



Ask SCORE for Business Advice

"Ask SCORE" Column
Green Bay Press Gazette

Holiday Predictions, Nov. 19, 2009 by Tina Dettman-Bielefeldt

For some clients visiting SCORE recently, the holiday season is scary. Many businesses, especially in the retail sector, earn as much as 75 percent of profits in the last few months of the year. It is something they count on in to stay in business. But this year, the predictions have been less than optimistic. The good news is that the decline is anticipated to be less than last year.

Prior to last season when sales in the retail industry fell 3.4 percent, the industry had seen a decade where sales increased an average of 3.39 percent each year. For 2009 as a whole, sales are projected to decline 3.0 percent. However, most sources are reporting that the declines are starting to level off.

The National Retail Federation predicts a holiday sales decline of just 1 percent. The International Council of Shopping Centers (ICSC) sees an increase of 1 to 1.5 percent in same store sales. Deloitte and Retail Forward expect flat growth. What this means to small businesses is that they need to pay attention to what customers are looking for and they need to provide exceptional service in meeting those needs.

The NPD Group expects sales to be down, but also anticipates that some categories will be strong. They note that clothing is the top gift item, yet few stores have exciting displays. Merchandise presentation should generate excitement and create desire.

This applies to other areas, as well. About 37% of consumers plan to purchase toys followed by movies, 29%, books, 27%, electronics, 23%, and video games, 22%. Televisions are expected to be very popular along with sunglasses, something that NPD calls the sleeper category of the year. What is your business doing to stand out in these categories? As important as sunglasses are, some local stores pull the category during the holidays to promote other merchandise. Is this a good idea?

The ICSC and Goldman Sachs' 2009 Holiday Spending Survey found that U.S. consumers plan to spend about \$543 during this year's holiday season on gifts and another \$133 on gift cards. More consumers plan to shop on Black Friday, and bargain hunting will be an important element of the season.

Astute business owners will pay close attention to these predictions. If more consumers plan to buy clothing and basics, feature these categories. If shoppers are looking for stress-free shopping, make it easy to purchase gift cards and offer incentives. Generate excitement in merchandising. Offer complimentary services like gift wrapping and shipping. Consider being an expert in niche categories. For example, the average American is invited to six to 10 parties each holiday season and hosts at least one. Be their source for new outfits, party supplies, host and hostesses gifts, or new home décor. Cross-market with other businesses and create a party package.

Sales predictions may be flat, but your business can have a great season. As we tell our SCORE clients, know the trends, market accordingly, and make it a record year.

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

[Tina Dettman-Bielefeldt](#) is co-owner of DB Commercial Real Estate in Green Bay and Assistant District Director for SCORE, Wisconsin.