



November 30, 2012

Holiday half-time report

by Darrell Rigby, Kris Miller, Josh Chernoff and Suzanne Tager

Retailers brought their A game to the Thanksgiving weekend, resulting in record sales in both stores and online. They were aggressive and creative in competing for shoppers' dollars and delivering a more seamless omnichannel experience. In this issue we examine November same-store sales, Thanksgiving weekend performance, the innovative strategies retailers used to attract and delight shoppers, and the questions this raises for retailers going forward. The key challenge for retailers now: sustaining the positive momentum through the remainder of the holiday shopping season.

Thanksgiving kicks off the holidays in style after a slow November start

November got off to a slow start, with Superstorm Sandy shutting down stores in the Northeast. Same-store sales excluding drugstores grew only 1.7% in November, according to the International Council of Shopping Centers' index, slower than the 3.2% growth we saw in November 2011. Most retailers posted weaker November results relative to 2011, though several, including Costco, TJX Companies, Victoria's Secret, and Ross Stores maintained positive, albeit decelerating, growth (*Chart 1*). In addition to Sandy, layaways (which are not booked until they are paid in full) and strong online sales encroached on stores' performance in November. And Cyber Monday, the biggest online shopping day ever, was not included in November results given retail calendar timing.¹ The good news is that these factors should lift December same-store sales.

According to the National Retail Federation (NRF), over the last three years between 9% and 11% of all holiday sales were made from Thursday to Sunday of Thanksgiving week. An NRF survey of 4,005 shoppers reports that a record-breaking 139.4 million Americans hit the stores and visited retailers' websites this Thanksgiving weekend. NRF estimates that total retail sales (in stores and online) for Thursday through Sunday were up 13% over 2011, slightly shy of last year's 16% growth. NRF estimates include a broad

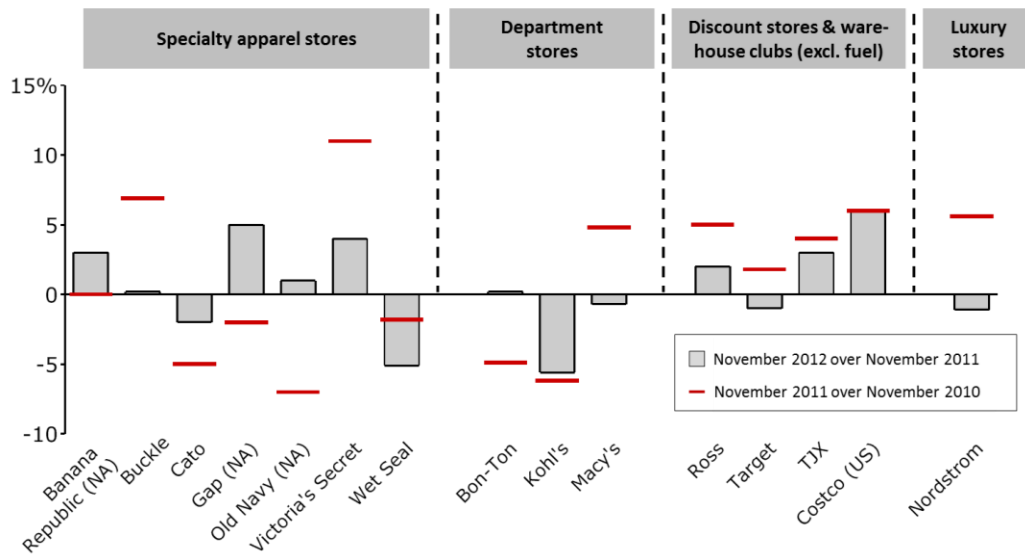
¹ November same-store sales covered results from October 28 to November 24 (Black Saturday), as retailers follow the 53-week retail calendar set by the National Retail Federation (NRF).

range of retail categories: GAFO, food and beverage, health and personal care and others.² Even foot traffic saw strong growth from Friday to Sunday: up 6.9% versus a 1.8% drop in 2011. However, ShopperTrak estimates that in-store GAFO sales grew 1.4% from Friday to Sunday, slower than the 1.9% growth in 2011.³ When including Thursday, GAFO sales were up 2.7% for the weekend. While the differences in methodologies make NRF and ShopperTrak estimates hard to compare directly, it is clear that in-store sales were up.

Online sales surpassed the \$1 billion mark on three days – Black Friday, Cyber Monday and the Tuesday after Cyber Monday. Online sales grew 23% through the weekend, 17% on Cyber Monday and 13% on Tuesday, according to comScore. Mobile commerce sales soared – they accounted for more than 16% of online sales on Black Friday, up from 9.8% in 2011, according to IBM. comScore expects mobile will compose 13% of online sales this holiday season. And eBay’s PayPal reported that the volume of global mobile payments on Black Friday was up 193% over last year. Both in-store and online metrics point to the same conclusion: This Thanksgiving weekend was a success (Chart 2).

Chart 1:

Year-over-year growth in monthly same-store sales, November 2010-2012



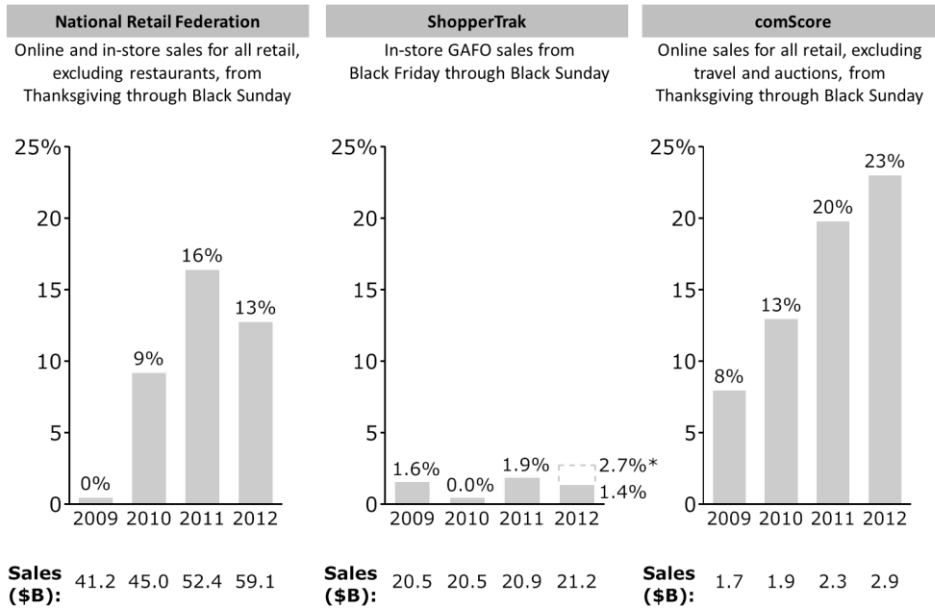
Note: Gap, Banana Republic and Old Navy comparable sales are for North America; Costco are for the US excluding effects of fuel; TJX comparable sales are global
Source: Financo

² See Chart A in the Appendix for definitions of GAFO and other sales measures. See Chart B for a comparison of the methods NRF and ShopperTrak use to estimate Thanksgiving weekend sales.

³ ShopperTrak (www.shoppertrak.com) is a retail technology company that anonymously counts people, analyzes data and identifies opportunities to increase revenue for retailers, mall developers and entertainment venues. Founded in 1995, ShopperTrak counts billions of shoppers annually in more than 50,000 locations across 74 countries. The company has offices in England, Dubai, and China.

Chart 2:

Year-over-year growth in Thanksgiving weekend sales, 2009-2012



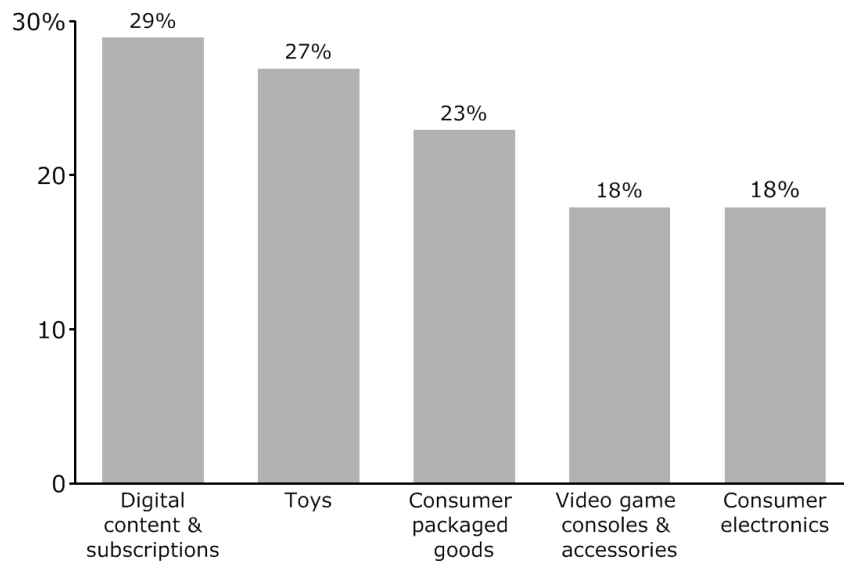
*Thanksgiving through Black Sunday 2012 grew 2.7% over 2011
 Source: National Retail Federation; ShopperTrak; comScore

Clothing continued to lead in-store and online sales over the weekend, according to the NRF survey. Books, CDs, DVDs, videos and video games climbed to No. 2, while consumer electronics dropped to No. 3. Clothing and gift cards saw the greatest growth in popularity over last year: The percentage of shoppers buying clothes rose from 51% to 57%, and the percentage of shoppers buying gift cards rose from 23% to 33%. Just looking at online sales, digital content and subscriptions has been the fastest-growing e-commerce category in November, followed by toys, consumer packaged goods, video game consoles and accessories, and consumer electronics (*Chart 3*). Apparel and accessories accounted for more than a quarter of e-commerce sales on Black Friday.

Retailers are now focused on carrying positive Thanksgiving sales momentum into December. This holiday season has two more shopping days between Thanksgiving and Christmas than last year's (32 days in 2012 versus 30 in 2011), and includes a full weekend before Christmas and another full weekend between Christmas and New Year's—a very favorable calendar for retailers.

Chart 3:

Online sales growth by category,
November through Black Friday, 2011-2012



Note: Comparable dates are November 1 through November 23 in 2012, and November 3 through November 25 in 2011
Source: comScore

Although the economy is not booming, retailers should feel encouraged that most macroeconomic indicators are gradually improving:

- The economy continues to recover and grow at a modest pace. The Bureau of Economic Analysis reported real Gross Domestic Product year-over-year growth of 2.5% for the third quarter, faster than the 2.1% growth in the second quarter.
- Consumer confidence remains at five-year highs. The Michigan Consumer Sentiment Index is currently at 82.7, up from 75.0 in January of this year, and the Consumer Confidence Index rose from 61.5 to 73.7 in the same period.
- At \$3.38 per gallon, gas prices are down 6% from a month ago and in line with November 2011 prices.
- Equity and housing markets are gaining strength. The S&P 500 Index is up 12.6% year to date and has largely recovered from the post-election drop. The S&P/Case-Shiller 20-City Composite Index, which tracks housing prices in 20 major US markets, was up 3% year-over-year in September and has now logged six consecutive months of increases, the longest stretch since 2006. Existing and new home sales were up 11% and 17% this October compared to October 2011.

Some headwinds remain, but we don't think they will significantly slow down spending in December:

- Unemployment remains high. Jobless claims numbered 393,000 as of November 24 and the four-week moving average increased to 405,000. However, 3.1 million

more people are employed this October compared to October 2011, which should bode well for holiday spending.

- The fiscal cliff has received a lot of attention in the press, and many observers have speculated that fiscal cliff concerns could limit spending for some consumers. We don't expect this effect to be material this holiday season given shoppers won't feel any potential impact on their wallets until 2013.

Black Friday is becoming a weeklong, omnichannel shopping event

Competition for shoppers' dollars started earlier and lasted longer this Thanksgiving than ever before. Retailers began building Black Friday buzz weeks in advance, and distinctions blurred heavily among Black Friday, Thanksgiving weekend and Cyber Monday. Cyber Monday is fast becoming "Cyber Week." Retailers also embraced omnichannel strategies to help all types of consumers shop where, when, and how they wanted to. Here are some examples of retailers' strategies:

- *Promoting Black Friday sales early.* Many retailers offered deals in stores and online well in advance of the Thanksgiving weekend, turning Black Friday into Black Week. Staples offered Black Friday deals as early as the Sunday before Thanksgiving, in stores and on its website. Amazon.com kick-started online discounts with previews of Black Friday deals three weeks early, on November 1, and offers beginning on the Monday before Thanksgiving. Kohl's introduced its 500 Early Bird specials to customers on the Wednesday before Thanksgiving, earlier than it ever had before. Sports Authority ran a presale event from November 11 to November 17, where customers could shop in stores and then pick up their purchases on Black Friday or Saturday.

Retailers' efforts to start Black Friday early worked this year. Thanksgiving Day sales experienced strong growth, and accounted for 3.6% of total Thanksgiving weekend GAFO sales as estimated by ShopperTrak (*Chart 4*). On Tuesday before Thanksgiving, Google searches for "holiday gift" and "Black Friday" were up 194% and 566% respectively from the beginning of November. And online sales on Thanksgiving Day outgrew Black Friday sales over the last three years, according to comScore (*Chart 5*). Social network shopping buzz followed suit – it peaked across Thanksgiving Day and Black Friday, according to Converseon (*Chart 6*).⁴

⁴ Converseon (www.converseon.com) is a full-service social media consultancy that delivers insights about consumers, brands, campaigns and time-critical issues to the world's largest brands. The New York-based company was founded in 2001.

Chart 4:

Thanksgiving weekend GAFO in-store sales estimates, 2012

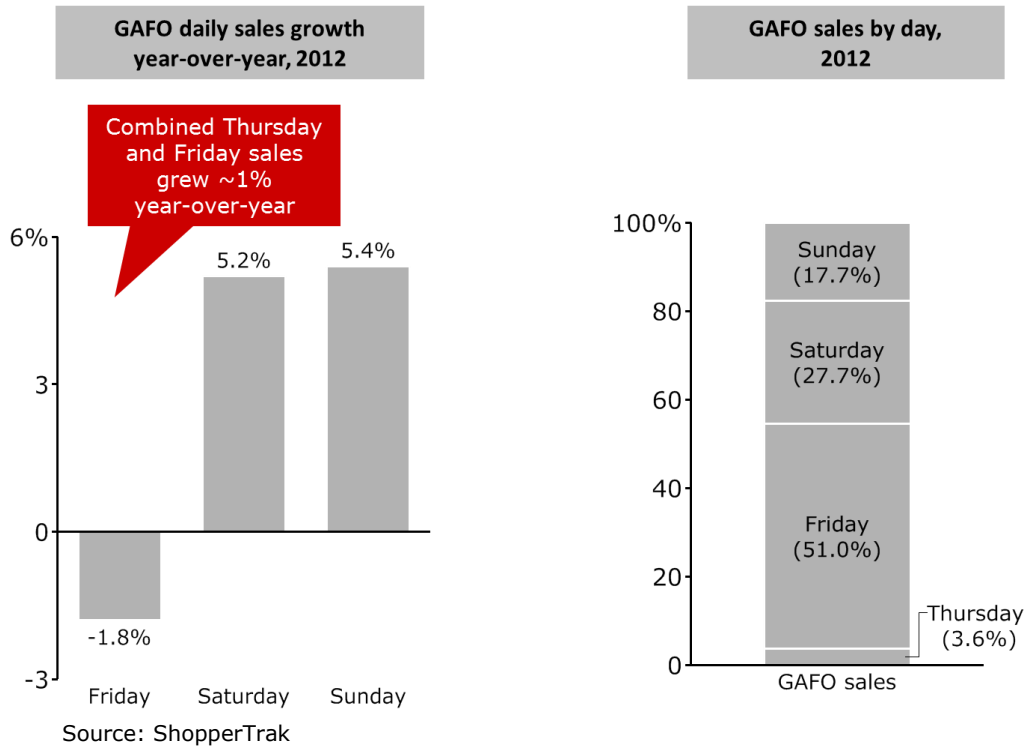


Chart 5:

Thanksgiving weekend online sales 3-year growth, 2010-2012

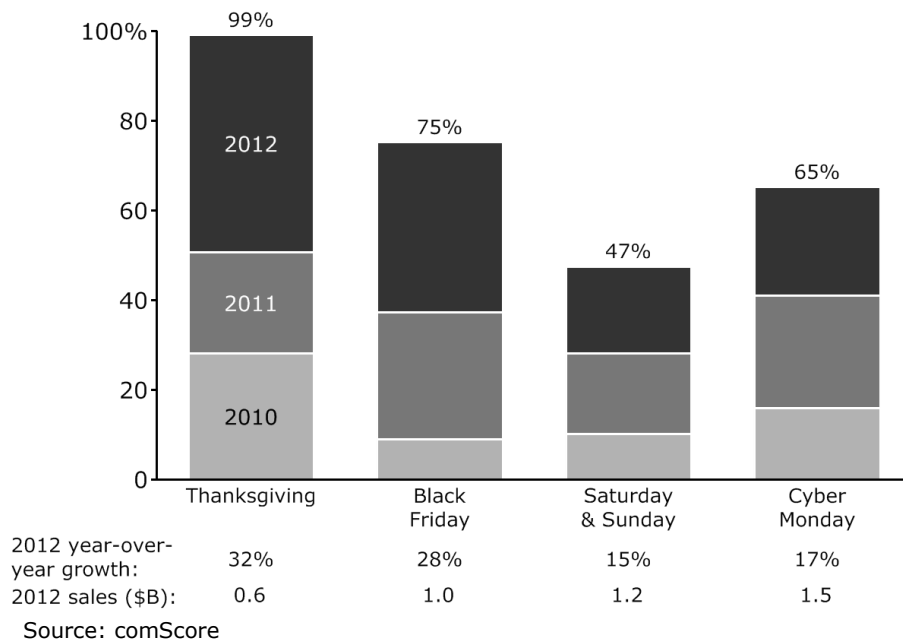
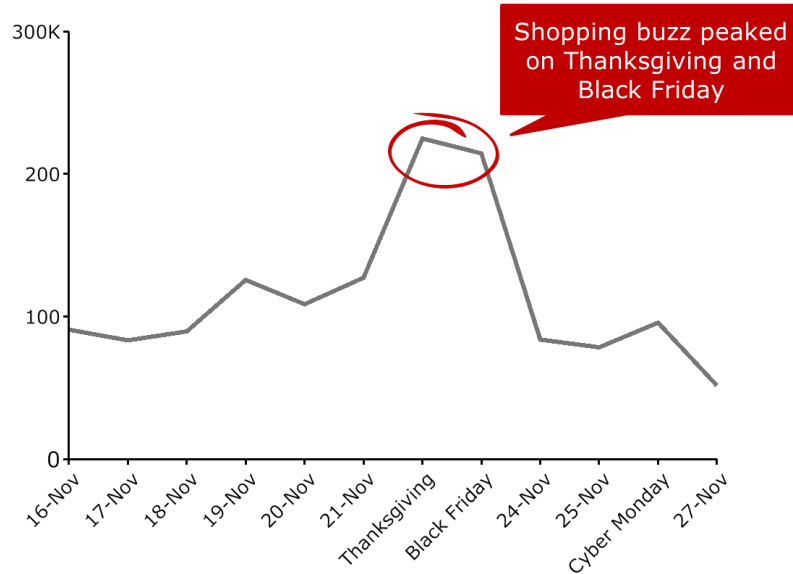


Chart 6:

Number of retailer mentions in social media,
November 16-27, 2012



Note: Based on sample retailers including JCPenney, Macy's, Target, Amazon.com, Best Buy and Walmart
Source: Converseon

- *Extending store hours so that customers could shop when they wanted.* Since 2005, Black Friday has been the busiest shopping day of the year. In 2011 some retailers opened their doors at midnight to cater to (often younger) customers who prefer shopping late at night instead of early in the morning. This year retailers opened even earlier, drawing some protests and criticism for asking their workers to cut short time with their families on the holiday. Walmart opened at 8 PM, two hours earlier than last year, and served 22 million customers from 8 PM to midnight. Target opened at 9 PM, three hours earlier than last year, and Toys “R” Us opened at 8 PM, one hour earlier than last year. Macy’s, Kohl’s and Best Buy opened their doors at midnight, as they did in 2011.
- *Stretching Cyber Monday into “Cyber Week.”* Retailers are not ending their online sales on Cyber Monday; instead they are looking to extend the excitement. Amazon.com, Target, Walmart and others are turning Cyber Monday into Cyber Week. Blue Nile kicked off its Extraordinary Days of Christmas promotion on Cyber Monday. The online jeweler is offering new discounts each day for 12 days and is running a game on Facebook with giveaways.
- *Embracing omnichannel strategies.* Some shoppers opted to skip crowded stores and shop online over the Thanksgiving weekend, and many of them started on Thursday after the Thanksgiving meal. NRF reported that younger shoppers shopped online more frequently on Thanksgiving Day and Black Friday: 76% of

shoppers ages 18 to 34 shopped online; by comparison, 67% of shoppers ages 35 to 54 and just 46% of 55-plus shoppers made purchases online. Many retailers offered online deals before Black Friday store openings to cater to these customers. BJ's online deals began at 12:30 AM on the Wednesday before Thanksgiving, although the stores did not open until 7 AM on Black Friday. JCPenney also ran online specials on Thanksgiving Day for shoppers who wanted an early start, even though the company's stores were closed for the holiday. These retailers' efforts worked: E-commerce grew 16% overall in November through Black Friday, meeting our growth forecast.⁵

Deals remained a critical part of the Thanksgiving playbook

Black Friday and Cyber Monday have long been synonymous with deals, and this year was no exception. Retailers got creative, designing promotions that both enticed customers and protected margins.

The level of discounting remained largely in line with the level of discounting in 2011. A Google survey found that 70% of respondents felt they were seeing about the same amount of holiday discounts and coupons in 2012 as in 2011. Bain analyzed discounting across 9 mass retailers and found that the average number of products retailers discounted for Black Friday was up slightly (1.2%) compared to last year. Discounting depth remained roughly the same at mass retailers in 2012 and 2011 – 41% (*Chart 7*). To analyze discounting across higher-end department stores and specialty apparel retailers, Bain partnered with Hipiti.⁶ Hipiti found a minor drop in discounts across 8 retailers, from an average of 35% in 2011 to 32% in 2012. Jefferies also found that discounting levels had changed little from 2011 – just a 1.5% increase in discounts this year across 15 retailers.

Retailers devised strategies to promote traffic and return visits, drive conversion and make it harder to compare prices directly across products. Retailers employed time-sensitive deals, exclusive and early-access promotions, and free shipping to attract customers. They looked for innovative ways to use social, mobile and local digital promotion strategies to reach customers and stand out from their competitors. Most retailers also suspended their price-matching programs over the holiday weekend to protect margins.

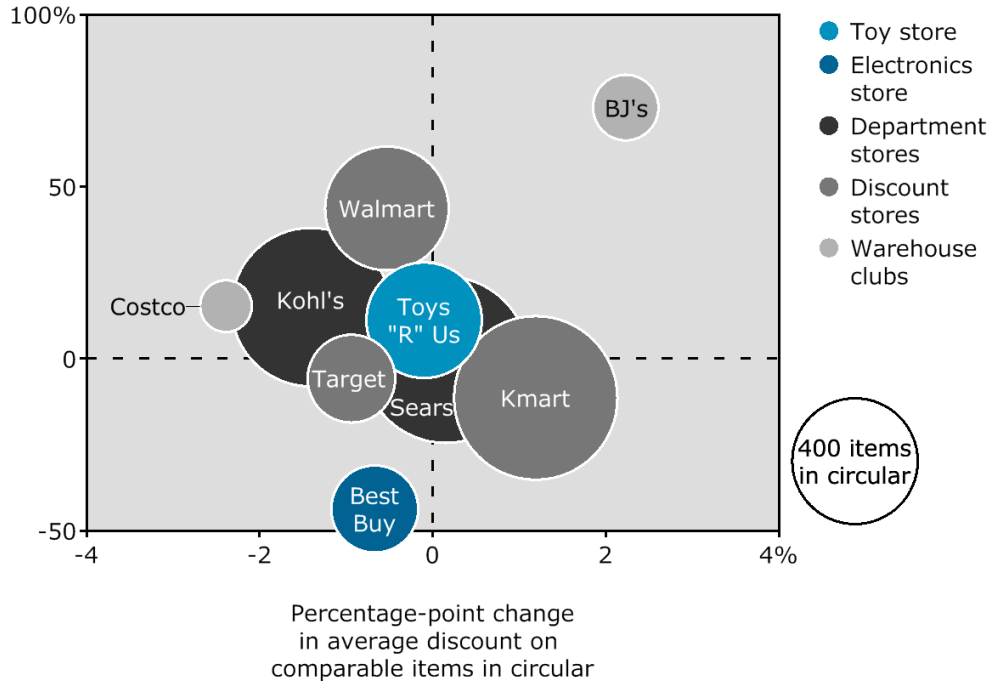
⁵ See Chart C in the Appendix for holiday online growth forecasts from other sources.

⁶ Hipiti (www.hipiti.com) is a retail data firm and consumer shopping application that tracks sales, discounts, shipping and new-arrival information from about 150 of the largest department and specialty stores. The company provides custom data analysis for retailers and a platform for consumers to easily find the best offers and information on their favorite retailers. Hipiti's Thanksgiving weekend discount analysis includes sale data from retailer e-mails, landing pages, and Facebook and Twitter feeds for Neiman Marcus, Saks Fifth Avenue, Macy's, J.Crew, Banana Republic, Ann Taylor, Abercrombie & Fitch and Victoria's Secret.

Chart 7:

**Change in breadth and depth of Black Friday discounts,
2012 Versus 2011**

Change in number
of items in circular



Note: Change in number of items measures the percentage change in number of items featured in Black Friday circulars from 2011 to 2012; change in average discount measures percentage-point difference between 2011 and 2012 discounts on comparable items; number of comparable items by retailer ranged from 10 to 29; diameter of each circle in the chart indicates the approximate number of items the retailer advertised; number of items counts all same-priced CDs, DVDs, board games as a single item; food and drug items were excluded from BJ's promotions
Source: Company Black Friday circulars

Here are some of the promotional strategies retailers implemented:

- *Time-sensitive deals.* Many retailers offered promotions on different items at different times, in an effort to maintain momentum, drive repeat store visits and manage store traffic flow. Walmart offered three waves of in-store promotions: discounts starting at 8 PM on Thanksgiving, an electronics special at 10 PM and weekend deals at 5 AM on Black Friday. Ace Hardware offered different deals on Friday, Saturday and Sunday. At Staples, shoppers who arrived before noon could save close to \$200 on certain personal computers with Windows 8. Abercrombie & Fitch rewarded night owls with 50% in-store discounts between midnight and 6 AM on Friday. Gilt.com offered a number of limited-time deals, including Gilt Freefall: A limited number of items would go on sale for as little as 5 to 10 minutes, with prices dropping until the sale ended. Similarly, Amazon offered limited-time Lightning Deals in the week following Cyber Monday.

- *Exclusive and early-access offers for loyal customers.* Many retailers gave their best customers special deals. Best Buy offered an early-bird special to its biggest-spending customers, who received online discounts starting the Monday before Thanksgiving. Target REDcard holders enjoyed first access to Black Friday sales items on Target.com. Deals were available to them when they signed in on the Target website. Sears featured special Black Friday online discounts for Shop Your Way Rewards members, and the discounts were available the Sunday before Thanksgiving.
- *Innovative use of social, mobile and local promotions.* Retailers leveraged social networks in their efforts to attract shoppers. On Black Friday, Kohl's held contests to give away \$100 gift cards to those who "liked" Facebook products the fastest. In the two weeks leading up to Thanksgiving, Target gave away \$25 gift cards daily to Facebook fans who registered on its Facebook page. And shoppers who downloaded Walmart's mobile app or liked its Facebook page had special access to deeply discounted sale items.

Retailers also used mobile and location-enabled apps to offer timely deals to customers. At Target, customers could unlock secret doorbusters by texting a hotline. eBay launched 20 mobile-only deals via its eBay mobile app on Thanksgiving evening. Gilt.com launched a mobile-only sale starting on Thanksgiving Day. Macy's app sent shoppers a new special deal every five minutes while they were in the store, deals that were not advertised anywhere else. RetailMeNot.com launched a coupons app in time for Thanksgiving. The app delivers discounts for products at local stores as consumers approach a shopping mall.

- *Free shipping.* Shipping charges are often a deal breaker for consumers. Asked by Google what they would do if a retailer's website did not offer free shipping for a product they wanted, 48% of respondents said they would look for the product on another site, and another 32% said they would find it in a different store; only 20% said they would buy the product anyway. Most retailers offered some form of free shipping heading into the holidays – either with a minimum purchase or without conditions.⁷ Amazon.com offers free two-day shipping with its Prime subscription for \$79 per year. The retailer also experimented with a monthly Prime subscription for \$7.99 during November. Sears is piloting its own system through its Shop Your Way MAX loyalty program, which also gives members free two-day shipping for a \$79 annual fee.
- *Restricted price matching.* Best Buy and Target suspended their price-matching programs over Thanksgiving weekend: Best Buy's policy was not in effect from November 17 through November 27; Target did not match prices from November 22 to November 26. Toys "R" Us left its price-matching policy in place over the weekend but did not extend it to online prices and excluded

⁷See Chart D in the Appendix for some examples of retailers' holiday shipping policies.

doorbusters and other limited-quantity items. The jury is still out on the effectiveness of price matching to drive sales. It may give shoppers confidence that they are getting a good deal no matter what other retailers are offering, but restrictions and burdensome proof requirements during Thanksgiving could also disappoint them.

Game-day shopping: More fun, less stress

Black Friday often stirs strong emotions in shoppers. On the one hand, there is excitement about getting great deals and buying items they've been wanting; on the other, there is the frustration of never-ending lines and inevitable stock-outs. Retailers worked hard last weekend to make shopping a social, entertaining event, and to minimize the stress of shopping.

- *Making waiting more fun.* Retailers employed tactics from contests to free food to build excitement around their store openings on Black Friday and to make the waiting more enjoyable for shoppers. Kohl's held a contest for shoppers standing in line before the stores opened at 12 AM. The Operation: Black Friday Twitter Sweepstakes offered a chance at a \$100 Kohl's e-gift card to customers who tweeted pictures of themselves in line. Toy "R" Us handed out a Great Big Goody Bag full of items from Crayola, LEGO and others to the first 200 customers at each of its stores. JCPenney kicked off the holidays by giving customers holiday-themed buttons, some of which entitled shoppers to a prize. Shoppers entered the code on the back of the button at JCPenney.com and won gifts ranging from merchandise to tickets to the *Ellen DeGeneres Show*, to a trip to Disneyland. Sam's Club members received free breakfast and complimentary Starbucks coffee to start out their shopping. Urban Outfitters had food trucks in front of its San Francisco store for its midnight Black Friday opening.
- *Shopping as entertainment.* Over the weekend, select Old Navy stores set up stations where shoppers could sample the newest Super Mario Bros U game for the Wii U and pose with photographs of characters from the game. Outdoor retailer Cabela's offered shoppers games and even campfires to sit beside when they needed a break from shopping. PetSmart customers could take a break from shopping and have their pet's picture taken with Santa, while Abercrombie & Fitch offered up shirtless male models to take pictures with. Macy's opened up a 6,000-square-foot Dickens Village in Philadelphia, featuring 26 scenes from *A Christmas Carol*.
- *Guaranteed deals for waiting crowds.* Walmart adopted a novel approach to organizing crowds this Black Friday. The retailer guaranteed customers who were in line at the store between 10 PM and 11 PM on Thanksgiving access to three big-ticket electronic doorbusters. If a store ran out of the item, customers could purchase it anyway and have it delivered to that store for pickup before Christmas. Best Buy, which opened at midnight, repeated its practice of passing out reservation tickets for sale items to shoppers in line, starting at 10 PM.

- *Mobile apps to simplify shopping.* Retailers offered apps ranging from in-store mapping and trip-planning tools to price checking. Nordstrom, Macy's and Bloomingdale's made indoor floor plans available through a Google Maps app. The floor plans labeled departments so that shoppers could easily find the products they wanted. Some apps, including Macy's, helped customers create personal shopping lists, browse store-specific Black Friday specials and take advantage of last-minute discounts. Many retailers, including Target, Macy's and Lowe's, have invested in better in-store Wi-Fi networks so that shoppers can access apps and websites more easily.

Bain worked with PollBuzzer to determine how many shoppers used shopping-related mobile apps this Thanksgiving weekend.⁸ PollBuzzer surveyed 1,422 shoppers and found that 64% shopped in stores this holiday weekend. Of these 903 shoppers, 39% used at least one shopping-related mobile app. 24% of shoppers used price comparison apps, 24% used apps to access coupons, and 17% used in-store navigation and mapping apps. Onavo, a mobile data company, reported that the most popular apps last Friday were the group-deal apps Groupon and LivingSocial, followed by Walmart, Target and eBay's RedLaser.

- *Delivering faster and better service using digital tools in stores.* Mobile checkout systems helped retailers serve customers efficiently and expedite the purchase process. JCPenney, which introduced mobile checkout in August, equipped every store with iPod Touch devices in time for Black Friday. At Barney's, sales associates used iPads with barcode scanners to look up inventory and scan items for customers. Footwear retailer Finish Line gave employees access to a mobile app that provided detailed product information and customers' purchase history so they could tailor their recommendations. This year marked the first time mainstream shoppers started using digital wallet payments through services like Google Wallet and Square Wallet. These nascent services allow customers to store credit card information on their phones and use their phones to check out. Aite Group expects sales from digital wallet systems to grow by 121% annually over the next three years, increasing from \$2.1 billion in 2012 to more than \$22 billion by 2015.

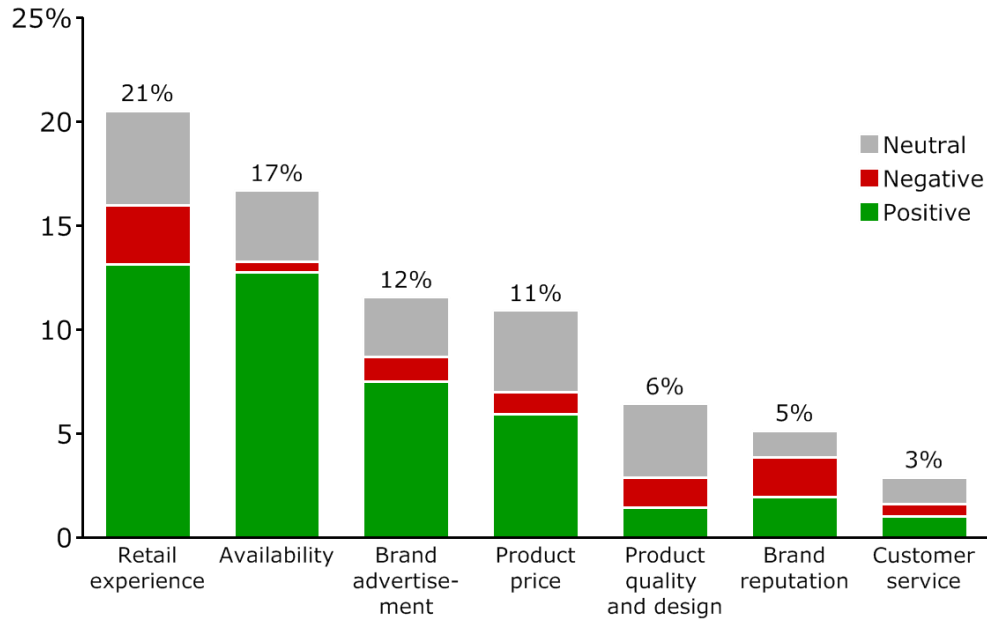
Most customers enjoyed their shopping experiences this Thanksgiving weekend. Bain partnered with Converseon to understand what shoppers were talking about and how they were feeling on Black Friday. Retail experience and pricing had a greater share of online conversations on Black Friday than on a typical Friday. About 50% of all retailer mentions were positive, and joy and anticipation were the most frequently expressed emotions. Only 20% of retailer mentions were negative, expressing anger, fear, sadness and even disgust with shopping. The nature of complaints varied, and included long wait times, customer service issues, product defects and overall disappointment with

⁸ PollBuzzer™ (www.PollBuzzer.com) offers a real-time consumer opinion survey product. According to PollBuzzer, clients use demographic, geographic and socioeconomic filters to build customized panels drawn from PollBuzzer's proprietary national respondent pool, build their own surveys using a do-it-yourself web interface, and receive Excel-formatted results in as little as one hour after launch.

specific brands. However, most shoppers were generally happy with product availability and pricing, liked the ads they saw and didn't let long lines spoil their retail experience (Chart 8).

Chart 8:

Shopping experience social media mentions across major topics, Black Friday 2012



Note: Based on sample retailers including JCPenney, Macy's, Target, Amazon.com, Best Buy and Walmart. Excludes more general discussions that did not relate to a specific issue (26% of all retailer mentions with 34% positive, 30% negative and 36% neutral comments)

Source: Converseon

Looking ahead to the second half of the season and beyond

Retailers' innovations and aggressive competitive strategies generated excitement about holiday shopping . . . and healthy Thanksgiving weekend sales. But we still have 28 shopping days between Cyber Monday and Christmas. The challenge will be sustaining the momentum through December.

November raised a number of difficult questions that retail executives will have to tackle during the remainder of the holiday shopping season and then again next year. Among them are the following:

1. Omnichannel

- Where should we draw omnichannel boundaries – should we offer different products, pricing and promotion strategies online than we do in stores?

- How should we design promotions to target customer segments with different shopping habits across channels?
- How will we ensure we get our fair share of online growth?

2. *Customer experience*

- What technology and training investments are worth making to enable sales associates to deliver a superior customer experience?
- Which customer-facing digital tools will differentiate us from the pack, and which ones have limited use?

3. *Pricing and promotions*

- How can we ensure we are competitive on pricing, but protect our margins given the new world of showrooming and abundant price comparison and product availability tools?
- Do we want to make it easy for shoppers to compare prices, or should we try to make pricing less transparent?
- What type of free shipping deals do we need to fund?

4. *Future holiday strategies*

- When is the right time to start Black Friday sales? How can we make sure our employees have time off to enjoy the holiday with their families, yet satisfy customers who want to shop on Thanksgiving Day?
- How do we need to adjust our pricing and promotion strategies over the rest of the holidays?

We look forward to sharing insights on what retailers are doing to maintain sales momentum in December and finish the year on a high note.

Newsletter schedule

Our next newsletter will be released in mid-December, and our final issue will be published in January (*Chart 9*). 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, or would like to arrange a follow-up discussion on omnichannel trends or the macroeconomic outlook.

Chart 9:

Indicator update and newsletter schedule

Data source	Dec				Jan		
	3-9	10-16	17-23	24-30	31-6	7-13	14-20
US Census Advance Retail Sales (GAFS/GAFO)		▲ (12/13)					▲ (1/15)
ICSC Monthly Same Store Sales					▲ (1/3)		
Michigan Consumer Sentiment			▲ (12/21)				
Consumer Confidence Index				▲ (12/27)			
BEA Gross Domestic Product		▲ (12/20)					
BEA Personal Income and Outlays		▲ (12/21)					
Holidays				▲ <i>Christmas (Tues)</i>			
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	✓			✓
All other retail trade sales not included in GAFO (excluding auto and auto parts)				✓
Auto and auto parts sales				

Chart B:

NRF and ShopperTrak Thanksgiving weekend sales estimate methodologies

Source	Time frame	Method	Measure
NRF	Thursday, Friday, Saturday and projected Sunday	Survey of 4,005 holiday shoppers	All in-store and online retail sales
ShopperTrak	Thursday, Friday, Saturday and Sunday	Proprietary tracking methods	GAFO in-store retail sales

Chart C:

Holiday e-commerce growth forecasts

Source	Forecast	Definition
comScore	17%	All retail sales excluding auctions, large corporate purchases and travel
eMarketer	16.8%	All retail sales excluding travel and event ticket sales
Forrester	15%	All retail sales excluding auto, groceries, travel and restaurant
Shop.org	12%	All retail sales excluding auto (but not auto parts) and restaurant

Chart D:

Retailers' shipping policies pre-Thanksgiving and on Thanksgiving Weekend, 2012

	Free shipping on any purchase	Free shipping with minimum purchase	Shipping cost varies	
Fall 2012	<ul style="list-style-type: none"> Nordstrom Zappos.com 	<ul style="list-style-type: none"> Amazon.com (\$25)* Coach (\$150) Gap (\$50)* JCPenney (\$50) J.Crew (\$175) Kmart (\$49)* Kohl's (\$75) 	<ul style="list-style-type: none"> Lowe's (\$49) Macy's (\$99) Sears (\$99)* Staples (\$45) Target (\$50)* Toys "R" Us (\$49)* Walmart (\$45) 	<ul style="list-style-type: none"> Best Buy BJ's Costco Neiman Marcus* Saks*
Thanksgiving weekend 2012	<ul style="list-style-type: none"> Nordstrom Zappos.com Best Buy JCPenney Neiman Marcus Saks Staples Toys "R" Us 	<ul style="list-style-type: none"> Amazon.com (\$25)* Coach (\$150) Gap (\$50)* J.Crew (\$150) Kmart (\$49)* Kohl's (\$50) 	<ul style="list-style-type: none"> Lowe's (\$19) Macy's (\$99) Sears (\$49)* Target (\$50)* Walmart (\$45) 	<ul style="list-style-type: none"> BJ's Costco

* Free shipping with membership in a loyalty program and/or a retailer credit card; retailers in bold have lowered their minimum-purchase requirements; retailers in italics have switched their shipping policy to offer free shipping on any purchase

Notes: JCPenney also offers free shipping on furniture; for retailers in the third column, shipping cost can vary based on weight, price of the items purchased, product purchased, shipping destination, method of shipping and/or seller; free shipping promotions on only select items were offered by Costco and BJ's and are not included; Kohl's and J.Crew offered free shipping on any purchase for their Cyber Monday sales; Macy's lowered its minimum-purchase requirement to \$75 for its Cyber Monday sale

Source: Retailers' websites; customer service representatives

Selected References

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