2024 Holiday Spending Report with Credit Card Transaction Data

January 2025

The 2024 holiday season comes on the heels of almost a year of downward trending consumer spending. Amazon, Walmart, Target, Wayfair, Best Buy, and Kohl's hosted pre-season promotions in October, which drove their most loyal customers and some new customers to spend well before the traditional shopping period. This analysis of the full 2024 holiday season found:

- Overall retail spending grew faster than 2023 after a slow start in November
- TikTok Shop, Temu, and Shein won share of holiday spending
- Middle income earners outperformed high income earners

This analysis is powered by Earnest's Vela Gamma credit card transaction data in the online Dash platform and Direct Feed. The data includes sales records for individual, anonymous households across their credit and debit card accounts that can provide a holistic view of customers' behavior. This data is ideal for customer tracking macro economic conditions, seeing customer spending across competitors, retention, market share, share of wallet, and more. Reach out to Sales for more information.

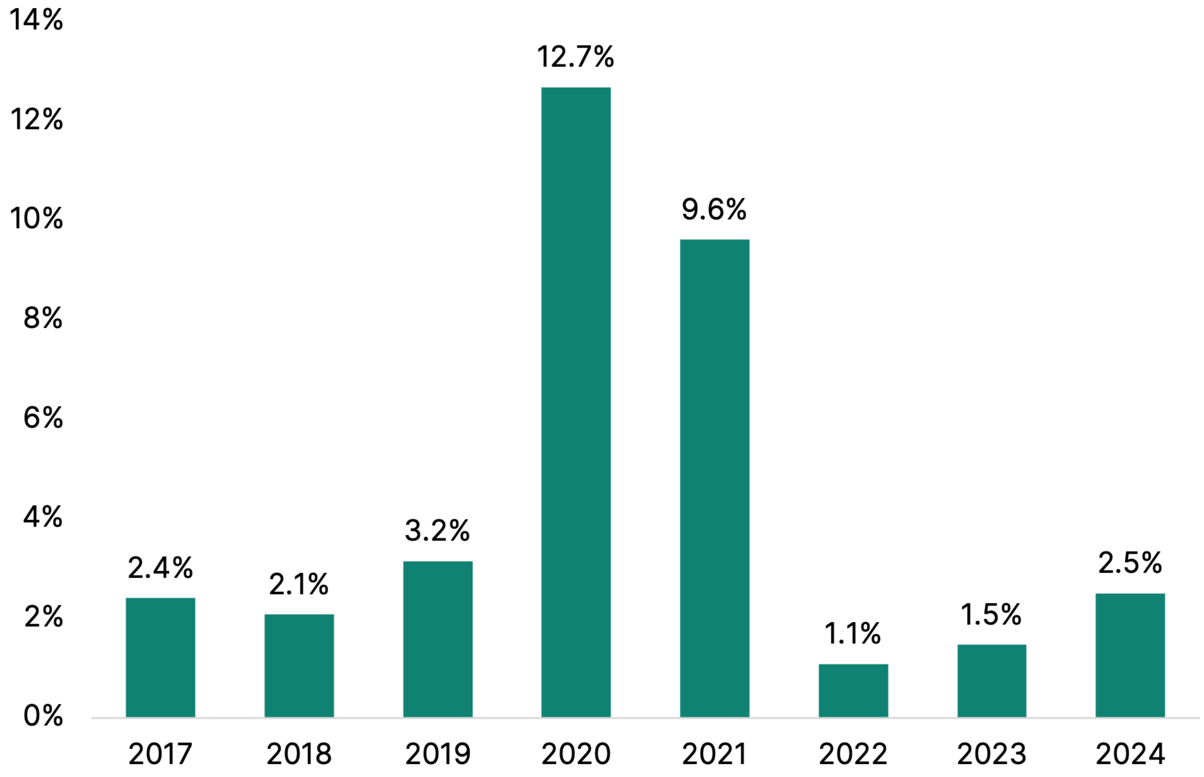
Holiday spending grew compared to 2023

Holiday consumer spending grew 2.5% YoY between November 1st and December 31st according to Earnest credit card data. This marks an acceleration from 2023, which grew 1.5% YoY. Neither growth figure is adjusted for inflation.

The swing to spending growth is a reversal from the early holiday period. Consumer spending fell 1.4% YoY in the first 13 days of November before rebounding to flat by mid-December. Early weakness could have been the result of holiday promotion cadence. The two weeks before Christmas were especially big.

Retailers began holiday promotions earlier during the pandemic to account for longer delivery times as more customers bought online. Many retailers continued to move their holiday promotions earlier and earlier in recent years. The resulting promotions likely pulled sales forward into October from the traditional start to holiday shopping in early November.

US holiday sales growth
Nov 1 - Dec 31, 2024; YoY



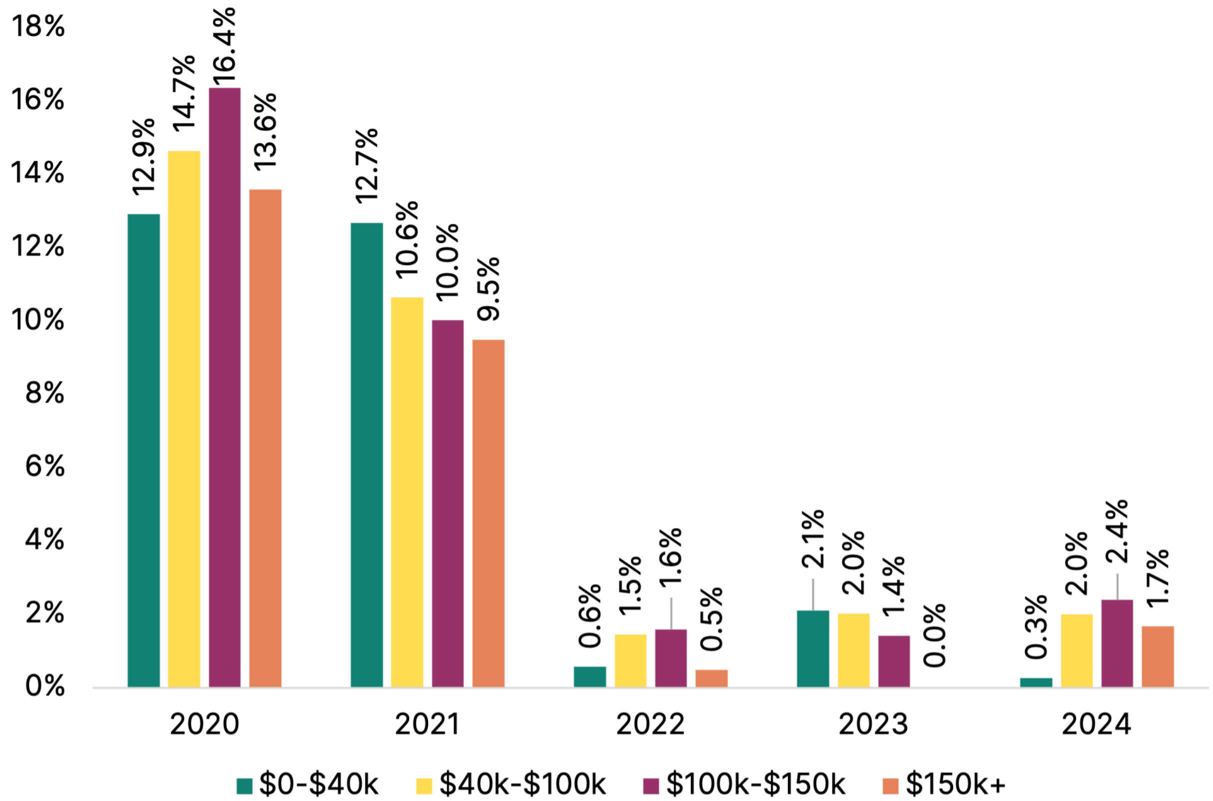
Powered by Earnest's Vela Gamma transaction data. Based on spending across major retail merchant category codes (MCC). See notes for details. Contact Sales for details.

Middle income-earners outperformed in 2024

Shoppers making between $40k and $150k outperformed high and low income shoppers in 2024 (see chart notes for details). The lowest and highest earners, below $40k and over $150k, grew 0.3% and 1.7% YoY, respectively.

High income shoppers underperforming is in-line with recent trends. Shoppers making over $150k have been the slowest growing cohort of holiday shoppers every year since 2021. However, lower income shopper spending decelerated the most and was the biggest underperformer, which is a reversal from last year. Shoppers making under $40k outperformed all other cohorts in the 2023 holiday season.

US holiday sales growth by income bracket
Nov 1 - Dec 31, 202; YoY



Powered by Earnest's Vela Gamma transaction data. Based on spending across major retail merchant category codes (MCC). Analysis excludes spenders with no known income. See notes for details. Contact Sales for details.

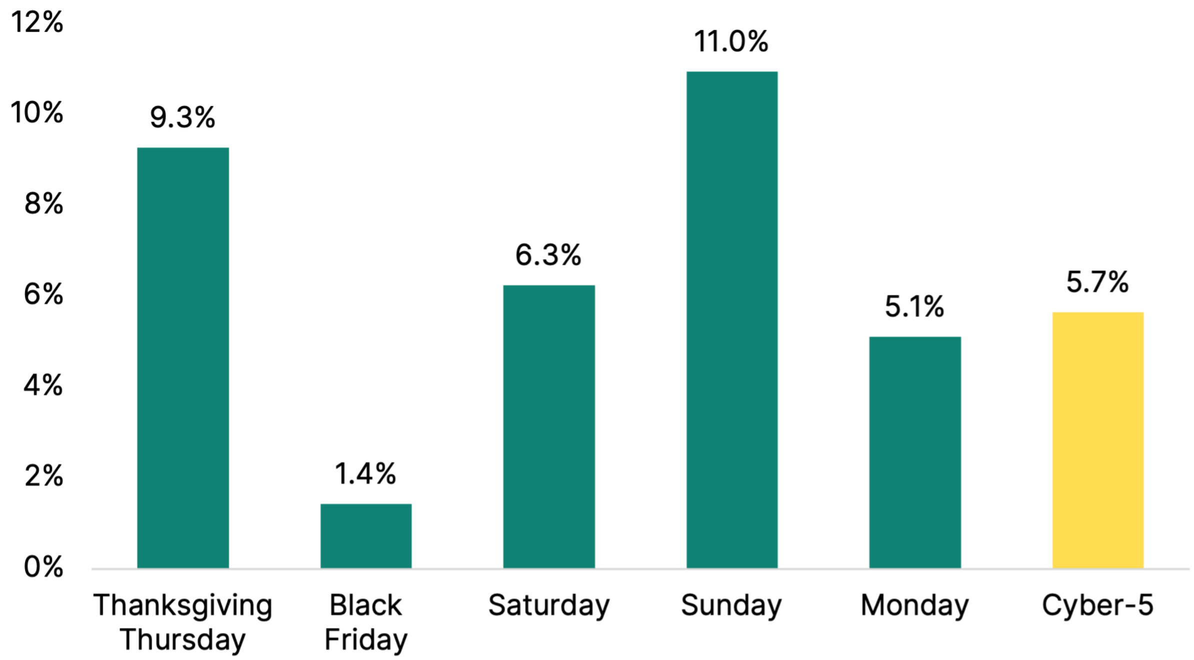
Cyber-5 spending +5.7% YoY on weekend gains

Shoppers spent 5.7% more between Thanksgiving and Cyber Monday (Cyber-5) than in the same time in 2023. Spending on Sunday grew the fastest, accounting for 21.5% of the period's total spending.

Shoppers also outspent on Saturday (23.6% of spending) and Thanksgiving Thursday (7.5% of spending). This represented a shift from the long dominant Black Friday shopping day. Shoppers spent 28.3% of their Cyber-5 holiday dollars on Black Friday, down from 29.5% in 2023.

Results could further improve as transactions made during Cyber-5 but not yet shipped begin to post.

Thanksgiving, Black Friday, and Cyber-5 sales growth
% Growth, YoY



Powered by Earnest's Vela Gamma transaction data. Based on spending across major retail merchant category codes (MCC). Cyber-5 and Black Friday results may be impacted by transaction billing and processing delays. Access [2023] and [2024] data in Dash.

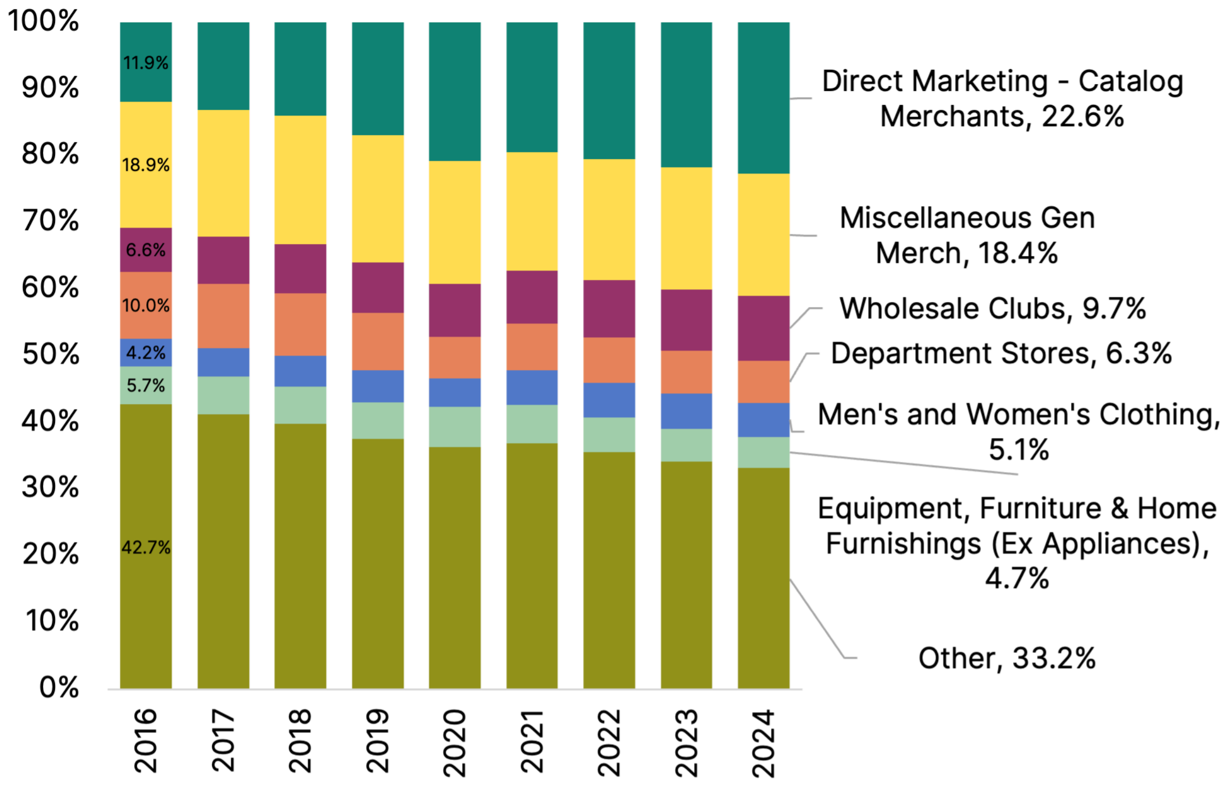
Ecommerce, wholesale clubs consolidated spend

Online shopping continued to expand its share of holiday spending this year. Consumers spent 22.6% of their holiday wallet in the Direct Marketing - Catalog Merchants MCC between November 1st and December 31st. The category includes Amazon and Temu. This is up from 11.9% in 2016 when the data began.

Miscellaneous General Merchandise including Walmart and Target controlled 18.4% of spending, down from 18.9% in 2016. Wholesale Clubs had 9.7% of consumers' holiday spending wallets, up from 6.6% 8 years ago.

Department Stores and Home stores continued to decline in share of holiday spending since data began. Both controlled 6.3%, and 5.1% of the 2024 period, down from 10.0% and 5.7%, respectively. Other smaller MCCs also further declined in 2024 as large retailers in the above categories continue to consolidate spending.

Share of US holiday sales by largest MCC's
Nov 1 - Dec 31, 2024; YoY



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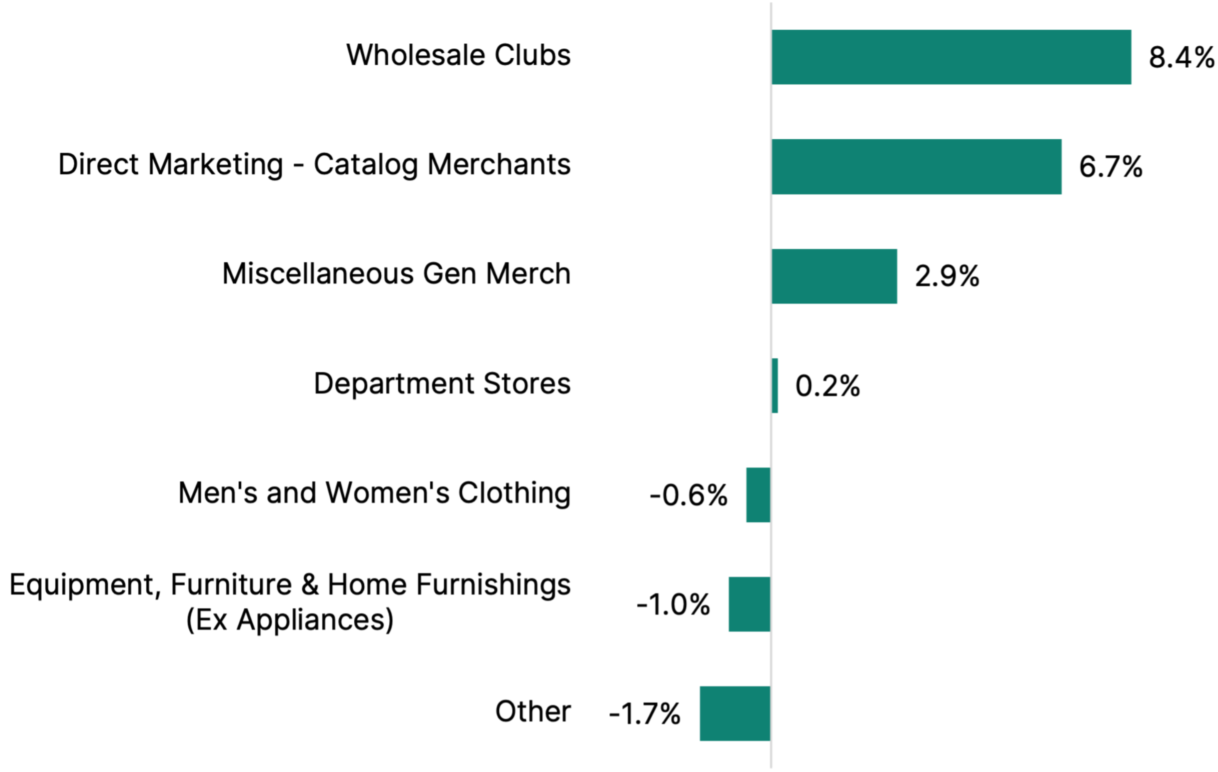
Wholesale clubs and ecommerce outperformed

Wholesale Clubs, Direct Marketing (ecommerce), and General Merchandise categories drove the biggest growth in the 2024 holiday season. The 8.4% growth could also be attributed to non-holiday spending in states impacted by Hurricanes Milton and Helene.

Direct Marketing (mostly ecommerce) grew 6.7% YoY throughout the entire holiday shopping period. General Merchandise grew 2.9% YoY, while Department Stores grew 0.2% YoY. Men and Women's Clothing, Home, and all other categories lost sales compared to 2023.

Share of US holiday sales by largest MCC's
Nov 1 - Dec 31, 2024; YoY



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TikTok Shop, Shein, and Temu won 2024 holidays

Chinese ecommerce brands outperformed other retailers this holiday season. TikTok Shop sales grew 222.9% YoY after an already strong early holiday. TikTok Shop did not participate in early October sales events, but the holidays come after its successful July promotion. The social media platform also won share in the first three weeks of November from other ecommerce names. Still, questions remain about whether the app will survive a legal battle to ban it in the US.

Sales at deep-discount ecommerce brand Temu (PDD) grew 18.9% YoY in the holiday shopping season. The platform's success comes despite slow customer growth in recent months.

Shein's back-to-school sales growth underperformed other apparel brands. But the fast fashion retailer's steady customer growth buoyed its holiday results as shoppers keep joining the platform. The retailer grew 17.4% YoY compared to 2023.

Ecommerce pet brand Chewy (CHWY) stood out as the fastest growing major non-discount ecommerce brand, +6.9% YoY.

Amazon sales accelerated following Cyber-5, ending at +5.8% YoY.

The RealReal (REAL) picked up steam around Cyber-5 for a total of 4.9% YoY growth between November 1st and December 31st.

The Home Depot (HD), Walmart (WMT), TJX Companies (TJX), and Nordstrom (JWN) all grew between 1.0% to 4.0% YoY in the same period.

ULTA Beauty (ULTA) was flat YoY, but still outperformed department stores like Kohl's (KSS).

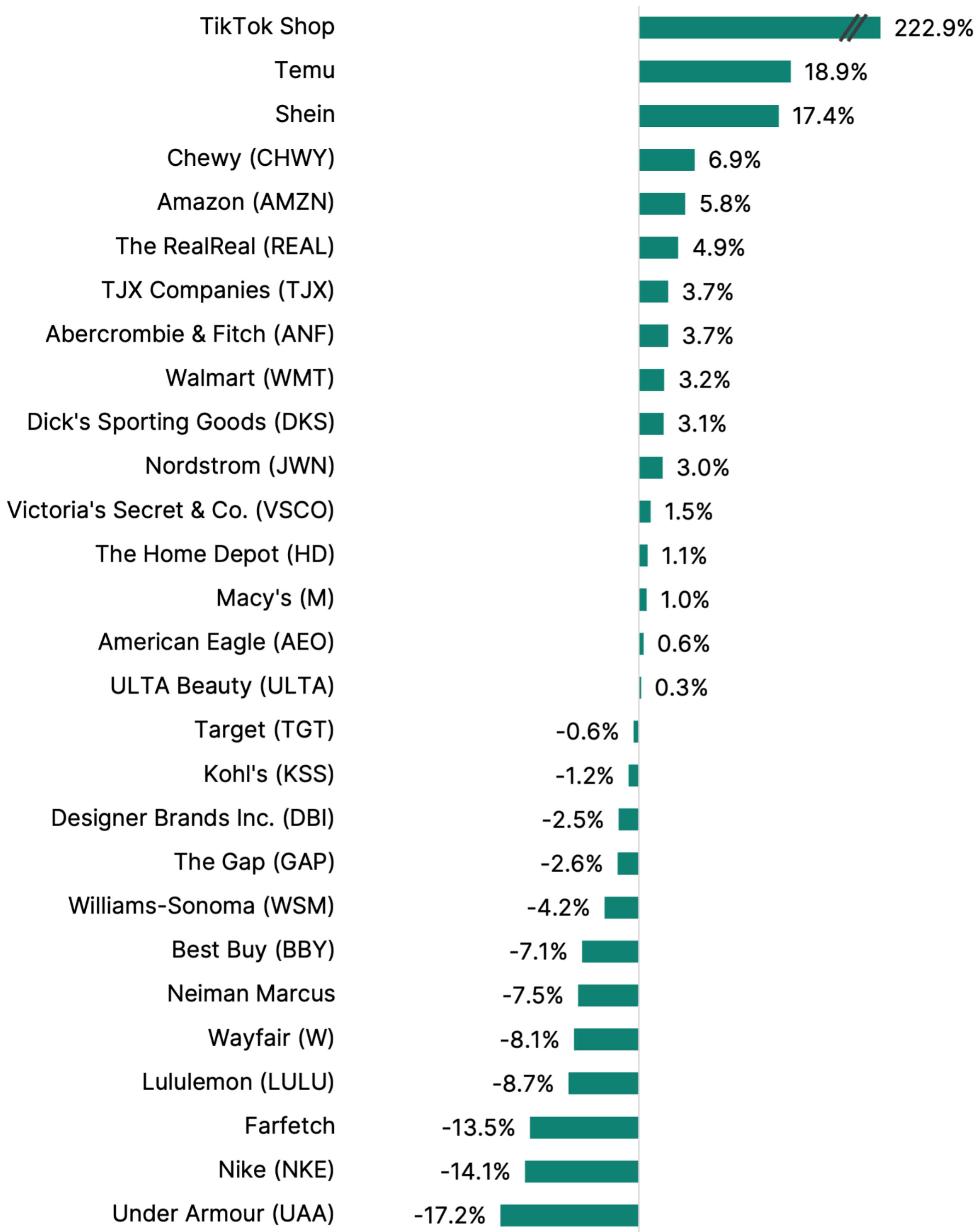
Mall brands Abercrombie (AEO) and Victoria's Secret's (VSCO) outperformed Men's and Women's Clothing despite a slow first half of the season.

Athleisure continued to lag other retail categories in the holiday period. Under Armour (UAA), Nike (NKE), and Lululemon (LULU) posted the biggest declines in the period. New DTC athleisure brands like Alo Yoga continue to disrupt the space.

Best Buy and Wayfair also posted mid-single digit declines, though that could have been influenced by demand pull-forward from pre-season sales.

US holiday sales growth across major retailers

Nov 1 - Dec 31, 2024; YoY



Powered by Earnest's Vela Gamma transaction data. Contact [Sales] for details.

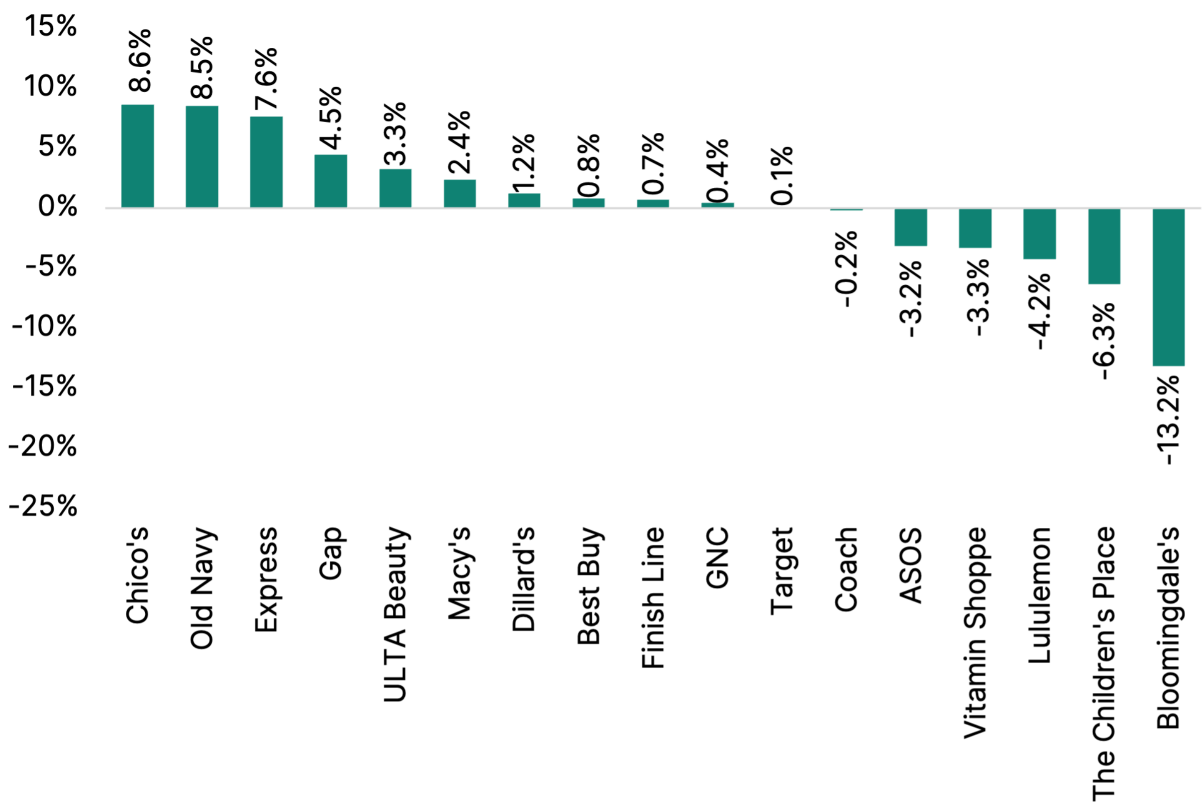
Old Navy, Express increased promotions

Discounting eased headed into the end of the holiday season according to Earnest Retail Pricing data. The discounting metric measures both the depth and breadth of discounting across retailers' entire merchandise. Discounting largely accelerated across major brands since the pre-holiday (beginning in October) and early holiday shopping season.

Chico's was the biggest discounter throughout the holidays, averaging 8.6% more discounts than in 2023. Old Navy increased discounting 8.5% in 2024 compared to the previous year. After Old Navy, Express posted the biggest YoY increase in discounting among any major back to school brand, +7.6% YoY. This roughly aligns with the order of promotions during the 2024 Back to School shopping season. ULTA Beauty, Macy's, Dillard's Best Buy, Finish Line, GNC, and Target also increased discounting.

Conversely, Bloomingdale's, Lululemon, Vitamin Shoppe, ASOS, and Coach reduced discounting. Target's lower discount rate is surprising given broad price cuts during the summer to encourage shoppers.

Total percent merchandise discount compared to 2023
Trailing 4-weeks ended Dec 25, 2024



Powered by Earnest's Retail Pricing web data. Contact Sales for details.

Notes

Merchant category codes (MMC’s) included in holiday spending are: 5111 - Stationery, Office Supplies, Printing and Writing Paper, 5139 - Commercial Footwear, 5300 - Wholesale Clubs, 5310 - Discount Stores, 5311 - Department Stores, 5399 - Miscellaneous General Merchandise Storesm, 5611 - Men's and Boys' Clothing and Accessories Stores, 5621 - Women's Ready To Wear Stores, 5631 - Women's Accessory and Specialty Stores, 5641 - Children's and Infants' Wear Stores, 5651 - Family Clothing Stores, 5655 - Sports Apparel, and Riding Apparel Stores, 5661 - Shoe Stores, 5691 - Men's and Women's Clothing Stores, 5699 - Accessory and Apparel Stores – Miscellaneous, 5712 - Equipment, Furniture and Home Furnishings Stores (Except Appliances), 5719 - Miscellaneous House Furnishing Specialty Shops, 5722 - Household Appliance Stores, 5732 - Electronics Sales, 5733 - Music Stores – Musical Instruments, Pianos and Sheet Music, 5931 - Second Hand Stores, Used Merchandise Stores, 5941 - Sporting Goods Stores, 5942 - Book Stores, 5944 - Clock, Jewelry, Watch and Silverware Stores, 5945 - Game, Toy and Hobby Shops, 5947 - Card, Gift, Novelty and Souvenir Shops, 5948 - Leather Goods and Luggage Stores, 5964 - Direct Marketing – Catalog Merchants, 5970 - Artist Supply Stores, Craft Shops, 5977 - Cosmetic Stores, 5995 - Pet Shops, Pet Food and Supplies, 5999 - Miscellaneous and Specialty Retail Stores, 7631 - Clock, Jewelry and Watch Repair Shops, and 8043 - Opticians, Optical Goods and Eyeglasses.

About Us

Earnest Analytics is the gold standard in consumer and healthcare data. Earnest works with world-class data partners to transform raw data into actionable insights for business, consulting, and investment professionals. Earnest products offer insight into consumer behavior trends and an unbiased look into competitive market dynamics, with a high degree of accuracy against company-reported metrics. Earnest's data suite includes two industry leading transaction datasets, as well as CPG Scanner, Foot Traffic, Retail Pricing, Homebuilder, Auto Seller, and Healthcare data.

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