

## **“Has the Black Magic (Black Friday) Run Out?”**

**By Daniel J. Herling**

Though still a significant event for most retailers, there definitely appears to be slippage in the significance of Thanksgiving Day sales in the United States.

The U.S. National Retail Federation reported that during the long Thanksgiving weekend in 2015, consumers spent an average of \$300 per person, a 26.2% decline from 2013. Shoppertrack Analytics indicated that sales during Thanksgiving Day last year totaled \$1.76 billion, a 12.5% decrease compare with 2014.

So how are the retailers, both brick-and-mortar and online, responding?

First, more and more, brick and mortar stores are closing on U.S. Thanksgiving Day. For the second year, REI, a major sporting goods and sport apparel store with more than 149 outlets and 13,000 employees, announced it will be closed on both Thanksgiving and on Black Friday.

With Wal-Mart, Target and Amazon dominating sales on Thanksgiving and Black Friday, many brick and mortar stores are re-thinking their strategies. Approximately five years ago, in 2011, several of the major retailers (Wal-Mart, Target, BestBuy and Kohl's) began opening their stores on U.S. Thanksgiving Day. The stores would open late in the evening after the holiday was pretty much over. Several of the stores had major sales at midnight. TV news programs were full of rabid consumers storming the stores to get the first initial sales. In addition to causing some physical injury and following bad press, several luxury brands took the position that this was not the picture that they wanted to depict as part of their brands.

Thanksgiving, however, still brings out many shoppers, including the millennials. The National Retail Federation estimated that 34% of all Thanksgiving 2015 in-store shoppers were ages 18-34. What may have accounted for this is that many workers have Thanksgiving Day off but not Black Friday.

Even some brick-and-mortar retailers that closed on Thanksgiving Day and Black Friday saw some significant increases in on-line traffic. The afore-mentioned REI enjoyed a 10% jump on Thanksgiving Day and a 26% increase on Black Friday according to data.

Retailers do run the risk of allowing certain of the bigger retailers to dominate Thanksgiving and Black Friday. The number of shopping days between Thanksgiving and Christmas vary (U.S. Thanksgiving is on the third Thursday of November). For example, this year there will be 31 shopping days, but, of course, in some years, Thanksgiving can be as late as November 28<sup>th</sup>. Retailers are also cognizant that after spending much money building an “omni channel” model upon which consumers can purchase anything they want at any time, whether in-store or online, to change this model during the Thanksgiving/Black Friday time period may be counter-productive.

As with most things in the retail area, how and when the Black Friday experience may change bears watching.



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