



Trend Bites

A taste of what's going on out there for the consumer to experience.

Consumer Strategies for Holiday '08 Shopping [Issue 9; Holiday, 2008]

The 2008 holiday shopping season promises to be especially weak, but not non-existent, say trend gurus and retail experts, so the retail challenge will be focused on obtaining share of shopping dollar rather than maximizing volume.

The National Retail Federation predicts the lowest holiday sales growth since 2002 for this season with total sales of \$470.4B, or 2.2% growth, as measured between November and December. Similarly, Deloitte's retail group estimates 2.5% - 3% growth, which would be one of the smallest gains since 1991, and TNS Retail Forward forecasts 1.5% growth, also the weakest growth it will have measured since 1991.

Faced with such difficult times, consumers will employ a variety of practical strategies to continue to be able to provide holiday gifts, albeit spending less. In fact, 42% of Americans plan on spending less than they did last year on holiday presents *[Wall Street Journal, 8.6.08]*.

- Some consumers will buy lower-value gift cards in pretty packaging to manage spending and still make it special.
- Many consumers are expected to cut transportation costs and shop more online, taking advantage of price reductions through researching coupons, discount codes and special offers. Online sales are expected to increase substantially this year as a percentage of total holiday sales, as evidenced by recent survey of Americans finding that 36% say they plan on shopping online rather than at the mall this year to cut down on fuel charges. *[Wall Street Journal, 8.6.08]*
- Other strategies will be to hold out for the best price reductions, to make and give homemade gifts such as cookies and candy, or to buy only for the special people, usually the kids.



And some consumers, particularly those most affected by the economic downturn, will either regift or simply cut out gift-giving all-together.

Some more fortunate consumers will decide to indulge themselves or family members as a reward after spending the last year penny pinching and in fear. Indulgences could range from as little as a small box of chocolates to higher gift card loadings, but will less often include such extravagances as new cars, appliances or other big ticket items given in the past. Many millennials are choosing to room with a grandparent before going on their own in today's tough job market or incurring huge debt while learning from the Greatest Generation. Their elders are able to keep tabs and stay young with the youngest generation. [*Iconoculture.com*]

WHAT CAN YOU DO?

GGP and its retailers need to focus on providing the consumer with added value, other than price. Web sites need to be regularly updated with the latest sales, special offers and unique and limited time items. Promoted items should focus on items needed for providing homemade gifts and gift card add-ons. For example, a GGP mall promotion that offers "gift" cards pre-loaded with even a dollar or two will be seen as a major plus – could the fees be waived by the credit card issuer in that half would go to charity and the other goes on the card as a gift from the mall? Now would also be an excellent time to unveil shopping search engines available at a given mall. Anything that can be offered for free should be advertised as a bonus. Inexpensive or low-cost VIP-style shopping conveniences or entertainment should be touted and amply provided at all physical locations to make it worth the trip. People who are having a good time are most likely to spend at one location over another.