



Insights and Data to Help Manage Today's Changing Consumer Environment



Are you done with your holiday shopping? Or are you still picking up some last-minute stocking stuffers? Either way, you are in good company. According to a forecast published by the National Retail Federation (NRF), holiday sales are expected to reach \$960 billion this season (US), an increase of 8% over 2021¹. In this issue of Data in Motion, we take a closer look at what the retail industry is expecting at this critical time of the year.

Records Are Made to Be Broken

The projected 8% increase in holiday sales for 2022 is especially impressive given that holiday sales for 2021 were a record-breaking \$889 billion – an increase of 13% over 2020. And when you factor in other economic headwinds currently in play such as inflation (high) and consumer confidence (low), the projected increase for 2022 is a testament to how important this time of year is to the retail industry. In fact, according to the NRF, holiday sales have increased an average of 4.9% over the past 10 years with pandemic spending (2020 and 2021) accounting for “considerable gains.” For 2022, consumers are expected to spend an average of \$833 on gifts and holiday-related items such as decorations and food¹.

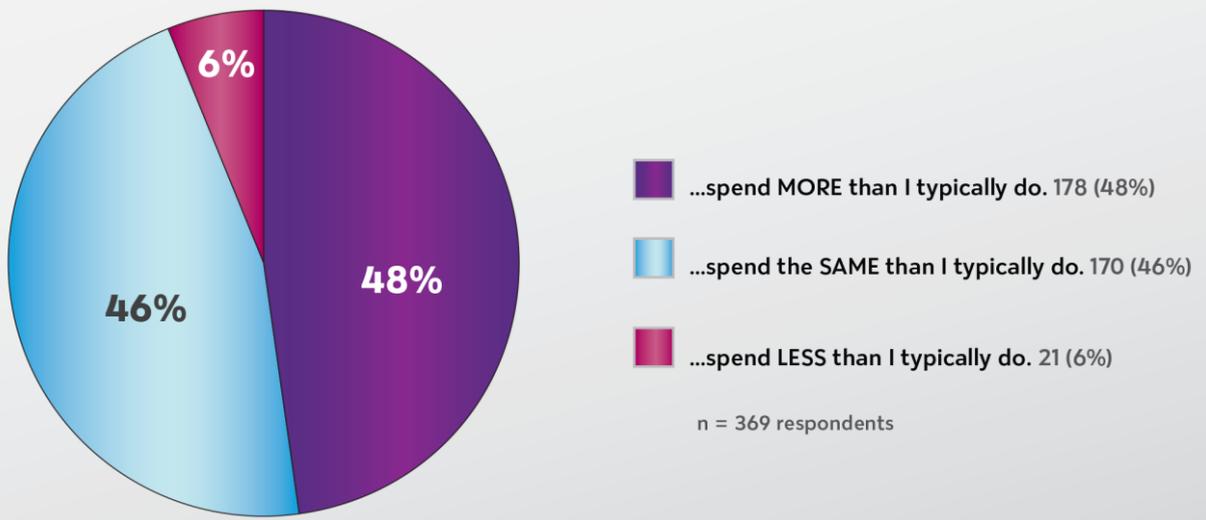
Online Shopping

In 2021, digital channels saw extraordinary growth as consumers turned to online shopping during the pandemic. As the world continues to open up post-COVID, a slight decline in the percentage of consumers that plan to shop online for the holidays is expected: 80% for 2022 versus 85% for 2021 according to research conducted by the NPD Group. But this slight decline in online holiday shoppers is not expected to equal a decline in online holiday sales. In fact, according to the NRF, online holiday sales are expected to grow between 10% and 12% for 2022, or between \$262.8 billion and \$267.6 billion, up from \$238.9 billion in 2021¹.

Holiday Lottery Sales

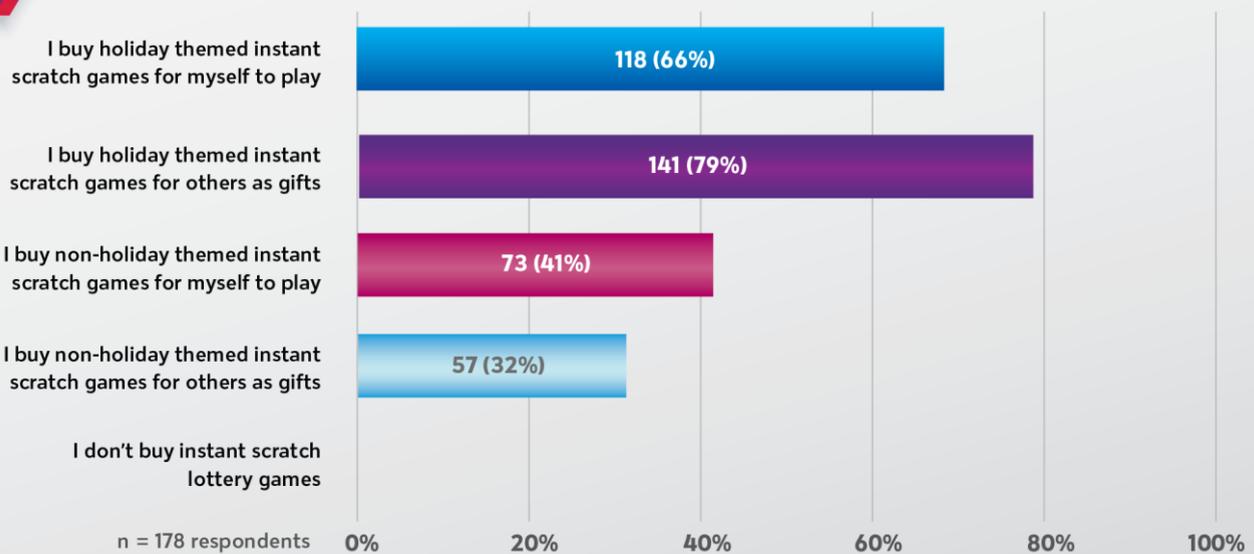
Like many other retail categories, the lottery industry typically enjoys a boost in sales over the holiday season. In a recent national survey of consumers conducted by Scientific Games, 48% indicated that they spend more on instant scratch games during the holiday season than they do at other times of the year².

When buying instant scratch lottery games during the holiday season, I generally...



Of those consumers that spend more on instant scratch games during the holiday season, 79% are buying holiday-themed games as gifts for others².

When buying instant scratch lottery games over the holiday season, what type of games do you buy and who do you typically buy them for? *Check all that apply.*



Final Word

Like many retail-based industries, the lottery industry benefits from strong consumer spending during the holiday season. And, as the chart above shows, a good chunk of that spending can be attributed to consumers buying instant scratch games as gifts. Which is why Scientific Games is proud to support the National Council on Problem Gambling's **Gift Responsibly** holiday campaign for the fifth straight year. A common finding in studies by both SG and the NCPG is that some consumers have a misperception of the appropriate age to purchase and play lottery games. Scientific Games joins lotteries in the U.S., Canada, and Europe to help raise awareness about the risks of gifting lottery games to minors during the holiday season and we encourage our Data in Motion readers to do their part to help prevent underage lottery play.



Everyone here at Scientific Games wishes you and your family a joyful holiday season. We look forward to doing great things in 2023 as we celebrate 50 years of passion, innovation, and partnership.

Sources: 1. NACS, Consumers Could Spend \$960 Billion on the Holidays, November 4, 2022
2. 1Q National Survey, December, 2022, 500 respondents
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