

RESEARCH

Top 10pc of US to increase holiday spending by 8pc to \$20.7B: study

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By JOE MCCARTHY

Holiday purchases made by the top ten percent of households are expected to rise eight percent to \$20.7 billion, while the top one percent of households intends to spend an average of \$3,414, a dip of 3.3 percent from the year-ago period, according to a new study by American Express Publishing and Harrison Group.

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The 2013 Holiday Forecast Study determined that the spike in affluent consumer spending is driven by households with \$150,000 in discretionary income and up to \$450,000 in household income. Twenty-three percent of affluent consumers plan to do more online shopping this year, and 45 percent of tablet owners intend to shop on the device.

"Perhaps the most significant finding this year is the increasing focus we're seeing on making the holidays about family and friends," said Jim Taylor, vice chairman of [Harrison Group](#) and the study's director, New York.

"We see this expressed in both gift-giving and how consumers want to spend their time," he said. "This holiday season, more affluent and wealthy are interested in buying a special gift with enduring value and more are looking to splurge on an emotionally significant gift for a spouse or significant other."

"And twice as many say they want to increase the amount of time they spend this holiday season with friends and/or family."

American Express Publishing and the Harrison group surveyed 1,790 consumers in September for the 2013 Holiday Forecast Study.

The 907 respondents in the top ten percent are segmented into three groups: the Upper Middle Class (340 consumers in households with annual discretionary income of between \$100,000 and \$149,000), the Core Affluent (348 consumers in households with annual discretionary income starting at \$150,000 and annual household income under \$450,000) and the One Percenters (219 consumers at the top of the income spectrum, earning \$450,000 or more in annual household income).

Mostly positive

Total U.S. holiday spending is expected to rise 7.7 percent to \$71.3 billion, \$50.6 billion of which will come from the bottom 90 percent of consumers.



Gucci loafers

Among the top ten percent of consumers, the Core Affluent is the only group expected to spend more during the holidays. Core Affluent households intend to increase spending by 10.9 per percent to \$2,176, while One Percenters expect to curb spending 3.3 percent to \$3,414.

Eighty-one percent of affluent respondents believe that gift-giving lets loved ones know that they care. Additionally, 68 percent say they are looking for gifts with enduring value.

Thirty-five percent of affluent respondents plan to take a special trip during the holidays, and 35 percent may splurge on a special holiday gift for a significant other.



Mulberry store

Gift cards continue to lead predicted gift purchases among affluent respondents, with 67 percent intending to make such a purchase. Forty-four percent of these gift cards will likely be for specific retailers, 37 percent for restaurant gifts cards and 23 percent for general American Express or Visa gift cards.

Forty-nine percent of affluent consumers plan to buy fashion apparel, 26 percent plan to buy fashion accessories and 25 percent plan to buy jewelry.

Rising markets

The study found that shopping via mobile devices will continue to rise by large margins this holiday season. Fifty percent of male respondents with smartphones use them while shopping, while 47 percent of female respondents say the same.

Regardless of the channel, 44 percent of affluent consumers want a "no-hassle return policy," 44 percent want "excellent customer service" and 28 percent want a consistent experience.

Sixty-three percent of female respondents and 52 percent of male respondents say that holiday shopping puts them in the holiday mood.

"Holiday marketers will likely use the information in the study to manage floor traffic," said Cara David, senior vice president of corporate marketing and integrated media at [American Express Publishing](#), New York.

"They need to ensure they are attending to males and females, understanding what each wants and realizing that shoppers are likely to have a good idea of what they hope to accomplish," she said.

"Shoppers are looking for a salesperson to help translate their ambitions for a significant gift into reality."

Final take

Joe McCarthy, editorial assistant on Luxury Daily, New York

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