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Holiday Retail Sales Driven by Confident Shoppers with More to Spend and More to Buy, Synchrony Financial Study Finds

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STAMFORD, Conn.--(BUSINESS WIRE [12])--As consumers deck their halls and hit the malls over the coming weeks, they are doing so with more optimism about their personal finances, according to an independent study[1] by Synchrony Financial (NYSE: SYF [13]), the nation's largest provider of private label credit cards.[2] Nearly half (47%) of those surveyed indicate they are more confident in their financial situation than last year (37%), and 48% plan to start their holiday shopping earlier this year.

Improved finances and larger gift lists are cited as reasons that 32% of shoppers surveyed plan to spend more this season than last season, up from 21% in 2014. Toys, games, electronics, apparel, shoes and gift cards are key gift buying categories. At the same time, over half (53%) of participants set a holiday budget and 76% report they *always* comparison shop to ensure the best price.

While shoppers surveyed are more confident, deals remain essential for holiday buying, and 39% report they expect to get the best deals on Black Friday. Of participants who expect to spend more this season, 90% intend to shop on special sale days. One-third of all respondents plan to start shopping before Black Friday, 54% expect to make a purchase on Black Friday, and 55% on Cyber Monday. Online research is an important part of the purchase process, especially for higher ticket items. Specifically, survey participants plan to purchase online more home improvement and electronics items in the $500+ category.

In-store still dominates for holiday shopping, but it's a multi-channel experience. Holiday shopping online is considered easier by 70% of shoppers surveyed, and the most important reasons for buying online include free shipping, price and convenience. While online sales are growing at approximately 10% year-over-year[3], 51% of participants report they typically find out about holiday sales from their newspaper.

"In our survey, shoppers indicate they have more to spend and more to buy this season, influenced by their underlying confidence about their personal finances. This is similar to other insights we've gathered, showing shopper optimism is balanced with a spending plan and sales research to stretch dollars further and maximize discounts and rewards," said Sanjay Sidhwani, senior vice president of Marketing Analytics for Synchrony Financial. "We are forecasting a 3.6% rise in holiday retail sales based on analyzing multiple factors that influence holiday buying across segments."

More than 80% of shoppers surveyed intend to use credit to pay for at least some of their holiday purchases. Rewards are an important factor and the biggest differentiator for 40% of credit card users when deciding which credit card to use.

The pre-holiday, online survey, conducted September 18-28 on behalf of Synchrony Financial by RTi Research, examined the holiday shopping plans and preferences of more than 1,400 participants, including 701 Synchrony Bank cardholders and 700 random shoppers.

Sidhwani notes, "In addition to this year's survey, this is the second year Synchrony Financial has developed a holiday shopping forecast from evaluating historical data, trends, and a number of indicators such as unemployment, gas prices, private residential construction, and non-traditional indicators."

The Synchrony Financial Market Research team provides insights into consumer attitudes and perceptions toward the retail brand, products and platforms to improve customer satisfaction.

More information can be found at www.SynchronyFinancial.com [14].

About Synchrony Financial

Synchrony Financial (NYSE: SYF [15]) is one of the nation's premier consumer financial services companies. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables.[2] We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers to help generate growth for our partners and offer financial flexibility to our customers. Through our partners' over 300,000 locations across the United States and Canada, and their websites and mobile applications, we offer our customers a variety of credit products to finance the purchase of goods and services. Synchrony Financial (formerly GE Capital Retail Finance) offers private label and co-branded Dual Card™ credit cards, promotional financing and installment lending, loyalty programs and FDIC-insured savings products through Synchrony Bank. More information can be found at www.synchronyfinancial.com [16], facebook.com/SynchronyFinancial [17] and twitter.com/SYFNews [18].

[1]Synchrony Financial Holiday Study, October 2015

[2]Source: Based on purchase volume and receivables. The Nilson Report (April, 2015, Issue # 1062) - based on 2014 data.

[3] https://www.census.gov/retail/ecommerce/historic_releases.html [19]

Synchrony Financial defines retail holiday sales as November 1 - December 31, and core holiday categories as: department stores, general merchandise, clothing, specialty, non-store, home, and grocery; this excludes retail sales at restaurants, gas stations, and motor vehicle dealers.

Cautionary Note Regarding Forward-Looking Statements

This press release may contain certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as "outlook," "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our platform revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; our need for additional financing, higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; our reliance on dividends, distributions and other payments from Synchrony Bank; our ability to grow our deposits in the future; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of strategic investments; reductions in interchange fees; fraudulent activity; cyber-attacks or other security breaches; failure of third parties to provide various services that are important to our operations; disruptions in the operations of our computer systems and data centers; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; damage to our reputation; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and state sales tax rules and regulations; significant and extensive regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Act and the impact of the CFPB's regulation of our business; changes to our methods of offering our CareCredit products; impact of capital adequacy rules; restrictions that limit Synchrony Bank's ability to pay dividends; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; failure to comply with anti-money laundering and anti-terrorism financing laws; effect of General Electric Capital Corporation being subject to regulation by the Federal Reserve Board both as a savings and loan holding company and as a systemically important financial institution; GE's inability to obtain savings and loan holding company deregistration; any conditions of the Federal Reserve Board approval required for us to continue to be a savings and loan holding company; our need to establish and significantly expand many aspects of our operations and infrastructure; loss of association with GE's strong brand and reputation; limited right to use the GE brand name and logo and need to establish a new brand; terms of our arrangements with GE may be more favorable than what we will be able to obtain from unaffiliated third parties; obligations associated with being a public company; our incremental cost of operating as a standalone public company could be substantially more than anticipated; GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and failure caused by us of GE's distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included in our public filings. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

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