

Faced with Less to Spend Canadians are Loyal to the Deal

As Compared to Last Year, 25% of Canadians Plan to Spend Less on Christmas Gifts for their Friends and Family

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Vancouver, BC, December 14, 2010– In a poll taken early in December, Ipsos Loyalty found that this Christmas season may be more trying for retailers in Canada. Canadians not only expect to spend less than last year this Christmas season, but the notion of loyalty to big box department stores is also laid bare.

On average, Canadians expect to spend just over \$600 on gifts for friends and family members this year. The majority (53%) expect to spend \$500 or less on their gifts, while a further 21% expect to spend between \$500 and \$750. Surprisingly, the number of Canadians who plan to spend nothing (5%) almost equals the number who plan to spend \$2,000 or more (6%).

One-quarter (25%) of Canadians stated that they expect to spend less on their gifts for friends and family this year as compared to last and only 11% believe that they will be spending more. Of those who expect to spend less, the current economic malaise seems to be the driving force, as 46% simply have less money to spend this year and a further 28% are in the unfortunate position of being in worse financial shape this year as compared to last.

On the positive side, those who plan to spend more either have more people on their list this year (27%) or are in a better financial position this year as compared to last (24%).

Dave Pierzchala, Vice President of Ipsos Loyalty explains, “Canadians appear to be tightening their belts when it comes to Christmas gift giving. These numbers seem to indicate that Canadians should be counting on more love and less loot this Christmas season.”

Even though Canadians expect to spend less, there will still be the annual mad dash for gifts as nearly two-thirds (64%) expect to complete their Christmas shopping either two weeks (38%) or a week (26%) before Christmas. Only 3% of Canadians plan to finish up their shopping on Christmas Eve.

The numbers show that Canadians have been conditioned to be loyal to the deal, as only 5% of Canadians say that they always buy from the same stores regardless of price. The majority (51%) of Canadians state they have no loyalty to certain retailers as they indicate that they don’t care where they buy their gifts as long as they get a good deal. A further 44% have certain stores they prefer, but they will shop around for a better price.

When it comes to the drivers of loyalty for Christmas gift shopping, the majority of Canadians shop at the retailers because they have the things the consumer wants to buy (36%) or because they have good prices (26%). Having excellent customer service is an ancillary desire as only 6% of Canadians say it is a reason why they shop where they shop for Christmas.

When asked if they would buy something from a website they have never shopped with before if they were able to get exactly what they wanted for less than at a department store, a clear majority of Canadians (64%) said that they would.



Dave Pierzchala, Vice President of Ipsos' Loyalty team explains, "Forming loyal relationships when it's all about money is an uphill battle for today's retailers. If the name on the box under the Christmas tree is to remain relevant, then retailers need to make gift giving more of an experience and less of a transaction."

These are the findings of an Ipsos online study conducted from November 26th to December 6th 2010, with 1,198 Canadian adults (18+). With a sample of this size, the results are considered accurate within 2.94 percentage points, 19 times out of 20, of what they would have been had the entire adult population in Canada been polled. The margin of error for sub-samples may be higher.

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