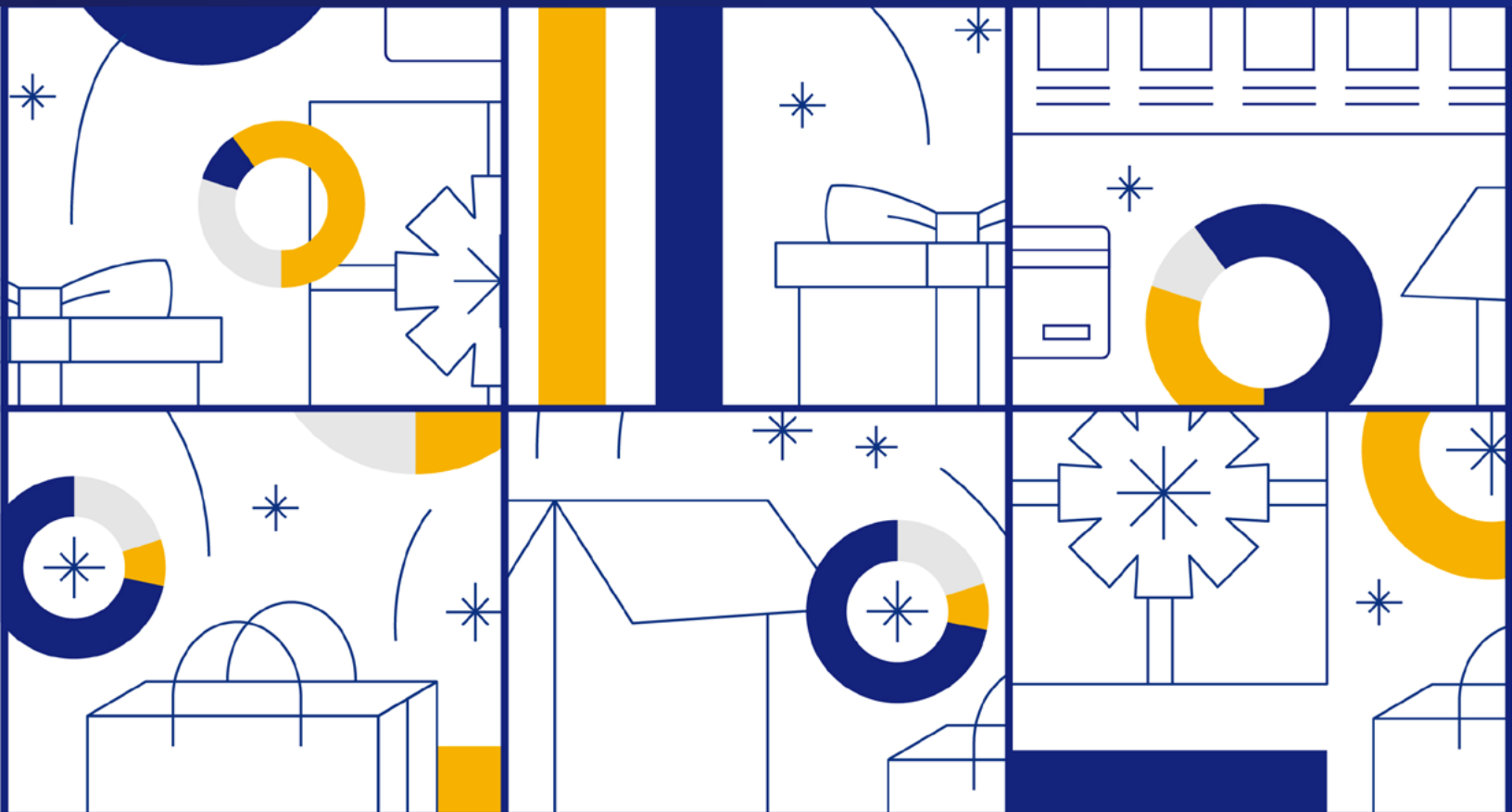


The Visa Back to Business Study

Holiday Edition

Global Small Business and Consumer Insights

Preparing for the Holiday Shopping Season Amidst COVID-19



VISA

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The Visa Back to Business Study Holiday Edition Summary

Global Small Business & Consumer Insights

COVID-19 has proven the resilience of small and micro businesses (SMBs) like never before, as they continue to move swiftly to keep up with the changing demands of consumers. As this peak season fast approaches, SMBs have plenty of work to do if they are going to maximize the critical sales opportunity and meet a growing list of consumer purchasing demands. Currently, a majority of consumers (88%) plan to do holiday shopping, despite challenges the pandemic has created. More specifically, **a majority of consumers (52%), say they plan to do half or more of their holiday shopping online this season and 24% will try to support local businesses.**

In order to adapt, SMBs are considering strategies to manage the holiday season and offset the impact of COVID-19, with 60% of SMB owners taking steps to prepare. These include more than a quarter (27%) of SMBs who expect to extend business hours, followed by digitizing parts of the business operation (26%) and investing more in the physical infrastructure (19%).

The Visa Back to Business Study, Holiday Edition, intends to help SMBs prepare for this critical time by educating business owners on new and emerging shopping trends, along with inspiring consumers to support this vital community when they need it most.

BY THE NUMBERS

THE VISA BACK TO BUSINESS
SURVEY METHODOLOGY



2,000 SMBs



4,500 Consumers



8 Markets

Brazil, Canada, Germany,
Hong Kong, Ireland, Singapore,
UAE, and the U.S.

Seizing the Holiday Sales Opportunity

Small Business Findings

SALES SEASON

Despite the unpredictable nature of COVID-19, a majority (68%) of global SMBs report that the winter holiday season remains a major sales opportunity for their business. In order to keep pace with changing consumer needs and hit sales goals, 60% of SMB owners are taking steps to prepare, with many pivoting to a digital-first strategy.

IN POSITION

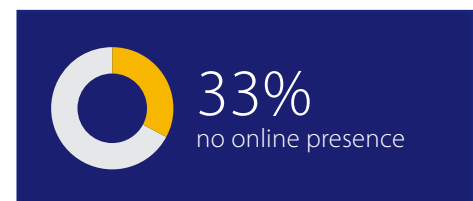
Offering consumers more convenience, safety and flexibility in their shopping experience could increase the likelihood of the holiday season paying-off. **More than three-fourths (76%) of SMBs with an online presence see the winter holiday season as a sales opportunity, compared to just 33% of those without an online presence.**

GETTING READY

More than a quarter (27%) of SMBs expect to extend business hours to prepare for an influx of holiday season sales, followed by digitizing parts of the business operation (26%) and investing more in the physical infrastructure (19%).

FEELING PREPARED

With this preparation, SMBs are feeling ready to take on what comes their way, as a majority **(76%) of SMBs state they are prepared to handle the influx of sales this holiday season.**



An Unprecedented Holiday Shopping Season

Consumer Holiday Findings

MIXED BAG

Consumers will be carrying that same resolve to restoring normalcy into the winter holiday shopping season, with 88% planning to holiday shop despite challenges the pandemic has created. **Of those, nearly a quarter (24%) plan to shop mostly at locally-owned businesses**, and more than a third (36%) plan to split their shopping equally between locally-owned businesses and larger retailers.

GOING OUT AND ABOUT

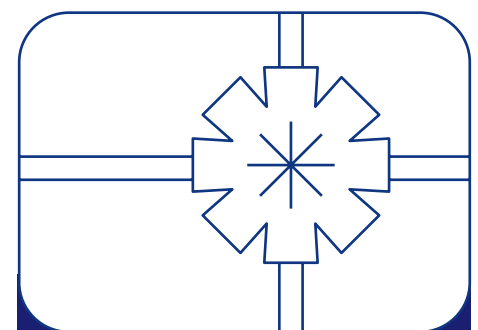
This holiday season, nearly half (48%) of consumers plan to do most of their shopping in-person, compared to 26% who plan to do most of their shopping online and 26% who plan to shop an equal mix of online and in-person.

KEEPING IT ONLINE

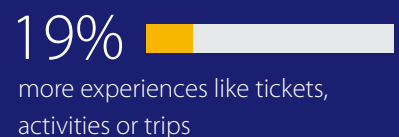
Consumers who have opted to shop online more during COVID-19 plan to keep it going, with 59% saying they'll shop online for half or more of their holiday shopping.

DIGITAL GIFT CARDS TAKE CENTER STAGE

With the uncertainty of where and what COVID-19 restrictions may still be in effect during the holiday season, shoppers are leaning toward gifts that give the recipient more flexibility. Consumers expect to give more digital gift cards (32%) compared to previous years, followed by experiences like tickets, activities or trips (19%) and digital entertainment (18%).



Compared to previous years, consumers expect to give:





Brazil

Small Business Report Findings

Nearly four in five (78%) SMBs in Brazil say the winter holiday season is a marked sales opportunity for their business, much more than 68% globally who say the same.

Nearly one in five (17%) SMBs in Brazil say their business is not prepared to take on the holiday season influx of sales.

To prepare for the influx of holiday season sales, SMBs in Brazil expect to **extend their business hours (32%), digitize parts of their business operations (29%), invest more in their physical infrastructure (26%) and hire more operational staff (18%).**

Consumer Report Findings

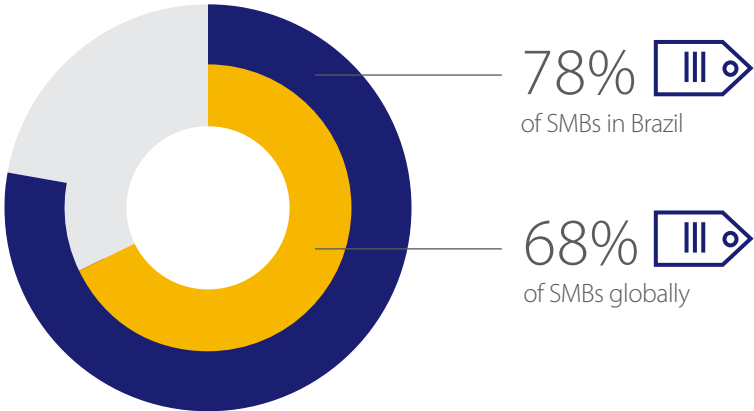
An overwhelming majority (89%) of Brazilian consumers will be holiday shopping this year, and nearly three in five (58%) plan to do half or more of their holiday shopping at local retailers.

This holiday season, over half (54%) of Brazilian consumers will shop half or more online, compared to 22% who will shop exclusively in-person and another 24% who will shop mostly in-person but some online.

Nearly three in five (59%) Brazilian consumers are planning to buy digital gifts for the winter holidays. They expect to give more digital gift cards (31%) compared to last year, followed by digital entertainment (25%) and e-sports like games, add-ons or subscriptions (24%).

Key Findings

Nearly four in five (78%) SMBs in Brazil say the winter holiday season is a marked sales opportunity for their business, **much more than 68% globally who say the same.**



Canada

Small Business Report Findings

More than two in five (41%) SMBs in Canada report the winter holiday season is a critical sales opportunity for their business.

About three in 10 (28%) of Canadian SMBs feel unprepared to take on the holiday season influx of sales.

About one in 10 (11%) SMBs in Canada expect to extend business hours to prepare for an influx of holiday season sales, as well as digitize parts of their business operation (10%).

Consumer Report Findings

More than four in five (85%) Canadians will be shopping this holiday season and the majority (51%) plan to do half or more of their winter holiday shopping at local retailers.

In light of COVID-19 uncertainties, more than half (54%) of Canadian consumers plan to shop half or more online, compared to 21% who plan to shop exclusively in-person and 26% who will shop mostly in-person but some online.

Almost half (48%) of Canadian consumers are planning to buy digital gifts for the winter holidays. **They expect to give more digital gift cards (38%, compared to 32% globally) than in previous years, followed by experiences like tickets, activities or trips (16%).**

Key Findings

28%

of Canadian SMBs feel unprepared to take on the holiday season influx of sales.



Germany

Small Business Report Findings

Half (50%) of SMBs in Germany report the winter holiday season is a key sales opportunity for their business.

Over half (54%) of German SMBs are not prepared to take on the holiday season influx of sales.

Only 12% of SMBs in Germany expect to extend business hours to prepare for an influx of holiday season sales, followed by digitizing parts of the business operation (12%) and hiring more sales staff (6%).


Consumer Report Findings

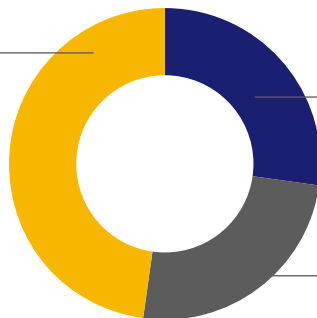
A vast majority (91%) of Germans will be shopping this holiday season and the majority (65%) plan to do half or more of their winter holiday shopping at local retailers.

This holiday season, around half (48%) of German consumers plan to shop half or more online, compared to 25% who plan to shop exclusively in-person and another 27% who will shop mostly in-person but some online.

More than two in five (41%) German consumers are planning to buy digital gifts for the winter holidays. **They expect to give more digital gift cards (27%) compared to previous years, followed by experiences like tickets, activities or trips (19%), home centric activities (12%), and digital entertainment (12%).**

Key Findings

48% 
of German consumers plan to shop half or more online.



27%  
of German consumers will shop mostly in-person but some online.

25% 
of German consumers plan to shop exclusively in-person.

Hong Kong

Small Business Report Findings

More than four in five (84%, compared to 68% globally) SMBs in Hong Kong report the winter holiday season is a major sales opportunity for their business.

Almost three in 10 (28%) Hong Kong SMBs are not yet prepared to take on the holiday season influx of sales.

More than two in five (44%, compared to 26% globally) SMBs in Hong Kong expect to digitize parts of their business operations to prepare for holiday season sales, followed by extending business hours (36%, compared to 27%).

Consumer Report Findings

Nearly all (91%) Hong Kong consumers will be shopping this holiday season and a majority (68%) plan to do half or more of their winter holiday shopping at local retailers.

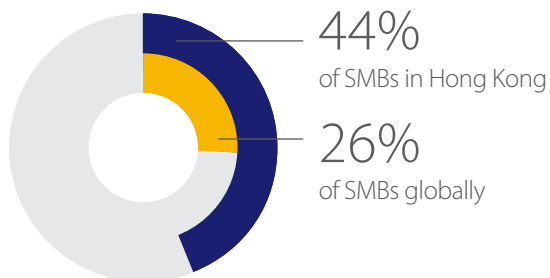
During the season, two in five (40%) Hong Kong consumers plan to shop half or more online, with another 45% who plan to shop mostly in-person but with some online. Just 16% plan to shop exclusively in-person.

Nearly half (48%) of Hong Kong consumers are planning to buy digital gifts for the winter holidays. They expect to give more digital entertainment, like video streaming or media (21%), digital access or membership to online-based services (21%) compared to previous years, followed by experiences like tickets, activities or trips (18%) and digital gift cards (17%).

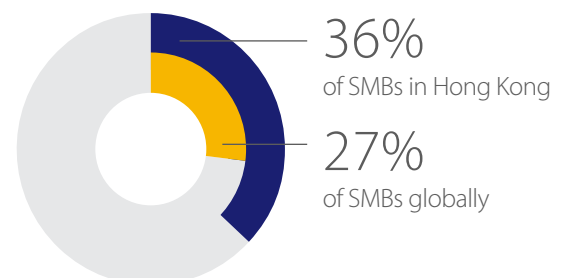
Key Findings

More than two in five (44%, compared to 26% globally) SMBs in Hong Kong expect to digitize parts of their business operations to prepare for holiday season sales, followed by extending business hours (36%, compared to 27%).

Digitizing business



Extending business hours



Ireland

Small Business Report Findings

A strong majority (61%) of SMBs in the Republic of Ireland report the winter holiday season is a critical sales opportunity for their business.

Almost half (42%) of Irish SMB owners are not prepared to take on the holiday season influx of sales.

More than half (56%) of Irish SMBs plan to take steps to prepare for an influx of holiday season sales. Most notably, a quarter expect to extend business hours.

Consumer Report Findings

Nearly all 95% of Irish consumers plan to be shopping this holiday season and the majority (63%) plan to do half or more of their winter holiday shopping at local retailers.

This holiday season, over half (51%) of Irish consumers plan to shop half or more online, with another 33% who plan to shop mostly in-person but with some online. Just 17% plan to shop exclusively in-person.

More than half (55%) of Irish consumers plan to buy digital gifts for the winter holidays; including **more digital gift cards (39%, compared to 32% globally)**, followed by digital entertainment (16%), E-sports gifts (14%) and digital access/memberships (11%).

Key Findings

55% of Irish consumers plan to buy digital gifts for the winter holidays;

including:

39% more digital gift cards

16% more digital entertainment

14% more E-sports gifts

11% more digital access/memberships

Singapore

Small Business Report Findings

Over two thirds (68%) of SMBs in Singapore say the winter holiday season is a major sales opportunity for their business.

Nearly a third (31%) of SMBs in Singapore say their business is not prepared to take on the holiday season influx of sales, compared to 24% of SMBs globally.

To prepare for the influx of holiday season sales, SMBs in Singapore expect to **digitize parts of their business operations (36% vs 26% globally)**, extend their business hours (28%), hire more operational staff (18%) and outsource some business operations to vendors (17%).

Consumer Report Findings

Nearly four in five (78%) Singaporean consumers will be holiday shopping this year, and over half (56%) plan to do half or more of their holiday shopping at local retailers.

This holiday season, more than half (57%) of Singaporean consumers will shop half or more online, with another 30% who plan to shop mostly in-person but with some online. Just 13% plan to shop exclusively in-person.

Nearly half (49%) of Singaporean consumers are planning to buy digital gifts for the winter holidays. They expect to give more digital gift cards (23%) compared to last year, followed by digital entertainment (22%) and experiences, like tickets, activities, or trips (21%).

Key Findings

31%

of SMBs in Singapore say their business is not prepared to take on the holiday season influx of sales, compared to 24% of SMBs globally.



United Arab Emirates (UAE)

Small Business Report Findings

A vast majority of SMBs in the UAE (93%, compared to 68% of global SMBs) report the winter holiday season is a sales opportunity for their business, including more than half (54%) who say it is one of the most important sales opportunities.

About one in eight (14%) UAE SMBs are not prepared to take on the holiday season influx of sales.

Nearly half (48%, compared to 27% globally) of SMBs in the UAE expect to extend business hours to prepare for an influx of holiday season sales, followed by digitizing parts of the business operation (46%, compared to 26% globally) and outsourcing some business operations to vendors (35%, compared to 15% globally).

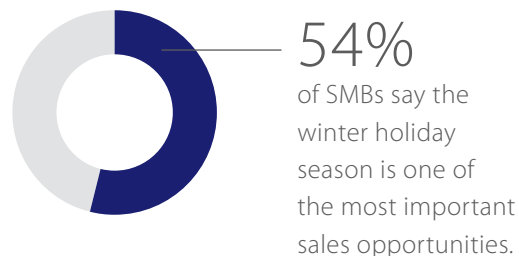
Consumer Report Findings

Nearly all (92%) UAE consumers will be shopping this holiday season and two in three (67%) plan to do half or more of their winter holiday shopping at local retailers.

This holiday season, 45% of UAE consumers plan to shop half or more online, with another 34% who plan to shop mostly in-person but with some online. Just one in five (21%) plan to shop exclusively in-person.

Nearly three in four (74%) UAE consumers are planning to buy more digital gifts for the winter holidays this year compared to previous years. **They expect to give more digital gift cards (45%, compared to 32% globally) compared to previous years, followed by digital access or memberships to online-based services (28%, compared to 16% globally),** experiences like tickets, activities or trips (27%) and digital entertainment (27%).

Key Findings



United States

Small Business Report Findings

Many (69%) SMBs in the U.S. report the winter holiday season is a top sales opportunity for their business.

About one in eight (14%) American SMBs claim they are not prepared to take on the holiday season influx of sales.

Nearly a quarter (24%) of SMBs in the U.S. expect to extend business hours to prepare for an influx of holiday season sales, followed by digitizing parts of the business operation (20%) and investing more in the physical infrastructure (20%).

Consumer Report Findings

More than four in five (86%) Americans will be shopping this holiday season and the majority (60%) plan to do half or more of their winter holiday shopping at local retailers.

This holiday season, three in five (60%) U.S. consumers plan to shop half or more online, including 32% who plan to shop a majority online – compared to just 26% globally. Only one in five (20%) plan to shop exclusively in-person.

Consumers are planning to buy digital gifts for the winter holidays. They expect to give more digital gift cards (33%) compared to previous years, followed by digital entertainment (16%) and digital access or membership to online-based services (14%).

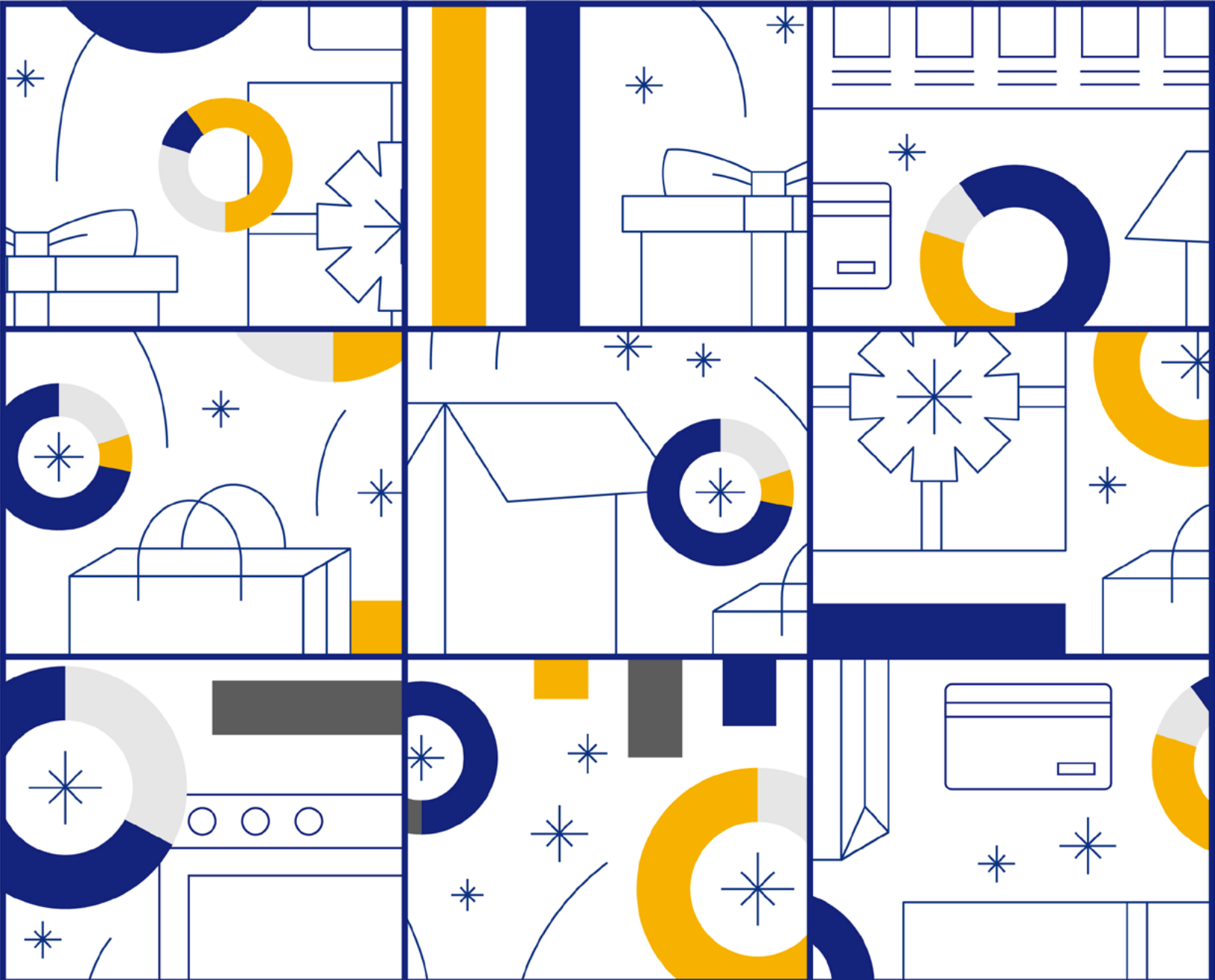
Key Findings

86% of Americans will be shopping this holiday season.



60%

of those consumers plan to do half or more of their winter holiday shopping at local retailers.



Visa Back to Business Survey Methodology

The Visa Back to Business study was conducted by Wakefield Research between June 18 and June 29, 2020, among 250 small business owners at companies with 100 employees or fewer in each of the following markets: U.S., Germany, Canada, Ireland, Hong Kong, Singapore, Brazil, and UAE. Separately, the Visa Back to Business consumer portion of the survey was conducted by Wakefield Research between June 12 and June 29, 2020, among 1,000 Adults ages 18+ in the U.S., and 500 Adults ages 18+ in each of the following markets: Germany, Canada, Ireland, Hong Kong, Singapore, Brazil, and UAE. The data was weighted to ensure an accurate representation of adults ages 18+ in each market.