

NOVEMBER 2015

a JLL retail research point of view

JLL 2015 Retailer Holiday Survey

Stores are making it easier than ever to shop across channels.



Retailers have some good reasons to be optimistic this year. Unemployment is at a post-recession low and lower energy prices mean more spending money in consumer pockets. Money spent on holiday shopping has grown annually since 2010.

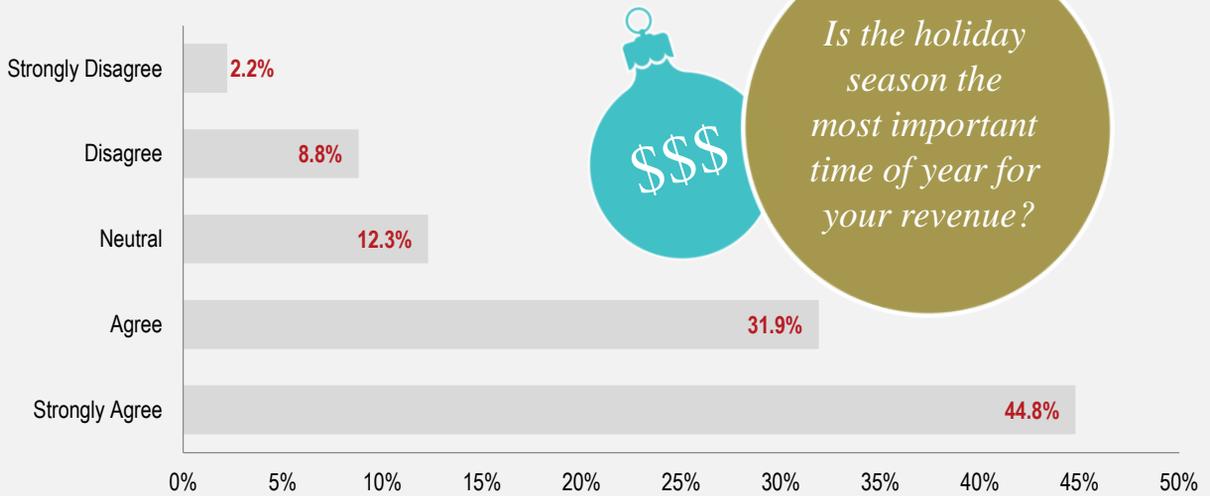
Last year, holiday shoppers spent \$802.45 on average, which was \$35.18 more than the previous year, according to data from the National Retail Federation.

Retailers are clamoring to claim their stake of the holiday pie. This year, they are relying on technology more than ever to do so, according to JLL's 2015 Retailer Holiday Survey. Cross-channel improvements will make it easier for shoppers to buy and return goods in whatever way suits them.

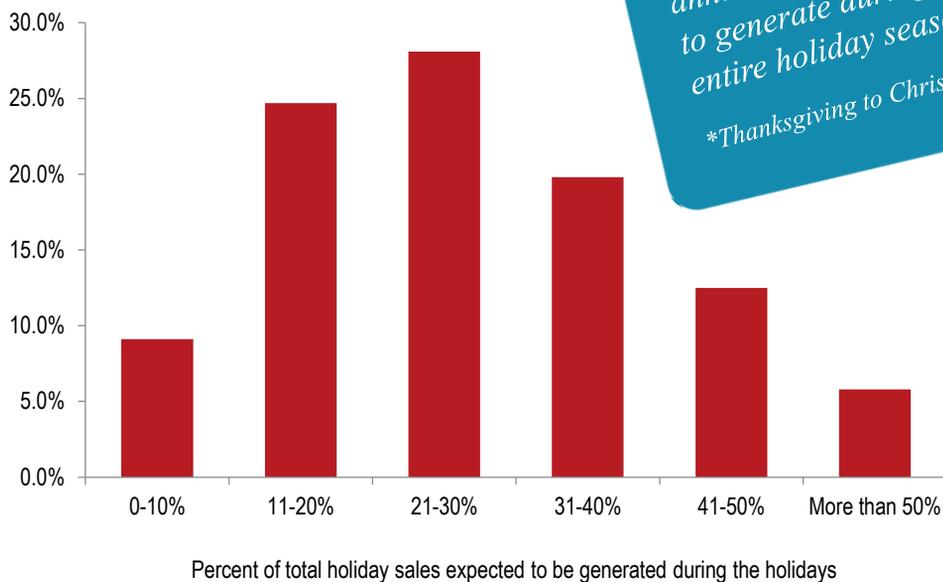
Retailers are also taking a variety of approaches to opening hours around the all-important Thanksgiving and Black Friday weekend. Some are opening early on Thanksgiving, while others are staying closed for the holiday. But whatever choices retailers are making about store hours, they all agree on one thing: holiday sales are crucial.

Holiday shopping is important. Very important.

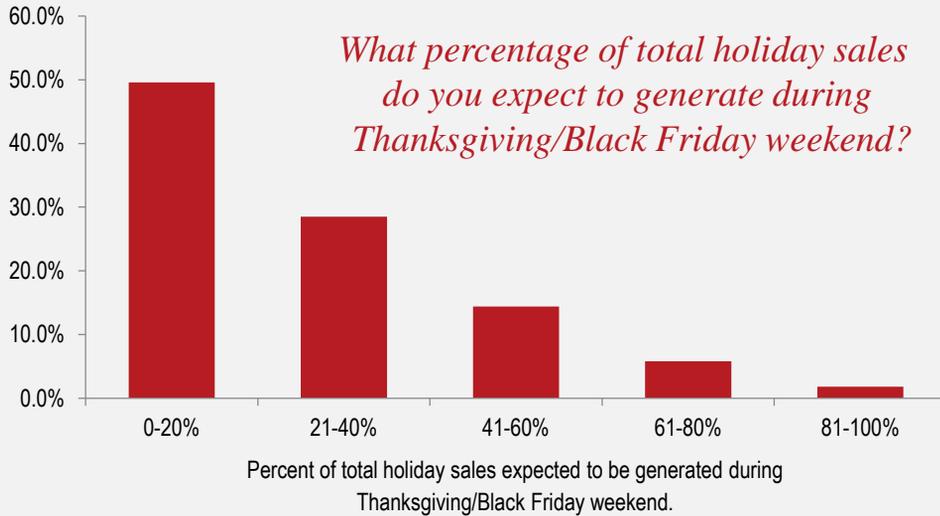
76.7 percent of shopping center retailers believe that the holiday season is the most important time of year for revenue.



52.8 percent of retailers told us they expect to earn between 11.0 and 30.0 percent of their annual sales during the holiday season. 32.3 percent are even more reliant upon the season, saying they'll make 31.0 to 50.0 percent of annual sales between Thanksgiving and Christmas.

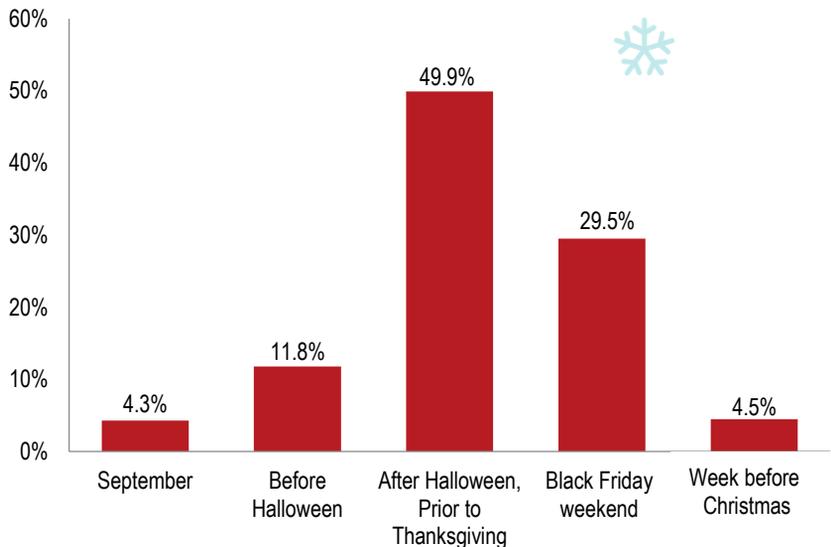
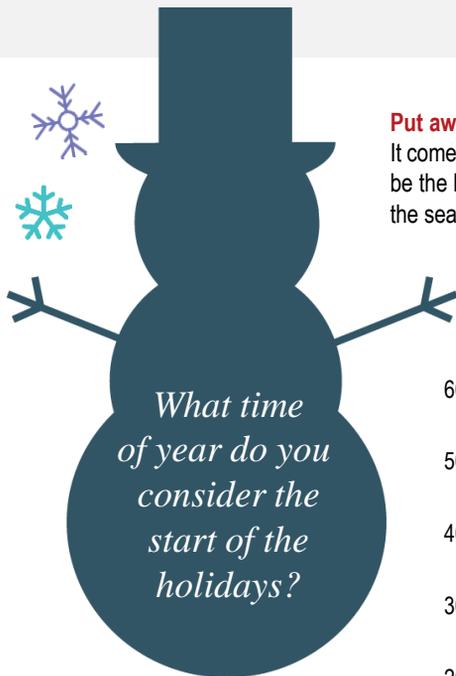


The importance of the weekend after Thanksgiving is also substantial. While nearly half expect to make up to 20.0 percent of sales during that time, another 28.5 percent expect that they will bring in up to 40.0 percent of sales. Another 22.0 percent say even more!



Put away the costumes, bring out the candy canes.

It comes as no surprise that nearly half (49.9 percent) of retailers consider the first of November to be the beginning of the holiday shopping season. A substantial segment (29.5 percent) don't think the season really kicks into gear until after the turkey is eaten and Black Friday has begun.



This year, holiday shoppers will have a bit more time in which to spend. With one day more than last year between Thanksgiving and Christmas, 68.1 percent of retailers agreed that the added shopping day would have an impact on sales. Next year will be even longer. No word yet on what expectations for those two additional days might be.

Year	Days Between Thanksgiving and Christmas
2017	32 Days
2016	31 Days
2015	29 Days
2014	28 Days
2013	27 Days
2012	33 Days
2011	31 Days

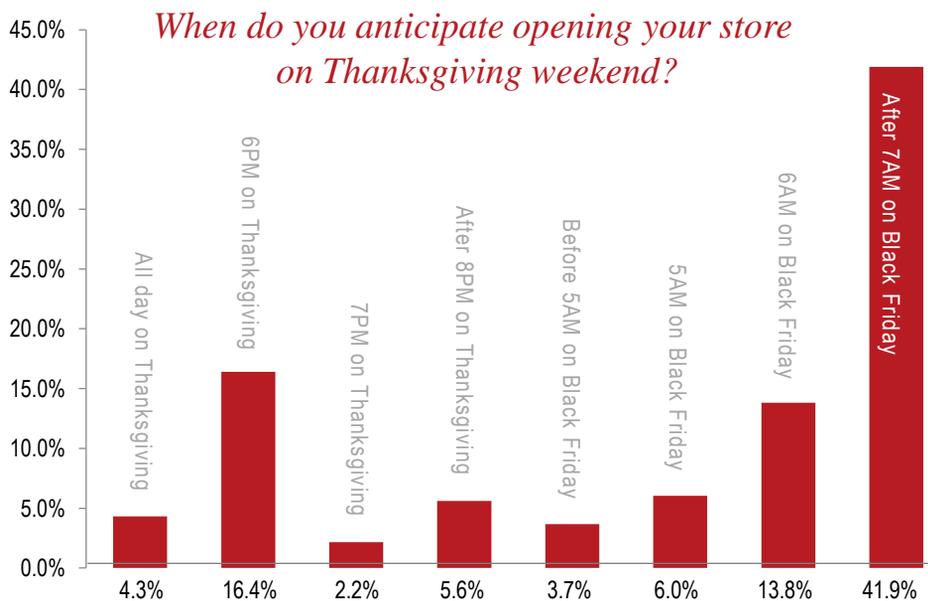


When to open those doors for maximum Black Friday impact?

Some say it is an art, others a science. The decision about when a store should kick off its Black Friday shopping can be controversial. Does a store keep regular hours over the Thanksgiving holiday? Only 4.3 percent of retailers said they were planning to do that. Much more popular is the option to open on Thanksgiving evening. 24.2 percent said they would do that, with 6:00 p.m. being the most popular opening time.

23.5 percent will open their doors by 6:00 a.m. on Black Friday. But many retailers are choosing not to rush it. The most popular choice was made by the 41.9 percent that said they would wait until 7:00 a.m. or later to open on Black Friday.

While some retailers see the benefit in opening for Thanksgiving, only a limited number of shoppers intend to take them up on the offer. 12 percent of shoppers say they will make holiday purchases on Thanksgiving Day, according to the 2015 ICSC Holiday Shopping Survey. 41.0 percent will wait a day, and brave the crowds on Black Friday.



Retailers make it easier to shop across channels.

Retailers are well aware that a friction-free shopping experience makes for a happy consumer. This year, more stores than ever are opening up new lines of commerce. The prevalence of “free shipping/ship from store” has grown by 12 percentage points in just one year. Now, 48.1 percent of stores report offering the service. In-store pickup of online orders has grown by 5.7 percentage points to 44.0 percent. Other holiday services showed little change from last year’s survey.

Holiday Services	Response Percent
Free shipping / ship from store	48.1%
Order online / pick-up in store	44.0%
Gift with purchase	41.9%
Geo-location-based discount offers (i.e., Retail Me Not, Shopular)	15.8%
Free layaway	15.1%
Entertainment or special experiences (i.e., DJ, Fashion Show, Santa)	12.4%



Some retailers will employ technology to earn sales, although the prevalence of easy mobile payments and fast delivery is still years away from ubiquity.

Answer Options	Response Percent
Check out with iPad	19.2%
Mobile payment	11.5%
Same-day delivery	8.3%
Beacons/NFC	3.8%



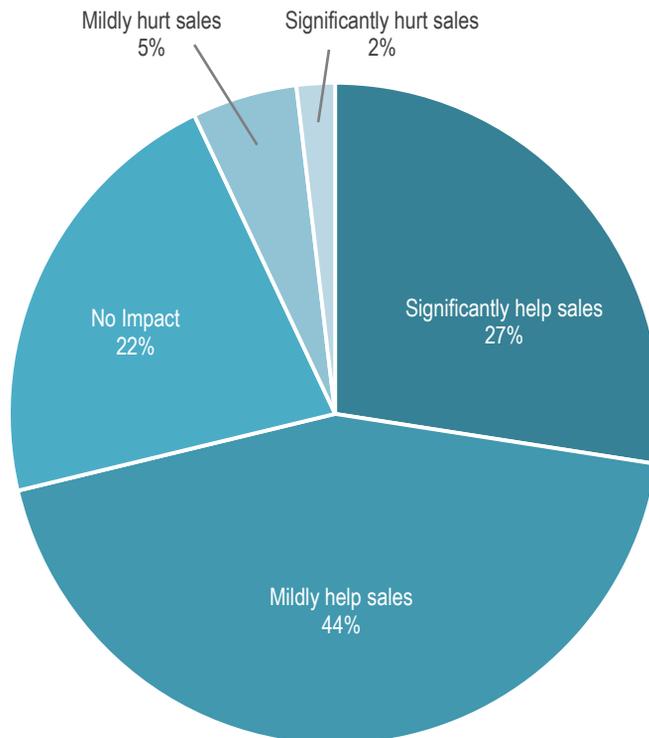
Half of Retailers Expect More Foot Traffic this Year.

Foot traffic is the engine of holiday retail. The more boots on the ground, the more sales in the stores. This year, retailers are split in their expectations for holiday foot traffic. 50.2 percent said they either “agreed” or “strongly agreed” with the sentiment that foot traffic would increase this holiday season. 14.0 percent disagreed and 35.8 percent were neutral.

The Day After Christmas is Saturday, Yay!

Most retailers expect after-holiday sales will be boosted by the fact that the day after Christmas is a Saturday. 71.2 percent said that it would help sales. We haven't had a Friday Christmas since 2009 and won't have another one until 2020, so let's hope that retailers can wring it for all its worth.

How will the fact that December 26th falls on a Saturday impact after-Christmas sales?



Methodology

JLL surveyed retail tenants in shopping centers in seventeen states from September 18 through October 5, 2015. 41.0 percent of survey respondents were apparel retailers. Other major categories of respondents include Restaurant, Food and Beverage (13.1%) Jewelry (8.0%) and Luxury (5.6%).

69.0 percent of respondents were inline retail locations. 76.2 percent occupied stores under 5,000 square feet. 45.4 percent were single locations or part of local and regional chains.



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