

Canada | 2020

2020 Retail Holiday Survey

Retail Research Point of View



Executive Summary

This holiday season, COVID-19 is driving Canadians to shop earlier and online, boosting interest in online retailers. Nonetheless, with traditional retailers offering more omnichannel services, many shoppers still plan to visit physical retail locations for curbside and in-store pickup.

Our annual holiday survey also revealed the following:

- Amazon has risen to take the top spot with holiday shoppers.
- Canadians are still motivated by a good deal, but also by what friends and family want.
- As the first big sale of the season, Black Friday becomes even more important.
- Shoppers aren't significantly changing their budget for holiday-related spending.

Methodology

We surveyed 700 shoppers in Canada from different provinces and territories, income levels, generations, and genders about their holiday-season shopping patterns. The survey was conducted from late October to early November of 2020 and asked single-answer, open-ended, and check-all-that-apply questions.

37 percent of shoppers will do more online shopping this season

In response to COVID-19, Canadians have been selective about going to physical stores and plan to shop more online. This is particularly true for younger generations. 37 percent of respondents will do more online shopping and 32 percent will visit fewer stores.

Young shoppers (between 18 and 24) are leading the trend, with more than half of respondents expressing a preference for online shopping, as opposed to only 29 percent of the older generations (above age 55).

However, not all regions are reacting the same way. In Eastern Canada, 29 percent won't change their shopping habits and will continue to shop as usual. This is the highest percentage of any part of Canada, and twice as much as populous Ontario. The "Atlantic bubble" has successfully staved off COVID-19 and demonstrated the lowest infection rates between Canada and the U.S.

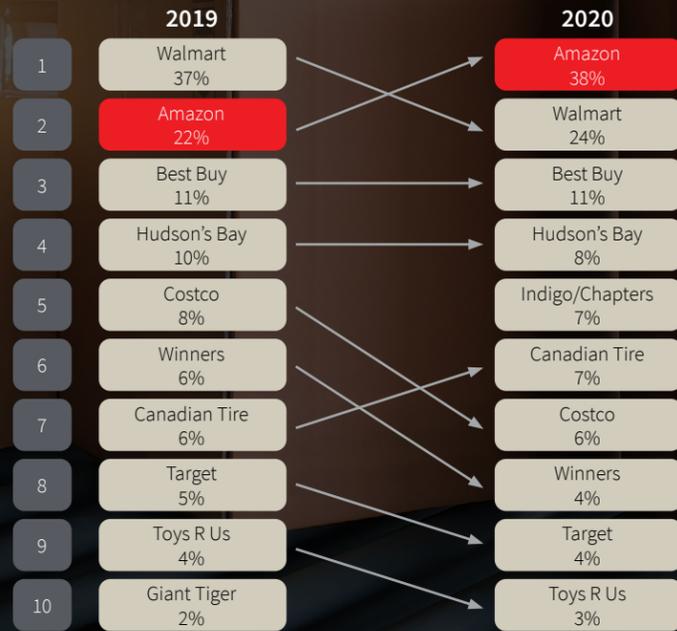
Further, 16 percent of respondents say they will shop earlier, helping to reduce crowds in stores and alleviate strain on the postal system. The Retail Council of Canada encouraged Canadians to shop early and Canada Post urged shoppers to ship gifts early to avoid package delays.

How will COVID-19 change your holiday shopping plans?

(multiple responses per shopper; percent of shoppers)



How the top retailers changed from 2019 to 2020
(percent of shoppers)



Amazon's popularity skyrockets with online surge

While the four most popular retailers in Canada remain Amazon, Walmart, Best Buy, and Hudson's Bay, this time far more shoppers have spontaneously mentioned Amazon – 38 percent against 22 percent last year. This surge has taken Amazon to the top position by a wide margin.

The Amazon model, which includes third-party services, is well prepared to tackle a pandemic. Since 2010, Amazon has invested more than \$11 billion in Canada, including fulfilment centres, delivery stations, and corporate offices.

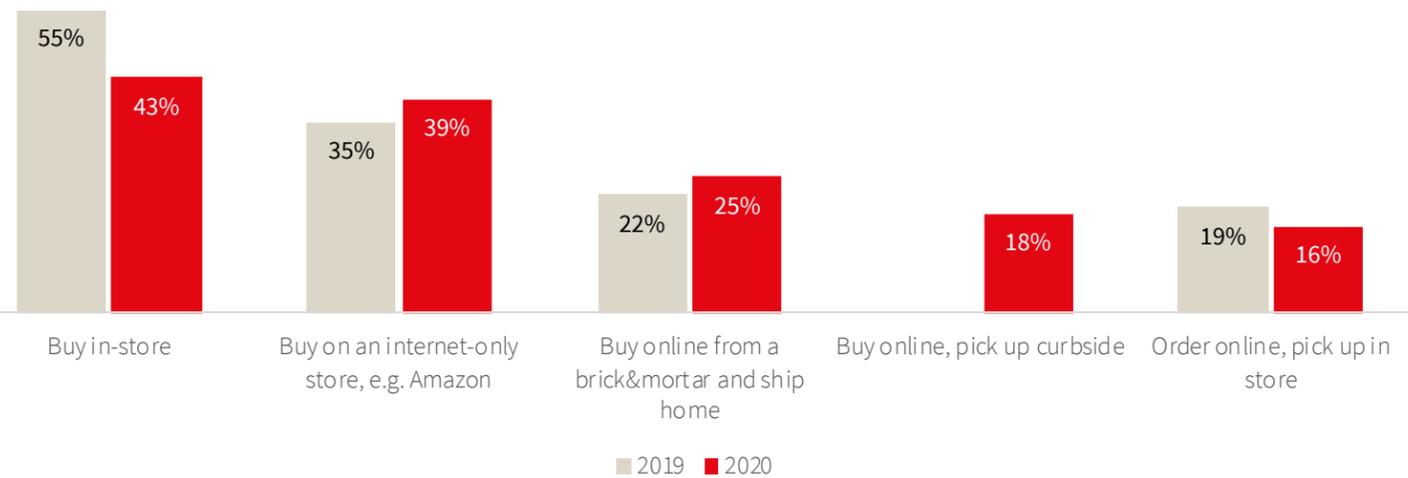
In downtown Vancouver alone, Amazon will take all the office space within The Post, the redevelopment of the former Canada Post building when complete.

Physical retail will continue strong with curbside pickup on the rise

COVID-19 has accelerated many retailers omnichannel strategies and shoppers are taking advantage of a variety of shopping combinations, many of which involve the physical store. 64 percent plan to visit physical stores to buy or pick up goods this holiday season.

Fewer people are choosing to buy in-store, with 18 percent ordering online and driving to the store's curbside pickup area. Last year this option was almost non-existent, which attests to how adaptable retailers can be in a relatively short time and how consumers enjoy the convenience.

How will you do your holiday purchases this year?
(multiple answers; percent of shoppers)



Canadians still love a good deal, but this year they are prioritizing friends and family more

Once again, Canadians' top priority for shopping is price, according to 29 percent of respondents. Most generations chose saving money as their top goal with shoppers between 18 and 34 ranking it highest.

This year, getting friends and family what they want became the second most important factor, even over avoiding the hassle and crowds, which also went up.

More likely to shop in-store, seniors were the only generation that put avoiding the hassle and crowds as their top priority.

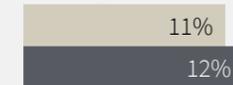
What is most important to you when you shop?

Percent of shoppers

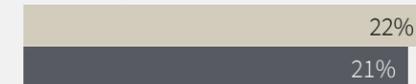
Saving time



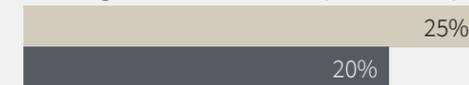
Having fun



Avoiding the hassle and crowds



Getting friends and family what they want



Saving money



■ 2019 ■ 2020





ON WHICH DAY DO YOU PLAN TO SHOP THE MOST TO TAKE ADVANTAGE OF DEALS?

(percent of shoppers)

November



December



2020

Black Friday becomes more prominent as Canada's top deal day

Even with more Canadians shopping online, Cyber Monday is not attracting shoppers' interest as much one might expect. Black Friday remains by far Canada's favourite deal day.

Twenty-nine percent plan to shop the most on the season's first deal day, a 5-percent increase from last year. However, interest in Cyber Monday and Boxing Day has decreased.

In the Atlantic provinces, 36 percent of respondents picked Black Friday as their top deal day, but only 24 percent in British Columbia did. In fact, British Columbia reported the lowest interest in deal days, with more than half planning to avoid shopping on those days.

More Canadians plan to start the holiday season earlier

One-third of survey respondents plan to kick off their holiday season this coming Black Friday (November 27), the following weekend (November 28 and 29), or through Cyber Monday (November 30). This is 5 percent higher than last year.

As a result, fewer Canadians plan to start shopping later this year. The percentage of respondents that plan to start shopping between Cyber Monday and Christmas Day dropped from 33 to 31 percent.

No significant changes to gift spending

The amount Canadians plan to spend on gifts this year is consistent with what they reported last year. Although more people won't buy gifts at all this year, more shoppers also reported that they plan to spend over \$1,000.

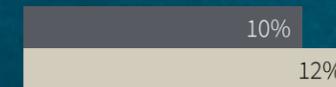
Canadians are spending less on travel and entertainment and staying more at home, so overall spending should be down this season, while gift spending remains about the same. Respondents reported gift spending patterns close to those of 2019, an average amount of \$428. Boomers reported the highest budget for gifts at \$519 and Gen Z the lowest at \$259.

Spending on other holiday-related merchandise like decorations, gift-wrapping, and food is also in line with last year's results. Canadians plan to spend on average \$228, close to what was reported last year.

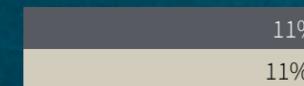
How much do you plan to spend on gifts this holiday season?

Percent of shoppers

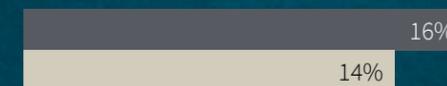
Over \$1,000



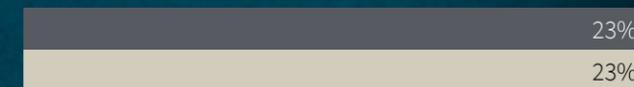
\$751 - \$1,000



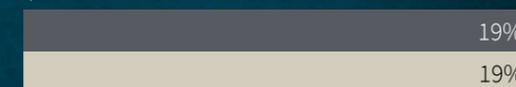
\$501 - \$750



\$251 - \$500



\$101 - 250



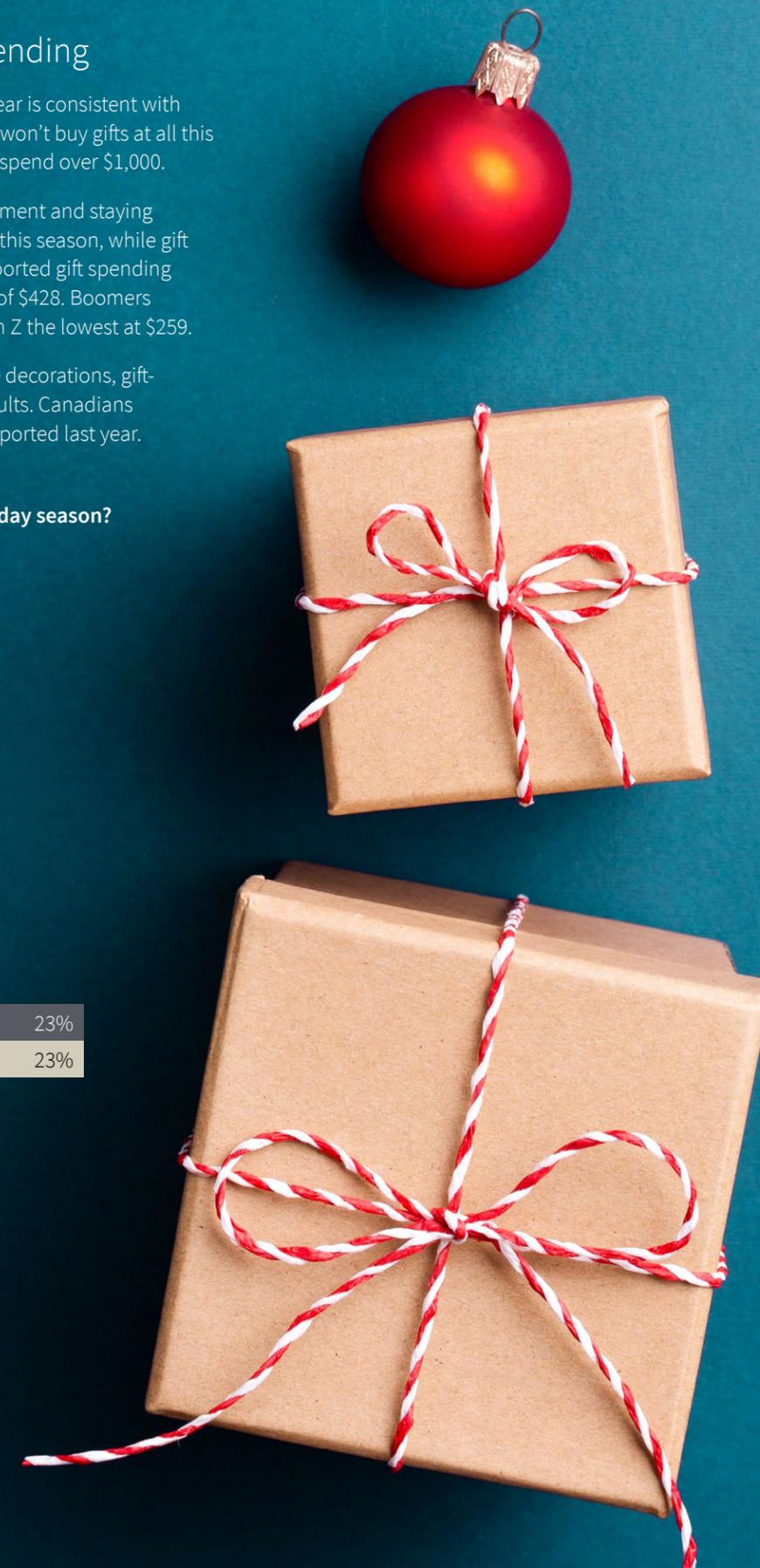
\$1 - \$100



\$0



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