



2011 Holiday Shopping Trends

If we had predicted this summer how the 2011 holiday season would play out, we, like most analysts, would have had some worrisome predictions. Following three years of economic downturn, many were speculating a double dip recession that would hit retailers and brands hard during one of the most critical shopping seasons of the year. And yet, following recent better-than-expected GDP growth, the word on the street is that things might not be so bad. Can it be so? Our online survey of 1000+ shoppers about their holiday shopping plans returns similar findings. Here are five holiday shopping trends that might surprise you.

THE GLASS IS HALF FULL

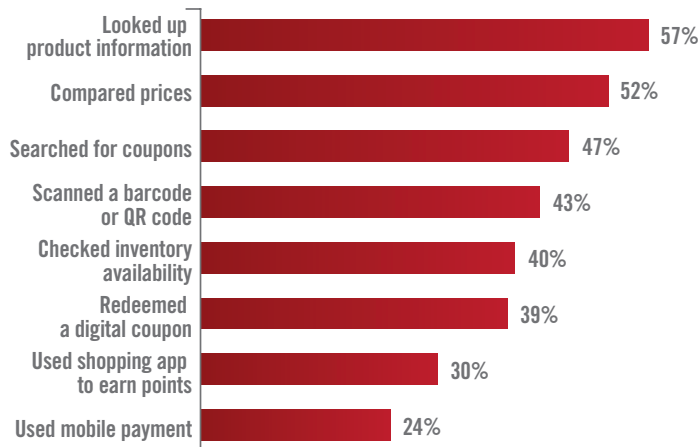
It would be easy to look at shopper sentiment and predict a disappointing holiday season but our data shows an American shopper who is trying to maintain the holiday experience for their families, even in a difficult economic environment. Despite worries about the economy—41 percent of those surveyed said they feel the country has already slipped back into recession—more than half of shoppers say they will spend as much or more than last year on holiday gifts. While more than a third of shoppers say their “spending habits have changed for good” and acknowledge they are making less money this year (27 percent), even facing these grim realities, nearly a quarter of shoppers expect to spend \$1000 or more for their holiday purchases, while 46 percent will spend \$500 or more.

“This is shaping up to be a no holds barred, digitally-empowered shopping season. Retailers will need to harness every media trick possible to connect and convert this new digital-savvy shopper,”

– Shopper Sciences CEO,
John Ross

How shoppers have used their smartphones while shopping in the past six months

A shopping assistant tool for finding the best deals...



ONLINE DRIVES PRE-SHOPPING

Shopper Sciences macro studies show that year over year shoppers are using more sources to inform their purchase decisions, both for high and low consideration categories. This tendency towards “pre-shopping” continues this holiday season with 34 percent of shoppers starting their shopping before October! Shoppers are not only starting earlier but they are also showing more consideration prior to purchase with 42 percent of shoppers planning to spend more time doing online research before buying a gift this holiday season. Even among shoppers who have a specific brand in mind, 85 percent engage in some form of pre-shopping research indicating confidence and validation are critical players for today’s shopper—especially when it’s a gift they want to be sure the recipient will appreciate.

DIGITAL DEAL SEEKING

“Never pay retail” has never been more true than this season, and price maneuvering by retailers has never been more important. Americans are leveraging digital technologies to find the best discounts this holiday season; whether its scouring the Internet for coupons, leveraging mobile shopping apps, “liking” a brand on Facebook, or checking out eBay for gently used gifts, shoppers of all incomes are looking to maximize their holiday budgets. This value-driven shopping behavior holds true for shoppers of all income levels. Retailers will need to harness every media trick possible to connect with and convert this new über-savvy shopper by creating urgency, utilizing flash sales, anting up rewards points, offering outrageous bargains, and throwing in free shipping (the NRF expects 90% of retailers to do so).

Percentage of shoppers planning to buy more gifts online this year

41% Of shoppers planning to spend \$1,000 or more vs. 29% who'll spend \$500 or less

41% Of shoppers with incomes \$100,000 or more vs. 28% with incomes \$50,000 or less

40% Of shoppers under 40 years vs. 27% of those 50 and older

CYBER FRIDAY?

Retailers take note: half of shoppers say they plan to eschew the malls and big box stores on Black Friday. The madness that has plagued Black Friday over the past several years, coupled with a shopper who is increasingly comfortable moving between cyber space and brick and mortar stores, could keep more would-be shoppers at home the day after Thanksgiving. But that doesn't mean they won't be shopping.

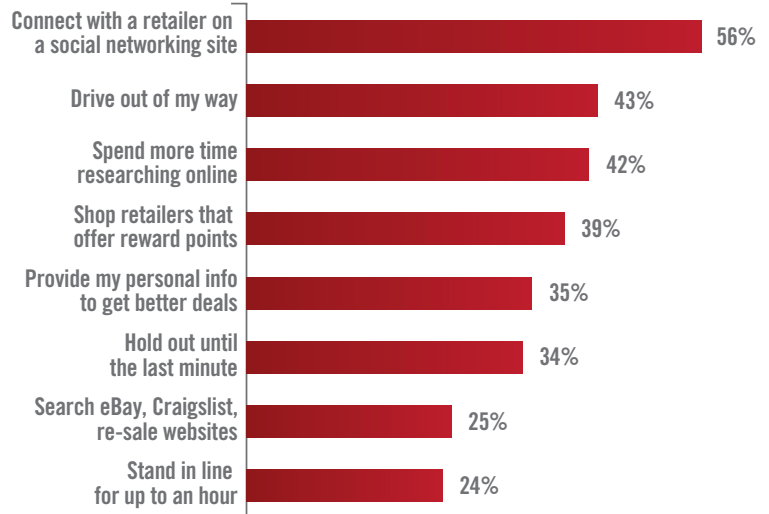
Given 34 percent of all shoppers surveyed say they plan to buy more holiday gifts online this year, 2011 could be the year the Internet grabs a significant share of shoppers' wallets. It's also significant to note that those who are wealthier, younger, or planning to spend \$1,000 or more on gifts are even more likely to buy a greater share of their holiday bounty online this year.

Retailers equally nimble whether the sale is online or off are poised to win share.

MOBILE SUPREMACY

Last year heralded a big shift in mobile usage over the 2010 holiday season with PayPal, eBay, and other online retailers reporting massive lifts on Black Friday and Cyber Monday. Barcode scanning tripled. Using smartphones to augment or enhance the shopping process continues at a brisk pace. Smartphone adoption among those surveyed was at 39 percent (expect that to rise with iPhone/Android gift giving this year). Whether it's helping Mom stay connected to her teenage daughters while at the mall, texting a quick photo to a spouse before she buys, or downloading a coupon at shelf, more and more shoppers are relying on their mobile phones as a shopping assist tool. And among smartphone users surveyed, 48 percent plan to increase usage of their phones during this holiday season; nearly a quarter of those surveyed have already used a mobile device to make a payment at retail in the past six months. Smart retailers are amending policies on taking photos in stores, experimenting with new shopping applications, and testing mobile payment options.

To score a good deal, percentages of shoppers who say they are likely to:



"Americans may be under pressure from the economy, but that doesn't mean they want to endure a disappointing holiday...For those retailers and brands willing to share, support and empower shoppers – rather than just sell to them – it has the opportunity to be a bright season."

– Shopper Sciences CEO,
John Ross



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