

Retailers look to woo shoppers from rivals as Amazon grows

November 23 2017, by Anne D'innocenzio

Toys and TVs at J.C. Penney, Barbies at Best Buy, kitchen appliances like wine refrigerators at B.J.'s. As the holiday shopping season officially kicks off Thursday, shoppers may find some surprises at their favorite stores.

Even as retailers are counting on a lift from a better economy, they're looking beyond economic data and mapping out ways to pick up sales from other retailers as Amazon expands its reach. That can mean opening earlier than rivals on the holidays or even jumping into new product categories. The fight for market share comes as analysts at Bain say Amazon is expected to take half of the holiday season's sales growth. And Amazon is the top destination for people to begin holiday shopping, according to a September study by market research firm NPD Group.

"The retailers are in survival mode. It's about stealing each other's market share," said Marshal Cohen, chief industry analyst at NPD. "Amazon is the Grinch. They're stealing the growth."

With the jobless rate at a 17-year-low of 4.1 percent and consumer confidence stronger than a year ago, analysts project healthy sales increases for November and December. The National Retail Federation trade group expects sales for that period to at least match last year's rise of 3.6 percent and estimates online spending and other non-store sales will rise 11 percent to 15 percent.

Amazon is expected to be a big beneficiary as it cements loyalty among

its Prime members and moves into new services and private-label merchandise. The company has introduced more than 20 such brands in the past two years in clothing, electronics, groceries and more, says Bain.

That leaves stores looking at rivals to see where they can pick up sales. There are extra dollars up for grabs this year, after thousands of store locations have closed and several retailers including Gymboree and Toys R Us filed for bankruptcy protection.

Jordan Ascencio, who has sons aged 1, 7, and 8, plans to bypass Toys R Us on Black Friday after being turned off by what she says are dirty stores and skimpy supplies. The latest problem: Her online order was canceled following a large-scale coupon glitch.

"I am not a fan anymore," said the resident of Sapulpa, Oklahoma. Instead, she plans to buy toys at J.C. Penney and Target.

And with Gymboree shuttering a quarter of its stores, Ascencio is buying more of her children's clothing at Target, which has launched a number of new private label brands.

Target CEO Brian Cornell recently highlighted that up to \$60 billion in [consumer spending](#) will be up for the taking in the next few years, and said the chain has been picking up market share in such areas as clothing.

The Thanksgiving weekend, when stores go all-out to attract shoppers, can be an indication of how well they'll do through the season. About 69 percent of Americans, or 164 million people, intend to shop at some point during the five-day period from Thanksgiving to Cyber Monday, according to a survey released by the National Retail Federation. It expects Black Friday to remain the busiest day, with about 115 million people planning to shop then.

Stores like Macy's, Target and Kohl's are set to open Thursday evening as they try to woo early shoppers. Walmart starts deals in its stores at 6 p.m. J.C. Penney is opening its doors at 2 p.m., an hour earlier than last year and at least three hours ahead of its department store rivals.

Some retailers are using the weekend to test new product areas before committing to them year-round: Penney says it will have TVs and consumer electronics like game consoles as doorbusters for Thanksgiving and Black Friday only. Penney has also added year-round toy shops and increased its selection of work pants as an apparent move to grab market share from Sears, after last year going back to selling major appliances.

Penney's Senior Vice President James Starke called these moves "[market share](#) plays."

Both Walmart and Target have been expanding their exclusive toys offerings. Walmart is throwing parties in its stores including ones where kids can play with new toys. Best Buy created its first toy booklet for the holidays. And in its Black Friday ad, the chain features Barbies among smart TVs and other electronics.

Chris Baldwin, CEO of BJ's Wholesale Club, says it is offering more toys and clothes. In clothing, it's been able to offer key national brands in areas like casual athletic wear amid rampant [store](#) closures. And he says clothing sales are up by at least 10 percent as people don't go to the mall as much.

"There's no question that consumer spending has started to tick up and confidence is a little bit better, which is terrific, but we are also seeing some benefit from other retailers," he said.

© 2017 The Associated Press. All rights reserved.

Citation: Retailers look to woo shoppers from rivals as Amazon grows (2017, November 23)
retrieved 9 April 2024 from
<https://phys.org/news/2017-11-retailers-woo-shoppers-rivals-amazon.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.