

Klarna. for Business

The State of Smooth:

2021 Holidays Unwrapped.

A look at how consumers are spending this holiday season.



Consumer insights: wrapped & ready.

The holiday season is a time for giving, and we've prepared a little something for you—actionable tips to help you prepare for the most wonderful time of the year, based on comprehensive surveys of over 24,000 US shoppers and Klarna consumers, as well as our proprietary shopping and Collections data. Our gift to you, no assembly or batteries required.

Read on for must-know insights that will help you sleigh the holidays.

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Key findings.

Here's what you should know this holiday season.

- 1. Shopping starts earlier.**
40% of US shoppers will start their holiday shopping earlier this year than they did last year. **22%** have already begun, with another **22%** planning to get started before Black Friday.
- 2. Budgets expand.**
 Over one third (**34%**) of shoppers plan to spend more on gift-giving this year than they did last year, with the majority (**53%**) increasing their budgets by \$101-500. Early bird shoppers plan to spend **16%** more, on average, than those who'll get a later start.
- 3. Black Friday sales are on the rise.**
 Klarna saw sales volume increase by nearly 3X (**+193%**) on Black Friday last year, compared to the average day in November 2020—surpassing Cyber Monday sales by **26%**.
- 4. Black Friday shifts towards digital.**
56% of shoppers plan to do the bulk of their buying online during Black Friday. Klarna users (**67%**) are even more inclined to go digital on Black Friday.
- 5. Smart payment options are in.**
 Gen Z, Millennial, and Gen Xers are more likely to pay for gifts with debit (**59%**) over credit (**50%**), and the majority also are looking for flexible payments (Gen Z: **75%**, Millennials: **76%**, Gen X: **60%**).
- 6. Big-box retailers come out ahead.**
 Big-box retailers (**62%**) are the most popular place to shop this holiday season, followed by department stores (**37%**) and malls (**34%**).
- 7. Livestream shopping takes off.**
71% of Gen Z and **69%** of Millennials say that they're interested in checking out livestream shopping events this season.
- 8. Social media is a key discovery tool.**
 The vast majority of younger shoppers—**78%** of Gen Z and **79%** of Millennials—say they have purchased a product after seeing it on social media.
- 9. Gift cards trump physical gifts.**
 The majority of consumers (**66%**) would prefer to receive a gift card over a physical gift this holiday season.

The early shopper gets the gifts.

It's seldom too early for businesses to start planning for the holiday gift season—especially because 40% of shoppers are planning to get an earlier start this year than they did last year. Nearly a quarter (22%) of all shoppers have already begun shopping, with another 22% planning to get started before Black Friday. Only 5% say they'll start later.

This early shopping behavior is particularly true of younger shoppers (Gen Z: 56%, Millennials: 61%) who are eager to begin their holiday browsing and buying. Nearly half (48%) of Gen Z and Millennials say they'll start before Black Friday.

Shop, but don't drop.

The majority of shoppers hitting the aisles earlier this season are doing so to take advantage of sales and deals (72%). Shoppers also report wanting to ensure product availability (50%) and avoid shipping delays (45%), so they can get busy stuffing stockings rather than waste time tracking packages. Makes

Consider offering early-bird specials to entice shoppers eager to make their purchases before the season is in full swing.

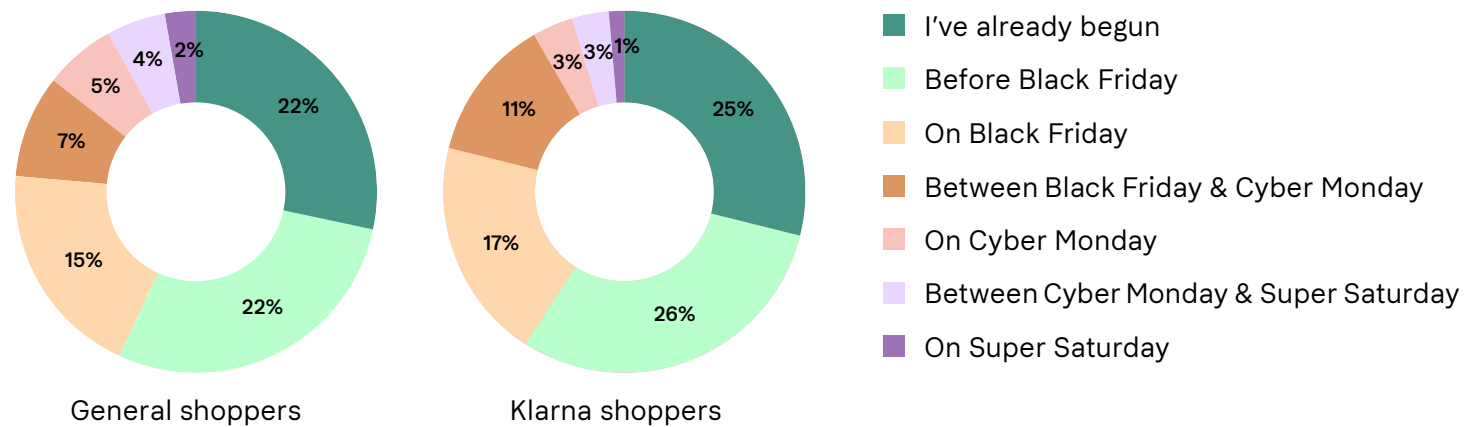
HOT TIP

sense, as supply chain shortages are being reported across the country, causing potential headaches for retailers as well as a disappointment for those eagerly awaiting the arrival of that perfect present.

HOT TIP

Klarna shoppers are even earlier than the rest, with over half (57%) saying they are shopping earlier than before in the hopes of kicking back and enjoying the season.

When is holiday shopping starting this year?

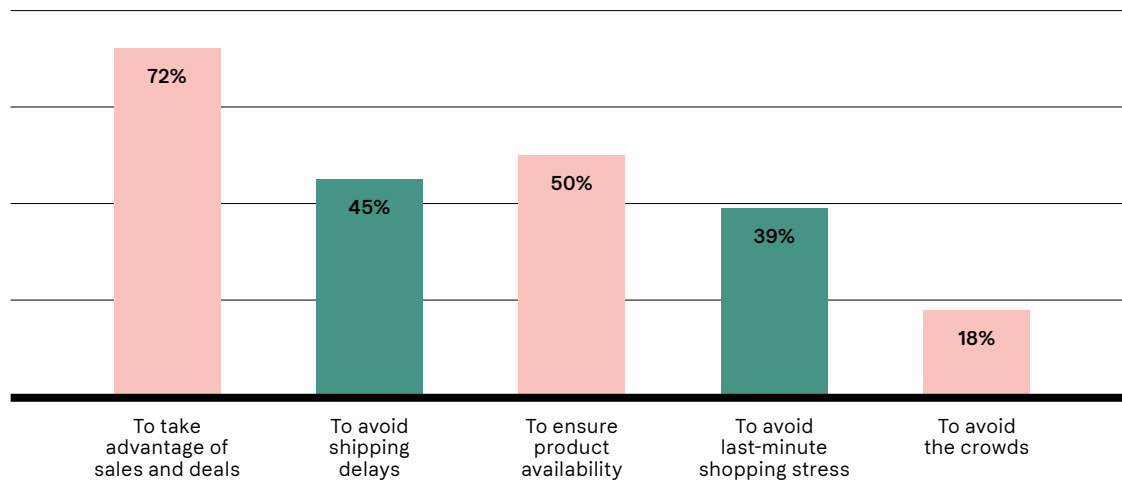


Shop early, spend more.

Early-bird shoppers want to avoid last-minute stress and ensure their gifts are wrapped and ready ahead of schedule. But what else do we know about them? Turns out, they're also bigger spenders. Shoppers starting their holiday shopping earlier this year plan to spend 16% more, on average, than those who aren't.

Flexible payment options are also appreciated by this group. If you've been thinking of integrating Klarna's interest-free solutions, it could help you have the happiest holiday season yet. Klarna's brand partners see average order values increase by 20-80% and conversions climb by 20%.

Why are consumers shopping earlier?



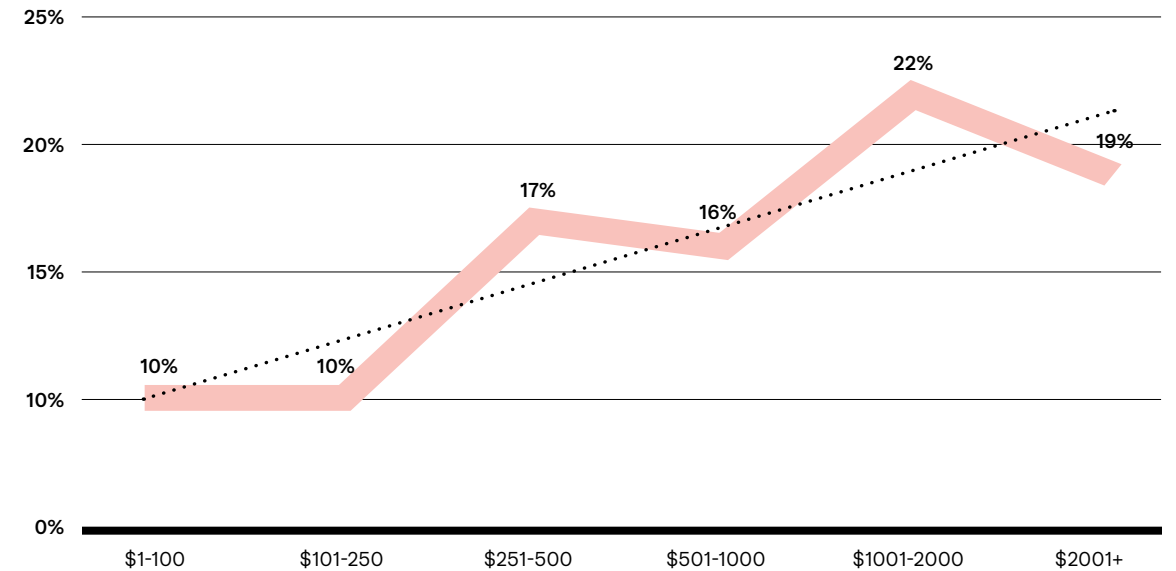
Digital shoppers have bigger budgets.

Shoppers who plan to do the bulk of their holiday shopping online also have more to dish out this holiday season.

Those shopping 'mostly online' plan to spend 9% more, on average, than those who are shopping on other channels.

Big budgets love flexible payment options.

As holiday budgets increase, so does the number of shoppers who prefer flexible payment options, including Klarna's flexible, interest-free Pay in 4 service.



Vertical percentage shows how many shoppers are looking to use flexible payment options, while the horizontal line shows how much they are looking to spend.

Holiday deals for days.

Savvy shoppers love to take advantage of sale days. During the 2020 holiday season, shoppers spent the most money on Black Friday (43%), Amazon Prime Day (41%), and Cyber Monday (34%). The spending on these holidays was even more pronounced among Klarna shoppers, who are especially diligent about hitting the biggest shopping days

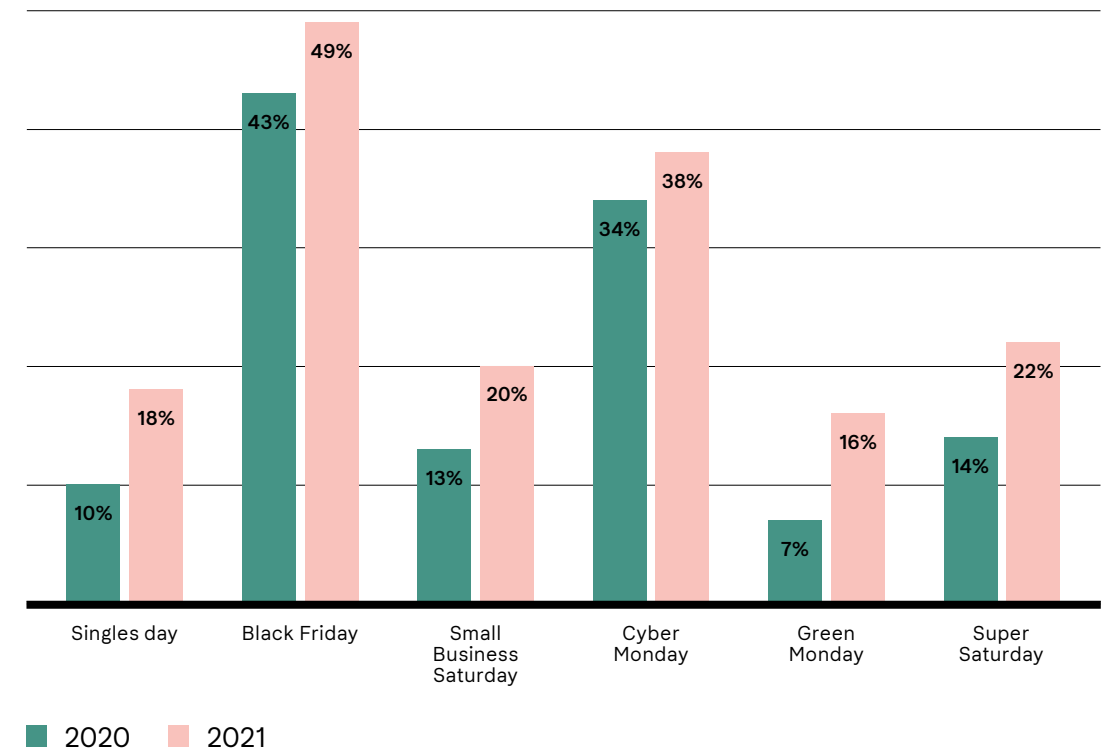
HOT TIP

Recognizing that shoppers love sale days, promote your biggest deals on social media well in advance so gift-givers have your promotions on their radar.

of the year in November. 62% said they spent the most on Black Friday, along with 53% on Cyber Monday and 47% on Amazon Prime Day.

When do gift-givers plan to spend the most money this year? Shoppers anticipate purchasing the bulk of their presents on Black Friday (49%), Cyber Monday (38%), and Super Saturday (the Saturday before Christmas) (22%). The same holds true for deal-loving Klarna shoppers, in even larger numbers: Black Friday: 65%, Cyber Monday: 56%, and Super Saturday: 22%.

On which sales days do shoppers make most of their purchases?



Black Friday—the digitized remix.

Biggest online sales day this year?

Don't believe the headlines trying to proclaim Black Friday dead: more than half (57%) of shoppers plan to shop Black Friday sales this year. This is particularly true of Gen Z (72%), Millennials (74%), and Gen X (62%) shoppers.

Black Friday may even be on track to take first place as the biggest online sales day of the year, with sales increasing at a higher pace (+22%) compared to Cyber Monday (+15%) (Adobe Analytics). Klarna shoppers have been ahead of this trend, driving nearly 3X (+193%) spending on

Black Friday last year compared to the average day in November 2020, surpassing Cyber Monday sales by 26%.

Digital deals delight.

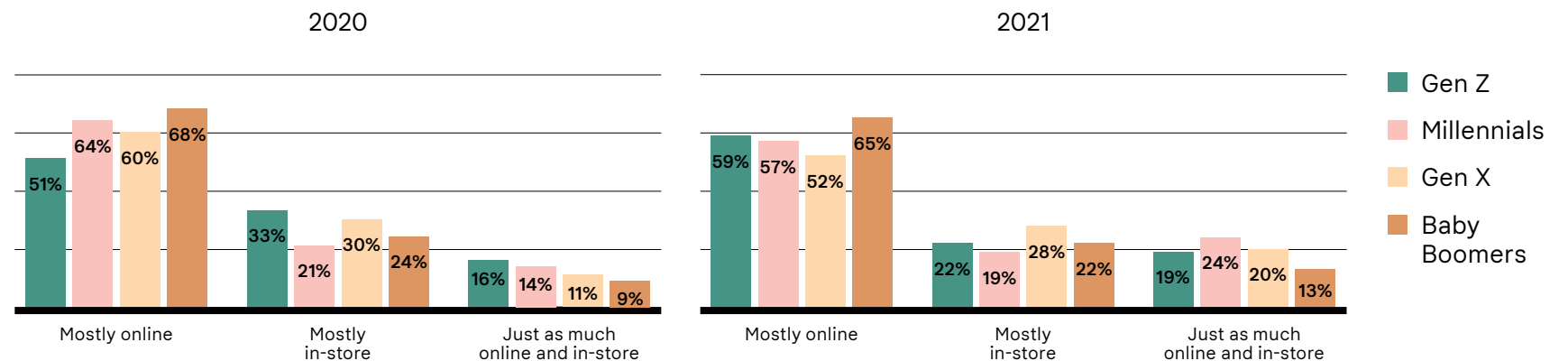
Traditionally, Black Friday centered around physical retail and those infamous “door-buster” deals. But with so many sales available from home, 56% of shoppers say they will be making the majority of their purchases online. Klarna users (67%) are even more inclined to go digital on Black Friday.

As COVID concerns continue, consider hosting a curbside sale if possible. Or, implement “drive up and pick up” options to ensure the healthy and safety of shoppers.

HOT TIP

This is a small increase from last year’s primarily digital Black Friday with most shoppers (61%) purchasing online. You can’t fault shoppers for wanting to avoid the battle lines and crowds in stores.

Where Black Friday shoppers make the majority of their purchases—past and present.

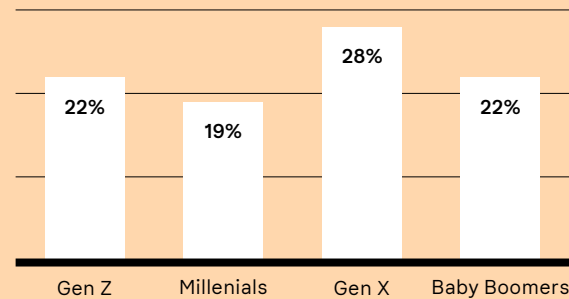


In-store sales still sleigh.

Despite the shift towards online shopping, nearly 1 out of 4 (23%) shoppers plan to do most of their shopping in physical retail stores during Black Friday. Brands with brick-and-mortar locations should be ready to welcome shoppers who wouldn't miss out on the tradition of picking out presents in person on this big day.

Gen Xers (28%) are more likely than any other age group (Gen Zers: 22%, Millennials: 19%, Baby Boomers: 22%) to do most of their shopping in-store during Black Friday, underscoring how important it is for retailers to become available for shoppers across multiple channels.

Who's headed to physical stores on Black Friday?



HOT TIP

In addition to your regular sales, consider hosting an engaging, eye-catching in-store event that will attract customers—especially younger shoppers who crave social shopping experiences.

The sale must go on!

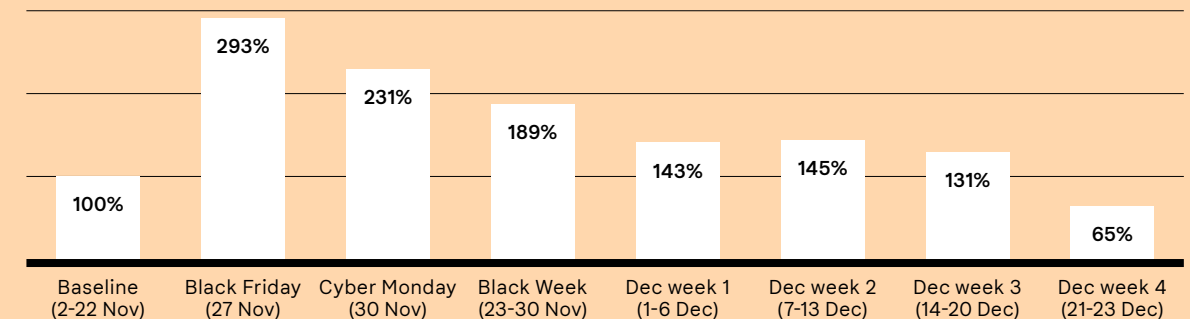
Don't think the party starts and ends on Black Friday. No one can deny the power of a great deal, but shoppers also appreciate the flexibility and convenience that go hand-in-hand with getting an early start on their purchasing the week leading up to Black Friday. During 2020, more than half (\$100bn) of the estimated total online spend (\$188bn) during the Holiday shopping season took place during November, according to Adobe Analytics.

Consider launching week-long deals to provide shoppers with more time to get what they want for the best price while eliminating worries about availability, facing packed stores and parking lots.

HOT TIP

Black Friday's tech-driven sister, Cyber Monday, remains vital for retailers and shoppers, with consumers planning for it to be their second-highest spending day behind Black Friday this year. In 2020, Klarna saw Cyber Monday sales more than double (+130%) the average 2020 November day, and the week as a whole doubled the average sales.

The biggest holiday spending moments, according to Klarna shopping data.



Klarna purchase volumes during 2020 holiday sales days, compared to the indexed (100) baseline period (2-22 Nov. 2020). A higher % compared to the index (100) means that sales volumes increased with as many percentage points, while a lower % means that sales volumes were lower.

Klarna's older shoppers dig deals.

With age comes wisdom, but maybe not an eye for deals—unless you're a Klarna shopper. Older shoppers (Baby Boomers: 53%, Gen Xers: 26%) are more inclined to forego participating in holiday sales altogether, but Klarna's silver surfers

are still savvier than most. Older Klarna shoppers are much more likely to take advantage of the holiday deals than the average Joe, with only 19% of Klarna Baby Boomers and 13% of Klarna Gen X saying they won't shop sales.

Last (but not least) on the list.

While Klarna's 2020 shopping data found that shopper volume at stores decreased by 35% during the final days leading up to Christmas—AOV rose by 2%, on par with the week leading up to Black Friday. While it's tempting to end your sales early

Resist the temptation to wrap up deals and discounts. Instead, make sure you're maintaining your user experience through the final shopping days of the season.

HOT TIP

as store traffic decreases, don't miss out on the last-minute big spenders who still need to pick up gifts.



Spending

Bigger budgets with a preference towards flexible payment options.

For retailers, the holiday season truly is the most wonderful—and critical—time of the year. Will gift-givers feel extra generous or a little Grinchy this year?



Financially festive.

In 2020, holiday retail sales totaled over \$188 billion in the US, an increase of nearly a third over the previous year (Adobe Analytics). In positive news for retailers, that trend is expected to continue. Over one-third (34%) of shoppers plan to spend more on holiday gifts this season, while 41% intend to spend the same amount as last year.

Only 18% of people expect to spend less.

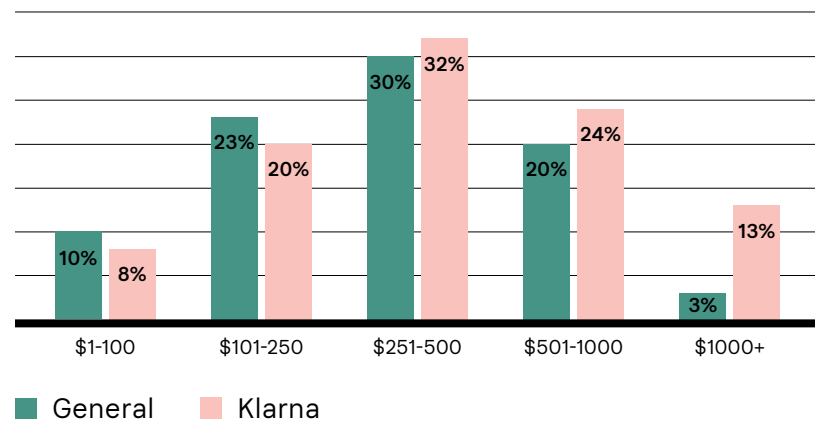
Don't underestimate the spending power of the younger shopper: Gen Zers (57%) and Millennials (53%) are more likely than any other age group to expand their budgets this holiday season (Gen Xers: 32%, Baby Boomers: 12%) compared to last year.

What will shoppers dish for deals?

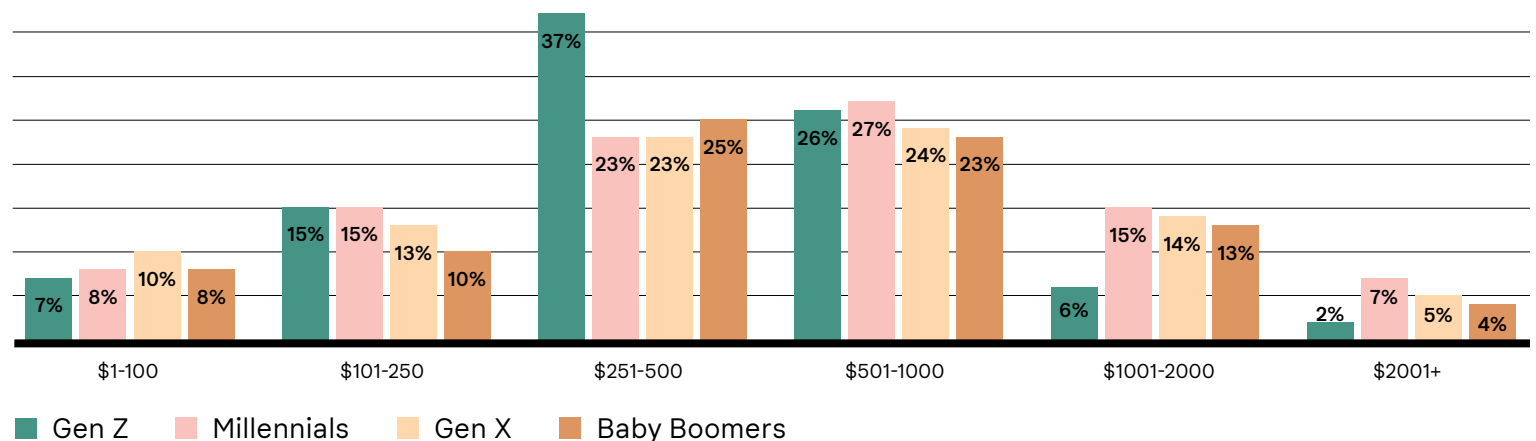
So, how much are holiday shoppers prepared to spend this season? 50% anticipate spending between \$251-1000 on all their holiday gifts this year.

Klarna shoppers are more flush with spending power this holiday season, with 29% planning to spend between \$1001-2001+ on holiday gifts compared to only 19% of the general population.

How much more are shoppers planning to spend this year?



Breaking down holiday budgets.



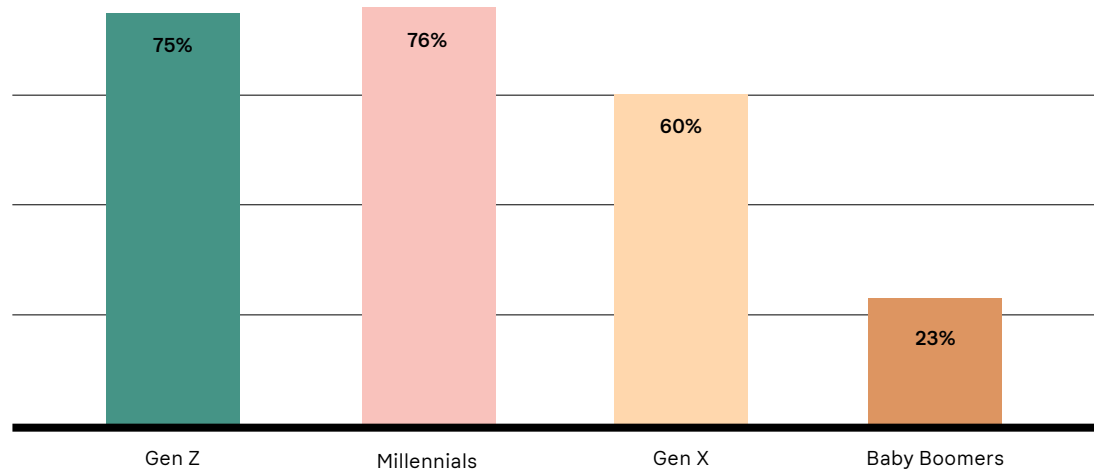
Festive and frugal.

While holiday retail sales are expected to grow this year, that doesn't mean shoppers are planning to break the bank —58% of shoppers would rather stick to a set budget than find the perfect gift (42%).

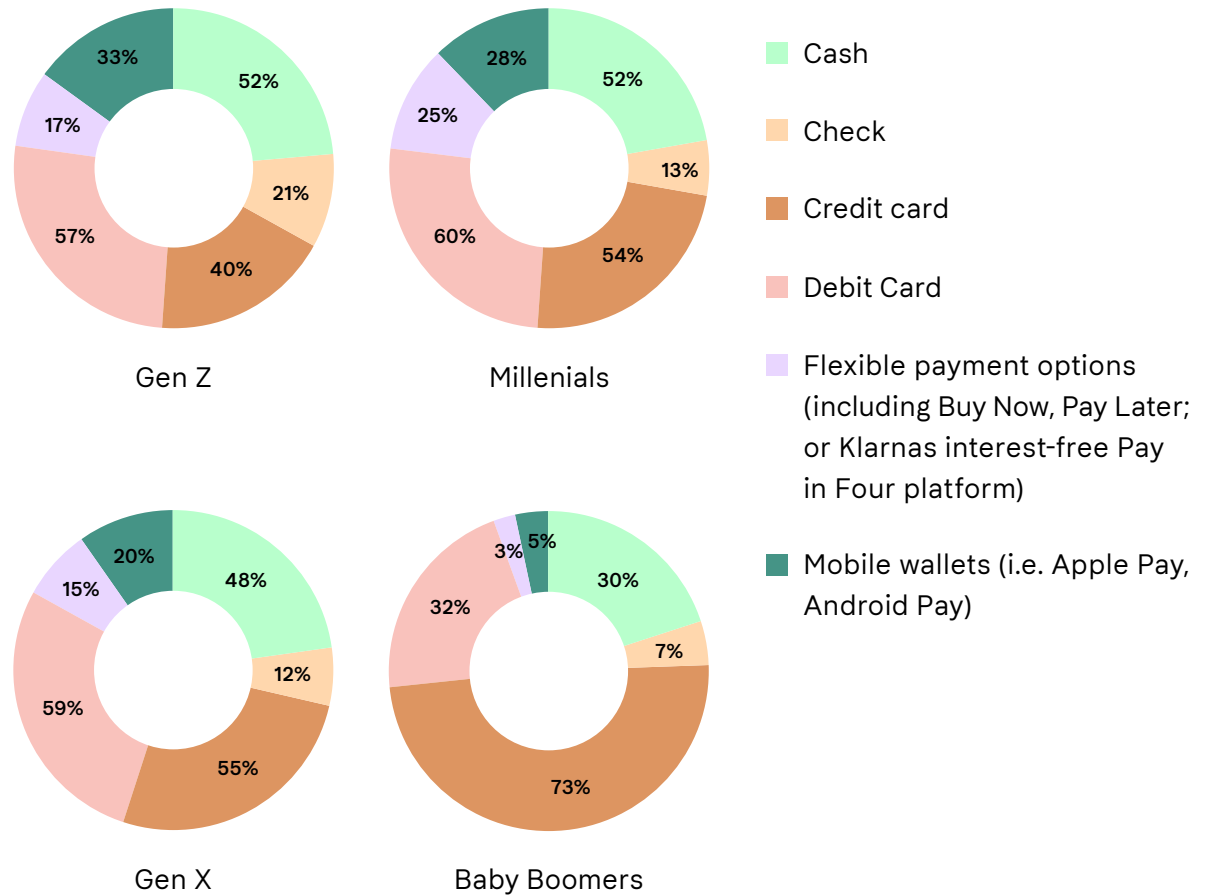
The majority of shoppers plan to choose smarter interest-free options at checkout. Gen Z, Millennial, and Gen X shoppers are

more likely to pay with debit (59%) over credit (50%), and the majority also seek out flexible payment options, like Klarna's Pay in 4 solution, when shopping this holiday season (Gen Z: 75%, Millennials: 76%, Gen X: 60%). In addition to making big purchases more accessible, flexible payments help people spread the costs of the holiday season.

Who's looking for flexible payments this holiday season?



Preferred payment methods across demographics.



From: Me, To: Who?

The holiday season is all about giving, but who's on the receiving end? 79% of shoppers expect to buy for family, while nearly half plan to purchase gifts for friends (46%) and their significant others (41%). And whether it's all the working from home or shoppers simply aren't as close with Sarah in accounting as they used to be, a mere 7% expect to shop for work colleagues.

Younger folks frequently consider friends their "chosen family," so it's no surprise they emphasize the importance of shopping for their pals (Gen Zers: 73%, Millennials: 61%) more than older shoppers (Gen X: 43%, Baby Boomers: 26%) do.

Consider BOGO deals; implement marketing campaigns that speak to self-love, self-care, and indulgences buy one as a gift and get one for yourself.

HOT TIP

It's 'elf care season.

Self-love still matters, too—particularly to younger shoppers. 59% of Millennials and 52% of Gen Zers purchased gifts for themselves last holiday season, and the majority will do the same this year. 60% of Millennials and 53% of Gen Zers will buy items off their wish lists if they don't receive them from others.

Who's topping everyone's "must shop for" list?



79%

Family



46%

Friends



45%

Significant other



24%

Myself



23%

Pets

SPENDING

Fur babies are family

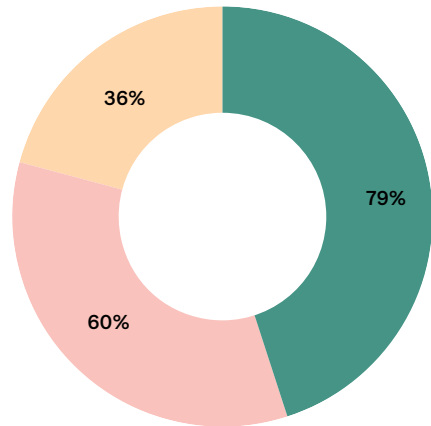
When it comes to the most cuddly family members, 75% of pet parents intend to buy presents for their furry companions.

But while shoppers might “like” their friends’ pet pics on Instagram, don’t expect them to buy Fido or Fifi a special treat this season. Nearly two-thirds (65%) of shoppers say they’re not shopping for anyone else’s pet this holiday.

HOT TIP

US pet ownership has increased from an estimated 67% of households, to 70% of households, according to 2021-22 survey findings from APPA. Tap into the growing audience of animal lovers by offering products that celebrate consumers’ status as pet parents. Think novelty items like dog mom or dad hats.

Something to bark about. The most popular gifts for pets this season.



■ Toys ■ Food ■ Clothes and Accessories



Retailer preferences

Livestreaming shopping is in and big-box stands out. A look at what's driving this years' trends.

Retailers want to attract and retain shoppers. That begins by meeting them where they are and offering the conveniences that'll keep 'em coming back.



Online takes in-store.

It's hard to beat the comfort of shopping from your couch! 44% of shoppers believe they'll do the bulk of their holiday buying digitally this year, while 30% plan to shop primarily in-store. 27% expect to shop just as much online as they do in-store.

Klarna shoppers are more likely to prefer shopping via digital channels, with 66% planning to shop only online and 6% expecting to shop primarily in-store.

Good prices make the nice list.

Amid the flurry of the holiday season, find opportunities to stand out from the competition in ways that shoppers care about and will make them take notice. Price is the top factor shoppers consider

when selecting both physical (50%) and online (56%) retailers this holiday season.

Fast shipping and delivery options (38%) are deal-breakers for online shoppers, while deals and discounts (physical: 40%, online: 37%), and quality (physical: 37%, online: 36%) also stand out to shoppers across all channels.

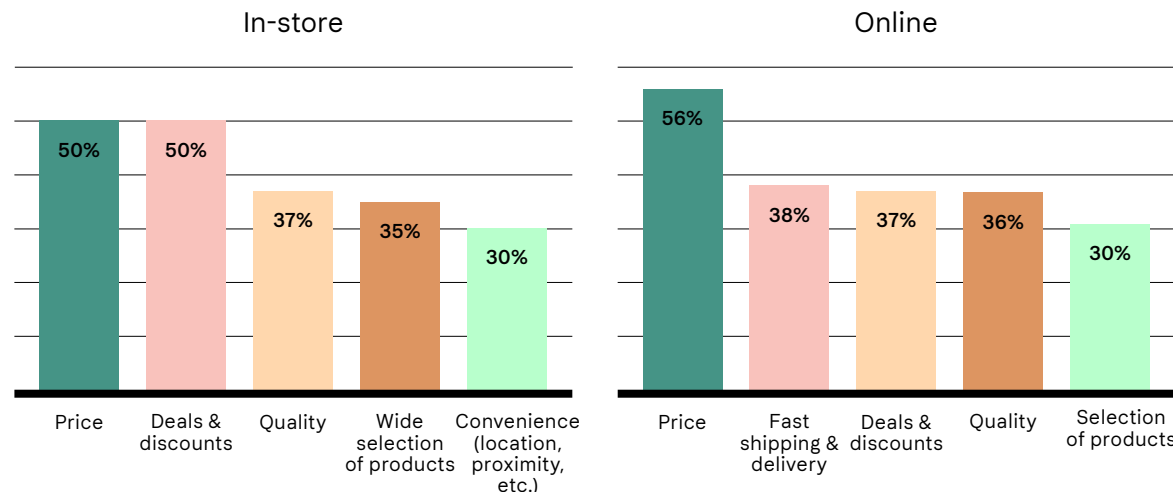
Omni-channel to rule them all.

No matter where they get their spending on, 80% of shoppers expect a seamless, connected online and offline shopping experience. This is even more important among Klarna users (88%).

This means not only ensuring you're available to shoppers across all channels, but also that your customer experience is impeccable at all touchpoints throughout

the shopping journey. Don't overlook the power of your sales team—72% of shoppers agree that helpful customer service and knowledgeable sales associates are essential to ensure their shopping experience is excellent.

The top factors affecting consumers' shopping preferences this holiday season.



HOT TIP

Consider new technologies to bridge the gap between your online and offline shopping experience. Through our acquisition of HERO, Klarna now enables in-store associates to give live, online product reviews, real-time advice and richer, more informative content to digital shoppers.

Big, boxy and beautiful.

Shoppers everywhere agree—big-box retailers (62%) are the hottest place to shop this holiday season. After all, many of these warehouse-style shopping meccas offer shoppers the convenience of picking up everything from gifts to groceries, saving time, and streamlining to-do lists.

Department stores (37%) and malls (34%) come in as the second and third hottest places to shop this holiday season, underscoring the value of convenience and efficiency. Who doesn't want to get all of their holiday shopping done in one place?

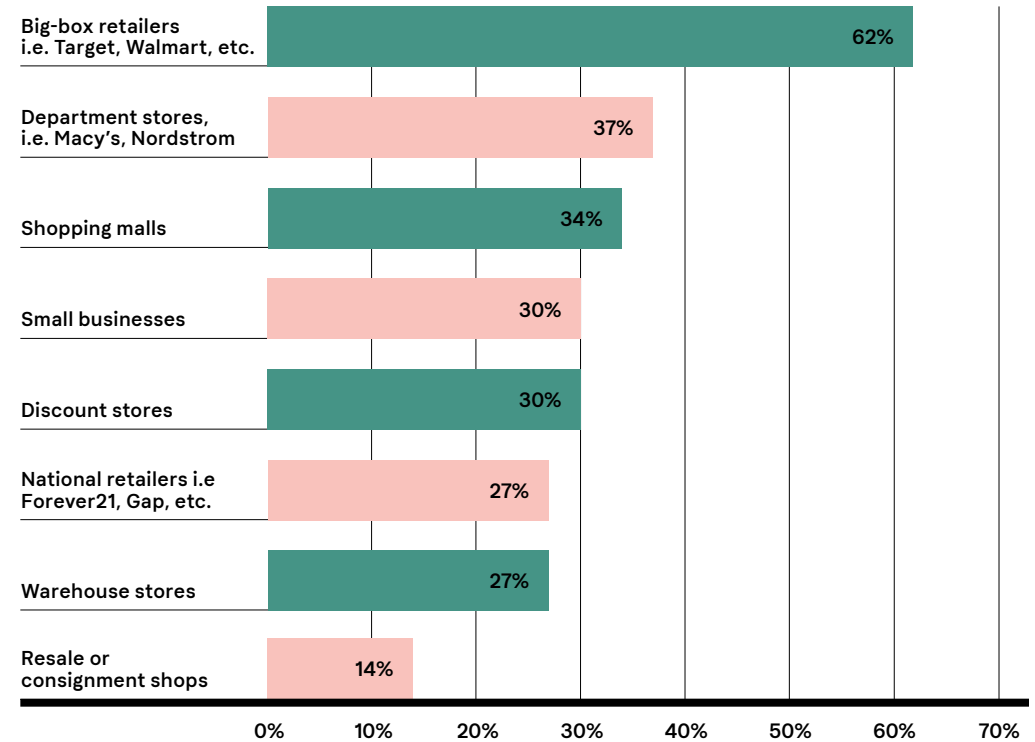
Deck the malls for Gen Z.

Maybe it was Stranger Things' most recent season inspiring them, but Gen Zers (44%) are more likely than all other age groups (Millennials: 38%, Gen Xers: 30%, Baby Boomers: 28%) to hit shopping malls this holiday season. With plenty of stores and items in one place, malls provide a great way to browse and explore products.

HOT TIP

Take advantage of platforms like Instagram and TikTok to showcase your wares and get Gen Z and Millennial shoppers excited to stop by. Keep in mind that this demographic prefers contactless, flexible payment options as well.

Consumers favor these stores the most this season.



RETAILER PREFERENCES

Luxury meets Gen X under the mistletoe.

Forget avocado toast and colorful cocktails. When it comes to indulgences, younger shoppers have their eyes on luxury. Millennials (60%) and Gen Zers (47%) are more likely than older shoppers (Gen Xers: 39%, Baby Boomers: 11%) to hold off until the holiday season to splurge on luxury purchases.

HOT TIP

Ensure the luxury items you're offering appeal to a variety of age groups. Even though Gen Z and Millennials have less money to spend upfront, this is a prime opportunity to offer flexible payment options like Klarna's Pay in 4 which can make those kinds of presents more attainable.

72% cite better sales and deals available around this time, while 45% also say that they like to hold out on big-ticket items until they receive their work-holiday bonuses.

'Tis the season for shoppertainment.

Livestream shopping may just be the star of this holiday season—at least among younger audiences. 71% of Gen Z and 69% of Millennials say that they're interested in checking out livestream shopping events, where brands present and promote products and engage with audiences through digital platforms, compared to 48% of Gen X and 11% of Baby Boomers.

If you've been on the fence about incorporating less-traditional selling formats into your marketing mix, now is the time to test them out. These trends will not only help you stand out from the crowd but also reach and engage with new audiences virtually.

HOT TIP

Could television-based commerce also be making a comeback? 57% of Gen Z and 53% of Millennials say they are excited to shop for holiday gifts via T-commerce this holiday season, compared to a mere 15% of Baby Boomers and 44% of Gen Xers. Have older shoppers reached their QVC limit? Time will tell!



Doing good is great for business.

One of the most impactful ways a retailer or brand can stand out is by highlighting its values—particularly among Gen Z and Millennials.

Generosity sleighs.

68% of Gen Z and 66% of Millennials seek out and are more likely to purchase from brands with a charitable or give-back mission, compared to 51% of Gen X and 20% of Baby Boomers. To make an impact, brands should highlight their charitable efforts across all of their messaging, from their social media and in-store signage to their websites.

That's a (sustainable) wrap!

Younger shoppers (Gen Z: 70%, Millennials: 73%) also consider sustainability to be more than just a buzzword and seek out brands with a sustainable and ethical mission. This sentiment extends to packaging, with 75% of Gen Zers and 72% of Millennials preferring sustainable and eco-friendly gift wrapping options, compared to 62% of Gen X and 38% of Baby Boomers.



HOT TIP

Because shoppers care about a brand's values, if you offer sustainable wrapping options, make sure to mention it as well as other sustainability efforts across your site, through pop-ups, at check-out, or via on-site messaging, and in-store wherever possible.

Product discovery

The impact of influencers, and the social media platforms that matter most.

Shoppers know it when they see it—that elusive, perfect gift. But how do they find it?



PRODUCT DISCOVERY

Discovery seals holiday deals.

Finding the perfect gift is hard! The top ways shoppers find and discover holiday gifts are by browsing in-store (50%), doing online research (48%), and scrolling through shopping apps (35%). With people eager to shop sooner this season, it's never too early to start putting together gift guides, or gift sections in stores.

'Likes' and 'shares' for sales.

Social media's influence on shoppers is unmatched among younger audiences. The vast majority of younger shoppers—78% of Gen Z and 79% of Millennials—say they have purchased a product after seeing it on social media. The power of these platforms transcends to older audiences as well, with 55% of Gen Xers

With the majority of consumers searching for holiday gifts online, find opportunities to get your products in front of review sites and influencers who can put your products in the most positive light and lead to more sales.

HOT TIP

and 20% of Baby Boomers noting that they've been influenced by their feeds.

Klarna shoppers are particularly social media-inclined, with a whopping 84% saying they, too, have purchased a product after seeing it on social media.

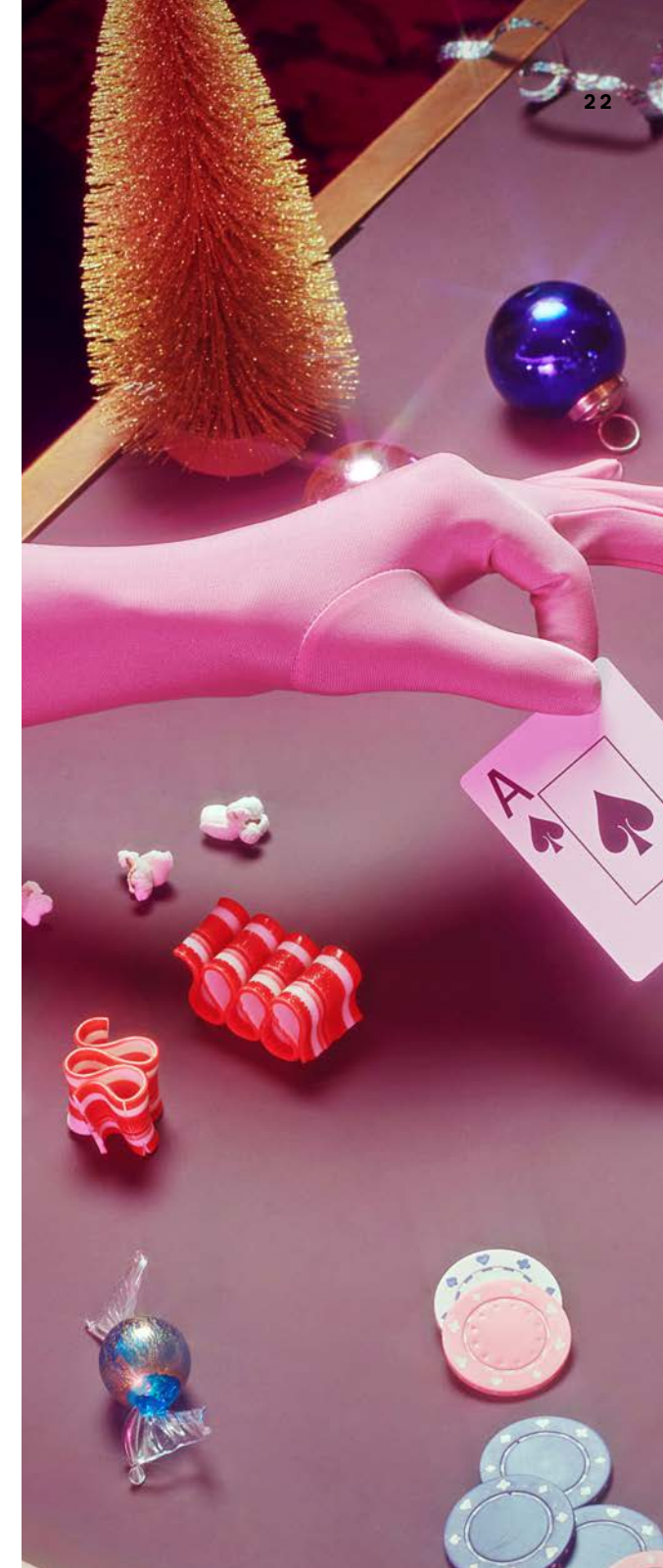
Social spheres vary by age.

Which platform makes the biggest impact? Depends on who you're targeting. Instagram is the most popular platform leading Gen Zers (65%), while Facebook is the biggest driver of purchases among Millennials (77%), Gen Xers (82%), and Baby Boomers (81%).

Keep in mind, though, while social media remains a key component in product discovery, that doesn't mean they're checking out via social platforms. Of shoppers who have purchased an item after seeing it on social media, 85% say they have pressed 'buy' on a different site.

HOT TIP

When considering where to spend the bulk of your marketing dollars and efforts, keep the age of your target audience in mind and let that guide you toward the right social media platform.



“Follow” for festive favorites.

Don't underestimate the overarching power of influencers. The majority of Gen Z (61%) and Millennial (65%) shoppers say that influencers have, well, influenced them. Older audiences (45% of Gen Xers and 10% of Baby Boomers) have also been persuaded to shop for new brands and products by influencers.

Which sex is more impressionable? Men (46%) are more likely than women (37%) to be turned on to new brands/products by social media influencers.

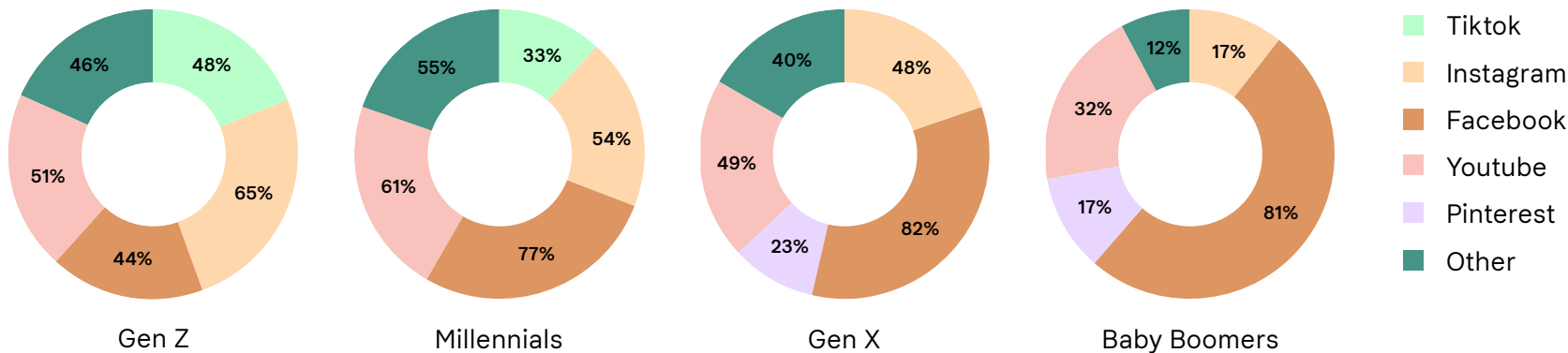
Friends and family know best.

When it comes to knowing what's hot (and what's not), 87% of shoppers say their friends and family have a better understanding of what's cool and trending versus social media influencers.

No surprise, younger shoppers (Gen Zers: 21%, Millennials: 17%) are more

likely to trust the influencers more than other generations (Gen X: 16%, Baby Boomers: 5%), but even they still prefer to get suggestions from people they know directly; peer-to-peer recommendations remain the most powerful persuasive force.

Which social media platforms have the biggest influence on discovery and purchasing this holiday season?



HOT TIP

Shoppers find micro-influencers to be more credible and authentic. 92% of consumers place more trust in micro-influencers than endorsements from a celebrity or a traditional ad (Association of National Advertisers).

Product preferences

Gift cards, products or experiences? Here's what's topping shoppers' lists this season.

Electronics: the perennially popular gift category for Black Fridays.



Gadgets and gizmos a-plenty.

Don't underestimate the power of technology. No matter who's buying, the most popular product category by far during the peak holiday sales days is electronics. Compared to the average

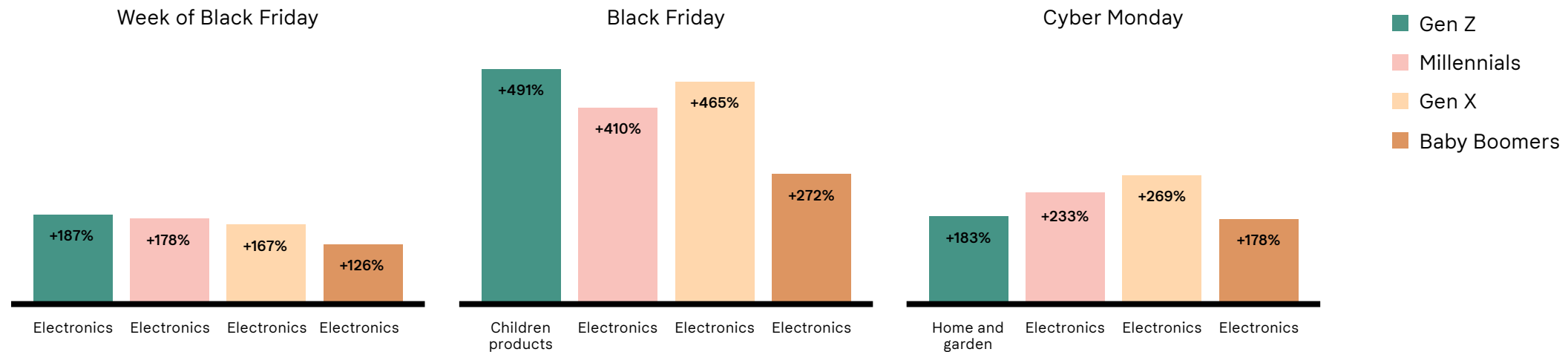
November day, Klarna saw sales of electronics surge by 403% on Black Friday, 232% on Cyber Monday, and 172% during the week of Black Friday last year.

Further underscoring the universal love of all gadgetry, Klarna Collections data also shows that iPhones, gaming systems, computers, and headphones top wish lists across all demographics this holiday season.

Most saved items to Klarna's Collections (Jan-July 2021): iPhone 12, Playstation 5, AirPods Pro, iPad Air, Macbook Pro 13 inch

KLARNA APP INSIGHTS

Favorite shopping category per generation.



Festive 'fits.

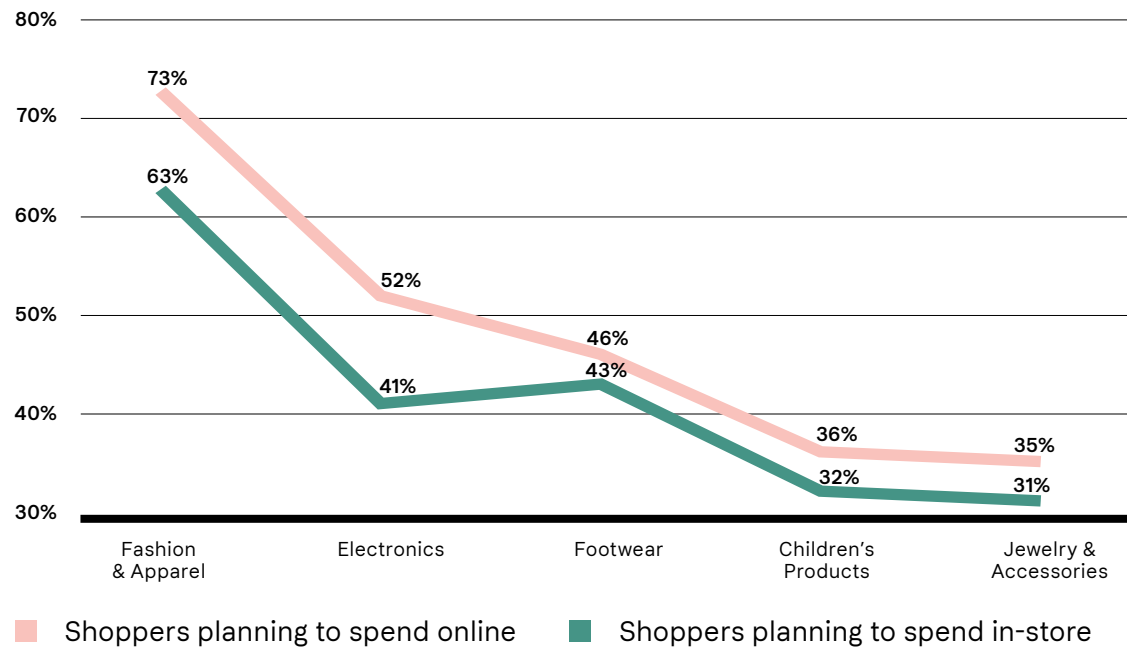
Though high-tech toys take center stage on Black Friday and Cyber Monday, don't over-look other popular categories that

appeal to shoppers all season long. During the holiday months, shoppers' plan to spend the most within the fashion

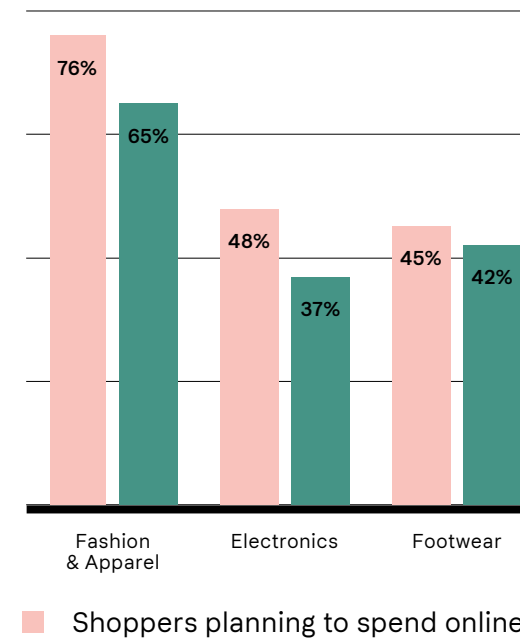
and apparel category. And while it's no surprise that electronics is the second biggest spending category online,

footwear is a "shoe-in" for second place among shoppers hitting brick-and-mortar spots.

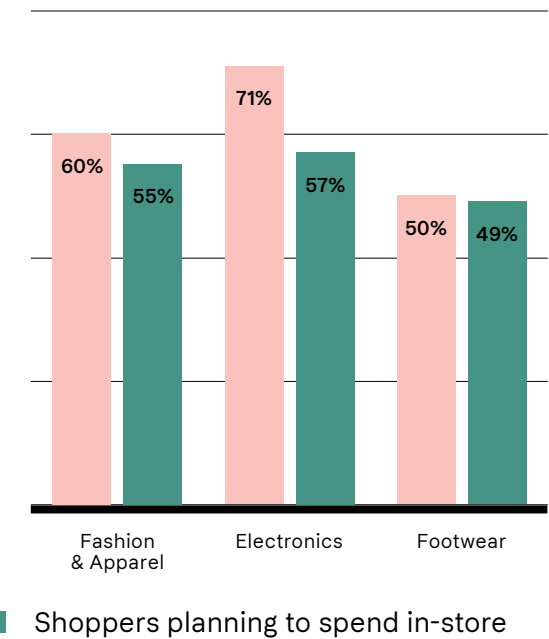
Top 5 categories projected to capture the most dollars this holiday season.



Where women will spend the most.



Where men will spend the most.



PRODUCT PREFERENCES

To gift card or not gift card?

Shoppers and recipients aren't on the same page when it comes to gift cards. While the majority of shoppers (55%) would rather give a physical gift this holiday season, the majority (66%)

would prefer to receive a gift card over a physical gift. Though gift cards may not feel as personal, recipients appreciate the freedom that comes with selecting their own gift. With supply chain issues, product shortages and delayed deliveries, gift cards can make life a little less stressful during this hectic time.

HOT TIP

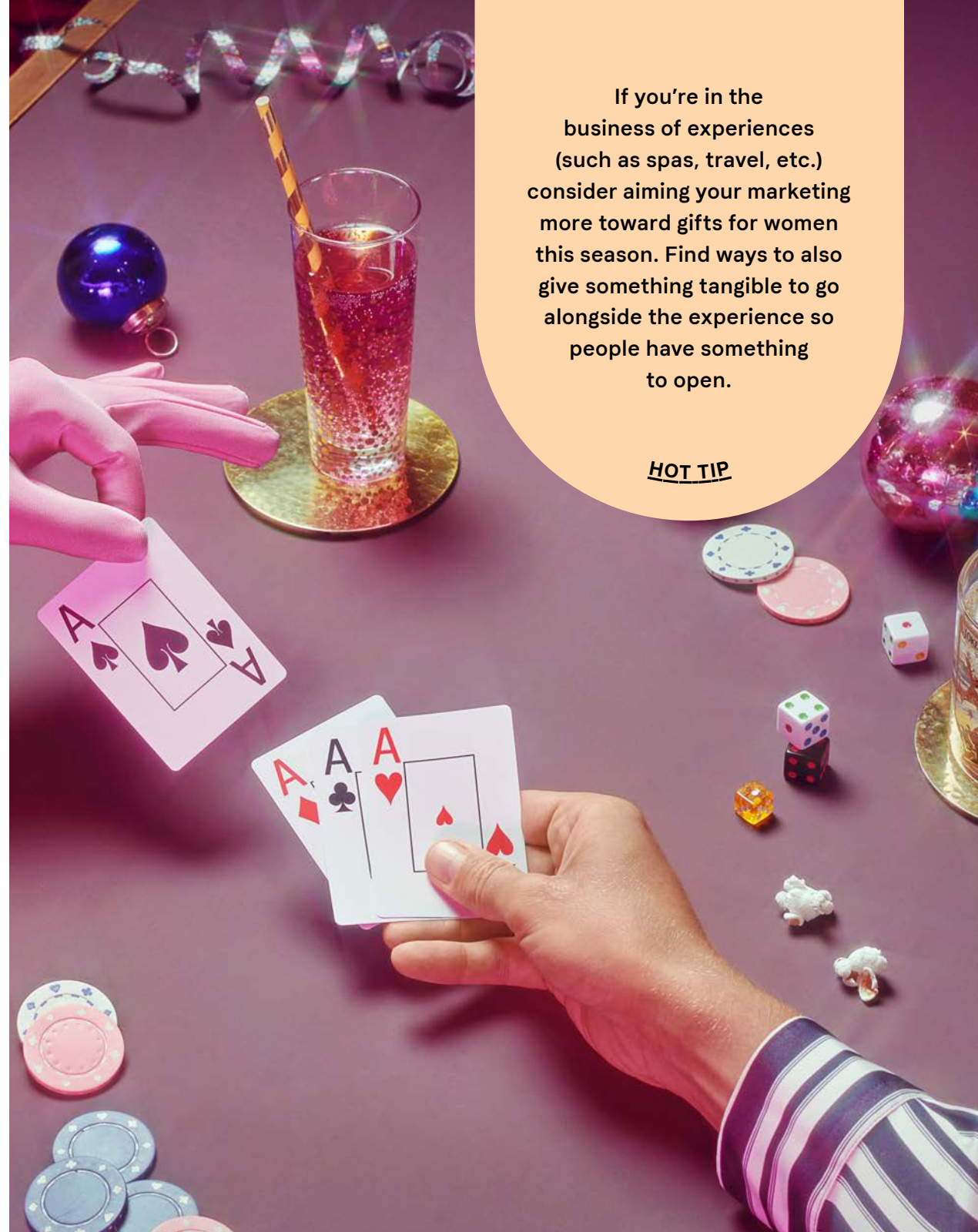
Sweeten the pot and change up shoppers' perception of the classic gift card by offering a smaller gift card free with the purchase of a larger one.

Experiences? Naughty. Products? Nice.

As exciting as it may be to receive concert or theater tickets, the majority of shoppers (67%) would rather unwrap a physical product over an experience this year. This may stem from pandemic-related health and safety concerns, or worries that events could be canceled or postponed.

If you're in the business of experiences (such as spas, travel, etc.) consider aiming your marketing more toward gifts for women this season. Find ways to also give something tangible to go alongside the experience so people have something to open.

HOT TIP



Timeless is trending.

Forget the fads. Trendy gifts are fun, but the majority of shoppers (68%) say they would rather receive a keepsake or heirloom as a gift.

Retro returns.

As 90s trends make a comeback, so do preferences towards nostalgic gifts. 70% of Gen Zers, 67% of Millennials, and 52% of Gen Xers say that retro gifts—from Tamagotchi to polaroid cameras, vintage tees, and record players—are at the top of their wish lists this year.

The more the merrier.

Who doesn't love to shower friends and family members with piles of presents? The majority of Gen Z (52%), Gen X (54%), and Baby Boomers (56%) are all about quantity this holiday season, and would

prefer to give several little gifts instead of one large present. Meanwhile, 56% of Millennials would rather give one big item. (Hey, less wrapping, we get it.)

HOT TIP

Everything old is new again! With vintage items high up on recipients' wish lists, put gifts that evoke a retro vibe front and center, emphasizing items with lasting value over trends that won't be remembered a year from now.



Shopper profiles

Get to know this season's spenders.

Looking for an at-a-glance peek at shoppers' preferences? Ta-da!



Men.

When do they shop?

Early. 19% have already started and an additional 24% will start before Black Friday.

Budget:

\$783 (average)

Preferred price point:

\$231 (average)

Preferred payment method:

Credit card (67%)

Favorite shopping channel.

Online (47%)

Favorite store type:

Big-box retailers (57%)
Department stores (38%)

Biggest-spending categories.

Online:

Electronics (38%)
Fashion & apparel (32%)
Footwear (23%)

In-store:

Fashion & apparel (34%)
Electronics (31%)
Food & beverage (28%)

Favorite discovery tool.

Browsing in-store (46%)
Online research (46%)

Social media platforms for product discovery:

Facebook (75%)
Youtube (68%)

Who are they shopping for?

Family (75%)
Friends (46%)



Favorite category to splurge on?

Electronics (33%)



Preferred gift type:

Gift cards win out.

69% of men would rather receive a gift card than a physical gift.

Less > more:

58% of men would rather receive one big gift over several little ones.

Product > experience.

73% of men would rather receive a physical product over an experience.

Men's most wished-for gifts.

Clothes/Apparel

- **I Love NY** T-shirt
- **MLB Shop** Mens' Los Angeles Dodger New Era Black Unstructured Flex Hat
- **Kith** Undershirt 3-Pack - Black

Beauty

- **DIOR** Sauvage Parfum
- **Better & Better** Fully Charged Toothpaste with Vitamins B12 & D3
- **Jimmy Choo** Man Eau de Toilette

Footwear

- **Nike** Dunk Low Retro Sneakers
- **Nike** Air Force 1 '07
- **Nike** Air Jordan 4 Retro 'White Oreo'

Accessories

- **Apple** Watch SE
- **Apple** Watch Series 6
- **Supreme** Canvas Backpack Black

Electronics

- **Apple** iPhone 12
- **Playstation** PS5 Console
- **Microsoft** Xbox Series X

What other factors are important to them?



Newness.

80% would prefer to receive a new gift over a used/vintage gift, and XX% of men are open to purchasing from new or emerging brands this holiday season.



Sustainability.

59% seek out brands with a sustainable and ethical mission, and 64% always opt for more sustainable and eco-friendly gift wrapping options.

Women.

When do they shop?

Early—even earlier than their male counterparts. 25% of women have already begun, and an additional 20% of women plan to start before Black Friday (November 26).

Budget:

\$611 (average)

Preferred price point:

\$107 (average)

Preferred payment method:

Debit card (57%)

Favorite shopping channel.

Online (40%)

Favorite store type:

Big-box retailers (67%)
Department stores (36%)

Biggest-spending categories.

Online:

Fashion & apparel (43%)
Children's products (34%)
Electronics (30%)

In-store:

Fashion & apparel (40%)
Electronics (28%)
Children's products (28%)

Favorite discovery tool.

Online research (50%)

Social media platforms for product discovery:

Facebook (75%)
Instagram (45%)

Who are they shopping for?

Family (84%)
Friends (46%)
Significant others (46%)



Favorite category to splurge on?

Fashion & apparel (32%)



Preferred gift type:

More > less.

59% would rather receive several little gifts, over one big gift.

Product > experience.

62% of women would rather receive a physical product over an experience.

Gift cards win out.

64% of women would rather receive a gift card than a physical gift.

Women's most wished-for gifts.

Clothes/Apparel

- **SKIMS** Sculpting Waist Trainer
- **Daolondon** African Print Kente Tulle Tutu Mesh Skirt
- **SKIMS** Sculpting Bodysuit with Snaps

Beauty

- **Hada Labo Tokyo** Anti-Aging Hydrator
- **Glow Recipe** Watermelon Glow Ultra-Fine Mist
- **ColourPop** Lil Ray of Sunshine Warm Toned Yellow Eyeshadow Palette

Footwear

- **Nike** Women's Air Jordan 1 Mid 'Barely Orange'
- **SOREL** Women's Kinetic Impact Lace Sneaker
- **Gucci** Rhyton Leather Sneakers

Accessories

- **TELFAR** Medium Cerulean Bag
- **Apple** Watch SE
- **Saint Laurent** Lou Mini YSL Grain de Poudre Camera Crossbody Bag

Electronics

- **Apple** iPhone 12
- **Playstation** PS5 Console
- **Apple** iPad Air

What other factors are important to them?



Newness.

71% of women prefer new items to used/vintage items, and 76% of women say they are open to shopping from new and emerging brands this holiday season.



Deals & discounts.

Women (44%) are more likely to seek out deals and discounts when selecting physical retail stores.

Gen Z.

When do they shop?

Early. 35% plan to start before Black Friday, and 15% have already begun.

Budget:

\$543 (average)

Preferred price point:

\$157 (average)

Preferred payment method:

Debit card (57%)

Favorite shopping channel.

Online (44%)

Favorite store type:

Big-box retailers (51%)
Shopping malls (44%)

Biggest-spending categories.

Online:
Fashion & apparel (48%)
Electronics (42%)
Jewelry & accessories (36%)

In-store:
Fashion & apparel (44%)
Food & beverage (42%)
Electronics (41%)

Favorite discovery tool.

Online research (49%)

Social media platforms for product discovery:

Instagram (65%)
YouTube (51%)

Who are they shopping for?

Family (75%)
Friends (73%)



Favorite category to splurge on?

Electronics (48%)



Preferred gift type:

More > less.

62% would rather receive multiple gifts over one big gift.

Product > experience.

73% would rather receive a physical product over an experience.

Gift cards win out.

57% would rather receive a gift card over a physical gift this holiday season.

Gen Z's most wished-for gifts.

Clothes/Apparel

- **I Love NY** T-shirt
- **Dolls Kill** Purple Hello Kitty Printed Fleece Joggers
- **SKIMS** Sculpting Waist Trainer

Beauty

- **Hada Labo Tokyo** Anti-Aging Hydrator
- **ColourPop** Lil Ray of Sunshine Warm Toned Yellow Eyeshadow Palette
- **LuLuLun** Precious Hydrate Aging Skin, Beauty Face Masks

Footwear

- **Nike** Women's Air Jordan 1 Mid 'Barely Orange'
- **Nike** Dunk Low Retro Sneakers
- **Nike** Air Force 1 Shadow Casual Shoes

Accessories

- **TELFAR** Medium Cerulean Bag
- **Apple** Watch SE
- **ASOS DESIGN** Square Sunglasses with Yellow Lens in Black

Electronics

- **Apple** iPhone 12
- **Playstation** PS5 Console
- **Apple** AirPods Pro

What other factors are important to them?

Newness.

68% would rather receive a new gift over a used gift, and 78% say they are open to purchasing from new and emerging brands.

Sentimentality and nostalgia.

57% would rather receive a keepsake or heirloom over something trendy, and 70% say nostalgic and retro gifts are at the top of their wish lists this year.

Sustainability.

70% are more likely to seek out and purchase from brands with a sustainable or ethical mission, and 75% always opt for more sustainable or eco-friendly gift wrapping options.

Social commerce.

78% have purchased a product after seeing it on social media, and 71% are interested in attending livestream shopping events this holiday season—the most of any age group.

Flexible spending options.

75% seek out flexible spending options when making big purchases during the holiday months that allow them to spread purchases over several months at zero interest.

Millennials.

When do they shop?

Early. 25% plan to start before Black Friday, and an additional 22% have already begun.

Budget:

\$739 (average)

Preferred price point:

\$242 (average)

Preferred payment method:

Debit card (60%)

Favorite shopping channel.

Online (52%) *the biggest preference towards online shopping of all age groups.

Favorite store type:

Big-box retailers (61%)
Shopping malls (38%)

Biggest-spending categories.

Online:

Electronics (39%)
Fashion & apparel (39%)
Beauty & health (34%)

In-store:

Fashion & apparel (39%)
Electronics (35%)
Children's products (32%)

Favorite discovery tool.

Online research (46%)

Social media platforms for product discovery:

Facebook (77%)
YouTube (61%)

Who are they shopping for?

Family (81%)
Friends (61%)



Favorite category to splurge on?

Fashion & apparel (39%)
Beauty & health (39%)



Preferred gift type:

More > less.

58% would rather receive one big gift over several little ones.

Product > experience.

72% would rather receive a physical product over an experiential gift.

Gift cards win out.

68% would rather receive a gift card over a physical gift.

Millennial's most wished-for gifts.

Clothes/Apparel

- **Daolondon** African Print Kente Tulle Tutu Mesh Skirt
- **SKIMS** Sculpting Bodysuit with Snaps
- **SKIMS** Sculpting Waist Trainer

Beauty

- **Glow** Recipe Watermelon Glow Ultra-Fine Mist
- **CHANEL** Chance Eau Tendre Eau de Toilette Spray
- **Yves Saint Laurent** Libre Eau de Parfum

Footwear

- **Nike** Women's Air Jordan 1 Mid 'Barely Orange'
- **Nike** Women's Kinetic Impact Lace Sneaker
- **Nike** Air Force 1 '07

Accessories

- **TELFAR** Medium Cerulean Bag
- **Gucci** Ophidia GG Small Shoulder Bag
- **Louis Vuitton** Neverfull MM Damier Ebene in Brown

Electronics

- **Apple** iPhone 12
- **Playstation** PS5
- **Apple** AirPods Pro

What other factors are important to them?

The perfect gift > family time.

The majority (59%) are more focused on getting the perfect gift than spending quality time with friends and family.

Sustainability.

73% seek out and are more likely to purchase from brands with a sustainable and ethical mission, and 72% always opt for more sustainable gift wrapping options.

Flexible spending options.

76% seek out flexible spending options when making big purchases during the holiday months that allow them to spread purchases over several months at zero interest.

Social commerce.

79% have purchased a product after seeing it on social media—the most of any age group—and 69% are interested in attending livestream shopping events this holiday season.

Gen X.

When do they shop?

Early—this age group has the largest number of shoppers who have already begun (27%). An additional 20% plan to start before Black Friday.

Budget:

\$700 (average)

Preferred price point:

\$173 (average)

Preferred payment method:

Debit card (59%)

Favorite shopping channel.

Online (45%)

Favorite store type:

Big-box retailers (64%)
Department stores (35%)

Biggest-spending categories.

Online:
Fashion & apparel (40%)
Electronics (38%)
Children's products (33%)

In-store:
Fashion & apparel (35%)
Electronics (32%)
Children's products (28%)

Favorite discovery tool.

Browsing in-store (53%)

Social media platforms for product discovery:

Facebook (82%)
YouTube (49%)

Who are they shopping for?

Family (79%)
Friends (43%)



Favorite category to splurge on?

Fashion & apparel (30%)
Electronics (28%)



Preferred gift type:

More > less.

52% would rather receive several little gifts over one big gift.

Product > experience.

68% would rather receive a physical product over an experience.

Gift cards win out.

65% would rather receive a gift card over a physical gift.

Gen X's most wished-for gifts.

Clothes/Apparel

- **DEMESTIK** Tania Tunic Dress
- **SKIMS** Sculpting Bodysuit with Snaps
- **NBA** Store Lakers Kobe Bryant Jersey

Beauty

- **Moon Juice** Sex Dust
- **Brooklyn Body Butter** Natural Butter
- **CHANEL** Rouge Allure Luminous Intense Lip Colour

Footwear

- **Nike** Air VaporMax Plus Running Shoes
- **Nike** Air Max III Casual Shoes
- **Nike** Women's Kinetic Impact Lace Sneaker

Accessories

- **Saint Laurent** Lou Mini YSL Grain de Poudre Camera Crossbody Bag
- **LavaLiving** Marbled Indigo Shibori Bento Bag - Large
- **CeCeFinery** Jute Bag

Electronics

- **Apple** iPhone 12
- **Playstation** PS5
- **Apple** AirPods Pro

What other factors are important to them?

Quality time with family.

54% are focused more on spending quality time with family and friends, than finding the perfect gift.



Sustainability.

62% seek out and are more likely to purchase from brands with a sustainable and ethical mission, and 62% always opt for more sustainable gift wrapping options.



Flexible spending options.

60% seek out flexible spending options when making big purchases during the holiday months that allow them to spread purchases over several months at zero interest.

Baby Boomers.

When do they shop?

Early. 19% have already begun, and an additional 18% plan to start before Black Friday.

Budget:

\$695 (average)

Preferred price point:

\$79 (average)

Preferred payment method:

Credit card (73%)

Favorite shopping channel.

In-store (39%)

Favorite store type:

Big-box retailers (65%)
Department stores (43%)

Biggest-spending categories.

Online:

Fashion & apparel (31%)
Electronics (26%)
Children's products (20%)

In-store:

Fashion & apparel (32%)
Electronics (19%)
Children's products (17%)

Favorite discovery tool.

Browsing in-store (64%)

Social media platforms for product discovery:

Facebook (81%)
YouTube (32%)

Who are they shopping for?

Family (78%)
Significant others (38%)



Favorite category to splurge on?

Electronics (15%)
Food & beverage (11%)



Preferred gift type:

More > less.

58% would rather receive several gifts over one big gift.

Product > experience.

59% would rather receive a product over an experience.

Gift cards win out.

66% would rather receive a gift card over a physical gift.

Baby Boomer's most wished-for gifts.

Clothes/Apparel

- **Vici Collection** Brave Soul Pocketed Halter Maxi Dress in Champagne
- **Maeve** Tania Tiered Tunic Dress
- **AnnaMaria Angelika** Alpaca Pants "Napkini Maras Clay"

Beauty

- **Anastasia Beverly Hills** Brow Wiz
- **Aromatherapy Associates** Ultimate Bath & Shower Oil Collection
- **Wild sage** Carissa Color-wash Soap Dish

Footwear

- **PUMA** Cali Neon Iced Sneakers
- **Nike** Blazer Low Platform Women's Shoe
- **Nike** Air Force 1 Premium 'Easter Egg'

Accessories

- **Apple** Watch SE
- **Wolf & Badger** Mother of Pearl Long Dangle Earrings
- **TheMorningAfterJewel** Gold Statement Ring

Electronics

- **Apple** iPhone 12
- **Apple** AirPods Pro
- **Insignia** 50" Class LED 4K UHD Smart TV

What other factors are important to them?

Quality time with family.

77% are focused more on spending quality time with family and friends, than finding the perfect gift; they are more likely than any other age group to be doing so.



Convenience.

Baby Boomers (40%) care the most of any generation about convenience when selecting a physical retail location, including location and proximity.



Traditional advertisements.

Baby Boomers (26%) are the most likely of any generation to discover holiday gifts via traditional advertisements, including magazine or billboard ads.

Let's sleigh the holidays.

To learn more about offering Klarna in your checkout at klarna.com/us/business or by contacting our team at learnmore@klarna.com.

About Klarna.

We make shopping smooth. With Klarna consumers can buy now and pay later, so they can get what they love today. Klarna's offering to consumers and retailers include payments, social shopping and personal finances. Over 250,000 retail partners, including H&M, IKEA, Expedia Group, Samsung, ASOS, Peloton, Abercrombie & Fitch, Nike and AliExpress have enabled Klarna's innovative shopping experience online and in-store. Klarna is one of the most highly valued private fintechs globally with a valuation of \$45.6 billion. Klarna was founded in 2005, has over 4,000 employees and is active in 17 countries.

For more information, visit klarna.com.

Methodology.

Findings of this report are based on Klarna survey results and insights from Klarna's proprietary shopping data. We analyzed:

- The results of a survey of 23,188 US Klarna users ages 18-66+, fielded in August 2021. Definitions of each age group are Gen Z (18-24); Millennials (25-40); Gen X (41-56); Boomers (57-66).
- The results of a survey of 1,000 US consumers ages 18-66+, fielded August 2021, conducted by the research agency Dynata. Definitions of each age group are Gen Z (18-24); Millennials (25-40); Gen X (41-56); Boomers (57-66).
- The most-saved items to the Collections feature in the US Klarna app between January-July 2021.
- Klarna shopping data from online purchases in the US during November and December 2020. Klarna serves more than 10,000 US retailers and 20 million US consumers.

Klarna. for Business