Deloitte.

Christmas Survey 2019

European Results Presentation

November 2019

Contents

Contents

Key Trends

ECONOMIC OVERVIEW

The economic perception of European consumers has undergone **some cooling** compared with last year, falling by 2 points.

Nevertheless, most European consumers continue to have an optimistic mindset in terms of **household economy.**

OFFLINE VS ONLINE

European consumers will spend 32.7% of their total budget on the **online channel,** increasing by 5% from last year.

However, European consumers still prefer the **offline channel** (physical stores) when they go for their Christmas purchases.

DESIRES

Books, money and chocolates remain at the top positions in the list of the most desired gifts.

Sportswear is the gift that shows the fastest growth among teenagers, where books continue to reign.

Model construction games have become gifts most desired by the little ones.

Chocolates are expected to be the best Christmas gifts for this year.

WHERE, WHEN, WHAT

Black Friday has an impact on Christmas purchases in Europe.

November is continuing to grow as a considerable option for European consumers to make their Christmas purchases.

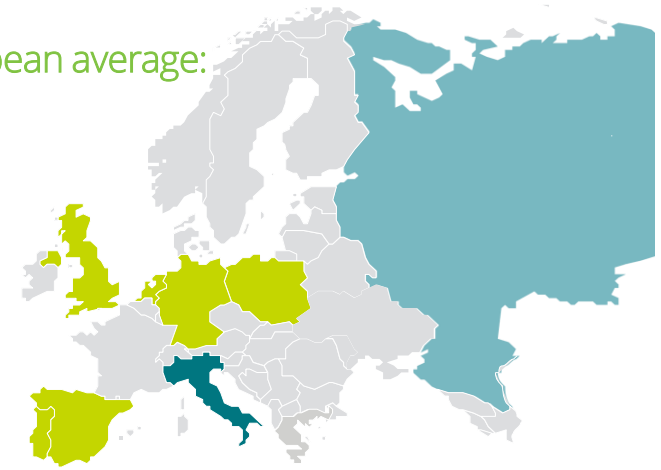
Specialty chains remain the first option for the purchase of gifts.

Contents

Current state of the economy

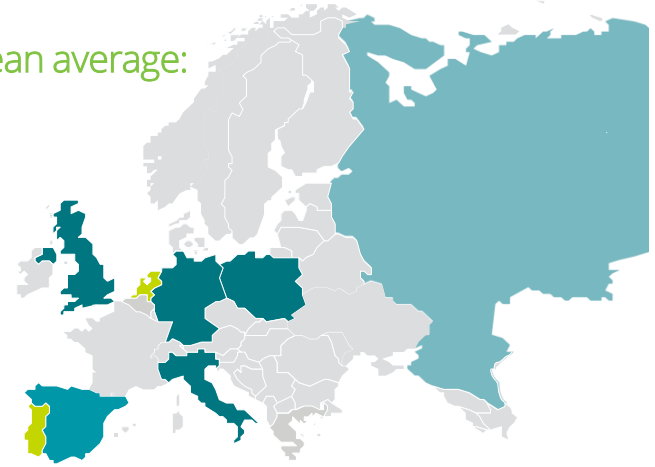
75% of German consumers think that the economic situation in their country is stable or growing

European average: 64%



57% of German consumers think that the economic situation in their country will be stable or will grow in 2020

European average: 53%



+60% 50-60% 40-50% 30-40% 20-30%

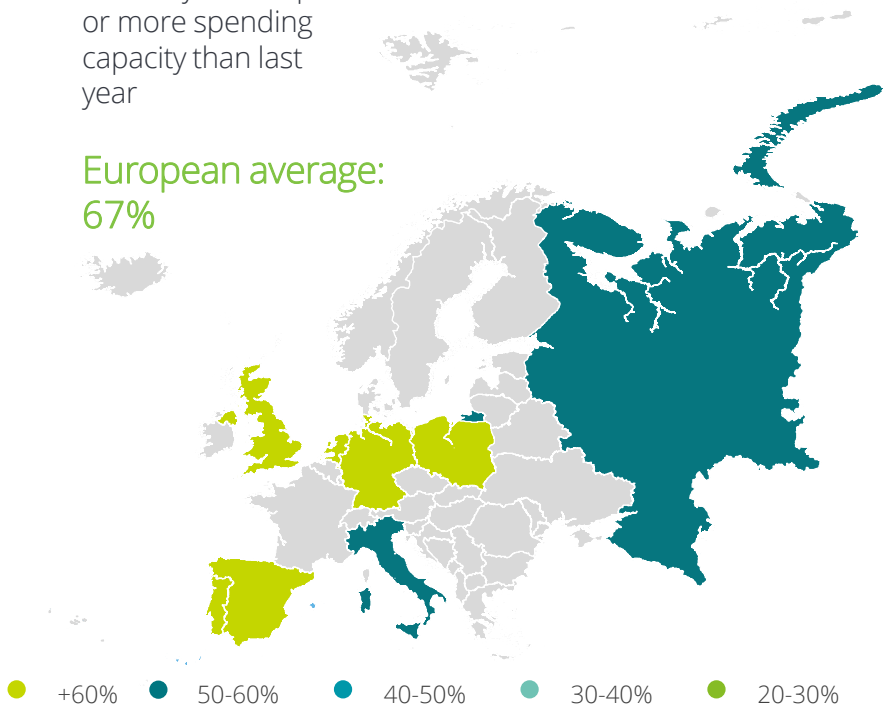
Europeans are still cautious regarding the perception of the economic situation on the continent. **Four of the eight** participants in the study are above the European average in terms of the perception of the economic situation in their countries **(The Netherlands, Germany, Portugal and Poland).**

The study also reveals more moderate optimism regarding the forecasts of stability in 2020, which **falls by 11 points** compared with the results of this year. Brexit negotiations and geopolitical factors in Europe are the main causes of instability and uncertainty within the continent.

Current state of household economy

66% of German consumers believe that they have equal or more spending capacity than last year

European average: 67%



European consumers continue to have an **optimistic mindset** in terms of household economy compared to last year (2 points above).

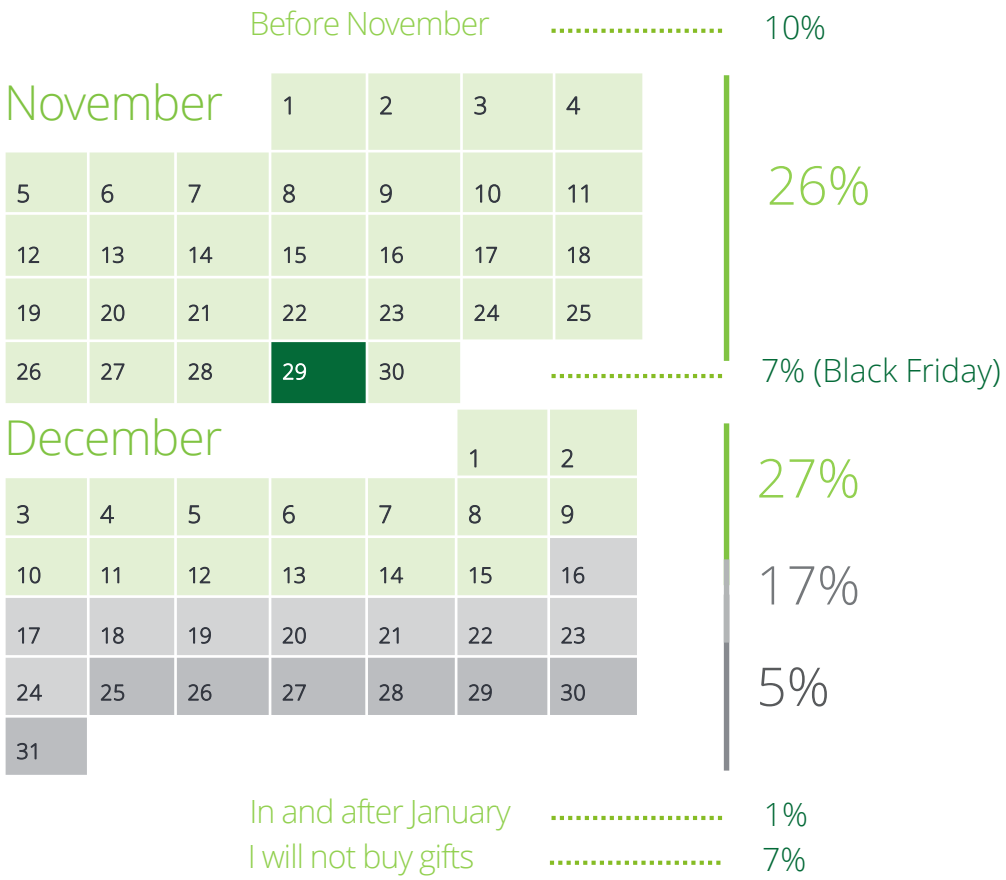
For another year, consumer perception is **less extreme** when analyzing their personal economic situation against the national economic situation.

Portugal is the most optimistic country in terms of the domestic economy: 77% of Portuguese participants in the study think positively about their household economy.

Italy and Russia are the countries that have the worst perception of their domestic economies.

Contents

Shopping calendar

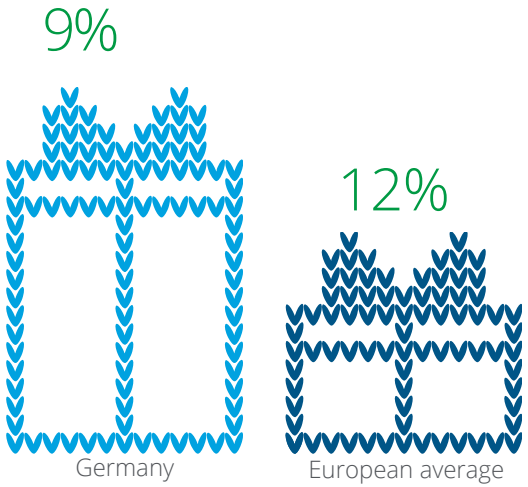


Although December still remains the favorite month to do Christmas shopping for the majority of respondents, **November is becoming a considerable option** for European consumers to purchase their gifts.

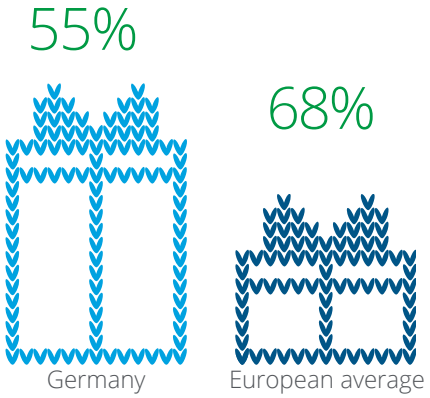
The biggest decrease among consumer preferences is experienced in the **last week of December,** which is chosen by only 5% of European consumers.

BLACK FRIDAY IMPACT

- 12% of respondents will spend **more than half of their Christmas budget** on Black Friday this year, compared to 17% last year.
- **Poland, Portugal, Russia and Spain** are above the European average (68%) of consumers that will make some Christmas purchase on this date.



+50% of Christmas budget spent on Black Friday



Consumers that make some Christmas purchases on Black Friday

Estimated Christmas spending (by country) (€)

	Germany	Italy	Netherlands	Poland
Gifts	217	220	122	127
Food	116	154	109	121
Socializing	51	65	32	29
Traveling	103	109	78	75
Total	488 (rounded to €)	549	341	352

	Portugal	Russia	Spain	United Kingdom
Gifts	159	123	237	336
Food	107	115	173	162
Socializing	40	31	79	71
Traveling	81	98	65	70
Total	387	367	554	639

	Gifts	Food	Socializing	Traveling	Total
European average	193	132	50	85	460

Estimated Christmas spending by type

2018 vs 2019 (GERMANY)

	Actual spending in 2018	Estimated spending in 2019	
Gifts	217	217	0.0% ↑
Food	115	116	0.9% ↑
Socializing	48	51	5.9% ↑
Traveling	110	103	6.4% ↓
Total	490	488 (rounded to €)	0.4% ↓

2018 vs 2019 (European average)

	Actual spending in 2018	Estimated spending in 2019	
Gifts	189	193	2.1% ↑
Food	127	131	3.1% ↑
Socializing	49	51	4.0% ↑
Traveling	81	86	6.1% ↑
Total	446	461	3.3% ↑

HIGHLIGHT

↓ **0.4%**

In total, in Germany spending remains on a stable level. German consumers will spend €488 on average this year.

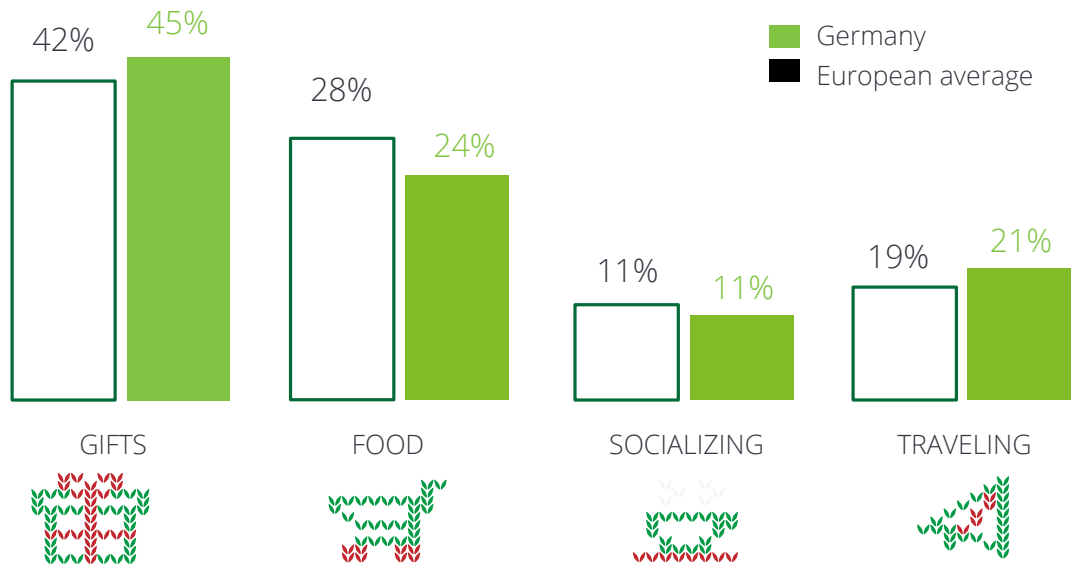
HIGHLIGHT

↑ **6.1%**

Across Europe, spending on traveling is expected to increase the most this year, followed by spending on socializing. European consumers will spend €461 on average this year (+3.3% compared to 2018)

Estimated Christmas spending

CHRISTMAS BUDGET COMPOSITION IN 2019



People from the **United Kingdom** will spend the most this Christmas (€639 expected budget per consumer). On the other side of the scale, **The Netherlands** is the country that will spend the least this year (€341 expected budget per consumer).

Regarding the budget composition, **spending on gifts** remains at the top of the list for this year, whereas **spending on socializing** reflects the lowest results.

TOP 5

1. United Kingdom
2. Spain
3. Germany
4. Portugal
5. Russia

Drivers behind changes in spending

WHY WILL YOU SPEND MORE?

I **want to enjoy** and avoid thinking about the bad economic situation

I have **more disposable income**

There are many **innovations** that inspire me to spend more money

Promotions
Special Offers

I am not worried about **external factors**

Most desired gifts in Europe

1	Books	↑
2	Money	→
3	Chocolates	→
4	Cosmetics/Perfumes	→
5	Clothes	→
6	Food & Drinks	↑ +1
7	Beauty care, massage, spa	↑ +1
8	Gift vouchers	↓ -2
9	Travel	→
10	Jewelry	→

Books are the most desired gift in Europe, according to the results of the eight countries participating in the study this year. Money, Chocolates, Cosmetics/Perfumes and Clothes complete the **top 5** of this list.

There is only one change compared to the results of last year: Beauty care treatments and Food & Drinks outpace Gift Vouchers on the seventh place of the desired gifts' list in 2019.

MOST DESIRED GIFTS (GERMANY)

By women

1. Chocolates
2. Gift vouchers
3. Books
4. Cosmetics/Perfumes
5. Money

By men

1. Gift vouchers
2. Money
3. Books
4. Chocolates
5. Food & Drinks

Expected best sellers

1	Chocolates	+1
2	Books	-1
3	Cosmetics/Perfumes	
4	Clothes	+1
5	Money	-1
6	Food & Drinks	+1
7	Gift vouchers	-1
8	Beauty care, massage, spa	
9	Video games	+1
10	Accessories (bags)	-1

Chocolates are expected to be the gift most purchased this year by European consumers. Books, Cosmetics/Perfumes, Clothes and Money complete the **top 5 of best sellers.**

Money, although still considered as an impersonal present, continues to be among the top positions of the ranking.

BEST SELLERS (GERMANY)

By women

1. Chocolates
2. Gift vouchers
3. Books
4. Cosmetics/Perfumes
5. Beauty care, massage, spa

By men

1. Books
2. Gift vouchers
3. Chocolates
4. Money
5. Cosmetics/Perfumes

Expected best sellers (kids and teens)

Model construction games will be the favorite option for kids this year. For teenagers, **Books** remain at the top of the list.

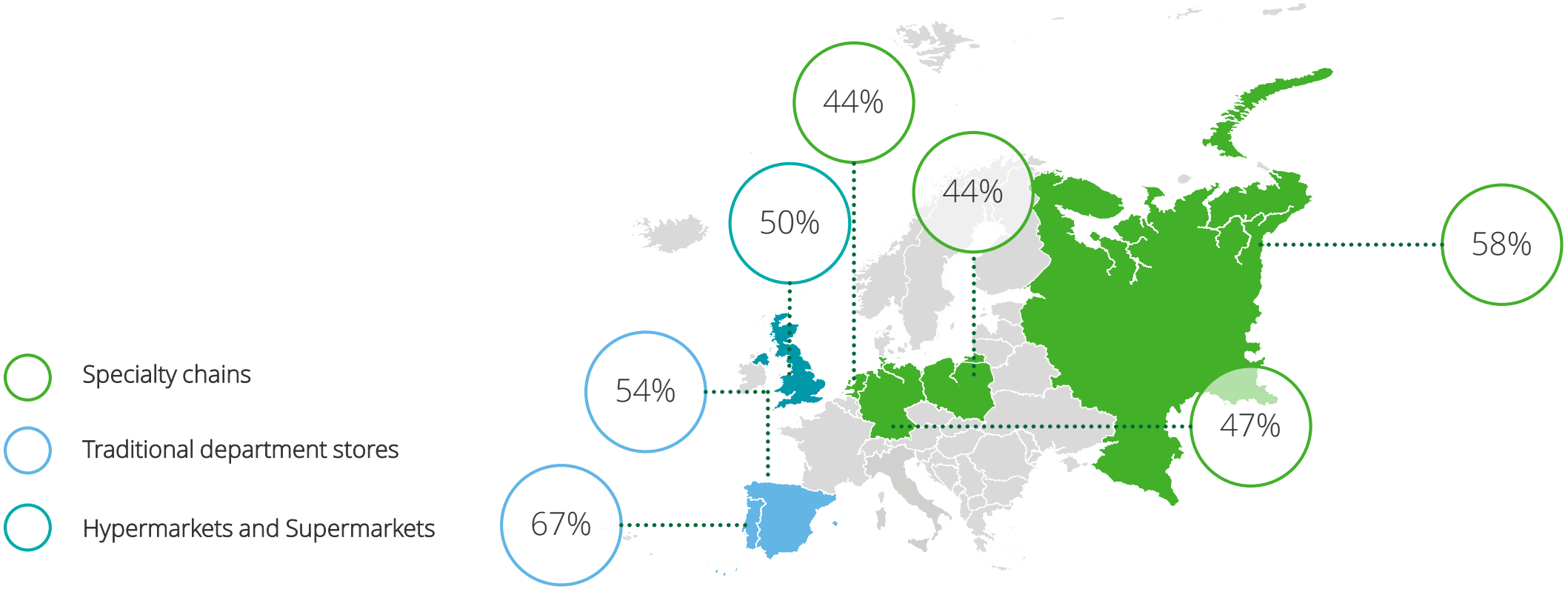
Sportswear is the fastest growing article when talking about gifts for teenagers, and **Dolls & Plush** have moved up two positions in the gift list for kids.

Educational games have slid to the last place on the list of gifts for kids. **CDs** remain at the tenth position of expected best sellers for teenagers this year.

KIDS		
1	Model construction games	+1
2	Books	-1
3	Educational Toys	
4	Clothes	
5	Dolls & Plush	+2
6	Baby articles and toys	-1
7	Board games	-1
8	Arts & Crafts	
9	Technical toys	+1
10	Educational games	-1

TEENS		
1	Books	
2	Videogames	
3	Money	
4	Chocolates	
5	Clothes	
6	Sportswear	+3
7	Cosmetics/Perfumes	
8	Gift vouchers	-2
9	Board games	-1
10	CDs	

Where to buy gifts (physical stores)



Specialty chains are still the favorite option for Europeans to buy their Christmas gifts (43% on average) followed by Hypermarkets and Supermarkets (40% on average) and traditional local shops (38%).

Traditional department stores are the first choice for Portuguese and Spanish consumers, whereas **Hypermarkets and Supermarkets** are the favorite option for UK consumers (50%).

Contents

Economic outlook of German consumers

ESTIMATION OF GERMANY'S FUTURE ECONOMIC SITUATION?*

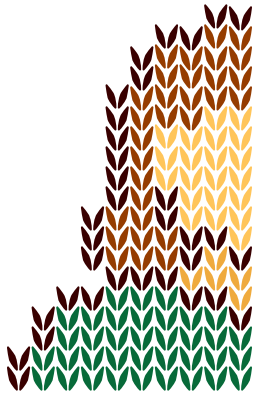
Total	57% (64%)	37% (29%)	6% (7%)
Women	54% (59%)	38% (32%)	8% (9%)
Men	61% (70%)	36% (27%)	3% (4%)

ESTIMATION OF PURCHASING POWER FOR 2019 COMPARED TO THE PREVIOUS YEAR?*

Total	66% (69%)	34% (31%)
Women	64% (66%)	36% (34%)
Men	68% (73%)	32% (27%)

* Previous year's figures rounded in brackets

German’s most popular gift wishes in 2019*/**



Women

49%
Chocolates
(46%)

42%
Books
(41%)

37%
Money
(39%)

21%
Food & Drinks
(20%)

18%
Clothes
(20%)

44%
Gift vouchers
(45%)

39%
Cosmetics/Perfumes
(42%)

31%
Beauty Care, Massage, Spa...
(27%)

21%
Event tickets
(20%)

17%
Jewelry
(21%)

Men

40%
Gift vouchers
(36%)

38%
Books
(34%)

26%
Food & Drinks
(27%)

20%
CDs
(27%)

19%
Games
(16%)

38%
Money
(36%)

36%
Chocolates
(39%)

24%
Cosmetics/Perfumes
(24%)

19%
DVDs/Blu-ray discs
(17%)

17%
Clothes
(22%)

* Previous year's figures rounded in brackets **Multiple answers possible

Germans' most popular gift ideas by age group

WHAT ARE YOU PLANNING TO BUY FOR THE FOLLOWING PERSONS IN 2019? */**

Family/Friends (>18 years)	41% (44%) Gift vouchers	39% (42%) Chocolates	38% (39%) Books
Teenagers (12-18 years)	39% (39%) Money	30% (32%) Gift vouchers	28% (30%) Chocolates
Children (<12 years)	37% (33%) Books	33% (30%) Games	29% (25%) Baby articles and toys

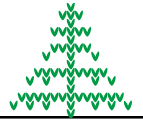
* Previous year's figures rounded in brackets **Multiple answers possible

When do Germans buy Christmas gifts*

BEFORE NOVEMBER:
18%
(18%)

IN NOVEMBER
35%
(37%)

1ST – 24TH OF DECEMBER:
29%
(30%)



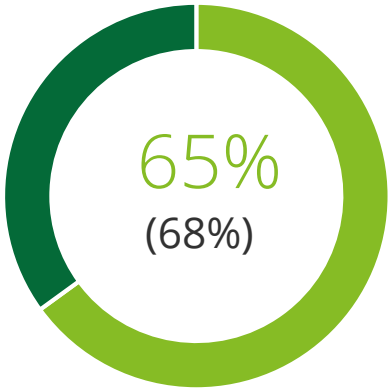
AFTER THE 25TH OF DECEMBER:
3%
(2%)

OTHER:
15%
(13%)

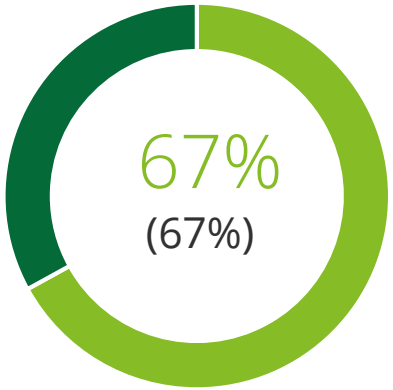
* Previous year's figures rounded in brackets

Where do Germans buy Christmas gifts*/**

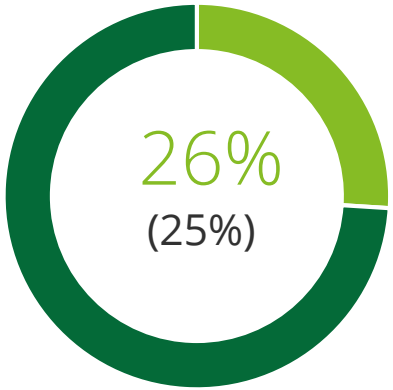
PHYSICAL STORE



INTERNET



MOBILE COMMERCE



* Previous year's figures rounded in brackets **Multiple answers possible

Sources where Germans get inspired for gifts*/**

47%
INTERNET
(INCL. SOCIAL MEDIA)
(47%)

38%
RETAIL STORE
(43%)

32%
PERSONAL RECOMMENDATION
(35%)

25%
MAGAZINES & NEWSPAPER
(30%)

18%
TV
(19%)

* Previous year's figures rounded in brackets **Multiple answers possible

German's most popular physical stores & payment methods for gifts

IF YOU PLAN TO BUY YOUR GIFTS IN A PHYSICAL STORE, WHERE WILL YOU BUY THEM?*

- 47% SPECIALIST RETAILER
- 45% LOCAL STORE
- 37% DEPARTMENT STORE
- 32% SUPERMARKET
- 10% OUTLET CENTER
- 5% LUXURY BOUTIQUE

WHAT PAYMENT METHODS DO YOU USE WHEN BUYING YOUR GIFTS IN A PHYSICAL STORE?*

- 71% CASH
- 63% DEBIT CARD
- 24% CREDIT CARD
- 7% DIGITAL WALLET
- 7% OTHER

*Multiple answers possible

German's expectations and needs while shopping for gifts

...IN A RETAIL STORE?

- 88% Competent advice
- 76% Immediate receipt of goods
- 78% Customer Service
- 76% Protection of personal data
- 63% Shopping fun
- 70% Return

...WITH E-COMMERCE

- 54% Shopping anytime possible
- 58% Delivery service
- 57% Quick comparison of prices
- 56% Huge selection
- 52% Low time exposure
- 54% Find products easily

...WITH M-COMMERCE

- 23% Shopping anytime possible
- 23% Low time exposure
- 23% Delivery service
- 22% Access to customer ratings
- 21% Find products easily
- 18% Quick comparison of prices

Contents

Where to search for ideas and advice

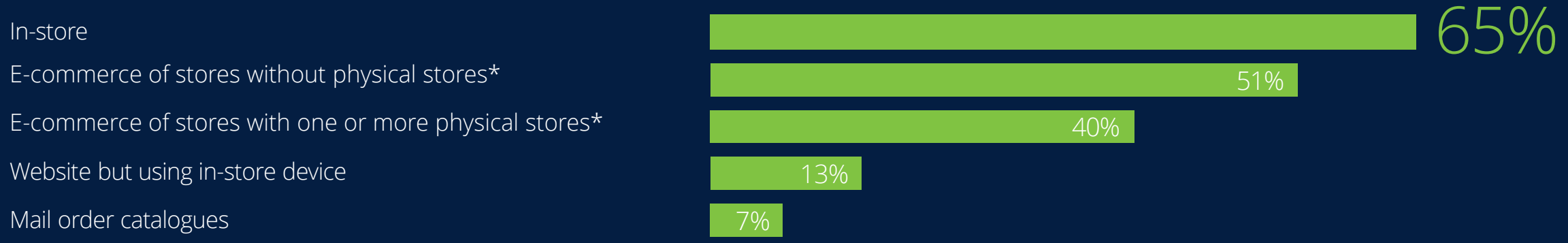
TOP 5 OF THE CATEGORY

People increasingly use more different sources of information to make their purchase decisions. The offline channel is the favorite option for most Europeans to be informed for their Christmas purchases. Social media have increased as a confident source to search for advice comparing with last year results (17.9%).

Consumers continue to take other sources such as recommendations from friends or directly asking sellers in physical stores.

Where to buy

TOP 5 OF THE CATEGORY

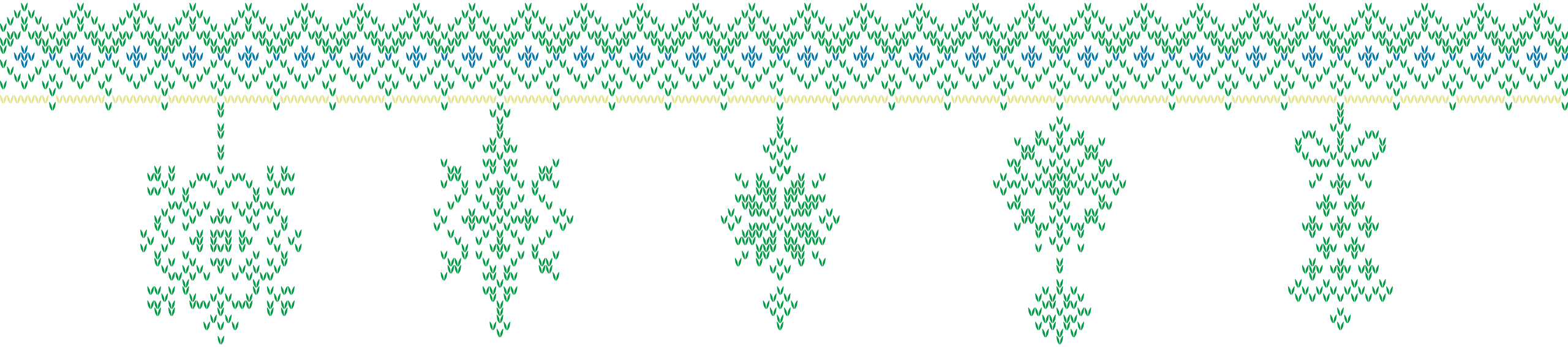


*Ecommerce= shopping using computer + shopping using smartphones or tablets

Europeans still prefer to buy their Christmas gifts in physical stores. E-commerce is increasing in Europe, where we use computers, smartphones or tablets. For example, last year 42% of Europeans bought their Christmas purchases on websites like Amazon, 9% less than in the predictions from 2019.

Spanish, Dutch and Portuguese consumers are above the European average for purchases made in physical stores.

Information and advice on social media



To **browse products**

To search for **gift ideas**

To **check prices**

To obtain **trusted comments and recommendations**

To find **discounts, coupons, sales information**

Online Shopping vs Physical Stores: Advantages

The possibility of receiving **personalized advice** remains the main reason for making purchases in physical stores.

On the other hand, having access to **reviews and opinions** from others is the main advantage for European consumers when buying online (60%).

58% of German customers appreciate the convenient **home delivery** service, followed by the quick **price comparison** when shopping online (57%).

Advice from **an expert** when shopping in stores is appreciated by 86% of German customers, followed by **customer service** (78%).

TOP 5 OF EACH CATEGORY

ONLINE

1. Access to other consumer reviews
2. Prices can be compared easily
3. Home delivery
4. Broad assortment
5. It's easy to search for and choose what I need

OFFLINE

1. Competent and professional advice
2. Exchange and return policies
3. Protection of my personal data
4. After-sales services
5. Trusted payment method

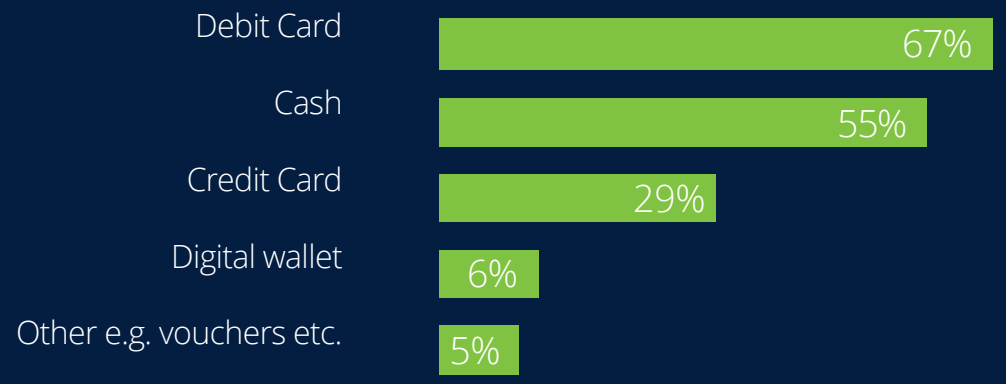
Internet sources to get ideas

Online stores without physical stores, like Amazon or Aliexpress, have consolidated as the main source of information on the Internet, followed by search engines (Google, Yahoo...).
In Germany, 58% of consumers share this view.

In total, 47% of the German survey respondents use the Internet and Social Media for gift ideas.

Payment methods

IN STORE



ONLINE

The debit card is the preferred payment method of European consumers for all their transactions, both face-to-face and online purchases.

For the first time, digital wallet payments have moved up to the second online payment method, overtaking credit cards.

German customers preferably pay in cash when shopping in stores (71%). Many buyers appreciate the personalized advice, the real-time effect and the customer service they receive at the shops. The protection of personal data also plays a role.

Digital wallet payments, e.g. PayPal, are preferred by German customers when shopping online (50%).

Contents

Christmas Survey 2019

CONCLUSIONS

CHRISTMAS SPIRIT RULES

Although **political uncertainty** has again had an impact on the economy of Europeans, our household economies have moderately increased and Christmas shopping will not present any problems.

WE STILL LOVE THE OFFLINE WORLD

The **shopping experience** continues to be important when we go to physical stores. We appreciate the professional advice we receive from the sales staff as well as the exchange and return policies. In the **online world,** opinions from other consumers are decisive for our buying process.

BACK TO BASICS

Chocolates will be the Christmas best seller this year. We also still love books and cosmetics or perfumes.

Traditional gifts such as board games, books and videogames, star gifts for young people and children.

THE CHANNEL MATTERS

E-commerce is increasing as a powerful shopping channel. However, we prefer to purchase in physical stores at Christmas.

WHICH ONE WOULD YOU RECOMMEND?

When we are searching for **ideas and recommendations** for gifts, our friends' opinions or the opportunity to ask the sales staff in physical stores are important factors for us.

DEBIT CARD REIGNS

Debit cards are the main option for Christmas shopping, reinforcing the perception that consumers prefer to avoid debts on these dates.

Christmas Survey 2019

Methodology

22nd edition of the Deloitte Christmas Survey

This year, **8 countries participated**, all of them with a similar consumer behavior

Sociodemographic characteristics, personal interests, income level and consumer behaviour were taken into account when selecting the survey population

Data was collected between **September 16th and October 11th, 2019**

The data was obtained using online surveys with a sample of **7,190 people**

The data was obtained through a structured questionnaire to a **sample of the population aged 18 to 65 years** within a controlled panel.

	Germany	The Netherlands	Spain	Italy	Poland	Portugal	UK	Russia	TOTAL
Sample	978	937	1,107	976	814	786	803	789	7,190

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, legal, financial advisory, risk management, tax, and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 286,000 professionals are committed to making an impact that matters.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.