

Holiday shopping: Fierce battles with Amazon could mean more negotiating power for you

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(Photo: Kimberly P. Mitchell, Detroit Free Press)

Let the holiday showdown begin.

Scuffles in years past centered on Black Friday fights as stressed-out consumers rushed the aisles to try to snag big-screen TVs. This year, big brand retailers — such as Walmart, Target and Kohl's — will be duking it out against e-commerce powerhouse Amazon.

Online sales continue to grow — with some analysts anticipating that almost half of online sales this holiday season will be made on Amazon.com.

For the first time ever, more surveyed shoppers expect to spend more of their holiday budget online instead of in stores, according to a survey by Deloitte. Last year, the survey found consumers expected to spend evenly between stores and online — 47%.

This year, metro Detroit shoppers surveyed plan to spend 51% of their holiday budget online, compared with 44% in the store, according to Deloitte's 2017 Holiday Survey. The rest will be spent elsewhere, including shopping with catalogs.

"Retail is scrambling in a number of ways to meet the online onslaught," said local retail analyst Kenneth Dalto, of Kenneth J. Dalto & Associates in Bingham Farms. "Amazon is going to beat the crap out of a lot of people."

Such a fight-or-flight retail environment means one thing for consumers: Deals. And perhaps the opportunity to bargain down prices on more than just TV sets.

Like basketball shoes. Ever think of negotiating on a pair of kids' sneakers?

"Sometimes, you get lucky. It depends on who you get on the phone," said Maureen Gill, 47, of Bloomfield Hills.

Gill, who has three sons ages 11, 9 and 6, went to a Dick's Sporting Goods store this month to find basketball shoes for her middle son. She wasn't happy with the selection in the store, so she went online.

Gill was surprised to see that the price for the men's Nike Zoom Witness Basketball shoes was lower than the price for the same shoes for a young boy.

So Gill called up Dick's Sporting Goods' customer service line and asked whether the service rep thought it made any sense for bigger men's shoes to have a lower price than shoes for a boy.

The sales rep took the customer's side fairly quickly.

"She worked her magic and got it down cheaper," Gill said.

Instead of paying \$69, Gill said, she ended up getting the basketball shoes for \$42.

Consumers can expect an aggressive mix of promotions both online, as well as in the stores, during the entire holiday season.

To take advantage of them, try stacking as many discounts and coupons as possible, even though some stores will still restrict how many coupons we can use at once and what we can use them on.

App-happy shoppers can turn to a retailer's app, as well as shopping apps such as Ibotta and eBates, for added rewards and coupons.

U.S. online holiday sales are expected to reach \$129 billion — up 12% from holiday sales last year, according to a forecast from Forrester. Others predict a smaller figure at about \$110 billion.

Despite the onslaught of online shopping, big money will continue to be spent in stores. U.S. holiday spending in stores is expected to reach \$549 billion in 2017, according to Forrester.

However, that is basically flat — or up only 0.3% — from last year.

Industry observers point out that many consumers still give an edge to buying most things in stores, but extend their purchases by online shopping, according to the Adobe Retail Team.

Shoppers who still like going into stores offer a wide range of reasons. They want to get ideas for gifts, pick up something right then and there, or get a closer look at what they're thinking about buying.

About 66% of surveyed Detroit consumers say they still plan to shop at department stores, even if they might do some shopping online, according to Deloitte.

"It's the only way to touch and feel something," said Mark Davidoff, managing partner for the Deloitte Michigan practice in Detroit.

He noted that some metro Detroit consumers like to go to malls locally because we have some premier shopping centers. Somerset Collection in Troy, Partridge Creek in Clinton Township and Twelve Oaks Mall in Novi deck every hallway during the holiday season.

Gill, who works as a senior financial analyst for Bosch in Novi, said she stops into Twelve Oaks at her lunch hour during the holidays to see what's on sale or what might be a good idea for a gift.

She likes shopping at smaller local stores, too, such as The Varsity Shop in Birmingham, which sells sporting goods.

When it comes to shopping online, many consumers say saving time is a huge factor. And they don't have to run around town trying to find the best bargain.

Shoppers also love the free shipping deals and being able to order two or three items without fuss.

Debbie Hill, 63, of Berkley went online to order matching blue penguin-patterned pajamas for her 7-year-old granddaughter and 4-year-old grandson at Kohl's with a plan to pick them up at the store for free.

She used to get her two children matching PJs every Christmas so they'd look good in their Christmas morning pictures. Her daughter, who now lives in California, asked her to carry on the tradition for the grandchildren.

Hill said she didn't want to rush around trying to find the exact sizes at the store, so she went online. Using a 30% off Kohl's coupon, a \$20 anniversary reward for being a Kohl's shopper and another \$5 reward coupon, she paid \$5 each for the pajamas.

"They're cute," said Hill, who had about 75% of her holiday shopping done by Nov. 14.

Hill, who is an Amazon Prime member, said she likes to buy some things online, especially when she can get two-day shipping with Amazon.

But she did the bulk of her holiday shopping in the stores. She enjoys seeing holiday decorations and navigating stores such as T.J. Maxx and Marshalls for bargains and ideas.

With the exception of Amazon, Hill said, she tends to find that online shopping easily can turn frustrating, especially because some websites for retailers are not simple to use.

"If you don't make it easy for me, I'm moving on," said Hill, who estimates that she'll spend more than \$600 for holiday gifts this year.

It can also be a hassle to return something that arrives at your door but doesn't fit or look like anything you had imagined.

Retailers are trying to gain an edge there.

Macy's — which has been closing stores — is featuring a special coupon and free in-store pickup for orders made at www.macys.com. The promotion offers an extra 20% or 15% off the next in-store purchase. The order must be picked up within 7 days.

Walmart, as it takes on Amazon head-on, rolled out a new plan in November that is designed to make it easier to return items bought at www.walmart.com at the store.

Customers start out using the Walmart App, select the Walmart items they want to return and follow the prompts to start the return process.

When they're at the store, they head to what's called the Mobile Express Lane at the Customer Service Desk. Customers can scan the QR code displayed on the card reader with the Walmart app, and then hand the item to the associate.

The refund is credited as soon as the next day. Customers no longer have to ship something back and wait days for an online return to be credited — a step that Walmart hopes will give it an edge over Amazon.

Giving consumers — particularly millennials who prefer to shop online — more reason to head to the stores is expected to help build sales.

"The key to retail is traffic, traffic, traffic," said retail expert Dalto. "You've got to find every possible way to get traffic.

"If you get someone to go in to buy a dress shirt, they're probably going to buy a tie and a belt."

Consumers can end up spending up to one-third more in the store than if they only went online because they can be tempted by colors, new fashions and items on sale, he said.

"The one thing that stores do offer is reality. You can touch. You can feel. You can try on. You can see how it looks — if you look good, don't look good, makes you look fat. And that you can't get online. But you've got to get the people in the store — especially millennials."