

Physical Stores to Retain Shopper Loyalty Over Thanksgiving Weekend

Omni-Channel Boosting Outlook Amid Changing Consumer Patterns

The following highlights about shopping intentions for the 2017 Thanksgiving holiday weekend are based on a representative sample of 1,026 adults in the U.S., which was conducted between November 2 and 5, 2017 by ORC International on behalf of ICSC.

SECTION A: STRONG THANKSGIVING WEEKEND SPENDING (p. 2)

- About 59% of adults in the U.S. plan to spend during Thanksgiving weekend this year. Many plan to shop in stores on Thanksgiving Day (16%), Black Friday (41%) and Saturday/Sunday (29%). (Chart 1)
- Thanksgiving weekend shoppers plan to spend an average of \$470.20 on goods and services. Of that amount, 44% will go towards holiday gifts, 26% to non-gift items, 14% to dining, 9% to entertainment and 7% to personal services. (Chart 2)
- More than four-fifths (84%) of shoppers will purchase more than, or the same amount as, they did last year. (Chart 3)
- Three-fifths (63%) of Thanksgiving weekend's spending on goods will be devoted to gifts, with 37% on non-gift items. (Chart 4)
- About 85% of shoppers say that promotions are likely to influence products they buy intended as gifts, while fewer, 62%, say the same about products they plan to buy not meant for a gift. (Chart 5)

SECTION B: PHYSICAL STORES RETAIN PRIMACY (p. 4)

- Over four-fifths (84%) of Thanksgiving weekend shoppers plan to spend at physical stores. (Table 1)
- The most-cited reasons for shopping at physical stores are the deals/promotions being offered (59%), followed by the ability to see, touch or try on the merchandise (58%); to get items immediately (54%); avoid shipping costs (42%) and to browse/easily buy specific items (39%). (Table 2)
- The same share of shoppers (56%) intends to purchase online from retailers with a physical presence as will do so from pure online retailers. (Table 1)
- Two-fifths (43%) of shoppers plan to buy online from a retailer with a physical presence and pick up the item(s) in store—the “click-and-collect” option. This is higher than the share who will have those items shipped home (41%). (Table 1)
- Among click-and-collect users, 84% expect that they will likely make an additional purchase or purchases at least once at that store/tenant, an adjacent establishment, or another unit in the same center. (Chart 6)
- Half (50%) of Thanksgiving weekend shopper expenditures will take place in physical stores, a percentage that rises to 77% when combined with the share of online spending through retailers with a physical presence. (Table 3)

SECTION C: A VARIETY OF PREFERRED ITEMS AND SHOPPING VENUES (p. 6)

- Overall, food & beverages for gifts (82%), electronics (79%) and apparel/footwear (77%) are among the most popular purchases for shoppers. (Chart 7)
- For all key merchandise categories, more shoppers will buy from retailers with stores than from pure online retailers. (Chart 8)
- Discounters are the most popular shopping venue for shoppers during the Thanksgiving weekend at 93%, followed by supermarkets/specialty food stores/wholesale clubs (71%) and traditional department stores (70%). (Chart 9)
- Among those purchasing from any given retailer type, the overwhelming majority intends to make purchases in physical stores only. Far less shop solely online. (Chart 10)

SECTION D: WIDE RANGE OF ACTIVITIES AT SHOPPING CENTERS (p. 8)

- Overall, more than three-fifths (62%) of adults plan to visit a mall or other shopping center during the Thanksgiving weekend for shopping and non-shopping activities (e.g. seeing a movie, dining, picture-taking with Santa, or participating in charitable activities or other events). Specifically, 44% will visit on Thanksgiving Day, 49% on Black Friday and 52% on the Saturday/Sunday after. (Chart 11)
- With all holiday weekend days combined, more than half (55%) of shopping center visitors plan to dine at food establishments, while more than one-third (36%) expect to see a movie and about one of five (20%) will have their child's picture taken with Santa. (Chart 12. This chart shows information by day, not combined for the entire weekend.)
- About 78% of adults who plan to go to malls or other shopping centers during the holiday weekend may combine shopping with other activities, while the remainder will engage in non-shopping activities only. *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.* (Chart 12. This chart shows information by day, not combined for the entire weekend.)

SECTION E: COMPARING PRE-BLACK FRIDAY/BLACK FRIDAY PROMOTIONS (p. 9)

- Now that deals comparable to those on Black Friday are being offered before that day in recent years, 26% of adults say they now shop less on Black Friday because they can get the deals beforehand. (Table 4)
- One-third (33%) of adults believe the best deals are found Pre-Black Friday/Black Friday, while just 22% feel Cyber Monday is best. The remaining share believe better deals are found at other times throughout the season or are unsure. (Chart 13)

SECTION A: STRONG THANKSGIVING WEEKEND SPENDING

Chart 1:

Nearly three-fifths of adults plan to spend on goods and services during the four-day Thanksgiving weekend. More millennials will do this compared with older generations...

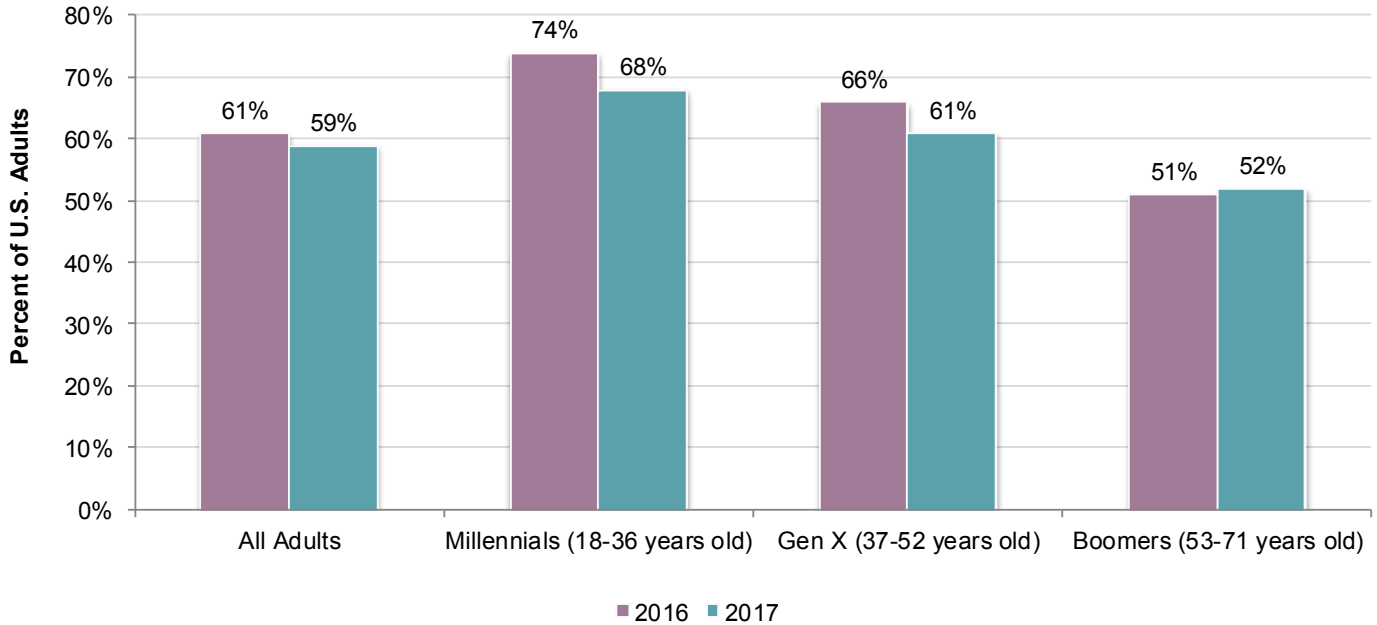


Chart 2:

Gen Xers plan to spend the most during Thanksgiving weekend; 13% more than millennials and 51% more than Baby Boomers...

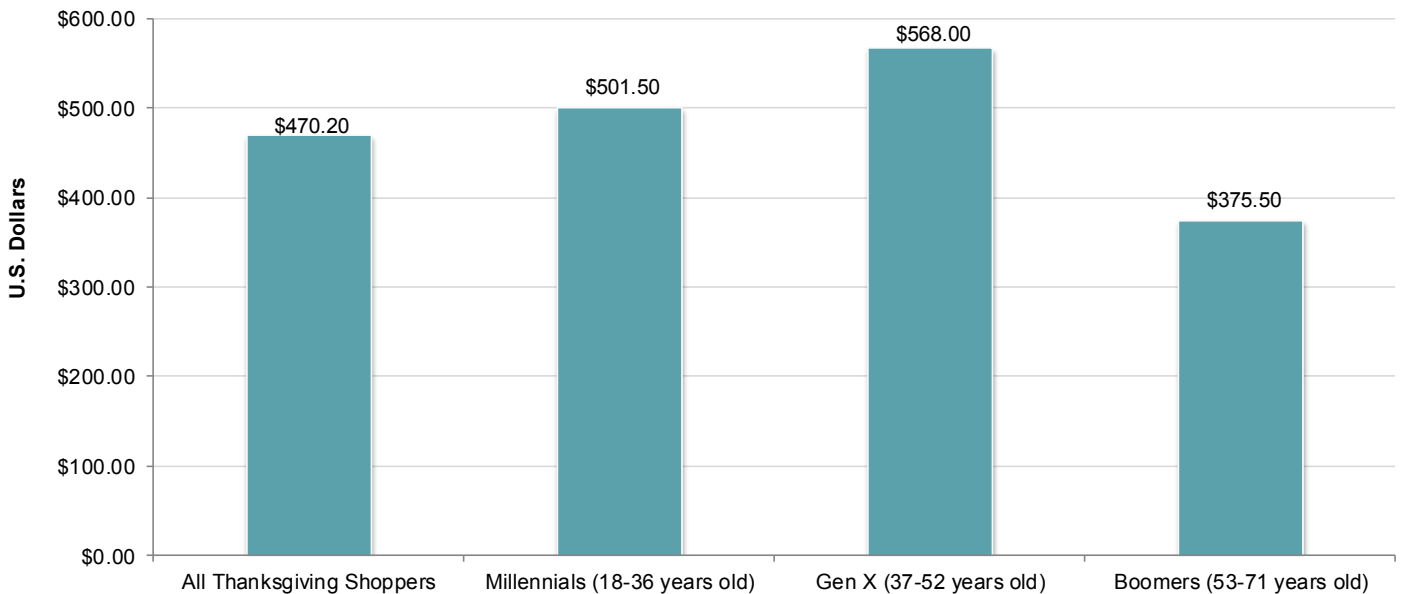


Chart 3:

Although the same share of shoppers in 2016 and 2017 said they intend to spend just as much or more than the prior year, in 2017, a larger share this year said they would spend more; however, this is offset by fewer saying they would spend the same...

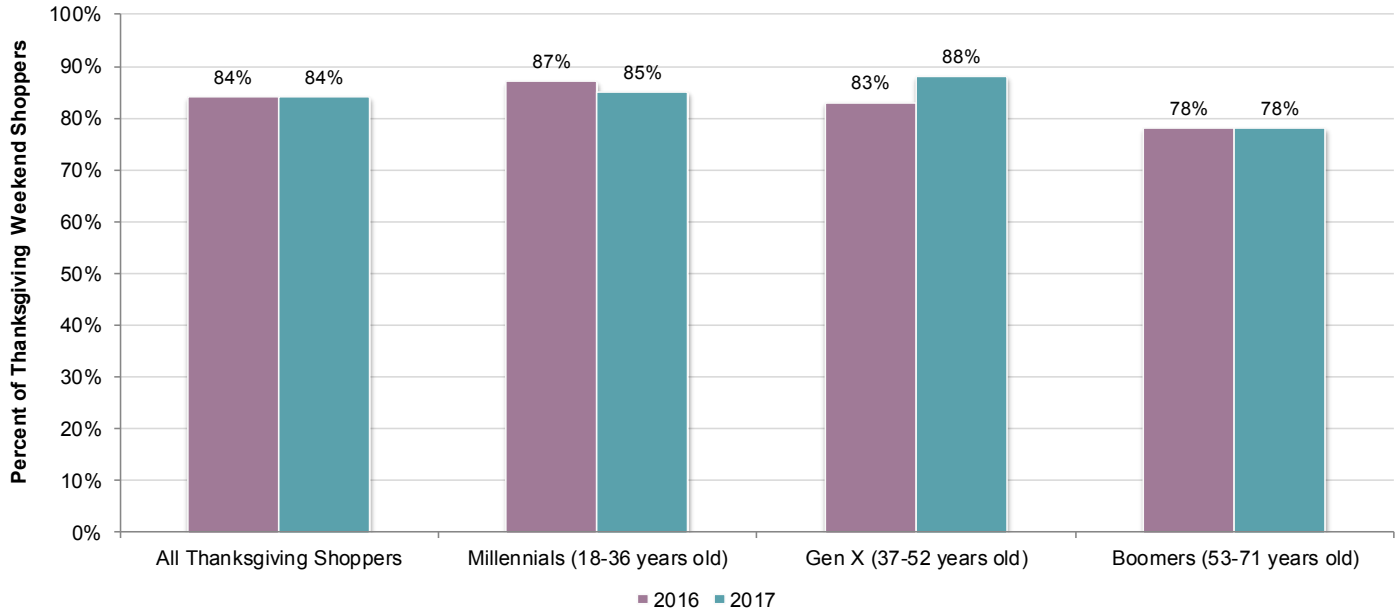


Chart 4:

Nearly two-fifths of planned spending on goods will be unrelated to holiday gift giving during Thanksgiving, confirming shoppers' desire to take advantage of promotions for themselves. Millennials split spending on goods more closely than the others...

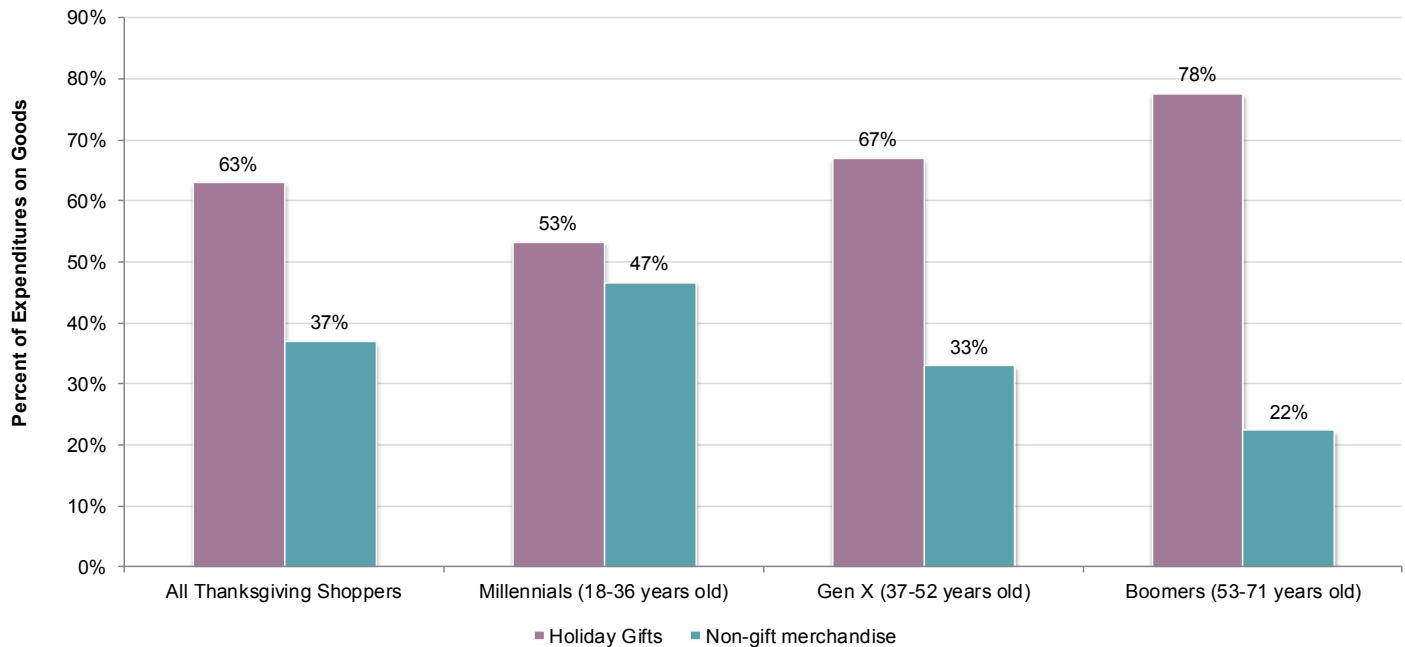
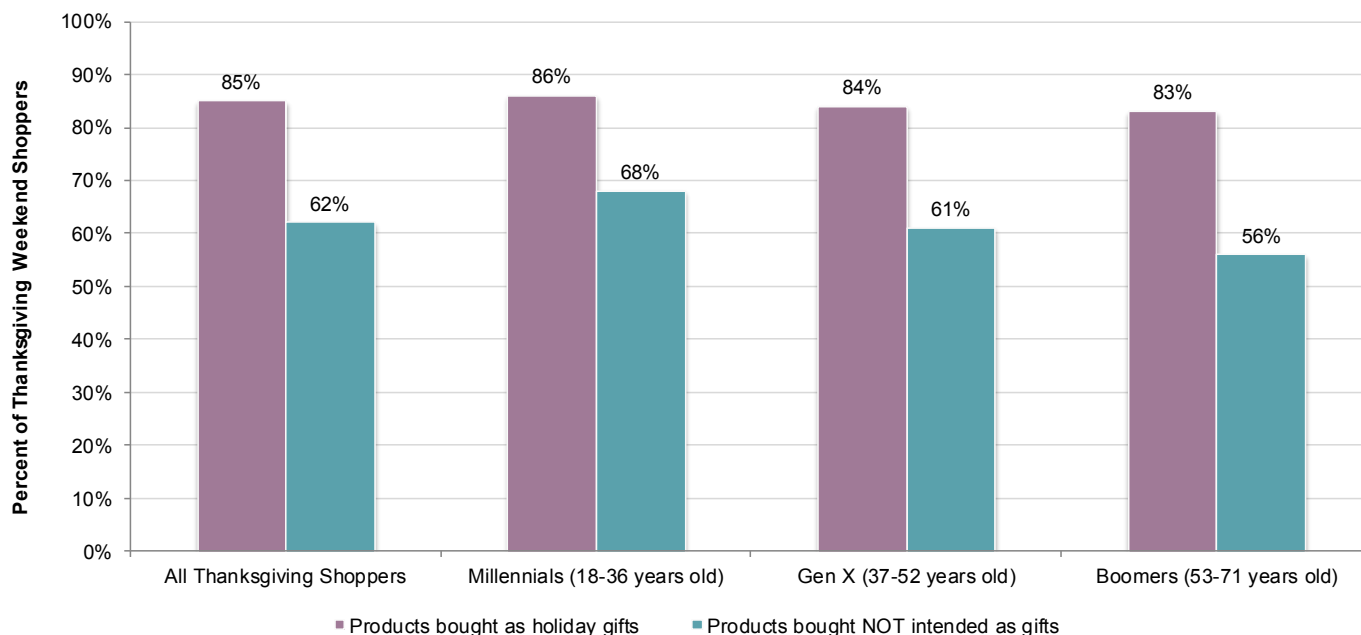


Chart 5:

Larger shares of shoppers say that promotions are more likely to influence products bought as holiday gifts rather than products not intended as gifts...



SECTION B: PHYSICAL STORES RETAIN PRIMACY

Table 1:

The overwhelming majority (93%) of Thanksgiving shoppers plan to make purchases from retailers that have a physical store presence (in-store and/or online). Overall, just as many shoppers will buy online from retailers with stores (56%) as they will buy from pure online retailers (56%). Additionally, going to stores to pick up online orders (43%) is slightly more popular than having the items shipped home (41%)...

	All Thanksgiving Shoppers		Millennials (18-36 years old)		Generation X (37-52 years old)		Baby Boomers (53-71 years old)	
Physical Stores / Establishments	93%	84%	94%	84%	96%	87%	88%	77%
Online Retailers with Physical Stores		56%		66%		60%		38%
...Ship to Home		41%		52%		41%		27%
...Pickup in Store		43%		52%		47%		26%
Pure Online Retailers		56%		64%		56%		46%
...Amazon		54%		61%		56%		45%
...All Other Pure Online Retailers		17%		27%		12%		9%
Other Sources (catalogs, phone orders)		15%		20%		13%		10%

Table 2:

Finding deals/promotions, interacting with merchandise and obtaining items immediately are the top reasons for visiting stores or shopping centers during Thanksgiving weekend...		
		(Percent of Thanksgiving Weekend Shoppers)
1	Take advantage of the deals/promotions being offered	59%
2	Like having the ability to physically see, touch or try on the merchandise	58%
3	Ability to get items immediately	54%
4	Avoid shipping costs and ease of returning items	42%
5	Ability to browse/ease of buying specific items	39%
6	Special events at the store or shopping center	32%
7	Convenience of one-stop shopping	31%
8	Good customer service and helpful store employees	30%
9	Fun/social activity to do with friends/family	29%

Chart 6:

This year, higher shares of shoppers in all groups expect to make additional purchases in stores when picking up the merchandise they ordered online...

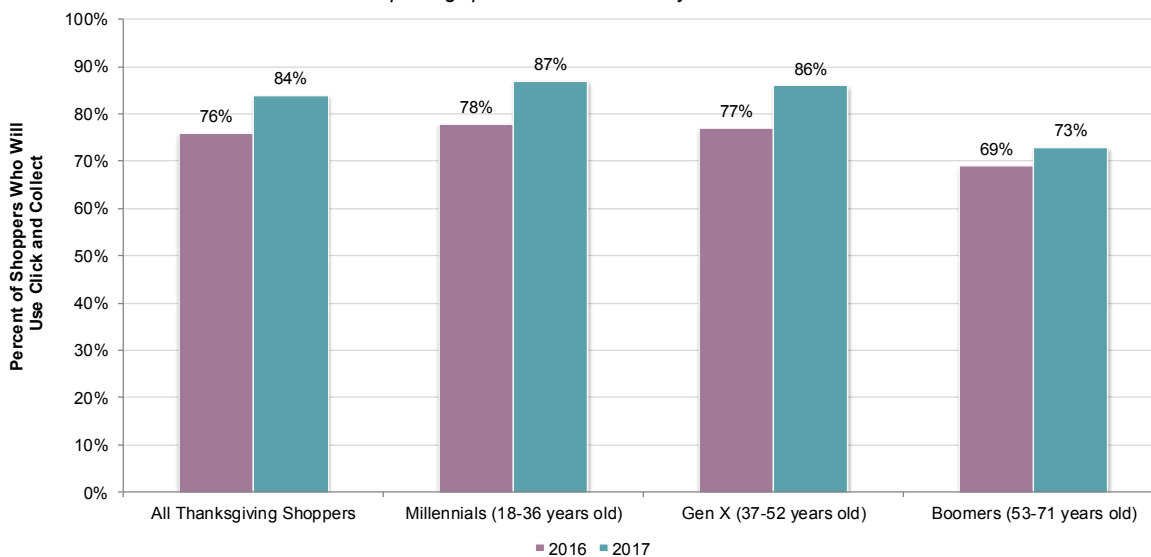


Table 3:

Shoppers intend to allocate more than three-quarters (76.9%) of total expenditures during Thanksgiving weekend to retailers with stores. Half (50.1%) of that will be for in-store spending specifically, while the remaining amount will be spent online from those retailers (26.8%)...

	All Thanksgiving Shoppers		Millennials (18-36 years old)		Generation X (37-52 years old)		Baby Boomers (53-71 years old)	
Physical Stores / Establishments	76.9%	50.1%	77.4%	47.9%	74.8%	44.8%	76.9%	56.4%
Online Retailers with Physical Stores		26.8%		29.5%		30.0%		20.5%
...Ship to Home		13.4%		14.8%		13.8%		11.6%
...Pickup in Store		13.4%		14.7%		16.2%		8.9%
Pure Online Retailers		20.5%		19.6%		21.9%		21.8%
...Amazon		18.2%		16.6%		20.1%		20.1%
...All Other Pure Online Retailers		2.3%		3.0%		1.8%		1.7%
Other Sources (catalogs, phone orders)		2.6%		3.0%		3.2%		1.3%
Total		100%		100%		100%		100%

SECTION C: A VARIETY OF PREFERRED ITEMS AND SHOPPING VENUES

Chart 7:

This year, again, food/drinks for gifts, electronics and apparel/footwear will be purchased by the most shoppers...

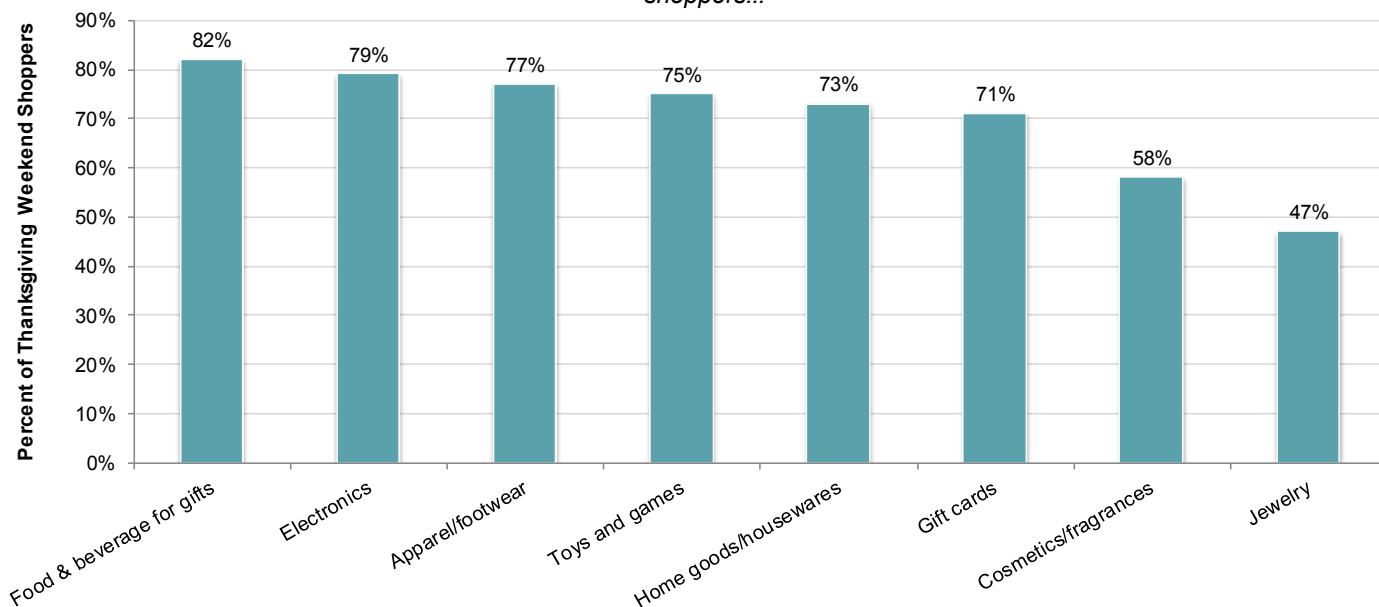


Chart 8:

Among those planning to buy an item, the largest shares of them intend to do so in physical stores compared to online. Additionally, even when purchasing online, more will buy from retailers with stores than from pure online retailers...

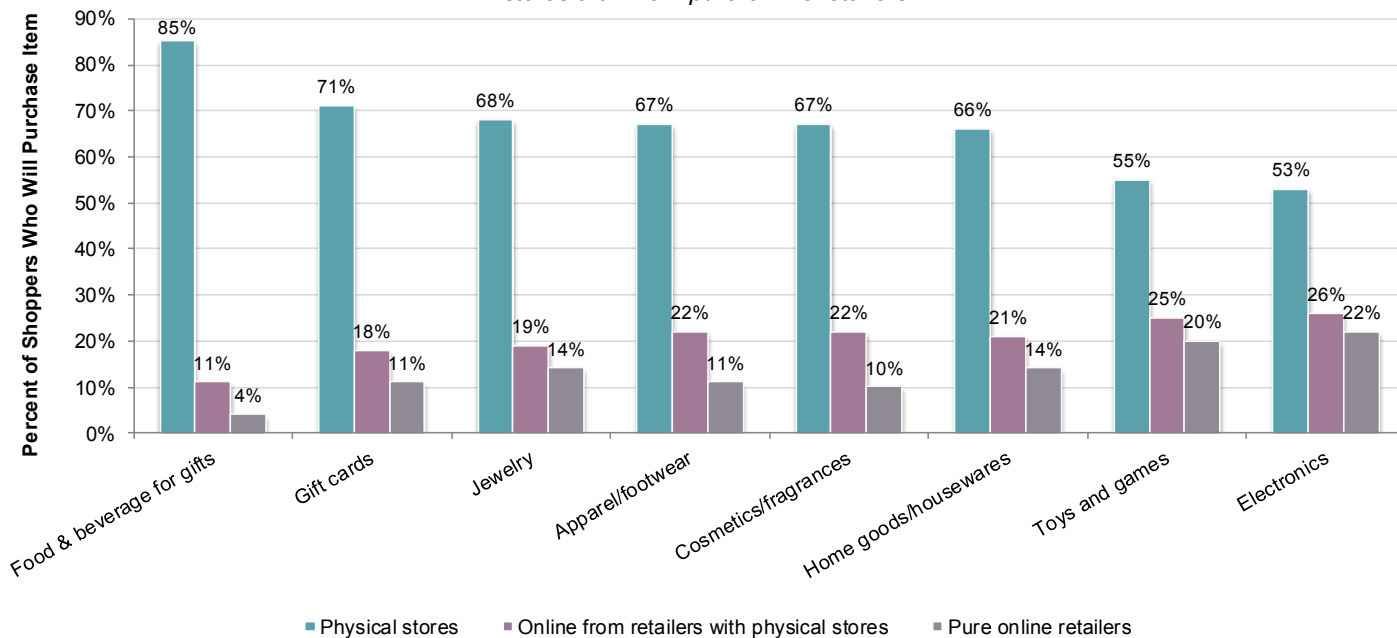


Chart 9:

Discount department stores, food stores/wholesale clubs and traditional department stores will be the most popular shopping venues among Thanksgiving weekend shoppers...

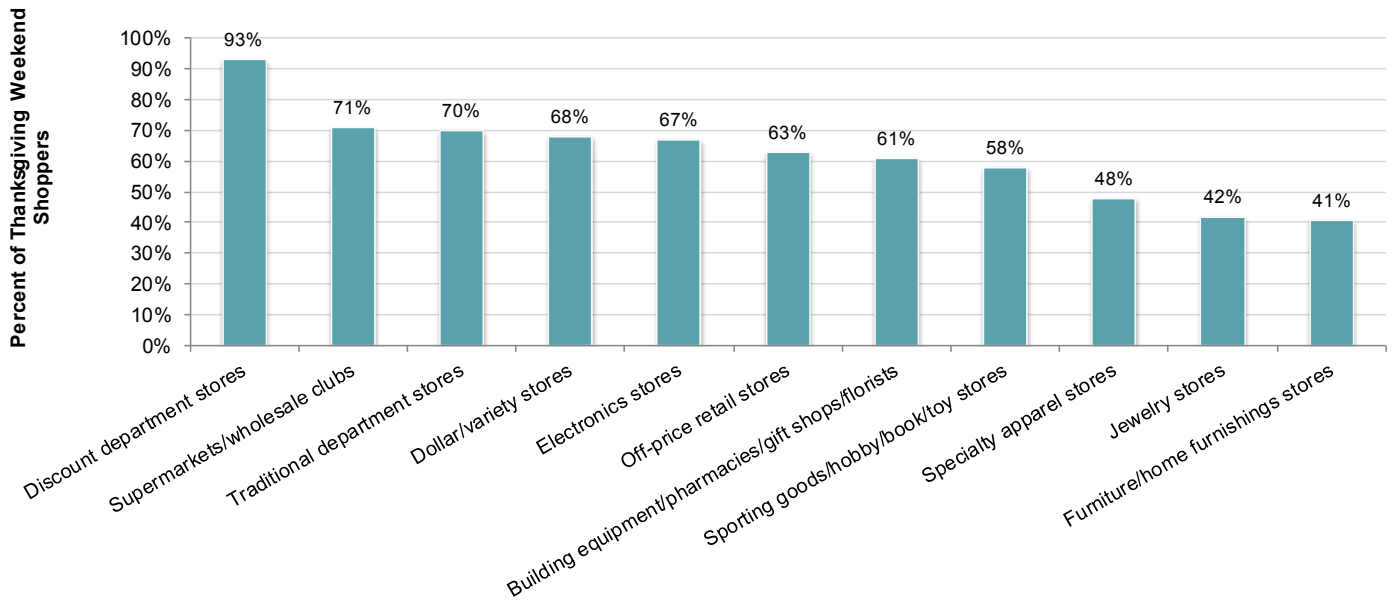
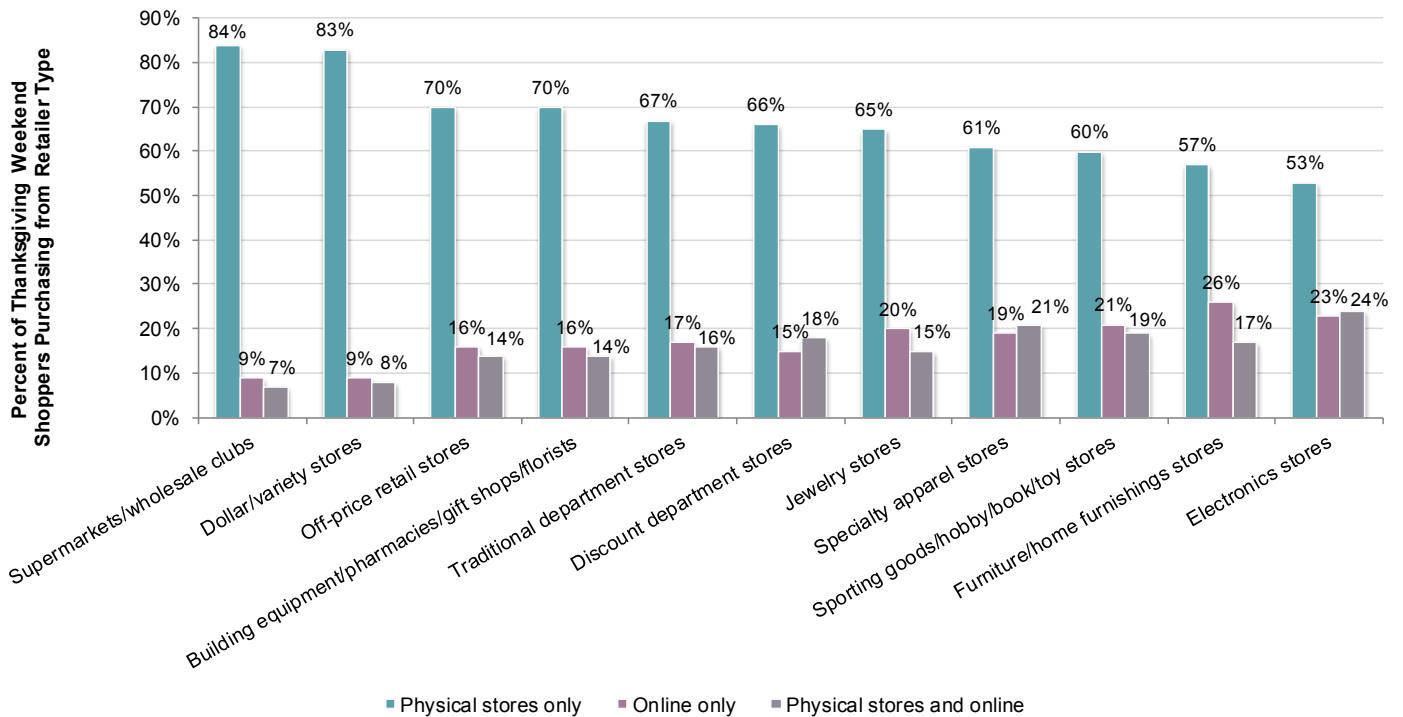


Chart 10:

The majority of shoppers will purchase at physical stores only for all key retailer types...



SECTION D: WIDE RANGE OF ACTIVITIES AT SHOPPING CENTERS

Chart 11:

More adults than last year plan to visit malls and other types of shopping centers on all days during Thanksgiving weekend...

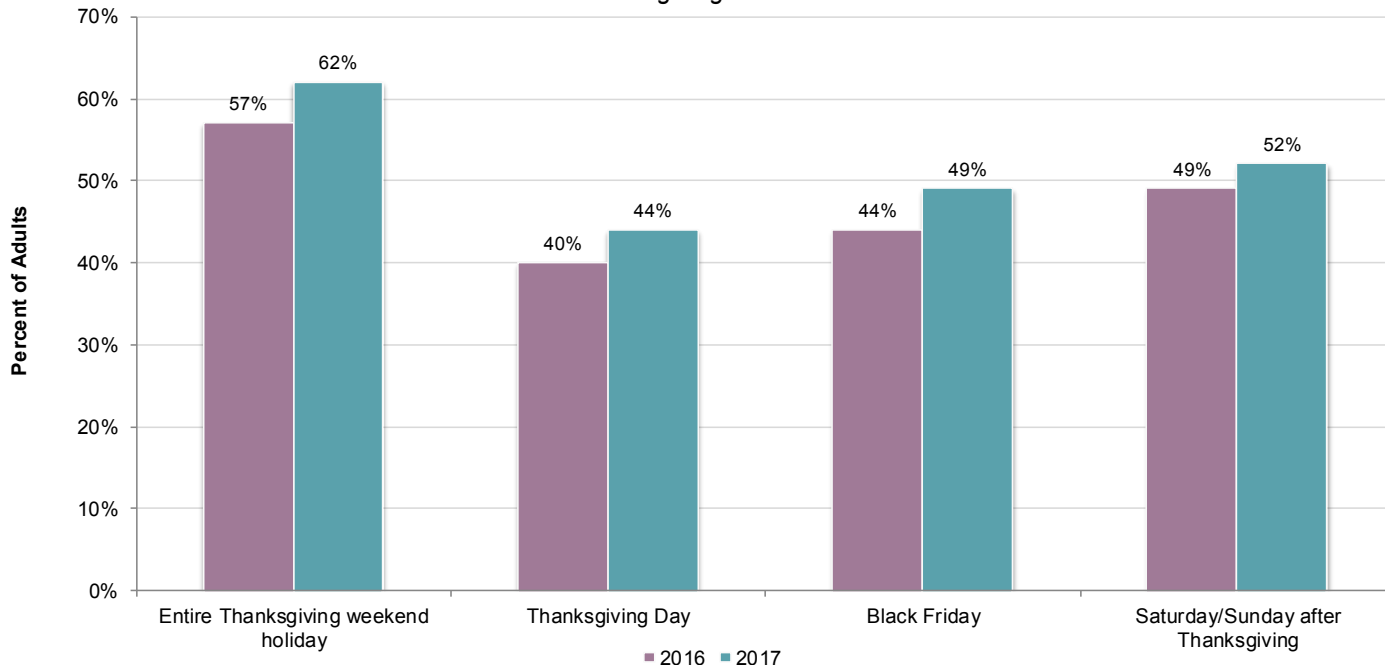
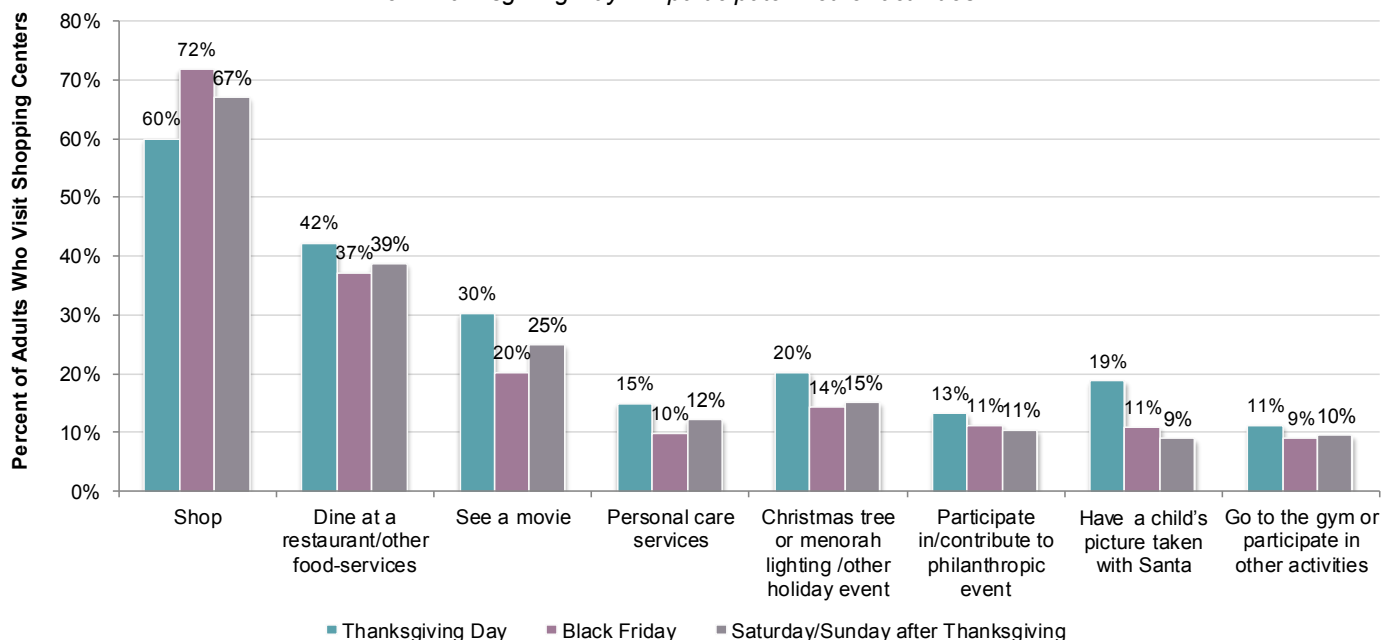


Chart 12:

Among adults visiting shopping centers during Thanksgiving weekend, more of them will shop on Black Friday (72%). On the other hand, higher proportions of adults who will go to shopping centers on Thanksgiving Day will participate in other activities ...



SECTION E: COMPARING PRE-BLACK FRIDAY/BLACK FRIDAY PROMOTIONS

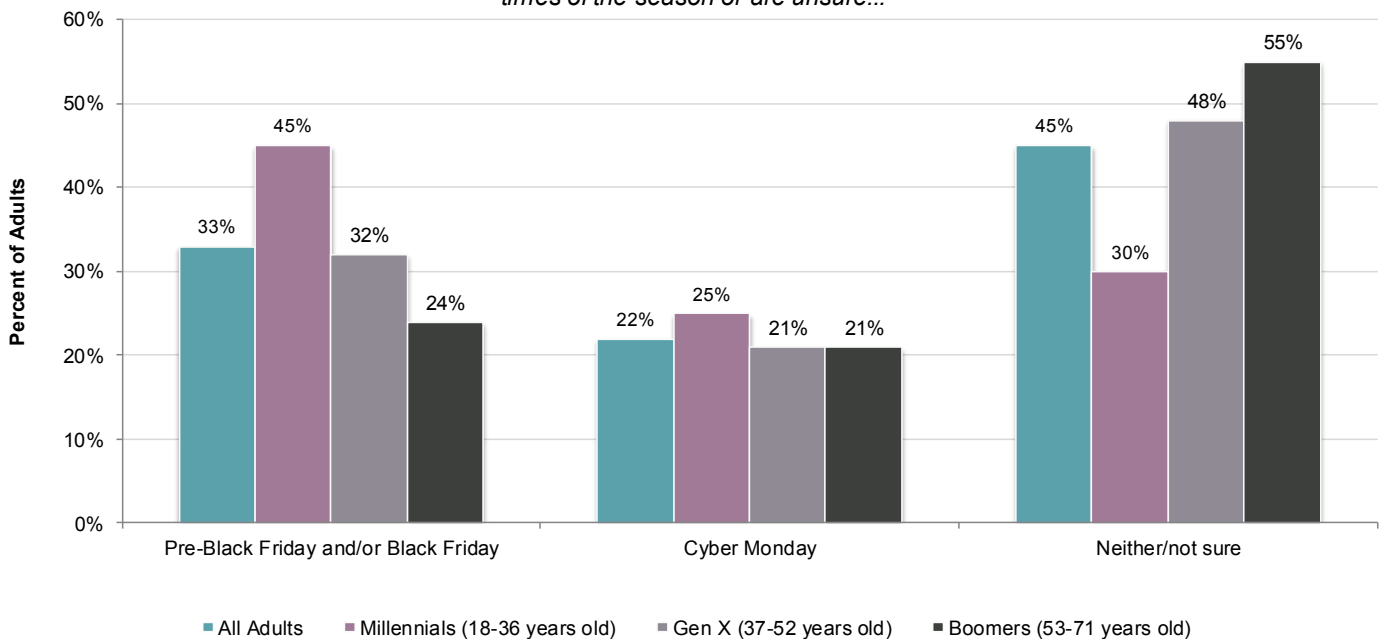
Table 4:

As a result of an increasing number of comparable promotions being offered before Black Friday slightly more than one-quarter of adults say they now shop less on the actual day. Almost one-third of millennials admit to shopping less on Black Friday because they get the deals they want earlier...

	All Adults	Millennials (18-36 years old)	Generation X (37-52 years old)	Baby Boomers (53-71 years old)
Shop more before Black Friday and less on that day	26%	32%	25%	20%
Shop more before Black Friday and there is no impact on shopping done that day	14%	18%	17%	11%
Pre-Black Friday deals have no influence, deals still better on Black Friday	12%	15%	11%	12%
Pre-Black Friday deals and those found that day have little influence on shopping behavior because best deals are found later	12%	10%	11%	15%
Promotions, no matter what type or when offered, have no impact on shopping	36%	25%	36%	41%

Chart 13:

Higher shares of consumers of all generations believe pre-Black Friday/Black Friday promotions are better than those offered on Cyber Monday. The remaining believe better deals are found during other times of the season or are unsure...



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