

Black Friday to Revive Economy?

The holiday shopping season got off to a surprisingly solid start, according to data released Saturday by a research firm. But the sales boost during the post-Thanksgiving shopathon came at the expense of profits as the nation's retailers had to slash prices to attract the crowds in a season that is expected to be the weakest in decades.

Sales during the day after Thanksgiving rose 3 percent to \$10.6 billion, according to preliminary figures released Saturday by ShopperTrak RCT Corp., a Chicago-based research firm that tracks sales at more than 50,000 retail outlets. Last year, shoppers spent about \$10.3 billion on the day after Thanksgiving, dubbed Black Friday because it was historically the sales-packed day when retailers would become profitable for the year.

But this year, many observers were expecting consumers to spend more time browsing than buying, amid contractions in consumer spending and growing fears about economic uncertainty and trouble in the global financial markets.

"Under these circumstances, it's truly amazing when you think about all the news that led into the holiday season, it certainly appears that consumers are willing to spend more than most expected," said ShopperTrak co-founder Bill Martin. "Everybody wants value for their dollar, so we saw a tremendous response to the discounts."

While it isn't a predictor of overall holiday season sales, Black Friday is an important barometer of people's willingness to spend during the holidays. Last year, it was the biggest sales generator of the season while the Thanksgiving shopping weekend of Friday through Sunday accounted for about 10 percent of overall holiday sales.

Still, experts, who predict this year's overall holiday shopping period will be the weakest in decades thanks to an overall contraction in spending, caution that this year's sales growth may be hard to sustain.

Also complicating matters is a shorter buying season -- 27 days between Black Friday and Christmas -- instead of 32 last year.

Across the country, sales in the South were up 3.4 percent from last year while they climbed 2.6 percent in the Northeast as shoppers began scouring store aisles at midnight hoping to snag the best selection on early morning specials, some as much as 70 percent off. Elsewhere, sales rose 3 percent in the Midwest and 2.7 percent in the West.

Patty Saal, 60, of Mogadore, Ohio, began her Black Friday shopping at 5 a.m. when she and her daughters went to a Sam's Club to purchase iPods.

"We're doing fine," she said.

Fifth-grade teacher Daphna Stepen, 42, spent Black Friday hunting for deals inside Macy's and at the Limited Too clothing store and headed out again Saturday. The Chicago resident said she was surprised by the discounts as well as how many coupons she'd received from stores, which helped her save even more money on already marked-down items.

"You can get almost 40 percent off stuff if you work the coupons," she said.

Separately on Saturday, J.C. Penney Co. Inc. said business was strong in its sites across the country as customers responded to sales. Some of the department store's best sellers were smaller electronic gadgets and practical gifts, such as sweaters, boots, coats and luggage.

But the chain said it wouldn't provide specific sales figures.

"In light of the challenging and volatile economic climate, and shifts in this year's retail calendar, we don't believe that reporting sales data for any one day (or weekend), including Black Friday, would provide a meaningful barometer of our business," the Plano, Texas company said in a statement released Saturday afternoon.