November 7, 2011

Succeeding this holiday season despite economic crosswinds

by Darrell Rigby, Kris Miller and Josh Chernoff

Consumers are going to make retailers work hard for their dollars this year. October same-store sales posted healthy growth but momentum decelerated from its year-to-date pace. With the economy's outlook still in question and consumer confidence near recessionary lows, we continue to expect holiday growth to be slower than last year. In this issue, we briefly review key economic indicators, discuss shopping experiences, and explore implications for the retail landscape. We conclude by suggesting some winning approaches for these volatile conditions.

October brought a Halloween scare

The holiday season is critical: it accounts for a significant portion of retail sales and profits, and provides opportunities to impress customers (both gift givers and receivers), enticing them to return the next year. Unfortunately, this October was spooky.

According to the International Council of Shopping Center's (ICSC's) index of 25 national retailers, October same-store sales increased 3.7% over last year (*Chart 1)*. Thomson Reuters tracks a similar group of 23 retailers and reported 3.4% same-store sales growth over 2010. Although this pace remains well above the five-year average growth rate of 2.1%, momentum has slowed from the previous six months. Discount and luxury stores continue to perform well but performance is mixed among specialty apparel retailers and department stores (*Chart 2*), reinforcing the "hourglass phenomenon" we reviewed last issue.[1]

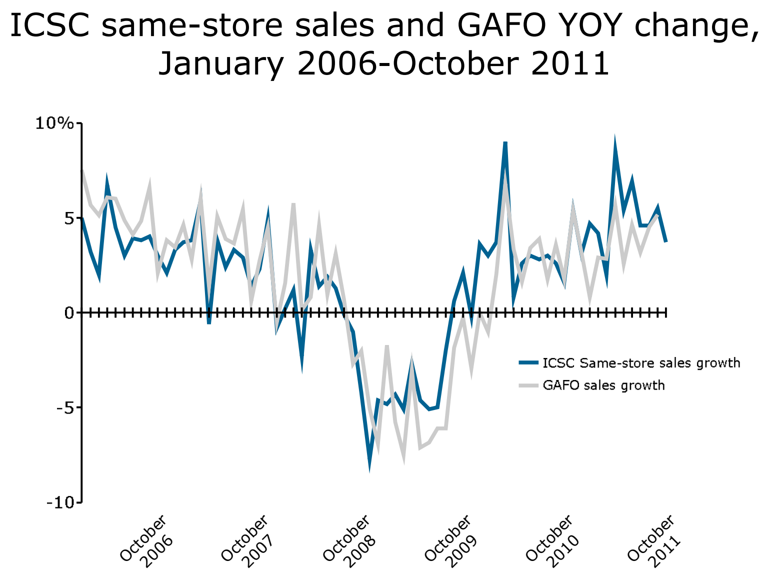
It is hard to know whether the October slow down was due to temporary abnormalities (such as the weather) or if this is a longer-term trend that could make the holidays especially challenging. There is no doubt consumers remain concerned about the economy; but, as many experienced retail analysts know, consumers sometimes say one thing while doing another. The Consumer Confidence Index dipped 6.6 points in October—marking a 30-point drop since February—while the Michigan Consumer

---

[1] Bain released its Holiday Series Issue #1 on October 23, 2011. To access a copy, visit: http://www.bain.com/publications/articles/bain-2011-2012-retail-holiday-newsletter-issue-1.aspx.

Sentiment Index edged up only slightly. Overall levels are still reminiscent of the latest recession, pointing to a fragile consumer mindset.

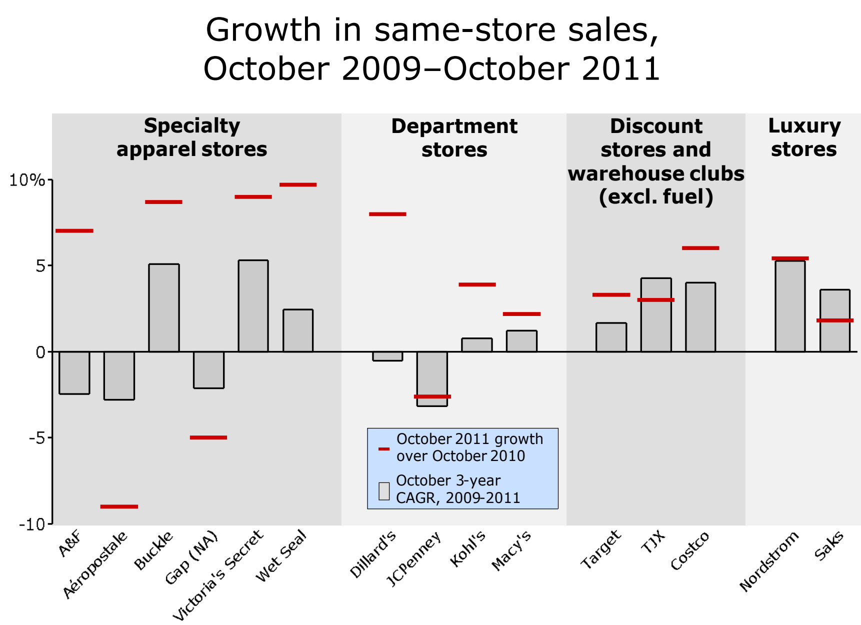
Chart 1:



Note: Sales growth is compared to the same month in the previous year; the ICSC's US Retail Chain Store Sales Index tracks sales of 25 major retailers in the apparel, department store, discount, drug and warehouse club categories; GAFO sales data are available through August 2011: we used GAFS sales growth for September. The correlation between the two growth measures for the period shown is .85

Source: ICSC; US Census Bureau

Chart 2:



Note: The three-year CAGR was calculated by compounding the year-over-year percentage change from October to October between 2008 and 2009, 2009 and 2010, and 2010 and 2011, and then annualizing the rate; Dillard's, JCPenney, Kohl's, Macy's, Target, Costco, Nordstrom and Saks include online sales in their same-store sales

Source: Financo Comparable Store Sales Reports

In the third quarter, real gross domestic product grew at the fastest rate of the year, posting 2.5% annualized gains. Increases in personal consumption expenditures fueled 70% of this growth, although a significant portion of the increase was spent on relatively nondiscretionary items such as health care, housing and energy. The big question: "How long can consumers sustain healthy spending levels while struggling to hold jobs and reduce debt?"

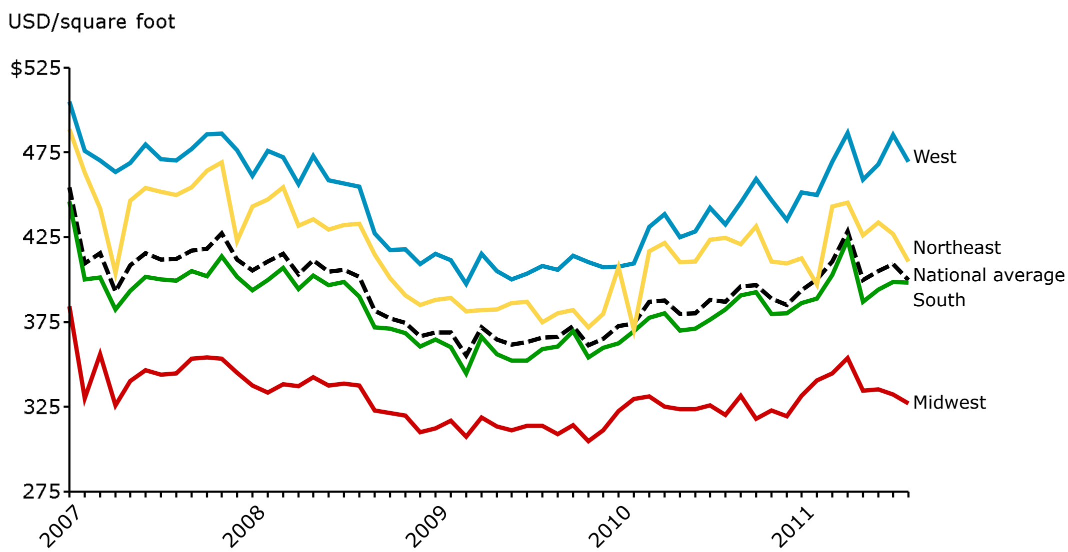
Beneath the averages: A look at regional performance

Different geographies face significantly different situations *(Chart 3)*. Retailers who are fortunate enough to have heavy sales mixes in attractive areas will have an easier time. Those that have localization strategies that enable them to customize merchandise assortments, price points, and service levels to the local economies will fare better than most.

The West is the most productive region of the country for mall-based retail, roughly 35% more productive than the Midwest, the least productive region. As of August 2011, national year-over-year growth in sales productivity was 3.3% and slowing, but regional differences were significant: The West posted 8.5% growth over 2010, while the Northeast dipped 1.9%.

Chart 3:

Mall sales productivity
(seasonally adjusted annual rate),
2007-2011 YTD



Note: The national average contains data for sales in nonanchor stores and square footage for more than 500 regional and superregional malls; sales in the sample for 2010 totaled approximately $52 billion
Source: ICSC

There are also wide variations across metropolitan statistical areas, linked to the performance of local economies. New York City is faring better than most. It is home to strong professional services industries, including financial services, media, marketing and corporate advisory services. In contrast, Detroit is suffering from its historical reliance on the automotive and other manufacturing industries. These realities, and the resulting economic conditions, differentially impact retail metrics such as vacancy rates, sales productivity and foot traffic. A comparison of key indicators in New York, Seattle and Detroit brings these disparities to life (*Chart 4*).

Chart 4:

Economic and retail performance metrics for selected metropolitan statistical areas

	New York *Still the Big Apple*	Seattle *Average Joe*	Detroit *Under Repair*	U.S. Average
Unemployment	• 8.3%	• 8.7%	• 12.9%	• 9.1%
*Total expenditures per household**	• $60K	• $66K	• $49K	• $49K
Total retail vacancy rate†	• 2.2%	• 6.3%	• 10.1%	• 7.1%
Sales productivity (USD/sq ft)‡	• $374	• $326	• $263	• $307
Shopper traffic	• Annual store visits per capita: 525 • YOY change: 1.8%	• Annual store visits per capita: 292 • YOY change: 7.6%	• Annual store visits per capita: 260 • YOY change: 9.9%	• N/A
Case-Shiller Index	• Prerecession change: -18% • August 2011: 169.19	• Prerecession change: -29% • August 2011: 137.09	• Prerecession change: -34% • August 2011: 73.41	• Prerecession change: -28% • August 2011 Composite-20: 142.84

* Average household expenditure for 2009.

† Total retail vacancy includes malls, power centers, shopping centers and freestanding retail spaces.

‡ Sales productivity is reported on a state level for 2010. Sales productivity is calculated as shopping center–inclined sales (in US dollars), seasonally adjusted, over shopping center gross leasable area, not seasonally adjusted.

Note: Unemployment rates are based on August 2011 data; total retail vacancy rates are reported for the second quarter of 2011; store visits per capita are reported for 2010; year-over-year foot traffic was calculated using year-to-date data for 2011 vs. 2010;August data were used to calculate the Case-Shiller prerecession (2007) change

Source: Bureau of Labor Statistics; ICSC; US Census Bureau; ShopperTrak; Standard & Poor's; CoStar Group

It comes as no surprise that retailers are repositioning their real estate portfolios differentially by geography. They are closing underperforming doors in recession-ravaged markets while targeting new openings in higher performing markets. And some retailers including Macy's and JCPenney are implementing localization strategies to further boost results: they are creating clusters of stores that have similar local characteristics and tailoring their merchandising, promotion and store labor strategies to these different clusters. Localization is complicated, but getting it right pays back dividends. Bain experience suggests that successful localization efforts improve full-price sell-through, reduce stock outs, and increase employee engagement. The result? A two to three point lift in same-store sales and higher gross margins.

Holiday shopping 3.0, and the impact it is having on the retail landscape

Shopping should be fun: It should be exciting and rewarding. Sadly this isn't always the case, especially during the holiday season. Consider the potential long-term consequences of two potential Black Friday shopping trips.

First, the mall. It's teeming with people. The first store you enter is a mess. It's hard to find a sales associate, and the one you do find is so new to the job that she knows less than you do. Questions about product features and quality go unanswered. Products are out of stock or so disorganized that you can't find what you need. You finally settle for a third-choice present, and then stand in a long line to find out that the coupon you clipped isn't valid for this product. You race home, wrap the gift and head for an even longer line at the post office. That night, over dinner with friends, you swear you will never do that again.

After dinner, you look for a second gift on your computer at home. No traffic. No crowds. No wading through aisles of misplaced merchandise. The shopping trip starts with a quick search for gift ideas, easily filtered by price, size, color, brand, gift-giving occasion and more. Choices are broad but simple to narrow down. A check of user reviews, third-party ratings and price comparisons helps you settle on the perfect gift. Another search quickly reveals a discount coupon that covers the gift wrap fee. Shipping is free. Click, send, done. You post a status update on Facebook, boasting to friends that you've already finished your holiday shopping.

Years of challenging store sales have forced aggressive cost management and tarnished shopping experiences -- while advances in technology have raised consumers' expectations. Shoppers are less tolerant of sub-par treatment: They're demanding convenience, information, broad and deep assortments, and deals -- and they're turning to the Web to find them. The results:

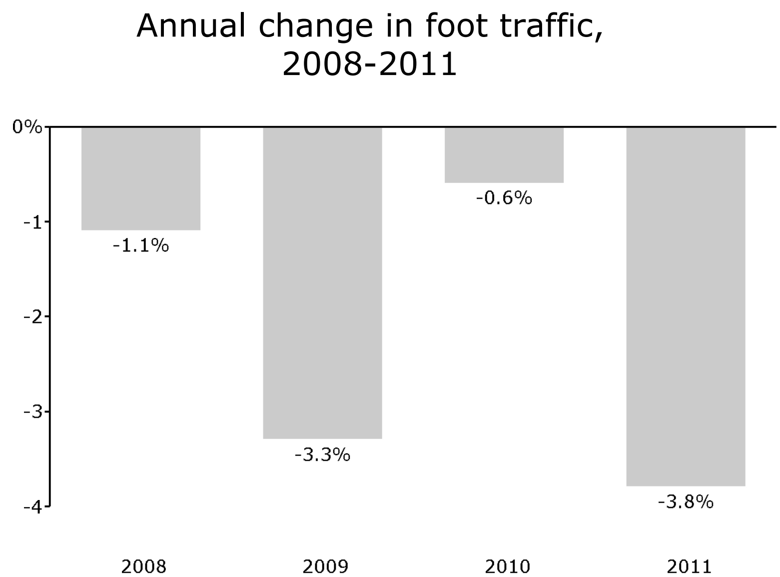
Store traffic is declining
Sales-per-square-foot economics remain challenged
Retailers continue to shrink their selling space, and
Consumer dollars are steadily going digital.

Store traffic is declining. Bain teamed with ShopperTrak to better understand foot traffic trends since the recession, and the findings reveal consumers' ambivalence about store experiences. Retail foot traffic has decreased annually since 2008, including a drop of 3.8% this year to date (*Chart 5*).[2] Outlet centers have been the lone bright spot with an

---

[2] ShopperTrak (www.shoppertrak.com) provides a 24/7 managed service that counts the number of shoppers entering and exiting retail stores in 40,000 locations in 72 countries. ShopperTrak's daily retail foot traffic analytics help set strategies for shopper conversion, store labor scheduling and marketing.

Chart 5:



Note: 2011 figures are year to date
Source: ShopperTrak

average of 1.2% growth across the last three years, while foot traffic in business districts was down more than 5% during the same time period.

Sales-per-square-foot economics remain challenged. Retail sales per square foot dropped more than 10% during the recession (*Chart 6*) and, as of August, were just returning to 2005 levels. In comparison, total retail sales are up almost 15% from 2005 levels. This divergence suggests the US retail market has more retail space than necessary to serve customer demand. Growth of gross leasable area came to a halt during the recession and has remained flat as developers respond to this imbalance.[3]

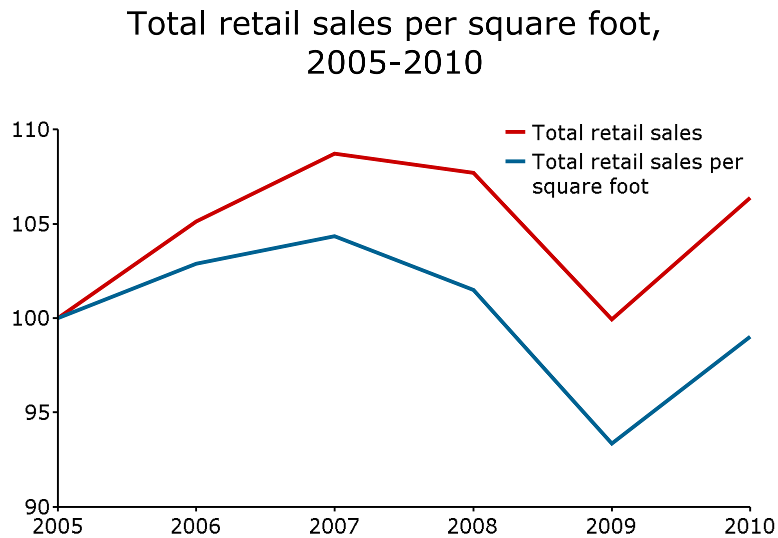
Retailers are rethinking their footprints. Pruning underperforming stores happens all the time, but store closures now outpace store openings, and the decline seems poised to continue. Abercrombie & Fitch, BJ's, F.Y.E., Hot Topic, Lowe's and Talbots have all closed underperforming stores this year; and others, among them Deb Shops, Filene's Basement and Friendly's, have filed for bankruptcy. Many retailers are also downsizing new stores and reducing selling footage in existing stores.[4] Ann Taylor, for example, launched a new concept store that is approximately 40% smaller than its traditional stores. Best Buy has continued to expand smaller Best Buy Mobile stores to capture growing smartphone demand and cutting the size of its big-box stores.

---

[3] *Gross leasable area* (GLA) is the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines. It is the standard measure for determining the size of retail spaces, specifically shopping centers, where rent is calculated based on GLA occupied. Vacant properties are included in total retail gross leasable area figures.

[4] This has had an impact on the retail vacancy rate—already high over the past two years—which, in the third quarter of 2011, reached 9.4% for regional and superregional malls and 11% for neighborhood and community shopping centers. According to ICSC, closures have outpaced openings in every year since 2001.

Chart 6:



Note: Indexed to 2005 (2005 = 100); *total retail sales* is total retail and food service sales as reported by the US Census Bureau; *total retail sales per square foot* is total retail sales divided by total retail gross leasable area
Source: ICSC; US Census Bureau

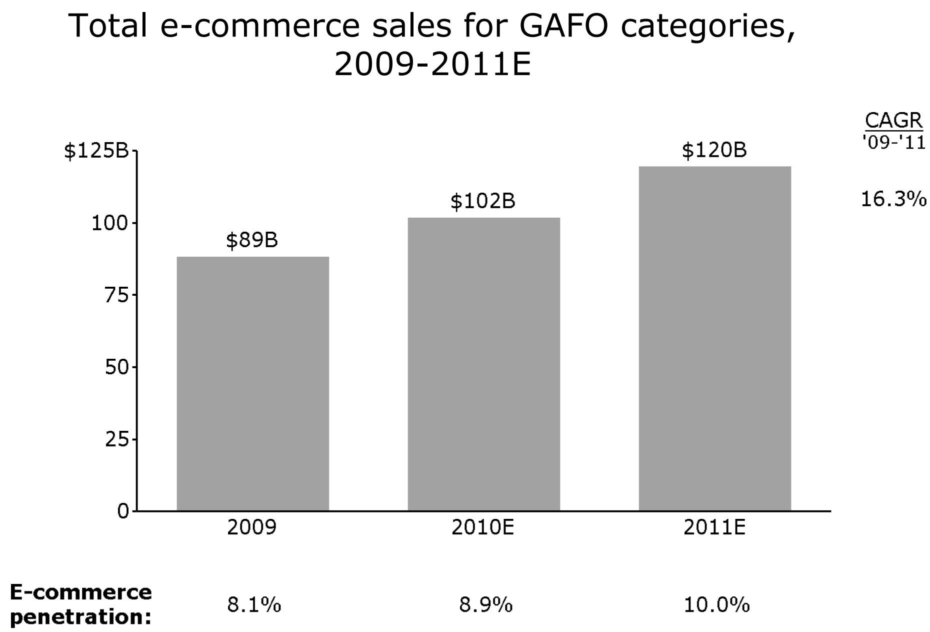
Consumer dollars are steadily going digital. Meanwhile, e-commerce continues its rapid growth as we head into the holidays. Bain is forecasting 15% growth this holiday season over 2010, and a Shop.org survey found that almost 70% of retailers expect their online sales to achieve or surpass that rate. The online channel is expected to make up 10% of GAFO category sales in 2011 (*Chart 7*), and several categories far exceed this average, with music at 54%, video games at 34%, books at 25%, consumer electronics at 17% and toys at 16%.[5]

Strong online growth should come as no surprise. The cost structure of pure-play online retailers allows them to offer lower prices than traditional retailers for many of the same products, and the advent of flash sales has reinforced customers' beliefs that big discounts are available online. Improved search technology and customer reviews have created an unprecedented level of price and product quality transparency. These factors have motivated millions of customers to research and shop online – through computers, tablets, and smartphones. According to ShopperTrak, shoppers have cut back the number of trips made, stores visited and impulse purchases completed. "Mission shoppers" now visit only three stores on average—two fewer than the average visited prerecession.

Adding insult to injury, retailers' stores are fast becoming their online competitors' showrooms. Consumers often visit stores to see products before going online to find and buy from the lowest-priced seller. There's even an app for that: On November 2

[5] See Chart A in the Appendix for definitions of GAFO and other sales measures.

Chart 7:



Note: US Census Bureau e-commerce estimates were calculated by growing 2009 categories by overall e-commerce growth rates; total GAFO categories sales were calculated by adding the US Census Bureau GAFO figures and relevant e-commerce categories' figures
Source: US Census Bureau; Bain analysis

Amazon released its *Flow* app, which allows consumers to scan a barcode in a store and quickly buy the product on Amazon.

The bottom line: Digital retail threats are long-lasting and growing. They are big and they are permanent. They are taking sales from stores, forcing cost reductions and lowering service levels at the same time that customer expectations are rising. Retailers must embrace digital retail to survive, and hopefully thrive, in the new world.

"Love me or lose me"

Retail has always been competitive, but the stakes for survival are rising and brand equity is at risk. Retailers that disappoint customers will lose them forever. The winners this holiday season—and beyond—will be the innovative retailers who understand and achieve two objectives:

Keep customers coming into and buying in stores.
Grow online as fast as or faster than the market.

Keep customers coming into and buying in stores

Today's consumers need good reasons to visit a store, and retailers will be working hard to provide those reasons this holiday season with new products, great merchandising, inspiring service and special events. Target is launching four exclusive designer lines in November and December, hoping to replicate its earlier success with Missoni throughout the holidays. Ann Taylor added an extra flow before the holidays versus last year to keep its assortment fresh and inspiring. Kohl's will reward its customers' pre-Christmas spending with Kohl's Cash that can only be spent between Christmas and New Year's Day.

Retailers are also moving up their Black Friday openings: Walmart opened its stores at midnight last year, and this year Best Buy, Kohl's, Macy's and Target announced nationwide midnight openings. Macy's is already offering a sneak peak of Black Friday sales to come including deals on iPhone and iPod docking stations, diamond studs, designer coats, and espresso makers, and a limited edition fragrance set from Justin Bieber featuring his holiday CD. Many retailers also hope to close more sales with aggressive price-matching policies. Walmart recently announced that it will give customers a gift card for the difference if an eligible product is found at a lower price elsewhere during the holidays (although the fine print seems to exclude several product categories, limited-time or Black Friday promotions, and online offers). The Home Depot has gone one step further, offering to beat the lower price by 10%.

Lowe's, Nordstrom, Sears, The Home Depot and Urban Outfitters are arming sales associates with tablets to access product details and mobile checkout devices to shorten lines at the registers. The devices allow sales associates to give customers more of the information they need to make immediate purchasing decisions and persuade them to buy in the store, without having to go home to do more research. Best Buy is reducing its seasonal hiring target and giving more hours to its better-trained full-time employees, who are better prepared to give customers the great shopping experience they want.

Grow the online business at least as fast as the market

Consumers are steadily shifting their spending online, and retailers who aren't growing their online sales at least 15% per year are losing share. In an effort to boost online sales, many retailers are offering free shipping: According to Shop.org's eHoliday Survey, more than 90% of retailers plan to offer free shipping with or without minimum purchases during the holidays, up 10% from last year, and many free shipping offers are already in effect. Retailers also are making targeted efforts to boost mobile sales. For example, last year Target ran a holiday ad campaign within Pandora's and the *New York Times*'s iPhone apps, and the company plans to expand that effort in 2011. Sears and Kmart are building mobile shopping walls with virtual aisles in high-traffic areas like movie theater lobbies and airports. Customers can scan quick response codes with their smartphones to purchase the season's top toys.

Next up: Omnichannel Retail

This holiday season, customers' expectations across channels have never been higher. Digital retail is creating the biggest disruption in the industry in 50 years, so getting it right really matters. In the next issue of the Bain Holiday Series we look at the challenges retailers face in an increasingly omnichannel world and examine the customer-experience conundrum as channel lines continue to blur.

Newsletter schedule

Our next newsletter will be released in mid-November, with a new issue every two to three weeks through the holiday season (*Chart 8*). This schedule allows us to incorporate newly released holiday forecasts and performance data in a timely manner. Please let us know if you have any questions or suggestions for additional analysis.

Chart 8:

Indicator update and newsletter schedule

Data Source	Nov				Dec				Jan		
	6	13	20	27	4	11	18	25	1	8	15
US Census Bureau Advance Retail Sales (GAFS/GAFO)		15-Nov				13-Dec				12-Jan	
ICSC Monthly Same Store Sales				1-Dec					5-Jan		
Michigan Consumer Sentiment Index	11-Nov		23-Nov		9-Dec		22-Dec				
Consumer Confidence Index				29-Nov				27-Dec			
BEA Gross Domestic Product			22-Nov				22-Dec				
BEA Personal Income and Outlays			22-Nov				23-Dec				
Bain Retail Holiday Newsletter (tentative)			☆ *Special edition*	☆			☆				☆

Appendix

Chart A:

Definitions

	GAFO	GAFS	GAF	Nonauto retail sales
General merchandise stores	✓	✓	✓	✓
Clothing and clothing accessories stores	✓	✓	✓	✓
Furniture and home furnishings stores	✓	✓	✓	✓
Electronics and appliances stores	✓	✓		✓
Sporting goods, hobby, book and music stores	✓	✓		✓
Office supplies, stationery and gift stores	✓			✓
Nonstore sales, including traditional retailers' online sales				✓
All other retail trade sales not listed above (excluding auto and auto parts)				✓
Auto and auto parts sales				

Selected References

Bain & Company has included in this document information and analyses based on the sources referenced below as well as our own research and experience. Bain has not independently verified this information and makes no representation or warranty, express or implied, that such information is accurate or complete. Projected market and financial information, analyses and conclusions contained herein are based (unless sourced otherwise) on the information described above, and Bain's judgments should not be construed as definitive forecasts or guarantees of future performance or results. Neither Bain & Company nor any of its subsidiaries or their respective officers, directors, shareholders, employees or agents accept any responsibility or liability with respect to this document.

"Best Buy, Staples & Office Depot Reduce Store Footprint." RIS, June 28, 2011. (http://risnews.edgl.com/retail-news/Best-Buy,-Staples---Office-Depot-Reduce-Store-Footprint73887)

Birchall, Jonathan. "Best Buy to Open Small US Mobile Stores." FT.com, April 18, 2010.

Bureau of Economic Analysis. "Gross Domestic Product: Third Quarter 2011 (Advance Estimate)." News release, October 27, 2011. (http://www.bea.gov/newsreleases/national/gdp/2011/txt/gdp3q11_adv.txt)

Bureau of Labor Statistics. "The Employment Situation—October 2011." Economic news release, November 4, 2011. (http://www.bls.gov/news.release/empsit.nr0.htm)

Bureau of Labor Statistics. "Unemployment Rates for Metropolitan Areas." Table (accessed October 31, 2011). (http://www.bls.gov/web/metro/laummtrk.htm)

Bustillo, Miguel and Ann Zimmerman. "More Retailers Attack at 'Black Midnight'." *Wall Street Journal*, November 7, 2011.

Cooper, Daniel. "Amazon Flow Strikes Low Blow to Brick and Mortar, Converts Barcode Scans to Online Sales." Engadget.com, November 3, 2011. (http://www.engadget.com/2011/11/03/amazon-flow-strikes-low-blow-to-brick-and-mortar-converts-barco/)

Deichler, Andrew. "Abercrombie & Fitch Shuttering 110 Stores, GM Shrinks Real Estate Holdings, More Retailer Right-Sizings." CoStar.com, August 24, 2010. (http://www.costar.com/News/Article/Abercrombie-Fitch-Shuttering-110-Stores-GM-Shrinks-Real-Estate-Holdings-More-Retailer-Right-Sizings/122503)

DeMasi, Michael. "Trans World Closing More Stores." *Morning Call*, January 27, 2011. (http://www.bizjournals.com/albany/morning_call/2011/01/trans-world-closing-more-stores.html)

Duryee, Tricia. "Sears's Softer Side Includes iPads and Free Wi-Fi." *AllThingsD.com*, October 17, 2011. (http://allthingsd.com/20111017/sears-softer-side-includes-ipads-and-free-wi-fi/)

Google/IPSOS OTX MediaCT. "The Mobile Movement: Understanding Smartphone Users." April 2011. (http://www.thinkwithgoogle.com/insights/library/studies/the-mobile-movement/)

Hals, Tom. "Friendly's Chain Files for Bankruptcy." Reuters (http://www.reuters.com/article/2011/10/05/friendlys-idUSL3E7L51GD20111005), October 5, 2011.

Hough, Jack. "What Store Closings Mean for Retail Stocks." SmartMoney.com, October 17, 2011. (http://www.smartmoney.com/invest/stocks/what-store-closings-mean-for-retail-stocks-1318876231326/?link=SM_hp_ls4e)

International Council of Shopping Centers. *Annual US National and State Shopping Center–Inclined Sales by Type, Seasonally Adjusted.* ICSC eData custom data set (accessed November 3, 2011).

International Council of Shopping Centers. *Annual US National and State Shopping-Center Gross Leasable Area, Not Seasonally Adjusted.* ICSC eData custom data set (accessed November 3, 2011).

International Council of Shopping Centers. *Annual US National and State Total Retail Gross Leasable Area, Not Seasonally Adjusted.* ICSC eData custom data set (accessed November 3, 2011).

International Council of Shopping Centers. *Monthly US National and Regional Mall Sales Productivity, Seasonally-Adjusted Annualized Rate.* ICSC eData custom data set (accessed November 3, 2011).

International Council of Shopping Centers. "Northeast Year-over-Year Sales Decline as Other Regions Slow." *CenterView,* October 2011. (http://www.icsc.org/research/research_show.php?section=mm)

Jennings, Angel. "Walmart to Offer Black Friday Preview on Saturday." LATimes.com, November 3, 2011. (http://www.latimes.com/business/la-fi-walmart-20111103,0,2871868.story)

Jones Lang LaSalle. "Will Retail Recovery Progress Despite the Economic Obstacle Course." *Retail Outlook: United States, Q2 2011* (accessed October 31, 2011). (http://www.us.am.joneslanglasalle.com/ResearchLevel1/US_Retail%20Outlook_Q2%202011-JLL.pdf)

Kass, Arielle. "BJ's Closing 3 Atlanta-Area Stores." AJC.com, January 5, 2011. (http://www.ajc.com/business/bjs-closing-3-atlanta-795850.html)

Kats, Rimma. "Target Bolsters In-Store, Mobile Sales via Halloween Promotion." Mobile Marketer, October 25, 2011. (http://www.mobilemarketer.com/cms/news/advertising/11311.html)

Kohl's. "Kohl's Cash." (Accessed November 2, 2011.) (http://www.kohlscorporation.com/ecom/windows/Update/KohlsCash/10KohlsCash.html)

Little, Lyneka. "How Does Walmart's Price Match Measure Up?" ABCNews.com, October 25, 2011. (http://abcnews.go.com/blogs/business/2011/10/how-does-walmarts-price-match-measure-up/)

Liu, Rue. "Nielsen: US Smartphone Penetration Hits 40 Percent, Android in the Lead." SlashGear.com, September 1, 2011. (http://www.slashgear.com/nielsen-us-smartphone-penetration-hits-40-percent-android-in-the-lead-01176212/)

Lord, Judy, (vice president, investor relations, Ann Taylor). Conversation, Citi's Boston Retail Tour, October 25, 2011.

Milbourn, Mary Ann. "Best Buy Cuts Holiday Hiring by Half." *Handling Hard Times*, September 28, 2011. (http://economy.ocregister.com/2011/09/28/best-buy-cuts-holiday-hiring-by-half/72373/)

Mitchell, Josh, and Sara Murray. "U.S. News: Recession Fears Recede as Economy Grows 2.5%." *Wall Street Journal,* October 28, 2011.

Mulpuru, Sucharita, with Vikram Sehgal, Patti Freeman Evans and Doug Roberge. "US Online Retail Forecast, 2010 to 2015." Forrester Research, February 28, 2011.

National Retail Federation. "Online Retailers Preparing for Promotion-Heavy Holiday Season, According to Shop.org eHoliday Survey." Press release, October 24, 2011. (http://www.nrf.com/modules.php?name=News&op=viewlive&sp_id=1227)

Nguyen, Hang. "Clothing Retailer Files for Bankruptcy Protection." *OC Retail*, June 27, 2011. (http://retail.ocregister.com/2011/06/27/clothing-retailer-files-for-bankruptcy-protection-2/50953/)

Nguyen, Hang. "Hot Topic Closes Another O.C. Store." OCRegister.com, March 29, 2011. (http://www.ocregister.com/news/topic-294202-hot-stores.html)

"October Sales Pace Slowest Since March." *ICSC Chain Store Sales Trends,* November 3, 2011.

Poggi, Jeanine. "The Great Retail Shrinkage: Will Smaller Stores = Higher Profits?" TheStreet.com, June 23, 2011. (http://www.thestreet.com/story/11133719/9/the-great-retail-shrinkage-will-smaller-stores-equal-higher-profits.html)

Scinta, Christopher, and Sophia Pearson. "Syms, Filene's Basement Seek to Liquidate Clothing Chains in Bankruptcy." Bloomberg, November 2, 2011. (http://www.bloomberg.com/news/2011-11-02/syms-filene-s-basement-seek-to-liquidate-clothing-chains-in-bankruptcy.html)

Sears Holdings Corporation. "Sears and Kmart Make Toy Shopping Easier This Holiday Season by Offering New Mobile Shopping Walls." Press release, November 3, 2011. (http://www.searsholdings.com/pubrel/pressOne.jsp?id=s16310_item78809)

Slapian, Stephanie. "Black Friday Deals Already? Staten Island Stores Look to Get a Head Start on Holiday Shoppers." Staten Island Real-Time News, November 4, 2011. (http://www.silive.com/news/index.ssf/2011/11/black_friday_deals_already_sta.html)

Standard & Poor's. "S&P/Case-Shiller Home Price Index Levels, Seasonally Adjusted." Table, August 31, 2011. (http://www.standardandpoors.com/indices/sp-case-shiller-home-price-indices/en/us/?indexId=spusa-cashpidff--p-)

Talley, Karen. "Lowe's Cuts Back on Stores." *Wall Street Journal,* October 18, 2011.

The Conference Board. "The Conference Board Consumer Confidence Index Declines." Press release, October 25, 2011. (http://www.conference-board.org/data/consumerconfidence.cfm)

Thomson Reuters/University of Michigan Surveys of Consumers. "Record Low Confidence in Economic Policies." Press release, October 28, 2011.

(http://thomsonreuters.com/content/financial/pdf/i_and_a/438965/record_low_confidence_in_economic_policies)

Townsend, Matt. "Best Buy Sales at Risk as Surgical Shoppers Lose Impulse: Retail." Bloomberg, October 17, 2011. (http://www.bloomberg.com/news/2011-10-17/best-buy-sales-at-risk-as-surgical-shoppers-lose-impulse-retail.html)

Tufts, Sean. "CoStar Mid Year Retail Report Highlights." *ReCapNW* (Kidder Mathews), July 28, 2011. (http://recapnw.com/2011/07/28/costar-mid-year-retail-report-highlights/)

US Census Bureau. "Advance Monthly Sales Report for Retail and Food Services, August 2011." Press release, October 14, 2011. (http://www.census.gov/retail/marts/www/marts_current.pdf)

US Census Bureau. "Estimated Annual Sales of U.S. Retail and Food Services Firms by Kind of Business: 1998 Through 2009." Table, March 31, 2011. (http://www2.census.gov/retail/releases/current/arts/sales.pdf)

US Census Bureau. "Quarterly Retail E-Commerce Sales, 2nd Quarter 2011." Press release, August 16, 2011. (http://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf)

Wahba, Phil. "Lingering Anxiety Curbs Chain Store Gains." Reuters, November 3, 2011. (http://www.reuters.com/article/2011/11/03/us-usa-retail-idUSTRE7A22SH20111103)

Wahba, Phil. "Macy's, Target Plan Earlier Black Friday Openings." Reuters, October 31, 2011. (http://www.reuters.com/article/2011/10/31/us-macys-idUSTRE79U4H620111031)

Wohl, Jessica. "Target Hopes Exclusive Designer Deals Boost Sales." Reuters, August 2, 2011. (http://www.reuters.com/article/2011/08/02/target-exclusives-idUSN1E7700FA20110802)

Yu, Hui-yong. "Mall Vacancies Climb to Highest in Decade as U.S. Store Closings Persist." Bloomberg, October 31, 2011. (http://www.bloomberg.com/news/2011-01-05/u-s-shopping-center-vacancies-rise-as-unemployment-rate-climbs.html)

Yu, Hui-yong. "Regional Shopping Mall Vacancies in U.S. Increase to Highest in a Decade." Bloomberg, October 7, 2011. (http://www.bloomberg.com/news/2011-10-07/regional-shopping-mall-vacancies-in-u-s-increase-to-highest-in-a-decade.html)