

RESEARCH

BFCM spending poised for record high in 2024: Deloitte

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Consumers will spend across four categories: apparel and accessories, electronics, toys and self-gifting. Image courtesy of Deloitte

By KIRAN GILL

American consumers are projected to spend record amounts of cash across more categories post-Thanksgiving, according to new findings from global consulting firm Deloitte.

The agency's latest [Black Friday Cyber Monday Survey](#) predicts that, while year-over-year participation will remain constant, the average consumer will spend \$650 during Black Friday-Cyber Monday (BFCM) shopping events in 2024, up 15 percent from last year. In-person doorbuster deals no longer hold as much sway, as 69 percent of respondents plan to shop at online-only retailers versus 57 percent in 2023.

"Both in our holiday survey and in our back-to-school survey, those with a household income of \$50,000 to 99,000 kept spending flat, potentially showing they are feeling squeezed a bit more than others while those making less than \$50,000 or more [than] \$200,000 are feeling a bit better going into the holiday and increasing BFCM spending," said Lupine Skelly, retail, wholesale and distribution research leader at Deloitte, Seattle.

"An interesting finding is that across income levels we are seeing consumers engage in more frugal behaviors to make the most out of their budgets," Ms. Skelly said. "Many are spending more time deal seeking, planning to trade down on brands or retailers if they don't find the right price or putting items in online shopping carts and monitoring the price."

For the report, Deloitte surveyed 1,200 consumers in the United States between Oct. 16 and Oct. 24 to analyze and predict consumer spending habits during BFCM.

Big budgeting

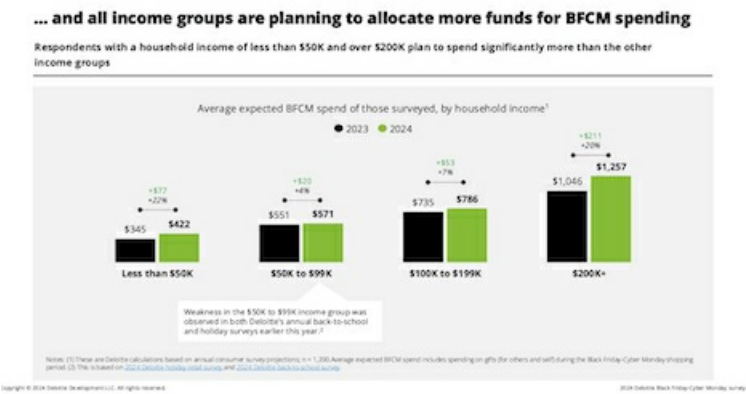
Expected spending will rise across all the income groups surveyed, yet those with a household income of less than \$50,000 and over \$200,000 will spend significantly more, up 22 percent and 20 percent, respectively.

"This year we have a shorter holiday shopping season with the late Thanksgiving," said Brian McCarthy, principal at Deloitte, in a statement.

"Combined with a deal-focused consumer, we can expect to see holiday shoppers spend big during Black Friday-Cyber Monday promotions as they seek to close out their holiday shopping lists in a shorter timeframe," Mr. McCarthy said. "We continue to see the week evolve as a hybrid event, but online retailers are taking the top spot for the preferred format for the first time among

those surveyed.

“This reinforces the importance of offering a consistent omnichannel experience to draw in consumers whether they plan to shop in-store, online, or both.”



Consumers expect to stretch BFCM budgets with financing options. Image courtesy of Deloitte

Consumers are also diversifying their spending across four categories versus three last year. The majority, or 77 percent, are seeking out items within apparel and accessories, while 57 percent eye electronics and 54 percent plan to prioritize toys. In addition, 48 percent of respondents, primarily Gen Z and millennials, plan to take advantage of discounts for self-gifting opportunities, with an expected average spend of \$280 versus \$236 in 2023.

Survey respondents are looking to financing methods to stretch their budgets this season. A little more than half 53 percent foresee BFCM credit card use, up from 35 percent in 2023.

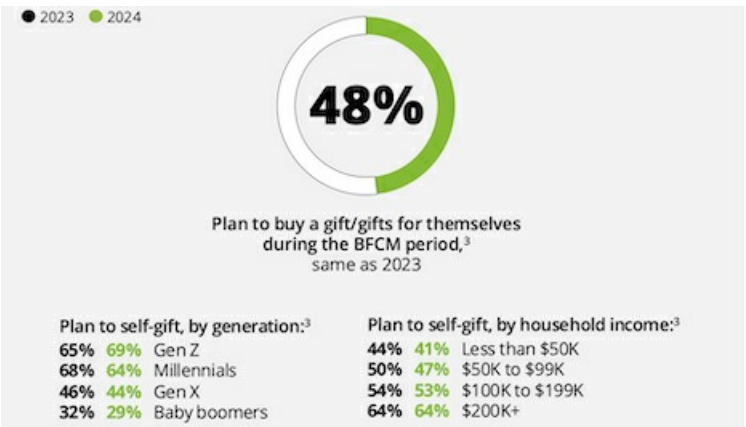
Credit cards and buy now, pay later (BNPL) are the two leading financing methods for these consumers. While credit card usage ranks highest among millennials, with 72 percent claiming interest in the option, BNPL usage is highest among Gen Z, 42 percent of whom will opt to break down this week's transactions.

Consumer behavior

Some respondents to Deloitte's survey expressed a desire for deals to offset higher prices, with 45 percent experiencing higher prices on gifts purchased thus far compared to last year.

Similarly, 32 percent say retailers are discounting less this holiday season. Fifty-eight percent have already put items in the cart, and 37 percent will only purchase items during BFCM that are at least 50 percent off.

In February, the agency predicted that retailers should consider optimizing consumer loyalty perks to maximize spending amidst economic uncertainty (see story).



Nearly half of the consumers surveyed plan to self-gift, with younger generations and higher-income households participating more frequently. Image courtesy of Deloitte

Though many view October promotional events as the kickoff to the holiday season, only 32 percent, versus 49 percent in 2023, said that last month offered the best deals of the year. Of the October shoppers, 58 percent stocked up on necessities, while only 31 percent plan to buy necessities during BFCM.

The increase in consumers purchasing essentials during the holiday season may be attributed to younger consumers decreasing discretionary luxury spending, as reported by global consulting firm Bain & Company ([see story](#)).

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