

Small retailers want holiday shoppers to shed the chains

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Co-owner Charlotte Elich, right, with Carrie Vadas at 5 Green Boxes, attributes a rise in sales to people who prefer to support local businesses. (Photo by John Prieto, The Denver Post)

No 4 a.m. store openings, no throngs of bleary-eyed customers in line, yet still, a glimmer of holiday hope for small retailers.

Colorado's independent merchants say there's reason to believe customers are ready to shed recessionary fears and start shopping again.

Small retailers are smarter this year, having endured a weak 2008 sales season. They're more nimble than big-box discounters and department stores, analysts say, and better able to adjust staffing levels and keep a lid on excess inventory.

And they're resisting the impulse to slash prices just to compete. Above all, they're counting on consumers favoring homegrown merchants over corporate chains.

"Keeping the shopping dollar in local stores really helps the economy a lot more," said Charlotte Elich, co-owner of 5 Green Boxes, a housewares and gift store in Denver's South Pearl Street retail district.

"There is a select group of customers who are making that decision to stay local," she said, attributing a portion of her store's 10 percent sales increase this year to the buy-at-home movement.

Experts say it's also from a business' ability to stay lean.

"I think (smaller retailers) are headed for a better season than the chains," said Jon Schallert, president of the Longmont-based retail consultant Schallert Group Inc. "They have been buying smarter all year, so their inventory levels will not be so inflated that they have to massively discount."

Through October, privately owned retail stores in the U.S. suffered a sales decline of 6.7 percent compared with last year, according to industry tracker Sageworks Inc.

Publicly owned chains, including many big-box and department retailers, fared better, with a 2.3 percent drop.



"Smaller retailers have been hit hard," said Drew White, chief financial officer of Sageworks. "They are competing for the discretionary dollar, and that's a hard dollar to get. This season, they will have to move carefully and conservatively manage inventory. They probably would rather have shortages than excesses."

Katia McFadden, a shopper at a Tattered Cover bookstore, said supporting independent merchants is a factor in her holiday buying.

"I'm not saying I never set foot in a mall," she said, "but I try to shop in local stores as much as I can."

While big-box retailers are using predawn store openings and hefty price markdowns to launch post-Thanksgiving sales campaigns today, smaller merchants are taking a lower-key approach.

"We don't — and most local merchants don't — compete on price and advertising with big retailers," said Deb Kneale, co-owner of Show of Hands, an arts-and-crafts shop in Cherry Creek North. "We compete on customer service."

Although the shop has recorded a slight decline in sales this year compared with last year, Kneale said she's counting on a boost from Buy Local Week, Monday through Dec. 6, a campaign sponsored by the nonprofit Mile High Business Alliance.

"We think there is interest in supporting local businesses, and we think there is some pent-up demand on the part of consumers," Kneale said.