MikMak

"New Year, New Me"

Budget Conscious Shopping in 2023

"New Year, New Me" in 2023

What does shopping look like when consumers are trying to manage their cash flow? Already, shoppers are spreading out their spending over discount shopping events. In 2023, look for consumer spending to be smaller, more frequent, and more budget-aware. That means price sensitivity is the name of the game, and discounts and retailer events will be more important than ever.

Using MikMak's Shopping Index, this guide examines the following categories for 2023.

- Personal Care
- Beauty
- Alcohol

Shoppers are willing to wait for when the price is right

Unlike when Purchase Intent Rates saw large fluctuations throughout past years, 2023 will have smaller ups and downs as consumers wait for when the price best suits their budget. Purchase Intent Rate (PIR) in January 2021 fluctuated 9 percent, while in January 2022 it only fluctuated 2.4 percent. January 2023 will see small fluctuations too.

The smaller spikes and drops also mean that consumers are staying in the store longer and that eCommerce activity is constant. Brands should optimize their always-on strategies, and validate whether the traditional "off-seasons" for their products are still true.

MikMak suggests running tests to determine which audience segments are most price-conscious, proactively designing campaigns for them that will help them stay in touch and plan for discount days. There are opportunities for brands to deliver loyalty-building content that keeps them engaged as they wait for discount days to arrive.

Last year, MikMak found that "Dry January" was a key eCommerce moment for alcohol brands that kept their media on, particularly in the days leading up to the Super Bowl.

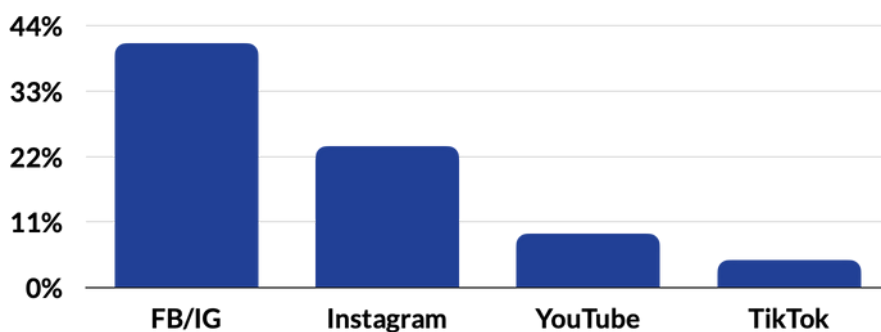# "New Year, New Me" is a key event for beauty and personal care brands

For beauty and personal care brands, January is a month they cannot miss. Shoppers stay active for these two categories even in the post-holiday month where shopping activity traditionally slows. During this time, shoppers are building loyalty with brands that will last beyond this season and into the rest of the year.

Who are personal care brands' most valuable shoppers?

January and February are high Purchase Intent Rate months for personal care brands, with Purchase Intent Rates up to 8.9%, nearly twice the industry average. eCommerce traffic for the category then doubles in March, while Purchase Intent Rate stabilizes at 4.6%.

This means that for personal care brands, their most valuable shoppers are making purchases in January and February. Take advantage of this time to build brand loyalty and offer additional incentives to continue this purchase behavior throughout the year.

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Social commerce brought the most eCommerce traffic with the highest Purchase Intent Rate for personal care brands.

Share of Purchase Intent Clicks by Social Channel

- FB/IG are the preferred channels to begin the shopping journey (41% of all Purchase Intent Clicks)
- Long form content on YouTube performs well in January at 28.3% Purchase Intent Rate
- Shoppers preferred checking out at Amazon and Walmart, each receiving over a third of all Purchase Intent Clicks

Beauty shoppers are most active in March

Unlike personal care's traffic, beauty brands will see category traffic increases steadily from January to February to March. January sees the highest Purchase Intent Rate at 17.5%, which dips to 13.3% in February, and increases again in March to 15.4%.

This means that January is a key month to be in the market with this heightened purchase intent period while March will bring more beauty eCommerce shoppers also more ready to buy. Engaging shoppers in beauty routines in January will pay off in the later months.

Share of Purchase Intent Clicks
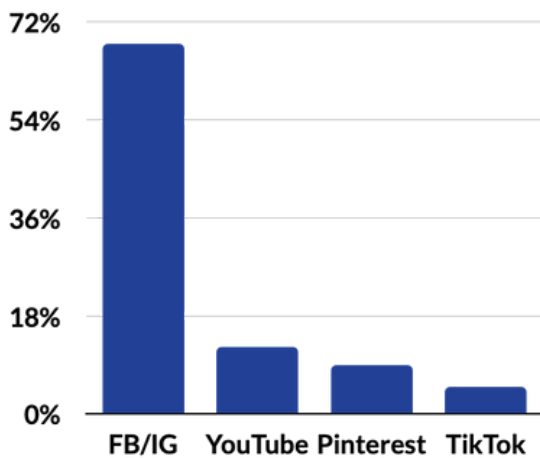
- FB/IG (25.4% PIR) and Pinterest (16.5% PIR) are preferred eCommerce channels
- YouTube (21.7% PIR) and Pinterest (17.6%) perform well in January
- TikTok performs well in March (19% PIR)
- Walmart is the preferred retailer to check out at, receiving over 44% of all Purchase Intent Clicks

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The alcohol eCommerce shopping season will be kicked off by the Super Bowl

Every year, the Super Bowl is a major event for alcohol eCommerce, starting as early as two weeks before game day. This year, Super Bowl LVII is taking place on February 12, 2023, which means alcohol eCommerce traffic will start as early as January 27, 2023 (two weeks before).

Last year, we expected Dry January to last no more than 2 weeks before Super Bowl reignited consumer purchase intent, and that's what happened. This will likely be the same case in 2023. Specifically, we can expect a dip in Alcohol Purchase Intent Rates to be between 1/3 to 1/6, with it beginning to increase the following week. So, January is, in fact, not very 'dry' at all.

- Drizly will see nearly half of all Purchase Intent Clicks, followed by Walmart at 20.3% and Instacart at 13.6%
- The majority (~80%) of alcohol eCommerce traffic will come from FB/IG
- Purchase Intent for alcohol will be lower in January and continue to rise in February and March; shoppers are still buying earlier in the year, but completing more targeted purchases and looking at specific brands

Alcohol Purchase Intent Rates, Jan - March 2021

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2023 best practices to win conscious shopping

1 Find out when major purchasing seasons are for your brand and category, and optimize your online shopping journey to make the most of them

2 Validate whether off seasons for your product is fact or fiction and design an always-on strategy to capture purchase intent throughout the year

3 Drive profitability with bigger baskets, bulk purchases, and alignment of local supply with local demand

The MikMak Shopping Index is a collection of key eCommerce KPIs collected across hundreds of brands and over 250 channels and 2000+ retailer integrations to understand consumer online shopping behavior. With a sample size of up to 5M shoppers, MikMak's Shopping Index provides insights into current and developing industry trends, and forecasts demand and behavior in the online marketplace. The Index also includes data from MikMak Shopper Intelligence, which ties first-party eCommerce data to 1000+ of demographic and psychographic data points, and can be segmented by product, retailer, and more. Shopper Intelligence is available through an industry exclusive partnership with LiveRamp.

MikMak's Shopping Index was developed to provide a standardized set of metrics, methodology, and benchmarks to help drive brands' business results and strategy.