



## How TikTok and inflation are changing the 2022 holiday shopping season

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The [big concern for retailers and shoppers last year was the supply chain](#) — the network of ships, trains, planes and trucks that deliver goods to stores that’s often ignored until it doesn’t work.

This holiday season, worries about the supply chain have died down, and inflation concerns have replaced them, National Retail Federation officials said in their annual holiday shopping forecast.

Planes, trains, ships and trucks are operating without issues for shoppers to be concerned about — depending on where they live.

Holiday merchandise started landing on docks at the Port of New Jersey and New York as early as February. Usually, shipments start coming in May, Port Authority of New York and New Jersey officials said.

Buying that merchandise also became more convenient as [major retailers](#) turned to social media platforms, like [TikTok](#), to provide easy cyber shopping.

### **As seen on TikTok: Why are certain items popular this holiday season?**

The digital revolution has altered some of the oldest shopping traditions. From [do-it-yourself home improvement projects](#) to purchasing holiday gifts, social media’s influence continues to impact what people buy.

The [“As Seen on TikTok” sections online](#) and in stores have replaced outdated Toys ‘R’ Us, Macy’s and Sears holiday catalogs.

“Content creators have been playing a growing role in shaping ‘what is cool,’” [Manveer Mann, associate professor of marketing at Montclair State University, said](#). “It serves as a two-way communication channel that can disseminate information much more effectively than the traditional forms of marketing communication.”

Barnes & Noble's [#BookTok](#) section has gained popularity from users trying to track down reads from TikTok.

The popular short-form video platform recently launched [its own in-app marketplace](#) called TikTok Shop. Youtube Shorts, Youtube's TikTok-like short video program, is also [introducing in-app shopping](#).

If you're not sure what gift to buy your loved one who spends too much time on social media, [#TikTokMadeMeBuyIt](#) might be able to help.

### **Returning those empties**

All that holiday cargo started arriving early at the Port of New York and New Jersey. With record volumes, Port Authority officials needed to free up space that empty shipping containers occupied.

Authority officials announced in August plans to charge tariffs on empty shipping containers parked in the port consuming valuable space. The fee hasn't been implemented yet, but it has had positive results.

"The ocean carriers have stepped up, the backlog of empties is being reduced, and that increases the capacity of the port," said Rick Cotton, Port Authority executive director. "(It) was a real problem in terms of being able to handle an increased level of import containers."

Since August, the port has seen a 10.5% reduction of empty containers, which had accumulated to more than 200,000 since the start of the year, officials said. Some shipping companies sent in "sweeper" ships to move useable containers.

As of October, the freed-up space helped the port move 10.6% more cargo volume than in year-to-date 2021.

That's helped accommodate delivery of holiday goods that started early at the port, according to Kevin O'Toole, Port Authority board chairman.

"Some of the shippers, suppliers and warehouses had frontloaded some of their cargo, so you're seeing a huge spike early," he said. "Our folks have been taking on the cargo, and we expect record amounts to continue."

But the supply chain isn't what's concerning retailers this holiday season; inflation is.

### **Will consumers spend more this year?**

National Retail Federation officials on Nov. 3 predicted consumer spending will grow between

6% and 8% this holiday season over what shoppers spent in 2021. They discussed inflation, but the supply chain wasn't a topic.

"We feel positive that consumer fundamentals continue despite record inflation and rising interest rates," said Jack Kleinhenz, NRF chief economist. "Consumers have been steadfast in spending, we saw it in the GDP (Gross Domestic Product) rise of 2.6%."

Of those sales, NRF predicted that online sales will grow 10% to 12%.

Following last year's trend where consumers started holiday shopping earlier than the traditional Nov. 1 to Dec. 31 period, retailers were prepared for early shoppers with seasonal inventory available to meet demand, said Matt Shay, NRF interim CEO.

NRF officials said retailers moved up their peak shipping season to bring in products earlier than normal, for the start of the season and to launch holiday sale events as early as October.

"Last year we had far more severe and systematic supply chain problems than this year and more significant Covid concerns," said John Impellizzeri, director of the center for supply chain management at Rutgers University business school. "We're in a better position than last year, but we are dealing with persistent supply chain issues."

Major retailers, such as [Walmart](#), [Target](#) and [Home Depot](#), have record inventory levels. Most 2022 supply chain issues involved hiring and labor contracts.

Impellizzeri's shopping forecast is less rosy than the retailers' predictions. He forecasts single-digit consumer spending growth, but retailers will have to offer deals to empty their warehouses before January.

### **Should you buy early or wait for deals?**

"Because of concerns about inflation, I have a sense that consumers will do a lot of bargain hunting," Impellizzeri said.

This season, shoppers could see a cat and mouse game between consumers who buy early and those who wait for potential discounts.

Early shoppers could snap up merchandise that retailers may not reorder in December. Consumers who wait too long could lose out.

"A feast or famine mode may kick in. It could be a famine after Dec. 1," Impellizzeri said. "Don't be afraid to negotiate the sticker price on more luxury items, involve a manager."

He added that buying [big-ticket items](#), like laptops and TVs, has room for negotiation.

Retailers also will be more amenable to shoppers [ordering online](#) and picking up merchandise in the store. Besides eliminating the chance of theft by pesky porch pirates, retailers hope shoppers will make an unanticipated in-store purchase, if the price is right.

Despite some positive economic news, inflation concerns are still on consumers' minds.

"I'm thinking that inflation and concerns on the economy will be a wet blanket," Impellizzeri said.

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