

ABC NEWS POLL: HOLIDAY SHOPPING

EMBARGOED FOR RELEASE AFTER 7 a.m. Friday, Nov. 23, 2007

Online Holiday Shopping: A Boom in the Gloom?

Even as economic discontent casts a pall on the holiday shopping season, there may be a bright spot in one area of the retailing world: online. More than a third of Americans now say they'll buy holiday gifts over the Internet, a new high in ABC News polling.

Use of the Internet for holiday shopping grew sharply earlier this decade – from just 18 percent in 1999 to 31 percent in 2003 – but then flattened. This year it's broken out of that range; 36 percent of Americans say they'll buy holiday gifts online.

And that 36 percent figure is higher, naturally, once you exclude the offline population; among Internet users nearly half, 47 percent, say they'll buy online.

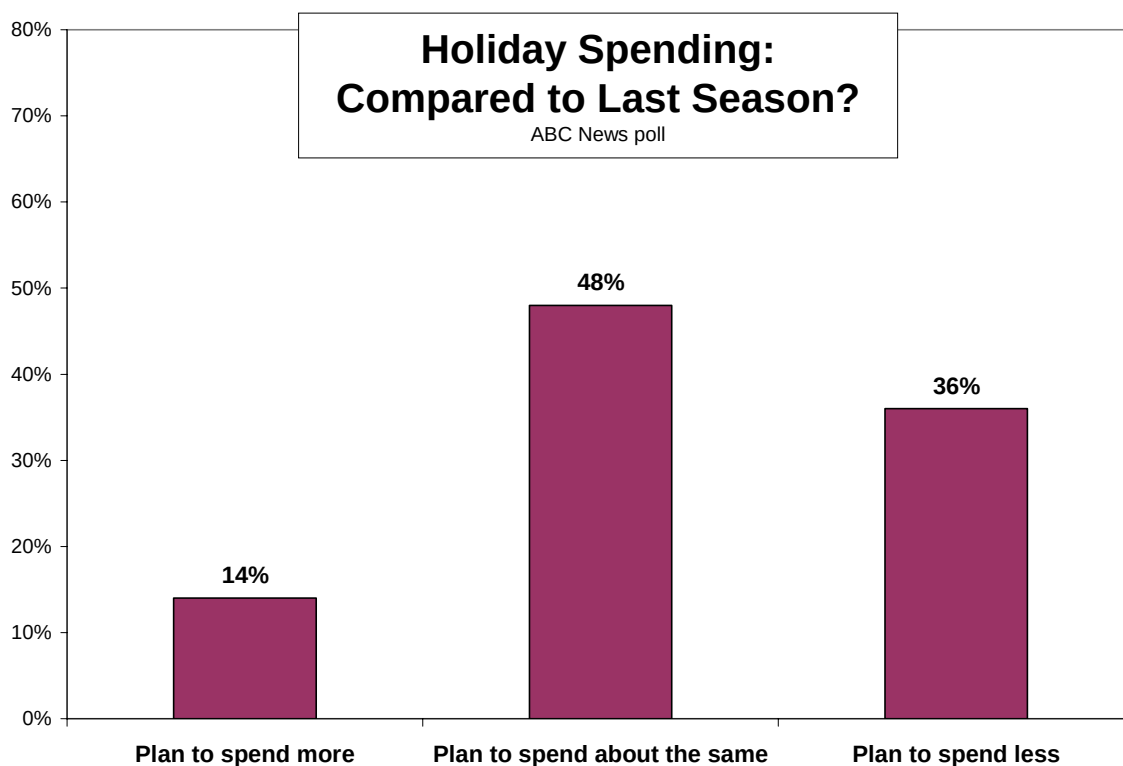


Friday is “Black Friday,” traditional kickoff to the holiday shopping season, in which many retailers do a major proportion of their annual business.

People who plan to holiday shop online are predominantly younger and wealthier, two groups that are more likely to use the Internet in the first place. Among those under 35, 46 percent plan to shop online, compared with only 10 percent of those over 65.

But the biggest difference is by income: Among people with household incomes over \$100,000, 70 percent plan to shop online, compared with only 17 percent of those with incomes under \$25,000. Better-educated people, city-dwellers and married people – factors associated with being online – also are more apt to use it for shopping.

SPEND – How much they'll spend is another question. Among all Americans, 36 percent plan to spend less on holiday gifts this year, while just 14 percent plan to spend more. Those figures are essentially identical whether they plan to buy online or not.



It's not clear how those spending expectations will play out; in most years anticipated holiday spending plans do not appear to have correlated closely with actual spending. That may be because people really don't know what they'll spend until they get out to the stores – or onto the websites – for a look at actual products and prices.

Nonetheless, other indicators give serious pause. Perhaps most worrisome is the level of economic pessimism: In an ABC News/Washington Post poll this week, 68 percent of Americans said the national economy is getting worse, up 13 points from October to the most in 17 years, just after the economy fell into the 1990-91 recession.

Similarly, 69 percent in an ABC/Post poll earlier this month saw a recession as at least somewhat likely in the next year. And the weekly ABC/Post Consumer Comfort Index has had its longest run in negative double-digits – nearly four months – since just after Hurricane Katrina.

In one of the three components of the CCI, this week only 32 percent called it a good time to spend money on things they want and need, the fewest since August 2006 and 6 points below its average in 21 years of weekly polls.

All these indicators likely reflect the impact of \$3 gasoline, tightening credit amidst the mortgage meltdown and a skittish stock market. It's hard to see how the impact on Christmas shoppers can be a positive one.

PLANS – Holiday spending plans – 36 percent more, 14 percent less, 48 percent the same – almost exactly match their average in polls back 22 years, and as noted, don't seem to correlate well with actual spending, as the table below shows. (Asking people to estimate how much money they'll spend also does not look like a reliable predictor.)

	More	Less	Same	% change in 4 th quarter retail sales
11/18/07	14	36	48	
12/11/06*	15	35	49	4.7
12/15/02*	15	40	44	0.8
9/14/01*	11	26	59	4.4
11/7/99	15	29	54	9.0
12/5/98	16	27	55	5.9
11/9/97	17	30	52	4.2
12/8/96	14	35	48	6.2
11/26/95	13	38	48	4.3
11/27/94	15	34	48	8.8
10/17/93	14	38	47	7.9

*LA Times/Bloomberg

There are divisions in spending plans by income, with low-income Americans most apt to say they'll cut back on holiday spending this year – 42 percent of those with household incomes under \$25,000, compared with 26 percent of those earning \$100,000-plus.

METHODOLOGY – This ABC News poll was conducted by telephone Nov. 14-18, 2007, among a random national sample of 1,002 adults. The results have a three-point error margin. Sampling, data collection and tabulation by TNS of Horsham, Pa.

Analysis by Peyton M. Craighill.

ABC News polls can be found at ABCNEWS.com at <http://abncnews.com/pollingunit>.

Media contact: Cathie Levine, (212) 456-4934.

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

1. Compared to last year, would you say this Christmas you will spend more, less, or about the same on presents for friends and family? (IF MORE/LESS) Will you be spending a lot (MORE/LESS) or a little (MORE/LESS)?

	----- More -----			----- Less -----				No opin./ Don't celebrate (vol.)
	NET	A lot	A little	NET	A little	A lot	Same	
11/18/07	14	6	7	36	16	19	48	2
12/11/06*	15	4	11	35	16	19	49	1
12/15/02*	15	NA	NA	40	NA	NA	44	1
9/14/01*	11			26			59	4
11/7/99	15			29			54	2
12/5/98	16			27			55	2
10/25/98	19			28			52	1
11/9/97	17			30			52	1
10/12/97	18			36			36	9
12/8/96	14			35			48	3
10/13/96	11			33			55	1
11/26/95	13			38			48	1
10/15/95	13			36			50	1
11/27/94	15			34			48	2
10/16/94	14			34			51	1
10/17/93	14			38			47	0
11/29/92	10			41			47	3
10/18/92	12			41			45	1
11/24/91*	13			51			35	1
10/20/91	11			47			40	1
10/21/90	14			38			45	2
10/22/89	20			32			47	2
10/30/88	16			32			51	0
12/17/87	25			29			45	1
10/26/87	17			29			53	1
11/30/86	17			36			46	0
12/17/85	25	"	"	28	"	"	45	3

*LA Times/Bloomberg, "this holiday season"

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

	Yes	No	No opinion
11/18/07	36	62	2
11/20/05	31	68	1
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 ***