

US Shoppers Spent Less Over Black Friday: NRF

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American consumers shopped more for bargains at the start of the U.S. holiday season and spent significantly less than a year ago, according to early data released on Sunday.

Consumers said they will have spent nearly 8 percent less on average, or about \$343 per person, over the weekend that includes U.S. Thanksgiving Day, Black Friday and runs through Sunday, according to the National Retail Federation.

While traffic to stores and retail websites rose to 195 million people from 172 million in 2008, the early data this weekend represents a worrisome sign for retailers, who had braced for weak sales and sought ways to protect margins.

Data released by ShopperTrak on Saturday showed that sales rose a scant 0.5 percent on Black Friday, which is often the single busiest day of the holiday shopping season.

"Shoppers proved this weekend that they were willing to open their wallets for a bargain," NRF Chief Executive Tracy Mullin said.

Retail chains "know they have their work cut out for them to keep people coming back through Christmas."

The NRF has forecast a 1 percent decline in holiday sales this year, which would mark an unprecedented drop for two straight years after a global financial crisis erupted in 2008.

Retailers had warned investors they would take a conservative view of holiday sales and have cut inventory and reduced expenses to compensate.

Target said earlier this month that sell-side analysts were "somewhat more optimistic across most of our industry than we believe is warranted" regarding the potential for a consumer rebound in time for the holidays.

Shoppers interviewed across the country by Reuters over the weekend said they were lured by bargains, but would stick to their budgets and avoid purchases if they could not find a good deal.

"If they don't have rebates and sales before Christmas, I don't think people are going to go back shopping after Black Friday," said Joel Wincowski, a higher education consultant shopping at a **Best Buy** store in Plattsburgh, New York.

He bought an Xbox 360 game console for \$299. "We're going to cut back on everybody, even the kids," he said.

Department Stores Attract

Discount chains like **Wal-Mart Stores**, department stores and higher-end chains like **Saks** seemed to have lured more spending and avoided steep discounts, retail consultants and executives said on Sunday.

Specialty apparel chains, however, may face another tough year as they relied on heavy promotions to draw shoppers.

"Going through the mall on Friday, the stores that had not been doing as well — **AnnTaylor**, **Limited**, **Gap** — were very aggressively promoting," said Jeff Edelman, director of retail and consumer advisory services at RSM McGladrey.

"Saks, which had low inventories, **Bloomingdale's**, which had low inventories, were maybe 25 percent off or 30 percent off, and it was on selected items," he said. "It's not as if the entire store was on sale as it was last year."

Edelman expects holiday sales to be flat this year, but he said he expected profits for most retailers to be higher.

The NRF said shoppers' destination of choice appeared to be department stores, with nearly half of holiday shoppers visiting at least one.

A little more than 43 percent of shoppers said they went to a discount retailer this weekend.

