

## SouthPoint

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### Retailers Channeling Elvis

Popularized by Elvis Presley in 1957, *Blue Christmas* laments feelings of missing someone during the holiday season. It could be said that, based on preliminary results, brick-and-mortar retailers are channeling Elvis as they too are missing someone this holiday shopping season...the consumer.

Merchants are experiencing a shortened holiday shopping season with Thanksgiving falling later in the month of November. With six fewer shopping days, retailers approached this season with deeply discounted merchandise in an effort to attract foot traffic on Black Friday, the day after Thanksgiving and the traditional start to the holiday shopping season. Many stores even opted to open on Thanksgiving to entice consumers to shop. However, the efforts appear to have fallen short of expectations as shoppers have been very cautious with their spending this year. According to the National Retail Federation, shoppers spent 2.9 percent less during the Thanksgiving weekend this year versus last year. Additionally, both the Conference Board's (CB) and the University of Michigan's (UM) consumer surveys indicated consumer confidence with current conditions decreased in November, and future expectations were mixed (CB decreased; UM increased slightly).

But all is not lost. E-commerce appears to be emerging as the shining star in the retail industry. Even though retailers may feel like it "*won't be the same dear, if you're not here with me,*" the expectations for Cyber Monday, the Monday after Thanksgiving, to be the busiest online shopping day of the year seem to have been proven true. Last year "showrooming" (consumers visiting brick-and-mortar stores and comparing prices on their mobile devices) posed a huge concern; however, this year retailers appear to be embracing the online shopper. With all indications that the consumer has become more comfortable purchasing items online using their smartphones and tablets, retailers decided to enhance their mobile sites by offering huge discounts, free shipping, and customized shopping experiences in order to drive sales to their own online sites. November's retail sales numbers seem to support this. Although overall sales were up, nonstore retail (online) posted the largest gain. Other evidence that online shopping is the wave of the future is that of a major shipping company indicating double-digit percentage increases, year over year, in the volume of items processed during the Thanksgiving weekend.

So, will retailers "*be so blue just thinking about you*" over the 2013 holiday season? Will they at least meet their sales expectation or experience some growth? Only time will tell as there are only a few shopping days left.

Happy shopping!

*By Christine Viets, a Regional Economic Information Network analyst at the Atlanta Fed's Jacksonville Branch*

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