# Holiday shopping: Desire for deals, but some impulse buying

November 30 2017, by Anne D'innocenzio



In this Thursday, Nov. 23, 2017, file photo, people wait to pay for televisions as they shop a sale at a Best Buy store on Thanksgiving Day, in Overland Park, Kan. For the five-day period that ended the Monday after Thanksgiving, shoppers seemed to spend more in 2017 compared to a year earlier. (AP Photo/Charlie Riedel, File)

As shoppers have bought TVs and toys so far this holiday season, they've shown a desire for deals but also an inclination for some impulse spending, retail experts say.

Shoppers were on track to spend more compared to last year. The National Retail Federation trade group called spending so far "robust," and reiterated its forecast that holiday sales will rise by up to 4 percent.

More than one-third of shoppers surveyed by the NRF planned to make all their purchases on sale over the five days of Thanksgiving to Cyber Monday. That's similar to last year, and up from 11 percent in 2015.

But shoppers appeared to be buying on a whim also. Marshal Cohen, chief industry analyst at market research firm NPD Group, said based on what he and his team saw at stores last weekend, "there's no question there was more impulse buying and self-gifting."

Here are other details from the season so far:

DISCOUNTS

The discounts appeared slightly smaller this year on Thanksgiving and Black Friday compared to last year, according to research firm Market Track LLC. It analyzed Black Friday circulars at retailers including Walmart, Target, Sears and Best Buy and found that the advertised discounts averaged 45 percent this year compared to 48 percent last year.

"Shopper are looking for deals, but there wasn't significant price slashing," said Ryne Misso, Market Track's director of marketing. He noted that stores tried to simplify discounts by offering blanket sales and doing less bundling, such as offering two-for-one deals.

But there were bargains to be had. On Saturday at the Garden State Plaza in Paramus, New Jersey, stores from Macy's to J.C. Penney slashed prices at least 40 percent in many departments. And Macy's had a display of coats at 80 percent off. On Cyber Monday, 89 percent of orders came with free shipping, up just slightly from last year, says

Salesforce, which tracks the buying activity of 500 million global shoppers.

IMPULSE SHOPPING

As online buying has made shoppers, armed with mobile phones, more purposeful, retailers from Target to Saks Fifth Avenue are making a bigger push to offer grab-and-go items.



This 2016 photo provided by J.C. Penney shows the "Penney Lane" area of a J.C. Penney store at Collin Creek Mall in Plano, Texas. Retailers are making a bigger push to offer grab-and-go items. J.C. Penney has "Penney Lane" mini-shops, filled with items under $10 like air fresheners and adult coloring books. (J.C. Penney via AP)

Target has set up kiosks stocked with items like fun socks and beauty items throughout the store. J.C. Penney has "Penney Lane" kiosks filled with items under $10 like air fresheners and adult coloring books. And luxury retailer Neiman Marcus has grab-and-go gifts too, but they're under $200. They include a unicorn-shaped body pillow for $35 and fingerless fur mittens for $70.

ONLINE SHOPPING ERODES STORE BUYING

Amazon said Wednesday that Cyber Monday was the biggest shopping day in its history, but didn't provide figures. But analysts reportedly estimated $1 billion in revenue for its Prime Day event in July. It also said Cyber Monday orders on its app jumped more than 50 percent from a year ago. Online buying from Nov. 1 to Monday was up 17 percent from a year ago to $50 billion, says Adobe Analytics, the research arm of the software maker.

Mobile shopping accounted for nearly 46 percent of retail visits and 40 percent of revenue on Cyber Monday, compared with nearly 43 percent of retail visits and 27 percent of revenue on the same day last year, says Adobe.

For the five-day holiday kickoff, NRF estimated that more than 64 million shopped online or in stores. In addition, more than 58 million shopped online only, while more than 51 million shopped in stores only.

Overall spending rose 11.3 percent, while retail spending, which excludes grocery stores, auto parts merchants and gas stations, was up 8 percent during the five-day period ended Cyber Monday, according to First Data, a technology firm. It analyzes online and in-store payments across different forms of cards from 1.3 million merchants.

But e-commerce sales helped drive that growth. Sales at brick and

mortar stores rose 6.5 percent, while e-commerce sales were up 15 percent. As a result, online sales accounted for 29 percent of total spending for the five-day period, up from 25 percent a year ago. Electronics and appliances and specialty retailers were the only two categories among the seven First Data tracks to show higher sales growth in stores compared with online.

Store traffic, though, has continued to fall. Shopper visits were down by 1.6 percent on Black Friday, compared with a 1 percent drop in the prior year, according to research firm ShopperTrak. It calls the declines "far less substantial" this year and last than in earlier years.

Stores and malls have tried to make themselves places people want to be, like offering free massages and concerts. Malls operated by CBL Properties had DJs and free giveaways. "It created a more festive environment," said spokeswoman Stacey Keating. "People were dancing with Santa in the common area of the mall."