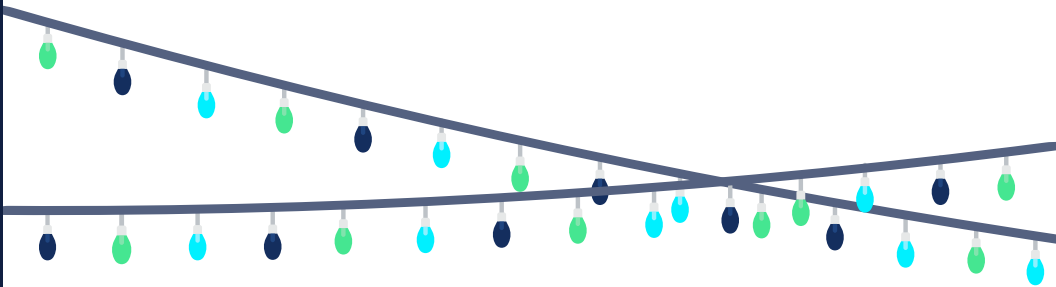


FROM SANTA TO SIRI

2017 Holiday Shopping Report





The holiday shopping season starts earlier each year, with retailers displaying sales signs before the autumn leaves begin to change color. The National Retail Foundation released a positive prognosis for the 2017 season, expecting holiday sales to increase between 3.6 and 4 % YOY¹. Will this forecast play out in the marketplace? What should brands and advertisers know as they go full swing into this gifting season?

In our recent survey of 1,324 American adults, we found that most consumers do not intend to spend more this holiday season than last. Americans are somewhat more optimistic than pessimistic about the state of the overall economy and feeling positive about their personal finances; however, 8 out of 10 holiday shoppers intend to spend the same or less this year, raising questions about the NRF's forecast.

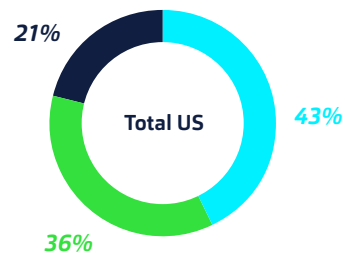
KEY TAKEAWAYS AND RECOMMENDATIONS

- **2017 Outlook? It's shaping up to be a hard candy Christmas.** A quarter of Americans will spend less on holiday shopping this year and twice as many middle class households say they will be spending less on gifts this holiday season than those who plan to spend more. The competition to win wallet share in this environment will be fiercer than ever. (pg. 6 – 7)
- **Black Friday will still be the shopping event of the season.** Even as consumers embrace e-commerce, more than half (55%) of Americans still prefer shopping in physical stores and 71% are planning to shop in a physical store this holiday season, making “in-store” the top purchasing channel by a wide margin. (pg. 10-13)
- **Where, when, and how Americans like to shop depends on who they are.** Women start holiday shopping earlier and are more likely to shop in physical stores. Men are more likely to wait until the last minute to start holiday shopping. There are also distinct splits between older and younger shoppers; e.g. Millennial and Gen Z consumers are much more likely than older shoppers to shop on Black Friday and Cyber Monday. (pg. 10 – 17)
- **It just might be the year of mobile (finally).** Younger shoppers are much more active on mobile and plan to shop on their smartphones; 82% purchased on a smartphone in the past 6 months and 38% say they prefer mobile shopping. Purchasing through intelligent assistants is growing as well, with more than a third (35%) of younger Americans purchasing through them in the past six months. (pg. 12 – 15)
- **Online advertising dominates when it comes to how consumers will find out about holiday deals.** More than half of Americans get information about holiday sales from online ads; which is more than TV ads, print ads, or any other source. More than two-thirds of shoppers will research products online this holiday season before purchasing them through any channel, online and offline. (pg. 15 -17)

2017 HOLIDAY SHOPPING OUTLOOK

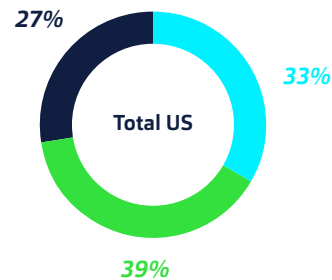
Only 19% of Americans planning to make holiday purchases say they will spend more on presents this year, compared to 25% who say they will spend less. Middle-class households are nearly twice as likely to say that they will spend less on presents in 2017 (27%) than say they will spend more (16%).

Compared to the position you were in last year, which of the following best describes your current financial situation?

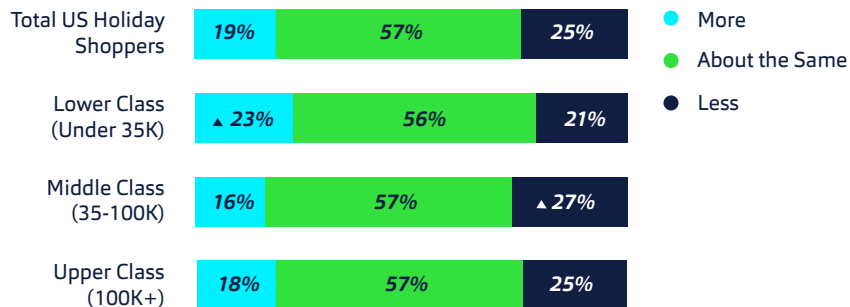


● Better ● About the same ● Worse

How do you feel the US economy is faring compared to last year?



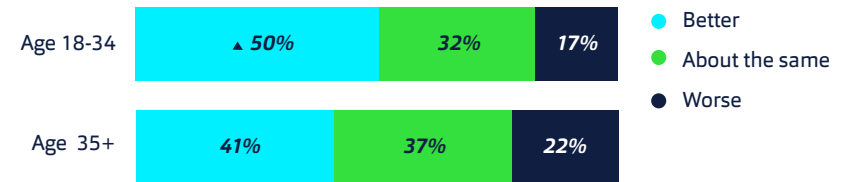
Will you spend more, less, or about the same on holiday shopping this year as you did last year? Among holiday shoppers



● More
● About the Same
● Less

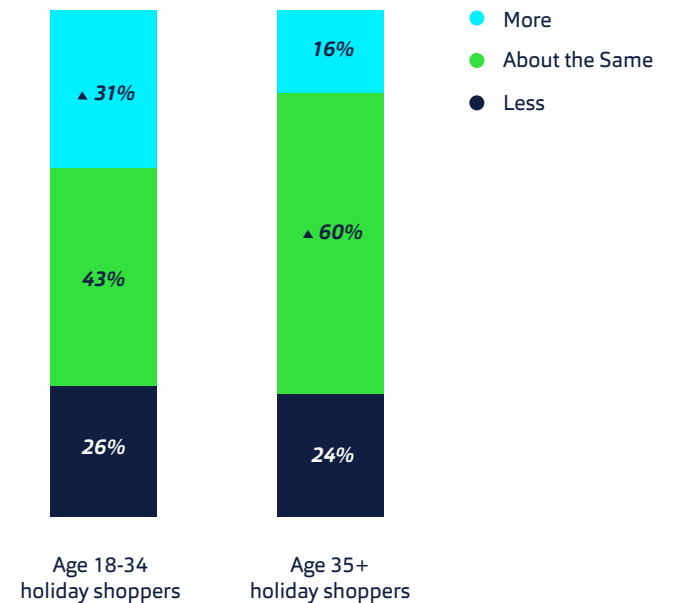
On a brighter note, younger consumers are more positive about their financial positions and are far more likely to plan on spending more on gifts this year. This could be partially fueled by recent college graduates starting their first fulltime job or young professionals moving up from entry level pay grade.

Compared to the position you were in last year, which of the following best describes your current financial situation?



● Better
● About the same
● Worse

Will you spend more, less or about the same on holiday shopping this year as you did last year? Among holiday shoppers

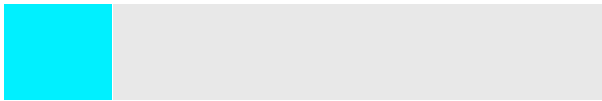


● More
● About the Same
● Less



WHEN THEY WILL SHOP

18%

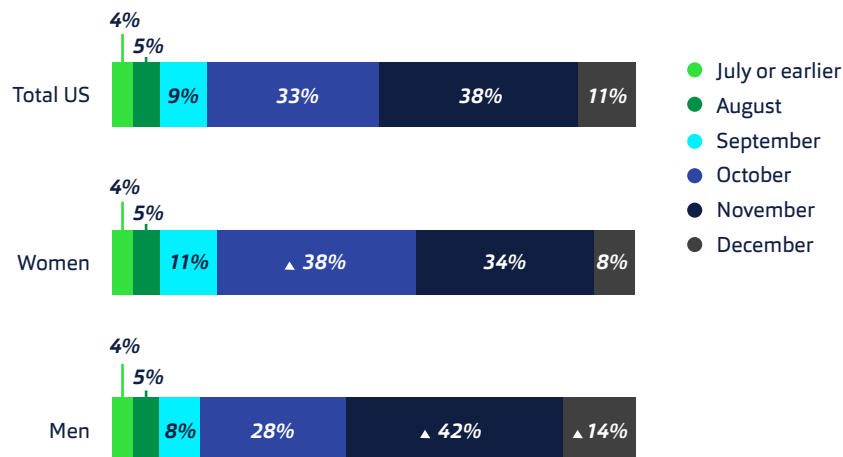


of Americans started holiday shopping before October in 2017

Women are more likely to start holiday shopping earlier in the season, while men will probably wait until November or December to start on their lists.

In what month did you or will you start your holiday shopping this year?

Among holiday shoppers

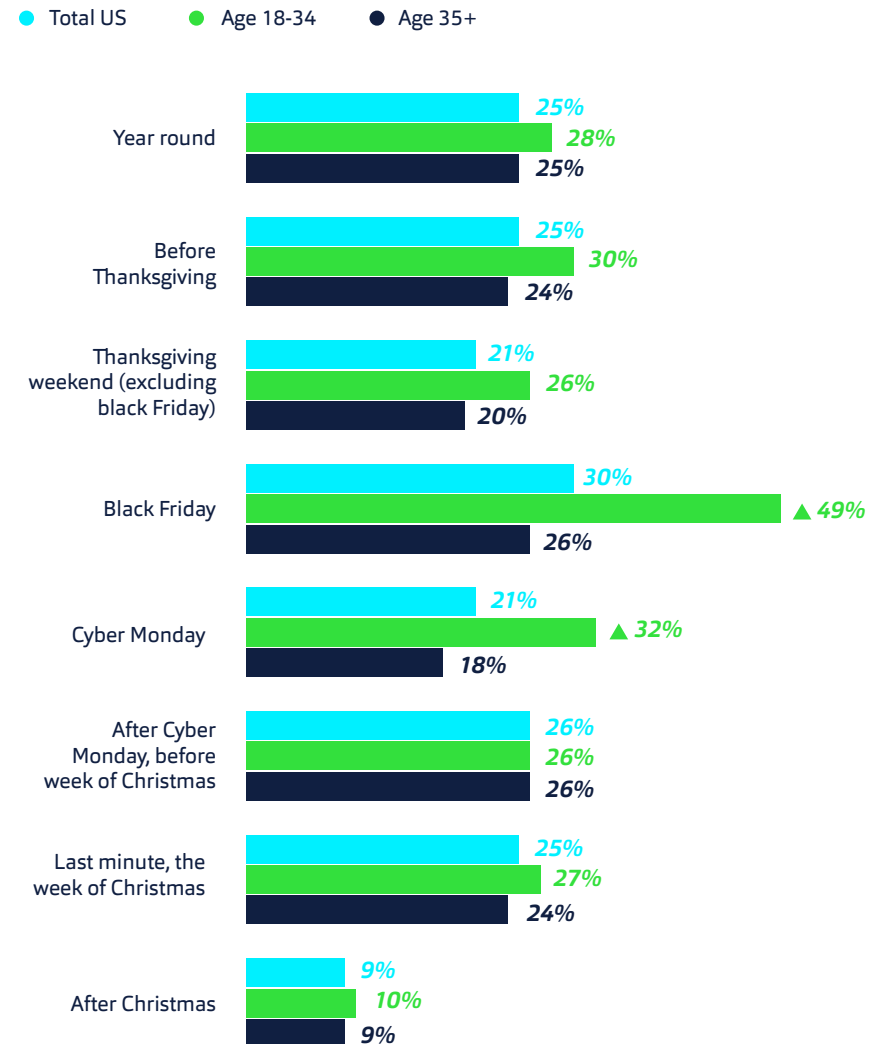


Black Friday remains the most popular time to buy the bulk of holiday presents, with consumers eager to take advantage of cost savings. We found that this is even more prominent among Millennials and Gen Zers, who are planning to do a large part of their holiday shopping around Black Friday and Cyber Monday.

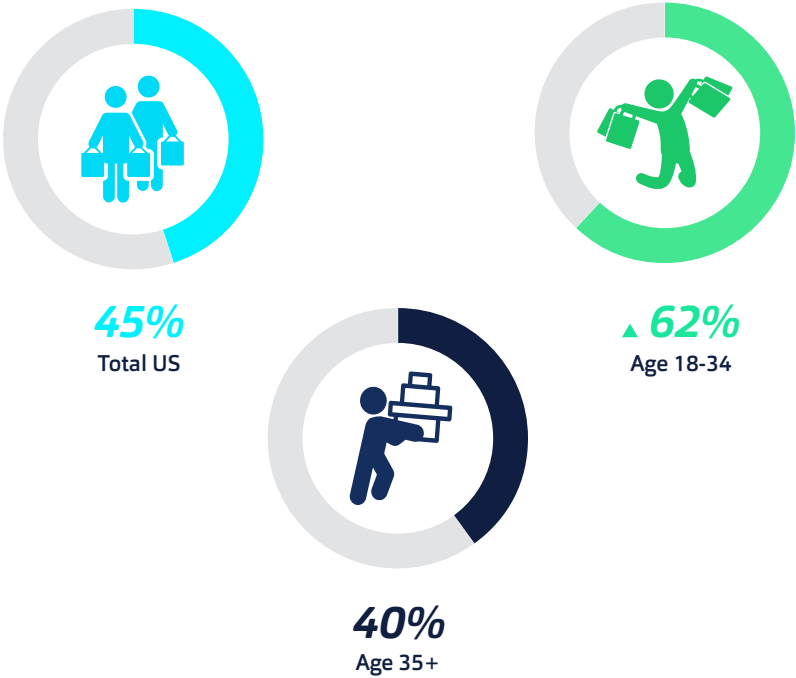
What time of the year do you conduct most of your holiday shopping?

Respondents could select multiple options.

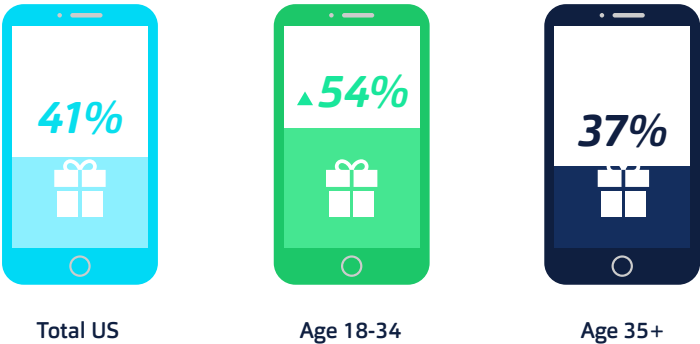
Among holiday shoppers



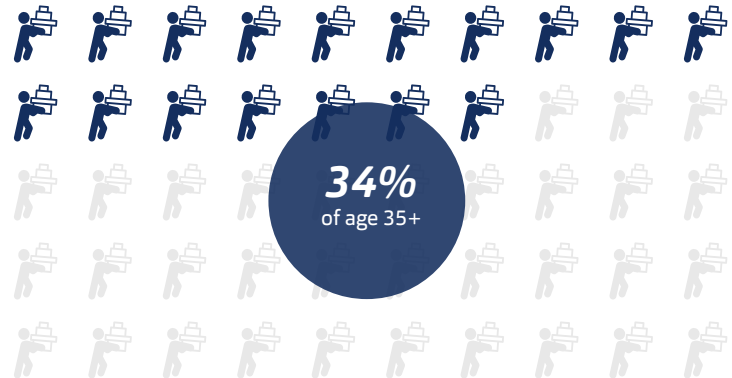
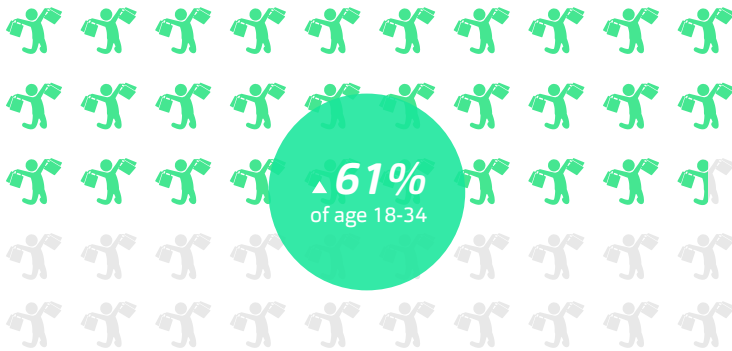
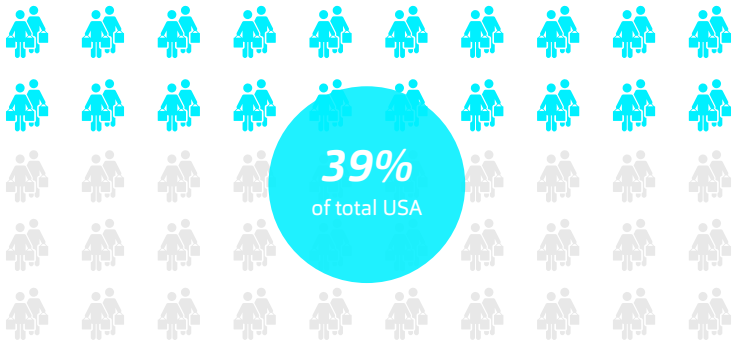
Consumers who plan to shop on Black Friday, the day after Thanksgiving



Consumers who plan to shop on Cyber Monday, the Monday after Thanksgiving



Consumers/Shoppers who believe the discounts offered on Black Friday and Thanksgiving weekend are worth dealing with crowds and long lines.





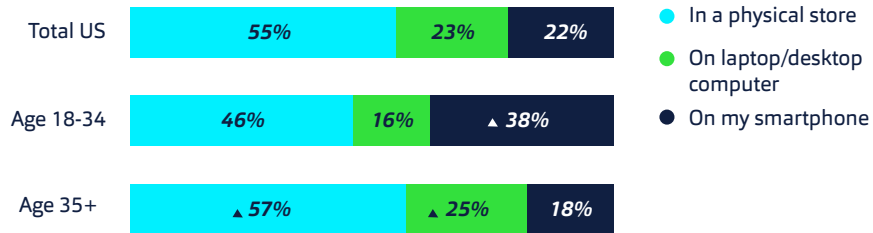
CLICKS OR BRICKS?

WHERE AND HOW CONSUMERS WILL SHOP

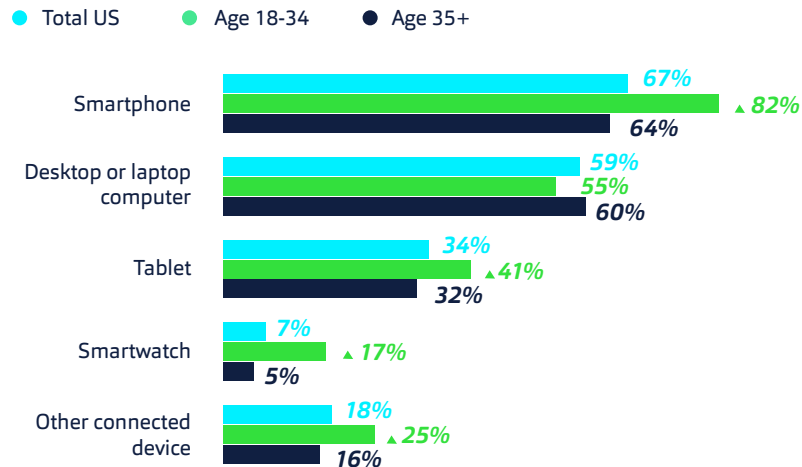
While slightly over half (55%) of consumers still prefer shopping in a physical store, e-commerce continues to grow. More than half (54%) of Millennials and Gen Zers prefer shopping online, particularly on their smartphones (38%).

Younger consumers are also more likely to utilize tablets, smartwatches, connected devices, and intelligent assistants (e.g. Siri) to make purchases.

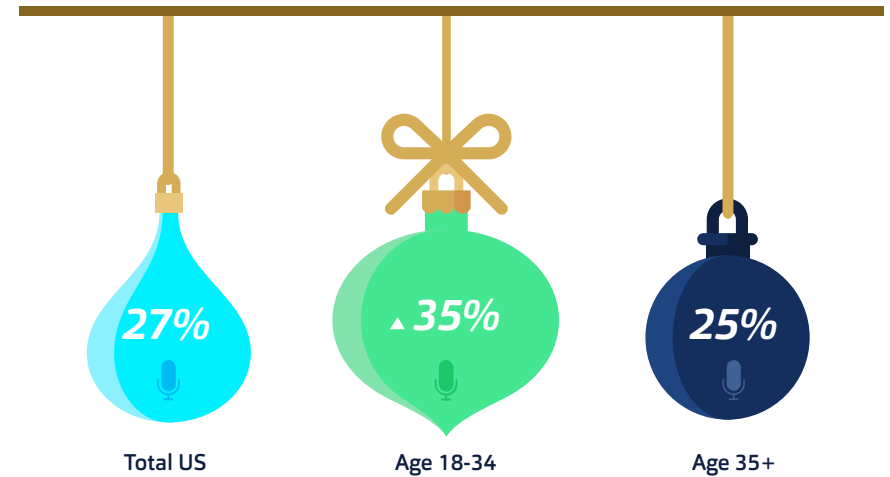
What is your preferred shopping medium?



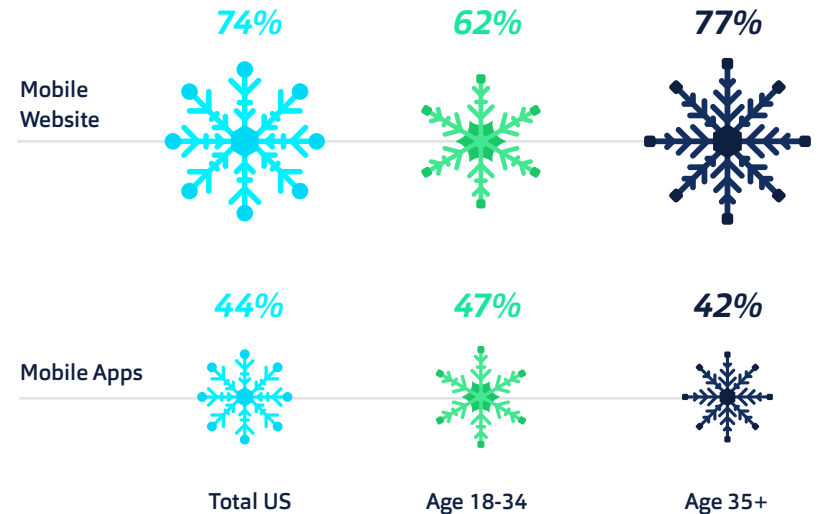
How did you make online purchases in the past 6 months? Among those who said they made an online purchase in past 6 months



Consumers that used a virtual assistant (such as Siri, Google assistant or Alexa) on a phone or a standalone device to make a purchase.



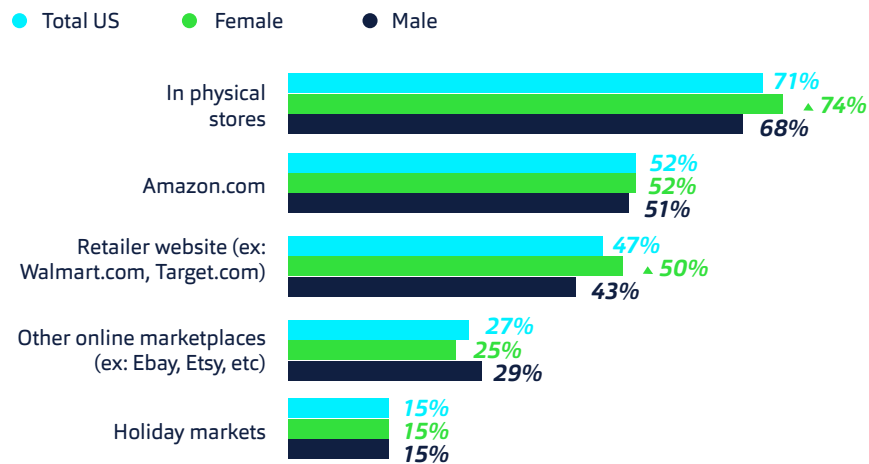
Did you make your mobile purchases through mobile apps or mobile websites? Among those who said they made a purchase on mobile in past 6 months



Though online shopping is expected to be big this holiday season, brick and mortar locations are still dominant with 71% of Americans planning to make their holiday purchases in physical stores. This is especially true for women and shoppers over the age of 35.

Where will you purchase products this holiday season?

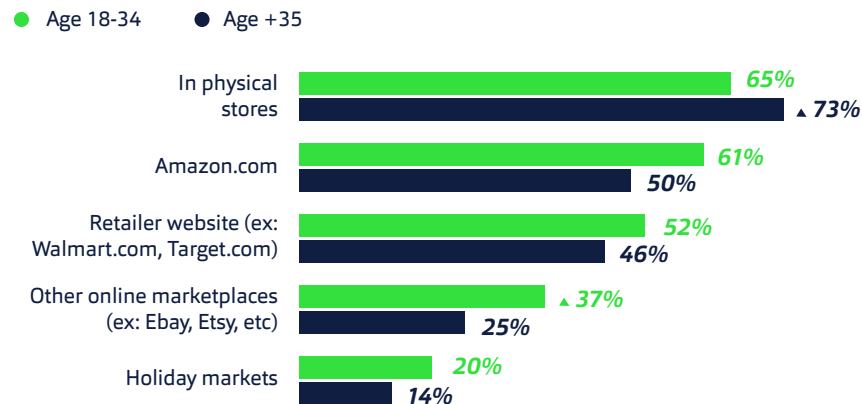
Among holiday shoppers



Amazon is expected to be a big winner this holiday season, with more than half of Americans planning to utilize the online retail giant.

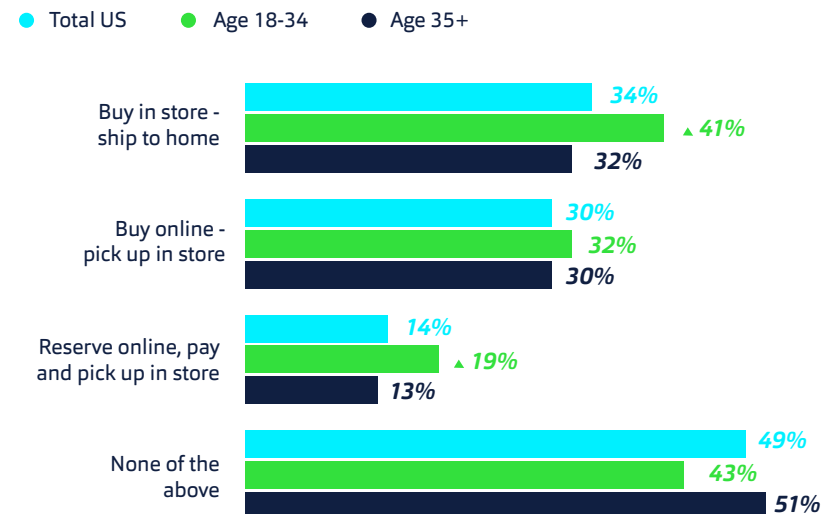
Where will you purchase products this holiday season?

Among holiday shoppers

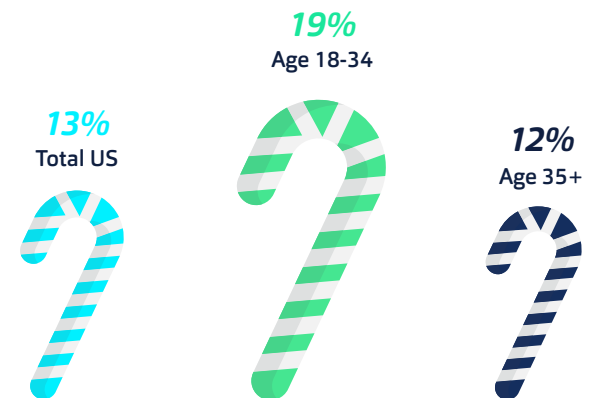


Millennials and Gen Zers are more likely to take advantage of various shopping options: buying in store and shipping to their home, reserving online and picking up in a store, buying online and shipping home, etc. Younger consumers are also more likely to engage in “showrooming:” seeing something in store and purchasing the same item online.

Which of the following purchasing options have you used in the past 6 months?



Consumers who often engage in “showrooming.” See an item in a store and then purchase it online

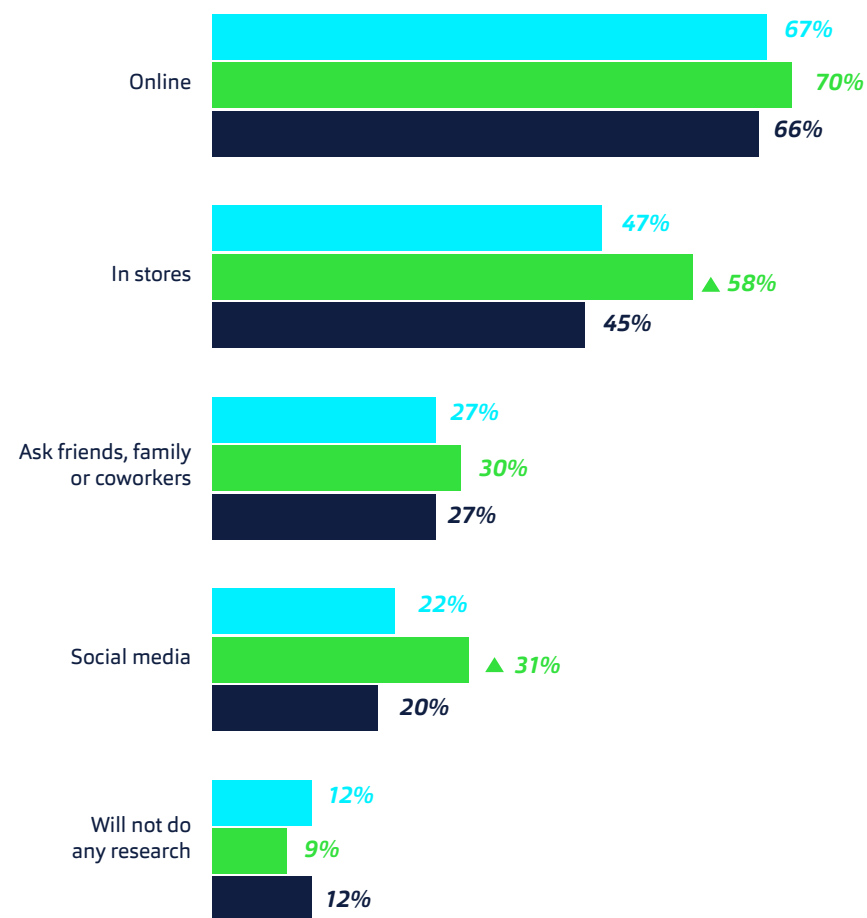


Most Americans (67%) will research gifts online this upcoming holiday season. Consistent with their preference for showrooming, Millennial and Gen Z consumers are more likely to research gifts in physical stores and use social media to research potential products.

Where will you do research for products this holiday season?

Among holiday shoppers

● Total US ● Age 18-34 ● Age 35+

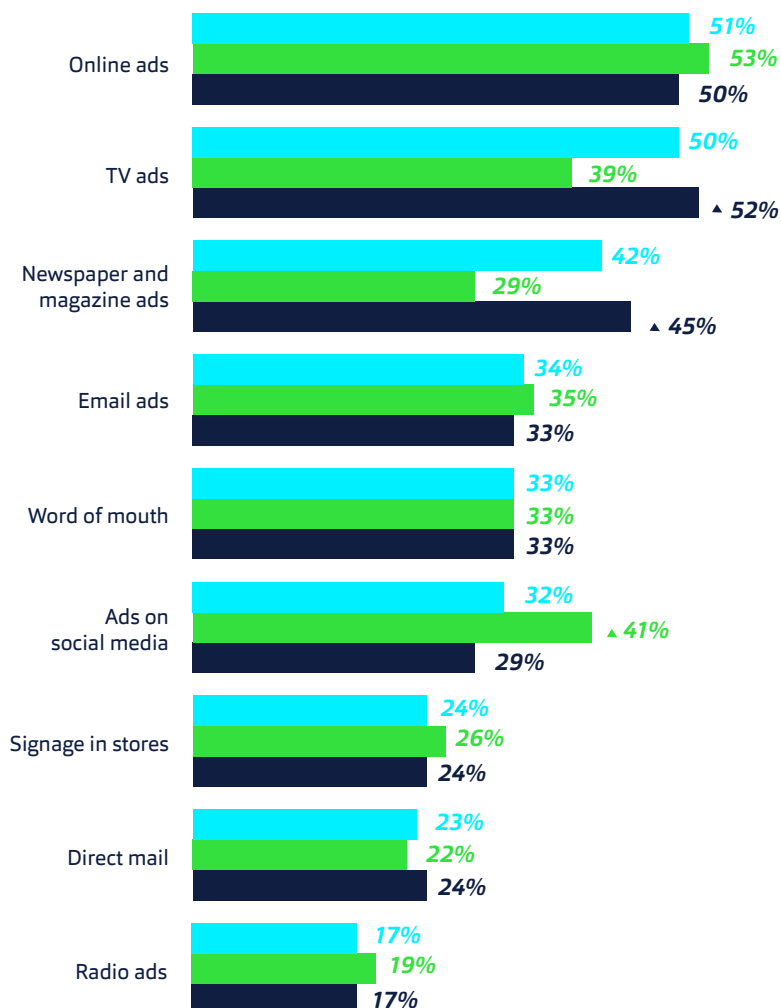


When we asked consumers where they get information about holiday sales, online and TV ads are at the top of the list. Younger consumers spend more time on social media² and are more likely to notice ads on these platforms than older shoppers. Nearly half (45%) of consumers over the age of 35 get information about holiday sales from newspaper and magazine ads.

Where do you typically get information about holiday sales?

Among holiday shoppers

● Total US ● Age 18-34 ● Age 35+



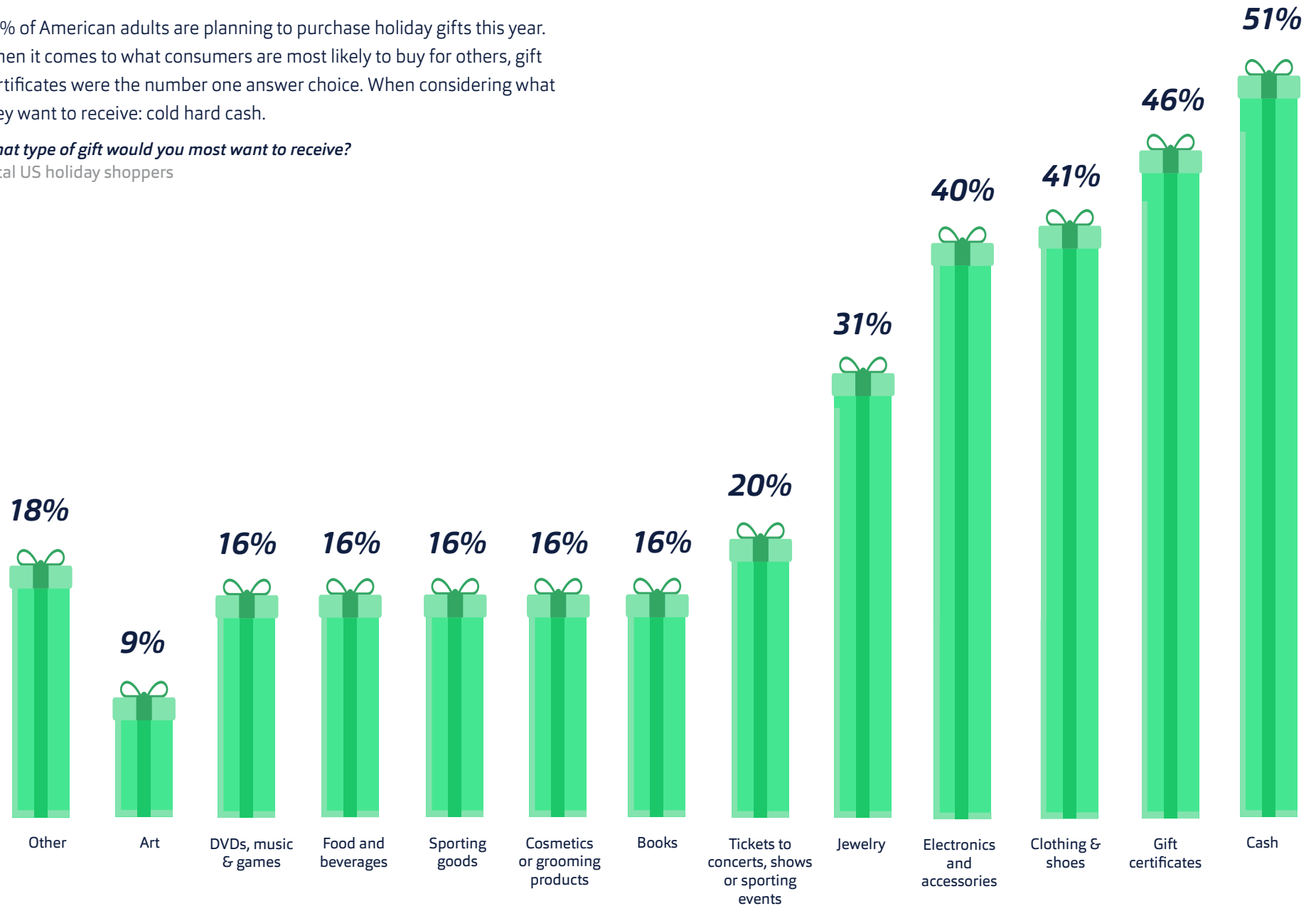


ALL I WANT FOR CHRISTMAS... IS CASH?

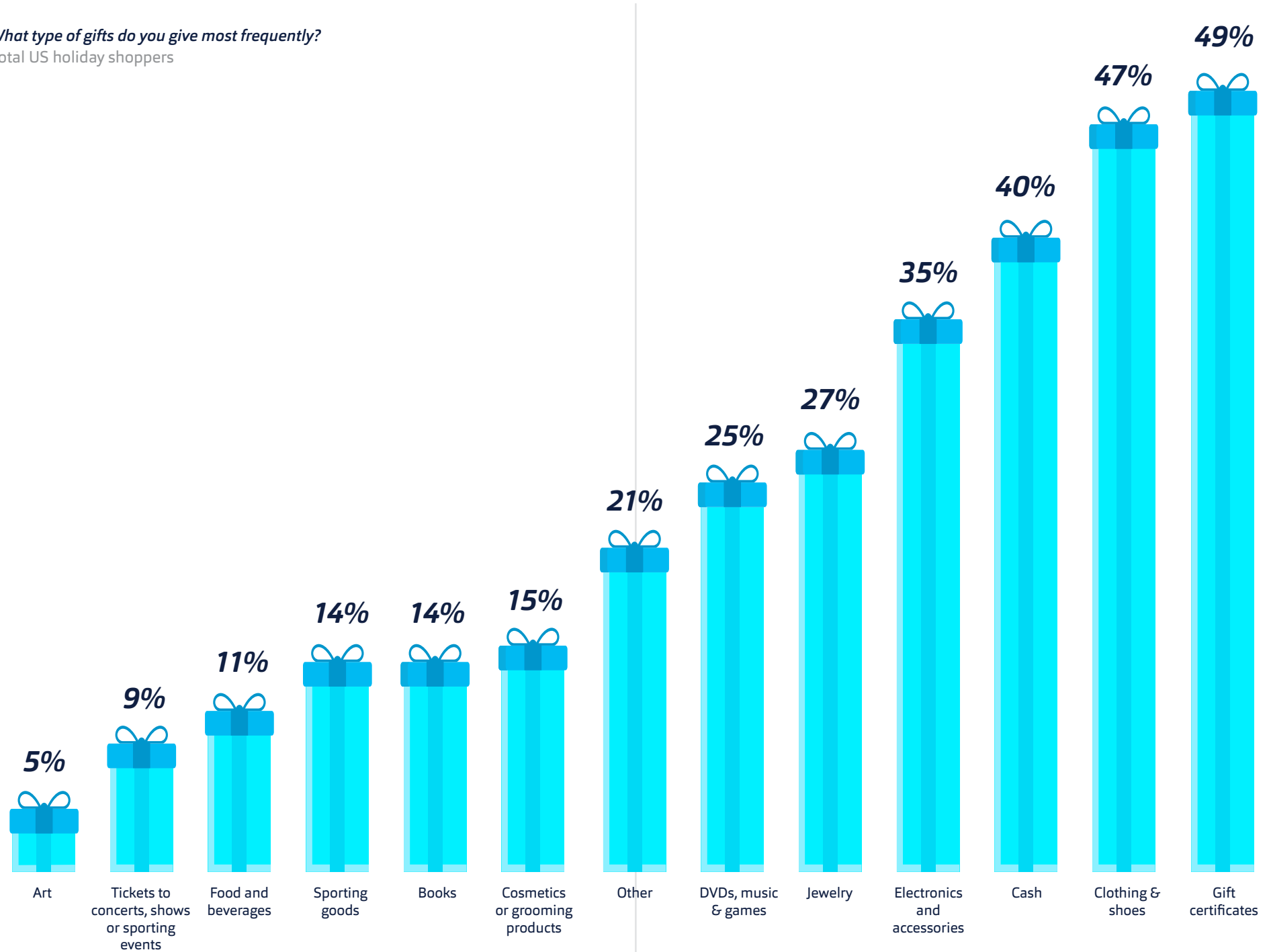
80% of American adults are planning to purchase holiday gifts this year. When it comes to what consumers are most likely to buy for others, gift certificates were the number one answer choice. When considering what they want to receive: cold hard cash.

What type of gift would you most want to receive?

Total US holiday shoppers



What type of gifts do you give most frequently?
Total US holiday shoppers



Resources

1. NRF, "NRF FORECASTS HOLIDAY SALES TO INCREASE BETWEEN 3.6 AND 4 PERCENT", October 3, 2017, <https://nrf.com/media/press-releases/nrf-forecasts-holiday-sales-increase-between-36-and-4-percent>
2. Fluent, "Snapchat is Edging out Facebook Among Young Millennials", May 2017

Methodology

Fluent is a data-driven marketing company. Fluent's 2017 Holiday Shopping survey was conducted online within the United States by Fluent, LLC on September 25, 2017 among 1,324 adults (aged 18 and up for both waves). Due to rounding, percentages may not always add up to 100%. Fluent's proprietary ad serving technology includes a real-time survey module that was used to facilitate the data collection for this study. Respondents were randomly selected and data was weighted to US Census 2010 population distribution. <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

ABOUT FLUENT

Fluent, LLC, a cogint company (Nasdaq: COGT), is an industry leader in people-based digital marketing and customer acquisition, serving over 500 leading consumer brands and direct marketers. Leveraging a massive reservoir of proprietary audience data, as well as millions of real-time survey interactions with consumers every day, Fluent enables advertisers to more effectively target and acquire their most valuable customers, with precision, at a massive scale. The company is headquartered in New York City.

fluentco.com | sales@fluentco.com | 646.669.7272