

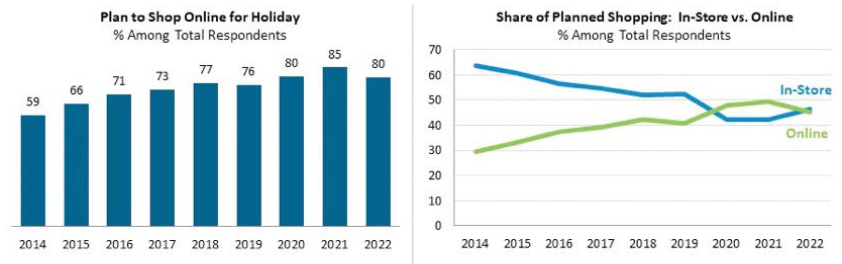
Consumers plan to do more holiday shopping in stores than online

The number of consumers planning to shop online for the holidays fell from 85% last year to 80% this year, which is the largest ever shift favoring stores, according to the annual holiday purchase intentions survey from The NPD Group. This is also the first year, since before the pandemic, that consumers expect to make more of their holiday purchases in stores (46%) than online (45%). Checkout receipt-based insights from NPD also support these new findings, as in-store sales revenue grew 1% in September compared to last year, while online sales were flat.

After more than two years of heavy online shopping, consumers are ready to get back to the sport of shopping. Despite saying they plan on scaling back holiday spending this year, sales revenue through October fell 1% below last year's levels, which shows that shoppers are still willing to spend money on general merchandise, even as prices continue to rise.

Nearly 80% of consumers still plan to do at least some of their holiday shopping online, but plans to shop pureplay e-commerce retailers declined since last year. Fewer than three-quarters of consumers expect to shop online-only sites during the holidays, down from 79% last year. Among those planning to shop online, 16% anticipate picking up their

2022 Holiday Shopping Plans: Online vs. In-Store



Source: The NPD Group / Annual Holiday Survey

purchases in stores or curbside, compared to 14% last year, which will increase foot-traffic at brick-and-mortar stores. Perhaps due to rising cost-consciousness among consumers, mass merchants stand to gain the most from decreasing focus on ecommerce over the holidays. In fact, 44% of consumers plan to shop at mass merchants this year, compared to 42% in 2021. Impulse and self-gifting are an integral part of the holiday mix, without them, it is hard to achieve growth. Success this season depends on the ability of retailers to leverage promotions and exciting products that play to feelings of shopping cheer. Increasing in-store shopping levels will deliver greater benefits to retailers that can entice consumers into buying on impulse, which could help move excess inventory out the door while also giving store bottom-lines a boost. ■ Source: NPD

Next year will be about individuality

Apartment Therapy surveyed 78 design professionals for its third annual State of Home Design predictions and the overwhelming consensus is that staying ahead of design trends is more important now than ever. "In the new year, designers predict that people will be feeling more connected to their homes," said Laura Schocker, Apartment Therapy chief content officer. "Because of this, they will be completing more home projects while also using more discretion when making purchases." The pandemic made people feel more comfortable at home, leading them to create spaces that work for them. Most of the designers predicted that 2023 will be all about individuality, with a mixing of styles, combinations of old and new pieces and

opting for personal preferences versus trends. **Some of the main trends include:** Seeing more experimentation with **new materials** such as cerused wood, red and pink marble, and onyx; **A move to lots of color** including plum, terracotta and sage green; Some of the color trends include themes that are dark and moody, with others opting for natural tones or colors that are bold and bright; **Comfort remains king** with a majority of designers saying curved and rounded furniture silhouettes will be seen everywhere. Designers predict people will create spaces that are unique to them, spaces devoted to relaxation and rejuvenation. ■

Source: Home Accents Today

U.S. Toy Industry Sales Grew 4% in Q3 2022

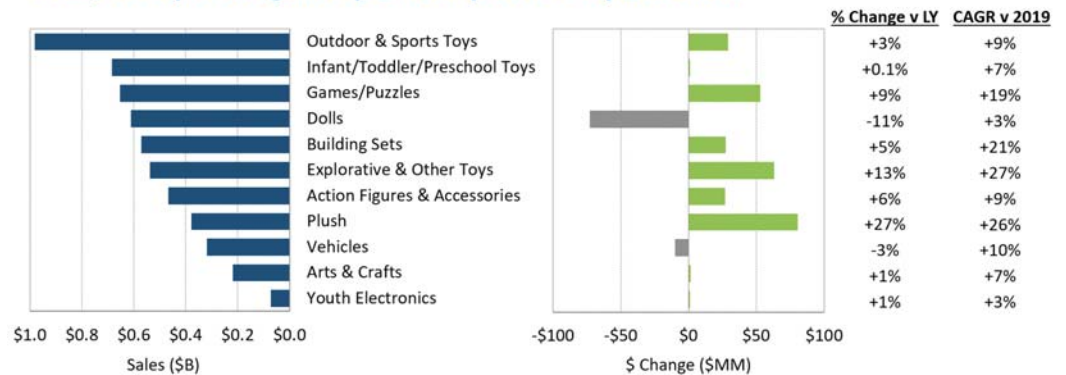
U.S. toy industry sales revenue increased by 4%, growing \$201 million in the third quarter of 2022, according to The NPD Group. Unit sales increased 1% and the average sales price of \$11.47 increased 3% during the period. Looking at the three-year compound annual growth rate from 2019 to 2022, toy industry sales revenue grew 12% year-over-year, driven by average selling price growth of 8%, while unit sales were up 4% over that period.

For January through September 2022, sales revenue increased 3%, unit sales declined 3%. The average selling price increased 6% compared to last year.

Nine of the 11 supercategories tracked by NPD posted growth in the third quarter. Compared to 2019, all supercategories posted a positive three-year compound annual growth rate (CAGR), according to NPD's Retail Tracking Service. Outdoor and sports toys continued to be the largest supercategory, with nearly \$1 billion in sales and up 3% versus last year. It accounted for 18% of all toy sales revenue. Plush had the largest revenue gain of \$80 million and the fastest sales revenue growth of 27%. It was followed by the explorative and other toys category, with a 13% revenue

Supercategory Performance: Q3 2022

Nine of the 11 supercategories posted growth in Q3 2022. Compared to 2019, all supercategories posted a positive 3-year CAGR.



Source: The NPD Group/Retail Tracking Service/U.S. Toys/Q3 2022

increase (+\$63 million). Looking at compound annual growth rates compared to 2019, explorative and other toys had the fastest growth (27%) followed by plush (26%).

The continued strong growth in plush was due to gains in Squishmallows, Pokémon and Magic Mixies. Squishmallows had four of the top 10 selling toys for the total toy industry in the third quarter. According to NPD Checkout, the change in plush sales was driven by 15% more buyers, or about 4 million more buyers, in the market and buyers spending 13% more on plush compared to a year ago. The explorative and other toys category continued on its growth trajectory, with NFL, Disney All Other and 5 Surprise dominating the growth in the category. "The U.S. toy industry performance in the third quarter continues to amaze us," said Juli Lennett, U.S. toy industry advisor for NPD, "especially after experiencing growth of 12% during the same quarter in 2021 and 22% in 2020."

The top ten properties in the third quarter included Pokémon, Star Wars, Barbie, Marvel Universe, Squishmallows, Fisher-Price, Hot Wheels, NFL, LEGO Star Wars, and Jurassic World. These top-ten ranked properties collectively grew 22% while the rest of the market declined 1%. The top-ten revenue-growth properties in the third quarter included Pokémon, Squishmallows, NFL, Jurassic World, Toy Story/Lightyear, Disney Encanto, Sonic the Hedgehog, Magic Mixies, Gabby's Dollhouse and Disney All Other.

"As we've seen throughout the pandemic, nostalgic properties continued to be popular with consumers," Lennett said. "However, when it came to the top growing properties, content was king." ■ Source : NPD

