

FOR IMMEDIATE RELEASE

**Credit cards are back in fashion this holiday season
thanks to the attraction of loyalty points**

Maritz Canada Inc. annual holiday survey shows: most Canadians will choose gift cards or electronics and shower love on pets instead of the boss

Mississauga, Ontario, November 22, 2010 – MARITZ CANADA'S annual holiday report gives retailers reason to rejoice. According to the annual report released today, 90% of Canadians will participate in gift-giving this season and may be more inclined to open up their wallets than they have been in the past two years. Although expected spend has not returned to pre-recession levels, Canadian holiday shoppers plan to spend an average of \$602, a modest improvement of 6% over the 2008 and 2009 holiday seasons.

TOTAL SPEND



“While the effects of the recent slow downs have not completely dissipated, projected holiday spending is moving in the right direction,” says Rob Daniel, Managing Director, Maritz Research Canada, a division of Maritz Canada Inc., “This is good news for retailers who view the holiday season as the most important time of the year for revenue.”



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PAYMENT METHOD

Credit cards are more popular this year. **43% say they will use their credit card this year, up from 34% in 2009.** Valuable loyalty programs often drive choice of payment method. **One-half of Canadians (50%) agree that they will choose how they pay based on what will give them the most loyalty points.**

"Canadians are very aware of loyalty program benefits and many will see the holiday shopping season as the perfect time to collect points with their favourite programs or redeem for desired rewards." says Daniel.

SHOPPING LOCATION

With a stronger dollar, Canadians indicate that they are more likely to travel South of the border to purchase holiday gifts this year: **16% of Canadians intend to travel to the US (up from 11% in 2009).** Better prices for the same products and services (59%) is the leading reason Canadians purchase gifts outside of their own country, followed by being able to purchase products and services that are not available in Canada (48%).

Canadians are very comfortable purchasing gifts made outside of Canada; in fact 76% of Canadian holiday shoppers indicate that they do not worry about where the gifts they buy are made.

Online shopping continues to see a modest year-over-year growth with **11% of Canadians saying they will make a purchase online in 2010, compared to 9% in 2009.** 34% of shoppers say the crowds and chaotic atmosphere are the worse part of the shopping experience and 17% are turned-off by long line-ups so offering a great experience online can be a wonderful differentiator. "Online retailers who provide incentives to consumers will capture the greatest proportion of online shopping dollars in 2010. For example, successful online retailers offer free gifts or free shipping with minimum purchases; and in some cases, the shipping fee is completely waived," says Daniel. "Customers expect to be delighted with great customer experience digitally, as well as in the store."

GIFT CHOICE

Gift choice this year continues to be led by clothing and apparel with 52% of Canadians indicating this as their first choice. **However, increasingly Canadians say they are choosing to purchase gift cards (49% in 2010 over 45% in 2009) as their second choice.** This is closely followed by entertainment items like CDs and DVDs compete (48%). The most desired gift category among women are gift cards, while for men, it is electronics.

Top Ten Gift Categories For Purchase	2010	2009	2008
Clothing and Apparel	52%	51	35
Gift Cards	49	45	39
Entertainment (e.g. DVDs, CDs, games)	48	49	57
Toys	43	41	41
Beer, Wine, Spirits	41	39	26
Electronics	37	36	43
Candies/Chocolates	36	36	29
Health, Beauty, Personal Care Products	33	34	37
Children's Apparel	28	25	25
Jewellery, Accessories, Leather Goods	26	25	22

“The flexibility and convenience associated with gift cards continues to make them an evermore popular gift to give and receive,” says Daniel.

As expected, Canadians will buy gifts for their spouse, children, family and friends. Surprisingly, they also love buying gifts for their pets. **In fact, Canadians are three times more likely to buy a holiday gift for their furry friend (40%) than for their boss (13%).**



WHERE CANADIANS WILL SHOP AT HOME

Canadians continue to report Walmart as the holiday retailer of choice (66%), followed by Canadian Tire (44%) and Zellers (41%).

Top Ten Projected Retail Locations of the 2010 Holiday Season (Proportion of gift-givers anticipating shopping at each retailer)		Spend
Walmart	66%	\$116
Canadian Tire	44%	68
Zellers	41%	75
Future Shop	34%	82
Liquor/Beer Store	34%	71
Sears	31%	76
Costco	29%	117
Toys "R" Us/Babies "R" Us	28%	87
Chapters/Indigo	25%	49
Tim Hortons	24%	28

Daniel suggests “Retailers should capitalize on the busy holiday season by differentiating their customer experience. Lasting positive impressions can lead to customer loyalty for the coming year. Things to focus on include: staff numbers, staff training, product availability and information, intelligent store flow and queues that accommodate large crowds.”

IMPORTANCE OF THE SHOPPING EXPERIENCE

Canadians overwhelmingly stated (82%) that they have had a negative shopping experience in the past. Among these, 56% say they thought twice about eventually returning to the store and 21% never shopped there again. The good news for retailers, however is that Canadians care a lot about the gifts they give during the holiday season and offer some insight on what stores can do to improve the holiday shopping experience.

The key recommendations are: ensuring inventory is stocked up to meet customer demand, offering sales and specific holiday specials, having enough associates working during the holidays, good store flow and cash queue design, and extended hours.

“Retailers need to remember that getting customers to make a purchase should be the beginning of their consumer strategy, not the end,” says Daniel. “There is so much opportunity to turn new holiday shoppers into loyal brand customers and advocates.”



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The full survey results are available online at: <http://maritzcanada.com/listen-up/media-centre/maritz-in-the-news.aspx>

About Maritz Canada Inc.

Maritz Canada helps businesses bridge the gap between brand promise and brand experience. Maritz provides businesses with programs to understand, enable and motivate the people who have the greatest impact on their brands. Through the delivery of three core solution sets that focus in on clients' businesses: Sales Channel Enablement, Consumer Loyalty and Engagement Marketing, Maritz affects the Human Dimension of Sales and MarketingSM to ultimately drive business performance. We design these solutions with integration of our expertise in Research, Loyalty, Learning, Events, Marketing Communications and Digital Marketing. Maritz Research Canada is a division of Maritz Canada Inc.

Maritz Canada Inc. has been operating since 1980. With over 400 team members, Maritz Canada is wholly owned by Maritz Holdings Inc. based in St. Louis, Missouri.

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