

GfK survey reveals evolving trends in American holiday shopping and spending

NUREMBURG, GERMANY / NEW YORK, US: Retailers embarking on a seasonal hiring binge this year may want to rethink their plans, according to a new survey by GfK Custom Research North America. As unemployment remains above 9% and median household incomes decline, economic anxiety continues to preoccupy the thoughts of US consumers.



The sobering report issued recently by GfK indicates that this season may be one of the more challenging in memory as 84% of consumers intend to spend less or the same amount while shopping as compared to last year. Breaking down the data, GfK reports that a stunning 40% of American households will spend less this year, while 44% will mirror their spending from 2010. Only 11% plan to spend more.

What can retailers do?

Savvy retailers can move the mark this holiday season by carefully monitoring and rapidly responding to changing consumer needs. According to GfK, the most significant drivers for shopping this year will be finding the best price (96%), making it easy for consumers to find and purchase a desired item (90%) and, for online retailers, offering free shipping (90%).

"The competition between online and brick and mortar retailers will continue to intensify as the challenge for all retailers is compounded by shoppers who feel more in control of the purchasing process than ever before (70%) and who feel that retailers and advertisers have less influence over them (50%)," says Lew Paine, senior vice president, GfK Consumer. "This continues to reduce consumer loyalty to retailers. In fact, according to our *Future Buy 2011 Consumer Study*, more than half agree that they are less loyal to any one retailer because they need to shop around more to find the best value."

A potential upside for retailers and marketers is the 31% of Influential Americans®, who indicate they plan to spend more this year than in 2010, compared to 11% of general consumers. Influential Americans represent the 10% of the population most involved in creating change in society and are a key proprietary component of GfK's market research.

On-line deal sites spur sales

Regardless of where they make their final purchase, the majority of consumers will use traditional websites to find the best deal. All retailers should be aware of an impending wave of consumers looking towards deal sites and social networks that continuously engage customers and often offer the best prices. 39% of respondents agree that they will use social deal hunting websites, such as Groupon and LivingSocial, to find the best bargains this season. While some may deem these sites as a marketing fad, consumers will use deal sites and social networks to research purchases.

Among the Influential Americans this percentage rises significantly. In a sign of these sites' growing significance, six in ten (58%) Influential Americans will use deals sites and 66% will use social networks to find deals this season. The higher response among the bellwether Influentials suggests more growth for online deal-hunting.

"For on-line marketers to succeed this season, they will need to leverage all touch points of the shopping experience," said Alison Chaltas, executive vice president, GfK Interscope. "Our Future Buy 2011 Shopper Survey shows that on-line shoppers are deeply involved in the shopping experience - using blogs, research sites, couponing and email exchanges to optimise their shopping results. We are seeing a new shopping process emerge where retail marketers have less influence on buying decisions and shoppers planning and prioritising their purchases like never before."

While current indications suggest an uncertain holiday shopping season, the appeal of getting the best deal will fuel consumer shopping behaviours. The convenience trend of obtaining deals and coupons straight to one's mobile phone will continue to grow.

Home for the Holidays

While the eye of the American shopper is focused on finding the best deal, a growing number of consumers also plan to stay put this holiday season. Many Influential Americans say they will be spending less on air travel (42%) and hotel stays (33%) this year.

In addition, while consumers spend less on travel, leisure time is in transition too as Americans plan to allocate more dollars to at-home activities this year. Eight in ten Influentials plan to spend the same amount or more on at home movies, while 74% will spend the same amount or more on home entertaining than in previous years. Spending habits mirror the economic climate as consumers plan to keep their wallets closer to home.

As consumers report a reduction in the number of shopping trips they are making to stores, there is a tremendous amount of pressure on retailers to grab their attention and sales dollars as early as possible in the season.

The GfK Custom Research North America 2011 Holiday Shopping Survey

The *GfK Custom Research North America 2011 Holiday Shopping Survey* was conducted among a sample of 1007 Americans age 18 and over from September 9-11, 2011, using GfK Roper Omnibus Services OmniWeb. All interviews were conducted in GfK's proprietary web-based platform, using GfK's online panel sample. The data was weighted to match national online norms of age, sex, education, ethnicity, and geographic region.

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