



**National Retail Federation<sup>®</sup>**

*The Voice of Retail Worldwide*

# 2009 Holiday Survival Kit



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**This holiday season, NRF will release information about:**

- Expected holiday sales, in billions
- How the economy is impacting holiday spending
- What the average person will spend
- Where people will shop
- Tips for shopping on a budget
- What consumers will buy
- What people want to receive
- How much return fraud will cost retailers this year
- Influential advertisements
- Who plans to shop on Black Friday and Cyber Monday
- Percentage of gifts expected to be returned
- Spending on decorations
- How the economy is impacting retailers' holiday season plans
- Biggest factors that influence purchasing decisions
- Amount of shopping to occur online
- Preferred payment methods
- Free shipping deadlines
- Online shopping tips
- Gift card spending
- Hot toys
- Last-minute shopping
- Percent of shopping not completed
- When online retailers will begin holiday marketing
- Profile of people who shop from work
- Safe shopping tips

**NRF will not be distributing holiday research release dates in advance.**

# NRF Holiday Spokespeople



## [Ellen Davis](#)

**Title:** Vice President, NRF Spokesperson

**Expertise:** General retail and consumer trends, the economy, online shopping, marketing and advertising trends



## [Scott Krugman](#)

**Title:** Vice President, NRF Spokesperson

**Expertise:** General retail and consumer trends, economic indicators, sales and forecasts



## [Kathy Grannis](#)

**Title:** Manager, NRF spokesperson

**Expertise:** Consumer trends, NRF holiday research, the economy



## [Tracy Mullin](#)

**Title:** President and CEO

**Expertise:** High-level retail information



## [Mike Gatti](#)

**Title:** Senior Vice President, Communications; Executive Director, Retail Advertising and Marketing Association

**Expertise:** Marketing and advertising trends



## [Scott Silverman](#)

**Title:** Executive Director, Shop.org

**Expertise:** Online sales and shopping trends, social networking, online shopping tips



## [Dan Butler](#)

**Title:** Vice President, Retail Operations

**Expertise:** Shopping tips, retail employment, inventory levels, seasonal fashions and products



## [Joe LaRocca](#)

**Title:** Senior Asset Protection Advisor

**Expertise:** Crowd management, theft, return fraud, gift card fraud, organized retail crime, counterfeiting, safe shopping



Click on photos to download high-resolution image. To schedule interviews, contact [Kathy Grannis](#).



# Holiday 2009 FAQs

## Forecasts/Sales: Information, Calculations and Definitions

### What is NRF's prediction for holiday growth this year?

NRF is projecting 2009 holiday sales to be 1.0% lower than 2008. If NRF's -1.0% estimate is correct, holiday sales this year would be \$437.6 billion.

### What percentage of annual sales do the holidays represent?

For many retailers, the holiday season can represent anywhere between 25-40% of annual sales. In 2008, holiday sales represented 18.5% of total retail industry sales (pg. 6). Jewelry stores have the most at stake; last year, holiday sales represented 25.5% of jewelry stores' annual sales (pg. 7).

### How much did holiday sales change last year?

Holiday sales in 2008 declined 3.4% to \$441.97 billion (pg. 6), the first year NRF has seen a decline since it began tracking retail industry sales in 1992. On average, holiday sales have increased 3.39 percent per year for the last ten years.

### What does NRF classify as the "winter holidays"?

NRF tallies total retail industry sales from November and December to determine holiday sales. Holidays during this period include Thanksgiving, Christmas, Hanukkah and Kwanzaa. Last year, according to an [NRF survey](#), 94% of consumers celebrated Christmas, seven percent celebrated Hanukkah, and two percent celebrated Kwanzaa.

### How many days will make up the holiday season this year?

NRF defines the winter holidays as retail industry sales from the full months of November and December, so the length of the holiday season is 55 days—the same as usual. This year, there are 28 days in between Thanksgiving and Christmas (last year, there were 27).

### How does NRF define "retail industry sales"?

Retail industry sales include most traditional retail sales categories such as discount stores, department stores, grocers, and specialty stores. Retail industry sales exclude sales at automotive dealers, gas stations and restaurants. Online sales are tallied separately due to a lag in reporting by the Commerce Department.

### Will NRF change its holiday forecast throughout the course of the holiday season?

While NRF reserves the right to change its forecast at any time, NRF rarely revises its forecast. In 2005, NRF raised its forecast mid-season when sales were better than expected and in 2001, NRF lowered its forecast. NRF has no plans to change its forecast for 2009.

**-1.0%**

Projected 2009 holiday  
retail sales decline

**\$437.6**

Anticipated holiday retail sales,  
in billions

## NRF Holiday Surveys Information

### How do NRF's surveys differ from its forecast?

NRF's holiday sales forecast is based on an economic model using indicators like housing data, unemployment and previous monthly retail sales reports. NRF's holiday surveys, conducted by BIGresearch, are completed by thousands of Americans with a very low margin of error. These surveys provide a snapshot of what consumers say they plan to do for the holiday season. This is the eighth holiday season that NRF has partnered with BIGresearch to provide holiday data.

### Where can I find complete results and historical data from NRF consumer surveys?

NRF posts the complete results from its consumer surveys at [www.nrf.com/holidays](http://www.nrf.com/holidays). When possible, the information is broken out by demographics with sample charts that make it easy to identify year-over-year trends.

### How much do people spend on gift cards during the holiday season?

Last year, consumers spent [\\$24.9 billion](#) on gift cards during the holidays, with an average of \$40 spent per card. See page 12 for more specific gift card information and look for NRF to release similar research this holiday season.

### What do consumers think about retailers' return policies?

According to NRF's seventh annual [Returns survey](#), conducted in 2008, nearly 90% of shoppers think return policies are fair. In addition, 60% of consumers last year said they include a gift receipt or the original receipt most or some of the time when giving a gift.

# Holiday 2009 FAQs

## Retail Holiday Terms



### Why is the day after Thanksgiving referred to as Black Friday?

Traditionally, the day after Thanksgiving was the day of the year that retailers went from being “in the red” (in debt) to being “in the black” (making a profit). Today, Black Friday is known to consumers as the ceremonial kickoff to the holiday shopping season, an important day for retailers to bring shoppers into their stores with sales and promotions.

### Is Black Friday the busiest shopping day of the year?

According to [ShopperTrak](#), Black Friday was the busiest shopping day of the year last year, though that is not always the case. (The Saturday before Christmas often takes top honors.) NRF does not monitor or track sales by day.

### What is Cyber Monday?

Cyber Monday, the Monday after Thanksgiving, is the online retail equivalent to Black Friday. The term was coined in 2005 by NRF division Shop.org based on a clear consumer trend that retailers began to recognize in 2003 and 2004. At the time, retailers noticed that many consumers, who were too busy to shop over the Thanksgiving weekend or did not find what they were looking for, shopped online that Monday from home or work to find bargains. Many online retailers see sales spike on Cyber Monday, but, like Black Friday, it is not the busiest online shopping day of the year.

### What is CyberMonday.com?

[CyberMonday.com](#) is a website for shoppers to find online holiday deals. The site was launched in 2006 by Shop.org to raise money for a [scholarship fund](#) in memory of former Shop.org Vice President Ray Greenly. When shoppers make a purchase through the site, retailers provide a percentage of that sale to Shop.org. To date, more than \$900,000 has been raised for the Fund, which helps students pursuing careers in eCommerce.

## Retail Operations Data

### How many employees do retailers typically hire during the holiday season?

Last year, retailers hired an additional 231,000 workers during the holiday season, a substantial drop from the 618,000 they hired in 2007 (pg. 8). During the holidays, while some retailers were hiring seasonal workers, others were shedding full- and part-time jobs from stores and corporate offices. The retail industry has lost 770,000 jobs since January 1, 2008.

### Why have retailers changed their return policies?

Some retailers make return policies more lenient during the holiday season, understanding that there may be a lag time between when a gift is purchased and received. However, many retailers have also begun to change their return policies to account for an increase in return fraud. Last year, retailers lost \$3.5 billion due to return fraud during the holiday season, according to NRF’s third annual [Return Fraud survey](#) (pg. 9).

### What are some examples of retail fraud and why is it a big deal?

The most popular form of return fraud is the return of stolen merchandise, which 89 percent of retailers said they experienced last year (pg. 9). Retailers have also been plagued when criminals return merchandise that was originally purchased with fraudulent or counterfeit tender or return merchandising with counterfeit receipts. Return fraud often raises prices for honest shoppers and forces retailers to change their return policies.

## Online Sales Information

### What is the best way to monitor online holiday sales throughout the holiday season?

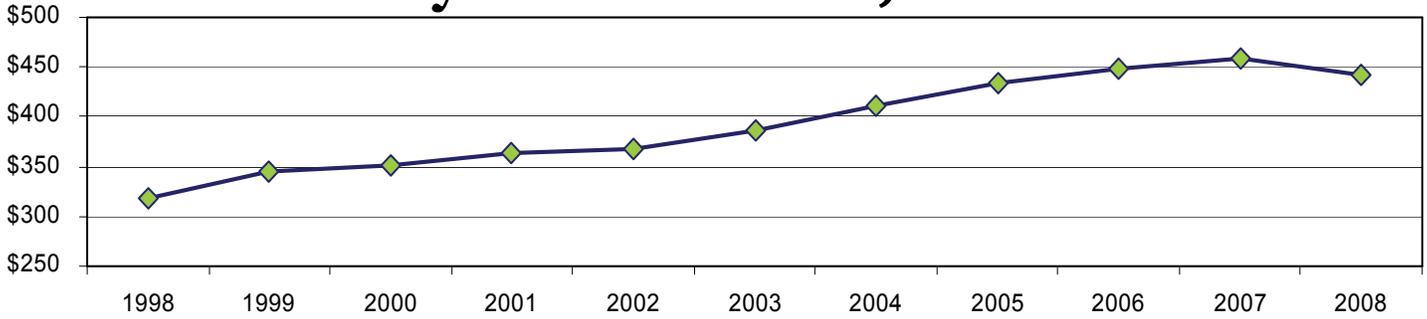
Department of Commerce data on online shopping typically lags behind reporting of traditional retail sales by a month or more, so the best way to monitor online holiday trends is through Shop.org’s eHoliday survey. For information on online sales in different product categories, Nielsen//NetRatings and comScore release regular sales updates.



### Are traditional retailers hurt when people shop online?

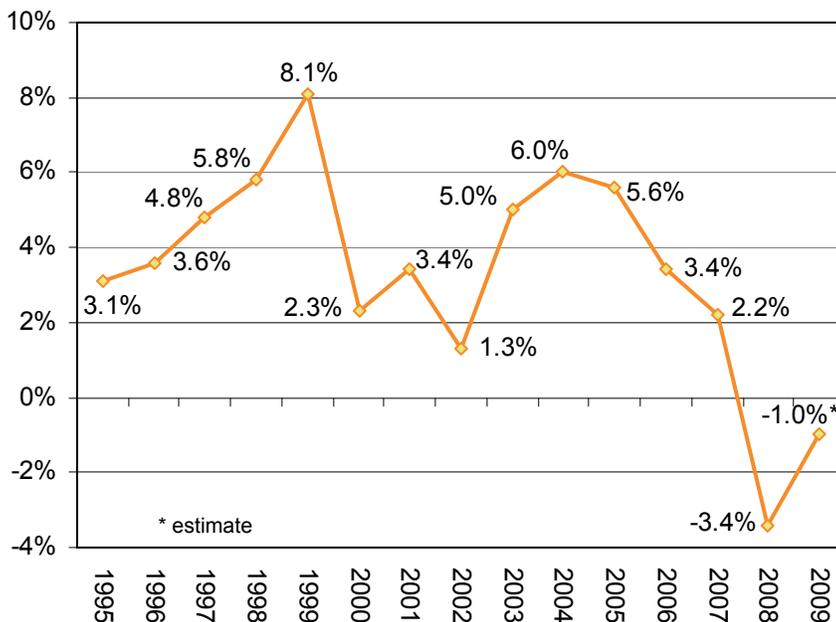
Retailers know that many of their customers like to shop in a variety of ways. If they want to ship a gift directly to a recipient or shop at odd hours, they may choose to shop online. If they want to easily browse for gift ideas or touch merchandise before they buy, they’ll shop in a store. Most retailers do not care if customers shop in stores or online as long as they shop with them.

# Holiday Retail Sales, 1998-2008



Year	Holiday Retail Sales (in billions)	Annual Retail Industry Sales (in billions)	Holiday Sales as a % of Industry Sales
2008	\$441.97	\$2,390.62	18.49%
2007	\$457.75	\$2,361.12	19.39%
2006	\$448.03	\$2,291.31	19.55%
2005	\$433.46	\$2,180.55	19.89%
2004	\$410.33	\$2,065.36	19.87%
2003	\$387.16	\$1,946.79	19.89%
2002	\$368.77	\$1,873.75	19.68%
2001	\$364.12	\$1,818.44	20.02%
2000	\$352.16	\$1,760.53	20.00%
1999	\$344.20	\$1,678.30	20.51%

## Holiday Retail Sales Increases 1995-2009



**3.39**

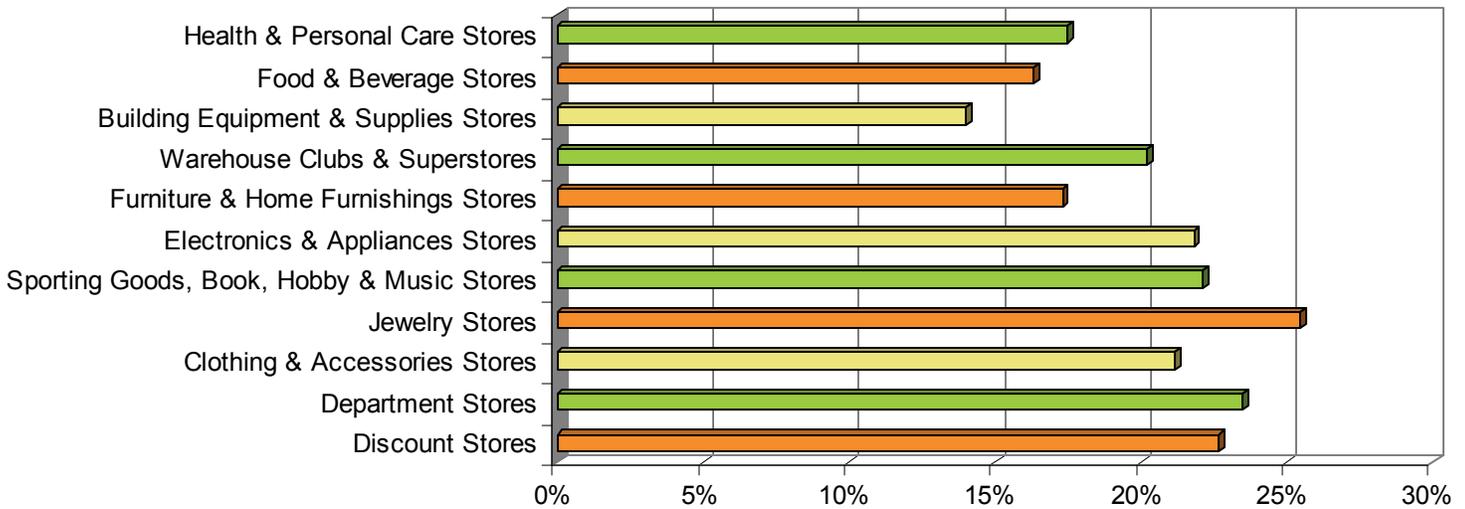
Average percent increase of holiday sales for the past decade ('99-'08)

**2008**

Only year that holiday sales declined since NRF began tracking in 1992

Source: NRF; derived from U.S. Department of Commerce data.

# Percent of Annual Sales During Holidays



## 2008 Holiday Sales by Sector (in millions)

	Holiday Sales	Annual Sales	% of Annual Sales During Holidays
Discount Stores	\$28,971	\$127,823	22.66%
Department Stores	\$48,434	\$206,121	23.50%
Clothing & Accessories Stores	\$45,721	\$215,962	21.17%
Jewelry Stores	\$7,200	\$28,267	25.47%
Sporting Goods, Book, Hobby & Music Stores	\$19,398	\$87,709	22.12%
Electronics & Appliances Stores	\$24,238	\$111,081	21.82%
Furniture & Home Furnishings Stores	\$18,275	\$105,533	17.32%
Warehouse Clubs & Superstores	\$65,358	\$323,305	20.22%
Building Equipment & Supplies Stores	\$45,343	\$323,279	14.03%
Food & Beverage Stores	\$74,045	\$452,929	16.35%
Health & Personal Care Stores	\$42,931	\$245,752	17.47%

**1/4**

Amount of annual jewelry stores' sales that occur during the holidays

**2 in 5**

Number of Americans who shopped online for last-minute holiday purchases in 2008

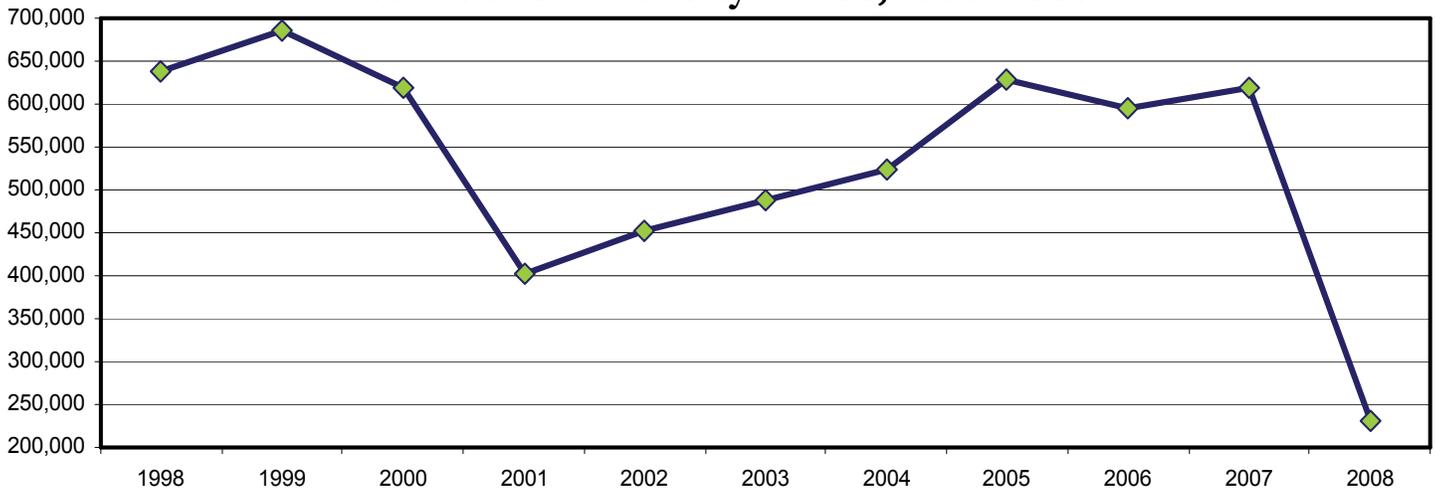
**69%**

Percentage of 18-24 year-olds who made a holiday purchase at a department store last year

Source: National Retail Federation (NRF); derived from U.S. Department of Commerce data. Consumer data conducted in 2008 by BIGresearch for NRF.

# Retail Employment

## Number of Holiday Hires, 1998-2008



Year	Average Monthly Employment	Average Monthly Employment During Holiday Season	Number of Holiday Hires	% Increase in Holiday Employees vs. Jan-Oct	Holiday Employment Change (yr/yr)
2008	15,318,000	15,549,000	231,000	1.49%	-62.62%
2007	15,388,000	16,006,000	618,000	3.86%	3.69%
2006	15,220,000	15,816,000	596,000	3.77%	-5.25%
2005	15,150,000	15,779,000	629,000	3.99%	19.96%
2004	15,034,700	15,559,050	524,350	3.37%	7.33%
2003	14,917,300	15,405,850	488,550	3.17%	8.24%
2002	15,025,100	15,476,450	451,350	2.92%	12.14%
2001	15,238,600	15,641,100	402,500	2.57%	-34.93%
2000	15,279,800	15,898,400	618,600	3.89%	-9.67%
1999	14,970,100	15,654,950	684,850	4.37%	7.31%
1998	14,609,300	15,247,500	638,200	4.19%	-1.48%

**530,000**

Number of retail jobs lost in 2008

**12.5**

Percentage of retail workers who are teenagers

**119**

The average number of people employed by a single department store

Source: National Retail Federation. Derived from Bureau of Labor statistics data.

# Theft and Fraud

## Return Fraud: A “victimless” crime?

Criminals commonly take advantage of companies’ return policies to receive cash for stolen merchandise, launder money or return items after they have been used.

Last year, return fraud cost retailers \$3.5 billion during the holidays and \$11.8 billion throughout the year.

### Retailers have experienced the following:

**89%** Stolen merchandise has been returned

**74%** Merchandise that was originally purchased fraudulently has been returned

**46%** Counterfeit receipts were used to make a return

**64%** Wardrobing (intentionally using or wearing an item prior to returning it)—most common with jewelry, formalwear and electronics

**92%**

Percentage of retailers who say their company has been a victim of organized retail crime in the last 12 months

**100,000+**

Number of incidents that have been reported through the Law Enforcement Retail Partnership Network, launched in 2007 by retailers and the FBI

**60%**

Percentage of retailers who say they have found merchandise stolen from their company for sale on internet auction sites

## Top Health & Beauty Products Stolen and Resold by Criminals

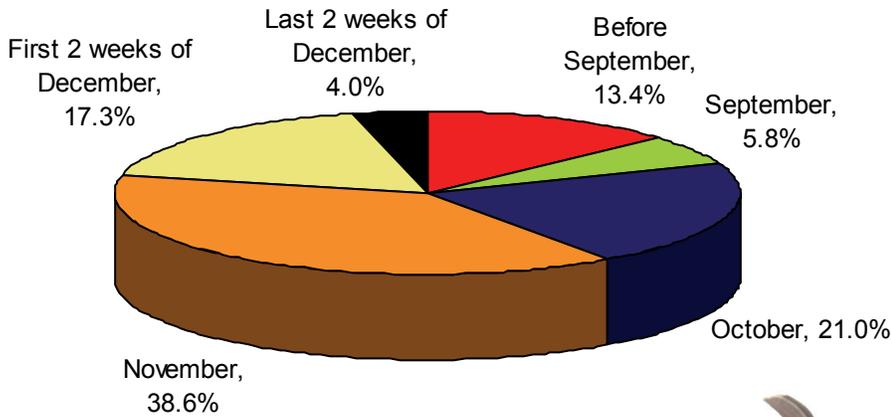
Abreva · Advil · Aleve · alli · Benadryl · Braun toothbrushes & replacement heads · Bumble & Bumble · Claritin · Cover Girl cosmetics · Crest Whitestrips · diabetic testing strips · e.p.t. pregnancy tests · Gillette Fusion, MACH3, Venus and Sensor razors and refill cartridges · Lotrimin · Matrix · Nicorette · Oil of Olay · Oral B replacement heads · Pepcid AC · Prilosec · Primatene · Pureology · RoC · Rogaine · Similac · Sudafed · Schick Quattro razors and all Schick refill cartridges · Sonicare replacement heads · Tylenol Extra Strength · Visine · Zantac

—NRF recommends that shoppers only buy health and beauty items from reputable, legitimate retail companies, either in stores or through the companies’ websites

Sources: NRF 2009 Organized Retail Crime survey, NRF 2008 Return Fraud survey.

# 2008 NRF Holiday Research Findings

## When Consumers Started Holiday Shopping



# 94%

Percentage of adults who celebrated at least one of the winter holidays (Christmas, Hanukkah, or Kwanzaa) last year

# 1 in 2

Consumers who said that everyday low prices or sales were the biggest influence in deciding where to shop

# 40%

Percentage of people who started holiday shopping last year before Halloween

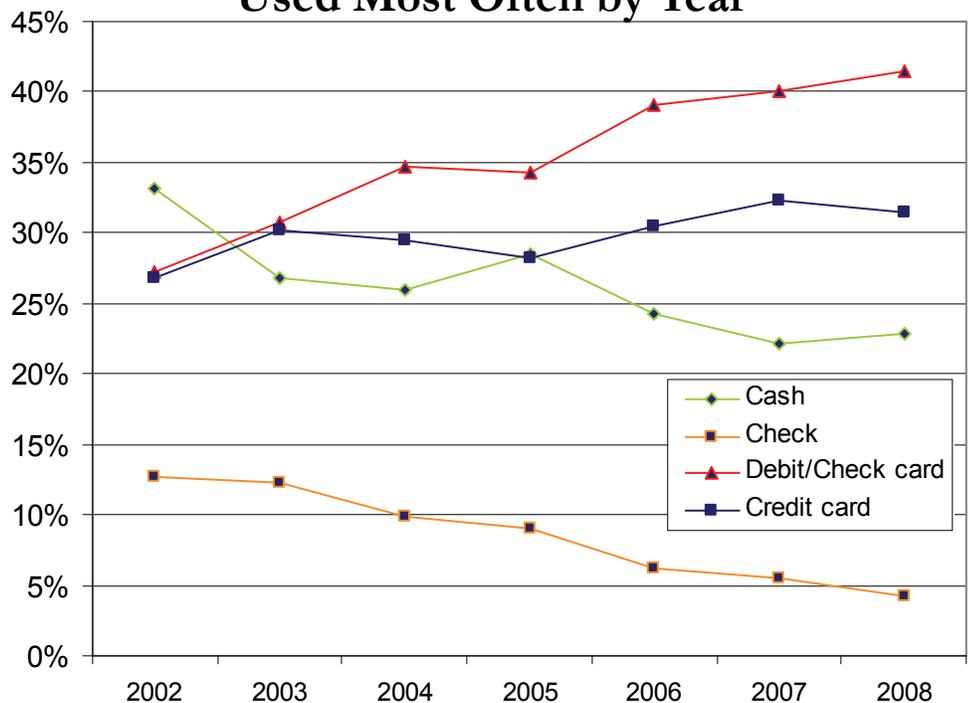


## 2008 Average Holiday Spending by the Numbers:

\$395.15	Gifts for family
\$80.13	Gifts for friends
\$22.63	Co-workers' gifts
\$36.88	Other gifts
\$43.45	Decorations
\$80.28	Candy and food
\$27.39	Cards and postage
\$19.10	Flowers
<b>\$705.01</b>	<b>Total*</b>

\*These numbers are the revised estimates, released in Oct. '09, based on total holiday spending numbers derived from the Dept. of Commerce

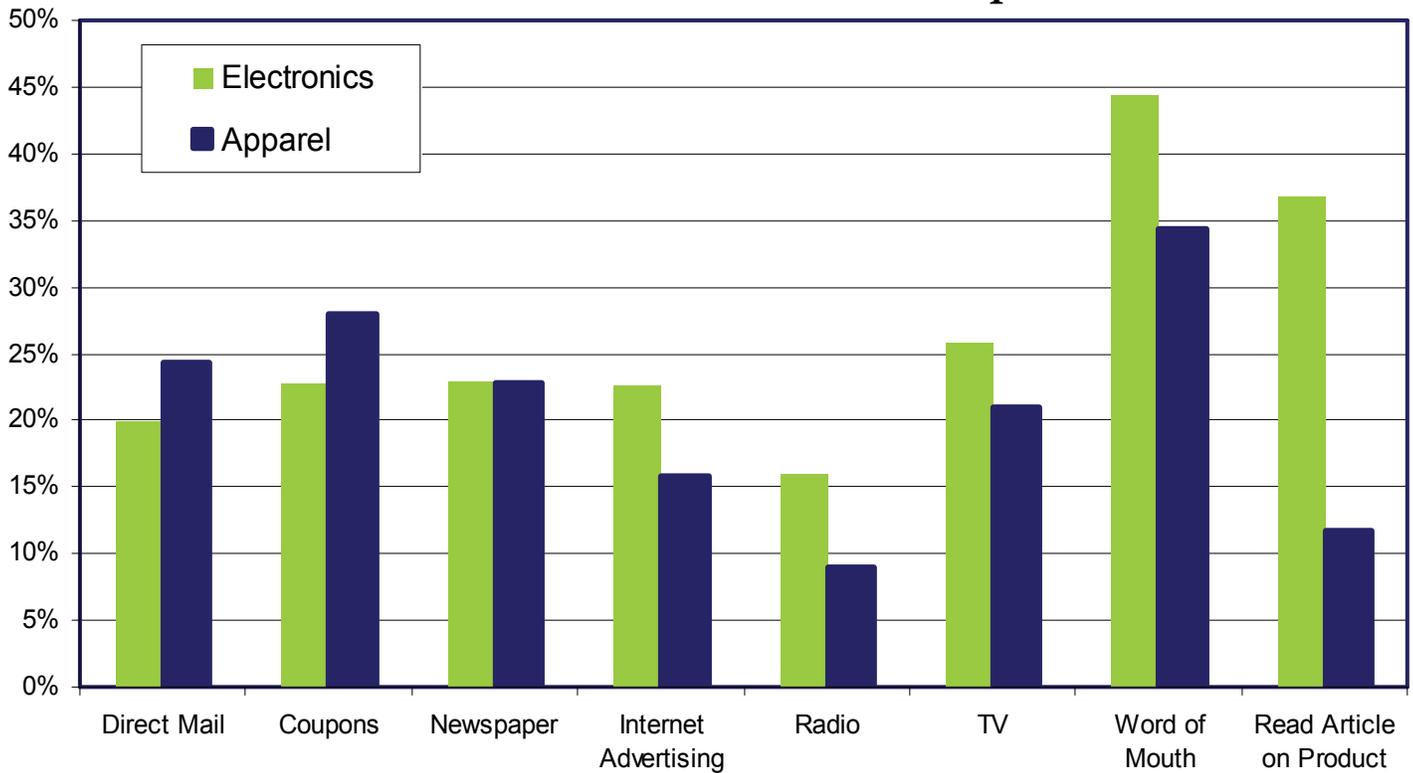
## Holiday Payment Methods Consumers Used Most Often by Year



Source: BIGresearch for NRF. For specific stats and sourcing information, visit [www.nrf.com/holidays](http://www.nrf.com/holidays).

# Advertising and Marketing

## What Influences Consumers to Purchase Specific Items



### Shoppers' Favorite Holiday TV Ads, 2008

1. Target
2. Wal-Mart
3. Best Buy
4. Macy's
5. Kohl's
6. Sears
7. Kmart
8. JCPenney
9. Old Navy
10. Toys "R" Us

**41%**

Percentage of people who say they watch TV while surfing the web

Percentage of adults 55 and over who read a newspaper at least once a week

**78%**

**14%**

Percentage of adults who listen to the radio while reading a magazine

Percentage of young adults 18-34 who use instant messenger at least once a week

**48%**

Source: [Survey](#) conducted by BIGresearch for the Retail Advertising and Marketing Association, a division of NRF. 2008.

# Gift Cards

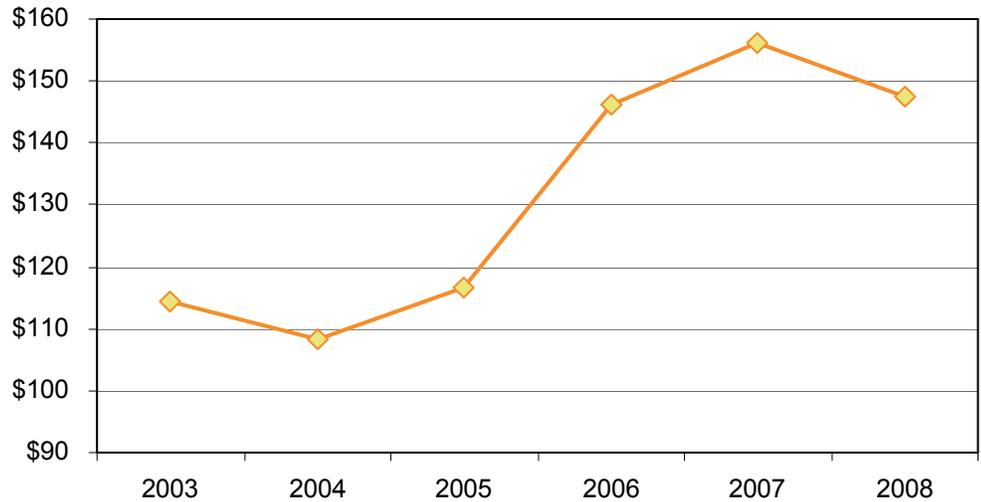
**\$40.54**

Average amount of each gift card purchased last holiday season

**3.6**

Average number of gift cards that people purchased last holiday season

## Average Amount Gift Card Buyers Spent on Cards Each Holiday Season



### Most Popular Gift Cards Purchased, Holiday 2008

Department store	31.9%
Restaurant	30.1%
Bookstore	15.8%
Electronics store	14.9%
Discount store	13.6%
Coffee shop	12.0%
Entertainment (movies, etc.)	10.3%
Home improvement store	8.8%
Grocery store/gasoline	8.8%
Clothing store	7.8%

**71%**

Percentage of people who purchased a gift card last holiday season from a store where the card can be used

**36%**

Average amount of gift card values that had been spent two weeks after Christmas

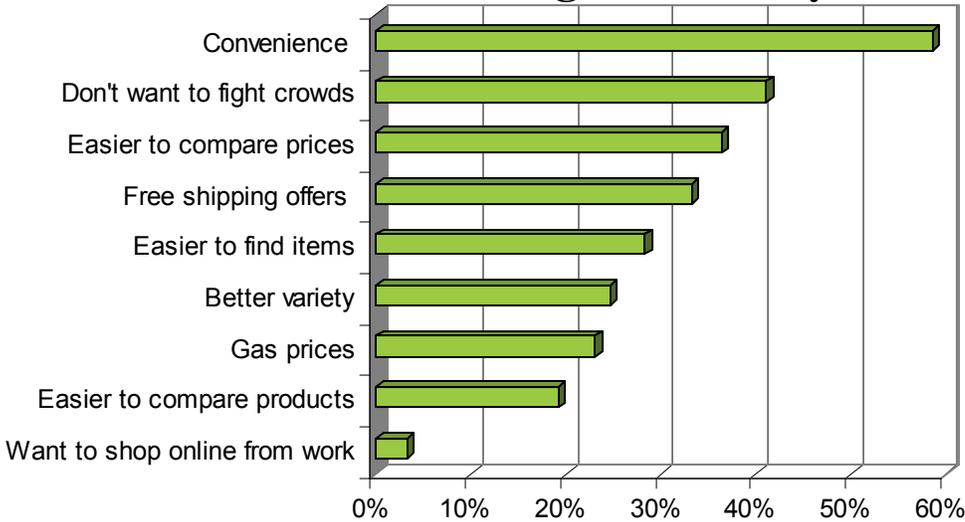
### Why People Purchased Fewer Gift Cards

Seems impersonal	22.7%
Would rather buy items on sale	10.9%
Concerned about expiration or added fees	9.8%
Not sure which retailer to buy from	7.7%
Worried it will get lost	3.9%
Concerned the retailer will go out of business	3.1%
None of the above	41.9%

Source: Conducted in October 2008, November 2008 and January 2009 by BIGresearch for NRF.

# Online Shopping

## Why Consumers Prefer to Shop Online Rather Than in Stores During the Holidays



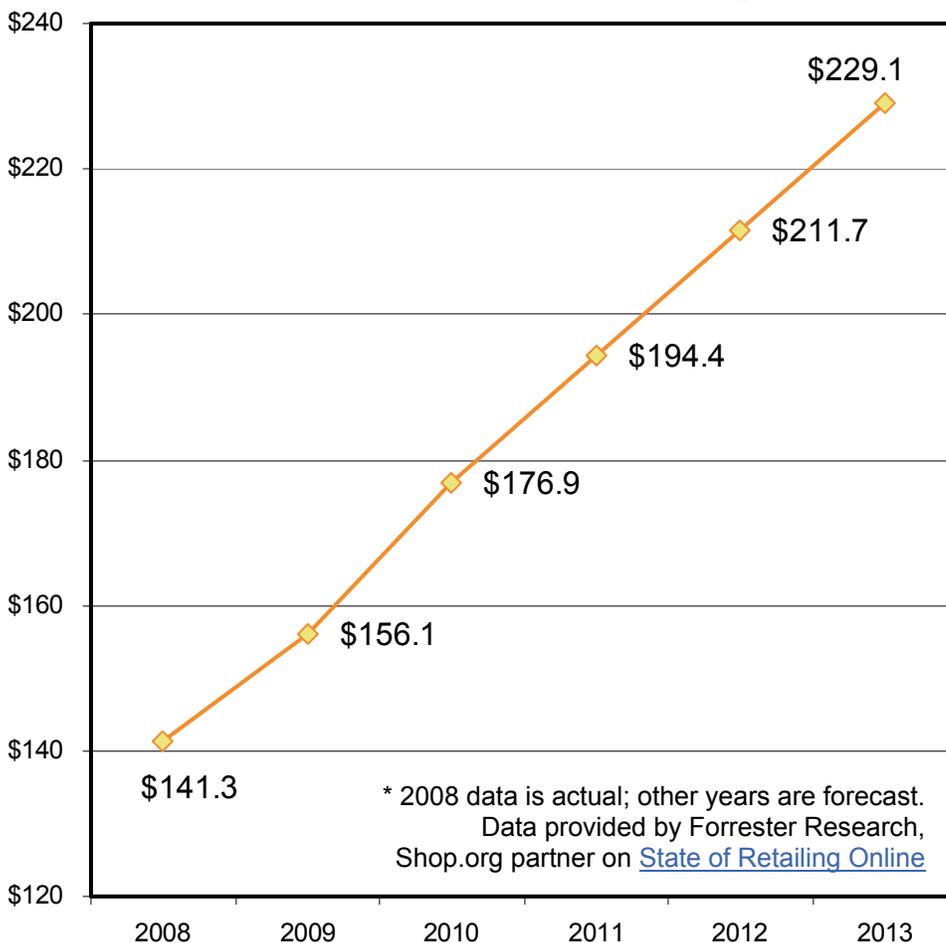
**4 of 5**

Number of online retailers that think the online channel is better able to withstand an economic downturn than stores

**78%**

Percentage of online retailers that offered free shipping with conditions last holiday season

## Online Sales in Billions, Excluding Travel



**5.0%**

Percentage of retail sales expected to occur online this year

**70%**

Percentage of retailers who sold gift cards/certificates online last holiday season

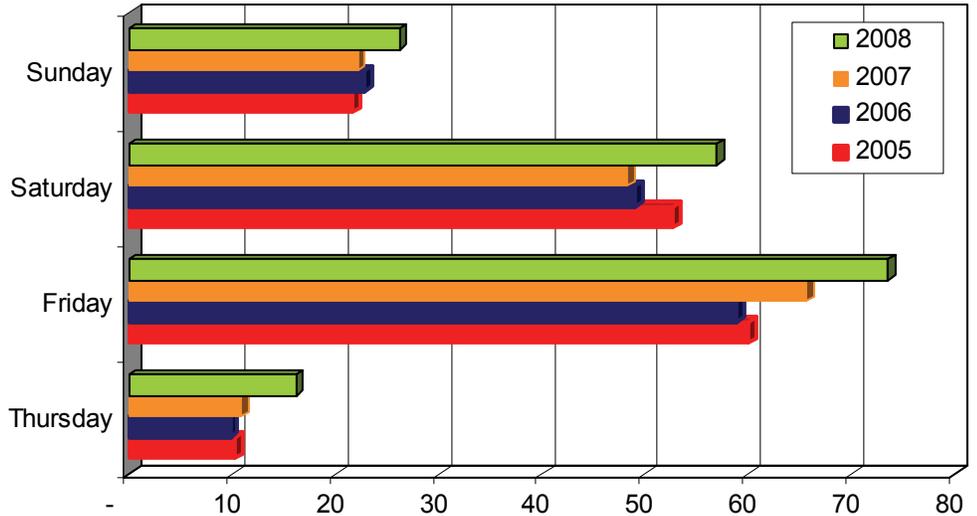
**44%**

Percentage of holiday shoppers who shopped online last holiday season

Source: 2008 Shop.org eHoliday survey; BIGresearch; State of Retailing Online 2009.

# Black Friday

## Millions Who Shopped Black Friday Weekend



**74**

Millions of people who shopped on Black Friday itself last year

**1 in 4**

Shoppers were at the stores by 5 a.m. on Black Friday

**\$372.57**

Amount the average Black Friday shopper spent Thursday through Sunday

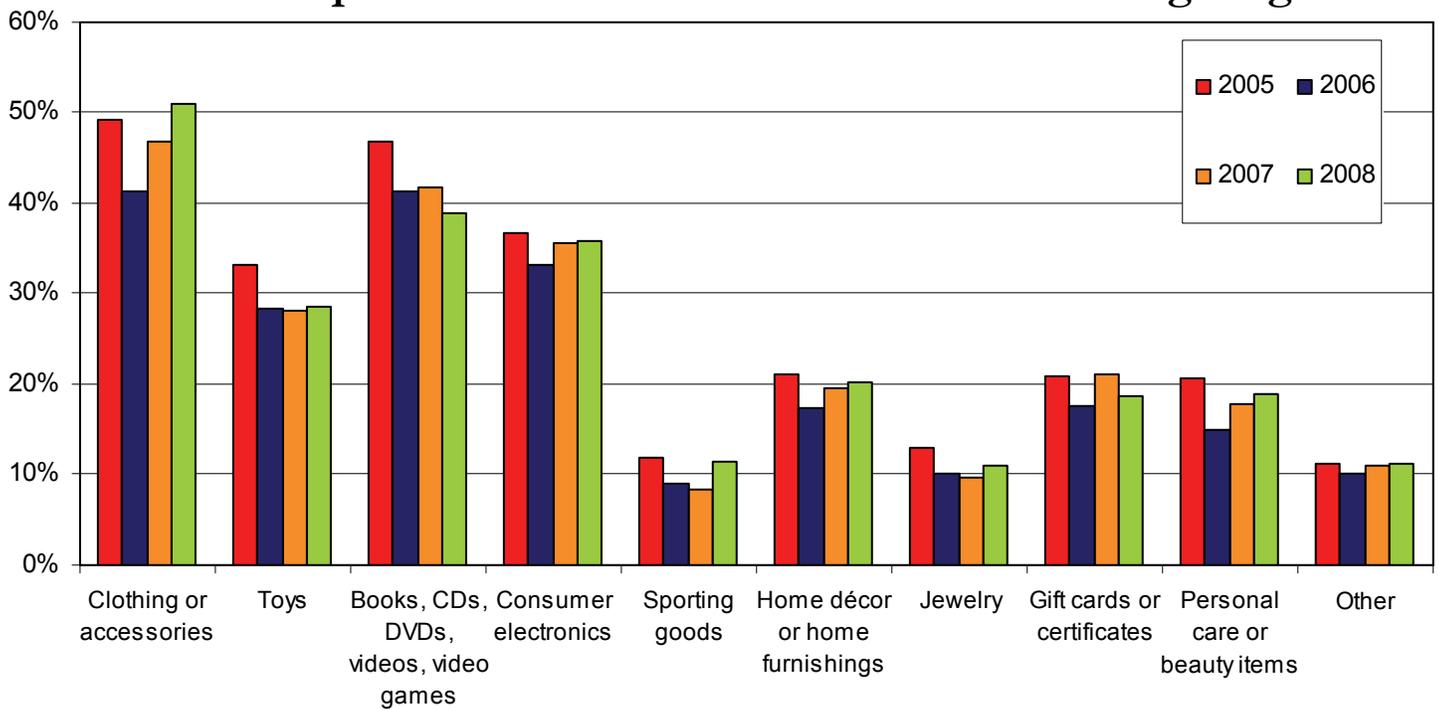
**1/4**

Number of Black Friday shoppers who bought toys

**10.6%**

Percentage of people who had finished their shopping by Cyber Monday

## What People Purchased the Weekend After Thanksgiving

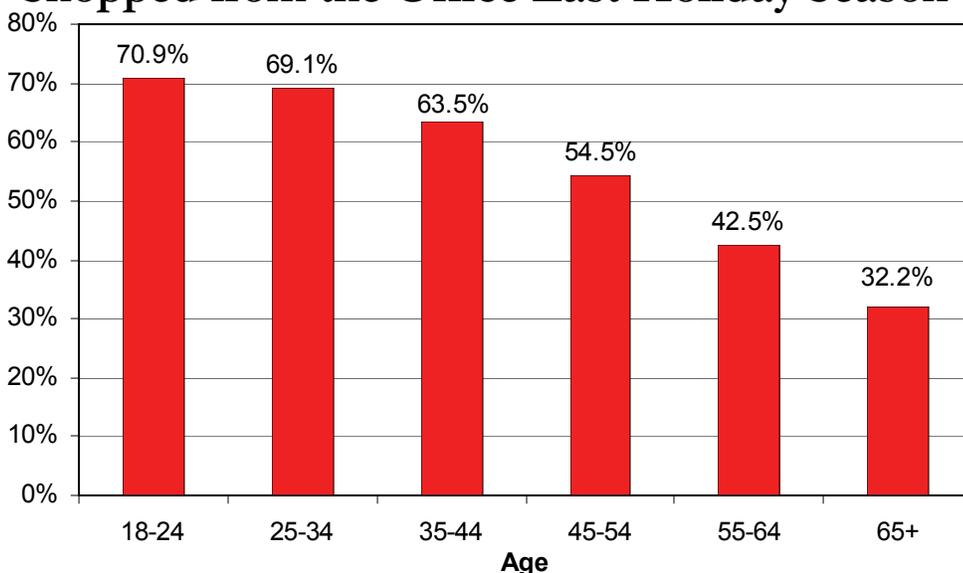


Source: [Survey](#) conducted November 2005 - November 2008 by BIGresearch for NRF.



# Cyber Monday

## People with Online Access at Work who Shopped from the Office Last Holiday Season



**83.7%**

Percentage of retailers who offered specific Cyber Monday promotions last year

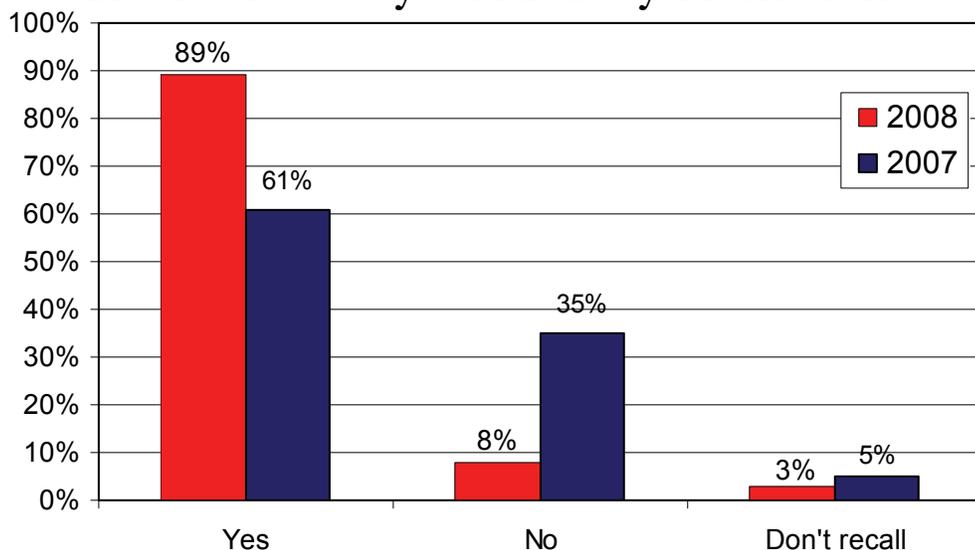
**72.8**

Millions of people who shopped online from work during the holiday season

**\$900+**

Thousands of dollars Shop.org website [CyberMonday.com](http://CyberMonday.com) has raised for the [Ray M. Greenly Scholarship Fund](#)

## Number of People Who Said They Read or Heard About Cyber Monday Promotions



**84.6**

Millions of people who shopped online on Cyber Monday last year

**1 in 2**

Number of retailers who said Cyber Monday was the biggest sales day last holiday season

**76%**

Percentage of online shoppers who know the term "Cyber Monday"

Sources: BIGresearch and Shop.org eHoliday survey, 2008