



CivicScience Insight Report

2015 Holiday Shopping: The Season's Early Insights for Consumer Marketers

This two-part Insight Report for the 2015 holiday shopping season focuses on:

- Consumers' overall plans for spend volume in 2015.
- Online shopping volume plans for 2015 and insights into the "heavier" online shoppers.

One big take-away: More consumers plan to tighten their belts this season, but online shoppers are more likely to have the means and inclination to spend a bit more.



Women More Likely to Spend Less for 2015 Holidays

Report Date: October 15, 2015

Retailers are getting ready to kick off another holiday season, but it may not be looking as merry and bright as retailers would like at this point. After asking U.S. adults how much they expect to spend this holiday season compared to last, holiday spending plans aren't looking too promising.



Civicscience Insight Report (continued)

From the more than 2,500 consumers we asked in late September to mid-October 2015, 13% plan to spend more this year while more than double that (28%) plan to spend less this year than the previous year. 45% of adult consumers plan to spend the same amount and 15% don't plan on doing any holiday shopping this year. (We will pay attention to how this changes, if at all, as the holidays near.)



Let's discover who will spend more and less this season compared to last.

Demographics

Attribute	Will Spend More	Will Spend Less
Gender	54% male, 46% female	40% male, 60% female
Age: 18-34 years old	49%	26%
Age: 35-54 years old	30%	45%
Age: 55+	21%	29%
Parents	30%	40%
Income: \$35K and under	33%	28%

The consumer who will be spending more this holiday season than last is more likely to be a Millennial with a lower than average income. Due to their age, there is a higher likelihood they recently began receiving a salary or their household income is increasing, which could attribute to their higher spending intent.

This report instead will focus on those consumers who so far say they plan to spend less this year than last year, so that retailers can better strategize and market using this intelligence:



CivicScience Insight Report (continued)

Personal Finances

Reduced spenders are more than 2X as likely to consider themselves a tightwad (they have a difficult time spending money). So while they are generally more conservative in their spend, something about this year is making them tighten up even more. Perhaps it's due to these additional attributes:

- They are 54% more likely to believe it is a bad time to make major purchases given the current state of the economy.
- They are also 50% more likely to say their personal financial situation will get worse over the next 6 months.
- They are 42% more likely to say they manage their money poorly.

It seems from these insights that this group of tight spenders are currently dealing with a very pessimistic view of their own financial situation.

Shopping Habits

- Those intending to spend less are 21% more likely to plan on doing 25%-75% of their holiday shopping online.
- They are 33% more likely to always seek out online reviews before making purchases.
- And they are slightly more likely (+13%) to be very likely to tell friends/family about a product they are happy with.

Other Insights

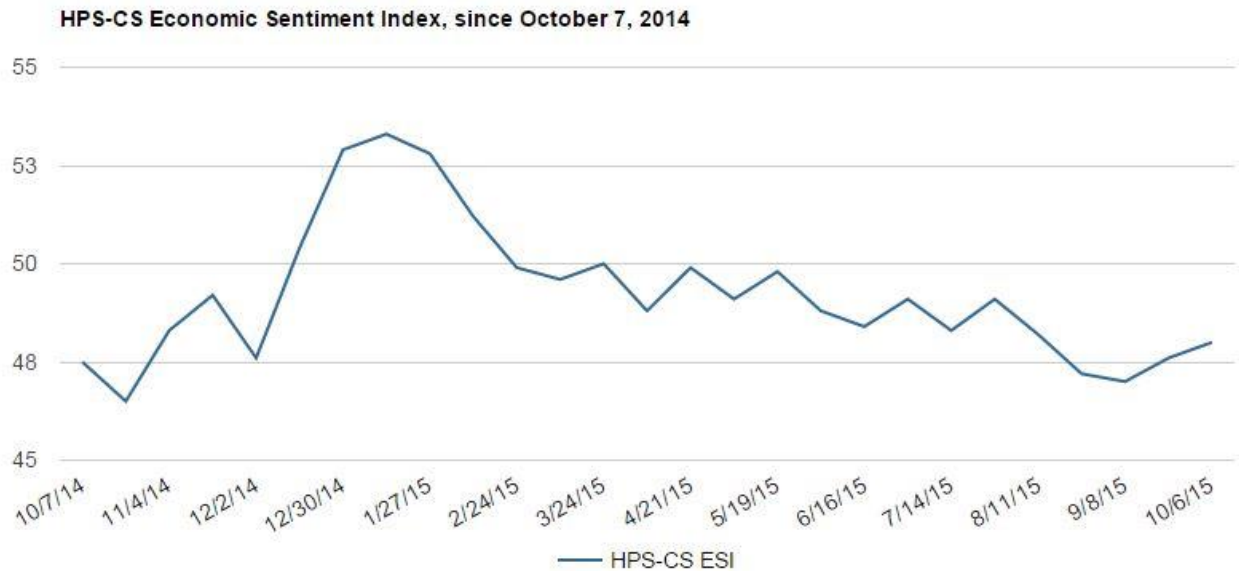
- They are 55% more likely to very closely follow Major League Baseball, which suggests an interesting advertising avenue for retailers.
- They are 36% more likely to have children in college, and given the expense of college, this may be putting additional strain on them financially.
- Those who plan to spend less are 21% more likely to regularly watch full TV shows online, so retailers may want to increase online ad spend in these areas.

So what did we learn about those who plan to spend less this year? They are likely to be middle aged or older women, who are more likely to have children in college. Reduced spenders are also more likely to have a negative outlook on their personal financial situation and believe it's a bad time to make a major purchase.

But it may not be all bad news for retailers. The [CivicScience and Hamilton Place Strategies Economic Sentiment Index \(ESI\)](#), which is produced every two weeks and shows overall confidence in the economy, is slightly higher today than it was a year ago:



CivicScience Insight Report (continued)



On October 6, 2015 the ESI was 48, compared to October 7, 2014 when the ESI was 47.5. And confidence in making a major purchase is up notably from last year (50.2 in 2015 vs. 46.9 in 2014).

Economic confidence may play an important role in influencing consumer intentions. If we continue to see consumer confidence gains over the coming weeks, we may see spending plans move in a more positive direction, especially since many of the reduced spenders' differentiating attributes are based on their personal finances and economic outlook.

Online Holiday Shopping in 2015 May Increase Only Slightly

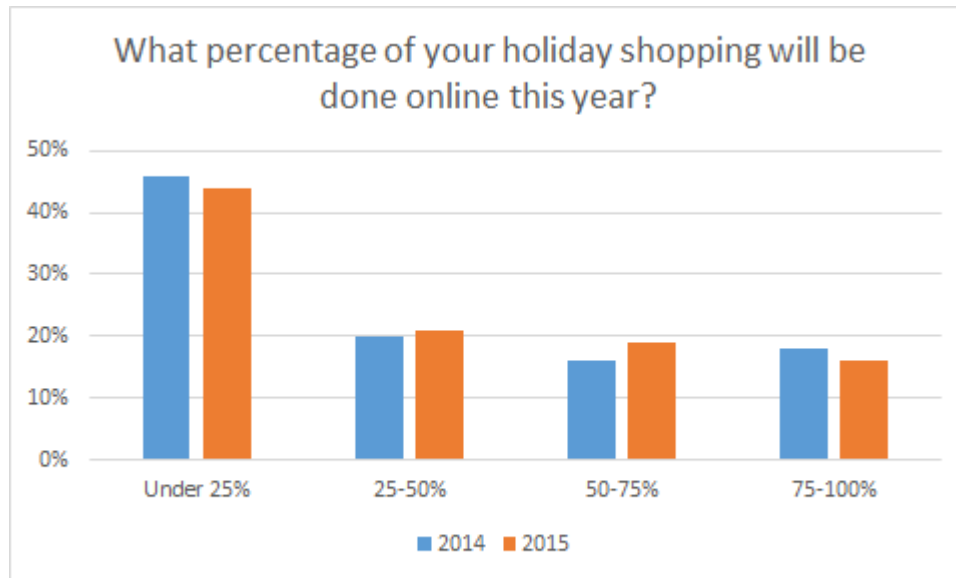
Report Date: October 20, 2015

More consumers are trading in the in-store holiday shopping experience for the ease of online shopping. This year more people are expected to shop online than the 2014 holiday season. The [National Retail Federation forecasts online sales](#) to increase 6% - 8% this year.

From the end of August to mid-October, CivicScience polled 19,201 U.S. adult consumers on their online holiday shopping intent and found that 50% of adults plan to do more than 25% of their holiday shopping online this year. Let's see how that compares to last year's data, after eliminating those who don't plan to holiday shop:



Civicscience Insight Report (continued)



Source: Civicscience, Inc. web poll of 3,600 respondents from 11/19/2014 to 12/01/2014 and 19,201 respondents from 8/31/2015 to 10/19/2015. U.S. adults only.

At this stage in the season, we see only a few additional percentage point growth in U.S. adults who plan to conduct more than 25% of their holiday shopping online (56% in 2015 vs. 54% in 2014). But a lot can change. Last year, we started our polling on this much later in the season (mid-November). This year, we started polling early but will continue to monitor changes to online shopping volume plans as the season progresses.

That said, the majority of U.S. adults once again will be doing at least a quarter of their holiday shopping online.

A Look at the “Over 50%” Online Shoppers

In this report, we’ll use our InsightStore™ to find out more about the 2015 adult consumers who intend to do at least half of their holiday shopping in cyberspace. By comparing those who plan to do more the majority of their holiday shopping online to the average adult, we can discover some clear differences.

Demographics

- Gender breakdown: The gender breakdown is the same as the general population – 51% women, 49% men.
- Age: 44% are 25-44 which is 26% more than average.
- Household income: They are more likely to have a higher than average income. Over half (52%) of heavy online shoppers have a household income over \$75K. They are also more likely to have a higher education than average.
- Parental status: They are 11% more likely to have children, but are 27% less likely to have grandchildren.
- Residential area: They are slightly more likely (+9%) than average to live in the suburbs.

Not only are coveted Millennials planning to do the majority of their holiday shopping online, but younger Gen Xers are as well. And this group overall tends to have more money to spend.



CivicScience Insight Report (continued)

Shopping

- Online reviews: Heavier online shoppers are 65% more likely to view online reviews.
- Ad influence: They are 38% more likely than average to be most influenced by ads on the Internet, which may be a lucrative advertising opportunity for retailers.
- Electronics brands: They are 29% more likely to say brand is more important than price when shopping for electronics and media.
- Early adopter and evangelizer: They are 25% more likely to try new products before others and are 22% more likely to tell others about new products/offerings.
- Holiday spending: They are 23% more likely to **plan on spending more this holiday** than last and are 11% more likely to spend the same amount. This should be good news for retailers.
- Coupon usage: They are 17% more likely to say they will use coupons on non-food / grocery purchases as long as it is convenient, but they are 19% less to use coupons every chance they get.
- Social consciousness: They are slightly more likely (+12%) to say a company's social consciousness and overall kindness is very important when choosing where to shop.

What do these consumers dislike most about shopping in stores during the holidays? The crowds top their list, followed by the attitudes of other shoppers, both of which are difficult for stores to control.

Technology Usage

It's not really surprising that these individuals are more tech savvy than average, but let's find out the specifics about their device ownership and usage rates.

- Smartphone usage: 78% use a smartphone. And not only are they more likely to use a smartphone, but they are also more likely to use their smartphone during their path to purchase. 45% of those who plan to do the majority of their holiday shopping online frequently use their smartphone to research products.
- Tablet ownership: 57% own a tablet computer and 37% of those who plan to do the majority of their holiday shopping online at least sometimes make purchase on their tablet.
- Importance of apps: 33% say mobile phone / tablet apps are important or a passion of theirs.

Social Media Usage

In general 45% of holiday online shoppers spend more than an hour each day on social media sites, which is more than the average adult. Below are the specific sites they more active on than the average U.S. adult.

- They are 33% more likely to actively (daily or weekly) use Pinterest.
- They are 29% more likely to actively (daily or weekly) use Twitter.
- They are 22% more likely to actively (daily or weekly) use Facebook.
- They are 20% more likely to actively (daily or weekly) use Instagram.



CivicScience Insight Report (continued)

Key Take-Aways

Consumers are moving more of their holiday shopping online, which may be driven by their distaste for the in-store crowds during this busy retail season. In general, those who plan to do over 50% of their holiday shopping online are more likely to spend more this holiday than last. They spend more time online looking at product reviews and on social sites, and they are also more influenced by online ads. Retailers may be able persuade this group to do more shopping in stores, but they will have to get creative – coupons and store deals won't be as attractive to the online shoppers, but things such as exclusive product offerings or special store hours may grab their attention and make them more willing to brave the holiday crowds.

We'll issue an update to this report in about a month, to see if online spending volume plans change among U.S. adult consumers. Until then, CivicScience InsightStore™ clients can monitor the polls at any time to watch for shifts.

About the CivicScience Methodology:

CivicScience collects real-time consumer research data via polling applications that run on hundreds of U.S. publisher websites, cycling through thousands of active questions on any given day. Respondents voluntarily opt-in their answers with no incentives, compensation or coercion -- they answer for fun and are kept anonymous, allowing for greatly reduce bias and higher levels of engagement. All respondents for this report were weighted for the U.S. Census, 18 years and older. CivicScience builds deep, timely psychographic profiles of these respondents with each question they answer over time, providing valuable consumer sentiment and behavior insight data to the decision makers who care. The CivicScience methodology has been scientifically validated by a team of academic leaders and by independent research firms. CivicScience currently has millions of anonymous consumer profiles stored, growing daily.

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