



December 4, 2011

Holiday half-time report

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Despite continued economic malaise, consumers opened their wallets in November. Same-store sales for the month grew at a healthy pace, boosted in part by very strong Black Friday results. Broad discounts, earlier store openings and aggressive advertising drew crowds of customers to stores and online over Thanksgiving weekend. In this issue we take an in-depth look at November sales, Thanksgiving weekend and noteworthy retail innovations. The question remains: Will the spending continue into December?

The holidays kick off with a solid start

November retail sales grew at a moderate pace, punctuated by a burst of spending over Thanksgiving weekend. According to the International Council of Shopping Centers, same-store sales were up 3.2% over last year. This is the lowest growth rate since March, but it comes on top of 5.4% growth in November 2010. Also, November results were negatively impacted by unseasonably warm temperatures in many parts of the country. Based on an analysis of weather changes in 12 major cities, November was on average 2.2 degrees warmer than last year, with Northeast and Midwest temperatures up 4.7 and 5.5 degrees respectively. Bon-Ton's vice chairman and president of merchandising, Tony Buccina, commented on the impact on sales: "Although cold weather categories account for only 24% of sales, they accounted for 67% of our comparable store sales decrease."

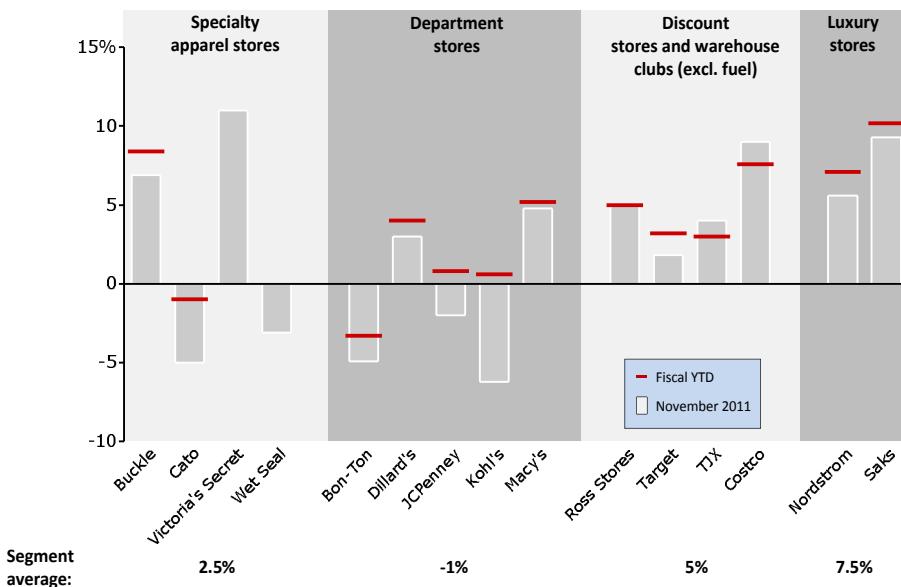
As has been the case so far this year, luxury retailers, discount stores and warehouse clubs led the way in same-store sales growth (Chart 1). E-commerce grew about five times faster than stores, with November sales through Cyber Monday up 15% over the corresponding period in 2010 (Chart 2).¹ Inflation accounts for some of the retail industry's growth. The core consumer price index rose 2.1% through October of this year, and prices for apparel, traditionally one of the largest retail categories during the holidays, rose 4.2% in the same period. GAFO-category prices overall, however, were virtually unchanged from last year, falling just 0.1%.²

¹ The corresponding days in 2010 were November 2 through 29.

² See Chart A in the Appendix for definitions of GAFO and other sales measures.

Chart 1:

Year-over-year growth in monthly same-store sales, November 2011 and fiscal year to date

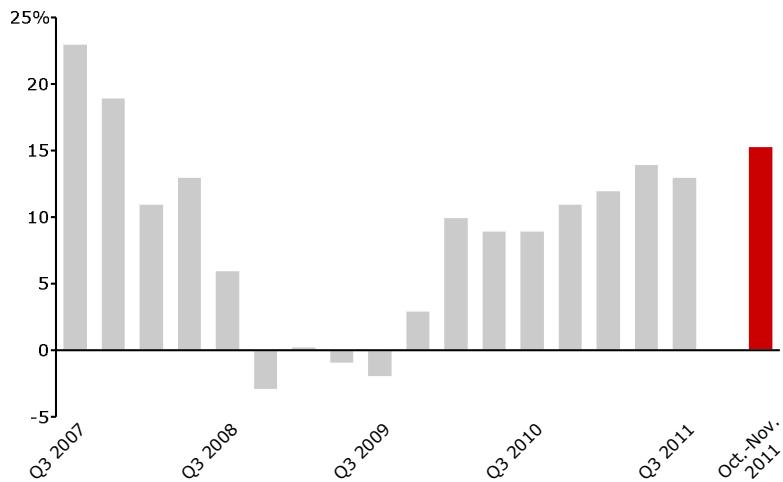


Note: Victoria's Secret and Wet Seal do not report YTD same-store sales; Costco includes US stores only; Dillard's, JCPenney, Kohl's, Macy's, Target, Costco, Nordstrom and Saks include online sales in their same-store sales; segment average only includes retailers reporting in that segment

Source: Financo

Chart 2:

Year-over-year quarterly e-commerce growth, 2007-2011 year to date



Note: October–November 2011 growth was calculated using data from October 1 through November 28, 2011, and the corresponding days in 2010 (October 1–31 and November 2–29)

Source: comScore

With November's sales growth came surprising improvement in consumer confidence. The Consumer Confidence Index rose to 56.0 from 40.9, the biggest jump since 2003. Consumer sentiment was up too. The Michigan Consumer Sentiment Index climbed to 64.1 from 60.9. Also, foot traffic showed less of a drop than it had in previous months. In collaboration with ShopperTrak, Bain found October foot traffic was down 8.1% from last year, while November foot traffic fell by just 4.2%.³ Growth in e-commerce sales, conversion rates and basket sizes combined to offset the decreased foot traffic. And sales were buoyed by an increase in the use of credit cards. A survey by America's Research Group found that 27% of Black Friday shoppers used credit cards this year, compared to 16% in 2010; and 43% admitted to spending more than they planned, up from 39% last year. Personal savings rates have fallen to levels not seen since late 2007.⁴

Sales were up in November, but will consumer spending continue in December? Unemployment remains high. The recent drop from 9% to 8.6% reflects frustrated individuals leaving the workforce more than the 120,000 jobs added in November. Consumer debt, excluding mortgages and home equity credit, increased 1.3% in the latest quarter, and delinquencies sit at 10%, up from 9.8% in the previous quarter. Retail momentum is strong halfway through the holiday season, but the disconnect with economic realities raises the question of how long spending can be sustained.

The Black Friday frenzy led to a record-breaking Thanksgiving weekend

Thanksgiving weekend generated sales growth for retailers across the board, in stores, online and via mobile devices. Contrary to early forecasts that predicted a relatively quiet weekend, Black Friday posted record sales. Based on foot traffic measurements – foot traffic on Black Friday was up 5.1% over 2010 – ShopperTrak estimates in-store sales of GAFO products on Black Friday grew 6.6% over last year, reaching a new high of \$11.4 billion.

Shopping was even more vigorous online. Fifty million Americans visited retail websites on Black Friday, up 35% from last year. The result? Online sales grew 26%, to \$816 million, and sales through mobile devices rose from 3.2% to 9.8% of all online sales. Cyber Monday was even more popular. comScore estimates that online sales were up 22% from last year, hitting a record high of \$1.25 billion in a single day.

Although both Black Friday and Cyber Monday were resounding success, there is no consensus on whether the momentum in brick-and-mortar sales carried through from Friday to the rest of the weekend. Based on a survey of 3,826 shoppers conducted by BIGresearch over the holiday weekend, the National Retail Foundation (NRF) estimates that in-store and online sales from Thursday through Sunday were up 16% over 2010, at \$52.4 billion (Chart 3).⁵ These numbers include GAFO sales in addition to food and

³ 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.

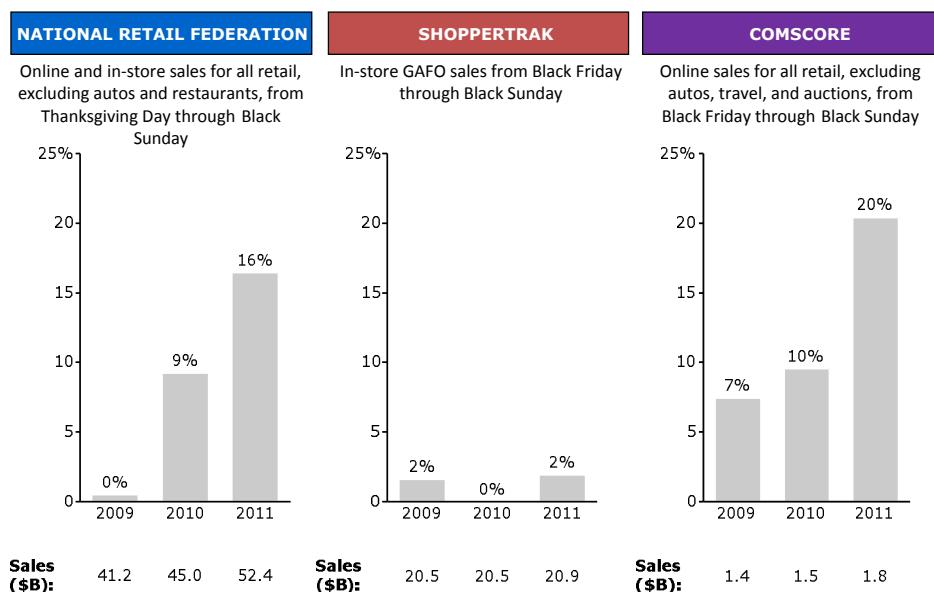
⁴ The personal savings rate hit 3.3% in Sept. and 3.5% in Oct., the lowest rates since Dec. 2007.

⁵ See Chart B in the Appendix for holiday sales-tracking methodologies.

beverages, health and personal care, and flowers and plants. In contrast, ShopperTrak's traffic-based estimates conclude that total GAFO in-store sales from Friday through Sunday grew by just 1.9%, with sales on Saturday and Sunday actually falling 4% and 2% from last year, respectively. Foot traffic took a more dramatic dive over the weekend. After increasing 5.1% on Black Friday, traffic fell 9.6% on Saturday and 8.7% on Sunday. Thanks to larger basket sizes — \$399 this year, up from \$365 last year according to the NRF — and more online shopping, overall sales grew despite these drops in store traffic. The NRF and ShopperTrak weekend numbers paint slightly different pictures, but there is little doubt that solid in-store sales on Black Friday and strong online growth through Cyber Monday made this Thanksgiving weekend the biggest ever.

Chart 3:

Year-over-year growth in Thanksgiving weekend sales, 2009-2011



Note: Cyber Monday is not included in sales numbers

Source: National Retail Foundation; ShopperTrak; comScore

Both the NRF and the Consumer Electronics Association's shopper surveys found that clothing remained the most popular product category over the weekend, followed by consumer electronics. According to the NRF survey, the percentage of customers purchasing clothing fell slightly, from 53% last year to just over 51% this year, while the percentage of customers buying electronics rose from 37% to 39%.

The Thanksgiving weekend playbook

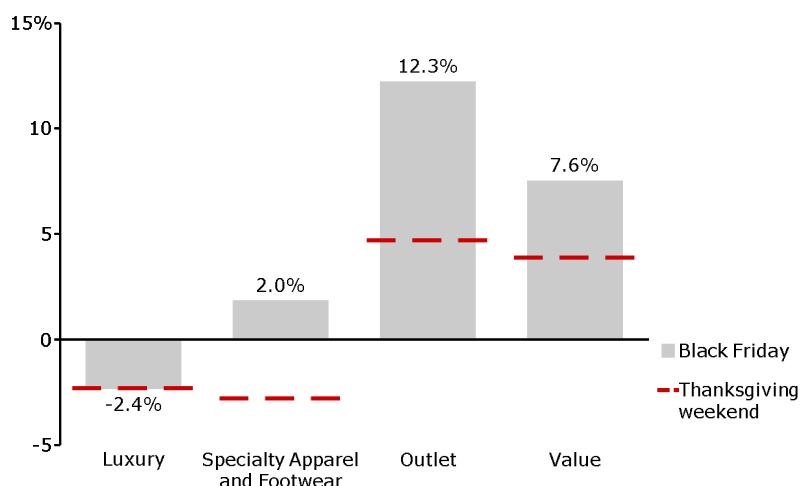
Retailers pulled out all the stops to attract shoppers — and their dollars — over Thanksgiving weekend. Earlier openings, deeper discounts and giveaways, “must-have”

exclusive products and special services were a few of the ways retailers drove traffic to their stores.

Building the buzz early. Retailers offered “preview” sales throughout November, and made Black Friday prices available earlier than ever both to capture early sales and to build excitement for Thanksgiving weekend. Walmart celebrated Super Saturday on November 5, offering early access to Black Friday deals; Amazon.com opened its Black Friday Deals store November 1; and Best Buy ran “Shop Early, Save Big” promotions throughout the month. Retailers’ aggressive promotions and extensive media hype about Black Friday deals clearly had shoppers planning their trips early: The number of unique visitors to BFAds.net and TheBlackFriday.com, the top Black Friday deal-tracking sites, grew by 80% over 2010 in the five days leading up to Black Friday. Many retailers launched Cyber Monday online deals before Thanksgiving Day and extended them past Monday, changing a one-day event into a weeklong online shopping marathon.

Chart 4:

Year-over-year growth in foot traffic
by retailer type, 2011



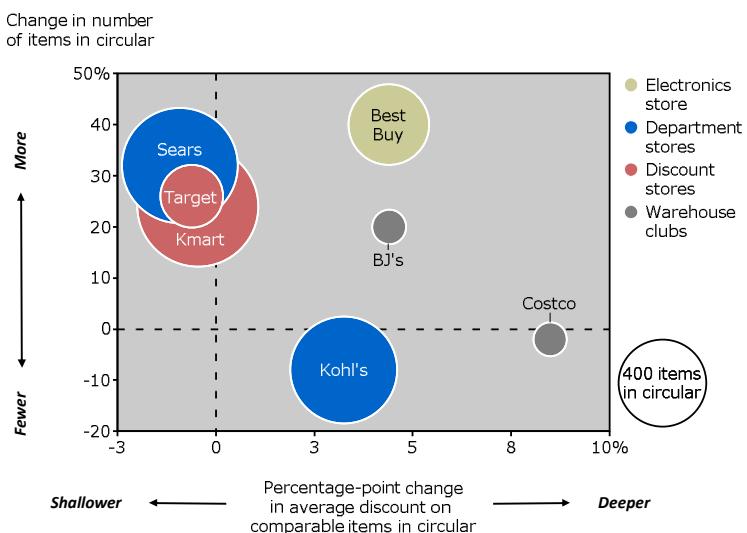
Source: ShopperTrak

From early birds to night owls. In a race to attract the earliest shoppers and lock in sales, Walmart, Target, Best Buy, Kohl’s, Toys “R” Us and many other retailers opened by midnight—some as early as 9 PM—on Thanksgiving Day. Earlier openings drew customers in droves. Nearly 25% of Black Friday shoppers were already shopping or waiting in line at midnight on Thursday, compared with 10% in 2010 and 3% in 2009. According to a ShopperTrak analysis, shoppers drawn by early openings opted for value. Black Friday foot traffic fell 2.4% at luxury retailers but was up 12.3% at outlets and 7.6% at value stores (Chart 4). According to the NPD Group, retailers that opened by midnight saw conversion

jump by 24%; those that did not suffered a drop of as much as 8%. Moving up the Black Friday timetable attracted a new customer demographic to the mix as well. Stores and malls across the country reported much larger numbers of younger shoppers. The earlier openings also attracted male shoppers, who, it turns out, are more eager than women to shop late at night instead of at the crack of dawn. It remains to be seen if the bigger early crowds represent truly incremental spending; customers may simply have frontloaded more of their holiday shopping into Thanksgiving weekend.

Chart 5:

Change in breadth and depth of Black Friday discounts, 2010-2011



Note: Change in number of items measures the percentage change in the number of items featured in Black Friday circulars from 2010 to 2011; change in average discount measures the percentage-point difference in discounts on comparable items in 2010 and 2011; the number of comparable items by retailer ranged from 6 to 30; the diameter of each circle in the chart indicates the approximate number of items the retailer advertised; discounts for groups of CDs, DVDs or board games counted were as a single deal; food and drug items were excluded from BJ's promotions

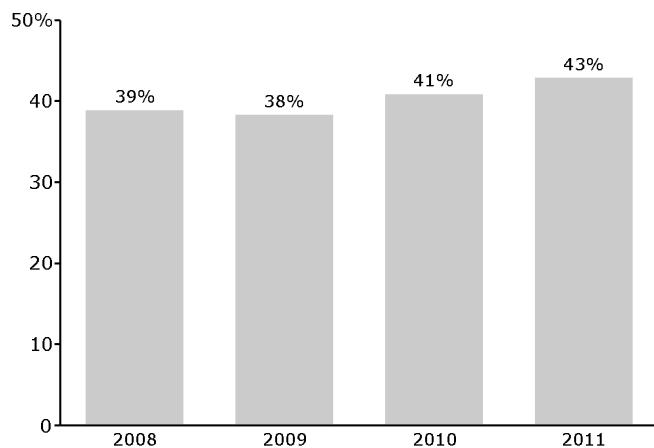
Source: Company Black Friday circulars

Deals, deals and more deals. Bain analysis shows that the average number of products on sale across major retailers jumped 18% from 2010 (Chart 5), and the average discount off list price rose from 41% to 43% (Chart 6). Deals ranged in form, however. Some retailers opted to give a small discount on entire product categories, while others chose to take a bigger discount on select products. For example, Kmart offered 10% off all major appliances, while Best Buy offered an exclusive doorbuster HDTV at a 65% discount. Some retailers offered cash-back promotions too. At Kohl's, shoppers earned a \$15 Cash Coupon for every \$50 spent, and Target gave away a \$10 or \$15 gift card with the purchase of specific

items. Others used product giveaways to boost foot traffic. Old Navy, for example, caused a stir by handing out free digital cameras to its earliest customers, and JCPenney gave away 1.9 million Disney-themed snow globes across the country.

Chart 6:

Average Black Friday discounts advertised in circulars, 2008-2011



| Average number of items: | 286 | 312 | 325 | 384 |
|--------------------------|-----|-----|-----|-----|
|--------------------------|-----|-----|-----|-----|

Note: Results were taken from a sample of seven major retailers: Best Buy, BJ's, Costco, Kmart, Kohl's, Sears and Target

Source: Company Black Friday circulars

Attractions to surprise and delight. In addition to the holiday weekend discounts, retailers rolled out creative promotions and entertainment. Zappos.com paid the \$1.50 toll for drivers on the Massachusetts Turnpike during rush hour the Wednesday before Thanksgiving, creating goodwill among potential Thanksgiving weekend shoppers. Thomas Pink and Abercrombie & Fitch each drew crowds and created photo opportunities in front of their stores with British guards and shirtless models standing guard, respectively. Best Buy's doorbuster discounts may have been the reason people lined up at the door, but watching the latest *Harry Potter* movie on big screens made the experience more enjoyable. Banana Republic gave out candy to customers standing in line, and Old Navy offered shoppers waiting to check out gift cards (valued between \$1 and \$5) for correct answers to trivia questions. Nordstrom Rack delighted customers with time-saving services like "hem while you wait." None of these promotions were exorbitantly expensive, but their uniqueness created a better experience for shoppers.

Preparation (and the right products) makes perfect. Winning retailers made sure their shelves and employees were ready for the holiday weekend. Macy's used test sales during the weekends leading up to Black Friday to identify the items and level of discounts that would best draw large crowds. Based on research, the company set discounts at 55% to 65% and bolstered inventories ahead of the big weekend for key products like Rampage boots, Ralph Lauren pillows and Black & Decker toasters. The Justin Bieber Someday perfume gift set was a Macy's exclusive that brought significant—and mostly younger—traffic to stores. Best Buy employed a new strategy this year: Instead of featuring high-priced 3-D HDTVs, which led to a disappointing Black Friday in 2010, the company featured lower-priced TVs, tablets and other affordable personal electronics. The strategy worked. According to the NPD Group's consumer survey, 58% of Best Buy visitors bought something this year on Black Friday, up from 38% last year. Stephen Baker, vice president of the NPD Group, attributed this success to better deals on the right in-demand products.

Free and fast shipping, and easy returns. Most retailers use free shipping to drive online sales, and Thanksgiving weekend was no exception. comScore estimates that 75% of online transactions made during Thanksgiving week featured free shipping. In a sample of 14 major retailers, all offered free shipping, half of them without a minimum-purchase value (Chart 7). In this sample, 8 retailers regularly offer a free-shipping deal, and Zappos.com and Nordstrom do so year-round with no minimum-purchase requirement. Nordstrom caused quite a stir when it announced free online shipping and returns earlier this year, and is now testing same-day delivery in three cities. Jamie Nordstrom Jr., executive vice president and president of Nordstrom Direct, has said that if the program is successful, there is no reason the company could not roll it out in 20 top markets.

Fourteen top online retailers are also relaxing their return policies for the holidays to encourage impulse buying and attract customers who are worried that gift recipients won't be able to return unwanted items.⁶ Staples, for example, has suspended its usual 14-day policy. The store will accept returns of electronics and furniture bought online by Christmas Eve until January 8. And Walmart has extended its 90-day policy for pre-Christmas online purchases to a full 90 days after December 26.

⁶ The retailers are Barnes & Noble, Best Buy, Blue Nile, Buy.com, Crate & Barrel, Drugstore.com, Hayneedle.com, O.co, Rue La La, Saks Direct, Shoebuy.com, Staples, Urban Outfitters and Walmart.

Chart 7:

Retailers' shipping policies and Thanksgiving weekend free-shipping promotions, 2011

| | Free shipping on any purchase | Free shipping with minimum purchase | Shipping cost varies; typically paid by consumer |
|----------------------------------|--|---|--|
| Fall 2011 | <ul style="list-style-type: none">• Nordstrom• Zappos.com | <ul style="list-style-type: none">• Amazon.com (\$25)*• Gap (\$50)*• J.Crew (\$175)• Macy's (\$99)• Target (\$50)*• Walmart (\$45) | <ul style="list-style-type: none">• Best Buy• Kmart*• Kohl's• Neiman Marcus*• Saks*• Sears* |
| Thanksgiving weekend 2011 | <ul style="list-style-type: none">• Best Buy• J.Crew• Kohl's• Neiman Marcus*• Nordstrom• Saks*• Zappos.com | <ul style="list-style-type: none">• Amazon.com (\$25)*• Gap (\$50)*• Kmart (\$49)• Macy's (\$75)• Sears (\$99)*• Target (\$50)*• Walmart (\$45) | |

* Free shipping with membership in a loyalty program and/or a retailer credit card.

Note: Amazon.com's \$25 minimum applies to items eligible for Super Saver Shipping only; Target's \$50 minimum applies to eligible items only; Walmart's \$45 minimum applies to Home Free items only. For retailers in the third column, shipping costs can vary based on weight, the price of items purchased, the products purchased, the shipping destination, the method of shipping, the seller and/or other factors. Free-shipping promotions on select items only are not included

Source: Retailers' websites, e-mail communications and customer service representatives

Free and faster shipping (and, in categories like footwear, free returns) is increasingly becoming a cost of doing business in retail and a further driver of online success. In a hint of what is to come, Google may be planning to enter the online order fulfillment space next year to better compete with Amazon.com. The tech giant is reportedly negotiating with major retailers to supplement its existing product search feature with a fast shipping service. Customers could follow Google's search results to buy something on a retailer's site, and then choose a Google-provided same-day or next-day delivery option.

Innovations live on beyond the holidays

There is no doubt that the hype, the drama and the excitement of Black Friday inspired consumers this year. The holidays are a time when retailers test innovations, often using new technologies to enable novel experiences for shoppers. Those that are effective will continue into the new year; those that fall short will be abandoned or reworked. Innovative retailers are increasingly testing dynamic experiences, creative limited-time deals, unique uses of space and customized offerings.

Now you see it, now you don't

Daily-deals sites (for example, Groupon, LivingSocial and Google Offers) and flash-sale sites (for example, Gilt Groupe, Rue La La and ideeli) were among the first to promote daily limited-time deals. Daily-deals sites offer discounts on local purchases, sometimes with a social networking twist, relying on a minimum number of buyers to activate the deal or even offering the deal for free if a member can entice enough friends to buy. Flash sales are limited offers of deeply discounted items, often tapping into retailers' excess inventories but increasingly selling made-for-flash products.

These sites range from mainstream to luxury, as do their holiday deals. For Cyber Monday, LivingSocial focused on smaller-scale offerings, year-long magazine subscriptions for \$5, for example, and 50% off deals at Office Max and Skechers. Gilt City offered a higher-flying opportunity: Consumers could purchase the right to name a Virgin America plane and charter a flight for themselves and 145 of their friends to anywhere in the United States that the airline flies. But are these sites just a fad? Daily-deals sites account for only about 1% of total online sales this year, according to Forrester Research, but their growth and share of mind are impressive. Groupon's revenue was \$688 million in the first half of 2011, up from \$59 million last year, and the company reported a 500% increase in the number of deals sold this Thanksgiving weekend over last year. Yipit, a deal aggregator, estimates holiday spending on gifts from daily-deals sites will be up 80% over last year. As for flash-sale sites, traditional retailers are joining the fray. Neiman Marcus and Saks have launched their own versions of flash sales (Midday Dash and FASHIONfix), and earlier this year Nordstrom acquired flash-sale site HauteLook.

Bain recently partnered with Communispace to better understand consumers' use of limited-time deal sites.⁷ About two-thirds of Communispace respondents subscribe to at least one daily-deals or flash-sale site, and more than 80% of them have made a purchase. Subscribers cite great prices and the excitement of discovering new brands, products and services as their favorite aspects of limited-time offerings. Explained one member: "I like both LivingSocial and Groupon because they offer a variety of fun activities or restaurants to try at prices I can actually afford."

But these sites face challenges in their business models—as evidenced by Groupon's stock dropping below its IPO price last week. One question analysts ask is whether the sites build customer loyalty or simply spark opportunistic purchases that cut into retailers' margins. Thirty-eight percent of Communispace members who purchase from these sites claim they've been introduced to a new company or brand that they've purchased from again. But a recent Rice University study on daily deals found that only 36% of deal purchasers spend more than the value of the coupon, cutting into companies' bottom lines. And only 20% of customers return after they no longer have a deal to draw them in. As for flash-sale sites, as luxury brands have cut production—a

⁷ A Communispace community is a private online site where up to 400 invited prospects and customers spend time brainstorming, sharing feelings and experiences, and discussing trends to help a company figure out its marketing and business strategies. These private communities are facilitated by Communispace to keep the "conversation" relevant and insightful.

function of the down economy – high-end sites are challenged by a tightening supply of available products and the difficulty of maintaining the deep discounts they offered when they launched.

Location, location, temporary location

Retailers know location matters, and many are getting more creative about where and when they connect with consumers. Many are providing imaginative shopping options beyond their stores and websites. Back in 2006, Ralph Lauren was a pioneer of interactive shoppable store windows, enabling customers to buy whether the store was open or closed. As technology has evolved, other retailers have expanded on the concept. This year, Sears's shoppable walls at bus stops and airports allow consumers to purchase hot holiday toys with their smartphones using quick response (QR) codes while waiting for a bus or a flight. eBay.com also is using QR codes in its shoppable window display on Park Avenue this holiday season. Scanning a code takes customers to the website, where they can browse similar items for sale and buy what they want the instant something in the window inspires them.

Temporary “pop-up” shops are another way for retailers to build brand awareness and expand their reach during the holidays. This season, Patagonia is operating two Tin Sheds in New York City, temporary stores that screen movies and present speakers to draw in customers. And Toys “R” Us began opening its holiday Express stores in 2009. The temporary formats both expand the company’s holiday visibility (the chain had about 600 Toys “R” Us Express stores in 2010) and enable it to test new locations.

Websites and smartphone applications break nearly all location barriers, bringing stores to consumers anywhere. According to Acquity Group, 37% of the top Internet retailers (as determined by *Internet Retailer*) have a mobile site, and 26% have a mobile app, up from 12% and 7% one year ago. Retailers’ custom apps expand options for unique services and features: Sephora’s mobile app, for example, is equipped with QR scanning technology and gives customers instant access to the latest product reviews, how-to videos for makeup application and directories of staff picks and product promotions. Zegna’s 3-D mobile store creates an immersive virtual experience where users navigate through different sections of the store, access product information and complete purchases.

Customization, personalization and curation

Both omnichannel and pure-play retailers are investing in service and technology to provide consumers with customized products. Converse’s retail stores in New York and Boston have in-store customization areas, where consumers can work with a “maestro” to pick their own shoe style, colors, patterns and laces, and walk out with a truly unique product. Online Australian retailer Shoes of Prey lets customers select fabrics, colors and extras to create one-of-a-kind pairs of women’s shoes. Several traditional retailers, including Lands’ End, Nike, Reebok and L.L.Bean, offer customizable products – dress shirts, shoes and tote bags, for example – through their online stores, allowing buyers to select the design, style and fit that best meet their needs.

Expert and celebrity curations help consumers discover new products through edited selections of merchandise. Birchbox members pay \$10 a month for a selection of beauty samples based on each member's self-assessed beauty profile. If consumers like what they've been sent, they can purchase full-sized versions through the Birchbox website. At Trunk Club, men fill out profiles and can speak with personal stylists via e-mail or phone. Trunk Club then sends an assortment of hand-picked clothes based on each individual's taste and style. Members pay only for the items they keep. Other retailers create partnerships with pop-culture icons to allow consumers to shop for what the stars like. At OpenSky, members select the celebrities and experts they want to form their team of "curators"; they then receive updates and deals on the stars' favorite products. BeachMint has a portfolio of sites, among them JewelMint and StyleMint, that partner with celebrities like Kate Bosworth and Mary-Kate and Ashley Olsen to sell products that the stars have designed or helped to create. The company is expanding this holiday season with ShoeMint, starring a debut collection by Rachel Bilson and Steve Madden.

The jury is still out on which new retail models will become sustainable (read: *profitable*) businesses. But one thing is certain: A BothBrain® approach, which combines right-brain (creative) and left-brain (commercial) thinking, will drive compelling innovations. The best innovators pursue a portfolio of incremental improvements alongside broader innovation platforms and disruptive technologies. Some retailers will build new capabilities, and some will explore partnerships and acquisitions. Walmart's purchase of Kosmix, OneRiot and Grabble to form @WalmartLabs, and eBay.com's acquisition of barcode scanner RedLaser, inventory tracker Milo and recommendation engine Hunch are examples of companies looking to acquisitions to build capabilities. Winning retailers will clearly define and then deliver their own innovative strategies to delight their customers and encourage them to spend.

There is still a lot of holiday left

There is no doubt that Thanksgiving weekend 2011 was a success. But over the past three years, sales on Thanksgiving weekend have accounted for only 8% to 10% of total holiday sales. ShopperTrak predicts that 8 of the year's top 10 sales days are yet to come, 5 of them the week before Christmas Eve. Moreover, sales performance on Black Friday does not closely correlate with sales growth over the holiday season. In 2008, sales figures rose by 3% on Black Friday only to drop by almost 5% for the overall season, making it one of the worst on record. This year's strong Thanksgiving weekend sales may well mean that consumers simply shifted their shopping earlier in the season to chase Black Friday discounts. The big question on retailers' minds this year remains: Will consumers sustain the spending through December?

A preview of our upcoming holiday issues:

Issue #5: Mind the generational gap

Issue #6: A recap of the 2011 holiday season and top trends in 2012

Newsletter schedule

Our next newsletter will be released in mid-December, followed by a final issue in mid-January (*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 | Dec | | | | Jan | | |
|---|------------|-------------|-------------|-------------|------------|-------------|----|
| | 4 | 11 | 18 | 25 | 1 | 8 | 15 |
| US Census Bureau Advance Retail Sales (GAFS/GAFO) | | ▲ 13-Dec | | | | ▲ 12-Jan | |
| ICSC Monthly Same Store Sales | | | | | ▲ 5-Jan | | |
| Michigan Consumer Sentiment Index | ▲ 9-Dec | | ▲ 22-Dec | | | | |
| Consumer Confidence Index | | | | ▲ 27-Dec | | | |
| BEA Gross Domestic Product | | | ▲ 22-Dec | | | | |
| BEA Personal Income and Outlays | | | | ▲ 23-Dec | | | |
| Bain Retail Holiday Newsletter (tentative) | | ★ | | | | ★ | |

Appendix

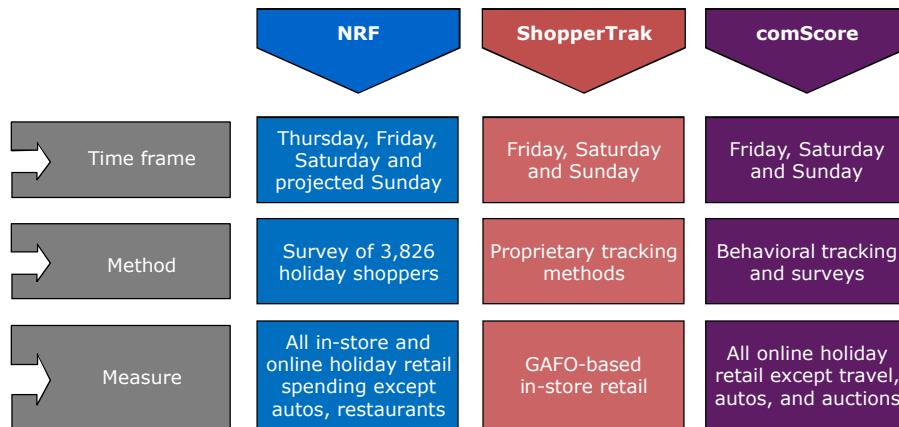
Chart A:

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 | | | | |

Chart B:

Thanksgiving weekend sales-tracking approaches



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.

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