



Lifestyle

## Ten Things We're Still Buying

Lauren Sherman, 01.20.09, 4:00 PM ET

Hey, Big Spender, are you out there? You must be, since December 2008 sales amounted to \$343.2 billion. What did you buy?

Nothing impulsive or lavish, it would seem. Consumer confidence is at its lowest point in history and, according to a Jan. 14 report released by the Commerce Department, retail sales were down 2.7% in December 2008 from November 2008 and 9.8% from December 2007.

From Wal-Mart to Saks Fifth Avenue, retailers are so desperate to rid themselves of inventory that they're marking down some merchandise by 90%.

However, \$343.2 billion is still something, not zero, meaning consumers still deem many items worthy of the original price tag, says Martin Lindstrom, a retail marketing expert and author of *Buyology: Truth and Lies about What We Buy*.

### In Depth: 10 Things We're Still Buying

While retailers suffer from shoppers changing their behaviors during recessions (mainly by abandoning brand loyalty), says Lindstrom, "There are certain things people won't give up."

#### Keeping Up Appearances

**Personal care** is one of them. That vast category includes everything from shaving cream to perfume to hairspray. From November 2007 to November 2008, U.S. sales of shampoo, acne treatments, skin care gift sets and grooming products increased by 18%, 14%, 11% and 15%, respectively, according to Karen Grant, senior beauty analyst at Port Washington, N.Y.-based market-research firm NPD Group.

Consumers are even still spending beyond the necessities in the personal-care category, it seems. At Nelson Bach, a North Andover, Mass.-based natural remedy company, year-over-year sales of its Rescue® Pastilles have doubled, according to company president Cynthia Batterman.

She believes that in a tough economy, when 7.2% unemployment means an increase in those lacking health insurance, many turn to alternative therapies. Nelson Bach's gummy lozenges, made with flower essence of white chestnut, are said to offer natural stress relief. And at \$7 a tin, they're a relatively inexpensive way to feel just a little bit better.

"When people put off going to the doctor, they're more likely to try self-treatment," says Batterman.

#### Seeking an Escape

Whether used for keeping up appearances or curing minor ailments, personal care is--ultimately--about feeling good. Sometimes, that means buying products to escape the reality of the recession.

"Even if we can't afford to escape to Paris, we can still afford to buy perfume with 'Paris' on the label," says Lindstrom.

But it's technology, not perfume, which many would say does the best job of providing a sense of escape.

Arguably the most accessible form is the [videogame](#), which has seen a 14% sales increase in 2008, according to San Diego, Calif.-based Electronic Entertainment Design and Research Group (EEDAR).

In the third quarter of 2008 alone, the two top-selling items--"Madden NFL '09" and "Wii Fit"--sold 5 million units combined, according to NPD. And since it was first released in 2005, [Guitar Hero](#) has sold 25 million copies, grossing \$2 billion.

[Smart phones](#), another way to use videogames and other forms of escapist entertainment--like podcasts and television shows--are also in demand. NPD says that from November 2007 to November 2008, the number of smart phones purchased increased from 13 million to 24 million, which resulted in a sales increase of 53%, from \$2.7 billion to \$4.1 billion over the same period.

And while you can't do much more than surf the Internet and write term papers on minute-memory [netbooks](#), the reasonable price--about \$300--made mini laptops a winner. Sales in the third quarter of 2008 increased by 160% compared with the third quarter of 2007, according to Austin, Texas-based market research firm Display Search.

### Keeping Fit

Don't let consumers' continued thirst for technology have you thinking everyone will be anchored to the couch through the remainder of the recession, however long it lasts. [Gyms](#), considered by some to be an affordable luxury, aren't completely in the red, as people seem to want to stay healthy in both good and bad times.

In fact, market researchers at St. Louis, Missouri-based firm Stifel Nicolaus say overall gym memberships will increase by 4% in 2009. And a nationwide survey conducted by Princeton, N.J.-based Opinion Research Corporation, and sponsored by gym chain Anytime Fitness, found that over 60% of the 1,090 (gym-going) participants planned on keeping their current membership plan, while another 23% planned on downgrading to a less expensive option.

Aside from bare necessities, the things consumers are still buying have one thing in common: They provide a break from reality. "We want to dream ourselves away," says Lindstrom.

Maybe everything will be fine by the time we wake up.

### In Depth: 10 Things We're Still Buying

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