

Professor forecasts weak spending for coming holiday shopping season

By Sarah Anderson
Alligator Staff Writer
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Although marketing researchers are expecting a fairly slow holiday season, college consumers are filling their wish lists this year with the latest technological gadgets.

Most popular among these items are digital cameras and computers, according to a recent survey released by Best Buy Co. Inc.

“Most college kids are pretty tech-savvy and want the latest and greatest in technology,” said Donna Beadle, a spokeswoman for the retail store.

She said a lot of products that have been on the market a few years, such as DVD players, have come down in price and risen in demand.

DVD players, which offer a higher-quality picture and sound, ranked third on the company’s survey.

“It’s not like you have to pay \$400 for a good DVD player now,” Beadle said. “You can get one for as little as \$100, so it’s a viable option for students. It’s kind of the wave of the future.”

Spending forecast

The majority of survey respondents said they plan to spend roughly the same amount on holiday gifts as they did last year.

For more than 50 percent of shoppers, that’s less than \$600.

But more than a quarter of those surveyed said they plan to decrease their spending this year, which UF marketing professor Richard Lutz said forecasts a weak season.

We’ve seen a lot of sales already, and normally you don’t see those things until later in the season,” Lutz said. “I think [retailers] are running a bit scared.”

The sales are unlikely to spark a significant increase in spending, he said, although they may drive consumers to the mall a little earlier this year.

“If you’re not confident about the future, it doesn’t seem like it would matter whether you’re buying a sale item now or later,” Lutz said. “Retailers are trying to get their piece of the pie rather than trying to expand the pie as a whole.”

Consumer confidence fell sharply in October, with perceptions about short-term business conditions falling by the largest margin, 12 points.

Overall, holiday sales growth probably will not exceed 3 percent.

Brick or Click?

With the most anticipated shopping day of the year approaching, some are turning to the Internet, hoping to avoid traffic and long lines.

Russell Garabelis, media relations manager for the Gainesville-based Digi-Net Technologies, said online shopping can have many advantages, including increased product variety and discounts.

“The major [advantage] is convenience,” he said. “You don’t have to deal with the lines and the general crowd of people shopping in the mall. It’s a lot less stress.”

A lack of human interaction, however, has turned a lot of people away from Internet shopping, he said.

Not a problem for Digi-Net, a technology provider.

The company offers software that allows Internet retailers to correspond with shoppers who surf their Web sites.

“That little bit of human interaction can increase revenues up to 70 percent just from answering the one or two questions people need to make a decision,” Garabelis said.

At Best Buy, Beadle said consumers usually use the company’s Web site as a research tool rather than an end-all shopping experience.

Forty percent of shoppers visit the site before making a purchase at the store, she said.

In general, e-commerce activity is higher around the holiday season, as people shop and compare for their gift buying from their homes.

But is the traditional visit to the mall to sit on Santa’s lap a thing of the past?

“It’s a trade-off between that and actually not having to spend eight hours of your day trying to fight through the mall to find that one sweater,” Garabelis said. “Now you can spend more time with your family.”