



Trends

Insight Christmas shopping

Season to bag a bargain

We all love a bargain but in the run-up to Christmas it appears that consumers are abandoning online shopping in favour of taking advantage of the many cut-price offers on the high street

Consumers who are strapped for cash are holding off until the very last minute to do their Christmas shopping, new research reveals. The prospect of price-slashing by troubled retailers has led many people to delay their festive purchases, with some hoping for price-cut bonanzas like that seen last week when Woolworths' closure sale brought bargain hunters flocking to its stores.

Between September and December, user experience consultancy Webcredible researched the area for its Christmas Shopping Habits 2008 poll, surveying 1,018 consumers about when and how they would do most of their Christmas shopping.

The research shows that last-minute Christmas shopping, across both off and online, is all the rage this year with more than half (53%) of consumers polled revealing that they would do the majority of their Christmas shopping in December – 20% online, 33% on the high street.

Unsurprisingly, the economic climate is a major factor in driving these consumers to the high street in their droves as we approach Christmas.

Over the past couple of months, we have witnessed a variety of initiatives designed to get consumers through the downturn and encourage spending, especially in the retail sector. Prime Minister Gordon Brown's decision to cut the VAT rate by 2.5% was aimed at boosting spending, but appears to have had little impact and many consumers continue to feel the pinch.

Shoppers are being drawn to the high street by "one day spectaculars" at Debenhams and Marks & Spencer. Meanwhile, Woolworths held its own spectacular closing down sale.

While online shopping was more popular than the high street from September to November, one third (33%) of consumers said that they would be doing the majority of their Christmas shopping on the high street in December.



A further factor in the high street's prominence over online in December is that some consumers say they are not willing to risk getting goods posted to them in case they do not arrive in time for Christmas.

October was the least popular month for Christmas shopping overall with only 8% saying they would do most of their shopping then. There were some early birds, however, with 13% making their purchases in September. Just over a quarter (26%) plumped for November.

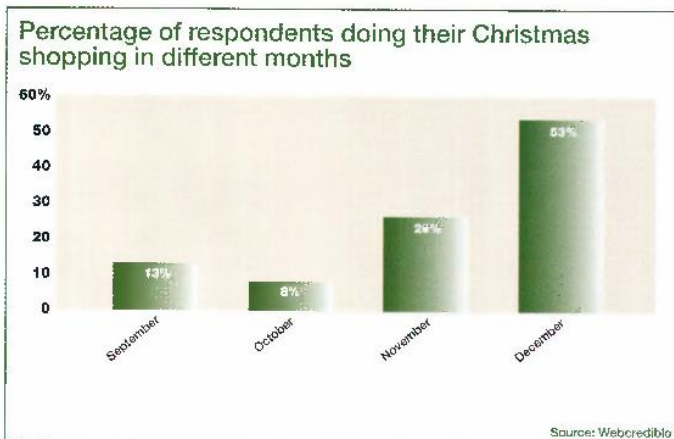
Using the high street to shop for Christmas gifts sees a clear upward curve as Yuletide gets closer. During

September, of the 13% who shopped for presents, only 2% did so in the high street. October saw a tiny rise to 3% and in November the figure went up to 10%. The most dramatic rise in those heading for the high street is taking place during December, with 33% off to the shops this month.

By contrast, online shopping shows a much more steady spread in popularity. Again, December is the most popular month with 20% of consumers polled preferring to buy their Christmas gifts online in this month. However, the preceding months are not so far behind with 11% preferring to shop online in September, 5% in October and 16% in November.

Over the entire four-month period, the high street and online are favoured almost equally when it comes to Christmas shopping, with 52% choosing online and 48% taking to the high street.

This blip in the otherwise seemingly unstoppable growth of online shopping, perhaps in part fuelled by





Everything must go: Retailers are holding pre-Christmas promotions

the growing hopes of consumers for last-minute price slashing, is also compounded by people having a stronger desire to actually see the physical goods when shopping for Christmas gifts.

To fully capitalise on this, retailers should seek to tie their online and offline marketing and promotions into one common goal. Websites need to be

simple to use, allow customers to easily purchase online or browse and reserve online before purchasing in store. Multichannel approaches will allow retailers to maximise sales in these challenging times.

Ismail Ismail, director of Webcredible, contributed to this week's Trends Insight

Percentage of consumers doing most of their Christmas shopping on the high street in different months

