

Not a great shopping weekend for retailers

By Matt Townsend, Bloomberg

The first spending decline on a Black Friday weekend since 2009 reinforced projections for a lackluster holiday, increasing chances retailers will extend the deep discounts already hurting their profit margins.

Purchases at stores and websites fell 2.9 percent to \$57.4 billion during the four days beginning with the Nov. 28 Thanksgiving holiday, according to a survey commissioned by the National Retail Federation. While 141 million people shopped, about 2 million more than last year, the average consumer's spending dropped 3.9 percent to \$407.02, the survey showed.

The survey results, if borne out at cash registers in American malls and on website checkout screens, herald retailers' likely return to Black Friday-type discounts this week and suggest added stress for several chains. Wal-Mart Stores Inc. and Target Corp. already cut profit forecasts after tepid sales gains in back-to-school shopping.

"Retailers didn't get what they wanted from Black Friday and they will need to make it up in the next three weeks," Poonam Goyal, an analyst for Bloomberg Industries, said in an interview. "There will be some panic sales."

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