EMPHASIS ON FAMILY, SECURITY CRITICAL FOR RETAILERS THIS SEASON

FAYETTEVILLE, Ark. - Retailers looking to improve their sales this Christmas are looking at Wal-Mart, the only major retailer that has not experienced a downturn. But it isn’t just about prices, warn University of Arkansas researchers, and it isn’t about the number of shopping days.

“This year, more than ever, the emphasis will be on family,” said Claudia Mobley, managing director of the Center for Retailing Excellence at the Sam M Walton College of Business. “That is something Wal-Mart has emphasized in their advertising for years, and it is a major reason that their sales have remained strong.”

National surveys report consumers will spend an average of $900 during the 2001 Christmas season, including food, gifts and decorations. Although traditionally the day after Thanksgiving has been the heaviest shopping day of the Christmas season, this year consumers are planning to do more of their shopping during the first two weeks of December. While they may begin right after Thanksgiving, they expect to do most of the shopping in mid-December.
“Because of the current economy, consumers are less likely to go on a shopping spree,” Mobley explained. “But that doesn’t mean they aren’t buying. Shoppers are placing heavy emphasis on the meaning of their purchases. Ironically, this could also mean purchasing things like jewelry, which reflects permanence.”

Retailers need to be sensitive to the issues Americans are confronting during this holiday season, according to Norma Mendoza, assistant professor of marketing. Emphasizing the meaning of the product to the family or its ability to save time, for instance, will be more successful than other approaches.

However, Mendoza warns against excessive, overt appeals to patriotism. “Over-emphasizing patriotic values may elicit negative feelings related to the on-going military campaign,” she said. “This can become associated with death or the absence of a loved one.”

Mendoza notes that Americans are nervous and anxious about on-going security threats and are spending more time at home. People are cocooning and spending money on their homes and making them the focus of entertainment for the entire family. Spending on hobbies, board games and consumer electronics reflects this trend. Although they are less likely to fly if they leave home for the holidays, they may drive, and this trend will affect gas stations, motels and restaurants.

“What the current trends mean for retailers is that promotional messages should emphasize how the product or service fits consumers’ holiday plans,” Mendoza explained. “Presenting a list of product features is less effective in getting consumers to imagine how a product or service will reduce the holiday stress. Retailers need to address consumers’ concerns about security and privacy and suggest how to create a cozy, safe home environment where the family can relax.”

Surveys find that consumers are also engaging in more self-rewarding behavior. They report overeating and indulging in order to calm nerves and are resorting to smoking and other vices also as a way to soothe frayed nerves. They are buying for themselves, rationalizing these purchases by the heightened uncertainty about the future.

“While value continues to be important, retailers should focus on the intangibles,” Mendoza said. “If they emphasize the human touch in the service they provide and help consumers find the meaning behind the product or the purchase occasion, they will be able to capitalize on these trends.”

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