

Will this be a jolly season?

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It's the holiday season and a critical time for local retailers in Campbell River with some retailers indicating that over 30 per cent of their annual business revenue is generated during the holiday season.

According to recent consumer surveys conducted by TSN and Deloitte there's been a rebound in consumer confidence in November, up over six points this month compared to last month. It's good news for retailers to hear that Canadian consumers indicated that in general they were planning to spend \$897 per household on gifts, decorations and other holiday items but how that will translate in terms of actual household holiday shopping for Campbell River residents will not be known until after the holiday shopping ends. But, regardless of what the actual household holiday spending levels will be in Campbell River this year, one thing remains consistent with what our retailers are experiencing compared with other retailers across Canada and that is that this year, consumers are scanning for value and hunting for bargains. This heightened focus on only buying essentials has driven gift cards and gift certificates up, those items are perceived as a practical gift that will provide the gift recipient with the greatest flexibility to buy exactly what they need and it's a trend that is expected to continue right through the holiday season into 2009.

Consumer spending trends are proving that the 'must have' gift is no longer on the top of the holiday gift list and 83 per cent of respondents in the survey indicated that they will be shopping for more sale items and in many cases would only be purchasing items that were discounted or value added. This trend becomes even more apparent when we consider that 57 per cent of those survey respondents indicated they will dramatically change the way they shop this year focusing on bargains and home essentials.

Campbell River retailers will have to work hard to earn their share of the holiday spending and if you were one of those retailers who attended the recent chamber workshop and luncheon hosted by retail guru Roy Prevost, you would be well informed on what you needed to do to make sure you received a large share of that holiday spending.

So what are the other indicators that consumer spending this holiday season will be different than previous years? With the drop in the value of the Canadian dollar compared to the U.S. dollar, we would expect to see a significantly lower number of B.C. consumers spending their holiday budget south of the border and this will have a positive upswing for many local retailers. In

addition, the potential for visitors travelling to Vancouver Island from the U.S. could lead to increased sales because of the increased value in the U.S. dollar. The environment and green products have also been prominent on the minds of consumers throughout the year. The survey found a trend that showed slightly more than half (52 per cent extra. As part of the survey a top 10 gift list for 2008 was developed and compared with a similar survey last year of the top ten for 2007. Gift cards and certificates were number one this year compared to clothing as number one in 2007. Clothing, books and food and liquor were the next items on the 2008 top ten list.

Survey results also show that holiday online buying will be less popular than in previous years, with the majority of respondents (63 per cent) indicating that they do not plan to make any holiday purchases via the web. Trend watching and consumer confidence indexes are all part of the information gathering retailers use to determine business success but there is one factor that is more critical than all the others and that is the impact shopping local has on a business. The most important message I want to share as we head into 2008 holiday spending is the critical importance for each of us to shop local and support our local retailers and merchants who depend on Campbell River's holiday spending to ensure business in 2009. Without local support, our merchants may have to make choices that will have lasting impact on the face of Campbell River.