250-885-0289
www.agencyresearch.ca

Christmas Shopping 2008

Summary of Findings

December, 2008

Survey Highlights

- Agency Research Consultants' second annual online Christmas shopping survey attracted 246 participants from December 1st to 17th, 2008.

- 61% of men and 31% of women reported waiting until December to begin shopping.

- Compared to 2007, there was an increase in the number of survey participants who reported making handmade gifts and shopping at craft fairs, markets and trade shows. Shopping online decreased compared to last year's survey.

- 43% of survey respondents said they will be spending less on holiday gifts this year than they did last year, compared to only 6% who said they would be spending more.

- Overall, 35% of those surveyed said they spent more than $500 on gifts at Christmas. This number is down from 45% in 2007.

- The top 2 ways in which survey participants said they would reduce their holiday spending was by spending less per gift and by buying for fewer people.

- 42% of those surveyed said they loved to receive gift cards or certificates

- About half (48%) of respondents reported they would donate about the same amount this year as they did last year. The remaining respondents who make donations were fairly evenly split between spending more (22%) and less (19%) this year, compared to last.

Introduction

Agency Research Consultants' second annual online Christmas shopping survey built on the results from last year's survey with the addition of several new questions. In addition to asking participants to discuss their experiences and share their thoughts about Christmas shopping in general, this year's survey included questions about ways in which people planned to reduce their spending, people's feelings about receiving gift cards or certificates, and plans to donate to local charities.

The survey was administered online via the Agency Research Consultants website at www.agencyresearch.ca and collected opinions from local residents from December 1-17, 2008. A total of 246 persons completed the survey. The discussion and tables presented below are from a select number of the questions included on the survey. Wherever possible, results from this year's survey have been compared to those from 2007.

Survey Results

The results showed that slightly more people were apt to get a jump on their Christmas shopping earlier this year compared to last. In 2008, a total of 18% stocked up on holiday gifts throughout the year, while an additional 20% hit the stores before Halloween. December remains popular, however, with 38% starting their shopping in the month of Christmas. Again, perhaps not surprisingly, men are considerably more likely to be late shoppers with 61% of men and 31% of women waiting until December to begin shopping.

Table 1: Starting shopping, 2007 & 2008

	2007	2008
I shop all year round	15%	18%
I usually start in early fall (September or October)	18%	20%
November	25%	24%
Early December	31%	26%
Late December	11%	12%
Christmas Eve	1%	0%

Once again the most popular place to shop for Christmas gifts was at the malls, with just over three quarters (76%) of survey participants mentioning this location. Department stores and downtown shops were also popular with 63% and 46% choosing these options, respectively. Interesting to note was that craft fairs, markets and trade shows saw an increase from 23% in 2007 to 37% in 2008. Similarly, the number who reported making handmade gifts was also up from 21% in 2007 to 31% in 2008. Shopping online decreased from 40% of participants last year to 31% in this year's survey.

Table 2: Shopping locations, 2007 & 2008*

	2007	2008
Shopping malls	74%	76%
Department stores (including big box stores and outlet malls)	61%	63%
Downtown shops	49%	46%
Independent or local stores not downtown	38%	40%
Craft fairs, markets and trade shows	23%	37%
Online	40%	31%
Handmade gifts	21%	31%
Other	2%	2%
Do not purchase or make Christmas gifts	3%	3%

*Total does not sum to 100% as participants could choose multiple responses.

Recent changes in the economy may be one of the reasons that 43% of 2008 survey participants intended to spend less this year compared to 2007. Only 6% indicated that they planned to spend more. This represents a considerable shift from last year's survey where only 25% indicated that they planned to spend less than they had the previous year and 19% indicated that they planned to spend more. One participant had this to say:

"I will not be spending anything on presents this year as my expenses for basics (shelter, food, utilities & transportation) have increased dramatically in the past year…"

Also very interesting to note is that the 2007 survey showed differences in spending by income whereby 40% of those who reported household incomes under $50,000 indicated they were spending less than they had in 2006, while only 11% of those with incomes over $100,000 indicated the same. In 2008, 46% of those with household incomes under $50,000 reported that they planned to spend less; however, 59% of those with household incomes over $100,000 indicated they were also reducing their spending compared to 2007.

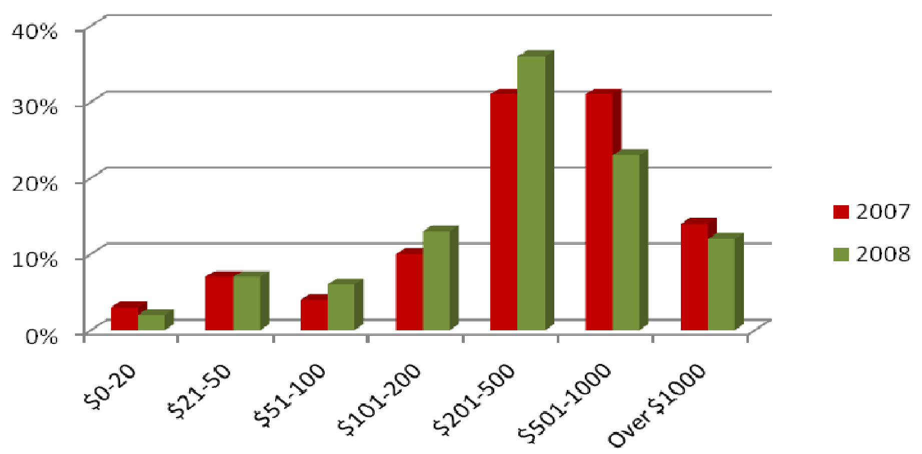
Table 3: Spending on Christmas gifts, 2007 & 2008

	2007	2008
Considerably more	5%	0%
Somewhat more	14%	6%
About the same amount	57%	51%
Somewhat less	17%	30%
Considerably less	8%	13%

A closer look at holiday spending for 2008 showed that 35% had holiday budgets over $500, with an additional 46% planning on spending between $100 and $500 on Christmas. This also represents a considerable change from 2007 where nearly half of survey participants (45%) indicated that they planned to spend over $500. The median amount spent for gifts for children and adults remained unchanged at between $50 and $100 per gift.

Overall, survey participants indicated their spending was relatively balanced between credit cards and cash with an average of 43% of spending on credit cards and 57% in cash. There were, however, noteworthy patterns within this finding. Among the men surveyed, the mean percent of their total Christmas shopping on credit cards was 52% compared to 41% for women. Among those who reported household incomes under $50,000 the average percent of Christmas spending allocated to credit cards was 37%. This number increased steadily as household income increased up to a maximum average of 57% for those with household incomes over $100,000.

Figure 1: Spending on all gifts overall, 2007 & 2008



There were a number of different ways named to limit spending. The most popular of these were spending less on each gift (47%) and buying gifts for fewer people (46%). Participants also mentioned that they planned on donating money in the name of friends or relatives or giving money to charity in lieu of gifts.

Table 4: Plans to reduce spending

	Frequency	%*
Buying for the same number of people but spending less per gift	46	47%
Buying gifts for fewer people	45	46%
Making more presents or giving more cards	22	22%
Buying gifts only for the children in my family	18	18%
Not exchanging gifts with family or friends at all	16	16%
Doing a Secret Santa or drawing names instead of buying for everyone	11	11%
Not planning on doing any of the above to reduce my spending	3	3%
Other way to reduce spending	5	5%

*Total does not sum to 100% as participants could choose multiple responses.

New on the 2008 survey was a question about charitable donations at Christmas. Overall, nearly half of survey participants (48%) indicated that they planned to donate the same amount; however, 22% indicated they planned to donate more and 19% indicated that they would not be donating the same as they had in the past. However, even among those who were planning on donating less there was still recognition that Christmas was an important time for giving. One participant had this to say:

"It concerns me that people (including myself) are donating less money this year. I'm making a point of increasing my volunteer time to make up for the lack of cash and hope others will, too."

Table 5: Amount donated this year compared to last

	Frequency	%
Considerably more	8	4%
Somewhat more	37	18%
About the same amount	99	48%
Somewhat less	23	11%
Considerably less	17	8%
Do not make donations at Christmas	23	11%

Also new on the 2008 survey was a question about gift cards. The number of stores offering cards as an alternative to a more traditional gift is increasing and we wanted to know whether those on the receiving end felt these were favoured gifts or not. The largest group of survey participants (42%) were very happy to receive gift cards, however 17% mentioned that they would either be disappointed or that they felt the giver did not put in the effort to find an appropriate gift.

Table 5: Feelings about receiving gift cards or certificates

	Frequency	%
I love them - I get to choose what to buy	99	42%
They are okay as stocking stuffers but not as main presents	28	12%
I do not really care either way	57	24%
I appreciate them but feel a bit disappointed that I did not get an actual gift	32	13%
I think they are thoughtless indicators that the giver did not really try	9	4%
Other, please specify	13	5%

As usual, our survey participants had lots of other things to say. Here are a few of the additional comments we heard:

"Being a single parent of 2 children, the rental units cost a pretty mint and cost of living has skyrocketed. Christmas has changed considerably. It has slowly been changing over the years but this year I will have to say is going to be the worst (spending wise) but the best family wise. I am thankful and grateful for their health and happiness. I just hate the pressure you feel from all the hype around you and how it makes one feel if you don't or can't afford to get gifts for all. 20 bucks sure doesn't go far like it used to."

"Victoria's downtown core really needs to encourage businesses (outside of the mall) to remain open at nights. That would help to increase selection and options for purchasing. May be even get me to spend more."

"With the exception of the crowds and line-ups, I love Christmas shopping. I like the lights, decorations and music. I like the excitement of finding that perfect gift for someone special. Merry Christmas!"

"Buy what you can afford to buy. Christmas is about family, not presents."

Quick overview of 2008 survey participants

The results for age, gender and income are presented below.

Table 6: Demographics*

Gender	Frequency	%
Man	61	26%
Woman	175	74%
Age	**Frequency**	**%**
Under 25	15	6%
25-34	68	29%
35-44	52	22%
45-54	46	19%
55-64	42	18%
65 or over	14	6%
Income	**Frequency**	**%**
Under $25,000	28	14%
$25,000 - $49,999	52	25%
$50,000 - $99,999	91	44%
$100,000 - $149,999	24	12%
$150,000 - $199,999	8	4%
$200,000 or above	2	1%

*Valid responses only. Those who declined to answer have been removed from calculations.

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For more information about the survey results contained in this report, or about our upcoming surveys, please contact us at info@agencyresearch.ca or by calling 885-0289.

Merry Christmas from Agency Research Consultants.
Wishing you and your families all the very best of the holiday season!