

Early Indications Of A Cautious Christmas?

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Consumers are planning to cut back on presents and decorations this Christmas, but hope to spend the same amount on food and drink.Â

These are the findings of GfK NOP's new Christmas Shopping survey, which will be tracking consumers' Christmas spending intentions in the months leading into Christmas.Â

Helen Roberts, Retail Director at GfK NOP, states, "We are seeing some interesting figures coming in on these first waves of our ongoing tracker survey, with a significant number of people already planning to spend less on things like decorations and presents for friends and colleagues and even on certain family members. So far, there is a fairly even balance in the number of people intending to spend less or more on food and drink " although we should ask ourselves whether this means they're actually intending to purchase fewer items, but believe it will cost them the same amount as last Christmas, due to the price increases we are seeing this year. It's going to be fascinating for Retailers to keep watch on how these indicative first findings develop as we get closer December; will people get more and more cautious, or will the festive spirit give them a sense of "why not?".

On top of these findings, the first waves of this new survey show that 40 per cent of us plan to finance Christmas through our credit cards, and 17 per cent will be dipping into their savings to pay for the festive season spend. Furthermore, 40 per cent have admitted that they are more worried this year than they were last year about how they will pay for Christmas.

Roberts comments "The extended media focus on the UK economy and fears of what the recession will bring are high in people's minds. We're already seeing signs of belt-tightening, with our Consumer Behaviour Monitor for July and August showing well over a third of UK consumers switching to supermarket own brands rather than branded goods, cutting back on the amount of holiday travel we plan to do, and going out to pubs and restaurants less. This, combined with these early indications from our new Christmas Shopping tracker, suggests that retailers will be watching our figures closely, to see how consumers' plans for their Christmas spending develop in these vital next months."