

Spending Intentions Strong for Thanksgiving Weekend

Physical Stores Retain Primacy in Omni-Channel Environment

Key Takeaways

- This year, shoppers plan to spend \$555 on goods and services during the four-day Thanksgiving weekend.
- Nearly half of shoppers plan to spend more than they did in 2017, increasing their overall expenditures by about 21%.
- More than four-fifths (83%) of Thanksgiving weekend shoppers plan to make purchases in physical stores, a percentage that rises to 93% when those who will purchase online from retailers with stores are included.
- More than three-quarters (77%) of click-and-collect shoppers expect to make an additional purchase when picking up their items.
- Thanksgiving weekend shoppers intend to allocate nearly seven of every 10 dollars they spend on goods to retailers with physical stores.
- The largest share of shoppers expects to purchase apparel/footwear during the holiday weekend. Electronics, toys and home goods are some of the other popular items to be bought.
- The greatest shares of shoppers intend to buy key products in stores or online from retailers with physical locations.
- Discount department stores will be the most popular type of retailer for purchases during Thanksgiving weekend.
- Nearly three-quarters of shoppers will visit shopping centers/malls on Thanksgiving Day/Black Friday. Slightly more will visit on Black Friday than on Thanksgiving Day.

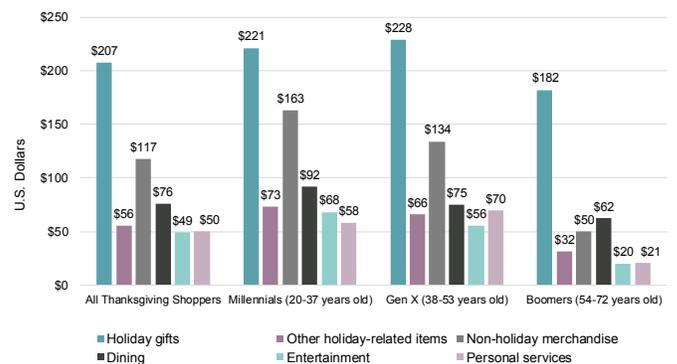
The extended Thanksgiving weekend (Thursday, November 22-Sunday, November 25) marks the “traditional” kickoff of the holiday season. Survey results¹ for this period confirm trends apparent in previous ICSC consumer surveys: the rise not only of the omni-channel shopper, but also of the omni-purpose one—those who go to shopping centers/malls not only for shopping, but for other reasons.

In addition to starting off the holiday season, the holiday weekend is also about snagging some of the years’ best deals on merchandise, and the hunt for those greatly benefits retail stores. Searching for discounted items encourages more trips to physical establishments and increases the amount of time shoppers spend there. Additionally, buying items at a discount leads shoppers to buy more because they feel they are getting a lot for their money. All of this adds up to a four-day weekend enjoyed by shoppers, retailers and shopping centers.

Higher Expenditures Planned for Thanksgiving Weekend

The more than eight of 10 (83%) consumers who plan to spend during the *Thanksgiving weekend intend to allocate an average of approximately \$555 for goods and services*. Roughly 68% (or \$380) of overall spending will be on goods (including holiday gifts, other holiday-related items and non-holiday merchandise), while 32% (or \$175) will be on services (such as dining, entertainment and personal services). (See Chart 1.) For nearly half (46%) of shoppers, spending will be more than last year and just over one-third (36%) plan to purchase about the

Chart 1
Thanksgiving Weekend Spending Intentions by Category and Generation

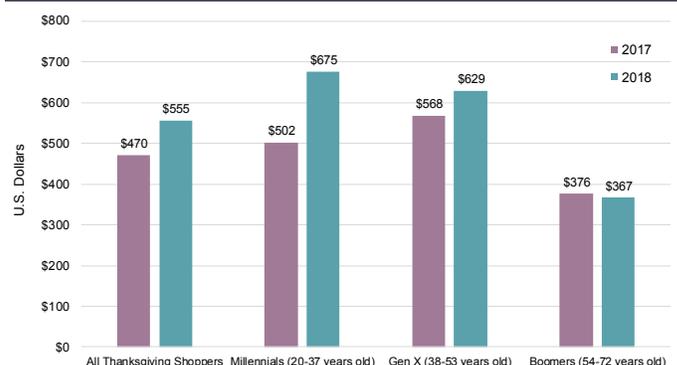


same amount. Overall, those planning to spend more will increase spending by about 21% over 2017.

Approximately 69% of planned spending on goods only will be holiday-related during Thanksgiving weekend, while the remaining 31% will be on non-holiday merchandise, confirming that *many shoppers use this time of the year to make purchases they may have delayed to take advantage of seasonal promotions*.

By generation, Millennials expect to spend the most (\$675) during the weekend—just 7% more than Gen X (\$629), but 84% more than Boomers (\$367). Total expenditures for the two younger groups are higher than in 2017, but Baby Boomers’ spending is expected to be slightly lower. (See Chart 2.)

Chart 2
Total Thanksgiving Weekend Spending Intentions by Generation



Related to spending, it is worth pointing out the impact of pre-Black Friday promotions on sales during the actual holiday weekend. *Half (50%) of shoppers say they plan to take advantage of deals they find earlier in November and as a result, shift spending away from Thanksgiving weekend*. This is critical to remember as so much emphasis is given to spending during the four-day holiday period as a bellwether for sales during the entire season.

¹ These results and others in this report are based on a representative poll of 1,004 adults in the U.S., conducted between November 1 and 4, 2018, by Engine Insights on behalf of ICSC.

Physical Stores the Foundation of Consumer Shopping

Consistent with previous consumer intention surveys conducted by ICSC and observed again in this one, shoppers are embracing integrated shopping experiences. **For their goods-related purchases (\$380), an overwhelming amount of shoppers (83%) intend to buy at brick-and-mortar locations during the four-day weekend.** (See Table 1.) That share rises to 93% of Thanksgiving weekend shoppers making purchases from traditional retailers when taking into account the 57% of them who will buy online from those companies. Slightly more than two-fifths (44%) expect to buy online from a retailer with a physical presence and have the goods shipped home, while almost as many (40%) will pick up their online orders in store.

Table 1
Thanksgiving Weekend Shoppers and Expenditure Shares by Retail Format

Retail format	Percent of Thanksgiving weekend shoppers		Percent of total Thanksgiving weekend expenditures on goods	
	Percent of Thanksgiving weekend shoppers	Percent of Thanksgiving weekend shoppers	Percent of total Thanksgiving weekend expenditures on goods	Percent of total Thanksgiving weekend expenditures on goods
Physical stores	83%	93%	41%	69%
Online from retailers with stores	57%		28%	
.....Ship to home/office	44%		14%	
.....Pick up in store	40%		14%	
Pure online retailers	62%		27%	
.....Amazon	59%		23%	
.....All other pure online retailers	21%		4%	
Other sources	19%		4%	

In addition, those planning to buy online but collect their items in store will continue shopping. **More than three-quarters (77%) of click-and-collect shoppers expect to make an additional purchase** at that store/tenant, an adjacent establishment, or another unit within the same shopping center.

Also shown in Table 1, 69% of Thanksgiving weekend expenditures on goods will occur in physical stores/establishments or online from retailers that have a physical presence. Proof that traditional retailers are greatly expanding their online experience, **shoppers plan to allocate slightly more (28%) of their total dollars for goods online to retailers with stores than pure online companies (27%).**

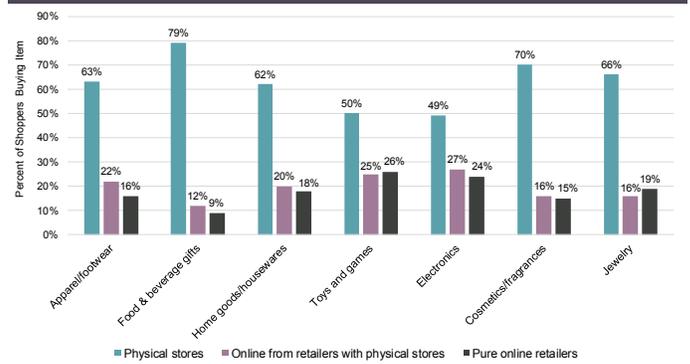
Brick-and-Mortar Locations the Dominant Format for Making Purchases in Top Merchandise Categories

Among key product categories, apparel/footwear (76%) are expected to be the most popular items purchased during the holiday weekend. Closely following that are electronics, toys, food and beverage (F&B) gifts and home goods, with 71% of shoppers indicating each. Cosmetics/fragrances (51%) and jewelry (45%) were less popular.

For each product category, **the largest shares of shoppers plan to buy them from retailers with physical stores (either in store or online) compared to pure online retailers.** (See Chart 3.) There are slight differences by category, however. The largest shares of shoppers use physical stores for F&B gifts, cosmetics and jewelry. More consumers are willing to use online channels to buy toys and electronics than other products.

When asked about all the purchases they plan to make during Thanksgiving weekend, shoppers say in-store promotions/displays (30%) and websites/mobile apps/email ads (25%) will have the most influence on what they buy. Store hours, catalogs, social media and TV ads are less impactful.

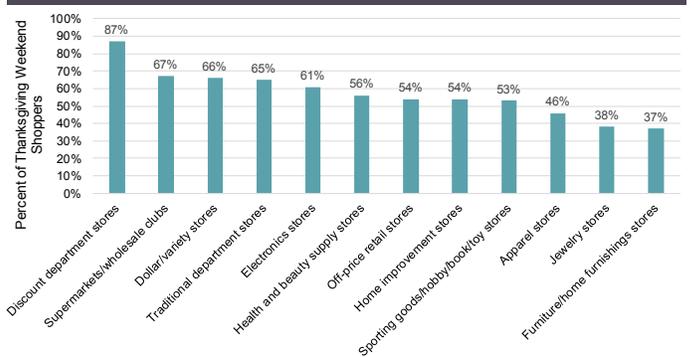
Chart 3
Thanksgiving Weekend Product Purchases by Purchasing Channel



Discount Department Retailers Most Popular

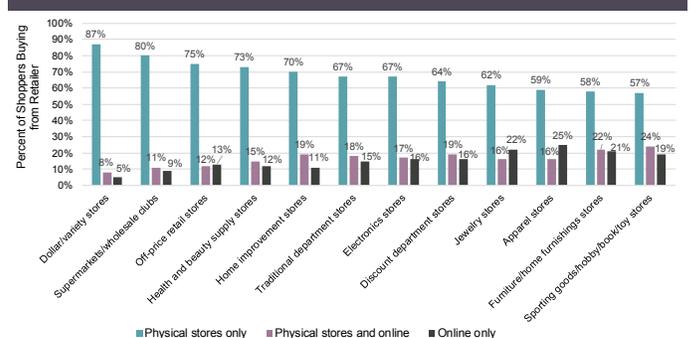
Nearly nine of 10 (87%) Thanksgiving weekend shoppers expect to spend at discounters during that time. Also popular among this group will be wholesale clubs/supermarkets (67%), dollar/variety stores (66%), traditional department stores (65%) and electronics stores (61%). (See Chart 4.)

Chart 4
Popular Types of Retailers Among Thanksgiving Weekend Shoppers



For each type of retailer, as shown in Chart 5, **shopping in their physical locations is significantly more popular among shoppers than shopping in store and online or solely online.** This is particularly true for dollar/variety stores, supermarkets/warehouse clubs, off-price retail stores and health and beauty supply stores. Though physical stores are still dominant, for apparel stores, home furnishings stores and sporting goods/hobby/book/toy stores, larger shares of consumers plan to use

Chart 5
Purchasing Channel Used by Retailer Type



both in store and online channels or online only compared with the other retailer formats.

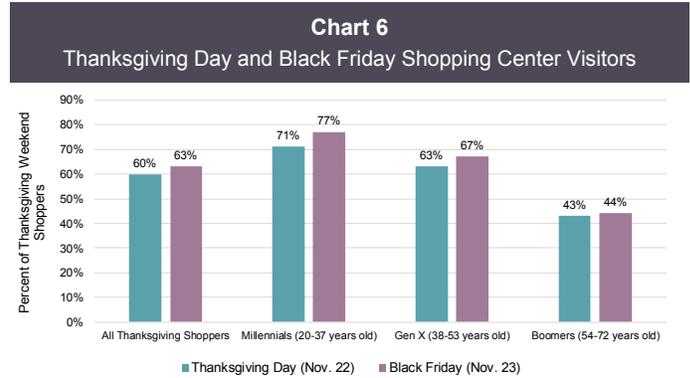
One other point about discounters during the holiday season: these retailers, will be the **most popular for shoppers purchasing toys**. About 78% of adults buying those items this season say that given the recent Toys R Us store closings, they plan to shop from discount department stores instead.

Expect Busy Shopping Centers on Thanksgiving Day and Black Friday

Nearly three-fourths (71%) of shoppers intend to visit a shopping center/mall on the Thursday and/or Friday of the holiday weekend for **shopping and non-shopping activities**. More specifically, as shown in Chart 6, three-fifths (60%) of shoppers will go to a shopping center/mall on Thanksgiving and slightly more than that (63%) will visit on Black Friday. Over both days, higher shares of Millennials (83%) will go to one of these destinations compared to Gen Xers (75%) and Baby Boomers (55%).

While most will go to a shopping center to shop during these two days, proportionally fewer will do so on Thanksgiving Day (60%) than on Black Friday (70%). On Thursday, greater proportions of shopping center visitors will go for non-shopping, experiential purposes such as seeing a movie, dining, attending holiday events, participating in philanthropic campaigns and having their child's picture taken with Santa than on Friday.

Overall, 74% of shoppers who intend to visit a shopping center, will shop on Thanksgiving Day and/or Black Friday—and may also engage in other activities. However, the balance (26%) of shoppers planning to go to a shopping center strictly intend to do other activities and not shop. **This should be kept in mind when**



discussing store visits, as these alone do not account for all traffic to a shopping center or mall.

Conclusion

The results of this latest ICSC consumer survey amply demonstrate that shoppers will not purchase items solely online or through physical stores—though the latter format is still the hub—but in both channels during Thanksgiving weekend. Shopping centers too, hold an advantage during the holiday weekend as they entice deal-seekers with unique experiences, entertainment and a convenient shopping environment.