In our first 2020 Holiday Report, A Holiday Season Like No Other, we noted that this year we are shifting gears to focus on the impact of early spending on overall consumer spending behaviors during the holidays. While 1010data’s card panel data showed a record-breaking online performance for Black Friday and Cyber Monday 2020, the data also indicates that people shopped as much online in the two weeks before Thanksgiving 2020 as they did from Thanksgiving to Giving Tuesday last year, supporting this theory of new patterns. When comparing total holiday spending from Black Friday – Cyber Monday 2020 vs. 2019, the 1010data eCommerce panel shows a 54% lift year-over-year, also indicating consumers saw the entire weekend as an online sales opportunity. This report will provide a more detailed analysis of eCommerce spending highlights in November 2020 and other notable insights from January 2020 onward.
BOPIS Thrives During The Holidays

Shipping cost savings and limitations, speed, and convenience continue to be the main reasons consumers chose BOPIS over home delivery during the holiday season. While Walmart.com (traditional items) was the anticipated winner for BOPIS growth this year, it was far harder to predict that we’d see Ulta.com and PetSmart.com taking second and third place, respectively.

BOPIS Dollar Share and YTD YoY Growth by Merchant for Top Sales Volume eCom Leaders 2020

Source: 1010data Market Intelligence eCom Panel Data Jan.-Nov. 2020 vs. Jan.-Nov. 2019

Instacart Furthers Its Success
Total Instacart Growth YoY 326%
Costco #1 Instacart Seller for 2020

At first glance, within the above chart it appears Costco missed an opportunity to hop on the BOPIS bandwagon. But, diving deeper into the data, we found Costco to be the #1 seller on Instacart for 2020, with 650% year-over-year growth from January to November 2020, versus January to November 2019. This huge growth rate is likely attributed to Costco’s partnership with Instacart for “Same Day Fresh Food Delivery” in lieu of curbside pick up offerings.
Partnerships retailers forged with Instacart paid off in a big way on 2020 Black Friday & Cyber Monday, as evidenced by their total sales increasing between 3-4X year-over-year both days. As seen in the charts below, Petco.com had above average growth on Black Friday (greater than November 2019 to November 2020 growth); Amazon Market took share from Amazon Direct on both Black Friday and Cyber Monday; while Target and Kohl’s actually lost share online on both Black Friday and Cyber Monday. Interestingly enough, GNC.com sales grew 202% year-over-year on Black Friday, but declined 35% year-over-year on Cyber Monday in yet another sign of the push toward earlier sales.
Instacart’s Growth Wasn’t Limited to Major Shopping Holidays

Already the growth rate leader in 2019, Instacart doubled its overall year-over-year growth rate for the month of November 2020. Online shoppers weren’t forgetting their furry friends: while Petco.com saw significant growth on Black Friday 2020, Petsmart.com saw the 4th largest growth rate year-over-year for the month of November among all retailers tracked in our eCommerce panel.

November 2020 YoY Growth Rate For Top Performing Retailers Tracked

Preparation for “Shipageddon”

The Impact of Holiday Shipping Limits

With the sudden surge in online orders comes a not entirely unexpected increased demand for shipping services from companies like UPS and FedEx, and consequently, shipping limits placed on retailers in the middle of the holiday season. While total online transactions within our eCommerce panel grew by 35% year-over-year in October, November was even busier with 43% year-over-year growth. Even with limitations in place, shippers still claim they are seeing a historic volume of packages this holiday season.
How Shipping Limits Impacted the Continued Growth of BOPIS

Walmart.com (traditional items) saw a huge month, landing in November as the top grossing merchant within our panel and also growing 150% versus November 2019. PetSmart not only came out a top performer online, with 151% year-over-year growth in November, but showed up with 129% BOPIS growth; the pet retailer is succeeding at fulfilling demands both in-store and online.

Online Rate of Returns Minimized, but Becoming More Costly

In a year where things have been anything but normal and online sales grew at a rate anticipated years in the future, online returns followed suit. Typically, eCommerce sales drive higher rates of returns than in-store sales. With eCommerce spending up 79% YoY, the dollar volume of returns naturally increased. However, the rate of eCommerce returns did not increase. Our eCommerce return rates show to be lower in 2020 vs. 2019, and we believe this reflects a shift in mix – in particular, more consumer staples and groceries being bought online vs. a decline in the number of returns. Historically, return rates vary greatly by industry sector, with apparel and footwear typically seeing the highest rates of return.

April and early May saw lower than normal return levels due to store policies at the height of the nation’s lockdown, and as states began to reopen in the following months, returns elevated slightly to offset that. In the past, returning items to stores after the holidays created an opportunity for retailers to run sales to offset returns and engage customers in the new year.

With the pandemic keeping most people from gratuitous shopping trips, this is unlikely to happen this year.
Holiday Hot Buys
Apple AirPods and Robotic Vacuums for the Clean Sweep

Categories that performed well on Black Friday and Cyber Monday closely paralleled the top performers we saw during Amazon’s Prime Days in October 2020. While Apple AirPods were the top selling item in total sales dollars during the month of November and on Black Friday, the item pulling in the biggest sales on Cyber Monday was the Nintendo Switch: Fortnite Wildcat Bundle. The winning sales category on both Black Friday and Cyber Monday was robotic vacuums. Here are some other notable findings on specific items and categories for the month of November:

String light sales have continued to grow in November nearly as well as they did in October, and festive snack trays have not been overlooked, either, with robust sales in hot cocoa, marshmallows, and cookies.

Passing the Time at Home

Source: 1010data Market Intelligence: eCom Data, November 2020 Compared to November 2019 sales
Passing the Time at Home
In the Garden

The ongoing safety necessity of staying at home has driven up sales in many areas we associate with nesting. Though cold weather and snow have visited many regions of the country, gardening supplies and tools have remained a strong seller throughout, with an unexpected sales bump in planters and pots from October to November 2020. Even though patio furniture sales show a sharp decline since May 2020, sales in November 2020 are still up 219% year-over-year.

Indoors, too, consumers have upped the ante on remodeling and home beautification projects, with year-over-year growth at 82% in eCommerce spend in the home category. Specifically, people seem to be investing in their kitchens, given year-over-year growth of 98% as of November 2020. Leading segments include cookware, dinnerware, & drinkware.
Bringin’ It On Home

What we saw in the data during the early weeks of the holiday shopping season indicates that retailers with the strongest performances were those that were able to meet the customer where and when they needed. Contactless fulfillment options such as BOPIS and partnerships with Instacart spelled the make-or-break point for many multichannel retailers, as shipping companies turned the screws on their endless aisles by imposing unexpected limits mid-season. Finally, the nesting trend begun by the pandemic shutdowns went into full bloom in this holiday shopping period, with at-home entertainment, home beautification and improvement projects gaining a distinct share of shoppers’ wallets.

What else are we watching?

Click here for access to the latest 2020 holiday spending coverage, and be sure to follow 1010data on LinkedIn and Twitter for notifications to new, complimentary reports.

Methodology

Card Data
This report was built using 1010data’s panel of US consumer transactions that tracks the credit and debit card spending of 5 million US consumers. These findings are not adjusted for cash transactions or store credit spend. All findings presented in this report relate to this panel of consumers and is not an attempt to reflect the behavior of all US consumers.

ECommerce Data
Although 1010data utilizes multiple panels that track millions of panelists, 1010data is projecting up to the total U.S. population. Panel-based projections are not intended to perfectly correlate to actual sales on an absolute dollar sales basis. The strength of 1010data’s ecommerce data lies in share performance and trends over time.