

For Immediate Release

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**AMERICA’S RESEARCH GROUP/INMAR CHRISTMAS & HOLIDAY FORECAST
REVEALS RETAILERS’ DESTINY WILL BE IN THEIR OWN HANDS
RETAILERS WARNED NOT TO LURE SHOPPERS WITH LIMITED SALES OFFERS**

**CONSUMERS BUYING FOR MORE PEOPLE THIS YEAR
BUT SPENDING LESS ON GIFTS
HIGH FOOD PRICES #1 REASON FOR SPENDING LESS
GIFT CARD & CLOTHING PURCHASES ARE UP
FAR MORE SHOPPING AT DISCOUNTS STORES THIS YEAR
DEPARTMENT STORE SHOPPING DOWN
HOMEMADE GIFTING DOWN
SELF-GIFTING DOWN
GROWTH IN AMAZON SPENDING DOWN**

CHARLESTON, SC - November 7, 2013 – According to the new America's Research Group and Inmar Christmas & Holiday Shopping Forecast released today, retailers can expect a strong season going forward if they win Black Friday and continue with big discounts throughout the season. Retailers can expect sales to be up 2.5% or higher if shoppers see big discounts early.

“This season, the retailers’ destiny is in their own hands,” said Britt Beemer, Chairman and CEO of America’s Research Group. “If retailers give consumers mega discounts throughout the season, it will be a very strong season, but if they try to play the game by luring shoppers with limited sale offers, there will be a lot of serious shopper rebellion.” According to the Forecast, consumers are looking for retailers to offer big discounts and big store-wide sales, and those retailers with big discounts will win. And the opportunity for real wins is out there. Fewer people are shopping less and spending less this season.

The number of Americans feeling heavily pressured from debt has lessened this year over last (from 21.4% in 2012 to 16.5% in 2013), and the Forecast shows that Americans will be buying for more people this year (shopping for 11-15 people jumped up from 20.9% last year to 24.6% this year) which means they feel better. However, consumers are spending less for gifts (the price group dropping the most this year is \$36-\$50, falling from 36.2% to 22.7% over last year) which indicates they are still very conservative.

Americans say they will buy more gift cards this year (up from 56.9% to 59%) and of those buying gift cards, more are giving in the \$21-\$25 price range (up from 27.6% to 30.3%). Furthermore, the number of consumers planning to shop at Amazon and spend more at Amazon has dropped significantly from 18.4% last year to 13.3% this year. Clothing gifts are up from a year ago (jumping from 25.1% to 32.5% this year. Far more shoppers will be heading for discount stores for apparel this year (up from 25.4% last year to 30.7% this season). Clothing purchases for some department stores will be down (JCPenney down from 10.9% in 2012 to 9.4% this year and Sears is down from 9% last year to 6.4% this season). Fewer shoppers are making homemade gifts this year, dropping from 27.5% to 21.2% this year, and fewer are buying for themselves. Self-gifting is down this year from 39.7% last year to 33.1% this season.

When asked, consumers who are spending less this holiday season, the #1 answer and all-time-high reason is due to higher food prices which is now at 30.4% up dramatically from 19.6% a year ago. “Higher food prices are a reality right now,” said John Ross, EVP, Inmar and President, Inmar Analytics. “Consumers today are now using digital technology along with paper coupons to save money as they are shopping in the store. The growth in digital couponing is off the charts!”

“Although we’re seeing a growing number of Americans feeling less heavily stressed from the pressures of debt, they’re still very cautious about how much to spend at Christmas,” said Beemer. And John Ross agrees when he says, “For many consumers, the recession is definitely in the rear view mirror. However, families still face a number of budget pressures, as rising food prices are proving to be the ‘coal in the stocking.’”

Results/Highlights include:

Fewer people are shopping less and expect to spend less this season
27.8% 2013 vs 34.8% in 2012

The number of consumers feeling a lot of pressure from debt has lessened
16.5% in 2013 vs 21.4% in 2012

Of those spending less this Christmas season, higher gas/food prices is reason
19.6% in 2012 vs. 30.4% in 2013

The number of shoppers doing the majority of their Christmas shopping before Black Friday weekend has risen
2.2% in 2012 vs 9.6% in 2013

The number of people they are buying gifts for has risen in the 11-15 group
20.9% in 2012 vs 24.6% in 2013

The biggest negative this season is found in the price level of gifts they are buying
\$21-\$25 is up from 17.2% in 2012 to 19.1% in 2013
\$26-\$35 is up from 20.0% in 2012 to 26.8% in 2013.
The price group dropping the most is: \$36-\$50 falling from 36.2% in 2012 to 22.7% in 2013.

Fewer shoppers are giving homemade gifts
27.5% in 2012 vs 21.2% in 2013

Gift card buying is up from
56.9% in 2012 vs 59.0% in 2013

Of those buying gift cards, more are giving in \$21-\$25 price range
27.6% in 2012 vs 30.3% in 2013

Fewer shoppers are buying something for themselves
39.7% in 2012 vs 33.1% in 2013

Those buying one large gift versus mostly small is up
45.7% in 2012 vs 51.3% in 2013

Using credit cards last year dropped
41.6% in 2012 to 36.4% 2013

Clothing gifts are up
25.1% in 2012 vs 32.5% in 2013

For clothing purchases
JCPenney is down 10.9% in 2012 to 9.4% in 2013
Sears is down 9.0% in 2012 to 6.4% in 2013

Credit card balances higher this year are down
35.5% in 2012 to 23.9% in 2013

Amazon spending more levels are down
18.4% in 2012 to 13.3% in 2013

Discount store shopping for apparel is up
25.4% in 2012 to 30.7% in 2013

No must have toy this season is up
42.1% in 2012 to 49.5% in 2013

The ARG/Inmar research consisted of 1000 telephone interviews conducted November 1 to 4, 2013 at ARG headquarters in Charleston, SC. The error factor is plus or minus 3.8%. The next ARG/Inmar shopping survey will be conducted November 8-11. The surveys will continue every week through the shopping season.

About America's Research Group

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.
www.argconsumer.com

About Inmar

Inmar is technology company that operates intelligent commerce networks. Our platforms connect offline and online transactions in real time for leading retailers, manufacturers and trading partners across multiple industries which rely on Inmar to securely manage billions of dollars in transactions. Our Promotions, Supply Chain and Healthcare platforms enable commerce, generate meaningful data and offer growth-minded leaders actionable analytics and execution with real-time visibility. Founded in 1980, Inmar is headquartered in Winston-Salem, North Carolina with locations throughout the United States, Mexico and Canada.
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