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**PRESS RELEASE
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Brand Keys 2016 Holiday Shopping Survey Finds 17-Month Election Cycle Mesmerizes Shoppers and Stupefies Sales

NEW YORK, NY November 22, 2016 – “Seventeen months of election coverage, political ads, and an unexpected presidential outcome have shifted shopper attentions away from thoughts of holiday celebrations, sugarplums, and shopping lists,” said Robert Passikoff, founder and president of Brand Keys, Inc. www.brandkeys.com, the New York City-based brand loyalty and customer engagement research consultancy. “The result? Much like this year’s election,” noted Passikoff. “More conservative holiday budgets have been set and there’s been a delayed shift in decision-making.”

Atypical Election, Atypical Holiday Spend

“This is Brand Keys’ 22nd annual national holiday shopping survey and historically this kind of shopper behavior isn’t typical of any Presidential election we’ve ever seen,” said Passikoff. The election cycle has resulted in consumers electing to make only a 1.8% increase in holiday spend this year, or an averaged \$900 spend per household. Consumers are making later decisions and plan to shop even later than previous years. “Retailers have recognized the shifts in consumer attitudes and behaviors too and have tried to offset them by kicking off Black Friday-like sales even earlier than in previous years.” According to 12,764 shoppers who participated in this year’s survey, uncertainty regarding this year’s election has created a ‘watch-and-wait,’ more cautious shopping environment.

Black Friday (and December) Should Be Big This Year For Retailers

Previous to this year, consumers had been doing holiday shopping earlier and earlier. Last year 84% of consumers reported shopping *before* Black Friday. This year only half that many consumers (41%) reported that they had shopped or intended to do so before Black Friday. When it came to holiday shopping, consumers reported the following (#s in parentheses indicate change from 2015):

Before September:	4% (-7)
September:	5% (-6)
October:	11% (-11)
November (before Black Friday):	21% (-20)
Black Friday & December:	59% (+43)

Psychological Measures Provide Insights Into Budgets & Emotions

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," something the political pollsters seemed to have missed this year.

"This year a good deal of consumer emotion and attention were spent on the election," noted Passikoff. "And it's clear that consumers were waiting for some resolution and calm before they spent a lot of energy thinking about the holidays. Based on this year's survey - although consumers have indicated that they intend to spend only a little more than last year - they seem to be seeking comfort, balance, and gratification in a stress-free period of time. Spend about the same and take the time to find the perfect gifts. If advertisers are smart they'll take all that into account when they think about brand strategies and ratchet up advertising and promotions."

Where They'll Shop

Virtually all consumers interviewed (98%) are buying online again this year - the default venue for browsing for gifts, promotions, price checking, and buying. That noted, brick-and-mortar retailers still rank high on consumers' list of places they intend to shop, with consumers, again this year, using multiple venues:

<u>Store Type</u>	<u>2016</u>	<u>% change from 2015</u>
Discount Department Stores	95%	+5
Traditional Department Stores	83%	- 2
Specialty and Apparel Stores	45%	----
Electronics	25%	- 1
Price Clubs	20%	- 2
Sporting Goods Stores	20%	----
Outlet Stores	10%	----

Catalogues (10%) are down again from last year, another 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,” noted Passikoff. “You need something very special when it comes to catalogs if you want to engage consumers.”

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	80%	(+5%)
Electronics/Phones/Computer	50%	(- 2%)
Personal Care Products/Spa	45%	(+5%)
Kitchen/Cookware	42%	(+3%)
Toys	20%	(+5%)
Jewelry	20%	(- 4%)
Food and Wine	20%	(----)
Sporting Goods	12%	(- 6%)
Books	10%	(- 1%)
Home Décor	2%	(- 5%)

Gift Cards Are Ubiquitous

Gift cards have become as universal as greetings cards with nearly everyone indicating they’ll buy at least one this year (97%). That could turn out to be a \$34 billion windfall for the industry.

Value, Convenience, and Comfort Rule

Just as in holiday seasons past, value is paramount for all platforms. Consumer expectations regarding outreach and convenience, particularly for mobile, are up again. Shopping experience for bricks-and-mortar retail, are all up too,” said Passikoff. “This year in particular, retailers that can provide a sense of consumer comfort will see better bottom lines.” Free shipping and returns, order online-pick up in store, or ship-to-store options will have holiday shoppers’ attentions this year too.

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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