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Study Reveals Dip in Thanksgiving Weekend Sales

By ARNOLD J. KARR

Black Friday might have gotten better notices than it deserved.

RetailNext, the San Jose, Calif.-based firm that collects store data through video analytics, in-store sensors and retailers' point-of-sale information, reported today that department stores on the traditional kick-off of the holiday season experienced a 29 percent spike in traffic and a 2 point rise in conversion rates on the strength of longer hours and a barrage of promotions. However, there was a 14 percent decline, year-over-year, in traffic for the remainder of the Thanksgiving weekend for these stores.

Unable or unwilling to staff their stores to the same extent as their anchor competitors, specialty stores saw traffic decline 5 percent on Black Friday, with sales down 16 percent, conversion down 2.4 points and only a "slight increase in average transaction value." For the weekend, their traffic fell 10 percent and sales maintained their 16 percent decline. Off-price stores had a 15 percent traffic increase on Black Friday with conversion up 4 points and transaction value down.

Shelly Kohan, vice president of retail consulting at RetailNext, said, "Early openings on Black Friday helped some of the large anchor stores but were an operational challenge for specialty retail. This 'overnight' trend forced most specialty retailers to open early to stay competitive and take advantage of traffic, but these retailers saw the same amount of traffic and sales spread over a longer period of time.

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"Trends the first fiscal week of December showed similar declines in traffic across both specialty and department stores," she added, pointing out that average transaction values were flat for both sectors, although department stores continued to benefit from "significant" increases in conversion rates.

Kohan noted that apparel specialty retailers generally experienced larger declines in traffic than specialty retailers as a group. "In accessories, the traffic hasn't dropped quite as much and in some cases conversion is up, but for the ready-to-wear merchants, both traffic and conversion are down."

RetailNext's data ran through Sunday, Dec. 4 and included results from more than 40 U.S. retail chains. Kohan said she hadn't seen a major reversal of fortune in the days since then. The numbers are for brick-and-mortar retail transactions only, although RetailNext observed that stores with substantial e-commerce businesses "experienced significant traffic and sales decreases over the Black Friday weekend."

"A significant drop in traffic is pretty difficult to make up online and through e-commerce," Kohan said.

She noted that the modern-day consumer, armed with information from his or her computer and from a growing arsenal of mobile devices, is “a much more educated shopper who’s looking for specific value. One of the reasons that the conversion rates have been higher for department stores is that those stores know their customers and target them so that they know what they’re going to spend before they walk into the store. Consumers today have a pretty tight grip on their wallets and they’re very choosy about what they buy.”

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