The Virgin Islands Consortium

Black Friday Sales At Stores And Online Slide

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New York Times -- Have Americans finally had enough of Black Friday madness? Sales, both in stores and online, from Thanksgiving through the weekend were estimated to have dropped 11 percent, to $50.9 billion, from $57.4 billion last year, according to preliminary survey results released Sunday by the National Retail Federation. Sales fell despite many stores' opening earlier than ever on Thanksgiving Day.

And though many retailers offered the same aggressive discounts online as they did in their stores, the web failed to attract more shoppers or spending over the four-day holiday weekend than it did last year, the group said. The average person who shopped over the weekend spent $159.55 at online retailers, down 10.2 percent from last year.

Over all, 133.7 million people shopped or planned to shop at stores or online over the four-day weekend, 5.2 percent fewer than last year, the federation said. And shoppers spent an average of $380.95 over the four days, 6.4 percent less than the $407.02 they spent last year.

Photo

A Walmart worker helped a customer load a bicycle into her car on Black Friday in Bellevue, Wash. Credit David Ryder for The New York Times

Executives at the retail federation, which had predicted strong growth in sales this holiday season, appeared at a loss to fully explain the drop-off.

The results could show that “there are a significant number of Americans out there for whom the recession is not yet over,” said Matthew Shay, the group’s president and chief executive.

At the same time, those who did feel more flush, thanks to lower fuel prices and brightening job prospects, might not have felt the need to hunt down the rock-bottom Black Friday deals, he said.

Black Friday itself may be waning in importance, as retailers increasingly offer deep discounts days, and even weeks, before the traditional year-end sales period. That means many people may have simply done their shopping earlier and stayed home during the Thanksgiving weekend.

But even there, the picture was not clear: Mr. Shay said that people also might be holding out for even better deals as the season progressed. He said that the continuous sales had conditioned consumers to expect better deals the longer they waited.

The retail federation still stuck to its rosy estimate for the entire holiday season. Its economists expect sales in November and December — excluding those for autos, gas and restaurants — to grow 4.1 percent to $616.9 billion, a faster pace than the 3.1 percent increase last year.

But the early numbers point to a grueling struggle for year-end sales among the nation's retailers, Mr. Shay acknowledged.

"It's going to be a dogfight for the entire season every day, every minute," he said. "Holiday sales are now a marathon, not a sprint."

Over the weekend, shoppers across the country had noted unremarkable crowds.

"Back in the day, there used to be a lot of people," said Joyce Hudson, 54, one of several shoppers at a Kmart in Los Angeles who wandered the aisles at a pace seemingly no different from any other shopping day. Kmart's Black Friday sales began Thursday evening and the store stayed opened throughout the night.

Mrs. Hudson, shopping with her daughter, bought diamond earrings and several gold and silver necklaces, spending a total of $450, at deep discounts off the suggested retail prices.

"This year is really slow, there's a big difference from even last year," said a Kmart customer service manager, Indira Reyna, 44, who said she had worked the day after Thanksgiving for most of her 13 years on the job. "It's never been this slow. We still have all these deals."

Ken Perkins, the founder of Retail Metrics, an industry research company, said Black Friday was increasingly a thing of the past.

"The Black Friday hype has come and mostly gone," he said, thanks to "significant changes to the way consumers shopped, retailers promoted and the general importance of the day itself."

He warned against basing forecasts for the entire holiday season on Black Friday. But he added that the weak results could pressure retailers to cut their prices even more aggressively, which could hurt their bottom lines. He said discounts reaching 50 to 70 percent were becoming the norm.

"These deeper discounts are an absolutely necessary entry cost to get consumers into stores and onto websites," Mr. Perkins said. "Deep discounts make it more difficult, however, to generate robust sales growth as more unit sales are required to make up for steep price cuts."

During this weak showing, Walmart came out "the undisputed leader" in terms of traffic, where lines were deep at all registers and parking lots were overflowing, Mr. Perkins said. Best Buy, Target, Old Navy and Kohl's were also busy Thanksgiving night, he said. Walmart and Target also said their online sales surged over the holiday period, albeit from relatively low levels.

The sales period was a “lost weekend” in particular for apparel, said Craig Johnson, president of the consultancy Customer Growth Partners. Shoppers increasingly captivated by technology like smartphones and smart TVs were spending less on jeans and jackets, he said.

Consumers appeared to shun apparel “unless it was at fire-sale prices, which it often was,” Mr. Johnson said.

A brighter spot over the weekend appeared to be consumer electronics. The Consumer Electronics Association said about 45 percent of shoppers bought electronics, more than in any of the last three years.

Among electronics, televisions were the surprise winner, helped by big deals on larger models and even the latest “4K” ultrahigh-definition models. Surveys showed that TVs were the most sought item over the four days, beating smartphones and even tablets, which some forecasters had billed as the season’s hot item. High-end headphones, a favorite last year, did not do as well, perhaps because so many people already own them.

The association’s figures also suggested that over all, both shoppers and spending were down over the holiday weekend. It estimated that 113.2 million adults shopped or planned to shop over a five-day period that includes Thanksgiving, Black Friday, the weekend and so-called Cyber Monday, when many retailers offer further deals online.

Shawn DuBravac, the electronics industry group’s chief economist, also said deals earlier on had eaten into sales over the holiday weekend. He said that the deeper discounting could have translated into lower sales over all.

Mr. DuBravac, however, had a potential solution to revive flagging sales in the United States: Borrow a tradition from China.

“Nov. 11, Singles Day. It’s the biggest online sales day globally,” Mr. DuBravac said.

He was referring to the Chinese shopping tradition that began as a day on which China’s unmarried people shopped away their loneliness. But Singles Day is now a full-blown event with big promotions and marketing by companies like Alibaba, the Chinese e-commerce giant.

This year, Alibaba said that it had transactions on the unofficial holiday of $9.3 billion.

“You’re already seeing those who have connections to China in the U.S. buying things for their families,” Mr. DuBravac said.