

Hello Everyone,

Today we will address the topic of the “Christmas Creep.” And, no, it is not about that weird guy who hangs out at the mall and makes crude comments to holiday shoppers.

No, Christmas Creep is the retail phenomenon of marketing Christmas months ahead of December 25th.

The question is, “*Why do retailers do this, when most people don’t like it?*” I hope today’s missive helps you understand a little better as to why.

Signed, Your Really-Enjoyed-The-Four-Days-Off Financial Advisor,

Greg

KKOB 11.26.2018 Christmas Creep

Bob: OK, I know we usually talk the markets on Monday morning, but I’d like you to address a pet-peeve I have about American businesses...and, that is the rollout of Christmas marketing even before Thanksgiving is over. In fact, I saw Christmas stuff on sale even before Halloween...it’s all too early.

Greg: Yup. I hear you. There is a name for what you are describing; it’s called Christmas Creep.

Now, back in the old days, retailers called the three months before Christmas the “golden quarter.” Everyone knew those were retail’s biggest months.

So, back-in-the day, the idea was to start early and lengthen the selling interval to maximize profit. Oh, and they couched it as giving early-bird shoppers a head-start on the holiday.

Bob: OK. I can see that. But I don’t know anyone who likes it. Still, it must be working, otherwise they wouldn’t do it.

Greg: I used to think that, too. However, according to the National Retail Federation, there is little to no evidence that starting Christmas merchandising early helps overall sales.

So, your listeners may then ask, “Why do it?”

I think there is a fear among retailers that if they don't do it, then they'll lose sales to someone else who did. So, fear-of-missing-out (FOMO) keeps the trend going. Thus, if Target starts early Christmas selling, Wal-Mart better do it, too.

Oh, and, by the way, and we're not alone in this "creep" phenomenon... and, it's not just for Christmas. Australia doesn't celebrate Halloween or Thanksgiving. So, they start Christmas marketing in September. And, in Britain, Easter is a much bigger holiday than here, so they start selling Easter eggs before Christmas. Really. I mean, that's crazy.

Bob: You're right.....who knew!?! Anyway, back to the US----I don't remember this as a kid though. It seemed there used to be an unwritten rule, you didn't advertise Christmas until after Thanksgiving.

Greg: Well, on that.....your memory might be playing a trick on you. In the 1974 TV special, *It's the Easter Beagle, Charlie Brown*, the Peanuts gang goes to a department store in April. Christmas displays are already up, and a sign says, "Only 246 days left until Christmas." So, Charles Schultz saw the Christmas Creep even back then.

Still, you're right, what was trickle in the 70's and 80's became a flood by the early 2000's. A lot of analysts give credit (if you want to call it that) to Sam's Club for being the first to aggressively push Christmas early. Well, soon Lowes, Penny's, Costco, Sears, Wal-Mart, K-Mart all followed.

Bob: Well, obviously, everyone is on board now...and the trend has escalated. Still, irritating customers seems like a bad business model.

Greg: To me as well. It ruins the reason for the holiday. But, you know, you guys in the media are guilty of it, too. Some radio stations start Christmas programming in September. Three weeks ago, I was getting a breakfast burrito and the fast food place was playing Christmas music. Suddenly this lady just blurted out, "I hate this! It's too early!" We all knew what she meant.

Anyway, getting back on track, what does this have to do with Wall Street? I'd say this---- because of Christmas Creep, it is very difficult to judge what are holiday sales and what aren't. I mean, if you buy a present in September, is that a Christmas purchase? How much wiggle room do companies have to credit a sale as a Christmas sale? What

about the growing number of people who celebrate Christmas after the New Year? That way they can give presents purchased at huge discounts. And, I didn't even touch on Internet sales. So, bottom line, don't put too much stock in reports relating Christmas sales to economic health. Does that make sense?

Bob: It does. And, today after the show, I am opening my Fourth of July Fireworks stand just to beat the rush. How do people reach you?

Greg: (Laughing) My number is 508-5550, 508-triple-5-zero. Or, to my website at zanettifinancial.com

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