

Retailers and Holiday Sales (Video Script)

In shopping malls across the country, this is make or break time. Some will make as much as 20% of their annual profits in the next few weeks “ but this time retailers have more reasons to be optimistic”. says Kathy Grannis of the National Retail Federation. “Right now, low gas prices, increased consumer confidence, more jobs in the pot, simply put: more pay checks...Those factors right now are contributing to more confident, more financially stable consumers.”

The Federation’s latest survey says that consumers plan to spend, on average, about \$800 per person or about 5% more than they did last year. Some of that money will not be spent at traditional brick and mortar stores. The study shows that nearly 2/3 of American consumers will start their holiday shopping on-line, checking out the best deals by phone or on their lap-tops. Says retail analyst Ramesh Swamy. “In total digital, including social media, is going to influence 50 cents on every dollar spent in the store, so consumers are going to be using their tablets, mobile and other digital channels to actually do a lot of pre-work.”

Holiday e-commerce sales are projected to rise as much as 14% or just a little more than 100 billion dollars between now and December. Gift card purchases are also said to break a new record of 31 billion dollars during the holidays. But for the vast majority of shoppers, Michael Gregory of BMO Capital Markets says “ it’s tough to beat tradition”: “ There’s nothing like going out in the holiday season, going shoulder to shoulder with the crowds..it’s part of the experience. I think that’s the key thing for this holiday season. You know I think consumers want to have that experience.”

Some of the bigger retail stores plan to take advantage of improving consumer confidence by starting their so called “Black Friday specials” early and spreading their discounts over several days. All told the National Retail Federation projects a 4.1 increase in holiday sales or about 617 billion dollars between now and the end of December.