



Spooky to Jolly: the Fascinating Halloween Correlation to Holiday Sales

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With Halloween behind us and the holidays quickly approaching, retailers have reason to believe their sales through the end of this year should have a merry growth compared to 2014. Several organizations including the [National Retail Federation](#) and [Deloitte](#) have released surveys for the holiday promotional period indicating consumers will spend more on holiday gifts with October's retail sales growth being a good initial indicator. Below are several insights into the correlation between Halloween and Holiday shopping, two promotional periods for retailers, as well as 4 trends we will likely see among holiday shoppers:

1. Growth of Halloween Sales Hauntingly Similar to Holiday Projections

The [U.S. Census Bureau](#) reported soft year-over-year growth for the month of October last week, with total retail sales rising 2% over the latest reported 12 months. However, when looking specifically at the stores where consumers were buying costumes, candy, and decorations, these specific retailers had higher increases. Clothing and clothing accessories grew 3% for the year's spookiest month, very comparable to the NRF's 4% overall holiday sales forecast and Deloitte's 3.5% to 4% projection over a similar period. Other popular categories for decorations like general merchandise stores rose by 2%, while department stores slightly brought down total growth by coming in flat.

2. Online Sales Lead the Pack like Rudolph

In October, people who shopped online spent over \$41 Billion, a 7% gain over what they spent on the Internet twelve months ago. In fact, on Halloween weekend alone according to the [Applied Predictive Technologies Index](#), online apparel sales grew 26% over the last weekend in October. Similarly, online spending was also growing in shopper preference during the [Back-To-School season](#) for apparel and online research. This trend will carry through the holiday season, with the NRF expecting a 6-8% increase, reaching a grand total of \$105 Billion. The convenience of shopping at home on your desktop, tablet, or phone is appealing to more consumers who don't want to face large crowds or colder winter conditions.

Additionally, stores are offering incentives to get customers shopping on their websites. Target is a great example of a retailer leading their shoppers to their e-commerce channel. Not only do they provide free returns and free shipping for online orders, but they also introduced a platform for children to create [Holiday Wish Lists](#) on their site or on mobile devices, where parents can also manage the lists accordingly and then proceed to a virtual checkout.

Even for people who still prefer the in-store experience, many could be checking brick-and-mortar stores earlier, and if they cannot find what they are looking for, they will then turn to online inventories as a last option. One thing is certain: whether they are online shopping before, after, or instead of going to stores, consumer spending on the Internet is expanding its share in Santa's gift bag.

3. No Reindeer Games for In-Store Shopping: Fewer people Waiting 'Til the Night Before

While online purchases grew over Halloween weekend per the [APT Index](#), the group also reported overall sales for that period were down 7% on an annual basis, indicating consumers got their costume and decoration shopping done earlier. Similarly for the holidays, people will start to make significant dents in their holiday lists earlier. According to the [NRF's Holiday Spending Survey](#), 57% of those celebrating the holidays had already started shopping by early November, up from 54% last year, and 16% from the 49% who had started by this time in 2008, the first time the organization asked this question. This year's positive response to the question also marks the highest percentage seen in that timeframe. Similarly, a survey from [Alliance Data's card services business](#), had more than half of consumers stating they will have the majority of their shopping done before December.

4. No Scrooge Employers Here: More Retailers Scaling Back Holiday Hours

Stores are paying close attention to the trend of consumers shopping earlier and earlier for Back to School, Halloween, and the Holiday season. Because of this trend, and to shift spending behavior over more of the entire promotional period, many retailers have decided to close on Thanksgiving this year, even one choosing to not be open on Black Friday. Staples, Costco, and Gamestop are a few brands that have already made announcements that they will keep their doors shut on Turkey Day, while sporting goods retailer REI is encouraging their employees and shoppers to enjoy their products outside by closing on Black Friday.

Overall, holiday sales should be similar to Halloween retail sales, particularly when looking at purchasing behavior. Consumers will be making their list, checking it twice, and then racing to get it done in time to enjoy some eggnog and cookies.
