

Chapter 2: Product Category Sales & Growth — Seasonal Decorations

- **More focus on seasonal decorations:** Giftware retailers have discovered that seasonal decorations is a hot category and one they can maximize in the current market. Decorations serve a meaningful consumer need in today's connecting-driven marketplace. Decorations are primarily used as a means to communicate (e.g. connect) one's values and personal identity with neighbors and passersby. Decorations can be a powerful connecting medium...just remember the need we all felt to display the American flag in the aftermath of 9-11. So whereas other products in the giftware universe serve a more personal emotional need, the seasonal decorations category gives consumers an opportunity to proclaim their values, ideals and passions to the world.
- **Product classifications obscures real story on Christmas decorations:** While the generic category of indoor Christmas decorations appears to have dropped in 2002, from \$2.1 billion in 2001 to \$2.05 billion in 2002, we must factor the growth in collectible Christmas ornaments into the equation. Unlike other giftware categories where marketers are shifting from the more specific and differentiated category to the generic, in Christmas decorations the opposite is happening. Marketers are putting a greater emphasis on collectible-type ornaments and decorations, while turning from the generic items. If we add collectible Christmas together with generic, we find the overall Christmas decorations market grew 2.1%, from \$2.833 billion in 2001 to \$2.893 billion in 2002.
 - ▶ Outdoor Christmas decorations get new attention this year as well. Primarily relegated to mass merchants and cheap imports, more giftware companies are putting an upscale spin on outdoor Christmas decorations and offering them to their specialty retail accounts. These include lighted sculptures and more spectacular outdoor lighting accessories.

Seasonal Decorations
Sales of Leading Categories in millions
2002-2000

	2000	2001	2002	SOM '02	% Chg '01-'02
Xmas Decor	\$1,935.7	\$2,120.3	\$2,058.9	54%	-3.0%
Thanks/Harvest*	\$501.2	\$403.6	\$571.9	15%	42.0%
Easter	\$470.4	\$439.8	\$495.7	13%	13.0%
Halloween	\$755.8	\$586.4	\$457.5	12%	-22.0%
Outdoor Decor			\$190.6	5%	
Other	\$192.8	\$103.2	\$38.1	1%	-63.0%
Total	\$3,855.9	\$3,660.5	\$3,812.8	100%	4.2%
Collectible Xmas	\$623.6	\$712.4	\$833.8	18%	17.0%
Total	\$4,479.5	\$4,365.7	\$4,646.6	100%	6.4%

*Some previous year data not available
 Note: Categories subject to respondent interpretation
 Note: Collectible Christmas ornaments are classed under collectibles

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- **Is it Halloween or Harvest Home/Thanksgiving?** Ever since 9-11 there has been a shift in the market from the more ghoulish Halloween to the more wholesome, life affirming Harvest Home/Thanksgiving theme. Perhaps this transition was inevitable even without the tragic events of 9-11 to propel consumers away from ghosts and goblins since decorating with harvest themes has a more extended life cycle. It can carry throughout October and November, unlike Halloween which must come down after October 31. So as marketers shift their emphasis from Halloween to harvest home themes, the total "fall decorating" seasonal market reached \$1.029 billion, up 4% over previous year's results of \$990 million.
- **Easter gains as decorating holiday:** As with all decorating holidays, Easter is also growing in emphasis. Retail sales of Easter decorations reached \$496 million in 2002, up 13% over previous years.

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