

For Immediate Release

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BRITT BEEMER'S EARLY ECONOMIC FORECAST FOR THE HOLIDAYS

BASED ON SIGNIFICANT SURVEY RESULTS

FROM AMERICAN HOUSEHOLDS

THIS FALL:

AMERICAN PARENTS TO DO BACK-TO-SCHOOL SHOPPING IN DECEMBER

HOUSEHOLDS BUYING ONE ITEM: SHOES

40% STRUGGLING – IN RECORD NUMBERS

DEALS NEED TO BE AT ALL-TIME HIGH

AMERICANS EXTRA BUDGET-CONSCIOUS

A PROVISIO FOR BUSINESS IN AMERICA

CHARLESTON, SC - According to America's Research Group Chairman/ CEO Britt Beemer, and based on any one of three recent ARG consumer surveys, 33% of American families are making less money as a result of job-loss; of moving from a full- to a part-time job; and/or of working a job that pays less than a previous one did. 40% of parents are trying to save as much money as they can for their children's college education. 38% of families did not take a vacation this year of four days or longer; and 44% of parents will do most of their back-to-school apparel shopping in December when the deals are better.

As Britt Beemer explained: "All these things are going to affect Christmas shopping. What is going to happen this year is going to be that families are not going to be able to have anything extra to splurge on and that's the issue. Last year, 38% of adults did not buy gifts for each other – that number will likely be higher this year.

"You have 40% of parents in this country saying that their children are approaching middle school and they don't have any equity in their homes to fund college so they are going to put all the money away from tax returns and try to save a little each month because they no longer have the ability to borrow against their homes to put their kids in college. 40% of parents in this nation may not be poor but they are economically challenged because they can't borrow money for college.

"In essence, you have two out of five parents saying things aren't good - and it is crucial that we look at this as the holiday season approaches. We even have the National Retail Federation

saying that back-to-school sales would be significantly down this year which is a rarity for them. Our back-to-school survey showed another important fact – 23% of parents told us they are spending more on shoes than apparel this year and why is that? Because parents will not force their children to live in pain. That statistic is at an all-time high in 23 years of doing that survey. Apparel can now wait from the usual back-to-school season until December when the deals are better.

”So 40% are struggling and the rest are just trying to deal with the economic challenges around them. What is being portrayed after more than 30 years of doing back-to-school and other consumer behavior surveys is that retail sales, which are dismal except for Christmas time, will go into the Christmas season with no retail momentum and will evolve into what could be the most challenging Christmas season in the history of America.

“This deserves attention because many economic reports reinforce that there is a recovery in progress whereas our research suggests that a recovery is not taking place. Last year we predicted – correctly – that we were experiencing the first real ‘Christmas Hibernation’ where the entire United States of households literally ‘hibernated’ – with the single exception of ‘Black Friday’ until the week before Christmas so they could buy only those items that were marked down to the lowest possible price. To have consumers only shop twice is a significant change – and it came even with an extra week of shopping thrown in last year.

“What is missing is that retail businesses in particular need to listen to Americans – to what American parents and households are telling us, which is that they need to have affordable products available to them and ways in which they can purchase them that make sense – this will I believe move the economy in a positive direction. Up until now, what businesses have done on a large scale is to cut expenses – fine for business but Americans households are not motivated by lower expenses. 74% of adults tell us they are more sale-priced driven today than ever before; and, therefore, motivating the consumer in the days leading up to the holidays - with their current mindset – is going to involve an excessively aggressive discount strategy with incredible offers. Consumers will be looking for bigger discounts than ever before – or, more likely, they will not shop at all.”

Media on deadline, please call Britt Beemer directly at 843-345-0939 (mobile) or 800-723-3253 to set up an appointment.

The ARG research consisted of three national surveys: one conducted the first weekend in October; a back-to-school shopping survey conducted the second week in July; and the post Labor Day survey conducted the weekend after Labor Day weekend. The ARG research for each survey consisted of 1000 telephone interviews at ARG headquarters in Charleston, SC. The error factor in each was plus or minus 3.8%. The next ARG shopping survey will be conducted in early November, which will be the annual Christmas Forecast Survey. The surveys will continue every week from Thanksgiving through Christmas weekend.

America's Research Group, one of the nation's foremost consumer research and strategic marketing firms, marked its 30th anniversary in 2009. CEO Britt Beemer is a key resource and advisor to leading brands and top retailers. He is author of *The Customer Rules*, published by McGraw-Hill. Britt Beemer is a winner of the 2012 American Business Award for Executive of the Year - Business Services and Company of the Year - Business Services.