

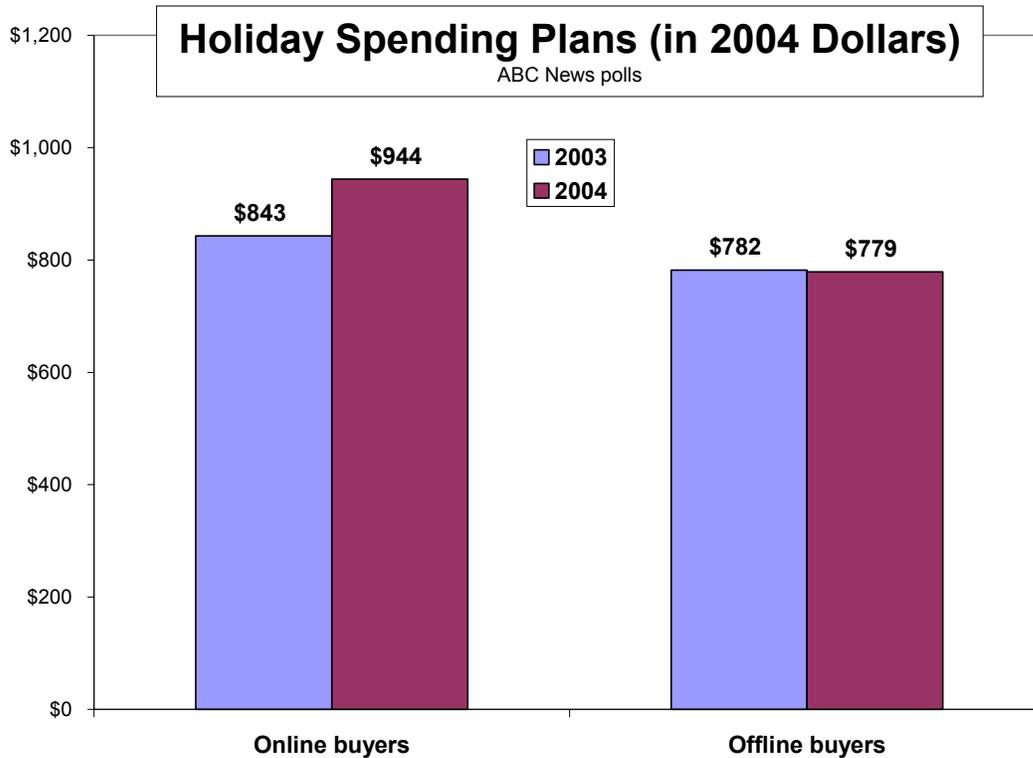
## **Online Buyers Boost Holiday Spending Plans**

Americans plan a modest but real increase in their spending on holiday gifts this year, to an average of \$843 each – with the rise focused exclusively among those who do at least some of their shopping over the Internet.

That result suggests at least some holiday cheer for online retailers – and underscores the challenges facing traditional merchants who aren't competing in the online arena.

There are challenges for online retailers as well: The number of Americans who say they'll buy holiday gifts over the Internet flattened this year, at three in 10, after growing sharply from 18 percent in 1999. But those online shoppers do plan to spend substantially more money – an average of \$944 each, \$101 more than in 2003.

Offline-only shoppers, by contrast, plan to spend an average of \$779 this year – \$165 less than online shoppers, and about the same as last year, adjusted for inflation.



OVERALL – Consumer confidence is slightly better now than at this time last year, which fits with the modest overall increase in planned holiday spending – \$843 now, compared with an inflation-adjusted \$803 last year. Last year’s figure was down from the year before, compared with this year’s gain.

Still, holiday shopping plans are well below their peak in the go-go economy of 1999, an inflation-adjusted \$996. The average has been \$865 in polls since 1989.

Average spending plans on holiday gifts (2004 dollars)

	Adjusted Average	Change
12/5/04	\$843	+\$40
11/23/03	\$803	-\$78
11/24/02	\$881	+\$46
11/11/01	\$835	-\$50
12/3/00	\$885	-\$111
12/12/99	\$996	

These figures represent spending plans – an indication of how retailers may fare, but far from the last word. The season has more than two weeks to run, and a range of factors – such as changing plans, attractive prices, appealing items, effective marketing – can influence the final tally.



Online buyers, it should be noted, may not buy all their gifts online, and they do represent wealthier Americans, which helps to explain their deeper pockets. Sixty percent of people

with household incomes of \$100,000 or more will go online for holiday gifts, compared with about a quarter of those earning less. Higher-income people, naturally, spend more.

**GROUPS** – In addition to better-off Americans, men and married people represent some of the bigger spenders. Men estimate they'll spend an average of \$913 on gifts this year, compared with \$777 among women. Married people say they'll spend an average of \$902, compared with \$767 among singles. And spending plans steadily increase with age, peaking at \$944 among 55- to 64-year-olds, before declining among senior citizens.

There are also regional differences, with Midwesterners and Northeasterners planning to spend more than Westerners and Southerners.

	Average holiday spending plans
Men	\$913
Women	777
South	719
West	837
Northeast	939
Midwest	969
Married	902
Unmarried	767
Under \$50,000	702
\$50,000+	1,044

**ONLINE BUYERS** – As noted, higher-income (and better-educated) Americans are the most likely to say they'll buy their gifts online. Senior citizens are the least likely.

Among people age 18 to 55, 36 percent plan to do some holiday shopping online (it's about the same across age groups within that range); that falls to 16 percent of those 55 and older. About two in 10 in households earning less than \$50,000 plan to buy gifts over the Internet; it's nearly half among higher-income households (and, as noted, peaks at six in 10 in \$100,000+ households). And 44 percent of people who've been to college say they'll buy gifts online, while just 14 percent of those who haven't say the same. Online buying intentions are about the same among men and women alike.

	Buying online?	
	Yes	No
2004	30%	69
2003	31	67
2002	24	74
1999	18	79

**METHODOLOGY** – This ABC News poll was conducted by telephone Dec. 1-5, 2004, among a random national sample of 1,001 adults. The results have a three-point error margin. Sampling, data collection and tabulation by TNS of Horsham, Pa.

Analysis by Dalia Sussman.

ABC News polls can be found at ABCNEWS.com at <http://abcnews.go.com/US/PollVault/>.

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Full results follow (\*= less than 0.5 percent).

1. Roughly how much money do you think you personally will spend on holiday gifts this Christmas season?

	Under \$100	\$100-\$249	\$250-\$499	\$500-\$999	\$1000 or more	No op./Don't celebrate/DK	Mean	Adjusted Mean*
12/5/04	9	14	15	23	28	10	\$843	\$843
11/23/03	8	15	16	24	24	14	\$774	\$803
11/24/02	8	14	17	26	27	8	\$830	\$881
11/11/01	6	16	16	25	22	14	\$775	\$835
12/3/00	2	18	16	25	23	15	\$798	\$885
12/12/99	4	19	16	25	28	9	\$869	\$996
Compare to**:								
12/6/98	8	14	22	25	24	7	\$702	\$822
12/5/94	9	19	23	20	22	7	\$634	\$817
12/6/93	8	17	20	27	19	9	\$639	\$844
12/18/92	10	18	20	24	19	9	\$605	\$823
12/15/91	7	19	22	24	20	8	\$617	\$865
12/2/90	7	19	23	25	17	9	\$588	\$859
10/15/89	4	15	25	23	18	15	\$634	\$976

\*Adjusted to 2004 dollars using Inflation Calculator at <http://www.bls.gov/>

\*\*1998 and previous by Gallup. In Gallup data answers above \$5,000 are recorded as \$5,000; in ABC data answers above \$9,999 are recorded as \$9,999. In both, answers of 0 are not included in the averages.

2. Will you use the Internet to buy Christmas or other holiday gifts this year, or not?

	Yes	No	No opin.
12/5/04	30	69	2
11/23/03	31	67	2
12/8/02	24	74	2
11/21/99	18	79	3

\*\*\*END\*\*\*