

Easter retail sales dip expected... and other trade predictions

According to [new research](#) by the Bureau of Market Research (BMR), South African retailers are forecast to ring up additional retail sales value of R908m for the 2023 Easter season, down from the R923m in extra sales generated over the same period in 2022.



Source: Supplied

However, the forecasts reveal strong revenue generation opportunities for agile retailers that capitalise on consumers' demand for sweet treats and discounted essentials.

The research, conducted on behalf of fintech funder Capital Connect, reflects the financial strain consumers are taking in a difficult economic climate. For retailers to boost profits, they will need to think outside the box to benefit from the Easter peak trading season, says Capital Connect.

Retailers in pharmaceutical and medical goods, cosmetics and toiletries are forecast to be among the winners, with additional Easter sales of R113m, up from R89m in 2022. Retailers in textiles, clothing, footwear and leather goods are also expected to do well, with additional sales value jumping from R155m in 2022 to R236m this year.

Retailers in pharmaceutical and medical goods, cosmetics and toiletries are expected to benefit because they have diversified their product and service ranges to include groceries, appliances, gifts, sweets and confectionery, clothing and footwear and even spa services. General dealers, by contrast, are coming under pressure from increased competition and consumers cutting discretionary spending.



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General dealers are expected to take a knock from a decrease in consumer confidence, with additional sales value for this sector expected to drop from R346m over the 2022 Easter period to R278m this year. Specialised food, beverages and tobacco retailers will see additional sales value dip from R296m in 2022 to R226m this year.

Despite the fall in additional retail value forecast for general dealers, they are still forecast to claim around 30% of additional sales for Easter 2023. Food, beverages and tobacco retailers are expected to obtain only 9% of total retail expenditure during 2023, but are projected to claim 25% of total additional sales during Easter 2023.

Extended Easter sales period

Says professor Carel van Aardt, research director at the BMR: “Retail sales for Easter 2023 are forecast to hold up relatively well, given high levels of consumer financial vulnerability and low levels of consumer confidence. Despite the economic pressures they face, consumers are still interested in what they could gain from Easter sales this year.

“It is interesting to note that the Easter sales period seems to be getting longer each year, in much the same way as the Black Friday promotional period has. During 2020, consumer interest in the Easter season was strong for 35 days from 8 March 2020 to 12 April 2020. This year, we’re expecting to see this interest last for as long as 46 days, meaning retailers will enjoy foot traffic for a longer period.”

Gerhard le Roux, national head of capital growth at Capital Connect, adds: “The new research from BMR reflects a few important megatrends which should make retailers sit up and pay attention. It’s clear that retailers across the board are diversifying to maintain and grow revenues, which means that every retail SMB needs to be flexible and innovative to get their share of the Easter profit pie.

“Furthermore, consumers are becoming ever-more price sensitive and continue to reduce spending on luxuries. Pricing strategy and specials are more important than ever to remain relevant. Finally, the BMR forecasts that consumers will expect to be able to shop when, how and where they please – whether that’s in-store, online or click-and-collect.”



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Tips for retailers

Capital Connect shares the following tips for retailers to thrive this upcoming Easter:

- Diversify product ranges to offer more choice and compensate for consumers cutting spending on certain luxuries;
- Extend store hours to maximise opportunities to win business;

- Use loyalty cards and rewards schemes to encourage repeat purchases;
- Use discount-oriented marketing and door-buster specials to entice consumers into stores;
- Give consumers an experience in the store, such as Easter treats in the coffee shop, an Easter bunny for kids, or cooking and baking classes to prepare a five-star Easter family meal, to give them a reason to visit.

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