

The most wonderful time of the year?

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While the day after Thanksgiving has been the unofficial holiday-shopping kickoff since the 1920s, shoppers this autumn may have found Christmas ornaments displayed not far from the Halloween costumes. The Berkeleyan spoke with three Haas School of Business professors to unwrap the whys and wherefores of this intensely commercial time of year.

While some Christmas curmudgeons might bristle at the sight of trees in shop windows in early November, Haas professor emeritus Louis Bucklin says there's an upside to the longer shopping season. "The early season gives consumers more time to identify and shop for the items they want to find. It also typically starts with deep discounts, offering bargain shoppers the opportunity to obtain significant savings," says Bucklin, who has studied distribution-channel systems and retail as part of Haas' Business Marketing Group.

The so-called "superstores" have helped expand the shopping season, enticing shoppers to their locations before the Thanksgiving turkey hits the table. "Traffic is the life-blood of such stores, and Christmas specials offer incentives for consumers to visit and spontaneously buy other items as they move down the aisles," notes Bucklin.

Online retail sites, too, have contributed to the season's earlier start. "Because delivery delays limit Internet retailers' appeal to customers in the days directly before Christmas, they tend to start holiday discounting in early November," says Bucklin. To stay competitive, traditional retailers have followed suit.

The Internet's role in holiday shopping has become increasingly significant, says Bucklin. While online shopping accounts for only a small fraction of holiday sales, its share has been growing steadily. Forrester Research predicts that online sales will grow 21 percent this year from the previous holiday season, while other forecasters expect sales at brick-and-mortar stores to increase by just 2 percent.

There's one new wrinkle that may bring online shoppers into actual stores at least once: When customers buy a product on a major retailer's Internet site, they have the option to pick up the item at the store and save on shipping costs. "This not only helps the company as a whole," observes Bucklin, "it also helps bring traffic into the store and will make coordination between Internet sales and offline-sales plans increasingly similar."

'Tis the day before Christmas — now what?

Although the longer holiday season benefits some shoppers, procrastinators may find it hard to break old habits, no matter when retailers start their Christmas marketing blitz. Jennifer Aaker, Xerox Distinguished Professor in Knowledge at Haas, studies the pressures to which last-minute shoppers can succumb. In early December, gift-givers dream big and envision purchasing imaginative, unusual presents — or at least ones with a high wow factor.

Fast-forward to Dec. 24. With no gift yet in hand, your perspective changes, says Aaker. As the big day approaches, "the unpleasant possibility of waking up empty-handed the next morning would probably weigh heavier on your mind than any grandiose notion of thrilling your sweetheart with the perfect present. With only one day to make the purchase, simply getting a gift that 'isn't bad' is suddenly of paramount concern."

Aaker and two colleagues recruited hundreds of students to participate in a series of experiments that explored the idea that consumers, given more time to choose, are more likely to desire goods and services that promise positive outcomes (for example, a feature-laden car or an exotic vacation).

The researchers found that consumers caught in a time bind settle for products that advertise the bare minimum of features. Without a looming deadline, shoppers tend to opt for more idealized options. Consumers in the latter group tend to purchase items that are “promotion-framed,” says Aaker — sold under such sales slogans as “You deserve the very best!”

To cope with this mental recalibration, Aaker suggests that shoppers who tend to procrastinate create false deadlines. “Pretend the shopping deadline is Dec. 4,” she suggests. With the new target date, the shopper, aware that the deadline is flexible, needn’t alter his or her gift preference. “Then you have the opportunity to not experience the anxiety and the fading optimism and still move ahead with the purchase,” says Aaker.

Shoppers — especially men, she says — benefit when they understand their own behavior. “A man might consider creating a tradition or family ritual that goes along with the gift he has bought in the past,” one strategy for avoiding a spike in shopping angst. If he always buys his wife a dozen red roses for the holiday, he’s able to purchase that traditional gift each year without a great emotional cost, says Aaker.

Throw ’em a bone

One trend with legs — four of them, by most counts — is an upswing in giving pet accessories to people who dote on their animal companions. Professor Priya Raghur, also in the Marketing Group at the Haas

School, says that people “are running out of ideas for how to make another person feel special. People’s pets are so close to their hearts that by recognizing them, the gift-giver lets the recipient know they understand what’s of importance to them.”

How have Rex and Fluffy become an industry unto themselves? “As the baby boomers are growing up and their children are moving away from home, pets are becoming a more central part of their family,” explains Raghbir. The last marketing boom of this sort began in the 1980s, when the children’s-product industry became a force to be reckoned with, and people began spending large sums on their kids’ games, furniture, clothes, and experiences. She says: “I can see the pet-product industry taking off in the same way this decade.”

For several years now, Raghbir has tracked another trend: the gift of services. “People have too much stuff around the house,” she explains. “A gift can frequently mean just another item to be stored or artfully re-gifted. A service is different from all the other ‘things’ one gets and so breaks out of the gift-clutter problem.” Popular choices include gift certificates for massages and other pleasurable services, meals at restaurants, tickets to cultural and sporting events, or — depending on one’s budget — even plane tickets.

Purchasing a massage for someone else may be easier for some people than buying it for themselves: “A lot of people feel guilty about spoiling themselves even with something therapeutic like a massage,” says Raghbir. “A hedonic service has the attributes of a successful gift: something suited to an individual’s specific preferences that they would not buy for themselves, would thoroughly enjoy receiving, and would use.”

Another advantage of such gifts: Unlike a surfeit of scarves, a recipient can never have too many massage vouchers tucked away in a drawer.

“Gifting a service allows the recipient to savor the anticipation of its future use, enjoy the experience itself, and then recall it with a smile,” say Raghbir. In essence, “you’ve given someone a long period of anticipated, experienced, and recalled pleasure.”

Source: UC Berkeley, By Wendy Edelstein

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