

UOB survey reveals Christmas shoppers are tightening their belts amid tougher times

They're making a list, they're checking it twice, and they're buying online

Singapore, 15 December 2016 – This festive season, more Singaporean consumers are reining in their expenditure on Christmas gifts and turning to e-commerce amid slow global economic growth.

The annual year-end gift-gifting survey commissioned by United Overseas Bank (UOB) found that respondents expected to spend less on gifts this year. The survey revealed that those polled plan to spend \$668 on average this festive season, which is 13 per cent less than 2015 (\$769).

As consumers hunt for competitive prices, more are heading online even as brick-and-mortar stores remain relevant. The survey found that while shopping centres still attract the bulk of Christmas shoppers (84 per cent), online shopping grew to 71 per cent. This is 15 percentage points more than in 2015. Categories that are most popular with online shoppers include fashion and accessories (50 per cent), beauty, health and wellness (47 per cent), and electronics (36 per cent).

Mr Francis Tan, UOB Economist, said that given this year's nominal wage growth, which is the slowest since 2009, the consumer shift towards e-commerce is expected as more Singaporeans work their way around a tighter Christmas shopping budget.

"Online stores benefit from lower operating costs especially in the area of labour and rental as compared with their brick-and-mortar counterparts. This enables them to offer consumers more competitive prices for products or better bargains."

To keep to their shopping budget, more respondents (74 per cent) are also taking advantage of Christmas sales, discounts and deals compared with the year before (up nine percentage points). Close to seven in 10 respondents also look for bargains and discounts from their credit and debit cards to maximise their holiday spend.

For the fourth consecutive year, spouses and partners (65 per cent) continue to be the top recipients of gifts by respondents. While friends appeared lower than last year at 47 per cent (down two percentage

points from 2015), colleagues can expect to find themselves higher up on this year's Christmas list (44 per cent, up five percentage points).

When it comes to presents, chocolate takes the cake

Chocolate is the most popular gift among respondents. The edible comes out tops as the gift people most want to give (61 per cent) as well as to receive (32 per cent). Chocolate may well be the safest bet, as the survey shows a disconnect between what men and women wish for and what they'll be receiving.

Aside from chocolates, it seems that the men still don't get it when it comes to choosing presents for the women in their lives. Toys (43 per cent) and mobile phone accessories (26 per cent) were among the top presents that male respondents said they plan to give to their female friends. However, both items featured are least desired gifts by women, at six per cent and eight per cent respectively. Instead, women say they prefer chocolates and department store vouchers at 38 per cent, followed by toiletries (30 per cent). Perfumes (28 per cent) or a holiday abroad (28 per cent) were tied for third.

Women also missed the mark on top gift choices for the men in their lives. Toys (43 per cent) and cosmetics (41 per cent), which were female respondents' top picks for presents, were the least desired by men (14 per cent and seven per cent respectively). Instead, men would rather receive a new smartphone (29 per cent), chocolates (26 per cent) or a wallet (20 per cent).

Enjoying the gift of experience this Christmas

More consumers are looking for a change of scenery this festive season, whether abroad or close to home.

On this year's Christmas wishlist, overseas holidays (22 per cent) and staycations (18 per cent) grew in popularity (up four percentage points and five percentage points respectively).

Whether UOB cardmembers are home for Christmas, or travelling in a winter wonderland, the Bank is offering a host of Christmas 2016 deals to cater to them.

This includes the Bank's first-ever region-wide travel campaign. UOB cardmembers stand a chance to receive up to 60,000 KrisFlyer miles which can be redeemed for a round-trip ticket to London or Los

Angeles, by simply charging S\$300 overseas in a single receipt. The Bank is giving away an equivalent of 10 million KrisFlyer miles in total as well as 500,000 travel-related prizes until 31 January 2017.

UOB cardmembers can also enjoy exclusive discounts on hotel bookings through the Bank's partnership with Agoda and Expedia. For example, until the end of the year (31 December), cardmembers can enjoy up to 75 per cent off selected hotel stays worldwide, with additional eight per cent off for hotel stays in China, Hong Kong and Malaysia, when they book through www.agoda.com/uob.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's and AA- by Standard & Poor's and Fitch Ratings respectively.

In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and representative offices.

UOB plays an active role in the community, focusing on art, children and education. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year, which has since been extended across Southeast Asia. In recognition of its contributions to the arts, UOB was conferred the Singapore National Arts Council's Distinguished Patron of the Arts Award for the twelfth consecutive year in 2016. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in China, Indonesia, Malaysia, Singapore and Thailand.

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