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Were the Olympics good for retailers?

By Jesse Robbins

There is no question that the 2010 Olympics drew a lot of people to the city of Vancouver, and by virtually all measures it was a resounding success. But how did local retailers fare? As it turns out, the games did not necessarily translate into more foot traffic through their doors.

Based on data from nearly 100 different retail locations in the Greater Vancouver area, across several different retail categories, overall average daily traffic counts during the Olympics were up only marginally, at about 4 percent versus the days in February leading up to the games. Looking at year-over-year customer traffic counts, the news is even less impressive. Compared to the same timeframe last year, traffic was actually down more than 5.

Clearly, spending was up during the games. According to a report from Visa, British Columbia saw an increase of about \$60 million in international spending from their customers during the 17 day-long games, which is more than double what they saw during the same timeframe last year. However, it appears that this did translate into success for all retailers in the GVA.

Retailers in close proximity to Downtown did better – a lot better

When we analyze traffic counts for retailers located directly downtown, things were a lot better. Daily traffic for stores located in downtown Vancouver was up, on average, about 50 percent on a year-over-year comparative basis. In fact, depending on the nature of the store and its exact location, some retailers saw as much as 100% to 200% more people through their doors during the Olympics.

According to Mark Ryski, president of HeadCount Corporation and author of, *When Retail Customers Count*, “There’s no question that the huge increases in traffic for retailers located in the downtown core were impressive, but the true measure of whether these retailers took full advantage of the sales opportunity is measured by their customer conversion rate – the percentage of store visitors who actually purchased.”

“The real retail winners,” he went on to say, “were the stores that had high traffic and high conversion rates. The stores that saw huge increases in traffic, but where conversion rates sagged, meanwhile, didn’t take full advantage of the Olympic opportunity.”

We do know that people were flocking to the city during the games, even if they weren’t venturing out beyond the downtown core to shop. Tourism Vancouver reported that their main office saw 6,800 visitors in the first two weeks of February alone, versus 2,800 in the entire month of February last year. It will be interesting to see, over the coming months, what lasting effects the Vancouver Olympics and the heavy promotional activity from Tourism BC, will have on customer traffic counts for Vancouver’s retail community.

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