

The Deloitte logo, consisting of the word "Deloitte" in a bold, blue, sans-serif font, followed by a small green dot.

Making spirits bright
Deloitte's 2014 holiday
shopping survey

October 2014



2014 holiday survey themes

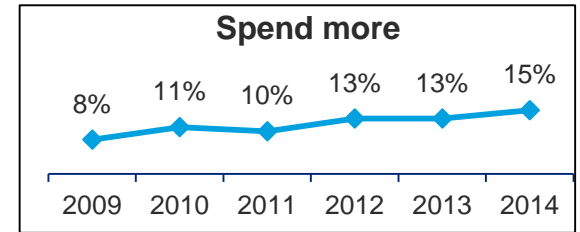
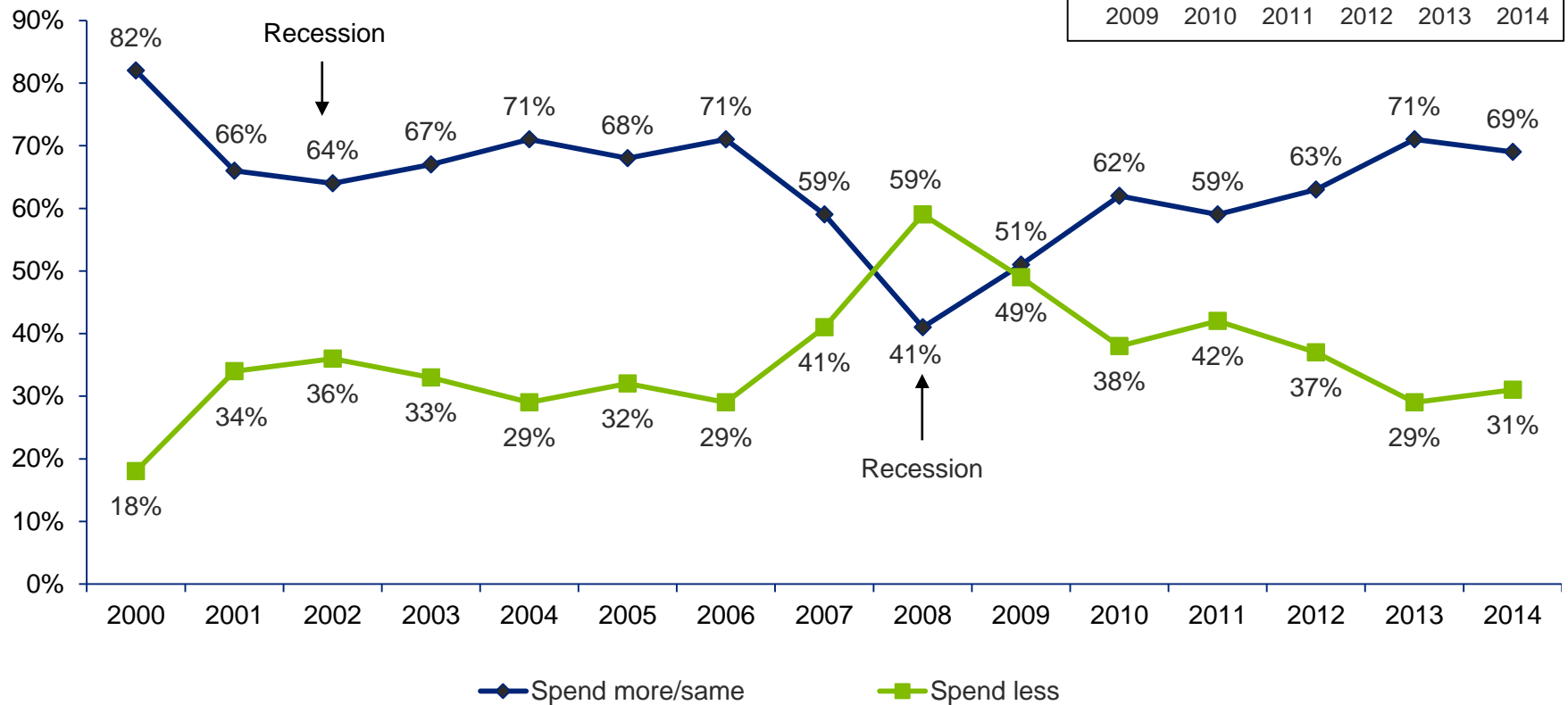


Economic outlook and spending	Holiday shopping: how, what, where and when	Mobile device and social media influence	In-store: advantages, barriers and data security
<ul style="list-style-type: none">• Continued rise in confidence in 2014; fewer believe we are still in a recession.• Consumers predicting they will increase their total holiday spending by 13%; gifts alone will rise by 9%.• For the first time in 8 years, a measurable increase in the actual number of gifts (from 12.9 to 13.4).	<ul style="list-style-type: none">• The top two gifts remain clothing and gift cards.• Most popular locations will be the Internet and discount/value dept. stores – equally noted.• Over 4 in 10 will do the majority of shopping December or later (and 16% after Christmas).• Two-thirds will specifically look for free shipping.	<ul style="list-style-type: none">• 72% of smartphone owners and 69% of tablet owners will use their devices to help them shop this holiday season.• Smartphones will be used more for finding store locations and price checks; tablets more to shop/browse.• Almost half (45%) will use social media to assist in shopping.	<ul style="list-style-type: none">• Barriers to store trips are long lines, traffic and less merchandise on hand.• In fact, 28% will visit malls less this year, mainly due to crowds and high prices.• Data security is a concern for 76%, yet 56% will continue to shop a retailer that has experienced a data breach.• 68% will shop 'local', to support the local economy and find unique gifts.

Economic outlook and spending

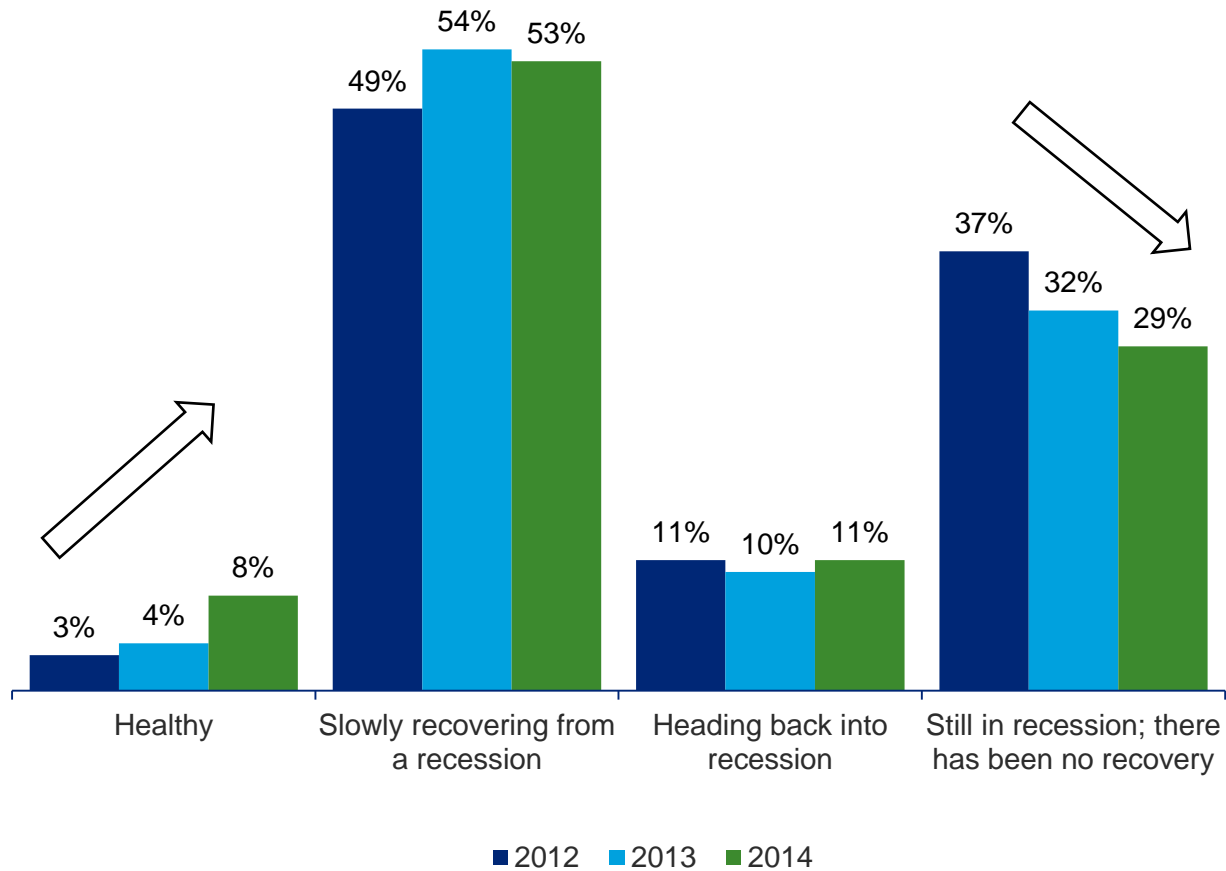
Consumers' plans to spend "more" trends higher

"How will your total holiday spending compare with last year's holiday season?"



Optimism in the economy is on the rise

“Do you believe the U.S. economy currently is ...”



Confidence is resulting in higher expected spending

“How much do you expect you will spend during the upcoming year-end holiday season on each of the following items?”

	2013	2014	% change
Gifts	\$421	\$458	+9%
Socializing away from home	\$270	\$310	+15%
Entertaining at home	\$159	\$194	+22%
Non-gift clothing for family or yourself	\$136	\$144	+6%
Home/holiday furnishings	\$81	\$93	+15%
Any other holiday-related spending not listed above	\$87	\$100	+15%
Total	\$1,154	\$1,299	+13%

42% of respondents have a specific budget in mind they plan on spending this holiday season

Omni-channel shoppers (mobile, store, Internet) expect to spend 66% more than store-only shoppers on gifts

Consumers' expectations for holiday spending on:

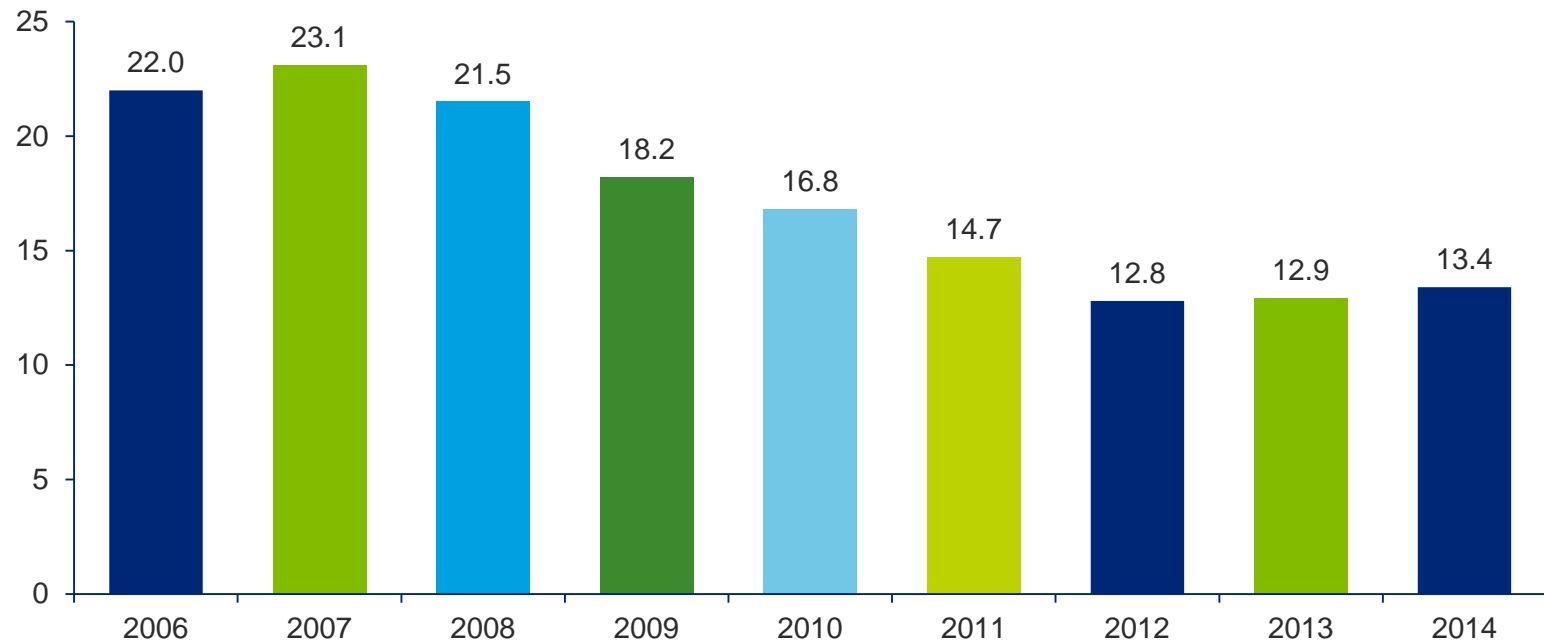
	Omni-channel (shop mobile, store, Internet combined)	Shop stores only
Gifts	\$592 +6% vs. 2013	\$357
Total*	\$1,768 +8% vs. 2013	\$836



Smartphone owners will spend **27%** more on gifts this holiday season than non-smartphone owners and those who will not use a smartphone to assist in holiday shopping (no change vs. 2013)

Total gifts given expected to slightly increase

“In total, what is the number of gifts, including gift certificates/cards that you expect to buy this holiday season?”



\$159 is average spend on gift cards this holiday season (-\$5 vs. 2013)

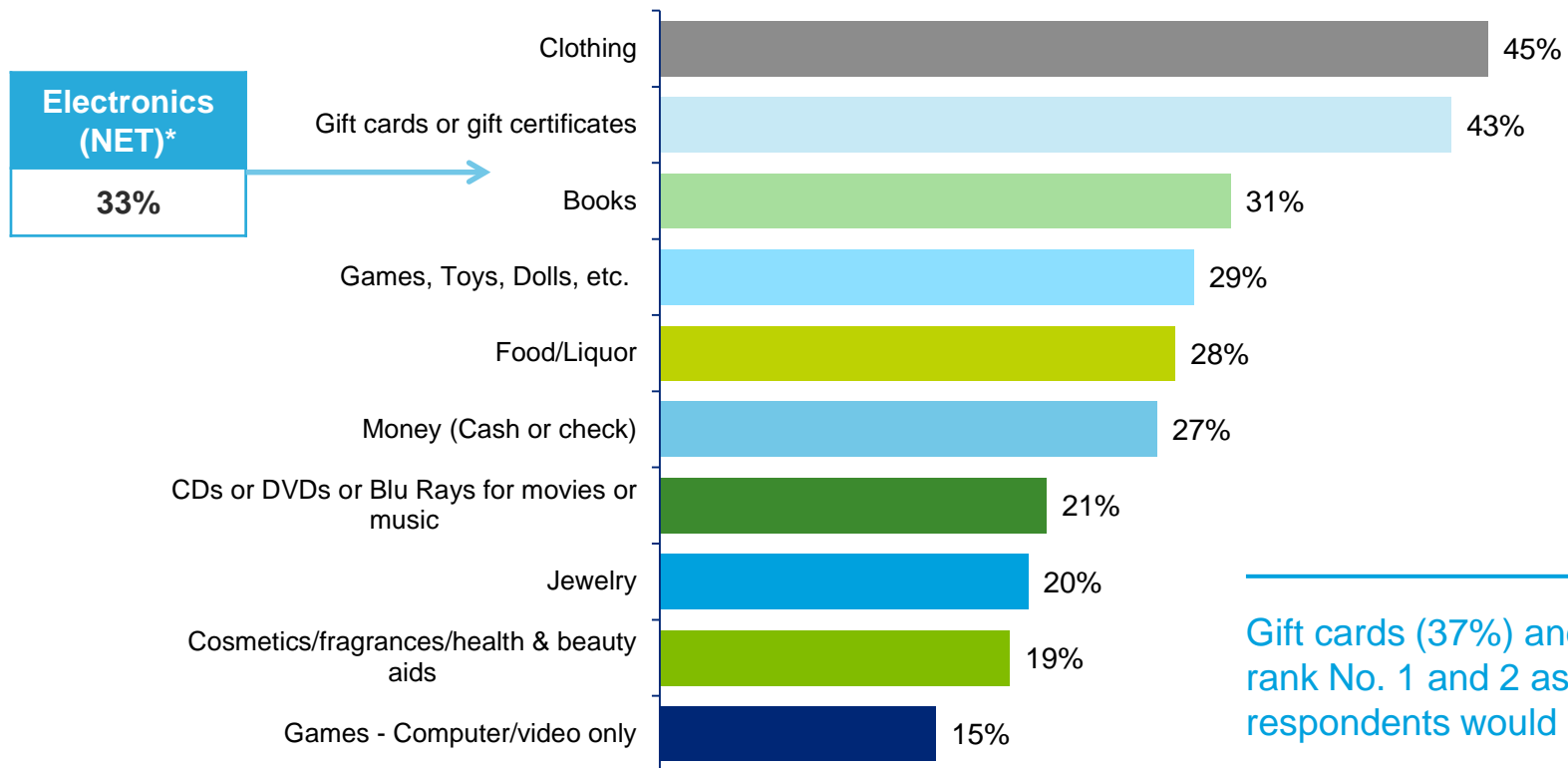
43% will purchase gift cards (no change vs. 2013, but down from a high of 69% in 2007)

Holiday shopping:
how, what, where and
when

Clothing and gift cards remain the top gifts consumers expect to purchase

“Which of the following types of gifts do you plan to buy this holiday season?”

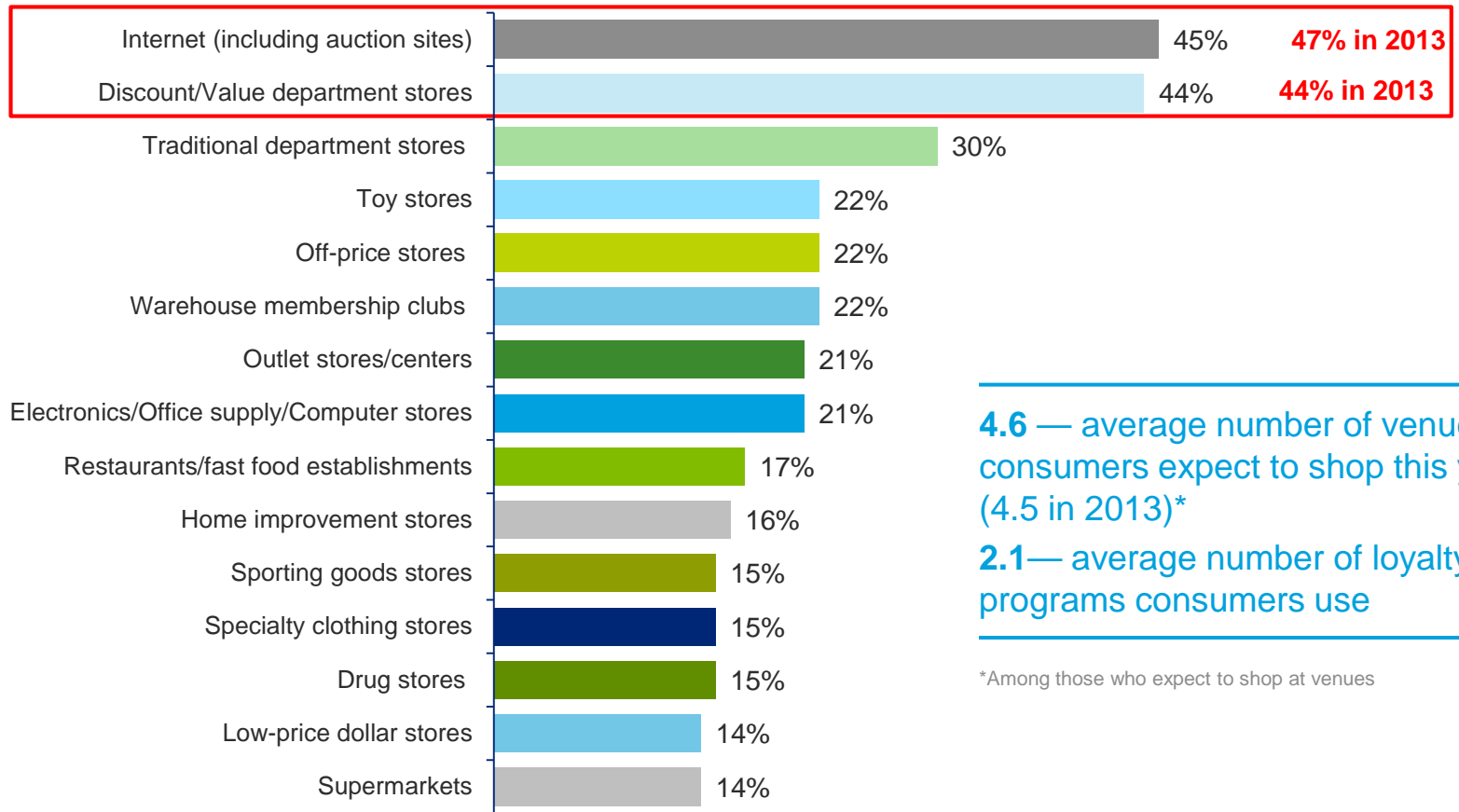
Top 10 gifts consumers plan on buying



*Electronics category is comprised of home/personal/car electronics, computers and tablets, game consoles and video games

Top venues respondents expect to shop

“At which of the following retail sources will you likely shop for holiday gifts?”



4.6 — average number of venues consumers expect to shop this year (4.5 in 2013)*

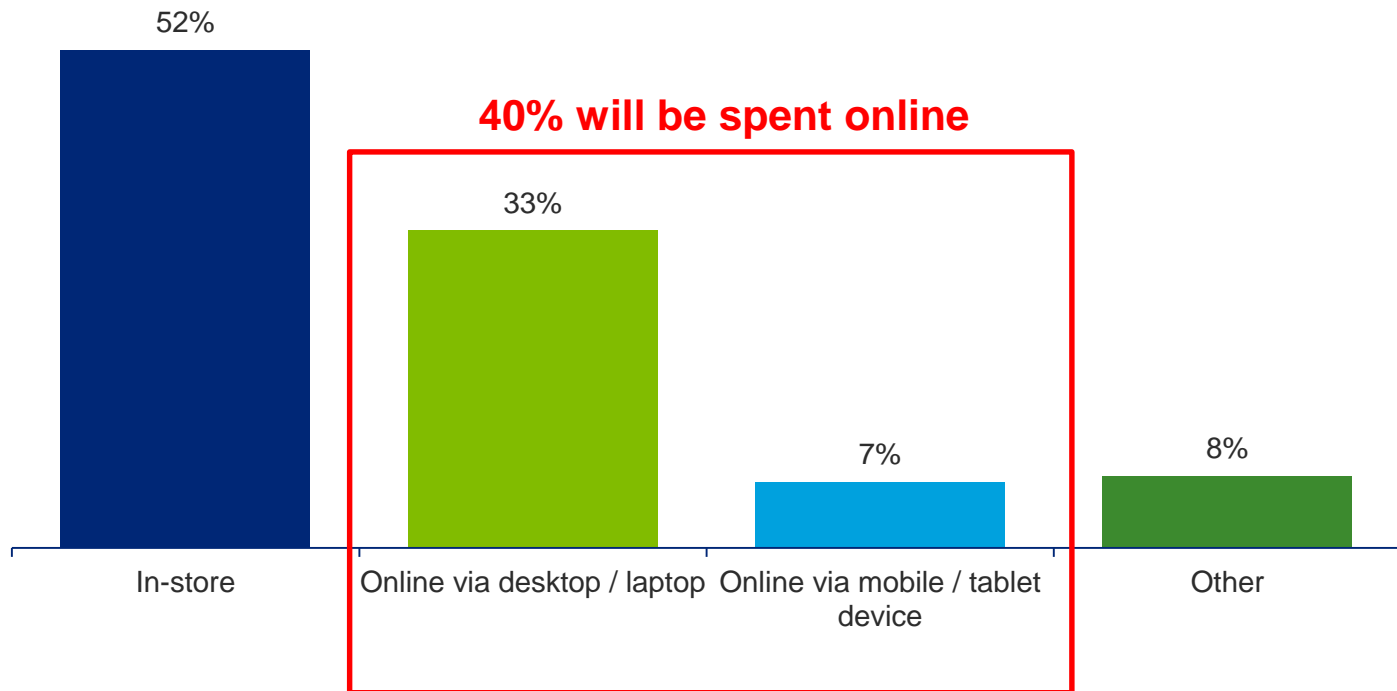
2.1 — average number of loyalty programs consumers use

*Among those who expect to shop at venues

Over half (52%) of holiday spending is planned for in-store and 40% is expected to be online

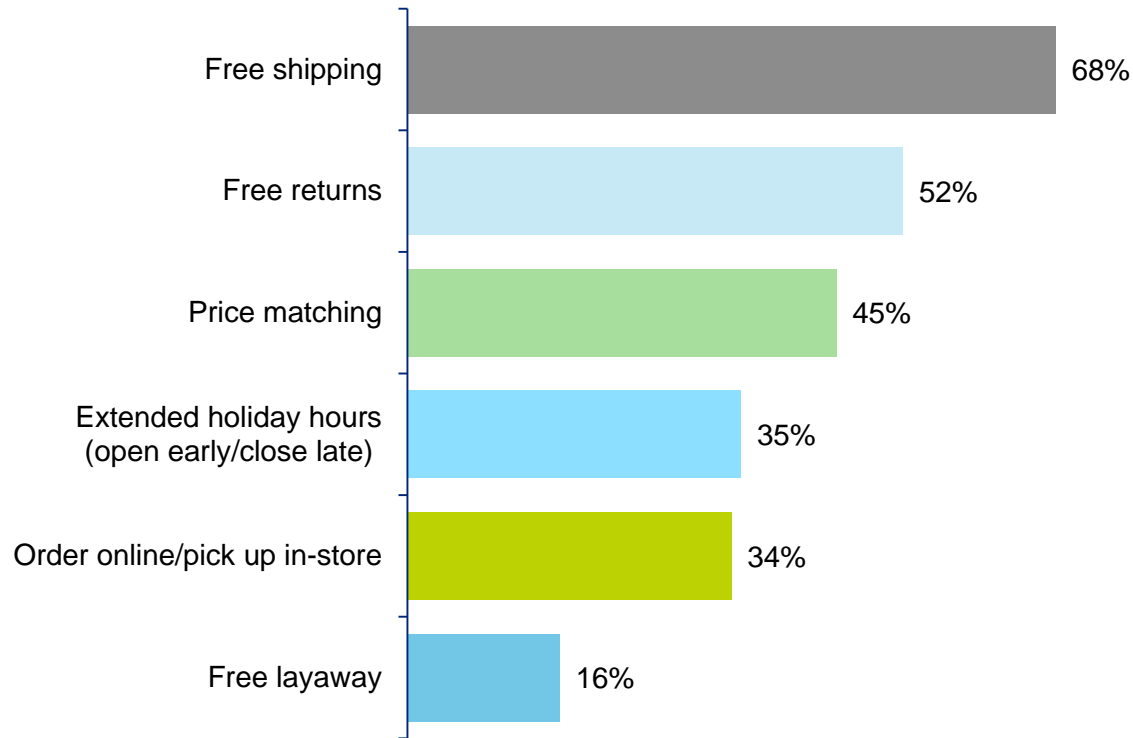
"What percentage of your total holiday budget do you expect to spend ...?"

(Among total)



Consumers seeking convenience and lower costs

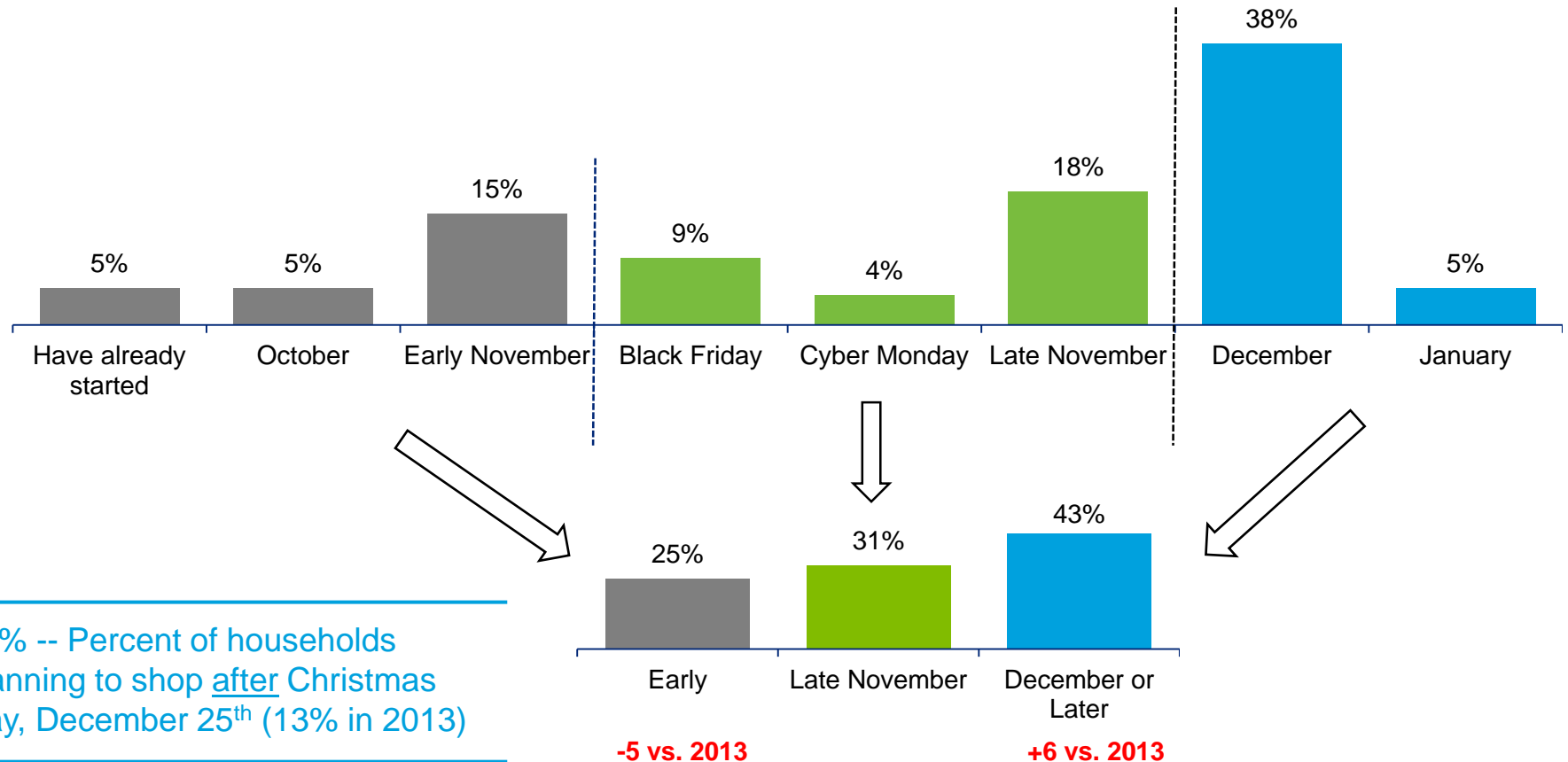
“In general, what retail offerings will you take advantage of when spending this holiday season?”



74% of respondents will be influenced by coupons/promotional offers (unchanged vs. 2013)

43% will do the majority of their holiday shopping in December or later, an increase versus 2013

“Which one of these days or months do you expect to do the majority of your holiday shopping this year?”



Showrooming vs. webrooming this holiday season

“How likely will you be this holiday season to ...”

Webrooming

... first look at items online, then go to a store to see the item, then make purchase at store

68%



Showrooming

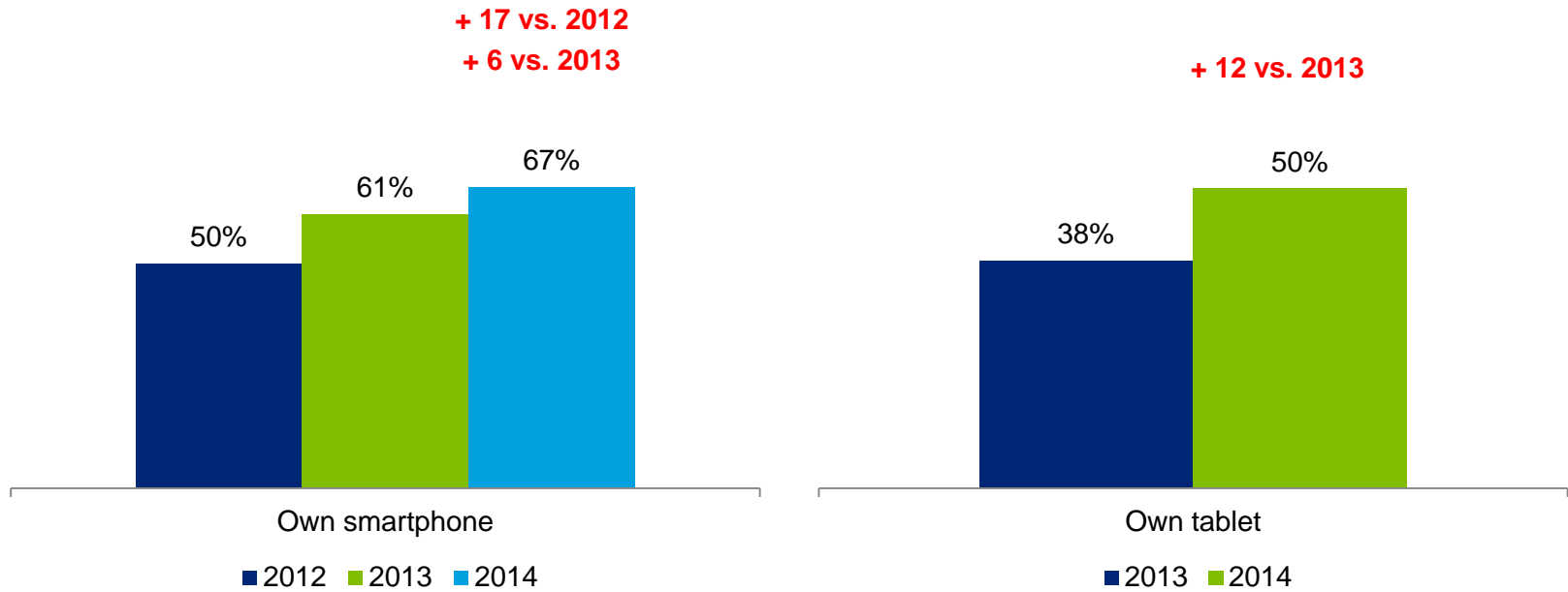
... first go to a store to look for an item, then search online for the best price, and then purchase online

49%



Consumer technologies,
digital influence and
social media

Smartphone and tablet ownership is rising

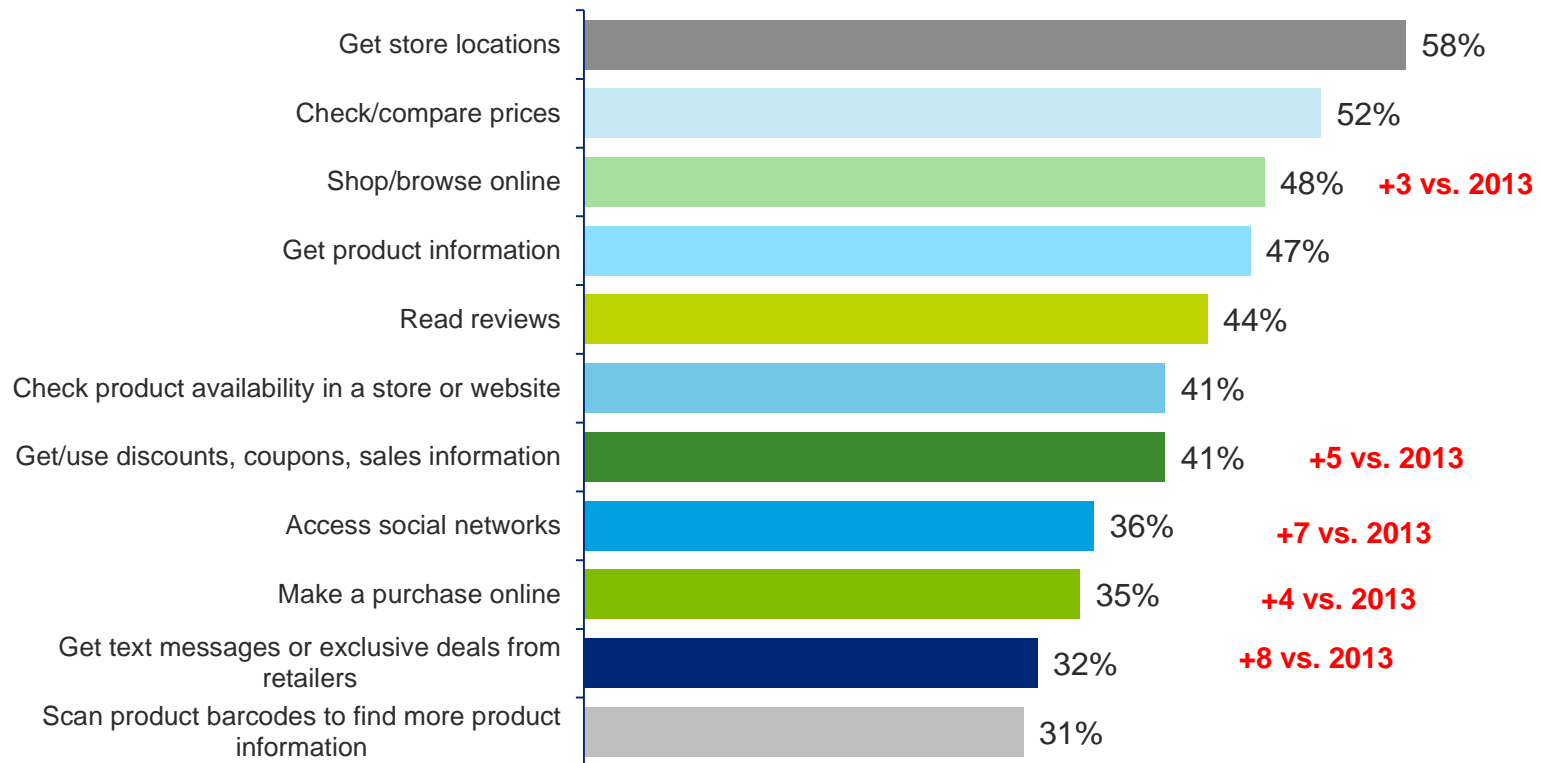


41% are concerned about their privacy as a result of retailers accessing information about them through their smartphone

Smartphone owners are more likely to use their device to get store locations and compare prices

“In which of the following ways, if any, do you plan to use your smartphone to assist you in your holiday shopping?”

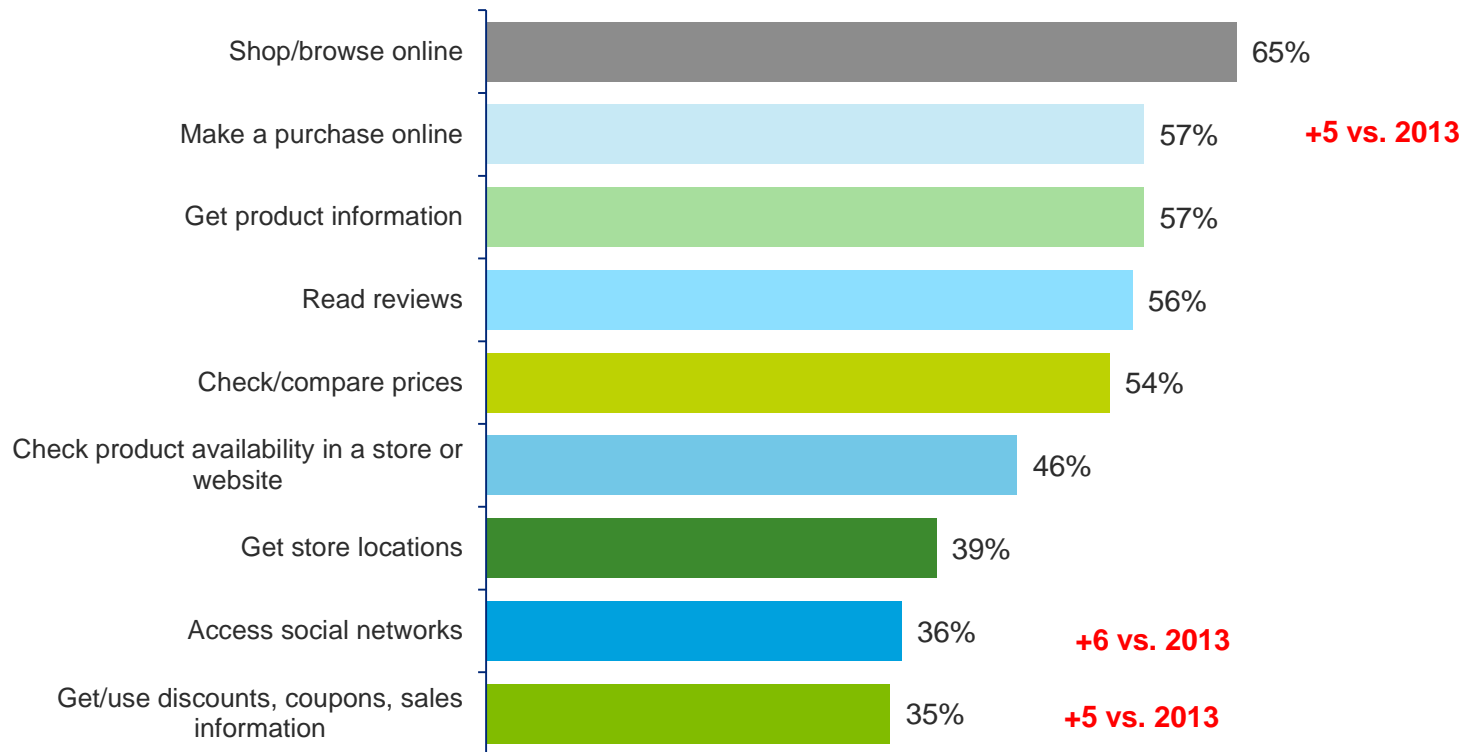
(Among the 72% who will use a smartphone for holiday shopping)



Tablet owners are more likely to use their tablets for shopping/browsing and making a purchase

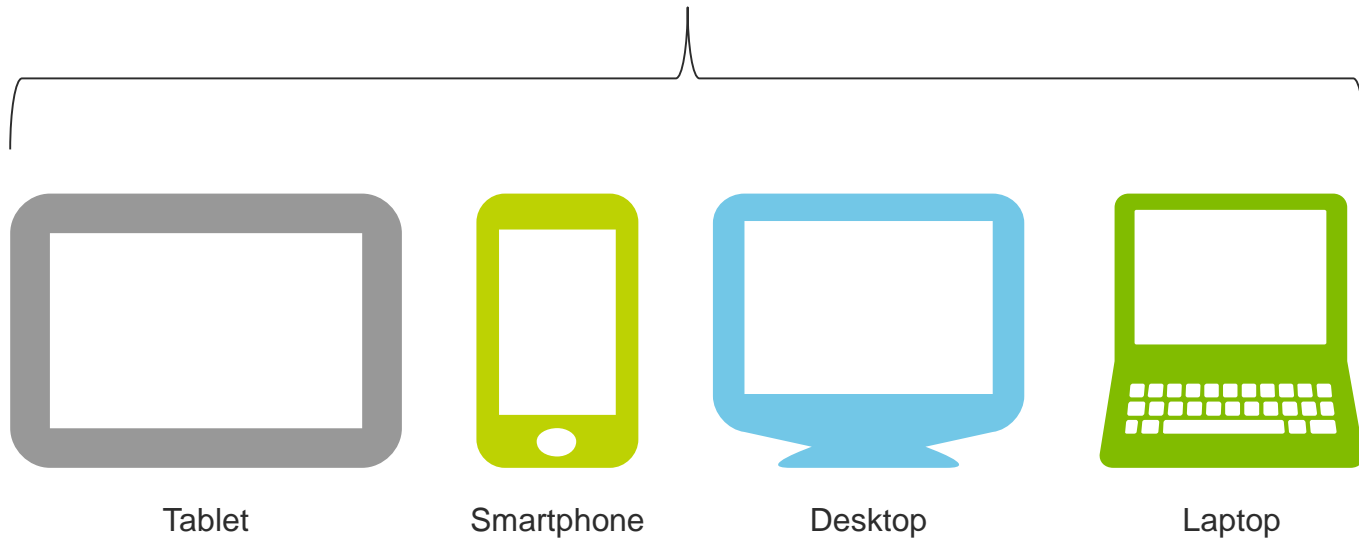
“In which of the following ways, if any, do you plan to use your tablet to assist you in your holiday shopping?”

(Among the 69% who will use a tablet for holiday shopping)



Digital devices are significantly influencing the shopping journey this holiday season

Digital devices* will influence 50 percent, or \$345 billion, of in-store retail sales this holiday season



45% of respondents are using social media to assist in holiday shopping

Of those planning to use social media for holiday shopping: Why?

Activity	Percentage
Get gift ideas	47%
Find discounts, coupons, sale information	45%
Read reviews, "likes," or recommendations for products/stores	41%
Browse products	40%
Check with family/friends on gifts they want	32%
Post comments or share links about stores, sales, products	21%

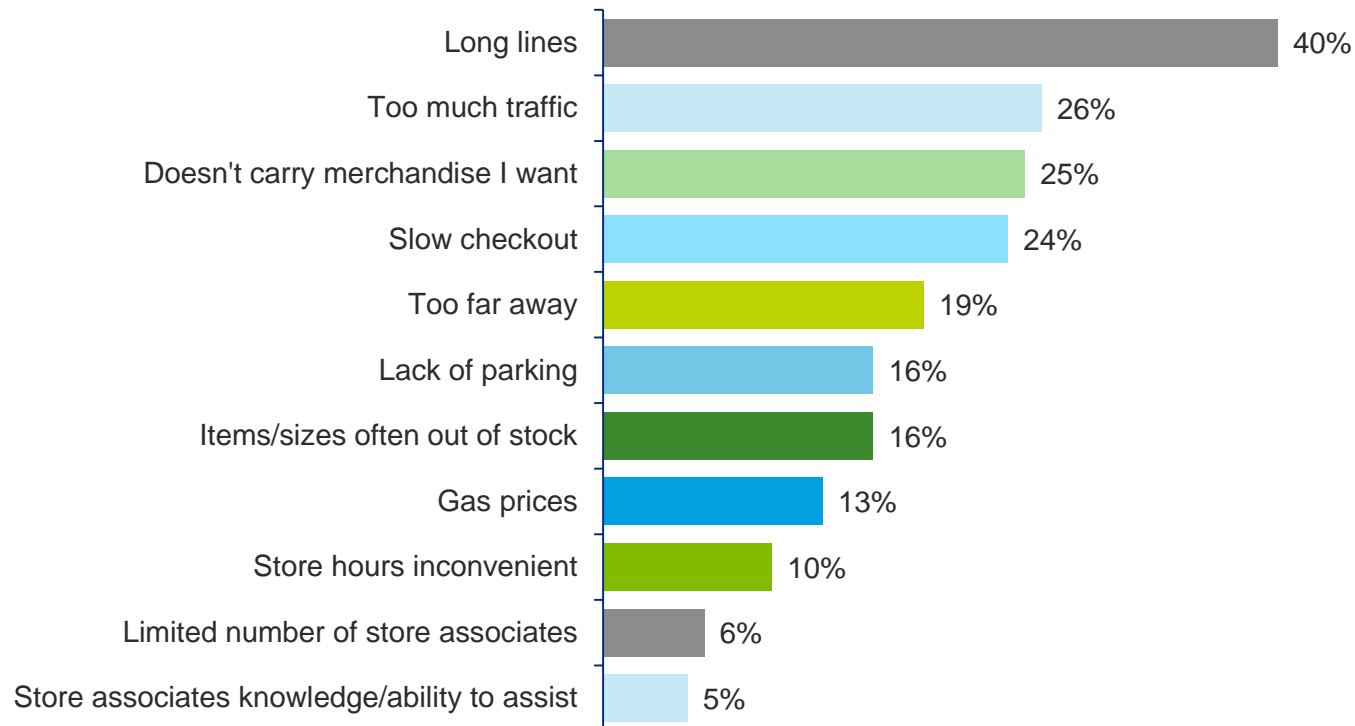
72% of all respondents use social media sites (blogs, discussion groups, or social networks)

In-store shopping: advantages, barriers and data security

Long lines are the biggest deterrent to shopping in stores this holiday season

“What, if anything, might prevent you from shopping in-store this holiday season?”

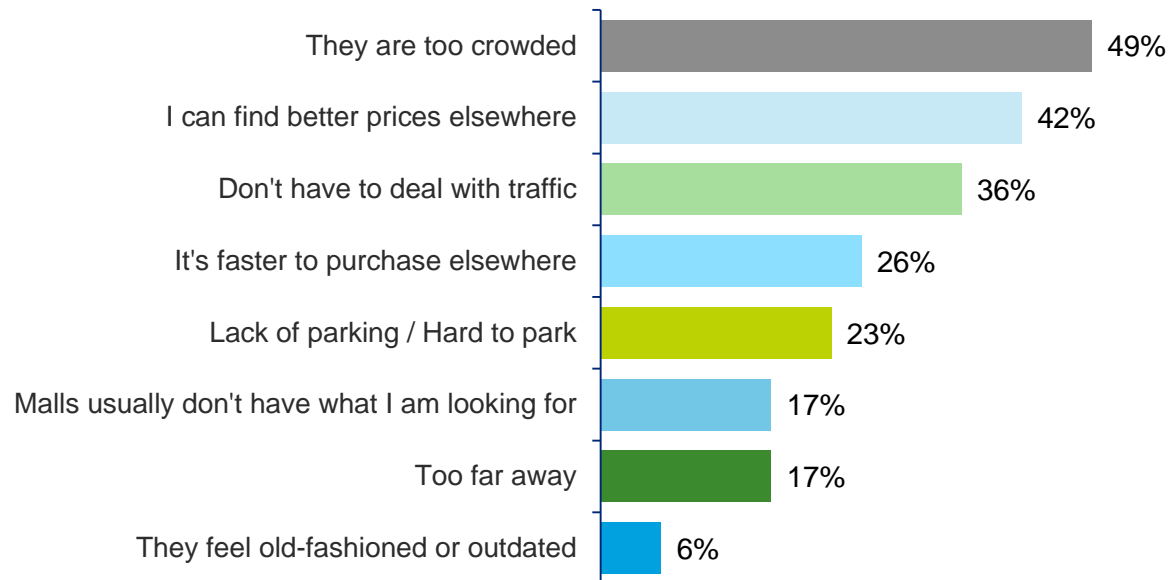
Top 10 reasons



More than half (55%) of respondents are shopping at malls* this holiday season

Nearly 3 in 10 (28%) respondents expect to shop at malls less this year compared to 2013

Reasons for shopping less at malls:



Personal data protection is a concern among respondents shopping online and in-store

Percent who agree with the following ...

(Among total)

I am concerned about the protection of my personal data when shopping online	55%
I am <i>more</i> concerned about the protection of my personal data when shopping online than one year ago	51%
I am concerned about the protection of my personal data when shopping in the physical store	42%
I am concerned about my privacy as a result of retailers accessing information about me through my smartphone	41%
I will use a different form of payment when shopping as a result of a data breach	27%

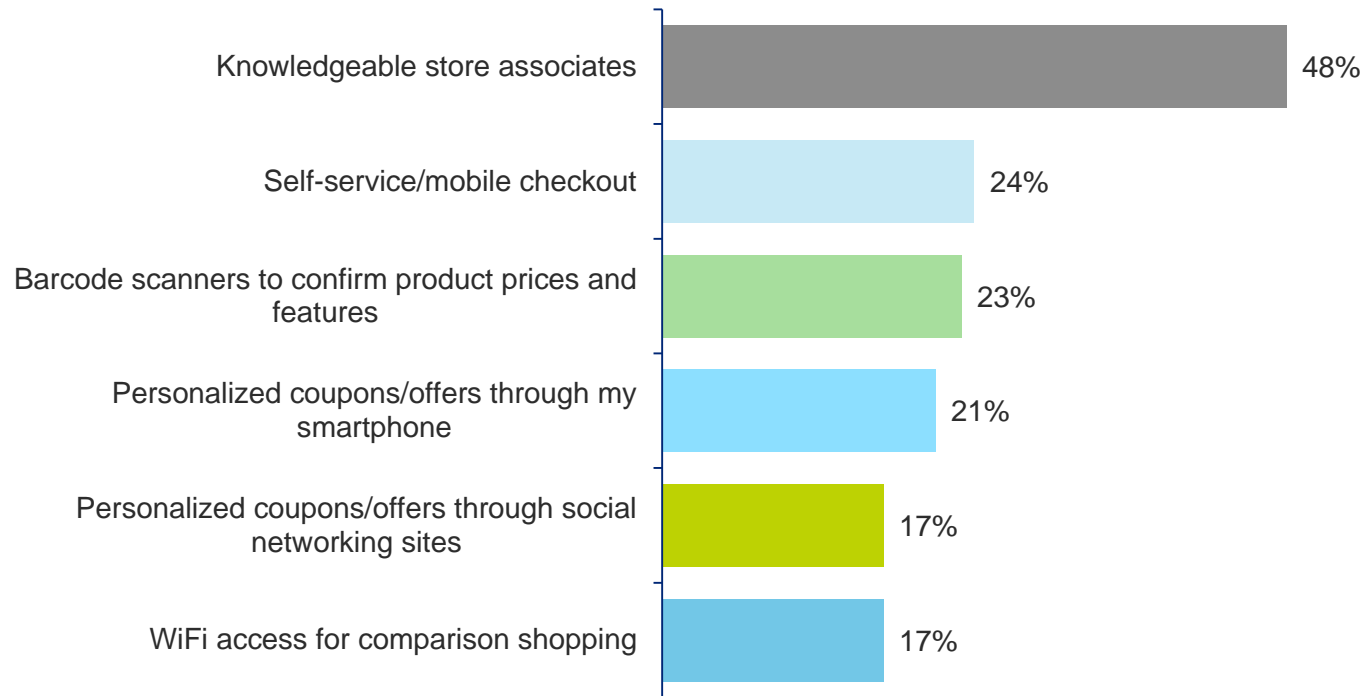
76% of all respondents are concerned about retailers that have experienced a data breach

The majority of respondents are not dissuaded from shopping at retailers that have experienced a breach



The sales associate can still make a difference

“During the holiday season, I am more likely to complete an in-store purchase from a retailer that offers ...”

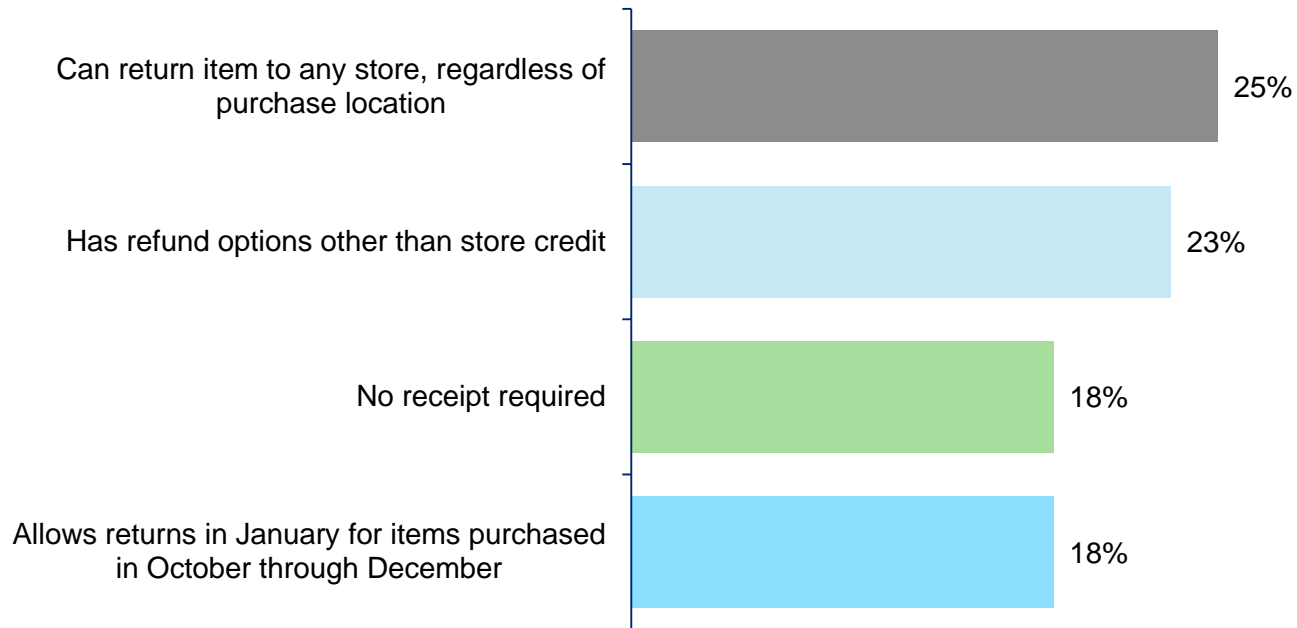


33% feel store associates can provide customers a better shopping experience when equipped with the latest mobile technologies

Respondents prefer flexible return policies

“When holiday shopping, which of these return policies do you find most desirable?”

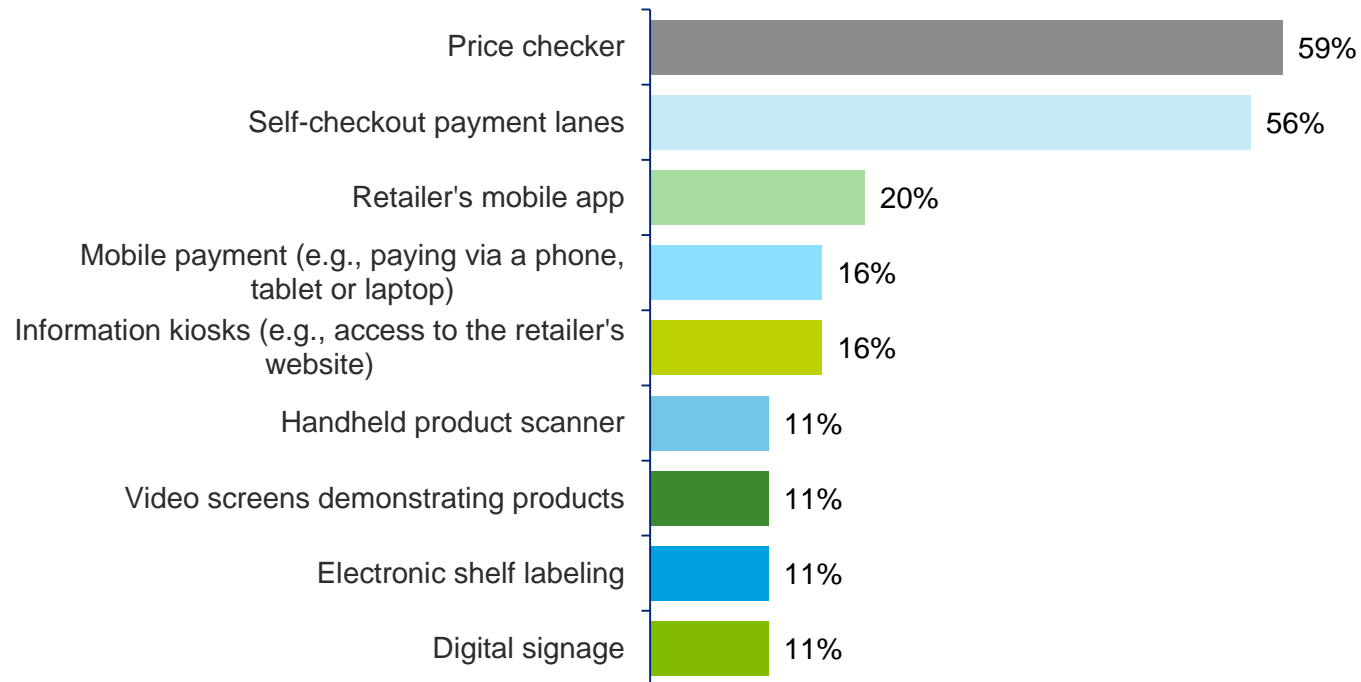
Most desirable return policies



More plan to use self-help technology, the most popular being “price checkers” and “self-checkout”

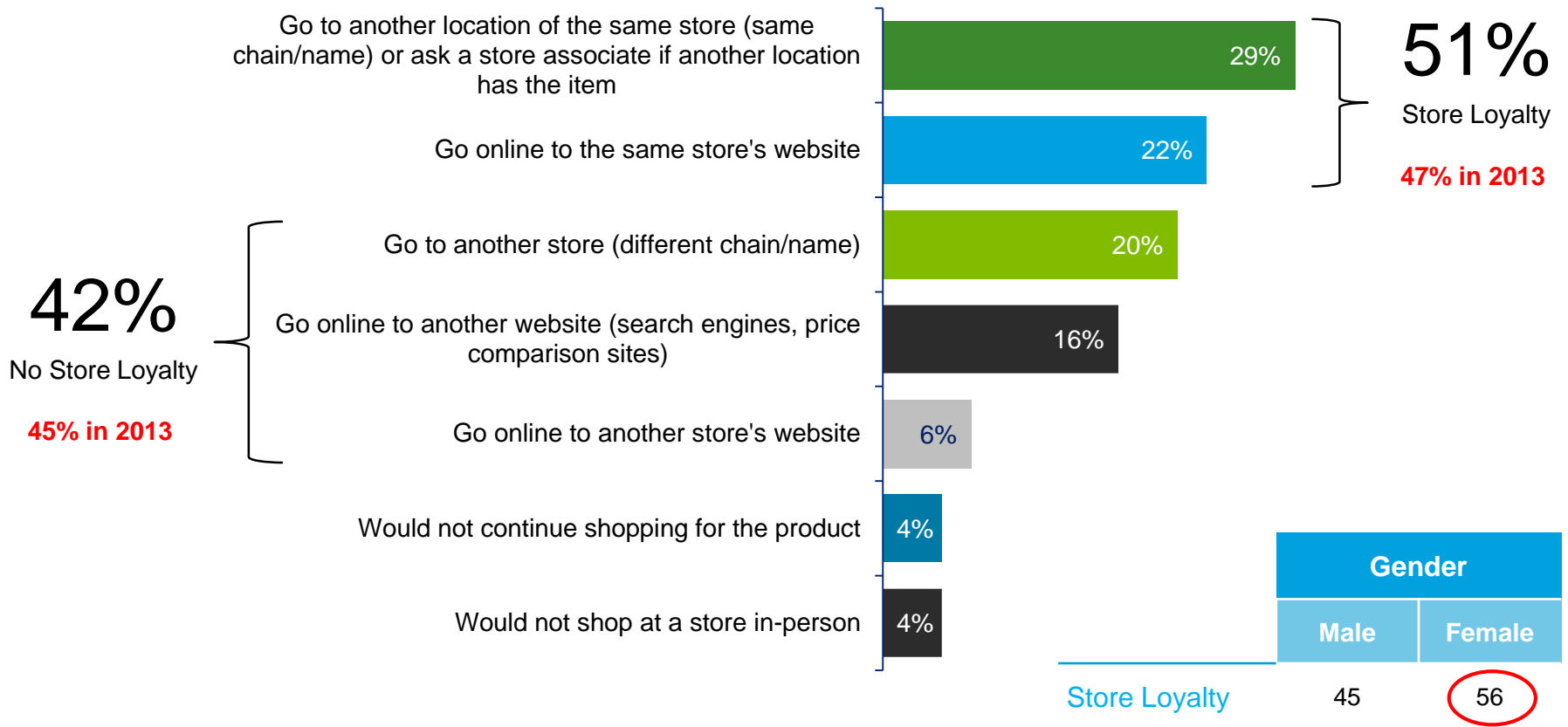
Will use self-help technologies: 63% + 5 vs. 2013

“Which of the following self-help technologies, if any, do you plan on using during your in-store holiday shopping this year?”



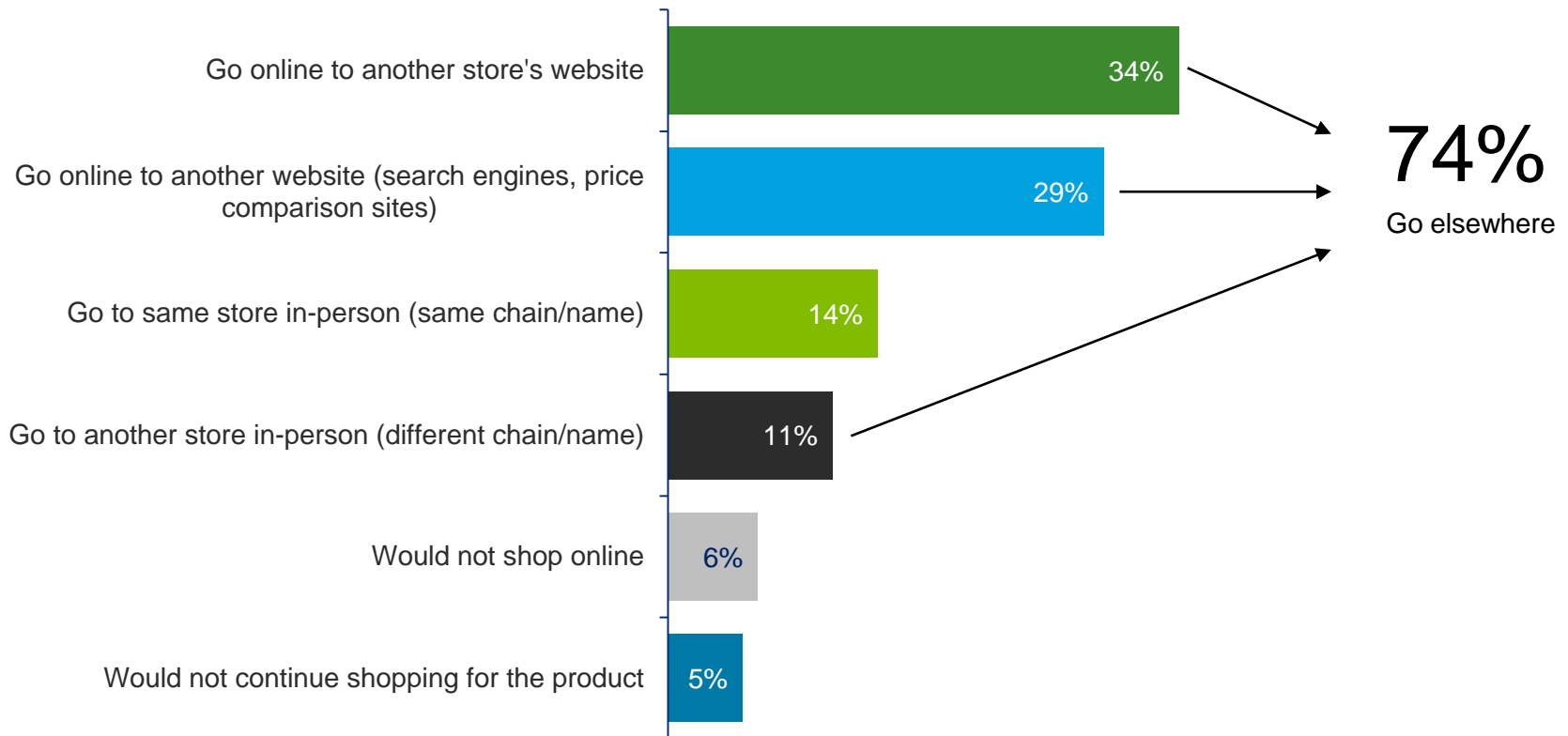
If a product is not available in-store, 51% will still try to buy from that same store somehow

“If a product wasn’t available in the store, which would you most likely do first?”



If a product is not available on a store's website, the majority will look at a different store or website

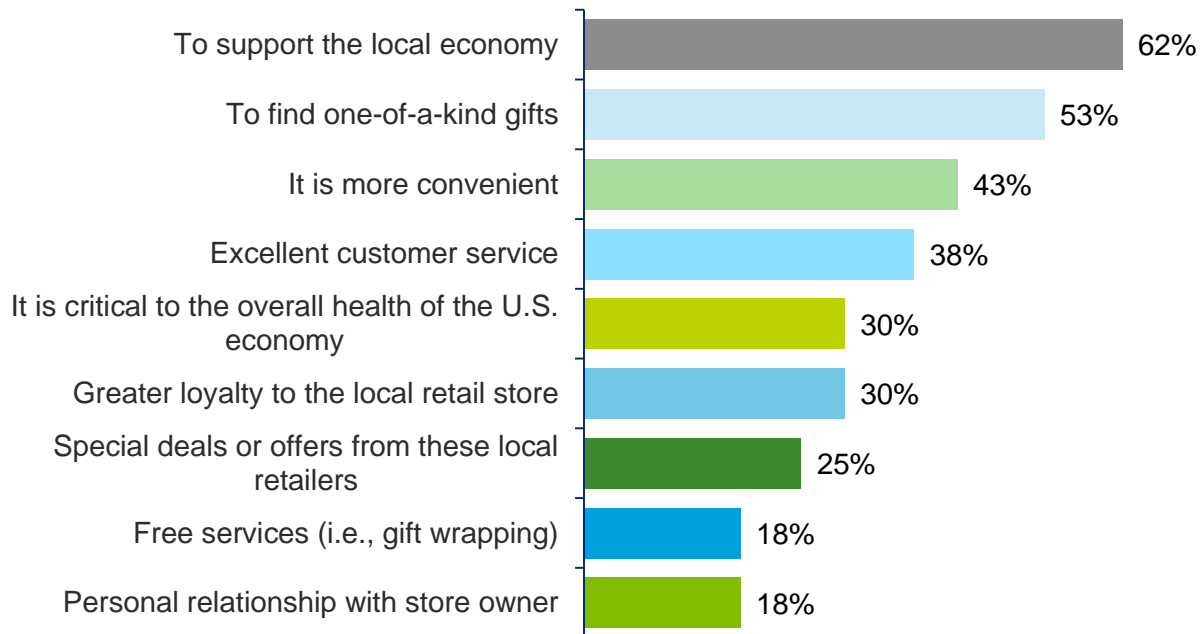
"If the product wasn't available on a store's website, which would you most likely do first?"



More than two-thirds (68%) of respondents will shop local* this holiday season

“For what reasons will you be shopping at local retail stores (including small businesses and boutiques) this holiday season instead of somewhere else?”

(Among the 68% shopping local)



On average, respondents expect to spend 35% of their holiday budget on local stores

66% are looking to buy items “on sale” this holiday season and 29% consider shopping a social activity

Seeking Value and Discounts

66%

Plan to buy items “on sale” this holiday season

47%

Plan to use store coupons this holiday season

Shopping for Themselves and Others

43%

Claim to also buy gifts for themselves when shopping for others
40% in 2013

29%

Prefer shopping with others for holiday gifts, rather than shopping alone, to make it more of a social activity
27% in 2013

Going Online for Sales Tax Breaks

35%

Often purchase online vs. in-store when getting a sales tax advantage online (or when the sales tax charge is cheaper)

About the survey

The survey was commissioned by Deloitte and conducted online by an independent research company between September 13–24, 2014. It polled a national sample of 5,033 consumers and has a margin of error for the entire sample of plus or minus one percentage point.



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