



Canada | 2021

Research

2021 Retail Holiday Survey

With larger spending budgets, Canadians are making a big return to shopping centres and brick-and-mortar stores this holiday season.

Executive Summary

This holiday season, Canadians will return to shopping centres and physical retail on a grand scale, but they will still enjoy the added safety and convenience brought by pandemic-response measures. Thanks to curbside pickup, more shoppers will go to physical stores this year than in 2019.

Delta hasn't changed the retail outlook for this holiday season and 2022, and Canadians continue to plan for a significant increase in their spending. In October, overall consumer spending remained about 20 percent above pre-Covid levels¹; core retail sales for the full year of 2021 should increase by double digits compared with 2019.

Canadians saved unprecedented amounts during the pandemic, much of which will go to retail, food services, and other service sectors. Canadians who have accumulated savings intend to spend a significant share of these funds by the end of 2022².

With a high vaccination rate in Canada, shopper hesitancy is declining. COVID or the potential lack of merchandise isn't driving Canadians to shop earlier and online as much as last year. More shoppers are looking to be entertained, and nearly half will eat or drink at shopping centres.

Methodology

We surveyed 1,000 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 2021 and asked single-answer, open-ended, and check-all-that-apply questions.

1 RBC
2 Bank of Canada

Key Findings



85% of shoppers will return to shopping centres



About half will eat or drink in shopping centres



Almost **one-third** want online directories for discovering and ordering products



More shoppers are going to **physical retail** than in 2019



Canadians are spending **11% more** on gifts



Amazon remains top retailer in Canada, but Walmart is looking to reclaim the top spot



Value remains king, but young Canadians also want to have fun



Spending on holiday-related merchandise set to **increase by 15%**



Black Friday remains Canada's top deal day



Canadians plan to start the holiday season **more like 2019**



85%

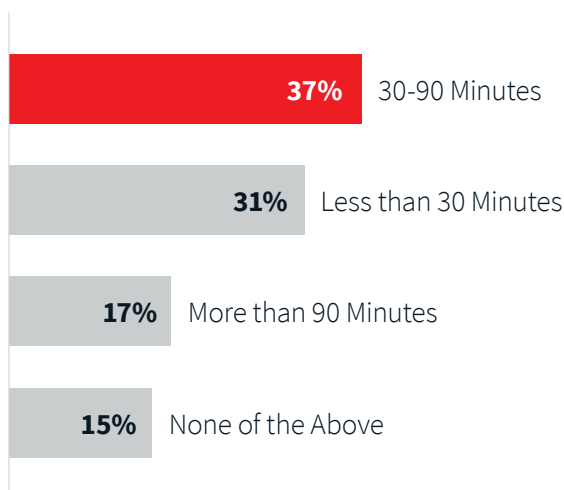
of shoppers will return to shopping centres

Canadians of all ages, genders, regions, and incomes are returning to shopping centres this holiday season. With a large majority of the adult population fully vaccinated, 85 percent of shoppers reported that they're going to do holiday shopping in shopping centres.

Shopper hesitancy seems to be in steady decline in Canada as more people feel comfortable with resuming physical shopping activities, including those in enclosed malls.

This result demonstrates further progress compared with responses to the Bank of Canada's previous consumer survey. In Q3, the Bank of Canada reported that about 75 percent of respondents were willing to engage in at least a modest level of in-person activity.

How much time per visit do you plan to spend in shopping centres this holiday season? (percent of shoppers)



About half will eat or drink in shopping centres

About half of those who are going to shopping centres indicated that they would consume food or drinks on the premises. This trend is stronger in Quebec, but much less strong in the Atlantic provinces and Ontario. Also, a slight majority of men indicated that they intend to eat or drink, while a slight majority of women said they don't.

This fall, shopping centres across the country rolled out provincial health measures that have made dining safer and mitigated shopper hesitancy. Depending on the province, food courts and restaurants require proof of vaccination to access dining areas. After an initial drop in foot traffic, these food courts are expected to see increased visitation, especially during the holiday season.

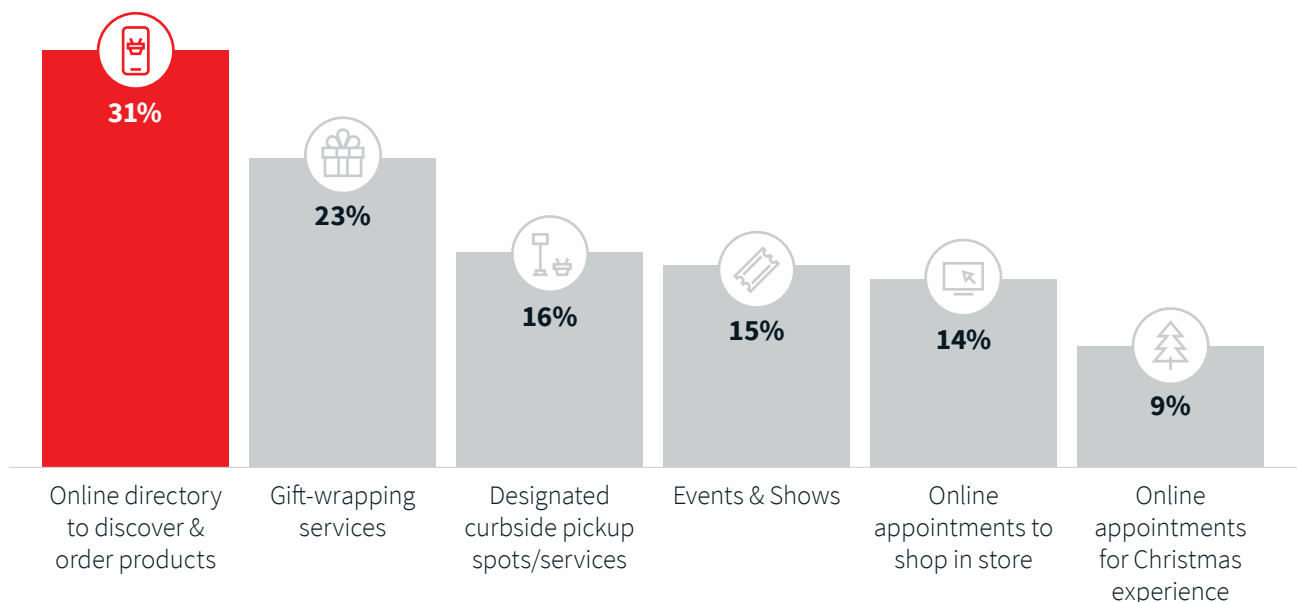


Almost one-third want online directories for discovering and ordering products

In the recent survey, 31 percent of respondents indicated that they would you like shopping centres to offer more online directories for discovering and ordering products so that consumers can access in-store goods.

U.S. mall owner Centennial recently partnered with Toronto-based AI technology solutions provider Adeptmind to offer an online product-discovery solution where each individual mall website now features local inventory, searchable through search queries, filters, and guided discovery.

What would you like to see shopping centres offer more of in the future? (multiple answers, percent of shoppers)





More shoppers are going to physical retail than in 2019

As the pandemic rushes many retailers to enhance omnichannel strategies, shoppers will continue to take advantage of a variety of shopping methods, many of which involve the physical store.

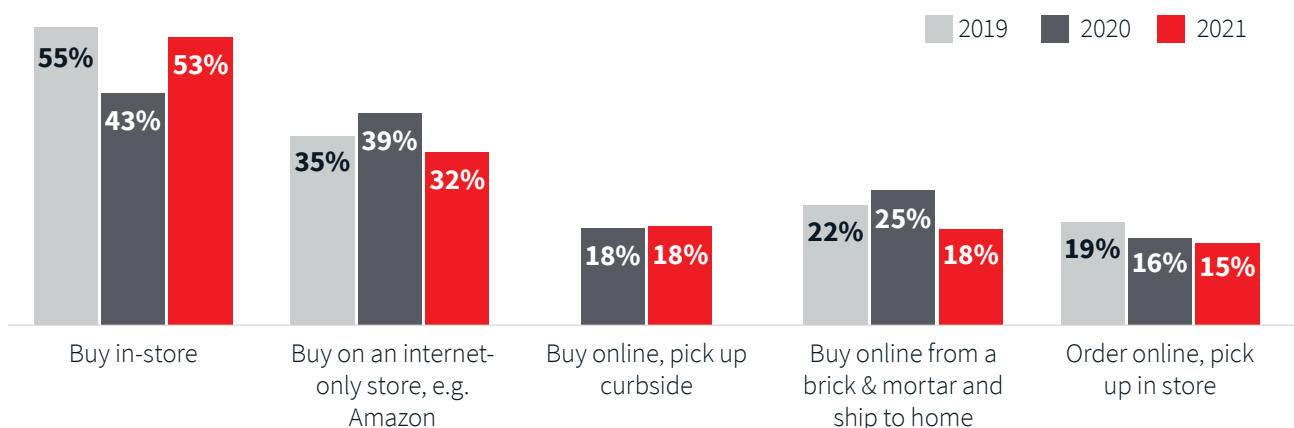
This year 72 percent will go to physical stores to buy or pick up goods, higher than last year's 64 percent. This is even higher than pre-pandemic levels, when 67 percent of shoppers visited physical stores.

The primary difference between 2019 and 2021 is that many stores now offer curbside pickup services, which have become another reason to visit physical retail.

It turns out that curbside pickup has found a niche, especially among intentional buyers. In 2021, 18 percent are ordering online and driving to the store's designated pickup area. This is the same percentage as last year when the option first appeared in the survey.

In contrast, ordering online and having it delivered is trending down. This year shoppers clearly favour physical retail.

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





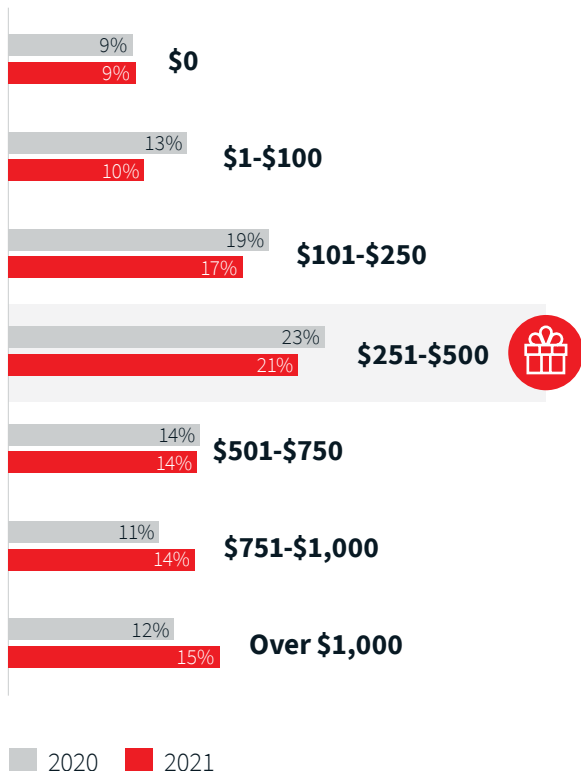
+11%

Canadians are spending 11 percent more on gifts

Canadians plan to increase their gift spending budget by 11 percent this year. Having saved a significant share of income during the pandemic, Canadian households accumulated pent-up demand that should be unleashed during this holiday season and next year.

As overall consumer spending in Canada remains elevated, more shoppers will spend at least \$751 on gifts and fewer will spend \$500 or less. The average amount Canadians plan to spend on gifts is \$473.

How much do you plan to spend on gifts this holiday season? (percent of shoppers)



Amazon remains top retailer in Canada, but Walmart is looking to reclaim the top spot

Despite a slight difference between first and second places this year, Amazon remains Canada's top retailer. Amazon leads with the preference of 32 percent of shoppers, while Walmart gained ground from last year with 31 percent.

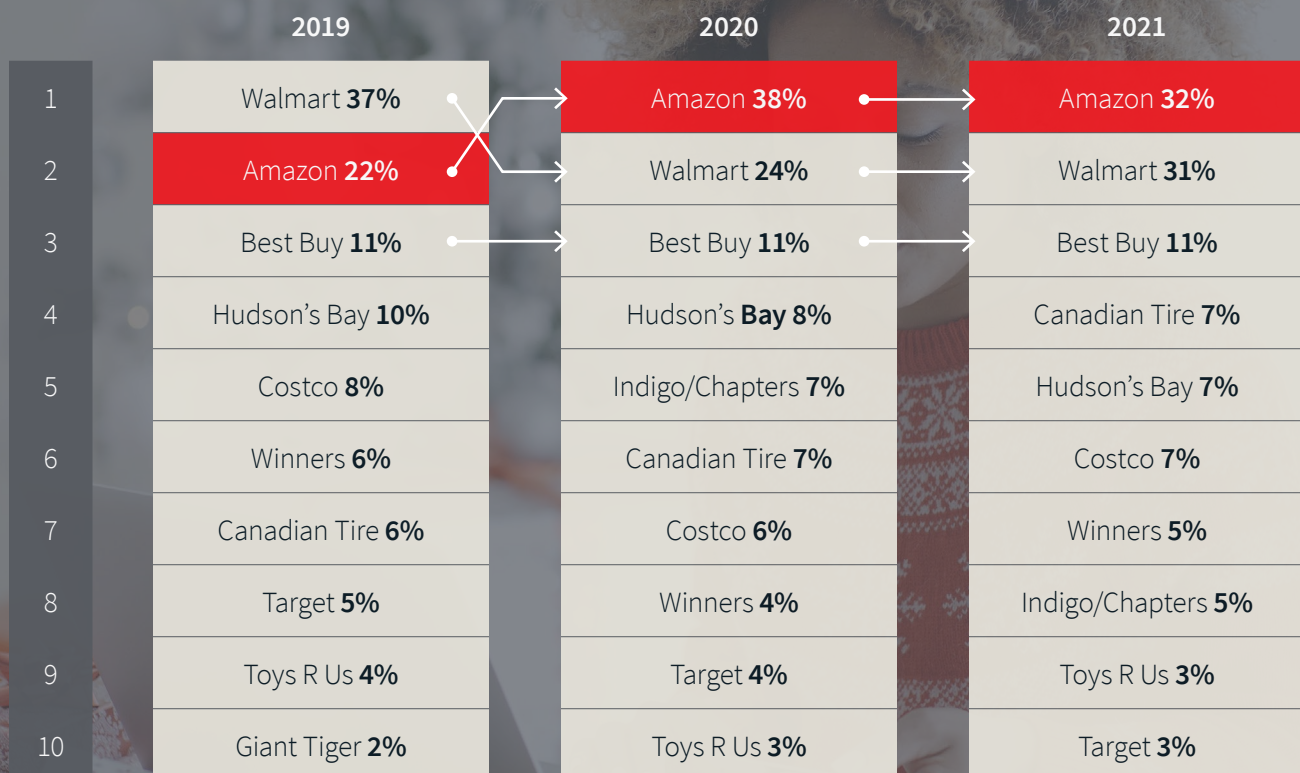
Survey respondents are asked to spontaneously mention the top retailers (in-store or online) at which they plan to shop for the holidays.

Since 2019, the three most popular retailers in Canada have remained Amazon, Walmart, and Best Buy. In 2020, during the height of online sales, Amazon by far surpassed Walmart in shoppers' preferences.

Other retailers mentioned this year that didn't make it to the top-ten include Home Depot, Giant Tiger, Gap, Old Navy, Sport Chek, and Lululemon.

Target – a U.S. retailer with no physical presence in Canada – continues to be a top-ten retailer. However, it has lost ground over the past two years. For most of 2020 and 2021, Canadians were unable to cross the Canada-U.S. land border to visit Target stores. The U.S. only recently reopened the land border to fully vaccinated Canadians.

How the top retailers changed from 2019 to 2021 (percent of shoppers)





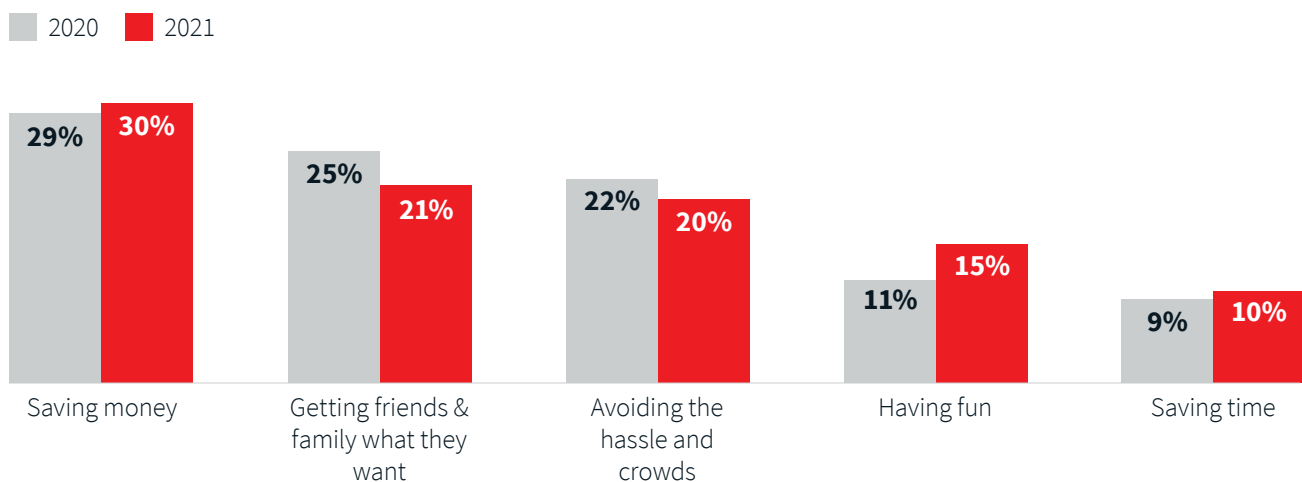
Value remains king, but young Canadians also want to have fun

Year after year, Canadians' top priority for shopping continues to be price, as indicated by 30 percent of respondents. Most generations chose saving money as their top goal, with shoppers between 18 and 24 ranking it highest. In turn, shoppers between 45 and 54 more prefer to avoid the hassle and crowds.

Despite losing importance this time, getting friends and family what they want remains the second most important factor, especially for shoppers 55 or older.

The pleasant surprise in 2021 is that more shoppers have put importance on having fun. For shoppers between 18 and 34, this ranked second.

What is most important to you when you shop? (percent of shoppers)





Spending on holiday-related merchandise set to increase by 15 percent

Just as shoppers plan to spend more on gifts, they plan to spend more on decorations, gift-wrapping, food, and other holiday-related merchandise. This year, shoppers plan to spend on average \$262, up 15 percent from last year.

Inflation now plays a more prominent role in shoppers' pockets. Most consumers report that their cost of living, including food, has risen since the beginning of the pandemic.



Black Friday remains Canada's top deal day

Black Friday remains by far Canada's favourite deal day. Fully 28 percent of shoppers plan to shop the most on the season's first deal day, almost the same percentage as last year. Interest in Cyber Monday and Boxing Day has been the same, as has the percentage of people who won't shop on any of these deal days.



Canadians plan to start the holiday season more like 2019

Shoppers' start dates for holiday shopping resemble 2019. Among survey respondents, 26 percent plan to kick off their holiday season this coming Black Friday (November 26), the following weekend (November 27 and 28), or through Cyber Monday (November 29).

Another 26 percent intend to shop before Black Friday, and one-third plan to make their purchases after Cyber Monday, in the weeks leading up to Christmas. Only 4 percent had already started their holiday shopping when the survey was conducted in late October and early November.





Reach out with questions:

Heli Brecailo

Research Manager

+1 416 391 6962

Heli.Brecailo@am.jll.com

Claudia Verno

National Director, Research

+1 416 304 6047

Claudia.Verno@am.jll.com

About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities.

JLL is a Fortune 500 company with annual revenue of \$16.6 billion in 2020, operations in over 80 countries and a global workforce of more than 91,000 as of March 31, 2021. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.

About JLL Research

JLL's research team delivers intelligence, analysis and insight through market-leading reports and services that illuminate today's commercial real estate dynamics and identify tomorrow's challenges and opportunities. Our more than 400 global research professionals track and analyze economic and property trends and forecast future conditions in over 60 countries, producing unrivalled local and global perspectives. Our research and expertise, fueled by real-time information and innovative thinking around the world, creates a competitive advantage for our clients and drives successful strategies and optimal real estate decisions.

Jones Lang LaSalle © 2021 Jones Lang LaSalle IP, Inc. All rights reserved. The information contained in this document is proprietary to Jones Lang LaSalle and shall be used solely for the purposes of evaluating this proposal. All such documentation and information remains the property of Jones Lang LaSalle and shall be kept confidential. Reproduction of any part of this document is authorized only to the extent necessary for its evaluation. It is not to be shown to any third party without the prior written authorization of Jones Lang LaSalle. All information contained herein is from sources deemed reliable; however, no representation or warranty is made as to the accuracy thereof.