

Press release

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Deloitte Christmas Survey 2015

Belgian year-end spending budget is slightly shrinking

Planned spending on socialising is down

Consumer confidence grows slightly in Europe.

*Cash again tops the gift list but purchasing behaviour not always aligned with desired gifts
Belgians still lag behind the rest of Europe in online shopping, while showing significant
brand loyalty to physical shops.*

Brussels, 16 November 2015 – Deloitte has published its 18th annual Christmas Survey, which takes a close look at the buying intentions of European consumers (plus South Africa) ahead of the year-end festivities. They express moderate economic confidence, a slight improvement over last year. The Belgian Christmas budget for gifts and Christmas dinner is similar to 2014, except for a drop in spending on socialising such as restaurants and cinema visits. When it comes to gift preferences, cash is still king, although there are gender and age differences. Again, Belgium is a follower in the inexorable shift to online year-end shopping. And in their attitude to physical stores they demonstrate strong brand loyalty.

Moderate consumer confidence

Although economic growth in the EU is sluggish, it is nevertheless carefully underway. Reflecting this, in 2015, Europeans are slightly more confident than they were last year. It is worth noting that women and the elderly are less positive than men and youngsters. The same trends can be observed among Belgians, though with less overall optimism.

For several years in a row consumers in all countries have been experiencing a reduction of their spending power and several countries still believe they will have less spending power in the future. Historically, the citizens of France, Italy, Belgium and Greece are generally among those which are mostly negative about their future spending power, as are the elderly. *“If spending power falls in Belgium, we are willing to spend less on entertainment, clothing, holidays and electronics. But we are very reluctant to cut budgets on essential spendings such as education, housing and healthcare,”* comments Charlotte Vanrobaeys, Consumer Business Partner at Deloitte Belgium.

Less partying

The expected Christmas budget for 2015 is relatively unchanged when compared to the actual

costs from last year, although the spending for socialising is down, especially in Belgium. People tend to prefer to exchange gifts and have a good dinner at home rather than socializing with friends.

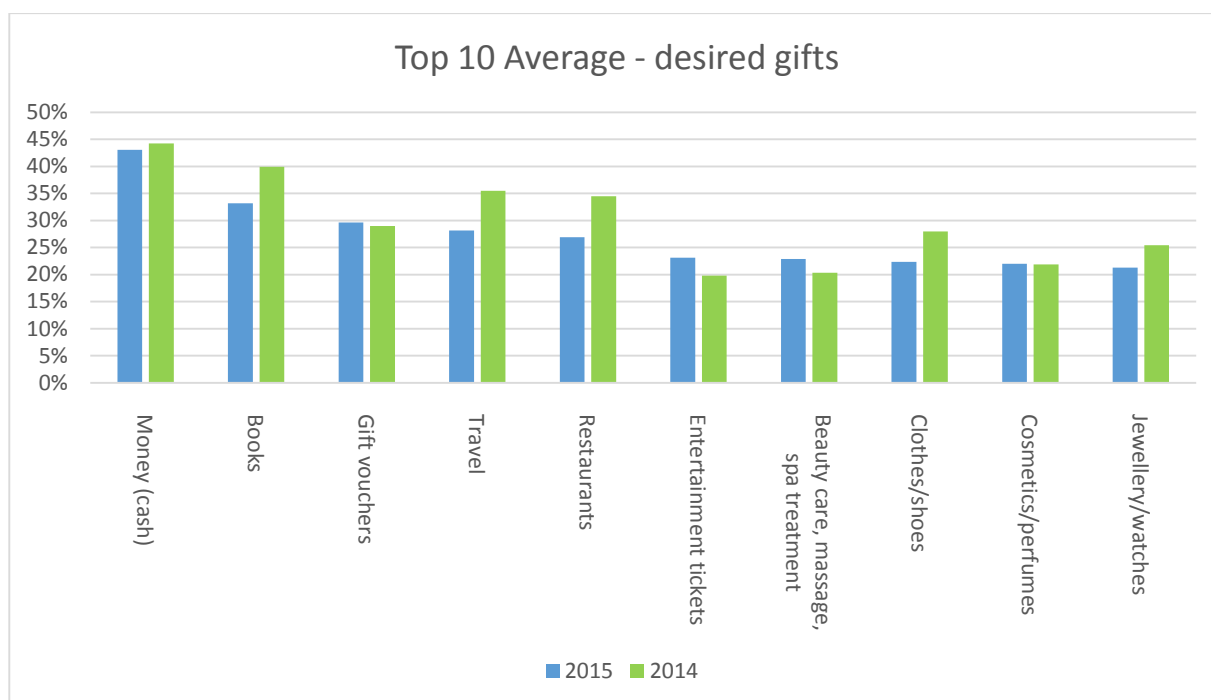
| | EU | | Belgium | |
|--------------|----------------------|-----------------------------|----------------------|-----------------------------|
| | Amount spent in 2014 | Expected evolution for 2015 | Amount spent in 2014 | Expected evolution for 2015 |
| Gifts | 276 | + 0,25% | 241 | + 2,99% |
| Food | 172 | + 3,18% | 167 | + 0,86% |
| Socialising | 65 | -10.27% | 45 | -29.58% |
| Total | 513 | -0.28% | 453 | -2.23% |

In Belgium most purchases will be made offline (80% gifts, 95% food). But the weight of Internet gift purchases are set to rise this year by 33% (from 15 to 20%). The biggest chunk of the gift budget of the families is still being spent on their children (31%) just in front of “other adults” (29%).

Gift preferences: show me the money

What gifts do Europeans want? In 9 out of 13 countries, money is the top choice. The top 5 remains unchanged compared to last year: money, books, travel, clothes and cosmetics. Looking just at adults, the ranking is books, chocolates, cosmetics, clothes and gift vouchers.

Belgian preferences differ somewhat, as the table below shows.



Charlotte Vanrobaeys remarks, *“Interestingly, tablets and smartphones are out of the top 10 this year, in favour of entertainment tickets and beauty care.”*

Gifts differ depending on gender & age

Gift ranking for men and women shows some similarities, with money and books first and second respectively. Men also put smartphones, entertainment tickets, CDs, tablets and laptops/PCs high on their desired gift list while women opt to have beauty care/spa, cosmetics/perfumes, jewellery/watches clothes/shoes and accessories.

All generations like money, travel and gift vouchers. The top 5 teenage preferences are money, games, books, CDs and gift vouchers. The reported top 5 for young children are model construction toys, games, educational toys, books and clothes/shoes.

What do we want, and what will we get?

Marie-Noëlle Godeau, Consumer Business Partner at Deloitte Belgium remarks:

“Interestingly, travel, entertainment tickets and jewellery/ watches are among the most desired gifts, yet they are not in the top list of the most offered gifts, maybe some food for thoughts as we prepare our Christmas shopping?”

December rush

Most consumers expect to purchase the majority of their gifts in December: 34% between the 1st and the 15th, and 29% between the 16th and 24th.

Regarding vouchers and cards, the survey shows that average value amounts are €42 in Europe and €44 in Belgium, consistent with 2014 levels.

Price is becoming still more important, and people indicate that they are planning their purchases better and making less impulsive purchases, less expensive gifts, focusing on useful gifts and looking for sales.

Despite sustainability being a concern for most consumers, about 41% consider “sustainable” products too expensive to buy.

The omni-channel consumer

Websites are widely used by consumers to get gift ideas and advice, to find gifts and to compare prices – especially on high-tech, leisure, green-tech, video games, toys and movies. Although, most prefer going to stores when it comes to fashion, home gifts, gift boxes & cards and food & drinks.

Social networks have also emerged as a way to get ideas and advice thanks to the spread of experience sharing and reviews on these platforms. The possibility to order online in a physical store is also becoming increasingly popular as is the possibility to order online and collect in the shops, allowing retailers to manage inventories in an optimal way.

Buyers overwhelmingly go to physical stores to finalise their purchases, especially for food & drink, fashion, health & beauty, home gifts and toys. These gifts appeal to the senses (touch, smell, taste, sight) and the help of in-store specialists is appreciated to make the best purchase

possible. Buying online is popular for movies, music, high-tech, toys, leisure products and video games though.

“Despite the growing use of the Internet in buying for year-end festivities, Belgium still trails behind the rest of Europe,” says Marie-Noëlle Godeau, Belgians expect to spend only about 20% of their budget online, compared to 37% for other Europeans. The same is observed when it comes to M-Commerce (mobile commerce), as only 25% of Belgians have bought online via their smartphone or tablet, compared to 41% of Europeans consumers.

Loyal shoppers

Regarding physical stores, Belgian customers tend to be loyal. Indeed, if an item is not available 45% will go to another location of the same chain, or ask if another location has the item. Belgian shoppers expect to be greeted promptly by sales staff with a welcome attitude (48%) and to receive product details and advice (45%).

When asked what could improve their shopping experience, most consumers across Europe choose lower prices. *“They also expect retailers to invest in customer relationships, improve the integration of physical and online stores, and add the advantages of physical stores to online platforms – including professional advice, after-sales service, exchange and return options and safety payments,”* observes Charlotte Vanrobaeys.

About the study

The Christmas Survey 2015 is the 18th time Deloitte has published data about the buying intentions of European consumers for the year-end period. This year, the survey covered 14 countries in Western and Eastern Europe, as well as South Africa. Large representative populations of consumers (14,065 in total) were surveyed at the end of September and early October to gain an insight into their planned spending on gifts, extra holiday food and outings. Respondents were aged 18 to 65 years old and information was collected via Internet, with a structured questionnaire, for a sample of individuals, within controlled panels.

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