Holiday Shopping 2011

What CPG Marketers Can Expect in their Stockings this Year

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Insight.
Innovation.
Impact.

Methodology

Survey of 2,000 Respondents

- Online
- Conducted September 2011
- Nationally Representative Sample

SymphonyIRI Group Point of View

- Detailed findings to be published in mid-October in SymphonyIRI Group's *Point of View: Holiday Shopping 2011*

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Agenda

1. **Economic Backdrop**
2. Holiday Gift Giving
3. Holiday Celebrations: Food & Beverage

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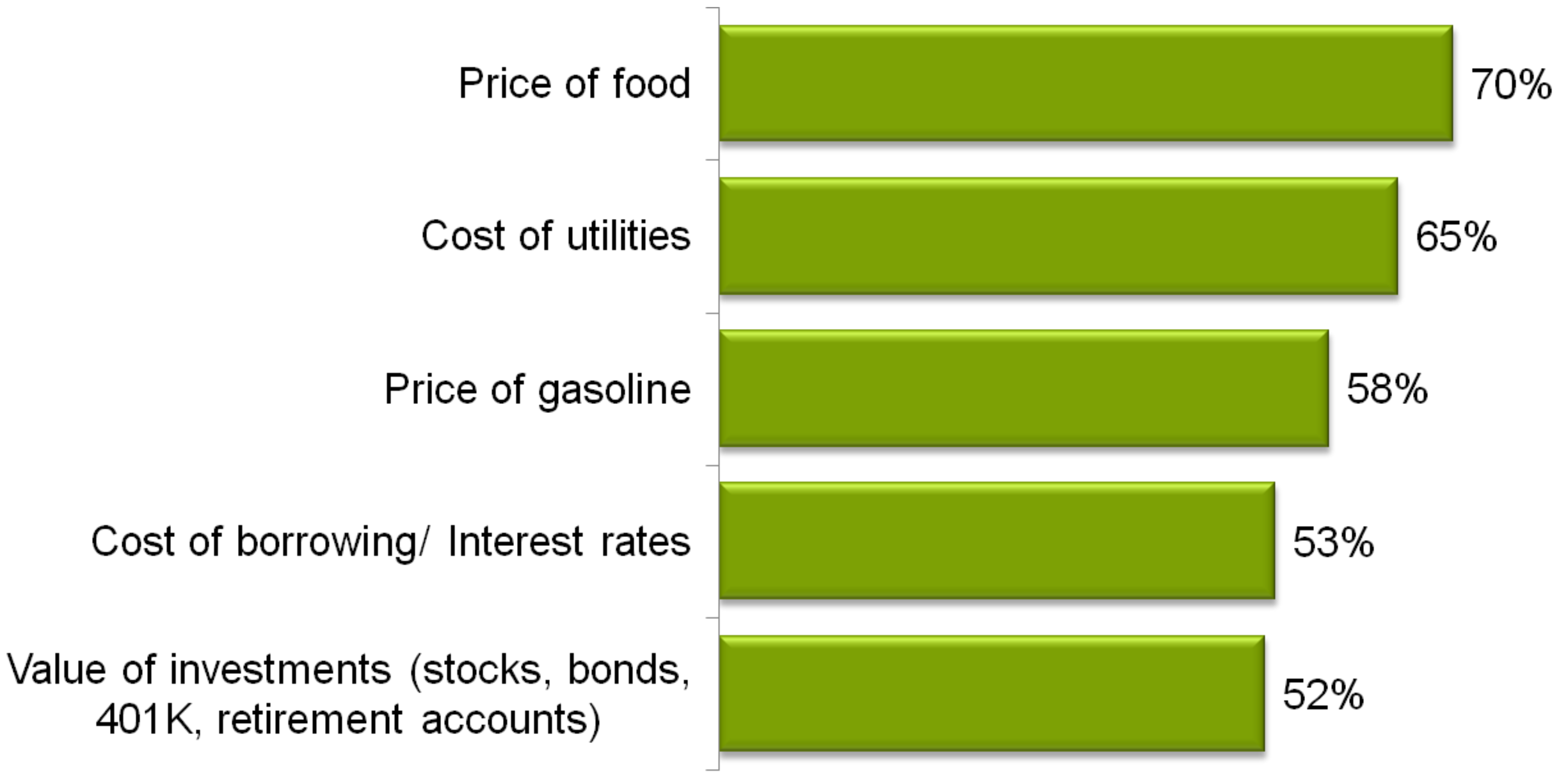
In September, a majority of consumers expressed concern that financial conditions will deteriorate in the coming year.

Expected Trend in Next 12 Months: Deteriorate
% of Shoppers- Top 2 Box Responses



Source: SymphonyIRI MarketPulse Survey September 2011

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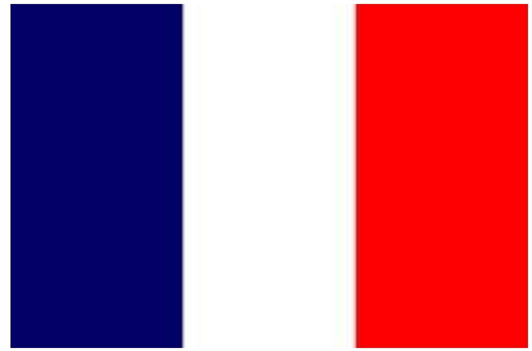
Since then, global financial markets have continued to falter...



Source: NY Times, October 5, 2011; September 24, 2011

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…dampening consumer confidence...

*"The pessimism that shrouded consumers last month has spilled over into September. Consumer expectations…plummeted in August... (In September however), consumers expressed greater concern about their expected earnings, a sign that **does not bode well for spending**."*

~Lynn Franco
Director, The Consumer Conference Board
Consumer Research Center

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…And incenting consumers to ring in the holidays with prudence.

82%

of consumers

indicate that increased concern about the economy is negatively impacting holiday budgets

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While many consumers will maintain conservative patterns evidenced last year, others will cut back even further.

Holiday Budgets

% of Consumers Planning to Spend Less in 2011 v 2010

11% *holiday beer, wine & spirits*

16% *celebration-related food & beverages*

26% *gifts*

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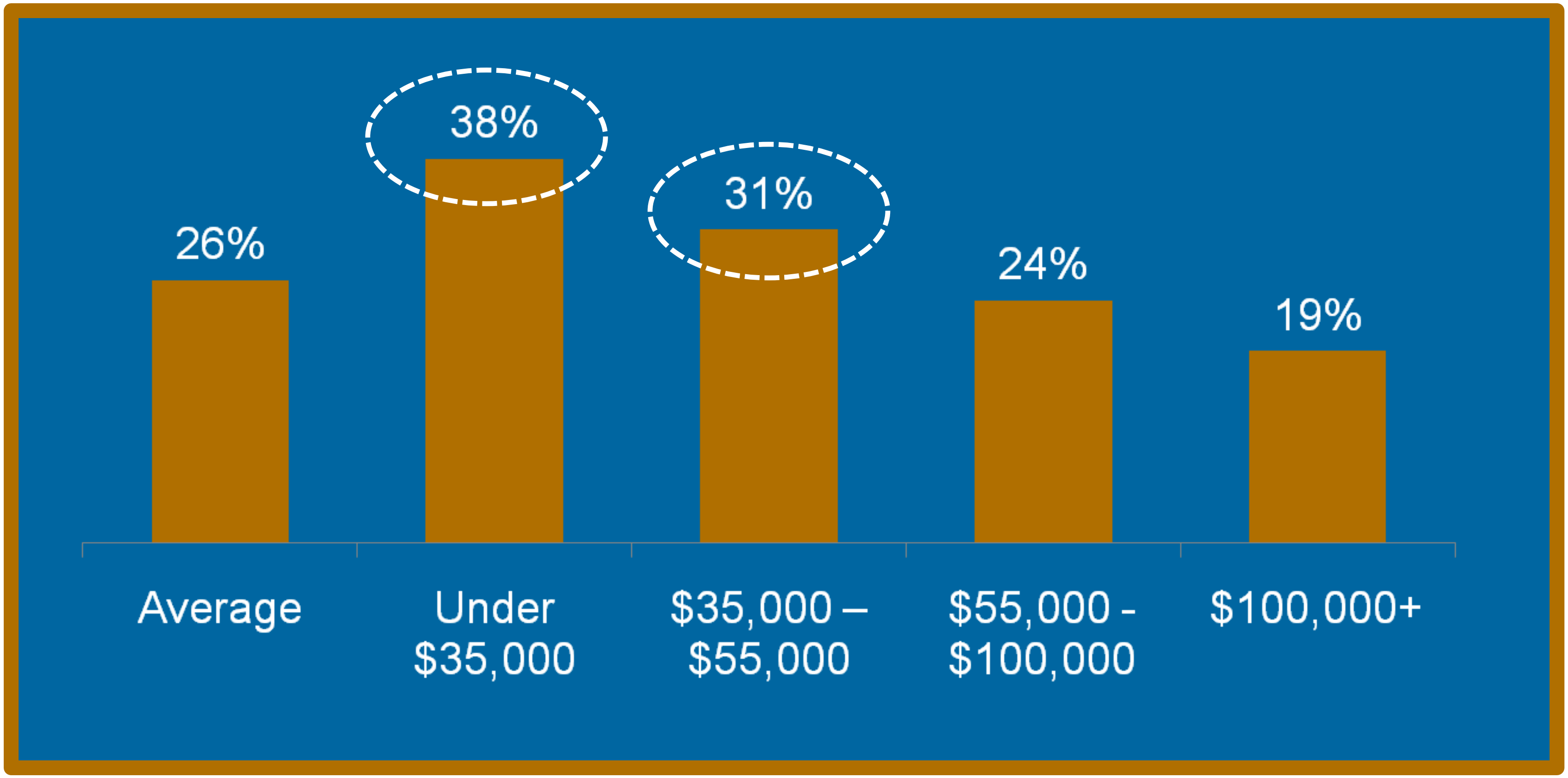
When it comes to gift giving, list-trimming is occurring across income segments….

Consumers Reducing Holiday Gift Spending
By Income



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…despite the fact that consumers are looking to fill their sleighs with gifts that are special.

74%

of consumers

want to buy nice gifts, but will do what they can to keep costs down

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To that end, a variety of money-saving strategies are being embraced this year.

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Shopping lists are pervasive, and spontaneous purchases will be greatly limited.

32%

of consumers

are relying more heavily on premade lists

39%

of consumers

are buying less unplanned/ additional items

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Consumers will hit the stores early, with 20% starting earlier this year than they did in 2010.

73%

of consumers

will begin shopping before December 1

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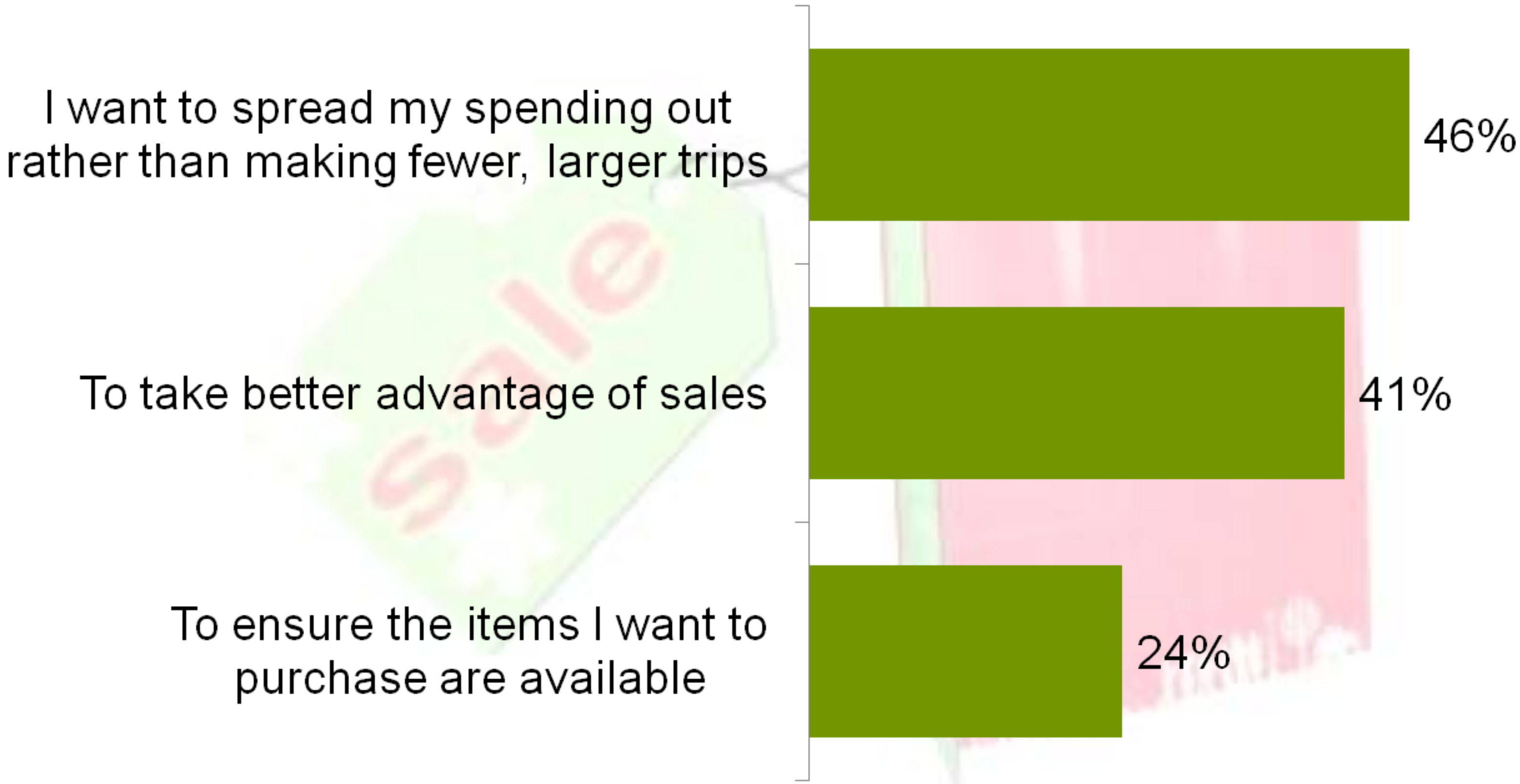
While availability is important, many time their holiday shopping in order to accommodate budgetary needs.

Reasons for Shopping Earlier
% of Consumers



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And, an important theme this holiday season is *e-coupons*!

% Consumers Using Coupon Source More Heavily in 2010 versus 2011

Group Couponing Sites

61%

Social Networking Sites

48%

eMail

42%

Manufacturer Web Sites

42%

Retailer Web Sites

44%

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In fact, new media will be heavily leveraged by consumers looking to find good deals this holiday season.

% Consumers Relying More Heavily on Deal Information Sources in 2010 versus 2011

Promotions learned about online	**48%**
Promotions learned about via smartphone	**44%**
Online product comparisons	**43%**

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What types of gifts are in the cross-hairs this season?

Consumers will continue to trim back reliance on credit in favor of more liquid means of payment.

% Consumers Using Payment Same or More in 2011 versus 2010

✓ **Holiday Savings Account**	29%
✓ **Debit**	21%
✓ **Cash/Check**	18%

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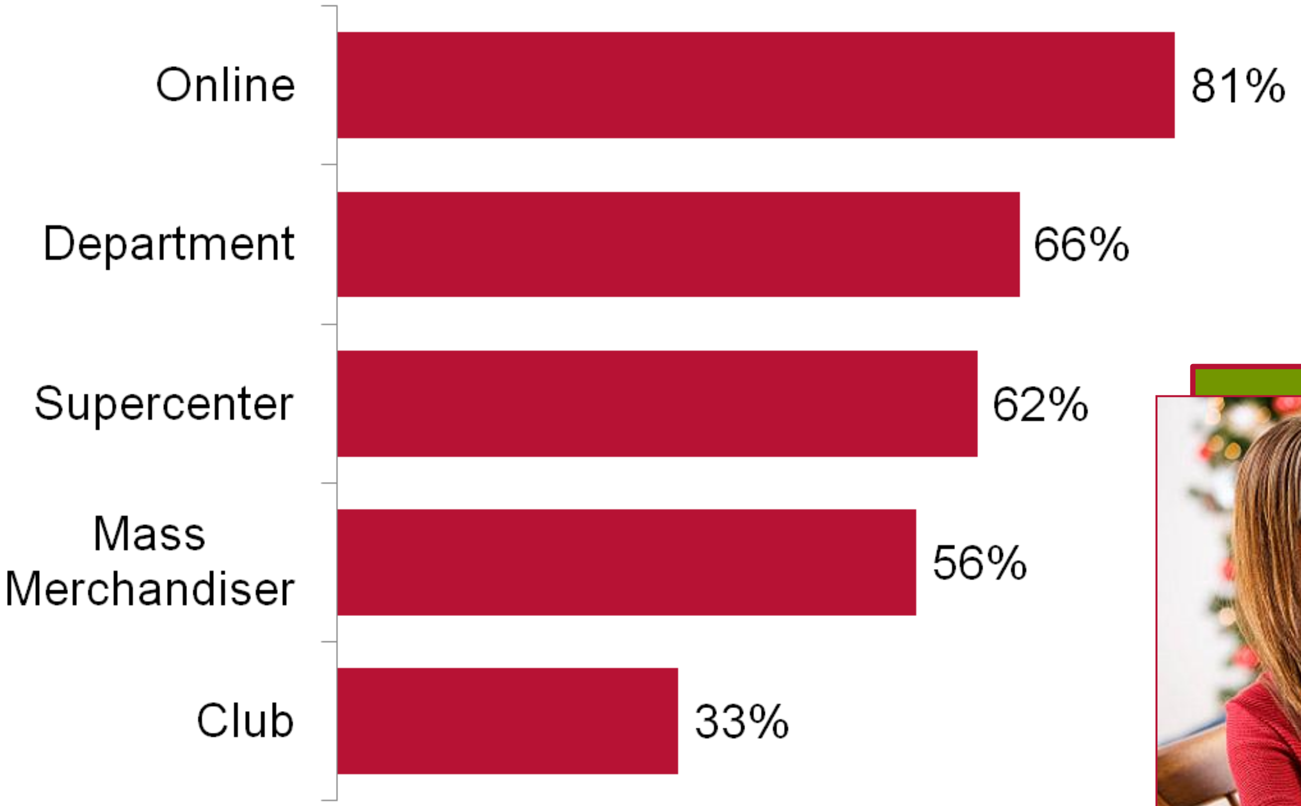
The Internet will be "channel of choice" for more than two-thirds of gift-shoppers this year…

Most Heavily-Planned Channels for Holiday Gift Shopping
2011 vs 2010



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…for money-saving opportunities, as well as convenience.

Reasons for Shopping Online
% of Consumers

Convenience	
Shop 24 hours a day	85%
Save time	79%
Avoid Crowds	79%
Selection	59%

Savings	
Comparison shopping	70%
Low prices	60%
Save gas	60%
Better sales/promos	57%

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The holiday table will also be marked by simple elegance this holiday season.

71%

of consumers

want to put together the best meals possible, but will do what they can to keep costs down

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In fact, nearly one in five consumers plan to slash their holiday celebration budget in 2011.

16%

of consumers

plan to *spend less* on celebration-related food & beverages this holiday season

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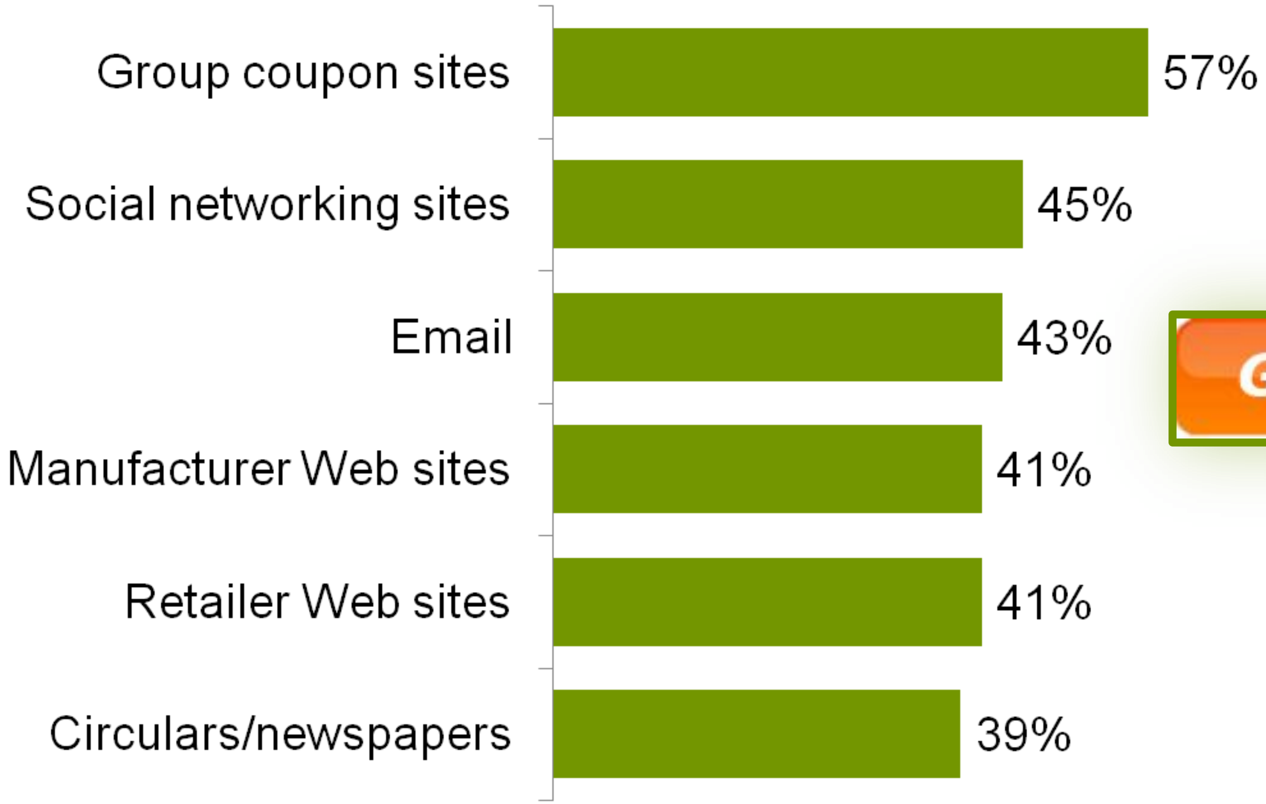
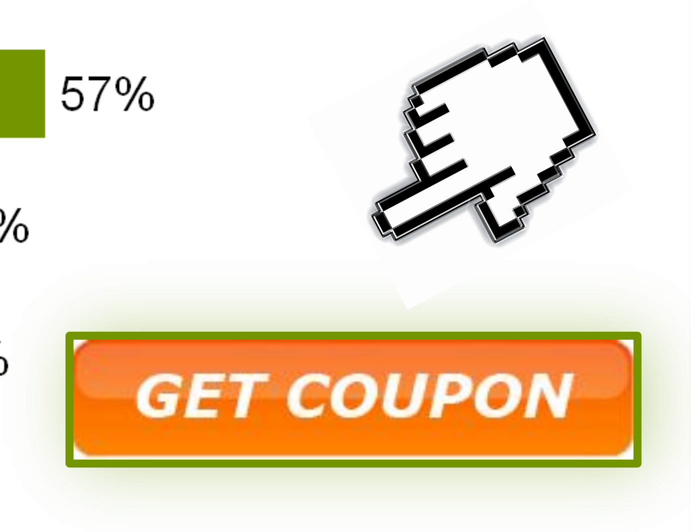
New media will play an essential role in delivering coupons into the hands of consumers…

% Consumers Using Coupon Source More Heavily in 2011 versus 2010





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…while also offering quick and easy shop-around opportunities.

38%

of consumers

will compare holiday celebration-related food and beverage options online more frequently this year versus 2010

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Of course, "tried and true" methods of savings will also be quite prevalent this year…

% Consumers Using Saving Strategy More Heavily in 2011 versus 2010

In-store promotions	**39%**
Credit card/store rewards points	**37%**
Shopper loyalty discounts	**37%**
Promotions learned about on TV/Radio	**30%**

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…And opportunities to save with private label solutions will be broadly embraced.

Motivators of Private Label Purchase
% of Consumers

90%
of consumers

will purchase store brand food and beverage solutions

with the same or increased frequency versus previous years

Less expensive than national brand options	78%
Quality is the same as nationally branded solutions	52%
Promotions make store brands even more attractive	31%

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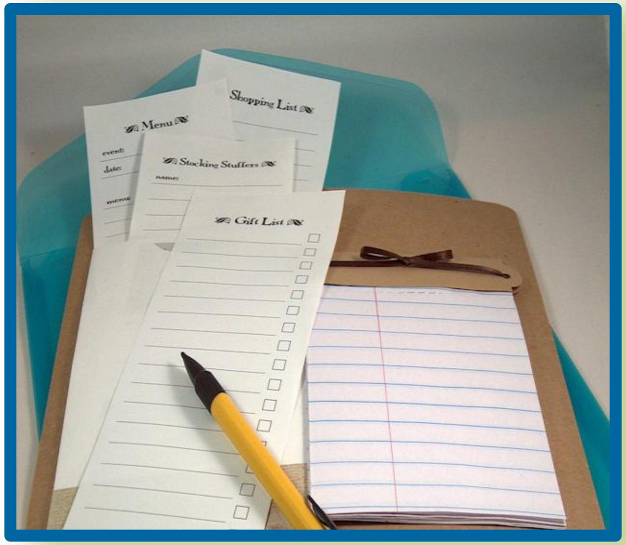
"The list" will dominate holiday feasts this year, as planning is a key money-saving strategy.

35%

of consumers

are buying less unplanned items



32%

of consumers

are relying more heavily on premade lists

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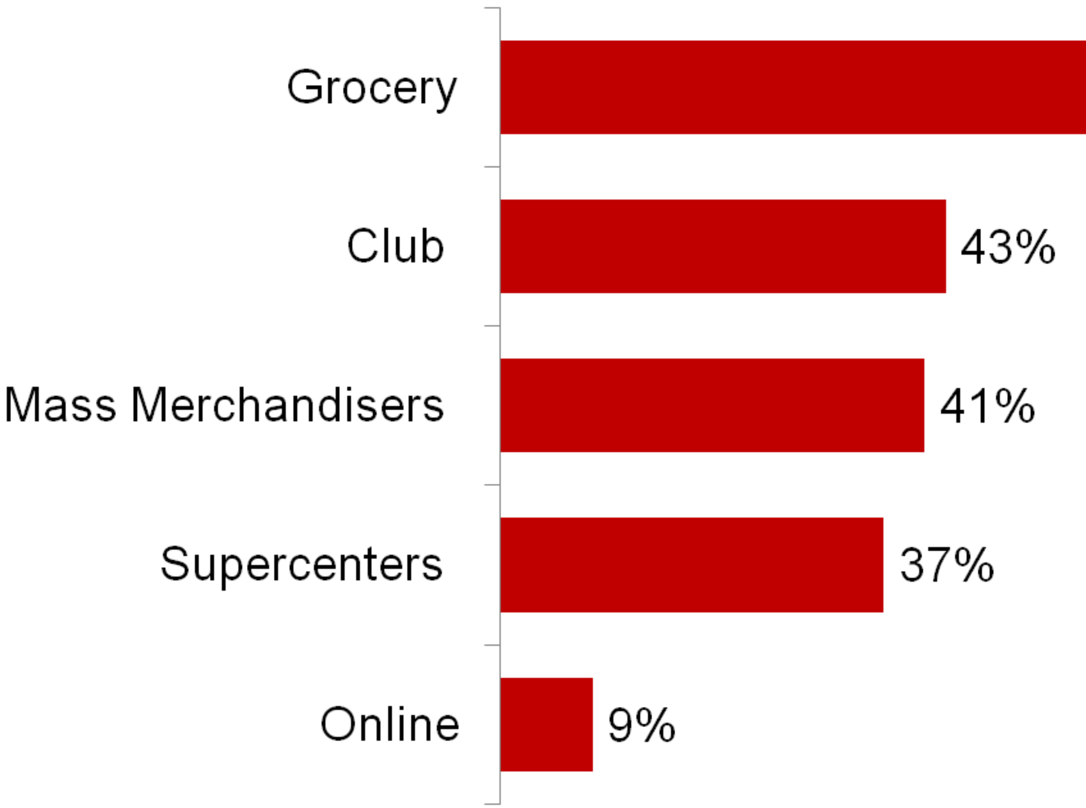
The grocery channel will be the most widely-visited outlet for holiday celebration preparation.

Most Heavily-Planned Channels For Purchase of Holiday Food & Beverages
2011 versus 2010



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Conclusions

1. Festive but Frugal in 2011
2. Get an Early Jump on Savings
3. Something Old, Something New: Media
4. “The List” is Critical
5. Complementary In-store Efforts a Must

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