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One quarter of social media users will make purchase decisions based on social recommendations this holiday

- Online, social shopping continues integration into consumer behavior
- Americans restrain holiday spending despite seeing some improvement in broader economy, personal finances

WASHINGTON, D.C., November 24, 2010 – As Americans continue to reckon with a slower-than-expected recovery, new research released today reveals that online shopping is growing in response to current economic conditions, and that the rise of social shopping among under-40 demographics will be a key trend for brands this holiday.

37% of consumers say that they will be shopping online more this year – a 7% increase over last year. Furthermore, 59% of 30-39 year olds say that they anticipate finding the best deals online, as opposed to a store – although retail is maintaining relative parity with online when it comes to all consumers' perception of the deals on offer this season.

Penn Schoen Berland conducted 1,006 Internet interviews of American consumers from November 16-17, 2010. The margin of error is $\pm 2.53\%$ and larger for subgroups.

The increased importance of the online channel for holiday spending is in keeping with the increased importance of online interactions to many Americans' social lives. 72% of consumers have created an account on social media, including 79% of 30-39 year olds. These respondents say that social media influences the information they access, as well as their purchase decisions. One quarter of all respondents are following brands on social media, a trend that is particularly prominent among respondents under 40. And this holiday, 24% of social media users say they will make a purchase decision based on a recommendation they receive from friends or family through a social media network – including 34% of 30-39 year olds and 30% of 18-29 year olds.

“As consumers continue to shift their spending – including their holiday spending – to online channels, brands and retailers will need to keep making sure that they're a positive part of the conversation,” said Mark Penn, CEO of Penn Schoen Berland. “Companies that differentiate themselves in the social space will have increased opportunities to leverage the power of social recommendations.”

When it comes to overall spending trends, the research finds that consumers are largely planning to hold the line relative to 2009. 52% say that they will spend the same or more than they did last year. But while they're being maintaining a cautious approach, consumers are

feeling slightly better about the current state of the nation's economy; 5% fewer describe it as "poor" than did so in 2009. And going forward, many are optimistic that the economy will improve; while just 16% think that the economy is in "excellent" or "good" shape today, 35% think it will be in one year's time.

Americans are also feeling more positive about the state of their personal finances – particularly those with annual household incomes over \$70,000. 43% say that their personal finances are "excellent" or "good," an increase of 6% over 2009; 56% of wealthier respondents say the same. Consumers are also feeling increased job security, as 6% fewer report that they are "very concerned" about losing their job in the next year.

Of the nearly one third of consumers who say that they'll spend less this holiday season, 51% say that one of their reasons is that they're trying to get out of debt, and 48% say that they are not sure the worst of the recession is behind us (despite the fact that economists agree the economy has been out of recession since June 2009).

Indeed, the current economic situation continues to exert a strong influence on holiday spending, with 33% saying that their budget will be affected "significantly" compared to past holiday seasons before the recession. This trend remains largely unchanged from 2009

Gift certificates, clothing and toys remain the most popular gift choices. Conveniently, they're also the top three things most likely to appear on respondents' wishlists. Consumers are markedly more interested in receiving electronics this year – the category jumps 5% in terms of consumer desire to land in the top 5 of the most-wished-for segments. 12% of respondents who will buy consumer electronics this year plan to purchase one of the big buzz products of the season – a tablet devices like the iPad or BlackBerry Playbook – a healthy group for a category that didn't exist enough to test last year.

PSB's Holiday Gift Bag – Top Gifts for 2010	
<i>Toy Story 3, Iron Man 2 or Avatar DVDs</i>	Consumer electronics like an iPod or digital camera
<i>Taylor Swift's Speak Now or Rihanna's Loud</i>	Fragrances like <i>Obsession</i> or <i>Polo for Men</i>
A smartphone, like an iPhone, Samsung or Blackberry	Clothes from a big box store or discount department store
Make-up from Cover Girl or Maybelline	Toys like Lego, Barbie, or Toy Story 3 action figures

With Americans looking for ways to get into the holiday spirit, respondents were asked to choose from a list of public figures to determine who's been naughty and who's been nice in 2010. Sandra Bullock and Taylor Swift remain America's Sweethearts, topping the "nice" list for the second consecutive year. On the naughty side of things, Tiger Woods and Mel Gibson ride their turbulent 2010s into placements near the top of the list of celebrities respondents think deserve a lump of coal.

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PSB's Holiday Spending Survey contains detailed information about Americans' gift-giving plans for the 2010 season. More detailed information is available for the following categories:

- Clothing & Accessories
- Computers
- Electronics
- Gift Certificates
- Health & Beauty Products
- Movies

- Music

- Toys

About Penn Schoen Berland

Penn Schoen Berland, a unit of the WPP Group (NASDAQ: WPPGY), is a global research-based consultancy that specializes in messaging and communications strategy for blue-chip political, corporate and entertainment clients. We have over 30 years of experience in leveraging unique insights about consumer opinion to provide clients with a competitive advantage - what we call Winning Knowledge™. PSB executes polling and message testing services for Fortune 100 corporations and has helped elect more than 30 presidents and prime ministers around the world. More information is available at www.psbresearch.com.