TRUSTPILOT

Consumer Behavior and Expectations: The 2017 Holiday Season Report

WHAT ECOMMERCE BUSINESS OWNERS NEED TO KNOW

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Introduction

During the months of November and December, consumers from all over the world—Europe and North America in particular—descend upon retailers (both brick & mortar and online) and spend massively for the holidays.

Add to it unofficial "holidays" like Black Friday and Cyber Monday, and the holidays end up being a crucial revenue driver for the vast majority of consumer businesses.

With such a major opportunity, fierce competition increases dramatically. Not every retailer reaps the benefits, and those who commit to their consumers are bound to see better returns. It's here where reputation, reviews, and expectations matter most.

In this research report, Trustpilot compiled original data from consumer surveys, keyword analysis of consumer reviews, and looked at past consumer trends from 2015 and 2016 to understand overall consumer behavior during the holiday season. We'll provide an overview of our findings and show retailers and eCommerce owners and managers how they can succeed this upcoming holiday shopping season by anticipating, adapting to, and meeting consumer expectations.

Executive Summary

Consumer Spending During the Holiday Season

The Adobe Digital Index tracked consumer spending throughout November and December 2016 and found that:

$91,700,000,000

Total spending in November and December 2016, an 11% increase from the same two-month period in 2015.

- Over $3B, daily, was spent in 3 out of the 61 days (Black Friday, Cyber Monday, and Thanksgiving.)

- Over $1B, daily, was spent in 57 out of the 61 days.
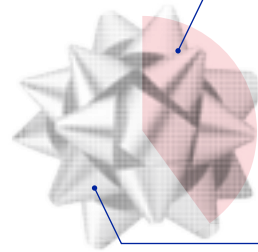
+48%

40% of retailers experienced a 48% average revenue growth during Black Friday and Cyber Monday.

−8%

60% of retailers experienced an 8% decline in average revenue growth.

Consumer Review Activity During the 2015 and 2016 Holiday Season

OCT 2016

435,000

NOV 2016

480,000

In November 2015, the number of searches performed on Trustpilot sites spiked from 350,000 to 460,000, a 31% increase.

In November 2016, the number had spiked once again to 480,000.

REVIEWS IN DEC 2015

690,000

REVIEWS IN DEC 2016

900,000

Globally, over 690,000 reviews were left in December 2015, and 900,000 reviews were left in December 2016, a 30% increase.

Executive Summary

Negative and Positive Review Breakdown

In 2015, negative reviews increased throughout the holiday shopping season, peaking at **over 12% of all reviews** during December 2015, a 20% increase from the beginning of November.

We observed the same pattern in November and December 2016. But negative reviews, overall, made up a larger percentage of total reviews in total, starting at nearly 10% and **peaking at 12.4%** in mid-December.

Review Keyword Analysis

We analyzed over one million 1- and 5-star reviews in eCommerce categories from October 2016 to March 2017 to conclude whether there were commonalities in what drove positive and negative reviews. Across the 2016 months:

⭐ • NEGATIVE

Customer Service

"Customer service" was the most common two-word phrase used in 1-star reviews, appearing in three times as many reviews as the next most common two-word phrase.

Shipping

The use of "shipping" in 1-star reviews increased by 38% from October to December.

⭐⭐⭐⭐⭐ • POSITIVE

Excellent Service   **Great Service**

Variations on customer service appeared across the top five most commonly used two-word phrases in 5-star reviews.

Delivery   **Fast Delivery**   **Quick Delivery**

"Delivery" was one of the top five most common words found in 5-star reviews, and its appearance rate among 1-star reviews increased by 13% from October to December.

Variations on delivery speed were also commonly used in 5-star reviews (**"fast delivery", "quick delivery"**)

BOTH

Price

"Price" only shows up around in **4-5% of 1-star reviews** and in **10% of 5-star reviews**, significantly behind the top five most common words.
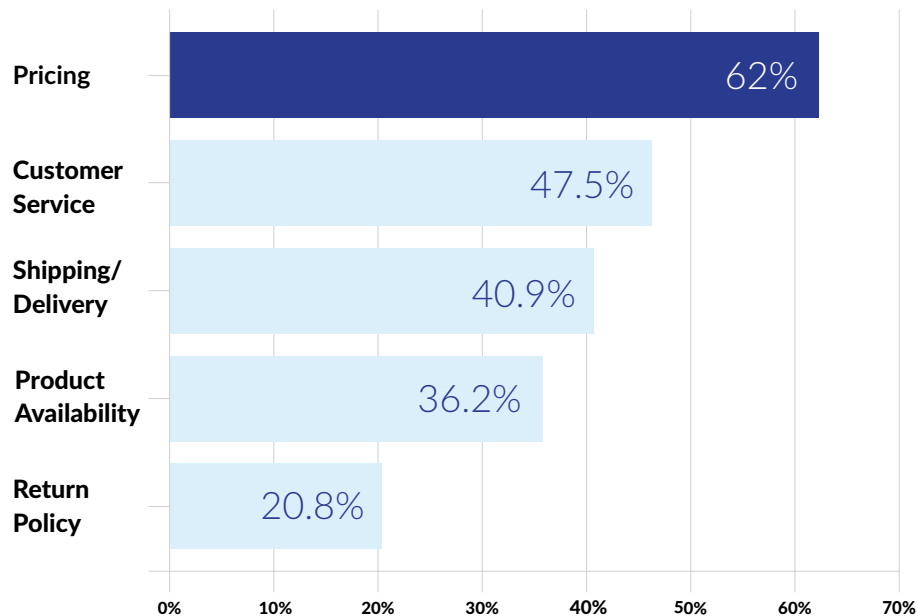
Executive Summary

Consumer Survey Results

We ran two surveys on the Trustpilot website during two 15-day periods from August 1 to September 1, 2017, capturing over 13,000 responses. Here are the results of the surveys.
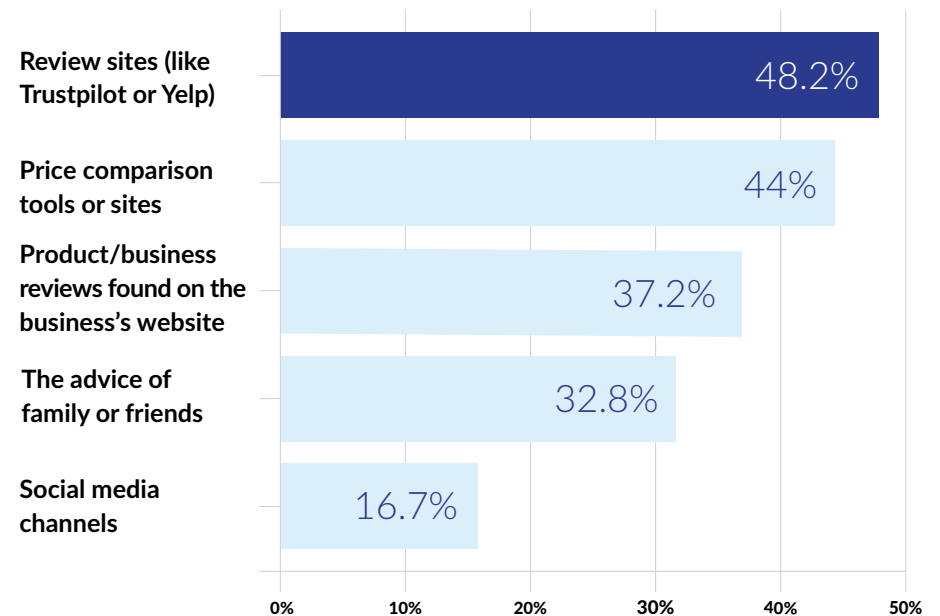
SURVEY 1

This upcoming holiday shopping season, which of the below are most important to you (you can choose more than one)? Results below:

Category	Percentage
Pricing	62%
Customer Service	47.5%
Shipping/Delivery	40.9%
Product Availability	36.2%
Return Policy	20.8%

SURVEY 2

This upcoming holiday shopping season, which of the below are you most likely to use before making a purchase decision? Results below:

| Category	Percentage
Review sites (like Trustpilot or Yelp)	48.2%
Price comparison tools or sites	44%
Product/business reviews found on the business's website	37.2%
The advice of family or friends	32.8%
Social media channels	16.7%

Consumer trends and behaviors 2015–2016

In 2015, consumers spent $83B online during the holiday season, up 12.7% from the previous year. In 2016, that number increased to $91.7B, an 11% increase. On Thanksgiving, Black Friday, and Cyber Monday 2016, consumer spending online peaked at over $3B per day. Black Friday saw the highest increase (21.6%) in online sales from the previous year.

However, what's most striking from the Adobe Digital Index report, which tracks these numbers, is that only 40% of retailers experienced a 48% higher average growth during Black Friday and Cyber Monday, an above average rate. The remaining 60% actually saw an 8% decline in revenue growth. This means Black Friday and Cyber Monday aren't guaranteed to generate increased revenue. The environment is still competitive, and if companies don't have a solid strategy to reach consumers and convert them, they won't reap any benefits from the consumer holiday shopping season.

In 2016, over $4.6T of sales were abandoned in online shopping carts, and the Baynard Institute reports that the global cart abandonment rate is 69%, attributing a complicated checkout process, additional shipping costs, and lack of trust as major reasons for abandoning carts. While traffic, demand, and consumer activity is at its all-time high during the holiday shopping season, conversions and an increase in revenue are not guaranteed.
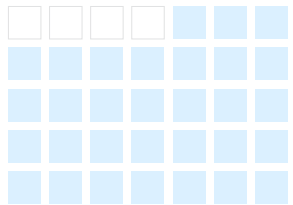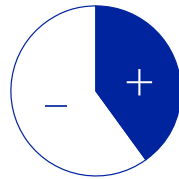
THE 2016 SHOPPING HOLIDAY SEASON BY THE NUMBERS

November
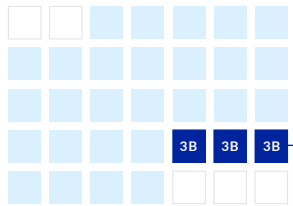
December

Over **$91.7B** was spent online during November and December 2016.

Thanksgiving, Black Friday, and Cyber Monday exceeded **$3B** in sales.

40% of retailers experienced above-average growth during Cyber Monday and Black Friday. The rest experienced a decline.

Sales for Thanksgiving, Black Friday, and Cyber Monday were about **3x** the daily average.

Over

$4.6T

of sales were abandoned in online shopping carts and the Baynard Institute reports that the global cart abandonment rate is

69%

Consumer review activity on Trustpilot

To understand how businesses can capture a larger and more relevant audience in order to convert them into consumers, they first need to understand consumers as a whole. We took a look at some consumer trends over the past two years to see how reviews played a part in consumer behavior throughout the holiday shopping season.

Reviews left on Trustpilot increased significantly in December 2015 and 2016

Globally, over 690,000 reviews were left in December 2015, up from 550,000 in November. The following month, 670,000 reviews were left, a 20,000 review drop. Later in 2016, over 820,000 reviews were left in November, and 900,000 reviews were left in December before dipping slightly the next month.

When looking at the rate of growth in reviews, November and December topped their years, achieving a growth rate of 11.9% and 25.6%, respectively, in 2015, and 7.2% and 9.8%, respectively, in 2016.

When we look at the number of reviews across countries, we see the same results, with France, Netherlands, and Germany having 30% more reviews during the holiday season in 2015 and 2016.

It's clear that the holiday months affect how many reviews are left. But are people looking for reviews more often during that time?

GLOBAL NUMBER OF REVIEWS ON TRUSTPILOT BY MONTH
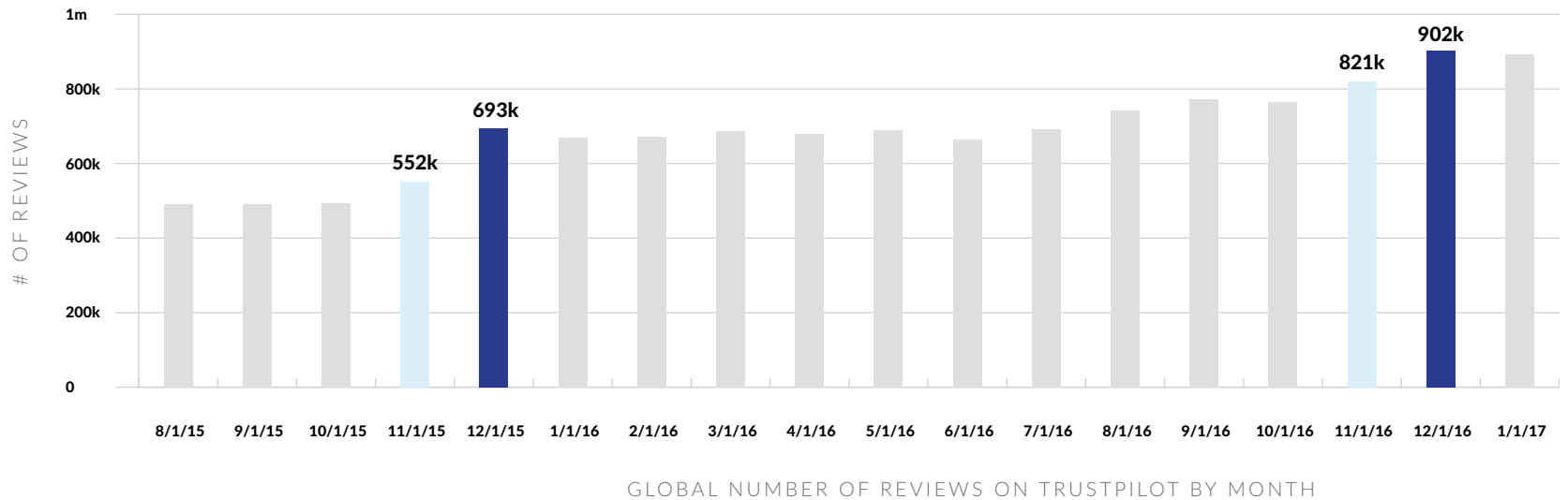
The number of searches made on Trustpilot spikes in November 2015, trends high from August–November 2016

Globally, we can see that consumers looked for reviews on Trustpilot the most during November 2015, spiking significantly, before coming back down in December, when consumers may have already finished their holiday shopping. However, in 2016, we see a significant increase in the number of searches from September through November, suggesting that consumers may have started their shopping, or at least their research, early.

November 2015's growth and subsequent decline dramatically showcases how reviews proved to be extremely important for Trustpilot's global audience in anticipation of the holiday season. November 2016 is also the month with the most searches for 2016. Looking at the rate of growth in searches on a global level, a clear pattern emerges.

GLOBAL NUMBER OF SEARCHES ON TRUSTPILOT BY MONTH
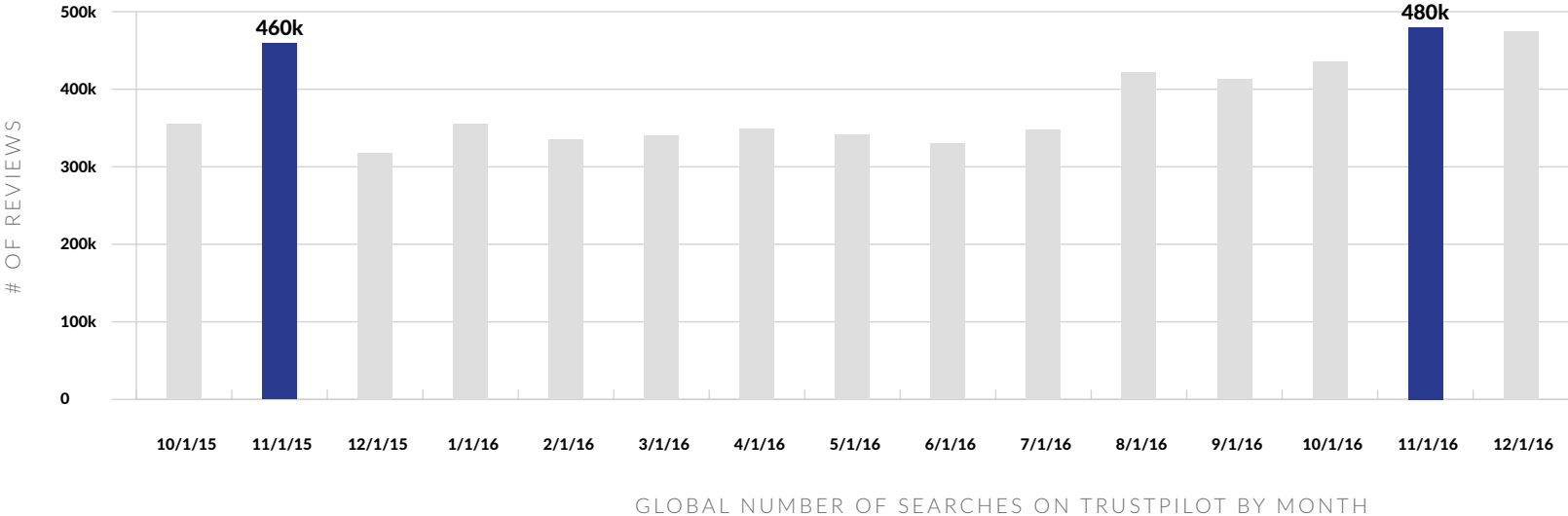
The retailer's move

It's clear that review activity grows throughout the holiday shopping season. Not only are consumers more likely to review companies, but they're also much more likely to look for company reviews ahead of their shopping.

Here's what retailers need to do:

Revamp your review collection strategy

Whether it's the holiday season or not, companies should focus on collecting as many reviews as they can. A recent study found that the number of reviews a company has highly influences consumer opinions.

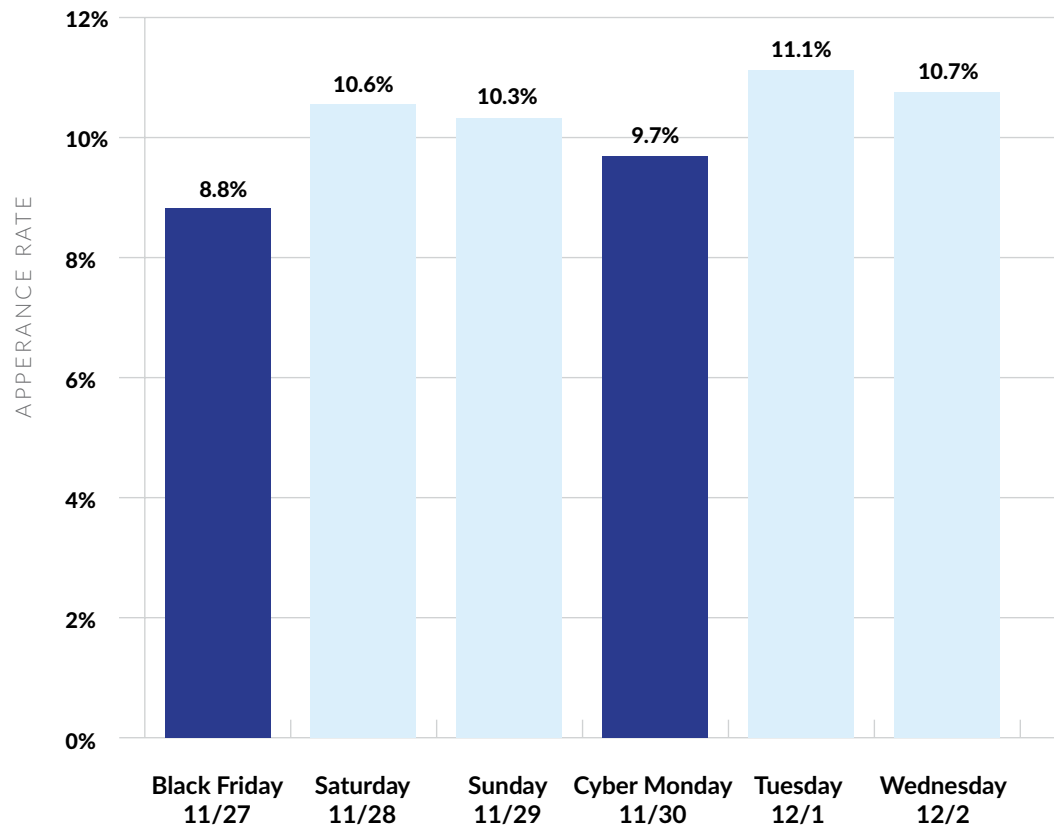## Consider hosting reviews on your site and on third-party sites

As we'll see later, reviews play a major role in consumers' purchase decisions. Without reviews, companies will be overlooked.

The prevalence of negative reviews during the holiday shopping season

We see that reviews play an important part of the holiday shopping season, but how do reviews change during that time? We looked closer at the prevalence of negative reviews throughout the holiday shopping season and beyond.

Percentage of negative reviews written during major shopping dates 2015

APPERANCE RATE

	8.8%	10.6%	10.3%	9.7%	11.1%	10.7%
	Black Friday 11/27	Saturday 11/28	Sunday 11/29	Cyber Monday 11/30	Tuesday 12/1	Wednesday 12/2

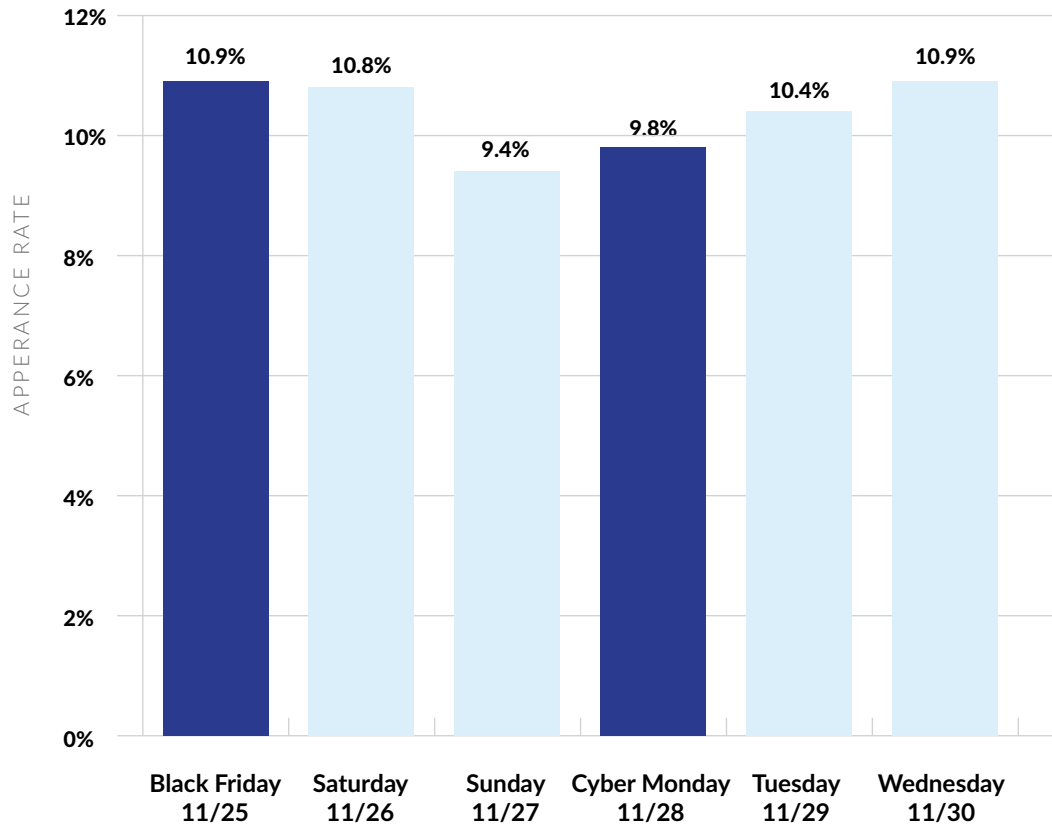1- AND 2-STAR REVIEWS OVER THANKSGIVING WEEKEND 2015

In 2015, we found that negative reviews actually increased during and after the busiest shopping holidays—Black Friday and Cyber Monday.

Percentage of negative reviews written during major shopping dates 2015
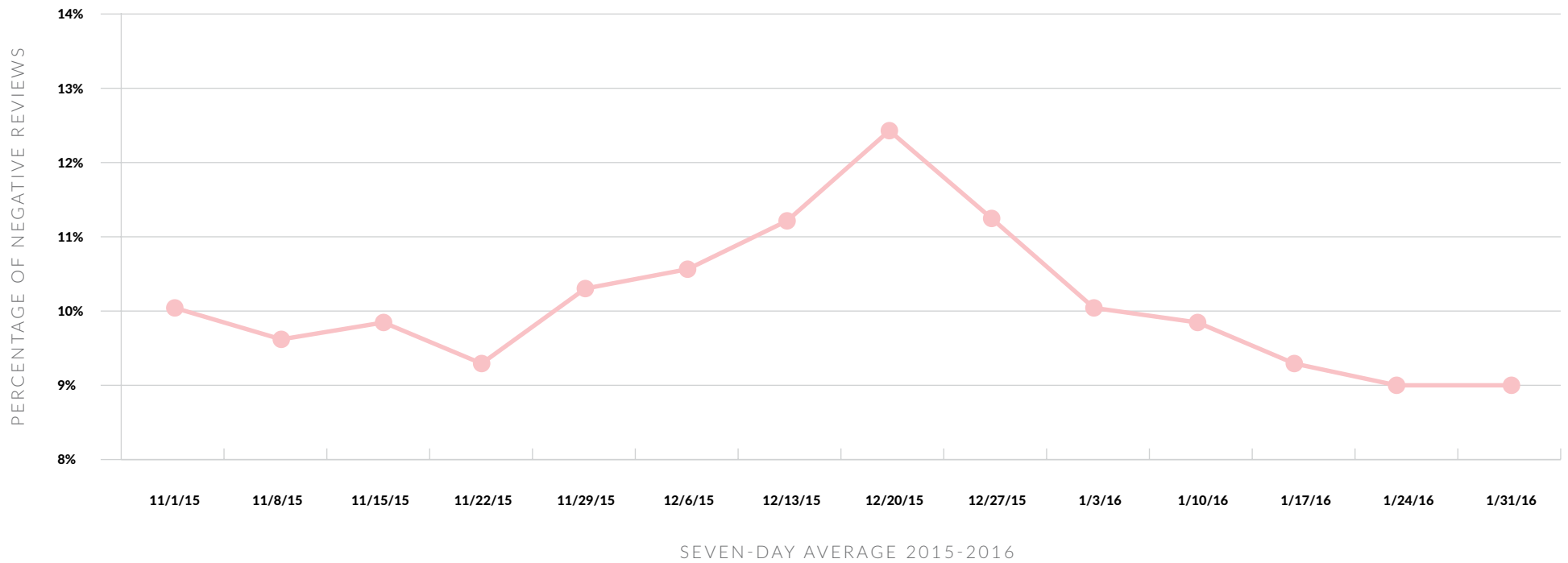
Negative reviews increased slightly near the end of November and continued to rise for nearly a month until around December 20. This suggests consumers are likely to be much more critical of companies given the pressure of holiday shopping.

Percentage of negative reviews written during major shopping dates 2016

APPERANCE RATE

| Date	Rate
Black Friday 11/25	10.9%
Saturday 11/26	10.8%
Sunday 11/27	9.4%
Cyber Monday 11/28	9.8%
Tuesday 11/29	10.4%
Wednesday 11/30	10.9%

1- AND 2-STAR REVIEWS OVER THANKSGIVING WEEKEND 2016

In 2016, we see that overall, negative reviews were already above 10% by Black Friday and decreased slightly on Cyber Monday before they rose again past 10%.

The trend in negative reviews also follows 2015's pattern with the beginning of November starting just under 10% and quickly rising to over 12% by the 20th of December before dropping to 10% by mid-January.

Weekly average of negative reviews
from Nov 2016 - Jan 2017
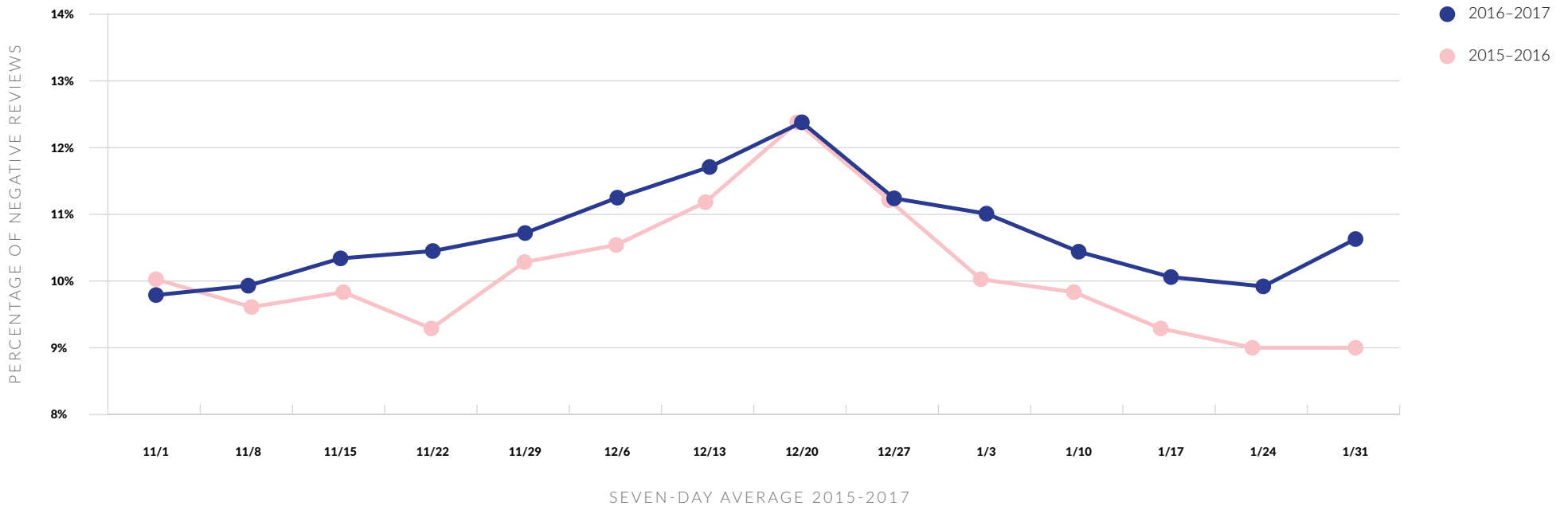
In 2016, there were very few dips under 10%, suggesting that, overall, consumers are being increasingly critical of businesses throughout the holiday shopping period. In the following section, we offer some insight into what might be driving these increases in critical reviews.

The retailer's move

Businesses are under closer scrutiny by consumers throughout the holiday shopping season, which can have repercussions beyond November and December. Businesses that fail to meet expectations or just continue with a business-as-usual strategy might find themselves inundated with much harsher reviews, affecting their reputation. To prepare, businesses should:

Review their reviews.

Businesses should understand what consumers are unhappy with ahead of the holiday season and make a short-term investment towards improving those areas to appease a more critical audience.

Ask for more reviews.

Businesses might avoid collecting reviews in order to avoid negative reviews, but previous Trustpilot data has shown that proactively collecting reviews dramatically increases the ratio of positive to negative reviews.

The consumer mindset: common words and phrases found in 1- and 5-star reviews

We analyzed over one million English-language reviews on Trustpilot within relevant online retail categories from October 2016 to March 2017 to find commonly used words or phrases in the most positive and negative reviews. Here's what we found.
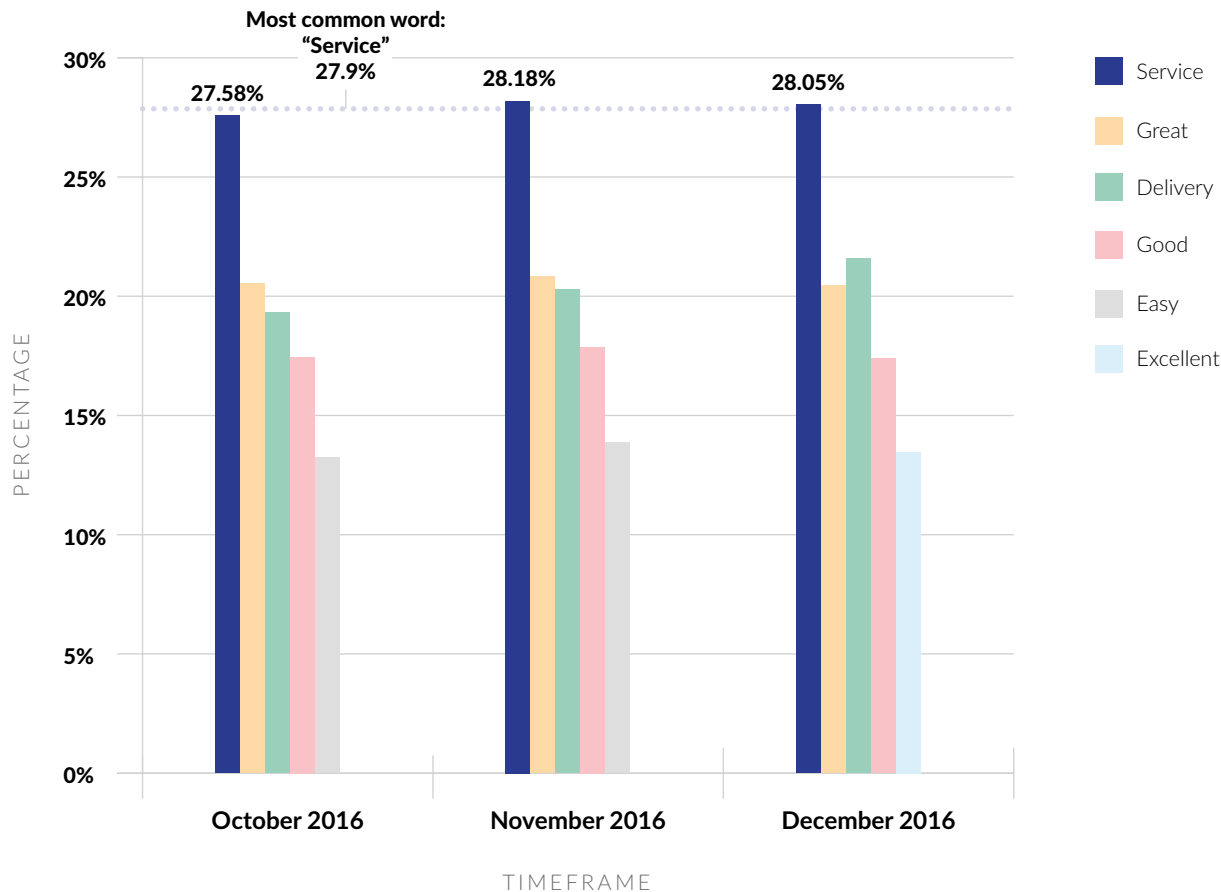
Most Common Words in 1-Star Reviews
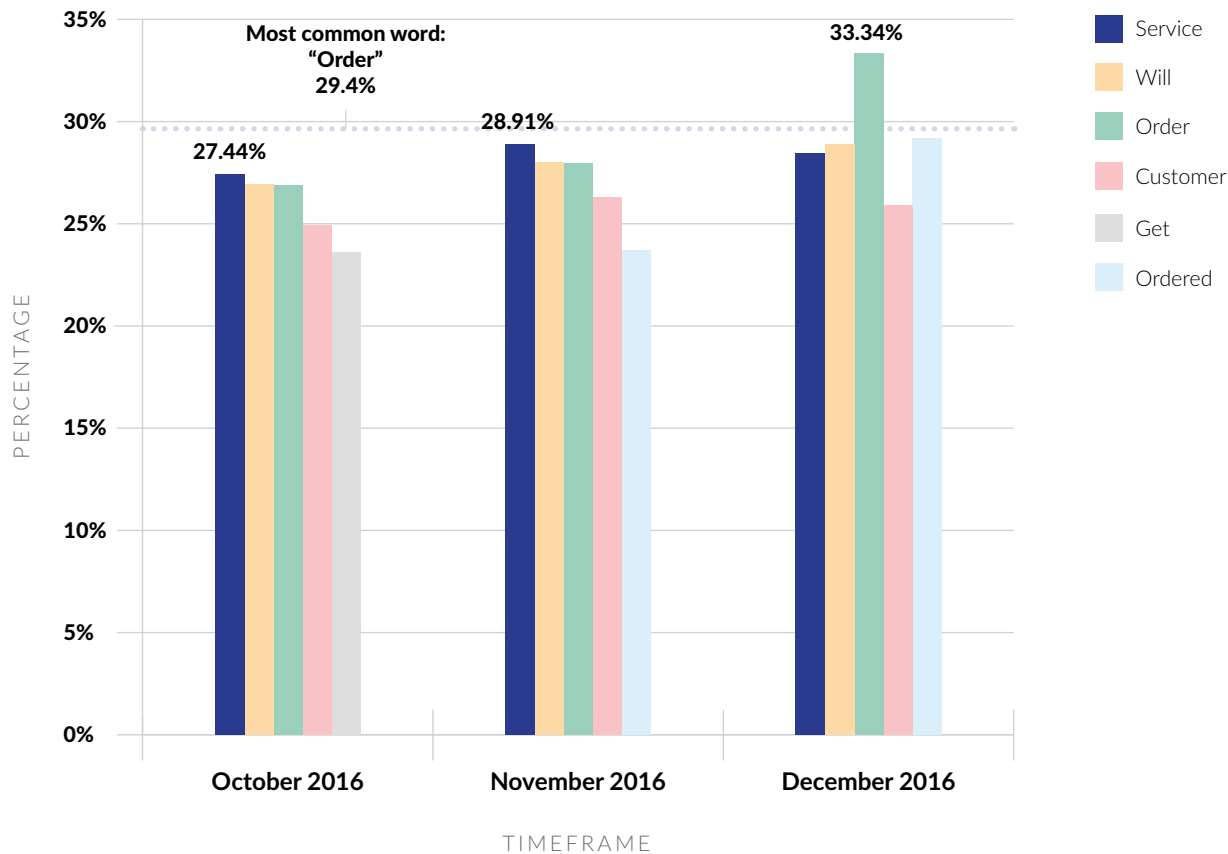
For October and November, 1-star reviews focused on "Service", but in December, "Order" jumped the ranks, appearing in over 33% of 1-star reviews, more than any other word throughout the previous months. "Ordered" took a close second with 29.20% of reviews, suggesting the state of an order carries much higher importance during December, when orders are expected to be delivered.

It's also important to note that "service" and "customer" both appeared quite commonly throughout the entire month, indicating that customer experience, or lack of one, often warrants a negative review.

Most Common Words in 5-Star Reviews

Positive adjectives were found throughout the most commonly used words in 5-star reviews but "service" and "delivery" were standouts, appearing most often throughout the holiday shopping season. "Service" clearly stood out as the most important quality for 5-star reviews month after month, and by a considerable amount.

An interesting pattern between the most common words in 1- and 5-star reviews was the range of highest appearance rate. While the top five words among 1-star reviews all showed up in 23-33% of reviews, the top five words among 5-star reviews showed up in 13-28% of reviews, a much wider range. This shows that upset customers are likely to focus on the same thing, while happy customers are likely to vary their reasoning as to why businesses garnered a 5-star review.

Most Common 2-Word Phrases in 1-Star Reviews
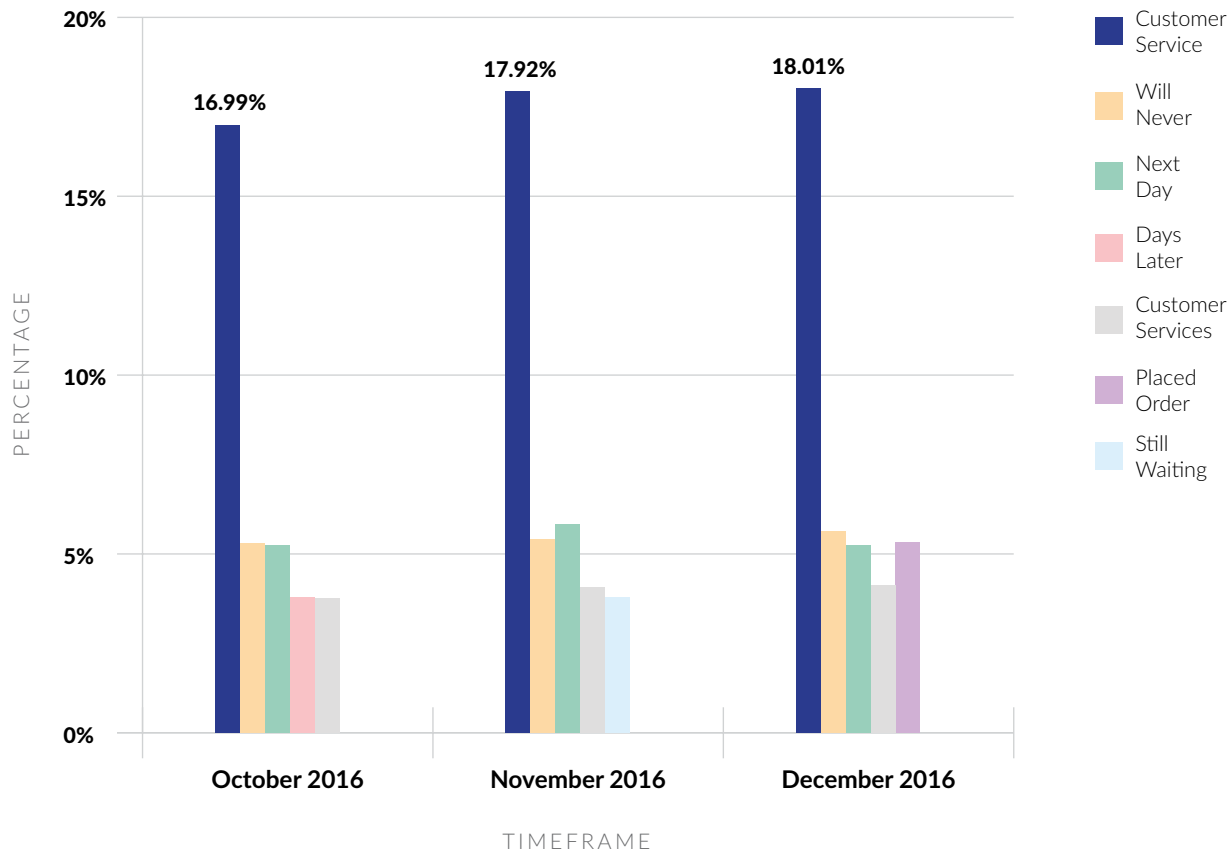
The most apparent finding was the extremely high appearance rate of "customer service" in 1-star reviews, having appeared in over 17% of reviews and steadily increasing throughout December. What's more telling was that the next most common 2-word phrase was only present in around 5-6% of 1-star reviews. Other common 2-word phrases included "days later", "next day", "still waiting", and "customer services", a separate entry, further highlighting the importance of customer service and on-time delivery fulfillment.

Most Common 2-Word Phrases in 5-Star Reviews
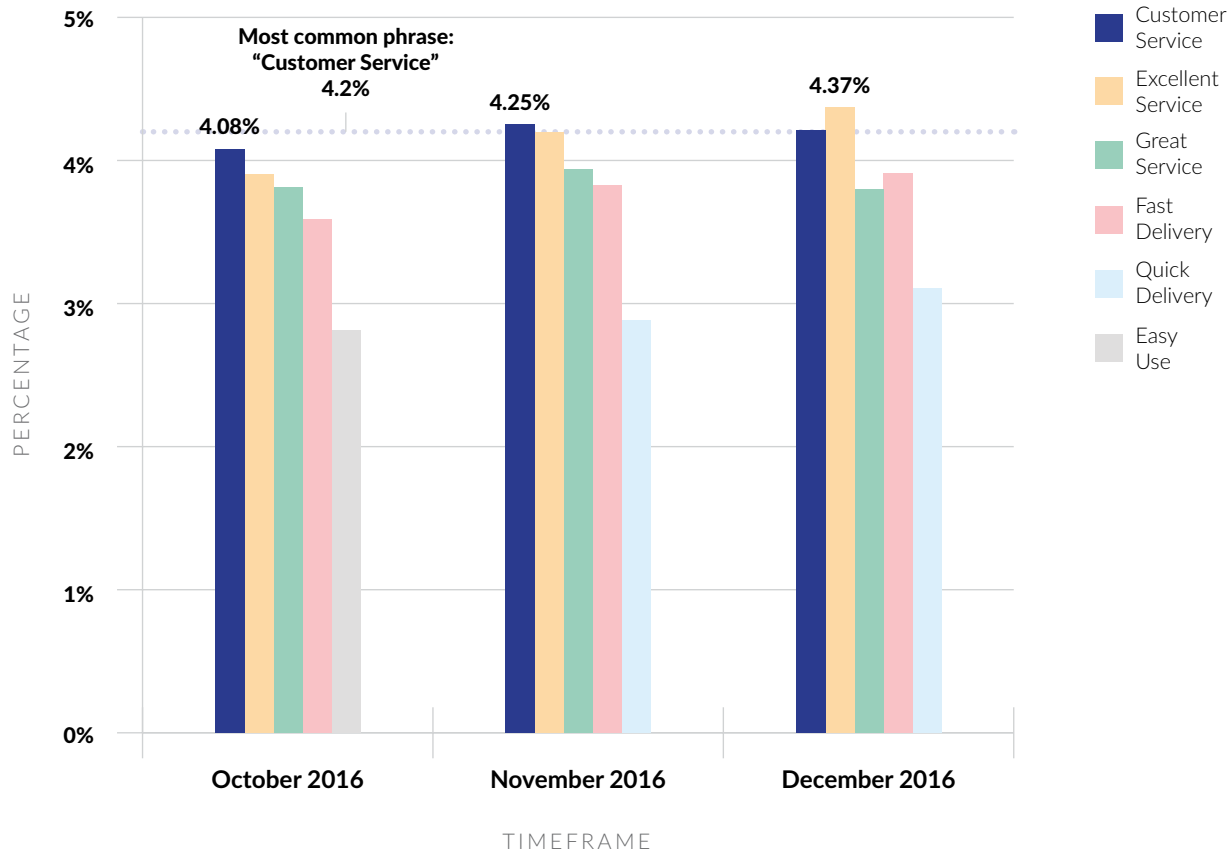
Among 5-star reviews, customer service showed up in a number of variations such as "customer service", "excellent service", or "great service". This also lent context to the common use of "service" in 1-star reviews. The other common 2-word phrases were all variations on quick delivery, further highlighting how much consumers valued speedy fulfillment. Also, nearly all of the two-word phrases increased in their rate of appearance from October to December, especially "quick delivery".

To better understand consumers' thoughts on specific shopping-related terms, we also analyzed the use of various words and whether they differed during the holiday season or not.

"Delivery"
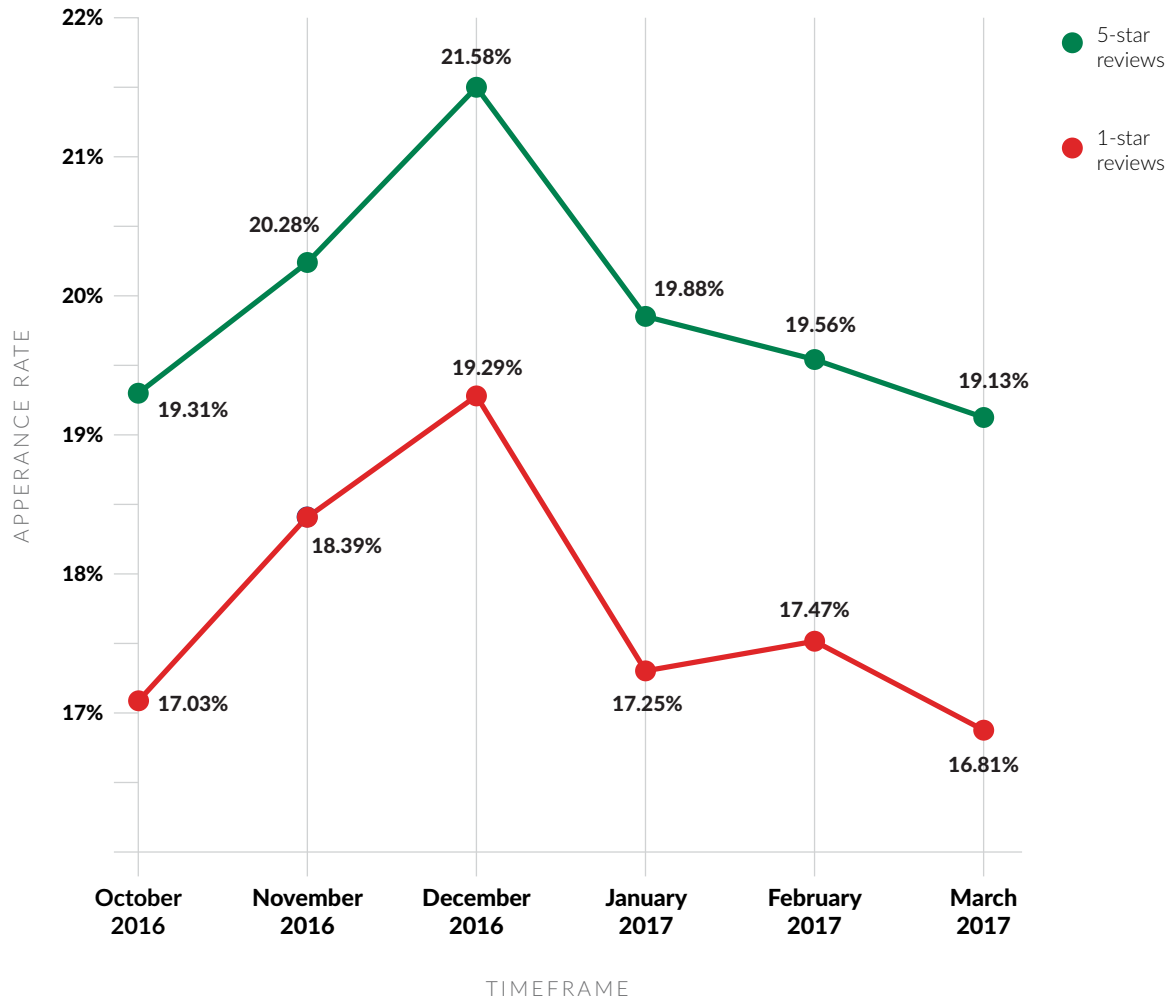
We know delivery is important throughout the holiday season but comparing it to the following months also gives us a point of reference. The appearance rate of "delivery" in 1-star reviews rose from 17.03% in October, to 19.29% in December, a 13.27% increase, before dropping again to 17.25% in January. "Delivery" appeared in 19.31% of 5-star reviews in October and increased to 21.58% in December, before falling back to 19.88% and lower after January.

"Price"
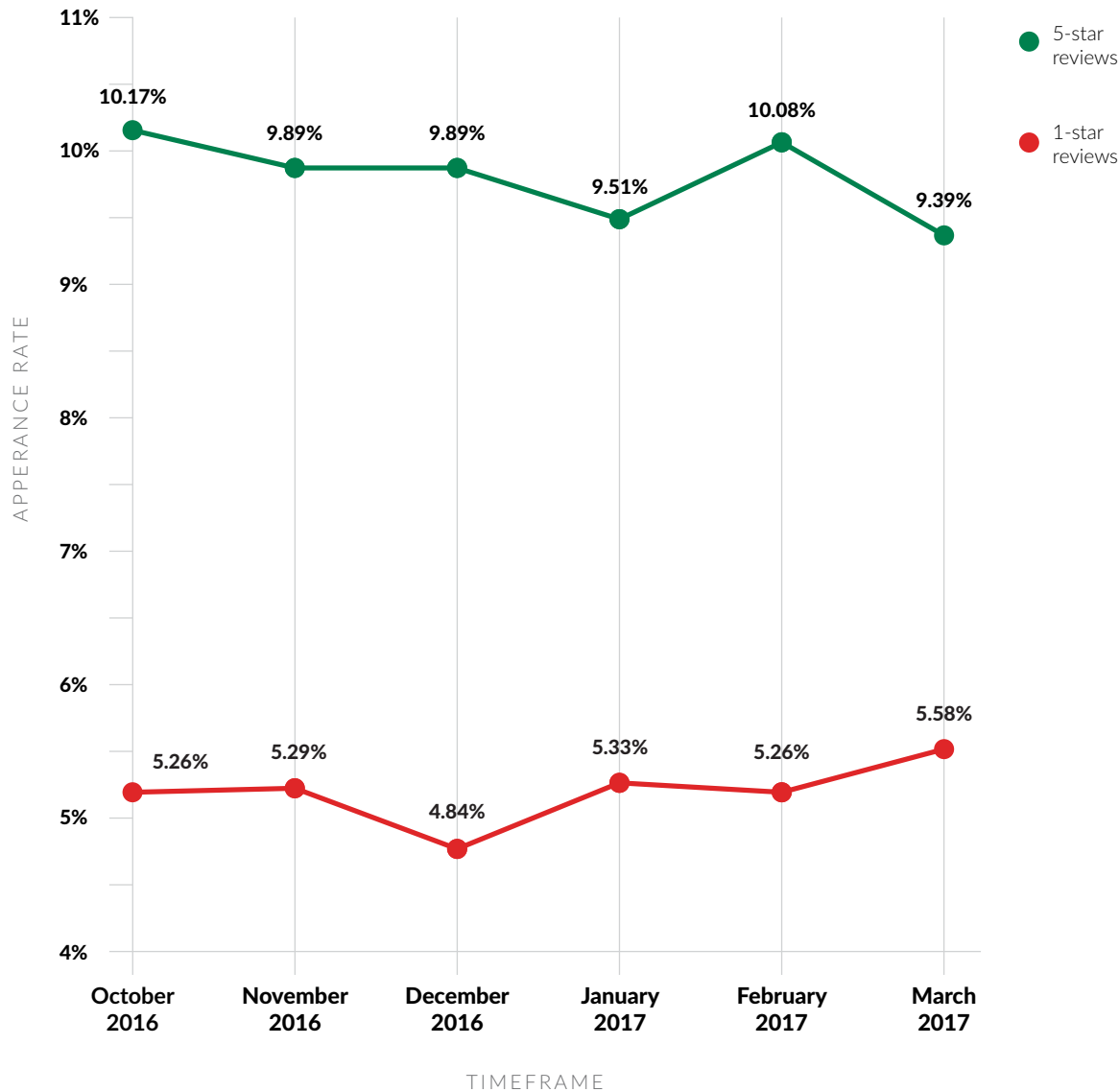
Interestingly enough, "price" and its variations didn't seem to appear much in consumer reviews. "Price" appeared most often in 1-star reviews during March 2017, and kept a 5% appearance rate in all months except December, when it fell below 5%. This indicates that price alone isn't represented as part of a company's reputation, even during the holiday season.

However, among 5-star reviews, "price" was found much more often. In October 2016 and February 2017, "price" appeared in over 10% of reviews, but dipped below that during the holiday season. Again, while good prices seem to spur high reviews more than bad prices spur bad reviews, it doesn't seem like shoppers focus on price when leaving reviews during the holiday season.

"Customer" and "Customer Service"
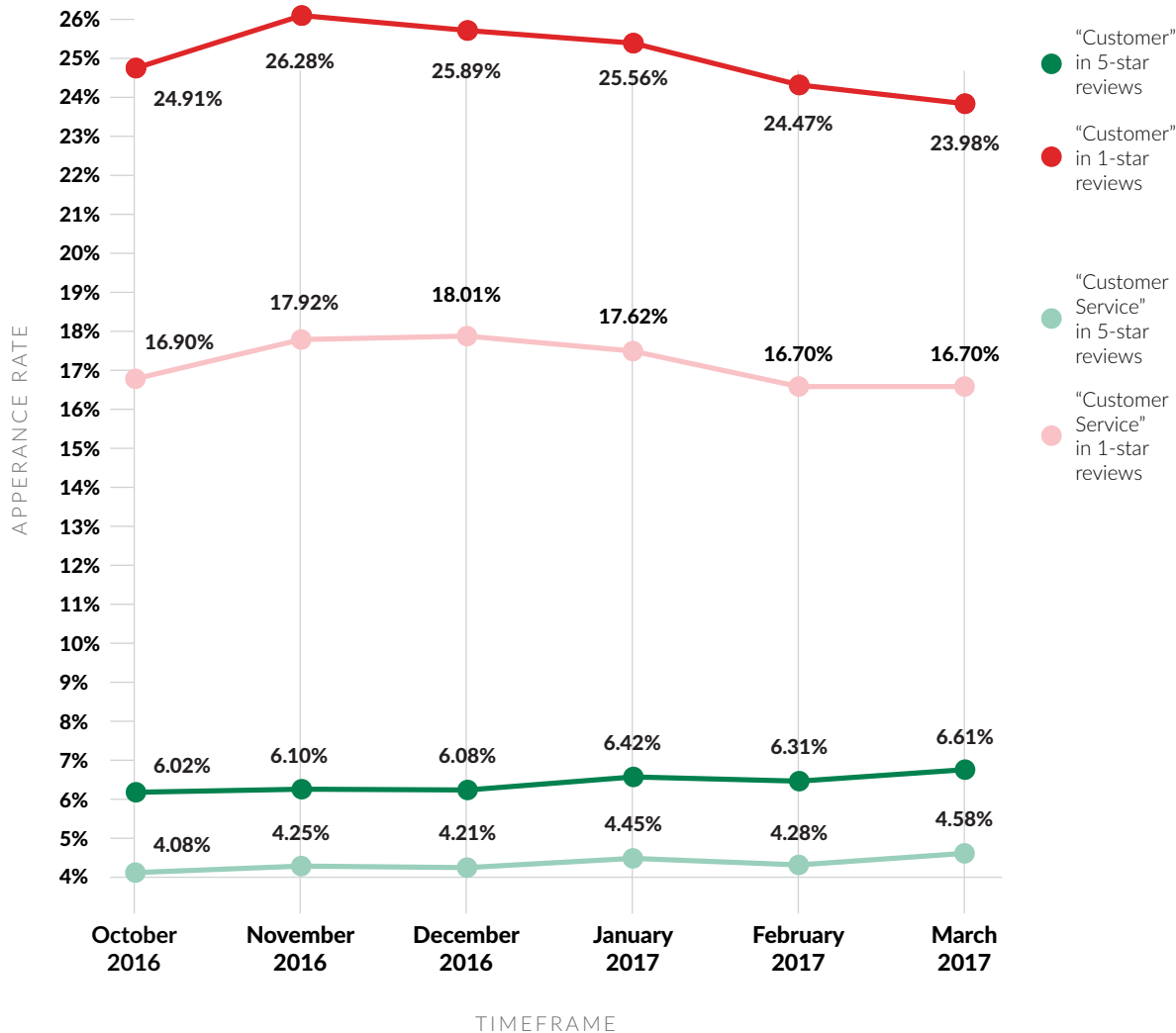
While "customer" and "customer service" showed up most often in reviews, we wanted to look at how often "customer" showed up as part of "customer service" and at the differences between 1- and 5-star reviews.

"Customer" showed up in around a quarter of 1-star reviews, peaking in November and December. For 5-star reviews, however, they only showed up in around 6% of reviews, having the lowest appearance rate during the holiday season. We also found that **"customer service" made up nearly 70% of all mentions of "customer"** in 1- and 5-star reviews during our analysis period.

"Shipping"
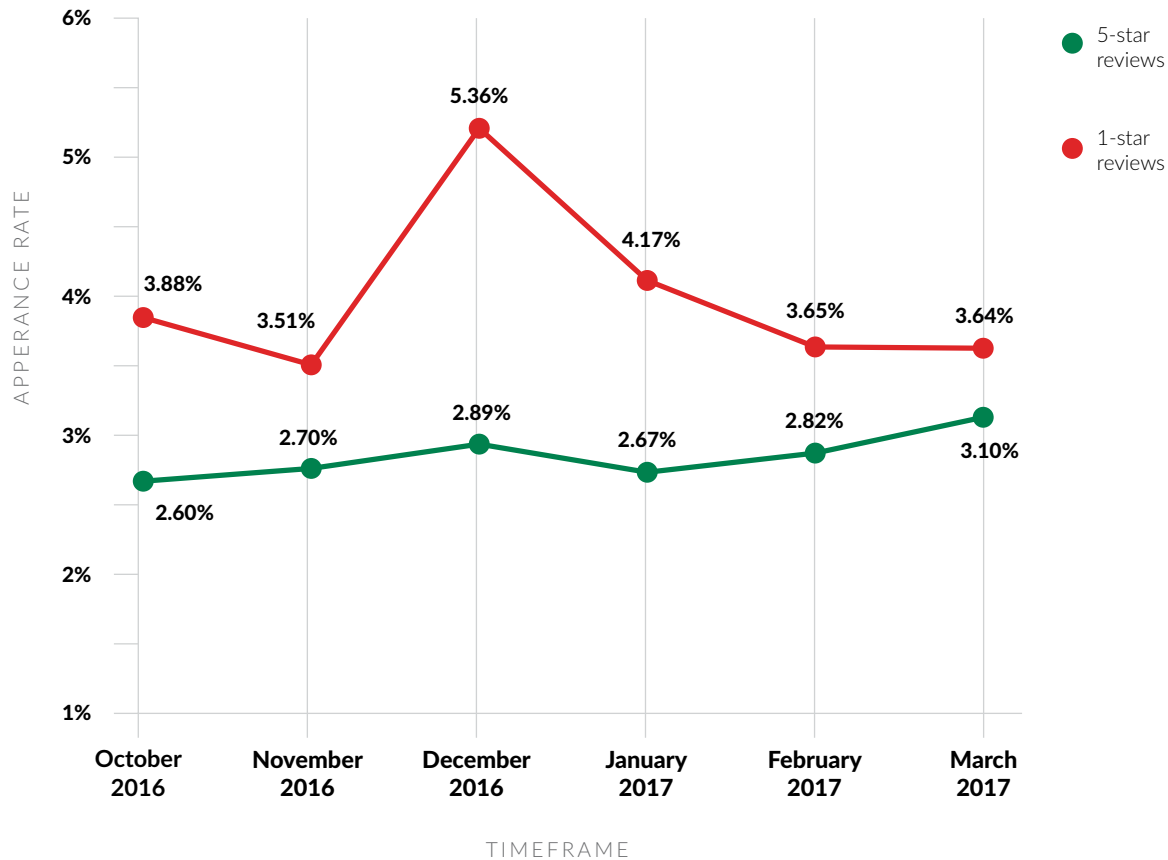
"Shipping" also showed some interesting trends. It only appeared in 3.88% of 1-star reviews during October, but then rose to a 5.36% appearance rate in December, a 38% increase, before falling to 4.17% in January. For 5-star reviews, "shipping" showed up in 2.89% of reviews in December, just slightly above its 2.6% appearance rate in October.

The retailer's move

Customer service and quick delivery fulfillment are extremely important and major drivers of both 1- and 5-star reviews and continue to increase in importance as the holiday season continues. Pricing, on the other hand, doesn't seem to be a consideration when consumers are leaving reviews. However, as we'll see, it doesn't mean it isn't a factor prior to purchase.

Invest in customer service and fulfillment

Even if it's a short-term investment, having additional staff, resources, and oversight to ensure customers are tended to and are receiving the right packages quickly, can prove beneficial to your reputation.

Know that sales and customer service are two different departments

Retailers often staff up in their sales department but without the proper training or additional customer service staff, your consumers (and subsequent reviews) may suffer.
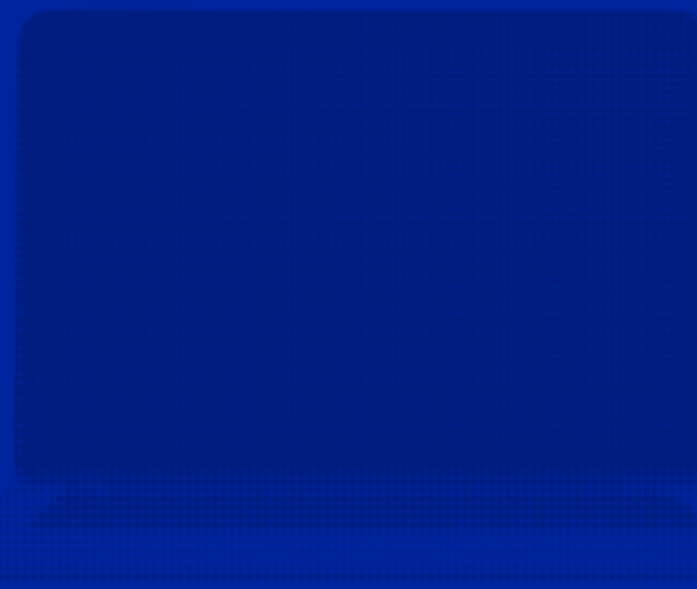
What we learned from 2016

From our previous data, it's clear that consumers do care about reviews coming into the holiday shopping season. Not only are they leaving more reviews, but they're also looking for more reviews in general. It's a symbiotic relationship between reviewers and those who look for reviews.

When considering what makes consumers happy (or unhappy), there are two clear standouts—customer service and delivery. Poor customer service and slow delivery were common subjects among negative reviews and great customer service and speedy delivery were common subjects among positive reviews. Coupled with the fact that negative reviews tend to rise during the holiday season, retailers should invest in these departments or risk a reputation hit, which can affect revenue during the holiday season and beyond.
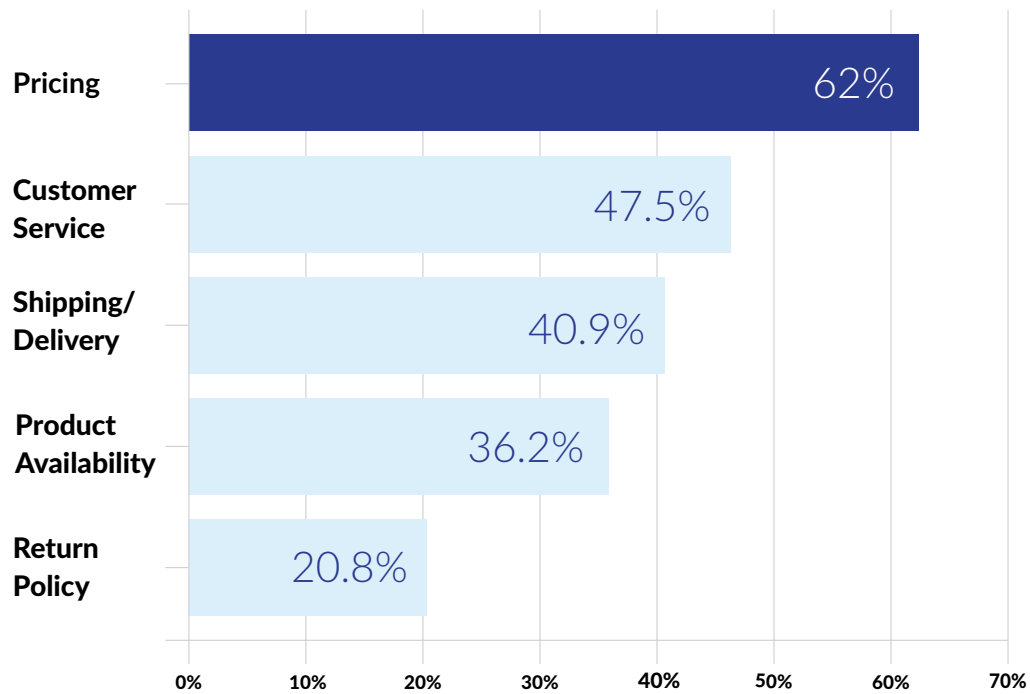
In our next section, we summarize our findings from consumer surveys that directly ask what consumers care about for this upcoming holiday season.

What consumers care about most for the upcoming holiday shopping season

This upcoming holiday shopping season, which of the below are most important to you?

Category	Percentage
Pricing	62%
Customer Service	47.5%
Shipping/Delivery	40.9%
Product Availability	36.2%
Return Policy	20.8%

Based on over 8,000 responses, August 2017

Overwhelmingly, the majority chose pricing. However, given the fact that there was a lack of compelling review data regarding pricing, it suggests that it is incredibly important for consumers prior to making a decision but it isn't weighed into how consumers perceive companies post-purchase.

Customer service came in second and shipping was close by. This aligns with the consumer review data we observed from the past holiday season where customer experience and quick delivery (or lack of) was worth high or low praise.

Low priority was placed on product availability and return policy. This is surprising as companies tend to promote their free and easy return policies.

Our second survey had over 5,000 responses and asked the following question:

This upcoming holiday shopping season, which of the below are you most likely to use before making a purchase decision?

Review sites (like Trustpilot or Yelp) — **48.2%**

Price comparison tools or sites — **44%**

Product/business reviews found on the business's website — **37.2%**

The advice of family or friends — **32.8%**

Social media channels — **16.7%**

(x-axis: 0%, 10%, 20%, 30%, 40%, 50%)
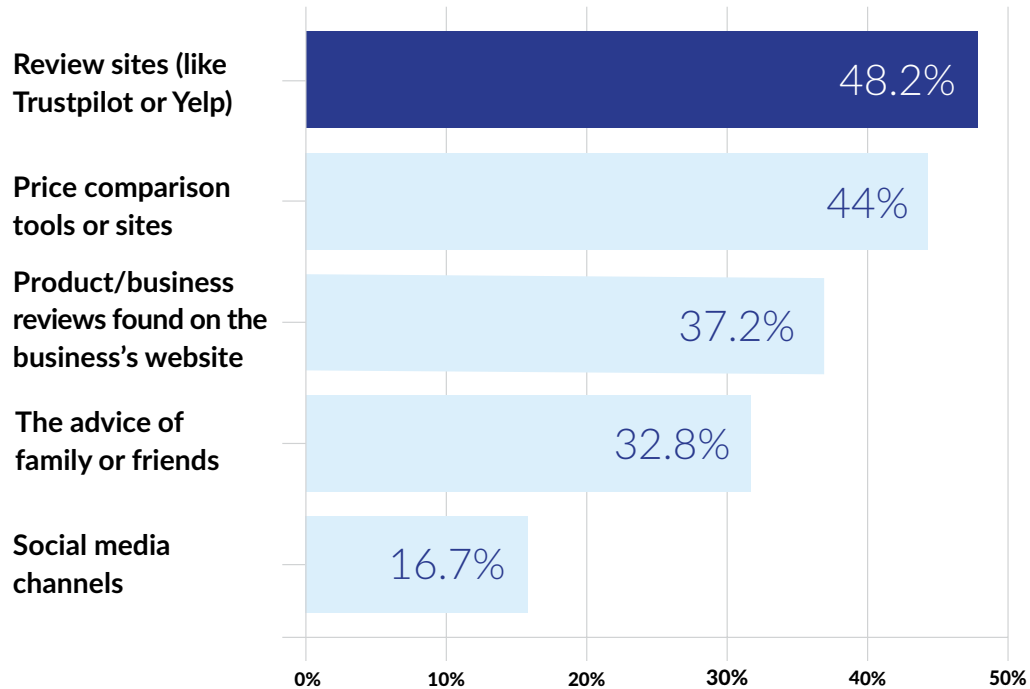
Based on over 5,000 responses, August 2017

Surprisingly, review sites were most likely to be used over price comparison tools or sites, despite pricing being most important to consumers ahead of the holiday season. Still, price comparison tools and sites took a close second place. What's more telling is the fact that reviews on a business's website is more important than the advice of family or friends.

This suggests that consumers trust online communities more than family or friends when it comes to their holiday shopping decisions, making online word-of-mouth more important than ever before. However, how that word-of-mouth is distributed makes a difference as few consumers were willing to consult social media platforms before making a purchase decision.

The retailer's move

Our surveys offered a direct look at consumer priorities for the upcoming holiday shopping season with important distinctions. Though consumers said pricing was one of the most important considerations heading into the holiday shopping season, they were more likely to favor review sites over price comparison tools to assist them with purchase decisions.

The fact that reviews, both on third-party sites and on business sites will be used more than the advice of family and friends presents an interesting opportunity for retailers.

Optimize your pricing strategy ahead of the holiday season

Consumers have made it clear how much they value pricing so retailers should continue to make it a key marketing component. However, it's not their only consideration.

Own and manage your reputation

Whether or not retailers are asking for reviews, reviews will be written and read. Retailers should employ a reputation management strategy to ensure potential consumers are finding accurate representations of their companies.

Why retailers should leverage reviews ahead of the holiday shopping season

Consumers behave a little differently when the holidays roll around, rightly so. Consumers all over the globe look for and leave reviews more often in October, November, and December. They're also much more critical in how they view companies, as we observed negative reviews picking up in November and December.

Consumers are quick to criticize companies most often because of poor delivery or lack of customer service. On the other hand, consumers seem to praise companies most often because of speedy delivery and excellent customer service. It's unclear whether companies don't improve their customer service to match increase in demand or if the holiday shopping season increases customer service expectations. What is important, however, is that companies will feel the pain of negative reviews if they neglect investing in their customer service.

In advance of the holiday season, consumers value price and customer service the most, ahead of shipping, product availability, and return policy. Given consumers' increased scrutiny, companies need to ensure they're keeping customers happy and fulfilling orders quickly or risk having a bad review written.

Throughout the entire holiday season, $91.7B was spent online all while consumers consistently left and read reviews. Companies need to anticipate consumer needs, reduce shopping and checkout friction, and ensure their products or services are fulfilled as soon as possible.

In general, retailers should focus on their reputation management and review collection strategy. By focusing on these strategies ahead of the holiday season, they're more likely to show up in a good light for consumers planning and researching their options ahead of November and December. Then, by investing in fulfillment and customer service departments, retailers will be rewarded with positive reviews, which will pay dividends throughout the following year as consumers continue to use reviews to make purchase decisions.

Data
Methodology

We analyzed review activity from August 2015 to July 2017. For the purposes of this report, "review activity" refers to users leaving reviews and/or performing searches on any Trustpilot.com domains. We also collected the ratings of all reviews from November 1 to January 31, 2015 and November 1 to January 31, 2016 in order to calculate the percentage of negative reviews (defined as 1- and 2-star reviews) throughout that same time period. As part of our keyword analysis, we analyzed over one million English language reviews across multiple countries and over 170 applicable categories. Our two surveys ran on all English language Trustpilot.com domains from August 1-15, and August 16-31, 2017, respectively.