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MARKET INTELLIGENCE REPORT



Smartphone

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Nov 06, 2023



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PRODUCT UPDATES

gapSnapshot: Best Buy's In-Store Smartphone Assortment Grows YoY Despite Loss of Mobile

This week's Snapshot highlights the latest tool available on gap intelligence's Dashboard, Simple Score, which tracks year-over-year changes in placements, advertisements, and promotions in order to monitor gains and losses versus competitive segments of the market. The chart below shows the YoY change in smartphone SKUs assorted by Best Buy stores across various size-classes at the start of November 2023.

gap impact summary

- Best Buy's brick-&-mortar assortment of postpaid & unlocked smartphones grows 21% YoY this November (104 vs. 94 total SKUs), rebounding from on-year declines seen [in early 2023](#)
 - o Currently, 36% of models on shelf are unlocked, postpaid carriers AT&T & Verizon tie w/ 36% each, while T-Mobile's Mobile removed from shelf in October 2023
- SKU counts rise for most brands YoY in November 2023, Apple (+10 SKUs) & Samsung (+9 SKUs) as T-Mobile's exit shrinks both brands' presence inside stores
- Motorola makes noteworthy YoY gain by tripling its in-store SKU count at Best Buy (34 vs. 11), a result of its expanding portfolio on AT&T & Verizon, plus robust unlocked offerings, edging out Samsung for top n



November 2023 In-Store Assortment Yo

Brand	2022	2023	Carrier			
			AT&T	T-Mobile	Unlocked	Verizon
Apple	29	19	1	-9		-2
BLU	4	6			2	
Google	8	17	5			4
Motorola	11	34	9		5	9
Nokia		3	1		1	1
OnePlus	4	6	2		-2	2
Samsung	38	29	1	-6	-5	1



Source: “Simple Score” card on [Dashboard](#)

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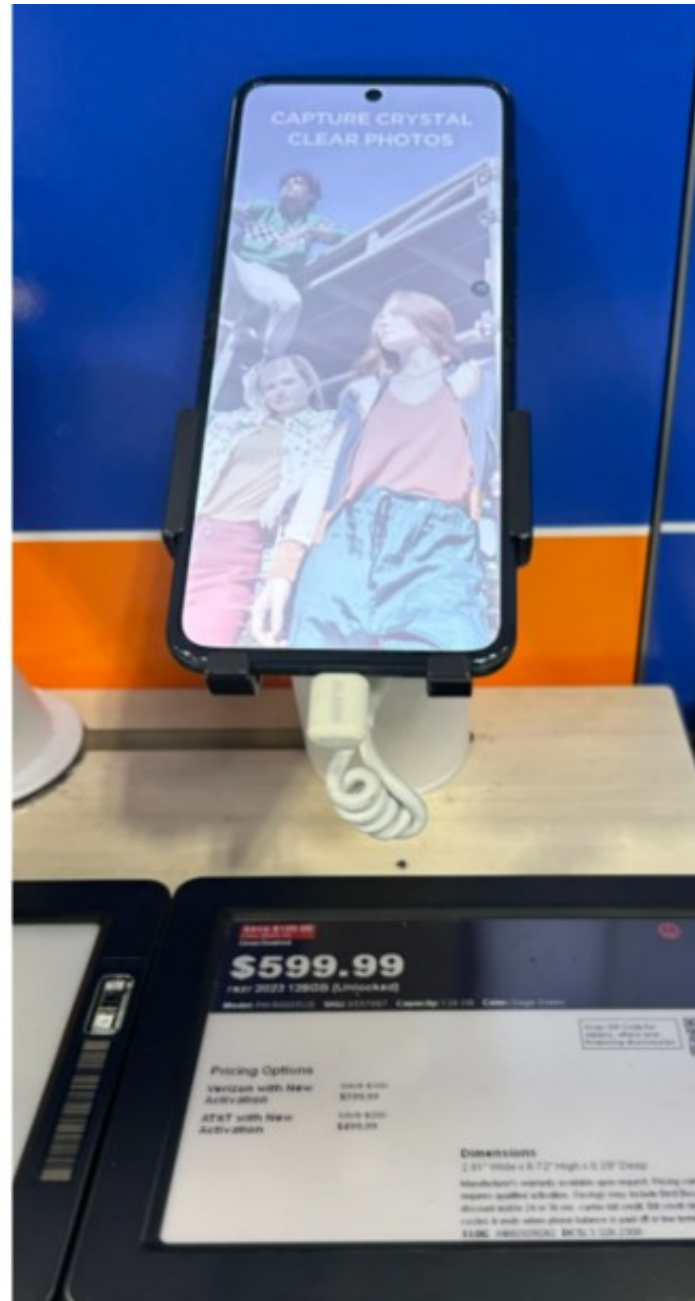
Motorola’s razr 2023 Hits Market Across Prepaid, Postpaid, & Unlocked Segment

Following its planned US release earlier this month, Motorola’s razr 2023 is appearing at merchants across channels. Postpaid carrier AT&T integrated the new foldable into its brick-and-mortar locations, while Best Buy is offering postpaid sales through AT&T and Verizon in addition to presenting unlocked models to its in-store shoppers. The unlocked razr 2023 is also stocked by Amazon online, giving another prominent outlet for the new model. In the prepaid market sales opened up online through CricketWireless.com, MetroPCS.com, and USCellular.com. The extremely competitive pricing as low as \$199.99 for the foldable. Unlocked pricing is \$599.99 for the razr 2023 at Amazon and Best Buy, and an AT&T postpaid version is promoted at \$499.99 inside Best Buy while the carrier is offering it for \$2 per month on a 36 month installment plan, yielding a net price of just \$72.00.

gap impact summary

- Motorola’s razr 2023 debuts at merchants across channels following October release date

-
- motorola razr**
- Ask how to get this device for as low as \$2/mo. No Trade-in Required.**
- | Installation Plan w/
Best Up-Front Pricing
(no. 30-day term) | Installation Plan
(no. 30-day term) | Full Retail Price or
Installation Plan |
|--|--|---|
| \$2/mo | \$2/mo | \$659 or \$18/mo |
- NOTE:
- Eligible wireless line required. Tax and in-state service fees apply. Based on financing with 30-day term. \$2/mo. offer requires 30-day service plan (no. 30-day term). For new lines, if not on other line, with 30-day credit limit. Payment plan for 30-day term only. Not all plans qualify. Customers may not be eligible. Best up-front device price is \$659. See store for details.



The razr 2023 was announced earlier this year as a part of Motorola's fourth generation foldable series and down to the brand's more advanced razr+ (\$999.99). With list pricing set at \$699.99, the razr 2023 is the low-cost mainstream flip-style smartphone in the US by a significant margin. This position is enhanced by early offers from AT&T, Verizon, and T-Mobile. Buy's [\\$100 instant savings](#), its prepaid availability, and AT&T's aforementioned \$2 per month installment plan. At the release of the \$699 razr 2023, the foldable segment's minimum price was set by models like Samsung's Galaxy Z Flip5 and Motorola's razr+ at \$999.

Motorola's razr 2023 smartphone features almost the same overall size and shape as its razr+, but sports a more compact cover screen. The model's outer display is a 1.5" 60Hz OLED that is best designed for quick information like notifications, texts, and weather, with Motorola pitching it as an alternative for those who want to spend less time looking at their phones. The new model also has a feature called Moto Unplugged that lets users pick the apps and notifications allowed and to set timeframes for use. Meanwhile, it has a similar 6.9" (1080p) inner screen to the razr+, but with a 144Hz maximum refresh rate, and it uses an older Snapdragon 7 Gen 1 chipset to achieve cost savings.

- 8GB RAM
- 128GB internal storage
- 64MP f1.7 main camera w/ OIS, 13MP ultra-wide
- 32MP inner camera
- 4,200mAh battery
- 5W wireless charging
- IP52 rating (dust/splash resistant)

Having a duo of razr foldables brings expansion to Motorola's lineup that gives the brand a step-up model without notably lowering the entry point into the segment. The solid market launch the model has seen thus far is especially important for the brand and stands to disrupt Samsung's nearly uncontested stance as the sole foldable vendor in the US. Motorola taking a "budget" stance in comparison to the other folding models, its support from carriers like AT&T, Verizon, and T-Mobile help the Motorola model gain traction and visibility in the market, but unlocked sales are still expected to make up a small proportion of its volume.

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Black Friday 2023 Smartphones Preview: Costco

Costco released its Black Friday “Holiday Savings” advertising circular that runs from October 30 through November 27, 2023. Similar to years past, the advertisement features individual promotional periods throughout the month.

- Warehouse & Online Savings: Oct. 30 - Nov. 12
- Warehouse & Online Savings: Nov. 13 - Nov. 27
- Online-Only Savings: Nov. 23 (Thanksgiving Day)
- Warehouse & Online Savings: Nov. 24 - Nov. 27
- Online-Only Savings: Nov. 27 (Cyber Monday)



Smartphones are featured in one of the advertising periods, the Warehouse & Online Savings from Oct. 30 through Nov. 12, which notably ends before this year’s actual Black Friday event.

Samsung is the sole smartphone advertiser within Costco’s 2023 “Holiday Savings” circular, which is similar to the warehouse club’s November promotions [in 2021](#) and earlier. [Last year](#), Apple was unchallenged within Costco’s

Friday 2022 ad, although only featured a generic “Apple Savings Event” that included all its products rather than specific promotions, and it is following that same strategy again this year.

Get up to \$450 in rewards and savings
 when you buy a select Samsung smartphone on a qualified installment plan with eligible unlimited plan.
 AT&T may temporarily slow data speeds if the network is busy.
 Plus, save \$10/month per line on AT&T Unlimited Premium and more with AT&T's National Promotions.
Visit [Costco.com](https://www.costco.com) and search: AT&T to find participating Costco warehouses or to purchase online.

shop
AT&T

SAMSUNG Galaxy S23
+Costco.com

Ends 11/12/22. Available in select Costco warehouses and on [Costco.com](https://www.costco.com). Requires port-in of new line and purchase on 0% APR 36-month installment plan with AT&T Unlimited Plan (min. \$75/month before discounts). While-qualified customers only. Up to \$360 off with port-in of new line after credits over 36 months. Credits start within 3 bills. **\$100 Costco Shop Card:** All lines must be active and in good standing through Costco Shop Card fulfillment. If service canceled or service on other lines canceled within 90 days, credits stop. **AT&T SIGNATURE PROGRAM \$10/MONTH DISCOUNT PROMOTION:** Subject to change. Premium Plan available in select locations only. Available to qualified employees, students & authorized individuals of eligible companies, universities & sponsoring organizations with a qualifying service agreement (Business Agreement). Requires proof of eligibility. Credits within 2 bill cycles. \$10/Month per phone line discount applies to accounts with 5 lines or less. Additional fees, usage, speed, taxes & other charges; & restrictions apply. Visit [Costco.com/brand-showcase](https://www.costco.com/brand-showcase) for details. Costco Shop Cards are not redeemable for cash, except as required by law. WHP000279 10/22

Apple Savings Event
 Search: [AppleDeals](https://www.apple.com/deals)

+Costco.com

Samsung’s advertised offer is for AT&T postpaid, and instructs shoppers to visit Costco.com and search for find participating locations that the carrier has a presence within. The promotion is not available at the other Costco stores, however shoppers nationwide can buy AT&T items as members through the carrier’s website redirected from Costco.com.

The Galaxy S23 is pictured within Costco’s ad with an offer for up to \$450 in rewards and savings when you buy a Samsung smartphone on a qualified installment plan with eligible unlimited plan. This breaks down to a \$100 (36mo) and a \$100 Costco Shop Card.

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INDUSTRY REPORTS

gap intelligence Unveils Day of the Week Selector for Custom Data Downloads

We're excited to announce a new enhancement to our Custom Data Download tool – the **Day of the Week** feature empowers users to precisely choose specific day they would like their weeks to begin when downloading data, providing greater flexibility and control.

Key Highlights:

- Customized Data Selection: Users can now select individual days to mark as the start date of the week for data extraction, streamlining the process to acquire the precisely needed information.
- Enhanced Flexibility: This addition offers more granular control over data downloads, enabling tailored data retrieval based on specific days.

* Select a Date Range

Cancel

Save

Day of the Week

Tuesday

Changes the start day of the week

☐ This week (10/24/2023 - 10/30/2023)

☐ Last week (10/17/2023 - 10/23/2023)

☐ Last 4 weeks (10/03/2023 - 10/30/2023)

☐ Last 8 weeks (09/05/2023 - 10/30/2023)

☐ Last 13 weeks (08/01/2023 - 10/30/2023)

OR

Start Week

End Week

⚠

Selecting data for a year or more may result in longer processing time.

How It Works:

The **Day of the Week** selector is conveniently integrated into the Custom Data Download's Date Range interface, allowing users to simply pick the desired start day of the week for data retrieval.

Experience the convenience of the new **Day of the Week** selector and streamline your data download process. Contact hello@gapintelligence.com to set up a demo tailored to your specific needs.

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Apple Reports Q4 FY2023 Financial Results: Revenue Nearly Flat YoY at \$89.5 billion

Apple recently [released](#) its financial results for the full-year and fourth quarter of 2023, reporting a 1% year-over-year revenue decline for the period ended September 30. The company announced quarterly revenue of \$89.5 billion, down from \$90.1 billion YoY, and annual revenue of \$383.3 billion, down 2.8% YoY from \$394.3 billion. During the fourth fiscal quarter, Apple released its new iPhone 15, stating in its earnings call that its revenue for the phone category met market expectations and set a record for September. The company also set quarterly records in the Americas, with Services and iPhone revenue growing in the double digits.

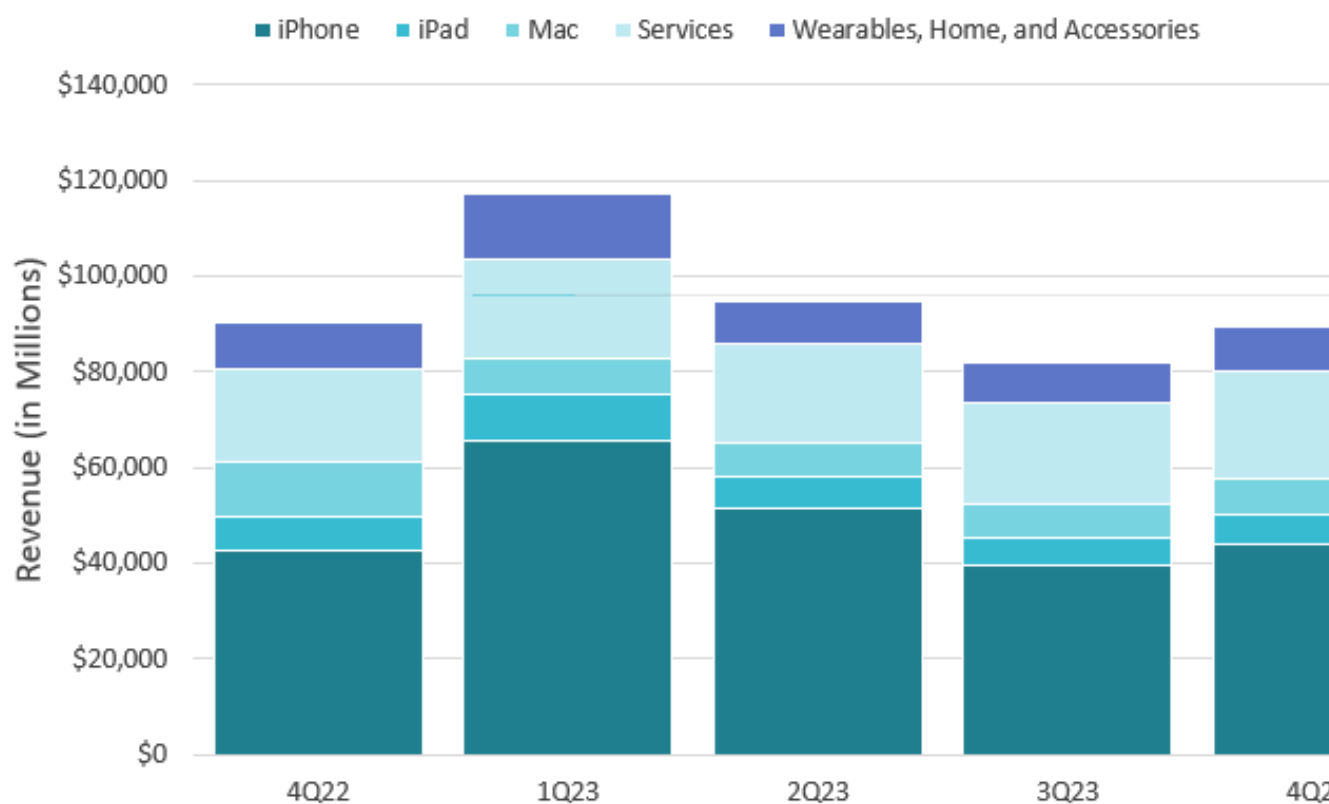
Key Q4 2023 Results

- Q4 2023 revenue down 1% YoY to \$89.5 billion
- Q4 2023 net income up 11% YoY to \$22.96 billion
- Q4 2023 Products revenue down 5% to \$67.2 billion
- Q4 2023 Services revenue up 16.3% YoY to \$22.3 billion

Key FY2023 Results

- FY2023 revenue down 2.8% YoY to \$383.3 billion
- FY2023 net income down 2.8% to \$97 billion

Apple Revenue by Segment



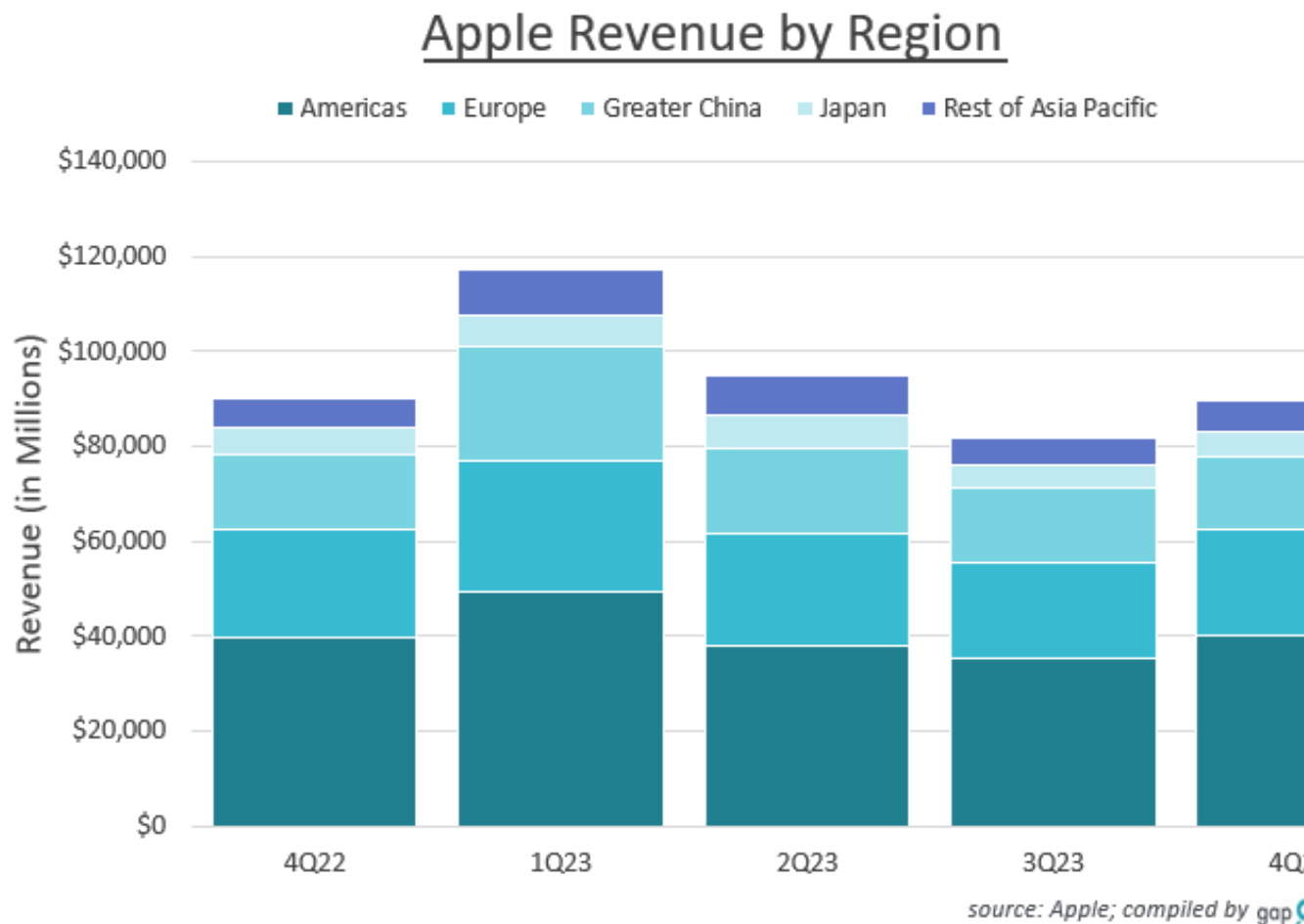
source: Apple; compiled by gap

Key Q4 YoY Product Segment Results

- iPhone revenue up 3% YoY to \$43.8 billion
- iPad revenue down 10% YoY to \$6.4 billion
- Mac revenue down 34% YoY to \$7.6 billion
- Services revenue up 16% YoY to \$22.3 billion
- Wearables, Home, and Accessories revenue down 3% YoY to \$9.3 billion

Apple's iPhone and Services were the only segments to experience YoY growth in the fourth quarter of the 2023 fiscal year. The iPhone segment was boosted by the company's fall release of its iPhone 15 lineup, which set a new record for the September quarter. Additionally, Apple's Services segment set an all-time record for revenue in the period, driven by its App Store, advertising, AppleCare, iCloud, payment services, and videos, as well as

for Apple Music. The Mac segment saw the most notable YoY decline across segments, with Apple citing c market conditions caused by supply chain disruptions and subsequent demand recapture in Q4 2022.



Key Q4 YoY Geographic Region Results

- Americas revenue up 1% YoY to \$40.1 billion
- Europe revenue down 1% YoY to \$22.5 billion
- Greater China revenue down 2% YoY to \$15.1 billion
- Japan revenue down 3% YoY to \$5.5 billion
- Rest of Asia Pacific revenue down 1% YoY to \$6.3 billion

International sales continued to account for 55% of Apple's total revenue in Q4 2023. The Americas accounted for 25% of the company's quarterly revenue and was the only region to show YoY growth during the period. Across all product and geographic segments, Apple reported an all-time high for its total installed base of active devices. This growth is attributed to the company's significant growth in its Services department.

Outlook

Apple expects its Q1 2024 iPhone revenue to grow YoY on an absolute basis, while its Mac performance is expected to accelerate significantly YoY from the September quarter. Conversely, the company expects decelerated Q1 2024 performance for both the iPad and Wearables, Home, and Accessories segments as a result of inflated performance in the previous generational refreshes that took place during the 2023 December quarter. The Services business is expected to continue its revenue per week growth in the double-digit range, similar to Q4 2023, with a gross margin between 45% and 50%.

See also:

[Apple's Q3 2023 Financials Show Overall Revenue Decline of 1% YoY but Record for Services](#), August 7, 2023

[Apple's FY 2022 Topped by Record Setting Q4, Revenues up 8%](#), October 31, 2022

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Samsung Electronics Reports Q3 2023 Revenue Decline of 12% YoY

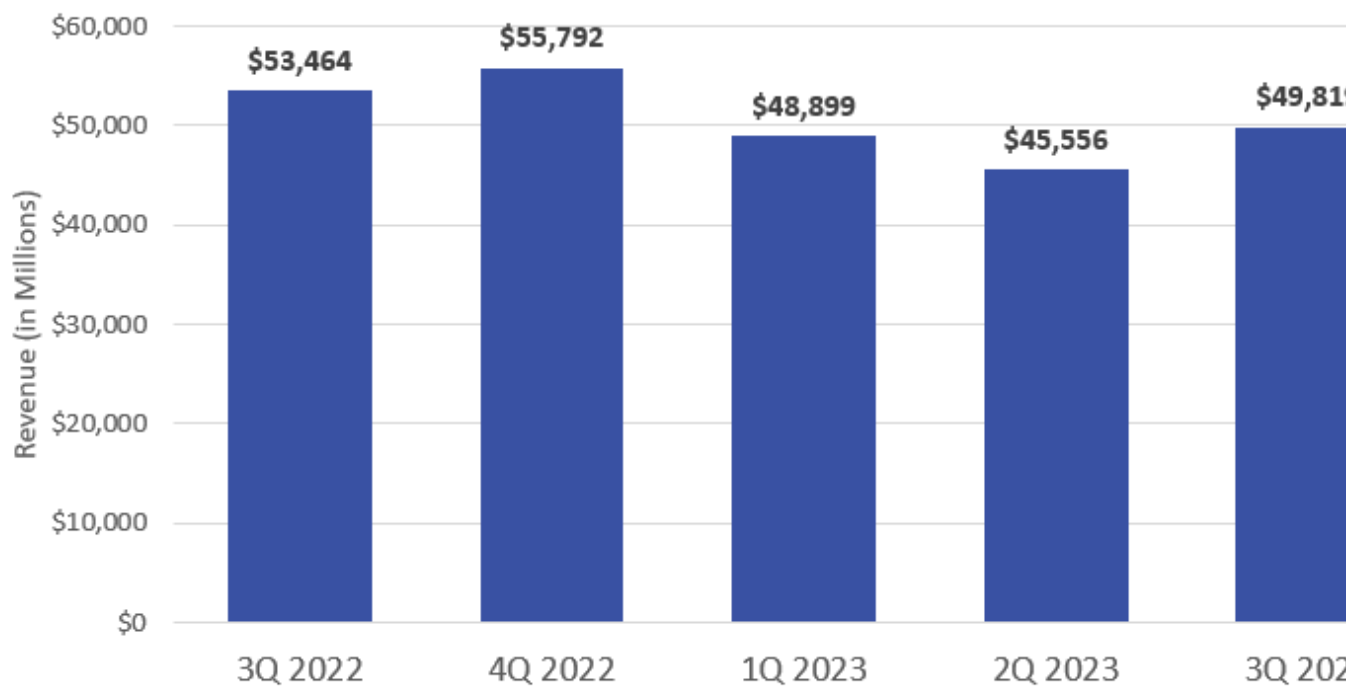
Samsung Electronics recently posted its third quarter [financials](#) for the period ending September 30, 2023. The results show a 12% decrease in overall revenue year-over-year (YoY) to KRW 67.40 trillion (\$49.8 billion), a 28% decrease in net profit YoY to KRW 5.84 trillion (\$4.3 billion).

gap impact summary

- Total Q3 2023 revenue down 12% YoY to KRW 67.40 trillion (\$49.8 billion)
- Gross profit down 28% YoY to KRW 20.79 trillion (\$15.4 billion)
- Operating profit down 78% YoY to KRW 2.43 trillion (\$1.8 billion)

- Net profit down 38% YoY to KRW 5.84 trillion (\$4.3 billion)
- Consumer Electronics (VD/DA) revenue down 5% QoQ, down 7% YoY
- IT & Mobile Communications (MX/Networks) revenue up 17% QoQ, down 7% YoY
- Device Solutions (DS) revenue up 12% QoQ, down 29% YoY

SAMSUNG Quarterly Revenue Results



Source: Samsung

gap

Results by Business Segment

Consumer Electronics (VD/DA)

The Consumer Electronics division experienced a 7% YoY (-5% QoQ) decrease in sales to KRW 13.71 trillion. For Visual Display (VD), Samsung noted that while market demand increased QoQ due to seasonality, it declined YoY due to low consumer sentiment, influenced in part by higher interest rates. For Digital Appliances (DA), the comp

strengthened its sales mix through expanding sales of premium products, centered around its Bespoke line, remained similar YoY due to waning effects of peak seasonality for AC units and intensifying market competition.

IT & Mobile Communications (MX/Networks)

IT & Mobile Communications (MX/Networks) experienced a 7% decline YoY (+17% QoQ) to KRW 30 trillion. For Mobile Experience (MX), global smartphone demand rebounded and overall market demand grew QoQ, as did Samsung. The manufacturer noted that revenue and operating profit grew thanks to the successful launches of its flagship models, backed by strong sales for foldables/tablets.

Device Solutions (DS)

The Device Solutions division experienced a decrease of 29% YoY (+12% QoQ) to KRW 16.44 trillion. Samsung noted that for the Memory division, the demand environment improved despite relatively weak demand for conventional products brought on by rising adoption of high-density products for PC/mobile, the upcoming completion of customer capacity adjustments, and ongoing strength for high-end, AI-oriented products.

Outlook

For Q4 2023, Samsung expects demand for Visual Display (VD) to remain uncertain due to various risks in the environment, but expects demand to remain solid for premium products like ultra-large TVs. The company noted that it expects competition to increase as companies respond to peak seasonality. For Digital Appliances (DA), Samsung noted it will remain committed to securing profitability by improving its business structure through an increase in B2B, while also strengthening its mix through sales of premium products. For Mobile Experience (MX), Samsung expects the smartphone market to grow QoQ due to seasonality, but competition in the mass market is expected to intensify, added uncertainties from geopolitical risks likely to remain. For Device Solutions (DS), memory demand is expected to improve due to year-end promotions and launches of new products by Samsung's major customers, while the demand trend in major applications is predicted to accelerate and the demand for generative AI remains strong.

See also:

[Samsung Electronics Reports Q2 2023 Revenue of \\$47 Billion, Down 22%](#) July 31, 2023

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T-Mobile Releases Q3 2023 Financials, Reporting Slight YoY Decrease in Revenue

Billion

T-Mobile recently [released](#) its Q3 2023 financial results for the period ended September 30, reporting quarterly revenue of \$19.3 billion, down 1.2% year-over-year (YoY) from \$19.5 billion. Despite overall contracting revenue, the company showed a slight increase of 3.6% YoY in total service revenues, rising to \$15.9 billion from \$15.4 billion. T-Mobile's net income for the quarter was \$2.1 billion, compared to \$508 million during the same period in 2022. In its Q3 earnings call, the company disclosed that it reached its end-of-year goal of covering 300 million people with mid-band 5G two months ahead of its target.

gap impact summary

- Total revenue of \$19.3 billion, down 1.2% YoY
- Net income of \$2.1 billion, up from \$508 million YoY
- Service revenue \$15.9 billion, up 3.6% YoY, industry-leading
- Postpaid net customer adds of 1.2 million, industry-leading
- Postpaid phone net customer adds of 850 thousand, 0.87% churn

(in millions, except EPS)	Quarter			Nine Months Ended September 30,		Q3 2023 vs. Q2 2023	Q3 2023 vs. Q3 2022
	Q3 2023	Q2 2023	Q3 2022	2023	2022		
Total service revenues	\$ 15,914	\$ 15,738	\$ 15,361	\$ 47,198	\$ 45,805	1.1 %	3.6 %
Postpaid service revenues	12,288	12,070	11,548	36,220	34,194	1.8 %	6.1 %
Total revenues	19,252	19,196	19,477	58,080	59,298	0.3 %	(1.9) %
Net income	2,142	2,221	508	6,303	1,113	(3.6)%	321.1 %
Diluted EPS	1.82	1.86	0.40	5.26	0.88	(2.2)%	355.1 %
Adjusted EBITDA	7,600	7,405	7,039	22,204	20,993	2.6 %	8.1 %
Core Adjusted EBITDA	7,547	7,336	6,728	21,935	19,809	2.9 %	12.0 %
Net cash provided by operating activities	5,294	4,355	4,391	13,700	12,445	21.6 %	20.5 %
Cash purchases of property and equipment, including capitalized interest	2,424	2,789	3,634	8,214	10,587	(13.1)%	(33.3) %
Adjusted Free Cash Flow	4,003	2,877	2,065	9,281	5,472	39.1 %	93.1 %

(1) Industry-leading claims are based on consensus expectations if results are not yet reported.

T-Mobile's growth in its postpaid segment continues to exceed its expectations, with all of its net account additions leading the industry, which resulted in the company raising guidance for the full year. Its postpaid record low for Q3 overall.

- Postpaid service revenue of \$12.3 billion, up 6.4% YoY – best in industry growth
- Postpaid customer additions of 1.2 million – best in industry & raising guidance
- Postpaid phone net additions 850 thousand – best in industry
- Prepaid net customer additions 79 thousand, down 26 thousand YoY – churn of 2.81%

(in thousands, except churn)	Quarter			Nine Months Ended
	Q3 2023	Q2 2023	Q3 2022	2023
Postpaid net account additions	386	299	394	979
Total net customer additions	1,305	1,685	1,732	4,300
Postpaid net customer additions	1,226	1,561	1,627	4,000
Postpaid phone net customer additions	850	760	854	2,140
Postpaid other net customer additions ⁽²⁾	376	801	773	1,900
Prepaid net customer additions ⁽²⁾	79	124	105	220
Total customers, end of period ⁽²⁾⁽³⁾	117,907	116,602	111,755	117,907
Postpaid phone churn	0.87 %	0.77 %	0.88 %	0.81 %
Prepaid churn	2.81 %	2.62 %	2.88 %	2.75 %
High Speed Internet net customer additions	557	509	578	1,550
Total High Speed Internet customers, end of period	4,235	3,678	2,122	4,235

Outlook

In light of its Q3 2023 performance, the T-Mobile increased its full-year projection once again. T-Mobile expects postpaid net customers to reach between 5.7 and 5.9 million. While the growth is reflected across all market segments, the company expects around half of the postpaid net adds from phones. The overall EBITDA expectations remain unchanged from \$28.9 billion and \$29.2 billion.

See Also:

[T-Mobile Reports Q2 2023 Results, Highlighting Lowest Industry Postpaid Phone Churn](#) Aug 7, 2023

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Circana: Consumer Apprehension May Affect Overall Holiday Spending

Circana's "Annual Holiday Purchase Intentions Study" reveals that although holiday spending is expected to be down compared to last year's results, it could still fall short by 2.5%. Inflation is still a significant factor that could affect consumer spending during the holidays. During the first nine months of 2023, retail sales revenue increased 2% year-over-year, while consumer spending decreased by 3%. Throughout 2023, there has been spending apprehension from consumers, although it is yet to be seen whether this could change during a three-week-long last-minute spending surge during December.

Most consumers (40%) reported that overall value for the price and special sale price are among the top factors influencing where they will potentially shop during the holidays. Circana forecasts the average holiday spending of 2023 to be slightly below last year's average of \$760.

Key Overall Takeaways

- 24% of consumers plan to spend more than last year, 58% plan to spend the same, and 18% plan to spend less
- Top planned product categories for purchase
 - 55% clothing/footwear/accessories w/ \$441 average spend
 - 34% tech/electronics w/ \$889 average spend
 - 31% entertainment w/ \$216 average spend
 - 29% toys & baby products/supplies w/ \$191 average spend
 - 29% home w/ \$348 average spend
 - 28% beauty w/ \$210 average spend
 - 21% food & beverage w/ \$170 average spend
 - 20% liquor & wine w/ \$125 average spend
- 82% of respondents plan to shop online for gifts, up 2 ppts YoY

Early Holiday Shopping

According to the Circana survey, people who want to shop before Thanksgiving are increasingly likely to start shopping in November. Of those who plan to shop before Thanksgiving, 37% of respondents said they would start in September, up from 33% in 2022; 27% said they would start in October, up from 31% in 2022; and 31% said they would start in November, up from 25% in 2022.

Most customers said they would begin shopping this year on Thanksgiving Day; 4% said they would do so on Black Friday, 18% on Black Friday, 6% during Thanksgiving weekend, and 3% on Cyber Monday. Of those who put things off, 18% said they would start early in December, and 6% said they would wait until the very last minute. Additionally, Black Friday's significance is only increasing. Twenty-three percent of the respondents claimed that today is the day with the best offers.

How Will Economic Concerns Impact Holiday Shopping?

Of those surveyed, 65% said the economy was "Fair" or "Poor," a modest increase from 64% in 2022 and higher than in previous years. In 2021, 56% thought the economy was "Fair" or "Poor," compared to 57% in 2020 and only 48% in 2019.

However, only 28.3% of respondents indicated they planned to spend less this holiday season when asked what their financial situation and economic outlook would have on their spending. This number is slightly less than the 29% who planned to spend less in 2020 and the 29% who indicated they would spend less in 2022. Merely 23% of respondents intended to reduce their spending in 2021 amidst the recovery from the epidemic.

Overall, 29% of respondents plan to spend more, while 42% plan to spend the same amount as last year.

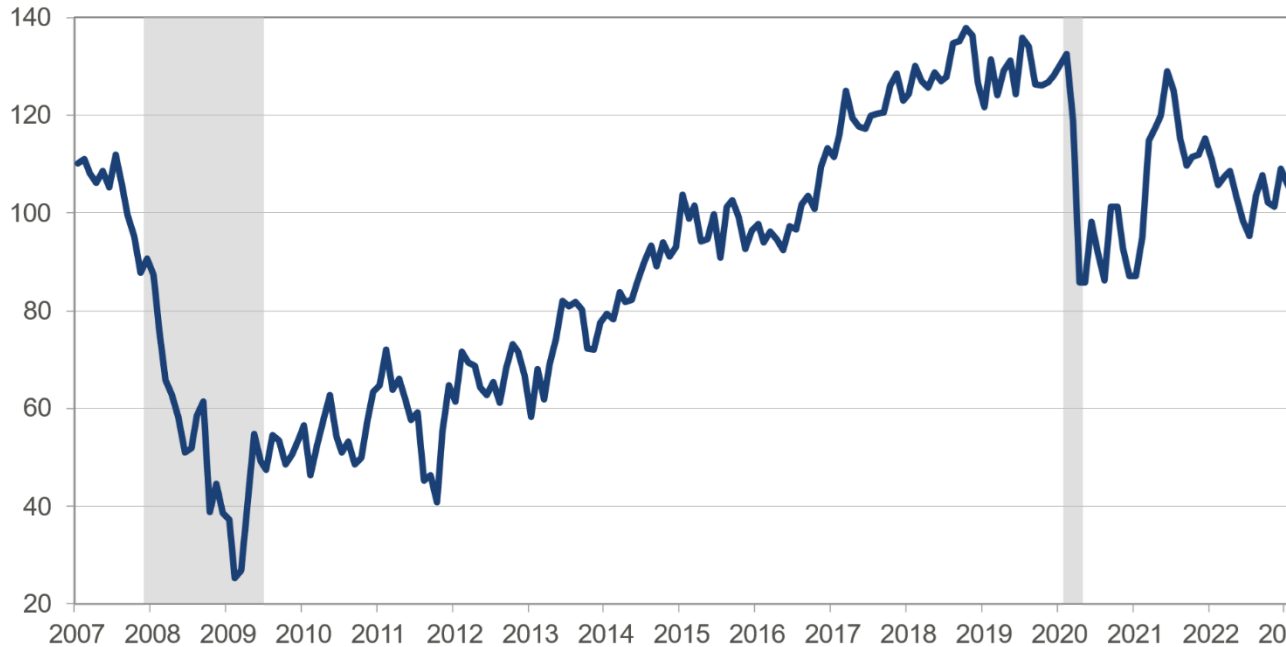
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US Consumer Confidence Falls for the Third Consecutive Month in October 2022

The Conference Board [reported](#) a declining Consumer Confidence Index for the third consecutive month, falling to 102.6 in October from 104.3 in September. The Present Situation Index, which reflects consumers' current views on the market, dropped to 143.1 from 146.2 compared to the previous month. Similarly, the Expectations Index fell to 75.6 in October, down month-over-month from 76.4, and looks at consumers' short-term outlook for income, employment, and labor market conditions.

Consumer Confidence Index®

Index, 1985 = 100



*Shaded areas represent periods of recession.
Sources: The Conference Board; NBER
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Present Situation Index - *Consumers' current business condition assessment*

- 39.4% said jobs were “plentiful,” down slightly MoM from 39.7%
- 13.1% said jobs were “hard to get,” down MoM from 14.2%
- 19.1% reported “good” business conditions, down MoM from 21.0%
- 18.3% reported “bad” business conditions, up MoM from 15.9%

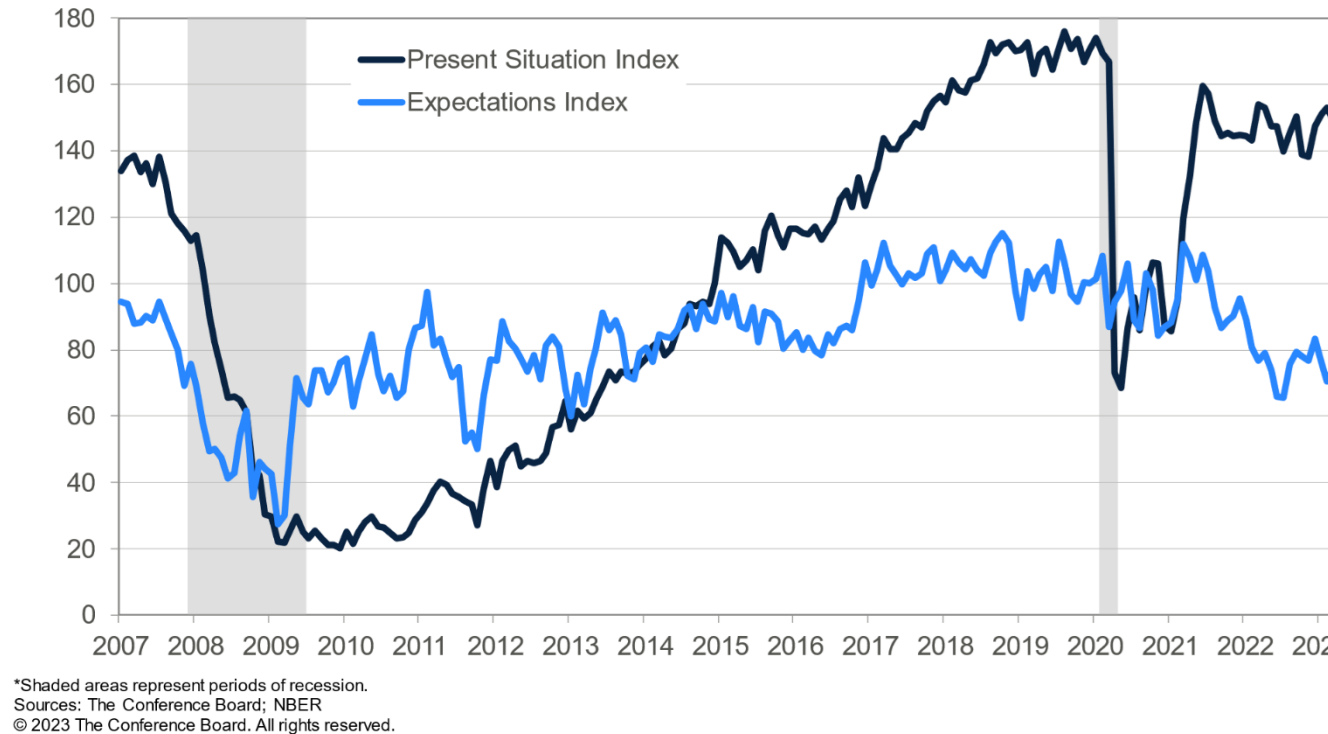
Expectations Index - *Consumers' short-term outlook (next 6 months)*

- 20.2% expect worsening business conditions, up MoM from 18.7%
- 16.5% expect improving business conditions, up MoM from 15.3%
- 19.0% expect lower job availability, up slightly MoM from 18.9%
- 16.0% expect higher job availability, down MoM from 16.2%
- 15.6% expect incomes to increase, down MoM from 17.9%

□ 13.0% expect incomes to decrease, down MoM from 14.1%

Present Situation and Expectations Index

Index, 1985 = 100



The third quarter of 2023 saw significant spending on goods and services, despite consumer's notable skepticism. Additionally, US shoppers remain weary of an upcoming recession, with 66% of October respondents saying 'somewhat' or 'very likely.' Plans for large purchases such as automobiles or appliances increased on a six-month average basis, while home purchases continued to trend downward, correlating with rising interest rates. Despite this, consumer confidence was most prominent for respondents aged 35 and up and showed across all income levels.

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Consumers Look to Support Small Businesses this Holiday Season

A new Intuit QuickBooks survey revealed that nearly half of consumers plan to spend 50% or more of their holiday shopping at small businesses this holiday season. The majority of consumers are in the giving spirit, with 94% planning to give a holiday bonus. The total consumer spending at small businesses is expected to jump by 42% this holiday season compared to the 34% of respondents expecting a holiday bonus, 69% of them say the bonus will encourage them to spend more at small businesses. Nearly 70% of consumers reported they started saving for their holiday gift shopping in November or earlier.

Some of the tips given to small businesses for the holiday season were:

- ❑ **Offer Buy Now, Pay Later (BNPL) Model:** 60% of consumers plan to use BNPL for holiday shopping, especially from Gen Z consumers
- ❑ **Seamless Checkout Experiences:** 63% of consumers say they will shop with more small businesses with contactless or mobile payments
- ❑ **Holiday Discounts:** 94% of consumers compare prices between small businesses and big retailers, with finding a better deal at a big retailers will turn them away from the small business
- ❑ **Encourage Consumers to Support Local Businesses:** 62% of consumers are more likely to support local businesses in their community
- ❑ **Keep Inventory Available Before the Busy Season:** Majority of consumers plan to start shopping in November

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