

Holiday sales bump

forecasts Deloitte

Deloitte LLP has said it expects overall retail sales to rise 4.0% to 4.5% between November and January, excluding automobiles and gasoline. It projects non-store sales will jump 13.5% to 14.0%, with digital searches influencing 50% off all store sales. Total sales for the season may reach up to \$986 billion. Income, wage and job growth are positive indicators heading into the holiday season. Debt levels remain at historical lows, and stock market gains coupled with increasing home prices have a wealth effect on consumers, which may encourage increased spending compared with prior years.

The company's research suggests 84% of shoppers will use digital tools before and during their visit to stores. Additionally, those shoppers convert, or make a purchase, at a 40% higher rate than those who do not use such devices during their shopping journey. ■

Source: Deloitte LLP

Millennial shoppers

increase visits to dollar stores

Dollar store shopping visits were up 14% in the most recent retail quarter, May to July, even though the overall brick-and-mortar market was down 4%, according to global information company NPD Group's recently released Shopping Activity Services report.

The rate of decline for brick-and-mortar shopping visits was softened in the most recent quarter compared to the two previous quarters, the exception being dollar stores, which continued to see the largest year-over-year share increase in shopping visits, likely driven in part by new store openings.

Not many other retailers are opening new stores, focused instead on taking advantage of those already in their stores and maximizing conversion to purchase, as well as expanding their online presence. Consumers walk into a dollar store with the intention to buy, not to browse, and almost always walk away with something. In addition, dollar store traffic has been increasing over the past few years because they have expanded their selection of products, making the channel even more useful and pleasing to price-savvy consumers.

Three-quarters of all shoppers in the dollar store channel convert to purchase on each visit, and the amount they spend is up 3% on average since last year, the report found. A possible benefit is that in the past two years, the dollar store channel shoppers have become younger - 50% of them under 45 years of age, compared to 42% two years ago. Younger shoppers are walking through more dollar store doors, particularly the 16- to 24-age group, with 11% growth among males and 4% among females - a trend that was also evident in the previous retail quarter.

Millennials are increasing their activity in the market, because as much as online and mobile channels are ingrained in their brain, shopping is still a social behavior for this group. Seeing and touching, as well as researching and deciding where to purchase a product, are all important aspects of their shopping experience. This omni-channel and omnipresent age group also seeks instant gratification and at the lowest price, which is why younger consumers are also increasing their dollar store visits. ■ Source: NPD

Changing consumption patterns indicate individualized households

Consumption behaviours in the US have become less household-oriented and more individualized than previous generations, and now over 50% of eating and beverage occasions happen when consumers are alone. Also contributing to consumers dining alone is that 27% of all households now consist of just one person, the highest level in US history, according to US Census Bureau. Consumers are alone about 60% of the time at breakfast. Going solo at breakfast is driven by time constraints, routine, and being away-from-home at work or school, finds NPD's food and beverage market research. Fifty-five percent of lunch meals are solitary occasions where quick and easy is the driving need, and, again, many consumers are away-from-home. Between meal occasions, like snacking, are typically solo since these occasions typically occur when consumers are away-from-home or on-the-go. Dinner is the least likely meal occasion to be eaten alone. Only 32% of dinner meals are solo dining occasions. Dinner is unique among meal occasions since it focuses more on being family or socially-oriented. Nearly half of all families with kids eat dinner together at least 5 times a week, according to NPD. The number of solo eating and beverage occasions have wide-ranging implications for tableware, food and beverage marketers in terms of new products, packaging, and positioning. As lifestyles shift it's key for marketers to profile and segment occasions when their product is consumed in various ways, including solo versus social occasions, in order to connect most effectively with consumers. ■ Source: NPD