Media Release

Retailers Christmas Survey 2021: retailers looking to ‘sleigh-it’

9 NOVEMBER 2021: Australian retailers are highly optimistic, and looking forward to bumber trading conditions in the lead up to the all-important 2021 Christmas period.

According to Deloitte’s Retailers Christmas Survey 2021, they are putting their faith in the consumer more than any other time in the survey’s 10-year history, as the country emerges from COVID-induced lockdowns with a spring in its step.

The survey report assesses retailer sentiment for the approaching Christmas period, and identifies key trends, expectations and priorities for Australian retailers for 2022. Key survey findings include:

- 80% of retailers expect to see sales growth in 2021, up 20 percentage points from 2020
- 52% expect sales to bounce back rapidly post lockdowns
- 42% believe new product ranges and personalised marketing will be the most important focus areas to boost sales
- 60% say more than half of their Christmas sales will be digitally enabled in some way
- 55% are concerned (and 26% very concerned) about receiving sufficient stock for Christmas
- 72% highlight shipping costs as having a material impact on their input costs
- Nearly 90% expect trading conditions to improve (or stay the same) over the next 12 months.

Deloitte’s National Leader, Retail, Wholesale & Distribution Group, David White, said: “Australian retail has been on a genuine rollercoaster ride since the onset of COVID-19, with supercharged demand in some market segments and others heavily impacted by lockdowns and changes in consumer habits.

“Agility became key, and many pivoted quickly by building out online distribution networks and investing in logistics, ecommerce, analytics and CRM to tide them over.

“Digital offerings are likely here to stay, but Christmas has always been about the physical shopping experience and, as the vaccine-led reopening and recovery takes hold and retailers welcome cashed-up customers back to their stores, they finally feel they have something to be optimistic about.

“Our respondents expect the store network to continue to be their main source of revenue, supported by click and collect and digitally-enabled instore experiences.

“And, with customers fatigued by months of lockdown when they step out and into stores, retailers offering new product ranges, personalised marketing, seamless experiences across all channels, and anything ‘new and different’, are most likely to be the winners this holiday season.”

Still some trading challenges

“Global supply chains have come under pressure as the world’s consumers emerge from the pandemic, and Australia is not immune from the fallout,” White said.

“There is cautious optimism on this front, but still concerns about sufficient stock being available for peak Christmas trading. And while consumer demand is expected to be strong, higher freight costs and the on-going requirements to ensure COVID-safe retail environments means there will be ongoing pressures on margins. Skills shortages, particularly in digital and supply chain, are also on the minds of many.”
A future for CBD retail?

“Based on future of work trends, and working from home in particular, nearly half of survey respondents expect it to take two years for CBD stores to return to their pre-COVID levels of activity, while a further 26% expect activity levels to remain below pre-COVID indefinitely,” White said.

“Retailers will need to closely monitor this area, as well as increased demand in suburban centres, and be ready to take advantage of the rebound when it happens. And they will ideally do so in partnership with their landlords. Broader success for the sector will certainly be determined by collaborative efforts between lessors and lessees.”

And looking ahead...

“Getting on with business is the theme for the next 12 months, as retailers look to reconnect with their customers,” White said.

“Clearly, the reopening of Australia both internally and internationally will be good for consumers and the economy. We will have more cash to spend, but we will also have more options for our discretionary spend, and some retailers may face headwinds as we refocus our attention to other activities and opportunities across the likes of travel and entertainment.”

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