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Brand Keys 2015 Holiday Shopping Survey Finds Smarter Consumers, Earlier Shopping, and Sales Up 3½ Percent

NEW YORK, NY October 26, 2015 – “A combination of increased positive consumer sentiment, increased consumer learning curves, and increased consumer mobile outreach via more mobile apps have resulted in an anticipated 3½% increase for the 2015 holiday spend,” noted Robert Passikoff, founder and president of Brand Keys, Inc. (www.brandkeys.com), the New York City-based brand loyalty and customer engagement research consultancy.

Welcome to a New, Re-defined Holiday Consumer Shopping Stage

Insights from 15,850 consumers participating in Brand Keys’ 21st annual national holiday shopping survey (conducted September 25th through October 10th 2015) reflected a new, re-defined stage consumers have reached when it comes to shopping for the holidays.

“A combination of positive consumer sentiment, cheaper gas, but mostly consumers having learned – and concluded – that holiday shopping definitively *does not* begin on Black Friday,” said Passikoff, “and has resulted in earlier and earlier consumer shopping with a projected individual 2015 holiday spend of \$885.00, nearly 4% higher than last year.”

The shift in the holiday shopping paradigm to its current iteration has been a long time in coming. “We saw dramatic shifts to when consumers were starting to holiday shop half a decade ago,” said Passikoff. “And yes, some of that was due to retailers – fearing the loss of *any* sale to a competitor – running ads, deals, and price promotions earlier and earlier.” But savvy consumers, more market-adept and armed with more mobile devices have shifted spending patterns for the holidays.

Nearly 84% of Consumers Are Shopping Before Black Friday

When it comes to when consumers started shopping for the holidays, shoppers reported the following:

Before September:	11%
September:	10%
October:	22%

November
(Before Black Friday): 41%
December: 16%

“The trend for holiday shopping starting earlier and earlier was something we commented upon in 2010, and is conclusively proving itself out,” added Passikoff. Part of the trend is rational; consumers have realized that low-lower-lowest prices are always to be found. Other parts of the trend are driven by emotional values: gratification in finding the perfect gift, no matter what time of year it is, and a reduction in the stress of having to deal with all other elements of the year-end holidays.

Only 16% of consumers – 9% fewer than 2014, and 19% fewer than 2013 – indicated they were going to wait until Black Friday to start holiday shopping, although some consumers (4%) did indicate that they would make an effort to support local businesses on Small Business Saturday.

But ultimately it comes down to the fact that 84% of consumers are planning to shop *before* the traditional Black Friday, Small Business Saturday, Sofa Sunday, and Cyber, all of which confirms that the reality of retail life is timing,” noted Passikoff, “And consumer timing is also critical when it comes to research. *When* you interview a consumer is an enormous determinant of the accuracy and reliability of the findings. Consumer mind-set matters. As does method.”

More Exacting Measures Provides More Precise Holiday Findings

Brand Keys, a leader in the field of emotional engagement, utilizes a combination of traditional interviewing techniques and validated, psychological measures that correlate very highly with consumer behavior in the real marketplace. That ensures the results are an accurate accounting of, what Passikoff calls, “what people think, and not just what they say they think.”

Where They’ll Shop

Virtually all consumers interviewed (98%) indicated they would buy holiday gifts online again this year, which has become the default venue for browsing for gift options, price-checking, and buying. Even in light of the mobile shopping movement, which has grown into a \$100+ billion industry, brick-and-mortar retailers still rank high on consumers’ list of places they intend to shop:

<u>Store Type</u>	<u>2015</u>	<u>% change from 2014</u>
Discount Department Stores	90%	- 6
Traditional Department Stores	85%	+7
Specialty & Apparel Stores	45%	+5
Price Clubs	22%	+2
Sporting Goods Stores	20%	+5
Outlet Stores	10%	NA

Catalogues (19%), are down again from last year by 6%. “It appears that if a consumer can pull up the same content on a computer, a tablet, or a smartphone they regard hard-copy as redundant and unnecessary,” noted Passikoff.

What They’ll Buy

Consumers indicated the following categories were where money was going to be spent. Changes from last year appear in parentheses):

Clothing and Accessories	75%	(-3%)
Electronics/Phones/Computer	52%	(-1%)
Personal Care Products/Spa	40%	(+7%)
Kitchen/Cookware	39%	(-7%)
Jewelry	24%	(+4%)
Food and Wine	20%	(----)
Sporting Goods	18%	(----)
Toys	15%	(- 5%)
Books	11%	(+5%)
Home Décor	7%	(----)

All other gift categories remain relatively unchanged from 2014. “Apps and downloads have replaced CDs, DVDs,” said Passikoff, “although video games are still a gift-of-choice.”

Gift Cards for All

Gift cards have become as universal as greetings cards, with nearly everyone indicating they’ll buy at least one this year (96%). That could turn out to be a \$33 billion windfall for the industry.

Value & Convenience Rule

Value is paramount for all platforms and consumer expectations regarding outreach and convenience, particularly for mobile, is up again. Shopping experience for bricks-and-mortar retail, are all up again too,” said Passikoff. Free shipping and returns, order online-pick up in store, or ship-to-store options have holiday shoppers’ attentions this year too. “But ultimately retailers that are able to better emotionally engage consumers will see larger shares of what looks to be an upcoming \$635 billion-holiday sales period.

Brand Keys (www.brandkeys.com) is the only research consultancy that specializes in customer loyalty and consumer emotional engagement metrics that accurately predict future consumer behavior. These measures enable companies and brands to anticipate shifts in what has become a more digitally driven and rapidly changing marketplace.

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