

What Shoppers Can Expect This Holiday Season

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- Alex Palmer



Sapna Shah is keeping a close eye on retail behavior this holiday season. As a principal of consulting firm Retail Eye Partners, along with her partner Lisa Walters, Shah spends virtually every day visiting dozens of apparel, department, home furnishings and mass merchant stores and reporting her findings. Shah and Walters have visited more than 40,000 stores since founding the company in 2006 and release reports of what kinds of discounts and promotions they are seeing to their mailing list, sometimes multiple times a day. As Black Friday approaches, they are seeing a distinct trend toward lower inventories, more prominent signage and faster action from consumers as they try to grab up deals. Brandweek spoke with Shah about her work and what exactly is happening in retail stores this time of year.

Brandweek: So you shop for a living?

Sapna Shah: We go out to malls all over the country six or seven days a week and watch sell-throughs, inventories, promotions, mark-downs, clearance levels, shopper traffic--all of those elements that go into evaluating in-store performance. We've been doing it for almost four years and have a proprietary methodology to how we do it. There is an order of markets and malls that we follow: We make sure that we go to our same markets in the same order at the same

time of day so we can compare it to this history and this database we have and info we have collected over the past four years. While both Lisa, my business partner, and I are based out of the New York area, we travel to malls around the country. We hit five major markets a month and about 13 major markets a quarter.

We put out these reports every week throughout the year covering the companies we do follow. Coming closer to the holiday we put out more ad-hoc reports on things that are changing that day. Right now our cadence is up to two a day of "this is something interesting that's happening in the mall" kind of reports, so it's getting to be a busy season right now.

BW: Does it get repetitive going to the same stores over and over again?

SS: Retail is constantly changing; it is so dynamic from store to store. There are similarities across the country. (If you've been into 30 Gap stores in a month, the 31st isn't going to look all that different to you). But then there are those surprises: you find a test store where they're pulling in the assortment early and you get to see what's coming ahead that you haven't seen yet. Or regional differences in terms of what colors sell, what kind of styles are selling.

Retail is changing constantly. Most specialty retailers are bringing in new looks between every two and six weeks, so there's always something new to see, always new markdowns being taken, changes made to floor fixtures and staffing. It never gets boring.

BW: So what are the trends you are seeing this holiday season?

SS: We think this holiday is going to look a little different than what everyone has gotten used to in the past few years. Previously, we've seen the few days prior to Christmas are when the bulk of purchases happen. That's when the best deals are and when retailers are trying to unload their inventory. It's also because the shopping culture has become one of procrastination. Over time we've seen that shoppers buy closer to need—that's happened for back to school, holiday shopping and Easter shopping. This year we're seeing that shoppers are buying when there is a good deal.

BW: So deal-hunting is trumping procrastination?

SS: I think shoppers are already in the mindset of "This is how much money I have to spend, and I have to get all my gifts within that budget." So if I see a \$298 HP laptop that Wal-Mart has Saturday morning, I'm not going to wait. I know I'm not going to get a better price for that. Retailers are trying to capture those dollars first. Many retailers, like Wal-Mart, are aggressively going after price to get some of those early dollars so that when shoppers have very little left to spend in December, they haven't missed out. But I think the ones who don't promote early may just miss out on a lot of shopper interest.

The frugality this year will keep shoppers really close to their budget and limit the impulse buying and aspirational kind of purchasing, self-gifting and things that usually happen more frequently during the holiday period.



BW: What trends have you noticed in retail as far as visual merchandising and display?

SS: The biggest change has been that if you were a consumer walking into stores now versus a year ago, and particularly so a month ago versus a year ago, is that store floors feel empty. Last year, no retailer expected the financial collapse and this crazy decline in the economy, so they had bought inventories for a normal holiday selling season. When shoppers didn't turn out to start buying all that inventory, you just saw fixtures, extra rolling racks on the floor, piles of products so high that if you touched them they'd cascade onto you and bury them alive.

For some consumers, it can be easier to shop because you can really see what's out there, but it can be harder because there are fewer options. If someone else bought your size, or didn't have that many in a 4, you might just not be able to get it.

A big visual difference has been that retailers have been doing everything possible to get shoppers in the stores, whether it's a promotion or promotional signage or those sorts of things.

BW: When you go into stores do you have a certain standard procedure you go through every time you go into a new store?

SS: Yes, first and foremost what we're really looking at is how much inventory is in the store, how many pieces have sold in every style that has been set on the floor and at what level of markdown. That's the general overview, but certainly we're looking for specific markers that give us the indication of what's happening.

I think this is going to be an interesting holiday season considering consumer behavior really has changed and we're going to see how retailers react. I'm looking forward to Black Friday, honestly. A little good news would be nice.