



3 Tricks, Treats and Trends for Retailers

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[According to the National Retail Federation](#) (NRF), consumers are looking to spend a record \$9.1 billion on Halloween this year (up 8.3% over 2016), with people of all ages celebrating in costume. Retailers are looking to capitalize on the candy-fueled shopping for the festivities, so I thought I'd share 3 trends we expect to see this spooky season:

Wallets are going to open up

With consumer confidence at its highest level in 16 years and wages growing at a moderate pace, shoppers will not be shy to spend this Halloween. Additionally, with the holiday month immediately following a strong Back to School spending season, the outlook looks promising since the two promotional seasons have historically been highly correlated. Back to School retail sales grew 4.6% year-over-year from July through September. All of these positive economic indicators help show why an expected 179 million Americans plan to partake in Halloween festivities.

Halloween is about more than kids and their candy

Compared to 2016, higher levels of consumers' disposable income will be spent throughout October in preparation for the last day of the month. Per the NRF, consumers plan to spend \$3.4 billion on costumes, \$2.7 billion on candy, another \$2.7 billion on decorations and \$410 million on greeting cards (yup, greeting cards!) The number of adults planning to dress in costume is at an all-time high this year, and the following costumes are anticipated to be the most popular people dressed in the following most popular: a witch, Batman, and enough animals to fill a few zoos. Getting into the Halloween spirit and going all out on costumes is a good sign for apparel sales growth for 2017, since consumers have been in active spending mode from July through October, with no signs of easing up.

Shoppers are purchasing in new places

Although 35% of consumers will be searching online for inspiration as to what to be for Halloween, only 22% of consumers will actually purchase there. As Americans are spending more than ever before on Halloween in 2017, it's important to look at where exactly they're making these purchases in order to better forecast their purchase behavior during other seasons. The NRF has discount retailers winning out this year as 47% of Halloween-related shoppers plan to purchase in their stores, a trend likely to continue through the holidays. Online sales are likely to pick up more during November and December, as e-commerce retailers will be running more holiday promotions and more product segments will be in demand for gifts.

Unlike a zombie outbreak, the remainder of 2017 does not look too scary for retailers. Over the past several years, there has been a strong correlation not only between Back to School and Halloween (October) spending, but also the subsequent holiday retail season. Because the predictions for Halloween sales are expected to grow, retailers will likely see a boost in sales come November to January.