



( [PRLEAP.COM](http://PRLEAP.COM) ) **Johannesburg, South Africa** – The 2013 festive season is likely to be a mixed bag for South African retailers as rising fuel, transport and utility costs continue to see consumers apply the brakes on spending. Preston Gaddy of Broll Property Group explains: "While we do not expect this festive season to be a bumper one, there will still be positive gains in some sectors. We anticipate an average growth of between 3% and 3.5% across the board."

In line with more cautious consumer confidence and spending, Gaddy believes food and beverages will see a slight upswing, while value retailers are anticipated to benefit most from festive season sales.

Gaddy adds that retailers in exclusive gifts and electronics can also expect increased sales. "But big ticket items such as appliances and furniture will be hard pressed to show much growth from 2012. Unit sales will more than likely increase, but the margins on these items remain perilously low."

While unsecured lending and credit delinquencies remain a major concern for both the retail industry and government, Gaddy explains it's anticipated that cash-strapped consumers will turn to their store cards and credit cards, further benefitting value retailers that offer both options to shoppers.

Broll expects jewellery, cosmetics and electronics to top gift wish lists this year. "Gift cards are always a viable option for those consumers who are not sure what to get for their loved ones," says Gaddy. "However, many shopping centres have done away with centre gift cards altogether due to the significant costs of running the system and the related bank charges."

Online shopping, while still in its infancy in South Africa is beginning to show notable growth due to cheaper smartphones and increased internet access. Gaddy notes: "Some retailers have already adopted a multi-channel approach to retailing and this will benefit sales in the long-term. South African consumers are going online to choose gifts, using sites like Amazon, Kalahari, and more recently, to Pinterest. But many people still enjoy a visit to the mall to purchase the

item."

The festive season remains an important time of the year for both retailers and shopping centre management. "Poor festive season sales can lead to casualties in the early part of 2014 as retailers increase stock holding, advertising, trading hours and employ more temporary staff, thus a disappointing festive season can be quite costly."

Gaddy says that shopping malls will need to ensure their house is in order ahead of the immense influx of holiday season consumers. Top priorities include ensuring free flow into parking, fully operational air-conditioning, as well as increased security and support staff.

He adds that shopping trends are also set to differ across the country's regions. Coastal centres are likely to enjoy a surge in festive trade again this year. This is especially true as more South Africans are expected to opt for a local holiday rather than travelling abroad.

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