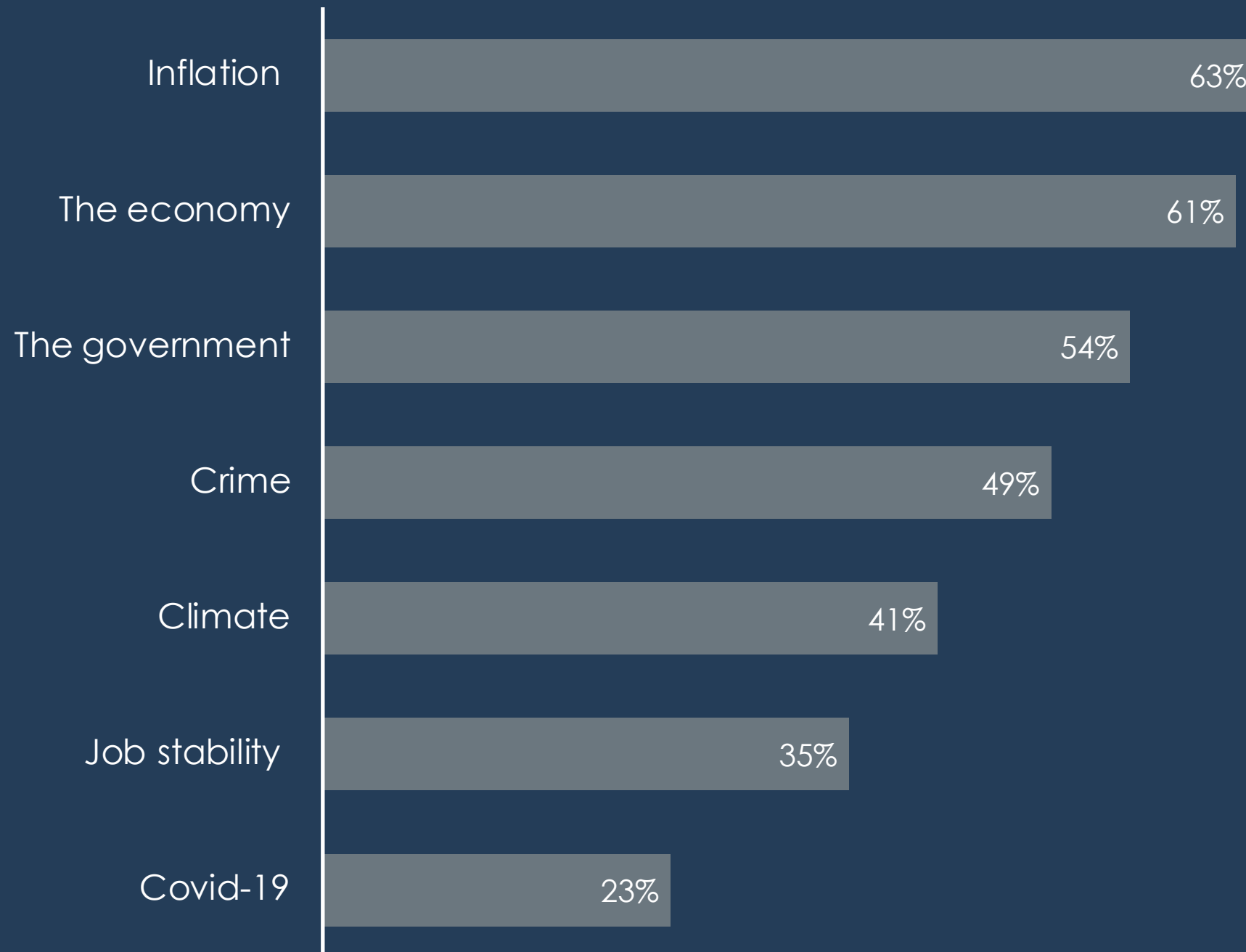
A man in a dark suit, white shirt, and patterned tie is holding a white marker. He is standing next to a chalkboard. On the chalkboard, there is a line graph with an arrow pointing upwards and to the left. The graph shows a fluctuating line that starts high on the left, goes down, then up, then down, then up, and finally down. The background is dark.

# External Trends Impacting Brands in Spring/Summer 2023

# Top Concerns Impacting Consumers

*Inflation and the economy are the leading issues impacting Americans.*

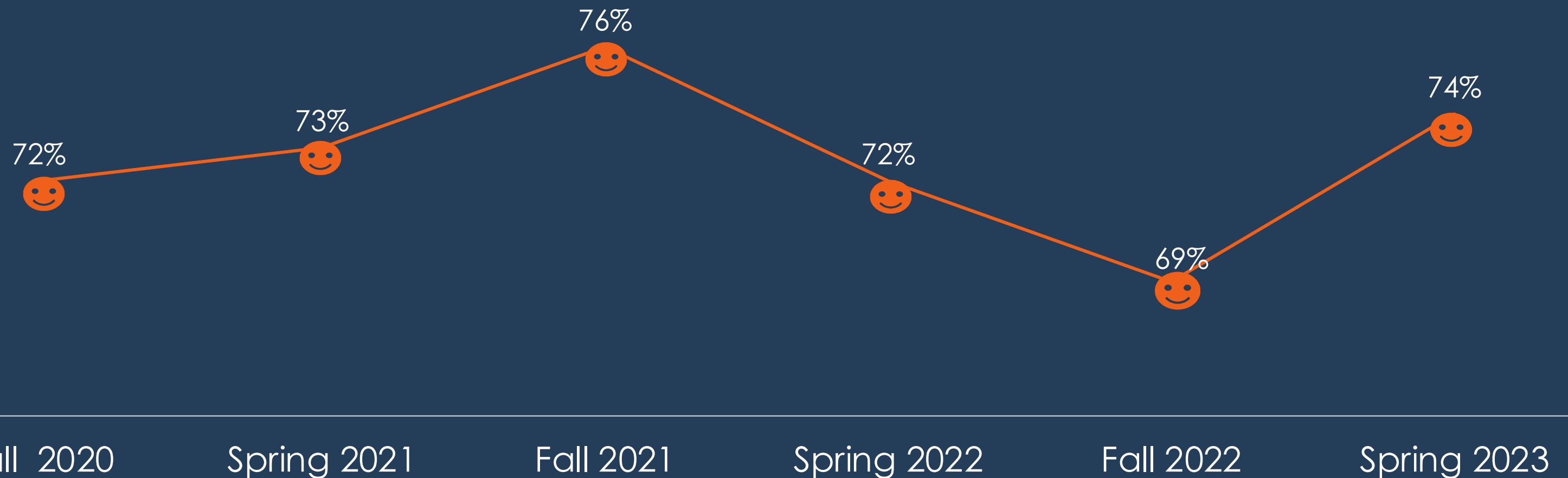
Extremely/Very Concerned  
(5-point scale)



# Consumer Optimism


Optimism levels are at the highest levels since Fall 2021.

## Very/Moderately Optimistic




# Finding the optimism in everyday

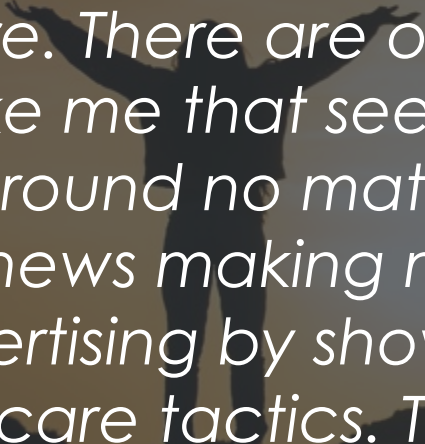
*"I am optimistic about the future because of the younger generation. Today's youth are growing up in a more inclusive, diverse, and progressive world than ever before. They are passionate, informed, and eager to make a positive impact. Young people are driving change through activism, innovation, and social entrepreneurship. They advocate for a better future, demand action on important issues, and challenge the status quo."*



*"I am generally optimistic and believe that "tomorrow is another day", meaning every day is an opportunity to improve upon the past and make a brighter future."*



*"There are humans in every generation from the beginning of time that decides the worst outlook and anticipate the worst future. There are other humans like me that see the good all around no matter the negative news making money off of advertising by showing fear and scare tactics. There are lots of good all around us people are shopping more, getting out more, seem happier, are buying more, are being nicer to each other, and are healthier."*



# Relevant Concerns Fuel Lack of Optimism

## Divisive Government

*“If our country were less politically and economically divisive, I would feel more optimistic. People have lost the ability to disagree in a civil manner. Our healthcare system is a nightmare. We do not take care of our society's most vulnerable.”*

*“People stop hating each other over politics & race, opinions. Get rid of political parties only interested in themselves.”*

*“Government that works for the majority of the people not just the interests that give them money.”*

## Inflation

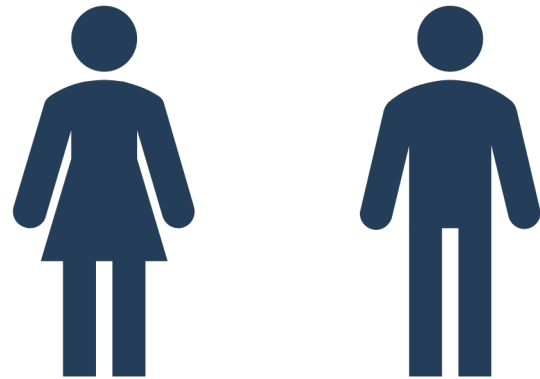
*“What would make me more optimistic about the future is an increase in personal finances and a decrease in the cost of everyday items and necessary products and services such as gas, clothing, utilities, and food”*

*“I would be more optimistic if inflation were to go down.”*

*“Making sure I am financially stable and have money for my son.”*

# Respondent Overview

## Gender



**51%**  
Female

**49%**  
Male

\*<1% other identity

## Generation

**42 years old**  
Median Age

**Z** 16% Gen Z

**X** 30% Gen X

**M** 35% Millennials

**B** 18% Baby Boomers

## Parental Status



**40%**  
Have children

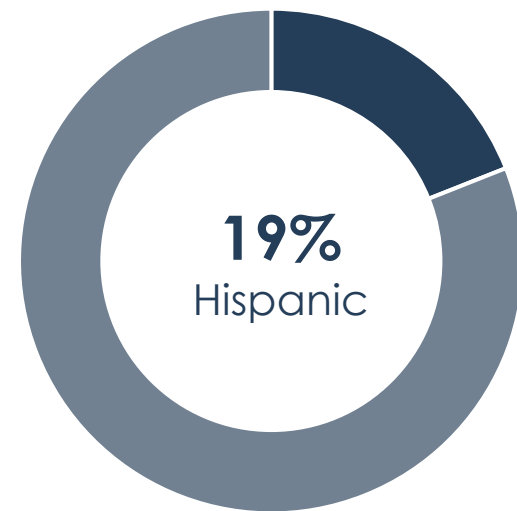


**57%**  
Moms

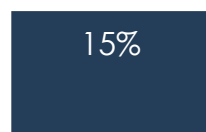


**43%**  
Dads

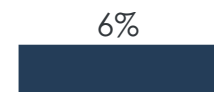
## Ethnicity



White



Black



Asian



Mixed/Other/Prefer not to say

## Household Income

