Retailers Less Crowded Due to Increasing Online Holiday Sales

Big box stores are adopting two alternative strategies.

December 7, 2020 2 min read

This story originally appeared on ValueWalk

The upcoming holiday shopping season promises to be the most unusual one ever, as both retailers and their customers adjust to life in a pandemic, according to a Ball State University economist.

“The challenge of how to get sales close to typical holiday seasons while still protecting themselves and their customers is a tricky one,” said Steve Horwitz, the Distinguished Professor of Free Enterprise in the Miller College of Business. “No firm can afford to be the site of a superspreading event, so they have every reason to try to keep everyone safe.”

The National Retail Federation recently released its annual shopping season report, anticipating that online and other non-store sales will increase between 20 percent and 30 percent to between $202.5 billion and $218.4 billion, up from $168.7 billion last year.

Retailers Adopting Alternative

Strategies

Horwitz points out that big box stores are adopting two alternative strategies.

“First, they are emphasizing their online options, including curbside delivery,” Horwitz said. “And, they started holiday sales much earlier this year. By stretching out the holiday shopping season over more than two months, they are engaging in a kind of social distancing through time.”

And given how hard it has been for many families to be together this year, having that Friday free to enjoy each other’s company may be just the medicine Americans need, Horwitz said.

And, even Santa Claus may be out of a job at the local mall. Or, he may be socially distancing.

“If people are taking all sorts of precautions due to COVID-19, I don’t see parents allowing their young children to sit on Santa Claus’ lap just to snap a photo as the kids whisper their toy lists to the jolly old elf. There are just too many safety issues there,” he said. “I think the photo opportunity will become contactless this year if retailers and malls can even find some to play the role of Santa. The willingness of people/men to SERVE as mall Santas will be down for the same safety reasons. And it’s a nice source of income for a lot of guys, including retirees, who expect that work every year.”

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