

More US Shoppers Out Holiday Weekend, But Spend Less

by Karen Talley

NOVEMBER 30, 2009, 7:38 A.M. ET

NEW YORK (Dow Jones)--U.S. holiday shoppers were out in droves over the Thanksgiving weekend, but they weren't in a giving mood as they spent less in virtually all regions of the country.

Some 195 million consumers visited stores and Web sites from Thursday through Sunday, the National Retail Federation said, a figure that compares with 172 million over the same period last year.

Average spending this year was \$343.31, down from \$372.57, the NRF said.

The dynamic placed sales for the Thanksgiving weekend at \$41.2 billion just about the same as the \$41 billion they spent over the same period in 2008. More shoppers bought less, and when they did make purchases they focused on low-cost items.

Higher income consumers really pulled back. Those making \$50,000 or more a year spent about \$427 per person versus \$468 last year. Those with incomes below \$50,000 spent about \$255 on average, in-line with last year's figure, the NRF said.

The northeast saw one of the most significant declines, with spending down to about \$357 per shopper from \$397 last year.

The region that saw a pick-up was the west, where the average shopper spent \$345 compared with \$314, underscoring signs of recovery in a region the recession hit especially hard.

"Consumers' appetite seems to be trending for more lower-priced items," said NRF spokeswoman Ellen Davis.

The showing indicates that this holiday season will have to be a marathon for retailers, not a sprint as they try to at least come close to last year's very poor holiday showing.

The NRF still expects holiday sales to fall 1% to \$437 billion this year compared with 2008, as 84% of consumers plan to spend less this season.

Retailers "know there has to be a lot of discounting going forward to keep customers coming back for more," Davis said.

Department stores were a destination for about half of shoppers, the NRF said, although it didn't have figures for how much was spent there or what kinds of items were purchased. Many department stores extended their hours more than usual this year, and malls opened early, helping to bring customers into the hard-hit department store group.

Nearly 30% of shoppers said they visited online sites over the weekend.

About one-fourth of holiday consumers said they were shopping before 5 am on Friday.

Aside from big discounts on large items like high definition televisions, consumers were drawn to highly marked-down basic items like kitchen appliances and bedding, restocking for their own needs as well as looking to the items as gifts.

"There was not as much impulse buying" of more expensive items, Davis said.

At least some stores were engaging in restocking towards the end of the weekend as merchandise sold out. The replenishment was mostly in moderately-priced items, like the George Foreman grills Target Corp. (TGT) employees were putting out at the Danbury Fair Mall in Conn. on Sunday, said Sapna Shah, principal at research firm Retail Eye Partners who was out canvassing over the weekend.

Kohl's Corp. (KSS) was also restocking on lower priced items like toys, kitchen items and consumer electronics, with prices no longer at doorbuster levels, but less than their usual price.

Shah said retailers appeared to be keeping some promotions going to a greater degree throughout the weekend than they did last year.

Gap Inc. (GPS) was extending certain promotions by at least a couple of days, a store employee said.

Many shopper still haven't hit stores yet for their holiday shopping, preferring to start after the Black Friday din dies down, and like those already out there, planning to be frugal.

Marie Giamo of Douglaston, N.Y., is taking the value message especially to heart, making the bank her first stop this year, to get savings bonds for her two grandchildren.

After that, it is off to the stores, where "I will pick up a little of this and a little of that for them," Giamo said.