

Shopping festival 2004: Sales take a holiday once more

In its eighth year running, Lebanon's 2004 shopping festival (Lebanon: The time and place) saw the arrival of 104,000 visitors to the country in February, representing a 5.45% decrease from the 2003 festival. Approximately 30,000 of them made the visit because of the shopping festival (compared with 80,000 the previous year), according to the Ministry of Tourism, and commercial activity was worse or no more than equal to last year in the eyes of most merchants polled.

Sampling and methodology

In this poll conducted by *Information International*, a sample of 350 shoppers, 70 merchants and 35 tourist service businesses (rental car agencies, restaurants, foreign exchange outlets, photo shops) were surveyed over seven main streets in the Greater Beirut area. A stratified random sampling technique was applied, whereby 50 shoppers were polled on each street (25 males and 25 females), along with 10 merchants (2 clothing stores, 2 shoe stores, 2 electrical appliance stores, 2 home appliance stores, 2 cosmetics shops) and 3 tourist outlets. The survey was conducted between 21–25 March and had a margin of error of ± 2 .

Visitors and shoppers

As shown in **Graph 1**, Lebanese nationals comprised 88.2% of those polled, followed by Saudis (3.3%), Kuwaitis (2%) and Syrians (2%). Also, the majority of shoppers, or 87.1% were Lebanese residents, while only 12.9% were visitors. Out of those, 57.8% were staying in the country between 2 to 4 weeks, 13.3% between 1 to 2 months, 11.1% for 1 week or less, and other varied responses.

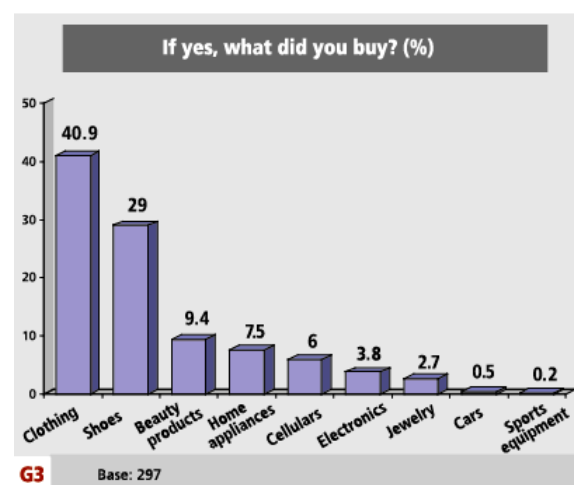
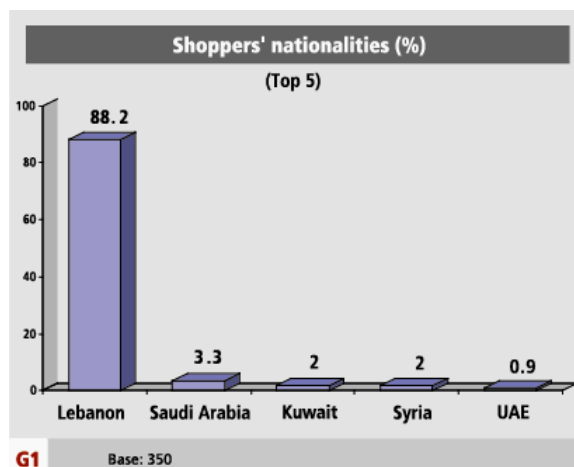
Also, according to 64.4% of visitors polled, this was not their first trip to Lebanon, and it was interesting to note that the majority did not make the visit to shop. The largest proportion, or 39.7% said they came to relax. The others said they came to visit family (19.2%), to shop (19.2%), for business purposes (12.3%) or to enjoy environmental and cultural tourism (9.6%).

Accommodations

The number of visitors who chose to stay in a hotel fell 11% from last year to 40%, while 28.9% stayed with family, compared with 13.4% last year, and 15.6% resided in a furnished apartment, compared with 2.2% in 2003. Another 13.3% stayed with friends and 2.2% had their own home in the country.

Campaign

Over half of the visitors (57.4%) heard about the shopping festival on satellite TV. Others heard about it through friends (37%), through family (3.7%) or from the print media



(1.9%). Most of the people polled (67.7%) approved of this year's campaign theme, "Lebanon: Time and Place", while 24.9% did not like it and 7.4% did not know.

Commercial activity

The majority of the respondents (84.9%) said they had made purchases during the shopping festival (see Graph 2) but only 32.7% replied that discounts were the incentive. Most of them (43.3%) said they were shopping for needed items, others were shopping because the products were of good quality (14.9%) or to be entertained (9.1%).

Graph 3 illustrates what shoppers bought during the festival. Compared with last year, jewelry purchases went down by 4.6%, clothing purchases by 4.3%, and shoes by 1.2%. However, sales of beauty products went up by a minor 0.9% and cellulars by 1.9%.

In addition, 45.1% of the shoppers felt that discounts this year were the same as last, while 24.1% felt they were worse, as shown in Graph 4.

Less than 4% of shoppers polled said they spent under \$100, while around one quarter spent between \$100-\$200 on purchases during the month. Compared with the previous year, the former figure is down 20.5%, while the latter dropped 14.8%. However, spending in the higher ranges was up significantly from 2003, as illustrated in Graph 5.

Average spending of shoppers polled in 2004 was estimated at \$691, compared with \$421 in 2003, and the rise in the average is mainly attributed to higher spending in the upper brackets.

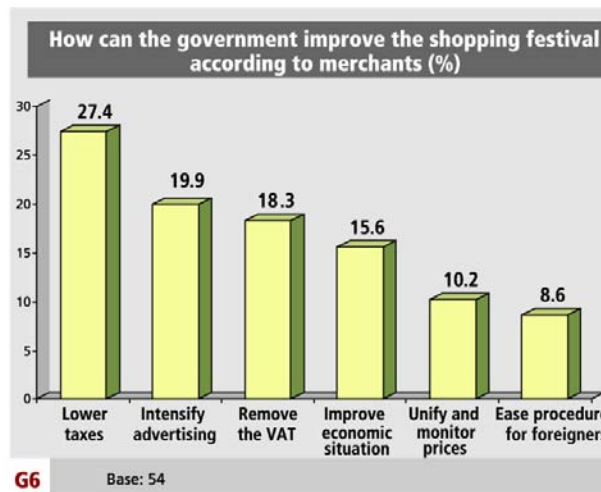
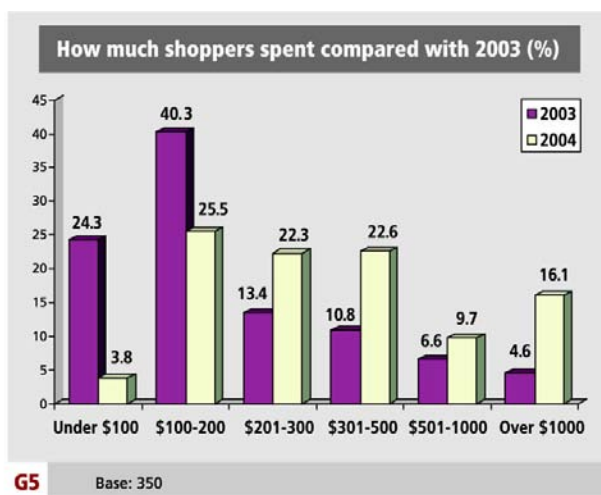
Merchants

Approximately 77% of the merchants polled said they participated in the shopping festival, compared with 81.4% the previous year (although only 38.9% said discounts applied to all goods). The remaining 23% replied that they did not take part owing to the following reasons: Prices were already discounted, their policy of maintaining fixed prices, lack of means, lack of support for the idea and a lack of authority to change prices set by internationally-based companies.

Significantly, 90% of the merchants felt that there was government support for the festival, compared with only 10% who thought otherwise. Still, 27.4% of the merchants proposed a reduction in taxes as the best way for the government to contribute to the success of the festival (see Graph 6).

On the whole, the general outlook was that the 2004 shopping festival was less successful to the previous year's festival. As shown in Graph 7, almost half of merchants polled

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stated that commercial activity was worse (41.4%), 40% said it was the same, 17.2% felt it was better, and 1.4% did not specify. In addition, less than 15% of merchants offered discounts above 50% (see Graph 8).

Tourism outlets

On the other hand, looking at the tourism outlets separately, there was a different response on the issue of government support, with 85.7% stating that the government did not back the festival, compared with 11.4% who felt it did and 2.9% who did not know.

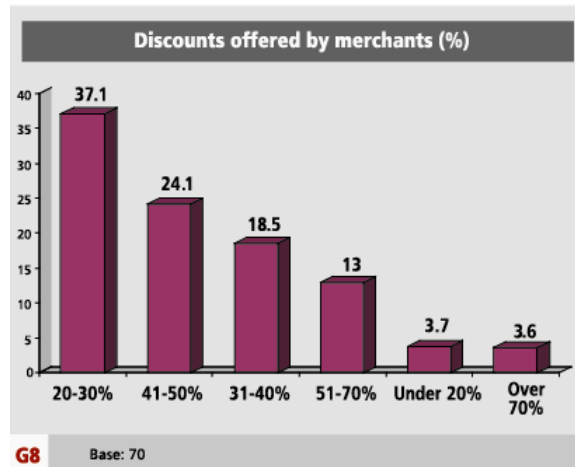
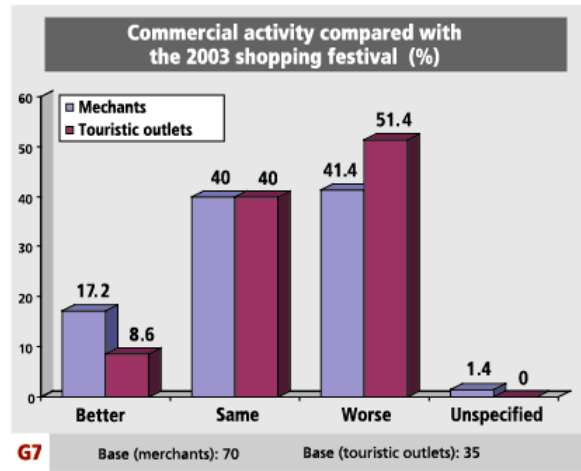
A reduction in taxes was suggested by 22.2% as a good way to increase the festival's success, while 22.2% proposed abolishing the VAT and another 22.2% felt that advertising should be heightened. Improving the general economic situation was the solution, according to 14.8%, while 9.9% suggested simplifying and easing procedures for foreigners, and 8.7% said prices should be unified and monitored.

In terms of participation, only 37.1% of tourism outlets participated by offered discounts during the 2004 shopping festival, according to the survey. However, 76.9% of the same outlets polled said they had participated last year, representing a drop of almost 40%.

In addition, 51.4% of the tourism outlets felt that activity had dropped from the 2003 festival, compared with 8.6% who thought it was better and 40% who said activity was roughly the same. Still, 80% of outlets thought the festival should continue to take place every year, while 20% disagreed.

Suggestions by tourism outlets included changing the timing of the festival (44.4%), extending the festival (33.4%) and strengthening advertising for the festival (2.8%), while 19.4% felt nothing should be changed.

Finally, shoppers who had also attended the Dubai Shopping Festival were asked to compare their experience of the two events. The results are shown in Table 1 below. ■



COMPARISON WITH THE DUBAI SHOPPING FESTIVAL (ACCORDING TO SHOPPERS)

Table 1

	Better in Dubai	Better in Lebanon	Comparable	Unspecified
Cultural events	77.2%	12.2%	8.8%	1.8%
Discounts	66.7%	19.3%	12.2%	1.8%
Quality of products	54.4%	8.8%	33.3%	3.5%
Entertainment	66.7%	15.8%	14%	3.5%
Ease in visa procedures and transportation	63.2%	14%	19.3%	3.5%

Source: Information International