

COVERSTORY





COMED

**We wish you a successful
and Happy New Year 2019 !**

Christmas, season of delight:
visual, tasteful, decorative,
festive and ... economic?



Photo: Pierre Guersing

CHRISTMAS AND NEW YEAR HOLIDAYS

JACKPOT OR ANECDOTE?

Towns and villages across Luxembourg have dressed themselves in lights to help the kids dream and to help the adults forget about the cold and the early nights. But what economic activity(ies) hides behind the excitement of Saint Nicholas, Christmas and New Year's? What are the spin offs of these holidays? For which sectors do they mean good business? And what needs to be anticipated, and what work need to be done, behind the scenes, to get everything ready for D-Day?

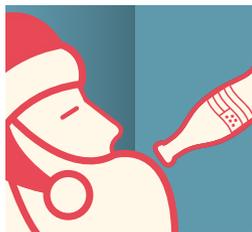
Text: Catherine Moisy, Marie-Hélène Trouillez
Translation from French : Martin Davies

What really kicks off the holiday season? During the two weeks up to December 6, the date of St. Nicholas, well-behaved children can expect to receive daily treats and naughty ones, twigs left by *Père Fouettard*. (St. Nicholas's "bad cop"). This period usually coincides with the launch of the Winterlights (Festival of Lights and Animation) in Luxembourg City (this year, November 22nd).

Black Friday, which has recently arrived in Europe, marks the beginning of a more commercial time, unleashing uninhibited consumption. In the United States, where it takes place the day after *Thanksgiving*, it is a day of monster sales (70 to 80% discounts) that launches the Christmas shopping season. In Luxembourg, this "tradition" is gradually gaining ground. It was celebrated on Friday, November 23rd by retailers who kept their stores open until 9 pm for the occasion.

Seen from a more religious and traditional point of view, the beginning of the festivities is the 4th Sunday before Christmas, the start of Advent and the opening of small squares on the calendars of the same name.

In fact, the exact starting day of the festivities doesn't really matter, especially in Luxembourg, where the coexistence of 170 nationalities and so many traditions gives the holiday enormous variety. Traditions ►



From Saint Nicholas to Santa

In 1860, a New York illustrator invented a character who would distribute gifts to children, based on the legend of Saint Nicholas. From the first colorful illustrations, Santa Claus wears a red coat and has a large white beard. In 1931, Coca-Cola had the idea to use the character, already in the colors of the brand and known worldwide, to boost overly seasonal sales, winter being the least conducive season to the consumption of sodas. The American firm showed Santa Claus during his long night of delivering toys, drinking the famous soft drink to give himself strength. Until 1964, it was the illustrator Haddon Sundblom who created the Christmas commercials for Coca-Cola, staging "Santa" distributing his gifts, relaxing with children or taking a Coca-Cola break. Since then, every winter, Santa Claus has become the ambassador of the drink, and this for almost a century!



01.

are made to travel and be shared: Christmas markets and advent calendars come from Germany, champagne and *foie gras*, from France, Christmas Carols, from England ... and all are now firmly entrenched in our habits.

BACK TO BASICS

It was Philippe Wendling, a history graduate from the University of Strasbourg, the self-proclaimed capital city of Christmas, who found the date of the first market ever organised for the end of the year celebrations. This took place on Saint Nicholas's Day, December 6th, 1294, in Vienna. We must wait a few more decades before finding the first examples of Christmas markets (no longer Saint Nicholas), organised in Germany. The first document describing such an event is dated 1434. It describes a market organised in Dresden on the Monday before Christmas, during the reign of Frederick II of Saxony. The Strasbourg Christmas market, today one of the most famous in Europe, dates back to 1570. At the time, it lasted for the eight days before Christmas and ended just after Midnight Mass. These traditional markets were an opportunity for artisans to show their expertise, and for onlookers to find decorations and Christmas treats, mainly Christmas trees and gingerbread.

As the Christmas markets moved away from their German birthplace, they began to be set up in town squares earlier and earlier in the period leading up to December 25 and opened up to all sorts of goods,

from three big "families" of articles: gifts, festive decorations and gastronomic and regional products. In Luxembourg City, the Place d'Armes hosted its first Christmas market in 1984 at the instigation of fairground operators eager to find new business in a slack time. Jérôme Zellweger, vice-president of the National Federation of Fairground Traders (FNCF) explains that "*Fairground traders, happy to have a winter activity, have diversified their product to satisfy the Christmas demand. They began to supply themselves with gifts and decorative objects at the large specialised fair in Nuremberg. For some, the Christmas market now accounts for about 25% of their annual income.*" Charles Hary, President of the FNCF, remembers that "*In the beginning there were only 12 stalls. Little by little the market has developed thanks to the good working relationship we have with the City of Luxembourg. Almost all the stalls are run by fairground traders. We offer more and more attractions too.*" Peaks in the Luxembourg market are recorded on weekends and during the week, at lunchtime and just after office hours. For the first time this year, the FNCF set up a partnership with RTL radio to get the public play and win gifts or vouchers for the Luxembourg City Christmas markets.

THE CITY LIGHTS

The Christmas markets in the Luxembourg City arouse curiosity and interest, if we believe the statistics of visits to its dedicated page on the www.visitluxembourg.lu website which collected 92,000 clicks between Decem-

Photo : Wikipedia

01. Christmas markets, like Advent calendars, come from Germany. The façade of the former Hattingen Town Hall, in North Rhine-Westphalia, decorated for the town's Christmas market combines both traditions.

02. Some of the fairground traders who run the Luxembourg City Christmas market stalls, have historically been more involved in spring and summer holidays, but have diversified into the sale of traditional Christmas decorations from Nuremberg, the world's largest market for these goods.



Photo: Pierre Guersing

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ber 1st and 31st, 2017, “*which represents a significant volume*”, according to the Luxembourg for Tourism EIG (Economic Interest Group).

It must be said that Luxembourg City has put in place significant measures to make this important event a success. After each year’s Winterlights, the City and its partners gather to analyse the experiences of the participating professionals and the public’s feedback. These findings serve as a basis for organising the next year edition. Thus, the event is constantly evolving and offers new features every year. For example: in 2012, the Christmas market opened a second site on the Place de la Constitution; in 2013, Luxembourg City invited, for the first time, a “host” country, something it now does every year by hosting a country or a region; in 2014, the City installed an ice rink on the Place Guillaume II; 2015 saw the appearance of a sound and light show, which would then be replicated in several places the following year; in 2017, a carousel completed the attractions on the Place de la Constitution and in 2018, a covered market, conceived with the association *Lët’z Go Local*, was installed on the Place du Théâtre to be able to offer a space dedicated to artists and local products. All these investments aim to ensure the city centre is attractive and lively and enhance its image by meeting public expectations.

Taxes collected by the City for the rental of a stall vary according to the neighbourhood and the nature of the business. The most expensive locations are those in the city centre for food businesses. These ►

**INTERVIEW****MANON SCHMIT**

Fairground trader and manager of Kugener restaurant

“**Winter activities are decisive to ensure a good balance in the business.**”

How have you seen the Christmas market evolve?

“In 2012, I started on the Christmas market at Place de la Constitution, as a Luxembourgish fairground trader and president of the “*Wantermaart Gëlle Fra a.s.b.l.*”. We noticed quite quickly that this new project of Luxembourg City, which then had about 60 Christmas stalls, rides for children and a Ferris wheel, was a great success. Among the exhibitors you will find many fairground families from Luxembourg, Germany, Belgium, France, the Netherlands and Switzerland. This cultural diversity gives rise to a vast choice of culinary and craft specialties. With its beautiful illuminations and decorations, the Christmas market attracts a large audience from November 23rd to December 24th. We also noticed that attendance is increasing year by year. Christmas markets have become important meeting places for families and friends. Today, we find in the capital more than 130 Christmas stalls spread across the city. It is with a certain pride that I can say that the Luxembourg Christmas market is often considered as one of the most beautiful and warmest market in the Greater Region.

How much of your annual revenue, across all your businesses, does the Christmas market represent?

I took over the Kugener restaurant business in 1998 and the Bernard Massard lounge-bar in 2010. Since 2012, the lounge bar has been part of the “*Wantermaart Gëlle Fra*”, Place de la Constitution. We offer a heated consumption room with 80 seats and two take-out cabins. Hot wines, chocolate, Tarte flambée, soups or burgers are offered to visitors during the Christmas holidays, which has become a very important time for us. Even if we carry out most of our business during the Schueberfouer and the Octave Festival, the end-of-year celebrations represent between 20 and 25% of our annual turnover, depending on the weather conditions, of course. For many fairground traders, winter activities are decisive to ensure a good balance in the company.”



INTERVIEW
BETTY FONTAINE
 Director general,
 Simon brewery

“
Christmas beer has become a major part of the end-of-year festivities and is an integral part of the cultural and gastronomic heritage of Luxembourg.
 ”

How was Simon's Christmas beer born?

"This beer has an old tradition, dating back to the 17th century. At the time conservation methods did not exist. The month of November was the end of the harvest of hops and cereals. It was necessary to empty the barley and hops reserves to ensure a good storage of the next year's crops. These reserves were used to make a beer that could be kept until the end of the year thanks to the cooler temperatures of the autumn. Today, even though all conservation constraints have been lifted, the production of Christmas beer continues. It has become a key element of the end-of-year festivities and is an integral part of the cultural and gastronomic heritage of Luxembourg. This festive drink has the particularity of being richer and more flavoured than a common beer, thanks to the addition of several malts, spices and herbs. The Simon Christmas beer was launched in the 1970s. It is a typical dark beer, containing 6.7% alcohol and marketed only for the end-of-year festivities. Made from caramelized barley malt, this "double bock" type beer is dark red in colour. It is powerful and sweet at the same time, perfect to accompany the holiday meals!

What proportion of your business does this beer, marketed only for the end-of-year festivities, represent?

Christmas beer accounts for around 2% of our turnover. It is distributed during the holidays at the Gëlle Fra Christmas market. Fans can find it in bottles at dealers and prominently on supermarket beer shelves. It is also packaged in casks for bars. As this seasonal beer does not weigh heavily in the annual production of our brewery - between 3 and 5% - you mustn't miss the chance! Generally, we are out of stock from the beginning of December, and on January 1st, as soon as the holidays are over, no one thinks about this beer until the following winter!"



Photos: Pierre Guersing

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are also the most profitable. The least expensive sites are reserved for non-profit organisations, especially in outlying areas. Luxembourg City does not have precise statistics on the number of visitors to the Christmas market or their nationality, but it spares no effort to promote the many attractions of the time: posters, leaflets, multimedia - including a dedicated website (www.winterlights.lu) as well as photo and video reports posted on social networks intended to inform visitors and show them the magic of the different markets.

These have grown in recent years to provide attractions in several neighbourhoods and create a dynamic movement between the different sites, each having its own specific attraction. Thus, the market on the Place de la Constitution has children's and family entertainment, the Place d'Armes welcomes a typically Luxembourgish and traditional market with many culinary specialties and a giant Nativity scene; and the market on the Place de Paris is for Saint Nicholas and Advent. Finally, there is also a solidarity market at the *Roude Pëtz* (near the Grand Rue) and a gastronomic market on the Place du Théâtre. In total there are 132 stalls in the various markets. The merchants who occupy them are selected during the summer, from among hundreds of applications from Luxembourg and abroad. The choice is made to ensure attractiveness, complementarity

03. For 11 months, miles of garlands, hundreds of bright decorations and thousands of bulbs await their entry in the dedicated warehouse in Luxembourg, temporarily located at the Rollingergrund.

04. The installation of the various Christmas markets in the city of Luxembourg starts at the beginning of November. It takes several weeks and the participation of 14 City departments to build all the structures. Everything must be ready for the launch of the "Winterlights" festival in late November and Saint Nicholas's procession in early December.



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and user-friendliness and to satisfy all tastes and all ages. The City of Luxembourg is not the only one in the country to offer a Christmas market. There are nearly 60 markets throughout the country in 2018, some of which are differentiated by a specific theme.

This is the case of Dudelange which complements its traditional market with a medieval fair located on the square in front of the town hall and which gives pride of place to medieval-inspired street events: stilt walkers, knights, birds of prey, archery.... In 2018, Dudelange is also innovating with a market specially designed for children, from December 1st until the evening of December 22nd, while the traditional market and the medieval market last only 10 days because 80% of the stalls there are run by volunteers from clubs and associations from the city, selling objects and culinary specialties to finance part of their activities.

VARIATIONS

Municipalities do not have a monopoly on organising Christmas markets. Taking advantage of the favourable period and the friendly atmosphere attached to these events, variations have appeared over the years.

PwC Luxembourg has organised its own, at the beginning of December, every year since 1999. Its original concept was to bring staff together, not all of whom worked in the same office, following the

merger with Coopers & Lybrand by organising a big end-of-year party. Today, the goal of these three-day events is to bring together the broader business community – employees, customers, partners, and even alumni – in a friendly atmosphere, contributing to creating the campus style encouraged by the firm as a means of uniting new recruits and promoting networking.

In a completely different way, the designers' market organised by Mudam – the Museum of Modern Art – has also become a “must”. Created in 2010, as part of the Design City Luxembourg festival, it had its first “winter” version in 2012. Very quickly, the winter version surpassed the summer event in number of visitors. Indeed, it reaches an attendance of about 4,000 people (against 2,000 for its summer little sister), a figure close to the attendance of the best years of “The Night at the Museums” and to be compared to a normal weekend's attendance in the order of 600 to 700 visitors.

This designers' market is a great opportunity for the creative industries to show their know-how and for customers to find an original gift or even a unique object. An average shopping basket is between 50 and 100 euros, for 1 to 4 items purchased. As with Luxembourg City's Christmas market, the selection committee is receiving more and more applications (about a hundred for 30 available places) and ►



Christmas specialties in Luxembourg

Throughout the period of Advent, many Luxembourgish specialties are in the spotlight. Whether at the Winterlights Festival in Luxembourg City or elsewhere in the country, any visit to a Christmas market is also an opportunity to taste Gromperekichelcher (potato pancakes), Lëtzebuurger Grillwurst (Luxembourgish grilled sausage), Glühwain (mulled wine) or Egg Nogg (a drink made from milk, cream, eggs, sugar, spices and rum). The Boxemännercher (gingerbreadman), meanwhile, are popular around St. Nicholas' Day, December 6th. And very often the Federation of bakers and confectioners will invent new end-of-year specialties.



Photo: Ville de Dudelange

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these are coming from further and further away. The geographical origin of the designers is not a selection criterion: *“What guides our choice is rather a logic of love, which we counterbalance by always asking for the opinion of someone from outside the museum (this year it is Anne Darin-Jaulin, Director of the Commercial Union of the City of Luxembourg (UCVL)) and balancing the type of products so there is something for all tastes; the most difficult thing is to find designs for men”* says Anna Loporcaro, curator of Design City Luxembourg, who is in charge of the event.

The museum invests in the scenography and signage of the market. In return, it sees the revenue of the Mudam café and shop increase during these days and it receives 10% of the values of sales made by the designers. *“Which is a fair system. Thus, those who sell little or not at all, are not penalised financially”* adds Anna Loporcaro. The Mudam’s primary motivation is, however, not financial but cultural because it wants to attract people to the museum who would not naturally come and to make the Mudam a more vibrant lifestyle space.

DOES EVERYONE GET A SLICE OF THE CAKE?

There are very few figures to measure the impact of the Christmas and New Year’s holidays on the country’s economy. However, STATEC’s national

accounts make it possible to analyse the growth of resident households’ consumption over a long period. Going back as far as 1995, i.e. more than 22 years of observation, we note that the growth in consumption recorded in the 4th quarter (+ 2.4% on average compared to the 3rd quarter), is almost systematically higher than the average quarterly growth of the same indicator for all quarters of the year (+ 0.6% on average).

The difference between growth in the 4th quarter and the average growth of all quarters is + 1.8% – which is far from negligible. Muriel Bouchet, Chamber of Commerce economist points out that *“in 2017 values, such a difference of 1.8% represents 70 million euros”*.

Of course, it is not possible to determine exactly how much of this jump in consumption is due to the impact of the holidays. Other factors need be considered such as the gain in purchasing power related the thirteenth month and annual bonuses.

Moreover, if we look at the statistics on monthly retail turnover (excluding cars and motorcycles) reported by STATEC, we note that the stores with the largest increases in December are those selling food, beverages and tobacco; stores that sell computer and communication equipment; and lastly, cultural and leisure goods businesses. Observations

05. Luxembourg has no fewer than 57 Christmas or Saint Nicholas markets (4 in the Mullerthal, 13 in the Ardennes, 6 in Moselle, 22 in Guttland and 13 in the south of the country). Here, that of Dudelange which offers medieval attractions for ten days..

06. The Christmas festivities can be synonymous with conviviality within companies too. Each year, PwC Luxembourg organises a 3 day Christmas market event for its employees, clients and partners.



Photo: PwC Luxembourg

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corroborated by a Deloitte study entitled “Year-end spending”.

WHAT ARE OUR SPENDING HABITS?

Deloitte’s study has been conducted annually since 1997. Luxembourg was included in its scope until 2014. Keeping in mind that the economic context in that time was not the same as that which we know in 2018, the lessons of the period remain interesting. The study describes how households divide their end-of-year spending, as well as their spending behaviour, by comparing 15 European countries. In particular, only 25% of respondents bought their gifts in November and most purchases were concentrated in the first half of December, whilst one-third of respondents said they were buying until Christmas Eve. If the search for pre-purchase information was multi-channel (internet and stores), residents of Luxembourg still favoured buying Christmas presents in actual stores, despite a significant increase in purchases made on the Internet (36% in 2014 against 30% the previous year). The reasons given for this preference being, in order of importance: after-sales service, a reluctance to put personal data on the net and the security of payment. For its part, the strengths of online shopping were: having comments from other users, being able to buy at any ▶



INTERVIEW

HUBERT BONNIER
general manager,
Place d'Armes Hotel

“**The pre-holiday period is not negligible in terms of banquet-related revenue.**”

What impact do the end-of-year holidays have in terms of turnover and attendance for a hotel-restaurant like yours, located in the immediate vicinity of the city’s Christmas market?

“The end-of-year celebrations have a real impact on our business. It affects our catering turnover, because we have special offers and menus for Christmas and New Year’s Day in our three restaurants: La Cristallerie for a gastronomic offering, Le Pléss, our rotisserie, and the Café de Paris, for a more relaxed Christmas Eve. The recent opening of our bar “LE 18” allows us to extend our festive offer. We have also created a special Christmas cocktail and we host Christmas receptions for companies or groups of friends. The pre-holiday period is not negligible either in terms of banquet-related turnover. It is a period during which companies organise their end-of-year meals and we have a consequent demand for group lunches and dinners. The impact is also significant on accommodation, because we receive many tourists at this time of the year who come to enjoy the festivities.

Where does your clientele come from and what are they looking for in this festive period?

The clientele we receive in the various restaurants is rather a local clientele, mainly Luxembourgish. Some are familiar with our different restaurants and like to meet for the holidays in this familiar and warm environment with family or friends. These are individual clients or business clients for groups. Regarding hotel use, we receive most customers from neighbouring countries, Belgium and Germany primarily. This clientele comes to Luxembourg to take advantage of the end-of-year activities and attractions (Christmas market, in particular), but also, and above all, to go shopping in the city centre. They appreciate our location in the heart of the upper town, close to shops and entertainment like the Christmas markets, the Place d’Armes, but also the Place Guillaume or the Place de la Constitution.”



European decorations

Opposed to the idea of a nativity scene, German Protestants opted for a decorated Christmas tree as early as the 16th century, and in the 19th century Queen Victoria imported it to the English court. In 1858, a great drought deprived the northern Vosges of apples used to decorate Christmas trees at the time. To make up for this, a glassblower from Meisenthal, Alsace, then had the idea to blow some decorative balls that have since replaced the real apples! Finally, the origin of the Yule log is related to the winter solstice. For the longest night of the year, a big log sprinkled with wine was burned to ward off bad luck. With the disappearance of chimneys, this tradition began to die. The first log-shaped cakes date back to the 19th century, but no one really knows who created them. The fact is that the edible log only became popular after 1945.



Photo: Marion Dessard

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time, and being able to compare prices easily. The favourite items bought online were – unsurprisingly – movies, discs, books, and video games. Most of the food and beverages (89%) were bought in shops, as were beauty products (79%) and fashion (71%). It should be remembered, however, that these figures date back to 2014 and that trends in digitalisation are changing very fast. It was, for example notable, as of 2014, that mobile shopping was on a strong upward curve with 46% of users against only 32% in 2013.

In 2014, Luxembourg, with end-of-year spending intentions averaging 665 euros, was in second place in the countries studied, behind the United Kingdom and quite far ahead of the 3 neighbouring countries with spending intentions in the order of 450 euros. The distribution of this sum is on the other hand relatively equivalent from one country to another, with 50 to 60% of the budget devoted to gifts (with the children as the first recipients), approximately 30% to food and 10% for going out. Books were the all-round champions of end-of-year shopping being at the top of the rankings for desired or offered gifts, whether for adults, teenagers or children. *“In recent years, our stores have seen lots of demand for smartphones, tablets and their accessories,”* qualified Luc Welter, Head of Marketing and Communications at

Post Group, *“but it’s important to note that all the brands release their new models at the end of the year in order to profit from the gift-buying effect”*.

RETAIL IS WINNING

The few figures and testimonials gathered from the major players in the Luxembourg retail sector show that December is synonymous with strong activity. It represents 13% of the annual turnover of Auchan’s Kirchberg store, the equivalent of two ordinary months, and it is nearly 11% for Cactus stores (excluding Cactus Shoppi). Delhaize confirms that the month of December is their largest of the year with strong sales of traditional seasonal products and with champagne and whisky leading sales in the beverage department. At Auchan, the best-selling non-food products in December 2017 were gift wrapping, Nintendo Switch™ and the iPhone 6.

To cope with the increased activity at the end of the year, all shops recruit extra staff. At Auchan, there are about 40 new hires, mainly for fresh shelves (fish, meat and bakery) and at Cactus it is about 50 people during the period October to January, to ensure restocking, cash registering and sales. At Delhaize the extra staffs’ goal is to *“create a touch of magic while maintaining the quality of service,”* said Karima



Photo: Pierre Guersing

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Ghozzi, spokesperson for the brand in Belgium and Luxembourg. Frederic Vaccaro, marketing director at Auchan Kirchberg expects a peak attendance on December 22nd because “this year, December 23th, which normally has the highest attendance, will be a Sunday” and he adds, “over the years we have noticed that our customers tended to spread their purchases over the month in order to avoid the rush. For fresh products, our customers usually come on D-Day, December 24th. The main constraint on our customers being the time, we are offering to prepare their orders and leave them at the Drink Shop, so that they can go to collect them directly and thus gain considerable time in their shopping.” Karima Ghozzi confirms that the peak of attendance strongly depends on the day of the week on which December 24th falls: “for Christmas Eve, the biggest day is December 23rd, followed by the 22nd and only then by the 24th as on that day we close our stores at 4pm.” Regarding the shops in Luxembourg City centre, “It is undeniable that this period is very promising,” summarises Anne Darin-Jaulin, “but the ratio of end-of-year sales to total sales is very much related to the nature of the business. In the sector we call “taste and flavours” it can go up to 20 to 30%, especially for chocolatiers for example. In jewellery, the figures are the same, but sales are spreading throughout the last quarter, as some orders

are recorded in October. In fashion and accessories, the figures are in the order of 15 to 25% for December, with a greater proportion being accessories that are given as presents more than clothing. In the beauty sector, the increase in December business tends to benefit perfumeries more than salons, where attendance is smoother over the year. Finally, the king of the sectors at Christmas is toys, with stores getting up to 50% of their sales at this time.”

The factor of uncertainty that can weigh on city-centre businesses is the weather. If it is bad, customers do not go out or they go to shopping centres. The shops compete to seduce customers by being particularly attentive to their gift wrappings and their window dressings. To encourage good practice in this area, UCVL has launched its first shop window competition this year which runs from December 1st to 24th. Participating stores display a placard and the public can vote on the vitrinesdenoel.lu website. Businesses can win marketing and communication campaigns and the voting public can win vouchers through a random draw.

E-FREQUENTATION FOR E-COMMERCE

As revealed by the Deloitte study, business conducted via the Internet is increasing significantly. ►

07. The designers' market at the Mudam (Museum of Modern Art Grand-Duc Jean) on December 15th and 16th, is an opportunity to bring together designers from different disciplines and worlds and with different techniques, (product design, fashion design, design textile, illustrations, jewellery, publishing ...) and to transform the search for original Christmas gifts into real encounters with innovative designers.

08. During the holidays, the shops compete to show off their window-dressing talents. Here, Cartier boutique, Grand Rue, Luxembourg City.



INTERVIEW
CARLOS QUINTAS
AND MARCO DA CUNHA
Associate managers,
Itoys

“**We must be both digital and physical and cannot neglect either of these distribution channels.**”

For you who run the first store dedicated to LEGO in Luxembourg, is Christmas a good time?

"In 80 years, LEGO has become a global toy giant and reaches all audiences. It is undeniable that the end-of-year celebrations such as St Nicholas, Christmas and for some countries, the Epiphany, represent a good period for the toy sector that accounts for more than 50% of our annual sales! The end-of-year celebrations have a special character and represent a huge challenge in meeting the demand from our big and our small fans. The various internet platforms, superstores and toy shops are competing fiercely during this period. Our biggest challenge is to anticipate the toys that will be on Santa's list!

In this digital age, are physical outlets still well frequented at Christmas?

To reinvent ourselves today, we believe that we must be both digital and physical and not neglect either of these distribution channels. They are complementary! We are a digital and physical store specialised in LEGO. For some time now, we've noticed that physical stores are coming back in force. The digital platform facilitates remote shopping, especially for customers looking for products that do not exist locally. These are targeted purchases, often carefully thought out. These purchases are made without human

contact, but the physical encounter and the human exchange creates a decisive emotion in the act of shopping. Attendance in the store is strong throughout the year, but during the Christmas period it is much more important and sustained. We believe that to build customer loyalty and keep the store alive, we need to create a real point-of-sale experience. Our customers expect a privileged and personalised relationship with the brand. They like to share their experiences, tips and advice. We are passionate about the LEGO product. We offer various services, such as looking for old series or spare parts. We have the biggest choice for LEGO in Luxembourg. During the Christmas holidays, we adapt our opening hours and strengthen our team to better deal with the influx of potential buyers. We also offer some promotional actions."

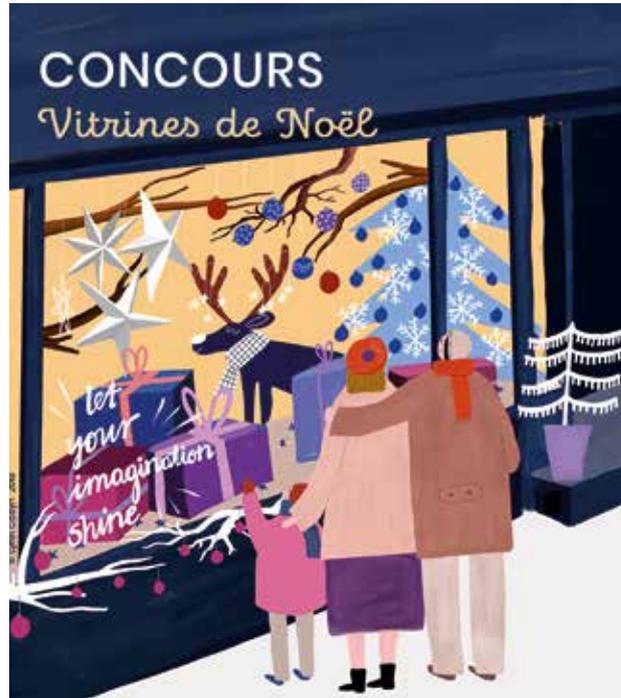


Illustration: Lynn Cosyn

09.

As the holidays approach, this trend is particularly marked. In food distribution, Jacques Lorang, co-founder of Luxcaddy.lu explains that December accounts for 11% of its annual turnover: "We could do even more, but we are limited in our resources. Despite hiring temporary staff and renting additional vans, we are forced to decline certain orders, when our delivery ranges are complete". Part of the holiday assortment is put online, through a dedicated tab on the website, from November 11th in anticipation of Saint Nicolas. Then, little by little, the choice is completed with specific products for Christmas and New Year's Day (yule logs, turkeys ...). The absolute peak days are December 24th and 31st, when the brand delivers until 5pm. Valérie Conrot, creator of the website *dénicheuse.com*, specialises in the sale of "small unusual things" particularly suitable for those looking for gifts, notes that the period from November 15th to December 31st represents 34% of its online sales (*dénicheuse.com* also does some off-line sales, Ed.) and 31% of the orders received. "I've noticed a trend that helps my site, the fashion of having 'Secret Santa' parties organised in the workplace or by students, which consists of buying a small gift at a fixed price for a colleague drawn by lot. Everyone must find a little something that can please any age or gender. I have to integrate this trend in choosing my range."

According to Valérie Conrot, the biggest challenge during the period lies in the logistics and maintaining the quality of the service, despite the rising pressure, "Customers are even more demanding

09. For the first time this year, the Commercial Union of the City of Luxembourg (UCVL) has launched a showcase competition to encourage retailers to offer the best creative Christmas window display ideas. Thirty of them registered, both in the upper city and in the station area. They are recognisable by this pretty image of their shop front. The public can vote online until 24 December on *vitrinesdenoel.lu*.

10. Hotels and restaurants are adorned with bright decorations that emphasise the appeal of their architecture. Here, La Lorraine restaurant, Place d'Armes, Luxembourg City.



Photo: Pierre Guersing

10.

at Christmas, even if they place orders very late. I make it a point of honour to provide nice packaging and especially, if I see that there is even the slightest risk that the order would not arrive on time, I take the lead and I get in touch with the customer. I strive to deal with each order as quickly as possible and ... I cross my fingers I don't get sick in December!!! “

The *letzshop.lu* initiative, launched in September 2018 by the Ministry of the Economy to help local retailers to sell their merchandise online, is seeing its first Christmas. It is therefore too early to know what influence the holidays will have on its number of visits. To give it even more visibility during this strategic period, the managers of the website decided to place banner ads on *RTL.lu* as well as on high-traffic social networks (Instagram and Facebook primarily). A partnership was signed with the Michel Greco Company to offer deliveries throughout Luxembourg during the two weeks preceding Christmas (this provision is valid only for purchases made from retailers who do not have their own delivery service, Ed.). Jerry Klein, project manager, expects good results for the site whose sales, “at the moment, since our debut in September, have exceeded forecasts.”

WHO SAYS HOLIDAYS SAYS LOGISTICS

Post Luxembourg, in the front line of ensuring the delivery of most of the parcels ordered, sees the activity in its three businesses (mail/parcels, telecom and finance) strongly increase as the holidays approach. The parcel business is impacted the

most, the number of parcels delivered doubling from 10,000 parcels per day in a period of normal business to 20,000. The most intense days are between December 15th and 20th. For the past 3 years, each December has seen an increase in the number of parcels delivered of 15-16% over the previous year. In the first nine months of 2018, the parcel business, directly related to the rise of e-commerce, grew by 30% which augurs well a particularly busy Christmas period for Post. Each year, to cope with this peak activity, Post recruits dozens of temporary workers, including handlers and delivery drivers, and encourages its staff to take their annual leave outside this sensitive period. The number of PackUp stations has also been greatly increased in recent years to streamline parcel logistics. There were 12 in 2012, there are now 88 spread throughout the country, including 9 opened in 2018 and 3 that have been expanded. More than 20% of the total packages pass through a PackUp station, which makes Luxembourg the European leader in this service.

As for mail, the first days of the year post records. On January 2nd, 2017, 1 million letters passed through post offices. The sending of greetings cards certainly accounted for much of this, but many administrative letters were also sent that day, after the holiday break.

Finally, e-mails are known to be particularly numerous during the holidays particularly on the night of December 31st to January 1st; text messages reached their peak in 2012-2013 and have declined since 2014, dethroned by social networks. These help to significantly increase the amount of data ►



Celebrate Christmas in the Southern Hemisphere

In the southern hemisphere, Christmas is celebrated in summer and marks the beginning of the holidays. In Australia, Santa Claus is shown giving himself a tanning break on the beach. The traditional Christmas meal consists of cold cooked ham, salad and the famous pavlova, a traditional Christmas dessert consisting of a crunchy meringue topped with whipped cream and red fruits. In South Africa, the Christmas “dinner” is eaten in the open air and is composed of pie and frozen ham. On the other side of the ocean, South Americans exchange gifts and gather with family and friends. It is common to attend the Midnight Misa del Gallo (the “Rooster Mass”, in reference to a cock supposed to have crowed on Christmas Eve). Everywhere, the windows are decorated with cotton and artificial plants and with 27 ° C outside, you enjoy ice creams more than hot chocolates. But all this may change! In July 2018, the 150 Santas gathered at their 61st World Santa Claus Congress, north of Copenhagen, and discussed the possibility of moving Christmas to 24th-25th July in the southern hemisphere. Will they get their way?



Photo: Pierre Guersing

11.

exchanged. Luxembourg could boast that 97% of the population were connected to 4G, thanks to 1.2 million km of optical fibre cable to 175,000 households at the end of 2017.

DO HOTELS AND RESTAURANTS ENJOY THE HOLIDAYS?

For restaurants, the end of the year is an important, but complex, issue. The two emblematic evenings of December 24th and 31st involve a very particular problem. If these evenings often lead to average prices of 80 to 150 euros per person which double, or even triple those of a normal evening, the costs associated with these evenings are also much higher than usual. This is the result of buying high-quality food products, whose prices sometimes soar during the holidays; the increase in VAT on alcohol which has direct effects on the purchase of champagne for example; and staff costs, multiplied by three after 1 am. According to François Koepf, Secretary General of the Horesca Federation: *“Christmas and New Year’s Eve sales can be as much as a week’s worth of normal business, but that’s only in a few establishments. In recent times, we have noticed that some restaurants are really betting on this period and are developing*

very nice menus, while others, noting the unfavourable cost/profit ratio, prefer to give their whole team a break and allow their staff to spend the holidays with their family, rather than open to achieve a modest or even negative margin.” Establishments that are close to the Christmas markets obviously profit from their attraction, especially if they can afford to invest in a cottage or a heated terrace. For the hotel industry, the benefits are not obvious either. Luxembourg, not being a winter sports destination, struggles to fill its hotels during this period. December is the first of the three slackest months of the year, with some 116,000 overnight stays nationally (70,000 in Luxembourg City), whilst the high season has more than 157,000 overnight stays per month with a peak of 172,000 nights in September (100,000 in Luxembourg City). The country’s Christmas markets mainly attract locals or people from the Greater Region during the day, and there is thus no noticeable benefit for hotels. But the holiday period also creates similar difficulties in maintaining margins for hotels as for the catering industry. If they want to attract people, they have to offer either an exceptional programme based on sought-after animation, or packages at reduced prices, both of which point

11. The decoration stores offer all the accessories needed to create a warm and festive atmosphere in Christmas colours at home. Here, the Oestreicher Furniture store in the Marnach’s Nordstrooss Shopping Mile.

12. Some lights are enough to create a magical atmosphere in the winter night. Here, Jan Palach Square in Luxembourg City is home to an enchanted forest of illuminated firs.



Photo: Pierre Guersing

12.

to a smaller profit margin. In addition, the risk of a “no show” is higher in winter as brutal weather conditions can prevent clients from arriving. If this happens, the results are hard losses. These problems are partly offset by business related events that companies organise, during the holidays, for both their employees and their clients. These usually take place between late November and early February and are a real opportunity for establishments that are spacious enough and equipped to accommodate groups. This type of reception can represent 8 to 12% of their annual turnover, but with tighter budgets than before the 2008 crisis.

COCOONING TREND

A trend that is becoming more favourable to caterers and food suppliers, rather than to hotels and restaurants, is the “at home” as Marc Hauffmann, marketing director of Cactus, points out: “We are seeing a return to “simple and friendly”. Fewer and fewer hours are spent sitting around a restaurant table and more and more people want to enjoy relaxed moments with loved ones, family and friends, with different forms of sharing such as a winter BBQ, tapas, many small dishes for the enjoyment of adults and children, a brunch

the day after the holidays ... a tendency to turn to the quality of life. “Simple is Best” sums up perfectly the Christmas of our time. A cocooning option with extra human warmth and simple, varied and quality cuisine.” This trend can be seen in the sales of the LuxCaddy website, which confirms a great popularity for pierrades (hot stone grill), raclettes and fondues and ready-to-eat buffets.

The Christmas school holidays are also conducive to higher attendance at theatres and other entertainment in enclosed areas, protected from the cold, the rain and the snow. At cinemas, Kinépolis for example, the end of the year is good business since “Traditionally, December is a big month related to the holidays, but also to the release of many films, for all tastes (family blockbusters, etc.). At the end of the year we also have outings organised by schools, for example around St Nicholas “, explains Christophe Eysartier, national theatre manager. The cinemas in Luxembourg have also developed a gift offer, in the form of packages including a movie ticket but also a “food and beverage” voucher. These formulas have been very successful since their launch in late 2017. There will be more sales outlets for these gifts in the future, especially an online store. ●