

# RETAILERS BUOYANT after bumper festive season

Don't be surprised if you are met with smiling faces in the retail establishments in Central Cape Town. Reports of shop owners whistling as they work are not exaggerated: the mood in the City is upbeat and positive.

**T**he results of the latest Retail Opinion Survey commissioned by the Central City Improvement District (CCID) were a clear indication that the work so many of us are doing to make Central Cape Town a better place to live, work and play is paying dividends," said Tasso Evangelinos, COO of the CCID.

The primary aim of the survey, carried out by Geocentric Information Systems, was to establish the retailers' opinions on how their businesses performed during the 2010/11 festive season in the light of the mid-year World Cup, the climate challenges that restricted international travel during the December 2010 period and in the wake of an economic recession. The survey is based on the opinions of the retailers rather than empirical research.

The six survey questions included one which was designed to establish whether the Central City retailers had noticed more South African tourists and holidaymakers in their stores. In the light of the economic environment, retailers were also asked what their business outlook for 2011 is. As a last follow-up to the World Cup, retailers were also asked for their opinion on new or improved infrastructure created in the Central City. A total of 874 retailers are listed on the CCID's database. A total

of 25% of these, in 19 categories were chosen to be visited by field workers carrying out the survey. These 224 retailers were reduced to 198 due to some having moved out of the Central City or being unable to compare results from the previous festive season.

Many retailers had expressed a concern that the artificial 'high season' of the 2010 Fifa World Cup™ would result in poor returns during the 2010 festive season. The survey clearly indicated that the opposite occurred: Of the 198, 55 (28%) retailers indicated that they had better business results while 76 (34%) indicated no change. Seventy six (76) retailers representing thirty eight percent (38%) of the respondents indicated that business was worse compared to the previous festive season.

The retailers that experienced an increase in sales reported that profits were up by between 10 and 30%. Those who fared less well also reported an approximate 30% decrease over the same period.

"We found these results intriguing," said

**"The survey is based on the opinions of the retailers rather than empirical research."**

Gene Lohrentz of Geocentric Information Services. "So we decided to ask retailers why they had experienced an increase or decline in revenue. Although this was an open question to the retailers many provided answers of a similar nature."

Most retailers attributed their increase in sales to more customers and higher sales. This is followed in frequency by retailers that experienced more tourists and/or a continuance of the positive influences

of the World Cup. A similar number of businesses attributed the increased revenue to better marketing, advertising and promotions.

Those who experienced a decrease had similar reasons: the economic climate, fewer customers and tourists and no business after the World Cup were the top four reasons for the decline.

Interestingly, 58% of the retailers indicated that they experienced more local support for their businesses while a further 19% were not sure.

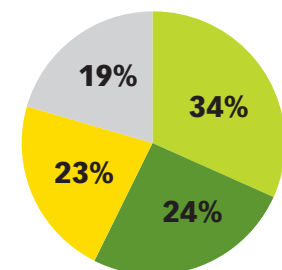
"During the World Cup, many people returned to the Central City and were amazed at what had been achieved," Evangelinos commented. "The results of this survey show that these people are still choosing to come into town for their shopping."

This perception of the Central City is echoed by the retailers. The legacy projects of the World Cup, specifically public space, roads and pedestrian walkways and sidewalks all received almost unanimous approval from City traders.

The future looks bright as well, with 109 of the 198 retailers declaring that they expected business to improve for the rest of 2011. A further 52 expected the same level of business as they had experienced during 2010. Only 33 were more pessimistic, expecting a below average year, and one respondent was not sure what to expect.

"There is great value in these surveys, especially in the year-on-year comparisons that we are now able to carry out," Evangelinos said. "I am confident that our Central City retailers will continue to see improvements in sales, especially as Cape Town establishes itself as an events destination, bringing more and more people to experience our unique retail mix."

**Retailers experiencing more support from local (Capetonians) and South Africa tourists**



- More Capetonians
- More South African tourists
- No
- Not sure

**Business expectations for the rest of 2011**

