



# Numerator

NEW FRONTIERS

Gearing Up for the Holidays

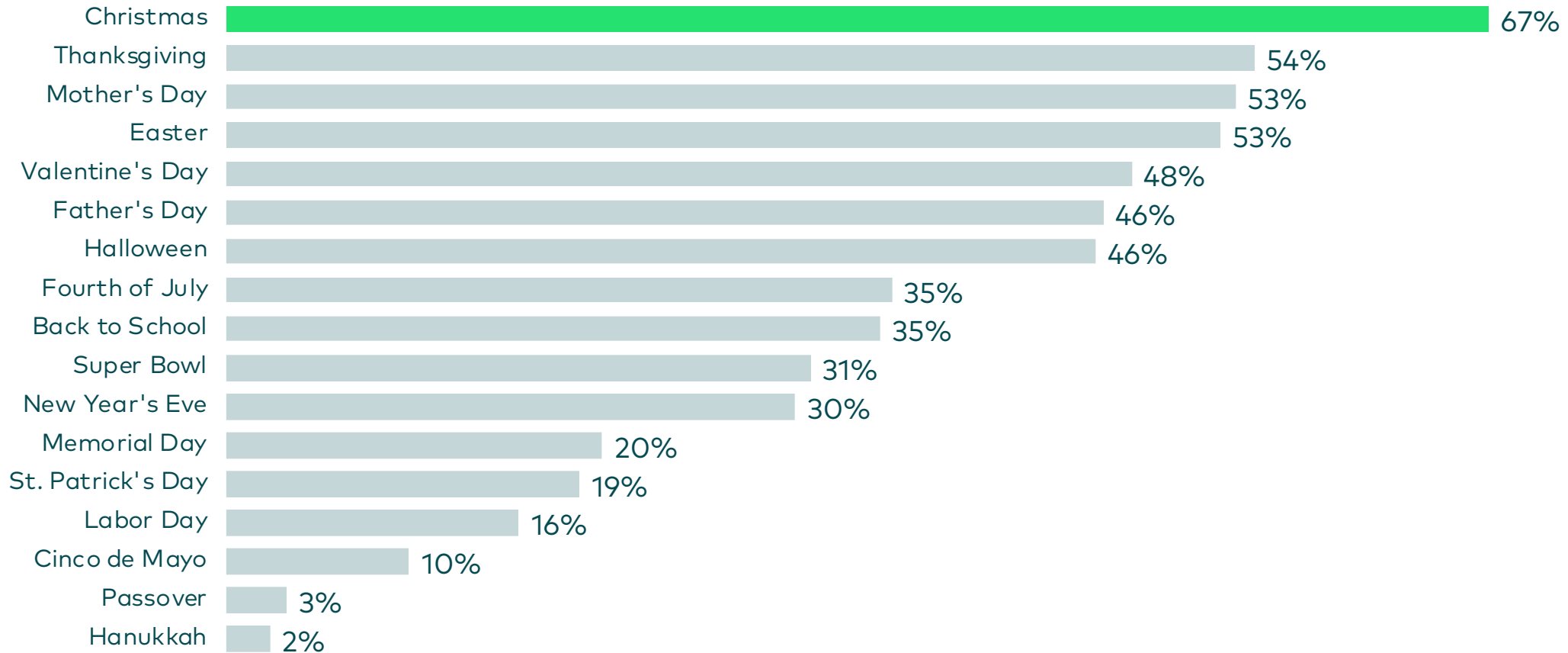
# Agenda

## Holiday Shopping

- When do people start and finish their holiday gift shopping?
- How important are Black Friday and Cyber Monday?
- What are people planning to buy this year?
- How much gift shopping has moved online?
- What's happening with Toys?
- How can retailers make shoppers' lives easier?

# Christmas: the top shopping holiday

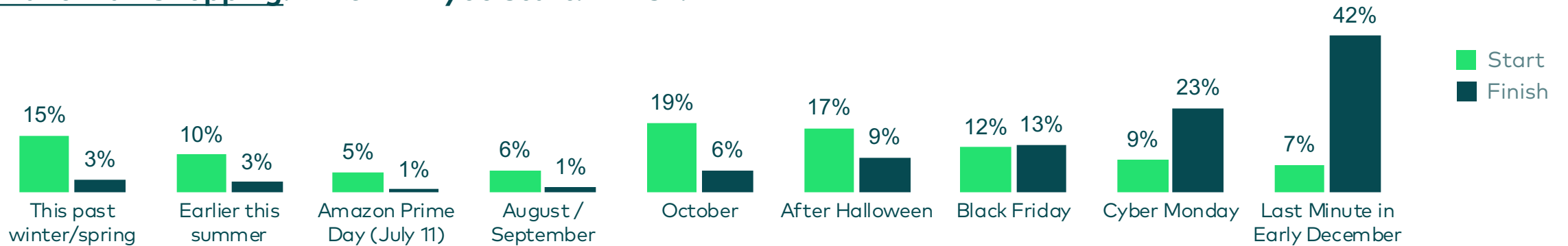
In the past year, which of the following events have you shopped for?



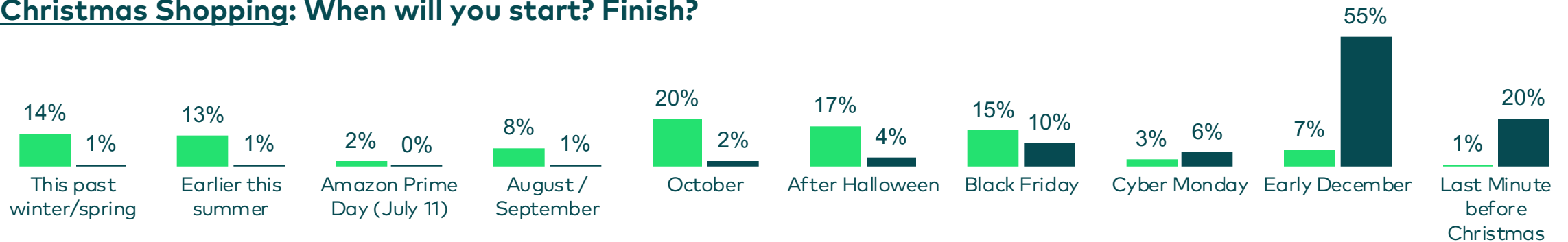
How prepared is your business  
for the upcoming holiday season?

# Over 50% of shoppers start before Halloween!

## Hanukkah Shopping: When will you start? Finish?



## Christmas Shopping: When will you start? Finish?



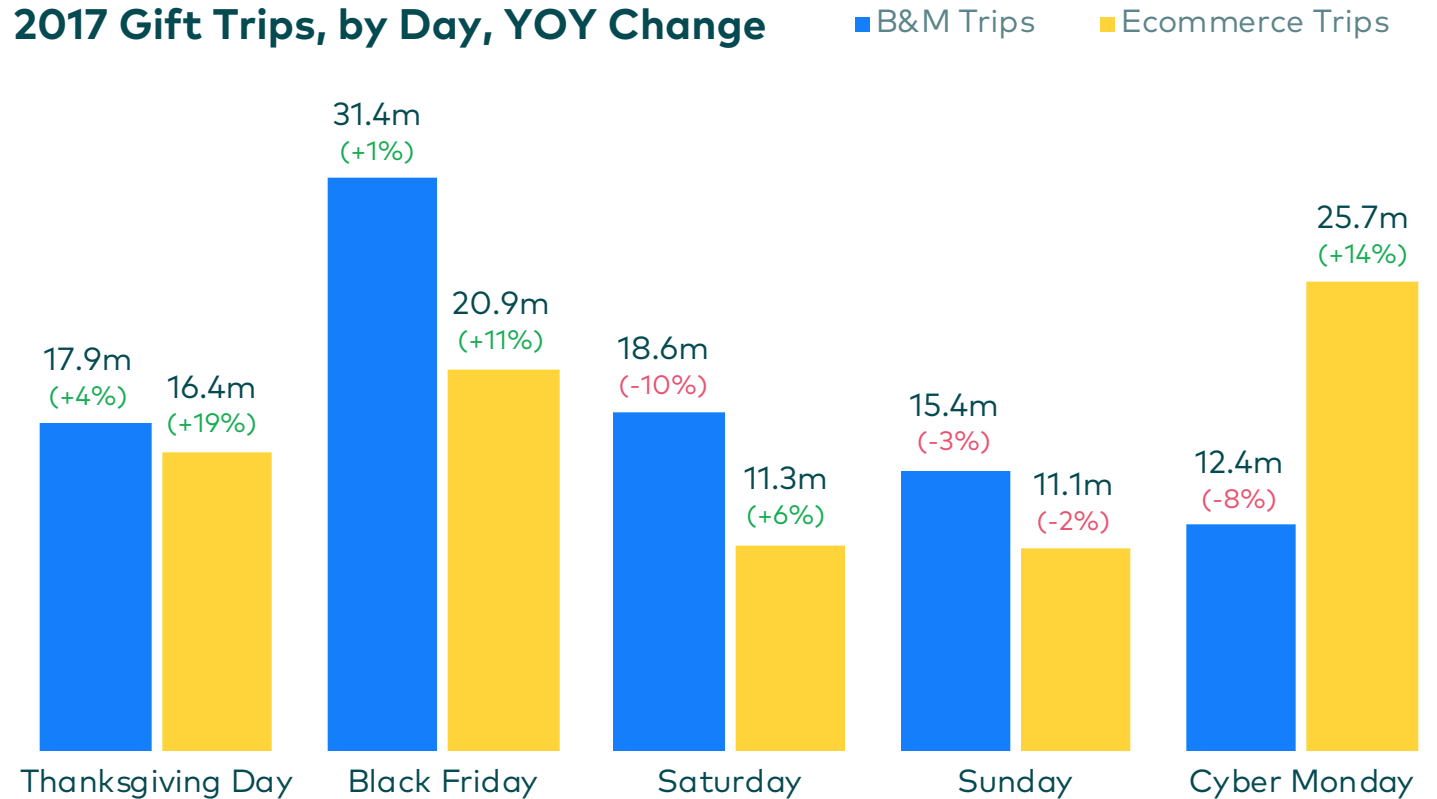
Cool, now what about Black Friday?  
And for that matter, Cyber Monday?

# Last year, B&M still led the way with Black Friday, but Ecommerce grew strongly across the board

## Thanksgiving Weekend, Gift Trips

	PROJECTED TRIPS	CHANGE VS. 2016
<b>B&amp;M</b>	96 million	-3%
<b>ECOMM</b>	85 million	+11%
<b>TOTAL</b>	181 million	+3%

## 2017 Gift Trips, by Day, YOY Change



# This year, Cyber Monday may overtake Black Friday

**45%**

of shoppers say  
Black Friday is important  
for holiday gift shopping

**53%**

of shoppers say  
Cyber Monday is important  
for holiday gift shopping

**+\$143m**

growth in Ecommerce  
Cyber Monday Basket  
Sales for Gift Trips in  
2017

Expect that to grow in  
2018



So, what gifts are people planning to buy?

# Intent to buy a variety of gift categories this season



**Apparel**  
**76%**



**Gift Cards**  
**74%**



**Toys**  
**67%**



**Electronics**  
**52%**



**Entertainment**  
**51%**



**Health & Beauty**  
(Non-Electric)  
**38%**



**Books**  
**37%**



**Health & Beauty**  
(Electric)  
**25%**



**Tools & Home Improvement**  
**24%**



**Smart Home Devices**  
**23%**



**Housewares**  
**22%**



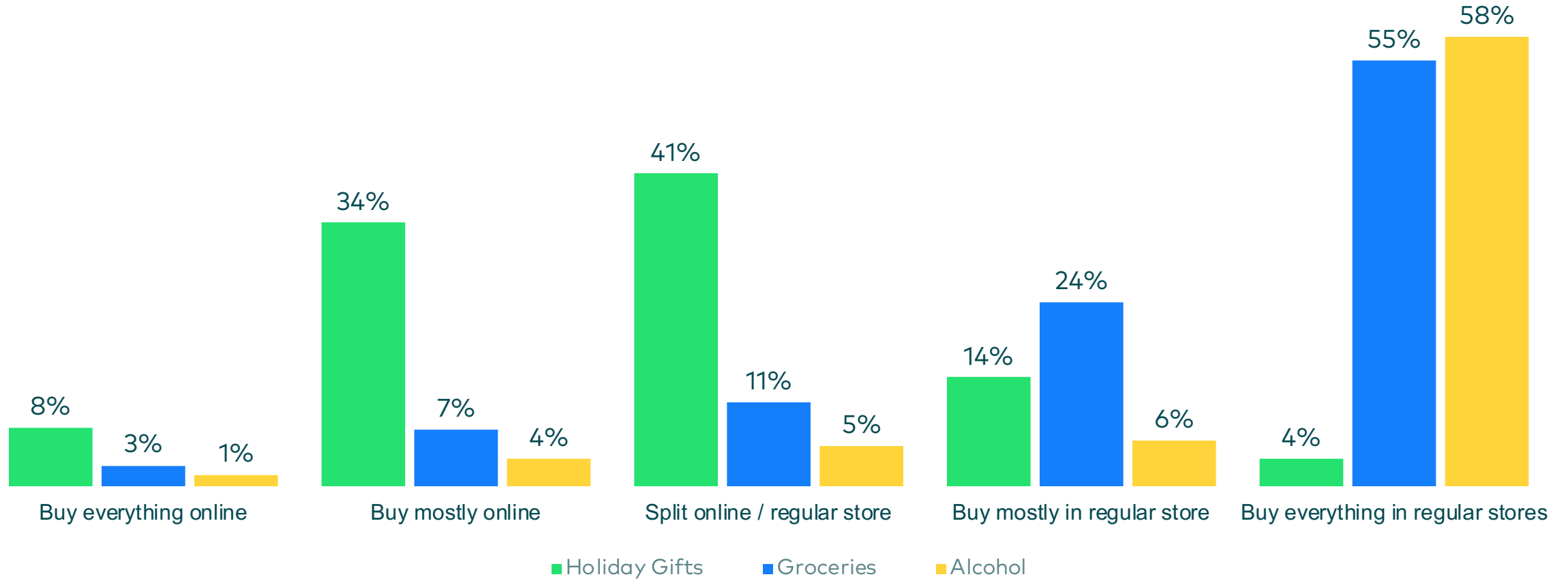
**Kitchen Appliances**  
**20%**



**Subscriptions**  
(e.g. Shave Club)  
**14%**

# And they intend to buy those gifts online

How do you plan to shop for your Gifts, Groceries and Alcohol for the holidays?



Numerator Holiday Shopping Survey n=673

Alcohol adds to 75% because 25% of respondents indicated they do not plan to purchase alcohol for the holidays

Wait a sec.

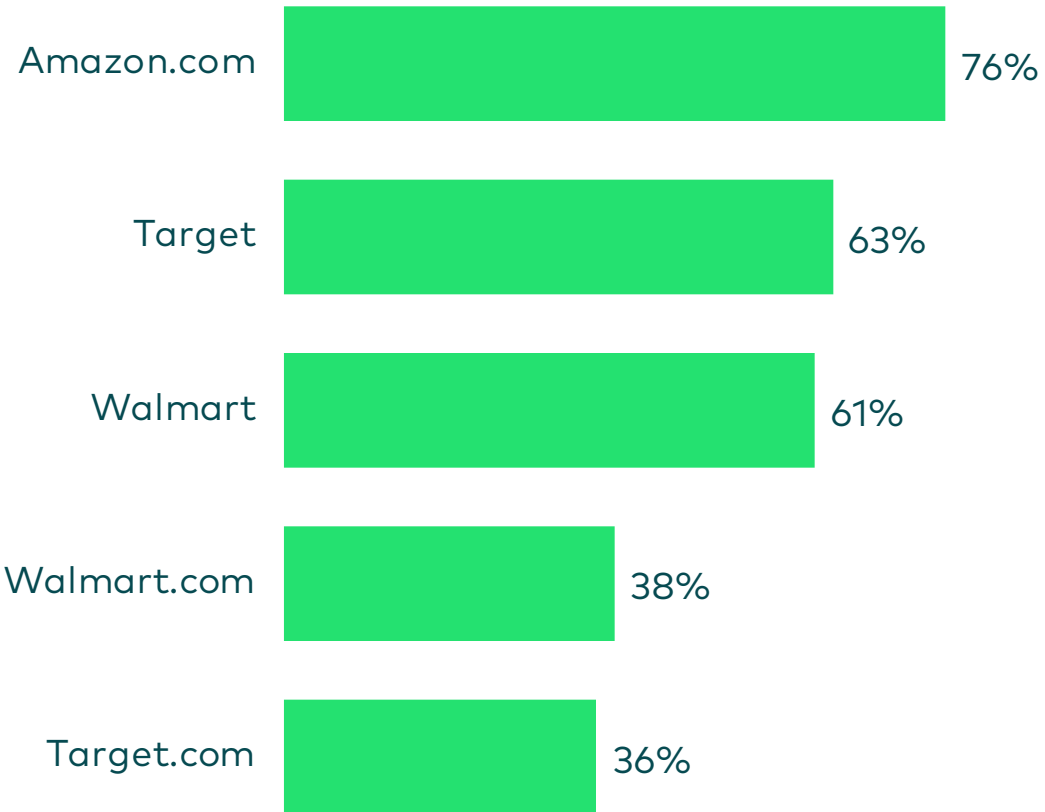
So shoppers plan to buy  
the majority of their holiday gifts online?

A child is seen from behind, walking through a toy store aisle. The shelves are filled with various toys, including Star Wars merchandise. The scene is overlaid with a semi-transparent teal filter. The text "LET'S TALK TOYS" is centered in white, bold, sans-serif font.

LET'S TALK  
**TOYS**

# The Toys 'R' Us Gap

## Where do you plan to shop for Toys?



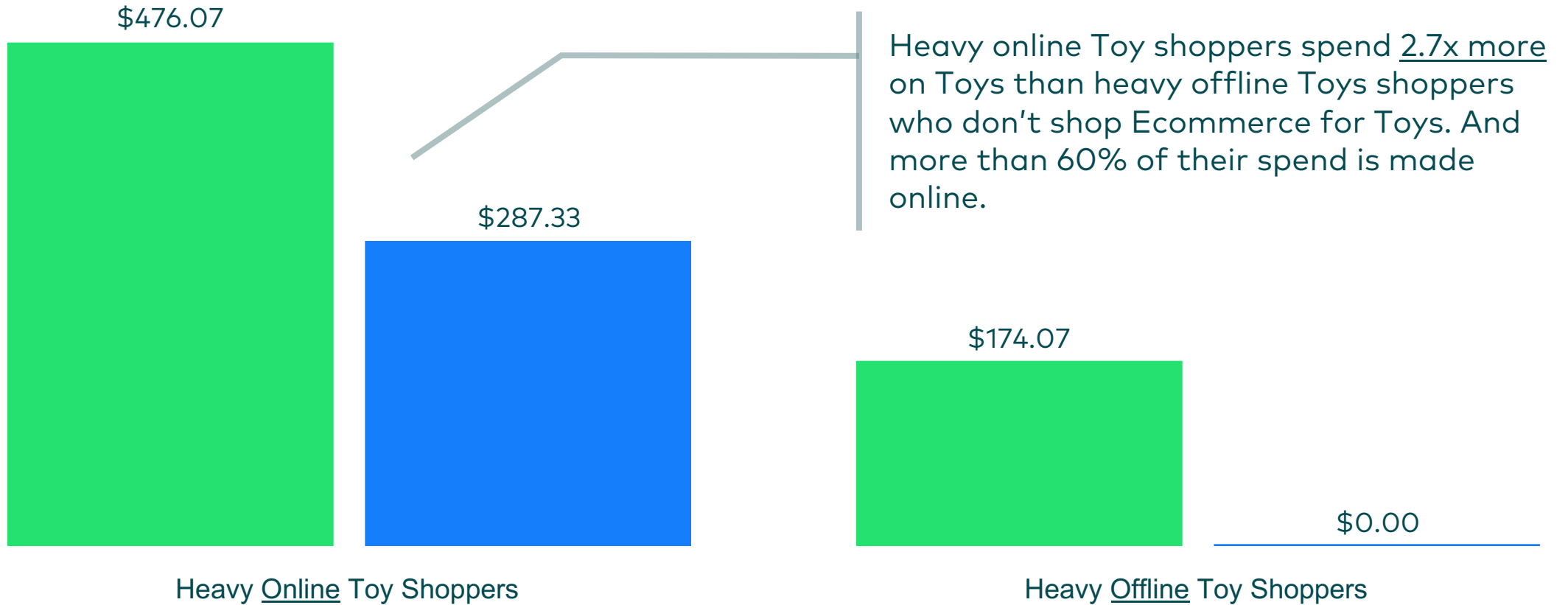
Numerator Holiday Shopping Survey n=449

The screenshot shows the Amazon.com website interface for the 'Holiday Toy List'. At the top, there's a navigation bar with the Amazon logo, search bar, and various utility links. Below this, a banner for 'Top 100 Toys' features a young girl playing with a Star Wars Millennium Falcon. Underneath the banner are several category buttons: Kid Picks, Cute, Cuddly & Collectible, Learning Toys, Preschool, Tech Toys, Action Toys, Family Night, Sports & Outdoors, Arts & Crafts, and Pretend Play. A prominent banner for LEGO states 'This is not a brick. This is LEGO.' Below this, a product grid displays various toys with their prices, discounts, and customer reviews. On the left side of the grid, there are filters for Age, Price Range, Discount, Avg. Customer Review, and Shipping Options.

# And online Toy shoppers are far more valuable

Buy Rate, Heavy Toy Shoppers, Online vs Offline

■ Total ■ Ecommerce



# Old School Amazon

- This year, Amazon may join other key Toys retailers such as Target & Walmart with printed toy catalogs

Target 2017 Toy Catalog



Walmart 2017 Toy Catalog



7,859 views | Jul 5, 2018, 09:22am

## Amazon To Print Annual Toy Catalog Because The Magic Of Nostalgia Never Dies



Curtis Silver Contributor  
Writing on Consumer Tech & Social Media with a satirical, cynical edge

f  
t  
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AP Photo/Richard Drew, File

Amazon, knowing that print is essentially dead, has decided to capitalize on the collective nostalgia directly related to the death of retail. With Toy 'R' Us now a [thing of the past](#) and classic department stores like Sears [on the ropes](#), Amazon has decided to at least save a bit of the past by printing a bunch of paper bound together to fill the gap emptied by the loss of Toys 'R' Us' annual "big book" Christmas toy catalog.

There was something magical triggered in our brains when as a child we received that giant catalog in the mail, or even by the few pages of toys in the back of the Sears catalog. This was of course in the days before the internet existed as it does now, so we didn't have daily access to every single toy in existence at the whims of a few key presses or random thought. The new LEGO sets were presented to us annually, in the form of happy children



# But B&M's aren't giving up Toys without a fight

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BUSINESS

### Retailers Rush to Fill Holiday Hole Left by Toys 'R' Us

Walmart, Target and others are adding floor space for toys. But will they have enough inventory for the annual crush of last-minute shoppers?

By [Paul Ziobro](#) / Photographs by [Bryan Anselm](#) for *The Wall Street Journal*

Oct. 7, 2018 8:00 a.m. ET

The collapse of Toys "R" Us Inc. has its rivals fighting over billions of dollars in holiday toy sales now up for grabs, and is also likely to make it harder for last-minute shoppers to get their hands on some of the year's hottest items.

Walmart Inc., Target Corp. and other chains are setting aside more floor space for toys in hundreds of stores. A chain that usually operates Halloween pop-up shops is opening dozens of temporary Toy City stores. Even Amazon.com Inc. is planning to distribute toy catalogs to shoppers visiting...



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Quick aside:  
Store circulars matter for Toys shoppers!

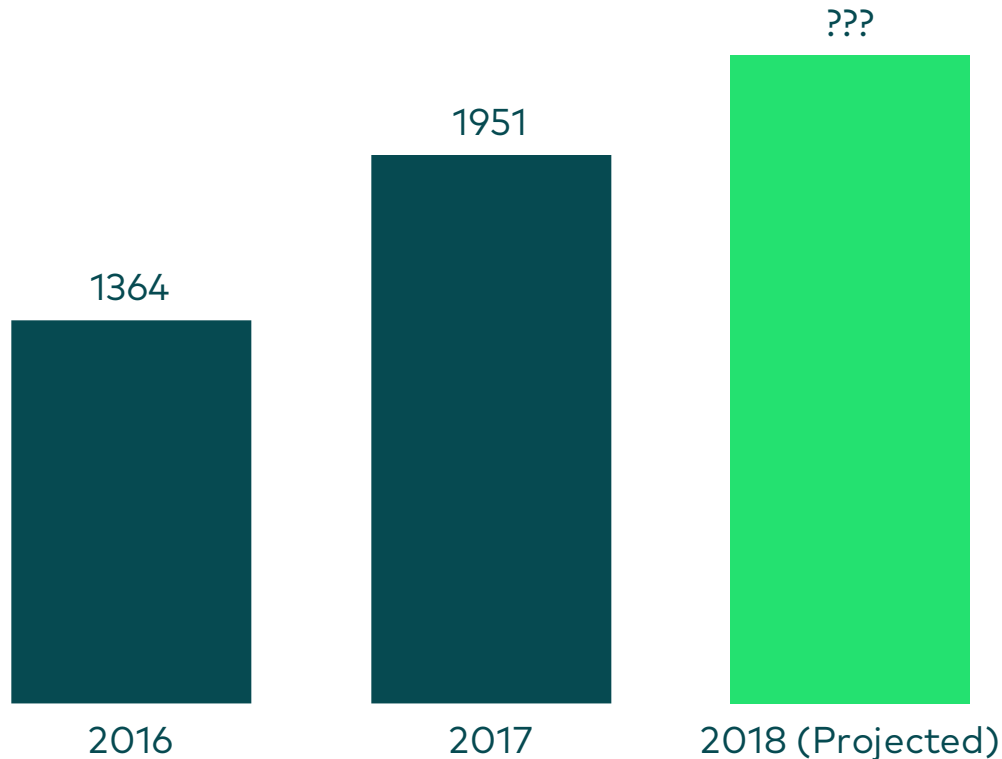
81%

of Toys shoppers actively look at store circulars  
for the best deals on holiday gifts

# Toy circulars spiked in 2017... expect more in 2018

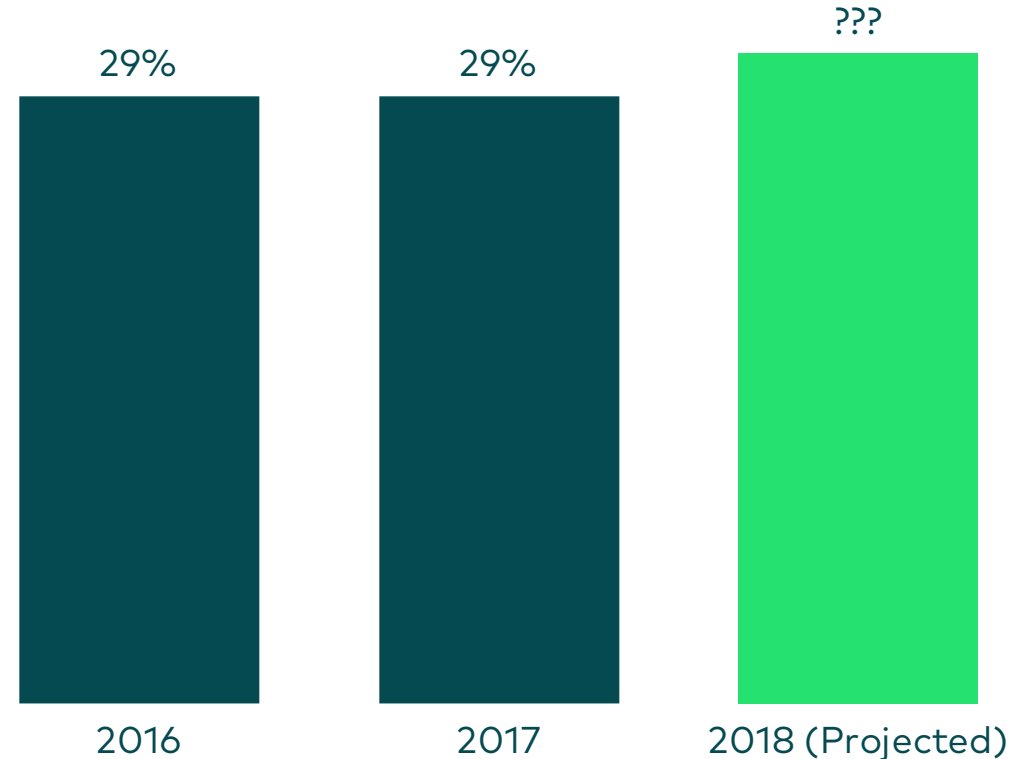
## Feature Ad Totals, Toys & Games

6 Key Retailers, Holiday Season, Nov – Dec



## Avg. Depth of Discount, Toys & Games

6 Key Retailers, Holiday Season, Nov - Dec



# B&M's already delivering more Toy promotions

**+11%**  
Increase in overall  
Toys print promotions  
Jul - Sep 2018 vs. Year Ago

## Top Growing Retailers

	NEW PROMOS	YOY CHANGE
CVS	88	+259%
LIDL	74	+247%
RITE-AID	32	+139%
TARGET	116	+55%
WALGREENS	52	+55%
JC PENNEY	24	+30%

# Target is already gearing up for 2018 Toys push

- Target repeated last year's cadence and theming for its "Bulleye's Top Toys" flyer drop
- This year the retailer made its coupon savings offer more visible – stating \$10 off \$50 and \$25 off \$100 purchases instead of 2017's "Save up to \$25"
- Target also featured 20% off Minecraft and Star Wars toys several weeks before its 10/7 flyer
- Target is also adding 250,000 sq. ft. for toys in store



# Walmart also wants a piece of the toy pie

- Walmart is making a big statement with their "America's Best Toy Shop" tagline
- This two-page flyer dropped recently, on October 12, 2018
- Walmart also plans to launch a toy book in Q4 2018



# Don't call it a comeback

- And lastly, keep an eye out for a TRU comeback in 2019!
- 2018 may be Amazon's year, but 2019 may be a different story

AP / October 3, 2018, 6:34 AM

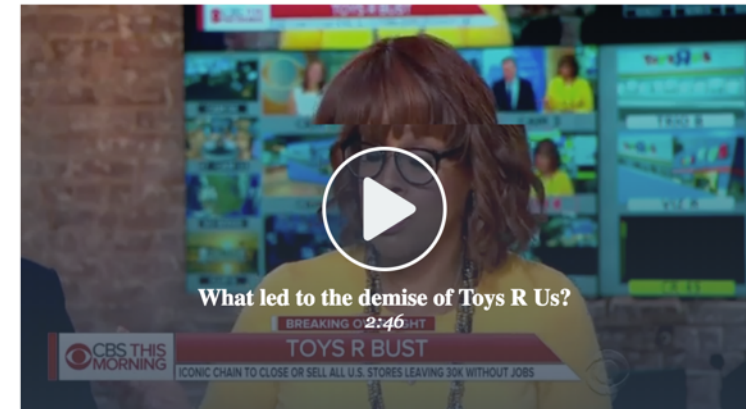
## Toys R Us comeback in works as bankruptcy auction canceled

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There may be a second act for **Toys R Us**, which shut down hundreds of stores over the summer. A group of investors said in a bankruptcy court filing Tuesday that it's scrapping an auction for Toys R Us assets. The investors believe they'll do better by potentially reviving the toy chain, rather than selling it off for parts.

The investors said they'll work with potential partners to develop new ideas for stores in the U.S. and other countries "that could bring back these iconic brands in a new and re-imagined way."

Toys R Us suffocated under a staggering \$5 billion debt load before liquidating its U.S. assets this year. A leveraged buyout hobbled the company and hundreds of stores were shuttered in June to the dismay of children and numerous generations of one-time children.



The seeming end of Toys R Us rippled through the toy industry and beyond. When the company closed the doors at some 800 stores, more than 30,000 people lost their jobs. Less than a month later, Mattel said it would cut more than 2,200 jobs partly because of lost sales to Toys R Us.

Economists were caught off guard that month by the slow growth in jobs, particularly retail, and some blamed the collapse of Toys R Us.

There was a net gain of 7,000 retail jobs in July, but the overall number was

One last thing:  
Don't forget to listen to your shoppers



# Give the people what they want!

- “ Make sales longer & earlier than just Black Friday
- “ Free shipping!
- “ Have plenty of the advertised sale items in stock! So frustrating when something is gone the first day on sale
- “ Provide quality customer service. Everyone has customer service, but not **QUALITY** customer service
- “ Keep checkout lines very short...lines make me want to shop online more

## What we're seeing

Cyber Monday may overtake Black Friday

Holiday gift shopping is shifting more and more online

The battle for Toys is on, in full force

Shoppers have straightforward needs during the holidays

## Why it matters to you

Make sure your ecommerce presence is on point

If you're in the fight for Toys, watch out for Amazon

Don't discount the power of store circulars

Consider pushing up and/or extending sales on hot items

## How you can take action

Reach out to Numerator to find out things like:

How incremental is my category online?

What's happening in store circulars for my categories?

Where do shoppers plan to shop, by category?



# Numerator

NEW FRONTIERS

Find out how to win your fair share of Holiday spend

[hello@numerator.com](mailto:hello@numerator.com)