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**Valentine's Day Sales Up 3.2 Percent in 2013**

*IBISWorld Forecasts Traditional Gifts Like Candy and Flowers to Rise*

**LOS ANGELES – Jan. 28, 2013** – Consumers are showing retailers the love this Valentine's Day, with the average expenditure expected to be \$134.08, a slight increase from last year's \$133.99. Despite consumer income and sentiment remaining below prerecession levels, industry research firm IBISWorld forecasts total revenue for the holiday to grow 3.2 percent from 2012 figures. Spending on expensive gifts like romantic getaways, jewelry and dining out will rise, but more traditional items like candy and flowers will be the real winners in 2013.

Category (\$mil)	2009	2010	2011	2012	2013*	2012 to 2013 % Change
Greeting cards	\$ 824.3	\$ 829.3	\$ 851.7	\$ 863.0	\$ 866.4	0.4%
Candy	\$ 2,674.2	\$ 2,608.4	\$ 2,684.2	\$ 2,772.6	\$ 2,892.7	4.3%
Jewelry	\$ 1,467.7	\$ 1,383.8	\$ 1,507.4	\$ 1,580.9	\$ 1,615.1	2.2%
Flowers	\$ 1,524.7	\$ 1,433.0	\$ 1,638.0	\$ 1,687.4	\$ 1,783.7	5.7%
Dining out	\$ 8,413.8	\$ 8,996.9	\$ 9,141.1	\$ 9,671.0	\$ 9,946.9	2.9%
Clothing and lingerie	\$ 1,184.4	\$ 1,191.5	\$ 1,206.2	\$ 1,236.6	\$ 1,258.5	1.8%
Romantic Getaway	\$ 2,141.0	\$ 2,164.6	\$ 2,240.2	\$ 2,353.7	\$ 2,446.3	3.9%
<b>TOTAL</b>	<b>\$18,230.1</b>	<b>\$18,607.5</b>	<b>\$19,268.8</b>	<b>\$20,165.3</b>	<b>\$ 20,809.7</b>	<b>3.2%</b>

\*Estimate

“Although overall spending will increase slightly, consumers are still watching their wallets, and spending on expensive items will suffer as a consequence,” explains IBISWorld industry analyst Lauren Setar. “Due to these trends, Valentine's Day purchases are expected to trend toward conventional gifts, giving candy and flowers an edge this year.”

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Although jewelry sales jumped last year, this expansion will falter in 2013 as consumers spend less on big-ticket items, following the government's fiscal cliff negotiations that resulted in higher payroll taxes for nearly all Americans. Tax breaks that had added money to consumers' paychecks since 2001 are now being nixed, which will cause consumers to make fewer expensive purchases. As a result, jewelry is expected to underperform compared to overall Valentine's Day spending.

Unlike jewelry, spending on flowers is expected to strengthen and contribute more to Valentine's Day sales. Since the holiday falls on a Thursday this year, the segment has an opportunity to stand out. People are more likely to have flowers delivered to the workplace and, aided by increased online flower orders, total spending on flowers is expected to skyrocket. Consumers are turning to online flower retailers, where they can browse and compare prices against brick-and-mortar flower shops. Although this factor boosts the number of sales, price competition has limited revenue growth.

Similarly, candy is expected to see higher revenue in 2013. Candy is a small luxury that can be enjoyed without much financial guilt and can be delivered easily to offices. Furthermore, because the holiday is on a weekday, children in schools will give candy to their teachers and peers, helping support an overall increase in candy sales.

Other categories are not projected to do quite as well. Clothing and lingerie are expected to grow 1.8 percent in 2013, while greeting cards are anticipated to grow a mere 0.4 percent. Clothing and lingerie are far less popular than traditional Valentine's Day gifts, and greeting cards continue to suffer as customers either switch to digital alternatives or to cheaper homemade cards.

#### About IBISWorld Inc.

Recognized as the nation's most trusted independent source of industry and market research, IBISWorld offers a comprehensive database of unique information and analysis on every US industry. With an extensive online portfolio, valued for its depth and scope, the company equips clients with the insight necessary to make better business decisions. Headquartered in Los Angeles, IBISWorld serves a range of business, professional service and government organizations through more than 10 locations worldwide. For more information, visit [www.ibisworld.com](http://www.ibisworld.com) or call 1-800-330-3772.

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