



'Deeper discounts' good for shoppers in short run, but poor retail season forecast

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It's too early to tell, but shoppers will likely emerge from the opening weekend of holiday shopping season as the big winners since retailers opened earlier and offered deeper discounts than last year, retail analysts say.

"The sales are much better than last year," said Ken Dalto, a Farmington Hills-based retail analyst.

By his estimates, the post-Thanksgiving deals were at least 10 percent to 20 percent better - particularly on electronics like TVs, computers and game units.

However, with shoppers in Michigan expected to be especially frugal this year, inventory is projected to be much slimmer. Those who wait to shop too late in the season may find themselves buying items they don't really want, Dalto said.

In Michigan, more households have at least one person who is unemployed, and shoppers are more likely here than other regions of the country to feel less optimistic about shopping. They're expected to reduce the amount they're willing to spend this holiday season and the number of gifts they plan to give.

"(Retailers) are going to run out of things, and that's going to depress their sales even further," Dalto said.

He said this weekend will be a big one in terms of sheer volume of purchases, but he doubts that

will translate into a healthy spurt in sales because the sales are so good.



Retailers like Best Buy in Pittsfield Township are offering even deeper discounts this year on electronics.

An estimated 38 percent of retailers are expecting sales drops this year, and about 36 percent expect increases, the [Michigan Retailers Association](#) said. That's an improvement from last year, when about 45 percent of retailers projected losses and about 37 percent projected increases.

Nationally, more people were expected to scour the stores this weekend, with top estimates of about 134 million possible shoppers projected, up from 128 million last year, according to a [National Retail Federation](#) survey by BIGresearch.

In the Midwest, about 60 percent of those surveyed said they definitely would or might head out to shop on Black Friday, and nearly 70 percent planned to visit both the big discounters and department stores.

Households across the U.S. were expected to spend an average of \$390 on Christmas gifts. That's down from an average of \$418 last holiday season, according to [The Conference Board](#), a business group that offers a barometer of consumer behavior. About 39 percent of households plan to spend less than \$200, up from 35 percent of households last year.