

REPEATING/Synchrony Financial's Annual Holiday Shopping Study Forecasts Strong Retail Sales Increase between 3.6% and 4.0% with Holiday Shoppers Merry about Finances, Yet Motivated to Manage Budget

STAMFORD, Conn.--(BUSINESS WIRE)-- Motivated to manage the stress of the season and their budgets, more than half of holiday shoppers plan to start their gift buying earlier this year to find deals and help spread out spending. Heading into the holidays, 55% of survey respondents are merrier about money and report a better household financial situation than last year, according to Synchrony Financial's Annual Holiday Shopping Study.¹

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Synchrony Financial forecasts strong holiday retail sales increase between 3.6% and 4.0% (Graphic: Business Wire)

Among shoppers who expect to spend more this season (34% vs. 32% last year), 45%

attribute it to improved personal finances and increasingly longer lists – factors helping to drive a predicted holiday sales lift of between 3.6% and 4.0%,² estimates Synchrony Financial (NYSE:[SYF](#)), a premier consumer financial services company.

To make the most of their money, shoppers are seeking out sales (85%) and setting a holiday budget (59% compared to 53% last year). Even with favorable finances, the ability to manage their budget with extra holiday expenses is cited as a key concern among survey respondents.¹

“Consumer confidence continues to improve and we see it shaping the season in the form of increased sales,” said Bart Schaller, EVP and chief marketing officer, Synchrony Financial. “However, caution overrides personal optimism, and shoppers tell us they’re carefully planning, pacing and prioritizing their holiday purchases to stay on schedule and on budget.”

Holiday Countdown Spans Calendar

Although November and December mark the official holiday sales season, half of survey respondents report budgeting all year for holiday expenses, and 28% purchase presents throughout the year.¹ Other ways shoppers are planning ahead and purchasing earlier in an effort to ease budget pressures and enjoy the season include:

Purchase Planning and Payment Preferences

- For those who haven't completed their gift buying, 42% of respondents say they plan to begin shopping before Black Friday; 28% intend to purchase after Thanksgiving; and 67% plan to wrap up their shopping by mid-December.
- Layaway is an option 30% of shoppers plan to use this season, up from 25% last year.
- Most shoppers (66%) say they intend to use credit to buy holiday gifts, seeking to earn rewards.
- The majority (67%) of shoppers tell us they're planning to give gift cards this holiday season, and 32% say they will buy more than last year. Gift cards, a new smartphone, money, and time with family top most adult wish lists. Depending on age, popular gifts for children range from toys such as Legos® and Barbie® to smartphones and gaming systems. More than 60% of survey participants agree they "still splurge" on holiday shopping.

'Tis the Season for Technology

Whether finding the best price, searching creative gift ideas or parking at the mall, digital tools help U.S. consumers save time and money during one of the busiest seasons of the year. More insights from research of online and in-store shopping preferences include:

- Smartphones are now an important part of the purchase experience for both in-store and online shoppers. Synchrony found 82% of shoppers report they regularly comparison shop to get the best price. In addition to using their phones to research prices and products, shoppers find and redeem coupons and make purchases.³
- More than half of holiday shoppers say the best deals are online, and 37% report they plan to do more of their buying online this year due to the ability to shop any time, variety and convenience, competitive shipping offers and faster delivery options.¹
- While online sales represent a growing share of total spending, stores remain the primary purchase channel for the vast majority of holiday shoppers. More than 60% of gift buyers report holiday shopping is still more fun for them in the stores, and 23% appreciate the unique seasonal spirit offered in-store.¹

Over 1,600 shoppers nationwide participated in the pre-holiday, online survey conducted earlier this month on behalf of Synchrony Financial. As part of its annual research, Synchrony Financial studied survey responses and consumer input about seasonal shopping plans and preferences and analyzed historical data, trends, and macroeconomic indicators to develop its holiday shopping forecast.

Members of the media can contact media.relations@syf.com for additional information and insights related to the 2016 Holiday Study and other Synchrony Financial research.

About Synchrony Financial

Synchrony Financial (NYSE:[SYF](#)) is one of the nation's premier consumer financial services companies. Our roots in consumer finance trace back to 1932, and today we are the largest

provider of private label credit cards in the United States based on purchase volume and receivables.⁴ We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers to help generate growth for our partners and offer financial flexibility to our customers. Through our partners' over 350,000 locations across the United States and Canada, and their websites and mobile applications, we offer our customers a variety of credit products to finance the purchase of goods and services. Synchrony Financial offers private label and co-branded Dual Card[™] credit cards, promotional financing and installment lending, loyalty programs and FDIC-insured savings products through Synchrony Bank. More information can be found at www.synchronyfinancial.com, facebook.com/SynchronyFinancial, www.linkedin.com/company/synchrony-financial and twitter.com/SYFNews.

Sources:

¹ 2016 Synchrony Financial Holiday Study, conducted Sept. 30 – Oct. 3, 2016, by RTi Research.

² Synchrony Financial Analytics: anticipated November-December 2016 Holiday shopping period increase based on analysis of macroeconomic variables and trends.

³ Synchrony Financial Sixth Annual Digital Study, July 2016.

⁴ The Nilson Report (May 2016, Issue # 1087) – based on 2015 data.

Editor Note: Graphic data representations are available.

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