



Ask SCORE for Business Advice

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Holiday Sales to Climb by Tina Dettman-Bielefeldt

It's not hard for small businesses that depend on holiday sales to feel scared this year. An abundance of reports predict a tough year and slow economic recovery. But, how bad will it really be?

The National Retail Federation (NRF) recently published its *2008 Holiday Consumer Intentions and Actions Survey*. The report gauges consumer behavior and buying trends related to the winter holidays. A total of 8,117 consumers were polled from Sept. 30 to Oct. 7. This was after Congress passed the economic rescue package and in the midst of the stock market decline. The results? Shoppers are expected to spend 1.9% more this holiday.

Although this is the lowest increase in planned holiday shopping since the survey began in 2002, it is an increase. And that's something that should cheer local businesses. Instead of planning for declining sales, businesses should think positively and plan on attracting as much of that additional business as possible.

Hopefully, most entrepreneurs are ready for the season with a strong marketing plan. With 40% of shoppers saying that sales or promotions are the largest factor when determining where to shop, an aggressive plan is vital.

"No one is canceling Christmas because money is tight, but consumers will be sticking to their budgets and looking for good deals when deciding where to spend this holiday season," said NRF President and CEO Tracy Mullin. "Retailers are going into this holiday season with their eyes wide open, knowing that savings and promotions will be the main incentive for shoppers."

In addition to the consumers that shop sales and promotions, an additional 12.6% consider everyday low prices the single largest factor in buying decisions. Other factors in the survey rated selection at 21.5%; merchandise quality, 13.4%, convenient location, 5.6%, and helpful customer service, 5.2%. The strong marketing plan will address all of these components.

In total, shoppers plan to spend \$466.13 on gifts for family, \$94.52 on friends, \$26.70 on co-workers, and \$43.50 on other gifts. The planned spending for family is down slightly from \$469.14 last year. A group that might present more of a challenge is the 18-24-year-olds. They plan to reduce spending by an average of \$50. If this is a target market for your business, consider what special promotions you could run to make your store a first choice.

On-line shopping continues to present major competition to independent businesses with 44.2% of consumers expecting to make on-line purchases. The report concludes that Americans will rely on the internet more than ever before to compare prices, research locations, and look for gift ideas before heading out to stores.

The conclusion for local businesses is that increased sales are predicted and the need for strong marketing is a necessity. In the next few weeks, a few local experts will present their ideas for marketing. It's not too late to make adjustments that could carry your business to a record season.

If you'd like help with your holiday plan, contact the Green Bay Chapter of SCORE. Visit www.greenbayscore.org or call Cindy Gokey at 920-496-8930 for information.

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