

AUTOMOTIVE

BEAUTY

COMMERCIAL TECHNOLOGY

CONSUMER TECHNOLOGY

ENTERTAINMENT

FASHION

FOOD & BEVERAGE

FOODSERVICE

HOME

OFFICE SUPPLIES

SOFTWARE

SPORTS

TOYS

WIRELESS

HOLIDAY SPENDING SURVEY

October 2011



Behind Every Business Decision

Objectives:

- To understand consumers' spending intentions for the upcoming holiday season.
- Where applicable, to compare current intentions to prior years' results to uncover trends and help put results in perspective.

Methodology:

- An online survey was fielded to members of NPD's online consumer panel from September 7 through September 15, 2011. The survey was fielded to a U.S. representative sample. The results of 3,681 completed surveys are presented in this report.

Consumers Remain Cautious

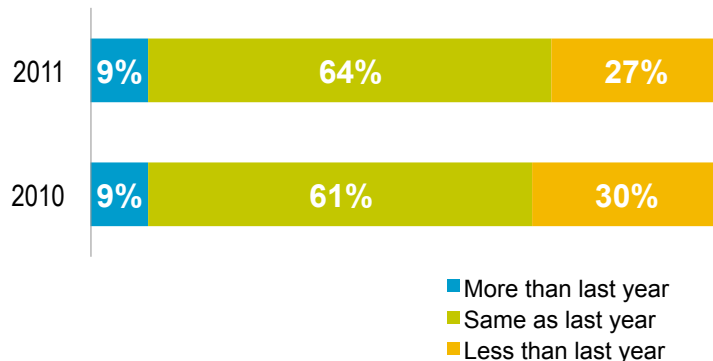
Nearly two-thirds of consumers (64%) plan to maintain their holiday spending in 2011, up from 61% in 2010. Over one-quarter of survey respondents (27%) say they plan to spend less, and only 9% say they plan to spend more. This year, the average consumer plans to spend about \$572, up \$46 from last year.

Younger consumers, particularly those aged 18 to 24, plan to spend much less this holiday season than older consumers.

Not surprisingly, consumers with the highest incomes (\$75K+) plan to spend the most this holiday season, with plans to spend over twice as much as those with the lowest incomes (< \$25K).

Q2. Compared to last year, do you plan to spend ...?

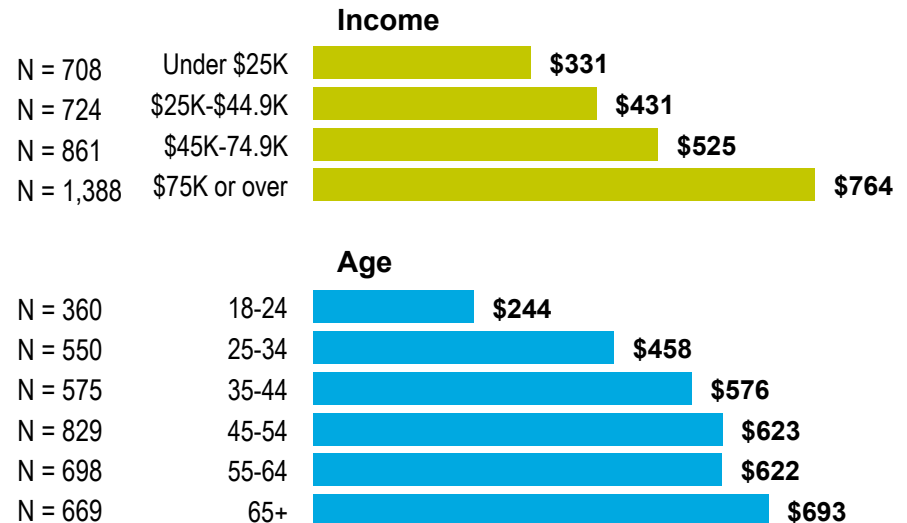
Holiday Spending Intentions



Q1. How much do you plan to spend on holiday shopping this year?

Mean Spending Dollars

Mean (Excluding Zero) = \$572 (\$526 in 2010)



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By Category, Consumers' Purchasing Plans Are Similar To Last Year

Clothing (43%), **toys** (31%), **books** (21%), **movies** (19%), **food** (14%), and **fragrances** (14%) are the top 6 items on 2011 holiday shopping lists.

Last year's actual reported purchases indicate that **clothing** ended up in a greater percentage of consumers' baskets than planned. Last year, 42% of consumers reported plans to purchase clothing as holiday gifts; 47% of consumers reported that they actually purchased clothing as part of a holiday gift in 2010.

Q4. Which of these types of products did you buy last year for holiday gifts?

Q5. Which of these products do you plan to buy as holiday gifts this year?

	2011	2010 Plans	2010 Actual		2011	2010 Plans	2010 Actual
Clothing	43%	42%	47%	Electronics	5%	5%	7%
Toys	31%	32%	33%	Watches	4%	3%	6%
Books	21%	23%	23%	Appliances	4%	5%	4%
Movies/DVDs	19%	24%	25%	Office Supplies	4%	3%	4%
Food	14%	15%	16%	Cell Phones/Smartphones	2%	2%	3%
Fragrances	14%	13%	16%	Cameras	3%	4%	6%
Video Gaming Systems or Video Games	13%	15%	16%	Laptops	3%	3%	4%
Music	13%	14%	13%	Televisions	3%	2%	4%
Small Personal Accessories	9%	11%	12%	Automotive Products/Accessories	3%	3%	3%
Fashion/Costume Jewelry	9%	8%	11%	E-Readers	3%	2%	4%
Home/Holiday Decorations	9%	10%	12%	MP3 Players	2%	3%	5%
Housewares	9%	7%	9%	Tablets, i.e. iPads, etc.	2%	1%	1%
Sporting Goods/Equipment	8%	8%	9%	Sunglasses	2%	1%	2%
Footwear	8%	9%	10%	Computer Software	2%	2%	3%
Fine Jewelry	6%	6%	9%	Computer Peripherals	2%	2%	2%
Home Improvement Products	6%	5%	7%	Camcorders	1%	1%	1%
Skin Care Products	6%	5%	7%	Luggage	1%	1%	1%
Bags	6%	5%	7%	Desktop Computers	1%	1%	1%
Makeup	5%	5%	7%	None of These	31%	30%	22%

N 2011 = 3,681 N 2010 = 2,003



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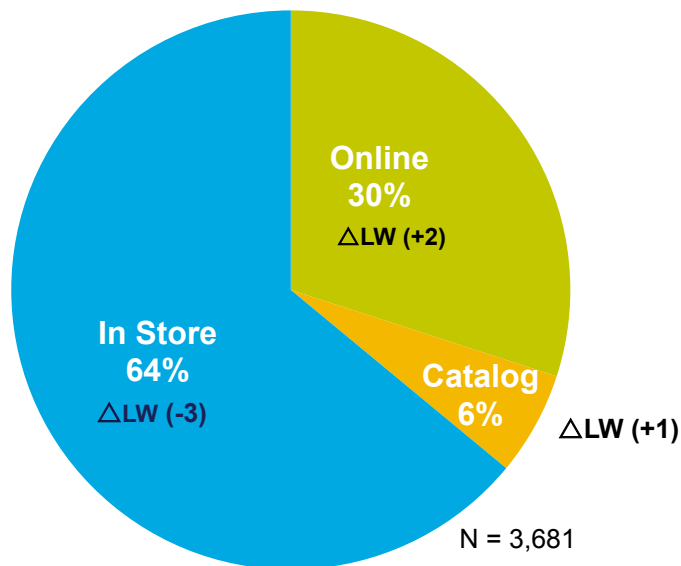
Consumers Plan To Complete Nearly One-Third Of Their Holiday Shopping Online This Year, Up Slightly From Last Year

There is no difference between men and women in terms of the amount of holiday shopping they plan to accomplish online this year.

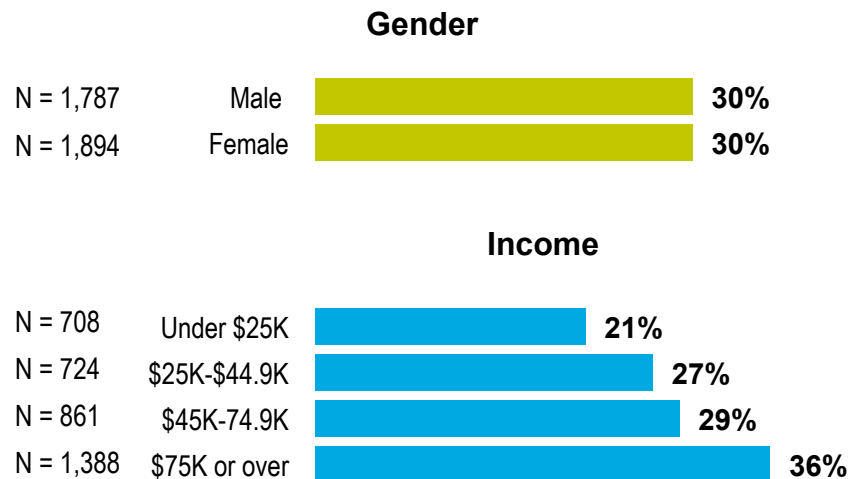
Consumers with the highest household incomes plan to do 36% of their holiday shopping online this year, while consumers with the lowest household incomes plan to accomplish just 21% of their holiday shopping online.

Q9b. Approximately what percent of your holiday shopping do you plan to do online or through catalog vs. in an actual store?

2011 Shopping Plans: Purchase Method



% of Planned Online Shopping in 2011 Holiday Season



Nearly Two-Thirds Of Consumers (62%) Will Research Their Holiday Purchases Before Buying

62% of consumers plan to do some sort of pre-shopping research. Consumers will rely most heavily on the Internet for their pre-shopping research (50%), followed by catalogs (22%), and consumer reviews (20%).

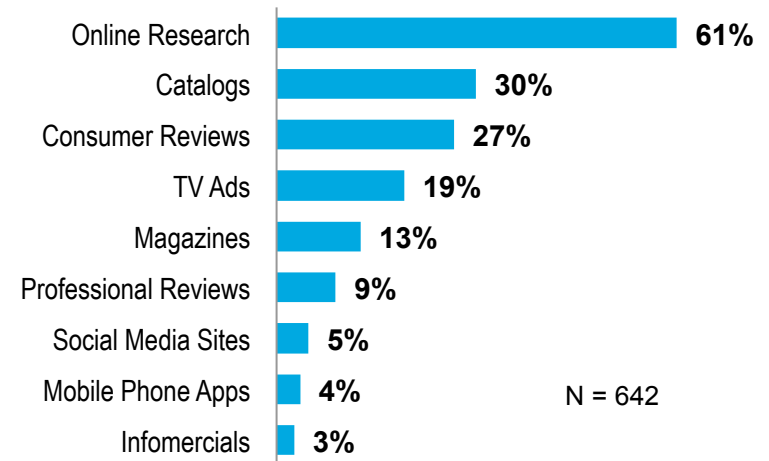
Consumers who plan to spend the most this year (\$750+) are the most likely to do their homework before shopping, with 74% of these consumers saying they will do some sort of pre-shopping research. Among these consumers, 61% will do online research, 30% will look to catalogs and 27% will reference consumer reviews.

Q11a. Do you plan to use any of the following to do your homework before you make your holiday purchases?

2011 Pre-Shopping Homework



% of Consumers Who Plan to Spend the Most (\$750+) Doing Pre-Holiday Shopping Homework



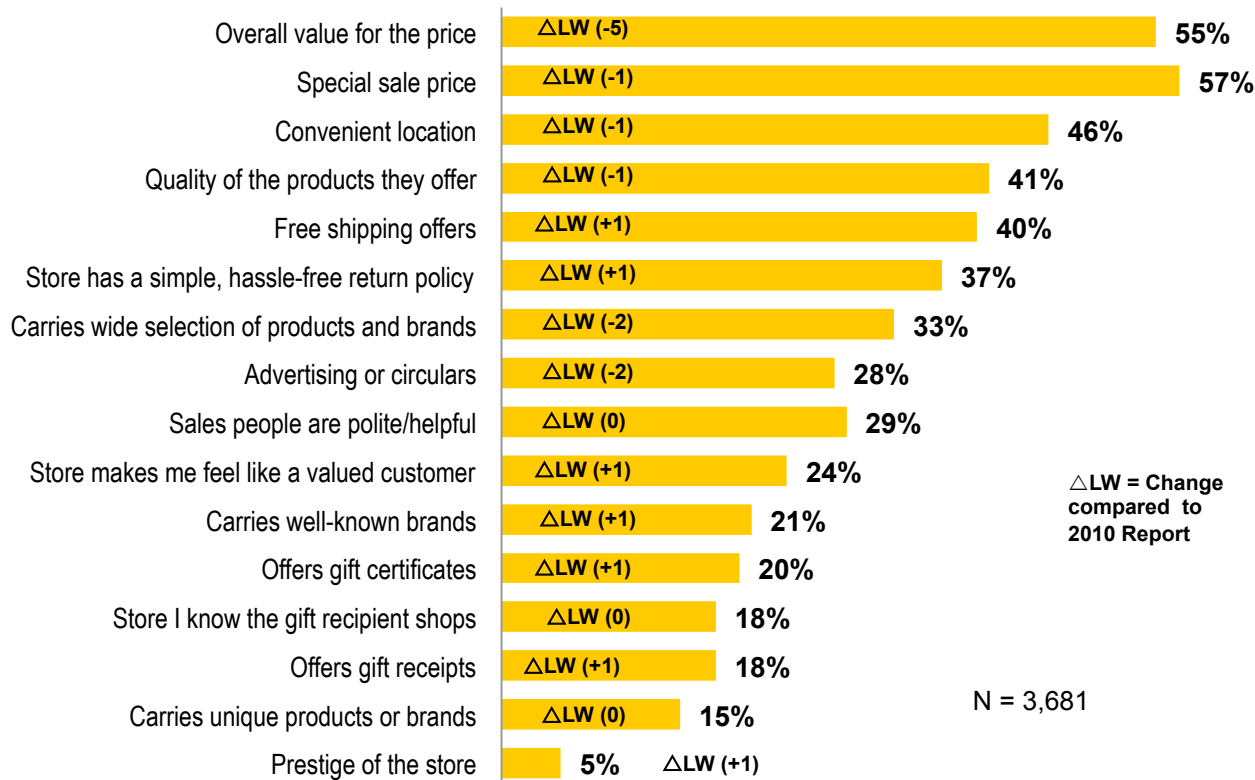
Like Last Year, Consumers Look For Value and Sales In Determining Where To Shop For Holiday Gifts

Having a convenient location (46%), offering quality products (41%), and offering free shipping (40%) round out the top 5 factors that influence where consumers will shop for holiday gifts.

Of lesser importance to consumers' decision of where to shop for holiday gifts is a store's prestige (5%), carrying unique products/brands (15%), offering gift receipts (18%), and being a store the gift recipient shops (18%).

Q11. Which of the following factors will influence where you shop this year for gifts?

% Saying They Agree With:



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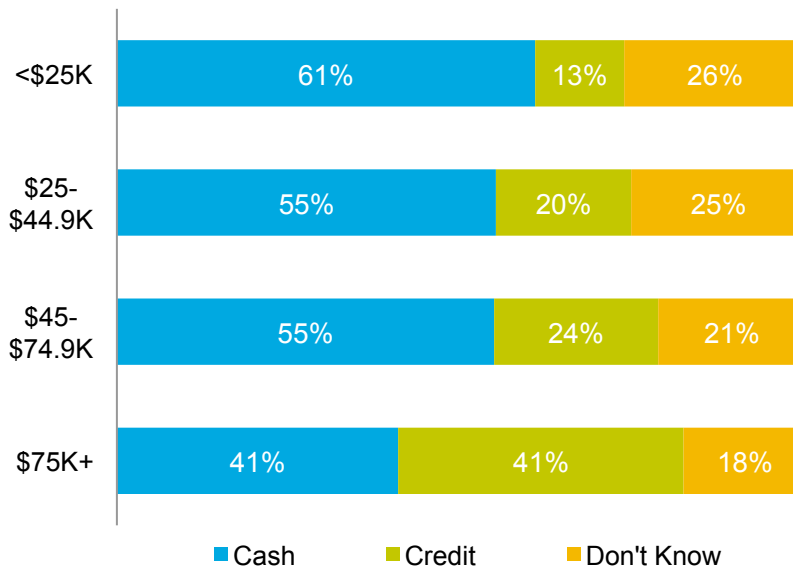
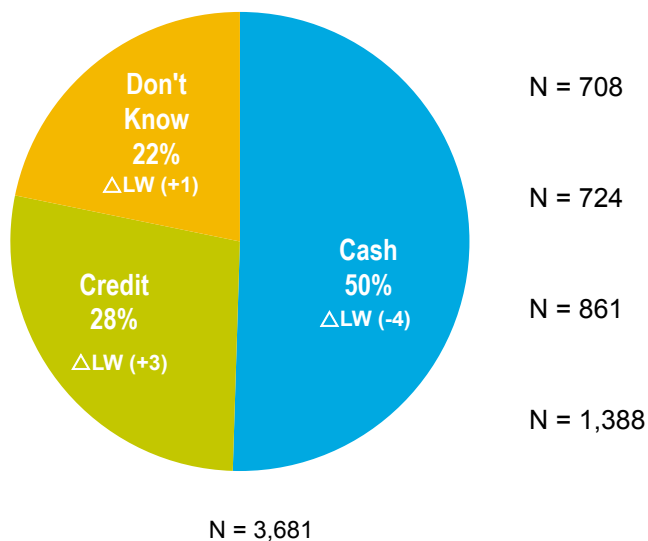
Consumers Plan To Do More Of Their Holiday Shopping With Cash (50%) Than With Credit (28%)

The percentage of consumers who plan to do more of their shopping with cash is down slightly from 54% in 2010 and from 56% in 2009.

Consumers who plan to use cash more often have household incomes of less than \$25K (61%). Just 13% of consumers in this household income group plan to use credit.

Q14. Will you spend more of your holiday shopping dollars with...

Plan to Do More of Your 2011 Holiday Shopping With:



ΔLW = Change compared to 2010 Report