

CHAPTER 1 — INTRODUCTION

ANTI-DEPRESSANT FOR AMERICAN HOUSEHOLDERS

Typical U.S. Household Spent Just Under \$20 Buying Seasonal and Holiday Decorations In 2006

In 2006 the typical American household spent just under \$20 buying seasonal or holiday decorations, according to a new research study by Unity Marketing among holiday and seasonal decorations. This generous level of spending contributed to increasing the total market for seasonal and holiday decorations by 5.9 percent in 2006 over 2005. Commenting on the results of the new decorations research, Pam Danziger, president of Unity Marketing and author of the new book *Shopping: Why We Love It and How Retailers Can Create the Ultimate Customer Experience*, says, "Decorations are a perfect example of things we buy that we don't need, yet we desire them because they add immeasurably to our holiday and family celebrations. Since boosting our mood is their primary function, decorations are really a low-cost, non-prescription alternative to anti-depressants."

While Christmas accounts for the largest share of the total decorations market, some 48 percent overall, the fastest growing holidays for decorating the home were: July 4th, Halloween, Thanksgiving, Labor Day/Back-to-School and summer seasonal decorations. "With more Americans buying decorations for their summer and fall celebrations, the decorations market is rapidly expanding beyond its fourth quarter emphasis to be a truly all-year round market. Savvy retailers and manufacturers should take note of this important shift, since they continue to remain focused mainly on Christmas for seasonal decorating. As usual, consumers have a lot to teach marketers about what they want," Danziger says.

Introduction to Seasonal Decorations Report, 2007

The objective of this study is to help decorations marketers and retailers better understand the market for holiday and seasonal decorations. Based upon research among active holiday and seasonal decorators, including surveys among 2,400 consumers each in 2005 and 2006, this report focuses on market opportunities available to product manufacturers and retailers to help consumers with their holiday and seasonal decorating needs.

With a focus on the consumer, their needs, desires and preferences, this research study includes research data and statistics about:

- **Market size and growth** of holiday and seasonal decorations by holiday and type of decoration;
- **Holidays and Events that stimulate decorations purchases:** what holidays they decorate for and whether they focus their decorations inside and/or outside of the home and what holidays they purchased decorations for in 2005 and 2006 and the types of items they bought;
- **Types of decorations** they use for each holiday and event, including Valentine's Day, Easter, Halloween, Christmas and other major holidays, as well as parties and other events;
- **Spending:** How much they spent buying decorations for each holiday;
- **Where they shop** for decorations;
- **Trends in spending** on decorations and whether or not they are placing a greater emphasis on decorating now and into the future.

Methodology

This report summarizes results of both qualitative focus group and quantitative survey research.

QUALITATIVE RESEARCH

In July 2004 two focus groups were conducted in the Columbus, Ohio market among active holiday decorators to provide their unique perspective on why they decorate, what they look for

in the decorations they buy and what really excites them when it comes to decorating. These individuals were screened for having decorated both the inside and outside of their home for four of the past seven major decorating holidays (e.g. Christmas 2003; Halloween 2003; Thanksgiving 2003; Easter 2004; Fourth July 2004; Valentines Day 2004 or any party or special event); having purchased new inside and outside decorations for four of the seven major holidays; and having spent over \$100 on new decorations in the past year. The respondent's comments from the focus groups are summarized throughout this report.

QUANTITATIVE SURVEY 2005 & 2006

Throughout the 2005 and 2006 calendar years, Unity Marketing conducted a quarterly Gift Tracker Survey which included the results of 600-700 consumer surveys each quarter. In addition to surveying consumers about their gift buying patterns, the Gift Tracker survey also included questions about holiday and seasonal decorations purchases each quarter.

SAMPLE DEMOGRAPHICS

A total of 2,024 consumers were surveyed in 2005 and 2,954 were surveyed in 2006. Total purchase incidence of seasonal and holiday decorations varied by quarter, with approximately 25 percent or so of respondents in the first, second and third quarter reporting decorations purchases and about 50 percent of respondents in the fourth quarter reporting new decorations purchases.

INCOME DEMOGRAPHICS

The average income of the Gift Tracker sample was \$62,875 in 2006 and \$52,225 in 2005.

GENDER

The gender split of the survey sample in both 2005 and 2006 was roughly 50 percent male and 50 percent female.

AGE DISTRIBUTION

The average age of survey respondents in 2006 was 42.7 years and in 2005 it was 46.8 years. During the 2005 sample year we allowed the Gift Tracker age distribution to result naturally, which resulted in higher participation of older gifters. During 2006, the sample was controlled for an even distribution of gifters across the age ranges.

OTHER DEMOGRAPHIC VARIABLES

In both survey years, some 60 percent of the sample was married with between 20-to-25 percent being single. The remainders were married living as couple, divorced, widowed, etc. On average, 2.9 people lived in the respondents household in both survey years.

Educational attainment in 2006 was higher than in the 2005 sample, where 35 percent of those surveyed had completed four years of college or more as compared to only one-fourth having completed four years of college in 2005. In 2006 some 45 percent of the sample had some college experience as compared with 40 percent in 2005.

Ethnically, White/Caucasian consumers represented 89 percent of those surveyed in both years, with approximately 5 percent being Black/African-American, 5 percent Hispanic/Spanish/Latino, 4 percent being Asian/Pacific Islanders. (Note: consistent with Census Bureau practice, consumers can select multiple ethnic origins).

Because of the religious nature of many gifting holidays, the respondents were asked their religious affiliation. About one-third of both years' respondents defined themselves as Protestant; 26 percent as Catholics; 3 percent as Jewish; and 20 percent as Other. The remaining 18 percent reported no religious affiliation.

Home owners dominated the sample both years with some 65 percent owning a home, 9 percent owning an apartment or condo and 21 percent renting, and 5 percent other.

QUANTITATIVE SURVEY 2004

Unity Marketing conducted a survey among nearly 1,000 households (954 in total) that decorate their home for various holidays and/or seasonal celebrations. As compared with the seasonal decorations questions included in the Gift Tracker study in 2005 and 2006, this survey was a more in-depth investigation into the consumer market for seasonal decorations.

The survey was conducted during May 2004 among a panel of U.S. consumers using an electronic internet-based survey platform. Survey respondents were screened for their active personal involvement in holiday decorating, so those respondents who said they only “helped out doing specific holiday decorating tasks or purchases” or “very slightly involved or not at all involved in holiday decorating or purchases” were eliminated from the survey. Only individuals who said they were “primarily responsible for holiday decorating or purchases” or who were “jointly responsible with another household member for holiday decorating and purchases” were included in the survey. Not unexpectedly the survey sample skewed female with nearly 80 percent of the decorating respondents (77 percent or 738 individuals) being women and about 20 percent (23 percent or 216) being men.

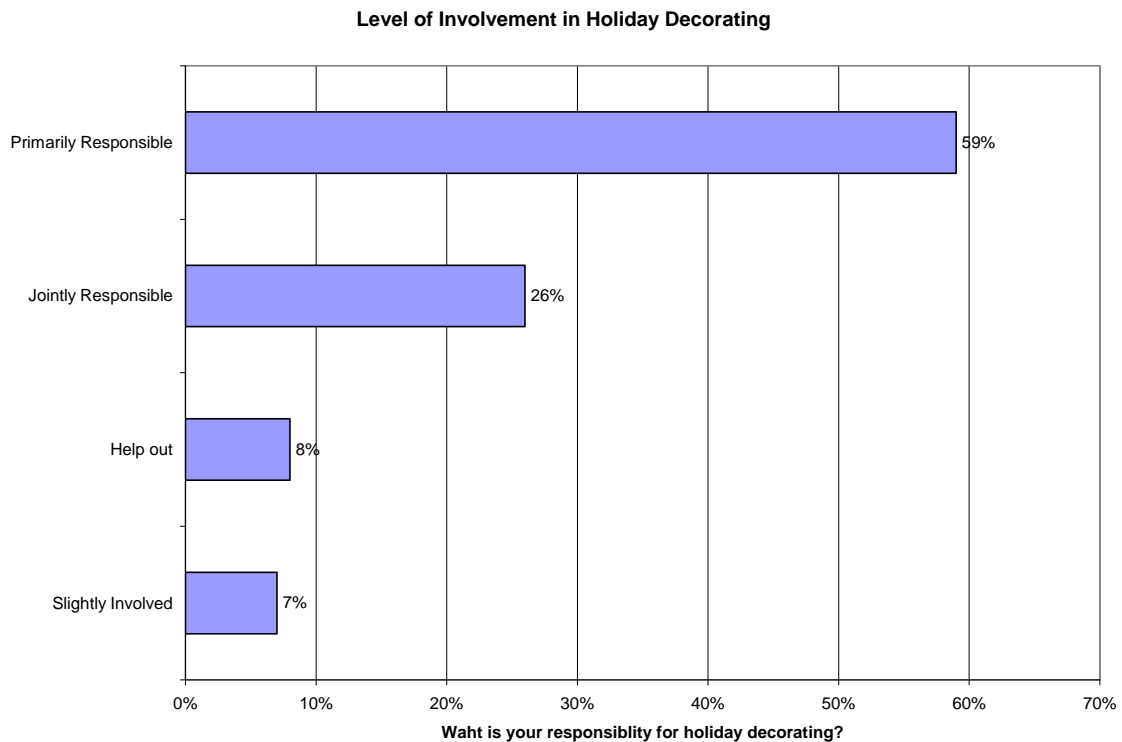
MAJORITY OF 2004 RESPONDENTS WERE ACTIVELY INVOLVED IN HOLIDAY DECORATING

Figure 1: Survey Respondent's Responsibility in Holiday Decorating, 2004 Survey

In the 2004 holiday decorating survey, a total of 1,172 respondents answered the first screening question about their level of involvement and responsibility in holiday decorating in their home. Out of that total response, 85 percent reported they were either primarily responsible for holiday decorating and purchases (59 percent) or jointly responsible with another household member for holiday decorating and purchases (26 percent). Only 15 percent were either helpers or very slightly involved in holiday decorating and the majority of those respondents were young men.

The remainder of this survey includes only those individuals who were either primarily responsible or jointly involved home seasonal decorators. A total of 954 individuals were represented in the remainder of this survey.