
Sales and Coupons Are Most Influential in Driving Consumers to Shop this Holiday Season

HRC Retail Advisory Survey Finds Generation Z Chooses Apparel Over Games as Gifts

Northbrook, IL – November 28, 2016 – Sales and coupons are more influential than any other tactic in motivating consumers to shop this holiday season, according to a survey conducted by HRC Retail Advisory (HRC), a leading strategic retail advisory firm. The survey also found that gift cards remain an extremely popular item, while apparel will surprisingly top many gift lists for both family and friends this year.

“There are limited doorbusters to drive consumers to the store this holiday season,” said Farla Efros, President of HRC Retail Advisory. “As we’ve seen over the weekend, gift cards and free shipping allow this new consumer to shop however and wherever they want. Importantly, our survey found several key attitudes and behaviors for holiday that were consistent throughout the generations. Recognizing and responding to these trends, while catering to a younger group of shoppers who are gaining more and more influence within their household will be essential to a retailer’s success this holiday season and a necessary step for them to remain competitive going forward.”

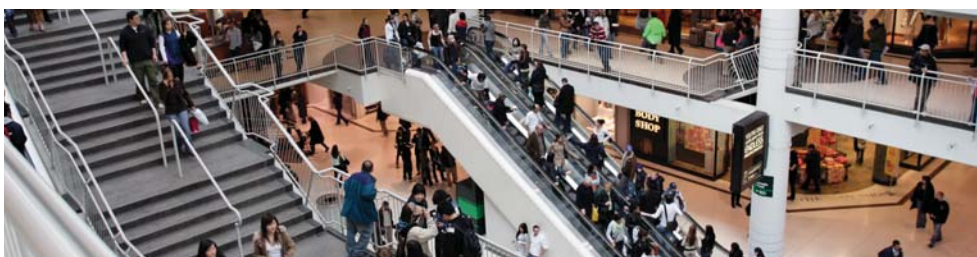
To better understand the growing influence of Millennial and Generation Z consumers and the implications for retailers, HRC recently surveyed 3,100 participants in the U.S. and Canada on their attitudes, behaviors and influences driving holiday gifts and shopping.



Significant findings of the survey include:

Sales and Coupons Driving Store Traffic

Sometimes it still comes down to price. Despite more modern approaches, a significant 89% of respondents said that deep discounts (including coupons) are the key determinant of what stores they will visit for holiday shopping this year. Consumers are also likely to enter a store based on store window displays, according to 87% of all consumers surveyed. Additionally, 79% of consumers surveyed said they would be influenced on what stores to visit based on a retailer’s website.



Children Choosing Apparel Over Games for Holiday 2016

Surprisingly, when children were asked how they wanted a loved one to spend \$500 for their gifts, apparel won out over all other categories, including games. In fact, the apparel category is headed for a big win this holiday, as respondents plan to allocate more than 30% of their budget on apparel and footwear purchases for family and friends this year. Millennial and Generation-X parents are planning to spend 40% of an assumed \$500 holiday budget for their children on clothing and shoes, versus a small 16% on gaming consoles and games.

Increased Popularity of Gift Cards

An overwhelming percentage of study respondents will include gift cards in their holiday shopping this year. 83% of Millennial parents plan to include gift cards in their holiday purchases, and 32% of respondents who intend to buy gift cards indicated that gift cards will comprise at least half of their holiday budget. 62% of all study respondents with a preference preferred to receive a gift card rather than an actual gift. And this was consistent across all generations studied, which indicates that people would like to select their own gifts, rather than receiving a gift that may be wrong for them.

Income An Important Indicator For Gift Card Giving

The intent to purchase gift cards grows as income levels grow. 83% of Millennial parents earning \$50K to \$75K intend to include gift cards in their holiday shopping plans. Among Millennials that have children and earn over \$150K per year, 96% plan to include gift cards in their holiday shopping. However, while inclination to purchase gift cards tends to be stronger among higher earners, these shoppers do not necessarily intend to spend a greater percentage of their holiday budget on gift cards.



About HRC Retail Advisory

HRC Retail Advisory is a leading strategic retail advisory firm based in Northbrook, IL that helps retailers unlock value across key operating functions: including helping retailers to develop cost-effective cost infrastructures to transform their businesses in this new economy, enhance merchandise strategy, margin and inventory optimization, merchandise planning and allocation, store operations including more effective labor management and more cost-efficient supply chains. For more information, visit www.HRCadvisory.com.

Notes on Survey Methodology and Analysis

HRC Retail Advisory's survey findings are based on a targeted sample of four distinct demographics: Millennials with no children, Millennial parents of children under 18, Gen X and Baby Boomer parents of children under 18, and children ages 10-17. The sample size was 675 per group in the United States, and 100 per group in Canada. The survey was fielded in October 2016 and was completed through proprietary sample sources amongst panelists who participate in online surveys. The total sample size was 3,100 completes.



For more information about how HRC can assist your company to more profitably adapt to this omni-channel environment, please contact:

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