

Consumer News & Views

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In this Issue...

- **Will Consumer Spending Rebound for 2012 Holiday Season?**
- **Garden Savings Federal Credit Union Supports Consumers throughout New Jersey.**
- **Consumers Are Fed-up with “Gotcha” Product Packaging.**
- **Acclaim Federal Credit Union is the Low Loan Lender in the Carolinas.**
- **Apply for the 2012 Green CSM Certification Program.**

Will Consumer Spending Rebound for 2012 Holiday Season?

With the presidential election behind us and the 2012 holiday season just ahead, most consumers couldn't be happier that they can stop watching political ads and focus on their holiday shopping. But, the big question everyone is asking is this: Will consumer spending rebound for the 2012 holiday season?

The short answer is yes! U.S. retailers are forecasting a 3.7% increase in holiday spending over 2011. The American Consumer Council is predicting a higher number – around 4.5% -- based on a recent survey of its members. While the economy continues to limp along and gain ground, and unemployment levels continue to drop ever-so-slowly, consumers are feeling more confident this year and will increase their holiday spending.

That's according to Thomas Hinton, president of the American Consumer Council, who stated, "There's pent-up demand on the part of consumers to celebrate the holidays for the first time in five years. So, we think consumers will splurge a bit more this Christmas than they did last year. Our projections take into consideration two factors -- the positive economic uptick over 2011 and, the possibility of retailers offering big discounts and early sales to get consumers in their stores. If

retailers offer big November discounts, it's possible consumer holiday spending could increase by 5% over last year. But, that's being very optimistic."

According to a recent BDO USA survey, chief marketing officers at leading U.S. retailers expect a 3.7 percent increase in holiday comparable store sales. This marks the survey's most optimistic forecast since 2007 when CMOs projected a 5 percent increase in comparable store sales.

Holiday Season Comparable Store Sales Forecasts

2012	2011	2010	2009	2008	2007
+3.7%	+2.1%	+2.8%	+1.6%	-2.7%	+5.0%

Amid a flurry of new tablet announcements from tech giants including Apple, Microsoft and Google, a majority of CMOs (62 percent) say consumer electronics will be the strongest selling category in 2012. The continued confidence in consumer electronics sales is likely fueled by similar expectations from 62 percent of CMOs that the category will see the most discounts and promotions during the holiday season. Price-matching programs at Target and Best Buy suggest that retailers will be battling with both online and brick-and-mortar retailers for these purchases.

"While we haven't returned to pre-recession levels of optimism, retailers are gearing up for what looks to be a promising holiday season," said Doug Hart, partner in the Retail and Consumer Product Practice at BDO USA, LLP. "Still, consumers have more choices than ever, and retailers are looking to avoid show-rooming by curating a mix of exclusive and top-selling products to get consumers in their door or on their site."

These findings are from the most recent edition of the **BDO Retail Compass Survey of CMOs** which examined the opinions of 100 chief marketing officers at leading retailers located throughout the country. The retailers in the study were among the largest in the country, including 20 retailers in the top 100 based on annual sales revenue. The telephone survey was conducted in September and October of 2012.



Garden Savings Federal Credit Union is a full service financial institution that was founded in 1968 and today stands at over \$200 million in assets. The credit union was founded by the employees of AT&T Bell Laboratories and serves over 14,000 members from over 100 organizations and communities at this time. Headquartered in Parsippany, NJ with branches in Newark and Murray Hill, NJ as well, Garden Savings strives to provide their members with a top flight banking experience.

The credit union offers a wide variety of financial products and services in both deposit and lending. Highlighted products include the credit union's "Diamond Checking" account which is an absolutely free checking account (no minimum balance requirement and no monthly maintenance fee) that offers ATM refunds. No matter what ATM you use, anywhere in the United States, Garden Savings will refund the surcharges from those ATMs up to \$20 per month provided any electronic direct deposit is going to the Diamond Checking account each month. Garden Savings also features certificate rates (the equivalent of CDs at banks) that have garnered national attention for their competitiveness.

Garden Savings also features a full menu of loan products, from Visa Credit Cards to Personal Loans, Automobile Loans and First Mortgages (both fixed rate and adjustable rate). They also offer fixed rate home equity loans and variable rate home equity lines of credit that are priced extremely competitively. The credit union welcomes refinancing opportunities in their quest to lower payments for their members and help those members to achieve their individual financial dreams. They have unique relationships with several business partners that can help to make the car buying and home buying processes a lot more pleasant.

All account access services, such as on-line banking, on-line bill payment, debit cards, and audio response tellers, are also absolutely free.

Garden Savings FCU can be reached directly at www.gardensavings.org or by calling 888-554-9328.

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Consumer Reports Says Consumers are Fed-up with “Gotcha” Product Packaging.

Consumer Reports magazine gets a raft of complaints about all sorts of packaging problems. Some are hard to open, others have too much packaging. Opening a box of cereal shouldn't cause an explosion. But *Consumer Reports* says that's just one of many packaging gotchas.

"We literally get hundreds of letters, cards, e-mails, posts on our Facebook page from disgruntled consumers who are fed up with lousy packaging," said Tod Marks of *Consumer Reports*. [link: Consumer Reports](#)



Gotcha number one - oysters. They're those hard to open packages. "Several readers complained vehemently about the No-Touch Kitchen System from Lysol, saying it was basically impervious to every implement they could bring to the table," said Marks. And freeing a Barbie doll isn't much easier. "Trying to pull her out, can't do that. We've got those ties on the back going through her head. She's still stuck," said Marks.

Another gotcha - downsizing. Two Barbasol shaving cream cans are the same size. But one is 11 ounces and the other is 10. The company says: "a slightly reduced product volume improved function" Ivory soap used to weigh four-and-a-half ounces, now it's just four. "They're keeping the price the same but giving you less for your money. Well, gosh, that amounts to a price increase if you ask me," said Marks.

Then there's the black hole, packages that make products look bigger than they are. Take a container of Velveeta Shells and Cheese, once you're done making it, look how little food is actually inside. And check out how little is inside a box of Nice! Apricots.

"Companies spend roughly \$130 billion a year on product packaging. Roughly seven percent of a product's cost is in the packaging. So it's coming out of manufacturer's pockets, and it's coming out of consumers' pockets," said Marks.

Consumer Reports contacted companies regarding the packaging complaints. Lysol says a scissors should be enough to open its soap dispenser. Mattel had no comment. Kraft says it leaves room for water in the Velveeta Shells and Cheese and that noodles expand. Ivory says its half-ounce bar soap reduction is due to increased production costs. And Nice! Apricots said it will evaluate its product.

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Acclaim Federal Credit Union is a full service financial institution located in Greensboro, North Carolina and serving the needs of consumers throughout the tri-state region. Since its inception in 1979 Acclaim Federal Credit Union has been serving its members in and around the Greensboro, North Carolina area with exceptional financial products and superior service.

Under the leadership of Valerie Marsh, the Acclaim FCU has grown its membership to over 6,563 with assets of more than \$28,901,494. Acclaim FCU's main office is in Greensboro, NC.

The Acclaim offers its members a full service website that allows for true "*Banking from Home*" functionality. Users have the ability to apply for loans, get account balance and history reports, transfer money between accounts, make bill payments, and so much more. Members can also take advantage of a full array of loans including real estate, business and new and used car loans.

Consumers, who join the American Consumer Council, are eligible to join Acclaim FCU. Please visit Acclaim's website or contact them by phone at 336-332-5302, or email them at Admin@acclaimfcu.org to get exact details.

***The American Consumer Council is proud to have
Acclaim Federal Credit Union of Greensboro, NC
as a Sponsoring Member***

Green CSM Certification Accepting Applications for 2012 Fall Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the 2012 Fall cycle are now being accepted through December 10, 2012.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

