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Vermont retailers are hopeful

*By Dan McLean
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Frank Bouchett hopes consumers won't be able to stick with pledges to be frugal shoppers this year, but he suspects sales will be lackluster at his downtown Burlington store this holiday season.

"It's going to be a tough season," he said. "With everything that's going on, we figured we'd be off at least 10 percent."

Sales at the Homeport on Church Street are struggling to keep up with that downgraded pace, and Bouchett has decided against hiring a seasonal employee. Earlier this year, the sour economy forced Bouchett's family to close the Ashley Furniture Home Store on Shelburne Road.

National consumer confidence and retail sales hit their lowest points in roughly four decades last month. "The stock market crashing and the Congress not being able to do anything... it's made people hesitant," Bouchett said.

Adding to retailers' list of laments is the holiday shopping season is about one week shorter than last year because Thanksgiving falls late in November, he said. "If we don't have this season, it's very detrimental to us," Bouchett said. "This is when we make profit for the year — work all year long for December."

Consumers normally spend \$400 to \$500 on gifts during the holiday season, said Tasha Wallis, executive director of the Vermont Retail Association. She expects that level to dip this year.

"We are in uncharted territory," she said. "The catch phrase is 'cautious optimism.' I keep saying this, but no one has canceled Christmas."

Some shoppers may cut back on discretionary items and focus gift buying on necessities such as winter hats and mittens, she said.

Small stores in a downtown location make about 20 to 40 percent of their sales from Thanksgiving to Christmas, she said.

"We're hoping retailers, large and small, will at least survive through this economic time," Wallis said.

Some local retailers are designing new promotions to help lure shoppers into stores. Small Dog Electronics, which has locations in Waitsfield and South Burlington, mailed 6,000 gift cards to customers. The cards — billed as Small Dog's "economic stimulus package" — are worth from \$5 up to one valued at \$1,500.

The electronics shop, which features Apple computers, feels it is better positioned than

most retailers to survive a lean shopping season, said Geoff Blanck, Small Dog's chief marketing and sales officer, noting the popularity of Apple's products. "You'd have to be crazy to not be a little bit concerned," he said.

More shoppers, though, may decide to postpone buying a new iMac and fix existing computers or buy a refurbished model instead, he said. "We are seeing very, very healthy service business," he said.

The store is bulking up on refurbished computers, which cost less than new models, he said. "People are coming in and saying, 'What can you do' ... and if you can save them a 100 bucks, they are certainly welcome to hear it," Blanck said.

Gas prices in Vermont are nearly \$2 cheaper a gallon than just five months ago, saving motorists \$30 on a 15-gallon fill-up. But those savings can hardly offset damage suffered by stock portfolios and 401k retirement accounts. The Dow Jones industrial average has lost more than one-third of its value compared to last year.

The woeful performance of the stock market has hammered some Vermonters' budgets. "I've lost so much. I just don't have the money to spend," said Barbara Worgan, 42, of South Burlington.

In an effort to cut costs, Worgan said her family has decided to continue buying gifts for the children, but replace a gift exchange between adults with a family trip for the holidays. Overall, she plans to spend 30 percent less this year.

Falling gas prices are helpful, but insufficient to boost Worgan's holiday shopping budget. "We don't know what's ahead," she said.

Jerry Heller, 60, of Woodmere, N.Y., was touring Burlington earlier this week and said he, too, will be racking up fewer holiday bills this year. "Because of the economy, we have to cut back... We feel constrained," he said.

Heller said he plans to shave off about 20 percent of what he usually spends. But everyone will still be getting gifts. "We have to do what we have to do," Heller said. "We don't want people to get angry."

Jessica O'Neill, 19, of St. Albans said she doesn't plan to curtail her spending, but has heard many people talking about cutting back. "A lot of people are deciding to spend less," she said.

Bill Jandl, 22, of Burlington said he is one of the those who will be trimming holiday spending. "I have not made my budget yet this year, but I probably won't be spending much," he said.

Last year, Jandl said he spent about \$300 to \$400 on gifts. This year, he plans to spend in the \$250-to-\$300 range.

Although cost-saving shopping plans are common, Bouchett's more than 25 years in the retail business gives him faith people will continue to shop at his store, despite the hard economic times.

“I have never seen a Christmas not come,” he said. “People find a way to buy gifts for Christmas. I anticipate that to happen again. People want it to be a festive season.”
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