



The Most Wonderful Time of the Retail Year: Holiday Shoppers Searching for Luxury and Bargain Toys

{A MaxPoint Interest Index}

It's the holiday shopping season—that time of year when people pick out the perfect presents for their loved ones and retailers roll out deals to entice shoppers to grab more products off the shelves.

According to the National Retail Federation, the average consumer will spend \$738 on gifts and other seasonal items this year.¹ The same report also hints at the holiday purchaser's mindset—with 64.7% planning to purchase from discount stores and 35.6% claiming they often decide on a retailer by the deals that it offers.² In other words, shoppers will likely seek out bargains this year, just as they did last year. (You can learn more about the top cost-conscious holiday buyers by reading [our bargain-seeker holiday shopper Index](#).)

To help advertisers reach shoppers buying gifts for children this holiday season, we looked at the top areas in the nation for toy purchases. Using our proprietary Digital Zip[®] technology, we located the cities and neighborhoods these shoppers live in, and we gained key insights into their demographics, interests, and purchases. The following report shares our findings.

Top Toy Purchasing Areas

We began by using purchase data to find the cities with the highest rates of toy purchases. The top cities are:

1. Phoenix, AZ
2. Los Angeles, CA
3. Salt Lake City, UT
4. New York, NY
5. Baltimore, MD

Each city on this list has higher levels of toy purchases than most others in the nation. Their residents purchase all types of toys—from discount teddy bears to high-end electronics. However, it pays to get more specific. In fact, the best way to really make sure you spend efficiently is to use a hyperlocal neighborhood-level approach.

For example, within Phoenix, the neighborhoods of Sun City West, Taliesin West, and Tremaine purchase more luxury and big ticket toys than other neighborhoods. On the other hand, for the retailer that sells bargain toys in Phoenix, Alhambra, East Side, and Wittman are more likely to purchase discounted gifts. Even though toy retailers could target the entire Phoenix DMA, they'll get higher responses (and more sales) with the same budgets by focusing on only those neighborhoods most likely to purchase luxury or bargain toys.

Profiles of Toy Shoppers—Luxury and Bargain Toy Buyers

You probably already have a good image in mind of the typical toy shopper. However, when you look at the data, you might be surprised to find new insights that can deepen your current understanding of your audience. To help with that, we examined two types of toy purchasers—luxury toy buyers and bargain toy buyers.

The bargain toy buyers tend to:

- Have incomes above \$40,000 per year
- Be between 18 and 35 years old
- Have high school educations or higher

Additionally, their key interests include crafts, home improvement, fitness, retirement planning, and gardening. Using our purchase data, we discovered that these shoppers also spend much of their money at office supply chains, automotive retail stores, home furnishings stores, discount department stores, sporting goods stores, and general merchandise stores.

At the other end of the spectrum are luxury toy buyers, who:

- Have incomes above \$80,000 per year
- Are between 55 and 65 years old
- Have college degrees or higher
- Own their homes

This group's key interests include beauty, food and drink trends, business and finance, and the economy. In addition to luxury toys, the group also frequents women's apparel stores, department stores, consumer electronics stores, and family apparel stores. In addition to in-store product purchases, the group spends heavily on insurance.

What This Means for Advertisers

Advertisers can use the findings from this Index to inform their strategies for selling toys this holiday season. For example, toy manufacturers might decide to advertise big ticket toys to neighborhoods filled with luxury toy buyers, while advertising lower-priced toys to budget toy buyer neighborhoods.

Additionally, they could use the interest and purchase data to develop their advertisements by including imagery that appeals to each group. For example, advertisers could focus on sports-related imagery and toys for the budget group, and they could focus on electronics for the luxury group that spends more on electronics purchases.

The holiday season carries a large piece of the yearly sales pie for retailers. For retailers that want people unwrapping their toys this holiday season, the best strategy is to take a data-based hyperlocal digital advertising approach.

MaxPoint in Action

MaxPoint has run digital campaigns for toy retailers trying to cash in on the holiday season. One example:

World Leading Toy Retailer—The world's leading toy and juvenile products retailer approached MaxPoint to drive awareness of its layaway program and coupon downloads. To help, we targeted women between the ages of 25 and 54 who have kids who are 12 years old or younger. The campaign resulted in a response rate that was more than twice the industry average.³

Want to see your campaign on this list next year? Email holidayadvertising@maxpoint.com to see how MaxPoint can help you reach the right shoppers online before they head to the store this holiday season.

1. http://www.nrf.com/modules.php?name=News&op=viewlive&sp_id=1682

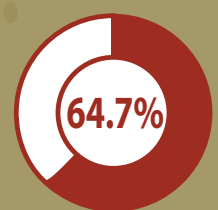
2. *Ibid.*

3. Industry average estimated at .09%.

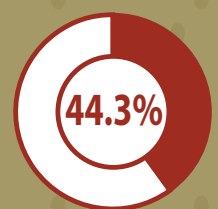
THE MOST *Wonderful* TIME OF THE RETAIL YEAR:

HOLIDAY SHOPPERS SEARCHING FOR LUXURY & BARGAIN TOYS

TOP FIVE TOY BUYING CITIES



WILL SHOP DISCOUNT STORES*



WILL BUY TOYS THIS SEASON*

\$738
AVERAGE SPEND
PER HOLIDAY SHOPPER*

LUXURY TOY BUYERS

SHOPPERS WHO PURCHASE BIG TICKET TOYS AND PRESENTS

PROFILE

- Income: \$80,000+
- Education: College+
- Age: 55–65
- Homeowners

INTERESTS

- Beauty
- Food and drink trends
- Business and finance
- Economy

SHOPPING RECEIPT

11/2013
Trans. : 1277

7:51:19 PM
Store: 0793

TOP PURCHASES

- \$ Women's apparel stores
- \$ Insurance
- \$ Department stores
- \$ Consumer electronics stores
- \$ Family apparel stores

SALE

037337503926723-4234503459

Luxury Shopper



BARGAIN TOY BUYERS

SHOPPERS WHO LOOK FOR DEALS AND DISCOUNTS ON TOYS AND PRESENTS

PROFILE

- Income: \$40,000+
- Age: 18–35
- Education: High school+

INTERESTS

- Crafts
- Home improvement
- Fitness
- Retirement planning
- Gardening

SHOPPING RECEIPT

11/2013
Trans. : 8057

7:51:19 PM
Store: 8730

TOP PURCHASES

- \$ Office supply chains
- \$ Automotive retail
- \$ Home furnishings
- \$ Discount department stores
- \$ Sporting goods
- \$ General merchandise stores

SALE

02389898261823742983984834

Bargain Shopper



WHERE TO FIND TOY BUYERS IN PHOENIX

LUXURY TOY BUYERS

- Sun City West
- Taliesin West
- Tremaine



BARGAIN TOY BUYERS

- Alhambra
- East Side
- Wittman