

## Deeper discounts, later hours await last-minute Christmas shoppers

by Jennifer Davies

SAN DIEGO - With less than a week before Christmas, retailers are pulling out the stops with extended hours, discounts and expedited shipping for online orders.

Stores such as JCPenney, Macy's and Toys "R" Us are staying open until midnight at their stores and even operating around the clock in New York and some other cities. Best Buy and others are guaranteeing online purchases will be delivered in time for Christmas. Retailers such as JCPenney and Kohl's are promoting discounts of as much as 50 percent.

Many retailers have already made aggressive bids for consumers' time and dollars with early discounts and high-profile Black Friday promotions.

But while throngs of shoppers made their way to stores on the Black Friday weekend, with traffic increasing 4.3 percent from last year, sales and store visits cooled off considerably in the weeks after Thanksgiving.

ShopperTrak RCT, a Chicago firm that tracks sales at more than 50,000 locations throughout the United States, said foot traffic for the week ending Monday fell 8.9 percent compared with the same time last year. Actual sales for that week decreased by 0.4 percent from last year. Store traffic for the week ended Dec. 8 fell 12.3 percent compared with last year.

With retailers looking to attract reticent consumers, analysts say good deals may come to those who waited.

"The discounts always get better as the season goes on," said Marshal Cohen, chief retail analyst for The NPD Group, a market research firm.

Tim Lyons, spokesman for JCPenney, said the deals planned for this weekend will be as big as those the company offered on Black Friday weekend, with 50 percent off much of the store.

Dan de Grandpre, founder and editor in chief of dealnews.com, which tracks retailers' discounts, said aside from a handful of items, most shoppers will find better deals this weekend than they did on Black Friday.

"It's very good for consumers," he said. "It's fantastic."

Much of the price competition this season has been online, as the Web provides a more fluid environment for discounts and price wars to flourish, de Grandpre said. Since there is no lead time to get print advertising and signage ready, retailers can quickly react to competitors' discounts.

"You see much more cut-throat pricing on the Web," he said. "You can't get those same type of sales in the stores."

Cohen of The NPD Group said many of the promotions shoppers will see in stores this weekend will have been planned in advance, but some retailers may get desperate and slash prices unexpectedly.

"Storewide sales or anything 60 percent off is not planned," Cohen said.

Still, with all the deals, some analysts say that stores aren't doing enough to get the attention of cash-strapped consumers.

C. Britt Beemer, chairman of America's Research Group, a research firm in Charleston, S.C., said he expected a lot more stores to be offering bigger deals, with storewide discounts as high as 50 percent.

"I'm quite concerned about the number of consumers who aren't shopping," Beemer said. "Retailers have been playing cat and mouse in terms of discounts for too long this season. It may be the mouse might just leave and eat somewhere else."

When Beemer did his initial research on the holiday season, 11 percent said they would be out of town the weekend before Christmas and were not planning to shop then. Now, that number is up to 24 percent as consumers are deciding to forgo presents in favor of the vacation.

"There are a lot of ways to spend money on things that aren't gifts," he said.

Beemer said he has reduced his estimate of 2 percent sales growth for the season to just 1.8 percent. "I should probably reduce it more," he said.

Other analysts say the last-minute deals might not look as enticing because retailers started out the season aggressively.

"Everyone had the expectations of a slow year, so they came out early with their best hand," said Stephen Hoch, professor of marketing at the Wharton School at the University of Pennsylvania. "There's not much more cutting to be had."

Analysts also say retailers are doing a much better job with inventory control. Expecting a lackluster holiday season, many retailers have trimmed the amount of merchandise they are carrying to avoid huge price cuts, said Tim Finley, a retail expert and a managing director of Alvarez & Marsal, a business consulting firm.

"I've noticed a lot less inventory than there used to be - significantly less," he said.

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