

VITAL SIGNS

Holiday hopes

Post-Christmas expectations more ho-hum than ho-ho

An industry survey by *Christian Retailing*

» BY JIM SEYBERT

What was at one time known as retail's "13th month"—the week after Christmas—has lost much of its punch, falling victim to aggressive sales before Dec. 25.

Only two out of five retailers told us that the period between Christmas and New Year's Day produces special value for their store, as we asked industry members about their post-Christmas hopes and plans.

Here is what we learned:

PROJECTIONS

The lack of optimism among retailers for after-Christmas-week sales was summed up by one respondent who pointed to "extreme discounts" offered by stores earlier in the season: If shoppers looking for discounts can find them before Dec. 25, there's little need for them to shop for bargains afterward.

One bright spot for the week came from a U.S. store near the Canadian border that has brisk sales Dec. 26, which is the Boxing Day national holiday in Canada.

Stores reported making an average 4.8% of their total annual sales during the week after Christmas. In contrast, the period between Thanksgiving and Christmas generates a reported 25% of yearly gross sales for the same stores.

Only two in five retailers said that they plan any type of organized after-Christmas sale, with the same number having decided

not to offer specials that week. The balance were undecided as of mid-September.

PROMOTIONS

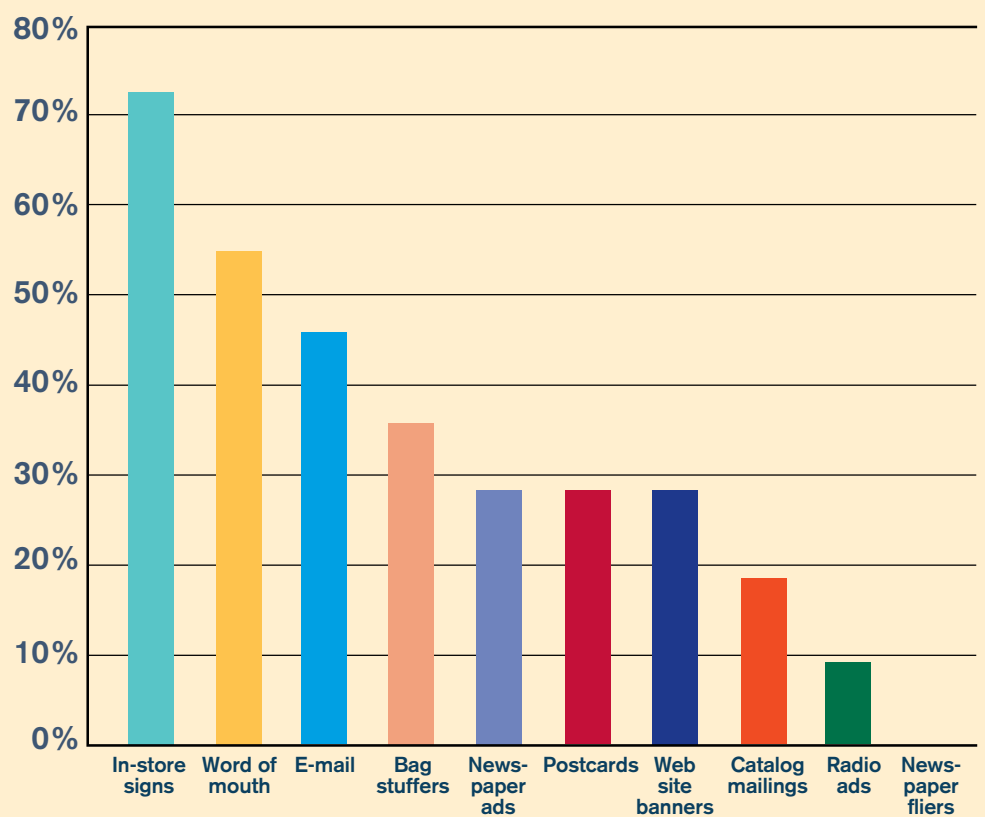
Among those who do plan to host an after-Christmas promotion, the most popular advertising tool will be in-store signs (73%). Slightly more than half will depend on word of mouth (55%), and 46% said they plan to announce the event through e-mails sent to customers.

Many shoppers who do visit Christian retail stores Dec. 26-Jan. 2 will be treated to a continuation of festive decorations, as we found that just about half of the stores intend to leave their trimmings up until after New Year's Day.

As gift cards and gift certificates grow in popularity, the number of Christian retailers expecting an increase in their use during the 2008 holiday season was six times higher than those who anticipated a decrease. A majority of shopkeepers, however, didn't expect any major change in gift card or certificate activity.

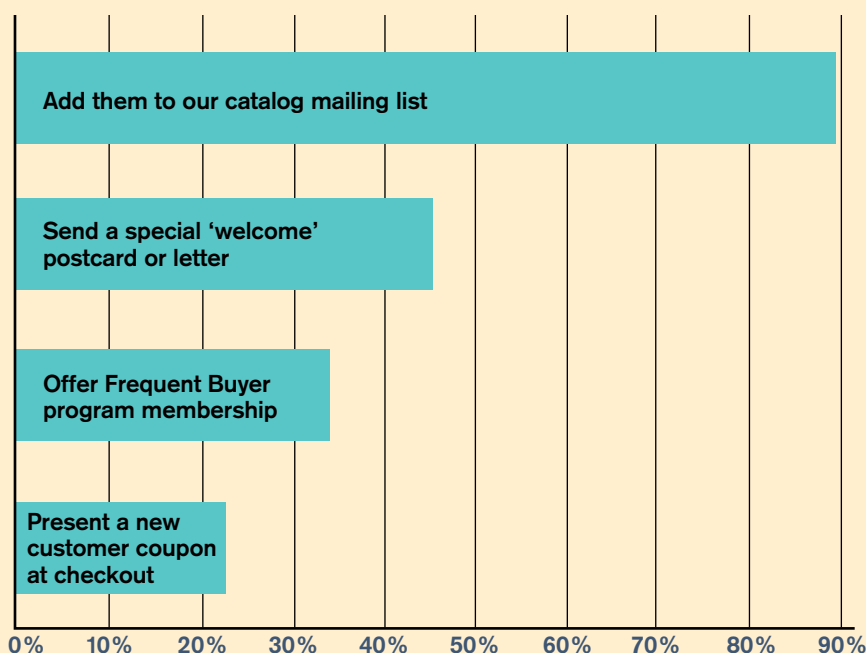
Though Christmas gift buying does attract new shoppers to Christian retail,

After-Christmas sales promotions



Graph information courtesy The Jim Seybert Co.

New shopper follow-up



The Vital Signs survey was conducted online in September. It was completed by 137 recipients of Christian Retailing's Christian Retailing news service, of whom 31 were involved in retail. Vital Signs is a joint project of Christian Retailing and Jim Seybert, who are solely responsible for its content.

less than half of the stores (44%) said they have an organized plan for building relationships with first-time visitors. The most popular means of keeping in touch with new customers is to add their names to the stores' catalog mailing list (89%), while 45% send a special "welcome" postcard or letter, and around 33% offer membership in the store's Frequent Buyer scheme.

PREDICTIONS

Looking ahead to the 11 months between Christmas 2008 and Thanksgiving 2009, retailers were less optimistic than their supplier counterparts about the growth of the U.S. economy and consumer demand for Christian products.

Responding to the survey prior to the financial markets crisis in mid-September, three in five suppliers and two in five retailers said they believed there would be an economic upswing next year.

Suppliers also predicted an increased demand for the products they create—57% of them anticipated growth in the demand for Christian products in 2009. Only 48% of retailers felt the same way about products they sell, while 17% saw a decline in the demand for Christian products in the coming year. That pessimism was shared by just 7% of suppliers.

PROPOSITIONS

The Vital Signs series is presented as a means of generating meaningful dialogue about important issues facing the Christian products industry. As you consider these findings, ask yourself and your colleagues these questions:

■ **Chicken or egg:** Are lackluster receipts the week after Christmas the result of stores not running organized sales, or do stores not run sales because shoppers aren't interested then?

■ **Why do stores not follow up on shoppers who visit for the first time during the Christmas season?**

■ **Why are suppliers more optimistic than retailers about the future demand for Christian products?**

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WHAT DO YOU THINK?

...of the findings and comments?

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