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News Release

TD Bank Study Finds Americans are Opening Their Wallets Again, with 73 Percent Making a Major Purchase in the Last Year

Highest spenders rely on social media and blogs for product research; Millennials lead in brand loyalty and digital shopping, according to TD's Retail Experience Index

CHERRY HILL, N.J., December 4, 2017 – Nearly three quarters of Americans are shopping again, reinforcing how much consumer spending is on the rise, according to research released today by TD Bank. [TD Bank's Retail Experience Index](#) found that 73 percent of consumers surveyed spent \$500 or more on a single purchase within the last year. The bank polled 1,021 Americans to better understand what today's consumers look for in their retail experiences, including buying behaviors, paths to purchase and shopping preferences.

“We’re encouraged to see that consumers are making major purchases again and feeling confident about the economy overall,” said David Boone, EVP and Head of U.S. Partnerships and Shared Services at TD Bank. “We expect consumer spending to increase steadily throughout 2018, so retailers should re-evaluate how they are engaging with customers and determine if they’re providing experiences that encourage purchasing across all channels.”

Brick and Mortar Still Reigns Supreme, But Barely

As expected, the Retail Experience Index found that Millennials are more likely to shop digitally than any other age group. Forty-one percent of consumers ages 18-34 shop online “all the time” compared to just 26 percent of Gen-Xers and 17 percent of Boomers.

However, on the whole, the study revealed that consumers still prefer the brick-and-mortar experience, with slightly more than half (51 percent) of respondents citing that they shop in-store “all the time.” Furthermore, 66 percent of those who made a major purchase in-store asked a sales associate for help, revealing how important customer interaction remains to the shopping experience.

Better Shop Around

The Index revealed trends about big spenders, or those who spent more than \$2,000 on a single purchase, including their research patterns and reliance on social media. Of consumers who conducted research before making their purchase, high spenders were more likely to leverage social media and blogs (32 percent compared with 21 percent of shoppers overall) and retailers' mobile apps (23 percent compared with 12 percent of shoppers overall) for research.

Big spenders who made a purchase in-store were also significantly less likely to buy the item during their first visit. On average, 40 percent of all consumers made a purchase during their first visit compared with just 23 percent of big spenders.

There's an App for That

When looking at the future of retail, shopping directly on retailers' mobile apps is gaining traction among consumers. The survey found that one third (34 percent) of respondents frequently use a mobile app when shopping. Consumers cited the top benefits for using this channel as the ability to shop during off hours (52 percent) exclusive in-app promotions, coupons or discounts (51 percent) and no lines or crowds (48 percent).

When it comes to factors that impact retailer selection pricing tops the list, however the importance of online shopping is underscored by the number of respondents who prioritize free shipping. Top retailer factors/offerings prioritized by consumers:

- Pricing/sales: 89 percent
- Selection of products/merchandise: 88 percent
- Free shipping: 79 percent
- Convenience/seamless purchase experience: 72 percent

Millennials: Unabashedly Brand Loyal

The survey revealed that Millennials (ages 18-34) are the most brand loyal, with 69 percent indicating that they “always” or “often” choose the same brand when making a major purchase. This is compared with 58 percent of Gen-Xers (ages 35-54) and 56 percent of Boomers (ages 55+) who say the same.

In fact, out of twelve common product categories evaluated in the Index, Millennial respondents were more likely to choose the same brand always or often when making major purchases in nearly every category compared with Gen X and Baby Boomers. Categories where Millennials lead in brand loyalty:

- Electronics/music equipment
- Furniture
- Jewelry
- Luxury/high end fashion and accessories
- Wearables (google glasses, smartwatch, AI goggles, etc.)
- Sporting goods/fitness equipment
- Outdoor power equipment
- Power sports/water sports

“We understand the challenges faced by Millennials today; they're debt-averse and price-conscious for good reason. As more Millennials begin to start families and buy homes, retailers have an opportunity to earn brand loyalty by providing smart pricing, flexible payment options and valuable loyalty programs. In fact, we think that providing value and flexibility is what will keep these customers coming back in the long-term,” said Boone.

Additional highlights from the TD Bank Retail Experience Index are available at www.tdpartnershipprograms.com/retailexperienceindex.

Survey Methodology

The total sample includes 1,021 respondents. Data has been weighted by age, gender and region to reflect the population. The survey was fielded May 15-24, 2017.

About Vision Critical

Vision Critical provides a cloud-based customer intelligence platform that helps companies build engaged, secure communities of customers they can use continuously, across the enterprise, for ongoing, real-time feedback and insight.

About TD Bank

TD Bank Cards and Merchant Solutions is a top 10 card issuer in North America with over \$24B in card receivables. TD Bank's credit cards are distributed nationally, leveraging the bank's retail distribution network, direct response channels and through hundreds of partnership programs with financial institutions, retailers and other third party organizations, including private label financing.

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